

# *West Manheim Township*



## **2018 Budget**

## West Manheim Township Administration

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

Miriam Clapper  
Township Secretary

Heather Bair  
Code Enforcement Officer

Jeanette Lepley  
Treasurer

Brittany Sharp  
Office Assistant

## West Manheim Township Board of Supervisors

Harold Hartlaub, Chairman  
Jeremy Ault, Vice Chairman  
James Staaf  
Brian Blettner  
Duane Shaulis

C.S. Davidson~ Engineer  
Stock and Leader~ 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  
Officer Joshua Bower  
Officer Shawn Ricketts  
Officer Justin Seibert  
Officer Randy Wagner

## Emergency Medical Technicians

Jerry Misner  
Brian Bankert  
Paul Storke, Jr  
Eric Miller  
Matt Barnes  
Matt Johnson  
Mike Rebert  
Isaac Burke  
Joshua Gursky

## Public Works Department

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

## Utilities/Maintenance Department

Tim Pfaff  
Maurice Strausbaugh

## Township Commissions & Boards

### Planning Commission

Jim Myers  
Andy Hoffman  
Darrell Raubenstine  
Duane Diehl  
Jay Weisensale

**3<sup>rd</sup> Thursday of Month – 7 pm Township Office**



### Zoning Hearing Board

Jeff Garvick  
Michael Hawkins  
Holly Zumbrum  
Ron Wentz  
David Appleby

**Meets As Required  
4<sup>th</sup> Tuesday of Month – 7 pm – Township Office**

### West Manheim Tax Collector

Ruth Neiderer

### Recreation Board Members

Vacant, Chairman  
Dave Kuhn, Vice Chairman  
Kelli Reed, Secretary  
Deb Marsh  
Jeff Klenk  
Adam Reed  
Jonathan Smith  
Colleen Smith

**2<sup>nd</sup> Tuesday of Month – 6 pm Township Office**



### Emergency Management Coordinator

Michael Hampton

## 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 approximate 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 tractors 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.



Marc Woerner, Township Manager  
2412 Baltimore Pike  
Hanover, PA 17331  
Telephone: 717-632-0320

E-Mail: [mwoerner@westmanheimtwp.com](mailto:mwoerner@westmanheimtwp.com)  
Website: [www.westmanheimtwp.com](http://www.westmanheimtwp.com)

November 21, 2017

## EXECUTIVE SUMMARY

The 2018 Budget is respectfully submitted to the West Manheim Township Board of Supervisors and the residents of West Manheim Township. This budget complies with the 2<sup>nd</sup> Class Township Code and the requirements of the Commonwealth of Pennsylvania. The submitted 2018 budget represents the results of holding expenditures in check, providing for operational Township necessities, and the need to have strong financial practices and carry those practices into the future.

The 2018 budget is balanced and is designed to provide guidance and a plan for Township funds and general operations. 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.

- Public infrastructure is improved 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
- 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 2018 Budget. I am truly blessed to be able to serve West Manheim Township as its Township Manager.

Respectfully,  
*Marc*

Marc Woerner  
Township Manager

# Mission and Goals of West Manheim Township



During the early part of 2017, Township staff began work on a mission and goals statement. They felt that it would be beneficial for our residents and community to know the Township's clearly stated mission and goals for the future. The staff is proud to profess the statements below. These statements were adopted by the West Manheim Township Board of Supervisors on August 15, 2017.

## MISSION

*West Manheim Township and its employees recognize the Value of Public Service and are dedicated to earn and maintain the Public Trust by holding ourselves accountable to the highest standards of Professional Conduct, Ethics, and Integrity.*

## GOALS

- *To provide cost-efficient, essential services that provide value to our residents*
- *To protect Life and Property by promoting the Health, Safety and Welfare of our residents*
- *To communicate and educate our community regarding services and community*
- *To ensure financial health and integrity through sound operating principles*

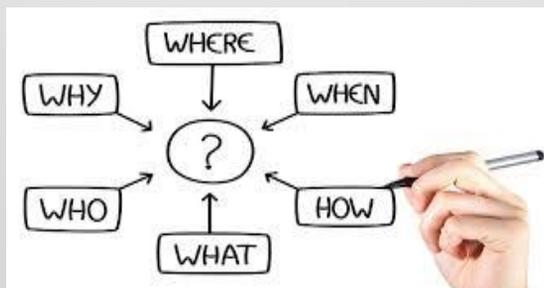


## 2018 Township Budgets

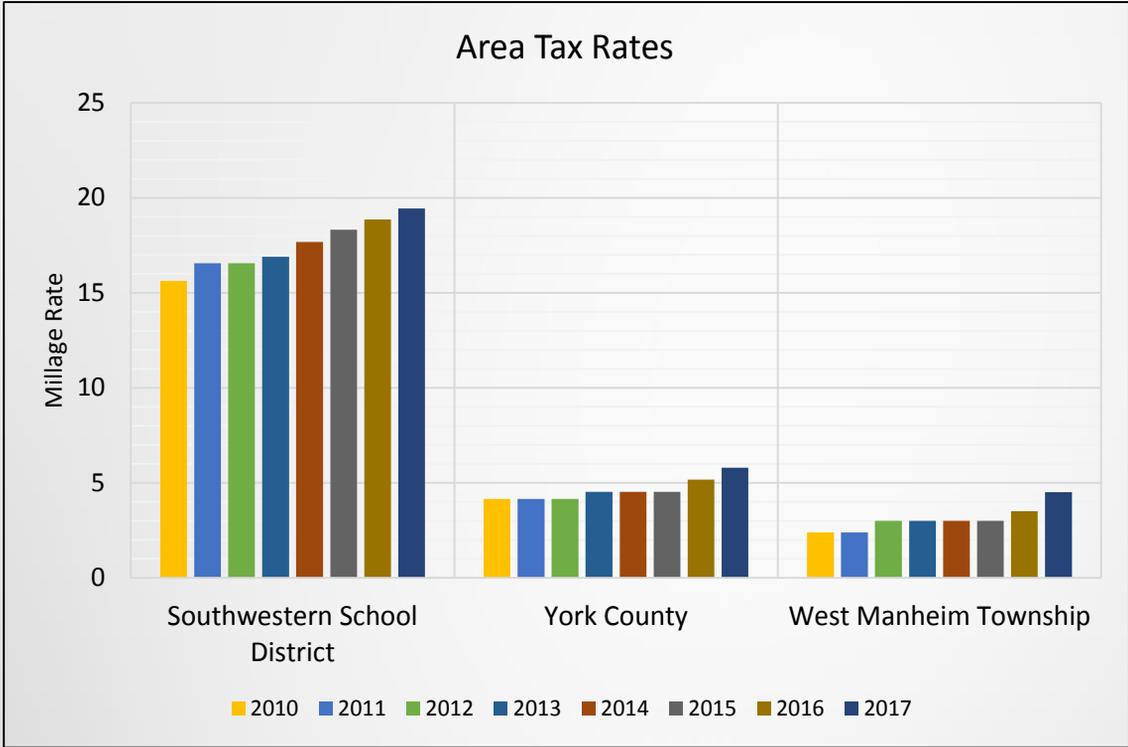
	Revenues	Expenditures
General Fund Budget	\$ 4,582,223	\$ 4,582,223
Sewer Fund Budget	\$ 1,785,555	\$1,785,555
Highway Aid Fund Budget- Liquid Fuels	\$ 385,370	\$ 385,370
Recreation Park General Budget	\$ 53,400	\$ 53,400

### BASIC POLICIES AND ASSUMPTIONS

- Even though expenses continue to outpace revenues, hold the line for taxpayers by not increasing real estate taxes for 2018, while funding essential day-to-day operations
- Planning under the assumption of no real estate tax increases, only the most necessary capital projects and purchases were funded
- Find additional sources of revenue under provisions of the Second-Class Township Code
- Place appropriate, conservative estimates on revenues
- 84% of Township expenditures are fixed or capital expenses
- Maintain existing levels of resident service
- The Township must continue to build and maintain reserve fund balances, minimizing borrowing and additional debt service
- Additional necessary projects and purchases would be re-evaluated for the 2019 budget cycle. Budget should maintain assets and service levels
- The Township needed to begin a fleet and equipment replacement cycle
- There will be no rate increase for sewer utility users in 2018
- The Township will pursue grant sources available for major equipment purchases, infrastructure improvements and projects

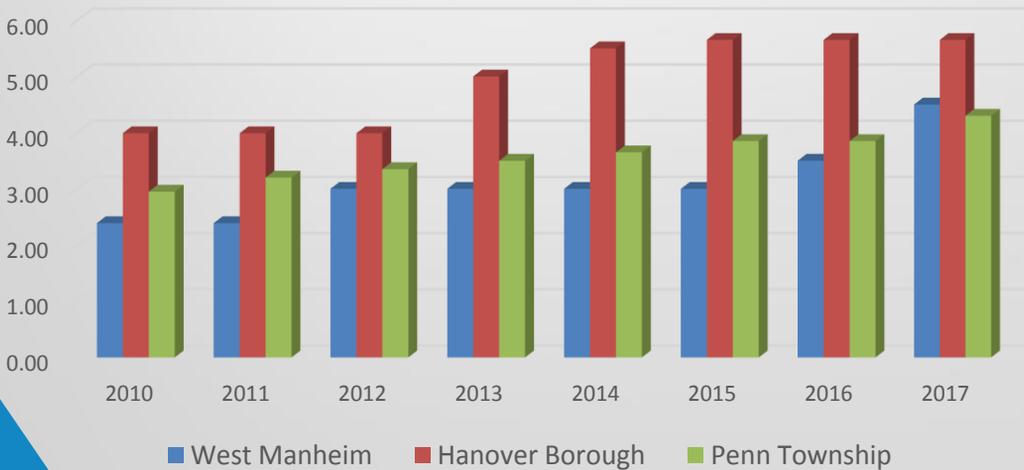


The chart below illustrates the 8-year history of real estate tax rates for West Manheim Township. West Manheim has only raised real estate tax rates 3 times in 8 years. \*Sourced from YorkCountyPA.gov



