EAST MANCHESTER TOWNSHIP
BOARD OF SUPERVISORS
QUARTERLY FINANCIAL REVIEW AGENDA

July 16, 2026 @ 2:00 PM

1. OPEN MEETING

2. APPROVE OR AMEND AGENDA
   2.1 July 16, 2026

3. 2026 QUARTERLY FINANCIAL REVIEW WORKSHOP

4. PUBLIC COMMENT

5. ADDITIONAL BUSINESS

ADJOURN MEETING

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*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
July 16, 2026
At 2:00 P.M.
Quarterly Financial Review

Present: Chairman David L. Naylor, Vice Chairman Darryl L. Albright, and Supervisor Dean E. Kohr; Manager/Secretary/Treasurer Kristie Masemer; Accountant Jennifer Cox; and 0 citizens.

At a special meeting to conduct a quarterly financial review of the General Fund held at the Township building, Chairman Naylor called the meeting to order at 2:00 p.m. and dispensed of all formalities.

2026 Quarterly Financial Review

A quarterly review meeting is to compare the year-to-date expenses and revenues to ensure the Township is on track for the 2026 Budget Year and to discuss any other budget related topic.

Beginning with Year-To-Date (YTD) total revenues are $3,335,137.62, which is 64.12% of what the Township budgeted ($5,198,852.00). Overall, Township revenues remain on track and are consistent with budget expectations.

Additionally, during a review of the Township's 2026 real estate tax revenue projections, staff identified an estimated revenue shortfall of approximately $190,000. After working with the Tax Collector to reconcile the projected tax revenue, it was determined that property assessments receiving tax abatements through the Township's Local Economic Revitalization Tax Assistance (LERTA) program had not been fully accounted for in the revenue projections.

As a result of this correction, the Township's projected year-end surplus for 2026 is now estimated to be approximately $92,000, rather than the $284,704 surplus projected when the budget was adopted. The Manager explained that the discrepancy resulted from the method used to calculate the taxable assessed values of properties participating in the LERTA program. Following the review, Township staff worked with the Township Accountant and the Tax Collector to revise the LERTA tracking spreadsheet and improve the calculation process for future budget preparations. To help prevent similar issues in the future, Township staff and the Tax Collector now maintain a shared LERTA tracking spreadsheet that will be updated regularly.

Although this correction results in a reduction in anticipated real estate tax revenue, the Township is still projected to end 2026 with a budget surplus. This represents a significant improvement compared to the budget deficits experienced in prior years.

Additionally, because the revenue projection error resulted in a lower-than-necessary millage increase for 2026, staff does not currently anticipate recommending a real estate tax increase for the 2027 budget.

The Manager also reported that real estate transfer tax revenue is currently approximately $51,000 above budget. If this trend continues it may help offset a portion of the real estate tax revenue shortfall by year-end.

2026 Expenses were budgeted at $4,914,148.00 and YTD is $2,629,947.51, which is 53.52% of the budget. Being that we are at the beginning of the third quarter, expenditures are tracking appropriately and remain in line with our budget expectations.

The initial principal loan balance was $950,001.00 with a current principal balance of $779,334.94. Only interest was paid prior to the end of 2024, and then principal and interest payments began at the start of 2025. The purpose of the loan was to allow the Township to keep a 40% operating reserve in cash for an emergency event/natural disaster/or other unforeseen major expense. The money market account that the Township opened for getting a lower loan interest rate is where the loan was directly placed and has earned $14,620.44 so far, this fiscal year. The interest paid on the loan thus far (2026) is $24,500.02. In the event of a disaster, the Township would eventually receive reimbursement by the Federal or State government, but it could take months or years.

Per the Board's request from the last Financial Review meeting, 40% operating reserve amount is $1,965,659.20 which is based off of the $4,914,148.00 expenses budgeted for 2026. The Township's unrestricted net assets balance for the General Fund is $1,581,759.74, representing less than 40% in operating reserves (approximately 32%).

