Outlook

2026 Budget Presentation

From Kristina Kerper <kkerper@manheimtownship.org>
Date Fri 11/14/2025 3:50 PM
To Rick Kane <rkane@manheimtownship.org>

1 attachment (710 KB)
2026 Proposed Budget.pdf;

Draft copy in case the BOC wants time to review and digest prior to Monday.

Thanks,
Kristina Kerper | Director of Finance
Manheim Township - 1840 Municipal Drive, Lancaster, PA 17601
(717) 569-6408 ext. 1107
www.manheimtownship.org

Outlook

Materials for 11/6 Budget Workshop meeting

From Kristina Kerper <kkerper@manheimtownship.org>
Date Tue 11/4/2025 9:56 AM
To Rick Kane <rkane@manheimtownship.org>
Cc Fey Haberstroh <Fhaberstroh@manheimtownship.org>

2 attachments (391 KB)
11.6 Budget Workshop Financial Analysis.pdf; 11.6 Budget Workshop Financial Analysis Charts.pdf;

Rick-

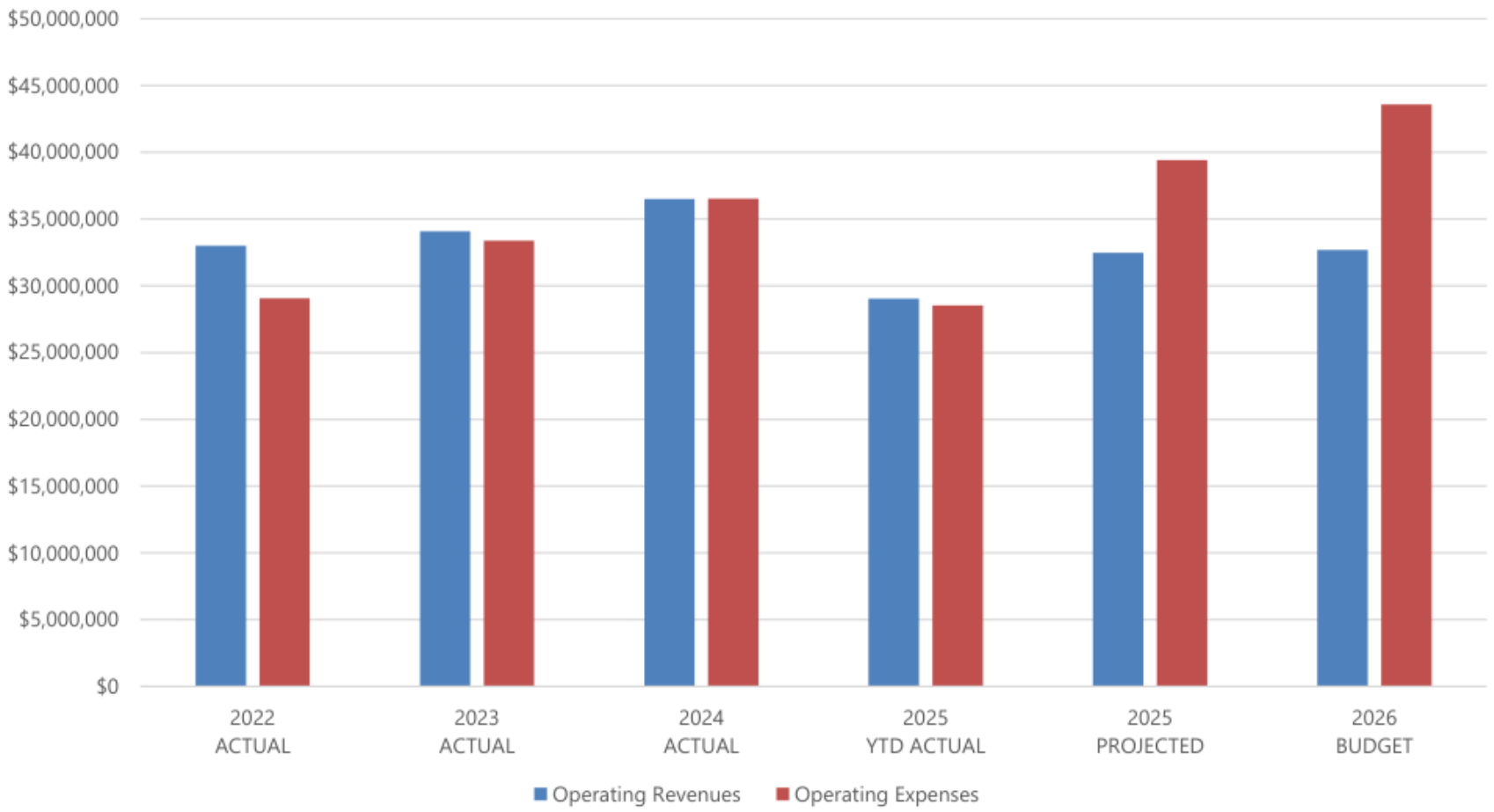
I've attached the 11/6 Budget Workshop materials for your review, including the financial analysis memo and supporting charts. The memo outlines key trends, current projections, and major factors of the 2026 budget.

Feel free to share these with the Board prior to the meeting so they have time to review and digest the information ahead of Thursday's discussion. During the workshop, I plan to display the charts to guide the discussion and reference key points from the memo.

Let me know if you want any edits to the material.

Thanks,
Kristina Kerper | Director of Finance
Manheim Township - 1840 Municipal Drive, Lancaster, PA 17601
(717) 569-6408 ext. 1107
www.manheimtownship.org

Operating Revenues & Expenses



Manheim Township
Lancaster · 1729 · County
A Healthy Community

General Fund History

	2022 ACTUAL	2023 ACTUAL	2024 ACTUAL	2025 YTD ACTUAL	2025 BUDGET	2025 PROJECTED	2026 BUDGET
Operating Revenues	$33,003,055	$34,082,693	$36,495,224	$29,037,532	$31,651,838	$32,477,532	$32,684,755
Operating Expenses	$29,062,000	$33,381,494	$36,531,654	$28,525,379	$38,557,043	$39,400,000	$43,588,012
Operating Surplus/Deficit	**$3,941,055**	**$701,199**	**($36,431)**	**$512,153**	**($6,905,205)**	**($6,922,468)**	**($10,903,257)**
Transfers Out	($2,108,600)	($2,488,009)	($3,422,192)	($2,402,163)	($2,402,163)	($2,402,163)	$0
Total Surplus/Deficit	**$1,832,455**	**($1,786,810)**	**($3,458,623)**	**($1,890,010)**	**($9,307,368)**	**($9,324,631)**	**($10,903,257)**

Manheim Township
Lancaster · 1729 · County
A Healthy Community

Fund Balances

	General Fund	Stormwater Management Fund	Golf Course Fund	Capital Reserve Fund	Parks Capital Reserve Fund	Highway Aid Fund	Impact Fee Fund
	01	04	09	30	32	35	37
Projected 2025 Year-End Fund Balance	**$15,240,126**	**$273,490**	**$2,033,001**	**$4,126,532**	**$1,123,206**	**$1,924,810**	**$5,390,777**
2026 Proposed Operating Budget							
Revenues	$32,684,755	$0	$1,969,219	$20,000	$0	$1,347,000	$300,000
Expenses	$43,588,012	$347,000	$1,949,047	$2,000	$0	$585,000	$15,000
Operating Surplus/Deficit	**($10,903,257)**	**($347,000)**	**$20,172**	**$18,000**	**$0**	**$762,000**	**$285,000**
Proposed Capital Requests		($175,000)	($102,023)	($2,330,702)	($874,335)	($1,730,000)	($150,000)
Additional Equipment Leases			TBD				
Long-Term Financing			TBD	TBD			
Total	**$0**	**($175,000)**	**($102,023)**	**($2,330,702)**	**($874,335)**	**($1,730,000)**	**($150,000)**
Projected 2026 Year-End Fund Balance	**$4,336,869**	**($248,510)**	**$1,951,150**	**$1,813,830**	**$248,871**	**$956,810**	**$5,525,777**

Updated 11.3.25

GFOA Recommended Minimum	**$7,264,669**

2 months expenses

Manheim Township
Lancaster · 1729 · County
A Healthy Community

FINANCE DEPARTMENT
Kristina Kerper, Director of Finance / Treasurer
November 4, 2025

2026 BUDGET FINANCIAL ANALYSIS AND IMPLICATIONS

Overview and Purpose

Temporary revenues, conservative budgeting, and use of fund balance have supported operations in recent years and delayed the full impact of rising costs. These conditions, along with recurring transfers to fund capital projects, have gradually reduced reserves that once provided flexibility.

