

TOWNSHIP OF LOWER MERION

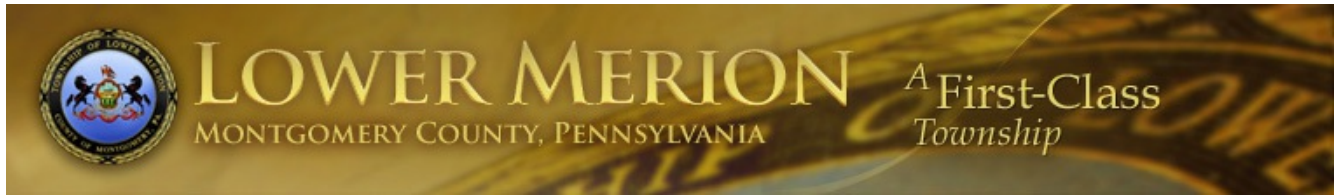
FINANCE COMMITTEE

**Wednesday, July 30, 2025
6:35 PM (Approximately)**

Chairperson: V. Scott Zelov
Vice Chairperson: Ray Courtney, Sean Whalen

AGENDA

- 1. REJECT BIDS – COMMINGLED RECYCLING SERVICES**
- 2. AWARD OF CONTRACT – DEAD AND DISEASED TREE REMOVAL**
- 3. APPOINTMENT OF PENSION TRUSTEE**
- 4. MID-YEAR FINANCIAL FORECAST (DISCUSSION ONLY)**



AGENDA ITEM INFORMATION

ITEM: REJECT BIDS – COMMINGLED RECYCLING SERVICES

Consider for recommendation to the Board of Commissioners approval to reject all bids for Option A: Commingled Recycling Services received on Thursday, June 12, 2025, at 11:00 A.M. prevailing time as recommended by the Chief Financial Officer with the approval of the Director of Public Works.

PUBLIC COMMENT

ADDITIONAL INFORMATION:

Additional Information: Rejecting and rebidding will allow Township staff to rebid with revised bid specifications to include an add-alternate or alternative service option which explicitly includes plastic packaging and other flexible plastic materials currently recycled in the Township but not accepted by the apparent low bidder.



AGENDA ITEM INFORMATION

ITEM: AWARD OF CONTRACT – DEAD AND DISEASED TREE REMOVAL

Consider for recommendation to the Board of Commissioners approval to award a contract for Dead and Diseased Tree Removal to the following low bidder in accordance with bids received on Thursday, July 10, 2025 at 11:00 A.M. prevailing time and the recommendation of the Chief Financial Officer with the approval of the Director of Public Works:

Joseph McIlvaine Tree and Lawn Service, Inc.	
Total Bid	\$94,050.00

PUBLIC COMMENT

ADDITIONAL INFORMATION:

Funds are available through the Public Works Operating Budget – Shade Tree Division. The base bid amount is \$20,950 or 18% less than the staff estimate of \$115,000.

ATTACHMENTS:

Description	Type
<input type="checkbox"/> AWARD OF CONTRACT – DEAD AND DISEASED TREE REMOVAL	Bid Tabulation

TOWNSHIP OF LOWER MERION
 TABULATION OF BIDS: 2025 Dead Diseased Tree Removal
 CONTRACT NUMBER: 25-13-55
 BIDS RECEIVED: July 10, 2025 - 11:00 AM

