

BUDGET WORK SESSION

November 9, 2016

A Budget Work Session of the Whitpain Township Board of Supervisors was held on Wednesday, November 9, 2016 at the Whitpain Township Building, 960 Wentz Road, Blue Bell, PA at 8:30 a.m. for the purpose of reviewing the proposed 2017 Budget. Chairman Adam D. Zucker was present with Supervisors Melissa Murphy Weber, Anthony F. Greco and Melissa M. Weber. Supervisor Kenneth F. Wollman was absent. 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, Sewer Capital, Stormwater Outfall and Fee In Lieu of Stormwater Management Funds.

Residents and businesses have their wastewater treated at one of four 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.

As proposed, the Sewer Fund shows expenditures at \$3.9 million and revenues at \$3.6 million. Costs to accommodate new development are paid by developers. Despite increased costs, sewer base rates have not been changed since 2007. With no scheduled increase in rates, the fund balance will fall below the desired balance after 2018. An adjustment in 2018 to a base of \$98/quarter may be needed to keep the fund balance positive until 2020. As far as rates, we are below many of the neighboring communities.

The Sewer Capital Fund will experience increased demands due to more stringent treatment requirements imposed by state and federal regulatory agencies at treatment plants to achieve permit limits. In addition, the Township's infrastructure continues to age and major equipment is approaching its useful life. To accommodate new development, costs to extend sewer facilities into a project are paid by the developers. In 2016 an engineering firm was hired to evaluate the condition and value of the sewer system. When the report is completed, we will re-evaluate all aspects of our sewer operations.

The Fee In Lieu of Stormwater Fund is paid by residents who propose to expand an existing residential property and are unable to provide a stormwater management system. The fees paid are used for regional stormwater management systems, and have

been successfully used to provide a local match when approximately 50% of construction money came from DEP grants. This is no longer an option in the Wissahickon Watershed based on new regulations. A stormwater management system is required on any project over a certain threshold.

The Stormwater Outfall Fund revenues are primarily used for construction or major repairs to the stormwater systems. Fees paid by developers are the main source of revenue.

Previous budget work sessions included the recommendation to allocate the unanticipated real estate transfer money from the sale of the COPT property to the Open Space Fund in early 2017. It is recommended that this be done before the end of the year to help with cash flow and begin open space projects.

Mr. Pronczak said additional comments on the Budget will be taken at the Board of Supervisors' meetings at 8 p.m. on November 15 and December 6, with passage of the 2017 Budget anticipated to be December 6.

At approximately 9:17 a.m. the Budget Work Session was adjourned.

Respectfully submitted,



Roman M. Pronczak, P.E.
Township Manager