



**City of Cincinnati Retirement System  
Board of Trustees**

**February 4, 2010 / 2PM  
City Hall - Committee Room B**

**Call to Order**

**Approval of Minutes**

- ✚ December 3, 2009

**Benefits Committee**

- ✚ Minutes & Report
  - December 3, 2009 minutes
  - Governance Report: (Carried from the cancelled Board meeting January 7, 2010)
  - Disability Report

**Secretary's Report**

**Investment Committee**

- ✚ December 3, 2009 Minutes
- ✚ ABS Offshore SPC Global Segregated Portfolio: Fee Structure

**Funding Ratio Report**

**Legal Updates**

- ✚ Roshani Hardin, Chief Counsel

**Task Force Update**

**Pending Business**

- ✚ Task Force Funding

**New Business**

- ✚ Independent Board member replacement
- ✚ International Foundation of Employed Benefit Plan: November 2009 Conference
- ✚ Retiree Health Care Changes effective 1/1/10
- ✚ Governance Committee Reports

**Informational Items:**

- ✚ Committee Assignments 2010

✚ CRS Activity	December 2009	January 2010
1. Application for Ordinary Retirement:	Total: 5	4
2. Enrollment of New Members:	Total: 21	22
3. Return of Contributions for EE:	Total: \$ 92,965	\$ 97,950
4. Death Benefits:	Total: \$ 152,703	\$ 82,500
5. New Loans:	Total: \$ 370,316	\$ 373,805
6. Operating Expenses:	Total: \$ 99,059	\$ 166,327

- ✚ CRS personnel update
- ✚ Reception for Dan Radford

**Adjournment**

**Next Meeting: March 4, 2010 – City Hall - Committee Room B**



# City Of Cincinnati Retirement System Board of Trustees Meeting

## Minutes

February 4, 2010 / 2:00 PM  
Committee Room B

Meeting was called to order at 2:00 PM

### Present:

Brian Pickering, Chair  
David Rager, Vice Chair  
Donald Beets  
Michael Fehn  
Miles Lindahl  
Kathy Creager  
Michael Rachford  
James Robinson  
Bryan Schmitt

### Staff present:

Paula Tilsley  
John Dietz  
Cheryl Volk

### Absent

Jason Barron

### BOARD MINUTES DECEMBER 3, 2009

M. Rachford made a motion to approve the minutes. D. Beets requested the minutes to include more detail concerning the 2010 budget report. The budget report listed the estimated projected actuals for year 2009 and explanations for each category cited in the 2010 budget. M. Fehn seconded the motion to approve the minutes with revisions. The motion passed and the minutes were approved with revisions.

### BENEFITS COMMITTEE

M. Rachford provided the following Benefits Committee Report:

- Benefits Committee Governance Report – Board to review and consider for acceptance at the next Board meeting.
- Minutes: December 3, 2009
- Retirement Healthcare Eligibility Ordinance
  - Benefits Committee determined the ordinance's original effective date of August 1, 2010 as unattainable. The original effective date would not provide sufficient time to properly notify and educate the members prior to implementation.
  - Ordinance to be revised with a new implementation date and submitted back to City Council as an Emergency Ordinance. Administration to generate communications to CRS members immediately following the passage by Council. The date for implementation would be changed to the first of the month, 180 days following passage of Ordinance.
- Disability Report:
  - Lavelle Gray - The Benefits Committee accepted the Medical Director's report and approved the disability application.

**Board Action**

M. Rachford made a motion to accept the Medical Director’s report and to approve the disability application of Lavelle Gray. B. Schmitt seconded the motion and the motion passed.

- Glenda Harris - The Benefits Committee accepted the Medical Director’s report and denied the disability application.

**Board Action**

M. Rachford made a motion to accept the Medical Director’s report and to deny the disability application of Glenda Harris. B. Schmitt seconded the motion and the motion passed.

- Kimberly Billups - The Benefits Committee accepted the Medical Director’s report and denied the disability appeal.

**Board Action**

M. Rachford made a motion to accept the Medical Director’s report and to deny the disability appeal of Kimberly Billups. D. Rager seconded the motion and the motion passed.

