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**NOTE:** All budgets contained herein have actual figures for the first three quarters of 2014. The fourth quarter is a projection based on actual fourth quarter 2013. The annual column is the recommended 2015 budget, and due to adjustments made, in many cases will not equate the four quarter totals.

**GENERAL GOVERNMENT  
WATER & WASTEWATER  
2013/2014 BUDGET  
REVENUE & EXPENSE  
EXECUTIVE SUMMARY**

As in the past, budget projections are based on the current year to date figures added to the remaining months of the previous year. Adjustments are made for anomalies and known figures for certain line items. The 2014 projections are then adjusted based on all data and historical information available, and the projection then becomes the basis for the 2015 budget. As with any budget some assumptions must be made, but with enough historical data, a degree of certainty can be achieved. Municipal budgets change with the needs of the community. Troy is facing real change in terms of population, and an aging infrastructure in the Water Dept., Sewer Dept. and General (streets, sidewalks, bridges, buildings etc.). Expenses are on the rise due to these factors. As Council shifts priorities with changing community needs, the cost of supporting additional or upgraded services shifts. Our challenge comes in terms of balancing expenses in a way that allows us to continue with needed capital improvements while keeping taxes and utility rates as reasonable as possible. The following narratives are intended to help Council and the public understand what drives revenues and expenses and the need for any significant changes.

Several line item have been changed in terms of amount to more closely reflect actual dollars spent over the past three years. As priorities shift so does expense attributed to a specific line item. This re-alignment has been applied to all three budgets herein presented. It should also be recognized that budgets are a guide to help control spending and thereby keep taxes and rates to the minimum needed to run the day to day operations of the Borough.

**GENERAL**

**TAX REVENUE**

Troy Borough has 579 properties of which 7.77% are non-taxable, this has not changed from the 2013 review. Although, the total assessed property value in the Borough has gone from \$18,801,504 in 2013 to \$18,781,604 in 2014. This results in less revenue to the Borough if the milage rate remains 11.98. The REAL ESTATE CURRENT at September 2014 exceeds the same line item for 2013 by 1.6%. This revenue line item can be skewed by several factors, including but not limited to real estate values, the 1 mil increase imposed by the Borough for the 2012 tax year, property owners paying early to stay out of the penalty phase etc. It is important not to over value this increase, and one way to help insure the establishment of a credible number is to combine like tax line items. Because REAL ESTATE CURRENT, REAL ESTATE PRIOR and REAL ESTATE DELINQUITE tend to roll from one year to the next, it has always been a preference to combine them and look at them in their totality. When doing that, what develops is a total in real estate revenue for 2011 of \$204,958. The total for 2012 was \$222,141. In 2013 it was \$222,097. The total for year end 2012 was \$222,142.00. This increase from 2011 to 2012 was due in large part to the 1 MIL increase

imposed for the 2012 year. The number based on a review of the 2014 property valuation for the borough (\$18,781,604) and millage rate of (11.98) is \$225,000.00. This reflects the total projection of all three line items. Based on the previous 2 year period it is recommended that the budget revenue for these line items be \$222,500.

### **PER CAPITA CURRENT & PRIOR**

The 2015 projection for these line items tracks well with the actual revenue generated in 2012 and 2013. 2010 was slightly higher as a likely result of gas industry impact. Total revenue projection for the line items is \$6,811 including both current and prior. These are recommended for 2015.

### **R.E. TRANSFER TAX**

This tax revenue, (1% of sales), is based on property sales and therefore difficult to predict. In 2010 the revenue for that line item was budgeted at \$9,000.00 and actual at year end was \$11,358.00 In 2011 the budget versus actual was \$8,000.00 (budget) VS. \$14,000.00 (actual). The budget for 2012 was \$10,000.00 and the year end revenue in that line item was \$13,828.00. At year end 2013 it was \$12,640. At September 2014 it is \$11,386 I would recommend the projected figure for the 2015 budget at (\$11,500.00).

### **EARNED INCOME CURRENT & PRIOR**

This 1% tax on income is shared between the School District and the Borough at 1/2% each. This was previously collected by the School District and the Borough was charged a commission of 5%. On January 1 of 2012 ACT 32 required that the tax be collected county wide. The Bradford County Tax Collection Committee (TCC), consisting of representatives of each school district and municipality in the county, hired H. A. Berkheimer Inc. to collect this tax at a commission of 1.55%. In 2011 earned income Both current and prior generated a revenue for the Borough of \$81,000.00. The budgeted number for that same year was \$65,000.00. The budgeted figure for 2012 was \$80,000.00, the actual revenue received was \$93,800.00. Historically each quarter generates on average \$20,000.00. The year end actual for 2013 was \$91,116. The YTD figure at September 30 is \$82,224. I would recommend a 2015 budget figure of \$90,000.

### **OCCUPATIONAL TAX CURRENT AND PRIOR**

This tax is a pre-established amount based on occupation. This also, is historically a solid figure from year to year. In 2010, revenue of \$9,300.00 was budgeted and \$9,700.00 was realized. In 2011, \$9,000.00 was budgeted with \$9,500.00 realized. For the 2012 budget \$10,000.00 was budgeted, with the year end figure at \$9,500.00. The formula for predetermining the year end figure for 2013 put the combined line items at \$9,400.00 and the actual line items at year end were \$9,646. I would determine this to be a safe number for the line items for 2015.

## **TAX REVENUE OVERVIEW**

The total tax revenue expected at year end 2015, based on the above commentary, is projected at \$353,840. This is closely aligned with the revenue realized at year end 2013 (\$342,220). This gives support to the 2015 projection. By extension it is safe to assume that absent any dynamic demographic changes, these are acceptable figures for the 2015 budget with a total anticipated tax revenue of \$353,840.

## **OTHER REVENUE (NON-TAX GENERAL BUDGET)**

In 2013 these line items combined made up approximately 34.3%% of the general budget revenue. Most of the line items do not change significantly from year to year, but gas royalty payments to the Borough have increased these line items to constitute this higher percentage of total revenue (before gas royalties ≈ 15%).

Another critical contributor to these line items is State Aid Pension. The majority of the pension line item comes from State Aid funding, but must be included in the budget because it is ultimately the fiduciary responsibility of the Borough. In the event that the State discontinues or reduces the funding the Borough must fund the pensions. Therefore, it is included in the expense line item as the proposed Minimum Municipal Obligation (MMO) accepted in the September meeting of Council for both uniform and non-uniform pension plans. The revenue line item is included to cover the expense and is based on the previous years allocation of State Aid and is then adjusted upon receipt of the current years allocation. Although it does not always completely cover the expense it generally covers the vast majority of it. The MMO for the police pension in 2015 is \$20,883. The MMO for the non-uniform employees in 2015 is \$12,553. In the best case scenario I would use the 2015 allocation numbers against the 2015 expense. At the time of this report the 2015 allocation had not been determined. Therefore we will use the 2014 allocation of \$28,698, leaving a deficit of (\$4,738) The MMO budgets are included in Appendix A of this report.

The revenue line item FINES FORFEITURES AND COST is almost impossible to predict. This is dependent on police activity and therefore can be driven by crime and traffic activity, and greatly effected by both type and amount. Using historical data as in the past may not be prudent due to recent changes in the police department including a freeze on the aggressive driving program. That line item projection for 2014 was reduced by 80% anticipating the development of new data. In 2012 this line item generated \$19,284. In 2013 the line item at year end was \$11,415. The modal for 2015 projects \$7,777. Based on the 2012 performance I recommend establishing that line item at \$10,000.

The MISCELLANEOUS REVENUES AND RECEIPTS line item is also difficult to predict as can be assumed by way of it's catch all identifier. Pensions dollars pass through this line item on their way to the pension funds, lease payments and other similar transactions that are infrequent but sometimes large, are passed through this line item. Often those dollars are coming from (or) to another Borough account and due not truly reflect a revenue. After

breaking out the actual revenue within that line item from 2011, a budget amount of \$2,000.00 was established for the 2013 budget. The line item is driven by zoning fees, yard/garage and other permit fees, but the Talisman royalty revenue from Borough property has had a big impact on the line item. At October 2013 that line item was over \$95,000.00. It was recommended the line item be established at \$80,000.00 for 2014 and as of September 2014 it was at 67,458. The modal for the 2015 budget puts the line item at \$ 90,200. Its recommended using the modal figure.

## **EXPENSE**

Although the expense budget is developed by reviewing each line of the budget, the report is simplified by reviewing departments then breaking out any line item that significantly impacts that department. The goal is to hold expense by holding total department cost as close to the previous year as possible and addressing issues by alternating line items from year to year. This lends itself to shifting priorities as needed from one year to the next.

The line items in all the budgets were examined in three ways:

1. The line item amount at year end 2013 was reviewed to see if it ended over or under the planed budget for that year.
2. The YTD figure for the line item at September 2014 was projected to year end.
3. This projected figure was compared to the actual budgeted figure for 2013.

Line items that went over budget in 2013 were examined and adjusted to more closely reflect actual cost. Line items that came in at 90% or more under budget were also reviewed and adjusted where appropriate.

## **GENERAL BUDGET LINE ITEM BREAKDOWN**

### **ADMINISTRATION**

The total department indicates an 11.8% increase when compared to the 2013 final budgeted amount for this department. In 2013 52% of the line items in this department went over budget. As of September 2014 only 27% are over budget.

