



## City of Cincinnati Retirement System Board of Trustees Meeting

### Agenda

**December 1, 2022 / 2:00 P.M.**  
**City Hall, Council Chambers and via Zoom**

#### Members

Bill Moller, Chair  
Tom Gamel, Vice Chair  
Kathy Rahtz  
Mark Menkhaus, Jr.  
Monica Morton  
John Juech  
Jeff Cramerding  
Tom West

#### Staff

Michael Barnhill  
Ann Schooley  
Linda Smith

#### **Call to Order**

#### **Public Comment**

#### **Approval of Minutes**

- Meeting Minutes – November 3, 2022

#### **Report from Performance Evaluation Committee**

#### **Informational - Executive Director's Report**

- CRS Staffing Update
- Report on Meeting with City Manager and Council Budget & Finance Comm.
- Portfolio Status

#### **Unfinished Business**

- Outstanding Opinions (Board Approved Motion, October 3, 2019)
  - Item 1. Explain why City's changes to retiree healthcare are permitted under the CSA without Court approval.
  - Item 2. Explain why the Board cannot retain outside counsel on matters which the Solicitor's Office will not give counsel.

#### **New Business**

- Election of Board Chair and Vice-Chair
- 2023 CRS Budget
- 2023 Stop Loss Insurance Proposal
- 2023 Board and Committee Calendar (Benefits Comm in Jan)

#### **Adjournment**

**Next Meeting:** Thursday, January 12, 2023, 2:00 P.M. City Hall Council Chambers and via Zoom



**City of Cincinnati Retirement System  
Board of Trustees Meeting  
Minutes  
November 3, 2022/ 2:00 P.M.  
City Hall – Council Chambers and remote**

**Board Members Present**

Bill Moller, Chair  
Tom Gamel, Vice Chair  
Mark Menkhaus, Jr.  
Kathy Rahtz  
John Juech  
Jeff Cramerding  
Monica Morton  
Tom West

**Administration**

Mike Barnhill  
Ann Schooley  
Linda Smith  
Bev Nussman

**CALL TO ORDER**

Chair Moller called the meeting to order at 2:11 p.m. and a roll call of attendance was taken. Trustees Moller, Menkhaus, Gamel, Rahtz, Morton, Juech, Cramerding, and West were present.

**PUBLIC COMMENT**

No public comment.

**APPROVAL OF MINUTES**

Approval of the minutes of the Board meeting of October 6, 2022, was moved by Trustee Gamel and seconded by Trustee Cramerding. The minutes were approved by unanimous roll call vote.

**Report from the Investment Committee**

Trustee Moller provided the report from the Investment Committee. Marquette provided investment education to the Committee.

The Committee took four actions:

- Approved the 3<sup>rd</sup> quarter 2022 investment report.
- Approved direction to Marquette to prepare an asset allocation study.
- Approved replacing the existing private equity benchmark (Cambridge All PE) with a private equity benchmark from Burgiss.
- Approved amending the CRS Statement of Investment Policy to reflect the change in the Private

Equity benchmark.

The Board approved each action by unanimous roll call vote.

Chair Moller clarified that the Board does not need to formally approve CRS staff proceeding to issue an RFP for investment consultant.

### **Informational – Executive Director’s Report**

Director Barnhill provided the following report:

- Ms. Nussman presented the 3<sup>rd</sup> quarter CRS budget update. Certain larger items are billed once a year and result in either greater or lesser spending than items where spending is spread throughout the year. Those items are fiduciary insurance premiums, payments to the information system vendor LRS, and consultant services for the finance section. Medical premiums from members are coming in slightly less than expected.
- A proposed 2023 budget will be presented for Board consideration at the December meeting.
- The DROP 3<sup>rd</sup> quarter report shows a decline from 187 to 183 participants.
- The City is proceeding with the actuarial analysis with respect to whether the DROP is cost neutral to the CRS pension trust.
- The 3<sup>rd</sup> quarter demographic report does not reflect any clear trends. Deaths in 2022 are less than they were in 2021 and 2020. The retiree count has declined since last year, and the employee count has increased back to the 2019 level.
- The FY2022 GASB 67/68 and 74/75 reports from Cheiron are in the Board’s packet. They are also now posted on the CRS website with the CRS financial information. These GASB provisions provide a different method of computing the “net pension liability” for purposes of preparing the City’s Annual Comprehensive Financial Report (ACFR). As a result of this different method, the financial statement net pension liability is substantially higher than the actuarial unfunded liability. The GASB 67/68 report shows that the CRS pension trust has a depletion date of 2047; since a depletion date is specified, the calculation of net pension liability uses a lower earnings assumption (5.5%), which produces a higher liability amount. These reports have been prepared since 2014. The highest net pension liability to date was reported in the FY2020 GASB 67/68 report. Ms. Nussman prepares the CRS portion of the City’s ACFR.
- Horan Consulting has nearly completed the analysis and comparisons of the CRS healthcare plans with the baseline plans specified in the Collaborative Settlement Agreement. The analysis will be presented at the next Benefits Committee meeting.
- A proposal from Horan on stop-loss insurance for the pre-65 healthcare plan is expected soon. The drafts showed no savings in the first year of coverage.
- Cheiron continues to work on an analysis and proposal regarding survivor benefits.
- CRS still has two staff vacancies and is using temps to fill those vacancies. The Member Counselor position has not been posted yet.
- CRS began answering the phones in October. Calls picked up increased from 30% in the first week to 50% last week. Contacts have increased nearly threefold during this time because of open enrollment. Director Barnhill will continue to analyze the call metrics.
- Trustee Sheila Simmons was unable to continue service on the Board because of conditions imposed by her employer that the Law Dept determined were incompatible with trustee service. Trustee Simmons resigned.
- Trustee training program. Director Barnhill presented a tracking spreadsheet for Trustee training,

and will be providing regular education that is tailored to each trustee. He will be reaching out to each trustee individually to discuss.

- Trustee Menkhaus attended NCPERS Accredited Fiduciary training. He completed 2 of the 4 modules required for the accreditation. Trustee Moller endorsed other trustees attending such training.
- The 2021 Annual Report has been transmitted to City Council. The Budget and Finance Committee has calendared the report for its meeting on November 14. Trustee Moller thanked the City Manager's Office for transmitting the report. Trustee Moller indicated he would attend the Council hearing.
- Director Barnhill provided and explained flow charts for the proposed changes to CMC 203-48, regarding eligibility criteria for disabled adult children. The Law Dept is working on the drafting. Mr. Barnhill recommended that language be added requiring any person who is eligible for CRS health insurance and also eligible for Medicare, be required to enroll in Medicare.
- Director Barnhill presented a draft Risk Dashboard for the Board's consideration. This will be presented to the Performance Evaluation Committee. Director Barnhill recommended the Board consider the creation of an Audit Committee.

## **UNFINISHED BUSINESS**

### **Outstanding Opinions:**

Board Approved Motion, October 3, 2019

- Item 1. Explain why City's changes to retiree healthcare are permitted under the CSA without Court approval.
- Item 2. Explain why the Board cannot retain outside counsel on matters which the Solicitor's Office will not give counsel.

Ms. Schooley stated there is no report update on these items.

### **New Business**

No new business.

### **Adjournment**

Following a motion to adjourn by Trustee Gamel and seconded by Trustee Juech, the Board approved the motion by unanimous roll call vote. The meeting adjourned at 2:44 PM.

Meeting video link: <https://archive.org/details/crs-board-11-3-22>

Next Meeting: December 1, 2022 at 2:00 p.m.

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Secretary



**Cincinnati Retirement System**

City of Cincinnati  
Retirement System  
Executive Summary  
**October 31, 2022**



## Summary of Cash Flows

	Last Month
Beginning Market Value	\$2,122,581,617
Net Cash Flow	-\$14,266,198
Net Investment Change	\$67,223,823
Ending Market Value	\$2,175,539,242

## Market Value

	Market Value (\$)	% of Portfolio	Policy %	Policy Difference (\$)
<b>Total Fund Composite</b>	<b>2,175,539,242</b>	<b>100.0</b>	<b>100.0</b>	<b>0</b>
Fixed Income Composite	286,829,493	13.2	14.0	-17,746,000
Private Debt Composite	29,484,298	1.4	3.0	-35,781,879
U.S. Equity Composite	638,739,314	29.4	30.5	-24,800,155
Non-U.S. Equity Composite	385,489,381	17.7	20.0	-49,618,468
Risk Parity Composite	49,572,185	2.3	2.5	-4,816,296
Volatility Risk Premium Composite	54,928,239	2.5	2.5	539,758
Real Estate Composite	215,686,493	9.9	7.5	52,521,049
Infrastructure Composite	241,275,145	11.1	10.0	23,721,220
Private Equity Composite	248,226,133	11.4	10.0	30,672,209

