



MYERSTOWN

EST 1768

BUDGETS

FY 2021

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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 2021 Budget for review and recommendation. This is my fourth budget as your Borough Manager. It is an honor to prepare this document as a strategic plan for our 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. 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 it is presented, the budget is balanced; revenues and cash balances cover all necessary expenses. The Fiscal Year 2021 Budget requires an increase in property tax rates to cover the anticipated new cost of providing police services. The budget also requires an increase in sewer rates, the first rate increase since the new facility was constructed in 2009. A slight reduction in the street light tax is due to a new agreement signed with lower electricity rates. The rate changes are as follows:

	2020 RATE	2021 RATE
General Purpose Real Estate Tax	2.5 Mills	3.42 Mills
Street Light Real Estate Tax	0.290 Mills	0.265 Mills
Sewer Rate – First 5,000 gallons treated	\$ 34.50	\$ 36.50
Sewer Rate – Every 1,000 gallons treated after	\$ 8.50	\$ 9.00

This budget document is formatted so that it will better 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 FY2021 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.

FY2021 REVENUES SUMMARY

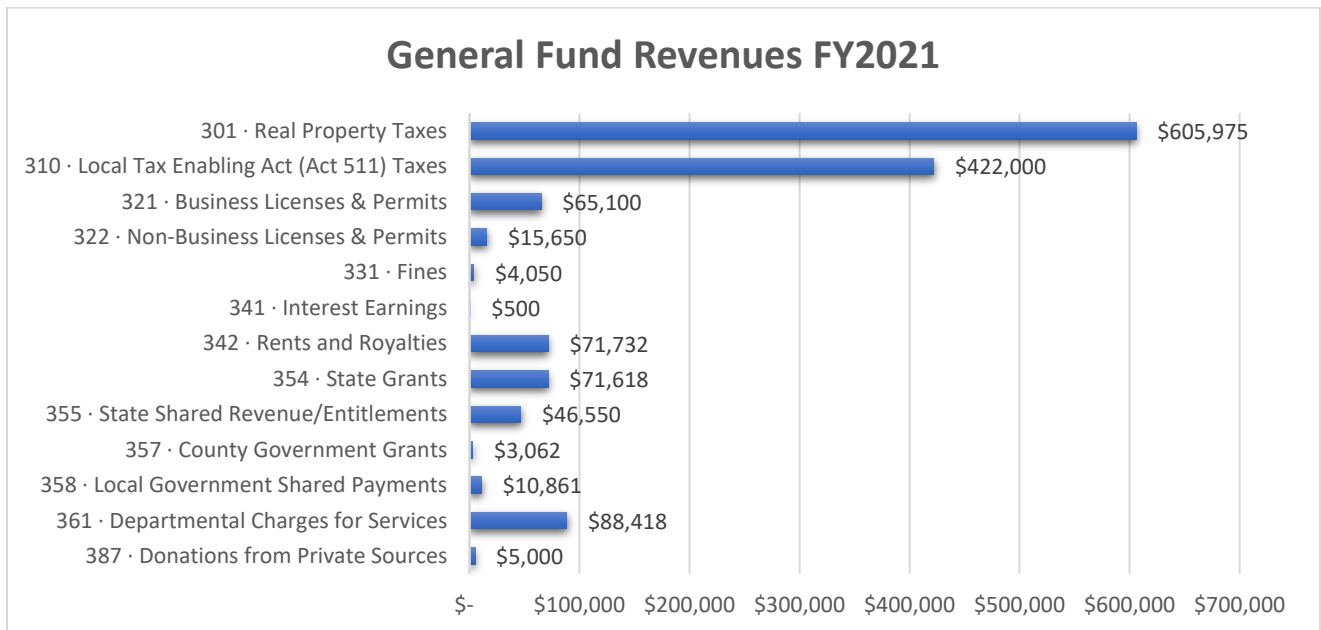


Figure 1: Distribution of General Fund Revenues for FY2021.

The Borough's largest revenue source is the Real Estate Property Tax. The General Purpose Tax Rate for FY2021 on real estate is 3.42 mills. The Street Light Tax Rate for FY2021 on real estate is 0.265 mills. The total Real Estate Tax Rate is 3.685 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 total millage rate of 3.685 mills is equal to \$3.685 for every \$1,000 of assessed value, or 0.3685%. 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 \$368.50.

The Borough property tax is only a small portion of the total property taxes paid by Borough residents each year. In FY2019-2020, the ELCO School District had a property tax rate of 15.6429 mills, and Lebanon County had a property tax rate of 3.2925. The breakdown of property taxes paid by Borough property owners is as follows:

ELCO SCHOOL DISTRICT
 LEBANON COUNTY
 MYERSTOWN BOROUGH

15.6429 Mills
 3.2925 Mills
 3.685 Mills

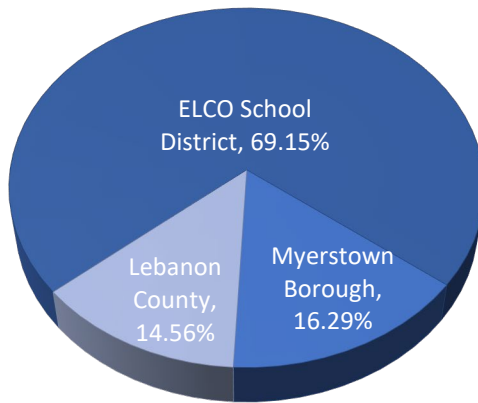


Figure 2: Distribution of total property tax paid by Borough property owners. For every \$1 of property taxes paid, approximately 16.3¢ goes to Myerstown Borough.

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 Est.	2021 Est.
250,470	265,198	280,411	291,272	306,841	310,000	310,000

Figure 3: Earned Income Tax collected from 2015-2019 and estimated collection for 2020 and 2021.