- With regards to wages the Collective Bargaining Agreement (CBA) calls for an annual cost of living allowance (COLA) based on the consumer price index. This is calculated in December of each year with increases awarded in January of the following year. This is estimated at 3.5%
- The accounting line item was increased by 50% due to the September 2014 budget position
- There is a similar increase in the advertising line item
- Computer line item is increased to prevent using capital reserve for this service

### **POLICE DEPARTMENT**

Manpower changes through attrition and innovative shift scheduling have resulted in a total department savings of \$16,000.00 when compared with the 2013 budget. This generates a level of comfort and affords some important changes in the police budget.

- Salary of Chief and full time patrol assumes 3.5% COLA based on CPI

- Part time assumes new full time hire in that position January 1. Wage based on CBA
- The total department budget for 2015 is ≈ \$8,000 over 2014 due mostly to additional full time position

### **GENERAL GOVERNMENT**

This department has been reduced by 5% when compared to the 2013 year end total.

- CONTRACT PAYMENT TVFC – this is the major contributor to this department total at \$18,423

### **PUBLIC WORKS**

Total department is 1% over year end figure for 2013.

- contract services in 2013 drove this department along with full time wages. To help ease some burden on water and sewer I have totaled non-uniform wages. One quarter off total wages has been assigned to water and one quarter to sewer. General is handling one half of the total.

### **SNOW AND ICE**

This department has a total allocation of \$2,000 less than that allocated for 2014. This is due to a reduction in electricity for operation of the traffic light.

### **SIGNS & MARKINGS**

Department increase \$150.00

- MATERIALS & SUPPLIES – increase \$100.0
- MAINT & REPAIR – increase \$1,000.00
- TRAFFIC LIGHT ELECTRICITY – decrease \$50.00
- STREET LIGHT ELECTRICITY – decrease \$1,000.00

### **STORM SEWERS**

This department has been all over the map since 2012. In 2012 it was \$19,500. In 2013 it was \$1,780. Year to date 2014 at September it is \$980. This is simply a factor of how much we put into ditches and storm inlets. Because we plan an extensive capital storm project on Paine Street in 2014 I have reduced this department for that year.

### **HIGHWAY**

This department has a 30% increase over 2013. There were two months that had inordinately high expenses due to major repairs. we have reduced the amount developed by the model (\$33000 +) to the \$9,400 in the proposal.

### **MISCELLANIOUS**

- Total contributions to; parks and recreation, swimming pool, gas for the library and contribution to the library equal \$6,300.
- The capital improvements line item has been reduced from \$66,367 to \$62,024 to eliminate a \$4,343 deficit.
- After removing capital improvement and the (to capital) line item the increase over 2013 is 25%

## GENERAL BUDGET 2015

**TROY BOROUGH  
GENERAL  
Rolling Budget and Forecast  
2015**

### PROFIT AND LOSS

Revenue	QTR 1	QTR 2	QTR 3	QTR 4	ANNUAL
RE TAXES CURRENT	\$0	\$177,488	\$21,028	\$4,800	\$200,608
RE TAXES PRIOR	\$11,089	\$659	\$0	\$0	\$11,748
RE TAXES DELIQUENT	\$4,791	\$830	\$4,423	\$100	\$10,144
PER CAPITA CURRENT	\$0	\$4,276	\$617	\$150	\$5,043
PER CAPITA PRIOR	\$451	\$0	\$1,317	\$0	\$1,768
RE TRAN TAX	\$4,027	\$4,900	\$2,797	\$1,000	\$11,500
EARNED INCOME CURRENT	\$19,176	\$25,980	\$25,643	\$23,500	\$86,432
EARNED INCOME PRIOR	\$4,568	\$0	\$0	\$0	\$4,568
OCCUP TAX CURRENT	\$0	\$5,712	\$1,129	\$250	\$6,390
OCCUP TAX PRIOR	\$965	\$0	\$2,245	\$0	\$3,210
CABLE TELE FRANCHISE	\$9,319	\$0	\$0	\$0	\$9,319
FINES, FORF, COST	\$1,534	\$2,747	\$2,146	\$1,350	\$10,000
INTEREST	\$86	\$103	\$109	\$96	\$394
STATE AID PENSION GRANT	\$0	\$0	\$28,699	\$0	\$28,699
BEVERAGE / LIQUOR	\$450	\$0	\$59	\$165	\$674
POLICE SERVICES	\$15	\$25	\$35	\$24	\$99
BLDG PERMITS	\$6	\$406	\$97	\$164	\$673
PARKING VIOLATIONS	\$0	\$50	\$56	\$34	\$141
RECYCLE GRANT	\$0	\$1,312	\$0	\$0	\$1,312
MISC. REV. RECEIPTS	\$22,341	\$26,448	\$19,384	\$22,036	\$90,000.00
MED INS EMPLOYEE CONT.	\$0	\$0	\$0	\$0	\$0
<b>BUDGETED REVENUE</b>	<b>\$78,817</b>	<b>\$250,936</b>	<b>\$109,783</b>	<b>\$53,669</b>	<b>\$482,721</b>

### ADMINISTRATION

PART TIME WAGE	\$0	\$0	\$0	\$0	\$28,095
PAYROLL FEE	\$140	\$151	\$152	\$164	\$607
SALARY MANAGER	\$4,426	\$4,797	\$4,882	\$5,165	\$20,164
SALARY ADMIN ASST	\$1,465	\$1,591	\$1,577	\$1,663	\$6,516
DUES SEMINARS MEM	\$42	\$41	\$0	\$121	\$204
MINOR EQUIP	\$0	\$0	\$0	\$0	\$0

<b>EXPENSE</b>	<b>QTR 1</b>	<b>QTR 2</b>	<b>QTR 3</b>	<b>QTR 4</b>	<b>ANNUAL</b>
ACCOUNTING	\$1,158	\$220	\$85	\$0	\$2,000
TELEPHONE	\$508	\$544	\$515	\$737	\$2,304
ADVERTISING	\$201	\$182	\$33	\$216	\$632
BOND MNGR/ASST	\$0	\$0	\$0	\$750	\$750
COMPUTER EXPENSE	\$58	\$0	\$0	\$0	\$1,000
AUDITING	\$0	\$2,334	\$667	\$2,933	\$3,000
IND APPRAISER	\$330	\$3,125	\$0	\$0	\$3,455
LEGAL SOLICITOR	\$634	\$0	\$0	\$0	\$3,000
OT WAGE	\$1,817	\$413	\$219	\$1,322	\$3,771
OFFICE SUPPLIES	\$292	\$53	\$211	\$210	\$766
MATERIALS & SUPPLIES	\$25	\$0	\$0	\$10	\$150
ELECTRIC & GAS	\$583	\$404	\$269	\$344	\$1,600
MINOR EQUIP	\$0	\$0	\$31	\$0	\$300
TRASH REMOVAL	\$315	\$315	\$315	\$315	\$1,300
HALL/BARN M&R	\$13	\$0	\$19	\$1,191	\$1,000
COPIER CONTRACT	\$0	\$0	\$0	\$719	\$250

<b>ADMINISTRATION TOTAL</b>	<b>\$12,007</b>	<b>\$14,170</b>	<b>\$8,975</b>	<b>\$15,860</b>	<b>\$80,864</b>
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***TAX COLLECTION***

COMM ON TAX COLLECTED	\$206	\$2,559	\$551	\$73	\$3,389
COMM ON EIT	\$0	\$0	\$0	\$0	\$0
MATERIALS & SUPPLIES	\$480	\$0	\$0	\$89	\$569
TAX COLLECTOR BOND	\$0	\$136	\$0	\$0	\$250

<b>TAX COLLECTOR TOTAL</b>	<b>\$686</b>	<b>\$2,695</b>	<b>\$551</b>	<b>\$162</b>	<b>\$4,208</b>
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***POLICE DEPARTMENT***

SALARY OF CHIEF	\$9,081	\$9,862	\$9,774	\$10,311	\$40,830
FULLTIME PATROLMAN	\$7,727	\$8,249	\$8,247	\$8,147	\$33,600
SALARY PART TIME	\$6,617	\$7,597	\$4,051	\$0	\$31,538

***POLICE CONT.***

NON-SCHEDULED PT	\$172	\$715	\$1,287	\$3,182	\$2,000
OT PAY	\$1,162	\$1,022	\$407	\$0	\$2,500
OFFICE SUPPLIES	\$742	\$734	\$376	\$1,623	\$3,475
MEMBERSHIPS & PUB	\$0	\$21	\$92	\$131	\$150
EQUIP MINOR	\$20	\$269	\$0	\$76	\$365

