



Township of
FERGUSON
Pennsylvania

2015 Budget

Executive Summary





Ferguson Township Budget Executive Summary

Board of Supervisors

Richard Mascolo, Chair
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Department Managers

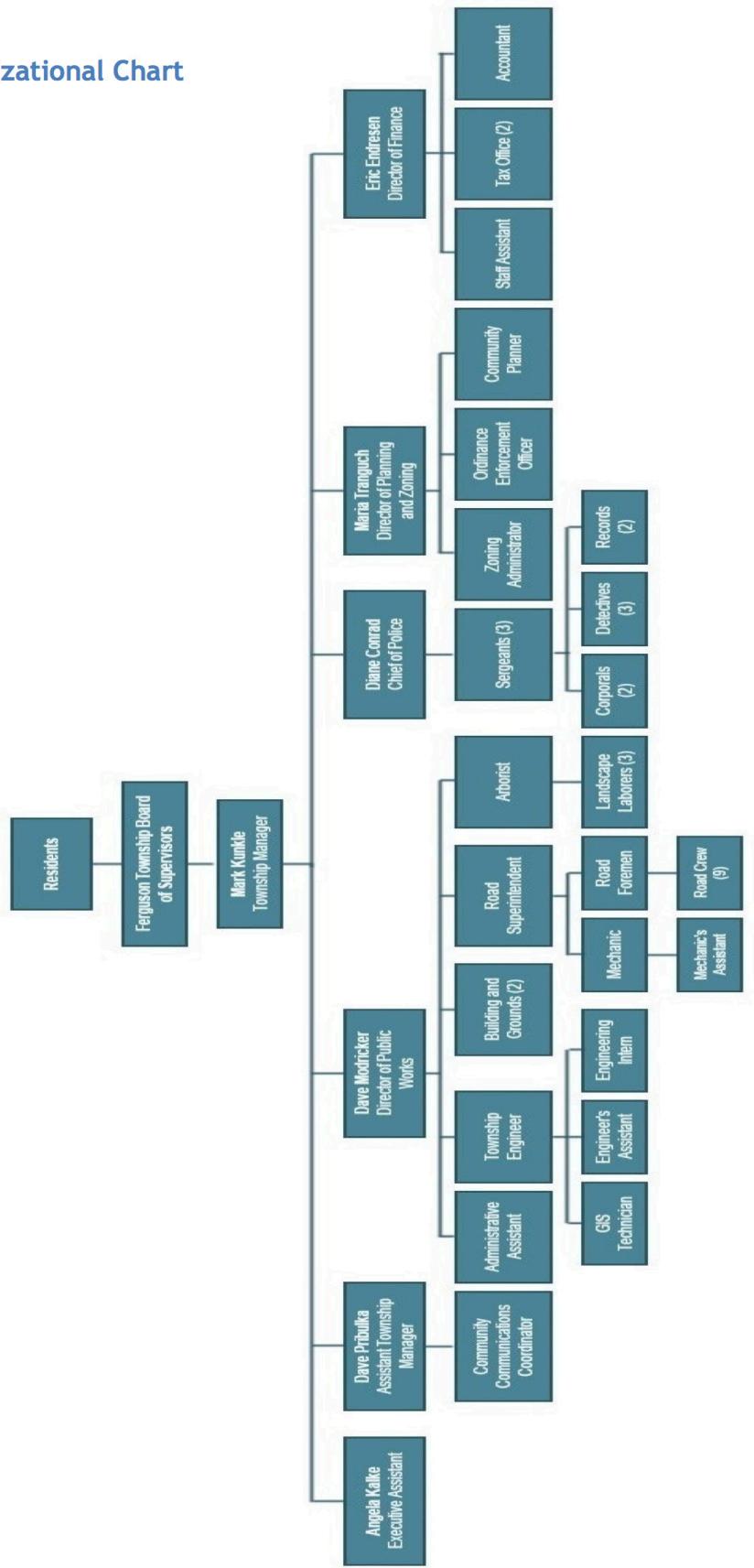
Mark A. Kunkle, Township Manager
David G. Pribulka, Assistant Township Manager
David J. Modricker, Director of Public Works
Eric R. Endresen, Director of Finance
Diane M. Conrad, Chief of Police
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Organizational Chart





Introduction

By Mark Kunkle, Ferguson Township Manager

I am pleased to present the Executive Summary for the 2015 Ferguson Township Budget. This document attempts to give an easy-to-read overview of the Township's revenue, expenses, and goals. The Budget Executive Summary condenses and highlights some of the information found in the 2015 Ferguson Township Annual Operating Budget. Residents are also welcome to review the more detailed line item budget by visiting the Township website (www.twp.ferguson.pa.us) or at the Municipal Building office.

The Township's Mission and Vision statements serve as guiding principles in developing the budget and in evaluating the progress being made on the goals, objectives and action steps contained therein.

Mission Statement

It is Ferguson Township's mission to provide efficient, cost effective, professional services to our residents in a fair, cooperative, ethical and honest manner. The Township will endeavor to manage its resources allowing planned, sustainable growth while preserving the quality of life and its unique characteristics.

Vision Statement

The Township will strive to appropriate staff and resources to maintain the infrastructure in acceptable condition, provide exemplary service, keep Township operations financially stable and keep pace with technology. As a result, the Township can continue to be a leader and model for the Centre Region and other Home Rule municipalities.

The Township is considered a 'Best Place to Live' due to the high quality of life created in part through a sense of place achieved through the development of a vital town center, a strong diversified community, an effective transportation system, a rural/small town atmosphere and the location availability of open space. The Township will continue to preserve environmentally sensitive areas.

2014 Accomplishments

The 2014 Ferguson Township Strategic Plan sets goals, objectives, and action steps to ensure resources and efforts are focused on improving the quality of life for Township residents. The Board of Supervisors and Township staff have achieved or made progress on the following goals consistent with the 2014 Strategic Plan:



- Designed and launched a new Township Website. (Action Step 6.4.3)
 - Secured a grant for **\$798,585** from PennDOT to install sidewalks along West College Avenue. (Action Step 3.1.1)
 - Transitioned to new payroll service provider for increased efficiency in human resource management. (Action Step 1.1.3)
 - Drafted Township Traffic Calming Policy. (Action Step 4.3.1)
 - Refinanced the 2009 General Obligation Bond. (Action Step 1.1.3)
 - Completed a Strategic Plan for Information Technology (Action Step 6.1.2)
 - Completed an update to the Salary and Wage Schedule
 - Received its **fifth consecutive** Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the Township's Comprehensive Annual Financial Report. (Action Step 1.1.3)
 - Initiated a volunteer program to maintain median landscaping. (Objective 6.3)
 - Purchased and deployed a new Voice over Internet Protocol (VOIP) phone system. (Objective 6.1)
 - Designed, inspected, and constructed **\$1,866,371** in capital projects.
 - Completed Township-wide traffic study and presented to Board of Supervisors. (Objective 4.3)
 - Community Planning – Recruited new Planning & Zoning Director; Revised Corridor Overlay District; and Engaged consultant to draft revisions to Terraced Streetscape District and Traditional Town Development Zoning Ordinances. (Action Step 3.1.4 and Objective 5.2)
- Implemented Tyler Munis permitting software. (Action Step 5.1.3)
- Adopted new Street Tree Ordinance and established the Township's first street tree commission. (Objective 9.3)
 - Organized forum of residents to discuss water quality in the western end of the Township (photo). (Objective 4.1)