- Linda Stoffel - The Benefits Committee accepted the Medical Director’s report and denied the disability appeal.

**Board Action**

M. Rachford made a motion to accept the Medical Director’s report and to deny the disability appeal of Linda Stoffel. K. Creager seconded the motion and the motion passed.

**SECRETARY REPORT**

J. Walsh provided the following report:

<b>Board of Trustees Secretary Report Month Ending: December 31, 2009</b>			
<b>Asset Valuation</b>			
December 31, 2008	\$ 1.83	Billion	\$ 1,831,513
<b>December 31, 2009</b>	\$ 2.00	Billion	\$ 1,998,378
<b>YTD Increase (Decrease)</b>	9.11%		
<b>Current Asset Allocation</b>	<b>12/31/08 Actual</b>	<b>12/31/09 Actual</b>	<b>Target</b>
Domestic Equity	42.9%	32.2%	29.5%
International Equity	16.5%	21.6%	21.0%
Fixed Income	20.3%	19.4%	17.0%
Private Equity	4.3%	4.5%	5.0%
Real Estate	8.6%	5.3%	7.5%
Infrastructure	1.0%	2.3%	5.0%
Long / Short Equity	6.2%	13.9%	15.0%
Treasury Cash	0.2%	0.8%	
	100.0%	100.0%	100.0%

## **INVESTMENT REPORT**

J. Walsh provided the following report:

- ✚ December 3, 2009 Investment Committee minutes
- ✚ February 4, 2010 Investment Committee meeting:
  - 4<sup>th</sup> Quarter Report for 2009: End of Quarter Portfolio Market Value: \$1.98 billion
  - Gregory Leonberger, Director of Research, Marquette Associates attended the meeting to provide a report on Investing in Inflationary Environments
  - Investment Committee actions:
    - Cancellation of \$10 million allocation to Private Equity Fund of Fund Manager, Fort Washington Capital Partners, Fund VII.
    - Allocation of \$10 million from International Equity Manager, Harding Loevner to Fixed Income Manager PIMCO.

## **FUNDING RATIO REPORT**

P. Tilsley presented a revised monthly funding ratio report. The report included comments that spoke to the use and concern of using certain outdated figures. The Board again asked P. Tilsley to research other options of providing a meaningful funding ratio report from the Board to City Council.

## **LEGAL UPDATES**

Allison Davison from the City Solicitor's office presented to the Board to answer questions regarding the Gamel vs City of Cincinnati case. No questions were raised.

## **TASK FORCE**

P. Tilsley provided an update on the Task Force:

- ✚ The Task Force has been meeting once a week for the past couple of months. The pension benefits remain their primary concern as they analyze the many components. B. Pickering to provide reports from the Task Force to the Board
- ✚ A question was raised at the last Board meeting: How was Task Force #1 funded? K. Creager reported the Cincinnati Retirement System (CRS) has paid all costs for Task Force #1 and will continue to pay costs for Task Force #2. In both instances, City Council recommended the development of the Task Force whose sole purpose is to help the CRS reach fund sustainability. Therefore the CRS paying all costs is justified.

Follow-up question: What was total the amount paid by CRS for Task Force #1? Administration to research.

- ✚ Ed Koebel and Eric Gary of Cavanaugh Macdonald continue to attend the meetings via conference call.

## **NEW BUSINESS**

- ✚ Independent Board member replacement: Board in search of replacement
- ✚ International Foundation of Employee Benefit Plans: November 2009 Conference
  - Mike Fehn and Bryan Schmitt were asked to share with the Board what they learned at the conference.
- ✚ Retiree Health Care Changes effective 1/1/10: Healthcare changes from Task Force # 1 were implemented on January 1, 2010. The deadline for retirees to submit their tax information for carve out eligibility is March 1, 2010.
- ✚ Governance Committee Reports: Investment Committee to discuss at next Investment Committee meeting – March 4, 2010.

✚ CRS Staffing: Current positions in the CRS office are being reviewed to help determine staffing needs. The Investment Officer position will be addressed once job descriptions are determined.

