



LOWER PAXTON TOWNSHIP AUTHORITY

2025 BUDGET PRESENTATION
TUESDAY, NOVEMBER 26, 2024 –
7:00PM



Township Authority 2025 Budget Highlights

- LPT Authority Sewer Operating Fund
 - Revenues - \$ 18.76 million
 - Expenditures - \$ 20.23 million
- LPT Authority Sewer Capital Fund
 - Revenues - \$ 1.82 million
 - Expenditures - \$ 14.40 million
 - *From unspent bond/debt proceeds and accumulated interest earning reserves*
- LPT Authority Stormwater Operating Fund
 - Revenues - \$ 3.64 million
 - Expenditures - \$ 3.45 million
- LPT Authority Stormwater Capital Fund
 - Revenues - \$ 471,000
 - Expenditures - \$ 4.85 million
 - *From unspent bond/debt proceeds and accumulated interest earning reserves*

2025 Authority Municipal Budgets Overview

- Preliminary Authority budgets were publicly presented at the Tuesday, August 27, 2024 meeting at 7:00pm



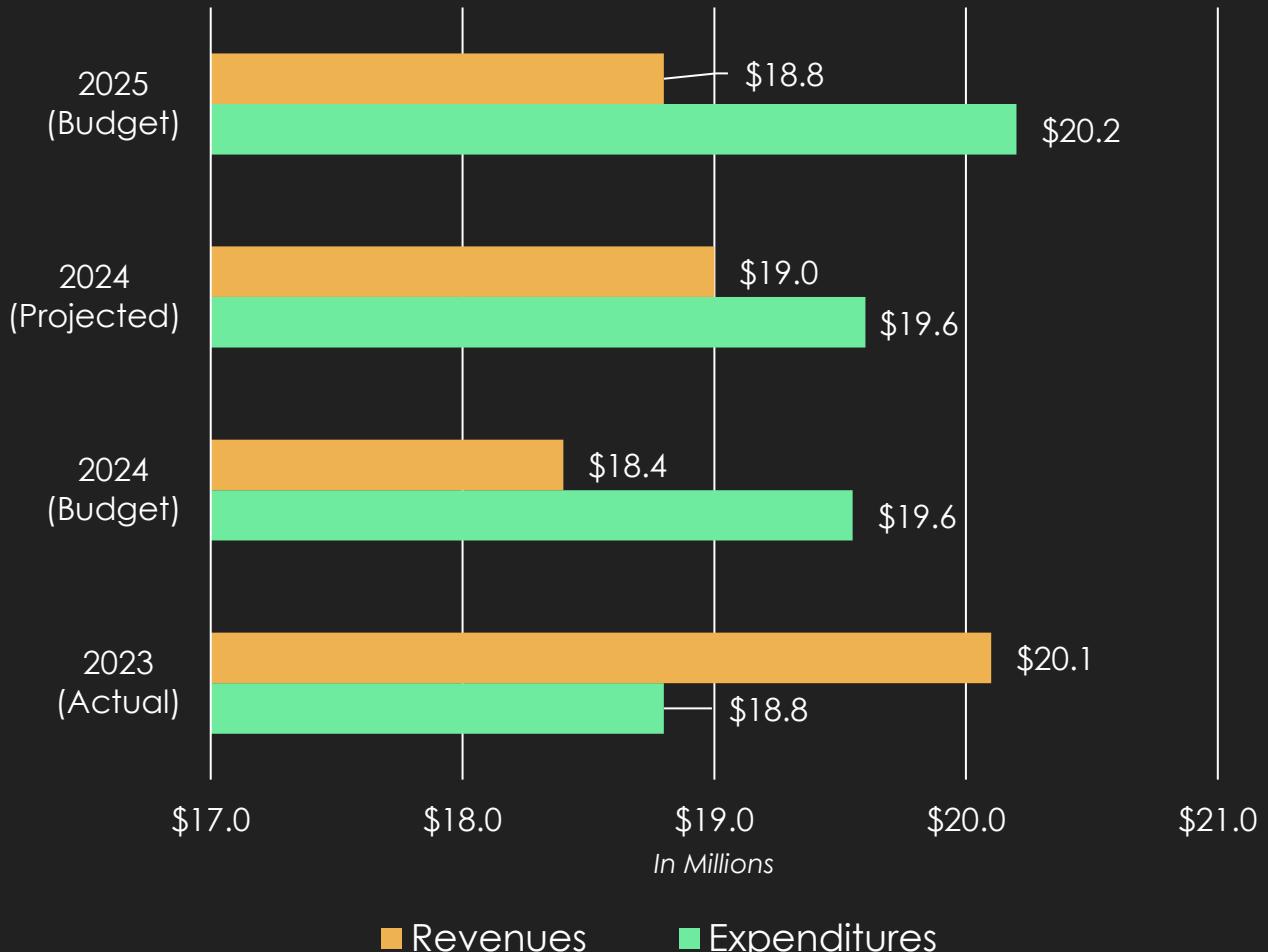


2025 Sewer Fund Operating Budget Overview

Revenue Trends for 2025 Budget

- Overall increase of \$315,000(2%) in revenues versus 2024 budget
- Continued anticipated growth of 100 sewer EDU's to 27,320 (\$200,000 increase over 2024 budget); **quarterly fees remain unchanged at \$158/quarter**
- Upward trending of permits/construction should spur significant growth/tapping fees in next several years
- 2023 revenues were unusually high
 - Included \$947,000 from PennVest loan retainage held (reimburses use of operating cash from prior years; *additional \$240,000 in 2024 projected total*), and \$541,000 for gross proceeds on sale of Commerce Park lands
 - Absent above, 2023 revenues of \$18.6 million virtually mirror other presentations, with minor growth anticipated

