

LOWER PAXTON TOWNSHIP AUTHORITY



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2024 BUDGET PRESENTATION
TUESDAY, NOVEMBER 28, 2023 –
7:00PM

FINAL BUDGET PRESENTATION - NOVEMBER 28, 2023

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Township Authority Budget Highlights

- LPT Authority Sewer Operating Fund
 - Revenues - \$ 18.44 million
 - Expenditures - \$ 19.55 million

- LPT Authority Sewer Capital Fund
 - Revenues - \$ 17.52 million (*includes \$16.165 million in new debt issuance*)
 - Expenditures - \$ 12.98 million
 - *From unspent bond/debt proceeds and accumulated interest earning reserves*

- LPT Authority Stormwater Operating Fund
 - Revenues - \$ 3.56 million
 - Expenditures - \$ 3.38 million

- LPT Authority Stormwater Capital Fund
 - Revenues - \$ 315,000
 - Expenditures - \$ 6.49 million
 - *From unspent bond/debt proceeds and accumulated interest earning reserves*

2024 Authority Municipal Budgets Overview

- Preliminary Authority budgets were publicly presented at the Tuesday, August 22, 2023 meeting at 7:00pm

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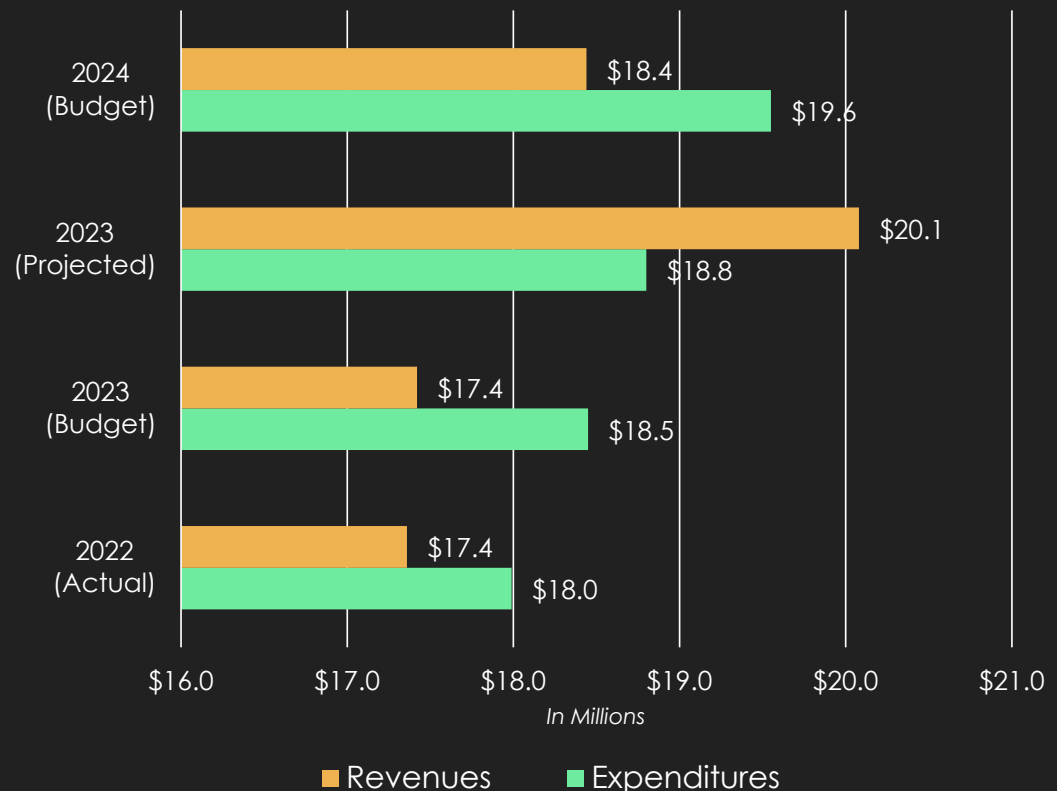


2024 Sewer Fund Operating Budget Overview

Revenue Trends for 2024 Budget

- Overall increase of \$1.03 million (6%) in revenues versus 2023 budget
 - Continued (anticipated) growth in sewer EDU's (approx. 100; \$488,000 total); **quarterly fees remain unchanged at \$158/quarter**
 - Improved interest earnings on operating funds (\$444,000)
 - Increase for developer escrow and CRW partners reimbursements for shared expenditures (\$95,000)
- 2023 projected revenues unusually high
 - Includes \$1.19 million from PennVest loan retainage held (reimburses use of operating cash from prior years), and \$541,000 for gross proceeds on sale of Commerce Park lands
 - Absent above, 2023 projected revenues of \$18.37 million virtually mirror 2024 budget with minor growth anticipated