<b>EXPENSE</b>	<b>QTR 1</b>	<b>QTR 2</b>	<b>QTR 3</b>	<b>QTR 4</b>	<b>ANNUAL</b>
GASOLINE	\$1,442	\$1,573	\$735	\$3	\$5,500
UNIFORMS	\$130	\$300	\$672	\$1,011	\$0
EQUIP COMM	\$0	\$34	\$179	\$259	\$472
POLICE EDUCATION	\$0	\$0	\$0	\$0	\$0
TRAINING AMMO-TARGET	\$433	\$103	\$75	\$0	\$600
TELEPHONE	\$433	\$1,302	\$337	\$893	\$1,000
LEGAL COUNCIL	\$0	\$74	\$174	\$341	\$100
TRAVEL / MILEAGE	\$0	\$0	\$0	\$88	\$0
VEHICLE MAINT/REPAIR	\$587	\$641	\$118	\$0	\$1,000
ANIMAL SHELTER	\$0	\$0	\$0	\$849	\$300
TECH SUPPORT	\$1,208	\$0	\$0	\$0	\$500
CAPITAL FUND	\$0	\$0	\$0	\$0	\$0
CAR PAYMENT/POL EQUIP	\$0	\$0	\$0	\$0	\$0
POLICE CAPITAL EQUIP	\$0	\$0	\$0	\$0	\$0
<b>POLICE DEPT. TOTAL</b>	<b>\$29,754</b>	<b>\$32,496</b>	<b>\$26,524</b>	<b>\$26,914</b>	<b>\$123,930</b>

**GENERAL GOV.**

PYMT FIRE DEPARTMENT	\$9,226	\$9,226	\$0	\$0	\$18,423
LEGAL SERVICES	\$0	\$0	\$0	\$0	\$1,000
PLANNING & ZONING	\$550	\$0	\$25	\$0	\$1,000
EMERGENCY MANAGEMENT	\$0	\$0	\$0	\$0	\$500
CDL EXPENSE	\$28	\$30	\$0	\$0	\$100
CLEANING CONT	\$40	\$80	\$80	\$80	\$250
RECYCLING COLLECTIONS	\$0	\$0	\$0	\$862	\$0
<b>GENERAL GOV. TOTAL</b>	<b>\$9,844</b>	<b>\$9,336</b>	<b>\$105</b>	<b>\$24,179</b>	<b>\$21,273</b>

**PUBLIC WORKS**

UNIFORMS	\$162	\$228	\$158	\$198	\$755
CONTRACT SERVICES	\$15	\$82	\$990	\$897	\$2,000
MATERIALS & SUPPLIES	\$122	\$73	\$526	\$2,618	\$2,500
GENERAL MAINT & REPAIR	\$275	\$651	\$20	\$284	\$1,230
FT WAGES PUBLIC WORKS	\$7,379	\$8,005	\$7,935	\$8,383	\$32,739
FASOLINE	\$712	\$387	\$710	\$535	\$2,344
MINOR EQUIP REPLACE	\$0	\$0	\$6	\$45	\$100
VEHICLE EXPENSE	\$276	\$232	\$2,704	\$71	\$3,283

<b>EXPENSE</b>	<b>QTR 1</b>	<b>QTR 2</b>	<b>QTR 3</b>	<b>QTR 4</b>	<b>ANNUAL</b>
GAS & ELEC BARN	\$758	\$342	\$76	\$294	\$1,470
<b>PUBLIC WORKS TOTAL</b>	<b>\$9,699</b>	<b>\$10,000</b>	<b>\$13,125</b>	<b>\$13,325</b>	<b>\$46,421</b>
<b><i>SNOW / ICE</i></b>					
MATERIALS & SUPPLIES	\$21	\$0	\$0	\$0	\$3,000
<b>SNOW &amp; ICE TOTAL</b>	<b>\$21</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,000</b>
<b><i>SIGNS / MARKINGS</i></b>					
MATERIALS & SUPPLIES	\$2,771	\$0	\$782	\$0	\$1,000
MAINT & REPAIR	\$0	\$0	\$0	\$0	\$500
TRAFFIC SIGNAL ELEC	\$66	\$65	\$73	\$64	\$275
STREET LIGHT ELEC	\$2,651	\$2,459	\$2,100	\$3,870	\$9,000
<b>SIGNS &amp; MARKINGS TOTAL</b>	<b>\$5,488</b>	<b>\$2,524</b>	<b>\$2,955</b>	<b>\$3,934</b>	<b>\$10,775</b>
<b><i>STORM SEWERS</i></b>					
MATERIALS & SUPPLIES	\$0	\$232	\$1,108	\$0	\$1,000
MAINT. & REPAIRS	\$0	\$0	\$250	\$0	\$1,000
<b>STORM SEWERS TOTAL</b>	<b>\$0</b>	<b>\$232</b>	<b>\$1,358</b>	<b>\$0</b>	<b>\$2,000</b>
<b><i>MACHIN / TOOL REPAIR</i></b>					
TOOLS & MINOR EQUIP	\$31	\$20	\$0	\$0	\$500
<b>MACHIN &amp; TOOL REPAIR TOTAL</b>	<b>\$31</b>	<b>\$20</b>	<b>\$0</b>	<b>\$0</b>	<b>\$500</b>
<b><i>MISCELANIOUS</i></b>					
SUPPLIES	\$21	\$2,627	\$904	\$865	\$4,417
STREET MAIN & REPAIR	\$0	\$2,915	\$25,737	\$0	\$5,000
<b>HIGHWAY TOTAL</b>	<b>\$21</b>	<b>\$5,542</b>	<b>\$26,641</b>	<b>\$865</b>	<b>\$9,417</b>

<b>EXPENSE</b>	<b>QTR 1</b>	<b>QTR 2</b>	<b>QTR 3</b>	<b>QTR 4</b>	<b>ANNUAL</b>
CONT TO APARON PARK	\$0	\$0	\$0	\$0	\$1,000
PARKS & RECREATION	\$0	\$0	\$0	\$500	\$1,000
CONT TO SWIMMING POOL	\$0	\$0	\$0	\$1,300	\$2,000
GAS - LIBRARY	\$548	\$295	\$164	\$206	\$1,300
CONT TO LIBRARY	\$0	\$0	\$0	\$1,000	\$1,000
POSTAGE	\$303	\$294	\$335	\$321	\$1,253
CAPITAL IMPROVMENTS	\$0	\$0	\$0	\$66,367	\$62,024
POLICE PENSION FUND	\$20,883	\$0	\$0	\$0	\$20,883
NON-UNIFORM PENSION	\$12,553	\$0	\$0	\$0	\$12,553
INSURANCE	\$5,920	\$5,850	\$5,596	\$4,210	\$20,450
LIFE INSURANCE	\$132	\$132	\$127	\$128	\$535
U.C. CLAIM	\$0	\$0	\$0	\$211	\$211
HEALTH & HOSP INSURANCE	\$6,312	\$6,312	\$4,208	\$6,084	\$32,339
SOC. SECURITY TAX	\$1,682	\$1,970	\$3,154	\$1,568	\$8,374
TO CAPITAL RESERVE	\$7,500	\$7,500	\$411	\$0	\$15,411
<b>MISC TOTAL</b>	<b>\$55,833</b>	<b>\$22,353</b>	<b>\$13,995</b>	<b>\$81,895</b>	<b>\$180,333</b>
<b>TOTAL EXPENSE</b>	<b>\$123,363</b>	<b>\$103,169</b>	<b>\$75,148</b>	<b>\$167,134</b>	<b>\$482,721</b>

**GENERAL  
SUMMARY  
2013-2014 General Accounts**

	Dec. 31, 2013	Sept. 2014
Money Market	<b>\$190,594.44</b>	<b>\$291,422.52</b>
Certificate of Deposit	<b>\$168,525.27</b>	<b>\$108,853.76</b>
ACT 13 FUNDS	<b>\$130,698.74</b>	<b>\$177,611.47</b>
Checking	<b>\$ 666.81</b>	<b>\$963.48</b>
Special Projects	<b>\$ 66,642.91</b>	<b>\$66,667.84</b>
Police Cap fund	<b>\$ 20.54</b>	<b>\$0</b>
Gen Cap Reserve	<b><u>\$434,121.00</u></b>	<b><u>\$499,414.00</u></b>
Total	<b><u>\$991,269.71</u></b>	<b><u>\$1078265.23</u></b>

## WATER

### REVENUE

The main revenue line item supporting the water budget is rents current. At September 2014 that line item is \$6,800 less than it was in September 2013. A variance of 6%. The model establishes a projection of \$160,385 for year end 2014. In September of 2012 the RENTS CURRENT were at (33%) of budget, in 2011 it was (39.9%) and year end 2013 it was 1.47% under budget expectations. The average revenue per month from January 1 through September 30 2014 is \$12,324.36. Projecting this number through the last quarter of 2014 gives a projection of \$147,892.32. This projection is low when compared to historical data. Based on the historical data, It is recommended that the 2015 line item be established at \$166,000.00. The model for the Misc. line item is also inconsistent with historical data. At year end 2011 it was \$1,219.00; 2012 was \$1,686.59 and 2013 ended at \$9,314.18. At September YTD 2014 it is \$4,897.37. For YTD 2014 the increase comes from Benecon @ \$1,558, sprinkler fees @ \$1,200 and sale of scrap @ \$1,360. The remaining \$779 is from gas royalties. I recommend establishing this line item at \$2,300. The other revenue line items are either inconsequential or unpredictable at this time and therefore will adhere to the model.

### EXPENSE

Although the expense budget is developed by reviewing each line of the budget, the report is simplified by reviewing departments then breaking out any line item that significantly impacts that department. The goal is to hold expense by holding total department cost as close to the previous year as possible and addressing issues by alternating line items from year to year. This lends itself to shifting priorities as needed from one year to the next. Following the projections as closely as possible produced a budget deficit for 2014 of over \$40,000.00. Therefore all line items have been closely reviewed to hold down, as much as possible, what appears to be an inevitable rate increase.

