



# Proposed 2014 Budget

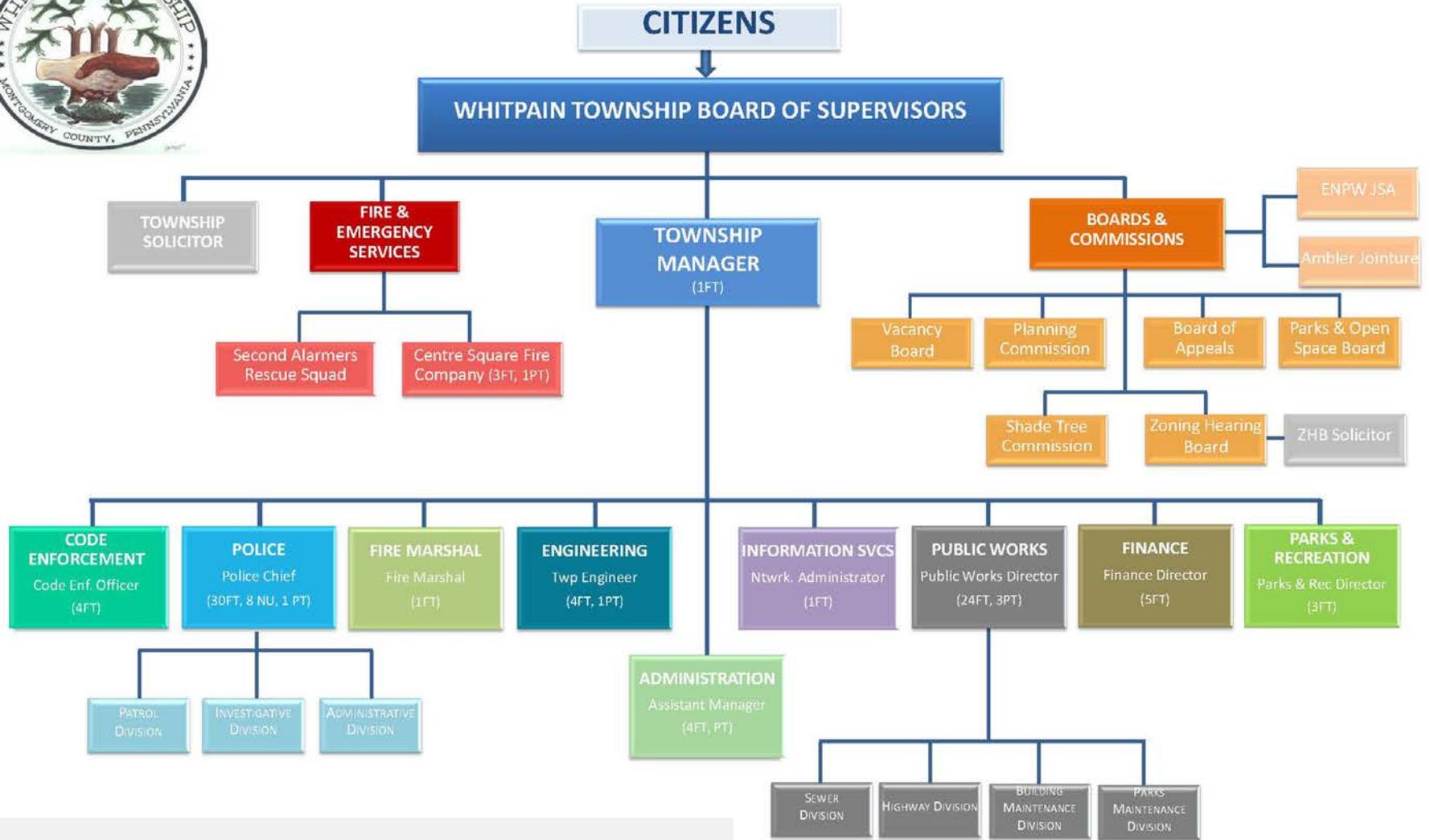
*as presented October 15, 2013*

Whitpain Township

# Agenda

- ▶ **Summary:**
  - **No tax increase in 2014**
  - **No tax increases anticipated for next 5 years**
- ▶ Requirement & Process
- ▶ Background
- ▶ General Fund
  - Revenue
  - Expenditures
- ▶ Capital Reserve
- ▶ Sewer Operating Fund
- ▶ Sewer Capital Fund
- ▶ Summary & Questions





# Township Organization

**Full Time Employees = 87**  
**Part Time Employees = 7**

**Staffing Reductions (2010-2014) = 5 (not currently budgeted)**

# Requirement

§ 27-4: *“The Township Manager shall prepare and submit the annual budget to the Board, together with such explanatory comments as deemed necessary, and administer the approved budget.”*

# Budget Process

- ▶ Preparation of the Annual Budget/Five Year Plan is a year-long process. The budget is prepared by the staff based on direction received from the Board of Supervisors and input from Board and Commissions.
- ▶ Public Budget Work Sessions are held each fall; this year there will be 3 sessions, all of which are open to the public:
  - ▶ October 15<sup>th</sup> (8:00 p.m.), October 22<sup>nd</sup> (8:30 a.m.), and November 14<sup>th</sup> (8:30 a.m.)
    - Additionally, comments will be received at the Board of Supervisors meetings on Nov 19<sup>th</sup> & Dec 3<sup>rd</sup>

# Major Initiatives 2013

## ▶ **Public Private Partnerships**

### Manor House at Prophecy Creek Park

- ▶ Elimination of ongoing maintenance costs
- ▶ Facility improvements privately funded
  - ▶ 2013 improvements included:
    - ▶ Replacement of boiler, all ADA compliance issues, and fire safety measures
- ▶ Expected future revenue generated for open space purposes of approx. \$300,000 annually



# Major Initiatives 2013 (con't.)

## ▶ **Public Private Partnerships**

### Centre Square Park

- ▶ Approx. \$4.5 million of improvements being built without tax dollars.
- ▶ Improvements include: 7 fields, walking trails, sophisticated stormwater management system, and a state of the art irrigation system which uses rainwater. Additionally, plans for a dog park are being developed.
- ▶ Park Naming and Partnership Recognition Ceremony is set for October 19<sup>th</sup>.



# Major Initiatives 2013 (con't.)

## ▶ **Public/Non-Profit Partnerships**

### Centre Square Fire Company

- ▶ CSFC celebrated their 100<sup>th</sup> Anniversary in 2013 with a parade down Skippack Pike, a golf tournament, and an enhanced Fire Expo which featured a fireworks show.
- ▶ Tower 33, a new 100-foot platform truck, was added to the fleet this year, as was a new Fire-Police unit.



# Major Initiatives 2013 (con't.)

## ▶ **Public/Non-Profit Partnerships**

### Second Alarmers Rescue Squad

- ▶ On June 4<sup>th</sup>, 2013, SARS broke ground on the construction of their permanent station at the Township municipal complex. The station is being funded by a state grant, donations, and by SARS.
- ▶ Although SARS began serving Whitpain in 2007, they celebrated their 75<sup>th</sup> Anniversary this year.



# Major Initiatives (con't)

## West Ambler Revitalization – Plan of Action & Milestones

- ▶ In June, the Board of Supervisors formally adopted the West Ambler Revitalization and Action Plan as an addendum to the township's comprehensive plan.
- ▶ The first phase of a streetscape project, to install curbs and sidewalks to areas of West Ambler, will wrap up before the end of October. Most of the costs associated with the streetscape improvements have been paid with a state grant.
- ▶ A multi-municipal partnership was formed with Ambler Borough to plan cooperative efforts of future development and revitalization in West Ambler and Ambler Borough.
- ▶ Temple University's study of the Rose Valley watershed is nearing completion and is a vital step in addressing flooding issues in the community.



- |                                                        |                         |                                          |                                       |                   |
|--------------------------------------------------------|-------------------------|------------------------------------------|---------------------------------------|-------------------|
| 1 MAIN PARK ENTRANCE                                   | 6 OPEN LAWN             | 13 MEADOW (TYPE)                         | 16 AMPHITHEATER                       | 21 STORMWATER BMP |
| 2 DROP-OFF & PAVILION/RESTROOMS                        | 7 BASKETBALL COURT      | 14 TREE PLANTING ON MOUNDED EARTH (TYPE) | 17 OBSERVATION PAVILION               |                   |
| 3 SECONDARY ENTRANCE / NEW PEDESTRIAN WALKWAY TO MAPLE | 8 PICKLE BALL COURTS    | 15 ROSE CREEK PEDESTRIAN BRIDGE          | 18 BOARDWALK / OBSERVATION DECKS      |                   |
| 4 PARKING (30 SPACES)                                  | 9 LAWN VOLLEYBALL COURT | 16 WISSAHICKON CREEK PEDESTRIAN BRIDGE   | 19 RESERVOIR BANK HABITAT RESTORATION |                   |
| 5 COMMUNITY BUILDING                                   | 10 PLAYGROUND           | 17 12 FT. WIDE RUNNING LOOP (1/3 MI)     | 20 ROSE CREEK RESTORATION AREA        |                   |

# Major Initiatives (con't)



## Continued Financial Strength

- ▶ Whitpain's Aaa Rating from Moody's played a significant role in the rating received by the E.N.P.W.J.S.A for the treatment plant expansion and upgrade project.
- ▶ Whitpain Township received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.
- ▶ Low overall debt, conservative budgeting, and strong tax base.
  - ▶ Whitpain utilizes a five-year Budget Planning Process
    - ▶ Operating and Capital Budgets
    - ▶ Best practices learned from the business community
    - ▶ Ensures long-range planning for financial stability

# Committee Structure

- ▶ Finance Committee
- ▶ Fire and Rescue Services Committee
- ▶ Operations Committee
- ▶ Special Committees
  - ▶ West Ambler Revitalization
  - ▶ Land Development
  - ▶ Boys & Girls Club



# Committee Accomplishments 2013

## ▶ Finance Committee

- ▶ Conducted a sewer rate analysis
- ▶ Reviewed auditor proposals
- ▶ Evaluated ENPWJSA financing
- ▶ Negotiating CBA with Police Department
- ▶ Continued to oversee the delinquent sewer bill collection program
- ▶ The initial outstanding balanced owed to the Township was \$326,309 in 2012, but through the efforts of the committee and staff, under \$25,000 remains uncollected or uncommitted



# Committee Accomplishments

## ▶ Operations Committee

- ▶ Comprehensively evaluated all Township properties and facilities to analyze capital needs and to plan for future facilities upgrades.
  - ▶ Reviewed and guided a team of architects as they conducted a facilities analysis.
- ▶ Identified and analyzed opportunities for continuous improvement throughout all Township departments and operations.
- ▶ Reviewed succession plans, analyzed departmental accomplishments and performance, and recommended changes for budget consideration.



