Haverford Township

2027 Preliminary Budget

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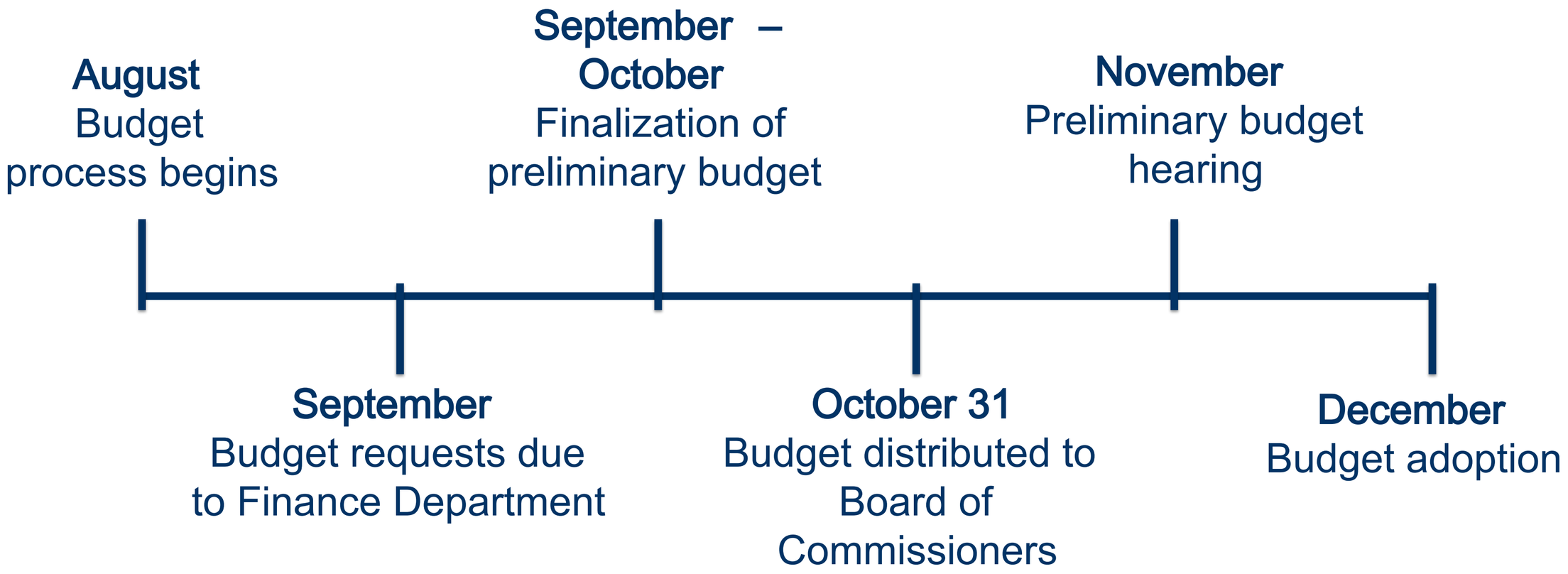
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Purpose of this Presentation

1. Basic understanding of local government fund accounting
2. Clear summary the 2027 operating budget
3. List of proposed 2027 capital projects
4. A sense of confidence in the future of Haverford Township

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How the Budget Comes Together



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Budget Overview – Funds Available for Appropriation

