

TOWNSHIP OF LOWER MERION

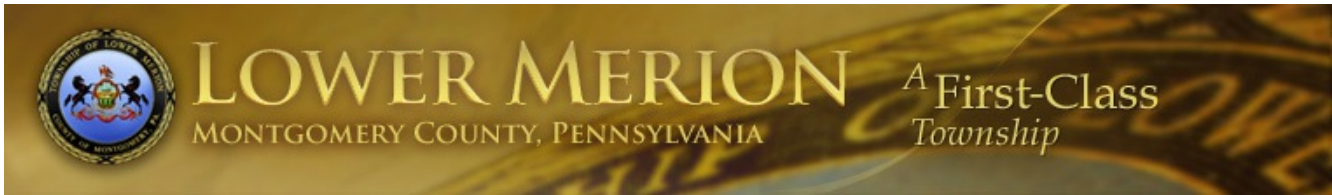
FINANCE COMMITTEE

**Wednesday, April 10, 2024
7:00 PM (Approximately)**

Chairperson: V. Scott Zelov
Vice Chairperson: Ray Courtney, Sean Whalen

AGENDA

- 1. AWARD OF CONTRACT – ANNUAL SUPPLY OF ROADWAY MAINTENANCE MATERIALS**
- 2. AWARD OF CONTRACT – PUBLIC SAFETY BUILDING GASOLINE UNDERGROUND STORAGE TANK (UST) REPLACEMENT**
- 3. AWARD OF CONTRACT – HARRITON HOUSE CONDITION ASSESSMENT**
- 4. AWARD OF CONTRACT – FIRE TRUCK FOR GLADWYNE FIRE COMPANY**
- 5. AUTHORIZATION TO ADVERTISE PROPOSED ORDINANCE CHAPTER 126, SEWERS - SANITARY SEWER RENTAL RATE FOR 2024**
- 6. AMERICAN RESCUE PLAN ALLOCATION**
- 7. CHIEF FINANCIAL OFFICER’S REPORT (INFORMATION ONLY)**



AGENDA ITEM INFORMATION

ITEM: AWARD OF CONTRACT – ANNUAL SUPPLY OF ROADWAY MAINTENANCE MATERIALS

Consider for recommendation to the Board of Commissioners approval to award a contract for Annual Supply of Roadway Maintenance Materials to the following bidder in accordance with bids received on Thursday, March 14, 2024 at 11:00 A.M. prevailing time and the recommendation of the Chief Financial Officer with the approval of the Director of Public Works:

Glasgow, Inc. Items 1 and 4 Total Bid:	\$375,987.50
Items 2, 3, 5 and 13 Total Bid:	\$130,392.50
Items 6, 7, 8, and 9 Total Bid:	<u>\$186,732.50</u>
Items 10, 10A and 11A-F Total Bid:	No Bids \$693,112.50

PUBLIC COMMENT

ADDITIONAL INFORMATION:

These annual requirements contracts contain estimated quantities. Actual amounts purchased will vary depending on the Township's needs in 2024. The majority of the costs are for highway repair, reconstruction and resurfacing and budgeted through the Public Works Highway Division Operating Budget and the Capital Projects Fund for Rotomilling and Road Reconstruction (Job Number 4210).

ATTACHMENTS:

Description	Type
<input type="checkbox"/> AWARD OF CONTRACT – ANNUAL SUPPLY OF ROADWAY MAINTENANCE MATERIALS	Bid Tabulation
<input type="checkbox"/> AWARD OF CONTRACT – ANNUAL SUPPLY OF ROADWAY MAINTENANCE MATERIALS	Backup Material

TOWNSHIP OF LOWER MERION
TABULATION OF BIDS: ANNUAL SUPPLY OF ROADWAY MAINTENANCE MATERIALS
CONTRACT NUMBER: 51-52-24-10
BIDS RECEIVED: MARCH 14, 2024 - 11:00 AM

Bidders:		Glasgow, Inc.		
Item #	Description	Qty	Unit Price	Total
1	Superpave Asphalt Mixture HMA Wearing Course PG 64-22 0.3 < 3 million ESALS 9.5mm mix SRL-H delivered to job site, price per ton	5,000	\$ 72.15	\$ 360,750.00
2	9.5mm Wearing Course, Picked Up, price per ton	750	\$ 60.95	\$ 45,712.50
3	Bituminous Concrete Curb Mix, in Township Trucks, Picked up, price per ton	100	\$ 90.40	\$ 9,040.00
4	Superpave Asphalt Mixture 25MM (Delivered)	250	\$ 60.95	\$ 15,237.50
5	Bituminous Concrete Base Course, Picked up by Township Trucks, price per ton	1,000	\$ 49.75	\$ 49,750.00
6	No. 2B Coarse Aggregate, delivered to job site; price per ton	50	\$ 26.20	\$ 1,310.00
7	No. 3A Coarse Aggregate, delivered to job site; price per ton	25	24.30	\$ 607.50
8	No. 3A Modified Sub-Base, delivered to job site; price per ton	50	\$ 24.30	\$ 1,215.00
9	No.2A Materials Sub-Base, delivered to job site; price per ton	8,000	\$ 22.95	\$ 183,600.00
10	Gabion Stone, delivered to job site; price per ton	50	\$ -	\$ -
10A	Gabion Stone, picked up by Township trucks; price per ton	50	\$ -	\$ -
11A	Rip Rap Stone, delivered to job site; price per ton (R6)	100		\$ -
11B	(R7)	100	\$ -	\$ -
11C	(R8)	100	\$ -	\$ -
11D	Rip Rap Stone, picked up by Township trucks; price per ton (R6)	100	\$ -	\$ -
11E	(R7)	100	\$ -	\$ -
11F	(R8)	100	\$ -	\$ -
12	Waiting time for Items 1 thru 11. Loading Location_____ miles from Ardmore, Pennsylvania		\$ 125.00	
13	FJ1 Picked up by Township Trucks, price per ton	300	\$ 86.30	\$ 25,890.00
	Total Bid Amount			\$ 693,112.50

