

**City of Cincinnati Retirement System
Board of Trustees Meeting Minutes
February 1, 2024 / 2:00 P.M.
City Hall – Council Chambers and remote**

Board Members

Bill Moller, Chair
Tom Gamel, Co-Chair
Kathy Rahtz
Mark Menkhaus Jr.
Monica Morton
John Juech
Tom West
Seth Walsh
Aliya Riddle

Administration

Jon Salstrom

Law

Ann Schooley

CALL TO ORDER

Chair Moller called the meeting to order at 2:03 p.m. and a roll call of attendance was taken. Trustees Moller, Gamel, Rahtz, Menkhaus, Morton, Juech, West, Walsh and Riddle were present.

PUBLIC COMMENT

No public comment.

APPROVAL OF MINUTES

Approval of the minutes of the Board meeting of January 11, 2024, was moved by Trustee Gamel and seconded by Trustee Menkhaus. The minutes were approved by unanimous roll call vote.

Report from Investment Committee

Chair Moller explained the four motions made by the Investment Committee.

- Motion to approve the 12/31/2023 4Q Investment Report. The motion was made by Chair Moller, no seconded needed, and was approved by unanimous roll call vote.
- Motion to approve the Marquette recommendation for private debt evergreen managers that includes approval of \$110M to be allocated as follows:
 - TPG, J.P. Morgan, Bain - \$30M each
 - Carlyle, Blue Owl - \$10M each

The motion was made by Chair Moller, no seconded needed, and was approved by unanimous roll call vote.

- Motion to approve the Investment Policy dated February 2024 that includes the changes made in 2023 and the change made for evergreen private debt managers. The motion was made by Chair Moller, no second needed, and was approved by unanimous roll call vote.
- Motion to include three objectives to the 2024 Investment Committee objectives as follows:
 - Implement Option B of the November 2, 2023, asset allocation plan.
 - Update the Investment Policy in accordance with Option B.
 - Conduct an evergreen private debt search.The motion was made by Chair Moller, no second needed, and was approved by unanimous roll call vote.

Informational – Staff Report

Marquette Investment Report

Chair Moller referenced the Investment Report that is included in the packet, which is a summary of the 4th quarter performance that was presented at the Investment Committee Meeting.

4Q23 Demographic, Budget and DROP Report

Chair Moller referenced all three reports included in the packet and stated that CRS is significantly under budget, which is a good thing.

Fiduciary Audit Report Update

Director Salstrom explained that they have a final draft report and city administration has seen it. He will work with legal and anticipates Funston to present at the Board meeting in the next month or two.

Staff Update on Open Positions

Director Salstrom reported they have identified an internal candidate for the Member Counselor position and currently backfilling the head of IT position for Christine Roberts' retirement that is coming in the middle of the year. He will continue to work toward the Administrative Technician and Accountant positions.

DROP Actuarial Analysis Update

Director Salstrom explained that the contract was completed with Foster & Foster. CRS has completed the request for information, and he anticipates being able to present the DROP Analysis at the Board meeting in the next month or two.

Healthcare Funding Policy

Director Salstrom explained that details of the Healthcare Funding Policy are being finalized.

Futures Commissions Update

Director Salstrom explained that the next update will come late in the first quarter.

Actuarial RFP Update

Director Salstrom explained that he hopes to have it posted by the middle of February. He is working with the City's internal procurement and buyer to get the RFP approved and finalized. The current FRP with Cheiron expires at the end of June. Chair Moller motioned to make a request to city administration to include board members on the selection committee on the Actuarial RFP and seconded by Trustee Rahtz. The motion was approved by unanimous roll call vote.

Old Business

Legal Opinion on the hold up to the Survivor Benefits Ordinance

Ann Schooley from the Law Department explained that there were a couple of issues that required further investigation to ensure that Law could properly draft the ordinance to comply with Ohio Law and that is what has slowed this process down. The Law Department has recently obtained additional direction and there are just a few final items to finalize. The issues primarily address whether there are any investive righted issues and the timing of when this could potentially be implemented in terms of any issues prospectively or retroactively, and making sure they are complying with Ohio Law.

New Business

New 115 Trust Subcommittee – Advice from Outside Counsel

Chair Moller gave a brief summary of the 115 Trust that was envisioned as part of the CSA. All of funds that go into paying for healthcare are in a separate trust under internal revenue code 115. Those funds are locked in and cannot be used for anything else. Ann Schooley explained that the memo from Ice Miller explained the issues which is attorney/client privilege. Legal concern is that CRS may not be in compliance. Director Salstrom and Chair Moller will continue to work with Law on this.

Civic Board and Commissions Academy – Board continued education

Director Salstrom explained that this has been brought to the Board's attention for continuing education purposes and referenced the flyer in the packet. He mentioned there will be online versions later in February. He also mentioned that NCPERS conferences are also listed on the last page of the packet. The education provides exposure to legal requirements and budget & finance information. Chair Moller recommended the training and voiced how very educational and informative it is.

Outsourced Voting Services

Director Salstrom explained that on occasion, the staff will be solicited by outside vendors that will engage with CRS on the ability, willingness and need of outsourcing the voting process. Knowing that there are three upcoming elections, the staff has asked to look into this as a potential option. If the Board finds it worthwhile to pursue, it can go to the Election Committee.

Update-to-date Strategic Plan 2024

Director Salstrom referenced the plan that is included in the packet. This is the updated and finalized Board & Committee objectives. He will keep this in the Board agenda going forward as informational item.

Update to the Term Limit Board Motion

Trustee Rahtz referenced the original motion from the last Board meeting to eliminate term limits for Trustees and provided context and the history of the Board and their troubles with Trustee vacancies and attendance. Ultimately, Trustee Rahtz proposed another motion and asked for Executive Director Salstrom and Legal Counsel, specifically, and explicitly, to create an ordinance modifying CMC article 15 section 1 that eliminates term limits and seconded by Trustee Gamel. The motion was approved 8-1.

Adjournment

Following a motion to adjourn by Trustee Menkhaus and seconded by Trustee Gamel. The Board approved the motion by unanimous roll call vote. The meeting adjourned at 2:47 p.m.

Meeting video link: <https://archive.org/details/crs-board-2-1-24>

Next Meeting: Thursday, March 7, 2024, at 2:00 p.m. – City Hall Council Chambers and via Zoom



Secretary