TOWNSHIP OF LOWER MERION

FINANCE COMMITTEE **WEDNESDAY, JULY 29, 2026**
6:20 PM (Approximately)

Chairperson: V. Scott Zelov

Vice Chairperson: Shelby Sparrow, Ray Courtney

AGENDA

1. **AWARD OF CONTRACT - ADA CURB CUTS REPLACEMENT**
2. **MID-YEAR FINANCIAL FORECAST (DISCUSSION ONLY)**
3. **AUTHORIZATION TO ENTER INTO AN AGREEMENT FOR NATURAL GAS SERVICES**

Township of Lower Merion
A FIRST CLASS TOWNSHIP

AGENDA ITEM INFORMATION

COMMITTEE: Finance

ITEM: **AWARD OF CONTRACT - ADA CURB CUTS REPLACEMENT**

Consider for recommendation to the Board of Commissioners approval to award a contract for ADA Curb Cuts Replacement to the following low bidder in accordance with bids received on Thursday, July 9, 2026 at 11:00 A.M. prevailing time and the recommendation of the Chief Financial Officer with the approval of the Directors of Building & Planning and Public Works and the CDBG engineer:

Albert G. Cipolloni Jr. & Sons, Inc.

Total Lump Sum Bid	$228,258.00

PUBLIC COMMENT

ADDITIONAL INFORMATION

Funds are available through the Township's Community Development Block Grant (CDBG) Fund. The budget for the project is $288,245.00. The bid award of $228,258 is $59,987 or 20.8% less than budget.

ATTACHMENT(S):
Award Recommendation - ADA Curb Cuts Replacement.pdf
Bid Tab - ADA Curb Cuts Replacement.pdf

Carroll Engineering Corporation

July 20, 2026 ***Sent Via Email***

Ernie B. McNeely, Township Manager
Township of Lower Merion
75 East Lancaster Avenue
Ardmore, PA 19003-2323

Dear Mr. McNeely:

Subject: Lower Merion Community Development ADA Upgrades
Recommendation of Award

Our office has reviewed the bids received by The Township of Lower Merion via PennBid. As requested, we have reviewed the bids submitted on July 9, 2026. The apparent low bidder was Albert G. Cipolloni Jr. & Sons, Inc. with a total bid in the amount of $228,258.00. We find the price bid of $228,258.00 to be reasonable for the work required. The bid is $59,987, or 20%, less than the estimate for this project of $288,245. Therefore, we recommend the Township award this contract to Albert G. Cipolloni Jr. & Sons, Inc.

The scope of this project includes all material, equipment, labor, and supervision necessary to complete demolition and construction of thirty-two new ADA Ramps at eleven intersections along Levering Mill Road, from Ford Road to Ott Road in Bala Cynwyd. All paving, lawn restoration, utility adjustments, sleeves for relocated signs, restoration and cleanup are included.

Should you have any questions or require additional information, please feel free to contact this office.

Very truly yours,

CARROLL ENGINEERING CORPORATION

Peter A. O'Halloran

Peter O'Halloran, PE, PTOE
Manager, Traffic & Transportation Department

POH:cam

Engineering and Surveying Excellence Since 1973

Corporate Office:	630 Freedom Business Center	433 Lancaster Avenue	101 Larry Holmes Drive	105 Raider Boulevard
949 Easton Road	Third Floor	Suite 200	Suite 201	Suite 206
Warrington, PA 18976	King of Prussia, PA 19406	Malvern, PA 19355	Easton, PA 18042	Hillsborough, NJ 08844
215.343.5700	610.572.7093	610.489.5100	610.989.4940	908.874.7500

www.CarrollEngineering.com

TOWNSHIP OF LOWER MERION
TABULATION OF BIDS - 2026 ADA Curb Cut Replacement
CONTRACT NUMBER: 26-20-0073-0049-0050
BIDS RECEIVED: July 9, 2026 - 11:00 AM

