

Denver Board of Water Commissioners

2009 Retirement Plan Contribution

Board Item: VI-B-4

Meeting Date: 10/14/2009

Contract/Proposal

Action by Consent

Action

Information

At the July 8, 2009 Board meeting, staff presented the January 1, 2009 Actuarial Valuation Report prepared by Benefit Partners which states that a year-end contribution of \$13,179,253 is required to fund the Plan's normal cost for the year and to amortize its unfunded accrued actuarial liability over a 30 year period. At that time, staff recommended that the Board contribute the 2009 budgeted amount of \$14,500,000 for the reasons stated below:

1. recover some of the losses Plan incurred in 2008,
2. opportunity to buy low in the current market environment, and
3. the lower rate of return on internal investment portfolio compared to the return on pension assets

The Board agreed to contribute the budgeted amount contingent upon staff evaluating the revenue situation in October. Staff has revised the revenue forecast and the year end cash projection. Despite the full year projected revenue being lower than the budgeted amount, the year end projected cash position is \$8 million higher than the anticipated balance of \$186.6 million earlier. This cash position results from lower than budgeted spending.

As of the end of September, the Board has contributed \$11,899,457 to the Plan. Based on the Board's authorization at its July 8, 2009 meeting, payments remain for the months of October, November, and December. The remaining payments totals \$2,600,543 and when combined with the amount paid through September, the Board will have contributed the full budgeted amount of \$14,500,000.

**RECOMMENDATION:**

**Budget Considerations**

Master Plan Code(s) 4JB02204

Budgeted Item  Unbudgeted Item  Funds transferred from another project:

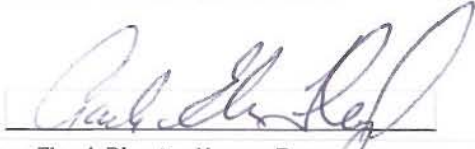
**Budget Variance**

Current Year Budget	14,500,000.00
Amount Requested This Item	0.00
YTD Expenditures	11,899,457.00
Additional Expenditures Anticipated	2,600,543.00
Revised Current Year Estimate	14,500,000.00
Variance Required	0.00

Approvals:



David LaFrance, Director Finance



Carla Elam-Floyd, Director Human Resources



Manager Approval: