

## MEMORANDUM

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TO: Michael Doweary, Receiver for the City of Chester  
Vijay Kapoor, Chief of Staff to Receiver

FROM: John P. McLaughlin, Esquire, Counsel to Receiver

DATE: December 15, 2021

RE: Analysis of Documents Produced from Pension Administrator on December 13 and  
15, 2021

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On December 13, 2021, and December 15, 2021, James Kennedy, President of Thomas J. Anderson & Associates, Inc., provided me with the documents attached as Appendix A that he believed to be relevant to the Receiver's October 25, 2021 Order (the "Order") that found that the City's pension board was incorrectly calculating the final salary for police retirees hired after January 1, 1988, and directed the City of Chester ("City" or "Chester") Pension Board ("Pension Board") to utilize the correct final salary formula of the average earnings of the retiree's last three years.<sup>1</sup> My review of these documents confirms my previous conclusions that the pension board was improperly utilizing the incorrect final salary formula and raises new, serious concerns regarding actions that the Pension Board and other City officials took in 2009 and thereafter.

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<sup>1</sup> Thomas J. Anderson & Associates (TJA) has been the Pension Administrator for the City of Chester police pension plan since approximately 2009. Mr. Kennedy commenced working for TJA in 2013.

### **Background of Documents Provided on December 13, 2021**

The documents I received included:

- 1) Pension Board minutes which appear to be from an April 22, 2009 meeting where a Pension Board member expressed concern that “a deal is being done and someone getting a benefit that maybe he is not entitled to”;<sup>2</sup>
- 2) Several pension calculation worksheets from 2009 calculating pension benefits for DROP Participants based on their last 12 months of employment;
- 3) Correspondence dated March 15, 2010 from the City of Chester’s Controller, Dalinda Carrero-Papi, to Douglas G. Werley, of TJA office; and
- 4) Correspondence dated March 15, 2010 from Douglas Werley confirming that the firm of Thomas J. Anderson calculated the pension monthly pension benefits of several police and firefighters, per the City’s instructions, using the City’s purported past practice even though the method was contrary to the method stated in the applicable pension ordinances.
- 5) Email correspondence including letters attached to emails dated March 10 and 11, 2010 between Douglas Werley and the City of Chester’s Controller, Dalinda Carrero-Papi<sup>3</sup>

### **Analysis of Documents Provided on December 13, 2021**

After reviewing the documents, I have concluded that the information in the documents confirms the conclusions in my Memorandum of October 25, 2021, (the “Memorandum”).

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<sup>2</sup> The handwriting on the Pension Board minutes was in the original sent to the Receiver by Mr. Kennedy.

<sup>3</sup> The redacted information in the letter relates to personal financial information of individual employees and retirees and is not relevant to the issues discussed in this memorandum.

Additionally, the information in these document raises new, serious concerns regarding actions that the pension board and others took in 2009 and thereafter.

Nothing in the documents establishes that there was any negotiated or binding agreement between the City and the police union to change the final salary calculation from the average of the last three years (the “3 Year Formula”) to the last twelve months the “12 Month Formula”). To the contrary, the discussion in the Pension Board minutes indicates that no such binding agreement existed and, as noted in my Memorandum, no such change was ever made to the collective bargaining agreement language or pension ordinance to codify such a purported binding agreement. While it appears from the documents that the City Controller represented that the City and the Union purportedly wanted to create one pension formula for all officers hired before and after 1988 based on the officer’s last 12 months of employment, absent from the entire discussion was any reference to any collective bargaining agreement or ordinance that authorized any change to the pension benefit calculation formula. Local government does not operate in secret or behind closed doors, and without any such agreement that was properly approved by the City in accordance with applicable law, no one was authorized to make any change to the pension benefit calculation formula. This is particularly true with respect to a decision to significantly enhance a pension benefit at the end of an employee’s service.<sup>4</sup>

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<sup>4</sup> This memorandum mainly discusses the manner in which this change was made. However, the financial significance of this change and the timing of this benefit change cannot be overlooked. The change from the 3 Year Formula to the 12 Month Formula was a very significant pension benefit enhancement and it was being made 20 years after the two-tiered pension benefit structure was created based on officer hired before 1988, who benefited from the 12 Month Formula, and those hired after 1988, whose benefit was to be based on the 3 Year Formula. Thus, officers who were hired 15 or 20 years earlier who worked with the understanding that the 3 Year Formula would apply upon their retirement experienced a sudden benefit windfall. The City had also been funding the pension benefit for those individuals for 20 years based on the 3 Year Formula, which would produce a lower and less expensive benefit than the 12 Year Formula.

The representations by the City Controller that there was an agreement is at odds with the fact that no such written agreement exists and that, as noted in my Memorandum, we spoke with a number of individuals who could reasonably be expected to have knowledge of such an agreement – including the Act 47 Coordinator at the time – and no one had any such knowledge. To the contrary, the 2011 Act 205 Actuarial Valuation Report filed with the Commonwealth which was signed and certified to be correct on December 12, 2011 by Dalinda Carrero-Papi, the same City Controller that represented that there was agreement to change the formula, listed the final salary formula as the final three year average for police officers hired after December 31, 1987. [A copy of the 2011 Act 205 Actuarial Valuation Report is attached as Appendix B.].

Furthermore, there is no evidence that the City or its pension administrator ever performed a cost study to change the pension calculation as required by law. If the changes were made in compliance with the law, a cost study needed to have been performed – particularly on a change as costly as changing the final salary to 12 Month Formula, which is a formula that opened the door to pension spiking. The fact that a cost study was not performed and that there is no signed and properly approved collective bargaining agreement or ordinance reflecting the changes strongly suggests that the changes were never properly agreed upon.

Most concerning are the Pension Board minutes from the April 22, 2009 meeting. These minutes confirm that at least one member of the pension board noted that the contract language did not support the 12 Month Formula that other members of the Pension Board apparently wanted to utilize. The City Controller represented that the City and Union had agreed to the change and even though the pension documents had not been changed and even though the union (and also apparently the City) had not ratified the change, she wanted to go ahead with the new method of calculation and the pension board did so.

While the full minutes are attached to this memorandum, I believe it important to reproduce this section which is an exchange between City Controller Dalinda Carrero-Papi and Pension Board Member Thomas Bright:

“Turning to another matter, the Controller noted that the police ordinance states that any one hired on or after 1988 who becomes eligible for retirement shall have their salary calculated under the average of the last three years of employment as opposed to the last 52 weeks. It is her understanding that the union and the City wish to do away with this 2 tier system and simply allow all officers to retire using a 52 week salary calculation.

Mr. Bright asked whether a contract language change must occur before this can be implemented. Mr. Bright stated that you have an ordinance that states one thing and a CBA that says another. It needs to be changed to be in conformance with the language of the ordinance, right now you are not. There is a conflict. Ms. Carrero-Papi stated that the Union and the Solicitor’s Office on behalf of the City have been in negotiations and discussions with both fire and police and have come to the agreement that everybody desires it to be the 52 week calculation. It is the job of the actuary to prepare the proper paper work so that this 2 tier system can be eliminated. She stated that she does not want to put guys out because the language is one way and then have to change it because of some formality. Mr. Bright asked has anyone reviewed the police contract prior to Marlowe Freeman going out. Ms. Carrero-Bright stated that she met with a union representative and Officer Freeman and it was confirmed that this is the union intention. Mr. Bright stated that this change can't occur without a vote by union membership. Mr. Bright further stated that there is a deal being done and someone getting a benefit that maybe he is not entitled to because of additional language in the contract and he (Mr. Bright) has concerns about that. Ms. Carrero-Papi stated that the two-tier system has been eliminated just by the very fact that they have gone to the twenty and out. She stated that the only thing required is for the City to update their ordinances. Ms. Carrero-Papi states that the DROP indicates that a person is to be pensioned out pursuant to the normal retirement requirements under the contract; the normal retirement is 20 and out.”

From a legal perspective, this exchange is extremely troubling. First, a Pension Board member is raising concerns about the legality of a benefit calculation and is being told by the City Controller that there is an “agreement” by which “everybody desires” but no proof of such written agreement exists. Indeed, the minutes seem to suggest that the City Controller, who has no authority to bind the City to a collective bargaining agreement, met with the police union to

confirm that they wanted the 12 month calculation instead of the last three year calculation. Even if this occurred, it has no legal significance to bind the City to a change in pension benefits and instead raises the question of why the Controller was meeting with the union instead of with City officials, and even more troubling, why the City Controller felt legally authorized to calculate pension benefits in a manner that was inconsistent with the collective bargaining agreement and the ordinance. The minutes clearly confirm that the City Controller and the Pension Board appeared to be aware that the 12 Month Pension Formula that it was going to utilize was contrary to all written agreements and the ordinance.

Furthermore, the statement in the minutes attributed to the City Controller that “she does not want to put guys out because the language is one way and then have to change it because of some formality” is inexplicable. A City Controller, who again has no authority to bind the City to collective bargaining changes, must follow the language in the agreements. The “formality” that she appears to denigrate is in place precisely to avoid the situation that appears to have occurred here. This is not a question of interpretation of language – it is a wholesale benefit change to the way that the final salary is being calculated, one that was very costly to the City, and one that is direct opposition to language in the collective bargaining agreement and pension ordinance.

Additionally, the City Controller is simply wrong in her statement that “the two-tier system has been eliminated just by the very fact that they have gone to the twenty and out.” As noted in my Memorandum, the change in the 2005 MOU that established the 20 years and out had no impact on the final salary calculation which remained at the last three years. Indeed, the 2011 and 2013 Act 205 Actuarial Valuation Reports that were filed with the Commonwealth listed the final salary as the last three years, i.e. the 3 Year Formula, even as they accounted for

the 20 years and out provision. As noted earlier, Ms. Carrero-Papi even signed the 2011 valuation report certifying it to be correct on December 12, 2011. Her signature on the 2011 valuation report also contradicts her assertion that the pension benefit calculation formula was changed by a purported agreement, her stated intent to use the 12 Month Formula as reflected in the April 22, 2009 Pension Board Minutes, and her letter to the pension administrator to use the “usual method of calculation” for post-1988 hires.

Pension board members have an obligation to manage these funds in compliance with the law. No action should have been taken to change the final salary calculation until all legal “formalities” were met, including all requirements under Act 205.

### **Conclusion**

The documents provided confirm that based on this additional information, the Memorandum and the Receiver’s Order from October 25, 2021 are valid and even more necessary. None of the documents refer to any collective bargaining agreement, contract, ordinance, or pension cost impact study that would support let alone justify the expensive pension changes that the majority of the Pension Board wanted to and did implement in 2009-2010. That is precisely the conclusion of the Memorandum that supported the Order. In fact, there is no proof that any agreement was ever reached relating to changing the pension calculation formula, or that if it did exist, it was approved in accordance with applicable law. The documents reflect at best a cavalier approach to the management of the pension fund and raise questions about whether the Pension Board at the time and other City Officials fulfilled their fiduciary responsibility to the pension plan, the City, and retirees.

# Appendix A

## Documents Received on December 13, 2021

- 1) Pension Board minutes which appear to be from an April 22, 2009 meeting
- 2) Several pension calculation worksheets from 2009 calculating pension benefits for DROP Participants based on their last 12 months of employment;
- 3) Correspondence dated March 15, 2010 from the City of Chester's Controller, Dalinda Carrero-Papi, to Douglas G. Werley, of Mr. Kennedy's office; and
- 4) Correspondence dated March 15, 2010 from Douglas Werley confirming that the firm of Thomas J. Anderson calculated the pension monthly pension benefits of several police and firefighters, per the City's instructions, using the City's purported past practice even though the method was contrary to the method stated in the applicable pension ordinances.
- 5) Email correspondence including letters attached to emails dated March 10 and 11, 2010 between Douglas Werley and the City of Chester's Controller, Dalinda Carrero-Papi



# Appendix A1

DALINDA CARRERO-PAPI  
CONTROLLER



(610) 447-7766

CITY OF CHESTER PENSION FUND BOARD  
August 12, 2009

AGENDA

Call Meeting To Order

Roll Call: Mayor Wendell Butler  
Councilor Willie Wells  
Councilor Shepard Garner Jr.  
Councilor Walter Miles  
Thomas Bright  
Officer James Carr  
Battalion Chief Charles Bolgunas  
F.F. Michael Archacki  
John Mezzarone  
Irene Tucker  
Linda A. Cartisano, Esquire  
Dalinda Carrero-Papi

Minutes from Last meeting

Pensions to be approved

Old Business

Review of Quarterly Report

Questions

Mike Glackin

Adjournment

## PENSION BOARD MINUTES

April 22, 2009

A meeting of the City of Chester Aggregated Pension Fund Board was called to order by Dalinda Carrero-Papi, Esquire, Controller.