Sewer Operating Fund: Revenues vs. Expenditures Trends



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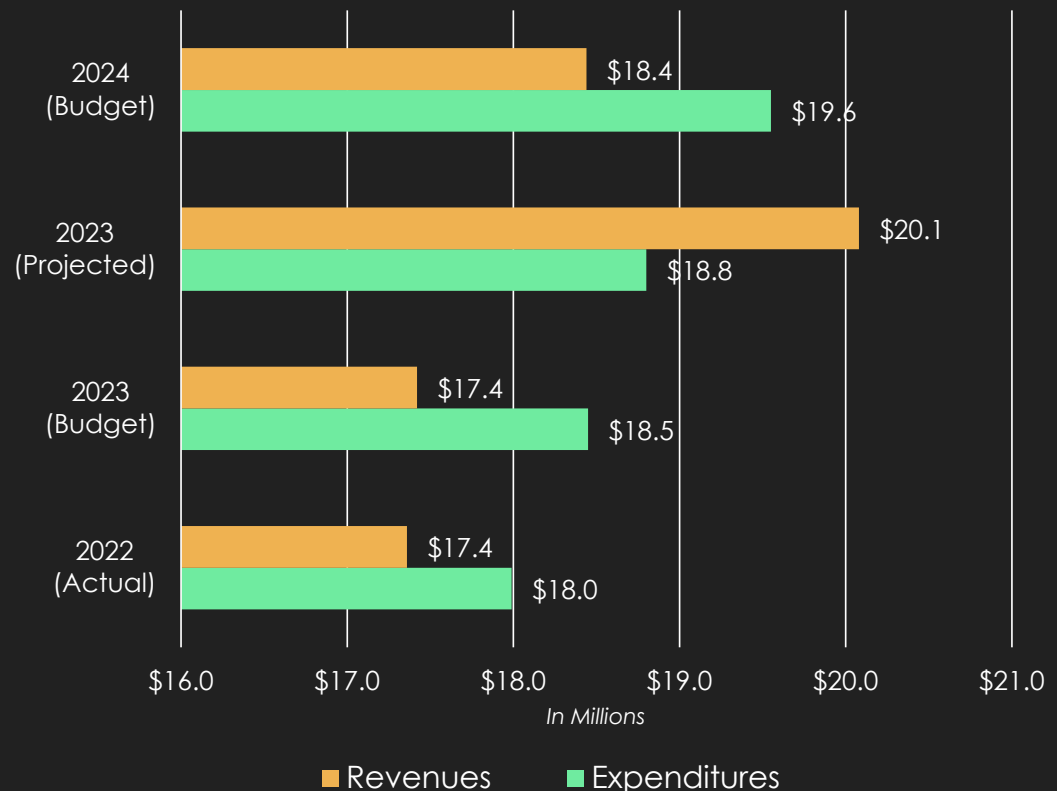


2024 Sewer Fund Operating Budget Overview

Expenditures and Reserves Trends for 2024 Budget

- Overall increase of \$1.10 million (6%) in expenditures versus 2023 budget
 - \$961,000 of the increase tied with budgetary increases from CRW and Swatara Authority relative to transmission and treatment charges increases
 - General administrative charges declined by \$198,000, reflective of shifted cost assessments to Solid Waste & Recycling Collection (Township) and Stormwater (Authority) Funds
 - Overall growth in debt service (\$373,000), including new debt issuance proposed (one bi-annual interest payment; \$438,000)
- Financial reserves proposed to decline by \$1.11 million (\$1.03 million decline for 2023 budget; projected 2023 results absent retainage revenue/property sale is \$452,000 decline) to \$25.20 million to start 2025

Sewer Operating Fund: Revenues vs. Expenditures Trends



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2024 Sewer Fund Capital Budget Overview

- Revenues account for capital project grants, interest earnings on unspent bond proceeds, transfers for Township-subsidized improvements, and any proceeds from debt issuances
 - 2024 budget includes \$1.00 million CFA grant towards Paxton Creek (PC) 3E sewer rehabilitation project, \$354,000 estimate for interest earnings on unspent debt balances, and issuance of \$16.15 million in taxable General Obligation Bonds (GOB; through Township) towards this and other capital investment projects
- Capital expenditures total \$12.98 million from estimated \$2.05 million in unspent reserves from 2023 as well as above revenues
 - Paxton Creek 2 sewer rehabilitation project (\$2.275 million) beginning in 2024 through 2025
 - Paxton Creek 3 sewer rehabilitation project (\$5.225 million) with construction beginning in 2024 through 2025
 - Beaver Creek 7 sewer rehabilitation project (\$4.17 million) completing in 2024
 - Cost share for North Branch Susquehanna project (\$500,000)
 - Capital engineering support, metering investments, sewer mainline improvements (minor projects), and capital equipment/facility investments (\$812,500)
- Reserves projected to carry into 2025 total \$6.58 million, with continued Paxton Creek 2/3 spending utilizing a large portion of these reserves

