LOWER MAKEFIELD TOWNSHIP

2027 Draft Budget

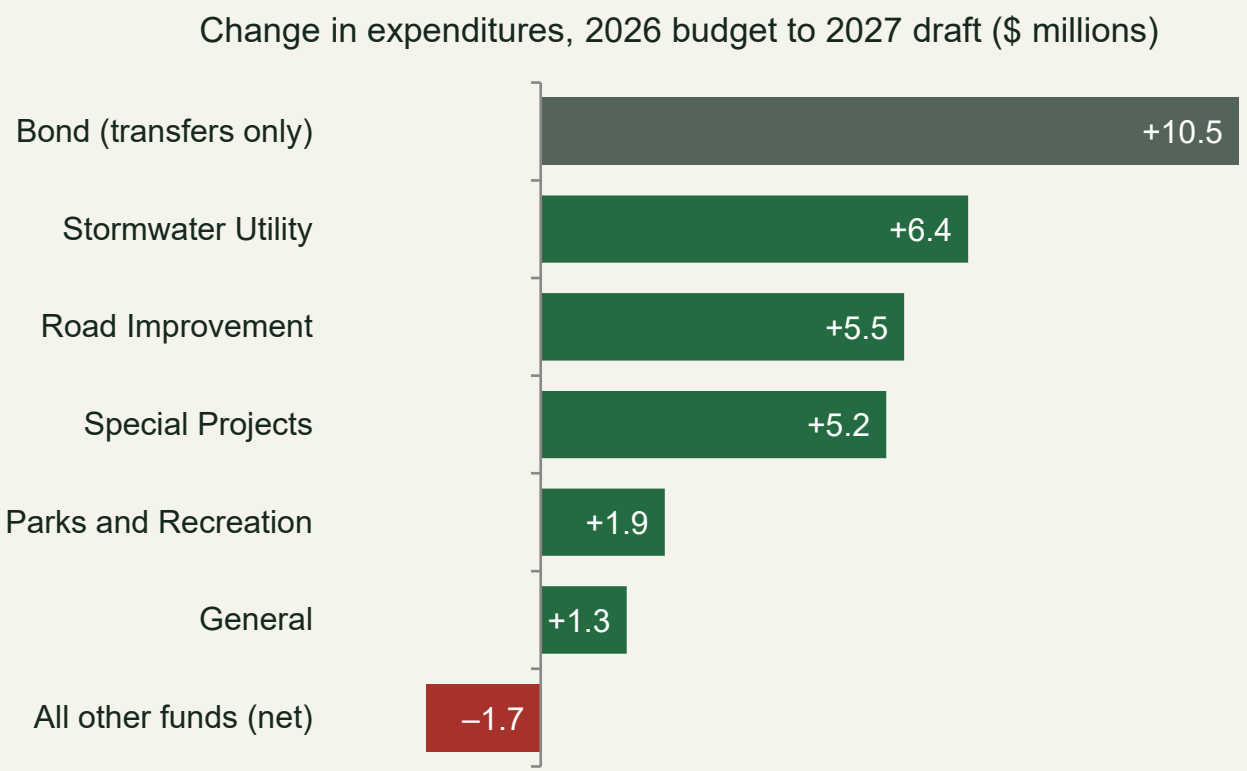
2027
DRAFT BUDGET

Expense decision points for the Board of Supervisors

Draft for discussion, November 3, 2026. Figures from the 2027 Draft Budget workbook with September 2026 actuals.

WHERE THE DRAFT STANDS

$76.0M in all-fund spending is about $60.2M after removing double counting of interfund transfers and depreciation



Removed: $11.04M in Bond Fund transfers, $4.27M in other interfund transfers and $0.56M non-cash depreciation. The Bond Fund only passes borrowed money to Road Improvement and Special Projects, which spend it again; those dollars are counted twice in the all-funds total.

