

EAST MANCHESTER TOWNSHIP
BOARD OF SUPERVISORS

FINANCIAL REVIEW AGENDA

October 22, 2025 @ 4:00 PM

1. APPROVE OR AMEND AGENDA

2.1 October 22, 2025

2. 2025 FINANCIAL WORKSHOP

3. PUBLIC COMMENT

ADJOURN MEETING

BUDGET AGENDA

October 22, 2025 @ 6:00 PM

1. 2026 DRAFT BUDGET REVIEW

2. REAL ESTATE TAX ASSESSMENT

3. PUBLIC COMMENT

ADJOURN MEETING

*All interested parties are invited to attend. People with disabilities may contact the Township office at (717)266-4279 at least five (5) business days prior to the public meeting to discuss how to best accommodate your needs.

*** Board of Supervisor Meeting Live Stream**

The East Manchester Township Board of Supervisors is providing viewing access to its meeting via live streaming on youtube.com. Channel Name [@EastManchesterTownship](#). This will allow the public to view the Board of Supervisors meeting live and will store on YouTube for a controlled amount of time. The meeting link will not allow public participation nor the submission of questions or comments. If any citizen would like to provide public comment during a meeting, they are encouraged to attend the meeting in person. The Township cannot guarantee that there will not be interruptions in the link or recording due to technical difficulties or failures. To ensure full access to any meeting, citizens are encouraged to attend in person.

EAST MANCHESTER TOWNSHIP
Board of Supervisors
October 22, 2025
Financial Review & Budget Workshop Meetings

Present: Chairman David L. Naylor, Vice Chairman Darryl L. Albright, and Supervisor Dean E. Kohr; Manager/Secretary/Treasurer Kristie Masemer; Public Works Director Shane Haugh; Accountant Jennifer Cox; and two citizens.

At a special meeting to conduct a financial review of the General Fund held at the Township building, Chairman Naylor called the meeting to order at 4:03 p.m. and dispensed of all formalities.

Approve or amend the agenda – No changes. **Motion by Chairman Naylor to approve the agenda as presented. Second by Supervisor Kohr. All members voted aye; motion carried.**

2025 Financial Review

This is a quarterly review to see our year-to-date expenses and revenues to ensure we are on track for the 2025 Budget Year.

Beginning with total revenues, year to date (YTD) is \$3,331,145.93, which is 80.27% of what the Township budgeted (\$4,150,101.00). Compared to YTD expenses at 90.23% of budget (which includes the sweeper).

Expenses were budgeted at \$4,933,184.13 and YTD is \$4,037,733.22 (includes street sweeper purchase), which is 81.85% of the budget. The biggest expenditure was the street sweeper and without that, the Township is more in line with the budget. Therefore, there isn't extra cash available to pay down the loan balance at this time. The Township intends to make additional payments when it can and will reassess in 2026.

The initial principal loan balance was \$950,001.00 with a current principal balance of approximately \$838k. By 12/31/25 the loan balance is estimated to be \$839,602.85. Only interest was paid prior to the end of 2024, and then principal and interest payments began at the start of 2025. This allows the Township to keep higher than 25% operating reserve in cash for an emergency event/natural disaster/or other unforeseen major expense occurs with a goal of keeping 40% of operating reserves as recommended by the Township Solicitor and Auditor. It appears all members agree the Township should continue to make required payments and evaluate additional principal payment in 2026. The money market account that the Township opened for getting a lower loan interest rate is where the loan was directly placed and has a balance of \$970,232.28. The interest paid on the loan thus far is \$50,548.31. The money market interest earnings have helped offset interest expense.

The next focus was going over expense account line items that were overspent. Out of 249 account lines only 16 are over their budget. Year to Date for 2025, the 16 account lines are around \$183k versus what was budgeted for those accounts at a total of approximately \$136k. Therefore, we're about \$47k over the total of those 16 account lines. ****Not from the whole budget**** The following account lines are all the best estimates that were made in 2024 for the 2025 budget, and the predictions were low. This is why it is important to not make these account lines very tight as we should avoid having to do a transfer of

unencumbered funds at the end of the year as required by the law (something that differs from non-government businesses).

