

NORTH HUNTINGDON TOWNSHIP MUNICIPAL AUTHORITY
 BUDGET WORK SESSION, APRIL 9, 2014, 7:30 P.M.
 YOUGHIOGHENY WATER POLLUTION CONTROL PLANT
 4222 TURNER VALLEY ROAD, NORTH HUNTINGDON, PA 15642

Roll Call:

Todd M. Fry	- Present	Charles J. Gilbert, System Supt.	- Present
Timothy J. Hondal	- Present	Michael Branthoover, Finance Director	- Present
Joseph M. Korenic, Jr.	- Present	Christopher Sanner, Asst. System Supt.	- Present
William H. Miller	- Present	Donald J. Snyder, Jr., Solicitor	- Absent
William E. Miller	- Present	David A. Coldren, KLH Engineers	- Present

The Budget Work Session of the North Huntingdon Township Municipal Authority was called to order at 7:30 P.M.

Mr. Branthoover presented a summary of the draft 2015 Operating Budget. Overall the revenues for this past fiscal year are at 100.4% at budget. This past year there has been .65% customer growth. It was .47% the year before. Sewer revenues are 96%. This is due significantly to a \$130,000 annual loss that we have coming from Green Valley Cleaners which was \$120,000 and Norwin Town Square whose EDU's have changed because of construction we lost about \$10,000. WWMA didn't raise their rates so we didn't have to increase our rates to reflect that. The tap-in were \$257,000 over budget. The huge contributing factor was Dartmoor Estates, Phase 3. So far for 2015, we are not going to as for an increase in operating. For fiscal year 2015 there is going to be a budget increase of about 20% in our collections that is going to be the budget revenue.

Mr. Branthoover recommended an additional \$1 for the capital improvements and that will be the final one requested. That will generate an additional \$155,136 per year. With that, an estimated \$2,025,685 will be generated in capital improvements. This brings the total to \$12.15 per EDU.

The tap fee budget has been left the same for 2015.

Interest income has been adjusted to reflect the market. It seems to keep going down. That's including assessments.

Miscellaneous Revenue is over budget which is due in large part to the sale of vehicles and also the inspector reimbursements from the capital improvement projects. We're going to budget an overall increase of .51% in revenues which is being conservative.

Personnel expenses for the office are low at 89.2% of the budget which is due to an employee being off on short term disability. The budget for personnel is going to be increased to cover benefits for a new employee. The pension is budgeted at 7%. Overall, an increase of 1.6% will be requested

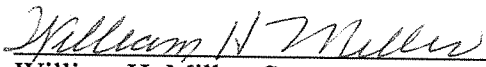
The Board of Directors expenditures have been left the same.

Personnel expenses for the system were 89.7% of budget. There were multiple employees off on disability. For Fiscal Year 2015 he's planning to hire a new employee and break even. Then Pension is 6.29%. Overall expenses are at about 91%. The major contributing factor is because WWMA didn't enact the anticipated rate increase.

There is about \$500,000 in the revenue fund at this time. We are not going to need to request an operating increase.

Right now with actual expenditures, Yough's cost per EDU is about \$40 and Brush Creek's is about \$46.

Mr. Coldren presented the updated 5-year Plan. The capital project expenditures is \$3,152,000 for Fiscal Year 2015. With the capital improvement surcharge, the Authority is generating just over \$2 million per year. At the end of 5 years, a positive balance of \$187,822 is projected.



William H. Miller, Secretary