# 2013 Major Accomplishments

- ▶ Content Management software integrated with financial software to enable processing documents electronically and improving efficiency.
- ▶ A comprehensive effort to digitize and electronically store all Township files continued.
- ▶ Completed Phase II of Narcissa Road Trail and continued planning for Township-wide trail system.
- ▶ Phase I of the Maple Avenue Streetscape completed.
- ▶ Updated Shade Tree Ordinance.



# 2013 Major Accomplishments (con't)

- ▶ Implemented Disaster Recovery Plan completed for catastrophic loss at municipal complex.
- ▶ Updated the Subdivision and Land Development Ordinance.
- ▶ Switched wireless providers and realized better service and savings.
- ▶ Continued power conservation program by installing energy efficient light fixtures and equipment.



# 2013 Major Accomplishments (con't)

- ▶ Implemented a procurement card system to reduce invoice processing time and cost.
- ▶ All police general orders and procedures revised to meet state requirements for accreditation.
- ▶ Police control room and patrol room renovations completed.
- ▶ Continued employee development program and PSU's Leadership Training Program for 22 staff members. (Program completely paid for by the Delaware Valley Insurance Trust. )



# 2013 Major Accomplishments (con't)

- ▶ Instituted escrow program for Township Road Occupancy Permits to assure road restoration is satisfactorily completed.
- ▶ Updated employee handbook and job descriptions.
- ▶ Added traffic calming measures on various roadways.
- ▶ Completed an aggressive road resurfacing project which involved 10 miles of roadway.
- ▶ Completed a strategic planning / goal setting session with the Board of Supervisors and Department Heads.



# Major Accomplishments

- ▶ Adopted a mission, vision, and value statement for the Township, which was crafted by Board members and staff.
- ▶ Throughout 2013, staff has focused on improving external and internal communications.
  - ▶ Due to a registration campaign, subscriptions to the Wire increased by 53%.
  - ▶ A YouTube site was launched to increase our presence on social media.
  - ▶ The bi-yearly newsletter was revamped to include many more original articles.
  - ▶ A quarterly employee newsletter was launched this fall.
  - ▶ Recognized for communications excellence by PSATS

**Mission, Vision, & Values**

**Mission**  
The mission of Whitpain Township Government is to efficiently, responsibly, and courteously provide the essential services that build value, enhance quality of life, and protect the health, safety, and rights for all who live in, work in, and enjoy Whitpain.

**Values**  
Whitpain Township Government seeks excellence in accomplishing every facet of our mission. In pursuit of excellence, we value most of all:

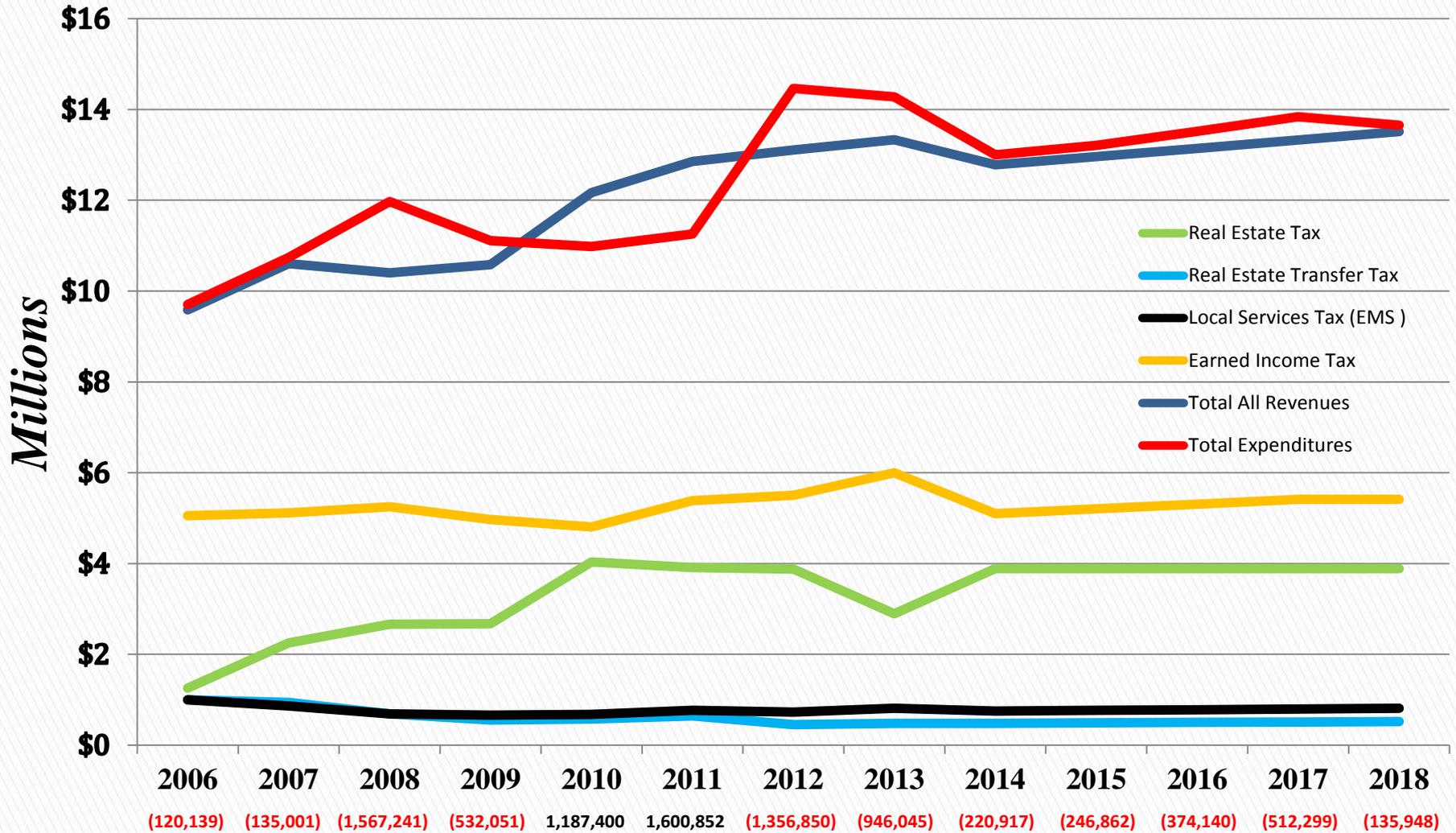
- Integrity:** We follow moral and ethical principles as we conduct our work. We are consistent in our deeds, methods, and expectations.
- Respect:** We treat everyone with respect. Our actions and words will demonstrate consideration and appreciation of others.
- Responsiveness:** We respond quickly but thoughtfully to individuals, situations, and events.
- Stewardship:** We value our natural, financial, and human resources and are diligent in protecting, preserving, and enhancing Whitpain Township.
- Partnership:** We establish transparent, long-term relationships that are based on clarity, trust, shared goals, and open communication with organizations that are committed to improving Whitpain Township.

**Vision**  
Whitpain Township is a community that embraces the future while cherishing our heritage. We will continue to be recognized for our diversity, fiscal responsibility, and leadership in resource conservation. We shall never waver in our collective commitment to ensuring public safety and enhancing the quality of life of all of our fellow citizens.

# Continuing Budget Challenges

1. **Depressed economy** (*although some improvement has been seen in EIT and transfer tax*)
2. **Escalating costs & inflation** (*especially health care*)
3. **Aging infrastructure** (*bridges/roadways, sewers, facilities*)
4. **Continued reductions in assessed property values due to assessment appeals**
5. **Federal & Commonwealth action/inaction**
  - Unfunded mandates (*stormwater, water quality, other environmental mandates*)
  - Deferred funding for important transportation projects (*especially Route 202*)

# Revenue & Expenditure Trends



Operating *Deficits*/Surplus

2014 Budget

Whitpain Township

# Flat Taxable Assessment Base

## ► MONTCO Board of Assessment Appeals *(Year to date)*

Year	Taxable Assessment	Change from Prior Year	
		Dollars	%
2000	1.86 B	-93,140,810	
2001	1.89 B	29,041,360	1.56%
2002	1.92 B	27,853,235	1.48%
2003	1.93 B	17,625,480	0.92%
2004	1.94 B	11,145,940	0.58%
2005	1.95 B	10,695,320	0.55%
2006	1.98 B	21,541,320	1.10%
2007	1.99 B	15,194,130	0.77%
2008	2.00 B	10,826,696	0.54%
2009	2.006 B	3,630,460	0.18%
2010	2.007 B	1,099,255	0.05%
2011	2.007 B	425,670	0.02%
2012	1.984 B	23,721,489	1.18%
2013	1.983 B	2,298,388	0.16%

*Taxable Assessment Base*

# Tax Rates

## ▶ Millage

- ▶ General Fund    2.02
  - ▶ Fire Tax                    0.40
  - ▶ Fire Hydrant                0.05
  - ▶ Debt Service                0.73
- 3.20 mills



## ▶ Impact

- ▶ Average residential assessment ~ \$226,000
- ▶ Average Township tax bill = \$723 (**\$60.25 per month**)
- ▶ No tax increase in 2014 or within 5-year plan
- ▶ Comparison
  - ▶ Total millage rate is the 5<sup>th</sup> lowest in Montgomery County
  - ▶ No business privilege or mercantile tax

# Total Local Tax Bill



## Wissahickon School District

17.925/73.8%

\$4,051



## Whitpain

3.2/13.2%

\$723



## Montgomery County

3.152/13%

\$712

*(Amounts based on average residential assessment of \$226,000)*

## Services Received (for \$60.25 a month)

- ▶ Police protection
- ▶ Fire protection
- ▶ Emergency medical services
- ▶ Road maintenance (*including snow/ice clearance*)
- ▶ Emergency management & response
- ▶ Engineering services (*stormwater, traffic, etc.*)
- ▶ Code enforcement (*building safety, fire safety, etc.*)
- ▶ Land use planning/zoning control
- ▶ Environmental protection
- ▶ Interface and counseling with staff
- ▶ Parks & Open Space (*446 acres of parkland*)



# Proposed 2014 General Fund Budget

*as presented October 15, 2013*

# Whitpain Township

# 2014 General Fund Overview

## ➤ **Projected Revenue**

**\$12,781,830**

### Major Revenue Sources

Earned Income Tax	\$5.45 M
Real Estate Tax	\$3.89 M
Local Services Tax ( <i>EMS</i> )	\$0.75 M
Deed Transfer Tax	\$0.48 M

## ➤ **Budgeted Expenditures:**

**\$13,002,747**

### Major Appropriations/Expenditures

Police	\$5,350,236 (41%)
Public Works & Facilities	\$2,820,344 (22%)
Administration	\$1,067,927 (8%)
Parks & Recreation	\$ 652,439 (5%)
Transfer to Capital Reserve	\$1,000,000 (8%)
Misc. & Transfers	\$2,111,759 (16%)

# 2014 Expenditures for Personnel

## ▶ *Personnel Costs*

- Salaries & wages = \$6.21 M
- Health benefits = \$1.41 M
- Pension = \$0.93 M
- TOTAL = \$8.55 M (66% of overall General Fund)
  
- Police Department represents 41% of the budget, and personnel costs represent 90% of the department's budget.

