



WESTTOWN TOWNSHIP

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November 21, 2018

To the Board of Supervisors, Residents, and Business Owners of Westtown Township:

I am pleased to present the 2019 Proposed Budget for Westtown Township for the fiscal year beginning January 1st, 2019 and ending December 31st, 2019. As required by Section 3202 of the Second Class Township Code, this budget is presented balanced and reflects the Township's goal of protecting the short and long term financial condition of the community. A balanced budget lays the groundwork for the continued success of our municipality. The Township has maintained fiscal health and financial stability while continuing to provide value to its taxpayers without the imposition of additional taxes. For the past six years, the Township has consistently generated revenues in excess of budgeted expenditures. However, 2019 presents challenges that necessitate the transfer of reserves to balance the budget without a tax increase. While there are sufficient reserves in the short term, further control of expenditures will be required for long term sustainability to meet the needs of our community. To achieve this goal, every effort will be made to minimize the impact to the reserve fund in 2019.

The budget is represented by seven individual funds: General, Refuse, State Highway (Liquid Fuels), Wastewater, Debt Service, Capital Reserve, and Capital Projects Funds. This budget summary will provide a brief overview of each fund for 2019.

General Fund:

This fund is the general operating fund of the Township. It accounts for all financial resources except those required to be accounted for in separate funds.

General Fund Revenue

The major revenue sources of the fund are the Real Estate Tax and Earned Income Tax (EIT).

- The 2019 Budget contains no increase in either of these taxes.
- As of October 31st, 2018, the assessed value of the Township has increased by \$20,825,479, which equates to an additional \$73,000 in revenue over 2018.
- Real Estate Transfer Tax is 14% less than 2018 as a result of the completion of Rustin Walk and Westtown Reserve.

General Fund Expenditures

Several major expenditures have impacted the 2019 budget as follows:

- Westtown-East Goshen Police Department – The current contract expires at the end of 2018. The WEGO line item in the 2019 budget has increased 9.7%; however, the 2019-2021 police contract has not been finalized, and is subject to an Act 111 arbitration hearing which may have additional ramifications that will not be known until the spring of 2019. This may necessitate a modification of the Township Budget through a formal re-adoption process as required by Second Class Township Code.
- Public Works Department – In early 2019, the new \$2MM Public Works Garage will be fully functional. As part of the Board of Supervisor's commitment to public safety, an additional employee is required for the department as well as an additional truck and tractor. The Public Works budget also includes the remaining costs associated with the new garage which have exceeded the allocated Bond funds.
- The Board of Supervisors remains dedicated to maintaining a proactive road maintenance and reconstruction program. The 2019 Road Maintenance Program will be funded with \$565,000 of General Funds, \$390,000 of State Funds (Liquid Fuels), and \$60,000 of engineering/inspection costs. This funding level supports the Board of Supervisor's commitment to allocate sufficient funding to maintain safe roadways for its citizens on a continuing basis.
- Several traffic signal projects are included in the budget. The Route 3 and 352 traffic signal will be replaced at an estimated cost of \$250,000, of which \$180,000 will be reimbursed by the Green-Light-Go Grant. The Route 3 Adaptive Traffic Signal project cost is estimated at \$308,500 of which \$154,250 will be reimbursed by a grant.
- Park Projects – General Funds of \$310,000 will be transferred to the Capital Projects Fund in support of various park projects.
- The Comprehensive Plan will be finalized in 2019 and a County Grant of \$25,000 will be realized to offset the 2018 plan cost.

Refuse Fund:

- 2019 is the second year of our trash hauling contract with A.J. Blosenski. No increase in the \$80 per quarter trash fee is included in this budget. Our commitment to increasing the electronic recycling events and yard waste collections will be achieved despite increasing landfill (tipping) fees and decreasing Recycling Performance Grants.

Wastewater Fund:

- A transfer of \$270,000 will be made to the Capital Projects Fund for the Township's 2017 share of the West Goshen Treatment Plant Capital Project.
- An increase of \$10.00 per quarter in sewer user fees in Districts 2, 4 and 10 will be implemented 1/1/2019 to meet the target goal of \$205.00 per quarter.
- The elimination of the declining block fee structure for metered customers to a flat rate of \$9.91 per 1,000 gallons will take effect on 1/1/19.
- Institutional billing based on occupancy will be transitioned to metered usage rates.
- The construction cost of replacing the Kirkwood Pump Station will be \$304,884 with engineering/inspection cost estimated at \$40,000. This will be offset by an awarded grant of \$210,975 with a net cost to the Township of approximately \$78,000.

Debt Service Fund:

- The General Obligation Bonds Series 2012 and 2016 are general obligations of the Township. Under the ordinance, the Township has pledged its full faith, credit and taxing power for the payment of principal and interest on the Bonds. Interfund transfers from the General and Wastewater Funds are proportionate to the debt incurred by the issuance of these Bonds.

Capital Reserve Fund:

- The consolidation of Westtown's Police Post Employment Benefit Reserve (OPEB) and East Goshen's Post Employment Benefit Trust was achieved in 2018. Westtown transferred \$1,214,830 of reserved funds to the WEGO trust. Future funding of the OPEB Trust will be included in the WEGO Budget.
- The Capital Reserve Fund is the depository for the \$2.5MM of the GO 2016 Bond earmarked for the Public Works Garage and the Oakbourne Road Bridge replacement. These funds will be disbursed entirely in 2019.
- The funding of the sewer Capital Improvement Plan is achieved by interfund transfers to the Capital Project Fund.
- The Parks Capital Projects are also funded by interfund transfers to the Capital Projects Fund.

Capital Projects Fund:

This fund is supported by interfund transfers from the General Fund, Wastewater Fund, and the Capital Reserve Fund.

- Planned Capital Projects disbursement include:
 - Oakbourne Road bridge replacement
 - Veteran's Memorial at Oakbourne Park
 - basketball court Improvements
 - tennis court resurfacing
 - lower Oakbourne parking lot paving
 - pedestrian facilities improvement at lower Oakbourne
 - Oakbourne Mansion exterior restoration
 - existing Public Works Garage/salt shed roof replacements
 - sewer collection system repairs – capital construction
 - West Goshen Sewer Plant capital projects

This Proposed Budget is available for public inspection for the required 20 days following advertisement on November 21st, 2018. The Board of Supervisors is slated to adopt the Budget at their regularly scheduled meeting on December 17th, 2018. As we strive to improve our communication and public relations, we welcome the feedback from all of our residents and stakeholders to assure the continuation of Westtown as a unique and vibrant community.

JoAnne Grube
Director of Finance