

'The World in One Place'



Upper Darby Township

FY2026 Proposed Budget Presentation



Agenda

1. Overview of 2025 Budget Status
2. FY2026 Fiscal Projections
3. Council input on proposed strategy for FY2026 and Beyond



2025 Budget Status

- Unbudgeted Expenditures
 - Emergency Management Services – Estimated FY2025 spend = \$525,000
 - Collenbrook Gabion Wall – Estimated FY2025 spend = \$903,650
 - Due to these unexpected expenditures the Township will most likely not transfer funds to Capital Reserve as budgeted at \$1.5M
- Township expenditures as of 09.30.2025 are tracking 15% below our expected expenditure goal. However, the large pension expense will be paid in the 4th quarter of 2025 and we anticipate at year end that our expenditures will align closely with the expenditure budget.
- Departmental revenue collected as of 09.30.2025 is tracking 12% behind of our expected revenue goals
- General government revenue including Real Estate, Trash Fees, Business Privilege, Interest and Other General Revenues is on track and as of 09.30.2025 we have achieved 93% of our Revenue Goals and we anticipate tracking slightly behind budget at year end.
- As budgeted the \$10,565,093 fund balance and \$500,000 contingency will have to close the gap for 2025.



2026 Budget Considerations

- The FY2026 budget seeks to maintain the Township's current service levels and fund operational improvements related to multiple technology upgrades related to the website, Human Resources and Finance software, and general upgrades of IT software, hardware, and infrastructure
- UDT is limited by contractual obligations:
 - Contract negotiations are underway for the Police (headed to arbitration) & Fire unions (FOP, IAFF)
- UDT health and pension benefits are very costly
- Sewer operations are not fully funded:
 - Philadelphia sewer treatment exceedance penalties are expensive and rising— can be offset by more investment in our conveyance system;
 - Sewer fees not structured to cover capital maintenance of the system
 - Remedy by fee increase, rate study recommended
- We will continue to evaluate existing fees so that fee revenue generated covers the costs of services provided



2026 Budget Considerations

- Funding of the library has been a recurring topic of discussion. Mayor Brown and the CAO are in discussions with board members of the library about options going forward and will be briefing Council for its input.
 - Given the levels of direct funding, in-kind contributions, and provision of facilities, the Township is currently covering around 90% of all the Library's annual costs
- With the upcoming completion of the Fire/EMS study by CPSM, the Township will need to evaluate how we plan to respond to their recommendations
- Township property assessed values continue to decrease due to assessment appeal challenges. Focusing on new development/re-development opportunities will offset the assessment decline.
- With adoption of EIT, we have begun the establishment of a formal fund balance policy, investment policy, and capital fund policy. In the coming months, we will be putting a proposal before Council to adopt. In addition, we have begun actively undertaking efforts to establish a credit rating, secure a bond, and begin major projects like the community center.

