



MOUNT JOY TOWNSHIP

• Lancaster County, Pennsylvania •

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MEMO

Date: 12 November 2024
To: Mount Joy Township Board of Supervisors
From: Tracey M. Weaver – Treasurer
Subject: Proposed Mount Joy Township Calendar Year 2025 Budget (1st Draft)

Dear Board Members:

Attached please find the proposed operating budget for Mount Joy Township for calendar year 2025.

The attached proposed budget (1st Draft – Dated 11/12/2024) for Mount Joy Township for calendar year 2025 includes the following:

MJT GENERAL FUND – REVENUE vs. EXPENDITURES:

The calendar year 2025 proposed budget anticipates total MJT General Fund expenditures of \$5,108,124.31 (as compared to \$4,775,393.70 for calendar year 2024). The MJT General Fund's net operating expenses, i.e. net of all operating reserve fund transfers, will increase from \$5,350,393.70 in 2024 to \$5,818,124.31 in 2025. This increase equals 8.74% or \$467,730.61. The increase in TOTAL expenditures from the MJT General Fund is the result of the net anticipated revenue increases/decreases from what was budgeted in 2024. Debt service payments for Fairview Municipal Complex will come directly from General Fund revenues in the amount of \$300,000.00. Police services have also increased by \$127,765.00.

A loss in revenue is anticipated relative to landfill tipping fees. During calendar year 2025, only \$150,000.00 is projected to be received in landfill tipping fees (as compared to \$180,000.00 in the calendar year 2024 and \$300,000.00 in the calendar year 2023).

Total transfers into all capital reserve accounts will increase from \$575,000.00 in 2024 to \$710,000.00 in 2025.

During calendar year 2025, the funding of current major road projects will be accomplished 1) by using funds that have been and are being transferred to the MJT Road Projects Fund, i.e. the utilization of \$300,000.00 from the MJT Road Projects Fund; and 2) by using \$397,854.21 from the MJT Highway Aid Fund.

RENTAL OF MUNICIPAL BUILDING:

As in calendar year 2024, the NRLCPC will be paying a proportionate share of the overhead expenses for the maintenance of the Mount Joy Township Municipal Building. I have included \$73,692.00 to be received by Mount Joy Township for this purpose. Beginning in year 2025 the NRLCPC will be taking over the Townships old parks office which is 202.93 sf. This will increase the leased space from 8181.70 sf. to 8383.63 sf., thus the adjusted increase in rental revenue.

In addition to the aforementioned rental income from the NRLCPC, this budget anticipates rental income of \$110.00 to be received from the Lancaster County Board of Elections for use of the MJT Municipal Building as a polling place during the year 2025.

SALARIES/WAGES:

Salary/wage increases in accordance with existing contracts or as otherwise shown on the MJT General Fund Supporting Schedules have been included in the proposed budget.

PUBLIC SAFETY – POLICE:

Currently, the Northwest Regional Lancaster County Police Commission (NRLCPC) is being funded via the receipt of monthly payments from Mount Joy Township and West Donegal Township.

As a direct result of the renegotiated “Articles of Agreement”, the municipal funding percentage is reviewed and adjusted annually. The funding percentage in 2025 is 56.70% for Mount Joy Township and 43.30% for West Donegal Township (as compared to the funding percentage in 2024 with 55.82% for Mount Joy Township and 44.18% for West Donegal Township). The total amount requested from both Townships is \$4,313,809.00.

The proposed final budget of the NRLCPC for calendar year 2025 anticipates Mount Joy Township’s monthly municipal contributions will be as follows:

12 months at \$203,827.50 per month. [Total = \$ 2,445,930.00].

The net effect of the foregoing requires Mount Joy Township’s calendar year 2025 General Fund budget to include an additional \$127,765.00 in funding from what was budgeted in 2024.

PUBLIC SAFETY – FIRE:

Calendar year 2025’s budget anticipates the Real Estate tax rate for fire protection will stay the same as 2024, i.e. 0.90 mills. Therefore, total (annual and capital) contributions to the Fire Companies will stay roughly the same as well, from \$816,969.38 in 2024 to \$818,017.10 in 2025, solely based on higher anticipated R.E. Tax revenues.

PUBLIC SAFETY – AMBULANCE:

A total of \$31,697.70 has been budgeted for a contribution to be made to MESA (Municipal Emergency Services Authority) of Lancaster County.

