

ARTICLE XV. RETIREMENT SYSTEM

Sec. 1. Board of Trustees.

- a) The general administration and responsibility for the proper operation of the retirement system shall be vested in a board of trustees. The board of trustees shall consist of nine members:
 - i. Four members with qualifications specified in subsection (b) shall be appointed by the Mayor with the advice and consent of Council.
 - ii. Two members, who shall be employee members of the system, shall be elected by deferred members and active members, as defined in Sections 203-1-D and 203-1-A2, who are not currently receiving a retirement benefit.
 - iii. Three members, who shall be retired members of the system, shall be elected by persons who are receiving retirement allowances, optional benefits, or survivor benefits from the system.
- b) At least two of the appointed members of the board shall have the following qualifications:
 - i. Baccalaureate degree from an accredited college or university in finance, economics, business, or other field of study involving financial management; or
 - ii. A minimum of ten years of experience in pension administration, pension actuarial practice, institutional investment management, employee benefits/investment law, banking, asset/liability management for an insurance company, or university or college professor with a focus on fiduciary or trust fund law or quantitative background in financial theory or actuarial math.
 - iii. The appointed member shall not have any business, personal, or family interests related to the city or the retirement system that would constitute a conflict of interest, or that would create the appearance of a conflict of interest, with the duties of a trustee. Being a member of the Cincinnati Retirement System or a beneficiary of the Cincinnati Retirement System shall not constitute a conflict of interest.
 - iv. Residency shall not be considered as a qualification for any appointed member.
 - v. A current or former elected city official appointed as a member of the board pursuant to this section does not have to meet the requirements of subsection b)i and b)ii of this section. No more than two current or former elected city officials appointed as members of the board pursuant to this section shall be eligible to simultaneously serve as members of the board.
- c) Board members shall serve four-year terms, except that:
 - i. when the Mayor makes initial appointments to the board under this Article, the Mayor shall appoint two members to serve four-year terms, and two members to serve two-year terms, so that the terms overlap to establish continuity in board membership from year to year.
 - ii. for the initial election of the board members elected pursuant to subsection a)ii of this section, the active employee candidate with the highest vote total shall serve a four-year term and the active employee candidate with the next highest vote total shall serve a two-year term.
 - iii. for the initial election of the board members elected pursuant to subsection a)iii of this section, the two retiree candidates with the two highest vote totals shall serve four year terms and the retiree candidate with the third highest vote total shall serve a two year term.

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- d) Each board member may serve up to three four-year terms, either consecutive or non-consecutive, except that persons serving two-year terms upon their initial appointments to the board may serve the initial term and two subsequent four-year terms.
 - e) Each board member shall hold office from the first date of the term until the end of the term for which the member was appointed. Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of the unexpired term. Any member shall continue in office after the expiration date of the member's term until the member's successor takes office, or until a period of thirty days has elapsed, whichever occurs first.
 - i. Appointed members: A vacancy on the board shall be filled in the same manner as the original appointment.
 - ii. Elected members: If the remaining portion of the unexpired term is nine months or less, the position will remain vacant until the next regularly-scheduled election. If the remaining portion of the unexpired term is more than nine months, an election to elect a new board member shall be held in accordance with the election rules promulgated by the board.
 - f) An entity authorized to appoint or elect a member under subsection a) shall remove its appointee or representative from the board for any act of misconduct involving the trustee's duties, including breach of fiduciary duty and failure to properly discharge the duties of the trustee, to the extent permitted by state law.
 - g) The board shall meet regularly and shall convene other meetings at the request of the chairperson or a majority of the members. A member who fails to attend at least two-thirds of the regular and special meetings of the board during any two-year period forfeits membership on the board.
 - h) The board shall report to council at least annually on the following issues:
 - i. Success at meeting the investment and funding objectives.
 - ii. Investment performance and attribution.
 - iii. Compliance with conflict of interest and ethics policies.
 - iv. Compliance with benefit delivery policies.
 - v. Results of external and internal audit findings and follow-up efforts.
 - vi. Board member attendance, travel, and educational efforts.
 - i) The board shall vote to disqualify any candidate from seeking election to the board or any member from remaining as a board trustee for any of the following reasons:
 - i. Finding of dishonesty in any civil proceeding or disciplinary decision.
 - ii. Conviction of a felony for an act committed while the candidate or member was an adult.
 - iii. Failure to comply with election requirements established by the board.

(Amended by Ord. No. 31-1957, eff. Mar. 1, 1957; a. Ord. No. 406-1957, eff. Oct. 23, 1957; a. Ord. No. 472-1957, eff. Dec. 11, 1957; a. Ord. No. 360-1967, eff. Oct. 13, 1967; a. Ord. No. 114-1976, eff. Mar. 24, 1976; a. Ord. No. 415-1976, eff. Sept. 9, 1976; a. Ord. No. 299-1979, eff. Aug. 4, 1979; a. Ord. No. 398-1988, eff. Nov. 4, 1988; a. Ord. No. 481-1991, eff. Dec. 27, 1991; Emer. Ord. No. 0366-2007, § 1, eff. Oct. 10, 2007; Emer. Ord. No. 311-2010, § 1, eff. Aug. 4, 2010; Emer. Ord. No. 335-2010, § 1, eff. Sept. 9, 2010; a. Ord. No. 027-2015, § 1, eff. March 4, 2015; Emer. Ord. No. 354-2015, § 1, eff. Nov. 12, 2015; Emer. Ord. No. 0014-2021, §§ 1, 2, eff. Jan. 21, 2021)

Sec. 2. Compensation; Oath of Office.

