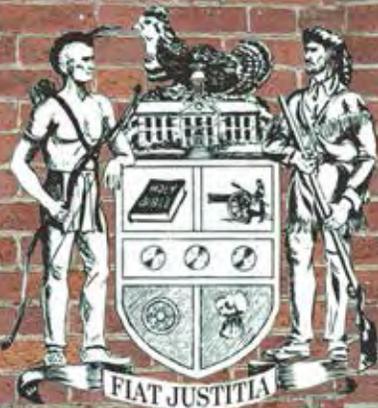
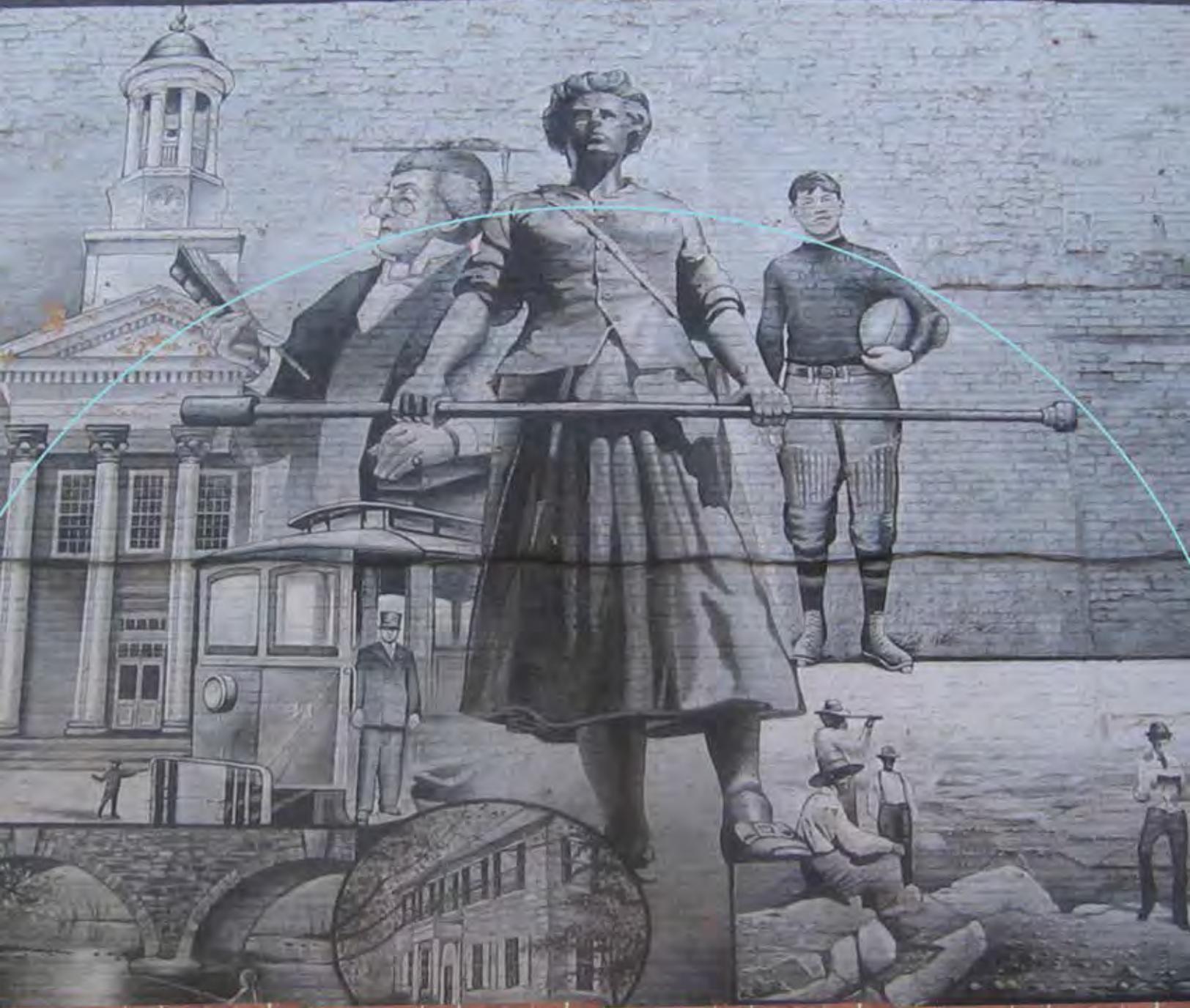


Honoring Our Past, Forging Our Future



The Borough of Carlisle
Annual Budget
2016

CARLISLE, PENNSYLVANIA

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This budget document is prepared in a format to help users better understand the Borough of Carlisle's budget. Staff uses the Government Finance Officers Association criteria for its Distinguished Budget Presentation Award as a guide to organize the budget information.

Readers who are using the electronic copy of this budget can be directed to specific sections of the budget by clicking on the section name in the table of contents. *For example, if a reader wants to go directly to the budget message on page 21, the reader can click on "Budget Message" in the table of contents and go directly to page 21.*

Each section of the budget document and its contents are described below:

- **INTRODUCTION**
 - Provides a description of the Borough of Carlisle, highlighting key features and awards
 - Presents organizational structure

- **BUDGET SUMMARY**
 - Includes Borough Manager's budget message summarizing key issues in the budget
 - Long-term strategies and goals to help the reader understand key issues facing the Borough in upcoming years

- **SELECTED FINANCIAL INFORMATION**
 - Presents the following information for each significant fund of the Borough:
 - Comparative Revenues and Expenditures by Major Category
 - Comparative Revenues and Expenditures by Department
 - Revenue by Category
 - Expenditures by Category
 - Expenditures by Department
 - Expenditure Summary
 - Operating Expenditures Summary by Year
 - Summary of capital expenditures is included
 - Overview of Borough's debt obligations
 - Debt schedules by year in total and by fund
 - Revenue Overview describing the Borough's significant revenues

- **DEPARTMENT INFORMATION**
 - Describes the Borough's fund and department structure
 - Presents a summary of personnel information
 - Each Borough department is presented and includes:
 - Organization chart
 - Overview describes:
 - Department

- Services performed
 - 2016 goals
 - 2015 accomplishments
 - Operating expenditures by year – brief explanation of changes from prior year is included in graph
 - 2016 expenditures by category
- **BUDGET POLICIES**
 - Explains Borough's budget process and timeline
 - Summarizes key Borough financial policies
 - Describes Borough's fund balance reporting
- **APPENDIX**
 - Demographic statistics
 - Top 10 taxpayers
 - Top 10 employers
 - Detailed revenues and expenditures by fund and account

There are a variety of charts and graphs included in the budget document. In order to properly describe the information presented, the Borough is using a consistent color coding system in the budget. The system is described below:

- ❖ **Green** – if a chart uses a green trend line then the Borough believes the information presented is headed in a positive direction for the Borough
- ❖ **Red** – if a chart uses a red trend line then the Borough believes the information presented is something the Borough should closely monitor for the potential impact to the Borough



General Information

The Borough of Carlisle is located in picturesque south-central Pennsylvania, has an area of approximately 5 square miles, and is approximately 18 miles southwest of Harrisburg, the State Capital. Centrally located in Cumberland County, the Borough, established in 1751, also serves as the County seat. Carlisle Borough is one of Pennsylvania’s most treasured historic communities. Carlisle’s history is rich, ideals are plentiful, and diversity abundant.



Strolling through historic downtown, one is greeted by unique architecture, quaint shops, and overall serenity. Carlisle’s tree-lined streets invite residents and visitors alike to walk the same paths as those walked by the Commander of the Continental Army and President of the United States, George Washington; Declaration of Independence signer, James Wilson; Olympic medalist, Jim Thorpe; Battle of Monmouth heroine, “Molly Pitcher”; and the list goes on and on!

With a reputation as a growing and viable community, historic Carlisle continues to meet the ever-evolving economic needs of its citizens. Success is evident on every street corner; from small businesses to large corporations, Carlisle is embracing the world of tomorrow. The community is currently undergoing a large redevelopment process, the Carlisle Urban Redevelopment Plan, which will ensure the community’s economic vibrancy in the coming years.

Civic pride appears throughout Carlisle’s well-maintained community. Restored homes, manicured lawns, and flower boxes reflect the pride of homeownership where people of all economic backgrounds have achieved the “American Dream” through affordable housing and high employment standards. Citizens continually volunteer and support local programs involving the elderly, youth and disenfranchised revealing the moral fiber of this great town.



Within easy walking distance of downtown Carlisle, a nurturing town/gown relationship has formed with Dickinson College, Dickinson School of Law of Penn State University and the U.S. Army War College known throughout the United States and abroad for their respective curriculum.

Carlisle’s cultural environment is a diverse mix typified by its award-winning restaurants, downtown theater, a growing arts community, historic sites, and

multi-cultural events. One doesn't need to venture outside the town's limits to dine on world cuisine, discover artisans, experience unending entertainment, or enjoy recreational activities.

Children and adults will find the Borough's 18 public parks places to relax and unwind. With biking, hiking, tennis, basketball, and a local community center readily available recreation abounds!

Many of the stunning pictures of Carlisle are provided by the Cumberland Area Economic Development Corporation/Visitors Bureau. The Borough would also like to thank the Downtown Carlisle Association for the design of the budget cover.



Vision Statement

Carlisle: a premier town with a strong sense of community identity and an excellent quality of life, which makes it a superb place to live, learn, work, visit, shop, and play.

- A Balanced Community: A small town in spirit and a small city in amenities. The historic and quaint charm of the past centuries, evolving to meet the challenges and opportunities of the 21st century. Preserving our natural resources while promoting smart growth.
- Forward looking and responsible in community and economic development
- A caring and engaged community, with unity in diversity

Mission Statement

The citizens of Carlisle will continually strive to make Carlisle an even greater place in which to live, work, learn and play. These efforts will emphasize an active downtown, strong neighborhoods, an attractive living environment, preservation of historic buildings, economic growth, high-quality life-long education, a strong sense of community, citizen involvement,

regional cooperation, abundant recreation, preserved natural areas, and the celebration of arts and culture.

Form of Government

Borough Council is the legislative body of the Borough. It is comprised of seven members, each elected at large for four-year overlapping terms. After each general municipal election (i.e. every two years), Borough Council is reorganized and a Council President is selected from among members to preside over Council meetings and other events.

The primary duties of Borough Council include adoption of the annual budget, the establishment of policies for the conduct of Borough affairs, the enactment of ordinances and resolutions for the protection of the public's safety and welfare, and approval of contracts and bids.

Furthermore, Borough Council's responsibilities include the appointment of the Borough Manager and other respective officials, along with members of various municipal boards and commissions.

The Mayor, elected at large to a four-year term, is primarily responsible for the public safety of the community with emphasis on law enforcement and the day-to-day oversight and administration of the police department. The Mayor also reviews each ordinance and resolution of a legislative nature enacted by Borough Council, and can sign it, veto it, or permit it to become law without signature. The Mayor has the authority to break a tie vote of Borough Council. Another function of the office is to serve as spokesman for the community and to represent the Borough at various civic and social activities.

The Borough of Carlisle operates under the "Council-Manager" form of government. Under this form, Borough Council appoints a full-time professional municipal manager to oversee the day-to-day operations of the Borough.

Carlisle Borough will become a Home Rule municipality on January 1, 2016. The charter approved by the residents of Carlisle will dramatically change the structure of Borough Council. At this time, the Mayor will preside over Council meetings and other events and will no longer be responsible for the day to day public safety of the Borough. The Borough Manager will take over the oversight of the Police Department.

There will no longer be a Council President position since the Mayor will perform that role.

Economy

The economy of south-central Pennsylvania is well diversified. Located on the western edge of the Harrisburg-Carlisle Metropolitan Statistical Area (MSA), the local economy has provided a more stable economic environment when compared to the national and state levels. According

to the Pennsylvania State Data Center, the population in Carlisle Borough was approximately 18,800 in 2014 and continues to slightly increase each year.

Although a few commercial and industrial facilities in Carlisle have either reduced their labor force or closed in recent years, the local economy has not been significantly impacted by employment. The rationale for this economic stability lies, in part, with the type of employment available in and around the region since a significant number of local jobs are in the field of service or government. Distribution services have been steadily increasing over the past few years. The unemployment rate for the Harrisburg-Carlisle Metropolitan Statistical Area decreased from 6.5% in 2013 to 4.9% in 2014. This rate compares favorably with both the state average unemployment rate of 7.0% and the national average rate of 6.2%. (Bureau of Labor Statistics, US Dept. of Labor)

One of the primary reasons the Borough is a more stable economic environment is that there are numerous educational institutions in and surrounding the Borough.

- Dickinson College, a four-year college, was chartered in 1783 and is one of the oldest private liberal arts colleges in the nation.
- Penn State University Dickinson School of Law, founded in 1834, is the oldest law school in the Commonwealth and the fifth oldest in the nation. In 2000, the Law School merged with Pennsylvania State University, one of the country's most prestigious research universities.
- The U.S. Army War College is also located in the Borough and is considered to be a premier advanced training facility for the U. S. Army. It contains some of the most sophisticated computer technology simulation equipment in the armed forces.
- Just outside the Borough limits, the U.S. Army Heritage and Education Center (USAHEC) is the United States Army's preeminent museum and research complex.



Carlisle's economy is well diversified. Principal industrial products manufactured or distributed in Carlisle include:

- Premium Building Products
- Steel Castings
- Apparel
- Food Products
- Wooden Windows and Doors

Non-manufacturing sources of Carlisle's largest employers include:

- Higher Education
- Local Government
- Warehousing
- Transportation
- Employment Services

Other local employment opportunities include:

- Commonwealth of Pennsylvania (Harrisburg)
- Naval Inventory Control Point NAVICP (Mechanicsburg)
- A World Renowned Collector Car and Truck Special Events Venue



Urban Redevelopment Plan

The changes in commercial and industrial facilities have provided the Borough with a rare opportunity for a community like Carlisle to transform and revitalize approximately 50 acres of land just outside its downtown. Possible uses of these sites include, but are not limited to, the creation of walkable, mixed-use infill redevelopment concepts that include residential, commercial, and possibly light industrial uses.



In 2013 the Carlisle Community, led by the Borough, initiated an Urban Redevelopment Plan (www.carlisleplan.com) to achieve a visionary future for three former industrial areas and surrounding neighborhoods. The planning effort included multi-day public visioning and public meetings to discuss items such as transportation, parks and recreation, stormwater, and economic development potential.

The Urban Redevelopment Plan key recommendations focus on the following areas:

- Policies and Procedures for Borough Government
- Economic Development Activities
- Major Capital Projects

The plan addresses what is likely the most significant change to the Borough's core development pattern and economy in the last 100 years. It is estimated to take between 5 and 7 years to fully implement. Once completed, the vision for the community will include an expanded, vibrant downtown with increased retail opportunity, increased green space, and housing for all income groups and ages. Because the new owners of the two largest sites have been a part of the process and have collaborated on the potential redevelopment uses for the sites, there is strong potential for implementation of the plan's recommendations.

This potential development will be a significant improvement to Carlisle's quality of life, services provided to Borough residents, and will increase the overall tax base. It is an extremely exciting opportunity for the Carlisle area.

Transportation

US Route 11 crosses Carlisle in an east-west direction. State Routes 34, 74, 641 and 465 provide access to and from the Borough. A major interchange of the Pennsylvania Turnpike is located about two miles from the Borough. Interstate 81, a major highway, runs in a north-south direction with four interchanges within close proximity to the Borough. The combination of a

good network of highways, a large number of trucking firms, and a growing warehouse industry makes Carlisle a key hub of the nation's transportation sector. Noteworthy transportation systems include:

- Norfolk Southern, which transports freight via rail service.
- Capital Area Transit Authority Company operates local area bus service within the Borough and other locations in Cumberland County, as well as Harrisburg, Pennsylvania.
- Rabbitransit is a multi-county municipal transportation authority which currently oversees shared ride operations in neighboring counties.
- Numerous charter and tour bus companies service the greater Carlisle area, such as Elite Coach, Executive Coach, and Wolf's Bus Lines.
- The Carlisle Airport, for public and private use, is located just southeast of the Borough in South Middleton Township.
- The nearest international airport is the Harrisburg International Airport, located in Middletown, approximately 25 miles to the east. The airport is serviced by Air Canada, Allegiant, American Airlines, Delta, and United.
- The Baltimore/Washington International Airport (BWI) is conveniently located 90 miles south of Carlisle. Most major airlines have service out of BWI.

Parks and Recreation

There are 181 acres of land on which various recreational facilities operated by Carlisle Borough. Recreational facilities include:

- 18 parks
- An outdoor swimming pool
- An outdoor Amphitheater
- A multi-purpose cabin
- A multi-purpose Community Center
- A Dog Park operated by the Carlisle Area Dog Park Association
- A 13-mile network of trails for walking, running, and biking



Amenities within the park system include:

- 1 lighted ball field
- 2 lighted tennis courts
- 5 outdoor basketball pads
- 3 spray pools
- 1 tree arboretum
- 9 parks with playground equipment
- 5 rentable pavilions

Public Safety

Police Department

The Carlisle Borough Police Department is located at 240 Lincoln Street, Carlisle, PA 17013.

The Borough of Carlisle's police personnel complement for 2016 includes 31 sworn officers consisting of:

- 1 Police Chief
- 1 Lieutenant
- 4 Detectives
- 4 Sergeants
- 4 Corporals
- 5 Officers-in-Charge
- 4 Community Policing / Tactical Unit officers
- 8 Patrol Officers

Fire Department

The Fire Department consists of two volunteer fire companies, with 50 active volunteers and 7 paid drivers; each incorporated as an individual corporation controlling its own day-to-day operations.

The companies are:

- Carlisle Fire and Rescue Services located at 177 Carlisle Spring Road, Carlisle, PA 17013
- Union Fire Company located at 35 W Louthier St., Carlisle, PA 17013

Funds to support the individual companies come primarily from a variety of fund raising activities undertaken by the volunteers. In addition, the Borough annually makes an appropriation to the companies to help defray their operational costs.

Parking

Whether on High, Hanover, Pomfret or any other street in between, the public will have a choice to park in one of the Borough-owned lots, in the Parking Garage or along the street at a meter.

- **Off-street Parking Lots** – 236 off-street parking lots spaces are located in 6 Borough-owned parking lots. These lots serve monthly lessees as well as the general public. Lease agreements are signed by those individuals (resident or non-resident) that are reserving a parking space. Many of the lessees are people who work in or around the downtown area. Although not lease designated, another lot available for the general public is a spacious metered lot conveniently situated near the middle of downtown. This lot offers short-term meters and they were specifically designed to allow frequent downtown visitors.
 - **Post Office Lot** - does not offer designated leased spaces. This lot is located right beside the United States Post Office. The “Post Office” lot has 63 silver (short-term) parking meters available for public use.
 - **Pomfret Street Parking Lot** – offers 58 designated leased spaces with 16 silver (short-term) parking meters available for public use. The Pomfret Street parking lot is free to the public from 4:30 p.m. Friday to 7:00 a.m. Monday.
 - **Liberty Avenue Parking Lot** – offers 28 designated leased spaces. The Liberty Avenue parking lot is free to the public Monday through Friday, 4:30 p.m. to 7:00 a.m. and all day Saturday and Sunday.
 - **East Louther Street South Parking Lot** – offers 28 designated leased spaces with 40 silver (short-term) meters available for public use. The East Louther Street South parking lot is free to the public Monday through Friday, 4:30 p.m. to 7:00 a.m. and all day Saturday and Sunday.
 - **East Louther Street North Parking Lot** – offers 40 designated leased spaces with 13 silver (short-term) meters available for public use. The East Louther Street North parking lot is free to the public Monday through Friday, 4:30 p.m. – 7:00 a.m. and all day Saturday and Sunday.
 - **Locust Avenue Parking Lot** – offers 63 designated leased spaces. The Locust Avenue parking lot is free to the public Monday through Friday, 4:30 p.m. – 7:00 a.m. and all day Saturday and Sunday.
- **Pomfret Street Parking Garage** – is a facility that opened in the fall of 1999 that features 224 spaces that are available for a mix of general public and private leased use. Currently, the Borough offers 111 leases on a month-to-month renewal basis. The

garage has 5 floors, with 4 of them being under roof. There is an elevator making the garage handicap accessible. The garage is open 24 hours a day, 7 days a week. The Borough of Carlisle has an agreement with both the Comfort Suites Hotel and Cumberland County. In addition to lessees, shoppers, hotel guests, people selected for Jury Duty, and other patrons are permitted to park in the garage at an hourly or daily rate.

- **On-Street Metered Parking** – meter zones have been established in the downtown area based on business locations and residential locations. The Borough offers 664 on-street metered parking. The zones are divided into short-term (30 minute increments), long-term (1 hour increments) and limited-term (30 minutes maximum). Residents who live on a street with parking meters have the option to purchase a six-month parking lease in the residential areas. In 2014 the Borough introduced a pay-by-phone app for patrons to pay for metered parking using their phone.

Facilities

The Borough's primary locations for day-to-day Borough affairs are outlined below:

- Borough Hall - 53 W. South St.
- Police Department – 240 Lincoln St.
- Community Center – 415 Franklin St.
- Community Pool – 1236 Franklin St.

Other locations used for Borough operations are:

- Public Works Garage – 7 E. Garland Dr.
- Parks Maintenance Garage – 228 N. West St.
- Water Plant – 165 Longs Gap Rd.
- Wastewater Treatment Plant – 54 N. Middlesex Rd.

Public Works Infrastructure

The Borough of Carlisle maintains the following infrastructure assets to provide services to residents and visitors:

- 56 miles of streets
- 18 miles of avenues
- 43 traffic signals
- 317 street lights
- 990 stormwater inlets
- 1,314 water valves
- 6,516 water meters
- 77 miles of water mains
- 4 water tanks
- 28 miles of storm sewers
- 69 miles of sanitary sewers
- 5 pumping stations

The Borough of Carlisle has been recognized for innovation in local government projects and overall quality of life initiatives over the last several years. Carlisle is truly a small town in spirit, while remaining an extraordinary small city in amenities.

Livability.com

In 2015, Livability.com named Carlisle Borough the 16th best small town in the United States. Carlisle was awarded this honor due to its significant public participation, including the creation of the Carlisle Urban Redevelopment Plan. Amenities that were touted included the charm of downtown, shopping opportunities, Dickinson College, the Army War College, and the Central Pennsylvania Youth Ballet.

Best Places for Walking and Biking



Carlisle was also honored with the number five ranking in the category of Best Places for Walking and Biking by Money Magazine in 2015. The Borough's West End Trail Connection is underway, which will link to the Bicycle and Pedestrian Trail, Road Diet, and the Cumberland Valley Rail Trail, connecting Carlisle to the 9.5 miles path perfect for walking, jogging, bicycling and horseback riding. This connection is the impetus for this award. In addition, the

magazine acknowledged the recently completed 13.8 mile urban trail within the Borough for running, walking and cycling.

Community Transportation Excellence Award

In 2013 the Borough of Carlisle received the 10,000 Friends of Pennsylvania prestigious Community Transportation Excellence Award for its Smart Transportation Community Project. The Borough's Smart Transportation Community Project included a Road Diet and Trail Network Connections. Recipients of this award demonstrate the crucial connection between transportation infrastructure and responsible land use.

In 2010 Carlisle Borough completed the Traffic Safety and Mobility Project, otherwise known as the "Road Diet".

Primary objectives of the project included:

- Calming traffic
- Enhancing Carlisle's small town feeling
- Reducing accidents
- Promoting walking and bicycling
- Maximizing downtown business success
- Improving parking access
- Reducing truck traffic in downtown area

Project objectives were accomplished by:

- Reducing the number of lanes
- Upgrading major traffic signals
- Creating dedicated street space for bikes
- Extending curbs
- Creating ADA ramps
- Enhancing pedestrian signals

The plan built upon existing assets within Carlisle Borough including a densely populated town center, parks, schools, shops, and restaurants all within walking distance of residential neighborhoods. It addressed liabilities such as a four-lane highway through downtown, vehicle conflicts with bikes and pedestrians, truck traffic, noise and pollution and connectivity of community trails.

The projects mentioned above have transformed Carlisle Borough into a flagship smart transportation community.

2013 Designation as a National Main Street Program

Carlisle's Downtown was designated as an accredited *National Main Street Program* for meeting the commercial district revitalization performance standards set by the National Main Street Center®, a subsidiary of the National Trust for Historic Preservation.

Each year, the National Main Street Center® and its partners announce the list of accredited Main Street® programs that have built strong revitalization organizations and demonstrate their ability in using the Main Street Four-Point Approach® methodology for strengthening their local economy and protecting their historic buildings. Performance is annually evaluated by the Pennsylvania Downtown Center which works in partnership with the



National Main Street Center® to identify the local programs that meet ten performance standards. These standards set the benchmarks for measuring an individual Main Street® program's application of the Main Street Four Point Approach® to commercial district revitalization. Evaluation criteria determines the communities that are building comprehensive and sustainable revitalization efforts and include standards such as developing a mission, fostering strong public-private partnerships, securing an operating budget, tracking economic progress and preserving historic buildings.

Partnership for Safe Water

The Borough of Carlisle received the Partnership for Safe Water Excellence in Water Treatment Award for 2010, 2011, 2012, 2013, and 2014. The Excellence Award is the highest level of Partnership awards. It celebrates achieving the most rigorous of requirements while striving for full system optimization. It is anticipated that the Borough will continue to receive this award annually.



The Borough of Carlisle has received the Partnership for Safe Water Director's Award since 2004. It is anticipated that the Borough will continue to receive this award annually. In 2014 the Borough received the 10 Year Director's Award. The Director's Award recognizes long-term participant's consistent high-quality performance.

The Partnership for Safe Water is a voluntary initiative sponsored by the American Water Works Association and the five other largest drinking water organizations. The goal is to offer self-assessment standards and optimization benchmarks so that operators, managers and administrators have the tools to improve performance above and beyond even proposed regulatory levels.

100 Best Communities for Young People

The Borough of Carlisle was recognized by America's Promise Alliance as one of the nation's *100 Best Communities for Young People* in 2011.

America's Promise Alliance is the nation's largest partnership dedicated to improving the lives of children and youth, focusing on ending the high



school dropout crisis and ensuring that students graduate ready for college and the 21st century workforce. The organization brings together hundreds of national organizations representing nonprofits, businesses, communities, educators, and policymakers. The Alliance is the leader in forging a strong and effective partnership alliance committed to seeing that children experience the fundamental resources they need to succeed.

Accreditation

The Carlisle Police Department achieved Accredited status on July 13, 2011 by the Pennsylvania Law Enforcement Accreditation Commission. Approximately 80 departments out of Pennsylvania's 1,100 law enforcement agencies achieve Accreditation.

Accreditation indicates that the department meets nationally accepted law enforcement standards. The department must show that it has written policies and procedures addressing all facets of law enforcement and that those policies are followed.

Law Enforcement Accreditation:

- Establishes a credible framework for evaluating agency practices and procedures.
- Insures the department adheres to the highest national and state standards for law enforcement professionalism.
- Reduces the agency risk and exposure to liability.
- Enhances accountability to the public and elected officials.
- Increases employee input, interaction and confidence in the agency.

GFOA Awards

The Borough of Carlisle is a proud recipient of two separate awards from the Government Finance Officers Association.

The Borough is one of about nine Pennsylvania government entities (out of about 2,600), and one of about 1,200 government entities in the US and Canada that receive both awards.

GFOA Distinguished Budget Presentation Award

In 2014 and 2015 the Borough of Carlisle received the GFOA Distinguished Budget Presentation Award. It is anticipated that the Borough will continue to receive this award annually.

The GFOA established the Distinguished Budget Presentation Awards Program in 1984 to encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on

State and Local Budgeting and the GFOA's best practices on budgeting and then to recognize individual governments that succeed in achieving that goal.

GFOA Certificate of Achievement for Excellence in Financial Reporting

The Borough of Carlisle received the GFOA Certificate of Achievement for Excellence in Financial Reporting for 2009, 2010, 2011, 2012, 2013, and 2014. It is anticipated that the Borough will continue to receive this award annually.

The GFOA established the Certificate of Achievement for Excellence in Financial Reporting Program (CAFR Program) in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Borough of Carlisle
Pennsylvania**

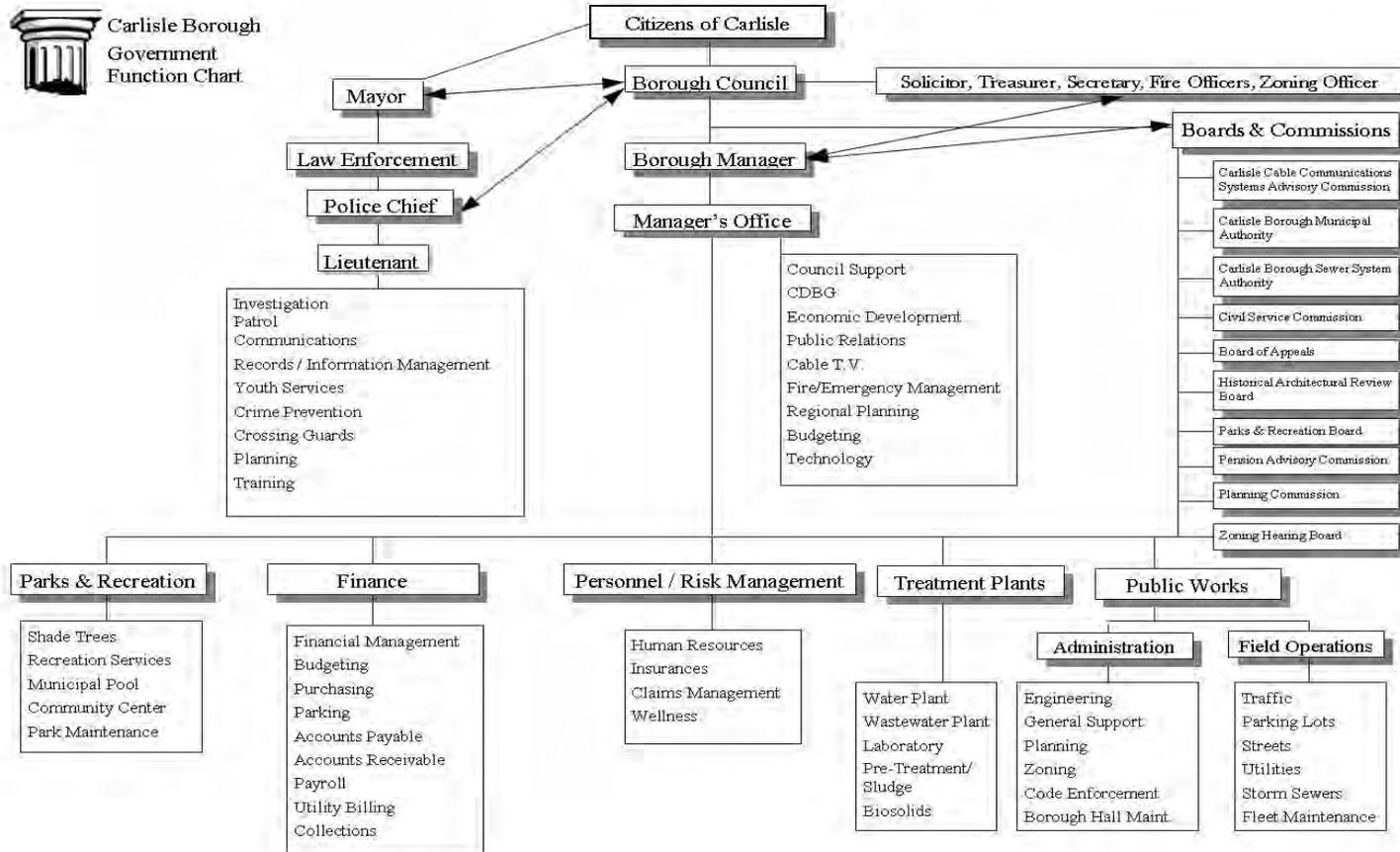
For the Fiscal Year Beginning

January 1, 2015

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Borough of Carlisle, PA for its annual budget for the fiscal year beginning January 1, 2014. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



12/31/2015

Council President	Perry P. Heath
Council Vice President	Donald E. Grell
Councilperson	Linda G. Ceconello
Councilperson	Sean M. Shultz
Councilperson	Robin L. Guido
Councilperson	Dawn L. Flower
Councilperson	Matthew D. Madden
Mayor	Timothy A. Scott
Borough Manager	Matthew H. Candland
Assistant Borough Manager.....	Debra M. Figueroa
Borough Secretary	Joyce E. Stone
Acting Finance Director.....	Marlies H. Ries
Public Works Director	Mark A. Malarich
Treatment Plants Director.....	Peter M. Selan
Parks & Recreation Director	Andrea C. Crouse
Police Chief.....	Stephen L. Margeson
Fire Chief	Jeffrey S. Snyder
Solicitor	Keith O. Brenneman

As of December 31, 2015



BOROUGH OF CARLISLE

“Committed To Excellence in Community Service”

November 5, 2015

Honorable Mayor and Borough Council,

I am pleased to submit the Borough of Carlisle’s proposed 2016 budget for your consideration. In accordance with Section 41-6B(4) of the Code of the Borough of Carlisle, the Borough Manager shall “prepare and submit to Council, before the close of each fiscal year, a budget for the next fiscal year and an explanatory budget message.”

The explanatory budget message below will (1) review the budget format, (2) explain the process through which the budget was crafted and balanced, (3) provide a brief overview of each of the five funds that comprise the budget, and (4) describe a number of the accomplishments and initiatives that occurred in 2015 that will affect the 2016 budget.

Budget Format

This past summer the Borough’s new budget format was recognized for the second straight year with the Distinguished Budget Presentation Award from the Government Finance Officers Association. This is a very prestigious award and one of which we are very proud.

I commend Marlies Ries, Assistant Finance Director, Debra Figueroa, Assistant Borough Manager, Stacey Hamilton, Parking Supervisor and Joyce Stone, Borough Secretary, who all worked so hard on putting the budget together. They did an outstanding job!

Needless to say, we will continue utilizing this format in the 2016 budget. The primary objective of this format is to produce a budget document that is easily understood and provides as little or as much information as the reader would like. Our aim is for our budget to serve as a(n):

Policy Document:

- Presents a coherent statement of departmental and Borough wide policies, priorities, goals, objectives, and short term initiatives that guide the current and future budgets.

Financial Plan:

- Describes all allocated funds and the major expenditures, revenues and revenue sources for each.
- Explains how projections were determined as well as describes significant trends.
- Shows the Borough's debt levels and its impact on operations.

Operations Guide:

- Explains all of the activities, services, and functions carried out by the Borough's organizational units.
- Provides objective measures of progress toward accomplishing the Borough's operational mission, goals and objectives.

Communication Device:

- Includes statistical and supplemental information that describe the Borough including its history, population, and governmental structure.
- Furnishes background information concerning the services provided and summary information, including an overview of significant budgetary issues and trends.
- Explains the process through which the budget is adopted and amended.

We are pleased that elected officials, staff, and residents have found that this format makes the Borough's budget information much more accessible and easier to understand. It is our intention to refine it in future years and provide even more information and analysis.

Budget Process

The budget process began in late spring/early summer. At the beginning of the process we suspected that (1) we were again facing a structural deficit in the General Fund, (2) we needed to continue to find ways to reduce and ultimately eliminate this deficit and (3) we were not going to recommend a tax increase for 2016.

We began in mid to late summer meeting with senior staff to review their budget requests. Incorporating their requests into the draft budget resulted in a fairly significant deficit. As a result, senior staff were subsequently asked to identify a number of reductions that would help to balance the budget.

Following this lengthy process, we were able to prepare a balanced budget with the same tax rate. Last December, I indicated that it was our intention to not recommend a

tax increase for 2016. We are glad that we were able to follow through on that commitment. I am not sure, however, whether we will need to recommend a tax increase for 2017. We were able to balance the General Fund budget in the following ways:

1. Budget Cuts/Changes - Each department head was assigned the task to provide a list of recommended permanent cuts/sources of new revenue to their respective budgets. The specific level of cuts or new revenue requested was based on each department's respective portion of the overall budget. So, for example, the Public Works Department, which has one of the larger departmental budgets, was asked to provide greater cuts than a department with a much smaller portion of the budget. Each department responded as requested and produced many ideas for reductions. Some have been incorporated into the budget while others were not.
2. "Hold the Line" on Expenditures and Preserve Services – While some line items are slightly up and others slightly down, on the whole, this budget proposes to "hold the line" on expenditures to 2015 levels. At the same time, it proposes to preserve services to 2015 levels as well.
3. Maintain the competitive compensation system – The proposed budget maintains the competitive compensation system that was adopted several years ago. Non-uniformed pay increases, which varied based on the compensation system, averaged 1.9%. Since we are in the process of negotiating the Police Association's Collective Bargaining Agreement we are uncertain as to the amount of any pay increase for uniformed personnel.

Given the fact that the data sources upon which our compensation system are based are becoming less reliable and the continuing need we have to closely monitor employee costs (which is the Borough's largest cost), we will be having a conversation in 2016 about how best to proceed into the future.

4. Use of Reserves – We will be drawing upon fund balances previously designated and approved by Council for the following purposes:
 - up to \$102,000 for the storm water improvements for Valley Meadows
 - \$40,000 to fund the Borough's Comprehensive Plan Update
 - \$37,500 to fund the grant writing and representative services for the Carlisle Urban Redevelopment Plan
 - \$12,147 generated from Health Insurance dividends to close the budget gap

We will be using funds received in 2015 for the following purposes:

- \$100,000 received in 2015 for Shaffer cabin improvements
- \$20,540 received in 2015 from West Side Neighbors Association for Heberlig Palmer renovations

5. Based on Conservative Revenue and More Liberal Expenditure Assumptions – In creating this budget we have tried to estimate our revenues conservatively and our expenditures more liberally. For example, we increased the estimated revenue from the EIT based at lower levels. This should provide a greater likelihood of realizing a fund surplus at the end of the budget year.

Budget Overview By Fund

The Borough of Carlisle’s budget consists of five primary funds. A thorough description of each fund is included within this budget. Each fund is a separate financial entity with its own revenues and expenses. While money can be transferred between funds to pay for shared services and resources, money should not be “commingled” between funds. Therefore, each fund must ultimately be self-supporting, and decisions on the revenues and expenses for each fund are largely independent of each other.

With this in mind, the status of each of our five funds is described below. In this description I have included a few highlights and points about the positive and negative trends in each.

General Fund – This fund, as in past years, is the one about which I am most concerned. The Borough experienced a budget surplus in 2014 that was due primarily to higher Earned Income Tax (EIT) collections and one time revenues.

The General Fund’s fund balance is above our goal of 25% of annual operating expenses. Even so, future long-term revenues in general are expected to continue to be sluggish and it is uncertain as to whether sources such as the EIT and Building Permit revenue can be expected to remain at or above current levels. One thing, however, appears to be certain and that is that many of the Borough’s expenditures are expected to steadily increase at a higher rate than revenues.

The revenue sources for this fund are somewhat limited with the largest coming from the property tax. Over the past several years, no significant changes have occurred in our property assessments that would increase revenue. Without any significant new development, our property tax revenues will likely remain relatively flat.

Further, many of the other sources of general fund revenue are limited by state law, and the Borough is currently at those limits. For example, the Borough levies a Local Services Tax of \$52 on each employee who works within the Borough. This is the statutory maximum tax levy. With limited job growth in the Borough in the short term, these revenues will not likely increase.

Finally, due to Carlisle's "urbanized" nature, we have a higher demand for services than other surrounding jurisdictions. Services such as police, fire and code enforcement are particularly in high demand in an urban environment. Unlike many other Borough services, these are funded almost entirely with General Fund dollars. In comparison to all other Cumberland County municipalities, Carlisle Borough spends far more per resident on police and fire protection.

With respect to expenditures, the Borough has and will continue to face significant pressure. For example, it is estimated that the Borough will face an approximately 5% increase in health insurance premiums. This translates to an approximately \$75,000 increase for 2016 alone. Our insurance broker has informed us that we will likely see 5% to 10% increases in the coming years which would translate to even larger increases.

Our current Police Association Bargaining Agreement will be expiring at the end of 2015 and a new agreement is in the process of being negotiated. It is uncertain as to whether any savings will be realized in this next agreement.

Finally, the current non-uniformed employee pay plan will also likely call for annual increases, although these increases are discretionary. The Borough will need to take a hard look at the current non-uniformed pay plan as well as employee benefits in general to determine their competitiveness as well as their sustainability.

Maintaining the status quo will result in continued stagnant revenues and, in some cases, increasing expenditures, both of which will continue to perpetuate the structural deficit we have experienced for many years. Preliminary analysis suggests that we will likely face future deficits by as much as \$400,000 per year. Much of this projected deficit is attributed to increased debt service, higher employee costs related to pay and benefits, and higher anticipated health insurance costs.

It is our intention, in this budget year and over the next four to five years, to reduce and eventually eliminate this structural deficit. We recognize that it will be extremely challenging but we also recognize that in order to keep the Borough on a sure financial foundation we must reduce and eliminate the structural deficit.

Water Fund – This fund has been relatively stable over the past few years. In 2014 we increased this fund’s stated fund balance goal from 5% to 25%. We are projecting that by the end of 2016 we will have approximately 58% of annual operating expenses in reserve. Funds in excess of the stated fund balance goal could also be directed toward future capital projects.

Current revenues are generally keeping up with operational expenditures, however, it is questionable as to whether they are keeping up with capital costs. We will be conducting a water distribution system evaluation in early 2016. This evaluation should provide guidance as to what our future capital costs will be in order to maintain a well functioning distribution system. With our very old water distribution system, we believe that significant future capital costs will be needed in the coming years and, with this, the need to increase rates.

For the 2015 budget, it was determined that, in order to keep up with inflation, the water rate would need to be increased by 12%. We recommended, however, that this inflationary adjustment occur over the next two budget years; 6% in 2015 and 6% in 2016. So, our draft budget proposes to increase the water rate by 6% in 2016. It should be pointed out that, based on the water distribution system evaluation next year, the recommended 2017 rate increase could be greater.

A 6% inflationary adjustment in the water rate would translate to an approximately \$8 per quarter increase for an average household.

Sewer Fund – Although we project that by the end of 2015 we will meet and exceed our stated fund balance goal of 50% of annual operating expenses, the status of this fund is somewhat concerning.

Much of this concern is based on the long term capital improvement plan developed by HRG Engineering in early 2015. The plan, estimated to cost between \$30 and \$50 million to implement, sets forth a long term repair, rehabilitation and replacement project that will help the Borough ensure that its sewer collection system is ready to handle our needs well into the future.

In order to implement year one of the capital plan we increased the rate by 6% for 2015. This translated to an increase of approximately \$10 per quarter for an average household. In order to implement year two we will need to again increase the rate by 6% in 2016.

Parking Fund – This fund is generally in good shape. The fund balance is above the goal of 50% of annual operating expenses. With the recent development of a Parking Plan, we have

begun implementing elements of the plan such as parking garage maintenance and parking lot upgrades. We are recommending slightly reduced inflationary adjustments of 19% for the East Louther Street South lot which was last adjusted/increased in 2003 and 11% for the Locust Ave. lot which was last adjusted/increased 2006. The actual inflationary rates are 30% and 15% respectively.

Solid Waste Fund – In 2014 the Borough entered into a three year contract with Advanced Disposal to collect the Borough’s trash and recycling. Additionally in early 2015, we received bids for a two year contract to purchase trash bags. The Borough’s cost per bag increased slightly as a result of recent bid.

In 2015 we were notified by Cumberland County that the cost to rent equipment that we use at our compost facility will also increase. The result of these impacts is that by the end of 2015 we will still only have a projected fund balance of approximately 15%.

In order to compensate for the unexpected increase in the price per bag, offset the increase in cost of rental equipment at the compost facility and build our fund balance to eventually reach our stated goal of 25% we will be increasing the rate from \$3.25 to \$3.50 per bag. This increase will generate sufficient revenue to both cover the above unanticipated increases as well as build Council’s stated fund balance goal of 25% of operating expenses.

Accomplishments and Initiatives

During 2015, we undertook a number of initiatives that resulted in several positive accomplishments. These accomplishments will (1) help us provide a higher level of service to our residents, (2) allow us to realize savings in the 2016 budget as well as assist us in developing long term strategies to reduce and eliminate our structural deficit and (3) facilitate the long term management of the Borough’s infrastructure assets. Some of these accomplishments include:

1. Worked with the Police Department to complete the transfer of Police Dispatch to Cumberland County 911 Center. This transition has and will continue to (1) enhance emergency response, (2) provide interoperability & (3) reduce costs from 2014 of \$30,000 to \$50,000 annually.
2. Implemented the vast majority of the Five Year Capital Improvement Plan for 2015.

3. On schedule to successfully complete the first year of the long term repair, rehabilitation and replacement program developed by HRG to help ensure that the Borough's underground pipe infrastructure and sound and functional.
4. Successfully completed another table top exercise of the Borough's Emergency Preparedness Plan.
5. Anticipate successfully resolving and mitigating the impacts on the Valley Meadows and Nottingham neighborhoods as a result of the construction of new warehouses on the west end of the Borough.
6. Successfully implemented the new initiative requiring residential leaves to be placed in biodegradable bags in order to be collected curbside. This initiative will help to reduce collection costs, eliminate unsightly litter from empty green bags being blown around our neighborhoods and assist in reducing negative environmental impacts.
7. For the second year in a row, the Borough was recognized with the GFOA Distinguished Budget Award for the Borough's new budget format.
8. The Borough was recognized once again with the GFOA Excellence in Financial Reporting Award.
9. Received the Partnership for Safe Water Excellence in Water Treatment Award for the fifth straight year. Also received the Partnership for Safe Water Director's Award for the 12th straight year.
10. Expect to complete the evaluation, revision and update of the Employee Handbook to ensure regulatory compliance and to promote predictable employee rules and regulations.
11. Continued the comprehensive review of the Borough's storm water system. The objective of this effort is to identify sustainable solutions to the Borough's chronic flooding in certain areas of town during storms.

Goals for 2016

In our efforts to continually improve the services we provide our residents we have adopted a number of goals for the coming year. Some of these include:

1. Efficiently and effectively implement the Borough's home rule charter that was adopted by the voters in the May 2015 election.
2. As a part of the Carlisle Urban Redevelopment Plan, continue to implement the \$1.5 million grant we recently received from PennDOT for the construction of a new intersection at N. Hanover St. and Penn St.
3. Implement the second year of the capital improvement plan to address the deteriorated sewer collection system as outlined in the HRG report.
4. Complete the water distribution evaluation.
5. Complete the final phase of the West End Trail connection.
6. Implement the approved storm water management plan for the Valley Meadows Subdivision.
7. Complete work on the Borough's Comprehensive Plan update.

Conclusion

I would like to thank staff for the outstanding service they provide our community. We are fortunate to have such capable people. As in past years, the development of the budget document was a team effort that required creativity, hard work, difficult decisions and shared sacrifice. I would like to specifically thank those senior staff members who cooperatively worked with us to make the hard decisions.

For the fourth year in a row, we were able to make inroads in closing the Borough's structural deficit. Although we have several more years and many difficult decisions ahead, I believe we are charting a course that will allow us to place the Borough on a sure financial foundation.

We look forward to discussing this budget in more detail with Borough Council as well as with our residents at the upcoming budget hearings.

Respectfully submitted



Matthew H. Candland
Borough Manager

BUDGET SUMMARY

Fund Totals

Budget by Fund

<u>Description</u>	<u>General</u>	<u>Water</u>	<u>Sewer</u>	<u>Parking</u>	<u>Solid Waste</u>	<u>Total</u>
Revenue	\$ 16,599,266	\$ 4,505,411	\$ 10,086,768	\$ 1,003,047	\$ 745,978	\$ 32,940,470
Operating Expenditures	(11,815,969)	(3,794,038)	(5,271,043)	(558,129)	(709,585)	(22,148,764)
Capital Expenditures	<u>(4,783,297)</u>	<u>(682,731)</u>	<u>(4,481,650)</u>	<u>(386,000)</u>	<u>-</u>	<u>(10,333,678)</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ 28,642</u>	<u>\$ 334,075</u>	<u>\$ 58,918</u>	<u>\$ 36,393</u>	<u>\$ 458,028</u>

BUDGET SUMMARY

Fund Balance Estimates

FUND BALANCE SUMMARY

Description	General	Water	Sewer	Parking	Solid Waste
12/31/14 Fund Balance	\$ 5,769,973	\$ 1,875,499	\$ 3,962,446	\$ 681,995	\$ 95,551
Projected 2015 Revenues	12,852,307	4,641,565	6,605,682	551,240	695,567
Projected 2015 Expenses	(13,288,808)	(4,311,284)	(6,177,964)	(702,379)	(686,806)
Projected 2015 Net Activity	(436,501)	330,281	427,718	(151,139)	8,761
Projected 12/31/15 Fund Balance	\$ 5,333,472	\$ 2,205,780	\$ 4,390,164	\$ 530,856	\$ 104,312
Budget 2016 Revenues	16,599,266	4,505,411	10,086,768	1,003,047	745,978
Budget 2016 Expenses	(16,599,266)	(4,476,769)	(9,752,694)	(944,129)	(709,585)
Budget 2016 Net Activity	-	28,642	334,074	58,918	36,393
Projected 12/31/16 Fund Balance	\$ 5,333,472	\$ 2,234,422	\$ 4,724,238	\$ 589,774	\$ 140,705
Projected 12/31/16 reserves as % of annual operating expenses (based on '16 Budget)	45.06%	58.89%	89.63%	105.71%	19.83%

Explanation of significant changes to Fund Balance:

- **General Fund** – The primary reason for the decrease in fund balance is due to
 - the use of committed fund balance for:
 - the Valley Meadows stormwater improvement (\$102,000)
 - the Comprehensive Plan (\$40,000)
 - lobbying and grant writing for the Urban Plan (\$37,500)
 - the use of restricted fund balance for projects for which funds were received in prior years
 - Shaffer cabin (\$100,000)
 - Heberlig Palmer renovations (\$20,540)
 - The use of approximately \$12,000 generated from health insurance dividends to close the budget gap

- **Water Fund** - The primary reason for the increase in fund balance is to build adequate reserves which may be used for future capital projects.

- **Sewer Fund** - The primary reason for the increase in fund balance is to build adequate reserves which may be used for future capital projects.

- **Parking Fund** – The parking fund budget was balanced using restricted funds of \$386,000 for capital improvements.

Borough Council Goals

Every two years after an election, Borough Council holds a goal planning session to establish priorities for the next two years. Once the goals are set Borough Council formally adopts the goals and directs staff to use the goals to manage the Borough.



Outlined below are the goals and objectives adopted for 2014 and 2015:

- **Economic Development**
 - Implement the Carlisle Urban Redevelopment Plan
 - Continue to Strengthen Downtown Carlisle in Partnership with the Downtown Carlisle Association

- **Finance & Public Works**
 - Maintain or Improve Fiscal Stability and Best Practices
 - Determine Strategies to Fund the Carlisle Urban Redevelopment Plan
 - Increase Staff Efficiency through Technology
 - Reduce Inflow and Infiltration in the Wastewater Collection System
 - Improve Water Distribution System
 - Maintain and Improve Stormwater Management
 - Reevaluate and make improvements to the Road Diet

- **Public Safety**
 - Achieve a High Level of Citizen Satisfaction Regarding Police Services
 - Increase Efficiency and Effectiveness in the Delivery of Police Services
 - Review and Update as Necessary Department Policies Pertaining to Professional Standards
 - Decrease Part I Crimes by 5% Per Year for 2014 and 2015
 - Increase Community Awareness of Fire Safety Measures
 - Implement Emergency Operations Plan
 - Streamline Access to Multi-Family Structures
 - Increase Regional Training to Improve Operating Procedures
 - Maintain Citizen and Volunteer Satisfaction with Fire Department

- **Parks and Recreation**
 - Maintain or Increase Satisfaction/Beauty of Borough Parks
 - Increase Awareness and Satisfaction with Bike and Pedestrian Trail
 - Maintain or Increase Satisfaction with Recreational Programs and Park Facilities
 - Review and Update as Necessary Leases in Borough Parks with Private Groups

- **Employee Relations and Citizen Participation**
 - Ensure Clear Employee Policies and Timely Evaluations
 - Review Pension and or Retirement Fund Options
 - Improve Board and Commission Process and Relationship
 - Increase Council Communication with Neighborhood Groups, Community Organizations, and Educational Institutions
 - Ensure Timely and Accurate Communication

- **Sustainability and Community Planning**
 - Increase Intermunicipal Cooperation on Zoning and Planning Decisions
 - Support Regional Sustainability Efforts
 - Remain Compliant with Federal CDBG Requirements
 - Establish Cleaner Fuel Infrastructure Options
 - Update Borough Comprehensive Plan

Comprehensive Plan

Every 15 to 20 years the Borough of Carlisle will update its Comprehensive Plan. That process was started in 2015 and should be completed in 2016.

The Comprehensive Plan is intended to establish overall policies for the long-term development and preservation of Carlisle. This plan is not by itself a regulation, but is intended to provide the policy direction for changes to the Borough's development regulations. The Comprehensive Plan mainly addresses the Goals and Objectives summarized below:

- **Goal: Land Use and Housing**
 - **Objectives**
 - Recommends policies concerning residential, business and institutional development and redevelopment
 - Minimize conflicts between different land uses – especially conflicts with homes
 - Strengthen Carlisle's economy and area's employment choices
 - Spur business investment in appropriate areas

- **Goal: Historic Preservation**
 - **Objectives**
 - Encourage appropriate reuse and historic rehabilitation of older buildings and new construction that is compatible with historic surroundings
 - Consider carefully targeted zoning provisions and incentives to help protect major concentrations of historic buildings that are outside of the historic district

- **Goal: Downtown**
 - **Objectives**
 - Strengthen the downtown as the business, entertainment, cultural and civic center for the region
 - Properly manage parking to serve different needs

- **Goal: Community Facilities and Services**
 - **Objectives**
 - Provide sufficient community facilities and services throughout all areas of Carlisle, in a cost-efficient manner, including improved parks and playgrounds
 - Continue to emphasize high-quality police, emergency medical and fire protection to protect public safety

- **Goal: Transportation**
 - **Objectives**
 - Work with Pennsylvania Department of Transportation (PENNDOT) to make cost-effective improvements to the region’s street system to avoid congestion problems and improve traffic safety
 - Continue to work with adjacent municipalities and PENNDOT to carry out the route 465 / I-81 land use and traffic impact study

- **Goal: Natural Features**
 - **Objective**
 - Protect important natural features, with a special emphasis upon the Letort Spring Run and mature trees

- **Goal: Put Plan into Action**



Building Massing Diagram
- Former IAC/Masland Site

- **Objectives**
 - Updating Borough's Zoning Ordinance, Zoning Map and Subdivision and Land Development Ordinance
 - Adopting an Official Map, which can reserve proposed land for future street improvements and public uses for future public use for a limited period of time
 - Seek additional Federal and State grant funds
 - Borough to maintain close working relationship with:
 - Adjacent municipalities
 - Federal agencies
 - State agencies
 - Cumberland County
 - Carlisle Area School District
 - Businesses
 - Institutions
 - Property owners
 - Other groups
 - Citizen involvement

The Borough of Carlisle periodically performs multi-year projections of the Borough's revenues and expenditures. This exercise is done to inform the public, elected officials, and Borough staff of significant problems and opportunities the Borough will be facing in the coming years. The results of the latest long-term projections are summarized below.

General Fund

The primary opportunities for the General Fund in the next few years are:

- **Urban Redevelopment Plan**
 - The plan is a significant opportunity to improve the overall economic condition of the Borough through revitalization of vacant industrial sites, increasing employment situation, and expanding real estate tax base.
 - This plan also has challenges that are actively being worked on by the project team. The primary challenge is determining how the variety of improvements will be funded. Preliminary estimates for the total costs of the project to the Borough of Carlisle are in excess of \$20,000,000 over a number of years. In late 2014, the Borough of Carlisle was awarded a \$1,500,000 PennDOT Multimodal grant for transportation improvements. This was a great start, but a variety of additional funding options are actively being sought, such as tax increment financing (TIF), federal and state grants, and low interest loans offered by the Commonwealth of Pennsylvania.
- **Improved Economy**
 - As the nation's economy improves, the Borough will recognize some effect from this through higher assessed values of properties which increases the real estate taxes collected by the Borough and increased wages of residents which increases the earned income taxes collected by the Borough.

The primary challenges for the General Fund in the next few years are:

- **Employee Wages & Benefits**
 - *Police contract*
 - The Borough's police department is unionized. Typically, every three years the Borough and Police Association negotiate in good faith to achieve a fair contract for both parties. However, if at some point the parties are not able to come to a mutual agreement, binding arbitration by a third party will be used to determine an appropriate contract. Depending on the outcome of the arbitration the Borough's costs could be impacted significantly. The most recent contract increased the Borough's costs by approximately \$100,000 per year.

- *Succession Planning*
 - A significant portion of the Borough's non-uniform employees will be eligible for retirement in the next few years. Strategies will need to be developed to determine how the knowledge and experience of these employees will be transitioned to other personnel appropriately and efficiently.

- *Medical benefits*
 - Although benefit costs are estimated to increase lower than what has been experienced in prior years, the Borough does not anticipate the small increase of 4.5% for 2016 to continue. Historically benefit costs have increased by approximately 10% annually. If increases continue to occur this will have a significant impact on the Borough's budget.

Additionally, the Borough included approximately \$20,000 in the 2016 Budget related to the Affordable Care Act. As other provisions of this law are implemented the Borough's expenses could increase significantly.

- *Pension costs*
 - The Borough primarily uses a defined benefit plan as a retirement plan for its employees. In periods of below average investment returns, the Borough's pension costs can fluctuate fairly dramatically, which can negatively impact the Borough's funded ratio of its pension plans and increase the required pension contribution needed to fund the pension plans.

- *Workers' Compensation*
 - On July 7, 2011, Governor Tom Corbett signed House Bill 797, Firefighter Cancer Presumption Act., into law, as Act 46 of 2011, amending the Pennsylvania Workers' Compensation Act by giving firefighters protection against the risk of cancer. The legislation adds a presumption that cancer suffered by veteran firefighters is related to their work duties. As claims are filed for this new law, premiums may increase to account for the increase in costs. In addition, the aging workforce for the Borough may lead to higher worker's compensation claims in higher risk fields.

- **Other Governments Impact**
 - *Regulation*
 - Increasing regulations by federal and state governments continue to impact local government finances. The Borough was issued a MS4 Stormwater Permit in 2015 which will require a more stringent stormwater program in the coming years. Additional regulation could be added to lab testing. As more regulations are enacted, the Borough will likely incur increased costs to comply with these new potential regulations.

- *Federal Funding*
 - The Borough receives significant funding through the federal government's Community Development Block Grant Funding program designed to assist those communities that have high low-to-moderate income areas. If funding would be reduced the Borough would not be able to provide significant financial assistance to local taxpayers, which in turn, benefits the Borough. The Borough was awarded a \$400,000 United States Environmental Protection Agency Assessment Grant to assist with the Carlisle Urban Redevelopment Plan and a \$43,500 Department of Justice grant to implement a body camera program. While these funds are useful, they are typically not reoccurring.

- *State Funding*
 - The Borough's road paving program is 100% funded through Pennsylvania's Liquid Fuels program. While this source of funds is project to be increased over the next few years, new Federal regulations requiring updates to sidewalk ramps to increase their accessibility has decreased the amount of paving that can be done by the Borough each year.

 - The Borough receives significant funding from the Commonwealth of Pennsylvania for its pension plans. If this funding would be reduced, the Borough would recognize a significant increase in cost to fund the Borough's pension plans.

- **Insurance costs**
 - The Borough's general insurance premiums continue to increase due to market increases in price.

- **Volunteer fire companies**
 - The Borough is extremely fortunate to have two solid volunteer fire companies located within the Borough. However, volunteers across the nation have been in decline for years making it harder and harder for companies to have qualified members to fight fires. Recruitment and retention of volunteer firefighters programs have been initiated by the Borough to alleviate some of this challenge. Nevertheless, the worst case scenario would be if the Borough had to create a paid fire department, which would have a major impact on the Borough's finances. Having a paid fire department would likely significantly increase the annual fire department costs the Borough incurs, which is approximately \$940,000 for the operational budget. Although the Borough's two volunteer fire companies are very strong, this is something the Borough needs to constantly be monitoring.

Water Fund

The primary opportunity for the Water Fund in the next few years is increasing the usage of the water plant by marketing the available capacity to neighboring municipalities that have significant development opportunities.

The primary challenge for the Water Fund in the next few years is the age of the water system. As the system continues to age the Borough can expect costs to increase to ensure the system operates as efficiently as possible. An analysis of the water system distribution system is planned to be completed in 2016. More than likely, extensive improvements to the distribution infrastructure will be required in the coming years to maintain a strong system.

Sewer Fund

The primary opportunity for the Sewer Fund in the next few years is increasing the usage of the sewer plant by marketing the available capacity to neighboring municipalities that have significant development opportunities.

The primary challenges for the Sewer Fund in the next few years are:

- **Sewer System**
 - As the Borough's system continues to age an increase in costs can be expected to ensure the system operates as efficiently as possible.
- **Inflow and Infiltration**
 - A study was completed in 2014 to evaluate the Borough's sewer collection system to determine if there are significant improvements needed to the system to address inflow and infiltration. The results of the study included a capital improvement plan which contains estimated costs exceeding \$30,000,000 over a number of years. These improvements are expected to continue in the 2016 budget year.
- **Biosolids**
 - The Borough needs to constantly monitor its biosolids program to ensure it is meeting the farmers' needs and performing a cost effective operation. As larger, private companies that specialize in this service penetrate the marketplace, the Borough will have to remain competitive to ensure its Biosolids program is cost effective.

Parking Fund

The primary opportunity in the Parking Fund is the continued enhancement of downtown Carlisle. In recent years the Borough and other community stakeholders have invested heavily in the development of the Downtown Carlisle Association. In addition to increasing activity downtown through a number of different events, vacancy rates have decreased. With the potential for significant enhancements just outside the downtown as part of the Urban Redevelopment Plan, the Borough's downtown is strongly positioned to continue its growth and enhance the downtown even more than what has taken place in recent years.

The primary challenges for the Parking Fund in the next few years are:

- **Economic impact**
 - Although the Borough's downtown has performed well during the recent downturn in the economy, the Borough continues to monitor activities downtown to ensure resources are adequately allocated to keep the downtown strong. During periods of down economies or even recessions the Borough must remain diligent in its oversight of downtown activities.
- **Parking capacity**
 - As the Borough continues to thrive, parking capacity needs to be monitored to ensure residents and businesses have adequate parking available to meet their needs. With the potential changes as part of the Urban Redevelopment Plan, additional parking strategies may need developed to ensure adequate parking is available.
- **Maintenance**
 - *Garage*
 - The Borough's parking garage was placed in service in 1999. Regular maintenance must continue to prevent significant repairs.
 - *Meters*
 - The majority of the Borough's parking meters are approximately 25 years old. A replacement schedule has been established to prevent any unnecessary expensive repairs. However, the Borough will be monitoring new technologies to ensure that the Borough's meter program is the most cost effective solution.
 - *Lots*
 - The Borough's six parking lots need to be constantly monitored to ensure that the lot provides users with the most effective parking solution for their needs.

Solid Waste Fund

The primary challenges for the Solid Waste Fund are:

- **State Funding**
 - Any decrease in the state funding the Borough receives as part of its recycling program could increase the cost per bag for residents.
- **Contract changes**
 - The Borough typically bids the trash bag contract every three years. Any significant increases to the contract price could increase the price per bag for residents.

The Borough is in decent financial shape as evidenced by its strong Aa2 credit rating. Cash reserves are at very reasonable levels and pension funds are approximately 100% funded. Additionally, the Borough has debt capacity available of over 60%, which gives the Borough flexibility should funds be needed for major projects.

However, the Borough has a number of significant items which will be impacting the Borough in the very near future.

1. Sewer System Rehabilitation Project - \$30,000,000 to \$50,000,000
2. Urban Redevelopment Plan - \$20,000,000
3. Water System review
4. Stormwater regulations
5. Aging infrastructure

The Borough is actively working on a number of creative solutions to ensure there is adequate funding to pay for these projects to keep the Borough an attractive community.

