



City of Bethlehem Memorandum

To: Members of City Council
From: Eric R. Evans, Business Administrator
Date: August 17, 2026
Subject: 2027 Budget – Pension Minimum Municipal Obligations

Act 205 of 1984, as amended, governs the funding requirements for all municipal pension plans. The law requires the Chief Administrative Officer of each pension plan to inform the governing board of the municipality of the plan's expected financial obligation for the coming year. This must be done by the last day in September.

The MMO is the municipality's 2027 bill for the pension plans and must be paid by December 31, 2027. The obligation must be met with general fund monies or any General State Aid to Municipal Pensions to which we may be entitled under Act 205.

Based upon the most recent actuarial valuations and payroll data, the below minimum contributions are what the city will need to budget for 2027.

	<u>Financial Requirements</u>		<u>Minimum Municipal Contribution</u>		<u>Anticipated Employee Contribution</u>
Police	\$7,994,989	=	\$7,231,227	+	\$763,762
Fire	\$3,772,710	=	\$3,164,187	+	\$608,523
PMRS	\$4,226,919	=	\$2,285,887	+	\$1,941,032

cc: Mayor Reynolds
L. Lazarchak, Director of Budget and Finance
J. Vlossak, Director of Financial Operations
G. Yasso, City Controller