



Whitpain Township Proposed 2026 Budget

First Budget Work Session

**Board of Supervisors
November 5, 2025**





Agenda

Overall Budget Summary:

- Balanced Budget
- No tax increase; no sewer fee increase in 2026
- Financial position has improved overall; although future challenges remain
- Budget is an annual exercise in prioritization of competing goals and objectives

Tonight's Budget Topics:

- 2025 Budget Performance & Budget Background
- General Fund
- Sewer Funds (Operating & Capital)
- Fire Funds (Operating, Capital & Fire Hydrant)
- Debt Service Fund
- Next Steps in the Budget Process
- Questions



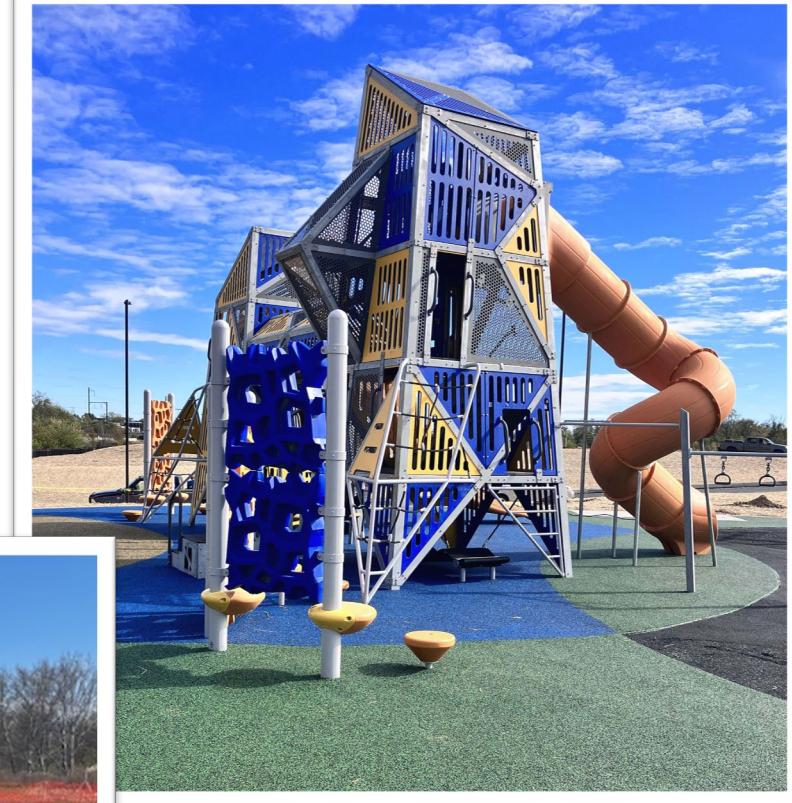
Overall Township Financial Picture

- All township funds are balanced and adequately funded for the 2026 Budget
- The Township's General Fund financial position has improved
 - Finished 2024 better than projected
 - Projected 2025 financial results are positive compared to budgeted levels
 - Need to continue to find efficiencies, cost savings while maintaining high quality services
- Cost growth due to inflation, workforce costs and capital/infrastructure are persistent test from a budgetary perspective
- Remote work and the long-term viability of Township office areas will continue to be a challenge to navigate for major General Fund revenues sources
 - Real estate taxes
 - Earned Income Tax (EIT)
 - Local Services Tax (LST)



2025 Accomplishments

- Wissahickon Park
 - Open House/Community Meeting held at new Boys & Girls Club
 - Bids Issued and Contractors Selected
 - Construction Nearing Completion
- Dog Park Relocation
- Inclusive Playground Construction at Mermaid Park





2025 Accomplishments

- Community Center
 - Design Refined
 - Bid Documents Near Completion
 - Additional Grants Requested (LSA & RACP)
- Intersection and Pedestrian Improvements at Wentz Road & Jolly Road
- Arts & Culture Commission Forms





2025 Accomplishments

- Tennis Courts Relocated and Expanded at MCCC
- New Pickleball Courts Open
- Engineering work for intersection improvements and traffic signal installation at School Rd & Route 73 (\$1.4 M Grant)
- PennDOT's 202 Expansion Nearing Completion





General Fund





General Fund Financial Performance

General Fund (Million \$)	2024 Actual	2025 Budget	2025 Estimate	\$ Variance vs. Budget	% Variance vs. Budget
Revenues & Transfers In	19.40	20.29	20.91	\$ 0.62	3.1%
Expenditures	18.16	19.72	18.62	\$ (1.10)	-5.6%
Transfers Out	2.30	3.90	3.50	\$ (0.40)	-10.3%
Surplus/(Deficit)	\$ (1.06)	\$ (3.33)	\$ (1.21)	\$ 2.12	

- Revenues higher than budgeted by 3.1%; expenditures \$1.1 million or 5.6% below budget
- Transfers Out to Capital Reserve and Open Space which are mainly to invest in Township infrastructure, vehicles, parks, etc. are projected to be lower than budgeted
- The Township always tries to be fiscally responsible and have positive financial performance compared to its budget
 - Finished 2024 better than projected and 2025 projections will further improve the Township's overall financial outlook



