

# 2020 Budget Executive Summary



*Township of*

# FERGUSON

*Pennsylvania*



# 2020 Ferguson Township Budget Executive Summary

## Board of Supervisors

Steve Miller, Chair (At-Large)  
Laura Dininni, Vice Chair (Ward I)  
Lisa Strickland (At-Large)  
Patty Stephens (Ward III)  
Prasenjit Mitra (Ward II)



## Department Managers

David Pribulka, Township Manager  
Centrice Martin, Assistant to the Manager  
David Modricker, Director of Public Works  
Eric Endresen, Director of Finance  
Chris Albright, Chief of Police  
Jenna Wargo, Director of Planning & Zoning



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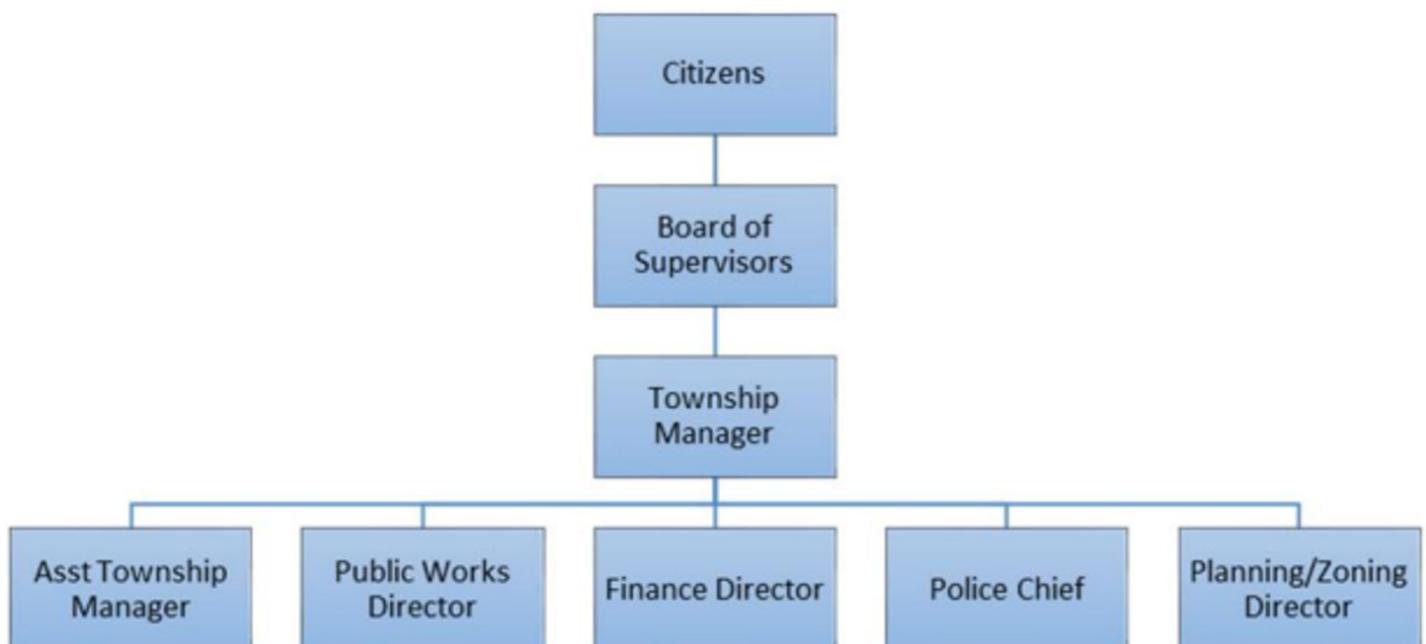


## Executive Organizational Chart

The Leadership Team in Ferguson Township is responsible for the supervision of staff, relations with the Board and the public, strategic planning, and more. In 2017, David Pribulka was appointed Township Manager. In that capacity, David serves as the Chief Administrative Officer over the Township's five departments.

On top of the Leadership Organizational Chart are the citizens of Ferguson Township. Through participation at public meetings, communications with elected and appointed officials, voting, and other involvement, citizens of the Township provide direction to the Board of Supervisors on priorities for expenditures and goals to advance the Township's mission.

The Board of Supervisors consists of five members, serving staggered four-year terms. Within the membership, two representatives are elected At-Large, meaning they may reside anywhere in the Township, and the remaining three are elected representing their geographic wards. Wards are established based on population and are revised periodically to reflect the makeup of the community.





# Introduction

## By Dave Pribulka, Ferguson Township Manager



It is my pleasure to be able to present to you the 2020 Budget Executive Summary. This document serves to supplement the Ferguson Township Strategic Plan, Annual Operating Budget, Five-Year Capital Improvement Program, and Comprehensive Annual Financial Report (Audit) by providing some useful information for you to help better understand how your tax dollars are utilized.

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 its 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' by aspiring to create a sense of place, preserving agriculture and environmentally sensitive areas, and establishing a vibrant town center. Ferguson Township is home to a strong, diversified community and provides an effective transportation system, a rural, small town atmosphere, and the location and availability of open space.

## 2017 Ferguson Township Strategic Plan

There are many documents utilized by staff and elected and appointed officials to guide day-to-day operations in assurance that tax revenue is being expended responsibly and in keeping with residents' interests. These include the Township's annual operating budget, five-year capital improvement program, Centre Region Comprehensive Plan, and more. The Strategic Plan serves as the guiding document that assures decisions are being made in accordance with the goals of the elected officials of Ferguson Township.

In the summer of 2016, the Ferguson Township Board of Supervisors adopted an update to its Strategic Plan. It is available online or for review at the Township building. The Strategic Plan outlines nine goals established through a series of community focus groups, a non-scientific online survey, and a work session of senior staff and the Board of Supervisors. The goals range from the promotion of clean, renewable energy to financial stability and economic development.



## 2019 Accomplishments

- ✓ Substantially completed Phase II of the Stormwater Fee Study;
- ✓ Concluded the design and bidding of the new Public Works Maintenance Facility;
- ✓ Established the Sourcewater Protection Overlay District;
- ✓ Adopted comprehensive rewrites of the Zoning and Subdivision and Land Development Ordinances;
- ✓ Completed millions of dollars of capital projects including roadway resurfacing, parkland improvements, and more;
- ✓ Adopted the Pine Grove Mills Small Area Plan;
- ✓ Began work on a strategy to achieve environmental sustainability in accordance with the Board's direction;
- ✓ Began work on renovating the municipal building to accommodate current and future staffing needs and improve the efficiency of our operations;
- ✓ Concluded the Northland Area Mobility Study to identify transportation improvements for pedestrians, bicyclists, motorists, and public transit throughout the corridor;
- ✓ Adopted a Parental Leave of Absence Policy and Remote Work Policy to make the Township a more competitive employment option to recruit top talent;
- ✓ Facilitated several land development reviews and ordinance amendments to allow for planned, sustainable growth in the community; and
- ✓ Hired new leadership and "front-line" staff including a new Planning & Zoning Director, Community Planner, and Communications Coordinator.