The following members were present and answered:

Mayor Wendell Butler  
Councilor Willie Wells  
Councilor Shepard Garner  
Councilor Walter Miles  
Officer James Carr  
Thomas Bright  
Battalion Chief Charles Bolgunas  
F.F. Michael Archacki  
John Mezzerrone  
Irene Tucker  
Dalinda Carrero-Papi

Minutes of last meeting were approved by all, with the exception of Mr. Thomas Bright who stated that he would like to discuss his April 22, 2009 vote for Officer Freeman with Ms. Carrero-Papi after the meeting. Ms. Carrero-Papi asked Mr. Bright to state his concerns before the Board. Mr. Bright responded that he wished to change his vote from a yes with respect to Officer Freeman's entry into the DROP program to an abstention. The Controller asked Mr. Bright to state his reasons for the record, but Mr. Bright declined stating that they were personal. The Board did not object to Mr. Bright's desire to change his vote to an abstention. Motion to approve the minutes was made by John Mezzerrone (with noted change) and seconded by Councilor Garner. All in favor. None opposed.

### PENSIONS TO BE APPROVED

The quarterly report listing the pensions being submitted for Board approval was reviewed by the City Controller. She noted the following corrections: Charles Bolgunas' DROP entry date should be listed as May 1, 2009 with a separation date of April 30, 2014. John Powers' DROP retirement effective date should be May 1, 2009 and the separation date should be April 30, 2014.

The following proposed DROP entries/retirements were submitted to the Board: Battalion Chief Charles Bolgunas - Motion made by Firefighter Archacki to approve the DROP entry and future retirement of Battalion Chief Charles Bolgunas. This motion was seconded by Officer Carr. All in favor. None opposed. Motion carried.

Battalion Chief John Powers - Motion made by Firefighter Archacki to approve his DROP entry/future retirement and it was seconded by Battalion Chief Bolgunas. All in favor. None opposed. Motion carried.

Battalion Chief John Gresch. Motion made by Firefighter Archacki to approve Battalion Chief John Gresch's request to enter the DROP/retirement. Said motion was seconded by Counciler Willie Wells. All in favor. None opposed. Motion carried.

Firefighter Frank Samsel. A motion was made by Battalion Chief Charles Bolgunas to approve Firefighter Frank Samsel's DROP entry request and retirement. This was seconded by Officer James Carr. All in favor. None opposed.

The Controller noted that with respect to the pensions of Bolgunas, Powers, and Gresch, the numbers presented to the Board were based on the last 52 weeks dating back from April 2009. She further noted that she will be adjusting these calculations to take into account the 52 week pay period dating back from May 1, 2009.

### **NEW BUSINESS**

It was presented to the Board by the Controller that Firefighter Frank Debellis is seeking certification from the Pension Board as a necessary step to returning back to work. Specifically, under the firemen's ordinance, when an employee is attempting to return to work claiming that he or she is no longer restricted, he or she must make application to the City and provide medical documentation. The Board then certifies that the individual has provided the necessary medical documentation. It is then up to Mayor and Council to decide whether or not to rehire that individual. Mr. Debellis has provided two doctor's notes to the City. The requirement is three, but it is unclear whether or not Human Resources has the third. Councilor Wells asked if the doctor's notes were issued by doctors recommended by the City or doctors that Mr. Debellis independently visited. Ms Carrero-Papi believes that these are doctors engaged by the City to review Mr. Debellis' condition.

Mr. Bright asked if this is protocol for all City employees to follow the aforementioned procedure. The Controller responded that this is the procedure under the fire ordinance and she would have to look further to determine if the same requirement exists for Police and O&E.

Councilor Shepard Garner questioned whether or not the doctors, in reviewing Mr. Debellis's condition, had any information regarding the duties of a firefighter and whether he gave an opinion as to whether Mr. DeBellis would be able to meet those duties under the job description. Ms. Carrero-Papi noted that these questions go more toward the merit of whether or not Mr. Debellis should be brought back to work as opposed to whether or not he has met the requirement to provide the relevant doctor's notes. The Controller questioned

whether this matter should be tabled. Firefighter Archacki motioned to certify Mr. Debellis; this was seconded by Mr. Thomas Bright. Councilors Garner and Miles abstained, Mayor Butler voted nay. All others were in favor.

Later in the meeting Ms. Carrero-Papi was able to reach both the Human Resource Director and the City Solicitor to verify that only two doctor's notes were received by the City relating to Mr. Debellis's condition. Given that the ordinance requires three doctors notes, the Board agreed to table this matter pending receipt of a third doctor's note.

Turning to another matter, the Controller noted that the police ordinance states that any one hired on or after 1988 who becomes eligible for retirement shall have their salary calculated under the average of the last three years of employment as opposed to the last 52 weeks. It is her understanding that the union and the City wish to do away with this 2 tier system and simply allow all officers to retire using a 52 week salary calculation .

Mr. Bright asked whether a contract language change must occur before this can be implemented. Mr. Bright stated that you have an ordinance that says one thing and a CBA that says another. It needs to be changed to be in conformance with the language of the ordinance, right now you are not. There is a conflict. Ms. Carrero-Papi stated that the Union and the Solicitor's Office on behalf of the City have been in negotiations and discussions with both fire and police and have come to the agreement that everybody desires it to be the 52 week calculation. It is the job of the actuary to prepare the proper paper work so that this 2 tier system can be eliminated. She stated that she does not want to put guys out because the language is one way and then have to change it because of some formality. Mr. Bright asked has anyone reviewed the police contract prior to Marlowe Freeman going out. Ms. Carrero-Papi stated that she met with a union representative and Officer Freeman and it was confirmed that this is the union intention. Mr. Bright stated that this change can't occur without a vote by union membership. Mr. Bright further stated that there is a deal being done and someone getting a benefit that maybe he is not entitled to because of additional language in the contract and he (Mr. Bright) has concerns about that. Ms. Carrero-Papi stated that the two-tier system has been eliminated just by the very fact that they have gone to the twenty and out. She stated that the only thing required is for the City to update their ordinances. Ms. Carrero-Papi states that the DROP indicates that a person is to be pensioned out pursuant to the normal retirement requirements under the contract; the normal retirement is 20 and out.

Councilor Wells asked if Officer Marlowe Freeman was voted on. Ms. Carrero-Papi informed her that he was voted on at the last meeting.

Ms. Carrero-Papi asked Battalion Chief Bolgunas if this two tiered pension calculation method was a problem for the fire as well (52 weeks vs. average 5 year salary). The response by both Chief Bolgunas and Firefighter Archacki was that this is causing problems for the upcoming firefighter retirees/DROP

participants. Ms. Carrero-Papi stated that in light of her discussions with the Union and the Solicitor's Office, she would also have the actuary review this firefighter issue.

Mr. Bright questioned whether anyone was taking the time to look at the police contract as it relates to the police DROP program. Specifically, Mr. Bright stated that the contract says that police officers that retire with a flat 20 years may not join the DROP. Ms. Carrero-Papi stated that she does not believe this to be an accurate quote of the DROP provision but she would look into it. Ms. Carrero-Papi noted that the DROP indicates a participant may qualify for the DROP if they meet normal retirement requirements, and under the police contract, normal retirement is 20 years of service. Firefighter Archacki noted that if there is a conflict between the contract language and the DROP, this is something that has to be worked out with the City and the Union and cannot be superseded by the Pension Board.

### **OLD BUSINESS**

It was noted that Frank Samsel exited the DROP early and would be receiving his DROP lump sum along with his monthly pension effective on or after April 3, 2009.

### **INR Presentation by Mike Glackin**

Mr. Glackin presented the quarterly investment portfolio.

No other business was discussed. Meeting adjourned.

# Appendix A2



**DALINDA CARRERO-PAPI  
CONTROLLER**

**(610) 447-7766**

**Employee Pension  
Fact Sheet**

Name:	David Tyler
Employer & Employer Number:	City of Chester (6539)
Social Security Number:	[REDACTED]
Employment Dates: (Up to DROP Ret. Date)	6/21/89-6/30/09
Years of Services:	20 Years
Job Title:	Police Officer
Department	Dept. of Public Affairs
Reason for Retirement:	DROP Program
DROP Entry Date:	July 1, 2009
DROP Separation Date:	June 30, 2014
Age:	41
Contribution to Pension Fund:	\$65,165.94
Salary (Last 52 weeks):	\$114,844.91

Formula Used:  $\$114,844.91 \times 50\% = \$57,422.45 \div 12 = \$4,785.20$

Pension Per Month: \$4,785.20

First monthly check: July 25, 2014

Re: Codified Ordinances: §143.03, §143.05; Police Contract DROP Provisions

Submitted by:  
Dalinda Carrero-Papi, Esq.,  
Controller





**DALINDA CARRERO-PAPI  
CONTROLLER**

**(610) 447-7766**

**Employee Pension  
Fact Sheet**

<b>Name:</b>	John Greenhalgh
<b>Employer &amp; Employer Number:</b>	City of Chester (6533)
<b>Social Security Number:</b>	[REDACTED]
<b>Employment Dates: (Up to DROP Ret. Date)</b>	6/21/89-6/30/09
<b>Years of Services:</b>	20 Years
<b>Job Title:</b>	Police Officer
<b>Department</b>	Dept. of Public Affairs
<b>Reason for Retirement:</b>	DROP Program
<b>DROP Entry Date:</b>	July 1, 2009
<b>DROP Separation Date:</b>	June 30, 2014
<b>Age:</b>	41
<b>Contribution to Pension Fund:</b>	\$48,509.35
<b>Salary (Last 52 weeks):</b>	\$74,342.79

**Formula Used:**  $\$74,342.79 \times 50\% = \$37,171.39 \div 12 = \$3,097.61$

**Pension Per Month:** \$3,097.61

**First monthly check:** July 25, 2014

**Re: Codified Ordinances:** §143.03, §143.05; Police Contract DROP Provisions

**Submitted by:**  
Dalinda Carrero-Papi, Esq.,  
Controller



**DALINDA CARRERO-PAPI  
CONTROLLER**

**(610) 447-7766**

**Employee Pension  
Fact Sheet**

Name:	Clarence Pearsall III
Employer & Employer Number:	City of Chester(6520)
Social Security Number:	[REDACTED]
Employment Dates:	6/9/89-6/30/09
Years of Services:	20yrs
Job Title:	Fireman
Department	Depart. of Public Safety
Reason for Retirement:	DROP Program
DROP Entry Date:	July 1, 2009
Drop Separation Date:	June 30, 2014
Age:	45
Contribution to Pension Fund:	\$47,080.33
Salary (Last 12 months):	\$68,756.87

Formula Used:  $\$68,756.87 \times 50\% = \$35,378.43 \div 12 = \$2,864.86$

Pension per Month: \$2,864.86

First Check Due: July 25, 2014

**Highest 5 Years**

2004	\$53,164.92
2005	\$59,262.86
2006	\$67,169.00
2007	\$66,313.32
2008	\$62,950.73
	<hr/>
	\$308,860.83

$\$308,860.83 \div 5 \text{ yrs.} = \$61,772.17 \times 50\% = \$30,886.09 \div 12 = \$2,573.84$

Re: Codified Ordinances  
147.06(a)  
Submitted by: Dalinda Carrero-Papi, Esq.,  
Controller



DALINDA CARRERO-PAPI  
CONTROLLER

(610) 447-7766

Employee Pension  
Fact Sheet



DRAFT

Name:	Patrick Carr
Employer & Employer Number:	City of Chester (6535)
Social Security Number:	[REDACTED]
Employment Dates (Up to DROP Ret. Date):	6/21/89 -
Years of Services:	20 years
Job Title:	Patrolman
Department	Dept. of Public Affairs
Reason for Retirement:	DROP Program
DROP Entry Date:	September 1, 2009
DROP Separation Date	August 31, 2014
Age:	44
Contribution to Pension Fund:	\$
Salary (Last 52 weeks):	\$98,860.89

Formula Used:  $\$98,860.89 \times 50\% = \$49,430.44 \div 12 = \$4,119.20$

Pension Per Month: \$4,119.20

First Monthly check: September 25, 2014

Re: Codified Ordinances: §143.03, §143.05; 1/1/03 Police Contract DROP Provisions

Submitted by:  
Dalinda Carrero-Papi, Esq.,  
Controller



**DALINDA CARRERO-PAPI**  
**CONTROLLER**

**(610) 447-7766**

**Employee Pension  
Fact Sheet**

Name:	Marlowe Freeman
Employer & Employer Number:	City of Chester (6540)
Social Security Number:	[REDACTED]
Employment Dates (Up to DROP Ret. Date):	6/21/89-1/1/09
Years of Services: (1 year buy-back)	20 Years 6 months 11 Days
Job Title:	Patrolman
Department	Dept. of Public Affairs
Reason for Retirement:	DROP Program
DROP Entry Date:	January 1, 2009
DROP Separation Date:	December 31, 2013
Age:	47
Contribution to Pension Fund:	\$61,800.91
Salary (Last 52 weeks):	\$86,919.79

Formula Used:  $\$86,919.79 \times 50\% = \$43,459.89 + 12 = \$3,621.65$

Pension Per Month: \$3,621.65

First Monthly check: January 25, 2014

Re: Codified Ordinances: §143.03(b) (1), §143.05; 1/1/03 Police Contract DROP Provisions.