✚ Committee Assignments were distributed

✚ CRS Activity	December 2009	January 2010
1. Application for Ordinary Retirement:	Total: 5	4
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6. Operating Expenses:	Total: \$ 99,059	\$ 166,327

M. Rachford made a motion to adjourn the meeting. Motion was seconded by M. Rachford and the motion passed. Meeting was adjourned 3:15P.M.



**Board of Trustees  
Secretary Report**

**Month Ending: December 31, 2009**

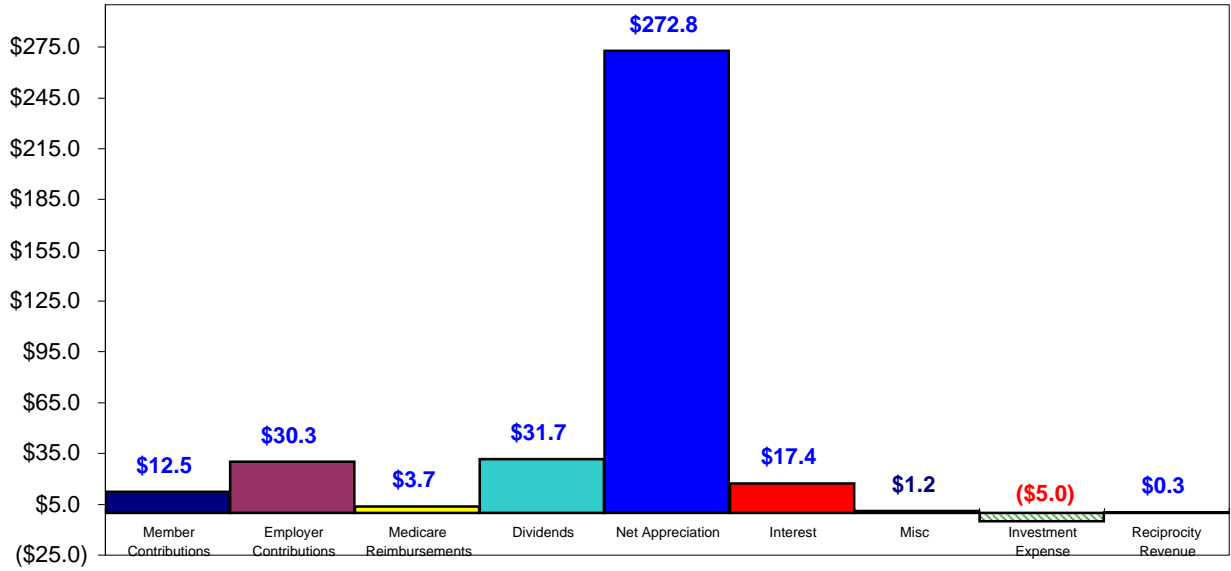
<b>Asset Valuation</b>			
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YTD Increase (Decrease)	9.11%		
	<b>12/31/08</b>	<b>12/31/09</b>	
<b>Current Asset Allocation</b>	<b>Actual</b>	<b>Actual</b>	<b>Target</b>
Domestic Equity	42.9%	32.2%	29.5%
International Equity	16.5%	21.6%	21.0%
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Real Estate	8.6%	5.3%	7.5%
Infrastructure	1.0%	2.3%	5.0%
Long / Short Equity	6.2%	13.9%	15.0%
Treasury Cash	0.2%	0.8%	
	100.0%	100.0%	100.0%

