

TOWNSHIP OF NEW BRITAIN • BUCKS COUNTY, PA

# 2027 Budget Workshop

Capital Project Review and Operational Budget Discussion



OCTOBER 19, 2026

# Budget Workshop Agenda

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**01** Capital Cost-Cutting Measures since 09/23

**02** Budget Format Changes

**03** Revenue Summary – All Funds

**04** Overview of Schedules and Funds

**05** Historical Review

**06** Decision Points

**07** Manager's Recommendation

## **Goals**

- Prepare budget scenario without tax increase
- Prepare projections and budget based upon actual and expected costs
- Alleviate pressure on the General Fund where appropriate and practical
- Move expenses to where they belong

SECTION I • STATUS REVIEW

# Capital Budget Review

Review of changes since September 23 – Final Capital Plan and Funding Mechanisms

# Capital Costs Cut

\$3.02M

09/23 PROPOSED PROJECTS

-\$0.71M

CAPITAL CUTS

\$2.31M

10/19 ADJUSTED PROJECTS

| Department / Functional Area | 09/23 Request | Change     | Revised Request | Capital Projects Fund |
|------------------------------|---------------|------------|-----------------|-----------------------|
| Administrative               | \$101,000     | -          | \$101,000       | \$101,000             |
| Buildings & Grounds          | \$250,000     | -\$100,000 | \$150,000       | \$150,000             |
| Police Services              | \$1,037,000   | -\$122,000 | \$915,000       | \$915,000             |
| Storm Sewers & Drains        | \$260,000     | -\$210,000 | \$50,000        | \$50,000              |
| Public Works                 | \$257,000     | -\$160,000 | \$97,000        | \$97,000              |
| Highway Construction         | \$850,000     | -          | \$850,000       | \$300,000             |
| Parks                        | \$265,000     | -\$120,000 | \$145,000       | -                     |
| Total Capital Expenditures   | \$3,020,000   | -\$712,000 | \$2,308,000     | \$1,613,000           |

SECTION II • FORMAT

# Budget Format Changes

Aligning Fund Structure with Governmental Accounting Best Practices for Greater Financial Transparency

# Budget Format Changes



## Revenue Realignments

- **Foreign Fire Insurance Premiums:** \$110,000 moved from General Fund [01] to Fire Fund [03]
- **Cell Tower Rentals:** \$67,000 total consolidated from Parks & Rec Fund [07] to General Fund [01]



## Line-Item Restructure

- **Property & Liability Insurance:** \$155,100 consolidated from individual departments to single line item
- **Workers' Compensation Insurance:** \$91,000 consolidated from individual departments to single line item
- **457 Match:** Spread across departments to discover true operational costs of each department



## NEW: Ambulance & Rescue Fund [05]

- **Isolation:** Established as dedicated fund for EMS contributions; previously combined with Fire Fund [03]
- **Revenue:** 2027 budgeted at \$157,000, along with an estimated \$14,727 fund balance transfer
- **Expenditures:** Includes all fund-related costs, including the fuel contribution and professional services costs



## Department Reorganization

- **Building & Zoning:** Planning, Zoning, Building and Code Enforcement consolidated into one department
- **Department Restructure:** Created separate, district departments for:
  - (400) Governing Body
  - (401) Executive
  - (402) Finance
  - (406) General Administration
  - (407) Information Technology