Submitted by:  
Dalinda Carrero-Papi, Esq.,  
Controller



DALINDA CARRERO-PAPI  
CONTROLLER

(610) 447-7766

Employee Pension  
Fact Sheet

Name:	Clarence Pearsall III
Employer & Employer Number:	City of Chester(6520)
Social Security Number:	[REDACTED]
Employment Dates:	6/9/89-6/9/09
Years of Services:	20yrs
Job Title:	Fireman
Department	Depart. of Public Safety
Reason for Retirement:	DROP Program
DROP Entry Date:	July 1, 2009
Drop Separation Date:	June 30, 2014
Age:	45
Contribution to Pension Fund:	\$47,080.33
Salary (Last 12 months):	\$68,756.87

Formula Used:  $\$68,756.87 \times 50\% = \$35,378.43 \div 12 = \$2,864.86$

Pension per Month: \$2,864.86

First Check Due: July 25, 2014

Highest 5 Years

2004	\$53,164.92
2005	\$59,262.86
2006	\$67,169.00
2007	\$66,313.32
2008	\$62,950.73
	<hr/>
	\$308,860.83

$\$308,860.83 \div 5 \text{ yrs.} = \$61,772.17 \times 50\% = \$30,886.09 \div 12 = \$2,573.84$

Re: Codified Ordinances  
147.06(a)  
Submitted by: Dalinda Carrero-Papi, Esq.,  
Controller

DALINDA CARRERO-PAPI  
CONTROLLER



(610) 447-7766

Employee Pension  
Fact Sheet

Name: Anthony Capasso  
Employer & Employer Number: City of Chester #6527  
Social Security Number: [REDACTED]  
Employment Dates: 6/9/89-7/1/09  
Years of Services: 20 years  
Job Title: Fireman  
Department: Dept. of Public Safety  
Reason for Retirement: DROP Program  
DROP Entry Date: July 1, 2009  
DROP Separation Date: June 30, 2014  
Age: 53  
Contribution to Pension Fund: \$60,532.11  
Salary (Last 52 weeks): \$97,312.43

Formula Used:  $\$97,312.43 \times 50\% = \$48,656.21 \div 12 = \$4,054.68$

Pension Per Month: \$4,054.68

First Check Due: July 25, 2014

Highest 5 Years:	2003	\$81,584.04
	2004	\$86,377.46
	2006	\$84,432.39
	2007	\$77,916.33
	2008	\$95,424.87

$\$425,735.09 \div 5 = \$85,147.01 \times 50\% = \$42,573.50 \div 12 = \$3,547.79$

Re: Codified Ordinances:  
Submitted by:

Dalinda Carrero-Papi, Esquire  
Controller

DALINDA CARRERO-PAPI  
CONTROLLER



(610) 447-7766

Employee Pension  
Fact Sheet

Name:	Joseph Massi
Employer & Employer Number:	City of Chester (6532)
Social Security Number:	[REDACTED]
Employment Dates: (Up to DROP Ret. Date)	6/21/89-7/1/09
Years of Services:	20 Years
Job Title:	Police Officer
Department	Dept. of Public Affairs
Reason for Retirement:	DROP Program
DROP Entry Date:	July 1, 2009
DROP Separation Date:	June 30, 2014
Age:	43
Contribution to Pension Fund:	\$62,146.25
Salary (Last 52 weeks ):	\$135,251.55

Formula Used:  $\$135,251.55 \times 50\% = \$67,625.77 \div 12 = \$5,635.48$

Pension Per Month: \$5,635.48

First monthly check: July 25, 2014

Re: Codified Ordinances: §143.03, §143.05; Police Contract DROP Provisions

Submitted by:  
Dalinda Carrero-Papi, Esq.,  
Controller

# Appendix A3



**DALINDA CARRERO-PAPI  
CONTROLLER**



(610) 447-7766

March 15, 2010

Thomas J. Anderson & Associates, Inc.  
Douglas G. Werley  
415 McCarlan Road, Ste 104  
Kennett Square, Pa., 19348

Re: Recent Pension Inquiry

Dear Doug:

You recently contacted my office with several questions. First, you inquired as to the apparent delay in the DROP Entry of police officers Vanessa Suter and Eric Stanford. These individuals had miscalculated their length of service and did not qualify for a pension using the effective date as stated in their respective DROP application letters. Hence, I contacted both individuals and informed them that I would be recalculating their length of services to take into account a short period of time in which these individuals had been laid off from their employment (see attached).

Secondly, you essentially asked whether the Controllers office is adhering to the language in both the fire and police pension ordinances which states that all police and firemen hired after 1988 shall have their pensions calculated using a formula different from that previously used. Months ago I discussed this matter with then Solicitor Linda Cartisano. She informed my office that it would be the intent of both the City and the unions to eliminate any distinction between pre and post 1988 hires. In fact, this discussion took place in the presence of Tom Anderson. Consequently, the pensions are to be calculated using the usual method of calculation with taking into account the changes as stated in the pension ordinances for those police and fire that are hired after 1988.

If you have any questions or concerns, please do not hesitate to contact my office. Thank you.

Very truly yours,  
*Dalinda Carrero-Papi*  
DALINDA CARRERO-PAPI, Esq.  
City Controller

DCP/elf

# Appendix A4

March 15, 2010

Ms. Dalinda Carrero-Papi, Esq.  
City Controller  
City of Chester  
1 Fourth Street  
Chester, PA 19013-4400

RE: City of Chester Police & Paid Firefighter Pension Plans DROP Pension Calculations

Dear Dalinda:

Enclosed are the DROP benefit calculations for Daniel Pierdomenico, Todd Nuttal, Eric Stanford & Vanessa Suter. As directed on your letter dated March 15, 2010, the pensions were calculated utilizing the pre-1988 date of hire method, which the city has utilized for all retirees including those who were hired on or after January 1, 1988. This pre-1988 date of hire pension method for firefighters per the city's past practice is the greater of the highest 5 years salary or the last 52 weeks of salary at retirement. This pre-1988 date of hire pension method for police officer per the city's past practice is the last 52 weeks of salary at retirement. Please keep in mind that the codified ordinance for the firefighters hired on or after January 1, 1988 states the benefit is based upon the last 5 years of employment and the codified ordinance for the police officers hired on or after January 1, 1988 states the benefit is based upon the last 3 years of employment.

Please do not hesitate to contact me if you have any questions or need any additional information.

Sincerely,



Douglas G. Werley, CPA

Enclosures: DROP benefit calculations for Daniel Pierdomenico, Todd Nuttal, Eric Stanford & Vanessa Suter

Employee Pension  
Fact Sheet

Name: Daniel J. Pierdomenico #6641  
Employer & Employer Number: City of Chester #6641  
Social Security Number: [REDACTED]  
Employment Dates: 1/5/1990 - 2/1/2010  
Years of Services: 20 years  
Job Title: Fireman  
Department: Dept. of Public Safety  
Reason for Retirement: DROP Program  
DROP Entry Date: February 1, 2010  
DROP Separation Date: January 31, 2015  
Age: 39  
Contribution to Pension Fund: \$49,509.77  
Salary (last 52 weeks): \$75,163.64

Formula Used:  $\$75,163.64 \times 50\% = \$37,581.82 / 12 = \$3,131.82$

Pension Per Month: \$3,131.82

First Check Due: February 25, 2015

Highest 5 Years:

2005	\$56,223.40
2006	\$60,695.63
2007	\$60,590.71
2008	\$68,201.99
2009	<u>\$75,795.93</u>

\$321,507.66

$321,507.66 / 5 = \$64,301.53 / 12 \times 50\% = \$2,679.23$

Re: Codified Ordinances:  
Submitted by:  
Dalinda Carrero-Papi, Esquire  
Controller

Employee Pension  
Fact Sheet

Name: Todd Nuttal  
Employer & Employer Number: City of Chester #6625  
Social Security Number: [REDACTED]  
Employment Dates: 11/9/89-12/27/91; 1/21/92-2/1/2010  
Years of Services: 20 years  
Job Title: Police officer  
Department: Dept. of Public Affairs  
Reason for Retirement: DROP Program  
DROP Entry Date: February 1, 2010  
DROP Separation Date: January 31, 2015  
Age: 52  
Contribution to Pension Fund: \$64,036.13  
Salary (last 52 weeks): \$102,375.74

Formula Used:  $\$102,375.74 \times 50\% = \$51,187.87 / 12 = \$4,265.66$

Pension Per Month: \$4,265.66

First Check Due: February 25, 2015

Re: Codified Ordinances: § 143.03(b) (1), § 143.05; 1/1/03 Police Contract DROP Provisions

Submitted by:  
Dalinda Carrero-Papi, Esquire  
Controller

Employee Pension  
Fact Sheet

Name: Eric Stanford  
Employer & Employer Number: City of Chester #6546  
Social Security Number: [REDACTED]  
Employment Dates: 12/14/89-12/27/91; 1/21/92-2/1/2010  
Years of Services: 20 years  
Job Title: Police officer  
Department: Dept. of Public Affairs  
Reason for Retirement: DROP Program  
DROP Entry Date: February 1, 2010  
DROP Separation Date: January 31, 2015  
Age: 52  
Contribution to Pension Fund: \$64,270.05  
Salary (last 52 weeks): \$111,067.84

Formula Used:  $\$111,067.84 \times 50\% = \$55,533.92 / 12 = \$4,627.83$

Pension Per Month: \$4,627.83

First Check Due: February 25, 2015

Re: Codified Ordinances: § 143.03(b) (1), § 143.05; 1/1/03 Police Contract DROP Provisions

Submitted by:  
Dalinda Carrero-Papi, Esquire  
Controller

Employee Pension  
Fact Sheet

Name: Vanessa Suter  
Employer & Employer Number: City of Chester #6548  
Social Security Number: [REDACTED]  
Employment Dates: 12/14/89-12/27/91; 1/21/92-2/1/2010  
Years of Services: 20 years  
Job Title: Police officer  
Department: Dept. of Public Affairs  
Reason for Retirement: DROP Program  
DROP Entry Date: February 1, 2010  
DROP Separation Date: January 31, 2015  
Age: 52  
Contribution to Pension Fund: \$47,906.51  
Salary (last 52 weeks): \$78,020.15

Formula Used:  $\$78,020.15 \times 50\% = \$39,010.08 / 12 = \$3,250.84$

Pension Per Month: \$3,250.84

First Check Due: February 25, 2015

Re: Codified Ordinances: § 143.03(b) (1), § 143.05; 1/1/03 Police Contract DROP Provisions

Submitted by:  
Dalinda Carrero-Papi, Esquire  
Controller

# Appendix A5



<b>DATE:</b>	3/11/10 2:09 PM	[ Full Screen ] [ SIZE: 8.369KB ]
<b>FROM:</b>	dwerley@tja-inc.com	
<b>TO:</b>	dcarreropapi@hotmail.com	
<b>SUBJECT:</b>	Re: City of Chester Pension Issues	

Hi Dalinda,

Please do not send the 2010 AG-385 to the Dept. of the Auditor General. We were just made aware of 3 firefighters that went into the DROP prior to 6/30/09 and are ineligible for certification.

Regarding your e-mail below, since the post 1/1/88 calculations have been prepared by the city in the same manner as the pre 1/1/88 calculations, we wanted to verify that the city is aware of this and that it is the city's intent to have future calculations prepared in the same manner. Once you confirm the method(s) to be utilized, along with the other issues contained in my letter, we can prepare the respective DROP calculations.

Thank you again for your assistance with these issues.

Sincerely,

Douglas G. Werley, CPA  
Thomas J. Anderson & Associates, Inc.

----- Original Message -----

**From:** dcarreropapi@hotmail.com  
**To:** dwerley@tja-inc.com  
**Sent:** 3/10/10 10:47 PM  
**Subject:** RE: City of Chester Pension Issues

Hi Doug:

Yes, I'm back in the land of the living. Thanks to you and Tom for the beautiful flowers!

As to the 1988 ordinance language for the firefighter's pension fund, a number of months back I raised the issue with the solicitor's office regarding the following of the 1988 change. Specifically, the 1988 language indicated that pensions were to be calculated, I believe, using the last \_\_\_\_ months as opposed to 52 weeks ( I'm home and don't have the ordinance in front of me so I'm taking a stab at it). I was told that we are not following that two tiered system and that we will simply continue to do what we've always done. I believe then solicitor Linda Cartisano met with Tom and asked that he look into changing the language so that there would be no difference pre and post 1988. I assume logic goes for any other language that would require changes to the pension calculation of those hired after 1988.

I'm in the office tom. and I'll call you. We'll talk further. Thanks! Hope all is well!

Dalinda

Date: Wed, 10 Mar 2010 20:59:13 +0000  
To: dcarrero-papi@chestercity.com; dcarreropapi@hotmail.com  
Subject: City of Chester Pension Issues  
From: dwerley@tja-inc.com

Hi Dalinda,

Attached are two letters concerning the pension plans. The first letter deals with the methodology of pension calculations for police and firefighters that were hired after 1/1/88 as well as DROP effective dates

for 3 employees. Tom has been in and out of the office at meetings and when he reviewed my pension calculations, he wanted to ensure the correct methodology is being used to determine benefit calculations, and also the correct DROP entry date is being utilized. As stated in the attached letter, it has only been since 2009, that police officers and firefighters that were hired after 1/1/88 have actually retired. Prior to 2009, all retirees were hired prior to 1/1/88, thus this potential issue concerning the pension calculation method did not exist. The second letter deals with the preparation of 2009 year-end financial statements and questions that I have that occurred in 2009.

Please get back to me ASAP on the issues addressed by the first letter, so that I can get to you the DROP calculations. Please let me know ASAP when we can get together to go over the second letter, so that I can complete the 2009 year-end financial statements and provide them to the auditor (Leitzell & Economidis).

Thank you again for all your assistance.

Sincerely,

Douglas G. Werley, CPA  
Thomas J. Anderson & Associates, Inc.

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[▲ Top](#)

<b>DATE:</b>	3/10/10 3:59 PM	[ Full Screen ] [ SIZE: 208.184KB ]
<b>FROM:</b>	<a href="mailto:dwerley@tja-inc.com">dwerley@tja-inc.com</a>	
<b>TO:</b>	<a href="mailto:dcarrero-papi@chestercity.com">dcarrero-papi@chestercity.com</a>	
<b>CC:</b>	<a href="mailto:dcarreropapi@hotmail.com">dcarreropapi@hotmail.com</a>	
<b>SUBJECT:</b>	City of Chester Pension Issues	
<b>ATTACH:</b>	<a href="#">City of Chester Pension Letters.pdf</a>	

Hi Dalinda,

Attached are two letters concerning the pension plans. The first letter deals with the methodology of pension calculations for police and firefighters that were hired after 1/1/88 as well as DROP effective dates for 3 employees. Tom has been in and out of the office at meetings and when he reviewed my pension calculations, he wanted to ensure the correct methodology is being used to determine benefit calculations, and also the correct DROP entry date is being utilized. As stated in the attached letter, it has only been since 2009, that police officers and firefighters that were hired after 1/1/88 have actually retired. Prior to 2009, all retirees were hired prior to 1/1/88, thus this potential issue concerning the pension calculation method did not exist. The second letter deals with the preparation of 2009 year-end financial statements and questions that I have that occurred in 2009.

Please get back to me ASAP on the issues addressed by the first letter, so that I can get to you the DROP calculations. Please let me know ASAP when we can get together to go over the second letter, so that I can complete the 2009 year-end financial statements and provide them to the auditor (Leitzell & Economidis).

Thank you again for all your assistance.

Sincerely,

Douglas G. Werley, CPA  
Thomas J. Anderson & Associates, Inc.

[▲ Top](#)

left message on cell phone 3/10/10 4:08 pm

March 10, 2010

Ms. Dalinda Carrero-Papi, Esq.  
City Controller  
City of Chester  
1 Fourth Street  
Chester, PA 19013-4400

RE: City of Chester Police & Firefighter Pension Calculations

Dear Dalinda:

I am writing this letter to you in regards to your letter concerning the review of pension calculations for the following DROP firefighter participants:

1. Robert Marshall
2. John Barbato
3. Marvin Foster

Regarding the review of the above calculations, I wanted to verify the method(s) on which the paid firemen pension calculation is to be determined. According to the ordinance, for any firefighter hired on or after January 1, 1988, the pension is based upon the last 5 years of employment; however, the above calculations were based upon the greater of the highest 5 years of employment or the last 52 weeks of earnings, in which the last 52 weeks of earnings produced the highest monthly pension amount. I just wanted to verify the method to be used in the calculation of pension benefits, since prior to 2009, there were no firefighters that had retired that were hired after January 1, 1988 and would be subject to this change in pension calculation methodology. Please confirm the method that should be utilized to calculate pensions for firefighters hired on or after January 1, 1988.

I am also writing this letter to you in regards to your letter concerning the preparation of pension calculations for the following DROP participants:

1. Daniel Pierdomenico (Fire)
2. Eric Stanford (Police)
3. Todd Nuttal (Police)
4. Vanessa Suter (Police)

As previously stated above, please verify the method on which the paid firemen pension calculation for firefighters hired on or after January 1, 1988 should be based upon.

Page 2

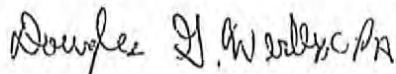
Regarding the preparation of the police calculations, I also wanted to verify the method on which the benefit calculation is to be determined. Upon a review of all DROP police officers that entered into DROP since January 1, 2009, their benefit calculations have been based upon the last 52 weeks of salary, not the last 3 years of employment. According to the ordinance, for any police officer hired on or after January 1, 1988, the pension is based upon the last 3 years of employment. I just wanted to verify that the method being utilized is proper, since prior to 2009, there have not been any police officers who have retired that were hired after January 1, 1988 and would be subject to this change in pension calculation methodology. Please confirm the method that should be utilized to calculate pensions for police officers hired on or after January 1, 1988.

I also wanted to verify what date each of the following employees will enter into the DROP plan:

- 1 Daniel J. Pierdomenico - February 1, 2010
- 2 Eric Stanford – February 1, 2010 - I received a letter faxed from your office from him that states his DROP entry date is effective November 21, 2009, however, the payroll that I received for his last 52 weeks of earnings is through January 29, 2010.
- 3 Vanessa Suter – February 1, 2010 - I received a letter faxed from your office from her that states hers DROP entry date is effective December 1, 2009, however, the payroll that I received for his last 52 weeks of earnings is through January 29, 2010.

Once we receive clarification from you regarding the above items, we will provide you with the calculations for these DROP participants. Thank you again for your assistance with these issues. Please do not hesitate to contact me if you have any questions or need any additional information.

Sincerely,



Douglas G. Werley, CPA

March 10, 2010

Ms. Dalinda Carrero-Papi, Esq.  
City Controller  
City of Chester  
1 Fourth Street  
Chester, PA 19013-4400

RE: City of Chester 2009 Financial Statements

Dear Dalinda:

The questions/observations that I have pertaining to the Paid Firemen Plan are as follows:

1.

2.

3.

4.

5.

6.



The questions/observations that I have pertaining to the Officers & Employees Plan are as follows:

1.

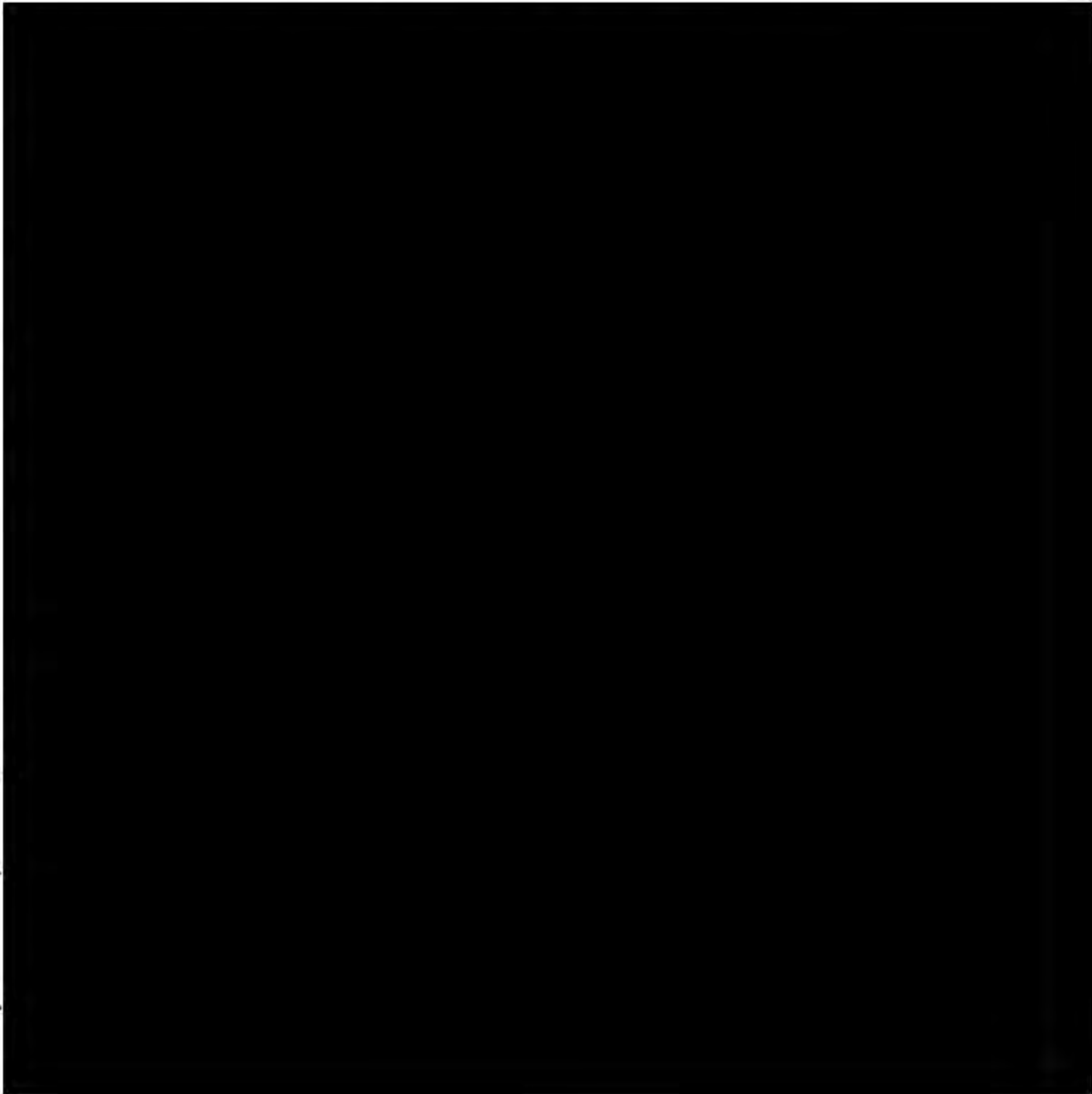
2.

3.



The questions/observations that I have pertaining to the Police Plan are as follows:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.
- 11.
- 12.



Thank you again for your assistance with the above items.

Sincerely,

*Douglas G. Werley CPA*

Douglas G. Werley, CPA

Appendix B  
2011 Act 205 Actuarial  
Valuation



PC-201C  
Commonwealth of Pennsylvania  
Public Employee Retirement Commission  
P.O. Box 1429  
Harrisburg, PA 17105-1429

CO	MUN	CL			
MUNCD		PLNTYP			
RECEIPT					
FRMTYPE	REVIEW	CODE	INPUT	EDP	LOG
C					

**2011**  
**ACT 205 ACTUARIAL VALUATION REPORT:**  
**POLICE PENSION PLAN**  
**WITH DEFINED BENEFITS**

FILING DEADLINE: March 31, 2012

**Special Instructions:** Where a Deferred Retirement Option Plan (DROP) is operated for members of the pension plan, the participating pension plan members should be reported as retired members in Section IV and Schedule A.

**Section I - Identification of Municipality**

INSTRUCTIONS: Print or type requested information in the space provided.

**Note:** In Part A, home rule municipalities should check the box and enter the number of their previous municipal classification.

A. Type of Municipality ..... 2 (1)  
(Check appropriate box below and enter corresponding number.)

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> City (2) | <input type="checkbox"/> Township (1st) (4)        |
| <input type="checkbox"/> Borough (3)         | <input type="checkbox"/> Township (2nd) (5)        |
| <input type="checkbox"/> Town (3)            | <input type="checkbox"/> Authority (6)             |
|  | <input type="checkbox"/> COG / Regional Entity (7) |

B. Name of Municipality City of Chester (2)

C. Name of County Delaware (3)

**Section II - Identification of Pension Plan and Specification of Valuation Date**

INSTRUCTIONS: Print or type requested information in space provided.

A. Name of Pension Plan City of Chester Police Pension Fund (4)

B. Date on which pension plan was established ..... 1 / 1 / 1930  
Mo. Da. Yr. (5)

C. Valuation date for demographic, financial and actuarial data ..... 1 / 1 / 2011  
(Use 1/1/2011 unless otherwise specified in plan document prior to 12/31/1982.) Mo. Da. Yr. (6)

**Section III - General Information**

INSTRUCTIONS: Respond to each question by entering "yes" or "no" in the space provided.

	Item No.
A. Is Social Security coverage provided for the active members of the pension plan identified in Section II? _____	No (8)
B. Do any active members of the pension plan identified in Section II participate in any other pension plan or plans that receive funding from the municipality? _____	No (9)
C. Do any of the active members of the pension plan identified in Section II work on average less than 35 hours per week? _____	No (10)
D. Does the pension plan identified in Section II include active members who are not employees of the municipality identified in Section I? _____	No (11)
E. Do retired members of the pension plan identified in Section II receive any benefit, such as insurance coverage, that is provided wholly or partially by the municipality and not funded through the pension plan identified in Section II? _____	Yes (12)

**Section IV - Demographic Data as of January 1, 2011 (Valuation Date)**

INSTRUCTIONS: Enter the valuation date specified in Section II, Part C, in the space provided above and on each page of Schedule A. Print or type information requested in Part A in the space provided. Enter a zero, if applicable. Do not leave blanks or refer to the schedules or exhibits. Complete Schedule A. Then complete the certification in Part B below.