## 2020 Initiatives

- ✓ Update the Recreation, Parks, and Open Space Plan;
- ✓ Rewrite the Terraced Streetscape District Zoning Ordinance for the West College Avenue Corridor;
- ✓ Complete the renovations of the municipal building and the construction of the Public Works Maintenance Facility;
- ✓ Conclude reviews of land development plans for Orchard View (formerly Harner Farms) and other subdivisions;
- ✓ Install traffic signal optimization software to improve coordination between the Township's traffic signals to allow for smoother traffic flow;
- ✓ Update the Ferguson Township Strategic Plan;
- ✓ Conduct a salary survey to ensure the organization is remaining competitive in a modern workforce;
- ✓ Enhance e-Government services with a redesigned webpage, robust citizen services, electronic document management, and more;
- ✓ Bring closure to the friends and families of the victims of unsolved cases in the Township by dedicating additional resources and personnel to their investigations;
- ✓ Conclude the Stormwater Fee Study;
- ✓ Secure grant funding for improvements to Suburban Park and conclude the floodplain study of the park area;
- ✓ Complete the design of improvements to the Park Hills Drainageway; and
- ✓ Begin the process to implement the Pine Grove Mills Small Area Plan and Northland Area Transportation Mobility Study.





## Local Government is growing.

The old standards and expectations of local government service delivery must evolve to meet the needs of our time. It is still the highest priority of the Township to provide our residents with quality and professional public services, functional roads and infrastructure, and safety; however, the public rightly expects more of their government in the 21st century. Enhancements like electronic services, broadband Internet, climate adaptation and mitigation, and heightened transparency punctuate the mission of all Township departments. It is incumbent on all staff and elected and appointed officials to usher Ferguson Township into a modern era, and it is a challenge that we aim to meet head-on and continue to enhance the qualities that make this community a special place to live, work, study, and visit.

## Community Profile

Established:	1801
Population:	19,316 (U.S. Census population estimate as of July 1, 2017)
Population Density:	372.2 per square mile
Land Area:	52 square miles
Elevation:	1,200 feet
Boundaries:	Fixed
County:	Centre
Named For:	Thomas Ferguson, Miller

Since its formation in 1801, Ferguson Township has grown into a diverse community, combining the characteristics of residential life with those of industrial and agricultural interests. Named for Thomas Ferguson, an early settler who operated a mill in the Village of Pine Grove Mills, the Township sits on the southern edge of Centre County. The Township encompasses an area of 52 square miles and is home to approximately 19,316 residents. Several high-tech industries have found a home in Ferguson Township over the years including AccuWeather, Minitab, Sound Technology, Videon, and Raytheon. The Township is also home to major research facilities of The Pennsylvania State University, one of the nation’s premier agricultural and engineering institutions.

In 2015, Ferguson Township was recognized as a Certified Gold Community by Sustainable Pennsylvania. The recognition was a direct result of Ferguson Township's commitment to high-quality, sustainable governance. Efforts in the areas of agricultural preservation, comprehensive planning, sound financial management, and public safety are just a few reasons why the Township was honored with this distinction.

Sustainability in all our operations continues to be our primary focus. As stewards of taxpayer resources, it is our duty to ensure that revenue is focused on improving service delivery to our residents and businesses; but the challenge does not end there. There are new hurdles to overcome from unfunded state and federal liabilities, evolutions in the workforce, and a changing environment. As such, these continue to impress upon us the importance of our community's Mission and Value Statements.

It is my pleasure to report that the 2020 Operating Budget affirms this commitment to preserving and enhancing the features that make our community a special place to live, work, study, and visit.

Sincerely,  
**Township of Ferguson**

A handwritten signature in black ink, appearing to read "D. Pribulka", with a stylized flourish at the end.

David Pribulka  
Township Manager

## **Who are we?**

### ***Administration Department***

Effective professional management drives the mission of the Administration Department. Among its many responsibilities, Administration is tasked with the daily oversight of the Township's other departments. Additionally, the Administration Department, specifically the Township Manager, serves as the key liaison between the Board of Supervisors and Township staff. Duties in this capacity include working with the Board to create meeting agendas, organize staff work plans, and facilitating the implementation of policies established by the elected officials.

Other responsibilities of the Administration Department include organizing community engagement initiatives. The Township Manager and Assistant to the Manager conduct regular meetings with community stakeholders such as residents, businesses, and neighborhood associations.

The Department also includes a Communications Coordinator responsible for producing publications that include the monthly e-Newsletter, semi-annual print newsletter and other documents, as well as managing social media designed to communicate Township services and initiatives to the people who call the Township home. A shared Administrative Assistant is also included in the department and reports to the Finance Director and Human Resources Administrator.

Human resource management, compliance with state and federal law, budget preparation, employee labor relations, and more all make up the day-to-day activities of the Administration Department. As increased demands are placed upon municipalities for more efficient and effective local and regional services, the call for sound professional management becomes more important.

## ***Finance Department***

With planned expenditures in the Township's General Fund budgeted to exceed \$13.6 million in 2020, sound financial management is critical to the operation of municipal services. The Department handles all revenue and expenditures associated with Township operations. These include managing accounts receivable and payable, collecting taxes, and monitoring Township debt.

Additionally, the Finance Department is responsible for administering payroll, managing grant revenue, tracking fixed assets and inventories, invoicing, and analyzing trends to ensure the solvency of the Township and its budget. The Finance Department includes the Finance Director, Accountant, Tax Associate, and an Administrative Assistant shared with the Administration Department.





## ***Public Works Department***

With more than 50 square miles and over 90 road miles, public improvement projects are constantly underway. The Public Works Department consists of several “branches,” each with responsibility for the management of different, yet related services. The Engineering Department is responsible for designing and inspecting capital projects, reviewing land development plans for compliance with Township ordinances such as traffic and stormwater, managing the Municipal Separate Storm Sewer System (MS4) Program, and Geographic Information Systems (GIS) mapping.

The Township’s road crew is responsible for the maintenance of Township roads and infrastructure. These responsibilities include snow removal, landscaping, execution of road projects, maintenance of the Township’s fleet of vehicles, and much more. The Township also employs a full-time Arborist who is responsible for the maintenance and care of the Township’s tree inventory, which includes over 4,500 trees of various species. Finally, the Public Works Department includes two custodians responsible for maintaining the Township’s campus.



## ***Planning & Zoning Department***

Sound land use planning is always at the heart of Goal 3 of the Strategic Plan – Growth Management. Accommodating growth while preserving the agricultural heritage that makes Ferguson Township unique can be challenging. The Planning & Zoning Department employs a Director, Community Planner, Zoning Officer, and Staff Assistant.

The Department shares an Administrative Assistant with Public Works and a part-time Ordinance Enforcement Officer with the Police Department. The Department reviews zoning permit applications, and subdivision and land development plans. These are reviewed for consistency with Township ordinances and overall goals, as well as compliance with the Pennsylvania Municipalities Planning Code.

The Planning & Zoning Department also proactively drafts new ordinances to address the demands of a changing community. As new technology emerges in areas such as alternative energy, and digital infrastructure, the Township must be poised to adapt and effectively regulate these arenas for the benefit of the entire community.



