

East Goshen Township Annual Planning Session

10:00am June 5, 2013

AGENDA

1. Call to Order
2. Pledge of Allegiance
3. Moment of Silence
4. Ask if anyone is recording the meeting
5. Public comment
6. Medium-term economic projections
7. Long-term budget assumptions & overview of "What If?" scenarios
8. Departmental "Wants & Needs"
9. Budget metrics
10. Consideration of 2013 reappropriations and reallocations
 - Increase Sewer Capital Reserve Budget by \$230,000 for diversion projects
 - Reallocation of \$5,000 for Farmers Market Marketing from Amphitheater Events
 - Increase Capital Reserve Fund Budget by \$33,220 for Milltown Dam Spillway project
 - Reallocation of \$610,750 in capital expenses from general fund to specific line-items
11. Consideration of options for borrowing for diversion projects
12. Any Other Matter
13. Public comment
14. Adjournment

2014 Financial Outlook

Government and private forecasters continue to project future economic growth—albeit slow growth—through 2014 and a low interest rate environment through at least 2015. Otherwise, compared to a year ago, when the fiscal cliff and the presidential elections were front and center nationally and the closing of the Sunoco refineries were prominent stories locally, there appear to be fewer major economic obstacles and challenges facing the nation and the region today.

That said, the cost of health insurance in 2014, particularly for small employers such as East Goshen, is undoubtedly the biggest unknown variable. Media reports and discussions with our insurance broker suggest that premium increases could be in the 20%-30% range. While East Goshen will likely be a net beneficiary of a new rule that limits the ratio between what insurers can charge older populations and younger populations at 3:1, there is no question that we need to be prepared for another year of health insurance rate shock.

Locally, working with the Commerce Commission, we continue to monitor the township's commercial sector. Based on feedback from them and Zoning and Code Enforcement, we are not anticipating any major changes (positive or negative) to the commercial base in the foreseeable future.

Forecasts of Key Economic Indicators

Income Growth	2013	2014	2015	2016	2017
PNC (Philadelphia region)	3.4%	3.5%-3.9%			
CBO (U.S. Employment Cost Index)	2.2%	3.3%	4.0%	4.0%	4.0%
Housing Price Increase					
PNC (Philadelphia region)	1.6%	1.0%-1.7%			
PNC (U.S.)	2.6%	1.5%-1.8%			
Survey of Prof. Forecasters (U.S.)	3.5%	3.5%			
Real GDP-National					
CBO	1.4%	2.6%	3.7%	3.7%	3.7%
Federal Reserve	2.3%-3.0%	3.0%-3.5%	3.0-3.7%	2.3%-2.5%	2.3%-2.5%
Survey of Professional Forecasters	1.9%	2.8%	2.9%	3.0%	
Inflation-National					
CBO (Consumer Price Index)	1.5%	2.0%	2.2%	2.2%	2.2%
Fed (Personal Consump. Index)	1.3%-2.0%	1.5%-2.0%	1.7%-2.0%	2.0%	2.0%
Survey of Prof. Forecasters (CPI)	2.0%	2.2%	2.3%		
Unemployment-National					
CBO	7.9%	7.8%	6.1%	6.1%	6.1%
Federal Reserve	7.4%-7.7%	6.8%-7.3%	6.0%-6.6%	5.2%-6.0%	5.2%-6.0%
Survey of Prof. Forecasters	7.7%	7.2%	6.7%	6.3%	

Long-Term Projections

Based on the projections presented herein, **the Township is on a sustainable financial trajectory for the next decade**. Barring any major capital projects to be funded from the operating budget, the budget should have a slight surplus in 2014 and 2015, before returning to a deficit position in 2016. Even so, the projected 2023 year-end fund balance is estimated at roughly \$4.3 million or 35.6% of the projected 2023 operating budget, which is a healthy percentage (See “**What If Scenario 1**”). Note that GFOA recommends that local governments maintain at least two months of operating expenses in fund balance, which corresponds with about 17% of annual expenses.

What If Scenario #2 assumes a \$150,000 increase in the WEGO MMO in 2014 and \$250,000 increases in 2016 & 2018, respectively. In this scenario, the general fund would remain solvent through 2023, but fund balance would start to fall to critically low levels (i.e. below 17%) around 2022-2023.

What If Scenario #3 assumes that the Township adopts a defensive posture towards the general fund, electing to only transfer 50% of the annual increase in the replacement cost of the capital assets and 50% of the “annual required contribution” to the Police’s Other Post Employment Trust, like many other municipalities and states are doing. Under this scenario, the fund balance would gradually rise from about 60% of annual expenditures per year to between 74% and 78% through 2023. Doing this would cause the replacement cost of capital assets to exceed the balance of the capital reserve fund by about 2016-2017.

Revenue Assumption

- EIT growth of 2.7%, which is somewhat more conservative than the income growth projections from both PNC and the CBO.
- Property Tax & Local Services Tax revenue remains flat
- Real Estate Transfer Tax growth of 1.7%, which is in line with expected growth in housing prices
- Cable Franchise Tax growth equal to inflation.
- Core revenues either flat or growth no faster than inflation, except for building permits, which has a brief spike with 2014 as Goshen Meadows II is constructed, followed by a return to the 2013 adopted levels.

Expense Assumptions

- I assumed CPI of 2% for most expense line-items, which is consistent with long-term forecasts. For perspective, overall CPI is up about 1.5-1.6% this year.
- I assumed 3% salary growth for most positions. However, I assumed somewhat higher growth for the new recreation director (hired at a lower salary) and the new building inspector to account for step growth over the next several years.
- I assumed 18% growth in health insurance in 2014 and 8% thereafter
- We have already been notified that SWIF’s workers comp premiums for volunteer firefighters will be going up by 13.9% and that many private carriers (but not necessarily MRM) will be raising rates for non-firefighter class codes by 20%. I have projected accordingly in 2014.