**A. Summary of Demographic Data**

1. Number of active members on valuation date _____	92	(13)
2. Total annual payroll of active members as of above valuation date _____	\$ 6,568,456	(14)
3. Number of members terminated with vested or deferred benefit on valuation date _____	0	(15)
4. As of valuation date, number of persons receiving:		
a. Retirement benefits		
i. As normal retired members _____	57	(16i)
ii. As DROP participants _____	12	(16ii)
iii. Total _____	69	(16iii)
b. Disability benefits _____	27	(17)
c. Surviving spouse benefits _____	24	(18)
d. Surviving child benefits _____	0	(19)
e. Total (a+b+c+d) _____	120	(20)
5. As of valuation date, total annual benefits payable as:		
a. Retirement benefits		
i. To normal retired members _____	\$ 1,715,485	(21i)
ii. To DROP participants _____	\$ 590,373	(21ii)
iii. Total _____	\$ 2,305,858	(21iii)
b. Disability benefits _____	\$ 1,312,468	(22)
c. Surviving spouse benefits _____	\$ 260,571	(23)
d. Surviving child benefits _____	\$ 0	(24)
e. Total (a+b+c+d) _____	\$ 3,878,897	(25)

**B. Certification of Demographic Data**

I hereby certify that I have prepared and reviewed the demographic data entered in Part A of this section and in Schedule A; and I further certify that the information provided is to the best of my knowledge true and accurate.

*Dalinda Casarero Papi*  
(Signature)

12/12/11  
(Date)

DALINDA CASARERO-PAPI  
(Name)

City Controller  
(Title)

\_\_\_\_\_  
(Telephone)

**Section V - Financial Data as of January 1, 2011 (Valuation Date)**

**INSTRUCTIONS:** Enter valuation date specified in Section II, Part C, in the space provided above and on each page of Schedule B. Print or type the data requested in Part A, rounded to the nearest dollar, in the space provided. Enter zero, if applicable. Do not leave blanks or refer to exhibits. Complete Schedule B. Then complete the certification in Part B below.

**Note:** The asset values provided in Part A of this section and in Schedule B must include all the assets of the pension plan regardless of custodial arrangements involving administrative agencies.

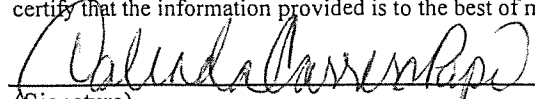
**A. Summary of Financial Data**

	\$	Item No.
1. MARKET VALUE OF ASSETS, <i>excluding the cash surrender values of individual insurance and annuity contracts</i> , on the above valuation date .....	21,080,770	(26)
2. CASH SURRENDER VALUE of individual insurance and annuity contracts on the above valuation date or nearest anniversary date .....	0	(27)
3. TOTAL FUND ASSETS (1+2) on the above valuation date .....	21,080,770	(28)
4. TOTAL EARNINGS, including investment income, realized capital gains/losses, unrealized capital gains/losses, and dividends on insurance/annuity contracts for the year ended on the above valuation date .....	2,570,468	(29)
5. MEMBER CONTRIBUTIONS to plan for the year ended on the above valuation date (Include employee contributions treated as employer contributions pursuant to Section 414(h) of the Internal Revenue Code.) .....	327,292	(30)
6. MUNICIPAL CONTRIBUTIONS to plan for the year ended on valuation date (6a + 6b) .....	1,648,447	(31)
a. State Aid Portion \$ <u>1,140,032</u> b. Local Portion \$ <u>508,415</u>		
7. ACTUAL MUNICIPAL DEPOSIT for the year ended on the valuation date (6 + 7a - 7b) .....	2,554,659	(32)
a. Contributions Receivable at beginning of year \$ <u>906,212</u> b. Contributions Receivable at end of year \$ <u>0</u> <sup>1</sup>		
8. TOTAL MONTHLY BENEFIT PAYMENTS for the year ended on the above valuation date .....	4,528,381	(33)
9. ANNUAL INSURANCE OR ANNUITY PREMIUM PAYMENTS, <i>excluding single premium annuity purchases</i> , for the year ended on the above valuation date .....	0	(34)
10. ADMINISTRATIVE EXPENSES paid from the assets of the pension plan for the year ended on the above valuation date .....	13,500	(35)
11. MINIMUM MUNICIPAL OBLIGATION to the pension plan for the year ended on the valuation date (Enter amount reported in Item 12 or Item 14 on page 12, whichever is applicable.) .....	2,554,659	(36)

<sup>1</sup> A funding deficiency occurs when the actual municipal deposit is less than the Minimum Municipal Obligation. If a funding deficiency has been partially or fully rectified, complete Schedule B, Section V and Section VI, and include the specified documentation.

**B. Certification of Financial Data**

I hereby certify that I have prepared and reviewed the financial data entered in Part A of this section and in Schedule B; and I further certify that the information provided is to the best of my knowledge true and accurate.

		12/12/11
(Signature)		(Date)
Valinda Carretero Papi	City Controller	610-447-7766
(Name)	(Title)	(Telephone)

**Section VI - Actuarial Data as of January 1, 2011 (Valuation Date)**

INSTRUCTIONS: Enter valuation date specified in Section II, Part C, in the space provided above and on each page of Schedule C. Complete Part A and Part B below in accordance with the instructions provided. Complete Schedule C. Then complete the certification in Part C below.

Note: The asset values provided in Part A of this section must include all the assets of the pension plan regardless of custodial arrangements involving administrative agencies.

**A. Summary of Actuarial Data**

INSTRUCTIONS: Print or type the data requested, rounded to the nearest dollar, in the space provided. Enter zero or negative values, if applicable. Do not leave blanks or refer to exhibits.

	Item No.
1. ACTUARIAL PRESENT VALUE OF FUTURE BENEFITS as of valuation date .....	(40)
\$ <u>62,997,847</u>	
2. ACTUARIAL PRESENT VALUE OF FUTURE NORMAL COST as of valuation date .....	(41)
\$ <u>10,037,550</u>	
3. ACTUARIAL ACCRUED LIABILITY as of valuation date .....	(42)
\$ <u>52,960,297</u>	
4. ACTUARIAL VALUE OF ASSETS, including aggregate insurance/annuity cash surrender value, as of valuation date .....	(43)
\$ <u>23,542,691</u>	
5. UNFUNDED ACTUARIAL ACCRUED LIABILITY as of valuation date (+ or -) .....	(44)
\$ <u>29,417,606</u>	
6. NORMAL COST (employer & employee), <i>excluding administrative expenses</i> , payable as of valuation date for the plan year beginning on valuation date:	
a. As a dollar amount .....	(45)
\$ <u>1,034,436</u>	
b. As a percentage of total annual payroll .....	(46)
<u>15.75%</u>	
7. AVERAGE ADMINISTRATIVE EXPENSES payable from the assets of the pension plan in the prior plan year and the plan year beginning on valuation date <sup>1</sup> .....	(47)
\$ <u>10,500</u>	
8. ANNUAL COVERED PAYROLL of active members as of valuation date .....	(48)
\$ <u>6,568,456</u>	
9. AMORTIZATION CONTRIBUTIONS	
a. For amortization of initial unfunded actuarial accrued liability established 1/1/85 <sup>2</sup>	
1) Amortization period remaining (years) .....	(49)
<u>14</u>	
2) Amortization contribution calculated as a level dollar amount for the plan year beginning on valuation date .....	(50)
\$ <u>1,406,076</u>	
3) Amortization contribution calculated as a level percentage of payroll for the plan year beginning on valuation date <sup>3</sup> .....	(51)
\$ <u>1,126,503</u>	
b. For amortization of all increases or decreases in unfunded actuarial accrued liability occurring after 1/1/85 or the initial UAL's establishment. <sup>2</sup>	
1) Aggregated amortization period (years) .....	(52)
<u>22</u>	
2) Aggregated amortization contribution calculated as a level dollar amount for the plan year beginning on valuation date .....	(53)
\$ <u>1,479,070</u>	
c. Modified Total Amortization Requirement <sup>4</sup> .....	(54)
\$ <u>0</u>	
d. Total Amortization Requirement (Item 50 + 53 or Item 51 + 53 or Item 54, whichever is applicable) .....	(55)
\$ <u>2,605,573</u>	
10. ACTUAL OR ESTIMATED MEMBER CONTRIBUTIONS to the pension plan for the year beginning on the valuation date .....	(56)
\$ <u>330,079</u>	

## Section VI - Actuarial Data (Cont'd)

INSTRUCTIONS: If insurance/annuity contracts are maintained pre-retirement to fund a portion of the benefits provided by the pension plan at retirement, enter the information requested in items 11-20 below. Otherwise, do not complete items 11-20.

**Note:** For item 20, include "side fund" amortization contribution for the initial UAL established 1/1/85 and the aggregated "side fund" amortization contribution for increases and decreases in the UAL occurring after 1/1/85. Attach a facsimile of Schedule C, Section II, to support the entry for item 20.

## A. Summary of Actuarial Data (Cont'd)

11. ACTUARIAL PRESENT VALUE OF INSURANCE/ANNUITY CONTRACT CASH VALUES AT RETIREMENT as of valuation date .....	\$ _____	(57)
12. ADJUSTED ACTUARIAL PRESENT VALUE OF FUTURE BENEFITS as of valuation date (1-11) .....	\$ _____	(58)
13. ADJUSTED ACTUARIAL PRESENT VALUE OF FUTURE NORMAL COST as of valuation date .....	\$ _____	(59)
14. ADJUSTED ACTUARIAL ACCRUED LIABILITY as of valuation date .....	\$ _____	(60)
15. ACTUARIAL VALUE OF ASSETS, excluding aggregate insurance/annuity cash surrender value, as of valuation date .....	\$ _____	(61)
16. ADJUSTED UNFUNDED ACTUARIAL ACCRUED LIABILITY as of valuation date (+ or -) .....	\$ _____	(62)
17. ADJUSTED NORMAL COST, excluding administrative expenses, payable as of valuation date for the plan year beginning on valuation date .....	\$ _____	(63)
18. ANNUAL INSURANCE/ANNUITY PREMIUM PAYMENTS for the plan year beginning on valuation date .....	\$ _____	(64)
19. GROSS ADJUSTED NORMAL COST for the plan year beginning on valuation date (17 + 18):		
a. As a dollar amount .....	\$ _____	(65)
b. As a percentage of payroll .....	_____	(66)
20. ADJUSTED AMORTIZATION CONTRIBUTION calculated as a level dollar amount for the plan year beginning on valuation date .....	\$ _____	(67)

<sup>1</sup> The average of the prior year's administrative expenses and the estimated administrative expenses for the current year. If the amount entered exceeds the prior year's expenses (Section V, Part A, Item 12) by more than 10%, attach an exhibit detailing the administrative expenses for the year beginning on the valuation date.

<sup>2</sup> Initial unfunded actuarial accrued liability may be established later than 1/1/1985 if coincidental with the establishment of the pension plan or with the initiation of a new amortization schedule authorized by Act 82 of 1998.

<sup>3</sup> Enter N/A unless municipality has been certified to use level percentage of payroll amortization pursuant to Section 607 of Act 205.

<sup>4</sup> If the municipality has formally elected to apply the limit on the amortization contribution under section 202(b)(4), enter the modified total amortization requirement calculated as the amount required to amortize the unfunded actuarial accrued liability over ten years. Otherwise, enter N/A.

Section VI - Actuarial Data (Cont'd)

B. Additional Information

INSTRUCTIONS: Print or type the information requested in the space provided. Enter "N/A" if applicable. Do not leave blanks or refer to exhibits.

1. MAJOR ECONOMIC ACTUARIAL ASSUMPTIONS

a. Interest or investment earnings rate ..... 7.50% (68)
b. Salary projection ..... 5.00% (69)

2. ADMINISTRATIVE ARRANGEMENT (Enter corresponding number. ->) ..... 2 (70)

- 1 - Self administered fund
2 - Bank or other trust fund
3 - Split-funded plan - Insurance plus side fund
4 - Insured deposit administration contract
5 - Immediate participation guarantee contract
6 - Pennsylvania Municipal Retirement System
7 - Other (Describe)

3. COST FOR ACTUARIAL SERVICES to be billed or charged for completing this reporting form and for preparing the associated actuarial valuation report ..... \$ 7,000 (71)

C. Certification of Actuarial Data

I hereby certify that I have prepared and reviewed the actuarial data and information entered in Part A and Part B of this section and in Schedule C and that the data and information provided is to the best of my knowledge true and accurate.