## ***Police Department***

Charged with providing for public safety, the Township's 22-person Police Department is a 24 hours-per-day, 365 (366 this year!) days-per-year operation. Responsibilities include patrolling the more than 90 road miles owned by the state and municipality within Township borders, deterring, preventing, and investigating criminal activity, enforcing traffic laws, investigating crashes, and responding to calls for service.

The Police Department works cooperatively with other local jurisdictions including Patton Township, State College Borough, and Penn State University to share information, provide assistance when needed, and provide community education and outreach. The Police Department works cooperatively with other local jurisdictions—including Patton Township, State College Borough, and Penn State University—to share information, provide assistance when needed, and provide community education and outreach. In 2018, the Department dedicated a cold case team to investigating unsolved crimes. That team continues to work on resolving the Township's unsolved cases in 2020.

Throughout the year, the Police Department hosts and participates in several community outreach events. These include the annual Bike Rodeo, school walkthroughs, Crisis Intervention Team Training, biannual Township Open House, and many others. Additionally, the Police Department assists with the policing of several large events per year including Penn State football games.

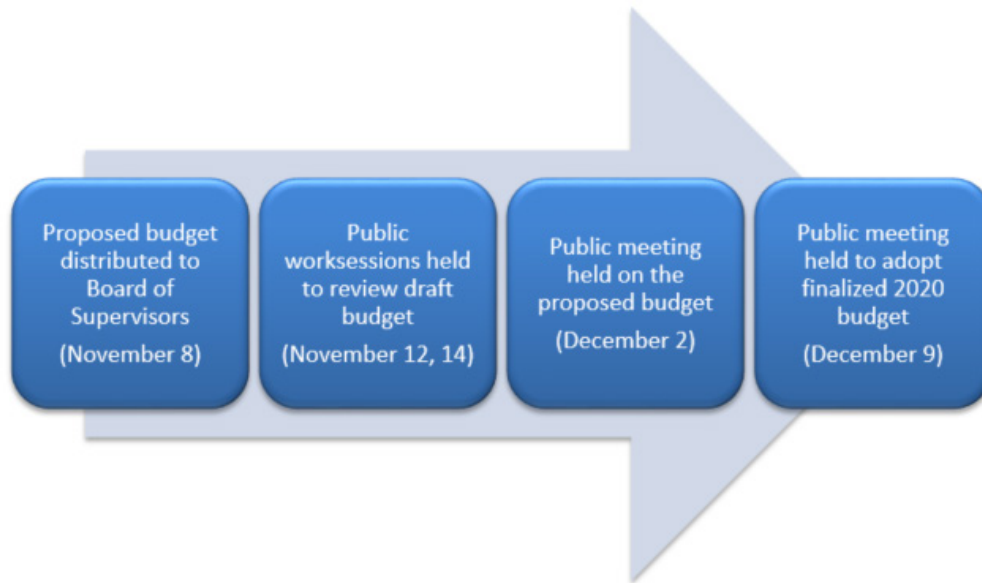
In 2017, the Department earned accreditation through the Pennsylvania Law Enforcement Accreditation Commission. This rigorous program required the Department to demonstrate compliance with dozens of established policies governing topics from patrol to collection and preservation of evidence and many others.

This voluntary accreditation program exemplifies the dedication of the Police Department to providing for public safety in a competent and professional manner. In 2020, the Department will go through the process to achieve reaccreditation by reaffirming the policies required by the Pennsylvania Law Enforcement Accreditation Commission.





# 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.

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. The Township is honored to have been recognized for adherence to these principles.

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 streetlights in Ferguson Township. The largest Township fund is the General Fund, and the majority of Township expenditures are financed 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.				
Departments Involved: Administration, Finance, Planning & Zoning, Public Works, Police				
2019 Budgeted Expenditures	2020 Budgeted Proposed	Dollar Value Change from 2019	Percent Change from 2019	Remaining Fund Balance
\$12,710,444	\$13,656,761	\$946,317	7.45%	\$6,070,777
STREETLIGHT FUND				
The Street Light Fund is a specialized fund dedicated to the operation of streetlights located in the Township. Revenue for this fund comes from assessments levied annually on properties located within a 250-foot radius of a streetlight. Expenditures in this fund include maintenance, bulb replacements, and electricity to illuminate 219 streetlights in the Township.				
Departments Involved: Public Works, Finance				

2019 Budgeted Expenditures	2020 Budgeted Expenditures	Dollar Value Change from 2019	Percent Change from 2019	Remaining Fund Balance
\$22,500	\$22,500	\$22,500	0%	\$650

### 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. A substantial increase in this Fund in 2020 is attributable to an increase in the rates assessed for fire hydrant service by the State College Borough Water Authority.

Departments Involved: Public Works, Finance

2019 Budgeted Expenditures	2020 Budgeted Expenditures	Dollar Value Change from 2019	Percent Change from 2019	Remaining Fund Balance
\$41,375	\$85,000	\$43,625	106%	\$500

### 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.

Departments Involved: Public Works

2019 Budgeted Expenditures	2020 Budgeted Expenditures	Dollar Value Change from 2019	Percent Change from 2019	Remaining Fund Balance
\$618,000	\$592,750	-\$25,250	-4%	\$920,365

### GENERAL OBLIGATION FUND

In 2019, the Township authorized the issuance of a General Obligation Bond in the amount of \$6,995,000 to finance the construction of a new Public Works Maintenance Facility. The proceeds of this bond, originally anticipated in 2019, have been added to the 2020 Operating Budget in this Fund. A majority of this fund balance will be transferred into the Capital Reserve Fund to pay for the construction of the maintenance facility.

Departments Involved: Administration, Finance



2019 Budgeted Expenditures	2020 Budgeted Expenditures	Dollar Value Change from 2019	Percent Change from 2019	Remaining Fund Balance
\$6,001,000	\$7,617,895	\$1,616,895	27%	\$341,156

### **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. Budgeted expenditures in this fund vary greatly year to year depending on whether farms in Ferguson Township are selected for preservation and the acreage to be preserved.

Departments Involved: Administration, Planning & Zoning

2019 Budgeted Expenditures	2020 Budgeted Proposed	Dollar Value Change from 2019	Percent Change from 2019	Remaining Fund Balance
\$60,000	\$53,250	-\$6,750	-12%	\$52,863

### **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. In 2020, this fund includes the costs associated with the final design and construction of the new Public Works Maintenance Facility, which will be funded by transferred revenue from the General Obligation Fund.

Departments Involved: Administration, Finance, Planning & Zoning, Public Works, Police

2019 Budgeted Expenditures	2020 Budgeted Proposed	Dollar Value Change from 2019	Percent Change from 2019	Remaining Fund Balance
\$7,654,638	\$8,937,950	\$1,283,312	16.77%	\$133,991

## 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 from fee paid in lieu of parkland associated with private land development. Typically, the Township will accept a fee-in-lieu of parkland to better plan for the recreational needs of the community.

