

TOWNSHIP OF
—MIDDLETOWN—
BUCKS COUNTY

2026

BUDGET WORKSHOP -

REVENUE

Presented by Laura Hucklebridge,
Finance Director

Budget Workshop Guide

- **Understanding our revenue sources**
- **Past revenues, future projections**
- **Planning for the year ahead**
- **Dates for upcoming budget workshops**



Understanding Middletown's Finances



Current Deficit

(\$2,800,000)

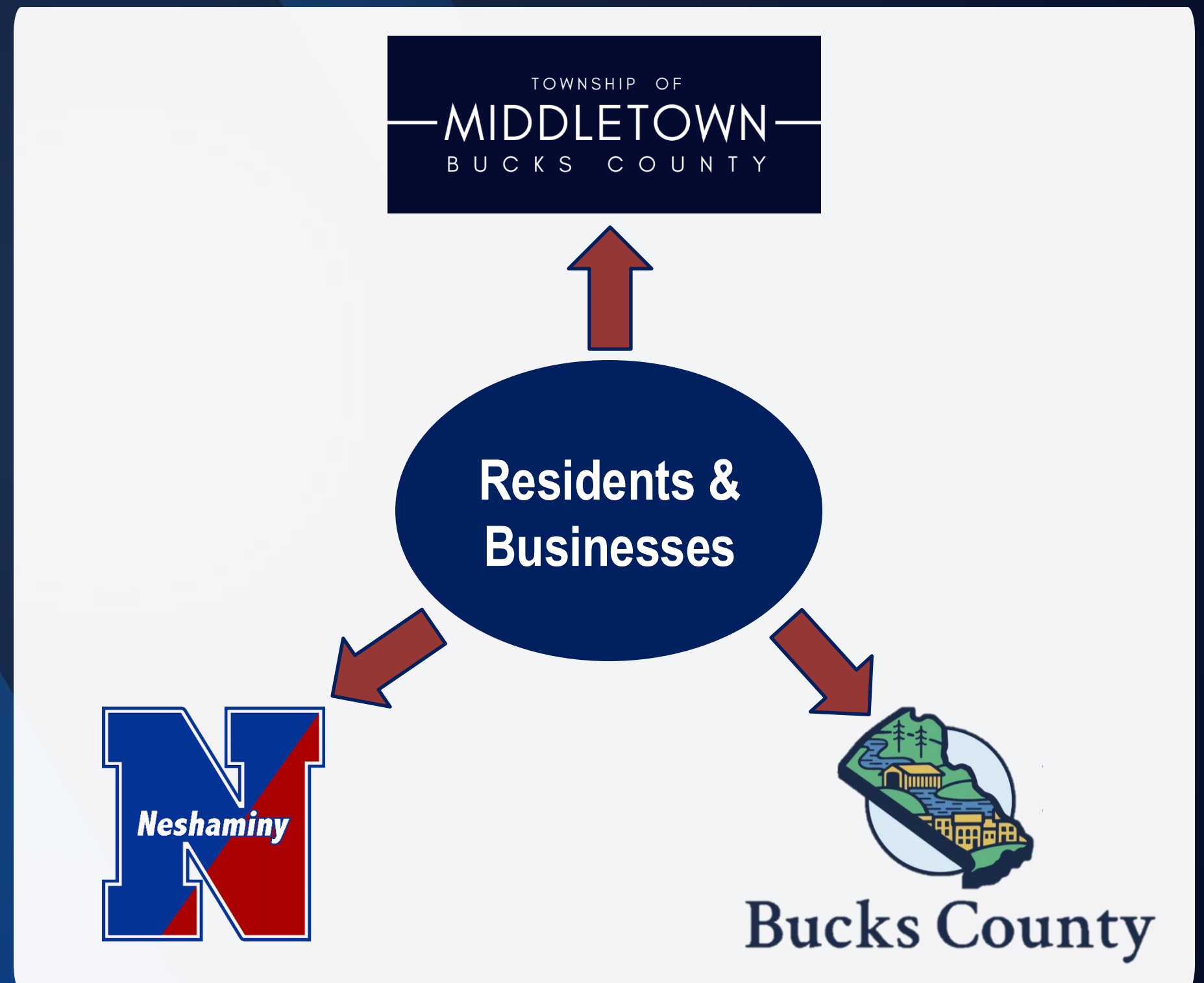


Who Collects Your Local Taxes?

- Middletown Township
- Bucks County
- Neshaminy School District

Each has the power to collect different taxes, as allowed by Pennsylvania law.

- Townships and schools can also add certain taxes under state law (Act 511).



Where Does Middletown Township's Money Come From?

Taxes (Largest Source)

Collected by the elected Tax Collector, County, or tax firms

- Real Estate*
- Earned Income (EIT)*
- Real Estate Transfer
- Other (Local Services (LST), Per Capita, Amusement, Mercantile, Mechanical Device, Parking Transaction, State Allocations)

Fees for Services*

Collected directly by the Township

- Mandatory Fees:
 - Cable Franchise, Solid Waste/Recycling, Fire Inspection, Stormwater Impact
- Utilization Fees:
 - Recreation programs, building & zoning permits, fines
 - Police Service Reimbursement

** These are the revenue sources the Township can adjust.*



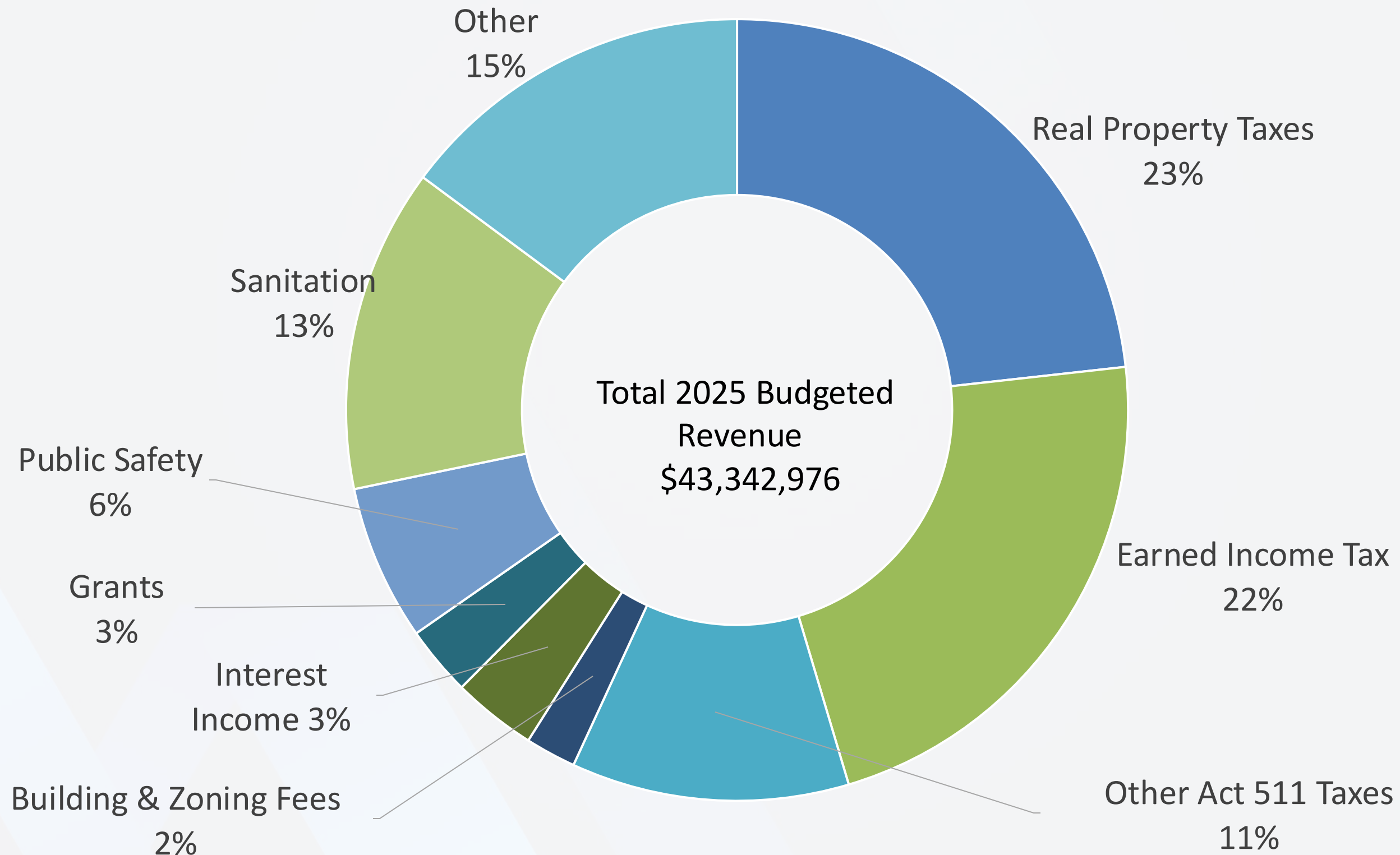
Taxes and fees together fund essential services like police, fire protection, road maintenance, and community programs.