Sewer Operating Fund: Revenues vs. Expenditures Trends



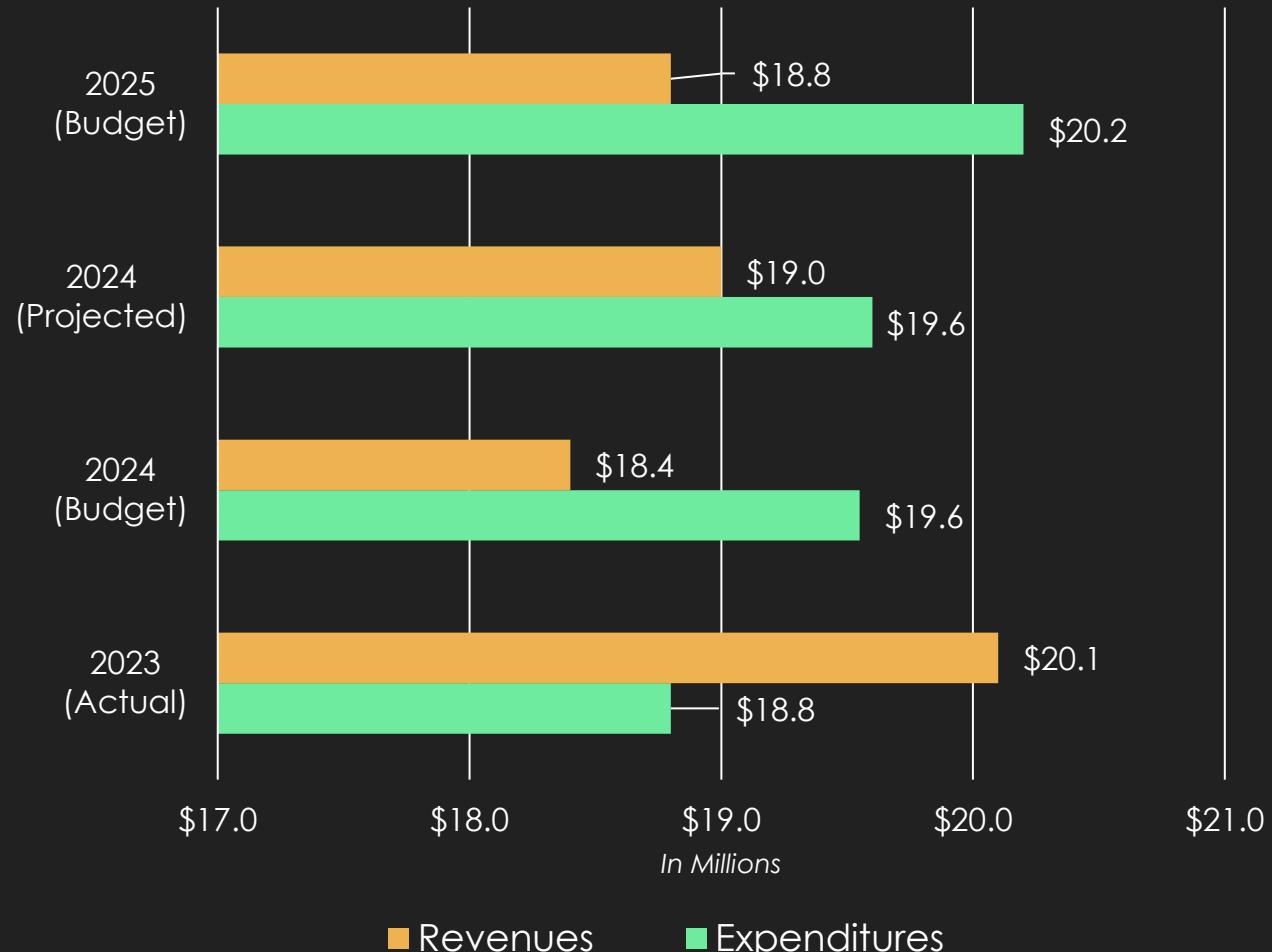


2025 Sewer Fund Operating Budget Overview

Expenditures and Reserves Trends for 2025 Budget

- Overall increase of \$683,000 (3%) in expenditures versus 2024 budget
- \$504,000 of the increase tied primarily with budgetary increases from CRW and Swatara Authority relative to transmission and treatment charges increases
- General administrative charges declined by \$152,000, reflective of additional project work shifts to Stormwater (Authority) Funds and reductions in new staffing costs for position changes in 2024
- Overall growth in debt service (\$255,000); no new debt issuance for 2025 (anticipate in 2026)
- Financial reserves proposed to decline by \$1.5 million to \$22.9 million to start 2026

Sewer Operating Fund: Revenues vs. Expenditures Trends



2025 Sewer Fund Capital Budget Overview



- Revenues account for capital project grants, interest earnings on unspent bond proceeds, transfers for Township-subsidized improvements (including grants to Township for Authority projects), and any proceeds from debt issuances
 - 2025 budget includes \$1.6 million in total grants (\$200,000 anticipated remaining in \$1 mil CFA grant, and \$1.4 million awarded to Township) for Paxton Creek (PC) 3E sewer rehabilitation project, and \$222,000 estimate for interest earnings on unspent debt balances
- Capital expenditures total \$14.0 million from unspent issuance/earnings reserves from as well as above revenues; significant projects as follows
 - Cost share for Paxton Creek North Branch Susquehanna project (\$500,000)
 - Significant expansion of Mainline Repairs for Paxton Creek 2/external system repairs correlated with projects below (\$1.6 million)
 - Paxton Creek 2 sewer rehabilitation project (\$1.7 million) beginning in 2024 through 2025
 - Paxton Creek 3 sewer rehabilitation project (\$10.0 million) beginning in 2024 through 2025
 - Beaver Creek 7 sewer rehabilitation project expected substantially complete in 2024, with final work/releases in 2025 (\$250,000)
- Reserves projected to be depleted during 2025; staff continues to evaluate shift in unspent stormwater bonds or temporary sewer operations loan to cover additional project costs before intended 2026 issuance for next phases of improvements

