



MYERSTOWN

EST 1768

BUDGETS

FY 2023

BOROUGH OF MYERSTOWN

FY2023 BUDGETS

Contents

Page 3.....	Manager’s Budget Message
Page 11.....	Borough Tax Structure and Tax Collection
Page 12.....	Borough Funds by Fund Type
Page 13.....	General Operating Fund Summary and FY2023 Budget
Page 21.....	General Operating Reserve Fund Summary and FY2023 Budget
Page 23.....	Capital Reserve Fund Summary and FY2023 Budget
Page 25.....	Street Light Tax Fund Summary and FY2023 Budget
Page 27.....	Liquid Fuels Fund Summary, 5-Year Road Plan and FY2023 Budget
Page 30.....	Stormwater Management Fund Summary and FY2023 Budget
Page 33.....	Heritage Center Fund Summary and FY2023 Budget
Page 34.....	General Fund Debt Service Fund Summary and FY2023 Budget
Page 36.....	American Rescue Plan Act Fund Summary and FY2023 Budget
Page 39.....	Wastewater Operating Fund Summary and FY2023 Budget
Page 44.....	Wastewater Operating Reserve Fund Summary and FY2023 Budget
Page 45.....	Wastewater Debt Service Fund Summary and FY2023 Budget
Page 46.....	Project Acct – 2007 Revenue Bonds Summary and FY2023 Budget
Page 47.....	Community Pool Operating Fund Summary and FY2023 Budget
Page 50.....	Unemployment Compensation Fund Summary and FY2023 Budget

Manager’s Budget Message

Dear Borough Council and Mayor:

Submitted for your review, as required by §1-307(C) of the Borough of Myerstown Code of Ordinances, is the Fiscal Year 2023 Budget. It is an honor to prepare this document as a strategic plan for the Myerstown community. This budget is just that: a plan. It is not an accounting of money, but rather a forecast of how much revenue the Borough anticipates it will collect and how many expenses it plans on incurring based on an analysis of trends and a projection of costs. The accounting or record of past transactions is called the audit, which is completed annually and is published each spring in an Annual Financial Report.

As presented, this budget is balanced, meaning revenues and cash balances cover all expenses. The Fiscal Year 2023 Budget requires no increase in property tax rates. The budget requires an increase in sewer rates due to increases in supply and service costs. Rates are as follows:

	2022 RATE	2023 RATE
General Purpose Real Estate Tax	3.42 Mills	3.42 Mills
Street Light Real Estate Tax	0.265 Mills	0.265 Mills
Sewer Rate – First 5,000 gallons treated	\$ 37.25	\$ 41.00
Sewer Rate – Every 1,000 gallons treated after	\$ 9.20	\$ 10.15

This budget document is formatted so that it will serve as a policy document, an operations guide, a financial plan, and a communications medium. The goal is for the format to present a clear picture of the operations and financial plan that is embodied in the FY2023 budget.

The Borough has a clearly outlined philosophy guided by planning efforts based on community input when it comes to setting its budget priorities. Resolution 2018-11 of Borough Council identified five core values of the Borough, refined the vision of the 2012 Mini-Comprehensive plan, and set forth a prioritized list of goals to guide policy decisions. The Borough Values, Vision, and Goals are used, in conjunction with the Mini-Comprehensive Plan and the recommendations set forth in the EIP planning projects, to guide current operations and future policy decisions. They are as follows:

Borough Values

We believe in the PRESERVATION OF MYERSTOWN — Our future is built on a strong historical foundation and its preservation is essential to our smart growth.

We believe in AUTHENTICITY — We believe that genuine and meaningful experiences foster stronger and more caring communities.

We believe in SERVICE — We encourage the creation of genuine and meaningful experiences through community events, historic tours, and engaging activities for people of all ages and abilities.

We believe in SUSTAINABILITY — We envision strong, resilient neighborhoods characterized by healthy homes, clean air, an efficient built environment, and locally-sourced and locally-made goods.

We believe in CREATING A DIVERSE ECONOMY — We believe in allowing for inclusive pathways to prosperity with a broad variety of opportunities for people to secure their livelihood.

Myerstown Borough Vision

The Borough seeks to provide public services, utilities, and community facilities in a sustainable and cost-effective manner to meet business and resident demands.

The Borough supports, encourages, and seeks to strengthen the Borough's economic vitality and strength through various initiatives.

The Borough supports, encourages, and seeks to provide for a compatible and complimentary mixture of land uses, development patterns, and building designs while respecting, supporting, and enhancing the community's established neighborhoods, other developed areas, and natural resources.

The Borough supports, encourages, and seeks to promote open communication through a variety of media and forums for fostering strong partnerships with a variety of local organizations, groups, and entities.

The Borough supports, encourages, and seeks to promote safe and efficient access and mobility for people and goods within the community through preserving and enhancing the well-established and appropriately designed network of streets and alleys, public transit, and non-motorized opportunities.

The Borough supports, encourages, and seeks to preserve, enhance, and promote the community's historic, cultural, and architectural heritage.

The Borough supports, encourages, and seeks to preserve, enhance, and promote the community's natural and environmental resources.

Myerstown Borough Goals

1. Create, prioritize, activate, and monitor a multi-year capital improvements program to include a capital equipment & facilities replacement schedule, financing plan, and budget plan.
2. Create and activate a human resources system that supports talented and robust staffing and ensures efficiency and effectiveness of internal operations.
3. Develop comprehensive strategies to ensure stronger codes and code enforcement for the improvement of public safety and quality of life.
4. Develop strategies to improve zoning, subdivision and land development ordinances and their enforcement.
5. Carry out the successful transition of the new municipal building and the new pool.
6. Develop and implement a communication and public relations plan with the Borough's brand at its core.
7. Develop comprehensive strategies to preserve, enhance, and protect natural and environmental resources.
8. Use Geographic Information Systems (GIS) mapping technology to create and activate an electronic work order system for Public Works and Wastewater Treatment Facility staff to manage infrastructure maintenance tasks.
9. Develop comprehensive strategies to ensure funding is in place for critical infrastructure, public safety, and quality of life needs of Borough residents and businesses.

FY2023 REVENUES SUMMARY

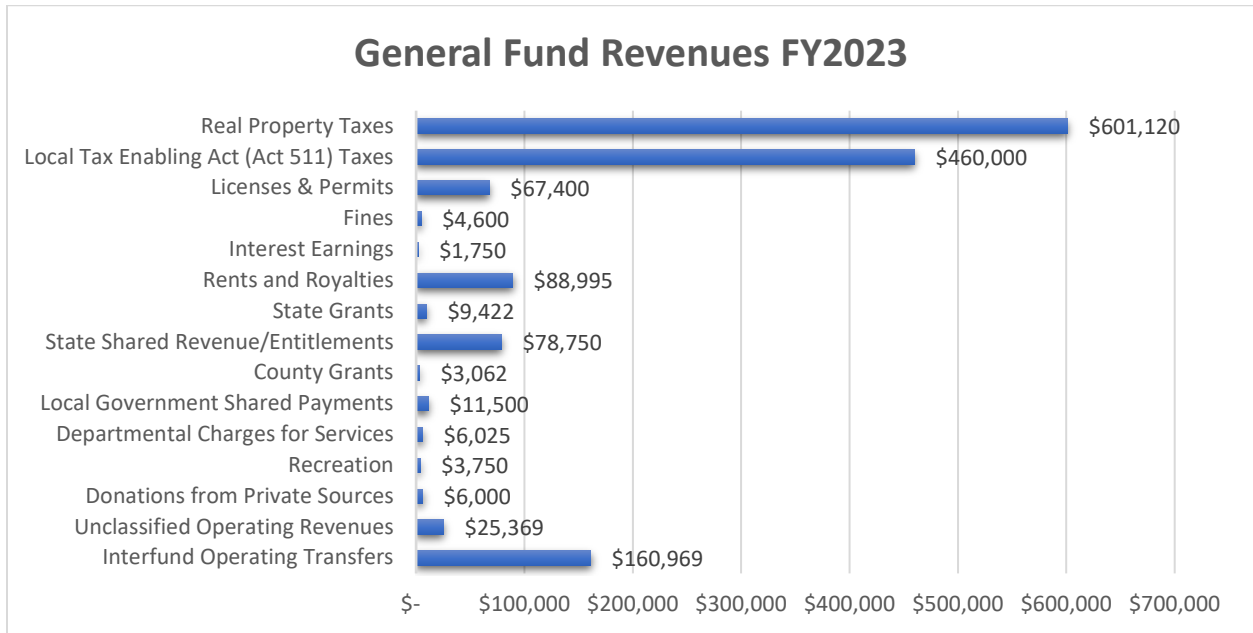


Figure 1: Distribution of General Fund Revenues for FY2023.

Real Estate Property Tax

The Borough's largest revenue source is the Real Estate Property Tax. The General Purpose Tax Rate for FY2023 on real estate is 3.42 mills. A mill is one one-thousandth of a dollar and is equal to \$1.00 of tax for each \$1,000 of assessment. The Borough's millage rate of 3.42 mills is equal to \$3.42 for every \$1,000 of assessed value, or 0.342%. Tax liability can be calculated by multiplying the assessed value of the property by the millage rate and then dividing by 1,000. The tax liability on a property assessed at \$100,000 would be \$342.

The Borough also levies a real estate property tax to fund street lighting. The Street Light Tax Fund is separate from the General Fund and is in place to store the real estate tax moneys dedicated to the electricity for the street lights in the Borough. The Street Light Tax Rate for FY2023 on real estate is 0.265 mills. This makes a total real estate tax millage of 3.685 paid to Myerstown Borough.