Bidders:					Total Bid Amount:
Joseph McIlvaine Tree and Lawn Service, Inc.					\$94,050.00
James Rogan Landscape and Tree Service, LLC					\$96,600.00
Jimmy's Tree & Landscape Contractors, LLC					\$98,260.00
Yellowstone Landscape, Inc.					\$127,804.00
Russell Tree Experts, Ltd.					\$170,000.00
Description					
Item No.	Ward	Tag Number	Location	Diameter	Species
1	1	No Tag	107 Fairview Road, Narberth	33	Maple
2	1	17087	39 Fairview Road, Penn Valley	33	Oak
3	1	No Tag	901 Summit Road, Penn Valley (<i>Oak on Ardleigh Rd.</i>)	42	Oak
4	1	17564	928 Waverly Road, Bryn Mawr	34	Oak
5	2	14799	1100 Ginkgo Lane, Gladwyne (<i>Oak on Spring Mill Rd.</i>)	31	Oak
6	2	14797	1100 Ginkgo Lane, Gladwyne (<i>Oak on Spring Mill Rd.</i>)	33	Oak
7	2	Half Tag	1100 Ginkgo Lane, Gladwyne (<i>Oak on Spring Mill Rd.</i>)	41	Oak
8	2	14792	1100 Ginkgo Lane, Gladwyne (<i>Oak on Spring Mill Rd.</i>)	44	Oak
9	2	14807	1100 Ginkgo Lane, Gladwyne (<i>Oak on Spring Mill Rd.</i>)	42	Oak
10	2	No Tag	1341 Monk Road, Gladwyne	20	Oak
11	2	13127	1350 Monk Road, Gladwyne	28	Oak
12	6	16435	1014 W. Montgomery Avenue, Bryn Mawr	48	Maple
13	6	19393	1102 Old Gulph Road, Bryn Mawr	28	Ash
14	6	No Tag	1104 Old Gulph Road, Bryn Mawr	28	Hickory
15	6	16425	118 Ringwood Road, Bryn Mawr (<i>Oak on Montgomery Ave.</i>)	35	Oak
16	6	17188	237 N. Ithan Avenue, Bryn Mawr	46	Tulip
17	6	14428	1720 Sherwood Circle, Villanova (<i>Beech on Montgomery Ave.</i>)	23	Beech
18	6	14433	1720 Sherwood Circle, Villanova (<i>Beech on Montgomery Ave.</i>)	20	Beech
19	8	6448	1504 Knox Road, Wynnewood	45	Oak
20	8	6445	1518 Knox Road, Wynnewood	53	Oak
21	9	No Tag	105 Rolling Road, Bala Cynwyd	39	Oak
22	10	No Tag	205 Avon Road, Haverford	47	Ash
23	10	19079	429 Dove Lake Road, Gladwyne	41	Ash
24	10	No Tag	531 N. Rose Lane, Haverford	43	Oak
25	10	15024	532 Maison Place, Bryn Mawr (<i>Oak on Montgomery Ave.</i>)	28	Oak
26	10	No Tag	7 N. Bryn Mawr Avenue, Bryn Mawr (<i>Parking Lot 7</i>)	34	Oak
27	11	No Tag	114 N. Merion Avenue, Bryn Mawr	30	Maple
28	11	17841	809 Morris Road, Bryn Mawr	31	Tulip
29	11	17744	820 Harriton Road, Bryn Mawr	34	Maple
30	13	No Tag	225 Derwen Road, Merion Station	53	Oak
31	13	No Tag	500 Ott Road, Bala Cynwyd	58	Oak
32	13	No Tag	510 Revere Road, Merion Station	34	Sycamore
33	14	No Tag	110 Overbrook Parkway, Wynnewood	40	Oak
34	14	No Tag	284 Trent Road, Wynnewood	53	Elm



AGENDA ITEM INFORMATION

ITEM: APPOINTMENT OF PENSION TRUSTEE

Consider for recommendation to the Board of Commissioners the appointment of Steven Torbeck to serve the Municipal Police Pension Fund and the Township Employee Pension Fund as a Trustee for a three-year term to expire August 2028.

PUBLIC COMMENT



AGENDA ITEM INFORMATION

ITEM: MID-YEAR FINANCIAL FORECAST (DISCUSSION ONLY)

The Chief Financial Officer will provide a presentation of the Township's updated Financial Forecast.