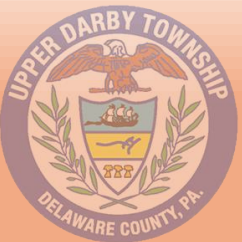


FY24-26 GENERAL FUND REVENUE SUMMARY

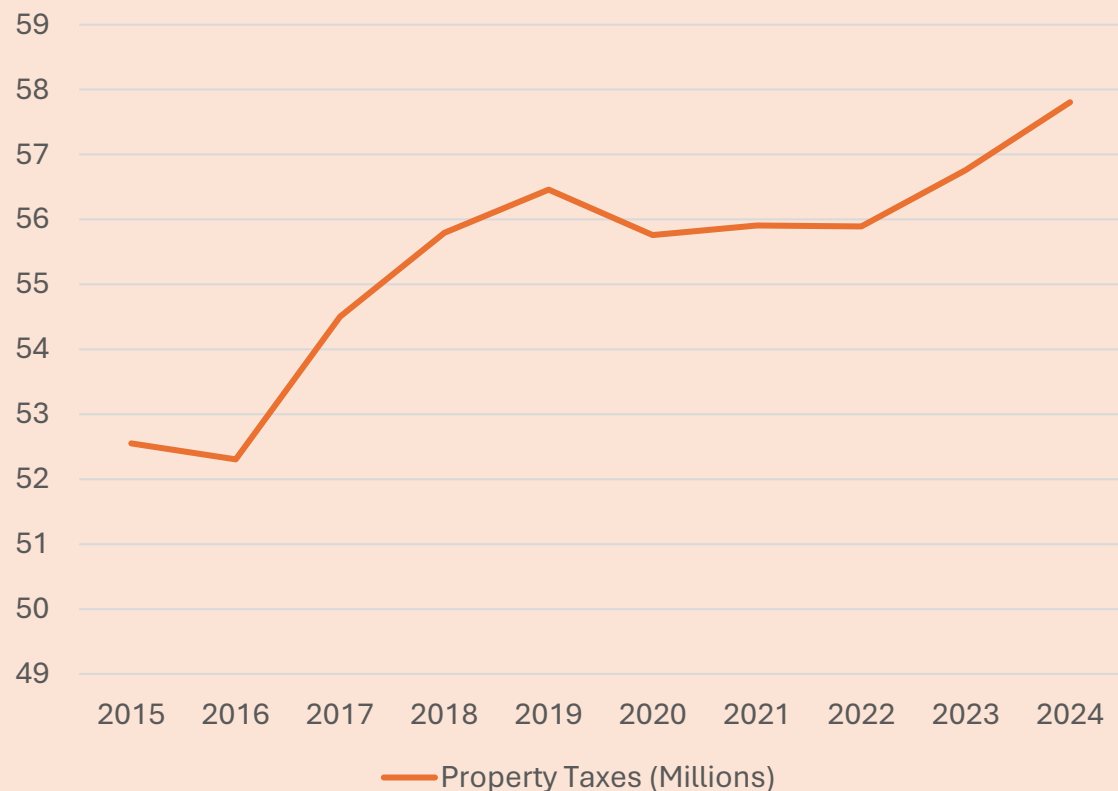
DESCRIPTION	ACTUAL 2024*	BUDGET 2025	PROPOSED 2026
Fund Balance Carryforward	--	\$10,565,093	--
Real Estate Taxes	\$56,028,850	\$56,511,802	\$56,557,576
Local Enabling Taxes	\$5,636,018	\$6,100,000	\$23,800,000
Licenses & Permits	\$3,308,287	\$3,224,500	\$2,859,500
Fines & Forfeits	\$1,084,350	\$1,180,010	\$1,151,510
Interest & Rent	\$1,576,941	\$1,415,160	\$1,595,160
Intergovernmental Revenue	\$7,686,704	\$6,256,880	\$7,163,083
Charge for Services	\$10,472,223	\$10,687,626	\$10,817,732
Miscellaneous	\$636,127	\$420,000	\$300,000
Interfund Operating Transfer**	\$18,129,731	\$1,402,000	\$492,505
Total Gross Revenue	\$104,559,231	\$97,763,071	\$104,737,066

*2024 Actual based on FY2024 Final Draft Audit

**2024 Interfund Operating Transfer includes transfers from Revenue Replacement(ARPA) to Capital Reserve and UDAEF, \$15,527,898



Revenue Trends – Property Taxes



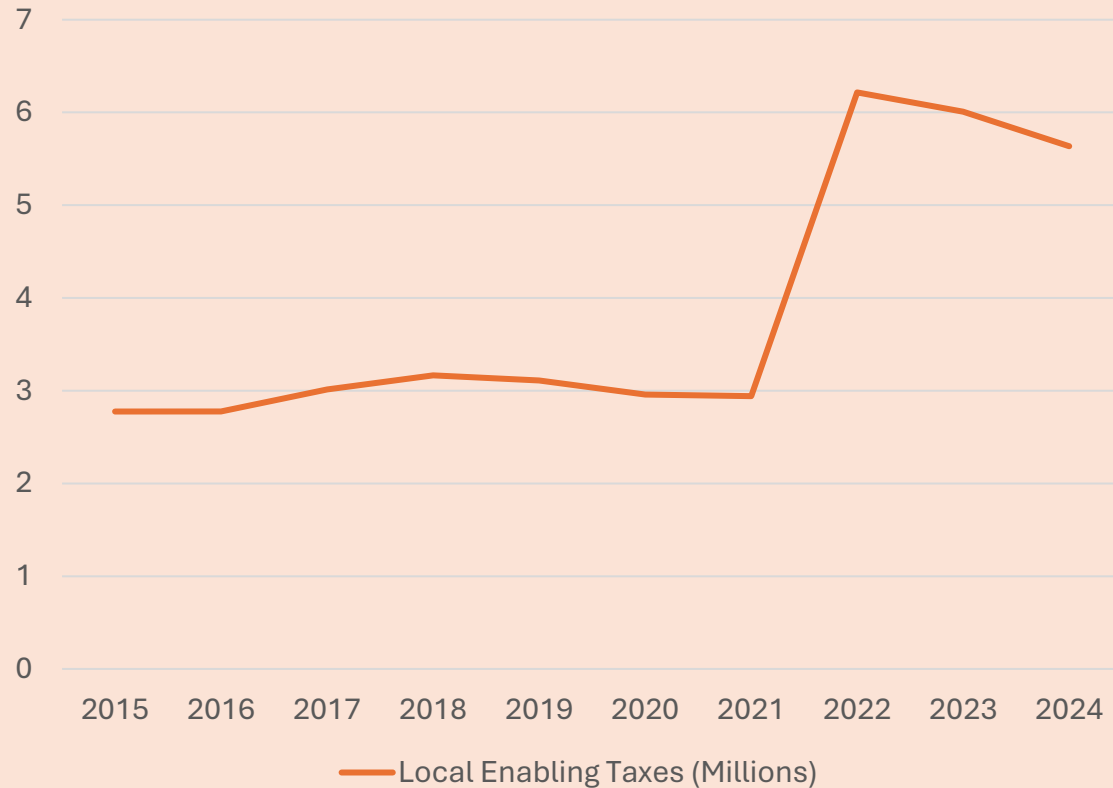
YEAR	REVENUE*
2015	\$52,551,304
2016	\$52,305,454
2017	\$54,502,232
2018	\$55,794,324
2019	\$56,459,584
2020	\$55,759,365
2021	\$55,910,012
2022	\$55,894,891
2023	\$56,762,548
2024**	\$57,806,694