The Borough property tax is only a small portion of the total property taxes paid by Borough residents each year. In FY2022, the ELCO School District had a property tax rate of 16.762 mills, and Lebanon County had a property tax rate of 3.8925. The breakdown of property taxes paid by Borough property owners is as follows:

ELCO SCHOOL DISTRICT	16.762 Mills	(68.87%)
LEBANON COUNTY	3.8925 Mills	(15.99%)
MYERSTOWN BOROUGH	3.685 Mills	(15.14%)
TOTAL	24.3395 Mills	

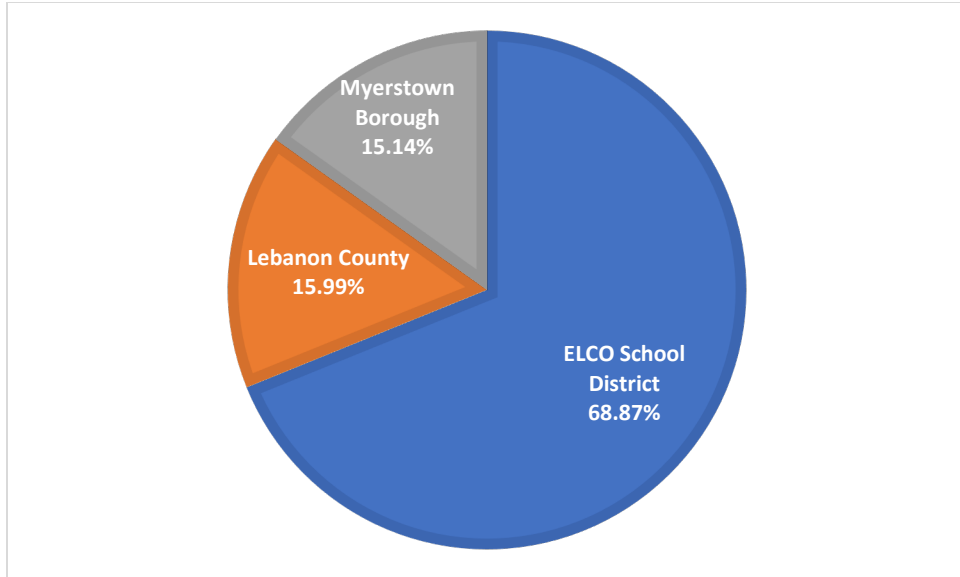


Figure 2: Distribution of total property tax paid by Borough property owners. For every \$1 of property taxes paid, approximately 15.14¢ goes to Myerstown Borough.

Earned Income Tax

The second largest revenue source for the Borough is the Earned Income Tax. The Borough levies a 1% tax for general revenue purposes at a rate of 1 percent on earned income and net profits of individual residents of the Borough. Revenue from this tax is split evenly between the Borough and the ELCO School District. Since 2015, this revenue source has seen a steady upward trend. This is a positive indicator of the state of the local economy.

2015	2016	2017	2018	2019	2020	2021	2022 Est.	2023 Est.
250,470	265,198	280,411	291,272	306,841	308,456	319,968	347,725	350,000

Figure 3: Earned Income Tax collected from 2015-2021 and estimated collection for 2022 and 2023.

FY2023 EXPENDITURES SUMMARY

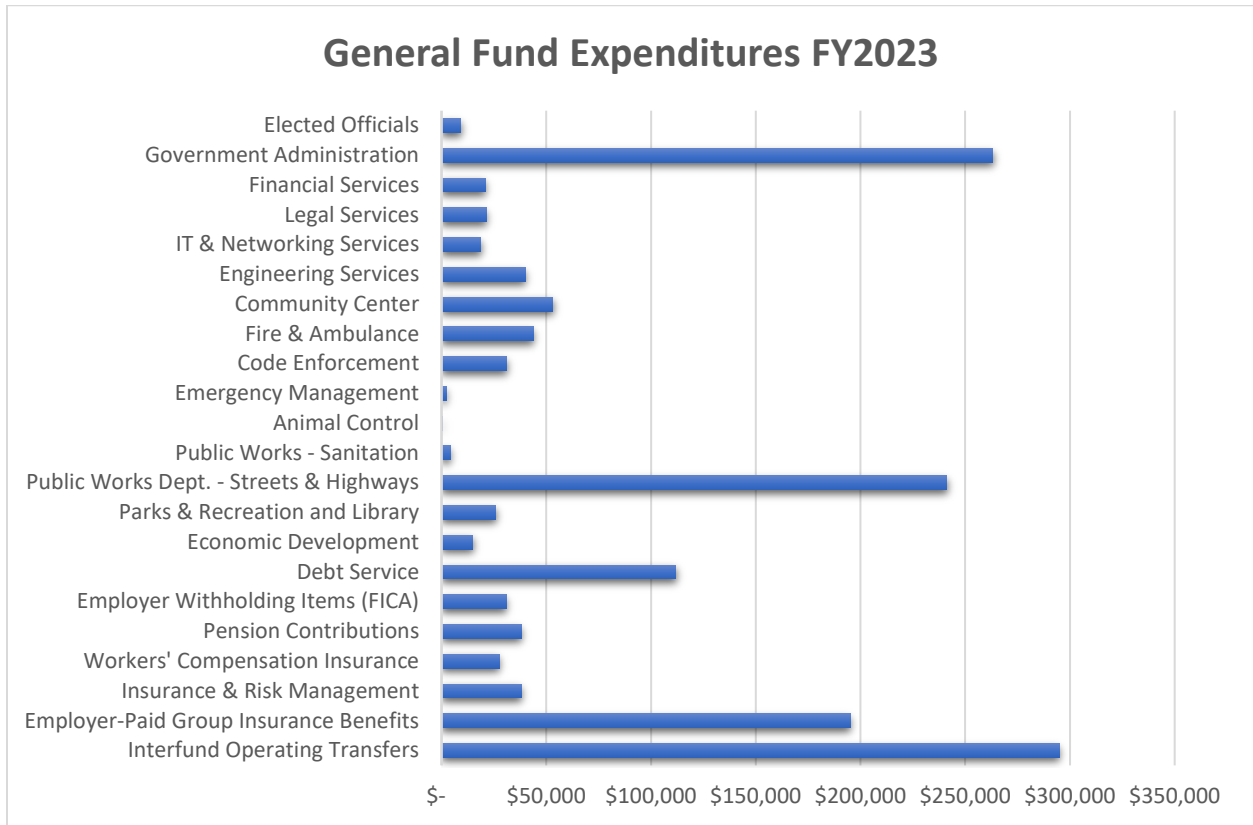


Figure 3: Distribution of General Fund Expenditures for FY2023.

In 2023, the Borough will continue to fund core services in the areas of road maintenance, park maintenance, wastewater treatment, property maintenance code enforcement, snow & ice management, stormwater management, and an administrative staff that manages the borough’s records and finances, carries out the day-to-day business of the borough, and assists residents with a variety of services.

Other services are delivered through contracted providers. Law enforcement is provided by the Pennsylvania State Police; building, zoning, and land development codes are administered by third-party agencies; two volunteer fire companies provide fire protection; the county emergency management agency and an appointed emergency management coordinator oversee emergency management; solid waste management (trash and recycling collection) services are contracted by each individual property owner; a municipal authority oversees a potable water system; and several auxiliary commissions are in place to administer a variety of concerns, including community planning, code violation appeals, zoning hearings, recreation, the Isaac Meier Homestead, and the community library.

The two largest expense items for the Borough’s General Fund are Government Administration and the Public Works Department. These line items include wages and salaries, operating supplies, charges for professional services, communications, utility costs, building repair and maintenance costs, and equipment repair and maintenance costs for each department.

The third largest expense item for the Borough's General Fund is Interfund Operating Transfers, which includes a \$180,000 transfer to the General Reserve Fund to save for the eventual provision of police services.

The fourth largest expense is Employer-Paid Group Insurance Benefits. This includes health insurance and life insurance costs.

5-YEAR ROAD IMPROVEMENT PLAN

With assistance from the Borough engineer, Mike Knouse of RETTEW, the Borough has developed a 5-Year Road Improvement Plan and a budget to fund it. This plan is funded largely from the annual Liquid Fuels allocation of approximately \$90,000, and Community Development Block Grant Funding. The schedule is as follows:

- 2022 Projects
 - o No Work
- 2023 Projects
 - o Center Avenue from Railroad Street to Cherry Street. (full depth reconstruction)
 - o Center Avenue from College Street to Railroad Street. (mill, paving fabric, overlay)
- 2024 Projects
 - o West Park Street from College Street to Goodwill Street. (mill, overlay)
 - o Maple Avenue from South Broad Street to East Alley. (leveling course)
 - o Railroad Street from Center Street to Borough Line. (ADA curb ramps)
- 2025 Projects
 - o Railroad Street from Center Avenue to Richland Avenue. (cold-in-place recycling, overlay)
- 2026 Projects
 - o Railroad Street from Richland Avenue to Borough Line. (cold-in-place recycling, overlay)

STORMWATER MANAGEMENT IMPROVEMENT PLAN

Myerstown Borough spent 2018 and 2019 tackling the difficult issue of how to fully and equitably fund stormwater management to meet the unfunded mandates of the Environmental Protection Agency (EPA) and Pennsylvania Department of Environmental Protection (PADEP). In order to comply, the Borough implemented a new Stormwater Assessment User Fee in 2019 to fund a Stormwater Management Program.

All non-residential properties are assessed based upon the total number of Equivalent Residential Units (ERUs) for that parcel. ERUs are determined by calculating the total impervious surface on the property and dividing that by the total impervious surface on the average single family residential (SFR) parcel (3,382 sq. ft.).

With assistance from our engineer, Mike Knouse of RETTEW, we have developed a Stormwater Management Plan and a budget to fund it based on the requirements of the Borough's NPDES Permit. This

plan is funded entirely from the new Stormwater Assessment User Fee. In 2022, the Borough began its approved project from the Pollution Reduction Plan that was required by the NPDES Permit. This project is the construction of a stormwater bioswale in the recreation area. In 2023, the Borough will begin a second project required by DEP for pollution reduction. This project is the construction of a nutrient separating box along a stormwater main on Goodwill Street.

LAW ENFORCEMENT

Currently, the Borough does not provide police services to its residents and businesses. Law enforcement is provided by the Pennsylvania State Police. It is a stated goal of Borough Council to improve law enforcement efforts in the Borough, as the State Police cannot enforce local ordinances, and cannot provide a constant police presence. An increase in crime in recent years has raised concern from citizens and elected officials that increased law enforcement presence is necessary to adequately provide for public safety.

According to the Pennsylvania Department of Community and Economic Development, there are three options for providing municipal police services: starting a police force, contracting police services, or joining a regional police force. The Borough's current efforts are focused on contracting police services, as the benefits outweigh those of restarting a police force, and there is not currently an effort to create a regional force.

MYERSTOWN VITALITY PARTNERSHIP (MVP)

In 2019, the Borough initiated the establishment of a community development corporation called the Myerstown Vitality Partnership (MVP) to spearhead Myerstown's revitalization efforts. MVP is a nonprofit, community-based organization focused on revitalizing the Borough of Myerstown. It is a partnership between the Myerstown Borough Government, the local business community, local agencies, and individuals from throughout the community to promote the building of community wealth, and to improve the community's overall health. As a 501(c)(3) nonprofit organization, it is governed by an independent board of directors and all donations to the organization are tax-deductible.

The MVP will be involved in a range of initiatives that are critical to community health including, but not limited to, economic development, real estate development, streetscaping, and neighborhood planning projects. The overall goal of these initiatives will be to anchor capital in the community by promoting the development of residential, commercial, and industrial property, and by promoting the enhancement of community conditions for residents.

SUMMARY

The Borough's current fiscal condition continues to provide the basis to operate a stable level of core services for residents and business owners. All departments continue to take steps to be more efficient and effective in the provision of these services. Questions are continuously asked as to "why" we perform certain functions and "how" we can perform them more effectively. In addition to asking these questions, we work toward achieving the goals set out by Borough Council.

