

# East Goshen Township

2023 Preliminary Budget –  
Major Capital Projects & All Other Funds  
September 27, 2022



# 2023 Preliminary Budget – Total East Goshen Township Debt

		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2023-2037
General Fund	2003 Principal	387,000															387,000
	4.3% Interest	15,290															15,290
		402,290															402,290
General Fund	2017 Principal	5,000	320,000	330,000	335,000	340,000	350,000	355,000	365,000	375,000	390,000	400,000	410,000	425,000	435,000	450,000	5,285,000
	2.7% Interest	141,500	141,400	135,000	128,400	121,700	114,475	106,600	97,725	86,775	75,525	63,825	51,825	39,525	26,775	13,725	1,344,775
		146,500	461,400	465,000	463,400	461,700	464,475	461,600	462,725	461,775	465,525	463,825	461,825	464,525	461,775	463,725	6,629,775
<b>Total General Fund</b>		<b>548,790</b>	<b>461,400</b>	<b>465,000</b>	<b>463,400</b>	<b>461,700</b>	<b>464,475</b>	<b>461,600</b>	<b>462,725</b>	<b>461,775</b>	<b>465,525</b>	<b>463,825</b>	<b>461,825</b>	<b>464,525</b>	<b>461,775</b>	<b>463,725</b>	<b>7,032,065</b>
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2023-2037
Sewer Operating Fund	2008 Principal	421,000	438,000	455,000	473,000	492,000	512,000	533,000	554,000	576,000	599,000						5,053,000
	4.0% Interest	191,763	174,755	157,073	138,699	119,592	99,713	79,022	57,499	35,125	11,860						1,065,101
		612,763	612,755	612,073	611,699	611,592	611,713	612,022	611,499	611,125	610,860	-	-	-	-	-	6,118,101
Sewer Operating Fund	2013 Principal	121,000	125,000	129,000	133,000	137,000	142,000	146,000	151,000	156,000	161,000	166,000					1,567,000
	3.1% Interest	47,778	44,089	40,277	36,344	32,289	28,112	23,782	19,331	14,727	9,970	5,061					301,760
		168,778	169,089	169,277	169,344	169,289	170,112	169,782	170,331	170,727	170,970	171,061	-	-	-	-	1,868,760
Sewer Operating Fund	2017 Principal	130,000	135,000	135,000	140,000	145,000	145,000	150,000	155,000	160,000	160,000	165,000	170,000	175,000	185,000	190,000	2,340,000
	2.7% Interest	61,789	59,189	56,489	53,789	50,989	47,908	44,645	40,895	36,245	31,445	26,645	21,695	16,595	11,345	5,795	565,456
		191,789	194,189	191,489	193,789	195,989	192,908	194,645	195,895	196,245	191,445	191,645	191,695	191,595	196,345	195,795	2,905,456
<b>Total Sewer Operating Fund</b>		<b>973,330</b>	<b>976,032</b>	<b>972,839</b>	<b>974,832</b>	<b>976,870</b>	<b>974,732</b>	<b>976,449</b>	<b>977,725</b>	<b>978,097</b>	<b>973,275</b>	<b>362,706</b>	<b>191,695</b>	<b>191,595</b>	<b>196,345</b>	<b>195,795</b>	<b>10,892,317</b>
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2023-2037
<b>Total EGT Debt</b>		<b>1,522,119</b>	<b>1,437,432</b>	<b>1,437,839</b>	<b>1,438,232</b>	<b>1,438,570</b>	<b>1,439,207</b>	<b>1,438,049</b>	<b>1,440,450</b>	<b>1,439,872</b>	<b>1,438,800</b>	<b>826,531</b>	<b>653,520</b>	<b>656,120</b>	<b>658,120</b>	<b>659,520</b>	<b>17,924,382</b>

**Outstanding Debt 2023 - 2037**

**General Fund            39%**  
**Sewer Fund                61%**

Major Capital projects are funded by multiple revenue sources including Municipal Bonds or Loans, Capital Reserve Funds, Awarded Grant Money (State or Federal), and additional federal or state disbursements (FEMA or ARPA). General Fund debt and Capital Reserve Funds are funded by taxes, while Sewer debt and Sewer Capital Reserve Funds are funded by Sewer Rates. In comparison, Municipal Bonds or Loans are dollars received up-front to pay for high-cost projects, then repaid annually over a long term (principal and interest). At this time, \$5.616M or 69% of the original \$8.097M 2017 Bond proceeds have been spent. An additional \$270K has accumulated in interest earnings.

## 2023 Preliminary Budget – Major Capital Projects Timeline

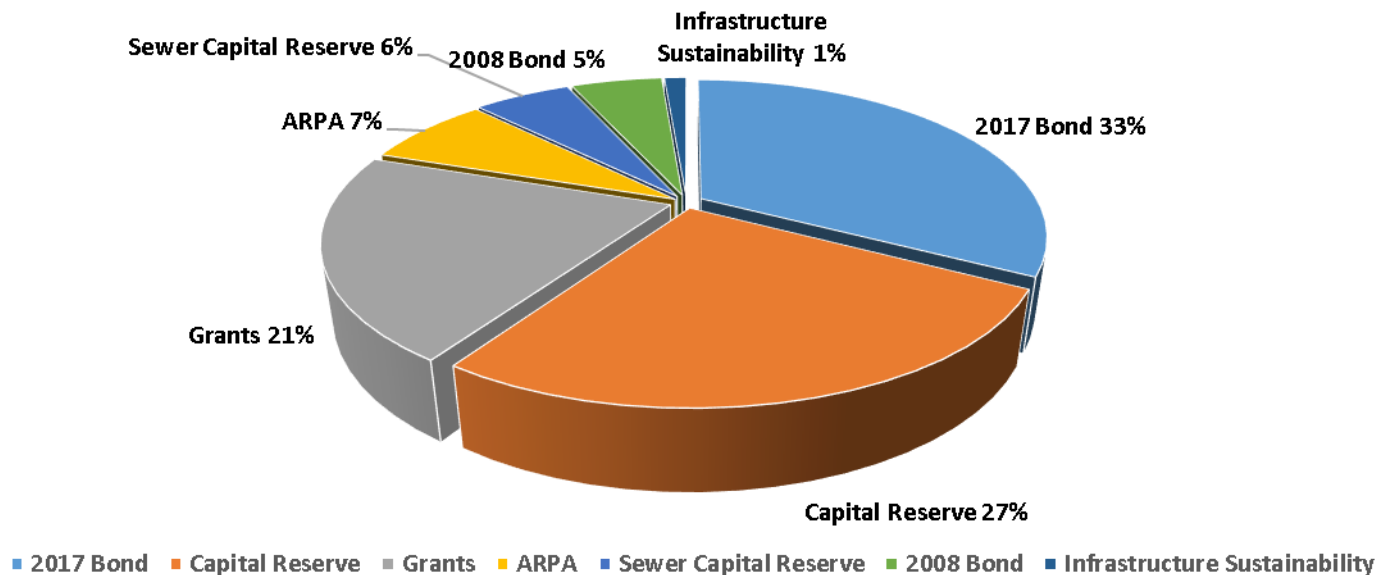
Project	Status	Costs			Projected		2023		Costs	
		Total Current Cost Estimate	Total Spent as of 9/21/2022	Remaining as of 9/21/2022	Additional 2022 Spend	Preliminary Budget	Total Spent as of 12/31/2023	Remaining as of 12/31/2023		
Paoli Pike Trail	Incomplete	\$ 9,750,870	\$ 5,483,048	\$ 4,267,822	\$ -	\$ -	\$ 5,483,048	\$ 4,267,822		
Milltown Dam	Incomplete	\$ 4,823,245	\$ 529,175	\$ 4,294,070	\$ 60,000	\$ 2,563,170	\$ 3,152,345	\$ 1,670,900		
Hershey's Mill Dam	Incomplete	\$ 1,765,969	\$ 1,579,389	\$ 186,580	\$ 186,580	\$ -	\$ 1,765,969	\$ -		
Park Improvements	Complete	\$ 789,816	\$ 789,816	\$ -	\$ -	\$ -	\$ 789,816	\$ -		
Park - Tennis/Pickle Ball Court Upgrade	Incomplete	\$ 125,000	\$ -	\$ 125,000	\$ -	\$ 125,000	\$ 125,000	\$ -		
WG STP Upgrades	Incomplete	\$ 5,511,487	\$ 4,370,580	\$ 1,140,908	\$ 567,204	\$ 573,704	\$ 5,511,487	\$ -		
Hershey's Mill Estates Sewer	Incomplete	\$ 1,541,887	\$ 82,594	\$ 1,459,293	\$ 970,446	\$ 488,847	\$ 1,541,887	\$ -		
RCSTP - UV Disinfection System	Incomplete	\$ 310,049	\$ 16,776	\$ 293,273	\$ 143,273	\$ 150,000	\$ 310,049	\$ -		
Bow Tree Pond I	Incomplete	\$ 325,000	\$ -	\$ 325,000	\$ 25,000	\$ 300,000	\$ 325,000	\$ -		
RCSTP - Caustic Soda	Incomplete	\$ 190,000	\$ 4,467	\$ 185,533	\$ 138,033	\$ 47,500	\$ 190,000	\$ -		
<b>Total \$</b>		<b>\$ 25,133,323</b>	<b>\$ 12,855,844</b>	<b>\$ 12,277,479</b>	<b>\$ 2,090,537</b>	<b>\$ 4,248,220</b>	<b>\$ 19,194,601</b>	<b>\$ 5,938,722</b>		