- Police expenses were based on Kathy Brill's projections. However, I assumed East Goshen uses 56% PPUs over the next 6 years, instead of 54.56% (our 2013 share) as Kathy had used. Note that Kathy does not anticipate an increase in the MMO through 2019, based on a conversation that she had with Tom Anderson. Accordingly, in "What If, Scenario #2" I project long term trends assuming that the MMO increases by \$150,000 in 2014, and an additional \$250,000 in 2016 and again in 2018 (with East Goshen paying 56% of those increases).
- Police Other Post Employment Benefit trust is assumed to remain a flat \$335,891 through 2019. The results of the requested actuarial study are not expected to be known until July. However, it is likely that the combination of strong growth in the fund during the first year—up 14.7% compared with a 4.5% discount rate in the 2010 actuarial study—coupled with lower health insurance premiums, should result in lower required contributions.
- The road paving budget is increased by inflation over 2013 levels. A list of roads scheduled for paving in 2014 is attached in the Departmental Needs & Wants tab.
- Various one-time departmental requests in 2014, totaling \$96,030, are included. These items are summarized below.
- Beyond 2014, I assumed new one-time operating expenses of \$50,000 per year for Public Works, \$10,000 for Parks and \$10,000 for Administration.
- One-item expenses from 2013, including Hershey Mill Dam and the Geothermal Project, which collectively total over \$740,000, are netted out in 2014 and beyond. This explains the positive budget variance next year.

New general fund spending "proposals" embedded in 2014 general fund projection

- \$10,000 website upgrade, described in more detail in the "Departmental Wants & Needs" tab
- \$18,000 for a brine tank system (technically a replacement, but not currently amortized); \$7,230 for a pre-seeder (technically a replacement, but not currently amortized); \$18,000 for an iron worker (new); \$7,800 for a vehicle code scanner (new). I also budgeted \$10,000 for phase II of the amphitheater construction.
- \$25,000 for an upgrade to the functionality of our land records database, allowing all land-use plans for a parcel or development to be inter-connected (see "Departmental Wants & Needs")

Why is this year's projection so much more optimistic than last year's?

- At this time last year, I projected the Township's General Fund being exhausted in around 2019-2020, absent a tax increase or a major adjustment in spending.
- Last year, I projected the 2013 Police Transfer to be \$3.43m and the 2017 transfer to be \$4.46m; by contrast, this year we budgeted \$2.77m and I now project the 2017 transfer to be \$3.38m. This corresponds with a five-year expense reduction of over \$4 million.
- Last year, I presumed 2013 EIT revenues of \$4.42m and 2017 EIT revenues of \$5.12m; by contrast, this year we budgeted \$4.63m and I project 2017 EIT revenues of \$5.21m. This corresponds with a five year revenue increase of about \$541,000
- Meanwhile, last year I presumed the contribution to the Police's OPEB trust to increase to \$458,000 by 2017, rather than staying flat through 2017 at \$335,891.

Memo

To: Board of Supervisors
From: Jon Altshul
Re: 2014 Budget Schedule
Date: May 21, 2013

Below find a proposed 2014 budget schedule.

2014 Proposed Budget Schedule

June 5	Planning Session--Seek BOS guidance on 2014 budget
July 1	Distribute budget memos & worksheet to ABC chairs & department heads
July 16	Present June financial report with year-end projections
July 29-August 9	Meet with department heads on 2014 budget requests
August (all month)	JA to attend all ABC meetings to discuss 2014 budget
August 20	Present July financial report with year-end projections
Late August	Begin shopping health insurance
September 17	Present preliminary 2014 proposed general fund budget Present August financial report with year-end projections Announce 2014 minimum municipal obligations
October 1	Present preliminary proposed 2014 other funds budgets Review revised 2014 proposed general fund budget
October 15	Review revised all funds budget Present September financial report with year-end projections
October 23	Receive rate quotes for pooled trusts
November 5	Present final proposed 2014 all funds budget Make budget available for public inspection Advertise proposed budget in <i>Daily Local News</i> (at least 20 days prior to adoption)
November 19	Present October financial report with year-end projections
December 2	Receive IBX (& other private carrier) renewal rates
December 3	2014 budget adoption BOS approves 2014 salaries
December 17	Spill-over date for 2014 budget adoption Present November financial report with year-end projections

Please advise if this schedule is agreeable to you.

EAST GOSHEN TOWNSHIP
Annual Planning Session Forecast, 2014-2019
June 6, 2013

Account Title	2011 Actual	2012 Actual	2013 Adopted	2014 Estimate	2015 Estimate	2016 Estimate	2017 Estimate	2018 Estimate	2019 Estimate	Avg Increase 2013-2019
BEGINNING FUND BALANCE			6,429,604	5,979,533	6,094,568	6,126,672	6,110,897	6,000,210	5,824,007	
EMERGENCY SERVICES EXPENSE	3,669,899	3,727,471	3,587,260	3,842,362	3,997,753	4,106,467	4,214,266	4,396,733	4,465,103	3.7%
PUBLIC WORKS EXPENSE	1,925,260	2,032,017	2,328,085	2,460,029	2,525,723	2,588,500	2,654,284	2,722,150	2,793,162	3.1%
ADMINISTRATION EXPENSES	1,447,941	1,494,298	2,136,825	1,661,827	1,712,926	1,765,972	1,821,066	1,878,314	1,932,878	-1.1%
ZONING/PERMITS/CODES EXPENSES	387,837	343,707	473,095	436,945	427,317	443,368	509,537	477,818	496,308	1.1%
PARK AND RECREATION EXPENSES	438,058	462,835	785,482	546,550	530,916	546,931	563,577	580,883	598,881	-3.5%
TOTAL CORE FUNCTION EXPENSES	7,868,995	8,060,329	9,310,747	8,947,713	9,194,635	9,451,238	9,762,729	10,055,898	10,286,332	
EMERGENCY SERVICES REVENUE	73,974	45,719	51,643	51,643	51,643	51,643	51,643	51,643	51,643	0.0%
PUBLIC WORKS REVENUE	878,660	1,021,673	846,600	871,079	897,559	924,954	953,297	982,623	1,012,968	3.0%
ADMINISTRATIVE REVENUES	295,462	343,001	309,797	314,153	318,977	323,926	329,001	334,207	339,547	1.5%
CODES REVENUE	338,112	278,320	275,825	277,225	247,985	252,360	256,823	261,375	266,018	-0.5%
PARK AND REC REVENUE	206,351	123,825	114,183	131,909	134,403	135,526	136,673	137,843	139,039	3.5%
TOTAL CORE FUNCTION REVENUES	1,792,559	1,812,538	1,598,048	1,646,008	1,650,568	1,688,409	1,727,436	1,767,691	1,809,215	
NET EMERGENCY SERVICES	3,595,925	3,681,753	3,535,617	3,790,719	3,946,110	4,054,824	4,162,623	4,345,090	4,413,460	3.8%
NET PUBLIC WORKS	1,046,600	1,010,344	1,481,485	1,588,950	1,628,164	1,663,546	1,700,988	1,739,527	1,780,194	3.1%
NET ADMINISTRATION	1,152,479	1,151,297	1,827,028	1,347,674	1,393,949	1,442,046	1,492,065	1,544,107	1,593,331	-1.5%
NET CODES	49,725	65,387	197,270	159,720	179,332	191,007	252,714	216,444	230,291	4.0%
NET PARK AND REC	231,707	339,010	671,299	414,642	396,512	411,405	426,904	443,039	459,842	-4.6%
CORE FUNCTION NET SUBTOTAL	6,076,436	6,247,791	7,712,699	7,301,705	7,544,067	7,762,829	8,035,293	8,288,207	8,477,117	1.6%
DEBT - PRINCIPAL	580,000	605,000	436,000	456,000	476,000	496,001	520,999	544,001	569,000	4.5%
DEBT - INTEREST	254,366	228,774	208,182	189,721	170,418	150,270	129,198	107,158	84,149	-13.9%
TOTAL DEBT	834,366	833,774	644,182	645,721	646,418	646,271	650,197	651,159	653,149	0.2%
TOTAL CORE FUNCTION NET	6,910,802	7,081,565	8,356,881	7,947,426	8,190,485	8,409,100	8,685,490	8,939,366	9,130,266	1.5%
NON-CORE FUNCTION REVENUE										
REAL ESTATE PROPERTY TAX	2,018,689	2,018,192	2,001,978	2,001,978	2,001,978	2,001,978	2,001,978	2,001,978	2,001,978	0.0%
OTHER INCOME	46,034	51,958	48,132	48,132	48,132	54,132	66,132	80,132	95,132	12.4%

