Strategic Management Planning Program Five-Year Financial Plan

Newtown Township

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Submitted to Newtown Township
100 Municipal Drive, Newtown, PA 18940

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Executive Summary

The Newtown Township Board of Supervisors sent out an RFP to develop a comprehensive multi-year financial management plan. Econsult Solutions, Inc. (ESI) of 1435 Walnut St, Philadelphia, Pennsylvania responded to the proposal and was selected to assess the Township's financial condition and develop the Five-Year Plan in conjunction with McNees Wallace & Nurick LLC and SRW Strategies. A five-year plan including recommendations to improve operational efficiency and promote fiscal stability in Newtown Township was developed in collaboration with the Township staff and Board of Supervisors.

It is important to note that this analysis was commissioned prior to the COVID-19 pandemic, which has significantly impacted the Township's finances and operations. The impacts of the pandemic have been taken into consideration for both current and future projections, but this remains a fluid situation, requiring constant monitoring and updating of financial projections.

Historic General Fund Results

As illustrated in Figure ES.1, the Township has experienced an operating deficit each year from 2015 through 2019, with the exception of 2016. As expenditures have risen over recent years due to regular cost inflation, revenues have remained relatively stable, constraining the Fund Balance more and more each year, which is described further below.

Figure ES.1: General Fund Results, 2015-2019

	2015	2016	2017	2018	2019
Revenues	$11,484,885	$11,880,207	$11,645,549	$11,513,384	$11,909,790
Expenditures	$11,772,194	$11,689,383	$11,939,343	$12,170,902	$12,289,325
Total Surplus (Deficit)	($287,309)	$190,824	($293,794)	($657,518)	($379,534)
Beginning Fund Balance	$3,572,177	$3,284,868	$3,475,692	$3,181,898	$2,524,380
Ending Fund Balance	$3,284,868	$3,475,692	$3,181,898	$2,524,380	$2,144,846

Source: Newtown Township (2020)

Historically, Newtown has used General Fund reserves to avoid deficits as revenues have failed to increase in proportion to operating expenses. This practice of funding deficits with reserves is unsustainable, as the General Fund reserve has continued to decrease and could reach dangerously low levels in future years, if not by the end of 2020.

COVID-19 Implications & Corrective Measures Taken

The unprecedented onset of the COVID-19 pandemic required the financial analysis to consider how the 2020 financials of the Township would differ from what was projected in the approved budget, as well as what those financials would look like in 2021 as effects linger. Using reports provided by the

Township as they became available, a near-term cash projection was developed to estimate 2020 actual revenues and expenses. Then, 2019 unaudited actuals were compared to 2020 projections to forecast 2021 financial results.

Revenues

Based on various sources of data, including reporting from the Township, the total revenue collected by the Township is projected to be 8.0 percent lower than the budgeted amount for 2020, totaling $11.1 million. In 2021, as the Township will still be experiencing decreased activity overall as recovery from COVID continues, the revenues are expected to increase slightly from 2020 to a total of $11.3 million. It is also important to note that the revenue projections for the remainder of 2020 do not include any revenue from reimbursements, grants, or other programs that were created to provide municipal relief in response to the pandemic. If these funds become available to the Township, revenues could increase, and the Township's fiscal position could differ at the end of the year from what is displayed below.

Expenditures

The Township experienced some decreased expenditures as a result of COVID, such as not needing to hire seasonal staff for park maintenance and summer programming; however, it also implemented several corrective measures to contain costs in anticipation of decreased revenues, such as delaying the replacement of a retired police lieutenant and limiting capital investments. As a result, the 2020 expenditures are projected to be 6.8 percent lower than the budgeted amount at $12.2 million.

While the Township will still be recovering from the COVID-19 crisis in 2021, it will need to continue providing services and compensating its employees. Therefore, many of the operating expenditures for 2021 are expected to grow at a normal rate for 2021 based on the projected 2020 actuals. Accordingly, the total 2021 expenditures are forecast to be $13.0 million. Notably, the 2021 baseline forecast assumes that the Township maintains the same level of operations, meaning no additional personnel is included in the forecast.

2020 Projected and 2021 Forecast Financial Summary

As a result of COVID-19 implications and actions taken by the Township to alleviate stress on the General Fund in response to the pandemic, the Township is projected to finish the year 2020 with an operating deficit of $1.1 million and an ending fund balance of $1.0 million, which is 8.2 percent of projected expenditures. Moving forward into 2021, if the baseline is maintained, it is forecast that the Township will finish the year with a deficit of $1.7 million and an ending fund balance of negative $650,000.

Baseline General Fund Projections, 2020-2025

The baseline forecast of financial results is intended to project the Township's financial position absent of any changes in current operating procedures and assuming no significant growth in the tax base. The baseline projections establish the framework used to develop the recommendations, which are designed to build a stronger financial position and promote structural budgetary balance.

The baseline forecast is perhaps more important now than ever, since, as of this writing, the full economic and societal impacts of the COVID-19 crisis remain to be seen for the rest of the year 2020 and beyond. As a result of the timing of this analysis coinciding with the onset of a global pandemic, the methodology for forecasting future financial results from a 'normal' baseline was altered. Instead of the standard practice of using the current year budget as a baseline, this analysis attempts to forecast the reality of 2020, which is anticipated to result in a very different financial situation than was anticipated in 2019 when the budget for the year was approved. From that point, the analysis attempts to forecast financial results for 2021 through 2025 based on an adjusted 'normal' baseline framework, derived from structural changes that may occur as a result of the COVID-19 crisis.[1]

Moving forward beyond 2021, it is assumed that both revenues and expenses will continue to grow at "normal" rates; as such, reasonable growth assumptions are applied to revenues and expenditures in 2021 and inflated at those rates for each year from 2022 through 2025.

Baseline Operating Forecast

The baseline forecast for revenues and expenditures shows an operating loss of $1.1 million in 2020, which continues to grow through 2025, at which point the operating deficit reaches $2.2 million. The cumulative impact of the operating deficit is shown in the Township's fund balance position. From the 2020 projected financial results through 2025, the Township's fund balance is expected to decline from a balance of 8 percent of total expenditures to negative 57 percent of expenditures.

The baseline forecast assumes no corrective actions are taken to avoid the forecasted structural deficit. In the baseline scenario, the rate of expense growth exceeds the rate of revenue growth, resulting in future deficits. This analysis will provide the basis for estimating the full operating gap that must be eliminated in each future year given current conditions.

[1] It is important to note that this baseline analysis is based on significant assumptions that had to be made regarding the effects of the COVID-10 pandemic, as the full effects are yet to be seen. Therefore, future cost estimates presented in this forecast may be more subject to uncertainty or error than forecasts presented during "normal" economic times.

Figure ES.2: Baseline Operating Forecast, 2020-2025

	2020 Projected	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Revenues	$11,142,342	$11,342,479	$11,725,497	$11,963,451	$12,207,340	$12,457,334
Expenditures	$12,244,135	$13,001,785	$13,387,318	$13,785,482	$14,196,714	$14,621,466
Total Surplus (Deficit)	($1,101,793)	($1,659,307)	($1,661,820)	($1,822,031)	($1,989,374)	($2,164,132)
Beginning Fund Balance	$2,111,171	$1,009,378	($649,929)	($2,311,750)	($4,133,781)	($6,123,155)
Ending Fund Balance	$1,009,378	($649,929)	($2,311,750)	($4,133,781)	($6,123,155)	($8,287,287)
Fund Balance as % of Expenditures	8%	(5%)	(17%)	(30%)	(43%)	(57%)

Source: Newtown Township (2020), Econsult Solutions, Inc. (2020)

Recommended Approach

The Strategic Management Planning Program (STMP) focuses on five measures to take to improve financial position:

1. Cost containment
2. Adoption of best management practices to achieve operating efficiencies
3. Revenue enhancement
4. Implementation of a long-term economic development strategy
5. Pursuit of intergovernmental cost-sharing strategies

Given the range of measures that can be taken to improve a locality's fiscal position under the program, there are numerous ways that Newtown Township could implement the recommendations contained in the previous chapters of this report, with variations to the magnitude, timing, and combination of recommendations that are adopted. To exhibit the variety of ways in which the recommendations could be implemented, three scenarios are offered that would improve the Township's fiscal standing, particularly in terms of its end General Fund balance each year through 2025.[2]

[2] It is important to note that the scenarios offered do not include fiscal impacts of the longer-term recommendations, such as regularly reviewing salary benchmarks and staffing levels and renegotiating its police compensatory time policy on the expenditure side and increased revenue that could result from the economic development recommendations. So, while some of the scenarios indicate fund balances below the 10 percent minimum in the out years of the forecast, we believe that the other recommendations that cannot be quantified as easily and inserted in the forecast will improve the Township's position at the end of those years. The Township should keep these recommendations in mind and regularly review its financial standing each year to make revisions as needed. For example, if the Township implements several economic development initiatives and begins seeing significantly higher revenues in the later years, it could consider decreasing the amount of millage needed to fund General Fund operations moving forward.

Scenario 1

Scenario 1 provides a view of how the Township could achieve its minimum 10 percent fund balance while also maintaining the current level of operations, including making no changes to staffing levels. This scenario implements only one change from the baseline forecast, which is implementing real estate tax revenue to the General Fund in the amount of 5.75 mills (in addition to the existing 4.5 mills in other funds). By implementing this millage in 2021, the Township could continue at the current level of operations through 2025 and maintain the minimum 10 percent fund balance each year as well.

Scenario 2

The second scenario implements more of the recommendations that have been made throughout the report, including adding several employees, decreasing overtime/comp time by 30 percent by 2023, as well as introducing real estate millage to the General Fund. Importantly, this scenario presents the Township with a view of the forecast in the event that it does not reach an agreement with Newtown Borough for fire service payments. The personnel added in the scenario include:

- 2021:
    - Full-time Assistant Township Manager (salary ranging from $80,000 to $90,000)
    - Full-time Code Enforcement Manager (salary ranging from $65,000 to $85,000)
    - One police patrol officer (base salary approximately $63,955 per labor contract)
- 2022:
    - Two police patrol officers (base salaries approximately $65,874 each per labor contract)

In this scenario, the Township would need to introduce a total of 7.5 mills to the General Fund budget in 2021, then add an additional 1.5 mills in 2024, for a total millage of 9.0 through 2025. As with Scenario 1, this increase in millage applies only to the General Fund, with the 4.5 mills currently appropriated to other funds remaining constant.

Scenario 3 (Recommended Approach)

The third and recommended scenario includes all measures taken in Scenario 2 but adds the recommended Newtown Borough fire service revenue beginning in 2021. In this scenario, the Township would need to add real estate tax in the amount of 7.25 mills to the General Fund in 2021 to maintain an appropriate end fund balance through the year 2025. Again, this millage increase applies only to the General Fund, while the existing 4.5 mills in other funds remains the same, for a total millage of 11.75 across all funds in 2021 and beyond.

Figure ES.3: Total General Fund Millage Required to Maintain 10% Minimum Fund Balance Each Year

	2021	2022	2023	2024	2025	Total GF Millage
Scenario 1						
Addtl. Millage	5.75	0.00	0.00	0.00	0.00	5.75
End Fund Balance %	8%	12%	12%	12%	10%	
Scenario 2						
Addtl. Millage	7.50	0.00	0.00	1.50	0.00	9.00
End Fund Balance %	11%	13%	14%	12%	9%	
Scenario 3 (Recommended)						
Addtl. Millage	7.25	0.00	0.00	0.00	0.00	7.25
End Fund Balance %	11%	14%	16%	12%	8%	

Source: Econsult Solutions, Inc. (2020)

Revised General Fund Projections with Corrective Action, 2020-2025

Based on the recommended approach presented above, the Township can maintain its minimum end fund balance of 10 percent of expenditures each year through 2025. Figure ES.4 displays the revised financial forecast summary for 2020 through 2025 based on the implementation of the recommendations in Scenario 3.

As previously noted, while the forecast shows the end fund balance falling below the 10 percent of expenditures minimum mark in 2025, it is important to consider the longer-term initiatives that have been recommended within the report that are not as easily quantifiable and are therefore not included in the forecast. If the Township successfully implements some of the economic development initiatives and begins to see increased revenues in the later years, for example, then the forecasted end fund balance could in fact be higher and meet the minimum. Similarly, but on the expenditures side, the Township could renegotiate its compensatory time policy with the Police Department and begin to realize significant savings in the Overtime/Comp Time budget category, which could also improve its financial standing in 2024 and 2025 from the revised forecast.

Figure ES.4: Revised Financial Forecast Summary, 2020-2025

	2020 Projected	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Revenues	$11,142,342	$13,860,778	$14,376,510	$14,645,776	$15,048,731	$15,334,831
Expenditures	$12,244,135	$13,356,218	$13,950,968	$14,340,679	$15,460,696	$15,932,294
Total Surplus (Deficit)	($1,101,793)	$504,559	$425,542	$305,096	($411,965)	($597,463)
Beginning Fund Balance	$2,111,171	$1,009,378	$1,513,937	$1,939,479	$2,244,576	$1,832,611
Ending Fund Balance	$1,009,378	$1,513,937	$1,939,479	$2,244,576	$1,832,611	$1,235,148
Fund Balance as % of Expenditures	8%	11%	14%	16%	12%	8%

Source: Econsult Solutions, Inc. (2020)

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1. Introduction and Background

1.1. Introduction

The Newtown Township Board of Supervisors sent out an RFP to develop a comprehensive multi-year financial management plan. Econsult Solutions, Inc. (ESI) of 1435 Walnut St, Philadelphia, Pennsylvania responded to the proposal and was selected to assess the Township's financial condition and develop the Five-Year Plan in conjunction with McNees Wallace & Nurick LLC and SRW Strategies. The total cost of the engagement came to $69,450. The effort was dually funded by the Strategic Management Planning Program grant funds awarded by the Pennsylvania Department of Community and Economic Development and Newtown Township. A five-year plan including recommendations to improve operational efficiency and promote fiscal stability in Newtown Township will be publicly released in 2020.

It is important to note that this analysis was commissioned prior to the COVID-19 pandemic, which has significantly impacted the Township's finances and operations. The impacts of the pandemic have been taken into consideration for both current and future projections, but this remains a fluid situation, requiring constant monitoring and updating of financial projections.

1.2. Background: Newtown Township

Newtown Township ("Newtown" or "the Township") is a suburban community located on the eastern side of Bucks County, bordering Newtown Borough, Upper Makefield Township, Lower Makefield Township, Falls Township, Middletown Township, Northampton Township, and Wrightstown Township. The approximately 11.9 square mile township surrounds Newtown Borough, which separated from the Township in 1838. Newtown Township is situated approximately 30 miles northeast of Center City Philadelphia, 13 miles west of Trenton and 13 miles away from Doylestown Borough, the Bucks County seat. Newtown's history dates to 1683 when William Penn purchased the land from Lenape Native Americans and named the land "New Township". The Township was severely impacted by the closure of Lockheed Martin's Newtown facility in 2015, which eliminated over 800 jobs in the area.[3] The Lockheed

[3] Kostelni, Natalie, Lockheed Martin selling Newtown, Pa., facility for $30 million, Philadelphia Business Journal, June 2014

property has since been purchased by KVK-Tech Inc., a specialty pharmaceutical company, but the Township has not recouped the full economic impact of the departure of Lockheed.

Newtown residents pay a local real estate tax rate of 4.5 mills, which contributes to the Township's debt service (2.625 mills), fire department (0.875 mills), fire hydrants (0.55 mills), and emergency services (0.45 mills). Currently, the Township does not collect general purposes real estate taxes in the General Fund. The total millage of 4.5 is the fifth lowest in Bucks County. However, residents also pay real estate taxes to Bucks County (25.45 mills) and to the Council Rock School District (130.216 mills). Figure 1.1 displays historical real estate tax millage rates by taxing jurisdiction from 2016 through 2020.

Figure 1.1: Newtown Township Real Estate Tax Millage Rates, 2016-2020

Tax Fund	2016	2017	2018	2019	2020
Debt Service	1.625	2.625	2.625	2.625	2.625
Fire	0.875	0.875	0.875	0.875	0.875
Fire Hydrants	-	-	0.55	0.55	0.55
Emergency Services	-	-	0.45	0.45	0.45
Newtown Township	2.50	3.50	4.50	4.50	4.50
Council Rock School District	115.01	120.71	123.607	126.301	130.216
Bucks County	23.20	23.20	24.45	24.45	25.45
Total Millage	140.71	147.41	152.557	155.251	**160.166**

Source: Pennsylvania Department of Community and Economic Development (2020)

The average residential property in Newtown Township has an assessed value of approximately $38,800.[4] Based on this assessed value, the average homeowner in the Township would owe approximately $6,210 in real estate taxes under the current millage rates (see Figure 1.2).

[4] Bucks County Board of Assessment 2018 Land Use Report.

Figure 1.2: Newtown Township Average Homeowner Real Estate Taxes, 2020

Tax Fund (2020)	Millage	Average Taxes Owed
Debt Service	2.625	$100
Fire	0.875	$30
Fire Hydrants	0.55	$20
Emergency Services	0.45	$20
Newtown Township	4.50	$170
Council Rock School District[5]	130.216	$5,050
Bucks County	25.45	$990
Total Millage	**160.166**	$6,210

Source: Pennsylvania Department of Community and Economic Development (2020)

Today, Newtown Township continues to advance economic and community development efforts through various programs and initiatives. Some of the continued improvements to Newtown, noted in the 2020 budget, include upgraded police equipment, trail extensions, and roadway maintenance.

1.3. Socioeconomic Review

Population

Newtown Township's population exploded in the 1980s and 1990s and continues growing at a moderate pace today. Between 1980 and 2000 the Township's population more than tripled, increasing from 4,527 in 1980 to 18,206 residents in 2000. Compared to the rest of Bucks County, Newtown Township saw significantly higher growth rates until the turn of the century and comparable growth since. Although the population has continued to grow in Newtown, the population growth rate has decreased significantly since 1990. While slowing, the growth rate of the Township has consistently outperformed the growth rate of the county and the state. Bucks County, similarly, has maintained a steadily decreasing growth rate. Pennsylvania experienced a varying growth rate over this period, recovering from near-zero growth in 1990 and falling again from 2010 to 2018 (see Figure 1.3).

[5] Council Rock School District millage is based on the 2020-2021 final budget, while Bucks County and municipal rates are for the year 2020.

Figure 1.3: Newtown Population, 1970-2018

	Newtown Township		Bucks County		Pennsylvania	
	Population	% Change	Population	% Change	Population	% Change
1970	2,002		416,728		11,800,766	
1980	4,527	126%	479,180	15%	11,864,720	0.5%
1990	13,685	202%	541,174	13%	11,881,643	0.1%
2000	18,206	33%	597,635	10%	12,281,054	3.4%
2010	19,299	6%	625,249	5%	12,702,379	3.4%
2018	19,649	2%	628,195	0.5%	12,807,060	0.8%

Source: Decennial Census (1970-2010), American Community Survey 5-Year Estimates (2014-2018)

Economic and Housing Data

Newtown Township benefits from the high household income of its residents. The American Community Survey (ACS) shows a substantial portion of Newtown's population has moderate to high income levels. Newtown Township's median household income was about $118,000 in 2018, approximately $32,000 higher than the county's median household income and roughly double the state's median household income. Around 25 percent of Newtown households earned over $200,000 in 2018. Only 13.2 percent of Bucks County residents and 6.5 percent of Pennsylvania residents fell into the same earnings bracket (see Figure 1.4).

Figure 1.4: Household Income Distribution, 2018

	Newtown Township	Bucks County	Pennsylvania
Less than $10,000	2.3%	3.3%	6.4%
$10,000 to $14,999	1.6%	2.5%	4.4%
$15,000 to $24,999	3.2%	6.1%	9.3%
$25,000 to $34,999	4.5%	6.5%	9.3%
$35,000 to $49,999	5.6%	9.4%	12.3%
$50,000 to $74,999	13.9%	16%	17.8%
$75,000 to $99,999	9.9%	13.3%	12.8%
$100,000 to $149,999	20.2%	19%	15.1%
$150,000 to $199,999	13.3%	10.6%	6.2%
$200,000 or more	25.4%	13.2%	6.5%
Median household income (dollars)	$118,250	$86,055	$60,905

Source: American Community Survey 5-Year Estimates (2014-2018)

High median household income in Newtown Township comes with high volatility. Median Newtown income increased from $107,430 in 2010 to $118,250 in 2018 but growth has not been consistent. Newtown experienced negative income growth in 2012, declining by 5.5 percent, and incomes fell again in 2015, by 1.8 percent. Over the past 8 years, median household income grew roughly 10 percent in Newtown. Newtown's growth pales in comparison to Bucks County's 24.7 percent growth and

Pennsylvania's 23.6 percent growth. Bucks County's growth has remained steady during this period and Pennsylvania's growth varied but negative growth was countered by higher growth periods.

Figure 1.5: Median Household Income, 2010-2018

	Newtown Township		Bucks County		Pennsylvania	
	Income ($)	% Change	Income ($)	% Change	Income ($)	% Change
2010	107,430		70,999		49,288	
2011	113,520	5.7%	70,617	1.9%	50,228	-0.5%
2012	107,320	-5.5%	75,471	2.0%	51,230	6.9%
2013	108,065	0.7%	73,594	1.5%	52,007	-2.5%
2014	109,563	1.4%	77,917	2.4%	53,234	5.9%
2015	107,574	-1.8%	80,575	4.6%	55,702	3.4%
2016	108,017	0.4%	79,936	2.2%	56,907	-0.8%
2017	114,319	5.8%	84,749	4.0%	59,195	6.0%
2018	118,250	3.4%	88,569	2.9%	60,905	4.5%

Source: American Community Survey 1-Year Estimates (2010-2018)

Newtown Township exceeds Bucks County and the State of Pennsylvania in key economic measures. In 2018, only 3.1 percent of individuals living in Newtown Township lived below the poverty line, compared to 6.1 percent for Bucks County and 12.2 percent for Pennsylvania. The 2018 unemployment rate was also lower in Newtown Township, 2.4 percent, in comparison to the county and state's unemployment rate, 3.1 percent for both. According to the 2018 ACS estimates, residents in Newtown Township were more educated than those in the rest of the county and state, with 66.8 percent of residents having a bachelor's degree or higher. The percent of residents with a bachelor's degree or higher is 40.5 percent and 30.8 respectively for Bucks County and the state of Pennsylvania.

Figure 1.6: Newtown Economic Characteristics, 2018

	Newtown Township	Bucks County	Pennsylvania
Housing			
Median Home Value	$426,700	$323,300	$174,100
Owner Occupied Units	84.4%	76.5%	69%
Renter Occupied Units	15.6%	23.5%	31%
Income			
Median Household income	$118,250	$86,055	$60,905
Per Capita Income	$62,632	$44,103	$33,960
Percentage of Individuals Below Poverty	3.1%	6.1%	12.2%
Educational Attainment			
High School Graduate	14.6%	28.8%	35.1%
Bachelor's Degree or Higher	66.8%	40.5%	30.8%
Unemployment Rate	2.4%	3.1%	3.1%

Source: American Community Survey 5-Year Estimates (2014-2018)

Figure 1.7: Newtown Age Distribution, 2018

	Newtown Township	Bucks County	Pennsylvania
Under 5 Years	4.9%	4.9%	5.5%
5 to 19 Years	18.6%	17.8%	18.0%
20 to 34 Years	12.4%	16.8%	19.6%
35 to 49 Years	21.1%	18.6%	18.0%
50 to 64 Years	26.7%	23.5%	20.9%
65 to 79 Years	12.3%	14.2%	13.6%
80 Years and Over	4.2%	4.4%	4.7%

Source: American Community Survey 5-Year Estimates (2014-2018)

Figure 1.8: Jobs by NAICS Industry Sector

Sector	2018	2011	% Change
Civilian employed population 16 years and over	10,770	10,494	
Agriculture, Forestry, Fishing, Hunting, and Mining	40	36	11%
Construction	331	306	8%
Manufacturing	1,325	1,129	17%
Wholesale trade	418	384	9%
Retail Trade	996	907	10%
Transportation and Warehousing, and Utilities	269	338	-20%
Information	375	337	11%
Finance, Insurance, Real Estate, and Rental & Leasing	1,206	1,275	-5%
Professional, Scientific, Management, & Administrative & Waste Mgmt. Services	1,698	1,624	5%
Educational Services, and Health Care & Social Assistance	2,521	2,758	-9%
Arts, Entertainment, Recreation, and Accommodations & Food Services	776	575	35%
Other Services (excluding Public Administration)	356	540	-34%
Public Administration	459	285	61%

Source: American Community Survey 5-Year Estimates (2014-2018)

2. Historical Financial Performance

2.1. Introduction

This assessment of historical financial performance presents a detailed analysis of operating activity in the Township since 2015. An overview of the Township's accounting funds is provided, with a detailed analysis of the General Fund's performance. Detailed assessments of other funds are presented later in the report. This analysis uses audited General Fund results for 2015 through 2018 and draft results from General Ledger for 2019. The adopted 2020 budget will also be referenced throughout the section. While the actual 2020 results will differ from the adopted budgeted amounts due to the onset of the COVID-19 global pandemic in the first quarter of the year, this section will make no adjustments to the 2020 budgeted figures, as its main focus is on economic activity that has already occurred. Rather, the next section will include financial projections, including adjustments for the year 2020 to account for impacts from COVID-19.

2.2. Funds Overview

Newtown Township adheres to a system of fund accountancy to establish and document the use of both restricted and unrestricted funds.

The General Fund serves as the primary operating fund for Newtown, accounting for most of the Township's financial activity. With the exception of Emergency Services, the operations of each department in the Township are fully funded by the General Fund, including employee salaries and benefits.

In addition to the General Fund, the Township maintains funds for the fire department, rescue squad, and debt service, in addition to capital improvement and maintenance projects. Finally, the Township also maintains pension funds for the Police Department, Fire Department, and Non-uniform employees. Figure 2.1 provides more information on each of the Township's funds beyond the General Fund.

Figure 2.1: Newtown Township Funds for Operations and Capital, 2020 Budget

Funds Supported by Real Estate Millage	
Debt Service Fund	Debt Service is funded by the largest portion of property tax revenue (2.625 mills) and pays for the Township's debt service.
Fire Protection Fund	Newtown provides fire protection services through a combination career and volunteer Fire Department. The Fire Department's operating activity is reflected in this fund, supported by 0.875 real estate mills.
Fire Hydrant Fund	Implemented in 2018, the Fire Hydrant Fund is used for fire hydrant maintenance and is funded by a millage of 0.55.
Rescue Squad Fund	Also implemented in 2018, 0.45 of the Township's total millage funds its Emergency Medical Services Rescue Squad.
Funds for Capital Improvement & Maintenance	
Capital Projects Fund	Most capital improvements within the Township are funded by the Capital Projects Fund, which is funded by an annual transfer from the General Fund.
Recreation Capital Fund	Capital improvement related to Parks and Recreation is funded through the Recreation Capital Fund, which is funded through grant revenue and developers' payments in lieu of open space.
Highway Aid Fund	Capital improvement related to the Township's roadway network is funded through the Highway Aid Fund, largely funded through liquid fuels tax revenue.
Funds for Pensions	
Police Pension	The Police Pension is funded by state and municipal contributions, employee contributions of 5%, and dividends and gains on investment.
Firefighter Pension	The Firefighter Pension is funded by state and municipal contributions, employee contributions of 4%, and dividends and gains on investment.
Non-Uniform Pension	The Non-Uniform Pension is funded by state and municipal contributions, employee contributions of 2.5%, and dividends and gains on investment.

2.3. General Fund Results and Fund Balances

As illustrated in Figure 2.2, the Township has experienced an operating deficit each year from 2015 through 2019, with the exception of 2016. Figure 2.3 shows the trend in General Fund expenditures and revenues over the years, with the magnitude of the gap between revenues and expenses fluctuating year over year, but growing to over $1 million in the approved 2020 budget, larger than in any of the previous years included in this analysis.

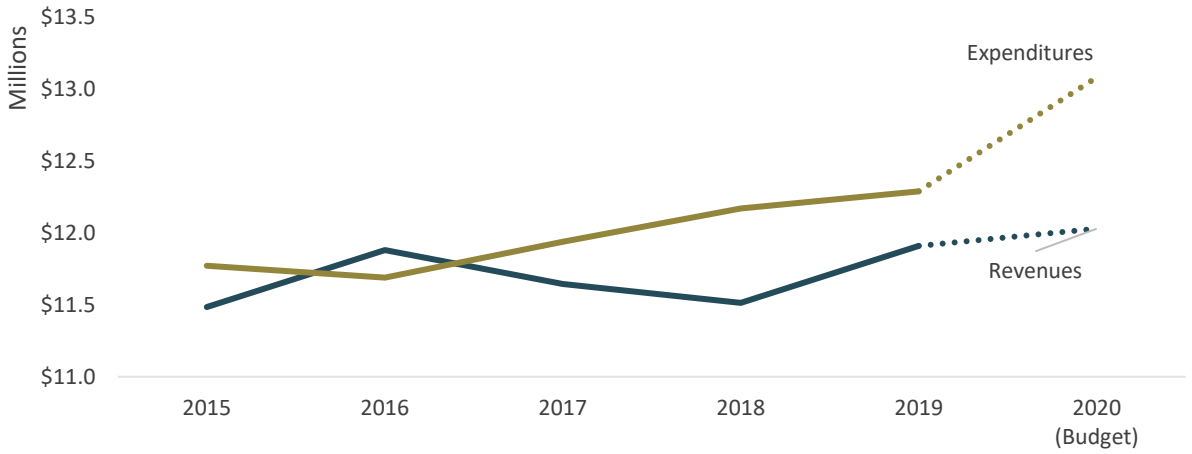
As expenditures have risen over recent years due to regular cost inflation, revenues have remained relatively stable, constraining the Fund Balance more and more each year, which is described further below.

Figure 2.2: General Fund Results, 2015-2019

	2015	2016	2017	2018	2019
Revenues	$11,484,885	$11,880,207	$11,645,549	$11,513,384	$11,909,790
Expenditures	$11,772,194	$11,689,383	$11,939,343	$12,170,902	$12,289,325
Total Surplus (Deficit)	($287,309)	$190,824	($293,794)	($657,518)	($379,534)
Beginning Fund Balance	$3,572,177	$3,284,868	$3,475,692	$3,181,898	$2,524,380
Ending Fund Balance	$3,284,868	$3,475,692	$3,181,898	$2,524,380	$2,144,846

Source: Newtown Township (2020)

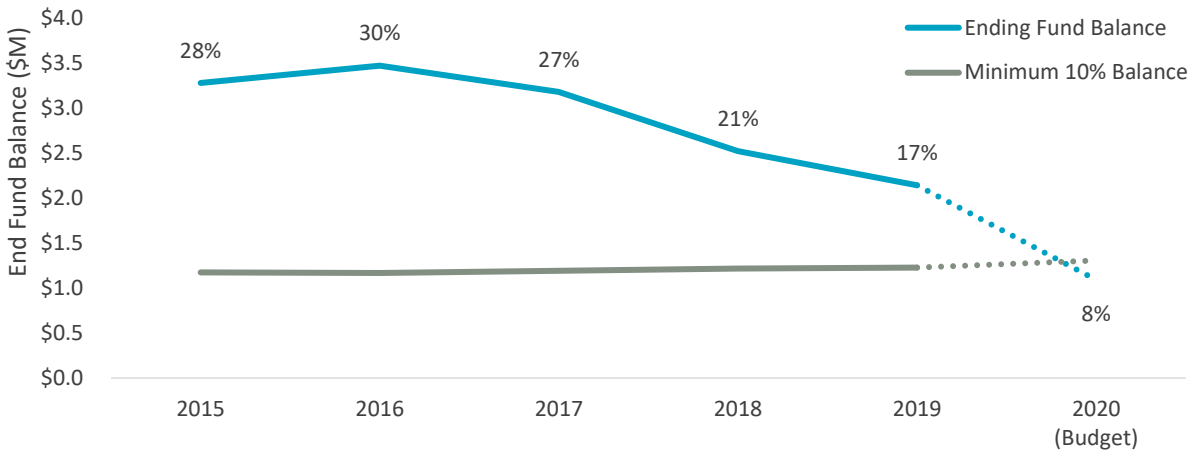
Figure 2.3: General Fund Results, 2015-2020



Source: Newtown Township (2020)

The Township sustained a strong operating fund balance through 2016, reaching 30 percent of expenditures. From 2017 through 2019, the end fund balance decreased each year, with the unaudited 2019 ledger reflecting an ending balance of $2.1 million, 17 percent of expenses for the year. The Township has an ordinance requiring that the ending fund balance as a percentage of operating expenditures be a minimum of 10 percent (see Figure 2.4).

Figure 2.4: Ending General Fund Balance as a Percentage of Total Expenditures, 2015 – 2020



Source: Newtown Township (2020)

The fund balance as a percentage of expenditures for 2020 was budgeted to be only 10 percent, continuing the downward trajectory seen in recent years. Further, the budget accounts for a beginning fund balance of over $2.3 million. All else equal, the balance share of expenditures will be closer to 8 percent in 2020 if the actual beginning balance of $2.1 million is used. Overall, the current General Fund balance level is below the GFOA suggested guidelines, which recommend a local government maintain a fund balance equal to two months of expenditures, equivalent to approximately 17 percent of General Fund operating expenditures.

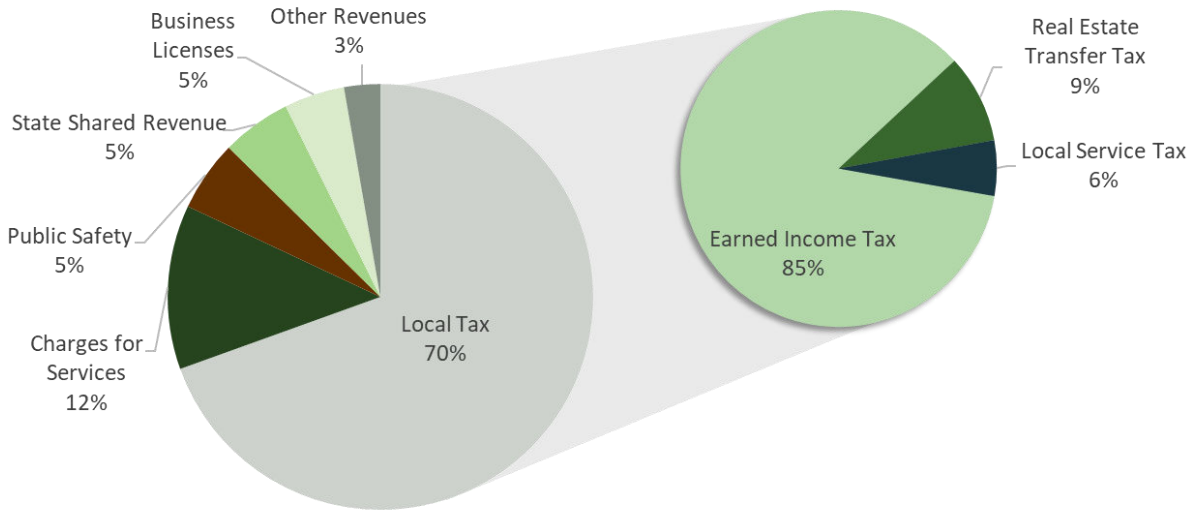
Historically, Newtown has used General Fund reserves to avoid deficits as revenues have failed to increase in proportion to operating expenses. This practice of funding deficits with reserves is unsustainable, as the General Fund reserve has continued to decrease and could reach dangerously low levels in future years, if not by the end of 2020.

2.4. General Fund Revenues

As illustrated in Figure 2.5, local taxes are the largest source of General Fund revenue, accounting for 70 percent of 2019 revenue. As permitted under Act 511, the Township collects three types of local taxes: Earned Income Tax (EIT), Real Estate Transfer Tax, and Local Services Tax (LST). EIT alone makes up 85 percent of all local tax revenue.

Behind local taxes, charges for services make up the second-largest source of revenue for the Township, followed by public safety, state-shared revenue, and business licenses. Each category is described further below.

Figure 2.5: Distribution of General Fund Revenues, 2019[6]



Source: Newtown Township (2020)

While Figure 2.5 illustrates the share of revenues by category for 2019, Figure 2.6 presents a five-year history of revenue by major category. With a few exceptions, overall revenue has changed very little since 2015, growing at an average annual rate of just 0.9 percent from 2015 to 2019. However, the overall growth in revenue from 2018 to 2019 was 3.4 percent, the largest overall increase from the analysis period.

[6] The "Charges for Services" category includes charges for police and public works services, sanitation services, recreation programming, and escrow administration. "Other Revenues" includes interest and dividends (0.8%); fines (0.5%); grants (0.5%); reimbursements (0.4%); non-business licenses (0.2%); sale of property (0.1%); and PILOT (0.1%).