Myerstown Borough continues to be very vigilant in providing services on a basis of what is affordable to the citizens today and will not become a burden to them in the future. The Borough also works to improve and add essential services where there may be deficits, in order to assist in the development of a better future for Myerstown residents and business owners.

Sincerely,

Michael R. McKenna, MPA
Manager, Myerstown Borough

Borough Tax Structure – FY2021

Real Estate Taxes

Municipal Real Estate Tax.....3.420 mills
Municipal Street Light Tax.....0.265 mills

Real Estate Assessment Fees

Stormwater (MS4) Assessment Fee..... \$93.00 per ERU

Act 511 Taxes

Earned Income Tax 1% (half goes to ELCO School District)
Local Services Tax.....\$52 per gainfully employed person
Real Estate Transfer Tax..... 1% (half goes to ELCO School District)

Tax Collection

Real Estate Taxes are collected by the Lebanon County Treasurer’s Office. Contact Info:

Mailing Address:

Lebanon County Treasurer
Room 103, Municipal Building
400 South 8th Street
Lebanon, PA 17042-6794

Phone Number:

(717) 228-4420

Act 511 Taxes and the Stormwater Assessment Fee are collected by Keystone Collections Group. Contact info:

Mailing Address:

400 S 8th Street
Lebanon, PA 17042

Phone Numbers:

Lebanon County Office: (717) 272-3770
Taxpayer Helpline: 1-888-328-0565
Keystone Collections Group: (724) 978-0300

Borough Funds by Fund Type

GOVERNMENTAL FUNDS (activities supported by taxes, grants, and the like)
GENERAL OPERATING FUND
GENERAL OPERATING RESERVE FUND
CAPITAL RESERVE FUND
STREET LIGHTING TAX FUND
LIQUID FUELS FUND
STORMWATER MANAGEMENT FUND
HERITAGE CENTER FUND
AMERICAN RESCUE PLAN ACT FUND
GENERAL FUND DEBT SERVICE*
PROPRIETARY FUNDS (activities supported by user fees and charges)
WWTF OPERATING FUND
WWTF OPERATING RESERVE FUND
SEWER DEBT SERVICE*
PROJECT ACCOUNT - REVENUE BONDS - SERIES OF 2007
POOL OPERATING FUND
FIDUCIARY FUNDS (resources held for outside parties)
POLICE PENSION FUND**
MUNICIPAL PENSION FUND**
UNEMPLOYMENT COMPENSATION FUND

- * Merging Into Another Fund
- ** No Budget or Accounting for these funds

NOTES

- Our auditor has recommended that the Borough Debt Service Fund be merged into the General Fund for accounting purposes.
- Our auditor has recommended that the Sewer Debt Service Fund be merged into the WWTF Operating Fund for accounting purposes.

General Operating Fund

The General Operating Fund is the primary account from which the ongoing expenses of the Borough are paid. It is used to record all resource inflows and outflows that are not associated with special-purpose funds.

The primary funding source for general government operations in most Pennsylvania municipalities, including our General Operating Fund, is the Real Estate Tax (also known as the property tax). This is because the revenue source is stable, and relatively easy to collect.

As of October, 2022, there are a total of 1,096 parcels in the Borough. There are 1,048 taxable properties assessed at a value of \$178,861,300. There are 45 tax exempt properties assessed at a value of \$37,718,800. There are 3 public utility parcels assessed at a value of \$481,400.

The proposed General Purpose Tax Rate for FY2023 on real estate is 3.42 mills. A mill is one one-thousandth of a dollar and is equal to \$1.00 of tax for each \$1,000 of assessment. The Borough's millage rate of 3.42 mills is equal to \$3.42 for every \$1,000 of assessed value, or 0.342%. Tax liability can be calculated by multiplying the assessed value of the property by the millage rate and then dividing by 1,000. The tax liability on a property assessed at \$100,000 would be \$342.

Calculating total tax revenue for the Borough:

- Total assessment of taxable properties: \$178,861,300
- Total assessment multiplied by the millage rate: $\$178,861,300 \times 3.42 = 611,705,646$
- Resulting number divided by 1,000: \$611,705.65

Real estate taxes in boroughs are collected by an elected tax collector, but this position is currently vacant. The County Treasurer's Office serves as tax collector in the absence of an elected tax collector. Funds are deposited into the Borough's General Operating Fund checking account approximately every week.

The second largest revenue source for the General Operating Fund is the Earned Income Tax. The Borough levies a 1% tax for general revenue purposes at a rate of 1 percent on earned income and net profits of individual residents of the Borough. Revenue from this tax is split evenly between the Borough and the ELCO School District.

**BOROUGH OF MYERSTOWN
FY2023 BUDGET
GENERAL OPERATING FUND**

REVENUES	BUDGET AMT
301 · Real Property Taxes	
301-10 · Real Estate Taxes – Current Year’s Levy	581,120
301-20 · Real Estate Taxes – Prior Year’s Levy	20,000
Total 301 · Real Property Taxes	601,120
310 · Local Tax Enabling Act (Act 511) Taxes	
310-10 · Real Estate Transfer Tax	50,000
310-20 · Earned Income Tax	350,000
310-50 · Local Services Tax	60,000
Total 310 · Local Tax Enabling Act (Act 511) Taxes	460,000
321 · Business Licenses and Permits	
321-61 · Transient Retailers	100
321-80 · Cable Television Franchise	65,500
Total 321 · Business Licenses and Permits	65,100
322 · Non-Business Licenses and Permits	
322-21 · Dumpster Permits	100
322-50 · Street Opening Permits	1,000
322-80 · Street and Curb Permits	500
322-90 · Excavator and Snow Mover Licenses	200
Total 322 · Non-Business Licenses and Permits	1,800
331 · Fines	
331-10 · Court – District Magistrate	4,000
331-14 · Parking Violation Fines	100
331-17 · County Adult Probation Services Fines	500
Total 331 · Fines	4,600
341 · Interest Earnings	
341-01 · Interest on Checking	1,750
Total 341 · Interest Earnings	1,750
342 · Rents and Royalties	
342-10 · Rent of Land	20,000
342-20 · Rent of Buildings	68,785
342-21 · Utility Charge of Buildings	210
Total 342 · Rents and Royalties	88,995
354 · State Capital and Operating Grants	
354-15 · Recycling/Act 101	9,422
Total 354 · State Capital and Operating Grants	9,422
355 · State Shared Revenue and Entitlements	
355-01 · Public Utility Realty Tax (PURTA)	1,100
355-04 · Alcoholic Beverages Licenses	650
355-05 · General Municipal Pension System State Aid	62,000
355-07 · Foreign Fire Insurance Premium Tax	15,000

Total 355 · State Shared Revenue and Entitlements	78,750
357 · Local Government Units Capital Operating Grants	
357-03 · County Liquid Fuels Tax Grant	3,062
Total 357 · Local Government Units Capital Operating Grants	3,062
358 · Local Government Units Shared Payments for Services	
358-40 · Jackson Twp Share Workers' Comp for Fire/EMS	11,500
Total 358 · Local Government Units Shared Payments for Services	11,500
361 · Charges for Services – General Government	
361-11 · Foreclosure Property Registration Fees	300
361-34 · Zoning Hearing Fees	3,500
Total 361 · Charges for Services – General Government	3,800
363 · Charges for Services – Public Works – Highways and Streets	
363-11 · Inspection Fees	1,500
363-20 · Parking	25
363-70 · Charging Station Revenue	500
Total 363 · Charges for Services – Public Works – Highways...	2,025
364 · Charges for Services – Public Works – Sanitation	
364-50 · Sale of Recyclable Material	100
364-52 · Sale of Leaf Bags	100
Total 364 · Charges for Services – Public Works – Sanitation	200
367 · Charges for Services – Culture and Recreation	
367-14 · Pavilion Rental Fees	500
367-15 · Field Rental Fees	2,500
367-19 · Gymnasium Use Fees	750
Total 367 · Charges for Services – Culture and Recreation	3,750
387 · Contributions and Donations from Private Sources	
387-20 · Payments in Lieu of Taxes (PILOT)	6,000
Total 387 · Contributions and Donations from Private Sources	6,000
389 · Other Unclassified Operating Revenue	
389-11 · Health Insurance Surplus Reimbursement	25,369
Total 387 · Other Unclassified Operating Revenue	25,369
392 · Interfund Operating Transfers	
392-03 · Transfer from WWTF Fund – Manager	25,000
392-08 · Transfer from WWTF Fund – Admin	59,000
392-09 · Transfer from Pool Fund	60,575
392-18 · Transfer from MS4 Fund	16,394
Total 392 · Interfund Operating Transfers	160,969
TOTAL REVENUES	1,528,712

EXPENSES

BUDGET AMT

400 · Governing Body

400-100 · Salaries and Wages – Mayor	1,320
400-105 · Salaries and Wages – Council	6,300
400-200 · Supplies	500

400-420 · Dues, Subscriptions and Memberships	1,000
400-460 · Meetings and Conference, Continuing Education	100
Total 400 · Governing Body	9,220
401 · Government Administration	
401-112 · Salaries and Wages – Full-Time Staff	225,000
401-180 · Overtime Pay	3,500
401-210 · Office Supplies	3,000
401-211 · Paper Products	550
401-213 · Printer/Copier	6,500
401-215 · Postage	2,250
401-226 · Cleaning Supplies	500
401-229 · Purified Water	900
401-231 · Vehicle Fuel	400
401-317 · Document Shredding Services	420
401-318 · Office Cleaning Services	4,000
401-319 · Unplanned Charges and Fees	500
401-321 · Telephone and Internet Service	6,365
401-324 · Wireless Phone Service	2,000
401-340 · Advertising, Printing, and Binding	3,500
401-374 · Office Equipment Maintenance and Repair	500
401-375 · Vehicle Maintenance and Repair	500
401-420 · Dues, Subscriptions and Memberships	2,000
401-460 · Meetings and Conference, Continuing Education	750
Total 401 · Government Administration	263,135
402 · Financial Services	
402-311 · Accounting and Auditing Services	10,700
402-317 · Actuarial Services	4,200
402-318 · Payroll Services	3,500
402-390 · Bank Service Charges/Fees	1,500
Total 402 · Financial Services	19,900
403 · Tax Collection	
403-310 · Tax Collection Services	1,000
Total 403 · Tax Collection	1,000
404 · Legal Services	
404-310 · Legal Services	20,000
404-314 · Codification Services	250
404-318 · Special Legal Services – Zoning Hearing Board	1,000
Total 404 · Legal Services	21,250
407 · IT – Networking Services – Data Processing	
407-213 · Computer Supplies	500
407-310 · IT and Networking Services	8,000
407-329 · Office 365 Subscription	1,440
407-420 · Software Subscriptions	4,600
407-453 · Web Design/Maintenance	4,250
Total 407 · IT – Networking Services – Data Processing	18,790
408 · Engineering Services	
408-313 · Engineering and Architectural Services	40,000
Total 408 · Engineering Services	40,000