PUBLIC COMMENT

ATTACHMENTS:

Description	Type
 MID-YEAR FINANCIAL FORECAST (DISCUSSION ONLY)	Presentation

Township of Lower Merion

2025 Financial Forecast Update

General Fund & Solid Waste Fund



Finance Committee
July 30, 2025





Overview of Presentation

- I. 2024 and Forecasted 2025 Financial Performance**
- II. General Fund Revenue Trends**
- III. General Fund Expenditure Trends**
- IV. Preliminary Solid Waste Fund Trends & Forecast**
- V. 2026 Budget Next Steps**



2024 & Forecasted 2025 Financial Performance





General Fund Financial Forecast Update

Recap since previous forecast:

- 2025 Adopted Budget anticipating use of \$4.0 M in fund balance.
- Issued \$24.1 M General Obligation (GO) Bonds to finance portion of Capital Improvement Program (CIP).
- CIP Workshop conducted in June provided direction on the Board's priorities for the 2026 Capital Budget and the 2026-2031 CIP.
- Township's 2024 Audit completed and available via Township's website.



General Fund Financial Status

General Fund (Million \$)	2024 Actual	2025 Budget	2025 Estimate	\$ Variance vs. Budget	% Variance vs. Budget
Beginning Fund Balance - January 1st	\$ 29.7	\$ 22.5	\$ 24.5		
Revenues & Transfers In	72.6	76.3	76.4	\$ 0.1	0.1%
Expenditures & Transfers Out	77.8	80.3	79.4	(0.9)	-1.1%
Surplus/(Deficit)	(5.2)	(4.0)	(3.0)	1.0	
Ending Fund Balance - December 31st	24.5	18.4	21.5		
Ending FB as a % of Expenditures	31.5%	22.9%	27.1%		

- 2024 General Fund: draw down of fund balance by \$5.2M, including \$2.0M transfer to Capital Projects Fund.
- 2025 revenues: positive business tax performance and interest earnings offsetting underperformance of real estate transfer tax, real estate assessment appeals, and health care consortium refunds.
- 2025 expenditures forecasted to come in slightly below budget due to position vacancy savings beyond expectations and continue to accrue.



General Fund Revenue Trends





General Fund Revenue Trends

Positives

- Bounce-back in business tax receipts and several successful delinquent case closures.
- Licenses & Permits and Interest Income trending to beat Budget by \$300k each.

