

LANCASTER TOWNSHIP
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The year of 2020 has been unprecedented on many levels. For most of us, this is the first time in our lifetime where we have experienced a state or national shutdown. COVID-19 has impacted our lives in many ways such as our physical and mental health, financial and how our society operates. Many meetings for businesses, doctors, patients, and government officials have been held virtually. Elderly and individuals most at risk were encouraged to shelter in place while restaurants and stores had limited capacities. Parents faced the difficult responsibility of educating their children, the medical field prepared for a surge of cases and reduced normal operations to discourage the spread of the Corona Virus. Nothing about this year has been what we anticipated.

Despite the circumstances, Lancaster Township has continued to grow in the year of 2020. At this time over 100 building permits have been issued with over 50% of the permits issued for new single-family homes. We are anxious to see the results of the 2020 census and had a response rate of over 80%.

In the fall of 2020, a new Ford Interceptor was placed into service for the police department. With the purchase of this vehicle, Lancaster has begun the process of a set schedule of replacement for the police vehicles.

The public works department has also placed a 2020 Chevrolet 5500 on their roster of vehicles. As the township takes over roads in developments, this vehicle will be essential in completing winter road maintenance.

Early in the year, the Comprehensive Plan Committee worked diligently to submit a plan of action to the Board of Supervisors and Planning Commission. With the complications of meeting in person, this has been delayed and the goal is to resume focus in early 2021.

An unexpected increase to the anticipated revenue from ACT 13, allowed the Board of Supervisors to replace the phone system at the administration building. This was a major endeavor, as the phones had not been updated since 2005 and technology has significantly improved. Another positive of 2020, was establishing a relationship between Lancaster and the Zelenople Pool, as our residents can now enjoy these facilities at a discounted rate. It is the intention of the Board of Supervisors to continue this for the coming year.

As a county, Butler adjusted real estate tax due dates to eliminate penalties as many residents faced unemployment or reduced wages.

While 2020, was not all negative in our community, we can expect to see financial implications of this year into 2021. Municipalities have been told to anticipate a loss of revenue thru earned income and local service tax and a decrease in Liquid Fuel funding. With the growth of our community, we are hoping to see less of an impact than planned for. The budget prepared has very carefully taken all matters into consideration.

The Lancaster Township budget is reviewed many times during the year to remain on track and enable the Board of Supervisors to make the best decisions for the residents and the future of the local community. As we move forward, should you have any questions, please do not hesitate to contact me with any questions or concerns.