The chart below is a comparison of West Manheim Township's real estate tax rate to neighboring townships and boroughs— 2010-2017. \*Sourced from YorkCountyPA.gov

### Millage Rate Comparison



## How does my property get an assessed value?

York County determines tax assessments. Those determinations are made by licensed assessors. The goal of the process is to properly determine the market value of a given property. The assessed value is then used in conjunction with millage rates set by the taxing authorities (school districts, the county and municipalities) to determine the property taxes owed. Market Value has been defined by the State Supreme Court as "the price in a competitive market a purchaser, willing but not obligated to buy, would pay an owner, willing but not obligated to sell, taking into consideration all the legal uses to which the property can be adapted and might reasonably be applied."

**Please note:** The Assessment Office does not establish property tax costs. The Assessment Office only establishes the Fair Market Value of the property for ad valorem (at value) tax purposes. The taxing authority (county, municipality or school district) establishes the tax cost through millage (tax) rates. The assessment of a property may be periodically adjusted through countywide reassessments as authorized by the York County Board of Commissioners. Assessments also may be adjusted due to improvements to a given property or because of assessment appeals sought by the property owner.

\* Source- yorkcountypa.gov tax assessment website

	2017 Assessed Valuation Summary- All Parcels	Exempt Amount	2017 Taxable Assessed Value	2018 Millage Rate	2018 Anticipated Revenue on Assessed Valuation
West Manheim Township Assessed Total	\$ 667,908,336	\$ 50,640,316	\$ 617,268,020	4.5	\$ 2,736,040

\* As of October 13, 2017



Where does the Township get its revenue?

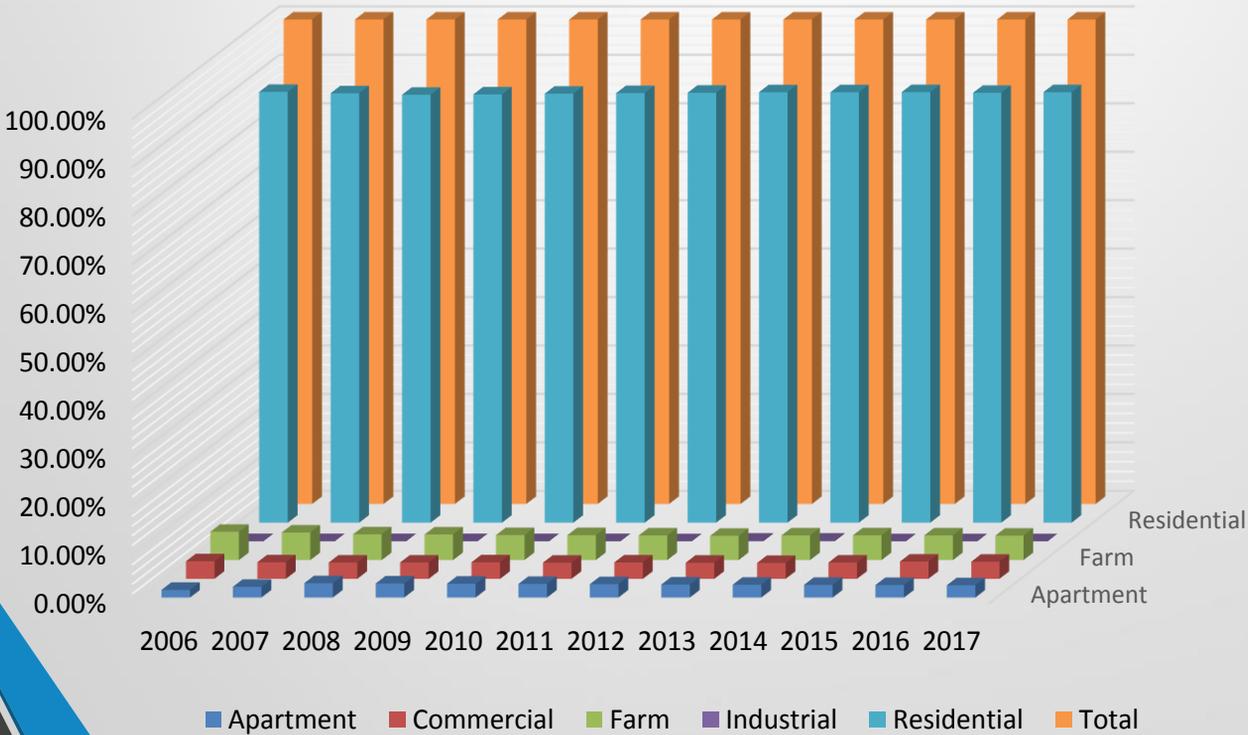
Currently, taxable real estate equals  
\$617,268,020

