

FAIR SHARE COST ANALYSIS: FIRE PROTECTION NEWTOWN BOROUGH, BUCKS COUNTY

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**Governor's Center for
Local Government Services**

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Executive Summary

In 2021, the Pennsylvania Department of Community & Economic Development (DCED) began a project to assess the cost of fire services for Newtown Borough, Bucks County, as requested by the municipality. This report is an analysis of operations, organizational management, equipment and facilities, and the cost analysis of such for Newtown Borough, as invoiced by Newtown Township.

Newtown Borough and Newtown Township. have a symbiotic relationship regarding Fire Services dating back to 1824. It would be optimum to continue that relationship, although Newtown Borough has the ability to use other means of complying with its responsibility under the PA Borough Code.

Municipalities should periodically review the fire services that they are responsible to deliver under the municipal laws of the Commonwealth. The purpose should be to make sure that fire protection is being delivered in a competent, prompt, professional manner with the needed resources, operational efficiencies, and management and that citizens expectations are met.

This assessment is intended to provide the municipalities with an overview of fire protection to ensure that they can evaluate these findings to provide services effectively and efficiently to the residents of Newtown Borough.

Data & Methodology used in the Study

To understand and evaluate these issues, DCED undertook an assessment of the finances and operations of the Borough and the Fire Companies. The principal approaches utilized in this study included the following:

- Meetings with the Municipal Officials of Newtown Borough.
- Interaction via email and phone to conduct follow ups.
- Data Collection of budget data is from the 2022 Newtown Township budget and the response data is from 2016-2020.
- All data collected used for the analysis in this report was provided by the Borough of Newtown and/or the Fire Chief of the Newtown Department of Emergency Services.
- Research of various municipal methods of apportioning fire protection costs and municipal agreements between municipalities.

Municipal Overview

Newtown Borough, Bucks County, PA

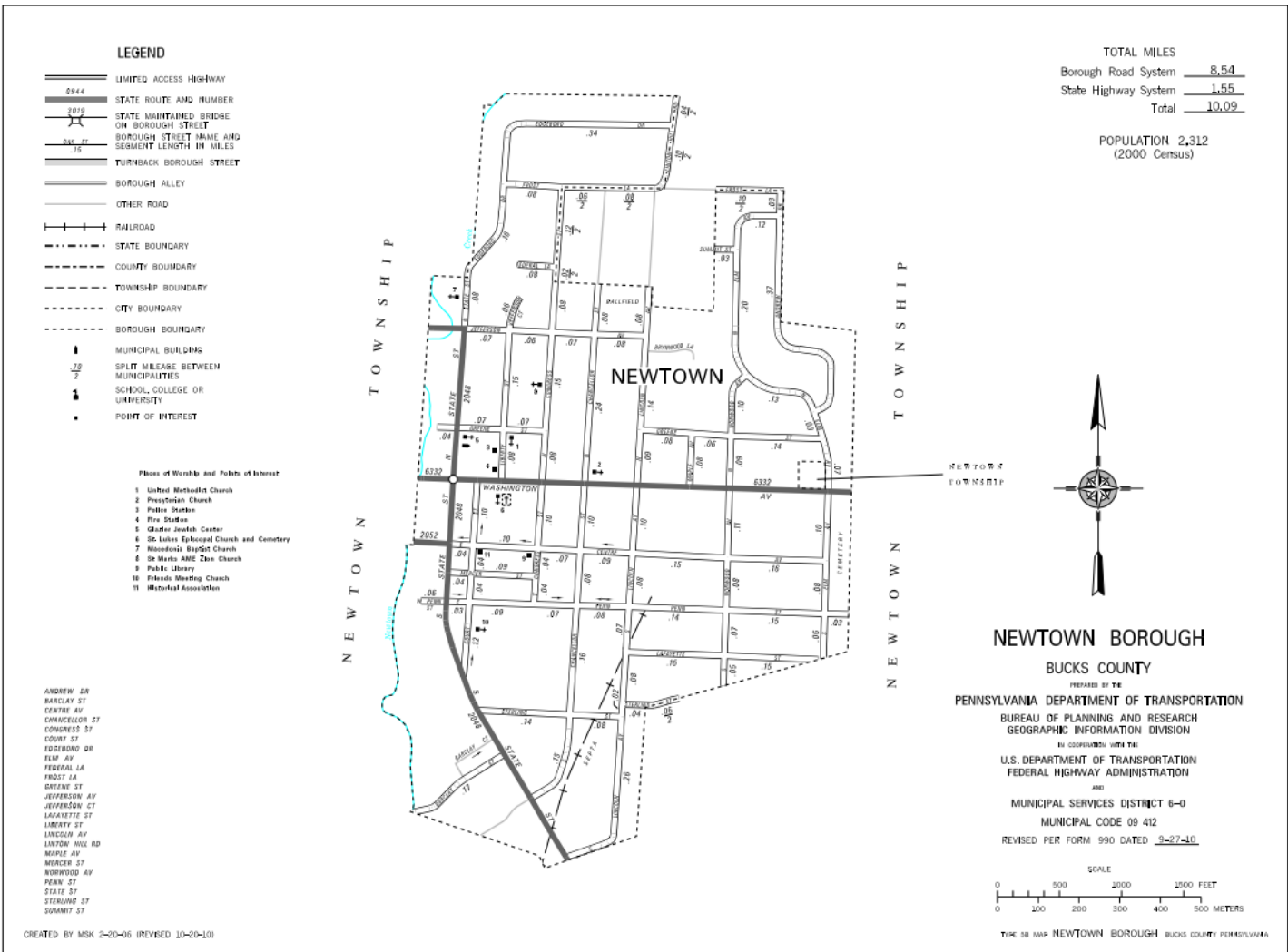
Newtown is a borough in Bucks County, Pennsylvania, United States. The population is 2,268. It is located just west of Trenton, New Jersey and is part of the larger Philadelphia metropolitan area. It is entirely surrounded by Newtown Township, from which it separated in 1838 by an Act of the PA General Assembly.