- Paoli Pike Trail - we have explored estimates for an alternate segment 'B'; currently on hold.
- Milltown Dam is based on a 2022 construction cost estimates and latest engineering cost estimates. Assumes 50% of engineering and 60% of construction in 2023 Preliminary Budget. Awaiting DEP permit.
- Hershey's Mill Dam nearly complete. We are waiting on engineer for maintenance schedule and punch list.
- Park Improvements project completed in 2018; Courts improvements to be completed 2023.
- West Goshen Sanitary Treatment Plant Upgrades – detail provided on later slide, but EGT contractually owes 16.67% of general capital upgrades and 54.8% of capital improvements to the Westtown Way Pump Station. Projected completion in 2023.
- Hershey's Mill Estates Sewer replacement estimate is conservative and includes a 15% contingency.
- Ridley Creek Sanitary Treatment Plant Ultraviolet Disinfection System replacement based on recent Pennoni estimates and assumes 50% of the project is completed in 2022, 50% in 2023.
- Bow Tree Pond I rehab assumes project begins in 2022 and is completed with 'in house' work in 2023. If plans are altered to outsource or increase scope, costs will increase.
- Ridley Creek Sanitary Treatment Plant Caustic Soda assumes remaining 25% of the project is completed in 2023.

# 2023 Preliminary Budget – How are Major Capital Projects Funded?

Project	Status	Total Current Cost Estimate	Source of Funds						
			Source of Funds - 2008 Bond	Source of Funds - 2017 Bond	Source of Funds - Sewer Capital Reserve Fund	Source of Funds - Capital Reserve Fund	Source of Funds - ARPA Funds	Source of Funds - Infrastructure Sustainability Fund	Source of Funds - Grants Awarded
Paoli Pike Trail	Incomplete	\$ 9,750,745	\$ -	\$ 2,177,799		\$ 4,501,198			\$ 3,071,748
Milltown Dam	Incomplete	\$ 4,823,245	\$ -	\$ 1,903,462		\$ 2,004,783			\$ 915,000
Hershey's Mill Dam	Incomplete	\$ 1,765,969	\$ -	\$ 938,298		\$ 197,671			\$ 630,000
Park Improvements	Complete	\$ 789,816	\$ -	\$ 318,542		\$ (13,725)			\$ 485,000
Park - Tennis/Pickle Ball Court Upgrade	Incomplete	\$ 125,000	\$ -			\$ 63,000			\$ 62,000
WG STP Upgrades	Incomplete	\$ 5,511,487	\$ 1,368,010	\$ 3,029,548	\$ 187,206	\$ -	\$ 926,724	\$ -	\$ -
Hershey's Mill Estates Sewer	Incomplete	\$ 1,541,887	\$ -	\$ -	\$ 589,063	\$ -	\$ 952,824	\$ -	\$ -
RCSTP - UV Disinfection System	Incomplete	\$ 310,049	\$ -	\$ -	\$ 310,049	\$ -	\$ -	\$ -	\$ -
Bow Tree Pond I	Incomplete	\$ 325,000	\$ -	\$ -	\$ 325,000	\$ -	\$ -	\$ 325,000	\$ -
RCSTP - Caustic Soda	Incomplete	\$ 190,000	\$ -	\$ -	\$ 37,110	\$ -	\$ -	\$ -	\$ 152,890
<b>Total \$</b>		<b>\$ 25,133,198</b>	<b>\$ 1,368,010</b>	<b>\$ 8,367,648</b>	<b>\$ 1,448,428</b>	<b>\$ 6,752,926</b>	<b>\$ 1,879,548</b>	<b>\$ 325,000</b>	<b>\$ 5,316,638</b>

**Projected Spent by Fund at Completion**



- The majority of current project funding comes from Bonds, Reserves, and Grants or Federal Aid
- Without ARPA Funds received in 2021 & 2022, Sewer Reserves would be depleted an additional \$1.9M

## 2022 Preliminary Budget – Are Other Sources of Funding Available?

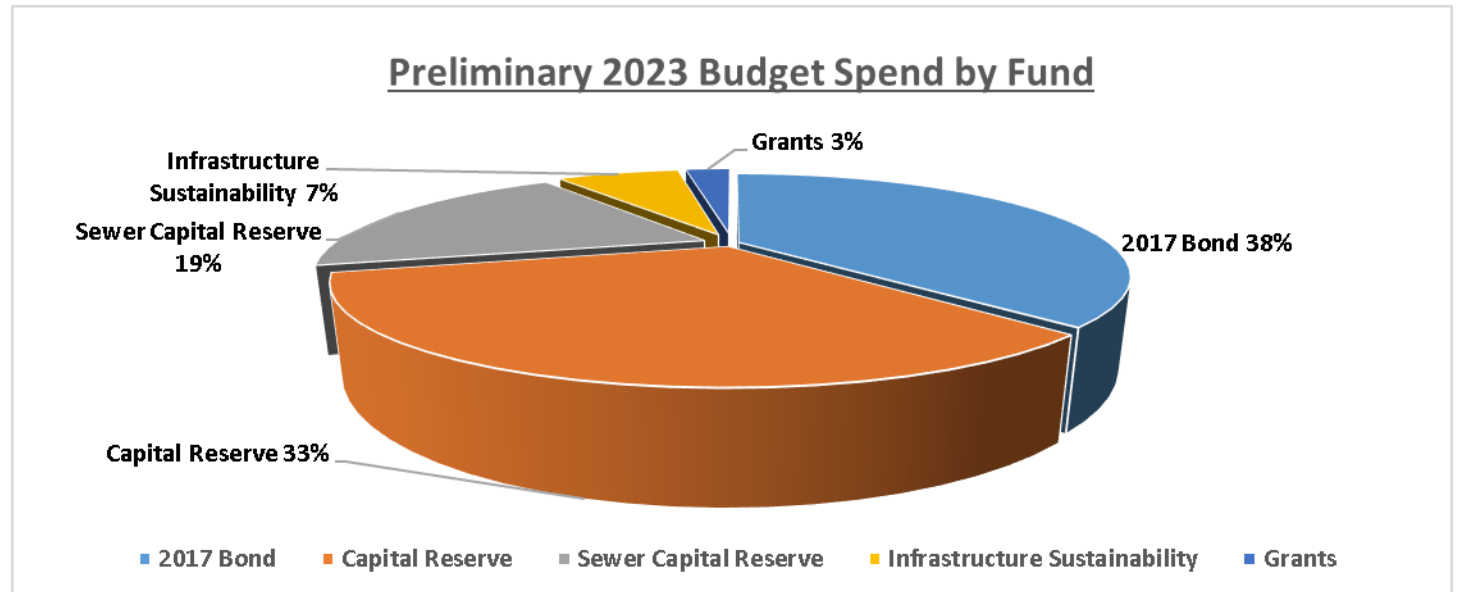
Project	Source	\$ Amount	Replace
Milltown Dam Park Rehabilitation	CC ARPA	\$ 1,500,000	Capital Reserve Funds
Hershey's Mill Estates Sewer Project	PA LSA	\$ 600,000	Sewer Reserve Funds
Bow Tree Pond Project	PA LSA	\$ 176,000	Infrastructure Sustainability Funds
RC STP UV Disinfection System	PA LSA	\$ 150,064	Sewer Reserve Funds
<b>Total \$</b>			
		<b>\$ 2,426,064</b>	

- East Goshen Township is proud of our successful history applying for and receiving grant money. On behalf of the Township, staff is currently seeking nearly \$2.5M in funding for numerous projects above to offset the need for capital funding from reserves. The anticipated decision on CC ARPA is the end of September and the PA LSA in November 2022.

