

OFFICIAL

BOROUGH OF AVALON

ORDINANCE NO. 1236

AN ORDINANCE OF THE BOROUGH OF AVALON, PENNSYLVANIA, AMENDING ORDINANCE NO. 1232 AS AMENDED (THE POLICE PENSION PLAN ORDINANCE) TO REDUCE CONTRIBUTIONS FROM THE MEMBERS OF THE BOROUGH OF AVALON POLICE FORCE TO THE BOROUGH OF AVALON POLICE PENSION PLAN FROM JANUARY 1, 1992 THROUGH DECEMBER 31, 1997.

WHEREAS, Mockenhaupt Associates, the Actuary for the Borough of Avalon Police Pension Plan (hereafter the "Plan") has certified that the reduction of contributions to the Plan by the Policemen who are members of the Plan would not adversely affect the Plan; and

WHEREAS, under the Act of May 29, 1956, P.L. 129 s/s 119, as amended (53 P.S. 722), the Council of the Borough of Avalon may, on an annual basis, by Ordinance reduce or eliminate payments into the Plan by members.

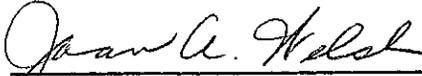
Now, THEREFORE, BE IT ENACTED AND ORDAINED by the Mayor and Council of the Borough of Avalon, and it is hereby enacted and ordained by the authority of the same, as follows:

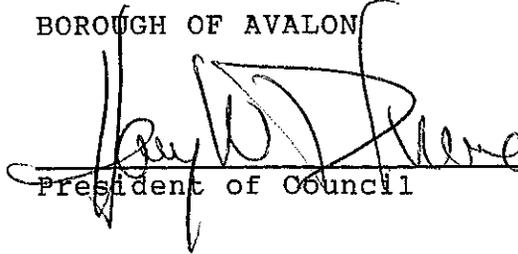
1. That member contributions to the Borough of Avalon Police Pension Plan from January 1, 1992 through December 31, 1997 are hereby reduced to 3.50%.
2. That member contributions to the Borough of Avalon Police Pension Plan made from January 1, 1992 through the adoption of this Ordinance pursuant to Ordinance No. 1232 shall be refunded to the members so making such contributions as soon as it is administratively feasible after the adoption of this Ordinance.
3. Any Ordinances which are contrary to or are in conflict with the provisions of this Ordinance are hereby repealed to the extent necessary to give this Ordinance full force and effect.

THIS ORDINANCE ORDAINED AND ENACTED into law by the Council  
of the Borough of Avalon this 30<sup>th</sup> day of December, 1996.

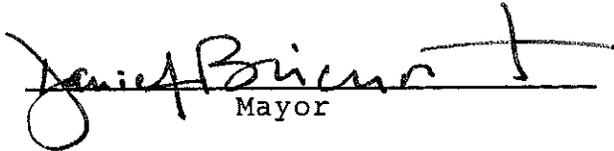
ATTEST:

BOROUGH OF AVALON

  
Secretary

  
President of Council

THIS ORDINANCE examined and approved  
by me this 30<sup>th</sup> day of December, 1996.

  
Mayor



**Mockenhaupt  
Associates**

*Specializing in Municipal Benefit  
Consulting and Actuarial Services*

July 24, 1996

**PERSONAL AND CONFIDENTIAL**

Ms. Joan Welsh  
Secretary/Manager  
Borough of Avalon  
640 California Avenue  
Avalon, PA 15202

**RE: Borough of Avalon Police Pension Plan - Elimination of Employee  
Contributions for years 1992 through 1996**

Dear Ms. Welsh:

As requested, we have examined the funding situation of the Police Pension Plan with respect to whether the reduction of employee contributions for the calendar years 1992 through 1996 was in accordance with the requirements of Act 600. A minimum statutory rate of 5 percent of annual salary is specified by Act 600. Act 600 permits the governing body of a municipality to reduce or eliminate such contributions by annual resolution or ordinance provided that such contributions are not required to keep the fund actuarially sound and that reduction of the contributions would not necessitate a contribution from the Borough.

The Minimum Municipal Obligations (MMOs) for 1992 through 1996 set forth the amount that the Borough was required to contribute in those years in order to meet its funding obligation under Act 205.

These MMOs were determined based upon an assumed employee contribution rate of 3.5 percent of annual salary. The contribution required by MMOs for the years 1992 through 1995 were made from state aid received. We believe that the Pension Fund remained actuarially sound for those years, since the contributions required by the MMO were made.

State aid for 1996 has not yet been received. If at least \$10,016 from 1996 state aid is deposited, then the MMO will be met without a Borough contribution. The Plan will remain actuarially sound, and employee contributions may continue to be reduced to 3.5 percent.

Ms. Joan Welsh  
July 24, 1996  
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If you have any questions, please feel free to contact me at (412) 394-9660.

Sincerely yours,

A handwritten signature in cursive script that reads "G. Herbert Loomis". The signature is written in dark ink and is positioned above the printed name.

G. Herbert Loomis, F.S.A., E.A., M.A.A.A.  
Consulting Actuary

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