

November 19, 2024

## **To Members of the Upper Makefield Township Board of Supervisors:**

We are pleased to present the 2025 Upper Makefield Township Final Budget to the Board of Supervisors and the citizens of Upper Makefield Township. As presented, this budget will allow Upper Makefield Township to continue to provide a high-level quality of services to its residents.

### **The Budget Process**

The budget process for the 2025 Budget began in August, when Township staff began formalizing budget requests and needs. Departmental budget requests were prepared and reviewed individually by the Township Manager, Assistant Township Manager, and Finance Officer with each respective department head. After thorough evaluation and revision, draft budgets were presented to the Board of Supervisors during publicly advertised Budget Workshop meetings on September 17, 2024 and October 1, 2024. These meetings included line-item scrutiny and discussion of capital improvement planning, the Township debt repayment and Sewer and Water Capital Reserve Funds.

The adoption schedule for the 2025 Budget is as follows:

- **September 17, 2024** – Budget Workshop 1 - Presentation of the 2025 Proposed Budget
- **October 1, 2024** – Budget Workshop 2 - Presentation of the 2025 Proposed Budget
- **October 15, 2024** – Presentation and authorization to advertise the Preliminary 2025 Budget
- **November 19, 2024** - Official adoption of the Final 2025 Budget

The budget document, as presented here, incorporates input and direction from the Board of Supervisors during the Budget Workshop meetings.

## The Funds

This proposal includes \$12,646,381 in expenditures over twelve Governmental Funds, including \$9,404,198 in expenditures from the General Fund, and \$10,546,000 in General Fund revenues. Governmental Funds include costs to provide typical governmental functions and services.

	2025	2025	
	Proposed	Proposed	Fund
Government Funds	Revenues	Expenditures	Balance
General	\$ 10,546,000	\$ 9,404,198	\$ 1,141,802
Fire	\$ 219,263	\$ 178,000	\$ 41,263
Building Construction	\$ 134,638	\$ 122,820	\$ 11,818
Park and Recreation	\$ 87,492	\$ 52,000	\$ 35,492
Park and Recreation Capital	\$ 257,542	\$ 153,000	\$ 104,542
Capital Reserve	\$ 1,648,598	\$ 1,075,813	\$ 572,785
Liquid Fuels	\$ 447,641	\$ 415,000	\$ 32,641
Tree	\$ 60,922	\$ 10,000	\$ 50,922
Emergency Services	\$ 566,144	\$ 485,000	\$ 81,144
American Rescue Plan	\$ 500,550	\$ 500,550	\$ 0
Riparian Restoration Grant	\$ 1,628,893	\$ 250,000	\$ 1,378,893
<b>TOTAL</b>	<b>\$ 16,097,683</b>	<b>\$ 12,646,381</b>	<b>\$ 3,451,302</b>

The Township's Proprietary Funds include six Water/Sewer Enterprise Funds that account for services provided to the public on a user charge basis.

	2025	2025	
	Proposed	Proposed	Fund
Proprietary Funds	Revenue	Expenditures	Balance
Heritage Hills Water & Sewer Fund	\$ 496,745	\$ 496,700	\$ 45
Heritage Hills Capital Reserve Fund	\$ 491,353	\$ 327,191	\$ 164,162
Dutchess Farm Sewer Fund	\$ 193,128	\$ 155,100	\$ 38,028
Dutchess Farm Capital Reserve	\$ 327,518	\$ 7,500 -	\$ 320,018
Enclave Water & Sewer Fund	\$ 510,485	\$ 239,900	\$ 270,585
Enclave Capital Reserve Fund	\$ 596,910	\$ 120,170	\$ 476,740
<b>TOTAL</b>	<b>\$ 2,616,139</b>	<b>\$ 1,346,561</b>	<b>\$ 1,269,578</b>

Upper Makefield Township’s three Fiduciary Funds report assets held by the Township in a trustee or agency capacity and are not available to support Township programs or services. Both the police and non-uniformed pension plans are funded in excess of 100%.

