

**Kennett Township Sewer Fund
2020 Budget Preparation**

Sewer Operating Fund	2020 All Requested	Comments
Operating Income		
Commercial Sewer Fees	424,000	Sewer fees/rent paid by commercial/industrial properties
Residential Sewer Fees	433,333	Sewer fees/rent paid by residential properties
364.10 · Interest	10,000	Balances not likely to be as high in 2020, but needs further review given high tapping fees in 2019.
364.80 · Misc	800	Sewer Certs
Misc. Sewer Revenues	10,800	
Total Operating Income	868,133	
Operating Expense		
Salaries & Benefits, allocated	121,000	10% of Public Works. 30% of Accounting/Billing staff member. 10% of 2 other Admin staff.
Sewer Treatment Expenses		
Paid to Kennett Square Borough	730,000	Most of our sewage is treated by Borough treatment center
Paid to East Malborough	65,000	
Contracted/Professional Services		
Engineering	75,000	Act 537 Plan to analyze current capacity, current flow, estimated future capacity and option to expand capacity. \$150K over 2 years.
	20,000	Day-to-day operations (does not include new projects)
Legal	2,000	Liens and collections
Maintenance, Repairs & Supplies	60,000	All routine maintenance and other outside parties brought in for service calls, repairs, maintenance or minor equipment/supplies. About 50/50 routine vs. repairs.
Utilities	20,000	Electricity, Phone, Water
IT Services	5,300	Billing system and online payment platform
Insurance	10,000	Placeholder. Need to break out Property & Liability for Pump Stations from General Fund. Will refine number.
Banking Service Charges	1,000	Banking fees and fees for online payments
Miscellaneous	1,000	
Total Expense	1,110,300	
Net Operating Surplus/(Deficit)	-242,167	

Sewer fees are not sufficient to cover Total Operating Expense. We retain only \$62K of sewer fees to cover all of Kennett's Sewer Operating Expenses

Resi & Commercial Sewer Fees	857,333
Sewer Treatment Expenses to Third Parties	795,000
Amount remaining to cover Kennett Operating Expenses for the Sewer System	62,333

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Sewer Capital Fund	2020 All Requested	Comments
Capital Income		
Connection (Tapping) Fees	237,819	Remaining connections for Sinclair Springs and Stonehouse. No new developments expected to pay connection fees in 2020.
Sewer Improvement Fees	20,800	Remaining fees for Sinclair Springs
Total Capital Income	259,000	
Capital Expense		
Connection expenses	81,000	Connections fees purchase sewer capacity in our pump houses/pipes and the Borough's waste treatment center. This is passing the revenue through to the Borough.
Capital Equipment	30,000	Portable Pump Purchase; will provide back-up to any pump station in emergency
Capital Projects	550,000	Rosesale Road Sewer improvements are likely beginning in December, but probably won't be paid until 2020. This is a Capital Project with a cost of ~\$550K.
Total Capital Expense	661,000	
Net Capital Surplus/(Deficit)	-402,000	
GRAND TOTAL SEWER FUND Net Surplus/(Deficit)	-644,167	