

# Derry Township Municipal Authority

## Operating and Capital Budget 2016

Approved November 16, 2015

Resolution #2015-36



**TABLE 1**  
**Comparative Cash Budget - Operating Fund (in thousands)**

| Category / Item                          | 2016                  | 2015           | Δ\$          | Δ%              |
|--|-----------------------|----------------|--------------|-----------------|
| <b>Receipts</b>                          |                       |                |              |                 |
| Direct Customers                         | 7,644.1               | 7,166.8        | 477.3        | 6.7%            |
| Municipal Customers                      | 634.0                 | 604.0          | 30.0         | 5.0%            |
| Hauled Waste                             | 1,071.0               | 932.0          | 139.0        | 14.9%           |
| Other Routine                            | 309.0                 | 298.8          | 10.2         | 3.4%            |
| Connection Related                       | 197.7                 | 85.7           | 112.0        | 130.7%          |
| Interest-Operating Fund                  | 27.7                  | 11.5           | 16.2         | 140.9%          |
| Interest-Trust and Restricted Funds      | 14.1                  | 6.0            | 8.1          | 135.0%          |
| <b>Totals before Grants</b>              | <b>9,897.6</b>        | <b>9,104.8</b> | <b>792.8</b> | <b>8.7%</b>     |
| Federal & State Grants                   | 0.0                   | 222.8          | (222.8)      | (100.0%)        |
| Totals                                   | 9,897.6               | 9,327.6        | 570.0        | 6.1%            |
| <b>Disbursements</b>                     |                       |                |              |                 |
| Departmental Expenditures                | 6,135.2               | 5,905.8        | 229.4        | 3.9%            |
| Projects                                 | 55.4                  | 52.6           | 2.8          | 5.3%            |
| Capital Expenditures                     | 193.0                 | 39.4           | 153.6        | 389.8%          |
| Debt Service Payments                    | 2,947.3               | 3,306.5        | (359.2)      | (10.9%)         |
| Capital Lease Payments                   | 365.8                 | 365.8          | 0.0          | 0.0%            |
| <b>Totals before Transfers</b>           | <b>9,696.7</b>        | <b>9,670.1</b> | <b>26.6</b>  | <b>0.3%</b>     |
| Transfers to Operating Reserve Fund      | 150.0                 | 0.0            | 150.0        |                 |
| Transfers to BR&I Fund                   | 0.0                   | 150.0          | (150.0)      | (100.0%)        |
| Totals                                   | 9,846.7               | 9,820.1        | 26.6         | 0.3%            |
| <b>Net Cash</b>                          |                       |                |              |                 |
| <b>Inc (Dec) before Grants/Transfers</b> | <b>200.9</b>          | <b>(565.3)</b> | <b>766.2</b> | <b>(135.5%)</b> |
| Increase (Decrease)                      | 50.9                  | (492.5)        | 543.4        | (110.3%)        |
| <b>Beginning Cash Balance</b>            | <b><u>5,355.0</u></b> |                |              |                 |
| <b>Ending Cash Balance</b>               | <b><u>5,405.9</u></b> |                |              |                 |