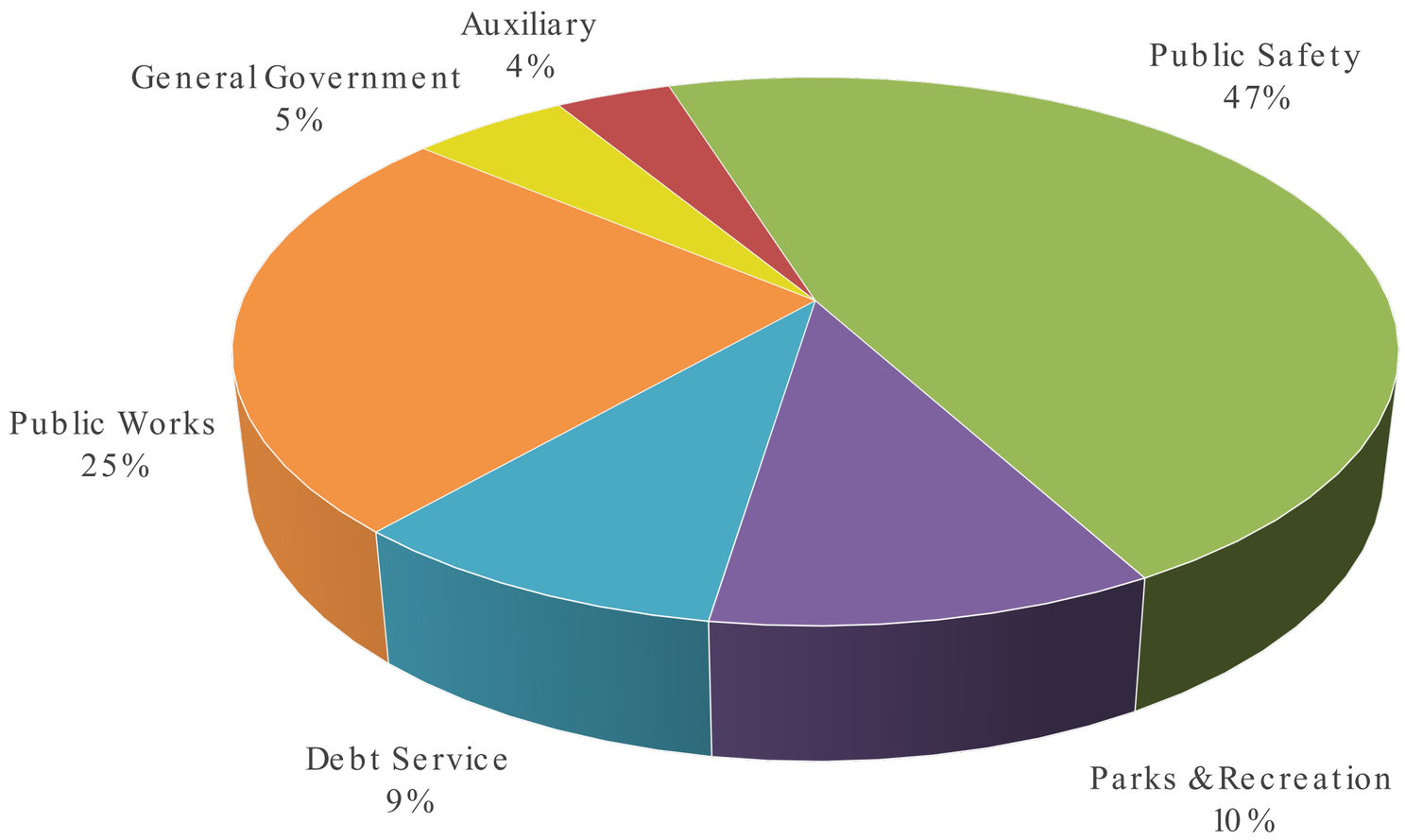
Fund	2027 Proposed
General	$57,598,625
Sewer	$5,966,150
Capital Projects	$9,163,439
TOTAL	$72,728,214



General Fund

Haverford Township

General Fund Expenditures – $57.6 Million



Expense Category	In Millions
General Government	$3.0
Auxiliary	$2.2
Public Safety	$27.0
Parks & Recreation	$6.0
Debt Service	$5.2
Public Works	$14.2

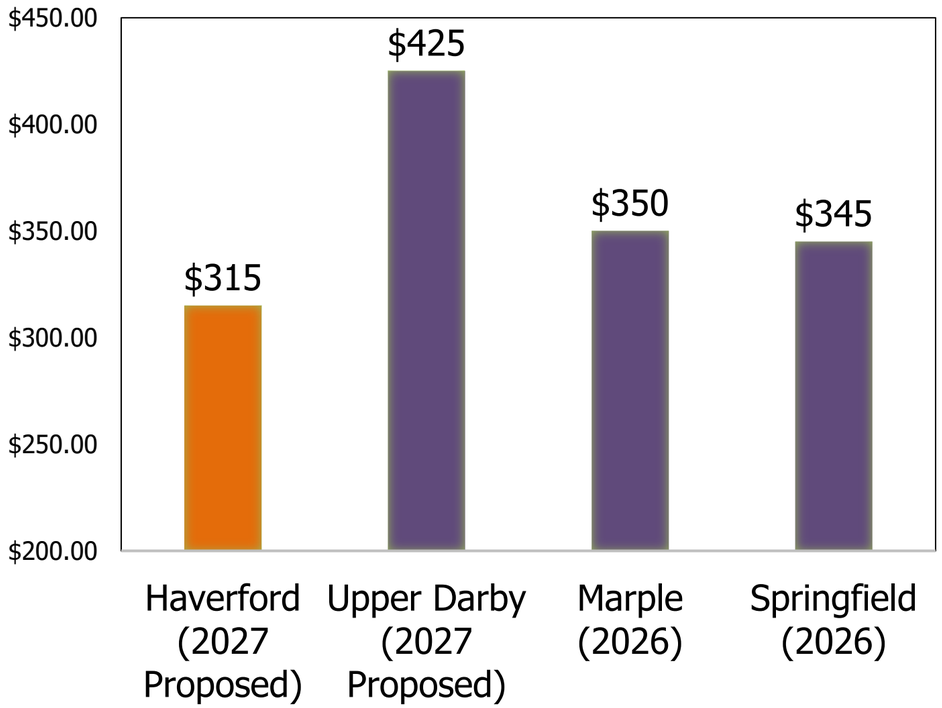
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Key Factors Affecting the Budget