CABLE TV FRANCHISE	386,805	401,127	410,000	418,200	426,564	435,095	443,797	452,673	461,727	2.0%
REAL ESTATE TRANSFER TAX	504,251	779,111	500,000	508,500	517,145	525,936	534,877	543,970	553,217	1.7%
EARNED INCOME TAXES	4,259,654	5,311,893	4,631,700	4,770,651	4,913,771	5,061,184	5,213,019	5,369,410	5,530,492	3.0%
LOCAL SERVICES TAX	311,016	332,101	315,000	315,000	315,000	315,000	315,000	315,000	315,000	0.0%
TOTAL NON CORE FUNCTION REVENUE	7,526,449	8,894,383	7,906,810	8,062,461	8,222,589	8,393,325	8,574,803	8,763,163	8,957,546	2.1%

NET RESULT 615,647 1,812,818 (450,071) 115,035 32,104 (15,775) (110,687) (176,203) (172,720)

ENDING FUND BALANCE 5,979,533 6,094,568 6,126,672 6,110,897 6,000,210 5,824,007 5,651,286

Impact of PPU's on 2014-2018 Police Budget

	2014	2015	2016	2017	2018
	Projection	Projection	Projection	Projection	Projection
Total Net Transfer	5,503,065	5,668,237	5,846,784	6,032,511	6,295,925
East Goshen's Share @ 54.44% (current)	2,995,868	3,085,788	3,182,989	3,284,099	3,427,501
East Goshen's Share @ 56%	3,081,716	3,174,213	3,274,199	3,378,206	3,525,718
East Goshen's Share @ 57%	3,136,747	3,230,895	3,332,667	3,438,531	3,588,677

Jon Altshul

From: Mark Miller [mmiller@eastgoshen.org]
Sent: Friday, May 03, 2013 5:35 AM
To: jaltshul@eastgoshen.org
Subject: 2014 budget

Jon
Here is my wish list for next year.

Vehicle replacement

Big dump truck with plow and spreader \$130,000.00 → CAPITAL
Replace utility body on truck 8 \$70,000.00 → CAPITAL
18 foot enclosed trailer \$5,500.00 → CAPITAL
Brine tank system \$18,000.00 → OPERATING

Minor Equipment

Pre seeder \$7,230.00 → OPERATING
Trap Camera \$13,050.00 → CAPITAL
Shoring Equipment (replacement) \$10,000.00 → ~~OPERATING~~ SW CAPITAL
New Shop equipment Iron worker \$18,000.00 → OPERATING
Vehicle code Scanner \$7,800.00 → OPERATING

Park

Fencing replacement player bench \$13,500.00 → CAPITAL
Hunt Country Pump station \$15,000.00 → SW CAPITAL
Upgrade the building and controls

Ridley Creek 8" trailer mounted pump. \$24,000.00 → SW CAPITAL
For bypass pumping
Lab Equipment \$6,500.00 → SW CAPITAL
Micro Scope

ALSO, AMPHITHEATER ELECTRICAL/STRUCTURAL \$10,000 - OPERATING

Jon Altshul

From: Mark Miller [mmiller@eastgoshen.org]
Sent: Tuesday, May 28, 2013 8:52 AM
To: jaltshul@eastgoshen.org
Subject: 2014 PAVING

Jon

Below is the list of roads for 2014 paving.

Ellis Lane

Wilson Dr.

Charter Chase Development

Indian Hills Development

Mark

Memorandum

East Goshen Township
1580 Paoli Pike
West Chester, PA 19380

Voice: 610-692-7171
Fax: 610-692-8950
E-mail: mgordon@eastgoshen.org

Date: 5/28/2013
To: Board of Supervisors
From: Mark Gordon, Township Zoning Officer
Re: Plan Scanning

Dear Amber:

As we discussed the Township has a large amount of large format plan sets in the Township archives in the basement of the Township building. The Township needs to maintain these records however paper gets old and brittle and some of the plans are damaged. We have scanned most of the files in the basement however we would like a way to store and reference them.

As we discussed I'd like your help in outlining a recommendation and determining a course of action and that the township might take to move forward in order to make this information more usable and to also protect this information by creating electronic copies of these important Township records for archiving. I have outlined the task, conditions and standards for the project.

Task: Develop a recommendation and cost estimate to migrate the existing electronic versions of plans and to scan plans that haven't been scanned so they can be referenced easily and reproduced if necessary using a document management system.

Conditions: A large number of plans have been scanned and exist on the Township server. These plans are referenced by plan number according to their physical file location in the plan room. There are a large number of plan sets that haven't been scanned or filed which need to be scanned and filed. The Township has a document management system, DocStar, which has a GIS portal that references all parcels in the Township. Also, a database was created some years ago that catalogs the plans and file drawers where they are filed.