$60.2M

net 2027 spending, after removing transfers and depreciation

$76.0M

all-fund expenditures as drafted (2026 budget: $47.1M)

$20.53M

General Fund balanced (19 mills, $1.14M Sewer transfer); 2027 year-end balance $2.46M

$1.58M

2028 year-end General Fund balance, after an $879K deficit even with a $1.79M Sewer transfer

DECISION POINTS

Five expense decisions

#	Decision	2027 amount in the draft	Options
1	**Borrowing for open space and road improvements**	$10,000,000: open space $5.0M, roads $5.0M	Approve as drafted; different amount or timing; do not borrow
2	**Non-union wage increase**	$124,468 at 4.25%	3.50%, 3.75%, 4.00% or 4.25%
3	**2027 hires**	2 positions budgeted ($314,081); 3 additional vacant positions ($431,411)	Fill the two budgeted; add one or more of the other three noted; stagger start dates
4	**Capital projects and purchases (all funds)**	$27.52M across ten funds, incl. dump truck replacements; $16.76M after grants (includes Decision 1 borrowing)	Approve all; prioritize or defer some; trucks: lease, one truck, defer or buy outright
5	**Tax support for the Pool**	$253,533 interfund transfer from Parks and Recreation, enabled by its millage increase	Set at $253,533, the need based on the budget; otherwise fee increases and/or other revenue sources or expense reductions will be needed

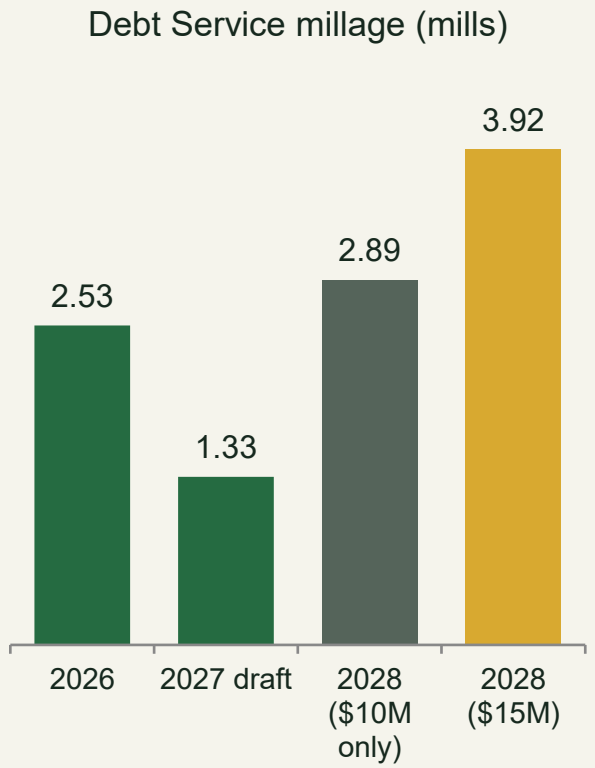
Each decision is covered in turn; Decision 4 includes a slide for each fund's projects. The proposed millage rates and the earned income tax alternative follow.

$10M in 2027 borrowing raises debt service and the 2028 Debt Service millage

What the draft borrows for

- $5,000,000 open space acquisition
- $5,000,000 Road Improvement increase
- The workbook adds $5,000,000 more borrowing in 2028 for additional road improvements
- If not approved, these projects come out of the 2027 budget

