

# 2026 Middlesex Township Budget

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To: The Board of Supervisors, and members of the community

Proposed 2026 Middlesex Township Municipal Budget.

## **SUMMARY OF THE 2026 MIDDLESEX TOWNSHIP BUDGET**

For the purpose of generating the 2026 Proposed Budget, the November 2025 assessed valuation is \$ 82,443,399.

- The 2026 Middlesex Township Budget proposes the same Millage rates as 2025, therefore, this reflects no tax increase.

<u>Tax</u>	<u>2026 Rate</u>
General	10.5 Mills
Fire Service	1.5 Mills

- The elected Real Estate Tax Collector for Township, County, and School District property taxes has historically maintained a collection rate of approximately 95-98% of the total real estate tax that can be collected. The 2-5% of uncollected tax reflects property owners who do not pay the tax when it is due. Those taxes are considered delinquent.
- Delinquent property taxes are collected by the Butler County Tax Claim Bureau and forwarded to Middlesex several times during the calendar year.
- Township property taxes are billed on March 1<sup>st</sup> of every calendar year.
- A discount of 2% may be taken if the taxes are paid on or before April 30<sup>th</sup>.

**Total anticipated budgeted revenues for 2026 are \$ 3,857,187.**

**Total anticipated budgeted expenditures for 2026 are \$ 3,837,910.**

**Anticipated budgeted difference for 2026 is a net revenue of \$ 19,276.**

## **Summary of Revenues**

### **Real Estate Tax**

- The real estate tax is the second most important source of revenue for Middlesex Township after Earned Income Tax.
- The tax is levied on all commercial, residential, and other non-exempt real property.

### **Act 511 Taxes**

- Act 511, the Local Tax Enabling Act, permits the Township to levy the following non-real estate taxes: Earned Income Tax, the Local Services Tax, and the Real Estate Transfer Tax.

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## Earned Income Tax (EIT)

- It is a tax on gross wages, commissions, net profits, and other compensation earned by Middlesex Township residents.
- The tax rate is 1%,  $\frac{1}{2}$  of which is shared with the Mars Area School District.
- The Township contracts with Berkheimer, Inc. for the collection of current and delinquent taxes.

## Local Services Tax (LST)

- The Local Services Tax, \$52.00 per year, is assessed on all individuals who work within the Township.

## Real Estate Transfer Tax

- The realty, or deed, transfer tax is collected at the time of a real estate sale.
- 2% tax is collected on the value of the sale; 1 percent is distributed to the Commonwealth, 0.5% to the Township and 0.5% the School District.

## Licenses and Permits

### Cable Franchise Fees

- The cable contract fee, or franchise fee, is a percentage of sales revenue generated by Armstrong and Consolidated Communications (formerly, North Pittsburgh Telephone) for the non-exclusive opportunity to utilize public right-of-ways to provide cable and internet services to our residents.
- The current franchise agreement provides for a 5% fee based on revenues generated on cable TV services only. Internet services revenues are excluded.

### Violation of Vehicle Code

- The Magisterial District Judges collect fines for violations of the PA Motor Vehicle Code. Typically, revenue is 25% of the penalty portion of a traffic citation. Associated fees are usually more than the penalty portion of a traffic citation.

### State Police Violation

- The Commonwealth distributes a portion of all fines collected by the State Police to every municipality in the Commonwealth twice per year.

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## Interest & Rents

- The Township invests its available cash in various interest-bearing instruments and accounts.
- The types of investment options used generally include short and long-term investments with the Pennsylvania Local Government Investment Trust (PLGIT).
- The amount earned each year fluctuates with the interest rate and the amount of cash available for investment; when interest rates are high, the Township enjoys favorable interest rates but as the prime rate falls, so do the rates on investments.
- Allowable investments are governed by the Second-Class Township Code, and other laws of the Commonwealth.

## Intergovernmental Revenue

This group of revenues represents revenue the Township receives from various agencies of the Commonwealth.

### State Pension Aid

- On an annual basis the Commonwealth allocates funds to be used for the support of the police and non-uniform pension programs.
- The source of funds is a state tax on casualty insurance written by companies located outside of Pennsylvania.
- The proposed distribution of the funds is reflected under the pension expenditure category in the appropriate departmental budget.
- These funds in turn are distributed directly to the pension plans.

