



November 15, 2022

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

We are pleased to present East Goshen Township's 2023 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 2023 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, this proposed budget, based on months of discussion and feedback, includes a 0.5 Real Estate Tax millage rate increase from the existing level of 1.25 mills to 1.75 mills. The challenges posed in 2023 include an inflationary environment as evidenced by the Cost of Living Adjustment (COLA) effective December 2022 of 8.7%, supply chain issues, new CBAs for Goshen Fire Company and WEGO Regional Police Department, and high fuel costs driven by OPEC policy decisions and conflict in Eastern Europe. Although understanding this timing of a Real Estate Tax millage increase may not be optimal for some residents and families in East Goshen Township experiencing financial hardship, this proposed budget reflects the realization that the Township has revenue streams which at current levels are insufficient to fund all current Township services, public safety costs, and necessary multi-million dollar projects for 2023 as well as the next decade. This proposal has not been taken lightly, but would avoid the necessity of taking on additional debt in a difficult borrowing environment that would further burden future Boards and residents alike.

This proposed budget reflects the Township's continued commitment to public safety. The Public Safety budget is projected to increase by \$471K or 10.2% versus Projected 2022 and the 2022 Adopted Budget. This is over 50% of the total expense increase from 2022 to 2023. With the Proposed 2023 Budget, East Goshen Township continues 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 prior unfinished projects while also proactively maintaining aging infrastructure to avoid more costly repairs in the future. The Township previously completed the rehabilitation of Marydell Pond (2021) and should conclude the Hershey Mill Dam project in 2022. \$500K is budgeted to dredge and rehabilitate the Bow Tree I pond on Bow Tree Drive, as the second pond to be rehabilitated 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 planned improvements to

the breached Milltown Dam (Reservoir Road) to commence during spring of 2023. In addition, on the sewer fund/Municipal Authority side of the ledger, \$260K is budgeted to continue relining brick manholes and asbestos cement sanitary sewer lines in Supplee Valley, and another \$130K for future relining. Furthermore, we look forward to completion of capital improvements to the Westtown Way Pump Station and the necessary sewer replacement in Hersheys Mill Estates. We have secured federal funding through the American Rescue Plan Act of roughly \$1.9M to further these ends which maintains Sewer Capital Reserve funds for future projects which will inevitably arise.

Finally, this proposed budget is realistic by enhancing revenue in order to continue providing desirable and critical municipal services. All expenses will continue to be scrutinized, multiple vendors compared, and alternative options considered to maintain future balanced budgets.

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 16th, the day after the proposed budget is presented at the November 15th Board of Supervisors meeting. Therefore, the Board of Supervisors is scheduled to adopt the budget on the evening of December 20th. 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