*Per the audited financial statements, includes property tax allocated to Debt Service

**2024 Actual based on FY2024 Final Draft Audit



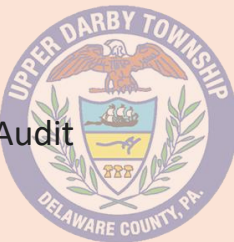
Revenue Trends – Local Enabling Taxes



YEAR	REVENUE*
2015	\$2,777,386
2016	\$2,776,504
2017	\$3,014,352
2018	\$3,166,507
2019	\$3,111,672
2020	\$2,957,499
2021	\$2,942,401
2022	\$6,216,922
2023	\$6,007,868
2024**	\$5,636,018

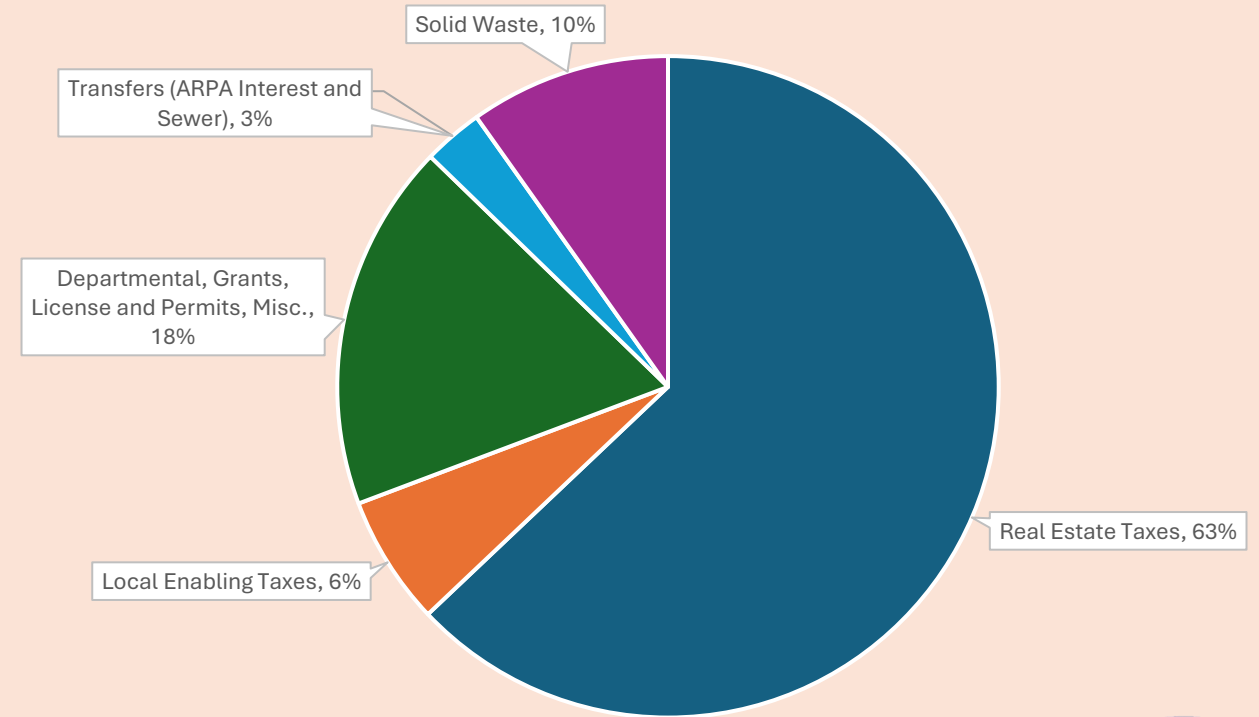
*Per the audited financial statements

**2024 Actual based on FY2024 Final Draft Audit



FY24 General Fund Revenue by Category

	AMOUNT (\$)	PERCENTAGE
Real Estate Taxes	\$56,028,850	63%
Local Enabling Taxes	\$5,636,018	6%
Departmental, Grants, License and Permits, Misc.	\$16,014,278	18%
Transfers (ARPA Interest and Sewer)**	\$2,601,833	3%
Solid Waste	\$8,750,354	10%