NOTE:	(Delivered) Items 1, 4 will be awarded on a total combined bid amount basis, to <u>one bidder only</u> .	\$ 375,987.50
NOTE:	(Delivered) Items 6, 7, 8 and 9 will be awarded on a total combined bid amount basis, to <u>one bidder only</u> .	\$ 186,732.50
NOTE:	(Picked Up) Items 2, 3, 5, 13 will be awarded on a total combined bid amount basis, to <u>one bidder only</u> .	\$ 130,392.50

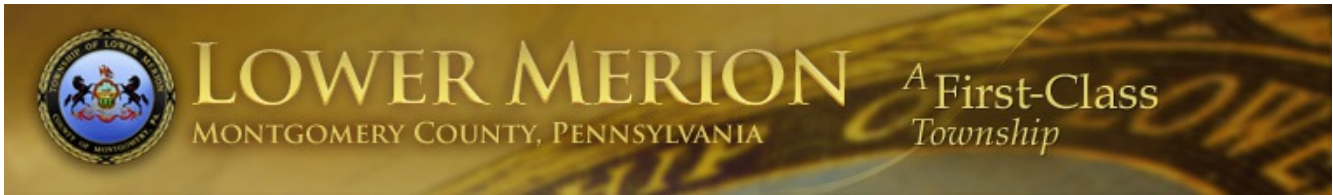
NOTE: FUEL SURCHARGES OF ANY KIND ARE NOT ACCEPTABLE.
ALL APPROPRIATE COSTS SHOULD BE REFLECTED IN THE UNIT PRICE BID.

TOWNSHIP OF LOWER MERION
TABULATION OF BIDS - ANNUAL SUPPLY OF ROADWAY MAINTENANCE MATERIALS

Low Bid Vendor Vendor Code

Allan A Myers AAM
Glasgow, Inc. GLA

Item #	Description	2021 Vendor	2021 Unit Price	2022 Vendor	2022 Unit Price	2023 Vendor	2023 Unit Price	2024 Vendor	2024 Unit Price	% Chg
1	Superpave Asphalt Mixture HMA Wearing Course PG 64-22 0.3 < 3.0 million ESALS 4.75 mm delivered to job site, price per ton	AAM	\$ 57.94	GLA	\$ 66.00	GLA	\$ 72.80	GLA	\$ 72.15	-0.9%
2	9.5mm Wearing Course, Picked Up, price per ton	GLA	\$ 50.50	GLA	\$ 56.25	GLA	\$ 61.60	GLA	\$ 60.95	-1.1%
3	Bituminous Concrete Curb Mix, in Township Trucks, Picked up, price per ton	GLA	\$ 83.50	GLA	\$ 97.00	GLA	\$ 87.00	GLA	\$ 90.40	3.9%
4	SuperPave Asphalt Mixture 25MM (Delivered)	AAM	\$ 50.94	GLA	\$ 56.50	GLA	\$ 60.70	GLA	\$ 60.95	0.4%
5	Bituminous Concrete Base Course, Picked up by Township Trucks, price per ton	GLA	\$ 42.00	GLA	\$ 46.75	GLA	\$ 49.50	GLA	\$ 49.75	0.5%
6	No. 2B Coarse Aggregate, delivered to job site; price per ton	GLA	\$ 19.85			GLA	\$ 24.95	GLA	\$ 26.20	5.0%
7	No. 3A Coarse Aggregate, delivered to job site; price per ton	GLA	\$ 18.85			GLA	\$ 23.55	GLA	\$ 24.30	3.2%
8	No. 3A Modified Sub-Base, delivered to job site; price per ton	GLA	\$ 18.85			GLA	\$ 23.55	GLA	\$ 24.30	3.2%
9	No. 2A Materials Sub-Base, delivered to job site; price per ton	GLA	\$ 18.55			GLA	\$ 22.60	GLA	\$ 22.95	1.5%
10	Gabion Stone, delivered to job site; price per ton	GLA	\$ 22.40							
10A	Gabion Stone, picked up by Township trucks; price per ton	GLA	\$ 14.15							
11	Rip Rap Stone, delivered to job site, price per ton									
	(R6)	GLA	\$ 34.75							
	(R7)	GLA	\$ 41.25							
	(R8)	GLA	\$ 41.25							
11	Rip Rap Stone, picked up by Township trucks; price per ton									
	(R6)	GLA	\$ 23.50							
	(R7)	GLA	\$ 30.00							
	(R8)	GLA	\$ 30.00							
13	FJ1 Picked up by Township Trucks, price per ton	GLA	\$ 77.00	GLA	\$ 89.00	GLA	\$ 84.00	GLA	\$ 86.30	2.7%



AGENDA ITEM INFORMATION

ITEM: AWARD OF CONTRACT – PUBLIC SAFETY BUILDING GASOLINE UNDERGROUND STORAGE TANK (UST) REPLACEMENT

Consider for recommendation to the Board of Commissioners approval to award a contract for Public Safety Building Gasoline Underground Storage Tank Replacement to the following bidder in accordance with bids received on Thursday, March 21, 2024 at 11:00 A.M. prevailing time and the recommendation of the Chief Financial Officer with the approval of the Director of Public Works and the Township Engineer:

TTI Environmental, Inc	
Total Lump Sum Bid:	\$345,500.00
Total Bid Contingencies:	22,787.00
Total Add Alternates Items: (A-1 - A-3):	<u>129,400.00</u>
Total Bid Award:	\$497,687.00

PUBLIC COMMENT

ADDITIONAL INFORMATION:

Funds are available via the Capital Projects Fund through Facilities Improvements (Job #4025), Municipal Parking Lot Repair (Job #4215), Sustainability Infrastructure Program (Job #4246). The budget was \$344,000. The total bid amount is \$153,687 or 45% more than the budget.

