

West Manheim Township



2017 Budget

West Manheim Township Staff

Marc Woerner
Township Manager, Zoning Officer
& Right-To-Know Officer

Miriam Clapper
Township Secretary

Beverly Frey
Township Treasurer

Deb Barnes
Office Assistant

Heather Bair
Code Enforcement Officer

Public Works Department

Jeff Rummel, Roadmaster
Robert Gregory
Terry Hockensmith
Brandon Martz
Paul Myers
Harold Bachman

**Utilities/Maintenance
Department**

Tim Pfaff
Maurice Strausbaugh

**West Manheim Township Board of
Supervisors**

Harold Hartlaub, Chairman
Jeremy Ault, Vice Chairman
James Staaf
Brian Blettner
Al DeGennaro

Christopher Toms, Engineer
Linus Fenicle, Esquire ~ Solicitor

**Board Meetings - 1st Thursday &
3rd Tuesday of each Month at 7pm
Caucus starts at 6 pm**

**West Manheim Township
Police Department**

Chief Tim Hippensteel

Sergeant Toby Wildasin
Pfc. Edwin Schneider
Pfc. Craig Snyder
Pfc. David Morris
Office Joshua Bower
Officer Shawn Ricketts
Officer Justin Seibert
Officer Randy Wagner

Township Committees & Boards

Planning Commission

Jim Myers
Andy Hoffman
Darrell Raubenstine
Duane Diehl
Jay Weisensale

3rd Thursday of Month – 7 pm
Township Office



Zoning Hearing Board

Meets As Required

4th Tuesday of Month – 7 pm – Township Office

Jeff Garvick, Chairman
Michael Hawkins, Vice Chairman
Holly Zumbrum, Secretary

West Manheim Tax Collector

Ruth Neiderer

Emergency Management Coordinator

Michael Hampton

Recreation Board Members

Christine Gienski, Chairman
Dave Kuhn Vice Chairman
Ursula Yost Secretary
Pat Eberhardt,
Lonnie Gienski
Brenda Grubb
Deb Marsh
Kellie Reed,
Dominick Winder

2nd Tuesday of Month –6 pm
Township Office



About Us

West Manheim Township was established by an Act of Assembly of Pennsylvania on February 28, 1854. The first Township election was held at the home of Abraham Hershey on March 17, 1854. The first Supervisors elected from the newly created Township were Jacob Mummert and Michael Resh, for one year terms.

The rich history of structures, located in the Township, started in 1750 with the building of the St. David Lutheran and Reformed Church. However, perhaps the most notable of structures was the Mary Ann Furnace, erected in 1762. This was the first furnace located west of the Susquehanna River. The furnace was located in the Township due to the large amount of Chestnut Oak timber in the vicinity, which was burned into charcoal and used in smelting iron ore. Mary Ann Furnace's contribution to the history of the United States was to supply cannon balls and grape shot to the American Army and Navy during the American Revolution.

During the Civil War, on June 30, 1863, Confederate Troops, under the command of J.E.B. Stuart, passed through the Township and engaged Union Troops, under the command of Kilpatrick, in Hanover. Later in the afternoon, a small squad of Union Calvary was watching the movement of a Confederate supply train, of 125 wagons, traveling through the Township, toward Jefferson. An attachment of 100 Confederate Soldiers engaged the Union Squad and after several shots were exchanged, the Union Calvary withdrew with one soldier wounded. This was the only skirmish fought on Township soil during the Civil War. On July 1, 1863, Union General Sedgwick moved 16,000 soldiers through the Township on his way to Gettysburg.

In 1960, the population of West Manheim Township was 1,265. This was the first census taken after the creation of the Township. In 1990, the population by census had been established at 4,590.