Categorical Breakdown-  
 Apartments- \$15,685,900  
 Commercial- \$21,753,220  
 Farm- \$31,117,064  
 Industrial- \$239,090  
 Residential- \$548,472,746



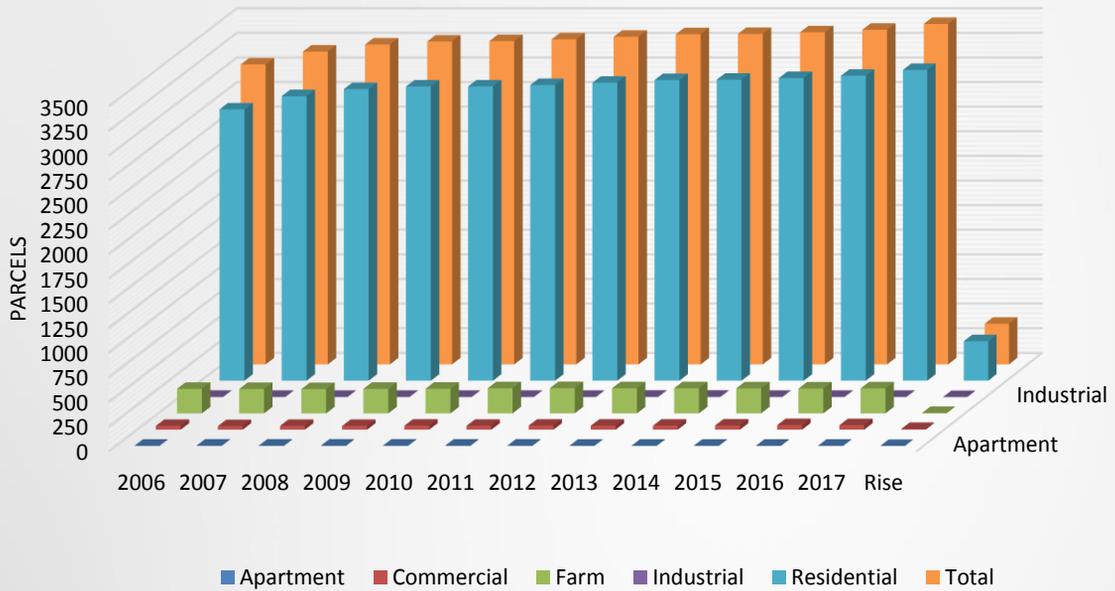
Answer - The residents of West Manheim Township.

Percent of Taxes by Category 2006-2017  
 \*Source- York County Assessment Office