### Additions to Net Assets

December 31, 2009

\$ 365 Million

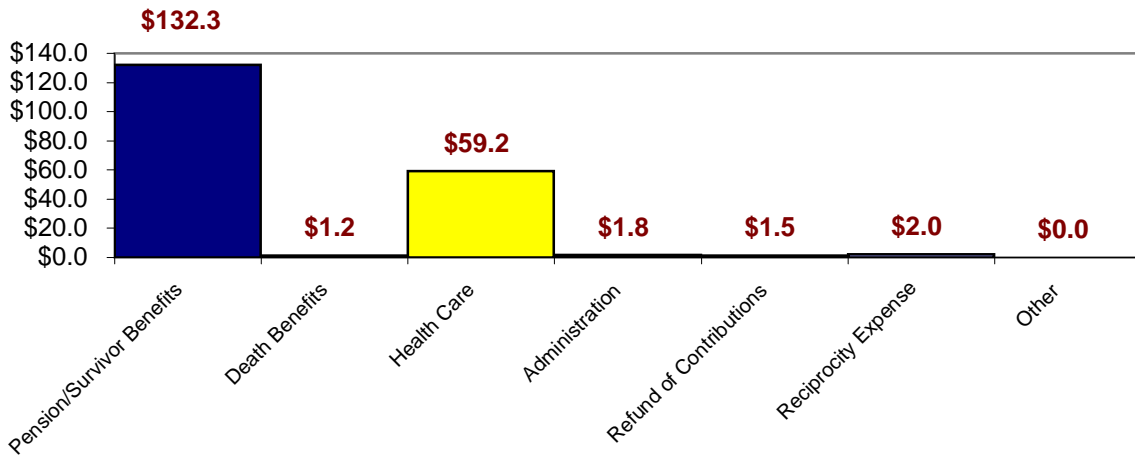
(in \$ Millions)



### Deductions from Net Assets

December 31, 2009 - YTD

\$ 198 Million





## LOANS TO MEMBERS

<b>Loan #</b>	<b>Payee's Name</b>	<b>Department</b>	<b>Check Amount</b>	<b>Check #</b>
62408	Angevine, Brent A	09071 RCC-Clear/457 - RCC- CL Info Sys	\$18,979.38	500000
62409	Brackett, Kathleen	22210 CMHA Liasn/050 General Fund	\$8,741.00	500001
62410	Brock, Kevin	MSD-WWC-REPAIR & REHAB/701 Metropolitan Sewer District	\$9,758.00	500002
62411	Davidson, Christine	30220 CWWCASHIER/101 Water Works	\$33,750.00	500003
62412	Dodd, Eric M	30440 CWWMAINTNC/101 Water Works	\$29,201.98	500004
62413	Downing, Timothy	19426 CRC-Mntnce West/050 General Fund	\$23,082.96	500005
62414	Fay, John	23300 Engineerin/050 General Fund	\$36,700.50	500006
62415	Gardiner, Frederick L	30320 CWWOPERATN/101 Water Works	\$5,000.00	500007
62416	Guffey, Jeffrey R	30440 CWWMAINTNC/101 Water Works	\$3,000.00	500008
62417	Hill, Anthony W	44200 WWT Millcr/701 Metropolitan Sewer District	\$5,000.00	500009
62418	Hill, Duane	20200 Operations/050 General Fund	\$6,500.00	500010
62419	Hodges, Felicia F	25321 SW RearLdr/050 General Fund	\$5,345.00	500011
62420	Hudson, Lynn	20200 Operations/050 General Fund	\$2,000.00	500012
62421	Hyde, Sunny	1671000-Inspections/Housing Inspection/050 General Fund	\$9,413.00	500013
62422	Kastner, Kurt	20200 Operations/792 Forestry	\$10,000.00	500014
62423	Madden, Robin E	25344 SW StWaste/050 General Fund	\$28,000.00	500015
62424	McDonald, Lanita V	25321 SW RearLdr/050 General Fund	\$12,493.00	500016
62425	Miler, Perry M	22210 CMHA Liasn/050 General Fund	\$16,756.00	500017
62426	Miller, Michelle R	19333 Camp Wash/050 General Fund	\$6,000.00	500018
62427	Moore, Diane	30220 CWWCASHIER/101 Water Works	\$18,752.00	500019
62428	Morton, Monica M	1330500- Financial Reporting for HUD/304 Community Dev Block	\$10,577.22	500020



		Grant Fund		
62429	Perkins, Anthony G	23300 Engineerin/050 General Fund	\$42,293.00	500021
62430	Sanders, John	26353 CHS Litter/050 General Fund	\$9,000.00	500022
62431	Seiter, Joseph	2560000 - Fleet Services/202 Municipal Garage	\$11,029.00	500023
62432	Specker, William J	44900 WWT Dam/701 Metropolitan Sewer District	\$12,433.80	500024