- Labor contracts = 3.6% (civilian) and 4.25% (police) (No new positions)
- Health insurance costs: +4.9% for 2027, +5.9% for 2026 and a +6.5% for 2025 (+17% over last 3 years)
- Library and volunteer fire company operational funding: +3%
- Delaware County Solid Waste Authority charges: +4.2% for 2027, +4.9% for 2026 and +4% in 2025 (+13% over last 3 years)
- Price of recycling (avg/ton): $115 (YTD 2026); $102 (2025); $93 (2024); $102 (2023); $63 (2022)
- Gasoline/diesel costs: +36.1%

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Proposed Trash Fee ~~$315~~ → $20 increase ($1.60 more per month)



DCSWA fee increasing from $95/ton to $99/ton

2024–2027 increase: $87 → $99/ton

Robust year-round services: Trash, recycling, brush pickup, glass diversion, curbside leaf collection, semiannual e-waste and shredding events, our textile recycling partnership with Helpsy, pumpkin collection, etc.

Low fee compared to neighboring DELCO municipalities.

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Township Debt

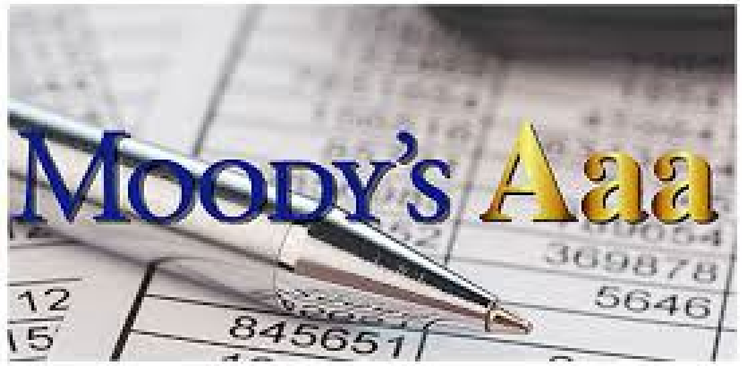
Outstanding Debt: $50.1 million (39% of our allowable borrowing capacity)

Proposed budget includes no new borrowings in 2027

Current Bond Rating: Aaa Investment Grade by Moody's Investor Services

About 9% of our general fund budget goes to pay debt service

Well within GFOA Best Practices: 10% to 15%



Best Practices & Advisories

https://www.gfoa.org/best-practices

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Pension Obligations: Legacy programs in a changing world.