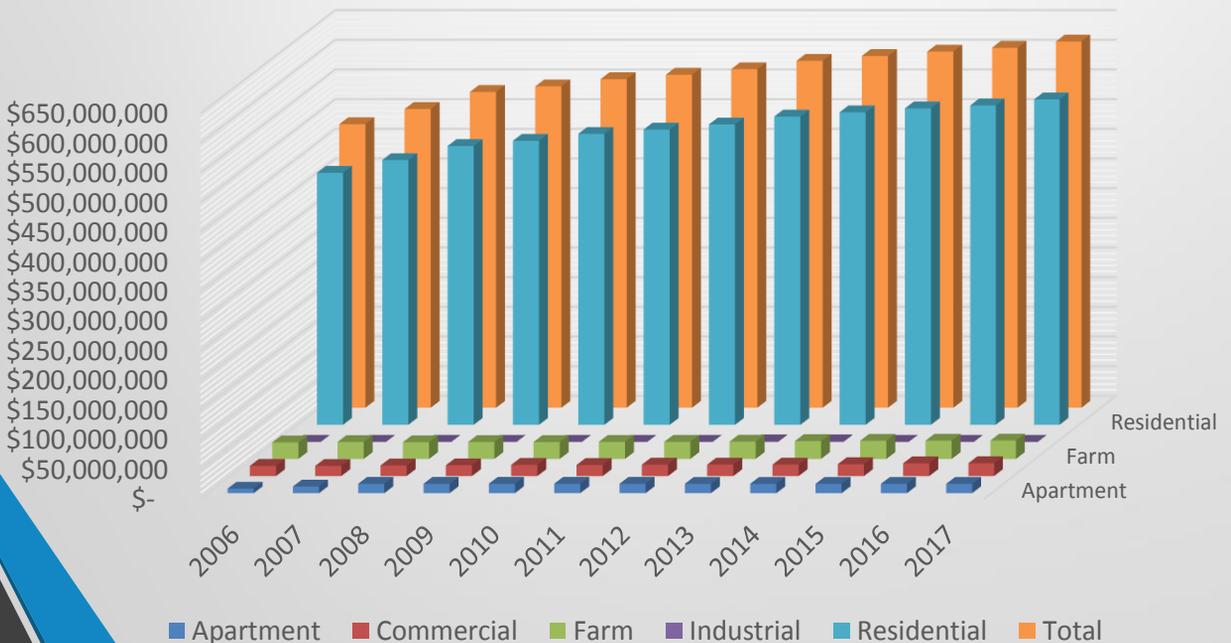
### PARCEL COUNT 2006-2017

\*Source- YorkCountytpa.gov



### HISTORICAL VALUATION TOTALS 2006-2017

\*Source- YorkCountytpa.gov



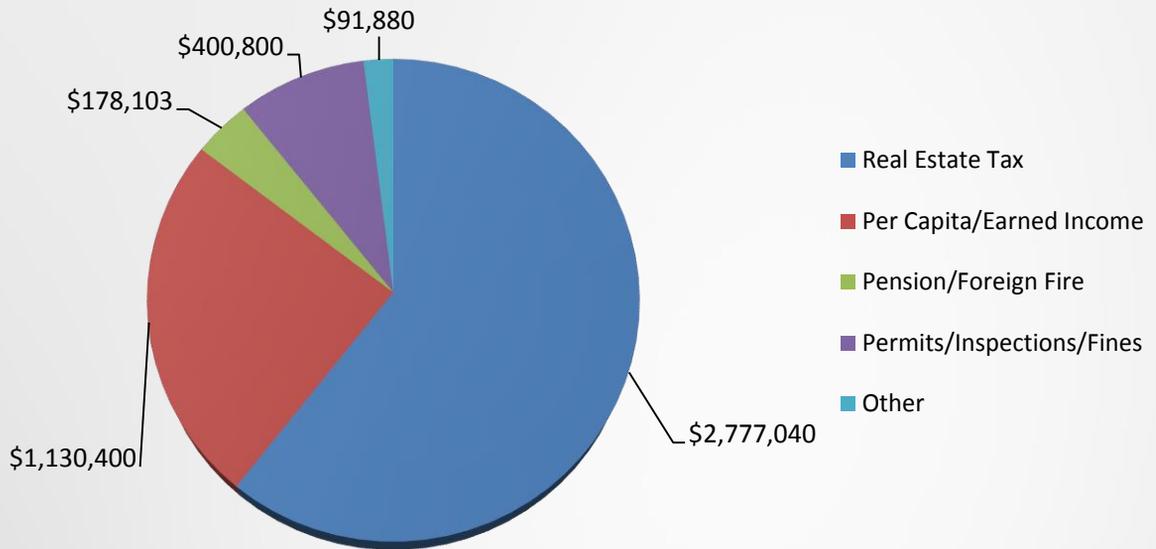
**REAL ESTATE TAX**

There are **NO** proposed Township real estate tax increases for 2018.