ATTACHMENTS:

Description	Type
<input type="checkbox"/> AWARD OF CONTRACT – PUBLIC SAFETY BUILDING GASOLINE UNDERGROUND STORAGE TANK (UST) REPLACEMENT	Bid Tabulation
<input type="checkbox"/> AWARD OF CONTRACT – PUBLIC SAFETY BUILDING GASOLINE UNDERGROUND STORAGE TANK (UST) REPLACEMENT	Backup Material

TOWNSHIP OF LOWER MERION
TABULATION OF BIDS: PUBLIC SAFETY BUILDING GASOLINE UNDERGROUND STORAGE TANK (UST) REPLACEMENT
CONTRACT NUMBER: 4025-4215-4246-24-13
BIDS RECEIVED: MARCH 21, 2024 - 11:00 AM

Bidders:		TTI Environmental, Inc.	Pine Run Construction Corp.	August Mack Environmental
Item No.	Description	Total Cost	Total Cost	Total Cost
1-1	Mobilization and General Conditions: Permit, Contractor's License, Bonding, Insurance, etc.	\$ 20,500.00	\$ 29,800.00	\$ 20,000.00
1-2	Submittals & Preconstruction Video	\$ 9,000.00	\$ 3,600.00	\$ 3,750.00
1-3	Demolition Key Note #1, 2, 8, and 9	\$ 10,000.00	\$ 13,900.00	\$ 29,000.00
1-4	Demolition Key Note #3, 4, and 5	\$ 10,000.00	\$ 37,600.00	\$ 57,500.00
1-5	Demolition Key Note #6 and 7	\$ 25,000.00	\$ 55,600.00	\$ 35,000.00
1-6	Proposed Key Note #21, 22, 28, and 29	\$ 26,000.00	\$ 38,300.00	\$ 59,500.00
1-7	Proposed Key Note #23, 24, and 25	\$ 47,500.00	\$ 106,900.00	\$ 55,000.00
1-8	Proposed Key Note #26 and 27 (Material Only, Including Shipping)	\$ 80,000.00	\$ 85,400.00	\$ 86,000.00
1-9	Proposed Key Note #26 and 27 (Labor / Installation)	\$ 105,750.00	\$ 37,800.00	\$ 117,500.00
1-10	Pre and Post Testing and PaDEP Reports, including record document	\$ 6,750.00	\$ 15,400.00	\$ 4,900.00
1-11	Close out Documents	\$ 5,000.00	\$ 1,800.00	\$ 3,750.00
	Total Lump Sum Price Bid for the Base Contract	\$ 345,500.00	\$ 426,100.00	\$ 471,900.00
Item No.	Description (Contingencies)	Total Cost	Total Cost	Total Cost
2-1	If initial site sampling fails, remove and dispose of contaminated backfill, then replace with compacted stone backfill and additional round of site sampling after removal of contaminated backfill \$_____/CY x 2 CY \$_____/Sampling x 1 Round	\$ 2,682.00	\$ 1,100.00	\$ 2,500.00
2-2	Remove and dispose of unsuitable soil, then replace with compacted 2A modified stone backfill \$_____/CY x 3 CY	\$ 630.00	\$ 1,125.00	\$ 600.00
2-3	Replace sensor at fuel dispenser sump	\$ 500.00	\$ 1,700.00	\$ 1,000.00
2-4	Replace sensor at fuel pump sump	\$ 500.00	\$ 1,700.00	\$ 1,000.00
2-5	Replace Magneto restrictive Sensor	\$ 2,900.00	\$ 2,100.00	\$ 6,000.00
2-6	Furnish and Install OPW Flex works Vent Pipe	\$ 750.00	\$ 4,500.00	\$ 2,700.00
2-7	Furnish and Install new 1" conduit from panel to UST	\$ 13,900.00	\$ 18,200.00	\$ 8,750.00
2-8	Additional Full Depth Bituminous Pavement Replacement (If Add Alternate A3 is not selected) \$_____/SF x 50 SF	\$ 500.00	\$ 2,500.00	\$ 500.00
2-9	Full Depth Bituminous Pavement Replacement in lieu of Mill & Overlay (If Add Alternate A3 is selected) Delete Mill & Overlay \$_____/SF x 50 SF Add Full Depth Bit. Pave. Replacement \$_____/SF x 50 SF	\$ 425.00	\$ 2,500.00	\$ 500.00
	Total Price Bid for Contingency Items	\$ 22,787.00	\$ 35,425.00	\$ 23,550.00
Item No.	Description (Add Alternates)	Total Cost	Total Cost	Total Cost
3-1	Add Alternate A1: Conduits, Handholes, and Appurtenances, including Trench and Restoration (CIP 4246)	\$ 37,500.00	\$ 98,700.00	\$ 31,500.00
3-2	Add Alternate A2: Modify Fuel Island Curb (CIP 4215)	\$ 13,900.00	\$ 12,000.00	\$ 6,000.00
3-3	Add Alternate A3: Additional Parking Lot Reconstruction per 2/C-200 (CIP 4215)	\$ 78,000.00	\$ 102,200.00	\$ 66,000.00



**TOWNSHIP
OF
LOWER MERION**
MONTGOMERY COUNTY



TOWNSHIP ENGINEER

75 E. Lancaster Avenue
Ardmore, PA 19003-2376
Telephone: (610) 649-4000
www.lowermerion.org

LOWM 093903

MEMORANDUM

TO: Eric Traub, Chief Financial Officer

FROM: Joseph Mastronardo, PE, Township Engineer 
Joann Ma, PE, Senior Engineer 

DATE: March 22, 2024

SUBJECT: Public Safety Building Gasoline Underground Storage Tank (UST) Replacement
Bid Review / Award Recommendation
LMT Contract No. 4025-4215-4246-24-13

As requested, we have reviewed the following bid submitted by TTI Environmental, Inc, the apparent low bidder for the referenced project, and are herewith providing our recommendation for award.

Base Bid	\$ 345,500.00
Contingencies	\$ 22,787.00
Base Bid + Contingencies (CIP 4025)	\$ 368,287.00
Add Alternate A-1: Conduits, Handholes, and Appurtenances for future work (CIP 4246)	\$ 37,500.00
Add Alternate A-2: Modify Fuel Island Curb (CIP 4215)	\$ 13,900.00
Add Alternate A-3: Additional Parking Lot Reconstruction (CIP 4215)	\$ 78,000.00

By way of background, the base bid is for the replacement of the gasoline underground storage tank and supply fuel line, along with its integration with the existing fuel equipment and the reinstatement of the system. Since the base bid work requires excavation and selective site restoration of the parking lot, add alternates were included and budgeted to take advantage of the opportunity to install underground conduits and appurtenances as a provision for future sustainability measures (Add Alternate A-1) and improve maneuverability for larger vehicles along with the repair of the entire parking lot (Add Alternate A-2 and A-3). Additionally, performing the add alternates under this project will reduce the disruption of the parking lot rather than separate phases that would require multiple relocation of police, fire, and public parking.