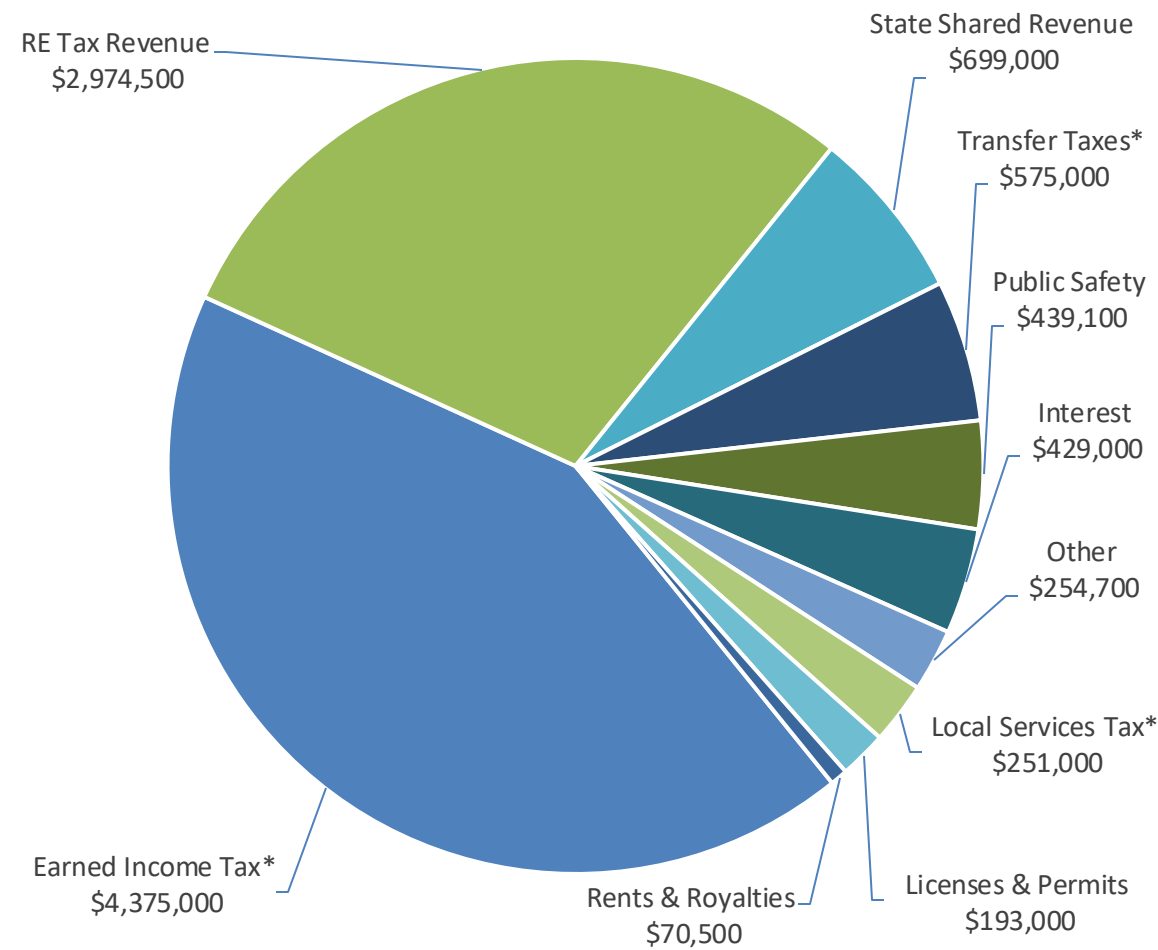
SECTION III • REVENUE

# Revenue Summary – All Funds

Understanding What Funds Township Operations

# Revenue Breakdown

Revenue Sources By Category



Revenue Sources Across Funds

| Fund                         | RE Tax Revenue | Act 511 Tax Revenue* | Other Revenue | Total        |
|------------------------------|----------------|----------------------|---------------|--------------|
| [01] General Fund            | \$1,531,000    | \$4,200,000          | \$1,086,600   | \$6,817,600  |
| [02] Streetlight Fund        | -              | -                    | \$42,500      | \$42,500     |
| [03] Fire Fund               | \$233,000      | \$63,000             | \$113,000     | \$409,000    |
| [04] Open Space Fund         | -              | \$875,000            | \$220,000     | \$1,095,000  |
| [05] Ambulance & Rescue Fund | \$93,000       | \$63,000             | \$1,000       | \$157,000    |
| [07] Parks & Recreation Fund | \$419,000      | -                    | \$83,200      | \$502,200    |
| [15] General Reserve         | -              | -                    | \$50,000      | \$50,000     |
| [18] Capital Improvements    | \$372,000      | -                    | \$44,000      | \$416,000    |
| [20] Debt Service            | \$233,000      | -                    | \$15,000      | \$248,000    |
| [30] Highway Equipment       | \$93,500       | -                    | \$10,000      | \$103,500    |
| [35] State Liquid Fuels      | -              | -                    | \$420,000     | \$420,000    |
| TOTALS                       | \$2,974,500    | \$5,201,000          | \$2,085,300   | \$10,260,800 |

SECTION IV • BUDGET OVERVIEW

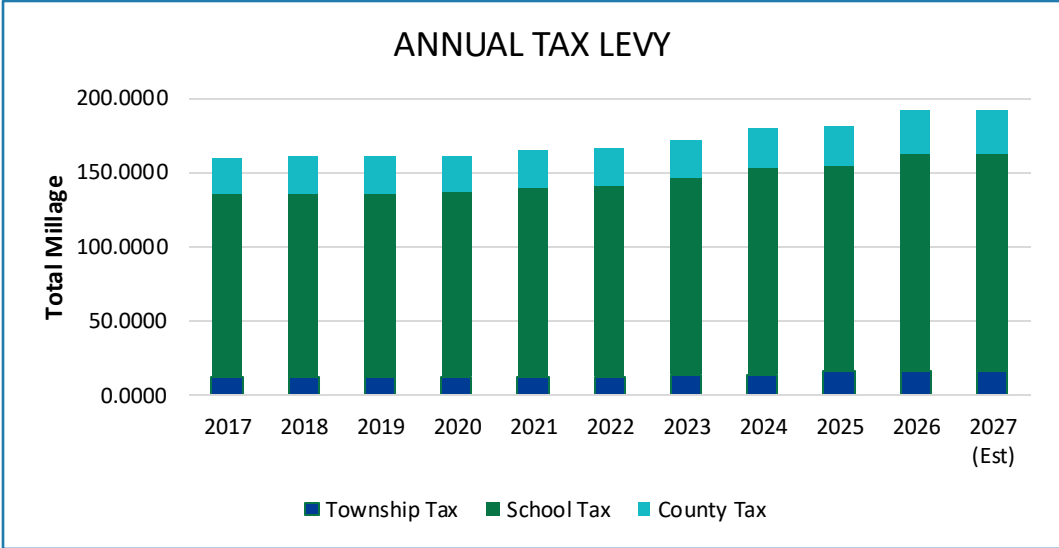
# Overview of Schedules & Funds

A Detailed Look at Budget Schedules and Individual Fund Performance

# Overview of Budget Schedules

## Schedule A: Real Estate Tax Revenue

- This budget proposes a 0% increase in tax revenue, no change to millage allocation
- Township assessment based on September 3 county report + recent developments
- For every \$1 spent, \$0.76 goes to school, \$0.16 goes to county, and \$0.08 goes to twp
- One mil brings in \$183,000, and costs the average household \$36/year (\$3/mo)
- In the last ten years, township raised 3.9375 mills, county raised 6.45 mills, and school raised 22.45 mills



## Schedule F: Act 511 Tax Revenue

- Includes Earned Income Taxes, Local Services Taxes, and Real Estate Transfer Taxes
- New collection schedules show collection history from Keystone and Berkheimer
- Estimates provided by tax collection agencies and reflect local trends