2015 Initiatives

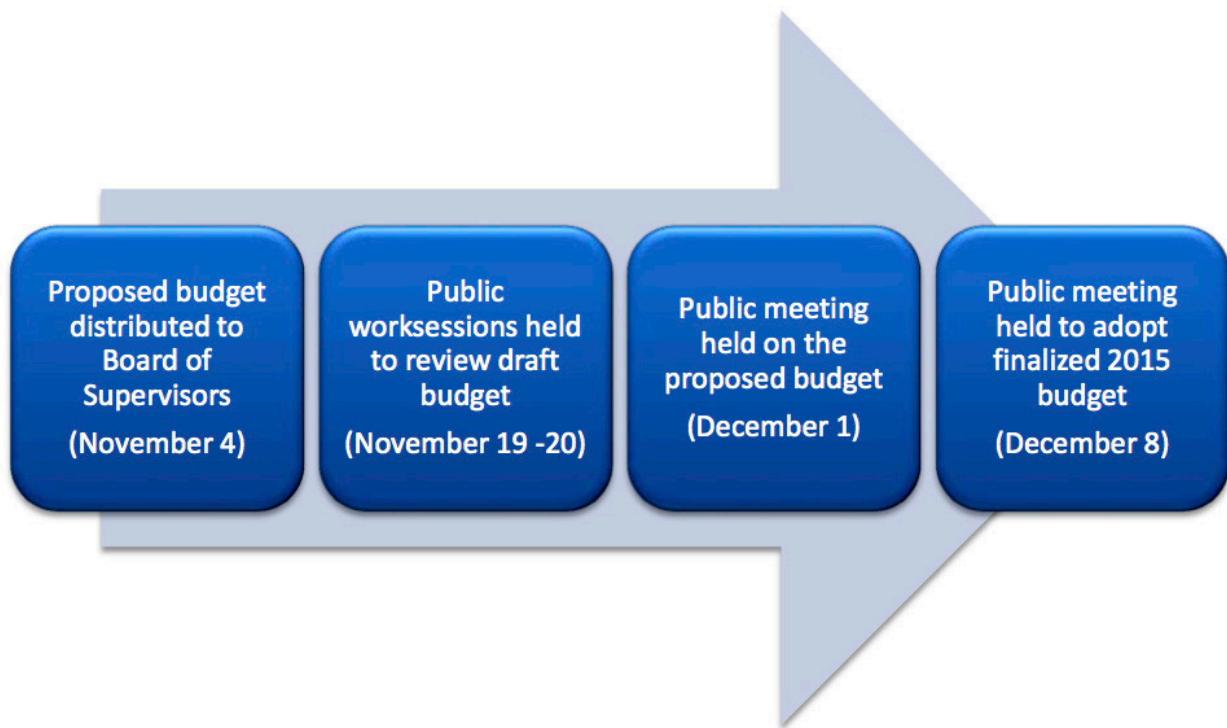


While 2014 brought significant progress toward several of the goals, objectives, and action steps of the Strategic Plan, there is still much work to be done. Ferguson Township staff and elected and appointed officials will continue to work hard toward advancing the Township's Mission and Vision Statements. The following are just some of the initiatives that will be a focus in 2015:

- Conclude a three-year effort to achieve Police Department Accreditation. (Goal 7.0)
- Submit and attain Distinguished Budget Presentation Award from Government Finance Officers Association for 2015 Township Budget. (Action Step 1.1.3)
- Finalize Traffic Calming Policy. (Action Step 4.3.1)
- Expand community engagement initiatives through a quarterly Business Leaders Luncheon.
- Expand staffing to include an Arborist and Community Planner. (Goal 2.0)
- Consider coordination of Township promotional video for website. (Action Step 6.4.3)
- Complete Community Survey and benchmark results against other communities and results of 2011 Community Survey.
- Submit an application for designation as a Certified Sustainable Community.

The world is changing. Increasing demands of public services in the face of diminished resources continues to be a concern of the Township in coming years. While the Township continues to carry strong and healthy fund balances, difficult decisions may need to be considered to ensure those fund balances remain strong in 2016 and beyond. These may include reallocating revenue distributions among the various funds, or perhaps increasing revenue by raising taxes or building on other sources of income in future years.

Budget Process and Overview



Preparation of the Annual Operating Budget begins in October of each year. Staff and Department Heads review expenditures from the prior year, and identify priorities for the upcoming year. Each department's proposed budget is reviewed by the Township Manager, and requested expenditures are evaluated based on Township priorities, projected revenues, and the overall financial standing of the Township.



2015 Ferguson Township Board of Supervisors

After each department's budget is reviewed, the Township Manager and Finance Director draft the proposed Operating Budget. Two public worksessions are then scheduled with the Board of Supervisors to review the budget. During the worksessions, the proposed budget is typically reviewed in detail by department, and the Board is given an opportunity to suggest changes and discuss the document before it is presented for approval. After the worksessions, another draft with the suggested revisions is prepared for tentative approval by the Board of Supervisors at the first meeting in December. The final Operating Budget is typically presented for approval at the last regular meeting of the Board of Supervisors in December.

Description of Township Funds

The Government Finance Officers Association (GFOA) establishes principles and guidelines for government accounting. Ferguson Township has adopted these standards to help ensure that the Township's finances are in keeping with public expectations of good stewardship of taxpayer money. Adherence to these standards has earned the Township several Certificates of Achievement for Excellence in Financial Reporting for the Township's Comprehensive Annual Financial Report (CAFR).

Township expenditures are divided into several funds. Funds are categorized, and revenue allocated to each fund is used for a specific purpose. For example, revenue allocated to the Street Light Fund is used for maintenance, bulb replacements, and electricity to service the 94 street lights in Ferguson Township. The largest Township fund is the General Fund, and the majority of Township expenditures are finances from this fund. Several smaller funds exist for a variety of special purposes. The following is a description of each fund:



GENERAL FUND

The General Fund accounts for all financial resources and legally authorized activities of the Township except those required to be accounted for in other specialized funds. The General Fund includes items such as staff salaries and benefits, office supplies, and contributions to COG programs. Revenue sources for the General Fund include real estate, real estate transfer, earned income, and Local Services Taxes, as well as permitting fees, grant funding, and other income. The majority of the current operating expenditures of the Township are financed from the General Fund.

<u>2014 Budgeted Expenditures</u>	<u>2015 Budgeted Expenditures</u>	<u>Dollar Value Change from 2014</u>	<u>Percent Change from 2014</u>	<u>Remaining Fund Balance</u>
\$10,735,390	\$11,122,983	\$387,593	3.61%	\$3,430,015

STREET LIGHT FUND

The Street Light Fund is a specialized fund dedicated to the operation of street lights located in the Township. Revenue for this fund comes from assessments levied annually on properties located within a 250-foot radius of a street light. Expenditures in this fund include maintenance, bulb replacements, and electricity to illuminate the 94 street lights in the Township.

<u>2014 Budgeted Expenditures</u>	<u>2015 Budgeted Expenditures</u>	<u>Dollar Value Change from 2014</u>	<u>Percent Change from 2014</u>	<u>Remaining Fund Balance</u>
\$13,275	\$14,616	\$1,341	10.10%	\$2,840

HYDRANT FUND

The Hydrant Fund is a specialized fund used for the operation and maintenance of fire hydrants in the Township. Assessments are made annually on properties located within a 780-foot radius of a fire hydrant. The assessments are used to operate and maintain the 337 fire hydrants located in the Township.