## Performance

	1 Mo	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception	Inception Date
<b>Total Fund Composite</b>	<b>3.2%</b>	<b>-4.5%</b>	<b>-11.2%</b>	<b>-9.6%</b>	<b>6.2%</b>	<b>5.6%</b>	<b>7.5%</b>	<b>8.6%</b>	<b>May-85</b>
Target Benchmark	3.4%	-4.9%	-12.7%	-11.4%	5.8%	5.8%	7.6%	--	May-85
<b>Fixed Income Composite</b>	<b>-0.9%</b>	<b>-7.0%</b>	<b>-14.7%</b>	<b>-14.6%</b>	<b>-1.6%</b>	<b>0.6%</b>	<b>2.0%</b>	<b>4.9%</b>	<b>Nov-95</b>
Bloomberg US Aggregate TR	-1.3%	-8.2%	-15.7%	-15.7%	-3.8%	-0.5%	0.7%	4.1%	Nov-95
<b>Private Debt Composite</b>	<b>0.0%</b>	<b>1.2%</b>	<b>-2.6%</b>	<b>-3.4%</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-1.4%</b>	<b>Sep-20</b>
Bloomberg US Aggregate TR	-1.3%	-8.2%	-15.7%	-15.7%	-3.8%	-0.5%	0.7%	-8.3%	Sep-20
<b>U.S. Equity Composite</b>	<b>9.1%</b>	<b>-4.5%</b>	<b>-15.6%</b>	<b>-13.7%</b>	<b>9.5%</b>	<b>8.3%</b>	<b>11.4%</b>	<b>9.2%</b>	<b>Feb-89</b>
Russell 3000	8.2%	-5.5%	-18.4%	-16.5%	9.8%	9.9%	12.5%	10.3%	Feb-89
<b>Non-U.S. Equity Composite</b>	<b>3.1%</b>	<b>-10.6%</b>	<b>-23.9%</b>	<b>-24.2%</b>	<b>-1.7%</b>	<b>-1.5%</b>	<b>3.4%</b>	<b>5.1%</b>	<b>May-93</b>
MSCI ACWI ex USA	3.0%	-10.3%	-24.3%	-24.7%	-1.7%	-0.6%	3.3%	--	May-93
<b>Risk Parity Composite</b>	<b>1.7%</b>	<b>-8.8%</b>	<b>-17.2%</b>	<b>-15.9%</b>	<b>-0.3%</b>	<b>2.4%</b>	<b>2.8%</b>	<b>2.8%</b>	<b>Jul-12</b>
60% Wilshire 5000/40% BarCap Aggregate	4.4%	-6.5%	-16.9%	-15.6%	4.8%	6.1%	8.0%	8.0%	Jul-12
<b>Volatility Risk Premium Composite</b>	<b>4.6%</b>	<b>-4.5%</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-8.5%</b>	<b>Jan-22</b>
CBOE Put Write Index	4.6%	-5.8%	-9.7%	-7.6%	4.7%	4.1%	6.1%	-7.5%	Jan-22
<b>Real Estate Composite</b>	<b>-0.1%</b>	<b>0.1%</b>	<b>10.7%</b>	<b>19.7%</b>	<b>12.2%</b>	<b>9.9%</b>	<b>10.9%</b>	<b>6.7%</b>	<b>Aug-07</b>
NFI-ODCE	0.0%	0.2%	12.4%	18.0%	11.2%	9.1%	9.8%	5.8%	Aug-07
NPI	0.0%	0.4%	9.4%	13.8%	9.7%	8.5%	9.4%	7.0%	Aug-07
<b>Infrastructure Composite</b>	<b>0.2%</b>	<b>1.3%</b>	<b>4.7%</b>	<b>7.5%</b>	<b>9.0%</b>	<b>7.6%</b>	<b>7.3%</b>	<b>8.3%</b>	<b>Aug-08</b>
3 Month T-Bill +4%	0.5%	1.6%	4.1%	4.8%	4.5%	5.1%	4.7%	4.5%	Aug-08
<b>Private Equity Composite</b>	<b>0.0%</b>	<b>-0.3%</b>	<b>-0.6%</b>	<b>2.8%</b>	<b>18.8%</b>	<b>16.6%</b>	<b>14.6%</b>	<b>8.9%</b>	<b>Jul-93</b>
Burgiss Global All Private Equity	0.0%	0.0%	-5.8%	-0.6%	22.6%	19.5%	16.8%	16.0%	Jul-93