# Overview of Budget Schedules

## Schedule B: Insurance

- Property & Liability Insurance grew 5.1%
- Workers' Compensation Insurance shrank 1.2%

## Schedule C: Capital Expenses

- Looking at \$2.3M in projects, with \$1.6M coming from capital and \$695K coming from other funds
- Includes 5-year Capital Improvement Plan (CIP) subject to change

|                | 2027        | 2028         | 2029        | 2030        | 2031        |
|----------------|-------------|--------------|-------------|-------------|-------------|
| Administration | \$301,000   | \$730,000    | \$250,000   | \$390,000   | \$40,000    |
| Police         | \$915,000   | \$12,864,000 | \$217,000   | -           | \$87,500    |
| Parks          | \$145,000   | \$960,000    | \$180,000   | \$130,000   | \$5,000,000 |
| Public Works   | \$97,000    | \$645,000    | \$725,000   | \$325,000   | \$200,000   |
| Road Program   | \$850,000   | \$850,000    | \$850,000   | \$850,000   | \$850,000   |
| TOTAL          | \$2,308,000 | \$16,049,000 | \$2,222,000 | \$1,695,000 | \$6,177,500 |

## Schedule D: Employee Benefits

- New Health Insurance plan will save the Township > \$100,000
- Budget assumes 2027 anticipated staff (5) will all require family coverage (\$200,000)
- Insurance costs are now separated to capture true cost of each department
- Non-uniform pension remains fully funded
- Police (MMO) grew to \$218,000 but will be offset 100% by state aid

## Schedule E: Debt Service

- We owe \$2.2M on one note that matures in 2032
- Paying ~\$365,000 / year

## Schedule G: Salaries & Wages

- Total salaries & wages grew 7.5%
- Increases from police contract (5% COLA), turnover, new staff (1 FT, 3 Seasonal, 2 Interns), 3% COLA

# Fund Review

## FUND 35 – LIQUID FUELS (Highway Aid)



- *Liquid fuels is state funding distributed to municipalities based on road mileage, restricted by law to highway construction, maintenance, and related infrastructure costs.*

| Description          | 2025 Actual | 2026 Budget | 2026 Projected | 2027 Budget | Budget Variance |
|----------------------|-------------|-------------|----------------|-------------|-----------------|
| Fund Balance Forward | \$713,531   | \$768,538   | \$768,538      | \$580,121   |                 |
| Revenues             | \$448,713   | \$397,788   | \$441,583      | \$420,000   | 5.6%            |
| Expenditures         | \$393,706   | \$650,000   | \$630,000      | \$650,000   | 0%              |
| Net Income / Loss    | \$55,007    | (\$252,212) | (\$188,417)    | (\$230,000) |                 |
| Ending Balance       | \$768,538   | \$516,326   | \$580,121      | \$350,121   |                 |

NOT SUSTAINABLE

## FUND 30 – HIGHWAY EQUIPMENT



- *The Highway Equipment Fund is a dedicated fund supported by a 0.50 mill real estate tax levy, restricted to the purchase and maintenance of highway and public works equipment.*

| Description          | 2025 Actual | 2026 Budget | 2026 Projected | 2027 Budget | Budget Variance |
|----------------------|-------------|-------------|----------------|-------------|-----------------|
| Fund Balance Forward | \$205,458   | \$353,474   | \$353,474      | \$218,474   |                 |
| Revenues             | \$265,876   | \$91,191    | \$103,000      | \$103,500   | 13.5%           |
| Expenditures         | \$117,859   | \$238,000   | \$238,000      | -           | -100%           |
| Net Income / Loss    | \$148,017   | (\$146,809) | (\$146,809)    | \$103,500   |                 |
| Ending Balance       | \$353,474   | \$206,665   | \$218,474      | \$321,974   |                 |

SUSTAINABLE

# Fund Review

## FUND 20 – DEBT SERVICE



- The Debt Service Fund is supported by a 1.25 mill real estate tax levy and is used exclusively to repay the township's outstanding general obligation debt — currently one note with approximately \$2.2 million remaining, maturing in 2032.

| Description          | 2025 Actual | 2026 Budget | 2026 Projected | 2027 Budget | Budget Variance |
|----------------------|-------------|-------------|----------------|-------------|-----------------|
| Fund Balance Forward | \$946,893   | \$802,672   | \$802,672      | \$685,882   |                 |
| Revenues             | \$258,290   | \$228,553   | \$246,500      | \$248,000   | 8.5%            |
| Expenditures         | \$402,511   | \$367,425   | \$363,291      | \$364,106   | -0.9%           |
| Net Income / Loss    | (\$144,221) | (\$138,872) | (\$116,791)    | (\$116,106) |                 |
| Ending Balance       | \$802,672   | \$663,800   | \$685,882      | \$569,776   |                 |

CONDITIONAL\*

## FUND 18 – CAPITAL IMPROVEMENTS & EQUIPMENT



- The Capital Fund is supported by a 2.00 mill real estate tax levy and finances township infrastructure and improvement projects, with 2027 budgeted resources split between \$650,000 restricted for stormwater management compliance and \$800,000 available for all other capital projects.

| Description          | 2025 Actual | 2026 Budget | 2026 Projected | 2027 Budget   | Budget Variance |
|----------------------|-------------|-------------|----------------|---------------|-----------------|
| Fund Balance Forward | \$1,673,665 | \$1,789,889 | \$1,789,889    | \$1,454,789   |                 |
| Revenues             | \$754,007   | \$1,290,464 | \$1,356,700    | \$416,000     | -67.8%          |
| Expenditures         | \$637,783   | \$1,787,800 | \$1,691,800    | \$1,613,000   | -9.8%           |
| Net Income / Loss    | \$116,224   | (\$497,336) | (\$335,100)    | (\$1,197,000) |                 |
| Ending Balance       | \$1,789,889 | \$1,292,553 | \$1,454,789    | \$257,789     |                 |

