

2025 Budget Message

INTRODUCTION

Welcome to the 2025 Budget Proposal. This budget reflects our continued commitment to fiscal responsibility while ensuring the borough remains a safe, vibrant, and welcoming community for all. Preparing the 2025 budget involved a detailed review of our current financial position and a strategic approach to allocating resources to support both our immediate needs and long-term goals.

While we face economic challenges, including rising costs, our goal remains prudent resource management and avoiding unnecessary tax increases. This budget has been designed with sustainability in mind, ensuring that we continue to provide high-quality services while being mindful of our financial obligations.

As always, we value your input and invite you to participate in the budget process. We welcome any feedback or questions you may have. Please feel free to contact the Borough office with any inquiries. Your input is invaluable in helping us shape the future of Spring Grove.

Thank you for your continued support as we work together to make Spring Grove a great place to live, work, and thrive.

Columns of the budget include:

	2023 Actual	2023 Actual	2024 Budget	To Date 9/23/24	Estimated Through 12/31/24	2025 Proposed Budget
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Planned capital improvement projects include the following:

General Fund

Main Street Façade Improvement Project	\$15,000
6.7 Acres Walking Path	\$255,938.63
Roundabout	\$30,000

Pocket Park	\$75,000
Comprehensive Plan	\$63,000
ADA Ramp Update	\$287,834
TOTAL	\$726,772.63

Sewer Fund

North Loop Interceptor Phase 2	\$556,000
PFM Sewer Rate Study	\$12,500
TOTAL	\$568,500

Capital Reserve Fund

None	\$0
TOTAL	\$ 0

Highway Aid Fund

None	\$0
TOTAL	\$ 0

Stormwater Fund

None	\$0
TOTAL	\$ 0

In addition to the capital expenditures outlined previously, the following highlights significant proposals, changes, or other notes (Revenue & Expense) in the 2025 budget.

GENERAL FUND OVERVIEW

- **Real Estate Tax Revenue:** The millage rate remains unchanged at 6.00 mills. However, we anticipate an increase of approximately \$25,000 in real estate tax revenue, reflecting historic increases in taxable property values.

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- **State Pension Allocation:** This funding is subject to annual adjustments, making it difficult to forecast precisely. We will monitor these allocations closely and adjust accordingly.
- **Transfer Tax:** The transfer tax, which is tied to real estate sales, remains a challenge to predict due to its dependency on housing market conditions.
- **Earned Income Taxes:** We expect earned income tax revenues to remain stable. Our projections remain conservative as we continue to assess economic factors.
- **Interest Revenue:** Due to higher interest rates, the Borough has benefited from an increase in interest income on municipal accounts.
- **State Operating Grants:** Funding in this category will primarily support the commencement of the Borough's Comprehensive Plan, Pocket Park, 6.7 Acre Walking Path, and ADA Ramp Project ensuring continued community development and long-term planning.

Personnel and Salary Considerations:

- We have provisionally set wage and salary increases at 5% for 2025. During the budget workshop, personnel costs will be reviewed in detail.
- **Health Insurance Costs:** We anticipate an 8.8% increase in health insurance premiums through Benecon. This is lower than the average increase for neighboring municipalities, reflecting our careful management of employee benefits.

Public Services and Infrastructure:

- **Police Services:** A 4.5% increase has been allocated for police services. Final figures will be confirmed in November.
- **Public Works:** Investments in Public Works include restarting the vehicle maintenance program, with \$5,000 allocated for

vehicle repair and maintenance. Additionally, security upgrades for the maintenance building include the installation of an A/C Mini Split unit and three new windows.

- **Fire Hydrant Services:** Line 411.363 accounts for updated costs provided by York Water.

Capital Reserve and Long-Term Financial Planning:

- The Inter-Fund Operating Transfer to the Capital Reserve Fund remains on schedule, ensuring we have the necessary resources for future capital purchases and equipment replacement. This transfer is crucial to maintaining fiscal responsibility and preparing for the replacement of vital assets in the coming years. |

REFUSE FUND

- The annual revenue from the state's Recycling Performance Grant varies widely each year due to several factors. First, the amount available is based on state funds generated by a per-ton tipping fee for trash disposal. Second, the revenue depends on how many municipalities apply for the grant. Lastly, it is influenced by the Borough's recycling performance relative to the total tonnage of trash generated. These variables cause significant fluctuations in this revenue, making it difficult to forecast accurately year-to-year.
- **Contracted Services:** The cost for contracted refuse and recycling services will increase by \$48,827.00 in 2025. To accommodate this rise in expenses, staff is proposing an adjustment to the refuse/recycling fee. This fee increase will help offset the higher service costs and ensure the continued provision of efficient waste management and recycling services to the community.

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STORMWATER FUND

- No significant changes are anticipated in revenues or expenditures for 2025.

SEWER FUND

- A Sewer Rate Study is being proposed for 2025.
- A \$30,000 allocation has been added to line item 429.650 for Inflow/Infiltration management.
- Debt service payments are listed according to schedule.
- Staff applied for an LSA Grant for the full project amount for the Interceptor Northloop Phase 2 Project

CAPITAL RESERVE FUND

- No significant changes in revenues or expenditures are anticipated for 2025.

HIGHWAY AID FUND

- No significant changes in revenues or expenditures are anticipated for 2025.