Three bids were received from qualified contractors for this project, two of which, including the apparent low bidder, have successfully completed projects for the Township in the past. The bid price (Base Bid + Contingencies + Add Alternate A-1 to A-3) ranges from of \$497,687 to \$674,425. Although the low price bid is \$153,687, or 45%, more than the combined construction budget of \$344,000, we find the cost reasonable for the items of work required due to the required specialty nature for fuel tank handling work and current market conditions.

Therefore, we recommend that the contract be awarded to TTI Environmental, Inc, in the amount of \$497,687 (Base Bid + Contingencies + Add Alternate A-1 to A-3), contingent upon the remainder of the contract

requirements being in order. Please note the \$22,787 of contingencies will only be used if and when directed by the Township. Funds are available through the following Capital Projects Funds:

CIP #4025 – Facilities Improvements	\$	368,287
CIP #4215 – Municipal Parking Lot Repair	\$	91,900
CIP #4246 – Sustainability Infrastructure Program	\$	37,500
Total	\$	497,687

We trust that this memorandum adequately addresses this matter. As always, please feel free to contact us if you have any questions or concerns.

cc: Ernie B. McNeely, Township Manager
Paul McElhaney, Director of Public Works
Jerry Adams, Director of Parking Services
Jesse Hunting, Assistant Director of Public Works
Paloma Vila, PE, Sustainability Manager
Pietro Multari, Fleet Maintenance Supervisor
Al Augustine, Facilities Maintenance Supervisor
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AGENDA ITEM INFORMATION

ITEM: AWARD OF CONTRACT – HARRITON HOUSE CONDITION ASSESSMENT

Consider for recommendation to the Board of Commissioners approval of the execution of a professional services contract in the amount of \$59,500 with John Milner Architects, Inc. for Conditions Assessment for Harriton House and Associated Structures.

PUBLIC COMMENT

ADDITIONAL INFORMATION:

Funds are available through the Capital Projects Fund (Job # 4025). The budget was \$60,000. The total contract amount is \$500 or 0.8% less than the budget.

ATTACHMENTS:

Description	Type
<input type="checkbox"/> AWARD OF CONTRACT – HARRITON HOUSE CONDITION ASSESSMENT	Issue Briefing

TOWNSHIP OF LOWER MERION
Finance Committee
Issue Briefing

Topic: Consultant Recommendation for the Conditions Assessment for Historic Harriton House and Associated Structures

Prepared By: Donna L. Heller, Director of Parks & Recreation
Eric Traub, Chief Financial Officer

Date: April 3, 2024

I. Action To Be Considered By The Board:

To award a professional services contract to John Milner Architects, Inc. for the Conditions Assessment for Historic Harriton House and Associated Structures.

II. Why This Issue Requires Board Consideration:

A contract award of this nature requires Board of Commissioners approval.

III. Current Policy Or Practice (If Applicable):

The Township typically issues an RFP for professional services. The responses to the RFP are reviewed by Township staff and/or a committee and a recommendation is presented to the Board of Commissioners for approval.

IV. Other Relevant Background Information:

The RFP was advertised as well as sent to six (6) local Historical Architecture firms and the Township received four (4) proposals, Landmarks SGA, Buchart Architects, Ortega Consulting and John Milner Architects, Inc. Cost proposals ranged from \$55,600 to \$59,500. A three-member Selection Committee comprised of the Director of Parks and Recreation, the Executive Director and the President of The Harriton Association were responsible for evaluating the proposals and making an award recommendation.

Based upon their extensive experience the successful completion of similar projects with sites of comparable time periods and use, it is the Selection Committee's recommendation to award the Condition Assessment to John Milner Architects, Inc. at a cost of \$59,500.

Each of the proposals generally addressed the scope of the work in the request, with John Milner Architects, Inc. (JMA) & Ortega Consulting (cost of \$59,000) rising to the top. JMA stood alone with their experience with 18th century domestic and farm buildings versus late 19th century municipal structures. They are also the only proposer that is listed on the Pennsylvania State Historic Preservation Office's Consultants List. In addition, JMA previously successfully worked with the Harriton Association on the adaptive re-use of the mid-19th century bank barn in the early 2000s.

The team that will be conducting the Conditions Assessment for Historic Harriton House and Associated Structures will be Christopher Miller, Principal; Catherine Subick Senior Architectural Conservator; and Alanna Piser, Preservation Designer. Each team member

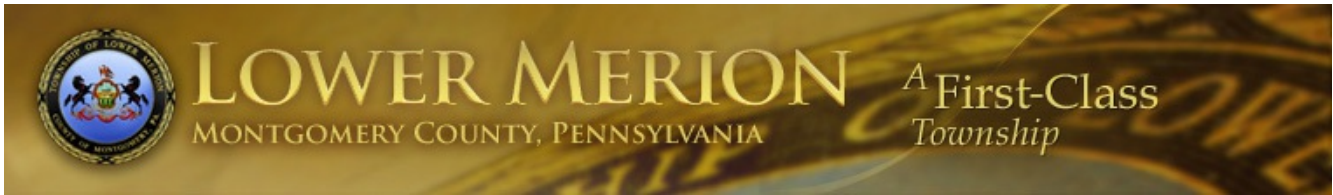
has extensive experience in conditions assessment reports. International Consultants, Inc. (ICI), will complete the cost estimates for the project. JMA has been working with ICI for over 25 years.

V. Impact On Township Finances:

The assessment is budgeted within the Capital Projects Fund (Job #4025, Facilities Improvements). The cost for the Conditions Assessment for Historic Harriton House and Associated Structures of \$59,500 is \$500 or 0.8% less than the \$60,000 budgeted. The Harriton Association is contributing \$20,000 of the total project cost.

VI. Staff Recommendation:

Staff recommends Board approval of a professional services contract in the amount of \$59,500 with John Milner Architects, Inc.



