

Street Light Fund Budget

In order to reduce costs Richland Township entered into a guaranteed turnkey performance agreement with Municipal Energy Managers, Inc. (MEM) in 2009 to provide services for the acquisition and conversion of the Township's municipal street lighting system to one that is owned by the Township rather than rented from PPL. The acquisition of the system is being paid for with a line of credit opened by the Township at the same time the agreement with MEM was signed. The debt service on the loan and operation of the street light system will be paid from savings generated by the reduced electric charges.

Income

General Fund Payment of Normal Street Light Charges - \$46,110

PPL's anticipated charges in 2012 under their normal municipal street lighting program are expected to cost \$46,110. The General Fund will pay this amount to the Street Light Fund

MEM Guarantee Payment - \$17,560

The transfer of ownership of the township's municipal street lights from PPL to the Township was not completed by the date specified in the agreement with MEM. The agreement calls for this payment to the Township from MEM due to the delay in the transfer of ownership.

Expenditures

Interest Expense/Debt Service - \$21,470

Debt service for the loan to purchase the street lights is expected to be about \$21,470 in 2012.

Electricity Purchases - \$9,060

It is expected that the Township will need to pay PPL about \$9,060 for the electricity to operate the street lights in 2012.

Operation & Maintenance Costs - \$5,200

MEM will be responsible for providing any maintenance to the street lights. The agreement with MEM calls for them to be paid the fixed amount of \$5,200 per year. MEM guarantees that the operation and maintenance costs will not exceed \$5,200.