Departments Involved: Public Works, Centre Region Parks and Recreation\*\*

2019 Budgeted Expenditures	2020 Budgeted Proposed	Dollar Value Change from 2019	Percent Change from 2019	Remaining Fund Balance
\$149,376	\$143,216	-\$6,160	-4.13%	\$1,446,500

## 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.

Departments Involved: Public Works

2019 Budgeted Expenditures	2020 Budgeted Proposed	Dollar Value Change from 2019	Percent Change from 2019	Remaining Fund Balance
\$3,251,000	\$3,036,400	-\$214,600	-6.61%	\$2,664,108

## PINE GROVE MILLS STREETLIGHT FUND

This specialized fund accounts for the cost of construction of the Pine Grove Mills streetlights. Revenue primarily comes from resident contributions.

Departments Involved: Administration, Public Works

2019 Budgeted Expenditures	2020 Budgeted Proposed	Dollar Value Change from 2019	Percent Change from 2019	Remaining Fund Balance

\$0	\$0	\$0	0.00%	\$20,384
<b>PARK IMPROVEMENT FUND</b>				
This capital projects fund is used for improvements made to parks located within the Township. In 2020, capital expenditures on parks were moved to this Fund.				
Departments Involved: Administration, Public Works, Centre Region Parks and Recreation**				
2019 Budgeted Expenditures	2020 Budgeted Proposed	Dollar Value Change from 2019	Percent Change from 2019	Remaining Fund Balance
\$0	\$195,100	\$195,000	100%	\$7,840
<b>POLICE PENSION TRUST FUND</b>				
This fund accounts for pension payments made to 12 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.				
Departments Involved: Administration, Finance, Police				
2019 Budgeted Expenditures	2020 Budgeted Expenditures	Dollar Value Change from 2019	Percent Change from 2019	Remaining Fund Balance
\$327,650	\$327,650	\$0	0%	\$5,476,221
<b>NON-UNIFORMED PENSION TRUST FUND</b>				
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.				
Departments Involved: Administration, Finance				
2019 Budgeted Expenditures	2020 Budgeted Proposed	Dollar Value Change from 2019	Percent Change from 2019	Remaining Fund Balance
\$56,500	\$70,766	\$14,266	25.25%	\$3,631,710



## 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.

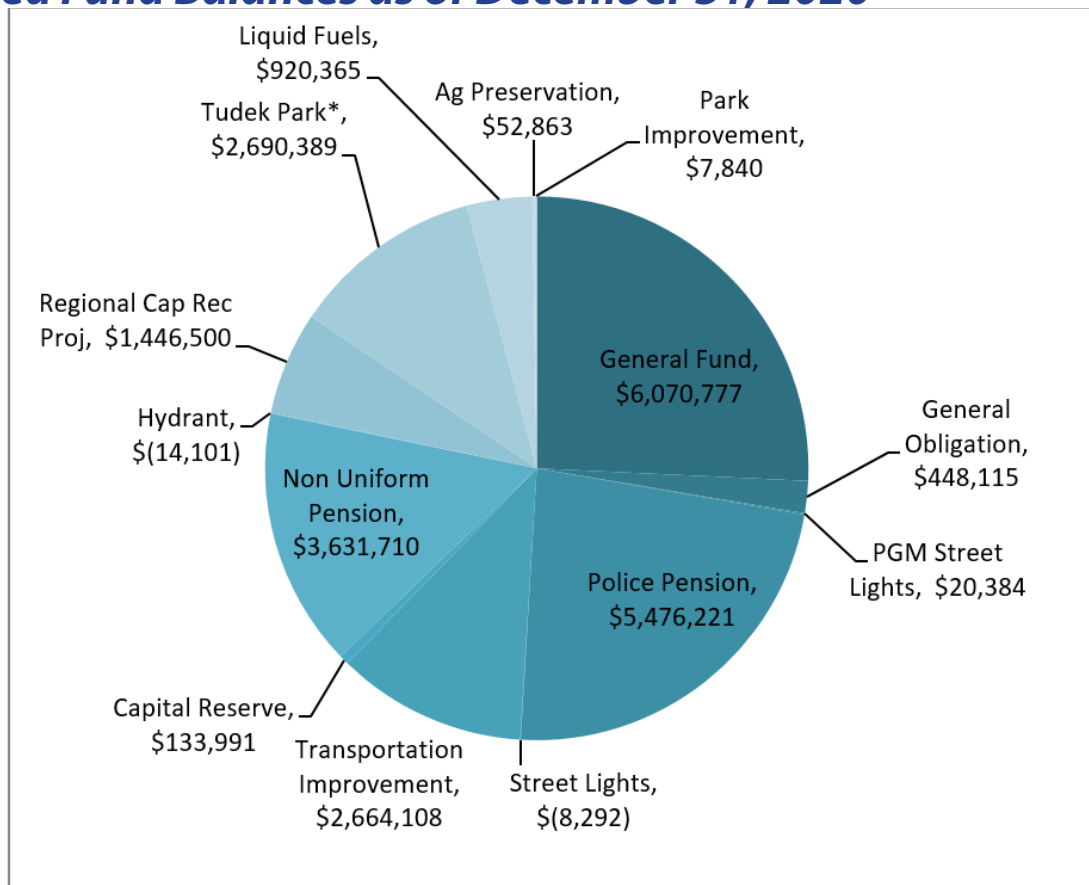
Departments Involved: Administration, Centre Region Parks and Recreation\*\*, Tom Tudek Memorial Park Trust

2019 Budgeted Expenditures	2020 Budgeted Proposed	Dollar Value Change from 2019	Percent Change from 2019	Remaining Fund Balance
\$24,018	\$72,518	\$48,500	201.94%	\$2,690,389

\* Includes value of property assets.

\*\* Denotes Centre Region Council of Government Agency or Program

### ***Estimated Fund Balances as of December 31, 2020***



\* Includes Tudek Land as an asset.

## Revenue: Where does most of the money come from?

As you might expect, taxes make up approximately **80%** of the total revenue collected by the Township. For the twelfth 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 - \$1,450,000***

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.

## 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:

<b>Category</b>	<b>2020 Budgeted Revenue (Total Figures)</b>
<b>Real Property Taxes</b>	<b>\$1,494,220</b>
<b>Local Enabling Taxes - Real Estate Transfer Tax: \$1,450,000 Earned Income Tax: \$7,000,000 Local Services Tax \$330,000</b>	<b>\$8,780,000</b>
<b>Licenses &amp; Permits</b>	<b>\$302,052</b>
<b>Fines</b>	<b>\$65,300</b>
<b>Interest Revenue, Rents &amp; Royalties, Other</b>	<b>\$226,409</b>

<b>Category</b>	<b>2020 Budgeted Revenue (Total Figures)</b>
<b>Federal Grant Revenues</b>	\$40,000
<b>State Revenues</b>	\$631,591
<b>Local Revenues</b>	\$195,398
<b>Charges for Services</b>	\$173,940
<b>Interfund Operating Transfers-In</b>	\$70,766
<b>Total Revenue</b>	<b>\$11,979,676</b>

The projected General Fund revenue is not sufficient to cover the proposed expenditures in 2020. Assuming revenues and expenditures are exactly correct, there will be a deficit of **\$1,677,085** in the General Fund.