<b>To the City Treasurer:</b>  <b>Please issue a check to each of the above listed payees in the amount set opposite their respective name. The total of all the checks requested by this voucher is: \$373,805.84</b>	<b>Voucher #:</b> 50000
	<b>Check Date:</b> January 20, 2010

<b>Staff Approval:</b> <b>Prepared by:</b> _____  <b>CHRIS Setup by:</b> _____  <b>Approved by:</b> _____	<b>Board Approval:</b>  <b>By:</b> _____  <b>Secretary, Retirement Board of Trustees</b>
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## **Cincinnati Retirement System Retirement Application Report To the Board of Trustees**

### Applications for Retirement:

November 1, 2009: Kenneth Hoover #10151  
Shirley Harper #10152

December 1, 2009: Elaine McCreagh #10155  
Vivian Wagner #10156  
Marian Davis #10157  
Julius Petersen #10158  
Barbara Cain #10159

January 1, 2010: John Murphy # 10162  
Betty Newby # 10163  
Mary Cox # 10164  
Evert Powers # 10165

City of Cincinnati  
Retirement System  
Enrollment of New Members

**New Enrollments - December 2009**

<b>Retire #</b>	<b>Name</b>	<b>Description</b>
069997	Schlegel,Anthony M.	M CPD-Information Tech Mgmt Unit
069998	Smith,Kelly M.	F CPD-School Crossing Guards
069999	Ashley,Wanda J.	F CPD-School Crossing Guards
070000	Carr,Lauren K.	F CWW Customer Services
070001	Dupps,Adam James	M CWW Preventative Maintenance
070002	Ralston,Michele T.	F CWW Business Services
070003	Gulley,Nicole M.	F PHC Contract Health Centers
070004	Thomas,Antoinette	F School and Adolescent Health
070005	Burton,Christopher J	M CWW Customer Services
070006	Jordan-Hein,Akita Marie	F Office of Mayor Mallory
070007	Menkhaus,Matthew A.	M CWW Customer Services
070008	Baer,Joseph J	M WWT-Millcreek Section
070009	McMillen,Joseph J	M WWT-Millcreek Section
070010	Featherston,Seth M	M WWT Polk Run Section
070011	Blankenship,Bradley N	M WWT-Millcreek Section
070012	Amshoff,Gregory S	M WWT-Millcreek Section
070013	Poulimenos,Mary B	F Council - Laure Quinlivan
070014	Blackwell,Eulus	M CRC-Maintenance East - PT
070015	Tully,James A.	M CRC-Maintenance East - PT
070016	Wells,Wadonn L	M Citizen's Complaint Authority
070017	Miller,David L	M Council - Charles Winburn

City of Cincinnati  
Retirement System  
Enrollment of New Members

New Enrollments                      January 2010

<b>Retire #</b>	<b>Name</b>	<b>Description</b>
070018	Jones,Shelli Eileen	F CWW Distribution Unit
070019	Mencini,Christopher J.	M CWW System Design
070020	Whitmire,Bernard	M CPD-School Crossing Guards
070021	Smith,Jo Ann	F CPD-School Crossing Guards
070022	Barnes,Caressa R	F CRC-Oakley Camps
070023	Greenstone,Kayla M	F CRC-Softball
070024	Spidare,Matthew W	M WWE-Plan Review
070025	Cundiff-Shaw,LeeAnn F	F MSD-DIW-LABORATORY
070026	Fritz,Thomas A	M MSD-DIW-LABORATORY
070027	Tolbert,Todd Darrin	M CWW Valve
070028	Stephenson,Brad Micah	M CWW Operations
070029	Griffin,Bobby Keys	M CWW Operations
070030	Bowman,Jack A.	M CRC-Aquatics Administration
070030	Bowman,Jack A.	M CRC-Aquatics Administration
070031	Hess,Kelly Lorraine	F CPD-School Crossing Guards
070032	Cascella,Kathryn K	F Council - Jeff Berding
070033	Marcum,Ronald A	M Information Technology
070034	Simmons,David A	M MSD-DIW-SURCHARGE&SURVEILLANCE
070035	Johnson,David L	M Information Technology
070036	Shindledecker,Zack J	M MSD-SMU-Operation and Maintena
070037	Schmalz,Sarah Nicole	F Parks-Planning Design & Dev
070038	Carlson,Shane M	M WWT-Maintenance Section
070039	Kutcher,Thomas J	M WWT- Superintendent