<u>2014 Budgeted Expenditures</u>	<u>2015 Budgeted Expenditures</u>	<u>Dollar Value Change from 2014</u>	<u>Percent Change from 2014</u>	<u>Remaining Fund Balance</u>
\$27,810	\$27,810	\$0	0.00%	\$3,264

LIQUID FUELS FUND

The Township receives grant money from the Commonwealth of Pennsylvania based on a formula that includes the Township's population and miles of roadway. The grant money comes from state tax on gasoline and diesel fuel. The Township expends this money on road projects such as guiderail replacements, highway pavement markings, and the purchase of general road materials.

<u>2014 Budgeted Expenditures</u>	<u>2015 Budgeted Expenditures</u>	<u>Dollar Value Change from 2014</u>	<u>Percent Change from 2014</u>	<u>Remaining Fund Balance</u>
\$303,000	\$772,850	\$469,850	155.07%	\$258,401

GENERAL OBLIGATION FUND

The General Obligation Fund is money set aside to pay debt incurred by the Township. In 2009, the Township obtained a \$4.435 million bond to finance the renovation of the municipal building located at 3147 Research Drive. Revenue for this fund comes from money transferred out of the General Fund. Assuming the Township does not incur additional debt, the Township will retire this debt by 2017.

<u>2014 Budgeted Expenditures</u>	<u>2015 Budgeted Expenditures</u>	<u>Dollar Value Change from 2014</u>	<u>Percent Change from 2014</u>	<u>Remaining Fund Balance</u>
\$2,179,911	\$556,511	-\$1,623,400	-74.47%	\$39,287

PINEY RIDGE STREET FUND

This fund was established from a contribution by the Ferguson Township Authority when the Piney Ridge subdivision received sanitary sewer service and will be used for upgrades to the roads within the subdivision to bring them up to Township standards. These funds will be expended in 2015 on projects within the designated subdivision.

<u>2014 Budgeted Expenditures</u>	<u>2015 Budgeted Expenditures</u>	<u>Dollar Value Change from 2014</u>	<u>Percent Change from 2014</u>	<u>Remaining Fund Balance</u>
\$0	\$88,417	\$88,417	N/A	\$1,029

AGRICULTURAL PRESERVATION FUND

The Township established this fund to partner with the Centre County Agricultural Land Preservation Board and Commonwealth of Pennsylvania to help purchase conservation easements to preserve Township farmland. The Township contributes \$150 per acre toward the purchase of conservation easements. Revenue for this fund comes from transfers out of the General Fund.

<u>2014 Budgeted Expenditures</u>	<u>2015 Budgeted Expenditures</u>	<u>Dollar Value Change from 2014</u>	<u>Percent Change from 2014</u>	<u>Remaining Fund Balance</u>
\$47,450	\$25,000	-\$22,450	-47.31%	\$73,508

CAPITAL RESERVE FUND

This fund was established to account for capital expenditures of the Township. Capital expenditures are generally large items and include road projects, vehicle replacements, and equipment costs over \$2,500 per item. Revenue for this fund comes from a variety of sources such as grant funding, the sale of equipment, and transfers from the General Fund.

<u>2014 Budgeted Expenditures</u>	<u>2015 Budgeted Expenditures</u>	<u>Dollar Value Change from 2014</u>	<u>Percent Change from 2014</u>	<u>Remaining Fund Balance</u>
\$910,189	\$1,471,214	\$561,025	61.64%	\$1,982,720

REGIONAL CAPITAL RECREATION PROJECTS FUND

This fund is used for capital improvements for regional parks and pools. Examples of expenditures from this fund include equipment and vehicle replacements for the Centre Region Parks and Recreation Department. Revenue for this fund comes solely from payments made and interest earned in accordance with a ten-year agreement between the Township, the Pennsylvania State University, and Lezzer-Haubert, LLC that began on January 12, 2012.

<u>2014 Budgeted Expenditures</u>	<u>2015 Budgeted Expenditures</u>	<u>Dollar Value Change from 2014</u>	<u>Percent Change from 2014</u>	<u>Remaining Fund Balance</u>
\$172,285	\$136,852	-\$35,433	20.57%	\$1,111,401

TRANSPORTATION IMPROVEMENT FUND

This fund accounts for improvements to transportation infrastructure such as street repairs and the installation of ADA-accessible ramps on sidewalks. Expenditures also include the relocation of utilities such as power lines and Internet fiber in accordance with other capital projects. Revenue for this fund can come from a variety of sources such as interest revenue, grants, and developer contributions, but the largest funding source is dedicated tax revenue from the 2002 tax increases on real estate, real estate transfers, and earned income.

<u>2014 Budgeted Expenditures</u>	<u>2015 Budgeted Expenditures</u>	<u>Dollar Value Change from 2014</u>	<u>Percent Change from 2014</u>	<u>Remaining Fund Balance</u>
\$1,023,311	\$1,112,000	\$88,689	8.67%	\$4,285,801

PINE GROVE MILLS STREET LIGHT FUND

This specialized fund accounts for the cost of construction of the Pine Grove Mills street lights. Revenue primarily comes from developer contributions and interest. No expenditures are anticipated from this fund in 2015.

<u>2014 Budgeted Expenditures</u>	<u>2015 Budgeted Expenditures</u>	<u>Dollar Value Change from 2014</u>	<u>Percent Change from 2014</u>	<u>Remaining Fund Balance</u>
\$5	\$5	\$0	0.00%	\$21,787

PARK IMPROVEMENT FUND

This capital projects fund is used for improvements made to parks located within the Township. For example, this fund accounts for a portion of the development of Phase 1A of the Westfield/Hillside Farm Estates Park in 2015. Revenue comes from interest earned by the fund and interest earned on fee-in-lieu of parkland payments.

<u>2014 Budgeted Expenditures</u>	<u>2015 Budgeted Expenditures</u>	<u>Dollar Value Change from 2014</u>	<u>Percent Change from 2014</u>	<u>Remaining Fund Balance</u>
\$0	\$99,000	\$99,000	N/A	\$27,385

POLICE PENSION TRUST FUND

This fund accounts for pension payments made to the ten retired Township police officers, as well as all administrative and legal fees related to the operation of the trust fund. Members of the pension plan are only permitted to contribute a maximum of 5% since members also contribute to Social Security. The remaining revenue is earned through Township contributions, interest revenue, and state funding.

<u>2014 Budgeted Expenditures</u>	<u>2015 Budgeted Expenditures</u>	<u>Dollar Value Change from 2014</u>	<u>Percent Change from 2014</u>	<u>Remaining Fund Balance</u>

\$277,301	\$269,101	\$8,200	-2.96%	\$4,488,270
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NON UNIFORMED PENSION TRUST FUND

Revenues for this fund include state and Township funding. Expenditures from this fund can include payments made to a non-uniform pension plan and transfers of state and Township revenue to the General Fund.

<u>2014 Budgeted Expenditures</u>	<u>2015 Budgeted Expenditures</u>	<u>Dollar Value Change from 2014</u>	<u>Percent Change from 2014</u>	<u>Remaining Fund Balance</u>
\$38,875	\$0	-\$38,875	-100%	\$3,463,837

TOM TUDEK MEMORIAL PARK FUND

This 501 (c) 3 fund was established to assist with capital expenditures associated with The Tom Tudek Memorial Park. These include improvements to pathways, the rental house, and dog park, as well as maintenance costs of the butterfly garden, and horse barn. This fund also includes expenditures for general liability insurance on the rental house and barn. Revenue for this fund comes from gifts, bequeaths and contributions, rental fees charged for the farmhouse on the property and fees charged to board horses at the barn.