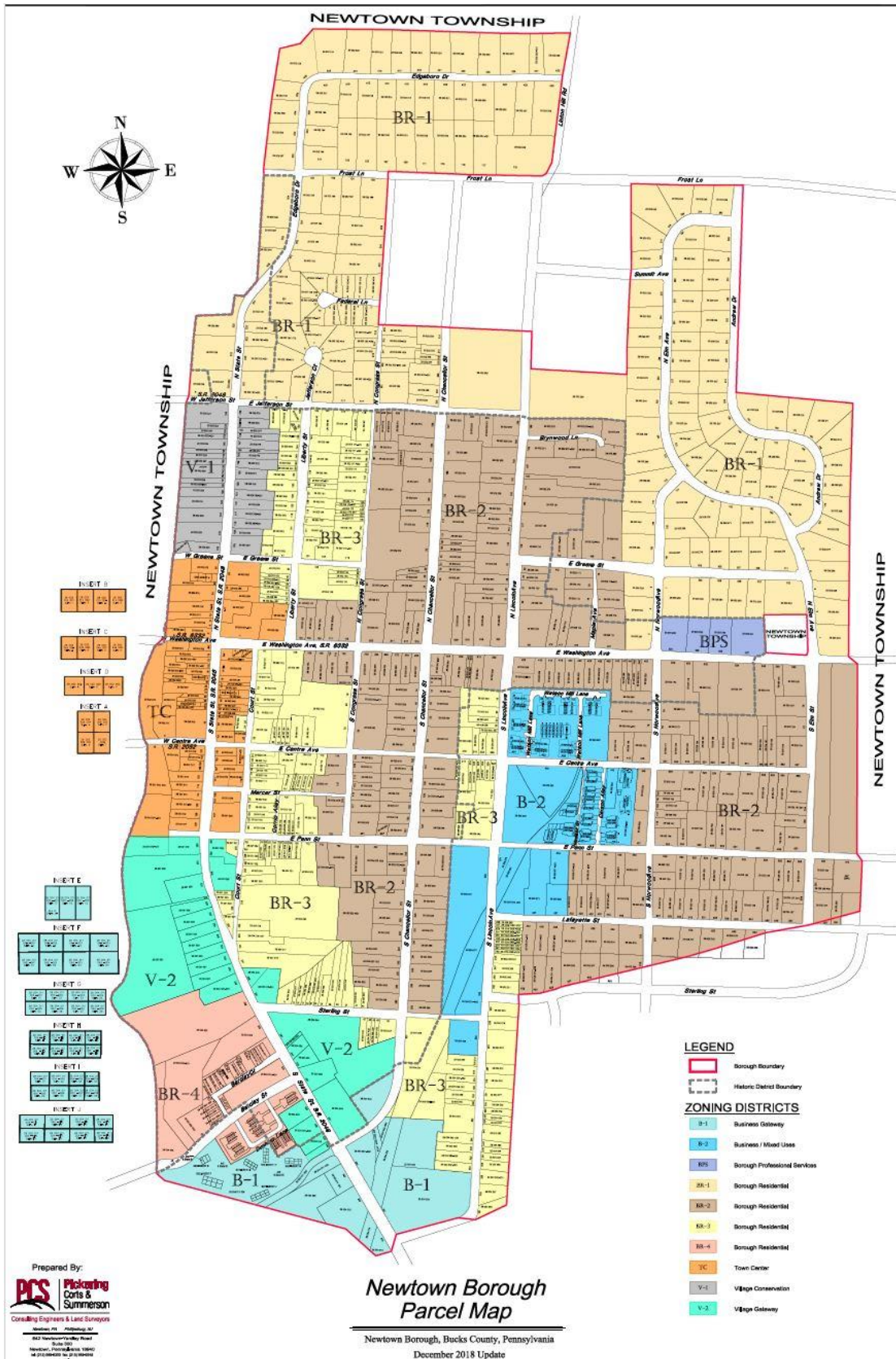
Newtown was founded by William Penn in 1684. Newtown was one of several towns that Penn had organized around Philadelphia to provide country homes for city residents and to support farming communities. It was the county seat of Bucks County from 1726 until 1813. According to the United States Census Bureau, the borough has a total area of 0.6 square miles (1.4 km²), all of it land.

The Newtown Creek, a tributary of the Neshaminy Creek, flows south along the western boundary between the borough and the township of Newtown.

