

# HOPEWELL TOWNSHIP

MUNICIPAL BUILDING  
1700 CLARK BOULEVARD  
ALIQUIPPA, PENNSYLVANIA 15001-4298  
PHONE: (724) 378-1460  
FAX: (724) 378-3034

BOARD OF COMMISSIONERS  
CHUCK PIROLI, President  
NORMAN KRAUS, JR., Vice President  
MARIO LEONE, JR.  
BRIAN ROHM  
RICH BUFALINI

GERALD G. ORSINI, Township Manager

ANDY BRUNETTE, Finance Manager

September 8, 2008

Board of Commissioners Hopewell Township  
1700 Clark Blvd  
Aliquippa, PA 15001

RE: THE 2009 MINIMUM MUNICIPAL OBLIGATION (MMO) FOR THE HOPEWELL  
TOWNSHIP POLICE PENSION PLAN (BEAVER COUNTY).

Act 205 of 1984, as amended, governs the funding requirements for all municipal pension plans. The law requires the Chief Administrative Officer of each municipal pension plan to inform the governing body of the municipality of the plan's expected financial obligation for the coming year. This must be done by the last business day in September. This memo, provided under the guidance of the Pennsylvania Municipal Retirement System (the plan's administrator), is intended to satisfy the legal requirements of act 205 of 1984.

The calculation of the 2009 plan cost, or the MMO, required an estimate of the 2008 W-2 wages of the employees covered by the plan. I have indicated on the attached worksheet my best estimate of the same. Questions on the pension cost calculation may be addressed to either myself or William C. Asay of Mockenhaupt Benefits Group at (412) 394-9332.

Please understand that the MMO is the municipality's 2009 bill for this pension plan. The calculated obligation must be paid by December 31, 2009. The obligation must be met with general fund monies or with any General State Aid to Municipal Pension to which we may be entitled to under Act 205 of 1984.

A review of the plan's funding status indicates that as of January 1, 2007, the plan's Actuarial Value of Assets exceeds the Present Value of Benefits. Therefore, according to Section 302(b) (1) of Act 205 of 1984, the plan is considered to be fully funded and no contributions are required to be made to the plan for the 2009 Plan Year. The 2009 Minimum Municipal Obligation for Hopewell Township Police Pension Plan budget is zero.

Respectfully Submitted



Andy J. Brunette  
Assistant Manager/Controller  
Hopewell Township  
cc: Jerry Orsini Hopewell Township Manager

*"People Working Together To Build A Better Community"*



July 31, 2008

**PERSONAL AND CONFIDENTIAL**

Mr. Jerry Orsini  
Township Manager  
Hopewell Township  
1700 Clark Boulevard  
Aliquippa, PA 15001

**RE: HOPEWELL TOWNSHIP POLICE PENSION PLAN  
2009 Minimum Municipal Obligation**

Dear Mr. Orsini:

Enclosed is the 2009 Minimum Municipal Obligation (MMO) Report for your Plan. This MMO must be submitted to the governing body of the Municipality by September 30, 2008 (although revisions may be made up to the time the budget is finalized). This report has been completed using the actuarial results from the January 1, 2007 valuation and the data you recently provided.

The MMO reflects the municipality's intent to reduce employee contributions below the mandatory rate under Act 600. Act 600 requires that a resolution be passed on an annual basis, if contributions are being reduced. A sample resolution is enclosed that can be used to formalize that rate for 2009.

As indicated on the enclosed MMO Report, the Actuarial Value of Assets exceeds the Present Value of Benefits as of January 1, 2007. Therefore, according to Section 302(b)(1) of Act 205 of 1984, no contributions are currently required to be made to the Plan. (Contributions may be required in the future if subsequent valuations reflect changes that bring the Plan out of its fully funded condition.)

Although no contributions are required, the Chief Administrative Officer should still certify to the governing body that the Plan's funding has been reviewed and that no MMO is due to the Plan. The enclosed certification can be used for this purpose. The governing body should then indicate in the 2009 budget that no contributions are due to the Plan.

If you should have any questions about the enclosed calculation or the MMO process in general, feel free to contact me at (412) 394-9332.

Sincerely,

A handwritten signature in black ink that reads "Bill Asay".

William C. Asay, CEBS  
President

WCA:AAD:G:\MMOS\2009mmos\MMO Cover Letters\HopewellTwpPolice\_CovLtr DB.doc

Enclosure

## RESOLUTION R2008-17

Hopewell Township, Beaver County, Pennsylvania

A RESOLUTION OF THE TOWNSHIP OF HOPWELL RELATIVE TO THE ESTABLISHMENT AND MAINTENANCE OF EMPLOYEES PENSION, ANNUITY, INSURANCE AND BENEFIT FUND OR FUNDS, TO AMEND CERTAIN PROVISIONS OF THE PENSION PLAN OR PROGRAM APPLICABLE TO THE POLICE EMPLOYEES OF SAID TOWNSHIP:

*WHEREAS*, the Township of Hopewell (the "Township") has established a retirement plan for certain of its employees known as the Hopewell Township Police Pension Plan (the "Plan") which was adopted pursuant to Act 600; and

*WHEREAS*, the Township reserves the right to reduce or eliminate Participant Contributions below the mandated rate of five percent (5%) of compensation subject to certain conditions on an annual basis; and

*WHEREAS*, the Township has received confirmation from the Plan's Actuary with respect to the Participant Contributions and the actuarial soundness of the plan; and

*WHEREAS*, the Township is satisfied that the conditions have been met in order to reduce the contribution rate to 0% of compensation for the 2009 plan year.

*NOW THEREFORE, BE IT RESOLVED* this 22nd day of September 2008 by the Board of Commissioners that, effective January 1, 2009, and continuing through and including December 31, 2009, the amount of Participant Contributions due shall be 0% of compensation. The obligation to pay Participant Contributions pursuant to Act 600 in the amount specified therein shall resume effective as of January 1, 2010.

Attest:

  
\_\_\_\_\_  
Gerald G. Orsini, Manager  
\_\_\_\_\_  
Chuck Piroli President,  
Hopewell Township Board of Commissioners