Figure 2.6: General Fund Revenues, 2015 –2019

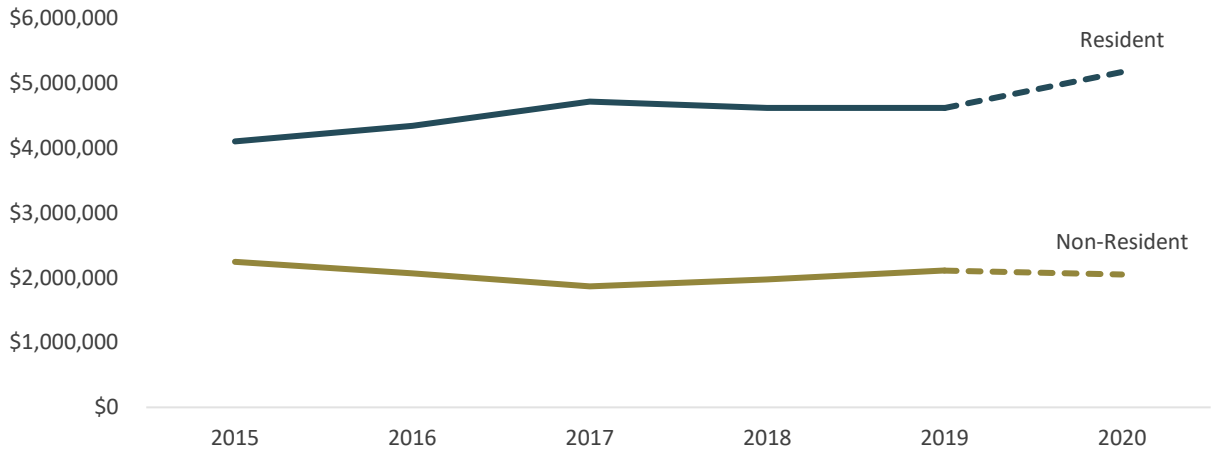
Revenue Source	2015	2016	2017	2018	2019	Avg. % Growth
Real Property Taxes	$12,500	$12,500	$12,500	$12,500	$12,500	-
Local Tax	$7,886,600	$8,005,276	$8,361,329	$7,998,709	$8,277,942	1.2%
Business Licenses	$548,275	$565,735	$576,683	$574,973	$547,293	-
Non-Business Licenses	$16,791	$14,415	$14,620	$16,520	$28,482	14.1%
Fines	$64,743	$54,665	$57,597	$59,771	$62,502	-0.9%
Interest and Dividends	$48,962	$66,869	$96,074	$86,261	$97,583	18.8%
State Shared Revenue	$544,183	$593,696	$572,207	$597,173	$629,484	3.7%
Public Safety	$756,373	$862,121	$453,520	$593,569	$641,331	-4.0%
Charges for Services	$771,153	$768,392	$813,967	$832,950	$873,587	3.2%
Recreation Programming	$468,265	$540,983	$550,118	$575,530	$612,325	6.9%
Grants	$77,145	$75,788	$73,713	$73,115	$61,393	-5.5%
Sale of Property	$17,535	$2,601	$8,380	$3,642	$14,908	-4.0%
Reimbursements	$67,628	$316,874	$53,378	$87,389	$49,842	-7.3%
Miscellaneous/Other	$598	$292	$1,463	$1,282	$618	0.8%
Transfers	$204,134	-	-	-	-	-100.0%
Total	$11,484,885	$11,880,207	$11,645,549	$11,513,384	$11,909,790	0.9%

Source: Newtown Township (2020)

Earned Income Tax Revenue

Newtown collects Earned Income Tax (EIT) from non-residents who work within the Township at a rate of one percent and from residents of the Township at a rate of 0.5 percent. The Council Rock School District also collects a resident EIT of 0.5 percent, bringing the total EIT rate for Newtown residents to a full one percent as well. Figure 2.7 displays the amount of resident and non-resident EIT collected each year, plus the budgeted 2020 collections.

Figure 2.7: Earned Income Tax Revenue, 2015-2020

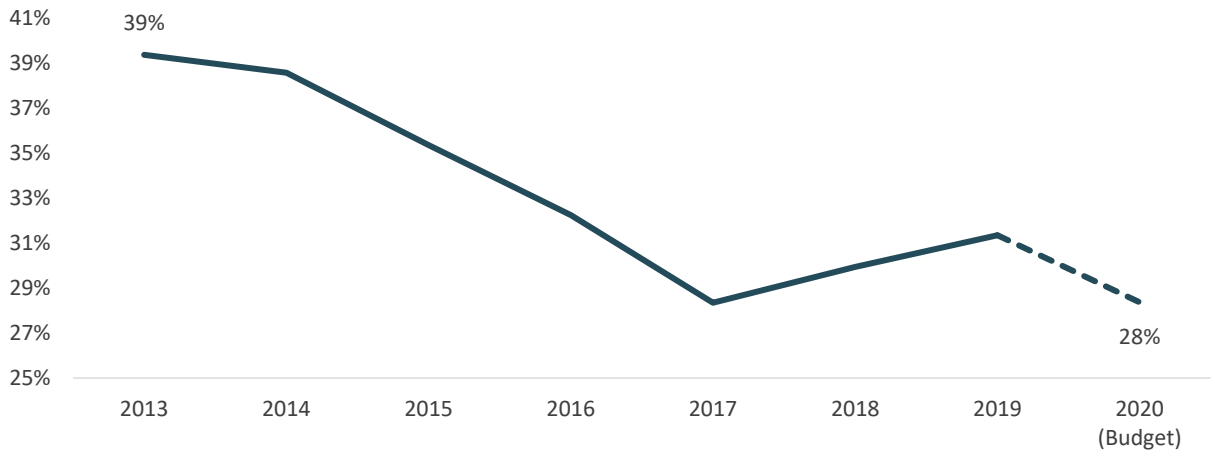


Source: Newtown Township (2020)

From 2015 through 2019, resident EIT collections had an average annual growth rate of 3.0 percent, despite a decrease from 2017 to 2018 and very little change from 2018 to 2019. Conversely, non-resident EIT collections had an average annual rate of change of negative 1.5 percent, despite growing by 5.8 and 6.8 percent in 2018 and 2019, respectively. This average change is due to decreasing non-resident EIT collections from 2015 through 2017 during the closure of Lockheed Martin's Newtown location. Prior to closing, Lockheed was the largest single EIT generator for the Township. The Township has received increasing revenues from non-resident earners each year following the decrease in 2017. With the exception of accounting for firm closures, the Township has been able to budget for and realize EIT revenues that increase with inflation year over year. However, the increase has not been enough to cover the concurrent increase in expenditures each year.

EIT is the single largest source of General Fund revenues and Lockheed Martin's Newtown location was once the largest single EIT generator for the Township. The percent of total EIT revenue from non-resident contributions has decreased by over 10 percentage points since 2013 (See Figure 2.8). Without recourse, the decline in non-resident EIT contributions and budget shortfalls will increase the tax burden on Newtown residents.

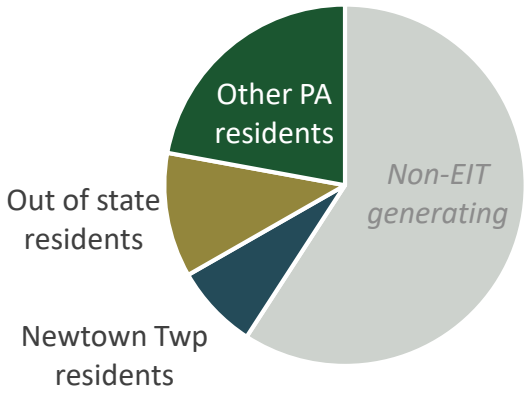
Figure 2.8: Non-Resident Percent of Total EIT, 2013-2020 (Budget)



Source: Newtown Township (2020)

Of the approximately 12,200 jobs located within the Township, approximately 59 percent are non-EIT generating for the Township, meaning the jobs are held by residents of Philadelphia or residents of other Pennsylvania municipalities with resident EIT rates of at least 1.0 percent, thus the Township does not collect non-resident EIT from those workers. The remaining 41 percent of jobs within the Township are held by Newtown Township residents, who pay resident EIT (8 percent of jobs); residents of other states (11 percent); and residents of Pennsylvania municipalities for whom the resident EIT is less than 1.0 percent (22 percent of jobs).

Figure 2.9: Jobs in Newtown Township by Worker Residence



Source: US Census Bureau (2017), Pennsylvania Department of Community and Economic Development (2020)

Residents of Pennsylvania municipalities in which the total resident EIT rate is less than 1.0 percent hold the largest share of Newtown Township jobs that are EIT-generating for the Township. Of these jobs, 36

percent are held by residents of the Pennsbury or Neshaminy School Districts in Bucks County, both of which have no resident EIT rate at this time. If either district implemented a resident EIT, Newtown's non-resident EIT collections would be threatened. On the municipal level, Middletown Township residents make up the largest share of non-resident EIT-generating jobs in Newtown, followed by Lower Makefield Township. Notably, the EIT rate that Newtown collects varies depending on the resident EIT rate of each municipality. Middletown Township implemented a 0.5 percent resident EIT rate in 2015, which leaves 0.5 percent of earnings to be collected by Newtown Township as non-resident EIT. Conversely, Lower Makefield Township, located within the Pennsbury School District, has no resident EIT, meaning Newtown collects the full 1.0 percent in non-resident EIT from these workers.

Figure 2.10: EIT-Generating Jobs in Newtown Township by Worker Residence

Worker Residence	Jobs	Share	EIT Rate to Newtown
Out of state	1,360	27%	1.0%
Newtown Twp	924	19%	0.5%
Middletown Twp (Neshaminy SD)	742	15%	0.5%
Lower Makefield Twp (Pennsbury SD)	493	10%	1.0%
Bristol Twp	458	9%	0.5%
Falls Twp (Pennsbury SD)	426	9%	1.0%
Bristol Borough	91	2%	1.0%
Remaining 10% (49 PA municipalities)	490	10%	varied
Total / Weighted avg.	**4,984**		**0.78%**

Source: US Census Bureau (2017), Pennsylvania Department of Community and Economic Development (2020)

Other Local Tax Revenue

In addition to EIT, Newtown Township collects local tax revenue in the form of real estate transfer tax and local services tax (LST), as enabled by Act 511. Revenues from these two additional local taxes typically make up 11 percent of total General Fund revenues for the Township.

Real Estate Transfer Tax

Newtown imposes a real estate transfer tax at a rate of 0.5 percent on the sale or transfer of real estate located in the Township. In 2019, the real estate transfer tax accounted for 6.3 percent of overall revenue each year. However, the amount collected has decreased every year from 2017 through 2019. In 2015, the Township received over $900,000 in real estate transfer tax revenue, but the approved 2020 budget accounts for only $750,000.

Local Services Tax

The LST is an annual $52 tax charged to every Township taxpayer that does not qualify for the Low-Income Exemption. The Township collects $47 annually from each taxpayer and shares $5 with the Council Rock School District. From 2015 through 2019 and in the approved 2020 budget, LST accounts for approximately 4 percent of the Township's revenues annually.

Charges for Services

Revenue from charges for services provided by the Township made up 12.5 percent of overall revenues in 2019. The largest share of this revenue comes from a service agreement between Newtown and Wrightstown Township, which agrees to a fixed fee in exchange for Newtown providing police services. The agreement designates a fixed annual increase in the charge for this service, and in 2019, Wrightstown paid Newtown approximately $731,000 for police services.

The second-largest share of the revenue from charges for services comes from recreation programming within the Township, which is split into its own category in the financial results tables of this analysis. This programming includes camps and various other programs that the Township provides its residents through the Parks and Recreation Department. In 2019, the Township collected approximately $612,000 in programming revenues.

Public Safety

Public safety revenues accounted for 5.4 percent of the Township's General Fund revenues in 2019. Over half of this revenue is from building, electrical, plumbing, and zoning permits. This category also includes reimbursements from the Council Rock School District for its school resource officer's salary, as well as crossing guard salaries. Other permitting and safety inspections make up most of the remaining public safety revenue.

State Shared Revenue

The state shared revenue category was responsible for 5.3 percent of the 2019 General Fund revenues. Over 75 percent of this category is from state pension contributions, which totaled $491,000 in 2019. After state pension contributions, the next largest revenue source from this category is foreign fire insurance premiums, which made up 13 percent of the revenue from the category.

Other Revenues

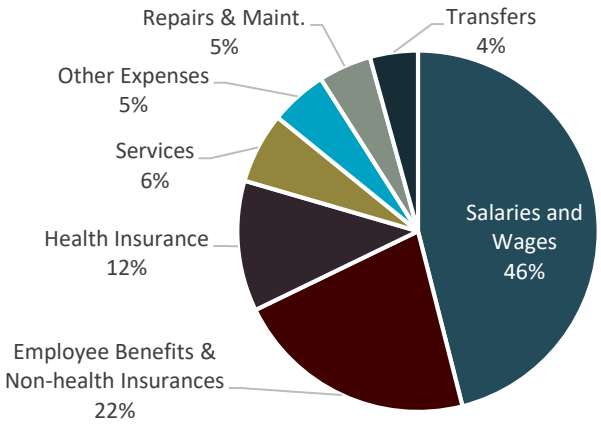
After accounting for local taxes, charges for services, public safety, and state shared revenue, the remaining revenue represented 7.3 percent of the 2019 General Fund revenues. The remaining sources of revenue are business licenses, interest and dividends, fines, grants, reimbursements, non-business licenses, sale of property, and payment in lieu of taxes.

2.5. General Fund Expenses

As illustrated in Figure 2.11, personnel costs represent 80 percent of the Township's General Fund expenditures. Personnel costs include salaries and wages, overtime and compensatory time, FICA, health insurance and HRA/HSA contributions, pension contributions, workers' compensation, and other benefits, such as training and vehicle allowances. The remaining expenses are from hired services, transfers to other funds, repairs and maintenance, and other miscellaneous costs.

This chapter will provide an overview of major expenditure categories and assess overall General Fund expense performance. Because personnel costs dominate the General Fund budget, Chapter 5 is dedicated to workforce analysis and recommendations.

Figure 2.11: Distribution of General Fund Expenses, 2019[7]



Source: Newtown Township (2020)

Figure 2.12 presents a five-year history of expenditures by major category, from 2015 through 2019. Expenses have increased at an average annual rate of 1.1 percent, slightly outpacing revenue growth, and placing increasing pressure on the General Fund. Rising personnel costs have accounted for the majority of expense growth, including an average annual increase of 16.4 percent in overtime and comp time expenses and a significant increase year over year in HRA/HSA Contributions amounts, largely due to the Township switching health insurance providers over a multiple-year period, with all employees on the new plan in 2017.

[7] The "Employee Benefits & Non-health Insurances" category includes pension contributions (6.5% of the overall 2019 expenses); other benefits (4.1%); FICA (3.7%); overtime (3.5%); insurances other than health insurance (2.3%); workers' compensation (1.9%); and contributions (1.4%). The "Other Expenses" category includes supplies (2.3%); communications (0.6%); and miscellaneous expenses (0.5%).

Figure 2.12: General Fund Expenses, 2015-2019

Expenditure Source	2015	2016	2017	2018	2019	Avg. % Growth
Salaries and Wages	$5,371,698	$5,496,640	$5,630,380	$5,546,577	$5,657,721	1.3%
Overtime/Comp Time	$231,248	$262,775	$307,394	$423,452	$425,078	16.4%
FICA	$399,129	$416,289	$429,372	$438,860	$449,996	3.0%
Health Insurance	$1,477,090	$1,396,894	$1,292,032	$1,345,436	$1,436,757	-0.7%
HRA/HSA Contributions	$0	$68,334	$187,045	$137,157	$142,094	27.6%
Pension	$919,069	$694,805	$715,168	$710,020	$801,221	-3.4%
Workers Comp	$190,974	$220,839	$243,561	$219,465	$235,737	5.4%
Other Benefits	$553,817	$555,121	$562,449	$588,650	$622,429	3.0%
Insurances	$237,348	$228,946	$222,043	$218,853	$208,554	-3.2%
Supplies	$278,899	$242,080	$285,082	$312,905	$285,017	0.5%
Other Services	$793,873	$844,733	$778,167	$979,224	$778,766	-0.5%
Communications	$71,201	$69,870	$73,276	$71,984	$76,401	1.8%
Repairs & Maint.	$880,501	$750,234	$760,891	$591,838	$582,683	-9.8%
Miscellaneous	$55,647	$68,023	$73,483	$65,305	$59,612	1.7%
Operating Expenditures	$11,460,494	$11,315,583	$11,560,343	$11,649,727	$11,762,066	0.7%
Transfers	$311,700	$373,800	$379,000	$521,175	$527,259	14.0%
Total Expenditures	$11,772,194	$11,689,383	$11,939,343	$12,170,902	$12,289,325	1.1%

Source: Newtown Township (2020)

Personnel Costs

Workforce-related expenses represented 80 percent of 2019 General Fund total expenditures. Categories included in personnel costs are salaries and wages, overtime and compensatory time, FICA contributions, health insurance, HRA/HSA Contributions, pension contributions, workers' compensation costs, and other benefits.

Salaries and Wages

Salaries and wages generally increase by 3 percent each year, largely due to contractual labor agreements, but the overall average rate of growth was just 1.3 percent due to turnover and hiring schedules.

Overtime and Compensatory Time

The second-largest source of increased personnel expenditures is Overtime and Compensatory Time, which had an average rate of growth of 16.4 percent. While the expense is relatively minor as a percent of the overall budget, the Township should closely monitor the accrual of this time. The large increase is likely due to labor agreements allowing for employees to be repaid for previously accrued time at current salary levels, inflating the cost paid out with each year. This practice is discussed further in the Police chapter of this report.

Health Insurance and HRA/HSA Contributions

Health Insurance and HRA/HSA Contribution expenses have fluctuated from 2015 through 2019, primarily because the Township changed health insurance providers in 2017 and had transitioned all employees to the new plan by 2018. Additionally, the Township's dental and vision plans are included in this budget line item. The individual rates of the current health insurance plan have increased by approximately 4.5 percent since 2016, while the dental and vision rates have remained the same since 2018. The HRA/HSA Contributions also remain the same on a year-to-year basis per employee, which was first provided in 2016 with a total enrollment of 32 employees but had increased to 59 employees by 2017 and has had little change since then.

Services

After personnel expenses, services made up the next largest category of General Fund expenditures in 2019. Expenditures for services had an average rate of change of negative 0.5 percent from 2015 through 2019. These expenditures include professional and contracted services across several departments and areas of operations.

Repairs and Maintenance

Repair and maintenance expenses made up 4.7 percent of General Fund expenses from 2019, with over 40 percent related to utilities. From 2015 through 2019, repair and maintenance expenses out of the General Fund decreased by an average of 9.8 percent, which may be attributed to an increase in the practice of transferring funds from the General Fund to the Capital Expenditures Fund to cover some of these costs over the same period of time.

Transfers

As mentioned in the previous subsection, transfers to other funds increased from 2015 through 2019 at an average annual rate of 14 percent. In recent years, including in the approved 2020 budget, the Township transfers over $500,000 from the General Fund to the Capital Projects Fund, which supports various capital improvements within the Township. The cost of transfers out of the General Fund makes up approximately 4 percent of General Fund expenditures.

Other Expenditures

After accounting for personnel costs, services, repairs and maintenance, and transfers, remaining expenditures represented 3 percent of the 2019 General Fund revenues. The remaining expenditures were from supplies, communications, and miscellaneous expenditures, which are comprised of non-personnel-related costs associated with recreation programming and other miscellaneous expenditures.

3. Baseline Financial Forecast

3.1. Overview

The baseline forecast of financial results is intended to project the Township's financial position absent of any changes in current operating procedures and assuming no significant growth in the tax base. The baseline projections establish the framework used to develop the recommendations, which are designed to build a stronger financial position and promote structural budgetary balance.

The baseline forecast is perhaps more important now than ever, due to the fact that, as of this writing, the full economic and societal impacts of the COVID-19 crisis remain to be seen for the rest of the year 2020 and beyond. As a result of the timing of this analysis coinciding with the onset of a global pandemic, the methodology for forecasting future financial results from a 'normal' baseline was altered. Instead of the standard practice of using the current year budget as a baseline, this analysis attempts to forecast the reality of 2020, which is anticipated to result in a very different financial situation than was anticipated in 2019 when the budget for the year was approved. From that point, the analysis attempts to forecast financial results for 2021 through 2025 based on an adjusted 'normal' baseline framework, derived from structural changes that may occur as a result of the COVID-19 crisis. It is important to note that this baseline analysis is based on significant assumptions that had to be made regarding the effects of the COVID-10 pandemic, as the full effects are yet to be seen. Therefore, future cost estimates presented in this forecast may be more subject to uncertainty or error than forecasts presented during "normal" economic times.

3.2. COVID-19 Implications & Corrective Measures Taken

The unprecedented onset of the COVID-19 pandemic required the financial analysis to consider how the 2020 financials of the Township would differ from what was projected in the approved budget, as well as what those financials would look like in 2021 as effects linger. Using reports provided by the Township as they became available, a near-term cash projection was developed to estimate 2020 actual revenues and expenses. Then, 2019 unaudited actuals were compared to 2020 projections to forecast 2021 financial results.

Revenues

Based on various sources of data, including reporting from the Township, the total revenue collected by the Township is projected to be 8.0 percent lower than the budgeted amount for 2020, totaling $11.1 million. In 2021, as the Township will still be experiencing decreased activity overall as recovery from COVID continues, the revenues are expected to increase slightly from 2020 to a total of $11.3 million. It is also important to note that the revenue projections for the remainder of 2020 do not include any revenue from reimbursements, grants, or other programs that were created to provide municipal relief in response to the pandemic. If these funds become available to the Township, revenues could increase and the Township's fiscal position could differ at the end of the year from what is displayed below.

Figure 3.1: 2020 Projected and 2021 Forecast General Fund Revenues

Revenue Source	2019 Unaudited	2020 Approved	2020 Projected	2021 Forecast
Property Taxes	$12,500	$12,500	$300,361	$12,500
Local Tax	$8,277,942	$8,585,000	$7,977,618	$8,127,780
Business Licenses	$547,293	$527,300	$527,300	$537,297
Non-business Licenses	$28,482	$12,000	$7,200	$17,841
Fines	$62,502	$60,000	$36,000	$49,251
Interest and Dividends	$97,583	$140,000	$100,000	$98,791
State Shared Revenues	$629,484	$574,800	$574,800	$585,257
Public Safety	$641,331	$515,450	$412,360	$526,845
Charges for Services	$873,587	$874,927	$874,927	$874,257
Recreation Programming	$612,325	$545,000	$136,250	$374,288
Grants	$61,393	$110,500	$110,500	$72,231
Sale of Property	$14,908	$10,000	$15,000	$9,511
Reimbursements	$49,842	$62,000	$62,000	$55,921
Miscellaneous/Other	$618	-	$8,026	$709
Total Revenues	$11,909,790	$12,029,477	$11,142,342	$11,342,479

Source: Newtown Township (2020), Econsult Solutions, Inc. (2020)

Property Taxes

In response to the COVID-19 crisis, the Township redirected one-third of its real estate tax collections from the Debt Service Fund to the General Fund, alleviating the stress put on the fund from decreased revenues from other sources. Typically, the Township collects $12,500 each year in this category from a PILOT agreement, as it currently has no real estate millage for the General Fund. As such, the 2021 forecast includes this base amount of $12,500.

Local Taxes

Based on unemployment and other relevant data published before and during the pandemic, it is estimated that the Township will experience a decrease of approximately 8 percent in EIT collections in 2020. Because there are delays in the timing of tax-generating earning activity and when localities receive collections, decreased EIT revenues are expected to continue into 2021.

Combined with Local Services Taxes and Realty Transfer Taxes, the projected 2020 revenue from local taxes is projected to be $8.0 million, with a slight increase to $8.1 million in 2021, which is the midpoint between the unaudited 2019 result and the 2020 projected result.

Other Revenues

The remaining revenue sources for 2020 were projected based on the most recently available actuals for the Township. For example, due to the cancelation of summer programming within the Parks and Recreation department, the projected revenue for recreational programming decreased to just 25 percent of the budgeted amount. Non-business licenses and fines are projected to produce approximately 60 percent of the total budgeted amount due to decreased activity.

With the exception of a few irregularly occurring revenue sources, the remaining revenue sources for 2021 were forecast by calculating a midpoint between 2019 actual and 2020 projected amounts.

Expenditures

The Township experienced some decreased expenditures as a result of COVID, such as not needing to hire seasonal staff for park maintenance and summer programming; however, it also implemented several corrective measures to contain costs in anticipation of decreased revenues, such as delaying the replacement of a retired police lieutenant and limiting capital investments. As a result, the 2020 expenditures are projected to be 6.8 percent lower than the budgeted amount at $12.2 million.

While the Township will still be recovering from the COVID-19 crisis in 2021, it will need to continue providing services and compensating its employees. Therefore, the operating expenditures for 2021 are expected to grow at a normal rate for 2021 based on the projected 2020 actuals.[8] Accordingly, the total 2021 expenditures are forecast to be $13.0 million. Notably, the 2021 baseline forecast assumes that the Township maintains the same level of operations, meaning no additional personnel is included in the forecast.

Figure 3.2: 2020 Projected and 2021 Forecast General Fund Expenditures

Expenditure Source	2019 Unaudited	2020 Approved	2020 Projected	2021 Forecast
Salaries and Wages	$5,657,721	$6,030,730	$5,726,161	$5,898,153
Overtime/Comp Time	$425,078	$378,050	$347,245	$386,162
FICA	$449,996	$476,088	$476,088	$490,388
Health Insurance	$1,436,757	$1,679,672	$1,679,672	$1,757,197
HRA/HSA Contribution	$142,094	$151,850	$151,850	$151,850
Pension	$801,221	$656,271	$656,271	$728,746
Workers Comp	$235,737	$256,972	$256,972	$246,354
Other Benefits	$622,429	$663,674	$663,674	$683,608
Insurances	$208,554	$231,311	$231,311	$219,932
Supplies	$285,017	$349,800	$349,800	$317,409
Other Services	$778,766	$959,790	$920,689	$809,727
Communications	$76,401	$78,724	$78,724	$77,563
Repairs & Maint.	$582,683	$539,700	$219,700	$691,192
Miscellaneous	$59,612	$77,400	$27,400	$43,506
Operating Expenditures	$11,762,066	$12,530,032	$11,785,556	$12,501,785
Transfers	$527,259	$551,579	$458,579	$500,000
Total Expenditures	$12,289,325	$13,081,611	$12,244,135	$13,001,785

Source: Newtown Township (2020), Econsult Solutions, Inc. (2020)

[8] The normal rates of change referenced for operating expenditures are detailed in the following section containing the remaining years' forecasts.

2020 Projected and 2021 Forecast Financial Summary

As a result of COVID-19 implications and actions taken by the Township to alleviate stress on the General Fund in response to the pandemic, the Township is projected to finish the year 2020 with an operating deficit of $1.1 million and an ending fund balance of $1.0 million, which is 8.2 percent of projected expenditures. Moving forward into 2021, if the baseline is maintained, it is forecast that the Township will finish the year with a deficit of $1.7 million and an ending fund balance of negative $650,000.

Figure 3.3: General Fund Financial Summary, 2020 Approved Budget vs. 2020 Projected[9]

	2019 Unaudited	2020 Budget	2020 Projected	2021 Forecast
Revenues	$11,909,790	$12,029,477	$11,142,342	$11,342,479
Expenditures with Transfers	$12,289,325	$13,081,611	$12,244,135	$13,001,785
Total Surplus (Deficit)	($379,534)	($1,052,134)	($1,101,793)	($1,659,307)
Beginning Fund Balance	$2,524,380	$2,384,421	$2,111,171	$1,009,378
Ending Fund Balance	$2,144,846	$1,332,287	$1,009,378	($649,929)

Source: Newtown Township (2020), Econsult Solutions, Inc. (2020)

3.3. 2022-2025 Forecast Assumptions

Moving forward beyond 2021, it is assumed that both revenues and expenses will continue to grow at "normal" rates; as such, reasonable growth assumptions are applied to revenues and expenditures in 2021 and inflated at those rates for each year from 2022 through 2025.

Revenues

Figure 3.4 lists revenue growth rate assumptions by category for the years included in the forecast, followed by an explanation of the basis for each assumption.

[9] Note that the beginning and ending fund balances displayed in the figure differ between the 2019 end fund balance and the 2020 beginning fund balance. The reason for the difference between the 2019 unaudited end fund balance and the 2020 approved budget beginning fund balance is that the 2020 budget was approved prior to 2019 being complete. Further, the difference between the 2019 unaudited end fund balance and the beginning fund balance as reflected in the updated 2020 projection is due to the unaudited nature of the 2019 year-end actuals.

Figure 3.4: Revenue Growth Rate Assumptions

Revenue Source	Annual Growth Assumption
Real Property Taxes	0.0%
Local Tax	2.2%
Business Licenses	0.0%
Non-business Licenses	*Based on historical performance*
Fines	1.5%
Interest and Dividends	0.0%
State Shared Revenues	*Based on historical performance*
Public Safety	1.4%
Charges for Services	2.2%
Recreation Programming	5.0%
Grants	*Based on historical performance*
Sale of Property	*Based on historical performance*
Reimbursements	*Based on historical performance*
Miscellaneous/Other	*Based on historical performance*

Source: Econsult Solutions, Inc. (2020)

Real Property Taxes

As previously discussed, the Township receives a PILOT each year in the amount of $12,500. This is a fixed agreed-upon payment which, for the purposes of this analysis, is not anticipated to change in the coming years. However, as displayed in Figure 3.1 and explained in the narrative thereafter, the Township redirected one mill of real estate tax collections from the Debt Service Fund to the General Fund in 2020 as a response to the COVID-19 crisis, thereby increasing the projected 2020 revenue for this category to total $300,361. This was a one-time adjustment made in response to the economic crisis and, as such, the growth rate assumption is zero percent and the baseline is $12,500.

Local Taxes

Local taxes collected by the Township include earned income tax (EIT), local services tax (LST), and real estate transfer tax. The weighted average rate of change for the combined local taxes is 2.2 percent each year.

Business Licenses

Revenue from business licenses increased from 2016 through 2017 but began decreasing thereafter. For the purposes of this analysis, a zero percent change rate is applied to the business license revenues.

Fines

Since 2016, the amount of revenue from fines has been increasing modestly each year. The annual rate of change assumed for revenue from fines is 1.5 percent.

Interest and Dividends

Due to the uncertainty within the market from COVID-19, the change rate was conservatively assumed to be zero percent for the remaining years in this analysis.

Public Safety

Public safety revenue has grown since 2017, when it decreased from previous year levels by nearly half. The average year-over-year change from 2015 to 2019 is 1.4 percent, which is used in this analysis.

Charges for Services

Revenue from charges for services (excluding recreational programming revenues, which are discussed in the next subsection) has increased at an average rate of 3.2 percent each year since 2015. As such, the growth rate assumption is the projected rate of inflation, which is 2.2 percent for 2022 through 2025.

Recreation Programming

The Township earns revenue from fees for recreation programs and for use of fields belonging to the Township. Each year, the fees for these programs increase by five to ten percent, resulting in an average annual growth rate of 6.9 percent since 2015. This projection assumes that programming revenues will return to the 2020 budgeted amount in 2022, then grow by a conservative 5 percent each following year.

Other Operating Revenues

Several categories of revenue in the General Fund fluctuate year over year rather than steadily increasing or remaining constant. As such, the average amount of each category from 2015 through 2019 is used both as the baseline and the projected amount for each year beginning in 2021. Categories included in this grouping include non-business licenses, state shared revenue, grants, sale of property, reimbursements, and miscellaneous/other revenues.

Figure 3.5: Baseline Revenue Projections and Forecast, 2020-2025

Revenue Source	2020 Projected	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Real Property Taxes	$300,361	$12,500	$12,500	$12,500	$12,500	$12,500
Local Taxes	$7,977,618	$8,127,780	$8,306,773	$8,489,708	$8,676,672	$8,867,754
Business Licenses	$527,300	$537,297	$537,297	$537,297	$537,297	$537,297
Non-business Licenses	$7,200	$17,841	$17,841	$17,841	$17,841	$17,841
Fines	$36,000	$49,251	$49,990	$50,740	$51,501	$52,273
Interest and Dividends	$100,000	$98,791	$98,791	$98,791	$98,791	$98,791
State Shared Revenues	$574,800	$585,257	$585,257	$585,257	$585,257	$585,257
Public Safety	$412,360	$526,845	$534,107	$541,468	$548,931	$556,497
Charges for Services	$874,927	$874,257	$893,491	$913,147	$933,237	$953,768
Recreation Programming	$136,250	$374,288	$545,000	$572,250	$600,863	$630,906
Grants	$110,500	$72,231	$72,231	$72,231	$72,231	$72,231
Sale of Property	$15,000	$9,511	$9,511	$9,511	$9,511	$9,511
Reimbursements	$62,000	$55,921	$62,000	$62,000	$62,000	$62,000
Miscellaneous/Other	$8,026	$709	$709	$709	$709	$709
Total	$11,142,342	$11,342,479	$11,725,497	$11,963,451	$12,207,340	$12,457,334

Source: Newtown Township (2020), Econsult Solutions, Inc. (2020)

Expenses

Figure 3.6 presents the growth rate assumptions for each category of General Fund expenditures for the baseline forecast, followed by a description of the assumption rationale for each category.

Figure 3.6: Expense Growth Rate Assumptions

Expenditure Source	Annual Growth Assumption
Personnel Costs	3.0%
Health Insurance	4.6%
Pension	3.5%
Insurances	2.2%
Supplies	2.2%
Other Services	2.2%
Communications	2.2%
Repairs & Maintenance	2.2%
Miscellaneous	2.2%

Source: Econsult Solutions, Inc. (2020)

Personnel Costs

The primary driver of personnel costs is derived from salaries and wages. The majority of the Township's employees belong to labor unions with which the Township has labor agreements. The agreements in place are with the Newtown Police Benevolent Association for the Police Department and Communications Workers of America, which has separate agreements for municipal, or non-uniform, employees, and fire department employees. The remaining municipal employees are in management positions within the Township. Each of the labor agreements in place designates an annual salary increase of 3 percent for unionized employees, and the Township has typically raised non-unionized staff salaries by an annual rate of 3 percent, as well. The baseline scenario assumes no material change to current contract terms or staffing levels, and therefore assumes an annual growth rate of 3 percent for salaries and wages.[10]

Beyond salaries and wages, personnel costs also include expenses associated with overtime compensation, FICA contributions, HRA/HSA contributions, workers' compensation expenses, and other employee benefits. As the baseline forecast includes little to no change in "baseline" operating levels, it is expected that these costs will grow at the same rate as salaries and wages; thus, an annual rate of 3 percent is applied to each category of personnel costs.

[10] Notably, the historical change in salaries and wages has been less than 3 percent due to employee turnover and hiring decisions made. The baseline projection conservatively estimates the 3 percent growth rate, but the Township could experience lower growth rates from one year to another.

Health Insurance

The Township transitioned to a different health insurance plan in 2017, with all employees completing the transition by 2018. Rates for this new plan have grown by approximately 4.5 percent each year. Centers for Medicare and Medicaid Services projects an average increase in private health insurance and out-of-pocket costs of 4.6 percent each year through 2025.[11] The baseline forecast assumes Township healthcare expenses revert to the national average.

Pension

The pension MMO is based on an annual actuarial valuation that takes into consideration annual pension costs, contributions by employees, pension asset valuations, investment rate and salary increase projections, and amortization assumptions. For the purposes of this forecast, the annual rate of change in the pension is expected to be approximately 3.5 percent.

Other Expenditures

The remaining expenditure categories for the General Fund are insurances, supplies, other services, communications, repairs and maintenance, miscellaneous expenditures, and interfund transfers. With the exception of interfund transfers, these expenses occur in the private economy. As such, these expenses are expected to increase at the rate of inflation as the cost of conducting business steadily increases. Therefore, the growth rate assumption for each of these categories is 2.2 percent. Transfers remain steady throughout the baseline forecast.

[11] Centers for Medicare and Medicaid Services. https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsProjected?_ga=2.102025218.2002331224.1513382400-1269418524.1513382400

Figure 3.7: Baseline Expense Projections and Forecast, 2020-2025

Expenditure Source	2020 Projected	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Salaries and Wages	$5,726,161	$5,898,153	$6,075,310	$6,257,789	$6,445,749	$6,639,355
Overtime/Comp Time	$347,245	$386,162	$397,760	$409,707	$422,014	$434,689
FICA	$476,088	$490,388	$505,117	$520,289	$535,916	$552,013
Health Insurance	$1,679,672	$1,757,197	$1,838,299	$1,923,145	$2,011,907	$2,104,766
HRA/HSA Contributions	$151,850	$151,850	$151,850	$151,850	$151,850	$151,850
Pension	$656,271	$728,746	$754,252	$780,651	$807,974	$836,253
Workers Comp	$256,972	$246,354	$253,754	$261,376	$269,226	$277,313
Other Benefits	$663,674	$683,608	$704,141	$725,291	$747,076	$769,515
Insurances	$231,311	$219,932	$224,771	$229,716	$234,770	$239,935
Supplies	$349,800	$317,409	$324,391	$331,528	$338,822	$346,276
Other Services	$920,689	$809,727	$827,541	$845,747	$864,353	$883,369
Communications	$78,724	$77,563	$79,269	$81,013	$82,795	$84,617
Repairs & Maint.	$219,700	$691,192	$706,398	$721,939	$737,821	$754,053
Miscellaneous	$27,400	$43,506	$44,463	$45,442	$46,441	$47,463
Operating Total	$11,785,556	$12,501,785	$12,887,318	$13,285,482	$13,696,714	$14,121,466
Transfers	$458,579	$500,000	$500,000	$500,000	$500,000	$500,000
Total Expenditures	$12,244,135	$13,001,785	$13,387,318	$13,785,482	$14,196,714	$14,621,466

Source: Newtown Township (2020), Econsult Solutions, Inc. (2020)

3.4. Baseline Operating Forecast

The baseline forecast for revenues and expenditures shows an operating loss of $1.1 million in 2020, which continues to grow through 2025, at which point the operating deficit reaches $2.2 million. The cumulative impact of the operating deficit is shown in the Township's fund balance position. From the 2020 projected financial results through 2025, the Township's fund balance is expected to decline from a balance of 8 percent of total expenditures to negative 57 percent of expenditures.