FY2020 EXPENDITURES SUMMARY

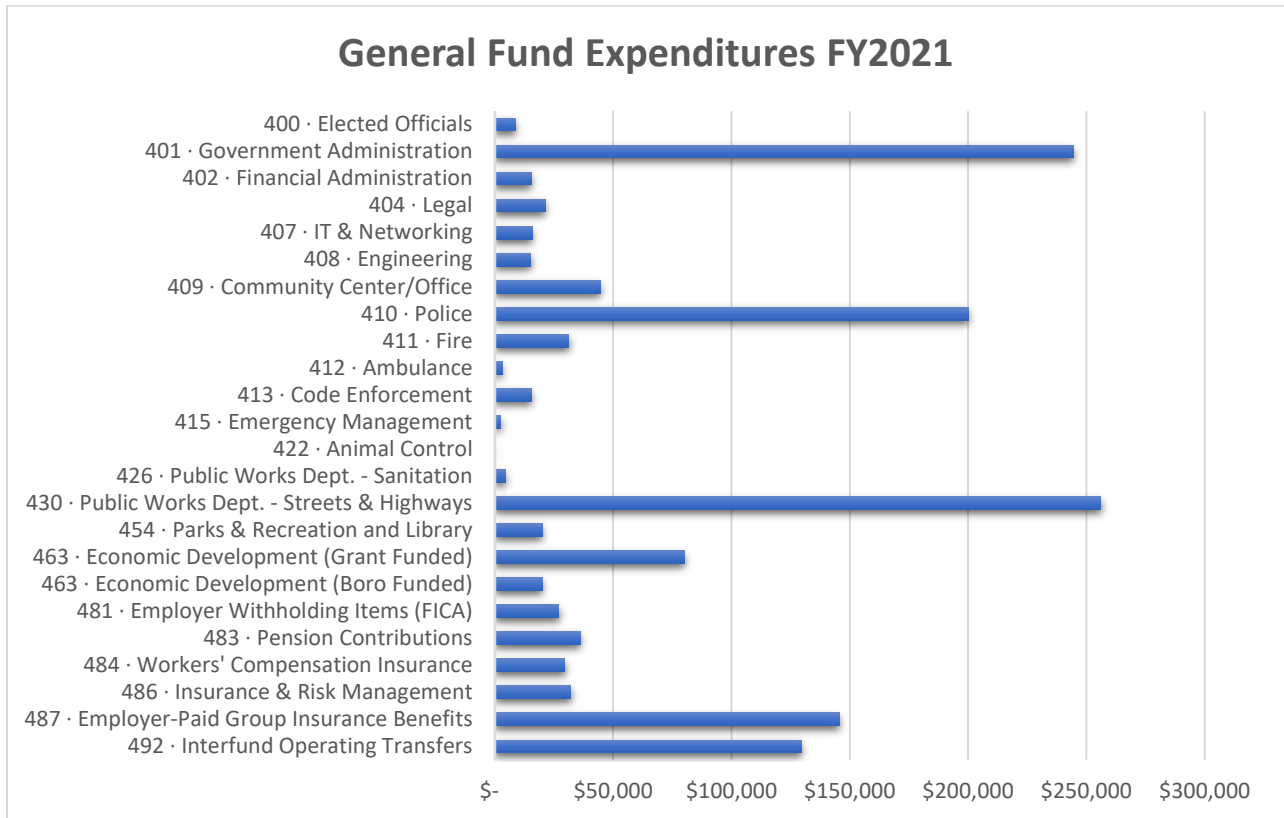


Figure 3: Distribution of General Fund Expenditures for FY2021.

In 2021, the Borough will continue to fund core services in the areas of road maintenance, park maintenance, wastewater treatment, 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, land development, and property maintenance 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 separate authority oversees a potable water system; and several auxiliary commissions are in place to administer a variety of concerns, including community planning, codes appeals, zoning hearings, recreation, the Isaac Meier Homestead, and the community library.

The two largest expense items for the Borough’s General Fund are the Public Works Department and Government Administration. 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 Police Services, while the fourth largest expense is Employer-Paid Group Insurance Benefits. This includes health insurance and life insurance costs.

5-YEAR CAPITAL IMPROVEMENT PLAN

With assistance from our engineer, Mike Knouse of RETTEW, and funding assistance from a DCED Early Intervention Program Grant, we have developed a 5-Year Capital Improvement Plan and a budget to fund it. This fund is mostly funded from a \$60,000 transfer from the General Operating Fund. Unfortunately, the Covid-19 pandemic delayed the 2020 projects, but we were able to complete the installation of security cameras at the highway garage and are beginning construction of the public works maintenance building in December.

- 2020 Projects
 - o Installation of security cameras at Highway Garage (complete)
 - o Construction of pole building at Highway Garage for additional vehicle and equipment storage (in progress)
- 2021 Projects
 - o Replacement of the Chevrolet 3500 Dump Truck (1990)
 - o Replacement of the Ford Explorer
 - o Addition of electrical service to Pavilion 2
 - o Addition of security cameras to park pavilions
- 2022 Projects
 - o Community pool bathhouse and concession renovation (with grant funds)
 - o Salt Storage Roof Replacement
 - o Locust Street Restroom Building Roof Replacement
 - o Purchase of Gardner-Denver air compressor
- 2023 Projects
 - o Highway Garage furnace replacement
 - o Replacement of the GMC Top-Kick Dump Truck
- 2024 Projects
 - o Community pool fence replacement

5-YEAR ROAD IMPROVEMENT PLAN

With assistance from our engineer, Mike Knouse of RETTEW, and funding assistance from a DCED Early Intervention Program Grant, we have developed a 5-Year Road Improvement Plan and a budget to fund it. This plan is funded largely from our annual Liquid Fuels allocation of approximately \$95,000, and Community Development Block Grant Funding. In 2020, we completed 6 road projects and are working with the County Redevelopment Authority to secure funding for projects in 2021-2024.

- 2020 Projects
 - o Main Street from N. College Street to Railroad Street. (Mill, paving fabric, overlay)
 - o Railroad Street from Route 422 to E. Washington Avenue. (Mill, paving fabric, overlay)
 - o S. Broad Street from Main Avenue to Richland Avenue. (base repair only)
 - o W. Washington Avenue from N. Locust Street to Borough Line. (fibermat, single oil and chip)
 - o N. Locust Street from Route 422 to Main Avenue. (fibermat, double micro)
 - o Madison Alley from N. Goodwill Street to College Street. (oil and chip [double])
- 2021 Projects
 - o Railroad Street Projects – curbs and sidewalks
- 2022 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)
- 2023 Projects
 - o S. Locust Street from Main Street to Borough Line. (microsurface [double])
 - o S. Broad Street from Main Street to Richland Avenue. (fibermat, double micro)
- 2024 Projects
 - o Railroad Street from Center Avenue to Richland Avenue. (cold-in-place recycling)

5-YEAR 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 5-Year Stormwater Management Plan and a budget to fund it. This plan is funded entirely from the new Stormwater Assessment User Fee. The plan was projected to commence in 2020, however, the Covid-19 pandemic pushed it back one year. In 2021, the Borough will begin its approved project from the Pollution Reduction Plan that was required by our NPDES Permit. In 2022, the Borough will make major repairs to the stormwater management system, including infrastructure repair and replacement. In 2023, the Borough will begin a potential second project required by DEP for pollution reduction. In 2024, the Borough will make more repairs to the stormwater management system. All projects will be designed by the Borough Engineer.

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 DCED, there are three options for providing municipal police services: starting a police force, contracting police services, or joining a regional police force. In 2018, a letter was sent to the governing bodies of the other ELCO municipalities to gauge interest in a Regional Police Force Study. We received a formal response from Richland that they would be interested if there was no cost but did not receive any formal response from Jackson Township, Heidelberg Township or Millcreek Township.

Our current efforts are focused on contracting police services, as its benefits outweigh those of starting our own force. The Borough expects to execute a contract for police services in FY2021. \$200,000 will be put aside in FY2021 for funding police services, in anticipation of this contract.

CODE ENFORCEMENT

A stated goal of the Borough is to improve its code enforcement efforts to promote public safety and quality of life. In FY2020 the Borough transitioned to a third party for code enforcement services. The third party administers and enforces the following codes:

- 1) Pennsylvania Uniform Construction Code
- 2) Borough of Myerstown Zoning Ordinance
- 3) International Property Maintenance Code of Myerstown Borough
- 4) Abandoned, Vacant, and/or Foreclosure Property Code
- 5) Any associated property maintenance or nuisance ordinances

In FY2021, the Borough will develop a Residential Rental Dwelling Code to manage rental properties in the Borough. Owners of residential rental properties will be required to register with the Borough and have an inspection performed on a semi-annual basis. The purpose of this effort is to protect and promote public health, safety, and welfare, and to establish rights and obligations of owners and occupants of residential rental units in the Borough. Establishment of certain obligations will encourage owners and occupants to maintain and improve the quality of rental housing within the Borough through a systematic inspection program, registration, and licensing of residential rental units.

In FY2021, the Borough will develop its own Subdivision and Land Development Ordinance and Stormwater Management Ordinance based upon the County's current ordinances. The purpose of this project is to bring the administration of land development and planning under the umbrella of the Borough to ensure development is implemented according to proper regulations. The administration of these ordinances will be carried out by a third-party code enforcement and engineering firm.

