



City of Cincinnati Retirement System Performance Evaluation Committee

**City Hall Council Chambers and via Zoom
June 6, 2024 – 12:00 PM**

AGENDA

Members

Kathy Rahtz, Chair
Mark Menkhaus, Jr., Vice Chair
Tom Gamel
Monica Morton
Seth Walsh
Tom West
Aliya Riddle

CRS Staff

Jon Salstrom

Legal

Linda Smith

Call to Order

Public Comment

Approval of Minutes

✚ March 7, 2023

Old Business

- ✚ Review Funston Recommendations for Committee
- ✚ Risk Dashboard
- ✚ Review '24 Goals and Strategic Objectives.

New Business

- ✚ Review Executive Director Evaluation Objectives

Adjournment

Next Meeting: Thursday, September 12, 2024, City Hall Council Chambers and via Zoom

**City of Cincinnati Retirement System
Performance Evaluation Committee Meeting Minutes
March 7, 2024 / 1:00 P.M.
City Hall – Council Chambers and remote**

Members

Kathy Rahtz, Chair
Mark Menkhaus Jr., Vice Chair
Tom Gamel
Monica Morton
Seth Walsh
Tom West
Aliya Riddle

Administration

Jon Salstrom

Law

Linda Smith

Call to Order

The meeting was called to order at 1:05 p.m. by Chair Rahtz and a roll call of attendance was taken. Committee members Rahtz, Menkhaus Gamel, Morton, West, and Riddle were present. Committee member Walsh was absent. Trustee Moller was also in attendance and participated.

Public Comment

No public comment.

Approval of Minutes

Approval of the minutes for the meeting of December 7, 2023, was moved by Committee member Gamel and Seconded by Committee member West and approved by unanimous roll call vote.

Old Business

Fiduciary Performance Audit Update

Director Salstrom explained that the Fiduciary Performance Audit is complete, and Funston will present at the Board meeting at 2:00 P.M.

Executive Director Evaluation Objectives

Director Rahtz referenced a form, included in the packet, that lists the objectives which were previously approved for the use of the Executive Director evaluation. The objectives are drawn almost entirely from the strategic plan. Director Salstrom commented that he will organize the objectives in chronological order before the actual evaluation.

The Executive Director will complete their part of the evaluation first, it will then go to the Finance Director, and then the City Manager. Each Board member will complete the form and submit them to Chair Rahtz, where she will summarize responses to go over with the Director. Committee member Gamel motioned to approve Executive Director evaluation objectives and Committee member Menkhaus seconded. The motion was approved by unanimous roll call vote.

Committee Charter Update

Chair Rahtz referenced the Committee Charter in the packet which was developed by the Governance Committee in the last quarter with the aim that Committees would review their charters and objectives for consideration. Chair Rahtz included a redlined version of her changes that emphasized the strategic planning work for the CRS. Committee member Gamel made a motion to accept the changes of the Performance Evaluation Committee Charter and seconded by Committee member Menkhaus. The motion was approved by unanimous roll call vote.

Risk Dashboard

Director Salstrom referenced the Risk Dashboard in the packet and noted there are no changes to the dashboard or the risk levels. Committee member Gamel suggested adding a footnote to the dashboard defining the impact of the risk levels.

Update on '24 Goals and Objectives

Chair Rahtz summarized the previously approved Performance Evaluation Committee objectives and noted that the Executive Director objectives and performance evaluation needed to be added. She updated the strategic plan draft from 2024 to 2025 and update the review of fiduciary audit performance audit to incorporate Board-approved recommendations into the strategic plan. Committee member Gamel motioned to approve the modifications to the 2024 Performance Evaluation Goals and Objectives and Committee member Menkhaus seconded.

New Business

Cheiron Contract Evaluation

Director Salstrom referenced and summarized the staff assessment of actuarial services done by Cheiron in the packet. He noted that Cheiron was rated Exceeds Expectations and explained that Cheiron performs in a timely and satisfactory manner. They make periodic presentations to the Board which convey important actuarial information. Director Salstrom will amend the report to include the Board as a stakeholder in the second to last paragraph and the assumed rate of return that Cheiron has pointed out.

Anthem/CVS Contract Evaluation

Director Salstrom referenced and summarized the staff assessment of health vendor services done by Anthem and CVS in the packet. He noted that Anthem and CVS were rated Exceeds Expectations and explained that they process medical and pharmacy claims in a timely, appropriate, and accurate manner. They meet with staff frequently to discuss updates and answer questions and the overall health costs of the system are remarkably flat.

Committee member Gamel motioned to approve the staff evaluations of Cheiron and Anthem/CVS and seconded by Committee member Menkhaus. The motion was approved by unanimous roll call vote.

Adjournment

Following a motion to adjourn by Committee member Gamel and seconded by Committee member Menkhaus. The Performance Evaluation Committee approved the motion by unanimous roll call vote. The meeting was adjourned at 1:40 p.m.

Meeting video link: <https://archive.org/details/crs-performance-3-7-24>

Next Meeting: Thursday, June 6, 2024, at 12:00 P.M. City Hall Council Chambers and via zoom

Secretary

DRAFT

Funston Performance Audit - Summary of Recommendations

Assignment

	Board	Board, Adm.	Priority	Board	Governance	IC	Staff	Performance evaluation	Audit
<u>1. Legal and Regulatory</u>									
1.1 Improve definition and clarity of roles and authorities of:									
• The Board of trustees	X		X						
• Board chair	X		X						
• Individual trustees	X		X						
• City Council and Mayor		X							
• City Manager and City Finance Director		X							
• CRS Director		X							
1.2 The City should expand Board of Trustees personnel authorities to align with the Board's responsibilities, for example, naming the CRS Director as a direct report to the Board, with authority to hire/fire, evaluate, and set compensation.		X							
1.3 The City Solicitor should provide the Board of Trustees with independent external legal counsel or establish a policy and process that allows CRS to retain independent external counsel and/or hire internal CRS counsel to address potential conflicts of interest associated with the City Solicitor's representation of other clients on the same matters.		X	X						
1.4 Confirm the Board's authority, as the named fiduciary, to contract with actuaries, investment consultants, investment managers, custodial banks, benefit providers, and legal counsel, all of which require unique pension and investment expertise.		X	X						
1.5 The City Manager should allow CRS trustees who are not City employees to vote on CRS procurement decisions; the Board, as fiduciaries, should have final authority on those decisions.		X	X						
1.6 If the CRS Board is not given authority to hire/fire/evaluate/compensate the Director, work with the City Manager to develop a Memorandum of Understanding that addresses the City Manager's role as a potential fiduciary and formalizes procedures where the Board and City Manager, Finance Director or other officers have overlapping responsibilities (e.g., setting goals for and evaluating the Executive Director); CRS may need to consider options for engagement of independent fiduciary legal counsel to assist with this initiative.		X	X						
<p>GREEN - SHORTER TERM COMPLETION RED - LONGER TERM COMPLETION Board - CRS Board has authority to complete Board, Adm. - CRS Board and City Administration have shared authority to complete Priority - CRS Board priority to complete as soon as possible Note: Some Recommendations may require CSA update.</p>									
<u>2. Governance Framework</u>									
2.1 Aggregate and organize the Board policies from all sources into a Board Governance Manual with online access and links to underlying document provisions; include the mission statement, goals, trustee responsibilities, committee charters and the Code of Ethics.		X	X						
2.2 Develop new policies or formalize current policies and practices for:									
• Trustee personal financial disclosures	X								
• Board self-evaluation / Board education policy	X								
• Funding		X							
• Separate investment policy statement for the 115 trust fund that is tailored to its liabilities	X								
• Strategic planning, in coordination with the City		X							
• Collection of claims in securities class actions	X								