### ADMINISTRATION

- A larger portion of wages have been allocated to the General budget. This has been done for the Manager, Administrative Assistant and part-time wages.
- Other line items have been adjusted after comparisons between historical data, current figures and the model.

- **AUDIT** – This line item is a one time event and has already been paid for 2014. Because of this the model is not accurate and is not used.

## **COLLECTION**

This cost is utility driven. Rate shopping and contracting a supplier with rates lower than Penelec has helped keep this cost down. There is an increase over the previous budget, but it is less than if we had stayed with Penelec. Collection wages are absorbed in the full time labor rate.

## **PURIFICATION**

This represents chlorine and other purification cost and is shared with waste water disinfection. This will be evenly distributed between the two.

## **DISTRIBUTION**

This is another cost driven by electric rates. The scenario is similar to **COLLECTION** above. The model for the materials and supplies line item is over \$13,500.00. This has been reduced to \$9,500. The equipment replacement line item is budgeted at \$250.00 and will also be supported with capital dollars. The line item for electricity has been very erratic. At 2011 year end it was \$13,800, 2012 was \$20,714, 2013 was \$12,800 and YTD 2014 is \$13,500. The model puts this line item at \$16,500. Maint. / Repair has a second QTR outlier, I have reduced this from \$8,600 to \$4,000.

## **BUILDING HALL & BARN**

This is a shared cost between all three budgets because all three departments use the office and the maintenance barn. This cost is also distributed depending on budget strength. This is another area where capital dollars can be used and then budgeted going forward.

## **BUILDING WATER**

The water building is a fairly new building and is in good condition. There should be little maintenance required.

## **GENERAL OPERATIONS**

Contracted services line item has been significantly reduced to help balance the budget. The majority of repairs contractors would be used for can be taken as capital projects. Major machine and equipment line item cost can also be generated from the capital account. Overall the department is in line with previous years.

## **MISCELLANEOUS**

Heath and general insurance cost have been shared among the other budgets. They are benefits that are used by all employees making that possible. This further reduces the budget expense. The 2015 budget began with a \$40,000 deficit, that has been reduced to \$15,650. We do not believe the remaining deficit can be eliminated through further reduction. Therefore a water rate increase is recommended for 2015.

**TROY BOROUGH WATER**  
**Rolling Budget and Forecast**

8/31/2014

REVENUE	Q1	Q2	Q3	Q4	Annual
INTEREST	\$0	\$70	\$71	\$77	\$218
CONNECTIONS	\$0	\$1,000	\$250	\$0	\$1,250
RENTS-CURRENT	\$37,137	\$37,701	\$36,077	\$49,470	\$166,000
MISC.	\$5,916	\$2,949	\$1,518	\$1,552	\$2,300
MED INS. EMPLOYEE	\$0	\$0	\$0	\$0	\$0
<b>TOTAL REVENUE</b>	<b>\$43,053</b>	<b>\$41,720</b>	<b>\$37,916</b>	<b>\$51,099</b>	<b>\$169,768</b>

**EXPENSE**

**ADMINISTRATION**

MANAGER WAGES	\$4,428	\$4,796	\$4,882	\$5,166	\$14,864
FT LABOR WAGE	\$7,379	\$7,994	\$7,951	\$8,383	\$10,913
OT WAGE	\$349	\$468	\$371	\$902	\$2,090
ADMIN. ASSISTANT WAGE	\$2,930	\$3,182	\$2,793	\$3,325	\$8,325
PT WAGES	\$3,144	\$1,534	\$3,000	\$2,394	\$0
OFFICE SUPPLIES	\$276	\$48	\$444	\$390	\$1,000
PAYROLL FEES	\$139	\$151	\$152	\$164	\$606
AUDIT	\$0	\$2,334	\$667	\$2,933	\$3,000
ENGR SERVICES	\$0	\$0	\$0	\$224	\$0
TRAINING & EDU	\$0	\$0	\$0	\$210	\$0
ACCOUNTING	\$0	\$220	\$85	\$367	\$1,500
LAB FEES	\$1,489	\$1,914	\$1,130	\$348	\$4,881
TELEPHONE	\$162	\$399	\$400	\$396	\$1,357
ADVERTISING	\$294	\$182	\$33	\$60	\$350
COMUTER EXPENSE	\$0	\$338	\$0	\$0	\$338
COMPUTER SW	\$0	\$0	\$0	\$0	\$0
MEMBERSHIP & PUB	\$25	\$41	\$0	\$141	\$207
IND APPRAISAL	\$0	\$0	\$0	\$0	\$0
LEGAL SERVICES	\$464	\$0	\$0	\$89	\$553
CDL EXPENSE	\$0	\$30	\$0	\$0	\$30
<b>TOTAL ADMIN.</b>	<b>\$8,923</b>	<b>\$10,373</b>	<b>\$21,908</b>	<b>\$25,492</b>	<b>\$50,014</b>

	Q1	Q2	Q3	Q4	Annual
<b>COLLECTIONS</b>					
COLLECTIOON WAGES	\$0	\$0	\$0	\$0	\$0
MATERIALS / SUPPLIES	\$0	\$0	\$0	\$269	\$269
ELECTRICITY	\$6,354	\$5,226	\$5,248	\$5,681	\$22,509
MAIN. / REPAIR	\$0	\$0	\$0	\$0	\$0
<b>TOTAL COLLECTIONS</b>	<b>\$6,354</b>	<b>\$5,226</b>	<b>\$5,248</b>	<b>\$5,950</b>	<b>\$22,778</b>
<b>PURIFICATION</b>					
MATERIALS / SUPPLIES	\$38	\$0	\$0	\$0	\$500
MAINT. REPAIR	\$0	\$0	\$0	\$0	\$200
<b>TOTAL PURIFICATION</b>	<b>\$38</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$700</b>
<b>DISTRIBUTION</b>					
MATERIALS / SUPPLIES	\$3,466	\$2,032	\$2,558	\$5,630	\$9,500
ELECTRICITY	\$5,489	\$4,139	\$4,375	\$2,522	\$16,500
MAIN. / REPAIR	\$2,031	\$5,055	\$1,025	\$552	\$4,000
EQUIPMENT REPLACE	\$0	\$0	\$0	\$193	\$193
<b>TOTAL DISTRIBUTION</b>	<b>\$10,986</b>	<b>\$9,194</b>	<b>\$7,958</b>	<b>\$8,897</b>	<b>\$30,193</b>
<b>HALL / BARN</b>					
HALL/BARN	\$13	\$0	\$19	\$1,191	\$700
MATERIALS/SUPPLIES	\$0	\$0	\$282	\$340	\$500
MINOR EQUIP PURCH	\$0	\$0	\$0	\$0	\$0
EQUIP REPLACE	\$1,343	\$744	\$346	\$636	\$500
<b>TOTAL HALL / BARN</b>	<b>\$1,356</b>	<b>\$744</b>	<b>\$647</b>	<b>\$2,167</b>	<b>\$1,700</b>
<b>WATER BLG</b>					
MATERIALS / SUPPLIES	\$0	\$0	\$0	\$0	\$0
MINOR EQUIP PURCH	\$0	\$0	\$0	\$0	\$0
MAINT. / REPAIR	\$0	\$0	\$0	\$12	\$0
MATERIALS / SUPPLIES	\$0	\$0	\$0	\$0	\$200
MINOR EQUIP	\$0	\$0	\$0	\$0	\$0
MAINT. REPAIR	\$0	\$0	\$300	\$0	\$300
<b>TOTAL WATER BLG</b>	<b>\$0</b>	<b>\$0</b>	<b>\$300</b>	<b>\$12</b>	<b>\$500</b>

	Q1	Q2	Q3	Q4	Annual
<b>GENERAL OPERATIONS</b>					
CONTRACT SERV	\$0	\$124	\$90	\$1,779	\$1,993
UNIFORMS	\$162	\$228	\$158	\$198	\$746
MAJOR MACH/EQUIP	\$0	\$0	\$0	\$0	\$0
MAINT. / REPAIR	\$0	\$0	\$0	\$0	\$500
MATERIALS / SUPPLIES	\$0	\$0	\$0	\$79	\$100
TOOLS / MINOR EQUIP	\$31	\$20	\$40	\$0	\$100
VEHICLE EXPENSE	\$276	\$235	\$2,704	\$71	\$3,286
GASOLINE	\$712	\$387	\$710	\$525	\$2,334
W/S PLANT CONTRACT	\$5,424	\$4,726	\$4,556	\$4,964	\$19,670
<b>TOTAL GENERAL OPS</b>	<b>\$6,605</b>	<b>\$5,720</b>	<b>\$8,258</b>	<b>\$7,616</b>	<b>\$28,729</b>