Year-To-Date Income Statement

The Year-To-Date Income Statement was reviewed for expense account lines that have the potential of exceeding their budgeted amount. All of these items were unpredictable and not preventable. The Township budget remains on track, and staff continue to monitor it closely throughout the year, reducing spending where possible to stay within the total expense budget.

The following is a quick overview of what was already reported at the last financial review meeting.

- Traffic Signal – problems and spring maintenance.
- Professional Services (meetings is an item that will make this go over)
- Computer Maintenance (Cyber Security and prior to that the manager authorized IT to get temporary protection on the devices while waiting for Cyber Security to be set up. There is no overlap in services between IT and Cyber Security and was even credited from IT at the time of signing on with Cyber Security.)

- Mtgs/Classes/Conferences (a required public works training that used to be free is now very expensive) Tax Collector Materials and Supplies (may go over a little due to rising costs)
- Legal Services (all of the right-to-knows, meeting attendance and more "hot topics")
- A few of the utility line items (gas is already over 90% of its budgeted amount)
- A few line items under zoning (due to those related meetings and ordinances and a large influx of resident inquiries)
- Drug/Alcohol (we had more turnover and new hires than usual)
- Snow/Ice Removal Materials (due to inclement weather requiring salt)
- Pension (state aid will comes in September and offsets this)
- Insurance line items (should have dividends to come, but can't be promised)
- Unemployment compensation (previous employees due to turnover).

Additional line items to report for this meeting:

- General Government General Expenses – Indeed for search of new employees several times.
- Highway Insurance – Projection was off since getting new equipment
- Repairs and Equipment – Will have $18k left after an unforeseen equipment maintenance occurred. If something else happens then this has the potential to go over.
- Workers Compensation – Projection was off
- Disability Insurance – Employee turnover.

2027 Miscellaneous Expense Projections

The Manager cleaned the list up so that normal business isn't on it. This list should be items that aren't normal annual expenses that are being projected. This does not increase normal day-to-day expenses that will increase. That will be shown on the draft budget. The following are items to account for in 2027:

1. New Website and Savvy Citizen – pushed off until next year with research beginning this year. The manager wants to reassess what this will cost since everything keeps increasing in price.
2. Laptop Replacements – $8,000.00. There is a schedule of equipment replacement. We know that two laptops need to be replaced due to age and being slow. There are 2 board laptops that can hold off until 2028 and all three board member's should have a replacement then.
3. MS4 – 2027 should have at least $40k budgeted due to the required implementation of the MS4 plan. Another $40k for 2028 which is the year of the deadline to complete the plan of action.
4. Future Public Works Equipment – Bucket Truck - $300,000.00 – This is due to be replaced in order to keep up with the equipment replacement schedule. The only

piece of equipment that was used and already had 100k miles at time of purchase. The equipment quote for this was between $200k and $250k. The board at last year's budget meeting chose this number as a saving goal. Note: The board appears to not want the Capital Expense Fund in the General Budget and the board feels there may need to be a resolution to solidify what is being allocated to what. Supervisor Kohr and staff recommend waiting until the end of the year surplus to make loan and Capital Expense Fund decisions.

Motion by Chairman Naylor, second by Supervisor Kohr, to adjourn briefly recess due to technical difficulties reported by a resident watching live. All members voted aye; motion carried. *The meeting recessed at 2:24p.m.*
The meeting reconvened at 2:34p.m.

5. Upgrade Traffic Lights - $20k a signal. More research needed. Not all signals need the loop upgrade. Possibly a Capital Item.
6. 2027 Emergency Services – Supplemental Fire Services
7. Vice Chairman Albright requested to add the Public Works Conference for Public Works Director to attend. The training account line is exceeded because of a lot of new employees and because of mandatory public works safe enclosure training that used to be free and is not any longer. Mrs. Masemer suggested placing the Public Works Conference on the reorganization agenda like the PELRAS Conference. All agreed to the above.