<u>2013 Budgeted Expenditures</u>	<u>2014 Budgeted Expenditures</u>	<u>Dollar Value Change from 2013</u>	<u>Percent Change from 2013</u>	<u>Remaining Fund Balance</u>
\$10,845	\$15,228	\$4,383	40.41%	\$2,290,514



Where does the money come from?

The Township collects its revenue from several sources. The following table lists the Township's estimated General Fund revenue:

Category	2015 Estimated Revenue (Total Figures)
Real Property Taxes	\$1,361,916
Local Enabling Taxes - Real Estate Transfer Tax, Earned Income Tax, and Local Services Tax	\$7,906,386
Business Licenses & Permits	\$243,200
Non-Business Licenses & Permits	\$45,864
Fines	\$93,750
Interest Revenue	\$31,500
Rents & Royalties	\$44,108
Federal Grant Revenues	\$45,000
State Grant Revenues	\$18,657
State Shared Revenues	\$454,983
State Payments in Lieu of Taxes	\$5,980
Local Government Shared Payments	\$26,458
Local Payments in Lieu of Taxes	\$136,731
Departmental Earnings	\$89,575
Public Safety Revenue	\$40,376
Public Works Revenue	\$250
Health Services	\$9,000
Miscellaneous Revenue	\$0
Interfund Operating Transfers-In	\$0
Total Revenue	\$10,553,734

The projected General Fund revenue is not sufficient to cover the proposed expenditures in 2015. Assuming revenues and expenditures are exactly correct, there will be a deficit of \$569,249 in the General Fund.

How is the difference made up?



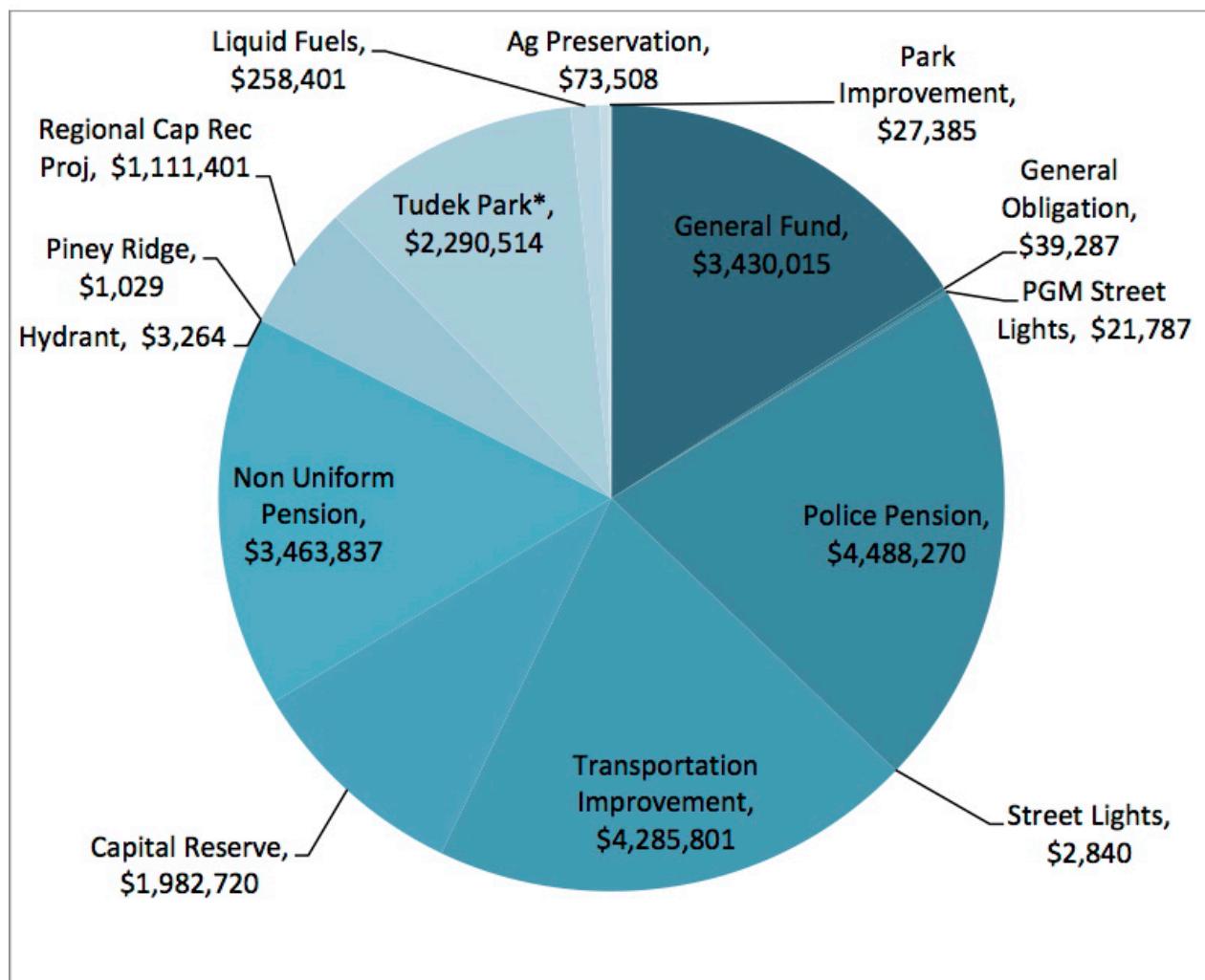
Fund Balances

It is not uncommon for the Township to spend more money than it takes in some years, or for the Township to collect more revenue than it spends in other years. When revenues exceed expenditures in a given year, the difference carries over as a fund balance that can be used to finance special projects without needing to incur debt, or to make up for deficits in future years.

Through careful and conscientious budgeting over the years, the Township has accrued sufficient fund balances to meet the budget deficit in 2015, without the need for a tax increase. There is no legal requirement for the Township to carry a fund balance; however, the GFOA recommends that local governments carry a fund balance in the General Fund of 25% of its expenditures. At the end of 2015, the Township's fund balance in the General Fund will be 31% of its proposed expenditures.

It is important to note that, while the Township maintains healthy fund balances in each of its funds, future budget shortfalls may require tough decisions to ensure the financial stability of the Township. These may include tax increases, reductions in expenditures, and finding new sources of revenue.

Estimated Fund Balances as of December 31, 2015



* Includes Tudek Land as an asset.

Revenue: Where does most of the money come from?

As you might expect, taxes make up approximately 88% of the total revenue collected by the Township. For the eighth straight year, the Township is not proposing a tax increase – the last tax increase was in 2008, when Real Estate Tax was increased from 1.562 to 2.422 mills.

Real Estate Transfer Tax - \$1,200,000

Real Estate Transfer Tax is paid at the time a property transfers from one owner to another. The Transfer Tax is levied at 2.75% of the value of the sale. Of that 2.75%, 1.0% is allocated to the Commonwealth of Pennsylvania, .5% is allocated to the State College Area School District, and the remaining 1.25% is allocated to the Township as revenue.

Several factors influence the amount of Real Estate Transfer Tax collected by the Township. These include population growth, changes in the market value of homes in the Township and the State College Area, and significant non-recurring large property sales that may occur in any one year. When a property is sold for substantial market value, the result is a larger than normal Real Estate Transfer Tax collection for the Township.