	Bidders:			**Albert G. Cipolloni Jr. & Sons, Inc.**		**T. Schiefer Contractors, Inc.**		**NJS Concrete, LLC**		**Premier Concrete, Inc.**	
Item No.	**Description**	**U/M**	**Qty**	**Unit Price**	**Total**	**Unit Price**	**Total**	**Unit Price**	**Total**	**Unit Price**	**Total**
	Base Contract										
1-1	Levering Mill Road and Ford Road (Drawing C-101)	LS	2	$10,601.00	$21,202.00	$8,500.00	$17,000.00	$9,370.00	$18,740.00	$9,950.00	$19,900.00
1-2	Levering Mill Road and Bentley Avenue (Drawing C-101)	LS	2	$8,853.50	$17,707.00	$9,000.00	$18,000.00	$9,370.00	$18,740.00	$9,950.00	$19,900.00
1-3	Levering Mill Road and Bala Avenue (Drawing C-102)	LS	6	$6,288.00	$37,728.00	$7,500.00	$45,000.00	$9,370.00	$56,220.00	$8,500.00	$51,000.00
1-4	Levering Mill Road and Lodges Lane (Drawing C-103)	LS	2	$7,775.50	$15,551.00	$8,500.00	$17,000.00	$9,370.00	$18,740.00	$9,450.00	$18,900.00
1-5	Levering Mill Road and North Bowman Avenue (Drawing C-103)	LS	2	$8,089.00	$16,178.00	$8,500.00	$17,000.00	$9,370.00	$18,740.00	$9,550.00	$19,100.00
1-6	Levering Mill Road and Penarth Road (Drawing C-104)	LS	2	$8,244.00	$16,488.00	$8,500.00	$17,000.00	$9,370.00	$18,740.00	$9,550.00	$19,100.00
1-7	Levering Mill Road and West Derwen Road (Drawing C-104)	LS	2	$8,741.50	$17,483.00	$8,500.00	$17,000.00	$9,370.00	$18,740.00	$9,350.00	$18,700.00
1-8	Levering Mill Road and East Derwen Road (Drawing C-105)	LS	2	$7,454.00	$14,908.00	$8,500.00	$17,000.00	$9,370.00	$18,740.00	$9,350.00	$18,700.00
1-9	Levering Mill Road and Bryn Mawr Avenue (Drawing C-106)	LS	8	$5,379.25	$43,034.00	$7,500.00	$60,000.00	$9,370.00	$74,960.00	$11,500.00	$92,000.00
1-10	Levering Mill Road and Ott Road (Drawing C-107)	LS	2	$6,772.50	$13,545.00	$7,500.00	$15,000.00	$9,370.00	$18,740.00	$9,350.00	$18,700.00
1-11	Levering Mill Road and Cynwyd Circle (Drawing C-107)	LS	2	$7,217.00	$14,434.00	$7,500.00	$15,000.00	$9,370.00	$18,740.00	$9,350.00	$18,700.00
	Total Lump Sum Price Bid for Base Contract:				**$228,258.00**		**$255,000.00**		**$299,840.00**		**$314,700.00**

Township of Lower Merion
A FIRST CLASS TOWNSHIP

AGENDA ITEM INFORMATION

COMMITTEE: Finance

ITEM: **MID-YEAR FINANCIAL FORECAST (DISCUSSION ONLY)**

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

PUBLIC COMMENT

ATTACHMENT(S):
2026 Mid-Year Forecast Update.pdf

Township of Lower Merion
2026 Financial Forecast Update

Finance Committee
July 29, 2026

Overview of Presentation

I. 2025 and Forecasted 2026 Financial Performance

II. General Fund Revenue Trends

III. General Fund Expenditure Trends

IV. Preliminary Solid Waste Fund Trends & Forecast

V. 2026 Budget Next Steps

VI. Capital Financing and Debt Issuance Options

2025 & Forecasted 2026 Financial Performance

General Fund Financial Forecast Update

Recap since previous forecast:

- 2026 Adopted Budget anticipating use of $5.0 M in fund balance.

- CIP Workshop conducted in June provided direction on the Board’s priorities for the 2027 Capital Budget and the 2027-2032 CIP.

- Township’s 2025 Audit completed and available via Township’s website.

General Fund Financial Status

General Fund (Million $)	2025 Actual	2026 Budget	2026 Estimate	$ Variance vs. Budget	% Variance vs. Budget
Beginning Fund Balance - January 1st	$ 24.3	$ 22.7	$ 23.7		
Revenues & Transfers In	78.2	78.8	82.5	$ 3.7	4.7%
Expenditures & Transfers Out	78.8	83.8	85.0	1.2	1.4%
Surplus/(Deficit)	(0.6)	(5.0)	(2.5)	2.5	
Ending Fund Balance - December 31st	23.7	17.6	21.2		
Ending FB as a % of Expenditures	30.0%	21.1%	24.9%		

- 2025 General Fund: $600k deficit, reducing fund balance to $23.7 M or 30% of expenditures.
- 2026 revenues: business tax activity and transfer tax revenue driving the overall performance versus budget
- 2026 expenditures forecasted to exceed budget due to sharp reduction in vacant positions reducing vacancy savings below expected, overtime expenses, and storm response costs.