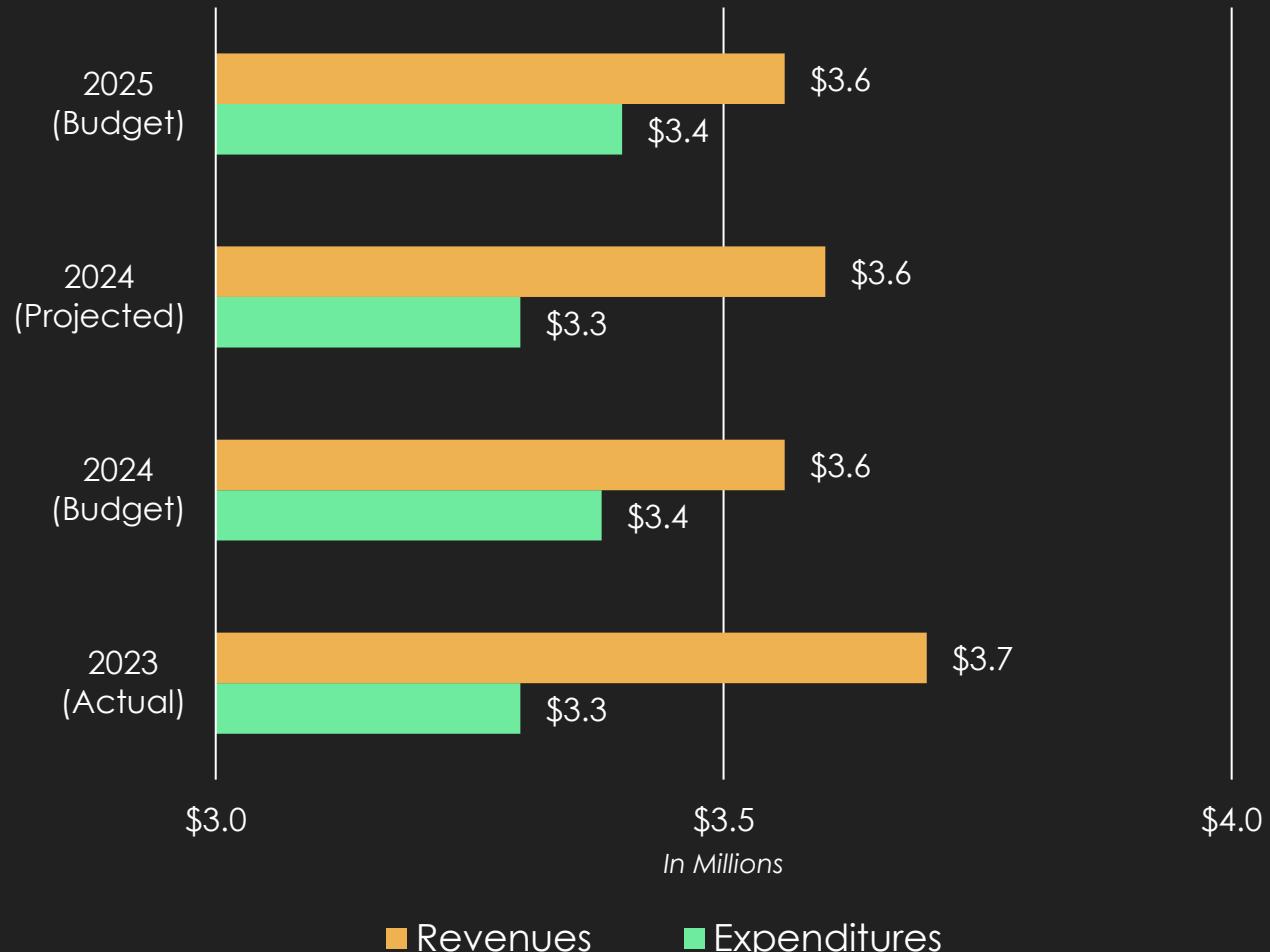
2025 Stormwater Fund Operating Budget Overview



Revenue Trends for 2025 Budget

- Overall increase of \$75,000 (2%) in revenues versus 2024 budget
- Adjusted estimation of stormwater ERU's (32,500 at \$26/quarter; increase of \$75,000); **quarterly fees remain unchanged at \$26/quarter**
- Anticipate static interest earnings on operating funds as reserves increase and rates decrease
- Revenues very consistent through all presentations, and anticipated growth in Township permits/construction not expected to have significant revenue growth impact given low residential charges