Real Property Tax - \$1,361,916

Real property taxes include three categories. Real estate taxes are calculated based on assessed value of real property in the Township. Assessed values in Centre County are generally 50% of the market value as of the date of the last reassessment by the Centre County Board of Property Assessments, Appeals, and Review. The assessed values of each property are taxed at 2.422 mills (.002422 x taxable value). Centre County has not conducted a complete reassessment of property values since 1994. Therefore, changes in assessed value only occur for newly constructed or altered residential or non-residential property, an assessment is appealed, or other factors prompt a reassessment.

The second category is supplemental real estate taxes. When new tax parcels are created by subdividing property, or when property improvements are made, the new taxable values often do not meet the deadline for the initial tax bill printing. These property owners are billed separately in the supplemental category for the first year. Supplemental taxes are included on the annual billings in subsequent years.

Finally, the third category is delinquent taxes. As the name implies, this category covers real estate taxes that are not paid by the end of the year. Delinquent property taxes are collected by the county and the proceeds are forwarded to the Township and/or the school district depending on the levy. For the 2015 Budget, this budget amount is estimated at approximately 1.0% of the real estate tax, or \$16,000.

Earned Income Tax - \$6,396,386

Earned Income Tax is levied on employees residing in the Township. In other words, Township residents pay Earned Income Tax to Ferguson Township, regardless of where their place of employment is located. The current Earned Income Tax rate is 1.40% of taxable income. It should be noted that, beginning in 2012, Earned Income Taxes are collected by the Centre County Tax Agency through a contract with the Borough of State College. The Centre Tax Agency collects a fee of 2.4% of the tax collected for the Township, and the remaining 97.6% is remitted to the Township.

Local Services Tax - \$310,000

Local Services Tax was enacted by the Township on January 1, 2009. The tax is a flat rate of \$52.00 per year for wages exceeding \$12,000. Those with wages below \$12,000 earnings are exempt from the Local Services Tax. Of the \$52.00 collected, \$5.00 is remitted to the State College Area School District, and the remaining \$47.00 is remitted to the Township. It should be noted that the Borough of State College is the current collector of Local Services Tax for the Township, and deducts a 3.0% collection fee from gross collections before remitting to the Township.



Where does the money go?

As stewards of taxpayer dollars, it is important the Township allocates its revenue in an efficient manner in order to provide the highest quality public services to residents. The **\$11,122,983** in planned expenditures in 2015 is divided amongst the Township's Administration, Police, Public Works, Planning & Zoning, and Finance Departments to help execute the Township's Mission and advance the goals of the Strategic Plan. Additionally, as an active member of the Centre Region Council of Governments (COG), revenue collected is used to fund the COG programs in which the Township participates.

Taxes

Note: Taxes are collected and allocated by the Centre Tax Agency and only what is distributed to the Township is counted as revenue.

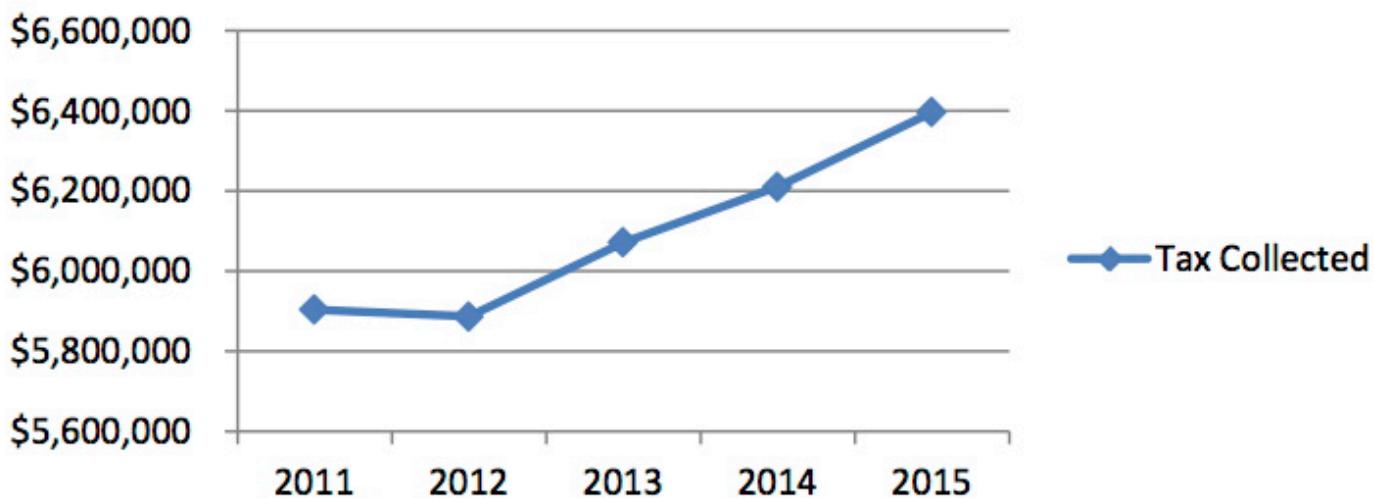
Ever wonder what happens to your tax dollars once they are paid? In addition to funding the services provided by the Township, your taxes are also allocated to other organizations such as Centre County and the State College Area School District. The highest goal of the Strategic Plan states that, "Ferguson Township is financially stable and capable of funding the Township's resource demands for immediate and long-term growth." A strong and reliable tax base is critical to achieving that goal.

The information below describes how the taxes paid by residents and property owners are distributed across the various public entities serving the Township.

Earned Income Tax

For every dollar collected in Earned Income Tax, **60 cents** is remitted to Ferguson Township, and **40 cents** is remitted to the State College Area School District.

Earned Income Tax Collection by Year



Note – Since 2012, commission has been deducted by the Centre Tax Agency.