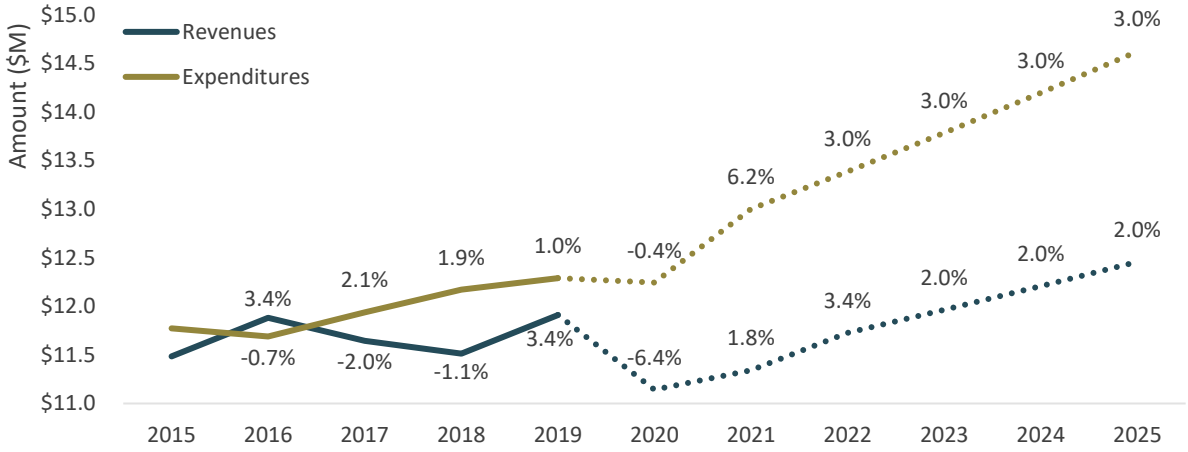
The baseline forecast assumes no corrective actions are taken to avoid the forecasted structural deficit. In the baseline scenario, the rate of expense growth exceeds the rate of revenue growth, resulting in future deficits. This analysis will provide the basis for estimating the full operating gap that must be eliminated in each future year given current conditions.

Figure 3.8: Baseline Operating Forecast, 2020-2025

	2020 Projected	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Revenues	$11,142,342	$11,342,479	$11,725,497	$11,963,451	$12,207,340	$12,457,334
Expenditures	$12,244,135	$13,001,785	$13,387,318	$13,785,482	$14,196,714	$14,621,466
Total Surplus (Deficit)	($1,101,793)	($1,659,307)	($1,661,820)	($1,822,031)	($1,989,374)	($2,164,132)
Beginning Fund Balance	$2,111,171	$1,009,378	($649,929)	($2,311,750)	($4,133,781)	($6,123,155)
Ending Fund Balance	$1,009,378	($649,929)	($2,311,750)	($4,133,781)	($6,123,155)	($8,287,287)
Fund Balance as % of Expenditures	8%	(5%)	(17%)	(30%)	(43%)	(57%)

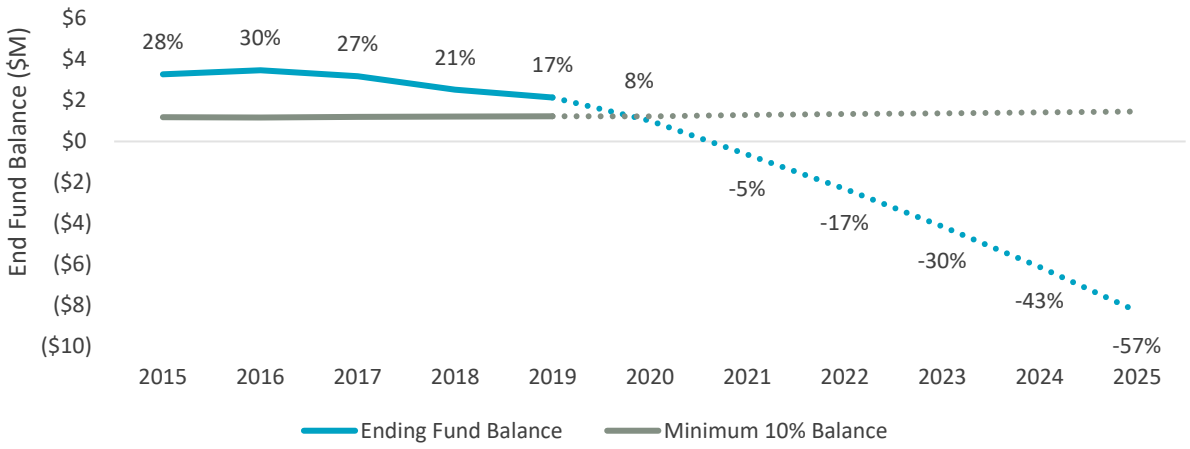
Source: Newtown Township (2020), Econsult Solutions, Inc. (2020)

Figure 3.9: Revenue and Expense Forecast, 2020-2025



Source: Newtown Township (2020), Econsult Solutions, Inc. (2020)

Figure 3.10: Fund Balance Forecast as a Percentage of Total Expenditures, 2020-2025



Source: Newtown Township (2020), Econsult Solutions, Inc. (2020)

4. Executive and General Administration & Workforce

4.1. Executive and General Administration Department Overview

The Executive Department is led by the Township Manager who acts as the Chief Executive Officer of Newtown Township, supervising the Department heads, administrative staff, support staff, and consultants. The duties of a Township Manager include planning, directing, and coordinating the administration of the municipal government. In addition, the Township Manager implements all official directives and policies set forth by the Board of Supervisors. The Board of Supervisors appoint Township Managers by majority vote and Township Managers serve indefinite terms.

In addition to the administrative departments, governmental functions including tax collection, legal services, engineering, sanitation, government buildings, committees, and technological support, are critical to the operation of the Township. The Department headcount and financial results below include the General Fund activity allocated to the aforementioned categories.

The Executive and General Administration Department consists of the Township Manager, two full-time administrative assistants, three part-time recording secretaries, and a tax collector. The position of Assistant Township Manager has not been filled since 2017.

Figure 4.1: Executive and General Administration Department Headcount, 2016-2020

Position	2016	2017	2018	2019	2020
Township Manager	1	1	1	1	1
Administrative Assistant to Township Manager	1	1	1	1	1
Assistant Township Manager	1	1	0	0	0
Recording Secretary	1	2	3	3	3
Tax Collector	1	1	1	1	1
Administrative Assistant (Technology)	1	1	1	1	1
Total	6	7	7	7	7

Source: Newtown Township (2020)

4.2. Workforce Overview

At the beginning of 2020, Newtown Township had a staff of 71 employees. In response to the COVID pandemic, the Township eliminated the role of part-time zoning officer in an effort to reduce expenses.

Figure 4.2: Total Workforce Headcount, 2016-2020

Department	2016	2017	2018	2019	2020
Executive and General Admin.	6	7	7	7	7
Codes and Zoning	3	4	3	3	3
EMS	9	9	8	9	9
Finance	2	2	2	3	3
Parks and Recreation	4	3	5	4	4
Public Works	9	10	10	11	11
Police	33	33	32	34	34
Total	66	68	67	71	71

Source: Newtown Township (2020)

Township employees are categorized into four main labor groups within various departments and offices: Newtown Police Benevolent Association (PBA), Communications Workers of America, Local 1300 for firefighter employees (CWA Fire) and for municipal employees (CWA), and Nonunion. Three labor unions represent a significant number of Township employees.

Figure 4.3: Township Position Count by Employee Group

Group	Covered Positions	Contract Term	Positions
PBA	All uniformed Police Officers that hold the rank of Sergeant or above	1/1/2017 - 12/31/2020	26
CWA Fire	Fire Fighters, except Commissioner	1/1/2019 - 12/31/2021	8
CWA	Clerks, finance, public works, and others	1/1/2019 - 12/31/2022	22
Nonunion	Various, includes PBA and CWA Fire Cadets	n/a	8
Total			64

Source: Newtown Township (2020)

The Township's relationship with its bargaining units is cooperative and is currently free from conflict or toxicity. With respect to the police department, PBA leadership reported that the police officers' relationship with department leadership is good. The officers have confidence in Chief Hearn's ability and the direction he is leading the police department. As a result, the police officers have no complaints about management and do not have any grievances or unresolved issues. The PBA and the Township are currently undergoing contract negotiations. PBA leadership indicated that that there are no expectations for negotiations to be contentious or result in interest arbitration. Rather, PBA was solely interested in maintaining wages consistent with surrounding municipalities and making slight adjustments to starting wages to encourage recruitment of new officers.

With respect to the Township's relationship with its firefighters and non-professional employees represented by CWA, there is no evidence to suggest that the relationship is strained. Although we were unable to arrange an interview with CWA, there does not appear to be any long-lasting or systemic acrimony between management and the CWA, such as multiple or repeated grievances.[12] The firefighter and non-professional bargaining units have existing collective bargaining agreements that expire at the end of 2021 and 2022, respectively.

4.3. Summary of Financial Results

Executive and General Administration

As reflected by the overall General Fund budget, executive and general administration costs are dominated by personnel-related and service expenses (see Figure 4.4). From 2015 through 2019, personnel-related expenses accounted for an average of 47 percent of overall General Fund expenditures. Salaries and wages dropped by over $83,000 in 2019 compared to 2018, primarily as a result of the elimination of the Assistant Township Manager position in 2018. After personnel costs, the largest source of expenditures for executive and general administration operations is costs incurred for services, averaging 37 percent of expenditures from 2015 through 2019. The Township regularly contracts and hires for various professional services, including its solicitor services, which comprise this category. These contracted services allow the Township to carry out necessary activities while avoiding unnecessary internal personnel expenses.

Figure 4.4: Executive and General Administration Expense Results, 2015-2019

Expenditure Source	2015	2016	2017	2018	2019	Avg. % Change
Salaries and Wages	$463,314	$470,716	$487,278	$489,369	$405,805	-3.3%
Overtime/Comp Time	$261	$518	$0	$174	$441	14.0%
FICA	$27,549	$29,727	$30,697	$30,022	$24,854	-2.5%
Health Insurance	$116,063	$106,842	$113,007	$107,908	$93,402	-5.3%
HRA/HSA Contributions	$0	$10,000	$10,000	$10,000	$7,500	-9.1%
Other Benefits	$6,079	$4,405	$4,689	$5,420	$7,229	4.4%
Supplies	$24,770	$19,633	$20,460	$22,429	$21,225	-3.8%
Other Services	$440,909	$507,998	$434,531	$566,435	$477,440	2.0%
Communications	$35,278	$34,923	$37,095	$35,561	$37,685	1.7%
Repairs & Maint.	$149,088	$113,710	$143,510	$126,491	$118,625	-5.6%
Miscellaneous	$6,124	$8,306	$7,418	$7,256	$7,237	4.3%
Total	$1,269,435	$1,306,778	$1,288,685	$1,401,065	$1,201,441	-1.4%

Source: Newtown Township (2020)

[12] Multiple attempts were made to contact the CWA Union President but the project team was unable to connect.

Figure 4.5: Executive and General Administration Baseline Expense Projections, 2020-2025

Expenditure Source	2020 Projected	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Salaries and Wages	$414,585	$427,037	$439,864	$453,076	$466,684	$480,702
Overtime/Comp Time	$276	$358	$369	$380	$391	$403
FICA	$26,148	$26,933	$27,742	$28,575	$29,434	$30,318
Health Insurance	$106,044	$110,938	$116,059	$121,415	$127,019	$132,882
HRA/HSA Contributions	$7,500	$7,500	$7,500	$7,500	$7,500	$7,500
Other Benefits	$8,862	$9,128	$9,402	$9,685	$9,976	$10,275
Supplies	$29,150	$25,187	$25,741	$26,308	$26,886	$27,478
Other Services	$495,340	$486,390	$497,091	$508,027	$519,203	$530,626
Communications	$36,750	$37,217	$38,036	$38,873	$39,728	$40,602
Repairs & Maint.	$121,772	$120,199	$122,843	$125,545	$128,307	$131,130
Miscellaneous	$3,257	$5,247	$5,362	$5,480	$5,601	$5,724
Total Expenditures	$1,249,683	$1,256,135	$1,290,009	$1,324,864	$1,360,730	$1,397,640

Source: Newtown Township (2020), Econsult Solutions, Inc. (2020)

Workforce

Newtown Township provides labor-intensive services to residents and, as a result, personnel costs including wages and benefits constitute a significant portion of the Township's expenditures. In 2019, employee salaries, wages, and benefits accounted for $9.8 million in costs, or 80 percent of the Township's General Fund expenditures.

For personnel costs overall, the average rate of change each year was 1.7 percent. Salaries and wages make up more than half of these expenses and had an average rate of change of 1.3 percent each year. Under the current labor agreements, the Township increases wages by 3 percent each year, including for its nonunion employees; however, the average rate of change has been less than 3 percent due to employee turnover and decisions regarding rehiring.

Figure 4.6: Workforce Expense Results, 2015-2019

Expenditure Source	2015	2016	2017	2018	2019	Avg. % Change
Salaries and Wages	$5,371,698	$5,496,640	$5,630,380	$5,546,577	$5,657,721	1.3%
Overtime/Comp Time	$231,248	$262,775	$307,394	$423,452	$425,078	16.4%
FICA	$399,129	$416,289	$429,372	$438,860	$449,996	3.0%
Health Insurance	$1,477,090	$1,396,894	$1,292,032	$1,345,436	$1,436,757	-0.7%
HRA/HSA Contributions	$0	$68,334	$187,045	$137,157	$142,094	27.6%
Pension	$919,069	$694,805	$715,168	$710,020	$801,221	-3.4%
Workers Comp	$190,974	$220,839	$243,561	$219,465	$235,737	5.4%
Other Benefits	$553,817	$555,121	$562,449	$588,650	$622,429	3.0%
Total	$9,143,025	$9,111,697	$9,367,401	$9,409,616	$9,771,032	1.7%

Source: Newtown Township (2020)

Figure 4.7: Workforce Baseline Expense Projections, 2020-2025

Expenditure Source	2020 Projected	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Salaries and Wages	$5,726,161	$5,898,153	$6,075,310	$6,257,789	$6,445,749	$6,639,355
Overtime/Comp Time	$347,245	$386,162	$397,760	$409,707	$422,014	$434,689
FICA	$476,088	$490,388	$505,117	$520,289	$535,916	$552,013
Health Insurance	$1,679,672	$1,757,197	$1,838,299	$1,923,145	$2,011,907	$2,104,766
HRA/HSA Contributions	$151,850	$151,850	$151,850	$151,850	$151,850	$151,850
Pension	$656,271	$728,746	$754,252	$780,651	$807,974	$836,253
Workers Comp	$256,972	$246,354	$253,754	$261,376	$269,226	$277,313
Other Benefits	$663,674	$683,608	$704,141	$725,291	$747,076	$769,515
Total Expenditures	$9,957,933	$10,342,457	$10,680,484	$11,030,098	$11,391,712	$11,765,753

Source: Newtown Township (2020), Econsult Solutions, Inc. (2020)

4.4. Recommendations

ADM01 – Hire an Assistant Township Manager and Full-time Code Enforcement Officer

Responsible Party	Target Completion
Board of Supervisors/ Township Manager	**First Quarter 2021**

Staffing shortages have been an inhibitor of progress in the Township. In the absence of a Parks and Recreation Director, code enforcement officer, and communications officer, the Township Manager is required to perform the duties of several positions. Union restrictions and overall lack of personnel prevent him from managing the Township in a capacity that is sufficient or progressive. Newtown should hire an assistant township manager and a full-time code enforcement officer to fill these gaps. Newtown has been without an assistant township manager since 2017 and the part-time code enforcement officer role was eliminated during the pandemic.

The assistant manager could help improve overall township function and increase community outreach, including managing the Facebook page for the Township. Importantly, upon hiring the assistant manager, the job descriptions of both the new hire and the Township Manager should be revised to include specific responsibilities of each role, so that general duties, as well as recommendations adopted from this report, are clearly and sufficiently delegated. For example, it should be decided whether it will be the responsibility of the manager or the assistant manager to lead and coordinate economic development efforts as a result of any recommendations the Township chooses to adopt from Chapter 10 of this report.

The full-time code enforcement officer will increase revenues from zoning and permit fees. Since the shutdown, people have been spending an increasing amount of time in their house and many will want to start home-improvement projects when after restrictions have been lifted. Also, there will be additional demand for redevelopment of retail and workplaces as trends we are seeing during the pandemic affect the way these businesses function. When hiring a new code enforcement officer, the

Township should set a goal to increase zoning and permit fees collections to an amount that offsets the cost of the labor, allowing the position to become self-sustaining over three-years.[13]

ADM02– Regularly Adjust and Benchmark Salaries

Responsible Party	Target Completion
Board of Supervisors/ Township Manager	**Third Quarter Annually**

In today's job market, employers must compete to attract and retain the best talent. Newtown should regularly benchmark and assess the salary levels of neighboring municipalities and adjust as needed to ensure that the Township is offering competitive wages. This will prevent the municipality from losing valuable staff and incurring the costs of recruitment and training. High employee turnover has other adverse effects such as loss of organizational knowledge, decreased morale, and interruption of service. The Township must work to curb turnover to improve efficiency and retain motivated employees.

ADM03– Diversify Tax Base Through Real Estate Tax Millage within the General Fund Budget

Responsible Party	Target Completion
Board of Supervisors	**Fourth Quarter 2020**

Township currently does not collect real estate taxes within its General Fund. Given the shrinking nature of non-resident EIT collections over recent years, as well as the general instability of EIT collections, particularly during times of economic crisis such as the COVID pandemic, the Township must diversify its tax base so that revenues can increase at greater rates than expenditures moving forward. As such, the Township should introduce real estate tax millage to its General Fund budget for 2021. The magnitude of the millage recommended varies, and the Township will need to continually monitor its revenue generation moving forward and decide when and how to increase or decrease millage.

[13] The revenues generated from hiring a new code enforcement officer were not included in future revenues, to remain conservative in our analysis.

5. Finance

5.1. Overview

The Finance Department facilitates the administration of township funds and is responsible for employee benefits, payroll, and pension administration. The Finance Department also oversees treasury services such as revenue collection, disbursements, and invoicing. The Elected Municipal Tax Collector administers tax collection out of the Newtown Township Tax Office (see the Executive and General Administration Department section). The Finance Department assists the Township Manager in preparing the Township budgets. The Finance Director, as a member of the Finance Planning Committee, recommends requests for capital purchases made by department heads to the Board of Supervisors for capital planning. The Finance Department is overseen by the Finance Director and employs two full-time accountants.

Figure 5.1: Department Headcount, 2016-2020

Position	2016	2017	2018	2019	2020
Director	0	0	0	1	1
Accountant	2	2	2	2	2
Total	2	2	2	3	3

Source: Newtown Township (2020)

5.2. Summary of Financial Results

The Finance Department's costs represented 2.1 percent of the Township's operating expenses in 2019. Like other departments, personnel costs, which are comprised of salaries, wages, and benefits, are the largest piece of the Department's budget, accounting for 91 percent of the Department's expenses in 2019. The average annual growth in expenditures from 2015 through 2019 was 6.8 percent, largely attributable to the addition of a full-time Director to the staff while maintaining two accountants (see Figure 5.2).

Figure 5.2: Finance Expense Results, 2015-2019

Expenditure Source	2015	2016	2017	2018	2019	Avg. % Change
Salaries and Wages	$137,848	$144,022	$147,097	$147,765	$175,377	6.2%
Overtime/Comp Time	$0	$873	$349	$44	$348	-26.4%
FICA	$10,067	$10,584	$10,678	$10,826	$13,132	6.9%
Health Insurance	$39,185	$34,596	$35,326	$37,727	$53,179	7.9%
HRA/HSA Contributions	$0	$3,750	$3,750	$3,752	$5,000	10.1%
Other Benefits	$1,972	$1,503	$1,533	$1,733	$2,313	4.1%
Supplies	$3,174	$3,540	$2,894	$3,692	$3,663	3.6%
Other Services	$18,575	$18,500	$21,500	$20,009	$21,000	3.1%
Total	$210,821	$217,368	$223,127	$225,547	$274,011	6.8%

Source: Newtown Township (2020)

Figure 5.3: Finance Baseline Expense Projections, 2020-2025

Expenditure Source	2020 Projected	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Salaries and Wages	$200,276	$206,292	$212,488	$218,871	$225,445	$232,216
Overtime/Comp Time	$689	$518	$534	$550	$566	$583
FICA	$16,221	$16,708	$17,210	$17,727	$18,259	$18,808
Health Insurance	$76,711	$80,252	$83,956	$87,830	$91,884	$96,125
HRA/HSA Contributions	$6,250	$6,250	$6,250	$6,250	$6,250	$6,250
Other Benefits	$4,932	$5,080	$5,233	$5,390	$5,552	$5,719
Supplies	$3,500	$3,581	$3,660	$3,741	$3,823	$3,907
Other Services[14]	$97,845	$19,422	$19,850	$20,286	$20,733	$21,189
Miscellaneous	$106	$53	$54	$55	$57	$58
Total Expenditures	$406,530	$338,157	$349,234	$360,700	$372,569	$384,855

Source: Newtown Township (2020), Econsult Solutions, Inc. (2020)

5.3. Recommendations

FIN01 – Periodically Review Financing and Refinancing Opportunities

Responsible Party	Target Completion
Finance Director/Township Manager	**Fourth Quarter 2020; Annually thereafter**

By refinancing current debt obligations, the Township will be able to reduce the portion of repayments going towards interest and more aggressively reduce the principal owed. A periodic review of outstanding debt should be conducted to assess whether it would be advantageous to refinance,

[14] The Finance Department has higher than typical costs associated with Other Services in 2020 due to the hiring of the authors of this report as part of the PA DCED Strategic Management Planning Program (STMP). The program is paid for by the Township, for which it receives 50 percent reimbursement from the state, which is reflected in the 2020 Grants revenue results.

alleviating short-term budget pressures. This periodic review should be led by the Finance Director with support from the Township Manager.

Considering the existing low interest rate environment, the Township's Series 2017 Bonds may be a candidate for refinancing. The Township's credit rating up until it issued its refunding loan in 2017 was Aa3. As of early September 2020, the Municipal Market Data General Obligation Bond Yield Index for Aa issuers indicated a 1.50 percent interest rate.

Currently, the Bonds are in the form of a bank loan through TD Bank and have an outstanding balance of $7.9 million. The Bonds were issued to refund the Township's Series 2012 Bonds for debt service savings, carry an interest rate of 2.51 percent, and may be prepaid at any time. The Township remits payment of approximately $674,000 annually, inclusive of principal and interest payments, which will continue until the 2035 Bond maturity date.

Assuming the Township refinanced at the current rate of approximately 1.5 percent for another 18-year loan in the amount of $7.9 million, the Township could reduce its average annual payment to approximately $504,000, an annual decrease of approximately $170,000, or 25 percent. The lifetime of loan payments on the refinanced debt from 2021 through 2038 would be approximately $9.1 million, while the remaining payments on the existing debt from 2021 through its final payment in 2034 will total approximately $9.4 million. Overall, the Township could experience an overall decrease in payments on this debt of $287,000, or 3 percent. Importantly, however, refinancing does come with fees, which are more difficult to estimate. The Township should consult a financial advisor to explore its options and learn the full scope of potential costs and savings associated with refinancing its debt.[15]

FIN02 – Engage a Registered Municipal Advisor to Assist on Debt Issuance

Responsible Party	Target Completion
Finance Director/Township Manager	**Fourth Quarter 2020; As needed thereafter**

The Township should also hire a Municipal Advisor, registered with the SEC and MSRB. The Municipal Advisor will help ensure that the Township achieves competitive rates and terms and will also advise on structure and the general financing process. The Township has utilized financial advisors for previous public debt issuances and should also engage an advisor for significant private bank loans, such as a potential Series 2017 refinancing.

[15] It is important for the Township to keep in mind that this analysis was not completed by Financial Advisors; instead, these figures should serve only as a broad example of savings that the Township could potentially experience if it explored the option of refinancing its Series 2017 Bonds. As such, the Township should consult professional financial advisors before acting on any adjustments to its debt issuance.

FIN03 – Lead Coordination Efforts for the Multi-Year Capital Improvement Plan

Responsible Party	Target Completion
Finance Director	**Second Quarter 2021**

The Finance Department assists the Township Manager in developing the Capital Improvement Plan (CIP) to ensure that Newtown possesses the necessary funding to support infrastructure and redevelopment efforts. The Finance Director and the Township Manager are tasked with interviewing each department head to understand their department's capital improvement needs. To improve the CIP process, the Finance Department should lead coordination between department heads, ensuring that each director with significant capital needs or funds is participating in their own department's long-term budgeting. The Finance Department should assist external departments in preparing capital budget documentation such as costs of deferred maintenance, asset inventories, and capital fund plans ahead of meetings to ensure that CIPs align with departmental priorities. Additionally, CIPs and relevant documentation should be updated annually to reflect changes to revenues forecasts.

FIN04 – Establish a Multi-Year Financial Planning Process

Responsible Party	Target Completion
Finance Director	**Fourth Quarter 2020**

Leverage the five-year plan presented by ESI to establish a multi-year planning process that is updated annually. Municipal budgets are intricate and involve many moving parts, especially amid a pandemic. The long-term economic effects of the current pandemic are still unknown and forecasts more closely resemble an order of magnitude exercise than exact receipts. To continuously have the most accurate fiscal information, the Finance Department should review and revise financial forecasts for a multi-year period using the framework presented by ESI. This exercise should be repeated on an annual basis, adding budget revisions, updated personnel costs, and major fluctuations in receipts or expenditures.

6. Police

6.1. Overview

The Newtown Township Police Department is a full-service police agency providing coverage to a total population of approximately 23,000 residents on a 24 hour per day/365 days per year basis. It employs a full-time staff, with no part-time officers. At present, it provides service to Newtown Township and also to Wrightstown Township which it adjoins and services on a contract basis.

Demographically Newtown Township is comprised of nearly 20,000 residents with a population breakdown of approximately 87 percent White, 8.4 percent Asian, 2.3 percent Hispanic, and 2 percent Black, while Wrightstown Township has a population just in excess of 3,000 residents with 94.5 percent White, 2.8 percent Asian, 1.4 percent Hispanic, and 1.4 percent Black (2019 estimates).

The Department is accredited by the Pennsylvania Law Enforcement Accreditation Commission (PLEAC)[16] and has been reaccredited several times.[17]

Department Philosophy

The Department's stated mission as found on the Township's website[18] reads as follows:

Mission and Values

The mission of the Newtown Township Police Department is to safeguard persons and property through a committed community partnership by upholding public trust, fostering mutual respect and providing services to enhance the quality of life.

Honesty and Integrity

Is paramount to our profession and is expected of all employees. Honesty produces an environment of trust. Integrity produces an atmosphere of credibility. Honesty and integrity nurture an open and safe organization for all.

Leadership

We are leaders in our community and our profession. We share a vision to improve the quality of life through pro-active involvement with the community.

[16] More information at: pachiefs.org/pcpa-accreditation-program.
[17] "Accreditation" means that the agency subscribes to and engages in recognized professional best practices outlined in over 130 standards promulgated by PLEAC. Proof of compliance with these standards is determined by independent outside assessors who review the agency's operations before the Commission granting accreditation or reaccreditation.
[18] www.newtownpa.gov/newtown-township-police-department/mission-and-values-of-the-newtown-township-police-department/

Work Ethic

We advocate a strong work ethic. As a result, we will provide high quality of service leading to positive results for our community and organization. We strive to provide the highest standard of public service, customer and job satisfaction.

Communication

We value communication and encourage an honest, constructive and open exchange of ideas that accomplish the goals of the Department. Effective and open communication, at all levels, is the cornerstone of a progressive and successful organization.

Teamwork

We encourage teamwork on behalf of our community and organization. Teamwork unites residents and police by sharing talent and expertise leading to the successful identification of common goals, objectives and results.

Community

We will develop programs that seek solutions to community issues through a partnership with the people we serve. Through this partnership we recognize and respect individual differences and encourage residents to work cohesively to promote positive solutions to community concerns.

Fairness

We treat our employees with dignity, respect and fairness. Rewards and discipline will occur as a result of merit. We will follow the tenet of treating others, as we would expect to be treated.

Recognition

We strive to recognize all employees for their contributions. We reward them for quality work and the excellent service they provide to the community and organization. We believe our employees are our most valuable assets.

Employee Development

We support the professional growth and development of all employees. We do this through consistent and collaborative processes involving supervisors and subordinates to develop career goals supported by the organization.

In today's environment the issue of "bias" in policing, particularly toward racial minority portions of the community is of great concern. Several of the standards promulgated by PLEAC address this issue and require that accredited agencies have in place policies that explicitly prevent bias in their operations. These policies include provisions regarding the manner in which the agency operates,[19] its hiring

[19] PLEAC Standard 1.8.3 which calls for a policy forbidding officers from engaging in practices that would be considered discriminatory or bias based in their policing activities and requiring initial and ongoing in-service training regarding the same.

practices,[20] and methods to reinforce that bias has no place in professional policing.[21] In addition, the members of the agency must abide by the Law Enforcement Code of Ethics which further addresses bias issues.[22] By being an accredited agency and meeting these standards the community can be assured as to the Department's commitment to bias free policing and the fact that such policies exist and proof of compliance with same is demonstrable.

That the leadership of the Department has clearly delineated the agency's mission and values and has incorporated 21st century policing concerns is evidence of a progressive, forward leaning approach to the management of the agency. These policies reflect the belief that the Department views itself as a partner that adds value to the community in addressing quality of life concerns rather than a police force whose mandate is simply enforcing laws and maintaining order.

6.2. Department Organization

The agency is headed by Chief John Hearn who was hired from outside the agency and who has served in that capacity since February 2019. The Chief has extensive experience having worked his way through the ranks in a variety of assignments during a 30-year career with the Philadelphia Police Department, where he retired at the rank of Captain. He has extensive experience as a police supervisor, manager, and executive along with the credentialled training and education to support the same. He is a graduate of several highly regarded top tier police executive development programs including the FBI National Academy, the Northwestern University School of Police Staff & Command, and Penn State University's Justice Institute POSIT and POLEX programs, and he maintains membership in numerous professional police organizations. The Chief enjoys a good reputation with his subordinates and with the Newtown Police Benevolent Association which is the collective bargaining unit that represents the rank-and-file members of the Department. Civilian oversight of the Department is provided by an elected Board of Supervisors with whom the Chief has a good working relationship. The Chief, and the Department overall, has a good reputation among law enforcement peers in both the surrounding area and in Bucks County in general. In our opinion, he is an effective leader, a forward-thinking executive, and a very competent administrator. The Township will benefit from his skills and commitment, and his advice should be valued.

As a full-service agency with a variety of resources, the Department has limited interaction with outside agencies such as the Pennsylvania State Police, which generally interacts with the Department only when a matter under their jurisdiction leads into Newtown's jurisdiction. Relations with PSP are cordial and professional. The Bucks County District Attorney's Detective Bureau provides investigative support when needed on certain major crimes. The Department participates in several joint efforts within the county including the Emergency Response Team ("SWAT" unit) and the Major Incidents Response Team.

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[20] PLEAC Standard 1.5.1. which calls for hiring standards in compliance with all equal opportunity and civil rights employment laws and non-discrimination in hiring practices.
21 PLEAC Standard 1.1.1 which requires inclusion in the Oath of Office administered to officers of language specifically acknowledging that they will uphold, obey and enforce the law without consideration to a person's race, color, sex, religious creed, sexual orientation, age, national origin, ancestry, handicap or disability.
[22] PLEAC Standard 1.1.2 requires the inclusion of the IACP Law Enforcement Code of Ethics into the agency's policies.

The Department both provides and receives assistance in emergency situations to or from nearby municipal police agencies as provided by the terms of the Municipal Police Jurisdiction Act. The Department also has a variety of specialized assignments including community policing, truck enforcement, crash investigations, and highway patrol.

The second in command of the Department holds the rank of Lieutenant. There are two such positions, one which oversees the operational aspects of policing and the other which oversees the administrative functions of the Department. Both report to the Chief of Police. This is a typical structure used by many similar sized agencies. Both positions have been filled by experienced officers with decades of service to the agency. As such they are excellent partners with the Chief of Police when formulating policy or determining strategies to address emerging issues. The fact that they have extensive institutional knowledge of the agency itself, which he does not have, make them extremely valuable resources in the management scheme of the Department. Of the two, one has 35 years of service and recently retired. This may result in a significant loss of expertise and institutional knowledge unless the vacancy is filled by a capable candidate through promotion. The Lieutenant position supervises all subordinate sworn personnel in the Department through a rank structure which includes Sergeants, Corporals, Detectives, and Patrolmen.

In addition, the agency has an Accreditation Manager who holds the rank of Sergeant and reports directly to the Chief. This is important in carrying out the day-to-day tasks that ensure the Department is ready for scheduled reaccreditation and serves as an early warning system when policies may need review or revision. This position also oversees the Field Training Officer program, which is crucial to ensuring uniformity and competency among the officers and in helping to manage risk. The fact that this position reports directly to the Chief is further proof of commitment to best practices and quality control.

The agency currently works 12-hour shifts, consisting of 4 consecutive days, and has done so for quite some time. Interestingly, there is no shift rotation – officers work either day work or night work on a continual basis. There is a shift differential paid for hours worked after midnight on a shift, and there is a requirement for a minimum of 4 hours pay, or pay at time-and-one-half for actual hours, whichever is greater, for court appearances which do not occur during an officer's scheduled shift.

Staffing

The current complement of the police department includes 29 sworn officers, including the Chief, two lieutenants, four sergeants, five corporals (including one detective corporal), two detectives, and 15 patrol officers. Additionally, the Department employs four non-uniformed employees, including two municipal services secretaries, one administrative assistant, and one executive assistant to the chief. Finally, the Department employs one crossing guard.

Figure 6.1: Department Headcount, 2016-2020

Position	2016	2017	2018	2019	2020
Police Chief	1	1	1	1	1
Police Lieutenant	1	1	1	2	2
Police Officer - Sergeant	5	7	5	5	4
Police Officer - Corporal	5	4	5	5	5
Police Officer - Detective	1	2	2	2	2
Police Officer	15	14	13	14	15
Crossing Guard	1	1	1	1	1
Municipal Services Secretary	2	1	2	2	2
Executive Assistant to the Chief	1	1	1	1	1
Administrative Assistant	1	1	1	1	1
Total	33	33	32	34	34

Source: Newtown Township (2020)

The determination of "proper," "recommended," or "adequate" staffing levels can be a complex process involving the analysis of various data.[23] One of the simplest *guides* is provided by the FBI review of police department staffing nationwide. In 2018, the FBI reported that the average number of officers per 1,000 population nationwide was 2.4. Statewide in Pennsylvania, that figure drops to approximately 2.2 officers per 1,000 population, and a calculation of the current staffing in Newtown Township shows a figure of approximately 1.5 officers per 1,000 population served, a figure below both the national average and the statewide average in Pennsylvania.[24] This figure further decreases to 1.3 officers per 1000 population served if including Wrightstown Township's population, which is served by the Newtown Township Police Department as well.

