



# City Of Cincinnati Retirement System Board of Trustees Meeting

## Minutes

June 3, 2010 / 2:00 PM  
Committee Room B

Meeting was called to order at 2:05 PM

### **Present:**

Brian Pickering, Chair  
David Rager, Vice Chair  
Jason Barron  
Donald Beets  
Bryan Schmitt  
Michael Rachford  
Michael Fehn  
James Robinson  
Jack Walsh

### **Staff Present:**

Paula Tilsley  
Cheryl Volk

### **Absent**

Miles Lindahl

### **BOARD MINUTES MAY 6, 2010**

M. Rachford made a motion to approve the minutes. B. Schmitt seconded the motion and the motion passed. A minor revision for clarification purposes was requested and the minutes were approved.

### **BENEFITS COMMITTEE REPORT**

#### Benefits Committee minutes: May 6, 2010

#### Survivor Benefits

M. Rachford reported that 97 existing survivors have received approximately \$85,000 in overpayments by the Cincinnati Retirement System (CRS). The repayment plan would include lump sum payments and subsequent monthly deductions as necessary. Benefits Committee is working with CRS administration to proceed with reasonable corrective actions to secure repayment.

#### ***Board Action***

M. Rachford made a motion to accept the Benefits Committee report. M. Fehn seconded the motion and the motion passed. Benefits Committee report was accepted.

## SECRETARY REPORT

J. Walsh provided the following report:

<b>Board of Trustees Secretary Report Month Ending: April 30, 2010</b>			
<b>Asset Valuation</b>			
December 31, 2009	\$ 2.00	Billion	\$ 1,998,378
<b>April 30, 2010</b>	<b>\$ 2.05</b>	<b>Billion</b>	<b>\$ 2,046,913</b>
YTD Increase (Decrease)	2.43%		
<b>Current Asset Allocation</b>	<b>12/31/09 Actual</b>	<b>4/30/2010</b>	<b>Target</b>
Domestic Equity	42.9%	31.3%	29.5%
International Equity	16.5%	20.9%	21.0%
Fixed Income	20.3%	20.7%	17.0%
Private Equity	4.3%	4.9%	5.0%
Real Estate	8.6%	5.2%	7.5%
Infrastructure	1.0%	2.2%	5.0%
Long / Short Equity	6.2%	13.9%	15.0%
Treasury Cash	0.2%	0.9%	
	100.0%	100.0%	100.0%

## INVESTMENT REPORT

J. Walsh provided the following report:

- May 6, 2010 Investment Committee minutes
- Report from June 3, 2010 Investment Committee meeting:
  - Common Sense Investment Management LLC: Dean Derrah, President, provide the following report:
    - Firm Overview and Update
    - Common Sense Long-Biased Performance and Portfolio Review
    - Disclosures
  - Approximately \$1.2 million was saved due to the asset rebalancing from equities to fixed income
  - Future considerations of Investment Committee:
    - Rebalancing equities
    - Inviting Mondrian to make presentation

## LEGAL UPDATES

- C. Zimmer, Assistant City Solicitor provided an update on two cases:
  - The City won the disability appeal case in trial court for Diane Langhorst. The plaintiff has appealed the case to the First District Court of Appeals. The City's brief in the appeal is due on August 20, 2010.

- The City won the Michael Perkins case in trial court, and the plaintiffs have appealed to the First District. Oral arguments were on April 12, 2010 and a decision is expected soon.
- An Executive Session was required for Ms. Zimmer to provide the Board an update on the suit filed by the retirees vs City of Cincinnati. D. Beets and audience members were excused during Executive Session and returned when Executive Session was adjourned.

#### **EXECUTIVE SESSION**

M. Rachford made a motion to call Executive Session to order. M. Fehn seconded the motion and the motion passed. Executive Session called to order at 2:15 P.M.

#### **EXECUTIVE SESSION**

M. Rachford made a motion to adjourn the Executive Session to order. M. Fehn seconded the motion and the motion passed. Executive Session was adjourned at 2:25 P.M.

- Board Composition
  - On June 1, 2010 the Budget Finance Committee approved a motion to amend Article XV, "Retirement System," of the Administrative Code of the City of Cincinnati to change the composition and terms of the board of trustees of the retirement system, to expand the powers of the board, to allow for compensation of the trustees, and to require the City to carry liability insurance for system administration, by amending Section 1 "Board of Trustees," Section 2, "Compensation; Oath of Office," Section 3, "Organization of the Board," and Section 10, "Administrative Services and Activities." The motion will require amendments of three ordinances.
  - The new Board composition would consist of nine members:
    - Six members appointed by the Mayor and approved by City Council
    - One member shall be selected by active members
    - One member shall be selected by retired members
    - One member shall be selected by the other eight members of the board

#### **Discussion**

The Board was asked to contact B. Pickering with any recommendations for City Council's consideration regarding the Board restructuring.

