

November 21, 2023

To Members of the Upper Makefield Township Board of Supervisors:

We are pleased to present the 2024 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 2024 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 13, 2023 and October 3, 2023. These meetings included line-item scrutiny and discussion of capital improvement planning, the Township debt repayment schedule and Sewer and Water Capital Reserve Funds.

The adoption schedule for the 2024 Budget is as follows:

- **September 13, 2023** – Budget Workshop 1 - Presentation of the 2024 Proposed Budget
- **October 3, 2023** – Budget Workshop 2 - Presentation of the 2024 Proposed Budget
- **October 17, 2023** – Presentation and authorization to advertise the Preliminary 2024 Budget
- **November 21, 2023** - Official adoption of the Final 2024 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 \$12,571,795 in expenditures over twelve Governmental Funds, including \$9,109,718 in expenditures from the General Fund, and \$10,153,540 in General Fund revenues. Governmental Funds include costs to provide typical governmental functions and services.

	2024	2024	
	Proposed	Proposed	Fund
Government Funds	Revenues	Expenditures	Balance
General	\$ 10,153,540	\$ 9,109,718	\$ 1,043,822
Fire	\$ 406,163	\$ 178,000	\$ 228,163
Open Space	\$ 357,370	\$ 370,338	\$ (12,968)
Building Construction	\$ 123,674	\$ 110,183	\$ 13,491
Park and Recreation	\$ 89,334	\$ 52,000	\$ 37,334
Park and Recreation Capital	\$ 326,774	\$ 317,160	\$ 9,614
Capital Reserve	\$ 1,182,011	\$ 359,092	\$ 822,919
Liquid Fuels	\$ 442,272	\$ 417,900	\$ 24,372
Tree	\$ 60,962	\$ 15,000	\$ 45,962
Emergency Services	\$ 569,130	\$ 485,000	\$ 84,130
American Rescue Plan	\$ 907,404	\$ 907,404	\$ 0
Riparian Restoration Grant	\$ 1,580,355	\$ 250,000	\$ 1,330,355
TOTAL	\$ 16,198,989	\$ 12,571,795	\$ 3,627,194

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

	2024	2024	
	Proposed	Proposed	Fund
Proprietary Funds	Revenue	Expenditures	Balance
Heritage Hills Water & Sewer Fund	\$ 486,020	\$ 452,400	\$ 33,620
Heritage Hills Capital Reserve Fund	\$ 498,507	\$ 330,191	\$ 168,316
Dutchess Farm Sewer Fund	\$ 246,744	\$ 140,600	\$ 106,144
Dutchess Farm Capital Reserve Fund	\$ 316,920	\$ -	\$ 316,920
Enclave Water & Sewer Fund	\$ 543,554	\$ 223,825	\$ 319,729
Enclave Capital Reserve Fund	\$ 579,479	\$ 1,613	\$ 577,866
TOTAL	\$ 2,671,224	\$ 1,148,629	\$ 1,522,595

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%.

	2024	2024	
Fiduciary Funds	Proposed Revenues	Proposed Expenditures	Fund Balance
Police Pension	\$ 12,694,693	\$ 1,023,675	\$ 11,671,018
Non-Police Pension	\$ 3,953,188	\$ 534,679	\$ 3,418,509
Grading Escrow	\$ 364,343	\$ 10,000	\$ 354,343
TOTAL	\$ 17,012,224	\$ 1,568,354	\$ 15,443,870

2024 Budget Overview

Despite 2023 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 2023, the General Fund revenue totals are projected to be approximately \$465,065 more than budgeted and expenditures are projected to be approximately \$136,719 more than budgeted. The Planning & Zoning 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. This budget continues to fully fund the Capital Improvement Plan with the transfer of \$748,000 from the General Fund.

