



City Of Cincinnati Retirement System Board of Trustees Meeting

**December 3, 2015 / 2:00 P.M.
City Hall – Committee Room B**

Present

Chris Meyer, Chair
Christopher Baucom
Don Beets
Bill Moller
Bev Nussman
Susan Robinson
Ely Ryder
Roger Sims
Christopher Smitherman
Tom West

Staff Present

Paula Tilsley
Cheryl Volk

Absent

Jack Walsh

Meeting was called to order at 2:05 P.M.

OATH OF OFFICE

T. Nestor, City Solicitor, administered the Oath of Office to Bill Moller, the newly appointed Trustee. C. Meyer, Chair welcomed Mr. Moller to the Board. C. Meyer and B. Moller to discuss committee assignments.

APPROVAL OF MINUTES

S. Robinson made a motion to approve the minutes. B. Nussman seconded the motion and the motion passed. The minutes were approved.

115 TRUST

In accordance with the Collaborative Settlement Agreement, the City is to establish a 115 Trust for the purpose of holding and investing funds to provide retiree healthcare benefits. S. Goodin and T. Nestor presented the 115 Trust document and outlined the necessary steps that must be taken in the development of the Trust. After the remaining liabilities under the 401(h) account have been paid, approximately \$640 million will be transferred from the CRS 401(h) account into the 115 Trust. Approximately \$220 million remaining in the 401(h) after the remaining liabilities have been paid, will revert back to the City. The City will deposit these funds into the CRS Pension Trust Fund.

The IRS requires that the governing Board of the 115 Trust be comprised of a majority of Mayoral appointees.

The 115 Trust Document will be submitted for approval to City Council on December 9, 2015.

Board Action

E. Ryder made a motion to approve the 115 Trust document. S. Robinson seconded the motion and following a roll-call vote the motion was approved. The 115 Trust document was approved. The CRS Board Chair, Chris Meyer, signed the 115 Trust document on behalf of the Board of Trustees.

Roll-Call Vote to Approve

C. Baucom	Yes
D. Beets	No
C. Meyer	Yes
B. Moller	Yes
B. Nussman	Yes
S. Robinson	Yes
E. Ryder	Yes
R. Sims	Yes
C. Smitherman	Yes
T. West	Yes

BENEFITS COMMITEE

S. Robinson provided the following report from the Benefits Committee meeting December 3, 2015:

Request for Loan Program

Per the request of the CRS Board, the Benefits Committee considered the request submitted by T. West to City Council to re-introduce the CRS loan program.

P. Tilsley requested and received a legal opinion from the City Solicitor's Office concerning use of CRS funds for personal loans. In summary, the Collaborative Settlement Agreement (CSA) prohibits the use of pension assets for loan proceeds to members from the pension trust. A retirement loan program would violate the CSA provisions. The attorneys representing the Current Employee Class in the Collaborative Settlement Agreement (CSA) agreed with the City Solicitor's legal opinion. Benefits Committee recommends to the Board that a loan program is not feasible at this time.

T. Nestor restated his legal opinion that using CRS funds for a loan program would be in violation of the CSA. E. Ryder made suggestions for consideration of an alternative loan program. Questions remain as to how an alternative program would be designed without using CRS funds. Based on the information provided, the Board agreed that a loan program is not feasible at this time.

Board Action

E. Ryder made a motion that based on the language of the CSA there is no current viable option for a loan program at this time. Motion was seconded by S. Robinson. All members voted in favor of the motion except T. West who voted against the motion. The motion passed. P. Tilsley to submit the Board's recommendation with report to City Council.

EGWP- Medicare D Prescription Program

In accordance with the Collaborative Settlement Agreement, CRS is implementing an employer group version of a Medicare D prescription program, also known as an EGWP. The Medicare D prescription program is subject to strict and numerous Medicare rules. A Medicare D program requires that all Medicare eligible members be enrolled in Medicare A and/or Medicare B. Note that CRS remains primary payor for CRS members who are not eligible for premium free Medicare Part A. The members who fail or refuse to enroll in Medicare A or B will lose their prescription coverage from CRS. Every year,

communications are mailed to retirees reminding them of the CRS requirement to enroll in Medicare B if they are 65 years of age or older. As part of the EGWP implementation with United Healthcare, approximately 45 eligible members have been identified who have not enrolled in Medicare A or B after multiple notifications.

