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TO: President and Members of City Council

FROM: Bina Patel, Director of Finance

DATE: September 05, 2025

SUBJECT: 2026 Minimum Municipal Obligation for the Firemen's Pension Plan

Act 205 of 1984 requires that the "Chief Administrative Officer" of the pension plan inform the "governing board" of the municipality of the Minimum Municipal Obligation (MMO) for the following year by the last day in September. This memo is intended to satisfy this legal requirement.

The calculation of the 2026 Minimum Municipal Obligation requires several assumptions relating to projected payroll. The attached 2026 Minimum Municipal Obligation certification details this determination.

Please understand that the MMO is the City's 2026 bill for this pension plan. The calculated obligation must be paid by December 31, 2026. The obligation must be met with general fund monies or with any General State Aid to Municipal Pensions to which we may be entitled under Act 205.


If you have questions regarding our pension cost calculations, they can be addressed either to myself or to Karen Zangara at Cheiron at 703.893.1456.

cc: Matt Tuerk, Mayor
Jeremy Warmkessel, President, IAFF
Karen Zangara, FSA, EA, Cheiron

Attachment: 2026 Firemen's Pension Plan MMO Worksheet

**City of Allentown
Firemen's Pension Plan
Worksheet for 2026 MMO**

1.	TOTAL ESTIMATED 2025 W2 PAYROLL	\$	15,656,742
2.	TOTAL NORMAL COST PERCENTAGE		16.76%
3.	TOTAL NORMAL COST (Item 1 x Item 2)	\$	2,624,070
4.	TOTAL AMORTIZATION REQUIREMENT	\$	1,782,494
5.	TOTAL ADMINISTRATIVE EXPENSES (Estimated based on recent experience)	\$	80,000
6.	TOTAL FINANCIAL REQUIREMENTS (Item 3 + Item 4 + Item 5)	\$	4,486,564
7.	TOTAL MEMBER CONTRIBUTIONS (Member Contribution Rate x Item 1)	\$	782,837
8.	* FUNDING ADJUSTMENT	\$	-
9.	MINIMUM MUNICIPAL OBLIGATION (Item 6 - Item 7 - Item 8)	\$	3,703,727
10.	LESS 25% AMORTIZATION COST	\$	-
11.	MINIMUM MUNICIPAL OBLIGATION (Item 9 - Item 10)	\$	3,703,727



Signature of Chief Administrative Officer



Date Certified to Governing Body

Note: The 2026 Minimum Municipal Obligation is based on the most recent Actuarial Valuation report on January 1, 2025