Standard: The recommendation should identify how plan files will be easily referenced electronically by street name, address, parcel number, development name, etc. through the DocStar GIS portal. The recommendation should include a breakdown of the costs associated with the delivery of this project. Township Staff is available to assist in the implementation of this project however staff would be limited to a minimal project support role.

Memo

To: Board of Supervisors
From: Jon Altshul
Re: Website
Date: May 24, 2013

Our website provides a treasure trove of information, but concerns have been raised that the design is amateur and the site itself is very text heavy.

Over the past year, both West Goshen and Tredyffrin have updated their sites. A comparison of East Goshen's and those sites are provided on page 2 & 3.

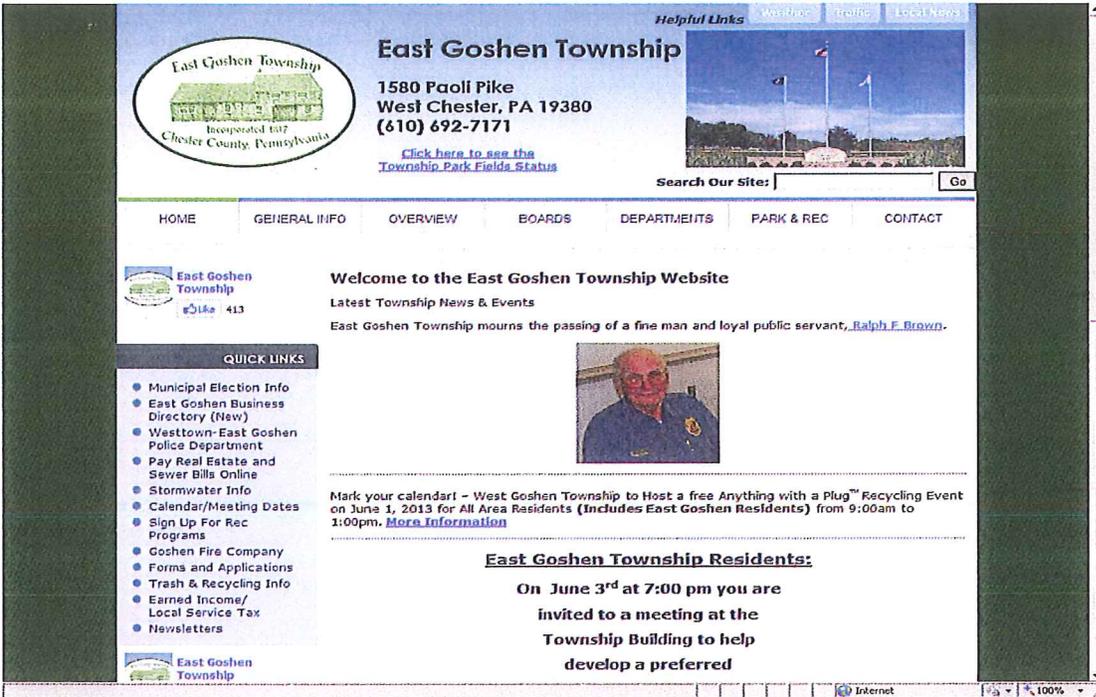
Over the past month or so, our former intern Amber has spoken with various vendors about the cost of redesigning our site, with an eye towards:

- **Uncluttering the layout**—e.g. using rotating pictures to announce upcoming events/initiatives; avoiding paragraph-long announcements by making greater use of hyperlinks; making it easier to navigate.
- **Giving the site a sleeker, more professional look**—e.g. using softer fonts/type face, warmer colors, a “running bottom” banner and better overall visual imagery.
- **Creating greater functionality**—e.g. having the ability to conduct various government services on-line

A website redesign may cost as little as \$5,000-\$6,000, assuming that Township staff migrated the existing content and the website's “functionality” was not greatly enhanced.

Is redesigning the website something that the Board would like to consider in 2014?

East Goshen's Homepage



East Goshen Township
 1580 Paoli Pike
 West Chester, PA 19380
 (610) 692-7171

[Click here to see the Township Park Fields Status](#)

Search Our Site:

HOME | GENERAL INFO | OVERVIEW | BOARDS | DEPARTMENTS | PARK & REC | CONTACT

Welcome to the East Goshen Township Website
 Latest Township News & Events
 East Goshen Township mourns the passing of a fine man and loyal public servant, Ralph F. Brown.



Mark your calendar! - West Goshen Township to Host a free Anything with a Plug™ Recycling Event on June 1, 2013 for All Area Residents (Includes East Goshen Residents) from 9:00am to 1:00pm. [More Information](#)

East Goshen Township Residents:
 On June 3rd at 7:00 pm you are invited to a meeting at the Township Building to help develop a preferred

QUICK LINKS

- Municipal Election Info
- East Goshen Business Directory (New)
- Westtown-East Goshen Police Department
- Pay Real Estate and Sewer Bills Online
- Stormwater Info
- Calendar/Meeting Dates
- Sign Up For Rec Programs
- Goshen Fire Company
- Forms and Applications
- Trash & Recycling Info
- Earned Income/Local Service Tax
- Newsletters

West Goshen's Homepage



WEST GOSHEN TOWNSHIP
 CHESTER COUNTY, PENNSYLVANIA

[A Larger Font](#) [A Smaller Font](#)

Home | Calendar | Government | Resources | Documents & Forms | FAQ

I want to:

Go to a Specific Department:

Frequently Visited Pages

Contact
 WEST GOSHEN TOWNSHIP
 1027 PAOLI PIKE
 WEST CHESTER, PA 19380
 twp@westgoshen.org

Administration
 610-693-6206

Police Administration
 610-693-7400

Police Emergency
 911

Wastewater Treatment Plant
 610-696-0900

Welcome to the official website of West Goshen Township.
 Welcome to the official West Goshen Township website! Our goal is to make this site your definitive source for everything you need to know about West Goshen Township in Chester County, Pennsylvania.



What's happening in West Goshen Township

Township Calendar | News

5/27/2013 - Memorial Day: Township offices closed; Click here for holiday trash collection schedule.

6/1/2013 - Electronics Waste Recycling Event at West Goshen Municipal Complex

6/24/2013 - Summer Recreation Program Begins

6/24/2013 - Summer Teen Program Begins

Summer Concert Series, Bus Trips, and Summer Recreation Programs

Check out the Spring 2013 Issue of the West Goshen Township Newsletter online.

[View All](#)

Conditions Fair

Error on page.