I further certify that I have five years of actuarial experience with public pension plans and that I am (Initial appropriate box.)

[A] a member of the American Academy of Actuaries enrolled in 1981

[A] an enrolled actuary pursuant to the Employee Retirement Income Security Act of 1974, No. 08-03192

(Signature) [Handwritten Signature]

(Date) 8/9/11

RANDEE W. SEKOL (Name)

(610) 435 - 9577 (72) (Telephone)


BEYER BARBER COMPANY (Name of Firm) (73)

**Section VII - Certification of Report by the Chief Administrative Officer of the Municipality**

**INSTRUCTIONS:** Ensure that Schedule A, Schedule B and Schedule C are completed and attached to the reporting form. Review the information entered in each section of the reporting form and the information provided in the schedules. Then complete the certification below and return the original reporting form to the Commission. *Retain a copy of the completed reporting form for audit compliance purposes.*

**Note:** To be completed by the person officially designated as the Chief Administrative Officer of the municipality under Act 205 of 1984.

I hereby certify that to the best of my knowledge the information provided in this report is complete, true and accurate.

  
(Signature of Chief Administrative Officer)

12/12/11  
(Date)

DOLINDA CARRERO PAPI  
(Name of Chief Administrative Officer) (Print or Type)

610-447-7766  
(Telephone)

\_\_\_\_\_  
(E-mail Address) (Optional)

Inquiries regarding completion or submission of the reporting form may be directed to:

**Commonwealth of Pennsylvania  
Public Employee Retirement Commission**

Mailing Address  
P.O. Box 1429  
Harrisburg, PA 17105-1429

Phone: (717) 783-6100  
Fax: (717) 787-9531  
E-mail: [perc@state.pa.us](mailto:perc@state.pa.us)

Schedule A - Demographic Data as of January 1, 2011 City of Chester Delaware  
 Page 1 of 2 (Valuation Date) (Municipality) (County)

INSTRUCTIONS: Print or type the requested information in the space provided. For totals, enter zero if applicable. Refer to attachments or exhibits only to explain or support data entered on the schedule. If you need additional space, make a photocopy of this page and insert behind this page.

Check here if there are no retired members.

Check here if there are no members terminated with vesting.

PART I - DEMOGRAPHIC DATA FOR INDIVIDUAL RETIRED MEMBERS						
Member	Current Age	Monthly Pension Payable	Retirement Age	Type *	Years of Service	Gender (M/F)
1	41	4,859	39	D	3	M
2	43	4,785	41	DR	20	M
3	44	6,062	44	DR	21	M
4	45	4,119	44	DR	20	M
5	45	4,605	41	D	13	M
6	45	5,635	43	DR	20	M
7	46	3,098	45	DR	20	M
8	46	4,219	43	D	2	F
9	48	2,395	47	DR	20	F
10	49	3,622	47	DR	20	M
11	50	2,705	32	D	4	M
12	51	7,111	48	D	18	M
13	52	4,758	49	D	2	F
14	53	4,266	53	DR	20	M
15	54	6,086	49	D	13	M
16	54	3,623	43	D	11	M
17	55	3,073	54	DR	20	M
18	56	4,628	56	DR	21	M
19	57	3,251	56		21	F
20	57	3,412	56	DR	21	M
21	59	3,920	48	D	26	M
22	60	5,337	55		32	M
23	60	3,734	49	D	19	M
24	60	3,987	51		26	M
25	60	1,182	41	S	26	F

PART II - DEMOGRAPHIC DATA FOR INDIVIDUAL MEMBERS TERMINATED WITH VESTING					
Member	Current Age	Monthly Pension Payable	Retirement Age	Years of Service	Gender (M/F)
1					
2					
3					
4					
5					
6					
7					
8					
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12					
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15					
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22					
23					
24					
25					

\* Type: Blank = Member, S = Spouse/Child, D = Disability, DR = DROP



Schedule A - Demographic Data as of  
Page 1 of 2

January 1, 2011  
(Valuation Date)

City of Chester  
(Municipality)

Delaware  
(County)

**INSTRUCTIONS:** Print or type the requested information in the space provided. For totals, enter zero if applicable. Refer to attachments or exhibits only to explain or support data entered on the schedule. If you need additional space, make a photocopy of this page and insert behind this page.

Check here if there are no retired members.

Check here if there are no members terminated with vesting.

PART I - DEMOGRAPHIC DATA FOR INDIVIDUAL RETIRED MEMBERS						
Member	Current Age	Monthly Pension Payable	Retirement Age	Type *	Years of Service	Gender (M/F)
26	60	3,388	54		32	M
27	61	2,492	52		29	M
28	61	2,077	50	D	27	M
29	61	1,440	50	S		F
30	61	2,871	53		31	M
31	61	4,979	53	D	31	M
32	61	3,097	56		33	M
33	61	4,103	56	DR	34	M
34	61	2,526	55		28	M
35	61	3,071	56		34	M
36	61	3,004	56		32	M
37	61	3,026	56		32	M
38	61	3,028	56		24	M
39	62	1,124	49	S	27	F
40	62	4,267	54	D	29	M
41	62	3,814	46	D	19	M
42	62	2,635	56		31	M
43	62	1,692	43	S	22	F
44	62	2,834	54		30	M
45	62	3,548	53		30	M
46	63	2,350	51		20	M
47	63	2,892	45	D	18	M
48	63	1,771	46	S	24	F
49	63	5,349	58	D	24	M
50	63	2,537	55		31	M

PART II - DEMOGRAPHIC DATA FOR INDIVIDUAL MEMBERS TERMINATED WITH VESTING					
Member	Current Age	Monthly Pension Payable	Retirement Age	Years of Service	Gender (M/F)
26					
27					
28					
29					
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32					
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49					
50					

\* Type: Blank = Member, S = Spouse/Child, D = Disability, DR = DROP

Schedule A - Demographic Data as of January 1, 2011 City of Chester Delaware  
 Page 1 of 2 (Valuation Date) (Municipality) (County)

INSTRUCTIONS: Print or type the requested information in the space provided. For totals, enter zero if applicable. Refer to attachments or exhibits only to explain or support data entered on the schedule. If you need additional space, make a photocopy of this page and insert behind this page.

Check here if there are no retired members.

Check here if there are no members terminated with vesting.

PART I - DEMOGRAPHIC DATA FOR INDIVIDUAL RETIRED MEMBERS						
Member	Current Age	Monthly Pension Payable	Retirement Age	Type *	Years of Service	Gender (M/F)
51	63	1,396	42	S	18	F
52	63	3,508	58		23	M
53	64	374	39	S	13	F
54	64	3,736	54		32	M
55	64	3,554	47	D	20	M
56	64	3,596	53		30	M
57	64	2,573	51		24	M
58	65	3,891	53	D	18	M
59	65	3,643	54	D	30	M
60	65	1,194	33	D	11	M
61	66	4,612	49	D	21	M
62	66	2,797	52		21	M
63	66	2,433	50		29	M
64	66	2,176	53		26	M
65	66	3,844	60		32	M
66	67	6,012	62	D	37	M
67	67	833	46	S	23	F
68	67	3,661	59		33	M
69	67	3,719	58		19	M
70	67	2,348	50		28	M
71	67	2,311	52		27	M
72	67	980	61	S	39	F
73	68	999	49	S	24	F
74	68	3,974	54	D	25	M
75	68	3,110	63		33	M

PART II - DEMOGRAPHIC DATA FOR INDIVIDUAL MEMBERS TERMINATED WITH VESTING					
Member	Current Age	Monthly Pension Payable	Retirement Age	Years of Service	Gender (M/F)
51					
52					
53					
54					
55					
56					
57					
58					
59					
60					
61					
62					
63					
64					
65					
66					
67					
68					
69					
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71					
72					
73					
74					
75					

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INSTRUCTIONS: Print or type the requested information in the space provided. For totals, enter zero if applicable. Refer to attachments or exhibits only to explain or support data entered on the schedule. If you need additional space, make a photocopy of this page and insert behind this page.

Check here if there are no retired members.

Check here if there are no members terminated with vesting.

PART I - DEMOGRAPHIC DATA FOR INDIVIDUAL RETIRED MEMBERS						
Member	Current Age	Monthly Pension Payable	Retirement Age	Type *	Years of Service	Gender (M/F)
76	69	1,800	50		22	M
77	69	3,225	51		18	M
78	69	2,012	52		24	M
79	69	1,984	50		26	M
80	69	1,197	52	S	24	F
81	70	3,489	53	D	29	M
82	70	3,787	52	D	27	M
83	70	3,582	61		28	M
84	70	1,605	51		26	M
85	70	5,250	66	D	35	M
86	71	2,337	52		21	M
87	72	1,750	54		27	M
88	72	1,923	50		20	M
89	72	1,607	50		19	M
90	72	2,113	55		20	M
91	72	2,338	54		20	M
92	73	806	52	S	26	F
93	74	1,570	53		20	M
94	75	1,518	56		21	M
95	75	2,043	56		26	M
96	75	589	44	S	27	F
97	75	1,549	52		23	M
98	75	1,990	52		24	M
99	75	2,389	56		34	M
100	77	2,333	58		28	M

PART II - DEMOGRAPHIC DATA FOR INDIVIDUAL MEMBERS TERMINATED WITH VESTING					
Member	Current Age	Monthly Pension Payable	Retirement Age	Years of Service	Gender (M/F)
76					
77					
78					
79					
80					
81					
82					
83					
84					
85					
86					
87					
88					
89					
90					
91					
92					
93					
94					
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96					
97					
98					
99					
100					

\* Type: Blank = Member, S = Spouse/Child, D = Disability, DR = DROP

INSTRUCTIONS: Print or type the requested information in the space provided. For totals, enter zero if applicable. Refer to attachments or exhibits only to explain or support data entered on the schedule. If you need additional space, make a photocopy of this page and insert behind this page.

Check here if there are no retired members.

Check here if there are no members terminated with vesting.

PART I - DEMOGRAPHIC DATA FOR INDIVIDUAL RETIRED MEMBERS						
Member	Current Age	Monthly Pension Payable	Retirement Age	Type *	Years of Service	Gender (M/F)
101	77	1,178	60	S	30	F
102	78	1,145	55	S	30	F
103	78	1,635	54		23	M
104	79	1,372	50		26	M
105	80	901	63	S	30	F
106	80	1,018	50		20	M
107	81	407	46	S	23	F
108	81	559	49	S	29	F
109	81	1,695	63		27	M
110	81	969	52	D	-3	M
111	82	553	54	S	20	F
112	82	1,333	54		26	M
113	83	471	51	S	23	F
114	85	1,496	60		29	M
115	86	385	49	S	20	F
116	87	378	52	S		F
117	87	857	61	S	37	F
118	90	500	53	S		F
119	92	980	55		24	M
120	93	967	54		27	M
121						
122						
123						
124						
125						

PART II - DEMOGRAPHIC DATA FOR INDIVIDUAL MEMBERS TERMINATED WITH VESTING					
Member	Current Age	Monthly Pension Payable	Retirement Age	Years of Service	Gender (M/F)
101					
102					
103					
104					
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107					
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120					
121					
122					
123					
124					
125					

\* Type: Blank = Member, S = Spouse/Child, D = Disability, DR = DROP

Schedule A - Demographic Data as of January 1, 2011  
 Page 2 of 2 (Valuation Date)

City of Chester  
 (Municipality)

Delaware  
 (County)

Part III - Active Member Data <sup>1</sup> -  Check here if there are no active members.

Member	Age	Years of Service	Total Annual Payroll	Gender (M/F)
1	22	0	41,159	M
2	23	2	60,892	M
3	23	2	49,881	M
4	25	0	41,159	M
5	25	1	44,312	M
6	25	0	41,159	M
7	25	0	42,320	M
8	26	3	56,140	M
9	26	3	62,802	M
10	26	1	46,086	M
11	27	4	90,809	M
12	27	3	65,797	M
13	27	2	51,713	M
14	27	1	38,703	M
15	28	5	60,654	M
16	28	3	53,809	M
17	28	0	43,011	M
18	28	0	41,159	M
19	28	1	40,372	M
20	29	3	52,064	F
21	29	4	82,101	M
22	29	2	53,285	M
23	30	3	70,955	M
24	30	4	79,574	M
25	30	2	63,176	M

Member	Age	Years of Service	Total Annual Payroll	Gender (M/F)
26	31	3	71,375	M
27	32	10	86,877	M
28	32	1	58,808	M
29	32	1	47,491	M
30	33	10	58,054	M
31	34	2	63,104	M
32	35	4	95,820	M
33	35	11	80,267	M
34	35	8	60,046	M
35	35	12	98,229	M
36	35	5	74,408	M
37	36	7	73,305	M
38	36	8	92,216	M
39	38	12	70,327	M
40	38	8	66,829	M
41	38	12	64,171	M
42	38	6	70,366	M
43	38	0	52,203	M
44	38	0	41,159	M
45	39	11	102,900	M
46	39	14	100,373	M
47	39	16	69,476	M
48	40	6	52,594	F
49	40	17	97,005	M
50	40	4	101,008	M

<sup>1</sup> Plans with active members of 50 or more must e-mail an Excel spreadsheet containing the specified active member data to the Commission at [perc@state.pa.us](mailto:perc@state.pa.us). When submitting your data, specify the municipality, county, and plan type (police, fire, or nonuniformed) in the first line of the spreadsheet.