Options: approve as drafted; approve a different amount or timing; do not borrow



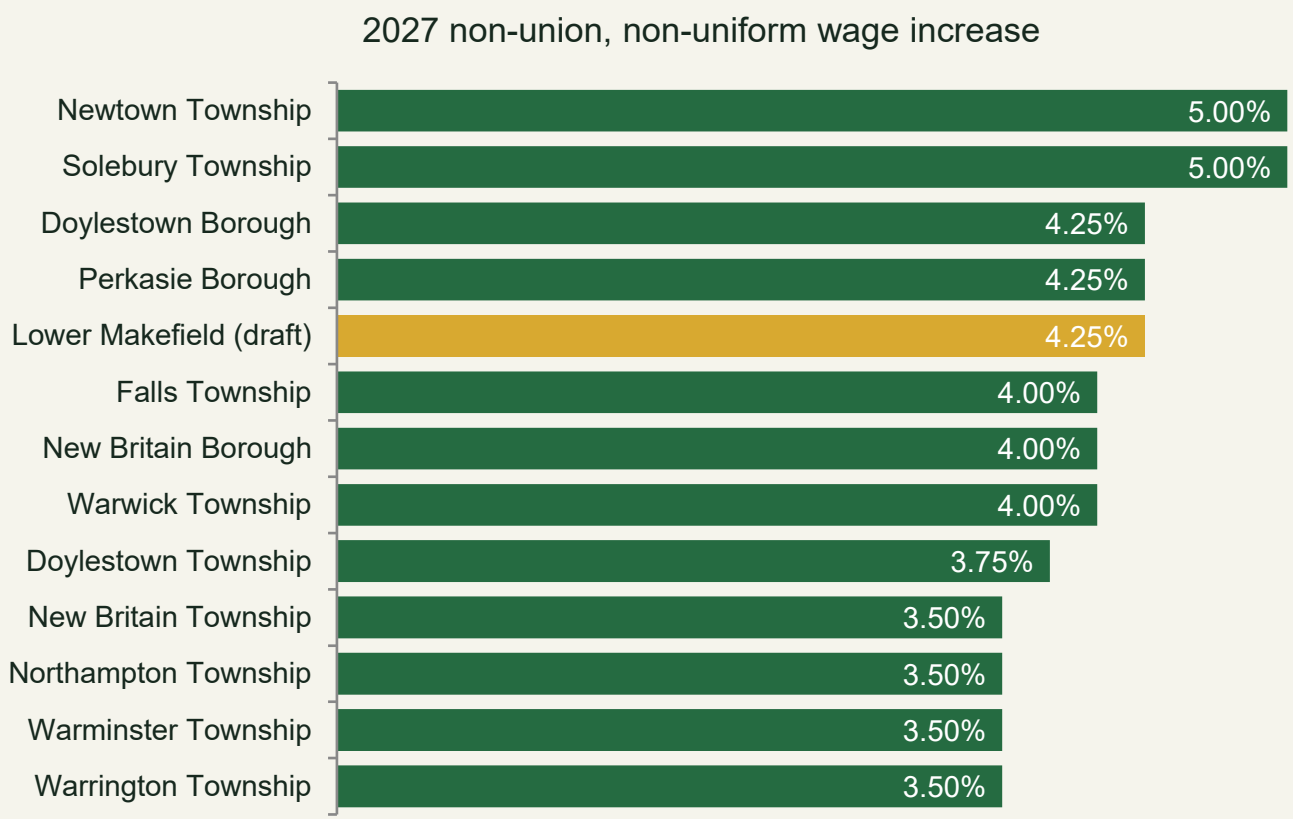
2028: 2.89 mills with only the $10M borrowed in 2027; 3.92 mills with $5M of additional borrowing in 2028 for additional road improvements.

$1.56M
2027 debt service (2026: $684,306)

+$113 / +$68
a year for the average homeowner in 2028, at 3.92 / 2.89 mills

$26.84M
total debt service over the schedule ($15M borrowed)

The draft's 4.25% non-union rate compared with 12 Bucks County Consortium members



4.00%

median of the 12 responses (average 4.02%; range 3.50% to 5.00%)

3.7% / 4.2%

CPI-U, national (12 months to Sept. 2026) and Philadelphia area (to Aug. 2026)

$7,322

less in 2027 non-union wages at the 4.00% median than at 4.25%

Source: 12 responses received to a Bucks County Consortium membership inquiry; CPI from the U.S. Bureau of Labor Statistics.

Wage rates and 2027 hires are recurring costs that carry into later years

2 · Non-union wage increase

$124,468 at 4.25%. Options from 3.50% to 4.25%; each quarter point is about $7,300 in wages.

2027 rate	2027 wages	Less than 4.25%
3.50%	$3,031,161	$21,965
3.75%	$3,038,483	$14,643
4.00%	$3,045,804	$7,322
4.25% (draft)	$3,053,126	—

3 · 2027 hires (total cost includes salary, benefits and employer taxes)

Position	Fund	Status	2027 total cost	In draft?
HR Manager	General	Vacant	$165,066	**Yes**
Public Works Laborer/Operator	General	Vacant	$149,015	**Yes**
Fire Code Inspector	Fire Protection	New	$138,877	No
Community Development Manager	General	Vacant	$193,738	No
Management Analyst/PIO	General	Vacant	$98,796	No

If both General Fund positions are added: expenditures rise about $292,534; the Sewer Fund transfer needed rises from $1,139,137 to about $1,431,671.

If the Fire Code Inspector is added: the Fire Protection Fund ends 2027 with about $5,800 instead of $144,680, and would likely need a Fire special purpose millage increase. Staff recommendation: 1.5 mills (from 1.10; about +$17 a year for the average homeowner).