Sincerely,

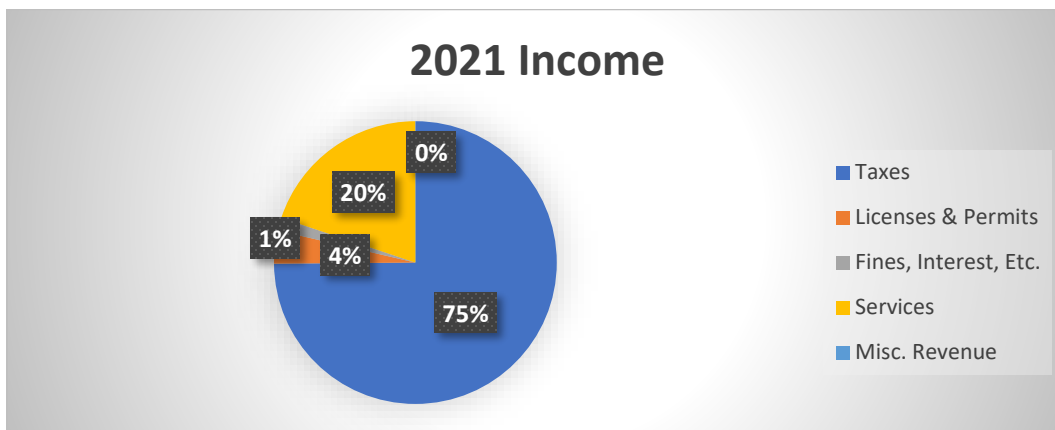
Christina M. Senft

Secretary-Treasurer

2021 General Fund Income

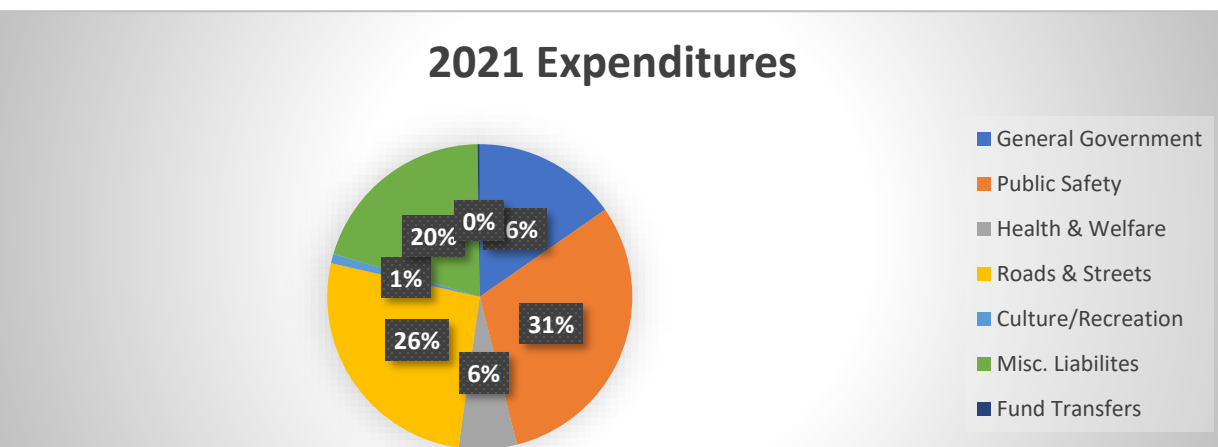
The General Fund of Lancaster Township is the base of our financial plan. Income of the general fund consists of earned income taxes, real estate taxes, local service taxes, licenses & permits, fines, interest, governmental funding, and miscellaneous revenue. Expenditures of the general fund support public safety including the Lancaster Township Police Department, all road maintenance, snow removal, general government administration, and financial contributions to the Lancaster Township Historical Society, Harmony Fire District and the Zelenople Public Library.

| Revenue | 2020 Budget | 2020 Year to Date | 2021 Budget |
|-----------------------|--------------|-------------------|--------------|
| Opening Balance | \$190,000. | \$205,831. | \$275,000. |
| Taxes | \$934,450. | \$931,968. | \$977,929. |
| Licenses & Permits | \$49,475. | \$43,017. | \$49,275. |
| Fines, Interest, Etc. | \$17,800. | \$13,656. | \$19,152. |
| Services | \$253,380. | \$266,489. | \$259,465. |
| Misc. Revenue | \$250. | \$22,805. | \$250. |
| Total Available | \$1,445,355. | \$1,483,766. | \$1,581,071. |



2021 General Fund Expenses

| Expenditures | 2020 Budget | 2020 Year to Date | 2021 Budget |
|-----------------------|--------------|-------------------|--------------|
| General Government | \$301,285. | \$239,554. | \$227,805. |
| Public Safety | \$400,000. | \$353,387. | \$456,200. |
| Health & Welfare | \$9,600. | \$40,534. | \$91,429. |
| Roads & Streets | \$423,816. | \$251,046. | \$390,325. |
| Culture/Recreation | \$14,500. | \$23,832. | \$14,750. |
| Misc. Liabilities | \$241,300. | \$264,518. | \$300,333. |
| Fund Transfers | \$7,800. | \$0 | \$3,652. |
| Total Expenses | \$1,398,301. | \$1,172,871. | \$1,484,494. |
| Anticipated Carryover | \$307,135. | \$275,000. | \$96,577. |



2021 Capital Reserves

Capital Reserves PLGIT Fund & Capital Reserves Fund Nextier – The two Capital Reserves Funds of Lancaster Township are long term savings of the Board of Supervisors with the intention of use to be for emergencies or investing into major purchases. The Capital Reserves Fund with Nextier is to be used specifically for financial matters with regards to public roadways. The Capital Reserves Fund with Nextier receives contributions from developers per unit. As interest rates have changed in 2020, The Board of Supervisors determined the best course of action upon expiration of the CD was to roll all funds into the money market account with a guaranteed interest rate of .50%.

| Capital Reserves - Nextier | 2020 Budgeted | 2020 Year to Date | 2021 Budget |
|----------------------------|---------------|-------------------|-------------|
| Opening Balance | \$49,180. | \$42,163. | \$199,841. |
| Interest Earnings | \$200. | \$312. | \$100. |
| Scenic Ridge Contributions | \$10,400 | \$10,000. | \$10,000. |
| Arden Woods | \$29,600. | \$68,000. | \$84,000. |
| Available Balance | \$89,380. | \$120,475. | \$294,841. |
| Expense – Shields Paving | \$0 | \$16,840. | \$0 |
| Expense - Crack Sealing | \$15,000. | \$9,362. | \$15,000. |
| Deposit – CD | \$0 | \$105,408. | \$0 |
| Ending Balance | \$74,380. | \$199,682. | \$279,841. |

| Capital Reserves - PLGIT | 2020 Budgeted | 2020 Year to Date | 2021 Budget |
|--------------------------|---------------|-------------------|-------------|
| Opening Balance | \$131,990. | \$131,932. | \$132,567. |
| Interest | \$2,000. | \$635. | \$1,000. |
| Ending Balance | \$133,990. | \$132,567. | \$133,567. |