NOT SUSTAINABLE

# Fund Review

## FUND 15 – GENERAL RESERVE



- The General Reserve Fund holds township savings used to maintain stable cash flow during the first months of the year, bridging operations until real estate tax revenue begins arriving in April.

| Description          | 2025 Actual | 2026 Budget | 2026 Projected | 2027 Budget | Budget Variance |
|----------------------|-------------|-------------|----------------|-------------|-----------------|
| Fund Balance Forward | \$2,069,293 | \$2,171,154 | \$2,171,154    | \$2,231,154 |                 |
| Revenues             | \$101,862   | \$1,000     | \$60,000       | \$50,000    | 4900%           |
| Expenditures         | -           | -           | -              | -           |                 |
| Net Income / Loss    | \$101,862   | \$1,000     | \$60,000       | \$50,000    |                 |
| Ending Balance       | \$2,171,154 | \$2,172,154 | \$2,231,154    | \$2,281,154 |                 |

SUSTAINABLE

## FUND 07 – PARKS & RECREATION



- The Parks & Recreation Fund is supported by a 2.25 mill real estate tax levy plus over \$40,000 in earned revenue from event sponsorships and field rentals, with expenditures covering park maintenance, staff labor, event supplies, and capital improvements to township recreational facilities.

| Description          | 2025 Actual | 2026 Budget | 2026 Projected | 2027 Budget | Budget Variance |
|----------------------|-------------|-------------|----------------|-------------|-----------------|
| Fund Balance Forward | \$1,262,276 | \$1,627,744 | \$1,627,744    | \$1,028,944 |                 |
| Revenues             | \$893,739   | \$726,034   | \$572,000      | \$502,200   | -44.6%          |
| Expenditures         | \$528,270   | \$1,064,517 | \$1,170,800    | \$735,900   | -30.9%          |
| Net Income / Loss    | \$365,469   | (\$338,483) | (\$598,000)    | (\$233,700) |                 |
| Ending Balance       | \$1,627,744 | \$1,289,261 | \$1,028,944    | \$795,244   |                 |

SUSTAINABLE

# Fund Review

## FUND 05 – AMBULANCE & RESCUE



- The Ambulance & Rescue Fund is a new dedicated fund for 2027, previously combined with the Fire Fund (03), supported by a 0.50 mill real estate tax levy and 25% of Local Services Tax receipts to fund contributions to the two EMS companies serving New Britain Township.

| Description          | 2025 Actual | 2026 Budget | 2026 Projected | 2027 Budget | Budget Variance |
|----------------------|-------------|-------------|----------------|-------------|-----------------|
| Fund Balance Forward | -           | -           | -              | \$14,727    |                 |
| Revenues             | -           | -           | -              | \$157,000   |                 |
| Expenditures         | -           | -           | -              | \$181,000   |                 |
| Net Income / Loss    | -           | -           | -              | (\$24,000)  |                 |
| Ending Balance       | -           | -           | -              | (\$9,273)   |                 |

NOT SUSTAINABLE

## FUND 04 – OPEN SPACE



- The Open Space Fund is supported by a dedicated 0.125% earned income tax levy plus significant interest earnings on accumulated reserves, and has invested approximately \$2 million since 2018 in land appraisals, property acquisitions, and conservation easements to preserve open space within the township.

| Description          | 2025 Actual | 2026 Budget | 2026 Projected | 2027 Budget | Budget Variance |
|----------------------|-------------|-------------|----------------|-------------|-----------------|
| Fund Balance Forward | \$5,182,999 | \$6,200,359 | \$6,200,359    | \$7,169,579 |                 |
| Revenues             | \$1,045,702 | \$1,049,255 | \$1,006,000    | \$1,095,000 | 4.4%            |
| Expenditures         | \$28,343    | \$89,000    | \$36,780       | \$41,100    | -53.9%          |
| Net Income / Loss    | \$1,017,359 | \$960,255   | \$969,220      | \$1,053,900 |                 |
| Ending Balance       | \$6,200,359 | \$7,160,614 | \$7,169,579    | \$8,223,479 |                 |

SUSTAINABLE

# Fund Review

## FUND 03 - FIRE



- The Fire Fund is supported by a 1.25 mill real estate tax levy and 25% of Local Services Tax receipts, funding contributions to the four volunteer fire companies serving New Britain Township — with ambulance and rescue services separated into their own dedicated fund beginning in 2027.

| Description          | 2025 Actual | 2026 Budget | 2026 Projected | 2027 Budget | Budget Variance |
|----------------------|-------------|-------------|----------------|-------------|-----------------|
| Fund Balance Forward | \$176,037   | \$183,429   | \$183,429      | \$188,229   |                 |
| Revenues             | \$460,260   | \$450,744   | \$445,600      | \$409,000   | -9.3%           |
| Expenditures         | \$452,869   | \$448,744   | \$440,800      | \$517,227   | 15.3%           |
| Net Income / Loss    | \$7,392     | \$2,000     | \$4,800        | (\$108,227) |                 |
| Ending Balance       | \$183,429   | \$185,429   | \$188,229      | \$80,002    |                 |