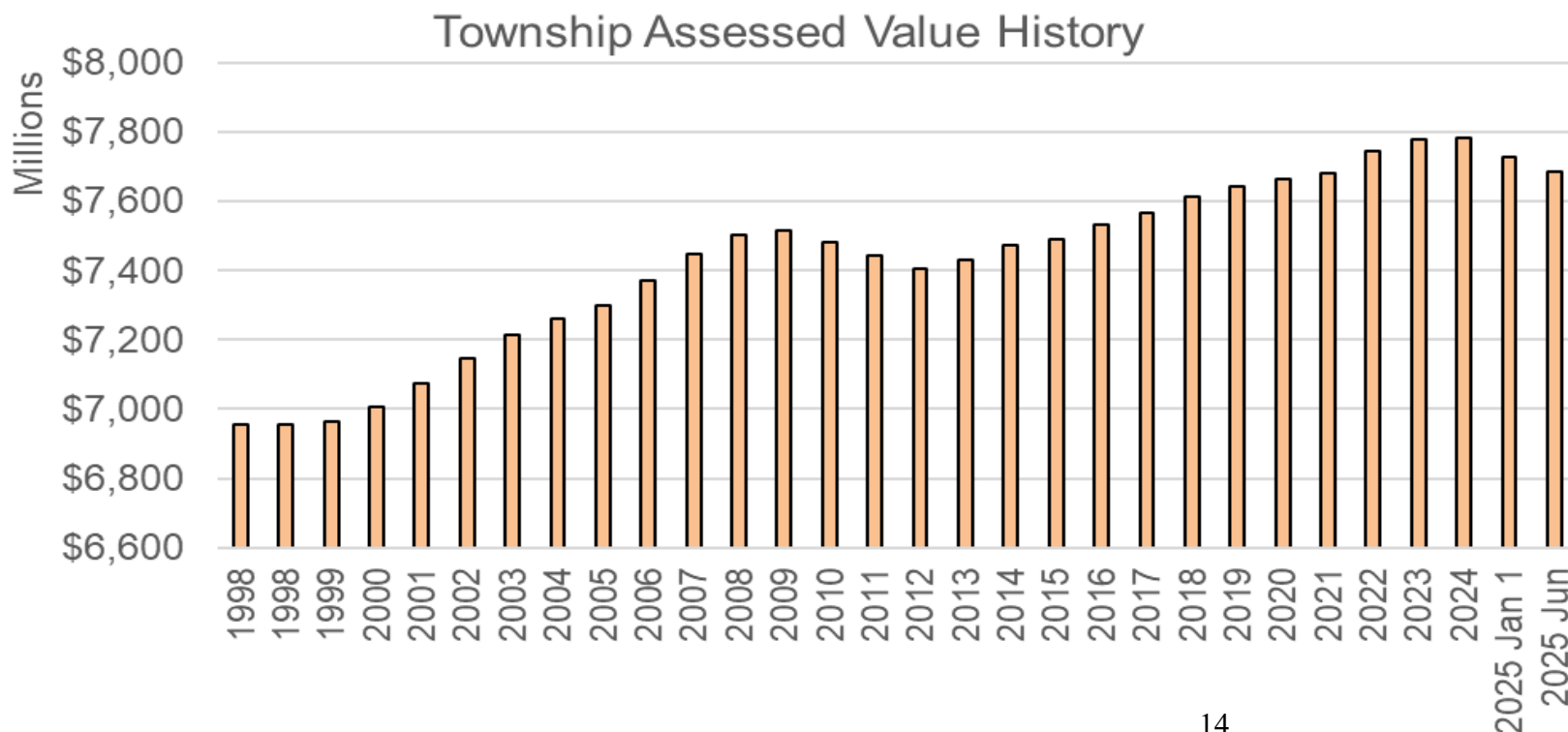
Negatives

- Real estate assessments appeals continue to reduce total taxable property values (successful commercial office space appeals and demolitions for yet-to-be completed redevelopment projects).
- Real estate transfer tax revenue likely to fall short of Budget without notable sales volume increase or large commercial transaction(s).



General Fund – Real Estate Assessments

- Total taxable assessed value peaked at start of 2024.
- Since then, a combination of commercial office building assessment appeals and assessed reductions due to demolitions for new developments have reduced total assessed values by 1.25% through June 2025.
- Annual tax assessment appeals and property changes will continue to have a financial impact and limit assessment growth potential in the near-term.





General Fund Revenue Trends

- 2025 General Fund revenue forecast is within \$100k or 0.1% of Budget.

General Fund Revenue	2025 Adopted Budget	2025 Forecast (July 2025)	\$ Variance	% Variance
Business & Mercantile Tax	\$ 16,500,000	\$ 17,500,000	\$ 1,000,000	6.1%
Investment Income	1,380,000	1,700,000	320,000	23.2%
Other Licenses & Permits	6,106,000	6,458,000	352,000	5.8%
<i>All Other Revenues (Net)</i>	<i>9,805,800</i>	<i>9,807,240</i>	<i>1,440</i>	<i>0.0%</i>
Recreation Programs	975,000	860,000	(115,000)	-11.8%
Pool Fees	660,000	465,000	(195,000)	-29.5%
Police Services	1,450,000	1,250,000	(200,000)	-13.8%
PHMIC Refund	529,000	306,000	(223,000)	-42.2%
Real Estate Taxes (Current/Interim)	33,715,000	33,404,000	(311,000)	-0.9%
Real Estate Transfer Taxes	5,135,000	4,600,000	(535,000)	-10.4%
General Fund Revenue Total	\$ 76,255,800	\$ 76,350,240	\$ 94,440	0.1%



General Fund Revenue Trends

- 2025 General Fund revenue forecast is \$3.8 million (5.2%) greater than 2024 Actual increased business tax, real estate tax, and ARP interest transferred to the General Fund.

