

10152. RESOLUTION 10-15 – AMENDING THE FY2010 OPERATING BUDGET FOR OTHER POST EMPLOYMENT BENEFITS (“OPEB”)

WHEREAS, The Delaware River and Bay Authority (the “Authority”) is a bi-state Authority created by Compact for the purpose of owning, operating and controlling both Crossing and Non-Crossing facilities; and

WHEREAS, the Authority has established and maintains certain employee benefit plans that provide post-employment benefits other than pensions (hereinafter “other post employment benefits” or “OPEBs”), such as but not limited to medical, dental, vision and prescription drug coverage, to OPEB participants who are eligible for coverage there under; and

WHEREAS, the Governmental Accounting Standards Board (“GASB”) has issued Statement 43 (hereinafter “GASB 43”) and Statement 45 (hereinafter “GASB 45”), which establish standards for accounting and financial reporting for state and local governmental employers that offer OPEBs to their OPEB Participants; and

WHEREAS, among other things, GASB 43 and GASB 45 require the Authority to account for its unfunded actuarial accrued liability, i.e. the present value of OPEBs earned but not funded and amortized over a period not to exceed thirty (30) years; and

WHEREAS, the Authority has adopted a Retirement Health Benefit Plan Document to govern the benefits and eligibility for plan participants; and

WHEREAS, the Authority has established an irrevocable OPEB Trust pursuant to Section 115 of the Internal Revenue Code for the purpose of funding its Annual Required Contribution (“ARC”); and

WHEREAS, GASB 43 and GASB 45 requires the Authority to conduct an updated actuarial valuation every two years; and

WHEREAS, the Authority received an updated independent actuarial valuation for its OPEB Liability, resulting in an estimated ARC of \$11,200,000;

WHEREAS, the Authority has implemented a 5 Year Phase-In approach to fund its ARC;

WHEREAS, the Authority is currently in the third year of its OPEB funding program;

WHEREAS, the Authority recommends amending the 2010 Operating Budget to include \$4,900,000 of funding for OPEB Benefits;

WHEREAS, the Budget and Finance Committee reviewed the recommendation and concurs with the funding proposal; and

NOW, THEREFORE, BE IT RESOLVED, that the Authority Amend its Fiscal Year 2010 Operating Budget by \$4,900,000 to fund the OPEB Benefits.

A motion to table Resolution 10-15 was made by Commissioner Favre, seconded by Commissioner Downes, and approved by a roll call vote of 12-0. Resolution 10-15 was tabled.