Additionally, Vice Chairman Albright noted that the Township has spent more than $21,000.00 in attorney fees dealing with the fallout of the requests and an appeal. This is by far more than what we have needed to spend in previous years. Supervisor Kohr asked about moving to QuickBooks. Ms. Cox explained that Supervisor Kohr and our IT Tech, Jason need to speak about this because it appears this would not be worth the time and stress of over 20 years of data in the current system with the accountant only ever using the Sage Program, which, at present does not have any issues. From Chairman Naylor: he feels that it should be up to the accountant. As long as the Township is getting what it needs from the system and it's working fine, the accountant should make that decision.

2028: Comprehensive Plan, Supervisor Salary for newly elected officials, Ag Security process, EMC Compensation/Stipend,

Per Capita Tax

To recap from the last financial review meeting with some additional pieces of information since then, the Tax Collector, Kathy Emswiler, created a Per Capita Tax analysis. The Local Tax Enabling Act puts caps on several taxes including the Income, Per Capita and Local Services Tax. The statute then has a provision that says if two tax authorities levy the same tax (i.e., school district and township each levy a $10 per capita tax), then the tax rate will be halved for each ($5) for so long as both collect it. If one of them stops collecting it, then the full tax amount ($10) can be reinstated to the full amount for the next tax year for the entity that did not eliminate it. If the school district did not levy the tax currently and the Township repeals its tax, then the school district would have to follow all the procedures to formally levy the tax before they can collect it. It would not automatically be collectible. However, in this case, the school does collect it so if the Township eliminates the tax, the school could collect the full amount instead of half like they currently do. Therefore, in that scenario it would result in no savings for the residents. Kathy did some research and found that Goldsboro Borough, York Haven Borough, Mount Wolf Borough, Conewago Township and Newberry Township all eliminated the per capita tax, and the school district did not take the other half. The only two left are East Manchester Township and Manchester Borough who still collect it. One option would be for the Township to eliminate it and see what the school district does. If they decide to collect the full $10, the Township can always reinstate the Township portion to collect it again.

Next, for the analysis, in 2025, the Township Tax Collector collected $25,552.30 ($5.00 for each adult resident) with the possibility of collecting a total of $29,409.80 if the collection agency (GH Harris) for delinquents achieves their projected amount of 85.7%. Per the 2020 Census there are approximately 8,331 residents and the number of residents that did not pay was 2,211 (actively being sought after by GH Harris). After the Tax Collector's commission, stipend, materials and printing, actual projected collection for 2025 is <u>$26,063.58.</u> If the township were to eliminate this tax, a decision would need to be made by October to advertise for the November Board meeting and reported to the County by <u>December 1st</u>.

The Board unanimously feels that Mrs. Manager should bring a resolution to the August Board meeting to eliminate the Per Capita Tax.

The financial meeting is the budget meeting on **<u>October 20, 2026, at 6:00 P.M</u>**.

Computer Maintenance Account Line
With Cyber Security, IT Services, and Back up subscriptions, the total amount for 2027 should be around $45,500.00. Emergency Management has five laptops worth about $9,000.00 from those mentioned items at a potential cost of $3k per municipality (Manchester Borough, Mount Wolf Borough, and East Manchester Twp). The cost of IT services was initially covered by the Township, but that was with two laptops, and Cyber Security was not in the equation at that time. The Manager needs to know if this cost should be passed on to the other two municipalities to be shared equally per the Intermunicipal Agreement. All agree that the cost of the above-mentioned should be shared beginning 2027. Discussion ensued regarding emergency management being an unfunded state and federal mandate and how all municipalities are responsible for having a Coordinator with the proper certifications/licenses and equipment needed to handle an

emergency. The coordinator position is a volunteer position and already takes on a large responsibility utilizing the township's resources as the Township is deemed the Emergency Management Center.

Supervisor Comments

Supervisor Kohr – None at this time.

Vice Chairman Albright – None at this time.

Chairman Naylor – Good job staff for all that you do. We appreciate it!

Motion by Chairman Naylor, second by Supervisor Kohr, to adjourn. All members voted aye; motion carried. *The meeting adjourned at 3:11p.m.*

Respectfully submitted,

Kristie Masemer
Secretary/Treasurer/Manager