The highway system within the Township has changed from the approximate 20 miles of unimproved roads in 1854 to the approximate 8 miles of improved State roads and the approximates 76 miles of Township roads. Snow removal and maintenance of Township roads has also changed. From 1854 to 1954, Township policy was to hire farmers and their horse teams or tractor s to help with snow removal and maintenance. From 1954 to 1980, the Township employed 2 part-time men and a Roadmaster, who was an elected Supervisor, to work on the roads. From 1980 to present day, the Supervisors appoint a Roadmaster. Today, the Public Works crew consists of 4 full time and 2 part time employees. The earliest record of \$394.30 was spent in 1888 for road maintenance.

The Municipal Government structure for West Manheim Township has also changed its face from the past. West Manheim Township was the first municipality in York County to adopt a Comprehensive Plan for land planning. The Township adopted its first Zoning Ordinance and Subdivision and Land Development Ordinance in 1969. These Ordinances and their amendments allow the Township to plan an orderly development of the community.

Police protection began in 1979 with the appointment of a full-time Police Chief. Before 1979, police protection for the Township consisted of part-time Township Police Officers and the Pennsylvania State Police. Since 1979, the Township Police force has grown to include a Police Chief and eight full-time Police Officers.

From 1854 to 1960, all Township functions were held at the private home of an elected official. The Township in 1955 made a purchase of a tract of land from Oscar Nace. This tract of land contained a building that was used to house the Township Road Equipment. In 1960, The Township added an addition to the existing structure to conduct Township Meetings and in 1973 another building was constructed to add garage space and an office/meeting area. The Township's Municipal Offices are currently located at 2412 Baltimore Pike.

Manager's Budget Message



Marc Woerner, Township Manager
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Hanover, PA 17331
Telephone: 717-632-0320

E-Mail: mwoerner@westmanheimtwp.com
Website: www.westmanheimtwp.com

November 15, 2016

The 2017 Budget is respectfully submitted to the West Manheim Township Board of Supervisors and the residents of West Manheim Township. This budget complies with the 2nd Class Township Code and the requirements of the Commonwealth of Pennsylvania. The submitted 2017 budget represents the necessity to have strong financial practices and carry those practices into the future.

The following budget narrative outlines the anticipated revenues and expenditures of the Township's operations, general government operations, police and emergency services, roads, recreation and wastewater systems. The Township's annual budget is designed to be a roadmap for the management of the Township's funds.

- Public infrastructure is built and maintained
- Recreation for citizens is provided
- Public health, safety and welfare is protected by Police and Emergency Services and Wastewater collection
- The Township's overall financial integrity is maintained to meet service and debt obligations
- Adequate levels of citizen services are maintained
- Improved quality of life is sought for all citizens

The budget sets the Township's annual General Operating Budget, as well as, the Highway Aid/Liquid Fuels Budget, the Recreation Park Budget and the Sewer Budget. The budget narrative is intended to provide supporting background data and information to enable the Board of Supervisors and the public to more completely understand the Township's required needs for funding. These Township's needs are not only driven by a desire to maintain essential resident services, public safety and adequate infrastructure, but also by the unfunded mandates placed upon it by the Commonwealth of Pennsylvania and the Federal Government.

I would like to express my thanks to the Township staff and the Board of Supervisors for their help in creating the 2017 Budget. I am truly blessed to be able to serve West Manheim Township as its Township Manager.

