

NGT FY23 State of the Township

August 28, 2023



Agenda

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- 2. Growth & Demographics**
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- 3. Revenues**
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Overview of the Township



What is New Garden Township?

Overview

While New Garden Township has several inputs that encapsulate its characteristics and historical significance, there is no official Vision and/or Mission Statement that the organization leverages to influence all strategic planning processes, specifically the Comprehensive Plan and Annual Budgeting process.

However, there are a few defining statements located in our Township history section of the website as well as the 2018 Comp Plan.

Defining statements:

Historic

“A picturesque land of forests with clear creeks running through, rock-topped hills and outcroppings, marshy valleys and wildlife in abundance” – “Once Upon a Time in New Garden Township” by Ann Hagerty

Modern

“Suburban community located in Southern Chester County that is rich in history, natural resources, and farmland... transforming from a quiet, agricultural community to a growing, suburban Township where rural features and agriculture are highly valued, but nestled amid residential communities, innovative tech companies, and modern distribution centers” – 2018 NGT Comprehensive Plan

So what does this mean?

New Garden’s defining characteristics should dictate how the Township invests in providing robust services that seek to improve resident’s quality of life, with a direct connection to the funding levels required to achieve those services

What is New Garden Township?

Historic

Agri-Industrial

Safe

Rural

Natural

Family-oriented

Active

Scenic

Suburban



Land Use

Land Use

The Land Use Plan (Zoning Map) is the culmination of the Township’s intended approach toward housing, open space, and economic development that seeks to enhance the traditional character of New Garden Township, accommodate protected natural resources and open space, and enrich the quality of life within the community.

Additional goals are to nurture diverse economic opportunities that support a sustainable and stable tax base and optimize the use of existing infrastructure and resources.

So what is NGT’s land use and how are we optimizing land use outcomes to achieve the above goals?

Legend

- A – Apartment
- C – Commercial
- E – Public Facilities
- F – Farm/Agriculture
- I – Industrial
- R – Residential
- U – Utilities

Row Labels	Sum of TOT_ASMT	Sum of ACRES	Total Value %	Total Acre %	Value Diff
A	\$ 7,858,390.00	71.51	0.89%	0.71%	0.2%
C	\$ 143,867,295.00	2,690.33	16.28%	26.88%	-10.6%
E	\$ 55,966,750.00	726.59	6.33%	7.26%	-0.9%
F	\$ 5,306,310.00	632.06	0.60%	6.31%	-5.7%
I	\$ 20,233,110.00	230.41	2.29%	0.71%	1.6%
R	\$ 650,287,911.00	5,656.28	73.58%	56.51%	17.1%
U	\$ 222,530.00	2.54	0.03%	0.03%	0.0%
Grand Total	\$ 883,742,296.00	10,009.72	1.00	0.98	

Note – “C” includes F-40, designated as mushroom / horticultural, which are ACRE-protected farming industries



Land Use

Land Use and Real Estate Tax

From the prior table, over 83% of the Township's land use, which then impacts net assessable property is split between:

Residential

- Assessments – 73.6% (\$650,287,911.00)
- Acreage – 56.5% (5,656.3)
- Real Estate Tax (1.72 mills) – \$1,118,495.21

Commercial (incl. Mushroom Farms)

- Assessments – 16.3% (\$143,867,295.00)
- Acreage – 26.9% (2,690.3)
- Real Estate Tax (1.72 mills) – \$247,451.75

Takeaway – The majority of the Township's land use is captured into two categories that entail additional land use constraints:

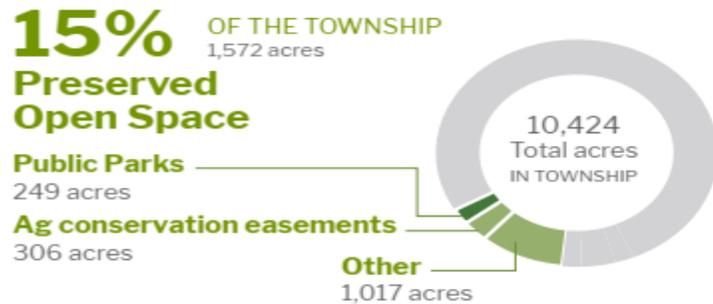
- Residential
 - Previous limited Township appetite to support additional scaled residential development projects
 - Net impact has been flat to declining population base over the previous decade
 - NGT's robust Open Space program has converted roughly 15% of all Township land to either conservation easements or preserved properties, which is forecast to be ~25% of the Township's total acreage
- Commercial
 - Consists of tax-abated agricultural properties, which currently represent a net -10.6% assessment value differential

Land Use

Land Use and Open Space

- In 2005, the Township adopted an Open Space Referendum to tax an additional 0.125% on top of the 1% Township Earned Income Tax (EIT), equating to roughly 0.55 mills in FY23 (\$450,000), to create an open space fund for future land preservation to maintain the Township's rural character and lower costs for community services (i.e., public safety & schools) stemming from residential growth
- To date, the Township has a combined network of over 1,500 acres (~15% of the Township) of open space in the form of parks, conservation easements, and agriculture, with an opportunity to secure ~8% more in additional Township land

Inventory



Opportunities



Costs for Community Services

- Residential - \$1.13
- Commercial - \$0.10
- Industrial - \$0.04
- Agriculture/Open Space - \$0.07

- Takeaway: NGT is overleveraged with land use (~30%) that is:
 - Revenue-negative (MF) - Low RE / Mid EIT
 - Revenue-neutral (OS) - Low RE / Low EIT

- For the same Chester County analysis on open space preservation impact on community services, "Commercial" community costs for services (which includes the mushroom farming F-40 land use designation per the County) were the highest (\$0.25 to \$0.50) for Townships with a significant presence of scaled mushroom farming, due to their scope of operations

Growth & Demographics

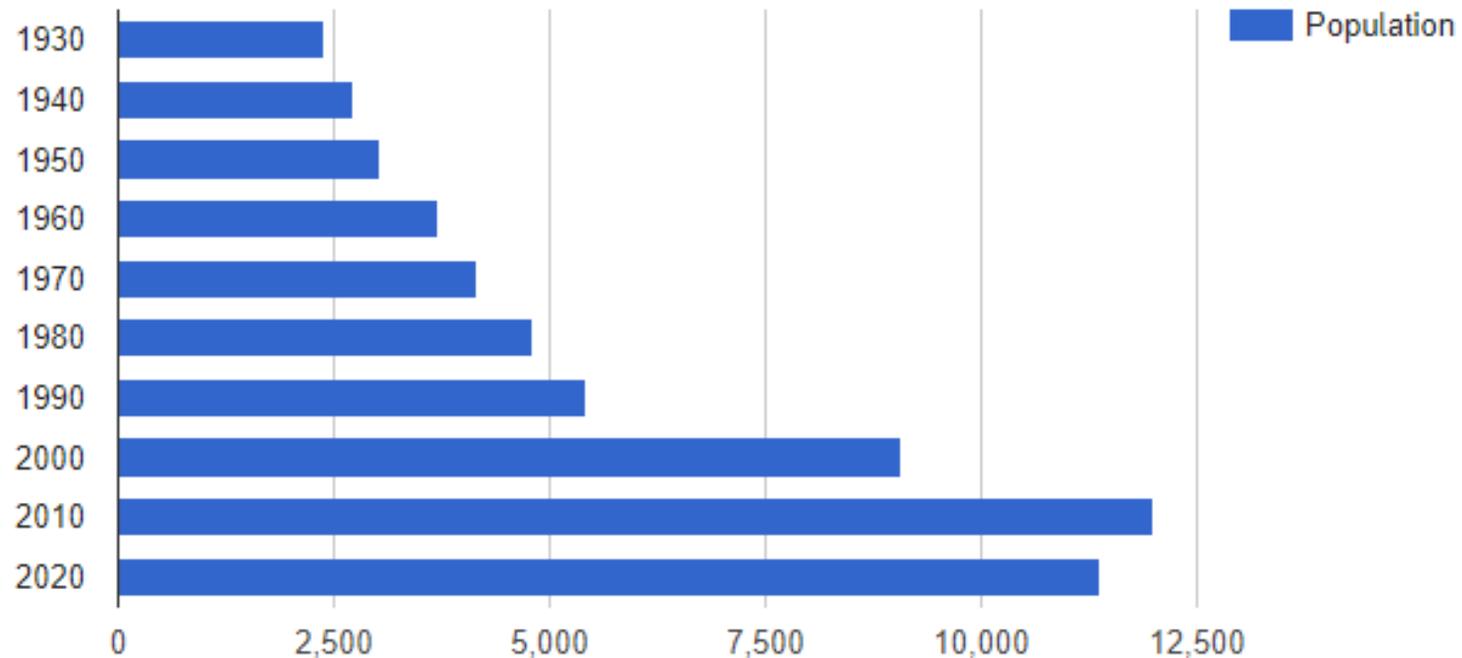


Growth & Demographics

Population Growth - Actual

Over the last century, New Garden Township has increased to a current population count of 11,363 as of the 2020 Census, where a significant percentage increase occurred in the last 30 years, since 1990 (52.2% increase). However, population growth stagnated as of the 2010 Census and has decreased over the last decade.

New Garden Township 1930 - 2020 Population



Growth & Demographics

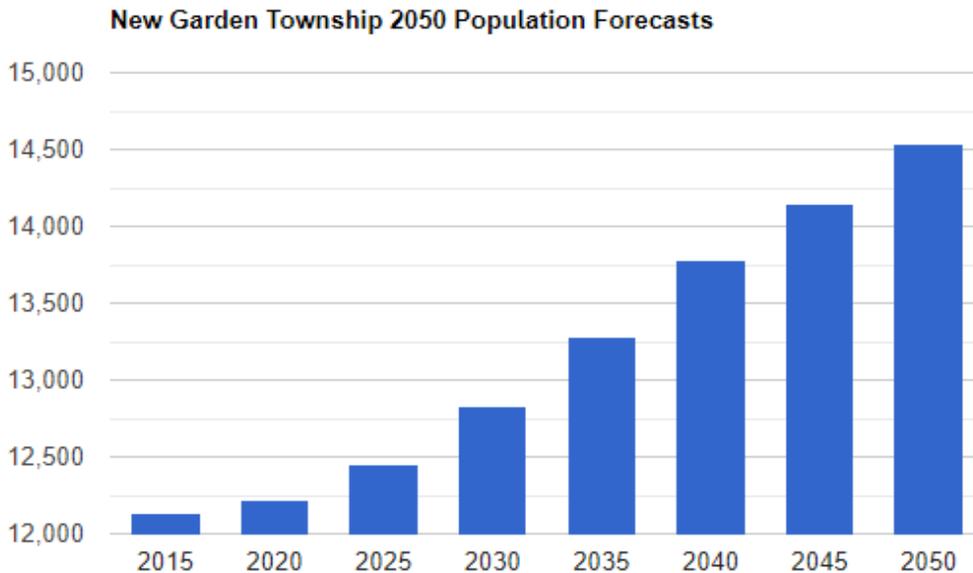
Population Growth - Estimates

The Township's decreasing growth trend goes against previous DVRPC (12,218) and 2015 Kennett Comprehensive Plan (13,284) population forecasts, where the Township was projected to increase in population over the previous decade, based on prior growth, with an outlook that ranged in total population of ~13,750 to ~16,800 by the 2040 Census count.

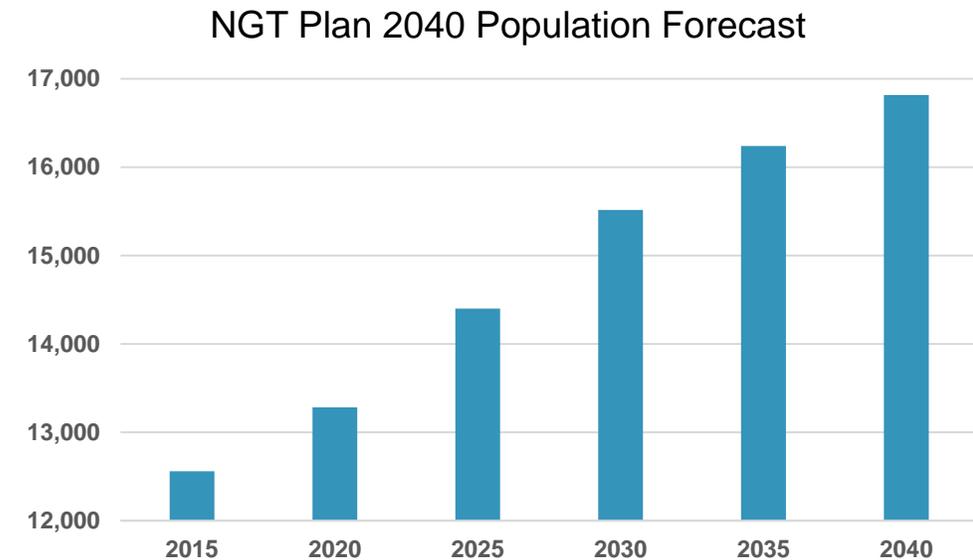
If you take the average of each estimate (15,275) in comparison to the current actual count (11,363), there was a projected population growth potential of roughly 3,912 additional residents by 2050.