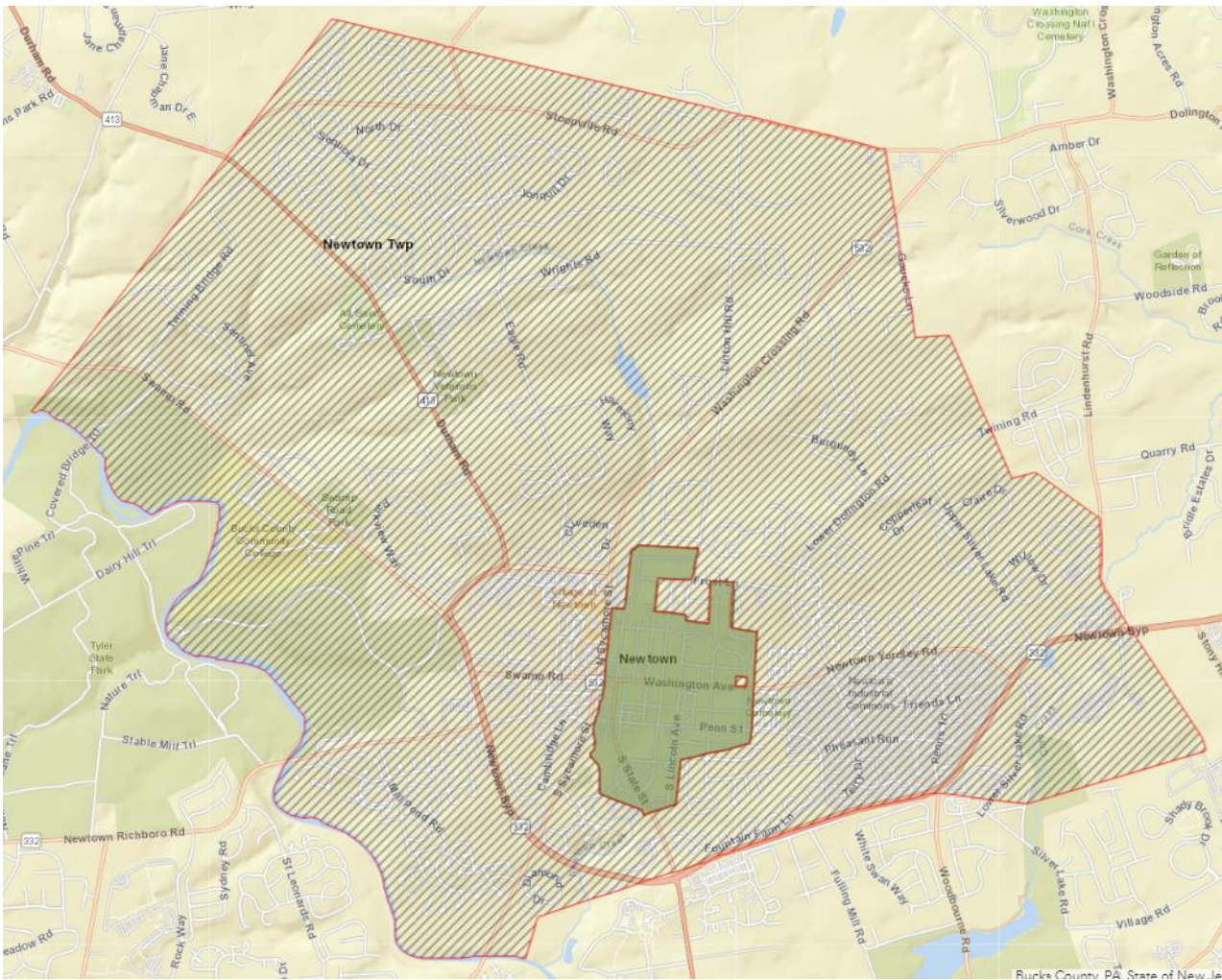
Adjacent Municipalities

Newtown Borough is totally surrounded by Newtown Township and inversely, totally surrounds a single parcel of Newtown Township.





