

MACUNGIE BOROUGH COUNCIL

AGENDA

Monday, August 16, 2021

Regular Meeting 7:30 p.m.

1. Call to Order
2. Pledge of Allegiance
3. Engineer's Report - Barry Isett & Associates - Engineer Charlie Myers
  - a. Sewer Lateral Lining Project Bid
    - i. Review of Proposal
    - ii. Vote on Bid Proposal at the September 07, 2021 Council Meeting
4. Macungie Police Department – updates and hearing of resident issues
5. Public Comment
  - a. Prior Public Comments to Council
    - i. Carl Sell, re: 201 & 213 S. Walnut Street Curbing Follow Up
  - b. Comments from the Audience on non-agenda items
6. Complaints, Petitions, Appeals and Compliments
7. Approval of Minutes
  - a. August 02, 2021
8. Bills for Approval - Consent Agenda
  - a. Bank Reconciliation Reports, July 31, 2021
  - b. Bills for Payment
9. Correspondence
  - a. Macungie Volunteer Fire Department, re: July 2021 Training Report
  - b. Municipal Retirement Trust, re: June 30, 2021 Quarterly Trust Report
  - c. France, Anderson, Basile and Company, P.C., re: Macungie Borough December 31, 2020 Financial Statements
  - d. Macungie Ambulance Corps, re: July 2021 Monthly Report
  - e. Macungie Volunteer Fire Department, re: July 2021 Response Report
  - f. Lehigh Valley Rose Society (the Local Chapter of the American Rose Society)
10. Reports
  - a. Mayor
  - b. Solicitor
    - i. Ordinance No. 2021-04; Oak Street Vacation and Easement
      1. To be Advertised After Receiving:
        - Cory Zeisloft Signed Easement
        - Cory Zeisloft Cost Reimbursement of Engineering Costs
  - c. Borough Manager

- i. Miscellaneous
    - 1. 2021 Fall/Winter Newsletter
  - ii. Grants/Projects
  - iii. Public Works Department
  - iv. Contracts
  - v. Process Improvements
    - 1. \$1,000.00 Expenditure Council Approval Form
    - 2. Council Agenda – Scan and Upload
- 11. Unfinished Business
  - a. Cotton Street Raingarden, re: Payment Request #2, in the Amount of \$15,250.00
  - b. Macungie Institute Coordinator Search
  - c. Cobra Head Streetlights (9) Depower Along Main Street
  - d. Lehigh Street Streetlights
- 12. New Business
  - a. 2022 Pension Plans; Financial Requirement & Minimum Municipal Obligation
    - i. Non-Uniformed Def. Contribution Pension Plan
    - ii. Police (Uninformed Pension Plan)
    - iii. Non-Uniformed Pension Plan
  - b. Keystone Borough Manager Search Proposal
- 13. Items Not on Agenda (Mayor and Council members only)
- 14. Executive Session, personnel
- 15. Adjournment

ATTENDANCE

Council Members: John Yerman, President  
Angela Ashbrook, Vice-President  
Alma Akinjiola  
Barry Bloch  
Ryan Hanosek  
Todd Rutledge  
Lisa Yeager  
Mayor: Ronald Conrad  
Interim Borough Manager: John A. Brown  
Administrative Assistant: Selma Ritter (7:30 p.m. to 8:41 p.m.)  
Absent: Patrick Armstrong, Solicitor

CALL TO ORDER –President Yerman called the regular Council meeting to order at 7:30 p.m.

ENGINEER’S REPORT OF BARRY ISETT & ASSOCIATES (“BIA”) - ENGINEER CHARLIE MYERS

a. Sewer Lateral Lining Project Bid. An invitation to bid was published in the East Penn Press Newspaper on July 14 and 21, 2021. Bids were accepted through the PennBid Program and were due on August 11, 2021. BIA’s original engineering estimate for construction, plus a 5% contingency, was in the amount of \$1,921,290.00; this estimate was based on 400 sewer laterals. However, the bid was for 447 laterals.

i. Review of Proposal. Engineer Myers reported two bids were received for the Borough’s Sanitary Sewer Lateral Lining and Cleanout Installation project on August 11, 2021: (1) Musson Bros, Inc., for the amount of \$1,905,100.00; and (2) Performance Pipelining, Inc., for the amount of \$2,192,101.00. Musson Bros, Inc.’s was the apparent low bidder. BIA checked Musson Bros, Inc.’s references and recommended the Borough accept their bid in the amount of \$1,905,100.00; BIA recommended one change to the substantial and final completion date to 210 days so would be consistent with the timeframe for final payment.

Engineer Myers provided a brief history on the project, which he stated it is necessary to meet Lehigh County Authority (“LCA”) and the MS4’s requirements to reduce the amount of stormwater Inflow and Infiltration flow into the sewer system. In conjunction with this project, the Borough lines and manholes were also lined. President Yerman stated the project will be financed by a loan and the Sewer Debt Services funds collected.

ii. Vote on Bid Proposal at the September 07, 2021 Council Meeting.

Council Member Rutledge made a motion to accept Musson Bros, Inc.’s bid in the amount of \$1,905,100.00, with the intent to award a contract upon them submitting all the necessary documents, second by President Yerman.

Before the vote was taken, the following questions were asked:

Council Member Bloch questioned if the amount would include all engineering fees and other potential costs. Engineer Myers stated the only other additional costs would be for BIA's construction observation, which he roughly estimated at approximately \$20,000.00.

Council Member Ashbrook questioned if this project would affect the sidewalks and/or road surfaces. Engineer Myers stated the lining project would not affect any sidewalks or roads because the lining would be installed inside of the pipes. The only possible disturbance that could occur is if a clean out would need to be installed in a yard, which would be the financial responsibility of the Borough and not the property owner because it would be considered part of the project.

Gregory Hutchison, 120 N. Walnut Street, Macungie, questioned if the lining would only go to the curbside line on the Borough property or if it would go further onto private property. Engineer Myers stated it would stay in the publicly owned portion of the sewer lateral.

The vote was then taken, and the motion carried with 7 ayes.

MACUNGIE POLICE DEPARTMENT ("MPD") – Sgt. Travis Kocher was in attendance tonight to provide MPD updates and hear any issues residents may have.

a. MPD, Monthly Report for July 2021. The report included being dispatched to 158 incidents, 8 total crimes reported, 10 traffic citations/warnings and 4 parking tickets/warnings.

b. Miscellaneous Discussions.

i. A thank you letter was sent to the Borough of Emmaus Chief of Police for the department's assistance during President Biden's visit to the Mack Trucks manufacturing facility on July 28, 2021.

ii. Sgt. Kocher reported, after several citizens complained of vehicles failing to stop at the stop signs along Race Street, the MPD conducted a traffic detail. He stated there were twelve (12) traffic stops and 90% of the violators were residents living within the immediate area. The violators were given a warning.

iii. The MPD received a complaint regarding alleged overgrown vegetation in the bump out at the southwest corner of Main Street, by Salvatore's Pizza. The complainant expressed concern for vehicles traveling on Main Street not being able to see children trying to cross the street due to the overgrowth.

Council Member Bloch questioned if the pole with the activation button for the crosswalk lights (on the southwest corner of Main Street) could be lowered; the pole is currently covered with a black plastic bag due to the crosswalk lights being out of order and some vehicle drivers mistake the bag for a pedestrian.

PUBLIC COMMENTa. Prior Public Comments to Council.

i. Carl Sell, re: 201 & 213 S. Walnut Street Curbing Follow Up. In response to Mr. Sell's comment at the last Council meeting, the Borough Public Works Department ("PWD") leveled the two dips in the road.

ii. 36 Locust Street. In response to another comment from Mr. Sell at the last Council meeting, the PWD visited the area and discussed the alleged stormwater runoff issue with the property owner. The PWD will install a small berm within the next two (2) weeks along Apple Alley, in the rear of 36 Locust Street, to redirect the stormwater.

b. Comments from the Audience on Non-Agenda Items.

i. Greg Hutchison, Macungie Institute Trustee questioned if Council wanted the Macungie Institute Trustees (the "Trustees") help with the building, hiring a Coordinator and reopening the building or not. He provided a brief history on past Council meetings where these items were discussed and the Trustees requesting a new Liaison. He recalled Council Members Ashbrook, Hanosek and Yeager becoming a [Council] team to work with the Trustees on the matter. Trustee Hutchison expressed dissatisfaction with a lack of communication.

ii. Carl Sell questioned why Council only awarded the Applicants of Appeal No. 2021-03 half of the Zoning Hearing Board Appeal Application fee they paid, instead of the full amount. The Applicants agreed to half of the money they paid because the Borough incurred costs related to their initial request for a hearing.

iii. Carl Sell questioned the status of his request to hang a revised sign he made on the Cotton Street Pedestrian Bridge; he noted it has been over 30-days since he presented it to Council (presented on 7/19/2021). President Yerman stated the grant has not been closed out yet so the funding on Mr. Sell's sign could not be confirmed yet.

COMPLAINTS, PETITIONS, APPEALS AND COMPLIMENTS – None.APPROVAL OF MINUTES

a. August 02, 2021. Council Member Ashbrook made a motion to approve the August 02, 2021 minutes, as written, second by Council Member Bloch. Motion carried: 7 ayes.

BILLS FOR APPROVAL - CONSENT AGENDA

a. Bank Reconciliation Reports, July 31, 2021 - No comment.

b. Bills for Payment listed, as of August 16, 2021, totaled \$100,421.99. Some of the bills were discussed in more detail.

Council Member Ashbrook made a motion to approve paying the invoices listed on the Consent Agenda, as of August 16, 2021, as presented, second by Council Member Bloch. Motion carried: 7 ayes.

### CORRESPONDENCE

- a. Macungie Volunteer Fire Department, re: July 2021 Training Report. The training listed on report included: Fire Police Sworn In and Testing Pumps, Rescue Training, Hose Management, Reviewing New Tools and Snubbing Hydrants.
- b. Municipal Retirement Trust, re: June 30, 2021 Quarterly Trust Report. No discussion.
- c. France, Anderson, Basile and Company, P.C., re: Macungie Borough December 31, 2020 Financial Statements. No discussion.
- d. Macungie Ambulance Corps, re: July 2021 Monthly Report. They responded to 355 calls during this service month; 29 of the calls were in the Borough of Macungie.
- e. Macungie Volunteer Fire Department (“MVFD”), re: July 2021 Response Report. They responded to 7 calls during this service month; 6 of the calls were in the Borough of Macungie.
- f. Lehigh Valley Rose Society (the Local Chapter of the American Rose Society). The Lehigh Valley Rose Society (“LVRS”) is a 501(c)(3) organization specializing in educational resources for growing roses. LVRS is offering a rose garden for the Borough; they would design (and submit for any applicable approvals), completely underwrite all costs associated with the project, and would maintain it in perpetuity. The lot size for the rose garden would be between 2,500 square feet to 11,000 square feet.

President Yerman suggested Council Member Akinjiola discuss the matter with Town Beautification to inquire if they would like a rose garden and, if so, where it could be planted.

### REPORTS

- a. Mayor.
  - i. The Wheels of Time hot rod show will be held on August 27, 28 and 29, 2021.
  - ii. The Chalk the Walk event was held by Out of Our Minds Art Studio this past weekend near the MVFD’s parking lot. He stated there were a lot of good drawings.
  - iii. The MPD and MVFD were thanked for assisting with traffic control during President Biden’s visit to Mack Trucks.
- b. Solicitor. No discussion.
  - i. Ordinance No. 2021-04; Oak Street Vacation and Easement.

1. To be Advertised After Receiving:
  - Cory Zeisloft Signed Easement
  - Cory Zeisloft Cost Reimbursement of Engineering Costs

c. Borough Manager.

i. Miscellaneous.

1. 2021-2022 Fall/Winter Newsletter. Administrative Assistant Ritter is currently preparing and gathering articles for the newsletter. Council and Mayor Conrad were asked to submit any articles they may have to her by Wednesday, August 18, 2021.

ii. Grants/Projects. Interim Manager Brown is currently working on closing out a couple of grant projects.

iii. Public Works Department.

1. Cedar Street Paving Project. The project has been delayed one day (until tomorrow) due to a conflict in the milling contractor's schedule. The project is scheduled to be completed by the end of next week, depending on the weather.

2. Lehigh Street Lights. The LED Arrays in the lights are failing and the original type that were installed are obsolete. Interim Manager Brown is working with the PWD on a customized refit replacement type, which would be cost efficient.

iv. Contracts.

1. Electrical Supply Contract. The current electrical supply contract for the Borough electrical meters will expire in October 2021. Council approved the signing of a new contract at their last meeting. The new contract has been signed and will begin in Fall 2021.

2. Leaf Collection and Humane Society Contracts. Both of these contracts will be expiring at the end of 2021 and will be discussed during the 2022 budget workshops.

v. Process Improvements.

1. \$1,000.00 Expenditure Council Approval Form. The form is in the process of being revised and is expected to be forthcoming soon for Council's review and consideration.

2. Council Agenda – Scan and Upload. There was a discussion on having the Council packet documents, along with the respective agenda and minutes (when finalized) uploaded to SharePoint and the Borough website.

There was a unanimous consensus among Council to approve the upload of the Council packet documents, agenda and meeting minutes to SharePoint and the website beginning with the next Council meeting on September 07, 2021.

UNFINISHED BUSINESS

- a. Cotton Street Raingarden, re: Payment Request #2, in the Amount of \$15,250.00. Interim Manager Brown reported the contractor is scheduled to reseed the raingarden tomorrow and the engineer will be onsite to observe the process.
- b. Macungie Institute Coordinator Search.
- c. Cobra Head Streetlights (9) Depower Along Main Street. Interim Manager Brown reported PPL will not depower the Cobra Head Streetlights that are currently attached to their poles. The lights (not the poles) either have to be removed completely or remain as they are. The removal of the lights would cost \$297.00 per light, for a total cost of \$2,673.00 (9 lights x \$297 = \$2,673.00). The estimated annual energy savings is \$18.64 per light, along with an estimated annual equipment (fixture) cost savings of \$192.20 per light, for a total annual savings of \$1,897.64. There may be enough streetscape grant funds available to pay for the removal costs.
- d. Lehigh Street Streetlights.

NEW BUSINESS

- a. 2022 Pension Plans; Financial Requirement & Minimum Municipal Obligation (“MMO”). President Yerman commented the MMO’s are based on an assumption of a 7.75% return on investment. He discussed the option of adding more money to the MMO amounts if the percentage does not reach the 7.75% to avoid a shortage of funds when the employees retire. Traditionally, Council votes for the minimum amount, then discusses a possible increase during the annual end of year budget workshops.
  - i. Non-Uniformed Def. Contribution Pension Plan. This plan has a fixed MMO. The 2022 MMO for this plan is \$7,600.00.
  - ii. Police (Uninformed Pension Plan). The 2022 MMO for this plan is \$76,392.00.
  - iii. Non-Uniformed Pension Plan. The 2022 MMO for this plan is \$19,853.00.

President Yerman made a motion to approve the three pension plan MMO’s in the amounts of \$7,600.00, \$76,392.00 and \$19,853.00, second by Council Member Ashbrook. Motion carried: 7 ayes.

- b. Keystone Borough Manager Search Proposal. President Yerman discussed a proposal from Keystone Municipal Solutions, LLC (“Keystone”) to help Council search for Borough Manager. Keystone will help Council write a job description and determine the salary for a Manager; Keystone will also oversee the search for a Borough Manager.

ITEMS NOT ON AGENDA (Mayor and Council Members Only) – None.

EXECUTIVE SESSION, IF NECESSARY

President Yerman called for an Executive Session at 8:41 p.m. to discuss personnel matters, with action anticipated. The regular Council meeting reconvened at 10:00 p.m. President Yerman stated during the Executive Session Council discussed multiple personnel and contract issues and the only action that will be taken out of the session is for Council to engage with Keystone Municipal Solutions, LLC to help Council find a replacement full-time Borough Manager; the fee for this process will be \$9,500.00 and will take 3-4 weeks.

President Yerman made a motion to accept Keystone's proposal, subject to reference calls that will be made tomorrow or the next day, to move forward with engaging with Keystone for the Borough Manager search, second by Council Member Ashbrook. Motion carried: 7 ayes.

ADJOURNMENT - Hearing no further business at tonight's meeting, Council Member Ashbrook made a motion to adjourn the meeting at 10:01 p.m., second by Council Member Bloch. Motion carried: 7 ayes.

Respectfully submitted,

/s/ *Selma Ritter*

Selma Ritter  
Administrative Assistant

## John Brown

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**From:** Harry Garman, PE, PLS <hgarman@barryisett.com>  
**Sent:** Thursday, August 12, 2021 11:56 AM  
**To:** John Brown  
**Cc:** Stan Wojciechowski, PE, CME; Charley Myers, PE  
**Subject:** Bids for Sanitary Sewer Lateral Project  
**Attachments:** Bid\_Tabulation.pdf; Bid\_Summary.pdf; Bid\_Bond.pdf; Non\_Collusion\_Affidavit.pdf; Bidders\_Affadavit.pdf; Bidders\_Questionnaire\_etc.pdf

John:

Yesterday two bids were submitted for the Borough's Sanitary Sewer Lateral Lining and Cleanout Installation Project. The Low Bidder was Musson Bros, Inc. in the amount of \$1,905,100.00. The other bid was submitted by Performance Pipelining, Inc. in the amount of \$2,192,101.00. Our original engineering estimate for construction plus a 5% contingency, as provided to Chris Boehm when arranging financing, was in the amount of \$1,921,290.00. The original engineering estimate was based on 400 sewer laterals; whereas, the bid was for a total of 447 laterals.

Attached are: a Bid tabulation of the two bids, the documents that were uploaded to PennBid by the low bidder Musson Bros. including a Bid Summary, Bid Bond, Non-Collusion Affidavit, Bidder's Affidavit and the Bidder's Questionnaire including project references and financial information.

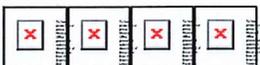
We have placed several phone calls to several references and was able to speak to two of them. Both indicated that Musson Bros. did indeed complete the projects that were listed and indicated their satisfaction with their work. Additionally, the other bidder, Performance Pipelining, Inc. spoke highly of Musson Bros. as did another contractor who did not submit a bid.

We recommend that the Borough accept the bid from Musson Bros. in the amount of \$1,905,100.00 and intend to award a contract upon submission of all necessary documents.

Additionally the Agreement as included in the Bid Documents listed a time for substantial completion of 120 days and the time to be ready for final payment at 210 days. We recommend that the time for substantial completion be change to 210 days, consistent with the time to be ready for final payment.

Harry E. Garman, PE

**Harry Garman, PE, PLS**  
**Senior Project Manager | BARRY ISETT & ASSOCIATES, INC.**  
**Direct Line: (484) 866-4830 | Main Office: (610) 398-0904**



BID TABULATION - MACUNGIE - SANITARY SEWER LATERAL LINING PROJECT

Item	Descroption	Quantity	Units	Musson Bros		PPI	
				Unit Price	Extended Amount	Unit Price	Extended Amount
1	Mobilization	1	L.S.	160000	160000	239000	239000
2	Maintenance & Traffic	1	L.S.	20000	20000	1	1
3	Lateral Cleaning/Video	10000	L.F.	5	50000	10.75	107500
4	Heavy Cleaning	2000	L.F.	5	10000	12	24000
5	MH Set Up	121	EA.	550	66550	250	30250
6	Stubby	181	EA.	2950	533950	2850	515850
7	Shorty	266	EA.	3000	798000	2900	771400
8	Additional 6" Lining	2800	L.F.	10	28000	65	182000
9	Lateral Transition	100	EA.	400	40000	500	50000
10	Vac-A-Tee (0'-6')	120	EA.	1400	168000	2000	240000
11	Vac-A-Tee (7'-12')	16	EA.	1600	25600	2000	32000
12	By Pass Pumping	100	HR.	50	5000	1	100
					1905100		2192101

10-Aug-21

ATTENDANCE

Council Members: John Yerman, President  
Angela Ashbrook, Vice-President  
Alma Akinjiola  
Ryan Hanosek  
Todd Rutledge  
Lisa Yeager  
Mayor: Ronald Conrad

Interim Borough Manager: John A. Brown  
Solicitor: Patrick Armstrong  
Administrative Assistant: Selma Ritter (7:30 p.m. to 9:05 p.m.)  
Absent: Barry Bloch, Council Member  
Stan Wojciechowski, Engineer

CALL TO ORDER - President John Yerman called the meeting to order at 7:30 p.m.

ENGINEERS' MONTHLY REPORT - No report was provided.

PUBLIC COMMENTa. Prior Public Comments to Council.

i. Heather Printz, re: Donation Request for Das Awkscht Fescht. Alan Printz introduced himself as the President of Macungie Memorial Park ("MMP") Board of Directors and he is also a Member of the Das Awkscht Fescht Committee. He discussed the firework donations shortfall. He requested the Borough provide a donation for the fireworks display this year and in future years. The cost for the 2021 fireworks display was \$7,500.00; MMP raised most of the funds to cover the cost and has paid for them in full.

b. Comments from the Audience on non-agenda items.

i. Carl Sell, 46 Locust Street, Macungie, distributed a photograph of the rear portion of a property located at 36 Locust Street, which is along Apple Alley. He commented the property owner, Ronald Schmoyer, is placing sandbags at the edge of the property when it rains because the rainwater runoff enters his yard, then travels into his basement. Mr. Sell alleged this has been happening for years in this area because Apple Alley is pitched the wrong way.

Mr. Sell also questioned why two dips in the road, located at 201 and 213 South Walnut Street, have not been patched from when the street was opened over a year ago. The Borough will investigate who opened the street, then contact the responsible party to request repairs.

COMPLAINTS, PETITIONS, APPEALS AND COMPLIMENTS

a. President Yerman thanked the Public Works Department for spraying the weeds along some of the gutter areas of Borough streets.

APPROVAL OF MINUTES

- a. July 19, 2021. Council Member Rutledge made a motion to approve the July 19, 2021 minutes, as written, second by Council Member Ashbrook. Motion carried: 6 ayes.

BILLS FOR APPROVAL – CONSENT AGENDA.

- a. Bills for Payment. Some of the bills on the list for payment were discussed; more specifically, a \$985.00 invoice for seal coating the Brookfield basketball court.

Council Member Rutledge made a motion to approve paying the invoices listed on the Bills for Payment, as of August 02, 2021, in the amount of \$261,285.61, as presented, second by Council Member Akinjiola. Motion carried: 6 ayes.

CORRESPONDENCE

- a. Municipal Retirement Trust, re: June 2021 Monthly Trust Reports. President Yerman commented the Police Pension fund increased approximately 7.5% and the Non-Uniform Pension funds increased approximately 5%.
- b. Emmaus Public Library, re: June 2021 Board Meeting Minutes/Report. No discussion.

REPORTS

- a. Mayor Conrad reported he was able to meet President Biden at the Mack Trucks facility last Wednesday, which he stated was an honor. During his visit to the facility, President Biden discussed the Federal Buy American Act.

- b. Solicitor.

- i. Oak Street Vacation Ordinance and Easement – Cory Zeisloft.  
- Ordinance No. 2021-04, re: Vacation of Oak Street.  
- Declaration of Easement – Right-of-Way for Sanitary Sewer Pipe.  
- Barry Isett & Associates Engineering, re: Oak Street Vacation

Drawing/Survey Request.

Solicitor Armstrong reported Ordinance No. 2021-04 and the Exhibit are ready for moving forward with advertisement for adoption, but the advertisement is on hold until the signed Easement is received from Mr. Zeisloft.

Interim Manager Brown reported the Borough has entered into an agreement with Mr. Zeisloft for him to reimburse the Borough (via invoice) for the \$1,000.00 Barry Isett & Associates survey fee.

- c. Borough Manager.

- i. Miscellaneous.

1. American Flags Along Main Street. As requested at the July 19, 2021 Council meeting, Interim Manager Brown discussed more flags being hung along Main Street with the Public Works Department ("PWD"). The PWD discussed the matter with Town Beautification, who purchases the flags, and they will include the flags on their mid-August meeting agenda.

2. 123 E. Main Street, Macungie, Refund. The property owners appeared before the Zoning Hearing Board on July 14, 2021 meeting to request a variance; at the meeting it was determined there was a miscommunication between the property owners and the Borough Zoning Officer and a variance was not needed. Since that time, the property owners requested a refund of the \$850.00 ZHB fee they paid. The property owners agreed to a partial refund of \$425.00 (half of the amount) because the Borough incurred expenses related to them requesting to appear before the Board (e.g., advertisement, notifications).

Council Member Rutledge made a motion to approve a partial refund for 123 E. Main Street, Macungie, Zoning Hearing Board fee, in the amount of \$425.00, effective today, second by President Yerman. Motion carried: 6 ayes.

3. 2021 General Obligation Note Series 2021-Sewer Loan Payment Update. Interim Manager Brown provided Council with a *Chart of Allocation for Payment by Fund Source* he prepared, which showed the loan payments will be paid by both the Sewer Debt Service Fund (80.8333%) and the General Fund (19.1667%) Borough accounts over a period of eight years, ending July 15, 2028. The first loan payment became due on July 15, 2021. Interim Manager Brown stated the loan payments would be drawn from two Borough accounts (1) 19% from the General Fund and (2) 81% from Sewer Dept Service.

ii. Grants/Projects.

1. New DCED/CFA Local Share Account (LSA) Northampton Lehigh County Program Grant. The grant submission deadline is September 30, 2021. No taxpayer (Borough) matching funds are required. Interim Manager Brown suggested Council use any potential awarded funds as partial funding for the replacement of the Hickory Street Bridge, which would be a multi-year funding effort due to the cost. He also requested Council consider other types of projects they would like this grant to fund.

2. DCED Multimodal Grant, for Main Street Streetscape, Phase VI. A grant application, in the amount of \$1,907,790.00, has been submitted for consideration and a possible award is pending.

3. Cotton Street Raingarden. The contractor, Stonewood Landshaping, previously submitted Payment Application #2, for the amount of \$15,250.00. ACELA Engineering has signed off on the project. Interim Manager Brown stated, as of this morning, the contractor was supposed to re-seed the raingarden this afternoon. He also reported the Engineer has certified the raingarden will function as it is intended to. Council expressed concern of potential issues with the raingarden's design and the possibility of it to not function properly.

Payment Request #2, in the amount of was then discussed. Interim Manager Brown suggested Council approve paying 90% (\$13,725.00) of the requested amount but hold the remaining 10% (\$1,525.00) for re-seeding costs.

Council Member Rutledge made a motion to approve paying 90% of the contractor's payment request, approved by ACEA Engineering, less 10% of the payment request to ensure the seeding is completed correctly, second by Council Member Akinjiola. Motion carried: 6 ayes.

iii. Public Works Department.

1. Steet Paving Schedule Update. The Parkside Drive paving project has been completed during the week of July 12-16, 2021 and the Borough is in the process of capturing all of the paving expenses. Cedar Street (Allen Organ to Race Street) is scheduled to be paved the week of August 16-20, 2021.

2. Lumber Street Decorative Streetlights. Interim Manager provided the history for obtaining the three new quotes, dated July 23, 2021, for the project cost: (1) Fromm in the amount of \$40,661.28; (2) Schaedler in the amount of \$39,891.11; and (3) Colonial in the amount of \$39,817.13. He stated the amount of the wire was scaled back to 925 feet. He recommended Council accept Colonial's quote of \$39,817.13. The total LSA Grant Award is in the amount of \$42,317.00. It was noted this project was previously bid out.

Council discussed the new quotes. President Yerman stated no motion to accept a quote was necessary this evening, because Council already made a motion at their July 06, 2021 meeting.

iv. Contracts.

1. Refuse – Advanced Disposal/Waste Management Update. Interim Manager Brown stated the signed contract has an expiration date error; the contract was intended to be a 5-year contract, but the date incorporated into the description expires in 4-years (2021) instead of the actual year of 2022 (5-years). Therefore, a new contract does not need to be bid out until 2022.

2. APPI Electric Supply Contract Proposal. APPI is a broker firm that researches electrical rates for businesses. The Borough has used APPI's services in past years. Interim Manager Brown provided Council with a price quote chart with three options, which all have a fixed kWh rate: Option #1 - kWh 0.07401, 50-month term, with a 0.01074 (16.97%) change; Option #2 - kWh 0.07952, 60-month term, with a 0.01625 (25.68%) change; and Option #3 - kWh 0.07954, 24-month term, with a 0.01627 (25.72%) change. The PPL Price to Compare had a kWh 0.07541, with a 0.01214 (19.19 change).

Council Member Ashbrook made a motion to approve Option #1 for 50-months, subject to a quick legal review of the contract, second by President Yerman. Motion carried: 6 ayes.

3. Miscellaneous Items, Not on Agenda.

i. Cobra Head Streetlights Along Main Street. PPL is working on a cost estimate to depower and remove certain cobra head streetlights along Main Street, which are within the Streetscape improvements. Interim Manager Brown stated the Borough would be required to pay a penalty to terminate the contract early, as they are in the 4<sup>th</sup> year of a 15-year contract.

ii. Berks County Intermediate Unit (“BCIU”) Real Estate Tax Contract. BCIU provides a variety of service offerings within the tax billing services umbrella in an effort to accommodate the varying needs of taxing entities, including the Borough. The Borough received a new contract with BCIU, which requires Council’s approval this evening. The BCIU Board established the rates for the contract, outlined in Appendix 2 (attached to the Contract). It was noted there was no rate increase for the 2021-2022 tax year and the rates on the Appendix 2 schedule are the same as the rates for 2020-2021.

President Yerman made a motion to approve renewing the contract for another year at the same rate as the prior year, second by Council Member Rutledge. Motion carried: 6 ayes.

#### UNFINISHED BUSINESS

a. Cotton Street Raingarden, re: Payment Request #2, in the Amount of \$15,250.00 (Carried from 7/6/2021 Meeting). Discussed under the Manager’s Report, § ii. Grants/Projects, §§ 3 above.

b. Request for More American Flags Along Main Street/Route 100. Discussed under the Manager’s Report, § i. Miscellaneous, §§ 1 above.

c. Request to Re-Open Macungie Institute and Hire Coordinator. President Yerman reported he and Council Member Hanosek discussed moving forward with the re-opening. A coordinator would need to be hired to market/advertise the building, among other duties.

Council Members Ashbrook, Hanosek and Yeager will meet with the Macungie Institute Trustees to work on revising the coordinator’s job description and a timeline to hire a coordinator. Council Member Rutledge volunteered to act as an alternate member of this team.

#### NEW BUSINESS

a. APPI Electric Supply Contract Approval. Discussed under the Manager’s Report, § iv. Contracts, §§ 2 above.

b. Approval of Macungie Memorial Park Das Awkscht Fescht Fireworks Display Event on August 07, 2021 (Borough Permit #4598). Discussed under Public Comments, § a.i. above.

Council Member Rutledge made a motion to authorize Permit #4598, for the fireworks Display on August 07, 2021 at 9:00 p.m., second by Council Member Ashbrook. Motion carried: 6 ayes.

#### ITEMS NOT ON AGENDA (Mayor and Council members only) – None.

a. TASA Grant. President Yerman suggested Council consider adding a pedestrian walking lane to the Hickory Street Bridge (currently does not have one), then apply for the grant to see if the funding agency provides funding. He commented a few grants would be needed to replace the bridge due to the high replacement cost. The TASA Grant application is due in mid-August 2021. After Council discussed the matter further, it was determined there would not be enough time available (less than 2 weeks) to gather all of the application information, which would include an engineering design. It was noted this grant opportunity is available every year, so the Borough could apply next year.

b. Chalk the Walk Event. Council Member Akinjiola announced the event will be held on August 14, 2021 from 9:00 a.m. to 12:00 p.m. (noon) at the Macungie Volunteer Fire Company, 30 S. Walnut Street, Macungie. The rain date is August 15, 2021. This is a Free event for anyone 6 years old to adult. Artists will receive a box of chalk, but it is suggested participants bring their own chalk. There will be cash prizes. For more information on signing up or making a donation, send an email to [artclasses@faidley.net](mailto:artclasses@faidley.net) or call Out of Our Minds Art Studio at (610) 762-5694.

EXECUTIVE SESSION - President Yerman called for an Executive Session at 09:05 p.m. to discuss personnel items; he stated he did not foresee any action being taken afterwards. The regular Council meeting reconvened at 09:28 p.m. with no decisions made.

### ADJOURNMENT

Hearing no further business, Council Member Ashbrook made a motion to adjourn tonight's meeting at 09:30 p.m., second by Council Member Yeager. Motion carried 6 ayes.

Respectfully submitted,

Selma Ritter  
Administrative Assistant

4:02 PM  
08/10/21

Borough of Macungie  
**Reconciliation Summary**  
1064274 · General MM-New Tripoli, Period Ending 07/31/2021

	<u>Jul 31, 21</u>
Beginning Balance	1,341,398.21
Cleared Transactions	
Checks and Payments - 4 items	-170,799.01
Deposits and Credits - 27 items	227,906.06
Total Cleared Transactions	<u>57,107.05</u>
Cleared Balance	<u><u>1,398,505.26</u></u>
Register Balance as of 07/31/2021	1,398,505.26
New Transactions	
Checks and Payments - 2 items	-106,183.89
Deposits and Credits - 14 items	19,805.34
Total New Transactions	<u>-86,378.55</u>
Ending Balance	<u><u>1,312,126.71</u></u>

3:58 PM  
08/10/21

Borough of Macungie  
**Reconciliation Summary**  
3532133 · Liquid Fuels-New Tripoli Bank, Period Ending 07/31/2021

	<u>Jul 31, 21</u>
Beginning Balance	99,681.95
Cleared Transactions	
Checks and Payments - 2 ite...	-3,369.81
Deposits and Credits - 1 item	8.11
Total Cleared Transactions	<u>-3,361.70</u>
Cleared Balance	<u><u>96,320.25</u></u>
Register Balance as of 07/31/2021	96,320.25
New Transactions	
Checks and Payments - 2 ite...	-3,452.13
Total New Transactions	<u>-3,452.13</u>
Ending Balance	<u><u>92,868.12</u></u>

3:55 PM  
08/10/21

Borough of Macungie  
**Reconciliation Summary**

8106431 · Sewer MM - New Tripoli, Period Ending 07/31/2021

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	<u>Jul 31, 21</u>
Beginning Balance	225,476.10
Cleared Transactions	
Checks and Payments - 2 items	-14,351.12
Deposits and Credits - 2 items	23,261.67
Total Cleared Transactions	<u>8,910.55</u>
Cleared Balance	<u><u>234,386.65</u></u>
Register Balance as of 07/31/2021	234,386.65
New Transactions	
Checks and Payments - 2 items	-72,475.01
Total New Transactions	<u>-72,475.01</u>
Ending Balance	<u><u>161,911.64</u></u>

3:51 PM  
08/10/21

Borough of Macungie  
**Reconciliation Summary**

8106434 · Sewer Debt Service -New Tripoli, Period Ending 07/31/2021

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	<u>Jul 31, 21</u>
Beginning Balance	1,172,838.53
Cleared Transactions	
Checks and Payments - 1 it...	-346,105.71
Deposits and Credits - 3 ite...	89,908.95
Total Cleared Transactions	<u>-256,196.76</u>
Cleared Balance	<u><u>916,641.77</u></u>
Register Balance as of 07/31/2021	916,641.77
Ending Balance	916,641.77

3:52 PM  
08/10/21

Borough of Macungie  
**Reconciliation Summary**  
6106432 - Water MM- New Tripoli, Period Ending 07/31/2021

	<u>Jul 31, 21</u>
Beginning Balance	813,853.13
Cleared Transactions	
Checks and Payments - 2 items	-28,065.07
Deposits and Credits - 3 items	29,730.06
Total Cleared Transactions	<u>1,664.99</u>
Cleared Balance	<u><u>815,518.12</u></u>
Register Balance as of 07/31/2021	815,518.12
New Transactions	
Checks and Payments - 2 items	-100,864.36
Total New Transactions	<u>-100,864.36</u>
Ending Balance	<u><u>714,653.76</u></u>

4:11 PM  
08/10/21

Borough of Macungie  
**Reconciliation Summary**  
6106427 - Debt Service - PLGIT-1727036, Period Ending 07/31/2021

	<u>Jul 31, 21</u>
Beginning Balance	31,099.96
Cleared Transactions	
Deposits and Credits - 1 item	0.30
Total Cleared Transactions	<u>0.30</u>
Cleared Balance	<u><u>31,100.26</u></u>
Register Balance as of 07/31/2021	31,100.26
Ending Balance	31,100.26

4:06 PM  
08/10/21

Borough of Macungie  
**Reconciliation Summary**  
670000 · MBA Capital Loan Fund 2016-ESSA, Period Ending 07/31/2021

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	<u>Jul 31, 21</u>
Beginning Balance	107.09
Cleared Balance	107.09
Register Balance as of 07/31/2021	107.09
Ending Balance	107.09

3:41 PM  
08/10/21

Borough of Macungie  
**Reconciliation Summary**  
6106431 · MBA-BRI-MMKT-QNB -1308, Period Ending 07/31/2021

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	<u>Jul 31, 21</u>
Beginning Balance	449,433.99
Cleared Transactions	
Deposits and Credits - 1 item	<u>137.91</u>
Total Cleared Transactions	<u>137.91</u>
Cleared Balance	<u><b>449,571.90</b></u>
Register Balance as of 07/31/2021	449,571.90
Ending Balance	449,571.90

4:05 PM  
08/10/21

Borough of Macungie  
**Reconciliation Summary**

1064275 · Collection Acct.-New Tripoli, Period Ending 07/31/2021

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	<u>Jul 31, 21</u>
Beginning Balance	3,835.22
Cleared Transactions	
Checks and Payments - 5 items	-92,179.90
Deposits and Credits - 35 items	108,672.45
Total Cleared Transactions	<u>16,492.55</u>
Cleared Balance	<u><u>20,327.77</u></u>
Register Balance as of 07/31/2021	20,327.77
New Transactions	
Deposits and Credits - 16 items	153,222.70
Total New Transactions	<u>153,222.70</u>
Ending Balance	<u><u>173,550.47</u></u>

3:57 PM  
08/10/21

Borough of Macungie  
**Reconciliation Summary**

8106432 · SF Capital-New Tripoli, Period Ending 07/31/2021

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	<u>Jul 31, 21</u>
Beginning Balance	476,579.80
Cleared Transactions	
Deposits and Credits - 2 items	7,532.07
Total Cleared Transactions	<u>7,532.07</u>
Cleared Balance	<u><u>484,111.87</u></u>
Register Balance as of 07/31/2021	484,111.87
Ending Balance	484,111.87

4:12 PM  
08/10/21

Borough of Macungie  
**Reconciliation Summary**  
8106435 · SF Capital- PLGIT, Period Ending 07/31/2021

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	<u>Jul 31, 21</u>
Beginning Balance	104,922.21
Cleared Transactions	
Deposits and Credits - 1 item	<u>1.92</u>
Total Cleared Transactions	<u>1.92</u>
Cleared Balance	<u><u>104,924.13</u></u>
Register Balance as of 07/31/2021	104,924.13
Ending Balance	104,924.13

4:00 PM  
08/10/21

Borough of Macungie  
**Reconciliation Summary**  
1064279 · GF Capital- New Tripoli, Period Ending 07/31/2021

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	<u>Jul 31, 21</u>
Beginning Balance	224,184.12
Cleared Transactions	
Deposits and Credits - 1 item	<u>46.01</u>
Total Cleared Transactions	<u>46.01</u>
Cleared Balance	<u><u>224,230.13</u></u>
Register Balance as of 07/31/2021	224,230.13
Ending Balance	224,230.13

4:13 PM  
08/10/21

Borough of Macungie  
**Reconciliation Summary**  
1064283 · GF Capital-PLGIT, Period Ending 07/31/2021

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	<u>Jul 31, 21</u>
Beginning Balance	109,644.28
Cleared Transactions	
Deposits and Credits - 1 item	<u>2.00</u>
Total Cleared Transactions	<u>2.00</u>
Cleared Balance	<u><u>109,646.28</u></u>
Register Balance as of 07/31/2021	109,646.28
Ending Balance	109,646.28

4:03 PM  
08/10/21

**Borough of Macungie**  
**Reconciliation Summary**  
1064278 · GF Depository-New Tripoli, Period Ending 07/31/2021

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	<u>Jul 31, 21</u>
Beginning Balance	43,477.83
Cleared Transactions	
Deposits and Credits - 1 item	<u>5.36</u>
Total Cleared Transactions	<u>5.36</u>
Cleared Balance	<u><u>43,483.19</u></u>
Register Balance as of 07/31/2021	43,483.19
New Transactions	
Checks and Payments - 2 ite...	<u>-1,992.50</u>
Total New Transactions	<u>-1,992.50</u>
Ending Balance	<u><u>41,490.69</u></u>

4:17 PM  
08/10/21

**Borough of Macungie**  
**Reconciliation Summary**  
1064058 · GF-Real Estate Capital -1064058, Period Ending 07/31/2021

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	<u>Jul 31, 21</u>
Beginning Balance	1,844.55
Cleared Transactions	
Deposits and Credits - 2 items	<u>100.02</u>
Total Cleared Transactions	<u>100.02</u>
Cleared Balance	<u><u>1,944.57</u></u>
Register Balance as of 07/31/2021	1,944.57
Ending Balance	1,944.57

3:39 PM  
08/10/21

Borough of Macungie  
**Reconciliation Summary**  
1064052 · Stormwater Mgmt.-QNB 1126, Period Ending 07/31/2021

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	<u>Jul 31, 21</u>
Beginning Balance	66,390.47
Cleared Transactions	
Deposits and Credits - 1 item	<u>17.46</u>
Total Cleared Transactions	<u>17.46</u>
Cleared Balance	<u><u>66,407.93</u></u>
Register Balance as of 07/31/2021	66,407.93
Ending Balance	66,407.93

4:16 PM  
08/10/21

Borough of Macungie  
**Reconciliation Summary**  
1064155 · GF-Recreation-1064155, Period Ending 07/31/2021

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	<u>Jul 31, 21</u>
Beginning Balance	5,134.43
Cleared Transactions	
Deposits and Credits - 1 item	<u>0.05</u>
Total Cleared Transactions	<u>0.05</u>
Cleared Balance	<u><u>5,134.48</u></u>
Register Balance as of 07/31/2021	5,134.48
Ending Balance	5,134.48

3:40 PM  
08/10/21

**Borough of Macungie**  
**Reconciliation Summary**  
1064053 · Contingency MM - QNB -0953, Period Ending 07/31/2021

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	<u>Jul 31, 21</u>
Beginning Balance	287,306.51
Cleared Transactions	
Deposits and Credits - 1 item	<u>88.16</u>
Total Cleared Transactions	<u>88.16</u>
Cleared Balance	<u><u>287,394.67</u></u>
Register Balance as of 07/31/2021	287,394.67
Ending Balance	287,394.67

3:54 PM  
08/10/21

**Borough of Macungie**  
**Reconciliation Summary**  
1064280 · Signal Escrow-W.EndTri-New Trip, Period Ending 07/31/2021

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	<u>Jul 31, 21</u>
Beginning Balance	2,084.91
Cleared Transactions	
Deposits and Credits - 1 item	<u>0.26</u>
Total Cleared Transactions	<u>0.26</u>
Cleared Balance	<u><u>2,085.17</u></u>
Register Balance as of 07/31/2021	2,085.17
Ending Balance	2,085.17

3:48 PM  
08/10/21

Borough of Macungie  
**Reconciliation Summary**  
1064281 · Post Retmt.Med.Benefits-New Tri, Period Ending 07/31/2021