SELECTED FINANCIAL INFORMATION

General Fund

**Revenues & Expenditures
by Major Category**

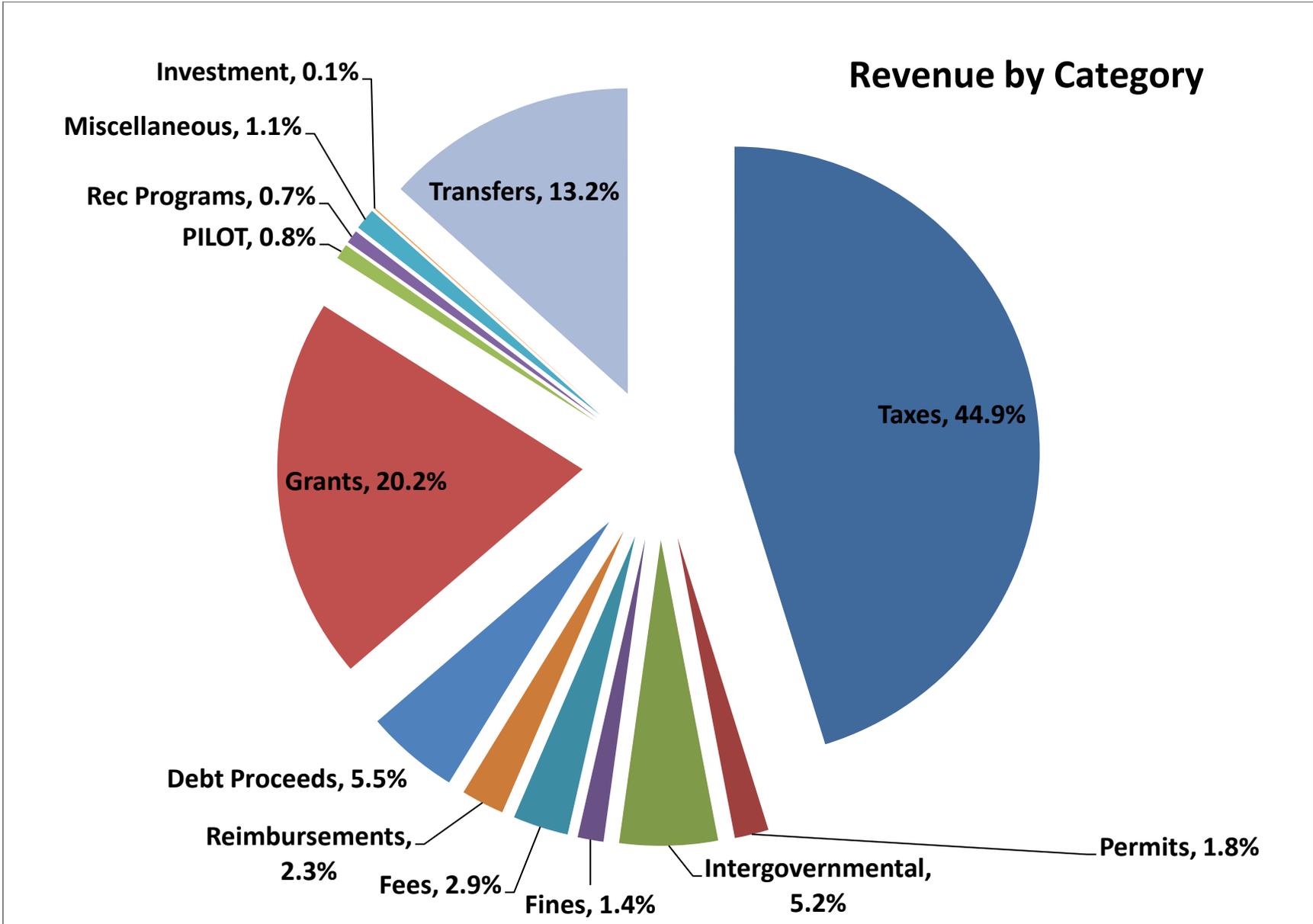
	<u>2014</u>	<u>% of Revenue</u>	<u>Projection 2015</u>	<u>% of Revenue</u>	<u>Budget 2016</u>	<u>% of Revenue</u>
Revenue:						
Taxes	\$ 7,568,530	58.8	\$ 7,262,810	56.5	\$ 7,315,881	44.9
Permits	243,562	1.9	232,309	1.8	291,058	1.8
Intergovernmental	761,735	5.9	802,803	6.2	842,278	5.2
Fines	194,348	1.5	160,850	1.3	221,504	1.4
Fees	444,973	3.5	461,240	3.6	476,572	2.9
Reimbursements	322,332	2.5	330,000	2.6	368,682	2.3
Debt Proceeds	989,251	7.7	795,974	6.2	893,119	5.5
Grants	162,882	1.3	165,087	1.3	3,282,421	20.2
PILOT	100,871	0.8	91,731	0.7	131,016	0.8
Rec Programs	113,399	0.9	113,000	0.9	113,000	0.7
Miscellaneous	304,293	2.4	450,370	3.5	183,336	1.1
Investment	10,418	0.1	11,650	0.1	10,419	0.1
Transfers	1,647,236	12.8	1,974,483	15.4	2,157,793	13.2
Total revenue	12,863,830	100.0	12,852,307	100.0	16,287,079	100.0
Expenditures:						
Labor & Benefits	7,001,783	54.4	7,125,874	55.4	7,313,392	44.9
Capital	553,424	4.3	1,927,366	15.0	4,783,297	29.4
Debt	583,077	4.5	610,856	4.8	717,404	4.4
Maintenance	293,596	2.3	314,904	2.5	331,186	2.0
Fire	883,336	6.9	901,753	7.0	881,265	5.4
Legal & Professional	221,103	1.7	554,815	4.3	650,994	4.0
Utilities	649,336	5.0	623,047	4.8	651,799	4.0
IT	236,392	1.8	271,286	2.1	282,333	1.7
Outside Agencies	15,000	0.1	13,300	0.1	6,300	0.0
Training / Travel	30,774	0.2	46,546	0.4	51,770	0.3
Operations	755,797	5.9	802,875	6.2	838,796	5.2
Insurance	143,892	1.1	86,353	0.7	90,730	0.6
Transfers	378,682	2.9	9,833	0.1	-	-
Total expenditures	11,746,192	91.3	13,288,808	103.4	16,599,266	101.9
Net surplus (deficit)	\$ 1,117,638	8.7	\$ (436,501)	(3.4)	\$ (312,187)	(1.9)

SELECTED FINANCIAL INFORMATION

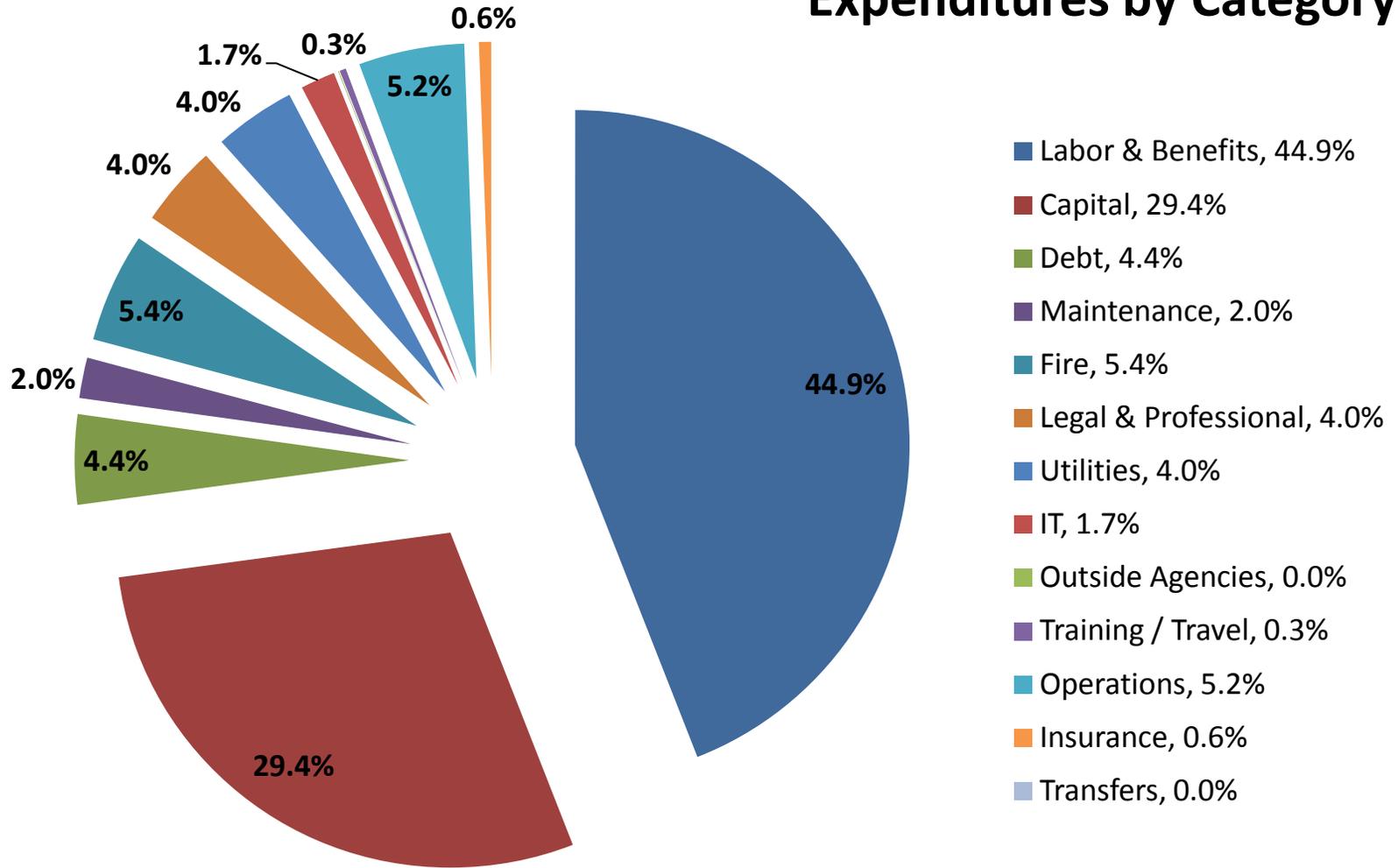
General Fund

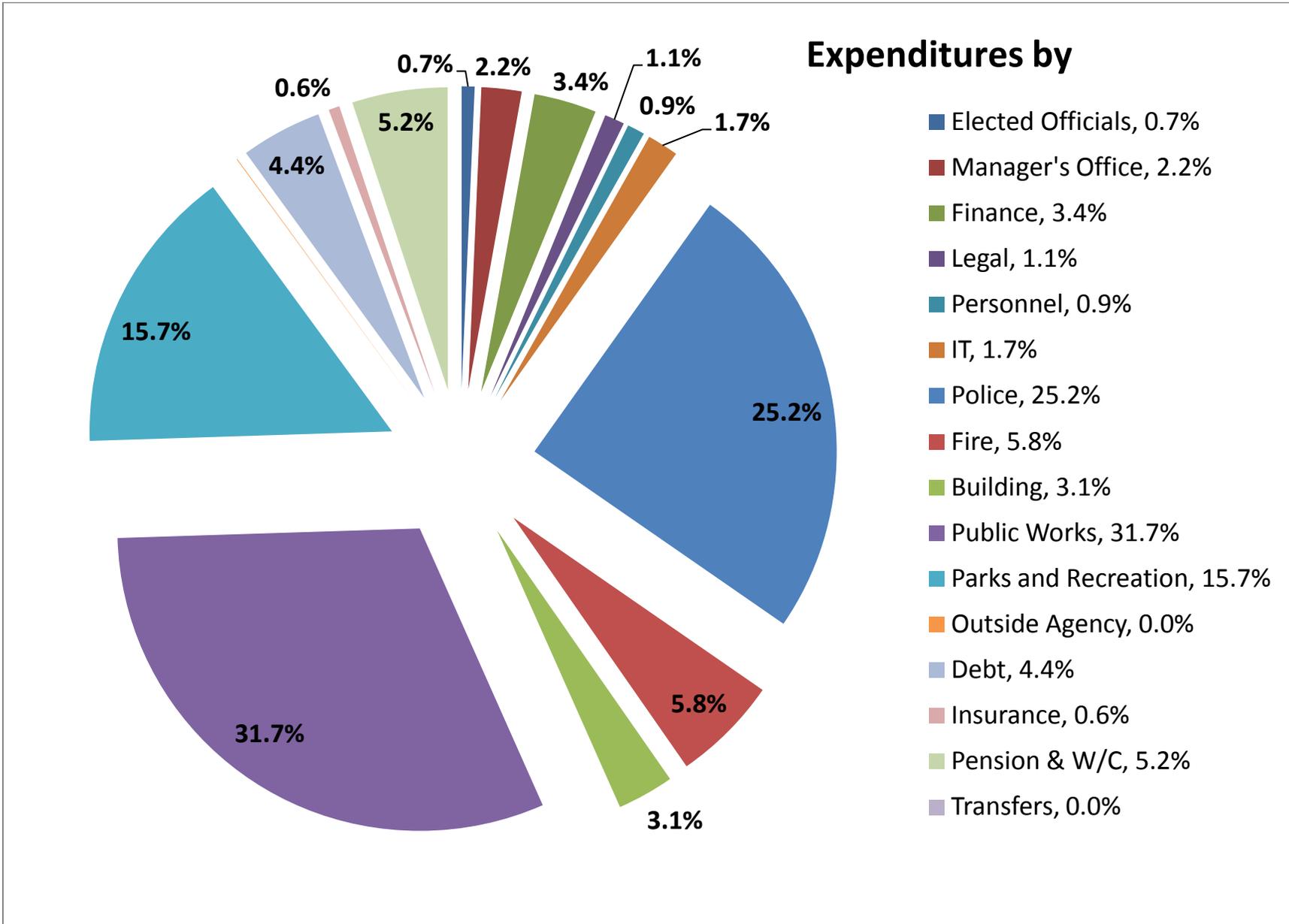
Revenues by Major Category & Expenditures by Department

	<u>2014</u>	<u>% of Revenue</u>	<u>Projection 2015</u>	<u>% of Revenue</u>	<u>Budget 2016</u>	<u>% of Revenue</u>
Revenue:						
Taxes	\$ 7,568,530	58.8	\$ 7,262,810	56.5	\$ 7,315,881	44.9
Permits	243,562	1.9	232,309	1.8	291,058	1.8
Intergovernmental	761,735	5.9	802,803	6.2	842,278	5.2
Fines	194,348	1.5	160,850	1.3	221,504	1.4
Fees	444,973	3.5	461,240	3.6	476,572	2.9
Reimbursements	322,332	2.5	330,000	2.6	368,682	2.3
Debt Proceeds	989,251	7.7	795,974	6.2	893,119	5.5
Grants	162,882	1.3	165,087	1.3	3,282,421	20.2
PILOT	100,871	0.8	91,731	0.7	131,016	0.8
Rec Programs	113,399	0.9	113,000	0.9	113,000	0.7
Miscellaneous	304,293	2.4	450,370	3.5	183,336	1.1
Investment	10,418	0.1	11,650	0.1	10,419	0.1
Transfers	1,647,236	12.8	1,974,483	15.4	2,157,793	13.2
Total revenue	12,863,830	100.0	12,852,307	100.0	16,287,079	100.0
Expenditures:						
Elected Officials	118,190	0.9	122,821	1.0	116,616	0.7
Manager's Office	341,064	2.7	348,861	2.7	361,790	2.2
Finance	568,921	4.4	524,021	4.1	547,540	3.4
Legal	112,187	0.9	240,000	1.9	179,844	1.1
Personnel	118,846	0.9	168,500	1.3	157,390	1.0
IT	200,157	1.6	248,916	1.9	283,539	1.7
Police	4,093,380	31.8	3,996,942	31.1	4,102,461	25.2
Fire	943,689	7.3	1,548,883	12.1	940,585	5.8
Building	452,793	3.5	499,844	3.9	510,921	3.1
Public Works	1,702,094	13.2	2,909,903	22.6	5,171,058	31.7
Parks and Recreation	1,099,355	8.5	1,067,596	8.3	2,562,000	15.7
Outside Agency	15,000	0.1	13,300	0.1	6,300	0.0
Debt	583,077	4.5	610,856	4.8	717,404	4.4
Insurance	151,742	1.2	94,304	0.7	99,265	0.6
Pension & W/C	867,115	6.7	884,228	6.9	842,553	5.2
Transfers	378,682	2.9	9,833	0.1	-	-
Total expenditures	11,746,292	91.3	13,288,808	103.4	16,599,266	101.9
Net surplus (deficit)	\$ 1,117,538	8.7	\$ (436,501)	(3.4)	\$ (312,187)	(1.9)



Expenditures by Category





SELECTED FINANCIAL INFORMATION

General Fund

OBJECT OF EXPENDITURE	2011 ACTUAL	2012 ACTUAL	2013 ACTUALS	2014 ACTUALS	2015 BUDGET	2015 PROJECTED	2016 BUDGET
400 GENERAL GOVERNMENT							
Elected Officials: 01400							
<i>Operating Expenses</i>	109,259	112,217	99,655	118,190	125,621	122,821	116,616
<i>Capital Expenses</i>	-	-	-	-	-	-	-
Total Elected Officials	109,259	112,217	99,655	118,190	125,621	122,821	116,616
Manager's Office: 01401							
<i>Operating Expenses</i>	274,730	285,242	312,096	341,063	354,587	348,861	361,790
<i>Capital Expenses</i>	-	-	-	-	-	-	-
Total Manager's Office	274,730	285,242	312,096	341,063	354,587	348,861	361,790
Finance Administration: 01402							
<i>Operating Expenses</i>	393,355	422,610	430,780	506,690	495,990	466,033	479,570
<i>Capital Expenses</i>	-	-	-	-	-	-	-
Total Finance Administration	393,355	422,610	430,780	506,690	495,990	466,033	479,570
Tax Collection: 01403							
<i>Operating Expenses</i>	84,062	75,222	81,140	62,231	59,830	57,988	67,970
<i>Capital Expenses</i>	-	-	-	-	-	-	-
Total Tax Collection	84,062	75,222	81,140	62,231	59,830	57,988	67,970
Legal Services: 01404	41,135	84,924	131,081	112,187	135,000	240,000	179,844
Personnel: 01406							
<i>Operating Expenses</i>	59,701	86,280	115,980	118,846	188,321	168,500	157,390
<i>Capital Expenses</i>	-	-	-	-	-	-	-
Total Personnel	59,701	86,280	115,980	118,846	188,321	168,500	157,390
Information Technology: 01407							
<i>Operating Expenses</i>	140,271	225,187	252,907	200,157	244,900	234,416	248,039
<i>Capital Expenses</i>	130,050	26,949	-	-	14,500	14,500	35,500
Total Information Technology	270,321	252,136	252,907	200,157	259,400	248,916	283,539
General Obligation Debt: 01471	376,809	544,251	532,167	583,077	599,344	610,856	717,404
Tax Anticipation Loan: 01472							
Insurance Premiums: 01486	90,867	103,314	133,089	143,109	171,850	85,648	89,930
Employee Benefits: 01487	36	1,849	8,421	8,633	8,407	8,656	9,335
NonDepartmental -Benefits:01488	941,616	865,768	902,095	867,115	935,249	884,228	842,553
Transfers To Other Funds: 01492	885,170	47,933	4,279,680	378,682	-	9,833	-
TOTAL GENERAL GOVERNMENT	3,527,061	2,881,746	7,279,091	3,439,980	3,333,599	3,252,340	3,305,941

SELECTED FINANCIAL INFORMATION

General Fund

OBJECT OF EXPENDITURE	2011 ACTUAL	2012 ACTUAL	2013 ACTUALS	2014 ACTUALS	2015 BUDGET	2015 PROJECTED	2016 BUDGET
410 PUBLIC SAFETY							
Police Department:							
Police Administration: 0141A							
<i>Operating Expenses</i>	747,734	823,339	749,340	673,890	688,634	659,492	655,346
<i>Capital Expenses</i>	-	-	-	230,212	-	-	20,000
Total Police Administration	747,734	823,339	749,340	904,102	688,634	659,492	675,346
Police Patrol: 0141P							
<i>Operating Expenses</i>	2,536,398	2,639,142	2,663,659	2,657,415	2,767,529	2,755,430	2,821,107
<i>Capital Expenses</i>	36,903	39,523	93,202	62,883	108,958	103,027	129,600
Total Police Patrol	2,573,301	2,678,665	2,756,861	2,720,298	2,876,487	2,858,457	2,950,707
Police Investigation: 0141I							
<i>Operating Expenses</i>	401,367	440,990	445,846	477,855	474,456	478,993	476,408
<i>Capital Expenses</i>	21,206	-	-	-	-	-	-
Total Police Investigation	422,573	440,990	445,846	477,855	474,456	478,993	476,408
Total Police Department	3,743,608	3,942,994	3,952,047	4,102,255	4,039,577	3,996,942	4,102,461
Fire Department: 01411							
<i>Operating Expenses</i>	944,644	889,516	943,201	941,006	955,351	974,033	940,585
<i>Capital Expenses</i>	40,000	-	-	-	600,000	574,850	-
Total Fire Department	984,644	889,516	943,201	941,006	1,555,351	1,548,883	940,585
Building Division: 01413							
<i>Operating Expenses</i>	271,744	302,053	422,704	345,753	426,289	506,914	708,724
<i>Capital Expenses</i>	-	1,656	1,167	9,671	2,620,358	610,000	1,515,000
Total Building Department	271,744	303,709	423,871	355,424	3,046,647	1,116,914	2,223,724
TOTAL PUBLIC SAFETY	4,999,996	5,136,219	5,319,119	5,398,685	8,641,575	6,662,739	7,266,770

SELECTED FINANCIAL INFORMATION

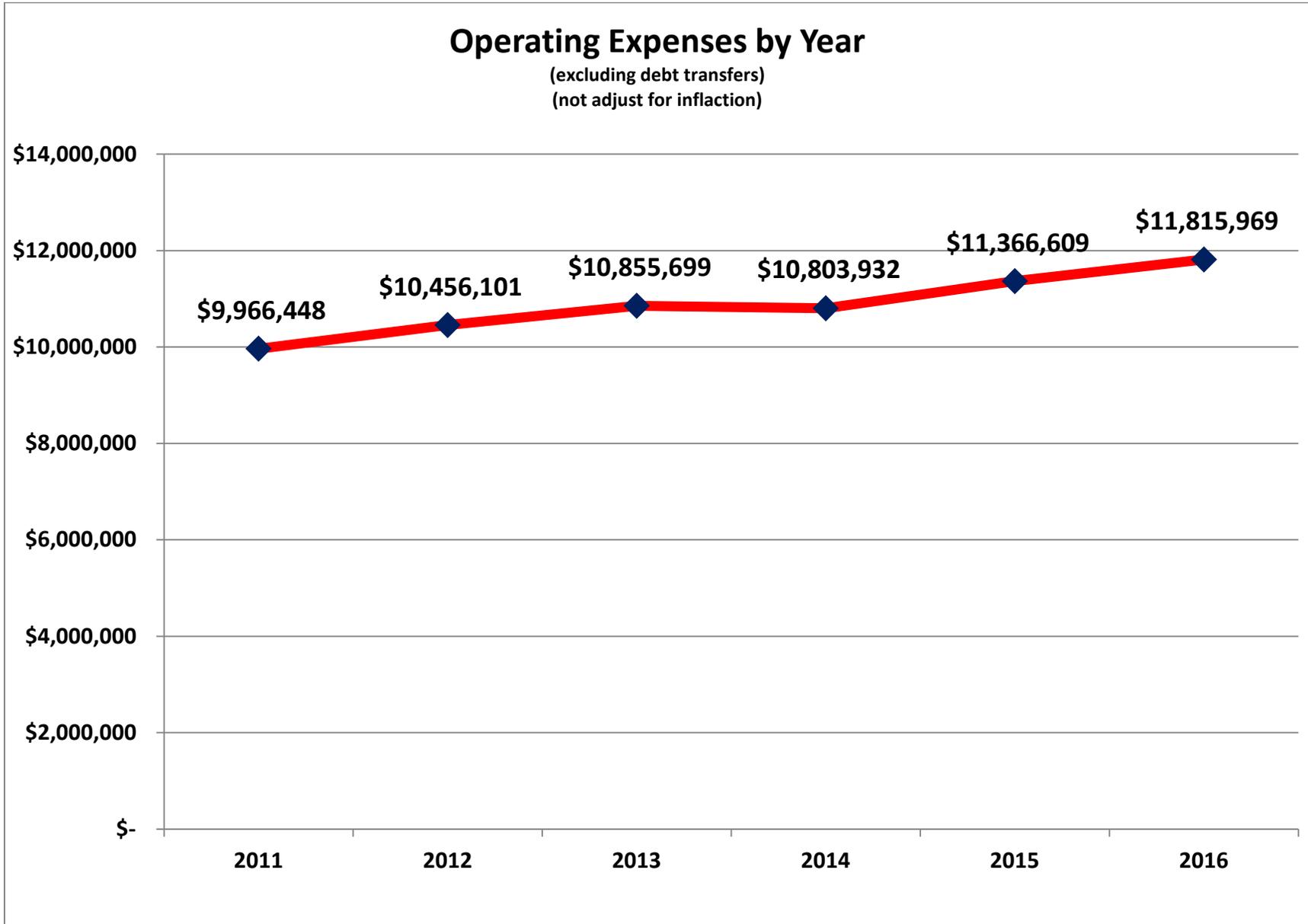
General Fund

OBJECT OF EXPENDITURE	2011 ACTUAL	2012 ACTUAL	2013 ACTUALS	2014 ACTUALS	2015 BUDGET	2015 PROJECTED	2016 BUDGET
430 PUBLIC WORKS							
Engineering Administration: 01408							
<i>Operating Expenses</i>	391,758	414,343	509,143	452,793	496,809	499,844	510,921
<i>Capital Expenses</i>	-	-	-	-	-	-	-
Total Engineering Administration	391,758	414,343	509,143	452,793	496,809	499,844	510,921
Streets Division:							
Field Operations: 01430							
<i>Operating Expenses</i>	562,245	563,783	561,643	610,184	605,537	605,973	660,402
<i>Capital Expenses</i>	49,372	56,266	147,409	56,030	598,474	342,502	495,956
Total Streets Administration	611,617	620,049	709,052	666,214	1,204,011	948,475	1,156,358
Streets Cleaning: 01431							
<i>Operating Expenses</i>	96,810	102,611	89,488	100,543	106,471	103,059	108,389
<i>Capital Expenses</i>	-	-	-	-	-	-	-
Total Streets Cleaning	96,810	102,611	89,488	100,543	106,471	103,059	108,389
Traffic Control: 01433							
<i>Operating Expenses</i>	188,625	189,193	202,765	197,067	284,505	239,199	265,328
<i>Capital Expenses</i>	1,904,314	31,676	-	7,706	11,000	10,000	1,000
Total Traffic Control	2,092,939	220,869	202,765	204,773	295,505	249,199	266,328
Street Lighting: 01434							
<i>Operating Expenses</i>	305,864	277,888	282,904	289,158	263,507	280,238	286,414
<i>Capital Expenses</i>	-	59,167	-	20,790	-	-	-
Total Street Lighting	305,864	337,055	282,904	309,948	263,507	280,238	286,414
Stormwater: 01446							
<i>Operating Expenses</i>	-	-	-	-	22,500	1,300	33,576
<i>Capital Expenses</i>	-	-	-	-	245,000	145,457	965,000
Total Stormwater	-	-	-	-	267,500	146,757	998,576
Total Streets Division	3,107,230	1,280,584	1,284,209	1,281,478	1,869,494	1,580,971	2,816,065
TOTAL PUBLIC WORKS	3,498,988	1,694,927	1,793,352	1,734,271	2,366,303	2,080,815	3,326,986

SELECTED FINANCIAL INFORMATION

General Fund

OBJECT OF EXPENDITURE	2011 ACTUAL	2012 ACTUAL	2013 ACTUALS	2014 ACTUALS	2015 BUDGET	2015 PROJECTED	2016 BUDGET
450 PARKS & RECREATION							
Parks & Recreation Department:							
Parks & Recreation Admin: 01451							
<i>Operating Expenses</i>	179,780	185,262	188,790	183,512	191,559	189,984	196,465
<i>Capital Expenses</i>	-	-	-	-	-	-	-
Total Parks & Recreation Administra	179,780	185,262	188,790	183,512	191,559	189,984	196,465
Recreation Services: 01452							
<i>Operating Expenses</i>	159,235	164,794	170,369	180,907	178,016	168,227	193,013
<i>Capital Expenses</i>	-	-	-	-	-	-	-
Total Recreation Services	159,235	164,794	170,369	180,907	178,016	168,227	193,013
Swimming Pool: 01453							
<i>Operating Expenses</i>	136,601	132,508	119,323	131,347	142,002	141,461	146,662
<i>Capital Expenses</i>	11,344	-	10,770	56,856	57,500	16,899	111,600
Total Swimming Pool	147,945	132,508	130,093	188,203	199,502	158,360	258,262
Parks Maintenance: 01454							
<i>Operating Expenses</i>	365,277	334,891	350,926	339,494	371,458	357,194	361,949
<i>Capital Expenses</i>	7,675	142,537	432,178	103,731	810,206	73,886	1,201,908
Total Parks Maintenance	372,952	477,428	783,104	443,225	1,181,664	431,080	1,563,857
Borough Hall Maintenance: 01409							
<i>Operating Expenses</i>	45,407	78,443	57,022	54,911	77,693	65,261	71,436
<i>Capital Expenses</i>	28,261	21,025	-	1,448	53,335	-	59,833
Total Borough Hall Maintenance	73,668	99,468	57,022	56,359	131,028	65,261	131,269
Community Center: 01458							
<i>Operating Expenses</i>	84,701	82,585	82,498	84,339	101,174	91,700	95,503
<i>Capital Expenses</i>	-	-	1,584	14,251	187,745	21,245	247,900
Total Community Center	84,701	82,585	84,082	98,590	288,919	112,945	343,403
Shade Tree Program: 01455	15,517	9,233	10,917	6,960	7,000	7,000	7,000
Total Parks & Recreation	1,033,798	1,151,278	1,424,377	1,157,756	2,177,688	1,132,857	2,693,269
Outside Agencies:	20,900	18,663	5,750	15,500	13,550	13,300	6,300
TOTAL PARKS & RECREATION	1,054,698	1,169,941	1,430,127	1,173,256	2,191,238	1,146,157	2,699,569
<i>Total Operating Expenses</i>	10,851,618	10,504,034	15,135,379	11,182,614	11,493,139	11,376,442	11,815,969
<i>Total Capital Expenses</i>	2,229,125	378,799	686,310	563,578	5,307,076	1,912,366	4,783,297
TOTAL GENERAL FUND	13,080,743	10,882,833	15,821,689	11,746,192	16,800,215	13,288,808	16,599,266



**Revenues & Expenditures
by Major Category**

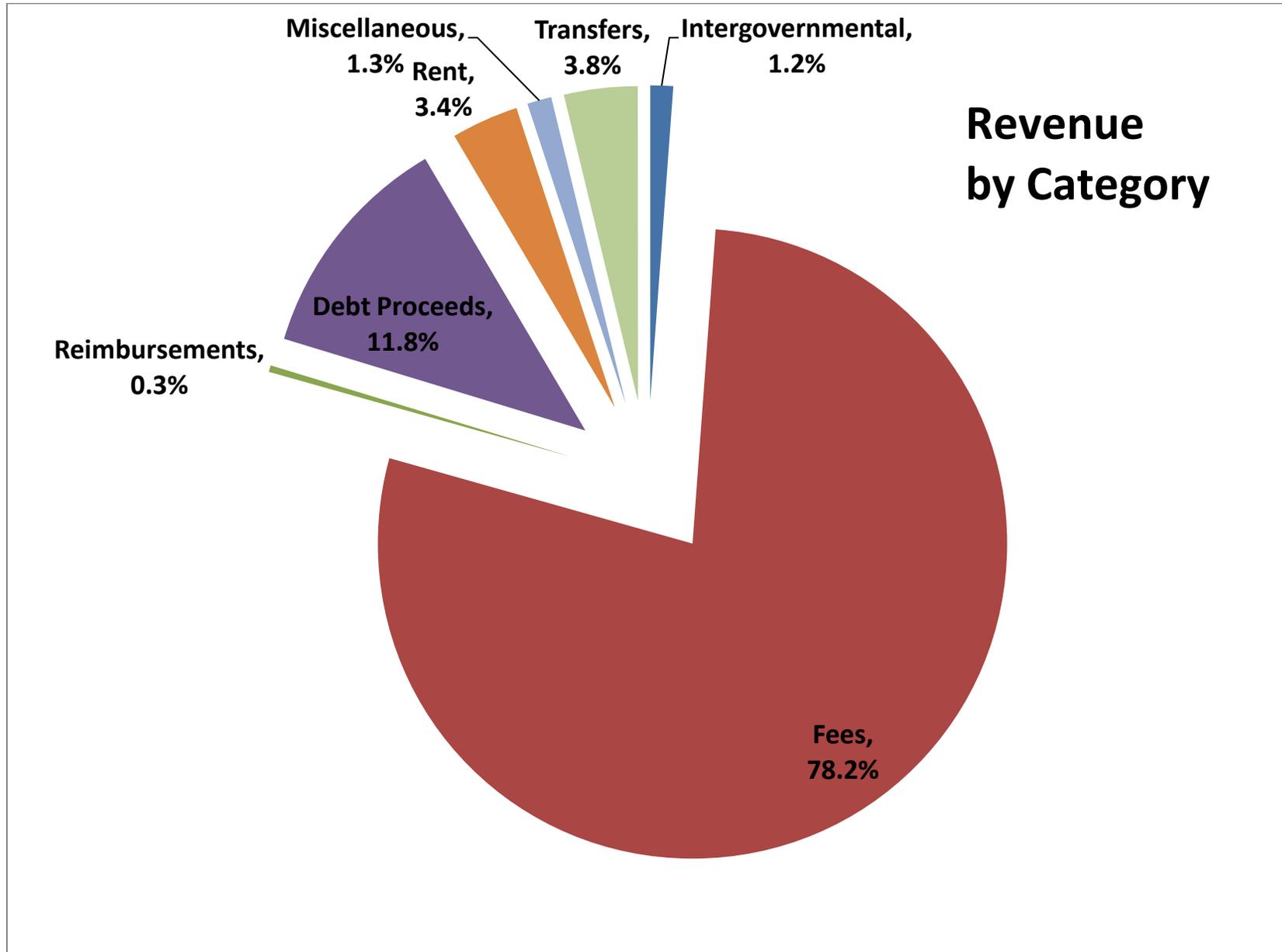
	2014	% of Revenue	Projection 2015	% of Revenue	Budget 2016	% of Revenue
Revenue:						
Intergovernmental	\$ 54,995	0.7	\$ 50,000	1.1	\$ 52,628	1.2
Fees	3,547,321	47.1	3,603,270	77.6	3,521,596	78.2
Reimbursements	18,672	0.2	59,188	1.3	15,309	0.3
Debt Proceeds	3,368,721	44.8	478,817	10.3	531,799	11.8
Grants	45,000	0.6	-	-	-	-
Rent	154,949	2.1	147,777	3.2	155,166	3.4
Miscellaneous	103,369	1.4	107,348	2.3	56,332	1.3
Investment	1,532	0.0	2,300	0.0	1,600	0.0
Transfers	231,692	3.1	192,865	4.2	170,981	3.8
Total revenue	7,526,251	100.0	4,641,565	100.0	4,505,411	100.0
Expenditures:						
Labor & Benefits	1,250,058	16.6	1,276,501	27.5	1,306,066	29.0
Capital	679,700	9.0	659,331	14.2	682,731	15.2
Debt	173,286	2.3	665,554	14.3	764,835	17.0
Maintenance	117,398	1.6	132,436	2.9	139,672	3.1
IT	3,305	0.0	6,569	0.1	6,807	0.2
Legal & Professional	16,044	0.2	38,000	0.8	76,600	1.7
Utilities	277,719	3.7	312,621	6.7	324,840	7.2
Training / Travel	4,614	0.1	5,307	0.1	9,455	0.2
Operations	333,377	4.4	300,620	6.5	267,781	5.9
Insurance	39,045	0.5	27,587	0.6	28,967	0.6
Transfers	895,180	11.9	886,758	19.1	869,015	19.3
Total expenditures	3,789,726	50.4	4,311,284	92.9	4,476,769	99.4
Net surplus (deficit)	\$ 3,736,525	49.6	\$ 330,281	7.1	\$ 28,642	0.6

SELECTED FINANCIAL INFORMATION

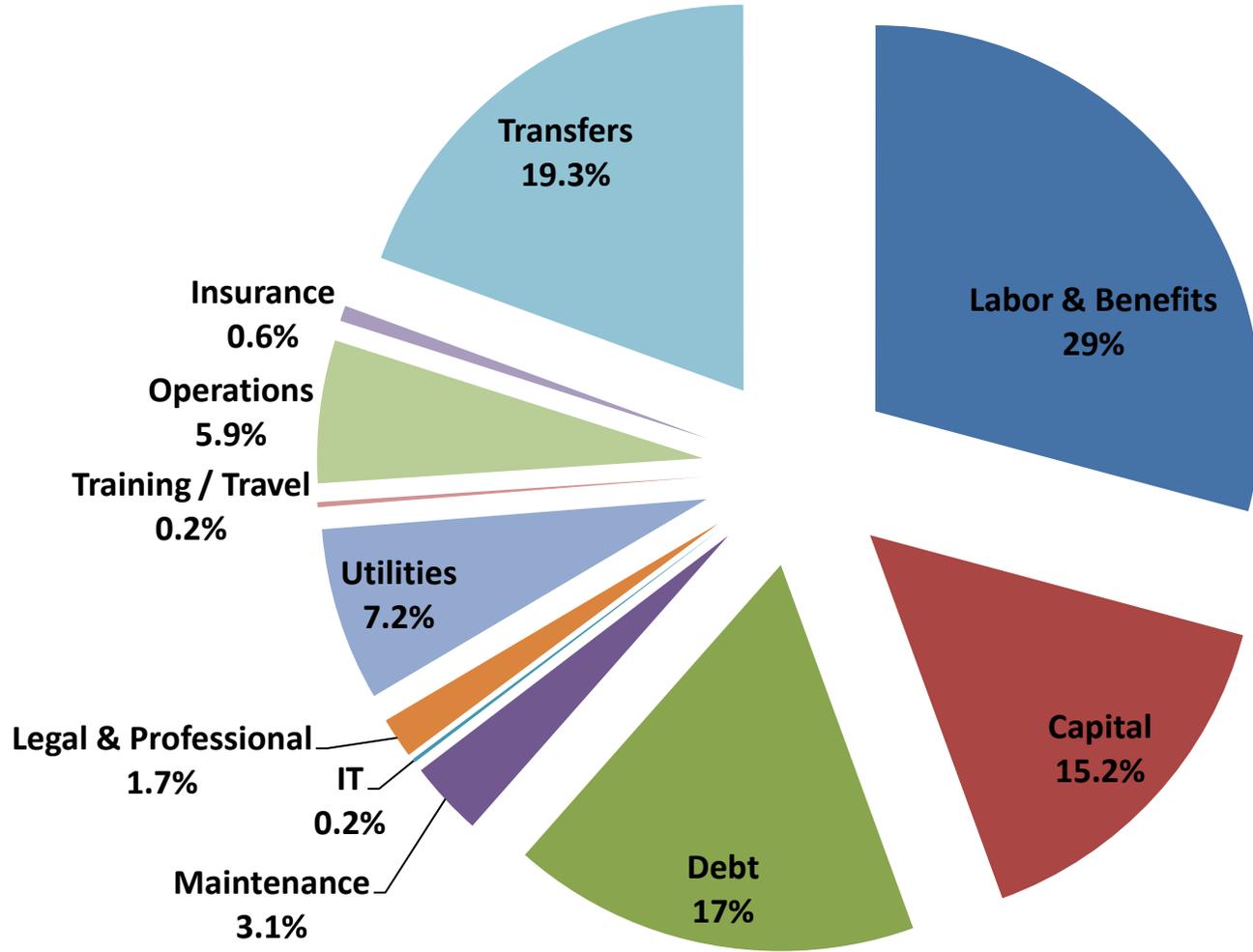
Water Fund

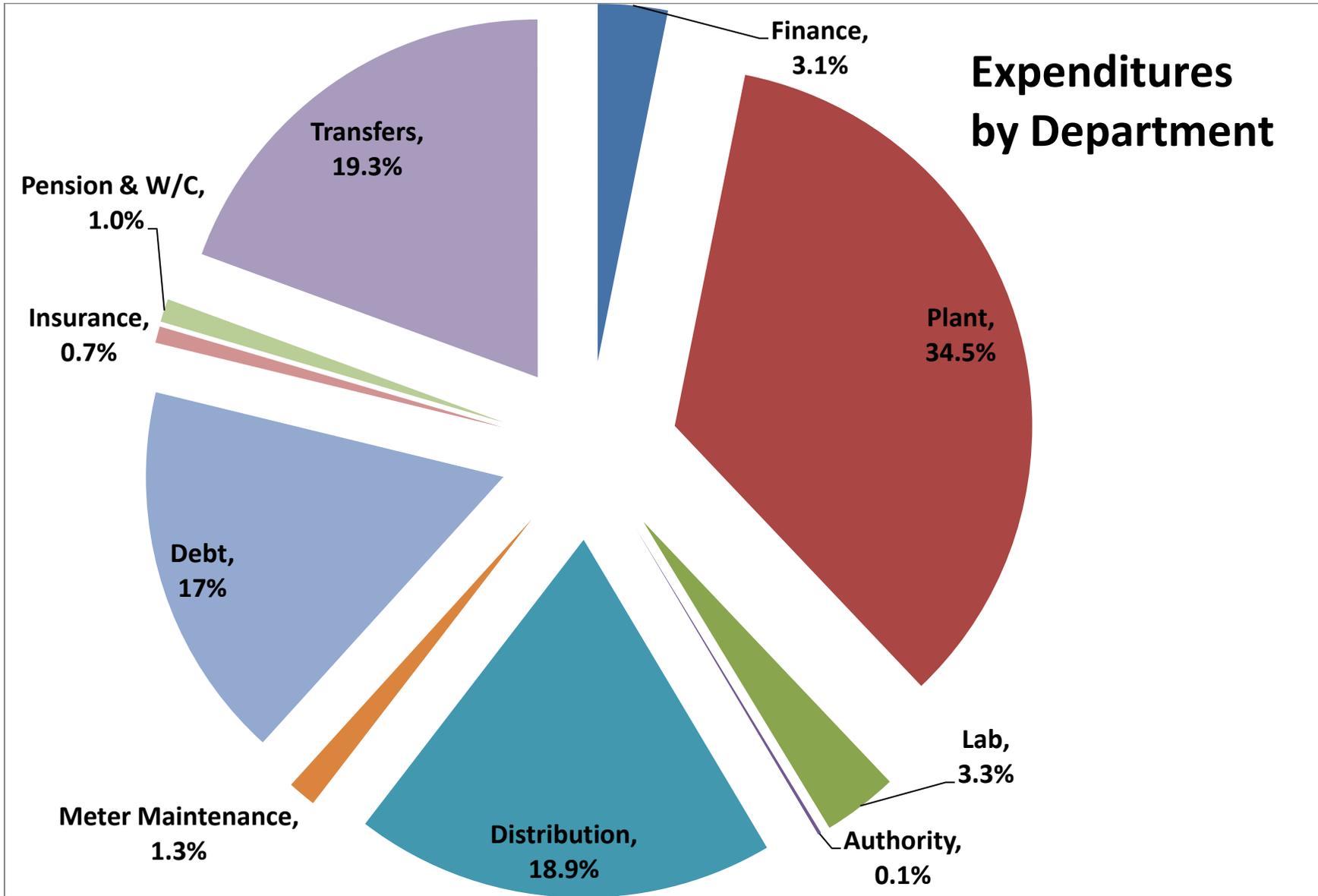
Revenues by Major Category & Expenditures by Department

	2014	% of Revenue	Projection 2015	% of Revenue	Budget 2016	% of Revenue
Revenue:						
Intergovernmental	\$ 54,995	0.7	\$ 50,000	1.1	\$ 52,628	1.2
Fees	3,547,321	47.1	3,603,270	77.6	3,521,596	78.2
Reimbursements	18,672	0.2	59,188	1.3	15,309	0.3
Debt Proceeds	3,368,721	44.8	478,817	10.3	531,799	11.8
Grants	45,000	0.6	-	-	-	-
Rent	154,949	2.1	147,777	-	155,166	-
Miscellaneous	103,369	1.4	107,348	2.3	56,332	1.3
Investment	1,532	0.0	2,300	0.0	1,600	0.0
Transfers	231,692	3.1	192,865	4.2	170,981	3.8
Total revenue	7,526,251	100.0	4,641,565	100.0	4,505,411	100.0
Expenditures:						
Finance	39,465	0.5	67,883	1.5	141,236	3.1
Plant	1,890,847	25.1	1,818,258	39.2	1,556,436	34.5
Lab	140,572	1.9	156,090	3.4	150,923	3.3
Authority	7,997	0.1	8,000	0.2	6,600	0.1
Distribution	461,031	6.1	539,256	11.6	850,942	18.9
Meter Maintenance	102,123	1.4	99,006	2.1	56,961	1.3
Debt	173,286	2.3	665,554	14.3	764,835	17.0
Insurance	39,045	0.5	31,692	0.7	33,276	0.7
Pension & W/C	40,180	0.5	38,787	0.8	46,545	1.0
Transfers	895,180	11.9	886,758	19.1	869,015	19.3
Total expenditures	3,789,726	50.4	4,311,284	92.9	4,476,769	99.4
Net surplus (deficit)	\$ 3,736,525	49.6	\$ 330,281	7.1	\$ 28,642	0.6



Expenditures by Category

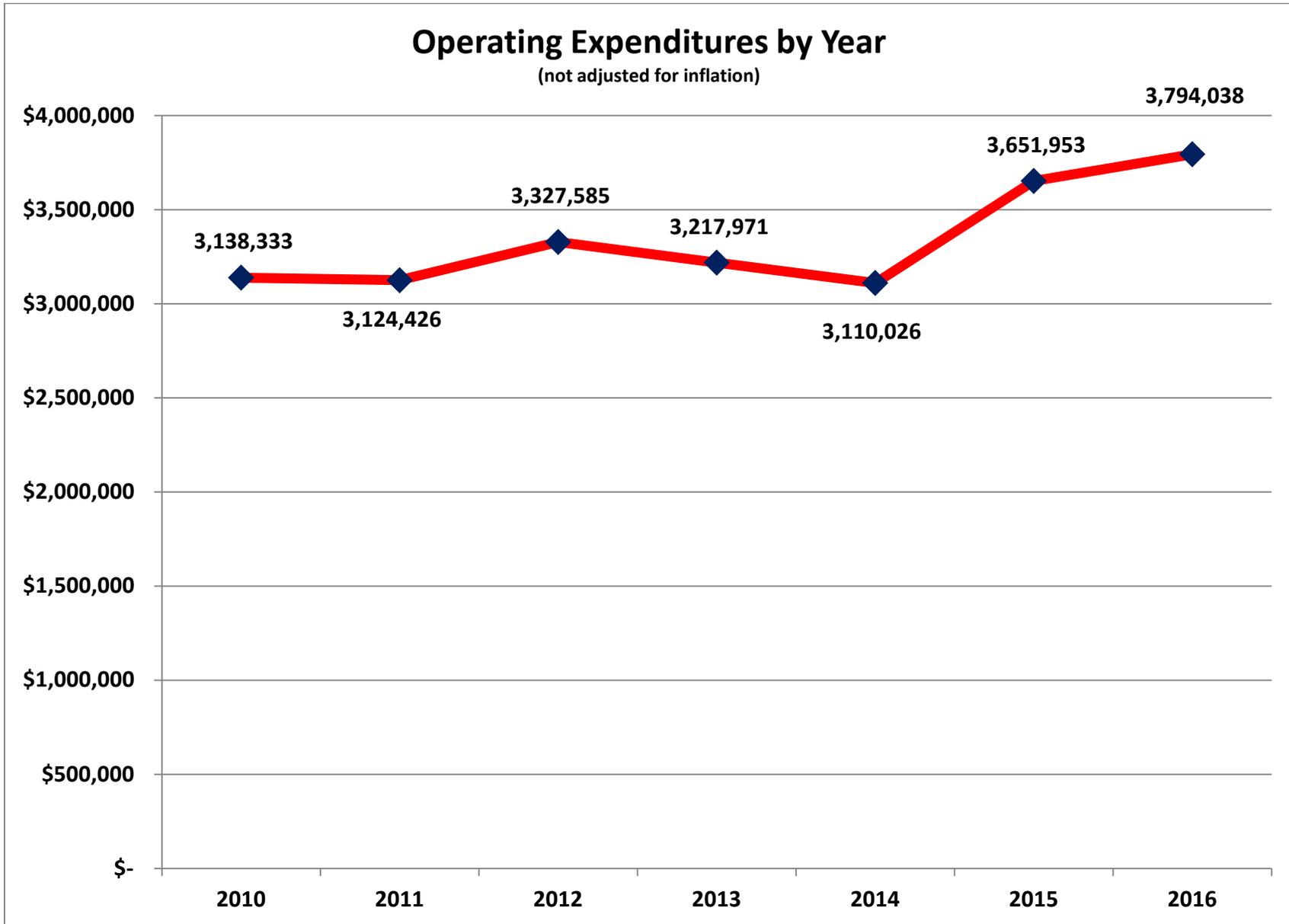




SELECTED FINANCIAL INFORMATION

Water Fund

OBJECT OF EXPENDITURE	2011 ACTUAL	2012 ACTUAL	2013 ACTUAL	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 BUDGET
400 GENERAL GOVERNMENT							
Water Billing: 06402							
<i>Operating Expenses</i>	45,633	57,674	41,039	39,465	74,762	67,883	81,404
<i>Capital Expenses</i>	-	31,667	-	-	53,333	-	59,832
Total Water Billing	45,633	89,341	41,039	39,465	128,095	67,883	141,236
Water Obligation Debt: 06471	769,519	710,605	443,852	173,286	646,542	665,554	764,835
Water Authority: 06481	-	8,793	1,186	7,997	5,800	8,000	6,600
Insurance Premiums: 06486	27,504	32,858	38,568	39,045	48,807	31,553	33,131
NonDepT.-Benefits: 06488	27,400	31,728	36,453	40,180	44,048	38,926	46,690
Transfers To Other Funds: 06492	534,839	761,735	835,507	895,180	886,758	886,758	869,015
TOTAL GENERAL GOVERNMENT	1,404,895	1,635,060	1,396,605	1,195,153	1,760,050	1,698,674	1,861,507
430 PUBLIC WORKS							
Water Plant: 0644P							
<i>Operating Expenses</i>	1,029,284	1,043,345	1,134,310	1,211,147	1,203,706	1,261,202	1,277,656
<i>Capital Expenses</i>	174,000	370,187	2,369,139	679,700	638,020	557,056	278,780
Total Water Plant	1,203,284	1,413,532	3,503,449	1,890,847	1,841,726	1,818,258	1,556,436
Water Plant Lab: 0644L							
<i>Operating Expenses</i>	128,495	119,821	128,131	140,572	147,799	139,817	150,923
<i>Capital Expenses</i>	12,495	-	-	-	16,000	16,273	-
Total Water Plant Lab	140,990	119,821	128,131	140,572	163,799	156,090	150,923
Water Distribution: 06449							
<i>Operating Expenses</i>	454,500	484,452	464,783	461,031	481,031	453,254	506,823
<i>Capital Expenses</i>	147,608	66,486	-	-	78,300	86,002	344,119
Total Water Distribution	602,108	550,938	464,783	461,031	559,331	539,256	850,942
Water Meter Maintenance: 06450							
<i>Operating Expenses</i>	107,252	76,574	94,142	102,123	100,130	99,006	56,961
<i>Capital Expenses</i>	585,540	25,000	-	-	-	-	-
Total Water Meter Maintenance	692,792	101,574	94,142	102,123	100,130	99,006	56,961
TOTAL PUBLIC WORKS	2,639,174	2,185,865	4,190,505	2,594,573	2,664,986	2,612,610	2,615,262
<i>Total Operating Expenses</i>	3,124,426	3,327,585	3,217,971	3,110,026	3,639,383	3,651,953	3,794,038
<i>Total Capital Expenses</i>	919,643	493,340	2,369,139	679,700	785,653	659,331	682,731
TOTAL WATER FUND EXPENDITURES	4,044,069	3,820,925	5,587,110	3,789,726	4,425,036	4,311,284	4,476,769



SELECTED FINANCIAL INFORMATION

Sewer Fund

**Revenues & Expenditures
by Major Category**

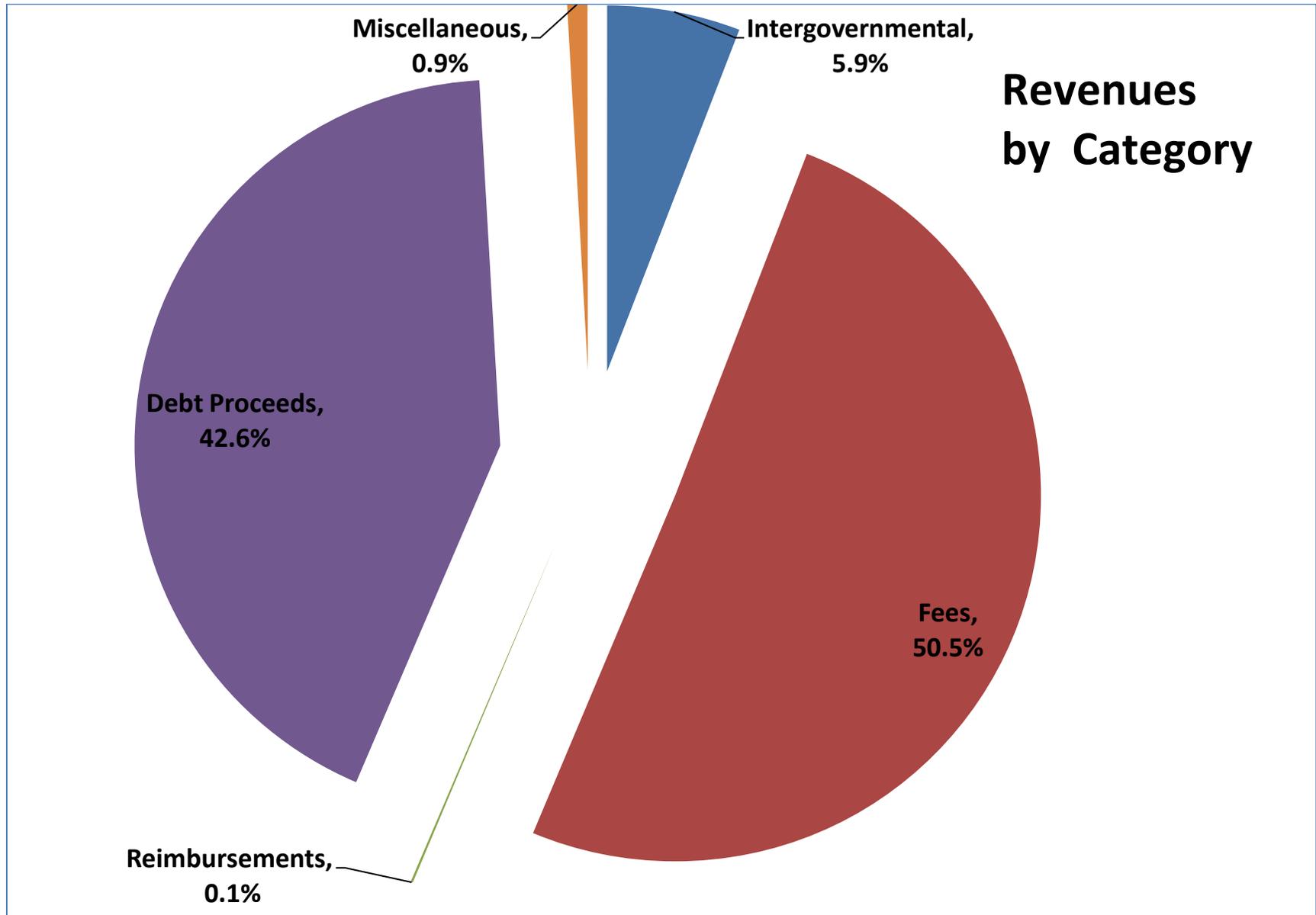
	<u>2014</u>	<u>% of Revenue</u>	<u>Projection 2015</u>	<u>% of Revenue</u>	<u>Budget 2016</u>	<u>% of Revenue</u>
Revenue:						
Intergovernmental	\$ 639,653	10.4	\$ 590,231	8.9	\$ 591,824	5.9
Fees	4,759,738	77.7	4,821,676	73.0	5,088,976	50.5
Reimbursements	27,301	0.4	10,000	0.2	10,000	0.1
Debt Proceeds	272,167	4.4	1,015,991	15.4	4,300,778	42.6
Grants	319,948	5.2	-	-	-	-
Miscellaneous	101,365	1.7	162,384	2.5	91,390	0.9
Investment	4,170	0.1	5,400	0.1	3,800	0.0
Transfers	-	-	-	-	-	-
Total revenue	<u>6,124,342</u>	<u>100.0</u>	<u>6,605,682</u>	<u>100.0</u>	<u>10,086,768</u>	<u>100.0</u>
Expenditures:						
Labor & Benefits	1,793,968	29.3	1,784,711	27.0	1,900,020	18.8
Capital	255,824	4.2	1,296,657	19.6	4,481,651	44.4
Debt	293,911	4.8	1,137,311	17.2	1,269,378	12.6
Maintenance	157,096	2.6	234,639	3.6	238,588	2.4
IT	6,381	0.1	7,145	0.1	11,189	0.1
Legal & Professional	100,329	1.6	56,986	0.9	157,000	1.6
Utilities	369,957	6.0	464,702	7.0	465,203	4.6
Training / Travel	1,255	0.0	3,959	0.1	7,120	0.1
Operations	334,303	5.5	317,809	4.8	381,712	3.8
Insurance	99,313	1.6	85,000	1.3	89,251	0.9
Transfers	703,976	11.5	789,046	11.9	751,582	7.5
Total expenditures	<u>4,116,313</u>	<u>67.2</u>	<u>6,177,965</u>	<u>93.5</u>	<u>9,752,694</u>	<u>96.7</u>
Net surplus (deficit)	<u>\$ 2,008,029</u>	<u>32.8</u>	<u>\$ 427,717</u>	<u>6.5</u>	<u>\$ 334,074</u>	<u>3.3</u>

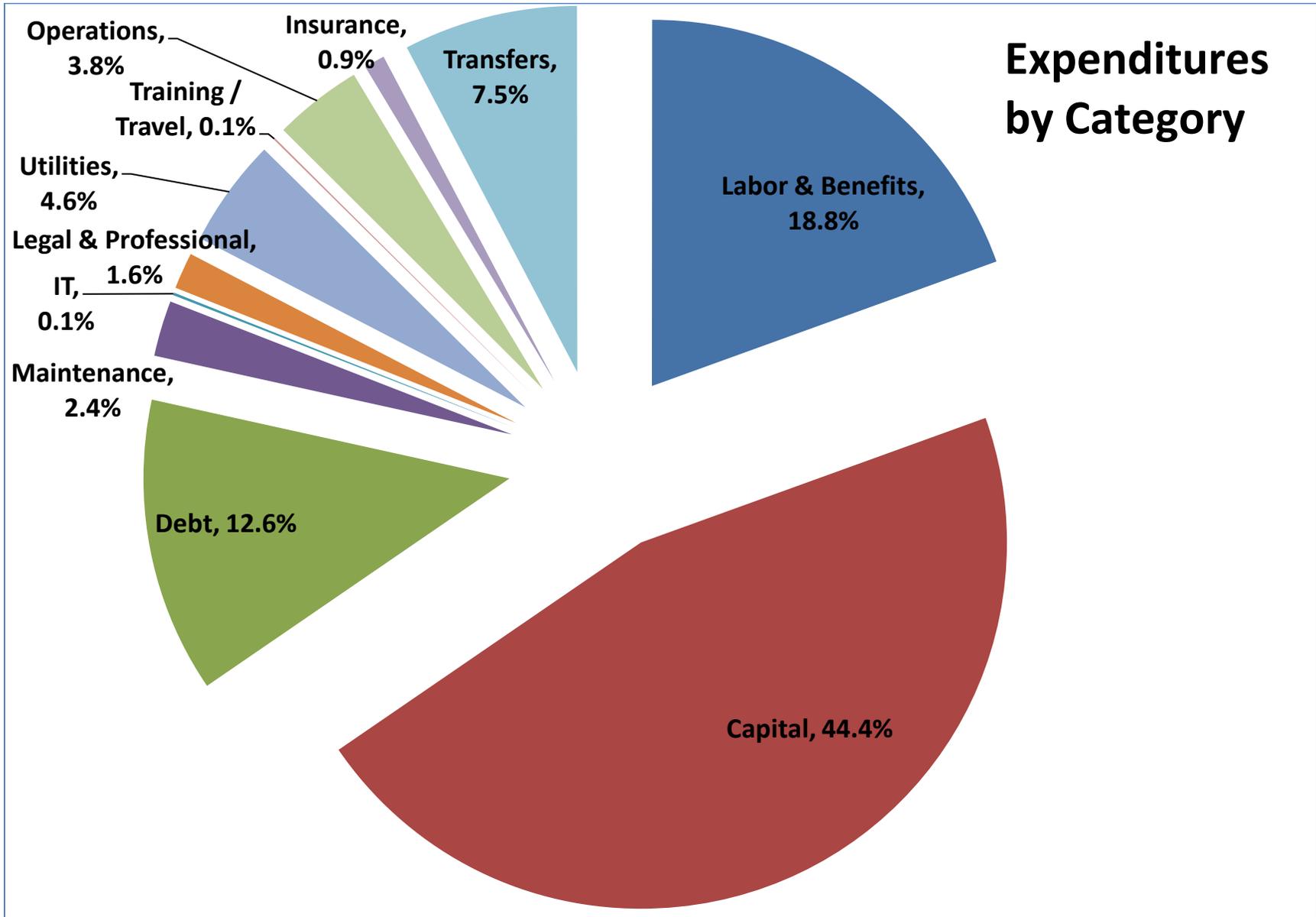
SELECTED FINANCIAL INFORMATION

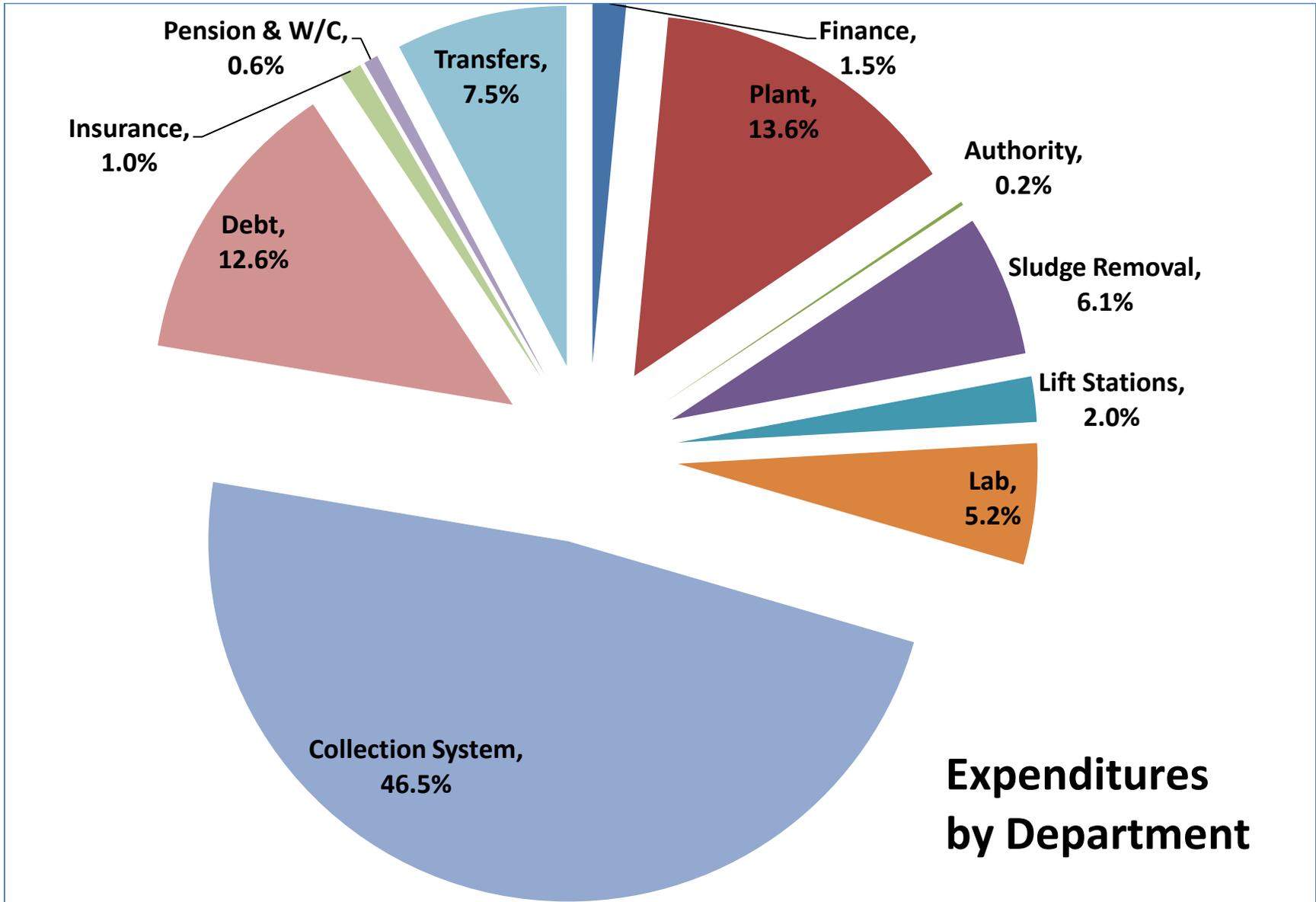
Sewer Fund

Revenues by Major Category & Expenditures by Department

	2014	% of Revenue	Projection 2015	% of Revenue	Budget 2016	% of Revenue
Revenue:						
Intergovernmental	\$ 639,653	10.4	\$ 590,231	8.9	\$ 591,824	5.9
Fees	4,759,738	77.7	4,821,676	73.0	5,088,976	50.5
Reimbursements	27,301	0.4	10,000	0.2	10,000	0.1
Debt Proceeds	272,167	4.4	1,015,991	15.4	4,300,778	42.6
Grants	319,948	5.2	-	-	-	-
Miscellaneous	101,365	1.7	162,384	2.5	91,390	0.9
Investment	4,170	0.1	5,400	0.1	3,800	0.0
Transfers	-	-	-	-	-	-
Total revenue	6,124,342	100.0	6,605,682	100.0	10,086,768	100.0
Expenditures:						
Finance	39,141	0.6	74,775	1.1	146,736	1.5
Plant	1,146,880	18.7	1,258,693	19.1	1,369,121	13.6
Authority	21,311	0.3	10,200	0.2	15,200	0.2
Sludge Removal	561,754	9.2	673,733	10.2	619,406	6.1
Lift Stations	140,479	2.3	160,393	2.4	198,855	2.0
Lab	482,154	7.9	524,133	7.9	528,150	5.2
Collection System	579,602	9.5	1,406,762	21.3	4,693,787	46.5
Debt	293,911	4.8	1,137,311	17.2	1,269,378	12.6
Insurance	99,313	1.6	92,411	1.4	96,887	1.0
Pension & W/C	47,792	0.8	50,507	0.8	63,592	0.6
Transfers	703,976	11.5	789,046	11.9	751,582	7.5
Total expenditures	4,116,313	67.2	6,177,964	93.5	9,752,694	96.7
Net surplus (deficit)	\$ 2,008,029	32.8	\$ 427,718	6.5	\$ 334,074	3.3



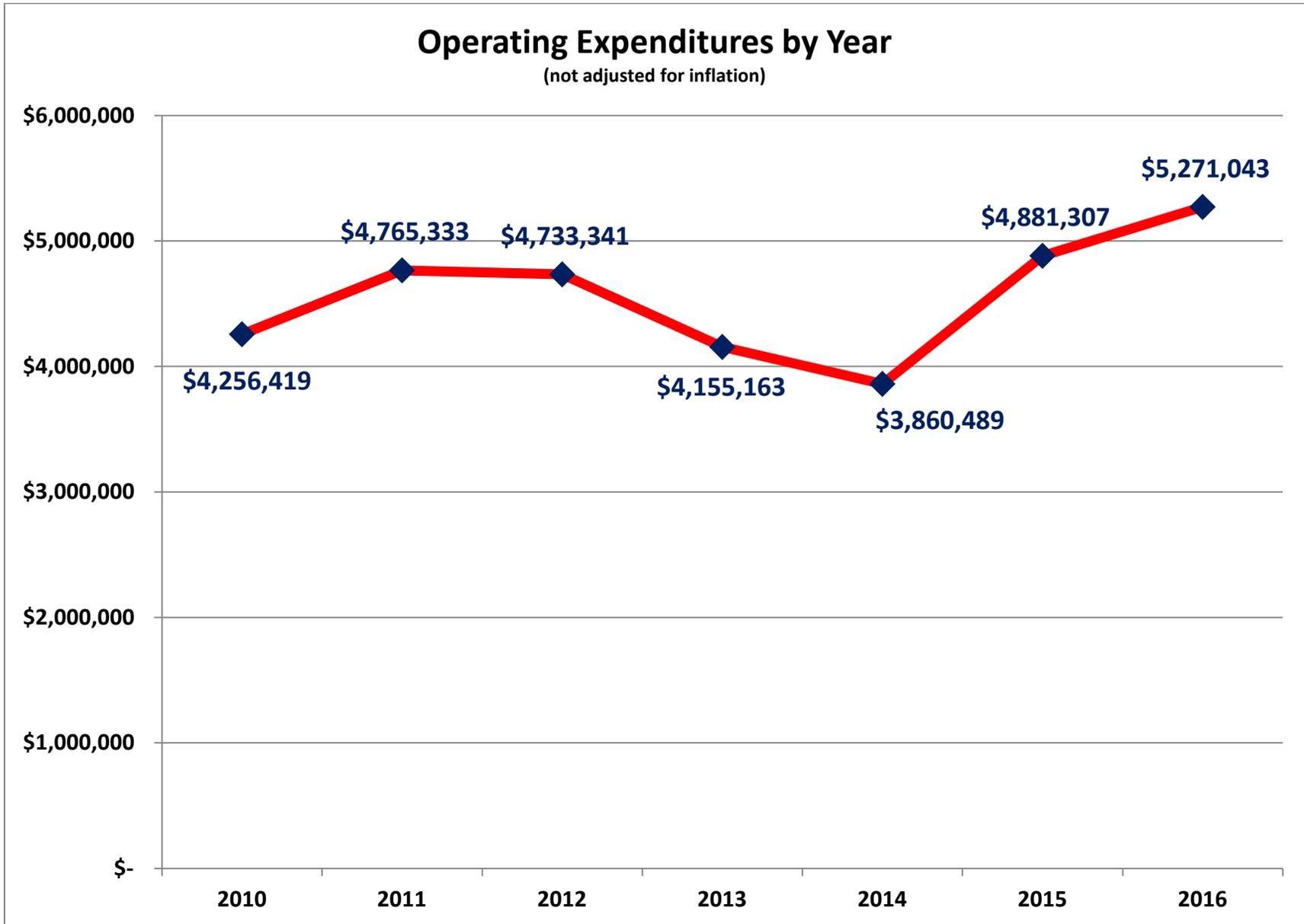




SELECTED FINANCIAL INFORMATION

Sewer Fund

OBJECT OF EXPENDITURE	2011 ACTUAL	2012 ACTUAL	2013 ACTUAL	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 BUDGET
400 GENERAL GOVERNMENT							
Sewer Billing: 08402							
<i>Operating Expenses</i>	46,967	50,011	47,605	39,141	47,537	70,775	86,904
<i>Capital Expenses</i>	585,540	56,667	-	-	53,333	4,000	59,832
Total Sewer Billing	632,507	106,678	47,605	39,141	100,870	74,775	146,736
Sewer Obligation Debt: 08471	1,104,461	1,190,385	673,528	293,911	1,003,553	1,137,311	1,269,378
Sewer Authority Funding: 08481	5,527	10,716	16,798	21,311	15,200	10,200	15,200
Insurance Premiums: 08486	67,742	82,562	102,066	99,177	123,972	92,272	96,887
NonDepartmental - Benefits: 08488	35,688	50,161	47,442	47,928	52,571	50,646	63,592
Transfers To Other Funds: 08492	661,662	709,794	706,660	703,976	789,046	789,046	751,582
TOTAL GENERAL GOVERNMENT	2,507,587	2,150,296	1,594,099	1,205,444	2,085,212	2,154,250	2,343,375
430 PUBLIC WORKS							
Wastewater Treatment Plant: 0842P							
<i>Operating Expenses</i>	1,319,022	1,082,172	1,035,839	1,075,909	1,202,702	1,145,843	1,217,121
<i>Capital Expenses</i>	10,370,874	2,975,538	-	70,971	80,000	112,850	152,000
Total Wastewater Treatment Plant	11,689,896	4,057,710	1,035,839	1,146,880	1,282,702	1,258,693	1,369,121
Sludge Removal: 0842S							
<i>Operating Expenses</i>	445,448	476,757	472,660	539,587	606,760	522,733	594,406
<i>Capital Expenses</i>	-	26,000	-	22,167	181,000	151,000	25,000
Total Sludge Removal	445,448	502,757	472,660	561,754	787,760	673,733	619,406
Lift Stations: 0842M							
<i>Operating Expenses</i>	133,542	140,157	137,410	140,479	161,086	160,393	168,855
<i>Capital Expenses</i>	7,540	-	-	-	-	-	30,000
Total Lift Stations	141,082	140,157	137,410	140,479	161,086	160,393	198,855
Sewer Plant Lab: 0842L							
<i>Operating Expenses</i>	461,145	481,436	471,663	462,795	500,194	477,859	518,250
<i>Capital Expenses</i>	55,345	1,000	-	19,359	46,000	46,274	9,900
Total Sewer Plant Lab	516,490	482,436	471,663	482,154	546,194	524,133	528,150
Sewer Collection System: 08425							
<i>Operating Expenses</i>	484,129	459,190	443,492	436,275	466,860	424,229	488,868
<i>Capital Expenses</i>	23,900	66,918	4,241	143,327	1,282,000	982,533	4,204,919
Total Sewer Collection System	508,029	526,108	447,733	579,602	1,748,860	1,406,762	4,693,787
TOTAL PUBLIC WORKS	13,300,945	5,709,168	2,565,305	2,910,869	4,526,602	4,023,714	7,409,319
<i>Total Operating Expenses</i>	4,765,333	4,733,341	4,155,163	3,860,489	4,969,481	4,881,307	5,271,043
<i>Total Capital Expenses</i>	11,043,199	3,126,123	4,241	255,824	1,642,333	1,296,657	4,481,651
TOTAL SEWER FUND EXPENDITURES	15,808,532	7,859,464	4,159,404	4,116,313	6,611,814	6,177,964	9,752,694



