



Budget 2024 Presentation

November 13, 2023

The Budget Process

Dept Heads work create their budget requests and meet with the Township Manager, Finance Director and BOC Liaisons

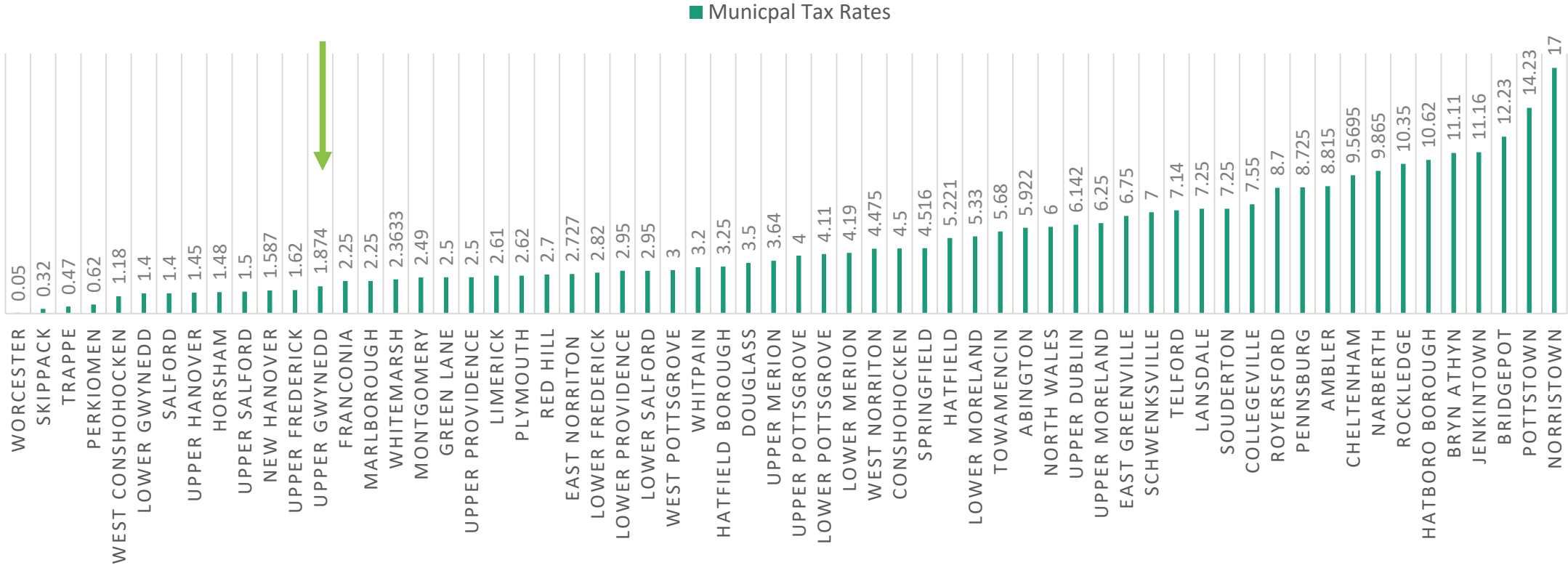
Staff present the Budget in two public work sessions, followed by two BOC meetings

We currently have a balanced budget requiring no Tax Increase in 2024

The budget will be advertised and scheduled for final approval at the BOC's 12/11 Board meeting

No tax increase is proposed in 2024

MUNICIPAL TAX RATES IN MONTGOMERY COUNTY



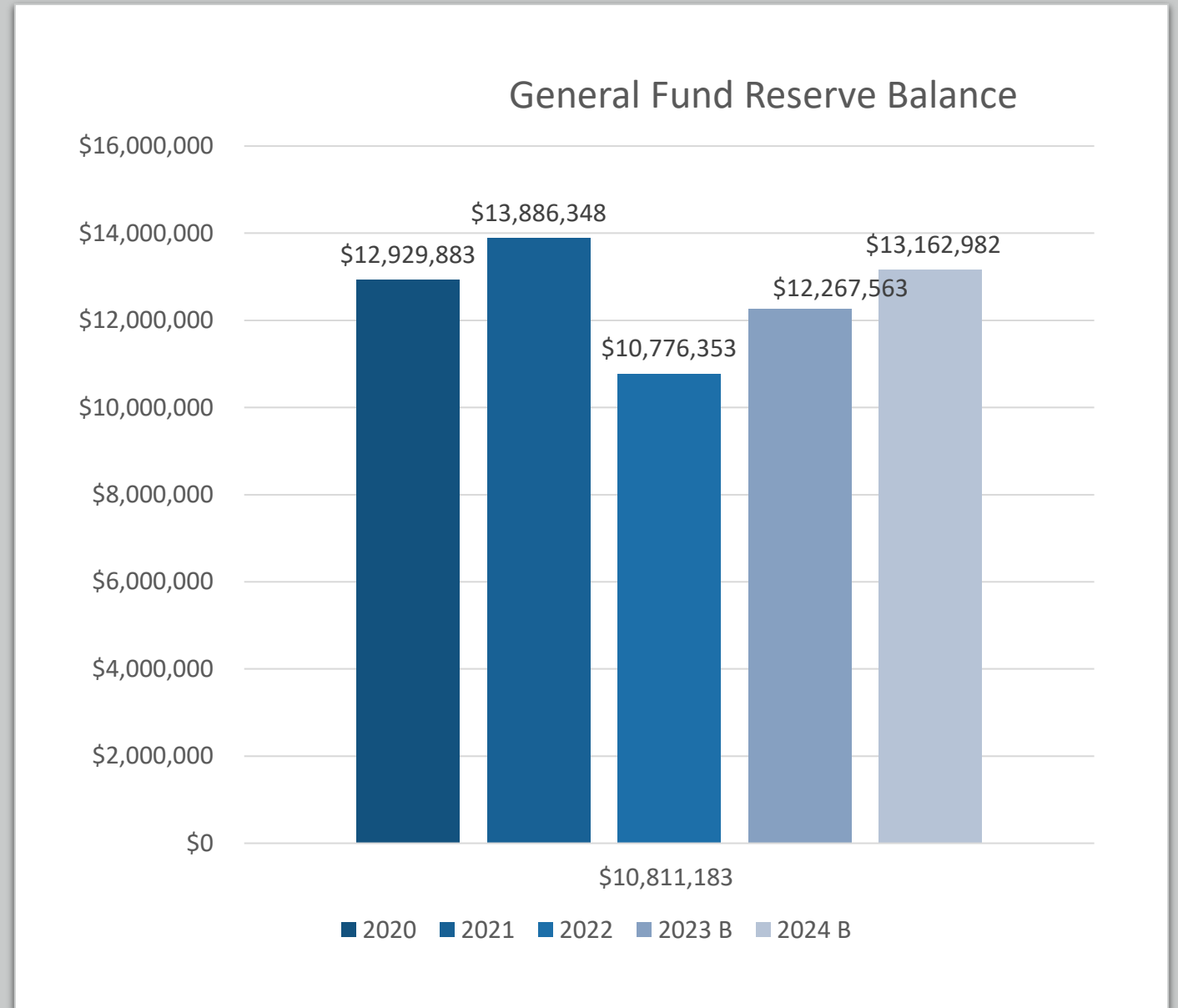
2023 Snapshot General Fund

- Our 2023 General Fund spending forecast is **\$(3,675,987)** under budget, our revenue is forecast at **\$32,239** over budget due to delayed grant expenditures for large projects like Haines Run and Sumneytown Pike Bridge. Those expenditures will roll over in 2024.
- We are trending \$1,362,791 end of year surplus even after including a \$750,000 suggested transfer to capital reserves.
 - Public Works is showing the largest reduced spending F/C
 - Capital Project Timing/Supply Chain issues and Grant Acquisitions make up most of this underspending
- All delayed projects are shown in the 2024 Budget
- Our revenues in the Local Enabling Taxes were up over our proposed budget, not nearly as much as in years prior:

Acct	Budget Line	2023 Budget	2023 Forecast	Difference
01-310-010	Tax - Real Estate Transfer	\$630,000	\$650,000	\$20,000
01-310-050	Tax - Local Services (LST)	\$942,900	\$1,004,900	\$62,000
01-310-210	Tax - Earned Income (EIT)	\$7,156,800	7,200,000	\$43,200

2024 Projected General Fund Reserve Balance

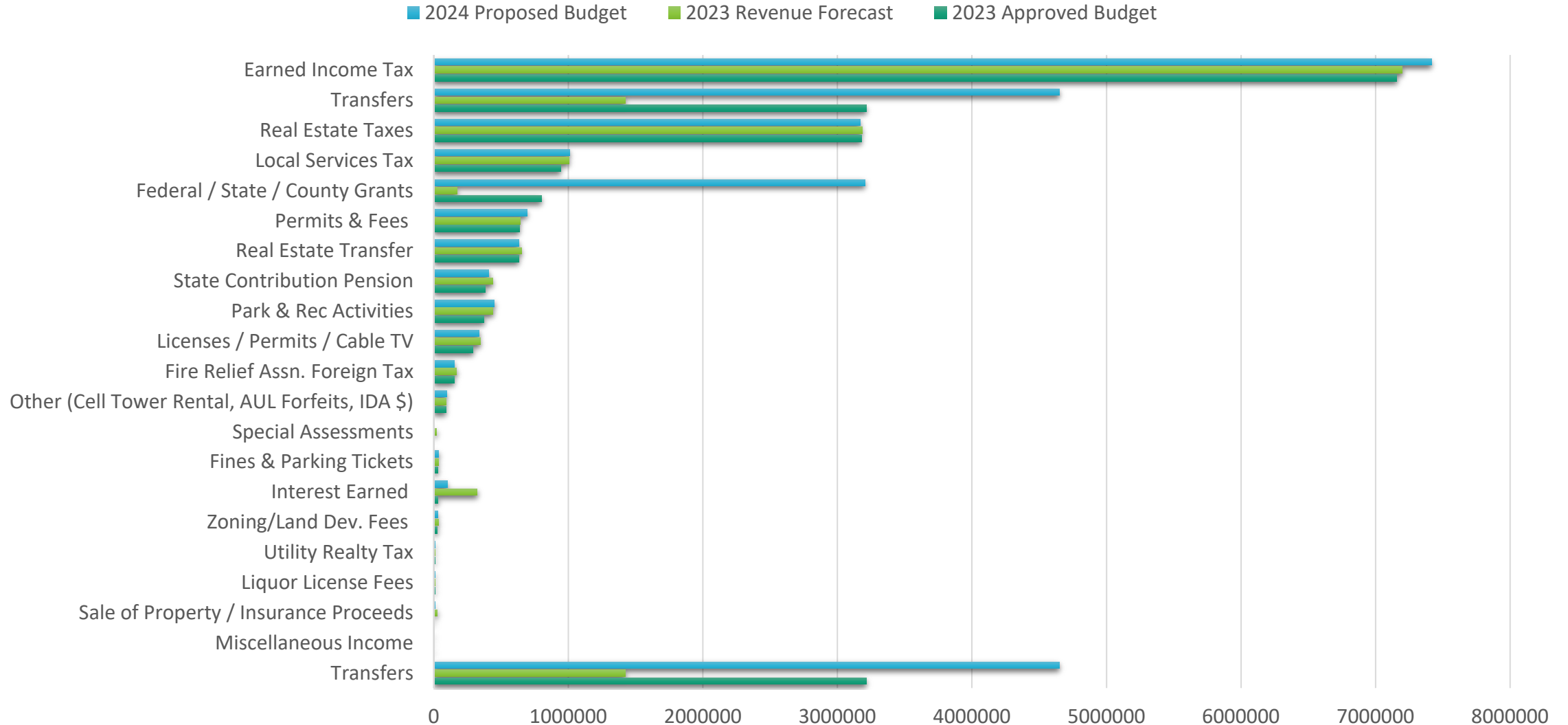
- Reserves are in place to help fund the gap during hard times
- Minimum recommended reserve is 3 months of expense
- This trend since 2018 has represented about 9.5-12.9 months of spending in reserve
- 2024 Budget as it stands today would leave us with 62% of expenses in reserves and a very strongly funded capital reserve fund.
- The large reduction between 2021 and 2022 is due to the 10-year loan to WWTP for Emergency Repairs. We have included the payment from WWTP to GF in this year's budget.