Respectfully,
Marc

Marc Woerner
Township Manager

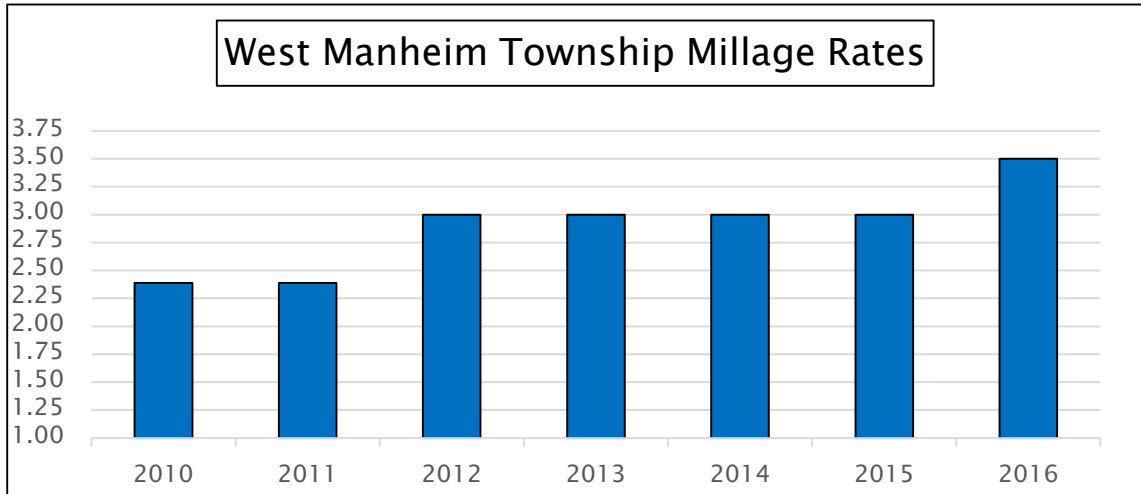
2017 Township Budgets

	Revenues	Expenditures
General Fund Budget	\$4,611,790	4,611,790
Sewer Fund Budget	\$1,673,650	\$1,673,650
Highway Aid Fund Budget- Liquid Fuels	\$368,339	\$368,339
Recreation Park General Budget	\$18,730	\$18,730