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	<u>Jul 31, 21</u>
Beginning Balance	50,284.32
Cleared Transactions	
Deposits and Credits - 1 item	<u>6.20</u>
Total Cleared Transactions	<u>6.20</u>
Cleared Balance	<u><u>50,290.52</u></u>
Register Balance as of 07/31/2021	50,290.52
Ending Balance	50,290.52

3:46 PM  
08/10/21

Borough of Macungie  
**Reconciliation Summary**  
8106436 · Gen. Iss. Ser. of 2021-New Trip, Period Ending 07/31/2021

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	<u>Jul 31, 21</u>
Beginning Balance	2,402,941.64
Cleared Transactions	
Deposits and Credits - 1 it...	<u>788.55</u>
Total Cleared Transactions	<u>788.55</u>
Cleared Balance	<u><u>2,403,730.19</u></u>
Register Balance as of 07/31/2021	2,403,730.19
Ending Balance	2,403,730.19

08/12/21

Borough of Macungie  
Bills for Approval - 2nd Meeting for Consent Agenda  
As of August 16, 2021

Date	Name	Memo	Amount
1064276	□ AP-Accounts Payable-New Tripoli		
08/05/2021	[Payroll]	payroll 2021 - August 5	-36,346.84
08/16/2021	Alan Kunsman Roofing & Siding	Inv 100504 MI, Town Hall & Shop roof repairs	-7,400.00
08/16/2021	Amazon	batteries, safety glass & file guides	-69.44
08/16/2021	American United Life	G00613169 - September 2021	-537.70
08/16/2021	Ashcraft, John M III	Appeal 2021-02 & 2021-03	-1,575.00
08/16/2021	Canon Financial Services, Inc.	Police Copier Contract - 2021 - August	-130.00
08/16/2021	East Penn Manufacturing Co., Inc.	Inv. 2623288, battery for submersible pump	-38.00
08/16/2021	First Bankcard (VISA)	Visa -9049	-294.17
08/16/2021	Horner, John	ZHB Appeal: Margaret Young & Ben Storms App #2021...	-15.00
08/16/2021	Isett, Barry & Assoc.	Engineering Services	-7,042.75
08/16/2021	Isett, Barry & Assoc.	Engineering Services- Reimbursables	-11,790.00
08/16/2021	Karboski, Ronald	ZHB Appeal: Margaret Young & Ben Storms App #2021...	-15.00
08/16/2021	Keystone Municipal Solutions	Inv. 5275818: Interim Manager Services July 2021	-6,300.00
08/16/2021	National Road Utility Supply, Inc.	Cust. #130025-meter set for 146 S. Church St. & partial...	-568.78
08/16/2021	PA One Call System	One Calls- 2021 - July	-10.95
08/16/2021	PMHIC	Medical/RX/Dental/Vision -September 2021	-19,071.31
08/16/2021	PP&L	Invoices for Borough of Macungie	-2,092.54
08/16/2021	Praxair Distribution Inc.	Inv. 64946606 - welding gases	-28.87
08/05/2021	PSAB Municipal Retirement Trust	401A Pension Match	-157.03
08/16/2021	Reider Associates, Inc., M. J.	Acct. #3348 : water testing July 2021	-350.00
08/16/2021	Secure RX	005160810000 GVS8	-160.00
08/16/2021	Sell, Carl R.	ZHB Appeal: Margaret Young & Ben Storms App #2021...	-15.00
08/16/2021	Stephenson Equipment Inc	Inv. 1569497 Paver parts	-182.80
08/16/2021	TNT Home & Business Cleaning	Cleaning Services, TH & MI - August 2021	-995.00
08/16/2021	UGI Utilities, Inc.	411002 403458- Shop & 403722 TH	-58.56
08/16/2021	Wright Express FSC	Acct # 0496-00-173721-2 - July 2021	-1,880.53
Total 1064276 □ AP-Accounts Payable-New Tripoli			-97,125.27
350000 □ Liquid Fuels Fund Cash			
08/16/2021	3532133 □ Liquid Fuels-New Tripoli Bank		
	PP&L	Streetlights, traffic signals,pedestrian signal	-3,296.72
Total 3532133 □ Liquid Fuels-New Tripoli Bank			-3,296.72
Total 350000 □ Liquid Fuels Fund Cash			-3,296.72
TOTAL			-100,421.99

Borough of Macungie  
Bills for Approval Detail Report  
August 6 - 16, 2021

Accrual Basis

Type	Date	Name	Memo	Amount
<b>General Fund Expenditures</b>				
<b>1401485 · GF Payroll Expenses</b>				
<b>1401121 · Manager Wages</b>				
Check	08/16/2021	Keystone Municipal Solutions	G - Interim Manager Services July 2021	3,150.00
Total 1401121 · Manager Wages				3,150.00
Total 1401485 · GF Payroll Expenses				3,150.00
<b>1406153 · Long Term Disability Insurance</b>				
Check	08/16/2021	American United Life	GF-Admin LTD	40.80
Total 1406153 · Long Term Disability Insurance				40.80
<b>1406154 · Short Term Disability</b>				
Check	08/16/2021	American United Life	GF-Admin STD	50.08
Total 1406154 · Short Term Disability				50.08
<b>1406156 · Medical, Eye &amp; Dental Benefits</b>				
Check	08/16/2021	PMHIC	GF- Admin/Retirees	5,256.70
Check	08/16/2021	Secure RX	GF - BC/BS	160.00
Total 1406156 · Medical, Eye & Dental Benefits				5,416.70
<b>1406158 · Life Insurance &amp; ADD</b>				
Check	08/16/2021	American United Life	GF-Admin Life	40.32
Total 1406158 · Life Insurance & ADD				40.32
<b>1406210 · Office Supplies - General</b>				
Check	08/16/2021	Amazon	G - file guides	38.37
Total 1406210 · Office Supplies - General				38.37
<b>1406450 · Service Contracts</b>				
Check	08/16/2021	First Bankcard (VISA)	G - Acrobat Pro DC annual plan	190.67
Total 1406450 · Service Contracts				190.67
<b>1406480 · GF Miscellaneous</b>				
Check	08/16/2021	First Bankcard (VISA)	G - 2nd Qtr. 2021 UCC permits (23 @ 4.50)	103.50
Total 1406480 · GF Miscellaneous				103.50
<b>1408313 · Engineering</b>				
<b>1408317 · Engineering-Reimbursable</b>				
Check	08/16/2021	Estates at Brookside	Inv. 150741: Plan Review and Engr. Services	517.50
Check	08/16/2021	Estates at Brookside	Inv. 153145: Plan Review and Eng. Services	837.75
Check	08/16/2021	Main St Commons (aka Po...	Inv. 150746: Construction Observation	837.75
Check	08/16/2021	Main St Commons (aka Po...	Inv. 150747: Phase 2 Plan Review	230.75
Check	08/16/2021	Main St Commons (aka Po...	Inv. 153146: Phase 2 Plan Review	4,456.00
Check	08/16/2021	Main St Commons (aka Po...	Inv. 154783: Construction Observation - remaini...	460.00
Check	08/16/2021	BT Stonehill, LP	Inv. 150749: Legal Issues Regarding Allen Orga...	997.50
Check	08/16/2021	BT Stonehill, LP	Inv. 150757: Construction Observation	1,063.75
Check	08/16/2021	BT Stonehill, LP	Inv. 153149: Construction Observation	402.50
Check	08/16/2021	202 E. Main St. Minor Subdi...	Inv. 153158: Plan Review and Engr. Services	898.00
Check	08/16/2021	Brookside CC Townhouses	Inv. 153151: Sketch Plan Review	431.25
Check	08/16/2021	722 E Main St. Minor Subdi...	Inv. 150753: Plan Review and Eng. Services	661.25
Total 1408317 · Engineering-Reimbursable				11,790.00

Type	Date	Name	Memo	Amount
<b>1408313 · Engineering - Other</b>				
Check	08/16/2021	Isett, Barry & Assoc.	G: Inv. 150771: general review and analysis	200.00
Check	08/16/2021	Isett, Barry & Assoc.	G: Inv. 153157: general review and analysis	1,146.50
Total 1408313 · Engineering - Other				1,346.50
Total 1408313 · Engineering				13,136.50
<b>1409230 · Heating Expenses-Town Hall &amp; MI</b>				
Check	08/16/2021	UGI Utilities, Inc.	GF - TH heating/gas	19.52
Total 1409230 · Heating Expenses-Town Hall & MI				19.52
<b>1409361 · Electricity - Town Hall &amp; MI</b>				
Check	08/16/2021	PP&L	GF -26780-17002 Admin	172.01
Check	08/16/2021	PP&L	GF -57170-05005 - MI	288.72
Total 1409361 · Electricity - Town Hall & MI				460.73
<b>1409373 · Building Maint &amp; Repairs</b>				
Check	08/16/2021	Alan Kunsman Roofing & Si...	Townhall roof repairs	2,466.67
Check	08/16/2021	Alan Kunsman Roofing & Si...	Shop roof repairs	2,466.67
Check	08/16/2021	Alan Kunsman Roofing & Si...	MI roof repairs	2,466.66
Total 1409373 · Building Maint & Repairs				7,400.00
<b>1409451 · Janitorial Services</b>				
Check	08/16/2021	TNT Home & Business Cle...	GF- Cleaning Services	497.50
Check	08/16/2021	TNT Home & Business Cle...	GF - Cleaning Services - TH	248.75
Total 1409451 · Janitorial Services				746.25
<b>1410153 · Long Term Disability - Police</b>				
Check	08/16/2021	American United Life	GF-Police LTD	93.47
Total 1410153 · Long Term Disability - Police				93.47
<b>1410154 · Short Term Disability-Police</b>				
Check	08/16/2021	American United Life	GF-Police STD	108.05
Total 1410154 · Short Term Disability-Police				108.05
<b>1410156 · Medical, Eye &amp; Dental-Police</b>				
Check	08/16/2021	PMHIC	GF - Police	8,771.51
Total 1410156 · Medical, Eye & Dental-Police				8,771.51
<b>1410158 · Life Insurance - Police</b>				
Check	08/16/2021	American United Life	GF-Police Life	67.20
Total 1410158 · Life Insurance - Police				67.20
<b>1410230 · Heating Expenses-Police Station</b>				
Check	08/16/2021	UGI Utilities, Inc.	GF - TH heating/gas	9.76
Total 1410230 · Heating Expenses-Police Station				9.76
<b>1410231 · Fuel - Car</b>				
Check	08/16/2021	Wright Express FSC	Police Fuel	565.43
Total 1410231 · Fuel - Car				565.43
<b>1410250 · Maint &amp; Repair - Parts - Car</b>				
Check	08/16/2021	Praxair Distribution Inc.	GF -Welding	7.22
Total 1410250 · Maint & Repair - Parts - Car				7.22

Type	Date	Name	Memo	Amount
<b>1410361 · Electricity - Police St.</b>				
Check	08/16/2021	PP&L	GF -26780-17002 Police	172.01
Total 1410361 · Electricity - Police St.				172.01
<b>1410450 · Police Service Contracts</b>				
Check	08/16/2021	Canon Financial Services, I...	GF - Police- Copier	130.00
Total 1410450 · Police Service Contracts				130.00
<b>1410451 · Janitorial Services-Police</b>				
Check	08/16/2021	TNT Home & Business Cle...	GF - Cleaning Services- Police	248.75
Total 1410451 · Janitorial Services-Police				248.75
<b>1411231 · Fuel - Fire Dept</b>				
Check	08/16/2021	Wright Express FSC	Fire Co Fuel	250.33
Total 1411231 · Fuel - Fire Dept				250.33
<b>1414130 · Zoning - Board Members</b>				
Check	08/16/2021	Horner, John	G - ZHB Appeal: Margaret Young & Ben Storms ...	15.00
Check	08/16/2021	Sell, Carl R.	G - ZHB Appeal: Margaret Young & Ben Storms ...	15.00
Check	08/16/2021	Karboski, Ronald	G - ZHB Appeal: Margaret Young & Ben Storms ...	15.00
Total 1414130 · Zoning - Board Members				45.00
<b>1414314 · Zoning - Legal</b>				
Check	08/16/2021	Ashcraft, John M III	G - Appeal 2021-02: Macungie Volunteer Fire De...	675.00
Check	08/16/2021	Ashcraft, John M III	G - Appeal 2021-03: Margaret Young & Ben Stor...	900.00
Total 1414314 · Zoning - Legal				1,575.00
<b>1430220 · Operating Supplies - Streets</b>				
Check	08/16/2021	Amazon	G - safety glasses & batteries	31.07
Total 1430220 · Operating Supplies - Streets				31.07
<b>1430231 · Fuel - Trucks</b>				
Check	08/16/2021	Wright Express FSC	GF - Fuel	689.87
Total 1430231 · Fuel - Trucks				689.87
<b>1430250 · Vehicle Parts - General</b>				
Check	08/16/2021	East Penn Manufacturing C...	G - battery for submersible pump	38.00
Check	08/16/2021	Praxair Distribution Inc.	GF - Welding	7.22
Check	08/16/2021	Stephenson Equipment Inc	G - paver parts (burner, wand ass)	60.94
Total 1430250 · Vehicle Parts - General				106.16
<b>1439610 · Main St. Streetscape Grants</b>				
Check	08/16/2021	Isett, Barry & Assoc.	G: Inv 150788: Streetscape Phase 4 - constr. ad...	375.00
Check	08/16/2021	Isett, Barry & Assoc.	G: Inv 153279: Streetscape Phase 4 - anchor bol...	1,871.25
Total 1439610 · Main St. Streetscape Grants				2,246.25
<b>1454361 · Flower Park - Electricity</b>				
Check	08/16/2021	PP&L	GF -59439-06004 - Mill St	36.33
Total 1454361 · Flower Park - Electricity				36.33
Total General Fund Expenditures				45,946.85

Type	Date	Name	Memo	Amount
<b>Liquid Fuel Fund Expenditures</b>				
<b>3543336 · Traffic Light Maintenance</b>				
Check	08/16/2021	PP&L	41239-94001-Chestnut	41.53
Check	08/16/2021	PP&L	49939-16013-Rt. 100 Pedestrian Signal	29.61
Total 3543336 · Traffic Light Maintenance				71.14
<b>3543436 · LFF Street Lights</b>				
Check	08/16/2021	PP&L	70000-43002- St lights	206.23
Check	08/16/2021	PP&L	36794-55007-Lehigh St	45.50
Check	08/16/2021	PP&L	68055-05002- LED Street lights	2,895.93
Check	08/16/2021	PP&L	57253-72006-1 W Main block	77.92
Total 3543436 · LFF Street Lights				3,225.58
Total Liquid Fuel Fund Expenditures				3,296.72
<b>Sewer Fund Expenditures</b>				
<b>SF Payroll Expenses</b>				
<b>8429121 · Borough Managers Salary</b>				
Check	08/16/2021	Keystone Municipal Solutions	S - Interim Manager Services July 2021	1,575.00
Total 8429121 · Borough Managers Salary				1,575.00
Total SF Payroll Expenses				1,575.00
<b>8429153 · Long Term Disability Ins.</b>				
Check	08/16/2021	American United Life	SF-LTD	16.81
Total 8429153 · Long Term Disability Ins.				16.81
<b>8429154 · Short Term Disability</b>				
Check	08/16/2021	American United Life	SF-STD	20.64
Total 8429154 · Short Term Disability				20.64
<b>8429156 · Health Insurance - Sewer</b>				
Check	08/16/2021	PMHIC	SF - Insurance	1,950.29
Total 8429156 · Health Insurance - Sewer				1,950.29
<b>8429158 · Life Insurance</b>				
Check	08/16/2021	American United Life	SF-Life	16.80
Total 8429158 · Life Insurance				16.80
<b>8429230 · Heating Costs - Garage</b>				
Check	08/16/2021	UGI Utilities, Inc.	SF - shop heating/gas	14.64
Total 8429230 · Heating Costs - Garage				14.64
<b>8429231 · Fuel - Trucks</b>				
Check	08/16/2021	Wright Express FSC	SF - Fuel	213.72
Total 8429231 · Fuel - Trucks				213.72
<b>8429250 · Maint &amp; Repair - Parts - SF</b>				
Check	08/16/2021	Praxair Distribution Inc.	SF - Welding	7.21
Check	08/16/2021	Stephenson Equipment Inc	S - paver parts (burner, wand ass)	60.93
Total 8429250 · Maint & Repair - Parts - SF				68.14

Type	Date	Name	Memo	Amount
<b>8429321 · Telephone</b>				
Check	08/16/2021	PA One Call System	SF - One Calls-July 2021	10.95
Total 8429321 · Telephone				10.95
<b>8429361 · SF Electricity</b>				
Check	08/16/2021	PP&L	SF - 26780-17002 - Town Hall	172.00
Total 8429361 · SF Electricity				172.00
<b>8429720 · Inflow &amp; Infiltration - SF</b>				
Check	08/16/2021	Isett, Barry & Assoc.	S: Inv 152593: I & I work	2,300.00
Total 8429720 · Inflow & Infiltration - SF				2,300.00
<b>8430750 · Sewer Loan of 2021 Capital Exp</b>				
Check	08/16/2021	Isett, Barry & Assoc.	S - Inv 152595: sewer lateral lining	1,150.00
Total 8430750 · Sewer Loan of 2021 Capital Exp				1,150.00
Total Sewer Fund Expenditures				7,508.99
<b>Water Fund Expenditures</b>				
<b>WF Payroll Expenses</b>				
<b>6448121 · WF-Manager Wages</b>				
Check	08/16/2021	Keystone Municipal Solutions	W - Interim Manager Services July 2021	1,575.00
Total 6448121 · WF-Manager Wages				1,575.00
Total WF Payroll Expenses				1,575.00
<b>6448153 · Long Term Disability - WF</b>				
Check	08/16/2021	American United Life	WF-LTD	26.93
Total 6448153 · Long Term Disability - WF				26.93
<b>6448154 · Short Term Disability</b>				
Check	08/16/2021	American United Life	WF-STD	33.08
Total 6448154 · Short Term Disability				33.08
<b>6448156 · Health Insurance - Water</b>				
Check	08/16/2021	PMHIC	WF - Insurance	3,092.81
Total 6448156 · Health Insurance - Water				3,092.81
<b>6448158 · Life Insurance</b>				
Check	08/16/2021	American United Life	WF-Life	23.52
Total 6448158 · Life Insurance				23.52
<b>6448230 · Heating Expenses-Shop-WF</b>				
Check	08/16/2021	UGI Utilities, Inc.	WF - shop heating/gas	14.64
Total 6448230 · Heating Expenses-Shop-WF				14.64
<b>6448231 · Fuel - Trucks</b>				
Check	08/16/2021	Wright Express FSC	WF - Fuel	161.18
Total 6448231 · Fuel - Trucks				161.18
<b>6448250 · Maint &amp; Repair Parts</b>				
Check	08/16/2021	Praxair Distribution Inc.	WF - Acetylene	7.22
Check	08/16/2021	Stephenson Equipment Inc	W - paver parts (burner, wand ass)	60.93
Total 6448250 · Maint & Repair Parts				68.15

Type	Date	Name	Memo	Amount
<b>6448316 · Testing - Water</b>				
Check	08/16/2021	Reider Associates, Inc., M. J.	WF - water testing July 2021	350.00
Total 6448316 · Testing - Water				350.00
<b>6448361 · Electricity</b>				
Check	08/16/2021	PP&L	WF - 78570-05001 -Hillcrest	30.15
Check	08/16/2021	PP&L	WF -62370-05002 - Vine St	109.60
Check	08/16/2021	PP&L	WF - 23570-05006 - Lehigh St	382.77
Check	08/16/2021	PP&L	WF - 66370-05000 - Maple St	66.75
Check	08/16/2021	PP&L	WF - 49380-17017 - Garage	662.20
Total 6448361 · Electricity				1,251.47
<b>6448377 · Water Meters/Certifications</b>				
Check	08/16/2021	National Road Utility Supply...	W - partial radio read meter Mac. Village Pool	207.97
Check	08/16/2021	National Road Utility Supply...	W - meter set for replacement for 146 S. Church ...	360.81
Total 6448377 · Water Meters/Certifications				568.78
Total Water Fund Expenditures				7,165.56
<b>TOTAL</b>				<b>63,918.12</b>

Welcome to the Online Credit Center

Welcome ROSE NONNEMACHER!  
BOROUGH OF MACUNGIE  
(...1800)

21 LOCUST ST  
MACUNGIE, PA 18062



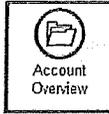
Update Account Information

Secure Messages

Contact Us

Help

Log Out



Account Overview



Payments



Account Management



Account History



View All Accounts

\*Current Balance: \$69.44

Available Credit: \$9,930.00

\*\*Credit Limit: \$10,000.00

Current Statement

Outstanding Balance: \$59.44

Last Amount Paid: \$212.78 on 07/28/21

Days Past Due:

0 - 30:	\$0.00	91 - 120:	\$0.00
31 - 60:	\$0.00	121 - 150:	\$0.00
61 - 90:	\$0.00	151+:	\$0.00

Make a Payment

View Payment History

Enroll in Electronic Statements

Enroll in Invoice Net Terms (INT)

We want to hear from you!

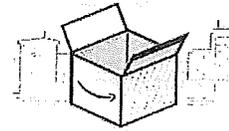
How are we doing?

Shopping for work?

Enjoy exclusive pricing, FREE Two-Day Shipping and more

Create a Free Account

amazonbusiness



Open Invoices

Closed Invoices

Click the Invoice # to view the Invoice. Transactions made in the last 24 hours may not be reflected below.

