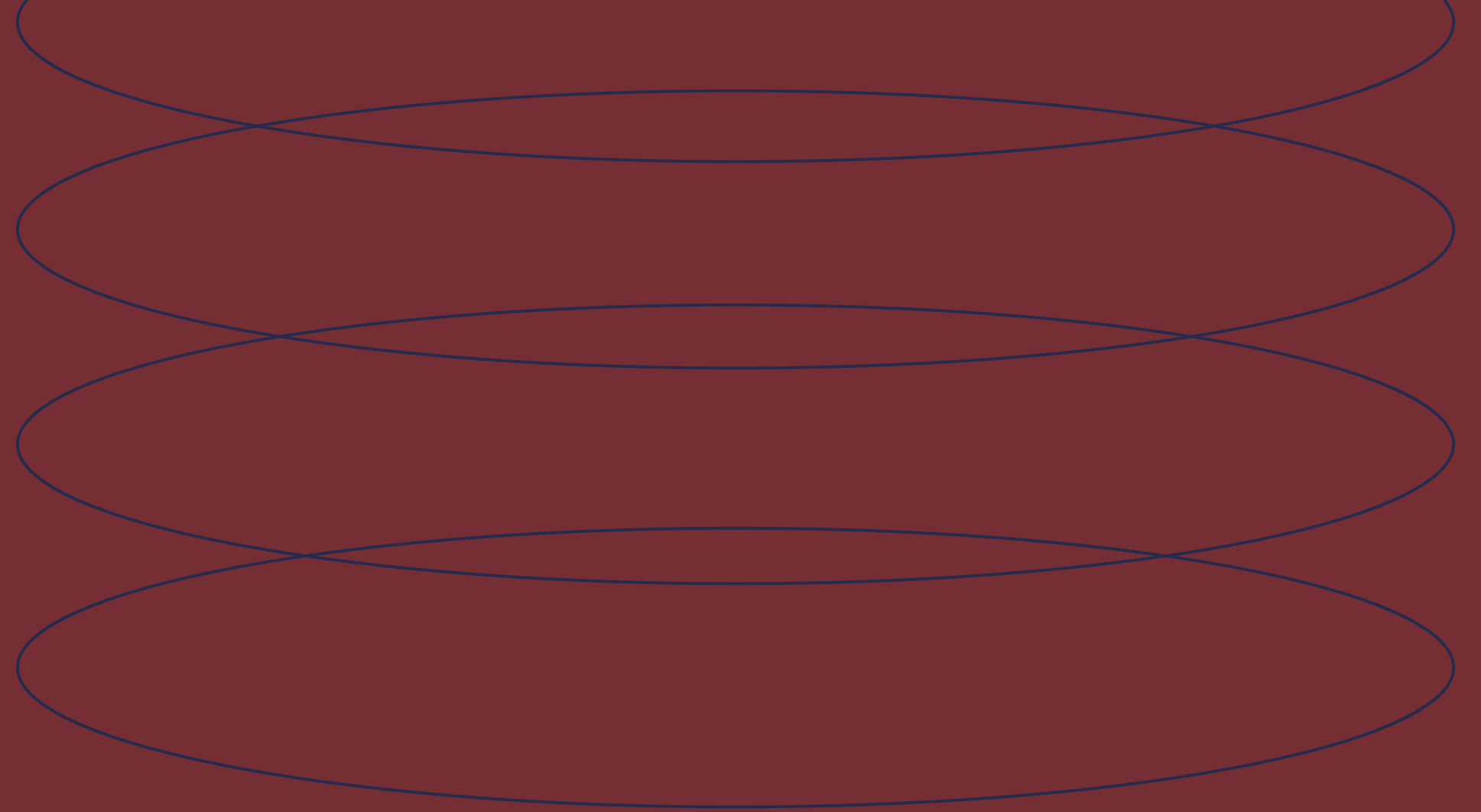


TOWNSHIP OF
—MIDDLETOWN—
BUCKS COUNTY



2026 BUDGET WORKSHOP *OPERATING BUDGET*

MONDAY, OCTOBER 13, 2025



AGENDA

1

2026 Budget Process Overview

2

Proposed 2026 Operating Budget

- General Fund
- Other Operating Funds
- Recommended Changes

3

Public Comment

4

Other Business & Adjournment



BUDGET CALENDAR

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3		5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