Tredyffrin's Homepage

[Directions](#) | [Contact Us](#) | [Staff Login](#) |



TREDYFFRIN TOWNSHIP

Chester County, PA

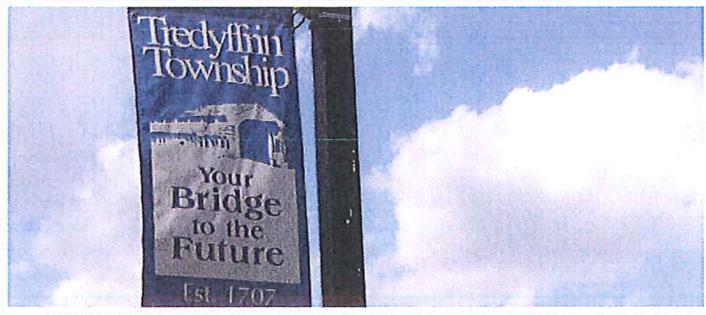
"Uncommonly Good for the Common Good"

Home
About Us
Services
Boards
I Want To...
Residents
Businesses

In the Spotlight

Paoli is still on the move! As part of this ongoing public outreach program, the Paoli Transportation Open House #2 will take place on June 12th. All are welcome to stop by at anytime during those hours to share ideas about roads and pedestrian improvements and learn about SEPTA's current plan for a new Intermodal Transportation Center.

➔ READ MORE



e-Notifications & Emergency Information

FAQs

Online Services

Building Permits

Township

Latest News

PennDOT Announces Various Route 202 Nighttime Restrictions and Closures due to Construction

Wayne Glen (Richter Property) Development Update

Special Planning Commission Meeting on June 13th Cancelled
The special June 13th PC meeting for Wayne Glen has been cancelled and is now scheduled to be on the Commission's July 18th regular meeting agenda.

Take 25 Program - KID ID Kits Available
An important message from the Superintendent of Police

Events	Meetings
May 28	Police Learning Series <small>Tuesday, May 25</small>
Jun 03	Red Cross Blood Drive <small>Monday, Jun 3</small>
Jun 06	AMTRAK Public Open House <small>Thursday, Jun 6</small>
Jun 12	Paoli Transportation Open House #2 <small>Wednesday, Jun 12</small>

Internet
100%

Memo

To: Board of Supervisors
From: Jon Altshul
Re: Personnel Metrics
Date: May 27, 2013

At the Finance Committee meeting in April, Marty requested that I provide East Goshen's efficiency metrics around personnel costs compared to those of area municipalities.

As you will see, East Goshen compares favorably to neighboring municipalities. On per capita, earned income and real estate assessment basis, our personnel costs are either the lowest or among the lowest in the sample for every category.

The data source for this analysis was 2013 adopted budgets, as there are vast differences in how personnel data are reported in the 2011 and 2012 DCED Annual Financial Statements. Also, I was unable to locate a budget for either West Chester or Uwchlan online. Hence those townships were not included in the sample.

In order to make the figures as comparable as possible, I had to make a number of adjustments, all of which are summarized on the bottom of the worksheet.

Comparison of Efficiency of Selected Chester County Townships, Based on 2013 Adopted Budgets

Personnel costs	TOTAL PERSONNEL BUDGET (Exclud Police)			TOTAL PERSONNEL BUDGET (Includ Police)		
	Wages (Exclud Police)	Benefits (Exclud Police)	TOTAL PERSONNEL BUDGET (Exclud Police)	Wages (Includ Police)	Benefits (Includ Police)	TOTAL PERSONNEL BUDGET (Includ Police)
EAST GOSHEN	1,663,338	503,808	2,167,146	3,287,290	1,362,198	4,649,488
WEST GOSHEN	3,695,137	2,173,089.00	5,868,226	6,784,158	3,617,992	10,402,150
WESTTOWN	848,880	321,285	1,170,165	2,201,380	1,036,191	3,237,570
WEST WHITELAND	1,704,899	752,804	2,457,703	4,881,631	2,025,240	6,906,871
WILLISTOWN	967,568	462,345	1,429,913	3,022,914	1,996,121	5,019,035
TREDYFFRIN	3,105,000	1,647,800	4,752,800	7,465,000	4,478,100	11,943,100

Demographics	Population 2010	Assessment 2013	Budgeted EIT Revenue (2013)	2013 General Fund Revenues (Adjusted for comparability)	Full-Time Employees (including Police)*
EAST GOSHEN	18,026	1,617,165,946	4,631,700	8,687,403	38
WEST GOSHEN	21,866	1,766,964,663	6,250,000	12,372,097	82
WESTTOWN	10,827	752,378,707	1,930,000	5,546,223	24
WEST WHITELAND	18,274	1,689,754,382	4,850,000	8,599,999	52
WILLISTOWN	10,497	1,215,895,026	5,450,000	6,635,694	40
TREDYFFRIN	29,332	3,526,484,904	No EIT levied	15,272,600	75

* 29 Full-Time WEGO employees (26 FT officers & 3 office staff) allocated to East Goshen (16) and Westtown (13) based on 54.6%/45.4% split

Personnel Metrics--Excluding Police

	Township personnel costs per capita	Township personnel costs per \$1,000,000 of assessment	Township personnel costs as a % of EIT revenue	Township personnel costs as a % of Adjusted General Fund Revenues
EAST GOSHEN	\$120.22	\$1,340.09	46.8%	24.9%
WEST GOSHEN	\$268.37	\$3,321.08	93.9%	47.4%
WESTTOWN	\$108.08	\$1,555.29	60.6%	21.1%
WEST WHITELAND	\$134.49	\$1,454.47	50.7%	28.6%
WILLISTOWN	\$136.22	\$1,176.02	26.2%	21.5%
TREDYFFRIN	\$162.03	\$1,347.74	n/a	31.1%

Personnel Metrics--Including Police

	Township personnel costs per capita (includ Police)	Township personnel costs per \$1,000,000 of assessment (includ Police)	Township personnel costs as a % of EIT revenue (includ Police)	Township personnel costs as a % of Adjusted General Fund Revenues	Personnel costs divided by full-time positions
EAST GOSHEN	\$257.93	\$2,875.08	100.4%	53.5%	122,355
WEST GOSHEN	\$475.72	\$5,887.02	166.4%	84.1%	126,855
WESTTOWN	\$299.03	\$4,303.11	167.7%	58.4%	134,899
WEST WHITELAND	\$377.96	\$4,087.50	142.4%	80.3%	132,824
WILLISTOWN	\$478.14	\$4,127.85	92.1%	75.6%	125,476
TREDYFFRIN	\$407.17	\$3,386.69	n/a	78.2%	159,241

Notes

Financial data from 2013 adopted budgets, including sewer and refuse funds for townships that pay payroll directly from those funds. Note that the financial data in DCED annual financial reports are reported quite differently from one township to another, hence budget figures were used. Workers Compensation & contributions to Post-Employment Medical Trusts excluded. East Goshen & Westtown's Police costs based on proportionate share of WEGO costs, net of Thornbury's proportionate share of those costs. Personnel costs include wages and FICA taxes paid for seasonal and part-time staff. Pension contributions are not net of state aid. Goshen Fire Company excluded from East Goshen's figures (no other township in sample directly pays firefighters). General Fund budgets are net of state aid and interfund transfers, which controls for differing ways of budgeting state liquid fuels and sewer wages/benefits. WEGO's 29 full-time positions (26 officers + 3 office staff) allocated to East Goshen (16) and Westtown (13) based on 54.6%/45.4% split.

