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NEWS RELEASE

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CHESTER CITY COUNCIL ADOPTS BALANCED 2010 FINAL BUDGET WITH NO TAX INCREASES

Chester, PA -- Chester City Council approved its final reading of the city's \$42 million budget for FY 2010 earlier today which included no tax increases even in light of tough economic conditions and rising costs. At a time when many cities are in a major struggle to balance their budgets, the City of Chester has been able to do so without a tax increase or any reductions in services or manpower, while simultaneously continuing to invest in the future with dedicated funds for vital capital improvements.

The positive results of over a decade of economic development and a continued program of fiscal responsibility and discipline have allowed the City of Chester to weather the storm of the national economic crises without providing a further financial burden on taxpayers.

"It is clear that the City of Chester has not been immune from the worst economic conditions since the Great Depression. However, our long term strategy of reducing our tax rates to enhance our competitiveness coupled with our economic development efforts have yielded the desired financial results that allow us to present a 2010 budget that provides for no increase in our real estate tax rate for the **15th consecutive year**," stated Mayor Wendell N. Butler, Jr. "It should also be noted that since 1996, resident earned income tax rates have been reduced by 25% and business privilege tax rates have been reduced by 19% meaning more money has remained in the pocket of taxpayers when they may need it most."

The following provides the highlights of the 2010 Budget:

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2010 Budget Highlights

- FY 2010 departmental expenditures increased by a modest **3%** to **\$40,654,762** when compared to the FY 2009 budget.
- Total FY 2010 general fund expenditures total **\$42,002,592** which includes operating transfers, for an increase of only **2%** compared to FY 2009 budget.
- The City's FY 2010 budget includes **NO TAX INCREASES** in Resident Earned Income Taxes, Non-Resident Earned Income Taxes, and Business Privilege Taxes.
- The City's following tax rates and subsequent burden on taxpayers have decreased significantly since their highs in 1996:

	<u>FY 1996</u>	<u>FY 2010</u>	<u>% Diff.</u>
Resident Earned Income Tax Rate	3.00%	2.25%	25%
Non-Resident Earned Income Tax Rate	2.00%	1.25%**	37.5%
BPT – Wholesale	0.35%	0.274%	21.7%
BPT – Retail	0.45%	0.365%	18.9%
BPT – Service	0.45%	0.365%	18.9%

**Note: Non-resident EIT required to be reduced to 1.0% under the Commonwealth's requirement to emerge from Act 47 status.

- The City has once again held the line on real estate taxes with the millage remaining at 29.792. The City's administration has held the same real estate tax rate for **15 CONSECUTIVE YEARS**.
- Fully funds all available positions in the police and fire departments as critical to enhancing the protection of the public.
- Provides a **50% increase** in funding to the J. Lewis Crozer Library over FY 2009 levels to a total of \$105,000.
- FY 2010 budget makes significant capital investments to improve the delivery of service to the public, including the purchase of up to ten (10) police vehicles to replace an aging fleet, lease of a street sweeper, and significant investments in parks and public property.

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