



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

### **Agenda**

**January 12, 2023 / 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  
Tom West

#### **Staff**

Michael Barnhill  
Ann Schooley  
Linda Smith

#### **Call to Order**

#### **Public Comment**

#### **Approval of Minutes**

- ✚ Meeting Minutes – December 1, 2022

#### **Report from Benefits Committee**

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

- ✚ Portfolio Status
- ✚ CRS Staffing Update
- ✚ CRS Actuary Update
  - Updated Schedule of Funded Ratios (Estimate)
  - Experience Study
  - CY 2022 Valuations
- ✚ City Budget Process for FY2024-2025
- ✚ Procurement Update (RFPs, Revision of Rules)
- ✚ Exec. Director Evaluation

#### **New Business**

- ✚ 2023-2024 Committee Assignments
- ✚ 2023 Strategic Plan

#### **Adjournment**

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



**City of Cincinnati Retirement System  
Board of Trustees Meeting  
Minutes  
December 1, 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 2:02 p.m. and a roll call of attendance was taken. Trustees Moller, Menkhaus, Gamel, Rahtz, Morton, Juech (departed the meeting at 2:45pm), and West were present. Trustee Cramerding was absent.

**PUBLIC COMMENT**

No public comment.

**APPROVAL OF MINUTES**

Approval of the minutes of the Board meeting of November 3, 2022, was moved by Trustee Gamel and seconded by Trustee Juech. The minutes were approved by unanimous roll call vote.

**Report from the Performance Evaluation Committee**

Trustee Rahtz provided the report from the Performance Evaluation Committee.

The Committee approved the following motions:

- The CRS will conduct an RFP for a fiduciary audit, with a narrow scope that mirrors the scope of the “Phase 1” fiduciary audit recently conducted by the Milwaukee County Employee Retirement System.
- Adoption of a performance evaluation form for the Executive Director, with the addition of footnotes for the Board’s goals and objectives.

- A process to conduct the performance evaluation. The process is for the Executive Director to complete a self-evaluation form, followed by each Board member completing the form and returning to the Committee chair for tabulation.
- Approved the Executive Director's evaluation of the CRS actuary, Cheiron, for CY2022.
- Approved the Executive Director's evaluation of the CRS investment consultant, Marquette, for CY2022.

The Board approved each motion by unanimous roll call vote.

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

Director Barnhill provided the following report:

- CRS Staffing Update. One vacancy is now filled (Admin Tech). Making progress on the other vacancies.
- Presentation to City Council and City Manager. Director Barnhill and Chair Moller presented an updated CRS presentation to new City Manager Sheryl Long. Additionally they were available for questions at a recent City Council Finance and Budget Committee meeting, that was scheduled as a result of the Board's submission of its CY2021 Annual Report. Trustee Moller shared that in both meetings there was discussion about making a rate increase part of the City's next budget cycle. The Board will prepare a letter recommendation regarding the City's contribution rate so that it can be considered in that budget process.
- Portfolio Status.
  - The Oct. 31 YTD return is -11%. The month of November has seen investment gains, but the markets remain quite volatile with large gains followed by large losses.
  - Ullico infrastructure was funded (\$50mm) last week. This was funded by withdrawals from the underweight domestic and international equity allocations. Liquidity is increasingly a challenge.
  - The current plan is to withdraw \$50mm from real estate managers and \$25mm from infrastructure managers to get the portfolio closer to target. Trustee Moller remarked that CRS has higher negative cashflow than its peers, which creates liquidity challenges, particularly when there are market downturns.
  - Owl Rock, a recently retained private credit manager, updated its limited partnership agreement. The changes were relatively non-impactful to CRS: extending the initial period for capital raising by one year and increasing the allowed leverage. Brett Christiansen advised that the anticipated leverage in the investment is expected to be 1.25%. The new language allows leverage to be higher, but only for temporary periods.
- Retirement 101 Presentation for Group F. 40 active members participated and asked very good questions. Staff is looking forward to doing more of these education sessions over the next year.
- Call metrics. In November, staff is picking up 50-55% of incoming calls. This is disruptive for the operations staff that are answering the majority of the calls, so Director Barnhill is proposing to dedicate one staff member to answer and triage as many calls as possible, so that the operations staff are not interrupted as frequently.

### **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 that the opinions have been transmitted to Director Barnhill. Director Barnhill advised that he will transmit them to Board members today. Director Barnhill indicated that he would like to share his views on the opinions with Board members, but thought that completion of this long-standing item was a positive step forward. Trustee Moller stated he would like to have discussion about the opinions but would await advice on the appropriate way to have that discussion.

### **New Business**

#### **Election of Board Chair and Vice Chair.**

Trustee Gamel nominated Bill Moller for Chair. The Board elected Trustee Moller as Chair by unanimous roll call vote.