Real Estate Tax

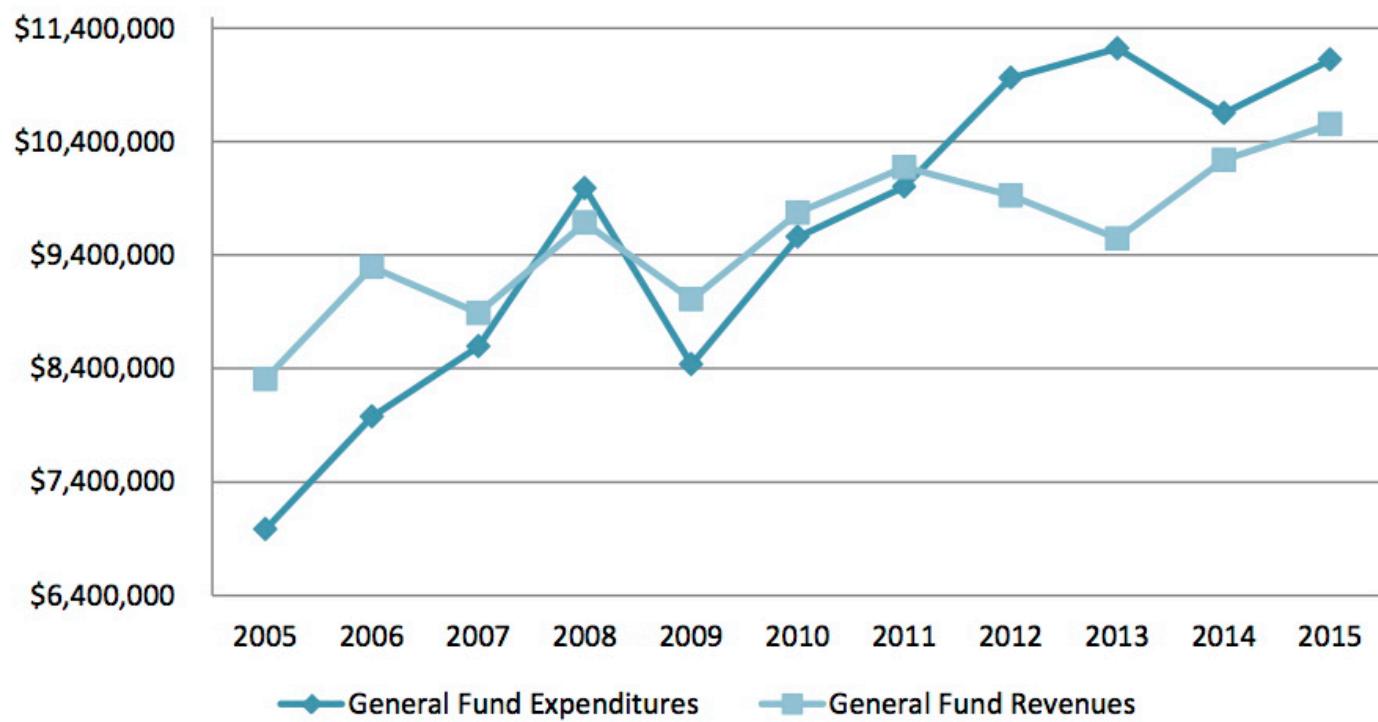
For every dollar collected in Real Estate Tax, **79 cents** is remitted to the State College Area School District, **16 cents** is remitted to Centre County, and **5 cents** is remitted to the Township.



Expenditures

The Township's Mission is "to provide efficient, cost effective, professional services to our residents in a fair, cooperative, ethical, and honest manner." In order to provide those services to the approximately 18,000 residents that call the Township home, revenue must be allocated in a manner that is consistent with the Strategic Plan. In the last ten years, the Township has seen tremendous growth in both revenue and expenditures. Steady growth in both areas helps to ensure the provision of quality public services.

General Fund Revenues and Expenditures



Local Services

The five departments of Ferguson Township are primarily responsible for the delivery of most of the public services provided each day. The 2010 Census data shows that Ferguson Township is home to **17,734** residents. Using this number, it's possible to approximate the cost of services provided per resident.

Public Safety - \$136.16 per resident | \$22.56 less than 2014

The Police Department is responsible patrolling approximately 50 square miles and 90 road miles to help ensure the safety of the students, visitors, and residents of Ferguson Township. In the 2015 General Fund, Public Safety operating expenditures are budgeted at **\$2,138,547**, or **\$120.59** per resident. This figure includes police officer salaries, fuel and maintenance for police vehicles, criminal investigation expenses, and general operating costs. Public Safety capital expenditures are budgeted at **\$276,189**, or **\$15.57** per resident. Capital expenses for 2015 include one vehicle replacement, one additional vehicle, converting two vehicles to bi-fuel CNG, and other equipment upgrades. Public Safety expenditures do get offset by some federal and state grant revenue.



Public Works – \$76.29 per resident| \$3.86 less than 2014

The Public Works Department includes the road crew, engineer, GIS technician, and mechanic. The Department's responsibilities include maintenance of Township roadways and shared use paths, stormwater management, curbside brush and leaf collection, and much more. The Department's operating budget in the 2015 General Fund is **\$1,029,464**, or **\$58.05** per resident. The largest category of expenditures in this budget is salaries but the figure also covers general operating expenses. Capital expenditures are budgeted at **\$323,525**, or **\$18.24** per resident. Planned capital expenditures include the purchase of new equipment and replacement of old equipment.



Infrastructure Projects – \$85.96 per resident | \$5.81 more than 2014

Infrastructure projects represent a significant cost to Township residents. There are approximately 90 road and street miles in Ferguson Township, and cost to maintain those roads typically exceeds more than \$1 million each year. Road projects in 2015 are expected to total **\$1,524,550**.

Administration - \$19.75 per resident | \$.49 more than 2014

The Administration Department consists of the Township Manager, Assistant Township Manager, and administrative staff. The 2015 operating expenditures are budgeted at **\$330,720**, or **\$18.65** per resident. Expenses in this category include staff salaries, office supplies, communications, and other expenses. Capital expenditures are budgeted at **\$19,500**, or **\$1.10** per resident, and include the replacement of office chairs and security improvements in the Main Meeting Room.

Planning & Zoning – \$26.00 per resident| \$2.90 more than 2014

Operating expenditures are budgeted at **\$355,107**, or **\$20.02** per resident. This category includes salaries, advertising and printing costs, and other operating expenditures. The addition of a Community Planner to the staff is a new expense introduced in 2015. The Community Planner will assist the Director in reviewing plan submissions and help with special projects. Capital expenditures are budgeted at **\$106,000**, or **\$5.98** per resident, and include office furniture for the new Community Planner and a consultant to assist with the rewrite of the Township's Zoning and Subdivision and Land Development Ordinances.



Finance, Tax, and IT – \$20.11 per resident| \$.36 more than 2014

Operating expenditures for the Finance Department are budgeted at **\$189,770**, or **\$10.70** per resident. This category covers salaries, audit fees, and other operating expenditures. There are no capital expenditures budgeted for the Finance Department in 2015. The Tax Office has an operating budget of **\$46,690**, or **\$2.63** per resident, and includes the salary of one Finance Associate and general operating expenses. There are no capital expenditures in the budget for the Tax Office in 2015.

Information Technology is managed by the Finance Department. The operating budget for IT in 2015 is **\$104,356**, or **\$5.88** per resident. This budget covers the cost of new equipment, license agreements, and the Township's contract with a third-party IT service provider. Capital expenditures are budgeted at **\$15,900**, or **\$.90** per resident. These expenses include upgrading the Township's document imaging software and a short "Welcome" video to show all the community has to offer.



Regional Services

Goal 8.0 of the Strategic Plan reads, "Ferguson Township actively participates in regional programs that have a demonstrable positive impact on cost and quality of service delivery." To help achieve this goal, Ferguson Township is an active member of the Centre Region Council of Governments (COG). Since 1969, the COG has provided financially prudent, quality public services to the approximately 93,000 residents that call the Centre Region home.



Ferguson Township joins the Borough of State College and the Townships of College, Halfmoon, Harris, and Patton as the six principle COG member municipalities. COG programs are funded by member municipalities, and the cost to each is determined by a variety of formulas to ensure each locality contributes their fair share based on their respective usage of each program. The most common funding formula is based on three equally-weighted elements: population served (excluding Penn State students), assessed value of properties, and Earned Income Tax.