#### MISCELANIOUS

CONTRACTED SERVICES	\$0	\$0	\$0	\$0	\$0
SOCIAL SECURITY	\$1,401	\$1,384	\$1,487	\$1,157	\$4,500
HEALTH / HOSP	\$6,312	\$6,312	\$6,198	\$4,093	\$21,872
INSURANCE	\$5,920	\$5,850	\$5,595	\$4,059	\$20,439
POSTAGE	\$303	\$294	\$335	\$518	\$1,450
CAP IMPROVMENTS	\$0	\$0	\$0	\$0	\$0
LIFE INSURANCE	\$132	\$132	\$127	\$86	\$477
UC CLAIMS	\$0	\$0	\$0	\$358	\$358
TRANS TO CAP RESV	\$0	\$0	\$0	\$1,701	\$1,701
<b>MISC TOTAL</b>	<b>\$14,068</b>	<b>\$13,972</b>	<b>\$13,742</b>	<b>\$11,972</b>	<b>\$50,797</b>
<b>TOTAL EXPENSE</b>	<b>\$48,330</b>	<b>\$45,229</b>	<b>\$58,061</b>	<b>\$68,056</b>	<b>\$185,411</b>

-\$15,643)

#### BULK SALES

There has been a significant decline in bulk water sales starting in 2012. The average revenue from this source from January 2012 through December 2012 was \$20,530.00 per month. For the same time period in 2011 the average monthly revenue was \$32,300.00. The average monthly revenue from January 2013 through November 2013 was \$4,100.00. It was previously agreed that a decline in bulk sales could result in a re-establishment of the surcharge on all customer water accounts. With the water department paying a \$3,000.00 flat fee to GENERAL for property lease and an additional \$7,000.00 for the debt service, it was obvious the department was losing \$6,000.00 per month. In 2013 Council did re-instate the surcharge. It was also recommend that the lease agreement (sale barn) be suspended until water sales resumed, and the lease agreement was suspended (this created a revenue loss to General and an expense reduction for Water). Economic development groups such as the Northern Tear Regional Planning and Development Corporation and the Central Bradford

Progress Authority felt the business would return. For Troy, that has not happened. The total revenue from that source at September 2014 is \$1,000.00. This is not adequate revenue to cover the cost of the added run times on our well pumps, not to mention the manpower expended by Borough employees and the strain on our water resource. The following table shows the impact on customers based on averages from the last four years.

		Yield
Current rate / 1000 gal. (2014)	\$6.12	
Total consumption from 2010 – 2013	135.2 MG	
Average annual consumption	33.8 MG/Y	
Average number of meters from 2010-2013	603 EA.	
Average annual customer consumption	0.051 MG/Y	
Cost increase /customer @ \$0.50/1000 GAL	\$25.50 / YR	\$16,779.00
\$0.55/1000 GAL	\$28.05 /YR	\$18,456.90
\$0.60/1000 GAL	\$30.60 /YR	\$20,134.80
\$0.65/1000 GAL	\$33.15 /YR	\$21,812.70

### WATER SUMMARY

Over the last several years we have leaned heavily on bulk water sales to the gas industry to support our water budget. Although this has been a benefit to the rate payers, it also helped create a budget deficit. Now that bulk sales have all but disappeared, we are pressed to get our financial house in order. The increase noted above is necessary to continue to maintain a solid financial position that will allow us to continue providing safe, clean, cost effective water to the systems rate payers. The 2015 water budget began with a \$40,000 deficit. As that budget developed, a lot of belt tightening reduced that deficit to a little over \$15,500. It is our opinion that further reductions in line items would be unrealistic and would only serve to further increase future deficits. Therefore a rate increase of \$0.60/1000 GAL. is recommended. Also, due to a calculation error when the surcharge was reinstated a \$0.18 increase is recommended for the surcharge.

### 2013-2014 Water Accounts

	Dec. 31, 2013	Sept. 2014
Money Market	<b>\$276,285.01</b>	<b>\$293,108.07</b>
PV Money Market	<b>\$ 7,022.88</b>	<b>\$7,022.88</b>
SF Money Market	<b>\$ 13,130.24</b>	<b>\$18,792.00</b>
Customer Deposits	<b>\$ 9,508.74</b>	<b>\$5,683.74</b>
Cap Reserve	<b><u>\$162,550.10</u></b>	<b><u>\$163,261.92</u></b>
Total	<b>\$468,496.97</b>	<b>\$487,868.61</b>

## **WASTEWATER**

### **REVENUE**

As with the water budget, the supporting line item for waste-water is RENTS CURRENT. The projection, based on the model is 12% percent less than the 2013 year end revenue figure. Calculating the current YTD figure and projecting to year end shows a revenue of \$170,664. Based on the 2013 line item of \$185,992 we feel confident in budgeting \$175,000. Rents Township is also a major player in sewer revenue. Based on 2013 year end and 2014 YTD flows, we predict flows for 2015 from the Township at 19 MGY. A cost analysis of flows and actual treatment cost indicates that \$3.84/1000 gallons is the actual treatment cost at the end of 2013. This increases the charge to the Township from \$3.01 to the newly calculated \$3.84. This establishes the Township revenue line item at \$72,960.

### **EXPENSE**

#### **ADMINISTRATION**

There is an increase of 27% over the year end 2013 total in this department. This is primarily due to the redistribution of labor wages in all three budgets. It is related to the amount of time our operators have been contributing to plant operations. The plant is over 20 years old and requires more attention than in past years. Laboratory fees are also up attributable to additional State requirements on testing. The sewer operator line item is now at \$11,000 down from the \$18,500 budgeted in 2014.

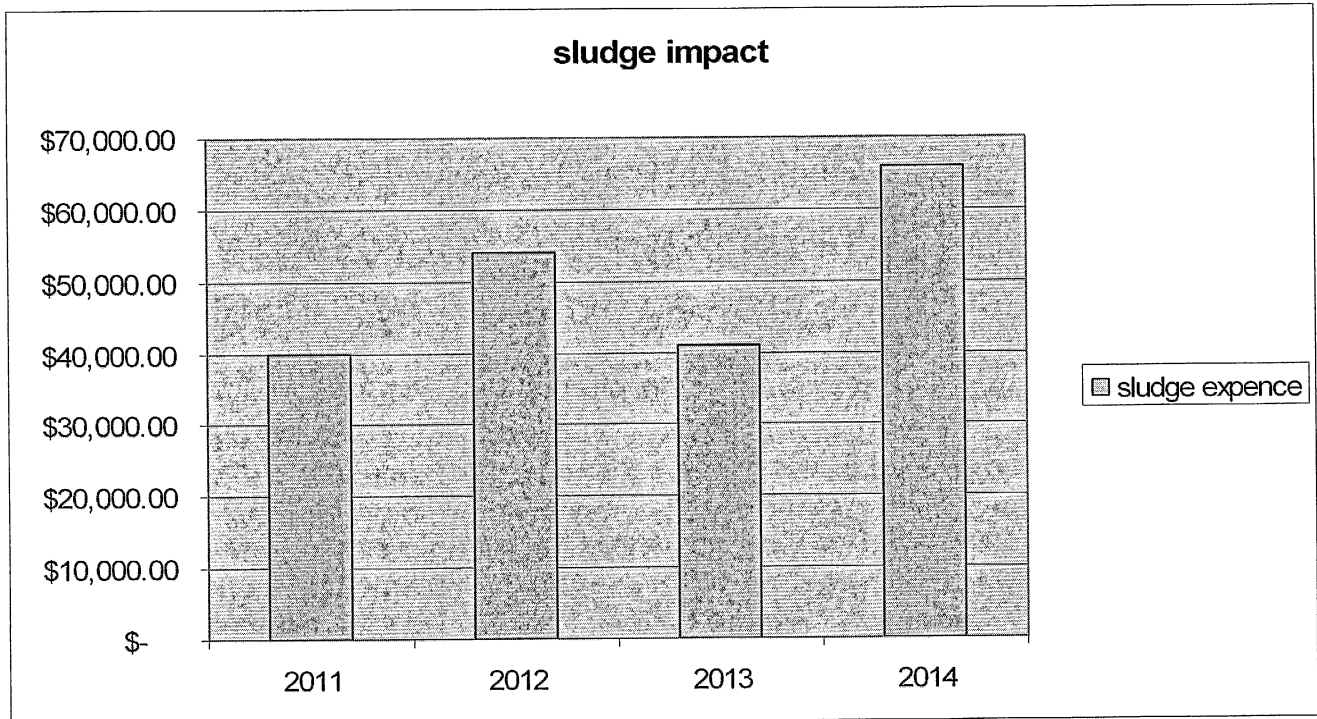
#### **COLLECTION**

The department total had been projected down 59% for 2013. For 2014 the department will increase over 50% because of an additional \$10,000 for labor.

#### **TREATMENT**

The sludge line item in this department was increased in 2012 by nearly three and one half times the year end 2011 expense figure. The budgeted amount for 2014 was \$45,000. Sludge removal is typically 65-70% of a treatment plants operating budget. This is necessary to hold an approximate 30 day sludge inventory. That was not the practice prior to contracting with Pa Environmental. The decanting, wasting and sludge removal has been gradually increased by PA Environmental. When PA Environmental first came on board it was discovered that our sludge inventory was well over 60 days. This was giving us extremely high ammonia rates along with other problems, such as high biochemical oxygen demand. These factors resulted in poor plant performance as well as several fines imposed by the

Department of Environmental Protection. The sludge inventory has been brought back to approximately 30 days and the plant is now operating much more efficiently and no violations were assessed by year end 2012, 2013 or YTD 2014. To maintain efficient plant operations it is projected that future budgets will be heavily impacted by this line item. For 2014 YTD we have expended \$66,000 for sludge removal. We are going to explore several options to reduce this figure, including paying the hauler and receiving facility separately. Following is a chart showing the sludge hauling impact:



### BUILDING HALL & BARN

There is no major change in this department.