**TABLE 2**  
**Receipt Detail - Operating Fund (in thousands)**

| Category / Item                            | 2016         | 2015         | Δ\$          | Δ%            |
|--|--------------|--------------|--------------|---------------|
| <b>Municipal Customers</b>                 |              |              |              |               |
| Londonderry                                | 27.0         | 27.0         | 0.0          | 0.0%          |
| Lower Swatara                              | 158.0        | 134.0        | 24.0         | 17.9%         |
| South Hanover                              | 449.0        | 443.0        | 6.0          | 1.4%          |
| <b>Totals</b>                              | <b>634.0</b> | <b>604.0</b> | <b>30.0</b>  | <b>5.0%</b>   |
| <b>Other Routine</b>                       |              |              |              |               |
| Late Payment Fees                          | 27.5         | 31.6         | (4.1)        | (13.0%)       |
| Hershey Sludge Processing                  | 92.0         | 106.0        | (14.0)       | (13.2%)       |
| Surcharges                                 | 75.0         | 75.0         | 0.0          | 0.0%          |
| Reimb for Developer Inspections            | 22.6         | 21.0         | 1.6          | 7.6%          |
| Miscellaneous                              | 91.9         | 65.2         | 26.7         | 41.0%         |
| <b>Totals</b>                              | <b>309.0</b> | <b>298.8</b> | <b>10.2</b>  | <b>3.4%</b>   |
| <b>Connection Related Fees</b>             |              |              |              |               |
| Inspection                                 | 2.9          | 3.9          | (1.0)        | (25.6%)       |
| Lateral Install & Special Purpose          | 0.0          | 18.2         | (18.2)       | (100.0%)      |
| Installment Payments                       | 5.5          | 7.6          | (2.1)        | (27.6%)       |
| Capacity                                   | 189.3        | 56.0         | 133.3        | 238.0%        |
| <b>Totals</b>                              | <b>197.7</b> | <b>85.7</b>  | <b>112.0</b> | <b>130.7%</b> |
| <b>Interest-Operating Fund</b>             |              |              |              |               |
| Checking                                   | 0.2          | 0.6          | (0.4)        | (66.7%)       |
| Investments                                | 27.5         | 10.9         | 16.6         | 152.3%        |
| <b>Totals</b>                              | <b>27.7</b>  | <b>11.5</b>  | <b>16.2</b>  | <b>140.9%</b> |
| <b>Interest-Trust and Restricted Funds</b> |              |              |              |               |
| Operating Reserve                          | 3.2          | 1.0          | 2.2          | 220.0%        |
| Flood Reserve                              | 0.7          | 0.9          | (0.2)        | (22.2%)       |
| Debt Service Reserve                       | 7.6          | 4.1          | 3.5          | 85.4%         |
| BR&I Fund                                  | 1.2          | 0.0          | 1.2          |               |
| 2015 Capital Projects Fund                 | 1.4          | 0.0          | 1.4          |               |
| <b>Totals</b>                              | <b>14.1</b>  | <b>6.0</b>   | <b>5.5</b>   | <b>91.7%</b>  |

**TABLE 3**  
**Disbursement Detail - Operating Fund (in thousands)**

| Category / Item                   | 2016           | 2015           | Δ\$            | Δ%             |
|-----------------------------------|----------------|----------------|----------------|----------------|
| <b>Operating Expenses</b>         |                |                |                |                |
| Departmental                      |                |                |                |                |
| Administration                    | 2,700.8        | 2,532.3        | 168.5          | 6.7%           |
| Collection System                 | 617.6          | 588.0          | 29.6           | 5.0%           |
| Operation & Maintenance           | 2,480.5        | 2,349.8        | 130.7          | 5.6%           |
| Technical Services                | 336.3          | 435.7          | (99.4)         | (22.8%)        |
| <b>Total Departmental</b>         | <b>6,135.2</b> | <b>5,905.8</b> | <b>229.4</b>   | <b>3.9%</b>    |
| Projects                          | 55.4           | 52.6           | 2.8            | 5.3%           |
| <b>Totals</b>                     | <b>6,190.6</b> | <b>5,958.4</b> | <b>232.2</b>   | <b>3.9%</b>    |
| <b>Capital Expenditures</b>       |                |                |                |                |
| <b>Totals</b>                     | <b>173.5</b>   | <b>39.4</b>    | <b>134.1</b>   | <b>340.4%</b>  |
| <b>Debt Service Payments</b>      |                |                |                |                |
| Authority Bond Issues             |                |                |                |                |
| 2005                              | 0.2            | 0.2            | 0.0            | 0.0%           |
| 2009                              | 1,152.8        | 1,151.6        | 1.2            | 0.1%           |
| 2010                              | 0.0            | 1,065.3        | (1,065.3)      | (100.0%)       |
| 2015                              | 904.1          | 0.0            | 904.1          |                |
| Derry Township Subsidy Agreements |                |                |                |                |
| 2010                              | 0.0            | 588.7          | (588.7)        | (100.0%)       |
| 2011                              | 357.6          | 362.7          | (5.1)          | (1.4%)         |
| 2014                              | 228.0          | 138.0          | 90.0           | 65.2%          |
| 2015                              | 304.6          | 0.0            | 304.6          |                |
| <b>Totals</b>                     | <b>2,947.3</b> | <b>3,306.5</b> | <b>(359.2)</b> | <b>(10.9%)</b> |
| <b>Capital Lease Payments</b>     |                |                |                |                |
| Conewago Phase I                  | 159.6          | 159.6          | 0.0            | 0.0%           |
| Conewago Phase II                 | 206.2          | 206.2          | 0.0            | 0.0%           |
| <b>Totals</b>                     | <b>365.8</b>   | <b>365.8</b>   | <b>0.0</b>     | <b>0.0%</b>    |