The 2025 budget produced a significant deficit funded entirely by reserves, and the proposed 2026 budget continues to project a substantial shortfall. Across all funds, recurring revenues are no longer sufficient to sustain current expenditure levels.

General Fund Financial Summary (2022-2025)

	2022 ACTUAL	2023 ACTUAL	2024 ACTUAL	2025 PROJECTED
Operating Revenues	$33,003,055	$34,082,693	$36,495,224	$32,477,532
Operating Expenses	$29,062,000	$33,381,494	$36,531,654	$39,400,000
Operating Surplus/Deficit	**$3,941,055**	**$701,199**	**($36,431)**	**($6,922,468)**
Transfers Out	($2,108,600)	($2,488,009)	($3,422,192)	($2,402,163)
Total Surplus/Deficit	**$1,832,455**	**($1,786,810)**	**($3,458,623)**	**($9,324,631)**

Key Historical Factors

From 2022 through 2024, the Township's financial results were supported by temporary revenue gains and conservative budgeting practices that created a cushion between budgeted and actual spending. These factors provided stability but masked the underlying structural imbalance now visible in 2025.

- **2022–2023:** Revenue performance exceeded expectations due to continued Earned Income Tax (EIT) strength from wage increases and strong interest earnings from elevated interest rates. These one-time factors created temporary surpluses and fund balance growth.
- **2024:** A $1.8 million spike in permit and improvement fees provided another short-term revenue boost that offset rising costs. Although the budget appeared balanced, it relied on non-recurring revenues while expenses continued to trend upward.

- **Capital Transfers:** During these same years, annual transfers to fund capital projects and equipment purchases further reduced fund balance, even when operating results were positive.

General Fund Current Year Overview – 2025

The 2025 budget year represents the breaking point in the Township's financial trend.

- Operating revenues are projected at $32.5 million, roughly $800,000 above budget, while operating expenditures are projected at $39.4 million, about $850,000 above budget.
- Termination of the Lancaster Township Police contract removed approximately $2 million in recurring revenue without a corresponding reduction in costs.
- Personnel and benefit costs continued to rise due to increased staffing levels and overall cost growth.
- Some personnel-related costs were not fully captured in the adopted budget, contributing to higher-than-expected expenditures.
- Fund transfers to fund capital projects further eroded reserves, continuing a multi-year pattern of drawing down fund balance to sustain both operations and infrastructure.

General Fund Outlook - 2026

The 2026 budget reflects the first full year of operations with several significant cost drivers fully incorporated into the base budget. While targeted reductions have been applied, the remaining deficit underscores the extent to which recurring costs now exceed recurring revenues.

- **Operating leases:** Vehicle and equipment leases previously funded through the Capital Fund are now budgeted in departmental operating accounts. This change improves transparency but increases reported operating costs by approximately $1.3 million.
- **Headcount and staffing levels:** Personnel costs have increased significantly over the past several years as new positions were added to meet service demands across multiple departments. The most notable increase has occurred within Fire Rescue, where expanded staffing has added approximately $3 million in annual wages and benefits. Additional positions in administrative, public works, and support functions have also contributed to the overall rise in recurring personnel costs.
- **Workforce Plan adjustments:** The 2026 Workforce Plan reflects a $3.4 million increase from 2025 as it more accurately captures all personnel-related costs, including retiree health coverage and overtime that was previously budgeted within departmental operating lines. The plan also incorporates annual and step increases (contractual), a 10% health insurance premium increase, and cost-of-living adjustments. Five of the fifteen proposed new positions were eliminated after the 10/23 budget workshop meeting.

Other Funds Outlook - 2026

Outside of the General Fund, several other funds are projected to experience declining balances in 2026 as project activity continues and available revenues remain limited.

- **Stormwater Management Fund:** Project costs exceed the available fund balance. Funds will need to be transferred from another source to support the 2026 budget.
- **Golf Course Fund:** Final figures are pending for the equipment lease package and long-term financing costs associated with 2026 capital projects.
- **Capital Reserve Fund:** The available balance will decline significantly in 2026 without an additional fund transfer to support approved projects.
- **Parks Capital Reserve Fund:** The fund will be largely depleted in 2026 as approved projects move forward, limiting availability for future park improvements.
- **Highway Aid Fund:** Annual project costs continue to exceed the state aid allotment. Ongoing use of fund balance will limit capacity for future road maintenance.
- **Impact Fee Fund:** Restricted to eligible improvements and cannot be used to support general operations or unrelated capital costs.

2026 General Fund Balance Projection and Required Actions

The 2026 General Fund projection remains structurally unbalanced. After the proposed reductions, the budget still produces a $10.9 million operating deficit and a projected year-end fund balance of $4.34 million. This is below the GFOA minimum of two months of operating expenses ($7.26 million). Corrective actions will be required before the budget can be adopted.

If new recurring revenues are not added, the only remaining option will be to reduce programs or personnel. Further reductions of this scale would directly affect service delivery and should be weighed carefully against long-term community expectations.

Reaching the minimum reserve threshold would not represent fiscal stability; it would only preserve the Township's ability to meet short-term cash flow needs. At this point, the Township will have fully depleted its remaining financial flexibility and will have no capacity to fund infrastructure or capital reinvestment in 2027 and future years.

Real Estate Tax Capacity

The Township's combined Real Estate and Fire millage currently totals 2.0342 mills, generating approximately $9.3 million in annual revenue. Residential properties account for roughly 76% of total assessed value, with an average residential assessment of $255,000.

- **Current General Tax Millage:** 1.71730
- **Current Fire Tax Millage:** 0.31690

Millage Increase	Additional Revenue Generated	Increase in Average Homeowner Annual Cost
0.25	$1,141,426	$63.84
0.5	$2,282,852	$127.68
0.75	$3,424,279	$191.51
1.0	$4,565,705	$255.35

Millage Increase	Additional Revenue Needed	Increase in Average Homeowner Annual Cost
0.6413	$2,927,800	$163.75

Next Steps and Long-Term Planning

The 2026 budget must be viewed as a transition year. Even with additional corrective actions, the Township will end 2026 with reserves below the recommended minimum and no remaining capacity to fund new capital or respond to unplanned costs. Long-term stability will require a structural approach that aligns ongoing revenues with recurring expenditures and rebuilds reserves over time.

