

**TO:** President and Members of City Council  
**FROM:** Bina Patel, Director of Finance  
**DATE:** September 13, 2023  
**SUBJECT:** 2024 Minimum Municipal Obligation for the Police 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 2024 Minimum Municipal Obligation requires several assumptions relating to projected payroll. The attached 2024 Minimum Municipal Obligation certification details this determination.

Please understand that the MMO is the City's 2024 bill for this pension plan. The calculated obligation must be paid by December 31, 2024. 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  
David Benner, President, FOP  
Karen Zangara, FSA, EA, Cheiron

Attachment: 2024 Police Pension Plan MMO Worksheet

**City of Allentown  
Police Pension Plan  
Worksheet for 2024 MMO**

1.	TOTAL ESTIMATED 2023 W2 PAYROLL	\$	22,005,907
2.	TOTAL NORMAL COST PERCENTAGE		21.21%
3.	TOTAL NORMAL COST (Item 1 x Item 2)	\$	4,667,453
4.	TOTAL AMORTIZATION REQUIREMENT	\$	5,720,666
5.	TOTAL ADMINISTRATIVE EXPENSES (Estimated based on recent experience)	\$	120,000
6.	TOTAL FINANCIAL REQUIREMENTS (Item 3 + Item 4 + Item 5)	\$	10,508,119
7.	TOTAL MEMBER CONTRIBUTIONS (Member Contribution Rate x Item 1)	\$	1,100,295
8.	* FUNDING ADJUSTMENT	\$	-
9.	MINIMUM MUNICIPAL OBLIGATION (Item 6 - Item 7 - Item 8)	\$	9,407,824
10.	LESS 25% AMORTIZATION COST	\$	-
11.	MINIMUM MUNICIPAL OBLIGATION (Item 9 - Item 10)	\$	9,407,824

  
\_\_\_\_\_  
Signature of Chief Administrative Officer

9/13/2023  
\_\_\_\_\_  
Date Certified to Governing Body

**Note: The 2024 Minimum Municipal Obligation is based on the most recent Actuarial Valuation report on January 1, 2023**

**TO:** President and Members of City Council  
**FROM:** Bina Patel, Director of Finance  
**DATE:** September 13, 2023  
**SUBJECT:** 2024 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 2024 Minimum Municipal Obligation requires several assumptions relating to projected payroll. The attached 2024 Minimum Municipal Obligation certification details this determination.

Please understand that the MMO is the City's 2024 bill for this pension plan. The calculated obligation must be paid by December 31, 2024. 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: 2024 Firemen's Pension Plan MMO Worksheet

**City of Allentown  
Firemen's Pension Plan  
Worksheet for 2024 MMO**

1.	TOTAL ESTIMATED 2023 W2 PAYROLL	\$	14,229,859
2.	TOTAL NORMAL COST PERCENTAGE		16.13%
3.	TOTAL NORMAL COST (Item 1 x Item 2)	\$	2,295,276
4.	TOTAL AMORTIZATION REQUIREMENT	\$	1,332,956
5.	TOTAL ADMINISTRATIVE EXPENSES (Estimated based on recent experience)	\$	80,000
6.	TOTAL FINANCIAL REQUIREMENTS (Item 3 + Item 4 + Item 5)	\$	3,708,232
7.	TOTAL MEMBER CONTRIBUTIONS (Member Contribution Rate x Item 1)	\$	711,493
8.	* FUNDING ADJUSTMENT	\$	-
9.	MINIMUM MUNICIPAL OBLIGATION (Item 6 - Item 7 - Item 8)	\$	2,996,739
10.	LESS 25% AMORTIZATION COST	\$	-
11.	MINIMUM MUNICIPAL OBLIGATION (Item 9 - Item 10)	\$	2,996,739

  
\_\_\_\_\_  
Signature of Chief Administrative Officer

  
\_\_\_\_\_  
Date Certified to Governing Body

**A1:H42 The 2024 Minimum Municipal Obligation is based on the most recent Actuarial Valuation report on January 1, 2023**

**TO:** President and Members of City Council  
**FROM:** Bina Patel, Director of Finance  
**DATE:** September 13, 2023  
**SUBJECT:** 2024 Minimum Municipal Obligation for the Officers & Employees' 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 2024 Minimum Municipal Obligation requires several assumptions relating to projected payroll. The attached 2024 Minimum Municipal Obligation certification details this determination.

