

Budget Discussion Special Meeting
October 28, 2025

The East Lampeter Township Board of Supervisors met on Tuesday, October 28, 2025, at 2:00pm at the East Lampeter Township Office: 2250 Old Philadelphia Pike, Lancaster, PA 17602. The statement of recorded meetings was played for all in attendance. Chairman Ethan Demme called the meeting to order at 2:00pm, followed by the Pledge of Allegiance. In addition to Chairman Demme, in attendance were Vice Chairman Mike Thornton, and Supervisors Mr. Roger Rutt, Mr. Ted Gallagher and Mr. Corey Meyer. Also present in the meeting room were Ms. Tara Hitchens, Township Manager; Ms. Kimberly Piestrak, Assistant Township Manager, Mr. Steve Zerbe, Chief of Police, Mr. Jacob Bowen, Zoning and Planning Director, Mr. Kevin Hostetter, Finance Director, Mr. Charles Thomas, Public Works Director, and Ms. Stephanie Leakway, Administrative Assistant.

Public Present:

Robert Hayward – resident

Suzi Sutton – Lafayette Fire Co.

Nick Wagner – resident

2026 Budget Workshop

Ms. Hitchens provided an overview of the 2026 budget draft which includes a 5% tax increase and results in deficit spending of \$1.8 million, reducing the fund balance at the end of 2026 to \$3.8 million. The number of police scheduled to be hired in 2026 has been reduced to 5. This will fill half of all anticipated vacancies by the end of 2027. The number of police vehicles purchased each year has also been reduced from 3 to 2, representing \$75,000 in savings.

Ms. Hitchens reviewed a succession plan for the potential 2027 retirement of Public Works Director, Charlie Thomas. She also asked that the Board consider a salary increase for the HR/Communications role, moving towards the median pay range of \$60,000.

Ms. Hitchens shared that feedback from the Emergency Services Finance Sub-Committee was supportive of a fire services tax representing all of the obligation of the Township for fire service costs. Township costs include fuel, vehicle insurance, 75% of apparatus replacement costs, operating funds, and worker's comp. Funds collected in the amount of \$1.275 million annually would carry through 2048. This would result in a 0.7 mill tax.

Ms. Hitchens noted annual contributions to local organizations. Homeless outreach increased from \$10,000 to \$14,750 per year per the direction of the Board. LEMSA will receive \$56,000. The Drug Task Force will receive \$17,776.

Staff would like to increase Summer Playground enrollment to 80 participants, with a tuition increase to \$275 for residents and \$350 for non-residents for the 8-week, half-day

program. Staffing costs for increased enrollment are expected to increase from \$11,000 to \$25,000.

Capital improvement projects include engineering for the Bridgeport study and the Strasburg Pike to Oakview Road trail and the Route 30 Streetscape Phase 3 project. From the Stormwater Fund, streambank restoration at 2198 Hobson Road is estimated to cost \$400-600,00. Pipelining and replacement costs are expected to be \$2.5 million. Having no prior significant expenditures, the Stormwater Fund is well positioned.

Ms. Hitchens reviewed General Fund projections based on a 10% real estate tax increase and a 5% real estate tax increase with a fire service tax of .7 mils. Ms. Hitchens noted the impact of the upcoming county-wide property reassessment, which takes effect January 1, 2027, and requires the Township to be tax neutral that year.

The draft budget accounted for an increase of \$5 per EDU per quarter to a flat rate of \$100 per quarter. Projection calculations show the need for additional increases in the future to keep the fund balance positive moving forward.

Supervisors discussed the fire tax, questioning if it needs more research before it is implemented. Mr. Thornton noted a concern of the fire companies is losing community and donations. Mr. Rutt would like to be able to educate residents on the tax. Mr. Gallagher expressed hesitation implementing the tax and recommended looking for more budget cuts, rather than adding the tax. Staff and supervisors discussed the maintenance costs of owning Nolt's Mill and house and potentially selling the property.

Ms. Hitchens asked the Board to keep in mind the tax levy decrease caused by the county reassessment in 2027 and the limit of tax increase that year at 10% unless approved through court order. Mr. Demme broke the options down into 2 questions. How much revenue should be targeted this year, knowing the tax neutral is coming and what is the timing to roll out a fire tax. He recommended looking at other municipalities who collect a fire tax to learn more about how the tax can be presented to residents. Mr. Thornton said he does not feel the community understands the fire companies operate on donations.

Ms. Hitchens shared that a 5% tax increase would generate additional revenue of \$190,000 and 10% would generate \$380,000, which sounds considerable until the deficit is considered. Staff and supervisors discussed the rising costs for the Township, most notably, healthcare for employees which will be a 20% increase in 2026.

Staff and supervisors discussed the anticipated, budgeted 2025 tax revenue amount versus the actual amount collected. Staff and supervisors discussed amusement tax businesses, the returns generally received and which businesses do not pay or can be expected to do less business, thus resulting in lower tax payments.

Mr. Meyer asked to revisit capital projects and whether reducing those projects can positively impact the general fund. Ms. Hitchens reviewed the funding sources for current or upcoming projects indicating little impact on the general fund. Mr. Demme noted selling the Nolt's Mill and house could represent one-time income that could then go towards the Capital Reserve or General Fund. Staff and supervisors discussed the negative Capital Reserve balance. Ms. Hitchens noted that the negative balance assumes all proposed projects happen in 2026, as well as the revenue lines for reimbursement of some of these costs. Mr. Meyer suggested that delaying some capital projects would allow the Township to keep the fund balance positive. Mr. Thornton asked about commitments to projects that cannot be delayed. Ms. Hitchens noted several projects that are already in progress and funds that may sunset if they are not used timely.

Mr. Demme asked his fellow supervisors what tax rate they would be comfortable with. Staff and supervisors worked to calculate what a 5% tax rate means for revenue, costs to residents, and impact to expenses. Mr. Thornton and Mr. Gallagher discussed the need to balance covering expenses and making tax changes that are sustainable. Mr. Gallagher stated he thinks there is a fundamental misunderstanding of how the fire companies work and education for residents and businesses could go far. Several supervisors voiced agreement with a 10% millage increase and working on the mechanics of implementing a fire tax in a future year.

Township staff was directed to provide a draft budget with a 10% millage increase for consideration of public inspection at the 11/10/2025 Board meeting.

Public Comment

Dave Keens of Lafayette fire company asked for clarification on how the Board arrived at discussion of a fire tax. He understood the issue to be that the Township could not raise taxes enough to cover the cost of services without a fire tax. Mr. Demme clarified that a fire tax can only be used for fire service-related costs, while taxes going into the General Fund can be allocated at the Board's discretion. Therefore, the Board could allocate a certain amount towards apparatus from the General Fund, or they could not, which would temporarily make numbers look balanced until funds are needed for apparatus and they are not available. Mr. Thornton noted that the percent increase shared at the Emergency Service Finance Sub Committee was the 5% that the Board had noted to staff to work on a draft budget.

Adjournment

Mr. Thornton moved to adjourn at 3:50pm, seconded by Mr. Rutt. The motion carried.