- To add perspective, the 2021 WCU economic impact analysis of the proposed White Clay Point development estimated 680-780 new residents, meaning to achieve that 3,912 population growth estimate, NGT would have to implement ~5.5 WCP developments over the next 20 years.

DVRPC Forecast



Kennett 2015 Comp Plan Forecast



Growth & Demographics

Population Growth – Aging

The Township has an incrementally increasing median age (3.75 years per decade), as well as a skewed 5-year average age distribution chart, meaning that trend is likely to increase as the Township continues to be a net exporter of younger adults and importer of residents aged 50+.

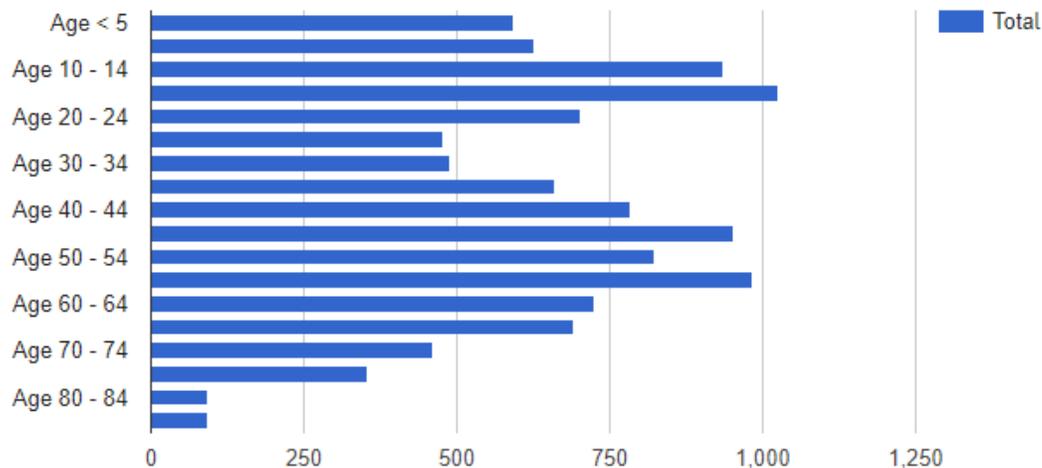
Age Distribution

- 0-19 27.7%
- 20-49 27.2%
- 50+ 36.8%

Note – 48.7% (slightly less than half) of the Township’s age distribution is considered “non-EIT”, meaning those that are age 19 or less, as well as those above 61 or older which is the national average age of retirement (retirement income is exempt from Act 511 Earned Income Tax (EIT) revenues)

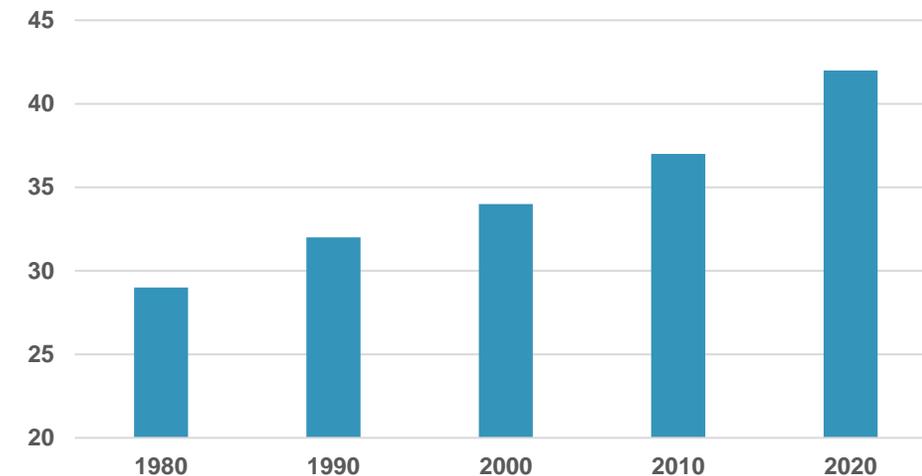
DVRPC: 5-Yr Avg Age Distribution

New Garden township 2017-2021 Population by Age



Kennett 2015 Comp Plan: NGT Median Age

NGT Median Age: 1980-2020



Growth & Demographics

Housing – Density

Within the 56.51% total acreage of land use designated as Residential (5,656.28 acres OR 8.84 sq miles), New Garden Township has a total inventory of 3,352 residential housing units (all types). As a reference, NGT has a total population of 11,363 as of the 2020 census, and a total acreage of 10,009.72 acres (15.6 square miles).

Density Metrics

Residential Areas Only

Housing density within Residential

- Houses p/ acre – 0.59 houses (i.e. less than one household per acre within the residentially zoned areas of NGT)
- Houses p/ square mile – 379 houses
 - As a benchmark, Somerset Lake is approx. 0.7 square miles with 429 residential units

Resident density within Residential

- Residents p/ acre – 2.00 residents
- Residents p/ square mile – 1,285.41 residents
 - If NGT land use was expanded to be 100% residential, based on the above metric, it would equate to a population total of ~20,660

Total Township

Housing density within Township

- Houses p/ acre – 0.33 houses
- Houses p/ square mile – 214 houses

Resident density within Township

- Residents p/ acre – 1.13
- Residents p/ square mile – **728.39**

Note – Non-developed acreage currently “tabbed” for development (WCP, Thompson, Bancroft), equates to an additional 515 units and 1,745 residents, based on total houses p/ population (the most conservative estimate using the highest projections), increasing NGT’s population to 13,108, which is where the 2015 Kennett Comprehensive Plan projection had estimated for the Township over three years ago (prior to 2020)

Growth & Demographics

Housing – Affordability

As of July 2023, average market rate home values via new sales are reflected per regional zip codes, of which four are present within New Garden Township:

- 19350 – Landenberg \$612,000
 - 19311 – Avondale \$575,000
 - 19374 – Toughkenamon \$345,000
 - 19348 – Kennett Square \$580,945
- Average market value **\$528,236.25** – Represents a **19.5%** increase in home values/cost from January 2021 to July 2023
 - Average assessment **\$246,570.41** – Represents an assessment gap of **\$281,665.84** (i.e. NGT's assessment gap is **MORE** than its average assessment)

NGT Home Value Growth – Jan 21 to Jul 23

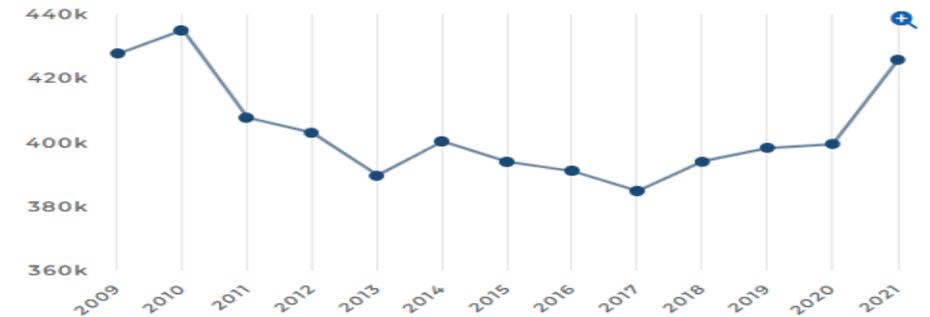
- Of the 3,352 total residential units at the beginning of 2021, NGT had 2,706 units (80.7%) above the \$300,000 threshold as follows:
 - \$500,000 to \$749,999 – 772 units
 - \$400,000 to \$499,999 – 985 units
 - \$300,000 to \$399,999 – 855 units
- As of July 2023, the same thresholds have increased by 19.5%, equating to the following thresholds:
 - \$597,500 to \$896,248 – 772 units
 - \$478,000 to \$597,498 – 985 units
 - \$358,500 to \$477,998 – 855 units

Roughly half of **ALL** New Garden Township households are **OVER** \$500k

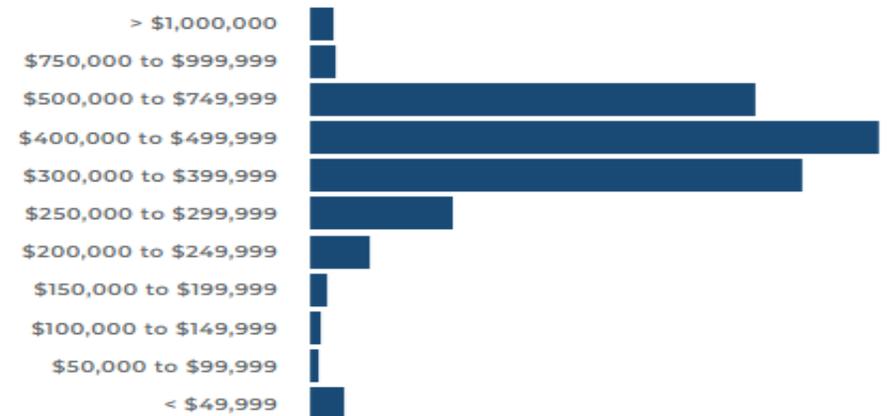
2021 NGT Home Value & Distribution



2021 MEDIAN HOME VALUE
\$425,600



HOME VALUE DISTRIBUTION



Growth & Demographics

Housing – Income

- New Garden Township has a relatively strong median household income of \$129,292.00
- However, based on the most recent DVRPC 5-yr moving average from 2017-2021, the Township has a significantly polarized MHI distribution chart

AMI Breakdown

- 29.2% of all NGT households earn \$200,000 or more
- 58.9% of all NGT households earn \$100,000 or more
- 24.7% of all NGT households earn \$50,000 or less
- 17.9% of all NGT households earn \$35,000 or less

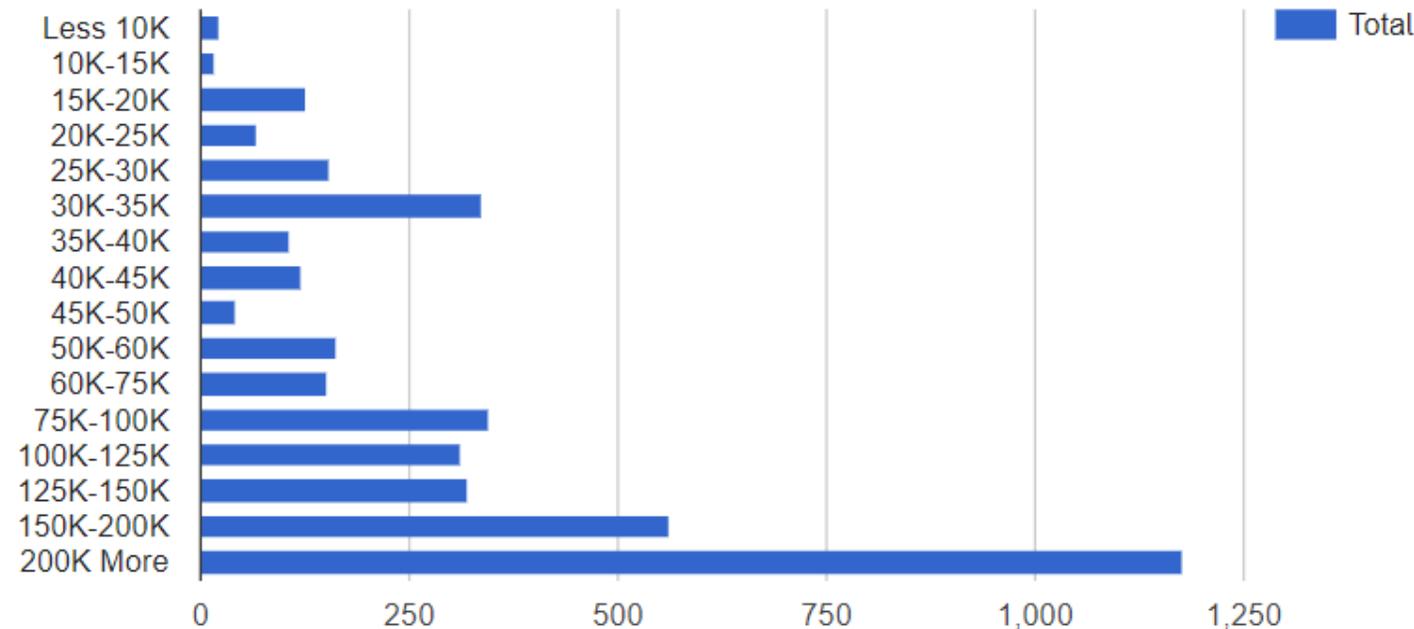
Income vs Affordability

- In 2021, the median home value in NGT was \$425,600
- In 2023, that same home is ~\$508,600

