



November 8, 2019

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

We are pleased to present East Goshen Township's 2020 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 17th consecutive year. However, there is no question that 2020 will be a challenging budget year. This proposed budget requires a transfer from fund balance of \$459,521 in order to be in balance, or approximately 6.0% 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 a \$5.12 increase per quarter to the refuse rate, from \$69.88 to \$75 per quarter for residents in single family detached homes, which is necessitated by the rising cost of processing recycling caused by less demand for recyclable materials abroad. Whereas until a couple of years ago, recycling was a revenue generator for Chester County communities, it now costs us approximately \$34 per ton. This increase will allow us to better manage our costs over the next several years as the recycling market stabilizes. The Township has not changed its refuse rate since 2011, and even with this proposed increase will still have lower rates than several other area municipalities, including West Goshen (\$85/quarter) and Westtown (\$80/quarter).

This proposed budget reflects the Township's continued commitment to public safety. In particular, the Emergency Services budget is projected to increase by \$115,23 or 2.8%, and reflects promotions of the Community Services Officer to Detective and the Administrative Officer to Corporal, as well as \$13,913 for Good Fellowship Fire Company for providing Advanced Life Support coverage for approximately 50% of the Township.

This proposed budget reflects a commitment to pro-actively maintaining aging infrastructure to avoid more costly repairs in the future. \$200,400 is budgeted to dredge and rehabilitate the Bow Tree I pond on Bow Tree Drive, as the second pond to be rehabilitated, after Marydell Pond, as part of a multi-year effort to ensure that the six township-owned ponds remain viable recreation areas for generations to come. 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 fifth straight 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 budget reflects the bulk of Segments C-E, from Reservoir Road to North Chester Road, of the Paoli Pike Trail, as well as the long-anticipated breach of the Hershey’s Mill Dam and the partial breach of the Milltown Dam, and associated land improvements above the dams. All total, this budget anticipates \$2.6 million in expenses on the Trail and \$2.7 on the dams in 2020, with funding coming from the proceeds of the Township’s AAA rated 2017 General Obligation Bonds and various local, state and federal grants.

This proposed budget also begins to lay the groundwork for future investments in clean energy to ensure that we leave the Township and earth a healthier place for our children and grandchildren. While the 2020 budget does not propose any specific clean energy capital improvements, it would allocate \$10,000 towards a clean energy consultant to advise the Township on appropriate steps that we can take to move towards a greener and cleaner tomorrow.

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 17th consecutive year.

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 13th, the day after the proposed budget is presented at the November 12th Board of Supervisors meeting. Therefore, the Board of Supervisors is scheduled to adopt the budget on the evening of December 3rd. 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