

LOWER MAKEFIELD TOWNSHIP

2027 Budget

Operating funds: General, Park & Recreation, Pool, Golf
and Fire

Draft for discussion. Built from the 2026 Budget with August 2026 actuals and the 2027 budget, workbook dated 09-16-2026.



2027 BUDGET OVERVIEW

Combined, the five funds show a \$5.0M shortfall in 2027

\$ thousands	Revenues	Expenditures	Net result	Ending fund balance
General (Fund 01)	16,791	21,182	(4,392)	(1,994)
Park & Recreation (Fund 05)	3,607	3,863	(256)	(118)
Pool (Fund 09)	1,033	1,361	(328)	(303)
Golf (Fund 15)	4,350	4,357	(6)	912
Fire (Fund 03)	1,034	1,096	(62)	112
Combined	26,815	31,859	(5,044)	—

Revenues and expenditures include interfund transfers. Ending fund balance is the year-end fund balance for General, Park & Recreation and Fire, and ending cash balance for Pool and Golf. Pool and Golf net results are before depreciation. Park & Recreation, Pool and Golf 2027 figures include capital projects funded largely by internal transfers.

2026 PROJECTION VS 2027 BUDGET

Park & Recreation and Pool grow sharply on deferred capital maintenance

\$ thousands	Rev. 2026P	Rev. 2027B	Change	Exp. 2026P	Exp. 2027B	Change
General	18,618	16,791	−9.8%	19,044	21,182	+ 11.2%
Park & Recreation	2,221	3,607	+ 62.4%	2,058	3,863	+ 87.7%
Pool	1,265	1,033	−18.3%	1,167	1,361	+ 16.6%
Golf	4,216	4,350	+ 3.2%	4,514	4,357	−3.5%
Fire	1,025	1,034	+ 0.9%	991	1,096	+ 10.6%
Combined	27,345	26,815	−1.9%	27,773	31,859	+ 14.7%

P = 2026 projection, B = 2027 budget; totals include transfers. Park & Recreation and Pool increases are mostly deferred capital maintenance items. General revenue falls as the 2026 Sewer Fund transfer is currently not repeated.

2026 PROJECTION VS 2027 BUDGET

Net results worsen in every operating fund

\$ thousands	Net 2026P	Net 2027B	Change	End 2026P	End 2027B
General	(426)	(4,392)	(3,966)	2,398	(1,994)
Park & Recreation	163	(256)	(419)	137	(118)
Pool	98	(328)	(426)	25	(303)
Golf	(298)	(6)	292	918	912
Fire	34	(62)	(96)	32	112
Combined	(429)	(5,044)	(4,615)	3,510	(1,391)

Net result is revenues less expenditures (Pool and Golf before depreciation). End is year end fund balance for General, Park & Recreation and Fire, and year end cash balance for Pool and Golf.