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<b>2023 CRS CASH FLOW BUDGET</b>				
<b>I. OPERATING EXPENSES</b>	<b>2023 BUDGET</b>	<b>% Cost of Operations</b>	<b>2022 BUDGET</b>	<b>% Cost of Operations</b>
<b>A. Office Staff</b>				
1. Salaries & Wages	1,641,000	44.07%	1,290,000	43.82%
2. Fringe (35%)	574,000	15.41%	466,000	15.83%
3. Temporary Services	10,000	0.27%	50,000	1.70%
<b>A. Total Office Staff</b>	<b>2,225,000</b>	<b>59.75%</b>	<b>1,806,000</b>	<b>61.35%</b>
<b>B. Office Expenses</b>				
1. Office Improvements	28,000	0.75%	28,000	0.95%
2. Equipment / Purchase and Rent	10,000	0.27%	11,000	0.37%
3. Supplies	3,300	0.09%	2,300	0.08%
4. Printing and Postage	89,700	2.41%	89,700	3.05%
<b>B. Total Office Expenses</b>	<b>131,000</b>	<b>3.52%</b>	<b>131,000</b>	<b>4.45%</b>
<b>C. Training and Travel</b>				
1. Training/Travel Board	32,500	0.87%	32,500	1.10%
2. Training/Travel Staff	51,730	1.39%	29,000	0.98%
<b>C. Total Training and Travel</b>	<b>84,230</b>	<b>2.26%</b>	<b>61,500</b>	<b>2.08%</b>
<b>D. Data Processing Expenses</b>				
1. Pension Gold Hosting and Modifications	202,200	5.43%	186,000	6.32%
2. Pension Gold Annual License Fee	150,000	4.03%	140,000	4.76%
3. Regional Computer Center (ETS)	4,200	0.11%	3,000	0.10%
4. Hardware and Software for PCs	90,750	2.44%	40,000	1.36%
5. Other	160,350	4.31%	59,800	2.03%
<b>D. Total IT Expenses</b>	<b>607,500</b>	<b>16.32%</b>	<b>428,800</b>	<b>14.57%</b>
<b>E. Professional Services</b>				
1. Actuarial Fees	178,000	4.78%	178,000	6.05%
2. Consulting Fees	196,000	5.26%	95,650	3.25%
3. Legal Services	110,000	2.95%	110,000	3.74%
4. Retiree Locator Fees	3,000	0.08%	3,000	0.10%
5. Treasury, Accounts and Audits	25,000	0.67%	25,000	0.85%
6. Financial Audit	50,000	1.34%		
<b>E. Total Professional Services</b>	<b>562,000</b>	<b>15.08%</b>	<b>411,650</b>	<b>13.99%</b>
<b>F. Other Expenses</b>				
1. Board Meeting Expenses	2,500	0.07%	2,500	0.08%
2. Membership and Subscriptions	5,000	0.13%	4,500	0.15%
<b>F. Total Other</b>	<b>7,500</b>	<b>0.20%</b>	<b>7,000</b>	<b>0.23%</b>
<b>G. Insurance</b>				
Fiduciary Insurance	106,700	2.87%	98,000	3.33%
<b>G. Total Insurance</b>	<b>106,700</b>	<b>2.87%</b>	<b>98,000</b>	<b>3.33%</b>
<b>Total Operating Costs</b>	<b>3,723,930</b>	<b>100.00%</b>	<b>2,943,950</b>	<b>100.00%</b>
<b>II. MEMBER BENEFITS EXPENSES</b>				
A. Pensions	197,006,500	84.76%	195,800,000	84.78%
B. Return of Contributions	2,874,000	1.24%	2,874,000	1.25%
C. Death Benefits	670,000	0.29%	670,000	0.29%
D. Medical	31,868,200	13.71%	31,600,000	13.68%
<b>Total Benefit Costs</b>	<b>232,418,700</b>	<b>100.00%</b>	<b>230,944,000</b>	<b>100.00%</b>
<b>III. CONTRIBUTIONS</b>				
A. City Contributions	39,930,050	63.09%	38,100,000	62.81%
B. Employee Contributions (9.0%)	21,377,100	33.78%	20,460,000	33.73%
C. Retiree Medical Premiums	2,233,200	3.53%	2,351,000	3.87%
D. Transfers In (Out) Reciprocity	(250,000)	-0.40%	(250,000)	-0.41%
<b>Total Contributions</b>	<b>63,290,350</b>	<b>100.00%</b>	<b>60,661,000</b>	<b>100.00%</b>
<b>IV. NET INVESTMENT RETURNS</b>				
<b>A. Gross Returns</b>	<b>156,455,149</b>		<b>193,580,654</b>	
<b>B. Investment Expenses</b>				
1. Custodial Fees	232,000		232,000	
2. Investment Consultant	285,000		235,000	
3. Investment Management Fees	7,410,000		8,825,000	
<b>Total Investment Expenses</b>	<b>7,927,000</b>	<b>0.38%</b>	<b>9,292,000</b>	<b>0.36%</b>
<b>Net Investment Returns (Budget 7.5%)</b>	<b>148,528,149</b>		<b>184,288,654</b>	
<b>NET CHANGE IN FUND BALANCE</b>	<b>(24,324,131)</b>		<b>11,061,704</b>	



# Cincinnati Retirement System: Proposed 2023 Budget

December 2022

# CINCINNATI RETIREMENT SYSTEM

## → Proposed 2023 Op. Exps. Budget

- Summary of changes:
  - Office Staff +\$419.0k
  - Office Expenses 0.0
  - Training & Travel +22.73k
  - Data Processing +178.7k
  - Professional Svcs. +150.35k
  - Other Exps. +.5k
  - Insurance +8.7k
  - Total Op. Exps. Increase: +\$779.98

# CINCINNATI RETIREMENT SYSTEM

## → Proposed 2023 Op. Exps. Budget

- Budget Detail of Proposed Increments:

CRS Proposed 2023 Budget		
Operating Budget		
	Top Line	Sub Lines
<b>Office Staff</b>	\$419,000	
Admin Tech		\$48,000
Sr. Accountant		\$64,500
Contracted Salary Increases		\$90,000
2022 Position Upgrades		\$49,000
Succession contingency		\$167,500
<b>Training and Travel</b>	\$22,730	\$22,730
<b>Data Processing</b>	\$178,700	
Info Systems Improvement		\$10,050
Scanning Project		\$45,000
Upgrade to imaging system		\$65,000
Pension Gold licensing fees increase		\$19,000
Refresh staff workstations and equipment		\$40,000
<b>Professional Svcs</b>	\$150,350	
Fiduciary Audit		\$100,000
Financial Audit		\$50,000
<b>Other Expenses</b>	\$500	\$500
<b>Insurance</b>	\$8,700	\$8,700
<b>Total</b>	<b>\$779,980</b>	<b>\$779,980</b>