Pay Selected Invoices Pay All Invoices Download to PDF

Search Invoice [ ] Search PO [ ]

<input type="checkbox"/> Invoice #	Transaction Date	PO#/Job Name	Amount	Balance	Due Date	SQS	Check No
<input type="checkbox"/> 459357575675	07/14/2021	batteries safety glasses	\$31.07	\$31.07	10/05/2021	0001	0000000000
<input type="checkbox"/> 465468583979	07/16/2021	file guides	\$38.37	\$38.37	10/05/2021	0001	0000000000



Accounts Transactions Services Profile Administration

Accounts > Credit Card Accounts > Account Detail

Account Detail

BOROUGH OF MACUNGIE > GLISSON, ROBERT x0871

Account:

Display:

Current Information as of 08/09/2021

Last Statement Balance:	\$220.22	Total Available Credit:	\$1,705.83
Total Available Cash:	\$400.00	Total Payments:	-\$220.22
Posted Transactions:	\$294.17	Total Credits:	\$0.00
Total Credit Limit:	\$2,000.00	Pending Transactions:	\$0.00
Total Cash Limit:	\$400.00	Current Balance:	\$294.17
Payment Due Date:	08/07/2021	Last Payment Date:	07/26/2021
Minimum Payment Due:	\$0.00	Last Payment Amount:	\$220.22

Pay Account(s)

Rewards  
15,724 Total Points



TRANSACTIONS

PURCHASE DATE	POST DATE	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT
07/25/2021	07/26/2021	PAYMENT - THANK YOU	-\$220.22
08/05/2021	08/06/2021	UNIFORM CONSTRUCTION UCC - 888-223-6837, PA	\$103.50
08/06/2021	08/09/2021	ADOBE - 408-536-6000, CA	\$190.67

*Annual plan*      *2nd Qtr. 2021 UCC permits (2324.50)*

# Macungie Volunteer Fire Department

31 S. Walnut Street, P. O. Box 65, Macungie, PA 18062

(610) 965-7040 Fax: (610) 966-5388

*Proudly Serving the Borough of Macungie and parts of Lower Macungie and Upper Milford Townships*



## Training report for July:

07/01/2021 Firepolice sworn in, testing pumps : Tyler Doyle, Darwin Hoppes, Tim Keller, Joel Kerridge, Mike Natysyn, Liz Tepes, Bill Henry, Russ George, Zack Dries, Mike Tomlinson, Chris Ziello.

07/08/2021 Rescue Training: Tyler Doyle, Todd Heffner, Tim Keller, Joel Kerridge, Mike Natysyn, Liz Tepes, Russ George .

07/15/2021-Hose Mangement: Tim Keller, Joel Kerridge, mike Natysyn, Coy Nsugle, Damon Smigielski, , Chris Ziello, Zack Dries, Mike Tomlinson, Gabe Shuey.

07/22/2020-Reviewing new tools: Tyler Doyle, Todd Heffner, Darwin Hoppes ,Tim Keller, Joel Kerridge, Mike Natysyn, Coy Naugle, Liz Tepes, Zack Dries, Bill Henry, Don Hoffman, Damon Smigielski.

07/29/2021- Snubbing Hydrants: Tyler Doyle, Don Hoffman, Todd Heffner, Darwin Hoppes, Tim Keller, Joel Kerridge, Mike Natysyn, Damon Smigielski, Mike Tomlinson.



# Municipal Retirement TRUST

The commitment you expect,  
the security you deserve.

## Pennsylvania State Association of Boroughs Quarterly Trust Report June 30, 2021

**H. Jeffrey Herb**  
Senior Vice President  
Institutional Consulting Director

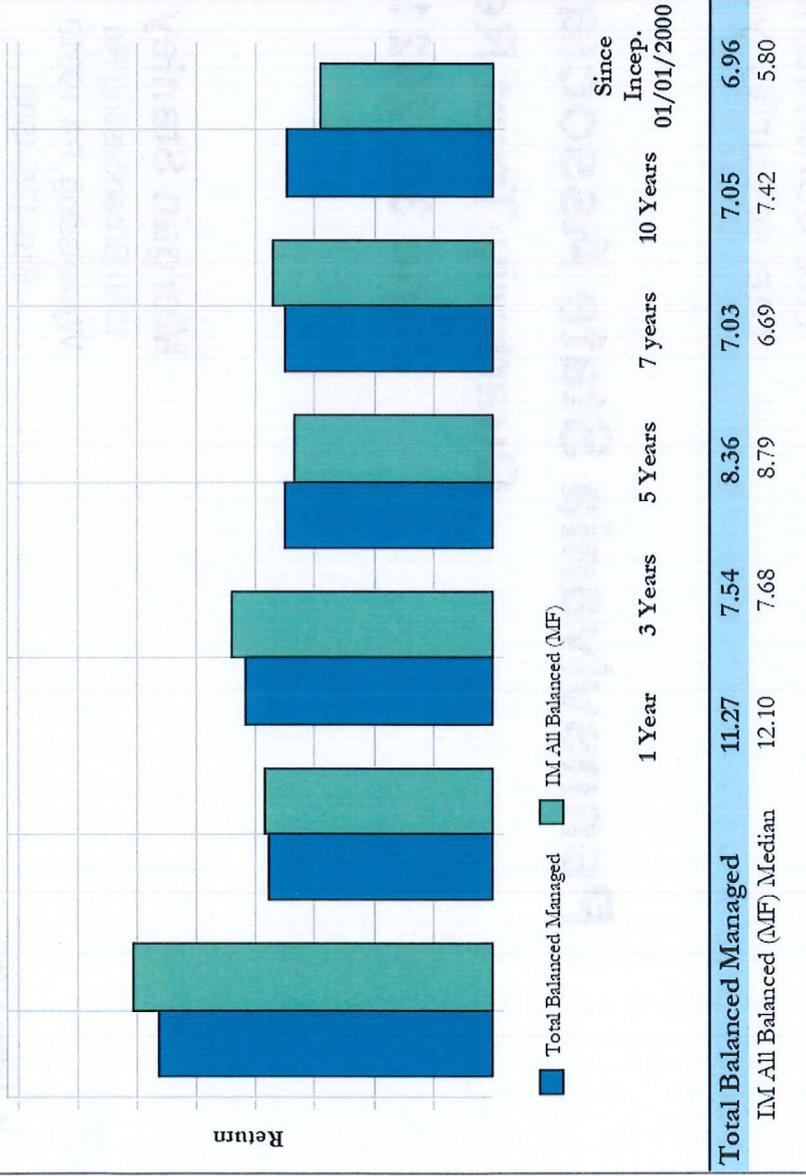
**Morgan Stanley**  
1350 Broadcasting Rd  
Wyomissing, PA 19610  
610-478-4500

**Thomas J. Schatzman, CIMA**  
Senior Vice President  
Institutional Consulting Director

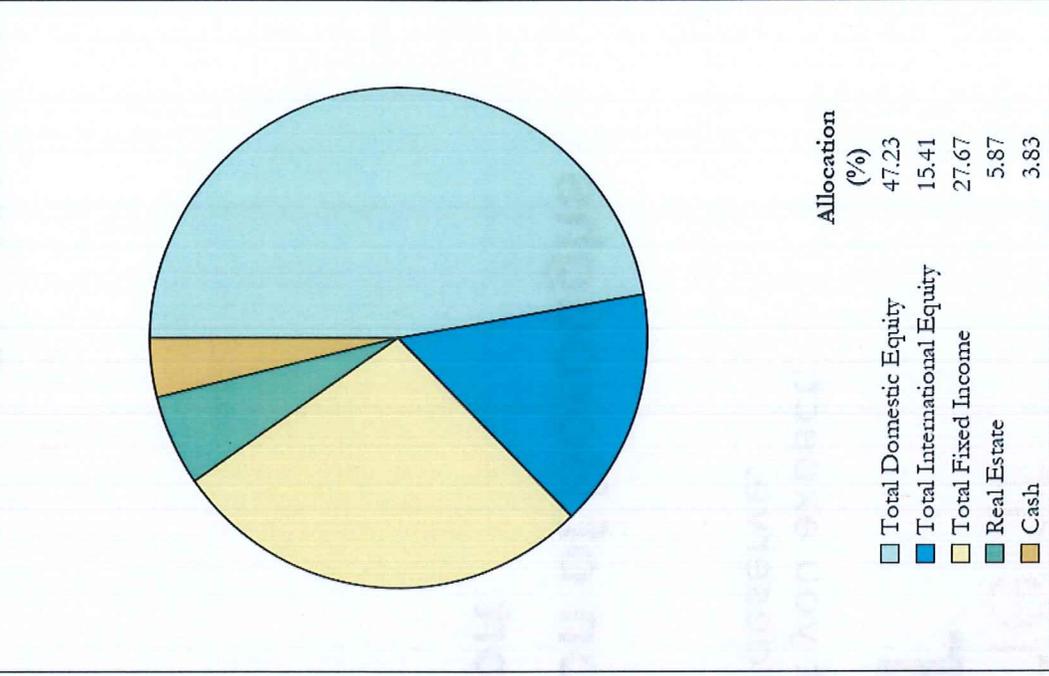
PSAB Municipal Retirement Trust  
MRT Balanced Account - Summary Report

As of June 30, 2021

MRT Balanced Performance as of 12/31/20



MRT Asset Allocation as of 06/30/21



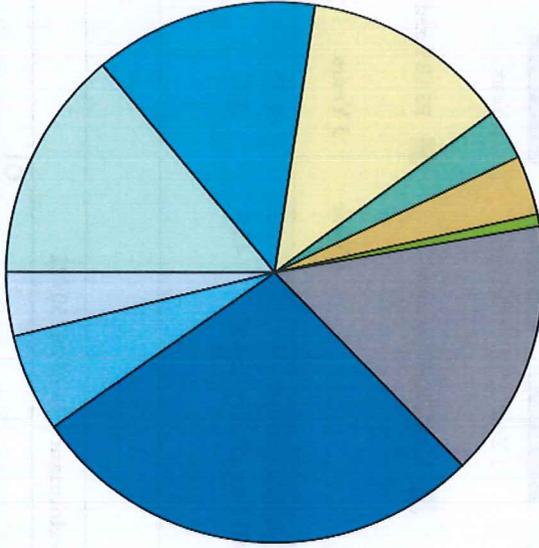
MRT Performance as of 06/30/21

	Q1	Q2	YTD
Total Balanced Managed	3.68	5.12	8.99
IM All Balanced (MF) Median	3.07	5.07	8.36

PSAB Municipal Retirement Trust  
MRT Balanced Account - Summary Report

As of June 30, 2021

June 30, 2021 : \$367,245,067



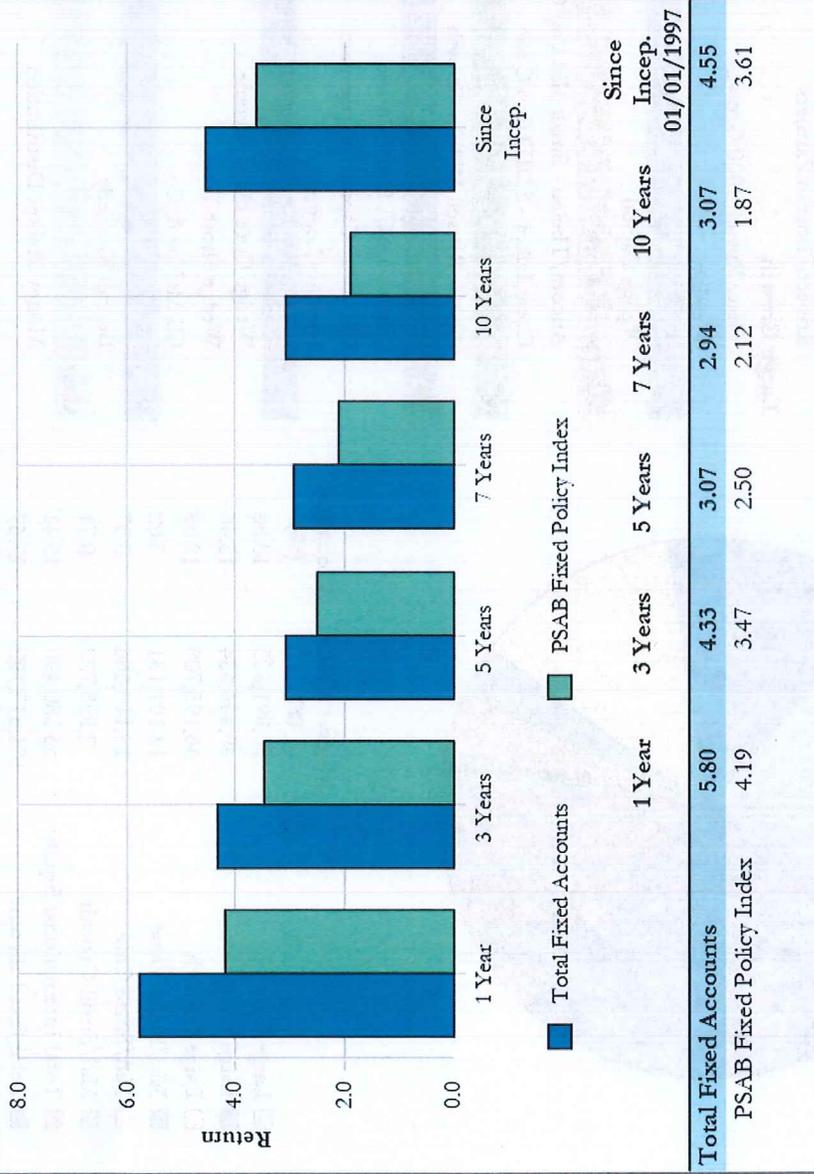
	Total Fund (\$)	%
<b>Total Balanced Accounts including Cash</b>	<b>367,245,067</b>	<b>100.00</b>
Large Core	50,991,625	13.88
Vanguard S&P 500 Index	50,991,625	13.88
<b>Large Value</b>	<b>49,446,684</b>	<b>13.46</b>
iShares Russell 1000 Value	15,091,810	4.11
Robeco/Boston Partners	34,354,874	9.35
<b>Large Growth</b>	<b>46,195,708</b>	<b>12.58</b>
iShare Russell 1000 Growth	23,570,992	6.42
Winslow	22,624,716	6.16
<b>Mid/Small Value</b>	<b>11,101,131</b>	<b>3.02</b>
Wedge Capital	11,101,131	3.02
<b>Mid/Small Core</b>	<b>13,110,666</b>	<b>3.57</b>
Ancora/Thelen - Small Mid Cap Core	5,800,556	1.58
Great Lakes - SMID Cap Core	7,308,212	1.99
<b>Mid/Small Growth</b>	<b>2,598,722</b>	<b>0.71</b>
iShares Russell Midcap Growth	2,598,722	0.71
<b>Total International Equity</b>	<b>56,580,490</b>	<b>15.41</b>
iShares MSCI EAFE Index	12,741,793	3.47
Causeway Capital Management	21,379,274	5.82
Harding Loevner	22,459,423	6.12
<b>Total Fixed Income</b>	<b>101,617,192</b>	<b>27.67</b>
Wedge Core Fixed Income	34,867,883	9.49
Wedge Short Term	55,554,400	15.13
CS McKee & Co	11,194,908	3.05
<b>Real Estate</b>	<b>21,540,132</b>	<b>5.87</b>
Bentall Kennedy	21,540,132	5.87
<b>Cash</b>	<b>14,062,716</b>	<b>3.83</b>
Money Market Distribution	14,062,716	3.83

Market Value (\$)	Allocation (%)
50,991,625	13.88
49,446,684	13.46
46,195,708	12.58
11,101,131	3.02
13,110,666	3.57
2,598,722	0.71
56,580,490	15.41
101,617,192	27.67
21,540,132	5.87
14,062,716	3.83

PSAB Municipal Retirement Trust  
MRT Fixed Account - Summary Report

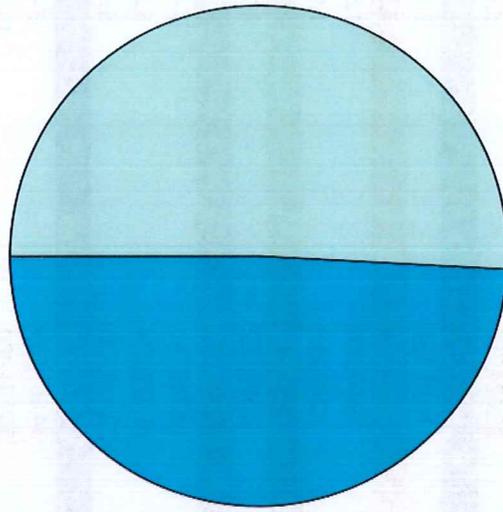
As of June 30, 2021

MRT Fixed Performance as of 12/31/20



MRT Fixed Asset Allocation as of 06/30/21

June 30, 2021 : \$6,741,604



	Allocation (%)
Wedge Core FX	50.89
Wedge Short Term FX	49.04
Money Market Distribution FX	0.07

MRT Performance as of 06/30/21

	Q1	Q2	YTD
Total Fixed Accounts	-0.75	0.37	-0.38
PSAB Fixed Policy Index	-0.79	0.35	-0.44

# Performance Appendix

Performance Data below is net of fees. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

Account Name	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Ancora/Thelem - Small Mid Cap Core	6.48	14.31	52.39	8.58	--	--	8.57	08/01/2017
Bentall Kennedy	4.65	7.04	9.85	5.24	--	--	5.40	01/01/2017
CS McKee & Co	1.11	-1.13	0.29	4.38	--	--	3.47	12/01/2017
Causeway Capital Management	1.87	10.52	38.01	5.72	--	--	5.18	05/01/2017
Great Lakes - SMID Cap Core	5.76	11.78	46.80	9.56	--	--	13.72	08/01/2017
Harding Loevner	6.20	6.86	33.82	10.83	--	--	10.01	06/01/2017
Money Market Distribution	0.00	0.01	0.02	0.68	0.73	--	--	01/01/1997
Money Market Distribution FX	0.00	0.01	0.01	0.65	0.47	0.28	1.65	01/01/1997
Robeco/Boston Partners	5.67	21.75	50.09	13.04	13.83	--	10.45	05/01/2014
Vanguard S&P 500 Index	8.54	15.24	40.77	18.64	17.61	--	--	04/01/2014
Wedge Capital	7.36	20.07	58.78	6.21	8.92	10.42	8.87	07/01/2000
Wedge Core FX	0.70	-0.47	1.00	4.97	2.82	3.31	--	12/01/1999
Wedge Core Fixed Income	1.94	-1.16	1.01	6.18	3.54	3.97	--	12/01/1999
Wedge Short Term	0.04	-0.36	0.59	3.87	2.31	2.29	2.42	11/01/2009
Wedge Short Term FX	0.04	-0.33	0.70	3.89	2.28	--	2.10	02/01/2012
Winslow	12.75	13.72	38.56	23.66	24.03	--	17.58	10/01/2011
iShare Russell 1000 Growth	11.88	12.90	42.23	24.90	23.42	--	22.90	06/01/2016
iShares MSCI EAFE Index	5.23	8.89	32.58	8.27	--	--	8.46	05/01/2017
iShares Russell 1000 Value	5.16	16.93	43.41	12.25	11.69	--	11.68	06/01/2016
iShares Russell Midcap Growth	11.01	10.33	43.47	22.12	--	--	21.05	10/01/2017

All performance above are Time Weighted (TWR) performance

## Glossary of Terms

**Active Contribution Return:** The gain or loss percentage of an investment relative to the performance of the investment benchmark.

**Active Exposure:** The percentage difference in weight of the portfolio compared to its policy benchmark.

**Active Return:** Arithmetic difference between the manager's return and the benchmark's return over a specified time period.

**Actual Correlation:** A measure of the correlation (linear dependence) between two variables X and Y, with a value between +1 and -1 inclusive. This is also referred to as coefficient of correlation.

**Alpha:** A measure of a portfolio's time weighted return in excess of the market's return, both adjusted for risk. A positive alpha indicates that the portfolio outperformed the market on a risk-adjusted basis, and a negative alpha indicates the portfolio did worse than the market.

**Best Quarter:** The highest quarterly return for a certain time period.

**Beta:** A measure of the sensitivity of a portfolio's time weighted return (net of fees) against that of the market. A beta greater than 1.00 indicates volatility greater than the market.

**Consistency:** The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. The higher the consistency figure, the more value a manager has contributed to the product's performance.

**Core:** Refers to an investment strategy mandate that is blend of growth and value styles without a pronounced tilt toward either style.

**Cumulative Selection Return (Cumulative Return):** Cumulative investment performance over a specified period of time.

**Distribution Rate:** The most recent distribution paid, annualized, and then divided by the current market price. Distribution rate may consist of investment income, short-term capital gains, long-term capital gains, and/or return of capital.

**Down Market Capture:** The ratio of average portfolio returns over the benchmark during periods of negative benchmark return. Lower values indicate better product performance.

**Downside Risk:** A measure similar to standard deviation, but focuses only on the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. The higher the value, the more risk the product has.

**Downside Semi Deviation:** A statistical calculation that measures the volatility of returns below a minimum acceptable return. This return measure isolates the negative portion of volatility: the larger the number, the greater the volatility.

**Drawdown:** A drawdown is the peak-to-trough decline during a specific period of an investment, fund or commodity.

**Excess over Benchmark:** The percentage gain or loss of an investment relative to the investment's benchmark.

**Excess Return:** Arithmetic difference between the manager's return and the risk-free return over a specified time period.

**Growth:** A diversified investment strategy which includes investment selections that have capital appreciation as the primary goal, with little or no dividend payouts. These strategies can include reinvestment in expansion, acquisitions, and/or research and development opportunities.

**Growth of Dollar:** The aggregate amount an investment has gained or lost over a certain time period, also referred to as Cumulative Return, stated in terms of the amount to which an initial dollar investment would have grown over the given time period.

**Investment Decision Process (IDP):** A model for structuring the investment process and implementing the correct attribution methodologies. The IDP includes every decision made concerning the division of the assets under management over the various asset categories. To analyze each decision's contribution to the total return, a modeling approach must measure the marginal value of every individual decision. In this respect, the hierarchy of the decisions becomes very important. We therefore use the IDP model, which serves as a proper foundation for registering the decisions and relating them to each other.