Grab your phone, it's time for a Pop Quiz!



Breaking Down Township Revenue



What is a Mill?

- Property taxes are calculated using “mills” from all relevant authorities.
- 1 mill = \$1 tax for every \$1,000 of assessed value
- Based on assessed value, not market value
- Assessed values set by Bucks County (1972)
- Assessed values are much lower than market values



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Example:

- A millage rate of 19 mills means \$19 in taxes for every \$1000 of assessed value
- Impact for a typical homeowner in Middletown:

ESTIMATED MARKET VALUE:
\$501,724



ASSESSED VALUE: \$29,410*

*AVERAGE ASSESSED REAL ESTATE
PROPERTY VALUE IN MIDDLETOWN TWP

TWP MILLAGE RATE:

1.9025%

OR

19.025
MILLS



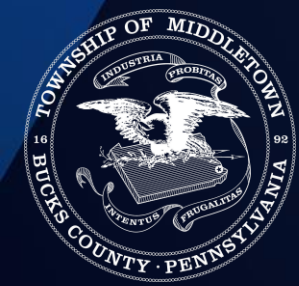
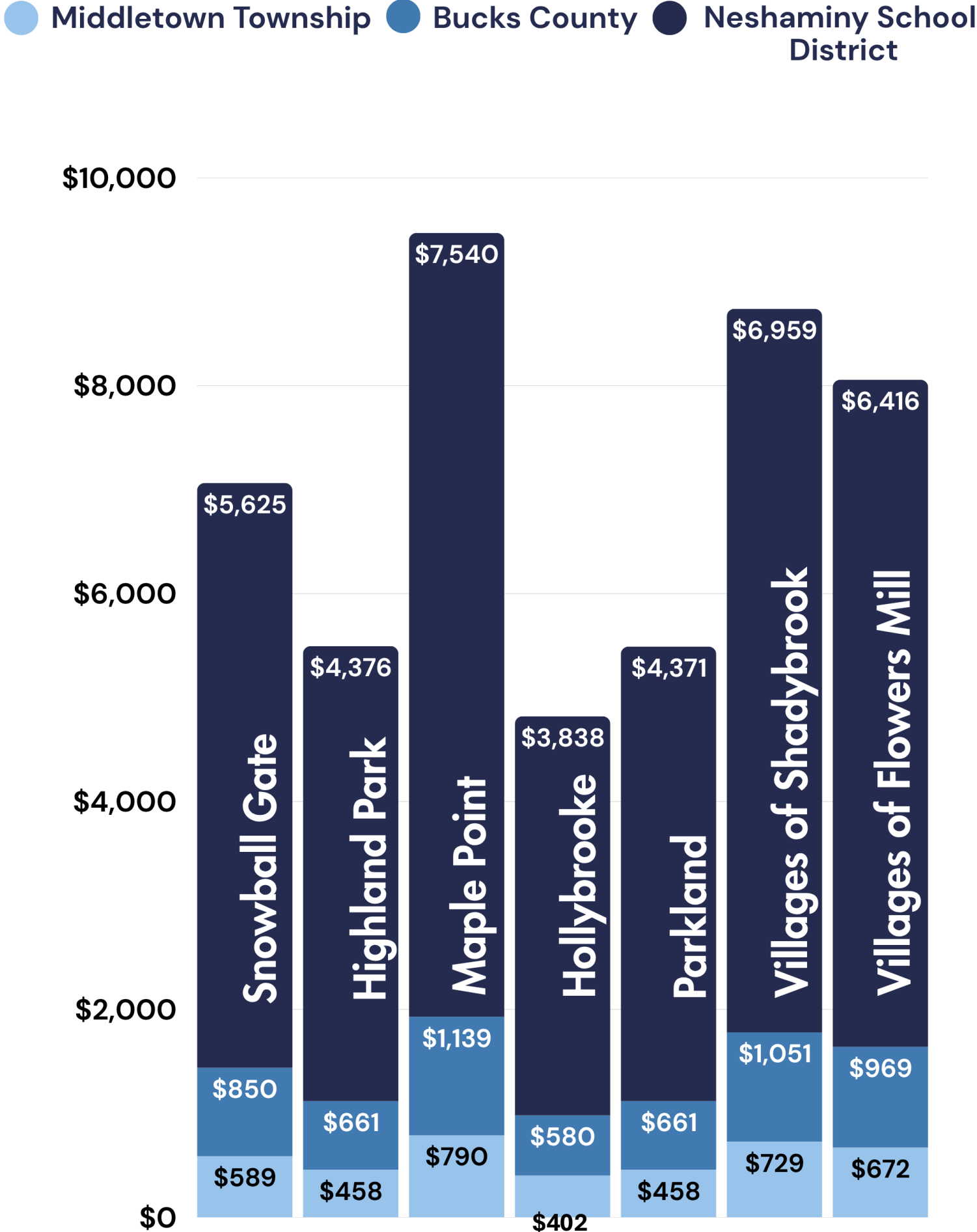
\$559.53

