



Cavanaugh Macdonald
CONSULTING, LLC
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Retirement System for Employees of the City of Cincinnati



Board Meeting
May 22, 2009

Ed Koebel
Eric Gary





Changes



- Two Separate Reports
 - Pension Report
 - Medical Report
- Combined Executive Summary
- GASB Information Included in Reports
- New ERIP Contribution Schedule
- Asset Corridor in Effect



Medical Assumption Changes



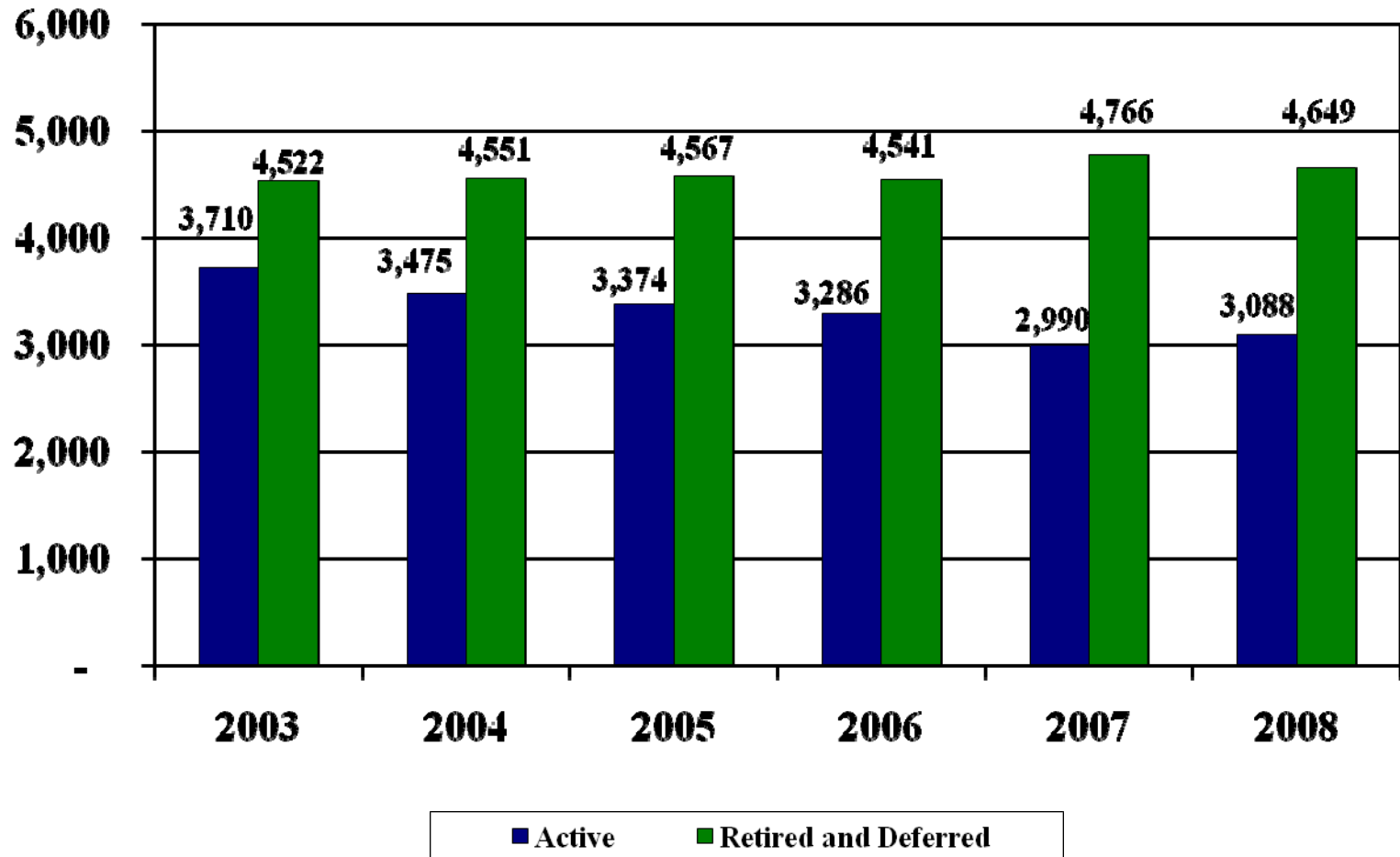
- No reduction in future payments for Retiree Drug Subsidy
- Starting per capita claims cost and their assumed rate of inflation
- Relationship of cost between ages.