# RETIREMENT SYSTEM OF THE CITY OF CINCINNATI

## Operating Expense

Acct#	NAME && ADDRESS	AMOUNT	CHECK#
7280	LEE PERSONNEL, INC 621 E MEHRING WAY, SUITE 317-A CINCINNATI OH 45202	\$4,442.22	103690
	Week ending 1/15/10	\$4,442.22	
7280	CHERYL VOLK c/o Retirement	\$50.15	103691
	Dan Radford's Board Recognition Award	\$50.15	
7280	XEROX CORPORATION P.O. BOX 802555 CHICAGO, IL 60680-2555	\$245.44	103692
	Copier Usage 11/25/09-12/29/09	\$245.44	
7220	Cavanaugh Macdonald Consulting, LLC 3550 Busbee Pkwy, Suite 250 Kennesaw, GA 30144	\$17,084.00	103693
	Task Force analysis/projections	\$17,084.00	
7280	ABS BUSINESS PRODUCTS INC. 10855 MEDALLION DRIVE CINCINNATI OH 45241-4829	\$132.82	103694
	Copier Expenses - base rate 1/1-31/10	\$108.00	
	copier expenses - overage 12/1-31/09	\$24.82	
7280	INTERNATIONAL FOUNDATION 18700 W BLUEMOUND RD P.O. BOX 69 BROOKFIELD WI 53008-0069	\$298.95	103695
	Govt Plans Book/Best Practices	\$298.95	
7280	NELCO P.O. BOX 10208 GREEN BAY, WI 54307-0208	\$473.86	103696
	1099 Forms 2009	\$473.86	

Date: **January 22, 2010**  
Voucher No. **21160**

Approved for Payment:

**TO THE CITY TREASURER:**

Pay to the order of the above named payees, the amounts set opposite their respective names, totaling the sum of: **\$94,799.21**

Member of Board of Trustees

Prepared by

Secretary

Approved by

Approved by

# RETIREMENT SYSTEM OF THE CITY OF CINCINNATI

## Operating Expense

Acct#	NAME && ADDRESS	AMOUNT	CHECK#
7280	LEE PERSONNEL, INC 621 E MEHRING WAY, SUITE 317-A CINCINNATI OH 45202	\$4,146.77	103697
	Period ending 1/8/10	\$4,146.77	
7280	MAE CONSULTING INC 700 PETE ROSE WAY, SUITE 5D CINCINNATI OH 45203	\$95.00	103698
	Restore Loan program functionality	\$95.00	
7230	FIFTH THIRD BANK BILL MCINTYRE VICE PRESIDENT MAIL DROP 1090CC CINCINNATI OH 45263	\$25,130.00	103699
	Custodial fee 7/1/09-9/30/09	\$25,000.00	
	wire charges July - Sept 2009	\$130.00	
7280	LEVI RAY & SHOUP INC 2401 WEST MONROE Attn: Accounts Receivable SPRINGFIELD IL 62704-1439	\$42,700.00	103700
	Prepaid support hours eff 1/19/10	\$40,000.00	
	Health Insurance script/switch plans	\$2,700.00	

Date: **January 22, 2010**  
Voucher No. **21160**

Approved for Payment:

**TO THE CITY TREASURER:**

Pay to the order of the above named payees, the amounts set opposite their respective names, totaling the sum of: **\$94,799.21**