Trustee Moller nominated Tom Gamel for Vice Chair. The Board elected Trustee Gamel as Vice Chair by unanimous roll call vote.

#### **2023 CRS Budget**

Director Barnhill presented a proposed budget for CY2023. Highlights include:

- Total increase in operating expenses of \$780k (+26% over previous year). This is primarily to address the need for additional staff.
- One of the biggest risks is key staff risk; all the most experienced staff can retire in the next 2-3 years. Preparing for that now is important.
- Office staff increases tally to \$419k. This encompasses: two new staff, Admin Tech to answer the phones and staff the front desk; Senior Accountant to provide financial audit support, backup for accounting functions and succession planning for key staff who can retire in next 2-3 years; CODE contract increases; succession contingency (double-fill) if key staff leaves in 2023, and 2022 position upgrades.
- A priority list of increases is in the presentation
- Data processing increases tally to \$179k. This primarily encompasses a comprehensive scanning project that will improve staff access to member documents and the efficiency with which member questions can be answered. It will also improve the security around CRS documents.
- Audit increases tally \$150k. These increases are to pay for the fiduciary audit approved by the Board as well as to start preparing audited CRS financial statements in conjunction with a CRS Annual Comprehensive Financial Report.
- Investment consultant increases tally to \$50k. In 2023, CRS will issue an RFP for investment consultant, and it is expected that this cost will go up.
- In sum, total budgeted operating and investment expenses will be 0.47% of assets under management, an increase of 0.05% from the prior year. While this is a large increase, we remain below the average expenses of peer systems.

Trustee West asked about the selection of the Admin Tech job classification. Director Barnhill responded

that the Admin Tech classification was selected because of the high complexity in CRS that all staff need to be familiar with. Trustee West responded that this positions should be a CSR, and had been CT3 in the past. Director Barnhill indicated that he would continue to review this so that it is staffed appropriately.

Trustee Rahtz spoke in support of the budget, particularly the elements related to customer support.

Trustee Morton spoke in support of the budget, particularly those that improve member education and customer service.

Trustee Gamel moved, and Trustee Morton seconded, to approve the CY2023 budget as submitted. Trustee Moller expressed concern that the proposal is a significant increase to the budget, and that he would be more comfortable if there was a commitment from the City to increase its employer contribution to the system. The Board approved the motion on unanimous roll call vote (6-0; Trustee Juech left the meeting).

Director Barnhill expressed thanks to the Board for supporting the budget request. Director Barnhill supported the concerns expressed by Trustee Moller, and expressed hope that there is a way forward to collaboratively increase the City's contribution to the system. Director Barnhill expressed his view that employer funding is the most important issue faced by CRS.

Trustee Moller stated that beginning in January, representatives of CRS should begin to meet with stakeholders, including City Council members, with respect to increasing contributions to CRS. Trustee Moller proposed having Dr. Dudas, City Budget Director, appear before the Board at an upcoming meeting to explain the City's budget process.

#### Stop Loss Insurance

Director Barnhill presented the results of an analysis by Horan Consulting on stop loss insurance for the CRS pre-65 healthcare plans. Director Barnhill advised that the insurance proposals would not save money in year 1, and therefore he did not recommend proceeding with purchase of stop loss insurance at this time. Instead, Director Barnhill recommended that we continue to monitor high cost claims to see if stop loss insurance could potentially be of benefit in hindsight. That may inform decisions in the future.

Director Barnhill also reported that the post-65 health plans are fully insured by Anthem, and that the premiums will reset on 1/1/2024. To date, the healthcare costs borne by CRS have been remarkably flat, while claim costs borne by Anthem appear to be increasing. It is possible that the Anthem premiums will increase in 2024, and he intends to work with Horan on how best to prepare or mitigate any large proposed premium increase by Anthem.

Trustee Gamel asked whether costs have gone up for members. Director Barnhill stated that he does not have access to information to determine whether member out of pocket costs have increased in the Medicare Advantage plan, but that is something he will look into.

Trustee Gamel also asked about the mechanics of how stop-loss insurance works.

Trustee Moller agreed that it makes sense to put the stop loss proposal on hold for now, and re-evaluate in conjunction with any premium increase proposed by Anthem.

#### CY2023 Board Calendar

Trustee Moller stated that the proposed calendar is essentially the same as the calendar for CY2022.

Director Barnhill asked whether the Governance Committee wants to meet in January. Trustee Menkhaus (Chair of Governance Committee) expressed a desire to meet in January. Director Barnhill and Trustee Menkhaus will work to determine a date and time for meeting.

Director Barnhill asked about the Board's preference for meeting location. The Trustees discussed the pros and cons of meeting in Committee Room B. Livestream is not possible in Committee Room B. Trustee Moller stated that remote participation is helpful to some board members, and so the Board will continue to meet in Council Chambers.

#### Committee Assignments

Trustee Moller reported that he will be making Committee assignments for 2023-2024. Director Barnhill will send a committee assignment survey.