General Fund Proposed Budget

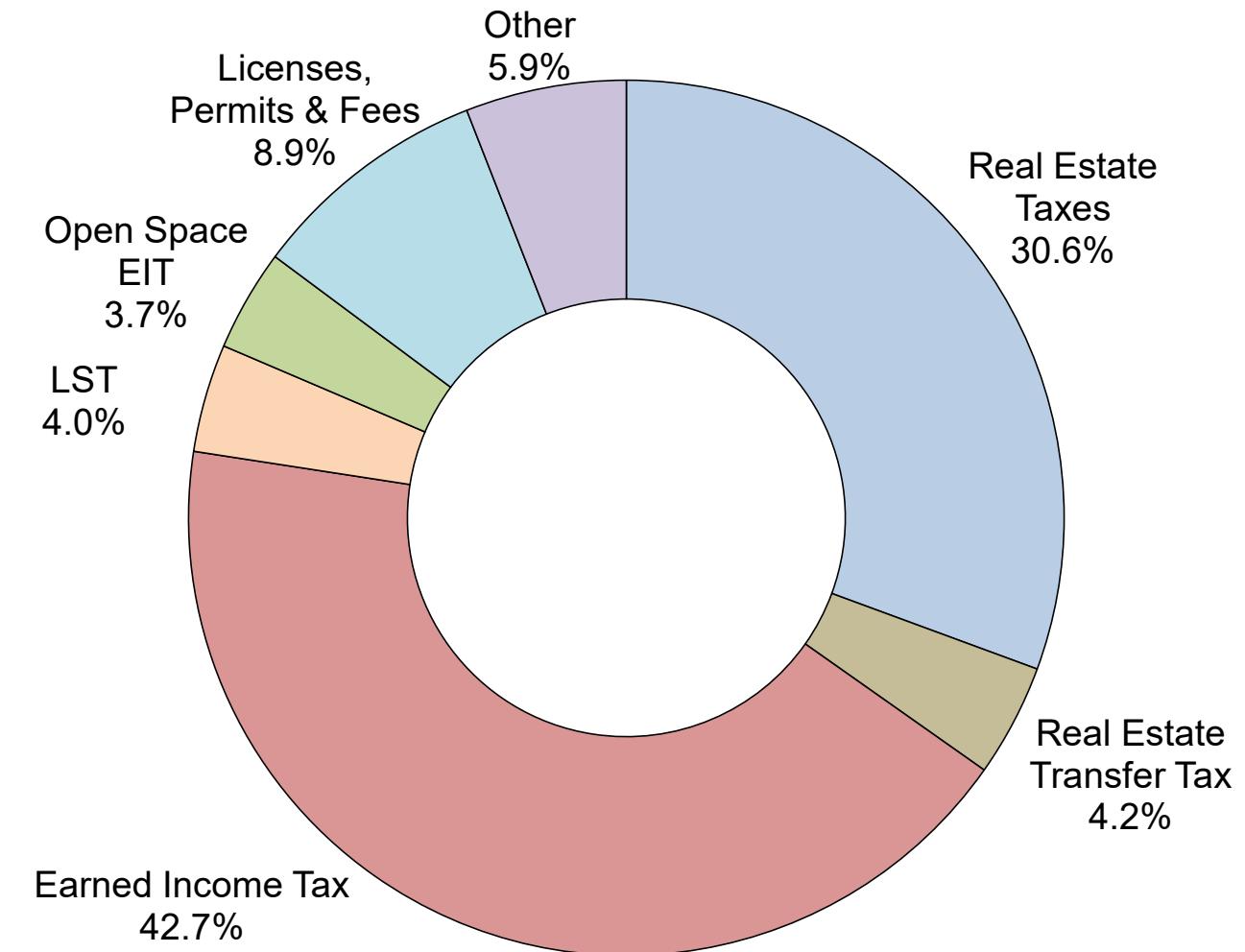
General Fund (Million \$)	2025 Budget	2026 Budget	\$ Variance vs. Budget	% Variance vs. Budget
Revenues & Transfers In	20.29	21.04	0.75	3.7%
Expenditures	19.72	20.01	0.29	1.5%
Transfers Out	3.90	3.00	(0.90)	-23.1%
Surplus/(Deficit)	\$ (3.33)	\$ (1.97)		

- Proposed 2026 Budget does not include a real estate tax increase
- General Fund revenues are projected to increase by 3.7% compared to the prior year's budget. General Fund expenditures show a more modest increase of 1.5%
- Budget includes an approximate \$2.0 million decrease in the General Fund's fund balance which is an improvement versus the 2024 and 2025 budgets



General Fund Revenues

- Earned Income Taxes (EIT) = \$8,975,000
- Real Estate Taxes = \$6,441,000
- Licenses, Permits & Fees = \$1,868,600
- Other Revenue = \$1,249,500
- Real Estate Transfer Tax = \$875,000
- Local Services Tax (LST)= \$840,000
- Open Space EIT = \$790,000
- Total 2025 Revenues = \$21,039,100





General Fund Revenue Trends

- There are still concerns about major General Fund revenue sources
- The primary concern is the continued decrease in the Township's total assessed value which is projected to decline for the second consecutive year – this impacts real estate tax revenue in the General, Fire Tax, Fire Hydrant and Debt Service funds
- This is a result of ongoing assessment appeals, especially commercial properties
- For reference for every \$10 million change in assessed value the Township gains/loses \$39,500 across the five funds that have a millage allocation

Year	Assessed Valuation	\$ Change	% Change
2017	2,030,461,459	6,947,580	0.34%
2018	2,022,098,819	(8,362,640)	-0.41%
2019	2,029,599,475	7,500,656	0.37%
2020	2,035,208,415	5,608,940	0.28%
2021	2,046,233,965	11,025,550	0.54%
2022	2,071,065,280	24,831,315	1.21%
2023	2,083,870,350	12,805,070	0.62%
2024	2,096,821,070	12,950,720	0.62%
2025	2,084,500,934	(12,320,136)	-0.59%
2026	2,062,688,094	(21,812,840)	-1.05%



General Fund Revenue Trends

General Fund Revenue	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Estimate	2026 Budget	\$ Variance vs. 2022
Earned Income Tax	\$ 8,827,409	\$ 9,443,979	\$ 8,490,433	\$ 8,820,229	\$ 8,870,000	\$ 8,975,000	\$ (468,979)
Real Estate Transfer Tax	2,174,897	1,598,640	706,774	745,237	755,000	875,000	(723,640)
Local Services Tax	894,252	904,834	881,856	836,553	845,000	840,000	(64,834)
Franchise Fees	470,941	466,105	447,581	428,638	420,000	410,000	(56,105)
Subtotal	\$ 12,367,499	\$ 12,413,558	\$ 10,526,644	\$ 10,830,657	\$ 10,890,000	\$ 11,100,000	\$ (1,313,558)
Total General Fund Rev	\$ 18,502,684	\$ 18,855,392	\$ 18,208,434	\$ 19,395,795	\$ 20,913,400	\$ 21,039,100	
% of General Fund Rev	66.8%	65.8%	57.8%	55.8%	52.1%	52.8%	