### Fireman's Relief Aid

- The Township also receives funds from the Commonwealth for distribution to the Middlesex Township Volunteer Fire Company Relief Association.
- The amount of funding received is related to the amount of fire insurance written by companies located outside of Pennsylvania.
- These funds in turn are distributed directly to the fire company's relief association.

## Charges for Services

- This category includes all service charges issued by the Township for operations beyond the routine scope of services normally provided.
- Fees are assessed to eliminate the cost the Township would incur to provide that service.

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- As an example, Building, Electrical, and Sewage Permit Fees are designed to abate any cost to the Township to perform that duty. The fee is paid by the applicant and thereby eliminates a negative impact on the General Fund Budget.

## Summary by Fund Type

### GENERAL FUND (01)

The General Fund supports the core services of the Township, including community development and planning, police, parks and recreation, public works, and administration.

Current General Fund Balance: \$ 3,410,253

The Township proposes to maintain the millage rate at 10.5 Mills.

### STATE LIQUID FUELS (HIGHWAY AID) FUND

This Fund is mandated by the Commonwealth to be used solely for the maintenance of Township-owned roads. The revenue for this Fund is from the local municipal share of the state gasoline tax, which is 15% of the state gas tax levied as well as state "Turnback" money for previously owned-state highways that were transferred to the Middlesex for ownership and maintenance.

For Fiscal Year 2026, Middlesex Township is projected to receive approximately \$303,096 in Liquid Fuels.

### FIRE PROTECTION FUND

Middlesex Township continues to support the Middlesex Township Volunteer Fire Company to attract and retain volunteer firefighters. This is accomplished through open and consistent communication with our Fire Company and the commitment of the community to fund the acquisition and maintenance of fire equipment and facilities to support its core of highly trained and dedicated volunteers.

Middlesex has embraced a progressive sense of responsibility for our fire protection services, and therefore, will continue to compliment the fund-raising activities of the Fire Company with a 1.5 Mill Tax levy which provides approximately \$123,000 in revenue to the MTVFC.

### Public Safety

The Township Police Department is planning to be staffed at six (6) full-time officers, one (1) part-time officer and a Police Chief for 2026. The Township will be actively seeking to complement the force with a new K9. A K9 can be supported thru the K9 Donation Fund which has a current balance of \$49,349.

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The 2026 budget provides for an EMS Medical Services contribution to be decided by the Board of Supervisors. The amount of \$45,000 has been budgeted for 2026.

## **CAPITAL FUND**

This Fund was created by the Board of Supervisors to assist with the purchase of significant capital items as well as create a Fund whereby large future expenditures can be properly anticipated and expensed without the need to assume unnecessary, additional debt. Future expenditures would include road re-construction and other Township-owned infrastructure improvements. This Fund receives its revenue from the General Fund, as well as other miscellaneous revenue, including intergovernmental revenue, as well as mid-year fund balance transfers.

Current Balance: \$3,598,214

## **TRANSPORTATION IMPROVEMENT PROGRAM (TIP)**

### **NORTH, MIDDLE, AND SOUTH FUNDS**

These are three funds that receive the Transportation Impact fees associated with land development. Currently Middlesex imposes an Impact fee of \$1,279 per trip in the North District of the Township, \$1,323 per trip in the Middle District of the Township, and \$1,313 for trips generated in the South District of the Township. Funds from all TIP Funds will be used for projects identified in the Middlesex Transportation Improvement Program.

Current Balance: \$319,683

## **Culture & Recreation – Parks & Recreation**

For 2026 the Board will continue to look for improvements to the Middlesex Township Community Park. The Parks & Recreation Improvements fund will be used for any identified improvements to the park areas. The 2026 budget provides for a Library contribution to be decided by the Board of Supervisors. The amount of \$45,000 has been budgeted for 2026.

Current Balance: \$163,340

## **Marcellus Shale Impact Fee Fund – Act 13**

PA State Act 13 provides for impact fee money paid to the state by unconventional drilling operators and is a percentage based upon the number of well sites located in a municipality (Middlesex Township) and is distributed to the municipalities. The funds are required to be used for township improvements such as roads, parks and other public infrastructure.

Current Balance: \$1,288,440