

The Borough of Highspire

640 ESHELMAN STREET
HIGHSPIRE, PENNSYLVANIA 17034-1698

Office 717/939-3303

Fax 717/939-3371

September 19, 2023

SUBJECT: 2024 Minimum Municipal Obligation

For the Police Pension Plan (4-19379)

TO: Highspire Borough Council

FROM: Mark L. Stonbraker, Chief Administrative Officer & Borough Manager

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 for the following year by the last business day in September. This memo, provided under the guidance of Beyer-Barber Company (our plan's actuary), is intended to satisfy this legal requirement. Questions on our pension costs can either be addressed to me or Robert J. Hall Company at 717-960-0752.

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.

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BOROUGH OF HIGHSPIRE POLICE PENSION PLAN WORKSHEET FOR 2024 MMO

1. TOTAL ANNUAL PAYROLL \$ (W-2 payroll for 2023)	462,313.70
2. TOTAL NORMAL COST PERCENTAGE	11.40%
3. TOTAL NORMAL COST \$ (Item 1 x Item 2)	52,703.76
4. TOTAL AMORTIZATION REQUIREMENT \$	8,769.00
5. TOTAL ADMINISTRATIVE EXPENSES \$ (Estimated based on recent experience)	7,125.00
6. TOTAL FINANCIAL REQUIREMENTS \$ (Item 3 + Item 4 + Item 5)	68,597.76
7. TOTAL MEMBER CONTRIBUTIONS \$ (Member Contribution Rate x Item 1)	9,246.27
8. FUNDING ADJUSTMENT \$	0
9. MINIMUM MUNICIPAL OBLIGATION \$ (Item 6 - Item 7 - Item 8)	59,351.49

Signature of Chief Administrative Officer

Date Certified to Governing Body

Note: The 2023 Minimum Municipal Obligation is based on the most recent Actuarial Valuation Report on January 1, 2023. on January 1, 2023.

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