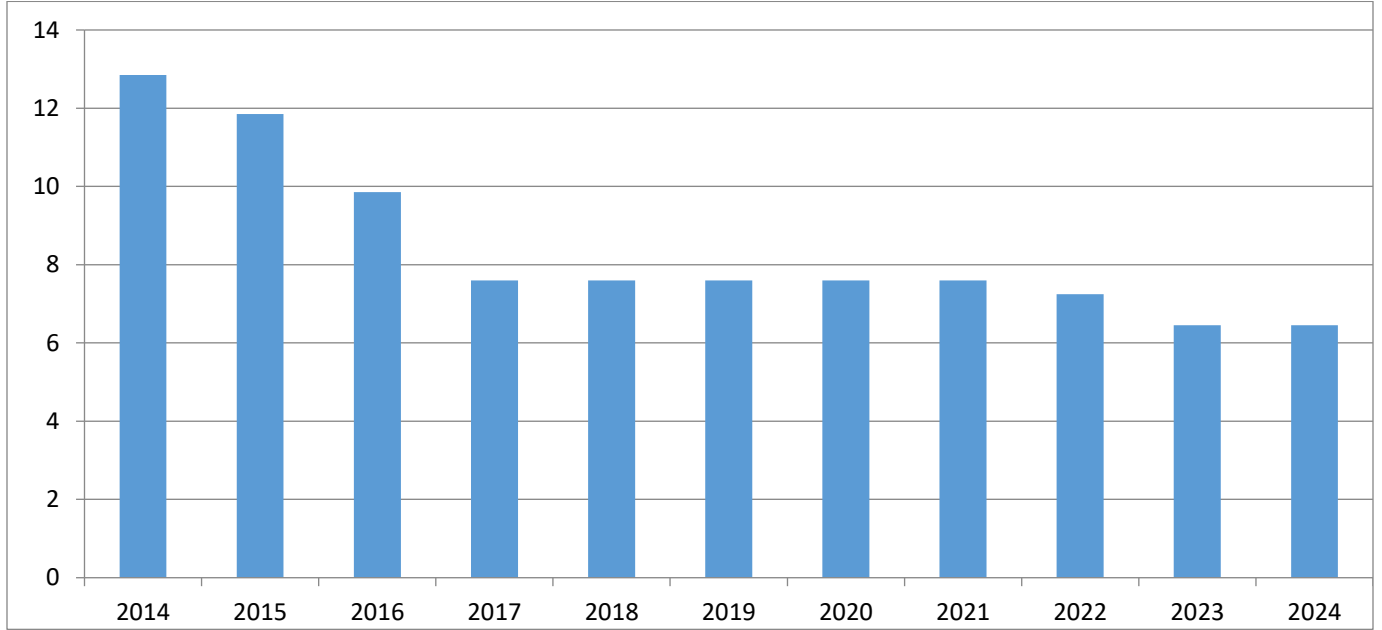
No new staff positions are anticipated in 2024. Currently, the Township employs 36 full-time and 2 part-time employees.

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
12.8525	11.8525	9.8525	7.6025	7.6025	7.6025	7.6025	7.6025	7.25	6.45	6.45