	<u>Board</u>	<u>Board, Adm.</u>	<u>Priority</u>	<u>Board</u>	<u>Governance</u>	<u>IC</u>	<u>Staff</u>	<u>Performance evaluation</u>	<u>Audit</u>
• Succession planning, in cooperation with relevant City appointing authorities		X							
• Business continuity and resumption		X							
• Independent governance and benchmarking reviews		X							
• External communications by Board members	X								
• Due diligence and reporting for referral of service provider candidates by trustees, along with limits on candidate contacts with trustees during an RFP process	X								
2.3 Reduce the size of each committee to three or five members to better utilize trustee time.	X								
2.4 Adopt a consent agenda for approval of routine business and reports.	X								
2.5 Conduct periodic board retreats for more in-depth discussion on key topics, conducting board self-evaluations and executive director evaluations, and trustee education.	X								
2.6 Following implementation of the recommendations in this report, conduct a biennial self-evaluation process, potentially with external assistance; this process should help to inform educational priorities.	X								
2.7 Define ongoing training requirements for Board members, including onboarding plan for new trustees and required fiduciary training; link training to board self-assessment findings and the calendar of Board agenda action items.	X		X						
2.8 Formalize a CRS stakeholder communications plan that identifies key stakeholders, communications responsibilities, and messages and objectives.		X							
2.9 Issue new system email accounts to be used by trustees for all CRS-related business.	X		X						
2.10 Discuss with the Director and the investment consultant how reporting could be improved and executive summaries better utilized to enhance trustee understanding and insight.		X	X						
2.11 Appoint a Board Audit Committee with oversight of internal and external audits to commission an independent financial audit and obtain internal audit services from the City Internal Audit Department and/or an independent firm; include oversight of enterprise performance and risk in the committee charter responsibilities.		X	X						
<u>3. Investment Program and Operations</u>									
3.1 Develop a separate Statement of Investment Beliefs (SIB) to guide development and implementation of the strategic asset allocation.	X								
3.2 Develop a liquidity policy as part of the Investment Policy Statement (IPS) to ensure that the cash needs of the organization are effectively and efficiently met.	X		X						
3.3 Develop a separate IPS for the 115 Trust (Health Care Trust) that reflects the unique liability structure of the 115 Trust.	X		X						
3.4 Extend the time horizon for the strategic asset allocation to 3-5 years and only make changes to the target asset allocation as part of a comprehensive Asset Liability Study.	X								
3.5 Include a more comprehensive rebalancing policy in the IPS that describes how rebalancing is linked to the Board's investment philosophy and what the process should be.	X								
3.6 Discuss with Marquette Associates how reporting might be improved through development of an introductory executive summary, with an exception reporting approach, to the quarterly reporting package focused on actual performance compared to the IPS.	X		X						
<u>4. Pension Operations</u>									
4.1 Clarify the Board's responsibilities and role (or lack thereof) in pension and benefits administration.		X	X						
4.2 Consider if pension staffing resources and capabilities should be improved through Implementation of a member contact center telecommunications system.		X	X						
4.3 Develop a long-term plan with service, performance, and cost objectives, to ensure that member self-service, website redesign, and other improvements, are all developed and implemented in a coordinated manner and achieve desired results.	X								
4.4 Charter a pension administration cost and performance benchmarking report.	X								
4.5 Consult with its actuary and determine if an adjustment to the investment assumed rate of return should be recommended.			X						
4.6 Develop and adopt a formal actuarial and funding policy describing responsibilities and frequency of actuarial and asset/liability study processes and addressing investment, demographic and benefit risks.	X		X						

5. Administrative Operations

	<u>Board</u>	<u>Board, Adm.</u>	<u>Priority</u>	<u>Board</u>	<u>Goverance</u>	<u>IC</u>	<u>Staff</u>	<u>Performance evaluation</u>	<u>Audit</u>
5.1 Develop succession planning and implement a cross training program for staff to minimize key person risk and enhance staff development.		X							
5.2 Work with the City Administration and the Law Department to delegate authority to the CRS Board to engage external counsel to obtain more timely legal support or unique expertise when appropriate. See also Recommendation 1.3.		X	X						
5.3 Develop a long-term IT plan that identifies future needs.		X							
5.4 Work with the City Enterprise Technology Solutions (ETS) Department to ensure security is adequate and tested.		X	X						
5.5 Update the documented disaster recovery plan.		X	X						

6. Compliance

6.1 Assign leadership, training, and monitoring responsibilities for compliance to ensure compliance with conflict of interest and ethics policies.		X	X						
6.2 Develop a repository of risk-ranked compliance requirements.		X							
6.3 Establish tracking mechanisms to identify and escalate non-compliance.		X							

GREEN - SHORTER TERM COMPLETION

RED - LONGER TERM COMPLETION

Board - CRS Board has authority to complete

Board, Adm. - CRS Board and City Administration have shared authority to complete

Priority - CRS Board priority to complete as soon as possible

Note: Some Recommendations may require CSA update.