AGENDA ITEM INFORMATION

ITEM: AWARD OF CONTRACT – FIRE TRUCK FOR GLADWYNE FIRE COMPANY

Consider for recommendation to the Board of Commissioners approval to award a contract for the purchase of a new aerial/ladder fire truck for Gladwyne Fire Company in the amount of \$2,400,000 from Pierce Fire Apparatus in accordance with the Apparatus Policy.

PUBLIC COMMENT

ATTACHMENTS:

Description	Type
<input type="checkbox"/> AWARD OF CONTRACT – FIRE TRUCK FOR GLADWYNE FIRE COMPANY	Issue Briefing

TOWNSHIP OF LOWER MERION
Finance Committee
Issue Briefing

Topic: Fire Apparatus Replacement

Prepared By: Eric Traub, Chief Financial Officer
Jimmy McCoy, Chief of Department

Date: April 3, 2024

I. Action To Be Considered By The Board:

Approve award of a contract for the purchase of a new aerial/ladder fire truck for Gladwyne Fire Company.

II. Why This Issue Requires Board Consideration:

Board approval is required for award of a contract for the purchase of fire apparatus.

III. Current Policy Or Practice (If Applicable): N/A

IV. Other Relevant Background Information:

This is another fire apparatus purchase to be awarded and owned by the Township in accordance with the Fire Apparatus Policy. The replacement of this fire apparatus became necessary when the Gladwyne ladder truck caught fire after an inspection last September and was later declared a total loss. The Township invited all qualified vendors under COSTARS Contract 13 – Emergency Responder Vehicles to submit a quote.

Two quotes were received as follows:

Pierce Apparatus - \$2,400,000
Spartan Apparatus - \$2,465,810

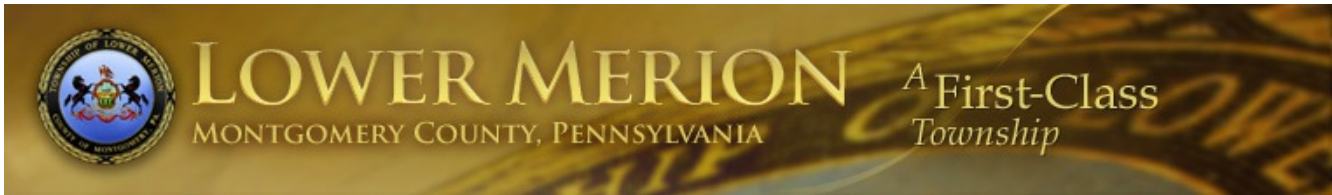
Township staff was not surprised by the number of quotes as there are limited vendors who can deliver the larger aerial fire apparatus. Township staff worked with a representative from Gladwyne Fire Company throughout this process. The Chief of Department reviewed the quotes from Pierce and Spartan in conjunction with a representative from Gladwyne Fire Company. Additional clarification questions were asked of both vendors to make sure the Township and Fire Company were comfortable with the details of the proposals. Pierce was the lowest responsible bidder and is the recommended vendor for this purchase. Gladwyne Fire Company has no objection to moving forward with purchase from Pierce. Delivery is expected in approximately 28 months. During this period other fire companies will continue to aid Gladwyne as they have since the accidental fire last year.

V. Impact On Township Finances:

The budget for this fire apparatus is \$2,719,000. The quote from Pierce is \$319,000 or 11.7% less than the budget. Gladwyne Fire Company also is in the midst of finalizing the insurance settlement from the totaled ladder truck. The Township and Gladwyne Fire Company will need to come to an agreement on the use of the insurance proceeds and how those proceeds might be used to fund a portion of the purchase of the new ladder truck. The remaining funds will come from the Capital Projects Fund (Job #4404 – Fire Apparatus Replacement Fund).

VI. Staff Recommendation:

Staff recommends the Board of Commissioners approve award of a contract for the purchase of an aerial/ladder fire truck from Pierce Fire Apparatus in the amount of \$2,400,000 for the Gladwyne Fire Company.



AGENDA ITEM INFORMATION

ITEM: AUTHORIZATION TO ADVERTISE PROPOSED ORDINANCE CHAPTER 126, SEWERS - SANITARY SEWER RENTAL RATE FOR 2024

Consider for recommendation to the Board of Commissioners authorizing the Township Secretary to advertise notice of a public hearing and intent to adopt an Ordinance enacted pursuant to the Code of the Township of Lower Merion, Chapter 126, Sewers, fixing the amount of the annual Sanitary Sewer Rental fee and establishing the amount of \$4.51 as the charge to each property connected to the Township sanitary sewer system for each 1,000 gallons of water consumed; and fixing the amount of the annual Sanitary Sewer Rental fee for each property directly connected to the City of Philadelphia sanitary sewer system as that amount charged by the City of Philadelphia for such service.

PUBLIC COMMENT

ATTACHMENTS:

Description	Type
<input type="checkbox"/> AUTHORIZATION TO ADVERTISE PROPOSED ORDINANCE CHAPTER 126, SEWERS - SANITARY SEWER RENTAL RATE FOR 2024	Issue Briefing
<input type="checkbox"/> AUTHORIZATION TO ADVERTISE PROPOSED ORDINANCE CHAPTER 126, SEWERS - SANITARY SEWER RENTAL RATE FOR 2024	Ordinance
<input type="checkbox"/> AUTHORIZATION TO ADVERTISE PROPOSED ORDINANCE CHAPTER 126, SEWERS - SANITARY SEWER RENTAL RATE FOR 2024	Presentation

TOWNSHIP OF LOWER MERION
Finance Committee
Issue Briefing

Topic: 2024 Sanitary Sewer Rental Rate

Prepared By: Eric Traub, Chief Financial Officer

Date: April 3, 2024

I. Action To Be Considered By The Board:

Authorize the Township Secretary to advertise notice of a public hearing and intent to adopt an Ordinance setting the 2024 Sanitary Sewer Rental Rate (SSRR) at \$4.51 per one thousand gallons of water consumed.

II. Why This Issue Requires Board Consideration:

Township Code requires a public hearing and an ordinance to adopt the SSRR.

III. Current Policy Or Practice (If Applicable): Not Applicable.

IV. Other Relevant Background Information:

The Township's Sanitary Sewer Fund is an enterprise fund which is self-supporting through user fees charged for sanitary sewer wastewater disposal and treatment services provided to approximately 16,700 residential, commercial and institutional customers. The Township maintains its own sanitary sewer infrastructure which is comprised of over 235 miles of sanitary sewer lines and 17 pumping stations.