Priorities for 2026 and early 2027 include:

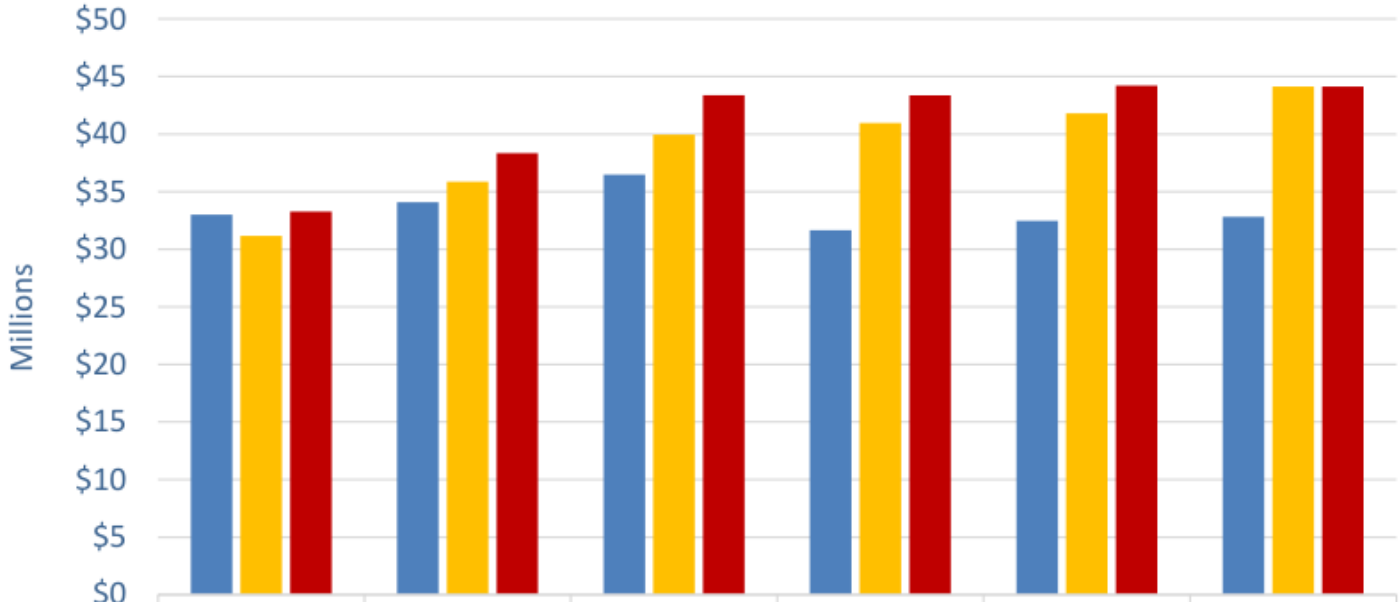
- Evaluating the full cost of programs and services to identify opportunities for realignment or reduction.
- Updating user fees and service charges to reflect actual program costs.
- Developing a multi-year financial plan that restores structural balance and establishes clear fund balance targets.

The Township has reached the point where savings and fund balance can no longer sustain operations or infrastructure investment. Fiscal year 2026 should serve as the foundation for rebuilding a structurally balanced budget that restores financial flexibility, protects service levels, and positions the Township for long-term stability beginning in 2027.



PROPOSED FY26 MUNICIPAL BUDGET

General Fund Financial History



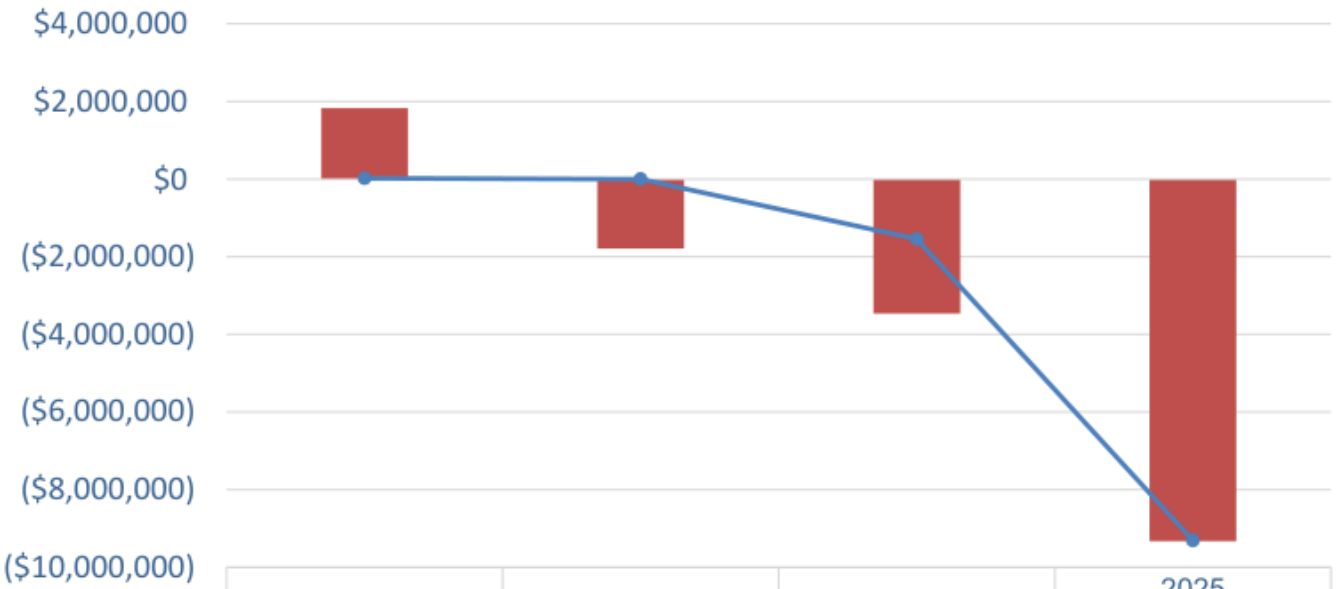
	2022 ACTUAL	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTED	2026 BUDGET
Total Revenues	$33,003,055	$34,082,693	$36,495,224	$31,651,838	$32,477,532	$32,823,614
Operating Expenditures	$31,170,600	$35,869,503	$39,953,846	$40,959,206	$41,802,163	$44,126,320
Total Expenditures	$33,279,200	$38,357,512	$43,376,038	$43,361,369	$44,204,326	$44,126,320