## *MMO for Township Pension Funds*

		POLICE	NON-UNIFORMED	COMBINED
YEAR	TYPE	PLAN	PLAN	TOTALS
2004	Actual	163,647	313,790	\$477,437
2005	Actual	355,988	435,234	\$791,222
2006	Actual	281,109	441,093	\$722,202
2007	Actual	258,036	464,591	\$722,627
2008	Actual	238,174	455,723	\$693,897
2009	Actual	271,853	463,939	\$735,792
2010	Actual	287,303	480,450	\$767,753
2011	Actual	531,609	669,152	\$1,200,761
2012	Budget	437,130	506,304	\$943,434
2013	Budget	423,699	480,794	\$904,493
2014	Budget	410,503	517,820	<b>\$928,423</b>

# Cost Containment Measures (Personnel)

## ▶ **Salary & Benefits**

- ▶ Pension plan changes for new employees (*Defined Contribution vs. Defined Benefit*)
- ▶ 4% cap on health benefits
- ▶ *Family health benefits no longer covered for new employees*

## ▶ **Staffing**

- ▶ Continued an internship program in cooperation with Montgomery County Community College and Wissahickon School District to utilize students for the Scanning Project and other clerical tasks. In 2013, the internship program expanded and included students from a variety of universities who worked on other projects.
- ▶ Continued cross training of staff to increase efficiency and to minimize business disruption during absences.

# 2013-2014 Expenditures Comparison

<i>General Fund Appropriations</i>	<i>2013 Approved Budget</i>	<i>2014 Proposed Budget</i>
Supervisors	96,885	95,091
Administration	1,060,202	1,067,927
Finance	373,148	384,356
Tax Collector	104,148	121,693
Law	270,000	306,000
Computer & Info. Systems	127,073	141,652
Planning & Engineering	305,709	325,162
■ Municipal Buildings	344,978	334,581
Police	5,347,617	5,350,236
Fire Marshal	232,815	208,427
Code Enforcement	451,687	450,898
Zoning Hearing Board	78,787	77,523
Public Works	2,469,060	2,485,763
Park & Recreation	635,310	652,439
Transfer to Capital Reserve	500,000	1,000,000
<b>General Fund Total Appropriations</b>	<b><u>12,397,419</u></b>	<b><u>13,001,748</u></b>

Excluding transfers to capital reserve, the 2014 Budget has increased by 0.9% from 2013.

# 2013 - 2014 Expenditures Comparison

## ➤ 2013 Expenditure Performance

Approved Budget	\$12,397,328
Transfer to Cap. Reserve (Add'l)	\$ 2,000,000
<u>Year-End Projection</u>	<u>\$14,278,110</u>
PROJECTED UNDERSPEND	\$ <u>119,218</u>

## ➤ Budgeted Expenditure Comparison

2014 Proposed Budget (Excluding capital transf.)	\$12,002,747
<u>2013 Approved Budget</u> (Excluding capital transf.)	<u>\$11,897,419</u>
INCREASE	\$ <u>105,328 (+0.9%)</u>

(Including Capital Reserve transfer budget change = 4.9%)

# General Fund Summary

<u>GENERAL FUND</u>	2013	2014	2015	2016	2017	2018
BEGINNING BALANCE	5,688,556	4,742,511	4,521,594	4,274,732	3,900,592	3,388,293
REVENUES	13,332,065	12,781,830	12,959,697	13,141,121	13,326,173	13,514,926
EXPENDITURES	11,778,110	12,002,747	12,206,559	12,515,261	12,838,472	13,150,874
SURPLUS (DEFICIT)	1,553,955	779,083	753,138	625,860	487,701	364,052
TRANSFER TO CAPITAL RESERVE	2,500,000	1,000,000	1,000,000	1,000,000	1,000,000	500,000
<b>POST TRANSFER BALANCE</b>	<b>4,742,511</b>	<b>4,521,594</b>	<b>4,274,732</b>	<b>3,900,592</b>	<b>3,388,293</b>	<b>3,252,345</b>
ASSIGNED TO OPERATING RESERVE (17% = two months)	2,002,279	2,040,467	2,075,115	2,127,594	2,182,540	2,235,649
AVAILABLE FOR TAX STABILIZATION RESERVE	2,740,232	2,481,127	2,199,617	1,772,998	1,205,753	1,016,696

# Capital Reserve Fund

Beginning Balance 2014	\$ 6,206,392
Revenues & other funding sources	\$ 661,500
<u>Transfer from GF</u>	<u>\$ 1,000,000</u>
Available	\$ 7,867,892
<u>Budgeted Expenditures (Priority 1 &amp; 2 only)</u>	<u>\$ 2,223,100</u>
Ending Balance	\$ <u>5,644,792</u>

# Budgeted Expenditures 2013/2014

	<u>2013</u>	<u>2014</u> <i>(Priority 1 &amp; 2)</i>
▶ Land & Buildings	459,000	500,000
▶ Bridges & Road Construction	295,000	335,000
▶ Autos, Trucks & Equipment	262,400	426,100
▶ Office, IT/Communication Equip.	41,000	112,000
▶ Improvements	<u>680,000</u>	<u>850,000</u>
<b>▶ TOTALS</b>	<b><u>1,737,400</u></b>	<b><u>2,223,100</u></b>



# Capital Reserve Summary 2014-2018

## Priorities 1-3

	2014	2015	2016	2017	2018	2013-2018	Other Rev. Sources	Cap. Rsrv. Funding
<b>Land &amp; Buildings</b>	500,000	1,000,000	750,000	2,200,000	2,049,000	6,499,000	-	6,499,000
<b>Bridges &amp; Road Construction</b>	335,000	1,034,000	825,000	137,280	300,000	2,631,280	1,330,000	1,301,280
<b>Autos, Trucks &amp; Equipment</b>	426,100	307,500	417,580	126,900	93,000	1,371,080	-	1,371,080
<b>Office Equipment</b>	112,000	27,000	17,000	22,000	47,000	225,000	-	225,000
<b>Improvements</b>	975,000	1,720,000	1,154,980	1,225,000	650,000	5,724,980	1,700,000	4,024,980
<b>Grand Total</b>	<b>2,348,100</b>	<b>4,088,500</b>	<b>3,164,560</b>	<b>3,711,180</b>	<b>3,139,000</b>	<b>16,451,340</b>	<b>3,030,000</b>	<b>13,421,340</b>

# Capital Reserve Summary 2014-2018

## Priority 1 & 2 Projects Only

	2014	2015	2016	2017	2018	2013-2018	Other Rev. Sources	Cap. Rsrv. Funding
<b>Land &amp; Buildings</b>	500,000	1,000,000	750,000	2,200,000	2,049,000	6,499,000	-	6,499,000
<b>Bridges &amp; Road Construction</b>	335,000	1,034,000	825,000	0	0	2,194,000	1,330,000	864,000
<b>Autos, Trucks &amp; Equipment</b>	426,100	307,500	417,580	126,900	93,000	1,371,080	-	1,371,080
<b>Office Equipment</b>	112,000	27,000	17,000	22,000	47,000	225,000	-	225,000
<b>Improvements</b>	850,000	720,000	500,000	500,000	0	2,570,000	1,700,000	870,000
<b>Grand Total</b>	<b>2,223,100</b>	<b>3,088,500</b>	<b>2,509,580</b>	<b>2,848,900</b>	<b>2,189,000</b>	<b>12,859,080</b>	<b>3,030,000</b>	<b>9,829,080</b>

# 2014 Capital Reserve Items

**Total Capital Items for 2014 - \$2,348,100 - Summary follows:**

<b>Land &amp; Buildings</b>	<b>Budget 2014</b>	<b>Total Project</b>	<b>Other Rev. Source</b>
<b>Parking Lot Modifications</b>	<b>250,000</b>	<b>250,000</b>	
<b>Admin. Bldg. Renovation Expansion (Phase 1)*</b>	<b>250,000</b>	<b>2,000,000</b>	
<b>Total Land &amp; Buildings</b>	<b>500,000</b>		

<b>Bridges &amp; Road Construction</b>	<b>Budget 2014</b>	<b>Total Project</b>	<b>Other Rev. Source</b>
<b>West Ambler Flood Control &amp; Revitalization*</b>	<b>250,000</b>	<b>600,000</b>	<b>450,000</b>
<b>Yost Road Bridge*</b>	<b>20,000</b>	<b>1,130,000</b>	<b>800,000</b>
<b>LED Traffic Signal Upgrades</b>	<b>15,000</b>	<b>45,000</b>	
<b>Twp Line Rd (N) - 202 to Swedesford Rd*</b>	<b>50,000</b>	<b>419,000</b>	
<b>Total Bridges &amp; Road Construction</b>	<b>335,000</b>	<b>4,444,000</b>	<b>1,250,000</b>

\* Multi-Year Project

# 2013 Capital Reserve Items (con't)

<b>Autos, Trucks &amp; Equip.</b>	<b>Budget</b>
<b>Replace C-23 - Ford F-150 (2007)</b>	<b>22,000</b>
<b>2014 John Deere Mower</b>	<b>12,900</b>
<b>Replace C-9 - Ford Explorer (2005)</b>	<b>24,000</b>
<b>Replace T-11 Ford Small Dump (2002)</b>	<b>55,000</b>
<b>Replace T-02 Ford F-250</b>	<b>23,000</b>
<b>Replace T-14 GMC C700 Topkick Dump</b>	<b>181,000</b>
<b>Replace L-03 - JCB Backhoe (1994)</b>	<b>91,000</b>
<b>Replace TL-05 - TL-5 Haulin Trailer (1997)</b>	<b>6,200</b>
<b>Golf Cart/JD Gator</b>	<b>11,000</b>
<b>Total Autos, Trucks &amp; Equip.</b>	<b>426,100</b>