#### Board Vacancy

Trustee Morton asked for a status on the remaining Board vacancy. Director Barnhill advised that the previous mayoral appointment could not serve because of conflict conditions required by the appointee's employer. Mr. Barnhill hopes the mayor will be able to appoint a replacement soon.

#### Adjournment

Following a motion to adjourn by Trustee Gamel and seconded by Trustee Rahtz, the Board approved the motion by unanimous roll call vote. The meeting adjourned at 3:13 PM.

Meeting video link: <https://archive.org/details/crs-board-12-1-22>

Next Meeting: January 12, 2023 at 2:00 p.m.

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Secretary



**Cincinnati Retirement System**

City of Cincinnati  
Retirement System  
Executive Summary  
**November 30, 2022**





## Summary of Cash Flows

	Last Month
Beginning Market Value	\$2,176,345,729
Net Cash Flow	-\$9,999,914
Net Investment Change	\$97,796,700
Ending Market Value	\$2,264,142,515

## Market Value

	Market Value (\$)	% of Portfolio	Policy %	Policy Difference (\$)
<b>Total Fund Composite</b>	<b>2,264,142,515</b>	<b>100.0</b>	<b>100.0</b>	<b>0</b>
Fixed Income Composite	297,065,536	13.1	14.0	-19,914,416
Private Debt Composite	28,883,992	1.3	3.0	-39,040,284
U.S. Equity Composite	640,339,049	28.3	30.5	-50,224,418
Non-U.S. Equity Composite	428,376,783	18.9	20.0	-24,451,720
Risk Parity Composite	51,345,959	2.3	2.5	-5,257,604
Volatility Risk Premium Composite	56,818,646	2.5	2.5	215,083
Real Estate Composite	212,819,536	9.4	7.5	43,008,847
Infrastructure Composite	291,318,417	12.9	10.0	64,904,166
Private Equity Composite	246,379,205	10.9	10.0	19,964,953

## Performance

	1 Mo	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception	Inception Date
<b>Total Fund Composite</b>	<b>4.5%</b>	<b>2.1%</b>	<b>-7.2%</b>	<b>-4.0%</b>	<b>7.4%</b>	<b>6.4%</b>	<b>7.9%</b>	<b>8.7%</b>	<b>May-85</b>
Target Benchmark	4.8%	1.8%	-8.8%	-6.3%	6.9%	6.4%	8.0%	--	May-85
<b>Fixed Income Composite</b>	<b>3.6%</b>	<b>-1.7%</b>	<b>-11.6%</b>	<b>-11.5%</b>	<b>-0.6%</b>	<b>1.3%</b>	<b>2.3%</b>	<b>5.0%</b>	<b>Nov-95</b>
Bloomberg US Aggregate TR	3.7%	-2.1%	-12.6%	-12.8%	-2.6%	0.2%	1.1%	4.2%	Nov-95
<b>Private Debt Composite</b>	<b>0.0%</b>	<b>2.7%</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	3.7%	-2.1%	-12.6%	-12.8%	-2.6%	0.2%	1.1%	-6.4%	Sep-20
<b>U.S. Equity Composite</b>	<b>5.2%</b>	<b>4.0%</b>	<b>-11.3%</b>	<b>-7.3%</b>	<b>10.2%</b>	<b>8.8%</b>	<b>11.9%</b>	<b>9.3%</b>	<b>Feb-89</b>
Russell 3000	5.2%	3.3%	-14.2%	-10.8%	10.3%	10.3%	12.9%	10.4%	Feb-89
<b>Non-U.S. Equity Composite</b>	<b>13.5%</b>	<b>5.4%</b>	<b>-13.6%</b>	<b>-10.2%</b>	<b>2.4%</b>	<b>1.0%</b>	<b>4.5%</b>	<b>5.5%</b>	<b>May-93</b>
MSCI ACWI ex USA	11.8%	3.6%	-15.4%	-11.9%	1.7%	1.5%	4.2%	--	May-93
<b>Risk Parity Composite</b>	<b>3.6%</b>	<b>-1.4%</b>	<b>-14.3%</b>	<b>-12.5%</b>	<b>0.9%</b>	<b>3.1%</b>	<b>2.9%</b>	<b>3.2%</b>	<b>Jul-12</b>
60% Wilshire 5000/40% BarCap Aggregate	4.6%	1.2%	-13.1%	-11.2%	5.6%	6.7%	8.4%	8.4%	Jul-12
<b>Volatility Risk Premium Composite</b>	<b>3.4%</b>	<b>1.8%</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-5.3%</b>	<b>Jan-22</b>
CBOE Put Write Index	2.7%	1.0%	-7.3%	-3.8%	5.2%	4.3%	6.5%	-5.0%	Jan-22
<b>Real Estate Composite</b>	<b>-1.3%</b>	<b>-1.5%</b>	<b>9.3%</b>	<b>16.8%</b>	<b>11.7%</b>	<b>9.6%</b>	<b>10.7%</b>	<b>6.5%</b>	<b>Aug-07</b>
NFI-ODCE	0.0%	0.1%	12.4%	15.2%	11.1%	9.0%	9.8%	5.8%	Aug-07
NPI	0.0%	0.2%	9.4%	11.5%	9.5%	8.4%	9.3%	7.0%	Aug-07
<b>Infrastructure Composite</b>	<b>0.4%</b>	<b>1.4%</b>	<b>4.7%</b>	<b>7.4%</b>	<b>9.0%</b>	<b>7.7%</b>	<b>7.3%</b>	<b>8.2%</b>	<b>Aug-08</b>
3 Month T-Bill +4%	0.6%	1.7%	4.8%	5.1%	4.6%	5.2%	4.7%	4.5%	Aug-08
<b>Private Equity Composite</b>	<b>0.0%</b>	<b>0.4%</b>	<b>0.1%</b>	<b>3.5%</b>	<b>19.0%</b>	<b>16.7%</b>	<b>14.7%</b>	<b>8.9%</b>	<b>Jul-93</b>
Burgiss Global All Private Equity	0.0%	-1.9%	-8.4%	-2.6%	22.1%	19.2%	16.7%	15.8%	Jul-93