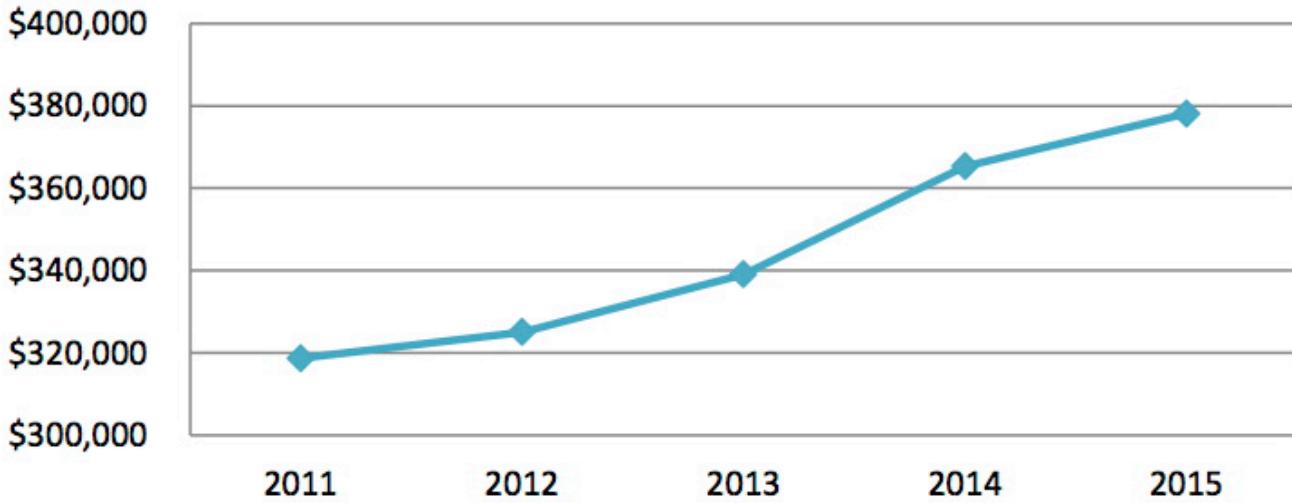
The following is an overview of the Township's contributions to the COG programs. For more information on each program's expenditures, please refer to the 2015 COG Budget.

Schlow Centre Region Library – \$21.32 per resident | *\$.47 more than 2014*

Located in downtown State College, Schlow provides books, e-books, videos, and other services to the Centre Region.

At the time of this budget, the Township is not a participant in the COG's funding formula for the Library. However, the Township does have one representative on the Library's Board of Trustees, and the 2015 contribution to the Library is **\$378,112**. The Township's contribution is determined annually by the Board of Supervisors and is based on a recommendation from Township staff and Library staff. It should be noted that the Ferguson Township Board of Supervisors unanimously voted to rejoin the Schlow Centre Region Library in 2015. This request is currently being considered by the other members of the COG.

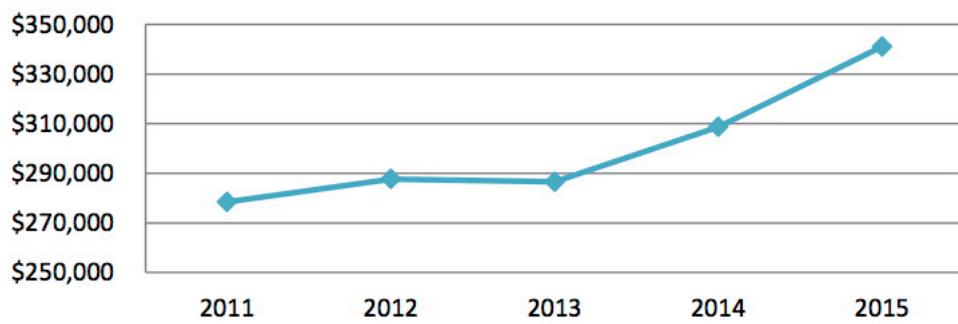
Contribution By Year - Schlow Library



Regional Fire Protection – \$19.51 per resident | \$1.80 more than 2014

Alpha Fire Company provides fire protection services to approximately 98 square miles in the Centre Region. Annually, the Township makes a contribution toward the Alpha Fire Company operating and capital expenditures. The Township's 2015 contribution to the Alpha's operating budget is **\$262,219**, or **\$14.79** per resident, and a capital contribution in the amount of **\$78,811**, or **\$4.44** per resident.

Contribution By Year - Alpha Fire Co. *(Operating and Capital)*

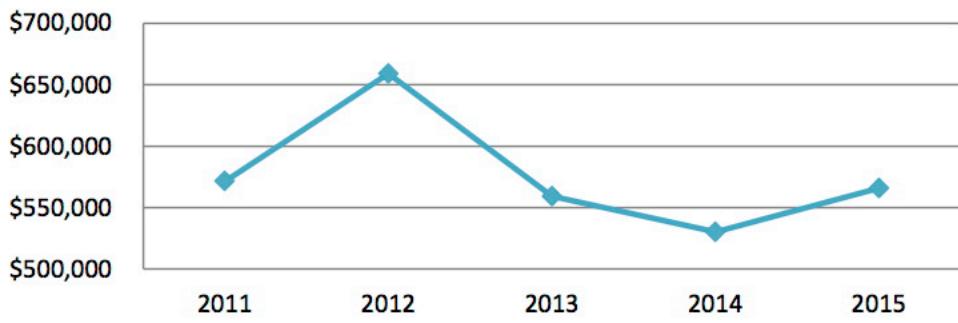


The Township also contributes **\$2,500** per year to Port Matilda Volunteer Fire Company and Warriors Mark Volunteer Fire Company, at a cost of an additional **\$.28** per resident. Both fire companies service a portion of Ferguson Township.

Parks and Recreation (CRPR) – \$31.90 per resident | \$2.01 more than 2014

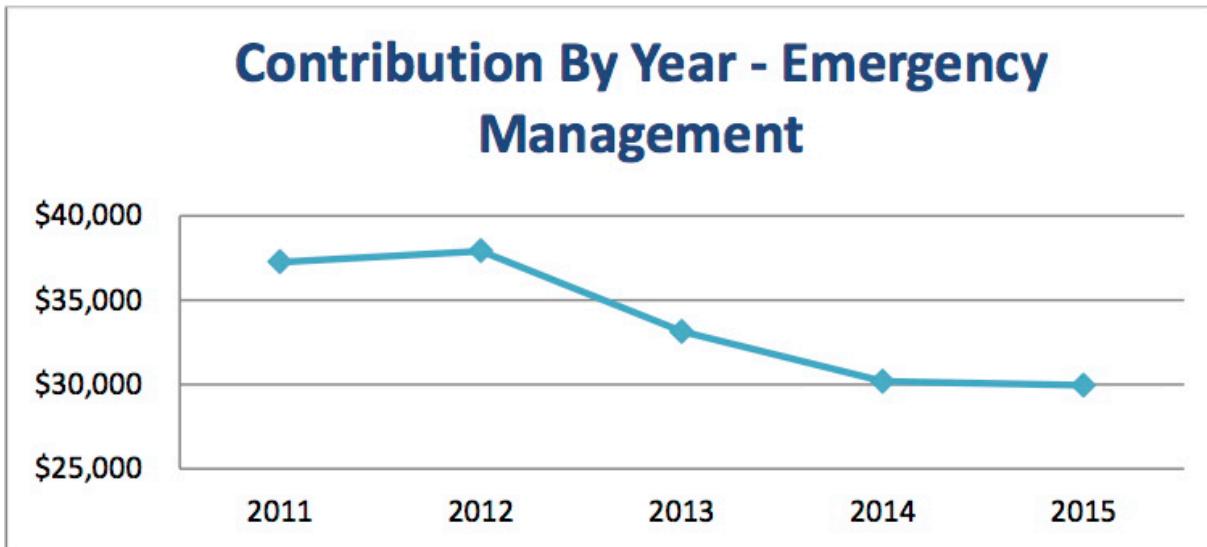
CRPR's responsibilities include the maintenance and operation of municipal and regional parks, aquatics facilities, the Millbrook Marsh Nature Center, and the *Centre Region Senior Center*. CRPR also offers a menu of programs, sports leagues, and special events for the enjoyment of Centre Region residents. Total Township contributions for all *capital* and *operating* expenditures by CRPR are budgeted at **\$565,701**.

