

CITY OF WILLIAMSPORT, PA RESOLUTION

RESOLUTION # 9699

DATE 9-28-23

TITLE

MINIMUM MUNICIPAL OBLIGATION FOR THE YEAR 2024


WHEREAS, The Municipal Pension Plan Funding Standards and Recovery Act 205 of 1984 requires Chief Administrative Officer of the City Pension Plans to certify annually to the Governing Body (the City of Williamsport) the minimum funding requirements for the subsequent year as calculated in conformance with applicable provisions of chapter 3 of Act 205 of 1984 as amended by enactment of Act 44 of 2009.

AND WHEREAS, the required calculations have been made and are detailed on the attached worksheets.

BE IT HEREBY RESOLVED, that the minimum funding requirements to be included in the 2024 City Budget are as follows:

Fire Pension Fund:	\$1,592,785
Police Pension Fund:	\$1,889,332
Officers' & Employees' Pension Fund:	<u>\$ 873,161</u>
Total MMO for 2024:	\$4,355,278

Approved



City Clerk



President



CITY OF WILLIAMSPORT

OFFICE OF HUMAN RESOURCES

MEMORANDUM

TO: Members, City Council
FROM: Molly Steele-Schrimp, Director of Human Resources
DATE: September 22, 2023
SUBJECT: 2024 Minimum Municipal Obligation

Attached you'll find the 2024 Minimum Municipal Obligation (MMO) financial requirements for the Fire, Police, and Officers' and Employees' Pension Plans. These reports were completed by Mockenhaupt Benefit Services, the actuary and consulting company for the pension plans, using the actuarial results from the January 1, 2021, valuation and the data that the City provided regarding employee compensation. These MMOs must be submitted to the governing body by September 30, 2023, although revisions may be made up to the time the budget is finalized. The respective obligations for each plan will be built into the 2024 budget.

I have provided data from previous years in the table below as a comparison.

	2021	2022	2023	2024
Fire Pension Fund	\$1,882,756	\$1,180,775	\$1,628,353	1,592,785
Police Pension Fund	1,841,909	1,844,797	1,883,950	1,889,332
Officers' & Employees' Pension Fund	1,400,006	1,112,969	869,078	873,161
Total Obligation	\$5,126,692	\$4,140,563	\$4,381,381	4,355,278

The total funds used to satisfy the MMO include state aid. The amount of state aid for 2024 is not yet available as of the date of this memorandum; however, in order to provide an idea of the amount of state aid that has been received in recent years, in 2021 the City received state aid in the amount of \$1,256,888.04; in 2022 the City received \$1,305,473.86; and in 2023 the City received \$1,515,250.94.

Please feel free to call or e-mail with any questions: 570-327-7571 or msteele@cityofwilliamsport.org.

**CITY OF WILLIAMSPORT POLICE RETIREMENT FUND
FINANCIAL REQUIREMENT AND MINIMUM MUNICIPAL OBLIGATION
FOR 2024 MUNICIPAL BUDGET**

A. Normal Cost

1. Normal Cost as a Percent of Payroll	25.796%
2. Estimated 2023 Payroll for Active Participants	\$ <u>4,031,809</u>
3. Normal Cost (A1 x A2)	\$ <u>1,040,045</u>

B. Financial Requirement

1. Normal Cost (A3)	\$ 1,040,045
2. Anticipated Insurance Premiums	0
3. Anticipated Administrative Expense	177,400
4. Amortization Payment, if any ^	<u>874,029</u>
5. Financial Requirement (B1 + B2 + B3 + B4)	\$ <u>2,091,474</u>

C. Minimum Municipal Obligation

1. Financial Requirement (B5)	\$ 2,091,474
2. Anticipated Employee Contributions	202,142
3. Funding Adjustment, if any	<u>0</u>
4. Minimum Municipal Obligation (C1 - C2 - C3)	\$ <u>1,889,332</u>


^The amortization payment from the January 1, 2021 valuation was adjusted to reflect amortization base(s) that have since expired. The amortization payment decreased by \$514,139.

NOTES:

1. 2024 General Municipal Pension System State Aid may be used to fund part or all of the municipal obligation and must be deposited within 30 days of receipt. Any remaining balance must be paid from municipal funds.
2. Deposit into the Plan's assets must be made by December 31, 2024 to avoid an interest penalty.
3. Any delinquent Minimum Municipal Obligation from prior years must be included in the 2024 budget along with an interest penalty.

I hereby certify that the above calculations, to the best of my knowledge, are true, accurate, and conform with the provisions of Chapter 3 of Act 205 of 1984.



