



2025 Preliminary Township Budget

November 4, 2024

Rev. 11/1/24

Our Goals For this Meeting

To clearly communicate to you the details of the preliminary 2025 budget, and the proposed tax increases, explaining why the increases are necessary to continue to provide the services you have come to expect.

Also to answer any questions you may have regarding the information presented.

Desired Outcomes

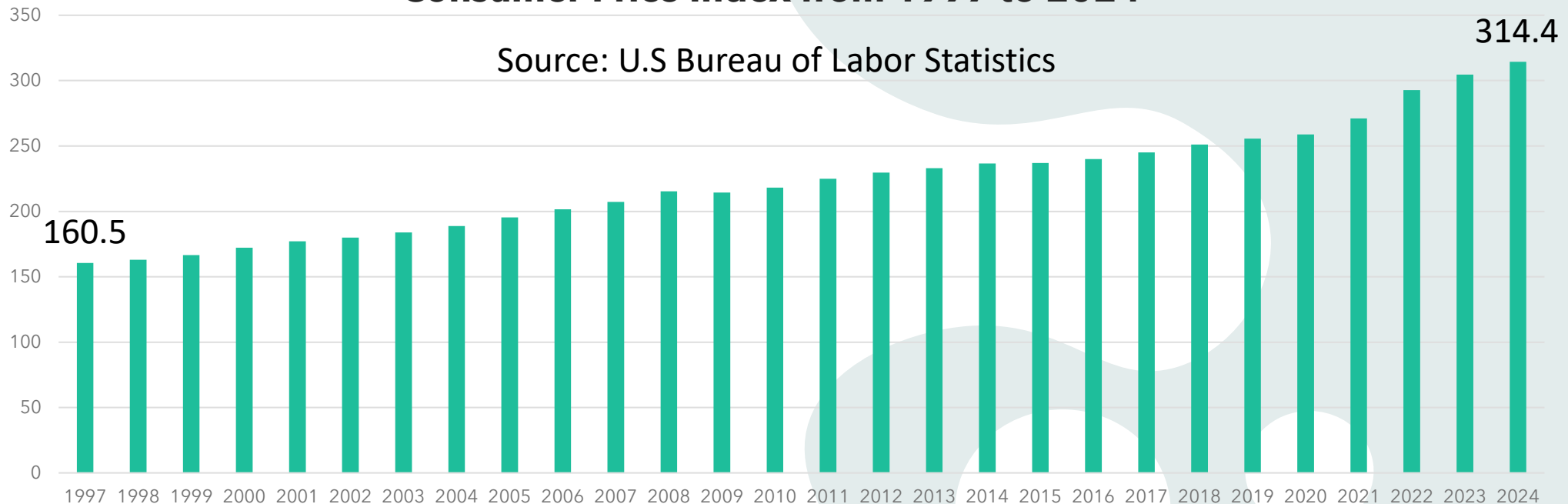
That you leave this meeting with a clear understanding of the following:

- The details of our overall budget and the proposed tax increases
- Why the tax increases are necessary to provide the services you expect, not only now, but into the future
- How your township leadership is controlling costs and using your money in a responsible manner on your behalf

East Marlborough General Fund Increase Basis

- East Marlborough has not raised the general fund Real Estate tax from the present 1.05 mil rate since 1997
- Since 1997, the Consumer Price Index has nearly **doubled**:
 - 1997 = 160.5
 - 2024 = 314.4
 - **Increase = 1.96 times**

Consumer Price Index from 1997 to 2024



Proposed Tax Increase Summary

The Fiscal Year (FY) 2025 Township Budget as presented:

- ✓ Increases total property tax rate from 2.183 mills to 4.883 mills (*2.7 mills increase*). This includes:
 - **General Purpose Tax** from **1.05 mills to 1.75 mills** (*0.70 mills increase*)
 - **Fire Protection Tax** from **0.675 mills to 2.25 mills** (*1.575 mills increase*)
 - **Emergency Services Tax** from **0.075 mills to 0.5 mills** (*0.425 mills increase*)
 - ✓ Library and Open Space rates remain unchanged
 - ✓ Wastewater (Sewer User) fees remain unchanged
- * **Based on 2023 County Assessment of Township Total Assessment:
\$791,759,250**

What Will My Tax Bill Look Like?

AVERAGE Assessed Property Value - \$231,587

2.183 Millage - Avg. Tax Bill \$505.55

4.883 Millage - Avg. Tax Bill \$1,130.84

Increase of \$625.29

MEDIAN Assessed Property Value - \$217,300

2.183 Millage - Avg. Tax Bill \$474.37

4.883 Millage - Avg. Tax Bill \$1,061.08

Increase of \$586.71

Revenue Projection Increases

General Fund: \$526,520 (*for Capital Projects*)

Fire & Emergency Service Fund: \$1.47 million

Being Fiscally Responsible Means:

- 1) Having a budget and sticking to it
- 2) Setting short and long-term goals
- 3) Spending money responsibly
- 4) Having an emergency fund (i.e., Operating Reserve Fund)
- 5) Planning for the future.
 - In 2022, the Township created a Capital Improvement Fund/Plan designated exclusively for the purchasing of capital assets and/or for infrastructure expenditures. This Capital Reserve Fund is used for large capital items and projects. This enables the township to plan 5, 10, 15, and 20 years out for fleet replacement, projects, and other big-ticket items.

Being Fiscally Responsible

Township Examples:

- 1) Historically, East Marlborough Township has been operating on a 'Shoestring Budget' with no future planning to address the growing and aging 65 miles of roads, the aging fleet, and facilities' repairs and replacements.
- 2) Our Township has maintained a small workforce despite the township's growth.
 - The General-Purpose Tax increase is not to add more full-time employees, make the Police Dept. 24/7/365, or to overhaul the municipal complex.

2024 Residents' Tax Rates

Chester County = 4.551 mills

Unionville-Chadds Ford School District = 32.61 mills

Kennett Consolidate School District = 33.6498 mills (plus 1% EIT)

East Marlborough Township = 2.183 mills

If you reside in UCFSD

83% School Tax

12% County Tax

5% Township Tax

If you reside in KCSD

84% School Tax

11% County Tax

5% Township Tax

*2025 w/ Twp. 4.883

79% School Tax

10% County Tax

11% Township Tax

**If County & Schools remain the same*

2025 Taxes Rates

2025 Project Tax Revenue

Fire & E.S. = \$1.88 mil

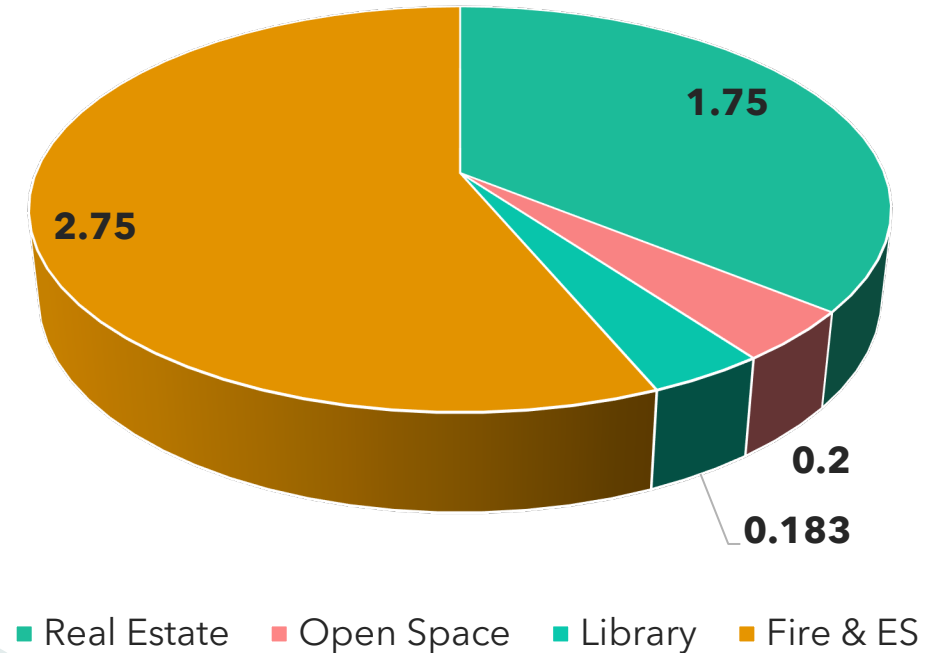
General Purpose = \$1.31 mil

Open Space = \$152k

Library = \$138k

Township Taxes

Total Millage 4.883



Township Resident's Future Unmet Needs

As identified in the Regional Comprehensive Plan, and the Open Space, Parks, Recreation and Environmental Protection Plan the township needs to address funding our township residents' interests in:

- 1) Maintaining and creating new biking and walking trails
- 2) Adding and improving parks and recreational facilities
- 3) Implementing environmental initiatives, and
- 4) Maintaining and preserving our open space heritage and cultural and historic resources.
- 5) Continually funding of our capital improvement plan to maintain and improve our roads and bridges, sewer and stormwater systems, and open spaces.

Fire & EMS Coverage

Required by the Second Class Township Code & Borough Code to provide fire and EMS under the municipal laws of Pennsylvania.

*P.L.350, No. 60, The Second Class Township Code, Section 1553, Emergency Services, states,
“The township shall be responsible for ensuring that fire and emergency medical services are provided within the township...”*

Brief History of KFERC

- **Study conducted by VFIS Education, Training and Consulting in 2016** to evaluate the feasibility of developing a system approach to EMS and fire and rescue services.
- In 2017 KFERC was **established through an Inter-Municipal Cooperation Agreement** due to a desire to *“provide for inter-municipal collaboration and the pooling of municipal resources and funds for the provision of fire, rescue, and emergency services within an area...”*
- Cooperation Agreement names **Longwood, Kennett and Po-Mar-Lin Fire Companies** as the Service Providers who remain separate, independent legal entities. *“The Commission shall have no authority to control the day-to-day operations of each independent Service Provider, and the Service Providers shall not be deemed agents of the Commission or the Municipalities.”*

Intermunicipal Cooperation Agreement (2017)

- Fire Companies provide to the Commission:
 - Annual audited financial statements
 - Annual draft budgets for the coming Fiscal Year
 - Annually updated schedule for the replacement of fire, rescue, and emergency services vehicles and equipment
 - Monthly reporting on response calls and other activities identified by the Commission
- This is above what they are legally required to provide.

*Section 2.2 of the Inter-municipal Cooperation Agreement

Why Regionalization?

Regionalization can successfully:
(Municipal Resources, Inc. Strategic Planning Study, 2020. Page 355)

Lower costs and increase efficiencies.

Increase purchasing power, allowing for higher-end acquisitions.

Improve access to state and federal grants.

Increase citizen satisfaction.



Many communities in PA are regionalizing in response to increased call volumes, aging populations, increased community growth, longer response times, decrease in staffing and volunteering

Pennsylvania
TownshipNews

SEPTEMBER 2024 ■ www.psats.org

**EMBRACING
REGIONAL COOPERATION**



From Pennsylvania Township News, September 2024

“...plagued by inadequate funding, lack of volunteers and training requirements. However, cooperative agreements like regional departments or shared service contracts can help reduce costs, provide better emergency services coverage, and stretch resources.”

Decrease in Volunteer Fire Fighters

300,000 to 38,000 = overall loss of 262,000 volunteers as of 2018



For decades there has been discussion of the looming public safety crisis as membership in the volunteer fire service decreases



In 2018, the PA Senate reported* a severe decline in volunteers over the **previous 40 years**

Volunteer decline is due to changing work and school environment where community members are no longer available on a rapid fire emergency basis.



Fewer than 500 volunteer fire fighters eligible for Chester County Volunteer FF Tax Credit



Today's equipment in both fire & EMS is both highly complex and demanding, requiring advanced training.



Fire Fighters require an initial 186 hours of training just for Fire Fighter I – two nights per week plus every weekend for 3 months. Plus additional certifications and time each month for ongoing training requirements.

Financial View of Updated Capital Plan



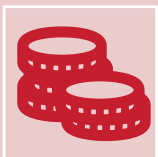
In 2023 the Commission set aside \$750K in 2024 for future fleet costs as a place to start and committed to moving to \$1M in 2025;



To adequately prepare financially, we have also expanded to a full Capital Plan

Updates include costs estimates with timing changes, inflation, plus expanded scope to include capital equipment

- E.g. ambulance equipment, air packs, thermal imaging cameras, zodiac boats, and fire gear



The average annual cost for the Commission to fund the full Capital Plan (fleet plus equipment) is **\$1.8M over the first 5-15 years**, \$1.9M for years 20-30, and peeking at \$2.2M over 40 years.*

2025 OPERATIONS BUDGET REQUESTS

(As Presented to KFERC in August 2024)



- **\$ 50,000 – Driver**

- Request for 40 hour/week Firefighter to assist volunteers. Firefighter would be an LFC employee.