It should be noted that in Pennsylvania there are in excess of 1,000 municipal police agencies. Many of these are not "full service," i.e. they may be part-time (not providing 24/7/365 coverage) or agencies which provide a *patrol only* function, with the patrol officer handling many other law enforcement duties as time permits, or handing off duties to state police or county investigators because of lack of resources or expertise. As an agency provides more service or full service, the need for sworn staff expands. Staffing for detectives, officers trained in forensic evidence recovery, specialized skills such as overweight vehicle details, juvenile matters, sex crimes, narcotics investigations, school resource officers, accident reconstruction, firearms and use of force trainers, community policing, and a myriad of other skills is necessary. As more services are provided involving additional staff the need for more supervisory positions expands. There are a variety of ratios regarding the span of control with police supervision, with the International Association of Chiefs of Police (IACP) recognizing that there should be

[23] See "Staffing the Small Department" Police Chief's Desk Reference, 2nd Edition, IACP, May 2008, p. 133 et seq.
[24] The calculation is "number of police officers" divided by "population" = "x". "x" is then multiplied by 1000. The resulting number is the ratio of police officers per 1000 persons in the population.

one supervisor for every 4/7 officers depending on assignment. A recent paper by the Police Executive Research Forum (PERF) concluded that the "ideal" ratio is around 1 supervisor for every 6 officers.[25] Consider also that supervision is necessary for quality control purposes and risk management – recent events have shown how concepts such as "duty to intervene" when police officer misconduct is occurring are extremely important and have significant ramifications. On-scene supervision helps to manage these issues.[26] The Newtown Township Police Department is a full-service agency. Adequate staffing is required based on community expectations of performance.

Chief Hearn recently developed a "Core Services Hour Method" manpower study utilizing the data collected by the Newtown Township Police Department involving factors such as calls for service, the average time to handle a call, number of investigations, and time involved in investigative matters, and patrol hours. His figures reveal that there are approximately 652 hours of service ("Total Core Hours") provided by the Department each week. Based on these calculations there should ideally be 28 patrol officers and detectives available to staff the agency to cover those hours for service. When you calculate in the number of supervisors necessary (based on the IACP or PERF ratio recommendation) and command staff (Chief and Lieutenants) the total agency complement raises to 41 sworn staff. This is an increase of 12 sworn officers from the current organizational chart total of 29.

The Chief has also prepared a presentation for his elected officials outlining a variety of concerns regarding staffing levels and other needs of the Department. One significant staffing concern in his data-based study shows the aggregate amount of time that NO officer was available to respond to a call for service due to officers being committed on other calls.

We do see agencies serving similarly sized populations in Pennsylvania with staffing levels above that which is currently present in Newtown Township. Some of these are more urbanized communities where calls for service and crimes rate are higher. For example, the Pottstown Police Department in Montgomery County covers a similar-sized population with an urbanized area of less than five square miles but has a police force of 45 officers. However, the service response area of the Newtown Township Police Department is approximately 22 square miles (Newtown Township and Wrightstown Township) which is significantly more territory than urbanized agencies serve and generally would require staffing levels that allow for patrol deployments that ensure acceptable coverages and response times to calls for service.

[25] See "Promoting Excellence in First Line Supervision – New Approaches to Selection, Training, and Leadership Development". PERF, October 2018, p. 19.
[26] The above study noted that supervisors play an important role in situations where the potential for police use of force occur, with the paper noting that one study of deadly force incidents revealed it took approximately 15 minutes from when a call was dispatched until the first shots were fired, and when a supervisor was able to respond to a scene within those 15 minutes "the chance of an officer involved shooting were reduced by about 80%". p.7.

"Crime Rate" is another factor often cited in studying staffing levels.[27] Chief Hearn's data on crime in the Township for 2018 used in his manpower study showed 155 Part I Offenses and 444 Part II Offenses.[28] [29] This is not "significant crime" by many standards used to evaluate the same and can be reflective of the policing efforts of the Department. There are also many ways to evaluate the effectiveness of the response to crime, including the "clearance rate" for reported crimes, i.e. was someone arrested for the reported crime, or was it otherwise "solved"? Clearance rates for Part II Offenses are generally higher than for Part I Offenses simply because many Part II Offenses occur within the view of an officer who is able to make an instant arrest. The fact is that citizens are generally not interested in the statistics of crime when judging the capability of "their" police department – their interest is on a personal level – what happened when *I* engaged with the police, how was *I* treated, and what was the outcome of *my* issue? The ability of the police to respond in a timely manner, to have the time to interact with that citizen and understand their issue, and then have the resources to follow up and "solve" the problem is what drives "customer satisfaction" with the police department. Adequate staffing is essential to that perception and a positive outcome.

A final factor in staffing is the consideration of pending retirements which will affect the number of sworn officers in the Department. Currently, there are four officers in the DROP program which will result in their retirement and create at least four vacancies. Those officers have a combined 135 years of service, which again illustrates the stability of the workforce. Of these, two are patrolmen, and the remaining include a Sergeant and a Lieutenant. Filling these vacancies will have a net positive effect on the personnel costs of the agency in that all of the slots will be filled either via promotion or by entry-level candidates who will earn less than the incumbents.

Our conclusion regarding the staffing level of the Newtown Township Police Department is that the agency is NOT overstaffed, and in fact, as a strategy to better manage scheduling and prepare for future retirements, the Township should consider hiring additional police officers toward the lower end of the pay scale in the next couple of years.

6.3. Physical Plant/Fleet Operations

Unfortunately, due to the current COVID-19 pandemic and the restrictions in place during the time of this review, we were unable to physically visit the Newtown Township Police Department to assess certain factors that affect the costs of operation and the ability of the agency to deliver core services.

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[27] Current figures for crime in Pennsylvania communities are not available via the public access Pennsylvania UCR Reports website operated by the Pennsylvania State Police. This is because the website is undergoing revision as Pennsylvania is moving to the National Incident Based Reporting System (NIBRS) mandated by the FBI to become operational in 2021.

[28] Part I Offenses include serious crimes such as homicide, rape, aggravate assaults, robbery, burglary, vehicle theft, and others. Part II Offenses are crimes considered less serious including other assaults, frauds, vandalism, drug violations, liquor violations, DUI, disorderly conduct, and so on.

[29] It is not unusual to have significantly higher Part II Offenses as those offenses include most "quality of life" crimes and many crimes (such as disorderly conduct, liquor offenses, and the like) that are reported because of activity self-initiated by officers on patrol rather than being reported by victims such as are most Part I Offenses.

A review of materials supplied by the Chief of Police does indicate a need for expansion or replacement of police headquarters in upcoming years. As is typical the agency has outgrown its present quarters and other critical infrastructure. There are a variety of considerations in either designing a new facility or remodeling/renovating an existing location. The design process requires a team approach including law enforcement, public officials involved in finance and building requirements, and architects familiar with the specialized design of public safety facilities.

With regard to fleet operations, a review of the status of the current vehicles shows that there are 25 vehicles operated by the agency with 18 being marked vehicles and the remainder being unmarked. Of those, at least 10 have high mileage (100,000+) with some having upwards of 150,000 miles. There is no regular plan for replacement based on any measurable standard such as mileage, costs of maintenance/repair, age of the vehicle, and so on. Vehicles are currently replaced as budgeting allows.

It should also be noted that as demands for more police accountability increase nationwide, or legislation mandating certain programs reflective of same occurs, costs for items such as dashcams, body-worn cameras, storage of data from same, and compliance with other potential mandates, such as training programs, will add to the costs of operation for the Department.

6.4. Agency Image

A positive image for a police department can often serve as a kind of "force multiplier" for the agency. Citizens have support for "their" police department when it is seen as capable and competent, and criminals shy away from a jurisdiction if they have the perception that they stand a good chance of being identified, arrested, and successfully prosecuted because of the skill and competency of the police in that jurisdiction. These things are based on "image". In today's world image is driven largely by engagement on social media and by viewing the public face or "storefront" of the agency. The Newtown Township Police Department projects a positive image through both tactics – it makes good use of social media (such as Facebook and others) and engages the public in many other ways including a variety of community events where they are face-to-face with the public they serve.[30] This level of engagement is greater than that seen in most other agencies.

A simple Google search for images of the Department reveals photographs of an agency whose members are professionally uniformed with a "traditional" police look – there is no "militarization" as is seen in some agencies. The photos show officers engaging in a variety of positive interactions and they project an image of competency and confidence. A similar search of news articles for mentions of the agency similarly results in positive references including arrests made for a variety of incidents, mentions of officers receiving commendations for their work, and so on. Again, these promote an image of competency and confidence in the agency. This is reinforced by the results of the citizen survey done in

[30] As an anecdote regarding the opposite image of a police agency – I once went to a 15 officer municipal police department where upon entering I encountered a mirrored armored glass window next to an armored entrance door that had a sign on it that said: "Do Not Bang On Door – No One Will Answer!" Even if you could see that someone was inside you had to call the county communications center and ask them to radio the police department that you were in the lobby.

conjunction with this project which showed overall a positive image of the Department and its operations (see Appendix A).

6.5. Summary of Financial Results

The Police Department is the largest single driver of the township's General Fund, accounting for 38 percent of General Fund expenditures in 2019. Personnel costs comprised 95 percent of the total departmental expenses in 2019. Outside of HRA/HSA Contributions, which did not normalize until more recent years, the expenditure that increased the most from 2015 through 2019 was for Overtime/Comp Time, which had an average rate of growth of 17.5 percent.

Figure 6.2: Police Expense Results, 2015-2019

Expenditure Source	2015	2016	2017	2018	2019	Avg. % Growth
Salaries and Wages	$2,907,935	$2,992,577	$2,998,068	$3,028,675	$3,108,825	1.7%
Overtime/Comp Time	$153,493	$190,678	$233,307	$297,068	$293,041	17.5%
FICA	$235,843	$250,476	$254,040	$258,642	$268,892	3.3%
Health Insurance	$772,565	$795,284	$683,296	$724,593	$773,705	0.0%
HRA/HSA Contributions	$0	$10,000	$126,212	$78,396	$82,823	102.3%
Other Benefits	$182,230	$182,228	$189,058	$204,471	$212,120	3.9%
Supplies	$121,269	$115,963	$123,186	$138,420	$130,236	1.8%
Other Services	$20,617	$22,718	$38,340	$49,900	$42,396	19.8%
Communications	$18,110	$17,926	$17,339	$19,345	$18,746	0.9%
Repairs & Maint.	$46,192	$46,895	$33,946	$46,170	$38,038	-4.7%
Miscellaneous	$2,181	$1,230	$1,172	$1,415	$1,945	-2.8%
Total Expenditures	$4,460,435	$4,625,975	$4,697,964	$4,847,096	$4,970,767	2.7%

Source: Newtown Township (2020)

Figure 6.3: Police Baseline Expense Projections, 2020-2025

Expenditure Source	2020 Projected	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Salaries and Wages	$3,171,588	$3,266,851	$3,364,974	$3,466,045	$3,570,151	$3,677,385
Overtime/Comp Time	$280,147	$286,594	$295,202	$304,069	$313,202	$322,609
FICA	$278,615	$286,984	$295,603	$304,482	$313,628	$323,048
Health Insurance	$897,504	$938,928	$982,264	$1,027,600	$1,075,028	$1,124,646
HRA/HSA Contributions	$90,600	$90,600	$90,600	$90,600	$90,600	$90,600
Other Benefits	$226,981	$233,799	$240,821	$248,054	$255,505	$263,179
Supplies	$144,000	$137,118	$140,134	$143,217	$146,368	$149,588
Other Services	$49,600	$45,998	$47,010	$48,045	$49,102	$50,182
Communications	$20,300	$19,523	$19,952	$20,391	$20,840	$21,298
Repairs & Maint.	$33,874	$35,956	$36,747	$37,556	$38,382	$39,226
Miscellaneous	$885	$1,415	$1,446	$1,478	$1,511	$1,544
Total Expenditures	$5,194,096	$5,343,765	$5,514,755	$5,691,537	$5,874,316	$6,063,305

Source: Newtown Township (2020), Econsult Solutions, Inc. (2020)

6.6. Recommendations

PD01 – Investigate Regionalization of Police Services

Responsible Party	Target Completion
Board of Supervisors/Police Chief	**Fourth Quarter 2023**

Pennsylvania has the most municipal police jurisdictions of any state in the country. There has been a push by the state government to regionalize municipal services in the Commonwealth, including police services. A regional police department usually is more capable of delivering a broad range of police services due to its size and ability to offer specialized functions beyond just a patrol capability. Aggregating police departments together can result in an overall reduction in costs because some redundant items are eliminated (ex. Operation of 1 police facility vs. several, 1 police chief vs. several) and economies of scale in procurement may occur. In fact, a study of consolidated police departments in Pennsylvania found average cost savings of 24 percent compared to individual municipal police departments.[31]

Newtown Township should investigate the feasibility of a regional police department including the municipalities within the Council Rock School District. This includes in addition to Newtown Township and Wrightstown Township, the Borough of Newtown, and the townships of Upper Makefield and Northampton. All of those jurisdictions are currently served by municipal police agencies and all are adjacent – that is, no area in between them would not be serviced by a regional police department. This agency would serve a population of approximately 73,000 citizens. Newtown Township and

[31] https://dced.pa.gov/download/regional-police-services-in-pennsylvania/?wpdmdl=59692&ind=0

Wrightstown Township would form a nucleus of this area. Also, at one time Newtown Township did provide police services via contract to Newtown Borough, which it surrounds.

Both Chief Hearn and the leadership of the Newtown Police Benevolent Association voiced support for such a study. From a police officer's perspective, the larger the Department, the more opportunity there is for career growth via advancement or change of assignment or specialization. From a police management perspective, the larger the Department is the more opportunity to engage in policing programs that espouse modern theories of policing and delivery of services in an impactful way.

On the negative side, working out how officers from several agencies might be absorbed into a larger regional police department is often problematic. Labor and employment issues abound and the fact that officers come from different vetting, hiring, promotion, and training practices can impact quality control. However, these obstacles are not insurmountable.

The Pennsylvania Department of Community and Economic Development encourages police regionalization and provides technical and financial assistance to departments interested in studying the concept. Funding is available through the agency's Municipal Assistance Program (MAP)[32] for in-depth management studies to determine feasibility and other costs.

There are many ways in which a group of jurisdictions can approach regionalization. This, along with the fact that this is a long-term recommendation, makes it difficult to quantify the cost savings that the Township can expect to incur upon regionalizing the Police Department. However, if this recommendation is seriously considered, the Township can expect significant savings in the following expense areas:[33]

- Sharing costs of officers
- Sharing costs of vehicles
- Sharing costs of ranking positions
- Sharing cost of police facilities

Additionally, the Township would likely incur decreased expenses as a result of efficiencies in various areas, such as:

- Consolidation of law enforcement systems, such as radio dispatch systems and records systems
- More efficient staffing distribution and shift coverage, leading to savings in wages and compensation
- More efficient department management
- More opportunities for career enhancement, as well as more efficient use of resources towards trainings and other professional development efforts

[32] https://dced.pa.gov/programs/municipal-assistance-program-map/
[33] https://dced.pa.gov/download/regional-police-services-in-pennsylvania/?wpdmdl=59692&ind=0

Additionally, the Township should periodically review reciprocal police services to ensure that Newtown Township is being properly reimbursed.

The remaining recommendations for the Police Department are offered with respect to the Newtown Township Police department and may be impacted by, or made moot depending on the resolution of the recommendation on regionalization.

PD02 – Negotiate Compensatory Time Terms

Responsible Party	Target Completion
Board of Supervisors/Police Chief	**Fourth Quarter 2023**

The police department's total budget for fiscal year 2020 is $5.3 million. That represents an approximate increase of seventeen percent (17%) or $800,000 to the police department budget since 2014 ($4.5 million). On average, the police budget has increased slightly less than three percent (3%) each year. This increase is predominantly caused by wage increases identified in the relevant collective bargaining agreements. Officer wages, while high when viewed in isolation, are consistent with other police departments with Bucks County. Likewise, the general wage increases provided in the collective bargaining agreement (3 percent each year in the current agreement) is only slightly higher than year-to-year increases to the consumer price index (CPI-U). Accordingly, the pace of the police department's budget increase, and more specifically wages, is appropriate. However, there are a few line items within the police budget that may provide areas of potential cost savings.

Since 2016, the police department has exceeded its budget for compensatory time by ever increasing increments. The budgeted and actual compensatory time were as follows:

Year	Budget	Actual
2016	$60,000	$64,000
2017	$60,000	$75,000
2018	$70,000	$94,000
2019	$70,000	$116,000
2020	$70,000	$90,600

The collective bargaining agreement allows for an accrual of up to 240 hours of compensatory time. It also allows for up to 240 hours to be carried from one year to the next. Both of these represent underlying problems that contribute to the cost of compensatory time exceeding budget. First, accrual of up to 240 hours is abnormally high.

The Fair Labor Standards Act permits a maximum accrual of 240 hours for non-uniform public sector employees, and a maximum accrual of 480 hours for uniformed employees. Nevertheless, generally permitting accrual of over eighty (80) hours of compensatory time is not advisable. The reason is that the cost associated with compensatory time compounds over time. When an officer accrues compensatory time, it is considered wages earned that must be paid at some point (compensatory time is accrued in lieu of payment of overtime). That means that unused compensatory time must be carried from year to year.

The solution is twofold. First, the Township should attempt to negotiate a lower cap on the maximum amount of compensatory time that can be accrued. Although the limitation of compensatory time will cause an increase in overtime paid, the cost of overtime will not be compounding. Likewise, to further reduce the compounding of cost related to compensatory time, the Township should negotiate the ability to pay down any accrued compensatory at the end of the calendar year.

The current collective bargaining agreement was recently extended for three more years, rather than becoming invalid at the end of 2020. As such, the Township should prioritize this as a topic for negotiation in 2023 when the contract is being renegotiated.

An example of the potential magnitude of this change is as follows and exhibited in Figure 6.4.

Patrol Officer Doe entered the Department in 2020 at the base step 1 salary of $62,092, per the current PBA agreement. In 2023, Doe's base salary has increased to $67,850, or $33 per hour. Assume Doe accrues the maximum allowance of 240 hours of compensatory time in 2023 but carries the time over until using the hours in 2032, at which point his base salary will have increased by 30 percent to $88,529, or $43 per hour. At this time, under the current agreement, the Township will pay Doe for the 240 at his current salary level, totaling $10,215, as opposed to $7,829, which would have been the total at the time of accrual in 2023. As with Doe's base salary, this is an increase of 30 percent.

Now assume the Township implements the first part of the recommendation and limits the cap of compensatory time accrual to 80 hours. Again, assume Doe accrues the maximum compensatory time in 2023 and carries the hours over until using them at 2032. Under this scenario, the Township will still pay Officer Doe 30 percent more than if the hours were paid at the rate at which they were accrued; however, in this case, because the maximum hours accrued are less, than the amount paid out will be $3,405, a decrease of 67 percent from the current policy.

If the Township implemented both parts of the recommendation, capping the maximum accrued hours at 80 and requiring that they be paid at the end of each calendar year, as opposed to carrying out and compounding in value, Officer Doe could accrue 80 hours in 2023 and be paid $2,610 at the end of the year for those hours, as opposed to carrying the time year over year and allowing the value to compound over time.

Figure 6.4: Compensatory Time Recommendation Example

Year	2023	2032	2023	2032
Base Salary	$67,850	$88,529	$67,850	$88,529
Hourly Rate	$32.62	$42.56	$32.62	$42.56
Hours Accrued	240	240	80	80
Payout Value	$7,829	$10,215	$2,610	$3,405

Source: Agreement Between Newtown Township and Newtown Police Benevolent Association (2017-2020)

PD03 – Recruit Additional Patrol Officers

Responsible Party	Target Completion
Board of Supervisors/Police Chief	**First Quarter 2022**

The high accrual of compensatory time has another adverse consequence – it has a circular impact. The accrual of compensatory time increases the amount of time officers can take off, which in turn creates shift vacancies that are filled with officers who accrue overtime or more compensatory time. Overtime payments are an ongoing challenge and a significant cost in the police budget. Certain overtime is the natural result of the police function (ex.: officers working over after an incident occurs that requires their immediate attention or presence, etc.) but some of the overtime results from staffing shortages. Moreover, the PBA indicated that they are perpetually short-staffed and believe that additional officers should be hired. Both of these problems can be addressed through the recruitment of additional officers. Qualified officers could potentially offer a cost-savings approach to fill the gap in some of these situations. It is recommended that the Township hire one additional patrol officer in 2021 and then two additional officers in 2022. In doing so, it is also recommended that the Township work to decrease overtime accrual by 30 percent by the end of 2023, as it can more efficiently staff the Department with new recruits.

PD04 – Begin Planning for the Renovation or Relocation of the Current Police Headquarters

Responsible Party	Target Completion
Board of Supervisors/Police Chief	**Fourth Quarter 2020**

A study should be conducted to determine the long-range growth requirement for space to house the police department and the cost involved. This should be a professional study involving law enforcement, municipal officials with expertise in finance and building requirements, and architects experienced in the design and construction of public safety facilities. The IACP offers training on "Planning, Designing, & Constructing Police Facilities"[34] and has excellent reference material regarding the same.[35] This also depends on any regionalization plans (see Appendix B for municipal police station locations).

PD05 – Develop a Standing Fleet Replacement Policy

Responsible Party	Target Completion
Township Manager/Police Chief	**Second Quarter 2022**

One of the most significant costs of operation for police functions is the maintenance and replacement of the vehicle fleet. A standing policy that sets guidelines that incorporate vehicle age, mileage, repair costs, and other factors should be put in place so that vehicles are decommissioned and replaced on a regular basis. The piecemeal replacement of vehicles causes budget spikes and flattening out that process would probably result in cost savings over time.

[34] https://www.theiacp.org/planning-designing-and-constructing-police-facilities
[35] https://www.theiacp.org/police-facility-planning-guidelines

The use of hybrid patrol vehicles available as police packages should be studied as long as those vehicles meet operational needs and officer safety requirements. Costs savings from fuel usage may be realized.

Recently a regional police department in Lancaster County which serves three townships and a borough transitioned to hybrid vehicles with an expectation of "significant cost savings".[36]

PD06 – Adopt a Staffing Formula

Responsible Party	Target Completion
Township Manager/Police Chief	**Second Quarter 2022**

Developing a baseline staffing formula based on legitimate criteria such as calls for service, response time, compressing the time when a unit is unavailable for immediate response, officer safety, crime rates, and expectation of services allows for consistent delivery of services and quality control.

Again, as with the fleet the piecemeal replacement of officers causes budget spikes and flattening out that process by maintaining a staffing level consistent with that formula would allow for better budget planning and would probably result in cost savings over time.

PD07 – Create a "Business Optimization Working Group"

Responsible Party	Target Completion
Police Chief	**Second Quarter 2022**

A group within the agency should be tasked with continual review to find efficiencies that may result in budgetary savings. This group should consist of experienced representatives from parts of the organization who are forward-thinking and creative. It should include a union representative, a first-line supervisor, civilian personnel, and someone from each of the core functions of the agency. It would make recommendations for possible cost savings to the Chief based on goals he sets for upcoming budgets. This promotes "buy-in" by the members of the agency to any cost-saving measures that are implemented.

PD08 – Develop formal career track training

Responsible Party	Target Completion
Police Chief	**Second Quarter 2022**

This is for members of the Department who appear to be on the path towards a supervisory or management position. This training should consist of police supervision and management techniques, including budgeting issues. The goal is to establish credentials that provide the skills to problem solve management issues that impact the budget and have everyone "singing off the same sheet of music" so

[36] https://www.newsbreak.com/news/1509800980449/northern-lancaster-county-regional-police-expects-significant-cost-savings-with-new-suvs

to speak. This helps anticipate those issues and resolve them along the way before they become exacerbated by the passage of time and thus more costly to resolve.

PD09 – Conduct a Study on the Current Scheduling Provisions of the Collective Bargaining Agreement

Responsible Party	Target Completion
Board of Supervisors/Police Chief	**Fourth Quarter 2020**

Currently, officers are assigned to shift work without rotation, i.e. officers who work the night shift continually work that shift and likewise those who work dayshift. This appears to create a conflict with the overtime equalization clause of the CBA. [37] The conflict would occur because officers on the night shift would be entitled to overtime for most court appearances as those appearances would occur during dayshift hours when they were off duty.[38] This would seemingly require that dayshift officers be granted assignments to equalize the overtime paid to nightshift officers for court appearances. The concept of being able to schedule nightshift officers for dayshift on days that there are court appearances, concurrently working with the Magisterial District Court to develop a standard court appearance schedule for officers (i.e. hearings for Newtown Township PD are scheduled on a particular day each week) to minimize the need for such scheduling should be examined.

In addition, a pilot project to determine overtime costs through the utilization of a different shift schedule should be considered. There is some research that suggests that 10-hour shifts result in less overtime than do 8- or 12-hour shifts and may have some other benefits to the officers who work them.[39]

Finally, the Department should consider the use of scheduling software to help with scheduling and abatement of overtime. Programs such as PlanItPolice[40] may be helpful. These programs can also add to operational efficiency and provide at-a-glance information to supervisors and the Chief. This type of program may be especially useful in determining the need for additional patrol officers as an overtime cost-containment measure in the recommendation to decrease overtime accrual costs by 30 percent by the end of 2023 (see PD02).

[37] Article 4, Page 2 "Township agrees that it will attempt to equalize overtime during the calendar year between or among officers within the same classification".
[38] Article 5, Page 3 "Off Duty Pay".
[39] The Police Foundation: "The Shift Length Experiment – What We Know About 8-,10-, and 12-Hour Shifts in Policing. www.policefoundation.org/shiftexperiment/.
[40] www.planitpolice.com

7. Emergency Services

7.1. Overview

The Newtown Emergency Services Department was created in 1996 to supplement the efforts of the local volunteer fire department. The Department has since transformed to provide full-service fire and basic first responder medical care. Additionally, the Department offers non-emergency services such as fire prevention and education programs, vehicle extraction, and fire cause and origin investigations. The Department operates Monday to Friday from 6 am to 6 pm. The Department serves both Newtown Township and Newtown Borough. The headquarters for the Newtown Emergency Services Department are located at the Township Municipal Complex and the administrative office is at the Fire Station.

The Department consists of nine firefighters, including the Fire Chief, and an administrative assistant that splits time between the Emergency Services Department and the Public Works Department (accounted for in the Public Works Department Headcount).

Figure 7.1: Department Headcount, 2016-2020

Position	2016	2017	2018	2019	2020
Fire Chief	1	1	1	1	1
Firefighter	8	8	7	8	8
Total	9	9	8	9	9

Source: Newtown Township (2020)

7.2. Summary of Financial Results

The Township's Emergency Services Department is funded through three separate funds: the General Fund, the Fire Protection Fund, and the Rescue Squad Fund.

General Fund Emergency Services

The General Fund covers expenses for firefighter salaries and benefits, as well as departmental operating expenses. From 2015 through 2019, the average annual increase in these expenses was 3.3 percent. The total expenditures for the Department funded by the General Fund in 2019 were $990,682 (see Figure 7.2).

Figure 7.2: Emergency Services General Fund Expense Results, 2015-2019

Expenditure Source	2015	2016	2017	2018	2019	Avg. % Change
Salaries and Wages	$551,001	$583,874	$592,234	$587,594	$619,414	3.0%
Overtime/Comp Time	$36,463	$49,534	$44,729	$87,709	$90,642	25.6%
FICA	$43,598	$47,007	$48,002	$50,766	$53,765	5.4%
Health Insurance	$193,487	$167,795	$171,161	$180,832	$163,600	-4.1%
HRA/HSA Contributions	$0	$15,000	$15,000	$15,000	$13,271	-4.0%
Other Benefits	$8,049	$9,011	$7,287	$11,034	$11,678	9.8%
Supplies	$23,398	$22,533	$22,476	$23,359	$22,555	-0.9%
Other Services	$3,724	$5,860	$4,866	$23,580	$5,029	7.8%
Communications	$4,651	$5,139	$4,964	$4,970	$4,237	-2.3%
Repairs and maintenance	$3,395	$1,509	$2,321	$1,975	$2,865	-4.2%
Miscellaneous	$3,107	$2,989	$3,112	$3,308	$3,626	3.9%
Total Expenditures	$870,873	$910,251	$916,152	$990,127	$990,682	3.3%

Source: Newtown Township (2020)

Figure 7.3: Emergency Services General Fund Baseline Expense Projections, 2020-2025

Expenditure Source	2020 Projected	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Salaries and Wages	$635,973	$655,075	$674,751	$695,018	$715,894	$737,397
Overtime/Comp Time	$27,555	$59,099	$60,874	$62,702	$64,586	$66,526
FICA	$62,383	$64,257	$66,187	$68,175	$70,222	$72,332
Health Insurance	$193,509	$202,440	$211,784	$221,559	$231,785	$242,483
HRA/HSA Contributions	$14,000	$14,000	$14,000	$14,000	$14,000	$14,000
Other Benefits	$16,776	$17,280	$17,799	$18,334	$18,884	$19,451
Supplies	$29,900	$26,227	$26,804	$27,394	$27,997	$28,613
Other Services	$5,457	$5,243	$5,358	$5,476	$5,597	$5,720
Communications	$4,600	$4,419	$4,516	$4,615	$4,717	$4,821
Repairs & Maint.	$4,663	$3,764	$3,847	$3,932	$4,018	$4,106
Miscellaneous	$1,416	$2,521	$2,577	$2,633	$2,691	$2,750
Total Expenditures	$996,233	$1,054,325	$1,088,497	$1,123,838	$1,160,390	$1,198,198

Source: Newtown Township (2020), Econsult Solutions, Inc. (2020)

Fire Protection Fund

The Township also collects 0.875 real estate tax mills for its Fire Protection Fund, which funds support for the Newtown Fire Association, the Fire Chief's salary and benefits, and other departmental expenses. In 2019, the Township collected $295,807 in current real estate taxes for the Fire Protection Fund. Overall, the collections have decreased by approximately 1 percent each year, as non-current collections have decreased and current collections, which are the most significant source of revenue for the fund, have increased by approximately 1.5 percent annually (see Figure 7.4).

Figure 7.4: Fire Protection Fund Revenue Results, 2015-2019

Revenue Source	2015	2016	2017	2018	2019	Avg. % Change
Real Estate Taxes - Current	$278,287	$286,435	$291,667	$295,323	$295,807	1.5%
Real Estate Taxes - Prior	$24,150	$327	$266	$440	$0	-100.0%
Real Estate Taxes - Delinquent	$3,752	$4,915	$3,260	$2,932	$2,300	-11.5%
Real Estate Taxes - Interim	$5,399	$1,907	$1,635	$695	$337	-50.0%
Total Revenues	$311,588	$293,584	$296,828	$299,390	$298,444	-1.1%

Source: Newtown Township (2020)

As previously stated, the Fire Protection Fund is used for the Fire Chief's compensation, the Newtown Fire Association, and other departmental expenses. In 2019, the total expenditures incurred within this fund were $325,464, with an average annual growth from 2015 of 1.1 percent (see Figure 7.4).

Figure 7.5: Fire Protection Fund Expense Results, 2015-2019

Expenditure Source	2015	2016	2017	2018	2019	Avg. % Change
Salaries and Wages	$89,851	$90,196	$92,902	$95,688	$98,559	2.3%
FICA	$6,874	$6,900	$7,107	$7,320	$7,540	2.3%
Health Insurance	$33,834	$27,521	$27,843	$28,280	$28,995	-3.8%
HRA/HSA Contributions	$0	$2,500	$2,500	$2,500	$2,500	0.0%
Workers Comp	$6,101	$7,539	$9,085	$9,031	$9,417	11.5%
Other Benefits	$1,532	$1,417	$1,458	$1,637	$1,669	2.2%
ESD Expenditures	$3,523	$7,369	$4,024	$3,053	$1,683	-16.9%
Newtown Fire Association	$170,000	$170,000	$170,000	$180,000	$175,100	0.7%
Total Expenditures	$311,715	$313,442	$314,919	$327,509	$325,464	1.1%

Source: Newtown Township (2020)

As revenues to the Fire Protection Fund have decreased at the same rate that expenditures within the Fund have increased, there has been an increasingly large deficit each year since 2015. In 2015, the fund balance forward was $121,041; at the end of 2019, the fund balance was $27,800 (see Figure 7.6).

Figure 7.6: Fire Protection Fund Results, 2015-2019

	2015	2016	2017	2018	2019
Revenues	$311,588	$293,584	$296,828	$299,390	$298,444
Expenditures	$311,715	$313,442	$314,919	$327,509	$325,464
Total Surplus (Deficit)	($127)	($19,858)	($18,091)	($28,119)	($27,019)
Beginning Fund Balance	$121,014	$120,887	$101,029	$82,938	$54,819
Ending Fund Balance	$120,887	$101,029	$82,938	$54,819	$27,800

Source: Newtown Township (2020)

Based on historical performance, it is projected that the Real Estate Tax collections for the Fire Protection Fund will continue growing at a slower rate than expenses, primarily those associated with the Fire Chief's salary and benefits. Collections have been lower than anticipated in 2020 due to the COVID-19 crisis; under these assumptions and based on the lower-than-projected collections thus far in 2020, the Fire Protection Fund will continue operating on a deficit and have a negative fund balance by the end of 2020, continuing through 2025.

Figure 7.7: Fire Protection Fund Baseline Revenue Projections, 2020-2025

Revenue Source	2020 Projected	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Real Estate Taxes - Current	$295,000	$295,404	$298,358	$301,341	$304,355	$307,398
Real Estate Taxes - Prior	$50	$50	$250	$250	$250	$250
Real Estate Taxes - Delinquent	$2,300	$2,300	$2,300	$2,300	$2,300	$2,300
Real Estate Taxes - Interim	$200	$269	$500	$500	$500	$500
Total Revenues	$297,550	$298,022	$301,408	$304,392	$307,405	$310,448

Source: Newtown Township (2020), Econsult Solutions, Inc. (2020)

Figure 7.8: Fire Protection Fund Baseline Expense Projections, 2020-2025

Expenditure Source	2020 Projected	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Salaries and Wages	$100,358	$103,369	$106,470	$109,664	$112,954	$116,342
FICA	$7,677	$7,907	$8,145	$8,389	$8,641	$8,900
Health Insurance	$29,743	$31,111	$32,543	$34,039	$35,605	$37,243
HRA/HSA Contributions	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500
Workers Comp	$9,025	$9,296	$9,575	$9,862	$10,158	$10,462
Other Benefits	$1,520	$1,566	$1,613	$1,661	$1,711	$1,762
ESD Expenditures	$1,000	$1,341	$1,500	$2,000	$2,000	$2,000
Newtown Fire Association	$175,100	$175,100	$175,100	$175,100	$175,100	$175,100
Total Expenditures	$326,923	$332,190	$337,444	$343,215	$348,668	$354,310

Source: Newtown Township (2020), Econsult Solutions, Inc. (2020)

Figure 7.9: Fire Protection Fund Summary Baseline Projections, 2020-2025

	2020 Projected	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Revenues	$297,550	$298,022	$301,408	$304,392	$307,405	$310,448
Expenditures	$326,923	$332,190	$337,444	$343,215	$348,668	$354,310
Total Surplus (Deficit)	($29,373)	($34,168)	($36,036)	($38,824)	($41,263)	($43,861)
Beginning Fund Balance	$27,800	($1,573)	($35,741)	($71,777)	($110,601)	($151,864)
Ending Fund Balance	($1,573)	($35,741)	($71,777)	($110,601)	($151,864)	($195,725)

Source: Newtown Township (2020), Econsult Solutions, Inc. (2020)

General Fund Rescue Squad & Rescue Squad Fund

The Township's Rescue Squad expenditures were funded through the General Fund until the Township created a separate Rescue Squad Fund beginning in 2018, which is funded by a real estate tax collection of 0.45 mills, which was implemented at the same time.

From 2018 to 2019, the Rescue Squad Fund revenues increased by 0.6 percent, totaling $152,757 in 2019 (see Figure 7.10).

Figure 7.10: Rescue Squad Fund Revenue Results, 2018-2019

Revenue Source	2018	2019	Avg. % Change
Real Estate Taxes - Current	$151,448	$151,696	0.2%
Real Estate Taxes – Prior	-	-	-
Real Estate Taxes - Delinquent	-	$888	-
Real Estate Taxes - Interim	$356	$173	-51.4%
Total Revenues	$151,804	$152,757	0.6%

Source: Newtown Township (2020)

The Township's budget accounts for Rescue Squad expenses in a single line item; the only change was shifting this expense from the General Fund to the Rescue Squad Fund beginning in 2018. Since 2015, the average increase in expenditures for the Rescue Squad has been 8.0 percent, totaling $154,548 in 2019 (see Figure 7.11).

Figure 7.11: Rescue Squad Expense Results, 2015-2017 (General Fund), 2018-2019 (Rescue Squad Fund)

Expenditure Source	2015	2016	2017	2018	2019	Avg. % Change
Rescue Squad	$113,453	$121,262	$124,055	$149,994	$154,548	8.0%

Source: Newtown Township (2020)

The Rescue Squad fund began with a balance of $0 in 2018, with the Fund entirely relying upon real estate tax collections for its balance. However, as revenues increased by only 0.6 percent from 2018 to 2019, expenditures increased by 3.0 percent, resulting in a deficit of $1,791 in 2019 and an ending fund balance of $19 (see Figure 7.12).

Figure 7.12: Rescue Squad Fund Results, 2018-2019

	2018	2019
Revenues	$151,804	$152,757
Expenditures	$149,994	$154,548
Total Surplus (Deficit)	$1,810	($1,791)
Beginning Fund Balance	$0	$1,810
Ending Fund Balance	$1,810	$19

Source: Newtown Township (2020)

Continuing with the Township's trend of an average rate of growth of 1 percent for real estate collections each year, it is projected that Rescue Squad Fund collections will reach a total of $156,448 by 2025. As with the Township's other funds, this growth was stunted by the COVID crisis, which has caused 2020 collections to be slightly lower than anticipated, and is projected to extend into 2021 before resuming normal growth rates.

