East Manchester Township

Proposed Local Real Estate Tax Increase – Informational Guide

* Updated Information of October 22, 2025, Financial Review and Budget Meetings

Why is a tax increase being considered?

• The Township's budget has been running a yearly deficit. Reserves used to cover shortfalls will be gone within 2–3 years.
• Costs for public safety, stormwater compliance, and road maintenance keep rising, while revenues remain flat.
• To make costs fair for everyone, the Township plans to **eliminate the Fire Hydrant Tax** (currently charged only to properties within 780 feet of a hydrant) and instead spread this cost evenly across all taxpayers. Fire hydrants benefit the entire community, not just those nearby.

Additionally, the Township is not responsible for School Tax or County Tax. You may attend the Northeastern Area School District and York County board meetings for those items.

What has the Township done?

• **No local real estate tax increase in over 20 years.** Revenue from residential and business development growth has carried us until now.
• **The last countywide property assessment in York County was in 2006.** The taxable assessment value for property and the millage rate for the Township have remained the same since 2006. Therefore, the dollars paid in taxes have been level for approximately 19 years. The average rate of inflation during that time was 2.9%. Using a backward inflation calculator paying $100 in taxes in 2006 equates to $56.45 in 2025. So, **the tax rate in East Manchester Township has decreased by 37.68% over the last 20+ years.** This decrease in inflation adjusted tax revenue has been plugged by new residential development, industrial development and transfer taxes collected on transfers of high value industrial properties.
• Held public financial review and budget workshops since the end of 2024 **for transparency and accountability.**
• Both the Board and staff **conducted a line-by-line examination of all expenses** to ensure every dollar spent serves our residents effectively and responsibly.
• As a result of this detailed review of the 2026 Budget, **the Board reduced nearly $800,000 in proposed expenses, bringing the initial $1.3 million deficit down to approximately $600,000.** This process followed an in-depth Financial Review Meeting, where staff and the Board analyzed the Township's finances, focusing on budget areas impacted by unforeseen costs such as utilities, insurance, salt for winter roads, and damaged road signage.

What happens if we do nothing?

Without new revenue, taxpayers may eventually see:
• Fewer police patrol hours (emergency response only).
• Less road maintenance (leading to higher long-term costs).
• Delays in replacing aging equipment.
• Reductions in community services.

Key takeaways analyzing the 2019 -2026 annual actual figures compared to the Proposed Budget *

- **Overall spending decreased by approximately $87,736 (-1.1 %)** across all Township funds.
- **General Fund**, which covers daily operations, saw a **modest cut** of 1.3 %.
- **Debt service payments** continue, but the Township notes it can pay off the 7-year amortization **early without penalty**, saving interest.
- **After Oct. 22, 2025, Budget Meeting with a Local Real Estate increase of the 2026 budget anticipates a positive net operating surplus** of **$284,704**, reversing the 2025 operating deficit of $783,083.
    - **Chairman David L. Naylor opposed** the millage increase at 2.0mills and instead would prefer a smaller increase and reassess annually.

How will additional revenue be used? *

- **Pay down the existing 7-year amortization schedule more quickly**, saving taxpayer dollars by eliminating future interest payments (as there are **no penalties for early payoff**);
- **Create a Capital Reserve Fund** to replace and maintain essential **Public Works equipment** (Municipal equipment ranges anywhere from a few thousand dollars to hundreds of thousands of dollars);
- **Begin building reserves for Emergency Services**, in response to future recommendations to be outlined in a **DCED Fire Services Study** conducted within the Township for fire services (Fire Truck $1.5Million, Police Vehicles $70k);
- **Fill gaps from Unfunded State Mandates** such as MS4 Compliance, Floodplain Compliance, more PennDOT state road responsibilities, Emergency Management, etc.; and
- **Maintain 40% Operating Reserves** for emergencies such as a natural disaster (Recommended by the Township Solicitor and Auditor).

Commitment and Fiscal Responsibility *

- The Board of Supervisors will continue to **monitor revenues and expenditures closely**. If future surpluses exceed the Township's financial needs, the **Board has the authority to lower the millage rate** in future years.
- This tax adjustment was not made lightly—it reflects months of review, public discussion, and a shared goal to maintain essential services while planning responsibly for the Township's future.

What would this cost you? *

- **Current real estate millage: 1.04 mills**
- **Current fire hydrant tax: 0.15 mills**
- **New total millage: 2.00 mills**
    - **This equals a 0.81 mill increase for residents currently paying the hydrant tax, and a 0.96 mill increase for those who are not.**

Millage Rate	Annual Tax (per $100,000 value)	Annual Increase	Monthly Increase
1.04 mills (current)	$104	$0	$0
2.00 mills	$200	+$96	+$8.00

Examples:

Home assessed at **$150,000** • Current tax: **$156/year** • At 2.00 mills: **$300/year** (+$144, or about $12/month) (Face value)
Home assessed at **$175,000** • Current tax: **$182/year** • At 2.00 mills: **$350/year** (+$168, or about $14/month) (Face value)
Equation: Millage Rate (0.0020) multiply by the assessed property value equals the total face value per year. ***(Please note if you pay during the discount period, subtract 2% [0.02])***

Find your property assessment on your tax bill or online:
https://assessmentpublic.yorkcountypa.gov/

Upcoming Public Meetings *

📍 Township Building – 5080 N. Sherman St. Ext., Mount Wolf, PA 17347

• Nov. 11, 2025 – Resolution for the Tax Millage Rate (6 PM)

**The date of the final vote is due to a DCED mandated reporting deadline of December 1, 2025. The township must submit formal action by this date.*