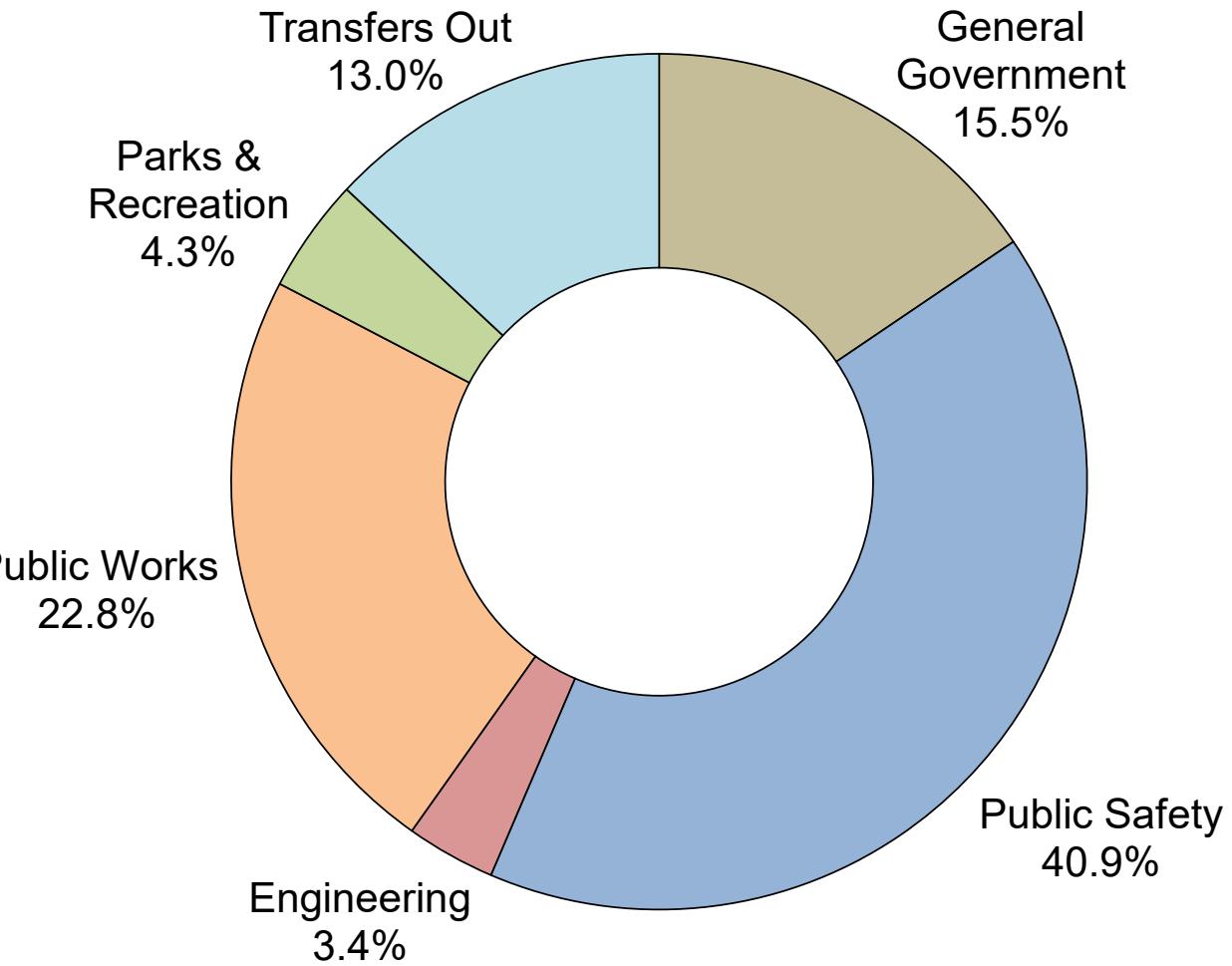
- All revenue sources shown above have declined from previous highs likely due to the impacts of remote work and other factors
- The reduced occupancy of area office buildings is a factor in the Township's ability to generate additional revenue
- Real estate transfer tax has declined due to higher interest rates and home sale declines
- Franchise fee revenue has declined as cord cutting has increased
- While overall trend is troubling most recent results may bode positive for future



General Fund Expenditures

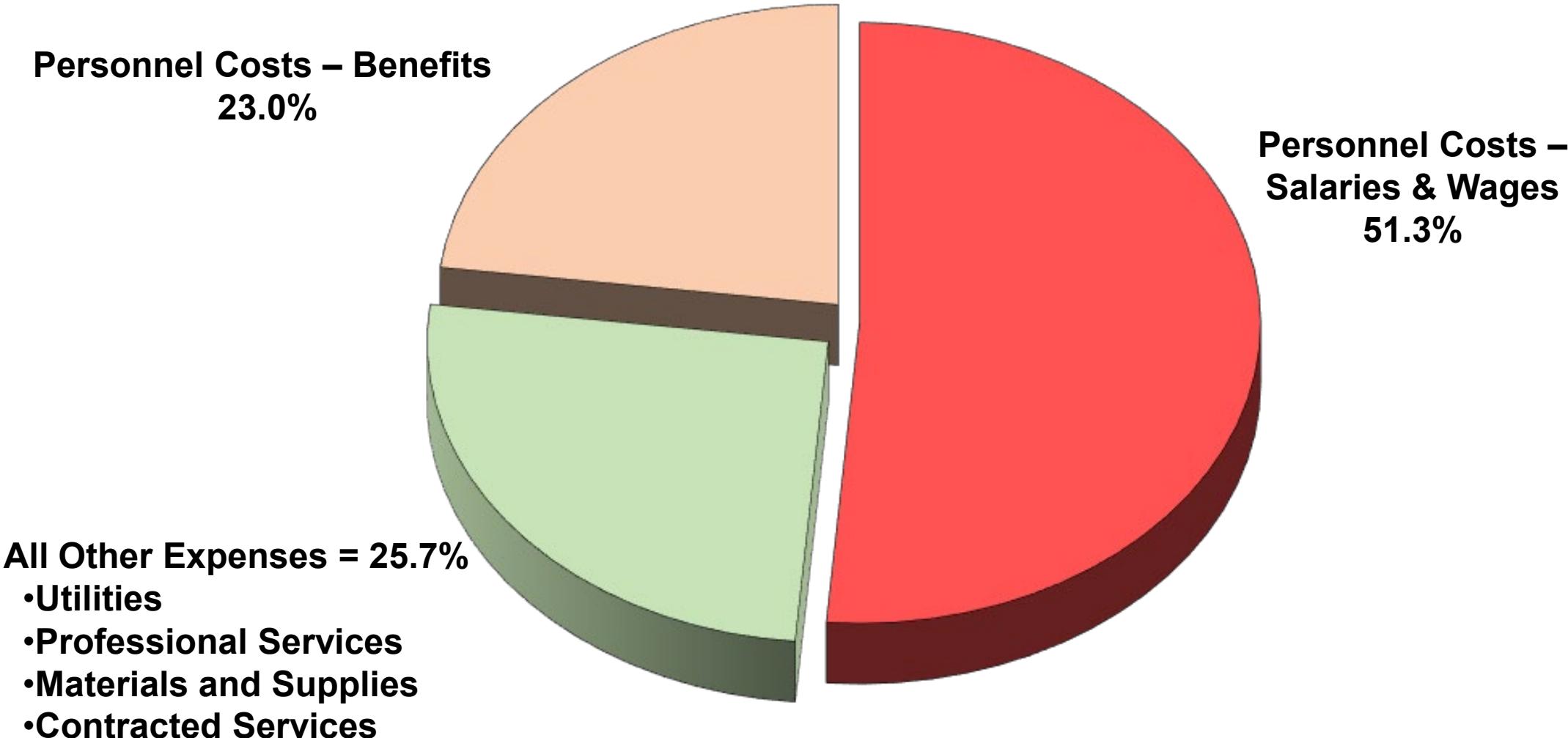
- Public Safety* = \$9,417,389
- Public Works = \$5,259,242
- General Government = \$3,560,055
- Parks & Recreation = \$993,957
- Engineering = \$777,705
- Transfers Out = \$3,000,000
 - Open Space = \$1,500,000
 - Capital Reserve = \$1,500,000
- Total 2026 Expenditures = \$23,008,798