JUL

7 - Capital Budget Draft to Departments

30 - Budget Kickoff Meeting

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

AUG

1 - Capital Budgets Due to Finance

5-8 - Budget Team Review with Departments

11-15 - Budget Team Finalize Presentation

18 - Capital Budget Workshop (Public Mtg)

Su	Mo	Tu	We	Th	Fr	Sa
		2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

SEP

12 - Operating Budgets to Manager

15-19 - Budget Team Review with Departments

30 - RDA Grant Submittal Due

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

OCT

6 - Budget Workshop: Revenue (Public)

13 - Budget Workshop: Capital (Public)

20 - Budget Workshop: Operating (Public)

Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3		5	6	7	8
9	10		12	13	14	15
16	17	18	19	20	21	22
23	24	25	26			29
30						

NOV

12 - Prelim Budget done

17 - Preliminary Budget Presented (Public)

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24		26	27
28	29	30	31			

DEC

15 - Final Budget Approved by Board



OUR MISSION TONIGHT

- The data and information being presented is for presentation purposes only. Figures are still being reviewed and revised.
- The official 2026 budget will be presented on November 17th.
- **The goal for tonight's meeting is to gauge feedback from the Board and the community as the budget is being prepared.**



2026 BUDGET PROCESS

Process led by
interdepartmental
Budget Team

Department
Directors
submitted
“add/delete”
proposals with
requested
changes

Finance
Department
developed 2025
projections and
2026 budgets for
Management
review

Previously
discussed Capital
Project proposals
on August 18th,
2025, and
Revenues on
October 6th, 2025,
with the Board and
the public



2025 AVERAGE REAL ESTATE TAX PAID TO THE TOWNSHIP

\$560

FOR DISCUSSION PURPOSES SUPPLEMENTED BY PUBLIC PRESENTATION.



EXISTING DEFICIT

Budgeted
(\$2,800,000)



Expected to be
(\$2,000,000)
by the end of 2025

CHANGES IN THE 2025 PROJECTED BUDGET

**The Township will no
longer transfer money
from Stormwater Fund to
General Fund**

**Township will begin
paying its share of the
Stormwater Fee
(\$54,250) into
Stormwater Fund in 2025
and beyond**



DEVELOPING THE 2026 OPERATING BUDGET

TONIGHT'S FOCUS

General Fund

Stormwater Fund

Parks & Recreation Fund

Fire Fund



FOR DISCUSSION PURPOSES SUPPLEMENTED BY PUBLIC PRESENTATION.



DEVELOPING THE 2026 OPERATING BUDGET

- The current draft of the budget reflects assumptions of anticipated or known changes
- Additional figures reflect trend analyses based upon prior years
- A few structural changes are contemplated in this draft
- **This budget reflects no other changes being made**
 - Potential changes will be addressed separately



PLANNED **STRUCTURAL** CHANGES

- Allocation of Public Works time - will no longer use Highway Aid Fund; begin to use Stormwater Fund
 - Will allow for increase in road repaving
- Some items identified during Capital Project discussion will be reflected in the operating budget
- Career Firefighters reflected in Fire Protection Fund. Fire Marshal and administrative support shown in General Fund.