## DISCLOSURE

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**Via Electronic Mail**

January 4, 2023

Mr. Mike Barnhill  
Cincinnati Retirement System  
801 Plum Street, Suite 328  
Cincinnati, Ohio 45202

**Re: Schedule of Funded Ratios**

Dear Mike:

As requested, we have prepared the Schedule of Funded Ratios in compliance with the Collaborative Settlement Agreement based on the projection model accompanying the December 31, 2021 actuarial valuation. The funded ratios reflect the actuarial liabilities divided by the actuarial value of assets projected as of each of the December 31 measurement dates shown below. We have shown the projected funded ratios on the attachments under three scenarios:

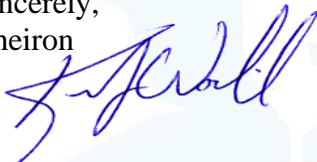
- Scenario A: City contributions increased incrementally to level needed for System to be fully funded as of December 31, 2045 (16.25% of full-time payroll increasing by 1.50% per year until 37.25% of full-time payroll)
- Scenario B: City contributions increased to level needed for System to be fully funded as of December 31, 2045 (29.50% of full-time payroll effective 2023)
- Scenario C: City contributions continue at current level (16.25% of full-time payroll)

The projected funded ratios in the attachment assume that all the assumptions in the December 31, 2021 actuarial valuation are realized. As advised by the System, we have reflected an assumed investment return of -10% for 2022 and 7.50% for all future years thereafter. Future projections may differ significantly from those presented in this letter due to such factors as the following: plan experience differing from that anticipated by the assumptions, changes in assumptions, and changes in plan provisions or applicable law.

In preparing these projections, we relied on the same census data, assumptions and methods used in performing the December 31, 2021 valuation. All the caveats in that report still apply.

If you have any questions, please let us know.

Sincerely,  
Cheiron



Kevin J. Woodrich, FSA, EA, MAAA  
Principal Consulting Actuary



Janet Cranna, FSA, EA, MAAA FCA  
Principal Consulting Actuary

SCENARIO A

Calendar Year	City Contribution Rate (% of Full-Time Payroll)	Funded Ratio as of December 31,
2022	16.25%	69.6%
2023	17.75%	68.5%
2024	19.25%	66.4%
2025	20.75%	64.3%
2026	22.25%	61.0%
2027	23.75%	60.4%
2028	25.25%	60.1%
2029	26.75%	59.9%
2030	28.25%	59.9%
2031	29.75%	60.1%
2032	31.25%	60.6%
2033	32.75%	61.4%
2034	34.25%	62.6%
2035	35.75%	64.1%
2036	37.25%	66.0%
2037	37.25%	68.2%
2038	37.25%	70.7%
2039	37.25%	73.6%
2040	37.25%	76.9%
2041	37.25%	80.7%
2042	37.25%	84.9%
2043	37.25%	89.6%
2044	37.25%	94.7%
2045	37.25%	100.4%

SCENARIO B

Calendar Year	City Contribution Rate (% of Full-Time Payroll)	Funded Ratio as of December 31,
2022	16.25%	69.6%
2023	29.50%	69.5%
2024	29.50%	68.4%
2025	29.50%	67.3%
2026	29.50%	64.9%
2027	29.50%	65.2%
2028	29.50%	65.6%
2029	29.50%	66.1%
2030	29.50%	66.7%
2031	29.50%	67.4%
2032	29.50%	68.3%
2033	29.50%	69.3%
2034	29.50%	70.4%
2035	29.50%	71.8%
2036	29.50%	73.3%
2037	29.50%	75.0%
2038	29.50%	77.0%
2039	29.50%	79.3%
2040	29.50%	81.9%
2041	29.50%	84.8%
2042	29.50%	88.1%
2043	29.50%	91.8%
2044	29.50%	95.9%
2045	29.50%	100.4%

