



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

Board Members Present

Bill Moller, Chair
Tom Gamel, Vice Chair
Jeff Cramerding
John Juech
Mark Menkhaus, Jr.
Kathy Rahtz
Don Stiens
Erica Winstead

Administration

Mike Barnhill
Renee Kabin
Ann Schooley
Linda Smith

CALL TO ORDER

The meeting was called to order at 2:06 p.m. and a roll call of attendance was taken.

APPROVAL OF MINUTES

T. Gamel made a motion to approve the minutes of the meeting held on December 2, 2021.
M. Menkhaus, Jr. seconded the motion. A roll call vote was taken to approve the minutes. The roll call vote results follow:

B. Moller - Y
T. Gamel - Y
J. Cramerding - Y
J. Juech - Y
M. Menkhaus, Jr. - Y
K. Rahtz - Y
D. Stiens – Y
E. Winstead - Y

Minutes of the December 2, 2021, Board meeting were approved.

Requested Actuarial Projections and Discussion

Agenda was taken out of order to accommodate Cheiron in presenting requested projections for various return scenarios requested by trustees. B. Moller noted that CRS' returns are more aggressive than some peers.

Kevin Woodrich of Cheiron gave an overview of scenarios involving a long-term rate of return of 7.93 percent compared to a revised expectation of 7.6 percent, resulting in pension funding ratios of 99 and 81 percent respectively. M. Barnhill commented that the timing for the upcoming experience study is good.

INVESTMENT COMMITTEE REPORT

B. Moller reported on several items voted on in Committee, the first one on the provided additions to the Investment Policy regarding private debt, volatility risk premium and reductions to risk parity. The Investment Committee approved adopting these additions to the Investment Policy, so the motion was up for discussion. No further discussion occurred.

A roll call vote was taken and the results follow:

B. Moller - Y
T. Gamel - Y
J. Cramerding - Y
J. Juech - Y
M. Menkhaus, Jr. - Y
K. Rahtz - Y
D. Stiens - Y

Board Action

The motion to approve additions to the Investment Policy regarding private debt, volatility risk premiums and risk parity reduction passed.

A motion to change international equity exposure was approved in Committee. Non-U.S. ACWI will be reduced from 20 percent to 18 percent; emerging markets DFA will be reduced from three percent to two percent, and domestic investment in the Russell 3000 will be increased from 18.5 percent to 21.5 percent. No additional discussion on this topic occurred. A roll-call vote was taken with the results following:

B. Moller - Y
T. Gamel - Y
J. Cramerding - Y
J. Juech - Y
M. Menkhaus, Jr. - Y
K. Rahtz - Y
D. Stiens - Y

The motion to reduce non-U.S. ACWI from 20 percent to 18 percent; reduce emerging markets DFA from 3 percent to 2 percent, and increase investment in the Russell 3000 from 18.5 to 21.5 percent passed.

B. Moller further reported on Marquette's market environment analysis and the recommendation to bring at least two small cap market fund managers in private equity to the next Investment Committee meeting. Ft. Washington, BPEA and Siguler Guff were the three companies considered.

INFORMATIONAL

Executive Director's Report

M. Barnhill gave an overview of the fourth quarter 2021 demographic report. Mr. Barnhill noted that deaths

appear close to normal levels historically. Mr. Barnhill also discussed the DROP report for the fourth quarter of 2021.

B. Moller mentioned the actuarial study done about a year ago regarding the impact of the DROP on CRS' unfunded liability. D. Stiens asked for an analysis of the impact on health care expenditures, noting DROP participants do not utilize retiree healthcare coverage while enrolled in DROP.

M. Barnhill discussed a Fiduciary Performance audit for CRS and offered to present on what OPERS has experienced with such an audit. Mr. Barnhill noted pension systems the size of CRS do not ordinarily conduct these themselves due to the complexity and cost.

Mr. Barnhill discussed a plan to update the CRS website with the intent to more closely mirror City Council's format for the display of meeting minutes.

115 Health Care Trust Funding Policy

Ann Schooley reported there is no update.

UNFINISHED BUSINESS

Outstanding Opinions:

K. Rahtz 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.

A. Schooley reported there is no update.

NEW BUSINESS

K. Rahtz reported to the Board that she had received requests from three retirees who had dependents denied coverage. They ask for an additional review by the Board to see if these denials were proper. B. Moller referred the matter to the Benefits Committee and Director Barnhill for further consideration.

Monthly Investment Report

No further discussion occurred.

Board Action

With no other business before the Board, T. Gamel made a motion to adjourn. J. Juech seconded the motion. Roll call vote results follow:

B. Moller - Y
T. Gamel - Y
J. Cramerding - Y
J. Juech - Y
M. Menkhaus, Jr. - Y
K. Rahtz - Y
D. Stiens - Y

The motion to adjourn passed. Meeting adjourned at 2:48 P.M.

Next Meeting: March 3, 2022 at 2:00 p.m.

A handwritten signature in black ink, appearing to read "Michael Barnhill". The signature is written in a cursive style with a large initial "M".

Michael Barnhill
Secretary