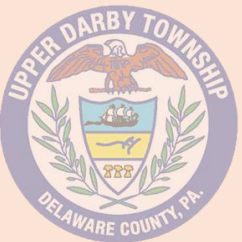
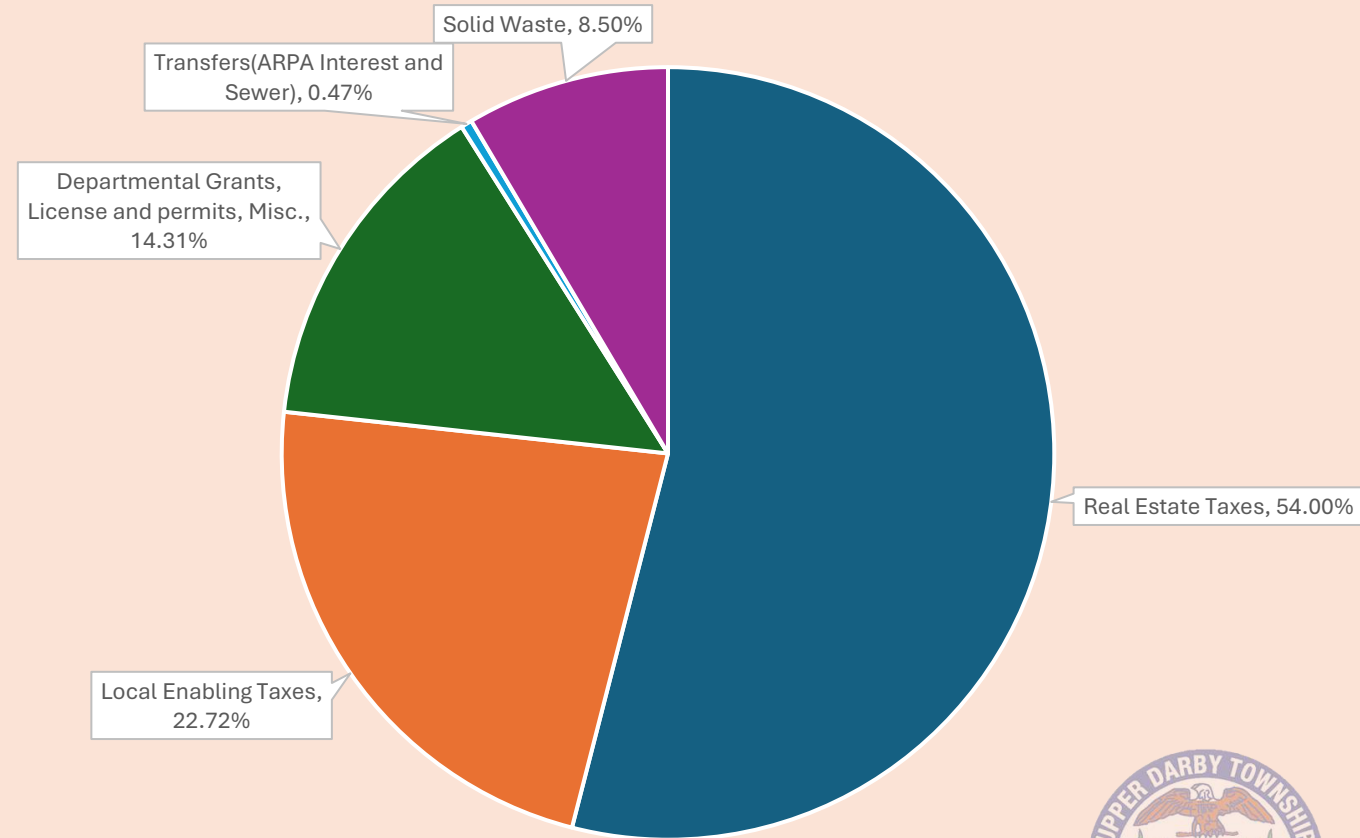
*2024 Actual based on FY2024 Final Draft Audit

**In Transfers Category excluded \$15,527,898 transferred to capital reserve and UDAEF from revenue replacement(ARPA)



FY26 General Fund Revenue by Category

	AMOUNT (\$)	PERCENTAGE
Real Estate Taxes	\$56,557,576	54.00%
Local Enabling Taxes	\$23,800,000	22.72%
Departmental, Grants, License and Permits, Misc.	\$14,984,856	14.31%
Transfers (ARPA Interest and Sewer)**	\$492,505	0.47%
Solid Waste	\$8,902,129	8.50%



FY24-26 GENERAL FUND EXPENDITURE SUMMARY

ACCOUNT	ACTUAL 2024*	BUDGET 2025	PROPOSED 2026
Personnel(salary and wages)	\$39,800,907	\$42,937,360	\$43,895,997***
Benefits (incl. Retirees)	\$19,016,988	\$21,864,654	\$22,755,162
Pension	\$10,360,056	\$10,858,417	\$10,999,238
Total Personnel	\$69,177,951	\$75,660,431	\$77,650,397
Total Operating	\$19,654,938	\$20,602,640	\$22,798,609
Transfer to Capital Reserve**	\$15,527,898	\$1,500,000	\$0
Operational Reserve	\$0	\$0	\$4,288,060
Total Expenditures	\$104,360,787	\$97,763,071	\$104,737,066

*2024 Actual based on FY2024 Final Draft Audit

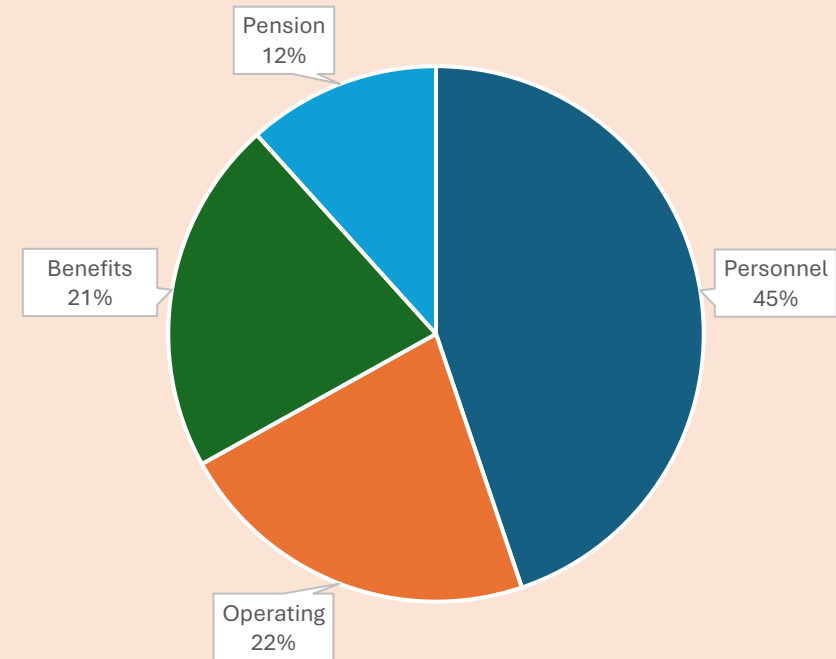
**FY24 Transfer to Capital Reserve includes revenue replacement(ARPA) funds transferred to Capital Reserve,\$14,727,898 and Transfer for UDAEF(ARPA), \$800,000

***FY2026 Personnel Budget includes a budgeted salary vacancy savings of (\$1,250,000)



FY24 General Fund Expenditures by Category

	AMOUNT (\$)	PERCENTAGE
Personnel	\$39,800,907	45%
Operating	\$19,654,939	22%
Benefits	\$19,016,988	21%
Pension	\$10,360,056	12%



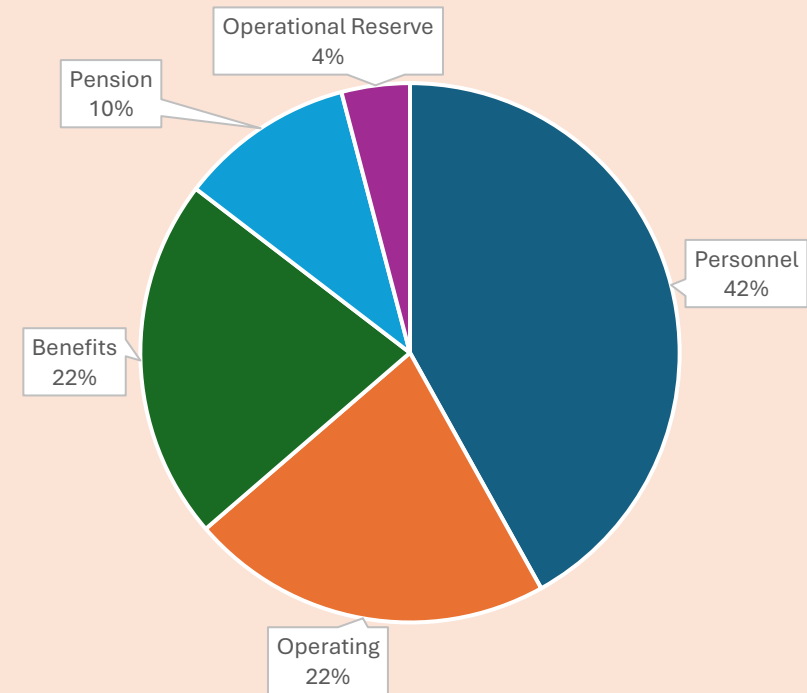
*2024 Actual based on FY2024 Final Draft Audit