### BUILDING SEWER

This department is basically driven by the HEAT / GENERATOR line item. Generator maintenance is critical to plant operations, as this equipment powers the plant during electrical outages. This equipment is required by DEP and must be operable at all times. The Borough has contracted with DYNATECH INDUSTRIES, Lebanon, Pa. for annual service and repairs. This adds approximately \$1500.00 to the line item. The fuel supply for the generator is also the fuel supply that heats the building, thereby creating a higher number than there would be with weekly exercising and occasional power outages.

## GENERAL OPERATIONS

This department remains the same as the previous two years.

## MISCELANIOUS

This department is significantly reduced from the 2012 budget. In 2012 the PUMPS line item was established at \$16,000.00 with no budget for CAPITAL. In 2014 it is recommended that pumps be replaced out of the capital account. Then budget the surplus \$5,349.24 to the capital line item. By doing this the pumps are basically financed through the capital fund over time. An \$8,000.00 pump with a life expectancy of 10 years would essentially be capitalized in a little over 3 years assuming no other capital purchases.

### TROY BOROUGH SEWER

Rolling Budget and Forecast

8/31/2014

Line Item	Q1	Q2	Q3	Q4	Annual
<b>PROFIT AND LOSS</b>					
<b>Revenue</b>					
INTEREST	\$44	\$42	\$38	\$43	\$167
RENTS-CURRENT	\$28,218	\$43,067	\$41,715	\$50,855	\$175,000
RENTS-TOWNSHIP	\$29,062	\$13,697	\$15,191	\$12,948	\$72,960
CONNECTIONS	\$3,042	\$0	\$500	\$0	\$1,500
MED INS. EMPLOYEE	\$0	\$0	\$0	\$0	\$0
<b>TOTAL REVENUE</b>	<b>\$60,366</b>	<b>\$56,806</b>	<b>\$57,444</b>	<b>\$63,846</b>	<b>\$249,627</b>
<b>Expense</b>					
<b>Administration</b>					
MANAGER WAGES	\$4,428	\$4,797	\$4,931	\$5,166	\$24,429
SEWER OPER. WAGES	\$0	\$0	\$0	\$0	\$11,835
OT WAGE	\$654	\$1,141	\$152	\$380	\$2,327
ADMIN. ASSISTANT WAGE	\$2,930	\$3,182	\$3,182	\$3,326	\$18,097
PT WAGES	\$1,009	\$666	\$1,031	\$925	\$0
OFFICE SUPPLIES	\$276	\$48	\$408	\$389	\$500
PAYROLL FEES	\$137	\$146	\$152	\$164	\$599
AUDIT	\$0	\$2,334	\$667	\$2,933	\$3,000
ENGR SERVICES	\$338	\$4,946	\$160	\$715	\$6,159
LEGAL SERVICES	\$0	\$0	\$0	\$89	\$0

	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Annual</b>
TRAINING EDU	\$0	\$0	\$0	\$0	\$0
LAB FEES	\$1,969	\$2,243	\$1,945	\$1,819	\$7,976
ACCOUNTING	\$1,158	\$220	\$158	\$367	\$1,700
TELEPHONE	\$566	\$578	\$577	\$564	\$2,285
COMPUTER EXP	\$0	\$338	\$0	\$0	\$338
COMPUTER SW	\$58	\$0	\$0	\$0	\$0
ADVERTISING	\$109	\$182	\$102	\$60	\$400
MEMBERSHIP & PUB	\$119	\$41	\$10	\$141	\$200
IND APPRAISER	\$0	\$0	\$0	\$0	\$0
CDL EXPENSE	\$0	\$30	\$0	\$0	\$30

<b>TOTAL ADMIN.</b>	<b>\$13,751</b>	<b>\$20,892</b>	<b>\$13,475</b>	<b>\$17,038</b>	<b>\$79,875</b>
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### **Collections**

COLLECTION WAGES	\$20	\$0	\$0	\$10	\$10,000
MATERIALS / SUPPLIES	\$549	\$1,963	\$390	\$340	\$2,200
MAIN. / REPAIR	\$1,203	\$3,015	\$1,337	\$24	\$2,000

<b>TOTAL COLLECTIONS</b>	<b>\$1,772</b>	<b>\$4,978</b>	<b>\$1,727</b>	<b>\$374</b>	<b>\$14,200</b>
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### **Treatment**

MATERIALS / SUPPLIES	\$534	\$1,564	\$0	\$1,420	\$3,518
PERMIT	\$0	\$0	\$0	\$500	\$0
ELECTRICITY	\$5,492	\$5,457	\$6,435	\$4,196	\$21,580
SLUDGE	\$23,225	\$15,327	\$28,132	\$8,450	\$60,000
MAINT. REPAIR	\$59	\$135	\$18,500	\$400	\$3,000
SEWER PLANT CONTRACT	\$5,834	\$4,726	\$4,556	\$3,381	\$3,000

<b>TOTAL TREATMENT</b>	<b>\$35,144</b>	<b>\$27,209</b>	<b>\$57,623</b>	<b>\$18,347</b>	<b>\$91,098</b>
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### **Hall / Barn**

HALL/BARN	\$13	\$0	\$62	\$21	\$1,200
MATERIALS/SUPPLIES	\$10	\$5	\$34	\$0	\$100
GAS / ELEC	\$1,343	\$745	\$360	\$319	\$2,767

<b>TOTAL HALL / BARN</b>	<b>\$1,366</b>	<b>\$750</b>	<b>\$456</b>	<b>\$340</b>	<b>\$4,067</b>
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### **Bldg Sewer**

MATERIALS / SUPPLIES	\$164	\$288	\$125	\$28	\$605
HEAT	\$2,045	\$1,855	\$0	\$0	\$5,000
GENERAL EXP	\$44	\$0	\$0	\$91	\$1,000

	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Annual</b>
<b>TOTAL SEWER BLD</b>	\$2,253	\$2,143	\$125	\$119	\$6,605.00
<b>General operations</b>					
TOOL & MINOR EQUIP	\$31	\$20	\$49	\$98	\$198
VEHICLE EXPENSE	\$276	\$235	\$2,785	\$63	\$2,500
GASOLINE	\$712	\$387	\$635	\$329	\$2,063
MAINT & REPAIR	\$0	\$0	\$159	\$0	\$1,000
UNIFORMS	\$162	\$228	\$175	\$145	\$710
<b>TOTAL GENERAL OPS</b>	\$1,181	\$870	\$3,803	\$635	\$6,471
<b>Miscellaneous</b>					
SOCIAL SOCURITY	\$696	\$755	\$717	\$541	\$9,815
CONTRACTED SERVICES	\$15	\$124	\$75	\$2,876	\$4,000
POSTAGE	\$303	\$294	\$342	\$2,318	\$1,300
CAP IMPROVMENTS	\$0	\$0	\$0	\$3,908	\$10,000
CHESAPEAKLE BAY	\$0	\$1,055	\$0	\$337	\$1,392
HEALTH / HOSP	\$6,312	\$4,208	\$0	\$3,980	\$13,733
INSURANCE	\$5,920	\$6,060	\$6,312	\$346	\$20,450
LIFE INS	\$132	\$1,982	\$5,682	\$295	\$450
U.C. CLAIMS	\$0	\$44	\$132	\$0	\$176.00
<b>MISC TOTAL</b>	<b>\$13,378</b>	<b>\$9,168</b>	<b>\$8,731</b>	<b>\$14,601</b>	<b>\$61,316</b>
<b>TOTAL EXPENSE</b>	<b>\$68,845</b>	<b>\$66,010</b>	<b>\$85,940</b>	<b>\$51,454</b>	<b>\$263,632</b> <b>(\$14,005)</b>

### **WASTEWATER SUMMARY**

Due to an aging facility and rising cost it is recommended to increase waste water treatment rates by \$0.60 per 1000 gallons used. This increase is being kept as minimal as possible by altering many line items in the 2015 budget. We made several facility upgrades in 2013 and that has made it difficult to directly follow the modeling method. It will be necessary in 2015 to follow the waste water budget closely and make line item adjustments during the year if needed. The account balances below are accurate, but can be somewhat deceiving. In 2013 the Township purchased \$55,000.00 worth of Equivalent Dwelling Units \*(EDU's)

from the Borough for use at the new hospital. Although a great shot in the arm for the waste water budget, this is a rare occurrence and can not be budgeted or relied on. It is recommended that the sewer rate be increased by \$0.60 / 1000 GAL. And that the fixed rate for sewer only be increase by the same percentage 9.75%.