SELECTED FINANCIAL INFORMATION

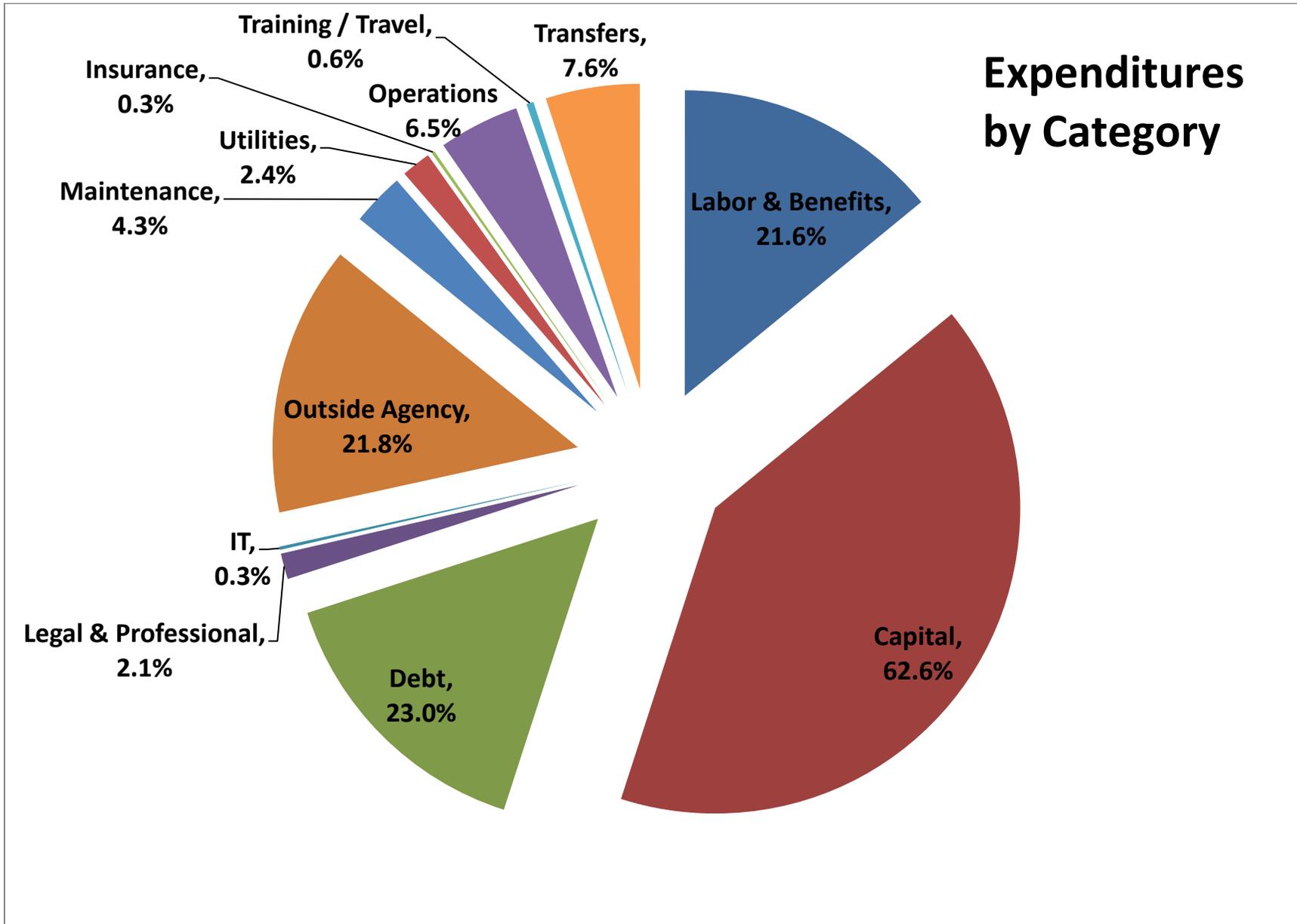
Parking Fund

**Revenues & Expenditures
by Major Category**

	<u>2014</u>	<u>% of Revenue</u>	<u>Projection 2015</u>	<u>% of Revenue</u>	<u>Budget 2016</u>	<u>% of Revenue</u>
Revenue:						
Fees	\$ 504,871	81.3	\$ 458,980	83.3	\$ 504,869	81.8
Fines	\$ 107,766	17.4	\$ 85,000	15.4	\$ 107,766	17.5
Grants	-	-	-	-	-	-
Miscellaneous	8,063	1.3	6,880	1.2	4,032	0.7
Investment	52	0.0	380	0.1	380	0.1
Total revenue	<u>620,752</u>	<u>100.0</u>	<u>551,240</u>	<u>100.0</u>	<u>617,047</u>	<u>100.0</u>
Expenditures:						
Labor & Benefits	115,870	18.7	127,599	23.1	133,048	21.6
Capital	73,896	11.9	178,425	32.4	386,000	62.6
Debt	23,478	3.8	143,071	26.0	142,111	23.0
Legal & Professional	3,577	0.6	8,000	1.5	13,000	2.1
IT	1,981	0.3	1,600	0.3	1,600	0.3
Outside Agency	113,650	18.3	131,200	23.8	134,700	21.8
Maintenance	10,106	1.6	17,830	3.2	26,241	4.3
Utilities	11,740	1.9	13,898	2.5	14,797	2.4
Insurance	2,263	0.4	1,517	0.3	1,592	0.3
Operations	27,854	4.5	27,917	5.1	40,310	6.5
Training / Travel	1,298	0.2	3,700	0.7	3,585	0.6
Transfers	66,443	10.7	47,622	8.6	47,145	7.6
Total expenditures	<u>452,156</u>	<u>72.8</u>	<u>702,379</u>	<u>127.4</u>	<u>944,129</u>	<u>153.0</u>
Net surplus (deficit)	<u>\$ 168,596</u>	<u>27.2</u>	<u>\$ (151,139)</u>	<u>(27.4)</u>	<u>\$ (327,082)</u>	<u>(53.0)</u>

**Revenues by Major Category &
Expenditures by Department**

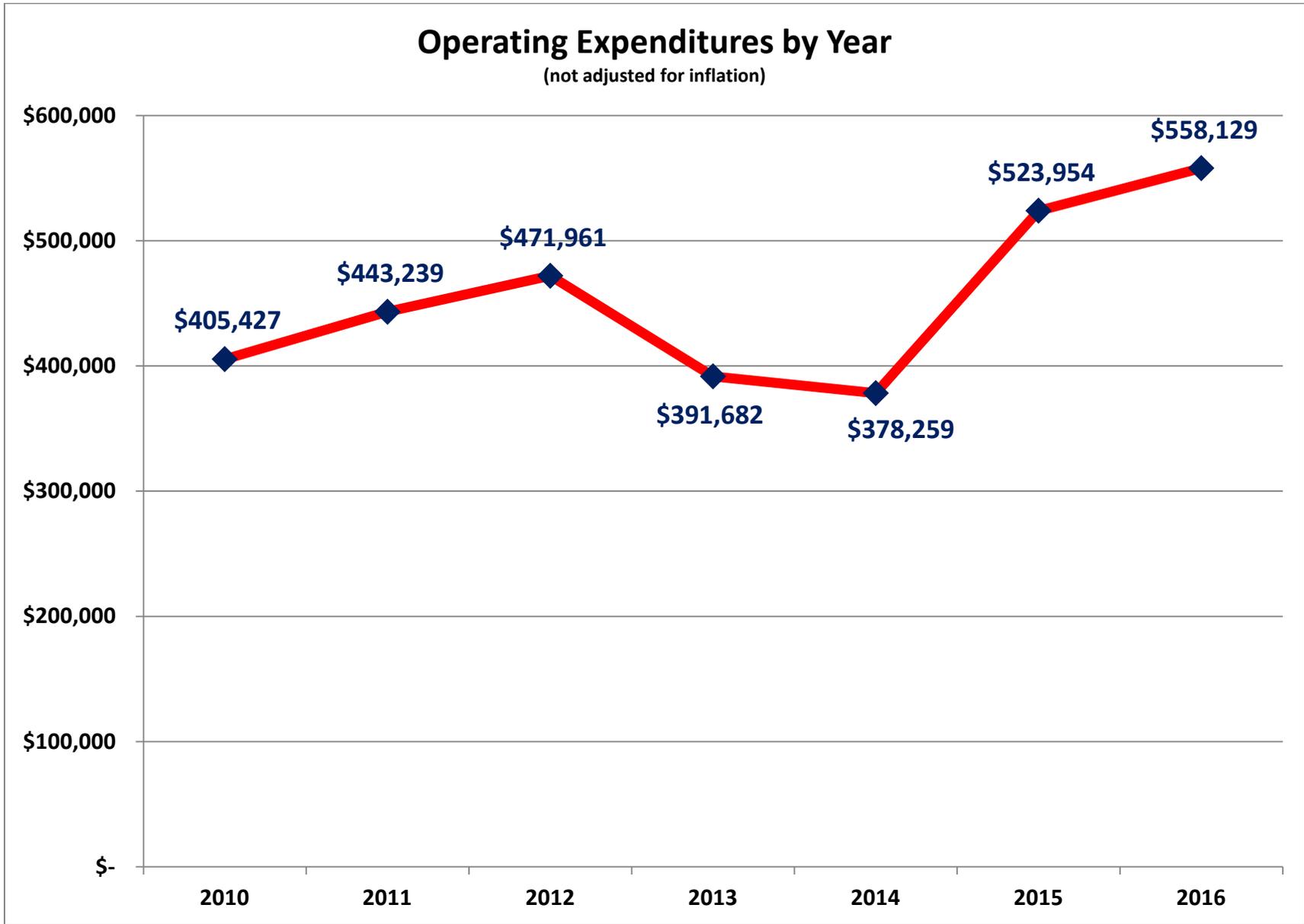
	<u>2014</u>	<u>% of Revenue</u>	<u>Projection 2015</u>	<u>% of Revenue</u>	<u>Budget 2016</u>	<u>% of Revenue</u>
Revenue:						
Fees	\$ 504,871	81.4	\$ 459,992	83.4	\$ 505,881	82.0
Fines	107,766	17.4	85,000	15.4	107,766	17.5
Grants	-	-	-	-	-	-
Miscellaneous	7,732	1.2	5,868	1.1	3,020	0.5
Investment	52	0.0	380	0.1	380	0.1
Total revenue	<u>620,421</u>	<u>100.0</u>	<u>551,240</u>	<u>100.0</u>	<u>617,047</u>	<u>100.0</u>
Expenditures:						
Operations	243,586	39.3	379,666	68.9	419,891	68.0
Garage	110,833	17.9	124,295	22.5	325,991	52.8
Debt	23,479	3.8	143,071	26.0	142,111	23.0
Insurance	2,263	0.4	1,854	0.3	1,946	0.3
Pension & W/C	5,552	0.9	5,871	1.1	7,045	1.1
Transfers	66,443	10.7	47,622	8.6	47,145	7.6
Total expenditures	<u>452,156</u>	<u>72.9</u>	<u>702,379</u>	<u>127.4</u>	<u>944,129</u>	<u>153.0</u>
Net surplus (deficit)	<u>\$ 168,265</u>	<u>27.1</u>	<u>\$ (151,139)</u>	<u>(27.4)</u>	<u>\$ (327,082)</u>	<u>(53.0)</u>



SELECTED FINANCIAL INFORMATION

Parking Fund

OBJECT OF EXPENSE	2011 ACTUAL	2012 ACTUAL	2013 ACTUAL	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 BUDGET
400 GENERAL GOVERNMENT							
Parking Operations: 32445							
<i>Operating Expenses</i>	162,284	136,486	169,253	197,649	236,247	233,241	255,891
<i>Capital Expenses</i>	40,000	28,007	22,960	45,937	153,924	146,425	164,000
Total Parking Administration	202,284	164,493	192,213	243,586	390,171	379,666	419,891
Parking Garage: 32446							
<i>Operating Expenses</i>	71,331	68,774	56,445	82,874	98,085	92,295	103,991
<i>Capital Expenses</i>				27,959	123,475	32,000	222,000
Total Parking Garage	71,331	68,774	56,445	110,833	221,560	124,295	325,991
Parking Debt Obligation: 32471	185,914	214,649	113,054	23,478	142,906	143,071	142,111
Insurance Premiums: 32486	1,512	1,810	2,228	2,263	2,829	1,854	1,946
NonDepart. -Benefits: 32488	4,564	5,242	5,503	5,552	6,107	5,871	7,045
Transfers To Other Funds: 32492	17,634	45,000	45,199	66,443	47,622	47,622	47,145
TOTAL GENERAL GOVERNMENT	483,239	499,968	414,642	452,155	811,195	702,379	944,129
Total Operating Expenses	443,239	471,961	391,682	378,259	533,796	523,954	558,129
Total Capital Expenses	40,000	28,007	22,960	73,896	277,399	178,425	386,000
TOTAL PARKING FUND EXPENSES	483,239	499,968	414,642	452,155	811,195	702,379	944,129



**Revenues & Expenditures
by Major Category**

	<u>2014</u>	<u>% of Revenue</u>	<u>Projection 2015</u>	<u>% of Revenue</u>	<u>Budget 2016</u>	<u>% of Revenue</u>
Revenue:						
Fees	\$ 599,122	91.6	\$ 647,773	93.1	\$ 697,230	93.5
Grants	42,465	6.5	42,465	6.1	42,465	5.7
Miscellaneous	12,418	1.9	5,300	0.8	6,254	0.8
Investment	43	0.0	29	0.0	29	0.0
Total revenue	654,048	100.0	695,567	100.0	745,978	100.0
Expenditures:						
Labor & Benefits	14,645	2.2	17,283	2.5	18,344	2.5
Maintenance	2,095	0.3	1,847	0.3	1,847	0.2
Utilities	548,949	83.9	551,092	79.2	571,715	76.6
Operations	91,098	13.9	93,962	13.5	95,534	12.8
Transfers	20,068	3.1	22,622	3.3	22,145	3.0
Total expenditures	676,855	103.5	686,806	98.7	709,585	95.1
Net surplus (deficit)	\$ (22,807)	(3.5)	\$ 8,761	1.3	\$ 36,393	4.9

General capital assets are those assets not specifically related to activities reported in the proprietary funds and generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type column of the government-wide statement of net position and in the respective fund.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair values as of the date received. The Borough maintains a capitalization threshold of \$ 5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets is only capitalized for proprietary fund assets.

All infrastructure acquired after January 1, 1980 for the governmental activities is reported on the government-wide statements. Infrastructure includes roads, bridges, traffic signals, storm sewers and drains.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed in the Comprehensive Annual Financial Report using the straight-line method over the following useful lives:

- Land Improvements 50
- Infrastructure 20-40
- Buildings 30
- Equipment 10
- Vehicles 5

GENERAL FUND		Capital	Bond Proceeds	Grants	Designated Revenues	Other/Cash Reserves
Police	Security enhancements	20,000				20,000
	Body cameras	75,000		43,500		31,500
	Camera system - camera replacement	9,600				9,600
	In car video systems	10,000			10,000	0
	Patrol vehicle	35,000	149,600		5,550	29,450
Stormwater	Borough stormwater facilities	20,000		20,000		0
	Cherry & Louthier	420,000		35,000	35,000	0
	Bicycle safe storm grates	5,000				5,000
	TV inspection vehicle	63,000		63,000		0
	Valley Meadows	352,000		250,000		102,000
	Exel stormwater diversion	40,000		40,000		0
	Engineering evaluation	65,000	965,000	65,000		0
Boro Hall	Security enhancements at Boro Hall	33,333		33,333		0
	Generator	21,667		21,667		0
	Parking lot overlay	1,500				1,500
	Parking lot overlay - drainage system	3,333	59,834			3,333
Public Works - Communtiy Ctr	Gym 2 roof replacement	75,000		75,000		0
	2nd floor upgrades	136,000		136,000		0
	Boiler improvements	6,400	217,400			6,400
Public Works - Field Ops	Dry milling	25,442			25,442	0
	Installation of 19 ADA ramps	100,000			100,000	0
	Street paving	172,395			172,395	0
	Molly Pitcher Cemetery wall improvements	160,000		60,000	100,000	0
	Box shoring	4,835		4,835		0
	4 X 4 Backhoe	33,284	495,956	33,284		0
Codes & Engineering	Urban Redevelopment	1,500,000	1,500,000	1,500,000		0
IT	Microsoft Office Upgrade	35,000	35,000			35,000
Parks & Rec - Pool	Painting	11,600				11,600
	Depth & tile marking	50,000		50,000		0
	Slide tower & sandblasting / painting	20,000			20,000	0
	Slide fiberglass	30,000	111,600		30,000	0
Public Works - Parks Maint	Biddle Mission Park Spray Pool	6,500			6,500	0
	Heberlig-Palmer Park Renovations	146,459		124,500	20,540	1,419
	Kubota	27,000				27,000
	Valley Meadows Park Improvements - berms	220,000		220,000		0
	West End Trail Connection	680,949		680,949		0
	Shaffer Cabin	121,000	1,201,908	11,000	10,000	100,000
		4,736,298	4,736,298	868,119	2,958,949	625,427
						283,802

WATER FUND		Capital	Bond Proceeds	Grants	Designated Revenues	Other/Cash Reserves
Water Distribution System	Water valve replacement	16,000				16,000
	Water Distribution study	275,000		275,000		0
	Letort Park water line	15,000				15,000
	Box shoring	4,835		4,835		0
	4 X 4 backhoe	33,284	344,119	33,284		0
Finance	Security enhancements at Boro Hall	33,333		33,333		0
	Generator	21,667		21,667		0
	Parking lot overlay	1,500				1,500
	Parking lot overlay - drainage system	3,333	59,834			3,333
Water Treatment Plant	Multiuse Outbuilding	5,000				5,000
	Pressure Pump VFDs	45,000				45,000
	SCADA Upgrade Phase II	163,680		163,680		0
	Piping Evaluation	20,600				20,600
	Pickup truck	34,000	268,280			34,000
		672,233	672,233	531,799	0	140,433

SEWER FUND		Capital	Bond Proceeds	Grants	Designated Revenues	Other/Cash Reserves
Sewer Collection System	Sewer System Rehabilitation Program	4,019,800		4,019,800		0
	Box shoring	4,835		4,835		0
	4 X 4 backhoe	33,284		33,284		0
	TV inspection vehicle	147,000	4,204,919	147,000		0
Finance	Security enhancements at Boro Hall	33,333		33,333		0
	Generator	21,667		21,667		0
	Parking lot overlay	1,500				1,500
	Parking lot overlay - drainage system	3,333	59,834			3,333
Sewer - Biosolids	Autothermal thermophilic aerobic digestion	25,000	25,000		10,408	14,593
Sewer Plant	Riding lawn mower	12,000			4,996	7,004
	Portable pump	50,000			20,815	29,185
	VFD units for raw pumps 1 & 4	70,000	132,000	40,859	29,141	0
Sewer - Lift Stations	PSI Diesel fuel tank	30,000	30,000		12,489	17,511
Sewer - Lab	Flask Scrubber	9,900	9,900		2,061	7,839
		4,461,653	4,461,653	4,300,778	0	79,909

PARKING FUND		Capital	Bond Proceeds	Grants	Designated Revenues	Other/Cash Reserves
Parking Operations	E Louther Street lot improvements	164,000	164,000		164,000	0
Parking Garage	Cameras	12,000			12,000	0
	Improvements	210,000	222,000		210,000	0
		386,000	386,000	0	0	386,000

Significant, Nonrecurring Capital Expenditures

The Borough of Carlisle defines significant, nonrecurring capital expenditures as expenditures exceeding \$5,000 that add value to an asset or materially extend an asset's life, are not included in almost every budget, and have a significant impact on the operating budget.

General Fund

- Stormwater Department
 - Stormwater Improvements
 - Estimated Project Cost - \$2,527,000
 - Budget Appropriation - \$755,000
 - Funding Source – debt proceeds, grant funding, designated revenues
 - Purpose
 - Develop and implement stormwater improvements and management
 - TV Inspection Vehicle
 - Estimated Project Cost - \$210,000 (Split 30% General 70% Sewer)
 - Budget Appropriation - \$63,000 (30% project cost)
 - Funding Source – debt proceeds
 - Purpose
 - Technology will allow inspection of stormwater infrastructure.
- Community Center
 - 2nd Floor Upgrades
 - Estimated Project Cost - \$136,000
 - Budget Appropriation - \$136,000
 - Funding Source – debt proceeds
 - Purpose
 - Renovation of the 2nd floor at the Borough's Community Center to improve the facility to increase rental activity.
 - Gym 2 Roof Replacement
 - Estimated Project Cost - \$75,000
 - Budget Appropriation - \$75,000
 - Funding Source – debt proceeds
 - Purpose
 - Replacement of the roof at the Borough's Community Center to improve and maintain the facility.

- Public Works – Field Operations
 - Molly Pitcher Cemetery Maintenance
 - Estimated Project Cost - \$460,000
 - Budget Appropriation - \$160,000
 - Funding Source – debt proceeds
 - Purpose
 - Significant improvements to the Borough’s Molly Pitcher Cemetery are needed to upgrade and repoint the wall surrounding the cemetery.
- Borough Hall
 - Borough Hall Security Upgrades
 - Estimated Project Cost - \$100,000 (Split General, Water, Sewer)
 - Budget Appropriation - \$33,333 (1/3 of project cost)
 - Funding Source – debt proceeds
 - Purpose
 - Evaluate and make improvements to the security of Borough Hall.
 - Generator (1/3 of project cost)
 - Estimated Project Cost - \$65,000 (Split General, Water, Sewer)
 - Budget Appropriation - \$21,667 (1/3 of project cost)
 - Funding Source – debt proceeds
 - Purpose
 - Provide backup power at Borough Hall.
- Codes & Engineering
 - Urban Redevelopment Plan (95% of project cost)
 - Estimated Project Cost - \$20,000,000
 - Budget Appropriation - \$1,500,000
 - Funding Source – Grant and Cash Reserves
 - Purpose
 - To redevelop key intersection of Urban Redevelopment Plan.
- Parks Maintenance
 - West End Trail Connection
 - Estimated Project Cost - \$680,949
 - Budget Appropriation - \$680,949
 - Funding Source – Grants
 - Purpose
 - Develop on and off road walking and biking trail that is linked with the Borough’s existing Bike and Pedestrian Trail and

eventually to the Cumberland Valley Rail Trail. This link will make it possible to complete a trail from Shippensburg to Carlisle and into South Middleton Township, over 25 miles in total trails.

- Heberlig-Palmer Park Renovation
 - Estimated Project Cost - \$146,459
 - Budget Appropriation - \$146,459
 - Funding Source – Grants
 - Purpose
 - Renovation of Park’s parking areas, landscaping, field, path, and amphitheatre.
- Shaffer Cabin Renovations
 - Estimated Project Cost - \$121,000
 - Budget Appropriation - \$121,000
 - Funding Source – debt proceeds, grants, designated revenue
 - Purpose
 - Renovation of Shaffer Cabin to increase rental activity.

Water Fund

- Water Plant
 - SCADA upgrade, Phase II
 - Estimated Project Cost - \$163,680
 - Budget Appropriation - \$163,680
 - Funding Source – debt proceeds
 - Purpose
 - Replace old PLCs with new units and upgrade hardware.
 - Pressure Pump VFDs
 - Estimated Project Cost - \$45,000
 - Budget Appropriation - \$45,000
 - Funding Source – reserves
 - Purpose
 - Equipment that allows for continuous operation at slower motor speeds that will yield energy savings.

- Distribution
 - Water Distribution Study
 - Estimated Project Cost - \$275,000
 - Budget Appropriation - \$275,000
 - Funding Source – debt proceeds
 - Purpose
 - Analysis of the Borough’s aging water distribution system.
- Finance
 - Borough Hall Security Upgrades
 - Estimated Project Cost - \$100,000 (Split General, Water, Sewer)
 - Budget Appropriation - \$33,333 (1/3 of project cost)
 - Funding Source – debt proceeds
 - Purpose
 - Evaluate and make improvements to the security of Borough Hall.
 - Generator (1/3 of project cost)
 - Estimated Project Cost - \$65,000 (Split General, Water, Sewer)
 - Budget Appropriation - \$21,667 (1/3 of project cost)
 - Funding Source – debt proceeds
 - Purpose
 - Provide backup power at Borough Hall.

Sewer Fund

- Public Works – Sewer Collection
 - Sewer System Rehabilitation Program
 - Estimated Project Cost - \$30,000,000
 - Budget Appropriation - \$4,019,800
 - Funding Source – debt proceeds
 - Purpose
 - 2nd year of multi-year capital plan to improve the Borough’s sewer collection system.
 - TV Inspection Vehicle
 - Estimated Project Cost - \$210,000 (Split 30% General 70% Sewer)
 - Budget Appropriation - \$147,000 (70% project cost)
 - Funding Source – debt proceeds
 - Purpose
 - Technology will allow inspection of sewer and stormwater infrastructure.

- Finance
 - Borough Hall Security Upgrades
 - Estimated Project Cost - \$100,000 (Split General, Water, Sewer)
 - Budget Appropriation - \$33,333 (1/3 of project cost)
 - Funding Source – debt proceeds
 - Purpose
 - Evaluate and make improvements to the security of Borough Hall.
 - Generator (1/3 of project cost)
 - Estimated Project Cost - \$65,000 (Split General, Water, Sewer)
 - Budget Appropriation - \$21,667 (1/3 of project cost)
 - Funding Source – debt proceeds
 - Purpose
 - Provide backup power at Borough Hall.
- Sewer Plant
 - Raw Pumps VFDs
 - Estimated Project Cost - \$70,000
 - Budget Appropriation - \$70,000
 - Funding Source – debt proceeds and designated revenues
 - Purpose
 - Allow for greater operational capabilities, particularly during high flow period.
 - Portable Pump
 - Estimated Project Cost - \$50,000
 - Budget Appropriation - \$50,000
 - Funding Source – reserves and designated revenues
 - Purpose
 - Replaces a smaller pump to allow for greater pumping capacity and more reliability.
- Biosolids
 - Autothermal thermophilic aerobic digestion (ATAD) Study
 - Estimated Project Cost - \$25,000
 - Budget Appropriation - \$25,000
 - Funding Source – reserves and designated revenues
 - Purpose
 - Evaluation to upgrade facilities to develop ATAD process, which yields a Class A/EQ product of biosolids.

- Lift Stations
 - Underground Diesel Fuel Tank
 - Estimated Project Cost - \$30,000
 - Budget Appropriation - \$30,000
 - Funding Source – reserves and designated revenues
 - Purpose
 - Replaces degrading underground fuel tank.

Parking Fund

- Operations
 - East Louther Street Improvements
 - Estimated Project Cost - \$164,000
 - Budget Appropriation - \$164,000
 - Funding Source – Capital Reserves
 - Purpose
 - Improvements to assist with stormwater management.
- Parking Garage
 - Parking Garage Improvements
 - Estimated Project Cost - \$210,000
 - Budget Appropriation - \$210,000
 - Funding Source – Capital Reserves
 - Purpose
 - 1st of 5 years of capital improvements on structure and equipment.

STORMWATER								
Category	Total	2016	2017	2018	2019	2020	Notes	Funding Source
MS4 Permit Compliance	-	-					Operating expense	General Fund
Cherry & Louthier	420,000	420,000					Can Use Debt Proceeds / work with Dickinson College	Grants
TV Inspection vehicle (30%)	63,000	63,000					Can Use Debt Proceeds	General Fund
Engineering Evaluation / System Improvements	420,000	65,000	75,000	85,000	95,000	100,000	Can Use Debt Proceeds	General Fund
Street Sweeper	230,000		230,000				was in Public Works in prior plan	General Fund
W. High Street	300,000	-	100,000	200,000			work with Dickinson College	General Fund
Exel stormwater diversion	40,000	40,000					Can Use Debt Proceeds	General Fund
Lamberton CASD MS (S. Hanover)	140,000		40,000	100,000			Can Use Debt Proceeds	General Fund
Borough Facilities	170,000	20,000	30,000	40,000	40,000	40,000	Can Use Debt Proceeds	General Fund
Roadway roundabouts	400,000			200,000		200,000	Can Use Debt Proceeds	General Fund
PW Field Yard	30,000		15,000	15,000				General Fund
Bicycle Safe Storm Grates	25,000	5,000	5,000	5,000	5,000	5,000		General Fund
Valley Meadows Park Stormwater Improvements	352,000	352,000						Grants / GF
SUBTOTAL	2,590,000	965,000	495,000	645,000	140,000	345,000		
PARKING								
Category - Post Office Lot	Total	2016	2017	2018	2019	2020	Notes	Funding Source
	-							
SUBTOTAL	-	-	-	-	-	-		
Category - W. Pomfret Street Lot	Total	2016	2017	2018	2019	2020	Notes	Funding Source
	-							
	-							
SUBTOTAL	-	-	-	-	-	-		
Category - E. Louthier Street North Lot	Total	2016	2017	2018	2019	2020	Notes	Funding Source
Pervious pavement	130,000					130,000		Parking Fund
General improvements	5,500					5,500	53 spaces @ \$89 per space	Parking Fund
Landscaping	10,000					10,000		Parking Fund
	-							
SUBTOTAL	145,500	-	-	-	-	145,500		
Category - Liberty Avenue Lot	Total	2016	2017	2018	2019	2020	Notes	Funding Source
	-							
	-							
	-							
SUBTOTAL	-	-	-	-	-	-		

Category – E. Louthier Street South Lot	Total	2016	2017	2018	2019	2020	Notes	Funding Source
Stormwater management and general improvements	164,000	164,000						Committed Funds
	-							
	-							
	-							
SUBTOTAL	164,000	164,000	-	-	-	-		

Category - Chapel Avenue Lot	Total	2016	2017	2018	2019	2020	Notes	Funding Source
	-							
SUBTOTAL	-	-	-	-	-	-		

Category - Parking Garage	Total	2016	2017	2018	2019	2020	Notes	Funding Source
Resealing	-					30,000	should be done in 2020	
Equipment	80,000	80,000						Parking Fund
eFlexPrint Validation System	6,500		6,500					Parking Fund
Pay-in-Lane station	45,000			45,000				Parking Fund
Repairs and preventative maintenance	500,000	100,000	100,000	100,000	100,000	100,000		Parking Fund
Install cameras on every floor and in elevator	39,000	12,000	13,000	14,000			1 camera on floors 2-5	Parking Fund
Repair/replace roof over elevator	-							Parking Fund
Build partition/enclose elevator	-						keep away weather	Parking Fund
Install energy efficient lighting	30,000	30,000						Parking Fund
Exterior Garage Improvements	-							Parking Fund
Painting	-						tentative plan is once every 3 or 4 years	Parking Fund
SUBTOTAL	700,500	222,000	119,500	159,000	100,000	100,000		

Category - Meters	Total	2016	2017	2018	2019	2020	Notes	Funding Source
Order spare meters	33,000		10,000	11,000	12,000			Parking Fund
Lithium batteries	-						moved to operating budget	
	-							
SUBTOTAL	33,000	-	10,000	11,000	12,000	-		

WATER TREATMENT PLANT								
Category	Total	2016	2017	2018	2019	2020	Notes	Funding Source
3/4 Ton Pickup Truck	34,000	34,000						Water Fund
Pump Rebuilds	20,000		20,000					Water Fund
PLC / SCADA Upgrade Phase II	163,680	163,680					Can Use Debt Proceeds	Water Fund
Pumphouse Piping Replacements	500,000			500,000			estimated # - will know more after 2016 study complete	Water Fund
Multiuse Outbuilding	5,000	5,000						
Pressure Pump VFDs	45,000	45,000						
Piping Evaluation	20,600	20,600						
Chlorine Analyzer(s)	10,300		10,300					Water Fund
Penn St. Tank Recoat	288,500		288,500				Can Use Debt Proceeds	Water Fund
Transmission Main Replacements	875,500					875,500	Can Use Debt Proceeds	Water Fund
New Maintenance Building	50,000		50,000					Water Fund
Headrace Improvements	927,000				927,000		Can Use Debt Proceeds	Water Fund
SUBTOTAL	2,939,580	268,280	368,800	500,000	927,000	875,500		

SEWER TREATMENT PLANT								
Category	Total	2016	2017	2018	2019	2020	Notes	Funding Source
Raw pump #1 and #4 VFDs	70,000	70,000						Sewer Fund
Channel Monsters	65,000		65,000					Sewer Fund
Disinfection Alternative	500,000					500,000	safety and compliance regulatory issue (use Debt Proc.)	Sewer Fund
Roadway paving	50,000					50,000		Sewer Fund
Stemdrive Unit Replacement	50,000			15,000		35,000	pilot project	Sewer Fund
Disinfection Alternative Study	25,000		25,000					Sewer Fund
Portable pump	50,000	50,000						Sewer Fund
Riding lawn mower	12,000	12,000						Sewer Fund
SUBTOTAL	822,000	132,000	90,000	15,000	-	585,000		
LABORATORY								
Category	Total	2016	2017	2018	2019	2020	Notes	Funding Source
Sprinter 2500 Cargo Van	42,000					42,000		Sewer Fund
Labconco Flask Scrubber	9,900	9,900						Sewer Fund
Type 1 Ultrapure LabWater Purification System	7,500		7,500					Sewer Fund
Lab Building Roof Replacement	25,000				25,000		lab roof is original-1997- replace at 23 years	Sewer Fund
SUBTOTAL	84,400	9,900	7,500	-	25,000	42,000		
LIFT STATION								
Category	Total	2016	2017	2018	2019	2020	Notes	Funding Source
PSI Diesel Fuel Tank	30,000	30,000						Sewer Fund
SUBTOTAL	30,000	30,000	-	-	-	-		
BIO SOLIDS								
Category	Total	2016	2017	2018	2019	2020	Notes	Funding Source
Autothermal Thermophilic Aerobic Digestion	25,000	25,000						
Backhoe	135,000			135,000			Can Use Debt Proceeds	Sewer Fund
15 Ton Dump Truck	200,000					200,000	Can Use Debt Proceeds	Sewer Fund
Tractor Truck - replace 56	160,000				160,000		Can Use Debt Proceeds	Sewer Fund
SUBTOTAL	495,000	25,000	-	135,000	160,000	200,000		
PARKS AND RECREATION								
<i>Vehicles</i>								
Category	Total	2016	2017	2018	2019	2020	Notes	Funding Source
1 Ton Truck	50,000	-		-	50,000			General Fund
2WD Colorado Truck (replace S10)	22,000		22,000					General Fund
Disc Mower	8,750					8,750		General Fund
SUBTOTAL	80,750	-	22,000	-	50,000	8,750		

PARKS AND RECREATION							
<i>Pool</i>							
Category	Total	2016	2017	2018	2019	2020	Funding Source
Pool Painting	24,100	11,600	-	-	12,500		General Fund
Slide Fiberglass Work	30,000	30,000	-	-	-		Rec Area Fees
Slide Tower Sandblasting/Painting	20,000	20,000	-	-	-		Rec Area Fees
Depth & tile marking	50,000	50,000					General Fund
Shade Canopy Replacements	15,000				15,000		General Fund
Concession Building	-						General Fund
Upgrades to Bath House	-						General Fund
Recreation Area Improvements	40,000	-	-	-	-	40,000	General Fund
SUBTOTAL	179,100	111,600	-	-	27,500	40,000	

PARKS AND RECREATION							
<i>Community Center</i>							
Category	Total	2016	2017	2018	2019	2020	Funding Source
Gymnasium air-conditioning	75,000			75,000			General Fund
Gym roof	75,000	75,000					General Fund
Boiler improvements	6,400	6,400					General Fund
Security Camera-exterior	20,000		20,000				General Fund
Second Floor Upgrades	136,000	136,000	-	-	-		General Fund
SUBTOTAL	312,400	217,400	20,000	75,000	-	-	

PARKS AND RECREATION							
<i>Park Facilities</i>							
Category	Total	2016	2017	2018	2019	2020	Funding Source
Biddle Mission-Spray Pool Surfacing	6,500	6,500	-		-		CDBG/ESNA
Shaffer Park Improvements	121,000	121,000					New Enterprise / County
Heberlig-Palmer Park Renovations	146,459	146,459					Grants/WSNA
Kubota	27,000	27,000					General Fund
West End Trail Connection	680,949	680,949					Grants
Mooreland-tennis courts south side	-		-	-	-		General Fund
Thornwald-Gatehouse interior renovations	15,000		15,000				General Fund
Cave Hill Improvements	-						General Fund / Grant
Thornwald Park-Gazebo Replacement	-						General Fund
Valley Meadows Park Improvements - berm	220,000	220,000					General Fund
Goodyear Park bridge replacement	36,000	-	-	-	-	36,000	PennDOT/DCNR
SUBTOTAL	1,252,908	1,201,908	15,000	-	-	36,000	

POLICE								
Category	Total	2016	2017	2018	2019	2020	Notes	Funding Source
New Vehicles - Replace Two Per Year	327,220	35,000	70,000	72,000	74,000	76,220	14 vehicle fleet - 7 yr. life per car	Asset Forf/ GF
Truck Enforcement	-							General Fund
Camera System	48,000	9,600	9,600	9,600	9,600	9,600	server in 2016, cameras 2016-2020	possibly CDBG
Security Enhancements	20,000	20,000						General Fund
HVAC Improvements	-							General Fund
Body Cameras	75,000	75,000						Grant
In Car Video Systems	10,000	10,000						Forfeiture Fund
SUBTOTAL	480,220	149,600	79,600	81,600	83,600	85,820		

FIRE								
Category	Total	2016	2017	2018	2019	2020	Notes	Funding Source
Aerial Apparatus	1,400,000	-	1,400,000		-		Can Use Debt Proceeds	GF/Fire Tax
SUBTOTAL	1,400,000	-	1,400,000	-	-	-		

CODES								
Category	Total	2016	2017	2018	2019	2020	Notes	Funding Source
New Vehicle - Replace 2002 Ford Explorer	35,000		35,000				was in Public Works in prior plan	General
New Vehicle - Replace 2002 GMC Seirra	35,000			35,000				General
Urban Redevelopment Plan	5,500,00	1,500,00	1,000,00	1,000,00	1,000,00	1,000,00	Grants / TIF / Reserves / Loan or Bond	Grants & Reserves
SUBTOTAL	5,570,00	1,500,00	1,035,00	1,035,00	1,000,00	1,000,00		

INFORMATION TECHNOLOGIES								
Category	Total	2016	2017	2018	2019	2020	Notes	Funding Source
Microsoft Office for 90 Users	35,000	35,000	-	-	-			W/S/G
MAIL Server	30,000					30,000		W/S/G
VOICE Server	12,000					12,000		W/S/G
Large Format Scanner	7,500		7,500					W/S/G
Server	25,000	-		25,000	-			W/S/G
CPD File Server	19,000	-	-		19,000			W/S/G
SUBTOTAL	128,500	35,000	7,500	25,000	19,000	42,000		

The Borough of Carlisle issues debt to finance significant capital projects that have a useful life of at least the term of the debt issued. Typically the Borough will evaluate the capital plan to determine projects to be included in the borrowing. Debt is usually issued to include projects of all Borough funds and contains an irrevocable pledge of the Borough’s full faith, credit and taxing power for the payment of principal and of interest on the debt. All taxable real property in the Borough is subject to *ad valorem* taxation without limitation as to rate or amount to pay debt service.

The Borough’s bonds were rated Aa2 in 2011, the last time they were evaluated by Moody’s Investors Service. Aa2 is recognized as a very strong classification.

Under the laws of the Commonwealth of Pennsylvania as presently enacted and construed, the Borough’s debt is exempt from personal property taxes in the Commonwealth, and interest on the debt is exempt from Pennsylvania Corporate Net Income Tax and from personal income taxation by the Commonwealth or by any of its political subdivisions.

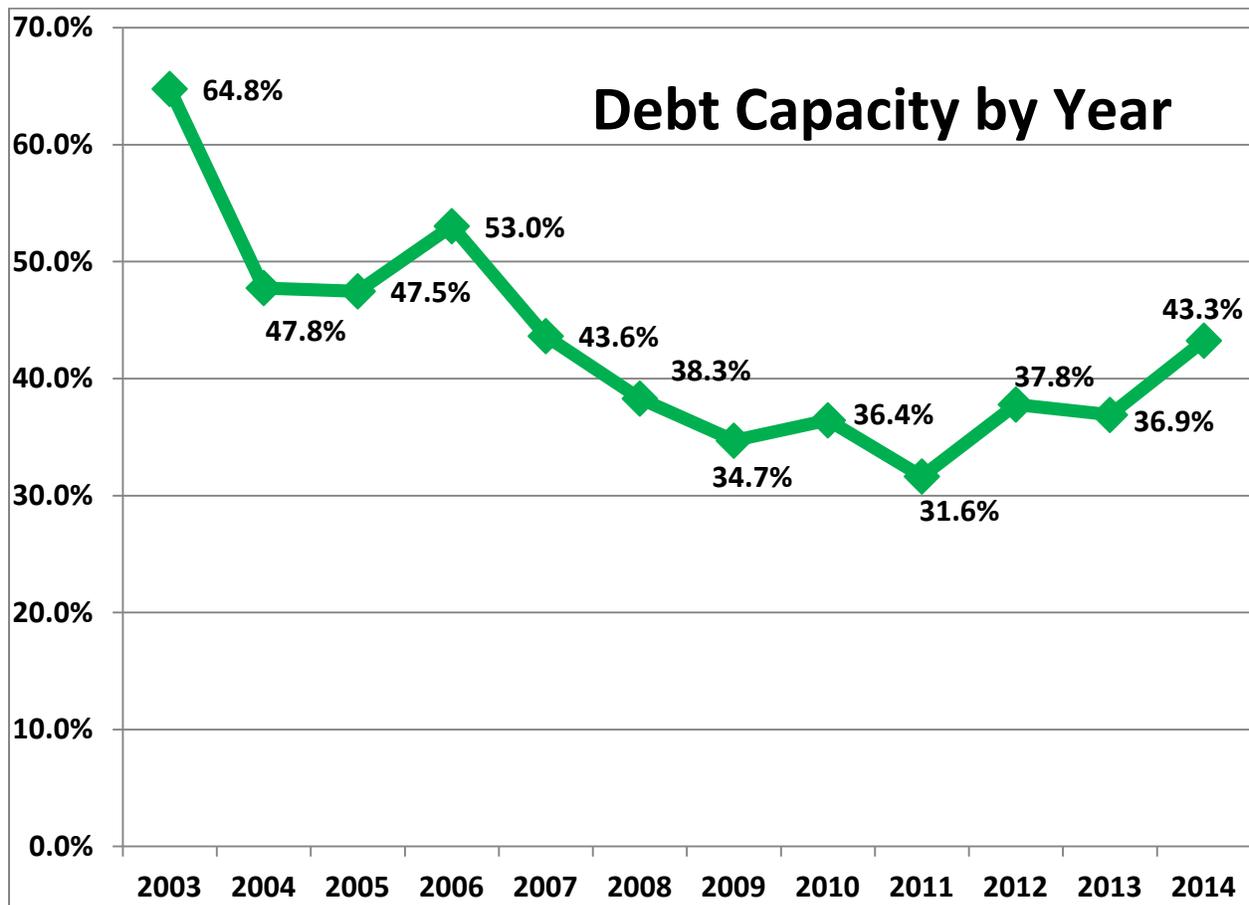
All debt issued by the Borough must comply with provisions of the Pennsylvania Local Government Unit Debt Act 53 Pa. C.S. § 8001 *et. seq.*, as amended and supplemented. Included in this act are limitations on incurring debt for local governmental units. These units are prohibited from incurring any new nonelectoral debt if the aggregate net principal amount of the new nonelectoral debt, together with all other net nonelectoral debt outstanding, would cause the total nonelectoral debt of the local government unit to exceed 250% of its borrowing base. The borrowing base is the arithmetic average of total revenues received for the three preceding fiscal years. Below is the debt limit calculation for 2014 (the last year calculated for the Comprehensive Annual Financial Report):

Legal Debt Margin Calculation for Fiscal Year 2014

Borrowing Base Revenues:

2012	\$ 20,024,452
2013	20,286,987
2014	<u>20,686,551</u>
	<u>\$ 60,997,990</u>
Average Borrowing Base Revenue	\$ 20,332,663
Debt Limit Percentage	<u>250.0%</u>
Debt Limit	\$ 50,831,658
Less: Total Amount of Debt	
Applicable to Debt Limit	<u>21,983,921</u>
Legal Debt Margin	<u>\$ 28,847,737</u>

Debt capacity is the total amount of debt applicable to the legal debt limit as a percentage of the legal debt limit as defined above. In other words, debt capacity illustrates the amount of debt outstanding a Pennsylvania municipality has in relation to the legal limit allowed by Pennsylvania law. The Borough’s debt capacity has improved dramatically since 2003, primarily due to refinancing of debt at lower interest rates and paying off expiring debt; however, the Borough’s debt service will likely increase over the next several years as a result of financing major capital projects.



The principal balance outstanding by fund for each debt issuance as of December 31, 2015 is included in the table below.

<u>Debt Issue</u>	<u>Total</u>	<u>General</u>	<u>Water</u>	<u>Sewer</u>	<u>Parking</u>
2011	\$ 7,885,000	694,621	1,663,286	5,432,993	94,100
2012	5,330,000	1,990,000	2,050,000	1,015,000	275,000
2013	6,900,000	2,649,600	1,925,100	1,711,200	614,100
2014	<u>111,819</u>	<u>-</u>	<u>25,018</u>	<u>86,801</u>	<u>-</u>
Total	<u>\$ 20,226,819</u>	<u>5,334,221</u>	<u>5,663,404</u>	<u>8,245,994</u>	<u>983,200</u>

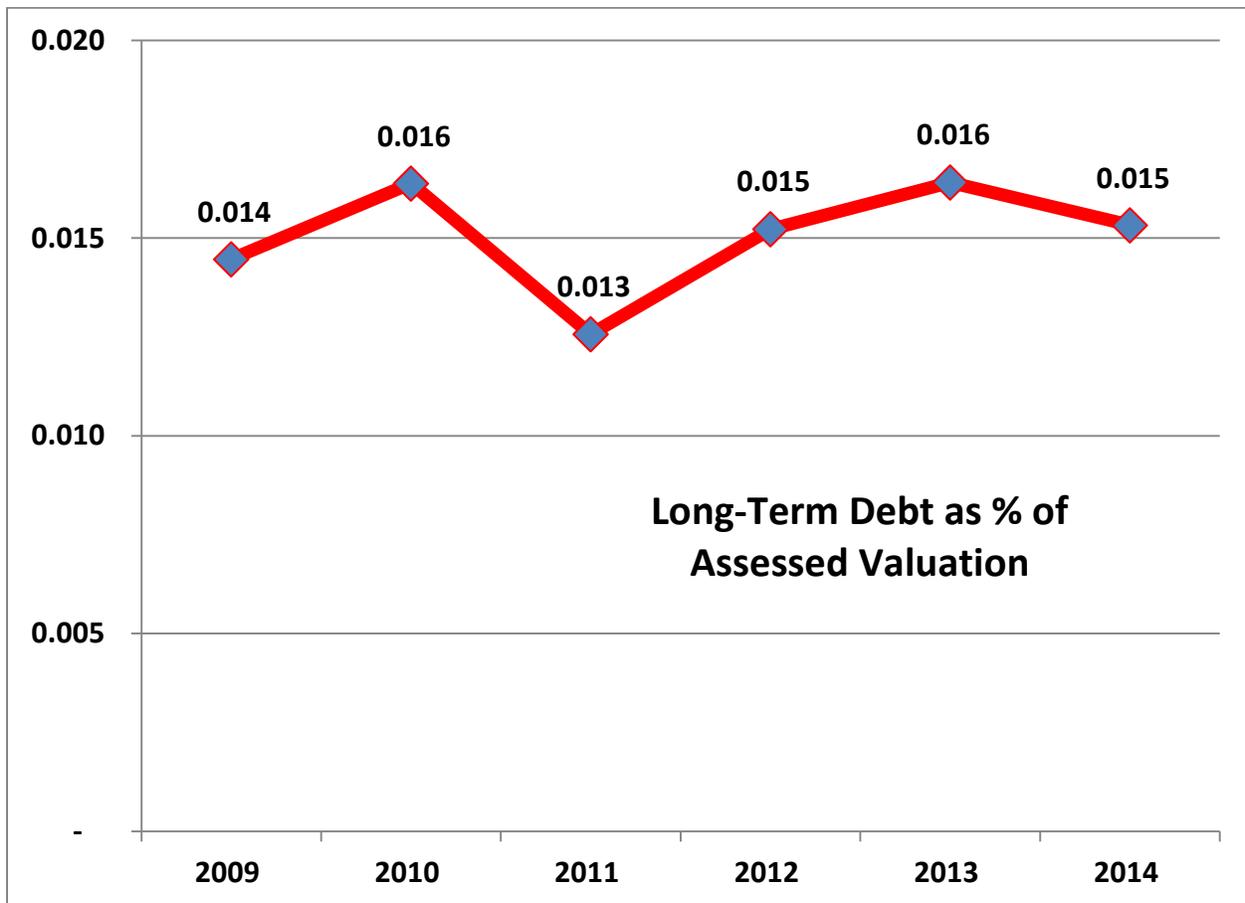
Below is a description of the current debt outstanding as of December 31, 2015:

- General Obligation Bonds Series of 2011** – In June 2011, the Borough issued General Obligation Bonds in the principal amount of \$9,665,000 to refinance the General Obligation Bonds, Series of 2006 and the General Obligation Note, Series of 2008. Annual principal installments varying from \$5,000 to \$1,185,000 are due beginning February 15, 2012 through August 15, 2026. The interest rate range is between 3% and 4%. Refinancing the prior debt issuance will save the Borough approximately \$791,000 over the course of the loan.
- General Obligation Note Series of 2012** – In November 2012, the Borough authorized a General Obligation Note with F & M Trust Bank in the principal amount of \$5,900,000 to finance several projects in the Borough’s capital program. Annual installments varying from \$280,000 to \$1,220,000 are due beginning December 12, 2014 through December 12, 2025. The interest rate is fixed for 10 years at 2.31%, then converts to a variable interest rate with a floor of 1.98% and a cap of 2.64% to maturity.
- General Obligation Note Series of 2013** – In October 2013, the Borough authorized a General Obligation Note with Orrstown Bank in the principal amount of \$8,250,000 to refinance the General Obligation Note, Series of 2010. Annual principal payments varying from \$445,000 to \$1,235,000 are due beginning October 1, 2014 through October 1, 2023. The interest rate range is between 2.5% and 4.7%. Refinancing the prior debt issuance will save the Borough approximately \$515,000 over the course of the loan.
- General Obligation Note Series of 2014** – In September 2014, the Borough authorized a General Obligation Note with F & M Trust Bank in the principal amount of \$7,000,000 to

finance several projects in the Borough’s capital program. Annual principal payments varying from \$113,000 to \$1,804,000 are due beginning October 1, 2016 through October 1, 2029. The interest rate range is between 1.98% and 3.3%.

- General Obligation Note Series of 2015** – In April 2015, the Borough authorized a General Obligation Note with Susquehanna Bank in the principal amount of \$5,000,000 to finance several projects in the Borough’s capital program. Annual principal payments varying from \$1,000 to \$647,000 are due beginning May 15, 2016 through October 15, 2035. The interest rate is fixed at 2.46% through May 15, 2015 and variable thereafter (at 68% of WSJ Prime and capped at 4%).

The long-term debt as a percentage of assessed valuation of the Borough’s real estate property is a ratio used by local governments to evaluate debt levels. In recent years the Borough’s percentage has been increasing primarily due to significant capital expenditures needed at the Borough’s water and wastewater treatment plants. This ratio is illustrated in the graph below:



SELECTED FINANCIAL INFORMATION

Debt Service All Funds

Debt Service Requirements						
1 Fiscal Year Ended	2 G.O. Bonds Series of 2011 (1)	3 G.O. Note Series of 2012 (2)	4 G.O. Note Series of 2013 (3)	5 G.O. Note Series of 2014 (4)	6 G.O. Note Series of 2015 (5)	7 Total Debt Service
12/31/2015	1,091,500	411,391	865,793	133,210	61,500	2,563,394
12/31/2016	1,089,500	410,175	868,793	398,600	123,000	2,890,068
12/31/2017	1,231,300	413,158	731,293	374,452	123,988	2,874,191
12/31/2018	1,226,150	421,249	741,793	381,680	123,963	2,894,835
12/31/2019	1,350,250	468,989	566,668	358,671	123,939	2,868,516
12/31/2020	764,700	535,701	1,085,543	387,363	123,914	2,897,221
12/31/2021	535,650	605,135	1,326,996	305,126	123,889	2,896,796
12/31/2022	542,369	557,956	1,302,241	358,397	123,865	2,884,828
12/31/2023	537,906	555,396	1,137,805	363,787	123,840	2,718,734
12/31/2024	667,550	1,277,572		691,814	123,816	2,760,751
12/31/2025	671,550	949,759		1,015,819	162,222	2,799,350
12/31/2026	674,050			1,935,571	200,620	2,810,241
12/31/2027				1,240,039	660,200	1,900,239
12/31/2028				764,495	660,020	1,424,515
12/31/2029				293,372	660,060	953,432
12/31/2030					660,280	660,280
12/31/2031					660,640	660,640
12/31/2032					660,120	660,120
12/31/2033					659,700	659,700
12/31/2034					660,320	660,320
12/31/2035					659,940	659,940
TOTAL	10,382,475	6,606,481	8,626,926	9,002,396	7,479,834	42,098,113

Principal *:	7,885,000	5,610,000	6,751,728	7,000,000	5,000,000	32,246,728
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Call Date :	8/15/2016	Anytime	Anytime	Anytime	Anytime
Purpose :	Cur Ref 2006, 2008	New Money	Cur Ref 2010	New Money	New Money
Fund Type :	General, Parking, Sewer, Water	General, Sewer, Water, Parking	General, Sewer, Water, Parking	General, Water Sewer	Sewer



- (1) Fixed Rate Bonds
 - (2) Rate is fixed at 2.31% through 12/12/2022, assume rate reset at cap of 2.64%
 - (3) Rate is fixed at 2.50% through 10/1/2020, assume rate reset at cap of 4.70%
 - (4) Rate is fixed at 1.98% through 10/1/2019, assume rate reset at cap of 3.30%
 - (5) Rate is fixed at 2.46% through 5/15/2025, assume rate reset at cap of 4.00%
- * Outstanding as of November 4, 2015

SELECTED FINANCIAL INFORMATION

**Debt Service
General Fund**

Debt Service Requirements					
1 Fiscal Year Ended	2 G.O. Bonds Series of 2011	3 G.O. Note Series of 2012	4 G.O. Note Series of 2013	5 G.O. Note Series of 2014	6 Total Debt Service
12/31/2015	96,155	164,301	332,465	33,303	626,223
12/31/2016	95,978	166,735	333,617	119,650	715,980
12/31/2017	108,470	188,797	280,817	137,967	716,051
12/31/2018	108,016	170,401	284,849	152,888	716,154
12/31/2019	118,949	227,356	217,601	152,472	716,378
12/31/2020	67,365	152,996	416,849	79,362	716,572
12/31/2021	47,188	115,096	509,567	43,174	715,024
12/31/2022	47,779	103,105	500,061	64,141	715,086
12/31/2023	47,386	110,113	436,917	63,415	657,831
12/31/2024	58,807	588,048		70,689	717,544
12/31/2025	59,160	497,982		160,699	717,840
12/31/2026	59,380			657,706	717,086
12/31/2027				475,180	475,180
12/31/2028					
12/31/2029					
12/31/2030					
12/31/2031					
12/31/2032					
TOTAL	914,634	2,484,929	3,312,740	2,210,646	8,922,949
Principal*:	694,621	2,105,000	2,592,664	1,750,000	7,142,285

SELECTED FINANCIAL INFORMATION

**Debt Service
Water Fund**

Debt Service Requirements					
1 Fiscal Year Ended	2 G.O. Bonds Series of 2011	3 G.O. Note Series of 2012	4 G.O. Note Series of 2013	5 G.O. Note Series of 2014	6 Total Debt Service
12/31/2015	230,244	165,706	241,556	53,284	690,791
12/31/2016	229,822	163,144	242,393	128,440	763,800
12/31/2017	259,734	150,319	204,031	148,995	763,079
12/31/2018	258,648	157,860	206,960	140,114	763,582
12/31/2019	284,826	160,167	158,100	160,371	763,464
12/31/2020	161,308	192,459	302,867	107,322	763,955
12/31/2021	112,992	198,726	370,232	80,431	762,381
12/31/2022	114,409	194,862	363,325	90,398	762,994
12/31/2023	113,468	199,711	317,447	91,035	721,661
12/31/2024	140,815	525,230		98,639	764,684
12/31/2025	141,659	451,777		170,979	764,415
12/31/2026	142,186			621,910	764,096
12/31/2027				764,859	764,859
12/31/2028				764,495	764,495
12/31/2029				293,372	293,372
12/31/2030					
12/31/2031					
12/31/2032					
TOTAL	2,190,110	2,559,961	2,406,912	3,714,643	10,871,627
Principal*:	1,663,286	2,165,000	1,883,732	2,800,000	8,512,018

SELECTED FINANCIAL INFORMATION

**Debt Service
Sewer Fund**

Debt Service Requirements						
1 Fiscal Year Ended	2 G.O. Bonds Series of 2011	3 G.O. Note Series of 2012	4 G.O. Note Series of 2013	5 G.O. Note Series of 2014	6 G.O. Note Series of 2015	7 Total Debt Service
12/31/2015	752,028	28,889	214,717	46,624	61,500	1,103,758
12/31/2016	750,650	28,837	215,461	150,510	123,000	1,268,458
12/31/2017	848,348	28,655	181,361	87,490	123,988	1,269,842
12/31/2018	844,800	28,538	183,965	88,679	123,963	1,269,944
12/31/2019	930,303	28,421	140,534	45,827	123,939	1,269,023
12/31/2020	526,868	148,368	269,215	200,679	123,914	1,269,043
12/31/2021	369,055	265,376	329,095	181,521	123,889	1,268,937
12/31/2022	373,684	244,638	322,956	203,858	123,865	1,269,001
12/31/2023	370,610	245,573	282,176	209,337	123,840	1,231,535
12/31/2024	459,933	164,294		522,486	123,816	1,270,528
12/31/2025	462,688			684,141	162,222	1,309,051
12/31/2026	464,411			655,955	200,620	1,320,986
12/31/2027					660,200	660,200
12/31/2028					660,020	660,020
12/31/2029					660,060	660,060
12/31/2030					660,280	660,280
12/31/2031					660,640	660,640
12/31/2032					660,120	660,120
12/31/2033					659,700	659,700
12/31/2034					660,320	660,320
12/31/2035					659,940	659,940
TOTAL	7,153,379	1,211,589	2,139,478	3,077,107	7,479,834	21,061,387
Principal*:	5,432,654	1,020,000	1,674,429	2,450,000	5,000,000	15,577,082

Debt Service Requirements				
1 Fiscal Year Ended	2 G.O. Bonds Series of 2011	3 G.O. Note Series of 2012	4 G.O. Note Series of 2013	5 Total Debt Service
12/31/2015	13,026	52,495	77,056	142,576
12/31/2016	13,002	51,458	77,323	141,783
12/31/2017	14,694	45,387	65,085	125,166
12/31/2018	14,633	64,450	66,020	145,102
12/31/2019	16,114	53,045	50,433	119,592
12/31/2020	9,126	41,879	96,613	147,618
12/31/2021	6,392	25,937	118,103	150,432
12/31/2022	6,473	15,351	115,899	137,723
12/31/2023	6,419		101,265	107,684
12/31/2024	7,967			7,967
12/31/2025	8,014			8,014
12/31/2026	8,044			8,044
12/31/2027				
12/31/2028				
12/31/2029				
12/31/2030				
12/31/2031				
12/31/2032				
TOTAL	123,904	350,001	767,796	1,241,702
Principal*:	94,100	320,000	600,904	1,015,003

General Fund

Real Estate Taxes

Real Estate Taxes are the primary source of revenue for the Borough of Carlisle’s General Fund. The basic formula to determine a municipality’s real estate taxes is calculated as outlined below:

- X Property Valuation of real property in Borough of Carlisle
- X Assessment Ratio
- X Assessed Value
- X Mill Rate
- X Real Estate Tax Collectable
- X Collection Factor
- X Real Estate Tax Budget



Each class of county is subject to a special assessment law. In each county, a board is established to supervise, equalize and revise assessments, and to hear appeals. As a third class county, Cumberland County’s supervisory body is the Board of Assessment Appeals, composed of three members appointed by the county commissioners to serve for terms of four years each.

Property Valuation

In arriving at a proper valuation of real estate for tax purposes, there is a two-step procedure involved:

1. The fair market value of the property must be established.
2. The established predetermined ratio must then be applied to determine fair assessed value.

For the purposes of real estate taxation, assessment consists of placing a valuation on real property and then applying an assessment ratio. The assessment laws call for the valuing of properties at full or market value, at the rates and prices for which the properties would separately sell in a bona fide transaction. To establish actual value the county may use current year market values or it may adopt a base year for market values. The base year can be the year of the most recent countywide reappraisal or it can be another designated prior year. All real property values must be equalized in terms of base year values if current year market values are not used. In arriving at actual value, the county may use all three accepted assessment methods.

These are:

- Cost (reproduction or replacement, as applicable less depreciation and all forms of obsolescence)
- Comparable Sales
- Income

Assessment Ratio

Once the property is valued the county applies its established predetermined ratio to calculate the assessment. The established predetermined ratio is the ratio of assessed to actual value set by the board of county commissioners. Cumberland County's ratio is 100 percent. The county may change the predetermined ratio without reevaluating all the properties, retaining the same base year for market values. Such a change constitutes a countywide revision of assessments requiring a notice to all property owners.

Assessment laws provide for the establishment of a predetermined ratio of assessed to market value not to exceed 100 percent for first through eighth class counties. All properties within the taxing district must be uniformly assessed at a similar ratio in order to satisfy the requirements of Article VIII, Section I of the Pennsylvania Constitution that provides that all taxes must be uniform on the same class of subjects within the territorial limits of the authority levying the tax. The controlling principle in matters of valuation is that no one taxpayer should pay any more or less than their proportionate share of the cost of government. Equalization may require periodic reappraisals of all parcels within the county, initiated at the discretion of the county commissioners.

When the county assessment board receives the assessment roll, revisions may be made for the sake of equalizing valuations from property to property or from local unit to local unit. The county then prepares a master duplicate of all real estate assessments in the county by district, showing the name of the property owner, address, property location and assessed valuation. The assessment rolls are open to public inspection.

Counties are required by the major assessment laws to furnish assessment rolls to local taxing districts for purposes of taxing real estate and occupations. Final delivery date of this information is November 15 of the previous year. Each taxing authority prepares its own duplicate, calculating the amount of tax due on each property and person on the basis of assessed valuations of real estate and occupations determined by the proper assessing authority.

Mill Rate

Pursuant to Pennsylvania Borough Code, Borough Council has the power, by ordinance, to levy and collect annually, a tax, not exceeding thirty mills (.03) for general borough purposes, unless the council by majority action shall, upon due cause shown by resolution, petition the court of common pleas, in which case the court may order a rate of not more than five mills (.005)

additional to be levied and in addition to any of the following taxes (*currently the Borough only levies the fire tax from the list below*):

The proceeds of all taxes for which additional millage is authorized shall be kept in a separate fund and used only for the purposes hereby provided, until the tax shall be abolished by vote of the electors in a subsequent referendum.

- **Debt Service** – annual tax sufficient to pay interest and principal on any indebtedness incurred pursuant to 53 Pa.C.S. Pt. VII Subpt. B (relating to indebtedness and borrowing) or any prior or subsequent act governing the incurrence of indebtedness of the borough
- **Pension** – provide for pensions, retirement or the purchase of annuity contracts for borough employees, not exceeding one-half mill (.0005)
- **Shade Trees** – defray cost and expenses of caring for shade trees, not exceeding 1/10th mill (.0001)
- **Street Lighting** – for lighting and illuminating the streets, highways and other public places, not exceeding eight mills (.008)
- **Utilities** – for gas, water, & electric light, not exceeding eight mills (.008), such additional millage permitted only following a favorable referendum on the matter held in accordance with the election laws of Pennsylvania
- **Fire** – for the purchase of fire engines, fire apparatus and fire hose for the use of the borough, or for assisting any fire company in the borough in the purchase, renewal or repair of any of its engines, fire apparatus or fire hose, for the purposes of making appropriations to fire companies both within and without the borough and of contracting with adjacent municipalities or volunteer fire companies therein for fire protection, for the training of fire personnel and payments to fire training schools and centers or for the purchase of land upon which to erect a fire house, or for the erection and maintenance of a fire house or fire training school and center of fire houses, not exceeding three mills (.003)
 - The borough may appropriate up to one-half (.0005), but not to exceed one mill (.001), of the revenue generated from a tax under this clause for the purpose of paying salaries, benefits or other compensation of fire suppression employees of the borough or a fire company serving the borough.
 - If an annual tax for the purposes specified in this clause is proposed to be set at a level higher than three mills (.003), the question shall be submitted to the voters of the borough, and the county board of elections shall frame the question in accordance with the election laws of Pennsylvania for submission to the voters of the borough.

- **Fire Facilities** – for building a fire house, fire training school and center, lockup or municipal building, not exceeding two mills (.002), such additional millage permitted only following a favorable referendum on the matter held in accordance with the election laws of Pennsylvania.
- **Library** – establish and maintain local library or to maintain or aid in the maintenance of a local library established by deed, gift or testamentary provision, for the use of the residents of the borough, in accordance with the act of June 14, 1961 (P.L.324, No. 188) known as The Library Code.
- **Emergency Services** – for the purposes of supporting ambulance, rescue and other emergency services serving the borough, not to exceed one-half mill (.0005), except where otherwise noted. The borough may appropriate up to one-half of the revenue generated from a tax under this clause for the purpose of paying salaries, benefits or other compensation of employees in the ambulance, rescue or other emergency service.
 - The mill rate shall not exceed the rate specified (.0005) when the question is submitted to the voters of the borough in the form of a referendum which will appear on the ballot in accordance with the election laws of Pennsylvania, in which case the rate shall not exceed two mills (.002). The county board of elections shall frame the question to be submitted to the voters of the borough in accordance with the election laws of Pennsylvania.

Taxes shall be levied on the dollar on the valuation assessed for county purposes provided by law. All real property, offices, professions and persons, made taxable by the laws of Pennsylvania for county rates and levies, may, in the discretion of council, be taxed after the same manner for such purposes. No action on the part of the borough authorities fixing the tax rate for any year at a mill rate need to include a statement expressing the rate of taxation in dollars and cents on each one-hundred dollars (\$100) of assessed valuation of taxable property.