Defined Benefit (DB) Plans – Police Pension and Civilian Pension

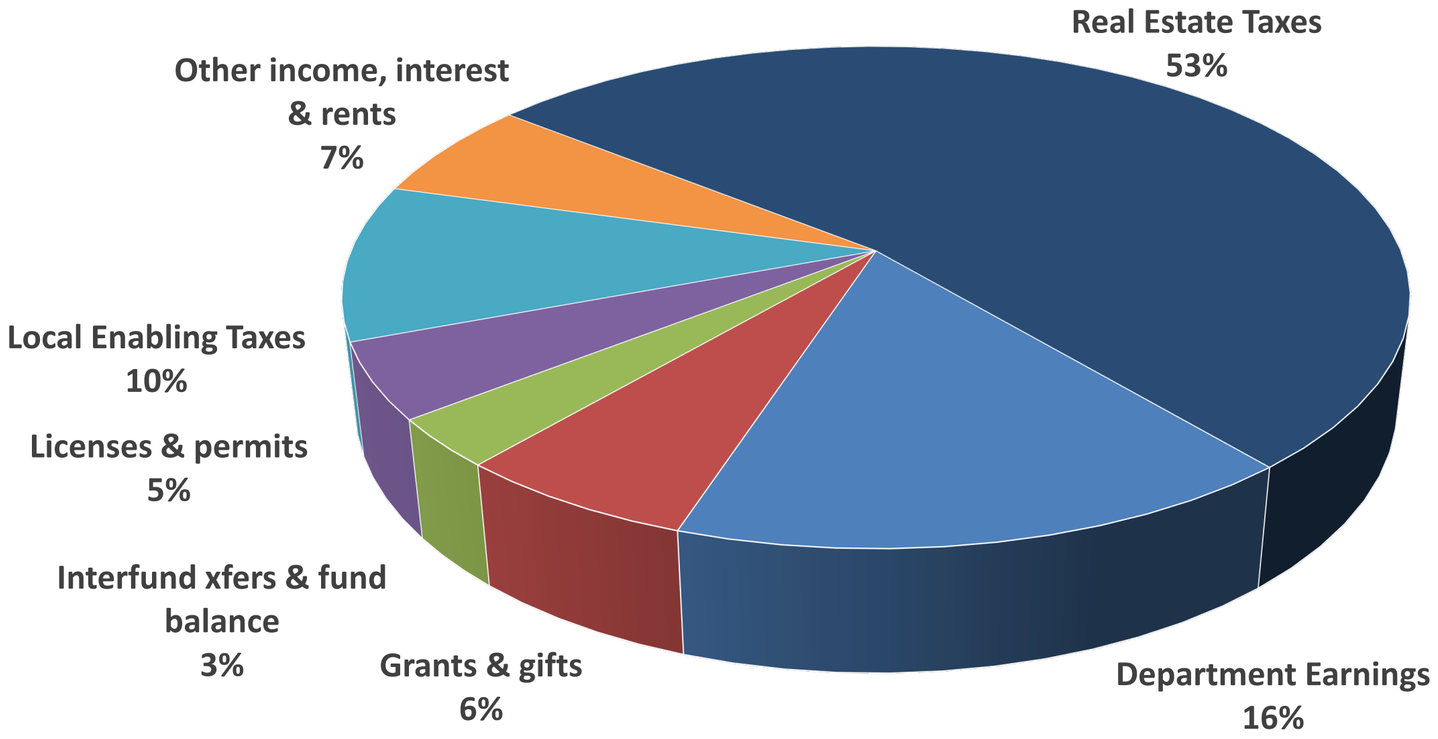
- Lifetime benefit
- Funded by employees, Township and State Aid
- Minimum Municipal Obligation (MMO) required annually
- MMO calculated by actuary based on multiple factors: investment returns, plan participant ages and years of service, mortality tables, etc.

Defined Contribution (DC) – Civilian Employees Hired After 2010

- Implemented about 16 years ago for all new employees
- Predictable Township contributions
- Strong benefit for employees

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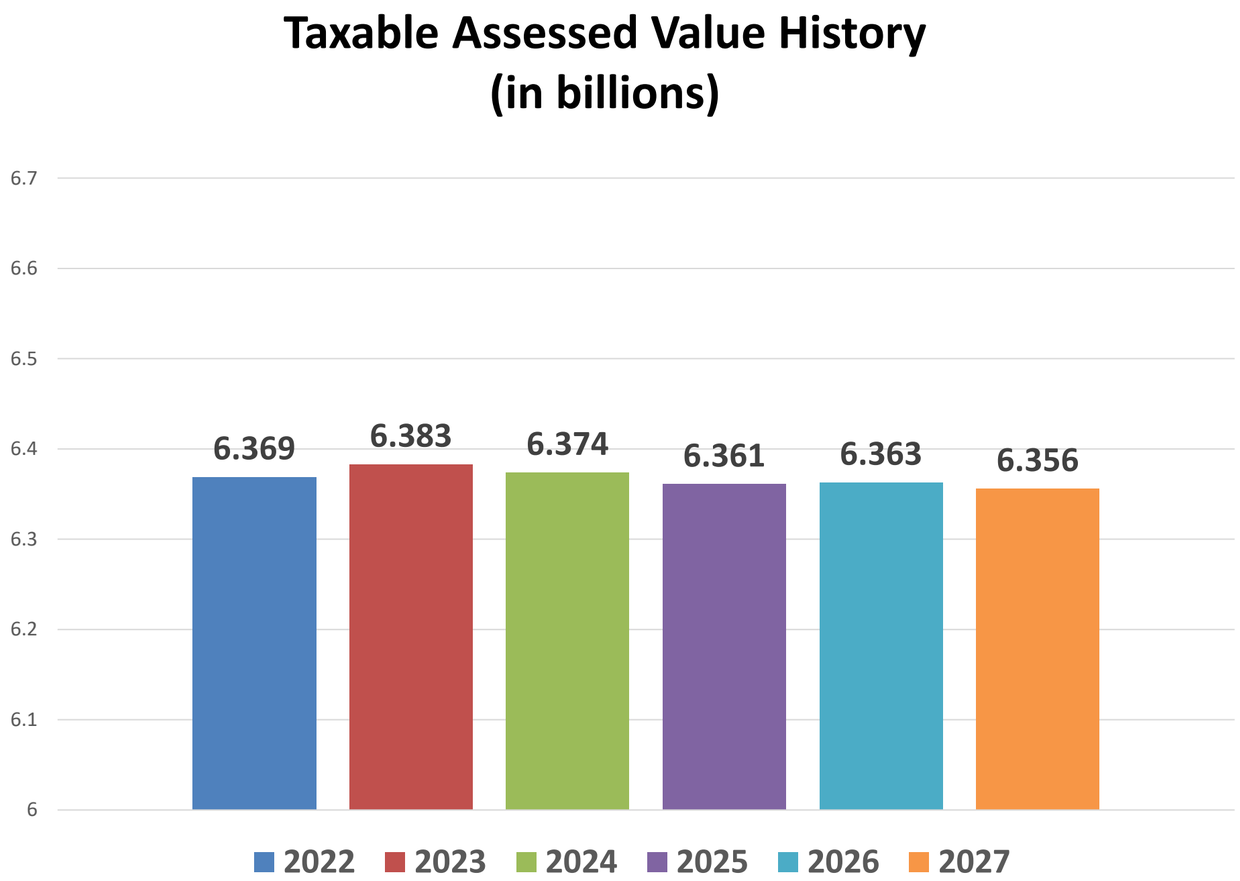
General Fund Proposed Revenues $57.6 Million