M. Fehn objected to the proposed Board restructuring and pointed to the lack of substantial active employee and retiree representation. Mr. Fehn protested to what he considers an unprincipled restructuring of the Board.

#### **TASK FORCE UPDATE**

P. Tilsley reported that the finalized Task Force report has been submitted to City Council. The Report reflects four separate options for a plan design. Contained within each option are six different funding combinations from which to choose.


#### **INDEPENDENT BOARD MEMBER**

The search for an independent board member has been suspended until the board changes are finalized. All candidates will be notified.

#### **NEW BUSINESS**

M. Rachford recommended providing the Healthy Lifestyles Program for retirees.

**INFORMATIONAL ITEMS**

 CRS Activity	May	June 2010
1. Application for Ordinary Retirement:	Total:	14
2. Enrollment of New Members:	Total:	34
3. Return of Contributions for EE:	Total:	\$ 66,624
4. Death Benefits:	Total:	\$ 37,500
5. New Loans: <u>41</u>	Total:	\$ 492,186
6. Operating Expenses:	Total:	\$ 77,617

M. Rachford made a motion to adjourn the meeting. Motion was seconded by M. Fehn and the motion passed. Meeting was adjourned 2.55 P.M.



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

**June 3, 2010 / 2PM  
City Hall - Committee Room B**

**Call to Order**

**Approval of Minutes**

**Benefits Committee**

✚ Minutes & Report

**Secretary's Report**

**Investment Committee**

✚ Minutes & Report

**Legal Updates**

**Task Force**

**Pending Business**

**New Business**

✚ Independent Board member replacement

**Informational Items:**

✚	CRS Activity		May	June 2010
1.	Application for Ordinary Retirement:	Total:		14
2.	Enrollment of New Members:	Total:	34	
3.	Return of Contributions for EE:	Total:	\$ 66,624	
4.	Death Benefits:	Total:	\$ 37,500	
5.	New Loans: 41	Total:	\$ 492,186	
6.	Operating Expenses:	Total:	\$ 77 617	

**Adjournment**

**Next Meeting: Special Board meeting: June 17, 2010 – 9AM - City Hall - Committee Room B**

6)

City of Cincinnati, Ohio  
Pension Trust  
Statement of Changes in Plan Net Assets  
For the Month ended April 30, 2010  
(Amounts in Thousands)

	2010 April	2009 April	Current Year To Date	Prior Year To Date	Current/Prior % Change
<b><u>Additions to Assets:</u></b>					
<b>Contributions</b>					
Member (1)	\$ 1,061	1,481	\$ 4,530	\$ 4,324	4.8%
Employer (2)	2,181	2,112	9,918 *	9,555	3.8%
Medicare Reimbursements	0	2,630	483	2,630	-81.6%
<b>Total Contributions</b>	<u>3,242</u>	<u>6,223</u>	<u>14,931</u>	<u>16,509</u>	<u>-9.6%</u>
<b>Investment Income</b>					
<b>Net Appreciation (Depreciation) in</b>					
Fair Value of Investments	22,481	107,439	80,079	(33,837)	N/M
Dividends	2,998	2,661	8,275	9,562	-13.5%
Interest (3)	1,564	1,254	6,992	4,078	71.5%
Miscellaneous Income (4)	(175)	100	(102)	536	NM
	<u>26,868</u>	<u>111,454</u>	<u>95,244</u>	<u>(19,661)</u>	<u>NM</u>
Less Investment Expense	225	736	1,627	1,894	-14.1%
<b>Net Investment Income</b>	<u>26,643</u>	<u>110,718</u>	<u>93,617</u>	<u>(21,555)</u>	<u>N/M</u>
<b>Transfers In From Other Retirement Systems (5)</b>	<b>10</b>	<b>18</b>	<b>10</b>	<b>248</b>	<b>-96.0%</b>
<b>Total Additions to Assets</b>	<b>29,895</b>	<b>116,959</b>	<b>108,558</b>	<b>(4,798)</b>	<b>N/M</b>
<b>Deductions from Assets:</b>					
<b>Benefits Payments</b>					
Pension and Annuities	11,211	11,029	44,685	43,924	1.7%
Hospital and Medical Care Benefits	(12)	(16)	11,991	15,224	-21.2%
Medicare Benefits	319	320	1,280	1,283	0.0%
Dental Benefits	0	0	376	66	469.7%
Vision Benefits	0	0	35	26	34.6%
Death Benefits, Active and Retired	60	85	451	310	45.5%
Loss Due to Death of Members with Loans	0	0	0	0	0.0%
Transfers to Other Retirement Systems (6)	354	175	404	936	-56.8%
<b>Total Benefits Payments</b>	<u>11,932</u>	<u>11,593</u>	<u>59,222</u>	<u>61,769</u>	<u>-4.1%</u>
<b>Refund of Contributions</b>	<b>156</b>	<b>123</b>	<b>438</b>	<b>552</b>	<b>-20.7%</b>
<b>Administration Expenses</b>					
Personal Services	42	74	182	224	-18.8%
Contractual Services	20	10	152	136	11.8%
Material and Supplies	1	4	26	55	-52.7%
Other	1	1	3	3	0.0%
<b>Total Administration Expenses</b>	<u>65</u>	<u>89</u>	<u>363</u>	<u>418</u>	<u>-13.2%</u>
<b>Total Deductions from Assets</b>	<u>12,153</u>	<u>11,805</u>	<u>60,023</u>	<u>62,739</u>	<u>-4.3%</u>
<b>Net Increase (Decrease) in Plan Assets</b>	<b>\$ 17,742</b>	<b>\$ 105,154</b>	<b>48,534</b>	<b>(67,537)</b>	<b>-171.9%</b>
<b>Plan Net Assets held in Trust for Benefits</b>					
<b>Beginning of Year</b>			<u>1,998,378</u>	<u>1,831,513</u>	
<b>Year - To - Date</b>			<u>\$ 2,046,913</u>	<u>\$ 1,763,976</u>	