A borough may in any year levy separate and different rates of taxation for municipal purposes on all real estate classified as nonfarmland, exclusive of the buildings thereon, and on all real estate classified as either buildings on land or farmland. When these real estate taxes are levied:

- The rates shall be determined by the requirements of the borough budget.
- A higher rate may be levied on real estate classified as nonfarmland than on real estate classified as either buildings on land or farmland if the respective rates on nonfarmland and on buildings or farmland are so fixed as not to constitute a greater levy in the aggregate than the levy to result from the maximum rate allowed by law on all real estate.
- The rates shall be uniform as to all real estate within the classification.

If a court has been shown that a Pennsylvania borough refused or neglected to levy a sufficient tax to pay the debts due by the borough, the court may, after ascertaining the amount of such indebtedness of the borough, direct a writ of mandamus to the proper officers of such borough to collect by special taxation an amount sufficient to pay the same in one or more annual installments as may be adjudged reasonable by said court, during such years as may be required for the payment of the same.

Any Pennsylvania borough is empowered by the Pennsylvania Borough Code, within its general power to levy taxes, to collect annually a tax upon all property taxable for borough purposes not to exceed five mills (.005) on the dollar in any one year, for the purpose of creating and maintaining a special fund, to be used by the borough in making permanent street improvements, and pay by contract prices for paving and other permanent street improvements, prior to the collection of the cost and expense or any part thereof from the property owners adjoining or abutting thereon by the borough under existing laws.

Unlike income and sales taxes, the real estate tax base does not grow unless real estate is reassessed by the County or unless there is significant development, which does not usually occur in older communities such as Carlisle. Therefore, as expenses for vital services increase or other revenues decrease, there is no way to increase revenues without increasing the real estate tax rate. Because raising the real estate tax rate is the only available option to significantly raising revenues, increases to the rate are disproportionate in relation to increases in expenditures.

The dramatic impact that real estate taxes have in relation to increases in operating expenditures can be illustrated by the following example.

- Assume General Fund expenditures are approximately \$10,000,000 per year and the real estate taxes are approximately \$4,600,000 per year. If General Fund expenditures increase by 3% (or \$300,000) and all other revenue sources stagnate, then real estate taxes must be increased by 7% in order to fund the 3% increase in expenses.

While a 7% tax increase may seem excessive for a single year, this would be the only alternative to increase revenues in order to fund a reasonable increase of 3% in expenses when other revenues remain idle or decline.

The Borough of Carlisle assesses a general real estate tax and a fire tax. Each tax has a separate mill rate, pursuant to Pennsylvania Borough Code, that is levied on the assessed value of the Borough's real property.

Carlisle Borough's mill rate for the general real estate tax is 3.058 mills (.003058). The maximum mill rate allowed by the Pennsylvania Borough Code for the general real estate tax is 30 mills (.03).

Carlisle Borough’s mill rate for the fire tax is .217 mills (.000217) for the fire tax. The maximum mill rate allowed by the Pennsylvania Borough Code for the fire tax is 3 mills (.003).

A taxpayer that owns a property assessed at \$150,000 would pay approximately \$490 in total real estate taxes per year.

Collection Factor

For purposes of calculating the appropriate amount of real estate tax to include in the budget, the Borough assumes a collection factor of 96%. The collection factor is determined based on historical information.

Summary

Cumberland County releases certified assessments in the November prior to the tax year. The 2015 assessed value as determined by Cumberland County is \$1,426,762,500.

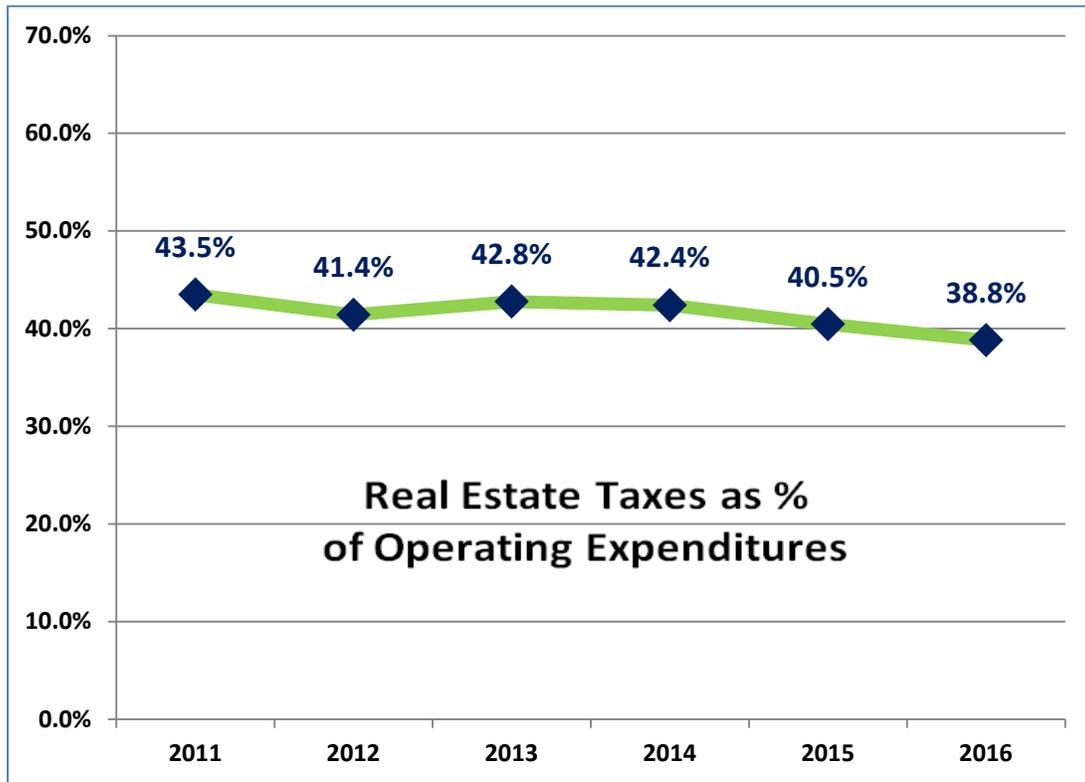
The Borough’s real estate tax calculation for the 2016 budget is as follows:

\$1,426,762,500	–	Property Valuation
X	<u>100%</u>	– Assessment Ratio
\$1,426,762,500	–	Assessed Value
X	<u>3.275</u>	– Total Mill Rate (.003275); General mill rate - .003058, Fire Tax mill rate - .000217
\$4,672,647	–	Collectable Real Estate Taxes
X	<u>96%</u>	– Collection Factor
\$4,611,741	–	Current Year Real Estate Taxes Budget
+	<u>126,000</u>	– Delinquent Real Estate Taxes Budget
<u>\$4,611,000</u>	–	Total Real Estate Taxes Budget

Revenues received for the general real estate tax are approximately \$4,672,000 annually and are used for all activities contained in the General Fund including, but not limited to, Administration, Legal, Public Safety, Public Works, and Parks and Recreation. Delinquent tax collections of approximately \$126,000 are included in the \$4,611,000.

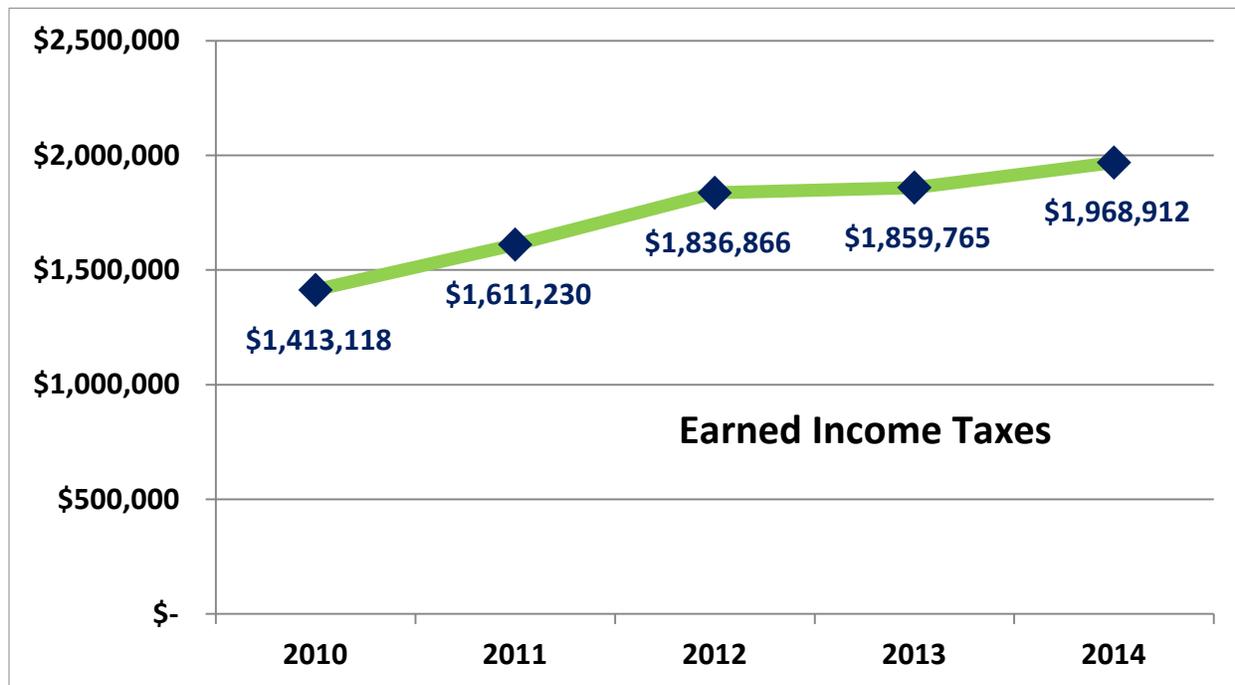
Amounts received for the fire tax are approximately \$300,000 annually and are used to partially fund the Borough’s two volunteer fire companies, Union Fire Company and Carlisle Fire and Rescue.

The combination of the general real estate tax (\$4,300,000) and fire tax (\$300,000) generates approximately \$4,600,000 of revenue in the General Fund annually. Approximately 44% of the Borough’s annual operating expenditures are funded by real estate taxes as illustrated in the chart below:



Earned Income Taxes

Earned income taxes are a significant source of revenue for the Borough of Carlisle’s General Fund. The Borough of Carlisle receives approximately \$1,700,000 annually in taxes on .5% (.005) of residents’ earned income. One percent (.01) of tax is assessed on nonresident’s earned income. Approximately 15% of the Borough’s annual operating expenditures are paid for with earned income taxes. Budget estimates are calculated using historical information. Below is a summary of the earned income taxes received by year:



As illustrated above earned income taxes increased since 2010. However, the Borough has only slightly increased its revenue assumption to those same levels for 2015 and 2016. Based on extensive analysis of historical information, discussions with the Tax Collector for the earned income tax, Cumberland County Tax Bureau, and on advice of the Borough’s auditors, the decision was made to not budget based on the most recent years. The 2016 budget has been increased by approximately \$100,000 from the 2015 budget to \$1,735,000. This is based on the factors described previously. Staff will continue to monitor collections and evaluate any future adjustments to this revenue estimate.

The Local Tax Enabling Act, Act 511 of 1965, authorizes municipalities and school districts to levy local earned income taxes. The tax is levied on the wages, salaries, commissions, net profits or other compensation of persons subject to the jurisdiction of the taxing body. Municipalities and school districts levying earned income taxes may exempt persons whose income from all sources is less than \$5,000 per year from the earned income tax. The exemption must be adopted as part of an amendment to the tax-levying ordinance or resolution. Local taxing bodies have the authority to adopt regulations for processing exemption claims.

In general, all other jurisdictions adopting income taxes under the Local Tax Enabling Act are limited to one percent (.01). Where both municipality and school district levy the tax, the one percent limit must be shared on a 50/50 basis, unless otherwise agreed to by the taxing bodies.

On July 2, 2008 Governor Ed Rendell signed into law Act 32, which drastically altered the collection of local earned income taxes. Act 32 established state-wide uniformity in tax rules, procedures, and forms. It required that there can only be one earned income tax collector per

county. Prior to Act 32 there were approximately 569 tax collectors in Pennsylvania; currently, there are only 69. Cumberland County Tax Bureau serves as the Borough's tax collector as well as for all other municipalities and school districts in Cumberland County.

In addition to reducing the number of tax collectors, Act 32 also improved accountability with the collection and distribution of income taxes using the provisions outlined below:

- Tax Officers must keep records of every dollar received and distributed and submit monthly reports accounting for each dollar
- Annual audit required to reconcile monthly reports and the receipt and disbursement of all tax monies, as well as, findings of noncompliance if applicable
- Bonding for the Tax Officer is required in compliance with established regulations
- Fines and penalties are provided in cases where the Tax Officer fails to comply
- Tax collection committees are required to appoint an appeals board to hear appeals of Tax Officer determinations
- Tax Officers will continue to use existing enforcement provisions and be provided with new tools to pursue claims against those that fail to comply
- Pennsylvania Department of Revenue is required to enter into an agreement with each tax collection district for the exchange of tax information on a yearly basis
- If the Tax Officer fails to comply with Acts 511 and 32, increased fines and penalties are provided for, including possible jail time.

Local Services Tax

The Borough of Carlisle receives approximately \$600,000 per year from the Local Services Tax. This annual tax of \$52 is assessed on any individual who is employed in a municipality. In other words, the Local Services Tax is determined by where you work and *NOT* where you live. The Local Services Tax provides direct funding to Pennsylvania municipalities for police, fire, and other municipal services. Cumberland County Tax Bureau collects the tax from employers and then pays the Borough its appropriate amount. Budget estimates are calculated using historical information.

Internal Transfers

Certain departments in the Borough provide services to multiple Borough funds, but the expenses for these departments are paid out of the Borough's General Fund. So Borough rate payers and taxpayers are charged equitably for these services, the Borough allocates a portion of these departments' expenses to other funds. The other funds reimburse the General Fund for each fund's respective portion of the department's expense.

For example, expenses related to Borough Council are paid 100% out of the General Fund. However, Borough Council also spends time on the Borough's Water, Sewer, Parking, and Solid Waste Funds. In order to ensure that each fund pays its appropriate share, the Borough allocates the expenses related to Borough Council as noted below:

- General – 32.6%
- Water – 32.7%
- Sewer – 32.7%
- Parking – 1%
- Solid Waste – 1%

The departments that are included in the transfer calculation are listed below:

- Borough Council
- Manager's Office
- Finance Department
- Legal
- Personnel
- Information Technologies
- Borough Hall
- Engineering Administration

Expenses included in the calculation are:

- Wages
- Benefits – medical, dental, vision, supplemental insurances, pension
- Operating expenses

The annual amount received by the General Fund for these transfers is approximately \$1,700,000.

Proceeds from Bond Issue

Periodically the Borough of Carlisle will evaluate its capital improvement plan to determine upcoming capital needs. In conjunction with this evaluation the Borough also considers how these projects will be funded. The “Proceeds from Bond Issue” line accounts for the capital projects paid for with debt proceeds included in the budget. The amount varies from year to year based on the capital projects planned for the Borough.

**Grants**

The Borough of Carlisle will receive grants periodically.

Federal Funding

The Borough of Carlisle qualifies for participation in the Community Development Block Grant (CDBG) program of the federal government. Approximately \$300,000 in CDBG funds are received annually. CDBG funds provide financing to fight urban blight and decay through structural rehabilitation of area homes and businesses, economic development projects such as the Comfort Suites Hotel, as well as through community improvement projects.

State Funding

Funding provided by the Commonwealth of Pennsylvania includes:

- **Liquid Fuels / Highway Aid**
 - Approximately \$480,000 is anticipated in 2016
 - Funds are allocated to Pennsylvania municipalities based on a formula that takes into account population and street mileage
 - The use of Liquid Fuels monies is strictly governed by Pennsylvania Act 665
 - Permitted uses include:
 - Maintenance, repair, construction, or reconstruction of public streets
 - Bridges, culverts, and drainage structures
 - Acquisition, maintenance, repair, and operation of street signs, traffic signs, traffic signal control systems, and street lighting
 - Acquisition of equipment to maintain streets, bridges, culverts, and drainage structures
 - Funds may be held in reserve based on calculations as determined by Pennsylvania
 - The Borough maintains a cash balance of approximately \$1,000,000

- **Pension**

- Approximately \$550,000 received per year
- The Municipal Pension Plan Funding Standard and Recovery Act (Act 205 of 1984) requires Pennsylvania municipalities that wish to participate in the General Municipal Pension System State Aid Program to certify certain information to the Department of the Auditor General each year. This information includes the total number and earnings of full-time police officers, paid firefighters, and non-uniformed employees who are members of a municipal pension plan.
- Funds are allocated to Pennsylvania municipalities based on the number of personnel employed by the municipality. A unit value is established by Pennsylvania every year to determine funding amounts available.
 - Uniformed police officers receive twice as much unit value as a non-uniformed employee, primarily due to the higher cost of a uniformed employee's pension as compared to a non-uniform employee's pension.
- Non-uniform calculation
 - 80 employees X \$3,920.83 unit value = \$313,666
- Police calculation
 - 31 employees X \$3,920.83 unit value X 2 units = \$243,091

- **Fire Relief**

- Approximately \$115,000 received per year
- Act 205 of 1984 requires municipalities that wish to receive a distribution of the Foreign Fire Insurance Tax to certify whether its fire protection service is provided solely by paid or by volunteer firefighters, or if provided by both, the percentage of actual fire protection service provided by each type of firefighter.

Water Fund

Metered Water Sales

The primary source of revenue in the Borough's Water Fund is metered sales. Approximately \$3,500,000 is received annually from this revenue source. This revenue pays for approximately 92% of the Borough's Water Fund operating expenditures. Budget estimates are calculated using historical information.

The Borough's meter reader part-time employee reads each account's water meter quarterly. Rate payers are billed quarterly based on actual readings of water usage.



The current rate is \$4.73 per 100 cubic feet. If rate payers use less than 1,000 cubic feet, they will pay \$42.57 as the minimum charge. The rate per gallon is approximately \$.006. A 6% rate adjustment for inflation is included in the 2016 budget which would place the rate at \$5.01 per 100 cubic feet.

Proceeds from Bond Issue

Periodically the Borough of Carlisle will evaluate its capital improvement plan to determine upcoming capital needs. In conjunction with this evaluation the Borough also considers how these projects will be funded. The "Proceeds from Bond Issue" line accounts for the capital projects paid for with debt proceeds included in the budget. The amount varies from year to year based on the capital projects planned for the Borough.

Sewer Fund

Metered Sewer Sales

The primary source of revenue in the Borough's Sewer Fund is metered sales. Approximately \$4,800,000 is received annually from this revenue source. This revenue pays for approximately 91% of the Borough's Sewer Fund operating expenditures. Budget estimates are calculated using historical information.

The Borough's sewer bill is based on water usage. Accounts are read quarterly by the Borough's meter reader part-time employee. Rate payers are billed quarterly based on actual readings of water usage.

The current rate is \$6.13 per 100 cubic feet. If rate payers use less than 700 cubic feet, they will pay \$36.78 as the minimum charge. The rate per gallon is approximately \$.0081. A 6% rate adjustment for inflation is included in the 2016 budget which would place the rate at \$6.49 per 100 cubic feet.

Township Revenues

The Borough's wastewater treatment plant is a regional plant. The plant serves not only the Borough of Carlisle, but also the Borough's surrounding townships:

- Middlesex Township
- South Middleton Township
- North Middleton Township

An intermunicipal agreement is used to define the administration and operation of the plant for the Borough and townships.

Each municipality's capacity in the plant is noted below:

- Borough of Carlisle – 58.4%
- Middlesex Township – 22.8%
- South Middleton Township – 14.4%
- North Middleton Township – 4.4%

The capacity percentage is used to allocate capital expenditures related to the wastewater treatment plant, lab, and biosolids program. Each capital invoice is paid by the Borough of Carlisle and then billed to each township for their capacity share.

Wastewater treatment plant operational expenses are billed to the townships based on their actual amount of sewage flow treated by the plant. The Borough of Carlisle receives approximately \$420,000 per year from the townships for their respective share of the wastewater treatment plant's operating expenses. Budget estimates are calculated using historical information.

Proceeds from Bond Issue

Periodically the Borough of Carlisle will evaluate its capital improvement plan to determine upcoming capital needs. In conjunction with this evaluation the Borough also considers how these projects will be funded. The "Proceeds from Bond Issue" line accounts for the capital projects paid for with debt proceeds included in the budget. The amount varies from year to year based on the capital projects planned for the Borough.

Solid Waste Fund**Bag Sales**

The Borough of Carlisle receives approximately \$660,000 annually from the sale of approximately 200,000 trash bags.

When residents purchase trash bags, they are receiving a contracted trash service. The Borough will accept bids for the trash bags used for this program and for waste disposal. Currently, the Borough pays \$0.337 per bag. The cost of the contracted waste disposal is \$2.76 per bag in 2016. Trash bag prices will change increase in 2016 from \$3.25 to \$3.50 to cover the cost of rising operational expenses.

For the convenience of the residents, the Borough has the following locations selling trash bags:

- Borough of Carlisle Office
- Giant Food Stores
- Wal-Mart
- Weis Markets
- Nells Shurfine
- Karns Food #1
- CVS Stores
- Carlisle Food Mart
- Minute Stop
- Carlisle Super 7
- One Stop Food Mart
- Quick Stop Deli
- Proud-To-Serve Mini Mart



Residents are able to recycle by purchasing recycling bins at a cost of \$9.00 per bin as part of the trash collection program.

State Funding

- The Borough receives approximately \$42,000 annually from a state recycling grant.
- The state grant is administered by the Commonwealth of Pennsylvania's Department of Environmental Protection Bureau of Waste Management Division of Waste Minimization and Planning.
- The grant is calculated based on a funding rate per ton of recyclable materials set by the state.
- The Borough recycles approximately 7,000 tons annually.

Parking Fund

Meters

The Borough of Carlisle receives approximately \$200,000 annually from the parking meters. A total of 796 meters are strategically placed within a 2 block radius of the intersection of Hanover and High streets (also known as the Square).

The Borough has established meter zones, which are listed in the Code of the Borough of Carlisle. Those zones are Short-term parking meter zones and Long-term parking meter zones.

- **Short-term zone** – 503 short-term meters are available on-street and 132 short-term meters are located in parking lots for public use. These meters are silver in color. Depending on how much time is needed, the public may insert the following cash denominations:
 - \$.05 per 6 minutes
 - \$.10 per 12 minutes
 - \$.25 per 30 minutes

- **Long-term zone** – 161 long-term meters are available on-street for public use. These meters are gold in color. The public may insert the following cash denominations:
 - \$.25 per 60 minutes, with two-hour minimum increments.

Short-term and long-term meters also offer the initial 15 minute period without charge. Handicap meters offer the initial 30 minute period without charge.

Parking Garage

The Pomfret Street Parking Garage has been in operation since the fall of 1999. Currently, the Borough of Carlisle receives approximately \$180,000 annually from the parking garage. It features a total of 224 spaces that are available for a mix of general public and private leased use. The garage is open 24 hours per day, 7 days a week.

- **Leased Spaces** – 111 spaces are available for lease on a month-to-month renewal basis. Spaces rent from \$50 per month with a discounted rate available to 35 County employees.

- **Hotel Guests** – parking in the garage is offered to hotel guests during their stay in Downtown Carlisle. The hotel incorporates a \$4.25 per day parking fee into their daily rate. The revenue collected by the hotel is then paid to the Borough on a monthly basis.

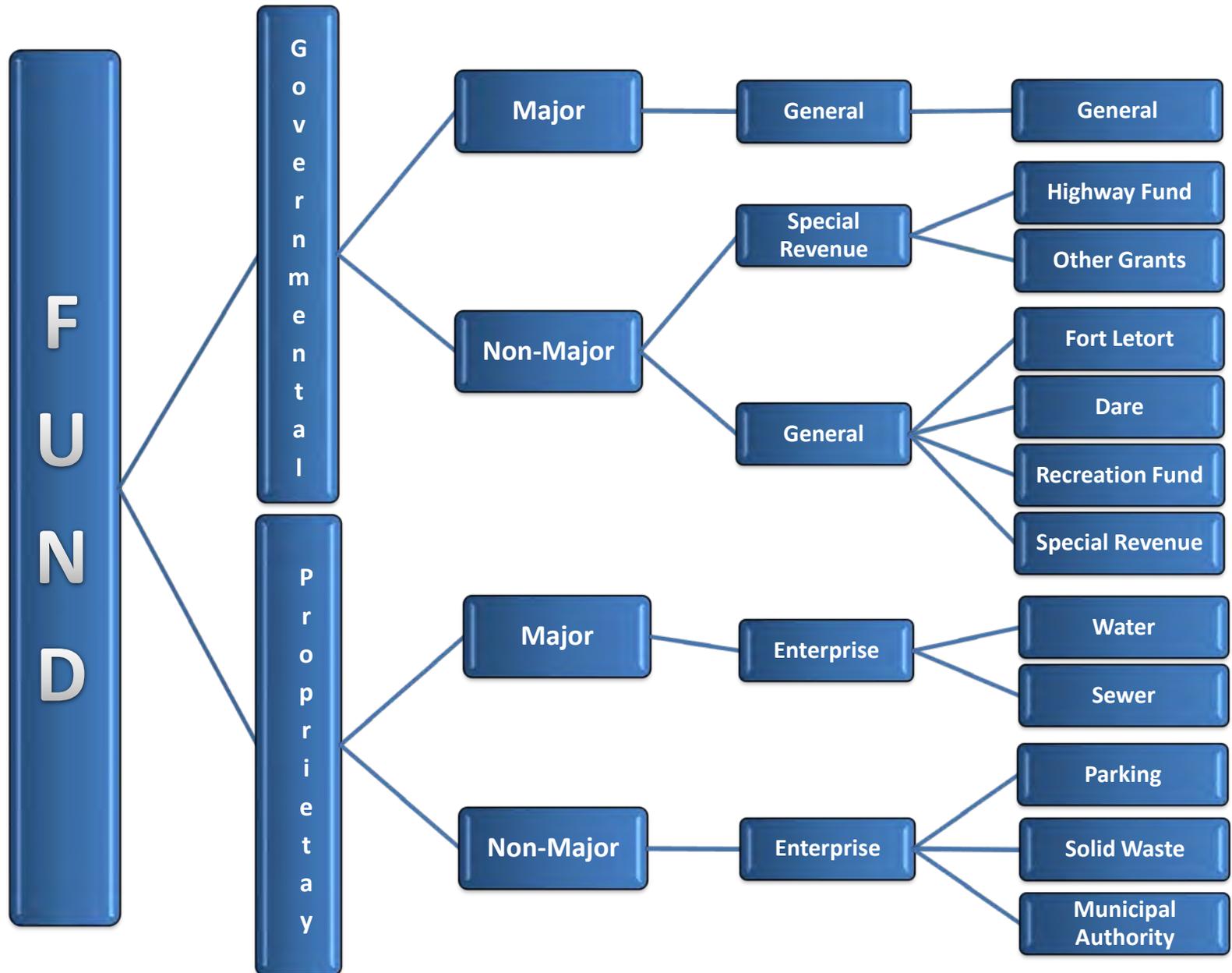


- **Jurors** – parking in the garage is offered to those individuals who have been called for jury selection or to serve jury duty. The rate for jurors is \$3 per day. The revenue collected by the Cumberland County is then paid to the Borough on a monthly basis.
- **Daily Rates** – general public is charged \$.75 for 1 hour or \$1.50 pre-pay after 5:00 p.m., with a maximum daily rate of \$6.

Borough Owned Parking Lots

The Borough of Carlisle receives approximately \$80,000 annually from the Borough's 6 parking lots situated in the Downtown.

- **Pomfret Street Parking Lot** – lot is located ½ block from the Pomfret Street Parking Garage with 58 designated leased spaces. The spaces rent for \$38 per month with a discounted six-month advance pay option available. The Pomfret Street lot also offers 16 silver (short term) parking meters for general public use. This lot is free to the public from 4:30 p.m. Friday to 7:00 a.m. Monday.
- **Liberty Avenue Parking Lot** – lot is located behind the Courthouse Commons and Employment Skills Center with 28 designated leased spaces. The spaces rent for \$38 per month with a discounted six-month advance pay option available. This lot is free to the public Monday through Friday from 4:30 p.m. to 7:00 a.m. and all day Saturday and Sunday.
- **East Louther Street South Parking Lot** – lot is located to the rear of Bedford Street Antiques with 28 designated leased spaces. The spaces rent for \$45 per month with a discounted six-month advance pay option available. The East Louther Street South lot also offers 40 silver (short term) parking meters for general public use. This lot is free to the public Monday through Friday from 4:30 p.m. to 7:00 a.m. and all day Saturday and Sunday.
- **East Louther Street North Parking Lot** – lot is located to the rear of the old "Farmers Market" Building with 40 designated leased spaces. The spaces rent for \$30 per month with a discounted six-month advance pay option available. The East Louther Street North lot also offers 13 silver (short term) parking meters for general public use. This lot is free to the public Monday through Friday from 4:30 p.m. to 7:00 a.m. and all day Saturday and Sunday.
- **Locust Avenue Parking Lot** – lot is located to the rear of Union Fire Company with 63 designated leased spaces. The spaces rent for \$22 per month. This lot is free to the public Monday through Friday from 4:30 p.m. to 7:00 a.m. and all day Saturday and Sunday.



Carlisle Borough, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Each fund is considered a separate accounting entity. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenue, and expenditures. All of the funds of the Borough can be divided into three categories; governmental funds, proprietary funds, and fiduciary funds.

Governmental funds use the modified accrual basis of accounting for budgeting purposes, which is the same basis of accounting used in the Borough's Comprehensive Annual Financial Report (CAFR).

Proprietary funds use the modified accrual basis of accounting for budgeting purposes. This is different than the basis of accounting used for the CAFR, which is full accrual. Reporting of debt payments, debt proceeds, and capital expenditures are the only differences between the two methods. Debt service is recorded as payments are due in the budget. The full accrual basis of accounting reduces the liability as debt service payments are made. For budget purposes in the proprietary funds, debt proceeds are shown as revenue, instead of increased to the liability as is done on the accrual basis. Capital expenditures are recognized as an expenditure in the year acquired for the budget. Under the full accrual basis of accounting used for the CAFR, capital asset expenditures are depreciated over the expected useful life of the asset. Therefore, depreciation and amortization costs are not budgeted since these costs represent non-cash transactions.

The modified accrual basis of accounting recognizes revenues as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Borough of Carlisle considers tax revenue to be available if collected within sixty days of the end of the fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service, compensated absences, and claims and judgment expenditures are recorded only when payment is due.

DEPARTMENT INFORMATION

Fund Descriptions and Fund Structure

The chart below provides an overview of the Borough's budgetary fund structure. All of the funds listed below are included in the Borough's audited financial statements.

<u>Fund</u>	<u>Category</u>	<u>Reporting</u>	<u>Type</u>	<u>Budget Basis of Accounting</u>	<u>CAFR Basis of Accounting</u>
General	Governmental	Major	General	Modified Accrual	Modified Accrual
Capital Projects	Governmental	Non-Major	General	N/A	Modified Accrual
Community Development Block Grant	Governmental	Non-Major	Special Revenue	N/A	Modified Accrual
Highway Aid	Governmental	Non-Major	Special Revenue	Modified Accrual	Modified Accrual
Other Grants	Governmental	Non-Major	Special Revenue	N/A	Modified Accrual
DARE	Governmental	Non-Major	General	Modified Accrual	Modified Accrual
Recreation Fund	Governmental	Non-Major	General	Modified Accrual	Modified Accrual
Fort Letort	Governmental	Non-Major	General	Modified Accrual	Modified Accrual
Asset Forfeiture	Governmental	Non-Major	Special Revenue	Modified Accrual	Modified Accrual
Water	Proprietary	Major	Enterprise	Modified Accrual	Accrual
Sewer	Proprietary	Major	Enterprise	Modified Accrual	Accrual
Parking	Proprietary	Non-Major	Enterprise	Modified Accrual	Accrual
Solid Waste	Proprietary	Non-Major	Enterprise	Modified Accrual	Accrual
Municipal Authority	Proprietary	Non-Major	Enterprise	N/A	Accrual
Police Pension	Fiduciary	Non-Major	Pension Trust	N/A	Accrual
Non-Uniform Pension	Fiduciary	Non-Major	Pension Trust	N/A	Accrual
Management Pension	Fiduciary	Non-Major	Pension Trust	N/A	Accrual
Cemetery	Fiduciary	Non-Major	Private Purpose Trust	N/A	Accrual
Tax Collection	Fiduciary	Non-Major	Agency	N/A	Accrual

Major Fund Descriptions

- **General** – The General Fund is the general operating fund of the Borough. This fund is used to account for all financial transactions except those required to be accounted for in another fund. This is a budgeted fund, and any unrestricted fund balances are considered as resources available for use.
- **Water** – The Water Fund is used to account for the financing of water and related services, including laboratory analysis, to the Borough of Carlisle, its residents, business establishments and various customers within the proximity of the Borough.
- **Sewer** – The Sewer Fund is used to account for the financing of wastewater treatment services, including laboratory analysis, for the Borough of Carlisle, its residents, business establishments and various customers within the proximity of the Borough.

Non-Major Fund Descriptions Included in Budget Document

- **Highway Aid** – The Highway Aid Fund is used to account for state liquid fuels tax revenue that is restricted to be used for building, improving, and maintaining local roads and bridges.
- **DARE** – The DARE Fund is used to properly account for the activities supporting the Borough’s Drug Abuse and Resistance Education (DARE) program. This program is operated and controlled by the Carlisle Police Department. Officers work in conjunction with the local school districts, to instruct children about the use of and consequences of using drugs.
- **Recreation** – The Recreation Fund is used to properly account for recreation area fees received in conjunction with development projects. Fees are received in lieu of land area set aside for green space. Revenues are restricted to be used to fund upgrades, improvements, and capital additions to the Borough’s Parks and Recreation areas.
- **Fort Letort** – The Fort Letort Fund is used to properly account for activities supporting the Borough’s playground fort constructed in Letort Park.
- **Asset Forfeiture** – The Asset Forfeiture Fund is used to properly account for proceeds from forfeitures obtained in drug arrests and received through the United States Department of Justice (USDOJ). The USDOJ shares these funds with the local law enforcement agencies that assist in arrests or provided assistance which led to arrests. Funds must be used to “supplement, not supplant” existing law enforcement functions.

- **Parking** – The Parking Fund is used to account for the financing of services to the general public related to regulation and control of vehicle parking in a garage, various parking lots, and parking meters throughout the Borough of Carlisle.
- **Solid Waste** – The Solid Waste Fund is used to account for the financing of services related to trash and garbage removal for the Borough of Carlisle, its residents, and commercial establishments throughout the Borough.

Position Summary

Department	Title	Class	2014	2015	2016
Administration	Borough Manager	Full-Time	1	1	1
Administration	Assistant Borough Manager	Full-Time	1	1	1
Administration	Borough Secretary	Full-Time	1	1	1
Administration	Human Resources / Risk Manager	Full-Time	1	1	1
Finance	Finance Director	Full-Time	1	1	1
Finance	Assistant Finance Director	Full-Time	1	1	1
Finance	Account Clerk	Full-Time	3	3	3
Finance	Payroll Clerk	Full-Time	1	1	1
Finance	Meter Reader	Part-Time	1	1	1
Finance	Parking Supervisor	Full-Time		1	1
Fire	Fire Chief	Part-Time	1	1	1
Water Plant	Treatment Plants Director	Full-Time	1	1	1
Water Plant	Supervisor - Plants	Full-Time	1	1	1
Water Plant	Treatment Plant Operator - Licensed	Full-Time	6	6	6
Water Plant	Treatment Plant Mechanic	Full-Time	1	1	1
Wastewater Plant	Supervisor - Plants	Full-Time	1	1	1
Wastewater Plant	Treatment Plant Mechanic	Full-Time	3	3	3
Wastewater Plant	Treatment Plant Operator - Licensed	Full-Time	3	4	4
Wastewater Plant	Treatment Plant Operator - Unlicensed	Full-Time	2	1	1
Bio-Solids	Supervisor – Bio-solids	Full-Time	1	1	1

DEPARTMENT INFORMATION

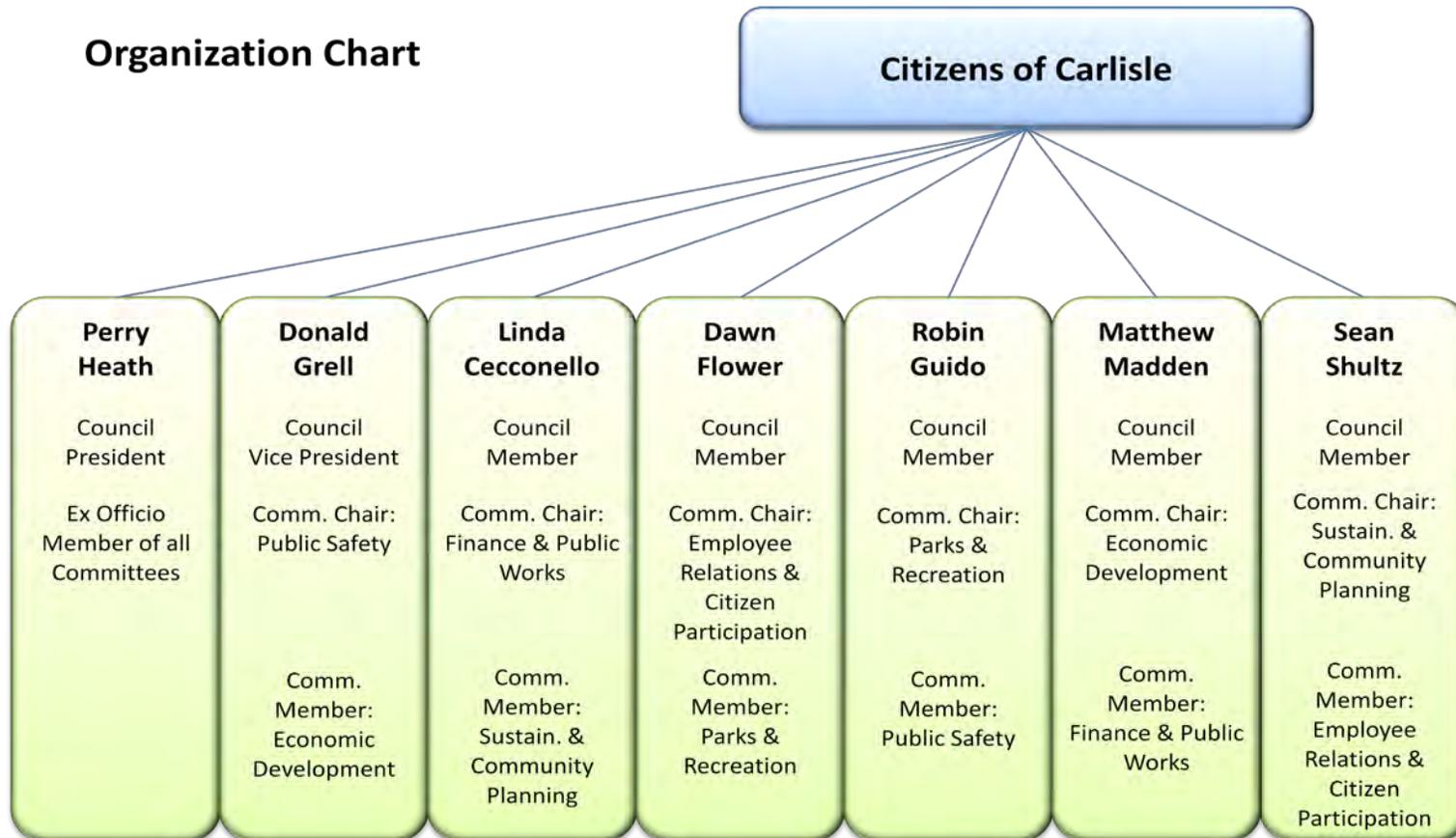
Employee Statistics

Department	Title	Class	2014	2015	2016
Laboratory	Supervisor - Laboratory	Full-Time	1	1	1
Laboratory	Lab Technician	Full-Time	4	4	4
Laboratory	Lab Technician	Part-Time	1	-	-
Parking	Parking Attendant	Part-Time	1	3	3
Parking	Enforcement Officer	Part-Time	1	3	3
Public Works	Director of Public Works / Engineer	Full-Time	1	1	1
Public Works	Department Head Secretary	Full-Time	1	1	1
Public Works	Engineering Clerk	Full-Time	1	1	1
Public Works	Engineering Technician	Full-Time	1	1	1
Public Works	Field Operations Manager	Full-Time	1	1	1
Public Works	Field Operations Supervisor	Full-Time	1	-	-
Public Works	Auto Mechanic I	Full-Time	1	1	1
Public Works	Auto Mechanic II	Full-Time	1	1	1
Public Works	Maintainer	Full-Time	6	6	6
Public Works	Equipment Operator	Full-Time	5	5	5
Public Works	Crew Leader	Full-Time	4	4	4
Public Works	Administrative Secretary	Full-Time	1	1	1
Public Works	Water Meter Maintainer	Full-Time	1	1	1
Public Works	Traffic Supervisor	Full-Time	1	1	1
Public Works	Traffic Maintainer	Full-Time	1	1	1
Public Works	Planning / Zoning / Codes Manager	Full-Time	1	1	1
Code Enforcement	Codes Officer	Full-Time	2	2	2
Code Enforcement	Engineering Inspector	Full-Time	1	1	1
Code Enforcement	Property Maintenance Code Inspector	Full-Time	1	1	1
Parks & Recreation	Maintainer	Full-Time	3	3	3

DEPARTMENT INFORMATION**Employee Statistics**

Department	Title	Class	2014	2015	2016
Parks & Recreation	Manager	Full-Time	1	1	1
Parks & Recreation	Crew Leader	Full-Time	1	1	1
Parks & Recreation	Custodian	Full-Time	-	-	-
Parks & Recreation	Director of Parks & Recreation	Full-Time	1	1	1
Parks & Recreation	Recreation Assistant	Full-Time	1	1	1
Parks & Recreation	Department Head Secretary	Full-Time	1	1	1
Police	Police Chief	Full-Time	1	1	1
Police	Police Lieutenant	Full-Time	1	1	1
Police	Police Sergeant	Full-Time	4	5	5
Police	Police Corporal	Full-Time	4	4	4
Police	Police Detective	Full-Time	4	3	3
Police	Police Officer - Officer-in-Charge	Full-Time	4	4	4
Police	Police Officer	Full-Time	12	13	13
Police	Department Head Secretary	Full-Time	1	1	1
Police	Communication Specialist	Full-Time	3	2	2
Police	Administrative Secretary	Part-Time	2	2	2
		Position Totals	118	121	121

Organization Chart



As of December 31, 2015



FUND: GENERAL

DEPARTMENT: ELECTED OFFICIALS

FUNCTION: ADMINISTRATION

FUNCTION OVERVIEW:

Borough Council is the legislative body of the Borough. It is comprised of seven members, each elected at large for four-year overlapping terms. After each general municipal election (i.e. every two years), Borough Council is reorganized and a Council President is selected from among its members to preside over Council meetings and other events. In addition, during the biennial organizational meeting, members elect among themselves a chairman and vice-chairman for the following committees: Sustainability & Community Planning, Economic Development, Employee Relations/Citizen Participation, Finance and Public Works and Public Safety. The primary duties of Borough Council include adoption of the annual budget, the establishment of policies for the conduct of Borough affairs, the enactment of ordinances and resolutions, and approval of contracts and bids.

The Mayor, elected at large to a four-year term, is primarily responsible for the public safety of the community with emphasis on law enforcement and the day-to-day oversight of the police department. The Mayor also reviews each ordinance and resolution of a legislative nature enacted by Borough Council, and can sign it, veto it, or permit it to become law without signature. The Mayor has the authority to break a tie vote of Borough Council.

Carlisle Borough will become a Home Rule municipality on January 1, 2016. The charter approved by the residents of Carlisle will dramatically change the structure of Borough Council. At this time, the Mayor will preside over Council meetings and other events and will no longer be responsible for the day to day public safety of the Borough. The Borough Manager will take over the oversight of the Police Department.

There will no longer be a Council President position since the Mayor will perform that role.

SERVICES PERFORMED:

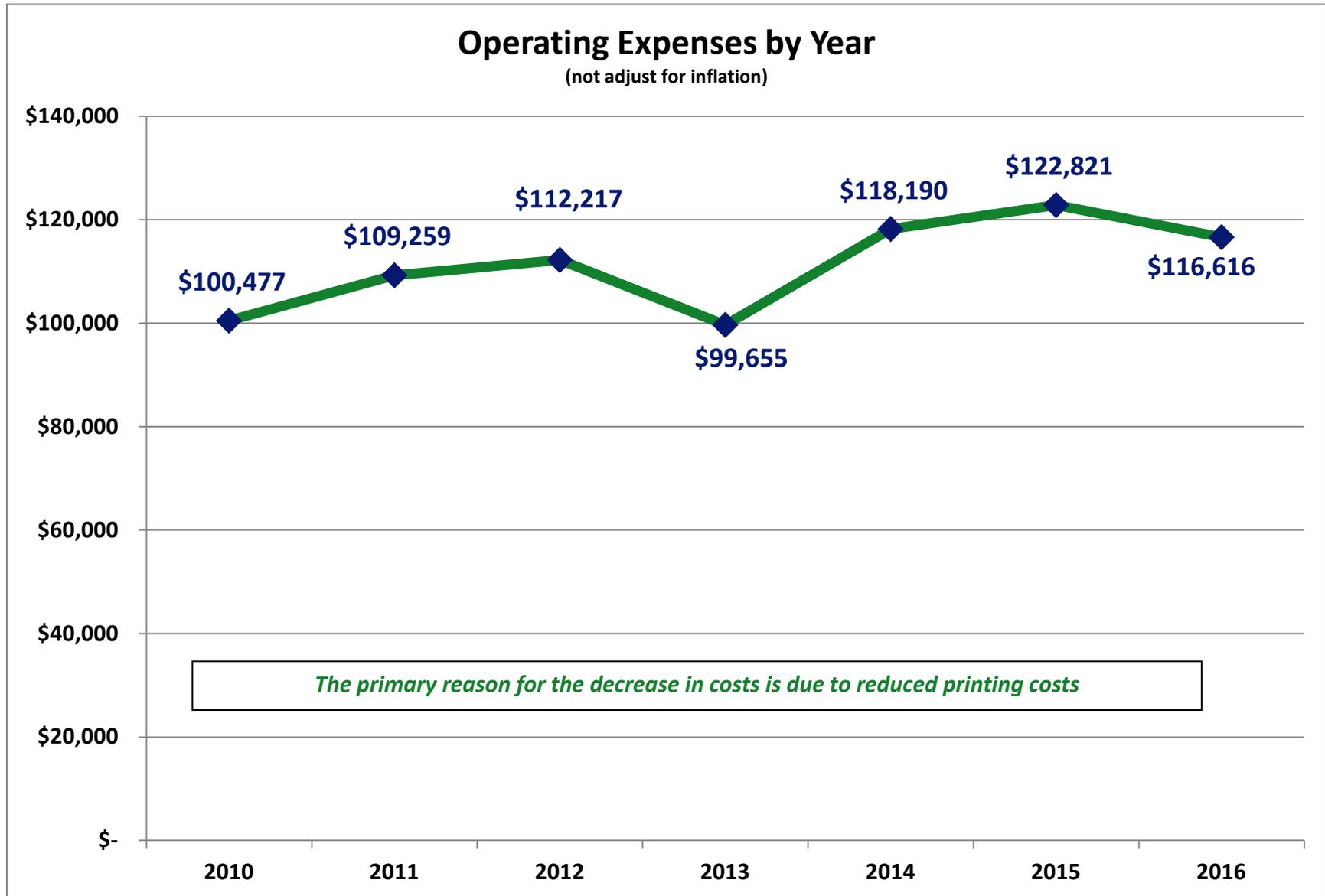
- Attend Council/Special Community Meetings
- Approve an annual budget
- Represent the well being of the community
- Provide policy for staff to implement through the Borough Manager and Mayor
- Represent the Borough of Carlisle at official functions

2016 GOALS:

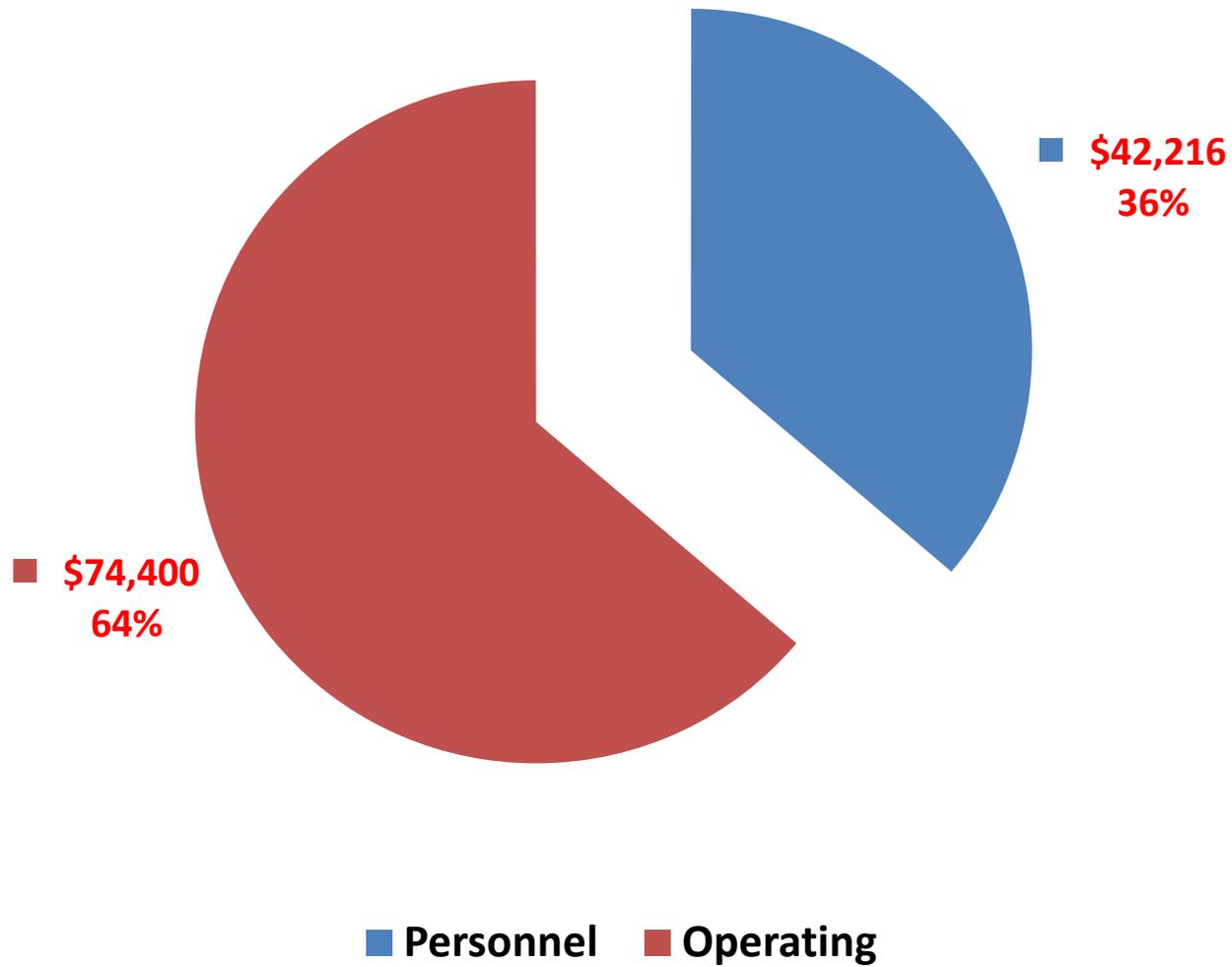
- Creation of 2016-2018 Borough Council Goals
- Implementation of Home Rule
- Support the implementation of the Carlisle Urban Redevelopment Plan
- Approve the updated Employee Handbook for predictable employee rules and regulations
- Support Carlisle's My Brother's Keeper Initiative

2015 ACCOMPLISHMENTS:

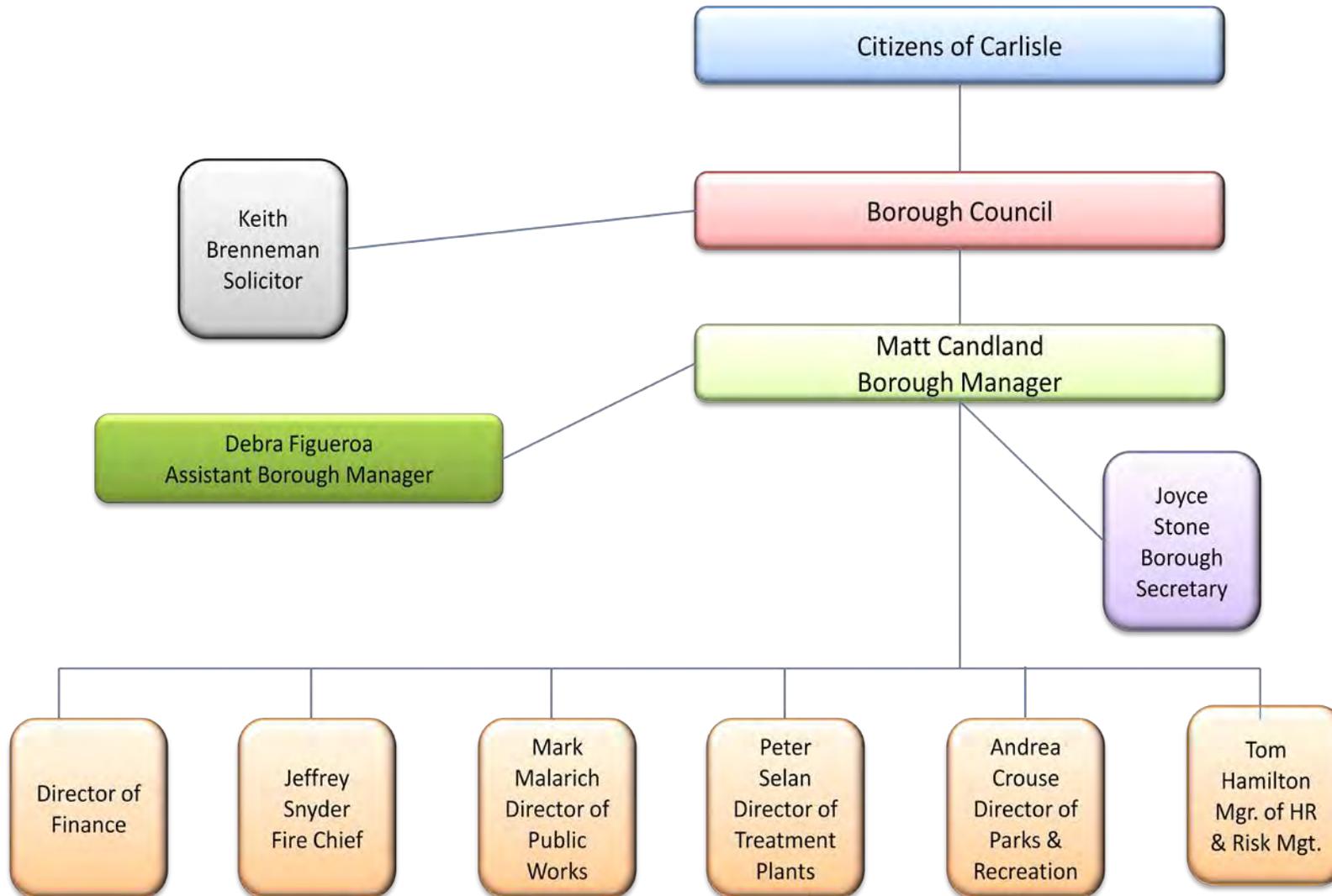
- Oversaw the implementation of the 2014-2016 Borough Council Goals
- Adopted a Five-Year CIP to provide a long-term planning document for capital items
- Supported and assisted the implementation of the Carlisle Urban Redevelopment Plan
- Initiated a long-term plan to update the Borough's sewer infrastructure
- Supported Carlisle's My Brother's Keeper Initiative to provide opportunity to low-income minorities from cradle to college
- Completed the USEPA Areawide Plan for the Carlisle Urban Redevelopment Plan
- Adopted a 2015 balanced budget without a tax increase



Expense by Category



Organization Chart



FUND: GENERAL

DEPARTMENT: BOROUGH MANAGER

FUNCTION: ADMINISTRATION

**FUNCTION OVERVIEW:**

The Borough of Carlisle operates under the "Council-Manager" form of government. Under this form, Borough Council appoints a full-time professional municipal manager to oversee the day-to-day operations of the Borough. The primary responsibility of the Manager's Office is to oversee the operation of all Borough departments except the police department, which is under the administrative responsibility of the Mayor. The Borough Manager's Office also retains all vital Borough records, prepares Council agendas, and implements all policies developed by Council. The Manager's office also directly oversees Human Resources, the implementation of the Carlisle Urban Redevelopment Plan and Community Development Block Grant program (CDBG).

In May of 2015, Carlisle Borough became a Home Rule municipality. The charter approved by the residents of Carlisle will place the Police Department under the supervision of the Borough Manager on January 1, 2016.

SERVICES PERFORMED:

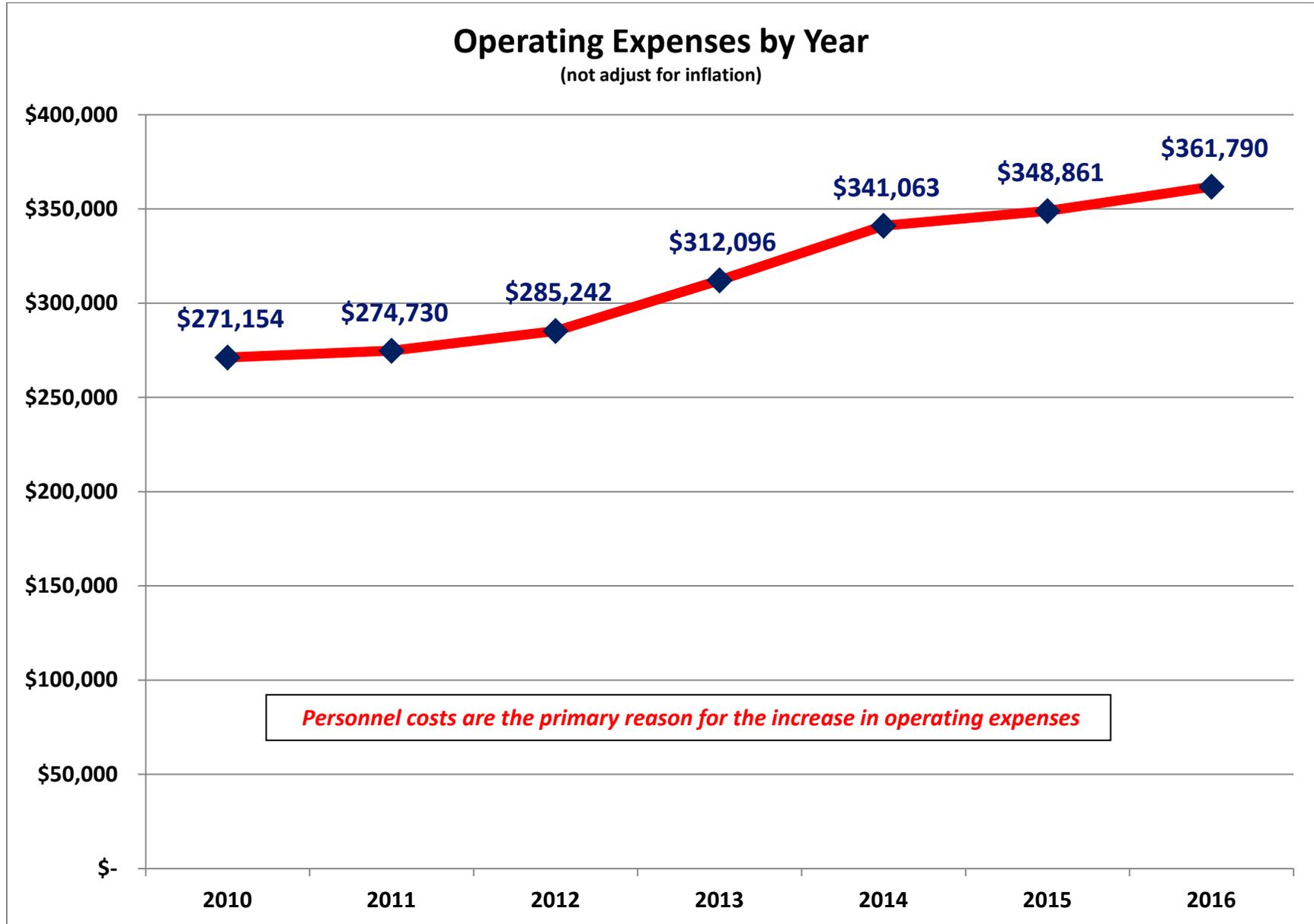
- Implements Council Goals
- Council Agendas
- Council Minutes
- Human Resources
- Community Liaison
- Employee Benefits
- Strategic Planning for Parking
- Website Oversight
- Performance Management
- IT Oversight
- Economic Development
- Risk Management
- Community Planning
- Union Negotiations
- Wellness Program
- Staff Liaisons with Dickinson College, Dickinson Law College and the Army War College

2016 GOALS:

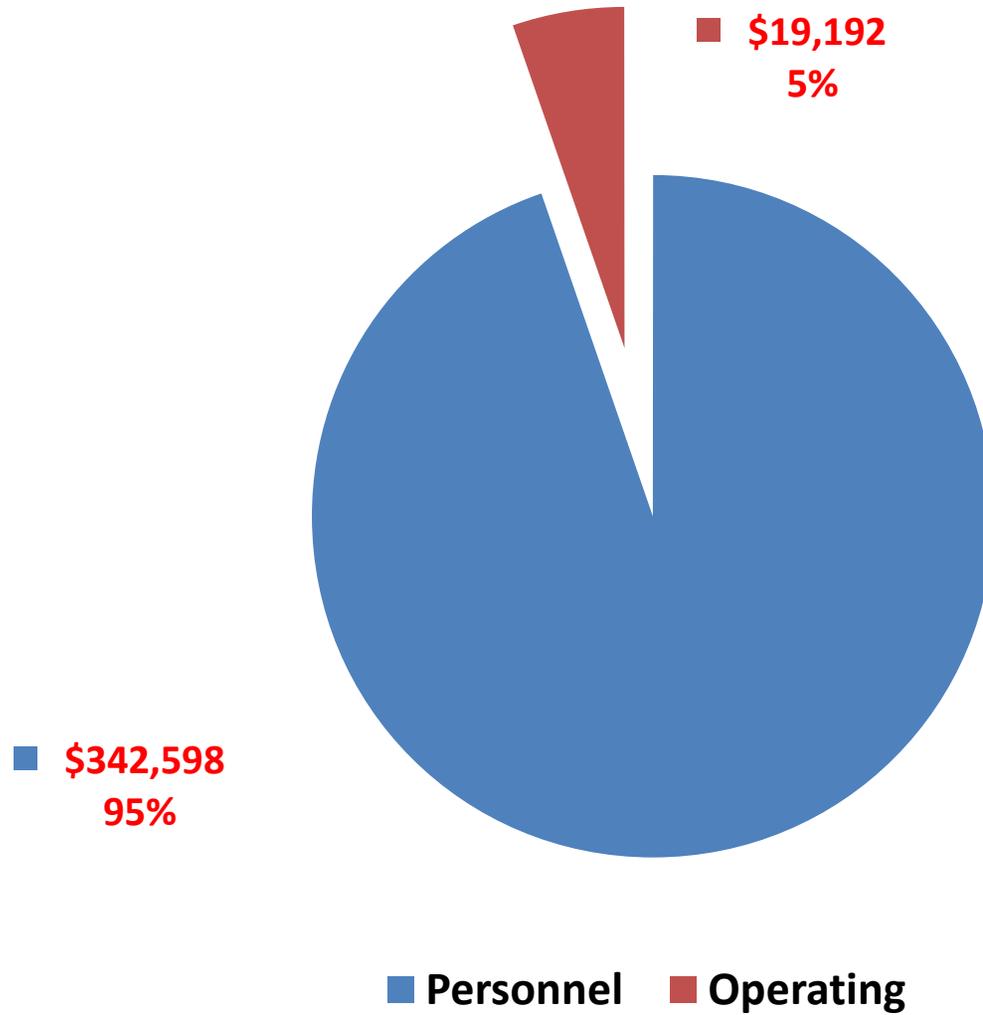
- Provide a balanced budget in 2016 to Borough Council without a tax increase
- Facilitate the implementation of the Carlisle Urban Redevelopment Plan
- Continue implementation of the Emergency Preparedness Plan to ensure effective & efficient Borough response in times of crisis
- Implement 2016-2018 Council Goals
- Develop a performance measurement system to promote more efficient and effective service delivery
- Implement a Wellness Program to increase employee health in order to reduce health insurance costs
- Complete the update to Carlisle's Comprehensive Plan
- Complete negotiations with the Police Association
- Selection of a new Finance Director
- Continue a multi-year process to ensure that no short term or longer term deficit exists in the budget to ensure the Borough remains financially stable

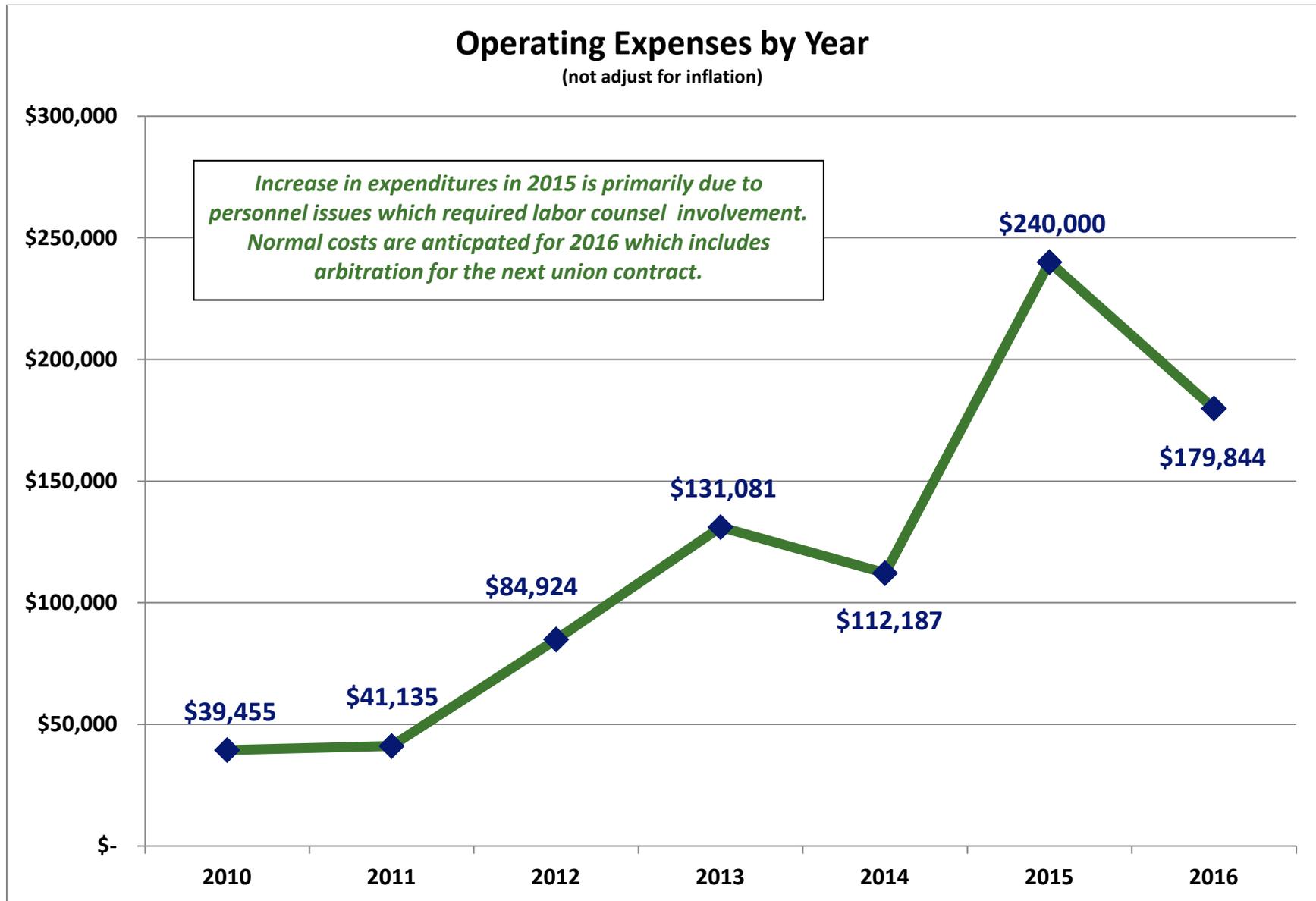
2015 ACCOMPLISHMENTS:

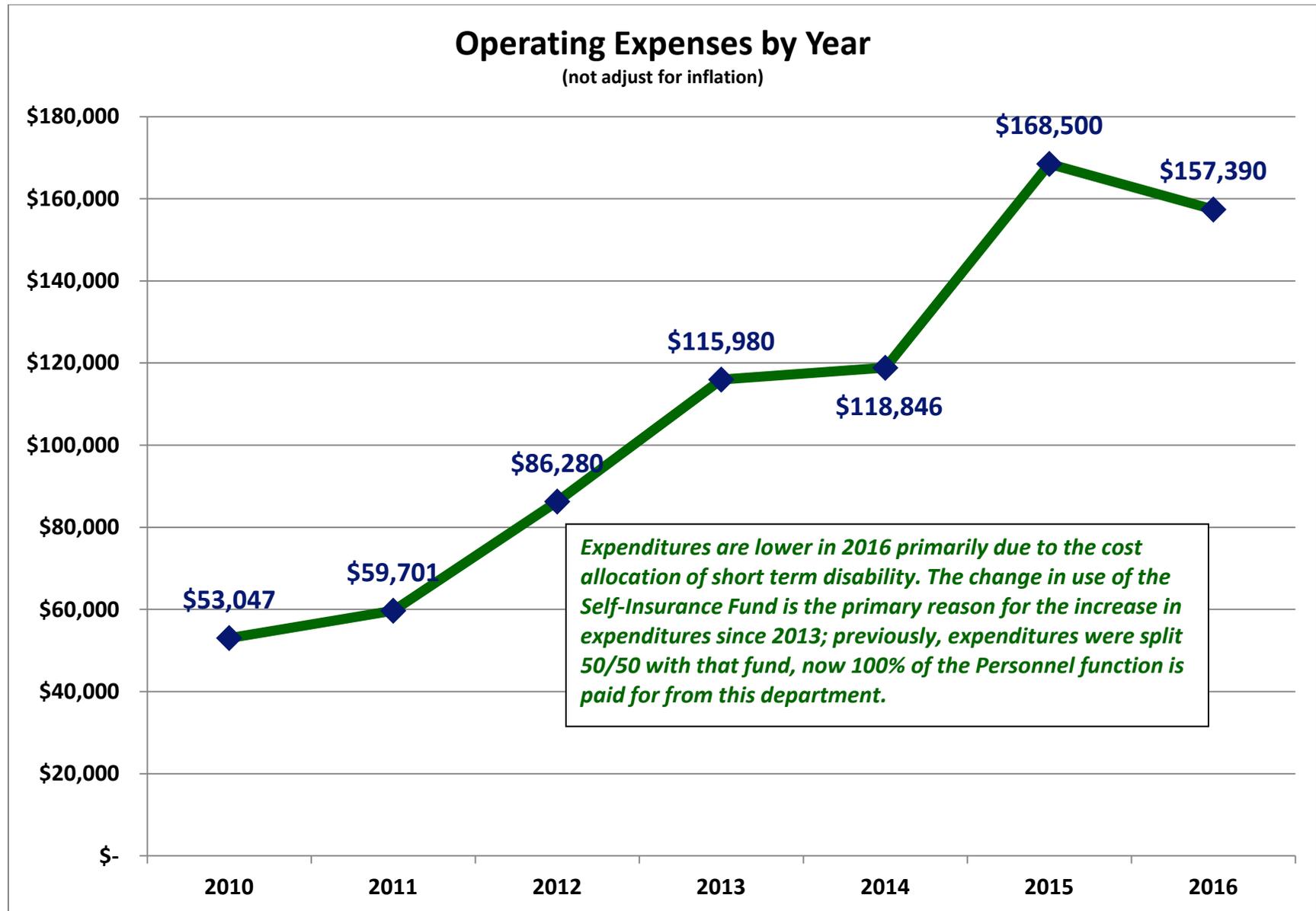
- Provided a balanced budget in 2015 to Borough Council without a tax increase
- In partnership with Dickinson College, conducted the 2015 Citizen Satisfaction Survey that measures resident's satisfaction with community services
- Facilitated the implementation of the Carlisle Urban Redevelopment Plan
- Began the update to the Comprehensive Plan
- Initiated an EPA Brownfield Assessment Program
- Implementation of the 2014-2016 Council Goals
- Selection of Mark Malarich as the Public Works Director
- Selection of Chris Varner as the Elm Street Manager
- Began a comprehensive review of the Borough's storm water infrastructure system to identify and correct existing deficiencies
- Initiated the design and engineering of critical transportation and stormwater improvements for the redevelopment of existing brownfields

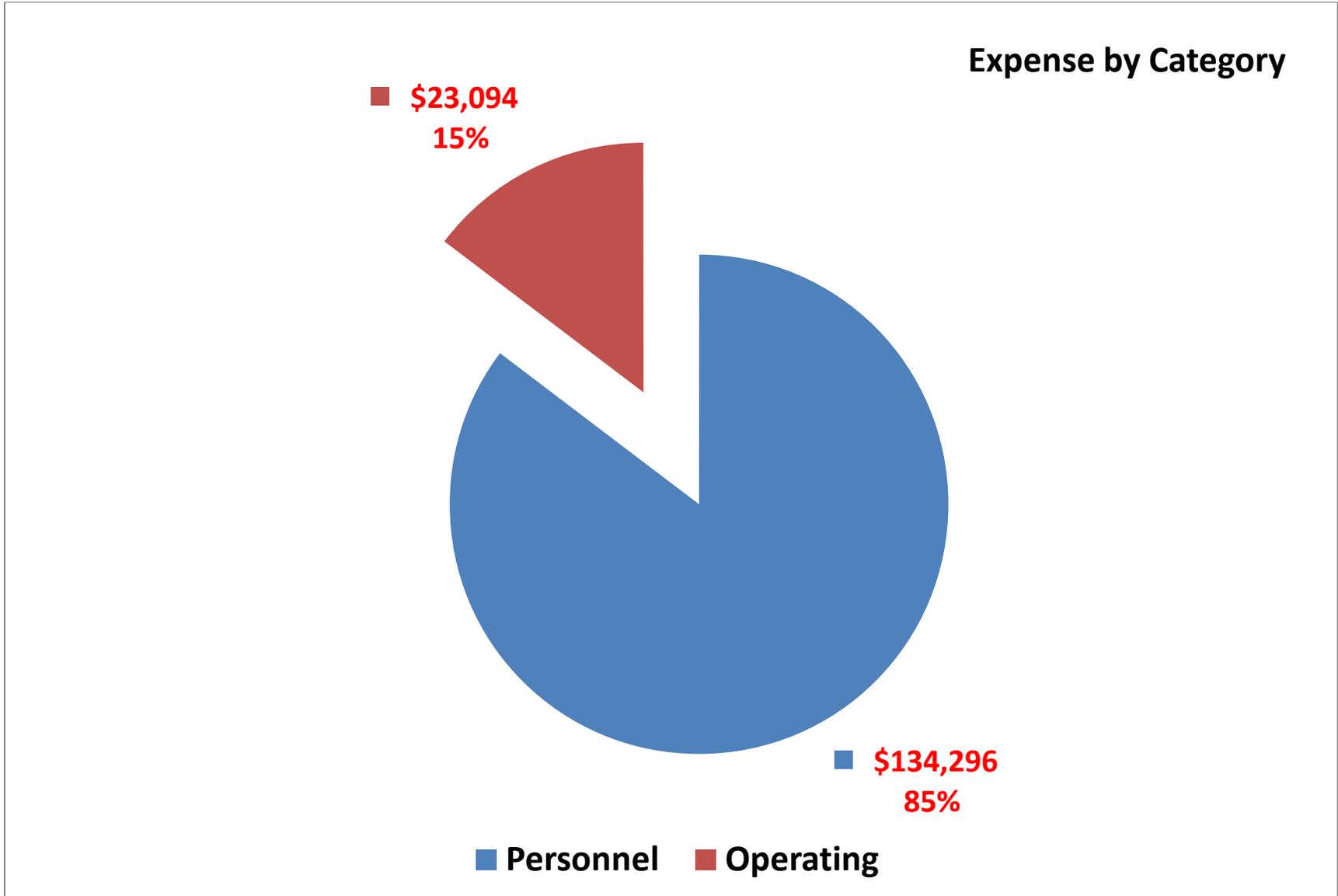


Expense by Category









FUND: GENERAL

DEPARTMENT: INFORMATION
TECHNOLOGY

FUNCTION: ADMINISTRATION

**FUNCTION OVERVIEW:**

The function of this program is to provide standardized and efficient information technology services to Borough employees. Borough employees are unable to provide services to residents without reliable computers, phones, printers, networks, and servers. Information Technology also assists Borough staff with innovative ideas to improve all aspects of the Borough of Carlisle. Information Technology is overseen by the Borough Manager's Office and is currently supplied by an outside vendor.