General Insurance (unforeseen), General Gas (unforeseen), Sewage Enforcement (unpredictable enforcement or home sales), Planning/Zoning Professional Services (noise ordinance was not anticipated), Planning/Zoning Legal Services (more plans or ZHB cases), Planning/Zoning Advertising (more plans and ZHB cases), Recycling (street sweepings with the new required disposal method), Diesel (this is actually not over yet, but has potential since we are coming into winter and we're not sure what this winter holds), Highway Radio Maintenance (needed a new FCC license; the contracted radio company missed renewal; this is an anomaly and not consistent; additionally we added new equipment), Highway Insurance (added new equipment), Signs (this just depends on what occurs in a given year; damaged signs and projects), Recreation Section (the Board would like Jen to investigate how to get the salaries of the public works crew from the general budget to the recreation fund. If possible then this will no longer be over), Misc Expenditures (We had to reimburse the Liquid Fuels fund from the last audit. To reiterate why the Township owed the Liquid fuels account is because when a project gets submitted, it is gone over with a PennDOT rep to ensure that everything was done correctly and he even missed it), and Workers' Compensation (occasionally the trust that the Township is in, gets dividends back and it goes right back into this account line. We did not get dividends back this year. This can skew our prediction). After going through these items, we just brought the total overspent of those line items down to \$25k by hopefully eliminating the recreation fund from the equation. When making an overall summary, it appears the Township will break even with no expected windfall prior to the end of the year.

The Township is trying to take items into consideration that we are foreseeing for additional costs like having significant print outs for large meetings, hiring the solicitor for additional meetings and more review of documentation, and renting the fire hall. Additionally, the board agrees that all meetings, including Planning Commission and Zoning Hearing Board, should be streamed. Will this make the storage capacity fill sooner. Yes, and in order to keep a free account, staff plan to delete the oldest videos. The Township already far exceeds the law for minutes by placing them on the website and allowing videos for viewing for some time.

No comments from the board or public.

Motion by Chairman Naylor to take a short recess and reconvene at 6:00 p.m. Second by Supervisor Kohr. All members voted aye; motion carried. The meeting recessed at 4:40 p.m.

The meeting was reconvened at 6:00 p.m. and began with the pledge to the flag.

Approve or amend the agenda – No changes. Motion by Supervisor Kohr to approve the agenda as presented. Second by Vice Chairman Albright. All members voted aye; motion carried.

2026 Draft Budget Review (Budget Workshop)

Staff proposals in the draft 2026 budget:

Total Receipts Proposed: \$4,133,650.00 – YTD \$3,331,145.93 – 2025 Budget was \$4,150,101.00. Therefore, the decrease in the 2026 proposed budget is due to the significant decrease the Township has seen in Land Use Permits. This account line fluctuates, and it is at an all-time low in a long time primarily due to a decrease in industrial construction.

Total Expenditures Proposed: \$5,499,556.80 – YTD \$4,037,729.29 – 2025 Budget was \$4,933,184.13. Therefore, when compared to the income, it creates a proposed deficit of (\$1,365,906.80). 2025's deficit was budgeted for (\$783,083.13). The trend of the net operating line of the budget has consistently been in deficit, utilizing prior year surpluses. However, the last surpluses the Township experienced were in 2021 and 2019. The surpluses were from ARPA (American Rescue Plan) funds, transfer sales of warehouses, and new constructions of warehouses. The Township's industrial district is almost built out and therefore has slowed down in warehouse construction.

Township staff have reviewed this proposed budget several times before it being presented to the Board. Staff and the Board went over the budget by line item, section, and major changes in an effort to decrease the deficit. See attached final budget with all changes made by the Board of Supervisors.

Items to note within revenue are that real estate has not brought in enough to increase that budget line item, therefore staff and the Board agreed to keep it at \$825,000. However, later in this meeting we discuss a tax increase for real estate which would increase this line item if the Board agreed to increase the millage rate. Earned income account line was raised by \$100,000.00 due to the projections of this line item. Cable TV account line was decreased as more people do not have cable, and you cannot franchise the internet and streaming. This item is on the decline. Land Use permits were a \$50,000 decrease due to warehouse construction being down as stated previously.