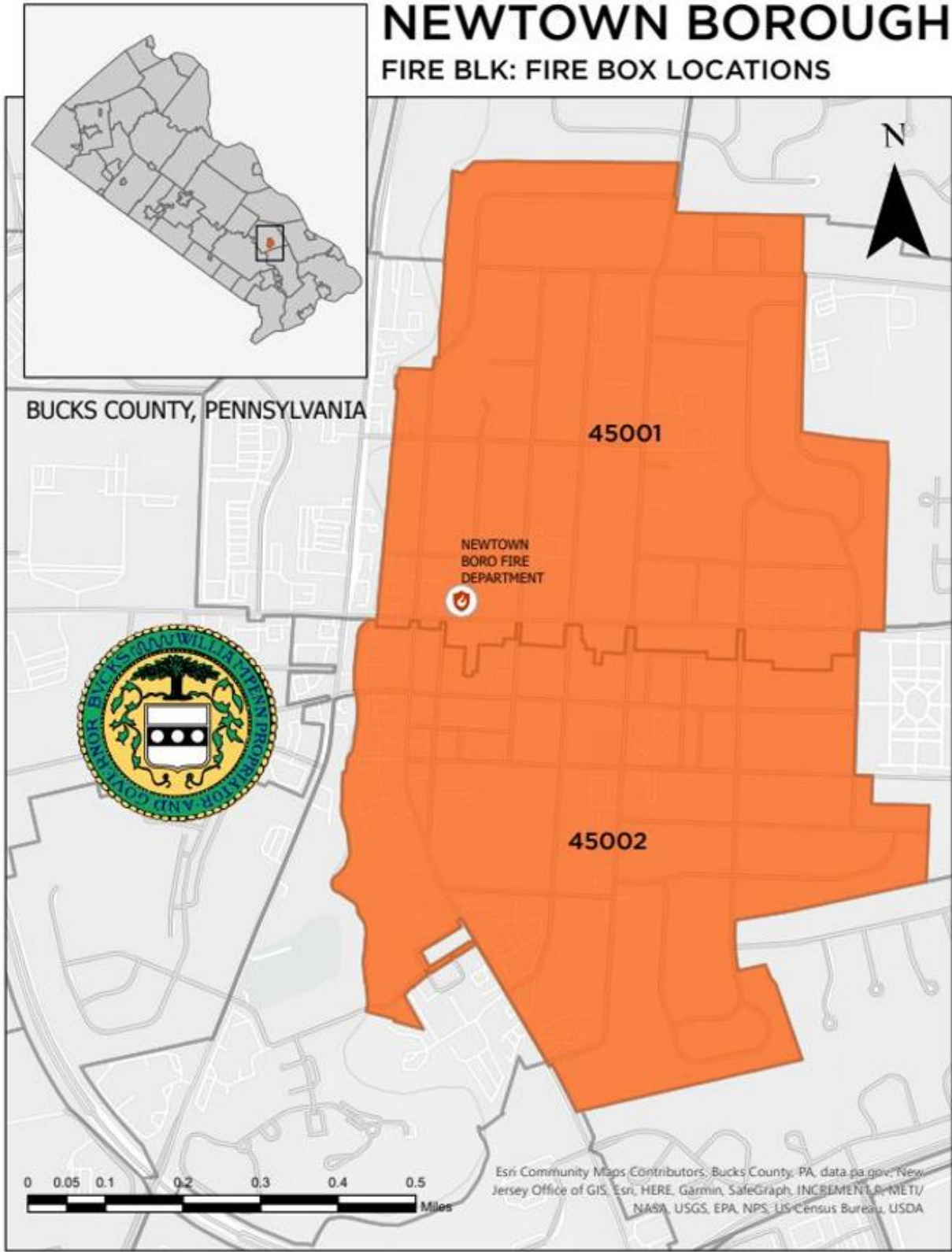






NEWTOWN BOROUGH

FIRE BLK: FIRE BOX LOCATIONS



PA Borough Code: Specific Powers – Fire Protection

§ 1202. Specific powers.

The powers of the borough shall be vested in the council. In the exercise of any specific powers involving the enactment of an ordinance or the making of any regulation, restriction or prohibition, the borough may provide for enforcement and penalties for violations. The specific powers of the borough shall include the following:

(56) To ensure that fire and emergency medical services are provided within the borough by the means and to the extent determined by the borough, including the appropriate financial and administrative assistance for these services. The borough shall consult with fire and emergency medical services providers to discuss the emergency services needs of the borough. The borough shall require any emergency services organization receiving borough funds to provide to the borough an annual itemized listing of all expenditures of these funds before the borough may consider budgeting additional funding to the organization.

Newtown Borough currently codifies Fire Protection in the Newtown Borough Code:

- Chapter 51 - Emergency Management; Emergency Responders
- Chapter 66 - Fire Department
- Chapter 72 - Firemen's Relief Association
- Chapter 294 – Fire Prevention

History of Fire Protection

Fire protection in Newtown dates back to 1824, when the Borough was a Village in Newtown Township, with the formation of the Washington Fire Company. On June 16, 1865, the fire engine and other equipment were turned over to the Borough of Newtown by resolution of the Washington Fire Engine Company. This effectively created the 1st Municipal Fire Department in Bucks County. Newtown Borough Council appointed a Chief Engineer and some assistants to adopt a code of rules governing the use and care of its equipment.

In 1871, citizens, who were concerned about the ability of the Borough Fire Department to deal with Fire Protection, formed the Winona Fire Company, utilizing equipment owned by the Borough.

A major Mill Fire in 1896 again caused community concern about fire protection. Out of this came the formation of the Newtown Fire Association (NFA), which took possession of the equipment from the Winona Fire Company.

The NFA fire station in the Borough is located at 14 Liberty Street and consists of a historic building that was expanded in 2000 to accommodate a three-bay garage. The historic station was restored in 2008-2009 to house a museum for display of antique fire trucks.

NFA also maintains a fire station on Memorial Drive in Newtown Township. Staffing is provided by volunteers and paid firefighters on the day shift, who are hired through the Township.

In December of 1995 the NFA made a proposal to the Board of Newtown Township to begin working toward a career system to augment the volunteers of NFA during hours of critical shortages in manpower. The Board of Supervisors were receptive to the proposal. The Township and the NFA created the Newtown Township Emergency Services Department, which went into operation on May 2, 1996 as an official township department that provided service to the borough and the township.

Newtown Fire Protection:

Fire Protection in Newtown Borough is currently provided by a combination fire department that is comprised of the Newtown Fire Association and Newtown Township Dept. of Emergency Services.

Station 45: Firehouse and property (14 Liberty Street) are owned by Newtown Fire Association (NFA).

Station 45 Apparatus:

- Rescue 45 (2021 Pierce) – owned by NFA
- Ladder 45 (2008 Pierce) – owned by NFA
- Utility 45 (2008 Ford F350) – owned by NFA

NFA Membership at Station 45:

Type	Amount	Remarks
Active	24	8 of these are Life members; see note below
Probationary	7	
Junior	1	
Associate	1	

Note: Of the 24 Active members for the 12 months ending 9/30/2021:

- 7 made over 20% of the calls
- 8 made between 10% and 20% of the calls
- 4 made between 5% to 10% of the calls
- 5 made less than 5% of the calls

Station 55: Firehouse (55 Municipal Drive) is owned by NFA. NFA leases the property from Newtown Township

Station 55 Apparatus:

- Engine 55 (2010 Pierce) – owned by NFA
- Special Service 55 (2020 Ford Expedition) – owned by Newtown Township

NFA Membership at Station 55:

Type	Amount	Remarks
Active	8	See note below

Note: Of the 8 Active members for the 12 months ending 9/30/2021:

- 6 made over 20% of the calls
- 2 made between 5% to 10% of the calls

NDES Staffing at Station 55: 8 Firefighters & 1 Fire Chief. Monday-Friday 5 firefighters are scheduled 06:00-18:00 Minimum staffing is 4.

