



November 9, 2018

Dear Residents, Business Owners and the Board of Supervisors of East Goshen Township:

We are pleased to present East Goshen Township's 2019 Proposed Budget. This budget reflects the Township's three co-equal missions of preserving the past, serving the present and protecting the future to ensure that East Goshen remains the premier municipality in which to live, work and play in Chester County.

Importantly, we are proposing to maintain tax rates at the existing level of 1.25 mills for the 16th consecutive year. However, there is no question that 2019 will be a challenging budget year. This proposed budget requires a transfer from fund balance of \$325,518 in order to be in balance, or approximately 4.2% of the available operating reserve fund and general fund balances. While the Township has ample reserves that will delay the need for tax increases in the short-to-medium term, there is no question that over the next decade, the Township will need to take proactive steps to either further control expenses or increase revenue to ensure that East Goshen retains its prized AAA credit rating and has access to capital markets at the lowest possible interest rates.

This proposed budget reflects the Township's continued commitment to public safety. In particular, the Emergency Services budget is projected to increase by \$207,203 or 5.2%. However, because the 2019-2021 Police contract is currently subject to an Act 111 arbitration proceeding, the actual Police budget may not be known until the spring. At that point, the budget will need to be formally revised by the Board.

This proposed budget reflects the Township's commitment to forward-looking planning, community safety and codes enforcement. One new Full-Time Equivalent position is proposed in the Codes Department, at an expense including salary, benefits, vehicle, and related expenses of \$110,000, in order to implement the commercial fire inspection and radio booster initiatives. These initiatives will ensure that our commercial and multifamily residential properties remain as safe and secure as possible, which, in light of the September 19th incident at Bellingham, is paramount for our community. In addition, \$60,000 is budgeted in the Transportation Fund for a new traffic signal and related infrastructure at the West Entrance to the Township Park to ensure that pedestrian crossings between the Township Park and Applebrook Park are as safe as possible.

This proposed budget reflects a commitment to pro-actively maintaining aging infrastructure to avoid more costly repairs in the future. For example, \$60,000 is budgeted for repairs to aging storm sewer lines. \$120,000 is budgeted for the second year of the Township's planned 6-year pond dredging and rehabilitation project to finish the work at the Marydell Pond and then begin work on the Bow Tree I Pond. In addition, on the sewer fund/Municipal Authority side of the ledger, \$130,000 is budgeted to

continue relining brick manholes and asbestos cement sanitary sewer lines for the fourth straight year. In fact, all total nearly \$678,500 worth of improvements to the sanitary sewer distribution system and Ridley Creek Sewage Treatment Plant are anticipated in 2019—not including our share of improvements to the West Goshen Sewage Treatment Plant—all of which can be done with virtually no change in sewer rates next year.

This proposed budget reflects the Township’s continued commitment to ensuring that the Township has the recreational infrastructure to attract the next generation of homeowners. Specifically, the Township plans to aggressively spend down the proceeds of the 2017 General Obligation Bonds on the Paoli Pike Trail engineering and rights-of-way costs, with a goal of going to bid on construction of Segments C-E (from North Chester Road to Reservoir Road) by the end of 2019. Meanwhile, we are optimistic that we will be able to begin the construction of the new Hershey Mill Dam Park in 2019 and have completed engineering at Milltown Dam in order to further transform our open space areas into best-in-class parks.

Finally, this proposed budget is realistic and conservative in balancing the need to provide critical municipal services within prudent fiscal constraints. As noted above, no real estate tax increase is proposed for the 16th consecutive year. Meanwhile, no refuse rate increase is needed, despite rapidly rising recycling costs. Finally, at worst, only a modest change to sewer rates is anticipated in April 2019, as overall the sewer fund’s budget is projected to increase a modest 1.8% over 2018 levels.

Pursuant to Section 3202 of the Second Class Township Code, the Board may adopt the budget no earlier than 20 days after the proposed budget has been advertised in a newspaper of general circulation, which we expect to occur on November 14th, the day after the proposed budget is presented at the November 13th Board of Supervisors meeting. Therefore, the Board of Supervisors is scheduled to adopt the budget on the evening of December 4th. State law limits how much the budget can be change between the time it is advertised and it is adopted to “no more than ten percent in the aggregate or more than 25 percent in any major category.”

In the meantime, staff welcomes feedback from all residents and business owners on the proposed budget. After all, these proposed expenditures are made with your tax dollars and fees. Everyone in East Goshen is an important stakeholder in this critical democratic process!

Sincerely,

Rick

Louis F. Smith
Township Manager

Jon

Jon Altshul
Assistant Township Manager & Finance Director