



Cincinnati Retirement System Pension Fund Task Force

Minutes

January 5, 2009 – 2PM
Centennial II – Meeting Room A

Present:

Cathy Crain
Dan Geeding
Linda Graviss
Brian Pickering
Bryan Schmitt
Chris Stenger
Francis Wagner
Marianne Steger

Administrative Staff Present

Paula Tilsley
Jack Walsh
Cheryl Volk

Staff Absent

Hilary Bohannon
Lea Erickson

Absent:

Milton Dohoney, Chair
Laketa Cole
James Girton

Paula Tilsley, Executive Director of the Cincinnati Retirement System (CRS), chaired the meeting and called the meeting to order 3:04 P.M.

NOVEMBER 30, 2009 TASK FORCE MINUTES

M. Steger made a motion to accept the Task Force minutes. L. Graviss seconded the motion and the motion passed. Minutes were approved as submitted.

TIMELINE

The timeline for presentation of Task Force recommendations, as stated in the June 15, 2009 City Council motion remains as March 1, 2010. The Task Force agreed to provide City Council with more than one scenario from which to choose and to focus on the target completion date of March 2010.

COMMUNICATION AND EDUCATION

The Task Force agreed that effective communication and education is imperative. The CRS administrative staff is charged with coordinating efforts and communicating information to the CRS stakeholders (active members, retirees, union members). Communications will include information on the pension fund crisis, factors contributing to the unfunded liability, and the potential solutions.

CAVANAUGH MACDONALD REPORT

Cavanaugh Macdonald provided an update to the final slide of their report as presented on November 30, 2009. P. Tilsley explained the criterion used in the development of the new list of hypothetical changes. The new scenario, labeled as the "Base Plan," was incorporated into the "30-Year Projection of Funded Ratio" graph on page 19 of the November 30, 2009 Cavanaugh Macdonald report. The actuary also provided 'trade-off' items for consideration when making changes to the proposed base-plan.

Questions:

- Can changes be phased-in over a period of time
- Can changes be adjusted according to a member's years of service
- Consider options for incorporating those retiring under the "point-system" (employees hired on or after January 8, 1997)
- What is total number of retirees who are not eligible for Medicare A
- Consider changing health care coverage to a 70/30 plan for all
- Request Cavanaugh Macdonald to provide:
 - Cost analysis for each scenario proposed in the report
 - Cost analysis for individual components for the proposals
 - Provide a report that would include the 'base plan' incorporated into the first three scenarios.

Follow-up:

- The flexibility of union contracts concerning pension benefits. Staff to research
- Legality of adjusting Cost of Living increases (COLA) for current retirees: Awaiting legal opinion
- Pension Obligation Bonds: Awaiting legal opinion
- Cavanaugh Macdonald:
 - Analyze the "Choices Program" of the Ohio Public Employees Retirement System (OPERS)

Meeting was adjourned: 4:45 P.M.