	2025	2025	
	Proposed	Proposed	Fund
Fiduciary Funds	Revenues	Expenditures	Balance
Police Pension	\$ 14,524,383	\$ 1,141,540	\$ 13,382,843
Non-Police Pension	\$ 4,364,193	\$ 544,856	\$ 3,819,337
Grading Escrow	\$ 365,580	\$ 27,600	\$ 337,980
<b>TOTAL</b>	<b>\$ 19,254,156</b>	<b>\$ 1,713,996</b>	<b>\$ 17,540,160</b>

**2025 Budget Overview**

Despite 2024 inflation, expenditures have been kept to a minimum. This is due to the prudent financial planning by the Board of Supervisors and the diligence of Township staff, who consistently work to contain costs and reduce overall expenditures.

For 2024, the General Fund revenue totals are projected to be approximately \$721,954 more than budgeted and expenditures are projected to be approximately \$14,576 less than budgeted. The Police and Public Works Departments are projected to end the year with expenditures under budget. This is a credit to the Township staff, who work hard all year to contain costs. We are living within our means, while working to provide services at the level expected by our residents, maintaining our positive fund balances, and planning for the future with Township-wide capital improvement plans.

The Board of Supervisors continues to adopt a five-year Capital Improvement Plan for Administration/Facilities, Police, and Public Works as well as our volunteer fire companies. This budget continues to fully fund the Capital Improvement Plan with the transfer of \$770,000 from the General Fund.

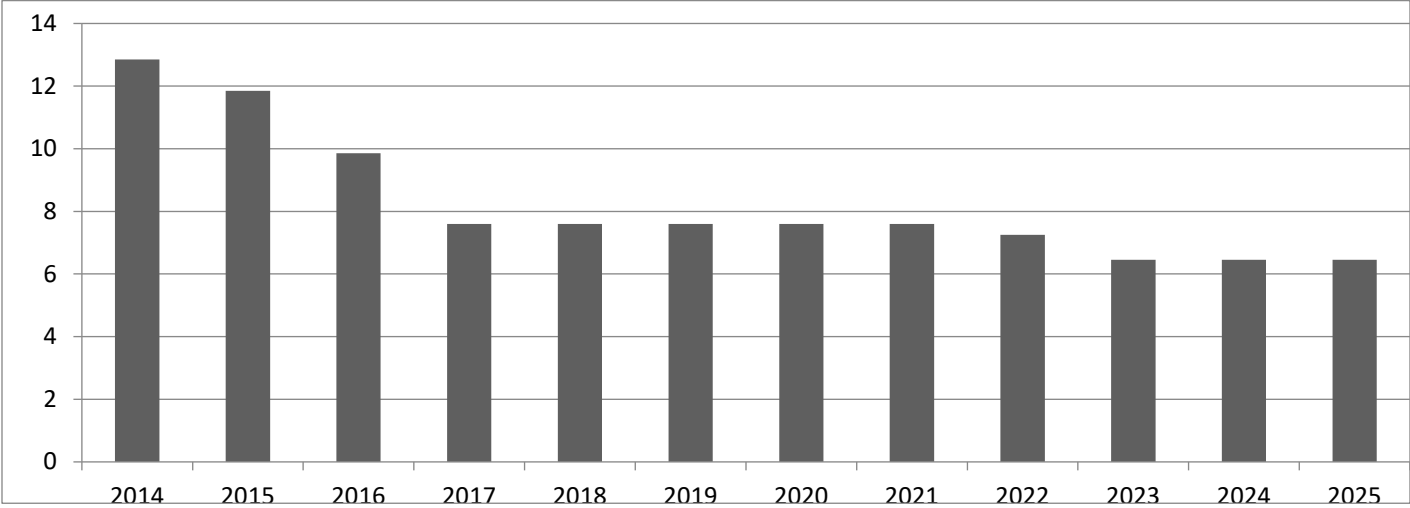
No new staff positions are anticipated in 2025. Currently, the Township employs 36 full-time and 2 part-time employees.

The Township has been able to continue stabilized taxes while at the same time funding a Five Year Capital Improvement program and maintaining a comfortable fund balance, with no impact to the services provided to our residents.

Since 2011, Upper Makefield Township’s real estate tax have been reduced from a high of 13.3525 mils to the proposed level of 6.45 mils.