Valuation Results (Combined Pension & Medical)

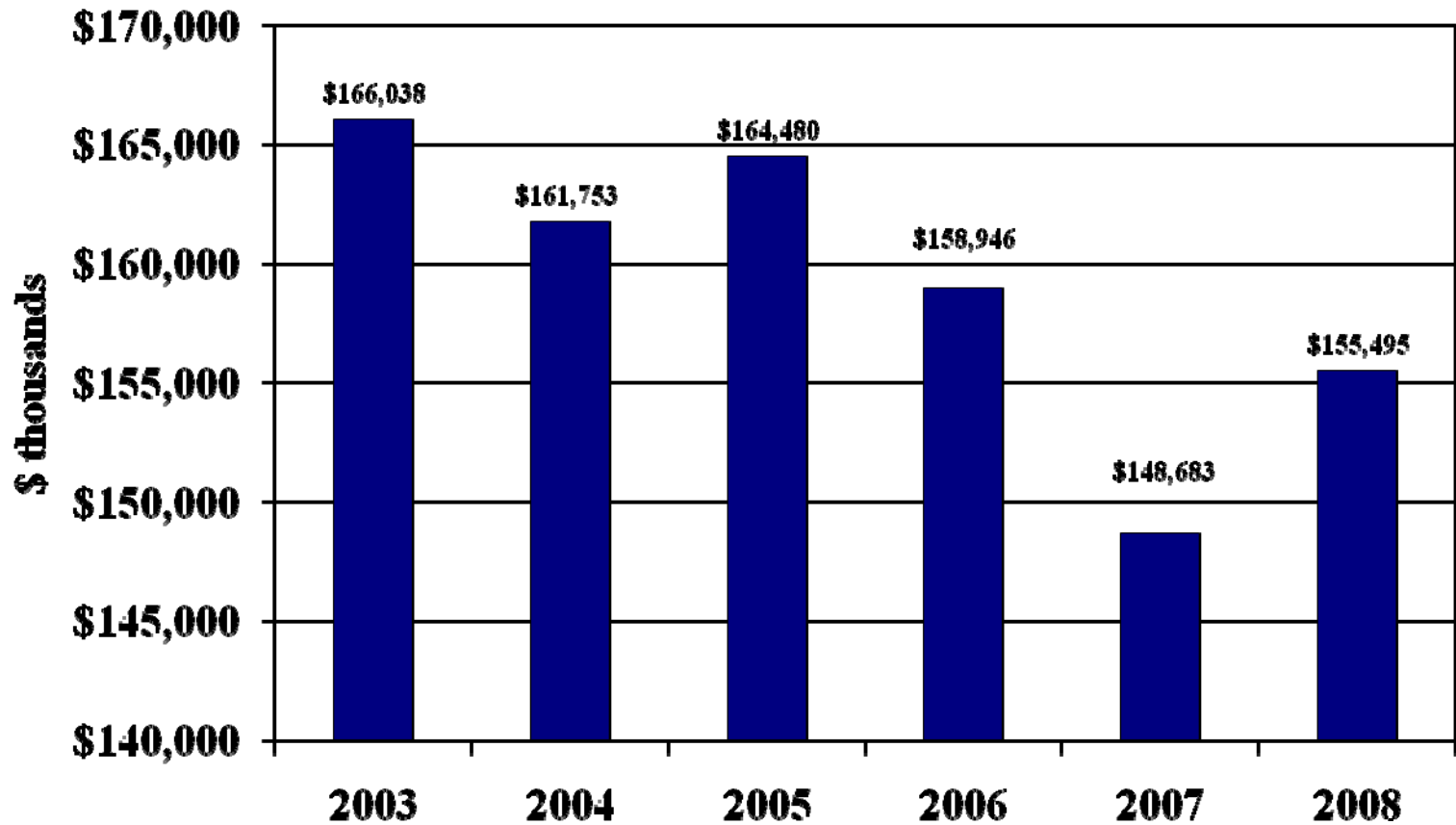


Census Data