AVERAGE
TOTAL
TOWNSHIP
REAL ESTATE
TAXES

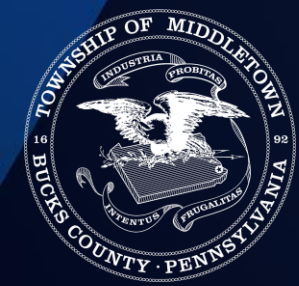


Resident Tax Summary

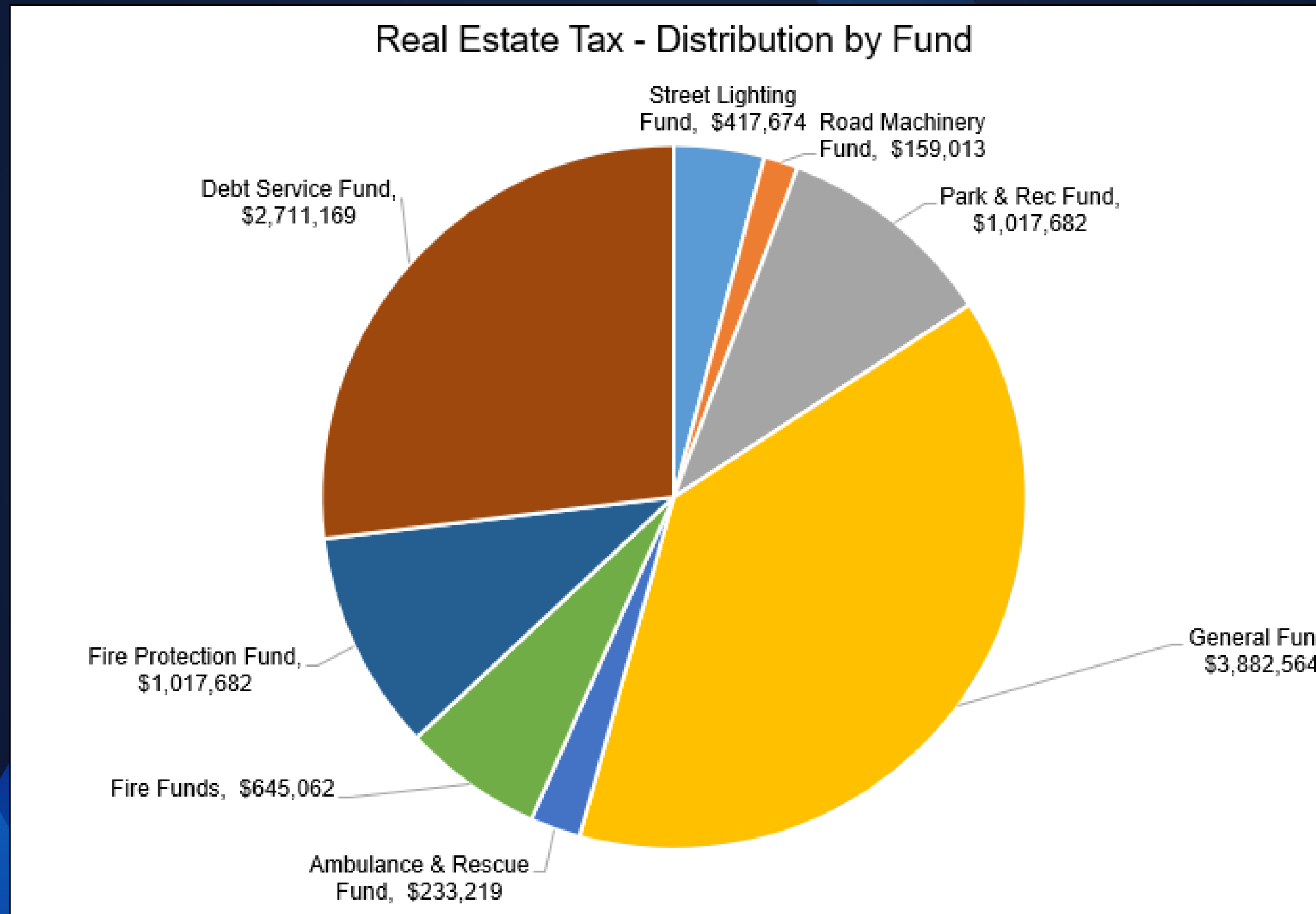
- Township Assessed Property Value for 2025 was \$530,042,900 **(tax base)**
- 8.3% of total Real Estate Taxes support Middletown Township



