

2025 Proposed Budget

October 7, 2024 - Board of Supervisors Meeting



Rate Increases: Fire Tax of 0.45 mills

- Based on guidance from the local ESO in discussions with the Board of Supervisors, the Township is proposing a **0.45 mill Fire Tax** in 2025. The tax is designed to fund important long-term goals of Township stakeholders, such as:
 1. Fire Inspector: an employee of the Township to inspect commercial buildings for fire code compliance.
 2. Long-term Capital Contribution: the tax will enable the Township to contribute \$83,000 annually to a long-term capital acquisition fund to offset the cost of fire apparatus.
 3. General Fund Relief: the tax will provide significant relief to the General Fund, which currently floats all public safety expenditures. With the tax proceeds, NWT can increase funding to fire companies from \$205,000 to \$250,000, continue the stipend program at \$75,000 per year, and continue to pay the workman's comp insurance.
 4. Radio Cost: Lehigh County has presented the Township with an unfunded mandate for an upgrade to radios for public safety personnel. The cost is budgeted at \$130,000 per year for ten years.
- A fire tax is authorized by the 2nd Class Township Code at 53 P.S. §68205(a)(4). The tax can be used to pay for apparatus, facilities, appropriations to fire companies, training, and up to one half may be used to pay the salary and benefits of fire suppression staff. In this budget the Fire Inspector is cost is 20% of the levy.

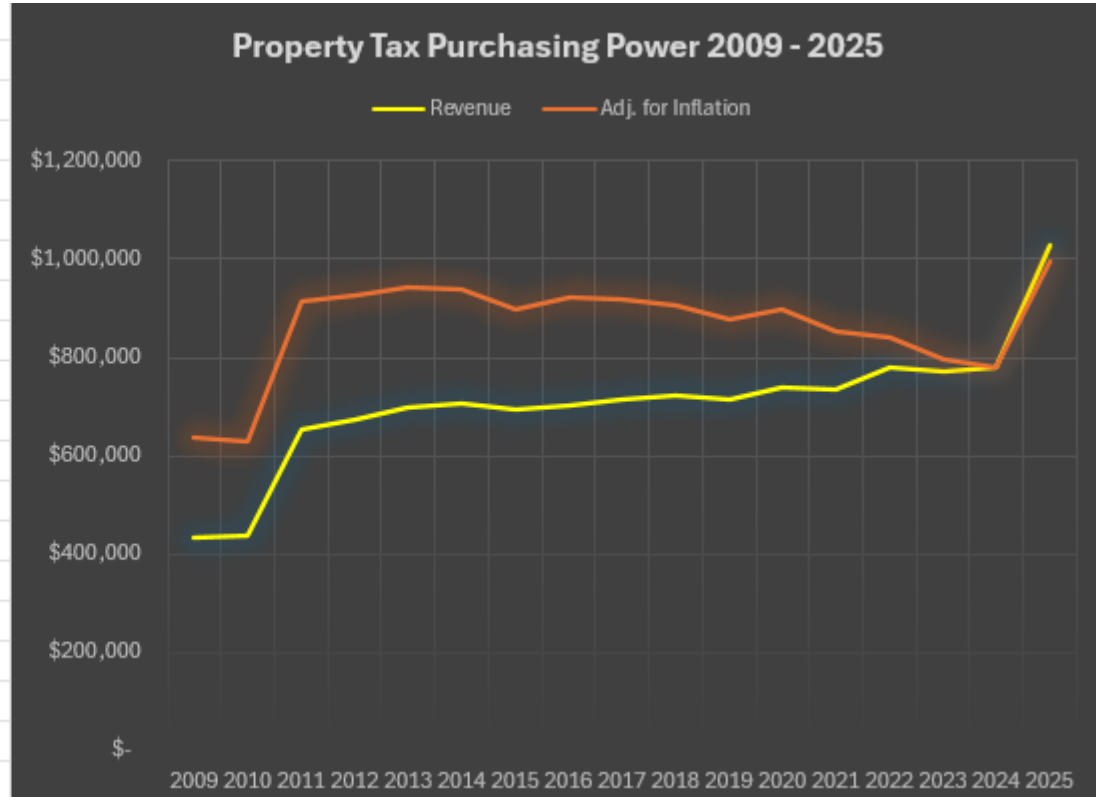
General Property Tax Levy Increase by 0.15 mills