* Includes Police, Fire Marshal and Code Enforcement





General Fund Expenditures





General Fund Expenditures

- Local government is labor intensive, so staff personnel costs are the largest expense
 - No additional full-time positions are included within the Proposed Budget
 - Staff will continue to identify more efficient staffing structures across all departments while maintaining services
- Health insurance premiums are expected to increase by approximately 5.5% next year
 - Prescription coverage continues to be the largest driver
 - First time in several years the health insurance increase is higher than general inflation
- Township will make an estimated \$1.1 million contribution in 2026 to the Township's pension plans – both defined benefit and defined contribution plans
- The Proposed General Fund Budget remains focused on providing high-quality services within the Township's fiscal constraints. This includes funding public safety, code enforcement, public infrastructure and new parks



General Fund Financial Forecast

General Fund	Proj. 2025	2026 Bud.	2027 Est.	2028 Est.	2029 Est.	2030 Est.
Revenues & Transfers In	20,913,400	21,039,100	21,347,360	21,600,855	21,859,626	22,174,620
Expenditures	(18,619,628)	(20,008,798)	(21,155,387)	(21,865,702)	(22,341,685)	(22,904,245)
Transfers Out	(3,500,000)	(3,000,000)	(1,550,000)	(1,550,000)	(1,500,000)	(1,350,000)
Surplus/(Deficit)	(1,206,228)	(1,969,698)	(1,358,027)	(1,814,847)	(1,982,059)	(2,079,625)
Ending Fund Balance	9,798,236	7,828,538	6,470,511	4,655,665	2,673,606	593,981
Ending FB %	52.6%	39.1%	30.6%	21.3%	12.0%	2.6%

- Forecast assumes no real estate tax millage increases
- Revised revenue and expenditure growth assumptions based on current economic outlook, inflationary environment and projected known future cost increases (e.g. labor agreements)
- Assumes current levels of Township services and staffing
- Operating surplus prior to transfers out to support infrastructure investments from 2025-2027; total annual deficits will decrease fund balance without additional revenue or expenditure reductions
- GF fund balance level would fall below 17% of expenditures by end of 2029

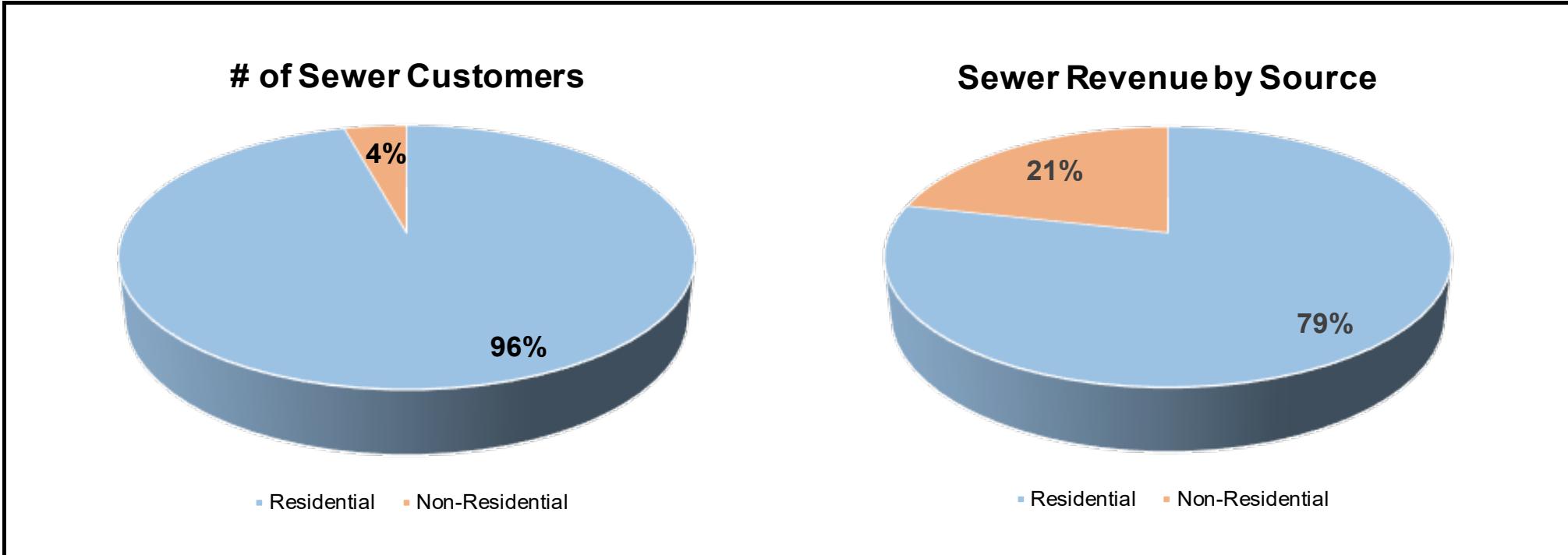


Sewer Operating & Capital





Sewer Fund Overview



- Customer Breakdown
 - Residential = 6,011
 - Commercial = 263
 - Total = 6,274
- Daily Flows (Approximate)
 - ENPWJSA = 2.0 Million Gallons / Day
 - Ambler = 500,000 Gallons / Day
 - Total = 2.5 Million Gallons / Day



