

**Board of Supervisors Budget Workshop Meeting**  
**November 4, 2024**

The East Lampeter Township Board of Supervisors met on Monday, November 4, 2024 at 3:00pm at the East Lampeter Township Office: 2250 Old Philadelphia Pike, Lancaster, PA 17602. The statement of recorded meetings was played for all in attendance. In the absence of Chairman Mr. Corey Meyer, Vice Chairman Ethan Demme called the meeting to order at 3:00pm, followed by the Pledge of Allegiance. In addition to Vice Chairman Ethan Demme, Supervisors present were Mr. Roger Rutt and Mr. Mike Thornton. Supervisor Ted Gallagher was present via Zoom. Also present in the meeting room was Mr. Ralph M. Hutchison, Township Manager, Ms. Tara Hitchens, Assistant Township Manager, Mr. Charles Thomas, Public Works Director, Mr. Kevin Hostetter, Finance Director, Mr. Stephen Zerbe, Chief of Police, and Ms. Stephanie Leakway, Administrative Assistant.

**Public Present:**

Harvey Meyer - resident

**Public Comment on Non-Agenda Items:**

None

**2025 Budget Workshop Discussion:**

Mr. Hutchison followed up on the August 21, 2024 workshop noting staff have been working on budget items. He then summarized the documents provided to Board members for review which included a real estate tax history, county-wide millage rates, and costs shared with Upper Leacock Township for police services.

Mr. Hutchison provided an overview of the General Fund, the largest operating fund for the Township comprised of various tax revenues. The current budget draft expenses exceeds the fund revenues but maintains the Board policy to have 18% remaining in the fund as carryover at the end of each year. Options to address the overage are reducing expenditures by cutting programs and services and/or increasing revenue by increasing real estate taxes. Ms. Hitchens noted the General Fund summary was reached by removing the Gibbons Park and Nolt Mill projects, a reduction of \$430,000.00. Mr. Rutt asked when the next property assessment will be completed. Mr. Hutchison said possibly in 2026, taking effect in 2028. Development has been offset by the appeals process and due to appeals, the 2025 taxable assessed value will effectively be lower than 2018. However, properties are reassessed as improvements are made. Income tax also increases each year based on the addition of wage earners in the Township as well as increases in resident wages. Mr. Thornton stated he appreciates the cost savings over the last year and the need to be responsible with projects. He asked about incremental tax increases and when to consider borrowing from other funds. Mr. Hutchison added he does not recommend borrowing from other funds to balance the General Fund. Specifically, the Capital Reserve should remain intact for current and future projects. Staff are looking for additional General Fund reductions. Of note, the purchase of materials for road maintenance was moved from the General Fund to another appropriate fund, Highway Aid.

Mr. Thornton asked to clarify the need for the current number of police officers. Chief Zerbe said the number is influenced by the call-per-officer ratio and annual call volume, noting East Lampeter is #2 in

the county for calls-per-officer. Chief Zerbe informed one sworn officer role could be replaced by a civilian. Mr. Hutchison noted the efforts made to stay under the overtime budget. Mr. Gallagher asked if off-duty arresting officers must always attend their own hearings, or if an on-duty officer could attend. Chief Zerbe answered sometimes, especially for serious violations, an arresting officer must attend to give testimony.

Mr. Gallagher asked if the Township needs both a Director of Zoning and Planning and Assistant Zoning Officer. Ms. Hitchens responded the Zoning Department must navigate specific timelines and schedules at various stages of the planning and building process. Having both positions provides coverage for the various timelines as well as other zoning issues, like life safety concerns, as they arise. Mr. Meyer asked if the position is new. Ms. Hitchens informed it is not new, but currently not filled.

Mr. Thornton asked to discuss the tax increase conversation points from last year. Mr. Demme noted large tax increases are not functional with extended time between assessments, making it more fiscally responsible to do smaller increases over several years. Townships similar to East Lampeter with higher assessed values and similar millage rates create more tax income from real estate. The Township should look at where costs can be cut; however, fixed costs are going to increase faster than revenues and a tax increase is needed to offset the difference. Mr. Meyer asked what percentage of the budget is fixed costs. Mr. Hutchison responded around 80%.

Mr. Demme opened discussion of the Fire Apparatus Program which is one of the largest fixed costs. The Emergency Services Committee recently proposed a change to the program where the Township contributes more towards apparatus replacements, but extended the time between replacements, providing more time to reach funding goals. Mr. Hutchison stated the budgeted amount of \$250,000 per year is expected to work through 2034 with re-evaluation every 5 years for cost changes.

Mr. Thornton proposed no increase to current millage rates expressing concern for challenges citizens may face with inflation and economic unknowns. He inquired about a rate the budget deficit can be decreased by each year. Mr. Hutchison replied that without reducing programs or increasing tax revenue the current deficit spending would take the fund below the minimum threshold by 2027. Several large projects in the Township are in progress and will eventually increase tax revenue, but not for several years. Mr. Hutchison also noted that because the budget needs to be available for public inspection, if a tax increase is being considered for 2025, it should be included now. Mr. Demme suggested, considering the expense line of the budget and the projected deficit, it is reasonable to say a 5% tax increase is needed, or an additional \$250,000 will need to be removed from the budget. Supervisors and staff discussed the 2024 tax increase and if there are any additional large expenses to review. Mr. Thornton recommended a 3% tax increase. Mr. Demme noted a current staffing bubble as the Township prepares for upcoming retirements, especially in the police department. This increased expenditure in 2025 is expected to decrease slightly in 2026 or 2027. Supervisors and staff discussed funding for projects, those that funding is being sought for and those already in progress with funds tied to them. Mr. Hutchison recommended only projects with long-term value to the Township be considered for borrowing funds.

Mr. Demme outlined a timeline for the budget adoption process. The budget needs to be available for public review for at least 20 days prior to the Board meeting where it will be adopted, which is scheduled for December 16, 2024. He noted the budget could be opened mid-year, but the tax rate cannot be adjusted. Therefore, it is more responsible to draft a budget with a higher tax rate and lower

the rate, if possible, at adoption. He asked for input from his fellow supervisors. All agreed to draft with a 5% increase and echoed the need to look for additional line item reductions. Mr. Demme added he would like to see a list of numbers in the 2025 budget that will be ongoing expenses and those expected to be reduced by 2026 and 2027.

**Adjournment:**

Mr. Thornton moved to adjourn the meeting, seconded by Mr. Rutt. The motion passed by unanimous voice vote and the meeting adjourned at 4:10PM.

The next Board of Supervisors meeting will be on Monday, November 18, 2024 at 7:00pm in the East Lampeter Township Office.