



**City of Cincinnati Retirement System  
Board of Trustees Meeting  
Minutes  
October 6, 2022/ 2:00 P.M.  
City Hall – Council Chambers and remote**

**Board Members Present**

Bill Moller, Chair  
Tom Gamel, Vice Chair  
Mark Menkhaus, Jr.  
Kathy Rahtz  
John Juech  
Jeff Cramerding  
Tom West

**Administration**

Mike Barnhill  
Ann Schooley  
Linda Smith

**CALL TO ORDER**

Chair Moller called the meeting to order at 2:05 p.m. and a roll call of attendance was taken. Trustees Moller, Menkhaus, Gamel, Rahtz, Juech, Cramerding (arrived at 2:07pm) and West were present. Trustee-elect Morton was also present via Zoom.

**APPROVAL OF MINUTES**

Approval of the minutes of the Board meeting of September 7, 2022, was moved by Trustee Gamel and seconded by Trustee Juech. The minutes were approved by unanimous roll call vote (5-0), with Trustee West abstaining.

**Report from the Elections Committee**

Trustee Juech moved, and Trustee Gamel seconded, to approve the results of the Active Trustee election, in which Monica Morton won. The motion passed unanimously by roll call vote (7-0).

Chair Moller made the following committee assignments:

Investment Committee: Tom West, Monica Morton  
Benefits Committee: Tom West, Monica Morton  
Governance Committee: Tom West, Monica Morton  
Performance Evaluation: Tom West  
Elections Committee: Kathy Rahtz, with Tom Gamel coming off.

In December, the Board will select a chair and vice chair, and at that time the membership of the various committees can be changed.

Chair Moller advised that Trustee West was sworn in prior to the start of the meeting. Trustee-elect Morton is attending remotely, and the Law Dept advises that she must take the oath of office in person, and so will be sworn in at the next meeting.

### **Report from the Benefits Committee**

Trustee Gamel provided a report from the Benefits Committee, which met on September 22 and October 6. At the September 22 meeting, two motions were unanimously approved by the Benefits Committee.

Motion 1 moved to amend CMC 203-48 to remove the requirement that only the Social Security Administration can make the determination of disability for purposes of healthcare eligibility for disabled adult children. Trustee Moller asked if the current law requires the child to be a dependent. Director Barnhill outlined the eligibility requirements of CMC 203-48 and responded that CMC 203-48 does not specifically state the child must be a dependent. The Board approved the Benefits Committee's action on unanimous roll call vote.

Motion 2 moved to amend CMC 203-48 to remove the residence requirement from the eligibility requirements for disabled adult children. Trustee Moller offered the following friendly amendment: (a) that evidence of disability to be provided to the CRS medical director for review and recommendation to the Board; (b) that appeals from the determination regarding disability be taken to the Board. Trustee Menkhaus accepted the friendly amendment. Trustee Gamel seconded. The Board approved the Benefits Committee's action, as amended, on unanimous roll call vote.

### **Informational – Executive Director's Report**

Director Barnhill provided the following report:

- The Marquette August investment report reflects continued volatility and losses in the investment markets. YTD performance is -8.3% through August 31. The investment performance is well behind the actuarial investment assumption of 7.5%/year. As of the end of September, losses have increased to about -14%.
- Funded ratio report. This report shows a history of funded ratios expressed in actuarial value (gains and losses smoothed over 5yrs) and market value terms, along with an estimated funded ratio as of September 30, 2022: 64% (market value) and 69% (actuarial value). The OPEB trust remains over-funded with funded ratios of 128% (market value) and 140% (actuarial value). Trustee Moller observed that investment returns have a major impact on funded ratios.
- Draft CRS 2021 Financial Report. Director Barnhill advised that while preparation of this report is a board objective, he is uncomfortable about finalizing this report in an unaudited form. CRS Finance Officer Bev Nussman will explore with the State Auditor how we can go about getting the CRS Financial Statements audited, which may pose issues since CRS operates on a calendar year basis, and the City (which is audited by the State Auditor) is on a fiscal year calendar. Director Barnhill recommended that CRS adopt a practice of issuing annual audited financial statements.
- Member Handbook and Retirement 101 Slides. Director Barnhill invited comments on the draft handbook. Director Barnhill reported that pro-active education on retirement benefits is commencing for active employees using the Retirement 101 slide deck in the Board's meeting packet. Providing members with access to regular education on their retirement benefits is an important element of retirement system operations. Trustee Menkhaus commented on the value of defined benefit plans. Trustee Moller endorsed the proposal to get information to active members.
- Staffing Update. One vacancy has been filled and will start soon. Additional interviews are

scheduled for another vacancy, and Director Barnhill hopes to start recruitment for the Member Counselor soon. The job analyses for the three position upgrades have been completed and submitted to HR. Director Barnhill also reported on changes to the CRS phone tree, with calls now ringing through staff desks, where they can be picked up and answered by a CRS staff person, before they go to voice mail. Director Barnhill stated that he will be monitoring and evaluating how this approach works in the weeks ahead. All CRS staff are attending customer service training on Oct. 20.

- Active and Retiree newsletters have recently gone out.
- CRS Board Training. Director Barnhill will be setting up board member training for new members. The Milwaukee County Fiduciary Performance Audit recommends that the Executive Director provide regular training for trustees. Director Barnhill proposed that he provide optional opportunities for Board members to take part in continuing education at or after each board meeting.

## **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.

Trustee Moller commented that the Law Dept. is working on these.

### **2021 CRS Annual Report**

Trustee Moller moved, and Trustee Gamel seconded, a motion to approve the 2021 CRS Annual Report in the Board packet. Director Barnhill drew the Board's attention to a new table in the report showing the Board's proposal to increase the City's contribution rate incrementally each year so that the pension fund achieves full funding by the end of 2045. Earlier in the year, the CRS actuary provided a scenario where the annual rate increments were 0.5%. With the investment losses so far this year, that approach will no longer achieve full funding, and so the scenario in the annual report uses increments of 0.75%. Director Barnhill reported further that this approach also coincides with a CSA requirement for the CRS actuary to provide a "Schedule of Funded Ratios" and revise it every five years. The CRS actuary has provided that schedule with a baseline of 12/31/2020 that also uses rate increments of 0.75% to achieve full funding by 2045. Director Barnhill reported that with the ERIP payment and stabilization fund payments, the City's contribution rate will be ahead of that schedule. Trustee Moller commented that the City's contribution rate has been below the actuarially determined employer contribution rate for several years.

The Board passed the motion on unanimous roll call vote.

### **New Business**

No new business.

### **Adjournment**

Following a motion to adjourn by Trustee Gamel and seconded by Trustee Juech, the Board approved the motion by unanimous roll call vote. The meeting adjourned at 2:34 PM.

Meeting video link: <https://archive.org/details/crs-board-meeting-10-6-22>

Next Meeting: November 3, 2022 at 2:00 p.m.

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

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Secretary