Please understand that the MMO is the City's 2024 bill for this pension plan. The calculated obligation must be paid by December 31, 2024. 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  
Karen Zangara, FSA, EA, Cheiron

Attachment: 2024 O & E Pension Plan MMO Worksheet

**City of Allentown  
Officers & Employees' Retirement Plan  
Worksheet for 2024 MMO**

1.	TOTAL ESTIMATED 2023 W2 PAYROLL	\$	-
2.	TOTAL NORMAL COST PERCENTAGE		0.00%
3.	TOTAL NORMAL COST (Item 1 x Item 2)	\$	-
4.	TOTAL AMORTIZATION REQUIREMENT	\$	144,538
5.	TOTAL ADMINISTRATIVE EXPENSES (Estimated based on recent experience)	\$	10,000
6.	TOTAL FINANCIAL REQUIREMENTS (Item 3 + Item 4 + Item 5)	\$	154,538
7.	TOTAL MEMBER CONTRIBUTIONS (Member Contribution Rate x Item 1)	\$	-
8.	* FUNDING ADJUSTMENT	\$	-
9.	MINIMUM MUNICIPAL OBLIGATION (Item 6 - Item 7 - Item 8)	\$	154,538
10.	LESS 25% AMORTIZATION COST	\$	-
11.	MINIMUM MUNICIPAL OBLIGATION (Item 9 - Item 10)	\$	154,538

  
\_\_\_\_\_  
Signature of Chief Administrative Officer

9/13/2023  
\_\_\_\_\_  
Date Certified to Governing Body

**Note: The 2024 Minimum Municipal Obligation is based on the most recent Actuarial Valuation report on January 1, 2023**

**TO:** President and Members of City Council  
**FROM:** Bina Patel, Director of Finance  
**DATE:** September 13, 2023  
**SUBJECT:** 2024 Minimum Municipal Obligation for the PMRS 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 2024 Minimum Municipal Obligation requires several assumptions relating to projected payroll. The attached 2024 Minimum Municipal Obligation certification details this determination.

Please understand that the MMO is the City's 2024 bill for this pension plan. The calculated obligation must be paid by December 31, 2024. 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 the Pennsylvania Municipal Retirement System at 800.622.7968.

cc: Matt Tuerk, Mayor  
Rich Cardamone, CFO PMRS

Attachment: 2024 PMRS MMO Worksheet

**The Minimum Municipal Obligation Worksheet (MMO)  
For The PMRS  
Allentown City Pension Plan (39-006-2 N2)  
For Plan Year 2024**

**CHARGES**

Estimated 2023 W-2 Payroll

For Covered Plan Members: (A) 32,533,530 -

PMRS Determined Normal Cost

Expressed as a Decimal: (B) 0.1475

RESULT: (A) \* (B) = (C) 4,798,696

Administrative Charge (PMRS Determined

# of Plan Members times \$20: (D) 20,020

Amortization of Unfunded Liability

(PMRS Determined) (E) 2,125,851

TOTAL CHARGES: (C) + (D) + (E) = (F) 6,944,567

**CREDITS**

Repeat Estimated 2023 W-2 Payroll

For Covered Plan Members: (A) 32,533,530

Employee Contribution Rate

Expressed as a Decimal: (G) 0.075

RESULT: (A) \* (G) = (H) 2,440,015

Amortization of the Actuarial Surplus

(PMRS Determined) (I) -

TOTAL CREDITS: (H) + (I) = (J) 2,440,015

**MINIMUM MUNICIPAL OBLIGATION**

(Based on 01/01/2023 Actuarial Valuation) (MMO) 4,504,552

Equals TOTAL CHARGES Minus

TOTAL CREDITS (F) - (J) = **(Please round numbers to dollars)**

Prepared By: Bruce Patel (Name) Bruce Patel 9/13/2023 (Signature)  
Director of Finance (Title) (610) 437-7500 (Telephone #)