



# Cincinnati Retirement System Pension Fund Task Force

## Minutes

March 16, 2010 – 2PM  
Centennial II – Meeting Room A

### Present:

Hilary Bohannon  
Cathy Crain  
Linda Graviss  
Brian Pickering  
James Girton  
Marianne Steger (conference call)  
Chris Stenger  
Bryan Schmitt

### Administrative Staff Present

Kathy Creager  
Lea Eriksen  
Paula Tilsley  
Jack Walsh  
Cheryl Volk

### Absent

Milton Dohoney  
Laketa Cole  
Dan Geeding  
Francis Wagner

The meeting was called to order at 2:05 P.M.

### APPROVAL OF MINUTES

The Task Force minutes from February 23, 2010; March 2, 2010; and March 9, 2010 were submitted for review and approval. L. Gravis made a motion to approve the minutes. The motion was seconded by C. Crain and the motion passed. Minutes were approved.

### CAVANAUGH MACDONALD REPORT

Eric Gary and Ed Koebel attended the meeting via conference call. The following report was presented and discussed. The report included:

#### ✚ Objectives

- Provide three scenarios of investment rates of return to test sensitivity of the financial position due to varying rates of return:
  - Expected return of 8.0% per year
  - Optimistic return of 9.5% per year
  - Pessimistic return of 6.5% per year
- Provide 12/31/2009 Active and Retiree Demographic Information
  - Age and service for active members
  - Age and pension benefit for retirees

#### ✚ Projection Assumptions

- 12/31/08 Valuation Basis
- 2009 Investment Return to Date

- First Task Force Changes (effective 1/1/2010)
- ✚ 30-year Projection of Funded Ratio for Pension and Medical
  - Based upon various Investment Rate Scenarios
- ✚ Updated Demographic Information
  - Based upon preliminary 12/31/2009 valuation census (unaudited)
- ✚ Active Member Data
- ✚ Retired Member Data
- ✚ Salaries for Active Members by Age and Service as of 12/31/2009
- ✚ Pensions for Retired Members and Beneficiaries by Age as of 12/31/2009

## **DISCUSSIONS**

- ✚ C. Stenger developed a table of options previously discussed and considered by the Task Force. Following a review of the table, Task Force members:
  - Combined various options to create three separate scenarios for thirty year projections
  - Agreed scenarios should align with the Task Force's proposed guiding principles
  - Agreed that scenarios must incorporate a feasible timeline for cash infusion
  - Acknowledged the need for City Council to designate the source of a cash infusion and/or increased revenue streams
  - Requested a closer evaluation of:
    - Additional adjustments to actives' retirement eligibility requirements
    - Savings realized through reduction in Cost of Living Adjustments (COLA) - for actives
    - Reduction of Death Benefits for retirees
    - Pension calculations to prevent lifetime disproportionate pension jumps. Increase highest average salary from three to five years.
    - Review retirement qualifications of Ohio Public Employees Retirement System (OPERS)
    - Impact of increase in millage rate to supplement employer contribution

Next meeting is scheduled for Tuesday, March 23, 2010 – Centennial II – Meeting Room C. Meeting was adjourned at 4:30 P.M.