409 · Community Center/Office	
409-226 · Cleaning Supplies	500
409-229 · Purified Water	900
409-236 · Building Supplies	500
409-260 · Fire Extinguisher Service	500
409-310 · Professional Services	500
409-317 · Cleaning Services	4,000
409-318 · Pest Control Services	900
409-361 · Electricity	12,000
409-362 · Gas	11,000
409-365 · Water and Sewer	3,500
409-373 · Building Repair and Maintenance	7,500
409-374 · Machinery and Equipment Repair and Maintenance	7,500
409-430 · Real Estate Taxes - County	700
409-431 · Real Estate Taxes – School District	3,205
Total 409 · Community Center/Office	53,205
411 · Fire	
411-000 · Foreign Fire Insurance Premium Relief Payment	15,000
411-363 · Fire Hydrant Water Consumption	6,380
411-525 · Contribution – Gas/Oil Dry	500
411-540 · Contribution – Keystone Hook & Ladder Co.	11,000
411-541 · Contribution – Goodwill Fire Co.	4,500
411-543 · Goodwill Fire Police Contribution	2,000
Total 411 · Fire	39,380
412 · Ambulance/Rescue	
412-540 · Contribution – Myerstown First Aid Unit	4,500
Total 412 · Ambulance/Rescue	4,500
413 · UCC and Code Enforcement	
413-112 · Salaries and Wages – Part-Time Staff	28,665
413-200 · Supplies	300
413-317 · Vehicle Towing Services	250
413-324 · Wireless Phone Service	500
413-460 · Meetings and Conference, Continuing Education	750
Total 413 · UCC and Code Enforcement	30,465
414 · Planning and Zoning	
414-310 · Planning & Zoning Professional Services	500
Total 414 · Planning and Zoning	500
415 · Emergency Management and Communications	
415-317 · LebCo EMA Alarm Fee	2,166
415-326 · MEMA Radio Repeater Service	186
Total 415 · Emergency Management and Communications	2,352
422 · Animal Control	
422-540 · Contribution – Humane Society	200
422-541 · Contribution – PAWS TNR Program	200
Total 422 · Animal Control	400
426 · Recycling Collection and Disposal	
426-218 · Leaf Bags	200

Total 426 · Recycling Collection and Disposal	200
428 · Weed Control	
428-310 · Mowing/Weed/Pest Control Services	4,000
Total 428 · Weed Control	4,000
430 · Public Works Department	
430-112 · Salary and Wages – Full-Time Staff	146,900
430-115 · Salary and Wages – Part-Time Staff	25,000
430-180 · Overtime Pay	11,000
430-210 · Office Supplies	250
430-230 · Heating Fuel	2,000
430-232 · Vehicle Fuel	6,000
430-233 · Equipment Fuel	3,000
430-238 · Clothing and Uniforms	2,500
430-242 · Safety Shoes	400
430-243 · Health & Welfare Supplies	1,500
430-260 · Small Tools and Minor Equipment	2,500
430-261 · Fire Extinguisher Service	350
430-321 · Telephone and Internet Service	1,250
430-324 · Wireless Phone Service	1,500
430-361 · Electricity	1,750
430-364 · Water & Sewer	1,750
430-367 · Garbage – Refuse Removal	1,350
430-373 · Building Repairs and Maintenance	2,250
430-374 · Machinery and Equipment Repair and Maintenance	5,000
430-375 · Vehicle Repair and Maintenance	14,500
430-384 · Rent of Machinery and Equipment	500
430-391 · Licenses and Permits	75
430-440 · County Liquid Fuels Grant Expenses	3,100
430-460 · Meetings and Conference, Continuing Education	250
Total 430 · Public Works Department	234,675
432 · Winter Maintenance – Snow Removal	
432-310 · Snow Removal Services	4,000
Total 432 · Winter Maintenance – Snow Removal	4,000
433 · Traffic Control Device	
433-245 · Highway Supplies – Street Signs	1,000
Total 433 · Traffic Control Device	1,000
434 · Street Lighting	
434-200 · Street Lighting Supplies	500
Total 434 · Street Lighting	500
438 · Maintenance and Repairs of Roads and Bridges	
438-245 · Highway Supplies	750
Total 438 · Maintenance and Repairs of Roads and Bridges	750
445 · Parking	
445-361 · Electricity to Charging Station	350
Total 445 · Parking	350
454 · Parks	
454-247 · Recreation Supplies	1,000

454-250 · Repair and Maintenance Supplies	2,000
454-260 · Minor Equipment Purchases	5,000
454-341 · Advertising	250
454-361 · Electricity	4,400
454-364 · Water & Sewer	200
454-370 · Repair and Maintenance Services	5,000
454-374 · Machinery and Equipment Repair and Maintenance	250
454-386 · Portable Toilet Rental	3,000
Total 454 · Parks	21,100
456 · Libraries	
456-120 · Salary/Wages – Public Works Reimbursement	1,500
456-373 · Building Repair and Maintenance	350
456-520 · Contribution – Library Association	3,000
Total 456 · Libraries	4,850
463 · Economic Development	
463-540 · Contribution – Myerstown Vitality Partnership	15,000
Total 463 · Economic Development	15,000
471 · Debt Principal	
471-220 · General Obligation Note Series B of 2021	91,000
Total 471 · Debt Principal	91,000
472 · Debt Interest	
472-220 · General Obligation Note Series B of 2021	20,860
Total 472 · Debt Interest	20,860
481 · Employer Paid Benefits and Withholding Items	
481-10 · Social Security (FICA) – Employer Paid	25,000
481-20 · Medicare – Employer Paid	5,800
Total 481 · Employer Paid Benefits and Withholding Items	30,800
483 · Pension Contribution	
483-30 · Non-Uniform Pension Contribution	38,000
Total 483 · Pension Contribution	38,000
484 · Workers' Compensation Insurance	
484-10 · Workers' Compensation Insurance - Borough	27,492
Total 484 · Workers' Compensation Insurance	27,492
486 · Insurance, Casualty, and Surety	
486-10 · Insurance – General Liability	2,899
486-15 · Insurance – Umbrella	941
486-20 · Insurance – Property/Casualty	25,738
486-30 · Insurance – Automobile	4,322
486-40 · Insurance – Public Officials	1,030
486-60 · Insurance – Fidelity and Surety Bonds	350
486-85 · Insurance – Inland Marine	1,029
486-91 · Insurance – Crime/Employee Dishonesty	382
486-95 · Insurance – Employee Errors	1,394
Total 486 · Insurance, Casualty, and Surety	38,085
487 · Group Insurance Benefits	
487-10 · Health Insurance Premium	165,665

487-15 · HDHP HSA Contribution	25,000
487-25 · PCORI Fee	56
487-35 · Life Insurance Premium	2,121
487-40 · Medical Service Allowance	2,400
Total 487 · Group Insurance Benefits	195,242
492 · Interfund Operating Transfers	
492-08 · Transfer to Wastewater Treatment Operating Fund	60,000
492-30 · Transfer to Capital Reserve Fund	55,000
492-95 · Transfer to General Reserve Fund (Police)	180,000
Total 492 · Interfund Operating Transfers	295,000
TOTAL EXPENSES	1,527,001
SURPLUS or (DEFICIT)	1,711

General Operating Reserve Fund (Savings for Police)

The General Operating Reserve Fund is in place to maintain fiscal stability during times of budgetary uncertainty. It acts as a “rainy day fund” to minimize service cuts and tax increases in case of an economic downturn or unanticipated budget shortfall.

The Government Finance Officers Association (GFOA) recommends, at a minimum, that general-purpose governments, regardless of size, maintain unreserved fund balance in the general fund of no less than five to fifteen percent of regular general fund operating revenues, or of no less than one to two months of regular general fund operating expenditures. We currently aim for an unreserved fund balance in the General Operating Fund of approximately 25% of regular general fund operating revenues, which is about \$300,000. Any excess funds are placed in the General Operating Reserve Fund.

In 2020, the majority of the balance of the General Operating Reserve Fund was transferred to a new fund to help create a Capital Reserve Fund. In 2021 Council agreed that it would raise taxes to begin saving money to spend on police services, and that it would use the General Operating Reserve Fund to store these funds. \$200,000 was transferred to the General Operating Reserve Fund in 2021. \$180,000 has been transferred in 2022. I am recommending that \$180,000 be transferred in 2023. The current cash balance in the fund is \$466,937, and the current investment balance in the fund is \$110,379. A transfer of \$180,000 would put the cash balance at \$646,937.

**BOROUGH OF MYERSTOWN
FY2023 BUDGET
GENERAL OPERATING RESERVE FUND**

REVENUES	BUDGET AMT
341 · Interest Earnings	
341-01 · Interest on Checking	700
Total 341 · Interest Earnings	700
392 · Interfund Operating Transfers	
392-01 · Transfer from General Fund (Police)	180,000
Total 392 · Interfund Operating Transfers	180,000
TOTAL REVENUES	180,700
EXPENSES	BUDGET AMT
483 · Pension Contributions	
483-10 · Police Pension Contribution	0
Total 483 · Pension Contributions	0
TOTAL EXPENSES	0
SURPLUS or (DEFICIT)	180,700

Capital Reserve Fund

The Capital Reserve Fund is in place to accumulate money for anticipated capital expenditures. This capital reserve fund is used for capital projects identified in the annual five-year capital improvement plan. Projects can include:

- Construction of municipal buildings
- Purchase of equipment and/or machinery
- Purchase of motor vehicles
- Purchase of IT equipment
- Purchase of other capital assets

Funds are transferred annually from the general fund in sufficient amounts to meet the anticipated needs of the five-year capital improvement plan. The annual transfer is maintained at a consistent amount to avoid strains on any particular year's budget. This requires considerable self-control for municipal officials not to skip the annual transfer in tight budget years.

Projects that have been completed from the Capital Reserve Fund include:

- Installation of security cameras at Highway Garage
- Construction of pole building at Highway Garage for additional vehicle and equipment storage, and Myerstown Fire Police headquarters
- Addition of security cameras to park pavilions

A full IT upgrade will be required in 2023. A full upgrade is required every 5 years to stay under warranty and the last full upgrade was performed in 2017. This upgrade will significantly improve the Borough's security and also prepare the Borough for the transition to Windows 11 software.