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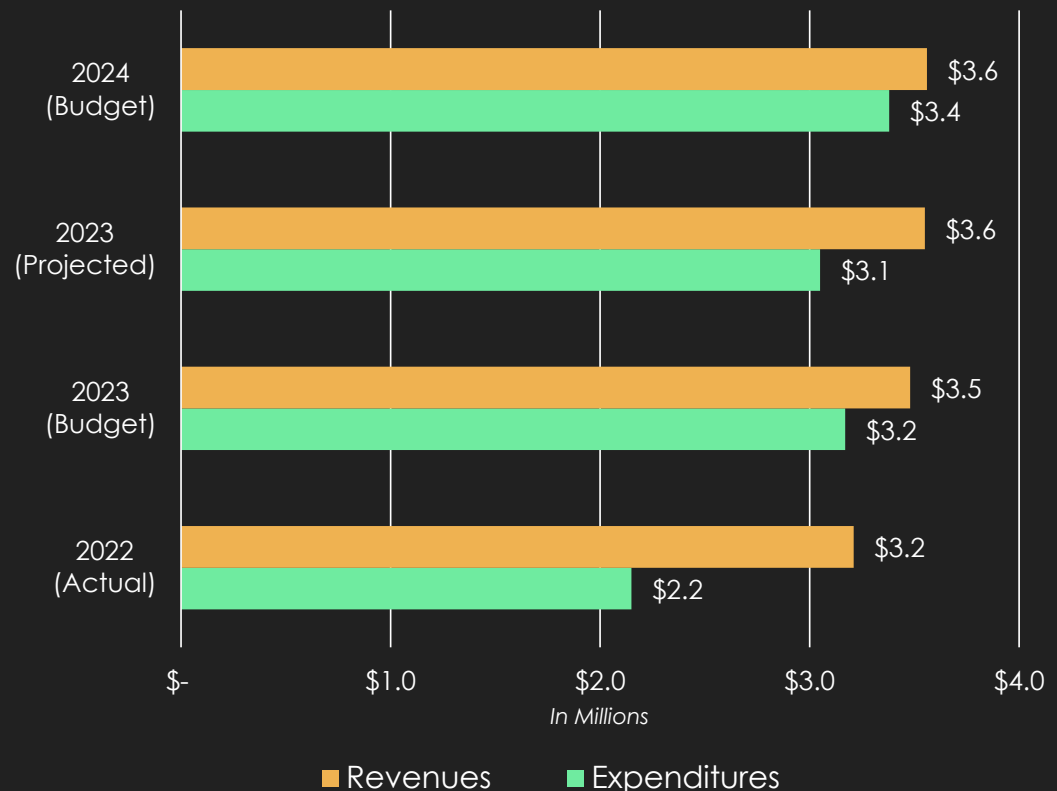


2024 Stormwater Fund Operating Budget Overview

Revenue Trends for 2024 Budget

- Overall increase of \$79,000(2%) in revenues versus 2023 budget
 - Adjusted estimation of stormwater ERU's (32,137 at \$26/quarter; decrease of \$49,000); **quarterly fees remain unchanged at \$26/quarter**
 - Improved interest earnings on operating funds (\$128,500)
- 2023 projected revenue growth focused on interest earnings; overall trends consistent
 - Stormwater ERU growth within rate models were slightly aggressive for 2023, resulting in projected revenues less than budget of \$49,000
 - Through data mining projects to establish solid waste and recycling collection accounts, identified more such projects are needed and will be performed in 2024 to ensure completeness in assessment across the Township since initial scan/reconciliations performed for 2019 implementation