# 2013 Capital Reserve Items (con't)

<b>Office Equipment</b>	<b>Budget</b>
<b>Records Management System</b>	<b>75,000</b>
<b>Wireless Upgrades &amp; UPS</b>	<b>6,000</b>
<b>Munis Conversion - Sewer</b>	<b>10,000</b>
<b>Gov. Access Server</b>	<b>16,000</b>
<b>Meeting Room Display System</b>	<b>5,000</b>
<b>Total Office Equipment</b>	<b>112,000</b>

# 2013 Capital Reserve Items (con't)

Improvements	Budget 2014	Total Project	Other Rev. Source
Safety Rails - Pulaski & Jolly Bridges	50,000	50,000	
Regional Water Quality Enhancements*	300,000	500,000	
West Ambler Sidewalks*	500,000	1,000,000	900,000
<b>Total Improvements</b>	<b>975,000</b>	<b>1,550,000</b>	<b>900,000</b>

\* Multi-Year Projects

# 5 - Year Capital Reserve Fund

		Priority	Budget 2014	Budget 2015	Budget 2016	Budget 2017	Budget 2018	Total 2014-2018	Other Rev. Source	Cap. Resrv. Funding
<b>Land &amp; Buildings</b>										
409-7200	Parking Lot Modifications	1	250,000	-	-	-	-	250,000	-	250,000
409-7300	Admin. Bldg. Renovation Expansion (Phase 1)	1	250,000	1,000,000	750,000	-	-	2,000,000	-	2,000,000
409-7300	Admin. Bldg. Renovation Expansion (Phase 2)	2	-	-	-	2,200,000	2,000,000	4,200,000	-	4,200,000
409-7300	Administration Roof Replacement	2	-	-	-	-	49,000	49,000	-	49,000
<b>Total</b>			<b>500,000</b>	<b>1,000,000</b>	<b>750,000</b>	<b>2,200,000</b>	<b>2,049,000</b>	<b>6,499,000</b>	<b>-</b>	<b>6,499,000</b>
<b>Bridges &amp; Road Construction</b>										
438-6100	West Ambler Flood Control & Revitalization	1	250,000	350,000	-	-	-	600,000	450,000	150,000
438-6100	Yost Road Bridge	1	20,000	500,000	610,000	-	-	1,130,000	880,000	250,000
438-6100	LED Traffic Signal Upgrades	1	15,000	15,000	15,000	-	-	45,000	-	45,000
438-6100	Twp Line Rd (N) - 202 to Swedesford Rd	2	50,000	169,000	200,000	-	-	419,000	-	419,000
438-6100	Lantern Lane Reconstruction and Drainage	3	-	-	-	137,280	300,000	437,280	-	437,280
<b>Total</b>			<b>335,000</b>	<b>1,034,000</b>	<b>825,000</b>	<b>137,280</b>	<b>300,000</b>	<b>2,631,280</b>	<b>1,330,000</b>	<b>1,301,280</b>

# 5 - Year Capital Reserve Fund (con'd)

Autos, Trucks & Equipment		Priority	2014	2015	2016	2017	2018	2014-2018	Other Rev. Source	Cap. Resrv. Funding
451-7400	Replace C-23 - Ford F-150 (2007)	1	22,000	-	-	-	-	22,000	-	22,000
454-7400	2014 John Deere Mower	1	12,900	-	-	-	-	12,900	-	12,900
413-7400	Replace C-9 - Ford Explorer (2005)	1	24,000	-	-	-	-	24,000	-	24,000
430-7400	Replace T-11 Ford Small Dump (2002)	1	55,000	-	-	-	-	55,000	-	55,000
430-7400	Replace T-02 Ford F-250	1	23,000	-	-	-	-	23,000	-	23,000
430-7400	Replace T-14 GMC C700 Topkick Dump	1	181,000	-	-	-	-	181,000	-	181,000
430-7400	Replace L-03 - JCB Backhoe (1994)	1	91,000	-	-	-	-	91,000	-	91,000
454-7400	Replace TL-05 - TL-5 Haulin Trailer (1997)	1	6,200	-	-	-	-	6,200	-	6,200
451-7400	Golf Cart/JD Gator	1	11,000	-	-	-	-	11,000	-	11,000
408-7400	Replace C-7 - Ford Escape (2007)	2	-	24,000	-	-	-	24,000	-	24,000
411-7400	Replace C-4 - Ford Explorer (2008)	2	-	40,000	-	-	-	40,000	-	40,000
430-7400	Replace L-05 - Case Backhoe (2000)	2	-	69,000	-	-	-	69,000	-	69,000
430-7400	Replace T-06 Ford F-350 Dump	2	-	41,000	-	-	-	41,000	-	41,000
430-7400	CAT 5-ton Roller 2 (1999)	2	-	50,000	-	-	-	50,000	-	50,000
430-7400	Replace TL-01 Hurst Trailer (1990)	2	-	19,500	-	-	-	19,500	-	19,500
430-7400	Replace T-04 - Ford Extended Cab (2001)	2	-	40,000	-	-	-	40,000	-	40,000
451-7400	Replace C-10 - Ford Escape (2011)	2	-	24,000	-	-	-	24,000	-	24,000
413-7400	Replace C-09 - Ford Explorer (2002)	2	-	-	27,000	-	-	27,000	-	27,000
408-7400	Replace C-22 -Ford Escape (2010)	2	-	-	24,000	-	-	24,000	-	24,000
430-7400	Replace T-15 Ford F-250	2	-	-	28,500	-	-	28,500	-	28,500
430-7400	Replace T-18 Ford F-450 CrewCab	2	-	-	71,280	-	-	71,280	-	71,280
430-7400	Replace T-08 Ford F-450	2	-	-	52,300	-	-	52,300	-	52,300
430-7400	Replace T-23 Ford F-350 (2008)	2	-	-	29,500	-	-	29,500	-	29,500
430-7400	Replace T-10 GMC Topkick Dump (1998)	2	-	-	185,000	-	-	185,000	-	185,000
430-7400	Replace Volvo Wheel Loader (1997)	2	-	-	-	110,000	-	110,000	-	110,000
454-7400	Replace John Deere Tractor (2001)	2	-	-	-	16,900	-	16,900	-	16,900
430-7400	Replace Cross Country Trailer (1993)	2	-	-	-	-	4,000	4,000	-	4,000
454-7400	Replace Jacobsen Field Mower (2008)	2	-	-	-	-	89,000	89,000	-	89,000
<b>Total</b>			<b>426,100</b>	<b>307,500</b>	<b>417,580</b>	<b>126,900</b>	<b>93,000</b>	<b>1,371,080</b>	<b>-</b>	<b>1,371,080</b>



# Capital Reserve Fund Summary

CAPITAL RESERVE FUND	2013	2014	2015	2016	2017	2018	Total 2013 - 2018
BEGINNING BALANCE	\$4,4302,232	\$6,206,392	\$5,644,972	\$4,792,792	\$4,047,212	\$2,602,312	--
REVENUES & OTHER FUNDING SOURCES	26,560	661,500	1,236,500	764,000	404,000	4,000	3,096,560
TRANSFER TO CAPITAL RESERVE	2,500,000	1,000,000	1,000,000	1,000,000	1,000,000	500,000	7,000,000
EXPENDITURES	(750,400)	(2,223,100)	(3,088,500)	(2,509,580)	(2,848,900)	2,189,000	(13,609,480)
ENDING BALANCE	\$6,206,392	\$5,644,972	\$4,792,792	\$4,047,212	\$2,602,312	\$917,312	--

If priority 3 projects totaling \$3.6M were also funded, there would be a deficit of \$2.7M at the end of 2018.

# Conclusion

- ▶ No tax increase in 2014 and none anticipated for 5-year planning period.
- ▶ Board of Supervisors, staff members, and committee members continually evaluate the budget and Township operations to contain costs and improve efficiency.
- ▶ Residents pay the 5<sup>th</sup> lowest combined millage rates in Montgomery County and the tax climate for businesses remains favorable.
- ▶ Services provided by Boards and Commissions and volunteers play a significant role in containing costs.
- ▶ Public Private Partnerships have provided an opportunity to undertake projects that would not have otherwise been possible and generate revenues for future projects.