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

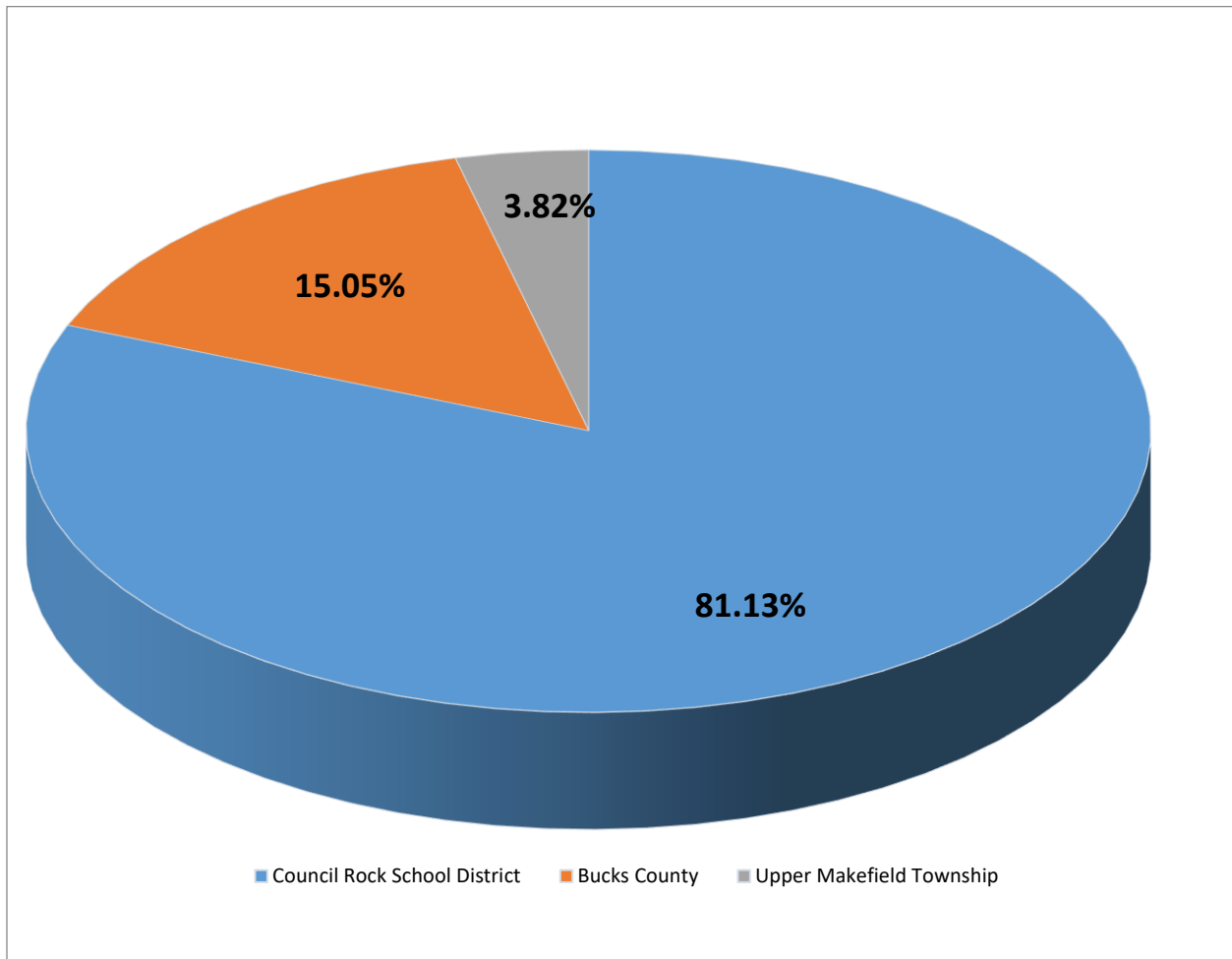
- General Fund 4.2 mils
- Open Space Fund 1.0 mils
- Fire Fund 0.75 mils
- Building Construction Fund 0.5 mils

TOTAL 6.45 mils

The proposed 2024 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, 2023 is \$248,637,570.

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**.

2024 TAX MILLAGE



	<u>2023-2024 Millage</u>	<u>Percentages</u>
Council Rock School District	137.1573	81.13%
Bucks County	25.45	15.05%
Upper Makefield Township	6.45	3.82%
Total	169.0573	100.00%

It should be noted that the Upper Makefield Township portion of a resident’s Real Estate Tax bill is only 3.82% as compared to the County (15.05%) and School District (81.13%) portions.