Cincinnati Retirement System								
Risk Management Report (06/06/2024)								
Risk Category	Risk Description	Rank	Expected Risk Level	Trend	Risk Response	Mitigation Activities	Risk Owner	Reporting and Oversight Committee
Personnel	Ability to attract and retain talented staff; succession planning.	1	High	↔	Mitigate	Complete upgrade of 3 positions. Hire additional staff to ensure all CRS functions covered and with trained backup. Implement succession plan for 3 key staff near retirement.	Executive Director	Board of Trustees
Funding	A lack of sound funding for the plan could lead to insufficient assets to pay for long-term benefits and financial obligations.	2	High	↔	Mitigate	Seek City adoption of incremental contribution rate increase; first step increase to 17%.	Executive Director	Board of Trustees
Cyber	Ineffective cyber security controls could lead to breaches or sabotage of CRS systems. Unauthorized access of confidential information could result in state or federal law violations and harm the best interests of CRS and its members.	3	Medium	↓	Monitor	Monitor ETS security plans. Evaluate moving CRS servers to Microsoft Azure cloud. Quarterly cyber security meetings	Executive Director, ETS Director	Performance Evaluation
Market	Market volatility could lead to undesirable investment outcomes.	4	Medium	↔	Monitor	Asset allocation study in 2023. Track portfolio projected volatility.	Marquette	Investment Committee
Counterparty	Business partners or entities are unable to fulfill their obligations or do not complete transactions as agreed upon.	5	Medium	↔	Test & Build Redundances	Shift check printing and reconciliation process to 5/3 Bank.	Executive Director	Audit Committee (TBD), Investment Committee
Operational	Event causes a major business interruption, such as late monthly pension payroll.	6	Medium	↔	Mitigate	Complete document scanning project, with image to accessible and secure server. Evaluate resilience and efficiency or pension payroll process. Develop continuity of operations plan for CRS pension operations and payroll.	Executive Director	Audit Committee (TBD)
Governance	Not following processes and procedures in decision making.	7	Medium	↔	Mitigate	Consider creation of Audit Committee. Consolidate Board manual, rules and policies into one document; draft CRS operations policy manual	Board of Trustees	Governance Committee
Physical	Inaccessible and dated space and facilities; Inadequate facilities management; ineffective space utilization.	8	Medium	↔	Accept	Current space is difficult to access; a physical move was completed recently and would be extremely disruptive now. Improve remote access.	Executive Director	Benefits
Legislative	Legislative events lead to adverse relations, unfavorable legislation, and restricted funding.	9	Low	↔	Mitigate	Conduct regular meetings with Council members, Mayor and CMO.	Executive Director	Board of Trustees

High	Represents immediate risk to the plan. Trustees should be mindful and monitoring regularly for resolution
Medium	Represents concern for the plan. Trustees should determine the appropriate interval for evaluation and monitoring
Low	Represents limited risk to the plan. No plan of action is required.

<u>Strategic Objectives</u>	<u>Owner</u>	<u>Target Date to Complete</u>	<u>Status</u>
<u>CY 2024 Board Objectives</u>			
Work collaboratively with CMO to update City Contribution rate incrementally for 25-26 Budget	Board, Exec. Director	2Q24	Done
Complete and publish CRS handbook for active and retired members <i>(E,5,7)</i>	Exec. Director	2Q24	Done
Continue to Provide the City Administration with input and recommendations regarding the healthcare trust funding policy, as negotiations progress <i>(A,B,C,1,2,11,19)</i>	Board	Q124	Done
Actuary RFP (issue Jan 2024)	Executive Director	1Q24	Done
Determine whether CRS should have an independent financial audit <i>(E,1,2,5,7)</i>	ED & CMO	2Q24	In Progress
Review Futures Commission Report WRT items relevant to CRS; plan further objectives as warranted	Board, Exec. Director	2Q24	In Progress
Enroll retirees in Member Direct to continue on the path to paperless.	Exec. Director	4Q24	In progress