Certified By:



Chief Administrative Officer

Date 9/28/23

Prepared using the January 1, 2021 Valuation.

**CITY OF WILLIAMSPORT OFFICERS' AND EMPLOYEES' PENSION FUND
FINANCIAL REQUIREMENT AND MINIMUM MUNICIPAL OBLIGATION
FOR 2024 MUNICIPAL BUDGET**

A. Normal Cost

1. Normal Cost as a Percent of Payroll	13.728%
2. Estimated 2023 Payroll for Active Participants	\$ <u>2,221,572</u>
3. Normal Cost (A1 x A2)	\$ <u><u>304,977</u></u>

B. Financial Requirement

1. Normal Cost (A3)	\$ 304,977
2. Anticipated Insurance Premiums	0
3. Anticipated Administrative Expense	35,545
4. Amortization Payment, if any ^	<u>654,825</u>
5. Financial Requirement (B1 + B2 + B3 + B4)	\$ <u><u>995,347</u></u>

C. Minimum Municipal Obligation

1. Financial Requirement (B5)	\$ 995,347
2. Anticipated Employee Contributions (5.5% of Estimated Payroll)	122,186
3. Funding Adjustment, if any	<u>0</u>
4. Minimum Municipal Obligation (C1 - C2 - C3)	\$ <u><u>873,161</u></u>

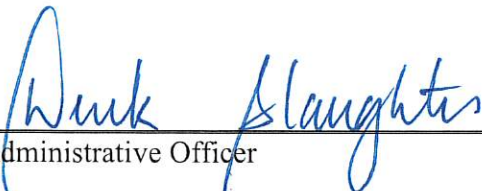
^The amortization payment from the January 1, 2021 valuation was adjusted to reflect amortization base(s) that have since expired. The amortization payment decreased by \$455,647.

NOTES:

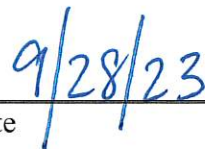
1. 2024 General Municipal Pension System State Aid may be used to fund part or all of the municipal obligation and must be deposited within 30 days of receipt. Any remaining balance must be paid from municipal funds.
 2. Deposit into the Plan's assets must be made by December 31, 2024 to avoid an interest penalty.
 3. Any delinquent Minimum Municipal Obligation from prior years must be included in the 2024 budget along with an interest penalty.
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I hereby certify that the above calculations, to the best of my knowledge, are true, accurate, and conform with the provisions of Chapter 3 of Act 205 of 1984.

Certified By:



Chief Administrative Officer



Date

Prepared using the January 1, 2021 Valuation.



**CITY OF WILLIAMSPORT FIREMEN'S PENSION PLAN
FINANCIAL REQUIREMENT AND MINIMUM MUNICIPAL OBLIGATION
FOR 2024 MUNICIPAL BUDGET**

A. Normal Cost

1. Normal Cost as a Percent of Payroll	31.481%
2. Estimated 2023 Payroll for Active Participants	\$ <u>2,043,892</u>
3. Normal Cost (A1 x A2)	\$ <u>643,438</u>

B. Financial Requirement

1. Normal Cost (A3)	\$ 643,438
2. Anticipated Insurance Premiums	0
3. Anticipated Administrative Expense	128,765
4. Amortization Payment, if any ^	<u>923,149</u>
5. Financial Requirement (B1 + B2 + B3 + B4)	\$ <u>1,695,352</u>

C. Minimum Municipal Obligation

1. Financial Requirement (B5)	\$ 1,695,352
2. Anticipated Employee Contributions	102,567
3. Funding Adjustment, if any	<u>0</u>
4. Minimum Municipal Obligation (C1 - C2 - C3)	\$ <u>1,592,785</u>


^The amortization payment from the January 1, 2021 valuation was adjusted to reflect amortization base(s) that have since expired. The amortization payment decreased by \$730,296.

NOTES:

1. 2024 General Municipal Pension System State Aid may be used to fund part or all of the municipal obligation and must be deposited within 30 days of receipt. Any remaining balance must be paid from municipal funds.
 2. Deposit into the Plan's assets must be made by December 31, 2024 to avoid an interest penalty.
 3. Any delinquent Minimum Municipal Obligation from prior years must be included in the 2024 budget along with an interest penalty.
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I hereby certify that the above calculations, to the best of my knowledge, are true, accurate, and conform with the provisions of Chapter 3 of Act 205 of 1984.

Certified By:



Chief Administrative Officer

Date 9/28/23

Prepared using the January 1, 2021 Valuation.