General Fund Revenue Trends

General Fund Revenue Trends

Positives

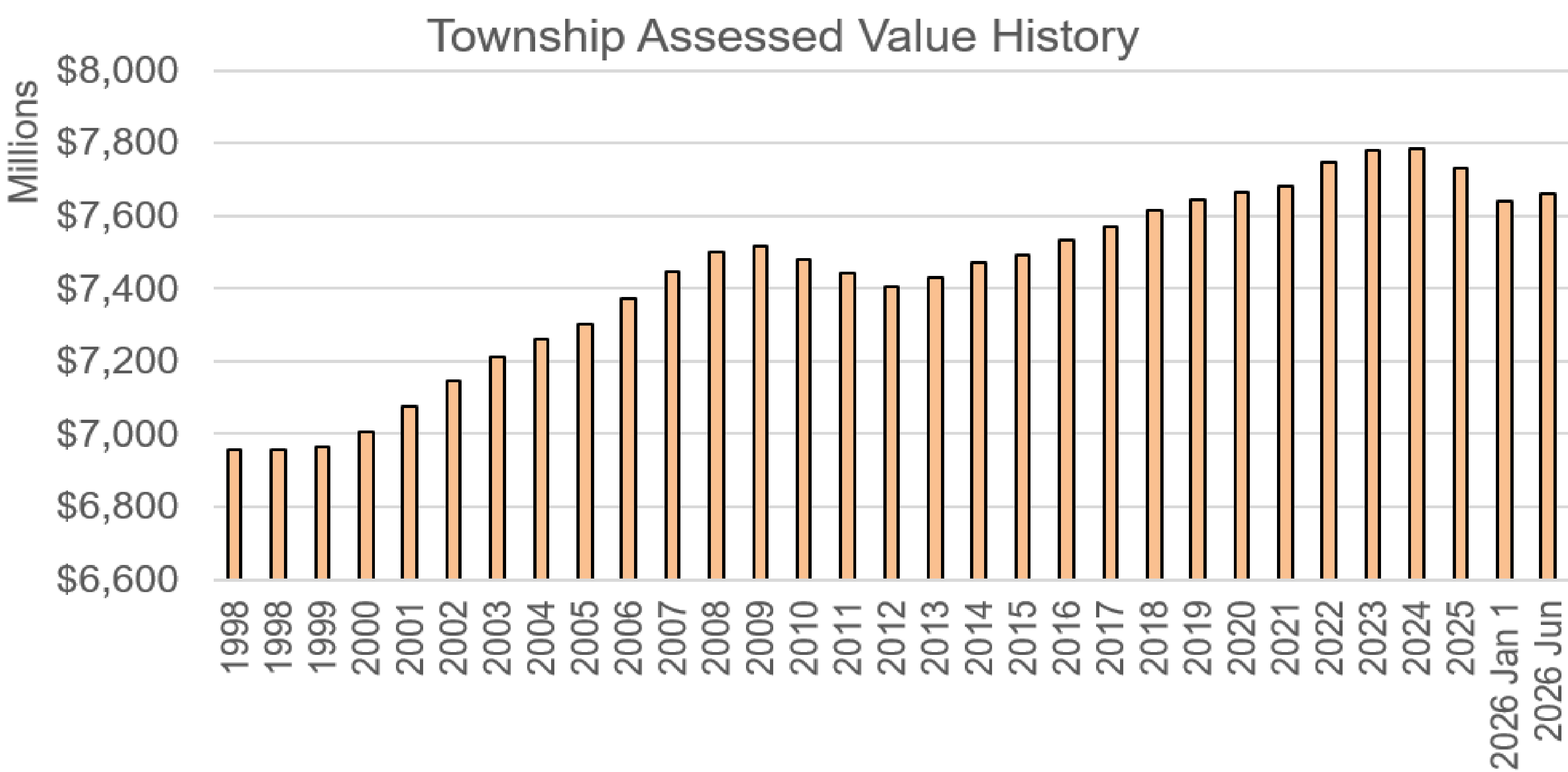
- Higher-than-expected business tax receipts and transfer tax revenue driving overall performance.
- Unlike the last two years, assessment changes are slightly positive, with assessment increases from new construction offsetting a smaller volume of assessment decreases due to appeals.

Negatives

- Parking revenue has grown with increased rates but not to the amount expected in the Budget.
- Elimination of health care refunds and fewer reimbursable expenses in General Fund for the use of state Highway Aid transfers.

General Fund – Real Estate Assessments

- Total taxable assessed value peaked at the start of 2024 and declined by a cumulative 1.8% through the start of 2026.
- Year-to-date assessment changes are slightly positive (+0.3%); Township is monitoring assessment appeal activity which can limit or reverse this positive trend for the January 2027 certified assessment value.



General Fund Revenue Trends

- 2026 General Fund revenue forecast is $3.7 million or 4.7% greater than Budget.

General Fund Revenue	2026 Adopted Budget	2026 Forecast (July 2026)	$ Variance	% Variance
Business & Mercantile Tax	$ 18,100,000	$ 21,450,000	$ 3,350,000	18.5%
Real Estate Transfer Taxes	4,860,000	5,170,000	310,000	6.4%
Building & Electrical Permits	3,600,000	3,900,000	300,000	8.3%
All Other Revenues (Net)	*10,697,000*	*10,887,000*	*190,000*	*1.8%*
Highway Services	123,000	206,000	83,000	67.5%
Investment Income	1,300,000	1,350,000	50,000	3.8%
Real Estate Taxes	36,265,000	36,261,000	(4,000)	0.0%
Fines & Forfeits	920,000	860,000	(60,000)	-6.5%
Highway Aid Transfers	750,000	660,000	(90,000)	-12.0%
PHMIC Refund	150,000	-	(150,000)	-100.0%
Parking Meters & Permits	2,000,000	1,750,000	(250,000)	-12.5%
General Fund Revenue Total	**$ 78,765,000**	**$ 82,494,000**	**$ 3,729,000**	**4.7%**

General Fund Revenue Trends

- 2026 General Fund revenue forecast is $4.3 million (5.4%) greater than 2025 Actual.