**Information Ratio:** Measured by dividing the active rate of return by the tracking error. The higher the Information Ratio, the more value-added contribution by the manager.

**Jensen's Alpha:** The Jensen's alpha measure is a risk-adjusted performance measure that represents the average return on a portfolio or investment above or below that predicted by the capital asset pricing model.

(CAPM) given the portfolio's or investment's beta and the average market return. This metric is also commonly referred to as alpha.

**Kurtosis:** A statistical measure that is used to describe the distribution, or skewness, of observed data around the mean, sometimes referred to as the volatility of volatility.

**Maximum Drawdown:** The drawdown is defined as the percent retracement from a fund's peak to the fund's trough value. It is in effect from the time the fund's retracement begins until a new fund high is reached. The maximum drawdown encompasses both the period from the fund's peak to the fund's valley (length), and the time from the fund's valley to a new fund high (recovery). It measures the largest percentage drawdown that has occurred in any fund's data record.

**Modern Portfolio Theory (MPT):** An investment analysis theory on how risk-averse investors can construct portfolios to optimize or maximize expected return based on a given level of market risk, emphasizing that risk is an inherent part of higher reward.

**Mutual Fund (MF):** An investment program funded by shareholders that trade in diversified holdings, and is professionally managed.

**Peer Group:** A combination of funds that share the same investment style combined as a group for comparison purposes.

**Peer/ Plan Sponsor Universe:** A combination of asset pools of total plan investments by specific sponsor and plan types for comparison purposes.

**Performance Ineligible Assets:** Performance returns are not calculated for certain assets because accurate valuations and transaction data for these assets are not processed or maintained by us. Common examples of these include life insurance, some annuities and some assets held externally.

**Performance Statistics:** A generic term for various measures of investment performance measurement terms.

**Portfolio Characteristics:** A generic term for various measures of investment portfolio characteristics.

**Preferred Return:** A term used in the private equity (PE) world, and also referred to as a "Hurdle Rate." It refers to the threshold return that the limited partners of a private equity fund must receive, prior to the PE firm receiving its carried interest or "carry."

**Ratio of Cumulative Wealth:** A defined ratio of the Cumulative Return of the portfolio divided by the Cumulative Return of the benchmark for a certain time period.

**Regression Based Analysis:** A statistical process for estimating the relationships among variables. It includes many techniques for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables.

**Residual Correlation:** Within returns-based style analysis, residual correlation refers to the portion of a strategy's return pattern that cannot be explained by its correlation to the asset-class benchmarks to which it is being compared.

**Return:** A rate of investment performance for the specified period.

**Rolling Percentile Ranking:** A measure of an investment portfolio's ranking versus a peer group for a specific rolling time period (i.e. Last 3 Years, Last 5 years, etc.).

**R-Squared:** The percentage of a portfolio's performance explained by the behavior of the appropriate benchmark. High R-Squared means a higher correlation of the portfolio's performance to the appropriate benchmark.

**SA/CF (Separate Account/Comingled Fund):** Represents an acronym for Separate Account and Comingled Fund investment vehicles.

**Sector Benchmark:** A market index that serves as a proxy for a sector within an asset class.

**Sharpe Ratio:** Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance results in.

**Standard Deviation:** A statistical measure of the range of a portfolio's performance; the variability of a return around its average return over a specified time period.

**Total Fund Benchmark:** The policy benchmark for a complete asset pool that could consist of multiple investment mandates.

**Total Fund Composite:** The aggregate of multiple portfolios within an asset pool or household.

**Tracking Error:** A measure of standard deviation for a portfolio's investment performance, relative to the performance of an appropriate market benchmark.

**Treynor Ratio:** A ratio that divides the excess return (above the risk free rate) by the portfolio's beta to arrive at a unified measure of risk adjusted return. It is generally used to rank portfolios, funds and benchmarks. A higher ratio is indicative of higher returns per unit of market risk. This measurement can help determine if the portfolio is reaching its goal of increasing returns while managing market risk.

**Up Market Capture:** The ratio of average portfolio returns over the benchmark during periods of positive benchmark return. Higher values indicate better product performance.

**Upside Semi Deviation:** A statistical calculation that measures the volatility of returns above an acceptable return. This return measure isolates the positive portion of volatility; the larger the number, the greater the volatility.

**Value:** A diversified investment strategy that includes investment selections which tend to trade at a lower price relative to its dividends, earnings, and sales. Common attributes are stocks that include high dividend, low price-to-book ratio, and/or low price-to-earnings ratio.

**Worst Quarter:** The lowest rolling quarterly return for a certain time period.

#### **Information Disclosures**

*Performance results are annualized for time periods greater than one year and include all cash and cash equivalents, realized and unrealized capital gains and losses, and dividends, interest and income. The investment results depicted herein represent historical performance. As a result of recent market activity, current performance may vary from the figures shown. Past performance is not a guarantee of future results.*

*Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.*

*Benchmark indices and blends included in this material are for informational purposes only, are provided solely as a comparison tool and may not reflect the underlying composition and/or investment objective(s) associated with the account(s). Indices are unmanaged and not available for direct*

*investment. Index returns do not take into account fees or other charges. Such fees and charges would reduce performance.*

*The performance data shown reflects past performance, which does not guarantee future results. Investment return and principal will fluctuate so that an investor's shares when redeemed may be worth more or less than original cost. Please note, current performance may be higher or lower than the performance data shown. For up to date month-end performance information, please contact your Financial Advisor or visit the funds' company website.*

*Investors should carefully consider the fund's investment objectives, risks, charges and expenses before investing. The prospectus and, if available the summary prospectus, contains this and other information that should be read carefully before investing. Investors should review the information in the prospectus carefully. To obtain a prospectus, please contact your Financial Advisor or visit the funds' company website.*

Past performance is no guarantee of future results.

Investing involves market risk, including possible loss of principal. Growth investing does not guarantee a profit or eliminate risk. The stocks of these companies can have relatively high valuations. Because of these high valuations, an investment in growth stock can be more risky than an investment in a company with more modest growth expectations. Value investing involves the risk that the market may not recognize that securities are undervalued and they may not appreciate as anticipated. Small and mid-capitalization companies may lack the financial resources, product diversification and competitive strengths of larger companies. The securities of small capitalization companies may not trade as readily as, and be subject to higher volatility than those of larger, more established companies. Bond funds and bond holdings have the same interest rate, inflation and credit risks that are associated with the underlying bonds owned by the funds. The return of principal in bond funds, and in funds with significant bond holdings, is not guaranteed. International securities' prices may carry additional risks, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes and differences in financial and accounting standards. International investing may not be for everyone. These risks may be magnified in emerging markets. Alternative investments, including private equity funds, real estate funds, hedge funds, managed futures funds, and funds of hedge funds, private equity, and managed futures funds, are speculative and entail significant risks that can include losses due to leveraging or other speculative investment practices. Lack of liquidity, volatility of returns, restrictions on transferring interests in a fund, potential lack of diversification, absence and/or delay of information regarding valuations and pricing, complex tax structures and delays in tax reporting, less regulation and higher fees than mutual funds and risks associated with the operations, personnel and processes of the advisor. Master Limited Partnerships (MLPs) are limited partnerships or limited liability companies that are taxed as partnerships and whose interests (limited partnership units or limited liability company units) are traded on securities exchanges like shares of common stock. Currently, most MLPs operate in the energy, natural resources or real estate sectors. Investments in MLP interests are subject to the risks generally applicable to companies in the energy and natural resources sectors, including commodity pricing risk, supply and demand risk, depletion risk and exploration risk, and MLP interests in the real estate sector are subject to special risks, including interest rate and property value fluctuations, as well as risks related to general and economic conditions. Because of their narrow focus, MLPs maintain exposure to price volatility of commodities and/or underlying assets and tend to be more volatile than investments that diversify across many sectors and companies. MLPs are also subject to additional risks including: investors having limited control and rights to vote on matters affecting the MLP, limited access to capital, cash flow risk, lack of liquidity, dilution risk, conflict of interests, and limited call rights related to acquisitions.

Mortgage backed securities also involve prepayment risk, in that faster or slower prepayments than

expected on underlying mortgage loans can dramatically alter the yield-to-maturity of a mortgage-backed security and prepayment risk includes the possibility that a fund may invest the proceeds at generally lower interest rates.

**Tax managed funds** may not meet their objective of being tax-efficient.

**Real estate investments** are subject to special risks, including interest rate and property value fluctuations, as well as risks related to general and economic conditions. **High yield** fixed income securities, also known as "junk bonds", are considered speculative, involve greater risk of default and tend to be more volatile than investment grade fixed income securities.

Credit quality is a measure of a bond issuer's creditworthiness, or ability to repay interest and principal to bondholders in a timely manner. The credit ratings shown are based on security ratings as provided by Standard & Poor's, Moody's and/or Fitch, as applicable. Credit ratings are issued by the rating agencies for the underlying securities in the fund and not the fund itself, and the credit quality of the securities in the fund does not represent the stability or safety of the fund. Credit ratings shown range from AAA, being the highest to D, being the lowest based on S&P and Fitch's classification (the equivalent of Aaa and C, respectively, by Moody's). Ratings of BBB or higher by S&P and Fitch (Baa or higher by Moody's) are considered to be investment grade-quality securities. If two or more of the agencies have assigned different ratings to a security, the highest rating is applied. Securities that are not rated by all three agencies are listed as "NR".

**"Alpha tilt strategies** comprise a core holding of stocks that mimic a benchmark type index such as the S&P 500 to which additional securities are added to help tilt the fund toward potentially outperforming the market in an effort to enhance overall investment returns. Tilt strategies are subject to significant timing risk and could potentially expose investors to extended periods of underperformance."

**Custom Account Index:** The Custom Account Index is an investment benchmark based on your historical target allocations and/or manager selection that you may use to evaluate the performance of your account. The Custom Account Index does take into consideration certain changes that may have occurred in your portfolio since the inception of your account, i.e., asset class and/or manager changes. However, in some circumstances, it may not be an appropriate benchmark for use with your specific account composition. For detailed report of the historical composition of this blend please contact your Financial Advisor.

#### Peer Groups

Peer Groups are a collection of similar investment strategies that essentially group investment products that share the same investment approach. Peer Groups are used for comparison purposes to compare and illustrate a client's investment portfolio versus its peer across various quantitative metrics like performance and risk. Peer Group comparison is conceptually another form of benchmark comparison whereby the actual investment can be ranked versus its peer across various quantitative metrics.

All Peer Group data are provided by Investment Metrics, LLC.

The URL below provides all the definitions and methodology about the various Peer Groups

<https://www.invmetrics.com/style-peer-groups>

#### Peer Group Ranking Methodology

A percentile rank denotes the value of a product in which a certain percent of observations fall within a peer group. The range of percentile rankings is between 1 and 100, where 1 represents a high statistical value and

100 represents a low statistical value.

The 30th percentile, for example, is the value in which 30% of the highest observations may be found, the 65th percentile is the value in which 65% of the highest observations may be found, and so on.

Percentile rankings are calculated based on a normalized distribution ranging from 1 to 100 for all products in each peer group, where a ranking of 1 denotes a high statistical value and a ranking of 100 denotes a low statistical value. It is important to note that the same ranking methodology applies to all statistics, implying that a ranking of 1 will always mean highest value across all statistics.

For example, consider a risk/return assessment using standard deviation as a measure of risk. A percentile ranking equal to 1 for return denotes highest return, whereas a percentile ranking of 1 for standard deviation denotes highest risk among peers.

In addition, values may be used to demonstrate quartile rankings. For example, the third quartile is also known as the 75th percentile, and the median is the 50th percentile.

#### Alternatives

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Alternatives may be either traditional alternative investment vehicles or non-traditional alternative strategy vehicles. Traditional alternative investment vehicles may include, but are not limited to, Hedge Funds, Fund of Funds (both registered and unregistered), Exchange Funds, Private Equity Funds, Private Credit Funds, Real Estate Funds, and Managed Futures Funds. Non-traditional alternative strategy vehicles may include, but are not limited to, Open or Closed End Mutual Funds, Exchange-Traded and Closed-End Funds, Unit Investment Trusts, exchange listed Real Estate Investment Trusts (REITs), and Master Limited Partnerships (MLPs). These non-traditional alternative strategy vehicles also seek alternative-like exposure

but have significant differences from traditional alternative investment vehicles. Non-traditional alternative strategy vehicles may behave like, have characteristics of, or employ various investment strategies and techniques for both hedging and more speculative purposes such as short-selling, leverage, derivatives, and options, which can increase volatility and the risk of investment loss. Characteristics such as correlation to traditional markets, investment strategy, and market sector exposure can play a role in the classification of a traditional security being classified as alternative.

Traditional alternative investment vehicles are illiquid and usually are not valued daily. The estimated valuation provided will be as of the most recent date available and will be included in summaries of your assets. Such valuation may not be the most recent provided by the fund in which you are invested. No representation is made that the valuation is a market value or that the interest could be liquidated at this value. We are not required to take any action with respect to your investment unless valid instructions are received from you in a timely manner. Some positions reflected herein may not represent interests in the fund, but rather redemption proceeds withheld by the issuer pending final valuations which are not subject to the investment performance of the fund and may or may not accrue interest for the length of the withholding. Morgan Stanley does not engage in an independent valuation of your alternative investment assets. Morgan Stanley provides periodic information to you including the market value of an alternative investment vehicle based on information received from the management entity of the alternative investment vehicle or another service provider.

Traditional alternative investment vehicles often are speculative and include a high degree of risk. Investors should carefully review and consider potential risks before investing. Certain of these risks may include but are not limited to: • Loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices; • Lack of liquidity in that there may be no secondary market for a fund; • Volatility of returns; • Restrictions on transferring interests in a fund; • Potential lack of diversification and resulting higher risk due to concentration of trading authority when a single advisor is utilized; • Absence of information regarding valuations and pricing; • Complex tax structures and delays in tax reporting; • Less regulation and higher fees than mutual funds; and • Risks associated with the operations, personnel, and processes of the manager. As a diversified global financial services firm, Morgan Stanley Wealth Management engages in a broad spectrum of activities including financial advisory services, investment management activities, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication, and other activities. In the ordinary course of its business, Morgan Stanley Wealth Management therefore engages in activities where Morgan Stanley Wealth Management's interests may conflict with the interests of its clients, including the private investment funds it manages. Morgan Stanley Wealth Management can give no assurance that conflicts of interest will be resolved in favor of its clients or any such fund.

Indices are unmanaged and investors cannot directly invest in them. Composite index results are shown for illustrative purposes and do not represent the performance of a specific investment. Past performance is no guarantee of future results. Actual results may vary. Diversification does not assure a profit or protect against loss in a declining market. Any performance or related information presented has not been adjusted to reflect the impact of the additional fees paid to a placement agent by an investor (for Morgan Stanley placement clients, a one-time upfront Placement Fee of up to 3%, and for Morgan Stanley investment advisory clients, an annual advisory fee of up to 2.5%), which would result in a substantial reduction in the returns if such fees were incorporated.

For most investment advisory clients, the program account will be charged an asset-based wrap fee every quarter ("the Fee"). In general, the Fee covers investment advisory services and reporting. In addition to the Fee, clients will pay the fees and expenses of any funds in which their account is invested. Fund fees and expenses are charged directly to the pool of assets the fund invests in and impact the valuations. Clients must understand that these fees and expenses are an additional cost and will not be included in the Fee amount in the account statements.

As fees are deducted quarterly, the compounding effect will be to increase the impact of the fees by an amount directly related to the gross account performance. For example, for an account with an initial value of \$100,000 and a 2.5% annual fee, if the gross performance is 5% per year over a three year period, the compounding effect of the fees will result in a net annual compound rate of return of approximately 2.40%

per year over a three year period, and the total value of the client's portfolio at the end of the three year period would be approximately \$115,762.50 without the fees and \$107,372.63 with the fees. Please see the applicable Morgan Stanley Smith Barney LLC Form ADV Part 2A for more information including a description of the fee schedule. It is available at [www.morganstanley.com/ADV](http://www.morganstanley.com/ADV) or from your Financial Advisor/Private Wealth Advisor.

Alternative investments involve complex tax structures, tax inefficient investing, and delays in distributing important tax information. Individual funds have specific risks related to their investment programs that will vary from fund to fund. Clients should consult their own tax and legal advisors as Morgan Stanley does not provide tax or legal advice. Interests in alternative investment products are offered pursuant to the terms of the applicable offering memorandum, are distributed by Morgan Stanley Smith Barney LLC and certain of its affiliates, and (1) are not FDIC-insured, (2) are not deposits or other obligations of Morgan Stanley or any of its affiliates, (3) are not guaranteed by Morgan Stanley and its affiliates, and (4) involve investment risks, including possible loss of principal. Morgan Stanley Smith Barney LLC is a registered broker-dealer, not a bank.

SIPC insurance does not apply to precious metals, other commodities, or traditional alternative investments.

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#### Money Market Funds

You could lose money in Money Market Funds. Although MMFs classified as government funds (i.e., MMFs that invest 99.5% of total assets in cash and/or securities backed by the U.S. government) and retail funds (i.e., MMFs open to natural person investors only) seek to preserve value at \$1.00 per share, they cannot guarantee they will do so. The price of other MMFs will fluctuate and when you sell shares they may be worth more or less than originally paid. MMFs may impose a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for purchases, withdrawals, check writing or ATM debits. A MMF investment is not insured or guaranteed by the Federal Deposit Insurance Corporation or other government agency.

**FINANCIAL STATEMENTS**

**BOROUGH OF MACUNGIE, PENNSYLVANIA**

**DECEMBER 31, 2020**

*FRANCE, ANDERSON, BASILE AND COMPANY, P.C.*  
*CERTIFIED PUBLIC ACCOUNTANTS*

**BOROUGH OF MACUNGIE**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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**BOROUGH OF MACUNGIE**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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**INDEPENDENT AUDITORS' REPORT**

To the Borough Council  
Borough of Macungie  
Macungie, Pennsylvania

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Macungie, Pennsylvania, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

**Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Borough's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Macungie, Pennsylvania, as of December 31, 2020, and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole that collectively comprise the Borough of Macungie, Pennsylvania's basic financial statements. The supplementary information presented in the table of contents under the heading Supplementary Information is presented for purposes of additional analysis and is not part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 4, 2021, on our consideration of the Borough of Macungie, Pennsylvania's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Macungie, Pennsylvania's internal control over financial reporting and compliance.

*Prance, Anderson, Basile and Company, P.C.*

Emmaus, Pennsylvania  
May 4, 2021

**BOROUGH OF MACUNGIE**  
**STATEMENT OF NET POSITION – MODIFIED CASH BASIS**  
**DECEMBER 31, 2020**

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 1,430,457	\$ 1,765,611	\$ 3,196,068
Total Current Assets	<u>1,430,457</u>	<u>1,765,611</u>	<u>3,196,068</u>
<b>Noncurrent Assets:</b>			
Capital assets and land	2,603,183	-	2,603,183
Sewer system, net of accumulated depreciation	<u>-</u>	<u>532,131</u>	<u>532,131</u>
Total Capital Assets and Land	<u>2,603,183</u>	<u>532,131</u>	<u>3,135,314</u>
Total Assets	<u>4,033,640</u>	<u>2,297,742</u>	<u>6,331,382</u>
<b><u>LIABILITIES</u></b>			
<b>Current Liabilities:</b>			
Developer escrows	217,007	-	217,007
Other	-	-	-
Current portion of long-term debt	<u>69,000</u>	<u>-</u>	<u>69,000</u>
Total Current Liabilities	<u>286,007</u>	<u>-</u>	<u>286,007</u>
<b>Noncurrent Liabilities:</b>			
Long-term debt, net of current portion	<u>499,000</u>	<u>-</u>	<u>499,000</u>
Total Noncurrent Liabilities	<u>499,000</u>	<u>-</u>	<u>499,000</u>
Total Liabilities	<u>785,007</u>	<u>-</u>	<u>785,007</u>
<b><u>NET POSITION</u></b>			
Invested in capital assets, net of related debt	2,035,183	532,131	2,567,314
Restricted	63,561	-	63,561
Unrestricted	<u>1,149,889</u>	<u>1,765,611</u>	<u>2,915,500</u>
Total Net Position	<u>\$ 3,248,633</u>	<u>\$ 2,297,742</u>	<u>\$ 5,546,375</u>

The accompanying notes are an integral part of the financial statements.

**BOROUGH OF MACUNGIE**  
**STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS**  
**DECEMBER 31, 2020**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b><u>Governmental Activities</u></b>				
General government	\$ 487,697	\$ 28,068	\$ 202,495	\$ -
Public safety	545,185	155,094	17,512	-
Public works - sanitation	228,207	237,674	9,413	-
Highways and streets	1,083,319	-	85,297	914,842
Culture and recreation	37,037	-	-	-
Debt service, net	22,513	-	-	-
Community development and other	79,249	-	-	-
Total Governmental Activities	<u>2,483,207</u>	<u>420,836</u>	<u>314,717</u>	<u>914,842</u>
<b><u>Business-type Activities</u></b>				
Sewer fund	<u>699,033</u>	<u>872,326</u>	<u>-</u>	<u>-</u>
Total Business-type Activities	<u>699,033</u>	<u>872,326</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 3,182,240</u>	<u>\$ 1,293,162</u>	<u>\$ 314,717</u>	<u>\$ 914,842</u>

Property taxes, levied for general purposes, net  
Licenses and permits  
Fines and forfeits  
Investment earnings, rents and  
miscellaneous income, net  
Transfers, net

Total general revenues

Change in net position

Net position, January 1

Net position, December 31

The accompanying notes are an integral part of the financial statements.