Cincinnati Retirement System  
Return of Contributions / Death Benefits

May 2010

Return of Contributions	\$37,418.69
Remaining Contribution	0.00
Death Benefits:	112,500.00
Ordinary Death	<u>0.00</u>
Total	<u>\$149,918.69</u>

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# RETIREMENT SYSTEM OF THE CITY OF CINCINNATI

## Operating Expense

Acct#	NAME && ADDRESS	AMOUNT	CHECK#
7280	FORTRESS 165 W. CRESCENTVILLE RD. CINCINNATI, OH 45246	\$139.41	103834
	File retrieval & delivery - April 2010	\$139.41	
7280	hathaway stamp company 635 Main Street Cincinnati, OH 45202	\$145.82	103835
	Enrollment stamp repair & ink refill	\$145.82	
7280	LEE PERSONNEL, INC 621 E MEHRING WAY, SUITE 317-A CINCINNATI OH 45202	\$7,281.48	103836
	PPE 4/30/2010	\$3,848.40	
	PPE 4/23/2010	\$3,433.08	
7280	PAUL T HOGYA MD 245 BUENA VISTA DRIVE SOUTH LEBANON OH 45065	\$2,185.00	103837
	Debra Vitt exam & testing	\$1,290.00	
	Maxine Baker exam 1/14/10	\$895.00	

Date: **May 11, 2010**  
Voucher No. **21238**

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: **\$9,751.71**

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	PAUL T HOGYA MD 245 BUENA VISTA DRIVE SOUTH LEBANON OH 45065	\$100.00	103824
	Doug Cottingim exam	\$100.00	
7280	XEROX CORPORATION P.O. BOX 802555 CHICAGO, IL 60680-2555	\$288.74	103825
	copier charges - April 2010	\$288.74	
7280	ABS BUSINESS PRODUCTS INC. 10855 MEDALLION DRIVE CINCINNATI OH 45241-4829	\$117.61	103826
	Copier charges	\$117.61	
7280	MAE CONSULTING INC 700 PETE ROSE WAY, SUITE 5D CINCINNATI OH 45203	\$285.00	103827
	server transition & data file copy	\$285.00	
7280	Cavanaugh Macdonald Consulting, LLC 3550 Busbee Pkwy, Suite 250 Kennesaw, GA 30144	\$45,062.00	103828
	2009 Actuarial Valuation	\$22,046.00	
	Task Force plan design & projections	\$21,366.00	
	CRS Board Presentation April 1, 2010	\$1,650.00	
7280	CITY OF CINCINNATI FINANCE - PRINTING SERVICES	\$5,524.05	103829
	Supplies \$298.74		
	Printing - April 2010	\$707.15	
	Postage - April 2010	\$4,518.16	

Date: **May 11, 2010**  
Voucher No. **21235**

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: **\$51,377.40**

Member of Board of Trustees

Prepared by

Secretary

Approved by

Approved by



**Board of Trustees  
Secretary Report**

**Month Ending: April 30, 2010**

<b>Asset Valuation</b>			
December 31, 2009	\$ 2.00	Billion	\$ 1,998,378
<b>April 30, 2010</b>	<b>\$ 2.05</b>	<b>Billion</b>	<b>\$ 2,046,913</b>
YTD Increase (Decrease)	2.43%		
	<b>12/31/09</b>		
<b>Current Asset Allocation</b>	<b>Actual</b>	<b>4/30/2010</b>	<b>Target</b>
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International Equity	16.5%	20.9%	21.0%
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Real Estate	8.6%	5.2%	7.5%
Infrastructure	1.0%	2.2%	5.0%
Long / Short Equity	6.2%	13.9%	15.0%
Treasury Cash	0.2%	0.9%	
	100.0%	100.0%	100.0%