Assuming the following:

- 20% downpayment (~\$100k)
- Local property tax
- 7% interest (Current 2023 mortgage rate average)
- The average monthly mortgage on the house is \$3,900.00
- The AMI on this household would have to be ~\$140,000+ to achieve the 30% gross monthly income house payment rule
- ~55.2% of all NGT households earn \$140,000 or less

New Garden township 2017-2021 Household Income



- Only 14.6% of residential homes are <\$300K (now \$358.5k)
- Given the same circumstances, the monthly mortgage on a \$358.5k house is \$2,340.00
- The AMI on this household would have to be ~\$85,000+ to achieve the 30% gross monthly income house payment rule
- ~35.9% of all NGT households earn \$85,000 or less

Revenues



Revenues

Revenues – Primary Revenues

- NGT has four primary revenues that encompass 71% of the General Fund, primarily sourced from Act 511 (Economic) and Real Estate Tax (Residential) enabling legislation
- However, the remaining GF revenues are sourced primarily from the Township’s cash account (16.1%), with the remaining funds coming from several miscellaneous revenue streams associated with fees, fines, rent, federal/state allocations, etc.
- The structured use of cash (\$1,136,973.15) represents the Township’s growing margin of existing expenses being compensated by non-replenishable revenue

NGT - Primary Revenues		
Economic Revenues	Amount	% of Total
Act 511 Total	\$ 3,561,000.00	50.39%
<i>EIT</i>	\$ 2,747,000.00	38.87%
<i>TT</i>	\$ 578,200.00	8.18%
<i>Local Service Tax</i>	\$ 235,800.00	3.34%
Real Estate Revenues		
Real Estate Total	\$ 1,418,720.00	20.08%
<i>R/E Tax - Current Year</i>	\$ 587,210.00	8.31%
<i>R/E Tax - Current Year Fire</i>	\$ 267,260.00	3.78%
<i>R/E Tax - Current Yr Fire W/C</i>	\$ 25,940.00	0.37%
<i>R/E Tax - Current Yr Ambulance</i>	\$ 314,440.00	4.45%
<i>R/E Tax - Current Yr EMS</i>	\$ 78,610.00	1.11%
<i>R/E Tax - Current Year Library</i>	\$ 78,610.00	1.11%
<i>Real Estate Tax - Prior Years</i>	\$ 66,650.00	0.94%
Total	\$ 4,979,720.00	70.47%

NGT - All Revenues		
Economic Revenues	Amount	% of Total
Act 511 Total	\$ 3,561,000.00	50.39%
<i>EIT</i>	\$ 2,747,000.00	38.87%
<i>TT</i>	\$ 578,200.00	8.18%
<i>Local Service Tax</i>	\$ 235,800.00	3.34%
Real Estate Revenues		
Real Estate Total	\$ 1,418,720.00	20.08%
<i>R/E Tax - Current Year</i>	\$ 587,210.00	8.31%
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<i>R/E Tax- Curent Year Library</i>	\$ 78,610.00	1.11%
<i>Real Estate Tax - Prior Years</i>	\$ 66,650.00	0.94%
Cash	\$ 1,136,973.15	16.09%
Misc Revenues / Fees	\$ 949,750.00	13.44%
Total	\$ 7,066,443.15	100.0%

Revenues

Revenues – Real Estate Tax

- NGT Real Estate Tax is currently based on a millage rate of 1.72, with the following net growth/increases over the previous decade:

Year	Tax Rate	Assessments	Revenue
Total Growth	5.81%	2.09%	7.78%
Total Net Increase	0.10	\$ 17,285,346.00	\$ 110,653.45
2023	1.72	\$ 826,511,936.00	\$ 1,421,600.53
2022	1.72	\$ 823,499,496.00	\$ 1,416,419.13
2021	1.72	\$ 812,459,783.00	\$ 1,397,430.83
2020	1.72	\$ 810,472,733.00	\$ 1,394,013.10
2019	1.72	\$ 805,616,843.00	\$ 1,385,660.97
2018	1.72	\$ 804,757,593.00	\$ 1,384,183.06
2017	1.62	\$ 803,582,483.00	\$ 1,301,803.62
2016	1.62	\$ 806,324,560.00	\$ 1,306,245.79
2015	1.62	\$ 806,699,380.00	\$ 1,306,853.00
2014	1.62	\$ 809,226,590.00	\$ 1,310,947.08

- Chester County provides all property tax assessments, of which the most current assessment was last updated in **1998... (25 Years!)**
- With relatively static RE taxes, the Township is dependent on revenue increases primarily through new development
- From 2014 through 2023, the Township added ~130 total units via two development projects
 - Harlow Pointe
 - Pemberton
- While residential growth adds to NGT's total assessments, such gains can also be negated by NGT's purchase of open space properties, which convert existing taxable property to non-taxable

Revenues

Revenues – Real Estate Tax

- The primary influence on NGT real estate taxes stems from KCSD:

Year	Total Assessment	New Garden Township		Chester County		KCSD		KCSD / NGT Millage Ratio
		Millage Rate	Revenue	Millage Rate	Revenue	Millage Rate	Revenue	
2014	\$ 809,226,590.00	1.62	\$ 1,310,947.08	4.16	\$ 3,366,382.61	27.45	\$ 22,213,269.90	16.9
2015	\$ 806,699,380.00	1.62	\$ 1,306,853.00	4.16	\$ 3,355,869.42	27.94	\$ 22,539,180.68	17.2
2016	\$ 806,324,560.00	1.62	\$ 1,306,245.79	4.16	\$ 3,354,310.17	28.60	\$ 23,060,882.42	17.7
2017	\$ 803,582,483.00	1.62	\$ 1,301,803.62	4.36	\$ 3,503,619.63	29.24	\$ 23,496,751.80	18.0
2018	\$ 804,757,593.00	1.72	\$ 1,384,183.06	4.36	\$ 3,508,743.11	29.87	\$ 24,038,109.30	17.4
2019	\$ 805,616,843.00	1.72	\$ 1,385,660.97	4.36	\$ 3,512,489.44	30.44	\$ 24,522,976.70	17.7
2020	\$ 810,472,733.00	1.72	\$ 1,394,013.10	4.36	\$ 3,533,661.12	30.94	\$ 25,076,026.36	18.0
2021	\$ 812,459,783.00	1.72	\$ 1,397,430.83	4.36	\$ 3,542,324.65	31.48	\$ 25,576,233.97	18.3
2022	\$ 823,499,496.00	1.72	\$ 1,416,419.13	4.36	\$ 3,590,457.80	31.87	\$ 26,244,928.94	18.5
2023	\$ 826,511,936.00	1.72	\$ 1,421,600.53	4.36	\$ 3,603,592.04	32.43	\$ 26,803,782.08	18.9
% Growth	2.1%		7.8%		6.6%		17.1%	
Revenue Growth			\$ 110,653.45		\$ 237,209.43		\$ 4,590,512.19	



Revenues

Revenues – Real Estate Tax

Year	Kennett Consolidated School District			County	New Garden Township	Kennett Township	East Marlborough Township	Kennett Boro	Total
	Millage for Debt Service	Millage for General Purposes	Direct Millage Rate						
2021	3.6742	27.8110	31.4852	4.3690	1.7200	2.3000	1.0500	6.7500	47.6742
2020	3.8439	27.1058	30.9497	4.3690	1.7200	2.3000	2.1830	6.7500	48.2717
2019	3.6605	26.7874	30.4479	4.3690	1.7200	2.3000	2.1830	6.7500	47.7699
2018	3.7609	26.1180	29.8789	4.3690	1.7200	2.1000	2.1830	6.3500	46.6009
2017	3.7775	25.4633	29.2408	4.3690	1.6200	0.2000	2.1830	6.3500	43.9628
2016	4.0517	24.5500	28.6017	4.1630	1.6200	0.2000	2.1830	6.3500	43.1177
2015	4.0546	23.8860	27.9406	4.1630	1.6200	0.2000	2.0830	5.3500	41.3566
2014	3.9887	23.4633	27.4520	4.1630	1.6200	0.2000	1.9330	5.3500	40.7180
2013	3.3275	23.4028	26.7303	3.9650	0.7500	0.4000	1.7330	4.8500	38.4283
2012	3.9687	21.7606	25.7293	3.9650	0.7500	0.6000	1.4330	4.8500	37.3273

2023 NGT RE Tax Millage % Share p/ Avg Household			
Total Households (as of 2023)			3,353
Median Assessment	\$	246,499.24	
	Annual Share	% of Total	Tax p/ Mo.
NGT Tax Revenue Share	\$	423.98	4.5% \$ 35.33
CC Tax Revenue Share	\$	1,074.74	11.2% \$ 89.56
KCSD Tax Revenue Share	\$	8,055.60	84.3% \$ 671.30
Total	\$	9,554.31	100.8% \$ 796.19

- As of the FY2023-24 budget, KCSD's tax rate is 32.68, which equates to **\$27,010,410.10** compared to NGT's **\$1,418,720.00**
- KCSD tax rate millage **solely** for debt service (~3.9 mills), as an impact on NGT residents, equates to \$3.24m in FY23, which is more than double NGT real estate tax revenue

Revenues

Revenues – Earned Income Tax (EIT)

- EIT represents the only Township tax that is aligned with passive growth market-level forces (i.e. job market, wage increases, macro/microeconomic health)

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Budget	% Growth
\$ 2,421,900.94	\$ 2,456,566.05	\$ 2,796,800.66	\$ 2,879,465.99	\$ 2,747,000.00	11.8%

- However, as a reflection of budgeted expenditures, EIT growth is significantly outpaced by Township expenditure increases, which are tied not only to wages (cost of personnel) but also to inflation, CPI, supply/demand, etc., all of which are larger level market forces

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Budget	% Growth
\$ 6,109,700.34	\$ 6,026,289.80	\$ 5,614,107.02	\$ 6,727,313.86	\$ 7,066,443.15	13.5%

- The primary method of affecting EIT, is through growth, primarily commercial growth which brings higher employee counts to the Township, as well as residential growth
- For residential EIT, NGT has a 50/50 split with Kennett Consolidated School District (KCSD), meaning EIT growth made available by residential growth is limited by half
 - As of the finalized FY 2023-24 General Fund budget, KCSD projects \$5,500,000.00 in total Act 511 EIT revenue from the following sources:

Locality	Population	% KCSD	Served by KCSD	% of Total Pop	EIT School	Revenue
New Garden	11,363	100%	11,363	34%	0.5	\$ 2,314,522.31 <i>*estimated</i>
Kennett	8,649	100%	8,649	26%	1.25	\$ 1,761,709.36
Kennett Square	5,936	100%	5,936	18%	0.5	\$ 1,209,100.10
East Marlborough	7,026	15%	1,054	21%	1	\$ 214,668.23
Total	32,974		27,002			\$ 5,500,000.00

- KCSD has total budgeted GF Revenues of **\$98,521,455.00**, of which Act 511 of the EIT NGT share (~\$2,314,522.31) represents **2.3%** of their total revenue
- In comparison, NGT has total budgeted GF Revenues of **\$7,066,443.15**, of which Act 511 of the EIT NGT share (\$2,747,000.00) represents **38.87%**
- The immediate transfer of the KCSD EIT share to NGT would represent a **2.8** millage increase and a **24.7%** increase in total revenue