## 2023 Preliminary Budget – How Much Will Projects Cost in 2023 and From What Funds?

Project	2023 Preliminary Budget	Source of Funds -		Source of Funds -		Source of Funds -	
		Source of Funds - 2017 Bond	Source of Funds - Sewer Capital Reserve Fund	Source of Funds - Capital Reserve Fund	Infrastructure Sustainability Fund	Source of Funds - Grants Awarded	
Milltown Dam	\$ 2,563,170	\$ 1,215,887	\$ -	\$ 1,347,283	\$ -		
Park - Tennis/Pickle Ball Court Upgrade	\$ 125,000	\$ -	\$ -	\$ 63,000	\$ -	\$ 62,000	
WG STP Upgrades	\$ 573,704	\$ 386,497	\$ 187,206	\$ -	\$ -	\$ -	
Hershey's Mill Estates Sewer	\$ 488,847	\$ -	\$ 488,847	\$ -	\$ -	\$ -	
RCSTP - UV Disinfection System	\$ 150,000	\$ -	\$ 150,000	\$ -	\$ -	\$ -	
Bow Tree Pond I	\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000	\$ -	
RCSTP - Caustic Soda	\$ 47,500	\$ -	\$ -	\$ -	\$ -	\$ 47,500	
<b>Total \$</b>	<b>\$ 4,248,220</b>	<b>\$ 1,602,385</b>	<b>\$ 826,053</b>	<b>\$ 1,410,283</b>	<b>\$ 300,000</b>	<b>\$ 109,500</b>	

- The 2023 Preliminary Budget includes \$4.248M spent on current and upcoming projects.
  - \$1.6M is anticipated to be spent from the 2017 Bond Proceeds (Bond Fund).
  - \$1.4M is anticipated to be spent from the Capital Reserve Fund.
  - \$826K is anticipated to be spent from the Sewer Capital Reserve Fund.
  - \$300K is anticipated to be spent from the Infrastructure Sustainability Fund.
  - \$110K is anticipated to be reimbursed/spent in awarded Grant funds.



# 2023 Preliminary Budget – Paoli Pike Trail Detail

## Paoli Pike Trail Cost Estimates (as of 9/21/2022)

Trail Segment	Original Estimate (no inflation)	Original Estimate (with inflation)	Revised Estimate	\$ Spent as of 9/21/2022	Remaining Estimate	Total Projected @ Completion (as of 9/21/2022)
Segment A-B	\$ 2,995,000	\$ 3,084,850	\$ 4,584,850	\$ 1,194,873	\$ 4,267,822 **	\$ 5,462,695
Segment C-E	\$ 4,033,000	\$ 4,153,990	\$ 4,153,990	\$ 3,047,741	\$ -	\$ 3,047,741
Segment F-G	\$ 631,000	\$ 649,930	\$ 649,930	\$ 441,156	\$ -	\$ 441,156
Misc (All Segments)*				\$ 799,278	\$ -	\$ 799,278
<b>Total Cost All Segments</b>	<b>\$ 7,659,000</b>	<b>\$ 7,888,770</b>	<b>\$ 9,388,770</b>	<b>\$ 5,483,048</b>	<b>\$ 4,267,822</b>	<b>\$ 9,750,870</b>

- Most expensive Alternate Section B included; Lowest alternate \$2M
- Are neighborhood feeder connections more valuable than Segment B?

**\*\*At this time, the Paoli Pike Trail does not include any projected additional spending in 2023. If Segment B were to continue, staff would investigate grant money to offset the capital costs remaining .**

\*Misc expense not budgeted; it is included in Total Projected @ Completion by segment based on % of total cost.

Grants \$ reimbursed to date/Projected	\$ 3,071,748	56%	\$ (0)	0%	\$ 3,071,748	32%
East Goshen Township Out of Pocket	\$2,411,299	44%	\$4,267,822	100%	\$6,679,122	68%

\*\*Remaining Estimate is for Alternate Route segments 2, 4, and 5 - the most expensive single route. (includes construction, contingencies, and soft costs)

Grants Awarded			Used	Remaining/ Projected	Total Projected @ Completion
Segment	Program	Award			
A	TAP	\$ 483,000			
C	TAP	\$ 1,000,000	\$ 2,805,828	\$ (0)	\$ 2,805,828
D-E	CMAQ	\$ 1,736,000			
F-G	Chester County	\$ 150,000	\$ 99,043	\$ -	\$ 99,043
F-G	DCNR	\$ 268,000	\$ 166,877	\$ -	\$ 166,877
B	PennDot/DCED				\$ -
		<b>\$ 3,637,000</b>	<b>\$ 3,071,748</b>	<b>\$ (0)</b>	<b>\$ 3,071,748</b>

# 2023 Preliminary Budget – Status of West Goshen Sewer Treatment Plant Upgrades

Project	West Goshen Letter dated Dec 4, 2017 from Michael Moffa to Rick Smith			Total HRG Invoices Paid to Date 9/21/22	Additional Spent (2008 Bond)	Actual Total Spent	Remaining to Pay	Total Paid When Finished
	Original Est. EG Share of Costs as of 4/10/17	Est. EG Share of Costs as of 10/27/17	Est. EG Share of Costs as of 7/7/21					
Headworks Improvement Project	364,819	490,730	490,730	485,036		485,036		485,036
Anaerobic Digester Project	716,102	1,025,570	1,025,570	905,753		905,753		905,753
Pump Station Phase I Improvements (W Way PS)	72,637	118,939		-	72,288	72,288		72,288
Sanitary Sewer System Repairs-2017	160,632	22,689	22,689	28,497		28,497		28,497
Enhanced Chemical Addition Project	48,801	43,253	43,253	81,657		81,657		81,657
Wastewater Treatment Plant Phase II Improvements	1,227,379	1,227,379	1,227,379	1,625,024		1,625,024		1,625,024
Pump Station Phase II Improvements (W. Way PS)	1,096,000	1,096,000	1,487,272	913,244		913,244	937,906	1,851,150
Sanitary Sewer System Repairs-2018	42,675	42,675	42,675	-		-		-
Sanitary Sewer System Repairs-2019	42,675	42,675	42,675	-		-		-
Misc. Capital Costs	354,071	210,042	210,042	36,145	222,935	259,080	203,002	462,082
<b>Total</b>	<b>4,125,791</b>	<b>4,319,952</b>	<b>4,592,285</b>	<b>4,075,356</b>	<b>295,223</b>	<b>4,370,580</b>	<b>1,140,908</b>	<b>5,511,487</b>