**TABLE 4**  
**Projected Changes in Operating, Restricted and Trust Fund Balances**  
**(Cash Basis)**

| Description                | FUNDS                    |                   |               |              |                      |              |                            | Restricted and Trust Totals |
|----------------------------|--------------------------|-------------------|---------------|--------------|----------------------|--------------|----------------------------|-----------------------------|
|                            | Operating                | Restricted        |               | Trust        |                      |              |                            |                             |
|                            | Checking and Investments | Operating Reserve | Flood Reserve | Debt Service | Debt Service Reserve | BRIF         | 2015 Capital Projects Fund |                             |
| <b>Balances</b>            |                          |                   |               |              |                      |              |                            |                             |
| as of January 1, 2016      | 5,355,000                | 900,000           | 200,000       | 0            | 1,587,500            | 483,200      | 2,379,600                  | 5,550,300                   |
| <b>Add:</b>                |                          |                   |               |              |                      |              |                            |                             |
| Receipts                   | 9,897,600                |                   |               | 2,947,300    |                      |              |                            | 2,947,300                   |
| Interest Earnings          |                          | 2,100             | 700           |              | 7,600                | 1,200        | 1,400                      | 13,000                      |
| Reimb from Op Fund         |                          | 150,000           |               |              |                      |              |                            | 150,000                     |
| Grants                     |                          |                   |               |              |                      |              |                            | 0                           |
| Reimbursements             |                          |                   |               |              |                      |              |                            | 0                           |
| <b>Deduct:</b>             |                          |                   |               |              |                      |              |                            |                             |
| Disbursements              | 9,696,700                |                   |               | 2,947,300    |                      |              | 1,567,900                  | 4,515,200                   |
| Transfer to Oper Reserve   | 150,000                  |                   |               |              |                      |              |                            | 0                           |
| Interest Trans to Op Fund  |                          | 2,100             | 700           |              | 15,000               |              |                            | 17,800                      |
| <b>Balances</b>            |                          |                   |               |              |                      |              |                            |                             |
| as of December 31, 2016    | 5,405,900                | 1,050,000         | 200,000       | 0            | 1,580,100            | 484,400      | 813,100                    | 4,127,600                   |
| <b>Change in Fund</b>      |                          |                   |               |              |                      |              |                            |                             |
| <b>Increase (Decrease)</b> | <b>50,900</b>            | <b>150,000</b>    | <b>0</b>      | <b>0</b>     | <b>-7,400</b>        | <b>1,200</b> | <b>(1,566,500)</b>         | <b>(1,422,700)</b>          |