# CINCINNATI RETIREMENT SYSTEM

## → Proposed 2023 Inv. Exps. Budget

- Summary of changes:
  - Investment Consultant: +\$50.0k
  - Inv. Mgmt. Fees: -1,415.0k
  - Total Op. Exps Increase: -\$1,365.0k

# CINCINNATI RETIREMENT SYSTEM

## → Budget-Related 2022 Board Objectives

- #2: Establish fiduciary audit scope
- #10: Review CRS Department staffing positions and complement
- #15: Prepare an annual financial report for active and retired members
- #25: Review current customer svc practices and identify strengths and opportunities for improvements

# CINCINNATI RETIREMENT SYSTEM

## → Observed Functional Gaps

- Customer Service and Member Education
  - No 1-on-1 member counseling
  - No mid-career member education
  - No front desk staffing
  - All calls sent to voice mail (until Oct 2022)
  - No member handbook(s)
- Financial Reporting
  - No calendar year audited CRS financial statement/Annual Comprehensive Financial Report

# CINCINNATI RETIREMENT SYSTEM

## → Observed Staffing Issues

- High “Key Person” Risk
  - 3 staff (49 yrs combined CRS exp) can retire in next 2-3 yrs
  - 8 remaining staff (26 yrs combined CRS exp)
- Staff Overload
  - One staff member responsible for monthly payroll, health administration, member education
- No staffing for communications
- No CPA-qualified backup for accounting functions