913,244

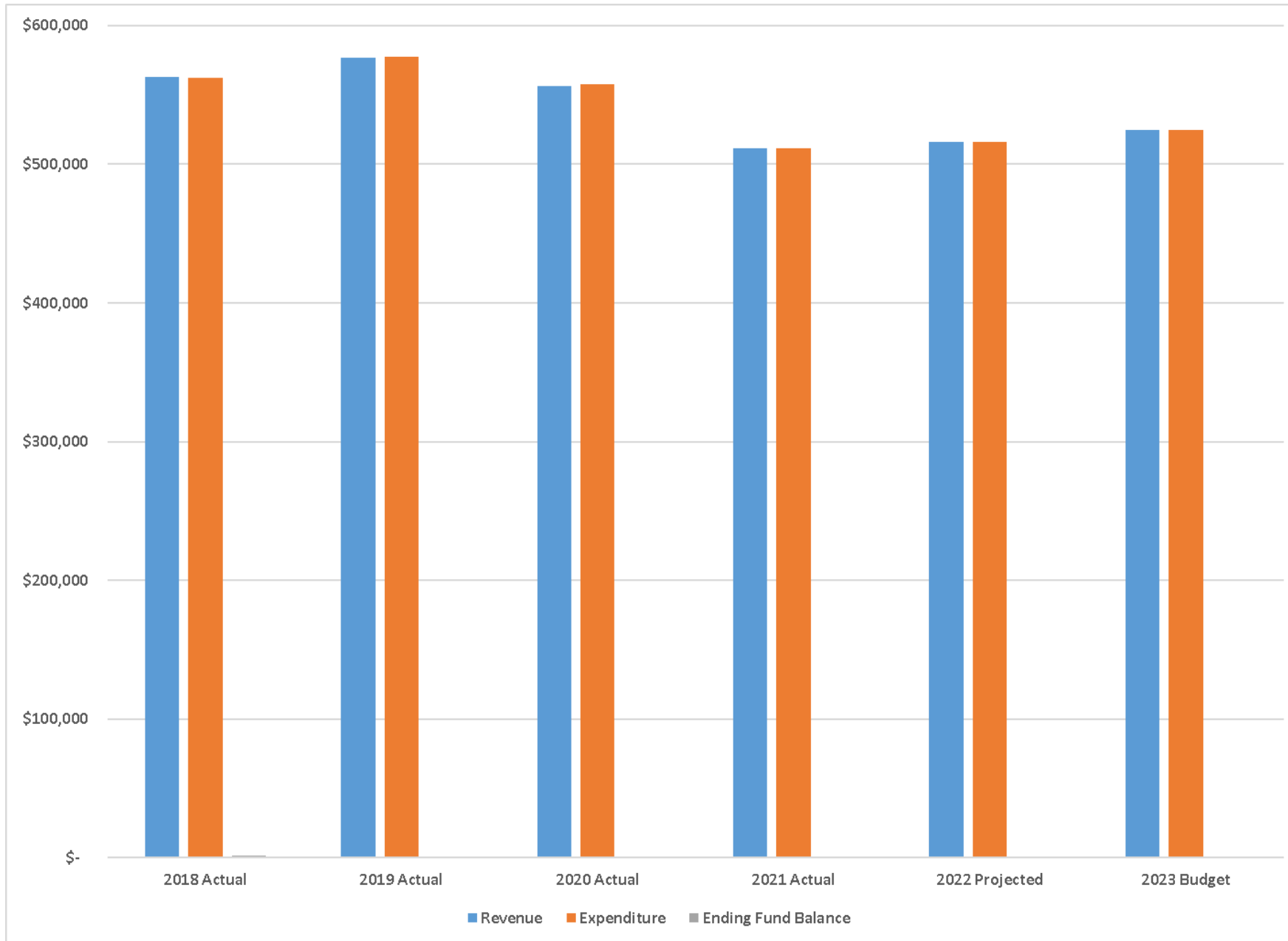
<b>Fulton Bank Balance as of 8/31/2022</b>							<b>117,541</b>	
Total Referenced in Rick's letter:	1,168,637	1,214,939	1,487,272					1,923,438
Total Pump Station	2,132,549	2,217,042	2,714,000					3,509,924

Westtown Way Pump Station Phase II	EGT Share 10% Cont	Estimated Costs for Completion (1/21/2022)
General Construction	\$ 574,795.17	\$ 1,048,992.00
Electrical Construction	\$ 513,977.10	\$ 938,000.00
Costars Equipment	\$ 433,920.67	\$ 791,898.29
<b>Subtotal</b>	<b>\$ 1,522,692.93</b>	<b>\$ 2,778,890.29</b>
<b>Subtotal</b>	<b>\$ 1,522,692.93</b>	<b>\$ 2,778,890.29</b>
RPR	\$ 93,151.50	\$ 170,000.00
Soft Cost Estimate	\$ 235,305.55	\$ 429,428.88
<b>Total</b>	<b>\$ 1,851,149.99</b>	<b>\$ 3,378,319.17</b>

0 Sewer Reserve	187,206
913,244 ARPA Fund	926,724
1,368,010 2008 Bond	1,368,010
2,089,326 2017 Bond	3,029,548
<b>4,370,580</b>	<b>5,511,487</b>
<b>940,222</b> 2017 Bond Remaining	<b>-</b>

