



**City of Cincinnati Retirement System
Performance Evaluation Committee Meeting
Minutes
June 9, 2022/ 12:00 P.M.
City Hall – Council Chambers and remote**

Board Members Present

Kathy Rahtz, Chair
Tom Gamel, Vice Chair
Don Stiens, Vice Chair
Bill Moller

Administration

Mike Barnhill

Call to Order

The meeting was called to order at 12:02 p.m. by Chair Rahtz and a roll call of attendance was taken. Committee members Rahtz, Gamel, Stiens, and Moller were present. Committee members Winstead and Juech were absent.

Approval of Minutes

Approval of the minutes of the March 3, 2022, meeting was moved by Trustee Gamel and seconded by Trustee Moller. The minutes were approved unanimously by roll call vote.

Unfinished Business

Review of Progress on Board's 2022 Objectives

Director Barnhill provided a status update on each the Board's 2022 objectives. The objectives and current status of each are detailed in the Committee's meeting packet.

Board Member Comments:

With respect to the fiduciary audit scope item, Trustee Moller explained the objective of this item is to provide the Board assurance that it is administering the system according to best practices. Trustee Moller explained that the Board has been deterred in the past by the high cost of conducting a comprehensive fiduciary audit. Trustee Moller re-iterated his view that a fiduciary audit scope should be defined in the fullness of time. Director Barnhill indicated he could prepare a priority list of topics from the Ohio PERS fiduciary audit for the Board's consideration.

Director Barnhill observed that information security risk is a topic that is missing from the Board's current objectives, and recommended that it be added to the Board's objectives.

Trustee Moller moved, and Trustee Gamel seconded, to elevate the Security and Risk Review item from the Department objectives to the Board objectives. The Committee approved the motion upon unanimous roll call vote.

Trustee Gamel asked about questions that arose from presentations made to City Council members. Director Barnhill summarized the questions he had received from Council members and his responses.

Trustee Gamel asked if the exhibits to the CSA are posted on the website. Trustee Rahtz offered to provide electronic versions of them.

With respect to the objective of publishing a member handbook for retirees, Trustee Gamel commented that many retirees do not have a computer to access a handbook that is only published on the internet. Trustee Gamel further stated that retirees have a continued need to plan for their retirement while in retirement. Trustee Rahtz supported these comments. Trustee Rahtz suggested consideration of a committee of users who could read and comment on the draft handbooks.

With respect to customer service, Trustee Rahtz endorsed the goal of answering the phones and staffing the front desk. Trustee Gamel asked how many staff are responsible for handling retiree death reports. Director Barnhill explained that the staff member that had handled those duties transferred at the beginning of April and has not been replaced. Ultimately, Director Barnhill will work to make sure all functions have a back-up.

With respect to appointed trustees, Trustee Moller asked if the City Manager's and Mayor's Offices are aware of the education and experience requirements in the Administrative Code for appointed trustees. Director Barnhill stated that he has discussed the requirement that 2 of the 4 mayor appointed trustees have specialized education or experience with staff in those offices, and also advised that that he believes two of the current appointed trustees (Juech and Winstead) satisfy those requirements.

With respect to the Annual Report, Trustee Moller indicated that he did not want to delay submission of an annual report while considering whether to revise the format.

With respect to the financial report, Trustee Moller observed that elements of the system's report are prospective in nature, and are important to retain in the report. Director Barnhill noted that pension systems often consolidate the actuarial report into their annual financial report, which has prospective elements in it.

With respect to keeping the Board well informed, Trustee Rahtz expressed appreciation to Director Barnhill for his efforts in this regard.

Evaluation of Executive Director

Trustee Rahtz invited discussion on the City's standard performance evaluation form. Director Barnhill suggested that the director's work on each of the Board's objectives could be evaluated under the Core Competencies section of the form, and that the additional core competencies of timeliness and effectiveness

could be added.

Trustee Moller observed that the Board has attempted to use the City's form in the past, and doesn't know how helpful it has been. Trustee Moller suggested the Board could rate the director based on the Board's objectives based on quality and productivity. Questions for the Board to ask are: "Has the Director done the work related to the Board's objectives? If not, why not?" The Board can address quality and other metrics as part of answering these questions. Trustee Moller suggested it was more important for the Board to focus on the work related to the Board's objectives than to force fit its evaluation into the City's form.

Trustee Stiens expressed support for Trustee Moller's comments, and suggested the Board simply create a memo with its evaluation of the Director's work on the Board objectives. Trustee Gamel also expressed concerns about use of the City's form, and perhaps the Board could simply create a grid that is user-friendly for the Board. Trustee Stiens added that it would probably be helpful to the City Manager for the Board to use the City's form. Trustee Rahtz summarized the views of trustees and indicated that she would continue to work on this before the next committee meeting.

Trustee Stiens also suggested that the Committee consider evaluating the Director on the Essential Values section of the City's form. Trustee Gamel suggested outreach to the City Manager to see what approach they would prefer. Trustee Rahtz agreed.

New Business

Board Rule 22 re Evaluation of CRS Contractors

Director Barnhill summarized the evaluation requirement and provided the Committee with a list of CRS contractors, and offered a quarterly schedule for annual evaluation. Director Barnhill explained that given the lengthy list of CRS contractors, he was seeking an approach to achieve reasonable compliance with the annual evaluation requirement of Rule 22 through the adoption of a review schedule. Director Barnhill also observed that some contractors (such as private equity investment managers) may be difficult to evaluate on an annual basis, since they are intentionally given long periods of time in which to produce investment results.

Trustee Stiens stated that he reads the rule more narrowly: the rule only relates to contractors specifically retained by the Board. Basically that only includes the actuary, the investment consultant, and the investment managers. Trustee Moller agreed, and further observed that the investment consultant evaluates the investment managers quarterly. Trustees Moller and Stiens both expressed the view that the Board is generally interested in information and analysis about contractor performance; however this rule does not require the Board to broadly evaluate all contractors—just the ones retained by the Board.

Director Barnhill agreed to narrow the list and bring a revision back at the next meeting.

Adjournment

Following a motion to adjourn by Trustee Gamel and seconded by Trustee Stiens, the Performance Evaluation Committee approved the motion by unanimous roll call vote. The meeting adjourned at 1:30 P.M.

Meeting video link: <https://archive.org/details/crs-performance-evaluation-6-9-22>

Next Meeting: September 1, 2022, at 12:00p.m.

A handwritten signature in black ink, reading "Michael Barnhill". The signature is written in a cursive style with a large, prominent "M" and "B".

Secretary