SCENARIO 1: CURRENT TRAJECTORY-NO CHANGES IN TAX RATES

Year	Revenues	Expenditures	Surplus/ (Deficit)	Year End Fund Balance	Fund Balance as % of Expenditures
2013	9,504,858	9,954,929	(450,071)	5,979,533	60.1%
2014	9,708,469	9,593,434	115,035	6,094,568	63.5%
2015	9,873,157	9,841,053	32,104	6,126,672	62.3%
2016	10,081,734	10,097,509	(15,775)	6,110,897	60.5%
2017	10,302,239	10,412,926	(110,687)	6,000,210	57.6%
2018	10,530,854	10,707,057	(176,203)	5,824,007	54.4%
2019	10,766,761	10,939,481	(172,720)	5,651,286	51.7%
2020	10,946,804	11,211,711	(264,907)	5,386,379	48.0%
2021	11,165,907	11,481,033	(315,126)	5,071,253	44.2%
2022	11,391,481	11,762,216	(370,735)	4,700,518	40.0%
2023	11,608,330	12,024,354	(416,024)	4,284,495	35.6%

SCENARIO 2: PUBLIC SAFETY COST ESCALATION

WEGO MMO increases \$150,000 in 2014 & \$250,000 in 2016 & 2018

Year	Revenues	Expenditures	Surplus/ (Deficit)	Year End Fund Balance	Fund Balance as % of Expenditures
2013	9,504,858	9,954,929	(450,071)	5,979,533	60.1%
2014	9,708,469	9,677,434	31,035	6,010,568	62.1%
2015	9,873,157	9,925,053	(51,896)	5,958,672	60.0%
2016	10,081,734	10,321,509	(239,775)	5,718,897	55.4%
2017	10,302,239	10,636,926	(334,687)	5,384,210	50.6%
2018	10,530,854	11,071,057	(540,203)	4,844,007	43.8%
2019	10,766,761	11,303,481	(536,720)	4,307,286	38.1%
2020	10,946,804	11,656,017	(709,213)	3,598,074	30.9%
2021	11,165,907	11,995,676	(829,769)	2,768,305	23.1%
2022	11,391,481	12,328,919	(937,438)	1,830,867	14.9%
2023	11,608,330	12,662,961	(1,054,631)	776,236	6.1%

HIGHLIGHTED ROWS INDICATE FUND BALANCE BELOW GFOA THRESHOLD (~17%)

**SCENARIO 3: 50% CONTRIBUTION TO CAPITAL RESERVE
AND 50% OF OPEB TRUST CONTRIBUTED THROUGH 2023**

Year	Revenues	Expenditures	Surplus/ (Deficit)	Year End Fund Balance	Fund Balance as % of Expenditures	Capital Reserve Fund Year End Fund Balance	Estimated replacement value of amortized capital assets	Cap Reserve as a % of value of assets
2013	9,504,858	9,954,929	(450,071)	5,979,533	60.1%	6,258,613	5,609,775	111.6%
2014	9,708,469	9,188,617	519,853	6,499,386	70.7%	6,146,149	5,721,971	107.4%
2015	9,873,157	9,430,315	442,841	6,942,227	73.6%	6,033,803	5,836,410	103.4%
2016	10,081,734	9,680,771	400,963	7,343,190	75.9%	5,921,651	5,953,138	99.5%
2017	10,302,239	9,990,105	312,134	7,655,324	76.6%	5,809,769	6,072,201	95.7%
2018	10,530,854	10,278,068	252,785	7,908,110	76.9%	5,698,238	6,193,645	92.0%
2019	10,766,761	10,506,714	260,047	8,168,156	77.7%	5,587,141	6,317,518	88.4%
2020	10,946,804	10,772,602	174,202	8,342,358	77.4%	5,476,569	6,443,868	85.0%
2021	11,165,907	11,036,677	129,230	8,471,588	76.8%	5,366,614	6,572,746	81.6%
2022	11,391,481	11,312,378	79,103	8,550,691	75.6%	5,257,373	6,704,201	78.4%
2023	11,608,330	11,569,213	39,117	8,589,808	74.2%	5,148,948	6,838,285	75.3%

HIGHTLIGHTED ROWS INDICATE VALUE OF CAPITAL ASSETS > BALANCE OF CAPITAL RESERVE FUND

Memo

To: Board of Supervisors
 From: Jon Altshul
 Re: Consider reappropriation of 2013 Sewer Capital Reserve Budget
 Date: May 10, 2013

Please note the attached memo from Rick to the Municipal Authority amending the Municipal Authority budget by \$230,000 to reflect higher estimated costs for the diversion project. Accordingly, it will be necessary to increase the transfer from the Sewer Capital Reserve Fund to the Municipal Authority by this same amount, as well as the anticipated reimbursement from the proceeds of the upcoming reimbursement bond.