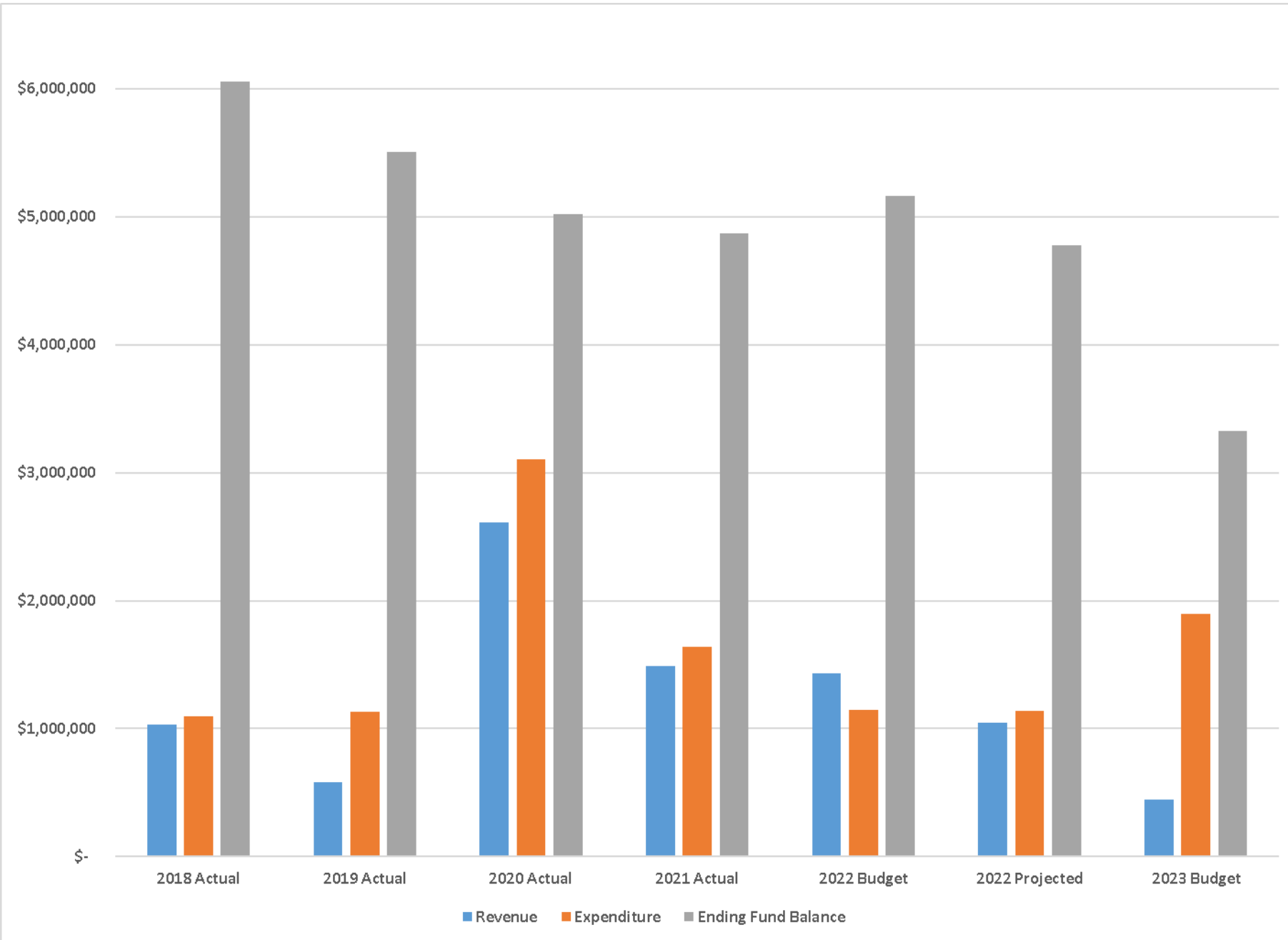


## 2023 Preliminary Budget – Liquid Fuels Fund Trend



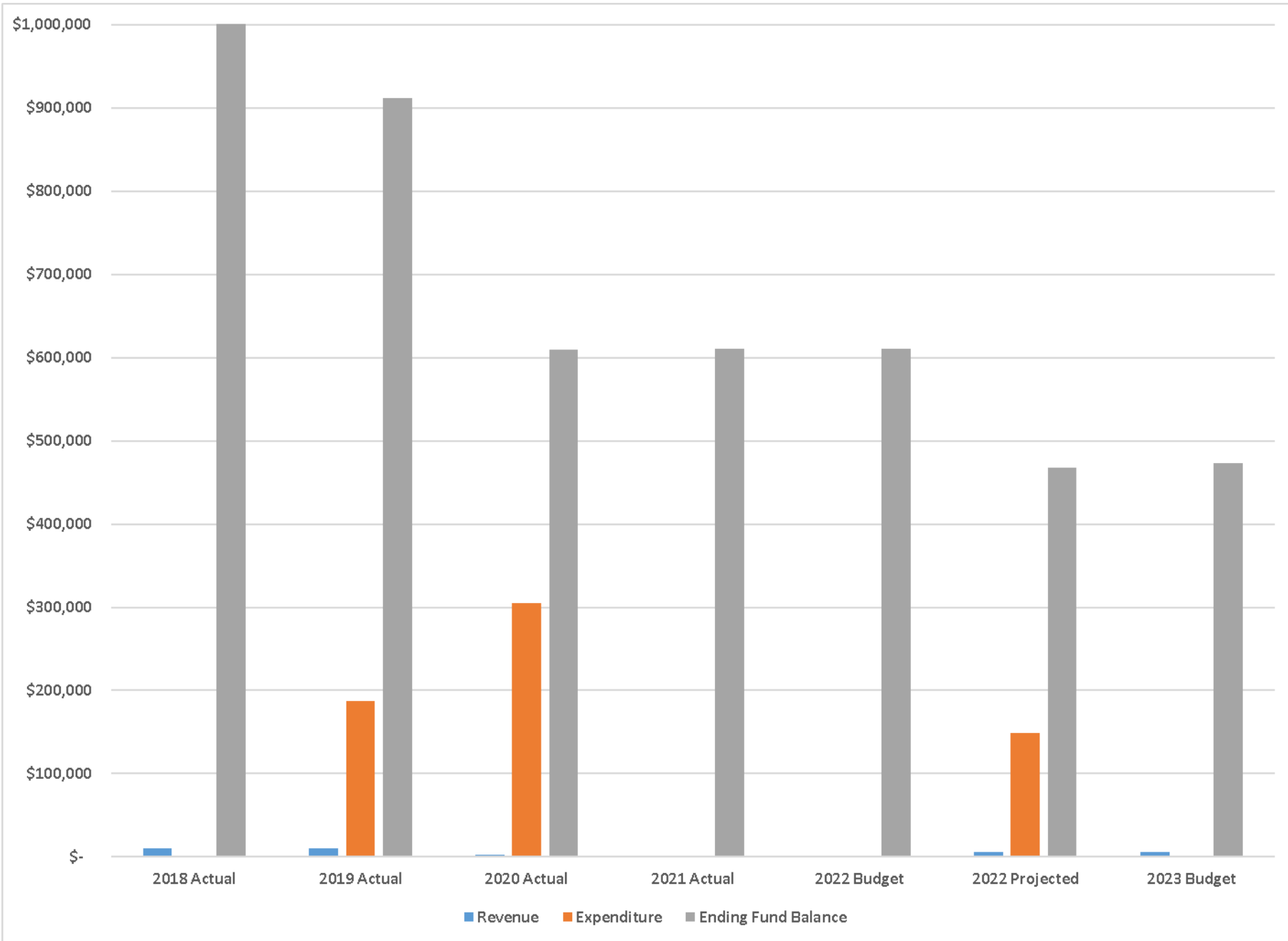
- **Ultimately EGT receives funds from the state and expends everything possible from the General Fund that qualifies.**
- **Unknown annual receipts.**

## 2023 Preliminary Budget – Capital Reserve Fund Trend



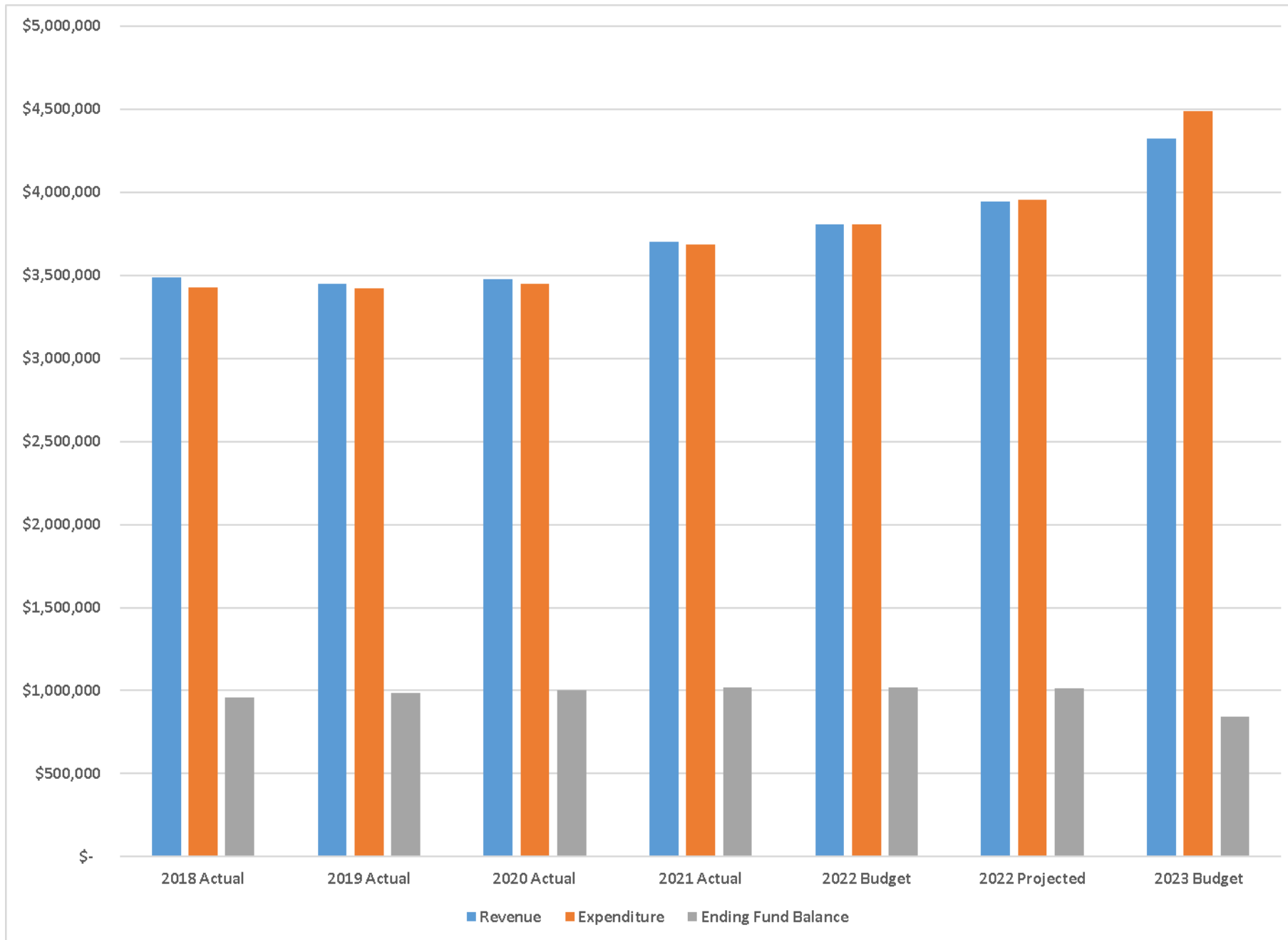
- **45% Reduction of Capital Reserves projected from 2018 to 2023 year end.**
- **\$1.3M Milltown Dam expense driving 2022 to 2023 balance; Fund Balance projected at \$3.3M without deferring General Fund transfers in Preliminary 2023 GF Budget.**