<u>Strategic Objectives</u>	<u>Owner</u>	<u>Target Date to Complete</u>	<u>Status/</u>
<u>Ongoing Objectives</u>			
Prepare and present CRS orientation to City Stakeholders (City Mgr, Mayor, V. Mayor, Council Fin. Chair; new Councilmember(s), Budget and Finance Committee) <i>(C,D,1,5,7)</i>	Board, Exec. Director	Ongoing (1Q, 3Q each year)	Done
Prepare and approve the 2025 CRS budget <i>(A,B,D,4,16)</i>	Board, Exec. Director	4Q Annually	Done
Review and approve the annual Actuarial Valuation (2023) Reports <i>(B,1,2,12,13)</i>	Board	2Q 2024	Done
Provide quarterly report on implementation of Board changes to its Investment Policy <i>(A,B,1,2,3,11)</i>	Board	Ongoing	Done (Feb & May '24)
Keep the Board well- informed about important developments and issues <i>(F,5)</i>	Exec. Director	Ongoing	Done
Prepare and provide trustee training plan, including training policy and curriculum; monitor and update implementation <i>(A,B,C,D,1,2,3,10,12,13)</i>	Board, Exec. Director	Ongoing	In progress
Evaluate existing member communications (newsletters; website; other) to identify improvements <i>(E,5,7)</i>	Exec. Director	Ongoing	In progress
Assist the Mayor and Council in filling appointed member Board vacancies; conduct elections process for two retiree trustees and one active trustee. <i>(C,1)</i>	Board, Exec. Director	as needed, and 2Q 2024	In Progress
Prepare and submit the annual CRS report to City Council <i>(C,D,5,7,20)</i>	Board, Exec. Director	3Q Annually	In progress

<u>Strategic Objectives</u>	<u>Owner</u>	<u>Target Date to Complete</u>	<u>Status/</u>
<u>CY 2024 Investment Committee Objectives</u>			
Approved new asset allocation - Option B from the Nov'23 Marquette presentation. Increase private credit to 6.5% from 3%.	Board	4Q23	Done
Amend and approved new Investment Policy Statement to reflect changes in 2023	Board	4Q23	Done
Conduct evergreen private credit search to fill the increased allocation	Board	4Q23	Done
Mark a formal Asset allocation review every 3 years with annual review of market conditions, opportunities and liquidities needs and risks	Board	2Q24 (annually review)	Done
Complete the five-year actuarial experience study; act on recommendations <i>(B, C,D, 1,2,11,12,13</i>	Board, Exec. Director	Ongoing, (last completed Q2 23)	Done
Quarterly review of Market volatility and Investment risk/concentrations	Board, Exec. Director	Ongoing	In progress
Quarterly update on investment return peer ranking	Board, Exec. Director	Ongoing	In progress
Review of liquidity needs; Cash overlay (liquidity policy added to IPS)	Exec. Director	2Q24	Ongoing/done
Monitor investment manager compliance	Board, Exec. Director	Ongoing	Ongoing
Monitoring tolerance bands (Rebalancing policy added to IPS)	Exec. Director	Ongoing	Ongoing/done

<u>Strategic Objectives</u>	<u>Owner</u>	<u>Target Date to Complete</u>	<u>Status</u>
Investment Contract governance; approval authority; standardized review of terms (standard side letter from Outside counsel)	Exec. Director	3Q24	Ongoing/done
Explore the potential of De-risking health plan	Board, Exec. Director	3Q24	In progress
<u>CY 2024 Governance Committee Objectives</u>			
Ethics Policy	Board, Exec. Director	2Q23	Done
Trustee Training Policy	Board, Exec. Director	2Q23	Done
Role for Exec Dir recommendation in the Disability Rules?	Board, Exec. Director	2Q23	Done
Amend in Board disability rules to implement CMC 180 day timeline for abandonment of application	Board, Exec. Director	2Q 23	Done
Charters for Current Committees	Board, Exec. Director	3Q23	3Q23
Consider Change to Fiscal Year	Board, Exec. Director	3Q23	2Q23
Evaluate Fiduciary Governance of 457 Plans	Exec. Director	3Q23	4Q23
Creation of Audit Committee, possibly from Performance Eval Committee	Board, Exec. Director	1Q24	In progress
Financial Disclosure Policy and Forms	Board, Exec. Director	3Q24	In progress