**BOROUGH OF MACUNGIE**  
**STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Net (Expense) Revenue and Changes in Net Position</u>		
<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
\$ (257,134)	\$ -	\$ (257,134)
(372,579)	-	(372,579)
18,880	-	18,880
(83,180)	-	(83,180)
(37,037)	-	(37,037)
(22,513)	-	(22,513)
(79,249)	-	(79,249)
<u>(832,812)</u>	<u>-</u>	<u>(832,812)</u>
<u>-</u>	<u>173,293</u>	<u>173,293</u>
<u>-</u>	<u>173,293</u>	<u>173,293</u>
<u>(832,812)</u>	<u>173,293</u>	<u>(659,519)</u>
1,544,004	-	1,544,004
51,186	-	51,186
9,412	-	9,412
82,339	9,590	91,929
(22,587)	22,587	-
<u>1,664,354</u>	<u>32,177</u>	<u>1,696,531</u>
831,542	205,470	1,037,012
<u>2,417,091</u>	<u>2,092,272</u>	<u>4,509,363</u>
<u>\$ 3,248,633</u>	<u>\$ 2,297,742</u>	<u>\$ 5,546,375</u>

The accompanying notes are an integral part of the financial statements.

**BOROUGH OF MACUNGIE**  
**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES**  
**MODIFIED CASH BASIS - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2020**

	<u>General Fund</u>	<u>Highway Aid</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 1,033,357	\$ 63,561	\$ 333,539	\$ 1,430,457
Total Assets	<u>\$ 1,033,357</u>	<u>\$ 63,561</u>	<u>\$ 333,539</u>	<u>\$ 1,430,457</u>
<b><u>LIABILITIES and FUND BALANCES</u></b>				
<b><u>LIABILITIES</u></b>				
Developer escrows	\$ 217,007	\$ -	\$ -	\$ 217,007
Total Liabilities	<u>217,007</u>	<u>-</u>	<u>-</u>	<u>217,007</u>
<b><u>FUND BALANCES</u></b>				
Restricted	-	63,561	-	63,561
Assigned	-	-	333,539	333,539
Unassigned	816,350	-	-	816,350
Total Fund Balances	<u>816,350</u>	<u>63,561</u>	<u>333,539</u>	<u>1,213,450</u>
Total Liabilities and Fund Balances	<u>\$ 1,033,357</u>	<u>\$ 63,561</u>	<u>\$ 333,539</u>	<u>\$ 1,430,457</u>

The accompanying notes are an integral part of the financial statements.

**BOROUGH OF MACUNGIE**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT**  
**OF ASSETS, LIABILITIES AND FUND BALANCES – MODIFIED CASH BASIS**  
**TO THE STATEMENT OF NET POSITION – MODIFIED CASH BASIS**  
**DECEMBER 31, 2020**

<b>Total Fund Balances - Governmental Funds</b>	\$	1,213,450
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**Amounts reported for governmental activities in the statement of net position are different because:**

Capital assets and land used in governmental activities are not current financial resources and, therefore are not reported as assets in governmental funds. The cost of the assets is \$ 2,603,183, net.		2,603,183
--	--	-----------

Long-term liabilities are not due and payable in the current period and, therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of a general obligation note payable of \$ 568,000.		<u>(568,000)</u>
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<b>Total Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>3,248,633</u></b>
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The accompanying notes are an integral part of the financial statements.

**BOROUGH OF MACUNGIE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**MODIFIED CASH BASIS - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	General Fund	Highway Aid	Capital Projects	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 1,544,004	\$ -	\$ -	\$ 1,544,004
Licenses and permits	51,186	-	-	51,186
Fines and forfeits	9,412	-	-	9,412
Interest and rents	18,832	79	284	19,195
Intergovernmental revenues	1,144,262	85,297	-	1,229,559
Charges for services	420,836	-	-	420,836
Proceeds from sale of assets and other	58,355	-	-	58,355
Contributions and donations	4,789	-	-	4,789
<b>TOTAL REVENUES</b>	<u>3,251,676</u>	<u>85,376</u>	<u>284</u>	<u>3,337,336</u>
<b>EXPENDITURES</b>				
Current				
General government	487,685	12	-	487,697
Public safety	545,185	-	-	545,185
Public works - sanitation	228,207	-	-	228,207
Highways and streets	1,071,599	98,290	-	1,169,889
Culture and recreation	37,037	-	-	37,037
Debt service, net	84,413	-	-	84,413
Community development and other	308,444	-	-	308,444
<b>TOTAL EXPENDITURES</b>	<u>2,762,570</u>	<u>98,302</u>	<u>-</u>	<u>2,860,872</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>489,106</u>	<u>(12,926)</u>	<u>284</u>	<u>476,464</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from long-term debt	23,178	-	-	23,178
Operating transfers in	-	-	55,258	55,258
Operating transfers out	(77,845)	-	-	(77,845)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(54,667)</u>	<u>-</u>	<u>55,258</u>	<u>591</u>
Net change in fund balances	434,439	(12,926)	55,542	477,055
Fund Balances - January 1	<u>381,911</u>	<u>76,487</u>	<u>277,997</u>	<u>736,395</u>
Fund Balances - December 31	<u>\$ 816,350</u>	<u>\$ 63,561</u>	<u>\$ 333,539</u>	<u>\$ 1,213,450</u>

The accompanying notes are an integral part of the financial statements.

**BOROUGH OF MACUNGIE**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES – MODIFIED CASH BASIS**  
**TO THE STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

Net Change in Fund Balances - Governmental Funds \$ 477,055

Amounts reported for governmental activities in the statement of activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in the  
statement of activities, the cost of those expenditures is not reported, but  
treated as a capital asset on the statement of net position. The net capital  
outlay for the current year is \$ 86,570. 86,570

The issuance of long-term debt provides current financial resources to governmental  
funds, while the repayment of the principal of long-term debts consumes the  
current financial resources of government funds. However, this transaction has  
no effect on net position. Repayment of the note principal is an  
expenditure in the governmental funds, but the repayment reduces  
long-term liabilities in the statement of net position. The effect of this  
transaction in the statement is shown below:

Proceeds from issuance of debt	(23,178)	
Repayment of note and loan principal	291,095	267,917
Change in Net Position of Governmental Activities		\$ 831,542

The accompanying notes are an integral part of the financial statements.

**BOROUGH OF MACUNGIE**  
**STATEMENT OF NET POSITION**  
**MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2020**

	<u>Enterprise Funds</u>
	<u>Sewer Fund</u>
<b><u>ASSETS</u></b>	
<u>Current Assets:</u>	
Cash and cash equivalents	\$ 1,765,611
Total Current Assets	1,765,611
<u>Noncurrent Assets:</u>	
Sewer system, net of accumulated depreciation	532,131
Total Noncurrent Assets	532,131
Total Assets	\$ 2,297,742
<b><u>LIABILITIES</u></b>	
Total Liabilities	\$ -
<b><u>NET POSITION</u></b>	
Invested in capital assets, net of related debt	532,131
Unrestricted	1,765,611
Total Net Position	\$ 2,297,742

The accompanying notes are an integral part of the financial statements.

**BOROUGH OF MACUNGIE**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION - MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Enterprise Funds</u>
	<u>Sewer Fund</u>
OPERATING REVENUES	
Charges for services	\$ 872,326
Total Operating Revenues	872,326
OPERATING EXPENSES	
Administration	64,344
Engineering and legal services	325
Sewer collection, treatment, operations, and other	572,714
Payroll taxes and employment benefits	32,351
Depreciation	29,299
Total Operating Expenses	699,033
OPERATING INCOME (LOSS)	173,293
NONOPERATING REVENUES (EXPENSES)	
Other income	1,461
Operating transfers, net	22,587
Interest income	8,129
Total Nonoperating Revenues (Expenses)	32,177
CHANGE IN NET POSITION	205,470
NET POSITION - BEGINNING OF YEAR	2,092,272
NET POSITION - END OF YEAR	\$ 2,297,742

The accompanying notes are an integral part of the financial statements.

**BOROUGH OF MACUNGIE**  
**STATEMENT OF NET POSITION**  
**MODIFIED CASH BASIS**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2020**

	Uniform Pension Plan	Non-Uniform Pension Plan	Total Fiduciary Funds
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments, at fair value:			
Assets with Municipal Retirement Trust	1,466,130	2,151,512	3,617,642
Total Assets	1,466,130	2,151,512	3,617,642
<b><u>LIABILITIES</u></b>			
Other liabilities	-	-	-
Total Liabilities	-	-	-
<b><u>NET POSITION:</u></b>			
Restricted for pension benefits	\$ 1,466,130	\$ 2,151,512	\$ 3,617,642

The accompanying notes are an integral part of the financial statements.

**BOROUGH OF MACUNGIE**  
**STATEMENT OF CHANGES IN NET POSITION**  
**MODIFIED CASH BASIS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Uniform Pension Plan	Non-Uniform Pension Plan	Total Fiduciary Funds
<b><u>ADDITIONS TO NET POSITION</u></b>			
Contributions			
Employer	\$ 15,510	\$ -	\$ 15,510
Employee	7,867	11,417	19,284
State aid	52,556	21,301	73,857
Total Contributions	<u>75,933</u>	<u>32,718</u>	<u>108,651</u>
Investment Income			
Net appreciation (depreciation) in fair value of investments	132,292	194,111	326,403
Interest, dividends and realized gains	6,801	9,489	16,290
	<u>139,093</u>	<u>203,600</u>	<u>342,693</u>
Less: Investment expenses	-	-	-
Net Investment Income	<u>139,093</u>	<u>203,600</u>	<u>342,693</u>
<b>TOTAL ADDITIONS TO NET POSITION</b>	<u>215,026</u>	<u>236,318</u>	<u>451,344</u>
<b><u>DEDUCTIONS FROM NET POSITION</u></b>			
Benefits	39,499	109,833	149,332
Administrative expenses	9,613	13,175	22,788
Other	500	500	1,000
<b>TOTAL DEDUCTIONS FROM NET POSITION</b>	<u>49,612</u>	<u>123,508</u>	<u>173,120</u>
<b>Change in net position</b>	165,414	112,810	278,224
<b>Net position restricted for pension benefits</b>			
Beginning of year	<u>1,300,716</u>	<u>2,038,702</u>	<u>3,339,418</u>
End of year	<u>\$ 1,466,130</u>	<u>\$ 2,151,512</u>	<u>\$ 3,617,642</u>

The accompanying notes are an integral part of the financial statements.

**BOROUGH OF MACUNGIE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 Summary of Significant Accounting Policies**

The Borough of Macungie, Lehigh County, Pennsylvania operates under the Commonwealth of Pennsylvania Borough Code Act, as amended. The Borough is organized as a Council-Mayor form of governance, with an elected Borough Council and Mayor, and provides governmental services to its residents, including public safety, road and street maintenance, sanitation, culture and recreation, planning and zoning, and general administrative services.

The accompanying primary government financial statements conform to the modified cash basis of accounting as applicable to governmental units. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Accounting principles generally accepted in the United States of America include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The following is a summary of the more significant accounting policies used by the Borough.

**Principles Determining Scope of Reporting Entity**

In evaluating how to define the Borough, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the financial reporting entity was made by applying the criteria set forth in GASB Statement 14, as amended. The criteria for including a potential component unit within the financial reporting entity is the significance of the potential component unit's operational or financial relationship with the Borough. Based upon the application of these criteria, there are no component units to be included in the financial reporting entity of the Borough.

The Macungie Borough Authority is an integral part of the Borough of Macungie operation providing water to some of the residents of the Borough. The Authority is a related party but not a component unit.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Borough as a whole excluding fiduciary activities such as employee pension plans. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to

**BOROUGH OF MACUNGIE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2020**

**NOTE 1 Summary of Significant Accounting Policies (Continued)**

Government-Wide and Fund Financial Statements (Continued)

customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus and the modified cash basis of accounting.

In the fund financial statements, the current financial resources measurement focus or the economic resources measurement focus, as applied to the modified cash basis of accounting is used as appropriate:

- a. All governmental funds utilize a current financial resources measurement focus. Only current financial assets and liabilities are generally included on their statement of assets, liabilities, and fund balances. Their statement of revenues, expenditures, and changes in fund balances present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net position.

**BOROUGH OF MACUNGIE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2020**

**NOTE 1 Summary of Significant Accounting Policies (Continued)**

Basis of Accounting

In the government-wide financial statements and the fund financial statements, governmental and business-like activities are presented using a modified cash basis of accounting. This basis of accounting recognizes assets, liabilities, net position/fund equity, revenues and expenditures when they result from cash transactions with a provision for debt and general fixed assets in the government-wide statements and depreciation in the proprietary fund statements. The basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of this modified cash basis of accounting, certain assets, deferred inflows and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities, deferred outflows and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the Borough utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Financial Statement Presentation

The Borough reports the following major governmental fund types:

The General Fund is the general operating fund of the Borough. Substantially all tax revenues, federal and state aid (except revenues and aid restricted for use in the Special Revenue Fund) and other operating revenues are accounted for in the General Fund. This fund also accounts for expenditures and transfers as appropriated in the budget, which provides for the Borough's day-to-day operations.

The Highway Aid Fund (Liquid Fuels Fund) is the Borough's special revenue fund. Special Revenue Funds are used to account for the proceeds of specific revenue sources other than expendable trusts, or major capital projects that are legally restricted to expenditures for specific purposes.

**BOROUGH OF MACUNGIE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2020**

**NOTE 1 Summary of Significant Accounting Policies (Continued)**

Financial Statement Presentation (Continued)

The Borough reports the following proprietary (enterprise) fund types:

The Sewer Fund is an Enterprise Fund. Enterprise Funds account for the provision of sanitary sewer to some residents of the Borough. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related debt service, and billings and collections.

The Borough also reports the following fiduciary fund types:

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others, and therefore are not available to support Borough programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds.

The Police Pension Plan and Non-Uniform Pension Plan are used to account for fiduciary resources legally held in trust for the receipt, investment, and distribution of retirement benefits.

Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Borough or through external restrictions imposed by creditors, grantors, laws or other regulations of other governments.

Fund Balance Reporting

Fund balance is divided into five classifications based primarily on the extent to which the Borough is bound to observe constraints imposed upon the use of the resources. The classifications are as follows:

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in the spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criteria includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

**BOROUGH OF MACUNGIE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2020**

**NOTE 1 Summary of Significant Accounting Policies (Continued)**

Fund Balance Reporting (Continued)

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as debt covenants), grantors, contributors, laws or regulations of other governments, or is imposed by law through constitutional provisions or enabling legislation.

Enabling legislation authorizes the Borough to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

Legal enforceability means that the Borough can be compelled by an external party – such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Borough Council. Those committed amounts cannot be used for any other purpose unless the Borough Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classifications may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Borough Council separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Borough for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Borough Council.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Borough applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned)

**BOROUGH OF MACUNGIE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2020**

**NOTE 1 Summary of Significant Accounting Policies (Continued)**

Fund Balance Reporting (Continued)

amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**OTHER SIGNIFICANT ACCOUNTING POLICIES**

Budgets and Budgetary Accounting

The Borough follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with the Borough Code and Borough procedures, at least thirty days prior to adoption, the Borough Manager submits to the Borough Council, with whom the legal level of budgetary control resides, a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year. Departments for budgetary purposes are general government, public safety, public works, culture and recreation, debt service, insurance, employee benefits, community development and other.
2. Public hearings are conducted to obtain taxpayer comment.
3. By December 31, the budget is legally enacted through passage of a resolution. Expenditures for the budget may not legally exceed appropriations and prior year fund balance reserves. This is done as a level of budgetary control.
4. All modifications, transfers and amendments must be approved by the Borough Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund.
6. The legally adopted budget of the Borough is for the General Fund.
7. The budget for the General Fund is adopted on the modified cash basis of accounting discussed above. (The basis of accounting for budget purposes is the same as for financial statement reporting purposes).
8. Borough Council may authorize supplemental appropriations during the year. No supplemental appropriations were made during fiscal 2020. Borough Council must approve all over expenditures of appropriations or transfers of appropriated amounts.

**BOROUGH OF MACUNGIE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2020**

**NOTE 1 Summary of Significant Accounting Policies (Continued)**

**OTHER SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Cash and Cash Equivalents

Statutes allow the Borough to invest in obligations of the U.S. Treasury, U.S. Agencies, obligations of the Commonwealth of Pennsylvania, savings accounts or time deposits of institutions insured by the Federal Deposit Insurance Corporation (FDIC) and deposits in excess of FDIC amounts if collateralized by the depository. For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

Investments are stated at market. See Note 2 for additional disclosures about investments.

Capital Assets

The Borough's modified cash basis of accounting reports capital assets resulting from cash transactions and reports depreciation where appropriate. The accounting treatment over land, property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations. Fixed assets and related depreciation are reported in the government-wide financial statements.

Property Taxes

The property tax calendar for the fiscal year is as follows:

March 1	- Levy Date
March 1 to April 30	- 2% Discount Period
May 1 to June 30	- Face Payment Period
July 1 to December 31	- 10% Penalty Period
January 1 (following year)	- Lien Date

Sewer Systems in Service

The sewer system is stated substantially at cost, net of accumulated depreciation. The policy is to capitalize all acquisitions of land, property, plant and equipment in excess of \$ 5,000. Depreciation is provided using the straight-line method over the estimated useful life of the system components ranging, from five to fifty years.

**BOROUGH OF MACUNGIE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2020**

**NOTE 1 Summary of Significant Accounting Policies (Continued)**

OTHER SIGNIFICANT ACCOUNTING POLICIES (Continued)

Transfers and Interfund Balances

Legally authorized payments or authorizations to make payments from a fund receiving revenue to a fund through which the resources are to be expended are reported as operating transfers.

Other outstanding balances between funds are reported as "due to / from other funds."

Cash Flows

For purposes of classification between cash and investments, the Borough considers time deposits and all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. There were no encumbrances as of December 31, 2020.

Total Columns on Combined Statements

Total columns on the combined statements are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Nor is such data comparable to a consolidation.

Public Employee Retirement Systems

The Borough participates in two public employee retirement systems. Both systems, single employer public retirement systems, are defined benefit pension plans which cover all uniform personnel employed on a full-time basis and non-uniform personnel employed on a full-time basis before January 1, 2016.

The Borough also provides a defined contribution pension plan for all non-uniform personnel employed on a full-time basis after January 1, 2016.

**BOROUGH OF MACUNGIE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2020**

**NOTE 1 Summary of Significant Accounting Policies (Continued)**

OTHER SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis, is an other comprehensive basis of accounting (OCBOA) used by the Borough and requires management to make estimates and assumptions that affect certain reported amount and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

Reclassifications

Certain amounts and balances presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**NOTE 2 Deposits and Investments**

The Borough's cash management and investment policy is to place as much of the available funds into interest bearing accounts as feasible. Current cash requirements are kept in bank demand deposits.

Deposits

As of December 31, 2020, the carrying amount of the Borough's deposits is \$ 3,196,068 and the bank balance is \$ 3,381,380. Of the bank balance, \$ 500,000 is covered by federal depository insurance (FDIC).

The Borough requires all deposits and investments to be covered by federal depository insurance or to be fully collateralized by the financial institution issuing the investment or acquiring the deposit. Deposits that are not fully insured by the Federal Deposit Insurance Corporation, \$ 2,881,380 at December 31, 2020 are collateralized using the pooled asset method to 100% of value as required by Pennsylvania Law. The securities pledged as collateral are held by the trust department of a financial institution or by its agents in the financial institution's name, not in the Borough's name, and are considered uncollateralized for credit risk purposes.

**BOROUGH OF MACUNGIE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2020**

**NOTE 2 Deposits and Investments (Continued)**

Investments

Authorized types of investments for Borough funds are as follows:

- a) United States Treasury Bills and Notes.
- b) Short-term obligations of the United States, its agencies or instrumentalities.
- c) Deposits in savings accounts or time deposits insured by the Federal Deposit Insurance Corporation or similar insurance and provided that approved collateral for public deposits is pledged by the depository for excess amounts over the insured maximum.
- d) Obligations of the United States and the Commonwealth of Pennsylvania or any of their agencies or instrumentalities backed by the full faith and credit of the United States, Commonwealth of Pennsylvania, or political subdivisions.
- e) Shares of an investment company provided that the only investments of the company are in the investments listed in a) through d) above.

Investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

- Category 1 - Insured or registered, or securities held by the Borough or its agent in the Borough's name.
- Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Borough's name.
- Category 3 - Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the Borough's name.

As of December 31, 2020, the Borough had no investments.

**BOROUGH OF MACUNGIE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2020**

**NOTE 3 Capital Assets**

The following is a summary of the changes in the capital asset activity for the year ended December 31, 2020:

Governmental Activities

<u>Cost Basis</u>	Balance			Balance
	<u>1/1/2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2020</u>
Land	\$ 269,490	\$ -	\$ -	\$ 269,490
Buildings and improvements	1,012,141	-	-	1,012,141
Machinery and equipment	198,818	-	-	198,818
Vehicles	332,944	86,570	-	419,514
Infrastructure, net	703,220	-	-	703,220
	<u>\$ 2,516,613</u>	<u>\$ 86,570</u>	<u>\$ -</u>	<u>\$ 2,603,183</u>

The following is a summary of proprietary (enterprise) fund type property, plant and equipment for the primary government at December 31, 2020:

Enterprise Funds:

<u>Cost Basis</u>	<u>Life</u>	Balance			Balance
		<u>1/1/2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2020</u>
Buildings, plant and improvements	40 - 50 yrs.	\$ 1,139,786	\$ -	\$ -	\$ 1,139,786
Machinery	5 - 7 yrs.	10,032	32,831	-	42,863
		<u>\$ 1,149,818</u>	<u>\$ 32,831</u>	<u>\$ -</u>	<u>\$ 1,182,649</u>

<u>Accumulated Depreciation</u>	<u>Life</u>	Balance			Balance
		<u>1/1/2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2020</u>
Buildings, plant and improvements	40 - 50 yrs.	\$ 611,187	\$ 27,872	\$ -	\$ 639,059
Machinery	5 - 7 yrs.	10,032	1,427	-	11,459
		<u>\$ 621,219</u>	<u>\$ 29,299</u>	<u>\$ -</u>	<u>\$ 650,518</u>
<b>Net Capital Assets</b>		<u>\$ 528,599</u>			<u>\$ 532,131</u>

Depreciation charged to operations for the Sewer Fund was \$ 29,299 for the year ended December 31, 2020.