SCENARIO C

Calendar Year	City Contribution Rate (% of Full-Time Payroll)	Funded Ratio as of December 31,
2022	16.25%	69.6%
2023	16.25%	68.4%
2024	16.25%	66.0%
2025	16.25%	63.5%
2026	16.25%	59.5%
2027	16.25%	58.1%
2028	16.25%	56.7%
2029	16.25%	55.1%
2030	16.25%	53.5%
2031	16.25%	51.8%
2032	16.25%	50.0%
2033	16.25%	48.1%
2034	16.25%	46.1%
2035	16.25%	43.9%
2036	16.25%	41.6%
2037	16.25%	39.2%
2038	16.25%	36.7%
2039	16.25%	34.1%
2040	16.25%	31.4%
2041	16.25%	28.8%
2042	16.25%	26.1%
2043	16.25%	23.4%
2044	16.25%	20.7%
2045	16.25%	18.1%

# City of Cincinnati Budget Timeline FY2024-2025

## **Final Budget Process:**

City Manager Develops FY 2024-25 Recommended Biennial Budget	March 1 - June 9, 2023
Income Tax Economic Forecast Report	May 1, 2023
City Manager's FY 2024-25 Recommended Biennial Budget Delivered to Mayor	May 12, 2023
Mayor's FY 2024-25 Recommended Biennial Budget Delivered to City Council	May 26, 2023
Mayor's Press Conference TBD	TBD

City Council Budget Deliberations	May 26 - June 21, 2023
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City Manager FY 2024-25 Biennial Budget Presentation	May 30, 2023
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## **Public Hearings**

Pre-Budget Release Public Hearing - Location TBD	April 3, 2023
Post-Budget Release Public Hearing - Locations TBD	June 1, June 6, June 7, 2023

Council Motions Due to Finance Chair	June 9, 2023
Budget and Finance Committee Meeting to Discuss Motions	June 12, 2023
Budget and Finance Committee Meeting to Recommend Budget	June 20, 2023

<b>City Council Adopts FY 2024-25 Biennial Budget</b>	<b>June 22, 2023</b>
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**CRS Board Performance Evaluation of Exec. Dir. Form, CY 2022**

**Rating Scale: 1 - 3. 1 = Does not meet expectations; 2 = Meets expectations; 3 = Exceeds expectations**

**Essential Values**

	<u>Quality Rating</u>	<u>Comments</u>
Acts with Integrity, Ethics & Accountability		
Communicates Effectively		
Provides Excellent Customer Service		
Relationship Building		
Embraces Change		
Attitude		

**Core Competencies**

	<u>Quality Rating</u>	<u>Comments</u>
Work Productivity		
Attendance		
Timeliness		
Effectiveness		

**Supervisory / Leadership Skills**

	<u>Quality Rating</u>	<u>Comments</u>
Provides Leadership, Trains, Motivates and Coaches		
Consistently Upholds Standards Fairly; Resolves Problems, Conflicts Appropriately and Timely		
Plans and Acts Strategically; Delegates Effectively		
Promotes, embraces and values Small Business Enterprise initiatives, EEO and Affirmative Actions Goals		
Completes Employees' Performance Evaluations on Time		

**CY 2022 Board Objectives**

**(A-H = Trustee Goals; 1-21 = Trustee Responsibilities)**

<u>Item</u>	<u>Owner</u>	<u>Target Date</u>	<u>Status</u>	<u>Quality Rating</u>	<u>Comments</u>
1. Complete Governance Manual and Board Rules (A,B,C,D,5,6,17)	Governance Comm., Mike Barnhill	6/30/2022	Completed, 4/7/2022		
2. Establish fiduciary audit scope (D,2)	Board, Mike Barnhill	6/30/2022	Recommendation to Perf Eval Comm, 12/1/2022		
3. Prepare and present CRS orientation to City Stakeholders (City Mgr, Mayor, V. Mayor, Council Fin. Chair) (C,D,1,5,7)	Board, Mike Barnhill	6/30/2022	Ongoing; Initial Completion, 3/28/2022		
4. Prepare and provide trustee training plan, including training policy and curriculum (A,B,C,D,1,2,3,10,12,13)	Board, Mike Barnhill	6/30/2022	Ongoing; Initial Completion, 3/25/2022		