The appointed trustees shall be compensated for their service to the board in an amount to be determined by Council. Each trustee shall take an oath of office at the next regular or special meeting of the board.

(Amended by Ord. No. 299-1979, eff. Aug. 4, 1979; Emer. Ord. No. 335-2010, § 3, eff. Sept. 9, 2010)

Sec. 3. Organization of Board.

The board shall elect from its membership a chair and vice-chair. The executive director of the retirement system shall be secretary, ex officio, of the board, but shall not vote on items considered by the board. At least six board members shall be present for the board to meet. The concurring votes of five board members shall be necessary for any decision by the board.

(Amended by Ord. No. 31-1957, off. Mar. 1, 1957; a. Ord. No. 46-1989, eff. Feb. 1, 1989; Emer. Ord. No. 335-2010, § 5, eff. Sept. 9, 2010; Emer. Ord. No. 0014-2021, §§ 1, 2, eff. Jan. 21, 2021)

Sec. 4. Rules and Regulations.

The board shall adopt rules and regulations for the administration of the funds of the retirement system and for the transaction of its business.

Sec. 5. Record of Proceedings; Financial Reports.

The board shall keep a record of its proceedings, which shall be open to public inspection. It shall report to council annually showing the fiscal transactions of the retirement system for the calendar year, the amounts of accumulated cash and securities and the last balance sheet showing the financial condition by means of an actuarial valuation of assets and liabilities.

Sec. 6. Medical Director.

The board shall designate a medical director, who shall be a physician not eligible to participate in the retirement system. The medical director shall arrange for and pass upon all medical examinations required under the provisions of the ordinances, shall investigate all essential statements and certificates by or on behalf of a member in connection with any application for disability retirement, and shall report in writing to the board his conclusions and recommendations upon all referred matters.

(Amended by Ord. No. 299-1979, eff. Aug. 4, 1979)

Sec. 7. Actuary.

The board shall approve an actuary who shall be its technical adviser on matters regarding the operation of the retirement system and shall perform such other duties as are required in connection therewith. The retention of the actuary shall follow the city's established procurement process. The board shall keep in convenient form such data as shall be necessary for actuarial valuation of the retirement system and for checking the experience of the retirement system.

(Amended by Ord. No. 546-1983, eff. Dec. 23, 1983; Emer. Ord. No. 0014-2021, §§ 1, 2, eff. Jan. 21, 2021)

Sec. 8. Special Services.

The board may employ such special actuarial, medical and other service as shall be required.

Sec. 9. Actuarial Investigations.

At least once in each five-year period, the board shall cause an actuarial investigation to be made into the mortality, service, and compensation experience of the members and beneficiaries of the retirement system, and shall make a valuation of its assets and liabilities. Taking into account the results of such investigation and valuation, the board shall:

- (a) Adopt such mortality service and other tables as it shall consider necessary; and
- (b) Cause an actuarial valuation to be made of the assets and liabilities of the retirement system at least once every two years.

(Amended by Ord. No. 546-1983, eff. Dec. 23, 1983; Emer. Ord. No. 0014-2021, §§ 1, 2, eff. Jan. 21, 2021)

Sec. 10. Administrative Services.

The City Solicitor shall serve the board as legal counsel and attorney, and shall represent the board in all proceedings in court. The operating budget for the administration of the system shall be paid for by the funds of the system.

The City shall carry a Public Entity Fiduciary Liability Policy that covers claims made by employees alleging financial loss due to mismanagement of funds to protect against the potential liability of the trustees, the employer, and fiduciaries and professional administrators with respect to error and omissions in the administration of employee benefit programs.

(Ordained by Ord. No. 416-1969, eff. Jan. 1, 1970; Emer. Ord. No. 335-2010, § 7, eff. Sept. 9, 2010)

Sec. 11. Retirement Division.

There is hereby established a retirement division to be administered by a division manager, entitled "pension fund manager," appointed by and subject to the control of and supervision of the city manager.

(Ordained by Ord. No. 325-2010, § 1, eff. Sept. 4, 2010; Emer. Ord. No. 154-2013, § 2, eff. May 30, 2013)

Sec. 12. Duties of the Pension Fund Manager.

The pension fund manager shall be the secretary of the board of trustees. The pension fund manager shall oversee the benefits administration, investment management, and member services of the division, and shall direct, control and supervise all officers and employees within the division of retirement.

(Ordained by Ord. No. 325-2010, § 1, eff. Sept. 4, 2010; Emer. Ord. No. 154-2013, § 2, eff. May 30, 2013)