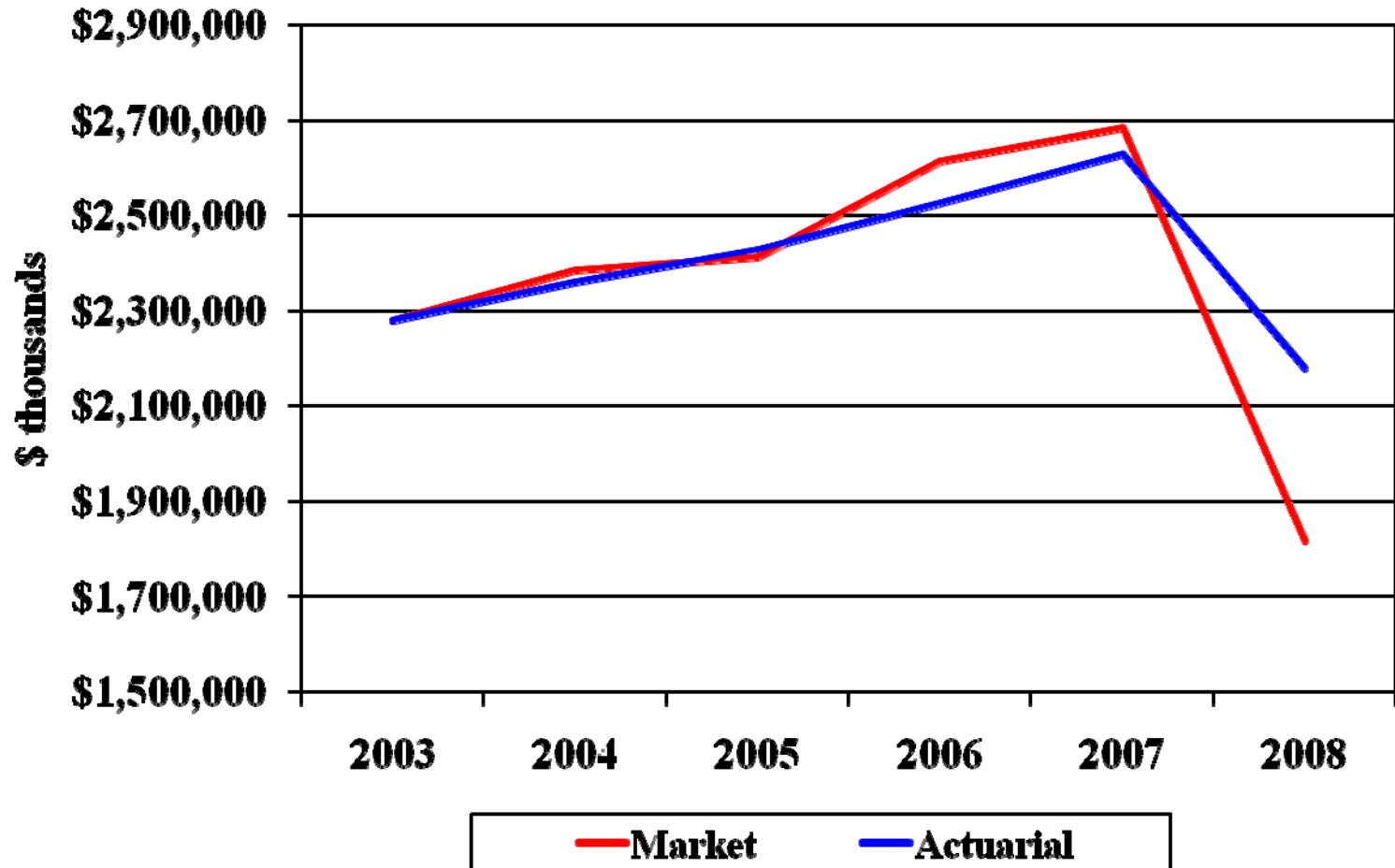


Full-Time Active Payroll



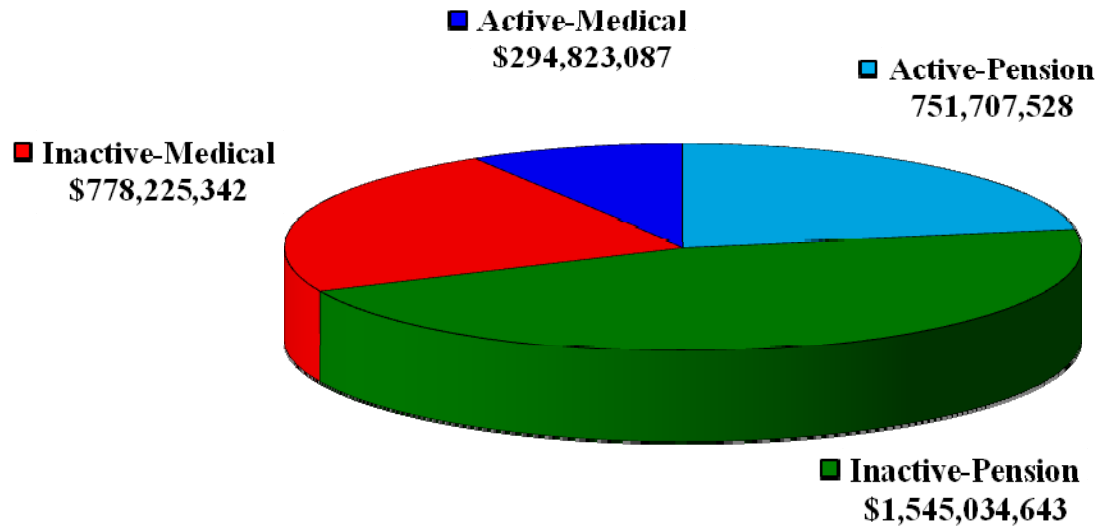