Source	In Millions
Department Earnings	$9.3
Grants & gifts	$3.6
Interfund xfers & fund balance	$1.8
Licenses & permits	$2.8
Local Enabling Taxes	$5.8
Other income, interest & rents	$3.7
Real Estate Taxes	$30.6

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Assessed Value: A Brief History



Property Tax Revenue:

- Largest revenue source in General Fund
- Assessed value x Millage Rate / 1,000
- Built-out community
- Relatively flat assessed value = relatively flat property tax revenue over time

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Closing the 2027 Budget Gap

Township Real Estate Tax – 3.8% proposed increase

Trash/Recycling Fee – $20 annual increase to $315 per residential unit

Strategic use of fund balance

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Impact of a 3.8% Tax Increase

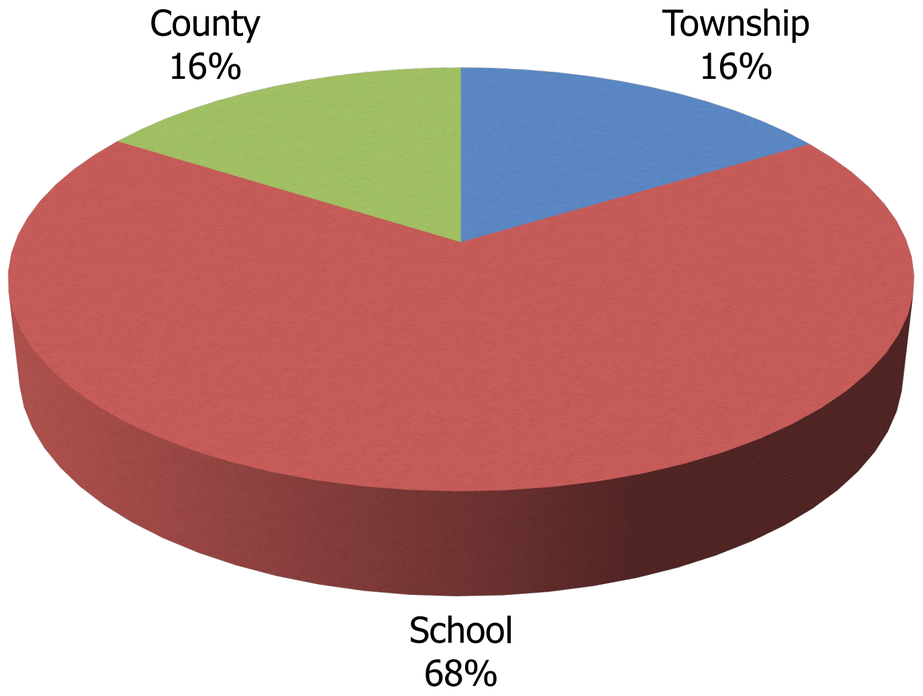
Average residential assessment = $346,000
Tax Impact = $63 per year