General Fund Revenue	2025 Actual	2026 Forecast (July 2026)	$ Variance	% Variance
Business & Mercantile Tax	$ 18,068,297	$ 21,450,000	$ 3,381,703	18.7%
Real Estate Taxes	33,713,104	36,261,000	2,547,896	7.6%
Parking Meters & Permits	1,179,010	1,750,000	570,990	48.4%
Real Estate Transfer Taxes	4,889,713	5,170,000	280,287	5.7%
All Other Revenues (Net)	*6,368,401*	*6,513,000*	144,599	2.3%
Licenses & Permits	7,118,249	7,245,000	126,751	1.8%
Police Services	1,253,404	1,320,000	66,596	5.3%
Fines & Forfeits	962,549	860,000	(102,549)	-10.7%
PHMIC Refund	289,949	-	(289,949)	-100.0%
Zoning and Subdivision - Construction Fees	1,106,131	625,000	(481,131)	-43.5%
Investment Income	1,882,079	1,300,000	(582,079)	-30.9%
General Fund Revenue Subtotal	**$ 76,830,886**	**$ 82,494,000**	**$ 5,663,114**	**7.4%**
Non-Recurring Transfers - ARP Unrestricted Interest	1,400,000	-	(1,400,000)	-100.0%
General Fund Revenue Total	**$ 78,230,886**	**$ 82,494,000**	**$ 4,263,114**	**5.4%**