Revenues

Revenues – Benchmarking

- As a benchmark, the following Chester County Townships (10 total) were deemed equivalent to NGT, as a product of square miles, population, and housing units:

Township	Square Miles	Population	Population Density	Housing Units	Housing Density
Kennett	19.0	8,642	454.8	3,438	181
Willistown	18.5	10,497	567.4	4,313	233
New Garden	16.0	11,363	710.2	3,352	210
Caln	15.0	14,000	933.3	5,438	363
Upper Uwchlan	12.1	11,227	926.3	3,913	323
East Whiteland	12.0	10,650	887.5	4,908	409
Uwchlan	10.4	18,088	1,739.2	7,486	720
East Goshen	10.0	16,824	1,682.4	8,818	882
Westtown	8.6	11,454	1,325.7	4,159	481
Easttown	8.2	10,270	1,252.4	3,917	478

- However, when adjusted for total RE tax revenue, there is a corresponding differentiation among those with small rates vs. those with higher RE tax rates per Township:

Township	Square Miles	Population	Population Density	Housing Units	Housing Density	Assessed Values	Municipal Mills	RE Revenue
Easttown	8.2	10,270	1,252.4	3,917	478	\$ 1,368,884,234.00	4.130	\$ 5,653,491.89
Caln	15.0	14,000	933.3	5,438	363	\$ 727,835,682.00	4.058	\$ 2,953,557.20
Westtown	8.6	11,454	1,325.7	4,159	481	\$ 822,595,629.00	3.500	\$ 2,879,084.70
Kennett	19.0	8,642	454.8	3,438	181	\$ 809,305,765.00	3.000	\$ 2,427,917.30
East Goshen	10.0	16,824	1,682.4	8,818	882	\$ 1,661,912,450.00	1.250	\$ 2,077,390.56
New Garden	16.0	11,363	710.2	3,352	210	\$ 826,504,010.00	1.720	\$ 1,421,586.90
Upper Uwchlan	12.1	11,227	926.3	3,913	323	\$ 1,012,981,025.00	1.034	\$ 1,047,422.38
East Whiteland	12.0	10,650	887.5	4,908	409	\$ 1,796,299,314.00	0.445	\$ 808,334.69
Willistown	18.5	10,497	567.4	4,313	233	\$ 1,371,723,981.00	0.280	\$ 384,082.71
Uwchlan	10.4	18,088	1,739.2	7,486	720	\$ 1,541,912,677.00	0.120	\$ 185,029.52

Revenues

Revenues – Benchmarking

- Townships with significantly higher amounts of commercial development yield significantly higher amounts of revenue from EIT, thus offsetting higher RE tax rates to fund services:

Township	Assessed Values	Municipal Mills	RE Revenue	EIT Twp	EIT Revenue
East Whiteland	\$ 1,796,299,314.00	0.445	\$ 808,334.69	0.75	\$ 11,500,000.00
Uwchlan	\$ 1,541,912,677.00	0.120	\$ 185,029.52	0.50	\$ 7,100,000.00
Willistown	\$ 1,371,723,981.00	0.280	\$ 384,082.71	1.00	\$ 6,650,000.00
East Goshen	\$ 1,661,912,450.00	1.250	\$ 2,077,390.56	0.50	\$ 5,600,000.00
Upper Uwchlan	\$ 1,012,981,025.00	1.034	\$ 1,047,422.38	0.50	\$ 4,438,800.00
Westtown	\$ 822,595,629.00	3.500	\$ 2,879,084.70	0.50	\$ 3,400,000.00
Kennett	\$ 809,305,765.00	3.000	\$ 2,427,917.30	1.25	\$ 3,361,892.00
Caln	\$ 727,835,682.00	4.058	\$ 2,953,557.20	1.00	\$ 2,800,000.00
New Garden	\$ 826,504,010.00	1.720	\$ 1,421,586.90	1.13	\$ 2,747,000.00
Easttown	\$ 1,368,884,234.00	4.130	\$ 5,653,491.89	N/A	\$ -

- With the combination of all primary revenues (EIT, RE, TT, LST), and New Garden's limitations in each category, the Township ranks last in revenue among all comparable Chester County Townships :

Township	Assessed Values	Municipal Mills	RE Revenue	TT Revenue	LST Revenue	EIT Revenue	Primary Tax Revenue Total
East Whiteland	\$ 1,796,299,314.00	0.445	\$ 808,334.69	\$ 750,000.00	\$ 1,300,000.00	\$ 11,500,000.00	\$ 14,358,334.69
East Goshen	\$ 1,661,912,450.00	1.250	\$ 2,077,390.56	\$ 800,000.00	\$ 340,000.00	\$ 5,600,000.00	\$ 8,817,390.56
Uwchlan	\$ 1,541,912,677.00	0.120	\$ 185,029.52	\$ 650,000.00	\$ 550,000.00	\$ 7,100,000.00	\$ 8,485,029.52
Willistown	\$ 1,371,723,981.00	0.280	\$ 384,082.71	\$ 690,000.00	\$ 280,000.00	\$ 6,650,000.00	\$ 8,004,082.71
Westtown	\$ 822,595,629.00	3.500	\$ 2,879,084.70	\$ 400,000.00	\$ 153,000.00	\$ 3,400,000.00	\$ 6,832,084.70
Caln	\$ 727,835,682.00	4.058	\$ 2,953,557.20	\$ 470,000.00	\$ 290,000.00	\$ 2,800,000.00	\$ 6,513,557.20
Easttown	\$ 1,368,884,234.00	4.130	\$ 5,653,491.89	\$ 775,000.00	\$ -	\$ -	\$ 6,428,491.89
Kennett	\$ 809,305,765.00	3.000	\$ 2,427,917.30	\$ 450,000.00	\$ 185,000.00	\$ 3,361,892.00	\$ 6,424,809.30
Upper Uwchlan	\$ 1,012,981,025.00	1.034	\$ 1,047,422.38	\$ 675,000.00	\$ -	\$ 4,438,800.00	\$ 6,161,222.38
New Garden	\$ 826,504,010.00	1.720	\$ 1,421,586.90	\$ 578,200.00	\$ 235,800.00	\$ 2,747,000.00	\$ 4,982,586.90

Expenditures

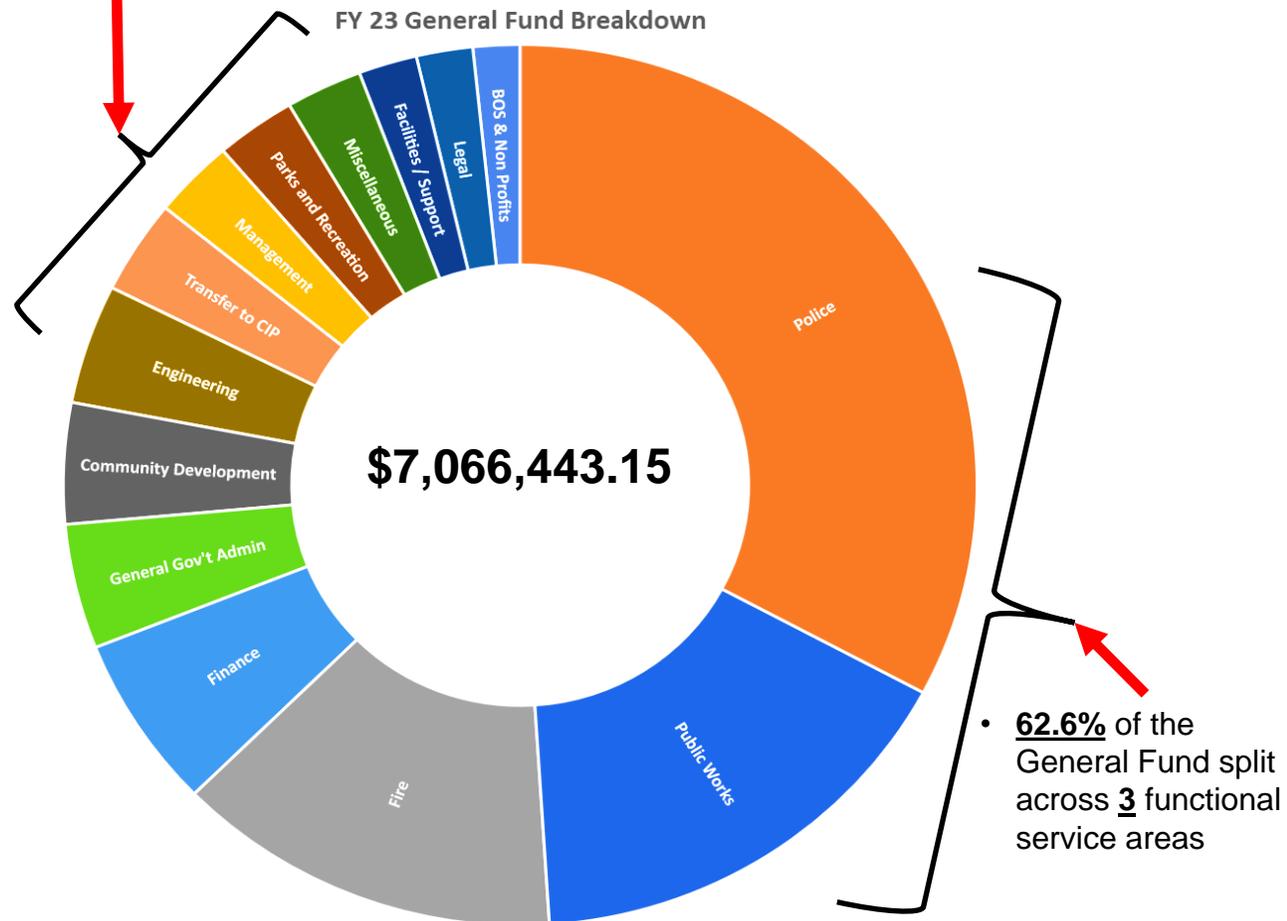


Expenditures

Department	Total Expense	% of GF Budget
Public Works	\$1,142,840.00	16.2%
Police	\$2,318,070.00	32.8%
Fire	\$965,550.00	13.7%
Subtotal	\$4,426,460.00	62.6%
Administration	\$1,122,689.69	15.9%
<i>Management</i>	\$203,800.00	2.9%
<i>Finance</i>	\$448,734.92	6.4%
<i>General Gov't Admin</i>	\$323,754.77	4.6%
<i>Facilities / Support</i>	\$146,400.00	2.1%
Parks and Recreation	\$200,743.46	2.8%
Community Development	\$313,550.00	4.4%
Engineering	\$310,000.00	4.4%
Legal	\$141,000.00	2.0%
Miscellaneous	\$191,600.00	2.7%
BOS & Non-Profits	\$117,300.00	1.7%
Transfer to CIP	\$243,100.00	3.4%
Subtotal	\$2,639,983.15	37.4%
Total	\$ 7,066,443.15	100.0%

Department	Notes
Public Works	Roads, Signs, Signals, Storm, Waste, etc.
Fire	Fire / EMS / SCCEMS / Fire Assoc.
Finance	Staff, ERP, Audit, Tax Collection
General Gov't Admin	Includes pension contribution
Parks and Recreation	Not inclusive of NG Hills Fund (future consolidation)
Miscellaneous	Library, Historic Commission, Insurance
BOS & Non-Profits	Includes all non-profit donations (\$76,000)

• **37.4%** of the General Fund split across **11** functional service areas



Expenditures

General Fund Expenditures

- The Township's net General Fund expenditures based on 5-years of historical actuals were:

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Budget	% Growth
\$ 6,061,630.43	\$ 6,109,700.34	\$ 6,026,289.80	\$ 5,614,107.02	\$ 6,727,313.86	\$ 7,066,443.15	14.2%

- Historically, the Township had a practice of overbudgeting, using structural cash as revenue to balance the budget, emphasizing frugality, and stretching the YE cash to meet the limitation of the Township's revenues
 - This issue was compounded by the practice of accrual-based budgeting, which doesn't accurately source the net impact of the use of budgeted cash when you cite the prior year's actuals as a product of YE reconciliation, leaving it difficult to accurately track/measure direct GL impacts for future budget forecasting
 - FY23 – Staff has already transitioned to cash-based budgeting, with an emphasis on quarterly actuals tracking to determine the exact usage of structural cash
- However, the previous budgeting process was functional until significant YoY increases between FY21-23 left a larger margin for the use of structural cash:

Departmental Budget Increase Description	FY21 Actual	% of Budget	FY22 Adopted		FY23 Adopted		% of Budget	Total 2-yr Increase	Budget % Increase
			Increase	FY 22 Actual	Increase	FY 23 Budget			
Police (FY22 Final Yr CBA, FY23 10% for Non-Admin)	\$2,183,951.15	34.4%	\$95,678.81	\$2,279,629.96	\$138,540.04	\$2,418,170.00	34.2%	\$234,218.85	9.7%
Avondale Fire (Increased Contribution)	\$262,682.89	4.1%	\$29,431.45	\$292,114.34	\$77,085.66	\$369,200.00	5.2%	\$106,517.11	28.9%
Avondale EMS (Increased Contribution)	\$233,060.00	3.7%	\$189,183.00	\$422,243.00	\$93,507.00	\$515,750.00	7.3%	\$282,690.00	54.8%
Public Works (+2.0 FTE, Salary Increase)	\$515,969.66	8.1%	\$102,601.45	\$618,571.11	\$295,228.89	\$913,800.00	12.9%	\$397,830.34	43.5%
Total	\$3,195,663.70	50.3%	\$416,894.71	\$3,612,558.41	\$604,361.59	\$4,216,920.00	59.7%	\$1,021,256.30	24.2%

- As of the FY23 Adopted Budget, with A1 Amendment, the current use of structural cash is **\$1,136,973.15**.
 - With these expenses being tied to payroll and contributions related to public safety requirements, there is little margin of error, meaning the Township has a structural annual deficit of over \$1 million with no corresponding growth in revenue

Expenditures

General Fund Expenditures – Public Safety

- As a Second-Class Township with significant obligated funding requirements towards public safety, New Garden’s current primary revenues (Real Estate, EIT, Transfer Tax, and Local Services Tax) are almost entirely “earmarked” to fund police and fire operations, which is compounded by the fact that the Township is the primary municipal revenue source for each regional organization
- Southern Chester County Regional Police
 - 80/20 fund distribution between New Garden Township and West Grove Borough to fund SCCRPD’s

Avondale Fire Company

- Avondale Fire
 - 80% of municipal donations
- Avondale EMS
 - 80% of municipal donations

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Budget	% Inc.	FY28 Projected
Avondale FC	\$ 227,929.72	\$ 224,075.33	\$ 262,682.89	\$ 292,114.34	\$ 369,200.00	38.3%	\$ 510,470.28
Avondale EMS	\$ 193,417.00	\$ 247,334.00	\$ 147,500.00	\$ 327,000.00	\$ 425,000.00	54.5%	\$ 656,583.00
Total	\$ 421,346.72	\$ 471,409.33	\$ 410,182.89	\$ 619,114.34	\$ 794,200.00	46.9%	\$ 1,167,053.28

As the primary municipal revenue source for AFC:

- Projected increase of \$372,853.28 in the next 5 years based due to:
 - Issues with weak EMS billing revenue recovery
 - Increase in payroll due to continued shortage of FF & EMS personnel
 - Increase costs of Capital replacements
- Fire/EMS unlikely to be the only forecasted Public Safety increases (SCCRPD)

Public Safety vs Primary Revenues			
Department	Amount	Tax	Amount
Southern CC PD	\$ 2,418,170.00	Earned Income	\$ 2,747,000.00
Avondale FC	\$ 369,200.00	Real Estate	\$ 1,418,720.00
Avondale EMS	\$ 425,000.00	Transfer	\$ 578,200.00
Southern CC EMS	\$ 90,750.00	Local Services	\$ 235,800.00
Total	\$ 3,303,120.00		\$ 4,979,720.00
Difference	\$ 1,676,600.00		
% of Primary Revenues		66.3%	
<i>Add Public Works</i>	\$1,142,840.00		
New Total	\$ 4,445,960.00		
Difference	\$ 533,760.00		
% of Primary Revenues		89.3%	



Fund Account Year-End Cash Position – 2018-2020	12/31/2018	12/31/2019	12/31/2020	12/31/2021	% Change
General Fund	\$ 847,862.57	\$ 1,134,799.28	\$ 2,445,938.14	\$ 3,847,431.80	78.0%
	<i>YoY GF Increases</i>	\$ 286,936.71	\$ 1,311,138.86	\$ 1,401,493.66	79.5%
ARPA Funds	\$ -	\$ -	\$ -	\$ 515,146.83	100.0%
Health Care	\$ 98,797.10	\$ 100,500.01	\$ 102,325.20	\$ 100,809.30	2.0%
Payroll	\$ 113,648.73	\$ 63,087.41	\$ 35,376.03	\$ 106,694.06	-6.5%
PLGIT - Class	\$ 102,777.82	\$ 104,897.34	\$ 105,397.68	\$ 105,445.04	2.5%
PLGIT - Reserve	\$ 103,313.67	\$ 105,562.63	\$ 106,162.60	\$ 106,185.86	2.7%
Money Market	\$ 857.20	\$ (0.01)	\$ -	\$ -	
Investments - BB&T	\$ 2,176,893.31	\$ 124,253.13	\$ -	\$ -	
Sub-total	\$ 2,596,287.83	\$ 498,300.51	\$ 349,261.51	\$ 419,134.26	-519.4%
Hydrant Fund	\$ 91,464.20	\$ 78,495.34	\$ 331,019.53	\$ 362,843.42	74.8%
Investments - BB&T	\$ 203,949.22	\$ 238,452.70	\$ -	\$ -	
Recreation Fund	\$ 25,980.42	\$ 30,780.12	\$ 38,542.23	\$ 50,901.62	49.0%
Phase 2 Park Expansion Grant	\$ 100,128.37	\$ 316,209.45	\$ 67,943.08	\$ 110,500.52	9.4%
New Garden Hills	\$ -	\$ -	\$ -	\$ 138,150.65	100.0%
Sewer Authority	\$ 207,801.34	\$ 209,778.88	\$ 34,858.02	\$ -	
Sewer Fund	\$ 341,910.32	\$ 263,905.66	\$ 2,164,664.21	\$ 449,438.94	23.9%
Sewer Connection	\$ 321,458.81	\$ 322,095.23	\$ 363,312.33	\$ -	
Sewer Reserve	\$ 792,465.86	\$ 66,512.23	\$ 66,527.44	\$ -	
Money Market - Unrestricted	\$ 138.12	\$ 138.12	\$ -	\$ -	
Money Market - Restricted	\$ 2,897.50	\$ 2,897.50	\$ -	\$ -	
Investments - BB&T	\$ 815,796.87	\$ 1,569,799.62	\$ -	\$ -	
Sub-total	\$ 2,482,468.82	\$ 2,435,127.24	\$ 2,629,362.00	\$ 449,438.94	-452.3%
Airport Fund	\$ 169,776.57	\$ 52,467.62	\$ 89,208.67	\$ 156,998.78	-8.1%
Investments - BB&T	\$ 50,987.30	\$ 52,042.99	\$ -	\$ -	
Debt Service Fund	\$ 29,863.08	\$ 33,661.53	\$ 38,953.98	\$ -	
Airport Debt Service	\$ 324.88	\$ 342.16	\$ 322.10	\$ -	
Escrow Sinking Fund	\$ 99,993.90	\$ 89,902.32	\$ 4,714.20	\$ -	
Capital Improvement	\$ 369,118.41	\$ 512,009.79	\$ 27,186,158.17	\$ 5,290,985.79	93.0%
PLGIT - Term	\$ -	\$ -	\$ -	\$ 22,011,412.65	100.0%
Investments - Sewer Sale	\$ 66,194.71	\$ 67,564.64	\$ -	\$ -	
Open Space Fund	\$ 129,552.19	\$ 316,100.14	\$ 887,324.00	\$ 433,871.58	70.1%
Investments - BB&T	\$ 423,459.25	\$ 276,003.52	\$ -	\$ -	
Sewer Capital	\$ 336,841.09	\$ 36,997.23	\$ 655,301.86	\$ -	
Investments - BB&T	\$ 305,923.84	\$ 616,196.70	\$ -	\$ -	
Airport Capital	\$ 31,930.02	\$ 4,626.33	\$ 4,586.82	\$ 37,078.09	13.9%
Airport Loan	\$ 3,661.00	\$ 3,437.80	\$ -	\$ -	
Capital Reserve	\$ 2,683.56	\$ 190,468.78	\$ 415,256.26	\$ 40,259.21	93.3%
Investments - BB&T	\$ 35,779.90	\$ 36,521.37	\$ -	\$ -	
State Checking - Liquid Fuels	\$ 70,021.41	\$ 74,191.18	\$ 185,311.90	\$ 139,164.78	49.7%
Total	\$ 13,553,009.19	\$ 10,315,063.20	\$ 39,618,966.82	\$ 36,273,385.78	62.6%
Total Liquid Primary Cash – GF/CIP	\$ 1,219,664.54	\$ 1,837,277.85	\$ 30,047,352.57	\$ 9,178,676.80	86.7%

Expenditures

Fund Account Year-End Cash Position – 2021-2023

Fund Account	12/31/2021	12/31/2022	8/25/2023	Projected 12/31/23	% Change
General Fund	\$ 3,847,431.80	\$ 3,511,949.92	\$ 3,759,206.05	\$ 2,575,000.00	-49.41%
ARPA Funds	\$ 515,146.83	\$ 696,525.09	\$ 535,492.66	\$ 475,000.00	-8.45%
PLGIT - Class	\$ 105,445.04	\$ 106,966.67	\$ 109,412.71	\$ 111,650.00	5.56%
PLGIT - Reserve	\$ 106,185.86	\$ 107,813.36	\$ 110,342.65	\$ 112,600.00	5.70%
Hydrant Fund	\$ 362,843.42	\$ 340,477.36	\$ 408,960.18	\$ 377,750.00	3.95%
Recreation Fund	\$ 50,901.62	\$ 35,288.06	\$ 133,501.50	\$ 133,500.00	61.87%
Phase 2 Park Expansion Grant	\$ 110,500.52	\$ 110,701.32	\$ -	Account Closed	
New Garden Hills	\$ 138,150.65	\$ 52,214.40	\$ 97,180.46	\$ 97,000.00	-42.42%
Sewer Fund	\$ 449,438.94	\$ 652,047.73	\$ 613,198.90	\$ 600,000.00	25.09%
Airport Fund	\$ 156,998.78	\$ 106,378.71	\$ 253,996.52	\$ 250,000.00	37.20%
Capital Improvement	\$ 5,290,985.79	\$ 4,475,601.52	\$ 3,309,055.22	\$ 3,300,000.00	-60.33%
PLGIT - Term	\$ 22,011,412.65	\$ 22,000,000.00	\$ 22,100,000.00	\$ 22,100,000.00	0.40%
PLGIT - Class	\$ -	\$ 12.26	\$ 1,146.03	\$ 1,100.00	100.00%
PLGIT - Prime	\$ -	\$ 66,639.19	\$ 75,793.71	\$ 77,425.00	100.00%
PLGIT - CD Program	\$ -	\$ -	\$ 236,000.00	\$ 236,000.00	100.00%
Open Space Fund	\$ 433,871.58	\$ 845,766.85	\$ 1,673,840.30	\$ 1,800,000.00	75.90%
Airport Capital	\$ 37,078.09	\$ 15,529.68	\$ 115,479.80	\$ 115,500.00	67.90%
Capital Reserve	\$ 40,259.21	\$ 228,590.53	\$ 472,329.58	\$ 472,725.00	91.48%
State Checking - Liquid Fuels	\$ 139,164.78	\$ 103,103.24	\$ 104,813.24	\$ 105,000.00	-32.54%
Total	\$ 33,795,815.56	\$ 33,455,605.89	\$ 34,109,749.51	\$ 32,940,250.00	-2.60%
Total (less Sewer Investment)	\$ 11,784,402.91	\$ 11,455,605.89	\$ 12,009,749.51	\$ 10,840,250.00	-8.71%
Total Liquid Primary Cash – GF/CIP	\$ 9,178,676.80	\$ 8,216,141.97	\$ 7,540,590.85	\$ 6,347,725.00	-44.60%

Connecting Characteristics to Services



New Garden Twp Characteristics

Historic

Agri-Industrial

Safe

Rural

Natural

Family-oriented

Active

Scenic

Suburban



Characteristics = Services

Overview of Services

Safe

- SCCRPD
- Avondale Fire & EMS
 - SCCEMS
- Public Works & Emergency Management
 - Streets / Signs / Signals / Stormwater

Agri-Industrial / Suburban / Rural / Historic

- Community Development & Safety
 - Land use, Planning/Zoning, Building Permits, Code Enforcement, Fire Marshal

Natural / Scenic / Family-Oriented / Active

- Parks and Recreation
- Open Space
 - Trails
- Airport

Terms not included, but extremely important

- Organizational Health – Manager
- Financial management – Finance
- Communication – Customer Service
- Compliant – Legal / Engineer

Administration

Vision & Mission Statement

- Residents
- Board of Supervisors



Organizational Health



Organizational Health

The primary responsibility of the Manager is to oversee the operational excellence of the Township as an organization to ensure sustainable, cost-effective, and robust customer services are provided for all residents.