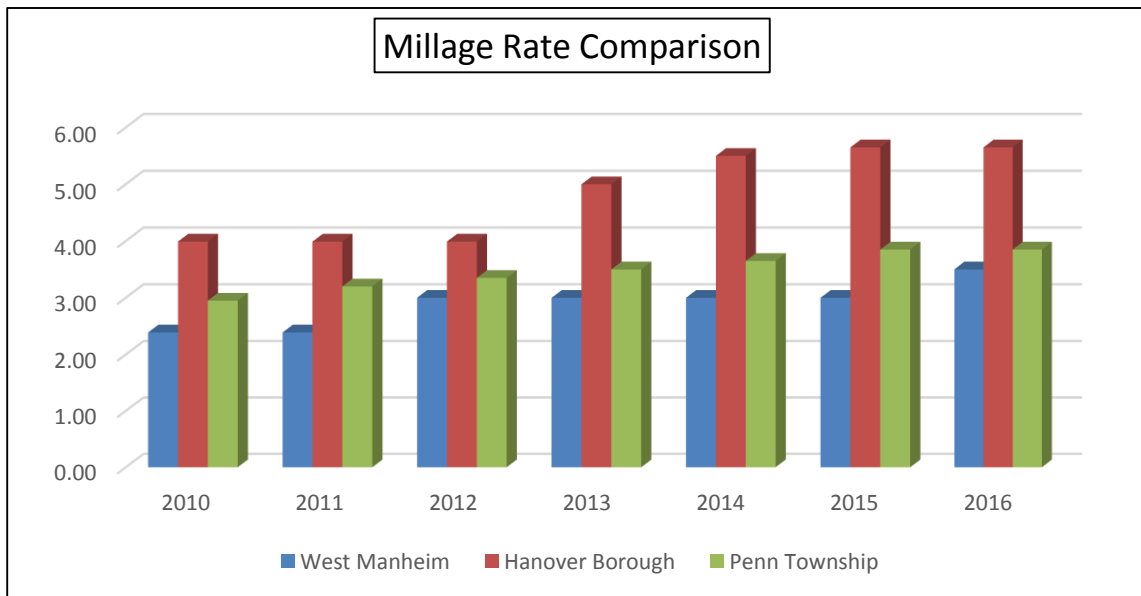
BASIC POLICIES AND ASSUMPTIONS

- A basic premise in preparing the 2017 Budget is that in recent years, expenses have outpaced revenues. A millage rate increase is therefore necessary for revenues to meet the required expenses. To enable the Township to continue to fund day-to-day operations, there will need to be a 1.0 mill increase. There will be no rate increase for sewer utility users in 2017.
- The Township has estimated revenues conservatively
- 80+% of Township expenditures are fixed or capital expenses
- Existing levels of service shall be maintained
- It is the objective of the Township to increase reserve fund balances in both the general fund and the sewer fund, reduce debt and minimize borrowing
- Due to fiscal demands, capital projects and purchases that were originally proposed in the draft budget, except for the most necessary, have been delayed to 2018. Adequate budget amounts should maintain the Township's assets and levels of service
- The Township will project its equipment and vehicle replacement needs for the next five years and will update this projection each year as budgets are prepared
- The Township will pursue State, Federal and private grant sources available for major equipment purchases, infrastructure improvements and projects

The chart below illustrates a 7-year history of real estate tax rates for West Manheim Township. West Manheim has only raised real estate tax rates twice in 7 years.



The chart below is a comparison of West Manheim Township's real estate tax rate to neighboring townships and boroughs—2010-2016. *Sourced from YorkCountyPA.gov



REAL ESTATE TAX

The current 2016 real estate tax is set at 3.5 mills. The proposed real estate tax for 2017 will be 4.5 mills.

	2016 Assessed Valuation Summary- All Parcels	Exempt Amount	2016 Taxable Assessed Value	2017 Millage Rate	2017 Anticipated Revenue on Assessed Valuation
West Manheim Township Assessed Total * As of October 6, 2016	\$652,311,716	\$45,602,646	\$606,709,070	4.5	\$2,689,238
Impact of Tax Adjustment on Household Assessment:					
	<u>3.5 Mills</u>	<u>4.5 Mills</u>			
\$100,000	\$350	\$450			
\$150,000	\$525	\$675			
\$200,000	\$700	\$900			

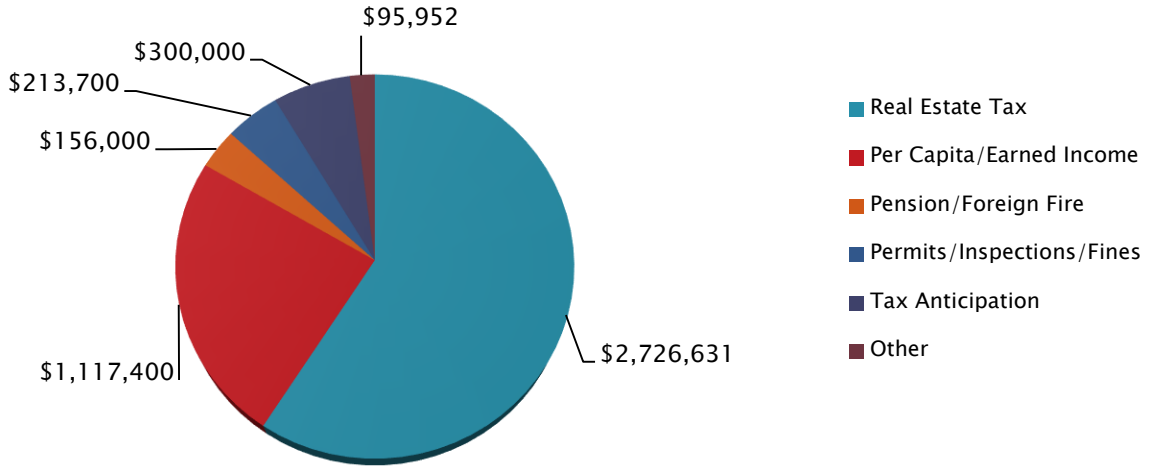
DEBT ANALYSIS

The Township has two long term General Obligation Bonds and one short term General Obligation Bond.