**BOROUGH OF MACUNGIE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2020**

**NOTE 4 Long-Term Debt**

The following is a summary of the details of outstanding long-term debt as of December 31, 2020:

General Obligation Note, Series of 2017 (original issue up to \$ 3,845,000). The interest indebtedness is payable semi-annually at 2.52%. The Borough may draw down funds on the note until May 24, 2020. Maturity date is November 15, 2028. During 2020, the Borough borrowed \$ 23,178 on the note and repaid \$ 224,095 of outstanding principal. The Note balance at December 31, 2020 was \$ -0-.

General Obligation Note, Series of 2013 (original issue up to \$ 1,000,000). The interest indebtedness is payable semi-annually at 2.75%. On July 1, 2023, interest will be 67% of the prime rate reported in the Wall Street Journal. Maturity date is July 1, 2028. The Note balance at December 31, 2020 was \$ 568,000.

**Debt Service Requirements**

The annual debt service requirements to maturity for governmental-type general obligation note including interest is as follows, as of December 31, 2020:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 69,000	\$ 15,620	\$ 84,620
2022	71,000	13,722	84,722
2023	73,000	11,770	84,770
2024	63,000	21,300	84,300
2025	67,000	17,520	84,520
2026	71,000	13,500	84,500
2027	75,000	9,240	84,240
2028	79,000	4,740	83,740
Total	<u>\$ 568,000</u>	<u>\$ 107,412</u>	<u>\$ 675,412</u>

**BOROUGH OF MACUNGIE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2020**

**NOTE 5 Retirement Plans**

The Borough maintains two single-employer, defined benefit pension plans.

One plan, the Pension Plan of the Borough of Macungie, covers substantially all non-uniformed full-time employees of the Borough hired prior to December 31, 2016. This plan is a member of the statewide Pennsylvania State Association of Boroughs Municipal Retirement Trust (PSABMRT), an agent multiple-employer, public employee retirement system. PSABMRT is the trustee of the Pension Plan of the Borough of Macungie.

The other plan maintained by the Borough is the Borough of Macungie Police Pension Plan. This plan is a member of the statewide Pennsylvania State Association of Boroughs Municipal Retirement Trust (PSABMRT), an agent multiple-employer, public employee retirement system. PSABMRT is the trustee of the Pension Plan of the Borough of Macungie.

**Defined Benefit Pension Plan (Non-Uniformed Pension Plan)**

**Summary of Significant Accounting Policies**

The financial statements for the Borough of Macungie Non-Uniformed Pension Plan are prepared using the accrual basis of accounting. Contributions and pension payments are recognized in the period they are due.

Plan investments are reported at fair value as reported by the Pennsylvania State Association of Boroughs Municipal Retirement Trust (PSABMRT).

**Plan Description**

*Plan Administration*

The Borough of Macungie Non-Uniformed Pension Plan is a single-employer defined benefit pension plan. The Plan was established January 1, 1971 and entered into a Joinder Agreement with the PSABMRT dated October 17, 1988. The Plan was amended and restated by Ordinance No. 2002-8, effective December 31, 2002. The Plan is governed by the Borough Council of the Borough of Macungie which may amend plan provisions, and which is responsible for the management of plan assets. The Borough Council has delegated the authority to manage certain plan assets to PSABMRT. The Plan provides retirement, disability and death benefits to plan members and their beneficiaries, pursuant to the plan document, as amended.

**BOROUGH OF MACUNGIE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2020**

**NOTE 5 Retirement Plans (Continued)**

**Defined Benefit Pension Plan (Non-Uniformed Pension Plan) (Continued)**

Plan Description (Continued)

*Plan Membership*

Membership in the pension plan as of December 31, 2018, (the most recent date available) is as follows:

Active plan members	5
Retirees and beneficiaries currently receiving benefits	7
Terminated plan members entitled to benefits but not yet receiving them	<u>1</u>
Total	<u><u>13</u></u>

*Contributions*

The Borough follows the funding policy prescribed by Act 205, of the Commonwealth of Pennsylvania, which requires that annual contributions be based upon the plan's minimum municipal obligation (MMO). The MMO is based upon the plan's most recent biennial actuarial valuation. The MMO included the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The state provides an allocation of funds which must be used for pension funding. Any financial requirement established by the MMO which exceeds state and member contributions must be funded by the Borough.

Employees are required to contribute between 3.0% and 5.0% of covered payroll to the plan. This contribution is governed by the Plan's governing ordinances and collective bargaining. Contributions are currently 5.0% of covered payroll.

Administrative costs, which may include but are not limited to investment management fees and actuarial services, are charged to the Plan and funded through the MMO and/or Plan earnings.

**BOROUGH OF MACUNGIE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2020**

**NOTE 5 Retirement Plans (Continued)**

**Defined Benefit Pension Plan (Non-Uniformed Pension Plan) (Continued)**

Plan Description (Continued)

*Benefit Provisions*

**Eligibility Requirements**

Normal Retirement	Age 60 and 20 years of service
Early Retirement	Attainment of age 62
Vesting	4 years = 40%; 5 years = 45%; 6 years = 50%; Increasing by 10% for each additional year up to 100% after 11 years

**Retirement Benefit**

A monthly benefit equal to 50% of Average Monthly Compensation (compensation averaged over the final 36 months of employment)

**Death Benefit**

Before Retirement Eligibility	Refund of contributions plus interest
After Retirement Eligibility	The form of benefit payment in force for the participant at the time death occurs. The normal form of payment is a joint and 50% survivor annuity. Optional forms of payment are available at the election of the participant.

**Disability Benefit**

Service Related	For total and permanent disablement and qualification for social security disability benefits, a monthly benefit equal to the employee's accrued benefit at date of disablement will be payable at Normal Retirement.
Non-Service Related	Same as Service Related provision

**Vesting Benefit**

A monthly benefit equal to the normal retirement benefit multiplied by the ratio of service actually completed to potential service through normal retirement, multiplied by vesting percentage. Benefit is payable at normal retirement age.

**Early Retirement**

A monthly benefit payable at normal retirement equal to the Vesting Benefit. Benefit may be elected immediately, but will be reduced by 1/180 for each of the first 60 months early and 1/360 for each of the 61st - 120th months early.

**Member Contributions**

Amount or Rate	5.0% of compensation
Interest Rate Credited to Member Contributions	8.0%

**BOROUGH OF MACUNGIE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2020**

**NOTE 5 Retirement Plans (Continued)**

**Defined Benefit Pension Plan (Non-Uniformed Pension Plan) (Continued)**

Investments

*Investment Policy*

The Plan is authorized to invest in legal investments permitted under the Pennsylvania Fiduciaries Investment Act. The Plan has no formally adopted investment policy. It is the policy of PSABMRT General Balanced Fund to invest approximately 55% of assets in equities, approximately 40% of assets in fixed income investments (with a maximum individual maturity of 40 years) and approximately 5% of assets in alternative investments.

*Credit Risk*

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan has no investment policy for credit risk. At December 31, 2020, all Plan assets were invested in the PSABMRT General Balanced Fund, which is not rated. However, the formal investment policy of PSABMRT requires fixed income securities within the portfolio to be rated BBB or higher at the time of purchase, and requires any asset-backed or mortgage-backed securities within the portfolio to be rated AAA at the time of purchase.

*Concentration of Credit Risk*

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The Plan places no limit on the amount that may be invested in any one issuer. At December 31, 2020, the Plan had no investments (other than U.S. Government and U.S. Government guaranteed obligations, mutual funds or other pooled investments) in any one issuer that represent 5% or more of Fiduciary Net Position.

*Interest Rate Risk*

Interest rate risk is the risk that a change in interest rates will adversely affect the fair value of an investment. For the General Balanced Fund, approximately 40% of assets will be invested in interest-bearing securities with a maximum individual maturity of 40 years.

**BOROUGH OF MACUNGIE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2020**

**NOTE 5 Retirement Plans (Continued)**

**Defined Benefit Pension Plan (Non-Uniformed Pension Plan) (Continued)**

Net Pension Liability

The components of net pension liability at December 31, 2018, (the most recent date available) were as follows:

Total pension liability	\$ 1,793,355
Plan fiduciary net position	<u>(1,927,895)</u>
<b>NET PENSION LIABILITY (ASSET)</b>	<b><u>\$ (134,540)</u></b>

Plan fiduciary net position as a percentage of the total pension liability	<u>-107.50%</u>
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Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2019 (the most recent date available) and rolled forward to the reporting date.

The actuarial assumptions used in this report are as follows:

- Investment return – 7.25%, includes inflation at 3.00%
- Salary increases (including inflation) – 5%
- Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment, with rates set forward 5 years for disabled lives. Rates are projected to improve with 75% of scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of inflation and investment expenses not funded through the MMO) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**BOROUGH OF MACUNGIE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2020**

**NOTE 5 Retirement Plans (Continued)**

**Defined Benefit Pension Plan (Non-Uniformed Pension Plan) (Continued)**

Net Pension Liability (Continued)

Discount Rate

The discount rate is based on the long-term expected rate of return on plan investments that is expected to be used to finance the payments of benefits. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and the contributions from employers will be made equal to the Minimum Municipal Obligation. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Defined Benefit Pension Plan (Uniformed Pension Plan)**

Summary of Significant Accounting Policies

The financial statements for the Borough of Macungie Uniformed Pension Plan are prepared using the accrual basis of accounting. Contributions and pension payments are recognized in the period they are due.

Plan investments are reported at fair value as reported by the Pennsylvania State Association of Boroughs Municipal Retirement Trust (PSABMRT).

Plan Description

*Plan Administration*

The Borough of Macungie Uniformed Pension Plan is a single-employer defined benefit pension plan. The Plan was established January 1, 1971 and entered into a Joinder Agreement with the PSABMRT dated December 27, 1990. The Plan was amended and restated by Ordinance No. 2011-2, effective January 1, 2011. The Plan is governed by the Borough Council of the Borough of Macungie which may amend plan provisions, and which is responsible for the management of plan assets. The Borough Council has delegated the authority to manage certain plan assets to PSABMRT. The Plan provides retirement, disability and death benefits to plan members and their beneficiaries, pursuant to the plan document, as amended.

**BOROUGH OF MACUNGIE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2020**

**NOTE 5 Retirement Plans (Continued)**

**Defined Benefit Pension Plan (Uniformed Pension Plan) (Continued)**

*Plan Membership*

Membership in the pension plan as of December 31, 2018, (the most recent date available) is as follows:

Active plan members	4
Retirees and beneficiaries	
currently receiving benefits	2
Terminated plan members entitled	
to benefits but not yet receiving them	—
Total	<u>6</u>

*Contributions*

The Borough follows the funding policy prescribed by Act 205, of the Commonwealth of Pennsylvania, which requires that annual contributions be based upon the plan's minimum municipal obligation (MMO). The MMO is based upon the plan's most recent biennial actuarial valuation. The MMO included the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The state provides an allocation of funds which must be used for pension funding. Any financial requirement established by the MMO which exceeds state and member contributions must be funded by the Borough.

Employees are required to contribute 5.0% of covered payroll to the plan. This contribution is governed by the Plan's governing ordinances and collective bargaining. Contributions are currently reduced to 3.0% of covered payroll.

Administrative costs, which may include but are not limited to investment management fees and actuarial services, are charged to the Plan and funded through the MMO and/or Plan earnings.

**BOROUGH OF MACUNGIE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2020**

**NOTE 5 Retirement Plans (Continued)**

**Defined Benefit Pension Plan (Uniformed Pension Plan) (Continued)**

Plan Description (Continued)

*Benefit Provisions*

**Eligibility Requirements**

Normal Retirement                      Age 55 and 25 years of service

Vesting                                      100% after completion of 12 years of service

**Retirement Benefit**

A monthly benefit equal to 50% of gross pay averaged over the last 36 months of employment, plus a service increment of \$100 for service in excess of 26 years

**Death Benefit**

Before Retirement Eligibility      Refund of contributions, if any, plus interest

After Retirement Eligibility      The spouse will receive 50% of the amount the participant was receiving or entitled to receive payable for life. In the event of the spouse's death, the participant's children will share the benefit until age 18, or age 23 if attending college.

**Disability Benefit**

Service Related                          For total and permanent disablement, a monthly benefit equal to 50% of the participant's final monthly average salary at disablement, but no less than 50% of the member's salary at the time the disability was incurred

Non-Service Related                  None

**Vesting Benefit**

Accrued benefit at date of termination payable monthly starting at normal retirement date

**Member Contributions**

Amount or Rate                          5.0% of compensation; contributions are currently reduced to 3.0%

Interest Rate Credited to  
Member Contributions              5.0%

**BOROUGH OF MACUNGIE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2020**

**NOTE 5 Retirement Plans (Continued)**

**Defined Benefit Pension Plan (Uniformed Pension Plan) (Continued)**

Investments

*Investment Policy*

The Plan is authorized to invest in legal investments permitted under the Pennsylvania Fiduciaries Investment Act. The Plan has no formally adopted investment policy. It is the policy of PSABMRT General Balanced Fund to invest approximately 55% of assets in equities, approximately 40% of assets in fixed income investments (with a maximum individual maturity of 40 years) and approximately 5% of assets in alternative investments.

*Credit Risk*

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan has no investment policy for credit risk. At December 31, 2020, all Plan assets were invested in the PSABMRT General Balanced Fund, which is not rated. However, the formal investment policy of PSABMRT requires fixed income securities within the portfolio to be rated BBB or higher at the time of purchase, and requires any asset-backed or mortgage-backed securities within the portfolio to be rated AAA at the time of purchase.

*Concentration of Credit Risk*

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The Plan places no limit on the amount that may be invested in any one issuer. At December 31, 2020, the Plan had no investments (other than U.S. Government and U.S. Government guaranteed obligations, mutual funds or other pooled investments) in any one issuer that represent 5% or more of Fiduciary Net Position.

*Interest Rate Risk*

Interest rate risk is the risk that a change in interest rates will adversely affect the fair value of an investment. For the General Balanced Fund, approximately 40% of assets will be invested in interest-bearing securities with a maximum individual maturity of 40 years.

**BOROUGH OF MACUNGIE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2020**

**NOTE 5 Retirement Plans (Continued)**

**Defined Benefit Pension Plan (Uniformed Pension Plan) (Continued)**

Net Pension Liability

The components of net pension liability at December 31, 2018, (the most recent date available) were as follows:

Total pension liability	\$ 1,290,543
Plan fiduciary net position	<u>(1,182,248)</u>
<b>NET PENSION LIABILITY</b>	<b><u>\$ 108,295</u></b>
Plan fiduciary net position as a percentage of the total pension liability	 <u>91.61%</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2019 (the most recent date available) and rolled forward to the reporting date.

The actuarial assumptions used in this report are as follows:

- Investment return – 7.25%, includes inflation at 3.0%
- Salary increases (including inflation) – 5.0%
- Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment, with rates set forward 5 years for disabled lives. Rates are projected to improve with 75% of scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of inflation and investment expenses not funded through the MMO) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**BOROUGH OF MACUNGIE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2020**

**NOTE 5 Retirement Plans (Continued)**

**Defined Benefit Pension Plan (Uniformed Pension Plan) (Continued)**

Net Pension Liability (Continued)

Discount Rate

The discount rate is based on the long-term expected rate of return on plan investments that is expected to be used to finance the payments of benefits. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and the contributions from employers will be made equal to the Minimum Municipal Obligation. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Defined Contribution Pension Plan**

The Borough has established a Defined Contribution Pension Plan for all new, non-uniformed, full-time hires after January 1, 2016. The Borough is required to contribute to the Plan. For the year ended December 31, 2020, the Borough made \$ 3,925 in contributions to the Plan.

**NOTE 6 Postemployment Benefits Other Than Pensions (OPEB)**

*Plan Description*

The Borough administers the Macungie Borough Health and Welfare Plan. This plan is a single-employer defined benefit plan. The Plan provides post-employment health and welfare benefits to any full-time police officer who retires on or after January 1, 2011 with at least 20 years of service and attainment of the age of 55. There are no minimum eligibility requirements if the employee has a service related disability. The coverage includes medical, prescription drug, dental and vision benefits. Non-uniformed employees are not eligible to participate in this plan.

The Plan does not issue a stand-alone report.

**BOROUGH OF MACUNGIE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2020**

**NOTE 6 Postemployment Benefits Other Than Pensions (OPEB) (Continued)**

*Funding Policy and Annual OPEB Cost*

The Borough pays the cost of coverage for the retiree (excluding spousal and dependent child coverage) from the date of retirement until the participant is eligible for Medicare. The retiree receives the same medical, prescription drug, dental and vision coverage as received when they were an active employee, except retirees do not receive reimbursement for the first 50% of the deductible. The retiree may purchase spousal and dependent child coverage through the Borough and the retiree pays 100% of the cost.

The contribution requirements of the Borough are established and may be amended by Borough Council. Plan members are currently not required to contribute. The Borough is required to contribute at an actuarially determined rate. The current employer contribution rate is based on estimated health care costs. Macungie Borough currently uses the "pay-as-you-go" approach for funding its OPEB costs. The cost is reported in the year it was actually paid. Macungie Borough pays healthcare premiums and costs with no additional contributions to pre-fund the postemployment benefits.

**NOTE 7 Litigation**

Various claims and lawsuits are pending against the Borough. Defenses are being conducted by counsel for the Borough or the insurance carrier, and losses, if any, are not anticipated to have a significant effect on the Borough's financial position.

**NOTE 8 Contingencies**

The Borough participates in a number of state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs including the year ended December 31, 2020, have not yet been conducted. Accordingly, the Borough's compliance with the applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Borough expects such amounts, if any, to be immaterial.

**BOROUGH OF MACUNGIE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2020**

**NOTE 9 Deficit Fund Balances**

No funds of the Borough had a deficit fund balance at December 31, 2020.

The General Fund's: General Government and Public Works - Sanitation budget categories had expenditures in excess of appropriations for the year ended December 31, 2020.

**NOTE 10 Risk Management**

Significant losses are covered by commercial insurance for all major programs. There has been no significant reduction in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

**NOTE 11 Subsequent Events**

Subsequent events have been evaluated through May 4, 2021, which was the date the financial statements were available to be issued.

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**SUPPLEMENTARY INFORMATION**

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**BOROUGH OF MACUNGIE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE – BUDGET AND ACTUAL**  
**GENERAL FUND – MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

REVENUES	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Taxes	\$ 1,571,396	\$ 1,571,396	\$ 1,544,004	\$ (27,392)
Licenses and permits	54,700	54,700	51,186	(3,514)
Fines and forfeits	12,775	12,775	9,412	(3,363)
Interest and rents	37,162	37,162	18,832	(18,330)
Intergovernmental revenues	1,739,423	1,739,423	1,144,262	(595,161)
Charges for services	334,783	334,783	420,836	86,053
Donations and other	10,650	10,650	63,144	52,494
<b>TOTAL REVENUES</b>	<b>3,760,889</b>	<b>3,760,889</b>	<b>3,251,676</b>	<b>(509,213)</b>
<b>EXPENDITURES</b>				
Current				
General government	367,830	367,830	487,685	(119,855)
Public safety	666,708	666,708	545,185	121,523
Public works - sanitation	226,777	226,777	228,207	(1,430)
Highways and streets	1,980,177	1,980,177	1,071,599	908,578
Culture and recreation	41,991	41,991	37,037	4,954
Debt service, net	84,463	84,463	84,413	50
Community development and other	503,276	503,276	308,444	194,832
<b>TOTAL EXPENDITURES</b>	<b>3,871,222</b>	<b>3,871,222</b>	<b>2,762,570</b>	<b>1,108,652</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	(110,333)	(110,333)	489,106	599,439
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from long-term debt	-	-	23,178	23,178
Operating transfers in	33,333	33,333	-	(33,333)
Operating transfers out	(73,000)	(73,000)	(77,845)	(4,845)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(39,667)</b>	<b>(39,667)</b>	<b>(54,667)</b>	<b>(15,000)</b>
Net change in fund balances	(150,000)	(150,000)	434,439	584,439
Fund Balances - January 1	390,000	390,000	381,911	(8,089)
Fund Balances - December 31	\$ 240,000	\$ 240,000	\$ 816,350	\$ 576,350

FRANCE, ANDERSON, BASILE and COMPANY, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

903 Chestnut Street  
Emmaus, Pennsylvania 18049

610-967-1200 Phone  
610-966-6669 Fax  
www.fabandco.com

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Borough Council  
Borough of Macungie, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Macungie, Pennsylvania as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough of Macungie, Pennsylvania's basic financial statements, and have issued our report thereon dated May 4, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Borough of Macungie, Pennsylvania's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Macungie, Pennsylvania's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Macungie, Pennsylvania's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Borough's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We

did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies, finding reference number 2020-1.

### **Compliance and Other Matters**

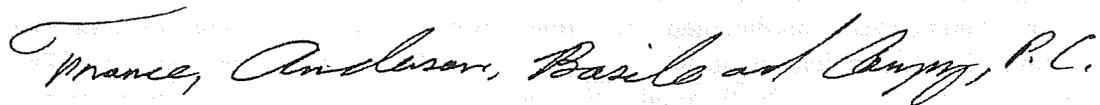
As part of obtaining reasonable assurance about whether the Borough of Macungie, Pennsylvania's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2020-1.

### **Borough of Macungie, Pennsylvania's Response to Findings**

The Borough of Macungie, Pennsylvania's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Borough of Macungie, Pennsylvania's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Emmaus, Pennsylvania  
May 4, 2021

**BOROUGH OF MACUNGIE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2020**

**FINDINGS**

SIGNIFICANT DEFICIENCIES

Finding No. 2020-1: Segregation of Duties

*Condition:* Due to the size of the office staff of the Borough, there lacks enough personnel to provide for proper segregation of accounting functions.