# CINCINNATI RETIREMENT SYSTEM

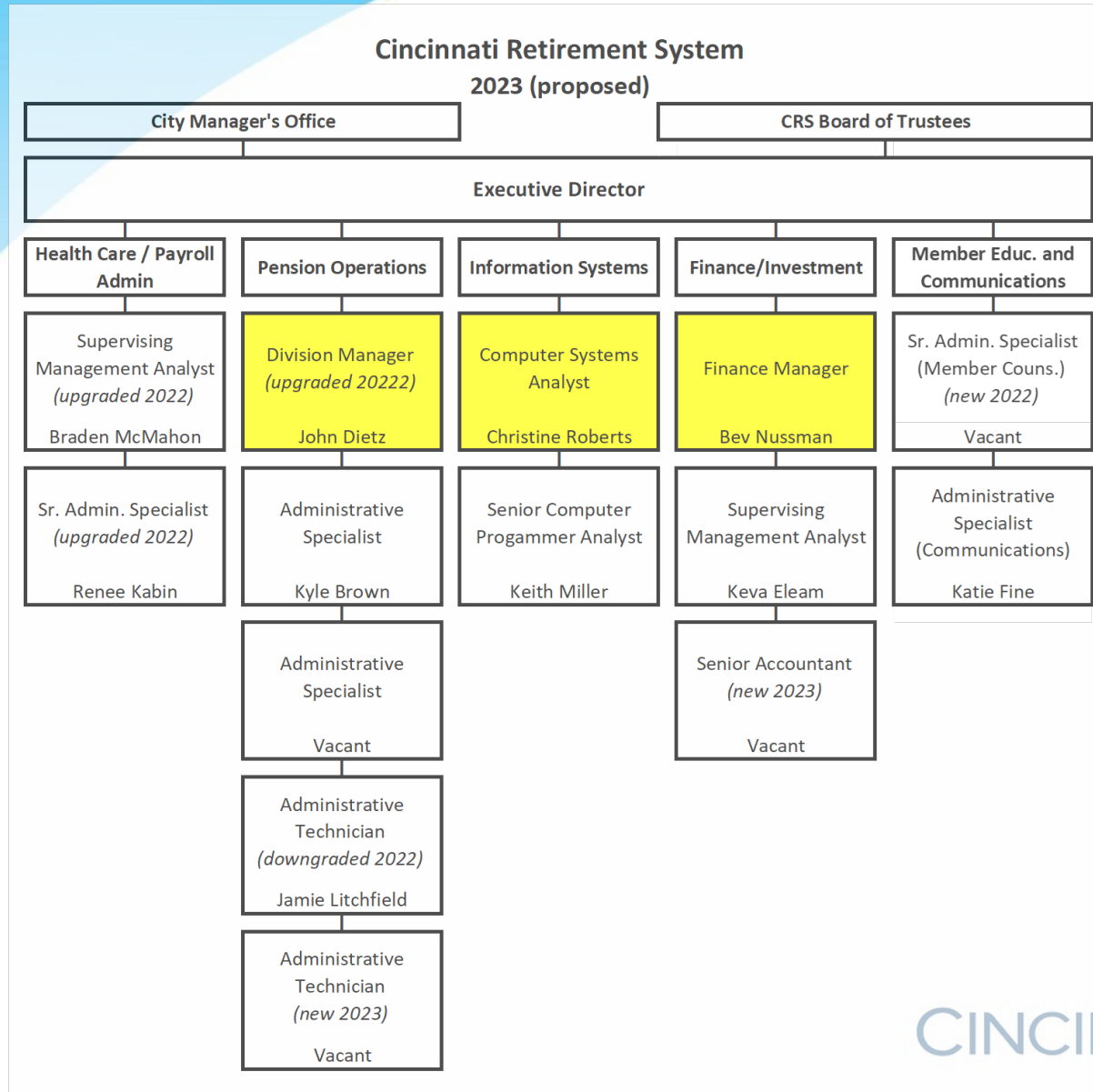
## → Proposed 2023 Op. Exps. Budget

- Suggested Priority:

Contracted Salary Increases	\$90,000	1	Required
2022 Position Upgrades	\$49,000	2	Required
Pension Gold licensing fees increase	\$19,000	3	Required
Admin Tech	\$48,000	4	Board Objectives #10, 25
Sr. Accountant	\$64,500	5	Board Objectives #10, 15
Financial Audit	\$50,000	6	Board Obj. #15
Fiduciary Audit	\$100,000	7	Board Obj. #2
Info Systems Improvement	\$10,050	8	Board Obj. #25
Scanning Project	\$45,000	9	Board Obj. #25
Upgrade to imaging system	\$65,000	10	Board Obj. #25
Training and Travel	\$22,730	11	
Refresh staff workstations and equipment	\$40,000	12	
Insurance	\$8,700	13	Admin Code, art. XV, sec. 10
Succession contingency	\$167,500	14	Board Obj. #10
Other Expenses	\$500	15	
Total	\$779,980		

# CINCINNATI RETIREMENT SYSTEM

## → Proposed Staffing



# CINCINNATI RETIREMENT SYSTEM

## → Proposed 2023 Op. Exps. Budget

- Office Staff: +\$419k
  - Admin Tech: staff front desk, answer phones
  - Sr. Accountant: financial audit support, backup on accounting functions, succession planning
  - CODE contract increases
  - Succession contingency
  - 2022 position upgrades

# CINCINNATI RETIREMENT SYSTEM

## → Proposed 2023 Op. Exps. Budget

- Data Processing: +\$178.7k
  - Information system improvements
  - Scanning project
  - Upgrade to imaging system
  - Increase in Pension Gold licensing fees
  - Refresh staff workstations and equipment
- Data Processing improvements will help the customer experience: imaged member files accessible to staff for phone calls with members; multi-factor authentication for security

# CINCINNATI RETIREMENT SYSTEM

## → Proposed 2023 Op. Exps. Budget

- Professional Svcs: +\$150.35k
  - Fiduciary Audit (\$100k)
  - Financial Audit (\$50k)

# CINCINNATI RETIREMENT SYSTEM

## → Proposed 2023 Inv. Exps. Budget

- Investment Consultant: +\$50k
  - RFP in 2023 likely to have increased fees
- Investment mgmt. fees projected to be down
  - Asset value has decreased