	2024 Actual	2025 Forecast (July 2025)	\$ Variance	% Variance
General Fund Revenue				
Business & Mercantile Tax	\$ 15,192,035	\$ 17,500,000	\$ 2,307,965	15.2%
Real Estate Taxes (Current/Interim)	31,696,953	33,404,000	1,707,047	5.4%
Other Licenses & Permits	6,272,400	6,458,000	185,600	3.0%
Zoning and Subdivision	464,546	600,000	135,454	29.2%
<i>All Other Revenues (Net)</i>	8,963,887	9,057,240	93,353	1.0%
Recreation Programs	970,866	860,000	(110,866)	-11.4%
Real Estate Transfer Taxes	4,720,242	4,600,000	(120,242)	-2.5%
Pool Fees	638,499	465,000	(173,499)	-27.2%
Investment Income	2,295,002	1,700,000	(595,002)	-25.9%
PHMIC Refund	1,347,430	306,000	(1,041,430)	-77.3%
Subtotal	\$ 72,561,860	\$ 74,950,240	\$ 2,388,380	3.3%
Budgeted One-Time ARP Interest Capital Refund	-	1,400,000	1,400,000	
General Fund Revenue Total	\$ 72,561,860	\$ 76,350,240	\$ 3,788,380	5.2%



General Fund Expenditure Trends





General Fund Expenditure Trends

- Personnel costs (wages and employee benefits):
 - Staff turnover and resulting vacancies combined with the time it takes to fill positions has reduced expenses.
 - Open positions are being filled as quickly as possible.
 - Vacancy savings expected to be greater than anticipated in 2025 Budget by several hundred thousand dollars.
- Street light LED conversion project showing utilities savings. Extent of impact was not fully known during 2025 Budget development.
- Most supplies and services categories are trending in line with budget.
- Other Compensation: Overtime anticipated to eclipse Budget due to winter storm maintenance, June storm response, and shift coverage due to Police vacancies.
- Refund of Prior Year Receipts: Assessment appeal stipulations requiring refund of 2024 real estate taxes paid.
- Debt Service increase versus Budget due to interest on 2025 Bond issuance and lack of refunding opportunities.



General Fund Expenditure Trends

- 2025 General Fund expenditure forecast is \$900k or 1.1% lower than the Adopted Budget.

General Fund Expenditures	2025 Adopted Budget	2025 Forecast (July 2025)	\$ Variance	% Variance
Salaries	\$ 37,072,864	\$ 34,020,786	\$ (3,052,078)	-8.2%
Utilities	1,462,029	1,148,804	(313,225)	-21.4%
Professional Technical Services	2,762,767	2,512,942	(249,825)	-9.0%
Employee Benefits	12,525,831	12,372,124	(153,707)	-1.2%
<i>All Other Expenditures (Net)</i>	14,839,571	14,763,762	(75,809)	-0.5%
Rentals	385,985	431,738	45,753	11.9%
Machinery & Equipment	614,275	663,141	48,866	8.0%
Other Compensation	4,130,626	4,235,540	104,914	2.5%
Refund of Prior Year Receipts	7,500	120,000	112,500	1500.0%
Debt Service	8,872,901	9,113,239	240,338	2.7%
Subtotal	82,674,349	79,382,076	(3,292,273)	-4.0%
Budgetary Savings anticipated	(2,385,000)			
Total Expenditures	80,289,349	79,382,076	(907,273)	-1.1%