**Excluded \$15,527,898 transferred to capital reserve and UDAEF from revenue replacement(ARPA)



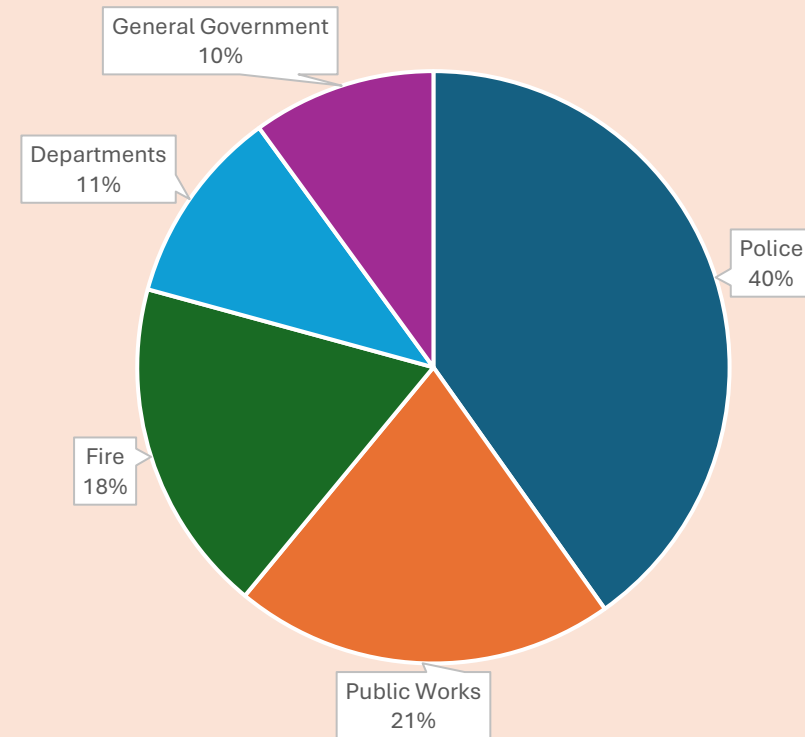
FY26 General Fund Expenditures by Category

	AMOUNT (\$)	PERCENTAGE
Personnel	\$43,895,997	42%
Operating	\$22,798,609	22%
Benefits	\$22,755,162	22%
Pension	\$10,999,238	10%
Operational Reserve	\$4,288,060	4%



FY24 General Fund Expenditures – Department Summary

	AMOUNT (\$)	PERCENTAGE
Police	\$35,693,539	40%
Public Works	\$18,477,016	21%
Fire	\$16,223,663	18%
Departments	\$9,542,091	11%
General Government***	\$8,896,580	10%