- Staffing capacity
- Operationally resilient
 - Efficient, (cost) effective, sustainable
- Funded, equipped, and financially solvent

Tenants of Organizational Staffing

Tenant #1

- Human capital is **THE** most significant asset in any organization
 - People make things happen

Tenant #2

- Human capital is **THE** most significant investment in any organization
 - People entail the largest portion of any organization's budget

Tenant #3

- Organizational Priority = People
 - Morale / Wellness
 - Pay, benefits, work/life balance, incentives, job satisfaction
 - Equipment
 - Technology, material condition, OSHA



Organizational Health

Initial Organizational Health Assessment

- Understaffed
- Underpaid:
 - 5 of 6 primary Departments had salary rates ranging from lower (~5%) to significantly lower (~25%) than the Chester County average market rate
 - Certain Part-time (PT) positions were stipend-based, not hourly
 - Employees not being fully compensated for their work, or the service area of need wasn't fully addressed/prioritized
- Legacy technology / Underequipped
 - Impact on staff and residents
- Emphasis on "keeping afloat"
 - De-prioritizes operational improvements:
 - Ability to modernize
 - Continuing education to cross-train staff
 - Strained ability to perform due diligence
 - Reduced capacity for customer service, project timeliness, and reporting

All of the above = High turnover

- Example and impact:
 - "Codes" Official
 - Critical position of need for Township, left vacant since October 2022 (~9 months)
 - Massive loss of institutional knowledge
 - Remaining short staff has to compensate for additional work

Primary Takeaways

- Competitive compensation
- Staffing resiliency (eliminate "single points of failure")
- Cross-train
- Modernize equipment



Organizational Health

NGT Historical Staffing – 2011-23 (to include FTE and annual total salaries)

- Town Hall – 16 different employees, primarily across 5 different positions, between 2011-2023
 - Current staffing includes 4 functional areas:
 - Admin
 - Manager
 - Secretary / Clerk
 - Reception
 - Community Development & Safety – Two (2) PT staff (Code Enforcement & Fire Marshal)
 - Finance
 - Parks and Rec
- Public Works – 14 different employees between 2011-2023
- Airport – 7 different employees between 2011-2023 – Enterprise Fund

Town Hall

Fiscal Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total FTE	5.00	5.00	4.00	4.00	5.00	5.00	5.00	5.00	4.00	4.00	7.00	6.00	10.00
Total Salaries	\$304,178.53	\$314,769.06	\$222,635.78	\$242,200.00	\$347,878.00	\$358,309.05	\$375,612.05	\$388,604.86	\$327,699.82	\$337,530.75	\$519,030.30	\$474,137.38	\$838,536.42

Public Works

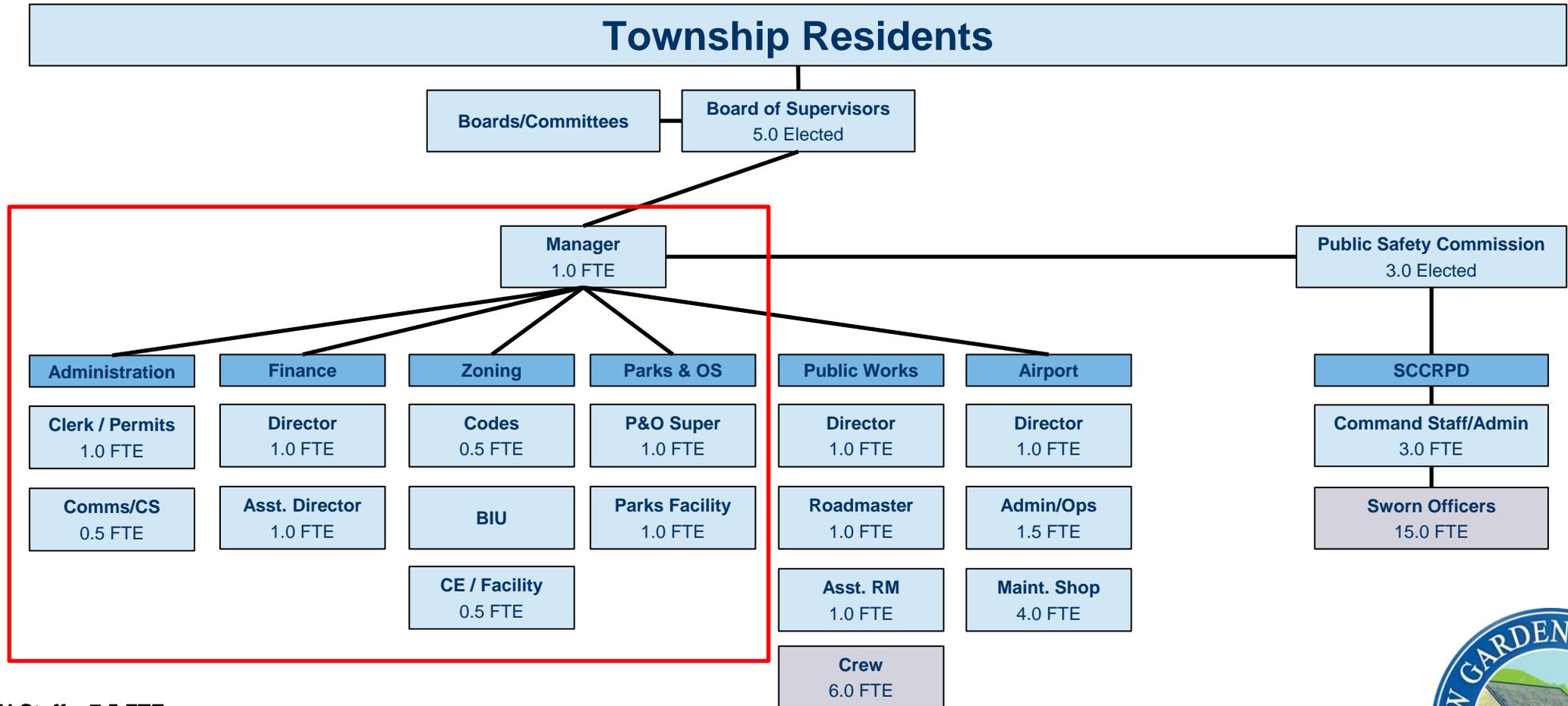
Fiscal Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total FTE	6.00	7.00	6.00	6.00	7.00	7.00	6.00	6.00	7.00	7.00	9.00	7.00	9.00
Total Salaries	\$268,415.70	\$316,139.51	\$272,111.69	\$281,460.00	\$323,003.27	\$346,994.45	\$289,619.37	\$298,308.96	\$338,310.75	\$335,885.27	\$423,892.77	\$370,539.93	\$460,681.73

Airport

Fiscal Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total FTE	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	3.00	4.00	6.00	7.00	7.00
Total Salaries	\$71,982.63	\$78,482.63	\$81,653.33	\$84,000.00	\$91,500.00	\$94,224.75	\$96,901.47	\$100,658.52	\$208,586.37	\$282,394.14	\$382,864.87	\$448,056.12	\$409,784.47

*** The **TOTAL** budgeted GF salaries as of FY 2023 (TH and PW) – **\$1,162,218.15** or **16.4%** of total GF expenditures

Organizational Chart – FY23 Start

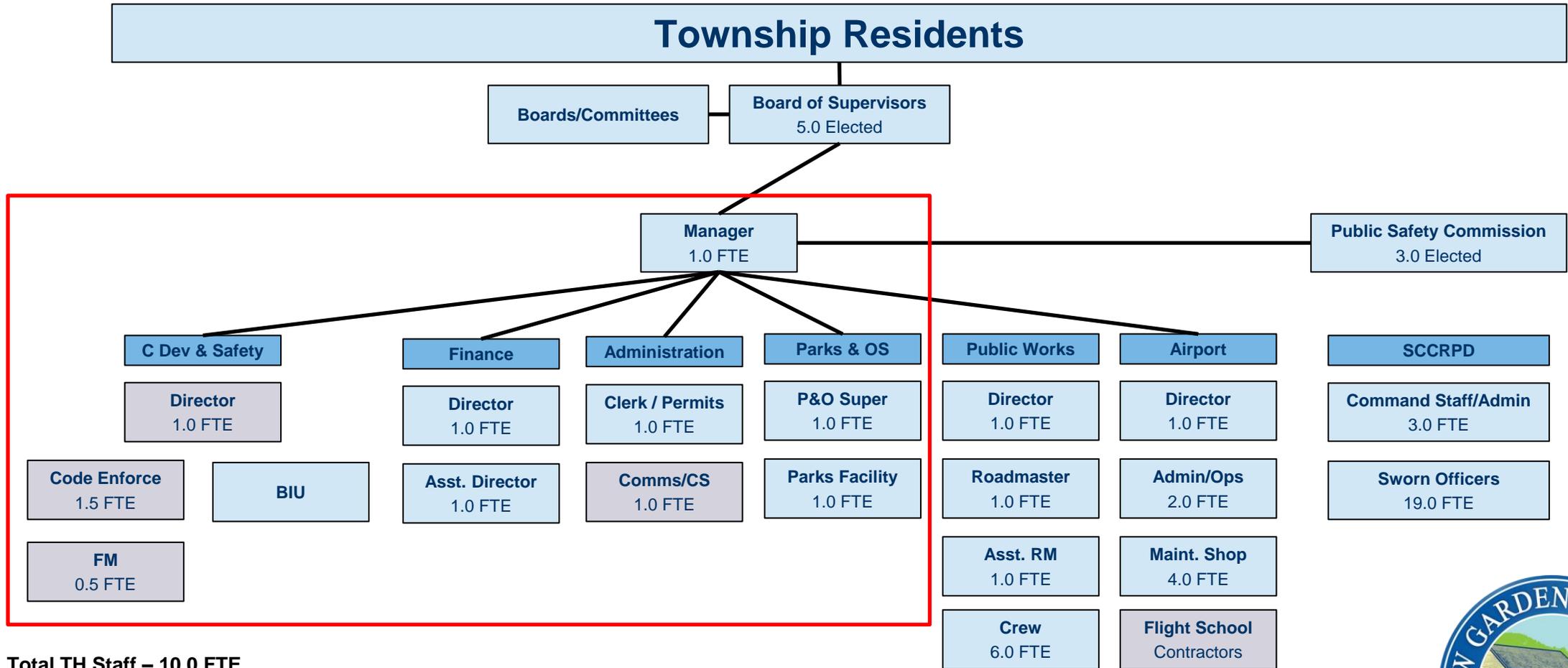


Total TH Staff – 7.5 FTE

- Does not include Fire Marshal – Advisory only, stipend compensation
- BIU – Private service to outsource Residential / Commercial Building Inspections
- 0.5 Code Enforcement FTE – To include Facilities
- Manager also serves as Township Secretary / Right to Know Officer / Recycling Coordinator
- SCCRPD approved +4.0 FTE (Patrol); PW approved for +2.0 FTE (Crew)