Asset Values





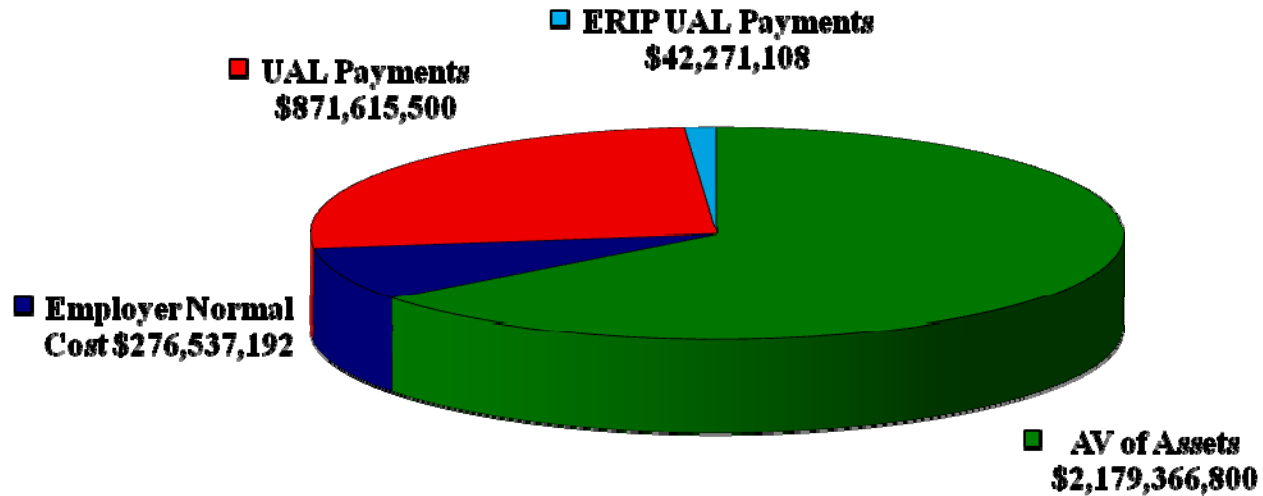
Present Value of Future Benefits by Participant Type