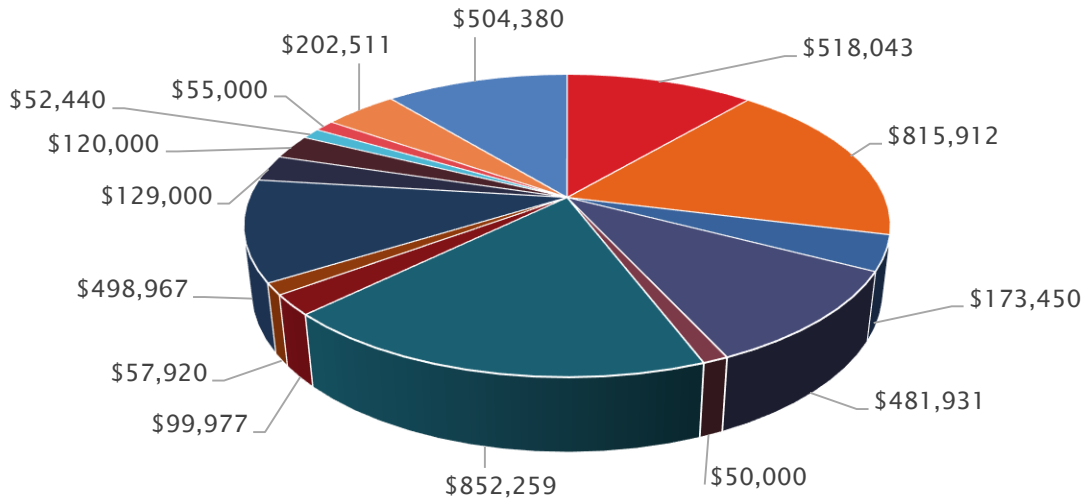
Debt Schedule

<u>Bond</u>	<u>Current Balance</u>	<u>2017 Annual Payment</u>	<u>Maturity</u>
2013 GOB Issue- Sewer	\$6,986,343.78	\$386,512.50	5/01/2034
2016 GOB Issue- Infrastructure Refinance	\$1,180,062.00	\$273,601.20	3/15/2021
2016 GOB Issue- Sewer	\$2,373,726.97	\$70,478.76	12/31/2034
- Township	\$2,670,715.73	\$275,656.26	12/31/2027
* balances as of November 4, 2016			

ANALYSIS OF GENERAL FUND REVENUES



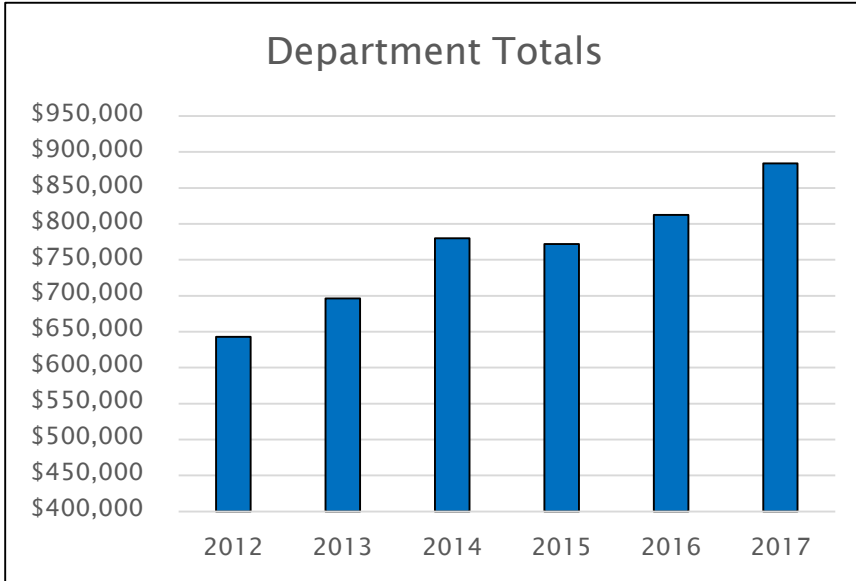
ANALYSIS OF GENERAL FUND EXPENSES- 89%- FIXED OR CAPITAL



- Fixed Expenses
- Non Uniformed Personnel Payroll
- Police Personnel Payroll
- EMT Personnel Payroll
- Pension- Uniform/Non
- Insurance- Property/Liability
- Bond/ TAN Payments
- Workers Comp Insurance
- Foreign Fire Relief
- Med/Dental/Vis Insurance
- FICA/Medicare-UC Insurance
- Building Utilities/Improvements
- IT/Computers/Software
- Fire Hydrant Rent
- Transfer to Operating Reserve
- Difference