Stormwater Operating Fund: Revenues vs. Expenditures Trends



FINAL BUDGET PRESENTATION - NOVEMBER 28, 2023

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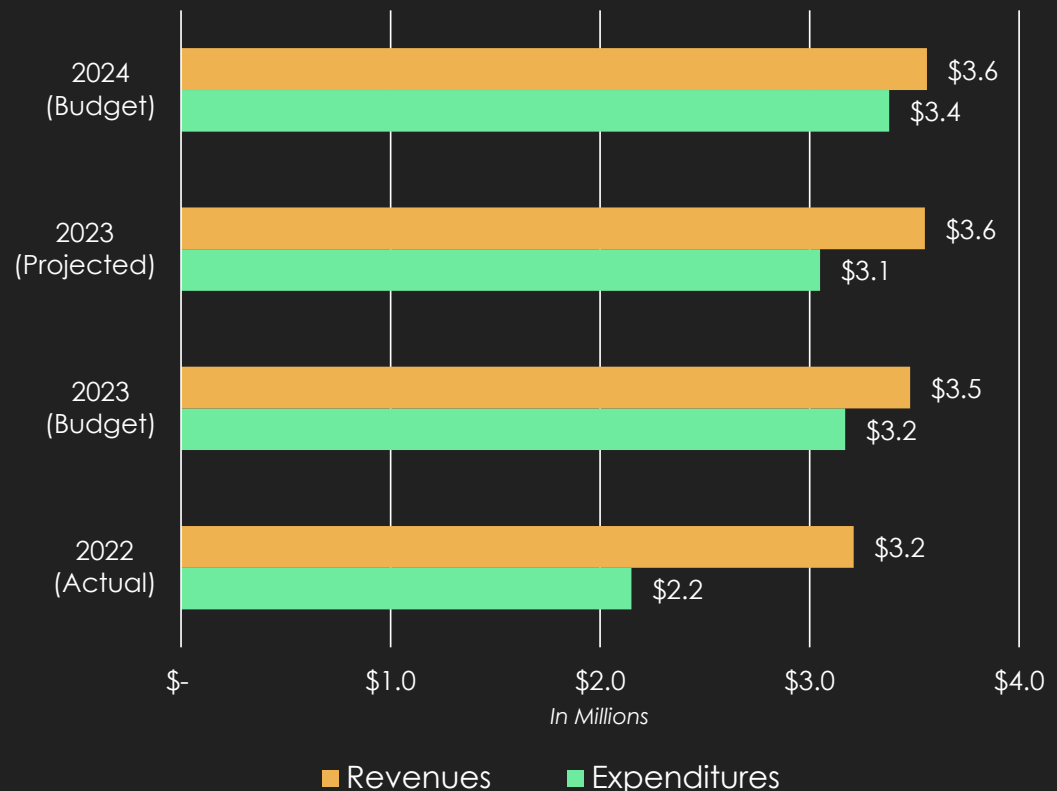


2024 Stormwater Fund Operating Budget Overview

Expenditures and Reserves Trends for 2024 Budget

- Overall increase of \$210,000 (7%) in expenditures versus 2023 budget
 - General administrative charges account for \$181,000 increase, reflective of shifted cost assessments from the Sewer Fund and increased allocation of labor for field installation of new/improved stormwater infrastructure
 - Operations facilities costs increased by \$30,000, tied with above-noted Sewer Fund cost assessment shifts for fleet and facilities management costs
 - Debt service remains virtually unchanged
- Financial reserves proposed to increase by only \$187,000 to \$6.38 million to start 2025
 - Staff continue to evaluate internal capital models (and relating operational impacts) to determine spending campaigns in future years

Stormwater Operating Fund: Revenues vs. Expenditures Trends



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LOWER PAXTON TOWNSHIP AUTHORITY



2024 Stormwater Fund Capital Budget Overview

- Revenues account for capital project grants, interest earnings on unspent bond proceeds, transfers for Township-subsidized improvements, and any proceeds from debt issuances
 - 2024 budget includes only \$314,500 estimate for interest earnings on unspent debt balances
- Capital expenditures total \$6.49 million from estimated \$10.98 million in unspent reserves from 2023
 - Paxton Creek 2 stormwater rehabilitation project (\$100,000)
 - Paxton Creek 3 stormwater rehabilitation project (\$1.575 million) with construction beginning in 2024 through 2025
 - Beaver Creek 7 stormwater rehabilitation project (\$2.51 million) completing in 2024
 - Joint projects with Army Corps of Engineers (\$120,000; completion in 2025) for system televising and CRW/Susquehanna Township and PennDOT (\$352,000) for pollution reduction improvements
 - In-house stormwater replacement and improvement projects (\$1.43 million), with component of labor to support larger projects noted above
 - Capital engineering support, metering investments, stormwater extensions (minor projects), County WREP, and capital equipment/facility investments (\$875,000)
- Reserves projected to carry into 2025 total \$4.80 million, with continued Paxton Creek 2/3 spending utilizing a large portion of these reserves

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2024 TOWNSHIP AUTHORITY BUDGETS OVERVIEW

*Thank you from the departmental staff of
the Township Authority!*



QUESTIONS?

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