



Cincinnati Retirement System Pension Fund Task Force

Minutes

September 28, 2009 – 3PM
Centennial II – Meeting Room A

Present:

Milton Dohoney, Chair
Laketa Cole
Cathy Crain
Dan Geeding
James Girton
Linda Graviss
Brian Pickering
Bryan Schmitt
Chris Stenger
Francis Wagner

Absent:

Marianne Steger

Administrative Staff Present

Lea Eriksen
Hilary Bohannon
Jack Walsh
Cheryl Volk – Recorder

The Chair confirmed a quorum and the meeting was called to order: 3:04 PM

SEPTEMBER 14, 2009 TASK FORCE MINUTES

Minutes were reviewed and approved as submitted.

CAVANAUGH MACDONALD

Ed Koebel and Eric Gary, Cavanaugh Macdonald Senior Actuaries made a presentation on potential changes the Task Force could consider. The presentation included actions considered across other plans in Ohio and nationally. Cavanaugh Macdonald indicated that they could calculate the financial impact of any combination of changes requested by the Task Force. The following topics were addressed:

- ✚ Benefit Financing
- ✚ Current Situation of the Cincinnati Retirement System (CRS)
- ✚ Possible Responses
 - o Work with legal department to identify allowable changes to the benefit structure
 - o Maintain balance among members (current retirees, active employees, future hires)
 - o Consider development of a schedule for payment of 100% of the Annual Required contribution (ARC) within a certain timeframe.

- ✚ Possible Benefit Changes
 - Pension:
 - Cost of Living (COLA)
 - Employee contributions
 - Retirement Age
 - Change of benefit multiplier and final average salary definition
 - Medical
 - Consider all aspects of healthcare benefits
- ✚ Discussions of the advantages and disadvantages of the following alternatives:
 - Close System to new members
 - Defined Contribution for non-vested or new members
 - Pension Obligation Bonds

ADDITIONAL CONSIDERATIONS AND INQUIRIES

- ✚ Clarification of the Internal Revenue Code regarding contributions to the Qualified Medical Benefits Account
- ✚ Pension Obligation Bonds: Obtain additional information and advice regarding POB's including clarification of tax law
- ✚ Obtain legal opinion concerning the elements of the CRS pension plan that are adjustable
- ✚ Consideration for Prescription Drug Plans – Cavanaugh Macdonald to confer with Risk Manager
- ✚ Further exploration of Defined Contribution vs Defined Benefit Plans
- ✚ Cavanaugh Macdonald to attend the next meeting of the Task Force – October 12, 2009: Present the following:
 - The current unfunded liability of the Ohio Public Employees Retirement System (OPERS)
 - Sample restructuring blueprints that encompass:
 - The city's Annual Contribution Rate (ARC) of 17% and 20%.
 - Committee recommendations and inquiries.

The meeting was adjourned: 5:15 P.M.