



Cincinnati Retirement System Pension Fund Task Force

Minutes

February 23, 2010 – 2PM
Centennial II – Meeting Room B

Present:

Hilary Bohannon
Cathy Crain
Dan Geeding
James Girton
Linda Graviss
Chris Stenger
Brian Pickering
Marianne Steger
Roxanne Qualls
Bryan Schmitt
Francis Wagner

Administrative Staff Present

Lea Erickson
Kathy Creager
Paula Tilsley
Jack Walsh
Cheryl Volk

Absent

Milton Dohoney

The meeting was called to order at 2:05 P.M.

TASK FORCE MINUTES

February 2, 2010 Task Force minutes were approved as submitted.

CAVANAUGH MACDONALD REPORT

Eric Gary and Ed Koebel attended the meeting via conference call. The following report was presented and discussed. The report was in response to the committee's request for more analyses of members' pension and health care benefits. Topics included:

✚ Objectives

- Provide liabilities and funding requirements separately for pension and medical plans
- Recognize need to develop transition plan
- Develop additional ideas for consideration

✚ Pension Plan Only

- Pension plan funding is primary
- Potential approaches to funding
 - 100% by year 2038
 - Contribute 100% Annual Required Contribution (ARC)
 - Stable funded ratio
- Projection of funded ratio for six scenarios
- Projected employee and employer contributions – annual and cumulative

✚ Medical Plan Only

- Medical funding is secondary
- Long term medical plan funding goal is:

- Solvency through year 2038
- Funded ratio = 50% by 2038; or
- Funded ratio – 100% by 2038
- Projection of funded ratio for four scenarios
- Projected medical benefit payments – annual

✚ Projection Assumptions

✚ Additional Ideas for Consideration

- Task Force #2 – Plan 1 pension benefit changes currently assume the change to the Cost of Living Adjustment (COLA) for future retirees will be compounded.
 - Consider impact of moving to simple COLA
- Eliminate the CRS loan provision
- Develop a transition approach to stabilize the CRS financial situation.

AREAS OF AGREEMENT

- ✚ 30-year open amortization
- ✚ COLA changed to simple or tied to inflation index for future retirees
- ✚ Stable 80% funding
- ✚ Separate pension plan and medical plan
- ✚ Research cash infusion possibilities
- ✚ Educate stakeholders
- ✚ P. Tilsely researched the feasibility of CRS joining OPERS. The CRS liability would be prohibitive.

ADDITIONAL INFORMATION REQUESTED BY THE TASK FORCE:

- ✚ Legal opinion of 401H non-diversion of investment income
- ✚ Provide a graph showing cash infusion in \$100,000 increments: \$250,000 \$350,000 etc.
- ✚ Regarding pension obligation bonds: what is the city's debt limitation

Next meeting is scheduled for Tuesday, March 2, 2010 – Centennial II – Meeting Room A. Meeting was adjourned at 4:15 P.M.