Sewer Fund Overview

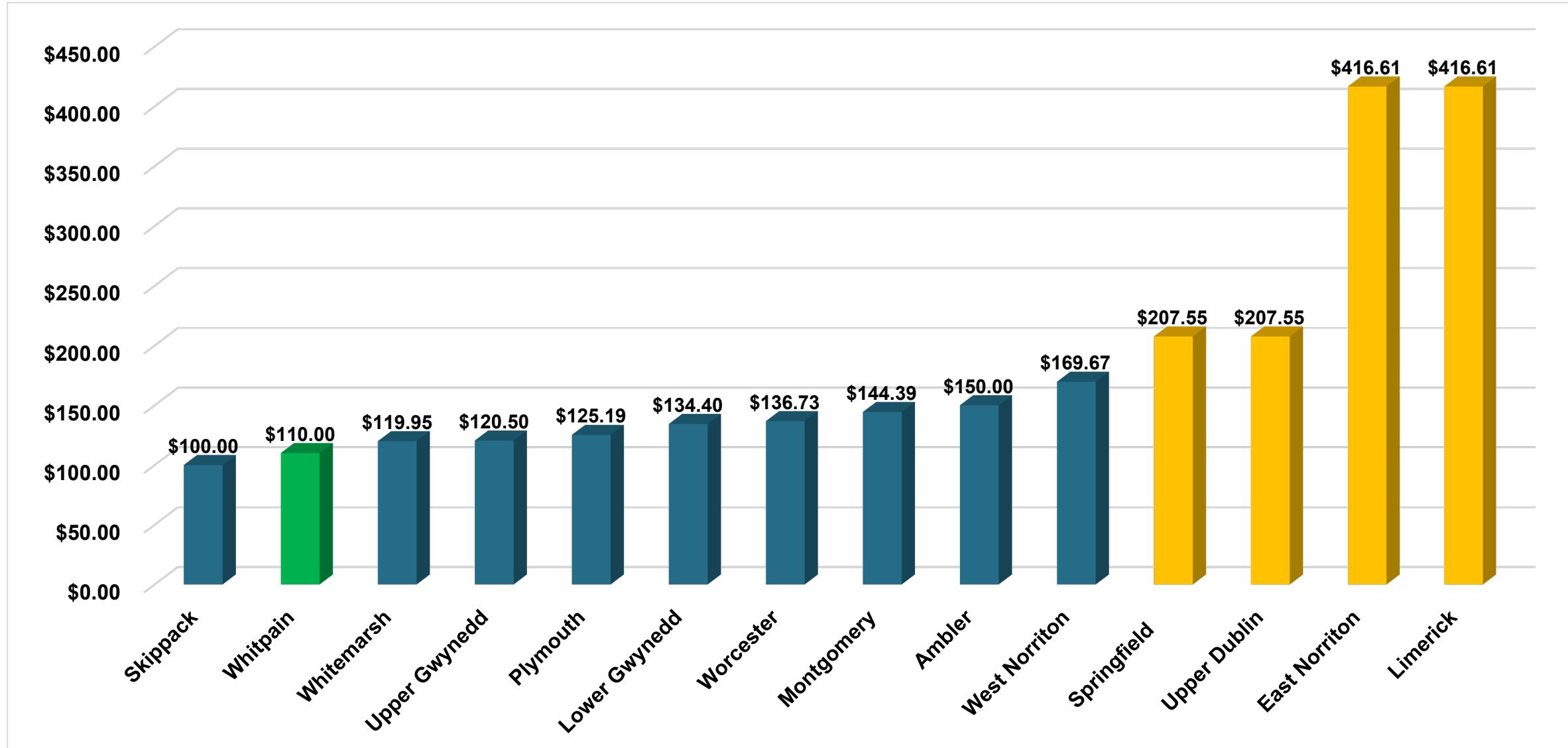
- Residents and businesses connected to the sanitary sewer system have their wastewater flow to one of seven Township operated sewer pump stations
- Wastewater is then transferred to be treated at one of five treatment facilities, all of which are located outside of the Township
- The two largest treatment facilities used by the Township are the East Norriton Plymouth Whitpain Joint Sewer Authority (ENPWJSA) and Ambler Borough
- Even though the Township does not operate a sewer treatment facility, it is still responsible for the maintenance of the collection system
- Sewer treatment costs are the largest expense and have increased more recently
- Township sewer rates were last increased by \$5 per month or \$15 per quarterly sewer bill in 2024





Current Sewer Rate Comparison

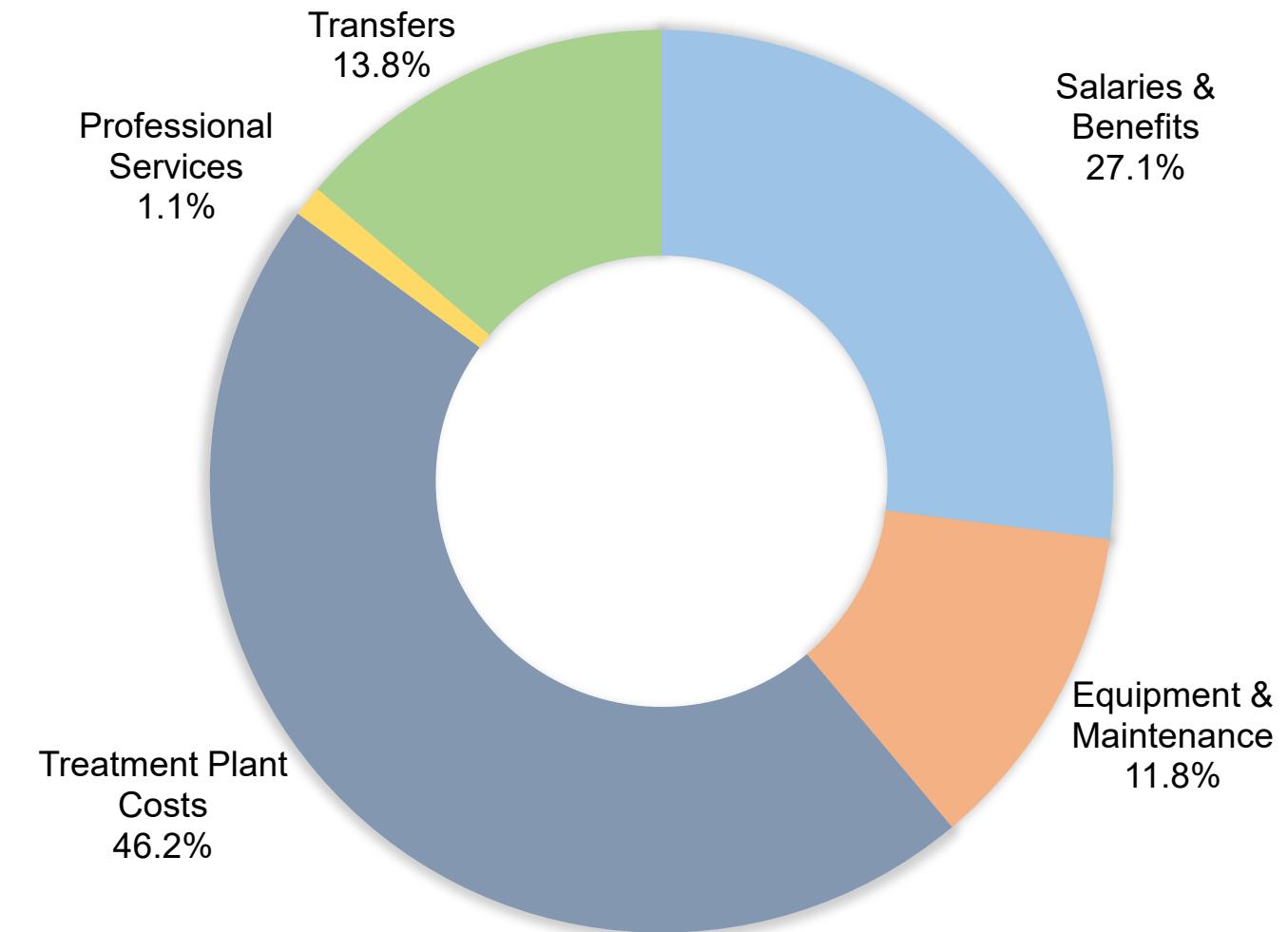
(Based on 20K Gallons of Consumption per Quarter)





