



## City of Cincinnati Retirement System Board of Trustees Meeting

### Agenda

April 8, 2021 / 2:00 P.M.  
City Hall, Council Chambers and via Zoom

#### Members

Tom Gamel	John Juech
Bill Moller	Betsy Sundermann
Don Stiens	Kathy Rahtz
Mark Menkhaus Jr.	Erica Winstead

#### Administration

Paula Tilsley  
Renee Kabin  
Ann Schooley

#### Call to Order

#### Approval of Minutes

- Meeting Minutes – March 4, 2021

#### Performance Evaluation Committee Report

- Report from Committee, April 8, 2021

#### Unfinished Business

- Outstanding Opinions:
  - K. Rahtz Board Approved Motion, October 3, 2019
    - Item 1. Explain why City's changes to retiree healthcare are permitted under the CSA without Court approval.
    - Item 2. Explain why the Board cannot retain outside counsel on matters which the Solicitor's Office will not give counsel.
- Board of Trustees Annual Report to Council
- Ongoing Board Training
  - Investment Concepts – May 6, Time TBD
- Search for Executive Director

#### New Business

#### Informational

- February 2021 Monthly Investment Report
- 115 Health Care Trust Funding Policy
- Pending Board Items: Asset/Liability Study - July Board Meeting; Fiduciary Performance Audit.

#### Adjournment

**Next Meeting:** May 6, 2021, 2:00 P.M., City Hall, Council Chambers



**City of Cincinnati Retirement System  
Board of Trustees Meeting  
Minutes  
March 4, 2021 / 2:00 P.M.  
City Hall – Council Chambers**

**Present**

Bill Moller, Chair  
Tom Gamel, Vice Chair  
Mark Menkhaus, Jr.  
Kathy Rahtz  
Don Stiens  
Erica Winstead

**Absent**

Betsy Sundermann

**Staff Present**

Keva Eleam  
Bev Nussman  
Renee Kabin  
Ann Schooley

**Absent**

Paula Tilsley

**CALL TO ORDER**

The meeting was called to order at 2:13 p.m. with a roll call: Bill Moller, Tom Gamel, Mark Menkhaus, Kathy Rahtz, Don Stiens, and Erica Winstead were in attendance. John Juech arrived while meeting was in progress.

The agenda was taken out of order to introduce the newest Finance and Investments staff member, Keva Eleam, a supervising management analyst who works closely with budgets, the Investment Consultant, actuaries and auditors when they have questions.

**APPROVAL OF MINUTES**

D. Stiens made a motion to approve minutes of the February 4, 2021 meeting. M. Menkhaus, Jr. seconded the motion. During discussion, B. Moller moved to include an additional two sentences of comments to the minutes of the February 4<sup>th</sup> meeting. Motion to amend the minutes of February 4<sup>th</sup> meeting.

Results of the roll call vote:

Mr. Moller– Y  
Mr. Menkhaus, Jr. – Y  
Mr. Gamel - Y  
Ms. Rahtz – Y  
Mr. Stiens – absent  
Ms. Winstead - Y

The motion to amend and approve minutes of February 4, 2021 passed.

**NEW BUSINESS**

**Governance Committee Report**

The Governance Committee reviewed several Rules of the Board. No substantive changes were made regarding specific Rules. D. Stiens reported in the interest of reducing the number of governing

documents, the Committee discussed the desire to sweep applicable items from the Board Rules to the Governance Manual.

### ***Board Action***

The Governance Committee approved a motion to add an amendment to the Governance Manual, Section 2.b., a subsection iv, the text of which follows in quotes:

“iv: Representing the Board when dealing with City Council, Committees of Council, the City Administration, City employees, City retirees, the public, and the media.

1. The representation shall be limited to the consensus view of the Board and not the personal opinions, interests, beliefs, or views of the Chairs or Vice Chair.
2. All such representations shall be reported to the Board, to include the content of the representations and the parties involved.”

Following discussion, the results of the roll call vote were:

Mr. Moller – Y  
Mr. Gamel – Y  
Mr. Juech -- Y  
Mr. Menkhaus – Y  
Ms. Rahtz – Y  
Mr. Stiens – Y  
Ms. Winstead - Y

The motion to add subsection iv., to the Governance Manual under Section 2.b., “iv: Representing the Board when dealing with City Council, Committees of Council, the City Administration, City employees, City retirees, the public, and the media.

1. The representation shall be limited to the consensus view of the Board and not the personal opinions, interests, beliefs, or views of the Chairs or Vice Chair.
2. All such representations shall be reported to the Board, to include the content of the representations and the parties involved.” passed.

A discussion occurred regarding the addition of a sentence to the Governance Manual.

### ***Board Action***

D. Stiens made a motion to add a sentence to the Governance Manual, the addition the Governance Committee discussed, adopting an amendment to the Governance Manual, under Section 2.b., the text of which is as follows:

“No member shall assail, question or impugn the integrity, character or motives of another Board member.”