**Cincinnati Retirement System  
New Enrollments June 1, 2010**

May 2010

<b>Retire #</b>	<b>Name</b>	<b>Description</b>
070143	Dicks,Brandi R	F CRC-Madisonville Camps
070144	Minniefield,Charles S.A.	M Parks - Operations
070145	Buchanan,John Louis	M Parks - Operations
070146	Fackler,Joseph Robert	M Parks - Operations
070147	Davis,Brian James	M Parks - Operations
070148	Gaston,Rashawn Davidlee	M Parks - Operations
070149	Ashley,Dallas Ray	M CPD-School Crossing Guards
070150	Bernhardt,Robert Jay	M Parks - Operations
070151	Gentry,Orlando Dashawn	M Parks - Operations
070152	Neyer Jr.,William A	M WWT-Muddy Creek Section
070153	Daniels,Brent	M CWW Distribution Unit
070154	Carr-Black,Laverne	F CPD-School Crossing Guards
070155	Coleman,Christopher	M CWW Richard Miller Plant
070156	Gober,Jeff A	M MSD-SMU-Operation and Maintena
070157	Robbins,Jordan M.	M Parks - Operations
070158	Davidson Jr.,Andrew	M CRC-Maintenance West - PT
070159	Johnson,Bernetta	F CRC-Pleasant Ridge Programs
070159	Johnson,Bernetta	F CRC-Pleasant Ridge Programs
070160	Pennington,Arthur Lee	M CRC-Maintenance West - PT
070161	Williams,Ricci L.	M Parks - Operations
070162	Rubenbauer,John A,	M CWW Survey
070163	Brady,Phillip M	M Parks - Operations
070164	Brubaker,Kaitlyn M.	F CRC-Mt. Washington Camps
070165	Jeter,Falicia R.	F CPD-School Crossing Guards
070166	Pitts,Troy R.	M Yard Waste Collections
070167	Hug,Rouwan E	M Div of Wastewater Engineering
070168	Johnson,Stephanie	M CRC-Maintenance West - PT
070169	Jenkins Jr.,Frederick C.	M CRC-Aquatics Pool Managers
070170	Jump,Kevin Michael	M Parks - Operations
070171	Jackson Jr.,Darryle	M Parks - Operations
070172	Begany,Mathew Joseph	M Parks - Operations
070173	Sanchez,Alfred Jerome	M Parks - Operations
070174	Showes,Kenya	F Parks - Operations
070175	Flaig,Youlonda D	F Parks-Planning Design & Dev

**Cincinnati Retirement System  
New Retirees June 1, 2010**

6/1/2010	William Huxell
6/1/2010	Gregory Fels
6/1/2010	John Meyer
6/1/2010	Peggy Jones
6/1/2010	Mark Steinmetz
6/1/2010	Jack Heck
6/1/2010	Charles Spears
6/1/2010	Charles Ayers
6/1/2010	Gary Bates
6/1/2010	Robert Essen
6/1/2010	John Koch
6/1/2010	Deborah Walker
6/1/2010	Noble Fulcher
6/1/2010	Debra Vitt

# RETIREMENT SYSTEM OF THE CITY OF CINCINNATI

## Operating Expense

Acct#	NAME && ADDRESS	AMOUNT	CHECK#
7280	CITY OF CINCINNATI FINANCE - PRINTING SERVICES In# 2184 Store, Printing, and Postage Charges for May 2010.	\$5,069.03	103847
7280	Standard Register P.O. Box 91047 Chicago, IL 60693 In# 5427627 Professional Services Build Transformation Logic	\$5,069.03   \$1,500.00	103848
7280	LEE PERSONNEL, INC 621 E MEHRING WAY, SUITE 317-A CINCINNATI OH 45202 CIT 69, 756 Week Ending 5/7/2010 CIT 69, 778 Week Ending 5/14/2010 CIT 69, 815 Week Ending 5/21/2010	\$9,420.69   \$3,055.03 \$3,499.50 \$2,866.16	103849
7280	NPEA INVOICE 1260 Louisville Road Frankfort, KY 40601 2010 NPEA Annual Dues	\$500.00   \$500.00	103850

Date: **May 27, 2010**  
Voucher No. **21247**

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: **\$16,489.72**

Member of Board of Trustees

Prepared by

Secretary

Approved by

Approved by