

Budget & Finance Committee Meeting Minutes
September 23, 2026, 10:00 AM to 11:30 PM
Farm & Home Center 1st floor Conference Room, 1383 Arcadia Road, Lancaster, PA

Committee Members Present – Kent Weaver, Dan Heller, Roger Rohrer

Staff Members Present – Christopher Thompson, Stacey Hertz, Matthew Kofroth

Guests - None

I. Raymond James Investments - Matt

a. *Investment Changes – Matt provided a recap of the report Robert Hoffman from Fulton Financial gave at the last Budget and Finance Committee mtg in August. Once again, Robert explained that the investments the District is in are performing very well and the returns are comparable to the risk factors the District initially set up for these funds. The committee is bringing before the October board mtg the recommendation Bob mentioned in regard to selling proceeds in the Lord Abbett Bond Funds and reallocating those funds into the Small Cap Fund, which has a 15% downside protection on it (27%), Gold (27%), and the Transamerica Bond Fund (46%).*

II. 2025 Audit Update – *Stacey provided another update on where SEK is regarding the 2025 District and Foundation audits. After telling the District September was going to be their completion date that is now being pushed back to October. This is for many reasons, but the main reason appears to be the federal funding requirements due to a lot of the funding both organizations get and the audit requirements for these dollars. These dollars have more rigor and thus more scrutiny over them, so more time is needed to complete these aspects. Stacey will be staying on top of SEK and the audit and will be checking in with them on a weekly basis to keep them on track. The Board will be updated appropriately.*

1. Overview of DRAFT 2027 Budget

1. 2027 Grants & Activities Budgets - *The District's current grants were provided to the Committee to review. A column was added to the grant activities budget this time to showcase which grants are ongoing past 2027. The budget sheet also provides what carries over from year to year with each grant which assists in long-term planning efforts. The committee also reviewed an activity budget for the numerous activities within the District. Activities like the tree sale, banquet, Envirothons, Youth Conservation School and Employee support. These activity budgets are not factored into the larger overall District budget but are important from a planning standpoint and were shared with the committee for feedback.*
2. 2027 General Operations Budget - *The committee was updated on the 2027 District budget. At this point there is over a \$300,000 deficit in the 2027 budget. This is attributed to several factors from anticipated decreased grant reimbursements in 2027, to less plan reviews, to increasing staff size, and new vehicles and communications system needs. The committee continued to discuss pulling from reserves to lower this deficit and/or looking at increasing service fees and some other options to balance the budget. At this point the committee is committed to pulling funds out of the E&S reserve funds to make up a portion of the deficit*

and this will be reflected in the draft 2027 budget. After some discussion with this the Committee approved taking this draft budget to the District board mtg for their first review in October. The Budget and Finance Committee also recommended District staff stay on top of the 2027 finances as the year progresses and set a 10% reduction in revenue threshold as a barometer to let the Budget and Finance Committee and Board be aware of things slipping below budgeted numbers. This is similar to what staff and the Committee recommended last year as a precautionary signal.

2. Updates on Significant budget changes projected for 2027

- a. *Federal Funding Challenges (ie. CEG, ARPA, CAP, etc.) – District staff updated the Committee on the continuing challenges of receiving federal dollars. This has been a challenge recently with ARPA dollars and especially with CEG dollars where some District dollars will need to be repaid because of errors made above the District level. Staff reiterated that if given the option of accepting state or federal dollars the District will always opt for state dollars first for the reasons we are seeing now.*
- b. *Potential New Phone System - The committee was briefed on the potential of a new phone system in 2027. Presently the district shares its phone system with NRCS. We have received some feedback that this may be ending so the District has been proactively looking for phone system options. There is no timeline for this move, but it could potentially involve getting new phones and/or computer-based phones and more importantly it could result in a new phone number for the district as well. A reserve fund was set up a few years ago for just such an issue so there are funds available but once again trying to maximize any opportunity and share/reduce costs in the process. Administration is speculating a new phone system could cost up to \$44,000.*
- c. *Capital Improvements - Once again the District is looking to maximize its space and has had some discussions with designers and the Farm & Home Foundation on what this might entail and who may pay for certain aspects of such an upgrade. We are estimating an approx. cost of about \$350,000 for any new office redesign. There are some reserve funds for this and the District staff have applied for some grants as well, but a capital campaign would be needed if the project moved forward.*
- d. *Potential New Position(s) - Administration briefly talked about the need to add a Stormwater Engineer to evaluate Post-Construction Stormwater plans for the Erosion and Sedimentation Department. Staff have been researching this new position and ways to incorporate/pay for such a new position. The idea of either dipping into E&S reserve funds to pay for this new position and/or increasing review fees were discussed. The E&S committee will review all possibilities before providing recommendations. Presently approx. \$150,000 is being estimated for the new stormwater engineer. This would include salary and benefits.*
- e. *2027 Funding Forecast - Finally, administration shared their funding forecast for 2027. District staff are anticipating slower contracts and grant reimbursements because of the federal funding requirements tied to so many contracts and grants. This will slow down reimbursements across the board. Also, the pool of potential funding sources has decreased so staff are anticipating less*

grant revenue in 2027. This was expected but will need to be calculated for all program budgets and the ramifications for overall district financial matters.

With no further business the committee mtg ended at 11:30 AM.