Median residential assessment = $306,000
Tax Impact = $55 per year

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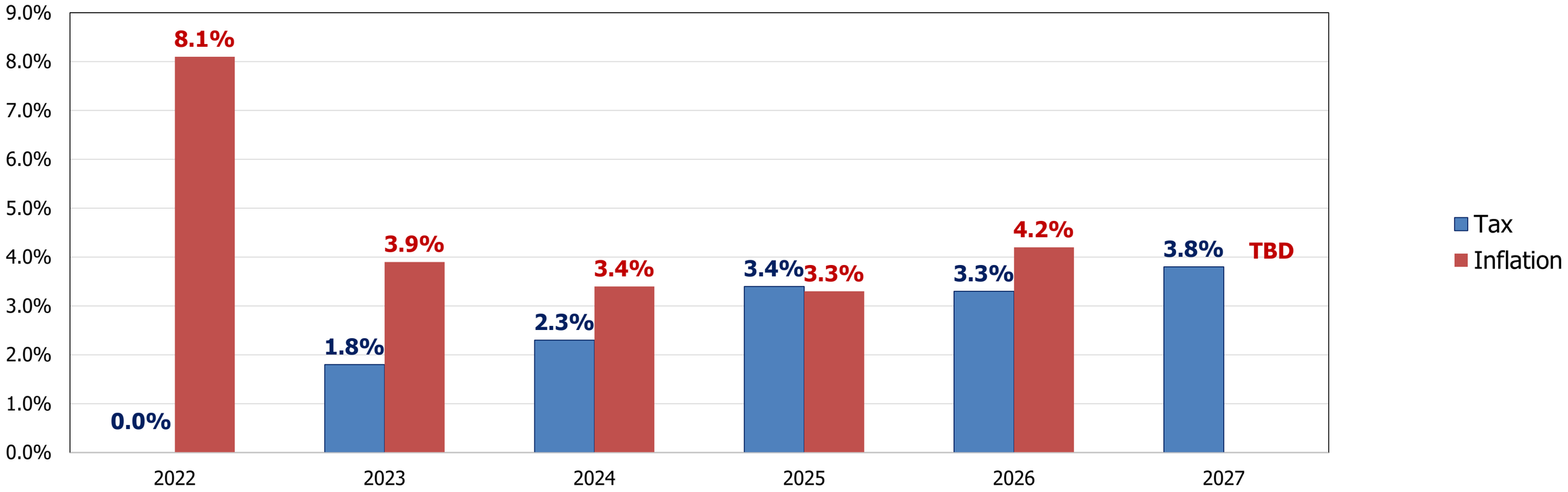
Where Your Tax Dollars Go

Taxing District	Tax Rate
Township (2027 - proposed)	4.875
School (2026-2027)	20.3386
County (2027 – proposed)	4.609



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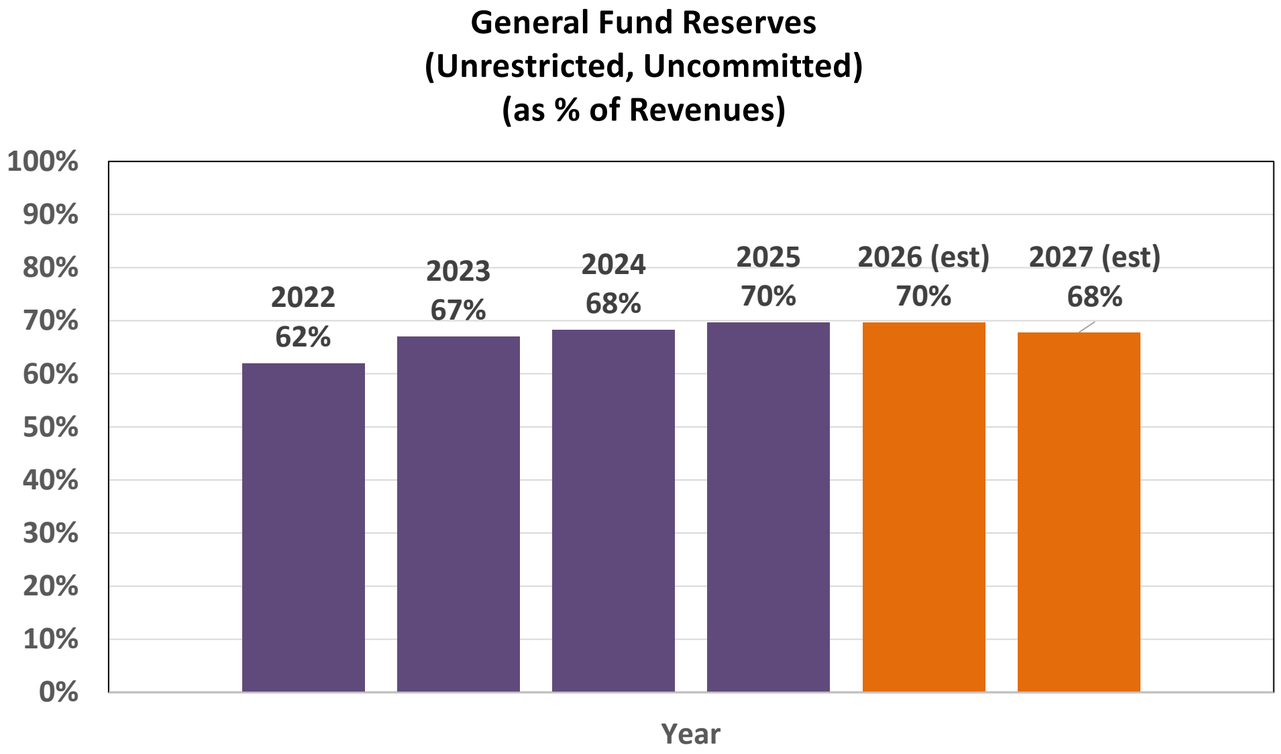
Township Property Tax versus Rate of Inflation: A Brief History