SERVICES PERFORMED:

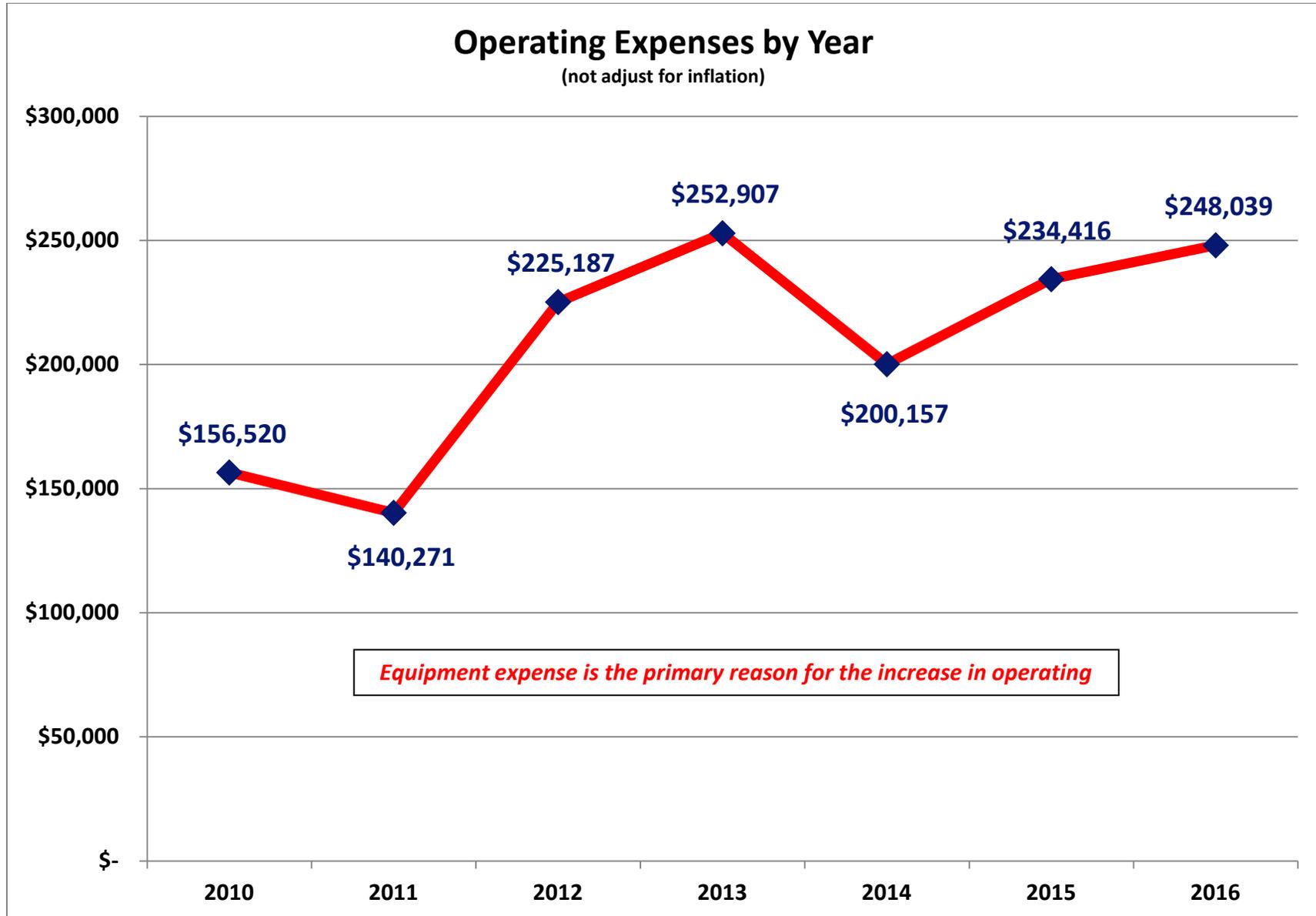
- Compute, phone, server and printer replacement and support
- Website Support
- Strategic Planning for Information Technology Requirements

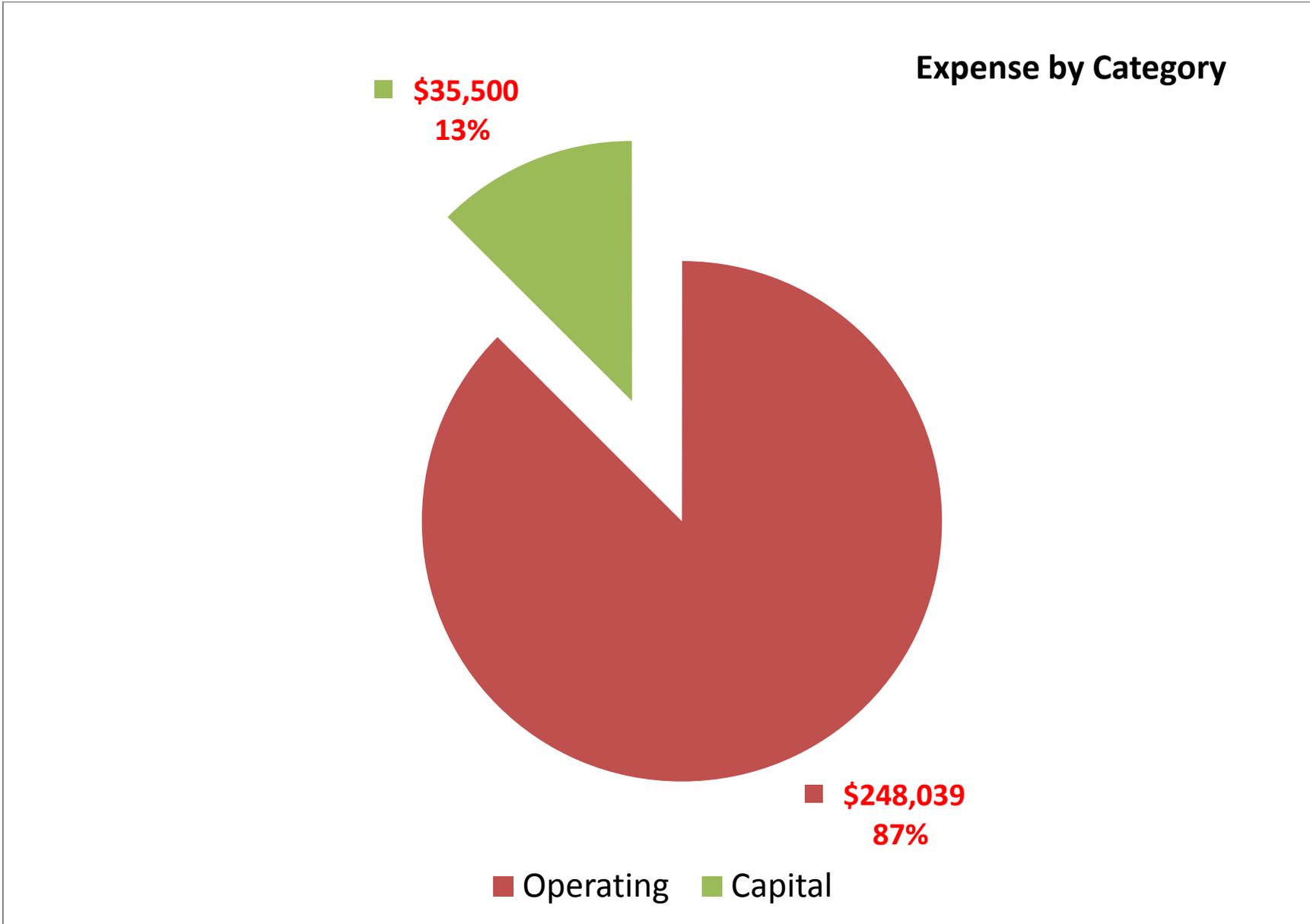
2016 GOALS:

- Installation of new desktop and laptop computers to remain current with technology
- Conversion of Police Department Laptops with tablets to reduce long term costs while increasing productivity
- Continual maintenance to ensure a healthy information technology infrastructure
- Upgrade of IT infrastructure at Police Department to create an independent Emergency Operation Center during small scale emergencies
- The upgrade of technological solutions at the Pomfret Street Garage

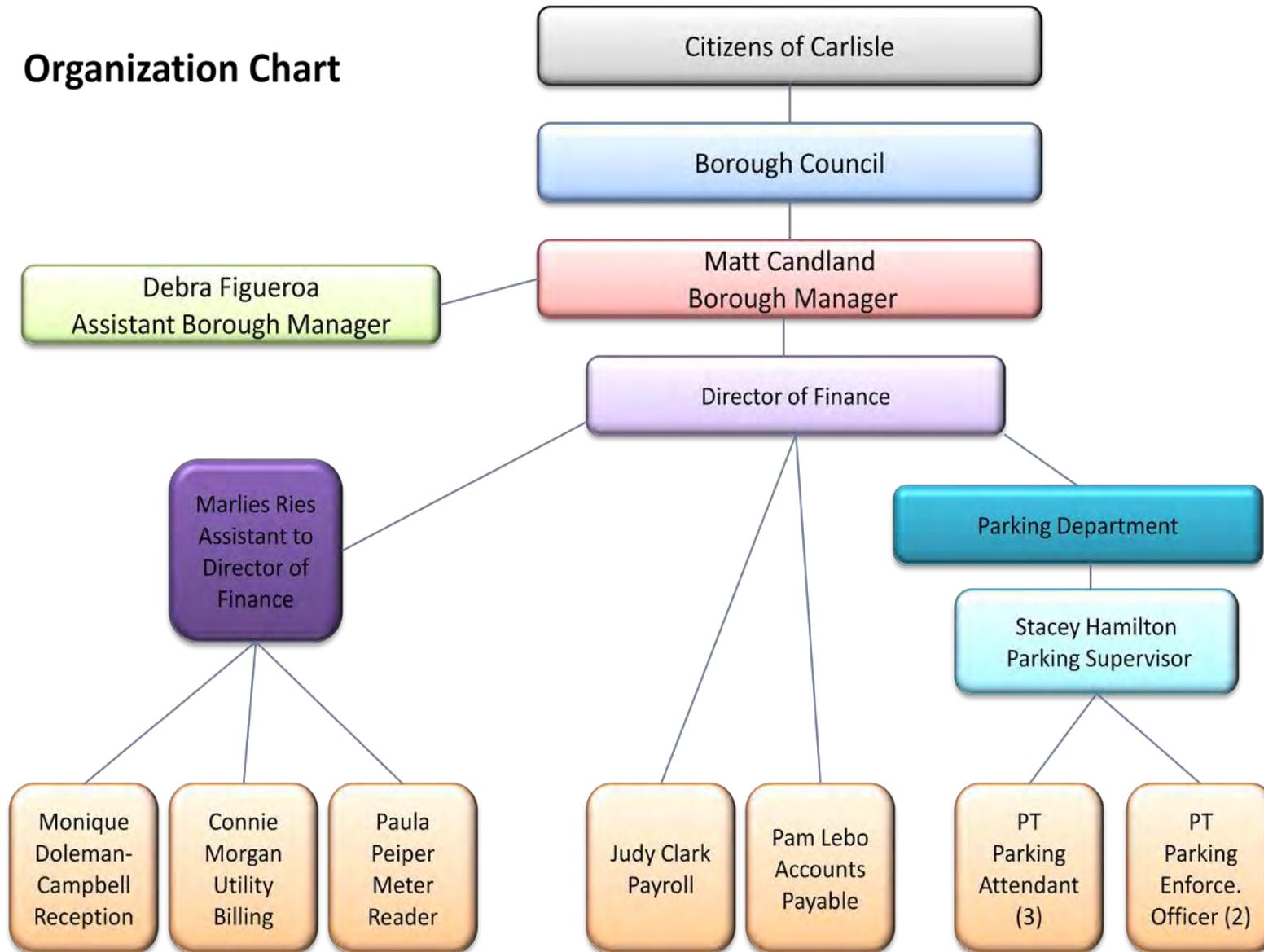
2015 ACCOMPLISHMENTS:

- Installation of new desktop and laptop computers to remain current with technology
- Continual maintenance to ensure a healthy information technology infrastructure
- Implementing a successful solution to on-going phone issues
- Completion of upgrade to a more efficient copy/printer system
- Streamlined service from Centurylink saving \$20,000 annually





Organization Chart



FUND: GENERAL, WATER,
SEWER, PARKING,
SOLID WASTE

DEPARTMENT: FINANCE

FUNCTION: ADMINISTRATION

**FUNCTION OVERVIEW:**

The Finance Department's primary responsibility is to ensure that the Borough's finances are managed in accordance with Federal, State, and Local laws and regulations. Included in these duties is responsibility for the annual audit and the Borough's compliance with generally accepted accounting and financial reporting procedures. The office is also charged with overall responsibility for the Borough's internal controls and the prevention of waste, fraud, and misuse.

SERVICES PERFORMED:

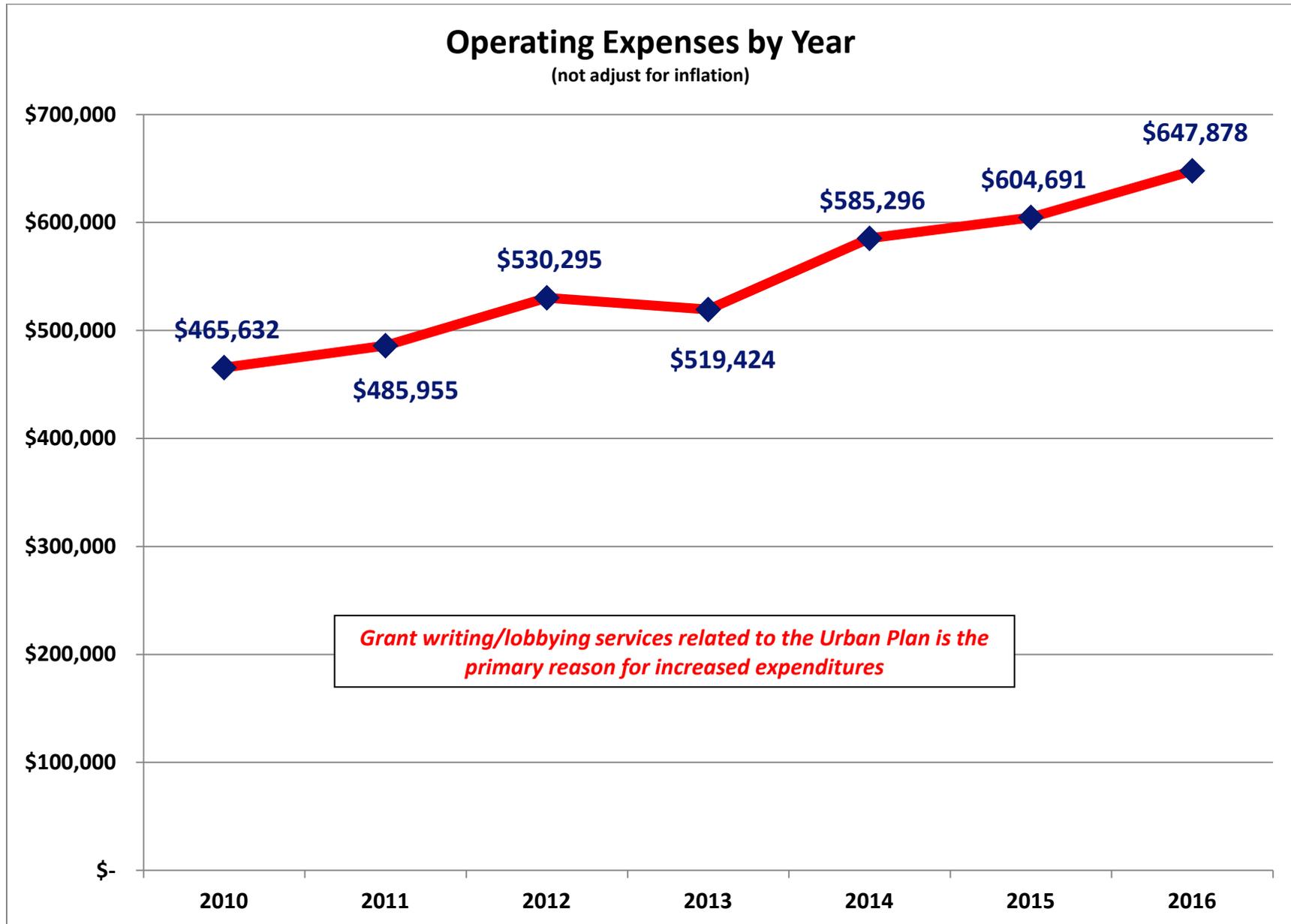
- Customer Service
- Internal Controls
- Annual Audit
- Utility Billing
- Annual Budget
- Parking Enforcement
- Debt Management
- Payroll
- Financial Reporting
- Accounts Receivable
- Cash Management
- Purchasing

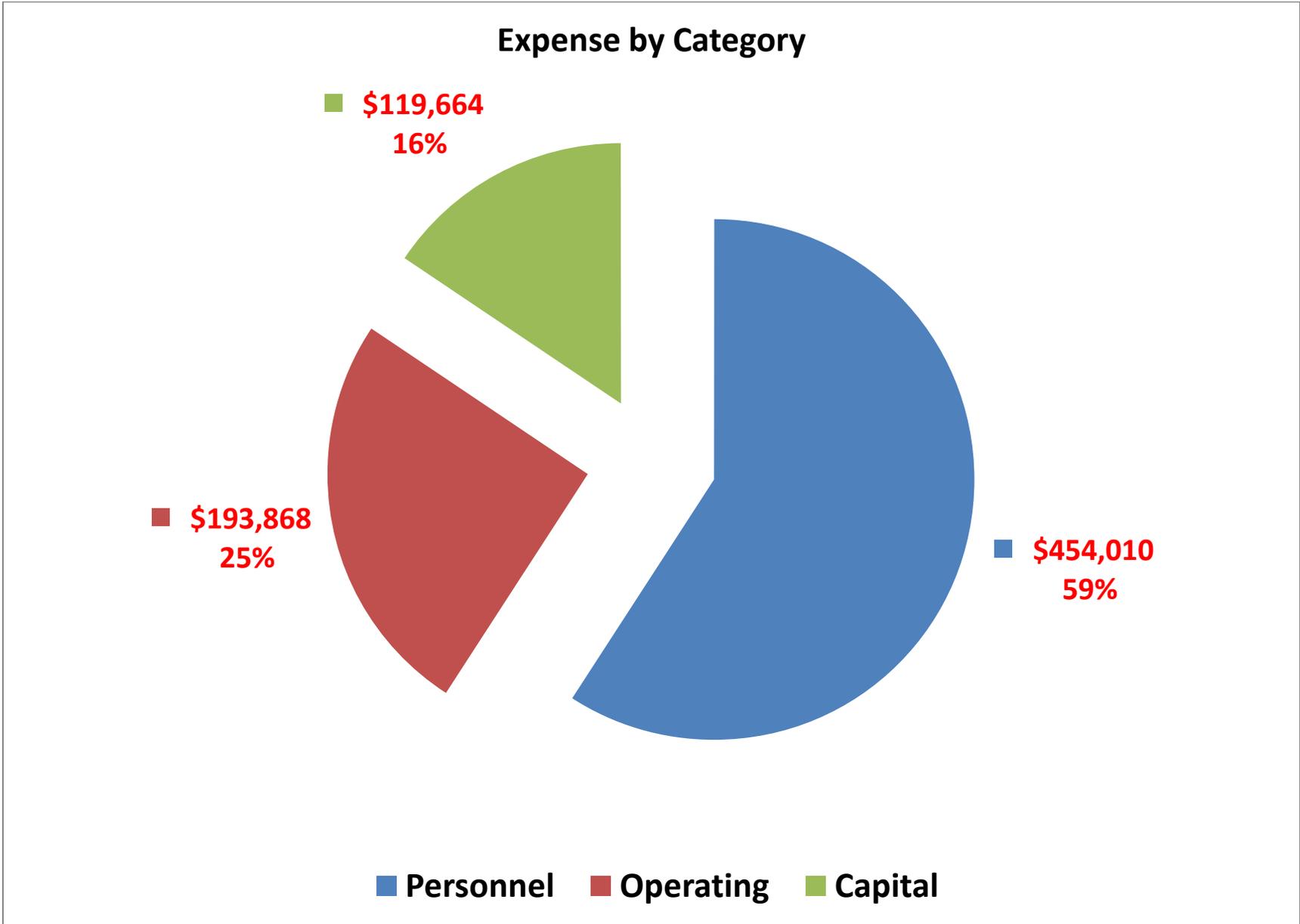
2016 GOALS:

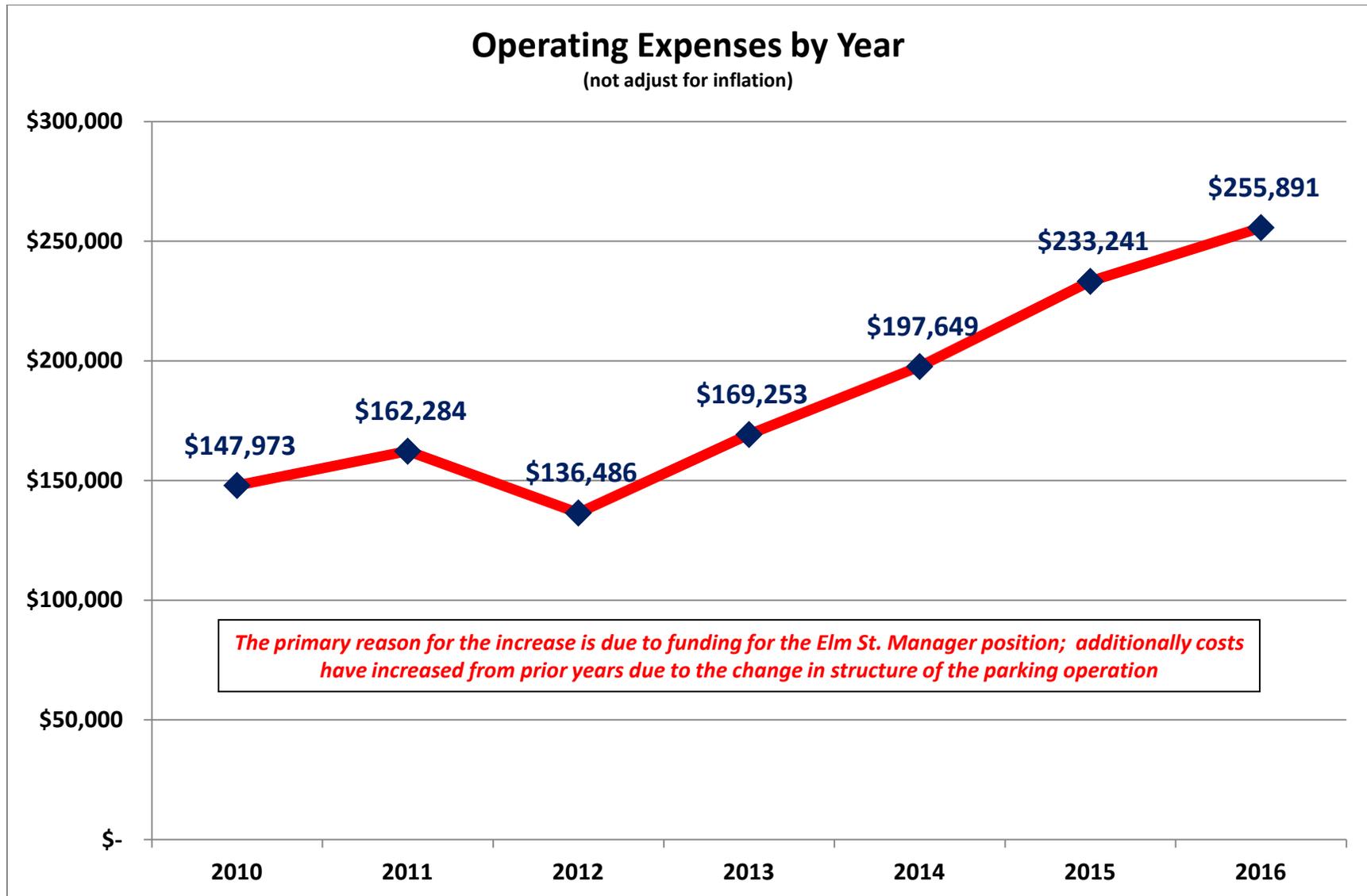
- Unmodified audit opinion with no Single Audit findings
- GFOA Award for Excellence in Financial Reporting
- GFOA Award for Distinguished Budget Presentation
- Implement 5-year capital improvement plan for the parking garage

2015 ACCOMPLISHMENTS:

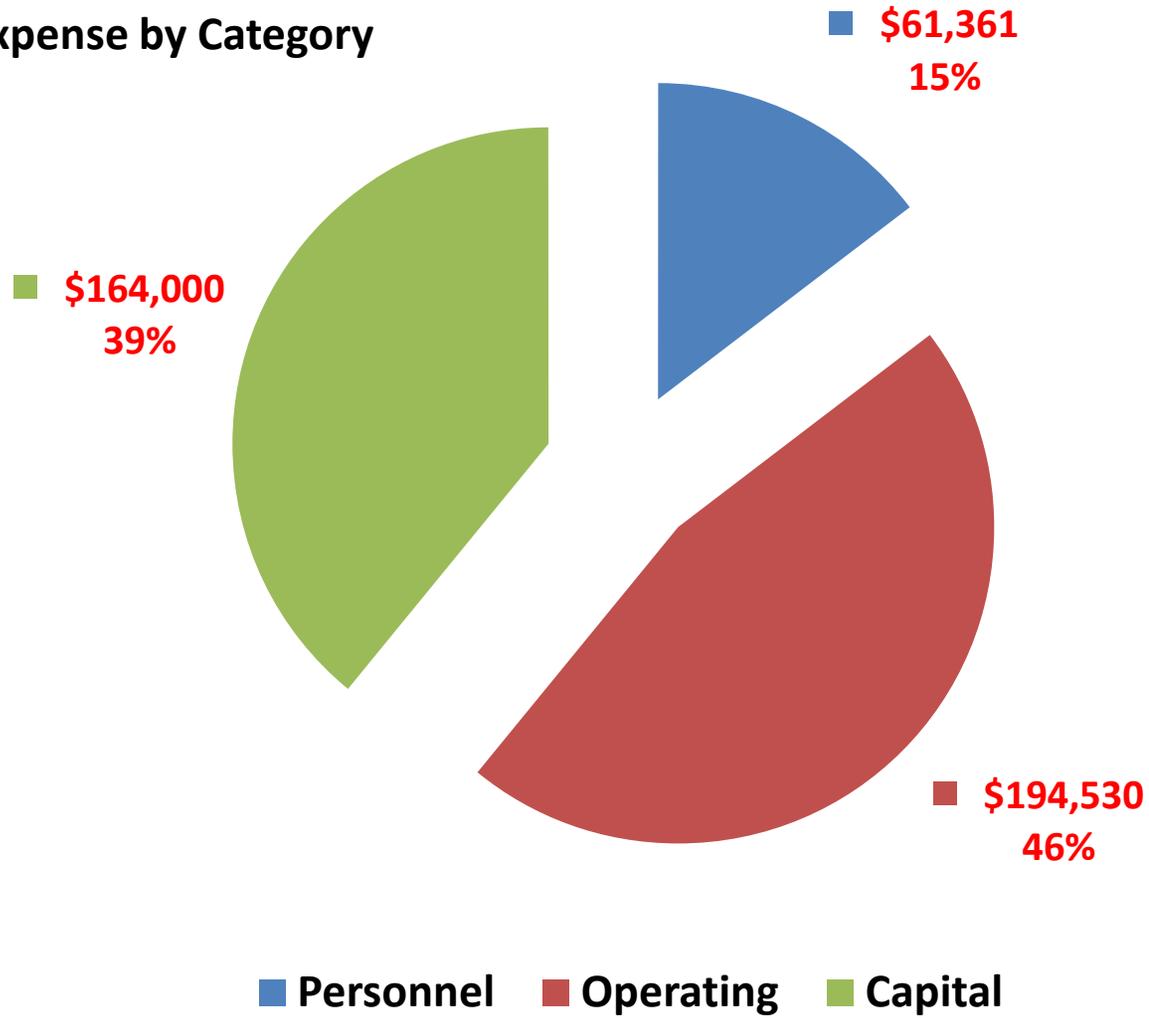
- 2014 audit report issued with unmodified opinion and no Single Audit Finding
- Received GFOA Award for Excellence in Financial Reporting for 2014 audit (5th year in a row, expected for 2015 and thereafter)
- Received GFOA Budget Award for 2015 budget (2nd year in a row, expected for 2016 and thereafter)
- Implemented 1st year of stormwater management plan in Borough owned parking lots
- Installed security cameras at the Pomfret Street Parking Garage

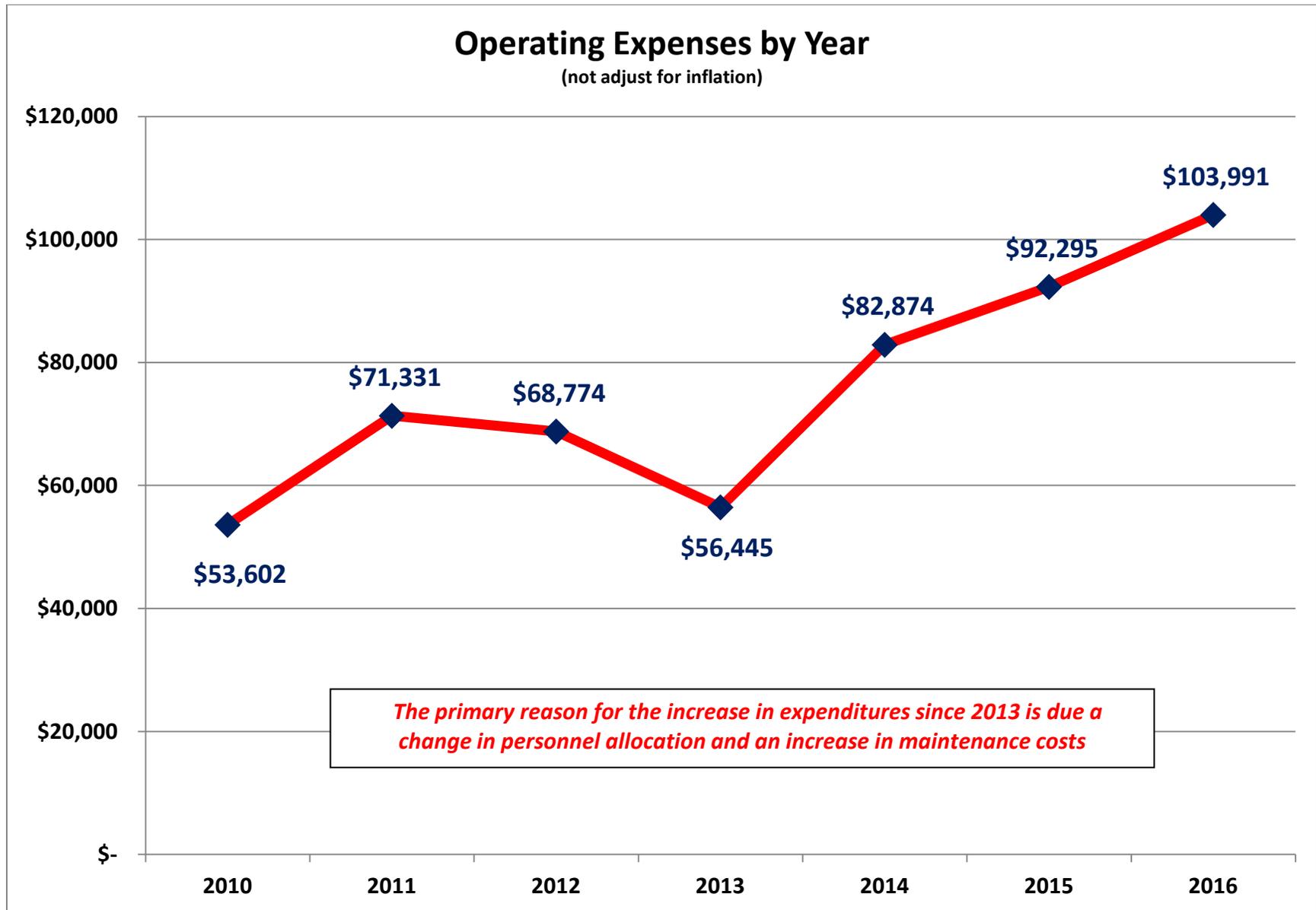




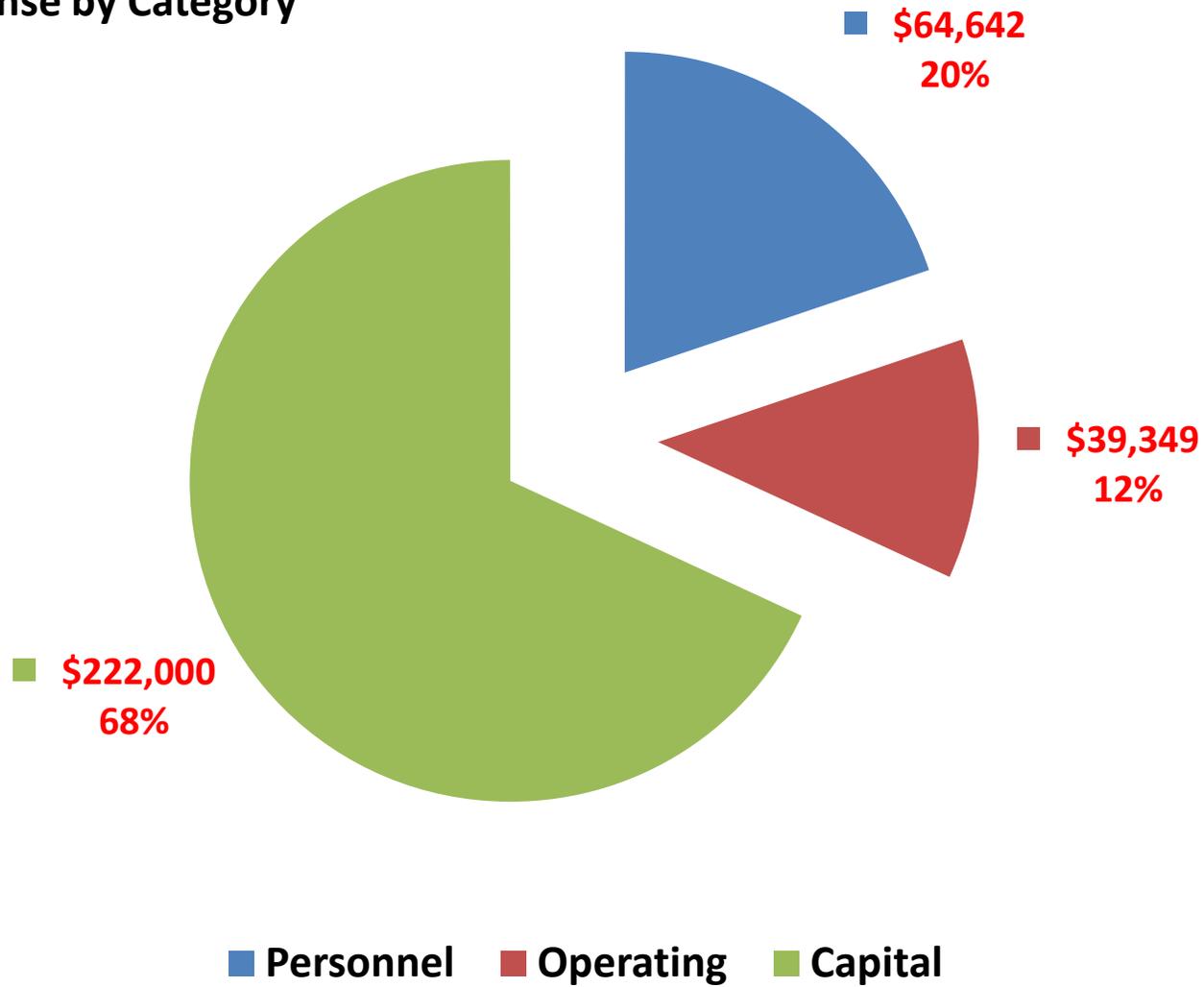


Expense by Category

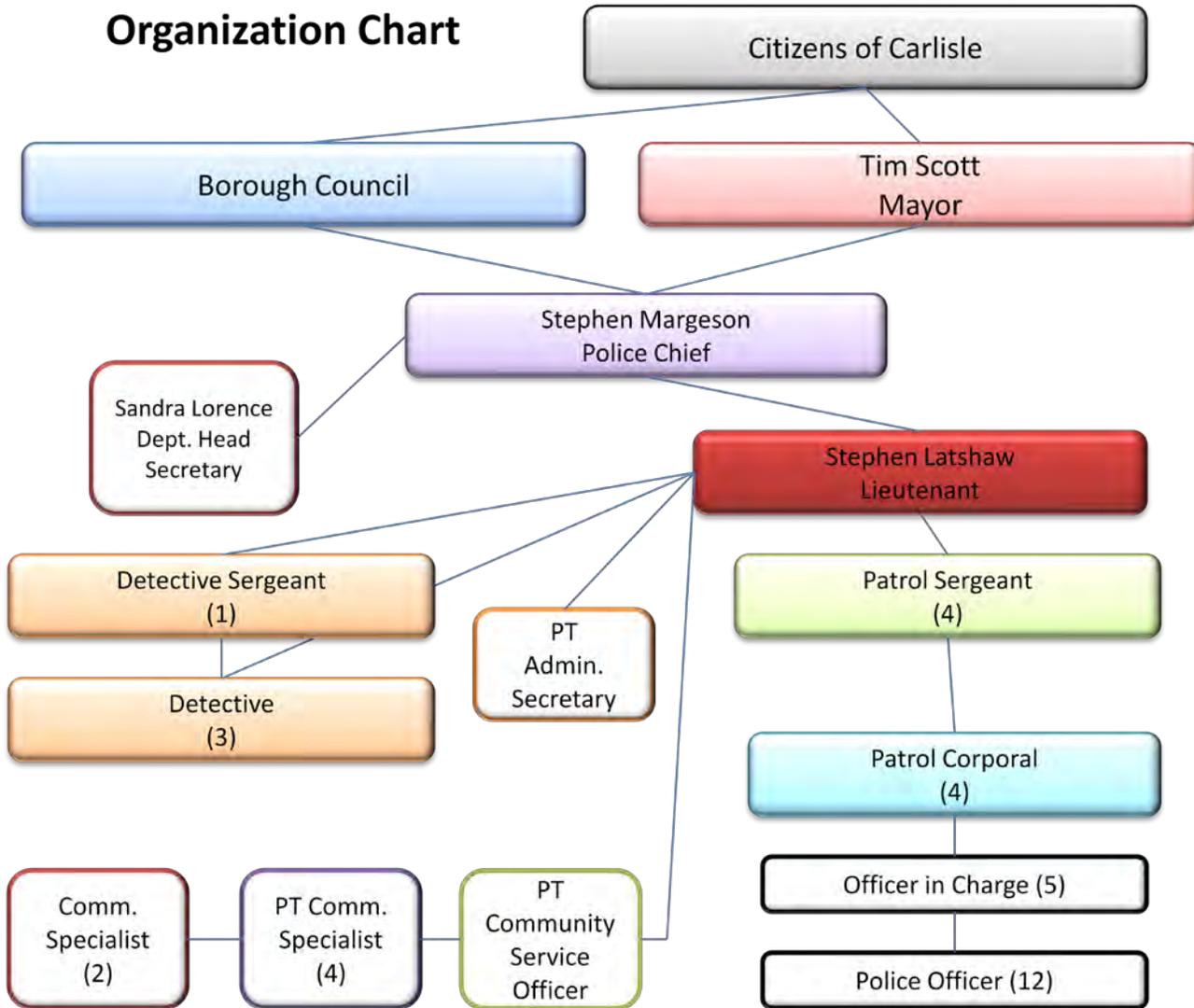




Expense by Category



Organization Chart



effective as of 12/31/15

Key

Sergeants:

Mark Brewbaker
David Fones
Adolfo Heredia
W. David Miller

Corporals:

Joshua Bucher
Timothy Groller
Simon Jackson
Brian Shull

Detectives:

Daniel Freedman (Sgt.)
Christopher Collare
Eric Dale
Brent Griest

Officers in Charge:

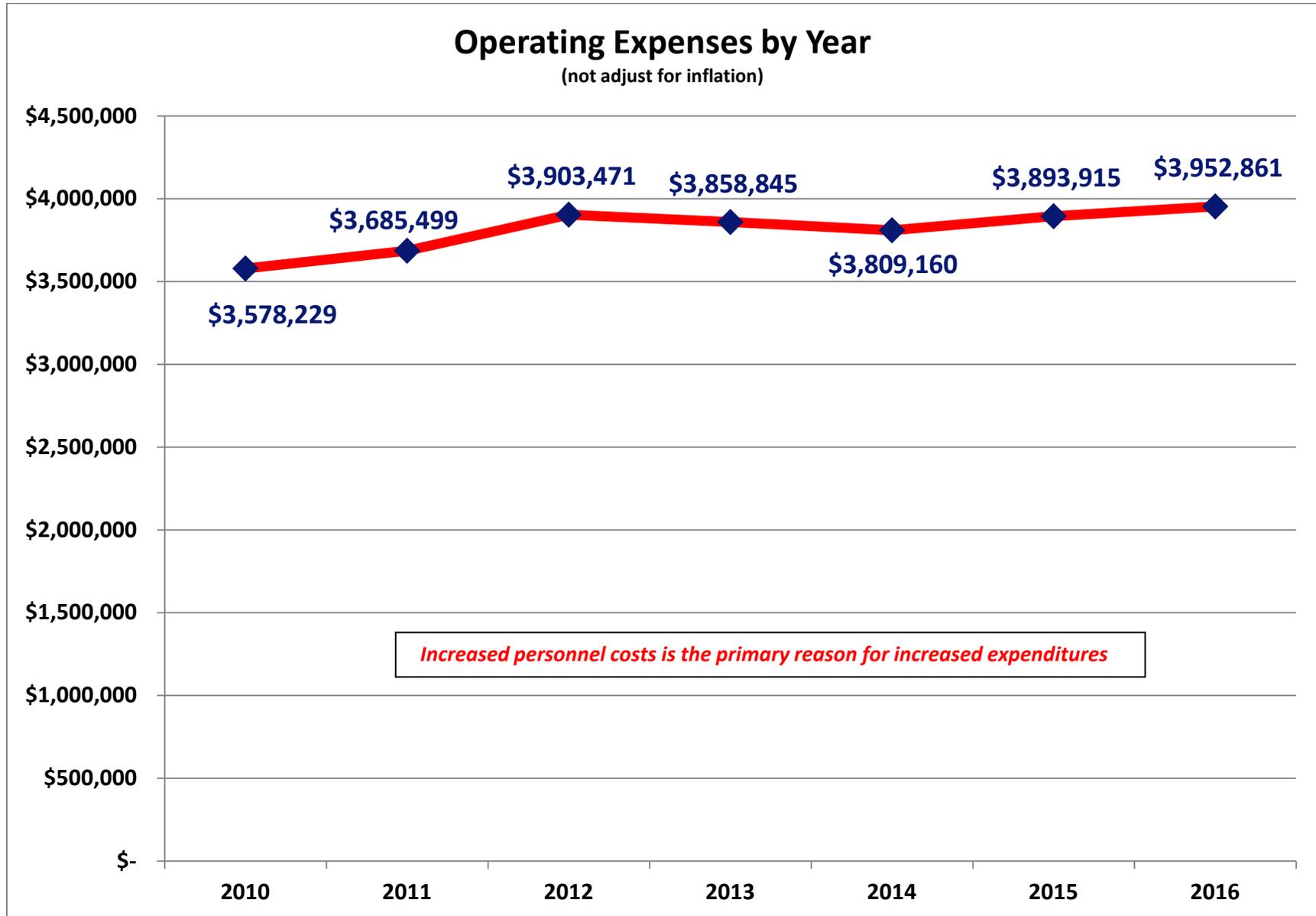
Scott Hertzler
Matthew Kennedy
David Rogers
Michael Sturm
Andrew VanVolkenburg

Police Officers:

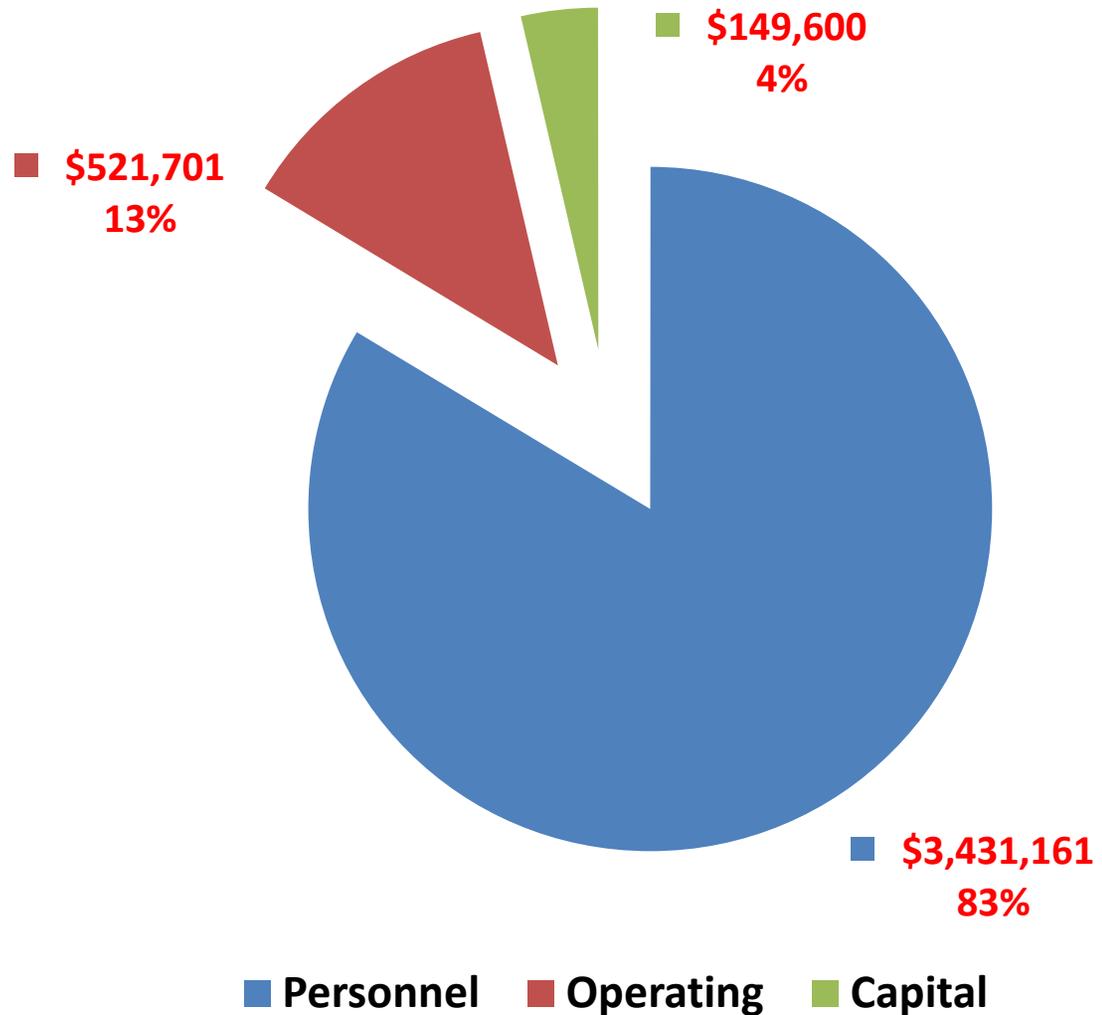
Christopher Darhower
Thomas Dolan
Nicole Dressel
John Hanner, II
Timothy Krauth
Antanina Klinger
Jeffrey Kurtz
Delbert Liller
Christopher Miller
Joshua Mulhollan
Christopher Snyder
Vacant

Communication Specialists:

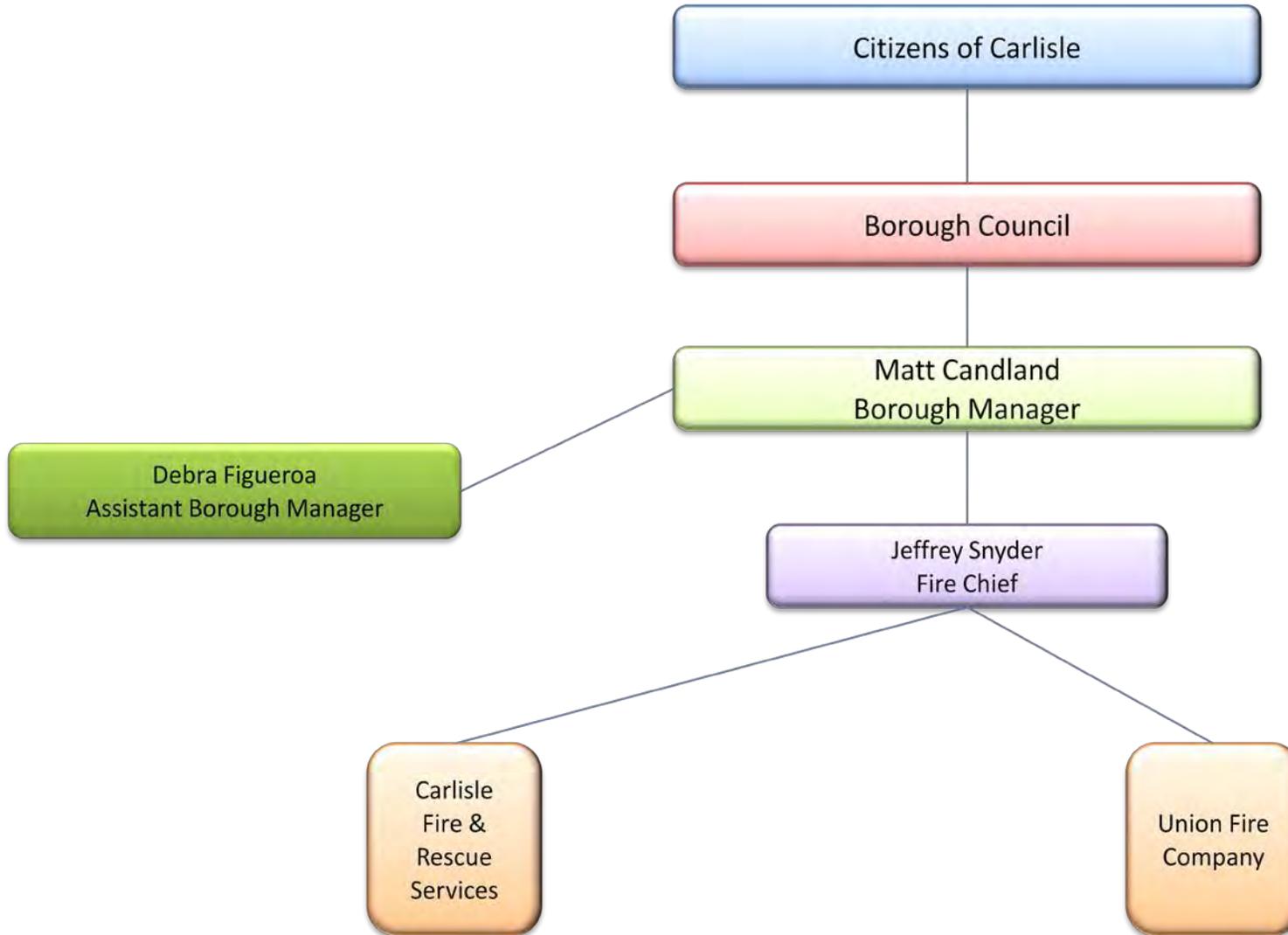
Debra Daniel
Edward Martin



Expense by Category



Organization Chart



FUND: GENERAL

DEPARTMENT: PUBLIC SAFETY

FUNCTION: FIRE

FUNCTION OVERVIEW:

The Carlisle Fire Department's primary purpose is to provide fire fighting, rescue, and assist with emergency medical services to minimize the loss of life and property when fire, sudden illness, or acts of nature or accidents occur within the Borough of Carlisle. There are two volunteer firefighter companies located in the Borough of Carlisle: Carlisle Fire and Rescue and Union Fire Company. The Borough's Part-Time Fire Chief oversees the operations of the two departments to ensure the Borough's fire service is performed properly. There are approximately 50 active volunteer firefighters.



SERVICES PERFORMED:

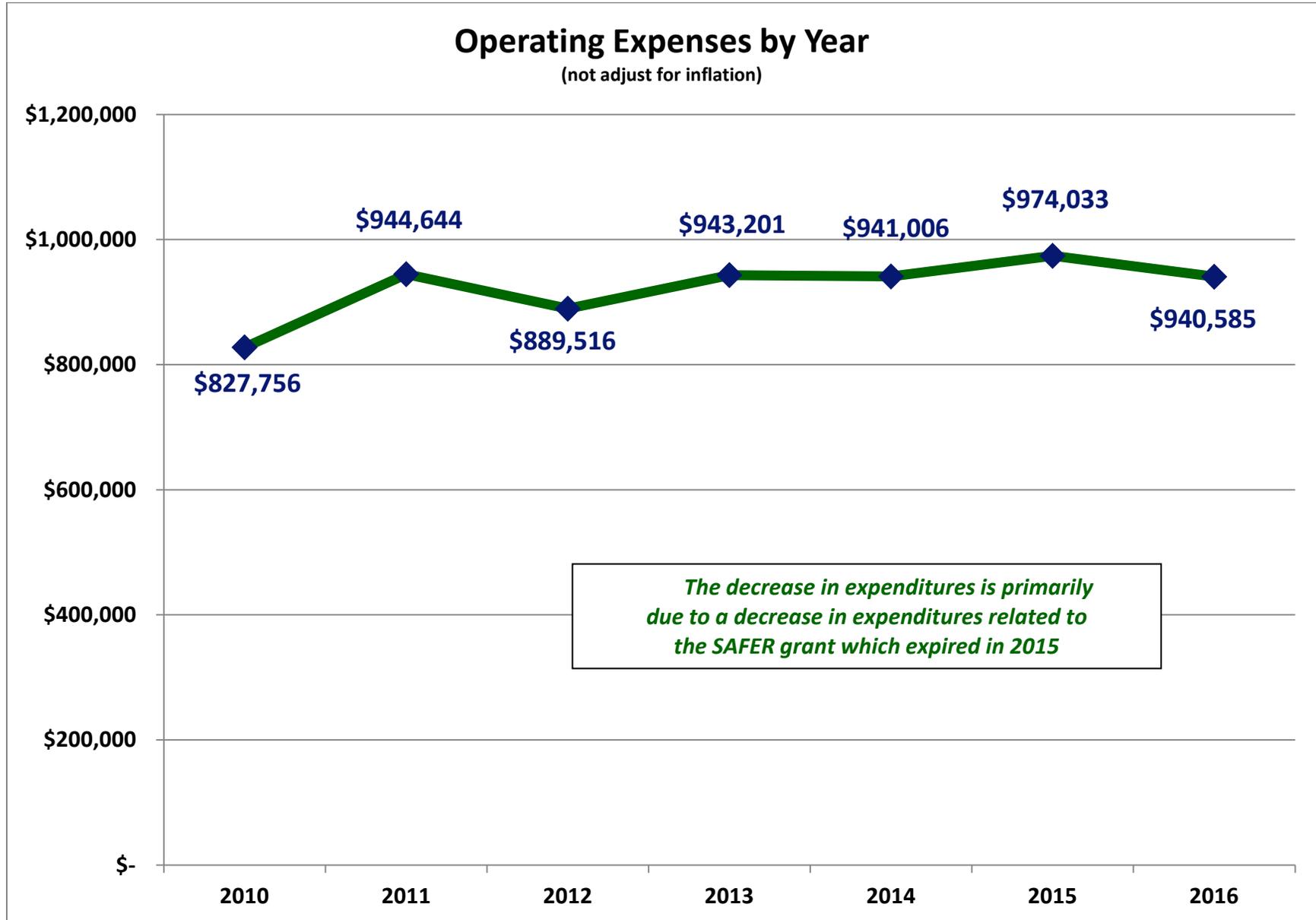
- Fire suppression
- Fire prevention
- Rescue
- Emergency medical service
- Training

2016 GOALS:

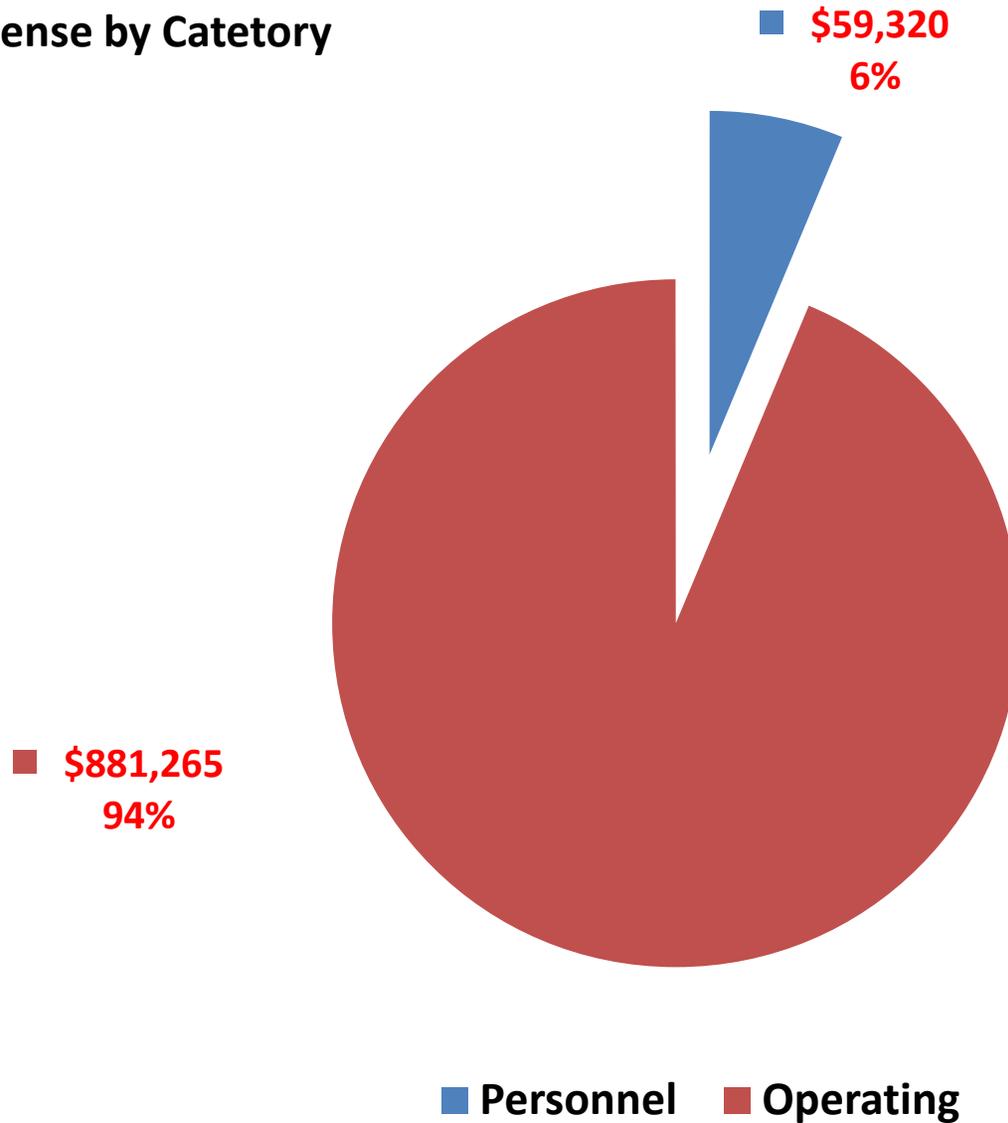
- Provide Emergency Operations Training to staff members, using Virtual Table-Top-Exercises
- Develop and implement additional Standard Operating Guidelines
- Develop and implement standard Fire Prevention and Safety Training program
- Encourage attainment of NPFA 1021 Fire Officer I
- Continue to assist the fire companies with recruitment and retention

2015 ACCOMPLISHMENTS:

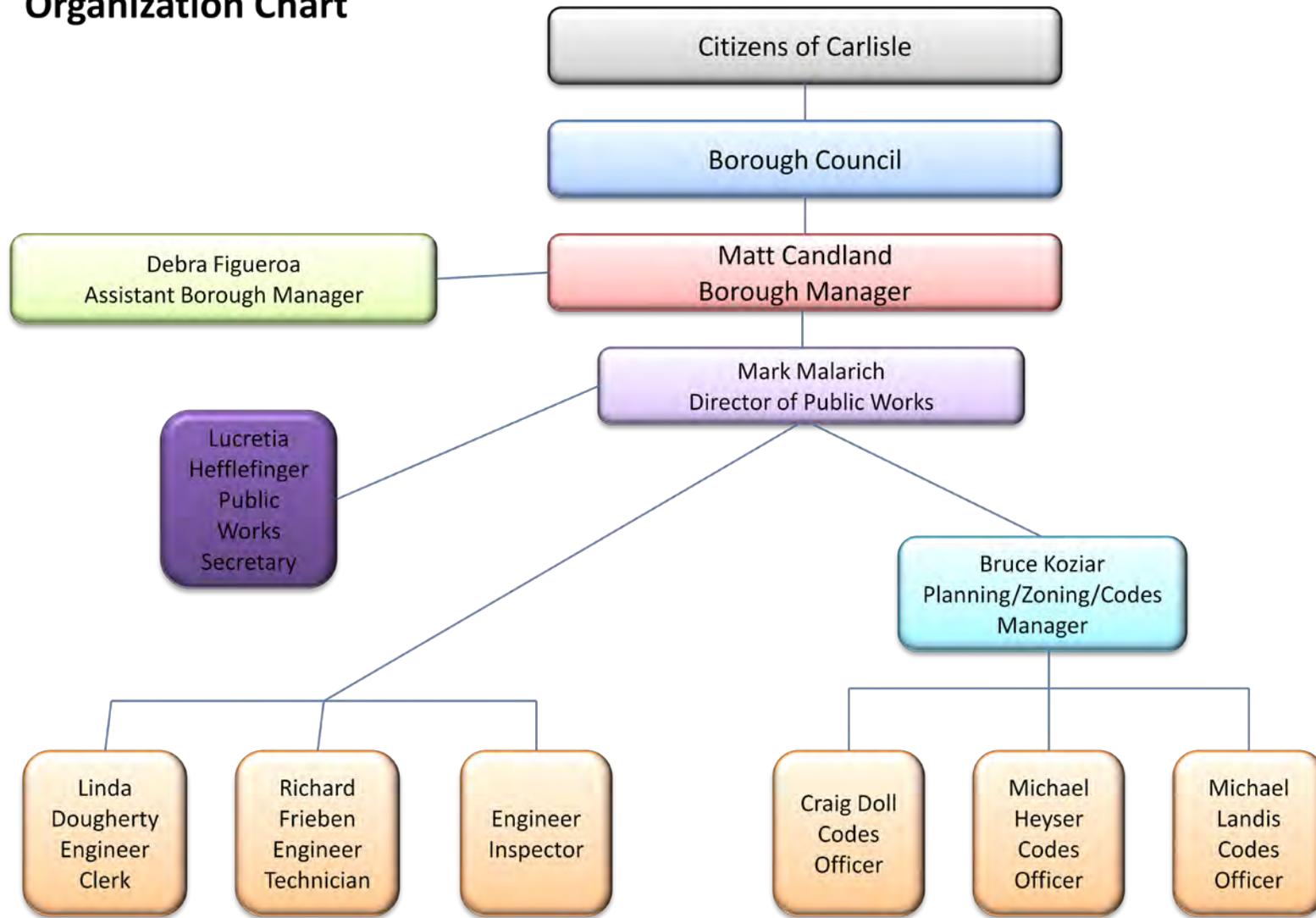
- Provided training to staff members on the Borough of Carlisle, Emergency Operations Plan
- PA State Firefighter II Certification for volunteer members
- Developed and Implemented additional Standard Operating Guidelines
 - Background Checks of Fire Department Personnel
 - Motor Vehicle Accident Investigations
 - Confined Space Rescue
- Ten members attained NFPA 1041 Fire Instructor I certification
- Developed and implemented joint fire department training, to maximize company efficiency.