GENERAL FUND EXPENSES

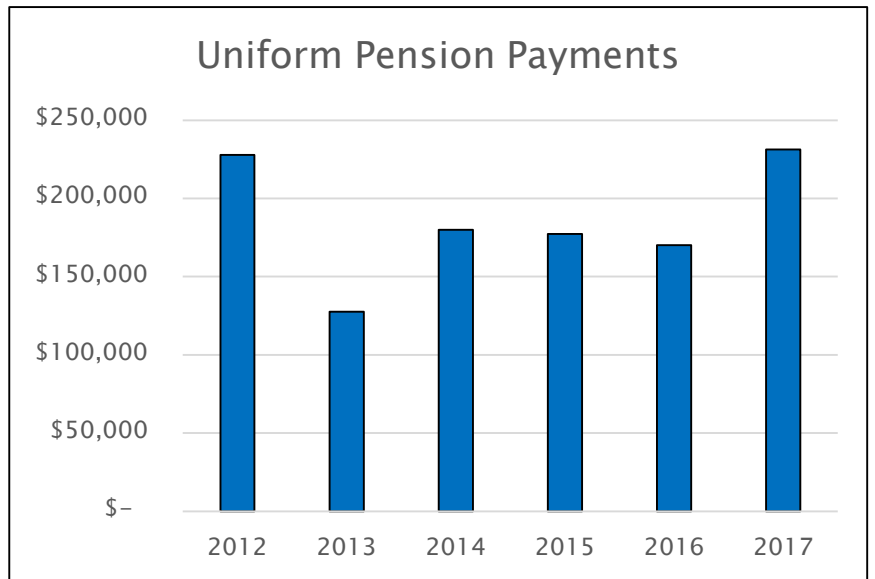
The chart on the previous page illustrates the breakdown of expenditures from the Township's general fund. The cost of Public Safety for 2017 is West Manheim's largest budgeted expense at \$884,102.



Police Department – The cost of providing police services has continued to increase. These increases are due to contractual payroll increases and additional personnel.

Township paid pension payments for uniformed police from 2012-2017*.

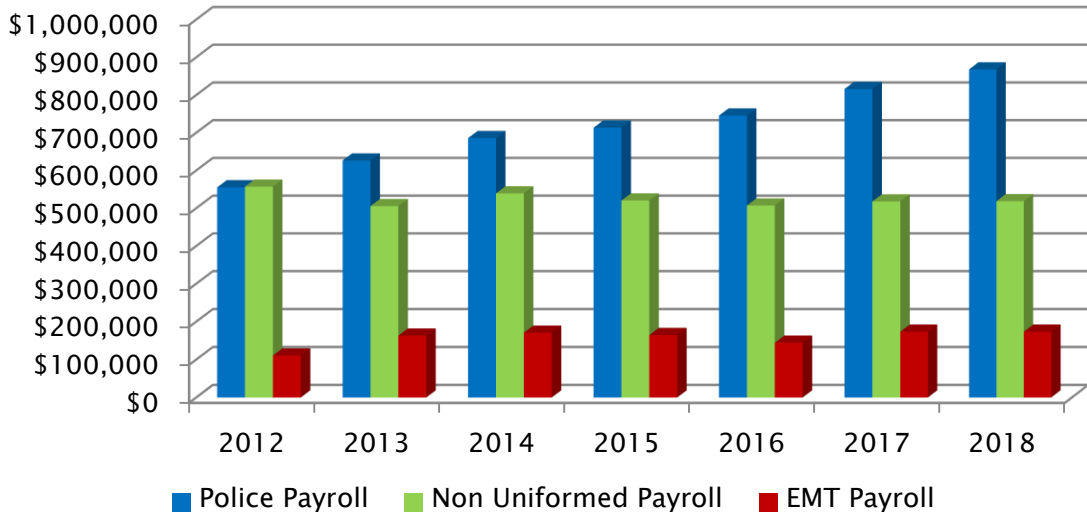
*2017 represents the designated budgeted MMO