** Total expenditures include annual transfers to support capital and other funds.*

Proposed FY26 Municipal Budget

Manheim Township Lancaster · 1729 · County
A Healthy Community

General Fund Annual Surplus/(Deficit) Trend

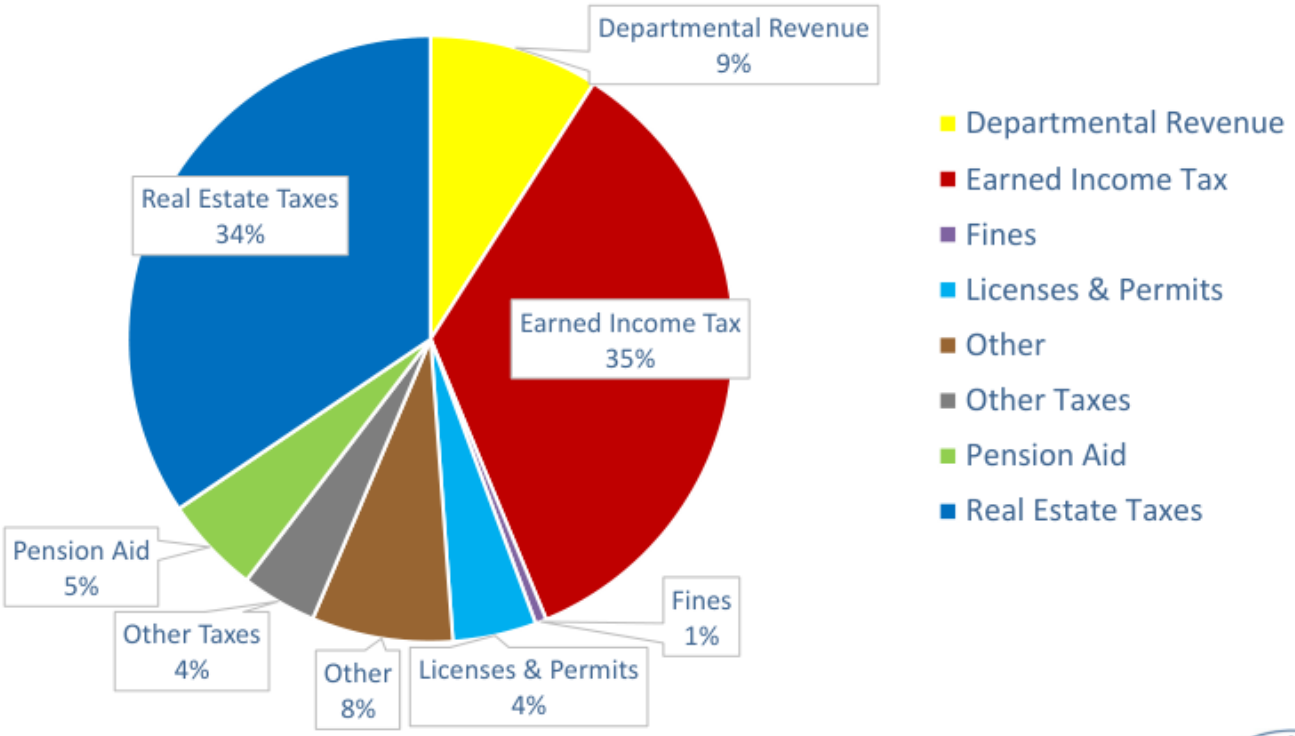


	2022 ACTUAL	2023 ACTUAL	2024 ACTUAL	2025 PROJECTED
Actual Surplus/(Deficit)	$1,832,455	($1,786,810)	($3,458,623)	($9,324,631)
Budgeted Surplus/(Deficit)	$22,000	$2,000	($1,544,204)	($9,307,368)

** Expenditure totals reflect both operating costs and annual transfers to support capital and other funds.*

General Fund Revenue

Proposed FY26 General Fund Revenue: $32,823,614
Increase of $1,171,776 (3.7%) over FY25 Budget



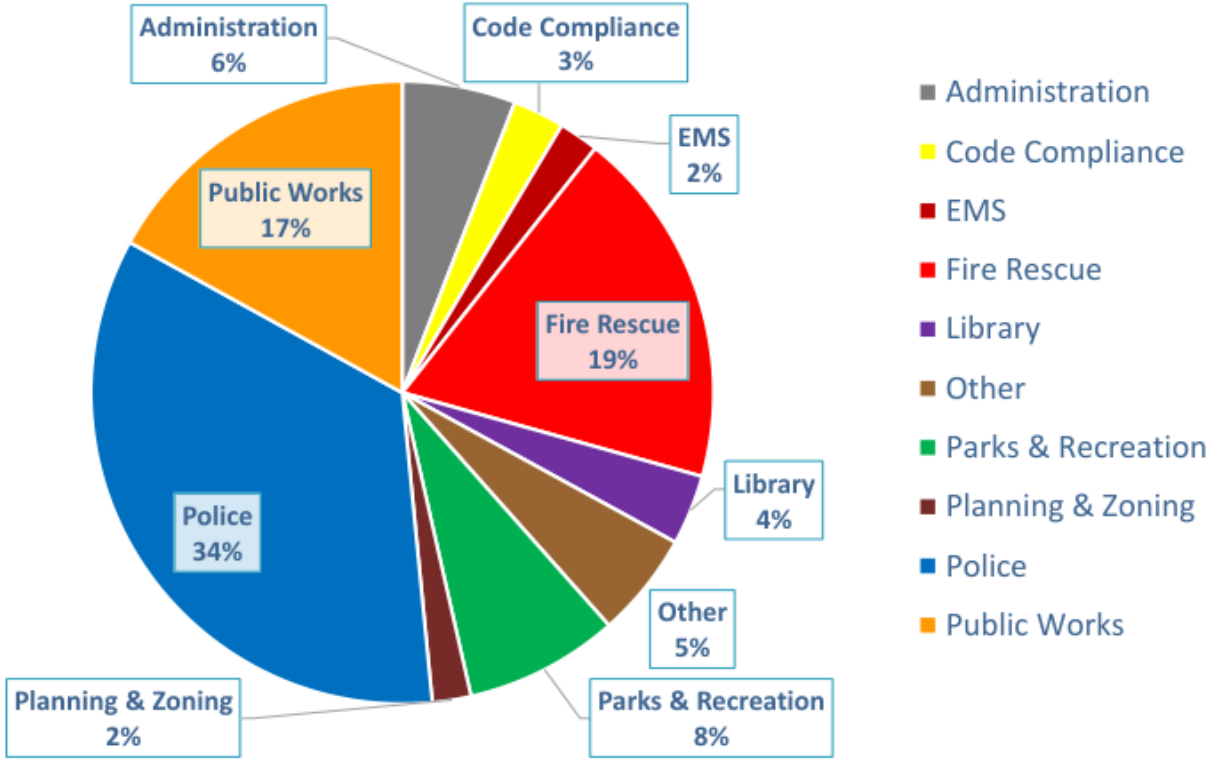
Proposed FY26 Municipal Budget

Manheim Township
Lancaster · 1729 · County
A Healthy Community

4

General Fund Expenditures

Proposed FY26 General Fund Expenditures: $44,126,320
Increase of $3,167,114 (7.7%) over FY25 Budget



Proposed FY26 Municipal Budget

Manheim Township
Lancaster · 1729 · County
A Healthy Community

Salaries and Benefits

FY26 Salary and Benefit Expenditure: $32,670,403
Increase of $3.4 million (11.6%) from FY25
Salaries and Benefits represent 70% of the Operating Budget

- Personnel Cost Highlights:
  - Full-time staffing has increased **from 184 in 2021 to 223 in 2026**
  - Total workforce approaches 500 employees at peak operations
  - 10% Health insurance premium increase
  - Contractual step and COLA increases
  - Overtime reclassified from departmental budgets to more accurately capture personnel-related costs
  - Five proposed positions were eliminated after the October budget workshop

Personnel Additions

- FY26 Personnel Additions:
  - NEW FT – Six (6) – Firefighter/EMT
    - Per Collective Bargaining Agreement
  - NEW FT – Assistant Fire Chief/EMS
  - NEW FT – ARC/GIS Coordinator
  - NEW FT – Library Circulation Coordinator
  - NEW FT – Youth Services Librarian

- Fire additions replace part-time hours and decrease overtime needs
- Library additions reduce part-time hours by shifting to full-time roles that are more reliably staffed

Corrective Action Needed for FY26

FY26 General Fund Deficit: ($11,302,706)

- The General Fund has a serious structural deficit
  - To maintain the minimum recommended reserve level, the FY26 General Fund deficit must be reduced by **approximately $3.5 million**
  - Recurring revenue is needed to begin closing the structural deficit and stabilize cash flow
- **Recommend a Real Estate tax millage increase of 0.7600 mills**
  - Increases recurring revenue by $3,531,641
  - Would reduce General Fund deficit to ($7,771,065)

