



City of Bethlehem Memorandum

TO: J. William Reynolds, City Council President

FROM: Mark W. Sivak, Director of Budget & Finance *MWS*

DATE: March 18, 2014

SUBJECT: Pension Fund Resolutions

Attached are three pension resolutions which need to be adopted by City Council for the Police, Fire, and Officer & Employee pension funds. The City is changing the method for determining the actuarial value of assets from a 5-year smoothed method to market value. The market value method is what is normally used for determining the actuarial value of assets.

The City was using the 5-year smoothed method beginning with the January 1, 2009 actuarial valuation report as allowed by Act 44 of 2009, which was intended for municipalities to be able to better cope with the severe downturn in the stock market. While our pension MMO payments did increase significantly over the last five years, the increase would have been greater had we not used the 5-year asset smoothing method.

If you have any questions or need further information please let me know.

cc: Mayor Donchez
Members of Council
D. Brong
B. Leeson
J. Spirk