Source: https://www.bls.gov/regions/mid-atlantic/news-release/consumerpriceindex_philadelphia.htm\
Over-the-year percent change in CPI-U, Philadelphia-Camden-Wilmington, PA-NJ-DE-MD

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Strategic Use of General Fund Reserves: When is it Appropriate?



- Crisis or emergency: Reserves allow us to respond quickly without disrupting core services
- Unexpected revenue shortfalls: They help us manage temporary dips in revenue without sudden cuts
- Stabilizing tax increases: Reserves smooth out year-to-year impacts and prevent large spikes
- Proposed use of reserves in 2027: $1.2 million to satisfy contractual DROP payments, enhance pension funding and support general operations
- Continued healthy reserves help maintain our Aaa rating

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Strategic Drawdown of General Fund Reserves $1.2 Million

Additional Pension Funding	$ 340,000
Police Retirement Obligations	$ 425,000
General Operations	$ 450,000
Total	$ 1,215,000

Sewer Fund

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Sewer Fund Overview

Largest Revenue Source:

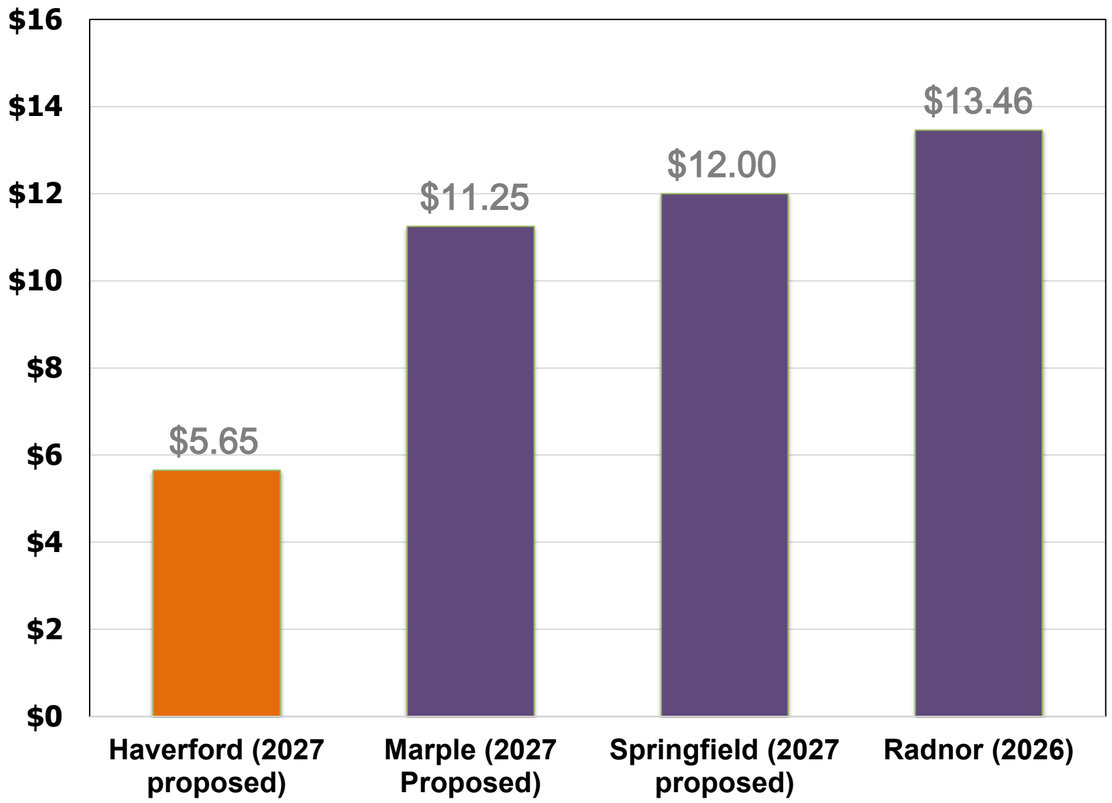
- User Fees based on actual water flows provided from Aqua PA
- Measured from Oct. 1 – Sept. 30 annually
- Generally consistent flows = little natural growth

Largest Expense Drivers:

- Sewer Crew (Township Employees)
- Fee to Upper Darby Township for conveyance and treatment
  - We are 38.59% of metered flows from Upper Darby to the City of Philadelphia (per 1956 agreement)
- Fee to Radnor-Haverford-Marple Sewer Authority
  - Based on metered flows from Haverford Township (steadily increasing in recent years).