There is a list of identified capital improvement projects from which to choose in 2023. Staff has identified the following priorities for 2023:

- Replacement of the Chevrolet 3500 Dump Truck (1990)
- Salt Storage Roof Replacement

**BOROUGH OF MYERSTOWN
FY2023 BUDGET
CAPITAL RESERVE FUND**

REVENUES	BUDGET AMT
341 · Interest Earnings	
341-01 · Interest on Checking	25
Total 341 · Interest Earnings	25
392 · Interfund Operating Transfers	
392-01 · Transfer from General Operating Fund	55,000
392-18 · Transfer from Stormwater Management Fund	5,000
Total 392 · Interfund Operating Transfers	60,000
TOTAL REVENUES	60,025
EXPENSES	BUDGET AMT
407 · IT & Networking	
407-213 · Computer Supplies – Server/IT Upgrade	35,000
407-310 · IT & Networking Services	4,000
Total 401 · IT & Networking	39,000
430 · Public Works Department	
430-611 · General Const – Salt Storage Roof Replacement	5,000
430-760 · Vehicle Purchase – Dump Truck Replacement	20,000
Total 430 · Public Works Department	25,000
TOTAL EXPENSES	64,000
SURPLUS or (DEFICIT)	(3,975)

Street Light Tax Fund

The Street Light Tax Fund is in place to store the real estate tax moneys dedicated to the electricity for the street lights in the Borough.

This tax is a millage rate that is calculated the same as the real estate tax. The current Street Lighting Tax Rate is 0.265 mills.

Calculating total tax revenue for the Street Lighting Tax:

- Total assessment of taxable properties: \$178,861,300
- Total assessment multiplied by the millage rate: $\$178,861,300 \times 0.265 = 47,398,244.50$
- Resulting number divided by 1,000: \$47,398.24

The total taxes billed for 2023 for the street lighting tax will be \$47,398.24. The Borough can expect to receive approximately 95% of this total to be paid within the calendar year. Therefore, the budgeted real estate tax revenue for 2023 is 95% of \$47,398.24, or \$45,028.33.

Real estate taxes in boroughs are collected by an elected tax collector, but this position is currently vacant. The County Treasurer's Office serves as tax collector in the absence of an elected tax collector.

The Borough has paid approximately \$45,000 to \$46,000 in electricity costs for street lights the past couple years. We are currently in an Electricity Purchase Contract with Interstate Gas Supply, Inc. for the supply of electricity at a fixed price of **\$0.0456 per kilowatt hour (kWh)**, regardless of usage. The term of the contract is the November 2020 billing cycle through the October 2025 billing cycle. This is advantageous as energy prices have skyrocketed and the current Met-ed price to compare for municipal service is \$0.1148. The Borough should see the same cost for the next two years as long as consumption does not change.

**BOROUGH OF MYERSTOWN
 FY2023 BUDGET
 STREET LIGHTING TAX FUND**

REVENUES	BUDGET AMT
301 · Real Property Taxes	
301-110 · Real Estate Taxes – Current Year’s Levy	45,400
301-120 · Real Estate Taxes – Prior Year’s Levy	1,000
Total 301 · Real Property Taxes	46,400
341 · Interest Earnings	
341-01 · Interest on Checking	100
Total 341 · Interest Earnings	100
TOTAL REVENUES	46,500
EXPENSES	BUDGET AMT
434 · Street Lighting	
434-361 · Electricity	45,000
Total 434 · Street Lighting	45,000
TOTAL EXPENSES	45,000
SURPLUS or (DEFICIT)	1,500

Liquid Fuels Fund

This fund is in place to account for the annual Liquid Fuels allocation from the state government, and associated expenses. The Liquid Fuels allocation to Myerstown Borough for 2023 is estimated to be \$86,585.74.

Pennsylvania's 2,560 local governments are responsible for approximately 73,000 miles of roads and 6,850 bridges. Myerstown Borough is responsible for 10.27 miles of roads and 4 bridges. The Commonwealth provides money to municipalities to assist with construction, maintenance, and repair of these roads and bridges.

The Liquid Fuels Tax Municipal Allocation Law, Act 655, dated June 1, 1956, as amended (Act 655), provides all municipalities other than counties with an annual allocation of Liquid Fuels Tax funds from the Commonwealth's Motor License Fund.

The amount of this fund that is provided for municipalities is based on:

- 20% of 95.83% of the mileage schedule as per Act 89 (Section 9511(d) of the Vehicle Code); plus
- 20% of 35 mils of the Oil Company Franchise Tax (Section 9511(c) of the Vehicle Code); plus
- \$5,000,000 (Act 68 of 1980) as per Section 9301 of the Vehicle Code; plus
- 12% of 38.5 mils of the Act 3 Oil Company Franchise Tax; plus
- \$30,000,000 as per Section 9301(c) of the Vehicle Code

The allocation of these funds to municipalities is based on the ratios of mileage and population of the municipality to the state totals, and the revenues must be used on the roads and streets for which the municipalities are legally responsible. 50% of the funds are distributed based on a municipality's proportion of local road mileage to the total local mileage in the state, and 50% on the proportion of a municipality's population to the total population of the state. Road mileage is verified by periodic road surveys conducted by PennDOT, and population is based on official U.S. Census reports conducted every ten years.

To qualify for the annual liquid fuels tax allocation, the Borough must:

- Submit all required annual reports:
 - o MS-965
 - o Actual Use Report
 - o MS 965P
 - o Project and Miscellaneous Receipts
 - o MS-965S
 - o Record of Checks
- Make deposits and payments or expenditures in compliance with the Act 655.
- Submit the Pennsylvania DCED Report of Elected and Appointed Officials by January 31st
- Submit the Pennsylvania DCED Survey of Financial Condition by March 15th
- Insure resolution of all Contractor Responsibility Program (CRP) holds and blocks imposed by the Dept. of Revenue and the Dept. of Labor and Industry
- Insure resolution of all reimbursements required as a result of audits performed by the Auditor General or monitoring reviews performed by the Department's Financial Consultants

-

Each municipality must deposit the Liquid Fuels Tax funds it receives into a special fund called the Municipal Liquid Fuels Tax Fund or State Fund. It must be invested to earn interest. A municipality may not deposit any other monies into this fund except when the municipality does not have enough money in the special fund to meet payments called for by its current annual budget for the various highway and bridge purposes permitted by the Act.

The Borough's Liquid Fuels Tax Fund monies are stored in account with the Pennsylvania Local Government Investment Trust (PLGIT) for effective adherence to state laws regarding the storing of these allocations.

PLGIT is a financial service organization created and run by local government officials exclusively for Pennsylvania's municipalities, authorities, schools, and other local and regional governmental type entities. Its Board of Directors is comprised of representatives from each of the local government associations.

Expenditures from Liquid Fuels Tax funds are subject to the regulations of the Department of Transportation. Funds must be used for the construction, maintenance, and repair of roads and bridges. Acceptable expenditures from the Liquid Fuels Tax Funds are outlined in "Publication 9" from PennDOT.

Examples of allowable expenditures:

- Construction, reconstruction, maintenance, and repair of roads and bridges.
- Culverts and drainage structures.
- Costs associated with traffic signs and signals.
- Street lighting.
- Equipment used for these purposes.
- Purchase of PennDOT-approved materials.
- Winter maintenance activities (salt, plowing)
- Salary and benefit costs for road crews

Examples of nonpermissible expenditures:

- Parks, municipal buildings, or playgrounds.
- Police Departments.
- Administrative expenses.
- Curbs and sidewalks.
- Heating oil.
- Lump sum bidding.
- Retroactive expenditures or repayment of other funds.
- Construction and reconstruction projects without PennDOT approval.

We use our liquid fuels fund to budget for road improvement projects as identified in a road improvement plan.

**BOROUGH OF MYERSTOWN
FY2023 BUDGET
LIQUID FUELS FUND**

REVENUES	BUDGET AMT
341 · Interest Earnings	
341-01 · Interest on Checking	250
Total 341 · Interest Earnings	250
355 · State Shared Revenue and Entitlements	
355-02 · State Liquid Fuels Grant Allocation	86,586
355-03 · Alcoholic Beverages Licenses	680
Total 355 · State Shared Revenue and Entitlements	87,266
TOTAL REVENUE	87,516
EXPENSES	BUDGET AMT
430 · Public Works Department	
430-700 · Capital Project – Center Ave Paving	227,000
Total 430 · Public Works Department	227,000
433 · Traffic Control Devices	
433-361 · Electricity (Traffic Signals)	1,000
433-370 · Traffic Lights Repair and Maintenance	3,000
Total 433 · Traffic Control Devices	4,000
438 · Road and Bridge Maintenance	
438-245 · Road Maintenance - Salt	20,000
438-370 · Road and Bridge Repair and Maintenance	10,000
Total 438 · Road and Bridge Maintenance	30,000
TOTAL EXPENSES	261,000
SURPLUS or (DEFICIT)	(173,484)

Stormwater Management Fund

The Stormwater Management Fund is in place for the implementation of the Borough's Stormwater Management Program. In 2019, a Stormwater Assessment Fee was levied to fund the program, which is required through the Borough's NPDES Permit with the Pennsylvania Department of Environmental Protection.

Impervious area is the most important factor influencing stormwater runoff and is therefore the major element in determining the Stormwater Assessment Fee. Parcels are billed on the basis of how much impervious area exists in relation to the impervious area of a typical single family residential (SFR) parcel. This amount is called one Equivalent Residential Unit (ERU). All SFR parcels are billed a flat rate for one ERU. Non-SFR parcels are billed based upon individually measured impervious area. That area is divided by the impervious area of the typical SFR unit to determine the number of ERUs to be billed to the parcel.

1 ERU = \$7.75/month

1 ERU = 3,382 SF of impervious area

Funds are collected by Keystone Collections Group.

There are two projects that the Borough must complete as part of its Pollution Reduction Plan (PRP) to maintain compliance with its NPDES Permit.

Project 1: Construct a bioswale along the Tulpehocken Creek.

Project 2: Install a nutrient separating baffle box along the existing storm sewer on Goodwill Street.

Project 1 is currently under construction, and project 2 must be completed by June 30, 2023.

DEP has extended the NPDES permit renewal to 2025. The Borough can expect increased engineering and legal fees to work on its permit renewal in 2024.