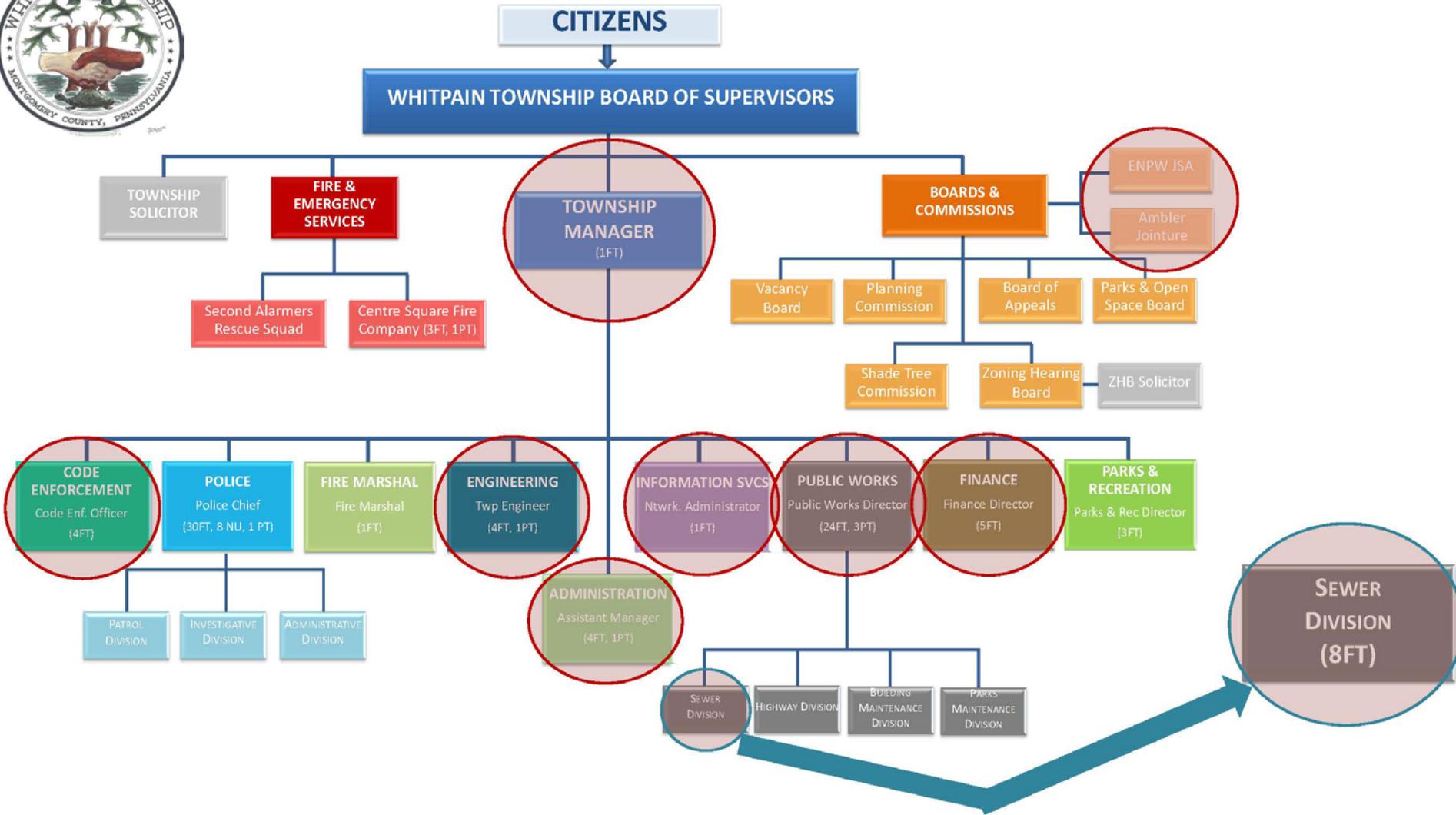
# **Sewer Fund & Sewer Capital Fund 2014 - 2018**

*as presented October 15, 2013*

**Whitpain Township**

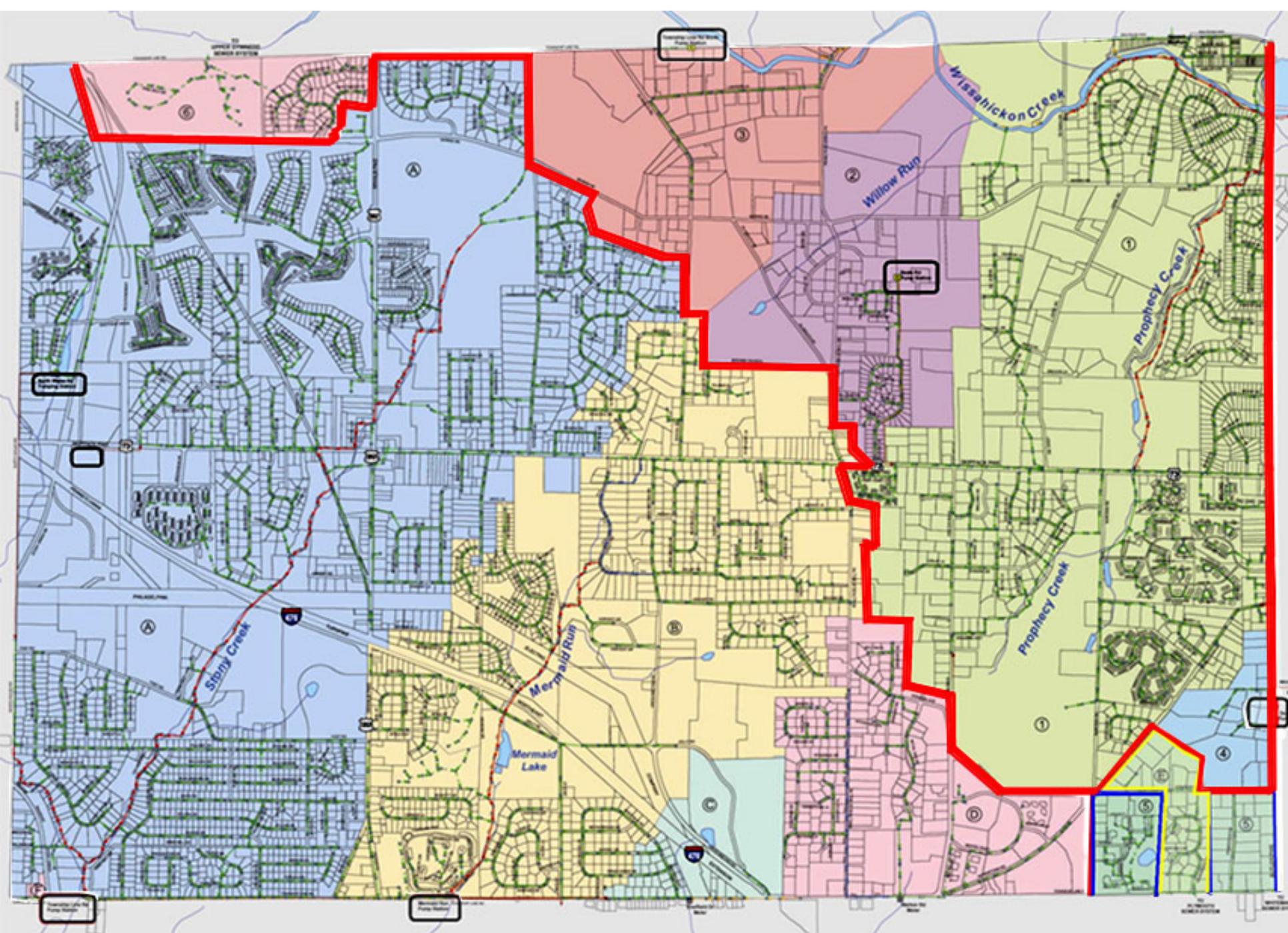
# Sewer Fund Background

- ▶ Residents and businesses connected to the sanitary sewer system have their wastewater treated at one of 5 facilities, all of which are located outside of the Township.
- ▶ The two largest treatment facilities used by the Township are the East Norriton Plymouth Whitpain Joint Sewer Authority (ENPWJSA) and Ambler.
- ▶ Even though the Township doesn't operate a treatment facility, it is still responsible for the 113 miles of sanitary sewer lines, 2,568 manholes, 7 pumping stations, and 3 meter facilities.

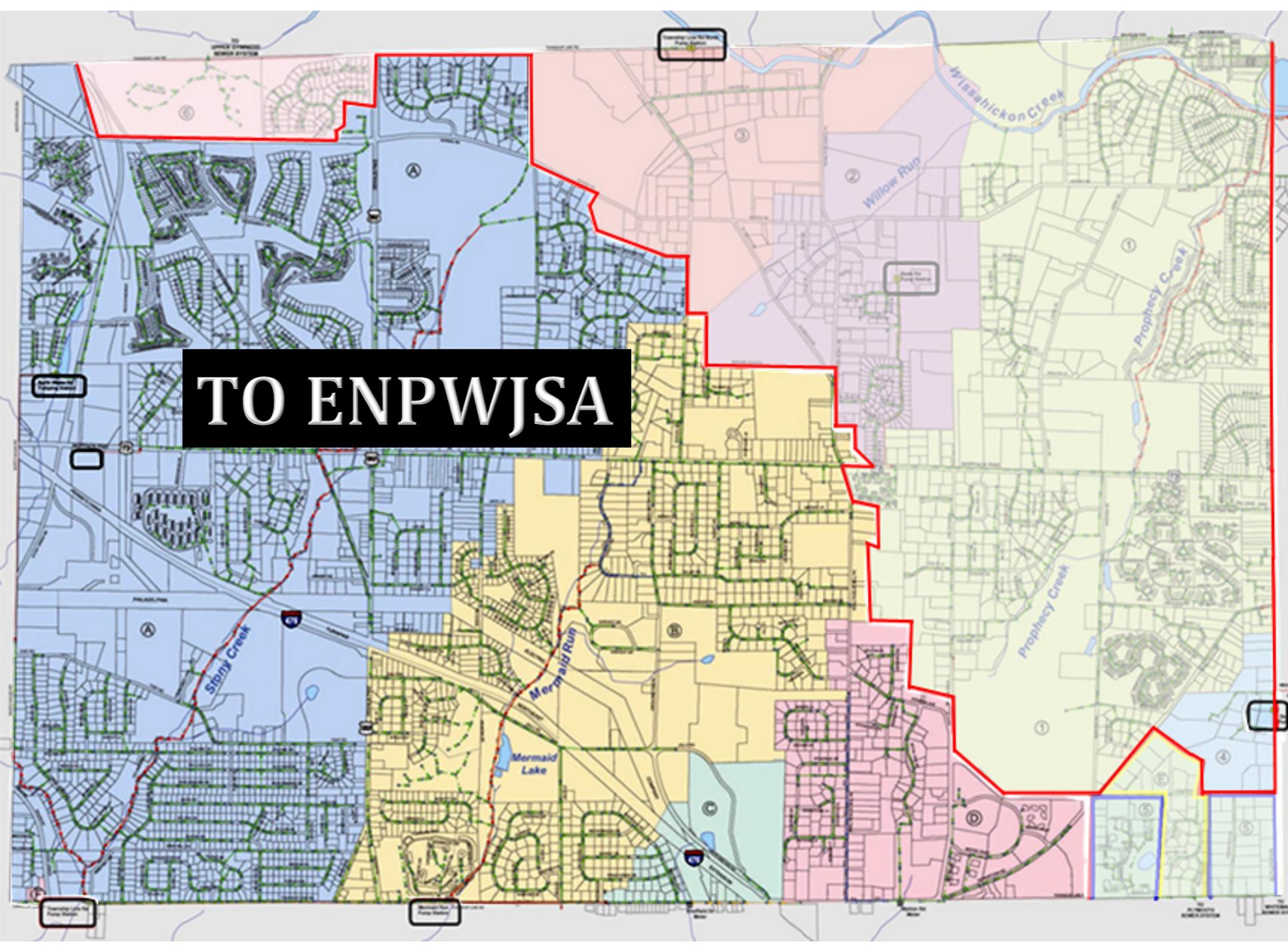


Employee Count - 87 Full Time; 7 Part Time  
 Staffing Reductions (2010-2012) = 5 (Not currently budgeted)