\* Capacity measurement

**2014 - 2015 Wastewater Accounts**

	Dec 31, 20113	Sept. 31, 2014
Money Market	<b>\$96,080.87</b>	<b>\$64,438.67</b>
Sinking Fund	<b>\$183,640.94</b>	<b>\$165,242.70</b>
Cap Reserve	<b>\$93,159.46</b>	<b>\$93,819.36</b>
Customer Deposits	<b><u>\$ 9,023.04</u></b>	<b><u>\$ 5,423.04</u></b>
Total	<b>\$381,904.31</b>	<b>\$328,923.77</b>

CURRENT RATE / 1000 GAL. (2014)	\$6.12	
TOTAL USEAGE 2009 – 2013	383.6 MG	
ANNUAL AVERAGE USEAGE	76.7 MGY	
AVERAGE NUMBER OF METERS 2010 - 2013	613	
AVERAGE ANNUAL CUSTOMER USEAGE	0.051 MGY*	YIELD
COST INCREASE/CUSTOMER @ \$0.50/1000 GAL	\$25.50 / YR	\$16,779.00
@ \$0.55 / 1000 GAL	\$28.05 / YR	\$18,456.90
@ \$0.60 / 1000 GAL	\$30.60	\$20,069.00
@ \$0.65 / 1000 GAL	\$33.15	\$21,812.70

\*Excludes inflow & infiltration

**APPENDIX**

**A**

**UNIFORM**

**&**

**NON-UNIFORM**

**PENSION BUDGETS**

**TROY BOROUGH**  
**49 ELMIRA STREET**  
**TROY, PA. 16947**

**TO:** Jim Warn  
Finance Committee Chairman

**FROM:** Daniel J. Close  
Chief Administrative Officer / Manager

Subject: 2015 Pension Plans / Minimum Municipal Obligation (MMO)

ACT 205 requires that the Chief Administrative Officer submit a 2015 budget for the Borough's pension plans to the governing body of the Borough by September 30, 2014. This does not have to be submitted to the Public Employees Retirement Commission nor to the Auditor General. The Auditor General will audit compliance with ACT 205 by comparing the Borough's actual municipal contributions during 2015 with the 2015 budgeted minimum.

The Borough has two separate and distinct pension plans. The Uniform Pension Plan is a defined benefit plan funded with both State Aid and employee contributions. The Non – Uniform Plan is a defined contribution plan funded with State Aid and if needed to meet the MMO, an employer contribution. Under cover of this letter please find the calculations that determine the MMO for both plans. The State Aid received is first used to fully fund the MMO for the Uniform Plan. Any remaining Aid is then used to fund the Non – Uniform MMO. The employer contributes any shortfall of the MMO to the Non – Uniform Plan. In the event of a surplus of State Aid it is submitted to the Uniform Plan.

You will notice that in determining the MMO for the plan, there has been no estimated State Aid amount deducted from the total financial requirement of the plans. The Borough is responsible for contributing the MMO to the plans that has been determined by the calculations. The full MMO will be reflected in the Borough's general fund budget for 2015. On or about October of 2014, the amount of State Aid received by the Borough can be used to reimburse the Borough's general fund.

Respectfully Submitted

Daniel J. Close  
Manager

Cc: Troy Borough Council  
File

**Borough of Troy Police Pension Plan  
2015 Minimum Municipal Obligation**

	<u>Regular Amortization</u>	<u>Act 44 Optional 75% Amortization</u>
1 Normal Cost Percentage <sup>1</sup>	16.4%	16.4%
2 Administrative Expense Percentage <sup>1</sup>	11.9%	11.9%
3 Total Percentage (1 + 2)	28.3%	28.3%
4 Estimated 2014 Total Gross W-2 Payroll	76,573	
5 Annual Cost (3 x 4)	21,670	
6 Amortization Contribution Requirement <sup>1</sup>	\$ 2,972	\$ 2,229
7 Financial Requirements (5 + 6)	24,642	
8 Member Contributions Anticipated	3,759	
9 10% of Negative Unfunded Liability <sup>1</sup>	\$ 0	\$ 0
10 Minimum Municipal Obligation (7 - 8 - 9) (Due Before 12-31-2015)	<u>20,883</u>	
11 Does the Plan elect to use the reduced amortization option as allowed by Act 44 of 2009?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

  
\_\_\_\_\_  
Authorized Signature

08/19/14  
\_\_\_\_\_  
Date

<sup>1</sup> Based upon 01/01/2013 Actuarial Valuation

Borough of Troy Nonuniformed Employees Pension Plan  
2015 Minimum Municipal Obligation

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1 Employer Contribution Percentage	<u>8.0%</u>
2 Administrative Expense Percentage	<u>0.0%</u>
3 Total Percentage (1 + 2)	<u>8.0%</u>
4 Estimated 2015 Covered Payroll	<u>156,916</u>
5 Financial Requirements (3 x 4)	<u>12,553</u>
6 Advance Employer Contribution	<u>0</u>
7 Minimum Municipal Obligation (5 - 6) (Due Before 12-31-2015)	<u><u>12,553</u></u>

  
\_\_\_\_\_  
Authorized Signature

08/19/14  
\_\_\_\_\_  
Date

**APPENDIX**

**B**

**ASSESSMENTS**

**&**

**OCCUPATION TOTALS**

11/04/14

**REAL ESTATE TOTALS**

	<b><u>TOTAL</u></b>	<b><u>TOTAL</u></b>
	<b><u>TAXABLES</u></b>	<b><u>ASSESSMENT</u></b>
01 Alba Boro	97	1828275
02 Albany Twp	727	16,052,650
03 Armenia Twp	353	7,984,400
04 Asylum Twp	711	19,956,782
05 Athens Boro 1st	293	12,078,750
06 Athens Boro 2nd	212	8,170,025
07 Athens Boro 3rd	373	13,934,050
08 Athens Boro 4th	372	11,495,700
09 Athens Twp	2,697	128,326,626
11 Burlington Boro	77	1,542,150
12 Burlington Twp	514	14,004,800
13 Burlington Twp – West	335	7,682,600
14 Canton Boro 1st	375	9,595,106
15 Canton Boro 2nd	359	9,475,612
16 Canton Twp	1,218	31,930,850
17 Columbia Twp	695	17,967,675
18 Franklin Twp	509	10,639,200
19 Granville Twp	552	14,523,900
20 Herrick Twp	522	13,521,725
21 Leraysville Boro	157	3,444,325
22 Leroy Twp	502	11,843,300
23 Litchfield Twp	758	20,011,775
24 Monroe Boro	263	7,025,350
25 Monroe Twp	747	15,666,600
26 New Albany Boro	187	3,015,122
27 Orwell Twp	683	18,972,700
28 Overton Twp	471	8,376,900
29 Pike Twp	470	12,186,000
30 Ridgebury Twp	1,263	29,987,081
31 Rome Boro	196	3,740,225
32 Rome Twp	731	17,305,850
33 Sayre Boro 1st	342	12,845,325

34	Sayre Boro 2nd	855	32,958,933
35	Sayre Boro 3rd	297	10,576,550
36	Sayre Boro 4th	662	30,883,700
37	Sayre Boro 5th	181	2,492,875
38	Sheshequin Twp	829	22,643,950
39	Smithfield Twp	872	25,092,892
40	South Creek Twp	743	15,487,900
41	South Waverly Boro	545	22,997,350
42	Springfield Twp	804	18,643,450
43	Standing Stone Twp	387	10,505,100
44	Stevens Twp	384	8,555,700
45	Sylvania Boro	102	2,455,800
46	Terry Twp	784	19,435,875
47	Towanda Boro 1st	331	8,892,600
48	Towanda Boro 2nd	451	11,637,550
49	Towanda Boro 3rd	534	19,050,450
50	Towanda Twp	591	18,559,257
51	Towanda Twp North	468	33,457,419
52	Troy Boro	579	18,865,604
53	Troy Twp	992	34,346,650
54	Tuscarora Twp	666	19,289,350
55	Ulster Twp	678	21,296,750
56	Warren Twp	838	20,527,650
57	Wells Twp	737	16,609,250
58	Wilmot Twp	972	23,922,600
59	Windham Twp	612	13,679,150
60	Wyalusing Boro	326	10,801,375
61	Wyalusing Twp	825	21,862,144
62	Wysox Twp	1,122	61,343,192
	TOTAL	35,928	1,092,002,495

OCCUPATION TOTALS

		<u>TOTAL TAXABLES</u>	<u>TOTAL ASSESSMENT</u>
01	Alba Boro	93	4,375
02	Albany Twp	505	24,900
03	Armenia Twp	80	2,025
04	Asylum Twp	795	40,700
05	Athens Boro 1st	307	19,050
06	Athens Boro 2nd	293	11,850
07	Athens Boro 3rd	465	21,300
08	Athens Boro 4th	567	26,550
09	Athens Twp	2,948	160,325
11	Burlington Boro	71	3,075
12	Burlington Twp	467	23,450
13	Burlington Twp – West	253	12,475
14	Canton Boro 1st	392	18,575
15	Canton Boro 2nd	467	24,150
16	Canton Twp	1,167	68,300
17	Columbia Twp	713	35,775
18	Franklin Twp	459	26,600
19	Granville Twp	601	31,175
20	Herrick Twp	441	22,875
21	Leraysville Boro	178	10,300
22	Leroy Twp	402	23,050
23	Litchfield Twp	591	27,675
24	Monroe Boro	273	16,950
25	Monroe Twp	778	43,950
26	New Albany Boro	113	4,650
27	Orwell Twp	728	39,825
28	Overton Twp	158	4,800
29	Pike Twp	379	20,350
30	Ridgebury Twp	1,142	56,575
31	Rome Boro	193	8,575
32	Rome Twp	719	36,900
33	Sayre Boro 1st	395	25,375

