



## **Cincinnati Retirement System Pension Fund Task Force**

### **Minutes**

September 14, 2009 – 3PM  
Centennial II – Meeting Room A

Present:

Joe Gray, Chair  
Laketa Cole  
Cathy Crain  
Dan Geeding  
Linda Graviss  
Brian Pickering  
Bryan Schmitt  
Chris Stenger  
Francis Wagner

Absent:

Marianne Steger  
James Girton

Administrative Staff Present

Lea Eriksen  
Hilary Bohannon  
Jack Walsh  
Cheryl Volk – Recorder

Joe Gray served as Chair, as proxy for Milton Dohoney, and therefore confirmed a quorum and the meeting was called to order: 3:05 PM

#### **AUGUST 10, 2009 TASK FORCE MINUTES**

Motion made by C. Crain and seconded by L. Graviss to approve the minutes as submitted. The motion passed and the minutes were approved.

#### **ACTUARIAL PROPOSALS**

Four actuarial consultants responded to the City's Request for Proposal (RFP) for independent actuarial consultants with knowledge and expertise in restructuring public sector pension plans to ensure the long-term stability of the Cincinnati Retirement System (CRS).

- Aon Consulting
- Buck Consultants
- Cavanaugh Macdonald
- EFI Actuaries

Following a review of the proposals and fee structures, members agreed to retain Cavanaugh Macdonald.

#### ***Task Force Action***

C. Crain made a motion to accept Cavanaugh Macdonald's proposal and to retain their services to meet the needs of the Task Force. D. Geeding seconded the motion the motion passed.

## **OHIO'S PUBLIC EMPLOYEE RETIREMENT SYSTEMS**

Four of the five Ohio public employee retirement systems have recommended a variety of ways to cut future costs in order to preserve their pension benefit plans.

The State Teachers Retirement System of Ohio (STRS) began a long-term contingency planning process in January 2009. The Task Force reviewed some of the components of their board-approved plan:

1. Cost of Living Allowance (COLA)
2. Retirement eligibility
3. Benefit formula
4. Base Final Average Salary (FAS)
5. Member and employer contribution rate

## **CONSIDERATIONS FOR NEXT MEETING**

1. Obtain legal opinion concerning the elements of the CRS pension plan that are adjustable. What changes to the Plan are allowable by law.
2. Obtain from Cavanaugh Macdonald a list of recommended changes reflecting the financial impact on the long-term stability of the CRS. Request the Law Department to provide legal perspective.
3. Provide Cavanaugh Macdonald the pension fund changes of other public plans.
4. Task Force members recommended the following items be evaluated:
  - a. Increase of employee contributions
  - b. Review of the city's original proposal for the increased COLA. Was the intent for the COLA to be applied automatically
  - c. Could employees who are not vested be placed into a "defined" contribution plan
  - d. Research issuance of tax-exempt Pension Obligation Funds to retire current actuarial accrued unfunded liability
  - e. Determine a reasonable and attainable contribution rate for employer
  - f. Review for information, the CRS Asset Allocation and Money Manager fees
  - g. Restoration of the 6.1 Millage with incremental allocation to reduce the unfunded liability.

The meeting was adjourned: 4:15 P.M.