

RESOLUTION NO. 2022-XX

**ESTABLISHING THE MINIMUM MUNICIPAL
OBLIGATION FOR THE UNIFORMED AND NON-
UNIFORMED PENSION PLANS FOR THE YEAR 2023.**

WHEREAS, the Board of Township Supervisors, in and for Cranberry Township, Butler County, provides a retirement plan for eligible employees in both uniformed and non-uniformed classifications.

WHEREAS, the said Board is required to administer the said pension plans in accordance with various municipal codes, including Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act,

THEREFORE, BE IT RESOLVED, that the Board of Township Supervisors hereby approves the following:

- A) The Minimum Municipal Obligation of the Township for the non-uniformed pension plan as \$430,297, as determined on Exhibit A;
- B) The Minimum Municipal Obligation of the Township for the uniformed pension plan as \$700,270, as determined on Exhibit B;

Upon a motion duly made and seconded, **APPROVED AND ADOPTED** this 25th day of August 2022.

ATTEST:

TOWNSHIP OF CRANBERRY

Daniel D. Santoro,
Township Manager/Secretary

By: _____
Michael D. Manipole, Vice Chairman
Board of Supervisors

**CRANBERRY TOWNSHIP
NON-UNIFORMED RETIREMENT PROGRAM**

MINIMUM MUNICIPAL OBLIGATION (MMO) FOR THE 2023 MUNICIPAL BUDGET*
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	<i>Class I & II Employees</i>
1. Annual Payroll.**	8,605,945
2. Contribution Rate (DCP).	<u>5.00%</u>
3. Contribution Required (DCP); (1)x(2).	430,297
4. Projected Administrative Expenses.	<u>0</u>
5. Total Financial Requirements; (3)+(4).	430,297
6. Estimated Member Contributions.	0
7. Minimum Municipal Obligation for 2020; (5)-(6), but not less than zero.***	<div style="border: 1px solid black; padding: 2px;">430,297</div>

* This report is intended to accompany other workpapers used in the development of the municipal budget for the 2023 calendar year. The data provided herein is based on estimates of 2022 W-2 payroll supplied by Cranberry Township and the most recent Act 205 Actuarial Valuation Report.

** For purposes of this report, the term "annual payroll" means estimated payroll to be reported on Internal Revenue Service Form W-2 for the active membership of the Plan for the 2022 plan year.

*** The Minimum Municipal Obligation (MMO) item 7 above, should appear on the expense side of the 2023 budget and must be deposited for

SUBMITTED BY: _____

EXHIBIT A

**CRANBERRY TOWNSHIP POLICE PENSION PLAN
FINANCIAL REQUIREMENT AND MINIMUM MUNICIPAL OBLIGATION
FOR 2023 MUNICIPAL BUDGET**

A. Normal Cost

1. Normal Cost as a Percent of Payroll	18.766%
2. Estimated 2022 Payroll for Active Participants	\$ 3,369,887
3. Normal Cost (A1 x A2)	\$ <u>632,393</u>

B. Financial Requirement

1. Normal Cost (A3)	\$ 632,393
2. Anticipated Insurance Premiums	0
3. Anticipated Administrative Expense	47,178
4. Amortization Payment, if any ^	<u>189,193</u>
5. Financial Requirement (B1 + B2 + B3 + B4)	\$ <u>868,764</u>

C. Minimum Municipal Obligation

1. Financial Requirement (B5)	\$ 868,764
2. Anticipated Employee Contributions (5.0% of Estimated Payroll)	168,494
3. Funding Adjustment, if any	<u>0</u>
4. Minimum Municipal Obligation (C1 - C2 - C3)	\$ <u>700,270</u>

^The amortization payment from the January 1, 2021 valuation was adjusted to reflect amortization base(s) that have since expired. The amortization payment increased by \$8,463.

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.
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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, 2021 Valuation.

EXHIBIT B