Member of Board of Trustees

Prepared by

Secretary

Approved by

Approved by

# RETIREMENT SYSTEM OF THE CITY OF CINCINNATI

## Operating Expense

Acct#	NAME && ADDRESS	AMOUNT	CHECK#
7280	Standard Register P.O. Box 91047 Chicago, IL 60693	\$4,750.00	103680
	Pension Payroll check formatting PE	\$4,750.00	
7280	TIME VALUE SOFTWARE 22 Mauchly IRVINE CALIFORNIA 92618	\$100.00	103681
	CRS Website Benefit Calculator renewal	\$100.00	
7280	LEE PERSONNEL, INC 621 E MEHRING WAY, SUITE 317-A CINCINNATI OH 45202	\$8,195.62	103682
	Invoice #68-969	\$4,328.65	
	Invoice #69-276	\$3,866.97	
7220	MARQUETTE ASSOCIATES 180 N LASALLE STREET SUITE 3500 CHICAGO IL 60601	\$57,368.17	103683
	Invoice #100112 - 1/1/10 -3/31/10	\$57,368.17	
7280	Regional Computer Center Centennial II Plaza, Suite 300 815 Central Ave. Cincinnati, Oh 45202	\$1,114.61	103684
	CRS Phone Line Service - 7/09-9/09	\$1,114.61	

Date: **January 6, 2010**  
Voucher No. **21154**

Approved for Payment:

**TO THE CITY TREASURER:**

Pay to the order of the above named payees, the amounts set opposite their respective names, totaling the sum of: **\$71,528.40**

Member of Board of Trustees

Prepared by

Secretary

Approved by

Approved by

# RETIREMENT SYSTEM OF THE CITY OF CINCINNATI

## Operating Expense

Acct#	NAME && ADDRESS	AMOUNT	CHECK#
7280	ICE MILLER LLP PO BOX 663633 INDIANAPOLIS, IN 46266 thru 12/15/09	\$3,113.61	103671
		\$3,113.61	
7280	LEE PERSONNEL, INC 621 E MEHRING WAY, SUITE 317-A CINCINNATI OH 45202 Invoice #CIT 69, 251 week ending 12/24/09	\$3,625.52	103672
		\$3,625.52	
7280	CITY OF CINCINNATI FINANCE - PRINTING SERVICES Invoice #2055 - printing postage \$2,148.44 supplies \$122.40	\$4,887.15	103673
		\$2,616.31	
7280	PAUL T HOGYA MD 245 BUENA VISTA DRIVE SOUTH LEBANON OH 45065 Lavelle Gray Pyschological exam - Lavelle Gray	\$1,390.00	103674
		\$695.00	
		\$695.00	
7280	CITY OF CINCINNATI c/o FINANCE - ACCOUNTS & AUDITS CRS Staff Benefit expense - 4th Quarter	\$14,661.78	103675
		\$14,661.78	
7280	Regional Computer Center Centennial II Plaza, Suite 300 815 Central Ave. Cincinnati, Oh 45202 RCC staff support charges - October 2009	\$11,947.41	103676
		\$11,947.41	
7280	LEE PERSONNEL, INC 621 E MEHRING WAY, SUITE 317-A CINCINNATI OH 45202 Invoice #CIT 69, 222 - week ending 12/18	\$4,510.59	103677
		\$4,510.59	

Date: **December 31, 2009**  
Voucher No. **21151**

Approved for Payment:

**TO THE CITY TREASURER:**

Pay to the order of the above named payees, the amounts set opposite their respective names, totaling the sum of: **\$44,136.06**

Member of Board of Trustees

Prepared by

Secretary

Approved by

Approved by

# RETIREMENT SYSTEM OF THE CITY OF CINCINNATI

## Return of Contribution & Death Benefits Payable

Return of Contributions	\$90,232.46
Remaining Contributions	7,718.99
Death Benefits:	82,500.00
Ordinary Death	<u>0.00</u>
Total	\$180,451.45

Fed Tax	18,468.12
Loans	9,834.01
Pension Overpayment	0.00
Child Support	3,037.47
Funeral Home Assign	<u>17,234.22</u>
Net	\$131,877.63

Date: **January 13, 2010**

Voucher No. **21157**

**TO THE CITY TREASURER:**

Pay to the order of the above named payees, the amounts set opposite their respective names, totaling the sum of: **\$131,877.63**

Prepared by Stacey Anderson

Approved by [Signature]

Approved by [Signature]