## How is the difference made up?

### *Fund Balances*

In some years, the Township expends more money than it takes in; in other years, the Township collects more revenue than it spends in other years. When revenues exceed expenditures in any 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 2020 without the need for a tax increase. There is no legal requirement for the Township to carry a fund balance; however, the Government Finance Officers Association recommends that local governments carry a fund balance in the General Fund of 25% of its expenditures. At the end of 2020, the Township's fund balance in the General Fund is predicted to be approximately **44%** of its proposed expenditures, or \$6,070,777. This means the Township will remain in a strong financial position at the end of the fiscal year.

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.



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. Because the revenue collected from this tax is dependent on market conditions, it can fluctuate year-to-year and it is a difficult revenue stream to predict with great accuracy.

### ***Real Property Tax - \$1,484,220***

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 2020 Budget, this budget amount is estimated at \$10,000.

### ***Earned Income Tax - \$7,000,000***

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, since 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. The Township receives approximately 9,000 individual tax returns per year.

## ***Local Services Tax - \$330,000***

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 **\$13,656,761** in planned General Fund expenditures in 2020 are divided among 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.

## ***Where do your taxes go?***

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

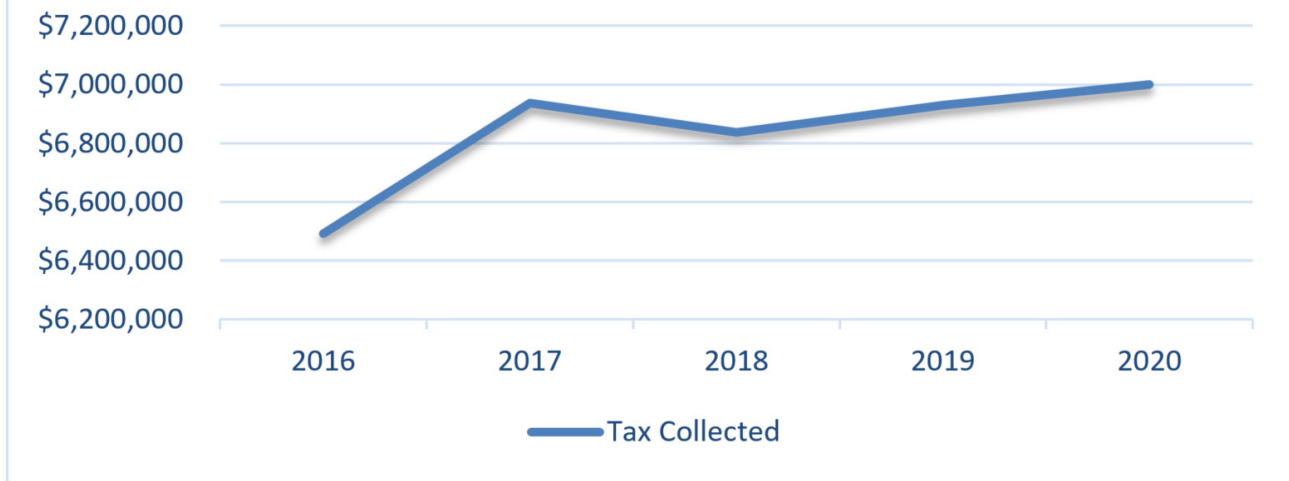
Ever wonder what happens to your tax dollars once they are paid? In addition to funding the services provided by the Township, your taxes are also allocated to other organizations such as Centre County and the State College Area School District. An important goal of the 2017 Strategic Plan is 'Financial Stability,' and includes adjusting revenues to adequately fund programs and needs. 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** are remitted to Ferguson Township, and **40 cents** are 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.



79 Cents to School District



16 Cents to  
County



5 Cents to  
Township

## **Public Safety - \$133.82 per resident | ↑ \$5.03 more than 2019**

The Police Department is responsible for patrolling approximately 52 square miles and more than 90 road miles to help ensure the safety of the students, visitors, and residents of Ferguson Township. In the 2020 General Fund, Public Safety operating expenditures are budgeted at **\$2,450,666**, or **\$126.87** 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 **\$231,400**, or **\$11.98** per resident. Capital expenses for 2018 included one new police cruiser, new mobile data forensic software, and the remaining Township share of the replacement of the Mobile Data/Records Management System. Public Safety expenditures do get offset by some federal and state grant revenue, which varies by year depending on the availability of funding.

## **Public Works – \$694.04 per resident | ↑ \$79.47 more than 2019**

The Public Works Department includes the Director, road crew, two engineers and an Engineer's Assistant, a GIS technician, Arborist, 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 2020 General Fund is **\$1,989,128**, or **\$102.98** 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 **\$8,560,550**, or **\$443.18** per resident.

Infrastructure projects represent a significant cost to Township residents. There are over 90 road and street miles in Ferguson Township, and cost to maintain those roads typically exceeds \$1 million each year. Road projects in 2020 are expected to total **\$2,856,400**, or **\$147.88** per resident. A description of planned 2020 road projects can be found on page 287 of the budget document.

It is important to note that these figures represent a substantial one-time cost associated with the construction of a new Public Works Maintenance Facility. The cost of this will be absorbed through a municipal bond issued in 2019 and paid back over the life of the bond.

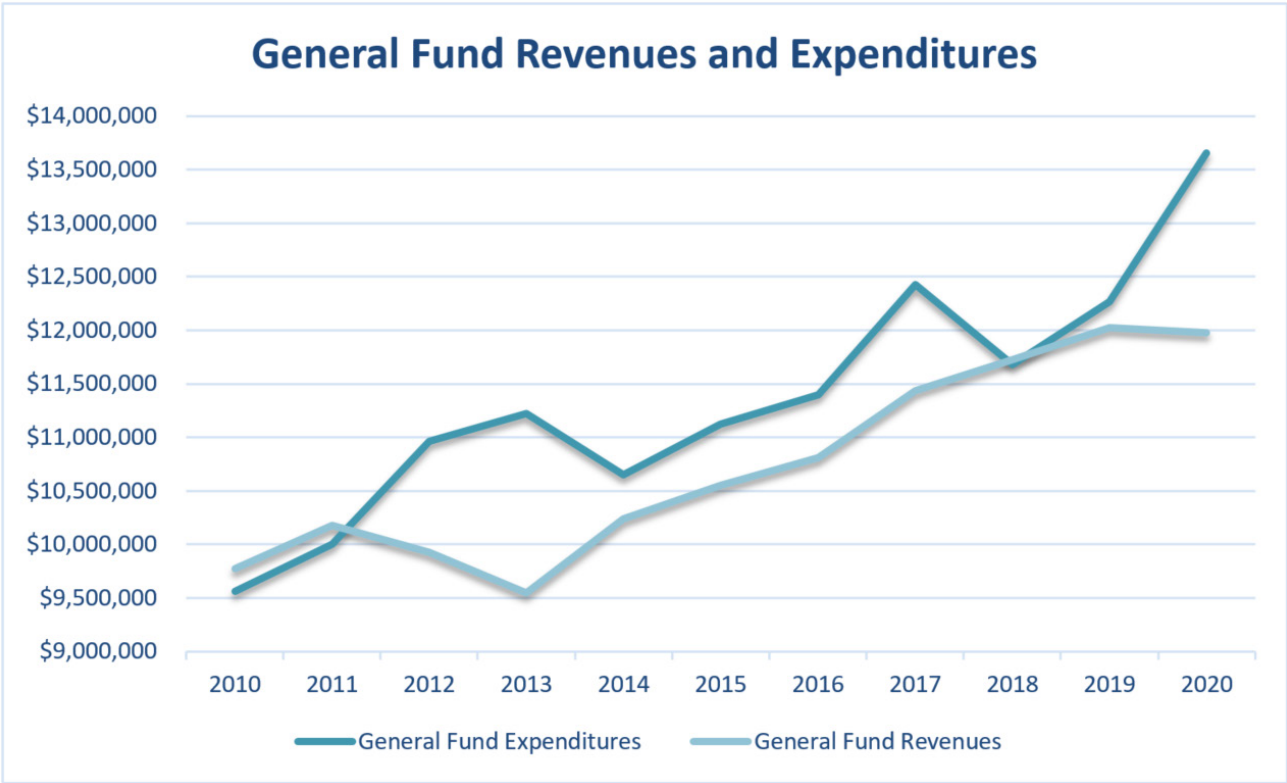


## Expenditures

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 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 growth in both revenue and expenditures. Steady growth in both areas helps to ensure the provision of quality services.