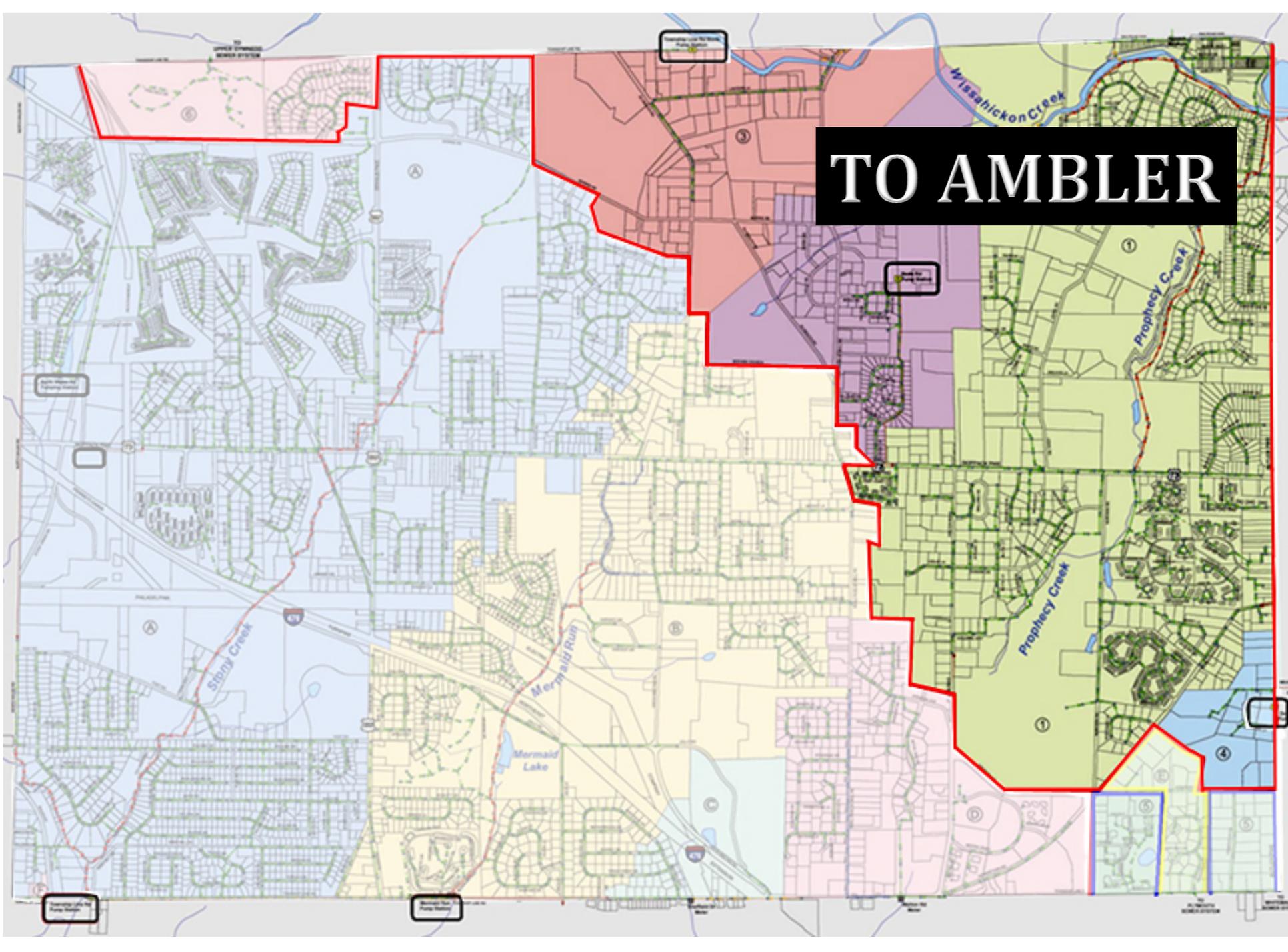
Last Edited 10/14/13 - NML



TO ENPWJSA



**TO AMBLER**

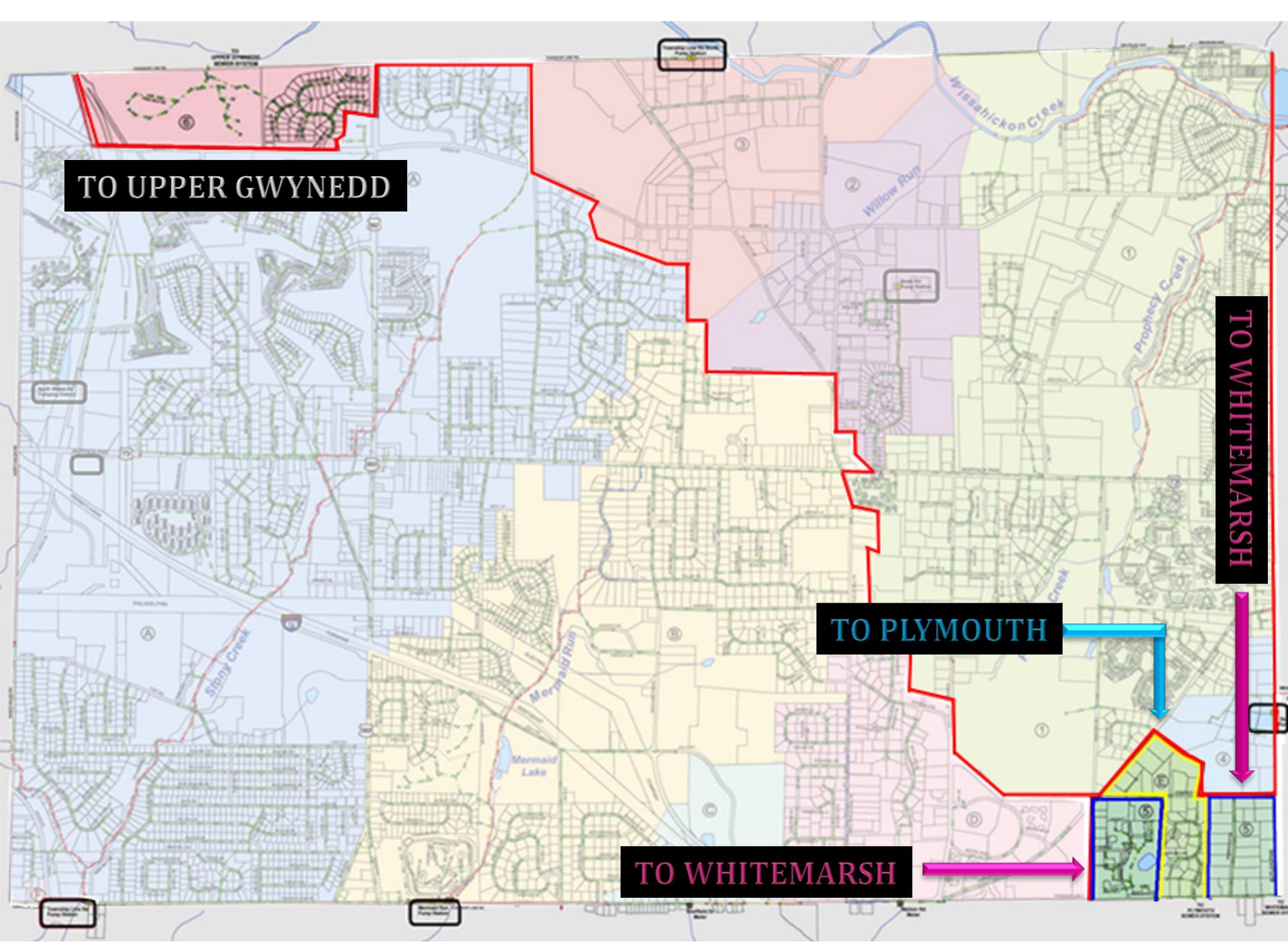


**TO UPPER GWYNEDD**

**TO WHITEMARSH**

**TO PLYMOUTH**

**TO WHITEMARSH**



# Sewer Fund 2014

**Total Revenues**

**\$3,605,969**

## **Appropriations / Expenditures**

Treatment Costs	1,256,922
Sewer Maintenance	1,304,529
Transfer to Capital	250,000
<u>Administration</u>	<u>556,558</u>

**TOTAL EXPENDITURES**

**\$ 3,368,039**

### ▶ ***Customers***

- Residential = 5,700
- Commercial = 300

### ▶ ***Daily Flow***

- ENPWJSA = 1,737,000 Gallons / Day (100,000 gal. reduction from 2013)
- Ambler = 532,000 Gallons / Day
- Total Approximately 2.3 Million Gallons / Day