Expense by Category



Organization Chart



FUND: GENERAL
DEPARTMENT: PUBLIC WORKS
FUNCTION: BUILDING

**FUNCTION OVERVIEW:**

The Building Department's primary responsibility is to administer the Borough's Zoning and Subdivision/Land Develop ordinance and the Building, Electrical, Plumbing and Property Maintenance Codes. This department also provides oversight of property maintenance issues within the Community Development Block Grant district. Ordinances are enforced according to professional standards in accordance with the Pennsylvania Municipalities Planning Code, the Pennsylvania Borough Code, and other appropriate statutes of the Commonwealth of Pennsylvania. To ensure compliance applications and/or plans are required, and if valid, the department will issue permits to applicants. Where appropriate, applications are reviewed by Borough Council, the Planning Commission, Zoning Hearing Board, Historical Architectural Review Board or the Board of Appeals. The Building department serves as a liaison between these boards and commissions. The activities of this department contribute directly to protecting and promoting the safety and health of the citizens and provide for the general welfare by ensuring coordinated and reasonable development within the Borough.

SERVICES PERFORMED:

- Maintaining compliance with Pennsylvania Uniform Construction Code and all related International and Borough approved codes
- Review permit applications
- Conduct physical, onsite inspections
- Plan reviews and building inspections
- Send violations notices to property owners
- Administer Rental Housing Registration Program

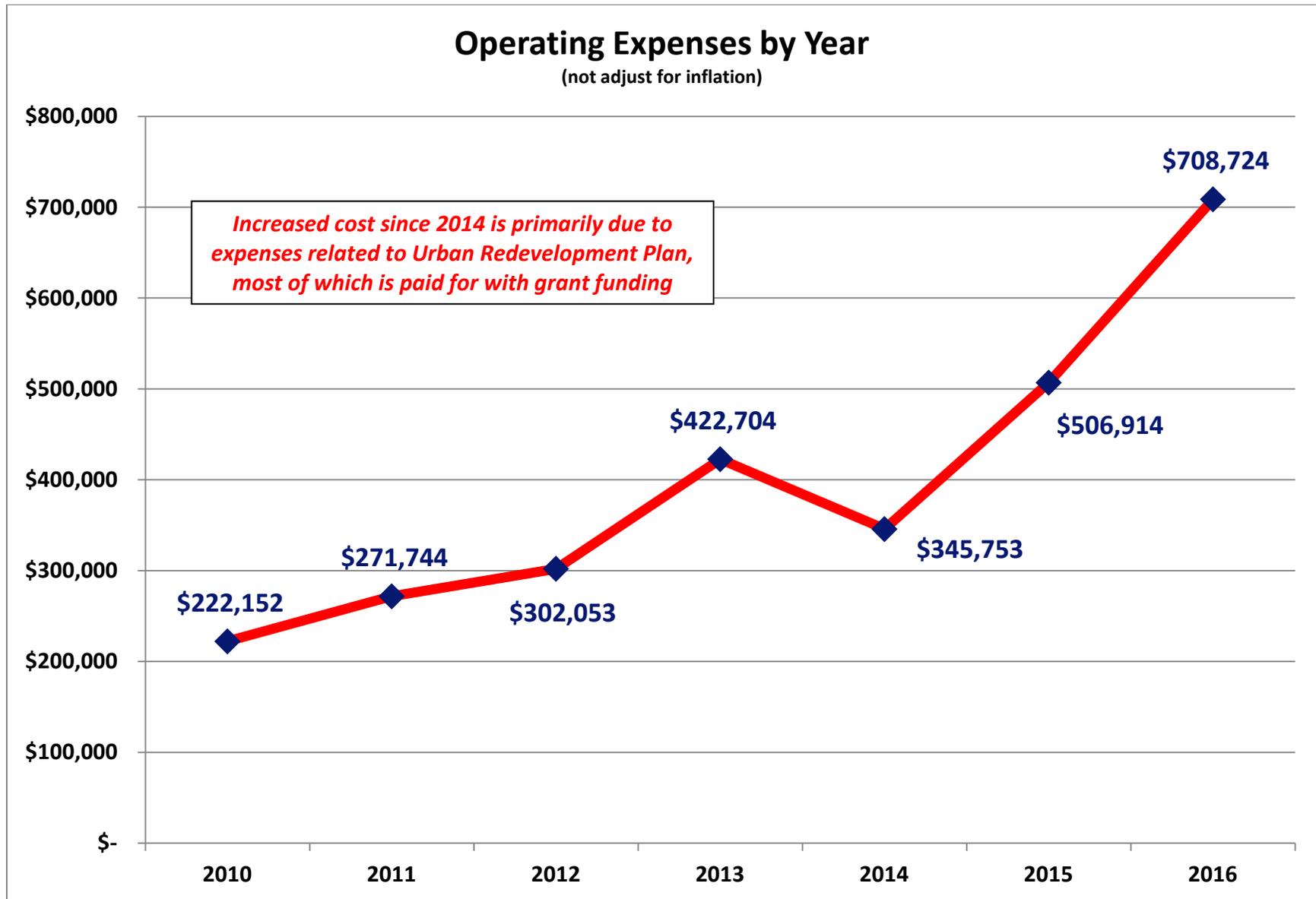
2016 GOALS:

- Promote enhanced public safety and health through coordinated and reasonable development and enforcement and administration of the Uniform Construction Code
- Provide efficient citizen support and response
- Work with Cohen Law Group and cellular companies on wireless communication facilities

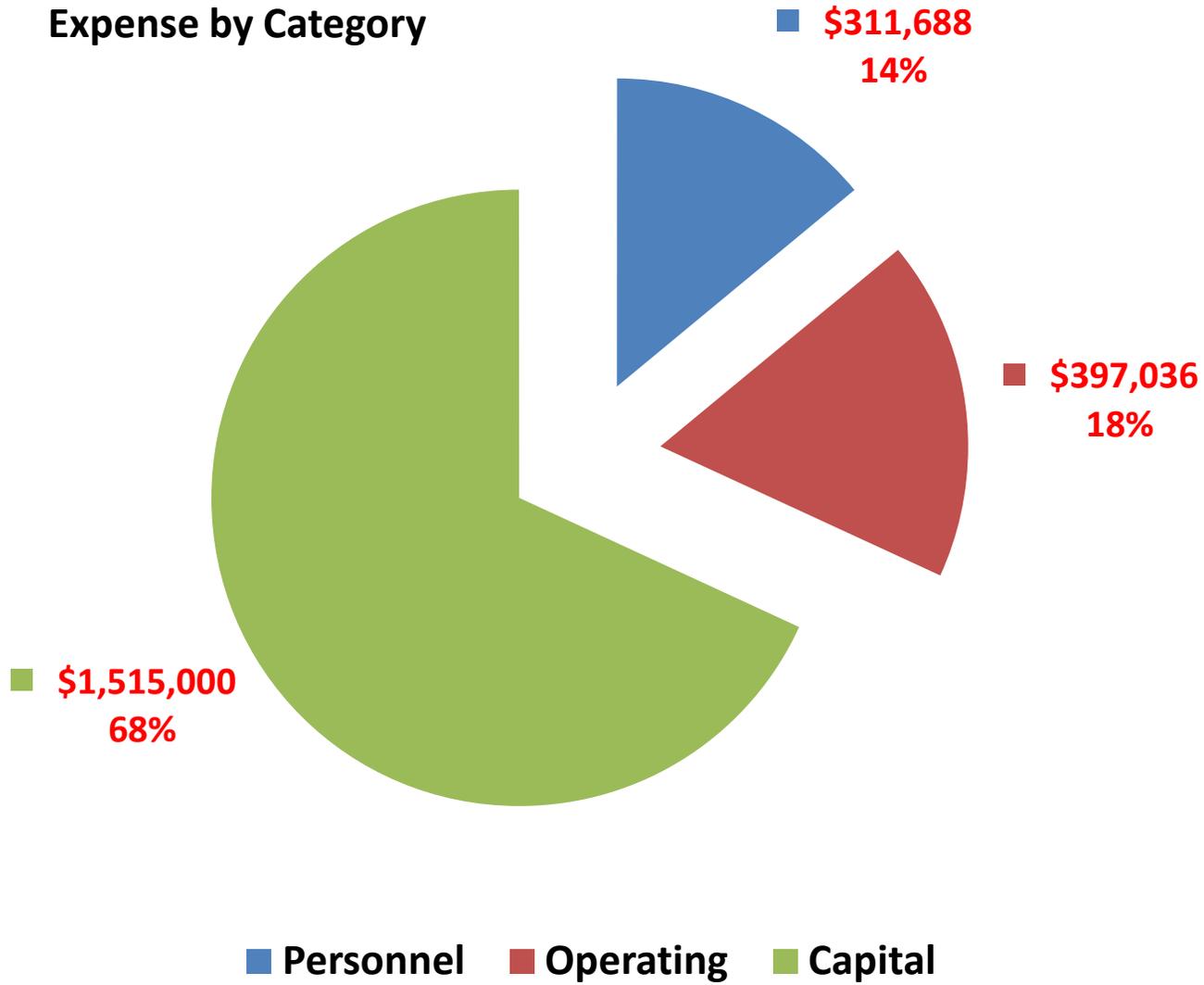
- Update Sign Code ordinance and UM district
- Continue to monitor the Rental Housing Registration Program
- Tighten up code enforcement to have close to a 0% tolerance

2015 ACCOMPLISHMENTS:

- Administration of Rental Housing Registration program
- Working on updating the Comprehensive Plan with Gannett Fleming Engineers
- Participation in the Urban Redevelopment Plan
- Microcell ordinance approval and contract with Cohen Law Group to review submittals
- International Fire Code ordinance update
- Zero tolerance for property maintenance violations
- Machine ordinance approval



Expense by Category



FUND: GENERAL, WATER, SEWER, PARKING,
SOLID WASTE

DEPARTMENT: PUBLIC WORKS

FUNCTION: ADMINISTRATION & ENGINEERING

FUNCTION OVERVIEW:

The Public Works Administration Department provides vision, direction, and administrative support for all department functions. This department provides guidance and oversight of engineering design, survey, and contract management.

Additionally, this department is responsible for administration of the Borough's curb and sidewalk program, solid waste and recycling program, record keeping, construction inspection, Geographic Information Systems (GIS) and other necessary property and public information records.



SERVICES PERFORMED:

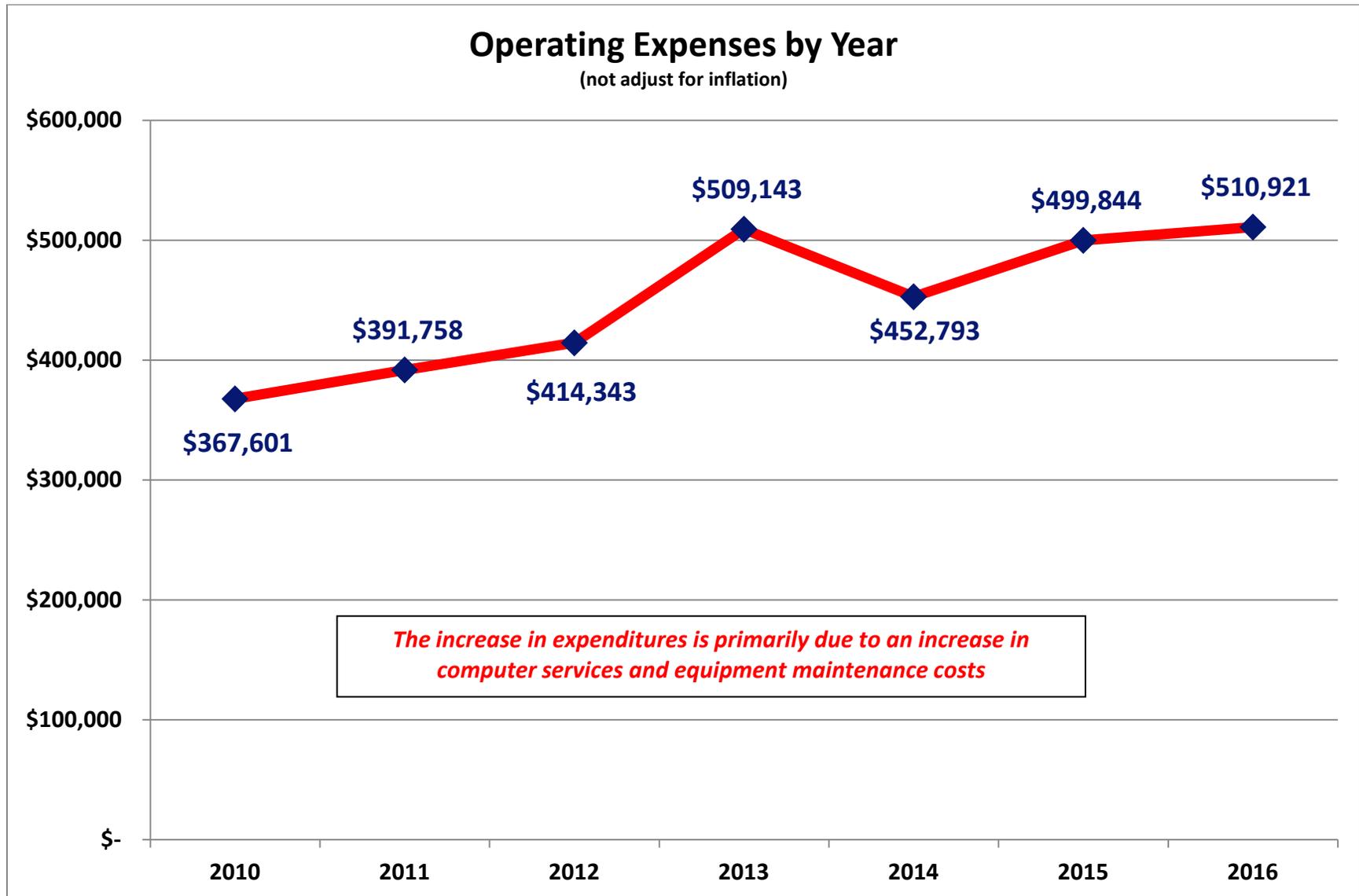
- Engineering design, survey, contract management
- Administers solid waste contract
- Coordinates Borough Emergency Plan
- Performs fields surveys in advance of design work
- Performs property research and deed investigation
- Manages construction activity within Borough
- Maintains Borough infrastructure
- Establishes property addresses and street names
- Administers curb and sidewalk inspection program
- Maintains GIS, building, and property record files
- Reviews Subdivision & Land Development Plans

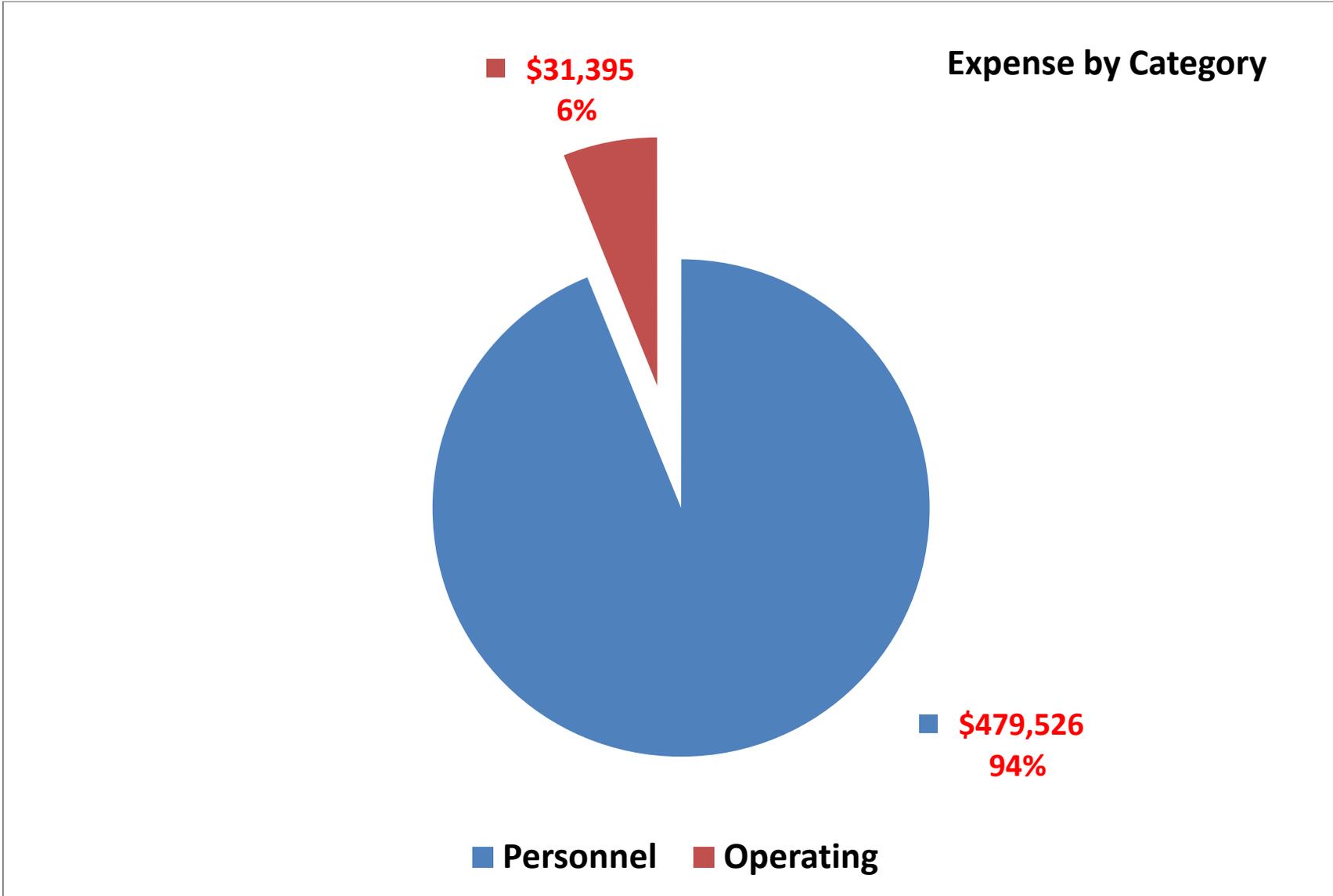
2016 GOALS:

- Provide consistent Public Works services and operations
- Provide engineering professionalism
- Provide efficient citizen support and response
- Initiate efforts to enhance Carlisle's stormwater management system, including establishment of programs to comply with recently received MS4 Permit
- Prepare Chesapeake Bay Pollutant Reduction Plan as required by MS4 Permit
- Provide engineering services to assess and improve traffic management and safety
- Continue sewer system rehabilitation program
- Complete comprehensive evaluation of potable water distribution system and establish capital improvement plan related to water system rehabilitation
- Continue upgrade to handicapped pedestrian ramps in conjunction with roadwork

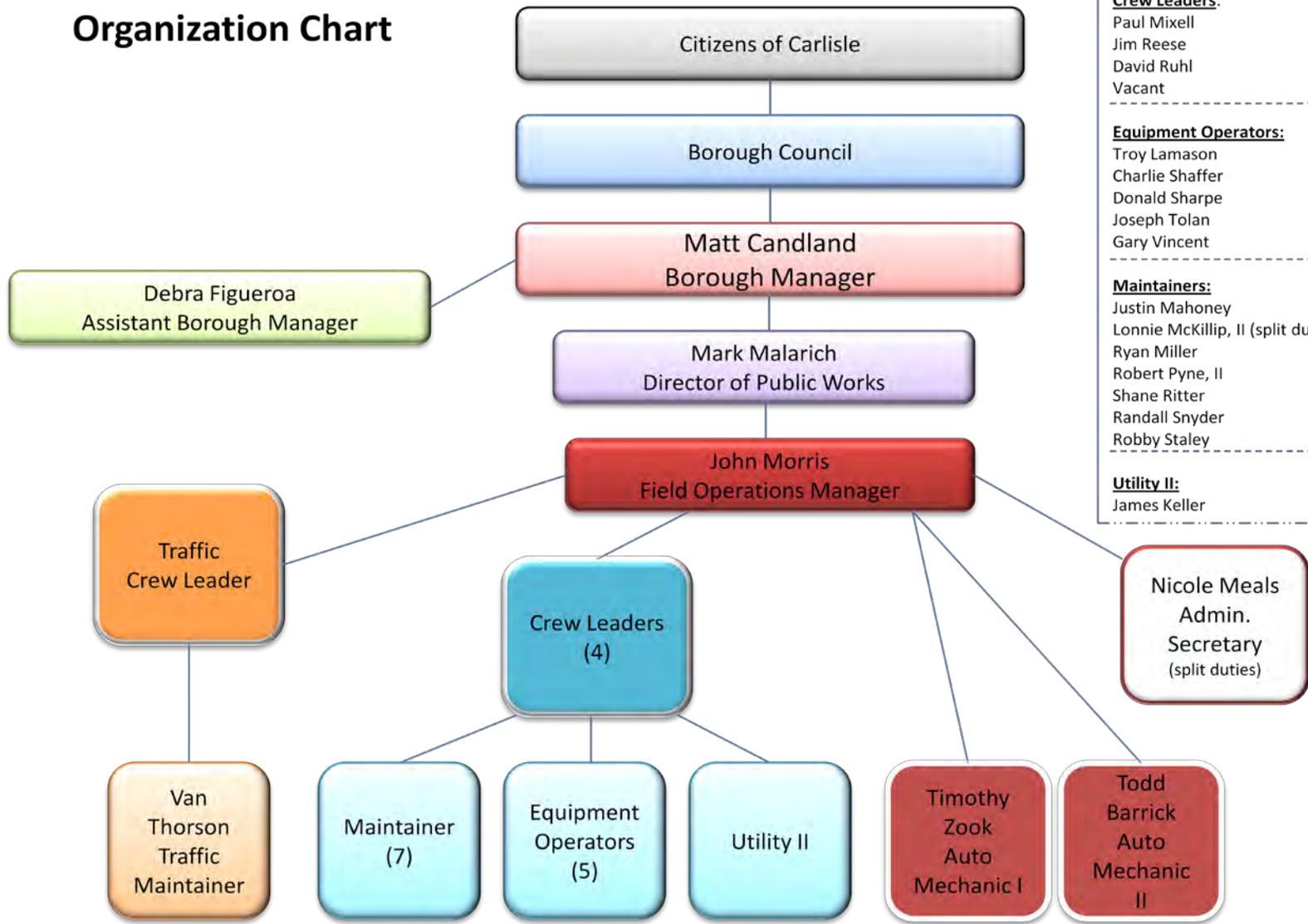
2015 ACCOMPLISHMENTS:

- Completed curb and sidewalk inspections according to established schedule
- Performed traffic engineering studies in support of requests for to improve safety at various intersections
- Established a water system tapping fee and updated the sewer system tapping fee to reflect the investments made by existing customers to provide capacity for new system users
- Designed stormwater improvements at the community swimming pool parking lot
- Initiated upgrades to handicapped pedestrian curb ramps in conjunction with roadwork improvements
- Initiated sanitary sewer system rehabilitation program by completing inspections in highest priority areas
- Established a private sewer lateral inspection and repair policy in support of the sewer system rehabilitation program
- Administered traffic impact assessment in support of the Carlisle Urban Redevelopment Plan
- Implemented a road condition assessment and established procedures to integrate this data with long-term infrastructure upgrade plan.
- Established a computerized work order management system





Organization Chart



- Key**
- Crew Leaders:**
 Paul Mixell
 Jim Reese
 David Ruhl
 Vacant
-
- Equipment Operators:**
 Troy Lamason
 Charlie Shaffer
 Donald Sharpe
 Joseph Tolan
 Gary Vincent
-
- Maintainers:**
 Justin Mahoney
 Lonnie McKillip, II (split duties)
 Ryan Miller
 Robert Pyne, II
 Shane Ritter
 Randall Snyder
 Robby Staley
-
- Utility II:**
 James Keller

DEPARTMENT INFORMATION

Public Works Field Operations

FUND: GENERAL, WATER,
SEWER

DEPARTMENT: PUBLIC WORKS

FUNCTION: FIELD OPERATIONS

FUNCTION OVERVIEW:

The Field Operations Department is primarily responsible for the daily direction, planning, coordination, and supervision of numerous and essential public works services in various areas including street and parking lot maintenance, water distribution, sewer collection, and stormwater management. This department is also responsible for fleet and facility maintenance and for the maintenance of parking meters.



SERVICES PERFORMED:

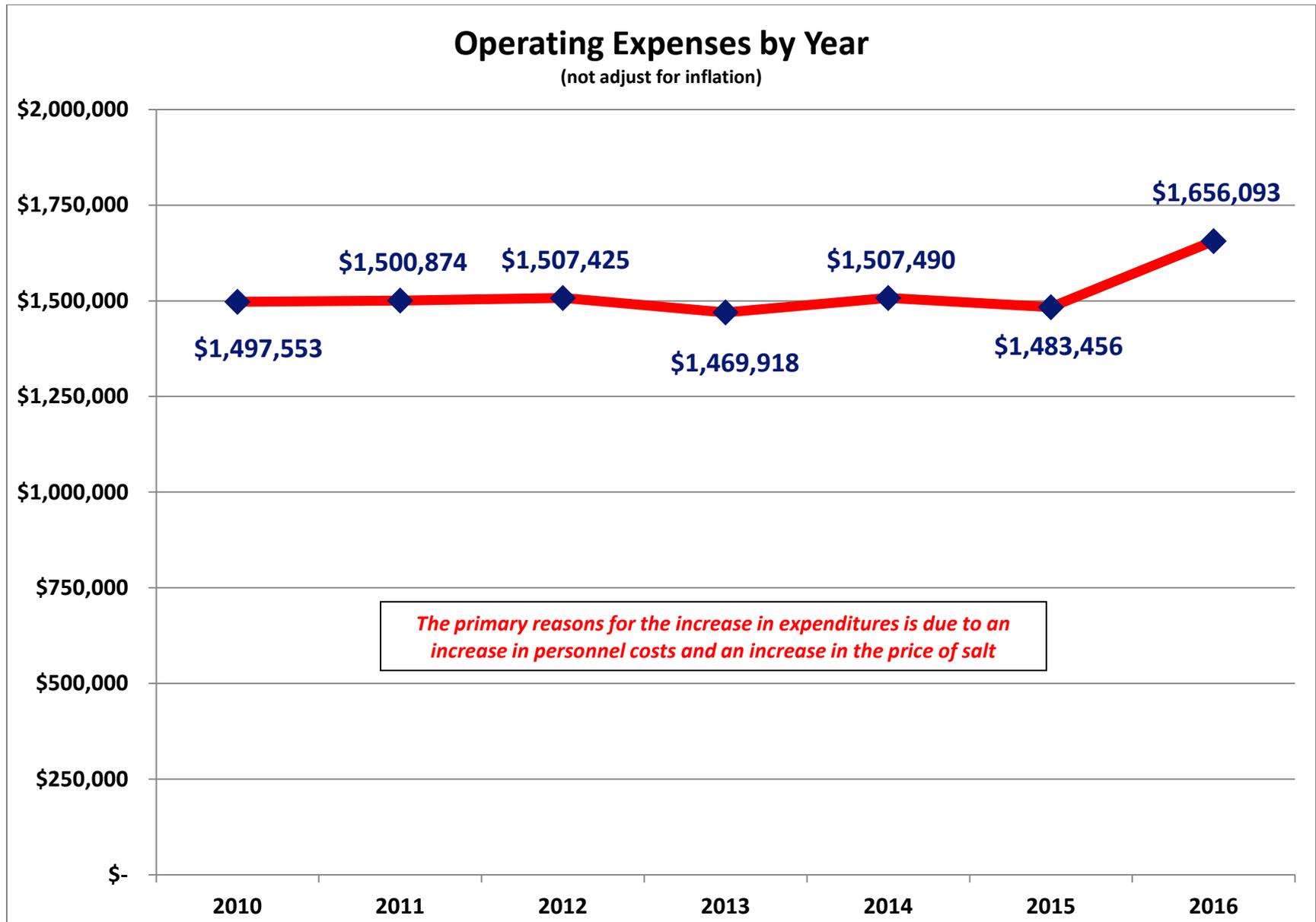
- Repair and maintenance of:
 - Borough roadways and avenues
 - Water mains
 - Water meters
 - Sewer mains
 - Force mains
 - Stormwater inlets and mains
- Replace water service laterals
- Install new service taps
- Install new fire hydrant and mainline installation
- Fire hydrant flushing
- Water Distribution System Leak Detection
- Television inspection of sanitary and storm sewer mains
- Replacement of manholes
- In-Flow and Infiltration program

2016 GOALS:

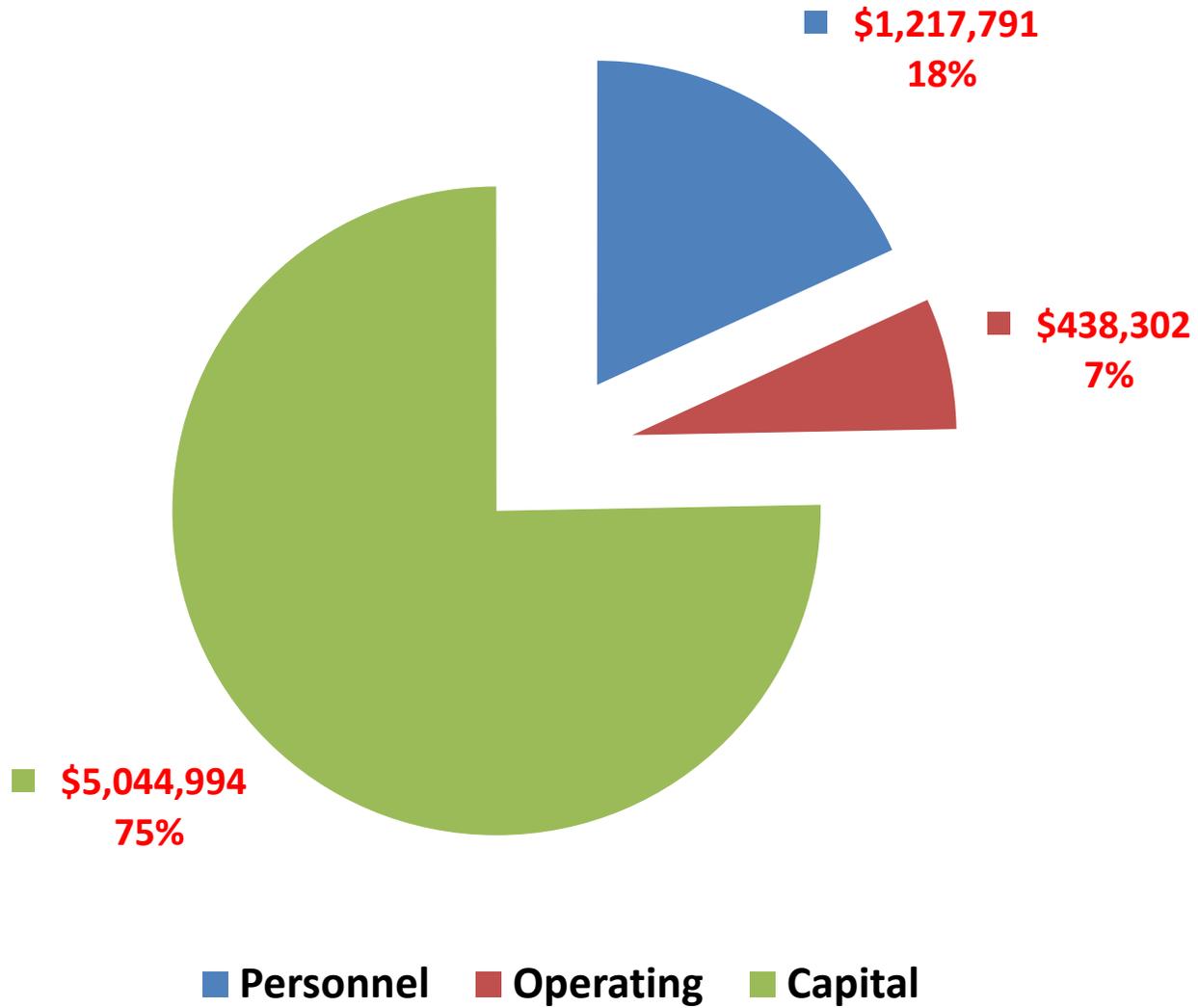
- Improve and maintain Borough infrastructure at highest possible level
- Ensure timely completion of infrastructure repair
- Ensure projects minimize service disruption to customers
- Expand use of electronic work orders
- Implement Road Maintenance Capital Improvement Plan
- Support Comprehensive Water System Evaluation
- Implement MS4 control measures at Field Operations Yard
- Support Sewer System Rehabilitation Program through cleaning, televising, and repairs within established priority sewer service areas

2015 ACCOMPLISHMENTS:

- Continued a valve exercising program (81 turned)
- Installed 165 feet of 4 inch water main on Chapel Avenue
- Continued a borough wide leak detection program
- Repaired 10 residential water service leaks, 17 water main breaks, and replaced 4 valves
- Performed semi-annual fire hydrant flushing
- Repaired 9 broken fire hydrants
- Repaired 56 electronic meter pad wires, and replaced 44 water meters
- Responded to the following resident inquiries – 17 leak survey requests, 8 low water pressure calls, 15 leaking meters, 23 requests to turn off water, 19 high water bill complaints
- Repaired 9 manhole castings
- Continued television inspection of sewer lines prior to conducting the annual street paving program by flushing and inspecting 2,642 feet of sewer main
- Flushed an additional 9,135 feet of sewer main for I & I Study in zone 5F
- Repaired and replaced 66 feet of sanitary sewer lines at five different locations
- Responded to 21 blocked sewer complaints
- Tested and certified 210 parking meters in-house
- Powder coated 113 parking meters
- Respond to complaints regarding malfunctioning meters
- Responded to 21 snow/ice events during the 2014-2015 season
- Provide 6 weeks of curbside leaf pickup
- Provide 2 weeks of Christmas tree pickup
- Provide semi-annual brush pickup
- Inspected 75 storm sewer inlets, repaired/rebuilt 8
- Attempted to eradicate groundhogs from Molly Pitcher Cemetery
- Annual street maintenance program – milled and paved 21,964 sq. yds with 1 ½ inch overlay
- Picked up deceased animals in roadway
- Curb patching
- Utility cut restoration including 6 state cuts
- Paved: Community Center Parking Lot, Thornwald Mansion Parking Lot and Water Plant Driveway
- General maintenance of the parking garage and parking lots
- Installed emergency generator at Field Operations Facility



Expense by Category



FUND: GENERAL
DEPARTMENT: PUBLIC WORKS
FUNCTION: STREET CLEANING

FUNCTION OVERVIEW:

The Street Cleaning Department's primary responsibility is to maintain the durability of road surfaces, slow roadway deterioration and add to a clean and safe community environment. Weekly street cleaning operations consist of sweeping the downtown area three days per week. All other roadways are swept according to posted signage Monday through Thursday, with the exception of residential developments, which are swept once a month, usually on Friday. The seven municipal parking lots are also cleaned once per week and the parking garage is cleaned one time per month.

**SERVICES PERFORMED:**

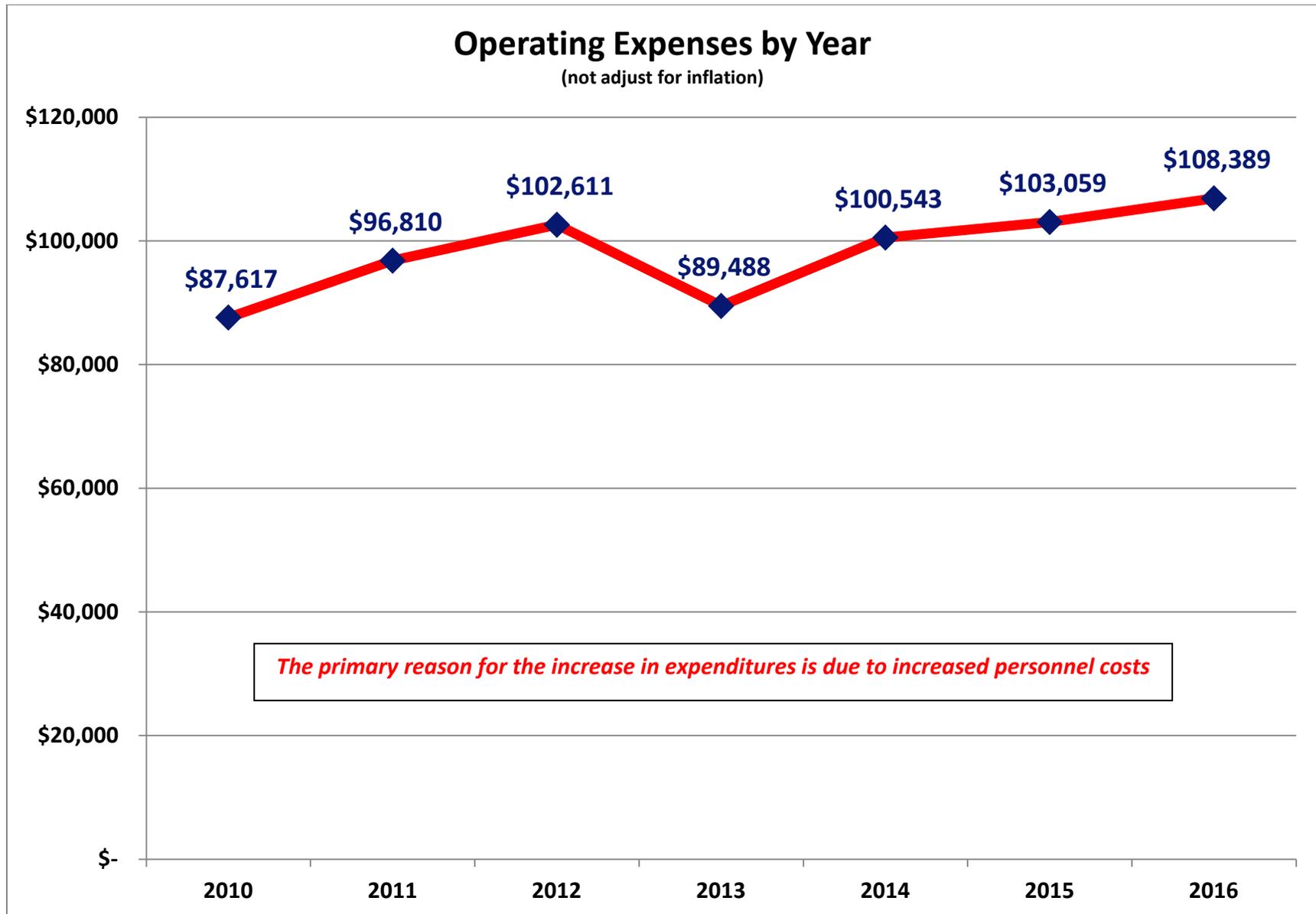
- Regularly clean Borough's:
 - 56.3 miles of local street
 - 12.46 miles of state highway
 - 7 municipal parking lots
 - Parking garage

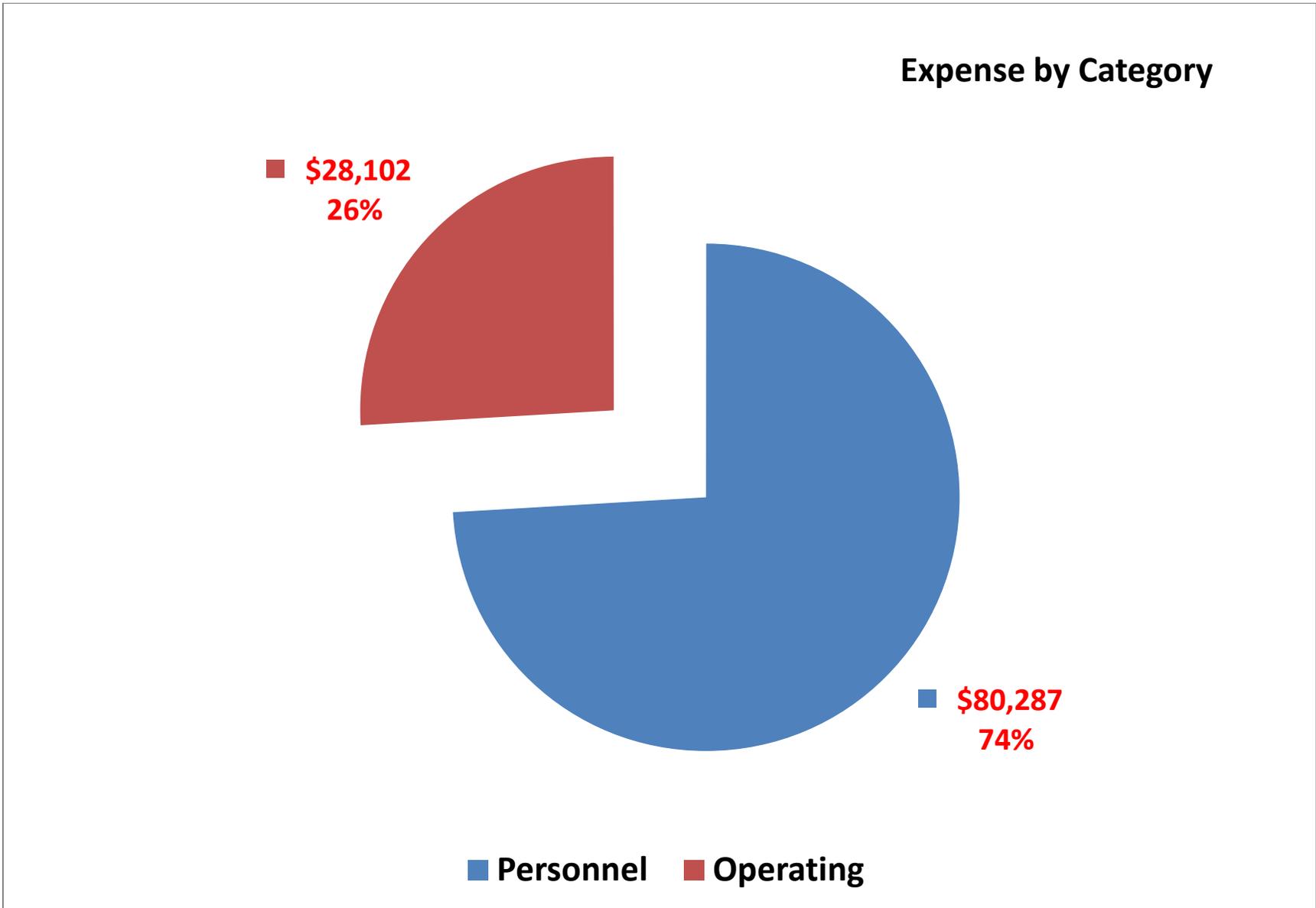
2016 GOALS:

- Complete street cleaning operations based on existing ordinance and schedule
- Provide weekly surface cleaning for the Boroughs seven parking lots
- Provide monthly parking garage cleaning

2015 ACCOMPLISHMENTS:

- Swept Borough road surfaces as weather allowed
- Completed Road Condition Assessment





FUND: GENERAL
DEPARTMENT: PUBLIC WORKS
FUNCTION: TRAFFIC CONTROL

FUNCTION OVERVIEW:

The Traffic Control Department's responsibilities are to perform minor repairs to the Borough's 43 traffic signals, maintain numerous regulatory and street signs, and pavement markings to ensure that the users of the Borough's roadways enjoy a safe and efficient transportation system.

**SERVICES PERFORMED:**

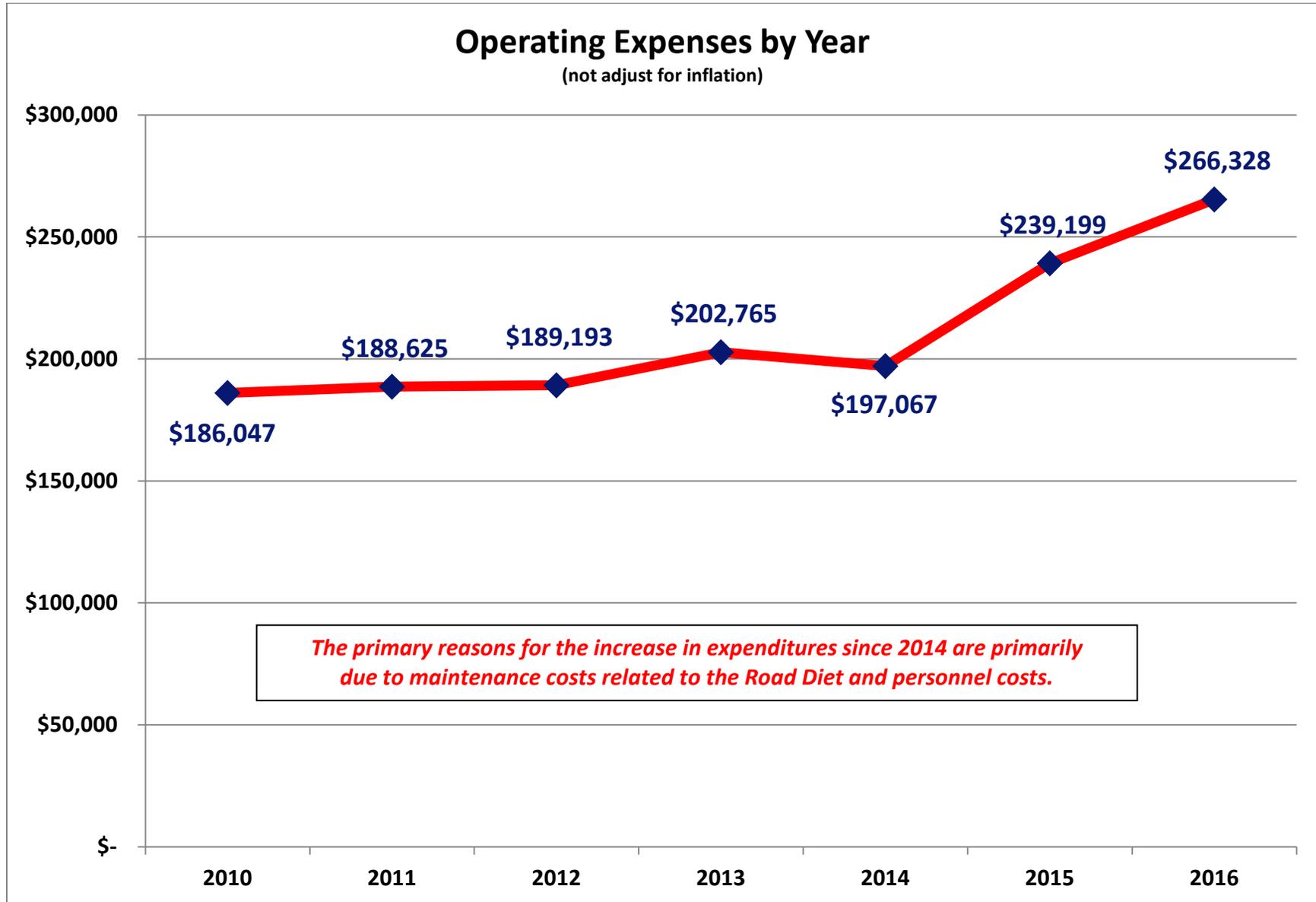
- Routine maintenance of signs and traffic signals
- Installation of signs and traffic delineation devices
- Painting crosswalk, curbs, center lines, school markings, and other pavement markings
- Maintain 15 police security cameras
- Establish roadway detour signing for special events and roadway emergencies as needed

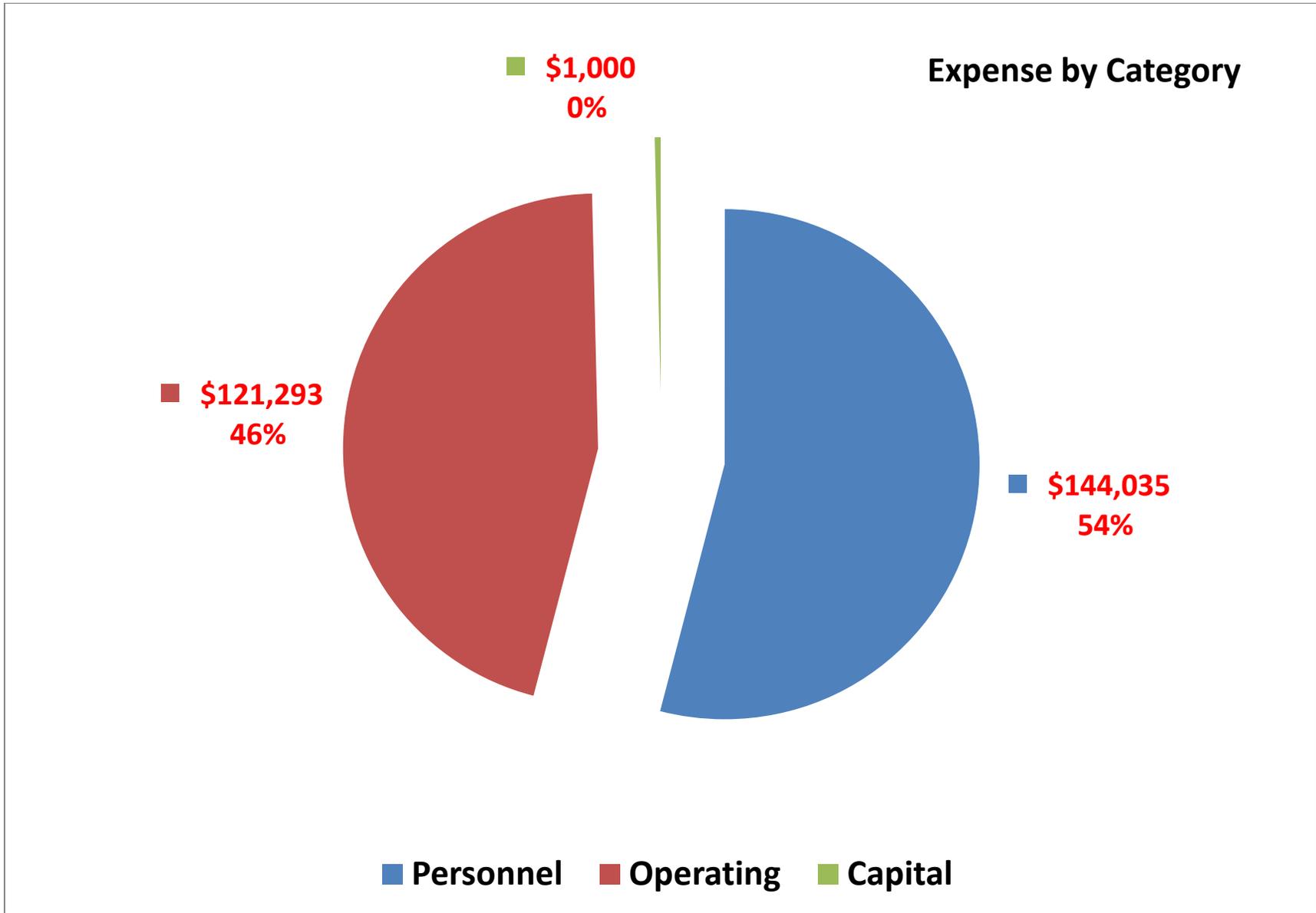
2016 GOALS:

- Complete the painting of all pavement markings
- Continue sign inventory
- Complete signal maintenance in accordance with PennDOT Permits
- Ensure all pedestrian crossing signals are functional

2015 ACCOMPLISHMENTS:

- Painted 28,000 linear feet of school crosswalks that are not thermoplastic
- Painted 1,440 linear feet of vascar lines
- Painted all private and public handicapped parking spaces
- Painted yellow curbs at intersections
- Coordinated traffic control with the police department and DCA for downtown events
- Placed parking restrictions for spring and fall car shows





FUND: GENERAL

DEPARTMENT: PUBLIC WORKS

FUNCTION: STREET LIGHTING

FUNCTION OVERVIEW:

The primary responsibility of the Street Lighting department is to maintain the 317 Borough-owned street lights largely located throughout the downtown and at all signalized intersections. Street light lamps are high-pressure sodium, which increase light output enhancing nighttime safety while deterring night crime and providing residents with an improved nighttime environment. PPL maintains approximately 1,100 additional street lights throughout the Borough. The Borough pays PPL a monthly energy and maintenance fee per light for the service.



SERVICES PERFORMED:

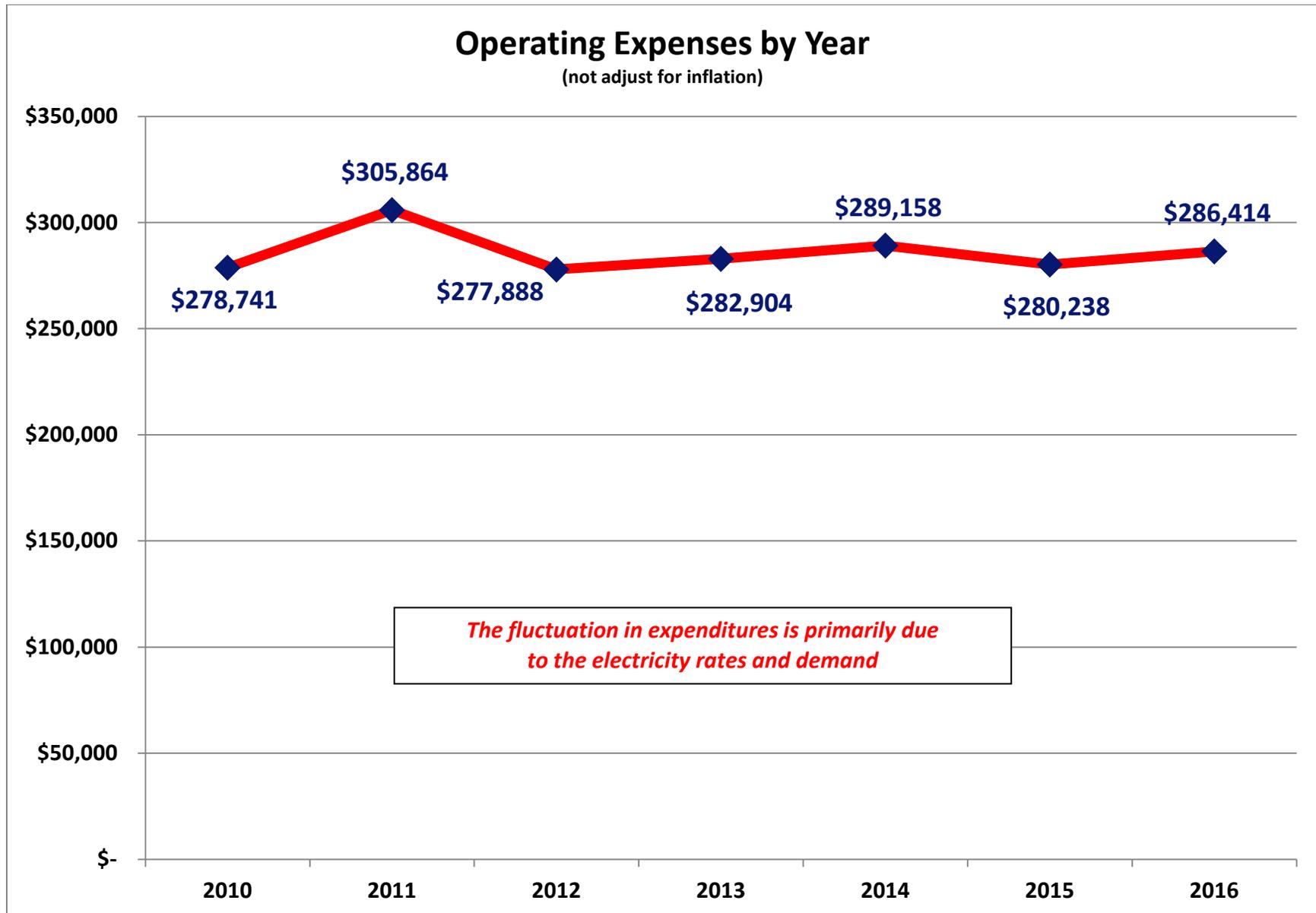
- Perform maintenance and repair of all Borough owned street lighting fixtures

2016 GOALS:

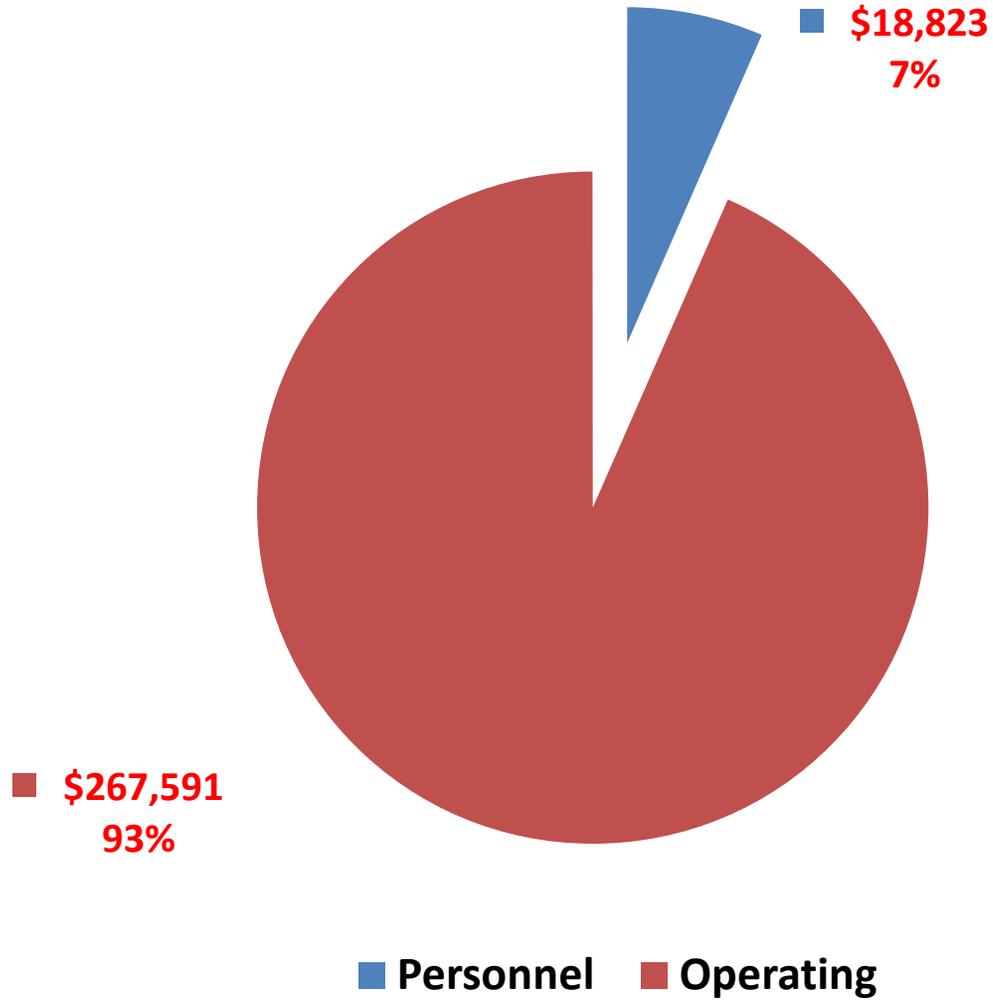
- Start a program to replace all underground wiring for the candlestick street lights located along High and Hanover Street
- Complete maintenance and repair of all Borough owned street lighting fixtures

2015 ACCOMPLISHMENTS:

- Quarterly inspection of both borough owned and PPL lights
- Assisted other departments with electrical issues



Expense by Category



FUND: GENERAL**DEPARTMENT:** PUBLIC WORKS**FUNCTION:** STORMWATER MANAGEMENT**FUNCTION OVERVIEW:**

This budget provides the funding for those costs associated with the operation, maintenance, and capital improvements for the Borough's stormwater collection, conveyance, and management system. The Borough's storm sewer system consists of 1,026 inlets, over 28.5 miles of sewer lines, and numerous detection facilities. Starting in May 2015, operation of the Borough's system is regulated by a Municipal

Separate Storm Sewer System (MS4) Permit that places extensive monitoring, reporting, and control responsibilities on the Borough. Major maintenance is performed by Borough Public Works Field Operation staff.

**SERVICES PERFORMED:**

- Planning and design for system improvements.
- Keeping stormwater inlets cleaned.
- Implementing Best Management Practices to minimize or eliminate negative impacts of stormwater runoff to the Maximum Extent Practicable.
- Undertaking system improvements to reduce the frequency and duration of flooding events.
- Flushing storm sewers to keep them free flowing.

2016 GOALS:

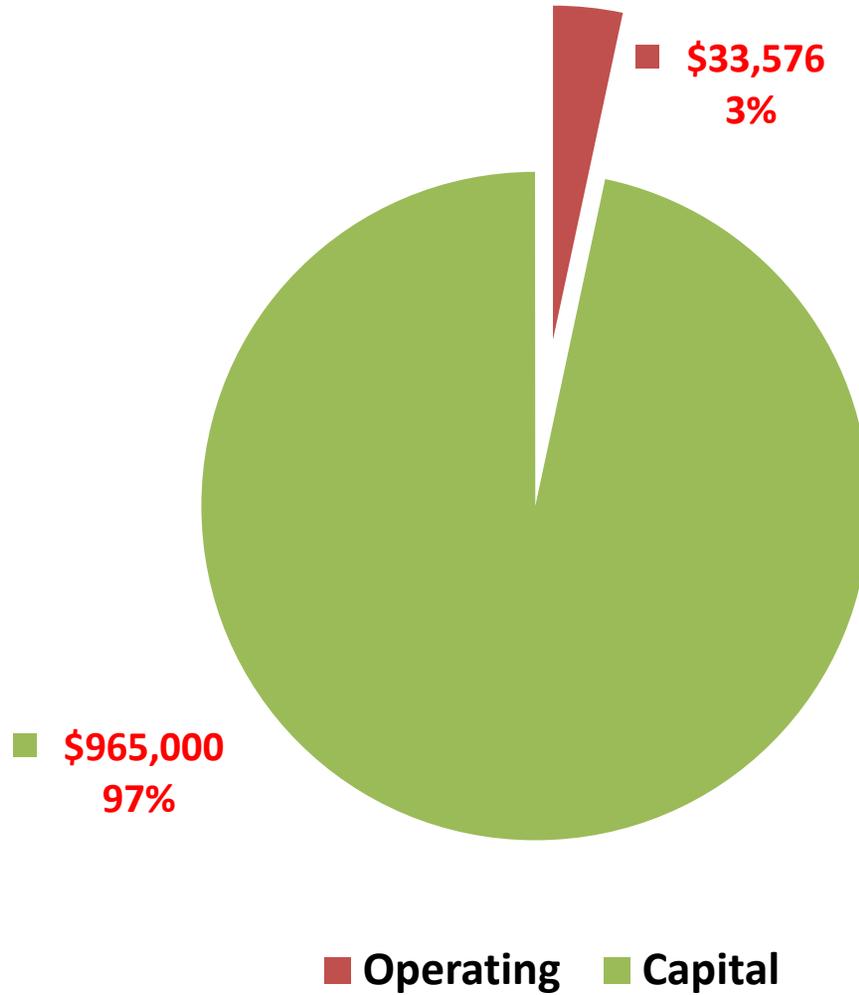
- Prepare and submit to the Pennsylvania Department of Environmental Protection (DEP) a Chesapeake Bay Pollutant Reduction Plan in compliance with the Borough's MS4 Permit.
- Develop, implement, and maintain a written Public Education and Outreach Program and a Public Involvement and Participation Plan in compliance with the Borough's MS4 Permit.
- Develop and implement a written program for the detection, elimination, and prevention of illicit discharges into the Borough's MS4.
- Install stormwater management facilities in conjunction with Borough Hall parking lot paving project.
- Implement stormwater improvements at Cherry and Louthier Streets (pending receipt of grant funding).
- Submit grant funding application for stormwater improvements to address flooding along W. High Street.

- Complete stormsewer facility improvements in conjunction with Valley Meadows Park Project.

2015 ACCOMPLISHMENTS:

- Participated with other watershed municipalities in the completion of the Letort Spring Run Collaborative Stormwater BMP Site Assessment and Priorization Report.
- Secured a MS4 Permit from the Pennsylvania DEP.
- Partnered with Dickinson College to complete preliminary engineering for design of stormwater improvements to address flooding adjacent to Dickinson College campus (Cherry and Louther).
- Submitted separate funding applications for Growing Greener and Stormwater BMP Grant Programs to support construction of stormwater improvements at Cheery Street and Louther Street.
- Performed Closed Circuit Television (CCTV) inspection of 54-inch stormsewer under brownfield site.
- Participated in the creation of a Stormwater Coordinating Council with North Middleton Township, South Middleton Township, Cumberland County, and the Carlisle Barracks to investigate cooperative practices to meet stormwater management requirements.
- Installed stormwater capture planting area in conjunction with Swimming Pool Paving Project.