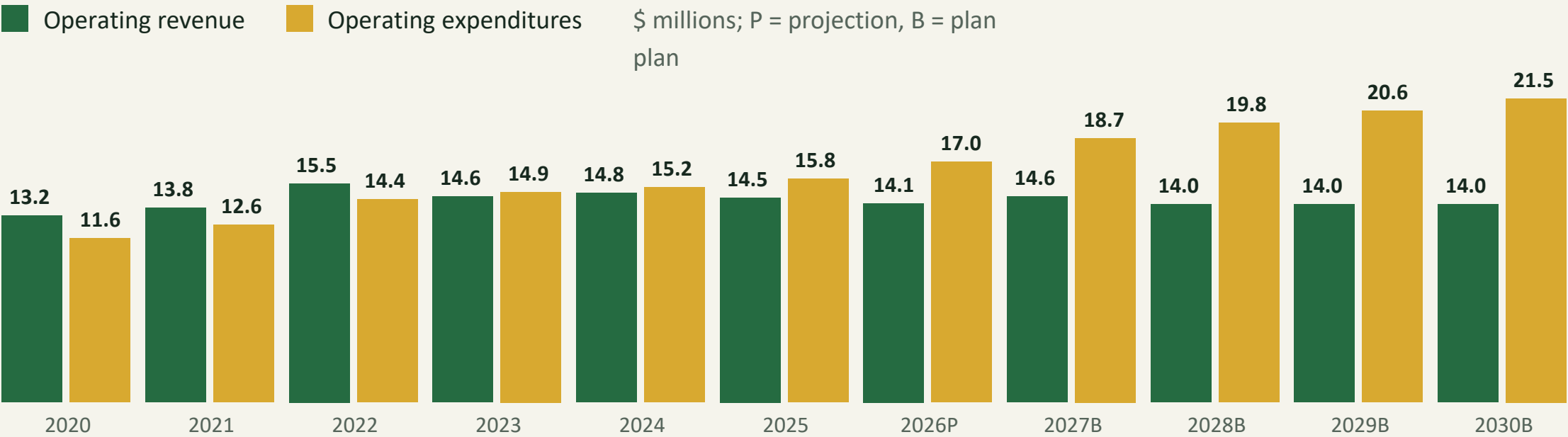
REVENUE GROWTH, LAST FIVE YEARS

Combined operating revenue is up 28% since 2020, with declines in 2023 and 2025

Year over year	2021	2022	2023	2024	2025	2020–25
General	+ 4.2%	+ 12.6%	−5.9%	+ 1.5%	−2.2%	+ 9.7%
Park & Recreation	+ 29.7%	−3.0%	+ 4.3%	+ 18.2%	−4.4%	+ 48.3%
Pool	n/m	+ 13.0%	+ 6.9%	+ 2.0%	+ 3.6%	n/m
Golf	+ 40.6%	+ 2.6%	+ 7.5%	+ 9.0%	−4.0%	+ 62.4%
Fire	−2.8%	+ 22.6%	+ 4.1%	+ 4.3%	+ 1.6%	+ 31.5%
Combined	+ 16.0%	+ 9.9%	−1.9%	+ 4.4%	−2.3%	+ 27.5%

Operating revenues, excluding interfund transfers; 2021–2025 are actuals. Pool 2021 is not meaningful (n/m) because 2020 pool revenue was only \$43K because of COVID-19.

Operating revenue grows just 0.7% a year



0.7%

Average annual growth in operating revenue, 2020–2030

6.4%

Average annual growth in operating expenditures, 2020–2030

\$7.5M

2030 operating gap, up from \$4.2M in 2027

AVERAGE ANNUAL GROWTH

Combined, expenditures grow 7.0% a year against 5.0% for revenue

Average annual growth	Revenue 2020–25	Expenditure 2020–25	Revenue 2025–27B	Expenditure 2025–27B
General	+ 1.9%	+ 6.3%	+ 0.3%	+ 8.8%
Park & Recreation*	+ 8.2%	+ 14.0%	+ 20.7%	+ 44.5%
Pool*	+ 6.3%	+ 4.5%	−6.1%	+ 10.3%
Golf*	+ 10.2%	+ 4.5%	+ 1.0%	+ 13.9%
Fire	+ 5.6%	+ 7.3%	−0.5%	+ 1.0%
Combined	+ 5.0%	+ 7.0%	+ 2.1%	+ 12.4%

Compound annual growth, excluding interfund transfers; 2020–25 are actuals, 27B is the 2027 budget. *Park & Recreation, Pool and Golf 2025–27B rates are skewed by are skewed by deferred capital-project spending in 2027. Pool is measured from 2021 (2020 revenue was \$43K).

EXPENDITURE DRIVER

People costs, which are largely fixed costs, are the primary driver

74%

of General Fund operating expenditures in the 2027 budget are people-related

67%

of General Fund expenditure growth from 2020 to 2025 (\$2.8M of \$4.2M) was people-related

83%

of the \$1.3M increase over the 2026 projection, excluding FEMA-funded capital, is people-related (\$1.08M)

Share of operating expenditures	2020	2025	2027B
General	80%	76%	74%
Park & Recreation	52%	59%	30% *
Pool	61%	61%	51% *
Golf	42%	51%	39% *
Fire	12%	29%	27%
Combined	69%	69%	61% *

People-related = wages, overtime, pensions, payroll taxes, health and other benefits. Fire is mostly contributions (68%). *Park & Recreation, Pool and Golf 2027B shares are lower mainly because \$1.68M (P&R), \$86K (Pool) and \$480K (Golf) in deferred capital maintenance inflating the denominator.