# CINCINNATI RETIREMENT SYSTEM

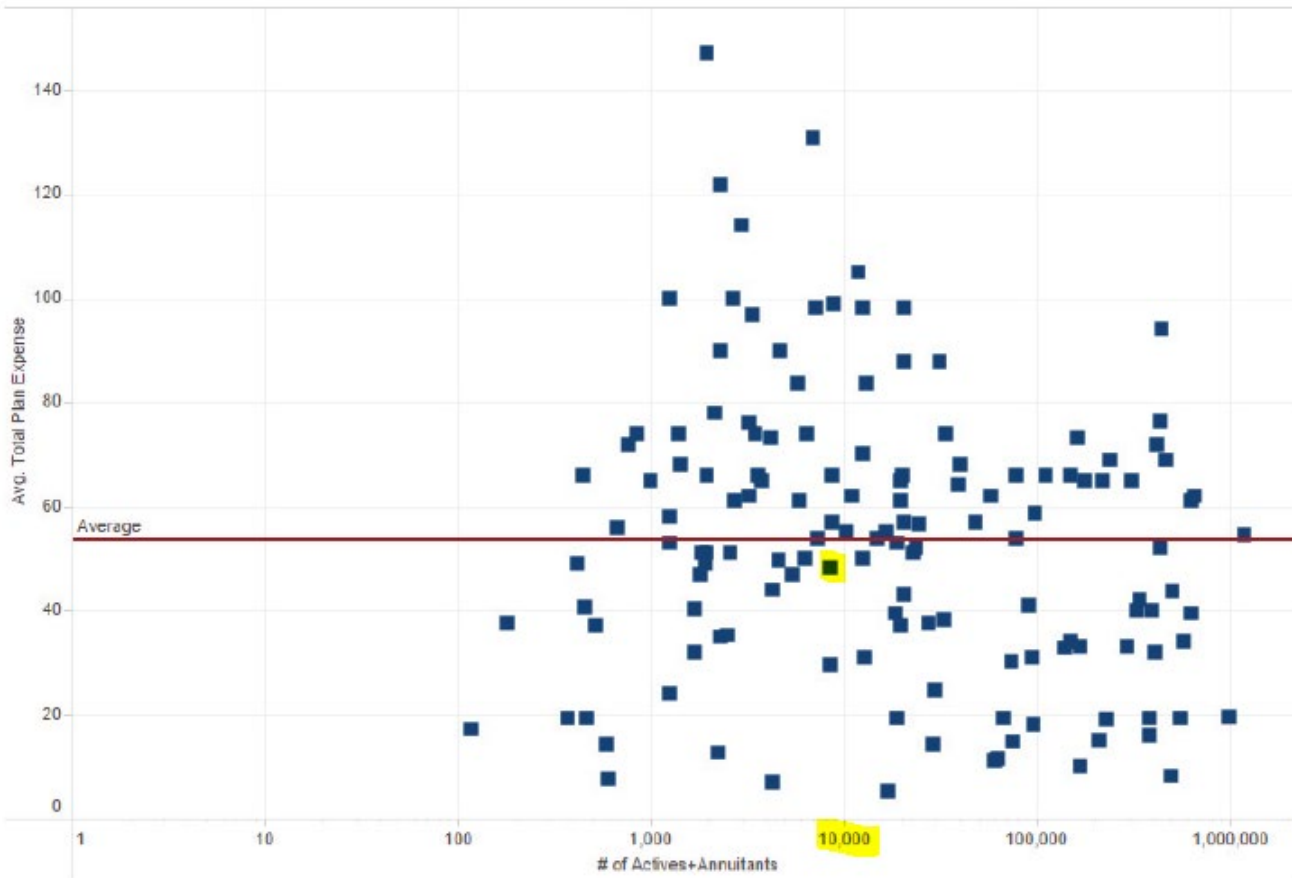
## → Proposed 2023: Measured as % Assets

- 11/18/22 Asset Balance (unaudited) =  
\$2,223,174,514
  - Operating Expenses: \$3,723,930
    - 0.1675% or 16.75 bps
  - Investment Expenses: \$7,927,000
    - 0.3566% or 35.66 bps
  - Total: 0.524% or 52.4 bps
  - FY21 Actual: 0.47% or 47 bps (+5 bps)

# CINCINNATI RETIREMENT SYSTEM

## → Peer Expenses

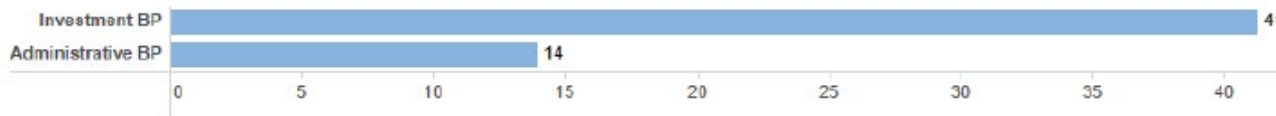
Total Expenses by Size of Fund



2021 NCPERS  
Public Retirement Systems Study

February 2022

Average Fund Expenses (Basis Points)





# City of Cincinnati - Pre-65 Retirees

## Stop Loss Review - Firm Quotes

January 2023 Renewal



	<b>*Best Offer</b>				
Stop Loss Carrier	Voya	Voya	Voya	Crum and Forster	Vista/One80
<b>Coverage Summary</b>					
<b>Specific Deductible</b>	<b>\$300,000</b>	<b>\$350,000</b>	<b>\$400,000</b>	<b>\$300,000</b>	<b>\$475,000</b>
Contract	12/12	12/12	12/12	12/12	12/12
Reimbursement Basis	Per Member	Per Member	Per Member	Per Member	Per Member
Coverage Included	Med and Rx	Med and Rx	Med and Rx	Med and Rx	Med and Rx
<b>Value-adds</b>					
No New Laser	Yes	Yes	Yes	Yes	No
Renewal Rate Cap	45%	45%	45%	50%	No
Premium Return Program	Yes - Max 15%	Yes - Max 15%	Yes - Max 15%	No	No
Max Possible Return	\$140,191	\$114,954	\$92,922	N/A	N/A
<b>Illustrative or Firm Data to Finalize</b>	<b>Firm Expires 11/18</b>	<b>Firm Expires 11/18</b>	<b>Firm Expires 11/18</b>	<b>Firm Expires 11/21</b>	<b>Firm Expires 11/18</b>
<b>Cost Summary</b>					
Enrollment	866				
<b>Specific Premium</b>					
PEPM Rate (Composite)	\$89.94	\$73.75	\$59.61	\$109.80	\$61.48
Annual Cost Estimate	\$934,607	\$766,363	\$619,481	\$1,141,068	\$638,900
<b>Aggregate Premium</b>					
PEPM Rate (Composite)	\$3.96	\$4.29	\$4.56	\$3.52	\$5.43
Annual Cost Estimate	\$41,152	\$44,582	\$47,388	\$36,580	\$56,429
<b>Total Annual Premium</b>	<b>\$975,759</b>	<b>\$810,944</b>	<b>\$666,868</b>	<b>\$1,177,648</b>	<b>\$695,329</b>
<b>Aggregate Factors</b>					
PEPM Rate (Composite)	\$1,649.99	\$1,686.59	\$1,702.92	\$1,354.17	\$1,760.66
Annual Cost Estimate	\$17,146,644	\$17,527,071	\$17,696,696	\$14,072,565	\$18,296,779
<b>Renewal Impact Summary</b>					
Estimated Claims Adjustment	-\$773,617	-\$503,087	-\$341,751	-\$773,617	-\$162,652
Laser Liability Adjustment	\$0	\$0	\$0	\$210,000	\$0
<b>Estimated Net Impact</b>	<b>\$202,142</b>	<b>\$307,858</b>	<b>\$325,118</b>	<b>\$614,030</b>	<b>\$532,677</b>