Below please find a copy of the proposed Revised 2013 Sewer Capital Reserve Budget:

2013 Proposed Sewer Capital Reserve Fund <u>Revised</u> Budget			
Account Title	Acct #	2013 Adopted	2013 Proposed Revised
Starting Fund Balance		1,529,938	1,476,350
Revenue			
INTEREST EARNINGS	09341 1000	2,500	2,500
TRFR FROM SEWER FOR SINKING FUND	09342 0500	160,000	160,000
ADD'L TRFR FR SEWER FOR SINK FUND	09342 0501		
TRFR FROM MUNIC AUTHORITY FUND	09342 0700	992,470	1,222,470
TRANSFER FROM SEWER OPERATING FUND	09392 0500		
Revenue		1,154,970	1,384,970
Expenses			
MACHINERY/EQUIPMENT - NEW PURCHASE	09409 7400		
MACHINERY/EQUIPMENT - NEW	09409 7450		
TRANSFER TO MUNIC AUTHORITY	09492 0700	786,769	1,016,769
LOCHWOOD ELIMINATION	09492 0701		
RESERVE/HM PUMP STATION	09492 0702		
MARYDELL PUMP STATION	09492 0703		
Expenses		786,769	1,016,769
Net result from Operations		368,201	368,201
Ending Fund Balance		1,898,139	1,844,551

Memo
East Goshen Township
1580 Paoli Pike
West Chester, PA 19380

Voice (610) 692-7171
Fax (610) 425-8950
E-mail rsmith@eastgoshen.org

Date: May 28, 2013
To: Board of Supervisors
From: Rick Smith, Township Manager
Re: 2013 Municipal Authority Budget

At their meeting on April 8, 2013 the Municipal Authority approved a motion to amend their Capital Budget since they had firm numbers for the Marydell Pump Station Diversion Project and the Hershey Mill Pump Station Diversion Project.

	2013 Adopted	Change	2013 Revised
Transfer from Sewer Cap Reserve	\$556,769	+\$230,000	\$786,769
Marydell Pump Station - Engineer	\$25,000	+\$6,000	\$31,000
Marydell Pump Station - Construction	\$170,000	+\$80,000	\$250,000
Hershey Mill Pump Station - Engineer	\$25,000	+\$10,000	\$35,000
Hershey Mill Pump Station - Construction	\$46,000	+\$134,000	\$180,000

EAST GOSHEN TOWNSHIP
 1580 PAOLI PIKE
 WEST CHESTER, PA
 Municipal Authority
 April 2013

Amemo #

Account Title	Acct #	Annual Budget	Month To Date		Year To Date	
			Actual	Actual	Actual	Actual
CAPITAL BUDGET						
REVENUE		992,470.00	0.00	0.00	0.00	0.00
LOAN PROCEEDS-SEWER PROJECT	07392 0804	556,769.99	110,000.00	140,000.00	140,000.00	140,000.00
TRANSFER FROM SEWER CAP RESERVE	07392 0900	786,769	110,000.00	140,000.00	140,000.00	140,000.00
TOTAL REVENUE		31,000				250,000
EXPENSES						
MARYDELL PUMP STATION - ENGINEER	07425 1000	25,000.00	0.00	20,513.25	20,513.25	20,513.25
MARYDELL PUMP STATION -CONSTRUCTION	07425 2000	170,000.00	23,051.35	23,051.35	23,051.35	23,051.35
LOCHWOOD ABANDONMENT ENGINEER	07424 7475	0.00	0.00	1,086.00	1,086.00	1,086.00
LOCHWOOD ABANDONMENT CONSTRUCTION	07424 7476	55,769.00	30,769.00	31,015.01	31,015.01	31,015.01
LOCHWOOD ELIMINATION PHASE 2	07424 7477	0.00	9,030.75	2,094.91	2,094.91	2,094.91
HERSHEY MILL STATION - ENGINEER	07426 1000	25,000.00	6,110.25	13,939.99	13,939.99	13,939.99
HERSHEY MILL STATION - CONSTRUCTION	07426 2000	46,000.00	0.00	0.00	0.00	0.00
RESERVE PUMP STATION - ENGINEER	07427 1000	25,000.00	3,529.75	10,509.51	10,509.51	10,509.51
RESERVE PUMP STATION - CONSTRUCTION	07427 2000	93,000.00	0.00	0.00	0.00	0.00
RESERVOIR PUMP STATION - ENGINEER	07428 1000	0.00	0.00	0.00	0.00	0.00
RESERVOIR PUMP STATION CONSTRUCTION	07428 2000	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENSES		499,769.99	72,491.10	102,210.02	102,210.02	102,210.02
CAPITAL NET RESULT		1,109,470.00	37,508.90	37,789.98	37,789.98	37,789.98
MUNICIPAL AUTHORITY ENDING FUND BALANCE			72,964.31			

35,000
180,000

Memo

To: Board of Supervisors
From: Heidi Karpa, Chair, Park & Recreation Commission
Re: Reallocation of \$5,000 for Amphitheater Events to Farmers Market Marketing
Date: May 13, 2013

As you know \$5,000 was budgeted this year in the General Fund for "Amphitheater Concerts" (01452-5150). Because there are no present plans to have live events at the Amphitheater this summer that would require the expenditure of Township funds, the Park & Recreation Commission would like to request that those funds be reallocated to the Farmers Market (01452-3130) for marketing expenses. Note that no funds were originally appropriated for Farmers Market expenses in the 2013 adopted budget.

These funds would be used for advertising the market in both the *Daily Local News* and WCHE, as well as for Farmers Market tote bags and banners.

We believe that this reallocation is critical to ensuring that the Farmers Market is as successful as it can possibly be, particularly in this first year under a new management structure.

Memo

To: Board of Supervisors
From: Jon Altshul
Re: Reappropriation of 2013 Capital Reserve Fund Budget
Date: May 10, 2013

At the May 7, 2013, meeting, the Board moved to award the bid for the Milltown Dam spillway repair project to JMC Contractors. Because we did not budget anything in the 2013 General Fund for this project, Mr. Shane suggested that we pay for the project from the Capital Reserve Fund. Accordingly, I would recommend that the board formally revise the 2013 Capital Reserve Fund budget to reflect this new cost (\$33,220), as shown on the next page. This cost will be amortized moving forward.

As you will note, even with this additional project, 2013 revenues will exceed expenses and the year-end fund balance is expected to be \$6.26 million.