Contribution By Year - CRPR *(Operating and Capital)*



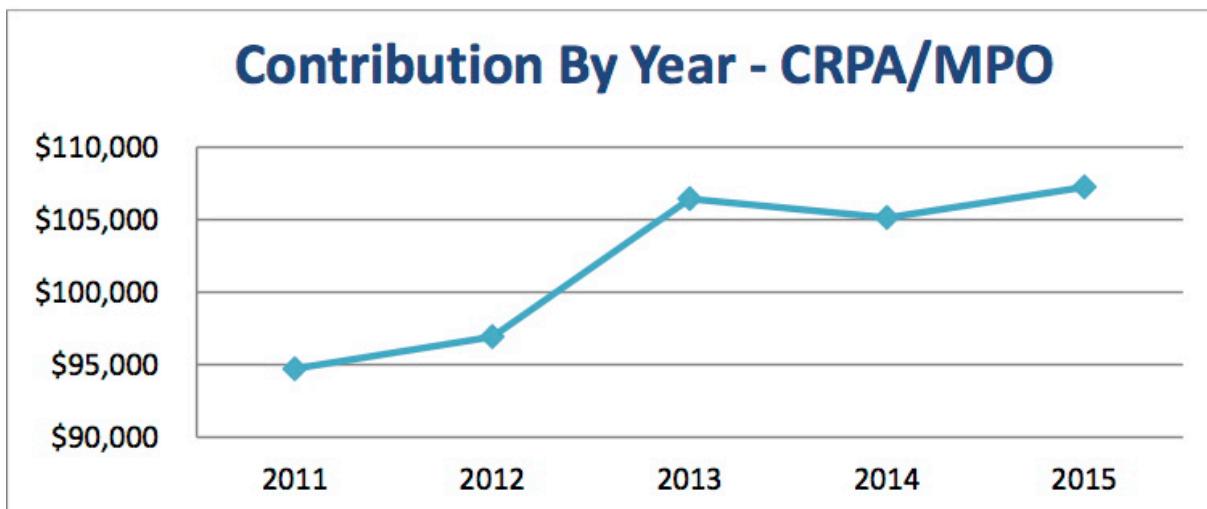
Centre Region Emergency Management – \$1.69 per resident | \$.01 less than 2014

The Centre Region Office of Emergency Management has operated a regional emergency management program since 1990. In 2002, the COG employed a full-time Emergency Management Coordinator to facilitate emergency operations throughout the Centre Region. Contributions to the program are made in two categories. The first covers the operational expenses of the program. In 2015, the Township's contribution to this category is budgeted at \$29,505. The second category is a contingency fund to be used in the event of a declared emergency. The fund has a cap of \$100,000, and the Township's contribution in 2015 is \$436.



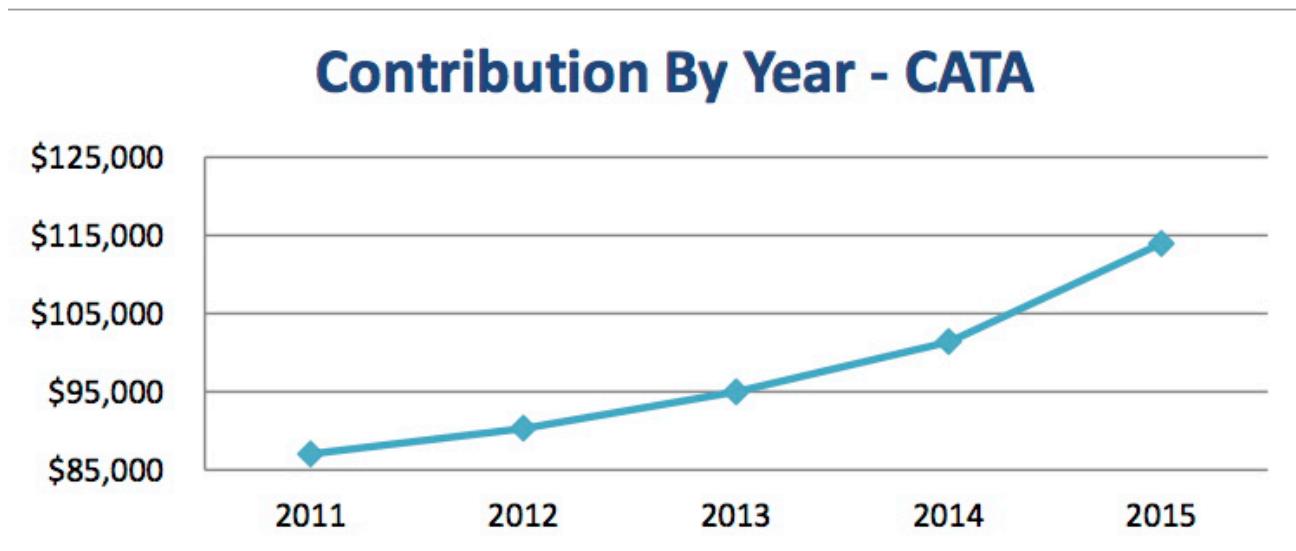
Centre Region Planning Agency & Metropolitan Planning Organization (CRPA/MPO) – \$6.05 per resident | \$.12 more than 2014

CRPA/MPO provides regional and local planning services to COG municipalities. CRPA/MPO has several important responsibilities. These include providing both local and regional planning and zoning services to the Centre Region. They are responsible for preparing the Centre Region Comprehensive Plan, the Act 537 Sewage Facilities Plan, and the Long Range Transportation Plan. 2015 contributions to CRPA and the MPO are \$76,601 and \$30,645, respectively.



CATA– \$6.43 per resident | \$.71 more than 2014

While not a COG program, the six municipalities that make up the COG, as well as Bellefonte Borough, Spring Township, and Benner Township, provide the funding needed for the Centre Area Transportation Authority (CATA) to deliver quality, efficient public transportation services. In 2015, the Township contribution to CATA's budget is **\$113,946**. It is important to note that municipal funding will be used to finance a multi-million dollar renovation and expansion project at CATA's existing facility.





Summary

Ferguson Township is poised to make tremendous strides toward the implementation of the Strategic Plan in 2015. Healthy fund balances and reliable revenue sources underscore the overall financial picture of the Township, and the outlook continues to be positive even in the face of unfunded mandates, higher costs, and new and expanded demands on service delivery.

There remain, however, several challenges that will face the community in the years ahead that will require prudent planning, sound budgeting, and, in some cases, difficult choices to ensure the continued progress and growth of the Township. Large capital projects like the Whitehall Road Regional Park, construction of the new State College High School, and streetscape development of the West College Avenue Corridor are just some examples of the increasing demands on public resources that are on the horizon.

You are invited and encouraged to take part in making your community a better place. By getting involved in a public meeting, serving on an authority, board, or commission, or stopping by to chat at a Coffee and Conversation, you can bring your knowledge to the table and help improve the quality of life for those around you.

On behalf of the Board of Supervisors, staff, and appointed officials, thank you for being a valued member of the community and making Ferguson Township a special place to live, work, study, and visit.