# Major Revenue Sources

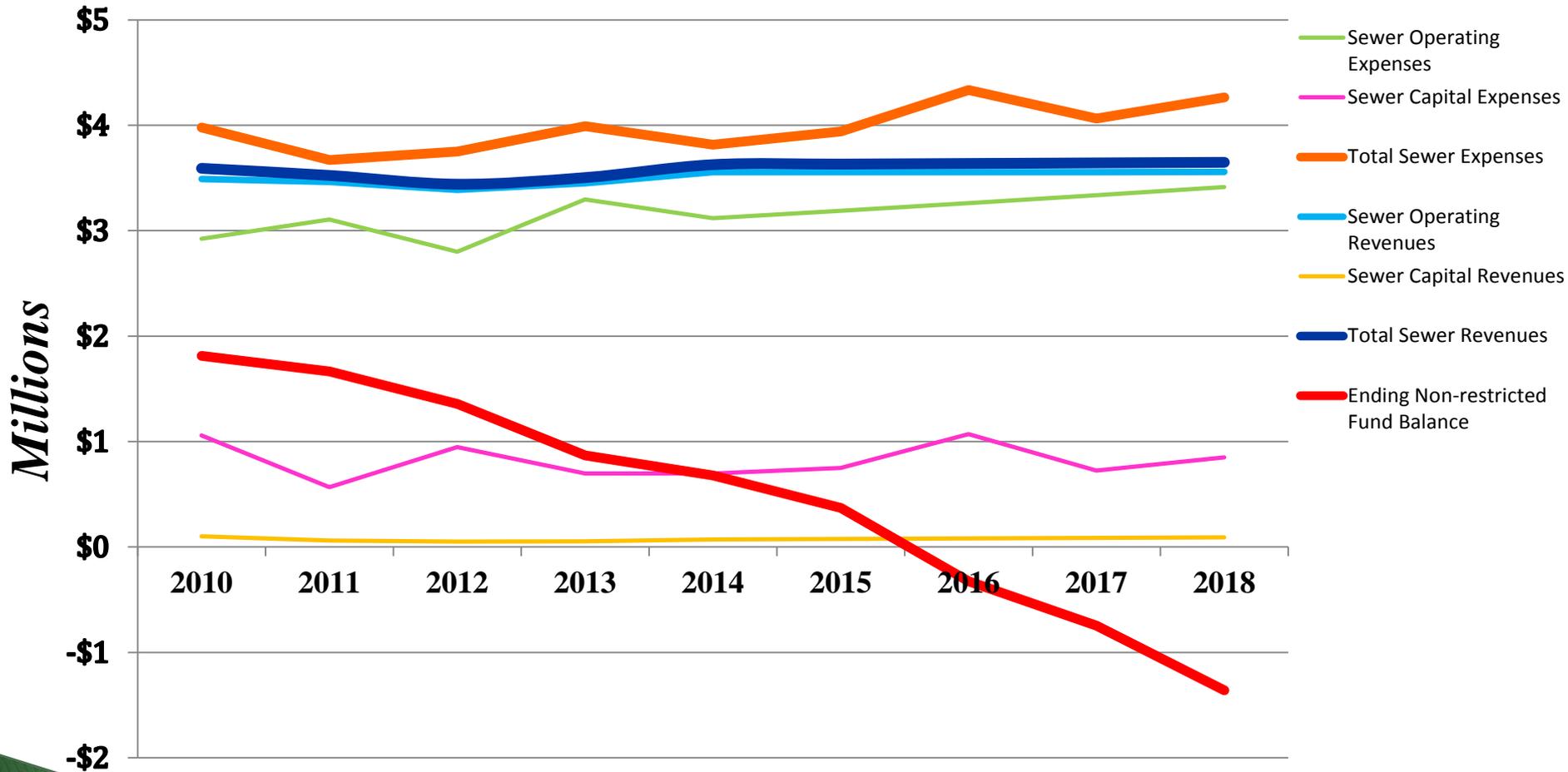
- Unlike General Fund, the Sewer Fund has only one major revenue source: ***Sewer Rentals***
- ***Current Rates:***
  - Residential = \$85 per quarter
  - Commercial \$150 for 12,000 gallons and \$7.30 each additional 1,000 gallons
  - Last Rate Adjustment 2007
- **Cost to accommodate new development paid by developers**
  - Developers are responsible for paying the cost of extending facilities into the project
  - Developer required to pay for a portion of capital cost in the collection, conveyance and treatment systems (also known as impact fees)

# Rates

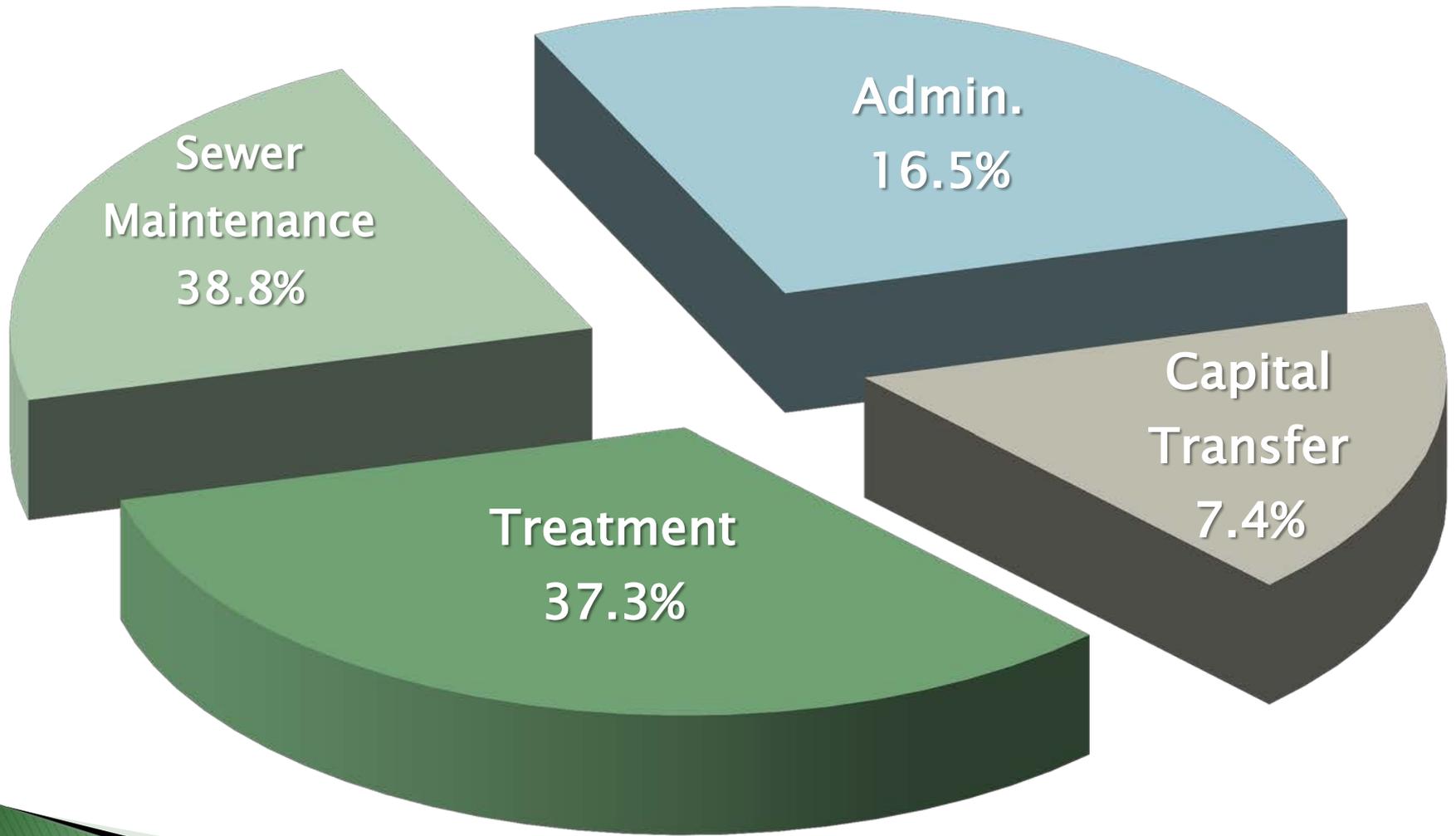
- ▶ Despite increased costs, rates have not been changed for the last 7 years.
- ▶ State funding, in the form of Act 339 monies, has been phased out by the Commonwealth. As recently as 2003, the ENPWJSA received \$183,611, in Act 339 payments.
- ▶ To balance this budget gap, money was taken from the sewer fund balances.
- ▶ By the end of 2013, sewer fund balances are projected to dwindle to just below \$1M and would be totally depleted by the end of 2015.
- ▶ This budget proposal includes revenue adjustments, as well as a reduction in capital transfers to avoid the anticipated shortfall.

# Sewer Projections Based on Current Rate

## Structure



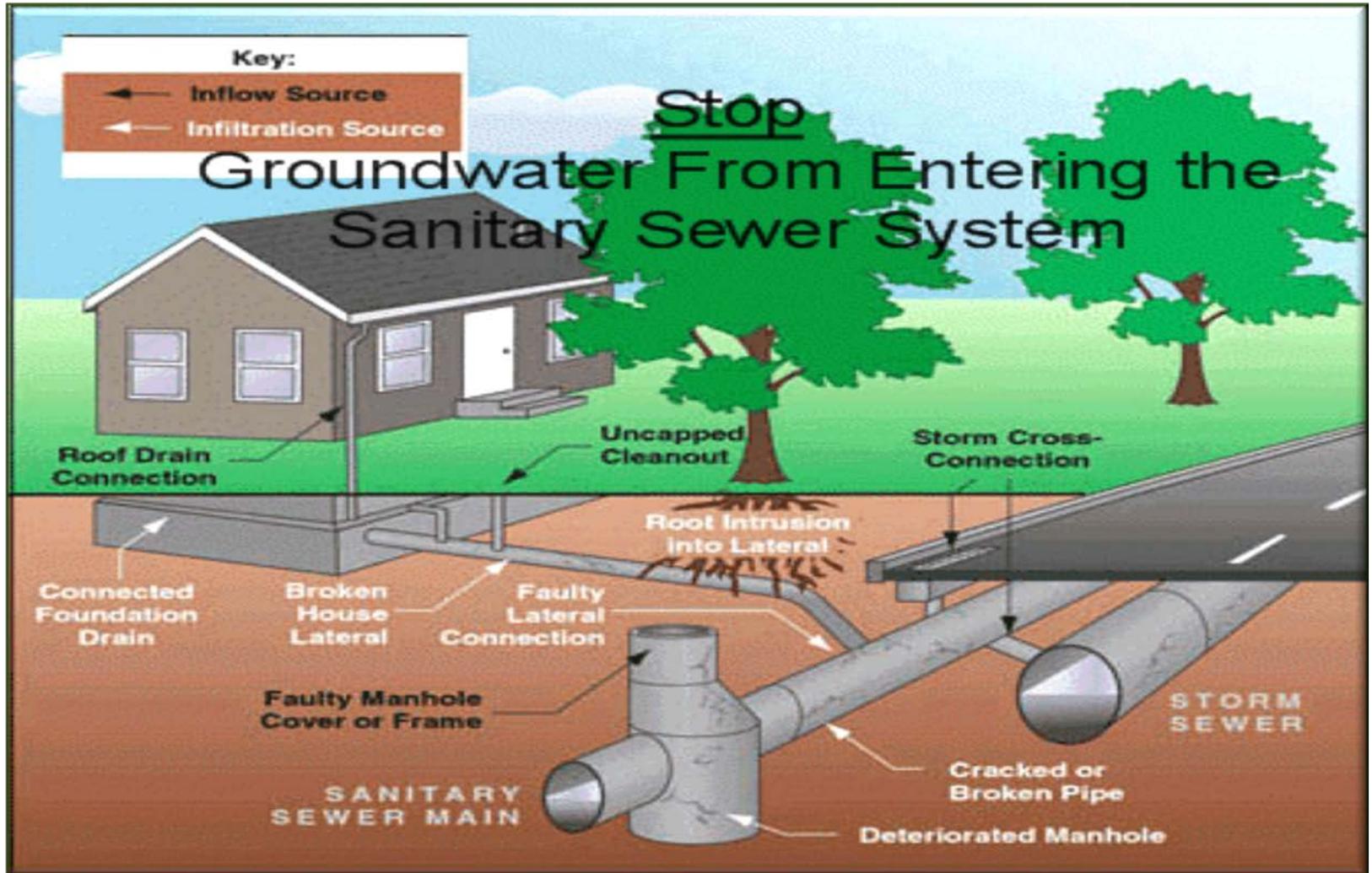
# Expenditures



# Ways to Contain Costs

- ▶ Sewage quantities directly impact collection, transportation, and treatment costs
- ▶ Residents should be aware of water consumption
- ▶ Residents should not allow sump pumps to discharge into the sanitary sewer system
- ▶ Township monitors sewer flows and control Infiltration and Inflow (*I&I*)
- ▶ Township maintains equipment to assure operating efficiency and reduce power consumption