ISO Rating: Newtown Borough – 3 ISO Rating: Newtown Township – 3

Fire Protection Funding:

Newtown Borough funds Fire Protection with Tax Millage Rates under the Pennsylvania Borough Code. The NFA is funded by annual allocations from the Borough's Fire Tax Millage, the Pennsylvania Fireman's' Relief Fund, Act 205 and occasional state and federal grants, various fundraising efforts, and facility rental activities. The Fire Marshal's Office is funded through the General Fund Millage.

CHAPTER 13 TAXATION AND FINANCE

§ 1302. Tax levy.

(a) **Authority.**--The council of the borough shall have power, by ordinance, to levy and collect annually a tax not exceeding 30 mills for general borough purposes, unless the council by majority action, upon due cause shown by resolution, petitions the court of common pleas, in which case the court may order a rate of not more than five mills additional to be levied and in addition any of the following taxes:

(1) An annual tax sufficient to pay interest and principal on any indebtedness incurred pursuant to 53 Pa.C.S. Pt. VII Subpt. B (relating to indebtedness and borrowing) or any prior or subsequent act governing the incurrence of indebtedness of the borough.

(2) To provide for pensions, retirement or the purchase of annuity contracts for borough employees, not exceeding one-half mill.

(3) To defray the cost and expenses of caring for shade trees as provided in section 2720.1 (relating to maintenance by borough and tax levy) and the expense of publishing the notice referred to in section 2720.1, not exceeding one-tenth mill.

(4) For lighting and illuminating the streets, highways and other public places, not exceeding eight mills.

(5) For gas, water and electric, not exceeding eight mills, additional millage permitted only following a favorable referendum on the matter held in accordance with the election laws of this Commonwealth.

(6) For the purchase of fire engines, fire apparatus and fire hose for the use of the borough or for assisting any fire company in the borough in the purchase, renewal or



repair of any of its fire engines, fire apparatus or fire hose, for the purposes of making appropriations to fire companies both within and without the borough and of contracting with adjacent municipalities or volunteer fire companies in adjacent municipalities for fire protection, for the training of fire personnel and payments to fire training schools and centers or for the purchase of land upon which to erect a firehouse, or for the erection and maintenance of a firehouse or fire training school and center, not exceeding three mills. The following shall apply:

(i) The borough may appropriate up to one-half, but not to exceed one mill, of the revenue generated from a tax under this paragraph for the purpose of paying salaries, benefits or other compensation of fire suppression employees of the borough or a fire company serving the borough.

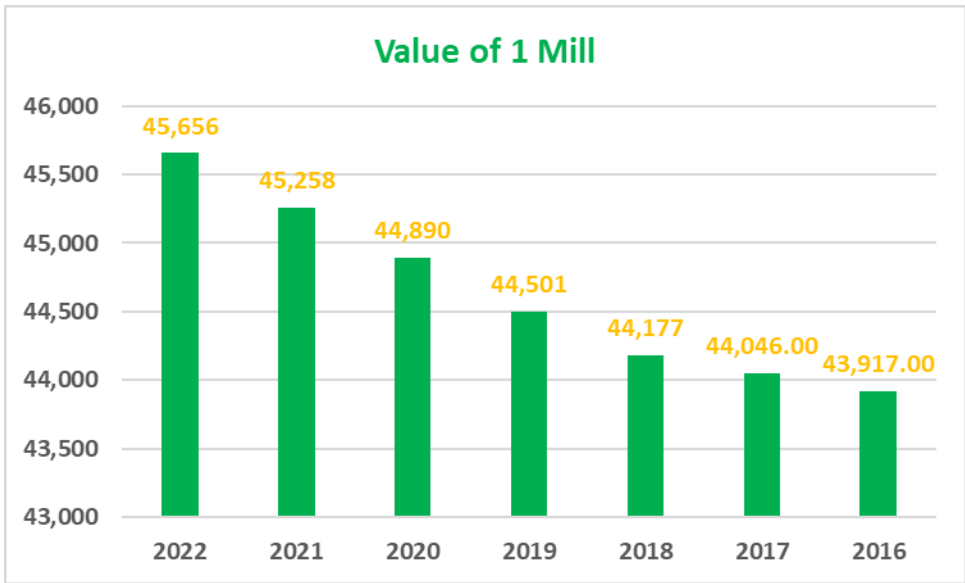
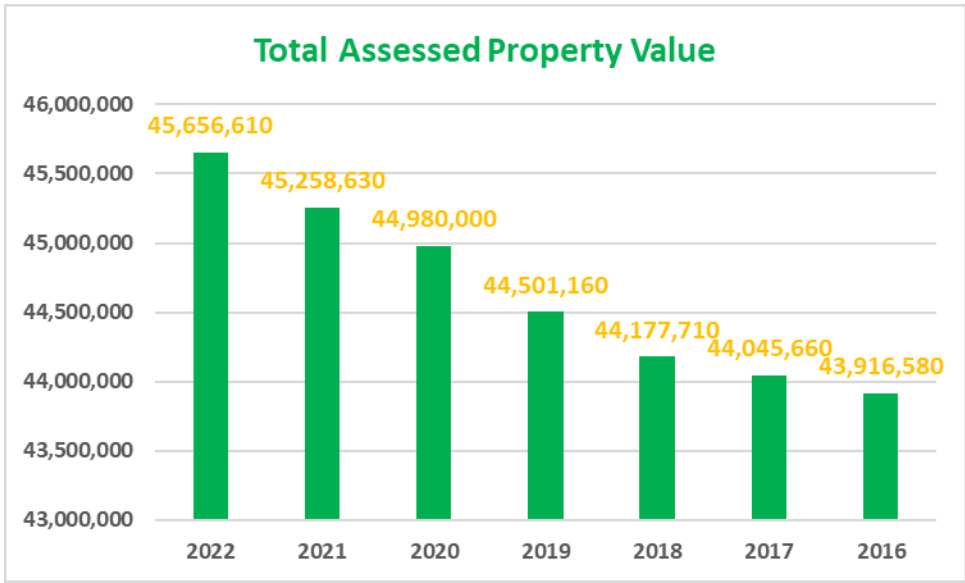
(ii) If an annual tax for the purposes specified in this paragraph is proposed to be set at a level higher than three mills, the question shall be submitted to the voters of the borough, and the county board of elections shall frame the question in accordance with the election laws of this Commonwealth for submission to the voters of the borough.