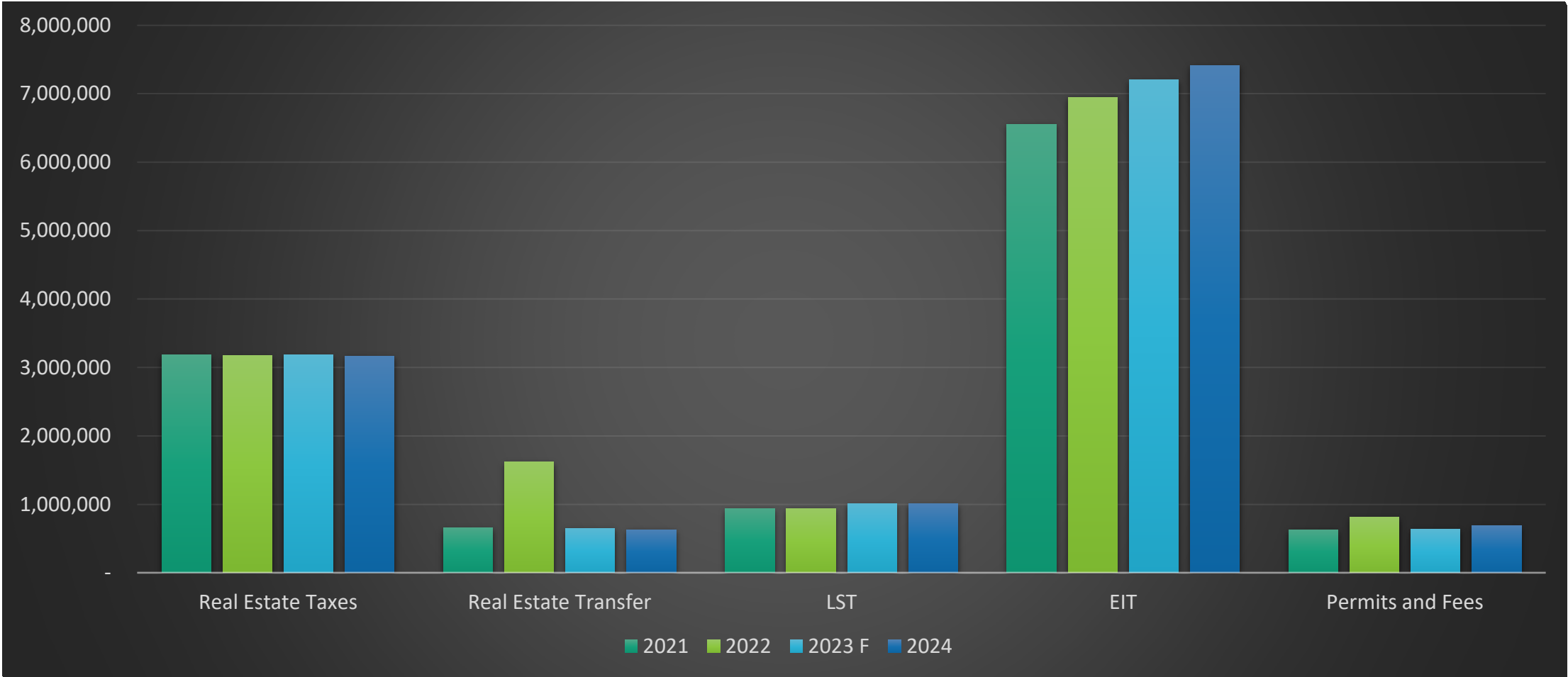


Budget Appropriations By Fund

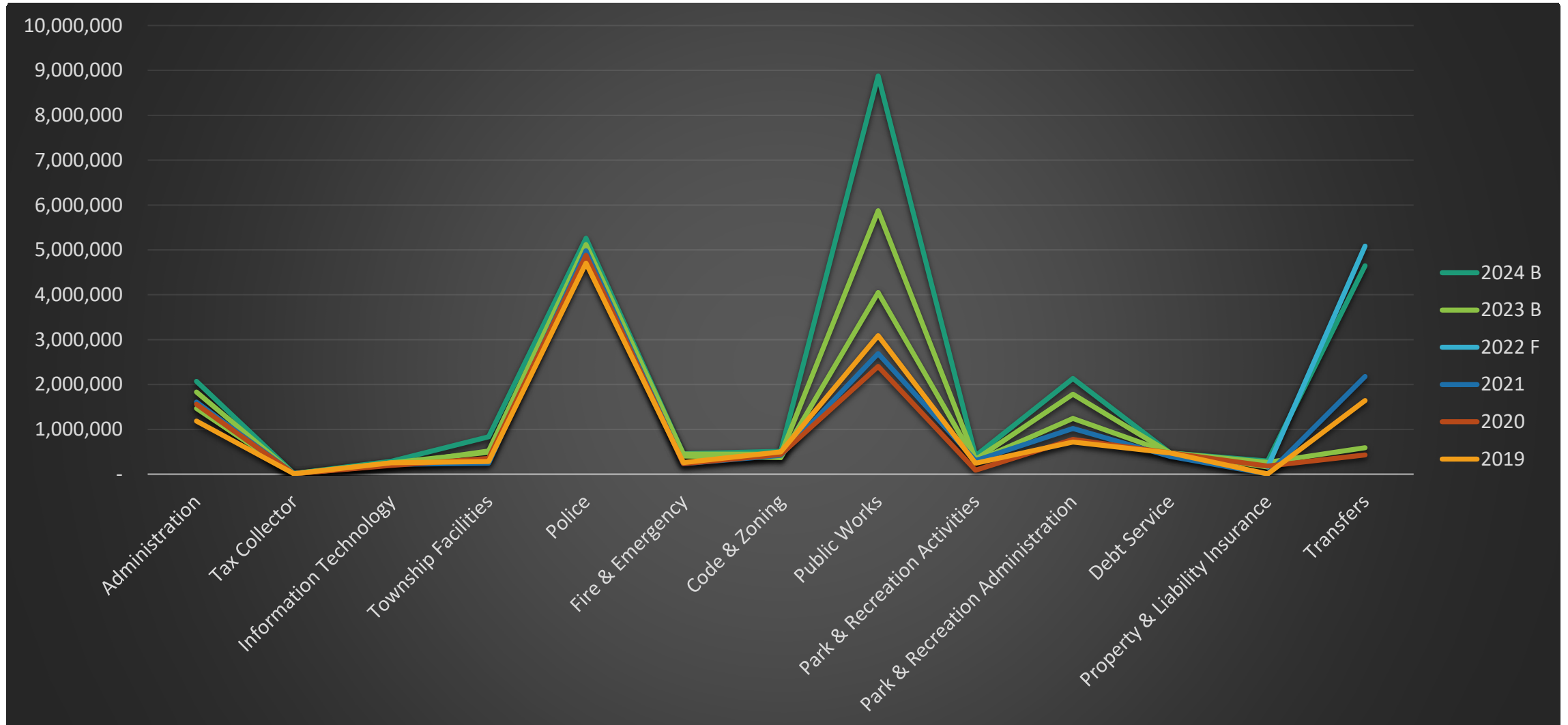
Total 2024 Revenue= \$ 17,757,694



Four Year Comparison- Major sources GF Revenue



Total 2024 GF Expenses= \$ 21,640,395



GF Operational Overview

- Facilities upgrades for safety, compliance and workspace (continued from 2023)
- Increased PD costs due to ladder increases and negotiated contractual salary obligations, and the increase of one FTE creating a Traffic Safety unit
- Continued investment in Stormwater Repairs and Pipe Lining (nearing \$1 million)
- Parks Comprehensive Plan update (continued from 2023)
- Continued progress on salary studies and adjustments to make sure we can compete for top notch labor in today's hiring market.
- New funding in the amount of \$100k to VMSC to continue to provide top notch EMS Services to our Residents
- New FTE to replace consultant retirement for Zoning Officer
- Milling and paving costs coming down compared to budget this year due to the delay of Church Road (includes line striping for Bike Lanes on Broad)

WWTP Operational Overview

- 2% reduction in chemical costs, and we expect further reductions in the future
- 29% increase in Safety Supplies as the Department embarks on a robust safety program next year.
- 75% increase in tools budget
- 17% reduction in lab prices due to changing labs
- 111% (\$ 83,500) increase in engineering costs to fund large capital projects planning and design
- 10% increase in electric, 8% increase in water bill
- \$15k increase in training for this department. Investment in our own staff to further their electrical or mechanical training.
- \$85,733 increase in insurance costs driven by flood experience rating and flood zone location of plant.
- Continued strong investment in I & I reductions through repairs and capital projects.