PUBLIC SAFETY – EMERGENCY MANAGEMENT:

I have included an appropriation of \$2,000.00 in the Calendar Year 2025 budget (same as 2024) for this purpose, i.e. repairs, machinery, and equipment.

CULTURE – LIBRARIES:

In calendar year 2024, the public libraries were funded at \$58,297.25 and \$16,000.00 respectively. In calendar year 2025, the public libraries are scheduled to increase their funding. The newly requested funding for the Elizabethtown Public Library is \$68,198.00, an increase from \$58,297.25 in 2024. This request includes maintaining the 2024 funding level and a celebratory \$9,900.00 honoring their 99-year anniversary. Likewise, the Milanof-Schock Library will receive \$16,900.00, which is increased from \$16,000.00 in 2024. A total of \$85,098.00 has been budgeted for contributions to the two public libraries during calendar year 2025, an increase from the combined \$74,297.25 that was budgeted for calendar year 2024.

CULTURE – RECREATION:

In accordance with the previously approved agreement for the funding of GEARS (Greater Elizabethtown Area Recreation Services), an appropriation of \$102,384.51 has been included as Mount Joy Township’s contribution for the operation of GEARS for year 2025. (This appropriation represents a \$3,632.19 increase in funding from the contribution made by Mount Joy Township during year 2024). Additionally, \$19,823.25 will be contributed to their Maintenance Fund Budget as Mount Joy Township’s portion.

MJT PARK & RECREATION FUND:

The proposed budget anticipates expenditures incurred for the maintenance of Wolgemuth Park, Old Trolley Line Park and Cove Outlook Park will continue to be paid from the MJT General Fund, as in 2025.

The anticipated receipt of \$591,509.00 in “park & recreation fee-in-lieu” and existing funds will be utilized for continued development of parks. This revenue will be largely generated from the anticipated 1376 Campus Road Phase 1B and Raffensberger projects and will help rebuild capital funds.

MJT CAPITAL RESERVE FUNDS:

The transfer of funds to the MJT Road Machinery Fund; the MJT Municipal Building Fund; and the MJT Road Projects Fund; have been included in this budget. The scheduled transfers are \$110,000.00, \$300,000.00 and \$300,000.00, respectively.

Money has been appropriated from each of these funds in anticipation of some money being needed from each fund during 2025.

MJT GENERAL ENTITLEMENTS (ARPA) FUND:

The ARPA spending plan budget anticipates expenditures incurred for the restoration of Conoy Creek @ Green Meadows and Storm Sewer Improvements, at \$3,900.00 and \$139,953.01 respectively. Wolgemuth Park playground enhancements are estimated at \$50,000.00 in addition to OTLP security enhancements at \$55,000.00. In addition, a new picnic pavilion at Cove Outlook Park will replace old pavilion # 4 at a cost of \$54,180.00. Additional funding for SmartGov and ArcGIS software subscription and associated training has been allocated in the amount of \$43,481.76 and \$1,076.00. This leaves roughly \$57,444.40 in unallocated funds, without factoring in accrued interest.

CAPITAL OUTLAY – ADMINISTRATION:

An appropriation of \$18,990.32 has been included in the proposed budget for the purchase of office equipment, i.e. 2 desktop computers, laptop computer, copier and 5 desktop printers.

STORMWATER MANAGEMENT – POLLUTION REDUCTION PROGRAM:

Due to the continued use of ARPA Fund monies for stormwater management, the Stormwater Pollution Reduction Fund is not being utilized for year 2025 and will retain its fund balance as well as continue to accrue interest.

REAL ESTATE & FIRE TAX MILLAGE RATE:

As drafted, the proposed budget contemplates that the Real Estate tax millage rate will remain at 2.34 mills and the Fire Tax will remain at 0.90 mills, respectively. Thus, the TOTAL real estate tax millage rate will be 3.24 mills in 2025, unchanged from 2024.

Overview of Entire 2024 Budget:

This budget has been assembled with a very conservative approach to revenue receipts in every aspect. As it is, this budget is proposing to utilize \$461,924.05 from the General Fund balance in 2025. General Fund capital reserves aren't planned to be utilized and have a current value of \$1,421,695.61.

This balance ensures fiscal responsibility and reflects our commitment to managing the municipality's funds effectively. It is important to note that while this is a balanced budget, it is imperative to remain vigilant in monitoring our financial status throughout the year to respond proactively to any unforeseen fiscal developments. This will allow the Township to respond to any unforeseen changes in our revenue streams or expenditures, ensuring the continued financial health of the MJT General Fund.

