

Denver Board of Water Commissioners

Title:

2009 Retirement Plan Contribution

Meeting Date: 7/8/2009

Contract/Proposal

- Action by Consent
 Action
 Information

According to Article 4.01 of the Plan document for the Employees' Retirement Plan of the Denver Board of Water Commissioners ("Plan"), the Board pledged to make contributions to the Retirement Trust Fund in such amounts and at such times as are required to maintain the Plan on a sound actuarial basis. The January 1, 2009 Actuarial Valuation Report prepared by Benefit Partners states that a year-end contribution of \$13,179,253 will be sufficient to fund the Plan's normal cost for the year and to amortize its unfunded accrued actuarial liability over a 30 year period. This amount can be reduced for payments prior to year end. A copy of the actuarial report is attached.

Deposits toward the estimated 2009 contribution have been made each month. As of June 30, 2009, \$9,298,913.04 has been contributed to the Plan.

The Board has budgeted \$14,500,000 for the Plan contribution. In light of a significant decline of the Plan's funded ratio from 92.9% in 2008 to 72.7% in 2009 due to severe market losses in 2008, the Board may wish to contribute the budgeted contribution instead of the lower actuary-recommended amount. If so, the remaining six monthly payments would be \$866,847.83 each for a total of \$5,201,086.96. Alternatively, the Board may wish to contribute the lower amount recommended by actuary. If so, the remaining contribution would be made of three payments of \$866,847.83 and one payment of \$672,360.91, for a total of \$3,272,904.40. Any contributions in excess of this minimum recommended amount would create an asset on the Denver Water's balance sheet.

RECOMMENDATION:

It is recommended that the Board approve the remaining contribution amount either as recommended by the actuary (total remaining amount of \$3,272,904.40) or the larger contribution amount as planned in the 2009 Budget (total remaining amount: \$5,201,086.96).

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	9,298,913.04
Additional Expenditures Anticipated	5,201,086.96
Revised Current Year Estimate	14,500,000.00
Variance Required	0.00

Approvals: LAFRANCE, DAVID B

David LaFrance, Director Finance



 Manager Approval:
