

**City of Cincinnati Retirement System
Board of Trustees Meeting Minutes
June 6, 2024 / 2:00 P.M.
City Hall – Council Chambers and remote**

Board Members

Bill Moller, Chair
Tom Gamel, Co-Chair
Kathy Rahtz
Mark Menkhaus Jr.
Monica Morton
John Juech
Tom West
Seth Walsh
Aliya Riddle

Administration

Jon Salstrom

Law

Linda Smith

CALL TO ORDER

Chair Moller called the meeting to order at 2:12 p.m. and a roll call of attendance was taken. Trustees Moller, Gamel, Rahtz, Menkhaus, Morton, Juech, Walsh and Riddle were present. Trustee West was absent.

PUBLIC COMMENT

No Public Comment.

APPROVAL OF MINUTES

Approval of the minutes of the Board meeting of May 2, 2024, was moved by Trustee Gamel and seconded by Trustee Rahtz. The minutes were approved by unanimous roll call vote.

Report from Performance Evaluation and Benefits Committees

Trustee Rahtz explained the 2 motions from the Performance Evaluation Committee.

- Motion to create a list of compliance items per the Funston recommendations, and no second needed. The motion was approved by unanimous roll call vote.
- Motion to approve the modified timeline for the Executive Director performance evaluation, and no second needed. Next steps are for Director Salstrom to submit self-evaluation to Chair Rahtz by 6/14/24. Board members are to complete the evaluation form and submit it to Chair Rahtz by 6/28/24. The goal is to present the evaluation and discuss it with the Director in Executive Session at the 7/11/24 Board of Trustees meeting.

Trustee Gamel explained that Stephanie Moman from Horan was in attendance to present. Horan discussed trends and potential changes that may be occurring to healthcare in the future, and the Dental RFP that is out. Director Salstrom commented on the changes coming regarding the Inflation Reduction Act, and the Medicare Part D changes and the impact that has.

Informational – Staff Report

Marquette Investment Report

Chair Moller referenced the Investment Report that is included in the packet. The year to date is a 1.2% return which is equivalent to the benchmark and the 1-year is a little ahead of benchmark at 8.6%. Director Salstrom added a brief overview of current private credit contract negotiations as well as a reup commitment to PGIM PRISA III to ensure the plan stays at the target allocation to real estate following the JPMorgan redemption.

Staff Update on Open Positions

Director Salstrom reported that Kyle Brown was promoted to the Members Counselor position. He will continue to work toward filling the Administrative Technician, IT, Accountant, and Administrative Specialist positions.

115 Subcommittee Update

Chair Moller and Director Salstrom explained that that this item is currently still on hold and will be dealt with in the future.

Cheiron Report on Inflation Reduction Act impact on '24 115 Trust Valuation

Director Salstrom referenced the Medicare Part D benefit redesign that is included in the packet. This is a graphical visualization of the changes that the Inflation Reduction Act had on CRS's plan. The Cheiron valuation report showed that the 115 Trust saw a \$38 million hit to the liabilities going forward from the changes in the Inflation Reduction Act. This specifically impacts the drug/prescription as it relates to Part D of Medicare Advantage plans. The member benefits are not changing, and the retirees are not going to see an increase in cost.

Futures Commissions Motion Update

Chair Moller explained that the Board approved a motion that it will be involved in the City Administration's Futures Commission report. Director Salstrom explained that the City Administration is currently evaluating the report's recommendations and will draft a formal response in the next few weeks. Trustee Walsh commented that the Administration was not involved in initial conversations around CRS and OPERS.

Quarterly Update on CRS Budget, DROP participation, & Demographics

Director Salstrom explained there is no real update. He does not anticipate any major budget issues at this time.

Fiduciary Audit Recommendations Update

Director Salstrom referenced the Funston Fiduciary Audit Recommendations included in the packet and gave a high-level overview of each.

