



November 16, 2021

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

We are pleased to present East Goshen Township's 2022 Proposed Budget. This budget reflects the Township's three co-equal missions of respecting the past, serving the present and preparing for the future to ensure that East Goshen remains the premier municipality in which to live, work and play in Chester County. The 2022 General Fund Budget is balanced sans the need for use of any Fund Balance dollars, and, in compliance with the Second Class Township Code. (Reference—Sec 3202 – Annual Budget (c) “The total appropriation shall not exceed the revenues estimated as available for the fiscal year.”)

Importantly, we are proposing to maintain tax rates at the existing level of 1.25 mills for the 19th consecutive year. This proposed budget requires thinking differently about the future of funding township open spaces and infrastructure while limiting additional future debt. To this aim, we propose the creation of a new fund, the Infrastructure Sustainability Fund. Its initial funding will be a transfer of \$1.25M from the Operating Reserve Fund balance. In 2022, the rehabilitation of Bow Tree Pond I will be funded by the Infrastructure Sustainability Fund, rather than the General Fund. The Operating Reserve Fund will still maintain a healthy balance of nearly \$1.4M. While the Township has ample reserves that will delay the need for tax increases in the short-to-medium term, 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 valued AAA credit rating and has access to capital markets at the lowest possible interest rates. In other words, in lieu of decreased expenditures, decisions to incur future long term debt (borrowing) versus present paying forward with added revenue in the form of tax increases.

This proposed budget reflects a \$25.00 increase per quarter to the refuse rate, from \$75.00 to \$100.00 per quarter for residents in single family detached homes, which is necessitated by the rising cost of contracted hauling services. This increase will allow us to maintain revenues at a level needed to address rising costs for the foreseeable future. The Township has only changed its refuse rate once since 2011 (2020 from \$69.88 to \$75 per quarter).

This proposed budget reflects the Township's continued commitment to public safety. The Public Safety budget is projected to increase by \$168K or 3.8% versus Projected 2021 and flat with the Adopted 2021 Budget, continuing vital funding for our regional police (WEGO), Goshen Fire Company, Malvern Fire Company, and Good Fellowship Ambulance & EMS Training Institute.

This proposed budget reflects a commitment to pro-actively maintaining aging infrastructure to avoid more costly repairs in the future. As previously mentioned, \$220K 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. We anticipate completion of the Hershey Mill Dam Project by summer of '22 and planned improvements to the breached Milltown Dam (Reservoir Road) to commence during 2022. 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. Furthermore, we look forward to completion of capital improvements to the Westtown Way Pump Station and the necessary sewer replacement in Hershey Mill Estates. We have secured federal funding through the American Rescue Plan Act of roughly \$1.9M to further these ends which allows us to maintain a higher balance in Sewer Capital Reserves and avoid/defer sewer rate increases in 2022.

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 19th 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 17th, the day after the proposed budget is presented at the November 16th Board of Supervisors meeting. Therefore, the Board of Supervisors is scheduled to adopt the budget on the evening of December 21st. 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,

Derek

Derek Davis
Township Manager

Dave

Dave Ware
Director of Finance