INFLUENCING FACTORS FOR THE 2026 BUDGET

- 4% wage increases for all collective bargaining units
- 6.6% health insurance premium increase
- 13% workers' compensation premium increase
- 18% decrease to non-uniform pension MMO
- 3.7% increase to uniform pension MMO
- Budget contemplates all staff positions as filled



GENERAL FUND

EXPENDITURES						
DESCRIPTION	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
Legislative Body	\$ 39,859	\$ 52,100	\$ 49,337	\$ 51,140	(960)	-1.8%
Executive	848,946	865,850	1,008,855	1,115,370	249,520	28.8%
Financial Administration	512,279	574,800	537,580	624,220	49,420	8.6%
Tax Collection	238,425	252,000	609,946	386,820	134,820	53.5%
Legal Services	271,166	260,000	395,000	450,000	190,000	73.1%
Information Technology	650,006	674,850	619,440	858,650	183,800	27.2%
Engineering	191,770	150,000	132,407	100,000	(50,000)	-33.3%
Building and Grounds	331,556	348,000	395,565	377,000	29,000	8.3%
Police Services	13,694,180	14,380,000	13,709,052	14,899,273	519,273	3.6%
Fire Protection Services	304,262	335,900	398,193	314,740	(21,160)	-6.3%
Emergency Management	-	1,000	168	6,000	5,000	500.0%
Building and Zoning	1,167,388	1,241,300	1,156,854	1,159,990	(81,310)	-6.6%
Planning Commission	-	1,500	-	16,200	14,700	980.0%
Zoning Hearing Board	111,662	115,255	121,051	129,750	14,495	12.6%
School Crossing Guards	199,180	182,500	177,725	175,000	(7,500)	-4.1%
Public Works	1,660,210	1,811,100	1,497,111	1,924,850	113,750	6.3%
Fleet Maintenance Services	476,278	550,160	478,192	737,380	187,220	34.0%
Civil Celebrations	-	-	400	-	-	0.0%
Employer Paid Benefits	4,553,392	4,926,120	4,578,330	4,701,430	(224,690)	-4.6%
Insurance	419,370	425,000	500,000	475,000	50,000	11.8%
Total Operating Expenditures	\$ 25,669,929	\$ 27,147,435	\$ 26,365,206	\$ 28,502,813	1,355,378	5.0%
Interfund Transfers	\$ 560,000	\$ 500,000	\$ 500,000	\$ -	(500,000)	-100.0%
Bad Debt	-	2,000	-	-	(2,000)	-100.0%
Total Expenditures	\$ 26,229,929	\$ 27,649,435	\$ 26,865,206	\$ 28,502,813	853,378	3.1%
Income/(Loss) from Operations	\$ (1,069,174)	\$ (2,813,160)	\$ (2,400,881)	\$ (3,776,113)	(962,953)	34.2%

FOR DISCUSSION PURPOSES SUPPLEMENTED BY PUBLIC PRESENTATION.



STORMWATER FUND

EXPENDITURES						
<u>DESCRIPTION</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
Fee Collection	\$ -	\$ 50,000	\$ 41,202	\$ 40,000	(10,000)	-20.0%
Legal Services	-	-	-	-	-	0.0%
Stormwater Management	-	2,280,000	1,000,000	2,352,140	72,140	3.2%
Total Operating Expenditures	\$ -	\$ 2,330,000	\$ 1,041,202	\$ 2,392,140	62,140	2.7%
Interfund Transfers	\$ -	\$ 200,000	\$ -	\$ -	(200,000)	-100.0%
Total Expenditures	\$ -	\$ 2,530,000	\$ 1,041,202	\$ 2,392,140	(137,860)	-5.4%
Income/(Loss) from Operations	\$ -	\$ 9,427	\$ 1,298,225	\$ (701,140)	(710,567)	-7537.6%

FOR DISCUSSION PURPOSES SUPPLEMENTED BY PUBLIC PRESENTATION.



