

**EAST GOSHEN TOWNSHIP
BOARD OF SUPERVISORS
ANNUAL PLANNING SESSION
MAY 26, 2011
Final Approved Minutes**

The East Goshen Township Board of Supervisors held an Annual Planning Session at the Township Building on Thursday, May 26, 2011 at 1:00 p.m. Board of Supervisor members present were: Senya Isayeff, Chairman; Donald McConathy, E. Martin Shane, and Thom Clapper. Others present were: Rick Smith, Township Manager; Deborah Beury, Director of Finance; Brian McCool, Accounting Associate; Mark Gordon, Director of Code Enforcement; Mark Miller, Director of Public Works; and Frank Vattilano, Director of Recreation.

Summary Core Function Report

Deb stated that the 1st quarter reports are as of April 30, 2011. The Summary Core Function report shows that the YTD budget total should be \$633,096. However, the YTD actual total is \$298,126 resulting in a variance of -\$334,970. A significant Earned Income Tax payment was received from Keystone on May 25, 2011.

The Real Estate Transfer Tax is a concern. Marty feels that Chester County housing isn't as bad as the rest of the country. But the problem is, that people who are qualified, are having trouble getting funding.

Known Impact List

Deb reviewed the list which shows negative possible impact on Revenues for the Local Service tax, Real Estate Transfer tax and Earned Income Tax.

Under Expenses some definite impact items are the Pension plan which was changed from a defined benefit plan to a defined contribution plan. No payment is necessary in 2011 for the new pension plan, resulting in a savings.

The change in the Health Insurance will be a savings.

Credit from the Police – Marty feels a revenue line should be added with a 0 for budget. Then the credit will show. He feels the more items shown, the better the detail.

Public Works Repaving – Mark Miller feels the cost of asphalt will increase \$8 per ton or more. He will keep the Board of Supervisors informed.

Executive Assistant – This represents 3 months salary and benefits if hired for the last 3 months of the year. Don feels it should be in the “possible impact” column.

Marty feels the “Impact List” should be in the report before the “General Fund Detail” report, and everyone agreed.

Don asked if the benefits payout to the previous Permit Coordinator would impact anything.

Deb commented it may be a bit more than budget.

Variances Core Function Format

Deb reported that the pass through accounts have been taken out of the core function report.

Pass Through Accounts

Deb has requested AMS to include total expense and total revenue lines at the bottom of the report. Deb said that she needs to amend the budget for preparation of the Fire Company payroll. Marty requested that “Amended” be changed to “Revised” Budget.

Accounts Receivable

Don is concerned that the total seems to be continuing to grow. He is noticing an increase in the number of people not paying their utility bills. Marty feels that if the 90-120 day payments increase then that's a concern. Deb mentioned that Tia has filed some claims which are generating some payments. The County processes liens for unpaid taxes.

Disbursements & Cash Accounts

Deb explained the set up of the accounts. Marty feels that probably 80% of the disbursements are things over which there is no control. Deb will look for better rates for the checking and savings account services. She mentioned that the change over due to the sale of 1st National Bank to 1N Bank was difficult. In answer to Don's question, she said the Township can only put cash in FDIC accounts. Since the CD rates a TD Bank are lower than others, the BOS agreed to pull some funds out and put them where the rates are higher.

Other Funds

Marty thought all budgets were going to have the same format. He feels this should be the goal for next year.

Deb explained that the Percent column on the Capital Reserve report represents what has been used so far. The revenues are added at the end of the year. Marty would like the detail sheet for this.

Deb pointed out that on page 2 of the Sewer Operating report, the STP Maintenance and Repairs had a budget of \$25,000 and is already over, at \$29,922. Rick feels some items are not related to the expansion and should be in Capital instead of Operating. Marty feels the balance in the sewer operating account must be funded for unexpected expenses instead of taking funds from the General Fund or borrowing. He feels the Board of Supervisors should receive a monthly Sewer Operating report. Everyone agreed.

Annual Planning Session – Summary, Detail and “What If”

Marty explained that the detail sheet is in line item format which includes history and assumptions. The assumptions have not changed and are not a percentage across the board. He feels loans should be paid to get rid of the costs and get better rates. However, Rick pointed out that some loans have penalties for early payment.

Several “What If” analyses were discussed. Rick feels that the decision that needs to be made is, either raise taxes and use up the reserves, or use up the reserves then increase taxes. Marty feels a tax increase should start in 2012. Don prefers small tax increases more often. Also, Marty feels all “What Ifs” must include cost for police pension and post employment medical.

Don wants to have another planning session this Fall when some revenues are more definite.

The meeting ended at 3:45 p.m.

Respectfully submitted,

Ruth Kiefer, Recording Secretary