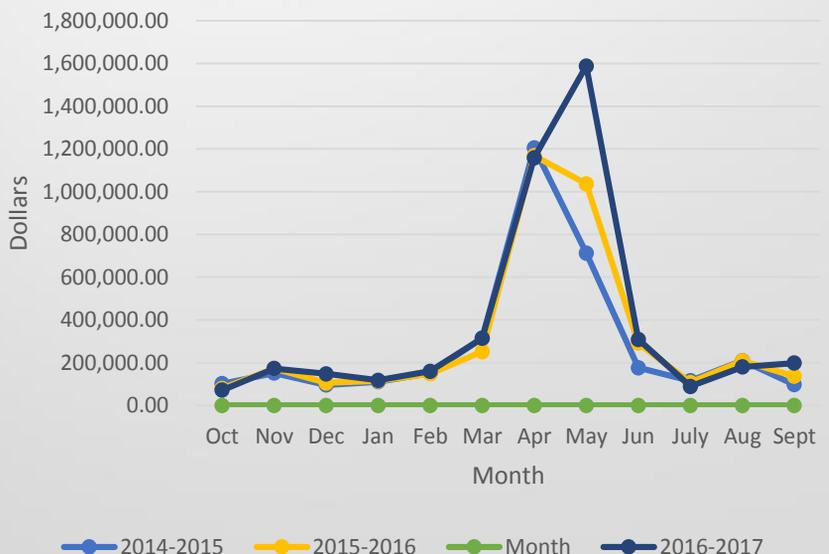
**HOLD  
THE  
LINE**

**ANALYSIS OF GENERAL FUND REVENUES**



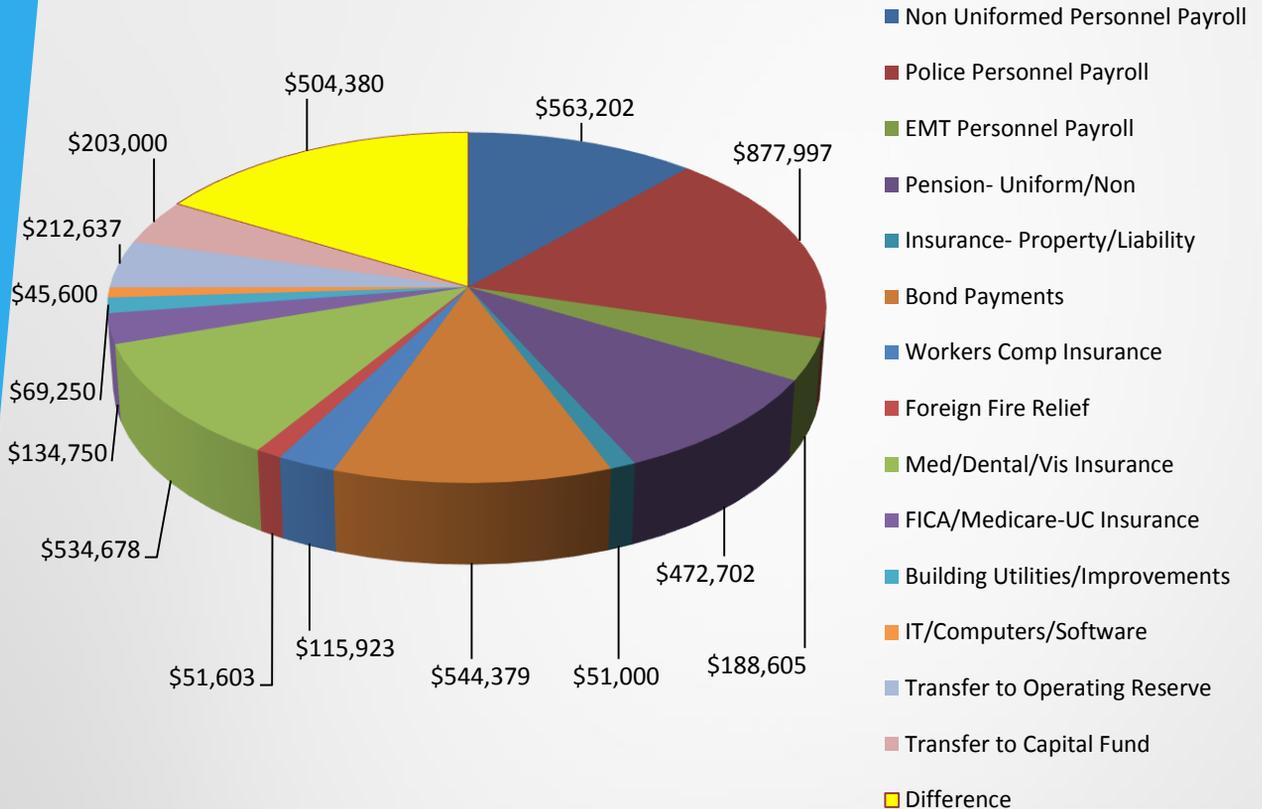
West Manheim Township receives the bulk of their operating funds during the months of April and May of each year. Having appropriate funds set aside for the entire year requires wise planning. In 2017, the administration invested tax receipts in a municipal money market account which generated interest deposits. 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.

Income by Month Oct 2014 - Oct 2017



**GENERAL FUND EXPENSES**

**ANALYSIS OF GENERAL FUND EXPENSES - 84% - FIXED OR CAPITAL**



**DEBT ANALYSIS**

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

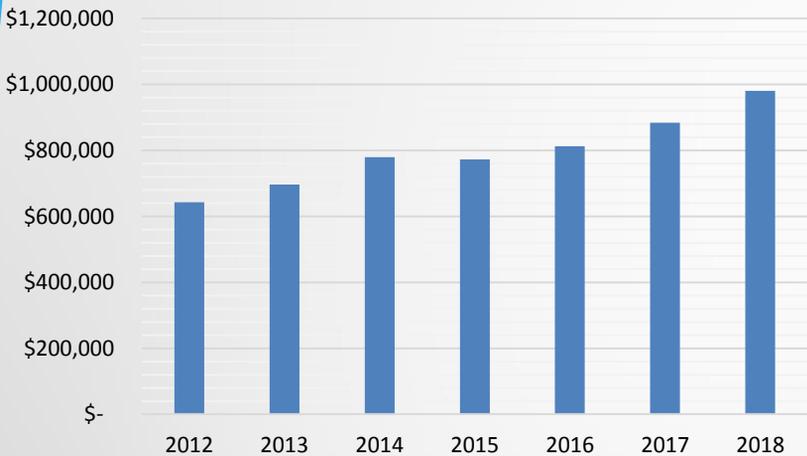
<u>Bond</u>	<u>Current Balance*</u>	<u>2018 Annual Payment</u>	<u>Maturity</u>
2013 GOB Issue - Sewer	\$ 6,599,831	\$ 387,950	5/01/2034
2016 GOB Issue - Infrastructure	\$ 861,000	\$ 267,106	3/15/2021
2016 GOB Issue - Sewer Portion	\$ 2,303,248	\$ 139,416	12/31/2034
- Township Portion	\$ 2,395,059	\$ 277,271	12/31/2027

\* balances as of November 21, 2017

**GENERAL FUND EXPENSES**

The chart on the previous page illustrates the breakdown of expenditures from the Township's general fund. The cost of Police Services for 2018 is West Manheim's largest budgeted expense at \$980,307.