- **\$210,016.44 – Payroll Expenses**

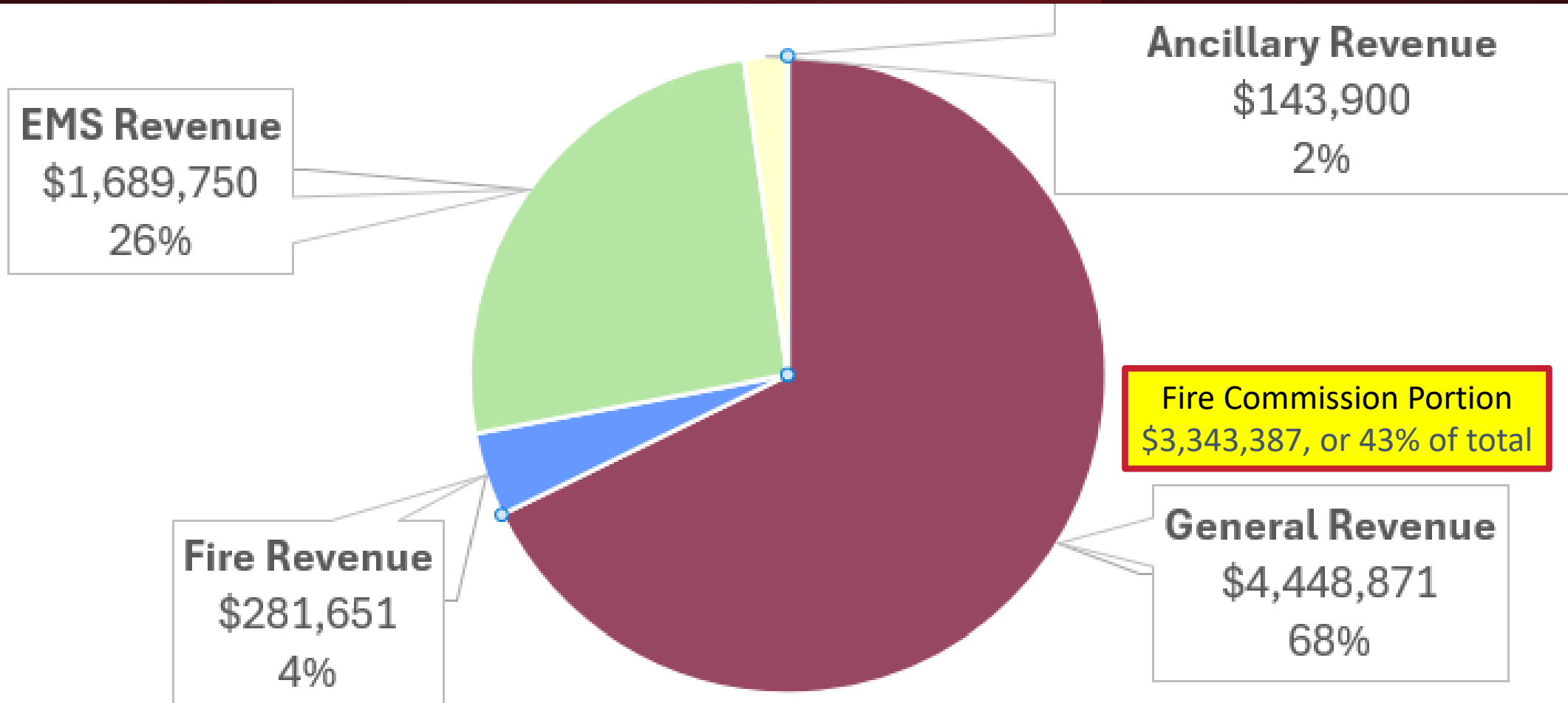
- Budget number reflects updates in pay scale that were necessary in order to stay competitive with surrounding agencies.