- The Township has not increased its general property tax levy since 2011.
- In 2011, the property tax levy generated \$654,000 in revenue, which, adjusted for inflation, has the purchasing power of about **\$924,000** today.
- In 2024, the property tax only produces **\$780,000** in revenue, or about 85% of what the 2011 levy equated to in purchasing power.
- Therefore, NWT is proposing an increase in its General levy by **0.15 mills, to 0.65 mills**. The increase brings in about \$250,000 in additional annual revenue.
- The General levy increase, along with the relief provided by the fire tax allows, NWT to hire a new position of Township Planner, and to contribute \$275,000 to the Township's capital investment funds.

NWT General Property Tax Levy: Historical

**NWT General Revenue Tax Levy History:
Adjusted For Inflation**

Year	Rate (Mills)	Revenue	Adj. for Inflation	CPI
2009	1.00	\$ 433,280	\$ 635,835	-
2010	1.00	\$ 436,664	\$ 630,616	1.60%
2011	1.50	\$ 654,309	\$ 915,797	3.20%
2012	1.50	\$ 674,210	\$ 924,949	2.10%
2013	0.75	\$ 697,988	\$ 942,709	1.50%
2014	0.50	\$ 704,650	\$ 936,926	1.60%
2015	0.50	\$ 695,671	\$ 899,006	0.10%
2016	0.50	\$ 703,807	\$ 922,490	1.30%
2017	0.50	\$ 714,995	\$ 917,702	2.10%
2018	0.50	\$ 723,400	\$ 906,391	2.40%
2019	0.50	\$ 712,724	\$ 877,189	1.80%
2020	0.50	\$ 738,715	\$ 897,913	1.20%
2021	0.50	\$ 733,768	\$ 851,857	4.70%
2022	0.50	\$ 779,031	\$ 841,952	8.00%
2023	0.50	\$ 771,522	\$ 796,211	4.10%
2024	0.50	\$ 780,000	\$ 780,000	3.20%
2025	0.65	\$ 1,028,000	\$ 996,124	-



Effect of Tax Increase on Median Household

- The median assessed value of a single-family household is \$236,000.
- The County's **CLR** multiplier is **1.88**, which sets the median market value at \$443,000.
- NWT is raising its property tax rate to 1.2 mills.
- 45% of the tax levy is going to special purpose funds and 55% goes to general operations and debt service.
- The median household will experience a tax increase of about \$140.00 per year, or \$12.00 per month.
- Due to the increase in home values in recent years, the proposed levy upon the market value of the median household is only the equivalent 0.63 mills.

Tax Increase Effect on Households				
Increase	-	Annual	Monthly	Weekly
Low	\$ 150,000	\$ 90.00	\$ 7.50	\$ 1.73
Median	\$ 236,000	\$ 141.60	\$ 11.80	\$ 2.72
Upper Mid	\$ 350,000	\$ 210.00	\$ 17.50	\$ 4.04
Upper Mid	\$ 450,000	\$ 270.00	\$ 22.50	\$ 5.19

Comparable Townships

- There are comparable townships in Lehigh County with similar tax levies as those proposed. Compared to the peer group below, the Township would have the 2nd lowest general levy and the median fire tax.

	Census	Mills	Mills	2024
Township	Population	General Levy	Fire Tax Levy	Ann. Budget
South Whitehall	19,000	2.85	0.47	\$ 19,780,000
North Whitehall	15,500	0.65	0.45	\$ 6,300,000
Weisenberg	5,240	0.56	0.44	\$ 4,000,000
Lower Milford	4,000	0.68	0.34	\$ 1,600,000
Lowhill	2,200	1.00	0.56	\$ 1,400,000

- NWT, however, would be charging the lowest assessment on the market value of its real property.