Results of the roll call vote:

Mr. Moller – Y  
Mr. Gamel – Y  
Mr. Juech - Y  
Mr. Menkhaus, Jr. – Y  
Ms. Rahtz – Y  
Mr. Stiens – Y  
Ms. Winstead– Y

The motion to add to the Governance Manual under Section 2.b., the sentence “No member shall assail, question or impugn the integrity, character, or motives of another Board member” passed.

## **UNFINISHED BUSINESS**

### **Outstanding Opinions**

K. Rahtz Board Approved Motion, October 3, 2019

- Item 1. Explain why City's changes to retiree healthcare are permitted under the CSA without Court approval.
- Item 2. Explain why the Board cannot retain outside counsel on matters which the Solicitor's Office will not give counsel.

A. Schooley reported there are no updates on this item.

### **Board's Annual Report to City Council**

B. Moller reported that the Board's Annual Report to City Council was processed to be placed on City Council's agenda, as of the last update from Ms. Tilsley.

### ***Board Action***

T. Gamel made a motion that if the Annual Report item submitted to be placed on City Council's agenda is not on City Council's agenda in the coming week, to have the Chair of the Retirement Board with other Board trustees schedule a meeting with Council Members to discuss the contents.

K. Rahtz seconded the motion. Following discussion, the results of the roll call vote:

Mr, Moller - Y

Mr. Gamel – Y

Mr. Juech - No

Mr. Menkhaus, Jr. – Y

Ms. Rahtz – Y

Mr. Stiens – Y

Ms. Winstead – Y

The motion to have the Board chair and fellow trustees meet with Council Members on the contents of the Annual Report passed.

### **🚩 Ongoing Board Training – Actuarial and Investment Concepts**

A training by the actuary Cheiron is scheduled on April 8<sup>th</sup> from 1:00-2:00 p.m. on actuarial concepts in anticipation of the annual valuations they will present in June.

### **🚩 Search Firm RFP for Executive Director Position Update**

B. Moller reported there were three firms who submitted proposals. The chosen firm is EFL. They have already been provided basic information and the hope is to have a candidate soon so there is some overlap before Ms. Tilsley retires.

### **NEW BUSINESS**

#### **🚩 Budget Report**

Bev Nussman gave an overview of the highlights of the annual budget. Some of the line items have not been utilized to the extent envisioned when the 2020 budget was produced, i.e. lower investment consulting fees and a few billings from 4<sup>th</sup> quarter that didn't get paid until the following year resulted in being below the budgeted amount. Ms. Nussman informed trustees about budgeting for the gradual move to electronic pay advices.

### ***Board Action***

K. Rahtz made a motion to approve the 2021 Budget. J. Juech seconded the motion. During discussion, B. Moller mentioned a concern that the ERIP is substantially impacting this budget due to increased expenses and reduced contributions. Actuarial calculations showed a net total cost of \$15 million from the ERIP, which annually comes to \$2.5 million, and that is not reflected.

J. Juech added that the City is in an extraordinary budget crunch due to the pandemic. Other factors the City is facing on top of an existing \$30 million budget shortfall, is a possible charter amendment that would add \$50 million in spending per year, and statehouse measures that would also be detrimental.

Results of the roll call vote:

Mr. Moller – Y  
Mr. Gamel – Y  
Mr. Juech – Y  
Mr. Menkhaus, Jr. – Y  
Ms. Rahtz – Y  
Mr. Stiens – Y  
Ms. Winstead - Y

The 2021 Annual Budget for CRS passed.

#### **PRISA III Investment Fund**

Mr. Moller gave a brief overview of a proposed amendment to the investment contract recommended by the Investment Consultant.

#### ***Board Action***

M. Menkhaus, Jr. made a motion to approve the proposed amendment to the agreement with PRISA III Investment Fund as recommended by the Investment Consultant. T. Gamel seconded the motion.

Results of the roll call vote:

Mr. Moller – Y  
Ms. Gamel – Y  
Mr. Juech – Y  
Mr. Menkhaus, Jr.- Y  
Ms. Rahtz – Y  
Mr. Stiens – Y  
Ms. Winstead – Y

The motion to approve the recommended proposed amendment to the agreement with PRISA III Investment Fund passed.

#### **115 Health Care Trust Funding Policy**

No updates.

#### ***Board Action***

Having no further business, T. Gamel made a motion to adjourn. J. Juech seconded the motion.

Results of the roll call vote:

Mr. Moller – Y  
J. Juech - Y  
Mr. Gamel – Y  
Mr. Menkhaus, Jr. – Y  
Ms. Rahtz – Y  
Mr. Stiens – Y  
Ms. Winstead -Y

The motion to adjourn passed. Meeting adjourned at 3:03 p.m.