PEER MUNICIPALITIES

Peer townships show the same pattern

Middletown Township

Bucks County

62%

of general fund spending goes to police,
and 81 cents of each dollar is salaries
and benefits

Northampton Township

Bucks County

>50%

of the \$66.3M 2026 spending plan goes
goes to wages and benefits

Tredyffrin Township

Chester County

80%

of 2026 General Fund operating
expenditures is salaries and benefits

Lower Makefield Township: 74% of 2027 General Fund operating expenditures is people-related.

Personnel-driven budgets are normal for Pennsylvania townships with full-time police departments. Peer figures come from 2026 budget documents and local press coverage; definitions differ, so compare them as a pattern.

2026 YEAR-END PROJECTIONS

Park & Recreation and Fire are projected ahead of their 2026 net budgets

\$ thousands	Rev. budget	Rev. proj.	Exp. budget	Exp. proj.	Net budget	Net proj.
General	19,178	18,618	19,246	19,043	(68)	(426)
Park & Recreation	2,227	2,221	2,208	2,058	19	163
Pool	1,389	1,265	1,186	1,167	203	98
Golf	4,681	4,216	4,681	4,514	0	(298)
Fire	1,033	1,025	1,015	991	18	34
Combined	28,508	27,345	28,336	27,773	173	(429)

Projections reflect August 2026 actuals. General projects a \$426K deficit against \$68K budgeted deficit, and Golf a \$298K deficit against break-even. against break-even. Pool nets \$98K against a budgeted surplus of \$203K , and Fire nets \$34K against a budgeted surplus of \$18K.

GENERAL FUND · 2027 BUDGET

\$4.39M deficit

Revenues of \$16.79M against expenditures of \$21.18M.

–\$1.99M

Ending fund balance, from \$2.40M
projected for 2026

\$14.55M

Operating revenue, –0.8% vs the 2026
budget

\$18.71M

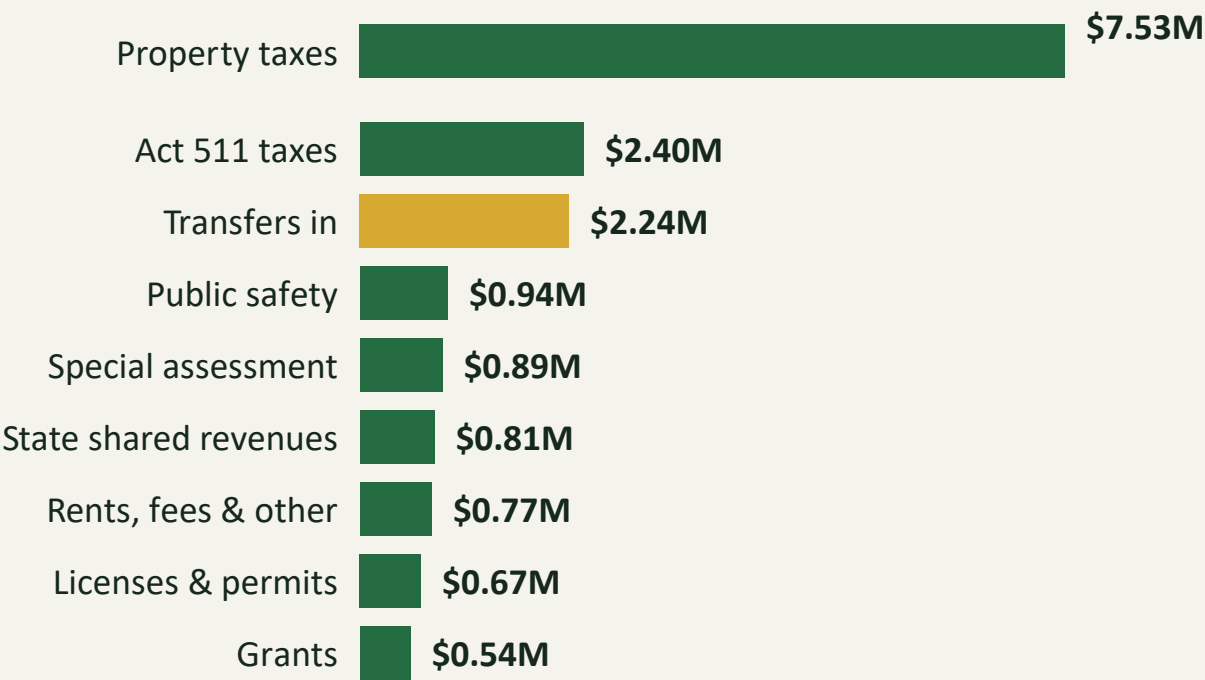
Operating expenditures, +10.0% vs the
2026 projection (+7.6% excluding FEMA-
funded capital project)

