



City Of Cincinnati Retirement System

Special Meeting of the Board of Trustees

Minutes

July 6, 2009 / 3:00 PM
Committee Room B

The Chairperson confirmed a quorum and called the meeting to order: 3:00 PM

Present:

Brian Pickering, Chair
Dave Rager, Vice Chair
Jason Barron
Donald Beets
Miles Lindahl
Michael Fehn
Jack Walsh
Dan Radford
James Robinson
Bryan Schmitt

Staff present:

Cheryl Volk – Recorder

Absent

Michael Rachford

CAVANAUGH MACDONALD

Ed Koebel and Eric Gary provided a Summary of Valuation Results based on Recommendations of the City Council Task Force for Retirement Security. Per request of the Board, Cavanaugh Macdonald reviewed the previous Buck and Mercer reports. Both reports contained conclusions similar to Cavanaugh Macdonald.

Topics of discussion included:

1. Impact of the City Council's approved motions on unfunded liability
 - a. Legal Department currently developing the ordinances
2. Changes considered by other retirement systems
 - a. Similar changes are recommended and implemented as proposed by Task Force
3. Answers to questions provided previously by the Board
4. Options available for reducing unfunded liability
5. Contributions necessary to maintain the principal of the Fund
 - a. Year 2010: 32% of payroll = \$52,800,000
6. Retiree Drug Subsidy audit
7. Pension Obligation Bonds

Deb Allison, Law Department affirmed that health benefits for employees and retirees can be adjusted.

The Board requested the following information from Cavanaugh Macdonald for review at the next meeting of the Board of Trustees, August 6, 2009:

1. Summary of Valuation Results based on *actual dollar* contributions made by the city
2. Re-evaluation of
 - a. carve-out options
 - b. medical benefits
 - c. contribution rates.

The Board recommended Chuck Haas, Director, Risk Management to attend the next meeting to present or discuss:

1. Health-care and drug-subsidy audit of active as well as retired members.
2. Audit of retirees for eligibility of dependents for health benefits
3. Update on insurance coverage for Trustees: CHUBB

The Board will continue to consider making recommendations to address the unfunded liability and to protect the solvency of the pension fund. Due to the increasing unfunded liability and the city's inability to make the recommended contributions, the Board will heighten their focus on:

1. Investments
2. Contributions
3. Benefits
4. Expenses
5. Pension Obligation Bonds

The Board recommendations should reach City Council before the city budget is finalized (within 90 days).

Board Action

D. Rager made a motion to adjourn the meeting. M. Fehn seconded the motion and the motion passed. Meeting was adjourned at 5:30 P.M.