# TOTAL MILLAGE

<u><b>2014</b></u>	<u><b>2015</b></u>	<u><b>2016</b></u>	<u><b>2017</b></u>	<u><b>2018</b></u>	<u><b>2019</b></u>	<u><b>2020</b></u>	<u><b>2021</b></u>	<u><b>2022</b></u>	<u><b>2023</b></u>	<u><b>2024</b></u>	<u><b>2025</b></u>
12.8525	11.8525	9.8525	7.6025	7.6025	7.6025	7.6025	7.6025	7.2500	6.4500	6.4500	6.4500



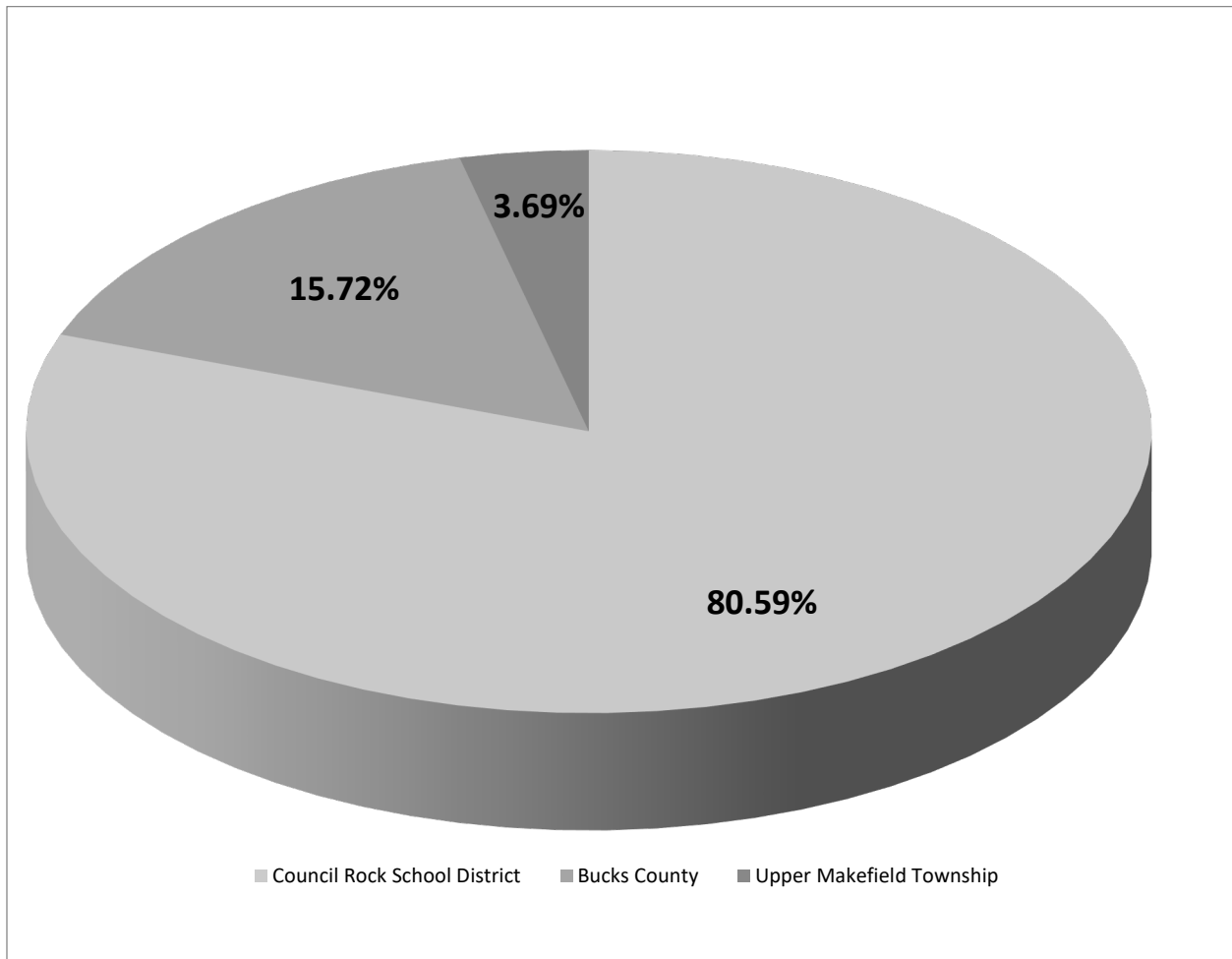
As proposed, the Real Estate Tax would be broken down as follows:

- General Fund 5.2 mils
  - Fire Fund 0.75 mils
  - Building Construction Fund 0.5 mils
- TOTAL 6.45 mils**

The proposed 2025 Upper Makefield Township Real Estate Tax is based on the total assessed value of real estate in the Township. According the Bucks County Board of Assessment, the total assessed value as of July 10, 2024 is \$248,916,250.

The average assessment of a residential property in Upper Makefield Township is approximately **\$68,745**, which equates to an average Township real estate tax of approximately **\$445**.

## 2025 TAX MILLAGE



	<u>2024-2025 Millage</u>	<u>Percentages</u>
Council Rock School District	140.7732	80.59%
Bucks County	27.45	15.72%
Upper Makefield Township	6.45	3.69%
<b>Total</b>	<b>174.6732</b>	<b>100.00%</b>

It should be noted that the Upper Makefield Township portion of a resident’s Real Estate Tax bill is only 3.69% as compared to the County (15.72%) and School District (80.59%) portions.

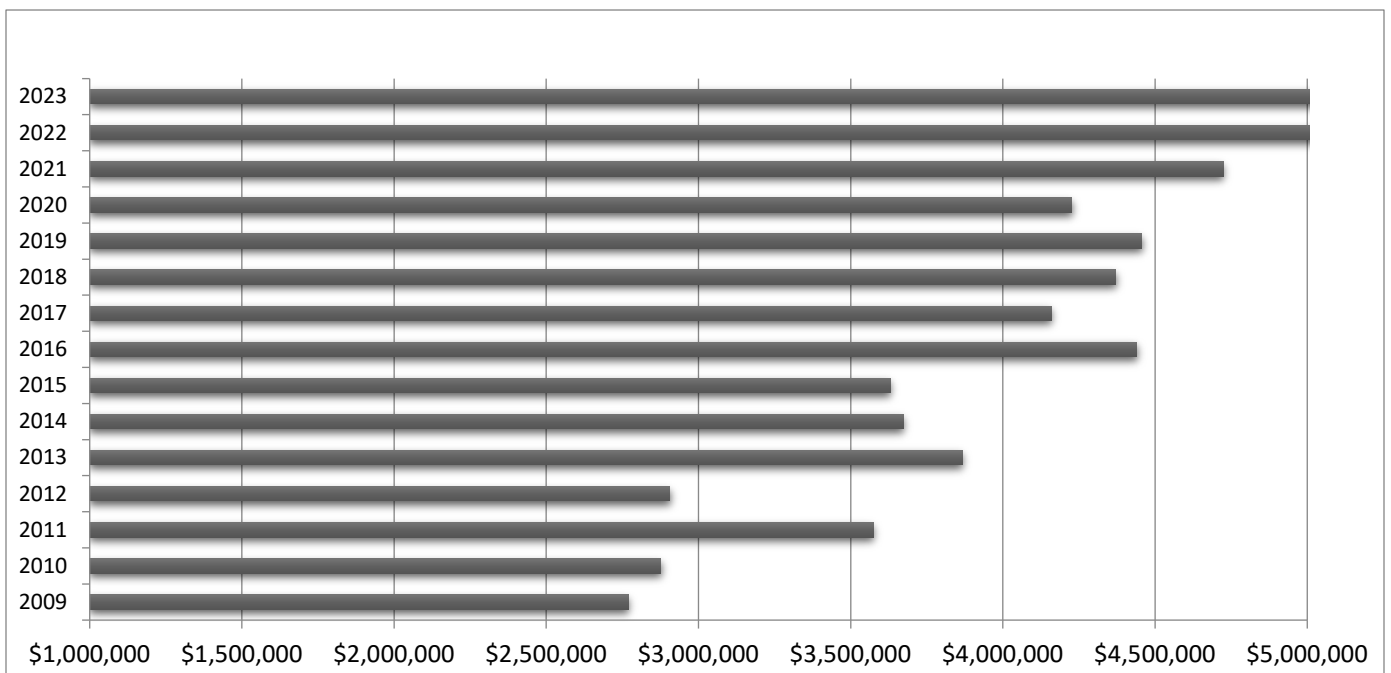
## General Fund – Revenues

### **Earned Income Tax:**

The Upper Makefield Township Earned Income tax rate is ½ of 1% with the other ½ of 1% going to the Council Rock School District. This revenue source is budgeted at \$4,750,000 in 2025.