Sewer Fund Expenditures

Expenditure Category	Budget
Salaries & Benefits	1,296,881
Equipment & Maintenance	566,953
Treatment Plant Costs	2,214,975
Professional Services	53,250
Transfers	660,856
Total	4,792,915



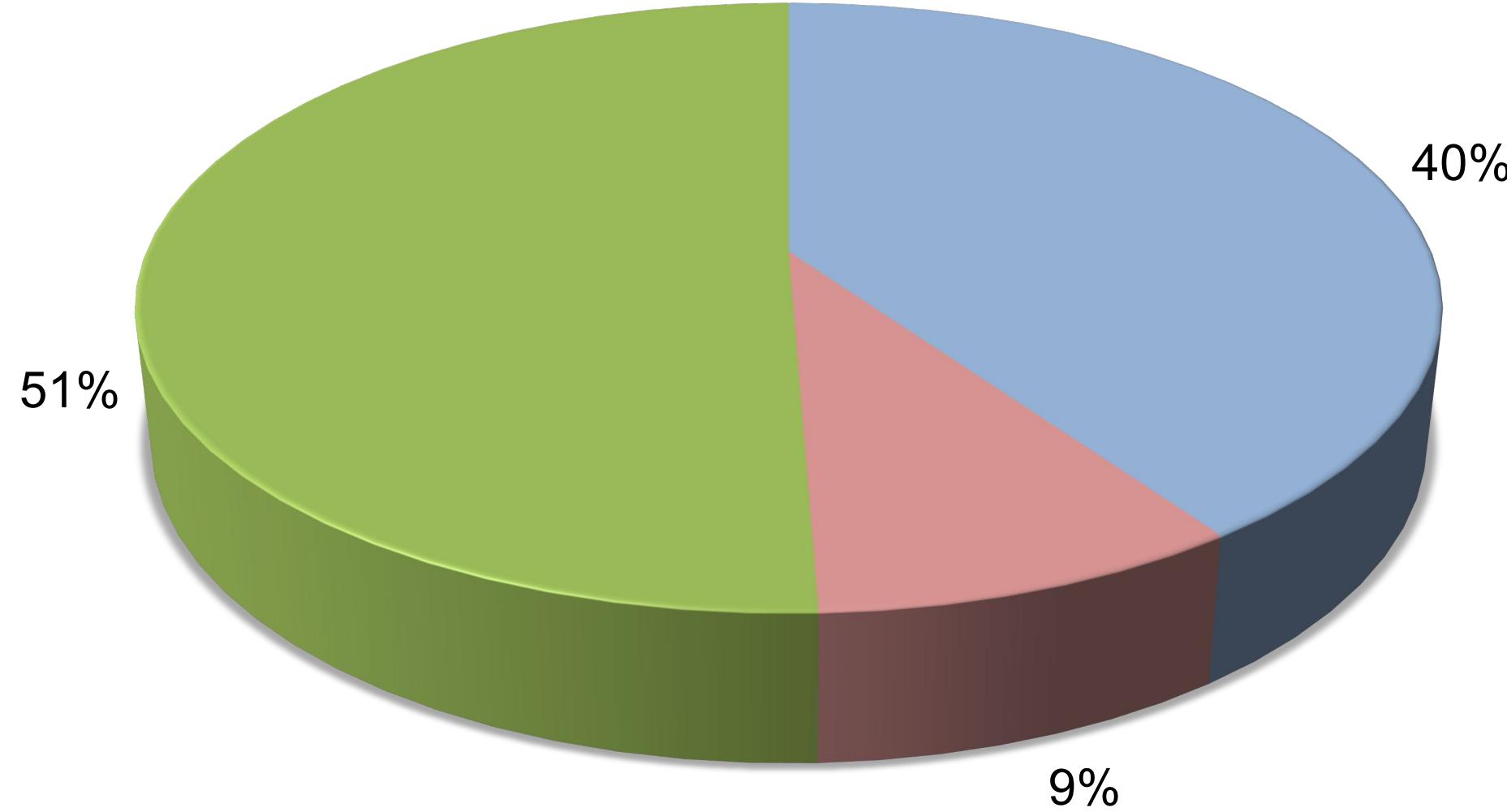


5-Year Sewer Operating Budget Projection

	Projected 2025	2026	2027	2028	2029	2030
BEGINNING BALANCE	2,093,943	2,016,240	1,741,030	1,384,960	888,468	292,689
REVENUES	4,523,744	4,517,705	4,541,714	4,585,319	4,630,680	4,675,236
EXPENSES	3,965,591	4,132,059	4,186,929	4,296,254	4,403,991	4,514,681
TRANSFERS OUT	635,856	660,856	710,856	785,556	822,468	773,138
ENDING BALANCE	2,016,240	1,741,030	1,384,960	888,468	292,689	(319,894)



Sewer Capital Expenses



■ Improvements

■ Vehicles & Equipment

■ Treatment Plants



Sewer Capital Expenses

Category	Description	2026 Budget
Improvements		
	Sewer Main Replacement/Rehabilitation	250,000
	Devonshires Pump Station Generator	175,000
	Backup Pump Improvements – Mermaid/Devonshires	85,000
	Total Improvements	510,000
Vehicles & Equipment		
	Replace S-10 K3500 4x4 Dump Truck	115,000
Treatment Plant		
	East Norriton Plymouth Whitpain Joint Sewer Authority	440,372
	Ambler Borough	200,000
	Total Treatment Plant	640,372
	Total Sewer Capital Items	1,265,372



5-Year Sewer Capital Expenses

	2026	2027	2028	2029	2030	2026-2030
Improvements	510,000	620,000	600,000	380,000	450,000	2,560,000
Vehicles & Equipment	115,000	125,000	53,235	-	-	293,235
Treatment Plant	640,372	640,372	640,372	640,372	640,372	3,201,860
Grand Total	1,265,372	1,385,372	1,293,607	1,020,372	1,090,372	6,055,095



