



# BOROUGH OF CARLISLE

*“Committed To Excellence in Community Service”*

November 22, 2013

Honorable Mayor and Borough Council,

I am pleased to submit the Borough of Carlisle’s proposed 2014 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) introduce the new 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 2013 that will affect the 2014 budget.

## **New Budget Format**

I am particularly proud of the new, and I think improved, budget format. Our Finance Director Owen Snyder, Assistant Finance Director Marlies Ries, Assistant Borough Manager Debra Figueroa and Borough Secretary Joyce Stone have been working on this new format for some time and have done an outstanding job!

The primary objective in creating this new format is our desire to produce a budget document that is easily understood and provides as little or as much information as the reader would like. To assist us in this aim, we turned to the Government Finance Officers Association (GFOA) to find the leading practices in the presentation of municipal budgets. According to the GFOA, a municipal budget should 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 confident that elected officials, staff, and residents will find that the new format makes the Borough's budget information much more accessible and easier to understand. This is only the first year of this new format and so it is our hope that we will be able to refine it in future years and provide even more information and analysis.

## **Budget Process**

The budget process began much earlier this year than in the past. Rather than beginning in late spring we decided to begin in January. We did so because we knew that (1) we were again facing a significant structural deficit in the General and Sewer Funds, (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 2014.

Our early work included extensive analysis of the Borough's current financial health, the trends that were impacting the budget, and possible short term and long term strategies to address these trends.

We also started much earlier because we needed four to five months to develop the first part of our five-year Capital Improvement Plan. We recognized that this plan was critically important to helping us develop the budget and address the structural deficit. This first part analyzed and evaluated the Borough's vehicles and equipments. Next year we will evaluate the Borough's physical facilities.

In late spring, we began discussing elements of the budget with senior staff. They were subsequently asked to identify a number of cuts that would produce ongoing (not one-time) savings.

Following this lengthy process, we were able to prepare a balanced budget with the same tax rate. Last December, I indicated that we would not be recommending a tax increase for 2014. We are glad that we were able to follow through on that commitment.

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 just under \$50,000 in a variety of cuts. Further, each department was asked to reduce its overtime by 10%.

Additionally, a number of other cuts and changes were made that resulted in permanent cost savings. A few of these include:

- Transfer of Dispatch to the County 911 Center - \$35,000
  - Eliminating second Police Lieutenant position & adding a patrol officer - \$30,000
  - Restructured the Information Technology services contract - \$20,000
  - Utilization of Police Forfeiture funds - \$10,000
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 2013 levels. At the same time, it proposes to preserve services to 2013 levels as well.
  3. Maintain the competitive compensation system – The proposed budget maintains the competitive compensation system that was adopted just a few years ago. Non-uniformed pay increases, which varied based on the compensation system, averaged 2.9%. Uniformed personnel, who fall within the Police bargaining unit, will receive a contractual pay increase of 2.5% in addition to contractual step increases for an average of 5.6%.

4. Use of Reserves – Recognizing that we will not be able to eliminate the structural deficit all in one year, we are proposing to use \$15,000 in reserves. Ideally this number will decrease in future years to the point where the structural deficit is eliminated and no reserves are used.
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 and increased estimated expenditures for Health Insurance premiums at a higher level. 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 is the fund about which I am most concerned. The Borough experienced a budget surplus in 2012 and it expects to realize a budget surplus again in 2013. In the case of 2012, the surplus was due primarily to higher Earned Income Tax (EIT) collections and Building Permit revenues.

In the case of 2013, the surplus is expected to be the result of higher EIT and one time revenues such as a donation from an estate and a contribution from the Cumberland County District Attorney's office, both of which are restricted in their use.

The General Fund's fund balance is above our goal of 20% of annual operating expenses. Even so, future long-term revenues in general are expected 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 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. As a result, 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 growth and even decline in jobs within the Borough these revenues cannot be increased, and are subject to decreases.

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 100% with General Fund dollars. In comparison to all other Cumberland County municipalities, Carlisle Borough spends far more per resident on police and fire protection.

Concerning expenditures, the Borough has and will continue to face significant pressure on its expenditures. For example, with the recent passage of the Firefighter Cancer Presumption Act, our premiums for Workers Compensation for our Firefighters has increased by over \$50,000. Further, our current Police Union agreement will require increases over the next two years until the next agreement is adopted and it is uncertain as to whether any savings will be realized in the next agreement. Finally, the current non-uniformed employee pay plan will also likely call for annual increases, although these increases are discretionary.