**TABLE 5**  
**Projects and Capital Expenditures**  
**Operating Fund**

| Project       |                                     | Total<br>Project<br>Cost | Amounts       |                |
|---------------|-------------------------------------|--------------------------|---------------|----------------|
|               |                                     |                          | Expensed      | Capitalized    |
| No.           | Name                                |                          |               |                |
| 1.            | IT Projects                         | 65,600                   | 19,600        | 46,000         |
| 2.            | Hydraulic Sewer Modeling Software   | 35,500                   | 2,700         | 32,800         |
| 3.            | HACH SC200 Controllers Replacement  | 10,000                   | 10,000        | 0              |
| 4.            | HACH WIMS Software                  | 36,000                   | 9,100         | 26,900         |
| 5.            | Vehicle Purchases                   | 67,800                   | 0             | 67,800         |
| 6.            | ESD Painting Repair                 | 14,000                   | 14,000        | 0              |
| 7.            | Administration Building Landscaping | 10,000                   | 0             | 10,000         |
| 8.            | KW Power Metering                   | 9,500                    | 0             | 9,500          |
| <b>Totals</b> |                                     | <b>248,400</b>           | <b>55,400</b> | <b>193,000</b> |

**TABLE 6**  
**Projects and Capital Expenditures**  
**Capital Projects Fund**

| Project                                 | Total<br>Project<br>Cost | Costs<br>Paid in<br>Prior Years | 2016<br>Amount   | Remaining<br>Costs |
|---|--------------------------|---------------------------------|------------------|--------------------|
| <b>No. Name</b>                         |                          |                                 |                  |                    |
| <b>In Process</b>                       |                          |                                 |                  |                    |
| 1. Cell Lysis                           | 624,500                  | 369,500                         | 255,000          | 0                  |
| 2. Collection System Rehabilitation     | 269,000                  | 5,500                           | 263,500          | 0                  |
| 3. SW and CWR Miscellaneous Projects    | 591,100                  | 28,000                          | 563,100          | 0                  |
| 4. Cocoa Ave Resurfacing Project        | 32,800                   | 3,600                           | 29,200           | 0                  |
| 5. Park Blvd Utility Relocation (PADOT) | 51,000                   | 8,500                           | 32,700           | 9,800              |
| <b>Subtotal</b>                         | <b>1,568,400</b>         | <b>415,100</b>                  | <b>1,143,500</b> | <b>9,800</b>       |
| <b>Planned</b>                          |                          |                                 |                  |                    |
| 6. Headworks Heating Lines Replacement  | 150,000                  | 0                               | 150,000          | 0                  |
| 7. Dry Head Submersible Pump #1         | 123,500                  | 0                               | 123,500          | 0                  |
| 8. Wireless Installation                | 72,200                   | 0                               | 72,200           | 0                  |
| 9. Virtual Server Network               | 66,700                   | 0                               | 66,700           | 0                  |
| 10. Rt. 322 Utility Relocation (PADOT)  | 12,000                   | 0                               | 12,000           | 0                  |
| <b>Subtotal</b>                         | <b>424,400</b>           | <b>0</b>                        | <b>424,400</b>   | <b>0</b>           |
| <b>Totals</b>                           | <b>1,992,800</b>         | <b>415,100</b>                  | <b>1,567,900</b> | <b>9,800</b>       |

**ATTACHMENT C**  
**Change in Net Position**  
**2015 - 2016 Operating Fund Budget**  
**(in thousands)**

| Category / Item                             | 2016<br>Budget | 2015<br>Budget   | Difference<br>Amount | %              |
|---|----------------|------------------|----------------------|----------------|
| Operating revenues                          | 9,627.0        | 8,999.2          | 627.8                | 7.0%           |
| Operating expenses                          | 6,190.6        | 5,958.4          | 232.2                | 3.9%           |
| Income before depreciation and amortization | 3,436.4        | 3,040.8          | 395.6                | 13.0%          |
| Depreciation and amortization               | 3,195.0        | 3,040.8          | 154.2                | 5.1%           |
| Net income (loss)                           | 241.4          | (164.6)          | 406.0                | (246.7%)       |
| Non-operating revenues                      | 253.7          | 326.5            | (72.8)               | (22.3%)        |
| Non-operating expenses                      | 1,200.1        | 1,390.3          | (190.2)              | (13.7%)        |
| Change in net position                      | <b>(705.0)</b> | <b>(1,228.4)</b> | <b>523.4</b>         | <b>(42.6%)</b> |