<u>Strategic Objectives</u>	<u>Owner</u>	<u>Target Date to Complete</u>	<u>Status/</u>
Consolidate Governance Manual: Board Rules, Charters, and Policies	Board, Exec. Director	3Q24	In progress
Implement DROP through City Municipal Code (if cost neutral)	Board, Exec. Director	4Q24	In progress
Trustee City email accounts is leading practice	Exec. Director	4Q24	Not feasible
Review of Board Term Limits	Exec. Director	3Q24	In progress
Delegation document to Exec Dir (covering CMC references to Board that are delegated to staff)	Exec. Director	4Q24	
<u>CY 2024 Benefits Committee Objectives</u>			
Review Horan healthcare plan changes summary	Board, Exec. Director	1Q23	Done
Survivor Benefits: CMC Ordinance 203 - 44	Board, Exec. Director	2Q24	Done
Survey retirees re benefits	Exec. Director	2Q 23	Done
2025 Strategic Plan	Committee, Exec. Director	4Q24	Done
Review of staff evaluations of Board contractors	Committee, Exec. Director	4Q23 and 1Q24; 4Q24 & 1Q25	Done
Healthcare RFP - review potential for implementing a plan for offering cafeteria benefits options (LTC, Life Ins, Ins tier options) for retirees	Exec. Director	3Q24	Dental only now

<u>Strategic Objectives</u>	<u>Owner</u>	<u>Target Date to Complete</u>	<u>Status/</u>
<u>CY 2024 Performance Evaluation Committee Objectives</u>			
Develop Executive Director's annual performance objectives	Committee, exec director	1Q24	Done
Coordinate Board's annual performance evaluation of Director's performance	Committee	3Q24	In progress
Review Fiduciary Performance Audit and incorporate Board-approved recommendations into Strategic Plan	committee, Exec. Director	2Q24	In progress
Update and monitor Risk Dashboard document	Committee, Exec Director	1Q24, 2Q24, 3Q24, 4Q24	Ongoing
Develop 2025 Strategic Plan – 4Q2024	Committee, Exec Director	4Q24	Not started
Disaster Recovery and Business Continuity of Operations Plan: Update and enhance written plan; prioritize issues	Exec. Director	3Q24	Not Started

CRS Board of Trustee Goals

A. Invest CRS financial assets to establish a reasonable probability that the assumed annual rate of return is achieved. *(CMC sec. 203-65)*

B. Establish reasonable actuarial and investment assumptions and determine the probability that current retirees and future retirees will receive promised pension and healthcare benefits. *(CSA, 2nd and 3rd Goals)*

C. Provide recommendations to the City Administration, City Council, and Mayor to achieve full funding of pension and healthcare benefits. *(CSA, 2nd and 3rd Goals)*

D. Provide strategic CRS direction and support to the CRS Department. *(CSA, para. 30)*

E. Provide timely communication to active and retiree members regarding CRS financial status and pension and healthcare benefits. *(CSA, para. 30; Agreed Order, para. j)*

F. Cultivate and advance collaborative relationships, marked by mutual respect and transparency, among CRS administration and CRS Board. *(CSA, 7th Goal)*

G. Prioritize customer service best practices to strengthen responsiveness and reduce barriers to communication among stakeholders. *(CSA, para. 30)*

H. Assure and facilitate compliance with the Collaborative Settlement Agreement. *(CSA, para. 53)*

CRS Board of Trustee Responsibilities

1. The Cincinnati Retirement System (CRS) Board of Trustees (Board) shall administer CRS solely for the benefit of active and retiree members. *(CMC secs. 203-0, 203-65)*

2. The CRS Board shall have exclusive authority to govern the Pension Trust and Healthcare Trust as fiduciaries. *(CSA, para. 30; CMC sec. 203-65)*

3. The Board shall have full power to invest and reinvest fund assets as a prudent investor and according to investment policies adopted by the Board. *(CMC sec. 203-65)*

4. The CRS Board shall be responsible for determining and approving the CRS Budget. *(CMC sec. 203-133)*

5. The CRS Board shall be guided by principles of full transparency to inform the members and the public of the Board's concerns, considerations, and decisions. *(Agreed Order, para. j)*

6. The CRS Board shall generate and maintain a governing manual, including rules, procedures, and regulations. *(Agreed Order, para. k; Admin. Code Art. XV, sec. 4)*

7. The CRS Board will provide information and documentation as required by the Collaborative Settlement Agreement. *(Agreed Order, para. l)*