	Census	Mills	Mills	2024	Taxable RE	Mills
Township	Population	General Levy	Fire Tax Levy	Ann. Budget	Market Value	Mkt. Val to Tax
South Whitehall	19,000	2.85	0.47	\$ 19,780,000	\$ 4,765,507,000	1.47
North Whitehall	15,500	0.65	0.45	\$ 6,300,000	\$ 3,036,254,000	0.34
Weisenberg	5,240	0.56	0.44	\$ 4,000,000	\$ 1,471,269,000	0.51
Lower Milford	4,000	0.68	0.34	\$ 1,600,000	\$ 747,466,192	0.35
Lowhill	2,200	1.00	0.56	\$ 1,400,000	\$ 509,126,000	0.77

Comparable Townships cont.

- Other market predictors indicate that NWT residents on the whole are well positioned to fund a fire tax.
- Most municipalities rely more heavily on property taxes than earned income taxes.
- The reverse is the case in NWT.
- NWT brings in 325% more in income taxes than property taxes, which indicates wages are strong.
- This metric also suggests that, within the peer group, NWT residents would have the least amount of their income burdened by property tax (tied with Lower Milford).

	Census	Mills	Mills	2024	2024	2024
Township	Population	General Levy	Fire Tax Levy	RE Tax	EIT	RE/EIT Tax Ratio
South Whitehall	19,000	2.85	0.47	\$ 7,000,000	\$ 4,135,000	1.69
North Whitehall	15,500	0.65	0.45	\$ 1,028,000	\$ 3,350,000	0.31
Weisenberg	5,240	0.56	0.44	\$ 753,000	\$ 1,200,000	0.63
Lower Milford	4,000	0.68	0.34	\$ 263,000	\$ 875,000	0.30
Lowhill	2,200	1.00	0.56	\$ 390,000	\$ 450,000	0.87