Sewer and Sewer Capital Summary

- The 2024 sewer rate adjustment has put the sewer funds in a stronger financial position even though the Township still maintains one of the lowest sewer fees in the area
- Cost increases will continue through the near future
 - Costs for chemicals and parts have risen significantly over the last five years
 - Treatment costs have increased by nearly \$500,000 from 2021 to 2025
- Capital expenses passed to the Township from the ENPWJSA and Ambler have nearly doubled from 2021 to 2025
- Additionally, direct township capital expenses have increased for vehicles and equipment as sewer equipment has seen similar cost increases to other heavy equipment categories due to size and specialized nature of certain equipment
- The Township will be able to maintain the current sewer fee for the near future, but the future pace of sewer related cost increases will eventually cause the need to adjust sewer rates at some point



Fire Funds





Fire Tax Rates & CSFC Background

- **Millage**

▪ General Fund	3.17
▪ Fire Tax	0.46
▪ Fire Hydrant	0.05
▪ <u>Debt Service</u>	0.27
	<hr/> 3.95 mills

- **Financial Impact**

- Average residential assessment ~ \$227,000
- Portion of average Township tax bill related to Fire & Fire Hydrant tax = \$115 (\$9.65 per month)

- Centre Square Fire Company – 70 operational and corporate members (36 active firefighters)
 - Supplemented by 4 FT and 10 PT staff
 - Emergency Medical Staff – 17 EMT's
 - Fire Police – 8 members
 - Ladies Auxiliary – 15 members





Fire Tax Fund Expenses

	2025 Projected	2026 Requested
Salaries & Benefits	527,561	586,369
Firemen's Relief Fund	218,006	218,000
Equipment, Supplies, & Other Expenses	127,050	130,655
Fire Prevention & Education	4,000	4,000
Fire Company Operating Expenses	332,135	348,000
SUBTOTAL	1,208,752	1,287,024
Transfer to Debt Service	68,004	68,004
TOTAL EXPENSES AND TRANSFERS	1,276,756	1,355,028



Fire Tax Fund Financial Results

	2024 Actual	2025 Budget	2025 Projected	2026 Budget
Revenues	1,081,663	1,175,493	1,150,306	1,162,200
Expenditures	1,110,923	1,164,343	1,208,752	1,287,024
Transfer to Debt Service*	68,004	68,004	68,004	68,004
Surplus/(Deficit)	(97,264)	(56,854)	(126,450)	(192,828)

*Annual transfer from Fire Tax Fund to Debt Service until 2031



CSFC Operating & Capital Expenses

Expenses	2024	2025	2026
Operating	1,110,923	1,208,752	1,287,024
Capital	80,363	151,000	1,070,000
Transfer to Debt Service	68,004	68,004	68,004
Total	1,259,290	1,427,756	2,425,028

- After some delays the Fire Company is due to receive its newest engine
- The Pierce engine is currently being built in Wisconsin and is tentatively due to arrive in the second quarter of 2026
- The new engine is expected to cost approximately \$1.0 million pending final fit-out and upfitting needs
- Township staff will work in the early part of 2026 to obtain a bank loan in order to finance the new fire truck
- Future capital needs will be focused on general improvements at the fire station along with vehicle replacements (non-apparatus)



Fire and Fire Capital Summary

- The Proposed 2026 Budget includes adequate funding for both the Fire Tax and Fire Capital funds. However, the decline in overall real estate assessed value previously discussed also has an impact on the Fire Tax Fund property tax revenues
- Cost increases are more consistent and significant in the Fire Tax Fund
 - Personnel costs and benefits generally increase annually
 - Fire Company operating expenses typically increase along with typical inflationary trends
- Capital expenses related to the CSFC building are generally manageable
- Replacement costs of future fire vehicles and apparatus have soared in price since the pandemic. The timing and final costs of future fire vehicles will need to be closely monitored moving forward
- It is possible that a minor millage reallocation may be necessary in the future to provide additional funding to the Fire Tax and Fire Capital funds



Fire Hydrant Fund

	Projected 2025	2026	2027	2028	2029	2030
BEGINNING BALANCE	514,084	543,134	366,634	334,944	297,927	255,441
REVENUES	107,750	109,500	107,750	106,001	104,252	104,504
EXPENSES	78,700	286,000	139,440	143,018	146,738	150,608
ENDING BALANCE	543,134	366,634	334,944	297,927	255,441	209,336

Hydrant rental fee – Ambler/North Wales Water - \$33.5K
Hydrant rental fee – PA American Water - \$52.5K
Other expenses –Fire hydrant project - \$200K



Debt Service Fund





Debt Service Fund

	Projected 2025	2026	2027	2028	2029	2030
BEGINNING BALANCE	346,953	302,883	267,735	209,323	151,337	106,234
REVENUES & OTHER FUNDING SOURCES	550,100	557,000	557,613	558,303	559,065	559,891
TRANSFERS IN	748,860	748,860	728,860	728,560	740,472	740,142
EXPENDITURES	1,343,030	1,341,008	1,344,884	1,344,849	1,344,641	1,345,188
ENDING BALANCE	302,883	267,735	209,323	151,337	106,234	61,079

- The Debt Service Fund is subject to declines in the amount of real estate tax revenue due to decreases in the total assessed value
- Debt Service Fund projections show it should be financially sustainable for next several years absent other changes, new debt, etc.