PARKS & RECREATION FUND

EXPENDITURES						
<u>DESCRIPTION</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
Legal Services	\$ -	\$ 500	\$ -	\$ -	(500)	-100.0%
Fleet Maintenance Services	18,463	17,000	9,614	16,000	(1,000)	-5.9%
Recreation Administration	242,193	235,150	223,880	355,060	119,910	51.0%
Participant Recreation	590,811	620,100	692,048	604,160	(15,940)	-2.6%
Building and Facility Maintenance	774,571	892,200	924,819	963,250	71,050	8.0%
Civil Celebrations	32,952	26,000	10,412	20,000	(6,000)	-23.1%
Employer Paid Benefits	43,660	51,400	35,132	45,500	(5,900)	-11.5%
Total Expenditures	\$ 1,702,650	\$ 1,842,350	\$ 1,895,905	\$ 2,003,970	161,620	8.8%
Income/(Loss) from Operations	\$ 31,095	\$ (68,350)	\$ (121,905)	\$ (191,370)	(123,020)	180.0%



FIRE PROTECTION FUND

EXPENDITURES						
<u>DESCRIPTION</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
Fire Protection Services	\$ 817,532	\$1,034,550	\$ 830,540	\$1,120,930	86,380	8.3%
Volunteer Fire Companies Allocation	869,343	869,000	864,021	870,000	1,000	0.1%
Volunteer Fire Companies Workers Compensation	99,639	112,000	76,524	104,000	(8,000)	-7.1%
Total Operating Expenditures	\$ 1,786,514	\$2,015,550	\$ 1,771,085	\$2,094,930	79,380	3.9%
Income/(Loss) from Operations	\$ (398,072)	\$ (136,950)	\$ 88,907	\$ (725,330)	(588,380)	429.6%



ANTICIPATED 2026 DEFICIT – EXISTING LEVEL OF SERVICE

\$3,776,113

**Represents the 2025 year-end deficit carried forward, plus
required 2026 costs tied to contracts and existing service levels**

FOR DISCUSSION PURPOSES SUPPLEMENTED BY PUBLIC PRESENTATION.



2025 AVERAGE REAL ESTATE TAX PAID TO THE TOWNSHIP

\$560

FOR DISCUSSION PURPOSES SUPPLEMENTED BY PUBLIC PRESENTATION.



RULES OF THE ROAD

FOR RECOMMENDED CHANGES

The purpose of this meeting is to engage the Board and the public in a policy discussion about staff recommendations for the 2026 Budget.

These proposals are for presentation purposes only.

FOR DISCUSSION PURPOSES SUPPLEMENTED BY PUBLIC PRESENTATION.



RECOMMENDED CHANGES SOFTWARE SYSTEMS

- **Police Records Managing Software**
 - Current system is nearly 10 years old
 - New systems can better integrate with body camera footage and evidence files
 - Improve accuracy, searchability, and reporting for investigations and transparency
 - Streamline daily work for officers and administrative staff, saving time and reducing errors
 - **Additional cost:** \$300,000



RECOMMENDED CHANGES SOFTWARE SYSTEMS

- **Financial Management Software**
 - Ex: Budget is currently built in Excel spreadsheets, requiring manual work and increase potential for errors
 - Modern system will streamline financial management including budget-building, the accounting process and improve accuracy
 - Provide real-time financial reporting
 - Offer greater transparency for residents through easier to read public budget dashboards
 - **Additional cost:** \$50,000 (evaluation in 2026)



RECOMMENDED CHANGES

STORMWATER MAINTENANCE

- **Increase frequency of routine maintenance operations**
 - Replace/re-line 2.5 miles of underground pipe per year (5 times more)
 - Replace 50 inlets per year (3.5 times more)
 - Expand proactive maintenance to mitigate flooding
 - Add five Public Works Maintenance Technicians to enhance capacity and complete work in-house
 - **Additional cost:** \$750,000 (split between funds)



RECOMMENDED CHANGES

STAFF ENGINEER

- **Hire a Staff Engineer to support design and implementation of construction projects**
 - Establish value-based engineering approach for larger construction projects approving efficiency and cost control
 - Serve as the Township's in-house liaison with the Township Engineer and Traffic Engineer, coordinating reviews for land development proposals and permits
 - Reduce reliance on contracted services
 - **Additional cost: \$200,000 - Salary costs are offset by reduced external consulting expenses**