<u>Item</u>	<u>Owner</u>	<u>Target Date</u>	<u>Status</u>	<u>Quality Rating</u>	<u>Comments</u>
5. Establish "treadwater" employer contribution and employer contribution "ramp up" recommendation (A,B,C,1,2,11)	Board, Mike Barnhill	3/31/2022	Completed, 3/16/2022		
6. Develop CRS handbook for active and retired members (E,5,7)	Mike Barnhill	12/31/2022	Draft member handbook completed; retiree handbook for 2023		
7. Develop and provide newsletters for active and retired members (E,5,7)	Mike Barnhill	6/30/2022	Ongoing; 3 newsletters in 2022		
8. Develop and implement CRS website content to provide timely, complete, and easily accessible info (E,5,7)	Mike Barnhill	9/30/2022	Trustee, Financial, CSA pages overhauled; new pages: Thoughts and Resources		
9. Provide the City Administration with input and recommendations regarding the healthcare trust funding policy (A,B,C,1,2,11,19)	Mike Barnhill, Board	3/31/2022	MAB Completed, 3/16/2022; Board for 2023		
10. Review CRS Department staffing positions and complement (C,D,1,2)	Board, Mike Barnhill	3/31/2022	2023 Budget Proposal, 12/1/2022		
11. Prepare and approve the 2022 budget (A,B,D,4,16)	Board, Mike Barnhill	3/31/2022	Completed, 3/3/2022		
12. Assist the Mayor and Council in filling appointed member Board vacancies (C,1)	Board, Mike Barnhill	6/30/2022	Completed, 9/14/2022; New Vacancy 9/15/22		
13. Complete the five-year actuarial experience study (B,C,D,1,2,11,12,13)	Board, Mike Barnhill	3/31/2023	With Cheiron, to complete in 1Q23		
14. Prepare and submit the annual CRS report to City Council (C,D,5,7,20)	Board, Mike Barnhill	6/30/2022	Completed, 10/25/2022		
15. Prepare an annual financial report for active and retired members (E,1,2,5,7)	Investment Comm., Mike Barnhill	6/30/2022	Draft completed, 9/30/2022		
16. Review and approve the annual 12/31/2021 Actuarial Valuation Report (B,1,2,12,13)	Board	6/30/2022	Completed, 7/14/2022		
17. Review and approve the quarterly and Annual Investment Reports (A,B,1,2,3,11)	Board	Ongoing	Ongoing		

<u>Item</u>	<u>Owner</u>	<u>Target Date</u>	<u>Status</u>	<u>Quality Rating</u>	<u>Comments</u>
18. Establish the format for providing input into the City Manager's evaluation of the Director <i>(D,1,2,9)</i>	Performance Eval Comm.	12/31/2022	Eval Form completed, 9/2/2022		
19. Assign Board Members to Committees <i>(D,1,2,14,15)</i>	Chair Moller	Ongoing	Board action on 12/1/2022		
20. Select Board Chair and Vice Chair <i>(D,1,2,18)</i>	Board	12/31/2022	Board action on 12/1/2022		
21. Completion of the election process for one retiree and one active trustee <i>(D,1,2,18)</i>	Elections Comm., Mike Barnhill	8/4/2022	Completed, 9/14/2022		
22. Review and make recommendations regarding survivor benefits <i>(B,D,1,2)</i>	Benefits Comm.	12/31/2022	With Cheiron, to complete in 1Q23		
23. Develop for Board approval CRS Board Goals and Strategies for 2022 <i>(D,G,21)</i>	Performance Eval Comm.	3/31/2022	Completed, 3/3/22		
24. Keep the Board well-informed about important developments and issues <i>(F,5)</i>	Mike Barnhill	Ongoing	Ongoing		
25. Review current customer svc practices and identify strengths and opportunities for improvements <i>(D,G,21)</i>	Mike Barnhill	12/31/2022	Picking up phones as of 9/26; all staff training 10/20; Staff proposal in 2023 budget 12/1/22		
26. Review and prepare analysis and recommendation on disabled adult child healthcare eligibility matters	Mike Barnhill	6/30/2022	Completed, 5/18/2022; Ordinance being drafted by Law		
27. Security and risk review; HIPAA; SOC 1 Type 2 audit of LRS; internal control review on all cashflows; Evaluate CRS and Finance workflows and approvals	Mike Barnhill, CRS Staff	12/31/2022	Draft Risk Dashboard to Perf Eval Comm, 12/1/22		

### **CRS Board of Trustee Goals**

- A. Invest CRS financial assets to establish a reasonable probability that the assumed annual rate of return is achieved. *(CMC sec. 203-65)*
- B. Establish reasonable actuarial and investment assumptions and determine the probability that current retirees and future retirees will receive promised pension and healthcare benefits. *(CSA, 2nd and 3rd Goals)*
- C. Provide recommendations to the City Administration, City Council, and Mayor to achieve full funding of pension and healthcare benefits. *(CSA, 2nd and 3rd Goals)*
- D. Provide strategic CRS direction and support to the CRS Department. *(CSA, para. 30)*
- E. Provide timely communication to active and retiree members regarding CRS financial status and pension and healthcare benefits. *(CSA, para. 30; Agreed Order, para. j)*
- F. Cultivate and advance collaborative relationships, marked by mutual respect and transparency, among CRS administration and CRS Board. *(CSA, 7th Goal)*
- G. Prioritize customer service best practices to strengthen responsiveness and reduce barriers to communication among stakeholders. *(CSA, para. 30)*
- H. Assure and facilitate compliance with the Collaborative Settlement Agreement. *(CSA, para. 53)*