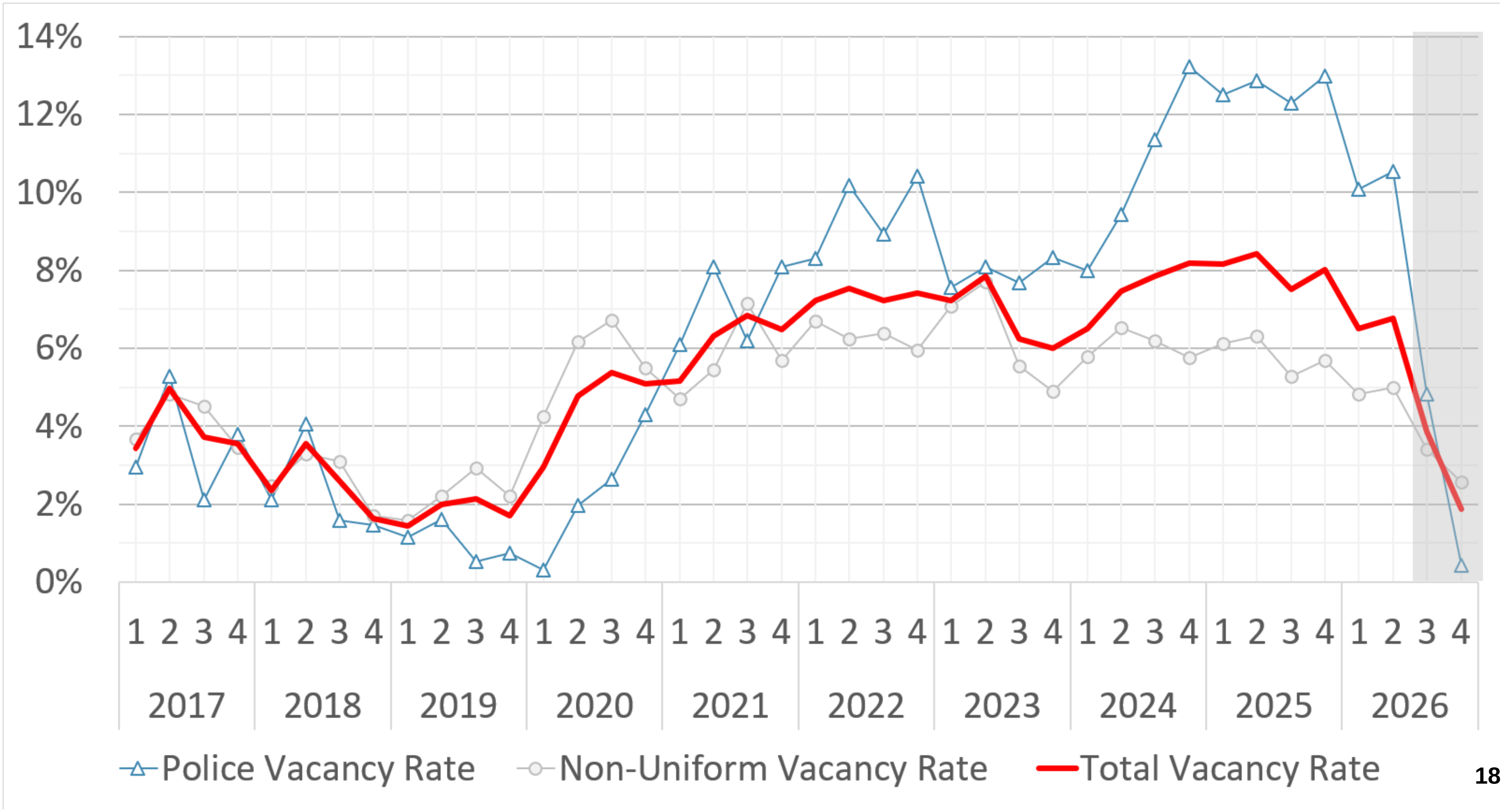
General Fund Expenditure Trends

General Fund Expenditure Trends

- Personnel costs (wages and employee benefits):
  - After years of elevated full-time vacancies, the Township is trending towards pre-COVID vacancy rates in the latter half of 2026.
    - Open positions are being filled as quickly as possible.
  - Vacancy savings expected to be smaller than the $3.3 million anticipated in 2026 Budget by several hundred thousand dollars.
- Other Compensation: Overtime anticipated to exceed Budget due to shift coverage resulting from Police vacancies in addition to significant winter storm maintenance and July storm response.
- Equipment rental expenses exceeding budget due to rental services provided to supplement staff in response to these storms.
- Other supplies and services categories are trending in line with budget.

Full-Time Employee Vacancy Trends by Quarter, 2017-2026

- After years of elevated full-time vacancies, the Township is trending towards pre-COVID vacancy rates in the latter half of 2026



General Fund Expenditure Trends

- 2026 General Fund expenditure forecast is $1.1k or 1.4% greater than the Adopted Budget.

General Fund Expenditures	2026 Adopted Budget	2026 Forecast (July 2026)	$ Variance	% Variance
Salaries	*$ 38,448,506*	*$ 36,412,012*	*$ (2,036,494)*	*-5.3%*
Employee Benefits	*14,348,373*	*13,684,903*	*(663,470)*	*-4.6%*
Vacancy Savings Anticipated	*(3,280,000)*	*-*	*3,280,000*	*-100.0%*
Net Salaries & Benefits	$ 49,516,879	$ 50,096,915	$ 580,036	1.2%
Other Compensation/Overtime	3,992,327	4,455,575	463,248	11.6%
Rentals	433,125	608,125	175,000	40.4%
Comms Equip Maintance Agreements	76,676	120,000	43,324	56.5%
All Other Expenditures (Net)	*18,288,799*	*18,308,186*	*19,387*	*0.1%*
Debt Service	9,672,703	9,672,703	-	0.0%
Machinery & Equipment	662,473	624,963	(37,510)	-5.7%
Materials & Operating Supplies	1,137,405	1,095,826	(41,579)	-3.7%
Total Expenditures	83,780,387	84,982,293	1,201,906	1.4%