The SSRR is the primary revenue source of the Sanitary Sewer Fund and is based on the prior year water consumption, as provided by Aqua. Annual revenues fluctuate with the overall billable water consumption. In 2024, the projected billable water consumption decreased 3.1% compared to the previous year.

The 2024 Budget anticipated a drawdown of the Sanitary Sewer Fund reserves. While the billable water consumption decreased, previous years' positive financial results and the strong fund balance position of the Sanitary Sewer Fund means a rate increase is not needed for 2024. The Township's updated Sanitary Sewer Fund forecast for 2024 includes a manageable deficit of approximately \$900,000. Even with the projected deficit in 2024, the Sanitary Sewer Fund's ending fund balance for 2024 is forecasted to be 15.3%, still above the 10% policy level.

V. Impact On Township Finances:

The Sanitary Sewer Fund's finances will remain stable with the current rate of \$4.51 per thousand gallons of water usage. This would be the twelfth straight year without an increase to the SSRR.

VI. Staff Recommendation:

Staff recommends the 2024 SSRR remain at \$4.51 per thousand gallons of water usage.

AN ORDINANCE

NO.

AN ORDINANCE Enacted Pursuant To The Code Of The Township Of Lower Merion, Chapter 126, Sewers, Fixing The Amount Of The Annual Sanitary Sewer Rental Fee And Establishing The Amount Of \$4.51 As The Charge To Each Property Connected To The Township Sanitary Sewer System For Each 1,000 Gallons Of Water Consumed; And Fixing The Amount Of The Annual Sanitary Sewer Rental Fee For Each Property Directly Connected To The City Of Philadelphia Sanitary Sewer System As That Amount Charged By The City Of Philadelphia For Such Service.

The Board of Commissioners of the Township of Lower Merion hereby ordains:

Section 1. Water Used or Estimated to Have Been Used. Pursuant to § 126-9 of the Code of the Township of Lower Merion, the Board of Commissioners, upon information provided by Aqua America, Inc. (hereinafter called "The Water Company") and secured from other sources, does hereby find and compute that the total number of gallons of water used or estimated to have been used by consumers connected to the sanitary sewer system in the Township in the four quarterly periods used by the Water Company in rendering its bills and closely proximate in time to the end of calendar year 2023, as records of the Water Company and its schedule of water readings will permit, was approximately 1,557,000 billable gallons, including estimated consumption of water by properties which did not secure water from the Water Company but which discharged water into the Township sanitary sewers.

Section 2. Finances of Sanitary Sewer Fund. Pursuant to Chapter 126 of the Code of the Township of Lower Merion, the Sanitary Sewer Fund is structured as a separate fund sufficient to maintain and operate the sewer system. The Sanitary Sewer Fund is primarily resourced through the annual sanitary sewer rental fee. Pursuant to § 126-8 of the Code of the Township of Lower Merion the annual sewer rental shall be sufficient to meet all operating and debt service costs attributable to the Sewer Fund and a minimum fund balance level of 10% of annual expenditures.

Section 3. Amount to be charged each Property. The Board of Commissioners does hereby fix and determine \$4.51 per one thousand gallons of water used by properties connected with the sanitary sewage system of the Township as the amount to be charged to each property connected to the Township sanitary sewer system for the 2024 sanitary sewer rental fee and for each year thereafter until revised. No property shall be billed for less than 20,000 gallons of water usage. For those properties in Sewer District #5 that are directly connected to the City of Philadelphia sanitary sewer system, the charge shall be that amount billed to the Township by the City of Philadelphia for such service.

Section 4. All Ordinances and parts of Ordinances inconsistent herewith are hereby repealed.

Section 5. Nothing in this Ordinance or in Chapter 126 of the Code of the Township of Lower Merion, as hereby amended, shall be construed to affect any suit or proceedings in any Court, any rights acquired or liability incurred, any permit issued, or any cause or causes of action existing under the said Chapter 126 prior to the adoption of this amendment.

Section 6. The provisions of this Ordinance are severable, and if any section, sentence, clause, part, or provision thereof shall be held illegal, invalid, or unconstitutional by any Court of competent jurisdiction, such decision of this court shall not affect or impair the remaining sections, sentences, clauses, parts or provisions of this ordinance. It is hereby declared to be the intent of the Board that this ordinance would have been adopted if such illegal, invalid, or unconstitutional section, sentence, clause, part, or provision had not been included herein.

Section 7. This Ordinance shall take effect and be in force from and after its approval as required by law.

Approved by the Board this day of May, 2024.

BOARD OF COMMISSIONERS OF THE
TOWNSHIP OF LOWER MERION

Todd M. Sinai, President

ATTEST:

Jody L. Kelley, Secretary

TOWNSHIP OF LOWER MERION

2024 Sanitary Sewer Fund Forecast



Finance Committee
April 10, 2024





Overview of Sanitary Sewer Fund

- Sanitary Sewer Fund (SSF) is an enterprise fund
 - User fees (sewer rate) set at full cost recovery
- Township Code (Chapter 126) requires the Board to set annual Sanitary Sewer Rental Fee (SSRF) to cover annual projected operating expenses plus:
 - Debt service (principal and interest)
 - 10% SSF fund balance reserve
- SSRF is based on prior year water consumption readings provided by Aqua
 - 2024 Sanitary Sewer billing is based on 2023 water consumption data



Overview of Sanitary Sewer System

- Public Works Sanitary Sewer Division maintains over 235 miles of sewer lines and 17 pumping stations throughout the Township
- Supervises and inspects all sanitary sewer construction and new lateral connections to the sewer system
- Cleans and inspects the sanitary sewer system
- Perform a wide range of maintenance activities including:
 - Grouting sewer lines to prevent water infiltration
 - Maintaining aging sewer lines via slip lining and other cost-effective methods
- Currently billing approximately 16,700 accounts annually
 - Modest growth in number of accounts since 2010



