

Memo

To: Board of Supervisors
 From: Jon Altshul
 Re: Consider 2018 Budget Adoption
 Date: December 1, 2017

The 2018 Budget was advertised in *The Daily Local News* on November 15, 2017, and has been available for public inspection since that time as well. It has also been available on the web page at <https://eastgothen.org/services/finance/budget/2018-proposed-budget> since November 9th.

Since the original proposed budget materials were prepared in early November, there have been a handful of proposed changes to the 2018 budget, as summarized below. Note that the first two items were previously highlighted in my memo to the Board dated November 9, 2017 and presented to the Board on November 14.

Description	Fund	Account Codes	Amount
Volunteer Firefighter Workers Compensation Insurance renewal higher than expected <ul style="list-style-type: none"> Impacts both expense and revenue, as the cost is shared with Willistown, West Goshen and Westtown 	General	01411-6000 (Expense) 01380-0110 (Revenue)	+\$18,057 (Expense) +\$9,389 (Revenue) I.e. net increase = \$8,668
Plantings & widening blacktop at football fields & improvements to basketball court <ul style="list-style-type: none"> Instead of ADA-related improvements to the amphitheater, per recommendation of Park Commission 	Bond	08454-6004 (Amphitheater) 08454-6008 (Field Improvements)	-\$25,000 +\$25,000 Budget-neutral, as both projects cost \$25,000
Westtown-East Goshen Police Budget <ul style="list-style-type: none"> Version 2-10/19/17 reflects a decrease of \$54,585 due to lower than expected Workers Comp insurance 	General	01410-5300	-\$30,933 (i.e. EGT's share of \$54,585 at 56.67%)
Tallmadge Drive gravity sewer line partial replacement <ul style="list-style-type: none"> To be done as part of scheduled paving; damage recently identified Offset 1:1 by lowering West Goshen O&M expense 	Sewer Operating	05422-3701 (RC Collections O&M) 05420-3850 (West Goshen O&M)	+\$30,000 -\$30,000 (i.e. budget neutral)
Ashbridge Force Main <ul style="list-style-type: none"> Extent of damage TBD, but recent sewer leak at Ashbridge indicates that correction needed in 2018 	Sewer Sinking	09429-7400 (Replacement Asset)	+\$50,000

Collectively, these changes will result in savings in the General Fund of \$22,245, meaning that it is proposed that the 2018 budget be adopted with a transfer from fund balance of \$395,066. In order to

adopt a balanced budget, it is proposed that a new revenue line item be added to the General Fund budget called "Transfer from Fund Balance" (01392-0100). This line item is budgeted at \$395,066.

The Sewer Sinking Fund will now have expenses of \$183,500 (up from \$133,500), compared to revenues (unchanged) of \$277,500). Because the Ashbridge force main repair is to an existing, as opposed to a new asset, the project will have no impact on the Sewer Operating Fund.

The net changes to the Bond Fund and the Sewer Operating Fund, described above, are budget neutral.

In addition, as was explained at the November 14th BOS meeting, a number of account code changes are proposed in this budget to bring our accounting system into compliance with DCED guidelines. These changes are reflected in the line-item budgets and will become effective on January 1, 2018.

Finally, this budget includes \$4,800 for \$100/month stipends to the four full-time Township employees who volunteer at either the Malvern or Goshen Fire Companies. Resolution 2017-77, which formalizes this stipend, follows this memo.

I have attached revised line-item budgets, including WEGO Budget 2-10/19/17, and budget summaries for your consideration.

Recommended motion

Mr. Chairman, I move that we adopt the 2018 East Goshen Township Budget dated December 5, 2017 as follows:

- 1) A General Fund with revenues and expenses of \$12,951,653, of which \$2,039,040 are from pass-through accounts and \$10,912,613 are from non-pass through accounts.
- 2) A State Liquid Fuel Fund with revenues and expenses of \$548,083.
- 3) A Sinking Fund (Capital Reserve Fund) with revenues of \$844,492 and expenses of \$867,500
- 4) A Transportation Fund with revenues of \$261,793 and expenses of \$615,000
- 5) A Sewer Operating Fund with revenues and expenses of \$3,682,636
- 6) A Refuse Fund with revenues of \$1,002,921 and expenses of \$1,091,534.
- 7) A Bond Fund with revenues of \$30,000 and expenses of \$2,997,163.
- 8) A Sewer Sinking Fund (Sewer Capital Reserve Fund) with revenues of \$277,500 and expenses of \$183,500.
- 9) An Operating Reserve Fund with revenues of \$24,906 and expenses of \$0.

I further move that we adopt the 2018 Westtown East Goshen Police Budget Version 2, dated October 19, 2017 with revenues and expenses of \$7,758,398.83, of which East Goshen's share is \$3,659,937. I also move to authorize Township staff to transfer \$180,774 from the East Goshen's Police Pension Trust to the Westtown-East Goshen Police Pension Plan to pay for East Goshen's share of the Additional Pension Plan Contribution line item from this budget.

I further move to approve 2018 Township staff salaries as proposed.

I further move to adopt Resolution 2017-77 to provide stipends to full-time Township employees who volunteer at the Goshen or Malvern Fire Companies.