

CITY OF WILLIAMSPORT, PA RESOLUTION

RESOLUTION # 9070

DATE 9-24-20

TITLE

MINIMUM MUNICIPAL OBLIGATION FOR THE YEAR ENDING 2021


WHEREAS, The Municipal Pension Plan Funding Standards and Recovery Act 205 of 1984 requires the Chief Administrative Officer of the City Pension Plans to certify annually to the Governing Body 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.

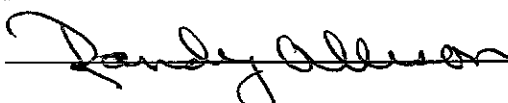
NOW, THEREFORE, BE IT HEREBY RESOLVED, that the minimum funding requirements to be included in the 2021 City Budget are as follows:

Firemen's Pension Fund	\$1,882,756
Police Pension Fund	\$1,841,909
Officers' & Employees' Pension Fund	<u>\$1,400,006</u>
	<u>\$5,126,692</u>

Approved



City Clerk



President



CITY OF WILLIAMSPORT

OFFICE OF FINANCE & BUDGET

MEMORANDUM

TO: Members, Williamsport City Council

FROM: Joseph Pawlak, Interim Finance Director

RE: 2021 Minimum Municipal Obligation

DATE: September 17, 2020

Attached for your review is the 2021 Minimum Municipal Obligation (the "MMO") financial requirements for the Fire, Police and Officers' and Employees' Pension Plans. These MMO's must be submitted to the governing body by September 30, 2020, although revisions may be made up to the time the budget is finalized.

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Fire Pension Fund	\$1,420,193	\$1,557,705	\$1,320,895	\$1,882,756
Police Pension Fund	1,669,090	1,772,407	1,830,744	1,841,909
Officers' and Employees' Pension Fund	<u>872,233</u>	<u>1,141,058</u>	<u>1,217,135</u>	<u>1,400,006</u>
Total Obligation	<u>\$3,961,516</u>	<u>\$4,471,170</u>	<u>\$4,368,774</u>	<u>\$5,126,692</u>

Please call me at 570.419.6556 with any questions.

**CITY OF WILLIAMSPORT POLICE RETIREMENT FUND
FINANCIAL REQUIREMENT AND MINIMUM MUNICIPAL OBLIGATION
FOR 2021 MUNICIPAL BUDGET**

A. Normal Cost

1. Normal Cost as a Percent of Payroll	23.159%
2. Estimated 2020 Payroll for Active Participants	\$ <u>3,458,418</u>
3. Normal Cost (A1 x A2)	\$ <u>800,935</u>

B. Financial Requirement

1. Normal Cost (A3)	\$ 800,935
2. Anticipated Insurance Premiums	0
3. Anticipated Administrative Expense	166,004
4. Amortization Payment, if any ^	<u>1,048,407</u>
5. Financial Requirement (B1 + B2 + B3 + B4)	\$ <u>2,015,346</u>

C. Minimum Municipal Obligation

1. Financial Requirement (B5)	\$ 2,015,346
2. Anticipated Employee Contributions	173,437
3. Funding Adjustment, if any	<u>0</u>
4. Minimum Municipal Obligation (C1 - C2 - C3)	\$ <u>1,841,909</u>

^The amortization payment from the January 1, 2019 valuation was adjusted to reflect amortization base(s) that have since expired. The amortization payment decreased by \$291,841.

NOTES:

1. 2021 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, 2021 to avoid an interest penalty.
 3. Any delinquent Minimum Municipal Obligation from prior years must be included in the 2021 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, 2019 Valuation.

