



**City of Cincinnati Retirement System  
Board of Trustees Meeting  
Minutes  
February 2, 2023/ 2:00 P.M.  
City Hall – Council Chambers and remote**

**Board Members Present**

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

**Administration**

Mike Barnhill  
Bev Nussman

**Law Department**

Linda Smith

**CALL TO ORDER**

Chair Moller called the meeting to order at 2:02pm and a roll call of attendance was taken. Trustees Moller, Menkhaus, Rahtz, Juech (departed at 2:30pm), Morton and West (departed at 2:06pm) were present. Trustee Gamel and Trustee-appointee Walsh were absent.

**PUBLIC COMMENT**

No public comment.

**APPROVAL OF MINUTES**

Approval of the minutes of the Board meeting of January 12, 2022, was moved by Trustee Menkhaus and seconded by Trustee Juech. The minutes were approved by unanimous roll call vote.

**Report from the Investment Committee**

Trustee Moller provided the report from the Investment Committee.

Trustee Moller presented the following motion approved by the Investment Committee:

1. Increase the target weight of the Core Bond asset allocation from 6% to 8%.
2. Increase the target weight of the Core Plus asset allocation from 6% to 11.5%.
3. Decrease the target weight of the US Large Cap Value asset allocation from 3.5% to 2.5%.
4. Decrease the target weight of the US Small Cap Value asset allocation from 3.5% to 2.5%.
5. Decrease the target weight of the Non-US Equity asset allocation from 18% to 16%.
6. Eliminate the 2.5% Risk Parity asset allocation.

7. Vacate the Board's previous approval of increasing the allocation to Volatility Risk Premia from 2.5% to 5%.
8. Decrease the target weight of the Private Equity asset allocation from 10% to 8%.
9. Implement the elimination of the Risk Parity asset allocation immediately. 50% of the proceeds to remain in cash for system liquidity needs. 50% of the proceeds to be transferred upon receipt to Northern Trust Global Investments Core Bond portfolio.
10. Withdraw \$8mm from JPMorgan infrastructure.
11. Withdraw an additional \$17mm from IFM infrastructure.

Trustee Moller summarized by saying these changes increase the fixed income asset allocation. The Board approved the Committee's action by unanimous roll call vote.

### **New Business**

#### **Disability Application**

Trustee West departed the meeting at 2:06pm. Director Barnhill advised the Board that documents related to a new application for disability retirement matter are posted in the Board's confidential portal. Director Barnhill summarized the requirements for disability retirement and briefly explained each of the background documents in the meeting packet.

Trustee Moller observed that five trustees remained in the meeting, and therefore there was no quorum to take up a motion to go into executive session. Ms. Smith from the Law Department concurred. Trustee Moller indicated that this item would be deferred to the next meeting in March.

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

Director Barnhill provided the following report:

- 4<sup>th</sup> Qtr. Demographic Report; number of actives continues to increase, number of retirees continues to decrease, number of deaths continues to trend around 200/year (sometimes higher, sometimes lower)
- 4<sup>th</sup> Qtr. DROP report; the number of participants decreased from 194 to 173; average balances remain about the same. Trustee Moller referred to a previous estimate of DROP actuarial liability of approx.. \$11mm, and asked about the status of this evaluation. Director Barnhill reported that the Law Department conducted an RFP, and selected the Foster & Foster actuary firm. Work has yet to be initiated.
- 4<sup>th</sup> Qtr. Budget Report; operating expenses came in under budget. A budget trend spreadsheet is in the Board meeting packet. Total spend is 38bps or 0.38% of assets under management.
- Procurement Update; CRS is awaiting approval of DEI waivers by the City Manager's Office in order to begin drafting the Investment Consultant and Fiduciary Audit RFPs. Preparation of an Actuary RFP is scheduled to begin in the 4thQ of 2023.
- Status of Board Letters Approved at Jan. 2023 Meeting. The letters have been finalized and posted on the CRS website. The letters have been forwarded to the City Manager's Office for transmittal to the Mayor and members of City Council. The City Manager's Office has not yet transmitted the letters. Chair Moller suggests that the Board transmit them directly.
- Survivor Benefits Analysis Update; Cheiron is working on updated scenarios for the next Benefits Committee meeting.
- NCPERS Communications Summit; Director Barnhill summarized his recent presentation to the NCPERS Communications Summit on the effort to seek additional funding for Alaska PERS/TRS.

## **Old Business**

### *Legal Opinions Discussion Update*

Director Barnhill reported that a meeting has been scheduled in March between Trustee Rahtz and the Solicitor's Office to discuss the recent legal opinions.

### *Status of Disabled Adult Children Ordinance*

Director Barnhill has not seen a draft. Ms. Smith reported that the draft remains under review.

### *Committee Assignments Update*

Trustee Moller reported that he intends to assign Trustee-appointee Walsh to the Governance, Performance Evaluation and Elections committee at the next meeting. All trustees serve on the Investment Committee.

## **New Business**

### *Departure of Director Barnhill*

Director Barnhill has submitted his resignation effective February 17. Trustee Moller reported on efforts underway for succession planning (short term and long term) and that he is working with the City Manager's Office on this. Director Barnhill has offered to provide assistance during the transition.

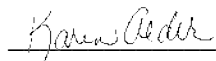
Trustees offered departing comments of gratitude to Director Barnhill. Director Barnhill expressed appreciation to the Board for their support and expressed hope that his offer to provide assistance during the transition period can be realized.

## **Adjournment**

Following a motion to adjourn by Trustee Morton and seconded by Trustee Menkhaus, the Board approved the motion by unanimous roll call vote. The meeting adjourned at 2:35pm.

Meeting video link: <https://archive.org/details/crs-board-2-2-23>

Next Meeting: March 2, 2023 at 2:00 p.m.



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Secretary