Maintaining the status quo will result in continued stagnant revenues and ongoing obligated expenditures, both of which will continue to perpetuate the structural deficit we have experienced for many years. 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 is relatively stable. The fund balance in this fund is well above the goal of 5% of annual operating expenses, which goal we may want to increase in the future. Current revenues are keeping up with expenditures and, with an adequate fund balance, the Borough should be able to sufficiently fund necessary future capital expenditures.

**Sewer Fund** – the current status of this fund is concerning. Although the fund balance is right at the goal of 50% of annual operating expenses, revenues are not quite keeping up with expenditures and they are clearly not keeping up with the anticipated capital costs that will likely be needed to address our system’s Inflow and Infiltration (I&I) challenges. For example, on a typical sunny day, the Borough’s wastewater treatment plant receives approximately 3 million gallons of sewage. During a typical heavy summer thunderstorm, the wastewater treatment plant could receive two to three times this amount. This seepage into the sewage collection system is the result of inflow and infiltration.

In the spring of 2014, a study will be conducted to determine the extent of the I&I problem as well as create a long term plan (along with cost estimates) to make repairs and upgrades to eliminate as much of our I&I as is feasible.

Due to our current deficit, we are recommending that Council adjust the sewer rate for inflation to the 2011 level, which was the last time rates were increased. Based on the Consumer Price Index, this will result in an approximately 5.9% increase. This would translate to an increase of approximately \$2.50 per month for an average household. This adjustment will close the current operational deficit but will not address anticipated future capital costs that we expect will result from the I&I Study. We plan to address these costs once the I&I Study is completed and we have a clearer understanding of what our long term capital costs will be to address I&I.

**Parking Fund** – this fund is in good shape. The fund balance is above the goal of 50% of annual operating expenses. Based on our recently developed Parking Plan, we have identified areas within our operations that need to be updated such as our parking citations which we recommend be increase from \$5 to \$15. Additionally, we have recommended that the price for monthly garage leases be increased as well.

**Solid Waste Fund** – the Borough recently entered into a new three year contract to collect the Borough’s trash and recycling. We received attractive cost estimates to collect the Borough’s solid waste and recycling and believe these low costs will help us keep bag prices the same at least until 2015 when our contractual price increases. The Borough does not have a stated fund balance goal but we currently have a fund balance of 13.6% of operating expenses.

## **Accomplishments and Initiatives**

During 2013, we undertook a number of initiatives that we believe resulted in several positive accomplishments. These accomplishments will allow us to realize savings in the

2014 budget. They will also assist us in developing long term strategies to reduce and eliminate our structural deficit. We have been sensitive to pursue only those strategies that will not reduce the quality of the services we deliver to our residents. In many cases, the strategies we have developed will actually enhance the services we provide to the community. Some of these accomplishments include:

1. Developed a Five Year Capital Improvement Plan that will help us better forecast and plan for future capital expenditures. It also allowed us to evaluate and modify our future capital needs that will result in approximately \$1.7 million in savings over 15 years.
2. Facilitated the public process to develop the Carlisle Urban Redevelopment Plan. This plan will provide much needed economic development and neighborhood revitalization.
3. In partnership with Dickinson College, completed the Citizen Satisfaction Survey that helped us understand how residents felt we were doing in delivering specific services. While the survey indicated that citizens are very satisfied with Borough services in general, it also better informed us about those services that need improvement.
4. Transfer of Emergency Dispatch to the Cumberland County 911 Center which also included the transfer of parking enforcement to the Finance Department and the discontinuance of a Lieutenant position and the addition of a patrol officer. This is one example of how a change will result in enhanced services to our residents. Not only will this change reduce response times but it will also provide true interoperability with surrounding agencies.
5. Refinanced Borough debt which will save approximately \$515,000 over 20 years.
6. Established a valve exercising program to prolong the life of the Borough's water system infrastructure.
7. With the assistance of a Federal Emergency Management Administration grant, created a volunteer firefighter recruitment and retention program that will enhance our pool of qualified volunteer firefighters at no additional cost to residents.
8. Completed a 13.8 mile section of the Borough's Bike and Pedestrian Trail Network that provides a walking, biking, running, and hiking trail for residents.