Transfers into the General Fund fall by \$2.3M while operating revenue holds nearly flat

\$14.55M
Operating revenue, -0.8% vs the 2026 budget

\$2.24M
Transfers in, down from \$4.50M (2026 budget); includes the LMT Sewer Trust transfer at the required distribution amount of \$1.42M

2027 total revenues by source (\$ millions)



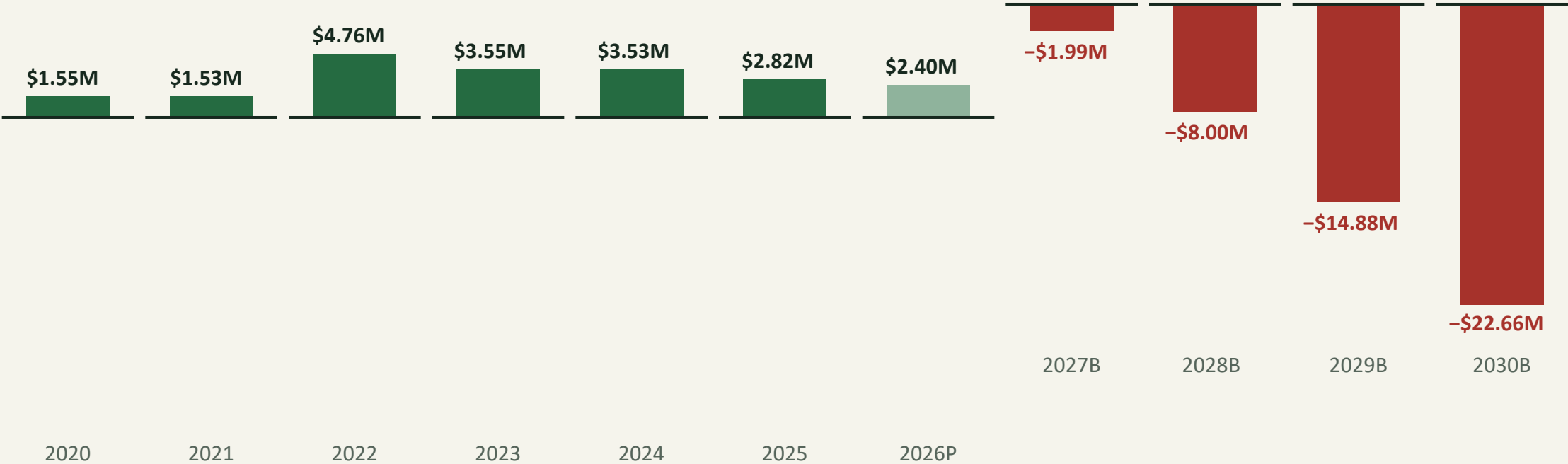
GENERAL FUND • EXPENDITURES

Excluding FEMA-funded capital, costs rise 7.6%

\$ thousands	2026 projection	2027 budget	Change \$	Change %
Police	8,979	10,041	1,062	+ 11.8%
Highways, roads & streets	1,951	2,180	229	+ 11.7%
Planning & zoning, excl. FEMA capital	1,131	998	(133)	−11.8%
Financial administration	813	873	60	+ 7.3%
All other departments, incl. benefits	4,139	4,222	83	+ 2.0%
Total excl. FEMA-funded capital	17,013	18,314	1,301	+ 7.6%
FEMA-funded capital purchase	0	400	400	n/a
Total operating expenditures	17,013	18,714	1,701	+ 10.0%

Police is 54% of operating expenditures. A FEMA grant covers the \$400K River Road Flood Plain Project. Total expenditures of \$20.83M include \$2.12M of transfers out.