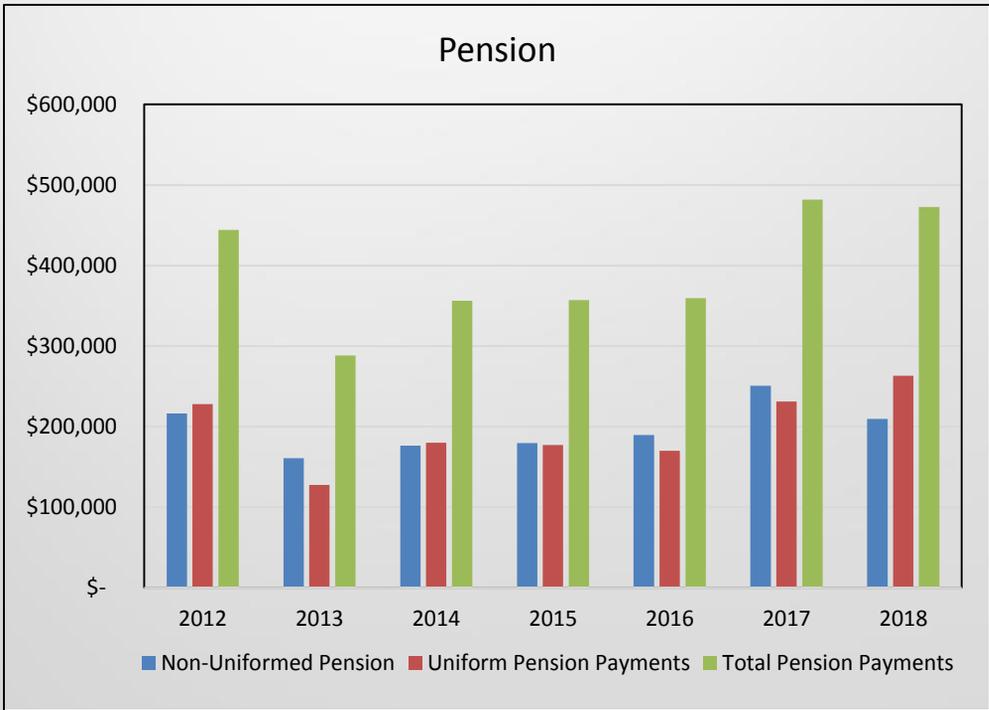
**Department Totals**



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

Township paid pension payments from 2012-2018\*.

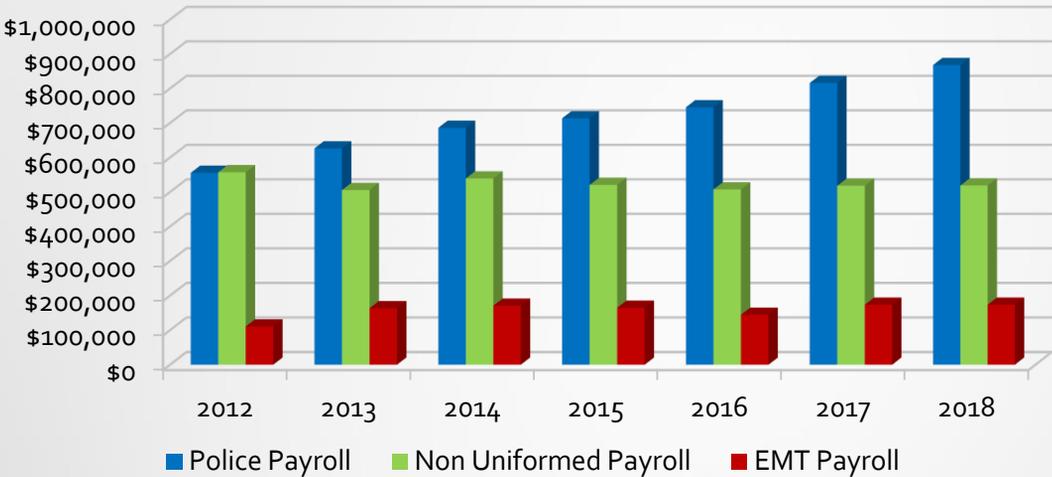
\*2018 represents the designated budgeted Minimum Municipal Obligation (MMO).



**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.

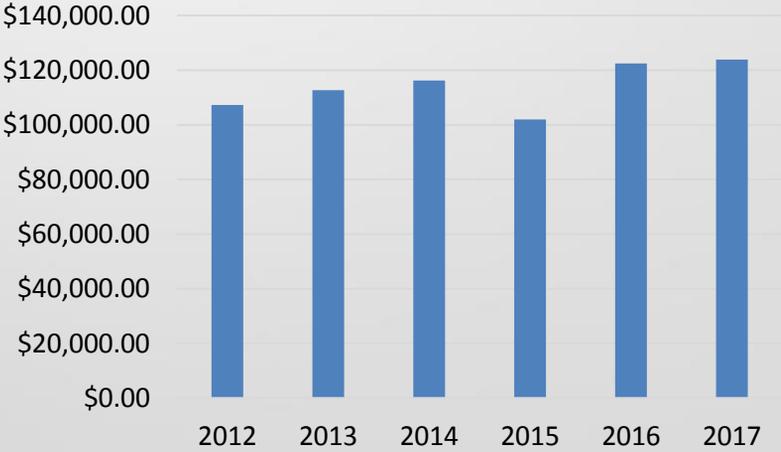
Payroll Trends



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.