Within expenditures: General Expenditures: Increased minorly from factoring 2026 predicted items like a new website and rotation of computers for being old. All staff receive a 2.5% increase for inflation, and we keep a little extra for unpredicted overtime. Auditors are on a contract with an annual gradual increase. Tax Collector would increase if the real estate millage rate increased and she needs a new laptop. Legal Services decreased by \$20k due to the past two years data. Municipal Building section has increased by \$32,300 due to utility bills increasing as the Township is also subject to the rising costs. Police-Fire-Ambulance has increased by \$68,000 due to police protection increase. The Township also took on one additional PPU. Planning and Zoning increased by \$19,300 primarily due to increased professional services, advertisements and the employee rate inflation (2.5%). Recycling increased by \$8,000 due to the mandated disposal of street sweepings. Highway section decreased by \$209,500 due to decreasing Highway Capital Purchases and deferring equipment purchases to a Capital Reserve Fund. The next need is a bucket truck at the cost of approximately \$250,000. The Board does not feel comfortable with purchasing a bucket truck being at a budget deficit. It's too soon to determine when this purchase can occur. The existing bucket truck was purchased used and it is a necessity and gets used often. Shane created a rotation list at the request of the Board about two years ago. The next item that would need replacement after that is the 2007 John Deer loader at approximately \$300k. Additionally, there is a very old pick-up truck that is also in line and could be done at any time. The Township acknowledges that putting equipment off too long could cost more money in the long run, therefore, creating a plan in order to keep responsible rotation of equipment upkeep/replacement would be best. Ideally large equipment purchases should not be out of the general budget and should be a Capital Reserve. It will take six months to a year to obtain the bucket truck therefore, to have it by 2027, it at least needs to be initiated in 2026. The Board agrees with that goal and to make a plan. Recreation will eventually come off the General Budget once it is out of the 5 years of keeping it at zero but will continue to be maintained within the separate Recreation Fund. Debt Service reflects the predicted loan payments and interest. This could fluctuate with extra payments. Taxes and Benefits decreased by \$4,000 due to a trend shown for unemployment compensation.

After thoroughly reviewing and discussing the proposed budget, the board effectively decreased the deficiency from \$1,365,906.80 to \$605,906.80, a difference of \$760,000.

Real Estate Tax Assessment

The current real estate millage rate is 1.04 mills. Staff are proposing a millage rate increase to 2.0 mills while eliminating the 0.15 mill fire hydrant tax. The fire hydrant bills would then get paid from the General Budget (after depleting the fire hydrant fund) instead, while spreading the costs evenly through the tax base. There is currently approximately \$92,000.00 within the Fire Hydrant Fund and should be approximately enough to cover 2026's hydrant bills. Therefore, the Township, on the first tax increase year, the General Budget would see the full amount of that increase. Staff made a chart to show the difference in income for each millage rate increase in order to fulfil the deficiency. At 1.8 mills, the Township would cover the deficit as it is proposed at approximately \$662,575.00 (this does not account for the fire hydrant bills that would begin in 2027 after the Fire Hydrant Fund is depleted). With the goals of the Township to begin to pay down the loan early (saving interest), keep 40% operating funds (as recommended by the Township Solicitor and auditor to be fiscally responsible), begin a Capital Reserve Fund for large ticket items that do not fall within the day to day operation expenditures of the Township (such as equipment), fill gaps from unfunded state mandates (such as MS4 Compliance, Floodplain Compliance, more PennDOT state road responsibilities, Emergency Management, etc.), the rising costs of utility bills, Emergency Services, and to begin accounting for the results of a DECED study that is currently under way for Fire Services. Being that there is a list of major items the Township should be accounting for, it is staff's opinion that the board raise the millage rate to 2.0 mills. The tax rate should be reassessed annually and when/if there's too much of a surplus in the future, the Board has the authority to lower the millage rate. From Supervisor Kohr, the conclusion is that the data tells the Township that a change is needed and would be fiscally responsible. With a millage increase to 2.0 mills, this creates a surplus of \$284,704.00. From Vice Chairman Albright, since he became a supervisor, he has cautioned against not raising taxes and would be doing a disservice to the community by not raising it. He agrees that the tax rate needs to increase as the expenses continue to grow, yet our income has been growing slower. He hopes to get some blue birds in, but there are too many big-ticket items that the Township cut that will cost us more in the long run. Chairman Naylor stated that one thing he observed was that a lot of people are having a hard time paying their bills and elderly; increasing this much could do a disservice. He would prefer to see a gradual increase with an annual reassessment because he acknowledges we need to do something, but nickels and dimes matter so we should be increasing as little as possible. Supervisor Kohr stated that we just scrutinized the budget significantly and when you work on the numbers for transfers of industrial properties, they only equate to maybe \$50k each and the likelihood of having several transfers in a year is highly unlikely to get the amount of money needed to keep up with Capital Equipment and the other 2026 items mentioned previously.