General Fund Expenditure Trends

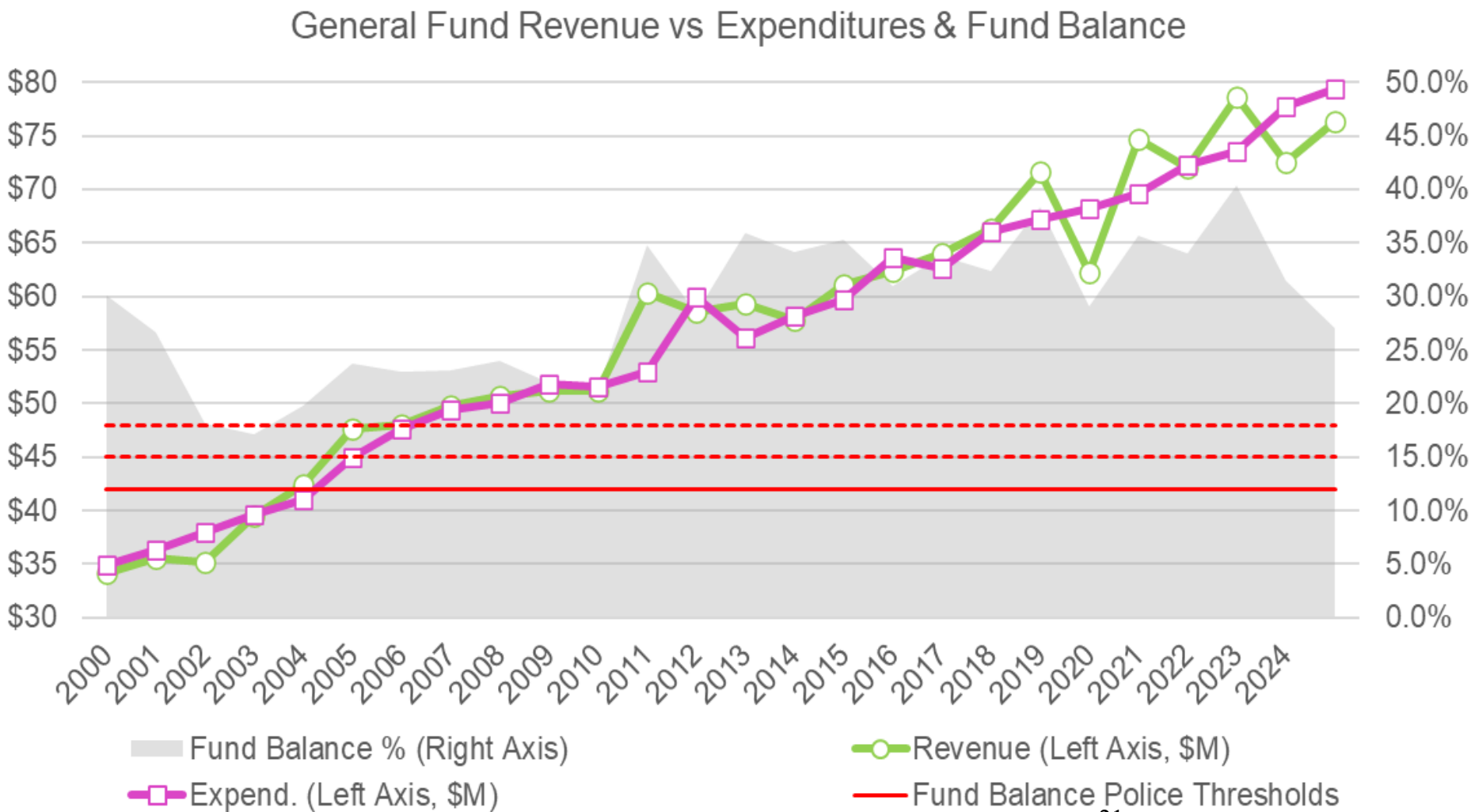
- 2025 General Fund expenditure forecast is currently nearly \$3.6 million or 4.8% higher than 2024 Actual (excluding CPF Transfer).

General Fund Expenditures	2024 Actual	2025 Forecast (July 2025)	\$ Variance	% Variance
Debt Service	\$ 9,498,497	\$ 9,113,239	\$ (385,258)	-4.1%
All Other Expenditures (Net)	11,983,211	12,776,389	793,178	6.6%
Contributions	2,631,103	2,772,950	141,847	5.4%
Rentals	284,768	431,738	146,970	51.6%
Equipment Software Furniture	1,388,281	1,604,035	215,754	15.5%
Machinery & Equipment	389,111	663,141	274,030	70.4%
Contracted Services	1,677,431	1,985,496	308,065	18.4%
Township Equipment Rental	3,262,935	3,642,178	379,243	11.6%
Employee Benefits	11,923,250	12,372,124	448,874	3.8%
Salaries	32,724,129	34,020,786	1,296,658	4.0%
Subtotal	75,762,717	79,382,076	3,619,359	4.8%
Transfer to Capital Projects Fund	2,000,000			
Total Expenditures	77,762,717	79,382,076	1,619,359	2.1%



General Fund Trendline

- Financial forecast anticipates ending fund balance level of \$21.5 million (27.0%).