2020 ACT 13

ACT 13 Fund - The ACT 13 Fund was established with funds received from drilling impact fees. The township receives 1 deposit annually based on the number of active wells within Lancaster Township. As the number of active well sites has decreased, so has the revenue generated. ACT 13 Funds may be utilized for road projects, major equipment purchases, environmental programs, social services, and storm water & sewer systems. As local drilling has decreased, the anticipated revenue will also decrease.

| | 2020 Budgeted | 2020 Year to Date | 2021 Budget |
|---------------------------------------------|---------------|-------------------|-------------|
| Opening Balance | \$220,500. | \$220,932. | \$211,950. |
| Interest Earnings | \$1,000. | \$913. | \$1,000. |
| Impact Fee | \$100,000. | \$131,338. | \$80,000. |
| Total Available | \$321,500. | \$353,183. | \$292,950. |
| Expenses – Police Vehicle | \$46,478. | \$46,350. | \$46,046. |
| Expenses – Road Dept. Vehicle Upfit | \$45,000. | \$32,595. | \$0 |
| Expenses – Road Dept. Vehicle | \$46,473. | \$42,225. | \$20,000. |
| Expenses – Four Springs Park – Tractor | \$0 | \$10,510. | \$0 |
| Expenses – Zelenople Pool Donation | \$2,500. | \$2,500. | \$2,500. |
| Four Springs Park Grant Match | \$30,000. | \$0 | \$0 |
| Expenses – New Police Tasers/Shot Gun/Rifle | \$7404. | \$5,139. | \$0 |
| Expenses – New Phone System | \$0 | \$1,984. | \$0 |
| Ending Balance | \$143,645. | \$211,880. | \$224,404. |

2021 Highway Aid

Highway Aid Fund – The Pennsylvania Department of Transportation provides funding for municipal road maintenance and construction projects through the Liquid Fuels Tax. The funding is based upon 50% road mileage and 50% census population of the municipality. Any road projects to be completed with funds from the Highway Aid must be approved by a representative of the district office of PennDOT. In addition to the Liquid Fuels Tax, municipalities receive funds based strictly on the mileage of roads to be maintained, also known as the Road Turnback Program. The decrease of fuel used during 2020 will impact the amount Lancaster can expect to receive.

| Highway Aid - PLGIT | 2020 Budgeted | 2020 Year to Date | 2021 Budget |
|----------------------|---------------|-------------------|-------------|
| Opening Balance | \$282,776. | \$282,493. | \$412,000. |
| Interest Earnings | \$3,500. | \$1,743. | \$2,000. |
| Liquid Fuels Tax | \$137,639. | \$140,422. | \$126,549. |
| State Road Turnback | \$39,200. | \$39,200. | \$39,200. |
| Total Available | \$463,115. | \$463,858. | \$579,749. |
| Annual Road Project | \$111,000. | \$51,874. | \$115,338. |
| Annual Crack Sealing | \$0 | \$0 | \$66,193. |
| Ending Balance | \$352,115. | \$411,984. | \$398,218. |

2021 Park & New Building Fund

Four Springs Park Fund & New Building Fund – In looking forward to the future, these funds were established to assist with the development of a complete park facility and the future home of the Lancaster Township Administration Building. The township has received grants in the past to assist with the Four Springs Park development. Currently the township has the property leased with Rex Energy, and all gas royalties are divided amongst the funds.

| Four Springs Park - Nextier | 2020 Budgeted | 2020 Year to Date | 2021 Budget |
|-----------------------------|---------------|-------------------|-------------|
| Opening Balance | \$20,400. | \$20,351. | \$22,840. |
| Interest Earnings | \$500. | \$85. | \$100. |
| Private Donations/Contrib. | \$10,920. | \$390. | \$3,500. |
| Transfer from General Fund | \$3,000. | \$2,014. | \$2,416. |
| Park Grant | \$0. | \$0. | \$0. |
| Total Available | \$34,820. | \$22,840. | \$28,856. |
| General Park Maintenance | \$15,000. | \$0 | \$15,000. |
| Entrance Gate | \$5,200. | \$0 | \$5,200. |
| Ending Balance | \$14,620. | \$22,840. | \$8,656. |

As part of the beginning stages of a new township administration building, a study was conducted by HHS DR Architects to identify the needs of the current and future needs of our administration and police department. The township will be able to use this study to determine the financial needs for completion of the facility.

| New Building Fund - Nextier | 2020 Budgeted | 2020 Year to Date | 2021 Budget |
|-----------------------------|---------------|-------------------|-------------|
| Opening Balance | \$28,825. | \$28,849. | \$19,889. |
| Interest Earnings | \$500. | \$10. | \$10. |
| Transfer from General Fund | \$1,500. | \$1,030. | \$1,236 |
| Total Available | \$30,335. | \$29,889. | \$21,135. |
| Expense – Bldg Study | \$12,500. | \$10,000. | \$0 |
| Ending Balance | \$25,146. | \$19,889. | \$21,135. |