1. CALL TO ORDER

Vice-Chair Tammy Perkins called the meeting to order at 9:00 a.m. Other Supervisors present were Bruce Helms (by Zoom); Ron Servello, Lorin Nauman, Patti Hartle (by Zoom). Staff present were Amy Smith, Township Secretary; Brett Laird, Township Treasurer and Chuck Beck, Township Roadmaster.

Residents & others in attendance: None.

Zoom attendance: None.

2. AGENDA APPROVAL

- ***MOTION: Mr. Nauman moved to approve the agenda as presented; Mr. Servello seconded; Vote 5-0-0; Motion Carried.***

3. PUBLIC COMMENTS

There were no public comments.

4. FY 2027 PRELIMINARY DRAFT BUDGET

Mr. Laird reviewed the preliminary draft budget by fund.

State Highway Aid Fund

Mr. Laird reviewed the State Highway Aid Fund and highlighted total estimated revenues of $131,816.50, consisting primarily of Motor Vehicle Fuels Tax revenues. He also reviewed the proposed expenditure for the Smith Road Overlay Project, extending from the intersection of Tow Hill Road to Marengo Road. The $419,155.00 allocation serves as a budget placeholder in the event the Township does not secure grant funding for the project.

Capital Reserve Fund

Mr. Laird reviewed the Capital Reserve Fund and explained that the 2027 budget includes a $500,000 placeholder to provide the Township with financial flexibility as it proceeds with building planning activities in 2027.

Mr. Servello expressed his support for the proposed allocation but emphasized the importance of taking meaningful action and making progress, rather than repeating the inaction experienced by previous boards.

Park and Recreation Fund

Mr. Laird reviewed the proposed 2027 Park and Recreation Fund expenditures. A $100,000 placeholder has been included to ensure the Township has adequate funding to implement a stormwater mitigation plan for Municipal Lane Park.

The remaining $50,000 is designated for expenditures requested by the Public Works Department, including the installation of weed control barriers at both baseball fields, backstop fencing improvements to address safety concerns, and replacement of the infield dirt at the upper baseball field.

Mr. Laird also noted that one of the staff's goals for 2027 is to hold a special meeting dedicated to discussing the future planning and development of the Township's parks.

Open Space Preservation Fund

Mr. Laird reviewed the Open Space Preservation Fund and noted that the repayment of the Gray advance payment represents the only change to the fund's standard revenue projections.

He explained that proposed expenditures will include a third-party financial analysis, with the Board expected to establish the scope of the analysis during the first quarter of 2027.

Another significant expenditure includes contributions in partnership with Centre County PACE toward the permanent purchase of conservation easements for the Gray and Digman properties, totaling $206,557.40.

Mr. Laird further reported that the Open Space Preservation Board recommended that the Township implement an indefinite moratorium on annual lease applications. This matter is scheduled to be placed on the November 12 Board of Supervisors meeting agenda for discussion and possible action.

General Fund Revenues
Mr. Laird reviewed the proposed General Fund revenues and stated that, aside from formatting changes, no significant revenue changes were proposed. He confirmed that the proposed budget did not include a tax increase.

Mr. Laird highlighted several adjustments intended to improve transparency and provide a more detailed breakdown of revenues. The rental income from the municipal building meeting room was separated from the Centre Region Council of Governments (COG) building lease payments. This change clarifies the anticipated cessation of the lease payments during the first quarter of 2028.

Additionally, sporting field rentals were separated from pavilion rentals to provide a clearer representation of facility rental revenue. Mr. Laird explained that sporting field rentals account for the majority of facility rental income; however, revenue has declined following the discontinuation of rental use of the football field at Autumn Meadow Park.

General Fund Expenditures
Mr. Laird reviewed the proposed General Fund expenditures and identified several notable changes. He explained that solicitor and legal fees were increased to accommodate the Township's efforts to revise existing ordinances and draft new ordinances to address current needs. These projects are also expected to increase costs associated with the Zoning Officer/Planner. Mr. Laird noted that both expenditure categories are anticipated to return to more moderate funding levels once the projects are completed.

Ms. Hartle asked whether the Township had established a budget plan for ordinance codification. Mr. Laird explained that, given the projected cost in the tens of thousands of dollars, the expense could be paid from the Capital Reserve Fund. However, a placeholder was included in the 2028 General Fund budget to demonstrate the anticipated impact on the General Fund's financial position.