Sanitary Sewer Fund Revenues

- 2024 projected operating revenues of \$8.58 million; a slight decline compared to the prior year due mainly to one-time sewer connection payments in 2023
 - SSRF primary source of revenue (\$7.2 million annually)
 - Strong collection rate over 80% paid in discount period; Township usually collects around 100% of flat billing due to payments made during penalty periods
 - SSRF billing fluctuates with water consumption and water conservation efforts
 - Credit provision for customers diverting water from sewer system (special meters)
 - Other revenue derived from charges for services (connection fees, revenue from other municipalities), investment income and other sources



Sanitary Sewer Rental Fee

- Sanitary Sewer Fund rental fee has been \$4.51 since 2012
 - 2024 billable water consumption decreased by 3.1% compared to prior year
 - 2024 billable gallons reflects water consumption for the period of 1/1/2023 - 12/31/2023

Year	Billable Gallons	Gallons Inc/(Dec)	% Inc/(Dec)
2015	1.633	0.015	0.9%
2016	1.700	0.067	4.1%
2017	1.608	(0.092)	-5.4%
2018	1.610	0.002	0.1%
2019	1.592	(0.018)	-1.1%
2020	1.559	(0.033)	-2.1%
2021	1.616	0.057	3.7%
2022	1.622	0.006	0.4%
2023	1.607	(0.015)	-0.9%
2024	1.557	(0.050)	-3.1%



Sanitary Sewer Fund Expenditures

- Operating 2024 expenditures are projected to be nearly \$9.5 million; which is \$100,000 below 2024 budgeted expenditures
 - 35-year agreement (1992-2027) with Philadelphia Water Department (PWD) for wastewater treatment services
 - Township's annual operating contribution to PWD has fluctuated in recent years as water usage changes
 - Estimate \$2.44 million or 26% of SSF expenditures in 2024
 - Personnel expenses (salaries and benefits) = \$2.2 million or 23.6% of SSF expenditures
 - Debt Service = \$2.0 million or 20.8%
 - General Fund Indirect Costs = \$829,000 or 8.7%
 - Equipment Fund Rental Rates = \$532,000 or 5.6%
 - Utilities and Materials & Supplies = \$391,000 or 4.1%



Sanitary Sewer Fund Financial Forecast

Sanitary Sewer Operating Fund	2023 Actual*	2024 Forecast	24 vs. 23 \$ Chg.	24 vs. 23 % Chg.
Beginning Fund Balance (Operating)	\$ 2.28	\$ 2.35	\$ 0.07	3.3%
Revenues	8.96	8.58	(0.37)	-4.2%
Expenses	8.88	9.48	0.60	6.7%
Surplus/(Deficit)	0.07	(0.90)		
Ending Fund Balance (Operating)	\$ 2.35	\$ 1.45		
Fund Balance % of Expenses	26.4%	15.3%		

*Preliminary pre-audit financial results

- Stronger than anticipated financial results in 2023 due to one-time payments and more intergovernmental revenue and interest revenue have kept the SSF fund balance strong heading into 2024
 - Revenues projected with SSRR rate of \$4.51 unchanged from 2023
 - Expenditures projected higher compared to 2023
 - Project drawdown of fund balance reserves this year and will monitor going forward
- By 2025 or 2026 there might be a need for a sewer rate increase dependent on future financial performance



Proposed Sanitary Sewer Rental Fee

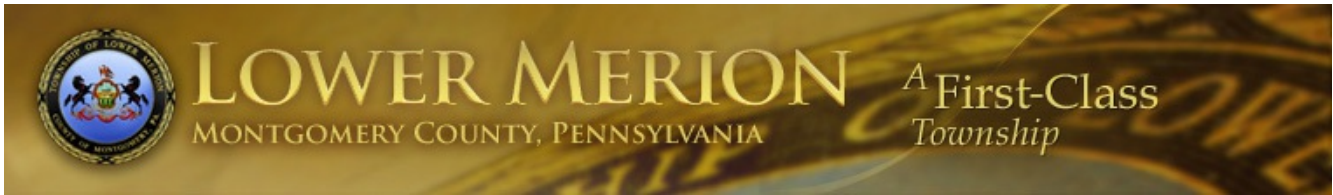
- Lower Merion's sewer rate remains the lowest when compared to other area municipalities' sewer rates that bill sewer based on water consumption (all per 1,000 gallons):
 - \$4.51 = Lower Merion Township (2024 Proposed)
 - \$4.65 = Haverford Township
 - \$8.50 = Marple Township
 - \$10.10 = Newtown Township
 - \$12.62 = Radnor Township



Proposed Sanitary Sewer Rental Fee

■ Next Steps:

- BOC approves advertisement of Ordinance adopting the 2024 SSRR and Public Hearing on April 17th
- BOC holds Public Hearing and adopts Ordinance setting the 2024 SSRR at \$4.51 on May 15th
- 2024 Sanitary Sewer Bills are mailed to customers around June 1st
 - 60 day discount period (2%)
 - 60 day flat period
 - 10% penalty after 120 days
 - 20% penalty beginning December 1st



AGENDA ITEM INFORMATION

ITEM: AMERICAN RESCUE PLAN ALLOCATION

Consider for recommendation to the Board of Commissioners approval of a reallocation of American Rescue Plan funding as follows: \$1,000,000 in ARP funding previously dedicated to Cynwyd Heritage Trail/Affordable Housing to the Ashbridge House expansion project (Job #4489); \$440,000 in ARP funding previously dedicated to E. Levering Mill Road Improvements (Job #4236) to fund a maximum of \$80,000 in consulting services related to the ARP program administration and the balance of these funds along with any additional interest earnings or other available ARP funds to support the Ardmore Avenue Community Center/PALM project (Job #4508).

PUBLIC COMMENT

ATTACHMENTS:

Description	Type
 AMERICAN RESCUE PLAN ALLOCATION	Issue Briefing

TOWNSHIP OF LOWER MERION
Finance Committee
Issue Briefing

Topic: American Rescue Plan Allocation

Prepared By: Eric Traub, Chief Financial Officer

Date: April 3, 2024

I. Action To Be Considered By The Board:

Board approval of reallocation of remaining American Rescue Plan (ARP) funding.

II. Why This Issue Requires Board Consideration:

The Board of Commissioners retains final authority over the use of ARP funds.

