



**City of Cincinnati Retirement System
Board of Trustees Meeting
Minutes
May 5, 2022/ 2:00 P.M.
City Hall – Council Chambers and remote**

Board Members Present

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

Administration

Mike Barnhill
Ann Schooley

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, Rahtz, Stiens, Juech, and Winstead were present. Trustees Gamel and Cramerding were absent. Trustee Cramerding joined the meeting at approximately 2:40pm.

APPROVAL OF MINUTES

Approval of the minutes of the Board meeting of April 7, 2022, was moved by Trustee Rahtz and seconded by Trustee Stiens. The minutes were approved by unanimous roll call vote.

REPORT FROM INVESTMENT COMMITTEE

Trustee Moller provided a summary of the Investment Committee's meeting today. The Committee heard presentations from two private equity investment managers (Sigular Guff and BPEA) regarding small cap buyout private equity proposals. The Committee approved retaining Sigular Guff and funding the investment with \$25mm. The Board approved the retention of Sigular Guff to manage \$25mm by a unanimous roll call vote.

The Committee heard from Brett Christiansen from Marquette, who presented on the current market environment, the CRS 1Q 2022 results, and Marquette's efforts with respect to Diversity, Equity and Inclusion on behalf of their investment clients. The Committee approved the Marquette 1Q 2022 report. The Board approved the Marquette 1Q 2022 report by a unanimous roll call vote.

The Committee held over for the next meeting discussion on rebalancing methods.

REPORT FROM GOVERNANCE COMMITTEE

Trustee Menkhaus provided a summary of the Governance Committee meeting. The Governance Committee had sought advice from the Law Department on the role of DROP participants in CRS elections. The Law Department advised that the issue was a business decision within the discretion of the Board. Trustee Menkhaus noted that currently DROP members vote in the Active Trustee election.

Trustee Menkhaus reported that the Committee passed an amendment to Section VII(B)(4) of the Board rules by a vote of 3-1. This amendment adds DROP members to the language regarding the sending of the opening of nominations via email to City employees. Trustee Stiens asked a question about whether DROP participants could run as a retiree trustee. Ms. Schooley agreed to research the question. Trustee Stiens moved, and Trustee Menkhaus seconded, to table the motion. The Board passed the motion to table by unanimous roll call vote.

Trustee Moller asked whether tabling the motion would impact the election process. Director Barnhill stated that it would not. CRS currently treats DROP participants as actives for purposes of voting in the election, and that practice would continue until other direction is provided by the Board.

Informational – Executive Director’s Report

- Budget Update. Trustee Moller remarked on the disappointing market results.
- Demographic and DROP Reports. Director Barnhill observed that mortality rates do not appear to have been materially impacted by the COVID pandemic.
- Fiduciary Insurance. Director Barnhill reported that the policy limit of \$7mm has not been adjusted in over 10 years. A request has been made for quotes on higher limits. Other similarly situated systems appear to purchase fiduciary insurance with policy limits in the range of \$10-\$20mm. Director Barnhill indicated he may recommend an increase in policy limits when he brings back quotes for the Board’s consideration. These quotes may or may not have a budget impact.
- Council budget policy motion. City Council passed an aspirational budget policy motion calling for a \$1mm increase in general fund contributions to CRS. Trustee Juech remarked that the policy document is aspirational and provided caution that upcoming budgets may be more difficult. Trustee Moller stated that the motion only addresses general fund contributions; the other funds that contribute to the City’s contribution would also need to be increased, Mr. Barnhill confirmed that the Board’s recommendation regarding increasing the City’s contribution by 0.5% was transmitted to the Council that morning.
- Anthem Member Connect Program. This is a slide deck explaining the Anthem program, which is intended to identify and reach out to members who may be isolated and at risk. Mr. Barnhill is providing the information to increase awareness that Anthem is unilaterally reaching out to members. The program is well intentioned, but members may be surprised if they get a call.
- CRS Dept Update. Mr. Barnhill reported that CRS is experiencing a fair amount of turnover. The Great recession and inflation are impacting retention everywhere including CRS. Mr. Barnhill indicated he would bring a proposal to the next meeting to improve retention. Trustee Moller stated that it would be helpful to have the HR department’s input.
- Ohio Inst Investors program annually in Columbus on June 9. Same day as board meeting.

