

**Kennett Township Sewer Fund  
2020 Budget Preparation**

Sewer Operating Fund	2020 All Requested	Comments
<b>Operating Income</b>		
Commercial Sewer Fees	452,000	Sewer fees/rent paid by commercial/industrial properties
Residential Sewer Fees	480,000	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	
<b>Total Operating Income</b>	<b>942,800</b>	
<b>Operating Expense</b>		
<b>Salaries &amp; Benefits, allocated</b>	<b>121,000</b>	10% of Public Works. 30% of Accounting/Billing staff member. 10% of 2 other Admin staff.
<b>Sewer Treatment Expenses</b>		
Paid to Kennett Square Borough	728,000	Most of our sewage is treated by Borough treatment center
Paid to East Malborough	60,400	
<b>Contracted/Professional Services</b>		
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.
<b>Utilities</b>	<b>20,000</b>	Electricity, Phone, Water
<b>IT Services</b>	<b>27,300</b>	Billing system and online payment platform; New GL/reporting/grant management implementation and year 1 licence.
<b>Insurance</b>	<b>10,000</b>	Placeholder. Need to break out Property & Liability for Pump Stations from General Fund. Will refine number.
<b>Banking Service Charges</b>	<b>1,000</b>	Banking fees and fees for online payments
<b>Miscellaneous</b>	<b>1,000</b>	
<b>Total Expense</b>	<b>1,125,700</b>	
<b>Net Operating Surplus/(Deficit)</b>	<b>-182,900</b>	
One-time expenses from above	86,000	Act 537 plus system implementation costs
<b>Net Operating Surplus/(Deficit) after one-time expenses</b>	<b>-96,900</b>	<b>Amount needed to cover via rate increase</b>

Sewer fees are not sufficient to cover Total Operating Expense. We retain only 15% of sewer fees to cover all of Kennett's Sewer Operating Expenses

Resi & Commercial Sewer Fees	932,000	
Sewer Treatment Expenses to Third Parties	788,400	
<b>Amount remaining to cover Kennett Operating Expenses for the Sewer System</b>	<b>143,600</b>	<b>15%</b>

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Sewer Capital Fund	2020 All Requested	Comments
<b>Capital Income</b>		
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
<b>Total Capital Income</b>	<b>259,000</b>	
<b>Capital Expense</b>		
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	575,000	Rosesale Road Sewer improvements are likely beginning in December, but probably won't be paid until 2020. This is a Capital Project.
<b>Total Capital Expense</b>	<b>686,000</b>	
<b>Net Capital Surplus/(Deficit)</b>	<b>-427,000</b>	
<b>GRAND TOTAL SEWER FUND Net Surplus/(Deficit)</b>	<b>-609,900</b>	