Fund balance turns negative in 2027



Ending fund balance, falling each year of the plan. 2020–2025 actual, P = 2026 projection, B = budget and plan.

19 mills plus the one-time Sewer transfer delay the negative fund balance, but do not close, the gap

Ending fund balance, \$ thousands	2026P	2027	2028	2029	2030
Current plan	2,398	(1,994)	(8,001)	(14,884)	(22,658)
With 19 mills + Sewer transfer	2,398	3,689	510	(3,474)	(8,278)

\$3.69M

2027 ending fund balance with both actions, vs -\$1.99M under the current plan

2029

First year the balance turns negative again, vs 2027 under the current plan

-\$8.3M

2030 ending fund balance, still negative, vs -\$22.66M under the current plan

Assumes the 19 mill General Purpose Tax increase (+\$2,760,026, at \$539,067.62 per mill, 98% collection) recurs each year 2027–2030 and the \$2,922,503 Sewer Fund transfer occurs once, in 2027. All other budget and plan assumptions are unchanged.

A capital maintenance program year: \$1.68M of projects

\$3.61M
2027 revenues

Revenue source	\$ thousands
Property taxes (2.43 mills)	1,322
State grant (Memorial Park Phase 3)	900
Recreation program fees	605
Rents (league user fees)	202
Capital & fee-in-lieu transfers in	508
Other	70
Total revenues	3,607

\$3.86M
2027 expenditures

-\$256K
2027 net result

-\$118K
Ending fund balance

Expenditure	\$ thousands
Parks recreation capital purchases	1,681
Parks recreation, operating	943
Participant recreation	612
Recreation administration	223
Buildings	106
Debt service	96
All other, incl. transfers out	202
Total expenditures	3,863

Pool Fund budgets a \$328K deficit

\$ thousands	2025 actual	2026 budget	2026 proj.	2027 budget
Operating revenues	1,172	1,100	975	1,014
Transfer in	0	289	289	18
Total expenditures	1,118	1,186	1,167	1,361
Net result (before depreciation)	54	203	98	(328)
Ending cash	(73)	0	25	(303)

\$86K

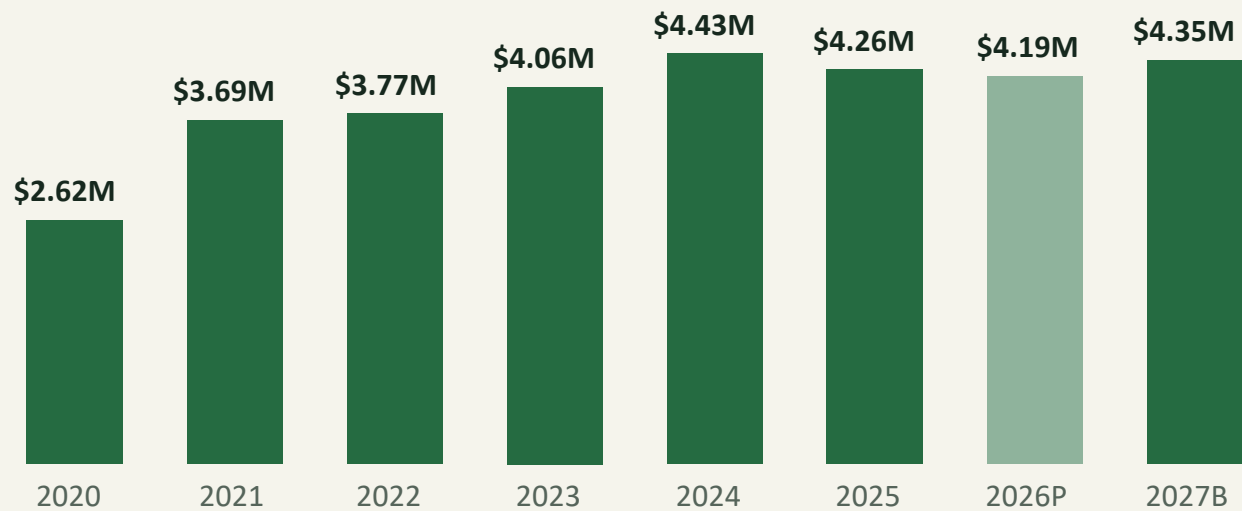
Capital purchases: pool heater, diving board and pump station controls