As the Rescue Squad Fund is used to fund a singular expenditure item, the baseline projects that the Township would spend roughly the amount it collected from real estate taxes each year, leading to an expense growth rate of 1 percent. This will maintain a nearly neutral fund position for the Rescue Squad Fund each year through 2025. It is important for the Township to be aware of the potentially precarious position of the Rescue Squad Fund, in that in the event that higher expenses are incurred, the Fund will risk being depleted. As such, the Township must monitor the fund closely and consider transferring funds or increasing revenues if the fund balance dips below zero in future years.

Figure 7.13: Rescue Squad Revenue Baseline Projections, 2020-2025

Revenue Source	2020 Projected	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Real Estate Taxes - Current	$146,685	$149,191	$150,682	$152,189	$153,711	$155,248
Real Estate Taxes – Prior	$10	$250	$250	$250	$250	$250
Real Estate Taxes - Delinquent	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
Real Estate Taxes - Interim	$100	$136	$200	$200	$200	$200
Total Revenues	$147,795	$150,577	$152,132	$153,639	$155,161	$156,698

Source: Newtown Township (2020), Econsult Solutions, Inc. (2020)

Figure 7.14: Rescue Squad Baseline Expense Projections, 2020-2025

Expenditure Source	2020 Projected	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Rescue Squad	$147,800	$150,500	$152,200	$153,600	$155,200	$156,700

Source: Newtown Township (2020), Econsult Solutions, Inc. (2020)

Figure 7.15: Rescue Squad Fund Summary Baseline Projections, 2020-2025

	2020 Projected	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Revenues	$147,795	$150,577	$152,132	$153,639	$155,161	$156,698
Expenditures	$147,800	$150,500	$152,200	$153,600	$155,200	$156,700
Total Surplus (Deficit)	($5)	$77	($68)	$39	($39)	($2)
Beginning Fund Balance	$19	$14	$91	$23	$62	$23
Ending Fund Balance	$14	$91	$23	$62	$23	$22

Source: Newtown Township (2020), Econsult Solutions, Inc. (2020)

7.3. Recommendations

ES01 – Review Fire Study

Responsible Party	Target Completion
Board of Supervisors/Fire Chief	**Second Quarter 2021**

The Board of Supervisors should initiate a detailed review of the 2018 Fire and Emergency Services Study for the Township of Newtown, Pennsylvania (the "Fire Study"), prepared by Harry R. Carter, Ph.D., L.L.C. This could be done through the establishment of a committee to include Fire Chief Glenn Forsyth, the chief or other representative of the volunteer Newtown Fire Association; a representative of the Township finance staff; one or more supervisors; and other interested persons. Chief Forsyth indicates that the career and volunteer staff have addressed certain recommendations in the Fire Report, including conducting an airplane crash drill with the Mercer County Airport and increased training for hazmat, chemical and flammable liquids incidents. The committee should review the major points from the report which are noted in the recommendations below.

ES02 – Review Increasing Career Fire Staff

Responsible Party	Target Completion
Board of Supervisors/Fire Chief	**Fourth Quarter 2020**

The Fire Study notes that Newtown Township, like many municipalities in Pennsylvania, has experienced increasing difficulty in recruiting new volunteers and retaining active volunteers. The factors causing these difficulties include an aging population and young people who go off to college and do not return. The Newtown Fire Association has worked hard to recruit volunteers, including through programs with the high school and community college, but the recruiting efforts have not been successful in increasing the volunteer staff. There are currently approximately 40 volunteers, but the turnout for fires has not been robust. The Fire Study recommends increasing the career staff to move toward a full career staff in ten years.

The Fire Chief generally concurs with this Fire Study recommendation. There are currently 8 career firefighters. An increase of 5 career firefighters would enable two complements of 6 career firefighters each, which would greatly enhance response capabilities, and the thirteenth firefighter would allow for

the establishment of the position of a Deputy Chief within the Department. The Township staff estimates the cost of the five firefighters over the next three years to be approximately $1.8 million. The Township has applied for a SAFER (Staffing for Adequate Fire and Emergency Response) grant from FEMA to cover the first three years, but the Township must decide if it is willing to fund the increased complement of career firefighters in the long run. Figure 7.16 exhibits the total cost of an additional complement of five fire fighters, with the first three years assumed to be covered by the SAFER grant, after which the Township would incur these costs.

Figure 7.16: Salaries and Benefits for Five Additional Fire Fighters, 2021-2025

	2021	2022	2023	2024	2025
Total Personnel Costs	582,355	599,825	617,820	636,355	655,446

Source: Econsult Solutions, Inc. (2020)

ES03 – Review Encouraging More Regional Approach to Firefighting

Responsible Party	Target Completion
Board of Supervisors/Fire Chief	**Fourth Quarter 2023**

The Township's Fire Department participates in the county-wide mutual aid arrangement. The Fire Chief is diligent in responding to the needs of fire departments in neighboring communities, and he indicates that the Newtown Fire Department is very dependent on mutual aid received from neighboring fire departments in servicing the residents of the Township and the Borough. For example, the Northampton Township Fire Department and the Middletown Emergency Services are very helpful in assisting with daytime responses in the Township and the Borough.

The committee should consider encouraging an effort by the Township to convene a meeting of all the municipalities and fire companies in the greater Newtown area to address their joint, long-term fire safety needs. In early September, a county-wide fire services report will be issued by the Bucks County Planning Commission and the Bucks County Emergency Services Department. Fire Chief Forsyth has been active in this effort. The Township should consider taking an active lead in encouraging these joint efforts to address fire safety in Bucks County. All the fire companies and departments in this area and around the Commonwealth are facing the same challenges. The current arrangements will be inadequate to address fire safety needs in the long run. The Township committee could provide pro-active guidance to the Supervisors on how to address these challenges (see Appendix B for municipal fire station locations).

There are many ways in which a group of jurisdictions can approach regionalization. This, along with the fact that this is a long-term recommendation, makes it difficult to quantify the cost savings that the Township can expect to incur upon regionalizing the Fire Department. However, if this recommendation

is seriously considered, the Township can expect significant savings and increased efficiencies in the following areas:[41]

- Efficient allocation of resources
- Increased service levels
- Reduced apparatus replacement and reserve inventory needed
- Eliminate duplicative equipment needs
- Reduce cost of purchasing through volume procurement
- Increased support for training and improving operations
- Fewer fire stations required
- Reduced administrative and department management needs

ES04 – Negotiate Reimbursement for Newtown Borough Fire Services

Responsible Party	Target Completion
Board of Supervisors/Fire Chief	**Fourth Quarter 2020**

The current level of financial support from Newtown Borough is inadequate and unsustainable for the Township Fire Department. Newtown Borough receives coverage from Newtown's paid firefighters and in return, Newtown Borough pays for Newtown volunteer's worker's compensation insurance and generates some revenue from fire inspections. Due to low enrollment for volunteer staff, Newtown needs to increase its salaried coverage in the coming years (see ES02) and will need financial support from Newtown Borough to subsidize the cost. Approximately 20 percent of the calls to the Newtown Fire Department originate from Newtown Borough but their contribution to the Department is not proportionate to the level of service provided. Township officials should require Newtown Borough to be responsible for 15 to 20 percent of the personnel costs for the full-time fire fighters, as well as the police chief. Newtown taxpayers should not be required to fund services in another municipality. Figure 7.17 exhibits potential revenue from the Borough for fire services from 2021 through 2025, assuming an agreement is made beginning in 2021 for the Borough to pay the Township 10 percent of personnel costs in 2021, moving to 20 percent in the following year. Notably, this also includes recommendation ES02, adding five fire fighters to the complement, though not incurring costs until 2024, assuming the Township obtains the SAFER grant. As the Township would not pay out-of-pocket for these personnel until 2024, the figures below require the Borough to begin paying for these personnel in 2024 as well.

[41] https://dced.pa.gov/download/Feasibility%20of%20Regionalizing%20PA%20Volunteer%20Fire%20Companies%20(House%20Resolution%20148)/?wpdmdl=56795

Figure 7.17: Newtown Borough Payments for Fire Personnel, 2021-2025

	2021	2022	2023	2024	2025
Fire Fighters (General Fund)	101,874	210,424	217,330	351,746	362,955
Fire Chief (Fire Protection Fund)	14,970	30,935	31,963	33,028	34,131
Total Revenue	116,844	241,358	249,293	384,774	397,086

Source: Econsult Solutions, Inc. (2020)

8. Public Works

8.1. Overview

The Department of Public Works is tasked with the maintenance of township streets, buildings, grounds, parks, and vehicle fleet. The Department maintains 130 lane-miles of township roads, including pothole repair, street sweeping, snow removal, stormwater repairs, and street signage. The Department is responsible for 300-acres of parks and building grounds, including mowing, mulching, and general maintenance. It also manages the township fleet of 55 vehicles including repairs and purchasing of police vehicles, fire trucks, public works vehicles, and heavy equipment.

In the citizen survey, respondents weighed in on their perception of the Department of Public Works' service delivery. The majority of respondents rated public works services such as snow removal, street cleaning, and streets/highway maintenance as good, although citizens rated these services as fair more often than excellent. Most respondents chose streets/highway maintenance as the top service the Township should focus on improving (see Appendix A).

Public Works is comprised of 10 full-time employees, including one director, one crew leader, seven mechanics, and one custodian. Additionally, the Department employs one administrative assistant, though this employee's time is split between Public Works (80 percent) and Emergency Services (20 percent). Beyond its full-time staff, the Department typically hires several seasonal workers to perform grounds work such as mowing, mulching, and upkeep.

Figure 8.1: Department Headcount, 2016-2020

Position	2016	2017	2018	2019	2020
Director	1	1	1	1	1
Crew Leader	0	1	1	1	1
Maintenance/Mechanic	7	7	7	7	7
Custodian	1	1	1	1	1
Administrative Assistant	0	0	0	1	1
Total	9	10	10	11	11

Source: Newtown Township (2020)

8.2. Summary of Financial Results

Due to the nature of the Public Works Department, its expenses are funded through the General Fund as well as the Highway Aid and Capital Project funds. Despite the diversification, the majority of general departmental operations and expenditure are financed through the General Fund as detailed in Figure 8.2 below. From 2015 to 2019, expenditures decreased by an average annual rate of 2.7 percent, totaling nearly $1.6 million in 2019.

The largest categories of expenditures in the Department are salaries and wages and health insurance, which have steadily increased nearly every year included in the analysis. The third-largest category of expenditures is repairs and maintenance, though expenditures within this category have decreased over

the years from the General Fund, with many of these costs being funded through non-General Fund dollars.

Figure 8.2: Public Works Expense Results, 2015-2019

Expenditure Source	2015	2016	2017	2018	2019	Avg. % Growth
Salaries and Wages	$606,779	$560,939	$598,666	$636,110	$666,709	2.4%
Overtime/Comp Time	$41,031	$21,172	$29,009	$38,457	$40,607	-0.3%
FICA	$48,152	$43,225	$46,605	$50,918	$53,195	2.5%
Health Insurance	$212,548	$172,150	$181,363	$194,808	$228,503	1.8%
HRA/HSA Contributions	$0	$18,959	$21,458	$20,625	$22,250	5.5%
Other Benefits	$7,843	$7,244	$7,386	$9,202	$10,561	7.7%
Supplies	$85,023	$59,000	$97,480	$104,425	$88,740	1.1%
Other Services	$100,567	$65,446	$77,104	$136,385	$54,947	-14.0%
Communications	$5,496	$4,054	$4,447	$4,757	$5,815	1.4%
Repairs & Maint.	$625,096	$539,137	$534,100	$372,684	$383,735	-11.5%
Miscellaneous	$155	$85	$210	$245	$55	-22.8%
Total Expenditures	$1,732,690	$1,491,411	$1,597,828	$1,568,616	$1,555,117	-2.7%

Source: Newtown Township (2020)

Figure 8.3: Public Works Baseline Expense Projections, 2020-2025

Expenditure Source	2020 Projected	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Salaries and Wages	$662,712	$682,617	$703,120	$724,240	$745,993	$768,400
Overtime/Comp Time	$38,578	$39,592	$40,781	$42,006	$43,268	$44,568
FICA	$54,164	$55,791	$57,467	$59,193	$60,971	$62,802
Health Insurance	$261,797	$273,880	$286,521	$299,745	$313,580	$328,053
HRA/HSA Contributions	$22,250	$22,250	$22,250	$22,250	$22,250	$22,250
Other Benefits	$10,769	$11,092	$11,426	$11,769	$12,122	$12,486
Supplies	$114,000	$101,370	$103,600	$105,879	$108,209	$110,589
Other Services	$88,636	$71,791	$73,371	$74,985	$76,635	$78,321
Communications	$5,450	$5,632	$5,756	$5,883	$6,012	$6,145
Repairs & Maint.[42]	$17,157	$490,446	$501,236	$512,263	$523,533	$535,051
Miscellaneous	$142	$98	$100	$103	$105	$107
Total Expenditures	$1,275,654	$1,754,561	$1,805,629	$1,858,316	$1,912,677	$1,968,771

Source: Newtown Township (2020), Econsult Solutions, Inc. (2020)

[42] As a measure to contain costs in 2020 upon the onset of the COVID pandemic, the Township decreased its road maintenance expenditures by $290,000, resulting in 2020 Repairs and Maintenance expenditures projected to be much lower than is typical for the Public Works Department in 2020. The forecast for 2021 and beyond returns the Repairs and Maintenance expenditures to normal levels.

8.3. Recommendations

PUB01 – Take a Lead Role in Developing the Township's Capital Improvement Plan

Responsible Party	Target Completion
Public Works Director	**Second Quarter 2021**

It is important for the Public Works Department to play a larger role in formulating the capital improvement plan and quantify the ramifications of deferring maintenance over time. Public Works currently tracks preventative maintenance and repairs with a "mechanic log." The Public Works Director should formalize the process to track deferred maintenance and integrate tracking with a more robust asset inventory assessment, cost estimations, useful life of assets, and ongoing operating budget implications. The Department needs to change the status quo from assisting the most immediate repairs to preventative maintenance by utilizing long-term budgeting to end the constant game of catch-up. According to the PA Public Works Manual, "regardless of the maintenance methodology employed, the municipality should adopt policies and procedures requiring employees to monitor equipment condition and perform routine equipment servicing. Aggressive preventive maintenance can considerably reduce municipal fleet maintenance costs."

The Public Works Director should be directly involved in determining priority projects over the next five years along with estimated costs. This information will then be folded into the administration's township-wide capital improvement plan and brought for consideration to the Board of Supervisors in the next budget cycle.

PUB02 – Modernize Fleet Management

Responsible Party	Target Completion
Township Manager/Public Works Director	**Fourth Quarter 2023**

Currently, the Township's fleet is maintained by in-house mechanics, with one mechanic dedicated to police vehicles. The Department is currently behind on equipment purchasing, as the current stock includes old equipment in constant need of repairs. The Department should modernize the fleet management process to ensure vehicles and equipment are in their best working conditions.

According to the PA Public Works Manual, "capital budgeting should include a projected vehicle replacement schedule, such as a 15-fiscal year replacement program. The vehicle replacement schedule should include a detailed listing of the age and condition of all equipment. A planned approach to vehicle replacement ensures an efficient vehicle fleet that accomplishes the mission of the Public Works Department mission at a minimum cost." The Department should consider investing in an industry-standard database to allow administrative staff to measure fleet performance and replacement needs. This could be as simple as Microsoft Excel or Access database to track key metrics such as mileage, age, condition, as well as repair cost to vehicle value. Having a database would also allow the Department to track and manage fleet internally, and better field notices of vehicle issues from external departments.

PUB03 – Explore Shared Service Opportunities

Responsible Party	Target Completion
Township Manager/Public Works Director	**Fourth Quarter 2023**

Sharing services can reduce costs and preserve resources for the Public Works Department without decreasing service levels. In the presence of rising service and labor costs, the Department must be strategic in curbing expense growth without sacrificing service quality. When municipalities regionalize, jurisdictions benefit from economies of scale by increasing the efficiency of providing services. Roads are an important public asset and an expensive one. Road maintenance comprises a large portion of the Public Works budget and citizens want better road conditions. In the citizen survey, respondents chose street/highway maintenance as the top service that the Township should focus on improving (see Appendix A). Shared road maintenance will allow Newtown to properly service their roads with a reduced overhead cost.

There are many ways in which a group of jurisdictions can approach sharing services for public works efforts. This, along with the fact that this is a long-term recommendation, makes it difficult to quantify the cost savings that the Township can expect to incur upon increasing shared public works services. However, if this recommendation is seriously explored, the Township can expect significant savings in the following expense areas:

- Reduced fleet needs
- Cost savings through volume material purchasing
- Fewer facilities needed to house equipment and materials
- Increased efficiency in responding to areas in need of repair or maintenance
- Potentially reduce personnel needs and costs

9. Parks and Recreation

9.1. Overview

The Parks and Recreation Department offers recreational programming and events designed to promote the physical, mental, and social health of Newtown Township residents. The Department manages nine parks and facilities including the Clark Nature Center, a skate park, a community garden, ball fields, picnic pavilions, concession stands, and walking trails.

The Department has benefited from the Bucks County Open Space Program, an effort to preserve farmland, natural areas, open space, county parkland, and Delaware Riverfront that ended in 2016. Through the 10-year program, Newtown Township was eligible for over $580,000 in financial assistance for open space planning, acquisition, and improvements.

The citizen survey illustrated the positive perception of parks and recreation in the Township. Most respondents rated the quality of parks as excellent, 45.5 percent, recreation programs, 38.7 percent, and recreation center/facilities as good, 41.9 percent. Over half of respondents reported having used recreational programming, and of those respondents, 48.3 percent considered programming to be of excellent value. The most popular parks reported were Veteran's Park, followed by Roberts Ridge Park, then Newtown Trail (see Appendix A).

The Department employs four full-time employees, including the Parks and Recreation Director, one Municipal Services Secretary, and two Administrative Assistants. The Department also employs part-time instructors and staff for recreation programming seasonally.

Figure 9.1: Department Headcount, 2016-2020

Position	2016	2017	2018	2019	2020
Director	1	1	1	1	1
Municipal Services Secretary	1	1	1	1	1
Administrative Assistant	1	1	3	2	2
Program Coordinator	1	0	0	0	0
Total	4	3	5	4	4

Source: Newtown Township (2020)

9.2. Summary of Financial Results

The Parks and Recreation budget is split into three broad categories within the General Fund: departmental operations, programming, and repairs and maintenance.

Figure 9.2: Parks and Recreation Expenditure Results by Department Objective, 2015–2019

	2015	2016	2017	2018	2019	Avg % Change
Operations	$311,747	$316,969	$311,979	$311,642	$342,687	2.4%
Programming	$263,427	$283,257	$307,287	$296,633	$329,953	5.8%
Maintenance	$79,756	$68,593	$63,624	$62,671	$58,219	-7.6%
Total	$654,930	$668,819	$682,890	$670,946	$730,860	2.8%

Source: Newtown Township (2020)

The first category, departmental operations, includes expenditures associated with the salaries and benefits of the management and support staff.

One of the primary activities within the Parks and Recreation Department is offering programming to the community, which is a significant source of income for the Township. Nearly half of the Parks and Recreation budget in 2019 was allocated towards programming, including the wages for part-time program staff.

Finally, the Parks and Recreation Department incurs regular expenditures associated with repairs and maintenance for its facilities each year. Notably, the Township has a separate Recreation Capital Fund that is used for many capital improvement projects involving the Parks and Recreation department facilities. The total amount of General Fund expenditures for Parks and Recreation maintenance is relatively small and has decreased over time, with an average annual change of negative 8.7 percent.

Figure 9.3: Parks and Recreation Expenditure Results, 2015–2019

Expenditure Source	2015	2016	2017	2018	2019	Avg % Change
Salaries and Wages	$409,587	$426,872	$441,875	$447,648	$489,460	4.6%
FICA	$19,920	$20,212	$20,948	$21,677	$21,544	2.0%
Health Insurance	$84,555	$72,095	$65,728	$60,054	$84,879	0.1%
HRA/HSA Contributions	$0	$8,125	$8,125	$6,884	$8,750	2.5%
Other Benefits	$3,623	$2,923	$3,493	$3,301	$4,247	4.1%
Supplies	$14,829	$15,143	$11,267	$14,260	$13,292	-2.7%
Other Services	$15,104	$12,240	$14,520	$12,171	$13,567	-2.6%
Communications	$6,502	$6,813	$8,349	$7,352	$8,951	8.3%
Repairs and maintenance	$56,730	$48,983	$47,014	$44,518	$39,420	-8.7%
Miscellaneous	$44,080	$55,413	$61,571	$53,081	$46,749	1.5%
Total	$654,930	$668,819	$682,890	$670,946	$730,860	2.8%

Source: Newtown Township (2020)

Figure 9.4: Department Revenue and Expense Projections, 2020–2025

Expenditure Source	2020 Projected	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Salaries and Wages	$458,169	$471,931	$486,106	$500,707	$515,746	$531,237
FICA	$23,879	$24,596	$25,335	$26,096	$26,880	$27,687
Health Insurance	$96,630	$101,090	$105,756	$110,637	$115,743	$121,085
HRA/HSA Contributions	$8,750	$8,750	$8,750	$8,750	$8,750	$8,750
Other Benefits	$5,078	$5,231	$5,388	$5,549	$5,716	$5,888
Supplies	$20,350	$16,821	$17,191	$17,569	$17,956	$18,351
Other Services	$18,258	$15,912	$16,262	$16,620	$16,986	$17,359
Communications	$9,624	$9,287	$9,492	$9,700	$9,914	$10,132
Repairs & Maint.	$42,233	$40,827	$41,725	$42,643	$43,581	$44,540
Miscellaneous	$21,417	$34,083	$34,833	$35,599	$36,383	$37,183
Total Expenditures	$704,388	$728,528	$750,837	$773,871	$797,654	$822,212

Source: Newtown Township (2020), Econsult Solutions, Inc. (2020)

9.3. Recommendations

REC01 – Increase Returns from Recreational Programming

Responsible Party	Target Completion
Township Manager/Parks and Recreation Director	**Second Quarter 2022**

Recreation programming generates revenue for the Department that far exceeds the cost. Management should consider restructuring pricing and offerings to help subsidize a larger portion of the parks and recreation operations. There are two elementary strategies to generate more revenue through cost restructuring: increase or decrease programming fee levels. Increasing fees for programming (beyond the typical year-to-year change) can generate additional revenue if participants highly value the current program offerings as increases in price will not drive away participants. Decreasing fees for programming can cast a wider net of participants and will generate additional revenue if current program fees are considered too high. Decreases in revenue received per person will be offset by the higher overall enrollment. In the citizen survey, past users of recreational programming rated the value of services as excellent (see Appendix A). The Parks and Recreation Department should capitalize on recreational programming to work towards a sustainable, self-sufficient departmental model. To do this, the Department should start by conducting regular benchmarking of comparable recreation programming in the area (both municipal and privately provided) to ensure that the Township's programming fees are aligned with the marketplace. The Township has been able to increase fees for programming beyond the rate of inflation in prior years, suggesting it can likely sustain being at the top of the price range for similar programming.

REC02 – Take a Lead Role in Developing the Township's Capital Improvement Plan

Responsible Party	Target Completion
Parks and Recreation Director	**Second Quarter 2021**

As with the Public Works Department, the Parks and Recreation Department should have a more formal process for capital improvement planning. The Township's Recreation Capital Fund is a large source of funding for the Department's capital improvements, nearly one-third of planned capital improvements for 2020. The process of distributing these funds should be more robust. The Department should focus on projects and spending to best serve the mission of the Department to provide residents with programming that enhances health and growth in multiple aspects.

REC03 – Incorporate a Strategy to Promote the Township's Cultural and Recreational Assets in the Overall Economic Development Plan

Responsible Party	Target Completion
Township Manager	**Fourth Quarter 2023**

In addition to focusing on attracting businesses, many small communities have found success with a "place-based" economic development approach. Placemaking attracts new investment by identifying and carrying out deliberate strategies to promote community assets. Cultural events, festivals, preservation of local landmarks, parks enhancement, and beautification efforts will attract visitors and engage residents with the community. Placemaking circulates visitors and household spending throughout the local economy, supporting local businesses, and increasing tax revenues. The Township should embrace placemaking to enhance the quality of life for residents, attract investment, and establish Newtown as a desirable place to live, work, and play.

10. Economic Development Strategy

10.1. Overview

Newtown Township is a thriving community, boasting a strong housing market, newly developed commercial corridors, a highly rated school district, and a "sparse suburban" feel.[43] The departure of Lockheed Martin in 2015, the adoption of the earned income tax in surrounding school districts and municipalities, and the budget shortfalls resulting from the COVID-19 pandemic are putting pressure on the community and its leadership to bridge the gap in municipal funding through strategic economic development. Newtown Township is going through a period of change and the Township needs to proactively plan for its future to maintain its status as a desirable place to live, work, and play.

Newtown residents have long benefitted from the tax revenues generated from businesses located in Newtown. High resident and non-resident EIT collections have been the primary reason that real estate taxes have been able to remain low comparably to similar municipalities (see Municipal Benchmarking and Survey Results). Due to the nature of collections, non-resident EIT revenue is not likely to fully rebound to its collection before the departure of Lockheed because more regional municipalities have instituted EIT collections in recent years. Newtown Township must actively work to draw employers to the area to regain lost revenues and prevent further non-resident EIT decreases.

Similar to industry employment for Newtown residents, Newtown workers are primarily employed in high-skilled, professional service industries. Health care and social assistance is the largest worker industry in Newtown, accounting for nearly one in every five jobs in the Township. Educational services and professional, scientific, and technical services follow with 17.0 and 12.9 percent of worker jobs, respectively. Newtown has an inflow of workers, meaning there are more workers employed in Newtown than there are resident workers. Less than 10 percent of resident workers in Newtown are employed in the Township (see Figure 10.1).

[43] Newtown Township, Niche.com, https://www.niche.com/places-to-live/newtown-township-bucks-pa/

Figure 10.1: Newtown Township Jobs by NAICS Industry Sector, 2017

Jobs by NAICS Industry Sector	Work Area Employment		Resident Employment	
Health Care and Social Assistance	2,402	19.7%	1,624	16.2%
Educational Services	2,080	17.0%	1,195	11.9%
Professional, Scientific, and Technical Services	1,580	12.9%	1,151	11.5%
Retail Trade	1,212	9.9%	926	9.3%
Finance and Insurance	887	7.3%	669	6.7%
Manufacturing	810	6.6%	620	6.2%
Accommodation and Food Services	573	4.7%	638	6.4%
Wholesale Trade	537	4.4%	441	4.4%
Administration & Support, Waste Management and Remediation	436	3.6%	191	1.9%
Construction	416	3.4%	407	4.1%
Other Services (excluding Public Administration)	391	3.2%	552	5.5%
Management of Companies and Enterprises	289	2.4%	352	3.5%
Information	280	2.3%	308	3.1%
Transportation and Warehousing	107	0.9%	136	1.4%
Public Administration	86	0.7%	281	2.8%
Arts, Entertainment, and Recreation	82	0.7%	218	2.2%
Real Estate and Rental and Leasing	30	0.2%	255	2.5%
Utilities	7	0.1%	25	0.2%
Agriculture, Forestry, Fishing and Hunting	0	0.0%	10	0.1%
Mining, Quarrying, and Oil and Gas Extraction	0	0.0%	4	0.0%
Total	12,205	100%	10,003	100%
Employed in Newtown	12,205	100%	924	9.2%

Source: US Census Bureau (2017)

A focus on economic development is a long-term strategy to grow the tax base and address the budget deficit without continuously raising resident and business taxes. A municipality's economic health depends on its ability to attract and retain businesses. This cycle of private investment in the regional economy will spur development, circulating dollars through local businesses, and into the municipal tax base. Newtown Township offers many advantages to local businesses such as a large population, a highly skilled workforce, multimodal transportation options including train stations and regional airports, proximity to I-95, as well as accessibility to major east coast metropolitan areas including Philadelphia and New York. Newtown is home to Bucks County Community College, which offers professional development education across healthcare, business, public safety, manufacturing, and information technology that can equip the local workforce with the skills employers need to succeed in the region.

The recently released Bucks County Transition Team Final Report recommends that regional agencies collaborate in their economic development efforts and invest in the growing start-up community. The Bucks County Economic Development Corporation and the Bucks County Industrial Development

Authority provide resources to promote and enhance the county business community. BucksWorks coordinates workforce development efforts to best match local business needs with career opportunities for workers. Bucks County also partners with the Ben Franklin Technology Partners through the VC4BC to invest in emerging companies and the Pennsylvania Biotechnology Center to incubate biotech start-ups.[44] KVK-Tech Inc., the specialty pharmaceutical company that purchased the former Lockheed facility, planned to use the 460,000 SF complex to expand its operations and create a business incubator for technology companies.[45]

The current pandemic is changing the commercial real estate market. Office building usage patterns emerging from social distancing and work from home ordinances are likely to become the new normal. Social distancing will counter the decade-long shift to open-concept workplaces and reduced space per office worker. Firms will have to reassess their current use of office spaces to provide more personal space for workers and more spacious layouts. Experts predict that companies implementing telework capabilities will continue to allow their employees to work remotely long after the pandemic is resolved.[46] Firms with remote workers may consider reducing their office footprint to cut overhead expenses. To compete for business, commercial office buildings will have to offer flexibility in lease agreements and options for shortened lease durations.

Newtown residents with the option of telecommuting may refrain from their commute to the office and opt to work locally. Newtown has a strong base of commuting professionals; less than 10 percent of residents lived and worked in the township in 2017 (See Figure 10.2). According to the citizen survey, over 28 percent of employed residents reported that they are currently working from home due to statewide restrictions (see Appendix A). There is an opportunity to serve Newtown professionals that may not have the proper space and or facilities in their home to effectively work but do not want to continue commuting given the choice. Space-as-a-service businesses and co-working facilities will be in high demand for people who benefit from an office environment, feel socially isolated working from home, or need a professional space outside the office to meet up with a work team. Larger companies may consider creating satellite offices in the Township to accommodate workers wishing to cut their commute. If Newtown can harness the potential of space-as-a-service businesses, satellite offices, and coworking facilities, it will increase local business tax revenues, increase purchasing from local restaurants and shops by working professionals, and recapture EIT collections from commuting workers.

In recent years, the bulk of economic development in Newtown has been the redevelopment of the shopping centers in the commercial district and along Sycamore Street. New restaurants and retailers have been suffering due to statewide shutdown and restrictions on shopping and dining. Through the pandemic, local governments need to support businesses by keeping businesses informed about updated restrictions, connecting business owners to local and federal resources, and updating land-use policies to accommodate shifts in business operations such as outside dining. It will take time for these businesses to return to their pre-COVID expectations, but to date, there appears to be some resilience

[44] Jennings, Thomas, "Bucks County Transition Team Final Report", Bucks County Transition Team, June 2020
[45] "KVK-Tech creates high-tech business incubator at former Lockheed-Martin site in Newtown Township", Bucks Local News, October 2016
[46] Guyot, Katherine, "Telecommuting will likely continue long after the pandemic," Brookings, April 2020

and staying power that bodes well for the future. Some neighboring communities have established "recovery committees" to plan for economic recovery and address the immediate needs of businesses as a result of COVID shutdowns and restrictions.

Successful economic growth takes years to implement and requires interdepartmental and key stakeholder collaboration. The Township currently relies on the Economic Development Committee and the Code Enforcement, Zoning and Planning Department to achieve community and economic development goals. The Economic Development Committee serves to cooperate with the Board of Supervisors and the Township Manager in recommending policies, strategies, and goals for the retention and expansion of business investment in the Township. The duties of the committee include maintaining an inventory of the vacant land and unoccupied structures, working in conjunction with other local agencies to attract businesses, and developing informational publications to assist businesses considering locating in the Newtown area.

10.2. Code Enforcement, Zoning and Planning Department

The Code Enforcement, Zoning & Planning Department is responsible for the administration of the Joint Municipal Zoning Ordinance (Jointure), Subdivision Ordinance, Floodplain Ordinance, Stormwater Ordinance, the building, electrical, plumbing, and mechanical UCC Standards. The Department also administers health and nuisance standards. The Jointure is a planning agreement adopted by Newtown Township, Upper Makefield Township, and Wrightstown Township. The Jointure was implemented to promote the safety of inhabitants, provide land-use patterns that preserve unique features of each municipality, and coordinate future development to appropriately allocate density-varying housing types and minimize traffic congestion. The Jointure bounds the areas of the Township into districts of varying classes and designates dimensional restrictions for buildings in each district. Newtown Township is the commercial hub of the Jointure.

Recent revisions to the zoning designations for Newtown shopping centers allowed the centers to densify. These amendments have brought numerous restaurants and retail options to Newtown's commercial center. A similar approach could work in the Business Commons. King of Prussia experienced similar success after revising its zoning code to revive the industrial district. In 2014, the municipality issued an ordinance encouraging the development of multi-family residences and retail amenities in the industrial district to create dynamic, mixed-use developments. In response, developers built luxury housing units integrated with attractive public spaces and pedestrian walkways, sparking further commercial investment in the area.[47]

The Code Enforcement, Zoning & Planning Department consists of two full-time administrative assistants and a part-time zoning officer.[48]

[47] Park, Katie, "Once 'sleepy' King of Prussia is booming with development", Philadelphia Inquirer, January 2020
[48] The part-time zoning officer was recently laid off due to budget restrictions arising from the pandemic.

Figure 10.2: Department Headcount, 2016-2020

Position	2016	2017	2018	2019	2020
Municipal Services Secretary	2	0	0	0	0
Administrative Assistant	1	3	2	2	2
PT Zoning Officer	0	1	1	1	1
Total	3	4	3	3	3

Source: Newtown Township (2020)

10.3. Summary of Financial Results

The Code Enforcement, Zoning & Planning Department expenses are dominated by personnel-related expenses and services. On average from 2015-2019, 55 percent and 44 percent of total departmental expenses were personnel and service-related, respectively. Salaries and wages rose in 2017 due to the addition of a part-time zoning officer but fell after the Department lost one administrative assistant in the following year. The Code Enforcement, Zoning & Planning Department services expenditures include professional, inspection, and contracted services. The zoning officer is not certified for electrical reviews or inspections so all electrical work must be conducted by a third-party Electrical Inspection Agency. Overall, the average percent change in the Department's expenses decreased by 1.0 percent.

Figure 10.3: Code Enforcement, Zoning & Planning Expenditure Results, 2015-2019

Expenditure Source	2015	2016	2017	2018	2019	Avg % Change
Salaries and Wages	$151,969	$167,845	$211,010	$179,823	$169,071	2.7%
FICA	$11,720	$12,875	$16,099	$13,745	$12,850	2.3%
Health Insurance	$37,655	$33,623	$34,063	$33,589	$32,900	-3.3%
HRA/HSA Contributions	$0	$2,500	$2,500	$2,500	$2,500	0.0%
Other Benefits	$2,069	$2,208	$2,255	$1,999	$1,922	-1.8%
Supplies	$1,914	$2,078	$2,858	$1,724	$1,404	-7.5%
Other Services	$188,100	$206,963	$180,779	$162,318	$156,944	-4.4%
Communications	$1,164	$1,015	$1,082	$0	$968	-4.5%
Total Expenditures	$394,591	$429,107	$450,646	$395,698	$378,559	-1.0%

Source: Newtown Township (2020)

Figure 10.4: Code Enforcement, Zoning & Planning Baseline Expenditure Projections, 2020-2025

Expenditure Source	2020 Projected	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Salaries and Wages	$160,425	$165,244	$170,207	$175,319	$180,585	$186,009
FICA	$12,925	$13,314	$13,713	$14,125	$14,550	$14,987
Health Insurance	$37,477	$39,207	$41,016	$42,909	$44,890	$46,962
HRA/HSA Contributions	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500
Other Benefits	$2,340	$2,410	$2,483	$2,557	$2,634	$2,713
Supplies	$3,000	$2,202	$2,250	$2,300	$2,350	$2,402
Other Services	$158,359	$157,651	$161,119	$164,664	$168,287	$171,989
Communications	$2,000	$1,484	$1,517	$1,550	$1,584	$1,619
Miscellaneous	$177	$89	$90	$92	$94	$97
Total Expenditures	$379,203	$384,100	$394,896	$406,018	$417,474	$429,277

Source: Newtown Township (2020), Econsult Solutions, Inc. (2020)

10.4. Recommendations

DEV01 – Collaborate with Bucks County Economic Development Agencies

Responsible Party	Target Completion
Economic Development Committee/Township Manager	**Fourth Quarter 2020**

The Township should take a collaborative approach to economic development. Combining efforts of the Economic Development Committee with those of the Bucks County Economic Development Corporation and the Bucks County Industrial Development Authority will increase the impact of those efforts. The committee should work to gain a better understanding of policy options, program offerings, and shared visions across organizations.

