

# 2009 Tax & Fee Guide

## Budget at a glance

*The goal is to balance the fiscal needs of providing services while equitably distributing the costs.*

- Most residents believe that the Borough Council collects much higher property taxes than they actually do. The vast majority of real estate taxes go the Middletown Area School District and Dauphin County.
- Borough Council begins public meetings each September, and throughout October and November a series of meetings is held to discuss the next year's budget.
- The Borough's budget is split into separate accounts (or funds) and the money is kept separate for each part of the operation (so fire tax money, for example, is never mixed with money to run the police or highway departments).
- The Borough receives virtually no tax revenue from Harrisburg International Airport, Penn State University, or Three Mile Island, although their proximity encourages people and businesses to locate in our town.
- For 2009, there is a significant amount of uncertainty as the Borough's labor agreements with our union workers expired on December 31, 2008. While we actively discuss future contractual obligations, the Borough Council was only able to estimate the impact of future wages and benefits on the budget. Wages and benefits make up one of the most significant expenses in the Borough's budget.
- The approved 2009 budget therefore assumes no new expenses, no new personnel (other than filling existing positions) and no new projects (other than projects already planned and financed).

2009 Budget as Adopted	
General Fund (most services including Highway and Police)	\$ 6,964,500
Sewer & Water Fund	\$ 5,748,330
Electric Operating Fund	\$ 13,176,840
Capital Improvements Fund (and Debt Service)	\$ 763,510
Fire Department Operating Fund	\$ 155,260
<b>Total</b>	<b>\$ 26,808,440</b>

2009 Real Estate Tax Dollar			
School Taxes	19.948 mills	\$1,995.00	61.46%
County Taxes	6.876 mills	\$687.60	21.19%
Borough Taxes	4.848 mills	\$484.80	14.93%
Fire Taxes	0.783 mills	\$78.30	2.41%

**In 2009, the Borough will collect only 17¢ of each \$1 our citizens pay in taxes.**

*All calculated on a house valued at \$100,000.*

## Real Estate Taxes

### NO CHANGE FOR 2009

- The Borough rate will remain at 4.848 mills. A home assessed at \$100,000 will pay \$484.80 per year in taxes.

*Example (For 2008):*

These rates **PLUS** the County Library Tax of 0.35 mills, which Middletown does not pay

- |                                    |   |
|------------------------------------|---|
| • Harrisburg - 33.45 + Library Tax | • Paxtang - 9.19 + Library Tax                    |
| • Steelton - 24.00 + Library Tax   | • Penbrook - 8.37 + Library Tax                   |
| • Highspire - 10.35 + Library Tax  | • Middletown 2008 & 2009 - 4.848 + NO LIBRARY TAX |

*How to calculate your Real Estate Tax bills:*

- Take the assessed value of your home and divide it by 1,000. Then multiply by the mill rate. For example, a house valued at \$75,000 would pay \$364 per year in borough taxes ( $75,000/1,000 = 75 \times 4.848 = \$364$ ).

## Capital Projects/ Bonds

### NO CHANGE FOR 2009:

Other than current projects (the Middletown Pool, renovations at Behney Motors, and minor improvements at the Library, Hoffer Park, and Borough Hall, there are no new projects, no new borrowing, no new bonds, and no new debt.

## Fire Taxes

### NO CHANGE FOR 2009



- The Fire Tax rate would remain at 0.783 mills; which is 20% less than the Fire Tax was in 2006. A home assessed at \$100,000 would pay \$78.30 per year in fire tax.
- 100% of these taxes go to support the volunteer men and women of the Middletown Fire Department.

**Who pays real estate taxes?** Property owners and businesses pay directly with costs being passed on to renters and customers.

**Who pays trash fees and electric rates?** Everyone including property owners, landlords, tenants, and businesses.

## LST Worker Tax & Per Capita Taxes

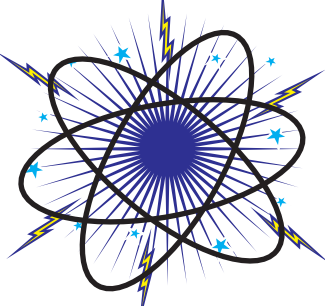
**NO CHANGE FOR 2009:** People whose jobs are in Middletown pay the Borough \$52 per year (\$42 to the Borough and \$10 to the School District). People over 18 who live in the Borough pay \$10 per year. Those over 18 who live here and are employed, pay an additional \$10 per year. All persons, even those self-employed, must pay these taxes.

## Electric Rates

**NO CHANGE FOR 2009:** No additional change in the retail cost of electricity other than the PPCA, which was adopted in September 2006 and will vary the rate from billing period to billing period.

### Low-Income Senior Citizen Electricity:

Council extended the pilot or test program; it might expand to other customers; and it uses time-of-use billing so off-peak power is cheaper.



**DID YOU KNOW?**  
The School District real estate taxes are decided by the School Board each spring; not the Middletown Borough Council. This year, the School tax is 410% more than the Borough tax.

## Trash & Refuse Fees



**THE BOROUGH REQUIRES NO INCREASE:** All Middletown trash is taken to the Harrisburg Incinerator pursuant to Dauphin County local law; there is no option to use an alternate facility. The Borough provides service through our contractor, PENN WASTE, to all single family homes and some apartments and business; residents in many apartment buildings such as Pineford & Harborton Court make their own arrangements. PENN WASTE requires no increase for 2009. However, if the Dauphin County Commissioners agree to a rate increase in 2009, a percentage increase will unfortunately be passed along to Middletown's trash customers. The Borough Council supports efforts to prevent these rate increases and supports recent efforts to send the matter to arbitration. Otherwise, Middletown's trash customers continue to pay \$24.03 per month.

## Water & Sewer Rates

**15% increase:** The 15% increase is an attempt to phase-in (stretch but not reduce) the impact of the upcoming re-build of the Wastewater Treatment Plant being forced by new state and federal rules called the Chesapeake Bay Tributary Strategy.



- 15% increase in the sewer rates: The average house would see a monthly sewer increase from \$32.02 to \$36.82.
- 15% increase in the water rates: The average house would see a monthly water increase from \$32.58 to \$37.48.

**Please note commercial and large-size water and sewer customers have different rate structures, but they will also increase 15%.**

MIDDLETOWN BOROUGH