*2024 Actual based on FY2024 Final Draft Audit

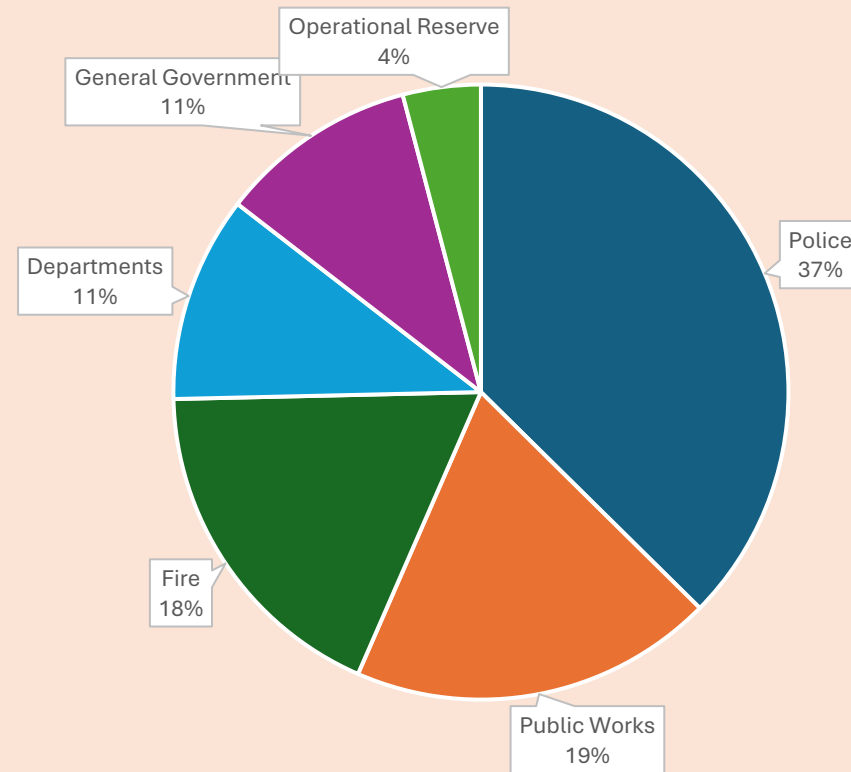
**Excluded \$15,527,898 transferred to capital reserve and UDAEF from revenue replacement(ARPA)

*** General Government includes Legislative, Executive, CAO, Finance, Legal, HR, Admin Services, IT, Property Casualty Insurance, Utilities, Building Maintenance, Real Estate Assessment Refunds(Prior Years)



FY26 General Fund Expenditures – Department Summary

	AMOUNT (\$)	PERCENTAGE
Police	\$39,165,043	37%
Public Works	\$20,057,809	19%
Fire	\$18,952,493	18%
Departments	\$11,345,936	11%
General Government	\$10,927,725	11%
Operational Reserve	\$4,288,060	4%



Expense Trends – General Fund

Approved FY25 Budget:

\$97,763,071

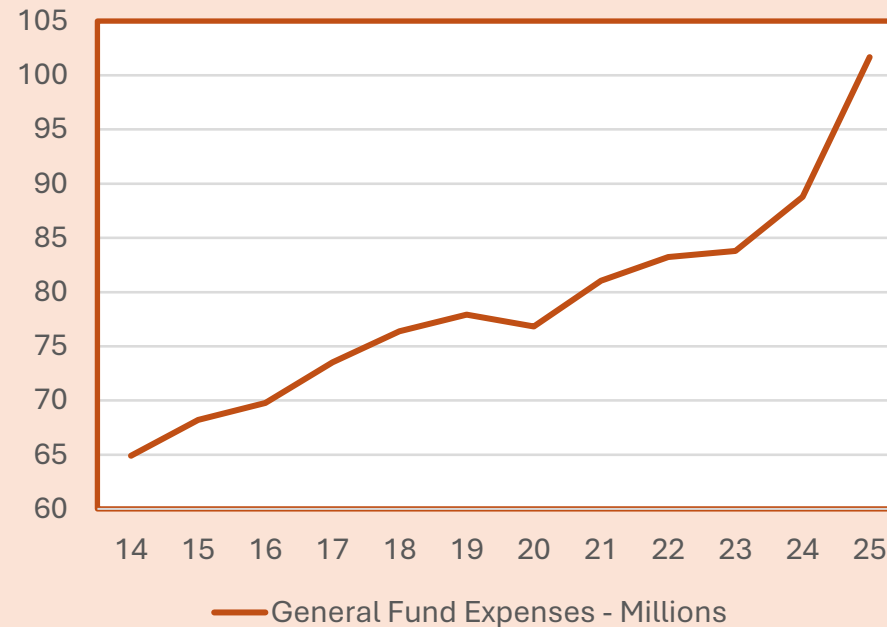
Proposed FY26 Budget:

\$104,737,066

Change between FY25 and FY26:

Personnel and Benefit Costs*: 4%
Change(excludes budgeted salary
savings in FY26)

Operating Costs: 11% Change



YEAR	ACTUAL EXPENSE*	FUND BALANCE 12/31/xx
2015	\$68,201,688	\$8,175,031
2016	\$69,768,417	\$7,809,905
2017	\$73,530,322	\$8,215,121
2018	\$76,395,139	\$6,960,583
2019	\$77,905,869	\$6,052,525
2020	\$76,837,575	\$2,258,215
2021	\$81,045,633	\$158,531
2022	\$83,242,736	\$4,881,170
2023	\$83,783,028	\$12,579,683
2024	\$88,832,889	\$12,778,127
2025	\$96,263,071	n/a