DEV02 – Continue Outreach to Local Businesses

Responsible Party	Target Completion
Economic Development/Finance Committees	**First and Third Quarters Annually**

Newtown needs to focus on both business attraction and retention. As mentioned in Municipal Benchmarking and Survey Results, the business survey lacked sufficient responses to solicit feedback and better understand the needs of Newtown business owners (see Municipal Benchmarking and Survey Results). Previously the Township has relied on local business associations to facilitate communications to local businesses, members of whom represent a more regional business community. Newtown employees and volunteers should assemble an outreach team to gather business lists, contact business owners, gain feedback on Township services, and establish relationships with business operators. Use the business survey as a template for a business assessment. Personal contact with local officials and community members will let business owners know that the Township cares and is invested

in their success. Consider hosting an annual meeting with local businesses owners and business associations to strengthen professional networks and foster connections.

DEV03 – Develop a Plan for COVID Recovery

Responsible Party	Target Completion
Economic Development/Finance Committees	**Fourth Quarter 2020**

The Township should create a plan for business recovery from the current shutdown. Through conversations with local business owners (see Continue Outreach to Local Businesses) and community, understand the most pressing needs of the Newtown community. Understand efforts being made throughout the region (see Collaborate with Bucks Economic Development Agencies) to support local businesses, industries, and people most at risk. Be a connector to local and federal resources for residents and business owners. Mitigate the losses being felt nationwide and work on emerging from the pandemic as a more resilient community.

DEV04 – Reevaluate the Current Business Landscape and Foster Growth

Responsible Party	Target Completion
Board of Supervisors/Economic Development Committee	**Third Quarter 2021**

With the assistance of regional economic development agencies, the Township should work to reevaluate and foster the local business community. Examine the capacity of Newtown business spaces such as the Business Commons, the former Lockheed property, Sycamore Street and business facilities along the bypass. Identify underperforming business spaces and firms affected by the current recession and engage the Bucks County economic development agencies to provide intervention efforts.

After the Township gains a better understanding of the current business landscape, they should work to foster thriving industries in Newtown. Make an inventory of businesses located in Newtown by sectors to gauge the future growth of firms by industry trajectories. Focus on attracting businesses in fast-growing industries such as biotech, pharma, healthcare, and innovation as they will be the companies of the future. Interview the current owners of the Lockheed property to understand their long-term goals for the space. Reach out to current business operators in the Township to discuss innovation spaces and opportunities in the community. Connect firms with local innovation incubators and entrepreneurial supports such as the Ben Franklin Technology Partners, the Pennsylvania Biotechnology Center, and Startup Bucks. Engage Bucks County Community College in workforce development to equip the next generation of innovation workers with the skills they need to thrive in Newtown.

DEV05 – Undertake a Publicity Campaign Targeting New Business to the Area

Responsible Party	Target Completion
Economic Development Committee	**Fourth Quarter 2021**

The Economic Development Committee should undertake a publicity campaign targeting potential new businesses by leveraging the advantages of doing business in Newtown – a strong workforce, local universities, multimodal transportation, and proximity to major east-coast cities. Gather an inventory of currently vacant land and unoccupied properties to assist businesses seeking to relocate to Newtown. Explore with the Philadelphia Archdiocese whether portions of the Holy Family University campus may be for sale. Work with Bucks County Community College to highlight the talent development currently taking place in the Township. Emphasize the available workforce in Bucks County, the opportunity for innovation, professional services, and other thriving industries to market Newtown as a business-friendly environment.

DEV06 – Support the Development of the Business Commons

Responsible Party	Target Completion
Board of Supervisors/Township Manager	**Fourth Quarter 2021**

The Newtown Business Commons has changed from the industrial commons it once was and must continue evolving to respond to the commercial real estate market. The COVID-19 crisis has changed commercial real estate usage patterns and these trends are likely to continue long after the virus settles. Suburban office spaces with spacious layout, ample parking, and open space can accommodate social distancing and personal safety measures. In the short-term, the Township needs to ensure that they support the business park as they reopen so that businesses in Newtown can safely return to their offices, firms recovering from the sudden hit to their industry can continue operations, and remote workers have local workspace options.

The Township must consider the long-term development of the business commons to ensure that offices remain filled, businesses in growing industries are being attracted to Newtown, and commercial real estate retains its value. As seen in KOP, modifications to zoning restrictions can increase business attraction and commercial development. The KOP ordinance allowed high-end, multi-family housing to be built, welcoming a new generation of KOP residents and transforming a declining industrial district into an active district for live, work, and play. The Newtown Business Commons needs to provide the amenities and facilities that innovation firms are looking for to support their workers and grow their businesses.

11. Municipal Benchmarking & Survey Results

11.1. Survey Overview

As part of its multi-year financial planning process, the Township surveyed citizens on their priorities and perceptions of Newtown's services. The purpose of the surveys was to measure opinion on the delivery of services including public safety, streets, and parks and recreation, among others, and to identify priorities for elected officials and the administrative staff.

Two surveys were conducted online using the surveymonkey.com platform, the Citizen Survey and the Business Survey. Both were advertised on the Township's website, social media outlets, and through newsletters. Both surveys were released on June 25, 2020 and arranged to close on July 9, 2020. The deadline for the Business Survey was extended to August 8 in order to increase the response rate. In total, the Citizen Survey received 556 responses and the Business Survey received 34 responses.

The Business Survey was crafted to solicit feedback on the current business environment in Newtown Township to help guide future economic development growth in the community. The survey was primarily distributed through the Newtown Business Association (NBA) and Newtown Business Commons Association (NBCA) newsletters. Most survey respondents are business owners from outside the Township because the NBA has a large number of members that operate businesses in Newtown Borough or surrounding municipalities. Of the 34 respondents to the survey, only 12 were identified as Newtown Township business owners. For this reason, the survey presents the perception of business owners in the Newtown area, rather than being indicative of attitudes of Newtown Township business operators and will not be included in the report.

11.2. Survey Results

The following is a summary of the citizen survey results. The complete results are included in Appendix A. Respondents to the citizen survey range in age, but most are between 35 and 75 years old. Consistent with demographic trends in the Township, the majority of survey participants have a bachelor's degree or higher, 75.2 percent, and an annual household income that surpasses $100,000, 50.5 percent. Most respondents are employed, 57.5 percent, but a large group is retirees. Less than 50 percent of respondents said that they work outside of Newtown Township, a figure influenced by the 102 respondents that are currently working from home due to the shutdown.

Township Service

Respondents rate the overall Township services as Good. While Police, Fire, and Parks services are praised for their service, Public Works services such as snow removal and street maintenance are viewed less favorably. When asked which services needed improvement, respondents point to streets and highway maintenance and economic development. The Newtown Fire Service is highly rated in their responsiveness, professionalism, and commitment to safety. Similarly, the Newtown Police Department is highly rated across all areas including the level of policing, responsiveness, approachability, conduct, and ability to prevent crime. The majority of responders view the relationship between the police and the community positively, but some concerns were discussed in the open-ended responses (see Figure

11.1). The most voiced criticism is that the Newtown Police Department should be more approachable and active in the community. Some citizens view police officers as distant and confrontational. Commenters mention political tensions in light of recent civil unrest, suggesting that the Department should train their officers in de-escalation, diversity, and inclusion. Others praised Newtown police officers for their services and strongly oppose cutting the Department's budget.

Figure 11.1: How would you describe the relationship between police and the community?

Tone of Response	Responses	%
Positive	374	80%
Middle/Positive	11	2%
Middle	28	6%
Middle/Negative	1	0%
Negative	30	6%
Unsure	11	2%
N/a	11	2%
Total	466	100%

Econsult Solutions, Inc. (2020)

Overall, respondents are fairly satisfied with Township services and oppose raising taxes to pay for increased services. Those that have contacted the Township in the past 12 months consider the experience satisfactory. Similarly, recreation programs are highly valued by past users. Veteran's Parks, Roberts Ridge Park, and Newtown Trail are the most popular Parks and Recreation managed facilities. Survey participants view public infrastructure and competitive tax structures as the Township's top priorities for attracting new business. The majority of survey participants described the Township as progressing.

The survey concluded with two open-ended questions to provide additional feedback on Township services and issues not covered in previous questions. Survey respondents discussed a variety of issues ranging from bureaucracy to development. The most prevalent issue mentioned is fear of overdevelopment and criticism of the new developments in Newtown shopping centers. Commenters say that these new businesses are undermining the integrity of the Township and causing congestion in the area. Some voice a need for additional parks, trails, and open space. Others followed up on earlier commentary to emphasize the need for improved streets maintenance and infrastructure improvements (see Appendix A for more detailed response data).

11.3. Benchmarking Overview

Municipalities want to know how their costs and quality of services compare to one another. Benchmarking lays the groundwork for establishing an accountable government, where employees and citizens are informed about governmental performance metrics. This benchmarking exercise does not produce a perfect apples-to-apples comparison but rather establishes a standard for comparison in which Newtown can evaluate the efficiency of their services and departments. The following were chosen as comparable municipalities due to their proximity, size, and similar socioeconomic status:

Buckingham Township, Doylestown Township, Upper Makefield Township, Lower Makefield Township, Northampton Township, and Newtown Borough.

The following sections include municipal tax and personnel benchmarking sections. The municipal benchmarking section reviews FY 2020 General Fund budgets and balances, millage rates, property assessment values for both commercial and residential properties, and development fees. The Personnel benchmarking contains municipal employee counts, police officer counts, and descriptive information about regional fire services.

11.4. Municipal Tax Results

General fund budgets and fund balances are important indicators of a municipality's fiscal health. General Fund revenues varied in the benchmark municipalities, with Northampton Township's being the highest and Newtown Borough's the lowest. Budget deficits were seen across the board, occurring in all municipalities besides Northampton Township. Budget deficits average to 8.6 percent of yearly expenditures for the comparison municipalities, slightly more severe than Newtown Township's 8.0 percent of expenditures deficit. Northampton Township's budget surplus was relatively small, accounting for 0.6 percent of General Fund expenditures. As mentioned in the Historical Financial Performance chapter, the GFOA recommends a fund balance of no less than two months of regular operating expenses, approximately 17 percent of yearly expenditures. Buckingham Township and Newtown Borough exceeded this recommendation, with budgeted-end fund balances of 48 percent and 29 percent respectively. Newtown Township fell towards the lower end of municipalities in terms of ending fund balances as a percentage of General Fund expenditures, along with Northampton Township and Lower Makefield Township (see Figure 11.2).

Figure 11.2: Municipal General Fund Budget and Balance Comparison, Approved Budgets for FY 2020[49]

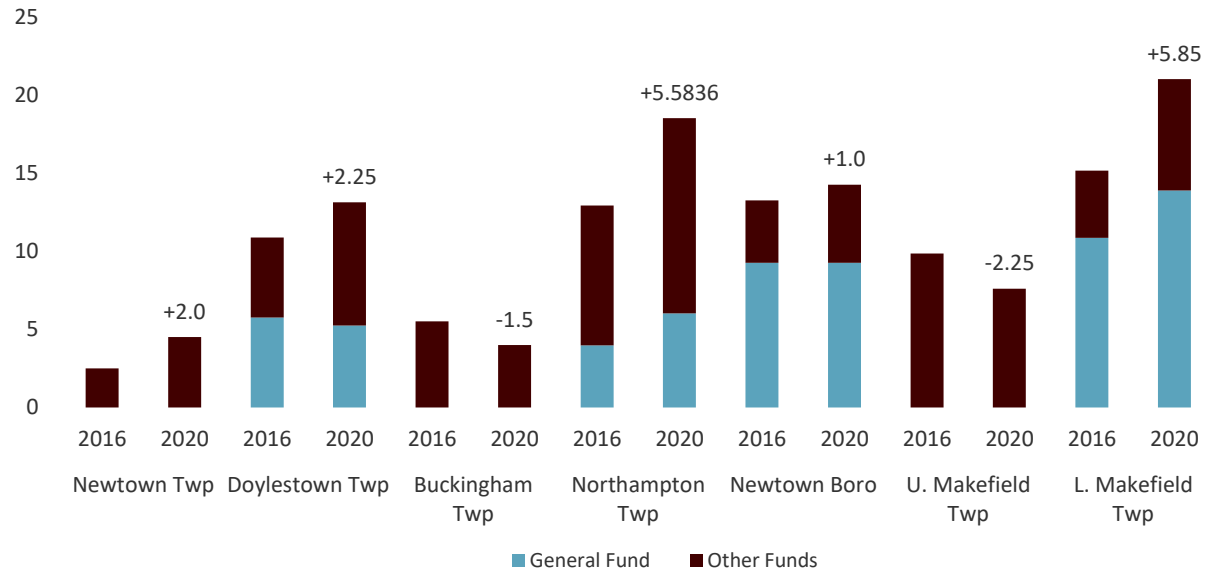
Municipality	2020 General Fund Expenditure ($)	2020 Year-End Fiscal Position ($)	2020 Budgeted End Fund Balance ($)	2020 Budgeted End Fund Balance as % of Expenditures
Newtown Township	13,081,611	(1,052,134)	1,036,305	8%
Doylestown Township	10,588,751	(1,211,595)	2,151,958	14%
Buckingham Township	10,183,400	(970,900)	4,851,641	48%
Northampton Township	17,507,000	99,000	1,110,264	6%
Newtown Borough	2,743,412	(94,350)	590,522	29%
Upper Makefield Township	7,403,608	(1,226,933)	1,159,209	16%
Lower Makefield Township	13,779,516	(322,664)	662,343	5%

Source: Pennsylvania Department of Community and Economic Development (2020), Municipal FY 2020 Approved Budgets (2020)

[49] The fiscal information in Figure 11.2 reflects FY 2020 adopted budgets and makes no adjustments for revenue losses due to the COVID-19 pandemic. Projections for the Township's financial performance in 2020 in light of the COVID pandemic are provided in Chapter 3. Notably, it

Differences in General Fund expenditures amid the benchmark municipalities are influenced by the categorization of departmental expenses. Similarly, municipal tax structures differ based on the usage of each revenue source to fund specified financial activity. More than half of the benchmark municipalities use real estate millage to fund their General Fund, but Newtown Township, Buckingham Township, and Upper Makefield Township use their real estate millage solely for other funds. Newtown Township has the second lowest real estate millage of comparison municipalities and the Township's millage point increases over the past five years are consistent with those of others. The highest millage rate increases from 2016 to 2020 appeared in municipalities with low budgeted-end fund balances as a percent of expenditures, namely Northampton Township and Lower Makefield Township. Millage rate decreases occurred in municipalities with relatively high budgeted-end fund balances and no millage rate contribution to the General Fund (see Figure 11.3). In terms of other tax revenue sources, Lower Makefield is the only comparison municipality that does not collect EIT.

Figure 11.3: Growth in Municipal Millage Rates, 2016–2020



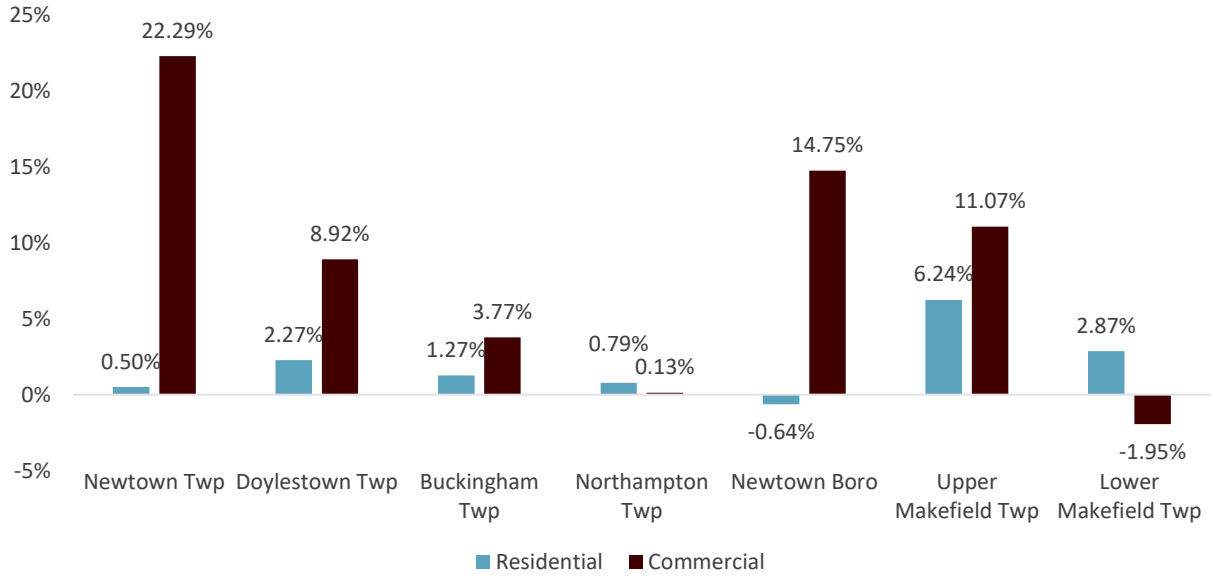
Source: Pennsylvania Department of Community and Economic Development (2020)

Property taxes are a significant source of local government revenue and the assessment of those property values impact the property tax base. Newtown Township had the highest percent change in commercial property value of the benchmark municipalities, 22.3 percent, followed by Newtown Borough, 14.8 percent. Lower Makefield saw close to a 2 percent decrease in commercial property value. Residential property values rose at a much lower rate than commercial property values, averaging less than 2.5 percent growth from 2015 to 2019 in Bucks County. The low overall growth rate is attributable to the lack of reassessments at the county-level, preventing Bucks County municipalities

can be reasonably assumed that the ending fund balances for many, if not all, of the benchmark municipalities listed in this figure will also differ from the amounts within their approved 2020 budgets.

from capitalizing on the natural growth in property values in recent years. Newtown Township's commercial property value grew despite the lack of assessment because of the surge of new commercial development in recent years which are assessed after completion (see Figure 11.4).

Figure 11.4: Growth in Residential and Commercial Assessed Values, 2015-2019



Source: Pennsylvania Department of Community and Economic Development (2020)

A development-friendly reputation is formed by the code regulations, permitting procedures, and fees imposed on development. While building and zoning permit fees compose just a portion of the fees imposed on development, they are indicative of the relationship between municipalities and developers. To draw a simple comparison of development fee structures across municipalities, the cost of building permit fees was calculated on the new constructions of a 2,500 square foot single-family dwelling and a 6,500 square foot single-unit commercial building.[50] Similarly, the zoning permit fees were gathered for each construction type. Doylestown has the lowest resident building permit fee and Newtown Borough's fee is the most expensive for both residential and non-residential buildings. Newtown Township has the second-lowest residential building permit fee and lowest non-residential building permit fee. Newtown Borough's non-residential building permit is more than three times as expensive as that of Newtown Township for a 6,500 square foot building. Zoning permits fees seemed to be inversely related to building permit fees, meaning that municipalities with higher building permit fees tended to have lower zoning permit fees, as is true for Newtown Borough. Municipalities must consider their permit fee structure when assessing whether or not they are welcoming new development in the

[50] For this analysis, gross floor area and square foot were used interchangeably.

region. Newtown Township's development fees are comparatively low and must consider the impact of this financial incentive on future development.

Figure 11.5: Single Family Residential Unit Development Fees for a New Construction

Municipality	Building Permit	Zoning Permit
Newtown Township	$1,090	$325
Doylestown Township	$950	N/A
Buckingham Township	$2,100	$150
Northampton Township	$1,325	$450
Newtown Borough	$3,500	$50
Upper Makefield Township	$1,700	$300
Lower Makefield Township	$2,125	$100

Source: Econsult Solutions, Inc. (2020)

Figure 11.6: Non-Residential Unit Development Fees for a New Construction[51]

Municipality	Building Permit	Zoning Permit
Newtown Township	$3,100	$325
Buckingham Township	$5,680	$250
Northampton Township	$6,625	$750
Newtown Borough	$9,550	$75
Upper Makefield Township	$3,560	$400
Lower Makefield Township	$5,800	$200

Source: Econsult Solutions, Inc. (2020)

Budget deficits weaken fund balance positions, exacerbating the vulnerability of municipal governments. Revenue losses due to the COVID-19 pandemic will affect the bottom line of many municipalities already operating at a deficit. Comparison municipalities with similar fund balance positions as Newtown Township raised real estate millage significantly in the past five years. As the economy reopens, municipalities will have to strategically recover lost revenues due to the COVID-19 pandemic without placing an undue burden on residents.

11.5. Employment Benchmarking

Workforce-related costs dominate General Funds expenditures, underlining the importance of benchmarking Newtown Township's use of municipal employees to ensure that the resources are being allocated efficiently. The Pennsylvania Department of Community & Economic Development (DCEC) annually produces County/Municipal Demographic, Municipal Fire Service, and Municipal Police Service

[51] Doylestown was excluded from the comparison because non-residential building fees and zoning permit fees are based on the cost of construction.

reports, which contains municipal employment totals.[52] According to the DCED statistics, Newtown Township employs 4.2 people per 1,000 residents, a figure below the average for Bucks County of 4.66. Buckingham Township has the lowest employment per 1,000 residents of the comparison municipalities, 2.59, and Northampton Township has the highest, 8.73. Nearly two-thirds of Northampton Township's employee headcount are part-time employees. Upper Makefield Township has the highest full-time employment per 1,000 residents of the comparison municipalities, 3.66, and Lower Makefield Township has the lowest, 2.24 (see Figure 11.7).

Figure 11.7: Municipal Employee Benchmarking

Municipality	Employee Total	% Full-Time	Total Personnel per 1,000 Residents	Full-time Personnel per 1,000 Residents
Newtown Township	81	81.5%	4.20	3.42
Doylestown Township	66	90.9%	3.76	3.42
Buckingham Township	52	98.1%	2.59	2.54
Northampton Township	347	36.9%	8.73	3.22
Newtown Borough	15	53.3%	6.67	3.56
Upper Makefield Township	33	90.9%	4.03	3.66
Lower Makefield Township	86	84.9%	2.64	2.24
Comparison Group Average	97	76.6%	4.66	3.15
Bucks County	2,915	89.4%	4.66	4.17

Source: Pennsylvania Department of Community and Economic Development (2020)

A similar exercise can be completed when assessing Newtown Township's Police Force. As mentioned in the Police chapter, Newtown Township has 1.5 officers per 1,000 residents, which is slightly above the average for Bucks County. Newtown Borough has the highest officers per 1,000 residents ratio, 5.78, but the majority of the force is composed of part-time employees. All comparison municipalities have their own municipal police force, but Newtown Township is the only force that contracts out to another municipality. If you include the population of Wrightstown Township in the calculation, Newtown's ratio drops to 1.30 officers per 1,000 residents (see Figure 11.8).

[52] DCEC collects an annual survey to inform their Report of Elected and Appointed Officials. The form has a legislative due date of January 31. Full and part-time employee counts may not reflect updated numbers as Bucks County's form was outstanding as of July 2020.

Figure 11.8: Municipal Police Benchmarking

Municipality	Employee Total	% Full-Time	Total Personnel per 1,000 Residents
Newtown Township	29	100.0%	1.50
Doylestown Township	21	100.0%	1.20
Buckingham Township	21	100.0%	1.05
Northampton Township	43	100.0%	1.08
Newtown Borough	13	46.2%	5.78
Upper Makefield Township	15	100.0%	1.83
Lower Makefield Township	39	100.0%	1.20
Comparison Group Average	26	92.3%	1.92
Bucks County	876	88.9%	1.41

Source: Pennsylvania Department of Community and Economic Development (2020)

The Municipal Fire Service report does not contain employment counts, rather descriptive information about municipal fire services. Newtown Township and Northampton Township were the only two comparison municipalities to have a partially paid fire service. There are only four municipalities total in Bucks County with paid and volunteer service. Paid Fire Marshalls or Chiefs are more common than paid firefighters, with 19 of the 53 municipalities in Bucks County employing one. Albeit, neither Newtown Borough or Lower Makefield Township has a paid Fire Marshall nor Chief.

Figure 11.9: Municipal Fire Benchmarking

Municipality	Fire Service	Paid Fire Marshall / Chief	Number of Fire Companies
Newtown Township	Combination Paid/Volunteer	Full-time	1
Doylestown Township	All Volunteer	Full-time	1
Buckingham Township	All Volunteer	Part-time	3
Northampton Township	Combination Paid/Volunteer	Full-time	1
Newtown Borough	All Volunteer	-	1
Upper Makefield Township	All Volunteer	Part-time	1
Lower Makefield Township	All Volunteer	-	1

Source: Pennsylvania Department of Community and Economic Development (2020)

Newtown Township's Public Works Department was critiqued for the condition of Township roads and highways in the Citizen Survey. To further investigate the Department's resources compared to other municipalities, the expenditures on highways and roads within Public Works and total road mileage within each of the comparison municipalities from 2018 were benchmarked. In 2018, the Township's Public Works Department, which maintained over 67 miles of roads, incurred a total of $2.8 million in highways and streets expenditures, or approximately $41,500 per mile. Newtown Borough, which has the lowest road mileage of the comparison municipalities, spent the most per mile (approximately $55,800), while Buckingham Township, which had just over 100 road miles, spent the least per mile

(approximately $17,000). Figure 11.10 displays the total road mileage, total highway and street expenditures, and expenditures per mile for each comparison municipality.

Figure 11.10: Municipal Public Works Benchmarking

Municipality	Road Mileage	Highways & Streets Expenditures ($M)	Cost per Mile
Newtown Township	67.4	$2.8	$41,500
Doylestown Township	77.0	$1.8	$22,800
Buckingham Township	102.1	$1.7	$17,000
Northampton Township	162.4	$4.7	$28,900
Newtown Borough	8.5	$0.5	$55,800
Upper Makefield Township	53.9	$1.8	$33,300
Lower Makefield Township	132.7	$2.6	$19,500

Source: Pennsylvania Department of Community and Economic Development (2018),Pennsylvania DOT Municipal Liquid Fuels (MLF) Report (2018)

Newtown Township's municipal employee count is below average for the comparison municipalities and Bucks County. The Newtown police force and fire service are more robust than those in comparison municipalities which may present an opportunity for the Township to regionalize and or contract their police and fire departments out to others.

12. Revised Financial Forecast & Summary of Recommendations

12.1. Overview

This chapter presents the multi-year forecasts reflecting several variations, or scenarios, of the recommendations described in preceding chapters. Figure 12.1 revisits the baseline forecast assuming the Township maintains its current level of operations and revenues.

Figure 12.1: Baseline Financial Forecast Summary, 2020-2025

	2020 Projected	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Revenues	$11,142,342	$11,342,479	$11,725,497	$11,963,451	$12,207,340	$12,457,334
Expenditures	$12,244,135	$13,001,785	$13,387,318	$13,785,482	$14,196,714	$14,621,466
Total Surplus (Deficit)	($1,101,793)	($1,659,307)	($1,661,820)	($1,822,031)	($1,989,374)	($2,164,132)
Beginning Fund Balance	$2,111,171	$1,009,378	($649,929)	($2,311,750)	($4,133,781)	($6,123,155)
Ending Fund Balance	$1,009,378	($649,929)	($2,311,750)	($4,133,781)	($6,123,155)	($8,287,287)
Fund Balance as % of Expenditures	8%	(5%)	(17%)	(30%)	(43%)	(57%)

Source: Newtown Township (2020), Econsult Solutions, Inc. (2020)

12.2. Achieving the 10% Minimum Fund Balance

As discussed in previous chapters, the Township passed a resolution requiring that each year's end fund balance be equal to at least the amount of 10 percent of budgeted expenditures. As exhibited in the baseline forecast, the Township could run out of General Fund dollars in 2021, as its deficit grows increasingly with each year forward. Figure 12.2 indicates, at the most basic level, the amount by which the Township would need to decrease expenditures (or, conversely, increase revenues) in order to achieve the minimum 10 percent balance from 2020 through 2025.

Figure 12.2: Difference Between Baseline Forecast and Maximum Expenditures to Attain 10% Minimum Fund Balance, 2021-2025

	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Baseline Forecast Expenditures	$13,001,785	$13,387,318	$13,785,482	$14,196,714	$14,621,466
Maximum Expenditures to Maintain 10% Fund Balance	$11,251,785	$11,687,318	$11,935,482	$12,196,714	$12,421,466
Difference	$1,750,000	$1,700,000	$1,850,000	$2,000,000	$2,200,000

Source: Econsult Solutions, Inc. (2020)

12.3. Recommended Approach

The Strategic Management Planning Program (STMP) focuses on five measures to take to improve financial position:

1. Cost containment
2. Adoption of best management practices to achieve operating efficiencies
3. Revenue enhancement
4. Implementation of long-term economic development strategy
5. Pursuit of intergovernmental cost sharing strategies

Given the range of measures that can be taken to improve a locality's fiscal position under the program, there are numerous ways that Newtown Township could implement the recommendations contained in the previous chapters of this report, with variations to the magnitude, timing, and combination of recommendations that are adopted. To exhibit the variety of ways in which the recommendations could be implemented, three scenarios are offered that would improve the Township's fiscal standing, particularly in terms of its end General Fund balance each year through 2025.

It is important to note that the scenarios offered below do not include fiscal impacts of the longer-term recommendations, such as regularly reviewing salary benchmarks and staffing levels and renegotiating its police compensatory time policy on the expenditure side and increased revenue that could result from the economic development recommendations. So, while some of the scenarios indicate fund balances below the 10 percent minimum in the out years of the forecast, we believe that the other recommendations that cannot be quantified as easily and inserted in the forecast will improve the Township's position at the end of those years.

The Township should keep these recommendations in mind and regularly review its financial standing each year to make revisions as needed. For example, if the Township implements several economic development initiatives and begins seeing significantly higher revenues in the later years, it could consider decreasing the amount of millage needed to fund General Fund operations moving forward.

Scenario 1

Scenario 1 provides a view of how the Township could achieve its minimum 10 percent fund balance while also maintaining the current level of operations, including making no changes to staffing levels. This scenario implements only one change from the baseline forecast, which is implementing real estate tax revenue to the General Fund in the amount of 5.75 mills (in addition to the existing 4.5 mills in other funds). By implementing this millage in 2021, the Township could continue at the current level of operations through 2025 and maintain the minimum 10 percent fund balance each year as well.

Scenario 2

The second scenario implements more of the recommendations that have been made throughout the report, including adding several employees, decreasing overtime/comp time by 30 percent by 2023, as well as introducing real estate millage to the General Fund. Importantly, this scenario presents the

Township with a view of the forecast in the event that it does not reach an agreement with Newtown Borough for fire service payments. The personnel added in the scenario include:

- 2021:
  - Full-time Assistant Township Manager (salary ranging from $80,000 to $90,000)
  - Full-time Code Enforcement Manager (salary ranging from $65,000 to $85,000)
  - One police patrol officer (base salary approximately $63,955 per labor contract)
- 2022:
  - Two police patrol officers (base salaries approximately $65,874 each per labor contract)

In this scenario, the Township would need to introduce a total of 7.5 mills to the General Fund budget in 2021, then add an additional 1.5 mills in 2024, for a total millage of 9.0 through 2025. As with Scenario 1, this increase in millage applies only to the General Fund, with the 4.5 mills currently appropriated to other funds remaining constant, for a total millage of 13.5 mills across all funds starting in 2024.

Scenario 3 (Recommended Approach)

The third and recommended scenario includes all measures taken in Scenario 2, but adds the recommended Newtown Borough fire service revenue beginning in 2021. In this scenario, the Township would need to add real estate tax in the amount of 7.25 mills to the General Fund in 2021 to maintain an appropriate end fund balance through the year 2025. Again, this millage increase applies only to the General Fund, while the existing 4.5 mills in other funds remains the same, for a total millage of 11.75 across all funds in 2021 and beyond.

Figure 12.3: Total General Fund Millage Required to Maintain 10% Minimum Fund Balance Each Year

	2021	2022	2023	2024	2025	Total GF Millage
Scenario 1						
Addtl. Millage	5.75	0.00	0.00	0.00	0.00	5.75
End Fund Balance %	8%	12%	12%	12%	10%	
Scenario 2						
Addtl. Millage	7.50	0.00	0.00	1.50	0.00	9.00
End Fund Balance %	11%	13%	14%	12%	9%	
Scenario 3 (Recommended)						
Addtl. Millage	7.25	0.00	0.00	0.00	0.00	7.25
End Fund Balance %	11%	14%	16%	12%	8%	

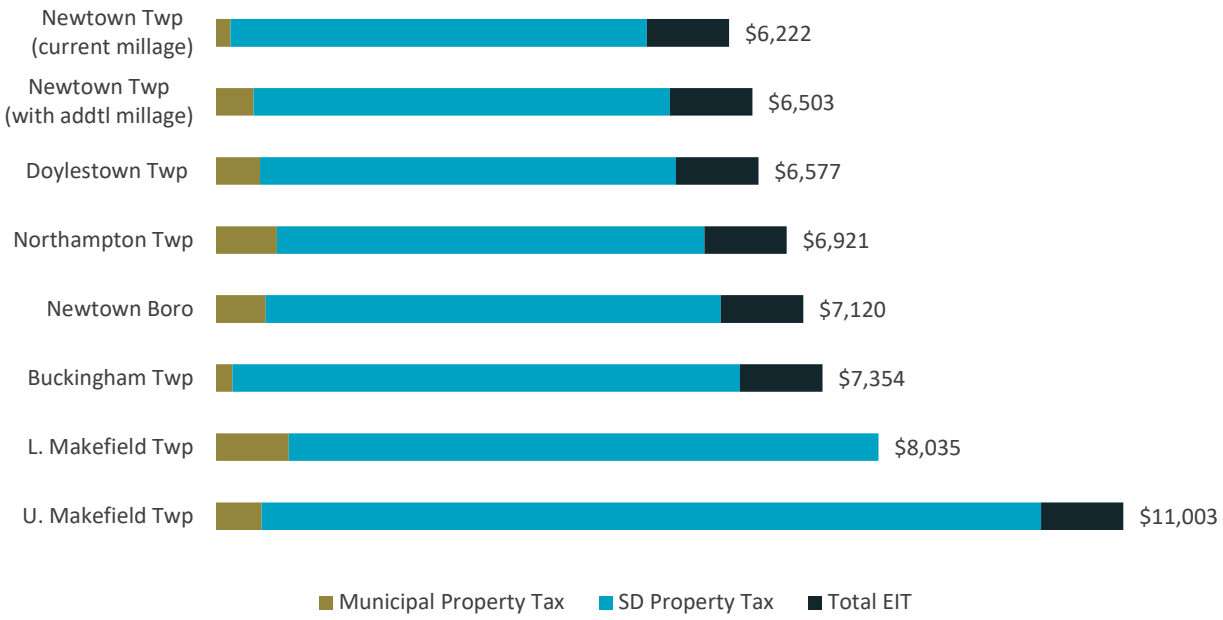
Source: Econsult Solutions, Inc. (2020)

General Fund Real Estate Tax Millage

As described above, the Township will likely need to introduce some magnitude of real estate tax millage to the General Fund in 2021 to avoid operating deficits and insufficient funds in the General

Fund. Currently, residents of Newtown Township have among the lowest tax burden of nearby communities, when accounting for School District taxes and EIT. Even with the additional millage in the recommended scenario above, residents would still have the most favorable tax burden of neighboring municipalities. Figure 12.4 displays the approximate tax burden for a household earning $100,000 per year and owning a home that is assessed at the average assessed value in the respective municipality as it relates to municipal property tax, school district property tax, and EIT. It is important to note that Bucks County real estate millage is not included in this tax burden analysis, as the millage is the same for each of the municipalities included in the comparison.

Figure 12.4: Average Annual Property and Income Taxes per Household (Excluding Bucks County Property Tax)



Source: Bucks County Board of Assessors (2018, 2020), Pennsylvania Department of Community and Economic Development (2020)

12.4. Revised Forecast

Based on the recommended approach presented above, the Township can maintain its minimum end fund balance of 10 percent of expenditures each year through 2025. Figure 12.5 displays the revised financial forecast summary for 2020 through 2025 based on implementation of the recommendations in Scenario 3 above. Figure 12.6 exhibits the change in ending fund balance each year in the revised forecast as opposed to the baseline forecast through 2025.