COMMUNITY REVITALIZATION AND ECONOMIC DEVELOPMENT

Borough Council began promoting revitalization and economic development with the publishing of the Myerstown Borough Mini-Comprehensive Plan in 2012, which set forth a renewed and coordinated community vision, related set of objectives, and action strategies and projects that supported the Borough's community planning and development efforts. In 2013, the Borough entered into Phase One of the Pennsylvania Early Intervention Program (EIP), where a consultant was hired to perform an analysis of Borough operations and provide recommendations for a fiscal and management plan and economic study. In 2014, the Borough successfully completed Phase Two of the EIP and received an analysis of economic development opportunities, evaluation of infrastructure assets, identification of opportunities and investment areas, identification and prioritization of strategies and funding, and an implementation plan.

Since then, the Borough has acquired over \$1.57 million in grant funding that has helped complete the following projects:

- 2015: 3-year Circuit Rider partnership with Lebanon City to implement development projects.
- 2016: Acquisition of vacant former elementary school as community anchor building.
- 2017: \$1.3 million community pool renovation to rehab deteriorating pool.
- 2017: LERTA Tax Abatement passed by Borough and School District to incentivize development.
- 2017: Branding and marketing strategy created to establish identity.
- 2017: Rewrite of zoning ordinance and map to remove barriers for business and private investment.
- 2018: New website and social media launched to promote brand identity and improve communication with community.
- 2018: Establishment of Borough values, vision, and goals by Council, in concert with development of goals-based budgeting efforts.
- 2018: Sestercentennial Celebration events.
- 2019: Establishment of a community development corporation: the Myerstown Vitality Partnership.
- 2020: Myerstown Vitality Partnership obtains 501(c)(3) status and meets \$50,000 fundraising goal
- 2020: MVP and Borough partner to publish RFP for development of the Community Center Property

MYERSTOWN VITALITY PARTNERSHIP (MVP)

The Borough has 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, sanitation, 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.

Unfortunately, staff changes and the Covid-19 pandemic delayed many of the MVP's initiatives. It is the intent of the MVP to apply for and administer a Main Street Revitalization Program: a program of the National Trust for Historic Preservation and administered by the Pennsylvania Downtown Center (PDC), which is a comprehensive, community-based approach to revitalizing downtowns and central business districts. The Main Street Revitalization Program is a "Four-Point Approach" revitalization that has worked in more than 45 states and Puerto Rico since the 1980s. The MVP will also assist in the development of the Community Center property.

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. It is a busy and exciting time to be involved with Myerstown Borough.

Very Truly Yours,

A handwritten signature in blue ink, appearing to read "Michael R. McKenna".

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
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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.

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)	
01	GENERAL OPERATING FUND
02	STREET LIGHTING TAX FUND
04	HERITAGE CENTER FUND†
15	PROJECT ACCOUNT - REVENUE BONDS - SERIES OF 2007
18	MUNICIPAL SEPARATE STORM SEWER FUND
20	SERIES A of 2014 SINKING FUND (Sewer Debt Service)
21	SERIES B of 2014 SINKING FUND*
22	2017 G.O. NOTE SINKING FUND*
30	CAPITAL RESERVE FUND
35	LIQUID FUELS FUND
95	GENERAL OPERATING RESERVE FUND
96	WWTF OPERATING RESERVE FUND
PROPRIETARY FUNDS (activities supported by user fees and charges)	
08	WWTF OPERATING FUND
09	POOL OPERATING FUND
FIDUCIARY FUNDS (resources held for outside parties)	
60	POLICE PENSION FUND**
65	MUNICIPAL PENSION FUND**
80	UNEMPLOYMENT COMPENSATION FUND

* New Fund

** No Budget for these funds

† Changing name from MUNICIPAL CENTER FUND

Borough Financial Accounts by Fund

GOVERNMENTAL FUNDS	BALANCE DEC 31, 2019	BALANCE NOV 30, 2020
GENERAL OPERATING FUND		
Operating Checking Account (Fulton Bank)	165,363	329,614
Payroll Checking Account (Fulton Bank)	19,892	19,959
P-Card Debit Account (PLGIT-Debit)	31,633	24,422*
Investment Account (Edward Jones)	219,189	166,645*
STREET LIGHTING TAX FUND		
Checking Account (Fulton Bank)	14,888	25,775
HERITAGE CENTER FUND		
Checking Account (Fulton Bank)	46,207	44,174
2007 REVENUE BONDS FUND		
Investment Account (PLGIT ARM)	316,869	318,548*
STORMWATER MANAGEMENT FUND		
Checking Account (Fulton Bank)	91,306	276,018
SERIES A of 2014 SINKING FUND (SEWER DEBT SERVICE)		
Checking Account (Fulton Bank)	874,271	1,001,931
Investment Account (Edward Jones)	1,452,288	1,533,678*
SERIES B of 2014 SINKING FUND (no account created yet)		
	0	0
2017 G.O. NOTE SINKING FUND		
Checking Account (Fulton Bank)	0	243
CAPITAL RESERVE FUND		
Checking Account (Fulton Bank)	0	173,542
HIGHWAY AID FUND (Liquid Fuels)		
Investment Account (PLGIT-Class)	221,843	173,578*
GENERAL OPERATING RESERVE FUND		
Checking Account (Fulton Bank)	136,995	86,408
Investment Account (Edward Jones)	153,239	114,388*
SEWER OPERATING RESERVE FUND (WWTF)		
Checking Account (Fulton Bank)	166,900	98,484
Investment Account (Edward Jones)	2,105,115	1,988,254*
ACTIVITY NETWORK FUNDS		
Checking Account (Fulton Bank) – Parade	8,117	9,447
Checking Account (Fulton Bank) - N.N.O.	2	317

ENTERPRISE FUNDS	BALANCE DEC 31, 2019	BALANCE NOV 30, 2020
SEWER OPERATING FUND (WWTF)		
Operating Checking Account (Fulton Bank)	223,045	190,776
Payroll Checking Account (Fulton Bank)	10,940	11,415
Investment Account (Edward Jones)	384,180	395,582*
COMMUNITY POOL FUND (Pool)		
Checking Account (Fulton Bank)	69,327	41,181
Investment Account (Edward Jones)	34,527	35,212*
FIDUCIARY FUNDS		
RETIREMENT TRUST ACCOUNTS		
Investment Account (Edward Jones) – Police	980,942	904,483*
Investment Account (MassMutual) - Non-Uni	1,400,472	N/A
Investment Account (MassMutual) - 457(b)	N/A	N/A
UNEMPLOYMENT COMPENSATION FUND		
Investment Account (PLGIT-Class)	90,287	86,933*

* Balance from October 31, 2020, as November statements were not available at the time of publishing.

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.

On the 2020 tax rolls, there were 1,054 taxable properties. The total assessed value of all taxable properties for the 2020 tax rolls was \$180,098,100. On the 2020 tax rolls, there were 45 non-taxable properties. The total assessed value of all non-taxable properties for the 2020 tax rolls was \$38,473,000.

The General Purpose Tax Rate for FY2021 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.

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
FY2021 BUDGET
GENERAL OPERATING FUND**

EST. CASH BALANCE ON HAND: 01/01/2021 **310,000**
CHECKING ACCT.
PAYROLL CHECKING ACCT.

