

## BUDGET WORK SESSION

November 12, 2015

A Budget Work Session of the Whitpain Township Board of Supervisors was held on Thursday, November 12, 2015 at the Whitpain Township Building, 960 Wentz Road, Blue Bell, PA at 8:30 a.m. for the purpose of reviewing the proposed 2016 Budget. Chairman Frederick R. Conner, Jr. was present with Supervisors Adam D. Zucker, Anthony F. Greco and Melissa M. Weber. Supervisor Kenneth F. Wollman joined remotely. Township Manager Roman M. Pronczak, P.E., Assistant Township Manager David J. Mrochko, Director of Finance Christine M. Bauman, Police Chief Kenneth Lawson, Code Enforcement Officer Michael E. McAndrew, Director of Public Works Ronald J. Cione, Director of Parks & Recreation Kurt W. Baker, Township Engineer James E. Blanch, P.E., Fire Marshal David M. Camarda, Assistant Finance Director Kellen Jarrett, and Recording Secretary Virginia Papale were also present. There were no members of the public present.

Township Manager Roman Pronczak began the presentation noting that today's topics include the Sewer Operating and Sewer Capital Funds. Residents and businesses have their wastewater treated at one of five facilities located outside of the Township. The two largest are the East Norriton-Plymouth-Whitpain Joint Sewer Authority and Ambler. Whitpain Township is responsible for 113 miles of sanitary sewer lines, more than 2,500 manholes, seven pumping stations and three metered facilities.

The only major source of revenue for the sewer funds is from sewer rentals. Residential rates currently are assessed at \$85/qtr. with an added \$21.25 for usage over 20,000 gallons. Commercial rates are \$150/qtr. for 12,000 gallons, with an added \$7.30 for each additional 1,000 gallons. Beginning the second quarter of 2016, residential rates will be increased to \$89/qtr., with the usage fee of \$22.25 for over 20,000 gallons. Commercial rates will be increased to \$157/qtr. for 12,000 gallons, and \$7.75 for each additional 1,000 gallons. The last adjustment was made in 2007, and since then much has been done to contain costs. As far as rates, we are below many of the neighboring communities. Capital improvement costs created the need for an increase. To accommodate new development, costs to extend sewer facilities into a project are paid by the developers.

State subsidies have been phased out, which eliminate a significant funding source. Without a rate increase, the sewer fund balances would be depleted by the end of 2017. The proposal includes a sewer rate adjustment of \$4/qtr. for residential, and \$7/qtr. for commercial properties. Treatment costs are the main expenditure, followed by salaries and benefits. Cost-containment measures include monitoring infiltration and inflow (I & I), with repairs being made as necessary, and equipment maintained to assure operating efficiency.

Stringent treatment requirements imposed by the state and federal regulatory agencies require additional capital investment at treatment plants. Aging infrastructure and equipment must also be taken into consideration. As recommended by the Finance Committee, major capital projects are proposed to be amortized to lessen the impact on the budget in any given year.

Mr. Pronczak said additional comments on the Budget will be taken at the Board of Supervisors' meetings at 8 p.m. on November 17 and December 1, with passage of the 2016 Budget anticipated to be December 1.

At approximately 9:05 a.m. the Budget Work Session was adjourned.

Mr. Pronczak then gave an update on the funding for the new firehouse. The cost of the new firehouse is expected to be \$4.5 million, including a contingency. Based on the estimated construction cost and known funding sources, there is approximately a \$1 million shortfall. Grants, as discussed with Senator Leach and Representative Harper, are uncertain at the moment, as there is no timeline for when the funds might be available. Supplementary funding sources continue to be explored by the CSFC and the Township.

An executive session followed to discuss personnel matters.

Respectfully submitted,



Roman M. Pronczak, P.E.  
Township Manager