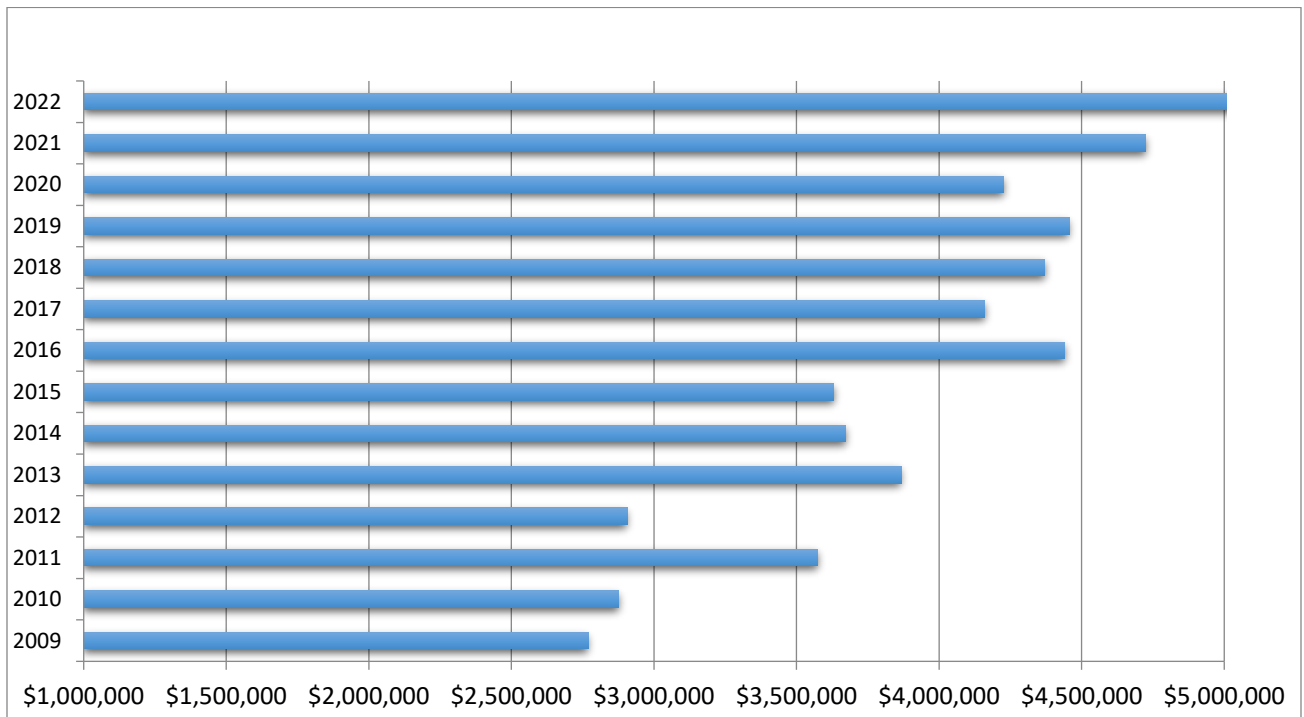
General Fund – Revenues

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 2024.

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.

