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.