## 2023 Preliminary Budget – Transportation Fund Trend



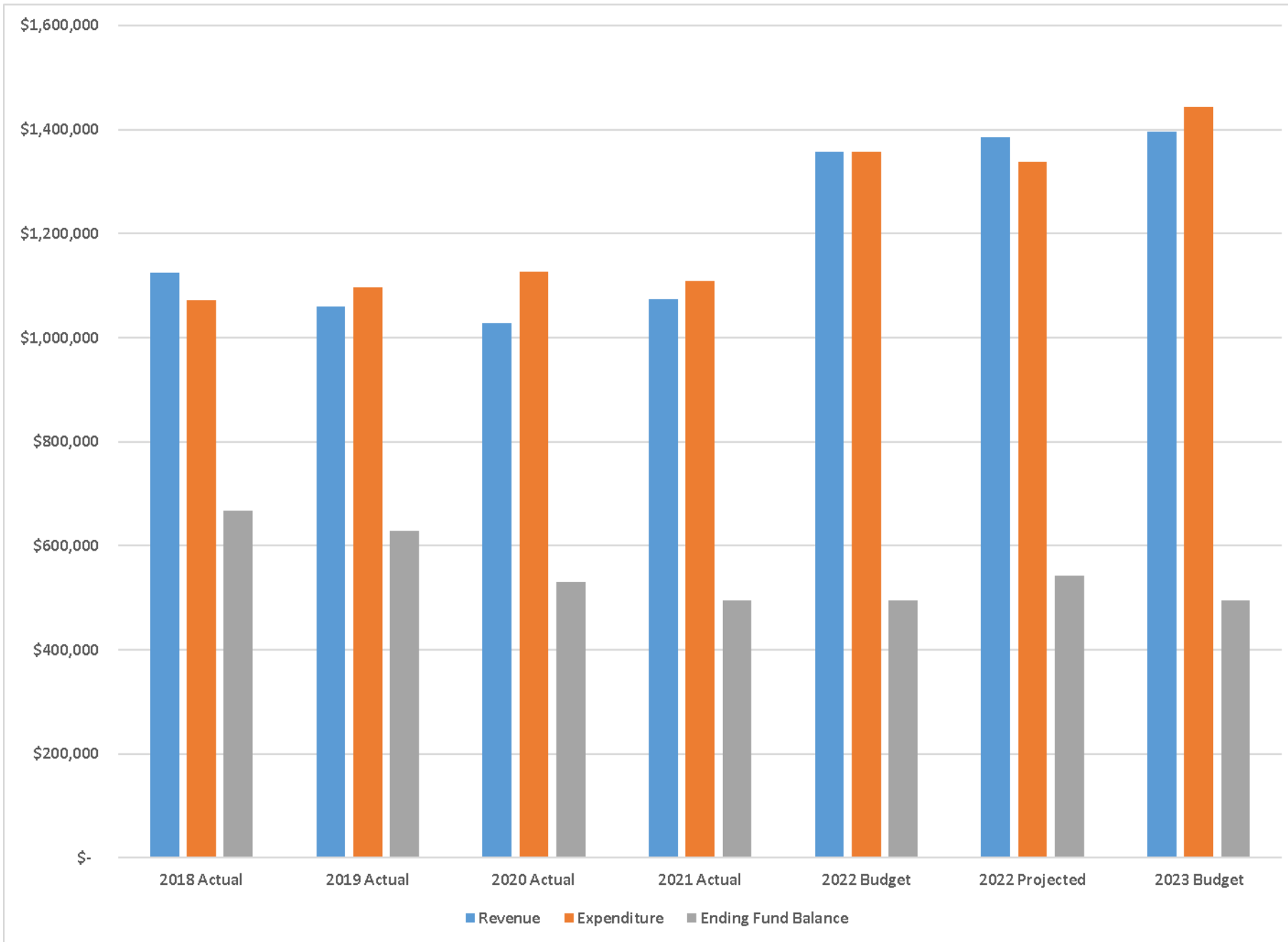
- Rarely used fund.
- Little use of impact and non-impact funds.

## 2023 Preliminary Budget – Sewer Operating Fund Trend



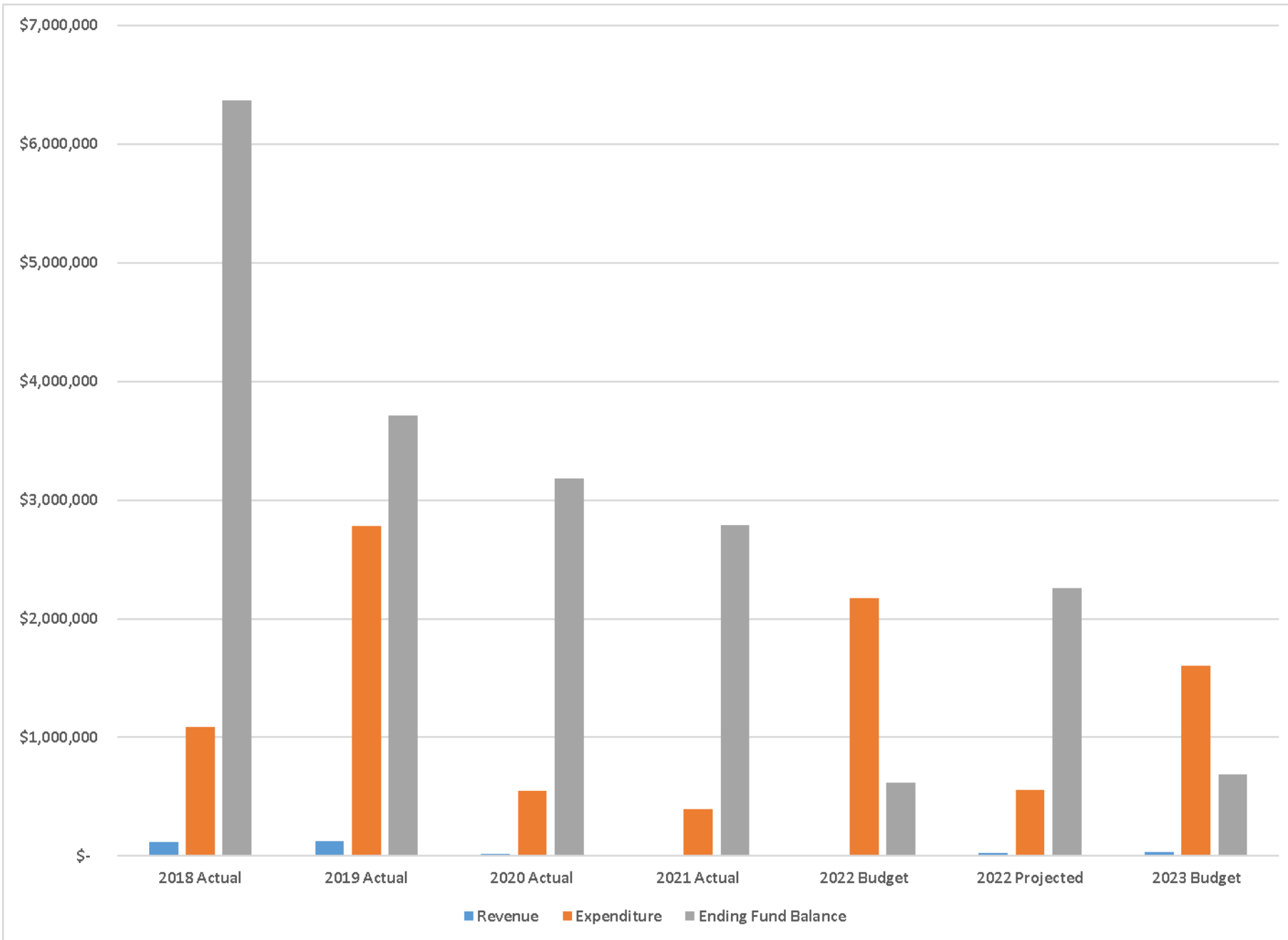
- **Notice increased costs and declining balance.**

