East Hanover Township, Lebanon County
Municipal Building
1117 School House Road
Annville, PA 17003
Special Session
October 19, 2026

The Board of Supervisors convened in special session at 6:30 pm for general and all purposes, including 2027 Budget Planning. The meeting was open for the public to attend and was recorded through ZOOM.

In Attendance - ***Supervisor -*** Ed Heagy
Supervisor - Stefan Wentling
Supervisor - Dennis Grubb
Township Manager - Erik Harmon
Administrative Assistant - Sheila Seaman
Residents – Bob Gibson
Frankleen Gibson
Mary Evans
Kyle Cassel

The meeting was called to order by Supervisor Heagy.

34 Park Drive, Kevin & Pam Zearfoss – Request for Reduction of Financial Security
Harmon advised that a request for reduction in Financial Security was received from Kevin & Pam Zearfoss. Allison Garner, Engineer with Rettew, conducted a site inspection and reviewed the matter. Garner issued a formal letter recommending that the outstanding balance of financial security ($56,530.00) for the development on the 34 Park Drive property be released in full.

Wentling motioned to approve the reduction of the Financial Security from $56,530.00 down to $0. Grubb 2nd the motion and with all three Supervisors voting in favor, the motion passed.

2027 Budget Discussion
Re. General Fund Projections - Harmon reviewed the proposed budget figures of the General Fund accounts for the Board of Supervisors. He indicated that he has not adjusted much from the first Budget Session that was held in September and stated that this projection is currently balanced for 2027. Harmon noted that his calculations for the 2027 Earned Income Tax Revenue are underestimated when compared to what Keystone Municipal Collections forecasts by $20,000. He also noted that he changed his original projected amount of income from Real Estate Transfer Tax to $80,000 in 2027.

Re. Road Budget Projections – Harmon advised the Board of Supervisors that his 2027 projections are proposing to spend a little bit more than we typically do out of the State Fund. He said that we usually try to save some of our allocation for future paving projects, but, knowing that we would like to cut some of the money out of the Gaming Expenses for road matters in 2027, that is causing more of the funding to fall to the State Funds.

Harmon advised that he is planning for a purchase of the new plow that the road crew has requested in 2027. Discussion was held as to where the funds should come from to pay for that expense. The Board

of Supervisors unanimously agreed to budget that purchase to be paid one-half from Gaming Funds and one-half from Capital Equipment Fund.

Harmon indicated that he anticipates the paving that would be scheduled for 2028 on Bull Frog Road will cost approximately $330,000. Therefore, he is keeping that cost in mind as he makes his projections for the 2027 Budget.

Re. State Fund Projections – Harmon advised that PennDOT has just provided the projections for 2027 allocation of funds as follows for our Township:

Liquid Fuel Estimate - $204,760.00
Road Turnback Estimate - $2,440.00

Harmon advised that his projections for 2027 State Funds are as follows:

Approx. Revenue Total - $210,000
Approx. Expense Total - $140,000 ***(after adjusting due to new plan for paying for a new plow.)***
****Leaving a balance of $70,000 that could be saved for future paving projects.***

Re. Gaming Fund Projections – Harmon advised that in 2025 gaming revenue received was down. The Township did receive the full allocated amount from the slots revenue, but the funding received from table games was reduced by about $5,000. While he would like to see the Gaming Revenue come back to the full amount in 2027, Harmon is budgeting that the Township will receive $10,000 less next year….just to be cautious.

Harmon indicated that he is planning for interest earnings of $7,000 in 2027, but clarified that a lot of that is from the 18-month CD Investment that the Township just opened up. The interest from that CD will be earned next year, but the Township won't have it in hand next year.

Harmon then reviewed the projected Expenses for the Board of Supervisors. He advised that he reduced amount that is usually spent for Levitz Park (recreation exp) from $40,000 to $38,000. Harmon also reduced the road budget about $15,000.

Considering all of Harmon's comments, there is about $2,000 available in this budget for allocating.