According to the 2020 Census, the median income for a family in Upper Makefield Township is \$157,014, which translates into an annual Earned Income Tax payment of \$785.07.

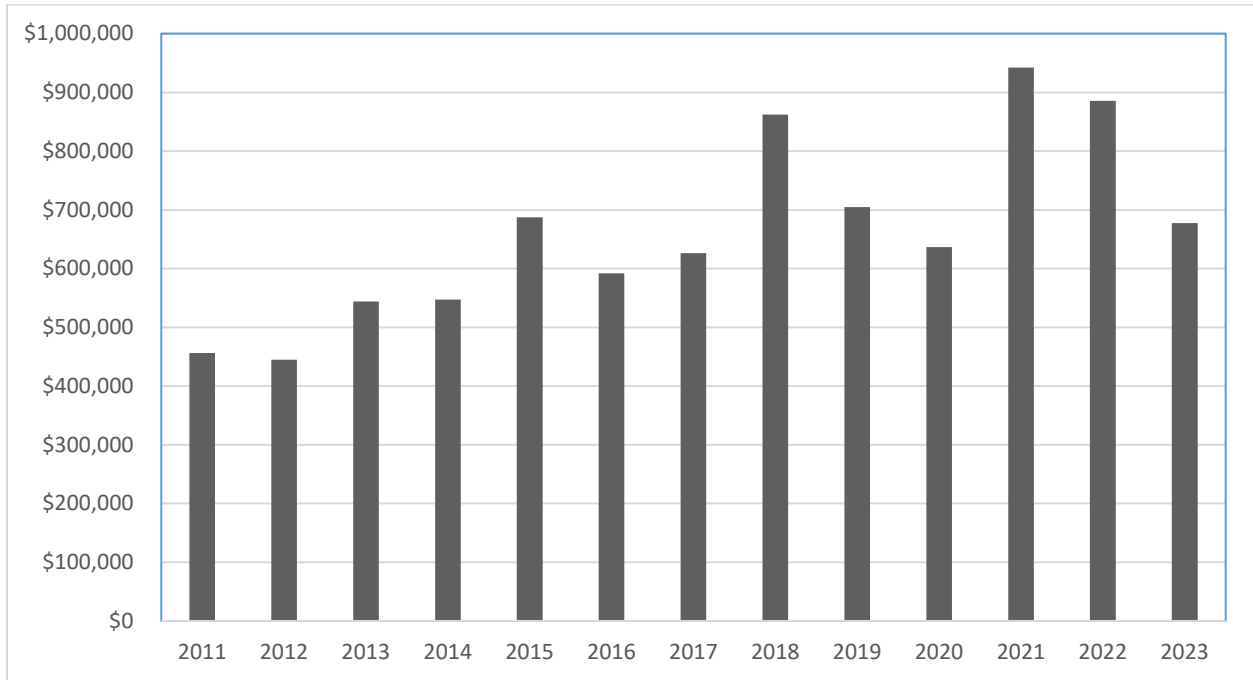
### **Earned Income Tax Revenues – 2009 through 2023**



**Real Estate Transfer Tax:**

Upper Makefield Township receives ½ of the 1% of the value of all real estate that transfers. This line item is estimated to bring in approximately \$700,000 in 2025, as illustrated by the following graph.