NOT SUSTAINABLE

## FUND 02 – STREET LIGHT

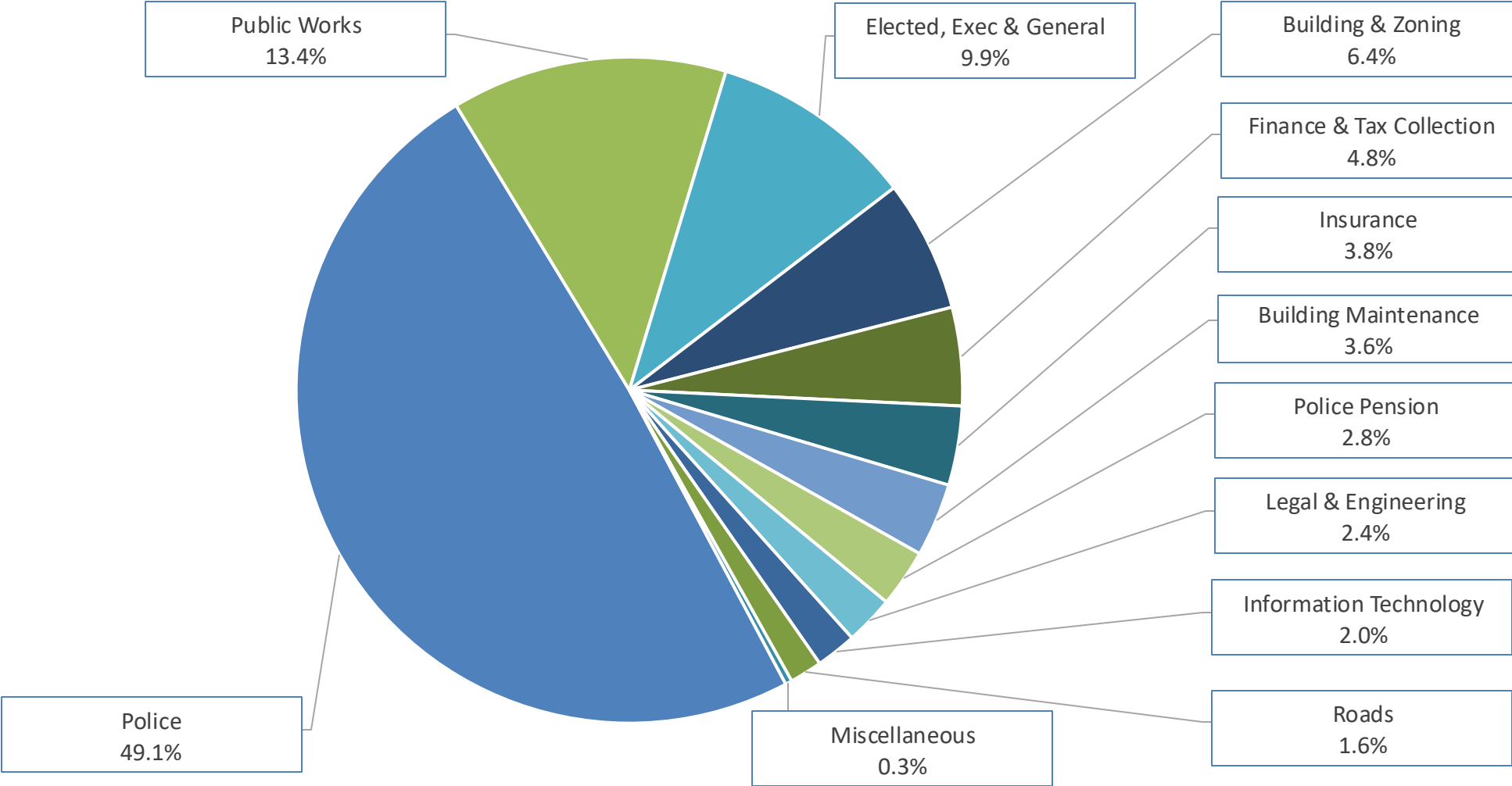


- The Street Light Fund is financed entirely through special assessments levied on properties in neighborhoods with township street lights, with those assessment charges appearing directly on residents' real estate tax bills to cover the cost of electricity and street light operations.

| Description          | 2025 Actual | 2026 Budget | 2026 Projected | 2027 Budget | Budget Variance |
|----------------------|-------------|-------------|----------------|-------------|-----------------|
| Fund Balance Forward | \$126,254   | \$155,119   | \$155,119      | \$181,319   |                 |
| Revenues             | \$44,675    | \$42,665    | \$42,200       | \$42,500    | -0.4%           |
| Expenditures         | \$15,810    | \$14,691    | \$16,000       | \$17,400    | 18.4%           |
| Net Income / Loss    | \$28,865    | \$27,974    | \$26,200       | \$25,100    |                 |
| Ending Balance       | \$155,119   | \$183,093   | \$181,319      | \$206,419   |                 |