**CITY OF WILLIAMSPORT POLICE RETIREMENT FUND
FINANCIAL REQUIREMENT AND MINIMUM MUNICIPAL OBLIGATION
FOR 2021 MUNICIPAL BUDGET**

A. Normal Cost

1. Normal Cost as a Percent of Payroll	23.159%
2. Estimated 2020 Payroll for Active Participants	\$ <u>3,458,418</u>
3. Normal Cost (A1 x A2)	\$ <u>800,935</u>

B. Financial Requirement

1. Normal Cost (A3)	\$ 800,935
2. Anticipated Insurance Premiums	0
3. Anticipated Administrative Expense	166,004
4. Amortization Payment, if any ^	<u>1,048,407</u>
5. Financial Requirement (B1 + B2 + B3 + B4)	\$ <u>2,015,346</u>

C. Minimum Municipal Obligation

1. Financial Requirement (B5)	\$ 2,015,346
2. Anticipated Employee Contributions	173,437
3. Funding Adjustment, if any	<u>0</u>
4. Minimum Municipal Obligation (C1 - C2 - C3)	\$ <u>1,841,909</u>

^The amortization payment from the January 1, 2019 valuation was adjusted to reflect amortization base(s) that have since expired. The amortization payment decreased by \$291,841.

NOTES:

1. 2021 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, 2021 to avoid an interest penalty.
3. Any delinquent Minimum Municipal Obligation from prior years must be included in the 2021 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

9/24/2020
Date

Prepared using the January 1, 2019 Valuation.

**CITY OF WILLIAMSPORT OFFICERS' AND EMPLOYEES' PENSION FUND
FINANCIAL REQUIREMENT AND MINIMUM MUNICIPAL OBLIGATION
FOR 2021 MUNICIPAL BUDGET**

A. Normal Cost

1. Normal Cost as a Percent of Payroll	11.931%
2. Estimated 2020 Payroll for Active Participants	\$ <u>5,688,810</u>
3. Normal Cost (A1 x A2)	\$ <u>678,732</u>

B. Financial Requirement

1. Normal Cost (A3)	\$ 678,732
2. Anticipated Insurance Premiums	0
3. Anticipated Administrative Expense	91,021
4. Amortization Payment, if any ^	<u>943,138</u>
5. Financial Requirement (B1 + B2 + B3 + B4)	\$ <u>1,712,891</u>

C. Minimum Municipal Obligation

1. Financial Requirement (B5)	\$ 1,712,891
2. Anticipated Employee Contributions (5.5% of Estimated Payroll)	312,885
3. Funding Adjustment, if any	<u>0</u>
4. Minimum Municipal Obligation (C1 - C2 - C3)	\$ <u>1,400,006</u>

^The amortization payment from the January 1, 2019 valuation was adjusted to reflect amortization base(s) that have since expired. The amortization payment increased by \$29,642.

NOTES:

1. 2021 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, 2021 to avoid an interest penalty.
 3. Any delinquent Minimum Municipal Obligation from prior years must be included in the 2021 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

9/24/2020

 Date

Prepared using the January 1, 2019 Valuation.

**CITY OF WILLIAMSPORT FIREMEN'S PENSION PLAN
FINANCIAL REQUIREMENT AND MINIMUM MUNICIPAL OBLIGATION
FOR 2021 MUNICIPAL BUDGET**

A. Normal Cost

1. Normal Cost as a Percent of Payroll	28.662%
2. Estimated 2020 Payroll for Active Participants	\$ <u>1,734,835</u>
3. Normal Cost (A1 x A2)	\$ <u>497,238</u>

B. Financial Requirement

1. Normal Cost (A3)	\$ 497,238
2. Anticipated Insurance Premiums	0
3. Anticipated Administrative Expense	135,317
4. Amortization Payment, if any ^	<u>1,337,255</u>
5. Financial Requirement (B1 + B2 + B3 + B4)	\$ <u>1,969,810</u>

C. Minimum Municipal Obligation

1. Financial Requirement (B5)	\$ 1,969,810
2. Anticipated Employee Contributions	87,054
3. Funding Adjustment, if any	<u>0</u>
4. Minimum Municipal Obligation (C1 - C2 - C3)	\$ <u>1,882,756</u>


^The amortization payment from the January 1, 2019 valuation was adjusted to reflect amortization base(s) that have since expired. The amortization payment decreased by \$281,690.

NOTES:

1. 2021 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, 2021 to avoid an interest penalty.
3. Any delinquent Minimum Municipal Obligation from prior years must be included in the 2021 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

9/24/2020

Date

Prepared using the January 1, 2019 Valuation.

10 Year MMO History - by Pension Fund