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.

A. Schooley reported there is no update. Mr. Barnhill reported that he has had discussions with the Law Dept on Item 2.

Legal Report on Executive Session Issue

Currently there are three matters regarding eligibility for healthcare benefits for disabled adult children pending before the Benefits Committee. The Board has inquired whether it or the Benefits Committee may go into executive session to discuss these matters.

Director Barnhill introduced the issue and advised that he believed there was a basis for going into executive session to discuss matters related to disabilities. Ms. Schooley requested that her written email describing the Board's options be distributed to the Board. The Board adjourned briefly while Mr. Barnhill transmitted the Law Dept's email.

The Board then discussed Law's email, which sets out three options for the Board. Ms. Schooley explained the first option: Request Council to pass an ordinance authorizing executive session for these purposes.

Mr. Moller summarized the other options: (2) Board or Benefits Committee can meet in person in open session to discuss the matter, and (3) the Board or Benefits Committee can meet in executive session under the imminent litigation exception. Mr. Moller expressed the view that litigation was not imminent. Therefore, he did not think that option was available at this time.

Ms. Rahtz asked for an explanation of the process to enact an ordinance. Ms. Schooley said that Director Barnhill would submit a drafting request, the Law Dept would draft and return the proposed ordinance for his review. The draft ordinance would then be submitted to Council for consideration. The Mayor controls the agenda, the ordinance is referred to committee and then to the full Council for vote. Ms. Schooley requested any drafting request be submitted soon. Trustee Moller asked if the process could be expedited if requested by a Council member. Ms. Schooley demurred.

Trustee Cramerding endorsed seeking an ordinance.

Trustee Moller expressed that normally he would prefer to go into executive session since that had been the historic practice of the Board, but was concerned that the Law Dept was expressing caution on that route. At this time, the first two options seem to be the only available options.

Trustee Rahtz expressed concern about the added time it would take to get an ordinance passed.

Trustee Rahtz moved, and Trustee Stiens seconded, for the Benefits Comm to meet and go into executive session to take up the pending matters. Trustee Stiens asked if the Committee could come out of executive session to deliberate. Ms. Schooley and Trustee Moller concurred that is appropriate when using executive session. Trustee Cramerding and Trustee Juech expressed the view that the Law Dept was recommending

against going into executive session because of litigation risk.

Mr. Barnhill indicated that he has drafted a comprehensive memo for the Board's consideration. An alternative would be for the memo to be distributed or posted on the Board's confidential portal, and the Board could meet in open meeting to proceed further, in the same manner as it has done with disability cases.

Trustee Stiens expressed his view that Law was not recommending against going into executive session, just that there is some risk in doing so. Trustee Cramerding re-stated his opposing view. Trustee Moller concurred.

The motion failed on a vote of 3-4. Yes: Menkhaus, Stiens, Rahtz. No: Cramerding, Juech, Winstead, Moller.

Trustee Moller then moved options 1 and 2 from the Law email. Option 1 would be to seek an ordinance authorizing executive session, and Option 2 would be for the Benefits Committee to meet in person in open meeting to discuss the pending matters. Trustee Juech seconded the motion.

Trustee Juech sought clarification from Law on the use of executive session. Ms. Schooley provided additional background on the relation between the Open Meetings Act and executive session.

Trustee Rahtz expressed the view that Options 1 and 2 are alternatives. Trustee Moller asked if executive session would be livestreamed. Ms. Schooley replied no.

Trustee Moller then amended his motion to remove Option 2, and only proceed with Option 1. The amendment was seconded by Trustee Cramerding. The Board approved the amended motion unanimously following roll call vote.

NEW BUSINESS

Trustee Moller observed that there were delays in the meetings today. Trustee Moller asked about in person and remote participation in relation to the livestream. Ms. Schooley expressed the view that that practice could continue as long as the meeting is livestreamed.

Trustee Juech explained his recent absences and that he intends to remain on the Board.

Adjournment

Following a motion to adjourn by Trustee Stiens and seconded by Trustee Winstead, the Board approved the motion by unanimous roll call vote. The meeting adjourned at 3:11 P.M.

Meeting video link: <https://archive.org/details/crs-board-meeting-5-5-22>

Next Meeting: June 9, 2022 at 2:00 p.m.

Michael Barabik

Secretary