Real Estate Tax Assessment

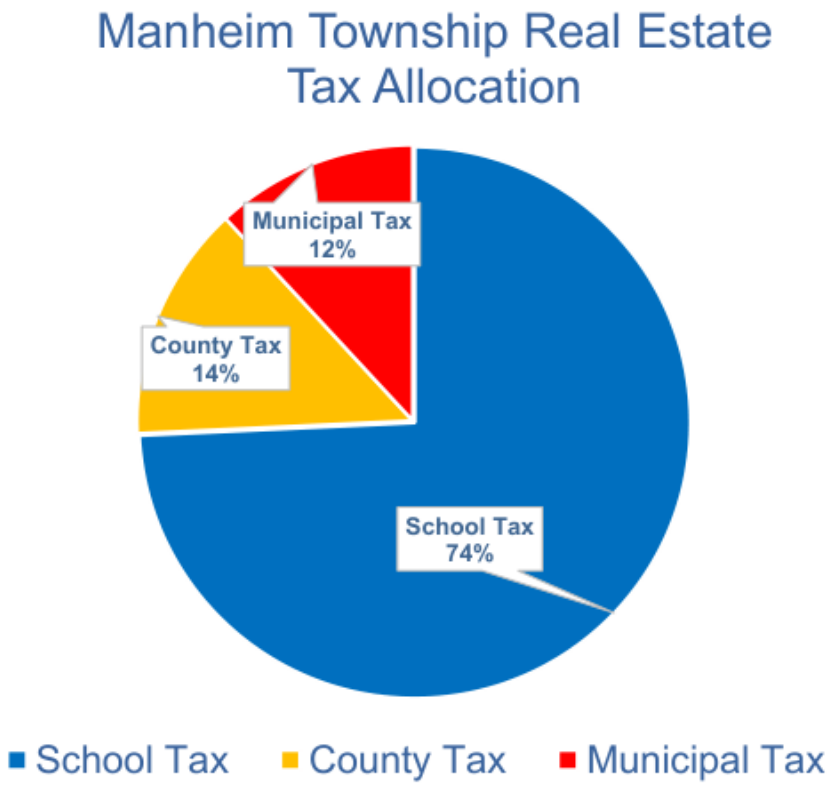
Current General Real Estate tax millage: 2.034257
Proposed tax millage increase: 0.7600
Proposed 2026 General Real Estate tax millage: 2.79420

Assessed Home Value	Current Township Tax	Proposed Township Tax	Annual Increase	Monthly Impact
$150,000	$305	$419	**$114**	**$9.50**
$200,000	$407	$559	**$152**	**$12.67**
$250,000	$509	$699	**$190**	**$15.83**
$300,000	$610	$838	**$228**	**$19.00**

Real Estate Tax Allocation

Residents pay property tax to three entities:

- Manheim Township
- Lancaster County
- Manheim Township School District



Path Forward for FY26 and Beyond

- The FY26 tax increase only addresses the minimum needed to preserve cash flow and maintain recommended reserves
- Underlying structural deficit remains and will require long-term correction beginning in 2026
  - Develop a five-year financial plan
  - Determine Board priorities for service levels
  - Conduct a full review of programs and services
  - Review user fees and cost-recovery policies
  - Evaluate long-term capital needs and identify sustainable funding strategies

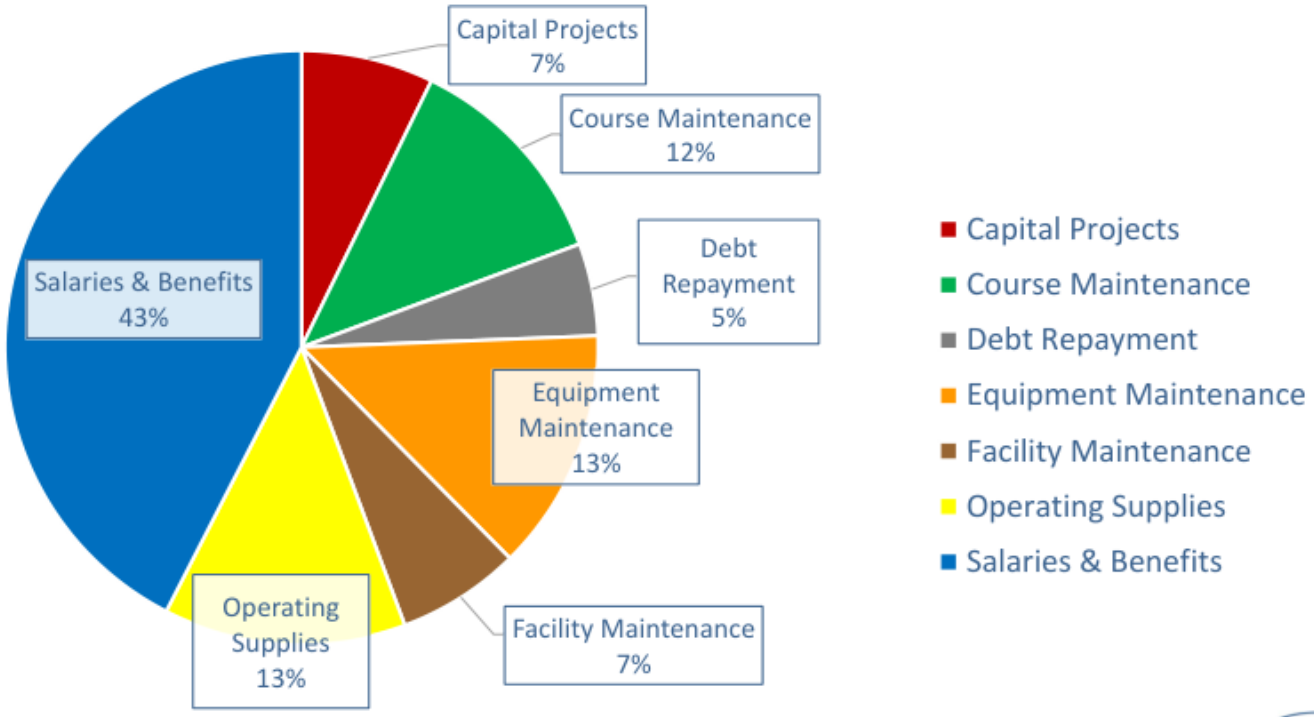
Stormwater Fund

FY26 Stormwater Fund Beginning Balance: $273,490
Proposed FY26 Stormwater Fund Revenue: $385,000
Proposed FY26 Stormwater Fund Expenditures: $657,000
*** Transfer from General Capital Reserve – No Source of Revenue FY26*

- Stormwater Fund Projects Highlights:
  - Weaver Road Stormwater Project $160,000
  - Saddle Drive Stormwater Repairs-Relining $100,000
  - W Roseville Rd at Sturbridge Cross Pipe Replacement $ 50,000
  - Annual Inlet Repairs $ 25,000

Golf Course Fund

FY26 Golf Course Fund Beginning Balance: $2,033,001
Proposed FY26 Golf Course Fund Revenue: $1,969,219
Proposed FY26 Golf Course Fund Expenditures: $2,224,087



Proposed FY26 Municipal Budget

Manheim Township
Lancaster · 1729 · County
A Healthy Community

Golf Course Fund

- Golf Course Fund Projects Highlights:
  - Irrigation System Renovation $ 2,400,000
  - Golf Drive/Lititz Pike Intersection Improvements $ 275,000
  - Pro Shop/Sandtrap Roof Painting $ 80,000
  - Pro Shop/Sandtrap Trim Wrap $ 138,000
  - Overlook Golf Course/Sandtrap Parking Lot and Pathway $ 305,000

- Major capital projects are planned to be included in a single long-term financing package
- Annual debt service will be funded through future golf course operations

General Capital Fund

FY26 General Capital Fund Beginning Balance: $4,126,532
Proposed FY26 General Capital Fund Revenue: $279,112
Proposed FY26 General Capital Fund Expenditures: $2,725,702

- Transfer to Stormwater Fund to cover 2026 stormwater projects: $385,000
- Debt service for existing bonds: $568,300
- Remaining FY26 capital projects total approximately $1.7 million
- Several projects leverage grant funding to reduce Township costs