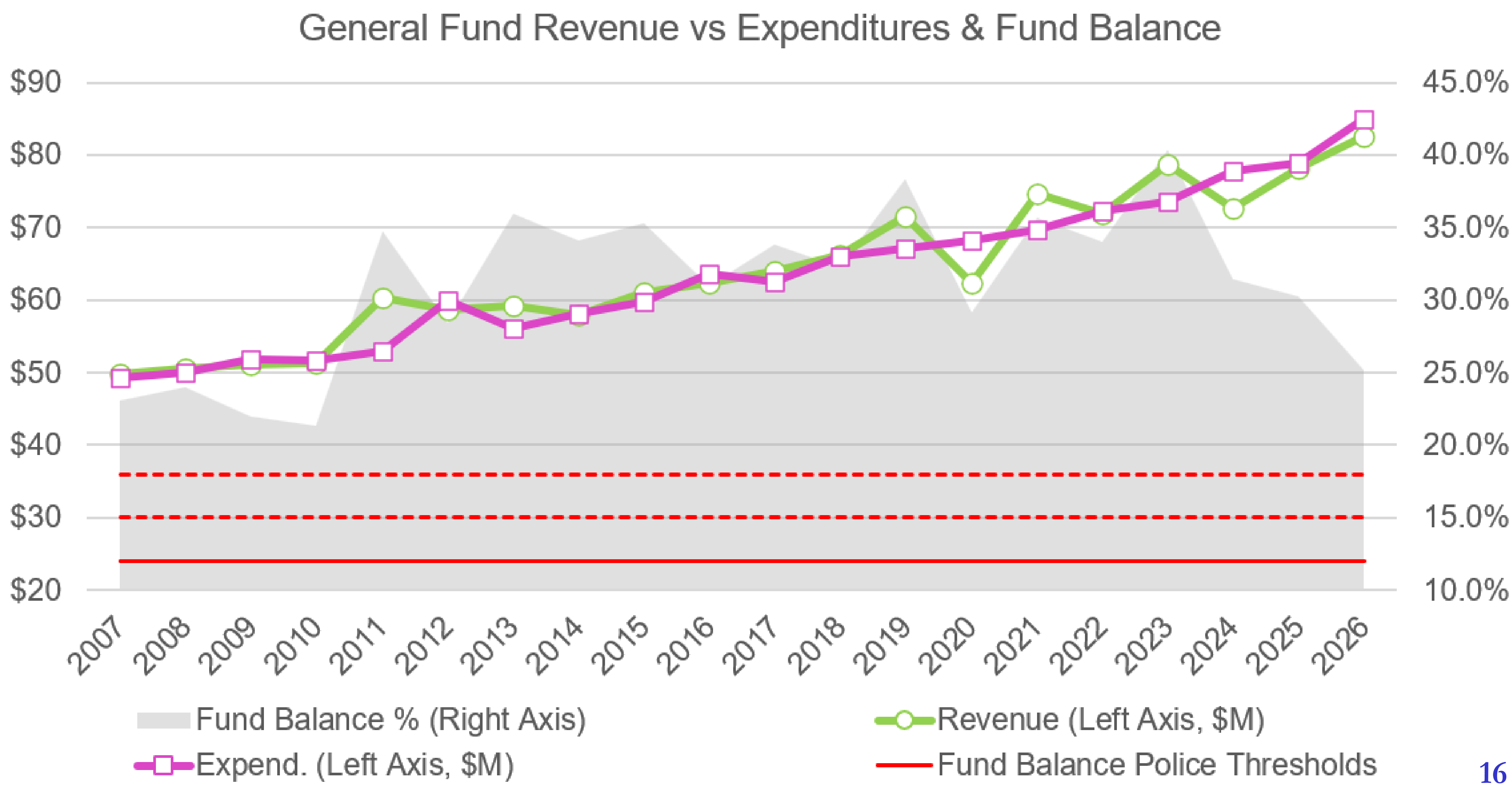
General Fund Expenditure Trends

- 2026 General Fund expenditure forecast is currently $6 million or 7.7% higher than 2025 Actual.

General Fund Expenditures	2025 Actual	2026 Forecast (July 2026)	$ Variance	% Variance
Salaries	$ 33,416,038	$ 36,412,012	$ 2,995,974	9.0%
Employee Benefits	12,066,703	13,684,903	1,618,200	13.4%
Debt Service	9,113,237	9,672,703	559,466	6.1%
Rentals	362,408	608,125	245,717	67.8%
Contracted Services	2,124,344	2,419,163	294,819	13.9%
Professional & Technical Services	2,536,138	2,748,545	212,407	8.4%
Communications Expenses	1,240,247	1,431,913	191,666	15.5%
All Other Expenditures (Net)	*13,385,996*	*13,547,772*	*161,776*	*1.2%*
Equipment Fund Rental Charges	3,642,178	3,714,332	72,154	2.0%
Insurance and Claims	762,867	651,010	(111,856)	-14.7%
Refund of Prior Year Receipts	194,597	25,000	(169,597)	-87.2%
Total Expenditures	78,844,753	84,915,478	6,070,725	7.7%

General Fund Trendline

- Financial forecast anticipates ending fund balance level of $21.2 million (24.9%).