**BOROUGH OF MYERSTOWN
FY2023 BUDGET
STORMWATER MANAGEMENT FUND**

REVENUES	BUDGET AMT
341 · Interest Earnings	
341-01 · Interest on Checking	1,000
Total 341 · Interest Earnings	1,000
354 · State Capital and Operating Grants	
354-01 · State Grant Funds	352,800
Total 354 · State Capital and Operating Grants	352,800
383 · Special Assessments	
383-20 · Stormwater Assessment Fee Current Year	190,000
383-21 · Stormwater Assessment Fee Prior Years	10,000
Total 383 · Special Assessments	200,000
TOTAL REVENUES	553,800
EXPENSES	BUDGET AMT
402 · Financial Services	
402-390 · Bank Service Charges/Fees	25
Total 402 · Financial Services	25
403 · Tax Collection	
403-310 · Tax Collection Services	2,500
Total 403 · Tax Collection	2,500
404 · Legal Services	
404-310 · Legal Services	5,000
Total 404 · Legal Services	5,000
406 · General Administration	
406-210 · Office Supplies	500
406-319 · Unplanned Charges/Fees	500
406-341 · Advertising	1,500
406-342 · Printing	500
406-420 · Subscriptions and Dues	35
Total 406 · General Administration	3,035
407 · IT – Networking Services – Data Processing	
407-200 · IT and Networking Supplies	3,500
407-310 · Professional Services – IT and Networking	1,000
407-420 · Software Subscriptions	1,100
Total 407 · IT – Networking Services – Data Processing	5,600
408 · Engineering Services	
408-313 · Engineering Services – MS4	15,000
408-317 · Engineering Services – MS4 BMP Implementation	15,000
Total 408 · Engineering Services	35,400
446 · Stormwater Management	
446-310 · Street Sweeping Services	10,000
446-375 · Infrastructure Repairs and Maintenance	2,500

446-376 · Equipment Repairs and Maintenance	2,500
446-480 · Permits and Fees	500
446-670 · Capital Construction – MS4 BMPs	352,800
Total 446 · Stormwater Management	368,300
492 · Interfund Operating Transfers	
492-07 · Transfer to General Fund	16,394
492-30 · Transfer to Capital Reserve Fund	5,000
Total 492 · Interfund Operating Transfers	21,394
TOTAL EXPENSES	435,854
SURPLUS or (DEFICIT)	117,946

Heritage Center Fund

The Heritage Center Fund, formerly the Municipal Center Fund, was created in 2015 to manage the grant and project funds for the purchase and renovation of the Myerstown Elementary School. It was converted to the Heritage Center Fund in 2021 to store the balance of the Bahney Trust, which was \$44,249 when transferred to the Borough. These funds must be used for beautification and the creation of a Heritage Center.

BOROUGH OF MYERSTOWN FY2023 BUDGET HERITAGE CENTER FUND

REVENUES	BUDGET AMT
341 · Interest Earnings	
341-01 · Interest on Checking	0
Total 341 · Interest Earnings	0
TOTAL REVENUES	0
EXPENSES	BUDGET AMT
(none)	
TOTAL EXPENSES	0
SURPLUS or (DEFICIT)	0

General Fund Debt Service Fund

The General Fund Debt Service Fund was established to account for payments made on debt service for the General Obligation Note, Series B of 2021. This Fund will be closed in 2023 as our auditor has recommended accounting for this debt service in the General Fund.

The principal amount of the General Obligation Note, Series B of 2021 was \$1,577,000, and the purpose was to refinance the Series B of 2014 and 2017 General Obligation Notes, lowering the interest rate to 1.49% through May 1, 2031 and variable thereafter with 4.00% cap. The final maturity is November 1, 2036.

Previous Interest Rates:

- Series B of 2014 Note
 - Rate: 2.25% through Aug 1, 2023; Variable thereafter with 4.75% cap
 - Final maturity: Aug 1, 2036
- Series 2017 Note
 - Interest Rate: 3.00% through Dec 1, 2027; Variable thereafter with 4.058% cap
 - Final maturity: Dec 1, 2037

Use of the Series B of 2014 Note Funds:

1. \$253,934.79 for the Broad & Cherry Street Repaving Project
2. \$427,257.00 for the purchase of the Myerstown Elementary School
3. \$479,046.97 for the Pool Renovation Project

Use of the Series 2017 Note Funds

1. \$656,955.32 for the Pool Renovation Project
2. \$64,939.74 for Broad & Cherry and Railroad Street Reconstruction
3. \$278,104.94 for renovation of Myerstown Elementary School

A portion of the debt service payment is paid by the Pool Fund in proportion to the amount of the debt that was used for the 2017 pool renovation project. The Pool Fund makes a transfer into the General Fund for that amount, then the debt service is paid in total from the General Fund. The transfer amounts are as follows:

	GF Total	Pool Total		GF Total	Pool Total
2021	\$ 57,980.67	\$ 44,031.50	2030	\$ 63,806.11	\$ 48,085.79
2022	\$ 63,962.07	\$ 48,238.93	2031	\$ 63,458.78	\$ 47,834.72
2023	\$ 63,784.59	\$ 48,075.41	2032	\$ 63,545.03	\$ 47,894.97
2024	\$ 64,144.26	\$ 48,359.84	2033	\$ 63,756.80	\$ 48,083.20
2025	\$ 63,941.14	\$ 48,177.26	2034	\$ 63,919.14	\$ 48,160.86
2026	\$ 64,275.18	\$ 48,442.62	2035	\$ 63,947.97	\$ 48,212.03
2027	\$ 64,005.22	\$ 48,282.18	2036	\$ 64,473.28	\$ 48,606.72
2028	\$ 63,768.34	\$ 48,073.76	2037	\$ 25,547.89	\$ 21,252.11
2029	\$ 64,068.61	\$ 48,313.29			

**BOROUGH OF MYERSTOWN
 FY2023 BUDGET
 GENERAL FUND DEBT SERVICE FUND**

REVENUES	BUDGET AMT
341 · Interest Earnings	
341-01 · Interest on Checking	0
Total 341 · Interest Earnings	0
TOTAL REVENUES	0
EXPENSES	BUDGET AMT
492 · Interfund Operating Transfers	
492-10 · Transfer to General Fund	(entire balance)
Total 492 · Interfund Operating Transfers	(entire balance)
TOTAL EXPENSES	(entire balance)
SURPLUS or (DEFICIT)	(merging into General Fund)

American Rescue Plan Act Fund

This fund is in place to account for ARPA Funds received by the Federal Government. Myerstown Borough received \$341,356 in ARPA Funds. Approximately \$150,000 was spent upgrading the HVAC system in the Community Center. Council will have to determine how to spend the other \$190,000.

Summary of the American Rescue Plan Act

The American Rescue Plan Act (ARPA), signed by President Joe Biden on March 11, 2021, authorized the allocation of Coronavirus State and Local Fiscal Recovery Funds to state and local governments across the country. These funds can be used by local governments to respond to the COVID-19 public health emergency and address its negative economic impacts. The US Treasury has issued their final rule and an associated FAQ document that outline and discuss general eligible uses of these funds. In addition, the US Treasury published compliance and reporting guidance for fund recipients. Local governments are required to submit a yearly Project & Expenditure Report to the US Treasury by April 30th each year.

Summary of Eligible Uses

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program provides substantial flexibility for each jurisdiction to meet local needs within the four separate eligible use categories. This Overview of the Final Rule addresses the four eligible use categories ordered from the broadest and most flexible to the most specific.

Recipients may use SLFRF funds to:

- **Replace lost public sector revenue**, using this funding to provide government services up to the amount of revenue loss due to the pandemic.
 - Recipients may determine their revenue loss by choosing between two options:
 - A standard allowance of up to \$10 million in aggregate, not to exceed their award amount, during the program;
 - Calculating their jurisdiction's specific revenue loss each year using Treasury's formula, which compares actual revenue to a counterfactual trend.
 - Recipients may use funds up to the amount of revenue loss for government services; generally, services traditionally provided by recipient governments are government services, unless Treasury has stated otherwise.
- **Support the COVID-19 public health and economic response** by addressing COVID-19 and its impact on public health as well as addressing economic harms to households, small businesses, nonprofits, impacted industries, and the public sector.
 - Recipients can use funds for programs, services, or capital expenditures that respond to the public health and negative economic impacts of the pandemic.
 - To provide simple and clear eligible uses of funds, Treasury provides a list of enumerated uses that recipients can provide to households, populations, or classes (i.e., groups) that experienced pandemic impacts.
 - Public health eligible uses include COVID-19 mitigation and prevention, medical expenses, behavioral healthcare, and preventing and responding to violence.

- Eligible uses to respond to negative economic impacts are organized by the type of beneficiary: assistance to households, small businesses, and nonprofits.
 - Each category includes assistance for “impacted” and “disproportionately impacted” classes: impacted classes experienced the general, broad-based impacts of the pandemic, while disproportionately impacted classes faced meaningfully more severe impacts, often due to preexisting disparities.
 - To simplify administration, the final rule presumes that some populations and groups were impacted or disproportionately impacted and are eligible for responsive services. 7 U.S. DEPARTMENT OF THE TREASURY Coronavirus State & Local Fiscal Recovery Funds: Overview of the Final Rule U.S. Department of the Treasury
 - Eligible uses for assistance to impacted households include aid for reemployment, job training, food, rent, mortgages, utilities, affordable housing development, childcare, early education, addressing learning loss, and many more uses.
 - Eligible uses for assistance to impacted small businesses or nonprofits include loans or grants to mitigate financial hardship, technical assistance for small businesses, and many more uses.
- Recipients can also provide assistance to impacted industries like travel, tourism, and hospitality that faced substantial pandemic impacts, or address impacts to the public sector, for example by re-hiring public sector workers cut during the crisis.
- Recipients providing funds for enumerated uses to populations and groups that Treasury has presumed eligible are clearly operating consistently with the final rule. Recipients can also identify (1) other populations or groups, beyond those presumed eligible, that experienced pandemic impacts or disproportionate impacts and (2) other programs, services, or capital expenditures, beyond those enumerated, to respond to those impacts.
- **Provide premium pay for eligible workers performing essential work**, offering additional support to those who have and will bear the greatest health risks because of their service in critical sectors.
 - Recipients may provide premium pay to eligible workers – generally those working in person in key economic sectors – who are below a wage threshold or non-exempt from the Fair Labor Standards Act overtime provisions, or if the recipient submits justification that the premium pay is responsive to workers performing essential work.
- **Invest in water, sewer, and broadband infrastructure**, making necessary investments to improve access to clean drinking water, to support vital wastewater and stormwater infrastructure, and to expand affordable access to broadband internet.
 - Recipients may fund a broad range of water and sewer projects, including those eligible under the EPA’s Clean Water State Revolving Fund, EPA’s Drinking Water State Revolving Fund, and certain additional projects, including a wide set of lead remediation, stormwater infrastructure, and aid for private wells and septic units.
 - Recipients may fund high-speed broadband infrastructure in areas of need that the recipient identifies, such as areas without access to adequate speeds, affordable options, or where connections are inconsistent or unreliable; completed projects must participate in a low-income subsidy program.

**BOROUGH OF MYERSTOWN
FY2023 BUDGET
AMERICAN RESCUE PLAN ACT FUND**

REVENUES	BUDGET AMT
341 · Interest Earnings	
341-01 · Interest on Checking	1,000
Total 341 · Interest Earnings	1,000
TOTAL REVENUES	1,000
EXPENSES	BUDGET AMT
(none)	
TOTAL EXPENSES	0
SURPLUS or (DEFICIT)	1,000

Wastewater Treatment Operating Fund

The Wastewater Treatment Operating Fund is in place to manage the revenues and expenditures of the operations of the Myerstown Borough Wastewater Treatment System. This fund is an Enterprise Fund, meaning its operations are funded entirely through user fees.