Total - \$ 3,369,790,600



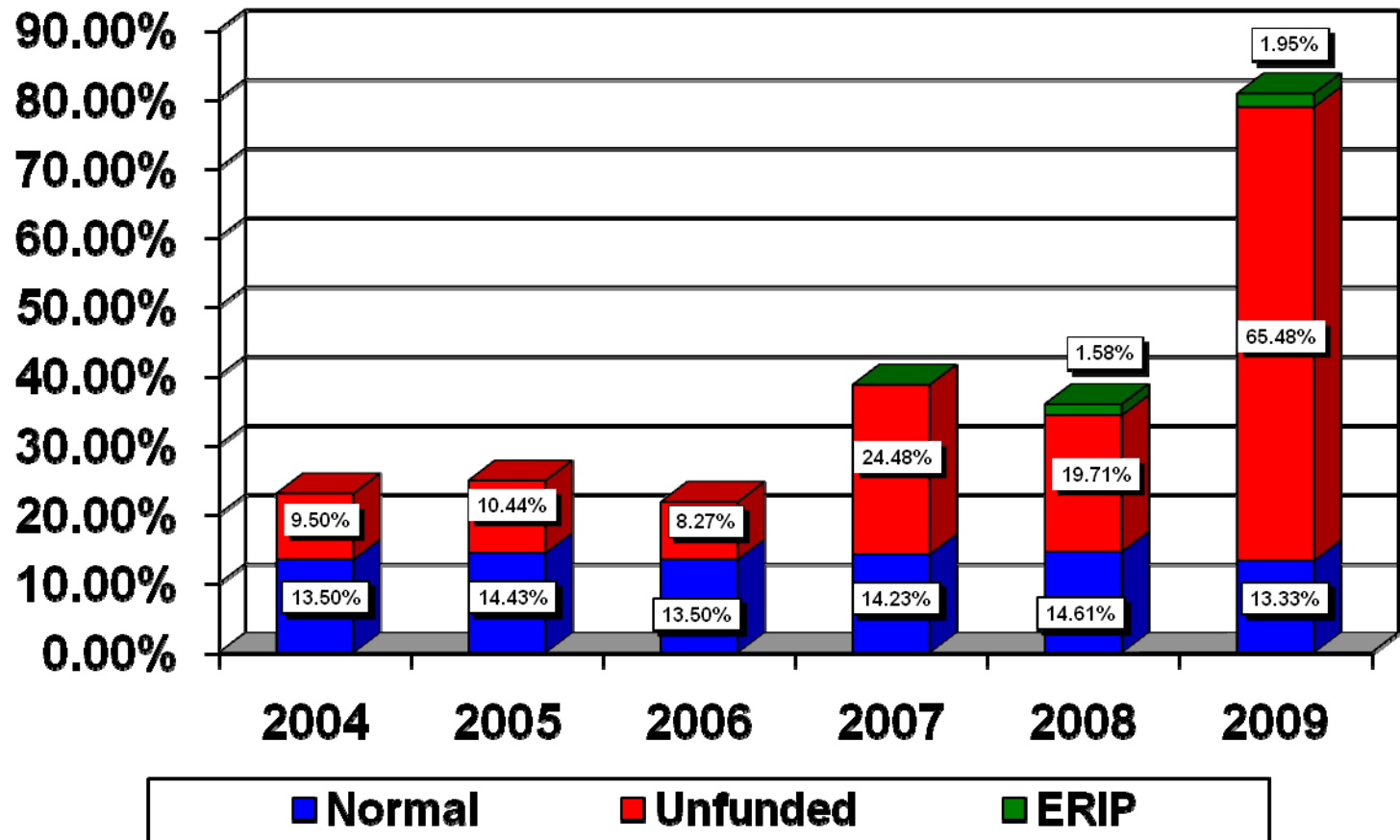
Funding of Present Value of Future Benefits