SUSTAINABLE

# General Fund Expenditures



# General Fund Review

## REVENUES

| Item                                                   | 2025 Actual | 2026 Budget | 2026 Projected | 2027 Budget | Budget Variance |
|--------------------------------------------------------|-------------|-------------|----------------|-------------|-----------------|
| Act 511 Taxes - RE Transfer Taxes – New Construction   | \$270,766   | \$115,000   | \$200,000      | \$200,000   | 73.9%           |
| Act 511 Taxes - RE Transfer Taxes - Resales            | \$450,395   | \$485,000   | \$390,000      | \$375,000   | -22.7%          |
| Act 511 Taxes - Earned Income Tax                      | \$3,410,900 | \$3,634,490 | \$3,500,000    | \$3,500,000 | -3.8%           |
| Business Licenses & Permits - Cable TV Franchise Fees  | \$213,250   | \$230,000   | \$200,000      | \$185,000   | -19.6%          |
| Rents & Royalties - Cell Tower Rentals                 | \$53,400    | \$31,514    | \$32,000       | \$67,000    | 112.6%          |
| State Shared Revenue - Pension System State Aid        | \$151,372   | \$117,470   | \$140,600      | \$218,500   | 86.0%           |
| State Shared Revenue - Foreign Fire Insurance Premiums | \$116,452   | \$108,368   | \$114,300      | -           | -100.0%         |
| Public Safety - Special Police Services                | \$960       | -           | \$6,000        | \$6,000     |                 |
| Public Safety - Building Permits                       | \$232,929   | \$165,000   | \$157,000      | \$135,000   | -18.2%          |
| Public Safety - Electrical Permits                     | \$77,545    | \$62,500    | \$50,000       | \$50,000    | -20.0%          |
| Public Safety - Fire Safety Inspections                | \$30,598    | \$15,000    | \$18,000       | \$75,000    | 400.0%          |
| Miscellaneous Revenue - Trust Dividend Insurance       | \$19,447    | -           | \$29,500       | \$15,000    |                 |

# General Fund Review

## EXPENDITURES

| Item                                              | 2025 Actual | 2026 Budget | 2026 Projected | 2027 Budget | Budget Variance |
|---------------------------------------------------|-------------|-------------|----------------|-------------|-----------------|
| Governing Body – General Expenses                 | -           | -           | -              | \$6,000     |                 |
| Governing Body – Trainings & Meetings             | \$11,634    | \$12,905    | \$10,000       | \$6,000     | -53.5%          |
| Governing Body – Property & Liability Insurance   | \$52,987    | \$50,845    | \$51,000       | -           | -100.0%         |
| Executive – Salaries & Wages                      | \$268,763   | \$277,254   | \$337,000      | \$298,400   | 7.6%            |
| Executive – Health Insurance                      | \$56,008    | \$61,885    | \$45,000       | \$68,700    | 11.0%           |
| Executive – Trainings & Meetings                  | -           | -           | -              | \$16,300    |                 |
| Finance – Salaries & Wages                        | \$214,663   | \$245,644   | \$201,000      | \$203,900   | -17.0%          |
| Finance – Health Insurance                        | \$42,544    | \$47,293    | \$54,200       | \$68,100    | 44.0%           |
| Finance – Software & Payroll Services             | \$10,289    | \$12,000    | \$18,000       | -           | -100.0%         |
| Tax Collection – EIT/LST Tax Collection Services  | \$62,927    | \$51,600    | \$21,000       | \$16,000    | -69.0%          |
| Solicitor/Legal Services – General Legal Services | \$45,359    | \$40,000    | \$60,000       | \$55,000    | 37.5%           |
| General Administration – Salaries & Wages         | -           | -           | -              | \$99,500    |                 |

# General Fund Review

## EXPENDITURES

| Item                                                       | 2025 Actual | 2026 Budget | 2026 Projected | 2027 Budget | Budget Variance |
|------------------------------------------------------------|-------------|-------------|----------------|-------------|-----------------|
| General Administration – SS/Medicare                       | -           | -           | -              | \$7,700     |                 |
| General Administration – Health Insurance                  | -           | -           | -              | \$44,000    |                 |
| General Administration – Professional Services             | -           | -           | \$16,200       | \$10,000    |                 |
| General Administration – Advertising & Printing            | \$13,074    | \$19,576    | \$14,000       | \$27,000    | 37.9%           |
| General Administration – Dues, Subscriptions & Memberships | -           | -           | -              | \$15,000    |                 |
| Information Technology – Hardware                          | -           | -           | -              | \$15,000    |                 |
| Information Technology – Software Licenses & Maint Fees    | \$46,249    | \$81,909    | \$82,000       | \$108,000   | 31.9%           |
| Engineering Services – General Engineering                 | \$126,927   | \$80,000    | \$100,000      | \$110,000   | 44.0%           |
| Buildings & Grounds – Building Maintenance                 | \$37,539    | \$26,484    | \$40,000       | \$36,000    | 35.9%           |
| Police Services – Salaries & Wages                         | \$1,900,343 | \$1,960,761 | \$1,854,000    | \$2,083,000 | 6.2%            |
| Police Services – Education Incentive Pay                  | \$51,208    | \$76,818    | \$59,000       | \$63,200    | -17.7%          |
| Police Services – SS/Medicare                              | \$172,769   | \$186,361   | \$179,000      | \$195,000   | 4.6%            |

# General Fund Review

## EXPENDITURES

| Item                                                  | 2025 Actual | 2026 Budget | 2026 Projected | 2027 Budget | Budget Variance |
|-------------------------------------------------------|-------------|-------------|----------------|-------------|-----------------|
| Police Services – Health Insurance                    | \$557,330   | \$673,718   | \$546,000      | \$658,500   | -2.3%           |
| Police Services – 457 Match                           | -           | -           | -              | \$17,000    |                 |
| Police Services – Ancillary Insurance                 | \$28,968    | \$29,700    | \$28,500       | \$35,100    | 18.2%           |
| Police Services - Fuel                                | \$28,206    | \$30,000    | \$32,000       | \$35,200    | 17.3%           |
| Police Services – Professional Services               | \$13,886    | \$22,500    | \$32,000       | \$53,500    | 137.8%          |
| Police Services – Vehicle Insurance                   | \$14,863    | \$14,263    | \$14,300       | -           | -100.0%         |
| Police Services – Law Enforcement Liability Insurance | \$57,649    | \$55,319    | \$55,400       | -           | -100.0%         |
| Police Services – Workers’ Compensation Insurance     | \$57,349    | \$60,790    | \$60,800       | -           | -100.0%         |
| Police Services – Vehicle Maintenance                 | \$13,957    | \$19,500    | \$11,000       | \$10,000    | -48.7%          |
| Police Services – IT Hardware/Software/Licenses       | \$12,588    | \$64,804    | \$64,900       | \$72,500    | 11.9%           |
| Fire – All Expenses                                   | \$105,237   | \$77,441    | \$88,300       | -           | -100.0%         |
| EMS – All Expense                                     | \$25,785    | \$30,647    | \$15,500       | -           | -100.0%         |