Schedule A - Demographic Data as of January 1, 2011 City of Chester Delaware  
 Page 2 of 2 (Valuation Date) (Municipality) (County)

Part III - Active Member Data <sup>1</sup> -  Check here if there are no active members.

Member	Age	Years of Service	Total Annual Payroll	Gender (M/F)
51	40	17	82,227	M
52	40	17	106,544	M
53	40	12	68,957	M
54	40	14	65,977	M
55	41	17	69,850	M
56	41	3	43,945	M
57	41	17	81,470	M
58	41	17	89,957	M
59	41	0	39,677	M
60	42	16	65,422	M
61	42	17	64,706	F
62	42	11	68,070	M
63	42	5	73,982	M
64	42	8	63,370	M
65	42	12	84,204	M
66	42	17	93,622	M
67	42	0	42,841	M
68	43	22	65,773	M
69	43	2	56,156	M
70	44	10	65,208	M
71	44	11	78,047	M
72	45	17	89,421	M
73	45	22	89,961	M
74	46	17	115,687	F
75	46	17	90,365	M

Member	Age	Years of Service	Total Annual Payroll	Gender (M/F)
76	46	17	135,050	M
77	46	21	125,163	M
78	46	17	69,100	M
79	46	17	84,889	M
80	47	17	31,859	M
81	47	22	79,274	M
82	47	10	69,666	M
83	48	9	91,198	M
84	48	17	83,247	M
85	48	13	128,257	M
86	48	15	73,393	M
87	48	16	78,091	M
88	48	15	92,909	M
89	49	22	84,287	F
90	51	17	75,252	M
91	51	17	124,932	M
92	54	21	64,946	M
93				
94				
95				
96				
97				
98				
99				
100				

<sup>1</sup> Plans with active members of 50 or more must e-mail an Excel spreadsheet containing the specified active member data to the Commission at [perc@state.pa.us](mailto:perc@state.pa.us). When submitting your data, specify the municipality, county, and plan type (police, fire, or nonuniformed) in the first line of the spreadsheet.

INSTRUCTIONS: Print or type the requested information in the space provided. Round to the nearest dollar. Enter zero, if applicable. Refer to attachments or exhibits only to explain or support data entered on the schedule.

**Section I - Statement of Net Assets Available for Benefits.**

A. Assets:	As of the Above Valuation Date	As of the Previous Year (2010)	Item No.
1. Cash .....	\$ 0	\$ 0	(1)
2. Accrued Interest and Dividends Receivable .....	\$ 0	\$ 0	(2)
3. Receivables (Specify)			
Employee Contributions .....	\$ 6,229	\$ 5,539	(3)
Employer Contributions .....	\$ 0	\$ 678,572	(4)
State Aid .....	\$ 0	\$ 0	(5)
Other <u>Interest Due On Employer Contribution</u> .....	\$ 0	\$ 227,640	(6)
<u>Contributions Due From Firemen Pension Plan</u> .....	\$ 15,886	\$ 6,516	(7)
4. Investments at Market Value (Specify)			
Money Markets and Other Cash Investments .....	\$ 0	\$ 0	(8)
Mutual Funds .....	\$ 0	\$ 0	(9)
Stocks and Other Equities .....	\$ 0	\$ 0	(10)
Bonds and Other Fixed Income .....	\$ 0	\$ 0	(11)
5. Other Assets (Specify)			
Insurance Contract / Group Annuity .....	\$ 0	\$ 0	(12)
Other <u>Assets At Contract Value</u> .....	\$ 21,109,246	\$ 20,519,569	(13)
.....	\$ 0	\$ 0	(14)
6. Insurance/Annuity Cash Surrender Value (Individual Policies) ..	\$ 0	\$ 0	(15)
 Total Fund Assets .....	 \$ 21,131,361	 \$ 21,437,836	 (16)
 B. Current Liabilities:			
1. Accounts Payable and Accrued Administrative Expenses .....	\$ 0	\$ 22,800	(17)
2. Other Current Liabilities (Specify)			
Benefits Payable .....	\$ 38	\$ 0	(18)
Other <u>Contributions Due To O&amp;E Pension Plan</u> .....	\$ 1,365	\$ 195,653	(19)
<u>Workers Compensation Offsets</u> .....	\$ 49,188	\$ 49,188	(20)
Total Current Liabilities .....	\$ 50,591	\$ 267,641	(21)
 C. Net Assets Available for Benefits (Market Value) as of valuation date	 \$ 21,080,770	 \$ 21,170,195	 (22)

**Section II - Statement of Revenues, Expenses and Change in Fund Assets.**

	<u>As of the Above Valuation Date</u>	<u>As of the Previous Year (2010)</u>	Item No.
A. Net Assets at Beginning of Year (Market Value) .....	\$ 21,170,195	\$ 18,819,575	(1)
B. Gross Revenues (unreduced by any fees, costs or expenses):			
Member Contributions .....	\$ 327,292	\$ 336,641	(2)
Total Municipal Contributions .....			
a. State Aid Portion .....	\$ 1,140,032	\$ 1,301,254	(3)
b. Local Portion .....	\$ 508,415	\$ 656,635	(4)
Interest Earnings / Dividend Income .....	\$ 0	\$ 0	(5)
Realized / Unrealized Capital Gains / Losses .....	\$ 0	\$ 0	(6)
Other Revenues or Credits (Specify)			
<u>Investment Return + Miscellaneous Income</u>	\$ 2,490,521	\$ 3,615,402	(7)
<u>Interest On Late Employer Contribution</u>	\$ 79,947	\$ 63,224	(8)
<u>Military Buy Back</u>	\$ 3,912	\$ 4,804	(9)
Total Revenues .....	\$ 4,550,119	\$ 5,977,960	(10)
C. Expenses:			
Total Benefit Payments (Lump-Sum) .....	\$ 0	\$ 0	(11)
Total Benefit Payments (Monthly) .....	\$ 3,381,697	\$ 2,856,257	(12)
Annuity Purchases (Lump-Sum) .....	\$ 0	\$ 0	(13)
Insurance Premiums .....	\$ 0	\$ 0	(14)
Refund of Member Contributions .....	\$ 72,703	\$ 43,615	(15)
Lump Sum DROP Account Payments .....	\$ 1,146,684	\$ 697,168	(16)
Actuarial Costs .....	\$ 13,500	\$ 7,500	(17)
Investment Costs .....	\$ 0	\$ 0	(18)
All Other Expenses or Debits (Specify)			
<u>Accidental Death Insurance</u>	\$ 24,960	\$ 22,800	(19)
_____	\$ 0	\$ 0	(20)
Total Expenses .....	\$ 4,639,544	\$ 3,627,340	(21)
D. Net Assets at End of Year (Market Value) .....	\$ 21,080,770	\$ 21,170,195	(22)



Section III - Presentation of the Determination of the Minimum Municipal Obligation (MMO) for the Year Ended on Valuation Date

INSTRUCTIONS: Enter data reflecting the minimum municipal obligation developed in the fall of 2009 for the plan year beginning in 2009.  
[Section 302(C) of Act 205 of 1984.]

IDENTIFICATION OF THE ACTUARIAL VALUATION REPORT (AVR) used to determine funding requirement. (Enter valuation date - 2009 or earlier year.)

1 / 1 /  
Mo. Da.

B.

DEVELOPMENT OF MINIMUM MUNICIPAL OBLIGATION under Section 302(c) of Act 205 of 1984. (If the asset value exceeded the present value of future benefits in the actuarial valuation report identified in Part A, check the box, skip Item 2 through Item 10, and complete Item 11 and Item 12, if applicable.)

1.	TOTAL ANNUAL PAYROLL projected for year ended on valuation date	\$	6,0
2.	TOTAL NORMAL COST, expressed as a percentage of total annual payroll, derived from actuarial valuation report identified in Item 1		1
3.	TOTAL PROJECTED NORMAL COST for year ended on valuation date (Item 2 x Item 3)	\$	9
4.	TOTAL AMORTIZATION REQUIREMENT for year ended on valuation date <sup>1</sup>	\$	1,33
5.	TOTAL ADMINISTRATIVE EXPENSES projected for year ended on valuation date	\$	3
6.	TOTAL FINANCIAL REQUIREMENTS (Item 4 + Item 5 + Item 6)	\$	2,28
7.	MEMBER CONTRIBUTIONS projected for year ended on valuation date	\$	30
8.	FUNDING ADJUSTMENT determined pursuant to Section 302(c)(2) of Act 205 of 1984 for year ended on valuation date <sup>2</sup>	\$	
9.	MINIMUM MUNICIPAL OBLIGATION (MMO) for year ended on valuation date (Item 7 - Item 8 - Item 9)	\$	1,982
10.	DELINQUENT MMO PLUS INTEREST from plan year beginning in 2009	\$	906
11.	TOTAL MMO for year ended on valuation date (Item 10 + Item 11)	\$	2,889

C. AMORTIZATION CONTRIBUTION REDUCTION (Complete if Amortization Contribution Reduction was elected pursuant to Section 607(H.1) of Act 205.)

1.	REDUCTION OF AMORTIZATION CONTRIBUTION (Maximum is 25% of Item 5.)	\$	334,5
2.	RE-CALCULATED MMO for year ended on valuation date (Item 12 - Item 13)	\$	2,554,6

<sup>1</sup> If the amount entered differs from the amount reported in the actuarial valuation report identified in Item 1 above due to the scheduled termination of one or more amortization bases established pursuant to Chapter 2 of Act 205, attach an exhibit reconciling the difference.

<sup>2</sup> Funding adjustment is applicable where assets exceed actuarial accrued liability and is equal to 10% of the amount of the excess.

Valuation Data as of January 1, 2011, City of Chester, Delaware  
(Valuation Date) (Municipality) (County)

Determination of the Minimum Municipal Obligation (MMO) for the Plan Year Beginning in 2009.

Enter data reflecting the minimum municipal obligation developed in the fall of 2008 for the plan year beginning in 2009.  
[Section 302(C) of Act 205 of 1984 - ]

VALUATION OF THE ACTUARIAL VALUATION REPORT (AVR) Item No.  
nine funding requirement. (Enter valuation date - 2007 or earlier year.) 1 / 1 / 2007 (1  
Mo. Da. Yr.)

STATEMENT OF MINIMUM MUNICIPAL OBLIGATION under Section 302(c) of 1984. (If the asset value exceeded the present value of future benefits in the actuarial valuation report identified in Part A, check the box, skip Item 2 through 11 and Item 12, if applicable.)

ANNUAL PAYROLL projected for year ended on valuation date	\$	<u>6,124,275</u>	(2)
NORMAL COST, expressed as a percentage of total annual payroll, derived from actuarial valuation report identified in Item 1		<u>15.20%</u>	(3)
PROJECTED NORMAL COST for year ended on valuation date (Item 2 x Item 3)	\$	<u>930,890</u>	(4)
ANNUAL AMORTIZATION REQUIREMENT for year ended on valuation date <sup>1</sup>	\$	<u>1,296,468</u>	(5)
ANNUAL ADMINISTRATIVE EXPENSES projected for year ended on valuation date	\$	<u>36,746</u>	(6)
ANNUAL FINANCIAL REQUIREMENTS (Item 4 + Item 5 + Item 6)	\$	<u>2,264,103</u>	(7)
MEMBER CONTRIBUTIONS projected for year ended on valuation date	\$	<u>306,214</u>	(8)
ACTUARIAL ADJUSTMENT determined pursuant to Section 302(c)(2) of Act 205 of 1984 for year ended on valuation date <sup>2</sup>	\$	<u>0</u>	(9)
MINIMUM MUNICIPAL OBLIGATION (MMO) for year ended on valuation date (Item 7 - Item 8 - Item 9)	\$	<u>1,957,889</u>	(10)
DELINQUENT MMO PLUS INTEREST from plan year beginning in 2008	\$	<u>842,988</u>	(11)
TOTAL MMO for year ended on valuation date (Item 10 + Item 11)	\$	<u>2,800,877</u>	(12)

Amount entered differs from the amount reported in the actuarial valuation report identified in Item 1 above due to the scheduled termination of one or more amortization bases established pursuant to Chapter 2 of Act 205, attach an exhibit explaining the difference.

Actuarial adjustment is applicable where assets exceed actuarial accrued liability and is equal to 10% of the amount of the assets.