Discussion Re. Fire Protection Donation from Gaming Fund -

Heagy inquired if these Gaming Fund Projections addressed the NLFES request for additional funds in 2027. Harmon indicated that he wanted to discuss the NLFES request to increase the Township's annual donation to their organization by 20% ($14,000) in 2027 with the Board of Supervisors at this meeting.

Harmon stated that Wentling had suggested, at a prior meeting, that a lesser amount be offered as an increase to the NLFES donation for 2027 … perhaps an $8,000 increase. Harmon advised that we have $2,000 extra in this fund that could be used toward that, but asked, "Where would we get the rest?" Discussion followed …

Where could funds be cut to increase giving to NLFES?
- -Libraries?
- -Farmland Preservation?
- -Food Pantry?

Should the Fire Tax be increased to meet the NLFES request?
- -The current tax rate for Fire Protection purposes is 0.122 mills.
- -Increased tax rates as consideration in order to increase giving to NLFES:
  - To generate $4,000 – raise to 0.138 mills – a 13% increase
  - To generate $6,000 – raise to 0.147 mills – a 20% increase

To generate $8,000 – raise to 0.155 mills – a 27% increase
To generate $14,000 – raise to 0.180 mills – a 48% increase

Resident, Frankie Gibson, spoke to voice her opinion that she is not in favor of raising the Fire Tax for Township residents. She stated she is not in favor of giving the $14,000 that the NLFES is requesting. Gibson asked, "Will they want that extra every year or just this year?" Harmon indicated that he believes the request has an expectation that the increase will continue into future years.

Harmon stated that we began receiving Gaming Funds in 2011. He stated that the amount of funds we receive doesn't go up, it has been a set amount since 2011. However, as explained earlier, the amount has gone down recently. Harmon also stated that he believes that the reason behind the disbursement of these funds to the municipality is to share them with positive entities within the community.

After much discussion, Heagy suggested a 13% increase to the Fire Tax, which would generate an additional $4,000 in Fire Tax revenue. If that $4,000 were combined with the $2,000 available in Gaming Funds, a total increase of $6,000 could be offered to the NLFES.

Discussion then turned to Recreation Funds, before a final decision would be made on the increase request to NLFES.

Re. Recreation Fund Projections (H.M. Levitz Memorial Park)-
Harmon first reviewed the projected revenue for the Recreation Fund for the Board of Supervisors:

1. **Fulton Bank - Trust Fund Checking Account -** This account holds dividends and interest earnings from the H.M. Levitz Park Trust Fund, which averages $7,500 per year.

As a side note regarding the current year's (2026) financial matters in the Fulton Bank -Trust Fund Checking … We are restricted on what we can use the funds for. Our balance in that account is currently around $32,000. One thing that the funds may be used for is the Park Caretaker's salary.

Harmon further explained that each year, the General Fund needs to be reimbursed for the portion of payroll expenses that were paid on behalf of recreation matters. Total recreation payroll expense was $45,559.04 for 2025. This amount includes the Park Caretaker's salary and all other Township employees who do park-related work. Harmon suggested that the reimbursement to the General Fund for Mike Rice's (Park Caretaker) salary in 2025 be paid from the Fulton Bank – Trust Fund Checking account and then the remainder of the payroll reimbursement be paid from the Recreation Fund checking account. All three Supervisors unanimously agreed to accept Harmon's suggestion for payment of the 2025 recreation payroll reimbursement.

2. **Land Rental –** The Township currently receives around $1300 from the farmer to farm some of the land at the park.

3. **Transfer in from Gaming –** This amount has been $40,000 in recent years. Harmon feels that amount can be adjusted to $38,000 for 2027.

4. **Lodge and Pavilion Rental Fees –** We budgeted $34,800 for 2026, but that will likely be off because we lost two big renters in 2026. A school group had rented 2 full weeks during the summer in past years but did not rebook in 2026. Also, a pony club ran a ½ week summer camp in the past that they did not rebook in 2026. We are now on track to bring in about $30,000 this year. So rental income projections for 2027 have been lowered a little.