Fire Fund Operational Overview

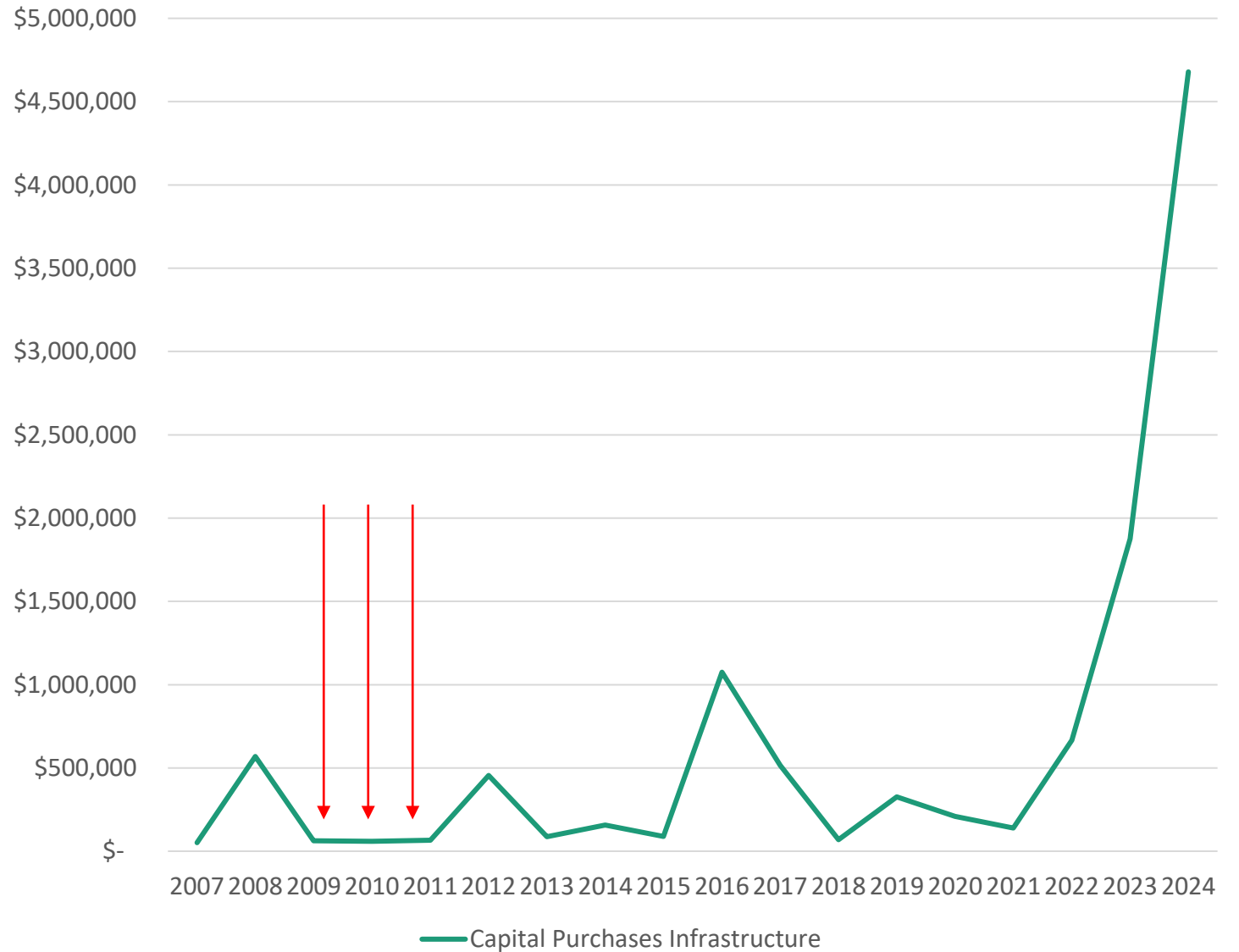
- \$153,000 of funding to Upper Gwynedd Fire Department with modest increase for increased costs. This excludes funding the Volunteer recognition program which is being funded by the Safer Grant.
- \$7,500 Budgeted in Funding to North Penn FD QRS related expenses
- \$547,822 fund reserve to help fund future vehicle and building improvements



Capital Projects

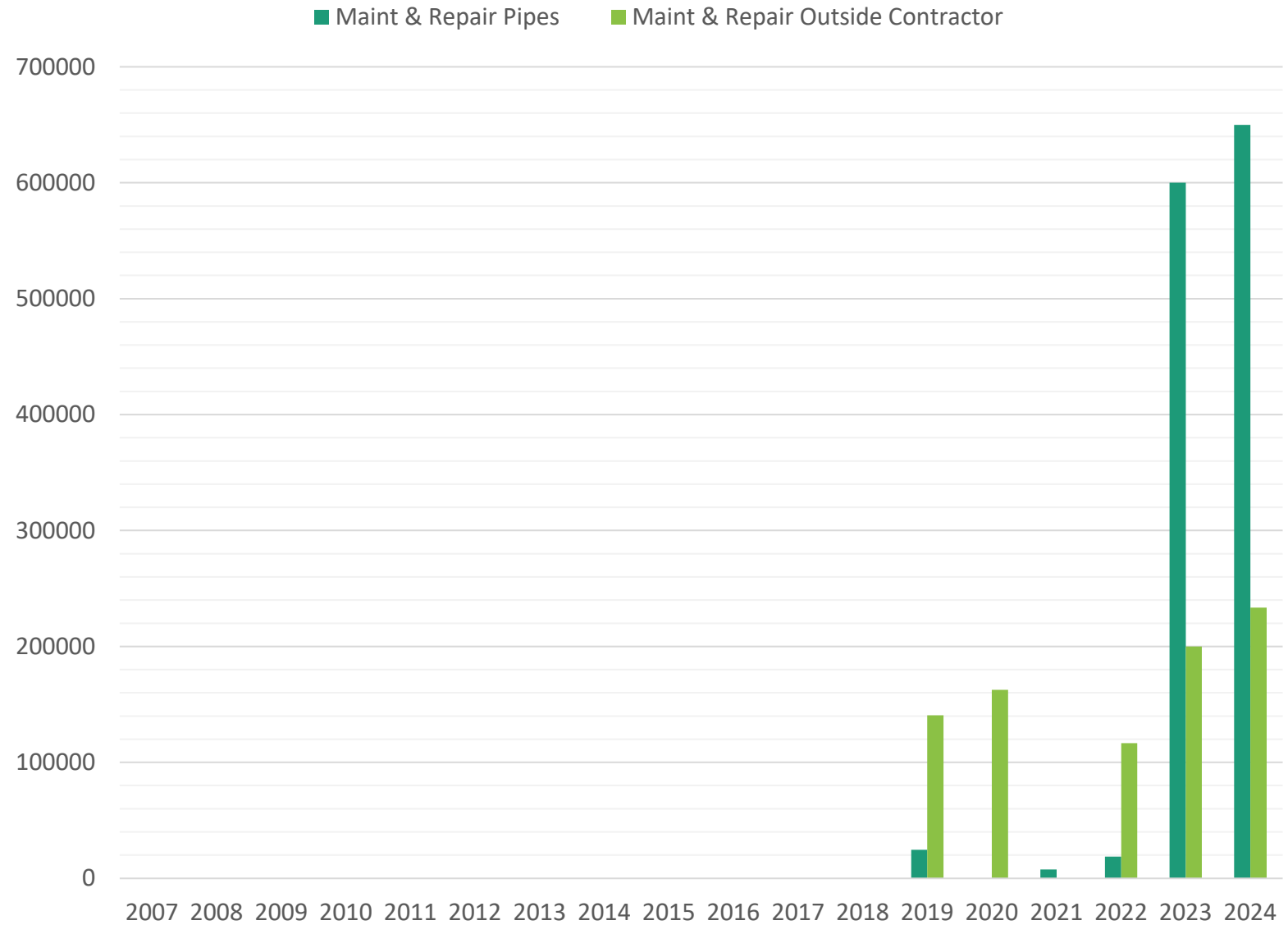
Why the increased focus on stormwater and capital infrastructure?