8. The CRS Board shall actively participate in searches for the CRS Director. *(Agreed Order, para. m)*

9. The CRS Board shall perform an annual evaluation of the CRS Director and shall submit it to the City Manager. *(Agreed Order, para. m)*

10. The CRS Board shall be responsible for selecting actuaries, investment advisors, and other professionals, subject to the City's procurement process. *(CSA, para. 30; Agreed Order, para. n; Admin. Code Art. XV, sec. 7)*

11. The CRS Board shall not limit actuaries, investment advisors, and other professionals regarding information that they deem necessary for the city administration, CRS members, or the public to know. <i>(Agreed Order, para. o)</i>
12. The CRS Board shall have an actuarial review of experience and assumptions every five years and make a valuation of assets and liabilities at least every two years. <i>(Admin. Code Art. XV, sec. 9)</i>
13. The CRS Board shall adopt mortality tables and other assumptions as it considers necessary. <i>(Admin. Code Art. XV, sec. 9)</i>
14. The CRS Board shall create committees to fulfill its obligations each having membership of at least one retiree Board member, one active Board member, and one appointed Board member. <i>(Agreed Order, para. p)</i>
15. The CRS Board Chair shall appoint an investment committee. <i>(CMC sec. 203-65)</i>
16. The CRS Board shall approve by a two-thirds vote any changes to the CRS annual budget. <i>(CSA, para. 30; Agreed Order, para. q)</i>
17. The CRS Board shall establish rules for the election of active and retiree members to fill Board positions. <i>(Agreed Order, para. f)</i>
18. The Board shall elect a Chair and Vice-Chair for the Board to serve for two years. <i>(Admin. Code Art. XV, sec. 3)</i>
19. The Board shall provide input and recommendations to the City regarding funding policy for healthcare. <i>(CSA, para. 26)</i>
20. The Board shall report annually to City Council regarding CRS status. <i>(Admin. Code Art. XV, sec. 1)</i>
21. The general administration and responsibility for the proper operation of the retirement system shall be vested in a board of trustees. <i>(CMC secs. 203-0, 203-133)</i>

Timeline for CRS Executive Director Performance Evaluation

	STEP	WHO	WHEN
1	Finalize and approve evaluation form	PE Committee	(2022/23)
2	Finalize and approve performance objectives	PE Committee	7-Mar-24
3	Director submits self eval to PE Chair	Director	14-Jun-24
4	PE chair provides Director self eval to each trustee, together with form	PE Chair	17-Jun-24
5	Individual Board members complete form and submit to PE chair	Board	28-Jun-24
6	PE chair compiles results into a single evaluation form	PE Chair	2-Jul-24
7	PE chair distributes compiled eval form to Board members and director	PE Chair	2-Jul-24
8	Board Chair, members present eval to and discuss w/ director (possibly in executive session)	Board	11-Jul-24
9	Board Chair, Director sign eval	Director	11-Jul-24
10	Board Chair/PE chair transmit completed eval to Finance Director for transmittal to ACM and CM	Board	12-Jul-24

CRS Board Performance Evaluation of Exec. Dir. Form, 2023-2024 Performance Period

Rating Scale: 1 - 3. 1 = Does not meet expectations; 2 = Meets expectations; 3 = Exceeds expectations

Essential Values

	Quality Rating	Comments
Acts with Integrity, Ethics & Accountability		
Communicates Effectively		
Provides Excellent Customer Service		
Relationship Building		
Embraces Change		
Attitude		

Core Competencies

Work Productivity		
Attendance		
Timeliness		
Effectiveness		

Supervisory / Leadership Skills

Provides Leadership, Trains, Motivates and Coaches		
Consistently Upholds Standards Fairly; Resolves Problems, Conflicts Appropriately and Timely		
Plans and Acts Strategically; Delegates Effectively		
Promotes, embraces and values Small Business Enterprise initiatives, EEO and Affirmative Actions Goals		
Completes Employees' Performance Evaluations on Time		

