

**EAST GOSHEN TOWNSHIP
BOARD OF SUPERVISORS MEETING
1580 PAOLI PIKE
TUESDAY, June 8, 2021
LONG-RANGE BUDGET PLANNING SESSION
FINAL MINUTES**

Note: In light of the Coronavirus pandemic, this was a virtual video-conference meeting conducted via the Zoom platform. In response to media reports about the vulnerability of the Zoom platform, public participation was limited to telephone.

Present: Chairman David Shuey; Vice-Chairman Mike Lynch; Members: John Hertzog, Marty Shane and Michele Truitt; Township Manager Rick Smith; Interim Township Manager Derek Davis, Finance Director Dave Ware; Public Works Director Mark Miller; Park and Recreation Director Jason Lang; Senior Staff Accountant Chris Boylan; Public Works Foreman Kevin Miller

Call to Order & Pledge of Allegiance

David called the meeting to order at 7:10 p.m. Marty led the Pledge of Allegiance. Michele asked for a moment of silence for the Chester County first responders that battled the latest storm.

Presentation and discussion of Long-Range Budget Forecast

Dave Ware began his presentation stating that while he is reusing the exiting Long-Range Planning template, in the future he would like to set a five-to-ten-year balanced budget. He continued with an overview that the 2021 forecast was revised to reflect the following:

- Revised monthly payroll costs based on current and expected staff as well as a reforecast by month based on number of pay periods per month.
- Police refund of 2020 surplus was budgeted as a 2021 Revenue of \$220K; reversed to reflect as an expense reduction in 2021.
- Removed \$151,860 that was assumed Transfer from Fund Balance in order to balance the 2021 budget.
- Line by line expense review - anomalies vs. timing or trend.
- Goshen Fire -assumes \$29,624 contribution increase in 2021 vs. 2020 and an additional \$66,689 increase in 2022, inflation only increases thereafter.

Dave continued there is a need for a full-scale expense review and outlined the 10-year expense projections.

Dave noted that although the 10-year General Fund Core & Debt Expense trend shows a 40% increase, he does not see that occurring and will investigate further. The 10-year Core and Non-core revenue trend is flat. An increase in taxes was not included in this reporting.

Dave outlined the “first plan of attack” for the current and future budgets:

- Full-scale expense review

- Investigate if WEGO growth can be controlled
- Review exiting vendors and contracts
- Network with neighboring municipalities
- Identify Township needs versus wants
- Investigate if can include multiple year project fixed capital costs and improvements
- Revisit the fee scheduled
- Keep sewer rate calculation in line with true costs
- Visit AR outstanding fees
- Consider storm water fees for future MS4 improvements
 - Mike later noted that the Township dam projects should accommodate MS4 requirements.
- Future tax increase

David asked if it was possible to conduct a real-estate assessment in the Township. Rick replied that assessments are done through Chester County.

John asked if it would be possible to raise the EIT. Mike replied that EIT is set by the state. It can only be increased with exceptions such as economic distress or for open space dedication.

Mike explained that an expense review will not have a major impact. Revenue flattening is a trend across all municipalities. A property tax is the element to get to a flat budget.

Mike stated that he prefers an expense budget plan over the current core function budget. Marty likes the core function budget for its ease of reporting current funds. Mike asked staff to assess changing from a core function budget.

There was discussion regarding a millage increase. It was noted that a tax increase will be needed in the future to maintain the level of service the Township currently provides. Taxes have not been raised in 18 years. Mike asked staff to provide scenarios of a forecast with phased-in tax increases.

David summarized that the Township has been fiscally responsible, and there is not a lot on expense side that can be cut. He continued that new revenue opportunity is limited. The Township needs to continue to responsibly use to the General Fund balance and Capital Reserve funds.

Michele asked for clarification on the outstanding arrears fees to which Chris answered \$160,000.

Public Comment

- Russ Frank, 451 Gateswood Drive, thanked Mike for his explanation on raising taxes as he was shocked by the numbers in the report.

- Russ asked if the American Rescue Plan funds can be used for the Hershey's Mill sewer line to which Mike answered yes.
- Russ asked how many outstanding bonds the Township has? Mike responded that there are three (3) outstanding; one (1) will end in 2023 and two (2) larger ones ending around 2037. David noted that this is not an increasing impact to the budget.
- Russ stated that although originally opposed to the trail, he has changed his thoughts about it. He questioned what financial obligation is left to the Township. Rick explained that the Bond fund will pay for the engineering costs and the Township will be applying for several grants this year to complete. The trail cannot be completed without grant funding. Michele stated that an archaeological survey is needed to continue and there could be additional unknown costs after that. There are costs to acquire the land that can not be recuperated by grants.
- In Russ' opinion, the 1.25 millage tax is small, and feels the Township needs to reach out to the general public and explain the potential increase.

Any Other Matter - None

Adjournment

There being no further business, John made a motion to adjourn at 8:45 pm. Mike seconded. The motion passed 5-0.

Respectfully submitted,
Susan D'Amore