Capital Purchases Infrastructure (PW)



Why the increased focus on stormwater and capital infrastructure?

Maintenance and Repairs



Five-Year Capital Plan

- **Proposed spending in the amount of \$29,984,445 with over 157 projects across seven departments including Administration, Facilities, Police, Public Works, Fire, Parks and Recreation and Wastewater.**
- **Funds will be sourced from 10 different funding sources including Grants, Liquids Fuels, Capital Reserves, Rebillable Funds, the General Fund, Sewer Capital Fund, Sanitary Sewer Fund, Fire Fund, Fire Department.**



STAFF



ELECTED OFFICIALS



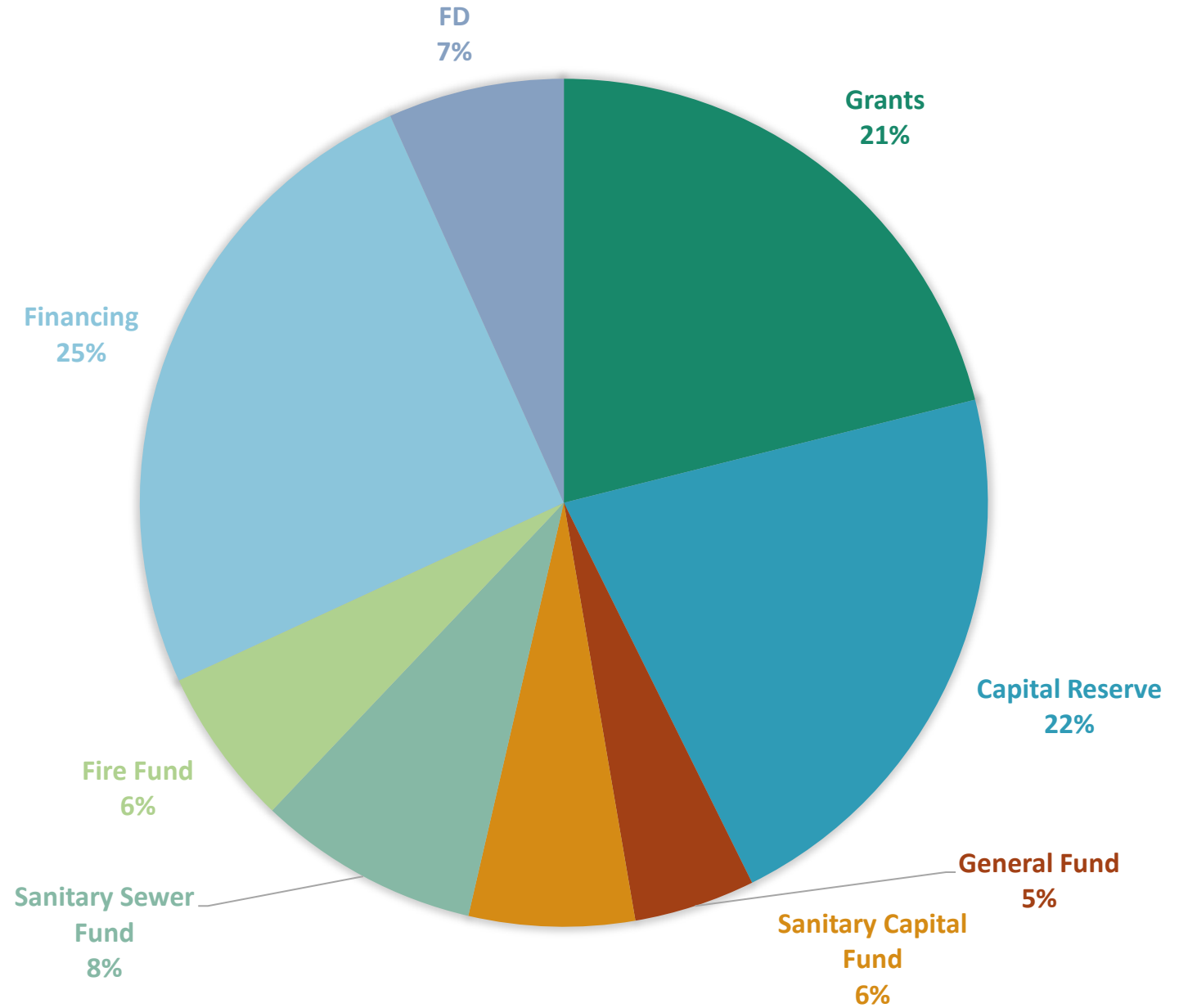
VISION



FIVE YEAR
PLAN

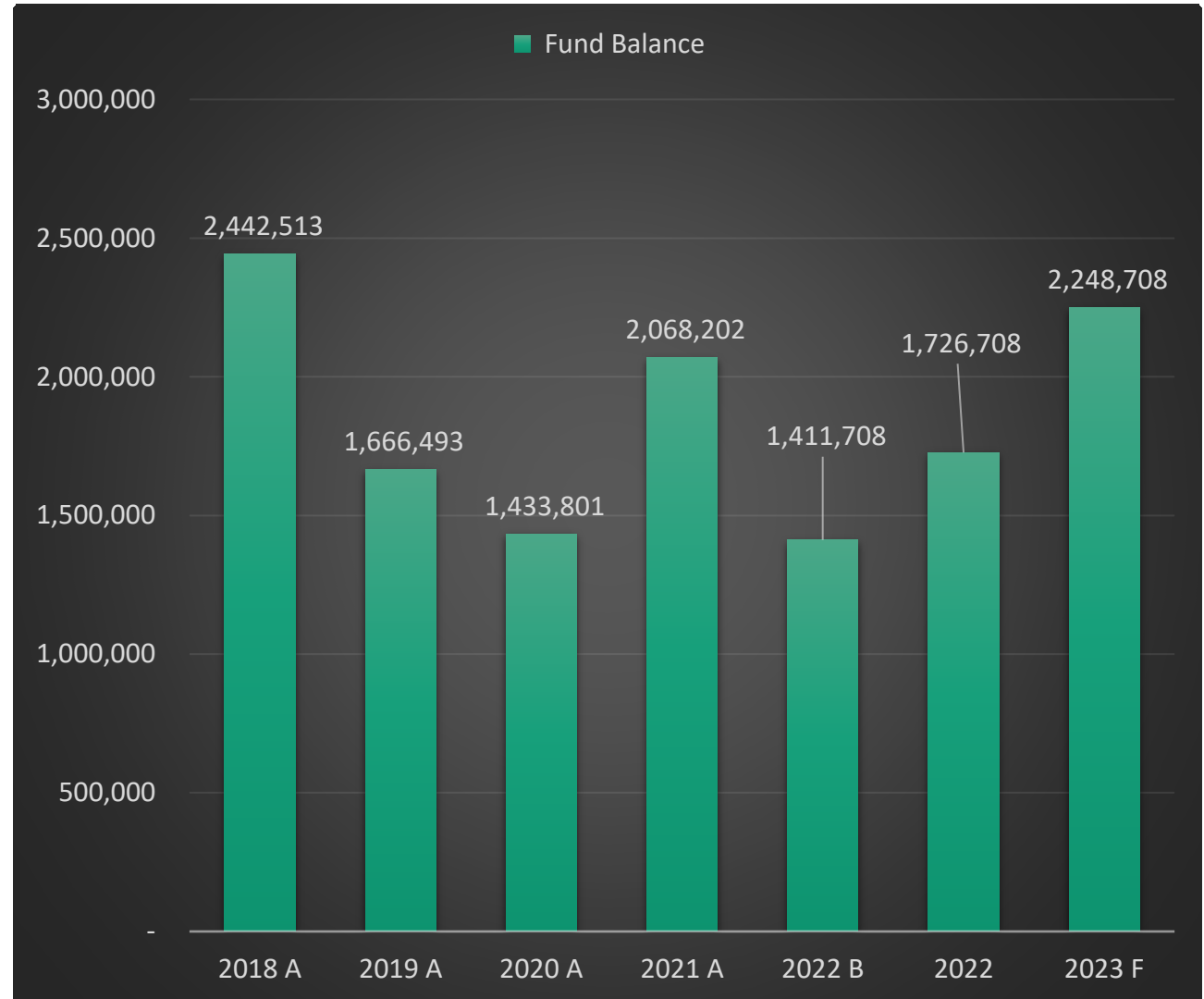
Capital Plan Funding Sources

TOTAL CAPITAL PLAN 2024-2028



Transfers to Capital Reserve

- In 2023 we are budgeted a transfer to Capital Reserve of \$315,000. Strong revenues and timing of projects has enabled us to allocate another \$435k to that fund in order to further fund future expenditures
- This aggressive funding level will enable us to complete the projects planned for in our five-year plan.
- We will need to maintain a \$315,000 transfer each year to keep up with the funding level for those projects. We have planned \$345,000 for 2024, which is slightly above our goals.



Theme 2024: Infrastructure Investment Planning

- Haines Run Streambank Restoration is necessary to help prevent a breach like you see in this picture
- Haines Run Streambank Restoration \$1.4M (awarded grants with DCNR \$90K, CFA \$581k, WQIP \$600k and Montco 2040 \$200K= Total Grant funding \$1.471
- Grant funding provides direct relief to the Capital Fund



Theme 2024: Continued Infrastructure Investment Planning

- Sumneytown Pike Bridge, replacement estimated at \$2.5 million
- Built in 1927
- 2024 Final Engineering and possibly construction
- Additional grant funding being sought to move the pedestrian bridge up Sumneytown Pike where it crosses the Towamencin Creek



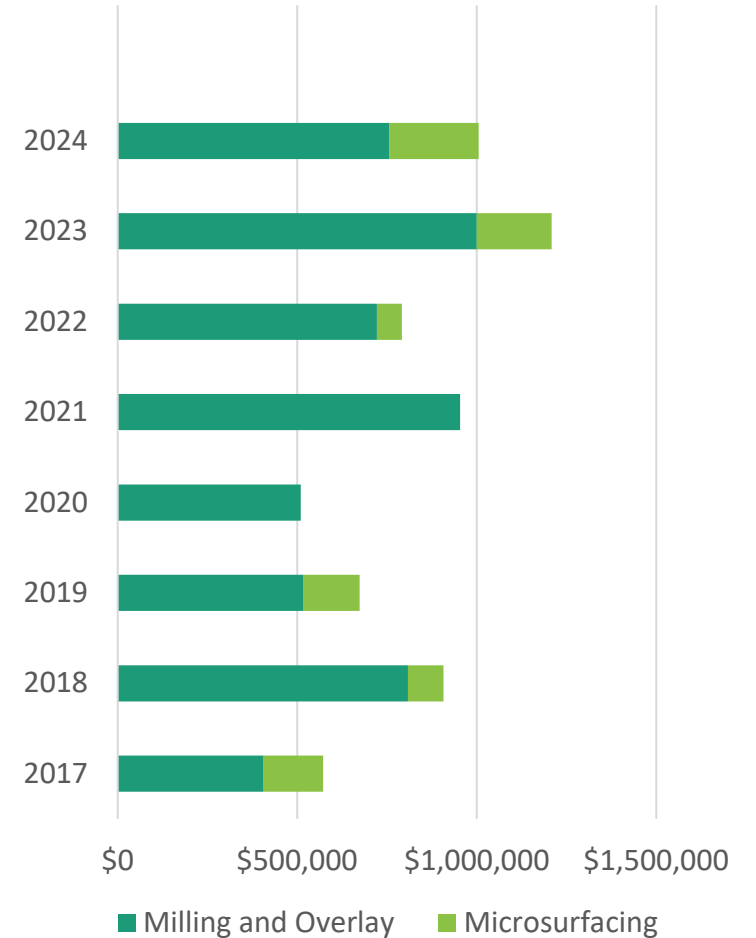
Other Capital Projects 2024

- Security improvements in our Township Building and a sprinkler survey for non-admin Buildings for increased safety for employees
- In Car Camera Upgrades for PD and two new vehicles