**Real Estate Transfer Tax Revenues – 2010 through 2023**

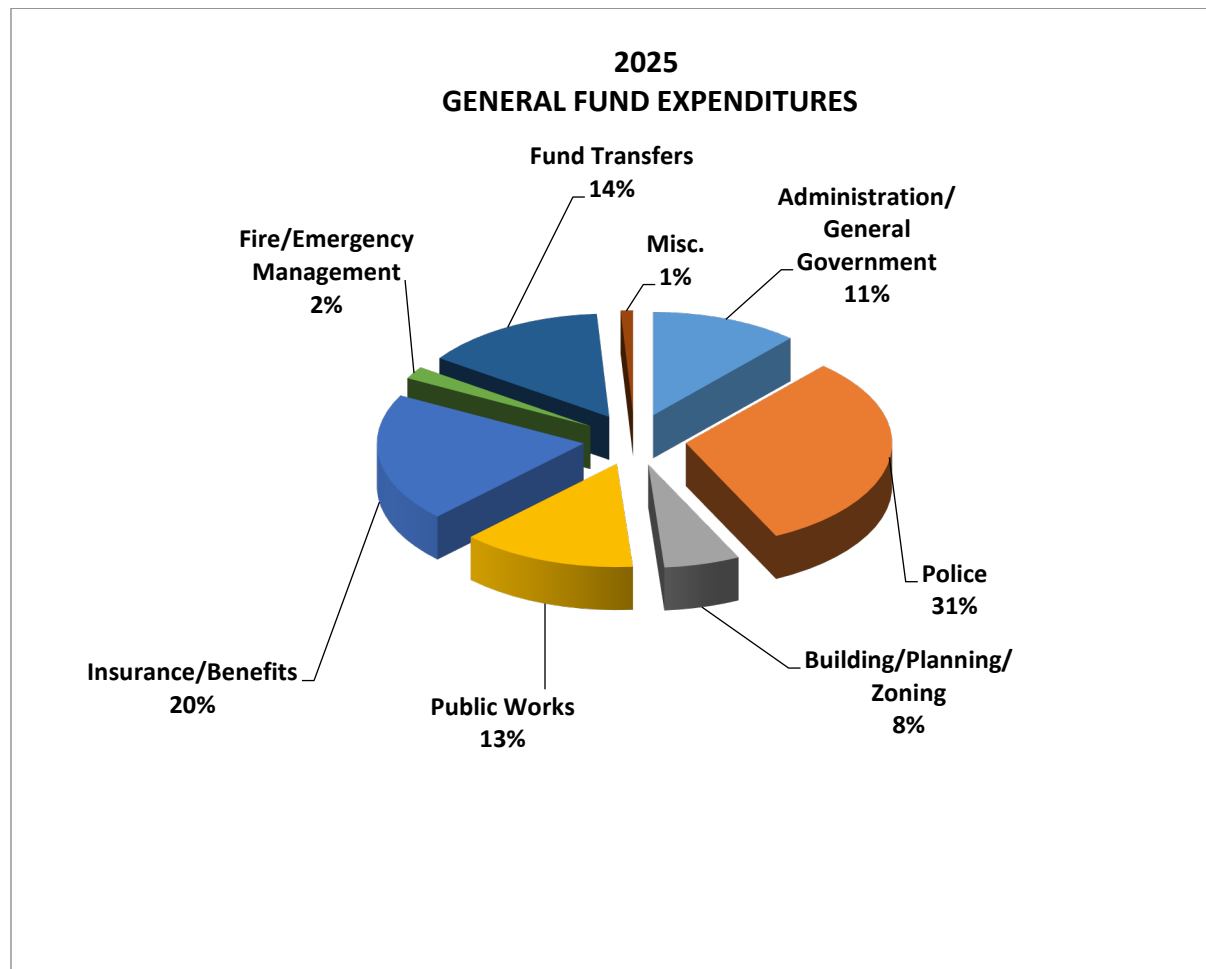


## General Fund – Expenditures

The largest expenditure category in the General Fund is Police Services, representing 31% of budgeted costs. Additional expenditure categories include: Insurance/Benefits at 20%, Administration/General Government at 11%, Building/Planning/Zoning at 8%, Public Works at 13%, Fund Transfers at 14%, Fire/Emergency Management at 2% and Miscellaneous at less than 1% .

