

Final audit: Negative balance in surplus fund

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DELRAN — The final numbers are in on the dissolved Delran Sewerage Authority and township officials believe they stink.

The authority spent its entire \$2.8 million surplus over an 18-month period leading up to its dissolution in July, according to the township's final audit of the disbanded body.

Township Council President Gary Catrambone said the spending occurred between Jan. 1, 2009, and July 14 this year. It showed that the authority's unrestricted funds went from \$2.81 million on Dec. 31, 2008, to \$1.54 million on Dec. 31, 2009, to negative \$829 when the township took over officially July 14.

"This type of unrestrained spending, by an appointed group with no accountability to the Township Council or to the residents of Delran, further reinforces that we made the right decision to abolish the sewerage authority," Catrambone said.

Harry Fox, former chairman of the authority, said he too was surprised by the final audit numbers, especially since the township's own audit in December showed the authority

still had \$1.5 million in surplus.

"I cannot tell you for sure where the township used or put the money," Fox said.

He said the township chose not to contact him during the takeover process.

"A common-sense, prudent approach to the proper transition of the takeover certainly would be to contact me or my staff," Fox said.

The council decided to dissolve the authority in April and move its employees to a newly created sewer department that would be overseen by the township administrator.

The authority, which was an autonomous body with five members appointed to five-year terms, was responsible for collecting payments from residents and businesses and maintaining the treatment plant and other infrastructure. It had 12 employees: an administrative director, plant supervisor, assistant supervisor, assistant clerk and eight union operators.

As part of the dissolution, the administrative director's position was eliminated July 1.

The changes are expected to save the township about \$100,000 annually, the bulk of the savings coming from the director's position and a reduction in attorney and engineering fees.

Former authority members have questioned how long municipal professionals and

employees will handle the new responsibilities without compensation.

Fox questioned the township's numbers, given that the authority's surplus is based on bill payments that haven't been collected yet and on bond payments that are paid out during the first six months of the year.

"The second six months, with much less expenditures and the same income, would build up the surplus back to original values," he said. "The only true audit figure can be obtained at the end of the fiscal year."

Fox added that there were additional costs, such as "contractual payouts, at least three professional audits, legal fees, sick and vacation payouts, and bond counsel," as part of the dissolution.

Before the dissolution, Fox said the authority had started a five-year spending plan to improve its facilities, such as pumping stations and the sewer plant, and the purchase of a vacuum truck.

Regardless, township officials believe the spending went unchecked for too long.

"Although it is true there were areas that required attention, some expenditures had been put off for years and others could have been accomplished without touching the surplus," Councilman Tom Morrow said.