Emergency Capital Fund Discounted Cash Flow

- The Fire Tax Ensures Long-term Capital is Available

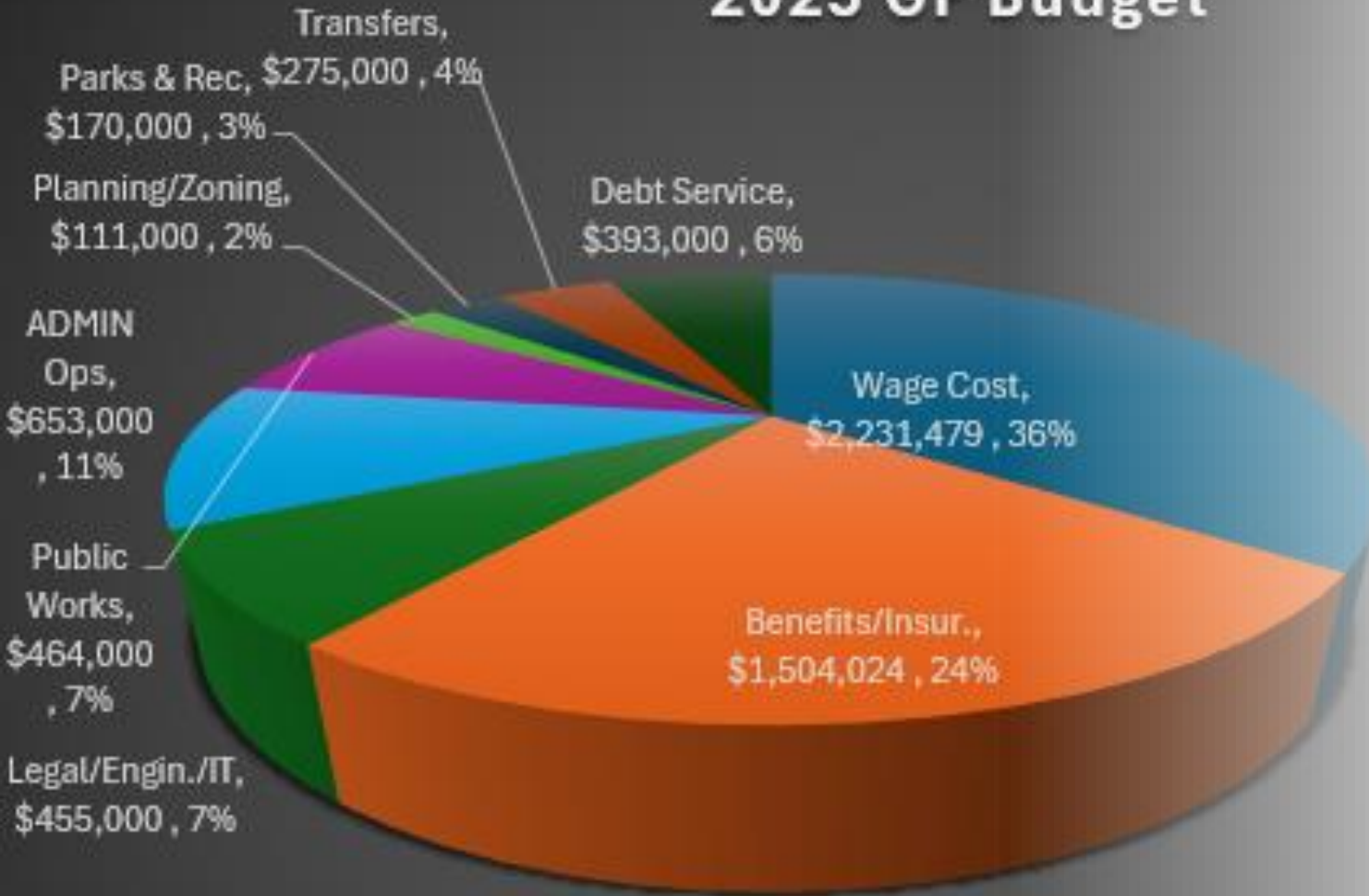
Emergency Services Capital Fund				
Present Value of Capital Flow			Starting Cash	\$ 525,000
Year	Period	Cash Flow	PV of Cash Flow	Cumulative PV
2025	1	\$ 187,000.00	\$ 181,553	\$ 706,553
2026	2	\$ 190,740.00	\$ 179,791	\$ 886,344
2027	3	\$ 194,554.80	\$ 178,045	\$ 1,064,389
2028	4	\$ 198,445.90	\$ 176,317	\$ 1,240,706
2029	5	\$ 202,414.81	\$ 174,605	\$ 1,415,311
2030	6	\$ 206,463.11	\$ 172,910	\$ 1,588,220
2031	7	\$ 210,592.37	\$ 171,231	\$ 1,759,451
2032	8	\$ 214,804.22	\$ 169,568	\$ 1,929,020
2033	9	\$ 219,100.30	\$ 167,922	\$ 2,096,942
2034	10	\$ 223,482.31	\$ 166,292	\$ 2,263,234
2035	11	\$ 227,951.96	\$ 164,677	\$ 2,427,911
2036	12	\$ 232,511.00	\$ 163,079	\$ 2,590,990
2037	13	\$ 237,161.22	\$ 161,495	\$ 2,752,485
2038	14	\$ 241,904.44	\$ 159,927	\$ 2,912,412
2039	15	\$ 246,742.53	\$ 158,375	\$ 3,070,787
2040	16	\$ 251,677.38	\$ 156,837	\$ 3,227,624

2025 General Fund Summary

- Minus an accommodating transfer to the Fire Fund, the 2025 general operating budget is about \$5,970,000.
- With \$6,250,000 in anticipated revenues, the General Fund has a surplus of \$280,000.
- To fund much needed fleet acquisitions, the entire surplus is being devoted to the Equipment Fund.
- The result is that the General Fund budget nets out.
- \$900,000 of the General Fund's unrestricted cash reserves are being drawn upon for Capital Projects in 2025.

Starting Cash	\$ 8,800,000
Less Custodial Funds	\$ (550,000)
Cash Inflows	\$ 6,425,064
Cash Outflows	\$ (7,324,891)
Ending Balance	\$ 7,350,173

2025 GF Budget



General Fund Summary cont.

- 60% of the General Operating expenditures are devoted to wages, payroll taxes, benefits, and insurance.
- About 30% are devoted to operations, such as program expenditures, legal, engineering, and IT costs.
- The final 10% is comprised of debt service and the transfer of surplus to the Equipment Fund.

Other Major 2025 Budget Goals

- The Township hopes to secure a major grant for the improvement of Neff's Valley Park.
- \$450,000 is available for Farmland Preservation
- NWT plans to acquire a new F-550 for snowplowing and to replace #9 truck. There are also other various grants for equipment purchases in the works.
- NWT hopes to establish a new Yard Waste Site in 2025 and to begin the design work for a new fueling station.