(Cost minus Claims Adjustment)

**Notes:**

1. Estimated Claims Adjustment represents the claims liability for 2023 that will no longer be paid by the City Pre-65 Retiree budget. Estimated based on the 1) specific deductible for that option, 2) actual historical large claims, and 3) market trend rates.
2. Large claims data shown combined Anthem and CVS data.

### Large Claims History - Dollar Amounts (\$175K+)

Time Period	2021	2021 (cont.)	2022 YTD (9/22)
LC #1	\$576,587	\$193,998	\$440,439
LC #2	\$542,135	\$192,109	\$444,385
LC #3	\$387,522	\$190,219	\$449,214
LC #4	\$328,178	\$176,772	\$307,740
LC #5	\$310,418		\$212,095
LC #6	\$305,979		\$187,033
LC #7	\$305,330		\$177,505
LC #8	\$230,025		
LC #9	\$203,842		
LC #10	\$200,889		

### Large Claims Historical Win/Loss Review

<b>\$300,000 Review (Voya)</b>		
Time Period	2021	2022 YTD (9/22)
Avg Enrolled	920	880
Premium Amount	\$992,885	\$712,186
Reimbursements	-\$656,149	-\$441,778
<b>Net Impact</b>	<b>\$336,736</b>	<b>\$270,408</b>

<b>\$350,000 Review (Voya)</b>		
Time Period	2021	2022 YTD (9/22)
Avg Enrolled	920	880
Premium Amount	\$814,150	\$583,981
Reimbursements	-\$456,244	-\$284,038
<b>Net Impact</b>	<b>\$357,906</b>	<b>\$299,943</b>

<b>\$400,000 Review (Voya)</b>		
Time Period	2021	2022 YTD (9/22)
Avg Enrolled	920	880
Premium Amount	\$658,109	\$472,055
Reimbursements	-\$318,722	-\$134,038
<b>Net Impact</b>	<b>\$339,387</b>	<b>\$338,017</b>

<b>\$300,000 Review (CF)</b>		
Time Period	2021	2022 YTD (9/22)
Avg Enrolled	920	880
Premium Amount	\$1,212,220	\$869,513
Reimbursements	-\$656,149	-\$441,778
<b>Net Impact</b>	<b>\$556,071</b>	<b>\$427,734</b>

<b>\$475,000 Review (Vista)</b>		
Time Period	2021	2022 YTD (9/22)
Avg Enrolled	920	880
Premium Amount	\$678,739	\$486,852
Reimbursements	-\$168,722	\$0
<b>Net Impact</b>	<b>\$510,017</b>	<b>\$486,852</b>

# Retiree Stop Loss Pros/Cons List

## Pros:

- Large claims protection (specific and aggregate)
- More predictability in costs and cash flow
- Another layer of protection for a risky demographic without typical amount of “good risk”
- Competitive offer from Voya considering plan risk, no stop loss coverage today and minimal market interest

## Cons:

- Additional investment/costs
- Another contract
- Unpredictability with ROI
- Annual market review

**2023 CRS Board and Committee Schedule**



**City Hall -- Council Chambers**

<b>Date</b>	<b>Investment</b>	<b>Governance</b>	<b>Performance Evaluation</b>	<b>Elections</b>	<b>Benefits</b>	<b>BOARD</b>
Jan. 12		?			12:00 PM	2:00 PM
Feb. 2	12:00 PM					2:00 PM
Mar. 2			12:00 PM			2:00 PM
Apr. 6		12:00 PM				2:00 PM
May 4	12:00 PM					2:00 PM
Jun. 8			12:00 PM			2:00 PM
Jul. 13		12:00 PM				2:00 PM
Aug. 3	12:00 PM					2:00 PM
Sept. 14			12:00 PM			2:00 PM
Oct. 5		12:00 PM				2:00 PM
Nov. 2	12:00 PM					2:00 PM
Dec. 7			12:00 PM			2:00 PM