## Earned Income Tax

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



## Local Services

The five departments of Ferguson Township are primarily responsible for the delivery of most of the public services provided each day. Census data from the American Community Survey shows that Ferguson Township is home to an estimated **19,316** residents. Using this number, it’s possible to approximate the cost of services provided per resident. It is important to note, however, that these figures are estimates. Changes in assumptions and how expenditures are funded, such as through debt service, may conflate line items in the budget and make per resident expenditures appear to increase or decrease more dramatically than they really are.

## **Administration – \$24.90 per resident | ↑ \$3.42 more than 2019**

The Administration Department consists of the Township Manager, Assistant to the Manager, HR Administrator, Communications Coordinator, and administrative staff. The 2020 operating expenditures are budgeted at **\$415,762**, or **\$21.53** per resident. Expenses in this category include staff salaries, office supplies, communications, and other expenses. Capital expenditures are budgeted at **\$65,000**, or **\$3.37** per resident, and includes consulting services for a fire station study, Strategic Plan update, and a test of the Township's disaster recovery plan.

## **Government Buildings – \$9.73 per resident | ↑ \$.29 more than 2019**

The cost of maintenance of government buildings in 2020 is budgeted at **\$187,953**, or **\$9.73** per resident. This includes the salary for two maintenance staff, one of whom is shared with the Centre Region Council of Governments. Additionally, the expenditures include contracted services associated with the maintenance and operations of the municipal buildings.



## ***Planning & Zoning – \$25.49 per resident | ↓ \$4.84 less than 2019***

Operating expenditures are budgeted at **\$398,780** or **\$20.65** per resident. This category includes salaries, advertising and printing costs, and other operating expenditures. No capital expenditures are budgeted for the Planning & Zoning Department in 2020.



## ***Finance, Tax, and IT – \$28.40 per resident | ↑ \$1.19 more than 2019***

Operating expenditures for the Finance Department and Tax Office are budgeted at **\$281,657**, or **\$14.59** per resident. This category covers salaries, audit fees, and other operating expenditures. There are no capital expenditures budgeted for the Finance Department and Tax Office in 2020.

Information Technology is managed by the Finance Department. The operating budget for IT in 2020 is **\$191,618**, or **\$9.92** 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 **\$75,000**, or **\$3.89** per resident. These expenses include two replacement servers; audio/visual upgrades to the Main Meeting Room; and new hardware for the Public Works Maintenance Facility.



## ***Regional Services***

Goal 9 of the Ferguson Township Strategic Plan—"Partnerships and Regional Thinking"—commits the Township to working toward regional cooperation where beneficial.

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.





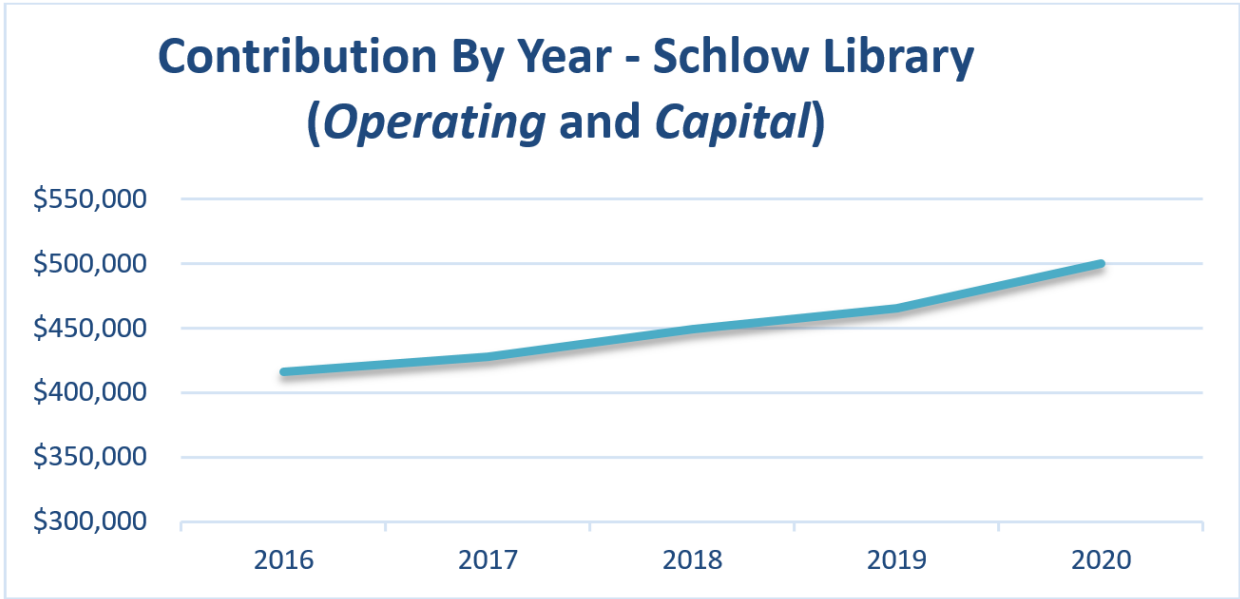
The following is an overview of the Township’s contributions to the COG programs. For more information on each program’s expenditures, please refer to the [2020 COG Summary Budget](#).