Stormwater Operating Fund: Revenues vs. Expenditures Trends



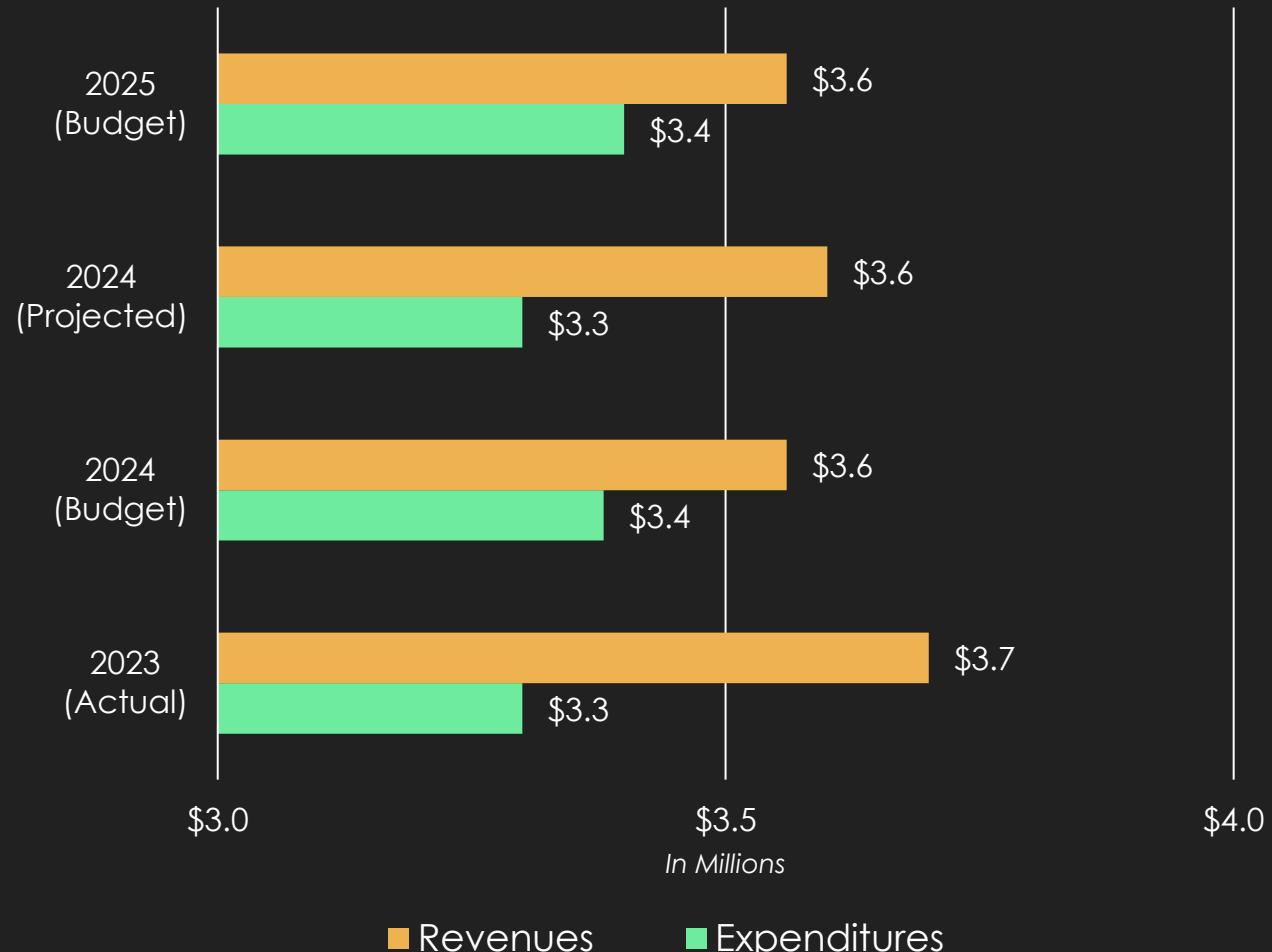
2025 Stormwater Fund Operating Budget Overview



Expenditures and Reserves Trends for 2025 Budget

- Overall increase of \$70,000 (2%) in expenditures versus 2024 budget
- General administrative charges account for \$78,000 increase, reflective of shifted cost assessments from the Sewer Fund and increased allocation of labor for field installation of new/improved stormwater infrastructure
- Debt service remains virtually unchanged
- Financial reserves proposed to increase by only \$192,000 to \$7.4 million to start 2026
- 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



2025 Stormwater Fund Capital Budget Overview



- Revenues account for capital project grants, interest earnings on unspent bond proceeds, transfers for Township-subsidized improvements (including grants to Township for Authority projects), and any proceeds from debt issuances
 - 2025 budget includes \$319,000 in grants to Township for several public Stormwater basin improvement projects, and \$150,000 estimate for interest earnings on unspent debt balances
- Capital expenditures total \$4.9 million from unspent issuance/earnings reserves from as well as above revenues; significant projects as follows
 - Paxton Creek 2 stormwater rehabilitation project (\$200,000)
 - Paxton Creek 3 stormwater rehabilitation project (\$1.9 million) beginning in 2024 through 2025
 - Beaver Creek 7 stormwater rehabilitation project expected substantially complete in 2024, with final work/releases in 2025 (\$100,000)
 - Colonial Park stormwater improvements (\$497,000) beginning in 2025 through 2026
 - In-house stormwater replacement and improvement projects (\$1.9 million), utilizing Public Works and Authority labor and including engineering support; most contained to 2025
- Reserves projected to carry into 2026 total \$2.3 million; existing reserves may transfer to exist with anticipated sewer project cost overruns to aid in timing for intended 2026 debt issuances by both sewer and stormwater for next phases of improvements

2025 TOWNSHIP AUTHORITY BUDGETS OVERVIEW

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



QUESTIONS?

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