



ONE-TIME TRANSFER TO ADDRESS UTILITY FUND CASH FLOW SHORTAGE

Background:

As of September 30, 2023, the Utility Fund balance is \$41,254.

Utility costs for both hydrant service and street lighting have increased and are expected to surpass budgeted amounts. In addition, there has been a higher frequency of street light repairs than initially projected in 2023. This has contributed to projected budget overruns:

- Hydrant Service: Projected to exceed budget by \$14,400.
- Street Lighting: Projected to exceed budget by \$11,700.
- Street Light Repairs: Projected to exceed budget by \$16,000

Projected Expenses:

- 4th Quarter 2023 Expenses: \$65,000
- Pay off the 2022 Temporary Loan from General Fund: \$15,000
- 1st Quarter 2024 Expenses: \$65,000

With these current expenses, the Utility Fund will face a cash flow shortage before year-end.

Recommendation:

To address the impending cash flow shortage, a one-time transfer of \$110,000 from the Reserve Fund (08) to the Utility Fund (02) is recommended.

This transfer serves the following key purposes:

- It secures adequate cash flow for the remaining months of 2023 and the 1st quarter of 2024, bridging the gap until tax revenue funds the Utility Account.
- This approach is designed to help lessen the potential impact on taxes in 2024.

The Reserve Fund currently has sufficient funds for this transfer and no anticipated expenses for the remainder of the year. Collections received from past-due sewer accounts were not originally budgeted for expenditure in 2023.

EXETER TOWNSHIP
RESOLUTION #2023- 42

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE TOWNSHIP OF
EXETER, BERKS COUNTY, PENNSYLVANIA, PROVIDING FOR THE TRANSFER
OF FUNDS FROM THE RESERVE FUND TO THE UTILITY FUND**

WHEREAS, the Board of Supervisors of the Township of Exeter adopted a budget for the 2023 calendar year on December 27, 2022; and

WHEREAS, the Second Class Township Code Article XXXII, Section 3202(f) authorizes the Supervisors to, by Resolution, transfer unencumbered moneys from one Township account to another; and

WHEREAS, the Township desires to transfer One Hundred and Ten Thousand and 00/100 Dollars (\$110,000.00) from the Reserve Fund to the Utility Fund.

NOW, THEREFORE, IT IS RESOLVED, by the Board of Supervisors of the Exeter Township, that the Township will transfer One Hundred and Ten Thousand and 00/100 Dollars (\$110,000.00) from the Reserve Fund to the Utility Fund.

FURTHER RESOLVED, that this Resolution shall take effect immediately, or as soon as legally permissible thereafter.

FURTHER RESOLVED, that if any provision, sentence, clause, section, or part of this Resolution shall for any reason be found to be unconstitutional, illegal or invalid, such determination shall not affect or impair any of the remaining provisions, sentences, clauses, sections, or parts of this Resolution, and it is hereby declared to be the intent of the Board of Supervisors of the Township of Exeter that this Resolution would have been adopted had such unconstitutional, illegal or invalid provision, sentence, clause, section, or part not been included herein.

FURTHER RESOLVED, that all resolution or parts of resolutions inconsistent with this Resolution are hereby superseded.

IN WITNESS WHEREOF, the Board of Supervisors of Exeter Township has adopted this Resolution in lawful session this 23rd day of October, 2023.

BOARD OF SUPERVISORS OF EXETER
TOWNSHIP, BERKS COUNTY,
PENNSYLVANIA

By: 
Chairperson

Attest: 
Township Manager