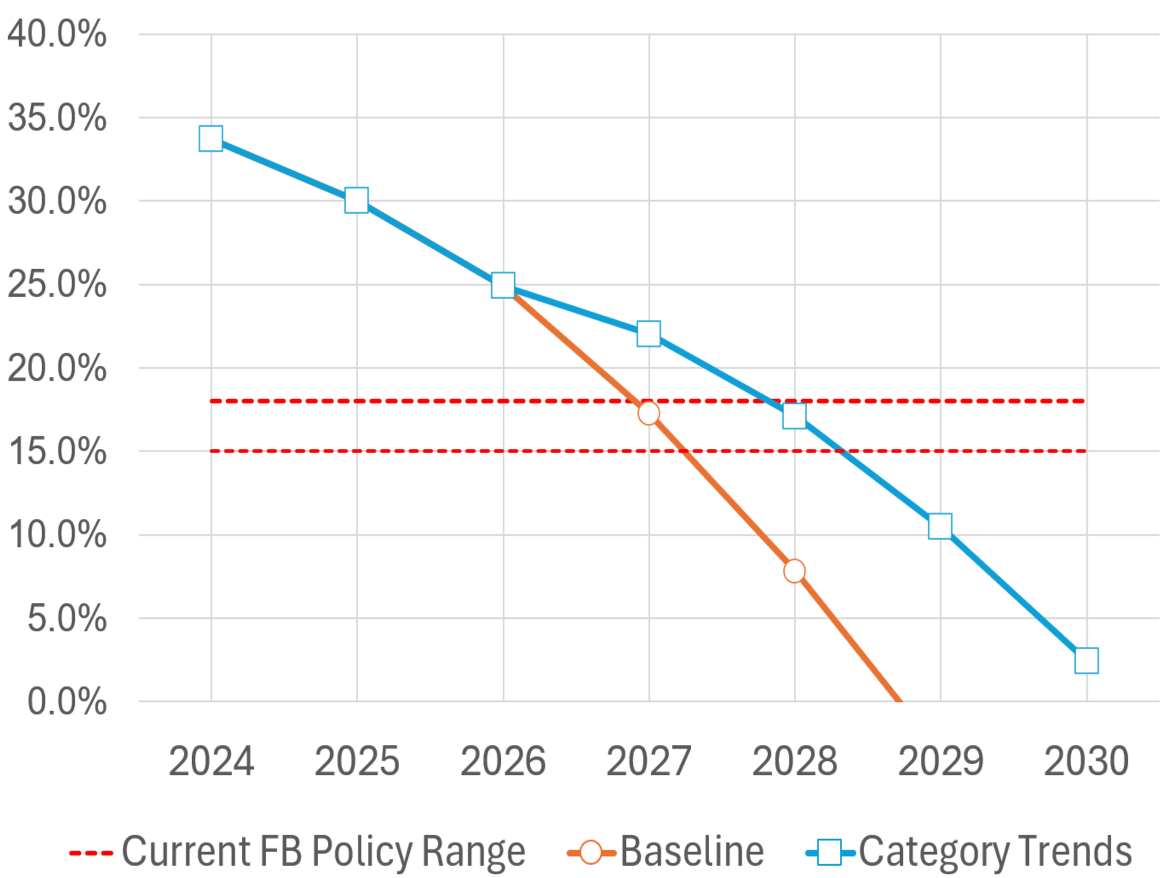


General Fund Financial Forecast

	General Fund (Million $)	2026 Estimate	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
a	Beginning Fund Balance	$ 23.7	$ 21.2	$ 15.0	$ 7.0	$ (3.0)
b	Revenues & Transfers In	82.5	80.8	82.3	83.9	85.4
c	Expenses & Transfers Out	85.0	86.9	90.3	93.9	97.4
d = b-c	Surplus/(Deficit)	(2.5)	(6.2)	(8.0)	(10.0)	(12.0)
e = a+d	Ending Fund Balance	$ 21.2	$ 15.0	$ 7.0	$ (3.0)	$ (15.0)
e÷c	Ending Fund Balance as % of Expense	24.9%	17.3%	7.8%	-3.2%	-15.4%
f1 =c*18%	Ending FB Requirement @ 18%	$ 15.3	$ 15.7	$ 16.3	$ 16.9	$ 17.5
= f1-e	*Additional Funds needed*		*$ 0.6*	*$ 9.2*	*$ 19.9*	*$ 32.6*
f2 =c*15%	Ending FB Requirement @ 15%	$ 12.7	$ 13.0	$ 13.5	$ 14.1	$ 14.6
= f2-e	*Additional Funds needed*			*$ 6.5*	*$ 17.1*	*$ 29.6*

- Assumes no real estate tax increase through 2030. Conservative growth rate assumptions in other revenue streams.
- Annual expense growth assumptions: 3.5% growth in salary costs; 6% in benefits; 3.5% in supplies and services.

General Fund Financial Forecast – Alternative Revenue Scenario



Example of alternative revenue scenario due to Township's revenue volatility:

- **Baseline**: same as prior slide.
- **Category Trends**: Application of recent budget-to-actual performance by revenue category.

Preliminary Solid Waste Fund Trends & Forecast

Solid Waste Fund Trends

- Solid Waste Fund (SWF) started the year with slightly over $100,000 fund balance.
- 2026 SWF Budget included the use of $900,000 in unrestricted ARP interest earnings to maintain positive fund balance outlook.
- Preliminary projections anticipate performance approximate to Budget, ending the year near $300,000 fund balance or 3% of expenses.
- Early projections anticipate a projected $1.2M deficit in 2027 absent rate increase or other policy action.
- SWF Projections will be presented and discussed in greater depth at the September Finance Committee Meeting.

Solid Waste Fund Trends

Solid Waste Fund	Actual 2025	Estimate 2026	Projected 2027
Beginning Fund Balance	580,214	125,272	305,698
Revenues	9,012,326	9,245,199	9,176,199
Expenses	9,467,268	9,964,773	10,372,572
Operating Surplus/(Deficit)	(454,942)	(719,574)	(1,196,373)
Non-Recurring Transfers In	-	900,000	-
Total Surplus/(Deficit)	(454,942)	180,426	(1,196,373)
Ending Fund Balance	125,272	305,698	(890,674)
Fund Balance as % of Expenses	1.3%	3.1%	-8.6%

2026 Budget Calendar

TOWNSHIP OF LOWER MERION
COUNTY OF MONTGOMERY, PA.