Organizational Chart – FY23 Mid

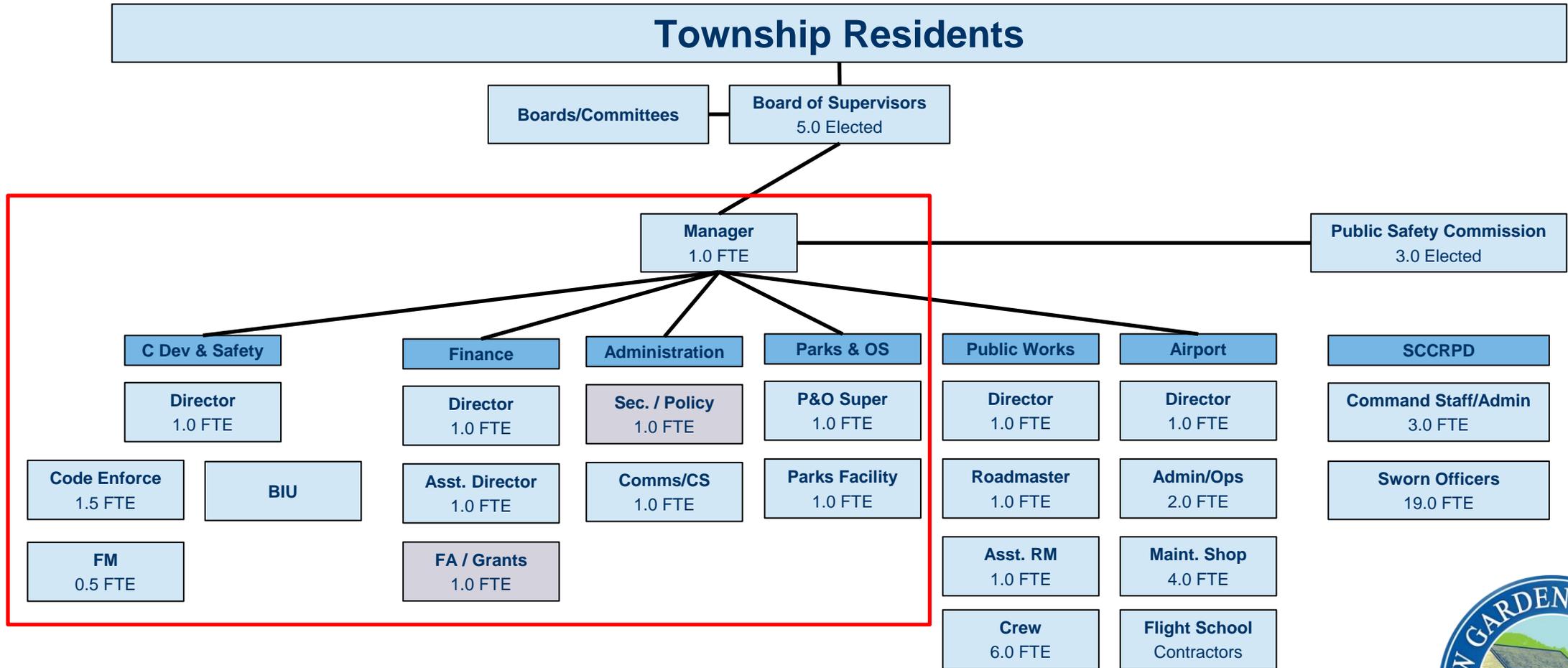


Total TH Staff – 10.0 FTE

- Filled vacant “Codes” position; new role as Director of Community Development & Safety
- Added 1.0 Code Enforcement FTE
- Added FM to PT to execute Fire Code and Commercial Building inspections
- Changed Reception to “Communications / Customer Service”, converted to 1.0 FTE
- NGFC absorbed by NGFF; Associated CFIs now contractors



Organizational Chart – FY23 End

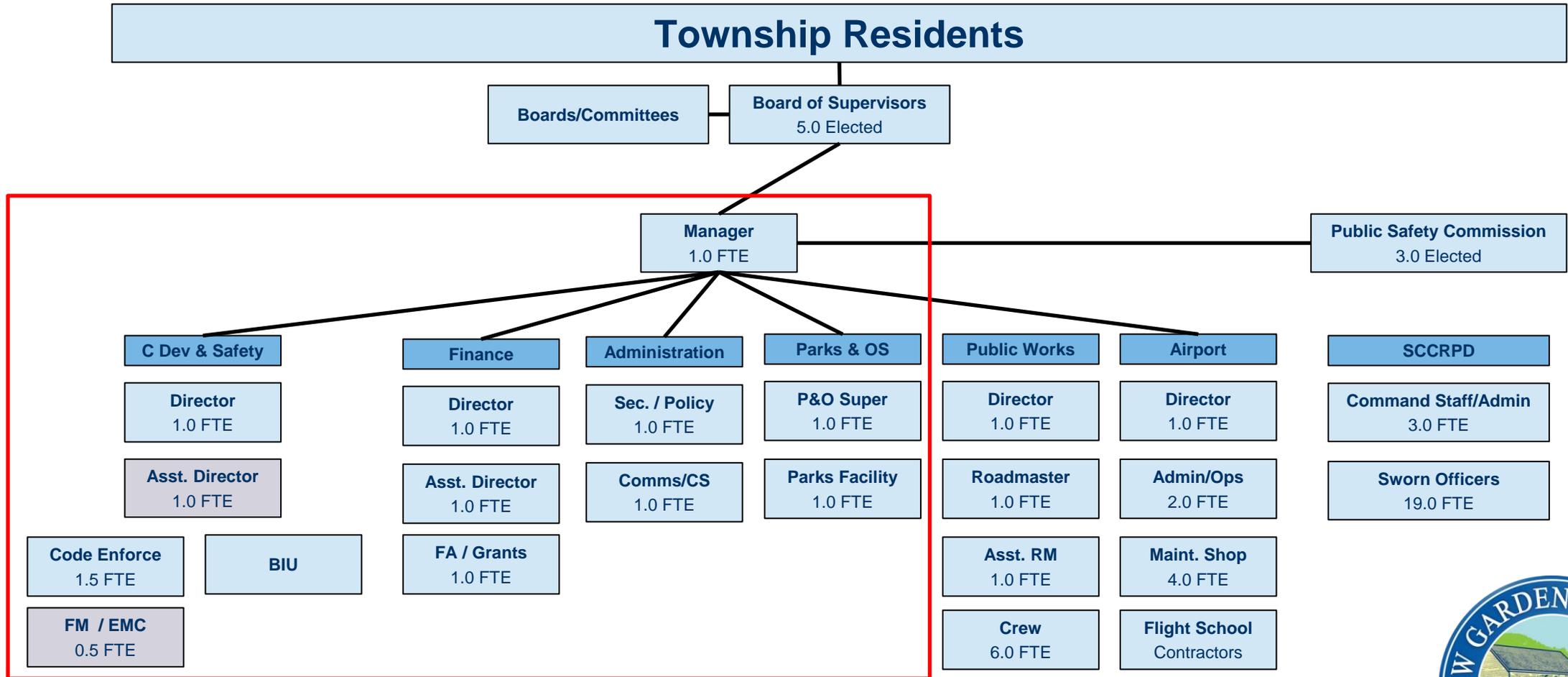


Total TH Staff – 11.0 FTE

- Convert Clerk/Permits to Township Secretary
- ARPA funded (FY23 through 24), added 1.0 Financial Analyst / Grants Coordinator



Organizational Chart – FY24 Start

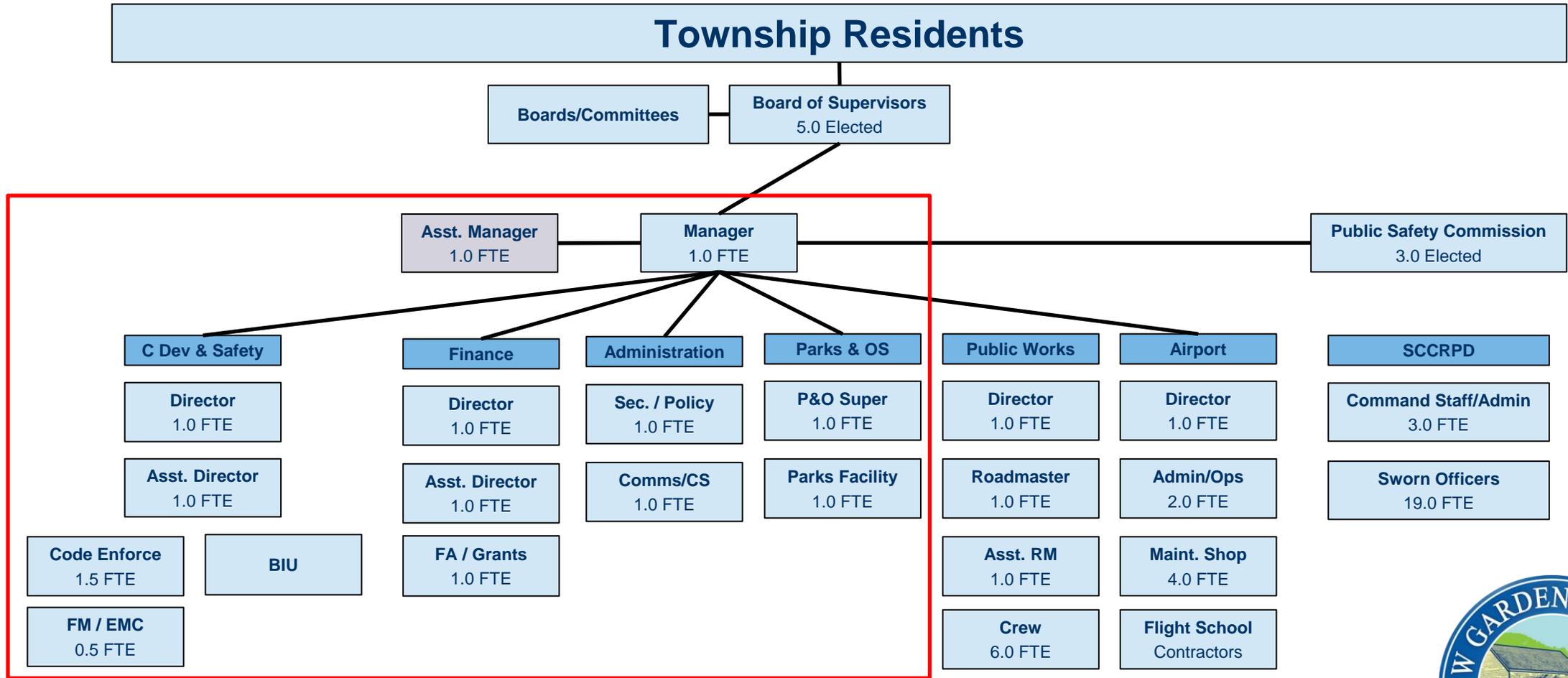


Total TH Staff – 12.0 FTE

- 1.0 FTE proposed, Assistant Director of CD&S, for Asst Zoning / Permits / BCO
- Dual hatted FM/EMC – Can convert to 1.0 FTE as required



Organizational Chart – FY25+



Total TH Staff – 13.0 FTE

- Proposed Assistant Township Manager – TBD addition
 - Can begin as Assistant to the Township manager

Organizational Health

FY 23 Staffing Increases – Payroll Impact

Total impact of staffing changes (salaries & benefits) for Town Hall operational personnel (FY23) – **(+\$230,888.72)**

- Management
 - No changes in personnel
- Administration / Communications
 - Converted PT Communications Manager to FT – **(+\$30,868.37)**
 - Transition Permits/Clerk to Township Secretary
- Finance
 - Replaced Finance Director (included transition and FTE closeout – remaining leave balance) – **(+\$7,211.65)**
 - Added Financial Analyst / Grants Coordinator (Fully ARPA funded through FY24)
- Development Services
 - Replaced “Codes” position with Director of Community Development & Safety – **(+\$23,980.90)**
 - Added Code Enforcement Officer – **(+\$100,000.00)**
 - Converted stipend personnel (Code Enforcement and Fire Marshal) to PT – **(+\$49,168.32)**
- Parks
 - Brought personnel to market competitive rate – **(+\$19,659.47)**
- With no changes to forecast FY24 personnel (or any other associated costs), the FY24 budgeted expenditures start with a net savings of \$108,233.15
 - Meaning the above changes going into FY24 have a net impact of \$125,655.57
 - In FY 23, the Township was able to increase Town Hall operational staffing from 7.5 FTE to 11.0 FTE for a net cost of **\$125k!**
- The next recommended staffing additions (+2.0 FTE) plan to be staggered from FY24 to FY25 and require an additional **\$222,019.10**
 - Assistant CD&S (BCO/Permits/Zoning)
 - Finance Analyst / Grant Coordinator (ARPA funded through FY24, convert to GF in FY25)
 - Assistant Township Manager (or “to the”) is TBD (reliant on Township revenue growth) – Cost not included