- **\$147,371 – Pay Scale and Building Improvements**

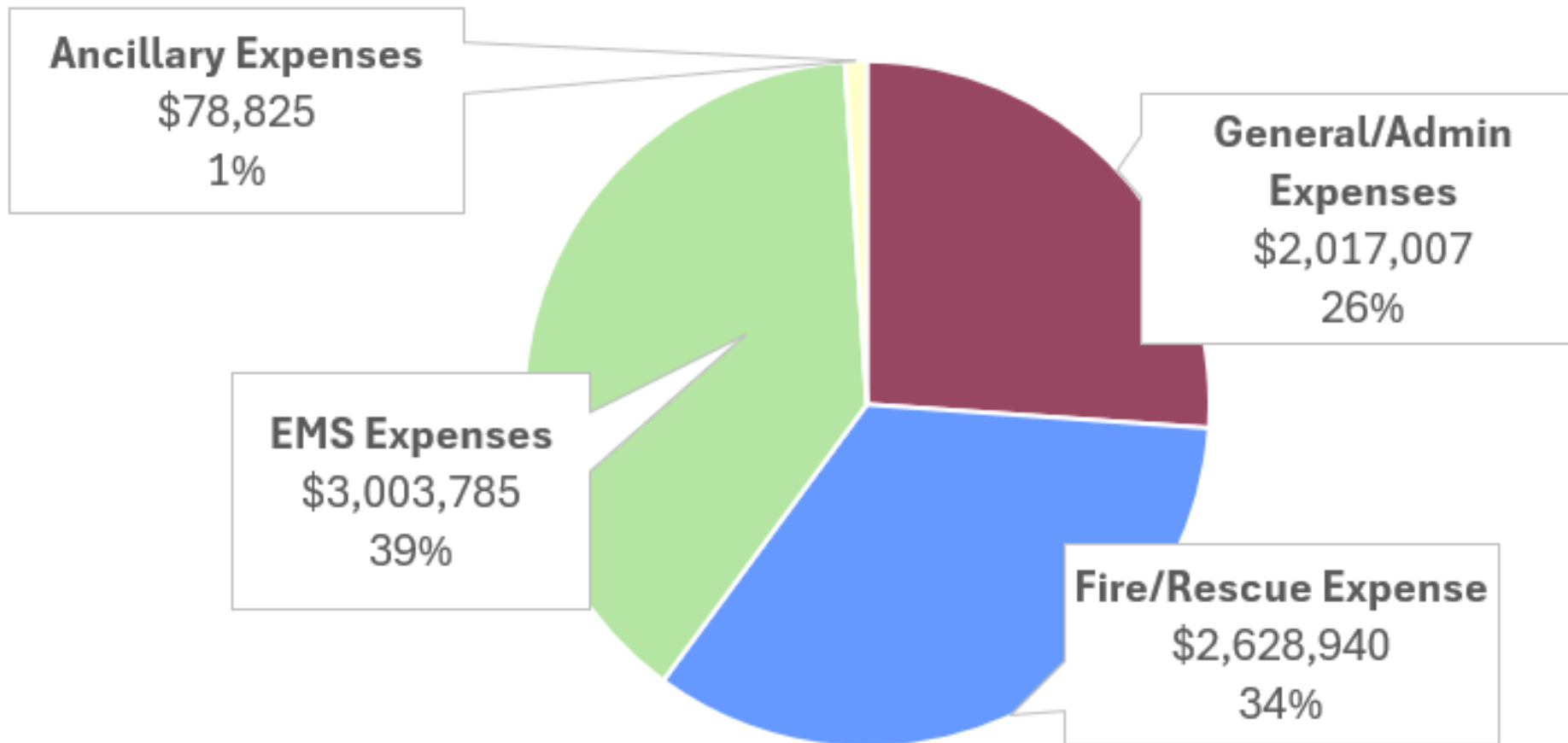
- Budget includes additional hours on weekends and \$50,000 to mitigate rusting on building with treatment and new paint.

2025 DRAFT Budgeted Revenue Regional Fire Department



Why DRAFT?

The Commission passes their budget in September so that the Fire Companies can plan their own budgets. The Regional Department budget is NOT final but is used to determine the funding level from the commission.