DECISION 4 · CAPITAL PROJECTS AND PURCHASES

Projects and purchases by fund

2027 capital projects and purchases in each fund, with amounts and funding sources

Funds are ordered by 2027 project dollars. Slides that also relate to Decision 1 (borrowing) or Decision 5 (tax support for the Pool) are marked.

Special Projects: $8.95M, led by $5.0M in borrowing for open space

Project or item	2027 amount	Funding / notes
Open Space Acquisition	$5,000,000	Bond proceeds; depends on borrowing
Taylorsville Road curb and sidewalk	$2,992,878	PA DCED Multimodal and federal TASA grants
Taylorsville/Woodside Crossing	$275,000	2016 GO Bond proceeds
Woodside Road Bike Path Repairs	$195,000	2016 GO Bond proceeds
Police radio upgrades	$360,000	PCCD grant $184,086 (grant dependent); 2016 GO Bond $176,000
Access Points and Switches (IT)	$130,830	2016 GO Bond proceeds (full cost)
Total	**$8,953,708**	
Less grants (road and PCCD)	–$3,360,702	DCED $1,676,616; TASA $1,500,000; PCCD $184,086
Net spend after grants	**$5,593,006**	

$8.95M

2027 expenditures; revenue $9.41M, incl. $6.04M from the Bond Fund

$761,275

projected balance at the end of 2027

$5.59M

net spend after $3.36M in grants

Stormwater Utility: $6.50M in stormwater capital, funded largely by federal money

Project or item	2027 amount	Funding / notes
Stormwater capital	$6,498,250	Utility fees, 2016 GO Bond proceeds and federal FY 2026 PDM CDS
PRP projects, Core Creek watershed	$406,500	Pollution Reduction Plan; within stormwater capital
Less grants (federal and state)	–$5,037,623	PDM CDS $4,863,000; state $174,623
Net spend after grants	**$1,460,627**	**Stormwater fees and 2016 GO Bond proceeds**

$4.86M

federal FY 2026 PDM CDS in 2027 revenue

$1,215,750

required match: 25% of the $4.863M federal award

$2.10M

stormwater fees; plus $174,623 in state grants

$1,068,242

projected balance at the end of 2027

Road Improvement: $7.45M, with $5.0M dependent on borrowing

Project or item	2027 amount	Funding / notes
Capital purchases (road improvement program)	$7,000,000	$5,000,000 Bond Fund transfer (depends on borrowing) and special purpose real estate taxes
Engineering related to road improvements	$450,000	Special purpose real estate taxes
Total	**$7,450,000**	**2026 budget: $2,000,000**

The Expense Summary does not list individual 2027 road projects for this fund. The workbook budgets another $5,000,000 Bond Fund transfer in 2028.

$2,180,392

special purpose real estate taxes at the current 4.0 mills

$7,228,392

2027 revenue, including the $5.0M transfer

$735,510

projected balance at the end of 2027

Parks and Recreation: six capital projects totaling $1.68M

Project or item	2027 amount	Funding / notes
Memorial Park, Phase 3	$822,940	Obligated (contracts executed)
Revere Court Reconstruction	$479,600	
Bike path maintenance	$300,000	
Community Courts Reconstruction	$40,000	Engineering and design
Cardinal Court Access Improvements	$25,000	Stairs
Mower replacements	$13,000	
Capital projects subtotal	**$1,680,540**	
Less Local Share Account grant	–$900,000	
Net spend after grant	**$780,540**	**Incl. $234,305 fee-in-lieu**

LSA = Local Share Account. Part of a multi-year program: the workbook budgets $3.49M in 2028 and $4.78M in 2029.

$900,000
Local Share Account grant toward the projects

$234,305
from recreation fee-in-lieu funds

$147,113
projected balance at the end of 2027

Patterson Farm: $1.28M in capital construction, with an $860K grant

Project or item	2027 amount	Funding / notes
Capital construction	$1,282,545	2026 budget: $555,545
Less Local Share Account grant	–$860,000	
Net spend after grant	**$422,545**	

The Expense Summary does not itemize the capital construction by project.