9. Effective January 1, 2014, restructured the primary management of the Borough's parks from the Public Works Department to the Parks and Recreation Departments. This is another example of a change that will enhance services to our residents without increasing costs by focusing more of our resources toward ensuring that our parks and open spaces are as attractive and functional as they can be.
10. Devised the 2013 Parking Operations and Facilities Plan to improve the planning and maintenance of our parking enforcement and parking infrastructure.
11. Created a new Borough Website to provide information to our residents and visitors in an updated and more accessible format.
12. Began a 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.

## **Conclusion**

I would like to thank staff for the outstanding service they provide our community. We are fortunate to have such capable people. 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 second year in a row, we were able to make significant 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	\$ 12,732,340	\$ 4,361,748	\$ 5,352,525	\$ 600,800	\$ 679,500	\$ 23,726,913
Operating Expenditures	(10,659,542)	(3,430,883)	(4,781,898)	(490,020)	(679,500)	(20,041,843)
Capital Expenditures	<u>(2,072,798)</u>	<u>(815,767)</u>	<u>(327,641)</u>	<u>(88,000)</u>	<u>-</u>	<u>(3,304,206)</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ 115,098</u>	<u>\$ 242,986</u>	<u>\$ 22,780</u>	<u>\$ -</u>	<u>\$ 380,864</u>

# BUDGET SUMMARY

# Fund Balance Estimates

## FUND BALANCE SUMMARY

Description	General	Water	Sewer	Parking	Solid Waste
12/31/12 Fund Balance	\$ 3,262,612	\$ 602,698	\$ 1,683,918	\$ 447,929	\$ 152,488
Projected 2013 Revenues	12,101,140	6,988,681	5,238,386	512,970	677,591
Projected 2013 Expenses	(11,529,770)	(6,671,571)	(4,721,778)	(433,550)	(744,180)
Projected 2013 Surplus (Deficit)	571,370	317,110	516,608	79,420	(66,589)
Projected 12/31/13 Fund Balance	\$ 3,833,982	\$ 919,808	\$ 2,200,526	\$ 527,349	\$ 85,899
Budget 2014 Revenues	12,596,776	4,361,748	5,352,525	600,800	679,500
Budget 2014 Expenses	(12,732,340)	(4,246,650)	(5,109,540)	(578,020)	(679,500)
Budget 2014 Surplus (Deficit)	(135,564)	115,098	242,985	22,780	-
Projected 12/31/14 Fund Balance	\$ 3,698,418	\$ 1,034,906	\$ 2,443,511	\$ 550,129	\$ 85,899
Projected 12/31/14 reserves as % of annual operating expenses (based on '14 Budget)	34.70%	30.16%	51.10%	112.27%	12.64%

**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 2012 and 2013:

- **Economic Development**
  - Continue redevelopment efforts of industrial / blighted sites
  - Continue promotion of Murata Business Incubator and retention of graduating business
  - Incentives to locate within the Borough, including but not limited to Local Economic Revitalization Tax Assistance (LERTA) Program, Community Development Block Grants, and enterprise zones
  - Downtown strategies to include strategies outlined in the Retail Market Data and Analysis Project (Gibbs Study)
  - Focus on downtown revitalization efforts through the use and support of the Downtown Carlisle Association
  
- **Fiscal Responsibility**
  - Continue to achieve reserves equal to 50% of annual operating expenditures in the sewer fund, 50% in the parking fund, 20% in the general fund, and 5% in the water fund
  - Employ long range forecasting. Use extended planning to view “what is to come”
  - Continue the goal of efficiencies with technology, department processes
  - Continue pursuit of GFOA Award for Excellence in Financial Reporting
  - Explore Capital Budget Process Enhancements
  
- **Public Safety**
  - Maintain relationship between Carlisle Fire Department and Council
  - Correct misperceptions about community safety
  
- **Neighborhoods**
  - Update / review Comprehensive Plan
  - Educate citizens about the programs that are offered and projects undertaken by the Borough

- Continue to foster neighborhood associations and continue to work cooperatively and collaboratively with them on initiatives such as street lighting, façade improvements, street trees, etc.
- Continue improving property maintenance code compliance
- Address increase in homeless population in Carlisle
  
- **Diversity & Inclusion**
  - Promote diversity in the work force
  - Generate Job Descriptions for each Committee of Council
  
- **Communications**
  - Policy Development for Internal and External Communications

### **Comprehensive Plan**

Every 15 to 20 years the Borough of Carlisle will update its Comprehensive Plan. 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.

