BOROUGH OF ALBURTIS
LEHIGH COUNTY, PENNSYLVANIA

Ordinance No. 607

(Duly Adopted August 12, 2026)

AN ORDINANCE AMENDING CHAPTER 17 OF THE ALBURTIS CODIFIED ORDINANCES (RELATING TO POLICE PENSION PLAN) TO PROVIDE THE 2026 SPECIAL AD HOC MUNICIPAL POLICE AND FIREFIGHTER POSTRETIREMENT ADJUSTMENT MANDATED BY ACT 21 OF 2026.

WHEREAS, the Borough of Alburtis has previously established a pension plan for its full-time police officers, which plan has been codified to Chapter 17 of the Alburtis Codified Ordinances (the "**Plan**"); and

WHEREAS, the Pennsylvania General Assembly recently enacted Act 21 of 2026, which requires municipal police pension plans to provide certain additional monthly benefits to certain retirees on and after August 1, 2026; and

WHEREAS, Council desires to implement the requirements of Act 21 of 2026, and the collective bargaining representative of the police officers has consented to this ordinance; and

WHEREAS, prior to the adoption of this Ordinance the Council reviewed a cost estimate of the effect of the changes made herein prepared by the plan's actuarial firm in accordance Section 305 of the Municipal Pension Plan Funding Standard and Recovery Act, Act 205 of 1984, 53 PA. STAT. ANN. § 895.305 (see attached);

NOW, THEREFORE, be it **ORDAINED** and **ENACTED** by the Borough Council of the Borough of Alburtis, Lehigh County, Pennsylvania, that Codified Ordinances § 17-306.1 (relating to Police Pension Plan—Benefits—Special Ad-Hoc Cost of Living Adjustments) is amended as follows (with deletions indicated by ~~strike-outs~~ and insertions indicated by double underlining):

§ 17-306.1 Special Ad-Hoc Cost of Living Adjustments.

(a) 1989 & 2002 Adjustments. Since no Participants have received any benefits under the Plan at any time on or before July 1, 2002, the 1989 and 2002 special ad-hoc cost of living adjustments provided by Pennsylvania law are not applicable to this Plan.

(b) 2026 Adjustments.

(1) Benefit. Effective as of the first monthly benefit payment on or after August 1, 2026, the monthly retirement benefit under this Article III for any Participant who began receiving the benefit before January 1, 2021 shall be increased:

(A) by $75.00 if, on January 1, 2026, the Participant has been retired at least five (5) years but less than ten (10) years;

(B) by $150.00 if, on January 1, 2026, the Participant has been retired at least ten (10) years but less than twenty (20) years;

(C) by $300.00 if, on January 1, 2026, the Participant has been retired at least twenty (20) years,

unless the Participant files a written notice with the Plan requesting that this additional amount not be paid.

(2) Miscellaneous. The provisions of this subsection (b) reflect the facts that:

(A) None of the persons eligible for this adjustment are eligible to receive the 2026 Special Ad Hoc Postretirement Adjustment under section 1703-N of the Fiscal Code, as added by section 29.1 of Act 21 of 2026, from more than one municipal retirement system; and

(B) None of the persons eligible for this adjustment are provided any postretirement adjustments under this Plan after December 31, 2001 and before January 1, 2026.

DULY ORDAINED and **ENACTED** by the Borough Council of the Borough of Alburtis, this 12th day of August, 2026, in lawful session duly assembled.

BOROUGH COUNCIL
BOROUGH OF ALBURTIS

____
Ronald J. DeIaco, President

Attest:

____
Stephen Nemeth, Borough Manager

AND NOW, this 12th day of August, 2026, the above Ordinance is hereby APPROVED.

____
Hector Moss, Mayor

July 31, 2026

PERSONAL AND CONFIDENTIAL

Mr. Stephen Nemeth, MPA
Borough Manager
Alburtis Borough
260 Franklin Street
Alburtis PA, 18011

RE: Borough of Alburtis Police Pension Plan

Dear Mr. Nemeth:

As requested, we have completed an actuarial study to estimate the cost impact on the pension plan to provide the 2026 special Municipal Police Ad Hoc Cost-of-Living Adjustment (COLA) mandated by Act 21 of 2026.

The study was valued as of January 1, 2025 using the same participant data, asset information, actuarial assumptions and methods and other provisions of the plans as those that were used and disclosed in the January 1, 2025 actuarial valuation report (AVR), unless otherwise noted.

The Borough determined the mandatory COLA amounts as seen in the table below:

Retiree	Act 21 COLA
Gregory Kuebler	$150 per month
Kenneth Solomon	$300 per month

The attached exhibit shows the results of our study. The top portion of the table shows the impact of the proposed change on the funded status of the plan. The bottom portion of the table shows the impact on the Net Annual Cost, or estimated Minimum Municipal Obligation (MMO), if the mandatory Act 21 COLA was in place as of January 1, 2025. The MMO is the amount that would need to be deposited to the Plan each year; the amount can be paid by state aid and/or Borough funds. State aid attributable to police units is projected to be sufficient to fund MMOs that are based on the January 1, 2025 AVR with or without the mandatory Act 21 COLA.

No experience after January 1, 2025 is reflected. Future actuarial measurements may differ significantly from current measurements.

If you have any questions, please contact Gabrielle Slaugenhaupt or me at (800) 405-3620.

Sincerely,

David H. Stimpson, E.A., F.C.A., M.A.A.A.
Consulting Actuary

Q:\Actuarial Resources\Pension\Studies\2024-2025 Study sample.docx
Enclosure
c: David Knerr, Esquire

Borough of Alburtis Police Pension Plan
Actuarial Study as of January 1, 2025

	Current Plan	Plan with Ad Hoc COLA
Actuarial Accrued Liability	$1,386,300	$1,435,300
Actuarial Value of Assets	(1,582,300)	(1,582,300)
Unfunded Actuarial Accrued Liability (UAAL)	($196,100)	($147,100)
Change in UAAL		$49,000
Funded Ratio	114.1%	110.2%
Normal Cost	$60,200	$60,200
Administrative Expenses	12,700	12,700
Amortization Payment/(Funding Adjustment)	(19,600)	(14,700)
Employee Contributions	(14,900)	(14,900)
Net Annual Cost (Est. MMO)	$38,300	$43,200
Increase in Net Annual Cost		$4,900

Notes: Dollar amounts are rounded to the nearest $100.
Net Annual Cost is based on annualized payroll of $372,567.
January 1, 2025 Market Value of Assets was $1,610,544.
Accompanying letter of explanation contains important information relevant to interpreting study results.