Budget Summary & Conclusion



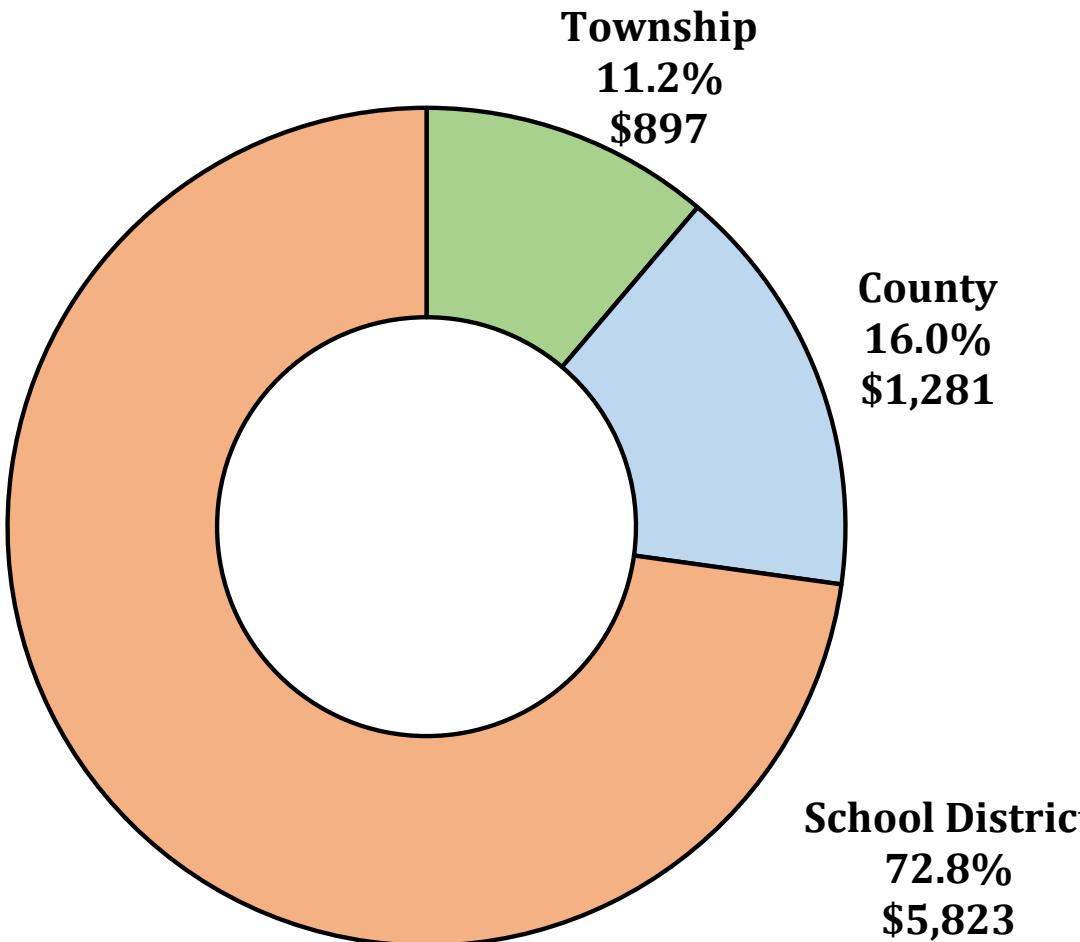


Budget Summary

- The 2026 Budget focuses on providing high quality municipal services along with the transition of long planned investments like the inclusive playground at Mermaid and Wissahickon Park from construction to operations
- Success in obtaining grants makes long-term park, traffic and infrastructure improvements feasible within budget constraints. Successfully receiving grants will be a key to the Township's Community Center project
- Continue to utilize 5-Year budgeting for all funds to help identify potential future financial issues and find solutions
- This annual budget is the product of a lot of hard work by Township staff and input from stakeholder groups
- Again, no real estate tax or sewer fee increase this year given current financial forecast projections



Total Real Estate Tax Bill



(Amounts based on average residential assessment of \$227,000)

Total Millage Change Over Last Decade:

	<u>2015</u>	<u>2025</u>	<u>Millage Change</u>
Whitpain Township	3.2	3.95	0.75 mills
Montgomery County	3.152	5.642	2.49 mills
Wiss. School District	<u>17.925</u>	<u>25.654</u>	<u>7.73 mills</u>
Total Tax Rate	24.277	35.246	10.97 mills

Total Township Millage Allocation:

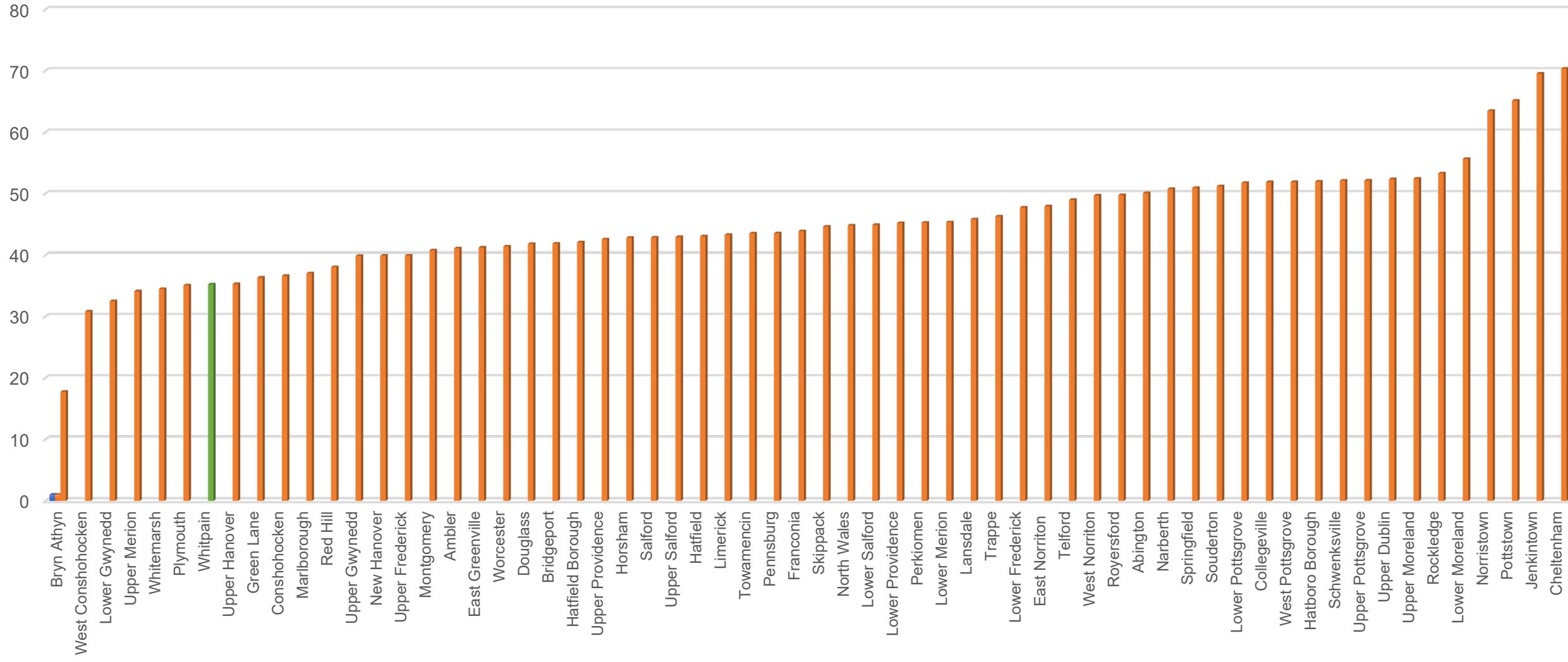
- General Fund 3.17
- Fire Tax 0.46
- Fire Hydrant 0.05
- Debt Service 0.27

3.95 mills



Millage Comparison by Municipality

**Total Millage Comparison
(Municipal, County & School District)**





Conclusion & Next Steps

Conclusion:

- No tax or sewer increase in 2026
- Township has seen some improvement in its revenue base although challenges remain
- Open Space, Capital Reserve, Community Center and remaining Township funds will be discussed in detail on November 18th
- Budget adoption is scheduled for the Board meeting on December 16th

Next Steps & Upcoming Meetings:

- Next Budget Work Session
 - November 18th at 6:00pm
- Board of Supervisors Meetings
 - November 18th at 6:00pm
 - December 2nd at 6:00pm
 - December 16th at 6:00pm