*Per the audited financial statements

**2024 Actual based on FY2024 Final Draft Audit, transfers excluded

***FY25 is based on the approved budget by Council; Transfers excluded

FY24-26 GENERAL FUND BUDGET SUMMARY

GENERAL FUND	FY24 ACTUAL (PER AUDIT)	FY25 BUDGET	FY26 PROPOSED BUDGET
Fund Balance Carryforward		\$10,565,093	
Revenue	\$104,559,231	\$87,197,978	\$104,737,066
Expenditures	\$88,832,889	\$96,263,071	\$100,449,006
Operational Reserve	\$0	\$0	\$4,288,060
Transfer to Capital Reserve	\$15,527,898	\$1,500,000	\$0.00
Total Expenditures and Reserve	\$104,360,787	\$97,763,071	\$104,737,066
Over / (Under)	\$198,444	\$0	\$0



FY2026 SINKING FUND

- Debt Service is principal and interest owed for the bonds the Township obtained to fund capital projects
- Debt Service = \$2,004,987
- Per ordinance, Debt Service is fully funded from Real Estate Taxes

Debt		Principal	Interest	Total
Series 2021	5/1/2026	695,000	117,350	812,350
	1/1/2026		110,400	110,400
Series A of 2021	5/1/2026	830,000	128,984	958,984
	11/1/2026		123,253	123,253
		1,525,000	479,987	2,004,987



FY2026 HIGHWAY FUND

- The 2026 allocation from the Pennsylvania Department of Transportation is estimated to be \$1,874,325
- Allocation is based on the Township's mileage of state roads and population
- In FY2026, the Township will budget a \$2,689,647 fund balance carryforward to be used for road repairs
- Expenses include \$1.5M for personnel and benefits and \$3.2M for road repair and maintenance

ACCOUNT	FY25 BUDGET	FY26 PROPOSED
Fund Balance Carryforward	\$1,000,000	\$2,689,647
Liquid Fuels Tax	\$1,904,742	\$1,874,325
Highway Turn Back Allowance	\$6,160	\$6,160
Interest	\$55,000	\$160,000
TOTAL REVENUE	\$2,965,902	\$4,730,132



FY2026 SEWER FUND

- The proposed Sewer Fee is **\$280** – no increase from 2025.
- Budget does not include any funding for capital projects and only \$350,000 is budgeted for sewer repair and maintenance

REVENUE

Account	FY25 Budget	FY26 Proposed
Other Revenue	\$100,000	\$140,000
Sewer Fees	\$10,439,023	\$10,634,023
Sewer Reimbursements	\$2,369,032	\$2,392,448
Total Revenue	\$12,908,055	\$13,166,471

EXPENSE

Account	FY25 Budget	FY26 Proposed
Personnel Expenses	\$957,075	\$1,475,353*
Operating Expenses	\$10,490,980	\$10,807,538
Transfers to Capital Reserve and GF	\$1,350,000	\$400,000
Capital & Repair/Maintenance	\$110,000	\$483,580
Total Expense	\$12,908,055	\$13,166,471

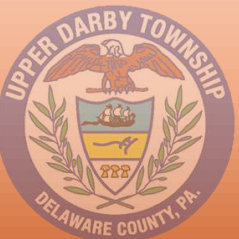
*Benefits were previously budgeted in the operating expenses in 2025, moved to personnel in 2026



FY2026 TRASH FEE

- The proposed Trash Fee is **\$325** – no increase from 2025
- This proposed fee does not cover the Township's expenses related to trash collection and does not have consideration for capital such as additional trash trucks and other equipment.
- Note: "indirect expenses" refers to vehicle maintenance, delinquent trash collection costs, and public works administration allocation.

ACCOUNT	PROPOSED 2026
Total Revenue	\$9,003,129
Direct Expenses – Trash Department	\$10,424,285
Indirect Expenses	\$924,904
Total Expenses	\$11,349,189
DEFICIT	-\$2,346,060



Fee Schedule

- Council has received a separate handout detailing the full fee schedule for the FY2026 Budget
- The FY2026 Proposed Fee Schedule is available on the Township website.
- Does Council have any questions regarding the fees?



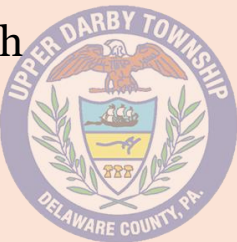
Key Dates

Proposed 2026 Budget Available for Public Review and Comment: October 16th

Budget Hearing I: November 5th

Budget Hearing II: Approval of Budget Resolution, and motion to introduce and advertise 2026 Appropriation and 2026 Tax and Fee Ordinances: November 19th

Appropriations and Tax and Fee Ordinances for final adoption: December 4th



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THANK YOU