**Schlow Centre Region Library – \$25.92 per resident |**  
**↑ \$1.84 more than 2019**

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

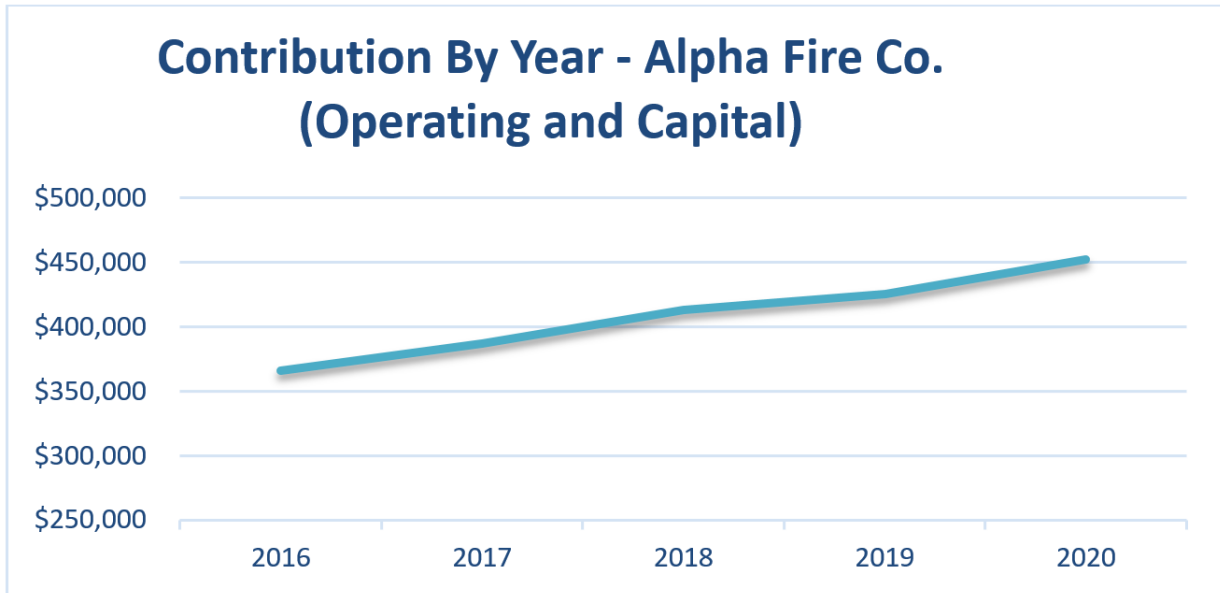


In 2015, the Township became signatory for the Schlow Centre Region Library Article of Agreement. The Township currently has one representative on the Library’s Board of Trustees, and a second member will soon be added. The 2019 contribution to the Library’s operating budget is **\$475,730**, or **\$24.64** per resident, and a contribution of **\$24,626** to the Library’s capital budget, or **\$1.28** per resident. By rejoining the Article of Agreement, the Township has agreed to finance the Library based on the COG funding formula, rather than have its annual allocation determined by the Board of Supervisors.



## **Regional Fire Protection – \$23.82 per resident |** **↑ \$1.43 more than 2019**

Alpha Fire Company provides fire protection services to approximately 98 square miles in the Centre Region. Annually, the Township contributes toward the Alpha Fire Company operating and capital expenditures. The Township's 2020 contribution to Alpha's operating budget is **\$358,259**, or **\$18.56** per resident, and a capital contribution in the amount of **\$94,303**, or **\$4.89** per resident.

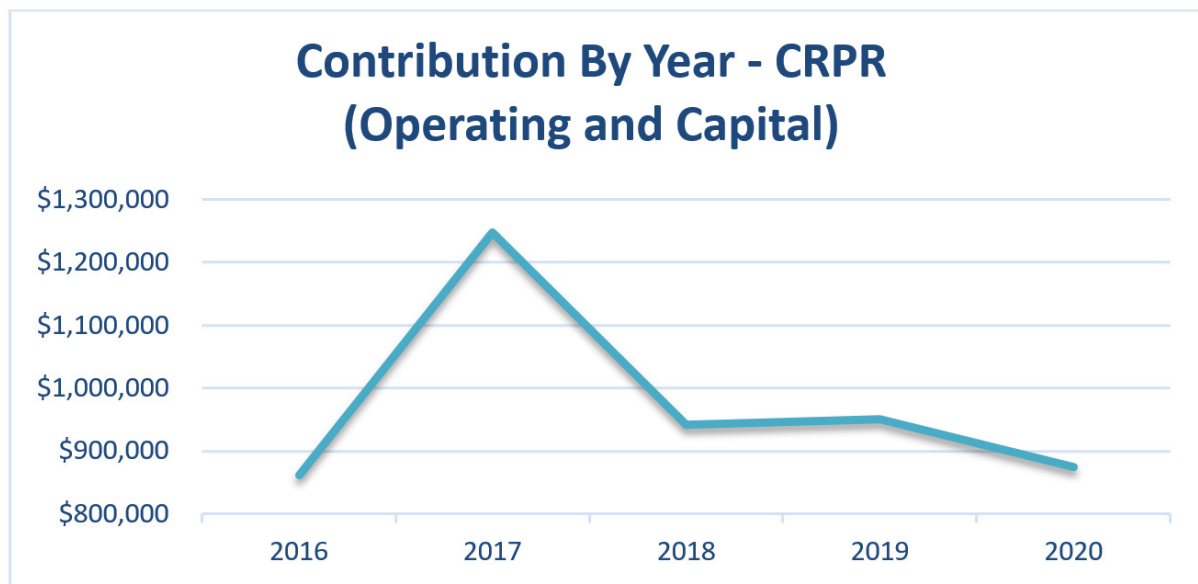


The Township is also contributing **\$3,500** in 2020 to both Port Matilda Volunteer Fire Company and Warriors Mark Volunteer Fire Company, at a cost of an additional **\$.37** per resident. Both fire companies service a portion of Ferguson Township.



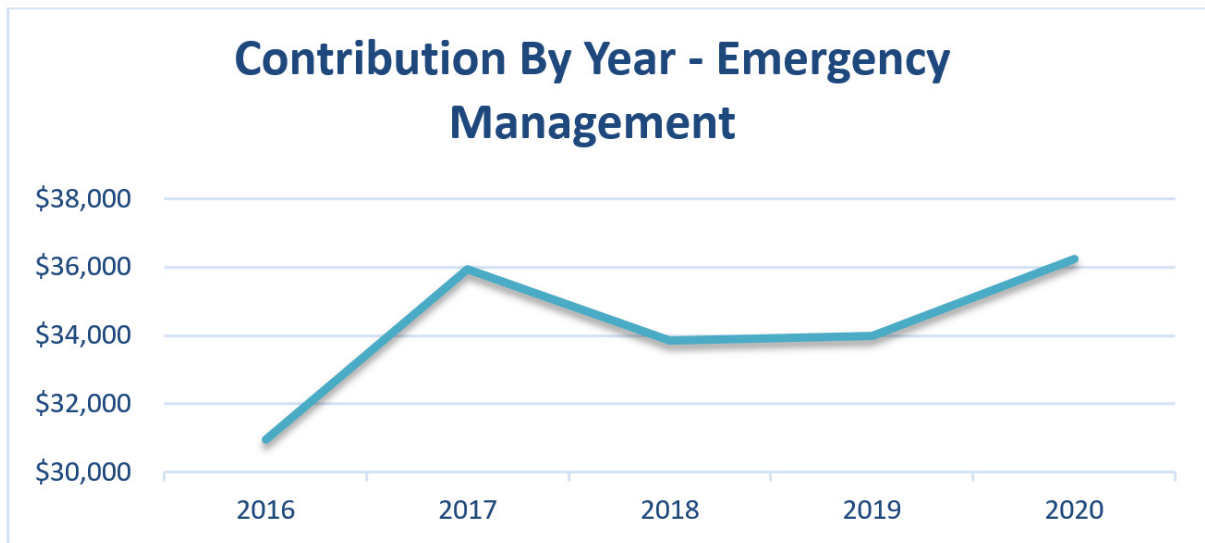
## ***Parks and Recreation - \$45.33 per resident | ↓ \$3.90 less than 2019***

Centre Region Parks and Recreation's responsibilities include the maintenance and operation of municipal and regional parks, aquatics facilities, the Millbrook Marsh Nature Center, and the Centre Region Active Adult Center. CRPR also offers a menu of programs, sports leagues, and special events for the enjoyment of Centre Region residents. Total Township Centre Region contributions for all capital and operating expenditures are budgeted at **\$875,279**, or **\$45.33**. This item includes drinking fountain replacements; playground safety updates; a floodplain study at Suburban Park; pollinator and native landscape plantings; and paving eroded bicycle and walking paths.