# General Fund Review

## EXPENDITURES

| Item                                              | 2025 Actual | 2026 Budget | 2026 Projected | 2027 Budget | Budget Variance |
|---------------------------------------------------|-------------|-------------|----------------|-------------|-----------------|
| Building & Zoning – Salaries & Wages              | \$279,515   | \$272,500   | \$117,000      | \$197,200   | -27.6%          |
| Building & Zoning – SS/Medicare                   | \$25,001    | \$20,872    | \$9,000        | \$15,200    | -27.2%          |
| Building & Zoning – IT Hardware/Software/Licenses | \$20,058    | \$13,200    | \$13,200       | -           | -100.0%         |
| Building & Zoning – Contract Services             | \$47,627    | \$86,000    | \$86,000       | \$120,000   | 39.5%           |
| Public Works – Salaries & Wages                   | \$520,172   | \$609,915   | \$532,000      | \$642,100   | 5.3%            |
| Public Works – Overtime                           | \$16,489    | \$29,234    | \$25,000       | \$10,000    | -65.8%          |
| Public Works – Health Insurance                   | \$115,649   | \$136,778   | \$142,700      | \$258,600   | 89.1%           |
| Public Works – 457 Match                          | -           | -           | -              | \$8,000     |                 |
| Public Works – Trainings & Meetings               | \$5,600     | -           | \$10,000       | \$13,400    |                 |
| Public Works – Vehicle Insurance                  | \$20,844    | \$20,001    | \$20,100       | -           | -100.0%         |
| Public Works – Workers’ Compensation Insurance    | \$27,424    | \$30,281    | \$27,900       | -           | -100.0%         |
| Public Works – Building Maintenance               | \$17,941    | \$13,100    | \$20,000       | \$20,000    | 52.7%           |

# General Fund Review

## EXPENDITURES

| Item                                                  | 2025 Actual | 2026 Budget | 2026 Projected | 2027 Budget | Budget Variance |
|-------------------------------------------------------|-------------|-------------|----------------|-------------|-----------------|
| Repairs of Tools & Machinery – Fuel & Oil Equipment   | \$33,279    | \$33,000    | \$60,000       | \$60,000    | 81.8%           |
| Highway Construction – Road Paving / Milling          | -           | \$50,000    | \$108,500      | -           | -100.0%         |
| Pension Contributions – Police Pension Payment        | \$104,173   | \$117,470   | \$243,600      | \$218,500   | 86.0%           |
| Insurance – Health & Vision Reimbursements            | \$71,391    | \$55,000    | \$65,000       | -           | -100.0%         |
| Insurance – Workers’ Compensation Insurance           | -           | -           | -              | \$91,000    |                 |
| Insurance – Property & Liability Insurance            | -           | -           | -              | \$155,100   |                 |
| Health Insurance Benefits – Orthodontia Reimbursement | -           | \$6,000     | \$9,000        | -           | -100.0%         |
| Health Insurance Benefits – 457 Match                 | \$31,700    | \$33,000    | \$33,000       | -           | -100.0%         |
| Fiduciary Funds – Fireman's Relief Distribution       | \$116,452   | \$108,370   | \$114,300      | -           | -100.0%         |