General Capital Fund

- General Capital Fund Projects Highlights:
  - 2801 Oregon Pike Property Acquisition $ 560,000
  - Stoner Barn Fire Suppression Water Storage Tank
    - Project cost partially offset by $209,112 LSA Grant $ 305,000
  - Lititz Pike Curb and Sidewalk Improvements $ 265,000
  - Library Elevator Controller Replacement $ 85,000
  - Oregon Pike Curb Extension $ 77,802
  - Traffic Signal LED Replacements $ 65,000
    - Green Light Go grant would cover $50,000 of project cost
  - Library Heat Pump Replacement $ 60,000
  - Police Mobile License Plate Readers $ 48,675
    - Replacing end-of-life LPRs currently in use

Parks Capital Fund

FY26 Parks Capital Fund Beginning Balance: $1,123,206
Proposed FY26 Parks Capital Fund Revenue: $1,564,719
Proposed FY26 Parks Capital Expenditures: $2,440,052

- Parks Capital Fund Projects Highlights:
  - Perelman Park - Construction $ 845,300
  - Granite Run Stream Restoration $ 609,696
  - Lititz Pike Walking Trail Extension $ 334,000
  - Bachman Run Stream Restoration $ 319,158

- A significant portion of project funding is being offset through state and regional grants

Highway Aid Fund (Liquid Fuels)

FY26 Highway Aid Fund Beginning Balance: $1,924,810
Proposed FY26 Highway Aid Fund Revenue: $1,347,000
Proposed FY26 Highway Aid Expenditures: $2,410,000

- Highway Aid Fund Projects Highlights:
  - Annual Paving $1,500,000
  - Bi-annual Line Striping $ 50,000
  - Pavement Markings $ 100,000
  - Butter Road culvert repair $ 95,000

- The fund also supports routine road maintenance such as street lighting, inlet repairs, sign replacement, and winter maintenance costs

Impact Fee Fund

FY26 Impact Fee Fund Beginning Balance: $5,390,777
Proposed FY26 Impact Fee Fund Revenue: $300,000
Proposed FY26 Impact Fee Fund Expenditures: $165,000

- Impact Fee Fund Projects Highlights:
  - East Delp Road Connector Project $ 150,000
    - Engineering Fees (Construction in 2027)

Municipal Debt

Outstanding Municipal Debt – August 2025

$2,680,000

Debt is about $60.91 per resident

- Outstanding balance will continue to decline with annual payments through final maturity in 2029
- Annual debt service is approximately $570,000 per year

Questions?

For further information on the Proposed FY26 Municipal Budget, please review the public copy at **www.manheimtownship.org**

Or contact the following Township staff:

Director of Finance – Kristina Kerper

kkerper@manheimtownship.org

717-569-6406 extension 1107

Township Manager - Rick Kane, CFO

rkane@manheimtownship.org

717-569-6406 extension 1109

Manheim Township
Lancaster · 1729 · County
A Healthy Community

GENERAL FUND	2026 BUDGET (AMENDED)	JAN 2026 ACTUAL	FEB 2026 ACTUAL	MAR 2026 ACTUAL	APR 2026 ACTUAL	MAY 2026 ACTUAL	JUN 2026 PRELIM	JUL 2026 PROJECTED	AUG 2026 PROJECTED	SEP 2026 PROJECTED	OCT 2026 PROJECTED	NOV 2026 PROJECTED	DEC 2026 PROJECTED	TOTAL PROJECTED
BEGINNING BALANCE	15,819,379	15,819,379	13,935,925	14,117,172	12,040,019	11,466,593	19,628,666	20,026,795	17,596,215	17,497,958	18,323,799	13,899,479	13,706,237	
OPERATING REVENUE	37,070,658	1,824,429	2,736,386	1,068,180	3,209,064	11,347,336	3,533,458	1,681,734	3,413,071	3,667,579	1,149,217	3,020,087	1,832,417	38,482,958
OPERATING EXPENSES	45,194,715	3,707,883	2,555,140	3,145,333	3,782,490	3,185,263	3,135,329	4,112,314	3,511,328	2,841,738	5,573,537	3,213,329	5,683,340	44,447,023
ENDING BALANCE		13,935,925	14,117,172	12,040,019	11,466,593	19,628,666	20,026,795	17,596,215	17,497,958	18,323,799	13,899,479	13,706,237	9,855,314	
FUND BALANCE AS % OF REVENUES		37.59%	38.08%	32.48%	30.93%	52.95%	54.02%	47.47%	47.20%	49.43%	37.49%	36.97%	26.59%	
FUND BALANCE AS % OF EXPENDITURES		30.84%	31.24%	26.64%	25.37%	43.43%	44.31%	38.93%	38.72%	40.54%	30.75%	30.33%	21.81%	

GFOA recommends fund balance of no less than two months of regular General Fund operating revenues or expenditures

GENERAL FUND	2027 BUDGET ESTIMATE	JAN 2027 PROJECTED	FEB 2027 PROJECTED	MAR 2027 PROJECTED	APR 2027 PROJECTED	MAY 2027 PROJECTED	JUN 2027 PROJECTED	JUL 2027 PROJECTED	AUG 2027 PROJECTED	SEP 2027 PROJECTED	OCT 2027 PROJECTED	NOV 2027 PROJECTED	DEC 2027 PROJECTED
BEGINNING BALANCE	9,855,314	9,855,314	7,532,630	7,009,651	5,635,157	4,835,423	11,836,733	10,709,354	8,040,934	7,885,161	8,731,112	3,901,238	3,647,754
OPERATING REVENUE	39,800,000	1,627,416	3,265,170	2,255,190	2,692,010	10,948,508	3,160,587	1,805,553	3,664,360	3,937,606	1,233,829	3,242,442	1,967,329
OPERATING EXPENSES	49,169,375	3,950,099	3,788,149	3,629,685	3,491,744	3,947,199	4,287,966	4,473,972	3,820,133	3,091,656	6,063,703	3,495,926	5,565,210
ENDING BALANCE		7,532,630	7,009,651	5,635,157	4,835,423	11,836,733	10,709,354	8,040,934	7,885,161	8,731,112	3,901,238	3,647,754	49,873
FUND BALANCE AS % OF REVENUES		20.32%	18.91%	15.20%	13.04%	31.93%	28.89%	21.69%	21.27%	23.55%	10.52%	9.84%	0.13%
FUND BALANCE AS % OF EXPENDITURES		16.67%	15.51%	12.47%	10.70%	26.19%	23.70%	17.79%	17.45%	19.32%	8.63%	8.07%	0.11%

GENERAL FUND	2028 BUDGET ESTIMATE	JAN 2028 PROJECTED	FEB 2028 PROJECTED	MAR 2028 PROJECTED	APR 2028 PROJECTED	MAY 2028 PROJECTED	JUN 2028 PROJECTED	JUL 2028 PROJECTED	AUG 2028 PROJECTED	SEP 2028 PROJECTED	OCT 2028 PROJECTED	NOV 2028 PROJECTED	DEC 2028 PROJECTED
BEGINNING BALANCE	49,873	49,873	(2,454,041)	(3,133,776)	(4,667,203)	(5,614,603)	1,298,831	(11,339)	(2,885,402)	(3,195,538)	(2,464,795)	(7,585,515)	(7,981,371)
OPERATING REVENUE	40,198,000	1,643,690	3,297,821	2,277,742	2,718,930	11,057,994	3,192,193	1,823,608	3,701,003	3,976,982	1,246,167	3,274,866	1,987,003
OPERATING EXPENSES	51,627,843	4,147,604	3,977,556	3,811,169	3,666,331	4,144,559	4,502,364	4,697,671	4,011,139	3,246,238	6,366,888	3,670,722	5,843,470
ENDING BALANCE		(2,454,041)	(3,133,776)	(4,667,203)	(5,614,603)	1,298,831	(11,339)	(2,885,402)	(3,195,538)	(2,464,795)	(7,585,515)	(7,981,371)	(11,837,839)
FUND BALANCE AS % OF REVENUES		-6.62%	-8.45%	-12.59%	-15.15%	3.50%	-0.03%	-7.78%	-8.62%	-6.65%	-20.46%	-21.53%	-31.93%
FUND BALANCE AS % OF EXPENDITURES		-5.43%	-6.93%	-10.33%	-12.42%	2.87%	-0.03%	-6.38%	-7.07%	-5.45%	-16.78%	-17.66%	-26.19%

