

RESOLUTION 2021-94
RADNOR TOWNSHIP

A RESOLUTION OF RADNOR TOWNSHIP, DELAWARE
COUNTY, PENNSYLVANIA, ADOPTING THE 2022
MINIMUM MUNICIPAL OBLIGATION (MMO)

WHEREAS, The Commonwealth of Pennsylvania General Assembly, on December 18, 1984 adopted the Municipal Pension Plan Funding Standards and Recovery Act (Act 205 of 1984), which has been amended in part by Act 189 of 1990, Act 82 of 1988, and Act 44 of 2009; and

WHEREAS, The Municipal Pension Plan Funding Standards and Recovery Act requires that municipalities calculate a Minimum Municipal Obligation (“MMO”) prior to September 30 for the subsequent budget year; and

WHEREAS, The MMO can be amended during the budget process based on changes in payroll projections and resubmitted to the State; and

WHEREAS, the most recent bi-annual Actuarial Valuation as of January 1, 2021, prepared by Mockenhaupt Associates for both the Police and Civilian Pension Plans, provides the necessary components to calculate the MMO for 2022;


NOW, THEREFORE, it is hereby *RESOLVED* that the Board of Commissioners of Radnor Township hereby adopts the 2022 minimum municipal obligation for the Radnor Township Pension Plans in the following amounts as calculated on the attached worksheets:

POLICE PENSION PLAN\$2,501,800
CIVILIAN PENSION PLAN\$1,494,400

SO RESOLVED, at a duly convened meeting of the Board of Commissioners of Radnor Township conducted on this 20th day of September, A.D., 2021.

RADNOR TOWNSHIP

By:


Name: Jack Larkin
Title: President

ATTEST:


William M. White
Township Manager / Secretary

CERTIFICATION OF
FISCAL YEAR 2022
MINIMUM MUNICIPAL OBLIGATION
POLICE AND CIVILIAN PENSION PLANS

RESOLUTION 2021-94
RADNOR TOWNSHIP, PA
SEPTEMBER 20, 2021

RADNOR TOWNSHIP, PA
2022 MINIMUM MUNICIPAL OBLIGATION
POLICE & CIVILIAN PENSION PLANS AND COMBINED



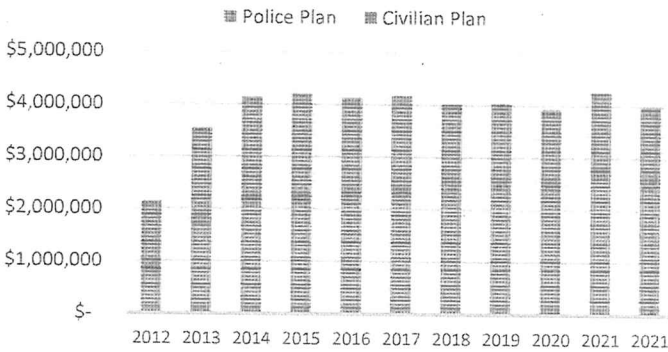
ACT 205 FUNDING FORMULA

Financial Requirements:

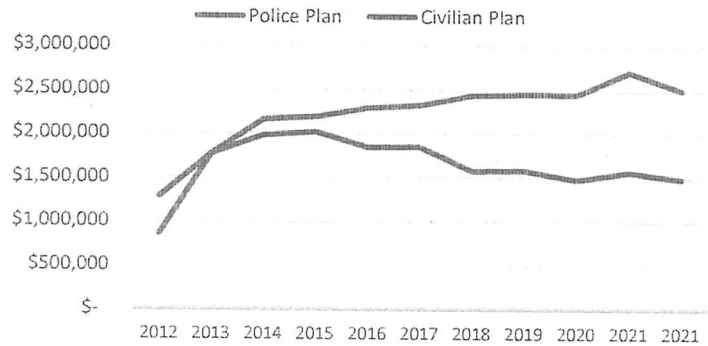
1. Estimated 2022 Payroll (rounded)
2. Normal Cost of Plan from Actuarial Report (1% of payroll)
3. Total Normal Cost of Plan (1 x 2)
4. Plan Amortization Requirement
5. Plan Administrative Expenses from Actuary Report
(Police:1.5%, Civilian:1.1%)
6. Total Financial Requirements (3 + 4 + 5)