5. **The Park Caretaker's Checking Account –** This account has historically held funds raised by events held at the park. (i.e. Apple Cider Festival, Breakfast with Santa, etc.) It has not been included in our budgets in the past. Harmon advised that we will include it in budgeting beginning in 2027 to reflect a complete picture (program income and program expenses) of park finances.

Harmon advised that total projected Recreation Fund income for 2027 is $41,650 (excluding transfer-in funds and the Park Caretaker's program account).

Harmon then reviewed projected expenses for the Recreation Fund for the Board of Supervisors:
The projected expenses include, among routine maintenance and cleaning expenses, an allotment of $1,500 to replace 6 interior doors at the park lodge in 2027. The total allotment for maintenance needs will only be $3,000 for 2027.

Re. Land Rent for Farm Rental – Harmon advised the Board of Supervisors that he has researched the fair market value of farmland rental for the area. Currently the Township rents 22 acres in five fields and receives $60/acre as rental income. That rate began in 2014 and had not been changed in any of the following years. After reviewing the documents Harmon provided and discussing the matter, the Board of Supervisors unanimously agreed to raise the rental fee to $100/acre beginning January 1, 2027. The new rate will be proposed to the current farmer for consideration.

Re. Rate Increases for Park Rentals – Harmon provided the Board of Supervisors with proposed rental rates for 2028 for park facilities. His proposal included a minimal increase (ave. 4.5%) for Township Residents in 2028 and a more substantial increase (ave. 10.8%) to Non-Residents in 2028.
After reviewing data provided by Harmon on rental usage and holding discussion on the matter, the Board of Supervisors expressed that they were unanimously in support of the proposed increases in park rental rates for 2028. The new rates will be formally presented for adoption at the Township's 2027 Re-organizational Meeting that will be held in January 2027.

After considering all of the Gaming Fund Projections and the Recreation Fund Projections for 2027, the Board of Supervisors approved the following:

1. A reduction in the amount allocated for Recreation from the Gaming Funds from $40,000 to $38,000 in 2027. This would allow the other $2,000 to go toward the NLFES.
2. Increasing the Fire Tax from 0.122 mills to 0.138 mills (13% increase) in 2027 to produce $4,000 in revenue for NLFES needs.

These two items would amount to a total of $6,000 that could be offered as an increase in funds to the NLFES in 2027.

Re. CD Investment Income – Harmon reviewed anticipated income from the Township's CD Investments that have upcoming maturity dates.

General Fund – matures 12/12/26 – $12,500 expected interest
Sewer Fund – matures 12/27/26 - $3,600 expected interest
PLGIT – matures 02/03/27 - $9,200 expected interest

All three Supervisors were in agreement to granting the $6,000 increase to the NLFES in 2027.

Re. Sewer Fund Projections – Harmon advised that the Sewer Fund budget looks to be in good shape. There are some new connections that will provide additional income:

6 new homes that were built along Jonestown Road in Ono
1 at the corner of Yordy's Bridge Road & Jonestown Road

Expenses don't usually change much from year to year. One leak has been found in the system that has been causing increased expense within the system. However once that is fixed, we should have better figures under the expenses.

Current usage rate for customers is 1 EDU - $170.00.
Next year, based on the Sewer Fund projections, the cost per connected EDU could be approximately $175.00. But Harmon advised that we are anticipating that Snitz Creek Restaurant will be connecting to our sewer system sometime in the near future, which will increase income for the system. Therefore, no increase in sewer rates is anticipated for customers in the near future.

Re. Township Manager's Salary – Heagy advised Harmon that the Board of Supervisors agreed to grant a 4% increase in salary for Harmon in 2027.

Having no further business to discuss, the meeting was adjourned at 8:14 p.m.

Respectfully Submitted,

Sheila M. Seaman
Administrative Assistant