2025 DRAFT Budgeted Expenses Regional Fire Department

KFERC Budget Process

- Regional Department presented their draft budget and funding request at the August 12, 2024 KFERC Meeting
- Two special meetings conducted to discuss and pass budget (8/22/24, 9/3/24)
- Based on Capital Plan (Vehicles and Equipment) KFERC agreed to increasing Capital commitment by \$500,000.
- Agreed to increase operations funding by \$407,387.
- Total increase of \$907,387 applied to the fair share formula.

Fair Share Formula 2025

	2023 Population	2023 Assessed Value	2023 Fire/Rescue Responses	2023 EMS Responses	
East Marlborough Township	7,877	\$793,759,250	562	730	
Kennett Township	9,179	\$833,784,125	734	945	
Kennett Square Borough	6,521	\$255,540,151	358	564	
Pocopson Township	4,455	\$350,792,120	287	431	
Pennsbury Township	3,871	\$401,450,540	257	364	
Newlin Township (60% assessed value in calculation)	815	\$78,605,886	67	34	
TOTAL	32,718	2,713,932,072	2,265	3,068	
*Population Data: https://www.chescoplanning.org/Resources/Data/10-1.cfm					
	2023 Population	2023 Assessed Value	2023 Fire/Rescue Responses	2023 EMS Responses	2025 Allocation Percentage
East Marlborough Township	24.1%	29.2%	24.8%	23.8%	25.5%
Kennett Township	28.1%	30.7%	32.4%	30.8%	30.5%
Kennett Square Borough	19.9%	9.4%	15.8%	18.4%	15.9%
Pocopson Township	13.6%	12.9%	12.7%	14.0%	13.3%
Pennsbury Township	11.8%	14.8%	11.3%	11.9%	12.5%
Newlin Township	2.5%	2.9%	3.0%	1.1%	2.4%
	100.0%	100.0%	100.0%	100.0%	100.0%

Fair Share Funding 2025

	2025 Allocation Percentage	2025 Fair Share Funding	2024 Allocation Percentage	2024 Fair Share Funding	Dollar Funding Difference 2025-2024	Dollar Percent Change 2025-2024	Allocation Percentage Change 2025-2024
East Marlborough Township	25.5%	\$ 1,393,932.51	25.5%	\$ 1,165,031.99	\$ 228,900.52	19.6%	0.0%
Kennett Township	30.5%	\$ 1,668,206.39	30.8%	\$ 1,407,266.68	\$ 260,939.71	18.5%	-0.3%
Kennett Square Borough	15.9%	\$ 868,882.77	16.5%	\$ 751,738.03	\$ 117,144.74	15.6%	-0.6%
Pocopson Township	13.3%	\$ 728,373.33	12.3%	\$ 563,469.19	\$ 164,904.14	29.3%	1.0%
Pennsbury Township	12.5%	\$ 681,511.85	12.5%	\$ 569,845.56	\$ 111,666.29	19.6%	0.0%
Newlin Township	2.4%	\$ 129,282.99	2.3%	\$ 105,838.39	\$ 23,444.60	22.2%	0.1%
	100.0%	\$ 5,470,189.84	100.0%	\$ 4,563,189.84	\$ 907,000.00		

This is the approved FAIR SHARE formula for the region.
 Kennett Square Borough is not currently a member of commission.

KFERC Funding 2025

- The total contribution from the **five member municipalities** for 2025 will be \$4,601,307.07.
 - \$3,549,856.57 for Operating Expenses
 - \$1,051,450.50 for Capital Fund
- Operating: \$3,549,856.57
 - \$ 3,343,387 goes directly to the three Fire Companies
 - 5% to PoMarLin
 - 27.5% to Kennett
 - 27.5% to Longwood
 - 40% to EMS (Longwood)
 - These percentages are my calculations and subject to change.
 - Remaining is used by Commission for Workers Comp, Insurance, Fees
 - Municipalities send quarterly payments to the Commission. The Commission authorizes the distribution of quarterly funds and sends checks to each fire company.

Next Steps

- 20-day public comment period
- At December 2, 2024 Township meeting the budget may be formally adopted
- New rates will go into effect on January 1, 2025
- Future option: An Earned Income Tax (EIT)
 - East Marlborough is one of only three of the 73 townships in Chester County without an EIT



Questions & Answers