### **CRS Board of Trustee Responsibilities**

- 1. The Cincinnati Retirement System (CRS) Board of Trustees (Board) shall administer CRS solely for the benefit of active and retiree members. *(CMC secs. 203-0, 203-65)*
- 2. The CRS Board shall have exclusive authority to govern the Pension Trust and Healthcare Trust as fiduciaries. *(CSA, para. 30; CMC sec. 203-65)*
- 3. The Board shall have full power to invest and reinvest fund assets as a prudent investor and according to investment policies adopted by the Board. *(CMC sec. 203-65)*
- 4. The CRS Board shall be responsible for determining and approving the CRS Budget. *(CMC sec. 203-133)*
- 5. The CRS Board shall be guided by principles of full transparency to inform the members and the public of the Board's concerns, considerations, and decisions. *(Agreed Order, para. j)*
- 6. The CRS Board shall generate and maintain a governing manual, including rules, procedures, and regulations. *(Agreed Order, para. k; Admin. Code Art. XV, sec. 4)*
- 7. The CRS Board will provide information and documentation as required by the Collaborative Settlement Agreement. *(Agreed Order, para. l)*
- 8. The CRS Board shall actively participate in searches for the CRS Director. *(Agreed Order, para. m)*
- 9. The CRS Board shall perform an annual evaluation of the CRS Director and shall submit it to the City Manager. *(Agreed Order, para. m)*
- 10. The CRS Board shall be responsible for selecting actuaries, investment advisors, and other professionals, subject to the City's procurement process. *(CSA, para. 30; Agreed Order, para. n; Admin. Code Art. XV, sec. 7)*
- 11. The CRS Board shall not limit actuaries, investment advisors, and other professionals regarding information that they deem necessary for the city administration, CRS members, or the public to know. *(Agreed Order, para. o)*
- 12. The CRS Board shall have an actuarial review of experience and assumptions every five years and make a valuation of assets and liabilities at least every two years. *(Admin. Code Art. XV, sec. 9)*
- 13. The CRS Board shall adopt mortality tables and other assumptions as it considers necessary. *(Admin. Code Art. XV, sec. 9)*
- 14. The CRS Board shall create committees to fulfill its obligations each having membership of at least one retiree Board member, one active Board member, and one appointed Board member. *(Agreed Order, para. p)*
- 15. The CRS Board Chair shall appoint an investment committee. *(CMC sec. 203-65)*
- 16. The CRS Board shall approve by a two-thirds vote any changes to the CRS annual budget. *(CSA, para. 30; Agreed Order, para. q)*
- 17. The CRS Board shall establish rules for the election of active and retiree members to fill Board positions. *(Agreed Order, para. f)*
- 18. The Board shall elect a Chair and Vice-Chair for the Board to serve for two years. *(Admin. Code Art. XV, sec. 3)*
- 19. The Board shall provide input and recommendations to the City regarding funding policy for healthcare. *(CSA, para. 26)*
- 20. The Board shall report annually to City Council regarding CRS status. *(Admin. Code Art. XV, sec. 1)*
- 21. The general administration and responsibility for the proper operation of the retirement system shall be vested in a board of trustees. *(CMC secs. 203-0, 203-133)*

**Cincinnati Retirement System**  
**Board of Trustees Committee Assignments**  
**January 1, 2023**

Board Chair

Bill Moller

Board Vice Chair

Tom Gamel

Investment Committee

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

Benefits Committee

Tom Gamel, Chair  
Tom West, Vice Chair  
John Juech  
Mark Menkhaus  
Bill Moller  
Monica Morton

Governance Committee

Mark Menkhaus, Chair  
Tom Gamel, Vice Chair  
John Juech  
Bill Moller  
Kathy Rahtz

Performance Evaluation Committee

Kathy Rahtz, Chair  
Mark Menkhaus, Vice Chair  
Tom Gamel  
Monica Morton  
Tom West

Elections Committee

John Juech, Chair  
Monica Morton  
Kathy Rahtz  
Tom West

# Cincinnati Retirement System

## DRAFT 2023 STRATEGIC PLAN

*Updated January 2023*

### CRS MISSION

- **Assure Promised Pension and Healthcare Benefits for Current and Future Retirees**
- **Assist and Support CRS Members in Achieving a Successful Retirement**
  - **Assure CRS Transparency and Accessibility for all Stakeholders**