### 2025 GENERAL FUND EXPENDITURES

Administration/General Government	\$	1,003,352
Police	\$	3,079,202
Building/Planning/Zoning	\$	858,815
Public Works	\$	955,063
Insurance/Benefits	\$	1,906,444
Fire/Emergency Management	\$	191,322
Fund Transfers	\$	1,329,000
Misc.	\$	81,000
Total Expenditures	\$	9,404,198





## **Other 2025 Fund Expenditures Highlights**

### **PERSONNEL**

The Public Works contract expires December 31, 2026. The Police contract expires December 31, 2026. Non-uniform, non-bargaining wage increase is budgeted to average 3.5%.

### **PENSION**

The Minimum Municipal Obligation (MMO) for 2025 is budgeted at \$210,673 for the Police Pension Fund and \$84,749 for the Non-Police Pension Plan for a total MMO of \$295,422. This obligation is offset by \$275,000 in anticipated revenue from the Commonwealth.

### **FIRE FUND**

\$156,000 is budgeted for the Upper Makefield Fire Company and \$22,000 for the Lingohocken Fire Company.

### **HERITAGE HILLS WATER/SEWER CAPITAL IMPROVEMENT**

In 2025, \$55,000 is proposed to be transferred from Heritage Hills Water/Sewer Fund to partially fund the Heritage Hills Water/Sewer Capital Fund: \$319,500 is budgeted for the Heritage Hills Wastewater Treatment Plant improvements and \$7,691 is budgeted for the Heritage Hills Water Treatment Plant improvements.

### **PUBLIC WORKS**

\$482,024 is allocated from the General Fund and Liquid Fuels Fund for the 2025 Road Improvement Program.

The following roads are slated for improvement: London Court, Round Hill Road, Planetree Court, Spring Oak Drive, Eagle Road, and Lookout Park.. (Colts Neck Drive – alternate)

### **LIQUID FUELS FUND**

- \$150,000 is allocated for road repair and resurfacing projects.
- \$65,000 is allocated for road maintenance.
- \$80,000 is allocated for snow removal and snow removal overtime

### **PARK AND RECREATION FUNDS**

In the Park and Recreation Fund, \$50,000 is allocated for general maintenance of both Lookout and Brownsburg Parks (i.e., field maintenance, trash removal, cleaning of restrooms, repairs as needed).

### **PARK AND REC 3 YR CAP**

In the Park and Recreation Capital Fund, \$150,000 is allocated for pavilion furniture and park enhancements at Lookout Park and playground equipment and park enhancements at Brownsburg Park

### CAPITAL RESERVE FUND

\$770,000 is proposed to be transferred from the General Fund to continue to fund the Five-Year Capital Improvement Plan.

- \$140,000 for the replacement of two (2) police vehicles
- \$20,000 for technology
- \$320,000 EMS for an Upper Makefield Fire Company utility truck
- \$100,000 for Public Works EMS staff
- \$60,000 for Streetscape crosswalks
- \$220,263 for a Public Works International Truck
- \$14,500 for a light tower
- \$100,600 for roads

### BUILDING CONSTRUCTION FUND

\$122,820 is allocated for repayment of debt, including interest, for the Police Building. and is supported by real estate millage of 0.5 mils.

### **Conclusion**

Staff wish to sincerely thank the Board of Supervisors, volunteers and residents for their continued support. The preparation of this budget is the culmination of the collaborative efforts of many people: the Board of Supervisors, Township staff, volunteer boards and residents.

The entire Township team of employees should be commended for their efforts. With this year's ongoing work to continue to control costs and contain spending, Township staff has exhibited their dedication to serving the residents of Upper Makefield. Special recognition should be given to the following members of the Township's Executive Staff for assistance in crafting this document: Judy Caporiccio, Chief Mark Schmidt, Matt Gorman, Denise Burmester and Sandy Wenitsky.

The Board of Supervisors should also be recognized for the time they have dedicated to the budget process, gathering input and carefully reviewing each line item.

This document should be a valuable tool in making the important decisions that will impact Upper Makefield citizens and Township government in the coming year. I remain grateful for the opportunity to serve the Board of Supervisors and citizens in the Upper Makefield community.

Respectfully submitted,

David R. Nyman  
Township Manager