



League Link

August 2019

ADVOCACY ACTION

Guidance for Municipalities Utilizing the Special Municipal Tax Option Available Under Act 205 for Distressed Pension Plans

A variety of recovery remedies are set forth in Act 205 that “shall be available to municipalities based on the extent of financial distress of the municipal pension system” determined by the Pennsylvania Employer Retirement Commission (“PERC”). 53 P.S. § 895.602. As many of you know, PERC was subsequently abolished and its duties transferred to the Municipal Pension Reporting Program in the Department of the Auditor General pursuant to Act 100 of 2016. Act 205 outlines recovery remedies for minimally distressed municipal pension systems (Level I of the recovery program); moderately distressed municipal pension systems (Level II of the recovery program); and severely distressed municipal pension systems (Level III of the recovery program). 53 P.S. § 895.602. Distress levels are based on funding ratio and a related scoring system set forth at 53 P.S. § 895.503. It should be noted, however, that Act 205 also indicates that if the municipality elects to utilize the remedy of increasing earned income or real estate property tax rates above the maximum amounts that would otherwise apply, that municipality “shall not reduce the level of municipal contributions to the pension plans prior to the implementation of the special municipal taxing authority.” 53 P.S. § 895.607 (f)(1). Recently, the Department of Auditor General has audited municipalities taking advantage of the special taxing authority in a manner inconsistent with the statute. Specifically, the Department has advised that municipalities may not use the revenue to reduce or replace state pension aid or general fund contributions to pay municipal pension debt. As a courtesy, we are reminding our members that the purpose of the special municipal tax is to provide additional funding for the municipalities’ distressed pension plans and that such municipalities should rely on actuarial guidance to understand precisely what is owed and from where the money must come.



THE LEAGUE’S LATEST

- **Executive Director’s Report** – [Watch Rick Schuettler’s](#) latest video as he discusses our upcoming Annual Summit in Gettysburg.

THE LEAGUE'S LATEST (CONTINUED)

- Please welcome our newest member to The League – [West Norriton Township](#), Montgomery County. Welcome aboard West Norriton!
- Send us your best community photos. In addition to Norristown – our Spring edition winner and Lower Merion Township – Summer/Fall edition winner – one more lucky member will be chosen to grace the cover and have a profile feature in our upcoming 2019 Winter (theme - Labor/Workforce) edition of the *Municipal Reporter* magazine. One of our three cover winners will also receive a **FREE registration to our Annual Summit** in Gettysburg, in October! Please email any questions and your high resolution photos to Debbie Bitting at dbitting@pml.org. Don't miss out on this great opportunity to showcase your municipality!

Check out the section on our website dedicated to member communities titled, **Meet a Member!** This month's focus is on **FOREST HILLS BOROUGH!**

- **Registration available for Gettysburg Rec Park Playground Project** – Thursday, October 3 is our playground project with Gettysburg Borough in conjunction with the 120th Annual Summit. The project location is Rec Park in Gettysburg Borough and [registration is available online](#). Please note, this is a smaller project and registration will be limited to only 50 volunteers so, be sure to sign up quickly before the slots are filled.
- **Message from PennPRIME** – To give your worker safety process a boost, check out the [PA Training for Health & Safety Website](#), maintained by the PA Bureau of Workers' Compensation, Health & Safety Division. On their website you will find publications, pre-recorded and live webinars, information on free classroom training, PowerPoint presentations to use to provide training, videos, posters and other free resources. One unique resource is their listing of [safety apps](#) available for iPhone or Android to keep your workers safe-on-the-go.
- This is the time of year to **request a proposal from the U-COMP Unemployment Trust** for an effective date of January 1, 2020. It can help your municipality to lower unemployment and assist with hiring practices that can save money. For a free, non-binding quote, contact Debbie Gross at dgross@pml.org or call at 1-800-922-8063, ext *254.
- Check out the [upcoming grants that are available](#) through **GrantFinder**, your free service provided through your League membership.
- **A reminder to please take a few minutes to fill out the brief [communications survey](#)** that was emailed to you last week; it is an important part of a communications audit we are currently conducting. We would appreciate your completed survey by September 5.



RESOURCE ROUNDUP

- **PennDOT announces Regional Innovation Day** for municipalities in PennDOT Districts 5, 6, and 8 on **November 14**. Presentations by PennDOT staff and local government representatives focusing on: roadway and bridge design, construction, and maintenance, safety and traffic operations and transportation sustainability. Does your municipality have an innovative way it is addressing a transportation challenge making the job safer, better, faster and more cost effective? If so, contact DOTInnovations@pa.gov by **August 30** to share your innovation and possibly be involved in telling your story at the PennDOT Regional Innovation Day.
- **PA WalkWorks announces its third round of assistance to advance policy development**. Specifically, mini-grants will be offered to a limited number of municipalities and/or similar local governing bodies to be used to develop Active Transportation Plans, Complete Streets policies and/or Vision Zero policies. Deadline to submit applications is August 30.
- The PA Department of General Services is holding a **Procurement Expo and Forum at the Farm Show Complex**, Harrisburg, September 4-5. For more information and to register, [click here](#).
- The **3rd PA Automated Vehicle Summit** will be held September 4-6 at the Kalahari in the Poconos. [Register now](#) for the nation's preeminent state-organized vehicle automation conference.
- **Grants are available from The Urban Agriculture Infrastructure Grant Program** (UAI) which provides funding in the form of a reimbursement grant to eligible applicants seeking to improve urban agriculture infrastructure in Pennsylvania. Deadline to apply is September 6.
- **September is National Preparedness Month and the theme is, "Prepared, Not Scared."** You can help your community members be better prepared by encouraging them to [participate in the 30 Days/30 Ways campaign](#), sponsored by the PA Emergency Management Agency. By encouraging your community to sign up for 30 Days/30 Ways on your website, through social media or in your newsletters, you are providing an opportunity for your constituents to learn simple ways to get started or to continue on their path to being prepared.
- The **National League of Cities' annual fall conference, City Summit**, will be held in San Antonio, Texas, November 20–23. From the largest cities to the smallest towns, leaders across the nation are driving innovation at City Summit to build stronger communities. Network with peers and gain tangible solutions you can implement at home. City Summit offers you the opportunity to learn from other local leaders from around the country. Prices increase September 30, so [register now to get the best rate](#).
- **The National Civic League is now accepting applications for the 2020 All-America City Award**, focused on enhancing health and well-being through civic engagement. They are looking for applicants with community-driven projects that reflect the concept that good health for the entire community requires a focus on mental, physical, spiritual, cultural and economic well-being. Cities, counties, towns and tribes wishing to apply have until November 1 to submit a Letter of Intent and until February 19, 2020, to submit their application. [Begin your community's application](#) today to become a 2020 All-America City!
- **Back to School: A Parent's Guide to Helping Kids Succeed**. Provided by our Business Leader, NJM Insurance Group.
- **Resilient Nation Partnership Network - Flood Risk Communications Toolkit & Video Series Resources** – if you missed the virtual Lunch & Learn, please see the resources and speaker contact information below. Feedback and comments are encouraged! [Flood Risk Communication Video Series](#); [Flood Risk Communications Toolkit](#); Lisa Messano (lmessano@mbakerintl.com); Toni Marie Pignatelli (toni.pignatelli@mbakerintl.com).