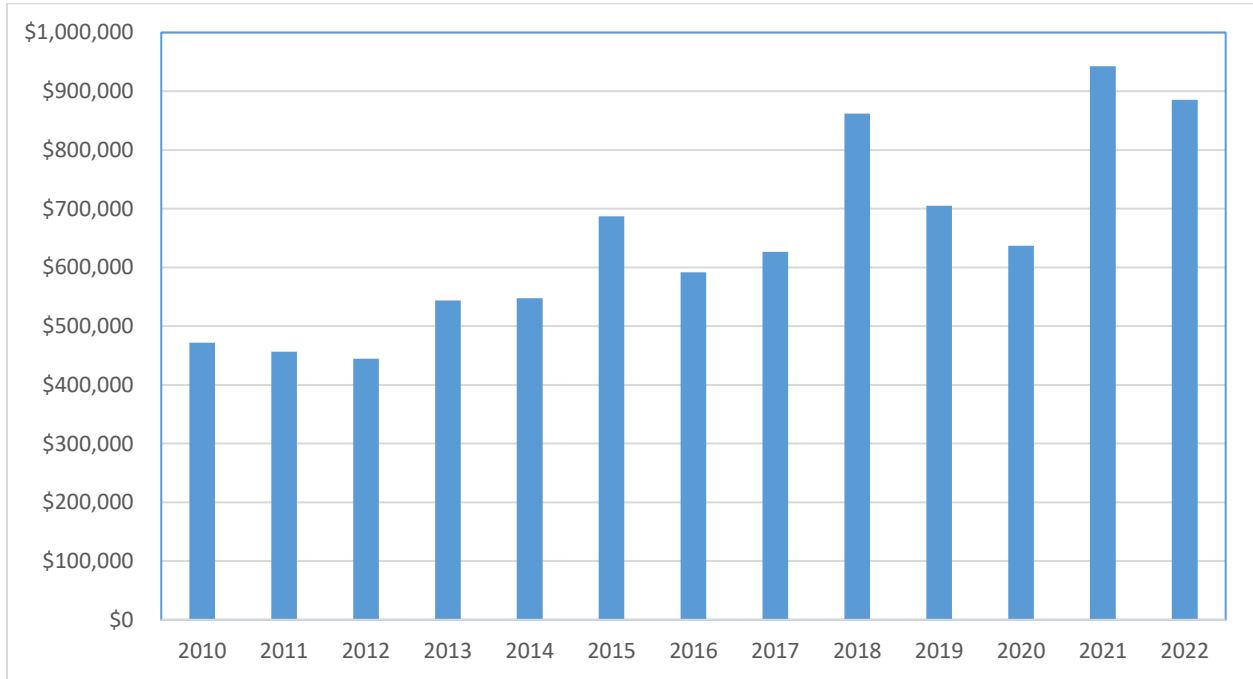
Earned Income Tax Revenues – 2009 through 2022



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 2024, as illustrated by the following graph.