$1,282,545

2027 capital construction (2026 budget: $555,545)

$860,000

Local Share Account grant

General Fund: $610K in capital purchases and projects, led by a $400K grant-funded flood mitigation project

Project or item	2027 amount	Funding / notes
River Road flood mitigation project: house elevation (FEMA)	$400,000	FEMA grant of $400,000; grant dependent
Police vehicles (8)	$209,600	Per the capital plan
4 command vehicle leases	$48,000	Lease
4 command vehicle upfits	$32,000	Cash purchase
3 patrol and 1 K-9	$129,600	Financed purchase, 3-year term
Total	**$609,600**	
Less FEMA grant (River Road only)	–$400,000	
Net spend after grant	**$209,600**	**Eight police vehicles**

$400,000

FEMA grant for the River Road project

$209,600

eight police vehicles: 3 patrol, 1 K-9 and 4 command

Golf: three capital projects totaling $480,000

Project or item	2027 amount	Funding / notes
Deck Replacement	$250,000	Golf course operating revenues
New Well on 15	$150,000	Golf course operating revenues
Clubhouse Improvements (windows, paint and roof)	$80,000	Golf course operating revenues
Total capital purchases	**$480,000**	**2026 budget: $250,000**

$480,000

2027 capital purchases, funded by golf course revenues

$375,000

Golf capital budgeted for 2028

The workbook budgets $375,000 in Golf capital for 2028, so these are treated as recurring capital rather than one-time items.

Road Machinery: lease payments include leases for two new dump trucks

Project or item	2027 amount	Funding / notes
2027 lease payments; includes leases for two new six-wheel dump trucks (replacing 2008 and 2009 trucks; five-year term)	$275,705	Real estate taxes at 0.39 mills ($212,893)
Lease payments, 2028	$300,098	Budgeted; includes new dump truck leases
Lease payments, 2029	$247,278	Budgeted; includes new dump truck leases
Lease payments, 2030	$198,068	Budgeted; includes new dump truck leases

Without the new dump truck leases, lease payments would be $162,935 in 2027 (–$112,770), $149,738 in 2028, $96,918 in 2029 and $47,708 in 2030 (–$150,360 each year).

0.39 mills

proposed rate, up from 0.30 (+$3.92 a year for the average homeowner)

–$112,770

in 2027 without the new leases; $150,360 less a year in 2028–30

$101,996

projected balance at the end of 2027

$26,915

projected balance at the end of 2028

Garden of Reflection: a $200K project funded by a grant

Project or item	2027 amount	Funding / notes
Garden of Reflection project (capital purchases)	$200,000	
Less Local Share Account grant	–$200,000	
Net spend after grant	**$0**	

$200,000

project cost, fully grant funded

Pool: $86K in capital repairs and replacements

Project or item	2027 amount	Funding / notes
Olympic Pool heater replacement	$53,000	
Pool sewer pump station repairs	$25,000	
Spring board replacement	$8,000	
Total capital	**$86,000**	

$253,533

interfund transfer enabled by P&R millage increase

$18,440

transfer in from Pool Capital

$56,743

projected cash balance at the end of 2027

Capital projects, including dump truck replacements, and tax support for the Pool

4 Capital projects and purchases, including dump truck replacements

$27.52M

ten funds, before grants; $16.76M after grants

Capital projects: $27.24M
Nine funds, detailed on slides 8–17. Grants cover $10.76M. Includes Decision 1 borrowing. Memorial Park, Phase 3 ($822,940) is obligated.

Dump truck replacements: $275,705
2027 lease payments for two six-wheel trucks replacing 2008 and 2009 trucks; $300,098 (2028), $247,278 (2029), $198,068 (2030).

Options: approve all, or prioritize or defer the rest; for the trucks, two financed, one truck, defer or purchase outright

5 Tax support for the Pool

$253,533

interfund transfer from Parks and Rec.

Enabled by raising P&R millage from 2.43 to 3.27 mills. $253,533 is the need based on the budget; without it, fee increases and/or other revenue sources or expense reductions will be needed, and higher fees may affect membership.

Options: Set the transfer at $253,533 or another amount

PROPOSED MILLAGE RATES IN THE DRAFT

Proposed rates raise total millage by 4.937 mills and add about $2.63M

Tax	Current	Proposed	Change	2027 revenue	Homeowner
General Purpose	13.88	19.00	+5.12	+$2,774,733	+$223.23
Parks and Recreation	2.43	3.27	+0.84	+$457,053	+$36.62
Debt Service	2.53	1.33	–1.20	–$645,922	–$52.32
Hydrant	0.373	0.460	+0.087	+$47,053	+$3.79
Road Machinery	0.30	0.39	+0.09	+$49,129	+$3.92
Fire, Road Improvement, Ambulance/Rescue	5.48	5.48	No change	$0	$0
Total	**24.993**	**29.930**	**+4.937**	**+$2,632,046**	**+$215.25**

Rates in mills. Homeowner amounts use the average residential assessment of $43,600 ($43.60 a mill). Fire 1.10, Road Improvement 4.00 and Ambulance/Rescue 0.38 mills are unchanged; adding the Fire Code Inspector would likely require raising Fire to 1.5 mills (staff recommendation).

