

BOROUGH OF MACUNGIE
2021 BUDGET SUMMARY

The Borough of Macungie Council, Mayor and Water Authority present a budget for 2021 that continues a tradition focused on service to the community with no tax increase.

The projected fund balances, which include the beginning cash balances and expenditures for 2021 are as follows:

Fund	2021 Revenues	Beginning Cash Balances	Total 2021 Revenues	2021 Expenditures
General	\$2,656,420	\$250,000	\$2,906,421	\$2,901,944
Water	\$800,723	\$750,000	\$1,550,723	\$1,468,326
Sewer	\$3,381,850	\$175,000	\$3,556,850	\$3,529,820
State Liquid Fuels	\$77,278	\$61,994	\$139,272	\$66,776

In addition to the above funds, the following fund balances are projected for the end of 2020:

- Contingency Fund balance is \$286,862.48
- Debt Service Reserve Fund balance is \$31,097.90
- Bond Redemption and Improvement Fund balance is \$448,541.13
- Sewer Fund Capital Account balance is \$578,323.49
- General Fund Capital Account balance is \$333,489.80
- Real Estate Capital Account balance is \$1,244.47
- Recreation Fund Account balance is \$5,134.08
- Stormwater Management Account balance is \$59,648.26
- Signal Escrow Account balance is \$2,083.10
- Post-Retirement Benefits Fund (OPEB) balance is \$50,240.59
- Sewer Debt Service Fund balance is \$941,250
- Sewer Loan of 2017 balance is \$18,1523.81
- MBA Capital Fund Loan balance is \$107.09

General Fund

The Borough continues to pursue grant funding for projects and operating expenses to offset taxpayer dollars. Included in the 2021 General Fund budget is \$604,283.50 in grant funding which includes:

- \$84,547 in DCED grant funding for Phase III of the Main Street Streetscape Project;
- \$450,000 in DCED grant funding for Phase IV of the Main Street Streetscape Project;
- \$9,000 from DEP for the Recycling Performance Grant;

- \$1,200 from the Lehigh County Chamber Foundation toward the purchase of Christmas lights on Main Street;
- \$17,219.50 of LSA funding for the purchase and installation of a pedestrian bridge on Cotton Street. The total grant amount was \$32,164.50. \$14,944.50 has already been reimbursed to the Borough for down payment on the bridge.
- \$42,317 LSA Grant for the purchase of seven (7) decorative streetlights for Lumber Street;

The following grant applications were submitted in 2020, but have not been awarded as of budget approval:

- \$1,295,195 PennDOT Multimodal Grant for Phase V of the Main Street Streetscape Project
- \$111,325 LSA Grant for the purchase and installation of a new HVAC system at the Macungie Institute

Miscellaneous items include:

- \$7,000 in revenue is included from the sale of the large dump truck and old skid steer;

The Borough continues to participate in the Pennsylvania Municipal Health Insurance Cooperative and receive significant savings. The Borough's 2021 health insurance premium only increased 2.9%. The Borough also participates in the Susquehanna Municipal Trust for the Borough Workers' Compensation Insurance. The Borough continues to benefit from the savings by participating in multi-municipal cooperatives for medical and workers' compensation.

The Borough's MS4 Stormwater Management Program, mandated by PaDEP, is to adopt and implement a Pollution Reduction Plan ("PRP") reducing the amount of sediment entering the Swabia Creek and Little Lehigh Creek by 10% over the next five years. The Borough constructed the first phase of the plan in 2020, which was the installation of a rain garden along Cotton Street. The second phase will be constructed in 2021, which is the restoration of the Mountain Creek streambank from Cotton Street to Poplar Street. The total cost of this project is \$194,000, which is included in this budget.

The General Fund Expenditures include the following:

- 1) Street Paving Projects on Parkside Drive, Cedar Street, from Race Street to Parking lot), Coach Street, Pine Street, Creek Street and Hillcrest Drive, from Hill Street to 550' east around depressed area);
- 2) Cotton Street Bridge Repair Project;
- 3) Allocations to the Emmaus Library, Macungie Ambulance Corps, Macungie Volunteer Fire Department, Macungie Halloween Parade and Macungie Holiday;
- 4) \$195,000 for the streambank restoration project along Mountain Creek per our Stormwater Pollution Reduction Plan;

5) Transferring \$62,500 to the Capital Fund earmarked for the following (per the Capital Fund Budget):

- a. Police car
- b. A/C Units at Police Station
- c. MI Heating/AC System
- d. Public Works Pick Up Truck
- e. Zero Turn Lawn Mower

To provide for more accurate planning, Borough Council is implementing a vehicle and equipment replacement plan for the Public Works Department.

Sewer Fund

The 2021 Sewer Fund budget maintains the current sewer rates and debt service charge. In February 2017 the Borough signed a \$3,845,000 loan contract with New Tripoli Bank for 11.5 years at a fixed rate of 2.52% annually. By the end of 2020, the Borough had lined over 30,000 LF of sewer main, rehabilitated 227 manholes and spent \$1,103,993.62, of which \$349,000 was paid from a PA Small Water and Sewer Grant. In 2021 the Borough will bid the final phase of the Capital Sewer Project, which includes the installation of sewer laterals and lateral cleanouts at an estimated cost of \$2,180,664.

The Sewer Fund Expenditures also include 1/3 of the cost of a new skid steer, which is \$15,000. The total purchase of this equipment will be split with the Water and Liquid Fuels Funds.

Water Fund

The 2021 Water Fund budget maintains the current water rates. The Authority's water meter replacement program was put on hold in 2020 due to COVID-19. All meters have been purchased and approximately half remain to be installed. In 2020 the Authority was awarded a \$155,350 grant from PA Small Water and Sewer Grant Program for the replacement of 46 water service connections and 2 water valves on S. Church Street. This project will be bid and constructed in 2021.

The Water Fund Expenditures also include 1/3 of the cost of a new skid steer, which is \$15,000. The total purchase of this equipment will be split between the Sewer and Liquid Fuels Funds. In addition, Phase 2 of the tree removal plan on the reservoir property will continue in 2021 with \$15,000 included in this budget. The Authority has also budgeted \$10,000 to upgrade the water map.

Liquid Fuels

The 2021 Liquid Fuels budget includes \$14,776 toward the purchase of the new skid steer. This purchase is split between the water/sewer and liquid fuels funds.

Conclusion

The 2021 Budget, along with the Capital Plan, will continue to serve as a guide for the Borough in the coming years.

Chris L. Boehm
Borough Manager