Tracking Assessed Property Values in Middletown



Real Estate Tax Distribution



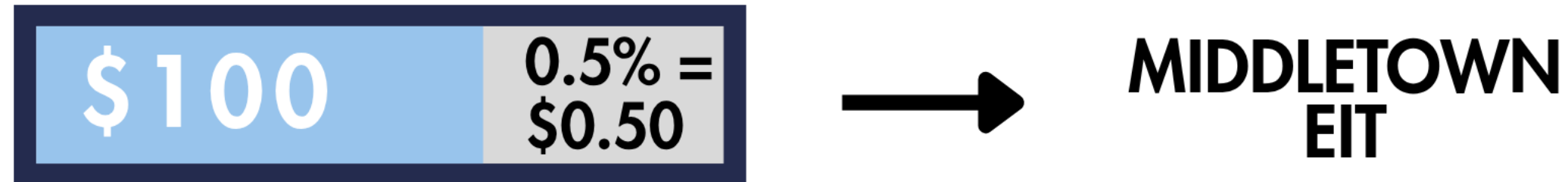
What is Earned Income Tax (EIT)?

- **Middletown Rate:** 0.5% of earned income
- **Who pays:** Working Middletown residents & some non-residents
- **Where it goes:** Usually withheld where you work
 - If that town has a higher rate (e.g., 1%), it withholds the higher amount and splits it 50/50 with Middletown so our township still gets its share
 - Those working in the city of Philadelphia pay their entire EIT to the city

Example: For every \$100 you earn, 50¢ goes to EIT. If you earn \$1,000/week, that's \$5/week (\approx \$260/year).



HOW EIT WORKS - PER \$100 EARNED



RESIDENTS WHO...

WORK IN MIDDLETOWN



Employer withholds 0.5% →
Middletown receives \$0.50

WORK IN OTHER TOWNS (1% EIT)