Expense by Category



FUND: GENERAL
DEPARTMENT: PUBLIC WORKS
FUNCTION: BOROUGH HALL

**FUNCTION OVERVIEW:**

This budget provides the funding for those costs associated with the operation and maintenance of the Municipal Building more commonly referred to as Borough Hall. A cleaning service is contracted, whose duties are split between the Stuart Community Center and Borough Hall, to perform daily cleaning of the buildings while Public Works and Park Maintainers share responsibility for routine building maintenance. Major maintenance is covered through maintenance contracts with private contractors.

SERVICES PERFORMED:

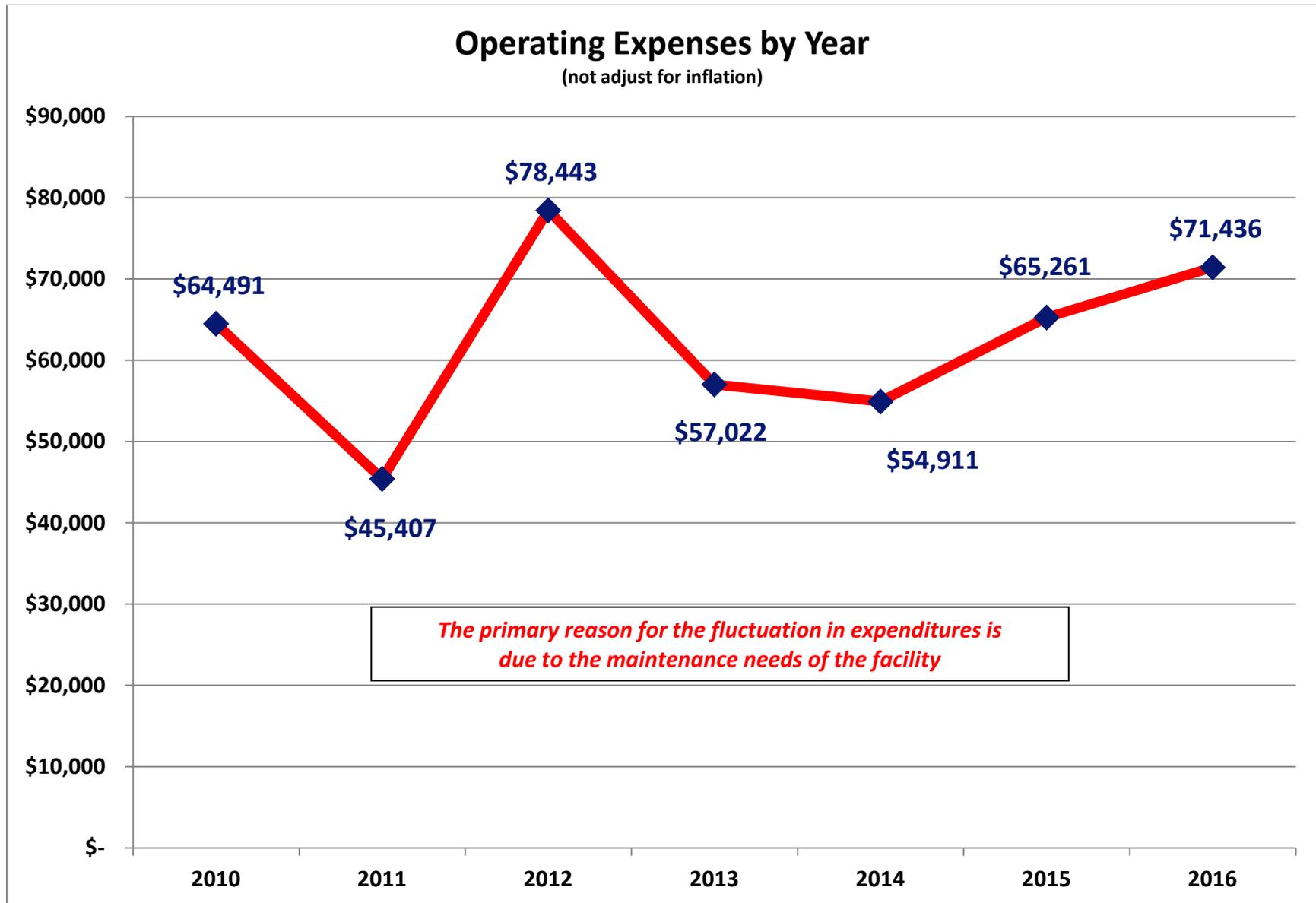
- Minor HVAC Maintenance
- Window Washing
- Plumbing Repair
- Painting
- Snow and Ice Control

2016 GOALS:

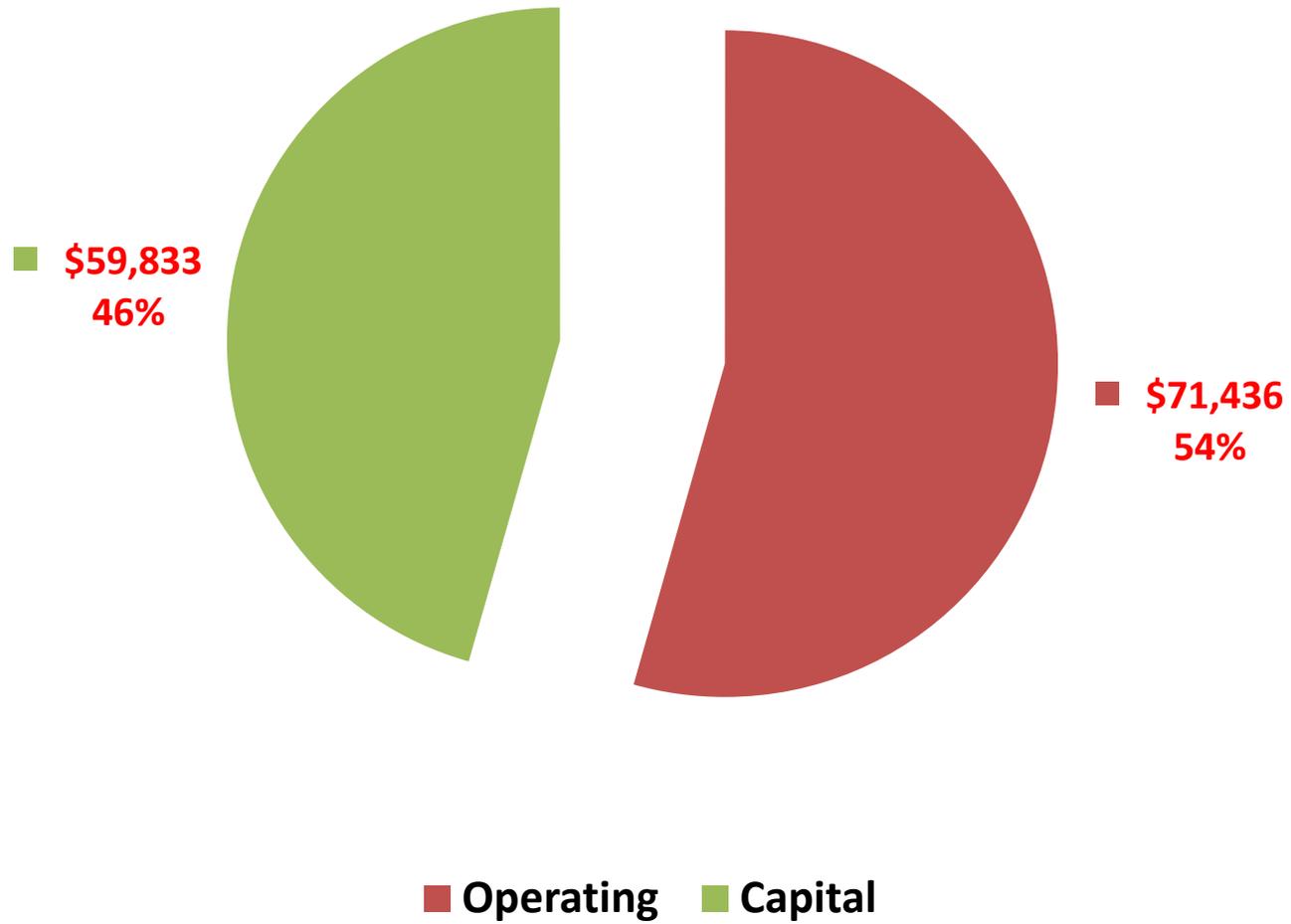
- Complete routine maintenance of the buildings HVAC equipment including filter changes and fan coil cleaning
- Complete spring and fall window cleaning
- Paint exterior wood trim
- Enter into maintenance contracts for the building's HVAC system
- Install stormwater management facilities in conjunction with parking lot paving
- Install Borough Hall emergency generator

2015 ACCOMPLISHMENTS:

- Completed sidewalk replacements
- Continued window glazing and painting
- Painted wrought iron railing
- Improved basement HVAC system



Expense by Category



FUND: SOLID WASTE

DEPARTMENT: PUBLIC WORKS

FUNCTION: TRASH AND
RECYCLING

Function Overview:

The primary responsibility of the Solid Waste Department is to manage the compost facility located on Post Road. Additionally, this department coordinates the semi-annual brush collection, yearly leaf collection, and holiday tree collection programs. Leaf and processing equipment used at the compost site is rented from Cumberland County.

**Services Performed:**

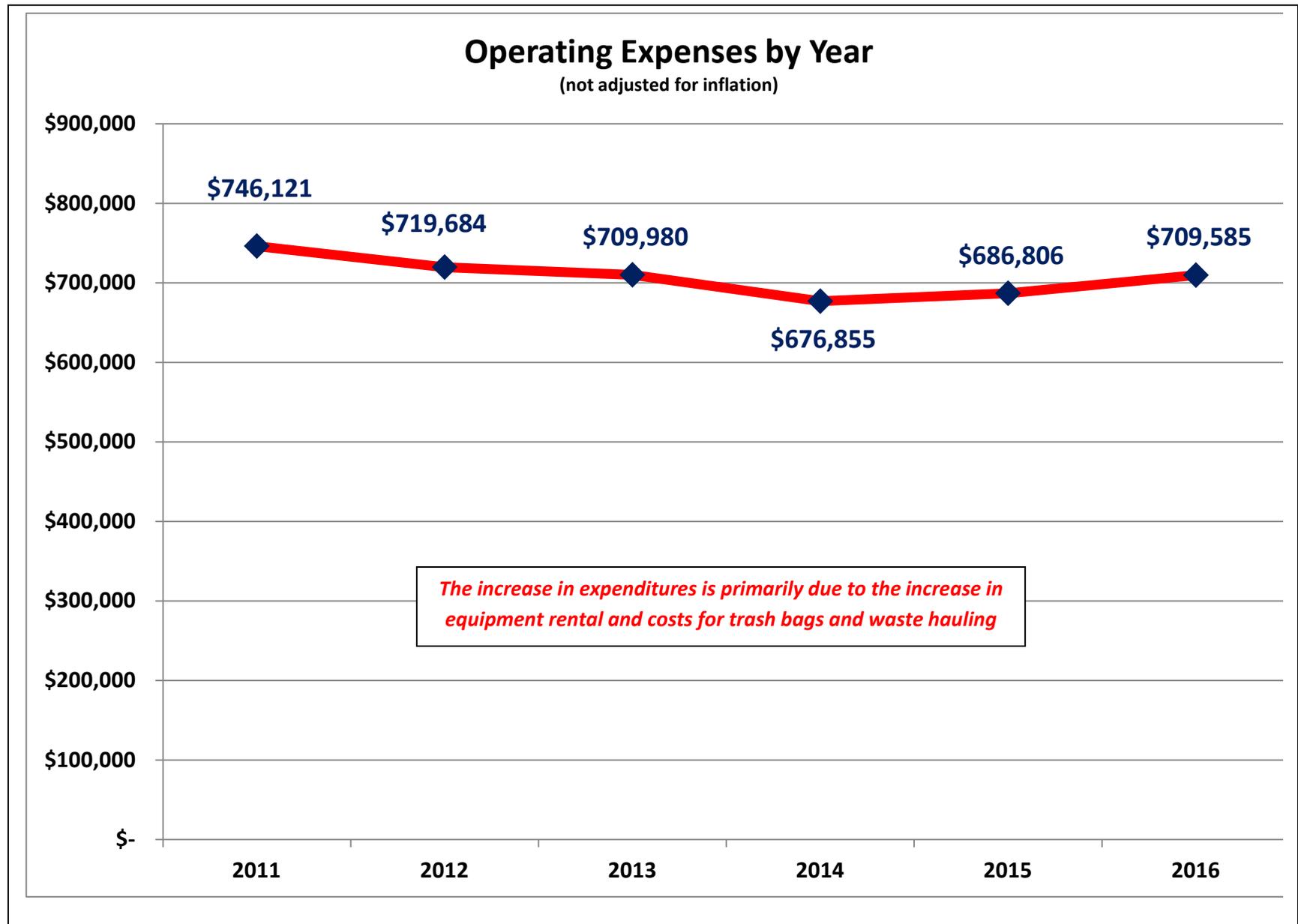
- Operation of a public compost facility
- Provide a spring and fall brush collection service
- Provide an annual leaf collection service
- Provide an annual holiday tree collection

2016 GOALS:

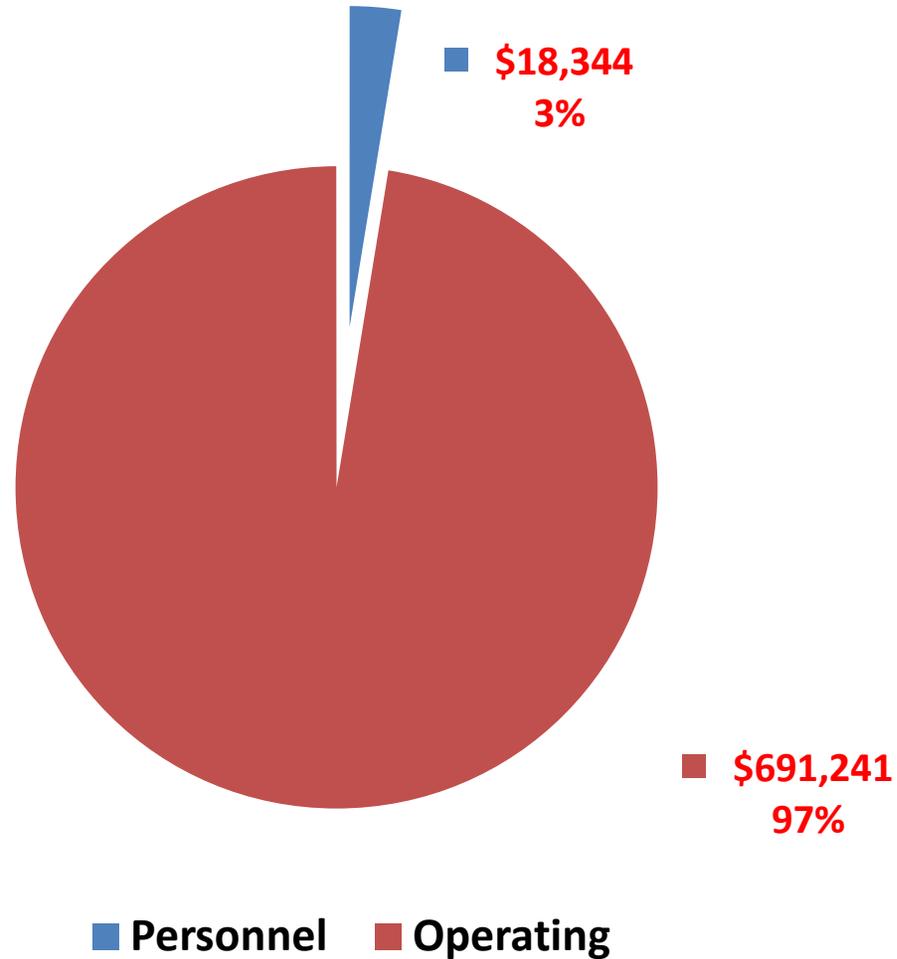
- Provide a spring and fall curbside brush collection
- Provide fall curbside leaf collection
- Provide annual holiday tree collection curbside
- Process all leaf and tree debris
- Adjust operating hours to better reflect facility usage demand

2015 Accomplishments:

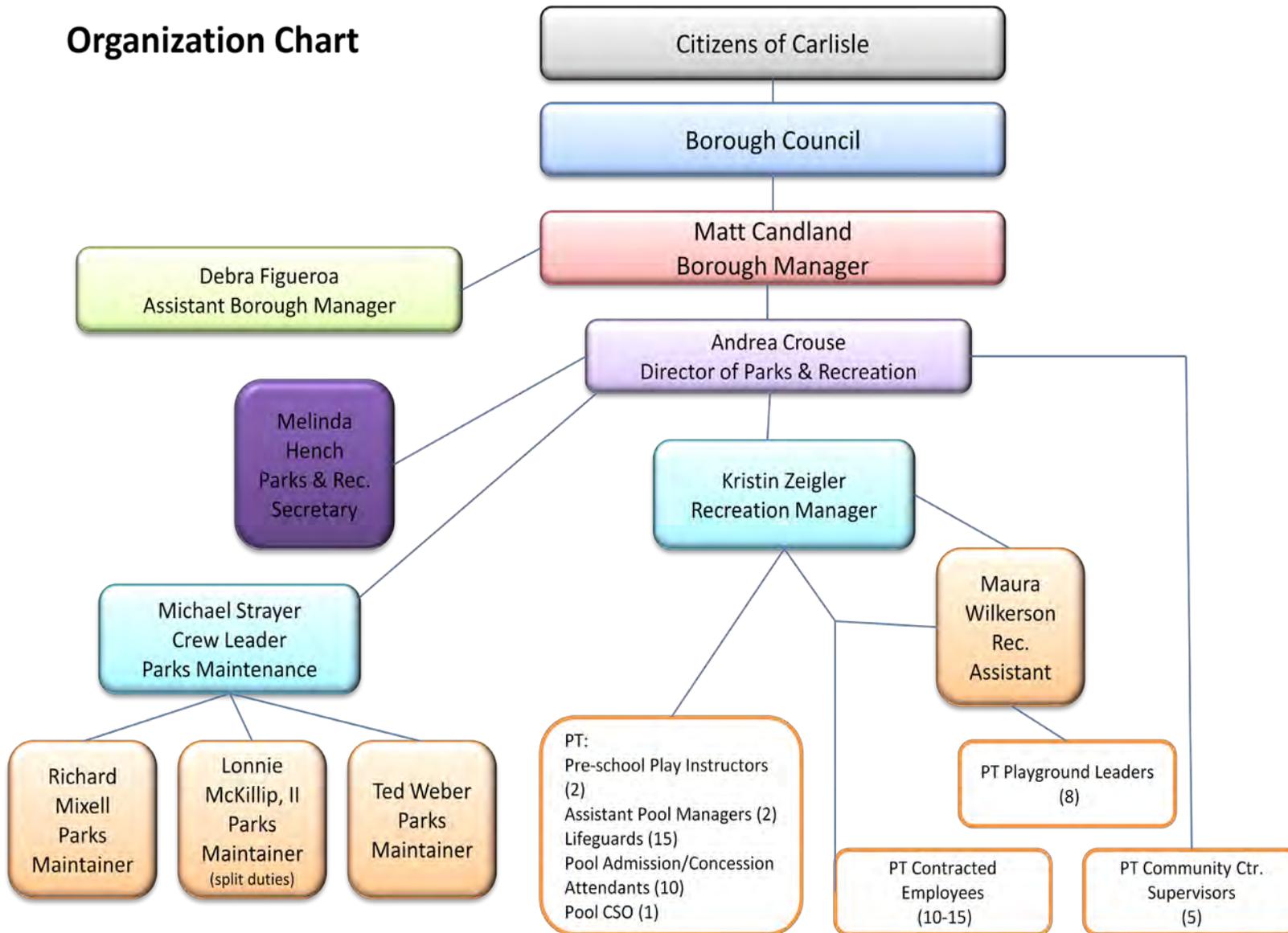
- Composted 135 tons of leaves
- Composted 250 cubic yards of brush
- Loaded leaf mulch and tanbark for residents at compost facility
- Hauled unacceptable compost trash to landfill
- Deliver trash bags to local retailers for sale
- Deliver recycling containers to Borough Hall for sale
- Pick up litter at various locations in the borough
- Began accepting biodegradable paper bags only
- Expanded operating hours in response to severe storm event



Expense by Category



Organization Chart



FUND: GENERAL

DEPARTMENT: PARKS AND RECREATION

FUNCTION: ADMINISTRATION

**FUNCTION OVERVIEW:**

The Parks and Recreation Administration Department's primary responsibility is to provide for the overall direction of the Parks and Recreation Department. A Parks and Recreation Board consisting of seven members and one student liaison are appointed by Borough Council and provide its counsel and guidance to Borough Council on matters relating to parks and recreation areas, programs and rules and regulations.

SERVICES PERFORMED:

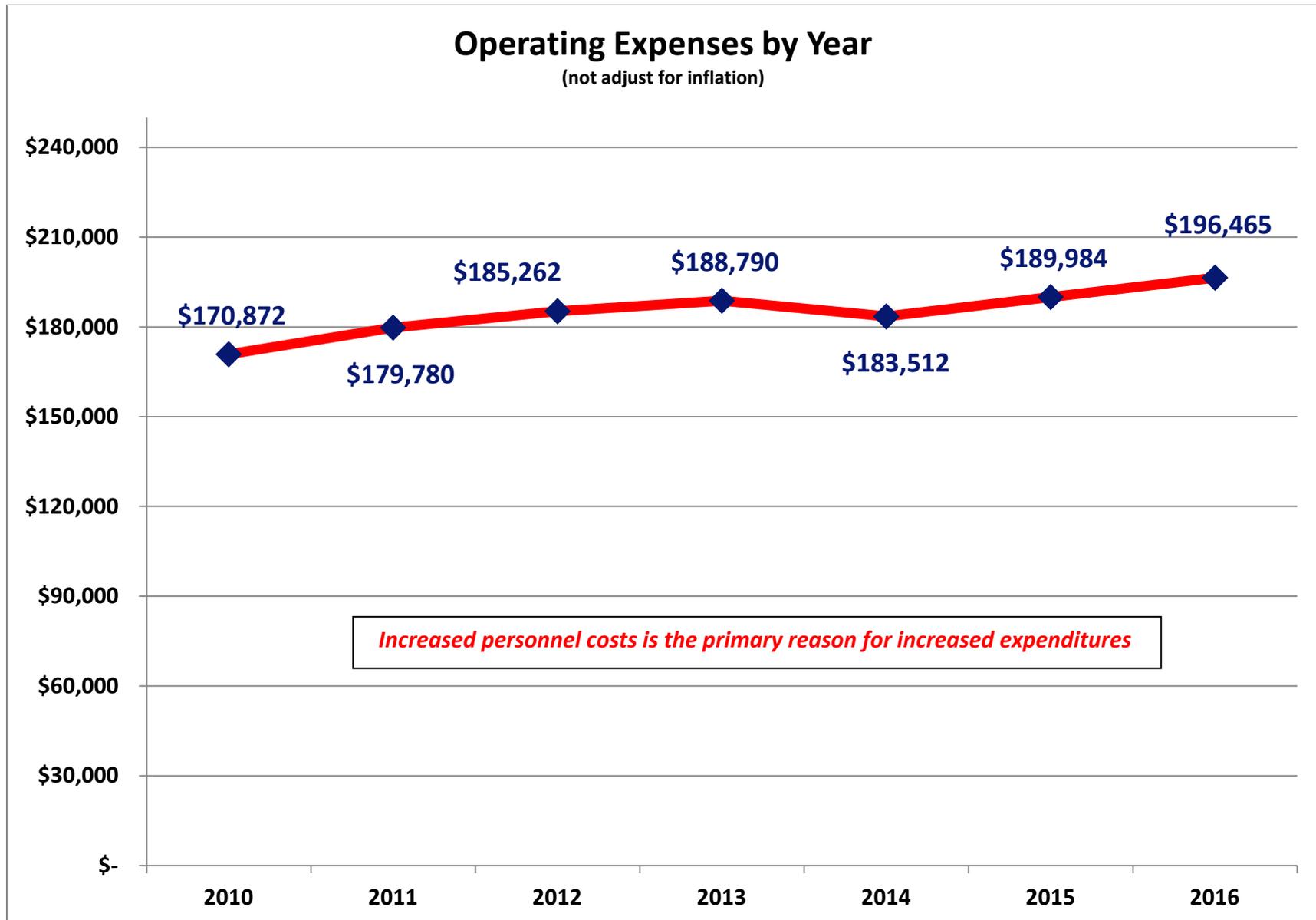
- Management of:
 - Park maintenance
 - Recreation programs and events
 - Municipal Swimming Pool
 - Park planning and development
 - Community Center
 - Shade Tree Ordinance

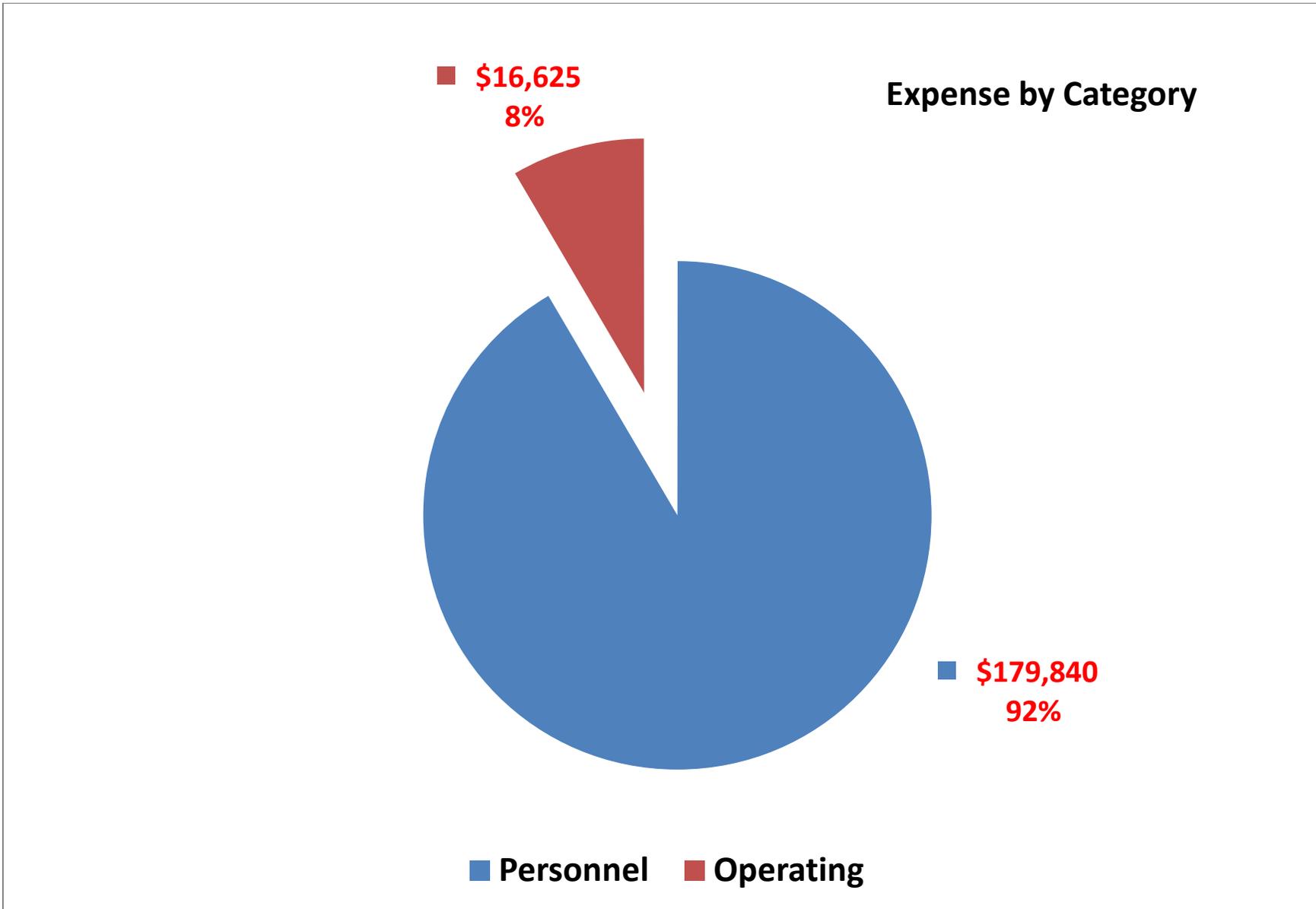
2016 GOALS:

- Maintain or increase satisfaction with recreational programs and park facilities.
- Continue outreach with Borough neighborhood associations and other community organizations for park and recreation program improvements.
- Increase awareness of and satisfaction with the Carlisle Borough Bicycle and Pedestrian Trail Network.

2015 ACCOMPLISHMENTS:

- Awarded \$78,500 in DCNR funds for the renovation of Heberlig-Palmer Park.
- Awarded \$10,000 in Cumberland County Land Partnership funds for renovations to Shaffer Cabin.
- Applied for a Greenway, Trails, and Recreation Program Grant through the Commonwealth Financing Authority for stormwater and park redesign at Valley Meadows Park.
- Applied for Land Partnerships Grant through Cumberland County for park improvements at Valley Meadows Park.
- Worked with legislators on Senate Bill 620 for the sale of a Right-of-Way at Shaffer Park.
- Reviewed and updated all leases in Borough parks.





DEPARTMENT INFORMATION

Parks & Recreation Recreation Services

FUND: GENERAL

DEPARTMENT: PARKS AND RECREATION

FUNCTION: RECREATION SERVICES



FUNCTION OVERVIEW:

The Recreation Services Department's primary responsibility is to provide a wide range of programs in order to meet the culturally diverse needs of the Borough. Each year, old and new programs are offered to the community that provide safe, fun activities to meet the interests of all ages. A fee schedule is used so Borough residents may enjoy a reduced rate for programs and services.

SERVICES PERFORMED:

- Recreation opportunities:
 - Pre-School programs (such as Pre-School Play, Tumbling Tots, Ballet Bunnies, Little Movers, Tap Dance, Fun with Science, etc.)
 - Youth programs (such as After School, Bricks for Kidz, Robotz and More!, Transformation Martial Arts, Zumba Kids, etc.)
 - Adult programs (such as Zumba Toning, Belly Dance, etc.)
 - Multi-age/Family programs (such as Fencing, Table Tennis, Simply Moving Walking Initiative, etc.)
 - Special events (such as the Peanut Carnival, Summer Artist Series, Halloween Parade, etc.)
 - Sports/Leagues (Men's Softball, Sand Volleyball, Indoor Volleyball, Kickball, Basketball Open Gym, Soccer Open Gym, etc.)
- Bus trips coordinated through Wolf's Bus Lines
- Discounted amusement park tickets
- Arbor Day celebration

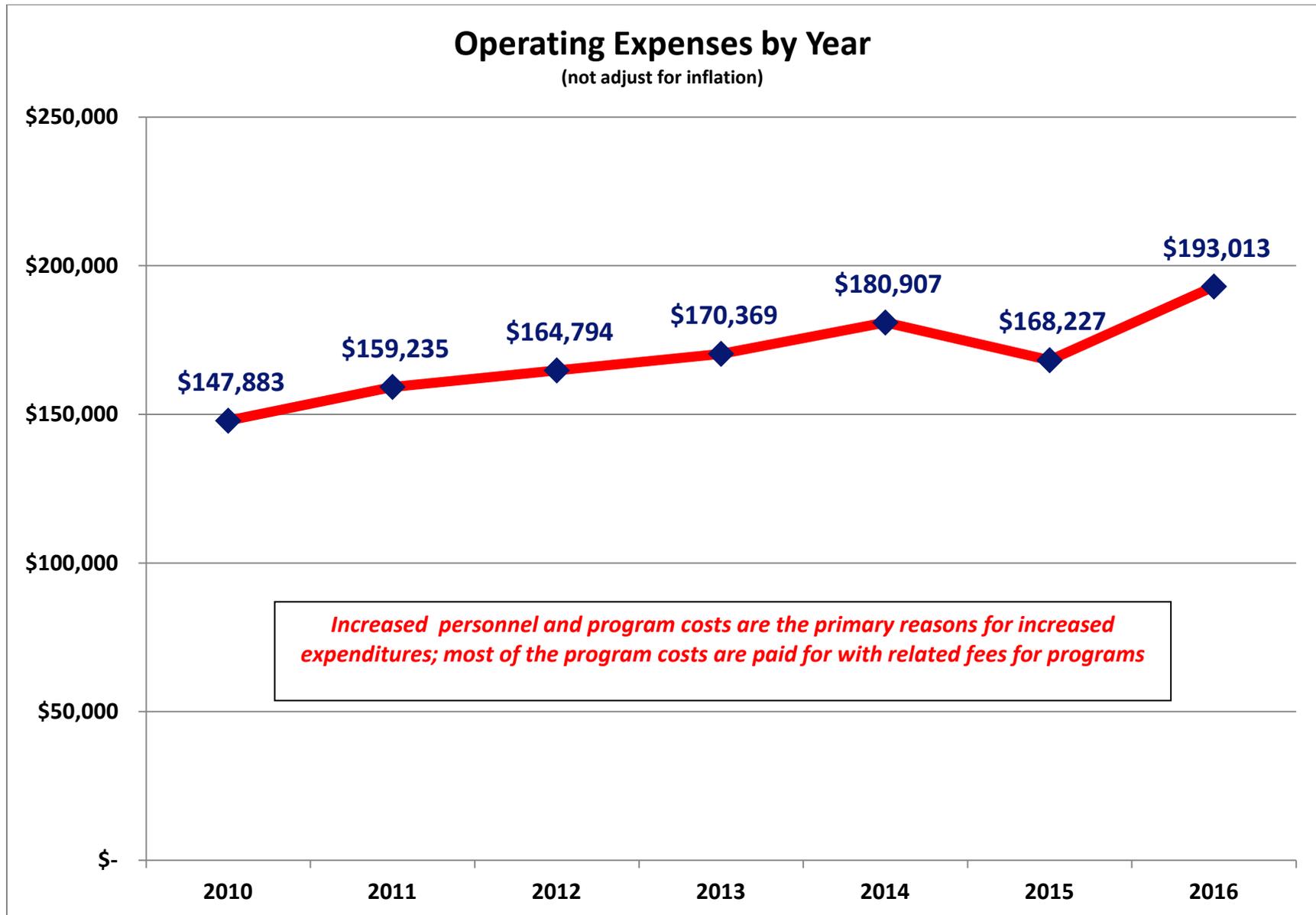
2016 GOALS:

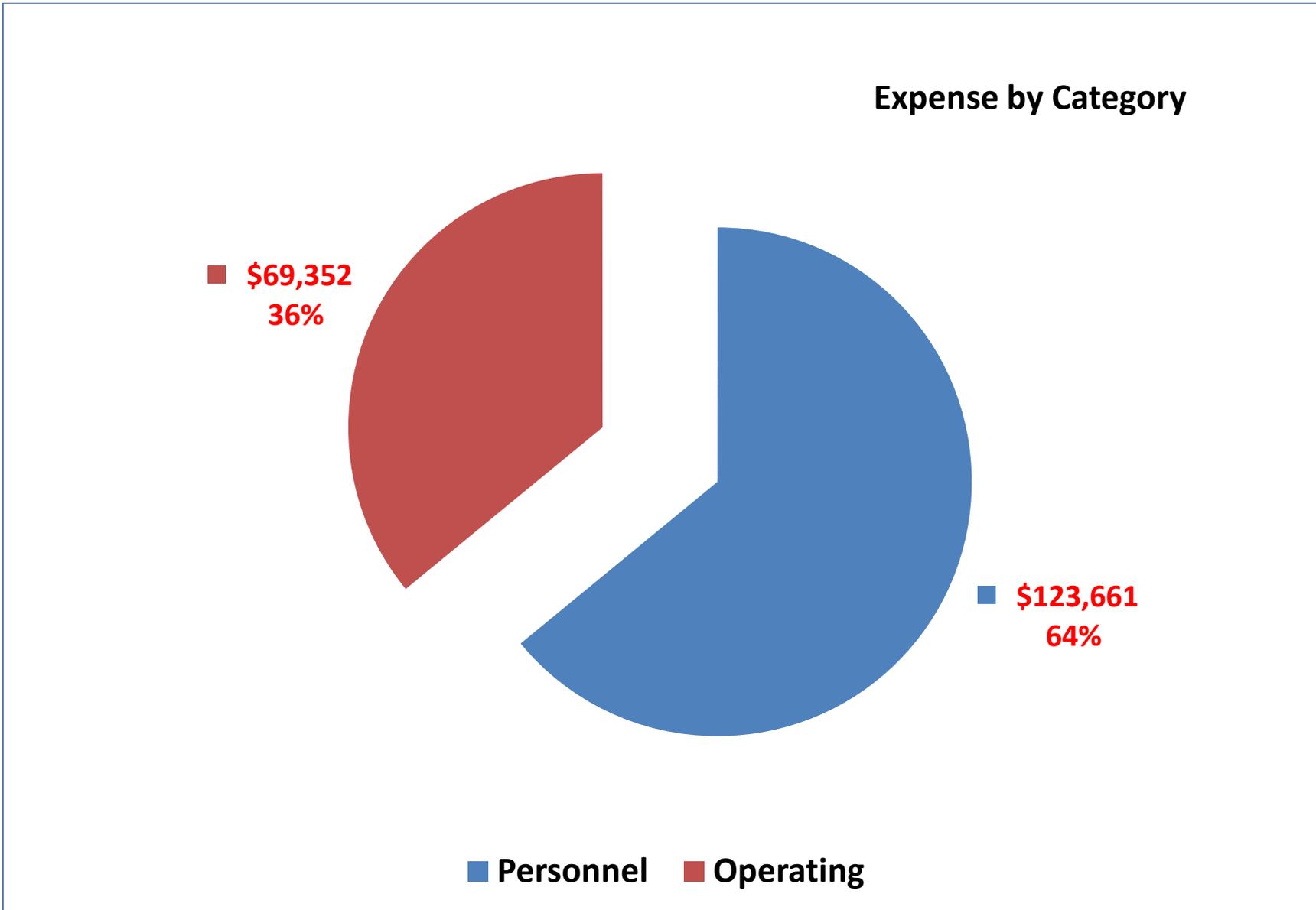
- Expand and improve the Summer Day Camp
- Research ways to help offset the cost of online transactions and credit card fees
- Research the benefits of a smart phone "app" creation

2015 ACCOMPLISHMENTS:

- Coordinated 219 recreation programs including bus trips; and the resale of discounted amusement park tickets
- Expanded recreational offerings to include new programs such as Fun with Science, Tap Dance, Healthy Cooking for Kids, Penguins Lacrosse, Women's Empowerment, etc.

- Grant recipient for the Simply Moving Walking Initiative from Partnership for Better Health to help offset the cost of the program





DEPARTMENT INFORMATION

Parks & Recreation Swimming Pool

FUND:	GENERAL
DEPARTMENT:	PARKS AND RECREATION
FUNCTION:	SWIMMING POOL



FUNCTION OVERVIEW:

The Carlisle Community Pool is a public outdoor swimming pool available to both residents of the Carlisle Borough and non-residents alike. The revenues from season passes, daily admissions, private and public pool parties, and concessions make up approximately 70% of the pool's operating budget. A fee schedule is used so Borough residents may enjoy a reduced rate for programs and services at the pool.

SERVICES PERFORMED:

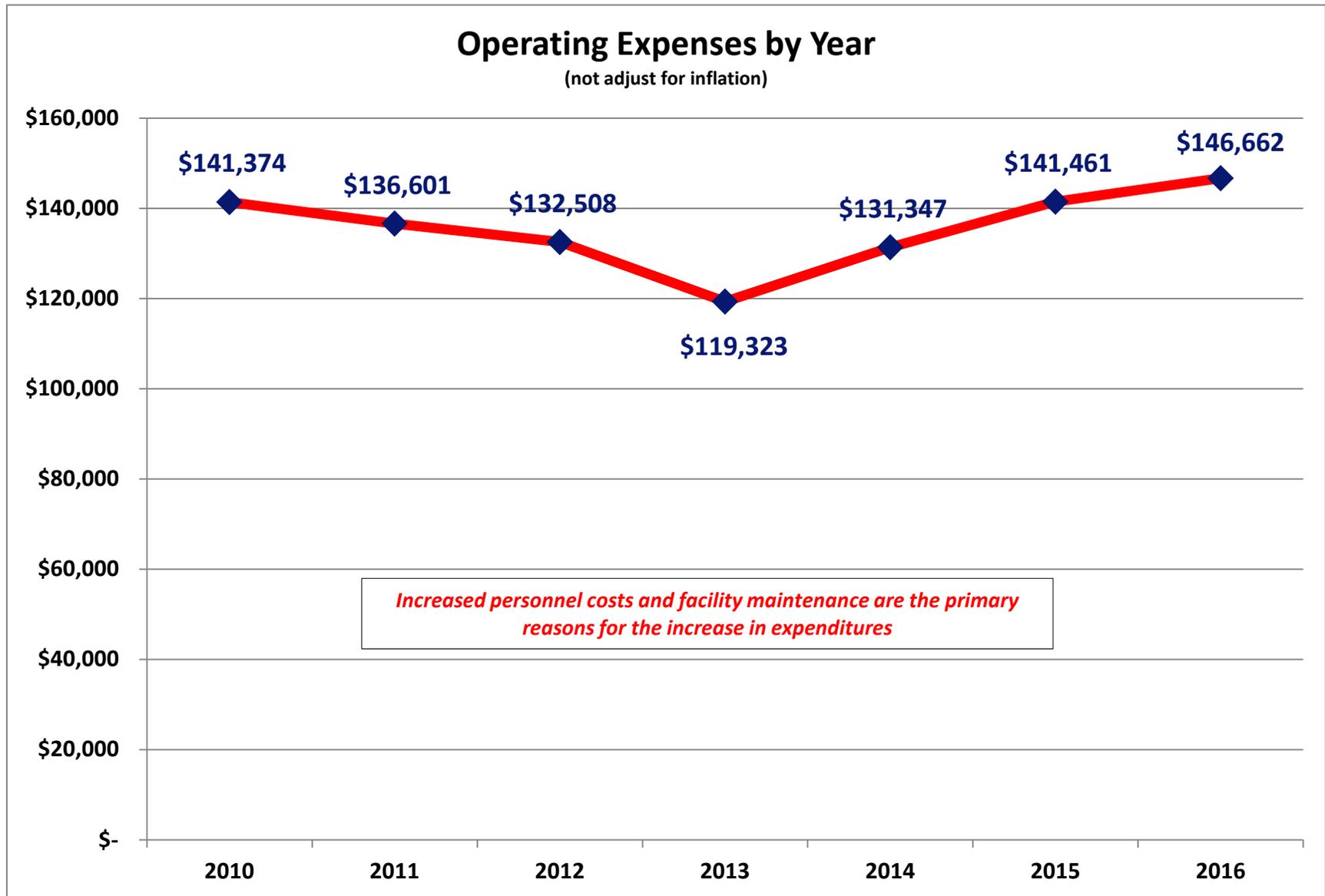
- Daily public swimming from Memorial Day weekend through Labor Day weekend (excluding days when Carlisle Area Schools are still in session)
- Daily lap swimming
- Food concessions
- Aquatic programs including youth Swim Lessons, and pre-school Little Skimmers
- Special events including Soccer Shots Day at the Pool, Carlisle Summerfair Open Swim Night, National Night Out Open Swim Night, C-LUV Teen Night - Pool Party, Staff Appreciation Day, Members Only - Pool Party, private and public pool parties

2016 GOALS:

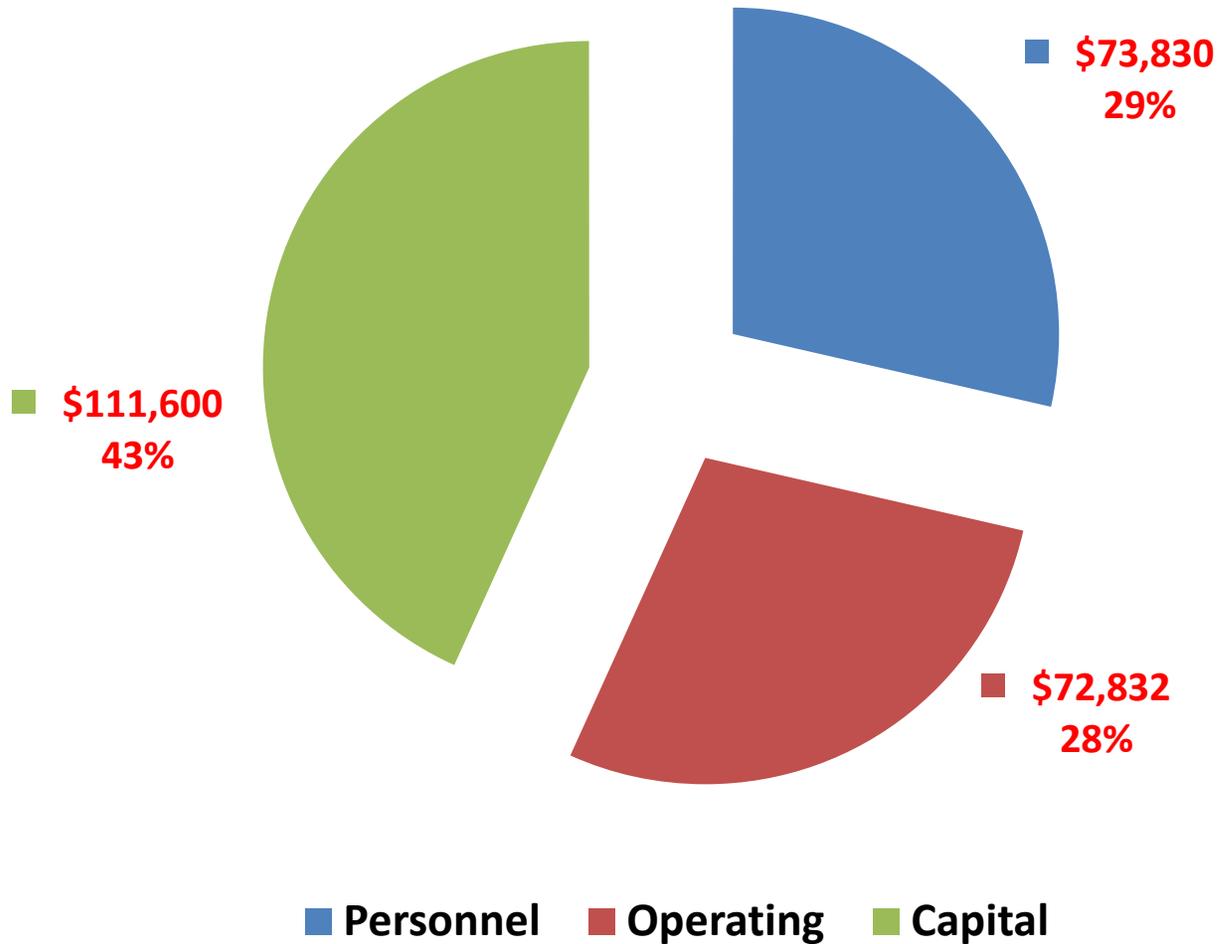
- Complete the tile remediation project by opening day
- Coordinate projects including slide tower sandblasting and slide flume fiberglass work
- Consider offering teen programs on a monthly basis
- Offer early pool pass sales as early as January 1

2015 ACCOMPLISHMENTS:

- Received \$1,900 in the second year of the pool sponsorship program
- Received and installed a second Aqua Climb Wall, donated by Bimbo Bakeries
- Coordinated a work day in the spring with volunteers from Bimbo Bakeries to complete landscaping
- Improved the landscape in the front garden bed and tree bed in the parking lot along Franklin Street
- Offered new Pool Member benefits to include free lounge chair usage, discounted pool rental rates, members only pool party, and early registration for swim lessons
- Created a Facebook page for more exposure and online advertisement opportunities



Expense by Category



FUND: GENERAL
DEPARTMENT: PARKS AND RECREATION
FUNCTION: PARKS MAINTENANCE



FUNCTION OVERVIEW:

The Parks Maintenance Department's primary responsibility is to provide the community with beautiful and safe parks and facilities. This department also supports the recreation programming division by preparing facilities for various activities.

SERVICES PERFORMED:

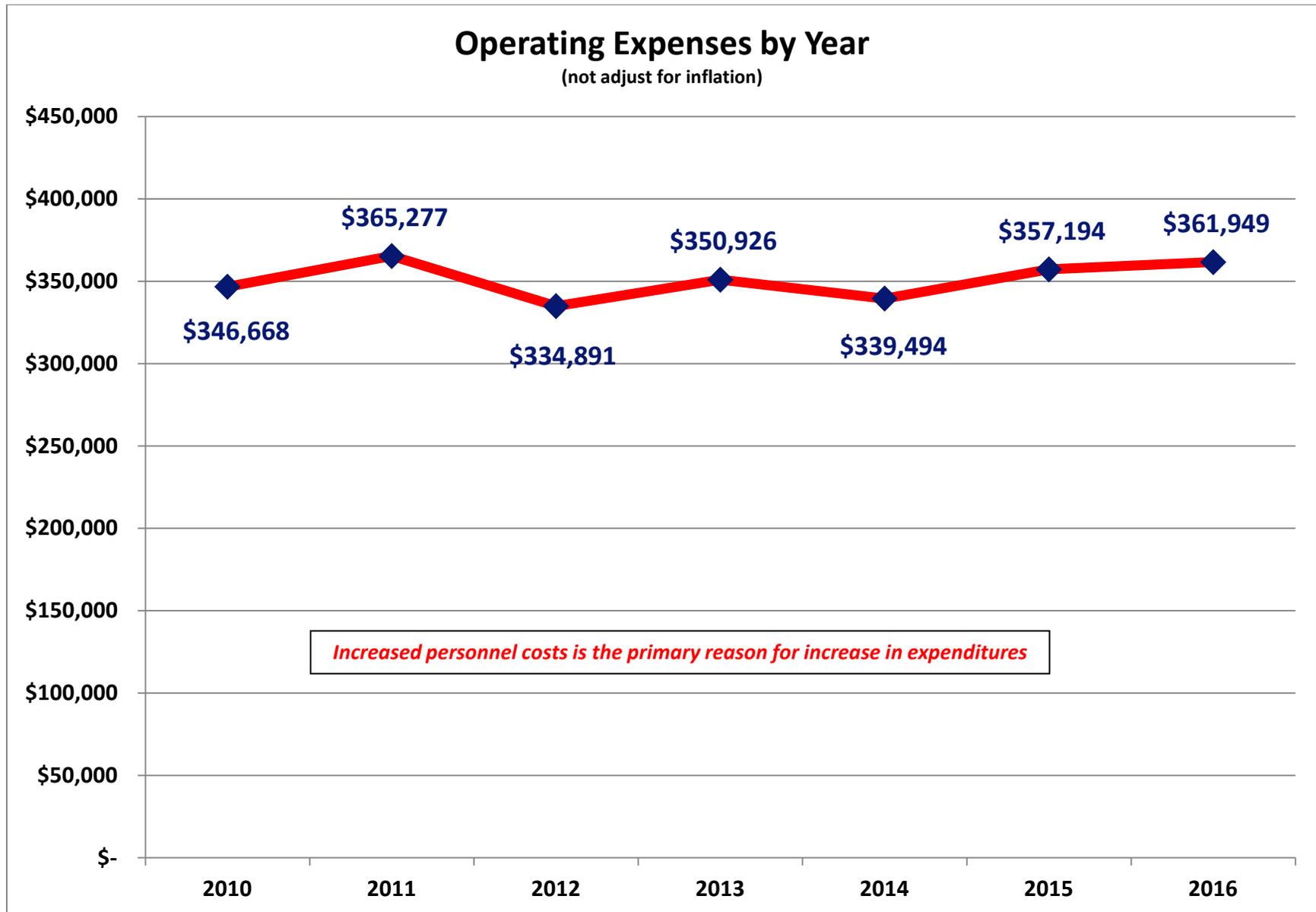
- Parks maintenance
- Land maintenance
- Building maintenance
- Facility preparation
- Park rehabilitation and development

2016 GOALS:

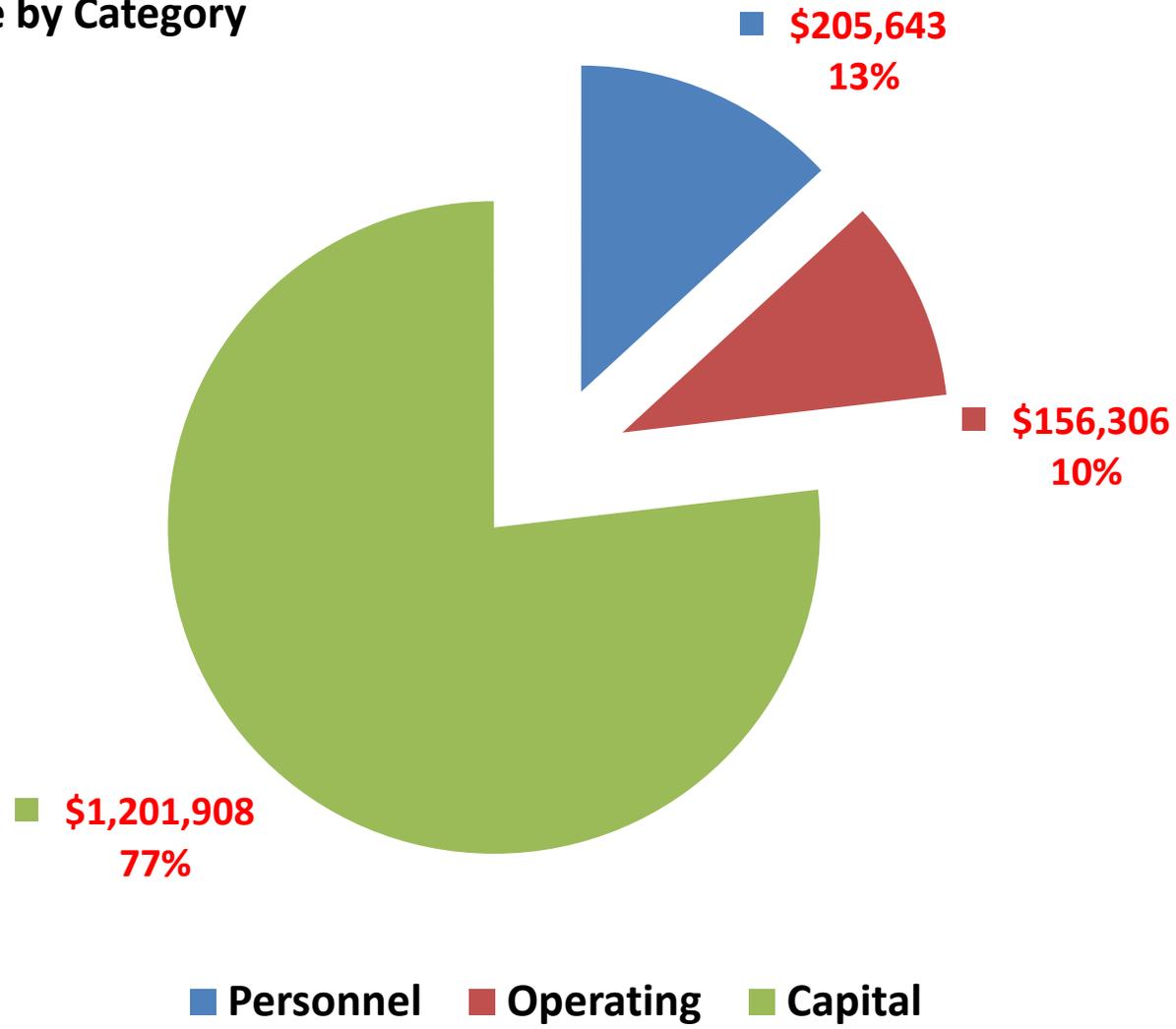
- Maintain or increase satisfaction and beauty of Borough parks.
- Bid construction and complete the West End Trail Connection.
- Bid construction and complete the renovation of Heberlig-Palmer Park.
- Renovate Shaffer Cabin at Shaffer Park.
- Complete maintenance items identified in the playground audit.

2015 ACCOMPLISHMENTS:

- Security cameras installed at LeTort and Heberlig-Palmer parks.
- Entered into a Maintenance and Improvement Agreement with West Side Neighbors for edible plantings at Heberlig-Palmer Park.
- Worked with FSA to prepare design and construction document for stormwater and park redesign at Valley Meadows.
- Entered into a Shared Used Agreement and Reimbursement Agreement with PennDOT for the West End Trail Connection.



Expense by Category



DEPARTMENT INFORMATION

Parks & Recreation Community Center

FUND: GENERAL

DEPARTMENT: PARKS AND RECREATION

FUNCTION: COMMUNITY CENTER



FUNCTION OVERVIEW:

The primary purpose of the Borough's community center is to provide the local community with a gymnasium facility and multi-purpose rooms. The gymnasium and rooms are available to rent for a variety of uses.

SERVICES PERFORMED:

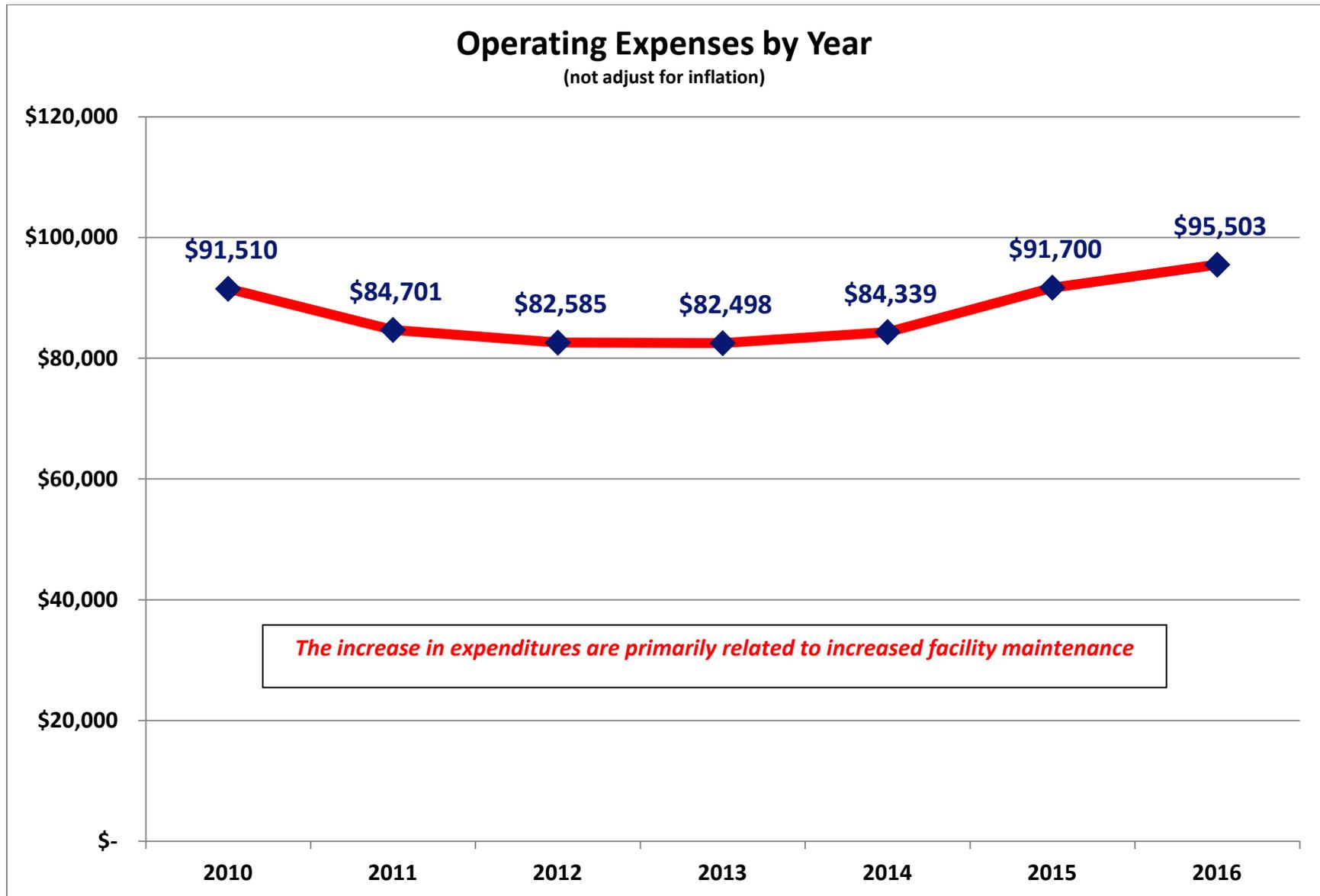
- Community rentals
- Athletic Activities
- Arts and Dance
- Music
- Baby and Bridal Showers
- Socials
- Birthday Parties
- Community Meetings

2016 GOALS:

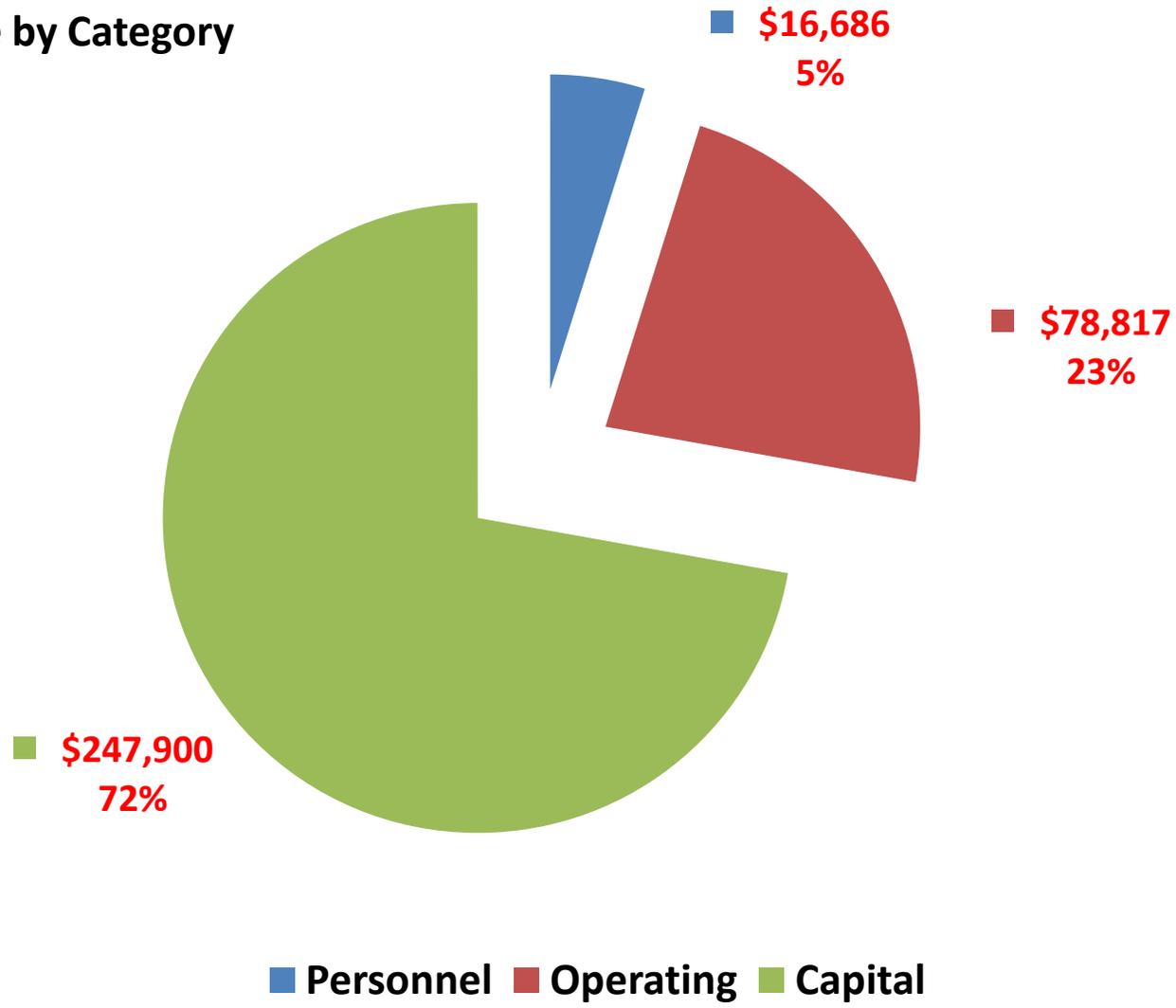
- Explore ideas and identify approach to find a tenant for the second floor
- Increase marketing and advertising efforts via social media
- Seal gymnasium floor
- Install a new roof on the Gym 2

2015 ACCOMPLISHMENTS:

- Painted gymnasium
- Paved parking lot and landscaped
- Repointed brick and painted front porch
- Between October 2014 and September 2015 the facility was rented 837 times and served 20,979 guests



Expense by Category



DEPARTMENT INFORMATION

Parks & Recreation Shade Tree

FUND: GENERAL

DEPARTMENT: PARKS AND RECREATION

FUNCTION: SHADE TREE



FUNCTION OVERVIEW:

The primary responsibility of the Shade Tree Commission is to plant, remove, maintain, and protect shade trees along public streets and highways in the Borough. Members of the Carlisle Parks and Recreation Board serve as the Shade Tree Commission. A separate "Shade Tree Committee" is appointed by the chairman of the Shade Tree Commission. The staff of the Parks and Recreation Department is the administrative arm of the Shade Tree Commission.

SERVICES PERFORMED:

- Street tree inspection
- Monitor action taken on permits
- Annual tree survey
- Tree location recommendations

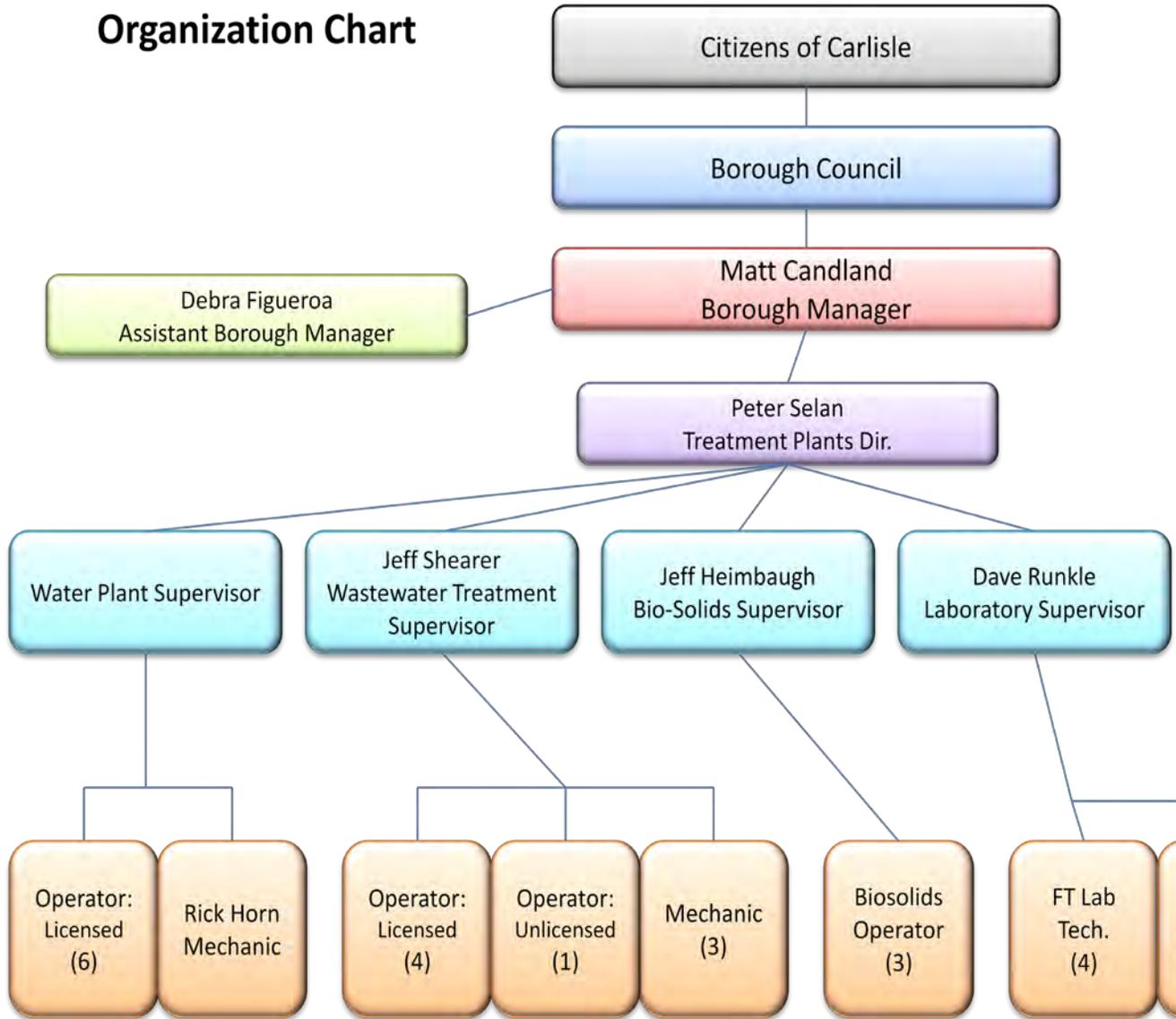
2016 GOALS:

- Encourage planting and proper tree care to residents and downtown property owners.