III. Current Policy Or Practice (If Applicable):

The Board approved an initial allocation of ARP funds in the amount of \$11.8 million in January 2022 and a second allocation in the amount of \$14.8 million in June 2023.

IV. Other Relevant Background Information:

The Township's previous allocation of ARP funds needs to be revisited for three reasons.

- 1) To reallocate \$1.0 million in ARP funding previously dedicated Cynwyd Heritage Trail/Affordable Housing as the original project is no longer feasible.
- 2) To reallocate \$440,000 in ARP previously dedicated the ongoing capital improvements along E. Levering Mill Road as the original allocation of \$740,000 was higher than the bid amount and the Township also received a \$200,000 PA-DCED grant to support this project.
- 3) To provide authorization for any remaining funds that result from lower costs than anticipated or higher interest earnings than projected to be spent on an eligible ARP funded project.

The \$1.0 million in ARP funding previously dedicated Cynwyd Heritage Trail/Affordable Housing is proposed to be reallocated to the Ardmore House expansion project. This project provides additional affordable housing options for seniors in the community and will help cover the projected capital costs. The \$440,000 reallocation related to E. Levering Mill Road would be spent to cover previously Board approved consulting costs for Triad Associates and UHY Advisors related to administration of the Township's ARP funds in an amount not to exceed \$80,000 with the balance to support the significant Ardmore Avenue Community Center and PALM capital project that will come before the Board for approval later this year.

Finally, there could be some other previously approved projects that come in under budget (e.g. stormwater, park improvements, etc.), and there is a high likelihood that interest earned on invested ARP dollars will exceed staff's previous estimates since interest rates have stayed elevated for longer than anticipated, and it has taken longer than expected to spend on certain ARP funded capital projects. It

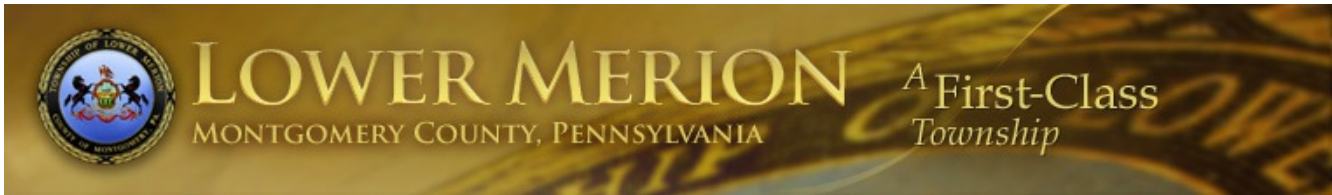
would be more efficient to have the Board prospectively approve how to use any of these smaller dollar amounts rather than have future allocation decisions occur regularly up until the end of 2024. Township staff recommends that any future unallocated ARP funds also be dedicated to the Ardmore Avenue Community Center and PALM capital project.

V. Impact On Township Finances:

The reallocation of the ARP funds will allow the Township to make use of the federal dollars it received to support important capital projects and other priorities throughout the Township. The use of ARP dollars to fund capital projects has limited the amount of debt the Township has had to incur to support these investments.

VI. Staff Recommendation:

Staff recommends to the Board of Commissioners the reallocation of \$1,000,000 in ARP funding previously dedicated to Cynwyd Heritage Trail/Affordable Housing to the Ashbridge House expansion project (Job #4489); recommends the reallocation of \$440,000 in ARP funding previously dedicated to E. Levering Mill Road Improvements (Job #4236) to fund a maximum of \$80,000 in consulting services related to the ARP program administration and the balance of these funds along with any additional interest earnings or other available ARP funds to support the Ardmore Avenue Community Center/PALM project (Job #4508).



AGENDA ITEM INFORMATION

ITEM: CHIEF FINANCIAL OFFICER'S REPORT (INFORMATION ONLY)

The Chief Financial Officer will review and discuss several financial items with the Board of Commissioners.

PUBLIC COMMENT

ATTACHMENTS:

Description	Type
 CHIEF FINANCIAL OFFICER'S REPORT (INFORMATION ONLY)	Presentation



Chief Financial Officer Report

- I. Township Debt - CIP Funding Update**
- II. Business Tax Electronic Filing Pilot Program**



Township Debt - CIP Funding Update

- Township outstanding debt has declined in recent years
 - 2017 = \$107.5 million
 - 2020 = \$99.3 million
 - 2023 = \$86.7 million
 - Currently the lowest overall outstanding debt amount since the mid 2000's
 - Debt service as a percentage of the General Fund budget is at its lowest level in over a decade
- The use of ARP funds to supplement CIP spending has allowed the Township to avoid debt issuance since early 2022. There is still \$2.6 million remaining of the 2022 bond proceeds
- Roughly \$21.8 million of capital investments via ARP funds are still planned to be spent from now until 12/31/2026



Township Debt - CIP Funding Update

- Interest rates have risen significantly since the Township was last in the bond market. The chart below shows 10 year treasury rates since 2020 which are a relevant comparison for AAA MMD





Township Debt - CIP Funding Update

- Even if interest rates begin to decline later this year it is likely that future borrowing will be more expensive than recent bond sales
- Based on current GF fund balance levels, the Board may wish to use some portion of the GF fund balance to delay the need to issue new money debt
 - The Board may also want to make a policy choice to use the GF fund balance to support the Solid Waste Fund later in 2024
- There is one potential bond refunding that is available to pursue
 - Series B of 2019 Bonds could be refunded and would generate NPV savings of roughly \$235k or approximately 3%
 - This is worth watching and potentially combining with a future new money issuance especially since the refunding savings would increase if future interest rates decline



Business Tax – E-filing portal

- Township has been looking for a cost-effective way to provide online filing and payment options for business taxes
- Earlier this year implemented a program that allows for the online filing and ACH payment of business privilege and mercantile taxes
 - Township entered into an agreement with PA LITE which works with other PA local governments
 - Staff has completed the first part of this effort and started to publicize the option to the public/business taxpayers
 - Wanted to treat this year as a pilot program and assess its effectiveness prior to any further expansion
 - Thus far 149 tax returns have been filed and paid the Township a total of \$181,000. Staff will continue to evaluate and hopefully expand these efforts in the future