## 2023 Preliminary Budget – Refuse Fund Trend



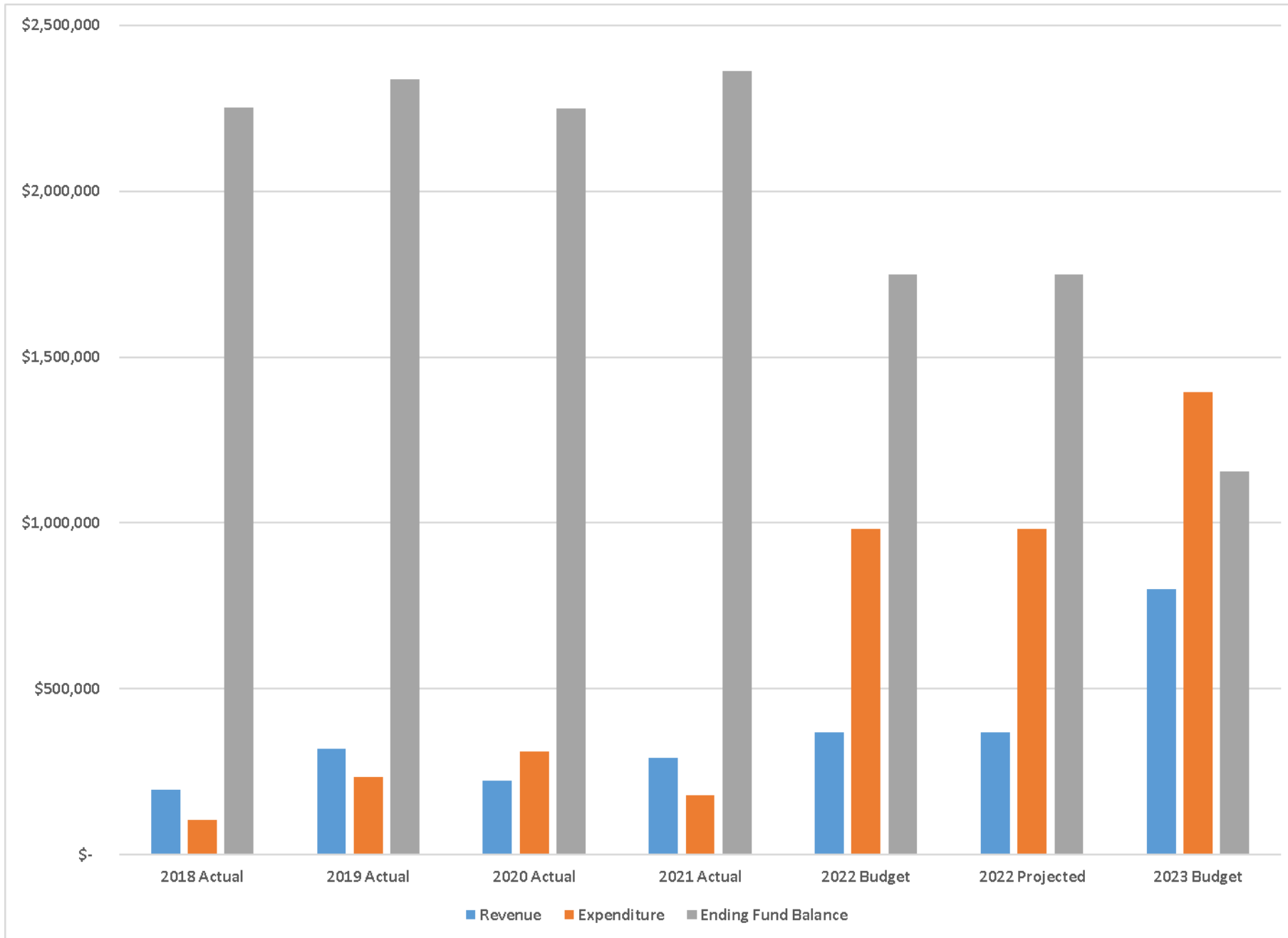
- **Notice increasing costs in contract based on annual CPI-U.**
- **\$20K general expense included for Recycling Grant for new toters staff expects to apply for.**

# 2023 Preliminary Budget – Bond Fund Trend



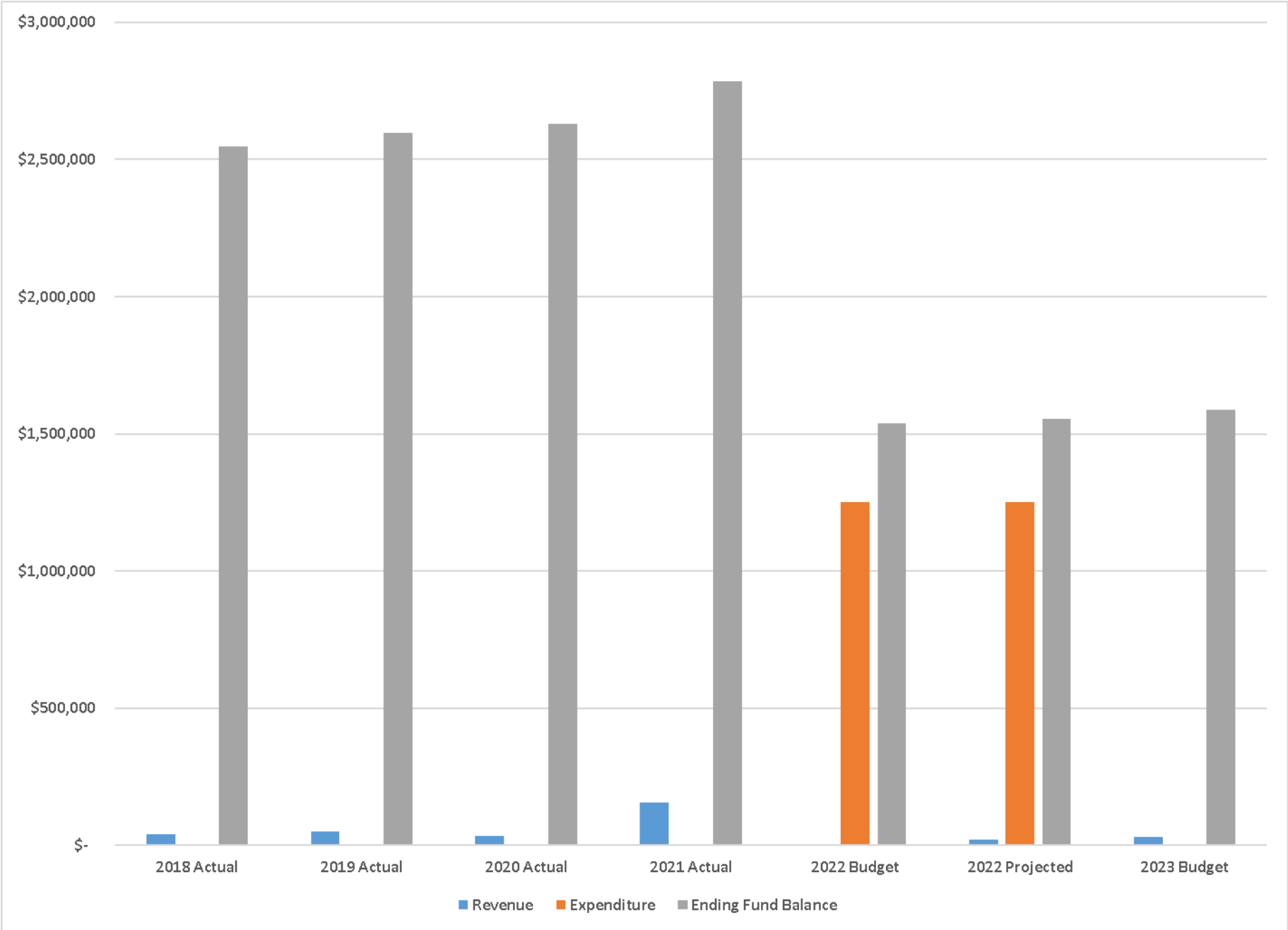
- **Anticipates WTWPS paid as well as payments toward Milltown Dam Park Rehabilitation**

## 2023 Preliminary Budget – Sewer Reserve Fund Trend



- **Expenses skyrocket for reserves due to Supplee Valley relining, RCSTP replacements (generator, SBR and Sludge pump rebuilds, UV Replacement, Caustic Soda automation), WG Sanitary Treatment Plant improvements.**
  
- **49% reduction in Sewer Reserve Fund Balance from 2018 to Preliminary 2023 Budget - \$1.15M at December 2023.**