2015 ACCOMPLISHMENTS:

- Performed 2014 Street Tree survey.
- Planted 12 street trees in spring and approximately 10 street trees in fall through the free street tree program.
- As of 9/18/15 issued 83 pruning permits, 39 removal permits and 21 planting permits.

Organization Chart



- Key**
- Water Plant Licensed Operators:**
 Randy Bender
 Jamy Handsheiw
 Scott Hart
 Travis Kauffman
 Don Waselewski
 Eugene Zeiders
-
- Wastewater Plant Licensed Operators:**
 Jim Lehman
 Brian Runkle
 Richard Wisner
 Steve Wolaver
-
- Wastewater Plant Unlicensed Operators:**
 Keith Zimmerman
-
- Mechanics:**
 Bryan Beaver
 Jason Hockley
 Sammy Hockley
-
- Biosolids Operators:**
 Robert Cribbs
 Paul Stone
 Todd Wickard
-
- Lab Technicians:**
 John Dabney
 Eli McCoy
 Michael Stoner
 Karen Toth

FUND: WATER**DEPARTMENT:** WATER PLANT**FUNCTION:** TREATMENT**FUNCTION OVERVIEW:**

The Carlisle Water Treatment Plant's primary responsibility is to ensure drinking water is safely and efficiently produced at a higher quality than the minimum state and federal regulations. Pennsylvania's Department of Environmental Protection is the primary entity responsible for regulating the plant. The treatment plant, pump station, and water tanks are operated for optimal daily results and maintained for preservation of long term water supply reliability.

**SERVICES PERFORMED:**

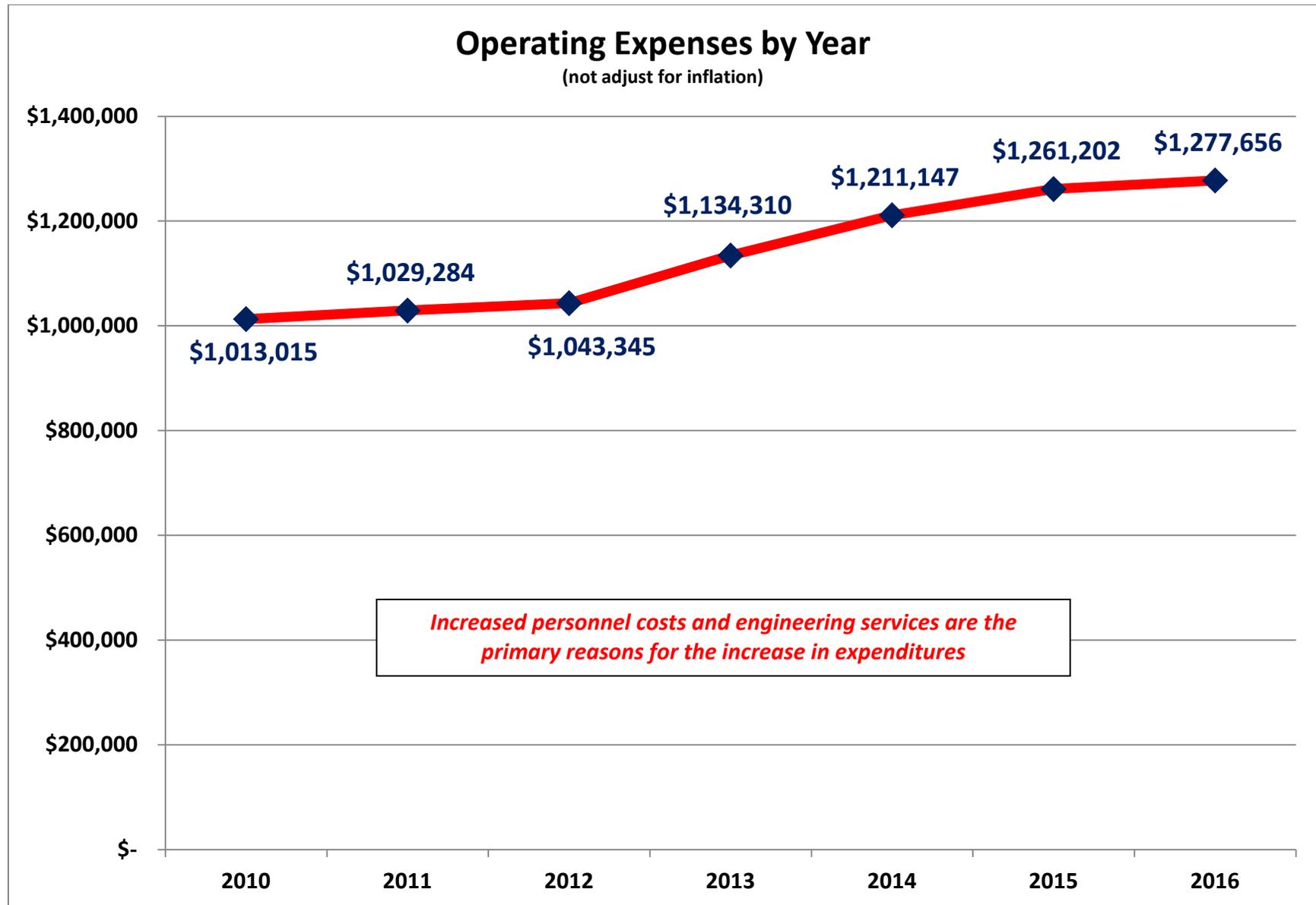
- Maintain governmental compliance through a monthly reporting process
- Provide continuous water service, 24 hours per day / 365 days per year
- Meet internal filtration and disinfection goals as adopted from the Partnership for Safe Water optimization program
- Zero loss-time work related injuries by prioritizing safety
- Less than 2 percent of total maintenance hours due to emergency call outs
- Completion of continuing education training by 100% of certified personnel

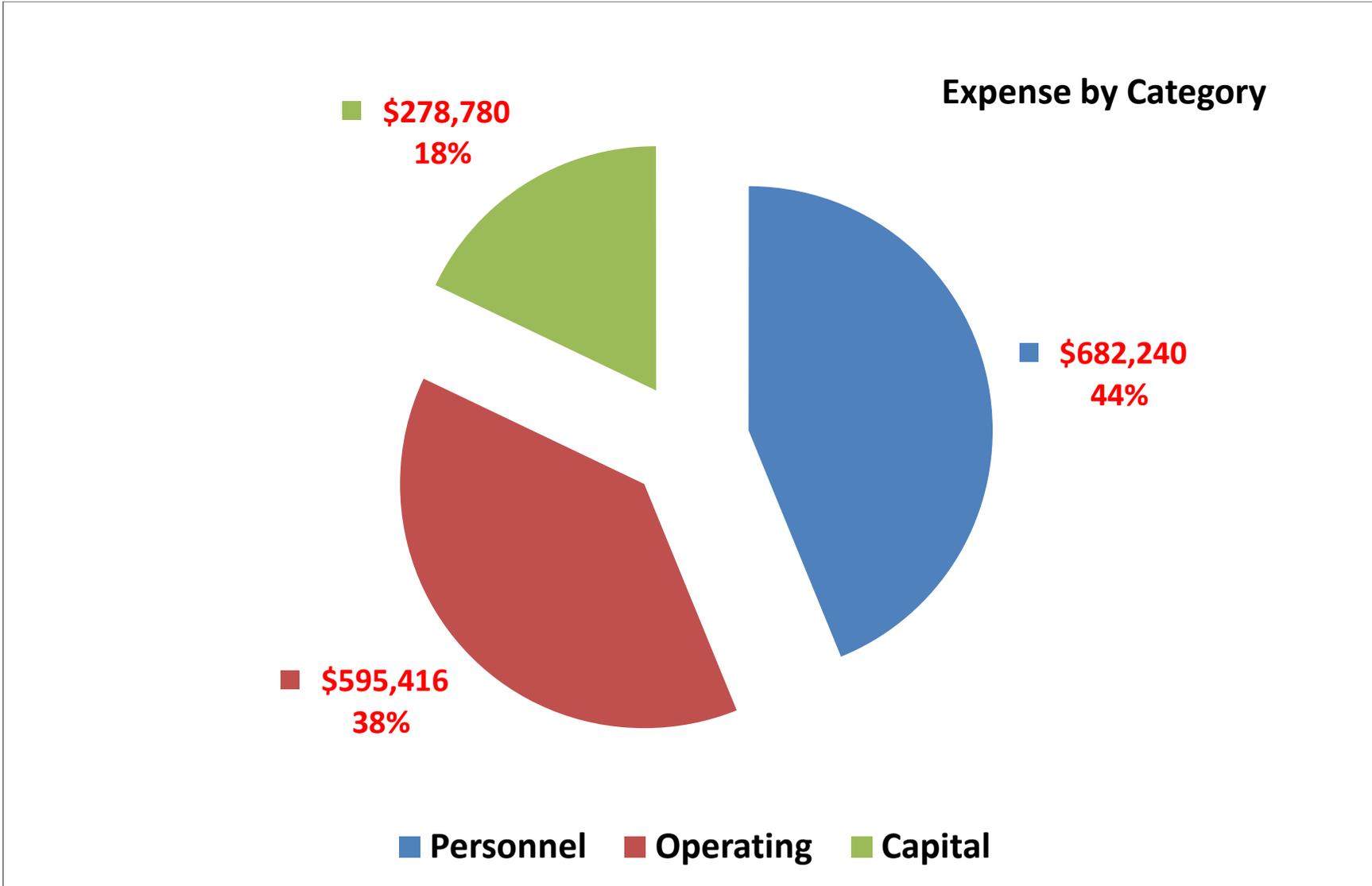
2016 GOALS:

- Meet all state and federal regulations for the water supply
- Optimize treatment to meet Partnership for Safe Water benchmarks
- Employee Safety
- Equipment Reliability
- A Trained and Certified Workforce
- Incorporate Variable Frequency Drives (VFD) to the pump station for energy reduction
- Complete upgrades to key instrumentation and electronic controls

2015 ACCOMPLISHMENTS:

- Maintained complete regulatory compliance
- Met all optimization benchmarks of the Partnership for Safe Water
- Received the *Area Wide Optimization Program's* highest award
- Completed six facility upgrade projects to protect the service life of Water Plant





FUND: WATER**DEPARTMENT:** PLANT**FUNCTION:** LABORATORY**FUNCTION OVERVIEW:**

The Water Lab Department's primary responsibility is to ensure that water produced at the Water Treatment Plant meets or exceeds established federal and state standards for quality and potability to protect public health. Microbiological and inorganic chemical analyses are performed regularly on water treated at the plant and in the distribution system to ensure a safe water supply. The lab also provides certified drinking water and wastewater testing on a fee basis for a number of other public water supplies and dischargers throughout central Pennsylvania. Private well testing services for a number of drinking water contaminants are provided for the public of Cumberland, Dauphin, Perry, Juniata, and Franklin counties.

SERVICES PERFORMED:

- Provide potable water for the Borough of Carlisle and small portions of North Middleton, South Middleton, and Middlesex Townships.
- Maintain regulatory compliance with all aspects of the Safe Drinking Water Act
- Respond to customer inquiries related to water quality within 24 hours
- Lab testing to assure potable water throughout the water distribution system
- Bacteria and chlorine monitoring of drinking water
- Disinfection of new water lines
- Semiannual hydrant flushing

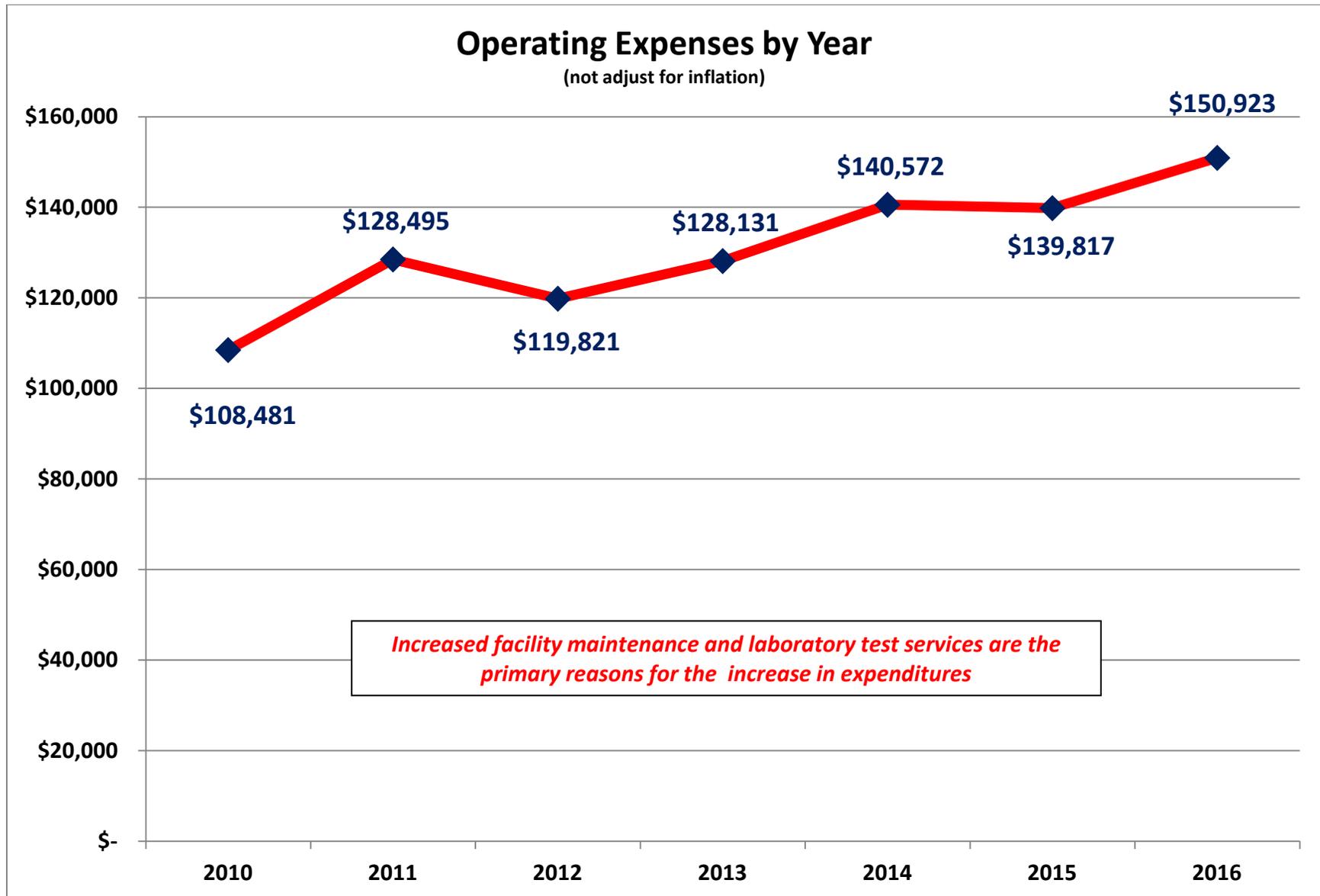
2016 GOALS:

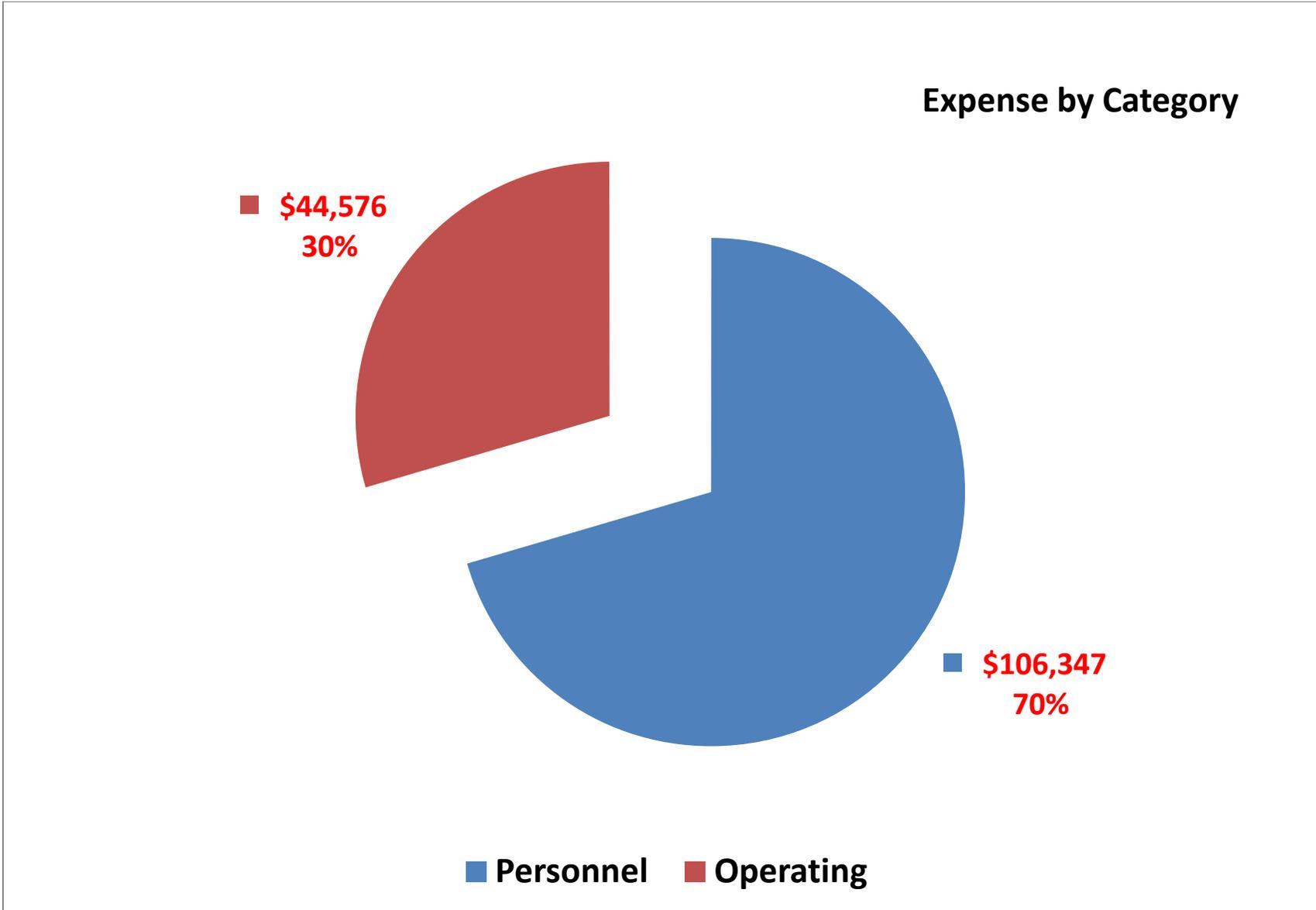
- Meet all state and federal regulations for the water supply
- Maintain existing outside testing clients by providing high levels of external customer service to assure a continuing outside testing revenue stream
- Maintain certification as an accredited environmental testing laboratory
- Develop a new written sampling plan for bacteria sampling that identifies the water systems sample collection schedule and all sampling sites including high risk locations to comply with the Revised Total Coliform Rule
- Monitor and report at least 30 high risk sample locations for drinking water lead and copper levels.

2015 ACCOMPLISHMENTS:

- Met all reporting and monitoring requirements of the Safe Drinking Water Act
- Successfully completed Unregulated Contaminant Monitoring required by EPA
- Assisted the water plant in receiving a commendable DEP regulatory rating

- Maintained and documented compliance with the first full year of the Stage 2 Disinfection Byproducts Rule which monitored levels of trihalomethanes and haloacetic acids at individual sample locations in the water distribution system
- Produced and maintained increased circulation of annual water quality report for water customers
- Troubleshoot and built a larger database on disinfectant residuals in areas of the distribution system where chlorine residuals remain depressed for future corrective action
- Lab was instrumental in developing and continuing an extended two-week hydrant flushing program which reduced customer water quality complaints.
- Completed monitoring for the Unregulated Contaminant Monitoring Rule #3
- Monitored and provided feedback to DEP about proposed new overly stringent disinfectant requirements for water distribution systems that resulted in less stringent proposed regulations. This should reduce the financial impact of the new rule.





FUND: SEWER
DEPARTMENT: PLANT
FUNCTION: TREATMENT
PLANT

**FUNCTION OVERVIEW:**

The primary responsibility of the Wastewater Treatment Plant Department is to operate and maintain all treatment plant processes, equipment, grounds, and buildings at the facility. Wastewater received from the collection system must meet parameter limits mandated by the Pennsylvania State Department of Environmental Protection through a National Pollutant Discharge Elimination System permit.

SERVICES PERFORMED:

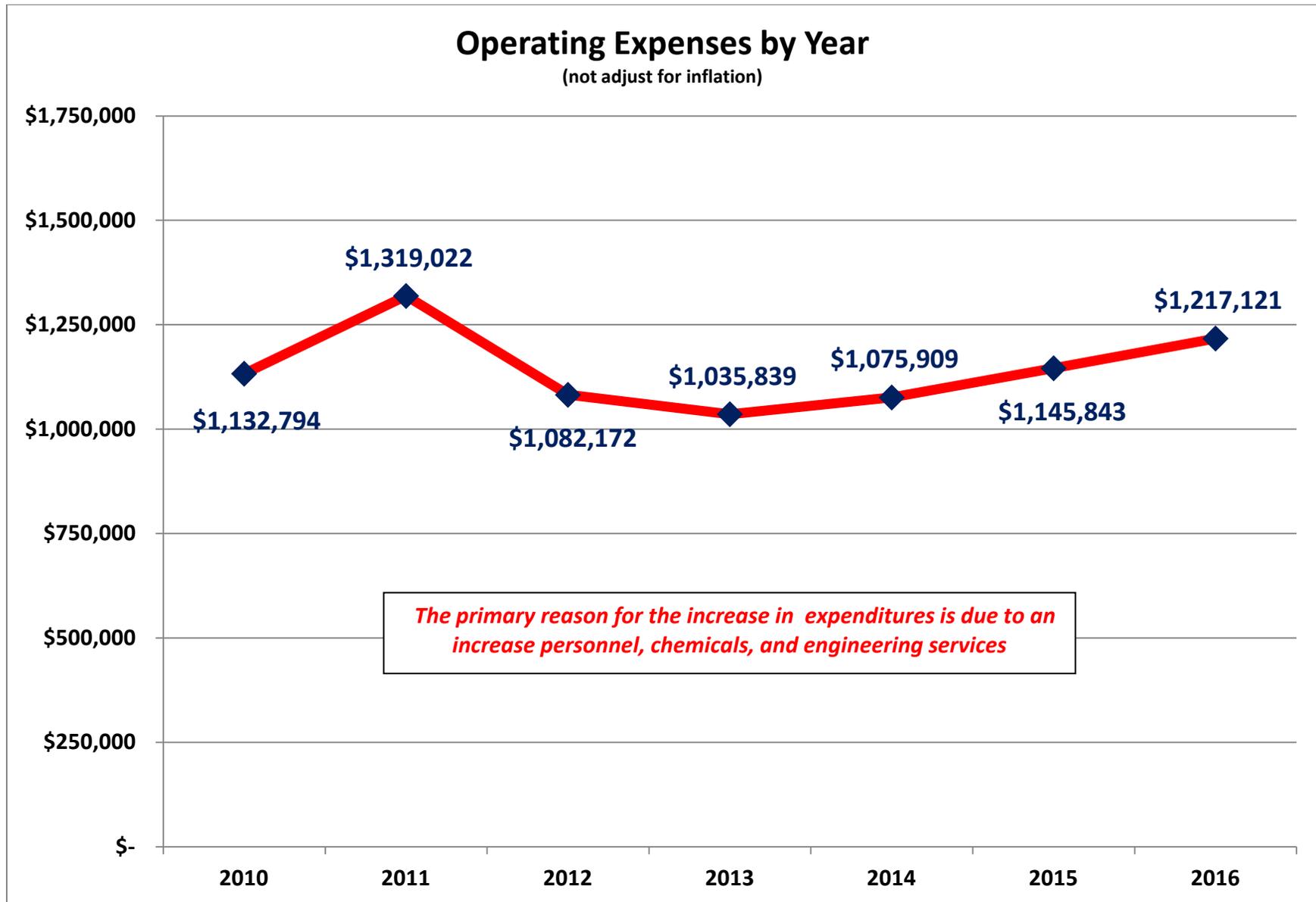
- Measure and record influent and effluent flows ultrasonically
- Screening and grit removal of wastewater
- Process wastewater using quiescent circular tanks
- Phosphorus reduction using anoxic, anaerobic and aerobic zones
- Process wastewater through filters
- Chlorine disinfection of wastewater
- Lime treatment of biosolids

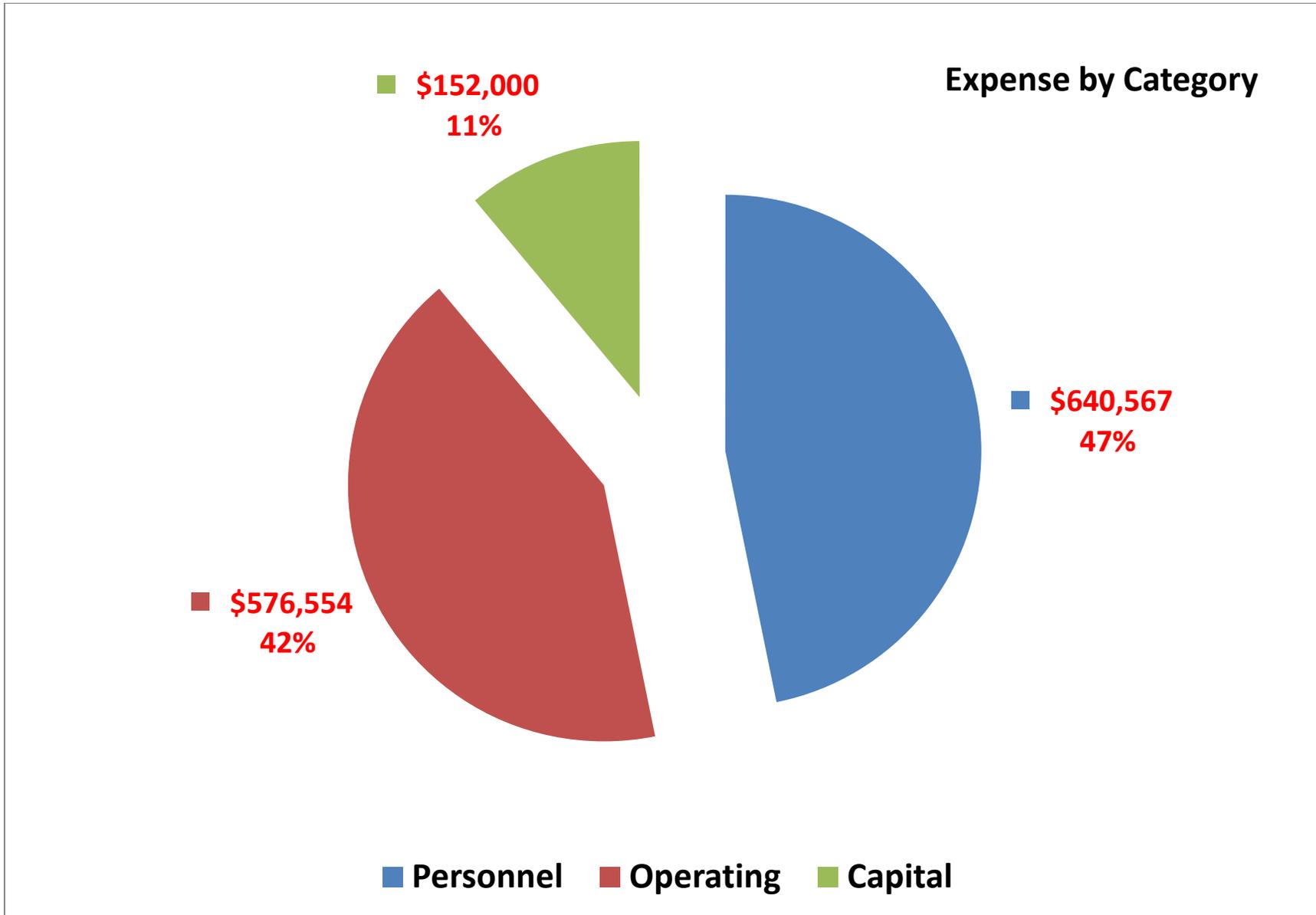
2016 GOALS:

- Purchase of VFD unit for one internal nitrate recycle pump
- Installation of VFD units on raw pumps #1 and #4
- Replacement of riding lawn mower
- Completion of engineering study to evaluate wet well debris accumulation issue
- Replacement of one portable pump
- Cleaning, removal and disposal of the accumulated wet well debris

2015 ACCOMPLISHMENTS:

- Completion of thermal scanning of electrical equipment
- Completion of underground diesel fuel tanks inspection and testing
- Main Control Building Air Quality Study follow-up actions completion
- Purchase of new Truck #64
- Completion of an Equipment Assessment Study





FUND: SEWER**DEPARTMENT:** PLANT**FUNCTION:** BIOSOLIDS**FUNCTION OVERVIEW:**

The Biosolids Department's primary responsibility is to have biosolids produced meet Class B quality criteria for pathogen reduction and inorganic metals content as established by state and federal agencies allowing for its beneficial and environmental recycling on Pennsylvania Department of Environmental Protection approved farmland. There are currently 28 farms with 2,710 acres permitted for Borough use.

SERVICES PERFORMED:

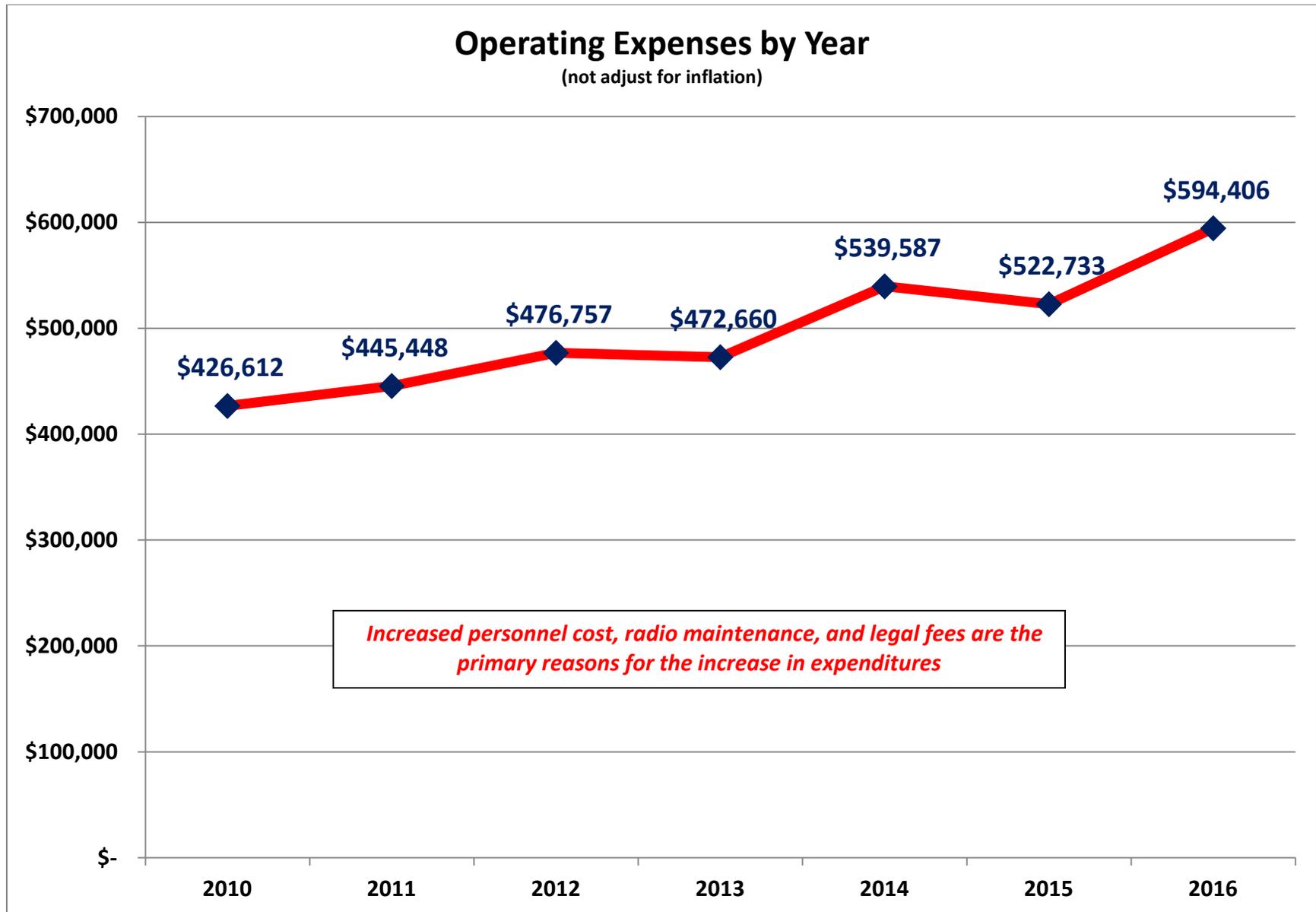
- Hauling and application of:
 - Liquid biosolids
 - Dewatered biosolids
- Operate and maintain biosolids application equipment
- Operate and maintain Belt Filter Press used for production of dewatered biosolids

2016 GOALS:

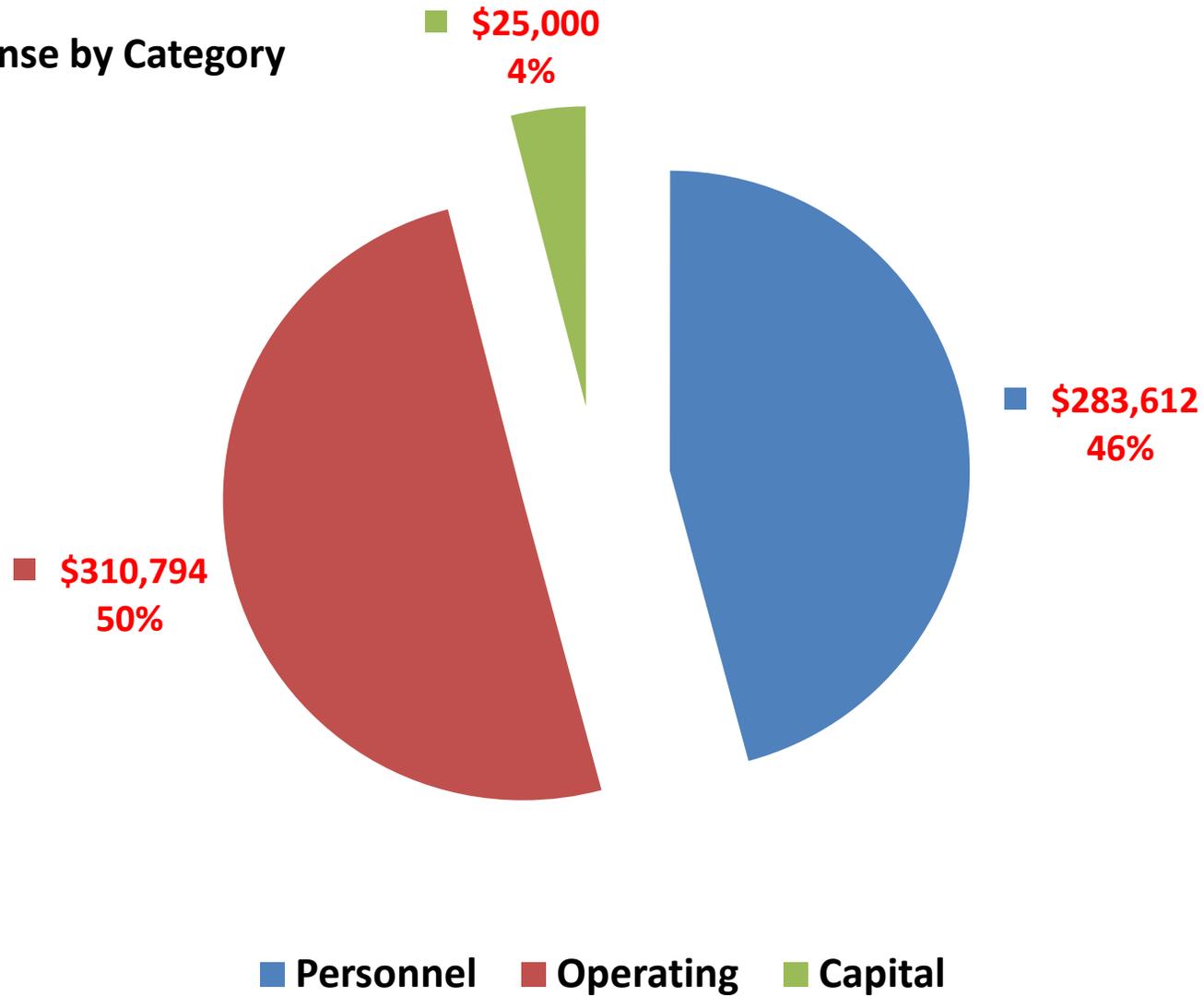
- Haul and land apply 8,000,000 gallons of biosolids
- Haul and land apply 1,400 tons of dewatered biosolids
- Reduce odors from the wastewater plant by maintaining low levels of in-house biosolids storage
- Permit a new farm for biosolids applications
- As a result of our biosolids processing and management study, continue to develop a CIP for implementing the ATAD system at the Wastewater Treatment Plant

2015 ACCOMPLISHMENTS:

- Completed biosolids management and process study with Material Matters to determine cost associated with developing a Class A/EQ biosolids
- Land applied 1,491 tons of dewatered biosolids and over 6.5 million gallons of liquid biosolids
- Completed two CIP's, one to replace tractor truck #57 and the other to replace Wemco sludge pump



Expense by Category



FUND: SEWER
DEPARTMENT: PLANT
FUNCTION: PUMP STATIONS

**FUNCTION OVERVIEW:**

The primary responsibility of the pump stations is to transfer wastewater from the collection system to the wastewater treatment plant when ground elevations do not allow for gravity flow.

SERVICES PERFORMED:

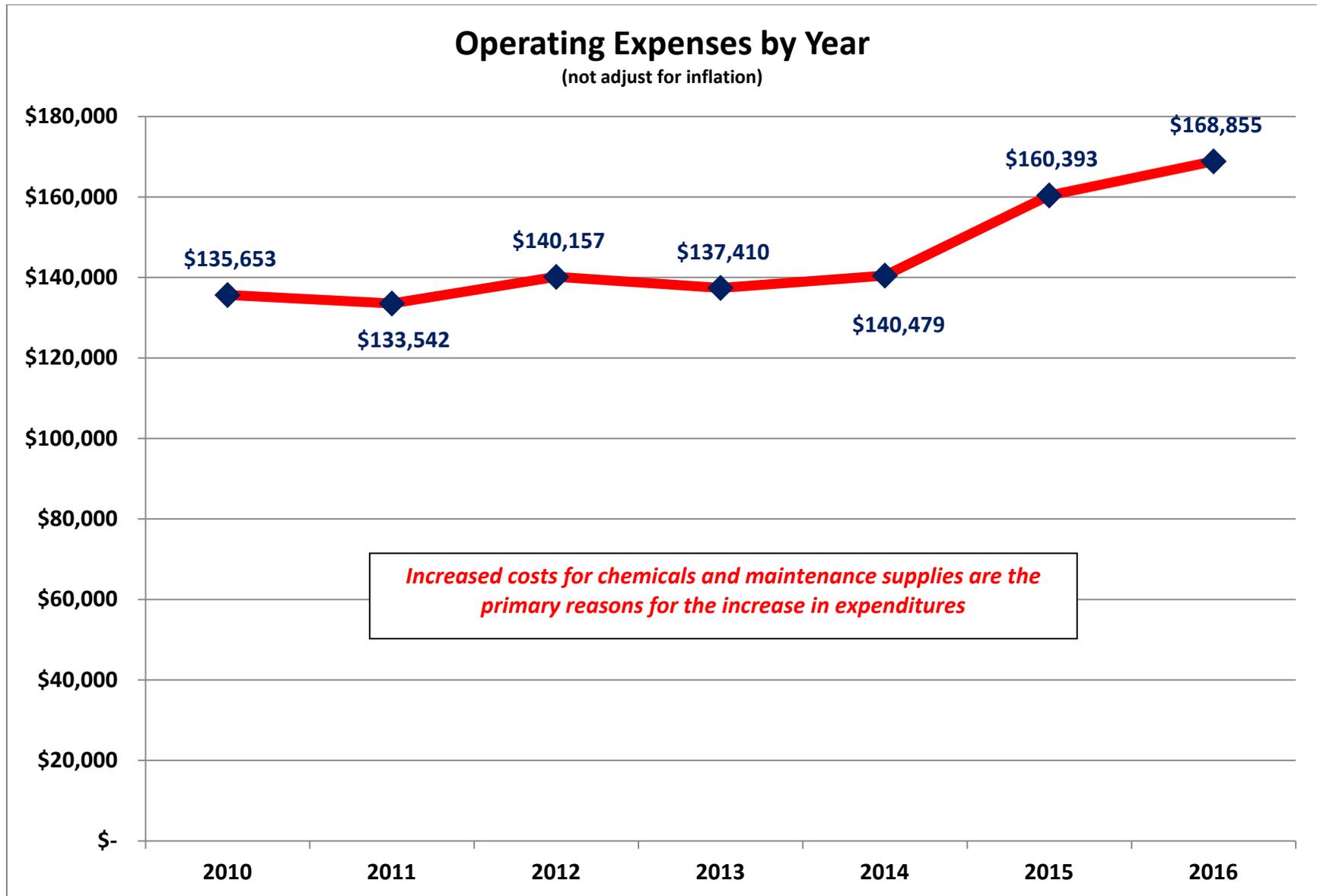
- Pump flow through force mains to higher elevation
- Addition of hydrogen peroxide to prevent hydrogen sulfide
- Transport flow from the collection system to the treatment plant

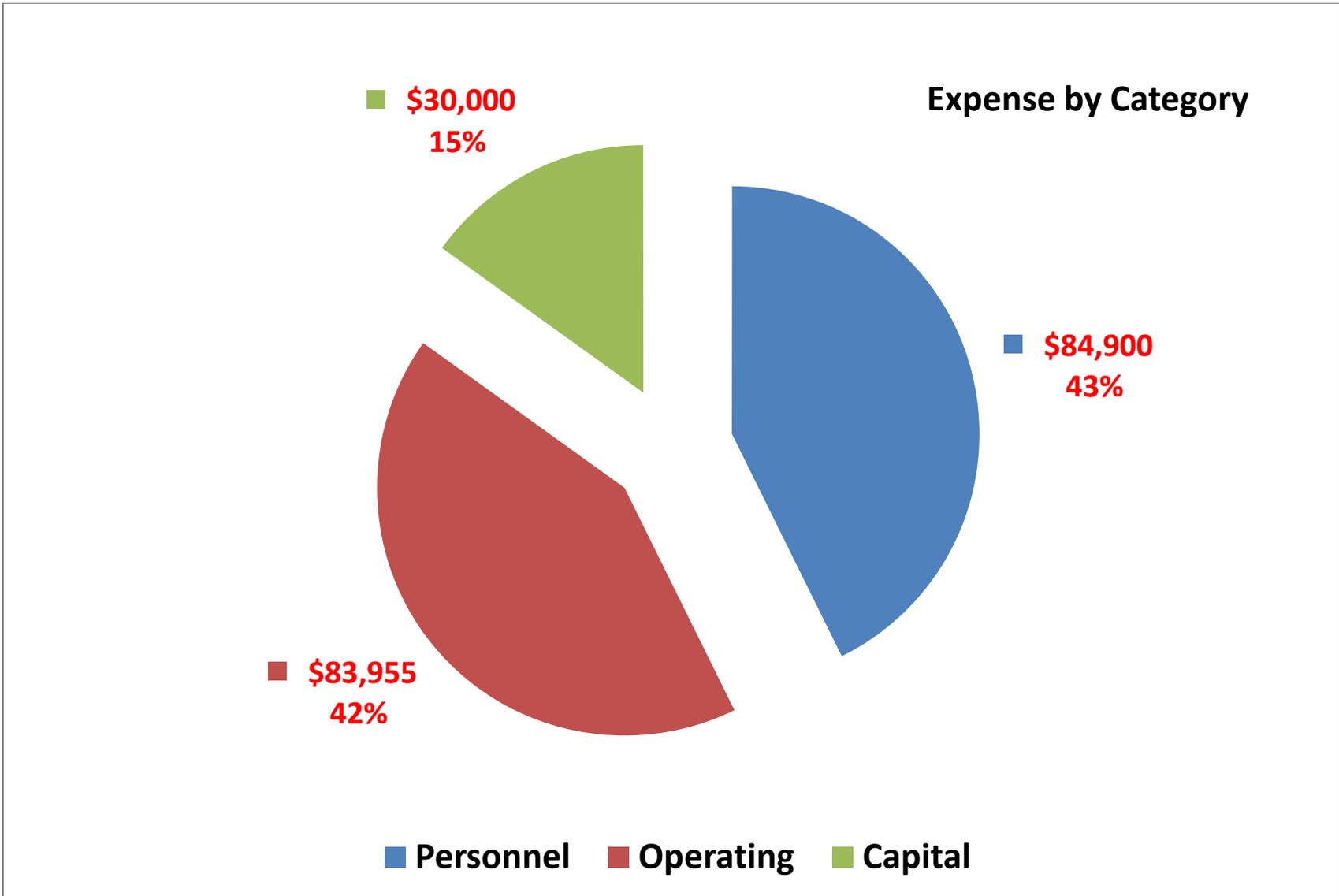
2016 GOALS:

- Replace Pump Station #5 automatic transfer switch.
- Replace Pump Station #1 underground diesel fuel tank.
- Continue maintenance and smooth operation of all pump stations.

2015 ACCOMPLISHMENTS:

- Completed piping/valving modifications at Pump Station #2.
- Rebuilt one pump at Pump Station #2.
- Completed underground diesel fuel tank inspection at Pump Station #1.
- Completed sidewalk repairs at Pump Station #2.





FUND: SEWER**DEPARTMENT:** PLANT**FUNCTION:** LAB**FUNCTION OVERVIEW:**

The primary function of the Wastewater Plant Laboratory is to ensure that all discharges from the Treatment Plant meet all applicable Federal and State standards. Daily analysis of samples allows the lab to make recommendations to ensure proper operational control at the plant. This department also permits, inspects, and samples significant industrial users of the sewer system to ascertain that the wastewater discharge meets local discharge pretreatment limits. These limits and their enforcement protect the treatment process; increase worker safety; maintain agricultural utilization of the sewage sludge or biosolids; and protect the quality of Letort Spring Run, Conodoguinet Creek, and other downstream waterways. Enforcement efforts may include notices of violation, administrative orders, and the issuance of surcharges and even penalties for discharging high strength wastes. Monetary surcharges for higher levels of common pollutants such as biochemical oxygen demand, solids, phosphorus, ammonia, and oil and grease direct the treatment costs to users that are actually discharging the higher strength waste thus helping to keep sewer bills lower for residential customers. Additional revenue is generated through wastewater testing for other permitted dischargers throughout the local area.

**SERVICES PERFORMED:**

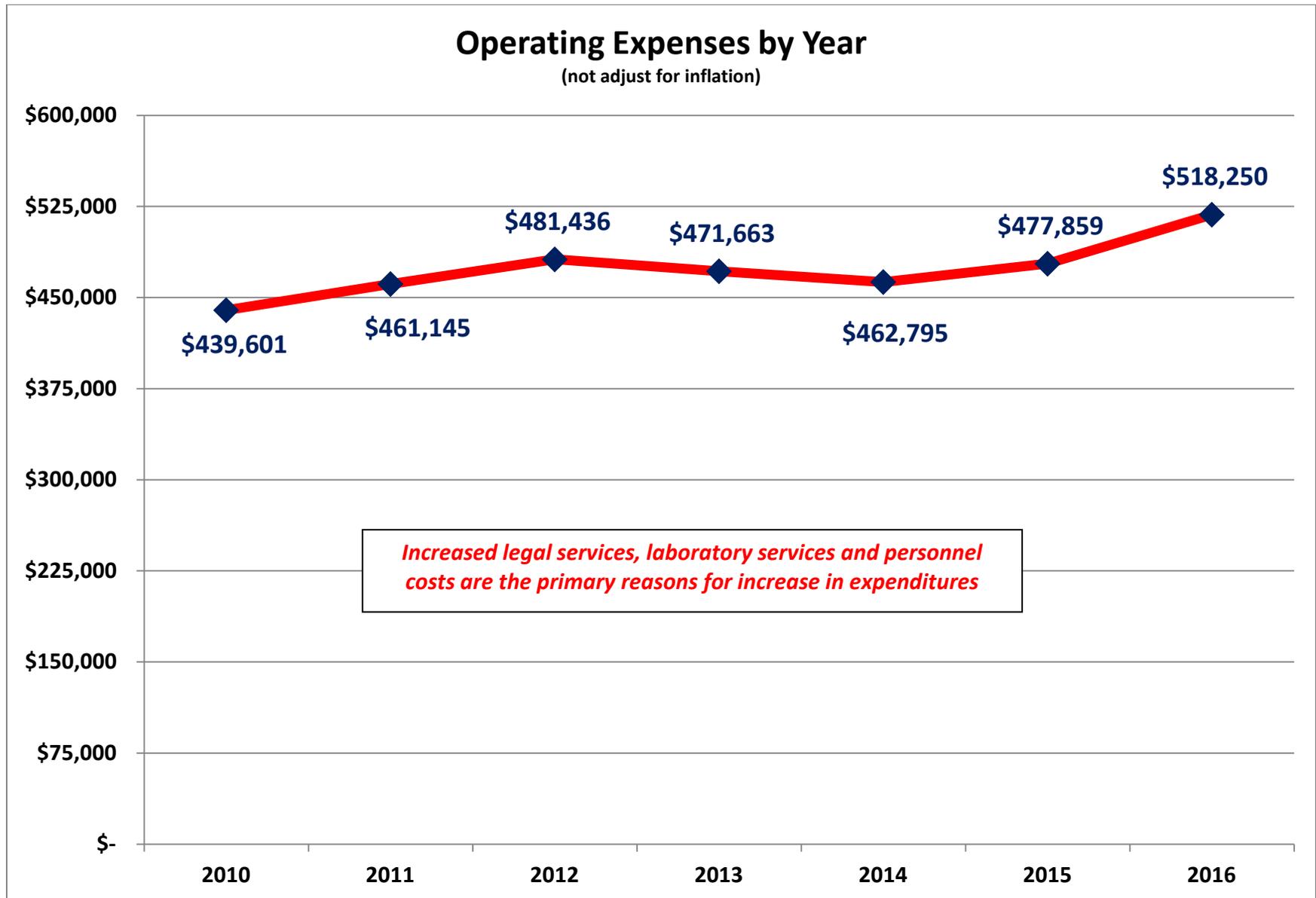
- Wastewater analysis & regulatory reporting for Carlisle and other local treatment plants
- Assist with operational control of plant to maintain cost effective environmental compliance
- Monitor and inspect local significant industrial user dischargers and enforce local industrial discharge pretreatment limits

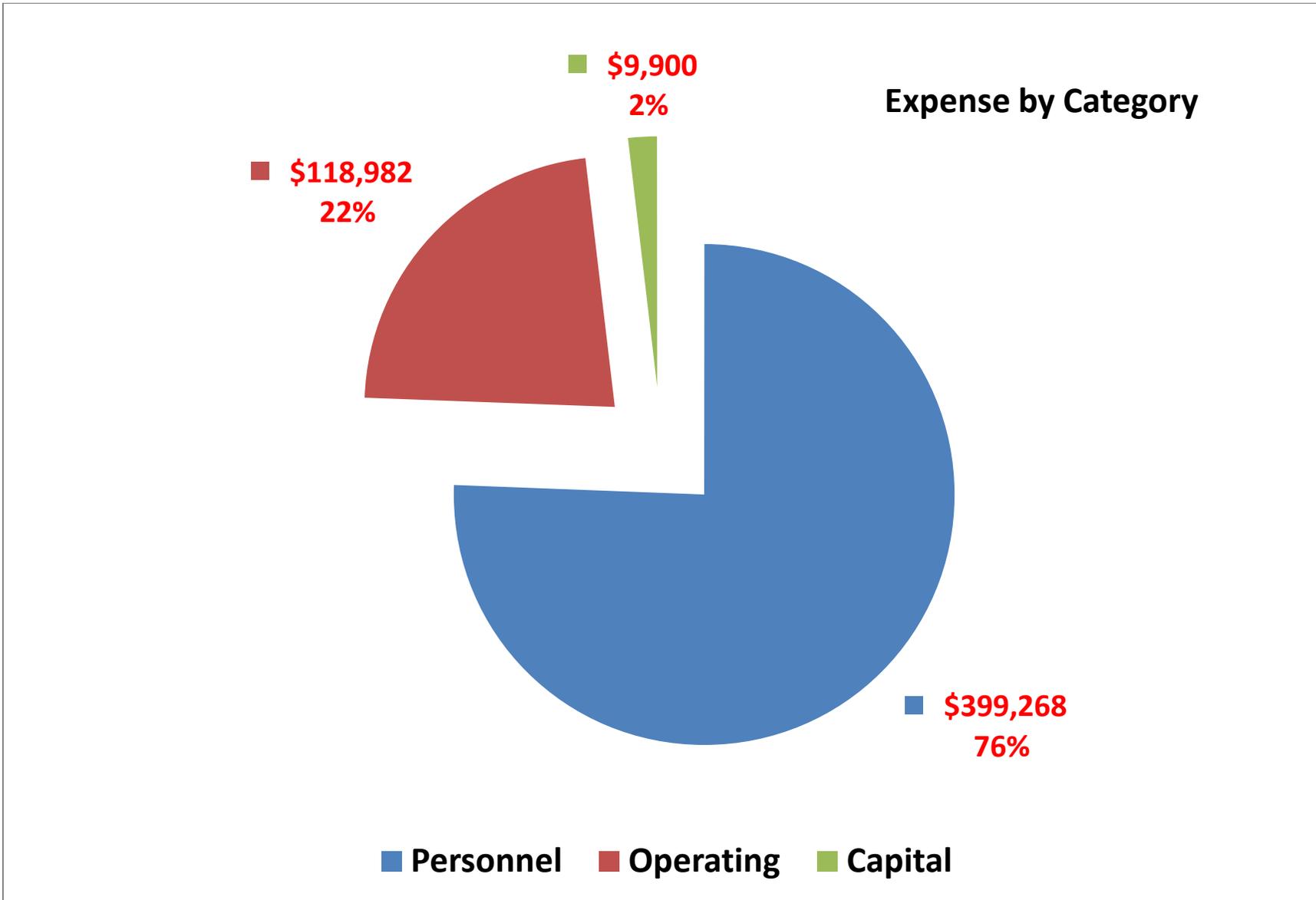
2016 GOALS:

- Maintain perfect compliance record with all discharge requirements of NPDES permit
- Optimize biological phosphorus and total nitrogen removal processes
- Maintain certification as accredited environmental testing laboratory
- Prepare a sampling plan & complete sampling of domestic wastewater (10-15 composite samples) & collate all data in at least 2 distinct residential areas of the Borough.
- Complete local limits reevaluation process mandated by EPA upon NPDES permit renewal
- Assist with finalizing a biosolids treatment upgrade final recommendation to assure future viable biosolids disposal options.

2015 ACCOMPLISHMENTS:

- Continued compliance with new effluent standards for nitrogen and phosphorus in a cost effective manner.
- Maintained certification as an accredited environmental testing laboratory through successful performance as demonstrated during a three year PA DEP Bureau of Laboratories onsite assessment / lab audit.
- Key contact for wastewater treatment and pollution prevention public education and outreach.
- Oversaw completion of a \$30,000 Lab Building HVAC control system upgrade.
- Reviewed and instituted new requirements to qualify for ammonia distillation exemption.
- Developed a rapport and positive relationship with new DEP regulatory inspectors and auditors for the drinking water, wastewater and lab accreditation programs due to staff attrition and turnover at the state level.





The Borough of Carlisle's annual budget process starts in July with the distribution of the budget schedule and instructions to budget managers and elected officials. Included in the instructions are key dates of completion to help participants understand the various deadlines of the budget process. Each budget manager is required to enter budget information into the Borough's accounting software.

Groups that are key to the budget process are noted below:

- Department Supervisors are responsible for preparing detailed estimates of each expenditure account under their budgetary control. This group will participate in the capital and operations review meetings to help all parties understand the various needs of their department.
- Department Heads work with their supervisors to develop their various budgets. This group participates in the budget review meetings. They attend the public hearings.
- The Finance Department will compile all of the information prepared by the various departments and will perform variance analysis on the expenditure proposals. Revenue estimates are also developed using historical and current information. The Finance Director and Assistant Finance Director will participate in all budget meetings. Additionally, the Finance Department consolidates all of the budget information for the budget packet provided to Borough Council and the public.
- Manager's Office – The Borough's Chief Administrative Office oversees and is involved in the entire budget process.
- Borough Council – The Borough's elected officials have ultimate decision making authority over how the Borough appropriates available funds.

There are two separate meetings with each department to review capital and operating budgets. Participants of these meetings include the Borough Manager, Assistant Borough Manager, Finance Director, Assistant Finance Director, Department Head, and any supervisors of the department head. The primary purpose of these meetings is to have an open discussion of the expenditures included in the budget submission. These meetings begin in August and are completed by the end of September.

"Capital Request Forms" are required for each capital expenditure proposed. A capital expenditure is defined as costing at least \$5,000 and having a useful life of at least five years. Some of the information included on these forms is listed below:

- Expenditure brief description
- Type of expenditure
 - New
 - Replacement
 - Addition
 - Major Maintenance
- Expenditure justification
- Estimated costs
- Recommended Financing Sources
- Annual Operating Cost impact

As soon as possible after October 1st, the Borough's Finance Department begins working on the projected revenues for the remainder of the current year and for the following year's budget. Historical information, trends analysis, and current activities are used to develop the revenue estimates.

Once all of the preliminary estimates for revenues and expenditures are completed, the Borough's finance department begins comparing new information to prior year budget and actual to ensure that all of the information is accurate.

After the preliminary estimates are completed, the Borough's finance department and Manager's office work together to evaluate any changes needed to the original submissions. Follow up discussions may be necessary with department heads to evaluate any potential changes to their budgets.

Following changes to the original submission, a revised version is provided to department head's for their review and input. Once department heads have reviewed the budget, the Borough Manager prepares the budget message.

Subsequent to the completion of the budget message, information is organized and provided to the Borough's elected officials approximately one week before the public hearings on the budget. Public hearings are usually held around the middle of November. Pursuant to The Borough Code of Pennsylvania, a proposed budget must be prepared at least thirty days prior to the adoption of the budget and shall be kept on file with the borough secretary and be made available for public inspection by the borough secretary for a period of ten days. Notice that the proposed budget is available for public inspection shall be published by the borough secretary in a newspaper of general circulation.

Borough Council must adopt a budget by December 31st. The practice has been for Borough Council to adopt the budget at its regularly scheduled December meeting. Once the budget is adopted, it is put on the Borough's website and a hard copy is made available for the public to review.

Below is a timeline of the budget process outlined previously:

- Mid-July – Budget schedule and instructions distributed
- Mid-August – Capital Request forms submitted
- August & September – Operating expenditures and capital expenditure department meetings
- 1st week of October – Revenue estimates completed
- October – Analysis and review
- Early November – Budget information submitted to Borough Council
- Mid-November – Public Hearings on Budget
- 2nd Thursday of December – normally when Borough Council adopts budget
- December 31 – Required Council Budget Adoption

The Borough Council in its reasonable discretion may, in any year, by motion, modify the budget after its final adoption. New appropriations, supplementary appropriations, and transfers from one appropriation to another may be made during the fiscal year, either before or after the expenditure is authorized or ratified after the expenditure is made, provided it is within the current year's revenues, or the money be made available through borrowing as allowed by law.

During the month of January following any municipal election Borough Council may amend the budget and the levy and tax rate to conform with its amended budget. A period of ten days' public inspection at the office of the borough secretary of the proposed amended budget after notice by the borough secretary to that effect is published once in a newspaper of general circulation shall intervene between the proposed amended budget and the adoption thereof. Any amended budget must be adopted by council on or before the fifteenth day of February.

Date	Description
7/1	Budget Instructions Distributed
8/7	Capital Improvement Forms Due to Finance (for new items not on 5 yr plan)
8/7	Outside Agency Packets Mailed
8/21	Budgets and 2015 Projections Completed in Springbrook
9/1-9/25	Department Budget & Capital Review Meetings
9/14	Schedule Outside Agency Hearings for October Council Meeting
9/22	Finance & Public Works Committee Meeting
9/28-10/9	Budget Analysis and Preparation
9/30	Department Information Due to Finance
9/30	Wages Completed
10/2	Revenue Estimates Completed (using September data)
10/8	Outside Agency Hearings
10/9	Fund Balance Estimates Completed
10/14	Township Meetings
10/16	Rate Increases Decision
10/19-10/26	Analysis and Review
10/26-10/31	Senior Staff Budget Review
11/2	Manager Message Complete
11/2	Council Budget Books Prepared
11/10	Budget Books to Council
11/16-11/19	Council Budget Hearings
11/23	Public Hearing Advertised
11/23-12-9	Public Review of Budget
12/10	Budget Public Hearing
12/10	Council Budget and Tax Ordinance Adoption
12/31	Required Council Budget Adoption

The Government Finance Officers Association (GFOA) recommends that, at a minimum, financial policies in the following areas be developed by professional staff and formally adopted by the jurisdiction's governing board. A brief description of each policy, as presented by GFOA, is provided below each policy.

- **Financial Planning Policies**

- **Balanced Budget**
 - Defines balanced operating budget
 - Encourages commitment to balanced budget in normal circumstances
 - Provides for disclosure when deviation from balanced operating budget is planned or when it occurs
- **Long-Range Planning**
 - Process that assesses the long-term financial implications of current and proposed operating and capital budgets, budget policies, cash management and investment practices, programs and assumptions
- **Asset Inventory**
 - Assess condition of all major capital assets
 - Used to plan for ongoing financial commitments required to maximize the public's benefit

- **Revenue Policies**

- **Revenue Diversification**
 - Encourages diversity of revenue sources in order to improve the ability to handle fluctuations in individual sources
- **Fees and Charges**
 - Identifies manner in which fees and charges are set and to the extent to which they cover the cost of the service provided
- **Use of One-time Revenues**
 - Discourages use of one-time revenues for ongoing expenditures
- **Use of Unpredictable Revenues**
 - Provides guidelines on collection and use of major revenue considered unpredictable

- **Expenditure Policies**

- **Debt Capacity, Issuance, and Management**
 - Specifies appropriate uses for debt
 - Identifies maximum amount of debt and debt service that should be outstanding at any time
- **Reserve Accounts**
 - Maintain prudent level of financial resources to protect against the need to reduce service levels or raise taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures

- Operating / Capital Expenditure Accountability
 - Compare actual expenditures to budget periodically
 - Decide on actions to bring budget into balance, if necessary

GFOA believes that the adopted financial policies should be used to frame major policy initiatives and be summarized in the budget document.

Additionally, GFOA recommends that these policies, along with any others that may be adopted, be reviewed during the budget process. Professional staff should review the policies to ensure continued relevance and to identify any gaps that should be addressed with new policies. The results of the review should be shared with the governing board during the review of the proposed budget.

Below are the financial policies developed by the Borough of Carlisle. The Borough uses these policies as a guide for providing services to the community at a reasonable cost. Policies presented are not intended to restrict Borough Council's authority when determining service requirements for the activities of the Borough.

Financial Planning Policy

- A balanced operating budget is defined as recurring operating revenues equaling recurring operating expenditures.
- Capital expenditures and funding of capital expenditures are not considered part of a balanced operating budget. Funding of capital expenditures will be provided through designated revenues, debt proceeds, grants, contributions, or cash reserves.
- Section 27-3 of the Carlisle Borough Code requires a balanced budget to be adopted, with anticipated revenues equal to appropriated expenditures for all funds.
- Section 27-8 of the Carlisle Borough Code requires any increase in budget appropriations to be approved by the Borough Council in the form of an amendment to the budget resolution.
- Section 27-8 of the Carlisle Borough Code requires that transfers among budget accounts only require the approval of the Borough Manager, except that any transfer of appropriations within any budget account so as to increase the salary appropriation for the purpose of employing additional personnel shall require an amendment of the budget resolution by the Council.
- The Borough of Carlisle will follow Section 1316, Investment of Funds, of the Pennsylvania Borough Code. This section specifically identifies authorized types of investments.
- Periodically the Borough of Carlisle will conduct long-term projections of the Borough's finances.
- Periodically the Borough of Carlisle will update its capital improvement plan to assess current capital assets and plan for future capital requirements.

Revenue Policy

- Included as part of Borough Council’s biennial goal planning process was an initiative for Borough staff to investigate revenue generating concepts.
- The Borough of Carlisle’s budget process includes an evaluation of all fees assessed by the Borough. If any fees need adjusted, recommendations are provided to Council as part of the budget process and adopted at the last Borough Council meeting of the year in December.
- One-time and unpredictable revenues will only be used for specific expenditures such as special projects or capital expenditures. These revenues will not be used to support recurring operating expenditures.
- The Borough Manager has the authority to write off any delinquent accounts receivable.

Expenditure Policy

- The Borough of Carlisle will strive to pay for all capital projects with cash reserves
- If the Borough does not have enough cash reserves to fund needed capital projects, the Borough may consider issuing debt to finance the projects.
- When issuing debt, the capital projects being financed should have a useful life of at least the term of the debt issued.
- The maximum amount of debt outstanding at any time must comply with provisions of the Pennsylvania Local Government Unit Debt Act 53 Pa. C.S. § 8001 *et. seq.*, as amended and supplemented. This Act says that the debt outstanding for a local government unit cannot exceed 250% of its borrowing base. The borrowing base is the arithmetic average of total revenues received for the three preceding fiscal years.
- The Borough will strive to achieve fund balance reserves consistent with the goals adopted by Borough Council. Below is each fund’s goal as a percentage of annual operating expenditures:
 - General – 25%
 - Water – 25%
 - Solid Waste – 25%
 - Sewer – 50%
 - Parking – 50%
- Actual financial results will be analyzed regularly. Tools used to monitor the results are listed below:
 - Notifications are provided by Borough’s accounting software when accounts payable invoices are being processed if a particular account exceeds budget.
 - The Finance Director will communicate any significant budget variances in the monthly staff report.
 - Department budget managers provide updated projections for their respective departments as part of the annual budget process.
 - At least once per year the Borough will analyze financial results vs. budget and provide a report and presentation to Borough Council on the status of the budget.
 - Capital expenditures will be provided quarterly as part of the Finance Director’s staff report.

Fund Balance is defined in the Borough of Carlisle's fund balance policy as a measurement of available financial resources. It is used to identify the available resources to repay long-term debt, reduce property taxes, add new governmental programs or expand existing ones, or enhance the financial position of the Borough, in accordance with policies established by Borough Council.

When the Borough develops fund balance estimates during the budget process, cash reserves as of December 31st of the second year prior to the budget are used as a starting point to develop the estimated cash position of the Borough. For example, for the 2016 budget, 12/31/14 was used as the starting point. 2015 projections were added to develop an estimated 12/31/15 fund balance, which was used to estimate the fund balance as of 12/31/16.

The Borough's presentation of fund balance in the budget differs slightly from the presentation of fund balance in the CAFR. When the Borough prepares the budget the emphasis is on the amount of cash in reserve. Therefore, the amount stated in the CAFR is significantly different from the amount used for the budget since the fund balance in the CAFR is calculated by taking the difference between total assets and liabilities in each fund.