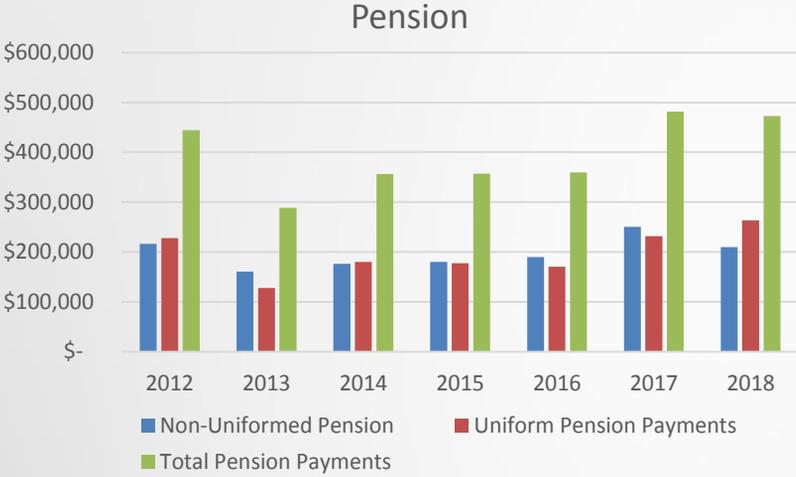
State Pension Aid

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



**Pension Plans (cont.)** – Township employees contribute toward the cost of retirement. Uniformed employees contribute 5% of their annual salary. Additionally, 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 not only West Manheim Township, but the Commonwealth in general in 2018 and beyond continues to be the cost of employee pensions.

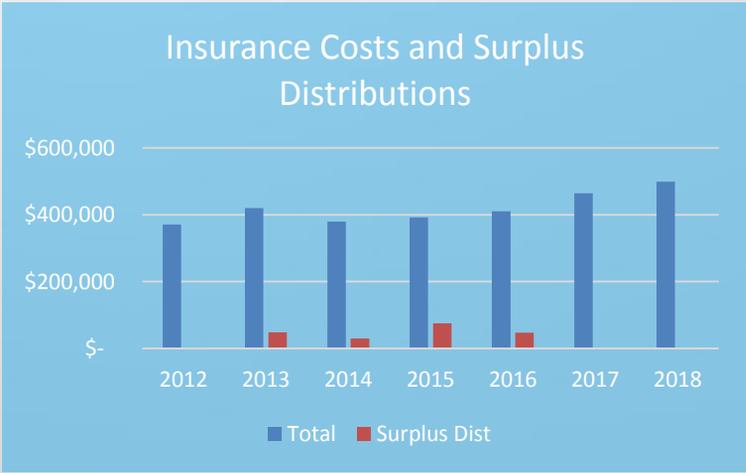


The chart to the left represents the amount of funds paid out of the Township's general fund towards both uniformed and non-uniformed pensions.

**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 and uncertainty 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 employees and increased deductibles to save on premium costs. In 2018 the Township is receiving a 9.8% 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). Any surplus distributions for 2017 have yet to be determined.



# Capital Budget

What is a capital expenditure?

Capital expenditures or capex are the amounts spent for tangible assets that will be used for more than one year in the operations of a business. Capital expenditures can be thought of as the amounts spent to acquire or improve a company's fixed assets. Some examples include the purchase of machinery, equipment, furniture, building improvements, computer information systems, and leasehold improvements.

Why do we need them?

Infrastructure, like roads and bridges, equipment, vehicles and other major assets have a useful lifespan. Once that useful lifespan is reached, the asset must be replaced, either by purchasing it outright, or by borrowing the needed capital. The best way to replace an asset is to plan for its replacement in advance and setting aside the funds to replace it.



## FUTURE BUDGET CONSIDERATIONS

The 2018 budget provides the minimum for the future. Essential equipment and vehicles need to be planned for replacement by following through on the process that was started in 2018. A comprehensive fleet and vehicle replacement cycle needs to be established and carried out. Having this replacement process in place will allow the Township to provide for the necessary services of our residents through dependable use of assets. Along with the fleet and equipment, replacement and purchase of other capital items need to be planned. Roads, bridges, parking lots, roofing, among other things need to be considered when developing future budgets.

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. 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 2019 and beyond-

- Increasing road, stormwater and infrastructure revenue
- 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
- Continue to budget for municipal building roof restoration for the next 4 years
- Municipal parking lot repairs and maintenance
- Municipal building generator as the second emergency command center
- 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 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. The budget continued to be scrutinized line by line and revised over subsequent meetings and two budget workshops into what you see today. Once the budget has been advertised and sustained public review, it should be adopted at the Board's December 19, 2017 meeting.