INCOME	BUDGET AMT
301 · Real Property Taxes	
301-10 · Real Estate Taxes – Current Year’s Levy	585,975
301-20 · Real Estate Taxes – Prior Year’s Levy	20,000
Total 301 · Real Property Taxes	605,975
310 · Local Tax Enabling Act (Act 511) Taxes	
310-10 · Real Estate Transfer Tax	32,000
310-20 · Earned Income Tax	310,000
310-50 · Local Services Tax	80,000
Total 310 · Local Tax Enabling Act (Act 511) Taxes	422,000
321 · Business Licenses and Permits	
321-61 · Transient Retailers	100
321-80 · Cable Television Franchise	65,000
Total 321 · Business Licenses and Permits	65,100
322 · Non-Business Licenses and Permits	
322-00 · Residential Rental Unit Licenses	14,000
322-20 · Demolition Permits	100
322-21 · Dumpster Permits	100
322-50 · Street Opening Permits	750
322-80 · Street and Curb Permits	500
322-90 · Excavator and Snow Mover Licenses	200
Total 322 · Non-Business Licenses and Permits	15,650
331 · Fines	
331-10 · Court – District Magistrate	3,000
331-14 · Parking Violation Fines	50
331-17 · County Adult Probation Services Fines	1,000
Total 331 · Fines	4,050
341 · Interest Earnings	
341-01 · Interest on Checking	500
Total 341 · Interest Earnings	500
342 · Rents and Royalties	
342-10 · Rent of Land	18,000
342-20 · Rent of Buildings	53,532
342-21 · Utility Charge of Buildings	200
Total 342 · Rents and Royalties	71,732

354 · State Capital and Operating Grants	
354-09 · Community Development	65,618
354-15 · Recycling/Act 101	6,000
Total 354 · State Capital and Operating Grants	71,618
355 · State Shared Revenue and Entitlements	
355-01 · Public Utility Realty Tax (PURTA)	800
355-04 · Alcoholic Beverages Licenses	250
355-05 · General Municipal Pension System State Aid	31,000
355-07 · Foreign Fire Insurance Premium Tax	14,500
Total 355 · State Shared Revenue and Entitlements	46,550
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	10,861
Total 358 · Local Government Units Shared Payments for Services	10,861
361 · Charges for Services – General Government	
361-01 · Admin Services – Office Staff	51,809
361-03 · Admin Services – Manager	20,000
361-11 · Foreclosure Property Registration Fees	100
361-30 · Zoning & SALDO Fees	2,500
361-34 · Zoning Hearing Fees	300
361-74 · Postage	200
Total 361 · Charges for Services – General Government	74,909
363 · Charges for Services – Public Works – Highways and Streets	
363-60 · Stormwater Management Work	11,809
363-70 · Inspection Fees	1,000
Total 363 · Charges for Services – Public Works – Highways...	12,809
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
Total 367 · Charges for Services – Culture and Recreation	500
387 · Contributions and Donations from Private Sources	
387-20 · Payments in Lieu of Taxes (PILOT)	5,000
Total 387 · Contributions and Donations from Private Sources	5,000
TOTAL INCOME	1,410,516

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	250
400-215 · Postage	50
400-420 · Dues, Subscriptions and Memberships	570
400-460 · Meetings and Conference, Continuing Education	100
Total 400 · Governing Body	8,590
401 · Government Administration	
401-112 · Salaries and Wages – Full-Time Staff	210,205
401-180 · Overtime Pay	3,000
401-210 · Office Supplies	2,500
401-211 · Paper Products	500
401-213 · Printer/Copier	5,250
401-215 · Postage	1,750
401-226 · Cleaning Supplies	500
401-229 · Purified Water	500
401-231 · Vehicle Fuel	150
401-317 · Document Shredding Services	420
401-318 · Office Cleaning Services	5,720
401-319 · Unplanned Charges and Fees	500
401-321 · Telephone and Internet Service	4,250
401-324 · Wireless Phone Service	2,000
401-331 · Travel Expense	500
401-340 · Advertising, Printing, and Binding	3,000
401-374 · Office Equipment Maintenance and Repair	250
401-375 · Vehicle Maintenance and Repair	500
401-420 · Dues, Subscriptions and Memberships	2,000
401-460 · Meetings and Conference, Continuing Education	1,000
Total 401 · Government Administration	244,495
402 · Financial Services	
402-311 · Accounting and Auditing Services	9,000
402-317 · Actuarial Services	1,000
402-318 · Payroll Services	3,250
402-390 · Bank Service Charges/Fees	1,500
Total 402 · Financial Services	14,750
403 · Tax Collection	
403-310 · Tax Collection Services	650
Total 403 · Tax Collection	650
404 · Legal Services	
404-310 · Legal Services	20,000
404-314 · Codification Services	250
404-317 · Special Legal Services – Planning Commission	500
404-318 · Special Legal Services – Zoning Hearing Board	500
Total 404 · Legal Services	21,250
407 · IT – Networking Services – Data Processing	

407-213 · Computer Supplies	500
407-310 · IT and Networking Services	9,200
407-329 · Office 365 Subscription	1,750
407-453 · Web Design/Maintenance	4,250
Total 407 · IT – Networking Services – Data Processing	15,700
408 · Engineering Services	
408-313 · Engineering and Architectural Services	15,000
Total 408 · Engineering Services	15,000
409 · Community Center/Office	
409-226 · Cleaning Supplies	250
409-229 · Purified Water	500
409-236 · Building Supplies	1,000
409-260 · Fire Extinguisher Service	500
409-317 · Cleaning Services	5,720
409-318 · Pest Control Services	900
409-361 · Electricity	12,500
409-362 · Gas	7,000
409-365 · Water and Sewer	3,500
409-373 · Building Repair and Maintenance	2,500
409-374 · Machinery and Equipment Repair and Maintenance	5,000
409-430 · Real Estate Taxes - County	484
409-431 · Real Estate Taxes – School District	4,706
Total 409 · Community Center/Office	44,560
411 · Fire	
411-000 · Foreign Fire Insurance Premium Relief Payment	14,500
411-363 · Fire Hydrant Water Consumption	5,750
411-525 · Contribution – Gas/Oil Dry	750
411-540 · Contribution – Keystone Hook & Ladder Co.	9,000
411-543 · Contribution – Goodwill Fire Police	1,000
411-544 · Contribution – Fire Alarm Operation	200
Total 411 · Fire	31,200
412 · Ambulance/Rescue	
412-540 · Contribution – Myerstown First Aid Unit	3,000
Total 412 · Ambulance/Rescue	3,000
413 · UCC and Code Enforcement	
413-310 · Code Enforcement Services	15,000
413-317 · Vehicle Towing Services	250
Total 413 · UCC and Code Enforcement	15,250
414 · Planning and Zoning	
414-220 · Operating Supplies	250
Total 414 · Planning and Zoning	250
415 · Emergency Management and Communications	
415-200 · MEMA Supplies	100
415-317 · LebCo EMA Alarm Fee	2,143