From Mrs. Masemer reading what Attorney Miller wrote as a fact: 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. Additionally, even though the school taxes are not under this board's purview and are governed by the NE School Board, Attorney Miller wrote that the public made points [at the recent Public Hearing] about NESD having the highest tax

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rates in the County behind York City and prior to making that statement you have to do a deeper dive. It appears NESD has a higher tax rate because the property assessment values are lower in the Township and surrounding communities compared to other parts of the County. After Mrs. Masemer did some research on RAYAC (Realtors Assoc. for York & Adams County) she found there are strong indicators that land values in the northeastern part of York County, Pennsylvania, are generally lower than in other parts of the county. The southern and northern areas of York County have seen substantial development, pushing up land values. The northeast, while also experiencing growth, is relatively more rural, which contributes to lower overall real estate costs. Additionally, the northern part of the county is closer to the Harrisburg metropolitan area, while the southern part borders Maryland. This proximity to larger commercial and residential hubs can increase land value due to demand from commuters and businesses. In conclusion, it appears the reason for the NESD's second highest tax rate could be due to the property assessments of this area being lower than the lesser school district tax rates in the County, which have higher assessments.

The Township needs to make this decision tonight and wanted the community's input, which is why the Board announced it several times at the recent large public meetings as well as on the website, and the digital sign board. The agenda has also been posted for at least a month. Mrs. Masemer noted that only three people were currently watching the live stream and approximately 18 people began watching it and signed off throughout so far [It turned out the three people were all Township staff watching].

From the audience, resident Joyce Daniels feels that the Township should increase to 2.0 mills now instead of 1.7 mills to 1.8 mills and then have to raise it again...MORE...From resident Howard Daniels, it doesn't appear to be much more money for a resident to just raise it to 2.0 mills. He stated that there doesn't appear to be any other income sources to fill that gap and then cutting the highway budget down significantly will just hurt the Township more. At least by the end of 2026, the Township will have a better idea of where they stand with ordering the equipment needed. Mr. Daniels stated that since retiring he now makes 50% less than what they did when they were working and with the \$25 increase, he knows he can afford that and people appear to spend more money getting their coffee every day. Chairman Naylor noted that he is also on a fixed income with just a pension and social security and watches his money closely.

Mrs. Masemer placed it in prospective (which is on the tax flyer for the public as well) that per \$100,000 of a property assessment at the current real estate tax rate of 1.04 mills, the annual tax for a resident is \$104.00 per \$100,000 of property assessment. At 2.0 mills, the annual tax is \$200 per \$100,000 of property assessment, which is a \$96.00 annual increase, \$8.00 monthly increase. The Tax Collector stated that the average assessment of residential within the Township is between \$150,000 and \$175,000. At 2.00 mills for \$150,000 assessment equals \$300/year; \$144 annual increase; \$12 monthly increase (at face value; subtract 2% if you pay at discount). At 2.00 mills for \$175,000 assessment equals \$350/year; \$168 annual increase; \$14 monthly increase (at face value; subtract 2% if you pay at discount). The equation is on the public flyer.

In conclusion, Mrs. Masemer proposed close to a \$1.4million deficit. The board and staff cut approximately \$800k in this meeting. Staff recommend a 2.0 mill real estate tax increase because this whole meeting, the majority of conversation continued to be placing money aside for items of need for the coming years and with paying interest on the loan, it should be important to pay that off sooner. Also, to reiterate that the DCED study will be complete in 2026 and from that, the Township will need to create a plan of action, therefore, we would budget for this likely in 2027. At least by the end of 2026 the Township will have an idea of where it stands in order to make those plans. Mrs. Masemer feels it is good

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planning and to reiterate again, if the township begins to bring in too much surplus, the tax can be lowered. Ms. Cox also recommends 2.0 mills because of the loan interest and to be able to budget better.