- Pole Barn Construction
- Drop down flood gates for high flood roadways
- Drainage improvement projects on West Prospect
- Villages and Stony Creek Spray Lining
- Drone to be shared across departments but mainly utilized by PD and FM Office
- Scott X3pro Airpacks (carry over from 2023)
- Traffic Signal Snow Guards and reflective backs throughout the Township as required by PennDot
- Township Owned Sidewalk and Curb repairs at Rexdale, State/Jackson and Flintlock
- New Roof Township Building
- HVAC Replacements for the Admin and PD
- New Backup Generator for Admin and PD
- Completion of Pedestrian Safety project at North Wales and Moyer Blvd, and on Hancock Road and Supplee
- Hartley Drive Meadow Project (required by MS4)
- 1 Replacement Playground at Rexdale Park
- Vehicles
 - Gator WWP
 - Mini Skid Steer PR
 - Replace 1999 10 wheel dump
 - Replace 1997 Case 590 SL Backhoe
 - PD Patrol Vehicle
 - Chipper Box

2024 Roads Program

- NovaChip:
 - Sugar Valley Development
 - Stirling Drive
 - Lafayette Road
 - Conway Place
 - Twinlyn Drive
 - Flintlock Drive
 - Muhlenburg Drive
 - Scott Way
 - McIntosh Way
 - Pulaski Drive
- Mill and Overlay:
 - Stony Creek Avenue
 - Jackson Street
 - State Street
 - Girard Avenue
 - Whitney Place
 - Beth Drive
 - Allen Way
 - Amity Lane
- ADA ramps in Stony Creek

Roadway Improvements



WWTP Capital Projects 2024-2028

Influent Screen Upgrades

Capital \$46,000
1/2024

- **What is this?**
 - Removal of solid materials from the influent before entering the process system.
 - Installation of solenoid valves, flow meters, wash water piping
 - Automation of the screens
- **Why is it important?**
 - New screen has yet to operate properly due to its installation.
 - Automating the screen will improve its removal efficiency
 - Less solid particles will make it into the treatment process, which benefits downstream equipment and effluent quality.



Plant Entrance Bridge Evaluation Engineering \$10,000 1/2024

- **What is this?**
 - A structural evaluation of the plant entrance bridge.
- **Why is it important?**
 - This is the only entrance to the plant.
 - If the bridge ever becomes out of service, chemical deliveries, sludge hauling, and other operations would be suspended.