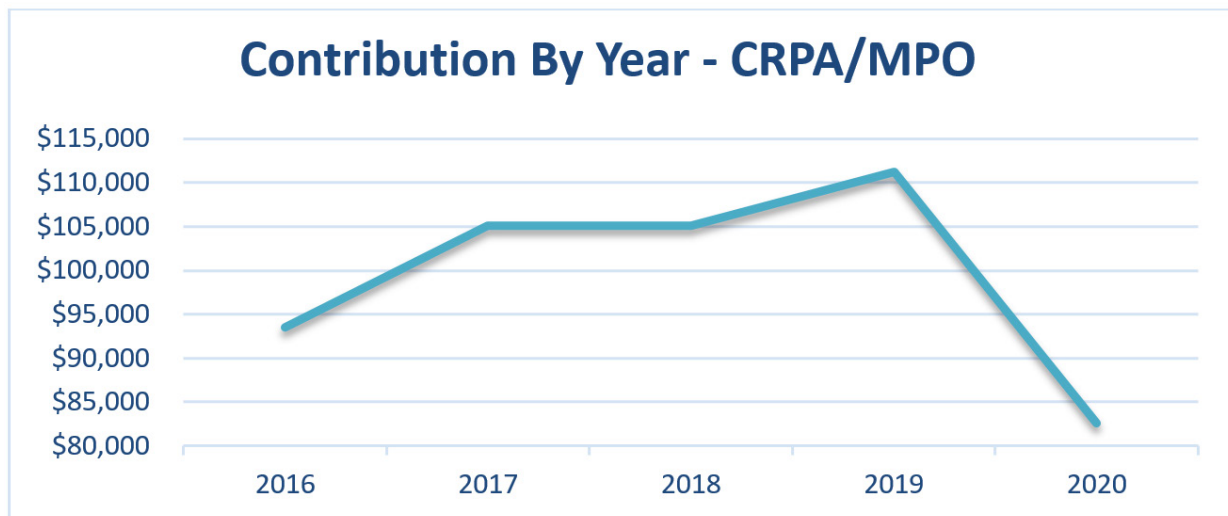
## ***Emergency Management – \$1.88 per resident | ↑ \$.12 more than 2019***

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 2020, the Township's contribution to this category is budgeted at **\$36,239**, or **\$1.88** per resident. 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. Nothing has been budgeted for the Emergency Management Contingency Fund in 2020, as the fund has been capped at \$100,000 and is at full balance.



**Centre Region Planning Agency & Metropolitan Planning Organization (CRPA/MPO) – \$4.28 per resident |**  
**↓ \$1.48 less than 2019**

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. 2020 contributions to CRPA and the MPO are **\$51,920**, or **\$2.69** per resident, and **\$30,715**, or **\$1.59** per resident, respectively.

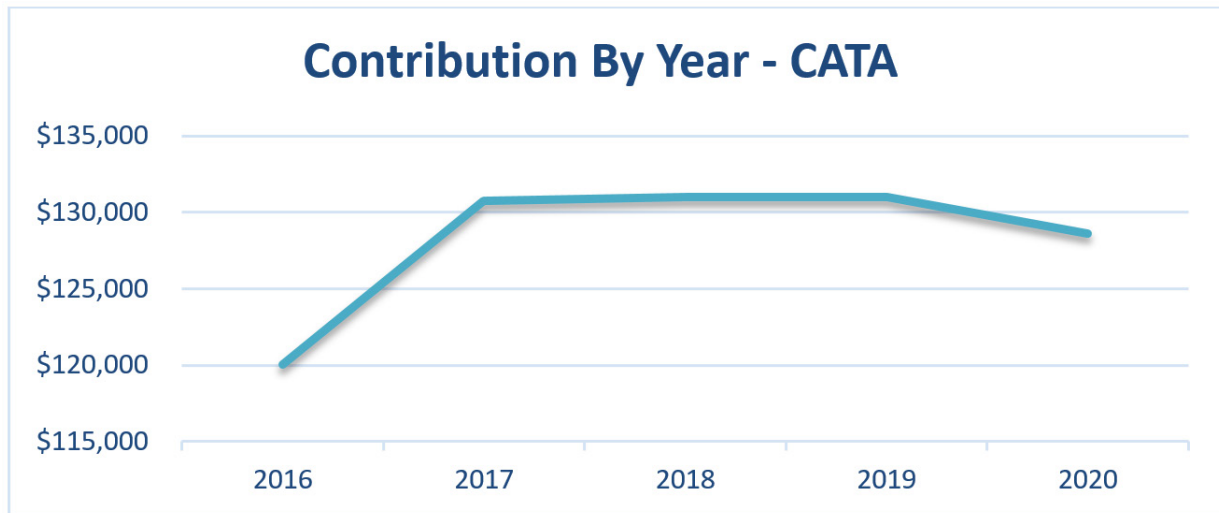




**CATA - \$6.67 per resident**

**↓ \$ .11 less than 2019**

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. Penn State University also contributes to the CATA budget. In 2020, the Township contribution to CATA's budget is **\$128,638**, or **\$6.67** per resident.



## Summary

This year continues the exciting progress that began in 2019. Major community-wide initiatives including the updates to the Zoning and Subdivision and Land Development Ordinances; Tree Preservation Ordinance; Recreation, Parks, and Open Space Plan; Ferguson Township Strategic Plan; and Pine Grove Mills Small Area Plan will help keep the Township on a path toward prosperity. Additionally, completion of the renovation of the municipal building and construction of a new Public Works Maintenance Facility will help the Township accommodate its growing need for staff and equipment for decades to come.

Looking to the future is also a top priority in 2020. The Township is concluding a two-year Stormwater Fee Study to determine the feasibility and need to impose a separate fee for stormwater management. Over the decades, this has become a larger and larger component of the Township's budget – exceeding \$1 million per year for all obligations. The millions of dollars of stormwater management infrastructure for which the Township is responsible is threatening to strain the municipal reserves and has created the need for difficult decisions about how to free up additional resources to cover the expenses. All residents and property owners are invited and encouraged to be a part of that discussion.

As the Township rolled out our new website in 2019, it was apparent that new features for citizen involvement and e-services are needed. In 2020, residents can look forward to new engagement tools that provide the ability to interact with staff and officials from the comfort of home. New regional permitting software that will be deployed in 2021 promised to provide even more interactive features for online zoning and building permit applications and other services. All of this means that you will be better served by your local government have new ways to get involved and informed.