Next meeting: April 8, 2021, 2:00 PM



**Cincinnati Retirement System**

City of Cincinnati  
Retirement System  
Executive Summary  
**February 28, 2021**



## Summary of Cash Flows

	Last Month
Beginning Market Value	\$2,322,022,251
Net Cash Flow	-\$20,058,447
Net Investment Change	\$60,659,486
Ending Market Value	\$2,362,623,290

## Market Value

	Market Value (\$)	% of Portfolio	Policy %	Policy Difference (\$)
<b>Total Fund Composite</b>	<b>2,362,623,290</b>	<b>100.0</b>	<b>100.0</b>	<b>0</b>
Fixed Income Composite	399,513,780	16.9	14.0	68,746,519
Private Debt Composite	482,962	0.0	3.0	-70,395,737
U.S. Equity Composite	729,237,762	30.9	27.5	79,516,357
Non-U.S. Equity Composite	578,420,740	24.5	23.0	35,017,383
Risk Parity Composite	99,293,857	4.2	5.0	-18,837,308
Real Estate Composite	199,792,380	8.5	7.5	22,595,633
Infrastructure Composite	154,840,666	6.6	10.0	-81,421,663
Private Equity Composite	196,015,657	8.3	10.0	-40,246,672
Total Cash Equivalents	5,025,487	0.2	--	5,025,487

## Performance

	1 Mo	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception	Inception Date
<b>Total Fund Composite</b>	<b>2.6%</b>	<b>6.7%</b>	<b>2.7%</b>	<b>18.8%</b>	<b>7.8%</b>	<b>10.1%</b>	<b>7.9%</b>	<b>9.0%</b>	<b>May-85</b>
Target Benchmark	2.1%	5.5%	2.3%	20.1%	8.4%	10.6%	7.8%	--	May-85
<b>Fixed Income Composite</b>	<b>-0.7%</b>	<b>0.6%</b>	<b>-0.6%</b>	<b>7.1%</b>	<b>5.9%</b>	<b>6.1%</b>	<b>4.6%</b>	<b>5.8%</b>	<b>Nov-95</b>
BBgBarc US Aggregate TR	-1.4%	-2.0%	-2.2%	1.4%	5.3%	3.6%	3.6%	5.1%	Nov-95
<b>Private Debt Composite</b>	<b>0.0%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>1.4%</b>	<b>Sep-20</b>
BBgBarc US Aggregate TR	-1.4%	-2.0%	-2.2%	1.4%	5.3%	3.6%	3.6%	-1.5%	Sep-20
<b>U.S. Equity Composite</b>	<b>6.1%</b>	<b>13.2%</b>	<b>7.4%</b>	<b>35.9%</b>	<b>12.3%</b>	<b>15.5%</b>	<b>11.8%</b>	<b>9.6%</b>	<b>Feb-89</b>
Russell 3000	3.1%	7.3%	2.7%	35.3%	15.0%	17.4%	13.4%	10.8%	Feb-89
<b>Non-U.S. Equity Composite</b>	<b>3.9%</b>	<b>9.3%</b>	<b>2.9%</b>	<b>25.0%</b>	<b>3.0%</b>	<b>10.0%</b>	<b>5.2%</b>	<b>6.2%</b>	<b>May-93</b>
MSCI ACWI ex USA	2.0%	7.7%	2.2%	26.2%	5.4%	11.2%	4.8%	--	May-93
<b>Risk Parity Composite</b>	<b>-1.6%</b>	<b>1.7%</b>	<b>-1.4%</b>	<b>6.3%</b>	<b>7.1%</b>	<b>7.9%</b>	<b>--</b>	<b>4.3%</b>	<b>Jul-12</b>
60% Wilshire 5000/40% BarCap Aggregate	1.3%	3.5%	0.8%	21.3%	11.5%	12.0%	9.7%	10.3%	Jul-12
<b>Real Estate Composite</b>	<b>0.2%</b>	<b>1.9%</b>	<b>0.3%</b>	<b>2.3%</b>	<b>5.1%</b>	<b>6.5%</b>	<b>10.1%</b>	<b>5.2%</b>	<b>Aug-07</b>
NFI	0.0%	0.4%	0.0%	-0.2%	3.5%	5.0%	8.6%	4.1%	Aug-07
NPI	0.0%	0.4%	0.0%	1.1%	4.5%	5.6%	8.8%	5.9%	Aug-07
<b>Infrastructure Composite</b>	<b>0.1%</b>	<b>2.7%</b>	<b>-0.1%</b>	<b>8.4%</b>	<b>8.0%</b>	<b>5.3%</b>	<b>7.1%</b>	<b>8.0%</b>	<b>Aug-08</b>
3 Month T-Bill +4%	0.3%	1.0%	0.7%	4.2%	5.5%	5.2%	4.6%	4.5%	Aug-08
<b>Private Equity Composite</b>	<b>0.0%</b>	<b>0.6%</b>	<b>0.0%</b>	<b>6.8%</b>	<b>11.3%</b>	<b>11.3%</b>	<b>11.8%</b>	<b>7.9%</b>	<b>Jul-93</b>
Cambridge Associates All PE	0.0%	0.0%	0.0%	17.7%	11.2%	12.9%	12.1%	15.1%	Jul-93

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