The Myerstown Borough Wastewater Treatment Facility (WWTF) is a regional facility owned and operated by the Borough and designed to serve the Borough of Myerstown, the Borough of Richland, and portions of Jackson Township and Millcreek Township. The facility was originally constructed in 1963. It was expanded in 1978 to increase the plant's capacity from 500,000 to 1.4 million gallons per day and to include flow from three other municipalities. It was then upgraded and expanded in 2009 to meet new discharge regulations.

Treatment processes at the upgraded and expanded plant include a headworks consisting of grinding, fine screening, and grit removal. Following the headworks, flow is pumped from the wet well to an ORBAL Oxidation Ditch, where BOD, Total Suspended Solids, and biological nutrient removal occurs. Phosphorus is removed biologically and chemically. The oxidation ditch is followed by final clarification. The clarified effluent is disinfected by ultraviolet light. After UV treatment there is post aeration and flow measurement. The WWTF currently is permitted for a hydraulic capacity of 2.92 MGD. The organic capacity of the facility is 8.062 lbs. BOD5/day. WWTF effluent is discharged into the Tulpehocken Creek.

Waste activated sludge is removed from the clarifiers and gravity thickened prior to aerobic digestion in one of two parallel aerobic digesters. The digested sludge is dewatered by centrifuge, and the resultant cake hauled to a landfill. The WWTF also has 30,000 square feet of reed beds, to which liquid sludge can be applied. Supernatant from the digesters and centrate from the centrifuge can be recycled to the existing reed beds or pumped to the head of the plant.

Industrial Waste Monitoring

The Borough maintains a program of industrial waste monitoring. This program consists of routinely collecting and analyzing samples from the major industries in Myerstown and Jackson Township. The Borough developed a Pretreatment Program in 1984. The U.S. Environmental Protection Agency (EPA) approved the Borough's Pretreatment Program in 1985. Presently, there are five major industries with some type of pretreatment facility. The industries are:

1. Bayer HealthCare Site #1
2. Bayer HealthCare Site #2
3. CMI-Tech Cast, Inc.
4. Elk/GAF Corporation
5. Trigon Plastics

These five industries all have effluent monitoring stations on their premises for the Borough's use. Flow, pH, and temperature monitoring is provided in the monitoring stations. Each monitoring station is inspected daily. Sampling is performed monthly on each of the five major industries. Each industry has been issued a permit to discharge by the Borough.

**BOROUGH OF MYERSTOWN
FY2023 BUDGET
WASTEWATER TREATMENT OPERATING FUND**

REVENUES	BUDGET AMT
341 · Interest Earnings	
341-01 · Interest on Checking	1,000
Total 341 · Interest Earnings	1,000
364 · Sewer Use	
364-100 · Industrial Waste Monitoring	18,900
364-101 · Contracted Laboratory Services	11,750
364-102 · Industrial Cost Recovery	2,000
364-105 · Shared Cost – Jackson Township	183,755
364-106 · Shared Cost – Millcreek/Richland	133,614
364-110 · Tapping Fees	2,085
364-120 · Sewer Rents – Residential	419,570
364-121 · Sewer Rents – Commercial	74,500
364-122 · Sewer Rents – Industrial	130,390
364-123 · Sewer Rents – Public	9,990
364-125 · Sewer Debt Service Fee	685,000
364-127 · Penalties/Special Charges	5,000
364-128 · Industrial Surcharge	125
364-130 · Industrial Discharge Permit Renewal Fees	1,000
Total 364 · Sewer Use	1,677,679
390 · Other Financing Sources	
390-005 · Reimbursement – Enernoc/Enel X	1,500
390-007 · Rebates – Sludge Disposal & Tipping	4,000
Total 390 · Other Financing Sources	5,500
391 · Proceeds of General Fixed Asset Disposition	
391-15 · Sale of Scrap Metal	500
391-16 · Miscellaneous Income	500
Total 391 · Proceeds of General Fixed Asset Disposition	1,000
392 · Interfund Operating Transfers	
392-087 · Transfer from General Operating Fund	60,000
Total 392 · Interfund Operating Transfers	60,000
TOTAL REVENUES	1,745,179

EXPENSES	BUDGET AMT
406 · General Office Expenses	
406-110 · PW Admin Wages (M)	35,000
406-198 · Employee Life Insurance (S)	350
406-210 · Office Supplies (S)	300
406-213 · Computer Service and Supplies (S)	2,500
406-215 · Postage (S)	0
406-218 · Miscellaneous Expenses Myerstown (M)	500
406-238 · Uniform Rental (S)	2,750
406-240 · Dues and Publications (S)	1,000

406-242 · Protective Equipment (S)	500
406-310 · Legal Services (S)	1,000
406-311 · Auditing Services (S)	4,800
406-321 · Telephone (S)	5,000
406-325 · Internet (S)	1,000
Total 406 · General Office Expenses	54,700
428 · Collection and Industrial Monitoring	
428-112 · Wages – Collection System	7,500
428-122 · Wages – Industrial Monitoring	15,125
428-180 · Overtime – Collection and Monitoring	250
428-215 · Postage – Billings	2,800
428-216 · Collection System – Miscellaneous Expenses	200
428-313 · Engineering Services	5,000
428-314 · Legal Services	2,000
428-315 · Contracted Services – Water Authority Billing	17,000
428-316 · Contracted Services – Lab Testing (M)	16,000
428-32 · Contracted Services – Inflow and Infiltration (M)	5,000
428-33 · Contracted Services – Inflow Rep Proj (M)	75,000
428-338 · Vehicle Expense – Fuel (M)	200
428-339 · Vehicle Expense – Repair and Maintenance (M)	200
428-368 · PA One Call Faxes (M)	200
428-374 · Collection Equipment Repairs and Maintenance (M)	2,000
428-384 · Equipment Rental (M)	500
Total 428 · Collection and Industrial Monitoring	148,975
429 · Wastewater Treatment	
429-110 · Salary – Treatment Supervisor (S)	62,650
429-112 · Wages – Treatment (S)	150,000
429-171 · PTO (S)	15,000
429-172 · Holiday Pay (S)	10,000
429-177 · Sick Pay (S)	6,000
429-180 · Overtime – Treatment (S)	8,850
429-192 · FICA Employer Expense (S)	20,000
429-193 · Medicare Employer Expense (S)	4,500
429-210 · Office Supplies (S)	1,500
429-218 · Miscellaneous Expense (S)	500
429-222 · Chemicals – Chlorine (S)	1,250
429-223 · UV System Purch and Replace (S)	5,000
429-224 · Chemicals – Phosphorus (S)	30,000
429-225 · Lab/Testing Supplies (S)	1,750
429-227 · Chemicals – Polyelectrolyte (S)	29,000
429-31 · Storage Tank Op Fee (DEP) (S)	2,500
429-313 · Engineering Services (S)	25,000
429-316 · Contracted Lab Services – Treatment (S)	32,500
429-317 · Contracted Services – Janitorial (S)	12,500
429-318 · Payroll Administrative Fees (S)	2,250
429-32 · Operators Cert (DEP) (S)	4,000
429-320 · Alarm System – Uncovered Rep (S)	500
429-321 · Alarm System Monitoring (S)	550
429-322 · Alarm System Testing and Inspection (S)	550
429-323 · Alarm System – Maintenance and Service (S)	2,250

429-329 · Communications – Alarm System (S)	500
429-338 · Vehicle Expense – Fuel (S)	4,500
429-339 · Vehicle Expense – Repair and Maintenance (S)	1,000
429-361 · Electricity (S)	75,000
429-362 · Natural Gas / Heating Oil (S)	6,000
429-365 · Sludge Disposal (S)	67,500
429-366 · Water Rates (S)	850
429-367 · Trash Removal (S)	1,000
429-37 · Maintenance and Repairs – M/R Equip (M & R)	800
429-373 · Maintenance and Repairs – Building and Grounds (S)	2,000
429-374 · Maintenance and Repairs – Machinery and Equip (S)	40,000
429-375 · Maintenance and Repairs – SCADA (S)	1,500
429-376 · Maintenance and Repairs – Headworks (S)	1,500
429-39 · Contracted Services Repair and Maintenance	8,500
429-40 · Lab Equipment Purchase and Replacement (S)	1,500
429-41 · Machinery and Equipment Purchase and Replacement (S)	1,000
429-42 · Buildings and Grounds Purchase and Replacement (S)	1,000
429-43 · Headworks – Purchase and Replacement (S)	500
429-46 · Myerstown Extraordinary Repairs (M)	500
429-460 · Conference/Training Fees (S)	1,000
429-47 · Jackson Twp Extraordinary Repairs (J)	1,000
429-48 · Millcreek/Richland Extraordinary Repairs (M/R)	1,000
Total 429 · Wastewater Treatment	646,750
471 · Debt Principal	
471-10 · Debt Service Principal	415,000
Total 471 · Debt Principal	415,000
472 · Debt Interest	
472-10 · Debt Service Interest	92,112
Total 472 · Debt Interest	92,112
484 · Workers' Compensation Insurance	
484-354 · Workers' Compensation Insurance (S)	11,782
Total 484 · Workers' Compensation Insurance	11,782
486 · Insurance	
486-10 · General Liability Insurance (M)	597
486-11 · General Liability Insurance – Plant and Grounds (S)	1,250
486-15 · Umbrella Insurance (S)	403
486-20 · Public Officials (S)	441
486-30 · Vehicle Insurance (S)	1,852
486-70 · Crime Insurance (S)	164
486-71 · Pollution Liability Insurance (S)	8,000
486-76 · Property Insurance (S)	11,031
486-78 · Flood Insurance – Plant and Grounds (S)	2,500
486-85 · Inland Marine Insurance (S)	1,029
Total 486 · Insurance	27,267
487 · Group Insurance Benefits	
487-196 · Health Insurance Premium and HSA (S)	160,000
487-197 · Employer Pension Expense (S)	35,000
487-198 · Employee Medical Service Allowance (S)	2,000

Total 487 · Group Insurance Benefits	197,000
489 · Unclassified Operating Expenses	
489-900 · Jackson Township Refund (M)	5,000
489-910 · Millcreek/Richland Refund (M)	5,000
Total 489 · Unclassified Operating Expenses	10,000
492 · Interfund Operating Transfers	
492-07 · Transfer to General Operating Fund – Admin (S)	59,000
492-08 · Transfer to Wastewater Reserve Fund	50,000
492-09 · Transfer to General Operating Reserve – Manager (M)	25,000
Total 492 · Interfund Operating Transfers	134,000
TOTAL EXPENSES	1,737,586
SURPLUS or (DEFICIT)	7,593

Wastewater Treatment Operating Reserve Fund

The Wastewater Operating Reserve Fund is in place to maintain fiscal stability during times of budgetary uncertainty. Like the General Operating Reserve Fund, it acts as a “rainy day fund” to minimize service cuts and rate increases for the Wastewater Treatment Department in case of an economic downturn or unanticipated budget shortfall. This fund was critical to cover emergency costs while maintaining normal service levels after the recent floods.