RECOMMENDED CHANGES

FIRE LIEUTENANT

- **Add Fire Lieutenant position**
 - Provides supervisory leadership for Township's career firefighter team
 - Ensures consistent command, training, and coordination during emergency operations
 - Enhances safety oversight, communication, and accountability across shifts
 - **Additional cost: \$158,000**



RECOMMENDED CHANGES

VOLUNTEER INCENTIVE

- **Increase Volunteer Stipend**
 - From \$250 annual to \$599 annual per volunteer to recognize commitment and service
 - **Additional cost:** \$40,000
- **Increase Volunteer Tax Credit for Firefighters**
 - Currently provide up to \$500 credit from Real Estate or EIT
 - Recommended: increase to 100% credit on both taxes for firefighters who are Township residents- state law limits credits for residents only
 - **Additional cost:** \$35,000

Cost of one career firefighter: \$153,000



RECOMMENDED CHANGES

IT TRAINING INITIATIVE

- **Comprehensive training for all office-based staff on Office 365, Microsoft Teams, and other core software platforms.**
 - Include focused modules on cybersecurity awareness, cloud-based systems, & data protection practices
 - Supports the Township's long-term goal of moving all systems to secure, cloud-based platforms and ensuring all staff are equipped to use them efficiently
 - **Additional cost: \$80,000**



RECOMMENDED CHANGES

ZONING & SALDO STUDY

- **Recommending modernization study of Zoning Ordinance and Subdivision & Land Development Ordinance (SALDO)**
 - Current ordinances are several decades old and no longer align with best planning practices or the Township's Comprehensive Plan
 - Engaging third-party planning experts to guide and facilitate a full modernization process
 - Expected to be a public, multi-year project
 - **Additional cost:** \$150,000



SUMMARY OF RECOMMENDED CHANGES

- **Software Systems**
- **Stormwater Maintenance**
- **Staff Engineer**
- **Fire Lieutenant**
- **Volunteer Incentive**
- **IT Training Initiative**
- **Zoning Ordinance and SALDO Update**

TOTAL: \$1,263,000*



ANTICIPATED 2026 DEFICIT – INCREASED LEVEL OF SERVICE

(\$5,039,113)

FOR DISCUSSION PURPOSES SUPPLEMENTED BY PUBLIC PRESENTATION.