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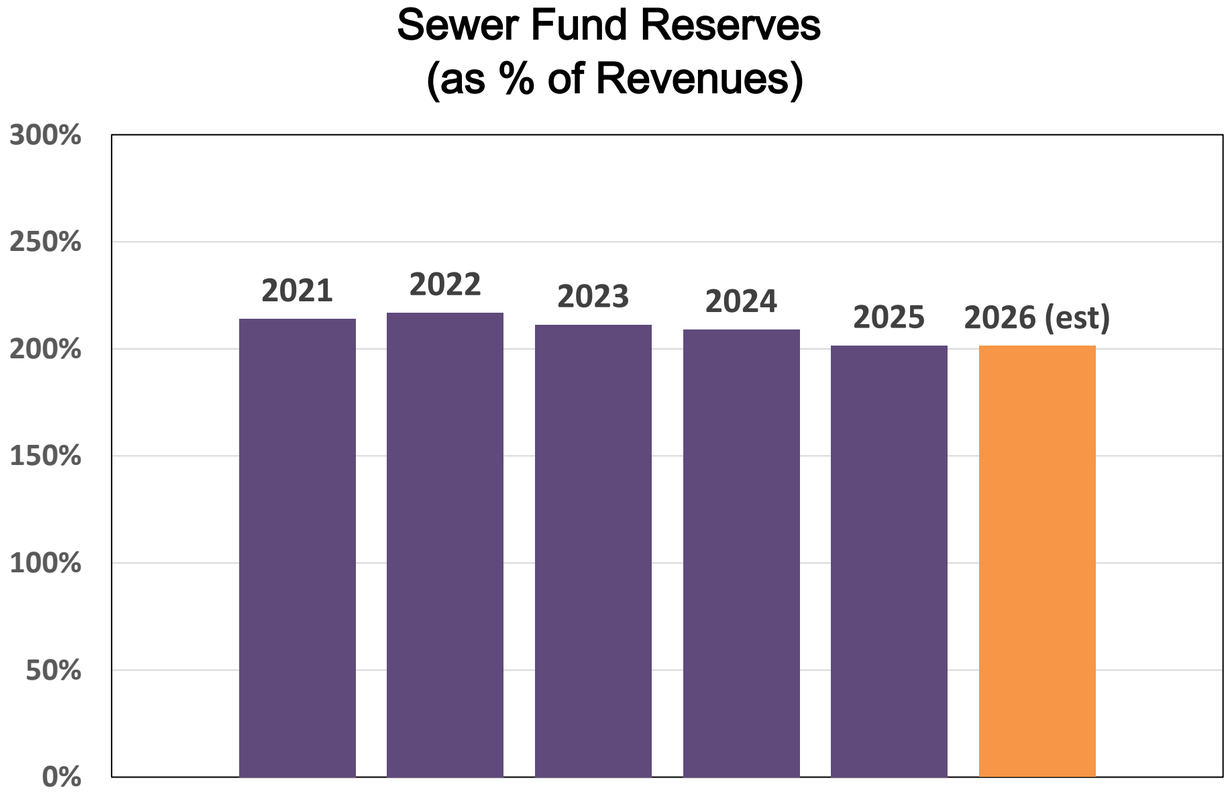
Sewer Rates: $.50/1,000g Increase, Still Awaiting Data



- $5.65 per one thousand gallons of water used
- Inflow and infiltration poses significant challenge
- Consider future discussion of rate structure
- Sewer Fund is restricted for sewer needs
- Fund balance: financial stability
- Awaiting 2027 processing budget from RHM

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Sewer Fund Reserves– No Planned Use of Reserves in 2027



- Crisis, catastrophe, or emergency: Reserves allow us to respond quickly, mitigating environmental risks without disrupting core services
- No planned use of reserves
- When additional funds are needed to address unanticipated short-term revenue shortfalls
- Stabilizing rate increases

Capital Projects Fund

Haverford Township

Proposed 2027 Capital Projects

- Road Program
- Solar Panels Township Building
- Various Storm and Sanitary Projects
- Bridge Maintenance and Repair
- Historic Property Maintenance Projects
- Playground equipment, backstops, basketball repaving/poles
- Fuel tank replacement at the Public Works facility
- Polo Field Improvements
- Elwell Field trail
- Continuation of Brookline Park Development
- Delivery of Fire Apparatus

Next Steps in the Process
Questions