Old Business

Survivor Benefits Ordinance

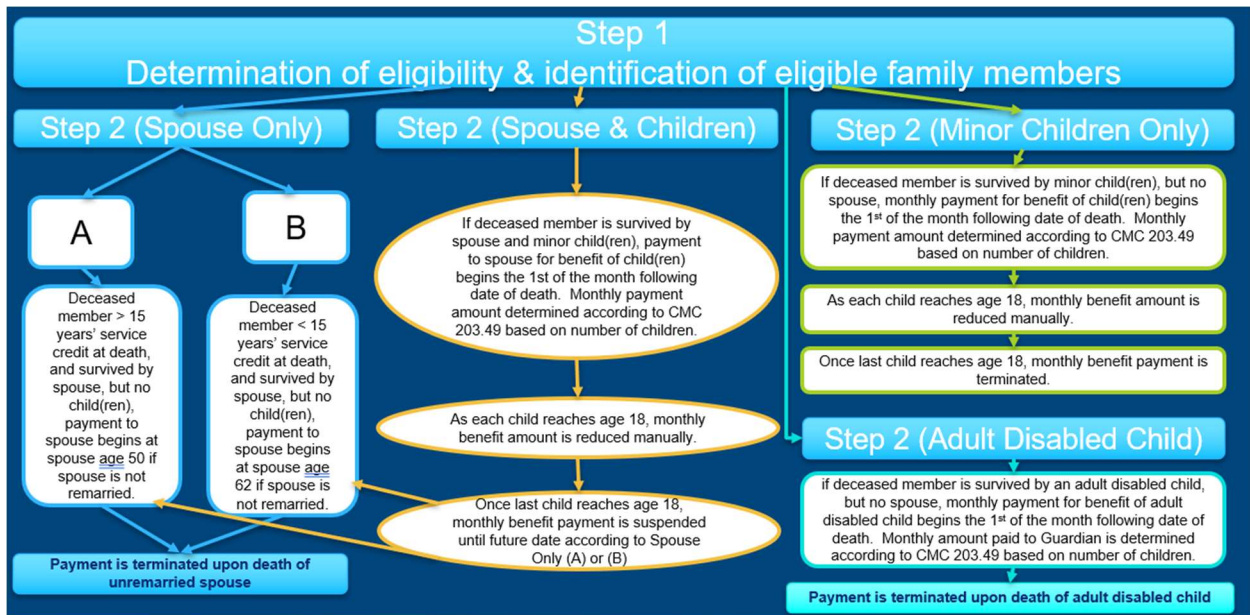
Retirement Division Manager, John Dietz gave a Survivor Benefits Overview presentation.

Eligibility Criteria (remains the same)

- Must have 1.5 years of service
- Must have either legally married spouse and/or natural born legally adopted minor child(ren) or adult disabled child(ren)
- Must not be eligible for monthly pension benefit at time of death

Step 1 – Determination of eligibility & identification of eligible family members.

- Spouse & Minor Children – If a member is survived by a legally married spouse and/or minor children, a one-time payment equal to 2/3 of the deceased member’s annual base salary (as indicated in City payroll system) is paid and divided equally between surviving family members.
- Adult Disabled Child – If a member is survived by an adult dependent child, a monthly benefit amount as determined by CMC 203.49 is paid to the Guardian. The payment terminates upon death of the Adult Disabled Child.



Annual Processes

- In October, obtain Consumer Price Index (CPI) data from U.S. Department of Labor for the 12-month period from July 1 in the prior year to June 30 in the current year.
- Input that data into the Survivor Benefit spreadsheet to calculate the monthly benefit amount for the forthcoming calendar year (January to December).
- Manually update Survivor Benefit tables in PensionGold effective for January 1st.

The concern of the ordinance was to protect those currently receiving benefits and the changes affecting only those moving forward. Chair Moller made a motion to approve the ordinance and seconded by Trustee Gamel. The motion was approved by unanimous roll call vote.

Term Limits Ordinance

Chair Moller explained that the Board passed a motion to present ordinance to the City Administration. Trustee Walsh apologized for some missed communication and the delay in getting this, but it is actively being worked on.

Annual Funding Letter to CMO, Mayor & Council

Chair Moller explained that the Annual report is a required document that the Board sends to the City Administration and is included in the packet. Chair Moller made a motion to approve the Annual Funding Letter and send it to the Administration and seconded by Trustee Gamel. The motion was approved by unanimous roll call vote.

Election Update

Director Salstrom explained that there are 2 retiree nominations and 1 active nomination and on track for the August Board meeting. Chair Moller expressed his concern that the mailing went out late and wants to make sure this is sent out with plenty of time in the future.

New Business

Points Grid Ordinance

Chair Moller explained that this goes back to the agreed order recently put in place regarding the 115 Trust. This has to do with the point system that was changed. Chair Moller motioned to approve the ordinance and seconded by Trustee Walsh. The motion was approved by unanimous roll call vote.

Adjournment

Following a motion to adjourn by Trustee Gamel and seconded by Trustee Walsh. The Board approved the motion by unanimous roll call vote. The meeting was adjourned at 2:58 p.m.

Meeting video link: <https://archive.org/details/crs-board-6-6-24>

Next Meeting: Thursday, July 11, 2024, at 2:00 p.m. – City Hall Council Chambers and via Zoom



Secretary