FY24-28 Budget Strategy



Fiscal Strategy FY24-28

<p>Strengths</p> <ul style="list-style-type: none"> • Strong community core (Safety, Schools, Jobs) • Defined plan (2018 Comp Plan) • Commercial connectivity <ul style="list-style-type: none"> • Route 1 / Route 41 / Baltimore Pike viability • New Garden Flying Field 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Reliance on Chester County tax assessments • Weak commercial revenues <ul style="list-style-type: none"> • Real Estate assessments • Lack of significant non-agrarian commercial footprint • Low density Residential as primary Real Estate tax base • Staff turnover and continued loss of SME • KCSD EIT revenue share
<p>Opportunities</p> <ul style="list-style-type: none"> • Invest in better marketing commercial points of interest <ul style="list-style-type: none"> • CCED • Southern CC CoC • Harness modern zoning to activate stagnate land use areas • Toughkenamon Village <ul style="list-style-type: none"> • Higher density in areas zoned for Commercial/Residential growth • Location on “Borough” highway <ul style="list-style-type: none"> • West Grove–Avondale–Toughkenamon–Kennet Square • Macro/micro-economic improvements (rates, wages, development interest) 	<p>Threats</p> <ul style="list-style-type: none"> • Unbalanced budget <ul style="list-style-type: none"> • GF – ~2 years cash on hand before use of Sewer Sale Investment • CIP – ~1-2 years cash on hand before use of Sewer Sale Investment • Once Sewer Sale cash in use, compounding path to insolvency <ul style="list-style-type: none"> • ~4-5 years, due to budget deficit and CIP emergencies • Chester County’s lack of assessment updates continue • Commercial NIMBY-ism • Culture of complacency – cost of doing nothing • Competition with KCSD for Real Estate tax base • Macro/micro-economic improvements (rates, wages, development interest)

Fiscal Strategy FY24-28

Balance the Budget

- The Township cannot sustain operations without solvent replenishable General Fund revenues to address all critical service areas of need
- General Fund FY23 Adopted Budget (w/ A1 Amendment) – \$7,066,443.15
 - Structural Use of Budget Cash – i.e. structural deficit – \$1,136,973.15
 - Requires a 1.4 millage increase (\$1,157,116.71) to balance revenues vs. expenditures
 - Doesn't include ~1.5-2.5 CPI in costs for service increases YoY (\$176,661.10)
 - Doesn't include transferred funds to Parks and NG Hills Funds for costs for service (~\$200,000.00)
 - Doesn't include forecast required staff increases for FY24 & FY25 (\$222,019.10)
 - An incremental increase in FY24 and 25
 - All in, the most conservative estimate would be a **2.1** millage increase (\$1,735,653.53) to cover all expenditure increases and the structural budget deficit
 - Increases the current NGT tax rate of **1.72 to 3.82**

Other Fiscal Strategies

- Establishment of a “rainy day fund” of investment cash per primary fund (maintain 30% of balance, invest in highest annual short-term maturity)
 - Ex: General Fund – \$2,575,000.00
 - 30% = \$772,500; invest in 1-2 short term maturities (~5%)
 - GF rainy day fund equivalent to \$38,625 to \$77,250 – Cost of FM/EMC position
 - Capital Fund – \$3,300,000.00
 - 30% = \$990,000; invest in 1-2 short term maturities (~5%)
 - CIP rainy day fund equivalent to \$49,500 to \$99,000 – Cost to cover annual Fleet lease payment + Add'l replacements
- **Interest Income**
 - From FY21 to FY23, the \$22m Sewer Sale investment income balance has increased from a **0.31% to 5.1%**
 - This equates to a jump from **\$49,166.86 to \$1,100,613.89** (or a variable difference of **\$1,051,447.03**)
 - Not advisable to supplement GF operations with interest income from a variable rate
 - Recommend leveraging investable cash to supplement CIP projects, based on Q1-Q3 rate trends, for future cash projections



Fiscal Strategy FY24-28

Real Estate Tax Increase Impact (1.72 to 3.82) Per Assessment

2023 Real Estate Tax Millage % Share			
NGT Tax Rate	1.72		
Median Assessment	\$50,000.00		
	Annual Share	% of Total	Tax p/ Mo.
NGT Tax Revenue Share	\$ 86.00	4.5%	\$ 7.17
CC Tax Revenue Share	\$ 218.00	11.3%	\$ 18.17
KCSD Tax Revenue Share	\$ 1,621.50	84.2%	\$ 135.13
Total	\$ 1,925.50	100.0%	\$ 160.46
2024 Real Estate Tax Millage % Share			
NGT Tax Rate	3.82		
Median Assessment	\$50,000.00		
	Annual Share	% of Total	Tax p/ Mo.
NGT Tax Revenue Share	\$ 191.00	9.4%	\$ 15.92
CC Tax Revenue Share	\$ 218.00	10.7%	\$ 18.17
KCSD Tax Revenue Share	\$ 1,621.50	79.9%	\$ 135.13
Total	\$ 2,030.50	100.0%	\$ 169.21
Total Increase	\$105.00		\$8.75

2023 Real Estate Tax Millage % Share			
Total Households (as of 2023)	1.72		
Median Assessment	\$150,000.00		
	Annual Share	% of Total	Tax p/ Mo.
NGT Tax Revenue Share	\$ 258.00	4.5%	\$ 21.50
CC Tax Revenue Share	\$ 654.00	11.3%	\$ 54.50
KCSD Tax Revenue Share	\$ 4,864.50	84.2%	\$ 405.38
Total	\$ 5,776.50	100.0%	\$ 481.38
2024 Real Estate Tax Millage % Share			
Total Households (as of 2023)	3.82		
Median Assessment	\$150,000.00		
	Annual Share	% of Total	Tax p/ Mo.
NGT Tax Revenue Share	\$ 573.00	9.4%	\$ 47.75
CC Tax Revenue Share	\$ 654.00	10.7%	\$ 54.50
KCSD Tax Revenue Share	\$ 4,864.50	79.9%	\$ 405.38
Total	\$ 6,091.50	100.0%	\$ 507.63
Total Increase	\$315.00		\$26.25



Fiscal Strategy FY24-28

Real Estate Tax Increase Impact (1.72 to 3.82) Per Assessment

2023 Real Estate Tax Millage % Share			
NGT Tax Rate	1.72		
Median Assessment	\$250,000.00		
	Annual Share	% of Total	Tax p/ Mo.
NGT Tax Revenue Share	\$ 430.00	4.5%	\$ 35.83
CC Tax Revenue Share	\$ 1,090.00	11.3%	\$ 90.83
KCSD Tax Revenue Share	\$ 8,107.50	84.2%	\$ 675.63
Total	\$ 9,627.50	100.0%	\$ 802.29
2024 Real Estate Tax Millage % Share			
NGT Tax Rate	3.82		
Median Assessment	\$250,000.00		
	Annual Share	% of Total	Tax p/ Mo.
NGT Tax Revenue Share	\$ 955.00	9.4%	\$ 79.58
CC Tax Revenue Share	\$ 1,090.00	10.7%	\$ 90.83
KCSD Tax Revenue Share	\$ 8,107.50	79.9%	\$ 675.63
Total	\$ 10,152.50	100.0%	\$ 846.04
Total Increase	\$525.00		\$43.75

2023 Real Estate Tax Millage % Share			
Total Households (as of 2023)	1.72		
Median Assessment	\$400,000.00		
	Annual Share	% of Total	Tax p/ Mo.
NGT Tax Revenue Share	\$ 688.00	4.5%	\$ 57.33
CC Tax Revenue Share	\$ 1,744.00	11.3%	\$ 145.33
KCSD Tax Revenue Share	\$ 12,972.00	84.2%	\$ 1,081.00
Total	\$ 15,404.00	100.0%	\$ 1,283.67
2024 Real Estate Tax Millage % Share			
Total Households (as of 2023)	3.82		
Median Assessment	\$400,000.00		
	Annual Share	% of Total	Tax p/ Mo.
NGT Tax Revenue Share	\$ 1,528.00	9.4%	\$ 127.33
CC Tax Revenue Share	\$ 1,744.00	10.7%	\$ 145.33
KCSD Tax Revenue Share	\$ 12,972.00	79.9%	\$ 1,081.00
Total	\$ 16,244.00	100.0%	\$ 1,353.67
Total Increase	\$840.00		\$70.00



Fiscal Strategy FY24-28

Real Estate Tax Increase Impact (1.72 to 3.82) Per Assessment

2023 Real Estate Tax Millage % Share			
NGT Tax Rate	1.72		
Median Assessment	\$600,000.00		
	Annual Share	% of Total	Tax p/ Mo.
NGT Tax Revenue Share	\$ 1,032.00	4.5%	\$ 86.00
CC Tax Revenue Share	\$ 2,616.00	11.3%	\$ 218.00
KCSD Tax Revenue Share	\$ 19,458.00	84.2%	\$ 1,621.50
Total	\$ 23,106.00	100.0%	\$ 1,925.50
2024 Real Estate Tax Millage % Share			
NGT Tax Rate	3.82		
Median Assessment	\$600,000.00		
	Annual Share	% of Total	Tax p/ Mo.
NGT Tax Revenue Share	\$ 2,292.00	9.4%	\$ 191.00
CC Tax Revenue Share	\$ 2,616.00	10.7%	\$ 218.00
KCSD Tax Revenue Share	\$ 19,458.00	79.9%	\$ 1,621.50
Total	\$ 24,366.00	100.0%	\$ 2,030.50
Total Increase	\$1,260.00		\$105.00

2023 Real Estate Tax Millage % Share			
Total Households (as of 2023)	1.72		
Median Assessment	\$800,000.00		
	Annual Share	% of Total	Tax p/ Mo.
NGT Tax Revenue Share	\$ 1,376.00	4.5%	\$ 114.67
CC Tax Revenue Share	\$ 3,488.00	11.3%	\$ 290.67
KCSD Tax Revenue Share	\$ 25,944.00	84.2%	\$ 2,162.00
Total	\$ 30,808.00	100.0%	\$ 2,567.33
2024 Real Estate Tax Millage % Share			
Total Households (as of 2023)	3.82		
Median Assessment	\$800,000.00		
	Annual Share	% of Total	Tax p/ Mo.
NGT Tax Revenue Share	\$ 3,056.00	9.4%	\$ 254.67
CC Tax Revenue Share	\$ 3,488.00	10.7%	\$ 290.67
KCSD Tax Revenue Share	\$ 25,944.00	79.9%	\$ 2,162.00
Total	\$ 32,488.00	100.0%	\$ 2,707.33
Total Increase	\$1,680.00		\$140.00



Fiscal Strategy FY24-28

Other Recommended Strategies to Consider

- **Regionalization of SCCRPD and AFC**
 - Wholesale the cost of public safety services with continued regionalization and additional membership
- **Fund strategies that yield growth (primarily Commercial)**
 - Re-Zoning
 - Denser residential districts in proximity to Commercial areas
 - Agricultural District
 - Addressing the next generation of agricultural uses in A-1 for redevelopment
 - Bifurcate Residential and Agricultural
 - Marketing/Economic Development (business attraction)
- **Re-assess the Cost/benefit of Open Space**
 - Long-term impact of maintenance of open space properties
 - Loss of value of taxable properties and net impact on Real Estate Tax
 - Benefit of green space vs. loss of RE & EIT revenue from potential growth
 - Balance of future priorities
- **Fund analysis for sizable ROI grant projects**
 - Examples
 - Baltimore Pike / Newark Rd - \$600k in design engineering = \$10-15m PennDOT grant funded (96.2% ROI)
 - Toughkenamon Main St Sidewalk - \$239.5k in design engineering = \$965k DVRPC / PennDOT grant funded (76.7% ROI)
 - Bucktoe Rd Stream Restoration - \$40k in design engineering = \$229k CFA / DCNR grant funded (85.2 ROI)



Fiscal Strategy FY24-28

Questions?