Each General Purpose mill raises about $542,000 and costs the average homeowner $43.60 a year.

General Purpose above 14 mills requires court approval; 19 mills is the maximum.

General Purpose below 19 mills needs a larger Sewer Fund transfer or lower spending to balance.

Options: adopt as proposed; different rates for one or more taxes; or a smaller increase with an EIT

ALTERNATIVE · EARNED INCOME TAX

EIT rates compared through 2035, with General Purpose millage held at 13.88

EIT rate	Household cost / yr	Deficit spending begins	2035 fund balance	Result through 2035
0.25%, no sewer transfer	$438	2028	–$25.64M	Insufficient
0.25% + sewer transfer	$438	2028	–$22.72M	Positive fund balance through 2030
0.38% + sewer transfer	$666	2031	$3.67M	Minimum for a positive balance through 2035
0.40% + sewer transfer	$701	2032	$7.73M	Minimum for a 25% balance (Fund Balance Policy)
0.50%	$876	2035	$25.10M	Revenues generally meet expenditures
1% in 2027, then 0.50%*	$1,752, then $876	2035	$9.41M	About $10M one-time 2027 gain over 0.50%

***The 1% option contemplates a 5-mill decrease in the General Purpose millage rate and elimination of the per capita tax.**

Basis: October 2, 2026 draft (13.88 mills, per capita tax kept, same expenditures); not rerun on the September actuals workbook. Sewer transfer is a one-time ~$2.92M in 2027. 2031–2035 is a trend projection, not a budget.

Who pays: household cost is for a household paying no EIT where its members work today ($175,206 median income). Those already paying 1% where they work see no change; retirement and investment income are not taxed. For comparison, 19 mills adds about $223 a year for the average homeowner.

IF AN EIT IS ADOPTED

A 1% EIT would change how several expense decisions could be approached

Decision	Approach under the draft as is	Possible approach with a 1% EIT
Borrowing for open space and road improvements (1)	Borrow $10,000,000 for open space and roads	Fund some or all with General Fund cash, reducing or avoiding new borrowing and the 2028 Debt Service millage increase
Wages and hires (2–3)	Limit recurring cost increases to close the deficit by not adding a new position and leaving 2 other positions vacant	Fill vacant positions and size recurring costs to the ongoing rate of 0.5%, not the full 1%
Dump truck replacements (4)	Five-year lease financing ($275,705 in 2027 lease payments)	Purchase outright; the Road Machinery special purpose millage increase (0.30 to 0.39 mills) could be reduced or eliminated
Parks and Recreation and Pool (5)	3.27 mills funds the $253,533 Pool transfer	Cover both deficits with General Fund transfers instead of a millage increase
Revenue items tied to the deficit	$1,139,137 Sewer Fund transfer and 19 mills	Hold or reduce the General Purpose rate (EIT workbook includes a 5-mill reduction option)

Other steps to consider: set a General Fund balance target with the 25% policy level as the floor; treat the first-year amount above the ongoing rate as one-time money for capital; confirm the rate structure after 2027 (at 1% ongoing, revenue is roughly $10M a year higher than the 0.5% assumption).

FOR BOARD DISCUSSION

Direction requested

1	**Borrowing for open space and road improvements**	Borrow $10M in 2027 for an additional $5M in road improvements and $5M for open space, assuming the EIT is not levied at 1%
2	**Non-union wage increase**	Rate increase of 3.50% to 4.25% (draft: 4.25%)
3	**2027 hires**	Fill the two budgeted positions; add one or more of the other three noted; stagger start dates
4	**Capital projects and purchases**	$27.52M across ten funds ($16.76M after grants), incl. dump trucks; Memorial Park, Phase 3 ($822,940) is obligated: approve, prioritize or defer the rest
5	**Tax support for the Pool**	$253,533 interfund transfer, the need based on the budget; otherwise fee increases and/or other revenue sources or expense reductions will be needed