415-326 · MEMA Radio Repeater Service	186
Total 415 · Emergency Management and Communications	2,429
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
426-438 · Recycling Expenses	200
Total 426 · Recycling Collection and Disposal	400
428 · Weed Control	
428-310 · Mowing/Weed/Pest Control Services	4,000
Total 428 · Weed Control	4,000
430 · Public Works Department	
430-110 · Salary and Wages – Department Head	30,000
430-112 · Salary and Wages – Full-Time Staff	130,790
430-115 · Salary and Wages – Part-Time Staff	30,000
430-180 · Overtime Pay	10,000
430-210 · Office Supplies	250
430-230 · Heating Fuel	2,500
430-232 · Vehicle Fuel	6,000
430-233 · Equipment Fuel	900
430-238 · Clothing and Uniforms	2,250
430-242 · Safety Shoes	400
430-243 · Health & Welfare Supplies	1,000
430-260 · Small Tools and Minor Equipment	2,000
430-261 · Fire Extinguisher Service	300
430-321 · Telephone and Internet Service	1,000
430-324 · Wireless Phone Service	2,000
430-361 · Electricity	2,000
430-364 · Water & Sewer	1,100
430-367 · Garbage – Refuse Removal	1,200
430-373 · Building Repairs and Maintenance	2,500
430-374 · Machinery and Equipment Repair and Maintenance	1,000
430-375 · Vehicle Repair and Maintenance	17,500
430-384 · Rent of Machinery and Equipment	1,500
430-391 · Licenses and Permits	55
430-420 · Dues, Subscriptions and Memberships	850
430-440 · County Liquid Fuels Grant Expenses	3,062
430-460 · Meetings and Conference, Continuing Education	250
Total 430 · Public Works Department	250,407
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	500
Total 433 · Traffic Control Device	500
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	500
Total 438 · Maintenance and Repairs of Roads and Bridges	500
445 · Parking	
445-361 · Electricity to Charging Station	250
Total 445 · Parking	250
454 · Parks	
454-247 · Recreation Supplies	2,500
454-250 · Repair and Maintenance Supplies	1,000
454-341 · Advertising	250
454-361 · Electricity	4,500
454-364 · Water & Sewer	150
454-370 · Repair and Maintenance Services	3,500
454-374 · Machinery and Equipment Repair and Maintenance	250
454-386 · Portable Toilet Rental	3,000
Total 454 · Parks	15,150
456 · Libraries	
456-120 · Salary/Wages – Public Works Reimbursement	1,500
456-373 · Building Repair and Maintenance	250
456-520 · Contribution – Library Association	3,000
Total 456 · Libraries	4,750
463 · Economic Development	
463-500 · Façade Improvement Program Grants	80,000
463-540 · Contribution – Myerstown Vitality Partnership	20,000
Total 463 · Economic Development	100,000
481 · Employer Paid Benefits and Withholding Items	
481-10 · Social Security (FICA) – Employer Paid	21,885
481-20 · Medicare – Employer Paid	5,118
Total 481 · Employer Paid Benefits and Withholding Items	27,003
483 · Pension Contribution	
483-30 · Non-Uniform Pension Contribution	35,977
Total 483 · Pension Contribution	35,977
484 · Workers' Compensation Insurance	
484-10 · Workers' Compensation Insurance - Borough	16,257
484-20 · Workers' Compensation Insurance – Fire/EMS	13,201
Total 484 · Workers' Compensation Insurance	29,458
486 · Insurance, Casualty, and Surety	

486-10 · Insurance – Liability	2,849
486-15 · Insurance – Umbrella	1,483
486-20 · Insurance – Property/Casualty	18,384
486-30 · Insurance – Automobile	4,257
486-40 · Insurance – Public Officials	1,023
486-60 · Insurance – Fidelity and Surety Bonds	345
486-75 · Insurance – Herbicide and Pesticide	125
486-85 · Insurance – Inland Marine	948
486-90 · Insurance – Terrorism	715
486-91 · Insurance – Crime/Employee Dishonesty	233
486-95 · Insurance – Employee Errors	1,575
Total 486 · Insurance, Casualty, and Surety	31,937
487 · Group Insurance Benefits	
487-10 · Health Insurance Premium	120,000
487-15 · HDHP HSA Contribution	22,500
487-25 · PCORI Fee	46
487-35 · Life Insurance Premium	600
487-40 · Medical Service Allowance	2,400
Total 487 · Group Insurance Benefits	145,546
492 · Interfund Operating Transfers	
492-04 · Transfer to Capital Reserve Fund	60,000
492-21 · Transfer to Series B Sinking Fund	47,050
492-22 · Transfer to 2017 GO Note Sinking Fund	22,348
492-95 · Transfer to General Reserve Fund (Police)	200,000
Total 492 · Interfund Operating Transfers	329,398
TOTAL EXPENSES	1,397,301
SURPLUS or (DEFICIT)	13,212
EST. CASH BALANCE ON HAND: 12/31/2021	323,213

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.

On the 2020 tax rolls, there were 1,054 taxable properties. The total assessed value of all taxable properties for the 2020 tax rolls was \$180,098,100. On the 2020 tax rolls, there were 45 non-taxable properties. The total assessed value of all non-taxable properties for the 2020 tax rolls was \$38,473,000.

The Street Light Tax Rate on real estate for FY2021 is 0.265 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 for street lights of 0.265 mills is equal to \$0.265 for every \$1,000 of assessed value, or 0.0265%. 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 \$26.50.

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.

**BOROUGH OF MYERSTOWN
 FY2021 BUDGET
 STREET LIGHTING TAX FUND**

EST. CASH BALANCE ON HAND: 01/01/2021	14,000
INCOME	BUDGET AMT
301 · Real Property Taxes	
301-10 · Real Estate Taxes – Current Year’s Levy	45,404
Total 301 · Real Property Taxes	45,404
341 · Interest Earnings	
341-01 · Interest on Checking	25
Total 341 · Interest Earnings	25
TOTAL INCOME	45,429
EXPENSES	BUDGET AMT
402 · Financial Services	
402-390 · Bank Service Charges/Fees	25
Total 402 · Financial Services	25
434 · Street Lighting	
434-361 · Electricity	45,000
Total 434 · Street Lighting	45,000
TOTAL EXPENSES	45,025
SURPLUS or (DEFICIT)	404
EST. CASH BALANCE ON HAND: 12/31/2021	14,404

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 is being 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 Heritage Center.

BOROUGH OF MYERSTOWN FY2021 BUDGET HERITAGE CENTER FUND

EST. CASH BALANCE ON HAND: 01/01/2021	44,249
INCOME	BUDGET AMT
341 · Interest Earnings	
341-01 · Interest on Checking	25
Total 341 · Interest Earnings	25
TOTAL INCOME	25
EXPENSES	BUDGET AMT
(none)	
TOTAL EXPENSES	0
SURPLUS or (DEFICIT)	25
EST. CASH BALANCE ON HAND: 12/31/2021	44,274

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
FY2021 BUDGET
PROJECT ACCOUNT FUND – REVENUE BONDS – SERIES OF 2007**

EST. CASH BALANCE ON HAND: 01/01/2021	319,000
INCOME	BUDGET AMT
341 · Interest Earnings	
341-01 · Interest on Checking	25
Total 341 · Interest Earnings	25
TOTAL INCOME	25
EXPENSES	BUDGET AMT
429 · Wastewater Collection and Treatment	
429-60 · Inflow and Infiltration Project	100,000
Total 429 · Wastewater Collection and Treatment	100,000
TOTAL EXPENSES	100,000
SURPLUS or (DEFICIT)	(99,975)
EST. CASH BALANCE ON HAND: 12/31/2021	219,025

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.

**BOROUGH OF MYERSTOWN
FY2021 BUDGET
STORMWATER MANAGEMENT FUND**

EST. CASH BALANCE ON HAND: 01/01/2021 **257,300**

INCOME	BUDGET AMT
341 · Interest Earnings	
341-01 · Interest on Checking	500
Total 341 · Interest Earnings	500
383 · Special Assessments	
383-20 · Stormwater Assessment Fee Current Year	181,350
Total 383 · Special Assessments	181,350
TOTAL INCOME	181,850

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	2,550
Total 403 · Tax Collection	2,550
404 · Legal Services	
404-310 · Legal Services	10,816
Total 404 · Legal Services	10,816
406 · General Administration	
406-319 · Unplanned Charges/Fees	605
406-341 · Advertising	1,000
406-342 · Printing	500
Total 406 · General Administration	2,105
407 · IT – Networking Services – Data Processing	
407-200 · IT and Networking Supplies	1,591
Total 407 · IT – Networking Services – Data Processing	1,591
408 · Engineering Services	
408-313 · Engineering Services – MS4	10,400
408-317 · Engineering Services – MS4 BMP Implementation	10,000
408-318 · Engineering Services – SWM System Replacement	15,000
Total 408 · Engineering Services	35,400
446 · Stormwater Management	
446-120 · Salaries and Wages – MS4 Coordinator	15,011
446-121 · Salaries and Wages – Public Works Staff	11,809
446-130 · Fringe Benefits – MS4 Coordinator	11,347
446-260 · Small Tools and Minor Equipment	

1,061	
446-310 · Street Sweeping Services	10,816
446-317 · Street Sweeping Disposal	8,112
446-375 · Infrastructure Repairs and Maintenance	2,500
446-376 · Equipment Repairs and Maintenance	2,756
446-480 · Permits and Fees	500
446-670 · Capital Construction – MS4 BMPs	50,000
Total 446 · Stormwater Management	113,912
492 · Interfund Operating Transfers	
492-23 · Transfer to Capital Reserve Fund	5,000
Total 492 · Interfund Operating Transfers	5,000
TOTAL EXPENSES	171,399
SURPLUS or (DEFICIT)	10,451
EST. CASH BALANCE ON HAND: 12/31/2021	267,751

**BOROUGH OF MYERSTOWN
 FY2021 BUDGET
 SERIES A of 2014 SINKING FUND
 (SEWER DEBT SERVICE)**

EST. BALANCE ON HAND: 01/01/2021	1,002,000
INCOME	BUDGET AMT
341 · Interest Earnings	
341-01 · Interest on Checking	1,000
Total 341 · Interest Earnings	1,000
364 · Sanitation	
364-10 · Sewer Debt Service Charges	610,000
Total 364 · Sanitation	610,000
TOTAL INCOME	611,000
EXPENSES	BUDGET AMT
471 · Debt Principal	
471-10 · General Obligation Note Series A 2014	455,000
Total 471 · Debt Principal	455,000
472 · Debt Interest	
472-10 · General Obligation Note Series A 2014	154,688
Total 472 · Debt Interest	154,688
TOTAL EXPENSES	609,688
SURPLUS or (DEFICIT)	1,312
EST. BALANCE ON HAND: 12/31/2021	1,003,312

**BOROUGH OF MYERSTOWN
 FY2021 BUDGET
 SERIES B of 2014 SINKING FUND**

EST. BALANCE ON HAND: 01/01/2021	0
INCOME	BUDGET AMT
341 · Interest Earnings	
341-01 · Interest on Checking	5
Total 341 · Interest Earnings	5
392 · Interfund Operating Transfers	
392-01 · Transfer from General Fund	47,050
392-08 · Transfer from Community Pool Fund	33,088
Total 364 · Sanitation	80,138
TOTAL INCOME	80,142
EXPENSES	BUDGET AMT
471 · Debt Principal	
471-10 · General Obligation Note Series B 2014	60,000
Total 471 · Debt Principal	60,000
472 · Debt Interest	
472-10 · General Obligation Note Series B 2014	20,138
Total 472 · Debt Interest	20,138
TOTAL EXPENSES	80,138
SURPLUS or (DEFICIT)	4
EST. BALANCE ON HAND: 12/31/2021	4

**BOROUGH OF MYERSTOWN
 FY2021 BUDGET
 2017 G.O. NOTE SINKING FUND**

EST. BALANCE ON HAND: 01/01/2021	0
INCOME	BUDGET AMT
341 · Interest Earnings	
341-01 · Interest on Checking	5
Total 341 · Interest Earnings	5
392 · Interfund Operating Transfers	
392-01 · Transfer from General Fund	22,348
392-08 · Transfer from Community Pool Fund	38,482
Total 364 · Sanitation	60,830
TOTAL INCOME	60,835
EXPENSES	BUDGET AMT
471 · Debt Principal	
471-10 · General Obligation Note Series 2017	32,000
Total 471 · Debt Principal	32,000
472 · Debt Interest	
472-10 · General Obligation Note Series 2017	28,830
Total 472 · Debt Interest	28,830
TOTAL EXPENSES	60,830
SURPLUS or (DEFICIT)	5
EST. BALANCE ON HAND: 12/31/2021	5

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 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.

The current Capital Improvement Plan is as follows:

- 2020 Projects
 - o Installation of security cameras at Highway Garage (complete)
 - o Construction of pole building at Highway Garage for additional vehicle and equipment storage (in progress)
- 2021 Projects
 - o Replacement of the Chevrolet 3500 Dump Truck (1990)
 - o Replacement of the Ford Explorer
 - o Addition of electrical service to Pavilion 2
 - o Addition of security cameras to park pavilions
- 2022 Projects
 - o Community pool bathhouse and concession renovation (with grant funds)
 - o Salt Storage Roof Replacement
 - o Locust Street Restroom Building Roof Replacement
 - o Purchase of Gardner-Denver air compressor
- 2023 Projects
 - o Highway Garage furnace replacement
 - o Replacement of the GMC Top-Kick Dump Truck
- 2024 Projects
 - o Community pool fence replacement

**BOROUGH OF MYERSTOWN
FY2021 BUDGET
CAPITAL RESERVE FUND**

EST. BALANCE ON HAND: 01/01/2021	31,000
INCOME	BUDGET AMT
341 · Interest Earnings	
341-01 · Interest on Checking	25
Total 341 · Interest Earnings	25
391 · Proceeds of General Fixed Asset Disposition	
391-11 · Vehicle Trade-in Reimbursement	1,000
Total 391 · Proceeds of General Fixed Asset Disposition	1,000
392 · Interfund Operating Transfers	
392-01 · Transfer from General Operating Fund	60,000
392-18 · Transfer from Stormwater Management Fund	5,000
Total 392 · Interfund Operating Transfers	65,000
TOTAL INCOME	66,025
EXPENSES	BUDGET AMT
401 · Government Administration	
401-760 · Vehicle Purchase – Explorer Replacement	10,063
Total 401 · Government Administration	10,063
430 · Public Works Department	
430-611 · General Const – Salt Storage Roof Replacement	4,000
430-612 · General Const – Locust St Restroom Roof Replacement	4,000
430-760 · Vehicle Purchase – Dump Truck Replacement	14,250
Total 430 · Public Works Department	21,250
454 · Parks	
454-640 · Electrical Const – Pavilion 2 Electrical Service	2,500
454-641 · Electrical Const – Install CCTV Cameras in Pavilions	4,500
Total 454 · Parks	7,000
TOTAL EXPENSES	38,313
SURPLUS or (DEFICIT)	27,712
EST. BALANCE ON HAND: 12/31/2021	58,713

Liquid Fuels Fund

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.

Liquid Fuels allocations to Myerstown Borough are as follows:

	2016 Allocation	2017 Allocation	2018 Allocation	2019 Allocation	2020 Allocation	2021 Est. Allocation
Liquid Fuels Allocation	\$ 84,576	\$ 88,504	\$ 92,800	\$ 94,998	\$ 92,459	\$ 83,324

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

- MS-965S
- 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.