Mr. Servello asked whether ordinance codification was legally required upon completion of the ordinance review process. Ms. Smith clarified that codification was not legally required but would be a sound decision to promote transparency and consistency among contractors, developers, and the Township.

Emergency Services Funding
Mr. Laird reviewed the proposed expenditures for local emergency service providers, explaining that the budgeted amounts were based on the funding requests submitted and/or their respective agreements.

Mr. Servello expressed concern regarding the magnitude of the requested increases, particularly those submitted by emergency medical services (EMS). He also questioned whether all municipalities were contributing their requested shares, based on a report he had reviewed.

Ms. Perkins stated that she had discussed the matter with Steve Kibe of Port Matilda EMS and had been informed that all municipalities were paying their respective shares based on the submitted requests. Ms. Perkins recommended holding a special meeting in 2027 to discuss emergency services comprehensively, noting that the budget review was not the appropriate setting for that broader discussion.

Mr. Helms also expressed concern that the EMS funding request was too high and suggested that a $5,000 reduction might be appropriate.

Mr. Laird stated that, absent majority support from the Board for the proposed reduction, the budgeted amount would remain unchanged.

Technology and Website Development
Mr. Laird identified an increase in the technology dues and subscriptions line item. He explained that the increase would cover the design, redevelopment, and administration of a new Township website, consistent with the Board of Supervisors' goal of completing the project in 2027 and its direction to staff to move forward with the work.

Public Works Staffing
Mr. Laird explained that the increase in Public Works salaries and wages includes a placeholder for nine months of employment for a full-time Public Works Laborer in 2027. The Board had directed staff to evaluate the need for this position and report its findings to the Township by March 2027.

He added that the potential hiring of a full-time employee would also affect other expenditure categories, including insurance and potential bonuses.

Property and Liability Insurance
Mr. Laird identified an increase in property and liability insurance costs. He explained that, according to the Township's insurance broker, the increases were consistent with broader trends affecting the insurance industry.

Discussion of Potential Borrowing Capacity and Project Funding
Mr. Nauman asked how the Township would fund anticipated capital projects and how much the Township could potentially borrow before a referendum would be required.

Mr. Laird explained that, based on current needs, the Township's first funding source would be the Capital Reserve Fund. If project costs exceeded the available Capital Reserve funds, the Township could then utilize the General Fund's unassigned fund balance.

Mr. Laird further explained that, if borrowing became necessary, the amount the Township could borrow without seeking voter approval through a referendum is governed by a statutory formula. He stated that the borrowing limit is calculated at 250% of the Township's borrowing base, which is determined by the average revenues received during the preceding three completed fiscal years.

Based on his most recent estimates, Mr. Laird indicated that the Township could potentially borrow approximately $3.1 million without submitting the matter to a referendum.

Proposed Donation to Centre Safe
Mr. Laird stated that the proposed budget was balanced, with one remaining item for Board discussion: a $500 donation request submitted on behalf of Centre Safe.

He explained that the Township's current donation policy establishes eligibility criteria for organizations seeking funding and that Centre Safe met those criteria. However, Mr. Laird noted that approving the request would establish a precedent, as the Township had not previously utilized the policy.

Mr. Laird recommended that the Township consider repealing the donation policy in the future and discontinue any consideration of donations. Instead, he suggested providing eligible organizations with an opportunity to present their funding needs during public meetings, allowing private citizens to contribute directly rather than having the Township distribute public funds on their behalf.

Ms. Hartle expressed agreement with Mr. Laird's recommendation. Mr. Helms, Mr. Nauman, and Mr. Servello also indicated their support for this approach.

Ms. Perkins asked how the Township's existing contributions to the Spring Creek Watershed and local libraries would be affected by the proposed approach. Mr. Laird explained that those contributions are handled through separate mechanisms, with one authorized by ordinance and the other by a specific resolution. He clarified that those arrangements could continue, as the proposed change was intended to address donation requests submitted under the existing policy rather than eliminate the Township's ability to support local organizations, including libraries. Ms. Perkins stated with her question answered, she expressed her agreement to repeal the donation policy.

- ***MOTION: Mr. Servello moved to cancel the remaining budget meetings; Mr. Nauman seconded; Vote 5-0-0; Motion Carried.***

5. **ADJOURNMENT**

There being no further business before the board, the meeting was adjourned at 10:39 a.m.

- ***MOTION: Mr. Servello moved to adjourn the meeting at 10:39 a.m.; Ms. Hartle seconded.***

Respectfully Submitted,

Amy M. Smith, Township Secretary