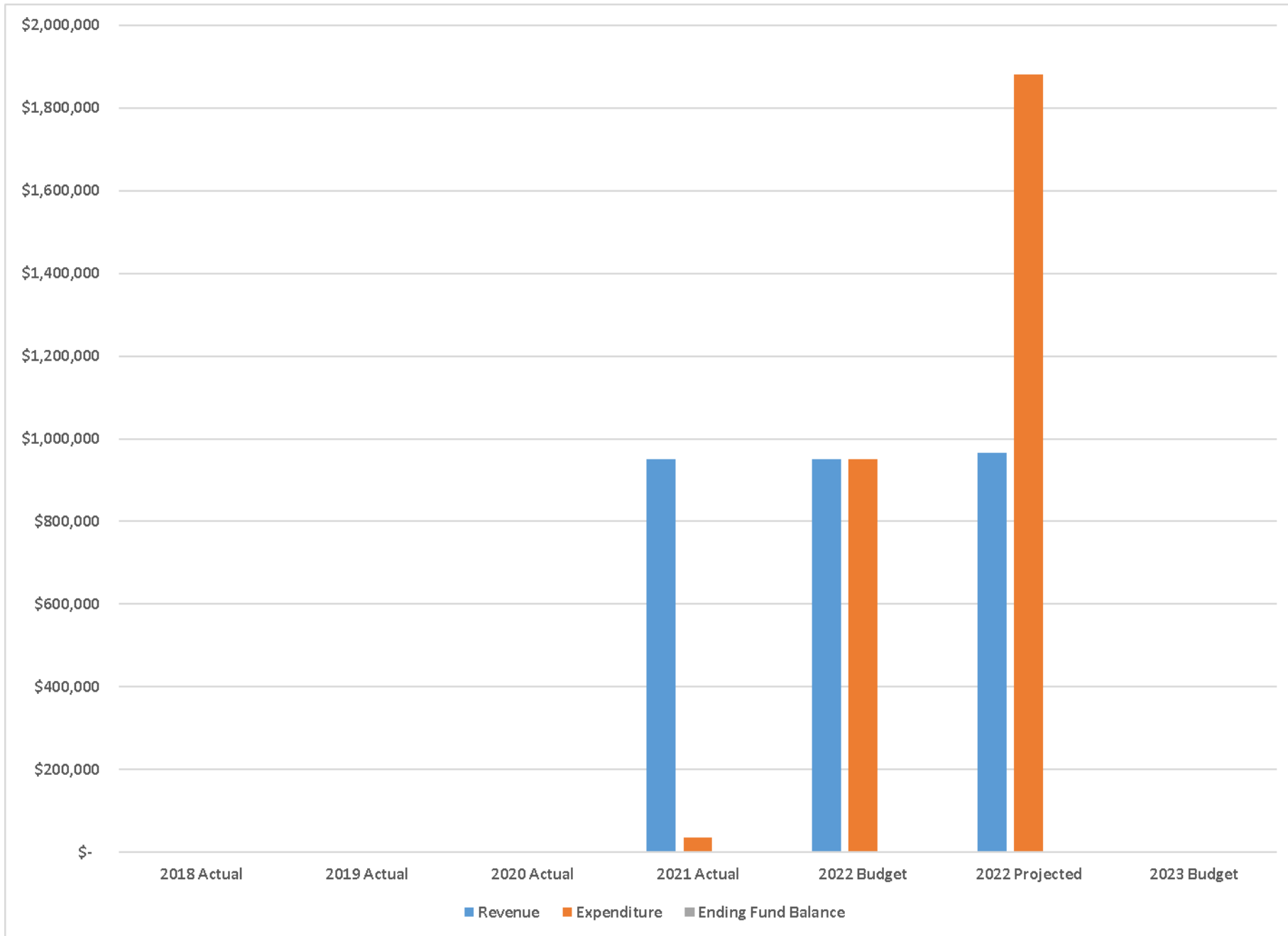
# 2023 Preliminary Budget – Operating Reserve Fund Trend



- **Operating Reserves are to provide operational continuity for Township Operations if the General Fund has been exhausted.**
- **2022 Op Reserve transferred \$1.25M into the Infrastructure Sustainability Fund to open up additional use of reserves for upcoming projects vs. the General Fund.**

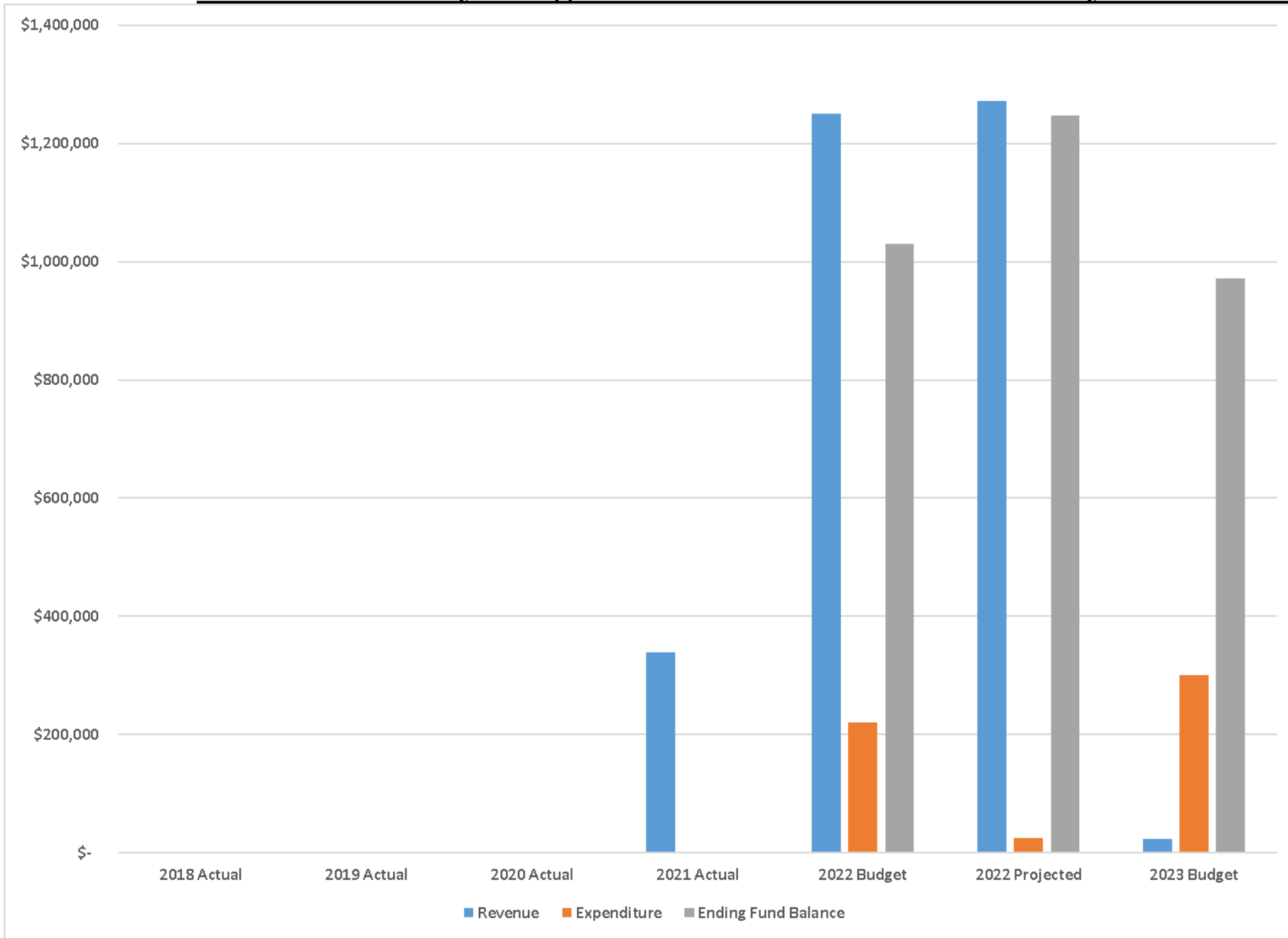


## 2023 Preliminary Budget – ARPA Fund Trend



- **Federal money received in 2021 and 2022 totaling nearly \$1.9M.**
- **Board approved expenditures for Hybrid Meeting Room, Westtown Way Pump Station Improvements, and Hershey’s Mill Estates Sewer Replacement.**
- **Should be expended by year end 2022.**

# 2023 Preliminary Budget – Infrastructure Sustainability Fund Trend



- **Created with 2021 surplus.**
- **From Operating Reserve, a transfer of \$1.25M to allow reserves to be spent for pond rehabilitation and other infrastructure without straining the General Fund.**
- **Is this a fund we want to fund at year end similar to Capital Reserve and build into the annual General Fund transfers?**