Replacement of WAS and RAS Pumps

Total \$350,000
Capital 2025 \$315,000
Engineering 2024 \$35,000

- **What is this?**
 - Return Activated Sludge (RAS) pumps send flow from the secondary clarifiers back to the aeration tanks.
 - Waste Activated Sludge (WAS) pumps send flow from the secondary clarifiers to be wasted.
- **Why is it important?**
 - RAS pumps return working biology to the aeration tanks for removal of pollutants.
 - WAS pumps allow the operator to keep the system's biology at an optimal age.
 - Too short can limit the amount of biological nutrient removal. Too long can cause sludge not to settle well.
 - The pumps should be replaced due to their age.
 - Parts for repairs are no longer as easily attainable.
 - Original pumps



Effluent Pump System Upgrades Capital-\$9,500 2/2024

- **What is this?**
 - This part of the process is where flow is re-aerated before it's discharged.
 - This would automate the effluent gate, post-aeration blowers, and pumps.
- **Why is it important?**
 - Re-aerating the effluent is done both for permit requirements and to prevent a DO drop in the stream that is harmful to aquatic life.
 - Automation reduces the risk of any SSOs at this location
 - Automation will also increase the efficiency of the blowers.
 - Run based on flow instead of constant speed, which reduces electricity costs.

Influent Distribution Box Upgrades

Total \$120,000

Capital 2024 \$40,000

Engineering 2024 \$30,000

Capital 2025 \$50,000

- **What is this?**
 - Controls how flow from the primary clarifiers and/or EQ tank is distributed to the aeration tanks.
 - Automate all existing gates and add splash walls or baffles to regulate flow.
- **Why is it important?**
 - Equal distribution of flow optimizes pollutant removal.
 - Automation of the gates reduces the risk of any SSOs at this location.



Aeration Evaluation Engineering \$10,000 6/2024

- **What is this?**
 - Evaluate the current aeration system for automation.
- **Why is it important?**
 - Allows aeration to be based on flow instead of run at a constant speed.
 - Reduces energy usage
 - Optimizes biological removal by providing the required DO for the amount of flow being received.





Solids Handling Process Upgrades
Total \$375,000

Engineering 2024 \$45,000

Capital 2025 \$330,000

- **What is this?**

- Currently UGT uses a gravity thickener and hauls liquid sludge.
- An evaluation of solids handling processes and the purchase of equipment.

- **Why is it important?**

- By moving from liquid sludge to a cake, there is a significant cost savings.
 - Less hauling required.
 - Increased locations for disposal.
- Current gravity thickener is not sized for the flow the WWTP sees.

Replacement Gator

Capital
\$18,000
1/2024

- **What is this?**
 - Purchase one four wheel drive gator
- **Why is it important?**
 - One of the current gators has been broken down for half of 2023.
 - Gators allow operations to move around the plant with equipment they need.
 - Improves worker safety and health by reducing the amount of weight they carry.
 - Want to convert one gator for interceptor work.



Aeration Tank Effluent Channel Upgrades Capital \$12,000 4/2024

- **What is this?**
 - Responsible for the equal distribution of flow to the secondary clarifiers.
 - Install level sensors to modulate existing gates based on flow.
- **Why is it important?**
 - The automation of the gates reduces the risk of SSOs.
 - During high flow events, the gates will automatically open as needed.



Primary Tanks Skimmer Replacement
Total- \$85,000
Capital 2024 \$55,000
Engineering 2024 \$30,000

- **What is this?**
 - Removes floating solids from the surface of the primary tanks.
- **Why is it important?**
 - Current skimmers are severely corroded and in need of replacement.
 - Prevents build up on top of the primary tanks.



Chemical Feed Evaluation Engineering \$10,000 6/2024

- **What is this?**
 - Evaluate the current chemical feed system for automation.
- **Why is it important?**
 - Allows chemical dosing to be based on flow instead of fed at a constant rate.
 - Reduces chemical usage.
 - Reduces energy use.
 - Automation also decreases the risk for permit violations.
 - Does not rely on operators to adjust the flow



Secondary Clarifiers & Aeration Tanks Gate Replacement

Total \$395,000 \$98,750 per year till 2028

Capital 2024-\$98,750

Engineering 2024 \$30,000

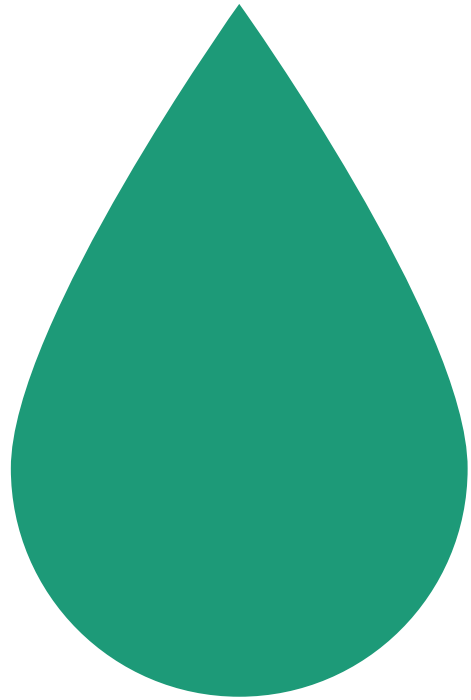
- **What is this?**
 - These are the main biological treatment locations
 - Replace all gates that have corroded
- **Why is it important?**
 - Gates are in place both for control and to allow operators to isolate equipment that needs to be maintained or repaired.



Primary Tank #1 Evaluation
Total \$95,000
Capital 2024 \$60,000
Engineering 2024-\$35,000