Real Estate Transfer Tax Revenues – 2010 through 2022

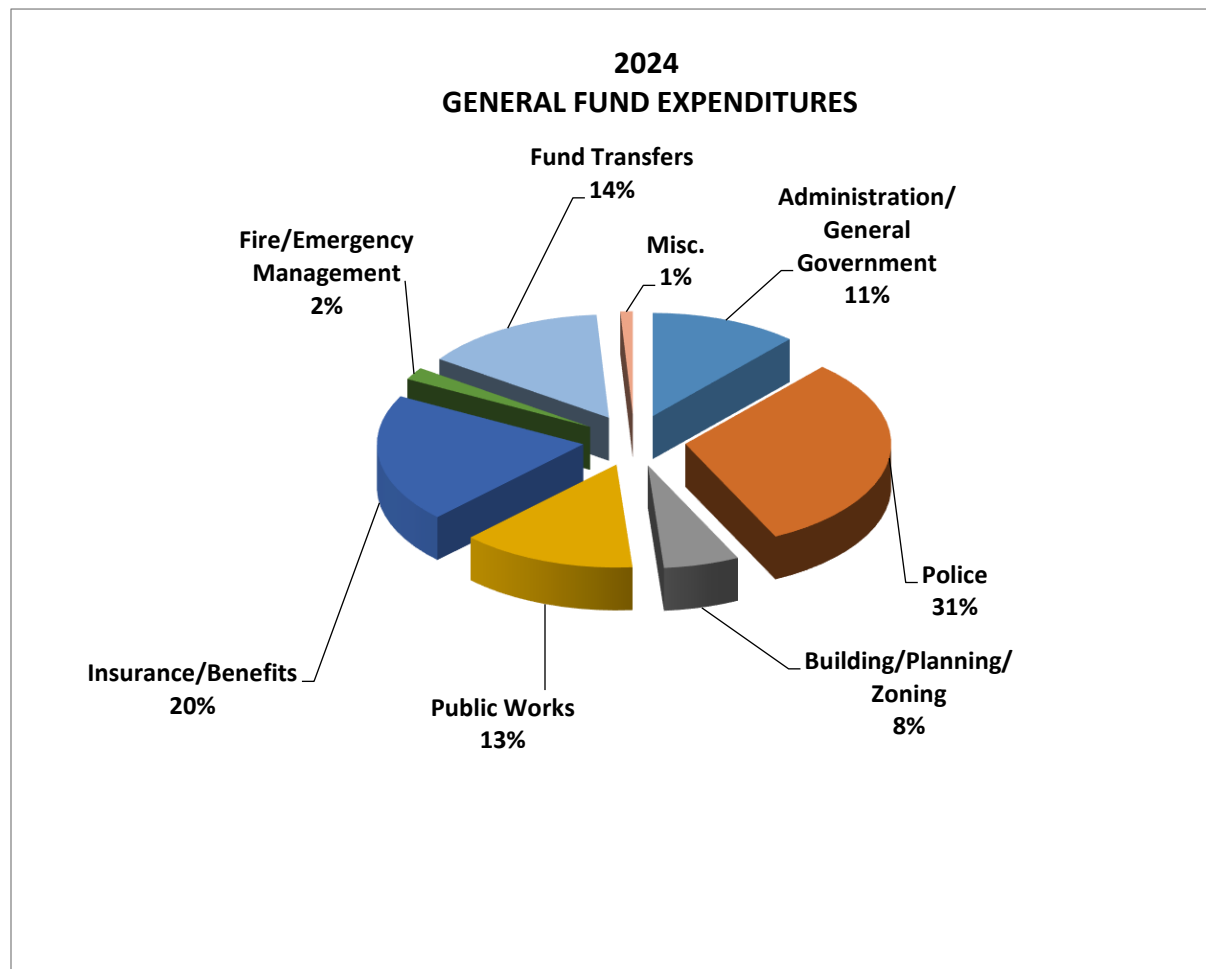


General Fund – Expenditures

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% .

2024 GENERAL FUND EXPENDITURES

Administration/General Government	\$	1,057,493
Police	\$	2,844,787
Building/Planning/Zoning	\$	542,981
Public Works	\$	1,251,723
Insurance/Benefits	\$	1,833,617
Fire/Emergency Management	\$	178,117
Fund Transfers	\$	1,313,000
Misc.	\$	88,000
Total Expenditures	\$	9,109,718



Other 2024 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 2024 is budgeted at \$245,025 for the Police Pension Fund and \$80,188 for the Non-Police Pension Plan for a total MMO of \$325,213. This obligation is offset by \$240,000 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 2024, \$70,000 is proposed to be transferred from Heritage Hills Water/Sewer Fund to partially fund the Heritage Hills Water/Sewer Capital Fund: \$295,000 is budgeted for the Heritage Hills Wastewater Treatment Plant improvements and \$35,191 is budgeted for the Heritage Hills Water Treatment Plant improvements.

PUBLIC WORKS

\$671,517 is allocated from the General Fund for the 2024 Road Improvement Program. The following roads are slated for improvement: Brownburg Roads (East and West), Scott Drive, Creamery Rd. (Wrightstown to Silver Trail/914 Stoopville), Meadowview Dr, Sewer Plant (off of Taylorsville Rd.)

LIQUID FUELS FUND

- \$200,000 is allocated for road repair and resurfacing projects.
- \$50,000 is allocated for road maintenance.
- \$75,000 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, \$136,120 is allocated for a pavilion to shade the Lookout Park Picnic Area and \$178,040 is allocated for four (4) pickleball courts at Brownsburg Park

OPEN SPACE FUND

\$370,338 is allocated for repayment of debt, including interest, and is supported by real estate millage of 1.0 mils.

CAPITAL RESERVE FUND

\$748,000 is proposed to be transferred from the General Fund to continue to fund the Five-Year Capital Improvement Plan.

- \$141,000 is budgeted for the replacement of two (2) police vehicles
- \$127,880 is budgeted for the replacement of the Township complex generator
- \$10,000 is budgeted for public works radios
- \$60,000 is budgeted for streetscape crosswalks
- \$7,000 is budgeted for a Police Department Drone
- \$10,400 is budgeted for a zero-turn mower
- \$2,812 is budgeted for a trailer

BUILDING CONSTRUCTION FUND

\$110,183 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 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