	Old Assessment	New Assessment	Average Residential Assessment
Total	**$4,753,065,700**	**$8,195,385,800**	**$453,000**

**Based on Preliminary Data from Lancaster County, subject to change until appeals processes are complete.

2027 Final Notice Statistics - New

CURRENT	Current Millage	Total Current Revenue
Real Estate Tax	1.71730	$ 8,162,440
Fire Tax	1.07690	$ 5,118,576
Total	**2.79420**	**$ 13,281,016**

REVENUE NEUTRAL	Revenue Neutral Millage	Revenue Neutral Revenue	
Real Estate Tax	0.99598	$ 8,162,440	
Fire Tax	0.62457	$ 5,118,576	
Total	**1.62055**	**$ 13,281,016**	Preliminary Estimate

REVENUE NEUTRAL + 10%	Revenue Neutral Millage + 10%	Revenue Neutral Millage + 10% Revenue	Adjusted for Discount	2026 Budget	Revenue Increase
Real Estate Tax	1.09558	$ 8,978,684	$ 8,844,003	$ 7,939,000	$ 905,003
Fire Tax	0.68702	$ 5,630,434	$ 5,545,978	$ 4,978,500	$ 567,478
Total	**1.78260**	**$ 14,609,118**	**$ 14,389,981**	**$ 12,917,500**	**$ 1,472,481**

Millage Increase	Additional Revenue Generated	Increase in Average Homeowner Annual Cost
0.25	$2,018,114	$113.25

0.5	$4,036,228	$226.50
0.75	$6,054,341	$339.75
1.0	$8,072,455	$453.00

Assessed Home Value	Current Township Tax	Proposed Township Tax (+10%)	Annual Increase	Monthly Impact	
$250,000	$405	$446	$41	**$3**	
$300,000	$486	$535	$49	**$4**	
$350,000	$567	$624	$57	**$5**	
$400,000	$648	$713	$65	**$5**	
$450,000	$729	$802	$73	**$6**	**Average residential assessment: 453,000**
$500,000	$810	$891	$81	**$7**	
$550,000	$891	$980	$89	**$7**	
$600,000	$972	$1,070	$97	**$8**	

GENERAL FUND OPERATING EXPENDITURES

☐	☐	☐	☐	☐	☑	☐	☐	☐	☐	☐	☐	

FY 2026	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
CUR MONTH	**3,707,883**	**2,555,140**	**3,145,333**	**3,782,490**	**3,185,263**	**3,135,329**	**4,112,314**	**3,511,328**	**2,841,738**	**5,573,537**	**3,213,329**	**5,115,340**
CUR YTD	3,707,883	6,263,023	9,408,356	13,190,845	16,376,108	19,511,437	23,623,751	27,135,079	29,976,818	35,550,354	38,763,683	43,879,023
HIST MONTH%	8.03%	7.70%	7.38%	7.10%	8.03%	8.72%	9.10%	7.77%	6.29%	12.33%	7.11%	11.32%
HIST YTD%	8.03%	15.74%	23.12%	30.22%	38.25%	46.97%	56.07%	63.84%	70.13%	82.46%	89.57%	100.89%
PROJECTION	**46,154,359**	**39,795,690**	**40,693,677**	**43,647,359**	**42,814,290**	**41,540,237**	**42,133,299**	**42,505,883**	**42,746,974**	**43,113,052**	**43,278,295**	**43,493,297**
BUDGET	45,194,715	45,194,715	45,194,715	45,194,715	45,194,715	45,194,715	45,194,715	45,194,715	45,194,715	45,194,715	45,194,715	45,194,715
VARIANCE	959,644	(5,399,025)	(4,501,038)	(1,547,356)	(2,380,425)	(3,654,478)	(3,061,416)	(2,688,832)	(2,447,741)	(2,081,663)	(1,916,420)	(1,701,418)
PRIOR MTH PRJ	N/A	46,154,359	39,795,690	40,693,677	43,647,359	42,814,290	41,540,237	42,133,299	42,505,883	42,746,974	43,113,052	43,278,295

HISTORICAL DATA

Rev by Month

YEAR	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL	% INC/DEC
FY 2022	2,382,962.80	2,341,489.63	2,835,642.98	2,106,988.27	2,312,195.33	2,289,687.27	2,148,803.25	2,409,679.18	1,347,284.20	2,232,034.43	2,127,861.92	3,410,601.96	27,945,231.22	
FY 2023	3,028,907.83	3,335,763.73	2,570,132.10	2,745,409.65	1,726,441.94	2,679,755.53	2,190,813.28	3,541,210.89	4,167,424.56	1,924,059.56	2,209,166.04	2,401,623.67	32,520,708.78	16.37%
FY 2024	2,506,886.20	3,140,218.81	2,695,799.14	2,739,474.24	2,736,646.18	3,408,658.13	2,779,360.58	3,450,001.32	2,111,993.68	5,220,623.95	2,609,570.46	3,949,898.66	37,349,131.35	14.85%
FY 2025	3,014,817.63	2,783,891.98	3,000,747.94	2,731,131.03	3,470,831.22	3,306,530.38	4,277,397.76	2,505,803.32	2,752,068.97	4,249,566.58	2,876,202.94	4,796,191.51	39,765,181.26	6.47%
FY 2026	3,707,882.87	2,555,139.88	3,145,332.92	3,782,489.52	3,185,263.20	3,135,328.64	4,112,314.07	3,511,328.18	2,841,738.34	5,573,536.84	3,213,328.99	5,115,340.02	43,879,023.47	10.35%

Month as a % of Year

YEAR	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC

[redacted]

GENERAL FUND OPERATING REVENUE

FY 2026	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
CUR MONTH	**1,824,429**	**2,736,386**	**1,068,180**	**3,209,064**	**11,347,336**	**3,533,458**	**1,681,734**	**3,413,071**	**3,667,579**	**1,149,217**	**3,020,087**	**1,832,417**
CUR YTD	1,824,429	4,560,815	5,628,996	8,838,059	20,185,395	23,718,853	25,400,587	28,813,658	32,481,237	33,630,455	36,650,541	38,482,958
HIST MONTH%	4.09%	8.20%	5.67%	6.76%	27.51%	7.94%	4.54%	9.21%	9.89%	3.10%	8.15%	4.94%
HIST YTD%	4.09%	12.29%	17.96%	24.72%	52.23%	60.17%	64.71%	73.92%	83.81%	86.91%	95.06%	100.00%
PROJECTION	**44,618,152**	**37,101,129**	**31,343,181**	**35,748,213**	**38,645,726**	**39,417,721**	**39,253,177**	**38,981,326**	**38,755,778**	**38,695,670**	**38,556,399**	**38,482,958**
BUDGET	37,070,658	37,070,658	37,070,658	37,070,658	37,070,658	37,070,658	37,070,658	37,070,658	37,070,658	37,070,658	37,070,658	37,070,658
VARIANCE	7,547,494	30,471	(5,727,477)	(1,322,445)	1,575,068	2,347,063	2,182,519	1,910,668	1,685,120	1,625,012	1,485,741	1,412,300
PRIOR MTH PRJ	N/A	44,618,152	37,101,129	31,343,181	35,748,213	38,645,726	39,417,721	39,253,177	38,981,326	38,755,778	38,695,670	38,556,399