\$183K

Contracted services, +\$83K vs the 2026 budget: pool painting and pool network refresh

Golf is now roughly break-even, driven by capital maintenance

Golf fees, 2020–2027 (P = projection, B = budget)



- \$4.34M**
Golf fees, +4.2% vs the 2026 projection
- \$3.96M**
Golf operations, including \$480,000 for additional irrigation well and capital/facility maintenance
- \$455K**
Transfers out (supporting General Fund); down from \$880K in the 2026 projection
- \$6K**
2027 net result; ending cash \$912K

Fire Fund budgets a \$62K deficit

\$ thousands	2025 actual	2026 budget	2026 proj.	2027 budget
Operating revenues	1,044	1,033	1,025	1,034
Total expenditures	1,075	1,015	991	1,096
Net result	(30)	18	34	(62)
Ending fund balance	140	225	174	112

The budget shows an ending fund balance of \$32K in 2028, then negative in 2029 (-\$79K) and 2030 (-\$79K) and 2030 (-\$217K).

\$735K

Contributions to Yardley Makefield Fire Fire Company and Morrisville Fire Company, \$330k is Foreign Fire (pass through)

+\$30K

Increased contribution to YMFC for the evening duty crew: 4 people, 4 hours, 3 days a week

FIVE-YEAR OUTLOOK

Golf is the only fund near break-even or better across most years

Net result, \$ thousands	2027	2028	2029	2030	4-year total	2030 ending
General	(4,392)	(6,008)	(6,883)	(7,774)	(25,056)	(22,658)
Park & Recreation	(256)	(3,534)	(4,882)	(650)	(9,322)	(9,184)
Pool	(328)	(1,916)	(1,256)	(320)	(3,820)	(3,794)
Golf	(6)	44	176	(591)	(377)	541
Fire	(62)	(80)	(111)	(138)	(392)	(217)

2030 ending is fund balance for General, Park & Recreation and Fire, and ending cash for Pool and Golf. Pool and Golf net results are before depreciation. depreciation.

OPTIONS TO CLOSE THE GAP

Two levers can close the \$4.39M General Fund gap for 2027 and 2028; 2029 goes negative

Taxing

\$0.54M

raised by each mill of General Fund real estate tax, at 98% collection. collection. The rate is 13.88 mills, unchanged since 2020. Requires court approval to exceed the 14-mill General Purpose Purpose statutory cap.

Transfers

\$2.92M

one-time transfer of excess operating sanitary sewer revenues from the Sewer Fund.

TAXING OPTIONS

Each mill of real estate tax raises \$0.54M

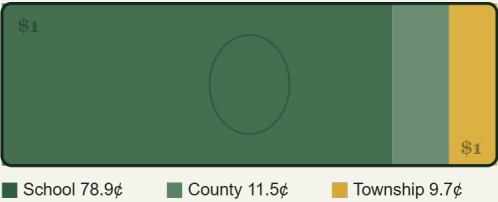
Option	Reference
Real estate tax (General Purpose millage)	13.88 mills, unchanged since 2020; \$539,068 per mill at 98% collection
Act 511 taxes	2027 budget \$2.40M: real estate transfer tax \$1.50M, local services tax \$430K, amusement tax \$250K, per capita tax \$220K
Amusement tax	\$250K budgeted for 2027, in line with the 2026 projection; the 2026 budget assumed \$500K

Real estate millage is the largest lever available based on current tax levies.