Total - \$ 3,369,790,600

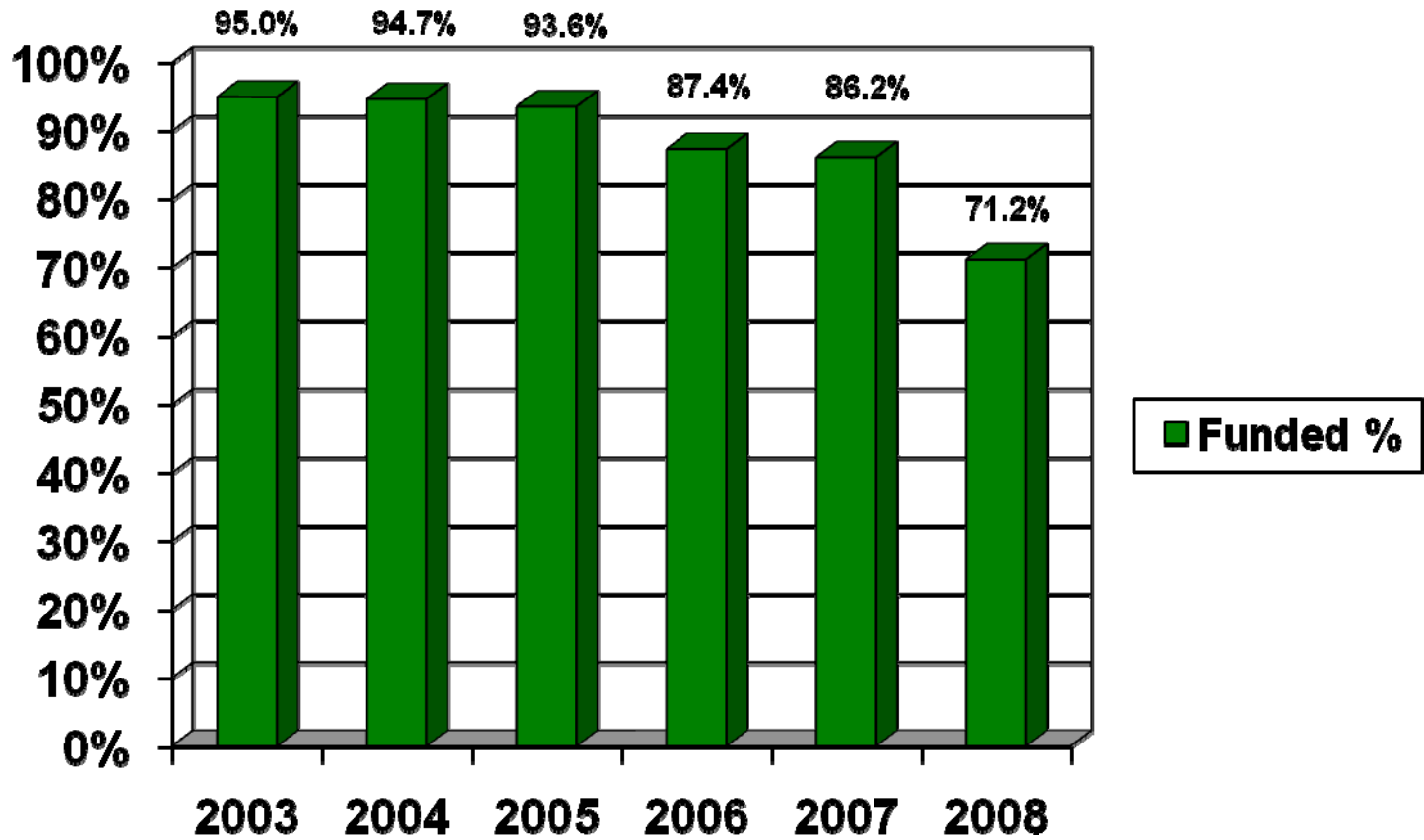


Type of Contributions



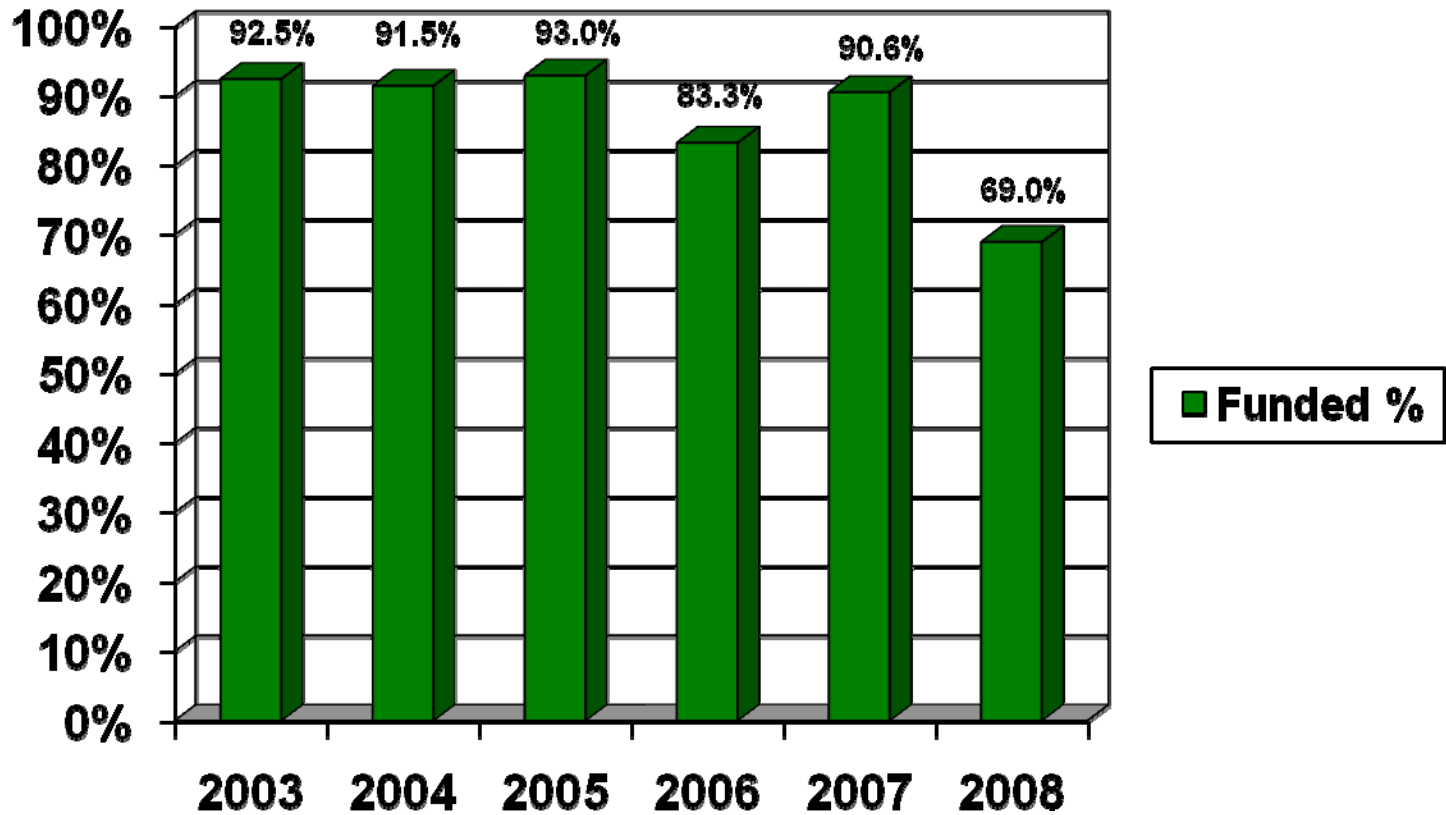


Pension Funded Percentage





Medical Funded Percentage





What-If Scenarios



Scenario	Valuation Results	30-Year Unfunded Amortization Period	No Corridor	Combined Changes
Unfunded Accrued Liability (UAL)	\$913,886,608	\$913,886,608	\$570,105,305	\$570,105,305
Annual Required Contribution Rate (ARC)	80.76%	65.07%	54.94%	45.43%
Funded Percentage	70.5%	70.5%	81.6%	81.6%

All results include the Early Retirement Incentive Plan (ERIP)



5 Year Projection Results



- Assumed 8.0% Investment Return for each fiscal year after 2008
- Assumed 3.0% Cost-of-Living Adjustments (COLAs) are granted to retirees each year in future
- Assumed Only 17% Employer Contribution was made to Trust plus separate contribution for ERIP
- 15 Year Amortization Period
- 5 Year Smoothing of Assets
- Corridor in Effect
- No Actuarial Gains/Losses during Period



5 Year Projection Results



Year	Market Value of Assets (\$ thousands)	Unfunded Accrued Liability (\$ thousands)	Annual Required Contribution Rate (ARC)	Funded Ratio
2008	\$1,816,139	\$913,887	80.76%	70.5%
2009	\$1,797,987	\$1,013,505	86.41%	68.0%
2010	\$1,772,486	\$1,119,373	92.16%	65.5%
2011	\$1,738,836	\$1,396,325	109.32%	58.0%
2012	\$1,696,167	\$1,697,601	127.07%	50.0%
2013	\$1,643,530	\$1,821,752	132.17%	47.4%