*Criteria:* Internal controls should be in place that provide for proper segregation of accounting functions.

*Effect:* Because of the inadequate segregation of accounting duties the possibility arises that there is more than a remote likelihood that a misstatement of the Borough's financial statements that is more than inconsequential will not be prevented or detected by the Borough's internal control.

*Auditors' Recommendation:* We understand it is impractical to have an accounting staff large enough to provide for proper segregation of all duties and the additional cost of adding staff does not justify the benefits that would be provided. However, the Borough Council needs to monitor the accounting of the Borough and remain involved in the day-to-day functions of the office to provide additional safeguards.

*Views of Responsible Officials and Planned Corrective Actions:* The Borough Council agrees with the finding and the auditors' recommendation has been adopted.

**QUESTIONED COSTS**

None



# MACUNGIE AMBULANCE CORPS, INC

5550 N. WALNUT ST  
PO Box 114  
MACUNGIE, PA 18062

**EMERGENCY**  
**DIAL 9-1-1**

Phone: (610) 966-2601

[www.macamb.org](http://www.macamb.org)

Fax: (610) 966-1561

## Monthly Report for July 2021 Macungie Borough

### Call Volume

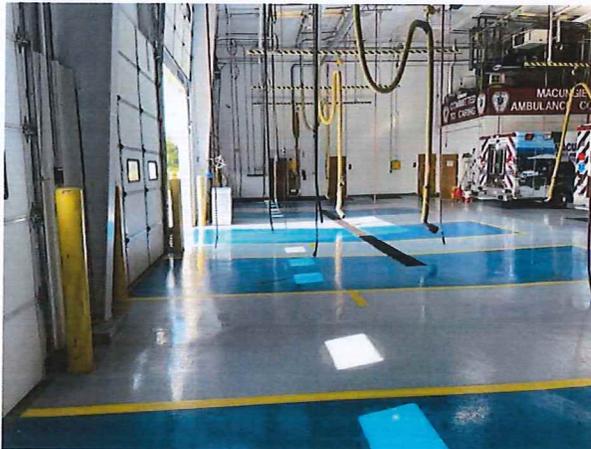
The Macungie Ambulance Corps responded to 355 calls for service this month.

29 of those calls were in Macungie Borough

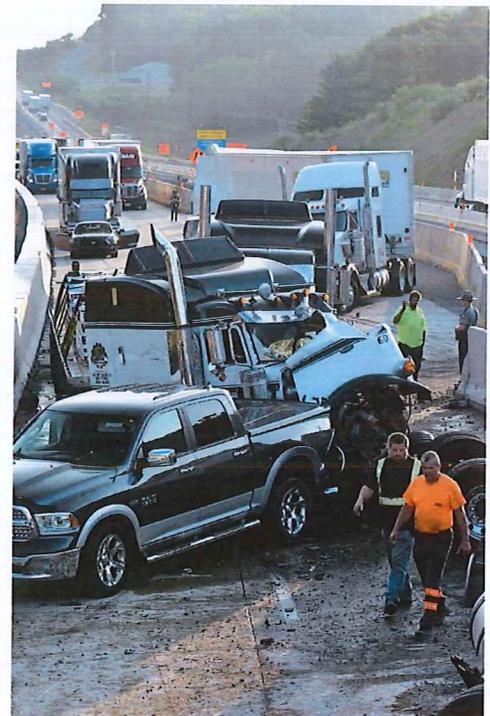
While we were busy on other calls, our mutual aid partners responded to 1 call for assistance in the Township this month.

### Other Points of Interest

Members have remained busy over the past month. In addition to responding to emergency calls we staffed 4 ambulances and special operations units for the visit of President Joe Biden and the various events in the Macungie Memorial park. In late June we also provided stand-by services for a youth triathalon in the community!



Our Special Operations Team was requested to Interstate 78 in Berks County on July 28<sup>th</sup> to assist with a severe traffic accident. We responded with our "rehab" unit, ATV, and an ambulance. Members provided refreshments for the emergency responders and members of the public stuck for several hours in the backlog. This accident occurred in a construction area and the ATV was used to move emergency responders and recovery personnel in and around the scene. It was also used to ferry stuck motorists to portable toilets as needed.



*"Committed to Caring"*

**Macungie Volunteer Fire Department**  
31 S. Walnut Street, P. O. Box 65, Macungie, PA 18062  
(610) 965-7040 FAX – (610) 966-5388



August 10, 2021

Macungie Borough Hall  
Borough Manager  
21 Locust Street  
Macungie, PA 18062

**Re: July Response Report**

For the month of July, we responded to 7 calls, 6 in the Borough of Macungie, 1 in Hanover Twp.

The calls consisted of:

- 07-09-2021 – Fire Assist 1880 Steelstone Rd
- 07-09-2021 – Traffic Control Main St. RR
- 07-11-2021- Dumpster Fire 223 Race St.
- 07-15-2021- Co Alarm- 125 Sonoma Way
- 07-17-2021- Traffic Control- Main St RR
- 07-24-2021- Standby for fireworks 901 Willow Lane
- 07-28-2021- Co Alarm- 141 W. Main

Any questions, please feel free to contact me.

**From:** Lehigh Valley Rose Society (Local Chapter of the American Rose Society)

**Date:** July 29, 2021

Hello!

My name is Nate Fisher, President of the Lehigh Valley Rose Society (the local chapter of the American Rose Society). I'm writing not just on my behalf, but on behalf of our other officers and board members.

The Lehigh Valley Rose Society was originally founded in 1947 and operated until around 1997. It was reestablished in April 2020. It is a 501(c)(3) organization operating under the umbrella of the American Rose Society (Group Exemption Number: 7044). We exist mainly as an educational resource - providing information about growing roses: disease and pest identification and management, rose cultivar identification, fertilizing, planting, watering, pruning, deadheading, etc. Our members have also been very active volunteers.

We have been working over the past year and a half (alongside the Mount Airy Neighborhood Association [MANA]) to restore the Bethlehem Rose Garden after it ceased being maintained by the city in 2017. The Bethlehem Rose Garden originally had 3,500 roses when first planted in 1931. Shortly after, another 1,500 roses were added bringing the total to 5,000. The city originally had 2 full-time employees to maintain the garden. This got reduced to 1 full-time employee, then 1 part-time employee, and then no employees. Through a lack of maintenance and then the spread of Rose Rosette Disease (RRD), what was once a garden of 5,000 roses was reduced to around 300 roses.

Our group came in to remove the RRD roses, prune, deadhead, transplant existing roses, plant new roses, weed, spread compost, spread mulch, fertilize, and water. We contributed several roses and hundreds of pounds of fertilizer, as well as several gardening tools to the project and countless volunteer hours. The Bethlehem Rose Garden is now at around 500 roses, and our group will be contributing another 100 roses next spring (bringing up the total to around 600). Several perennials were added this past year to make the garden more manageable for volunteers to maintain as well as to add spacing/a buffer between roses to help prevent spread of future diseases.

At this point, through our efforts and through MANA's efforts, an "Adopt-A-Bed" program has been established and many community volunteers as well as members from our group have signed up to maintain individual beds within the rose garden, and the bulk of the hard work is done. Moving forward, it will be mostly just routine maintenance.

Many chapters and affiliates of the American Rose Society design, plant, and maintain a (or multiple - Southampton Rose Society has 5) rose gardens within their footprint as a gift to their community. This serves not just to beautify an area of a city/town, but also as a space for the local chapter/affiliate to host meetings, offer demonstrations, or grow specific cultivars for research (many rose gardens around the US are growing specific cultivars that show a resistance to RRD).

We have the distinction of being a "Chapter" rather than an "Affiliate" as all of our members are members of the American Rose Society. We are the only Chapter society in the American Rose Society's Penn-Jersey District. Many of our members are professionals in the field - one of our board members is

a certified Horticulturist and supervisor for the Allentown Parks Department. I'm currently working on a degree in Botany and Plant Pathology through Oregon State University's eCampus program, have undergrad minors in biology and chemistry, developed and registered with the PA Department of Agriculture an all-natural and organic rose fertilizer, and was nominated for the American Rose Society's Rising Stars Award for this year. A handful of our members are Master Gardeners and a handful of members are in the process of becoming "Consulting Rosarians" (similar to the Master Gardener program) with ARS.

We are reaching out to offer a rose garden to the community. We would design (and submit for any applicable approvals), completely underwrite all costs associated with the project, and would maintain it in perpetuity - we just need a location. Here is a link from Southampton Rose Society's website, which describes the (main) rose garden they've done out of their five they maintain: <https://southamptonrose.org/about/portrait-of-a-rose-garden/>. Nashville Rose Society has the NRS Rose Study Garden, a link about it here: [https://nashvillerosesociety.org/nrs-rose-study-garden-at-cheekwood\\_v3/](https://nashvillerosesociety.org/nrs-rose-study-garden-at-cheekwood_v3/). Kansas City Rose Society pays for the roses and other necessities for the Laura Conyers Smith Municipal Rose Garden, and volunteer many hours alongside their Parks Department: <https://www.kansascityrosesociety.org/the-garden-story.html>. Missoula Rose Society maintains the Missoula Memorial Rose Garden: <https://www.ci.missoula.mt.us/181/Memorial-Rose-Garden>.

In terms of the size - anywhere from 2,500 square feet to 11,000 square feet would work for an impactful, yet manageable garden. Thank you for your time and we look forward to hearing from you!

Sincerely,

Nate Fisher  
President  
Lehigh Valley Rose Society

PO Box 1412  
Bethlehem, PA 18016-1412

[Website](#) | [Facebook](#) | [Instagram](#)

DEPOWER (9) COBRA HEAD LIGHTS ON MAIN STREET										
Service To: Borough of Macungie										
# of Lights	Lights		TYPE	LED	Install Date	Billing Account #	Lumens	kWH		
	PPL Pole #									
1	60946	S43864	LED		2017	68055-05002	7500	33.1		
1	60960	S43849	LED		2017	68055-05002	7500	33.1		
1	60967	S43850	LED		2017	68055-05002	7500	33.1		
1	61016	S43822	LED		2017	68055-05002	7500	33.1		
1	61037	S43809	LED		2017	68055-05002	7500	33.1		
1	61042	S43801	LED		2017	68055-05002	7500	33.1		
1	61024	S43811	LED		2017	68055-05002	7500	33.1		
1	61008	S43821	LED		2017	68055-05002	7500	33.1		
1	60986	S43836	LED		2017	68055-05002	7500	33.1		
9							67500	297.9		
<b>Notes and Calculations</b>										
1	Option 1	Turn off power to lights and leave fixtures								No
2	Option 2	Turn off power to lights and remove fixtures								Yes
3	Cost	Cost to remove lights @ \$ 297 per light = 9 x 297 = \$ 2673								\$ 2,673.00
		1x Total removal cost								\$ 2,673.00
4	Savings	Annual energy savings @ \$ 18.64 per light								\$ 167.80
		Annual equipment (fixture) cost savings @ \$ 192.20 per light								\$ 1,729.84
		Total annual savings								\$ 1,897.64
5	ROI	Time to recover cost of light removal = 17 months								

BOROUGH OF MACUNGIE

Pole Location		Existing			Proposed/Equivalent		
Grid Number	Bill Code	Luminaire Description	Lumen Size	Light Pattern	Monthly kWh (before conversion)	Lumen Size	Monthly kWh (after conversion)
60939S43733	1	COBRA HEAD	9500	II	42.7	4900	26
60946S43864	1	COBRA HEAD	16000	II	62.8	7500	33.1
60947S43667	1	COBRA HEAD	5800	II	29.8	3300	18.8
60950S43632	1	COBRA HEAD	9500	II	42.7	4900	26
60960S43849	1	COBRA HEAD	16000	II	62.8	7500	33.1
60962S43871	1	COBRA HEAD	5800	II	29.8	3300	18.8
60964S43669	7	COBRA HEAD	5800	II	29.8	2600	18.8
60966S43754	1	COBRA HEAD	5800	II	29.8	3300	18.8
60966S43833	1	COBRA HEAD	5800	II	29.8	3300	18.8
60967S43634	1	COBRA HEAD	9500	II	42.7	4900	26
60967S43850	1	COBRA HEAD	16000	II	62.8	7500	33.1
60971S43795	1	COBRA HEAD	5800	II	29.8	3300	18.8
60972S43806	1	COBRA HEAD	5800	II	29.8	3300	18.8
60979S43670	7	COBRA HEAD	5800	II	29.8	2600	18.8
60982S43635	1	COBRA HEAD	9500	II	42.7	4900	26
60985S43756	1	COBRA HEAD	5800	II	29.8	3300	18.8
60986S43836	1	COBRA HEAD	16000	II	62.8	7500	33.1
60988S43862	1	COBRA HEAD	5800	II	29.8	3300	18.8
60992S43884	1	COBRA HEAD	5800	II	29.8	3300	18.8
60995S43805	1	COBRA HEAD	5800	II	29.8	3300	18.8
60995S43811	1	COBRA HEAD	5800	II	29.8	3300	18.8
60996S43798	1	COBRA HEAD	5800	II	29.8	3300	18.8
60997S43834	1	COBRA HEAD	16000	II	62.8	7500	33.1
60998S43637	1	COBRA HEAD	9500	II	42.7	4900	26
60999S43775	1	COBRA HEAD	5800	II	29.8	3300	18.8
61002S43749	1	COBRA HEAD	5800	II	29.8	3300	18.8
61005S43725	1	COBRA HEAD	5800	II	29.8	3300	18.8
61008S43698	1	COBRA HEAD	5800	II	29.8	3300	18.8
61008S43821	1	COBRA HEAD	16000	II	62.8	7500	33.1
61011S43671	1	COBRA HEAD	5800	II	29.8	3300	18.8
61013S43655	1	COBRA HEAD	5800	II	29.8	3300	18.8
61016S43633	1	COBRA HEAD	5800	II	29.8	3300	18.8
61016S43822	1	COBRA HEAD	16000	II	62.8	7500	33.1
61017S43598	1	COBRA HEAD	5800	II	29.8	3300	18.8
61018S43876	1	COBRA HEAD	5800	II	29.8	3300	18.8
61024S43811	1	COBRA HEAD	16000	II	62.8	7500	33.1
61024S43838	1	COBRA HEAD	5800	II	29.8	3300	18.8
61028S43775	1	COBRA HEAD	5800	II	29.8	3300	18.8
61031S43753	1	COBRA HEAD	5800	II	29.8	3300	18.8
61036S43716	1	COBRA HEAD	5800	II	29.8	3300	18.8
61037S43705	1	COBRA HEAD	5800	II	29.8	3300	18.8
61037S43809	1	COBRA HEAD	16000	II	62.8	7500	33.1
61040S43678	1	COBRA HEAD	5800	II	29.8	3300	18.8
61042S43659	1	COBRA HEAD	5800	II	29.8	3300	18.8
61042S43801	1	COBRA HEAD	16000	II	62.8	7500	33.1
61043S43600	1	COBRA HEAD	5800	II	29.8	3300	18.8
61050S43758	1	COBRA HEAD	5800	II	29.8	3300	18.8
61057S43798	1	COBRA HEAD	16000	II	62.8	7500	33.1
61062S43682	1	COBRA HEAD	5800	II	29.8	3300	18.8
61064S43789	1	COBRA HEAD	16000	II	62.8	7500	33.1
61065S43723	1	COBRA HEAD	5800	II	29.8	3300	18.8
61075S43787	1	COBRA HEAD	16000	II	62.8	7500	33.1
61080S43664	1	COBRA HEAD	5800	II	29.8	3300	18.8
61083S43747	1	COBRA HEAD	5800	II	29.8	3300	18.8
61086S43686	1	COBRA HEAD	5800	II	29.8	3300	18.8
61086S43775	1	COBRA HEAD	16000	II	62.8	7500	33.1
61095S43775	1	COBRA HEAD	16000	II	62.8	7500	33.1
61106S43764	1	COBRA HEAD	16000	II	62.8	7500	33.1

August 4, 2021

Mr. John Brown  
Manager  
MACUNGIE BOROUGH  
21 Locust Street  
Macungie, PA 18062

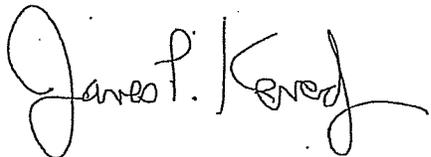
RE: 2022 Financial Requirement and Minimum Municipal Obligation

Dear John:

Enclosed is the Financial Requirement and Minimum Municipal Obligation (MMO) for your municipality's Pension Plan(s) for the upcoming 2022 plan year. Act 205 requires that the Chief Administrative Officer (CAO) of the pension plan(s) shall submit to the governing body of the municipality the financial requirement of the pension plan(s) for the following plan year (2022). This annual report must be presented to the governing body on or before the last business day in September (September 30, 2021).

If you should have any questions concerning any of the above, please do not hesitate to contact me. **Upon approval, please forward a signed copy of this budget for our records.**

Sincerely,



JAMES P. KENNEDY  
President

**FINANCIAL REQUIREMENT AND MINIMUM MUNICIPAL  
OBLIGATION BUDGET FOR 2022**

*NAME OF MUNICIPALITY:*  
*COUNTY:*

MACUNGIE BOROUGH  
LEHIGH

NON-UNIFORMED  
DEF. CONT.

1. TOTAL ANNUAL PAYROLL ( Estimated payroll)	230,000
2. RATE OF CONTRIBUTION AS A % OF PAYROLL (Derived from latest actuarial valuation) 1/1/21	3.00%
3. TOTAL CONTRIBUTION COST (Item 1 times Item 2)	6,900
4. TOTAL ADMINISTRATIVE EXPENSES	700
5. TOTAL FINANCIAL REQUIREMENT (+Item 3 +Item 4 )	7,600
6. MINIMUM MUNICIPAL OBLIGATION	7,600

\_\_\_\_\_  
Signature of Chief Administrative Officer

\_\_\_\_\_  
Date Certified to Governing Body

August 4, 2021

Mr. John Brown  
Manager  
MACUNGIE BOROUGH  
21 Locust Street  
Macungie, PA 18062

RE: 2022 Financial Requirement and Minimum Municipal Obligation

Dear John:

Enclosed is the Financial Requirement and Minimum Municipal Obligation (MMO) for your municipality's Pension Plan(s) for the upcoming 2022 plan year. Act 205 requires that the Chief Administrative Officer (CAO) of the pension plan(s) shall submit to the governing body of the municipality the financial requirement of the pension plan(s) for the following plan year (2022). This annual report must be presented to the governing body on or before the last business day in September (September 30, 2021).

The payroll amount used in your 2022 budget was computed by obtaining from you, the earnings for the active full-time members of the pension plan(s) as of June 30, 2021 and then doubling this figure in order to arrive at the projected annual payroll for the year in which the budget is prepared. The budgeted administrative expenses were based upon the expenses reported in the plan(s)' most recent Act 205 Actuarial Report.

These reporting requirements will be closely monitored by the Department of the Auditor General in future audits. Therefore, if you should have any questions concerning any of the above, please do not hesitate to contact our office. Upon approval, please forward a signed copy of this budget for our records.

Sincerely,



JAMES P. KENNEDY  
President

**FINANCIAL REQUIREMENT AND MINIMUM MUNICIPAL  
OBLIGATION BUDGET FOR 2022**

*NAME OF MUNICIPALITY:*  
*COUNTY:*

MACUNGIE BOROUGH  
LEHIGH

POLICE  
PENSION PLAN

1	TOTAL ANNUAL PAYROLL Estimated Payroll	\$300,000
2	NORMAL COST AS A PERCENTAGE OF PAYROLL ( Derived from latest actuarial valuation )	19.05%
		11/21
3	TOTAL NORMAL COST ( Item 1 x Item 2 )	\$57,150
4	AMORTIZATION REQUIREMENT ( Derived from latest actuarial valuation )	\$16,404
5	TOTAL ADMINISTRATIVE EXPENSES (Based on Estimate)	\$11,838
6	FINANCIAL REQUIREMENT ( + Item 3 + Item 4 + Item 5 )	\$85,392
7	TOTAL MEMBERS CONTRIBUTIONS	\$9,000
8	FUNDING ADJUSTMENT ( Derived from latest actuarial valuation )	\$0
9	MINIMUM MUNICIPAL OBLIGATION ( + Item 6 - Item 7 - Item 8 )	\$76,392

\_\_\_\_\_  
Signature of Chief Administrative Officer

\_\_\_\_\_  
Date Certified to Governing Body

**FINANCIAL REQUIREMENT AND MINIMUM MUNICIPAL  
OBLIGATION BUDGET FOR 2022**

NAME OF MUNICIPALITY:  
COUNTY:

MACUNGIE BOROUGH  
LEHIGH

NON-UNIFORMED  
PENSION PLAN

1	TOTAL ANNUAL PAYROLL Estimated Payroll	\$180,000
2	NORMAL COST AS A PERCENTAGE OF PAYROLL ( Derived from latest actuarial valuation )	13.32%
	1/1/21	
3	TOTAL NORMAL COST ( Item 1 x Item 2 )	\$23,976
4	AMORTIZATION REQUIREMENT ( Derived from latest actuarial valuation )	\$0
5	TOTAL ADMINISTRATIVE EXPENSES (Based on Estimate)	\$15,551
6	FINANCIAL REQUIREMENT ( + Item 3 + Item 4 + Item 5 )	\$39,527
7	TOTAL MEMBERS CONTRIBUTIONS	\$9,000
8	FUNDING ADJUSTMENT ( Derived from latest actuarial valuation )	\$10,674
9	MINIMUM MUNICIPAL OBLIGATION ( + Item 6 - Item 7 - Item 8 )	\$19,853

\_\_\_\_\_  
Signature of Chief Administrative Officer

\_\_\_\_\_  
Date Certified to Governing Body