The current Road Improvement Plan is as follows:

- 2020 Projects
 - o Main Street from N. College St. to Railroad St. (mill, paving fabric, overlay) (complete)
 - o Railroad St. from Route 422 to E. Washington Ave. (mill, paving fabric, overlay) (complete)
 - o S. Broad St. from Main Ave. to Richland Ave. (base repair only) (complete)
 - o W. Washington Ave. from N. Locust St. to Borough Line (fibermat, single oil and chip) (complete)
 - o Madison Alley from N. Goodwill St. to College St. (oil and chip [double]) (complete)
- 2021 Projects
 - o Curb and Sidewalk projects associated with the Railroad Street Project
- 2022 Projects
 - o Center Ave. from Railroad St. to Cherry St. (full depth reconstruction)
 - o Center Ave from College St. to Railroad St. (mill, paving fabric, overlay)
- 2023 Projects
 - o S. Locust St. from Main Ave. to Borough Line (microsurface [double])
 - o S. Broad St. from Main Ave to Richland Ave. (fibermat, double micro)
- 2024 Projects
 - o Railroad St. from Center Ave. to Richland Ave. (cold-in-place recycling) (this project could be moved up depending on CDBG funding)

**BOROUGH OF MYERSTOWN
FY2021 BUDGET
LIQUID FUELS FUND**

EST. BALANCE ON HAND: 01/01/2021	125,000
INCOME	BUDGET AMT
341 · Interest Earnings	
341-01 · Interest on Checking	500
Total 341 · Interest Earnings	500
355 · State Shared Revenue and Entitlements	
355-02 · State Liquid Fuels Grant Allocation	83,324
355-03 · Alcoholic Beverages Licenses	680
Total 355 · State Shared Revenue and Entitlements	84,004
357 · Local Government Units Capital and Operating Grants	
357-01 · County CDBG Grant Allocation	72,380
Total 357 · Local Government Units Capital and Operating Grants	72,380
TOTAL INCOME	156,884
EXPENSES	BUDGET AMT
430 · Public Works Department	
430-700 · Capital Project – Railroad Street Project	103,400
Total 430 · Public Works Department	103,400
438 · Road and Bridge Maintenance	
438-245 · Road Maintenance - Salt	25,000
438-370 · Road and Bridge Repair and Maintenance	15,000
Total 438 · Road and Bridge Maintenance	40,000
TOTAL EXPENSES	143,400
SURPLUS or (DEFICIT)	13,484
EST. BALANCE ON HAND: 12/31/2021	138,484

General Operating Reserve Fund

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.

Our General Operating Reserve Fund moneys are stored in two accounts. One in a checking account with Fulton Bank and the other in an investment account with Edward Jones. 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.

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.

**BOROUGH OF MYERSTOWN
 FY2021 BUDGET
 GENERAL OPERATING RESERVE FUND**

EST. BALANCE ON HAND: 01/01/2021	86,400
INCOME	BUDGET AMT
341 · Interest Earnings	
341-01 · Interest on Checking	100
Total 341 · Interest Earnings	100
392 · Interfund Operating Transfers	
392-01 · Transfer from General Fund (Police)	200,000
Total 392 · Interfund Operating Transfers	200,000
TOTAL INCOME	200,100
EXPENSES	BUDGET AMT
482 · Judgments and Losses	
482-100 · Grumbine Plan Repayment	4,439
Total 482 · Judgments and Losses	4,439
483 · Pension Contributions	
483-10 · Police Pension Contribution	6,000
Total 483 · Pension Contributions	6,000
TOTAL EXPENSES	10,439
SURPLUS or (DEFICIT)	189,661
EST. BALANCE ON HAND: 12/31/2021	276,061

**BOROUGH OF MYERSTOWN
FY2021 BUDGET
WASTEWATER TREATMENT OPERATING FUND**

EST. BALANCE ON HAND: 01/01/2021 **190,000**

INCOME **BUDGET AMT**

341 · Interest Earnings

341-01 · Interest on Checking 4,000

Total 341 · Interest Earnings **4,000**

355 · State Shared Revenue and Entitlements

355-05 · General Municipal Pension System State Aid 24,750

Total 355 · State Shared Revenue and Entitlements **24,750**

364 · Sewer Use

364-100 · Industrial Waste Monitoring 18,379

364-101 · Contracted Laboratory Services 12,000

364-102 · Industrial Cost Recovery 2,000

364-105 · Shared Cost – Jackson Township 191,421

364-106 · Shared Cost – Millcreek/Richland 98,798

364-110 · Tapping Fees 2,085

364-120 · Sewer Rents – Residential 397,993

364-121 · Sewer Rents – Commercial 76,738

364-122 · Sewer Rents – Industrial 135,000

364-123 · Sewer Rents – Public 8,102

364-127 · Penalties/Special Charges 6,000

364-128 · Industrial Surcharge 500

364-129 · Engineer Service Fee Reimbursement (PennDOT) 22,500

364-130 · Industrial Discharge Permit Renewal Fees 500

Total 364 · Sewer Use **972,016**

389-391 · Unclassified Operating Revenue

390-005 · Reimbursement – Enernoc/Enel X 2,500

390-007 · Rebates – Sludge Disposal & Tipping 5,000

391-15 · Sale of Scrap Metal 250

391-16 · Miscellaneous Income 1,000

Total 389-391 · Unclassified Operating Revenue **8,750**

392 · Interfund Operating Transfers

392-084 · Transfer from 2007A Proceeds 100,000

392-087 · Transfer from General Operating Fund 30,000

Total 392 · Interfund Operating Transfers **130,000**

TOTAL INCOME **1,139,516**

EXPENSES **BUDGET AMT**

406 · General Office Expenses

406-110 · PW Admin Wages (M) 34,258

406-198 · Employee Life Insurance (S)	425
406-210 · Office Supplies (S)	200
406-213 · Computer Service and Supplies (S)	1,000
406-215 · Postage (S)	200
406-218 · Miscellaneous Expenses Myerstown (M)	250
406-219 · Advertising and Printing (S)	200
406-238 · Uniform Rental (S)	2,500
406-240 · Dues and Publications (S)	1,000
406-242 · Protective Equipment (S)	500
406-245 · Office Equipment Purchase and Replacement (S)	250
406-310 · Legal Services (S)	3,000
406-311 · Auditing Services (S)	3,750
406-321 · Telephone (S)	2,000
406-322 · Cell Phone Monthly Charges (S)	3,300
406-325 · Internet (S)	1,000
Total 406 · General Office Expenses	53,833

428 · Collection and Industrial Monitoring

428-112 · Wages – Collection System	22,023
428-122 · Wages – Industrial Monitoring	12,235
428-180 · Overtime – Collection and Monitoring	250
428-210 · Collection System Mat and Supp	300
428-215 · Postage – Billings	2,500
428-216 · Collection System – Miscellaneous Expenses	200
428-241 · Conferences and Training	400
428-313 · Engineering Services	15,000
428-314 · Legal Services	3,000
428-315 · Contracted Services – Water Authority Billing	17,000
428-316 · Contracted Services – Lab Testing (M)	17,000
428-317 · Contracted Maintenance and Rep Coll Sys (M)	10,000
428-32 · Contracted Services – Inflow and Infiltration (M)	5,000
428-33 · Contracted Services – Inflow Rep Proj (M)	100,000
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)	1,500
428-384 · Equipment Rental (M)	500
428-740 · Capital Purchases (M)	15,000
Total 428 · Collection and Industrial Monitoring	222,508

429 · Wastewater Treatment

429-110 · Salary – Treatment Supervisor (S)	31,811
429-112 · Wages – Treatment (S)	144,372
429-171 · PTO (S)	18,764
429-172 · Holiday Pay (S)	8,603
429-177 · Sick Pay (S)	7,528
429-180 · Overtime – Treatment (S)	5,735
429-192 · FICA Employer Expense (S)	17,690

