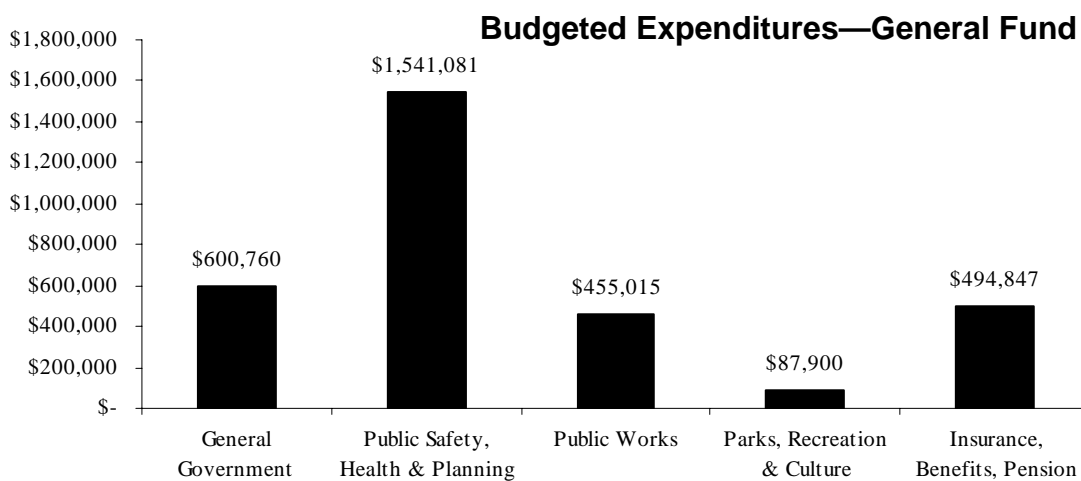
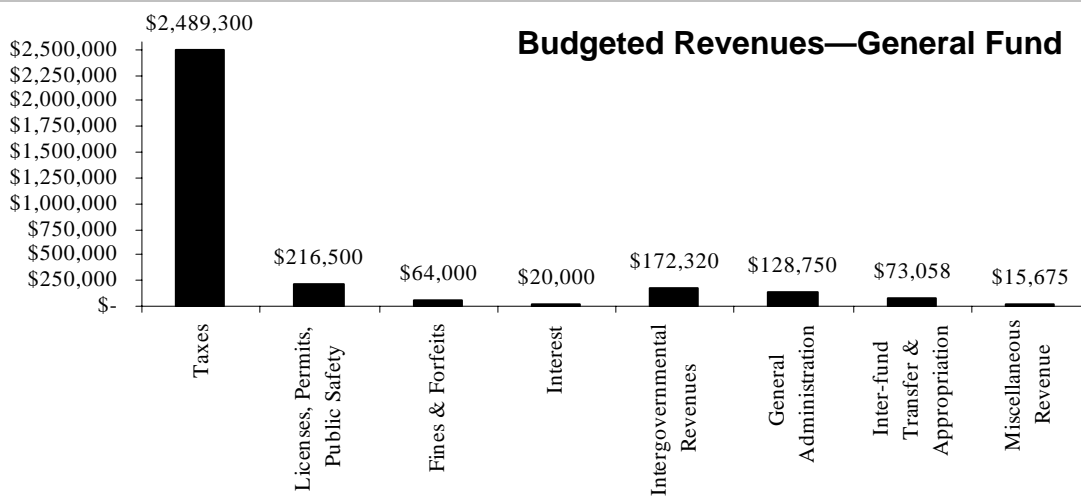


2010 BUDGET SUMMARY

The **General Fund** represents the principal operating fund for the Township (including police and fire protection, parks, trails and recreation, planning and zoning, codes enforcement and engineering, public works (roads), legal, administration, and litter control). The 2010 General Fund preliminary budget is balanced and includes the maintenance of all current (2009) service levels including police, fire and emergency services, road maintenance, roadside litter control service, and a 0% employee uniform wage adjustment (with no change in the current staffing level). The base contribution to the Capital Reserve Fund is decreased for 2010 (pending a final contribution review at the end of 2010 and dependent upon budget performance). The employee pension plan minimum required contribution, the police services agreement with West Chester Borough, and employee health insurance premiums represent the three most significant expense increases for 2010 while most other expense items either remain unchanged or have been decreased. General Fund budgeted receipts for 2010, netting out the appropriation (of \$28,333) from the prior year carry forward fund balance, indicates an estimated decrease in revenues of -3.6% while 2010 General Fund expenditures is estimated to decrease -0.7% compared with 2009. In recent years, the General Fund performance (actual revenues compared with actual expenditures) is affected substantially depending upon the amount of the contribution from the General Fund to the Capital Reserve Fund. The Board of Supervisors agreed to fund the Capital Reserve for 2009 in the amount of \$250,000.



The **Sewer Fund** is a utility fund established to provide public sewer service to over 1,100 customers in the Township through an inter-municipal agreement with the Borough of West Chester. The Sewer Fund includes both an operating account and a capital reserve account, which should be considered before assessing annual fund performance. The 2010 Sewer Fund includes another increase in sewer user fees (10%) based upon a October 2009 notice from the Borough of West Chester. The increase marks the third consecutive year of user fee increases and is related to both increased cost of wastewater treatment and capital replacement / upgrade funding. There is no increase in related Township fees to sewer customers planned for 2010.

The **Highway Improvement Fund** is a proprietary fund established for design and construction of road improvements in the Township. The Highway Improvement Fund generally functions as a capital improvement and contingency fund for roads and related infrastructure. Revenues are derived from developers' contributions. In recent years, with less development activity, the fund balance is decreasing.

Receipts for the **State Liquid Fuels Fund** are provided by the Commonwealth of Pennsylvania from (gas) tax disbursed annually to all municipalities. The receipts are based upon Township road miles and population. Use of the fund is limited to road maintenance/reconstruction and related equipment purchases. The Board of Supervisors authorized road maintenance and related projects for 2010 based upon an October 2009 road inspection and discussion with staff. The most significant project is the reconstruction of a substantial portion of Sunset Hollow Road. The Township was notified by PADOT in October that the liquid fuels annual allocation from the Commonwealth is to decrease for the second consecutive year due to declining fuel tax receipts and the economic conditions.

The **Capital Reserve Fund** is comprised of appropriated monies that are used for capital projects, major equipment purchase/replacements, etc. This fund serves a complementary function to the General Fund together with the Five Year Capital Reserve Schedule for longer term replacements and improvements planning. Capital Reserve funded projects for 2010 include the public works garage expansion project, completion of the Brandywine Trail (north and south segments), advancement of recreational improvements at the Sconnelltown and Schramm sites, and active recreation improvements' planning for the Skelp Level Road site.

Finally, the **Open Space Fund**, established in 1999, is funded from the open space preservation tax ($\frac{1}{4}$ of 1% on earned income) pursuant to PA Act 153 (Open Space Preservation Act). Expenditures are restricted to acquisition of interests in real property and costs associated with these activities. The Open Space Fund represents the only source of Township debt at this time. The Open Space Fund Budgets for 2010 was carefully reviewed by the Supervisors to establish realistic spending estimates and priorities.

Copies of the budget are available at the Township. Any budget questions should be directed to Michael Lynch, Township Manager.