# Inflow & Infiltration



# 5-Year Sewer Operating Budget Projection

(Based on Staff Recommended Rate Structure)

	2013	2014	2015	2016	2017	2018
<b>REVENUES</b>	3,450,941	3,605,969	3,731,279	3,896,466	4,081,811	4,087,320
<b>EXPENSES</b>	(3,295,938)	(3,118,039)	(3,189,322)	(3,262,352)	(3,337,175)	(3,413,839)
<b>TRANSFERS OUT</b>	(323,250)	(250,000)	(625,000)	(625,000)	(625,000)	(625,000)
<b>BEGINNING CASH</b>	549,159	380,912	618,842	535,799	544,913	664,549
<b>ENDING CASH</b>	380,912	618,842	535,799	544,913	644,549	713,029

# Demands on Sewer Capital Fund

- ▶ The Township's infrastructure continues to age and major equipment is approaching its useful life.
- ▶ Based on the recommendation of the Finance Committee, major capital projects are proposed to be amortized to lessen their impact on the budget in any given year and to take advantage of low interest rates.
- ▶ Additionally, a planned expansion at the ENPWJSA will increase expenses from \$364 thousand in 2013, to \$469 thousand in 2014, and again to \$492 thousand for 2015-2018. Although this planned expansion was on the horizon, the final numbers were released within the last 2 months.

# 2014 Sewer Capital Budget

Category	Description	2014 Budget
<b>Improvements</b>		
	<b>Replace Auto-Dialers (4)</b>	<b>\$13,000</b>
	<b>Sewer Garage Twp. Complex New Roof (1983)</b>	<b>\$20,000</b>
	<b>Total Improvements</b>	<b>\$33,000</b>
<b>Vehicles</b>		
	<b>Replace TR-03 Kubota 4WD Cab Tractor (1998)</b>	<b>\$73,000</b>
	<b>Replace BC-01 Brush Chipper</b>	<b>\$38,200</b>
	<b>Total Vehicles</b>	<b>\$111,200</b>
<b>Treatment Plant</b>		
	<b>ENPWJSA</b>	<b>\$364,300</b>
	<b>AMBLER</b>	<b>\$84,240</b>
	<b>Total Treatment Plant</b>	<b>\$448,540</b>
<b>TOTAL</b>	<b>Total Sewer Capital Items 2014</b>	<b>\$592,740</b>

# 2014-2018 Sewer Capital Budget

	2014	2015	2016	2017	2018	2014-18
<b>Improvements</b>	<b>33,000</b>	<b>120,000</b>	<b>460,000</b>	<b>115,000</b>	<b>-</b>	<b>728,000</b>
<b>Vehicles</b>	<b>111,200</b>	<b>84,873</b>	<b>45,474</b>	<b>48,505</b>	<b>287,280</b>	<b>577,332</b>
<b>Treatment Plant</b>	<b>448,540</b>	<b>418,300</b>	<b>437,524</b>	<b>434,450</b>	<b>434,450</b>	<b>2,173,264</b>
<b>Grand Total</b>	<b>592,740</b>	<b>623,173</b>	<b>942,998</b>	<b>597,955</b>	<b>721,730</b>	<b>3,478,596</b>

# 5-Year Summary Sewer Capital Budget

	2014	2015	2016	2017	2018
<b>REVENUES</b>	<b>70,750</b>	<b>75,965</b>	<b>81,184</b>	<b>86,408</b>	<b>91,636</b>
<b>EXPENSES</b>	<b>(592,740)</b>	<b>(623,173)</b>	<b>(942,998)</b>	<b>(597,955)</b>	<b>(721,730)</b>
<b>TRANSFERS IN</b>	<b>250,000</b>	<b>625,000</b>	<b>625,000</b>	<b>625,000</b>	<b>625,000</b>
<b>BEGINNING CASH</b>	<b>487,074</b>	<b>215,084</b>	<b>292,876</b>	<b>56,062</b>	<b>169,515</b>
<b>ENDING CASH</b>	<b>215,084</b>	<b>292,876</b>	<b>56,062</b>	<b>169,515</b>	<b>164,421</b>

# Various Options

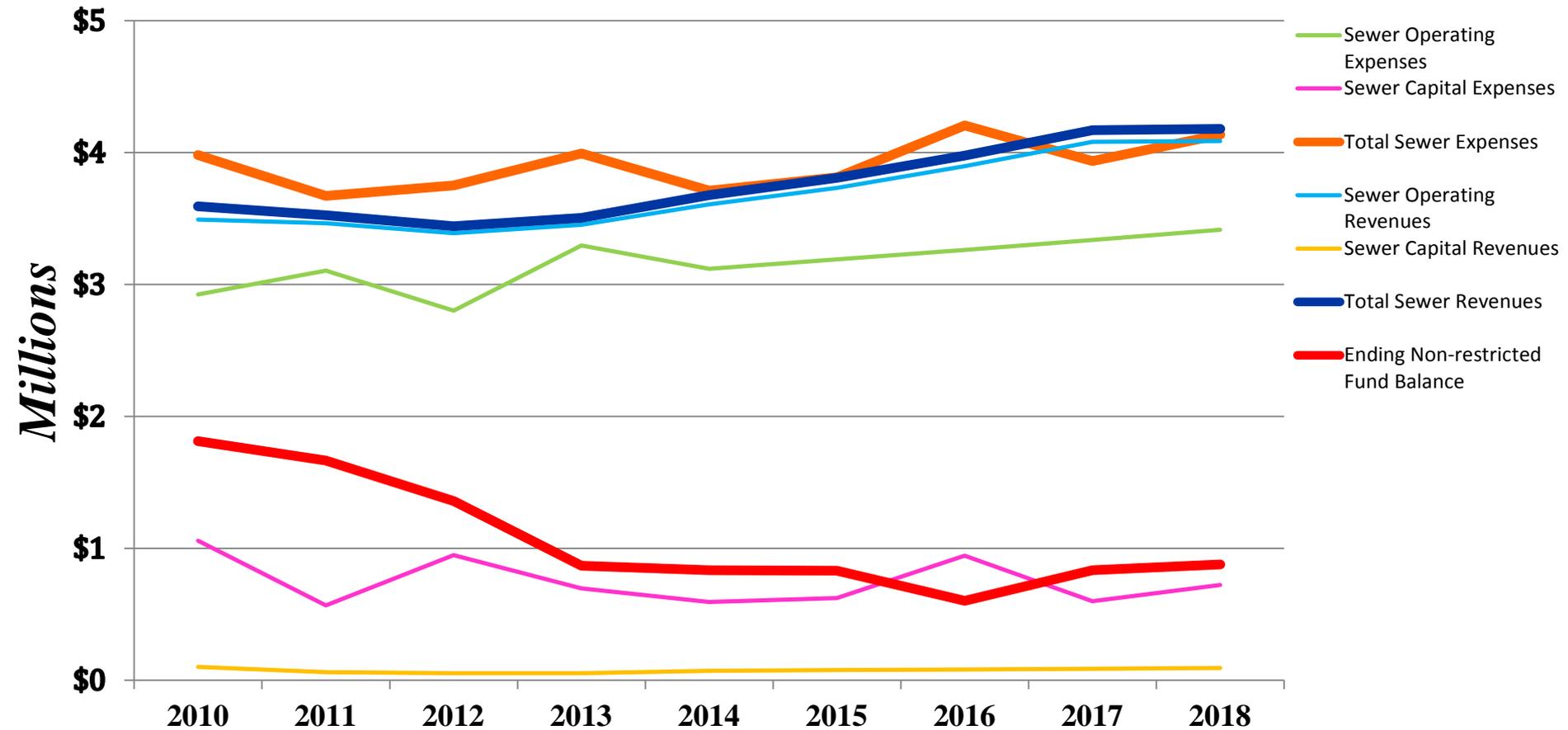
- ▶ A wide array of options were examined to close the funding gap and provide adequate fund balances, including:
  - Impact Fees
  - Surcharge
  - Rate Increase
  - Numerous combinations of options above

# Preliminary Budget Proposals

- ▶ No sewer rate increase for 2014
- ▶ Proposed mid-year surcharge:
  - \$21.25/quarter surcharge on usage exceeding 20,000 gallons (projected to impact 20% of residential customers).
  - Promotes conservation and generates necessary revenues to cover treatment and transportation costs.
- ▶ Proposed rate adjustment of 3.5% (\$2.98/quarter) from 2014-2015, with similar adjustments for years 3 to 5 in planning period.
- ▶ Utilizing impact fee – restricted funds for maintaining level debt service payments to ENPWJSA.

# Sewer Projections with Proposed Rate

## Structure



# Conclusion

- ▶ With a looming shortfall in the Sewer Budget, staff recommends a hybrid strategy to meet the budget gap. This means using some of the impact fees on reserve with ENPWJSA, introducing a surcharge for the biggest users of the system, and implementing modest rate increases for residential and commercial accounts after 2014.
- ▶ Making the changes outlined above will allow the Township to maintain a \$1M reserve in its sewer budget to meet unforeseen emergencies and will also maintain a \$1M balance for emergencies at the ENPWJSA.
- ▶ This fiscally prudent approach promotes water conservation, maintains a sensible fund balance, and gives residents and businesses a year to plan for a modest increase.

# Upcoming Meetings

## ▶ Budget Work Sessions

- ▶ October 22<sup>nd</sup> 8:30 AM
- ▶ November 14<sup>th</sup> 8:30 AM

## ▶ Board of Supervisors Regular Meetings

- ▶ November 19<sup>th</sup> 8:00 PM
- ▶ December 3<sup>rd</sup> 8:00PM

## ▶ Anticipated Budget Adoption

- December 3, 2013





# Comments & Questions

Whitpain Township