Performance Rating Period: 8/6/2023 - 7/11/2024

Executive Director Performance Objectives

Item	Owner	Target Date	Status	Quality Rating	Comments
Prepare and approve the 2024 budget	Board, Jon Salstrom	4Q23	2024 Completed; start '25 budget in Nov'24		
Develop for Board approval CRS Board Goals and Strategies for 2025	Performance Evaluation, Jon Salstrom	12/31/2024	24 Done/ '25 in Dec		
Retirement 101 session conducted for active mid career employees	Jon Salstrom, CRS Staff	Ongoing	6 presentations in '23; 3 in '24		
Actuary RFP (prepare fall 2023; issue Jan 2024)	Board, Jon Salstrom	2Q24	Completed Q1'24		
Consider Change to Fiscal Year	Exec. Director	3Q 2023	Considered and not practical		

Prepare and present CRS orientation to City Stakeholders (City Mgr, Mayor, V. Mayor, Council Fin. Chair)	Board, Jon Salstrom	2Q24	Done		
Provide the City Administration with input and recommendations regarding the healthcare trust funding policy	Jon Salstrom	1Q24	Done		
Review and approve the annual Actuarial Valuation Report	Board	4Q23	Done		
Approved new asset allocation - Option B from the Nov'23 Marquette presentation. Increase private credit to 6.5% from 3%.	Board, Jon Salstrom	1Q24	Done		
Amend and approved new Investment Policy Statement to reflect changes in 2023/2024	Board, Jon Salstrom	1Q24	Done		
Conduct evergreen private credit search to fill the increased allocation	Board, Jon Salstrom	1Q24	Done		
Review of staff evaluations of Board contractors	Performance Evaluation, Jon Salstrom	4Q23 & 1Q24	Done		
Charters for Current Committees	Board, Exec. Director	1Q24	Done		
Review and approve the quarterly and Annual Investment Reports	Board	Ongoing	Done (1Q24)		
Update and monitor Risk Dashboard document	Performance Evaluation, Board, Jon Salstrom	Quarterly	Done (June'24)		
Review and make recommendations regarding survivor benefits	Benefits Comm., Jon Salstrom	3Q23	Done (legal needs to complete Ordinance)		
Prepare and submit the annual CRS report to City Council	Board, Jon Salstrom	2Q24	Done (needs Board Approval)		
Develop CRS handbook for active and retired members	Jon Salstrom	2Q24	Done (post to website after Governance approval)		
Work collaboratively to seek increase of City contribution rate annually (2024 to 17.75%)	Board, Jon Salstrom	2Q24	Done; Needs Council Approval		
Evaluate Fiduciary Governance of 457 Plans	Exec. Director	Annual	ED to Monitor		
Progression towards implementing Fiduciary audit finding	Board, Jon Salstrom	2Q24	In progress		

Completion of the election process for two retiree and one active trustee	Elections Comm., Jon Salstrom	8/4/2024	In progress		
Creation of Audit Committee, possibly from Performance Eval Comm	Board, Exec. Director	1Q24	In progress		
Consolidate Governance Manual, Board Rules and Policies	Board, Exec. Director	4Q24	In progress		
Financial Disclosure Policy and Forms	Board, Exec. Director	3Q24	In progress (next Governance Meeting)		
Assist the Mayor and Council in filling appointed member Board vacancies	Board, Jon Salstrom	3Q24	In progress for '24 vacancies		
Consider cafeteria benefits options (LTC, Life Ins, Ins tier options)	Exec. Director	3Q 2024	In progress with Horan		
Healthcare and RX RFP (prepare fall 2023; issue Dec 2023)	Jon Salstrom, Staff	3Q24	In progress; Dental RFP only now (posted May'24)		
Develop and implement CRS website content to provide timely, complete, and easily accessible info	Jon Salstrom	4Q24	In progress; waiting for members counselor position		
Prepare and provide trustee training plan, including training policy and curriculum	Board, Jon Salstrom	On going	Initial Completion		
Implement DROP through City Municipal Code (if cost neutral)	Exec. Director	4Q24	Intiated review		
Trustee City email accounts is leading practice	Exec. Director	4Q 2024	legal is reviewing		
Keep the Board well-informed about important developments and issues	Jon Salstrom	Ongoing	Ongoing		
Develop and provide newsletters for active and retired members	Jon Salstrom	Ongoing	Ongoing; 4 newsletters in 2023		
Impletement CRS Department staffing positions (C,D,1,2)	Board, Jon Salstrom	4Q24	Partially completed		
Update Disaster Recovery and Business Continuity of Operations Plan	Performance Evaluation, Jon Salstrom	3Q24	Start Soon		