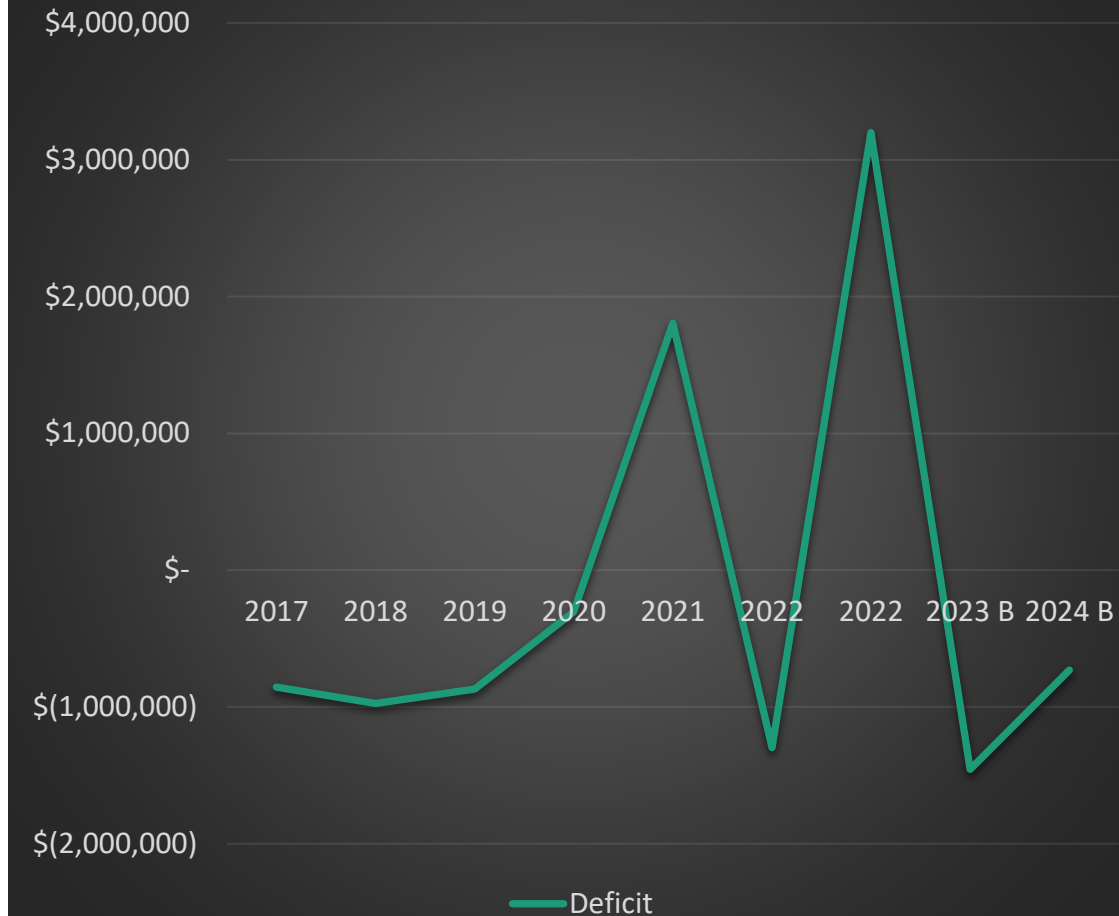
- **What is this?**
 - A tank in which solids are allowed to settle out before biological treatment.
 - Primary Tank #1 has been out of service due to groundwater infiltration.
- **Why is it important?**
 - The plant is permitted based on the tank being in operation.
 - Bringing the tank online increases the overall retention time in the primary clarifiers.
 - This allows for more solids settling.





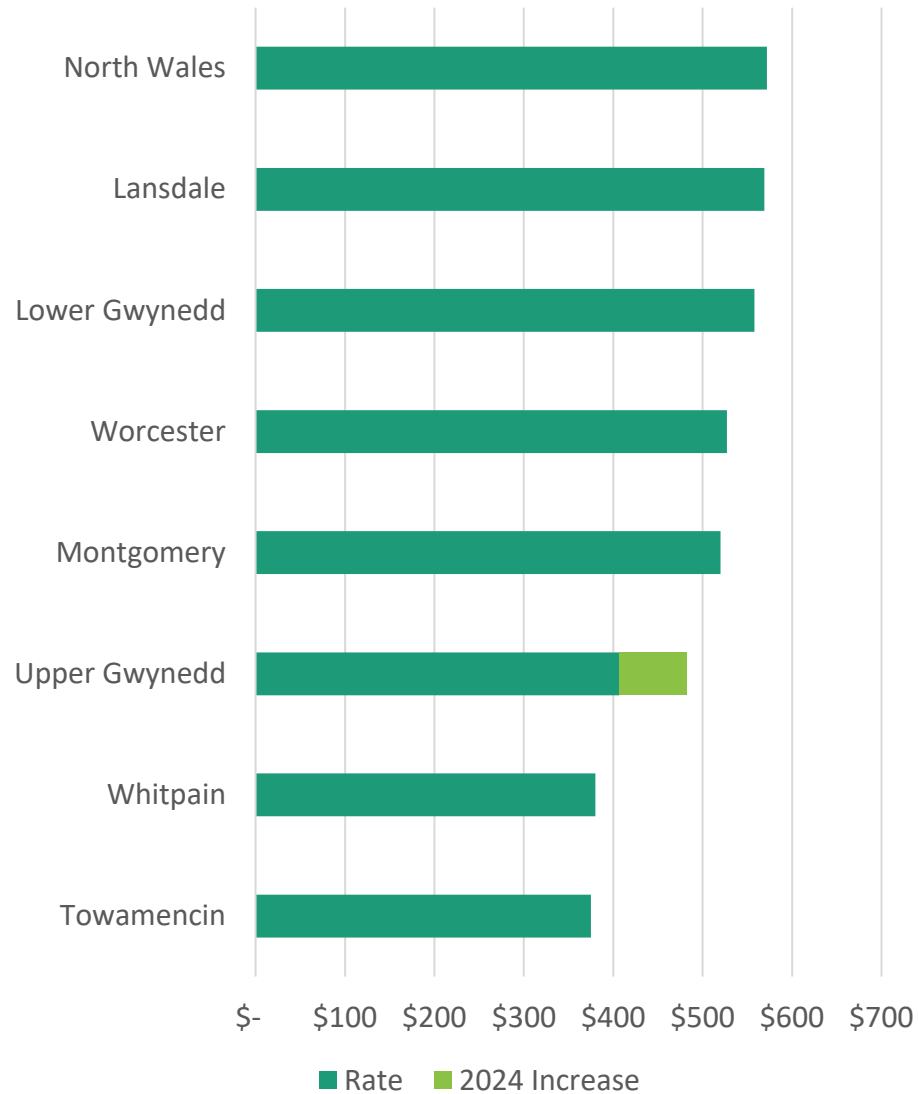
Wastewater Rate
Increase

WWTP Structural Deficit



- Our WWTP fund has continued to operate at a deficit even after rate increases in 2017 (with the exception of 2021 and 2022 due to borrowing for WIP)
- The deficit is covered by a transfer from WWTP reserve funds (structural deficit)
- Our total reserve funding in WWTP funds in 2024 is \$5,524,606 with the rate increase. We cannot continue to keep funding the deficit through reserve fund transfers
- With WIP online we have much higher than anticipated I & I costs and completed an additional \$3 million dollars in unanticipated projects last year.
- At the same time the age of our plant is showing. We need to continuously invest capital funding to maintain and operate the plant at a level required for our community and to prevent large unplanned rate increases in the future.

WWTP Comparative Rates



- In my 2023 Budget Presentation I noted that we will likely need a rate increase of \$100 in 2024.
- A rate increase of \$75 per EDU in 2024 will raise revenue in the WWTP fund by \$1,032,400
- This increase will completely fund all capital upgrades we have planned in the coming years and allow for a modest deposit (\$300k) each year in the WWTP capital fund.

I thought WIP was supposed to save us money?

- WIP allows us to invest in our own system and keep costs reasonable for our residents and rate payers. It also continues to protect the Township from paying rates to another Authority to treat our Wastewater, rates this board isn't in control of setting.
- Staff have continued to work to increase efficiency and reduce spending. We reduced overtime by 17% in this year's budget, reduced phone costs by 26%, reduced spending on UV system by 44%, and perhaps most importantly reduced sludge hauling costs by 27%. Many of our planned capital improvements will also increase efficiencies and decrease costs associated with sludge hauling, chemicals, and our I & I investments will ensure we are treating Wastewater, not ground water.
- With no increase since 2017 we have absorbed the cost of inflationary increases, major repairs at the plant for the flood, as well as increased WIP spending with no rate increase.
- The efficiency projects will have planned will help us keep rates at the same reasonable rate into the future.





Upper Gwynedd Township remains in stable a financial position for 2024 and into the future

Questions