### CRS Board of Trustee Goals

A. Invest CRS financial assets to establish a reasonable probability that the assumed annual rate of return is achieved. *(CMC sec. 203-65)*

B. Establish reasonable actuarial and investment assumptions and determine the probability that current retirees and future retirees will receive promised pension and healthcare benefits. *(CSA, 2nd and 3rd Goals)*

C. Provide recommendations to the City Administration, City Council, and Mayor to achieve full funding of pension and healthcare benefits. *(CSA, 2nd and 3rd Goals)*

D. Provide strategic CRS direction and support to the CRS Department. *(CSA, para. 30)*

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**CY 2023 Board Objectives**

<b><u>Strategic Objectives</u></b>	<b><u>Owner</u></b>	<b><u>Target Date to Complete</u></b>	<b><u>Status/Date Completed</u></b>
Work collaboratively to seek increase of City contribution rate to 17%	Board, Exec. Direct or	-	-
Develop CRS handbook retired members <i>(E,5,7)</i>	Exec. Direct or		



Provide the City Administration with input and recommendations regarding the healthcare trust funding policy (A,B,C,1,2,11,19)	Board		
Prepare an audited annual comprehensive financial report (ACFR) (E,1,2,5,7)			
Assist the Mayor and Council in filling appointed member Board vacancies (C,1)	Board, Exec. Direct or		
Actuary RFP (prepare fall 2023; issue Jan 2024)			
Complete the five-year actuarial experience study; act on recommendations (B,C,D,1,2,11,12,13)	Board, Exec. Direct or		
<b><u>Ongoing Objectives</u></b>			
Prepare and present CRS orientation to City Stakeholders (City Mgr, Mayor, V. Mayor, Council Fin. Chair) (C,D,1,5,7)	Board, Exec. Direct or		

Prepare and provide trustee training plan, including training policy and curriculum <i>(A,B,C,D,1,2,3,10,12,13)</i>	Board, Exec. Direct or		
Develop and provide newsletters for active and retired members <i>(E,5,7)</i>	Exec. Direct or		
Prepare and approve the 2024 budget <i>(A,B,D,4,16)</i>	Board, Exec. Direct or		
Review and approve the annual 12/31/2022 Actuarial Valuation Report <i>(B,1,2,12,13)</i>	Board		
Review and approve the quarterly and Annual Investment Reports <i>(A,B,1,2,3,11)</i>	Board		
Keep the Board well-informed about important developments and issues <i>(F,5)</i>	Exec. Direct or		
Prepare and submit the annual CRS report to City Council <i>(C,D,5,7,20)</i>	Board, Exec.		

	Direct or		
Review and approve the annual 12/31/2022 Actuarial Valuation Report <i>(B,1,2,12,13)</i>	Board		
Review and approve the quarterly and Annual Investment Reports <i>(A,B,1,2,3,11)</i>	Board		
Keep the Board well-informed about important developments and issues <i>(F,5)</i>	Exec. Direct or		
<b><u>CY 2023 Investment Committee Objectives</u></b>			
Investment Consultant RFP			
Asset allocation review; cash allocation?			
Investment risk review			
Investment return peer universe			
Investment manager compliance			
Consideration of investment methods of			

long-term top quartile peers			
Investment Contract governance; approval authority; standardized review of terms			
Combine Dom Eq value assets into Ru3000 Value?			
Tolerance bands			
De-risk health plan			
<b><u>CY 2023 Governance Committee Objectives</u></b>			
Financial Disclosure Policy and Forms			
Ethics Policy			
Creation of Audit Committee, possibly from Performance Eval Comm			
Charters for Current Committees			
Consider Change to Fiscal Year			
Consolidate Governance Manual, Board Rules and Policies			
Trustee Training Policy			

Implement DROP through City Municipal Code (if cost neutral)			
Evaluate Fiduciary Governance of 457 Plans			
Consent Agenda approach for Board: minutes, adoption of reports, committee actions (?)			
Meeting frequency			
Board retreat			
Amend in Board rules "disability application" definition to mean application + option election form			
Questions to ask (i.e., AICPA 10 key questions for audit committees)			
Trustee system email accounts is leading practice			
Delegation document to Exec Dir (covering CMC references to Board that are delegated to staff)			

**CY 2023 Benefits Committee Objectives**

Review Horan healthcare plan changes summary	-	-	-
Survivor Benefits: review Cheiron letter	-	-	-
Survey retirees re benefits	-	-	-
Consider cafeteria benefits options (LTC, Life Ins, Ins tier options)	-	-	-
<b><u>CY 2023 Performance Evaluation Committee Objectives</u></b>			
Risk review	-	-	-
Fiduciary Performance Audit	-	-	-
Disaster Recovery and Business Continuity of Operations Plan	-	-	-