As previously noted, while the forecast shows the end fund balance falling below the 10 percent of expenditures minimum mark in 2025, it is important to consider the longer-term initiatives that have been recommended within the report that are not as easily quantifiable and are therefore not included in the forecast. If the Township successfully implements some of the economic development initiatives and begins to see increased revenues in the later years, for example, then the forecasted end fund

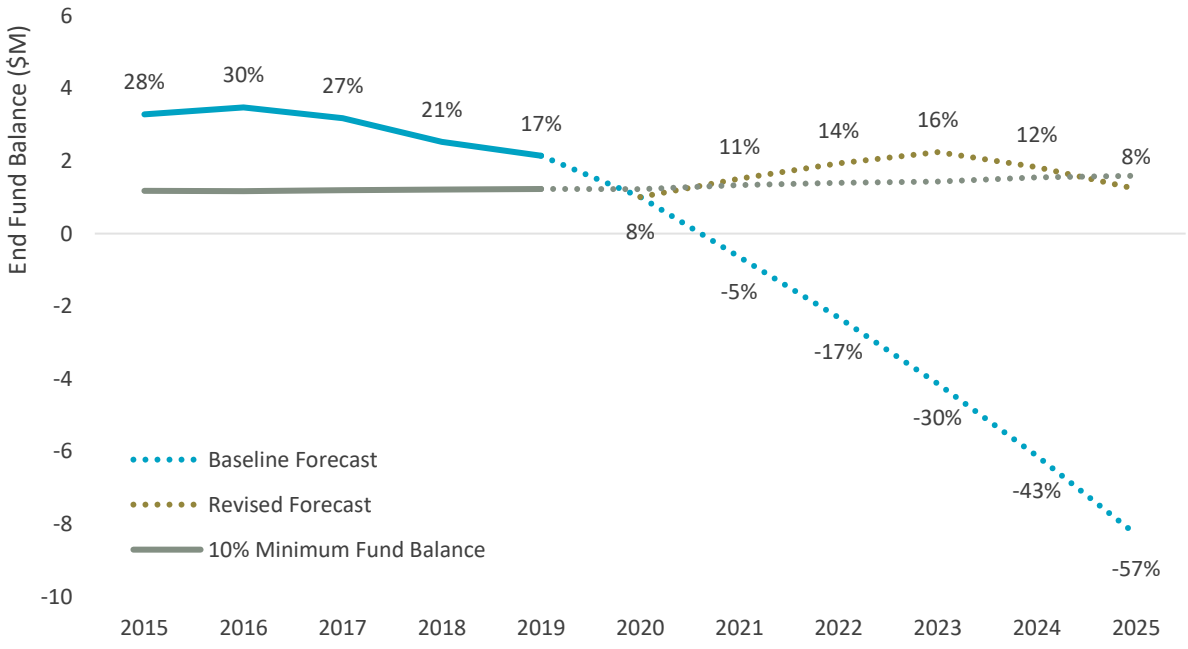
balance could in fact be higher and meet the minimum. Similarly, but on the expenditures side, the Township could renegotiate its compensatory time policy with the Police Department and begin to realize significant savings in the Overtime/Comp Time budget category, which could also improve its financial standing in 2024 and 2025 from the revised forecast.

Figure 12.5: Revised Financial Forecast Summary, 2020-2025

	2020 Projected	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Revenues	$11,142,342	$13,860,778	$14,376,510	$14,645,776	$15,048,731	$15,334,831
Expenditures	$12,244,135	$13,356,218	$13,950,968	$14,340,679	$15,460,696	$15,932,294
Total Surplus (Deficit)	($1,101,793)	$504,559	$425,542	$305,096	($411,965)	($597,463)
Beginning Fund Balance	$2,111,171	$1,009,378	$1,513,937	$1,939,479	$2,244,576	$1,832,611
Ending Fund Balance	$1,009,378	$1,513,937	$1,939,479	$2,244,576	$1,832,611	$1,235,148
Fund Balance as % of Expenditures	8%	11%	14%	16%	12%	8%

Source: Econsult Solutions, Inc. (2020)

Figure 12.6: Ending Fund Balance and Percent of Expenditures, Baseline Forecast vs. Revised Financial Forecast



Source: Econsult Solutions, Inc. (2020)

12.5. Summary of Recommendations

The financial impacts of the major recommendations contributing to the revised forecast are displayed in Figure 12.7. It is estimated that introducing a real estate tax of 7.25 mills to the General Fund will produce $2.4 million in 2021, increasing slightly with inflation through 2025. The second revenue increasing major recommendation, to negotiate an agreement with Newtown Borough for reimbursement for fire services, will generate an estimated $117,000 in 2021, $15,000 of which will be directed to the Fire Protection Fund as the Fire Chief's contribution. This revenue will increase each year with personnel costs and has a notable increase in 2024 when the Township incurs expenses for the five additional firefighters that will be grant-funded through 2023. In total, these recommendations will drive an estimated $2.5 million in revenue in 2021.

Major expenditure recommendations pertain to improving efficiency by way of increasing personnel. First, the recommendation to hire a full-time Assistant Township Manager and full-time Code Enforcement Officer will cost the Township approximately $235,000 in 2021, with expenses increasing at the baseline forecast rates each year through 2025. Additionally, the recommendation to recruit three new police officers – one being hired in 2021 and the remaining two being hired in 2022 – will cost approximately $109,000 in 2021 and $335,000 in 2022, growing with inflation through 2025. Finally, the Township will incur no expenses for the recommendation to hire five additional firefighters from 2021 through 2023, as it is anticipated to receive grant funding for these personnel expenses; however, the Township will bear the burden of these costs beginning in 2024 for a total of $636,000. In total, the personnel-related major recommendations will generate a total of $344,000 in 2021, which will grow to nearly $1.3 million by 2025. The net financial impact of these recommendations is $2.2 million in 2021, decreasing to $1.6 million by 2025.

Figure 12.7: Major Recommendation Financial Impacts

Recommendation	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
ADM03: General Fund Millage	$2,416,000	$2,441,000	$2,465,000	$2,490,000	$2,515,000
ES04: Newtown Borough Fire Revenue	$117,000	$241,000	$249,000	$385,000	$397,000
General Fund	$102,000	$210,000	$217,000	$352,000	$363,000
Fire Protection Fund	$15,000	$31,000	$32,000	$33,000	$34,000
Total Revenues	$2,533,000	$2,682,000	$2,714,000	$2,875,000	$2,912,000
ADM01: Hire Asst. Twp. Mgr. & Code Officer	($235,000)	($243,000)	($251,000)	($259,000)	($267,000)
PD03: Recruit 3 Patrol Officers	($109,000)	($335,000)	($345,000)	($357,000)	($368,000)
ES02: Hire 5 Fire Fighters	$-	$-	$-	($636,000)	($655,000)
Personnel Expense	($582,000)	($600,000)	($618,000)	($636,000)	($655,000)
Grant Revenue	$582,000	$600,000	$618,000		
Total Expenditures	($344,000)	($578,000)	($596,000)	($1,252,000)	($1,290,000)
Net Impacts	$2,189,000	$2,104,000	$2,118,000	$1,623,000	$1,622,000

Source: Econsult Solutions, Inc. (2020), Newtown Township (2020)

Figure 12.8: Summary of Recommendations and Implementation Guidelines

Exec and General Admin / Workforce		Impact Type	Responsible Party	Time Frame
ADM01	Hire an Assistant Township Manager and Full-time Code Enforcement Officer	Reduced management burden	Board of Supervisors / Township Manager	Q1 2021
ADM02	Regularly adjust and benchmark salaries	Good management	Board of Supervisors / Township Manager	Q3 Annually
ADM03	Diversify tax base through real estate tax millage within the General Fund Budget	Increased revenues	Board of Supervisors	Q4 2020
Finance Department		**Impact Type**	**Responsible Party**	**Time Frame**
FIN01	Periodically review financing and refinancing opportunities	Good management	Finance Director / Township Manager	Q4 2020; Annually thereafter
FIN02	Engage a registered municipal advisor to assist on debt issuance	Good management	Finance Director / Township Manager	Q4 2020; As needed thereafter
FIN03	Lead coordination efforts for the multi-year Capital Improvement Plan	Good management / Capital planning	Finance Director	Q2 2021
FIN04	Establish a multi-year financial planning process	Good management	Finance Director	Q4 2020

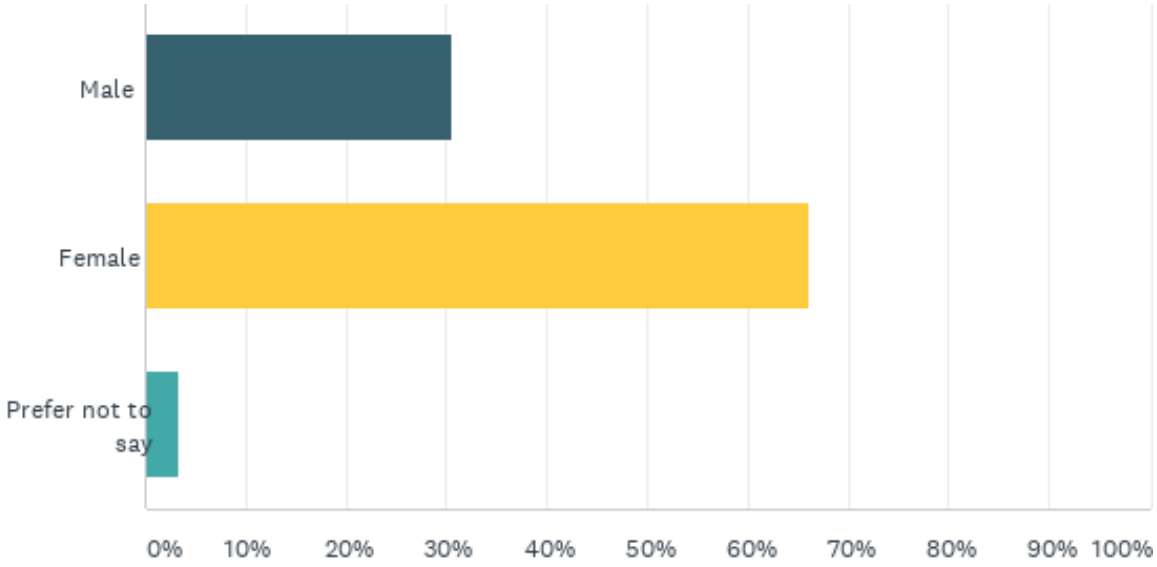
Police Department		Impact Type	Responsible Party	Time Frame
PD01	Investigate regionalization of police services	Increased revenues / Shared costs	Board of Supervisors / Police Chief	Q4 2023
PD02	Negotiate compensatory time terms	Reduced costs	Board of Supervisors / Police Chief	Q4 2023
PD03	Recruit additional patrol officers	Optimized staffing	Board of Supervisors / Police Chief	Q1 2022
PD04	Begin planning for the renovation or relocation of the current police headquarters	Capital planning	Board of Supervisors / Police Chief	Q4 2020
PD05	Develop a standing fleet replacement policy	Good management / Capital planning	Township Manager / Police Chief	Q2 2022
PD06	Adopt a staffing formula	Good management	Township Manager / Police Chief	Q2 2022
PD07	Create a “Business Optimization Working Group”	Good management	Police Chief	Q2 2022
PD08	Develop formal career track training	Good management	Police Chief	Q2 2022
PD09	Conduct a study on the current scheduling provisions of the collective bargaining agreement	Reduced costs / Optimized staffing	Board of Supervisors / Police Chief	Q4 2020

Emergency Services		Impact Type	Responsible Party	Time Frame
ES01	Review fire study	Good management	Board of Supervisors / Fire Chief	Q2 2021
ES02	Review increasing career fire staff	Optimized staffing	Board of Supervisors / Fire Chief	Q4 2020
ES03	Review encouraging more regional approach to firefighting	Increased revenues / Shared costs	Board of Supervisors / Fire Chief	Q4 2023
ES04	Negotiate reimbursement for Newtown Borough fire services	Increased revenues / Shared costs	Board of Supervisors / Fire Chief	Q4 2020
Public Works Department		**Impact Type**	**Responsible Party**	**Time Frame**
PUB01	Take a lead role in developing the Township's Capital Improvement Plan	Good management / Capital planning	Public Works Director	Q2 2021
PUB02	Modernize fleet management	Good management / Capital planning	Township Manager / Public Works Director	Q4 2023
PUB03	Explore shared service opportunities	Increased revenues / Reduced costs / Shared costs	Township Manager / Public Works Director	Q4 2023
Parks and Recreation Department		**Impact Type**	**Responsible Party**	**Time Frame**
REC01	Increase returns from recreational programming	Increased revenues	Township Manager / Parks & Rec Director	Q2 2022
REC02	Take a lead role in developing the Township's Capital Improvement Plan	Good management / Capital planning	Parks & Rec Director	Q2 2021
REC03	Incorporate a strategy to promote the Township's cultural and recreational assets in the overall economic development plan	Increased revenues / Economic development	Township Manager	Q4 2023

Economic Development		Impact Type	Responsible Party	Time Frame
DEV01	Collaborate with Bucks County economic development agencies	Increased revenues	Economic Development Committee / Township management	Q4 2020
DEV02	Continue outreach to local businesses	Good economic development practice	Economic Development Committee / Finance Committee	Q1 and Q3 annually
DEV03	Develop a plan for COVID recovery	Retained revenues	Economic Development Committee / Finance Committee	Q4 2020
DEV04	Reevaluate the current business landscape and foster growth	Retained revenues / Increased revenues	Board of Supervisors / Economic Development Committee	Q3 2021
DEV05	Undertake a publicity campaign targeting new business to the area	Increased revenues	Economic Development Committee	Q4 2021
DEV06	Support the development of the Business Commons	Increased revenues	Board of Supervisors / Township Manager	Q4 2021

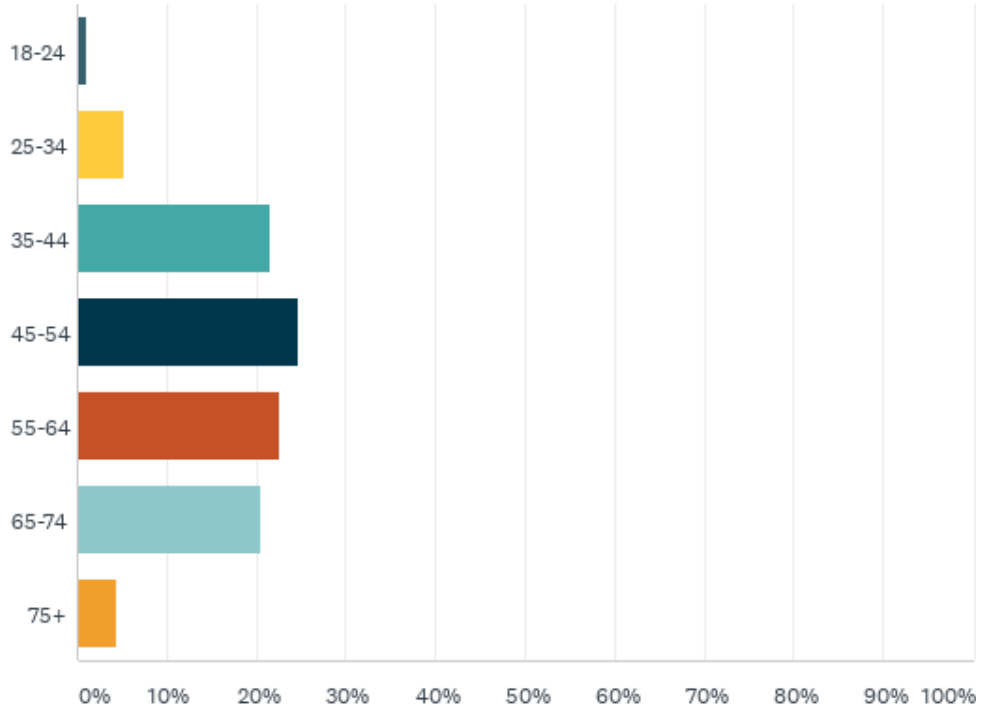
Appendix A: Citizen Survey Responses

Question 1. Gender



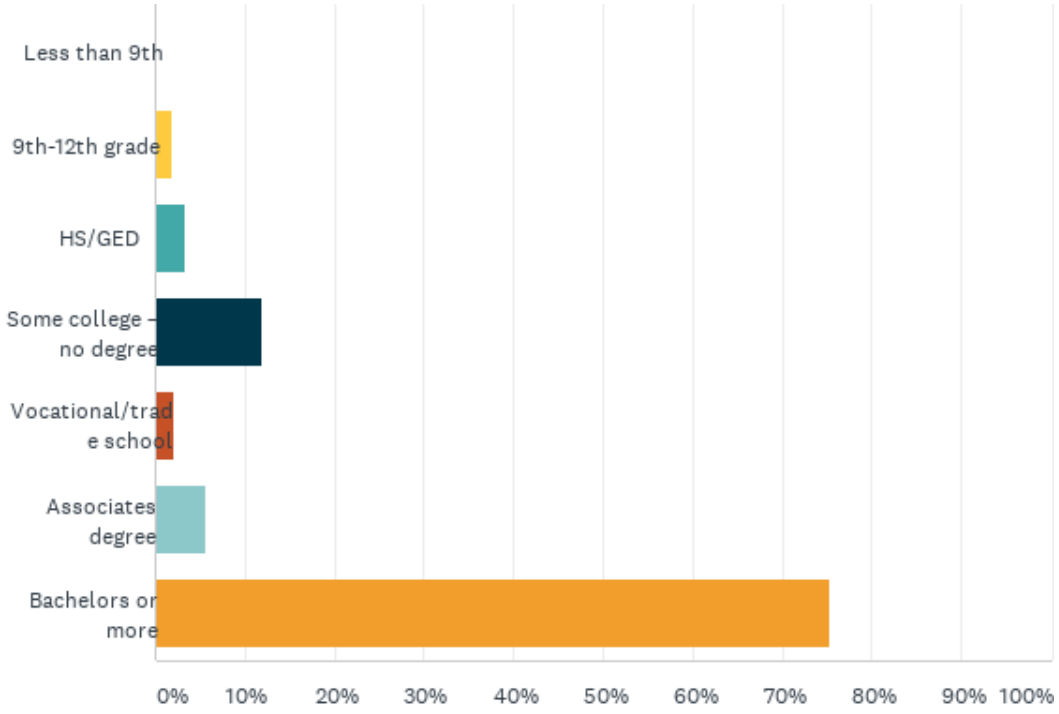
ANSWER CHOICES	RESPONSES	
Male	30.5%	167
Female	66.2%	362
Prefer not to say	3.3%	18
TOTAL		547

Question 2. Age



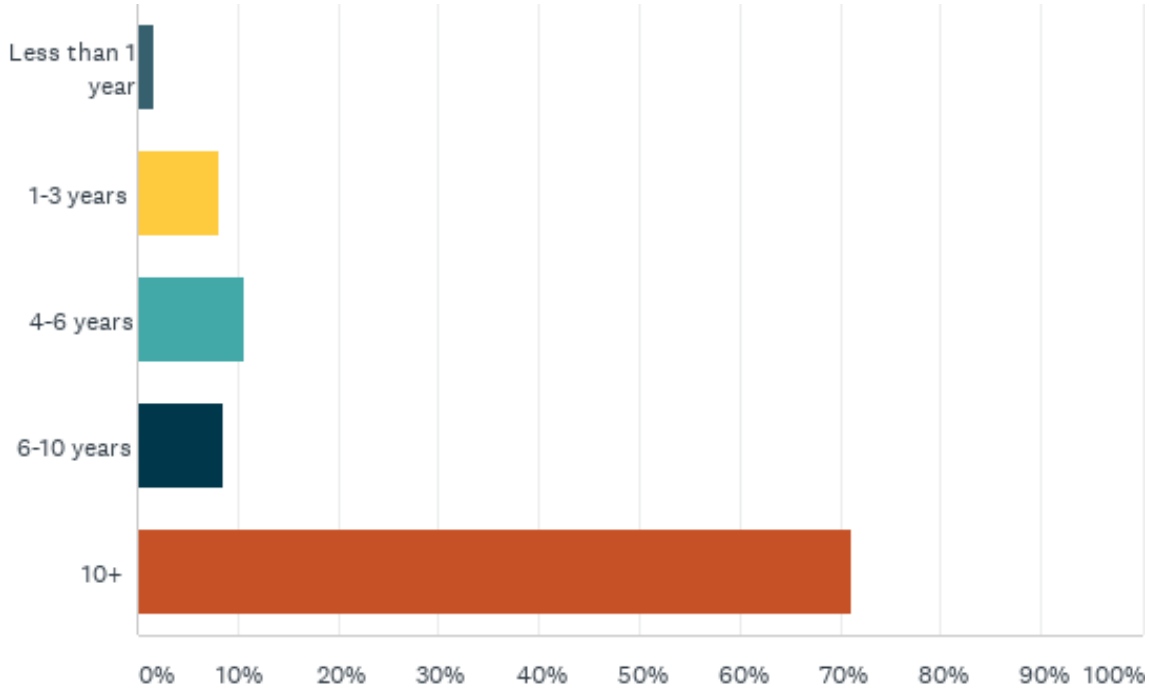
ANSWER CHOICES	RESPONSES	
18-24	1.1%	6
25-34	5.3%	29
35-44	21.5%	118
45-54	24.8%	136
55-64	22.6%	124
65-74	20.4%	112
75+	4.4%	24
TOTAL		549

Question 3. Education level



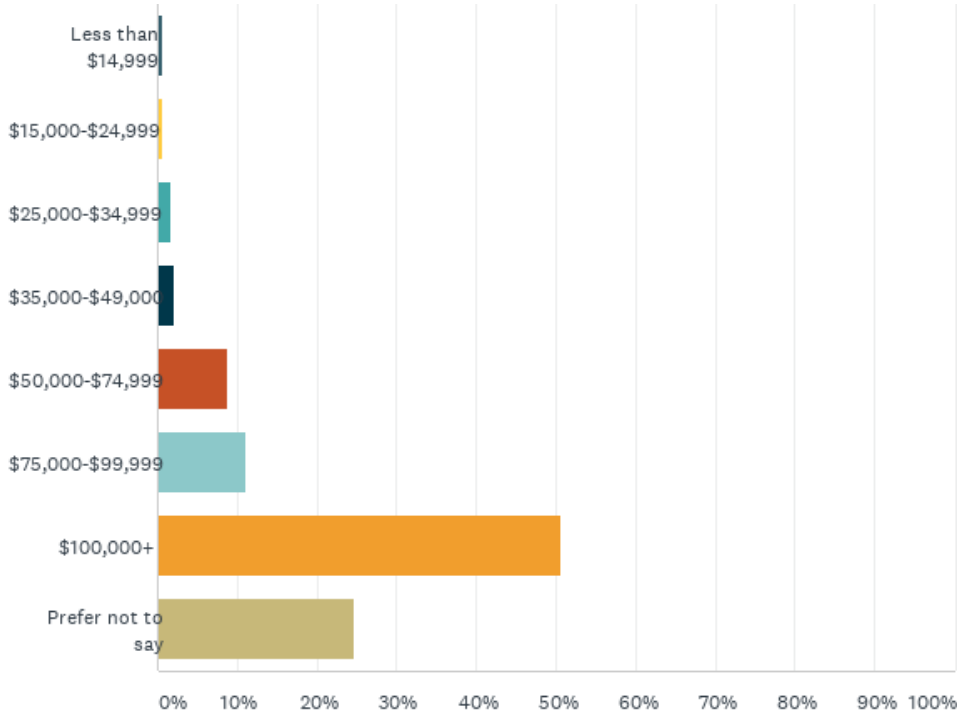
ANSWER CHOICES	RESPONSES	
Less than 9th	0.0%	0
9th-12th grade	1.8%	10
HS/GED	3.3%	18
Some college – no degree	11.9%	66
Vocational/trade school	2.2%	12
Associates degree	5.6%	31
Bachelors or more	75.2%	416
TOTAL		553

Question 4. How long have you lived in Newtown?



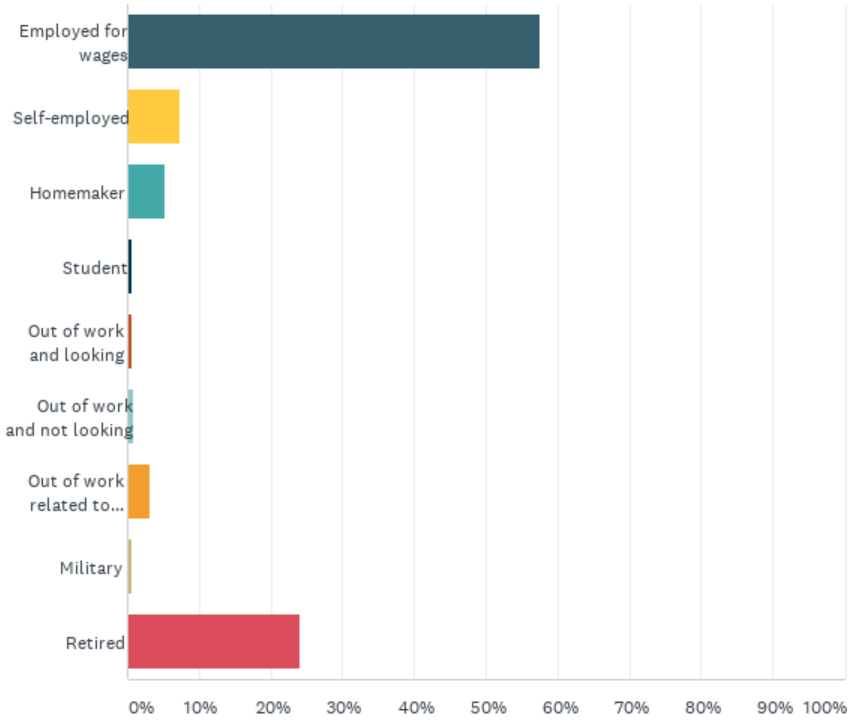
ANSWER CHOICES	RESPONSES	
Less than 1 year	1.6%	9
1-3 years	8.1%	45
4-6 years	10.6%	59
6-10 years	8.5%	47
10+	71.1%	394
TOTAL		554

Question 5. Annual household income



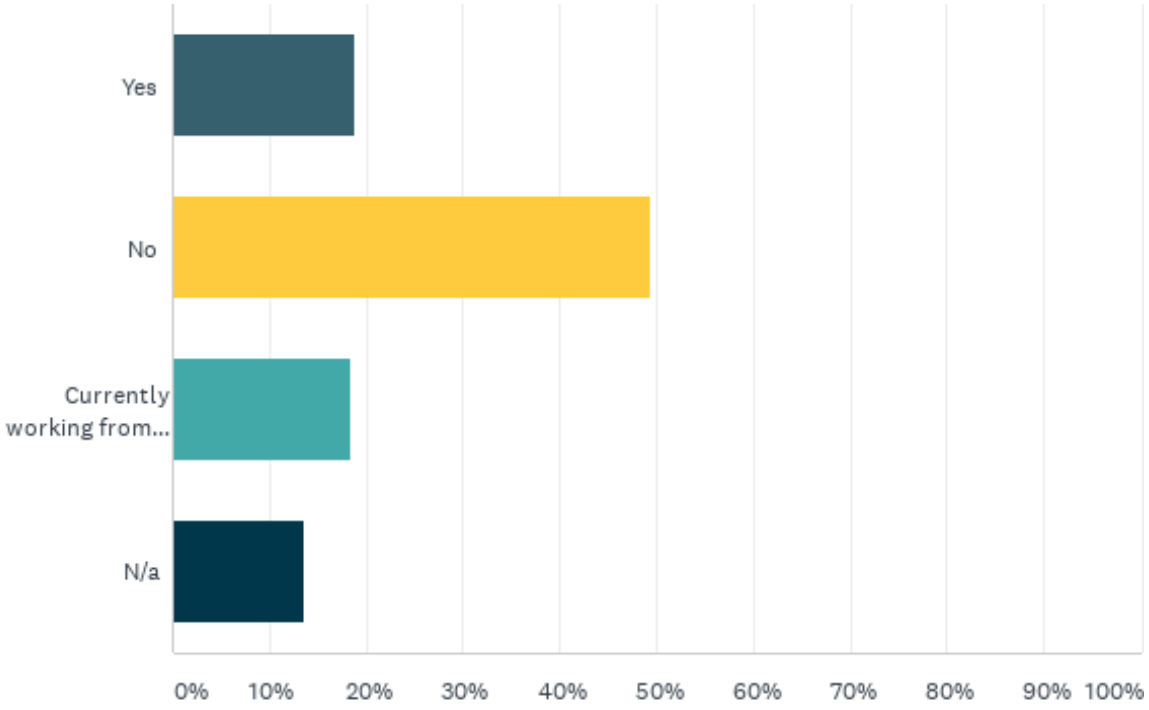
ANSWER CHOICES	RESPONSES	
Less than $14,999	0.5%	3
$15,000-$24,999	0.5%	3
$25,000-$34,999	1.6%	9
$35,000-$49,000	2.2%	12
$50,000-$74,999	8.8%	49
$75,000-$99,999	11.2%	62
$100,000+	50.5%	281
Prefer not to say	24.6%	137
TOTAL		556

Question 6. Employment status



ANSWER CHOICES	RESPONSES	
Employed for wages	57.5%	319
Self-employed	7.4%	41
Homemaker	5.2%	29
Student	0.5%	3
Out of work and looking	0.7%	4
Out of work and not looking	0.9%	5
Out of work related to COVID-19	3.1%	17
Military	0.5%	3
Retired	24.1%	134
TOTAL		555

Question 7. Do you work in Newtown?

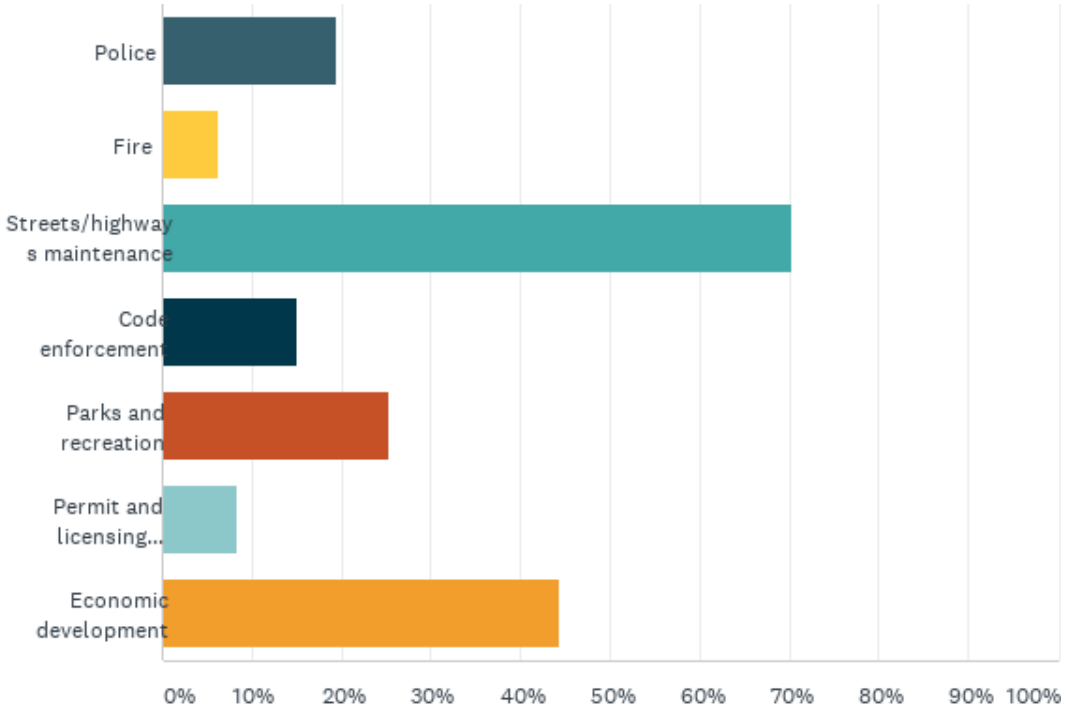


ANSWER CHOICES	RESPONSES	
Yes	18.7%	104
No	49.4%	274
Currently working from home in Newtown	18.4%	102
N/a	13.5%	75
TOTAL		555

Question 8. Please rate each of the following services that are provided by Newtown Township.

	EXCELLENT	GOOD	FAIR	POOR	N/A	TOTAL	WEIGHTED AVERAGE
Police	58.3% 322	30.1% 166	6.2% 34	2.9% 16	2.5% 14	552	3.48
Fire	62.2% 339	25.5% 139	2.2% 12	0.4% 2	9.7% 53	545	3.66
Streets/highways maintenance	14.5% 80	48.5% 268	30.0% 166	6.9% 38	0.2% 1	553	2.71
Street cleaning	19.7% 108	47.5% 261	21.3% 117	7.5% 41	4.0% 22	549	2.83
Street lighting	17.5% 96	47.5% 261	26.7% 147	6.5% 36	1.8% 10	550	2.77
Snow removal	19.2% 105	50.7% 278	19.9% 109	7.5% 41	2.7% 15	548	2.84
Quality of parks	46.0% 253	44.7% 246	6.0% 33	0.9% 5	2.4% 13	550	3.39
Recreation programs	38.0% 209	39.1% 215	7.3% 40	0.9% 5	14.7% 81	550	3.34
Recreation centers/facilities	27.0% 148	42.4% 233	10.4% 57	2.6% 14	17.7% 97	549	3.14
Land use, planning, and zoning	10.3% 57	32.2% 178	29.8% 165	17.7% 98	9.9% 55	553	2.39
Code enforcement	11.2% 62	36.8% 203	19.9% 110	7.1% 39	25.0% 138	552	2.70
Business services and assistance	14.6% 80	38.1% 209	10.8% 59	2.2% 12	34.3% 188	548	2.99
Permit and licensing services	11.7% 64	33.0% 181	12.2% 67	3.3% 18	39.9% 219	549	2.88
Overall	25.0% 137	60.8% 333	11.3% 62	2.4% 13	0.5% 3	548	3.09

Question 9. Rate the top two services the Township should focus on improving.

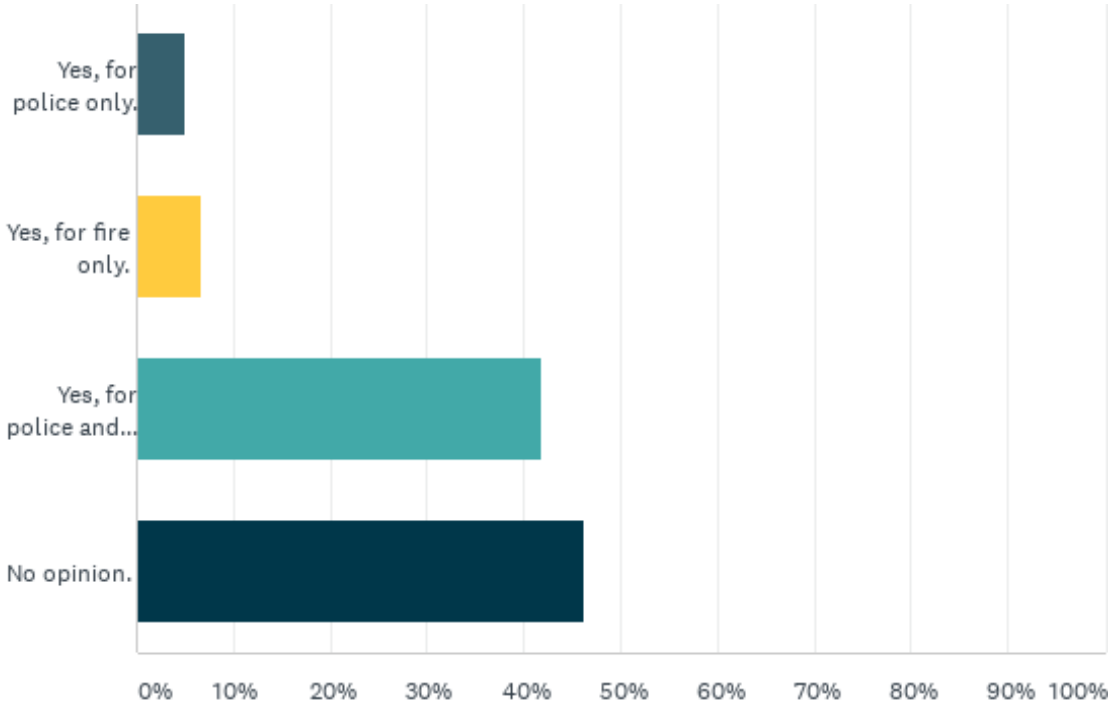


ANSWER CHOICES	RESPONSES	
Police	19.4%	106
Fire	6.2%	34
Streets/highways maintenance	70.3%	383
Code enforcement	15.0%	82
Parks and recreation	25.3%	138
Permit and licensing services	8.4%	46
Economic development	44.4%	242
Total Respondents: 545		

Question 10. Thinking about the police in your neighborhood, how would you rate the following?

	EXCELLENT	GOOD	FAIR	POOR	N/A	TOTAL	WEIGHTED AVERAGE
Level of police presence	36.9% 204	42.3% 234	14.6% 81	3.8% 21	2.4% 13	553	3.15
Police responsiveness	45.6% 252	31.1% 172	6.5% 36	1.8% 10	15.0% 83	553	3.42
Police approachability	53.0% 293	27.5% 152	9.4% 52	3.6% 20	6.5% 36	553	3.39
Police ability to prevent crime	37.0% 204	38.3% 211	8.7% 48	3.3% 18	12.7% 70	551	3.25
Police officer conduct	51.2% 283	28.9% 160	8.5% 47	2.5% 14	8.9% 49	553	3.41

Question 11. Should the Township explore additional joint public safety approaches with nearby municipalities?



ANSWER CHOICES	RESPONSES	
Yes, for police only.	5.1%	28
Yes, for fire only.	6.7%	37
Yes, for police and fire.	41.9%	231
No opinion.	46.3%	255
TOTAL		551

Question 12. How would you describe the relationship between police and the community?