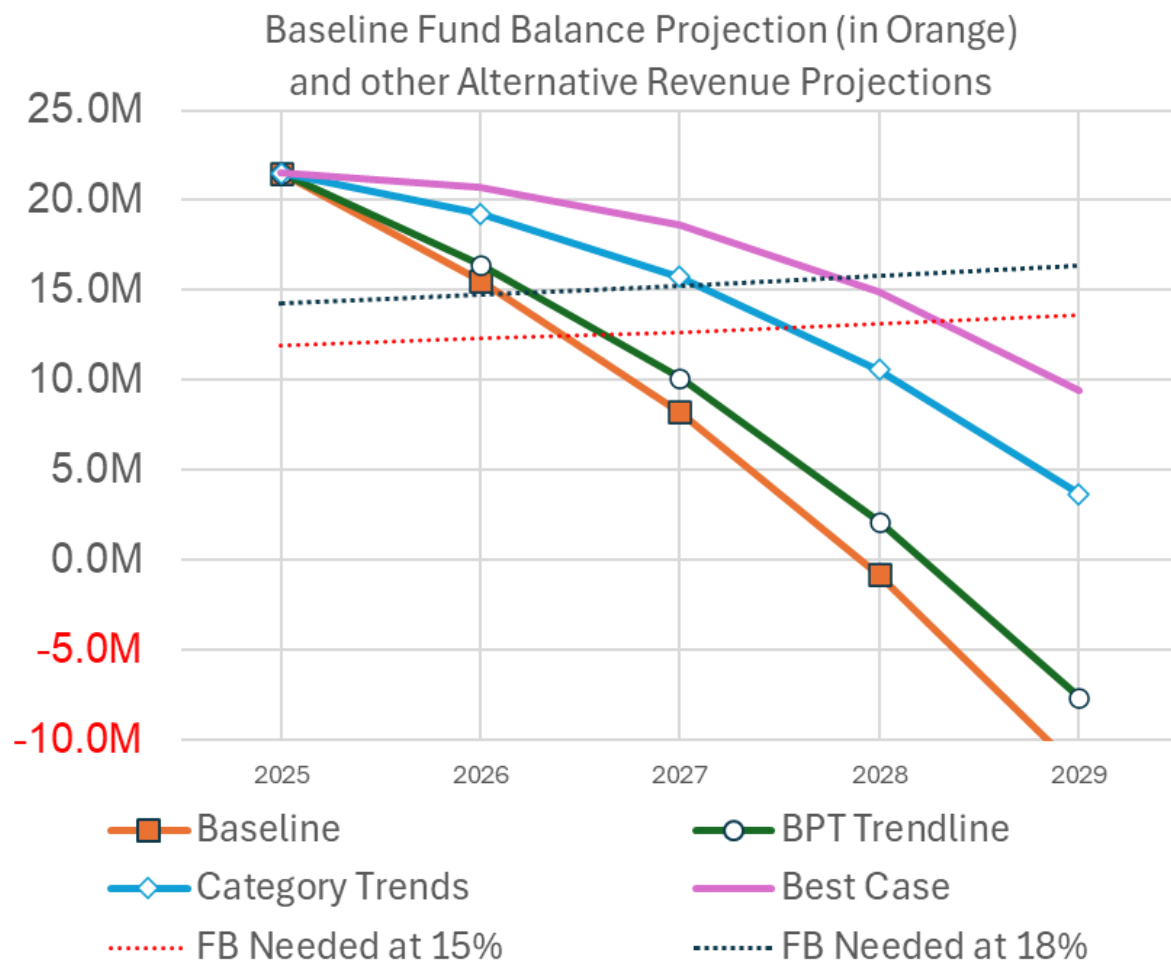
General Fund Financial Forecast

	General Fund (Million \$)	2025 Estimate	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast
a	Beginning Fund Balance	\$ 24.5	\$ 21.5	\$ 15.5	\$ 8.2	\$ (0.9)
b	Revenues & Transfers In	76.4	76.1	77.3	78.6	79.9
c	Expenses & Transfers Out	79.4	82.1	84.6	87.6	90.8
d = b-c	Surplus/(Deficit)	(3.0)	(6.0)	(7.3)	(9.1)	(10.9)
e = a+d	Ending Fund Balance	\$ 21.5	\$ 15.5	\$ 8.2	\$ (0.9)	\$ (11.8)
e÷c	Ending Fund Balance as % of Expense	27.1%	18.9%	9.7%	-1.0%	-13.0%
f1 = c*18% = f1-e	Ending FB Requirement @ 18% <i>Additional Funds needed</i>	\$ 14.3	\$ 14.8	\$ 15.2 \$ 7.0	\$ 15.8 \$ 16.6	\$ 16.4 \$ 28.1
f2 = c*15% = f2-e	Ending FB Requirement @ 15% <i>Additional Funds needed</i>	\$ 11.9	\$ 12.3	\$ 12.7 \$ 4.5	\$ 13.1 \$ 14.0	\$ 13.6 \$ 25.4

- Assumes no real estate tax increase through 2029. Conservative growth rate assumptions in other revenue streams.
- Annual expense growth assumptions: 4% growth in salary costs; 5% in benefits; 3% in supplies and services. No new debt issuance until late 2026/early 2027.



General Fund Financial Forecast – Alternative Revenue Scenarios



Example of alternative revenue scenarios due to recent business tax volatility:

- **Baseline:** same as prior slide.
- **BPT Trendline:** Current business tax trendline.
- **Category Trends:** Application of recent budget-to-actual performance by revenue category.
- **Best Case:** Beating total revenue budget by 6.8% annually (2015-2024 average).



Preliminary Solid Waste Fund Trends & Forecast





Solid Waste Fund Trends

