

Borough of Mech Part 1

R-00049255

4/28/04

NYG per

Borough of Mechanicsburg Cumberland County

Statement of facts concerning the proposed PPL rate increase

It is our understanding that PPL is proposing an increase to the rate charged to municipalities, specifically a dramatic increase in the amount charged for street lighting. We hope that the following information will express the negative impact that this proposed increase will have on Boroughs such as Mechanicsburg.

Points of Interest:

- The Borough of Mechanicsburg has 9,042 residents.
- We have almost 34% rental vs. 66% owner occupied homes.
- Our current general fund budget is \$4,670,190.
- In 2001, we had a budget deficit of \$219,000 & had to raise our taxes 53%.
- In 2002, we had a budget deficit of \$328,000 & had to raise our sewer rates.
- In 2003, we had a budget deficit of \$162,000 & had to raise our taxes yet again.
- Even with those tax & sewer rate increases, we are faced with major infrastructure improvements that still need to be completed - ex - paving & patching of our streets, sewer extensions, traffic signal upgrades, and others.
- We currently spend approximately \$107,000 per year in electricity for our street lights. If the proposed increase were to be implemented, I don't know where the Borough will find the money to cover this unanticipated increase.
- To go along with this we pay another \$100,000 towards the electricity for our wastewater treatment plant. Last year we were informed that our Act 339 funding was discontinued, which was a \$71,000 loss of income to help off-set this expense.

While we realize that we are not alone in the position that we find ourselves, we felt that it was imperative to let you know how this proposed change will affect small towns like Mechanicsburg Borough. If we can provide any additional information or assistance, please let us know.

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JUL 12 2004

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