2025 AVERAGE REAL ESTATE TAX PAID TO THE TOWNSHIP

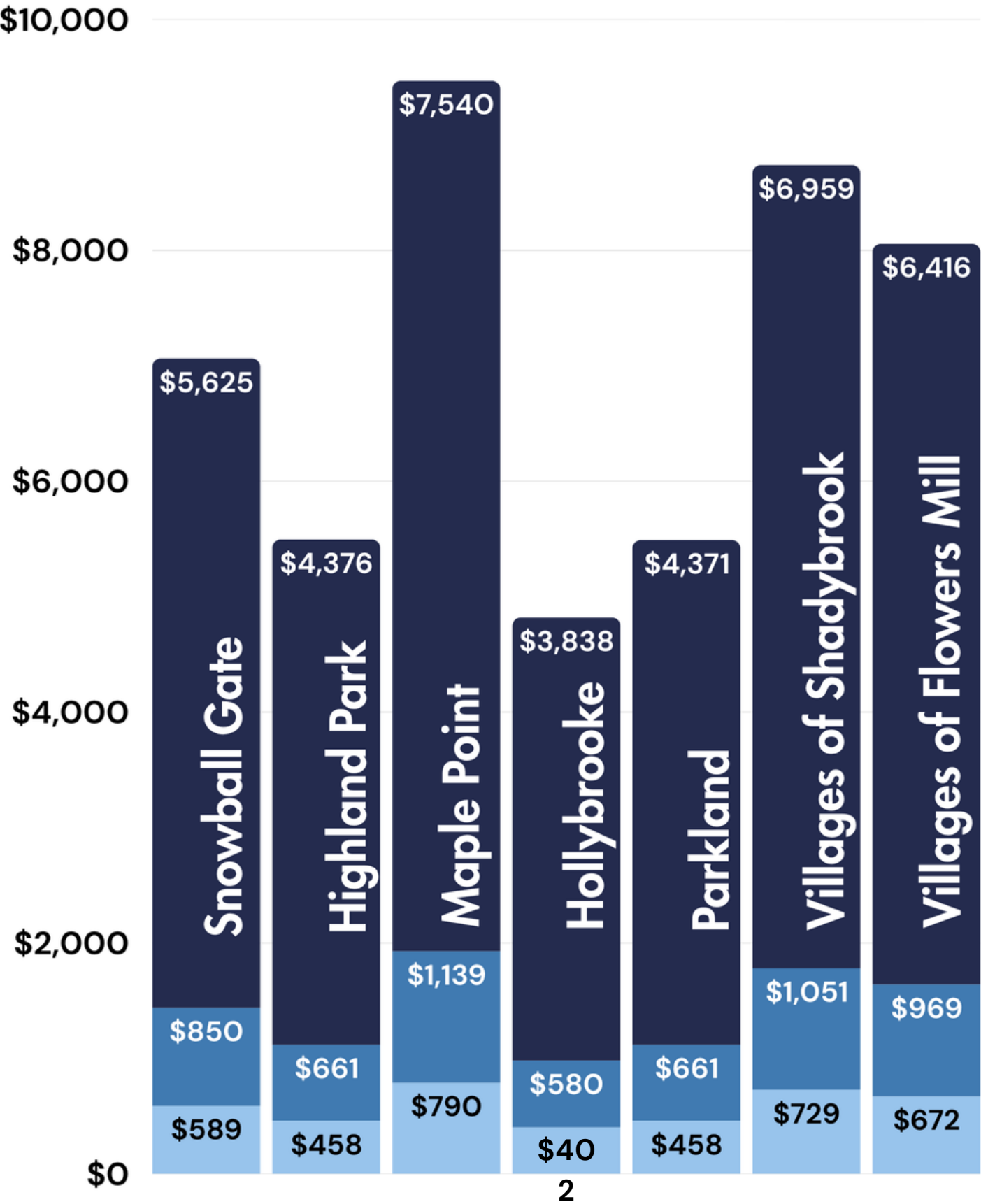
\$560

FOR DISCUSSION PURPOSES SUPPLEMENTED BY PUBLIC PRESENTATION.



AVERAGE REAL ESTATE TAX BILL

Middletown Township Bucks County Neshaminy School District



FOR DISCUSSION PURPOSES SUPPLEMENTED BY PUBLIC PRESENTATION.



FUND BALANCE – GENERAL FUND

Township policy requires maintaining a minimum of three months of General Fund expenses.

Projected Ending Fund Balance

2025: \$6,921,200

2026: \$3,145,090

FOR DISCUSSION PURPOSES SUPPLEMENTED BY PUBLIC PRESENTATION.



FUND BALANCE – STORMWATER FUND

Projected Ending Fund Balance

2025: \$1,298,225

2026: \$ 597,085



FUND BALANCE – PARKS & RECREATION FUND

Projected Ending Fund Balance

2025: \$ 183,400

2026: \$ (8,000)



FUND BALANCE – FIRE PROTECTION FUND

Projected Ending Fund Balance

2025: \$ 841,723

2026: \$ 116,393



TOWNSHIP OF
—MIDDLETOWN—
BUCKS COUNTY

THANK YOU

Budget Workshop- Capital Projects

Monday, October 20th - 6pm

Budget Presentation

Monday, November 17th - 7pm

Budget Adoption

Monday, December 15th - 7pm