HUMAN RESOURCE FACTORS

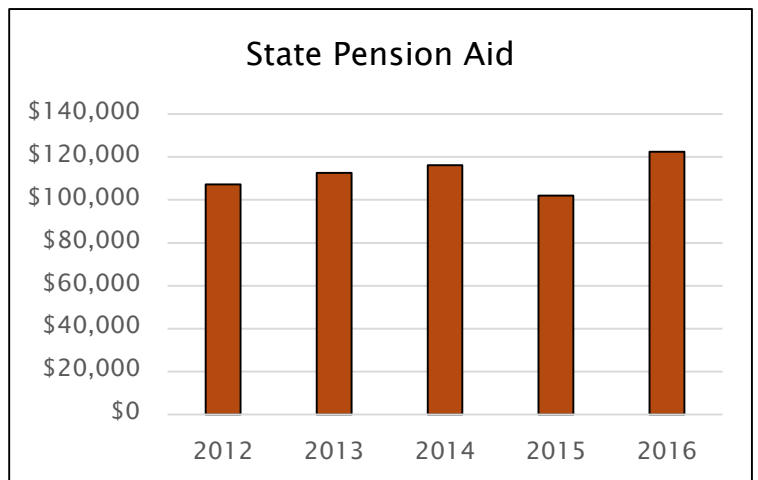
Personnel and labor costs are typically the largest expense to any employer. It is important to understand historical trends relative to labor, and strive to control those costs.

Payroll Trends- 2018 estimated



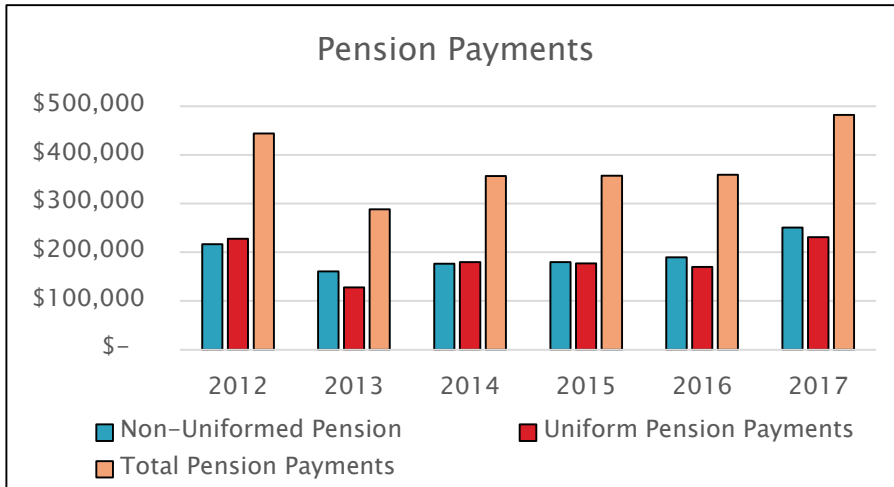
Pension Plans – Pension plan payments are dependent on market conditions. A depressed market condition can result in additional funds being spent to meet the Township’s Minimum Municipal Obligation (MMO) as required by law. Conversely, the same can be true if market conditions are good. In the charts below you can see the amounts of State Aid and funds that have been paid out of the Township’s General Fund towards pensions.

The Township receives State Aid from the Commonwealth that must be applied to pension premiums.



Pension Plans (cont.) – Township employees will continue to contribute toward the cost of retirement. For 2017, contributions to the pension plans will remain at 5% for uniformed employees. Additionally for 2017, non-uniformed employee's contributions will remain at 5% for those employees hired prior to January 1, 2011 and 7% for employees hired after January 1, 2011.

Even with improved investment returns, a major financial concern facing West Manheim in 2017 and beyond continues to be the cost of employee pensions.