Motion by Supervisor Kohr for staff to create a Resolution for the November Board of Supervisor meeting to increase the millage rate from 1.04 mills to 2.0 mills effective January 1, 2026. Second by Vice Chairman Albright. *Discussion: Vice Chairman Albright is disappointed with the public not showing up except two residents for as much as we pushed this information out to get community input. Chairman Naylor recognizes the fact that just like office staff needing laptops and office supplies, the public works department needs their equipment and are the lifeline of the Township. They are the ones out there plowing snow, street sweeping, etc., but need to caution the board to raise it to 2.0 mills because their constituents are hurting and we need to keep that in mind.* **Chairman Naylor opposed. Two members voted aye; motion carried 2 to 1.**

Public Comment

Mr. Daniels asked about posting on Facebook/social media. Supervisor Kohr explained that in order to do this task properly and professionally, you need a professional media person and currently none of our staff is qualified or has the extra time to handle the feedback that comes with that. We have our website and are investigating a notification system and we recommend checking that as we keep it up to date. Social media would take extra costs to do it properly. Additionally, we have witnessed neighboring municipalities (Mayors, staff, elected officials) getting into arguments with the public on Facebook and after reading all the negative feedback and misinformation in just 2 to 3 weeks has put a large amount of stress on staff's mental health and additionally more time outside of business hours. Chairman Naylor did speak with IT and we can have the capability to do an email blast. Additionally, Savvy Citizen is a one-time update that notifies the public and updates your website at the same time. Also, we place everything on the website, reader board, newspaper advertisement (as required) and announced it at the public meetings. It got onto Facebook because the public was sharing it, but still only two people attended. Chairman Naylor even had Shane Haugh during the beginning of this meeting, drive over to the Fire Hall just in case anyone showed up there to bring them over to the Township building and no one was there. Additionally, it is clear that a lot of the public just don't understand how the township operates, which is operating pretty well and per the law, and educating is key, but some are still placing misinformation out there and bullying those who try to correct them. Chairman Naylor reiterated that we should consider an email blast to anyone who signs up for the Township to give updates. Mrs. Masemer is worried that people will sign up for this, just to have to sign up for whatever the Township opts to do alongside the website upgrade. Vice Chairman Albright and Supervisor Kohr agreed. Staff will work on getting a solution that is transferable. Vice Chairman Albright feels that the Township should not use the police Facebook for updates because they should remain neutral. All agreed.

The board reviewed the rest of the funds: State Liquid Fuels Fund, Recreation Fund, Fire Hydrant Fund, and the Street Lighting Fund – Historically, what every is sitting in the total cash is what we place in the expense line to appropriate all the funds. The only issue we ran into last year was the tax line in the fire hydrant fund was not properly represented and this was fixed. Also, this fund will go away with the elimination of the Fire Hydrant Tax. Ms. Cox clarified that all recreation items including the public works labor should continue to come out of the recreation fund.

Motion by Supervisor Kohr to authorize advertisement of the General Budget (reflecting the Township employee raises and reflecting the increase to 2.0 mills), State Liquid Fuels Fund, Recreation Fund, Fire Hydrant Fund, and Street Lighting for the December Board of Supervisors

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meeting. Additionally, place a copy on the website and on the Township counter. Second by Vice Chairman Albright. *Discussion: From Vice Chairman Albright, please amend the Tax Flyer to reflect the decision and how it relates to the 2006 property assessment in York County. From Chairman Naylor it appears that with this increase, this is to stay above inflation, repay the loan and to fund the Capital Equipment. All members voted aye; motion carried.*

Additionally, we did not set up the Capital Reserve Fund for 2025 because we did not have extra funds to do this, but this should be set up for 2026. Is there a minimum amount? Journal entry? Ms. Cox should talk to the auditors and PLIGIT. At the next meeting we should know what we need to do so that this can get initiated for 2026.

Lastly, the 2026 Quarterly Review meetings should be February (to assess the 2025-year-end), April, July, and October's Budget meeting would suffice. Could potentially be on the regular Board agenda and if there is no time to get to, then we can move it to the second advertised meeting.

Supervisor Comments – None.

Motion by Chairman Naylor, second by Vice Chairman Albright, to adjourn. All members voted aye; motion carried. The meeting adjourned at 9:23 p.m.

Respectfully submitted,

Kristie Masemer
Secretary/Treasurer/Manager