The retirees who have not enrolled in Medicare will be provided one more opportunity to remain on the prescription coverage from CRS. CRS staff will contact each member by phone and will also mail each retiree a letter notifying them of Medicare's 3 month late enrollment window from January 1 to March 31, 2016 to enroll in Medicare Part B. Special effort will be made to reach those who may be in assisted care facilities. These affected members will continue to remain on the Optum prescription plan (for members who are under age 65) until March 31, 2016. The retirees will have until March 31, 2016 to notify CRS that they have enrolled in Medicare B. Those who do not notify CRS by March 31, 2016 will lose all prescription coverage. Those members who confirm with CRS by March 31, 2016 that they have enrolled in Medicare Part B will be kept on the Optum prescription plan through June 30, 2016 and CRS will transfer their coverage to the UHC Prescription Medicare D plan effective July 1, 2016. Note that enrollment in Medicare Part B through the late enrollment window, delays effective Part B coverage until the following July 1. Benefits Committee approved the process as reasonable and fair.

Board Action

S. Robinson made a motion to approve the process to provide remaining retirees, who have not enrolled in Medicare Part A or B, one last opportunity to enroll in Medicare or lose their prescription coverage from CRS. R. Sims seconded the motion and the motion passed. Remaining retirees will be given one last opportunity to enroll in Medicare or lose their prescription coverage from CRS.

LEGAL UPDATES FOR BOARD

S. Goodin and T. Nestor advised the Board to be mindful of the Ohio Sunshine Laws and open-meeting requirements. Oral or written discussions outside of Board meetings between Board members could lead to potential open meetings issues or be perceived to be in violation of provisions of the Ohio Open Meetings Act.

Two days before the Board meeting, E. Ryder submitted a written motion to Board members. Part of the motion contained a request for electronic communications among Board members and the general public outside the Board of Trustees meetings. T. Nestor recommended the motion be referred to Law Department for legal consideration due to the potential for Board liability.

T. Nestor also reviewed the legality surrounding "Attorney-Client Privilege Communications" and the legal requirement for confidentiality. Law Department will work with Retirement to develop educational programs for the Board that will address the public records discussion, Ohio Sunshine Law and the Open Meetings Act, and the legalities surrounding Attorney-Client Privilege.

Board Action

E. Ryder made a motion that all items for action by the Board of Trustees of the Cincinnati Retirement System at a Board meeting must be submitted at least seven days in advance of the meeting and include all supporting documents. The Board Chair may waive this requirement on request by the administration showing good cause for the waiver.

Contemporaneously with such requests, copies must be sent electronically to all Board members. Further, all action items, including supporting documents, shall be deemed public records at the time of their submission to the Board Chair. Board members may address comments on action items to the Chair, copies to all other Board members and to the administration. Any comments received from Board members or the public shall be similarly distributed and deemed public records. Effective January 1, 2016.

Discussion of the motion: B. Moller requested P. Tilsley address the feasibility of all action items being submitted to the Board at least 7 days ahead. P. Tilsley stated that CRS' goal has been to get items to the

Board by the Monday preceding the Board meeting. Unforeseen delays due to legal counsel and other agencies are out of the control of Retirement Office. C. Meyer recommended the timeline be a goal rather than a written policy to prevent potential issues in the future. S. Robinson recommended the motion refer to “business days” for clarification. E. Ryder concurred that the motion could be refined to reflect these recommendations.

D. Beets seconded the motion.

T. Nestor recommended the motion be referred to Law Department for legal review. S. Robinson made a motion to refer E. Ryder’s motion to the Law Department for legal consideration. R. Sims seconded the motion and the motion passed. Refer E. Ryder’s motion to the Law Department for consideration and follow-up.

OTHER BUSINESS

C. Smitherman recommended that a delegation of the Board make a presentation before City Council concerning the CSA, the status of the pension fund and healthcare fund, and other related topics.

C. Smitherman provided the Board an overview of the County and MSD negotiations, and the potential impact on the City.

D. Beets inquired about the Trustee elections and the timeline for implementation. P. Tilsley explained that the Administration and plaintiffs in the CSA have not yet approved final Board reforms. The terms must be declared before the elections can be administered.

Having no further business, the meeting was adjourned at 4:05 P.M.