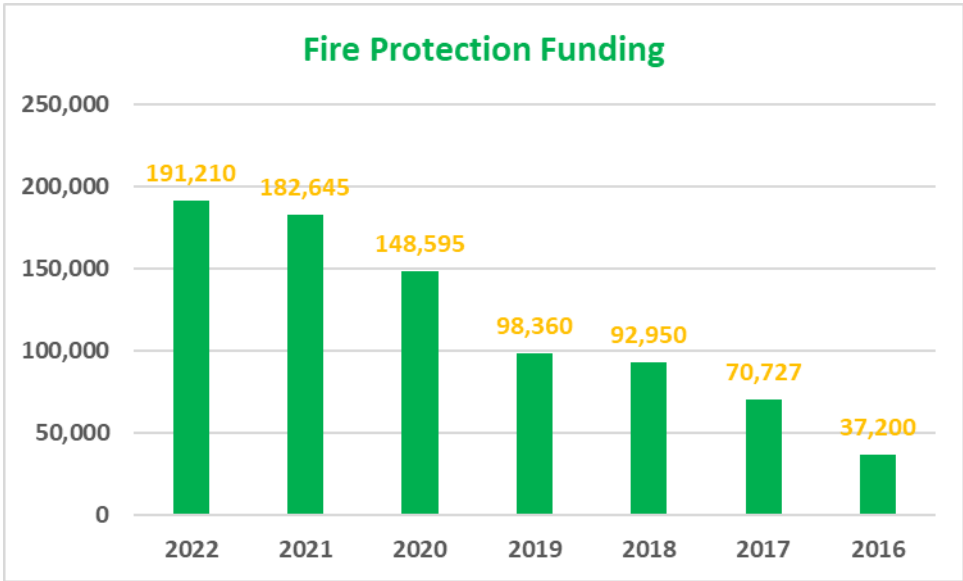
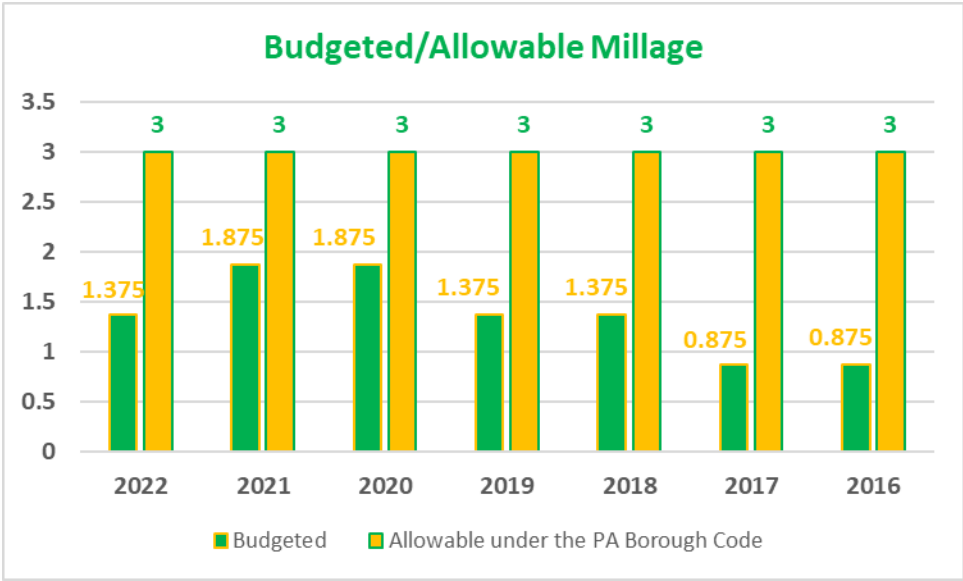
(7) For building a firehouse, fire training school and center, lockup or municipal building, not exceeding two mills, additional millage permitted only following a favorable referendum on the matter held in accordance with the election laws of this Commonwealth.

(8) To establish and maintain a local library or to maintain or aid in the maintenance of a local library established by deed, gift or testamentary provision, for the use of the residents of the borough, in accordance with 24 Pa.C.S. Ch. 93 (relating to public library code).

