

**BOROUGH OF CRAFTON**  
**RESOLUTION No. 2022-022**

**A RESOLUTION OF THE BOROUGH OF CRAFTON, ALLEGHENY COUNTY, COMMONWEALTH OF PENNSYLVANIA, ADOPTING THE 2023 MINIMUM MUNICIPAL OBLIGATION, AS REQUIRED BY ACT 205, FOR THE POLICE PENSION FUND AND NON-UNIFORMED EMPLOYEES PENSION FUND.**

WHEREAS, Act 205 of 1984, the Pension Standard and Recovery Act created a statutorily mandated actuarial funding standard called the Minimum Municipal Obligation (MMO) which the municipality is required to calculate and pay every year; and

WHEREAS, Act 205 further requires that the Chief Administrative Officer of the pension funds certify the amount of the MMO for the next fiscal year no later than September 30 of the preceding year; and

WHEREAS, the Borough is required to include the actuarially calculated MMO amounts in the adopted budget no later than December 31 of the fiscal year; and

WHEREAS, the Borough's actuaries have calculated, and the Chief Administrative Officer has certified that the amounts shown below are the amounts to be deposited into the respective pension funds for fiscal year 2023:

Police Pension Fund	\$9,568
Non-Uniform Fund	\$77,306

NOW, THEREFORE, IT IS HEREBY RESOLVED, that the Crafton Borough Council adopts the Borough's *2023 Minimum Municipal Obligation* as required under Act 205 as set forth above, and.

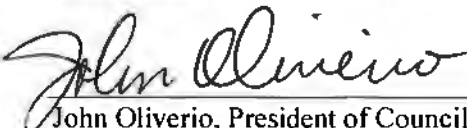
Council further RESOLVES to allocate monies in the above amounts in the 2023 budget as required by law.

**RESOLVED** BY THE BOROUGH COUNCIL ON THIS 22<sup>nd</sup> DAY OF SEPTEMBER 2022.

**ATTEST:**

  
\_\_\_\_\_  
Douglas Sample, Interim Manager  
Chief Administrative Officer

**BOROUGH OF CRAFTON**

  
\_\_\_\_\_  
John Oliverio, President of Council  
President of Council

**BOROUGH OF CRAFTON POLICE PENSION PLAN  
FINANCIAL REQUIREMENT AND MINIMUM MUNICIPAL OBLIGATION  
FOR 2023 MUNICIPAL BUDGET**

---

**A. Normal Cost**

1. Normal Cost as a Percent of Payroll	17.578%
2. Estimated 2022 Payroll for Active Participants	\$ <u>776,975</u>
3. Normal Cost (A1 x A2)	\$ <u>136,577</u>

**B. Financial Requirement**

1. Normal Cost (A3)	\$ 136,577
2. Anticipated Insurance Premiums	0
3. Anticipated Administrative Expense	27,971
4. Amortization Payment, if any	<u>0</u>
5. Financial Requirement (B1 + B2 + B3 + B4)	\$ <u>164,548</u>

**C. Minimum Municipal Obligation**

1. Financial Requirement (B5)	\$ 164,548
2. Anticipated Employee Contributions (5.0% of Estimated Payroll)	38,849
3. Funding Adjustment, if any	<u>116,131</u>
4. Minimum Municipal Obligation (C1 - C2 - C3)	\$ <u>9,568</u>


---

**NOTES:**

1. 2023 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, 2023 to avoid an interest penalty.
  3. Any delinquent Minimum Municipal Obligation from prior years must be included in the 2023 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

9/22/2022  
Date

Prepared using the January 1, 2021 Valuation.

**BOROUGH OF CRAFTON NON-UNIFORMED PENSION PLAN  
FINANCIAL REQUIREMENT AND MINIMUM MUNICIPAL OBLIGATION  
FOR 2023 MUNICIPAL BUDGET**

**A. Normal Cost**

1. Normal Cost as a Percent of Payroll	5.396%
2. Estimated 2022 Payroll for Active Participants	\$ <u>670,223</u>
3. Normal Cost (A1 x A2)	\$ <u>36,165</u>

**B. Financial Requirement**

1. Normal Cost (A3)	\$ 36,165
2. Anticipated Insurance Premiums	0
3. Anticipated Administrative Expense	17,426
4. Amortization Payment, if any ^	<u>23,715</u>
5. Financial Requirement (B1 + B2 + B3 + B4)	\$ <u>77,306</u>

**C. Minimum Municipal Obligation**

1. Financial Requirement (B5)	\$ 77,306
2. Anticipated Employee Contributions	0
3. Funding Adjustment, if any	<u>0</u>
4. Minimum Municipal Obligation (C1 - C2 - C3)	\$ <u>77,306</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 \$11,521.*

**NOTES:**

1. 2023 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, 2023 to avoid an interest penalty.
3. Any delinquent Minimum Municipal Obligation from prior years must be included in the 2023 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

9/22/2022

\_\_\_\_\_  
Date

Prepared using the January 1, 2021 Valuation.