I will continue to provide updates as necessary and am available for any further discussions or clarifications regarding our budget.

2025 General Fund Cash Notes

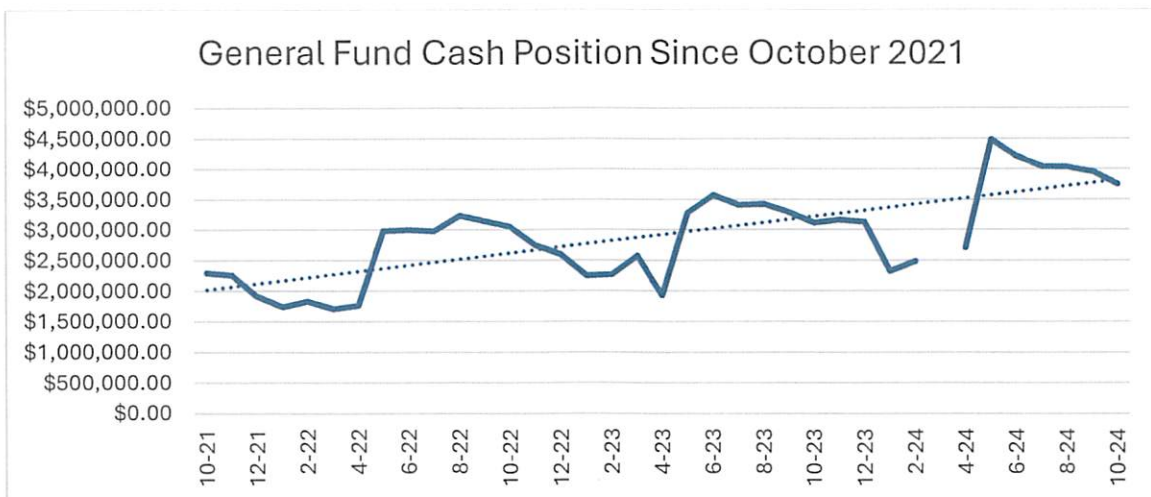
The draft 2025 budget anticipates the use of General Fund balance to bridge a projected ~\$475,000 gap between revenues and expenses. This is not uncommon as we have projected six-figure gaps in recent years without actually using fund balance. The summary below shows continued revenue growth in years 2020-2023 despite conservative budget outlooks.

(Amounts rounded to nearest 1,000)	2020	2021	2022	2023	2024
Total Revenue (less ARPA)					
ACTUAL	\$4,312,000	\$4,960,000	\$5,059,000	\$5,612,000	
YoY GROWTH (\$)		\$648,000	\$99,000	\$553,000	
YoY GROWTH (%)		15.0%	2.0%	10.9%	
Budget Gap (- is deficit)					
BUDGET	-\$208,000	-\$169,000	-\$484,000	-\$132,000	-\$132,000
ACTUAL		\$421,000	\$670,000	\$438,000	\$632,000 (through 10/2024)

Two main drivers of the budget gap are the Milton Grove landfill tipping fee revenue and increased interfund transfers from the General Fund. As the landfill winds down its operations, we project only \$150,000 from that source as it likely dries up in 2025. Three funds will see increased contributions from 2024 to 2025:

- Road Machinery Fund: from \$100K to \$110K, attempting to keep up with rising equipment costs
- Municipal Building Fund: from \$275K to \$300K, covering the cost of the Fairview renovation bank note
- Road Projects Fund: from \$200K to \$300K, keeping pace with our road improvement program and increasing costs of contract work

The chart below details the end-of-month General Fund cash position since unwinding several other funds from it in the second half of 2021. At that time, we changed the accounting method from modified accrual to cash. The cyclical nature of the balance sheet corresponds to the large May influx in real estate tax revenue and monthly expenditures typically outpacing revenue in most other months.



The trend line has been positive during this period even though 2025 budget projections cause it to become shallower. We anticipate a cash position slightly above \$3M at the end of 2024 that could be characterized as \$2M in reserve and \$1M for operating income. The \$2M reserve could include any guarantee to the EAWA loan attributable to Mount Joy Township.

Looking back to October 2021, the largest General Fund net cash declines by period are:

- 1 month (1/2024): -\$806,235.61 (\$575K in fund transfers conducted that month)
- 3 months (11/2022 – 1/2023): -\$793,905.06 (includes \$300K fund transfer)
- 6 months (9/2022 – 2/2023): -\$961,125.54 (includes \$400K in fund transfers)