34	Sayre Boro 2nd	1,141	60,350
35	Sayre Boro 3rd	304	14,225
36	Sayre Boro 4th	783	42,450
37	Sayre Boro 5th	174	6,000
38	Sheshequin Twp	795	40,875
39	Smithfield Twp	895	45,725
40	South Creek Twp	624	22,475
41	South Waverly Boro	689	39,225
42	Springfield Twp	691	32,725
43	Standing Stone Twp	435	23,975
44	Stevens Twp	229	9,000
45	Sylvania Boro	92	5,375
46	Terry Twp	594	27,850
47	Towanda Boro 1st	355	21,675
48	Towanda Boro 2nd	457	28,500
49	Towanda Boro 3rd	644	39,950
50	Towanda Twp	752	40,400
51	Towanda Twp North	669	27,950
52	Troy Boro	718	37,525
53	Troy Twp	1,048	55,750
54	Tuscarora Twp	693	26,725
55	Ulster Twp	569	29,300
56	Warren Twp	612	28,825
57	Wells Twp	754	37,525
58	Wilmot Twp	744	35,325
59	Windham Twp	555	22,000
60	Wyalusing Boro	267	12,500
61	Wyalusing Twp	715	35,500
62	Wysox Twp	1,016	63,100
	TOTAL	35,147	1,809,300

**APPENDIX**  
**C**  
**2014**  
**TAX MILL RATES**

## 2014 MILL RATES - BRADFORD COUNTY, MUNICIPAL, SCHOOL

	CO	TWP	SCH	TOTAL
	10.43	1.220	37.88	49.530
	10.43	4.690	45.3104	60.430
	10.43	6.000	37.88	54.310
	10.43	3.500	41.8	55.730
05--08	10.43	18.000	47.52	75.950
	10.43	11.000	47.52	68.950
	10.43	1.250	37.88	49.560
	10.43	4.850	37.88	53.160
	10.43	0.000	37.88	48.310
14-15	10.43	18.390	32.4935	61.314
	10.43	6.500	32.4935	49.424
	10.43	3.750	37.88	52.060
	10.43	5.250	41.8	57.480
	10.43	3.000	37.88	51.310
	10.43	3.200	45.3104	58.940
	10.43	6.500	33.7307	50.661
	10.43	3.500	32.4935	46.424
	10.43	5.000	46.6	62.030
	10.43	8.000	41.8	60.230
	10.43	3.000	41.8	55.230
	10.43	5.250	45.3104	60.990
	10.43	5.960	33.7307	50.121
	10.43	1.000	45.3104	56.740
	10.43	3.700	33.7307	47.861
	10.43	5.000	47.52	62.950
	10.43	5.500	33.7307	49.661
	10.43	5.500	33.7307	49.661
33-37	10.43	10.370	46.6	67.400
	10.43	7.360	47.52	65.310
	10.43	4.300	47.52	62.250
	10.43	7.000	37.88	55.310
	10.43	11.500	46.6	68.530
	10.43	4.600	37.88	52.910
	10.43	5.000	41.8	57.230
	10.43	0.450	45.3104	56.190
	10.43	2.450	37.88	50.760
	10.43	1.200	45.3104	56.940
47-49	10.43	15.560	41.8	67.790
	10.43	4.390	41.8	56.620
	10.43	4.850	41.8	57.080
	10.43	11.980	37.88	60.290
	10.43	2.600	37.88	50.910
	10.43	3.592	45.3104	59.332
	10.43	7.740	47.52	65.690
	10.43	4.000	33.7307	48.161
	10.43	7.500	37.88	55.810
	10.43	5.100	45.3104	60.840
	10.43	4.500	33.7307	48.661
	10.43	8.680	45.3104	64.420
	10.43	4.000	45.3104	59.740
	10.43	3.500	41.8	55.730

# **APPENDIX**

## **E**

### **SUPPORTING RESOLUTIONS**

TAX LEVY ORDINANCE

TROY BOROUGH  
ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE FOR THE BOROUGH OF TROY, COUNTY OF BRADFORD,  
COMMONWEALTH OF PENNSYLVANIA FIXING THE RATE FOR THE YEAR 2015

BE IT ORDAINED AND ENACTED, and it is hereby ordained and enacted by the  
Borough Council of the Borough of Troy, County of Bradford, Commonwealth of Pennsylvania;  
that the tax be and the same is hereby levied on all real property within Troy Borough subject  
to taxation for the fiscal year 2015, as follows:

Tax rate for general purpose, the sum of 11.98 mils on each dollar of assessed  
valuation; the same being summarized in tabular form as follows;

Tax rate for general purpose 11.98 mils

Any Ordinance, or part of Ordinance, conflicting with this Ordinance be and the same is  
hereby repealed insofar as the same affects this Ordinance.

ADOPTED the 18TH day of December, 2014.

\_\_\_\_\_  
Mike Powers  
Mayor

\_\_\_\_\_  
Krystle Bristol  
President of Council

ATTEST: \_\_\_\_\_

Daniel J. Close  
Manager / Secretary

CERTIFICATION

TO: Secretary of Community and Economic Development  
Commonwealth of Pennsylvania  
Harrisburg, Pa. 17120

I hereby certify that the foregoing is a true and correct copy of Ordinance No.  
Enacted by the Troy Borough Council on the 18th day of December, 2014.

\_\_\_\_\_  
Daniel J. Close Manager / Secretary  
Secretary

SEAL

**TROY BOROUGH**  
**BRADFORD COUNTY, PENNSYLVANIA**  
**RESOLUTION NO. \_\_\_\_\_**

ESTABLISHING THE WATER RATES FOR 2015

**RESOLUTION** of the Borough of Troy, Commonwealth of Pennsylvania, establishing the water utility rates for the customers of the Troy Borough Water System for the year 2015.

WHEREAS, Article XII Section 1202 of the Borough Code of the Commonwealth of Pennsylvania establishes the authority of the Borough to regulate charges for the operation of utilities.

WHEREAS, the Borough of Troy provides the water utility to certain residents of the Borough of Troy and Troy Township

NOW, THEREFORE, BE IT RESOLVED that the Council of the Borough of Troy, establishes fees for the Troy Borough Water Utility as authorized in Troy Borough Ordinance (11-2001).

BE IT RESOLVED, and it is hereby RESOLVED, that the water utility fees for 2015 are established and ordered to be assessed as follows:

- |  |                   |
|--|-------------------|
| a. minimum charge per quarter for water service available  | \$9.68 / QTR      |
| b. charge per month for each 1000 gallons of water used  | \$5.44 / 1000 GAL |
| c. charge per year for standby water for fire sprinkler system / building  | \$200.00          |
| d. charge for new / additional water service connections   | \$500.00          |
| e. charge for water service terminations   | \$25.00           |
| f. charge for re-establishing water service after termination  | \$25.00           |
| g. charge for water meter damage   | \$250.00          |
| h. deposit for new water accounts  | \$0.00            |
| i. charge for bulk water sales   | \$16.00/1000 GAL  |
| j. charge per month per meter to maintain a sinking fund exclusively for payment of guaranteed sewer revenue note of 2003 (Pennvest) | \$11.65/ MONTH    |

**EFFECTIVE DATE;** This resolution shall become effective on the earliest date allowed by law.

December 18<sup>th</sup>, 2014

\_\_\_\_\_  
Krystle Bristol  
Council President

\_\_\_\_\_  
Mike Powers  
Mayor

ATTEST:

\_\_\_\_\_  
Daniel J. Close, Manager  
Troy Borough

**TROY BOROUGH**  
**BRADFORD COUNTY, PENNSYLVANIA**  
**RESOLUTION NO. \_\_\_\_\_**

ESTABLISHING THE SANITARY SEWER RATES FOR 2015

**RESOLUTION** of the Borough of Troy, Commonwealth of Pennsylvania, establishing the sewer utility rates for the customers of the Troy Borough Sewer System for the year 2015.

WHEREAS, Article XII Section 1202 of the Borough Code of the Commonwealth of Pennsylvania establishes the authority of the Borough to regulate charges for the operation of utilities.

WHEREAS, the Borough of Troy provides a sanitary sewer utility to certain residents of the Borough of Troy.

NOW, THEREFORE, BE IT RESOLVED that the Council of the Borough of Troy, establishes fees for the Troy Borough Sanitary Sewer Utility as authorized in Troy Borough Ordinance (11-1031).

BE IT RESOLVED, and it is hereby RESOLVED, that the sanitary sewer utility fees for 2014 are established and ordered to be assessed as follows:

a. minimum charge per quarter for sanitary sewer service available	\$12.15 / QTR
b. charge per month for each 1000 gallons of water used	\$6.72 / 1000 GAL
c. charge for new / additional sewer service connections per EDU	\$1000.00
d. charge for service terminations	\$25.00
e. charge for re-establishing service after termination	\$25.00
f. deposit for new accounts	\$75.00
g. charge per / qtr, per / person for sewer only accounts	\$35.39
h. rate for township sanitary sewer per 1000 gallons	\$3.84/1000 GAL

**EFFECTIVE DATE;** This resolution shall become effective on the earliest date allowed by law.

December 18th, 2015

\_\_\_\_\_  
Krystle Bristol  
Council President

\_\_\_\_\_  
Mike Powers  
Mayor

ATTEST:

\_\_\_\_\_  
Daniel J. Close, Manager  
Troy Borough

Seal