429-193 · Medicare Employer Expense (S)	4,137
429-210 · Office Supplies (S)	1,000
429-222 · Chemicals – Chlorine (S)	800
429-223 · UV System Purch and Replace (S)	6,000
429-224 · Chemicals – Phosphorus (S)	22,250
429-225 · Lab/Testing Supplies (S)	1,500
429-227 · Chemicals – Polyelectrolyte (S)	23,000
429-31 · Storage Tank Op Fee (DEP) (S)	2,000
429-313 · Engineering Services (S)	25,000
429-316 · Contracted Lab Services – Treatment (S)	29,000
429-317 · Contracted Services – Janitorial (S)	13,750
429-318 · Payroll Administrative Fees (S)	2,000
429-32 · Operators Cert (DEP) (S)	500
429-320 · Alarm System – Uncovered Rep (S)	500
429-321 · Alarm System Monitoring (S)	776
429-322 · Alarm System Testing and Inspection (S)	1,291
429-323 · Alarm System – Maintenance and Service (S)	2,070
429-329 · Communications – Alarm System (S)	500
429-338 · Vehicle Expense – Fuel (S)	2,500
429-339 · Vehicle Expense – Repair and Maintenance (S)	1,000
429-361 · Electricity (S)	85,000
429-362 · Natural Gas / Heating Oil (S)	4,750
429-365 · Sludge Disposal (S)	60,000
429-366 · Water Rates (S)	650
429-367 · Trash Removal (S)	750
429-37 · Maintenance and Repairs – M/R Equip (M & R)	750
429-373 · Maintenance and Repairs – Building and Grounds (S)	4,000
429-374 · Maintenance and Repairs – Machinery and Equip (S)	55,000
429-375 · Maintenance and Repairs – SCADA (S)	2,000
429-376 · Maintenance and Repairs – Headworks (S)	2,500
429-39 · Contracted Services Repair and Maintenance	10,000
429-40 · Lab Equipment Purchase and Replacement (S)	1,000
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)	1,000
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	606,977
484 · Workers' Compensation Insurance	
484-354 · Workers' Compensation Insurance (S)	7,000
Total 484 · Workers' Compensation Insurance	7,000
486 · Insurance	
486-10 · General Liability Insurance (M)	1,300
486-15 · Umbrella Insurance (S)	650

486-20 · Public Officials (S)	450
486-25 · Herbicide/Pesticide Insurance (S)	300
486-30 · Vehicle Insurance (S)	1,850
486-70 · Crime Insurance (S)	310
486-71 · Pollution Liability Insurance (S)	12,000
486-76 · Property Insurance (S)	7,900
486-85 · Inland Marine Insurance (S)	950
Total 486 · Insurance	25,710
487 · Group Insurance Benefits	
487-196 · Health Insurance Premium and HSA (S)	135,000
487-197 · Employer Pension Expense (S)	30,000
487-198 · Employee Medical Service Allowance (S)	2,000
Total 487 · Group Insurance Benefits	167,000
489 · Unclassified Operating Expenses	
489-216 · Flood Damage Expenses (S)	500
489-900 · Jackson Township Refund (M)	5,000
489-910 · Millcreek/Richland Refund (M)	5,000
Total 489 · Unclassified Operating Expenses	10,500
492 · Interfund Operating Transfers	
492-07 · Transfer to General Operating Fund – Admin (S)	21,500
492-09 · Transfer to General Operating Reserve – Manager (M)	20,000
Total 492 · Interfund Operating Transfers	41,500
TOTAL EXPENSES	1,135,028
SURPLUS or (DEFICIT)	4,488
EST. BALANCE ON HAND: 12/31/2021	194,488

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 FY2021 BUDGET WASTEWATER TREATMENT OPERATING RESERVE FUND

EST. BALANCE ON HAND: 01/01/2021	98,484
INCOME	BUDGET AMT
341 · Interest Earnings	
341-01 · Interest on Checking	500
Total 341 · Interest Earnings	500
358 · Local Government Units Shared Payments for Services	
358-50 · Capital Improvement Cost Reimbursement	160,000
Total 358 · Local Government Units Shared Payments for Srvcs	160,000
389 · Unclassified Operating Revenue	
389-90 · Miscellaneous Revenues (PennDOT)	88,500
Total 389 · Unclassified Operating Revenue	
TOTAL INCOME	249,000
EXPENSES	BUDGET AMT
429 · Wastewater Collection and Treatment	
429-374 · Capital Expense – Flood Mitigation Project	150,000
429-375 · Capital Expense – SCADA	100,000
429-377 · Capital Expense – Reed Bed Repairs	15,000
Total 429 · Wastewater Collection and Treatment	265,000
TOTAL EXPENSES	265,000
SURPLUS or (DEFICIT)	(16,000)
EST. BALANCE ON HAND: 12/31/2021	82,484

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.

There were minimal revenues and expenditures from this fund in 2020 as the pool was closed due to the Covid-19 Pandemic.

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.

**BOROUGH OF MYERSTOWN
FY2021 BUDGET
POOL OPERATING FUND**

EST. BALANCE ON HAND: 01/01/2021 **41,000**

INCOME **BUDGET AMT**

341 · Interest Earnings

341-01 · Interest on Checking 500

Total 341 · Interest Earnings **500**

367 · Charges for Services

367-110 · Season Pass Sales 42,000

367-111 · Daily Admission Fees 91,500

367-130 · Concession Stand Sales 34,200

367-140 · Pavilion Rental Fees 4,000

Total 367 · Charges for Services **171,700**

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 INCOME **175,700**

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

452-112 · Salaries and Wages – Pool Manager 15,000

452-115 · Salaries and Wages – Part-Time Staff 40,000

452-210 · Office Supplies 1,000

452-221 · Chemicals 5,000

452-222 · Chlorine 7,500

452-229 · Concession Stand Inventory 15,000

452-236 · Building Supplies 500

452-238 · Uniforms 750

452-239 · Concession Stand Operating Supplies 500

452-247 · Pool Operating Supplies	1,000
452-316 · Lab Testing Fees	500
452-317 · Pool Inspection Fees	100
452-320 · Phone and Internet Service	1,500
452-340 · Advertising and Printing	750
452-352 · Insurance and Bonding	225
452-361 · Electricity	4,000
452-366 · Water	2,000
452-370 · Pool Repairs and Maintenance	250
452-373 · Building and Grounds Repairs and Maintenance	500
452-374 · Concession Stand Repairs and Maintenance	100
452-391 · License and Certification Fees	150
452-392 · Refunds	500
452-430 · Training Fees	500
452-480 · Background Check Fees	250
Total 452 · Pool Operating Expenses	97,575
481 · Employer Paid Benefits and Withholding Items	
481-10 · Social Security (FICA) – Employer Paid	3,410
481-20 · Medicare – Employer Paid	798
Total 481 · Employer Paid Benefits and Withholding Items	4,208
492 · Interfund Operating Transfers	
492-21 · Transfer to Series B Sinking Fund	33,088
492-22 · Transfer to 2017 GO Note Sinking Fund	38,482
Total 492 · Interfund Operating Transfers	71,570
TOTAL EXPENSES	175,427
SURPLUS or (DEFICIT)	273
EST. BALANCE ON HAND: 12/31/2021	41,273

Unemployment Compensation Fund

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.

The Borough currently operates under the Reimbursable Method, as the contributions for the Contributory Method are very expensive.

Another option for the Borough for financing this coverage is to join the Pennsylvania State Association of Boroughs 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 state unemployment fund to maintain an appropriate balance. In 2017 we required a payment of \$5,000. We did not require a payment in 2018. In 2019 we required a payment of \$1,236. In 2020 we required a payment of \$3,858. We budget \$5,000 each year for this amount to ensure we have enough to cover the contribution amount.

**BOROUGH OF MYERSTOWN
FY2021 BUDGET
UNEMPLOYMENT COMPENSATION FUND**

EST. BALANCE ON HAND: 01/01/2021	86,900
INCOME	BUDGET AMT
341 · Interest Earnings	
341-01 · Interest on Account	1,000
Total 341 · Interest Earnings	1,000
392 · Interfund Operating Transfers	
341-01 · Transfer from General Fund	5,000
Total 392 · Interfund Operating Transfers	5,000
TOTAL INCOME	6,000
EXPENSES	BUDGET AMT
402 · Financial Administration	
402-194 · Unemployment Compensation	5,000
Total 402 · Financial Administration	5,000
TOTAL EXPENSES	5,000
SURPLUS or (DEFICIT)	1,000
EST. BALANCE ON HAND: 12/31/2021	87,900