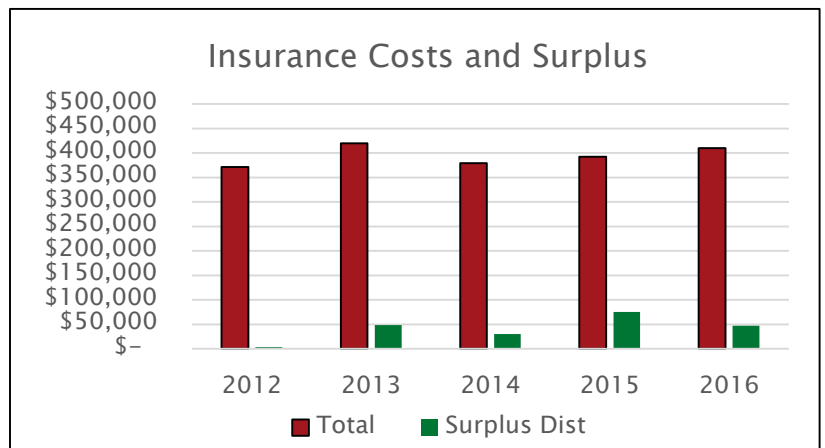


The chart to the left represents the amount of funds paid out of the Township's general fund towards both uniformed and non-uniformed pensions.

Employee Healthcare – The Township participates in an Intergovernmental Insurance Cooperative (IIC) to reduce the cost of health insurance. The IIC goes to market and obtains the lowest cost healthcare for the Township. Through the IIC, the Township has the potential to receive yearly surplus distributions if insurance claims remain low.

The implementation of the Affordable Care Act has had a dramatic impact on the cost of employee healthcare across both public and private sectors. In recent years, the Township required cost sharing contributions from non-uniformed employees and increased deductibles to save on premium costs. Due to a contractual bargaining agreement that ends at the end of 2017, uniformed police department personnel do not make contributions towards health care premiums. In 2017 the Township is receiving a 13.5% or \$52,403 increase in medical insurance premiums.

The chart to the right shows healthcare costs, including medical, dental and vision as well as the surplus distributions from the Intergovernmental Insurance Cooperative (IIC).



FUTURE BUDGET CONSIDERATIONS

The 2017 budget is very lean and we need to continue to seek out new ways to reduce costs while maintaining a minimum level of resident services. Transfers must continue to be deposited into operating reserves in each of the next several years to build the necessary reserve levels. Adequate reserve fund levels allow the Township the ability to respond to unforeseen circumstances and/or the flexibility to take advantage of opportunities.

The Township needs to avoid the current cycle of taking out Tax Anticipation Notes. Operating reserves need to be at a minimum level that can sustain the Township's day-to-day operations through at least May of any given year and still have funds on hand.

As the Township considers future capital projects, equipment replacements and infrastructure improvements, it needs to also be aware of increasing wages, pensions and healthcare costs that can have significant financial impacts.

The Township needs to budget for these items in 2018 and beyond-

- Increasing road, stormwater and infrastructure revenue
- Continue to budget for municipal building roof restoration for the next 5 years
- Municipal parking lot repairs and maintenance
- Municipal building generator as the second emergency command center
- Remainder of IT server upgrade in 2018
- Part Time Office Assistant
- Replacement cycle for all Township assets, including vehicles and equipment
- Recreation Park operations

BUDGET PROCESS

The West Manheim Township Budget is the product of numerous hours of work by township staff and elected officials. The budget process began in August 2016 with internal meetings among staff and reviewing actual year-to-date figures. Once initial needs were identified a draft was presented to the Board of Supervisors for review at their September 20, 2016 meeting. The budget continued to be scrutinized line by line and revised over the next several meetings into what you see today. The proposed 2017 budget will be presented at the November 15, 2016 Board of Supervisors meeting. At this meeting the Board should authorize the budget for advertisement for its twenty day review period. Once the budget has been advertised and sustained review, it should be adopted at the Board's December 20, 2016 meeting.