- Solid Waste Fund (SWF) started year in worse financial position than anticipated in budget (\$580k Fund Balance Actual versus \$733k anticipated).
- 2025 SWF Budget included the use of approx. \$400k of Fund Balance.
- Preliminary projections anticipate only marginal positive variance compared to budget (~\$380k deficit).
- Recent paper recycling contract bid will lead to loss of revenue in 2026 (absent significant commodity price increases) of approximately \$100k.
- Expenses anticipated to climb by approximately 5% in 2026.
- Early projections anticipate a 2025 ending Fund Balance of only \$200k (2.1%) and a projected \$1M deficit in 2026 absent rate increase or other policy action.



Solid Waste Fund Trends

Solid Waste Fund	Actual 2023	Actual 2024	Estimate 2025	Projected 2026
Beginning Fund Balance	\$ 1.18	\$ 0.47	\$ 0.58	\$ 0.20
Revenues	\$ 8.11	\$ 8.76	\$ 9.10	\$ 8.91
Expenses	\$ 8.81	\$ 8.65	\$ 9.48	\$ 9.98
Surplus/(Deficit)	\$ (0.71)	\$ 0.11	\$ (0.38)	\$ (1.07)
Ending Fund Balance	\$ 0.47	\$ 0.58	\$ 0.20	\$ (0.87)
Fund Balance % of Expenses	5.4%	6.7%	2.1%	-8.7%



2026 Budget Calendar





2026 Budget Calendar

- Budget Workshop scheduled for September 3th
- Distribution of Proposed 2026 Budget and 2026-2031 Capital Improvement Program scheduled for Friday, November 7th
- November 12th Finance Committee Meeting presentation on the Proposed Budget
- Public Hearings on Proposed Budget
 - November 19th
 - December 3rd
- Adoption of 2026 Budget and 2026-2031 Capital Improvement Program: December 17th (BOC regular meeting)
- Questions/comments from the Board of Commissioners