**The 2027 deficit is \$500K larger than 2026  
\$150K less revenue, \$350K more expenditures**

SECTION V • HISTORY

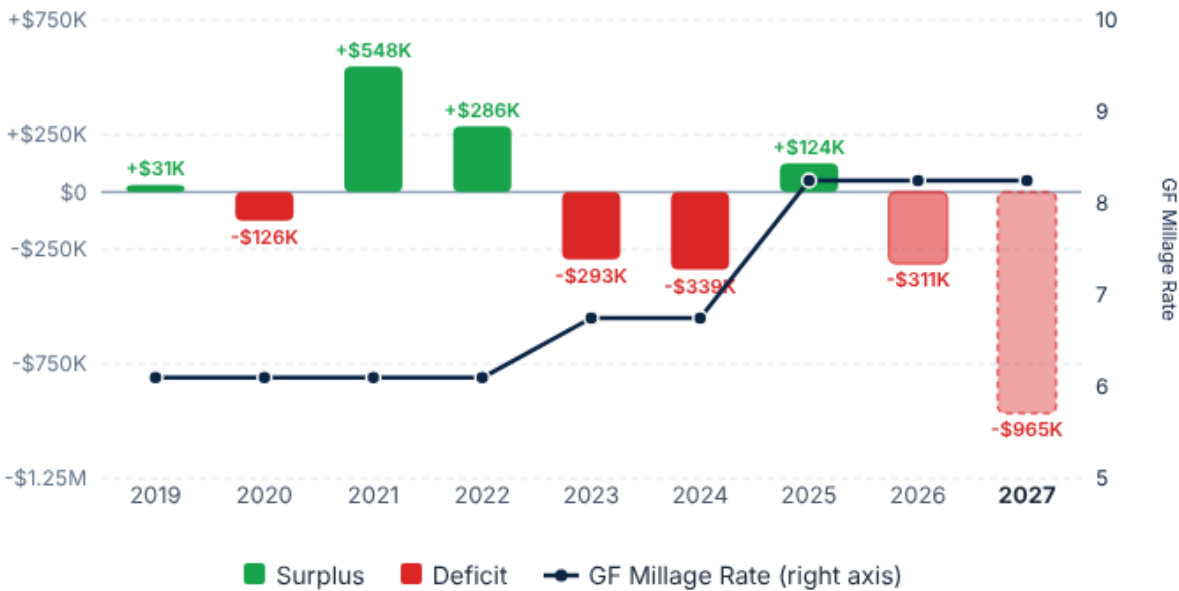
# Historical Review

What We Budgeted — and What Actually Happened

# General Fund Operating History

| Year | Budget Surplus (Loss) | Actual / Audit Surplus (Loss) | General Fund RE Millage |
|------|-----------------------|-------------------------------|-------------------------|
| 2019 | \$7,000               | \$31,000                      | 6.1000                  |
| 2020 | \$22,000              | (\$126,000)                   | 6.1000                  |
| 2021 | \$35,000              | \$548,000                     | 6.1000                  |
| 2022 | \$4,000               | \$286,000                     | 6.1000                  |
| 2023 | \$15,000              | (\$293,000)                   | 6.7500                  |
| 2024 | \$6,000               | (\$339,000)                   | 6.7500                  |
| 2025 | (\$471,000)           | \$124,000                     | 8.2500                  |
| 2026 | (\$460,000)           | (\$311,000)*                  | 8.2500                  |
| 2027 | (\$964,500)*          | -                             | 8.2500                  |

\*Estimated



SECTION VI • NEXT STEPS

# Decision Points

Weighing the Options Before Us

# Manager's Discussion

## How Did We Get Here?

- Operating deficits in most years since 2020
- Expenditures consistently outpacing revenues
- Revenue adjustments lagged — and too small for too long
- Fixed costs (compensation & benefits) growing on a known schedule
- Budgets built on optimistic revenue and understated expenditure assumptions

## Current Budget Management Efforts

- Conservative, accurate revenue and expenditure estimates
- Proactive cash management to maximize interest earnings
- Fee schedule review and adjustment
- Insurance policy redesign — reduced-cost medical plan structure
- Increased opt-out incentive for medical insurance
- Rewards credit card program to offset employee engagement costs

## 2027 Budget – Revenue Options

- Reallocate LST from Fire/EMS to General Fund (+\$125,000)
- Allocate a portion of Open Space EIT for administrative expenses
- Temporary suspension of Open Space EIT contribution (+\$875,000)
- Real Estate Tax increase (\$183,000 per mill)
- Draw on reserves to close the remaining gap

## What Would It Take to Balance the Entire Budget?

- General Fund: +5.0 mills
- Fire: +0.75 mills
- Ambulance & Rescue: +0.50 mills
- Parks & Recreation: +0.50 mills
- Capital Fund: +3.0 mills
- Debt Service: +4.0 mills
- **Total: +13.75 mills**

# Expenditure Reduction Options

|            |                                                                                   |          |                                                                         |
|------------|-----------------------------------------------------------------------------------|----------|-------------------------------------------------------------------------|
| ~\$700,000 | Delay or Cancel Police Station Project<br>(Saves \$10-12M in future construction) | \$53,200 | Eliminate cost-of-living adjustments for non-police employees           |
| ~\$218,000 | Use Open Space Fund for maintenance costs                                         | \$40,000 | Cancel all community events and eliminate event coordinator position    |
| \$200,000  | Lay off two police officers                                                       | \$37,000 | Remove shared police co-responder (social worker)                       |
| \$100,000  | Leave positions vacant upon expected retirements                                  | \$33,500 | Eliminate merit-based compensation adjustments for non-police employees |
| ~\$100,000 | Reduce contributions to Volunteer Fire Companies                                  | \$15,000 | Sell code enforcement vehicle                                           |
| ~\$100,000 | Reduce contributions to EMS                                                       | \$8,000  | Reduce training budget                                                  |
| \$88,200   | Eliminate elected official health insurance                                       | \$6,000  | Remove emergency management contractor                                  |
| \$58,000   | Reduce select role(s) to part-time                                                | \$4,600  | Eliminate semi-annual newsletter                                        |

SECTION VII • RECOMMENDATION

# Manager's Recommendation

Our Recommended Course of Action

# Manager's Recommendation

- Increase General Fund millage by **3.0 mills**
- Reallocate Local Services Tax (LST) revenue to General Fund
- Increase Fire millage by **0.75 mills**
- Increase Ambulance & Rescue millage by **0.50 mills**
- No changes to Parks & Recreation
- No changes to Capital Fund
- Increase Debt Service millage by **2.0 mills**
- Suspend Open Space EIT collections for one year

**TOTAL TAX INCREASE: 6.25 mills**

## What This Means for the Average Homeowner

- Average home assessed value: **\$36,106**
- Each 1 mill = **\$36 per year** (about \$3/month)
- Recommended increase: **6.25 mills**
- That's an increase of **roughly \$226/year — or \$19/month**

**Township portion of your RE tax bill:**

**\$578 → \$804**

# Long-Term Considerations

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- Pursue a General EIT increase (requires voter referendum)
- Implement a stormwater impact fee
- Ongoing evaluation of contracted service provider cost and effectiveness
- Explore regional policing or service consolidations

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TOWNSHIP OF NEW BRITAIN • BUCKS COUNTY, PA

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# Questions & Discussion

Thank you to the Board of Supervisors,  
Department Heads, and Community Members.

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**New Britain Township Administration**  
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