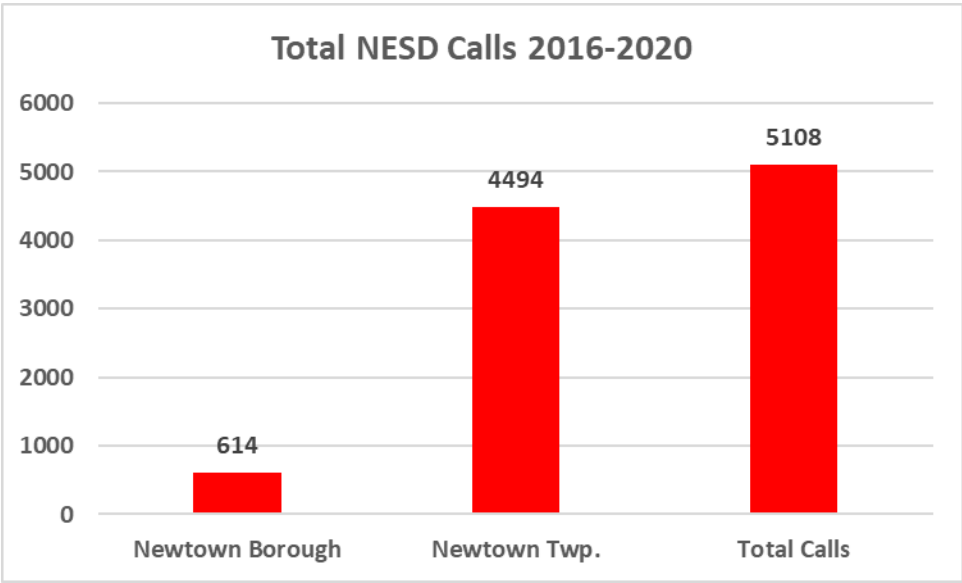
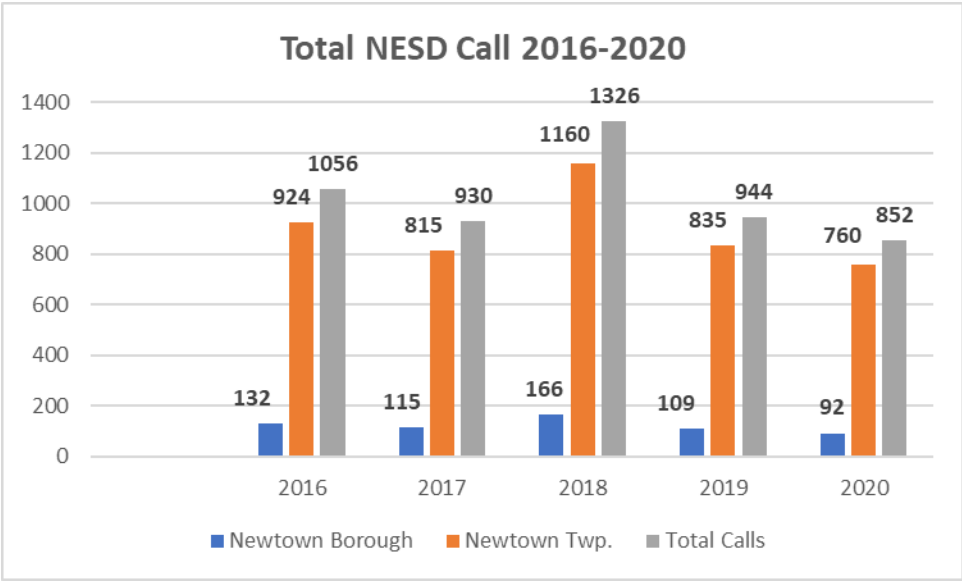
(9) For the purpose of supporting ambulance, rescue and other emergency services serving the borough, not to exceed one-half mill, except as provided in subsection (e). The borough may appropriate up to one-half of the revenue generated from a tax under this paragraph for the purpose of paying salaries, benefits or other compensation of employees of the ambulance, rescue or other emergency service.

(10) An annual tax sufficient for the purpose of maintaining and operating recreation places or for paying the borough's share of a joint action with one or more political subdivisions, in accordance with section 2701 (relating to general powers).





Alarm Response Data:



Charges and Costs of Fire Service

To determine relevant items to be evaluated, research was conducted using the International City Managers Association (ICMA) Managing Fire Services manual, 2nd Edition.

Charges for Fire Service Items

- Fire dept. operating costs.
- Pensions.
- Costs of apparatus and major equipment depreciated over a specific time period.
- Costs of Physical Plant over a given time.
- Percentage of fire dept. use by the contracting municipality over a given time period.
- Percentage of assessed valuation of the contracting municipality to the total assessed valuation of all areas protected.

Fair Share of Costs for Fire Service Methods

- Fixed Formula. Fees are determined on the basis of a formula designed to include as many of the costs of providing fire services as possible. *Analysis not made with this option. Data evaluation is based, in part, on presumed municipal ownership of Fire Apparatus and Fire Stations.*
- Ratio of calls. Fees are determined by taking the calls of the contracting area as a proportion of the total calls received by the fire department and then applying them to all fire department costs.
- Per unit costs. Fees are determined by counting the number of structural units being protected and then dividing the department's operating cost by the total .
- Assessed Valuation. The assessed valuation of the contract service area serves as the basis for proportionately sharing fire service costs.
- Population. Since the number of fire responses are fairly reflective of the size of a community's population, this becomes the method for proportionately determining costs.
- Flat fee or standard rate. The fee is based on the ratio of fire calls, but a flat fee is levied only when a fire call occurs.

Services Provided

Emergency Management issues.

Assist in all maintenance of Station 45 and the apparatus.

Emergency Services staff are involved in the operation of the fire association and attend evening meetings off duty.

Fire training for the fire association.

Staffing during weather emergencies.

Fire Prevention Education for the churches and preschools.

Fire Investigations.

Record Keeping/Data collection.

Annual Fire and Safety Inspections and reinspection's.

Plan Reviews.

Pre - Planning of commercial businesses and Target facilities.

Land Development Review.

Safety consultations with local businesses when requested.

Fire Reports and EMS reports.

Assist the Police Department when requested.

Assist the Public Works department when requested.

Assist the Codes Department when requested.

Provide Home Safety Inspections when requested.

Monitor current and future safety issues.