Current Data

FY 2026	**JUNE**
CUR MONTH	3,533,458
CUR YTD	**23,718,853**
HIST MONTH%	7.94%
HIST YTD%	60.17%
PROJECTION	**39,417,721**
BUDGET	37,070,658
VARIANCE	2,347,063
PRIOR MTH PRJ	**38,645,726**
Prior Year Actual	35,002,481

HISTORICAL DATA

Rev by Month

YEAR	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL	% INC/DEC	
FY 2022	1,115,090.86	2,687,221.39	1,656,121.71	2,513,320.70	8,565,149.44	2,929,594.53	1,388,302.61	3,078,454.48	3,450,869.47	(162,086.01)	2,666,551.99	1,346,961.10	31,235,552.27		
FY 2023	1,472,942.68	2,552,612.02	1,935,779.37	2,293,596.03	9,476,017.17	2,565,230.14	1,441,727.31	3,507,804.99	3,298,870.65	1,317,050.75	2,560,379.71	1,496,377.95	33,918,388.77	8.59%	
FY 2024	1,504,436.64	3,111,637.65	2,037,111.65	2,257,353.44	9,526,967.22	2,689,471.13	1,786,057.44	2,804,283.57	3,561,249.25	1,496,629.35	2,959,499.96	2,538,907.83	36,273,605.13	6.94%	
FY 2025	1,503,678.06	2,838,246.82	2,114,169.71	2,108,479.82	9,944,982.27	2,593,091.74	1,584,634.99	3,114,978.76	3,144,059.70	1,718,713.60	2,920,245.45	1,417,200.42	35,002,481.34	-3.50%	##
FY 2026	1,824,429.20	2,736,386.05	1,068,180.34	3,209,063.51	11,347,335.92	3,533,457.77	1,681,734.20	3,413,071.13	3,667,579.05	1,149,217.47	3,020,086.54	1,832,416.83	38,482,958.00	9.94%	##

Month as a % of Year

YEAR	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	
FY 2022	3.57%	8.60%	5.30%	8.05%	27.42%	9.38%	4.44%	9.86%	11.05%	-0.52%	8.54%	4.31%	1.0
FY 2023	4.34%	7.53%	5.71%	6.76%	27.94%	7.56%	4.25%	10.34%	9.73%	3.88%	7.55%	4.41%	1.0
FY 2024	4.15%	8.58%	5.62%	6.22%	26.26%	7.41%	4.92%	7.73%	9.82%	4.13%	8.16%	7.00%	1.0
FY 2025	4.30%	8.11%	6.04%	6.02%	28.41%	7.41%	4.53%	8.90%	8.98%	4.91%	8.34%	4.05%	1.0
FY 2026	4.74%	7.11%	2.78%	8.34%	29.49%	9.18%	4.37%	8.87%	9.53%	2.99%	7.85%	4.76%	1.0

[redacted]

Outlook

Cash Flow Outlook & Financing Discussion Summary

From Kristina Kerper <kkerper@manheimtownship.org>
Date Mon 7/13/2026 8:45 AM
To Rick Kane <rkane@manheimtownship.org>; Sam Kulp <skulp@manheimtownship.org>

1 attachment (1 MB)
Cash Flow Model.xlsx;

Sam & Rick-

I had a lengthy conversation with Jamie Schlessinger on Friday regarding our current financial position and what financing options may be available to us.

Here are the highlights:

- **Debt restructuring** – Since we're near the end of our current debt amortization, Jamie doesn't see this as a viable option.
- **Financing capital projects** – If we were still cash-funding capital projects, we could finance those instead (similar to the Golf Course). Since we've already cut 2026 down to mostly grant-funded projects and are expecting to defer most 2027 capital, this really doesn't move the needle.
- **Tax Revenue Anticipation Note (TRAN)** – This is short-term borrowing against anticipated tax revenues to cover a temporary cash flow gap. It has to be repaid by the end of the year from tax collections. Jamie thinks **this could be a viable option for 2028**, assuming tax revenues are sufficient to repay it. If not, the alternatives are not favorable and could negatively impact our credit.
- **Lease/leaseback financing** – Essentially borrowing against an existing asset to generate a one-time cash infusion. Jamie felt this should only be considered in extreme circumstances because of the long-term impact on our financial flexibility and credit.

He did not identify any other short-term operating financing options, such as an operating line of credit. He's also putting together a memo with more detail that I'll share once I receive it. His recommendation was to continue looking at headcount where possible and focus on developing a long-term financial plan to address the structural deficit.

I'm continuing to build out longer-term projections. Based on our current June information, we're looking at the following:

- **General Fund Revenue:** Budget $37.0M | Projected $38.4M
- **General Fund Expenditures:** Budget $45.2M | Projected $44.4M

Based on those projections, we're currently estimating an approximately **$9.8 million General Fund balance at 2026 year-end**.

For 2027, we could likely expect General Fund Revenues of $39.8M which would include:

- 10% tax increase
- EMS Revenue at 50% collection (if we get to 67% collection as some of the peer group, this could add $800k)
- Modest fee increases of 10% where feasible
- Reduced interest earnings due to fund balance/rates

I've attached the projection model if you'd like to play around with it. Feel free to plug in whatever revenue or expense assumptions you think are appropriate in the yellow cells. Once we get into the 2027 budget process, we will have a better idea on projected 2027 expenditures. Right now, I have expenses modeled at a 5% increase over the 2026 projected expenditures, plus the estimated $2.5M for the additional fire staffing and full-time EMS operations (staff costs only).

Thanks,

Kristina Kerper, CPFO | Director of Finance
Manheim Township - 1840 Municipal Drive, Lancaster, PA 17601
(717) 569-6408 ext. 1107
www.manheimtownship.org

Outlook

Cash Flow Projection Model

From Kristina Kerper <kkerper@manheimtownship.org>
Date Wed 7/15/2026 9:35 AM
To Joseph D'Alessandro [redacted]; Michael Kyle [redacted]; Steven Geisenberger [redacted] Terry R. McGuigan [redacted] Tom O'Brien <[redacted]
Tressa Monkman [redacted]
Cc Rick Kane <rkane@manheimtownship.org>; Sam Kulp <skulp@manheimtownship.org>; Porter Stevens <PStevens@manheimtownship.org>; Andy Bowman <abowman@manheimtownship.org>; Carol Gifford <cgifford@manheimtownship.org>

1 attachment (1 MB)
Cash Flow Model.xlsx;

Good morning,

As requested, I've attached the cash flow projection model that I shared with Rick and Sam on Monday.

The model is intended to provide a high-level view of the Township's longer-term financial outlook. The yellow input cells can be adjusted to test different revenue and expenditure assumptions and see the impact on projected fund balance and cash flow.

At this point, the model is limited to the General Fund operating budget. I'm still working through the capital funds and the status of capital projects.

Based on our current June information, the preliminary 2026 projections are:

- **General Fund Revenue:** Budget $37.0M | Projected $38.4M
- **General Fund Expenditures:** Budget $45.2M | Projected $44.4M
- **Estimated General Fund Balance (12/31/2026):** $9.8M

For 2027, the current assumptions include:

- 10% tax increase
- EMS Revenue at 50% collection
- Modest fee increases where feasible
- Reduced interest earnings due to fund balance/rates
- General Fund expenditures are currently modeled using a 5% increase over the projected 2026 expenditures, plus approximately $2.5 million for the remaining Fire Rescue staffing plan and full-time EMS operations (personnel costs only).

Since we haven't started the 2027 budget process yet, those expenditure assumptions are simply a reasonable starting point for cash flow planning. The model will continue to be refined as we work through the budget process, review capital projects, and update our assumptions.

Thanks,
Kristina Kerper, CPFO | Director of Finance
Manheim Township - 1840 Municipal Drive, Lancaster, PA 17601
(717) 569-6408 ext. 1107
www.manheimtownship.org