PROPOSED 2013 CAPITAL RESERVE FUND REVISED BUDGET

STARTING FUND BALANCE		6,146,882	6,095,927
Account Title	Acct #	2013 Adopted	2013 Proposed Revised
Revenue			
INTEREST - CAPITAL RESERV	03341 1000	16,000	16,000
PROCEEDS FROM SALE OF MACH & EQUIP	03341 2000		
INSURANCE CLAIMS	03341 3000		
TRANSFER FROM GEN'L FUND	03392 0100		
CAP.REPLAC.-TRANSF.-OFFICE	03392 0800	24,640	24,640
CAP.PURCHASE TRANSF.-TWP.BLDG.	03392 0801		
CAP.REPLACEMENT TRANSF.-TWP.BLDG.	03392 0802	61,965	61,965
CAP.PURCHASE TRANSF.-TWP.BLDG.	03392 0803		
CAP. REPLACEMENT TRANSF.-HIGHWAY	03392 0804	324,820	324,820
CAP.PURCHASE-TRANSF.-HIGHWAY	03392 0805		
CAP.REPLACEMENT -TRANSF.-PARK	03392 0806	16,781	16,781
CAP.PURCHASE - TRANSF. - PARK	03392 0807		
CAP REPLACEMENT TRANSFER-SOFTWARE	03392 0808		
CAP PURCHASE TRANSFER-SOFTWARE	03392 0809		
TRANSF.FR.UNALLOCATED GEN.FD.FUNDS	03392 0850		
Total Revenue		444,206	444,206
Expenses			
CAPITAL REPLACEMENT - OFFICE EQUIP	03401 7400	12,500	12,500
CAPITAL PURCHASE - OFFICE EQUIP	03401 7450		
CAPITAL REPLACEMENT - SOFTWARE	03407 7400		
CAPITAL PURCHASE - SOFTWARE	03407 7450		
CAPITAL REPLACEMENT-TWP BLDG	03409 7400	5,800	5,800
CAPITAL PURCHASE - TWP BLDG	03409 7450		
CAP. PURCHASE - SUBSTATION/D.COURT	03409 7451		
CAP REPLACEMENT SUBSTATION/D.COURT	03409 7452		
CAPITAL REPLACEMENT - HWY EQUIP	03430 7400	223,500	223,500
CAPITAL PURCHASE - HWY EQUIP	03430 7450	-	-
CAPITAL REPLACEMENT - PARK & REC	03454 7400	6,500	39,720
CAPITAL PURCHASE - PARK & REC	03454 7450	-	-
CAPITAL PURCHASE - PARK BATHROOM	03454 7451		
CAPITAL REPLACEMENT - NEW PAVILLION	03455 7400		
CAPITAL PURCHASE - NEW PAVILLION	03455 7450		
CAP REPLACE RESERVOIR ROAD BRIDGE	03456 7400		
CAPITAL - HERSHEY MILL REPAIR	03457 7450	-	-
CAPITAL - MILLTOWN DAM	03458 7450		
TRANSFER TO GEN'L FUND	03492 0100		
TRANSFER TO BOND FUND	03492 0800		
Expenses		248,300	281,520
Net result from Operations		195,906	162,686
ENDING FUND BALANCE		6,342,788	6,258,613

Memo

To: Board of Supervisors
From: Jon Altshul
Re: Consider reallocating capital expenses in 2013 general fund
Date: May 29, 2013

In developing the 2013 budget, I budgeted the costs of the various capital projects that the Board intended to fund from the general fund in the budget line items that we use for the annual transfer of funds from the general fund to the capital reserve fund. In order more appropriately account for the funds, as well as to provide a better level of transparency when we actually expend funds for those identified purposes, I would recommend that the Board reallocate those budgeted funds as shown in the table below. Note that this is not a request for more funds, but simply to better organize funds that have already been appropriated.

Project	Cost	Current Budget Line-Item	Proposed Budget Line-Item
Geothermal	\$500,250	01430-7400	01409-7500
Blacksmith Shop Roof	\$13,500	01430-7400	01409-7501
Energy Efficient Light Fixtures	\$11,000	01430-7400	01409-7502
Township Parking Lot	\$28,000	01430-7400	01409-7503
LED Sign (Boot/Paoli)	\$20,000	01430-7450	01409-7504
Amphitheater construction	\$8,000	01454-7450	01454-7501
Basketball court resurfacing	\$10,000	01454-7400	01454-3720
LED Sign (Park)	\$20,000	01454-7450	01454-7504

Memo

To: Board of Supervisors & Municipal Authority
From: Jon Altshul
Re: Upcoming borrowing to repay Municipal Authority
Date: May 17, 2013

Earlier this week, Rick and I met with a representative from Janney Capital Markets, a public finance underwriter, to discuss the pros and cons of issuing general obligation (G.O.) bonds versus getting a loan from the Delaware Valley Regional Finance Authority (DVRFA) to reimburse the Sewer Capital Reserve Fund for costs incurred by the Municipal Authority for the various diversion projects. As shown in the analysis on the next page, DVRFA is able to offer a lower "All-In True Interest Cost" than we might be able to get if we sold bonds for this project on the open market.

This analysis compares the yield on a \$1.5 million loan/bond based on market data as of May 13th and May 14th. Loans issued through the DVRFA would have closing costs of approximately \$12,000, while bonds would have issuance costs of \$40,000 (and perhaps as much as \$50,000), plus an underwriters discount of \$20,000.

As you can see, the DVRFA loan would have an All-In True Interest Cost of 2.58%, which is between 18 and 45 basis points lower than comparable general obligation bonds. The All-In True Interest Cost reflects the internal rate of return on the stream of debt service payments, but with any issuance costs and fees netted out of the principal amount. This metric allows us to more accurately compare different ways of borrowing than a simple comparison of yield.

In both cases, the Township would need to be formally rated by a credit rating agency, such as S&P, which is expected to cost between \$5,000 and \$8,000 (these rating agency fees are ground into the total issuance costs described above). It is expected that we would be rated either AAA or AA. While the rating would obviously impact the yield on general obligation bonds, the rating would not impact the terms of any DVRFA loan. DVRFA put this rating requirement in place in 2009 during the height of the financial crisis and we have not borrowed since that time.

Comparison of borrowing options on \$1.5 million bond/loan

Year	AA-Rated GO	AAA-rated GO	DVRFA
Proceeds Net of Fees	(1,500,000)	(1,500,000)	(1,500,000)
1	99,954	100,493	96,802
2	99,551	100,220	96,431
3	99,024	99,884	97,119
4	103,400	99,443	96,668
5	102,616	98,890	97,277
6	101,699	98,169	96,746
7	100,614	97,280	97,275
8	99,368	96,230	96,665
9	102,975	100,033	97,115
10	101,348	98,615	96,426
11	99,615	97,070	96,796
12	102,800	95,443	97,113
13	100,776	98,733	97,377
14	103,664	96,821	97,588
15	101,335	99,829	96,660
16	98,930	97,636	96,792
17	101,456	100,375	96,870
18	98,783	97,927	96,896
19	101,056	100,425	96,869
20	103,130	97,736	97,874
Nominal Debt Service	2,022,092	1,971,244	1,939,359
All-In True Interest Cost	3.03%	2.76%	2.58%