	Police Plan	Civilian Plan	Total Obligation
1. Estimated 2022 Payroll (rounded)	\$ 5,717,000	\$ 5,474,000	\$ 11,191,000
2. Normal Cost of Plan from Actuarial Report (1% of payroll)	17.548%	11.848%	14.760%
3. Total Normal Cost of Plan (1 x 2)	\$ 1,003,219	\$ 648,560	\$ 1,651,779
4. Plan Amortization Requirement	1,633,849	1,048,355	2,682,204
5. Plan Administrative Expenses from Actuary Report (Police:1.5%, Civilian:1.1%)	85,747	71,161	156,908
6. Total Financial Requirements (3 + 4 + 5)	<u>\$ 2,722,815</u>	<u>\$ 1,768,076</u>	<u>\$ 4,490,891</u>
Credits to Township Funding Requirements:			
7. Estimated Employee Contributions	(221,000)	(273,700)	(494,700)
8. Rounding Adjustment	(15)	24	9
9. Total Credits to Township Funding Requirements	<u>\$ (221,015)</u>	<u>\$ (273,676)</u>	<u>\$ (494,691)</u>
10. Recommended MMO	<u>\$ 2,501,800</u>	<u>\$ 1,494,400</u>	<u>\$ 3,996,200</u>

COMBINED MMO TOTALS



PLAN MMO TOTALS



MMO History:

2012 MMO Total	\$ 855,232	\$ 1,280,125	\$ 2,135,357
2013 MMO Total	\$ 1,765,384	\$ 1,767,162	\$ 3,532,546
2014 MMO Total	\$ 2,160,223	\$ 1,979,695	\$ 4,139,918
2015 MMO Total	\$ 2,190,903	\$ 2,020,393	\$ 4,211,296
2016 MMO Total	\$ 2,292,574	\$ 1,845,031	\$ 4,137,605
2017 MMO Total	\$ 2,322,459	\$ 1,852,440	\$ 4,174,899
2018 MMO Total	\$ 2,440,000	\$ 1,580,000	\$ 4,020,000
2019 MMO Total	\$ 2,455,000	\$ 1,587,000	\$ 4,042,000
2020 MMO Total	\$ 2,449,400	\$ 1,482,300	\$ 3,931,700
2021 MMO Total	\$ 2,710,800	\$ 1,572,900	\$ 4,283,700
2022 MMO Total	\$ 2,501,800	\$ 1,494,400	\$ 3,996,200

ACT 205 FUNDING FORMULA (A)

FINANCIAL REQUIREMENTS

	UNIFORM PLAN				CIVILIAN PLAN				TOTAL OBLIGATION
	Pre 1/1/2013 Officers	Post 1/1/2013 Officers	Retirees	FOP / POLICE PLAN TOTAL	Administrative	Union	Retirees	CIVILIAN PLAN TOTAL	
1. TOTAL ANNUAL PAYROLL (ESTIMATED)	\$ 2,551,614	\$ 3,164,859	\$ -	\$ 5,716,473	\$ 1,618,163	\$ 3,855,802	\$ -	\$ 5,473,965	\$ 11,190,438
2. NORMAL COST OF PLAN (% OF PAYROLL)	17.548%	17.548%	0.000%	17.548%	11.848%	11.848%	0.000%	11.848%	14.760%
3. TOTAL NORMAL COST OF PLAN (1 x 2)	\$ 447,757	\$ 555,369	\$ -	\$ 1,003,127	\$ 191,720	\$ 456,835	\$ -	\$ 648,555	\$ 1,651,682
4. TOTAL AMORTIZATION REQUIREMENT	740,951	-	892,898	1,633,849	146,770	461,276	440,309	1,048,355	2,682,204
5. TOTAL ADMINISTRATIVE EXPENSES (Police:1.5%, Civilian:1.3%)	38,274	47,473	-	85,747	21,036	50,125	-	71,161	156,908
6. TOTAL FINANCIAL REQUIREMENTS (3 + 4 + 5)	\$ 1,226,982	\$ 602,842	\$ 892,898	\$ 2,722,723	\$ 359,526	\$ 968,236	\$ 440,309	\$ 1,768,071	\$ 4,490,794
CREDITS TO PLAN									
7. TOTAL EMPLOYEE CONTRIBUTIONS (ESTIMATED)	(92,127)	(128,800)	-	(220,927)	(80,908)	(192,790)	-	(273,698)	(494,625)
8. ROUNDING	-	-	4	4	-	-	27	27	31
9. TOTAL CREDITS TO PLAN (7 + 8)	\$ (92,127)	\$ (128,800)	\$ 4	\$ (220,923)	\$ (80,908)	\$ (192,790)	\$ 27	\$ (273,671)	\$ (494,594)
10. MINIMUM MUNICIPAL FINANCIAL OBLIGATIONS	\$ 1,134,855	\$ 474,042	\$ 892,902	\$ 2,501,800	\$ 278,618	\$ 775,446	\$ 440,336	\$ 1,494,400	\$ 3,996,200
							Less: Anticipated State Aid	(750,000)	(750,000)
							Net 2022 Pension Expense Estimate		\$ 3,246,200

Footnotes:

1. The payroll totals from this detail page reconcile exactly with the Township's budget payroll spreadsheet. The amounts used on the actual MMO are rounded up, to the nearest 10,000
2. The MMO calculated in this workbook is GROSS pension expense. The Township receives roughly \$750,000 from state aid to offset these costs