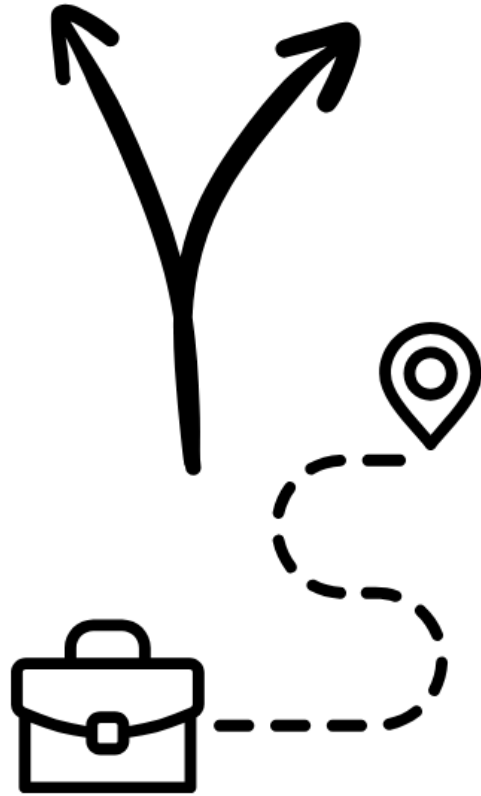
Employer withholds 1.0% →
Other Town keeps \$0.50 +
Middletown receives \$0.50

WORK IN PHL → PHL KEEPS ENTIRE 3.43% EIT



Middletown
receives
0.5%

Falls
receives
0.5%



**FALLS
TOWNSHIP**
1.0% EIT

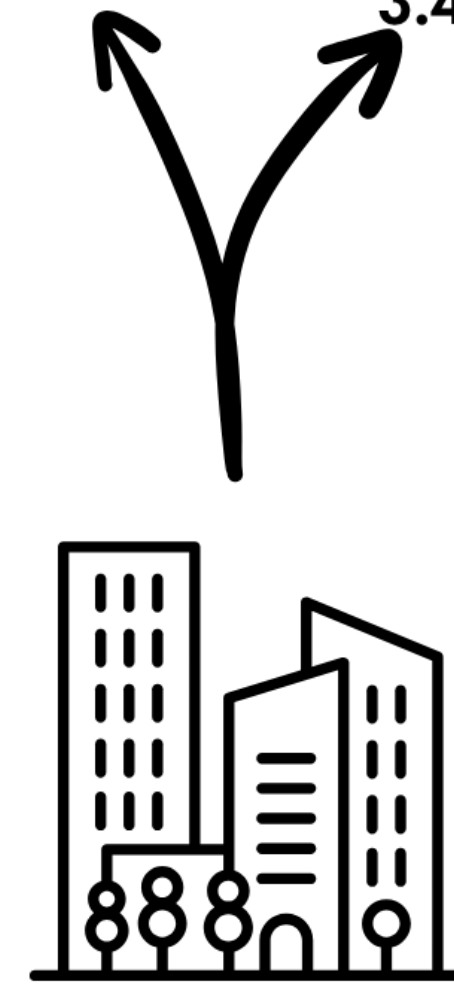
Middletown
receives
0.5%



**MIDDLETOWN
TOWNSHIP**
0.5% EIT

Middletown
receives 0%

Philadelphia
receives
3.43%



**CITY OF
PHILADELPHIA**
3.43% EIT

WHERE YOU WORK



Grab your phone, it's time for a Pop Quiz!



Making Sure Fees Match Services

- Regularly reviewing Township fees to ensure they reflect the true cost of services
- Police Service Reimbursements – offsetting the cost of dedicated coverage
- Zoning Hearing Board (ZHB) & Permit Fees – currently not consistently covering the cost of legal reviews and required notifications
- Credit Card Processing Fees – evaluating how payment costs are handled
- Program Fees – making sure programs are supported by those who use them



Current Budget Snapshot



Current Deficit

(\$2,800,000)



2025 Budget vs. Projection

<u>DESCRIPTION</u>	2025 Budget General Fund	2025 Projection General Fund	2025 Projection vs. Budget	2025 Projection as % of Budget
Real Property Taxes	3,930,000	3,830,389	(99,611)	97.5%
Local Enabling Act Taxes	14,577,000	14,561,985	(15,015)	99.9%
Business Licenses and Permits	920,000	902,515	(17,485)	98.1%
Fines	104,000	102,565	(1,435)	98.6%
Interest Earnings	606,000	703,800	97,800	116.1%
Rents and Royalties	170,000	145,642	(24,358)	85.7%
State Operating & Capital Grant	162,000	163,000	1,000	100.6%
State Shared Revenue and Entitlements	932,975	1,035,216	102,241	111.0%
Charges for Services	162,800	150,671	(12,129)	92.5%
Public Safety	3,070,500	2,818,542	(251,958)	91.8%
Contributions from Private Sources	1,000	50,000	49,000	5000.0%
Other	-	-		
Total Operational Revenue	\$ 24,636,275	\$ 24,464,325	(171,950)	99.3%
Interfund Transfers	\$ 200,000	\$ -		
Total Revenue	\$ 24,836,275	\$ 24,464,325	(371,950)	98.5%