Schedule B - Financial Data as of January 1, 2011 City of Chester Delaware  
 Page 5 of 5 (Valuation Date) (Municipality) (County)

**Section V - Documentation of Compliance with Act 205 Funding Standard Requirements.**

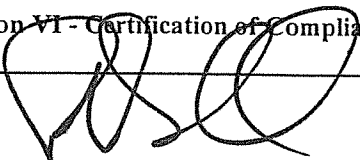
- INSTRUCTIONS:
1. Complete the information below if a funding deficiency has been partially or fully rectified and provide the following:
    - a. Documentation showing the development of the pension plan's municipal funding requirements (Minimum Municipal Obligation (MMO)) pursuant to Section 302 and, if applicable, Section 607(H.1) of Act 205 for the years reported.
    - b. Signature in Section VI below by the approved actuary and the municipality's chief administrative officer certifying, subject to the penalties of 18 Pa. C. S. §4904 relating to unsworn falsification to authorities, that the accompanying documentation is accurate and that the funding requirements prescribed by Section 302, and if applicable Section 607(H.1), of Act 205 are satisfied.
  2. Documentation showing the actual municipal contributions to the pension plan for the years reported, including copies of specific supporting documents such as the development of the MMO, bank statements, evidence of deposit, and cancelled checks should be maintained by the municipality for audit and other purposes.

	2009	2010	Item No.
A) Prior Year's Deficiency <sup>1</sup> .....	\$ 784,175	\$ 842,988	(1)
B) Interest Rate .....	7.50%	7.50%	(2)
C) Monthly Interest Rate (B ÷ 12) .....	0.625%	0.625%	(3)
D) Amount Due on Payment Date (A x (1 + C) <sup>Time in months</sup> ) .....	\$ 842,988	\$ 986,159	(4)
E) Minimum Municipal Obligation .....	\$ 1,957,889	\$ 1,648,447	(5)
F) Total Minimum Municipal Obligation (D + E) .....	\$ 2,800,877	\$ 2,634,606	(6)
G) Amount Deposited <sup>2</sup> .....	\$ 1,957,889	\$ 2,634,606	(7)
H) Funding Deficiency .....	\$ 842,988	\$ 0	(8)

<sup>1</sup> Development of the MMOs must include the reported funding deficiency with interest.

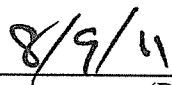
<sup>2</sup> Must equal amount deposited as shown on supporting documentation maintained by the municipality.

**Section VI - Certification of Compliance with Act 205 Funding Standard Requirements.**

  
 \_\_\_\_\_  
 (Signature of Actuary) (Date)

Randee W. Sekol  
 \_\_\_\_\_  
 (Name of Actuary)

Beyer-Barber Company  
 \_\_\_\_\_  
 (Actuarial Firm)

  
 \_\_\_\_\_  
 (Signature of Chief Administrative Officer) (Date)

\_\_\_\_\_  
 (Name of Chief Administrative Officer)

Schedule C - Actuarial Data as of  
Page 1 of 4

January 1 , 2011  
(Valuation Date)

City of Chester  
(Municipal)

Delaware  
(County)

INSTRUCTIONS: Complete all items using the entry age normal actuarial cost method. Enter zero, if applicable, and round to the nearest dollar. Refer to attachments or exhibits only to explain or support data entered on the schedule.

**Section I - Presentation of Actuarial Present Value of Future Benefits as of the Valuation Date**

**A. Actuarial Present Values for Active Members**

(Enter values for ancillary benefits only if valued using EAN.)

Item No.

1. Retirement Benefits .....	\$ 23,139,363	(1)
2. Disability Benefits .....	\$ 0	(2)
3. Survivor Benefits .....	\$ 303,749	(3)
4. Liability for the Refund of Member Contributions .....	\$ 188,721	(4)
5. Vested Withdrawal Benefits .....	\$ 0	(5)
6. Other (Specify) .....	\$ 0	(6)
Subtotal for Active Members .....	\$ 23,631,833	(7)
<b>B. Actuarial Present Values for Non-Active Members and Benefit Recipients</b>		
1. Deferred Vested Benefits .....	\$ 0	(8)
2. Retirement Benefits .....	\$ 21,988,241	(9)
3. Disability Benefits .....	\$ 13,600,585	(10)
4. Survivor Benefits .....	\$ 2,150,062	(11)
5. Total Monies Accumulated in DROP Participant Accounts .....	\$ 932,945	(12)
6. Other (Specify) .....	\$ 0	(13)
Subtotal for Non-Active Members and Benefit Recipients .....	\$ 38,671,833	(14)
C. Total Actuarial Present Value of Future Benefits (Without adjustments) .....	\$ 62,303,666	(15)
D. Total Adjustments for Ancillary Benefits Valued through Approximation Techniques <sup>1</sup> .....	\$ 694,181	(16)
E. Total Actuarial Present Value of Future Benefits (Item 15 + Item 16) .....	\$ 62,997,847	(17)

<sup>1</sup> A signed statement and accompanying documentation, as specified in Section 203.5 of the Act 205 regulations, must be attached if adjustments are made.

Schedule C - Actuarial Data as of  
Page 2 of 4

January 1, 2011  
(Valuation Date)

City of Chester  
(Municipality)

Delaware  
(County)

**Section II - Unfunded Actuarial Accrued Liability and Amortization Contributions as of Valuation Date**

Part A - Initial Unfunded Actuarial Accrued Liability.

Amount of Initial Liability	Date Established	Target Date	Original Amortization Period	Remaining Balance	Level Dollar Amortization Contribution <sup>1</sup>
\$9,159,269	1/1/1985	12/31/2024	40	\$12,831,624	\$1,126,503 (1)

Part B - Changes in Unfunded Actuarial Accrued Liability since the last actuarial valuation report prepared and submitted under Act 205.<sup>2</sup>

Source	Amount of Liability	Date Established	Target Date	Amortization Period	Amortization Contribution
Benefit Plan Modification					
Actuarial Assumption Modification					
Actuarial Losses (+) or Gains (-)	8,371,019 <sup>3</sup>	1/1/2011	12/31/2021	11	1,064,462
Post-Retirement Adjustments					
Total	\$8,371,019	X	X	X	\$1,064,462 (2)

Part C - Aggregation of Changes in Unfunded Actuarial Accrued Liability since initially established in 1985.

Description	Remaining Balance of Aggregated Liability	Date of Aggregation	Aggregated Target Date	Aggregated Amortization Period	Aggregated Amortization Contribution
Aggregation of all prior changes (exclude changes in Section B)	\$8,214,963	1/1/2009	*	*	\$414,608 (3)
Aggregation of all changes (include changes in Section B)	\$16,585,982	Current Valuation Date	12/31/2032	22	\$1,479,070 (4)

<sup>1</sup> Level percentage of future payroll amortization contribution should be entered where the municipality has previously implemented that amortization approach pursuant to Section 607 of Act 205.

<sup>2</sup> Attach exhibit specifying the individual factors contributing to each change in unfunded actuarial accrued liability summarized in Part B.

<sup>3</sup> Attach exhibit of the actuarial valuation report showing development of expected unfunded actuarial accrued liability.

\* This number cannot be calculated.

**Section III - Presentation of Actuarial Assumptions and Methods**

A. Actuarial Assumptions

1. Interest Rate - 7.50%.

2. Salary Projection - 5.00%.

3. Disability Rates - LOADING OF 3.0% ADDED TO BASIC PENSION COSTS.

4. Termination Rates - AT SELECTED AGES:

AGE:	20	25	30	35	40	45	50	55	60
RATE:	5.5%	5.0%	4.0%	2.5%	1.0%	0.5%	0.0%	0.0%	0.0%

5. Mortality - UP-1984 WITH NO AGE SET BACK FOR MALES AND POST-RETIREMENT AGE SET BACK OF 5 YEARS FOR FEMALES.

6. Retirement Age - IT IS ASSUMED THAT MEMBERS ENTER THE DEFERRED RETIREMENT OPTION PLAN (DROP) UPON THE LATER OF ATTAINMENT OF AGE 52 AND COMPLETION OF 20 YEARS OF SERVICE. IT IS ALSO ASSUMED THAT PARTICIPATION IN THE DROP CONTINUES FOR THREE YEARS.

7. Asset Smoothing - PLAN ASSETS ARE VALUED USING THE METHOD DESCRIBED IN SECTION 210(a) OF ACT 44 SUBJECT TO A CEILING OF 130% OF THE MARKET VALUE OF ASSETS.

8. Other (Specify) - A LOADING FACTOR OF 2.4725699% WAS INCLUDED IN THE NORMAL COST FOR THE KILLED-IN-SERVICE BENEFIT INSURANCE.

9. Other (Specify) - NONE.

B. Actuarial Cost Method (Specify)

ENTRY AGE NORMAL COST METHOD. LEVEL PERCENTAGE OF FUTURE PAYROLL AMORTIZATION OF THE INITIAL UNFUNDED ACTUARIAL ACCRUED LIABILITY IS BASED UPON A 4.0% ANNUAL INCREASE IN COVERED PAYROLL ASSUMPTION.

**CITY OF CHESTER**  
**POLICE PENSION FUND**  
**DELAWARE COUNTY**

**JANUARY 1, 2011**

**EXHIBIT OF AVERAGE ADMINISTRATIVE EXPENSES**

	<b><u>2010</u></b>	<b>ESTIMATED <u>2011</u></b>
ACTUARIAL/CONSULTANT FEES	\$13,500	\$7,500
AVERAGE ADMINISTRATIVE EXPENSES		<b>\$10,500</b>





**CITY OF CHESTER**  
**POLICE PENSION FUND**  
**DELAWARE COUNTY**

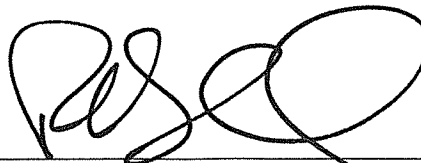
**JANUARY 1, 2011**

**203.5 APPROXIMATION TECHNIQUE**

- a (1) A loading factor for the killed-in-service death benefit insurance is required per PERC letter of October 20, 2003. The loading factor is equal to the insurance premiums paid divided by the normal cost prior to the adjustment. This percentage will be recalculated for each subsequent valuation.
  
- a (2) The same approximation technique was used as in the prior valuation completed by Beyer-Barber Company.
  
- a (3) In my best judgment, the risk of distortion is minimal.
  
- c (1) The loading factor applies only to normal cost for the killed-in-service death benefit.
  
- c (2) The percentage is 2.4725699%.
  
- c (3) The percentage is 2.4725699%.

8/2/11

Date



Randee W. Sekol, Actuary



Schedule C - Actuarial Data as of  
Page 4 of 4

January 1, 2011  
(Valuation Date)

City of Chester  
(Municipality)

Delaware  
(County)

**Section IV - Presentation of Benefit Plan Provisions**

**A. Eligibility Requirements**

Normal Retirement 20 YEARS OF SERVICE.

Early Retirement AGE 60.

Vesting 20 YEARS OF SERVICE.

**B. Retirement Benefit (Describe fully including Social Security offsets, service increments, etc. and include period over which final average salary is determined if benefit salary related.)**

PRE JANUARY 1, 1988: 50% OF FINAL PAY PLUS 1.25% OF PAY TIMES YEARS OF SERVICE OVER 20 YEARS (MAXIMUM \$150).

AFTER DECEMBER 31, 1987: 50% OF FINAL 3 YEAR AVERAGE PAY PLUS 1.25% OF PAY TIMES YEARS OF SERVICE OVER 20 YEARS (MAXIMUM \$150).

**C. Survivor Benefit (Describe fully including indication of whether benefit is automatic or provided at the election of individual members.)**

IF RETIRED OR ELIGIBLE FOR RETIREMENT - 50% OF BENEFIT TO SURVIVING SPOUSE OR CHILD UNDER 18.

**D. Disability Benefit (Describe fully including offset provisions, service requirements, extent of disability, etc.)**

Service Related 100% OF PAY AT TIME OF DISABILITY LESS WORKERS' COMPENSATION AND ANY EARNINGS FROM OTHER EMPLOYMENT.

Non-Service Related PRE JANUARY 1, 1988: 2.5% OF PAY TIMES YEARS OF SERVICE BUT NOT MORE THAN 50% OF PAY.

AFTER DECEMBER 31, 1987: 2% OF PAY TIMES YEARS OF SERVICE BUT NOT MORE THAN 50% OF PAY.

**E. Post Retirement Adjustments (Describe fully including frequency of adjustment, basis for adjustment, minimum/maximum adjustments, etc.)**

NONE.

**F. DROP Benefit (Specify and describe.)**

AN ACTIVE MEMBER ELIGIBLE FOR NORMAL RETIREMENT MAY ELECT TO PARTICIPATE IN THE DROP FOR UP TO FIVE YEARS.

THE PENSION SHALL BE CALCULATED AT THE DATE OF PARTICIPATION IN THE DROP AND SHALL BE ACCRUED WITH INTEREST

AT A RATE DETERMINED ANNUALLY BY THE PENSION BOARD, UP TO A MAXIMUM INTEREST RATE OF 12%.

**G. Other Benefit (Specify and describe.)**

NONE.

**H. Member Contributions**

Amount or Rate 5% OF PAY PLUS \$1.50 PER MONTH.

Interest Rate Credited to Member Contributions NONE.

