



**City of Cincinnati Retirement System
Board of Trustees Meeting
Minutes
April 7, 2022/ 2:00 P.M.
City Hall – Council Chambers and remote**

Board Members Present

Bill Moller, Chair
Tom Gamel, Vice Chair
Jeff Cramerding
Mark Menkhaus, Jr.
Kathy Rahtz
Don Stiens
Erica Winstead
Absent: John Juech

Administration

Mike Barnhill
Ann Schooley

CALL TO ORDER

Chair Moller called the meeting to order at 2:00 p.m. and a roll call of attendance was taken. Trustees Moller, Gamel, Cramerding, Menkhaus, Rahtz, Stiens and Winstead were present. Trustee Juech was absent.

APPROVAL OF MINUTES

Approval of the minutes of the Board meeting of March 3, 2022, was moved by Trustee Gamel and seconded by Trustee Winstead. Prior to the meeting, Trustee Rahtz requested amendments reflecting discussion at the meeting regarding executive session as well as Trustee Rahtz's request to consider matters related to healthcare eligibility for certain adult disabled dependents. These amendments had been circulated to the Board in advance of the meeting. The minutes as revised by Trustee Rahtz's amendments approved by unanimous roll call vote.

REPORT FROM GOVERNANCE COMMITTEE

Trustee Menkhaus provided a summary of the Governance Committee's meeting today in which all present trustees participated. The Committee considered several proposals to the CRS Election Rules (CRS Rule VII). The Committee approved three of the proposals (detailed in the Governance Committee minutes).

The Board approved each of the three motions approved by the Governance Committee by unanimous roll call vote.

Trustee Menkhaus summarized the items that remain outstanding, including the status of DROP participants in the upcoming elections. Chair Moller indicated that these items should be resolved by the next meeting.

Informational – Executive Director’s Report

Director Barnhill provided a number of informational updates, with references to accompanying documents in the Board’s packet:

Marquette February 2022 Investment Results

- Investment markets have been volatile; 1 yr return remains positive and greater than 7.5%; YTD returns are negative.

Anthem 2021 Utilization Review

- Utilization statistics show meaningful cost increases in 2021. The actuary will give their view when they complete the 2021 OPEB valuation.

Update re 2022 Capital Calls

- Market volatility and illiquidity are challenging capital calls. We are funding \$45 million of infrastructure capital calls with overweight core fixed income liquidations, which bring the fixed income allocation back to target. Funding later this year of the new private credit managers (\$40mm) will be done by liquidating overweight real estate allocations (Morgan Stanley Prime \$13mm; Principal \$7.5mm; JP Morgan Strategic Property \$23mm). We are starting the liquidation process now, since these take time. Marquette and Director Barnhill recommend this process. The investment portfolio will remain within the asset allocation bands prescribed by the Board’s investment policy statement.

Passage of Ordinance re Distribution of GF Surplus (Cincinnati Stabilization Policy)

- Council has approved this ordinance. Testimony presented to the Council suggested that surplus funds as much as \$600k could be deposited to the CRS trust as a result.

CRS 2022 Update Presentations

- Trustee Moller and Director Barnhill have briefed Mayor Pureval, City Manager Curp, Councilmember Cramerding, and the Council Budget and Finance Committee. These presentations have been well received.

CRS New Trustee Manual Update

- We have compiled new trustee training materials and posted them on the website at: <https://www.cincinnati-oh.gov/retirement/crs-board-of-trustees/trustee-manual/>
- Director Barnhill invited trustees to consider attending the NCPERS conference in May at which trustee training will be presented.
- Trustee Moller invited trustees to review the updates to the CRS website.

Elections Timeline Update

- Nominations postcards to go out May 3.

CRS Department Update

- The department is experiencing staff turnover. We’re re-organizing some, we’ve hired some temporary staff to bridge the vacancy gap.
- The department is working on a retiree newsletter to be sent soon.
- The Board’s request for an Executive Director delegation document is completed
- Director Barnhill reported on Marquette’s pro-active Diversity Equity and Inclusion efforts.

UNFINISHED BUSINESS

✚ Outstanding Opinions:

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 is no update.

Trustee Moller inquired about the status of executive session to consider disability matters. A. Schooley advised that the Law Department is working to get this item completed by the next meeting.

Trustee Rahtz requested additional discussion on this item. Ms. Schooley indicated that there is some complexity to the issues with various laws (ADA, HIPPA, Open Meetings Act) in potential conflict. Trustee Rahtz asked if we could discuss the issues in open meeting without identifying the individuals. Ms. Schooley expressed concern that the information discussed could lead to identifying the individuals.

NEW BUSINESS

Recommendation re City of Cincinnati Employer Contribution

Trustee Moller introduced a scenario from Cheiron that would provide for full funding of the CRS pension trust by 2045 by increasing employer contributions by 0.5% each year until the employer contributions reach a rate of 22.25% in 2033. Trustee Moller reported that this scenario was included in all of the CRS 2022 Update presentations as discussed earlier in the meeting. Trustee Moller made a motion, seconded by Don Stiens, that the Board formally recommend this funding approach to City Council.

Trustee Gamel asked if the motion pertains to the health trust. Director Barnhill responded that it does not.

The Board approved the motion by unanimous roll call vote. Chair Moller stated that the board approved recommendation will be transmitted to the City Council through the normal channels.

Trustee Gamel asked that the Board consider a similar recommendation for the health trust to ensure that all covered members are ensured coverage for their health care. Chair Moller indicated that the desire is to ensure that the last member of the closed healthcare plan can be assured coverage. Director Barnhill responded that the health trust is overfunded, but that we could request the actuary in their next presentation to the Board to demonstrate that with projections that go past 2045.

Update on CSA Items

Ms. Woerner from the Law Department gave a status update on the CSA. On April 6, a status conference was held before Judge Barrett. The DROP analysis by Cheiron was discussed. In light of the dispute over that analysis, the Law Dept is going to conduct a procurement for an actuarial firm to conduct a new analysis. As part of the procurement process firms will be requested to disclose their methodology, so that it is transparent to all parties. Chair Moller asked about the cost of the new analysis. Director Barnhill estimated that it would be about \$25k, and no more than \$50k. Director Barnhill indicated that any proposal to have the retirement trust pay this amount would need to be approved by the Board, and that he was willing to provide a recommendation if requested. Chair Moller indicated that further discussion is

needed on this item.

Ms Woerner reported that the Model Plan points grid issue was also discussed. Ms. Woerner advised that the actuaries have been asked to run a range of scenarios for the parties' consideration.

Adjournment

Following a motion to adjourn by Trustee Menkhaus and seconded by Trustee Stiens, the Board approved the motion by unanimous roll call vote. The meeting adjourned at 2:53 P.M.

Meeting video link: <https://archive.org/details/crs-board-4-7-22>

Next Meeting: May 5, 2022 at 2:00 p.m.

A handwritten signature in black ink, appearing to read "Michael Barabik". The signature is written in a cursive style with a large, looping initial "M".

Secretary