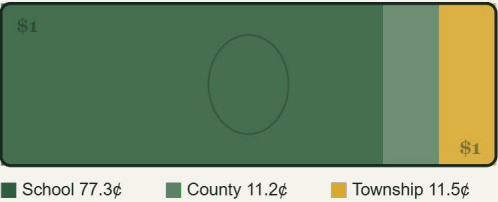
WHERE EACH TAX DOLLAR GOES

School district takes about 79 cents of every LMT property tax dollar

2026 (current)



2027 (proposed)



Township levy, mills	2026	2027 proposed	Change
General Purpose	13.88	19.00	+ 5.12
Park & Recreation	2.43	3.71	+ 1.28
Fire (Special Purpose)	1.10	1.43	+ 0.33
Debt Service (Special Purpose)	2.53	1.26	-1.27
Hydrant	0.33	0.33	—
Ambulance	0.38	0.38	—
Road Machinery	0.30	0.30	—
Road Improvement	4.00	4.00	—
Township total	24.95	30.41	+ 5.46

Combined millage: 2026 total 258.60 mills (Pennsbury 204.003 + Bucks County 29.65 + Lower Makefield 24.95); 2027 proposed total 264.06 mills, assuming School and County are unchanged. Hydrant, Ambulance, Road Machinery and Road Improvement levies are held flat.

BOARD DISCUSSION

Items to discuss

- 1 Increase to **19 mills** (requires Court approval) General Purpose Tax, generating approximately **\$2,760,026.21** in additional General Fund revenue (5.12 mills at \$539,067.62 per mill, 98% collection)
- 2 One-time transfer of **\$2,922,503** from Sewer Fund to General Fund
- 3 Park & Recreation Special Purpose: **1.28 mill increase** to cover the Pool operating deficit and proposed capital projects totaling **\$1,753,540** (detailed on next slide)
- 4 Fire service staffing: **\$110,000** full-time inspector plus the approximately **\$61,000** 2027 operating deficit requires a Special Purpose Special Purpose Fire tax increase to **1.43 mills** (+0.33 mill)

5.46 mills	\$238.06
Net millage increase: 5.12 General Purpose + 1.28 P&R Special Purpose + 0.33 Fire Special Purpose – 1.27 Debt Service Special Purpose	Average homeowner increase

PARK & RECREATION & POOL CAPITAL PROJECTS

Only Memorial Park Phase 3 is grant-funded

Project	Amount
Bike path maintenance (Park and Recreation Fund)	\$300,000
Pool heater (Olympic pool) (Pool Fund)	\$53,000
Spring board (low-dive) replacement (Pool Fund)	\$8,000
Pool sewer pump station controls (Pool Fund)	\$25,000
Cardinal Courts access improvement (sidewalk extension and steps) (Park and Recreation Fund)	\$25,000
Community Courts (engineering and design) (Park and Recreation Fund)	\$40,000
Revere Courts (reconstruction) (Park and Recreation Fund)	\$479,600
Memorial Park Phase 3* (Park and Recreation Fund)	\$822,940
Total proposed capital projects	\$1,753,540

*Memorial Park Phase 3 (\$822,940) is funded almost entirely by a \$900,000 Local Share Account Statewide Grant. The other seven projects, totaling \$930,600, are not grant-funded and rely on the Pool operating deficit and the proposed 1.28 mill Park & Recreation Special Purpose increase.

Fire stays below peers; P&R would top them

Township, mills	Fire	Parks & rec.	Total millage	Year
Northampton Township	9.25	2.93	35.25	2026
Middletown Township	4.75	3.25	24.61	2026
Warrington Township	3.00	2.83	25.79	2026
Warminster Township	2.00	3.50	24.06	2024
Peer average	4.75	3.13	—	
Lower Makefield, 2027 budget	1.10	2.43	24.99	2027
Lower Makefield, proposed	1.43	3.71	30.45	2027