The Wastewater Operating Reserve Fund also serves as place to accumulate money for anticipated capital expenditures specifically for the Wastewater Treatment Facility.

BOROUGH OF MYERSTOWN FY2023 BUDGET WASTEWATER TREATMENT OPERATING RESERVE FUND

REVENUES	BUDGET AMT
341 · Interest Earnings	
341-01 · Interest on Checking	250
Total 341 · Interest Earnings	500
392 · Interfund Operating Transfers	
392-08 · Transfer from WWTF Operating Fund	50,000
Total 392 · Interfund Operating Transfers	
TOTAL REVENUES	50,250
EXPENSES	BUDGET AMT
(none)	
TOTAL EXPENSES	0
SURPLUS or (DEFICIT)	50,250

WWTF Debt Service Fund

The WWTF Debt Service Fund was established to account for payments made on debt service for the General Obligation Note, Series A of 2021. This Fund will be closed in 2023 as our auditor has recommended accounting for this debt service in the WWTF Operating Fund.

The principal amount of the General Obligation Note, Series A of 2021 was \$6,953,000, and the purpose was to refinance the Series A of 2014 General Obligation Note, lowering the interest rate to 1.49% through May 1, 2031 and variable thereafter with 4.00% cap. The final maturity is November 1, 2036. The Series A of 2014 Note refinanced the Series A of 2007 Guaranteed Revenue Bonds which were issued by Millcreek-Richland Joint Authority and loaned to Myerstown Borough to finance the upgrading and expansion of the WWTF in 2009 to meet new discharge regulations.

Previous Interest Rates:

- Series A of 2014 Note
 - Rate: 2.25% through Aug 1, 2023; Variable thereafter with 4.75% cap
 - Final maturity: Aug 1, 2036
- Series A of 2007 Bond
 - Interest Rate: 6.00% through Dec 31, 2037;
 - Final maturity: Aug 1, 2037

The debt service is funded by a debt service charge for sewer customers.

**BOROUGH OF MYERSTOWN
FY2023 BUDGET
SEWER DEBT SERVICE FUND**

REVENUES	BUDGET AMT
341 · Interest Earnings	
341-01 · Interest on Checking	0
Total 341 · Interest Earnings	0
TOTAL REVENUES	0
EXPENSES	BUDGET AMT
492 · Interfund Operating Transfers	
492-10 · Transfer to WWTF Operating	(entire balance)
Total 492 · Interfund Operating Transfers	(entire balance)
TOTAL EXPENSES	(entire balance)
SURPLUS or (DEFICIT)	(merging fund with WWTF Operating)

Project Account Fund – Revenue Bonds – Series of 2007

The 2007 Revenue Bonds Fund is in place to hold the unexpended proceeds of the refunded 2007A Bonds from when they were refinanced by the 2014 General Obligation Note Series A. The Ordinance states that the funds must be used for the following purposes and no other:

1. Payment of principal, interest, and call premium on the 2007A Bonds;
2. Payment of not more than six months' accrued interest on the Series A Note;
3. Payment of costs of issuance of the Series A Note;
4. Payment of the administrative costs of:
 - a. repaying the 2007A Bonds;
 - b. carrying and repaying the Series A Note;
 - c. investments of the Series A Note;
5. Transferred Proceeds that will be used for the purpose of the Refunded 2007A (this is what they have been used for thus far)
6. Qualified guarantee fees with respect to the Series A Note.

The purpose of the 2007A Bond was construction and reconstruction of WWTF assets. This is what these funds have been used for thus far. Most recently, they were used for Inflow and Infiltration (I&I) and metering projects.

**BOROUGH OF MYERSTOWN
FY2023 BUDGET
PROJECT ACCOUNT FUND – REVENUE BONDS – SERIES OF 2007**

REVENUES	BUDGET AMT
341 · Interest Earnings	
341-01 · Interest on PLGIT Account	2,000
Total 341 · Interest Earnings	2,000
TOTAL REVENUES	2,000
EXPENSES	BUDGET AMT
(none)	
TOTAL EXPENSES	0
SURPLUS or (DEFICIT)	2,000

Community Pool Operating Fund

The Community Pool Fund is in place to manage the revenues and expenditures of the William L. Derr Community Pool. This fund is an Enterprise Fund, meaning its operations are funded entirely through pool activities, namely user fees.

In 2017, a 1.3-million-dollar renovation to the pool was completed partially funded through a grant from the Department of Conservation and Natural Resources. Since then, pool attendance and revenues have been up significantly. A portion of the revenues is used to pay for the principal and interest payments on the 2017 General Obligation Note, as a portion of that note was used to finance the pool. See the chart below for amounts.

Currently the revenue earned by the pool is not enough to cover the cost of operations, maintenance, and debt service. We will likely recommend an increase in daily admission rates by 10% or more to cover these costs. We will also recommend increasing promotion of the pool. If admission revenue does not increase, the General Fund will have to start supporting pool operations.

	<u>Total Debt Service</u>	
2021	\$	44,031.50
2022	\$	48,238.93
2023	\$	48,075.41
2024	\$	48,359.84
2025	\$	48,177.26
2026	\$	48,442.62
2027	\$	48,282.18
2028	\$	48,073.76
2029	\$	48,313.29
2030	\$	48,085.79
2031	\$	47,834.72
2032	\$	47,894.97
2033	\$	48,083.20
2034	\$	48,160.86
2035	\$	48,212.03
2036	\$	48,606.72
2037	\$	21,252.11

**BOROUGH OF MYERSTOWN
FY2023 BUDGET
POOL OPERATING FUND**

REVENUES	BUDGET AMT
341 · Interest Earnings	
341-01 · Interest on Checking	25
Total 341 · Interest Earnings	25
367 · Charges for Services	
367-110 · Season Pass Sales	45,000
367-111 · Daily Admission Fees	107,500
367-130 · Concession Stand Sales	42,500
367-140 · Pavilion Rental Fees	1,500
Total 367 · Charges for Services	196,500
381 · Contributions and Donations from Private Sources	
381-10 · Donations from Private Sources	2,500
381-11 · Water Authority Reimbursement	1,000
Total 381 · Contributions and Donations from Private Sources	3,500
TOTAL REVENUES	200,025

EXPENSES	BUDGET AMT
402 · Financial Services	
402-318 · Payroll Services	1,500
402-319 · Credit Card Usage Fees	50
402-390 · Bank Service Charges/Fees	25
Total 402 · Financial Services	1,575
404 · Legal Services	
402-310 · Legal Services	250
Total 404 · Legal Services	250
407 · IT – Networking Services – Data Processing	
407-310 · IT and Networking Services	250
Total 407 · IT – Networking Services – Data Processing	250
452 · Pool Operating Expenses	
452-115 · Salaries and Wages – Part-Time Staff	70,000
452-210 · Office Supplies	500
452-221 · Chemicals	7,000
452-222 · Chlorine	12,500
452-229 · Concession Stand Inventory	15,000
452-236 · Building Supplies	1,000
452-238 · Uniforms	2,600
452-239 · Concession Stand Operating Supplies	1,000
452-247 · Pool Operating Supplies	3,250
452-316 · Lab Testing Fees	750
452-317 · Pool Inspection Fees	100
452-320 · Phone and Internet Service	1,800
452-340 · Advertising and Printing	1,000
452-361 · Electricity	4,100

452-366 · Water	3,300
452-370 · Pool Repairs and Maintenance	500
452-373 · Building and Grounds Repairs and Maintenance	2,000
452-391 · License and Certification Fees	1,000
452-430 · Training Fees	3,000
452-480 · Background Check Fees	350
Total 452 · Pool Operating Expenses	130,750
481 · Employer Paid Benefits and Withholding Items	
481-10 · Social Security (FICA) – Employer Paid	4,650
481-20 · Medicare – Employer Paid	1,090
Total 481 · Employer Paid Benefits and Withholding Items	5,740
492 · Interfund Operating Transfers	
492-01 · Transfer to General Fund	60,575
Total 492 · Interfund Operating Transfers	60,575
TOTAL EXPENSES	199,140
SURPLUS or (DEFICIT)	885

Unemployment Compensation Fund

The Unemployment Compensation Sinking Fund was established by Ordinance 607 of Borough Council on September 18, 1979 effective January 1, 1980.

Employees of the Borough are covered under the Pennsylvania Unemployment Compensation Law. This means that the Borough is responsible for unemployment compensation coverage of its employees. As a political subdivision, we have the choice of two methods of financing this coverage:

1) Contributory Method

In this method, employers pay contributions (tax) based on a contribution rate and the taxable wage base paid to each employee each calendar year.

2) Reimbursable Method

In this method, employers may elect, if qualified, to reimburse the UC Fund for the amount of UC benefits charged to their account and billed dollar-for-dollar on either a quarterly or monthly basis. Political subdivisions are required to reimburse the Fund for all regular benefits attributable to their employ, and the full amount of extended benefits.

Ordinance 607 changed the Borough's status from a contributor to the State of Pennsylvania Unemployment Compensation Fund to a reimbursable status, and established an Unemployment Compensation Sinking Fund for such purpose, with the following guidelines:

- The fund shall be set at a maximum level of \$20,000 or 15% of the annual payroll, whichever is higher.
- Any interest derived from the Fund above the maximum fund level shall be paid into the Equipment Reserve Fund.

The Pennsylvania State Association of Boroughs has an Unemployment Compensation Plan. Under their plan, the Borough would pay a quarterly fee based upon our taxable wage base and history of claims. All unemployment claims would be paid directly by a third party who would also help the Borough administer all unemployment claims. We received a quote for this option in 2019, and the contribution amount was far more expensive than the method we currently use.

During the annual audit, our auditor informs us whether or not we need to make a payment to the fund to maintain an appropriate balance. In 2019 we required a payment of \$1,236. In 2020 we required a payment of \$3,858. In 2021 we required a payment of \$1,253. There were no unemployment claims in 2022 so we do not have any transfers budgeted.

**BOROUGH OF MYERSTOWN
FY2023 BUDGET
UNEMPLOYMENT COMPENSATION FUND**

REVENUES	BUDGET AMT
341 · Interest Earnings	
341-01 · Interest on PLGIT Account	500
Total 341 · Interest Earnings	500
TOTAL REVENUES	500
EXPENSES	BUDGET AMT
(none)	
TOTAL EXPENSES	0
SURPLUS or (DEFICIT)	500