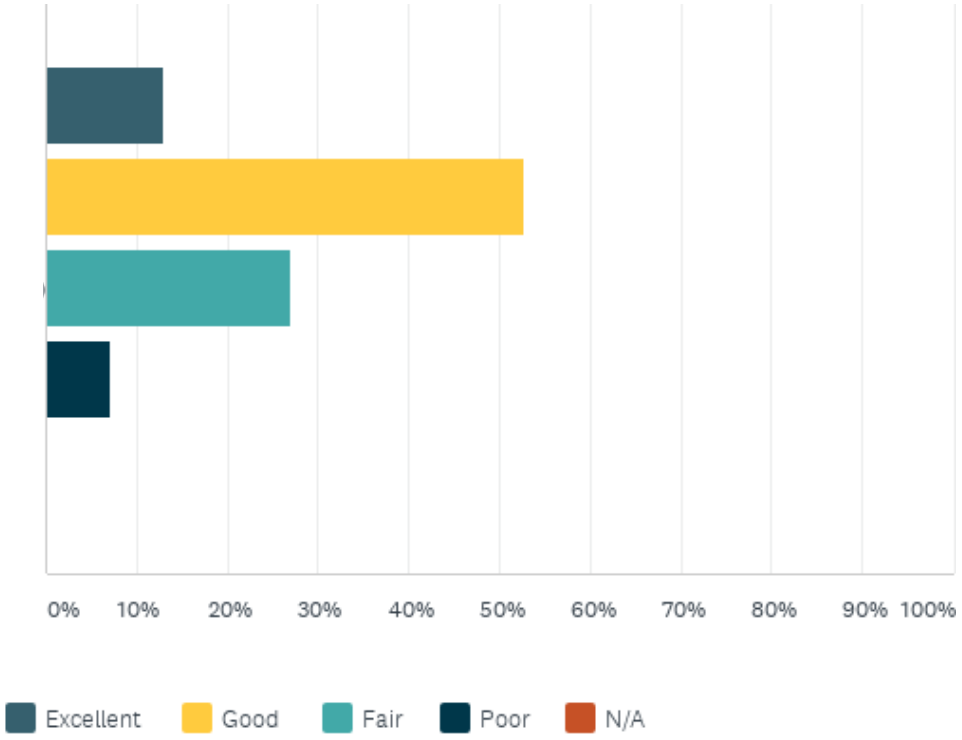
Tone of Response	Responses	%
Positive	374	80%
Middle/Positive	11	2%
Middle	28	6%
Middle/Negative	1	0%
Negative	30	6%
Unsure	11	2%
n/a	11	2%
Total	466	100%

Concern	Responses	% of Total Comments
Police should be more approachable/interactive/present with community	19	4%
Police are confrontational/condescending/distant/etc.	9	2%
Concern over political tensions/ethics/budgeting for the Department	7	2%
Relationship between police and community is one of fear/distrust/discomfort	6	1%
The Department needs more training/racial relations analysis/community policing actions	6	1%
Police make too many unnecessary traffic stops	5	1%
There is general room for improvement in the relationship between police and the community	3	1%
Other	5	1%
Total	60	13%

Question 13. Regarding the fire service in the Township, how would you rate the following?

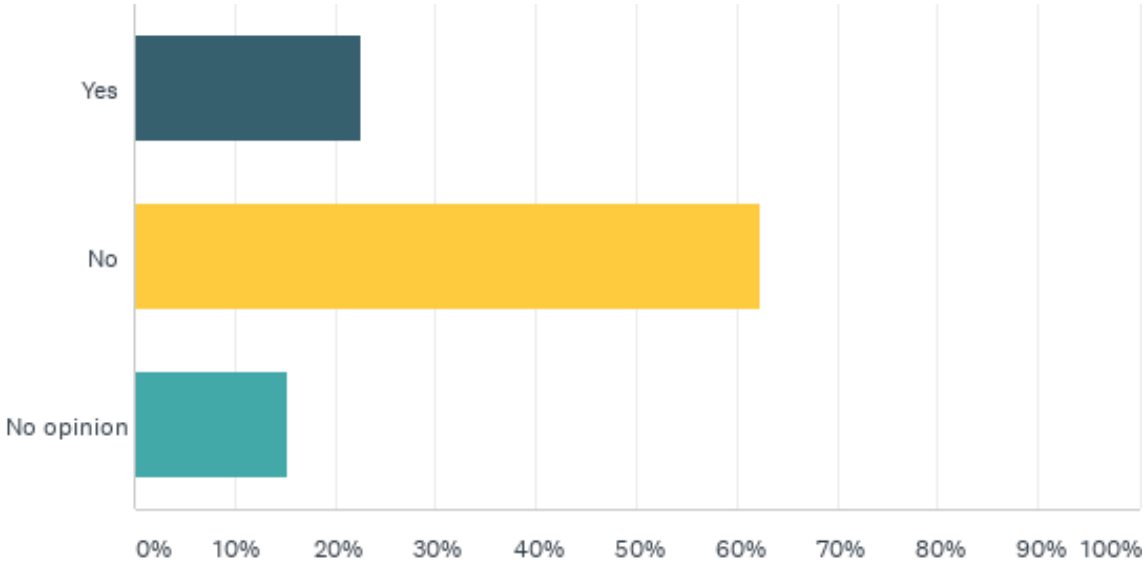
	EXCELLENT	GOOD	FAIR	POOR	N/A	TOTAL	WEIGHTED AVERAGE
Responsiveness	46.0% 253	26.2% 144	2.4% 13	0.5% 3	24.9% 137	550	3.57
Professionalism	48.9% 268	26.8% 147	2.6% 14	0.5% 3	21.2% 116	548	3.57
Commitment to safety	54.4% 299	24.5% 135	1.6% 9	0.5% 3	18.9% 104	550	3.64

Question 14. How would you rate your overall impression of the Township's Public Works services (road maintenance, snow removal, building maintenance, street sweeping, etc.)?



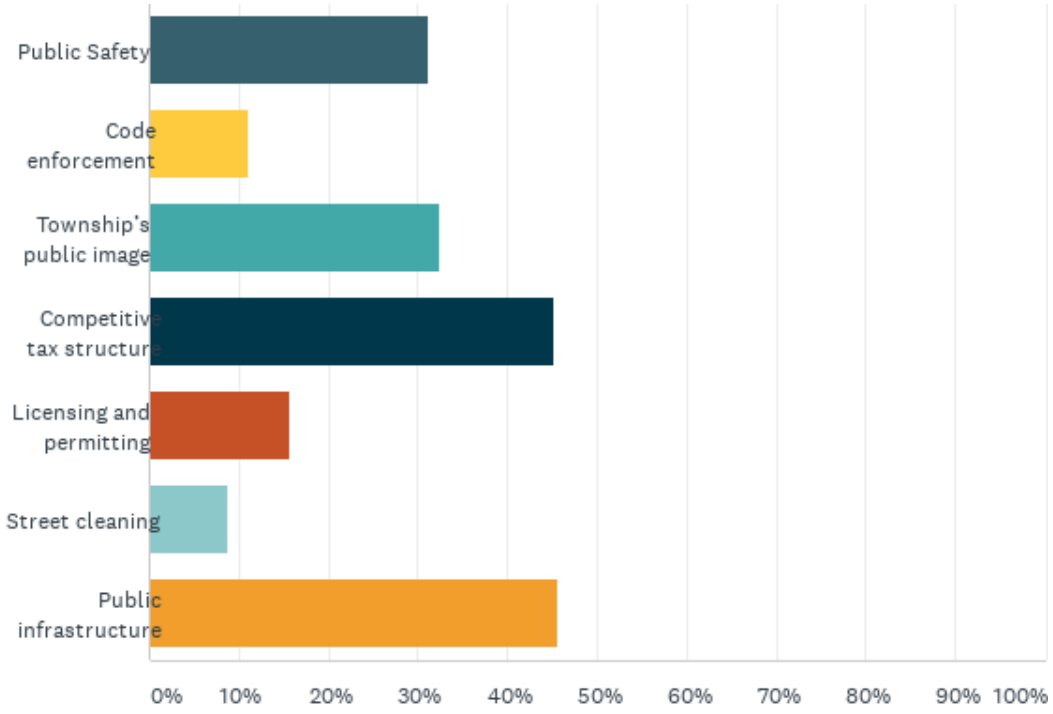
	EXCELLENT	GOOD	FAIR	POOR	N/A	TOTAL	WEIGHTED AVERAGE
	13.0% 71	52.7% 288	27.1% 148	7.1% 39	0.2% 1	547	2.72

Question 15. Would you be willing to pay higher Township taxes for increased services?



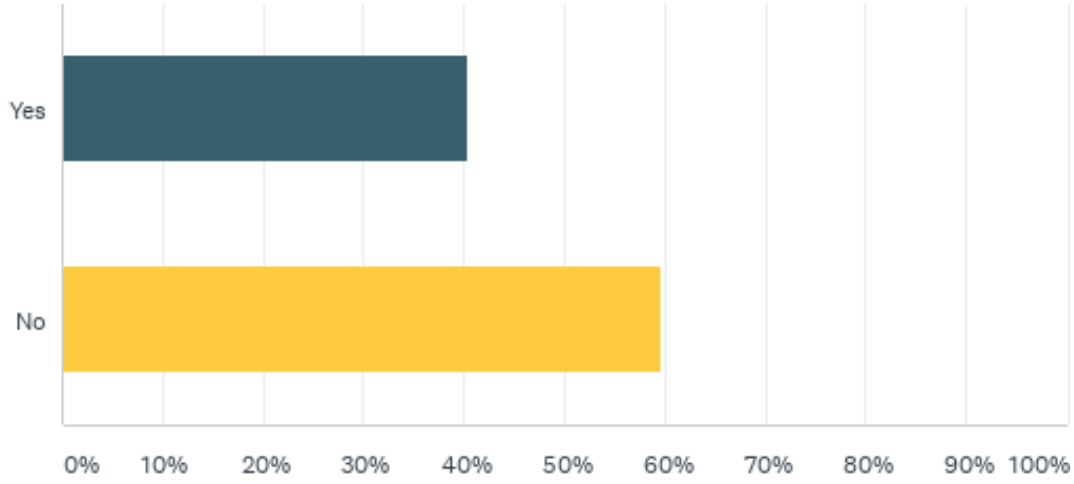
ANSWER CHOICES	RESPONSES	
Yes	22.5%	124
No	62.3%	343
No opinion	15.2%	84
TOTAL		551

Question 16. Please identify the top two priorities the Township should focus on for attracting new business.



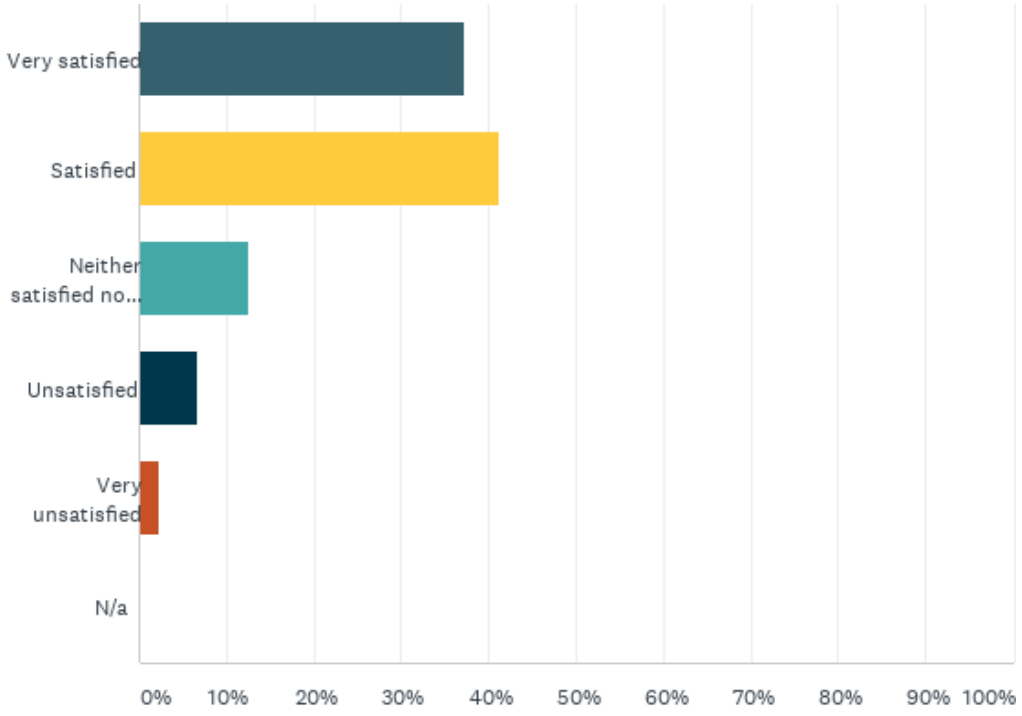
ANSWER CHOICES	RESPONSES	
Public Safety	31.1%	165
Code enforcement	11.1%	59
Township's public image	32.5%	172
Competitive tax structure	45.1%	239
Licensing and permitting	15.7%	83
Street cleaning	8.9%	47
Public infrastructure	45.7%	242
Total Respondents: 530		

Question 17. In the last 12 months, have you contacted the Township (in person, by phone, or online) for help or information?



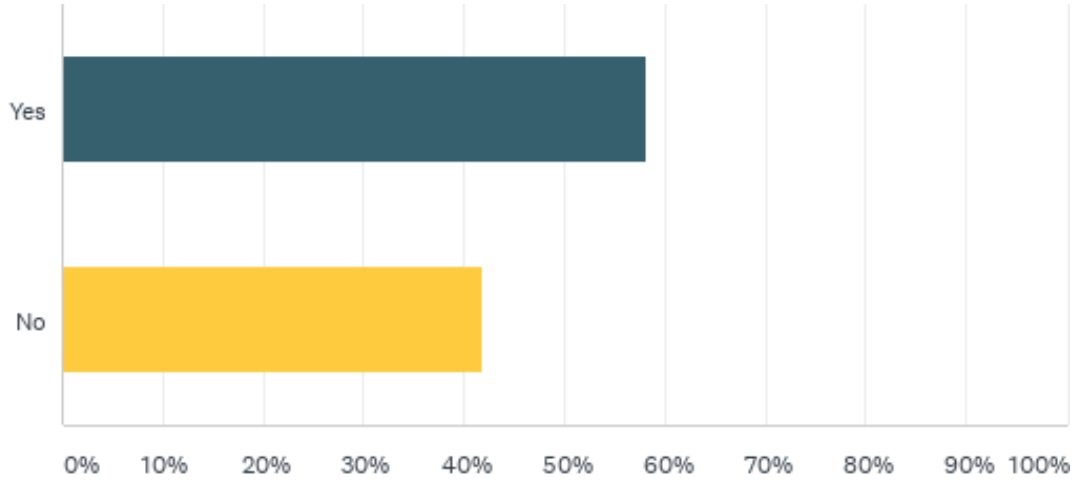
ANSWER CHOICES	RESPONSES	
Yes	40.3%	222
No	59.7%	329
TOTAL		551

Question 18. Were you satisfied with the experience?



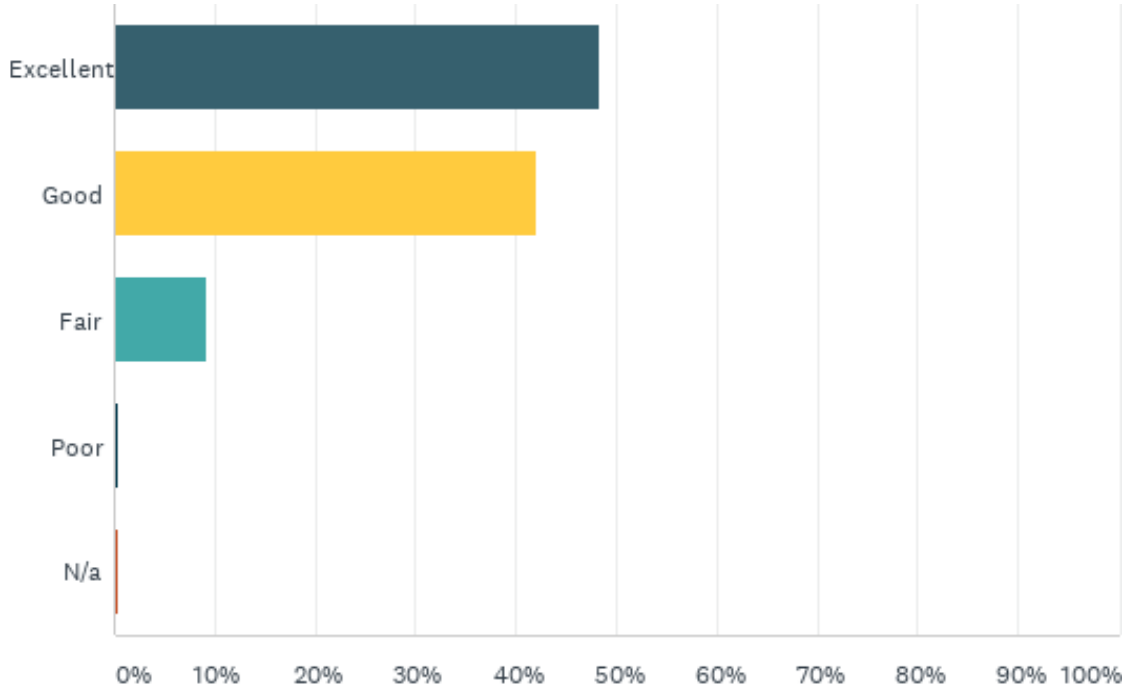
ANSWER CHOICES	RESPONSES	
Very satisfied	37.2%	83
Satisfied	41.3%	92
Neither satisfied nor unsatisfied	12.6%	28
Unsatisfied	6.7%	15
Very unsatisfied	2.2%	5
N/a	0.0%	0
TOTAL		223

Question 19. Have you used Township sponsored recreational programming?



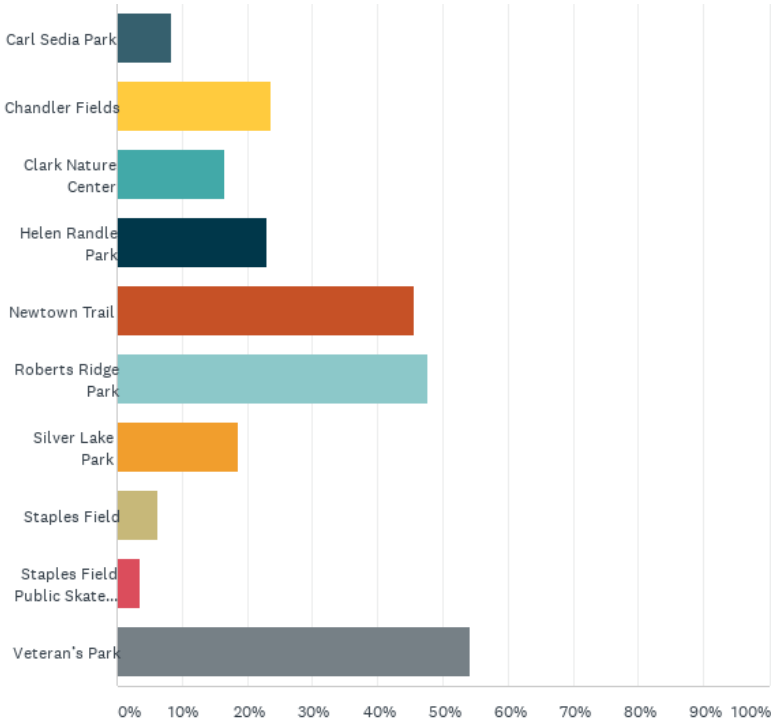
ANSWER CHOICES	RESPONSES	
Yes	58.1%	320
No	41.9%	231
TOTAL		551

Question 20. How would you rate the value of past recreational programming?



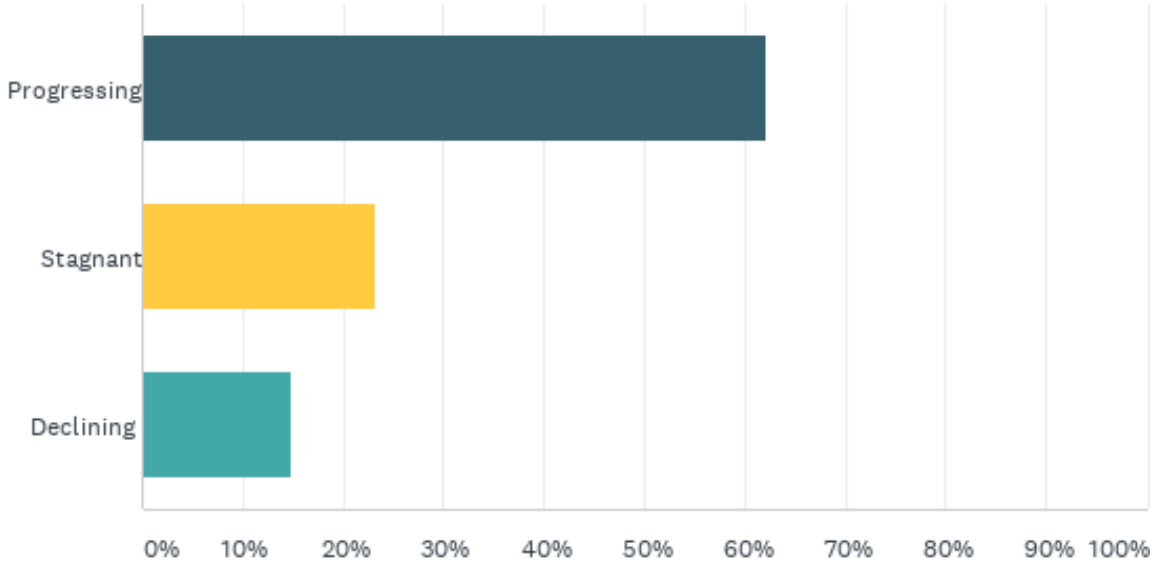
ANSWER CHOICES	RESPONSES	
Excellent	48.3%	153
Good	42.0%	133
Fair	9.1%	29
Poor	0.3%	1
N/a	0.3%	1
TOTAL		317

Question 21. Which of the following sites have you visited in the past 12 months?



ANSWER CHOICES	RESPONSES	
Carl Sedia Park	8.3%	37
Chandler Fields	23.5%	105
Clark Nature Center	16.6%	74
Helen Randle Park	23.1%	103
Newtown Trail	45.5%	203
Roberts Ridge Park	47.8%	213
Silver Lake Park	18.6%	83
Staples Field	6.3%	28
Staples Field Public Skate Park	3.6%	16
Veteran's Park	54.3%	242
Total Respondents: 446		

Question 22. Overall, how would you describe the direction that the Township is heading?



ANSWER CHOICES	RESPONSES	
Progressing	62.1%	332
Stagnant	23.2%	124
Declining	14.8%	79
TOTAL		535

Question 23. Please provide additional feedback regarding Newtown Township services.

Tone of Response	Responses	%
Positive	54	21%
Middle/Positive	7	3%
Middle	17	7%
Middle/Negative	34	14%
Negative	128	51%
Unsure	11	4%
Total	251	100%

Concern	Responses	%
Political comments, bureaucracy, and partisanship	9	5.0%
Infrastructure, snow removal, etc.	35	19.6%
Police relationship with community	10	5.6%
Development, retail, losing charm, access to nature	55	30.7%
Congestion, traffic, and overpopulation	15	8.4%
High or Low Taxes	7	3.9%
Other	48	26.8%
Total	179	100%

Question 24. Please comment on any other issue not covered by the questions above.

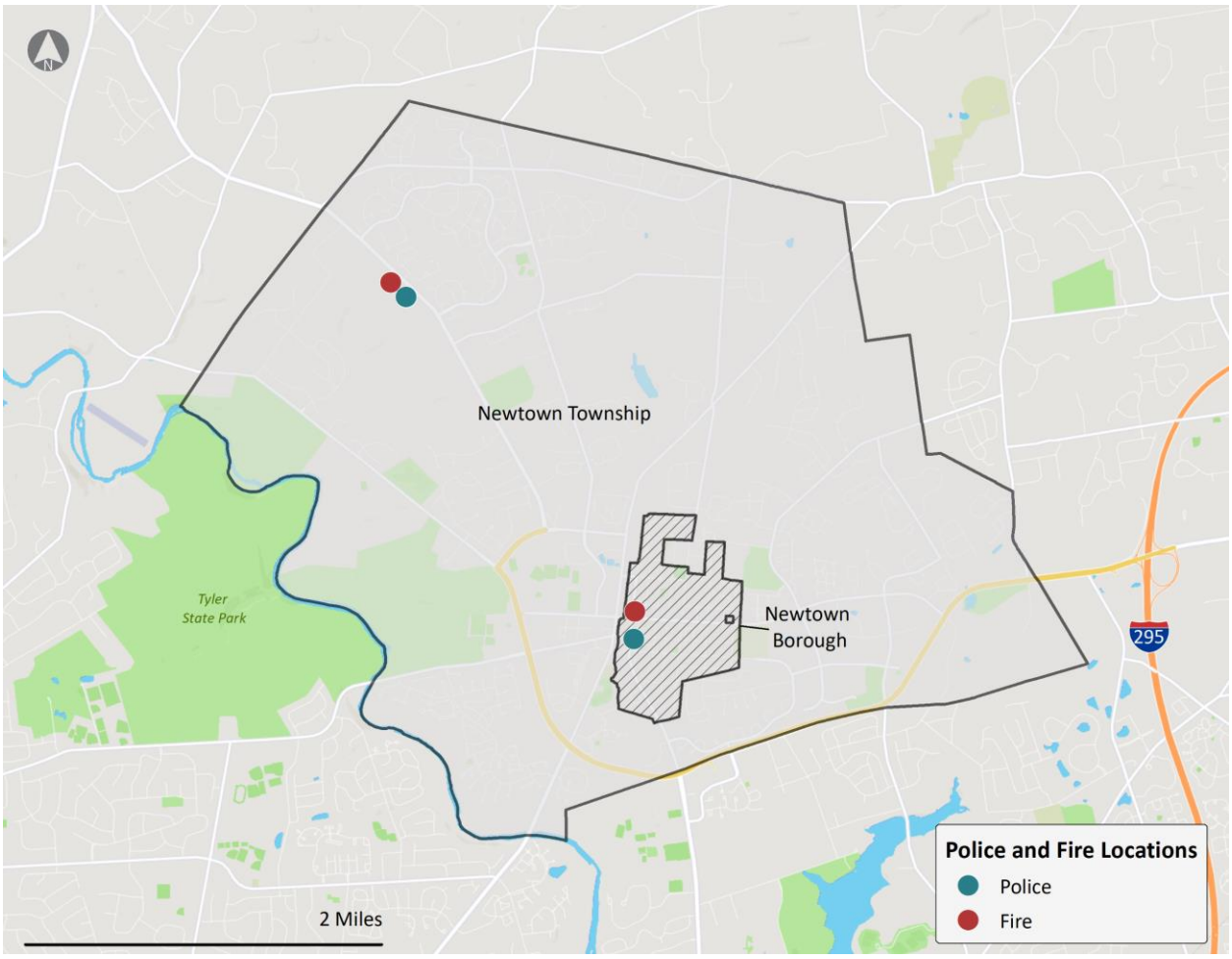
Tone of Response	Responses	%
Positive	2	1%
Middle/Positive	3	2%
Middle	7	5%
Middle/Negative	22	16%
Negative	95	70%
Unsure	7	5%
Total	136	100%

Concern	Responses	%
Political comments, bureaucracy, and partisanship	9	7%
Infrastructure, snow removal, etc.	15	12%
Police relationship with community	7	6%
Development, retail, losing charm and access to nature	51	41%
Congestion, traffic, and overpopulation	15	12%
High or Low Taxes	8	6%
Diversity	4	3%
Other	15	12%
Total	124	100%

Appendix B: Municipal Police and Fire Station Locations

This section contains maps of municipal fire and police stations by region. Newtown Area contains two Newtown Fire Association locations, one in Newtown Township and one in Newtown Borough. Each municipality has its own police department (see Figure B.1).

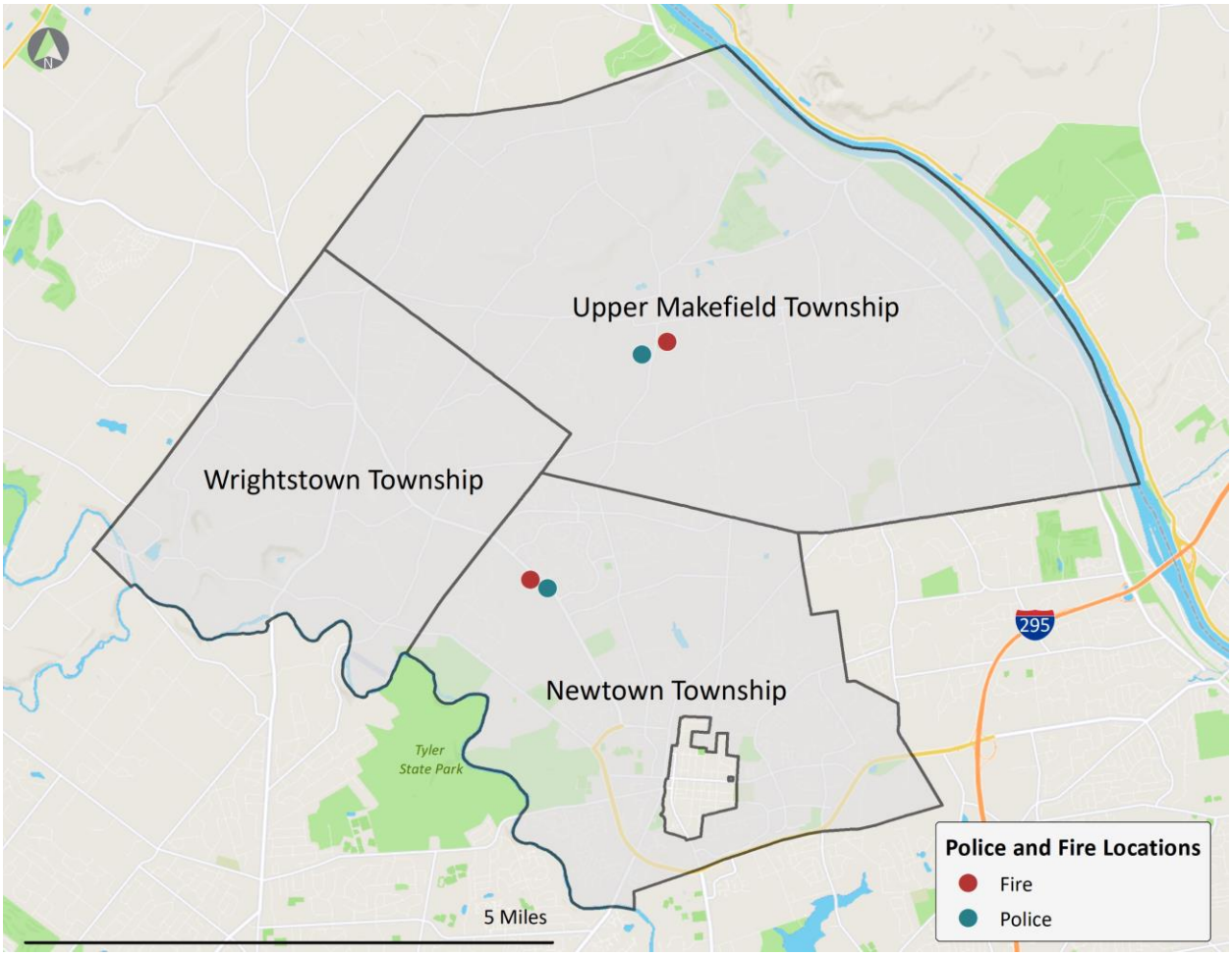
Figure B.1: Newtown Area Police and Fire Stations



Source: Econsult Solutions, Inc. (2020)

The Jointure contains a total of two fire and two police stations. Wrightstown Township has neither a fire station nor a police station because they contract out both services. Wrightstown Township's police service is contracted out to the Newtown Township Police Department and their fire service is contracted out to Lingohocken Fire Company (see Figure B.2).

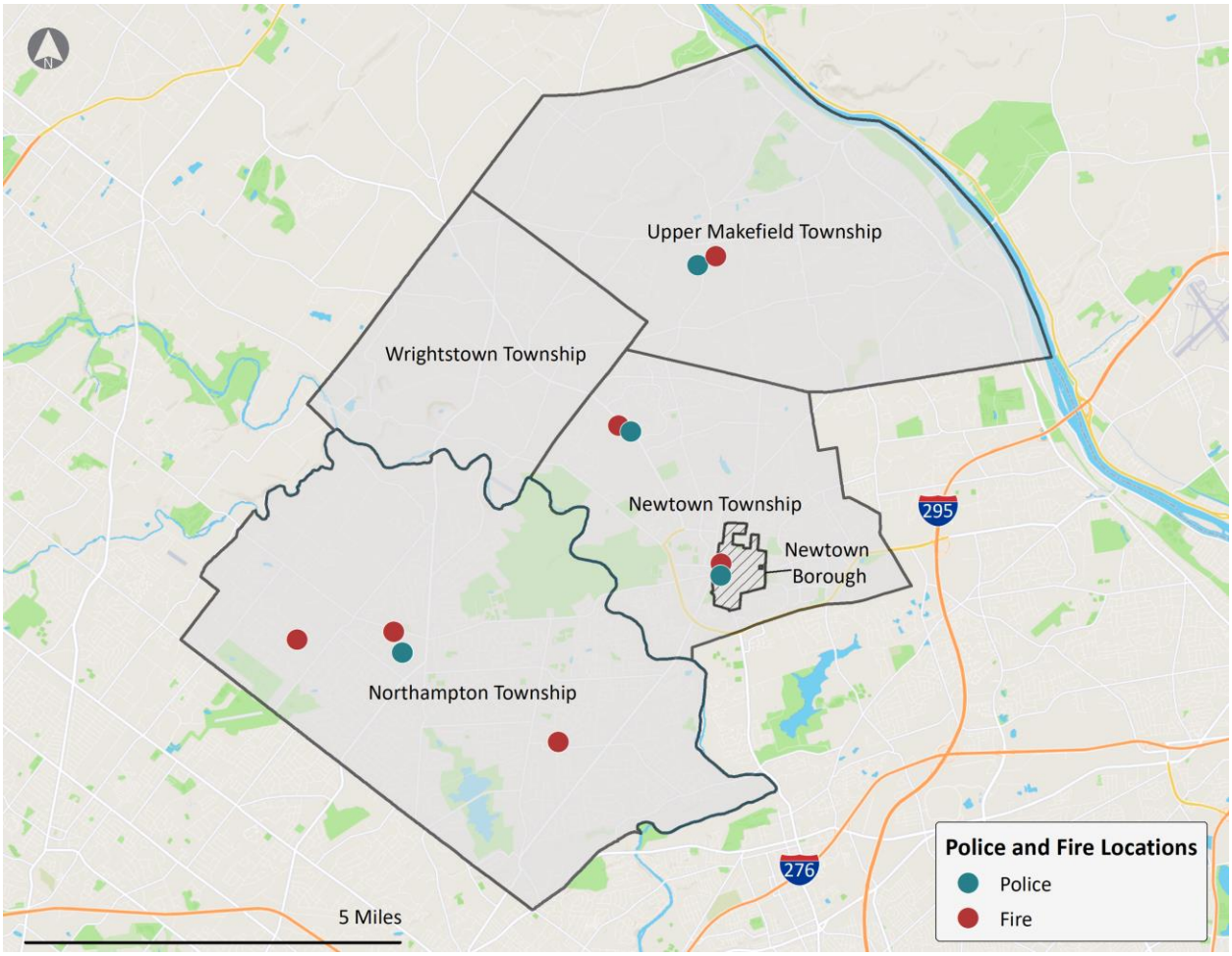
Figure B.2: The Jointure Police and Fire Stations



Source: Econsult Solutions, Inc. (2020)

The municipalities that compose the Council Rock School district have a total of six fire stations and four police stations. Northampton Township has three volunteer fire stations, Northampton Township Volunteer Fire Company - Station 73, Northampton Township Volunteer Fire Company - Station 83, and Northampton Township Volunteer Fire Company - Station 3 (see Figure B.3).

Figure B.3: Council Rock School District Police and Fire Stations



Source: Econsult Solutions, Inc. (2020)

Appendix C: About Econsult Solutions, Inc.

This report was produced by Econsult Solutions, Inc. ("ESI"). ESI is a Philadelphia-based economic consulting firm that provides businesses and public policy makers with economic consulting services in urban economics, real estate economics, transportation, public infrastructure, development, public policy and finance, community and neighborhood development, planning, as well as expert witness services for litigation support. Its principals are nationally recognized experts in urban development, real estate, government and public policy, planning, transportation, non-profit management, business strategy and administration, as well as litigation and commercial damages. Staff members have outstanding professional and academic credentials, including active positions at the university level, wide experience at the highest levels of the public policy process and extensive consulting experience.



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