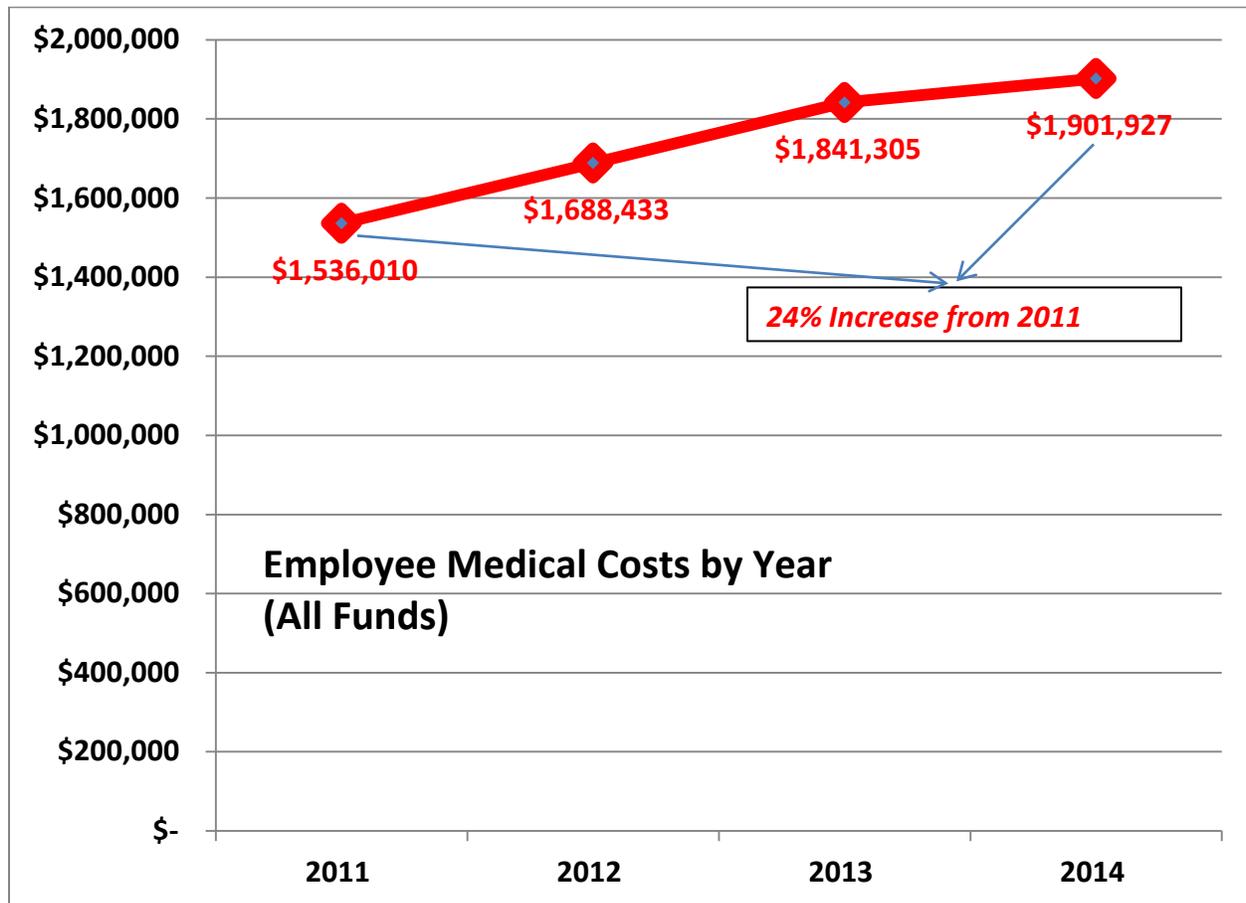
### **General Fund**

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

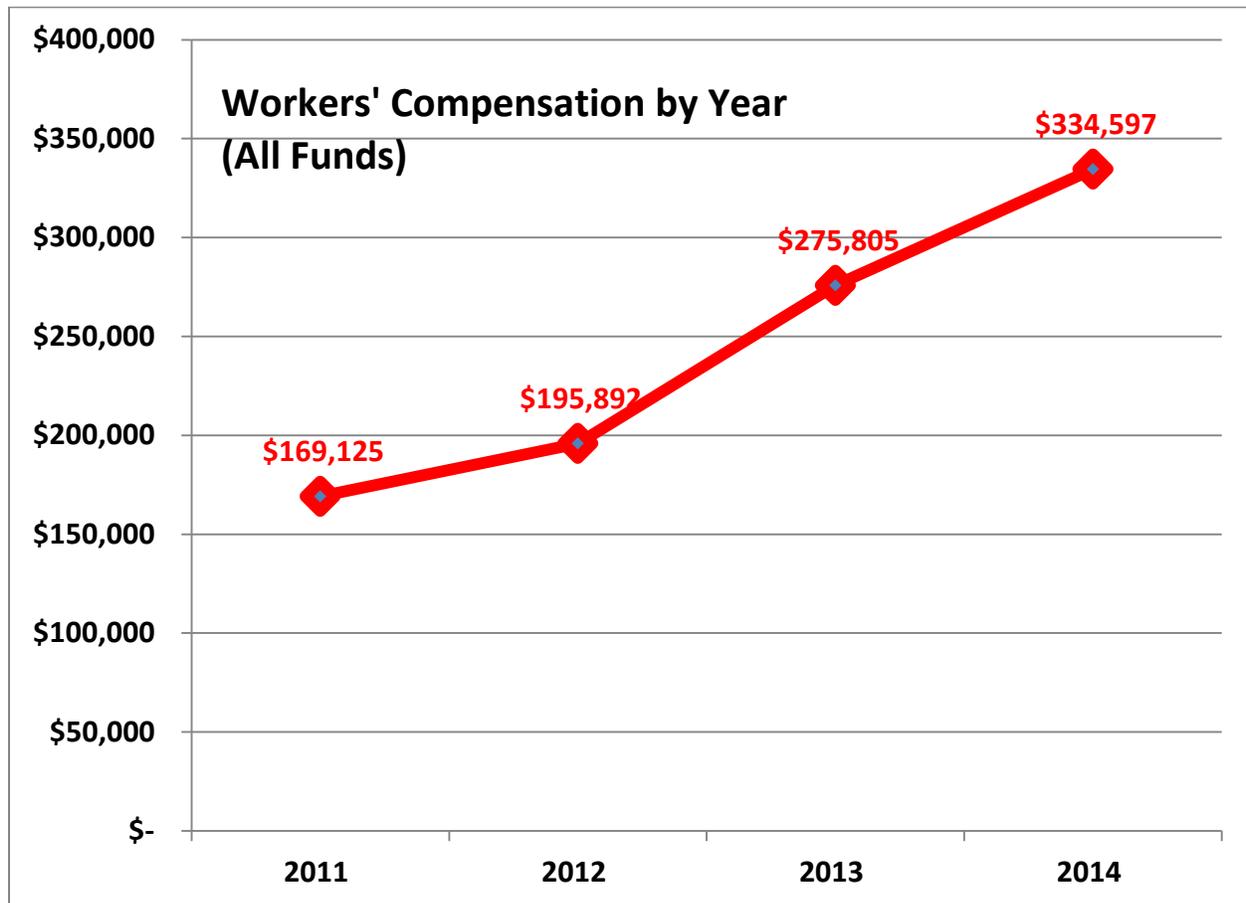
- **Urban Redevelopment Plan**
  - significant opportunity to improve overall economic condition of the Borough through revitalization of vacant industrial sites, increasing employment situation, and expanding real estate tax base
- **Improved Economy**
  - As the nation's economy improves, the Borough will recognize some effect from this through higher assessed values of properties and increased wages of residents.

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

- **Employee Wages & Benefits**
  - *Police contract*
    - The Borough's police are 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.
  - *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 increase for 2014 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. As the graph below demonstrates, employee medical costs have been increasing:



- *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. The graph below summarizes the recent increases:



- **Other Governments Impact**

- *Regulation*

- Increasing regulations by federal and state governments continue to impact local government finances. The Borough expects more stringent stormwater regulation to be developed 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.

- *State Funding*
  - The Borough's road paving program is 100% funded through Pennsylvania's Liquid Fuels program. If this funding would be reduced, the Borough would recognize a significant increase in cost to fund the Borough's paving program.
  - 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. 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.

### **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 will be 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. If that study finds that significant improvements are needed, annual costs could increase significantly.
  
- **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 even in a down economy. 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 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 Borough's parking meters are approximately 20 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 slightly.
- **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.