2024–2025 Revenue Comparison

<u>DESCRIPTION</u>	2024 Actual General Fund	2025 Projection General Fund	2025 Projection vs. 2024 Budget	2025 Projection as % of 2024 Budget
Real Property Taxes	3,891,995	3,830,389	(61,606)	98.4%
Local Enabling Act Taxes	14,804,059	14,561,985	(242,074)	98.4%
Business Licenses and Permits	948,948	902,515	(46,433)	95.1%
Fines	116,466	102,565	(13,901)	88.1%
Interest Earnings	848,238	703,800	(144,438)	83.0%
Rents and Royalties	145,404	145,642	238	100.2%
State Operating & Capital Grant	160,779	163,000	2,221	101.4%
State Shared Revenue and Entitlements	929,064	1,035,216	106,152	111.4%
Charges for Services	213,295	150,671	(62,624)	70.6%
Public Safety	2,997,160	2,818,542	(178,618)	94.0%
Contributions from Private Sources	40,000	50,000	10,000	125.0%
Other	25,230	-		
Total Operational Revenue	\$ 25,120,638	\$ 24,464,325	(656,313)	97.4%
Interfund Transfers	\$ 40,116	\$ -		
Total Revenue	\$ 25,160,754	\$ 24,464,325	(696,429)	97.2%



Revenue Outlook: 2024–2026

<u>DESCRIPTION</u>	2024 Actual General Fund	2025 Budget General Fund	2025 Projection General Fund	2026 Budget General Fund
Real Property Taxes	3,891,995	3,930,000	3,830,389	3,833,400
Local Enabling Act Taxes	14,804,059	14,577,000	14,561,985	14,685,000
Business Licenses and Permits	948,948	920,000	902,515	870,700
Fines	116,466	104,000	102,565	106,800
Interest Earnings	848,238	606,000	703,800	653,800
Rents and Royalties	145,404	170,000	145,642	148,100
State Operating & Capital Grant	160,779	162,000	163,000	164,000
State Shared Revenue and Entitlements	929,064	932,975	1,035,216	1,085,400
Charges for Services	213,295	162,800	150,671	167,300
Public Safety	2,997,160	3,070,500	2,818,542	2,972,200
Contributions from Private Sources	40,000	1,000	50,000	40,000
Other	25,230	-	-	-
Total Operational Revenue	\$ 25,120,638	\$ 24,636,275	\$ 24,464,325	\$ 24,726,700
Interfund Transfers	\$ 40,116	\$ 200,000	\$ -	\$ -
Total Revenue	\$ 25,160,754	\$ 24,836,275	\$ 24,464,325	\$ 24,726,700



Revenue vs. Expenses

<u>DESCRIPTION</u>	2024 Actual General Fund	2025 Budget General Fund	2025 Projection General Fund	2025 Projection vs. Budget	2025 Projection as % of Budget
Total Revenue	\$ 25,160,754	\$ 24,836,275	\$ 24,464,325	(371,950)	98.5%
Total Expenditures	\$ 26,229,257	\$ 27,649,435	\$ 26,468,206	(1,181,229)	95.7%
Income/(Loss) from Operations	\$ (1,068,503)	\$ (2,813,160)	\$ (2,003,881)	809,279	71.2%



Planning for 2026



5 Options to Address \$2.8M Deficit



**REDUCE
SERVICES**



**RAISE
FEES ONLY**



**RAISE
FEES & EIT**



**RAISE FEES
& REAL ESTATE
TAXES**



**RAISE FEES,
REAL ESTATE
TAXES & EIT**

TOWNSHIP OF
—MIDDLETOWN—
BUCKS COUNTY

Public Budget Meeting Schedule:

- Monday, October 13th –
Budget Workshop: 6pm
- Monday, October 20th –
Budget Workshop: 6pm

THANK YOU