2026 Budget Calendar

- Budget Workshop scheduled for September 9th
- Distribution of Proposed 2027 Budget and 2027-2032 Capital Improvement Program scheduled for Friday, November 6th
- November 11th Finance Committee Meeting presentation on the Proposed Budget
- Public Hearings on Proposed Budget
  - November 18th
  - December 2nd
- Adoption of 2027 Budget and 2027-2032 Capital Improvement Program: December 16th (BOC regular meeting)

Capital Financing and Debt Issuance Options

Capital Financing Update

- Staff expect to exhaust the remaining 2025 Bond proceeds by late September or early October.

- The Capital Improvement Program (CIP) Workshop in June identified an estimated funding need of $24 million through year-end 2027 based on active and proposed “A” Projects.

- The Township has one existing issuance (Series B of 2019) with $6.5 million of outstanding principal currently callable and could be refinanced with net present value savings of ~3% as required by Township debt policy.

Capital Financing Options

- Options to explore would be raising the CIP funding needs in one issuance, or to raise capital for the CIP in two phases, once in 2026 and once in 2027.

- Option 1: Raise funding at year-end in an amount up to $24m new money plus consider refunding the $6.5m 2019 Series

- Option 2: Split new money funding between two issuances
  - o 2026: new money issuance of $10m – $15m plus consider refunding opportunity
  - o 2027: mid-year issuance of remaining financing needs

Capital Financing Options

Two Issuances

Pros

- Balances interest rate risk.
- Smooths growth in debt principal over 2 fiscal years.
- Possibility for one BQ issuance with 5-year call provision as opposed to 8-year.

Cons

- Additional issuance cost and administrative burden.
- Fastest capital spend expected in Sept 2026 – February 2027, requiring quick turnaround for 2nd issuance.

One Issuance

Pros

- Larger issuance size could drive investor demand, minimizing gap between interest costs compared to the AAA municipal bond index.
- Meets expected financing needs through end of 2027 in one issuance.

Cons

- Faster upfront growth in Township outstanding debt balance.
- Less interest rate risk balance.

Capital Financing Recommendation

- Conduct one issuance up to $24 million (and consider refunding of 2019 Bond), all subject to interest rate movement in the next several months.
    - o If long-term inflation and interest rate forecasts materially improve in next several months, reconsider two-issuance scenario

Proposed Timeline

- August: Staff, Financial Advisor, and Bond Counsel begin issuance preparations
- September: Bond Resolution and authorize advertisement
- October or November: Auction Bonds and act upon Bond Ordinance
    - o Settlement (proceeds received) 4-5 weeks thereafter

Township of Lower Merion
A FIRST CLASS TOWNSHIP

AGENDA ITEM INFORMATION

COMMITTEE: Finance

ITEM: **AUTHORIZATION TO ENTER INTO AN AGREEMENT FOR NATURAL GAS SERVICES**

Consider for recommendation to the Board of Commissioners authorizing the Township Manager to enter into an agreement for natural gas services for Township facilities.

PUBLIC COMMENT

ADDITIONAL INFORMATION:

Pricing for natural gas services will be provided by staff at the meeting.

ATTACHMENT(S):
Issue Briefing - Energy Contract

<u>TOWNSHIP OF LOWER MERION</u>
<u>Finance Committee</u>
<u>Issue Briefing</u>

Topic: Energy Procurement

Prepared By: Ernie McNeely, Township Manager

Date: July 24, 2026

I. Action To Be Considered By The Board:

Authorize the Township Manager to accept a proposal for natural gas services for Township facilities.

II. Why This Issue Requires Board Consideration:

The Board of Commissioners must authorize award of a contract for natural gas supply services.

III. Current Policy Or Practice (If Applicable):

The Township's multi-year fixed rate contract for natural gas is expiring at the end of 2026.

IV. Other Relevant Background Information:

The Township utilizes the services of a consultant, Provident Energy, to monitor the energy supply markets, provide advice and to seek competitive pricing proposals when the contracts near expiration. While energy prices have been up considerably from when the Township last shopped, Provident recently indicated that natural gas futures were at a point that it makes sense to seek new pricing proposals.

Proposals will be solicited on July 28, 2026 for consideration on July 29, 2026. The reality of the energy market is actual pricing is not locked until the day the contracts are executed as those market prices change daily and hourly. The price, if approved on July 29, 2026, could have a small adjustment by the time contracts would be executed the following day but the pricing recommendation will have a not to exceed provision so if rates increase the award can be terminated.

V. Impact On Township Finances:

The impact on Township finances will depend on the quotes received.

VI. Staff Recommendation:

Staff will provide a recommendation based on the results of the pricing proposals at the July 29th Finance Committee meeting.