

DTMA INVOLVEMENT



WHAT DOES DERRY TOWNSHIP MUNICIPAL AUTHORITY HAVE TO DO WITH FUNDING THE COMMUNITY CENTER?

Derry Township supervisors initiated a process to look at Township controlled assets to look for creative funding solutions.



By law, Derry Township has the right at any time to assume ownership of DTMA operations and its assets



- Standalone authority
- Its own board
- Well run for many years
- Keeps rates low

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It was decided that DTMA could be sold for an amount that would fund the entire Community Center

If sold, rates could rise as much as **75%**, and the Township would lose control of a stable asset

However...

SO WHERE DID THIS LEAD?

Supervisors agreed a sale is not in the best interest of township residents, but in the process of investigating options, it was realized that DTMA has two distinct operations and that one of them may be able to help.

1

- Its core sewer collection and processing business which is paid for by rate payers
- Storm water management paid for by rate payers

2

- A private enterprise trucked-in waste acceptance program business. Examples include jiffy john companies and bulk food waste companies.

**\$800,000
PER YEAR**

**CURRENT ESTIMATED NET INCOME FROM THE
TRUCKED-IN WASTE ACCEPTANCE PROGRAM**

WILL CONTINUE TO BE USED TO SUBSIDIZE SEWER RATES

OPPORTUNITY:

Derry Township funds a \$15M expansion to existing truck-in waste facility, with self-liquidating debt that will not affect the Township's borrowing capacity, and the new income generated would go to the Township.

These revenues are estimated to be between \$250,000 and \$500,000 per year.

NO INCREASE IN CURRENT RATES



The revenues could be used for debt service on the Community Center.

By using these private activity funds to help fund the Community Center, the Township will reduce the tax increase needed for the Community Center.