Update data for Township/Borough ISO (Insurance Services Office) rating.

Respond to all Fire and Medical emergencies when ESD is on duty.

Chief 252 acts as the Fire Association/ Emergency Services Chief and responds to fire calls during off duty hours when available.

2022 Budget - Newtown Emergency Services Department

General Fund (01) \$1,116,816

Fire Fund (03) \$588,402

Capital Fund (39) \$70,000*

**This specific capital expense is tentatively agreed upon for this budget and should not represent a continuing annual expense.*

Retirement (61) \$33,072

Total \$1,808,290

Subtract (\$330,000) contribution to NFA

TOTAL \$1,478,290

Fair Share Cost Analysis

Newtown Township Fire Protection Budget for Year 2022 is **\$1,478,290**

Ratio of Calls – 2016 - 2020

Total Calls in Newtown Borough 2016 – 2020: 614. Total Calls in Newtown Township 2016 -2020: 4,494

$$614 + 4,494 = 5,108$$

$$614 \div 5,108 \times 100 = 12.0203602192639\%$$

Borough Percent of Total Calls: 12.0203602192639%

$$\$1,478,290 \times 12.0203602192639\% = \$177,695.78$$

Fair Share Cost based on Ratio of Calls \$177,695.78

Per Unit Costs

981 Parcels in Newtown Borough. 8071 Parcels in Newtown Township

$$981 + 8070 = 9051$$

$$\$1,478,290 \div 9051 = \$163.33 \text{ per parcel}$$

$$\$163.33 \times 981 = \$160,226.73$$

Fair Share Cost based on Total Parcels \$160,226.73

Population - % of Residents

2,268 Population/Residents in Newtown Borough. 19,895 Population/Residents in Newtown Twp.

$$2,268 + 19,895 = 22,163 \text{ Population/Residents}$$

$$2,268 \div 22,163 \times 100 = 10.23327166899788\%$$

Borough Percent of Population/Residents: 10.23327166899788%

$$\$1,478,290 \times 10.23327166899788\% = \$151,277.43$$

Fair Share Cost based on % of Population/Residents \$151,277.43

Population - Total Residents

2,268 Population/Residents in Newtown Borough. 19,895 Population/Residents in Newtown Twp.

$2,268 + 19,895 = 22,163$ Population/Total Residents

$\$1,478,290 \div 22,163 = \$ 66.70$ per resident

$\$66.70 \times 2,268 = \$151,275.60$

Fair Share Cost based on Population/Total Residents \$151,275.60

Assessed Valuation - as of 05/04/21

\$45,424,270 Assessment in Newtown Borough. \$348,183,270 Assessment in Newtown Township

$\$45,424,270 + \$348,183,270 = \$393,607,540$

$\$45,424,270 \div \$393,607,540 \times 100 = 11.54049792846956\%$

Borough Percent of Assessed Valuation: 11.54049792846956%

$\$1,478,290 \times 11.54049792846956\% = \$170,609.14$

Fair Share Cost based on Assessed Valuation \$170,609.14

Flat Fee per Call - 2016 - 2020

Total Calls in Newtown Borough 2016 - 2020: 614

Fair Share Cost based on Ratio of Calls \$177,695.78

$\$177,695.78 \div 614 = \$ 289.40$

Fair Share Cost based on Flat Fee per Call \$289.40

Parcels and Population % - method of evaluation requested by the Borough

981 Parcels in Newtown Borough. 8,071 Parcels in Newtown Township

$981 + 8,070 = 9,051$

2,268 Population in Newtown Borough. 19,895 Population in Newtown Township

$2,268 + 19,895 = 22,163$

$9,051 + 22,163 = \text{Total Parcels} + \text{Total Population} = 31,214$

Parcels and Population in Newtown Borough

$981 + 2,268 = 3,249$

$3,249 \div 31,214 \times 100 = 10.40879092714807\%$

$\$1,478,290 \times 10.40879092714807\% = \$153,872.12$

Fair Share Cost based on % of Population and Parcels \$153,872.12

Fire Protection Fair Share Cost Analysis	
Ratio of Calls	\$177,695.78
Per Unit Costs	\$160,226.73
Population - % of Population/Residents	\$151,277.43
Population - Population/Total Residents	\$151,275.60
Assessed Valuation - as of 05/04/21	\$170,609.14
Flat Fee per Call	\$289.40
Parcels and Population %	\$153,872.12
<small>Method of evaluation requested by the Borough</small>	

Fire Protection Options for Newtown Borough

- Reach a long-term, multi-year agreement with Newtown Township. and codify a negotiated fee using the provisions of The PA Borough Code § 1203 and 53 Pa.C.S. Ch. 23 Subchapter. A. - Intergovernmental Cooperation
- Designate the Newtown Fire Association as the Fire Service Provider for Newtown Borough using the provisions of The PA Borough Code § 1203
- Solicit bids to enter into agreements with other political subdivisions, to provide fire protection within Newtown Borough and codify a negotiated fee using the provisions of The PA Borough Code § 1203 53 Pa.C.S. Ch. 23 Subchapter. A. - Intergovernmental Cooperation
- Establish a Municipal fire department within Newtown Borough using the provisions of The PA Borough Code § 1203

Conclusion

The analysis contained in this report offers the Borough of Newtown the ability to review Fair Share options in considering fair and equitable funding for Municipal Fire Protection with the adjoining municipality of Newtown Township. It also provides, if needed, the options that could be exercised in the unfortunate event that an agreement cannot be reached. Ideally, the existing regional approach to protecting the citizens of the Newtown community can be continued, with the opportunity to build upon the legacy of fire protection already established, while striving to improve it for the future.