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**City of Cincinnati Retirement System
Board of Trustees Meeting Minutes
February 6, 2025 / 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
Seth Walsh
Aliya Riddle
Sonya Morris
Tom West

Administration

Jon Salstrom

Law

Kevin Frank

CALL TO ORDER

Chair Moller called the meeting to order at 2:09 p.m. and a roll call of attendance was taken. Trustees Moller, Gamel, Rahtz, Menkhaus, Morton, Walsh, Riddle, Morris, and West were present.

PUBLIC COMMENT

No public comment.

APPROVAL OF MINUTES

Trustee Rahtz moved to approve the minutes of the Board meeting of January 9, 2025. The motion was seconded by Trustee Walsh. The minutes were approved by unanimous roll call vote.

Report from Investment Committee

Informational – Staff Report

Marquette Investment Report

Chair Moller presented two motions from the Investment Committee:

- Motion 1: To accept and approve the quarterly investment report from Marquette. No second needed. The motion was approved by unanimous roll call vote.
- Motion 2: To rescind two redemption requests from Morgan Stanley and Principal, totaling \$2 million. The funds will remain invested in Real Estate to help secure CRS. No second needed. The motion was approved by unanimous roll call vote.

Additionally, the Marquette investment report was reviewed during the meeting, showing a 9.3% return over the past year, slightly outperforming the benchmark, which was seen as positive.

Staff Update

Director Salstrom explained the three open positions:

- Division Manager: This position is replacing John Dietz. Kyle Brown is currently filling the role. The position is posted, and the hiring process is expected to be completed in the next few months.
- Administrative Technician: Close to interviewing candidates for this role.
- Administrative Specialist: This position will need to be posted after the Administrative Technician role is filled.

Benefits Subcommittee

This is the 115 Trust Committee which is meeting at 3:00 p.m. The focus of the meeting will be to handle quick organizational matters to move forward on the committee's work.

415B Update

Director Salstrom explained that included in the packet is the final report from Cheiron, which outlines the historical dollar amounts related to 415B overages. The total amount of these overages is nearly \$2.5 million, which will be allocated to the trust to ensure compliance with the 415B concern. Council approved a \$4 million injection into the fund at the end of Q3 last year. This consists of \$2 million from the waterfall structure and \$2 million to address the 415B concern.

Director Salstrom is working with the Budget team to adjust the \$2 million from the waterfall by approximately \$500 thousand to account for the 415B issue, based on the final report from Cheiron. After this adjustment, the waterfall overflow will be about \$1.5 million, and this will be reflected in the budget process.

Those affected will receive two checks. One check will come from the pension system and the other check will come from the City of Cincinnati. This approach is to stay in compliance with 415B of the IRS code. The affected individuals will be contacted to inform them about the two checks. They will be advised to look for the checks and understand the purpose of the process.

Fiduciary Audit Recommendations Update

Director Salstrom referenced the spreadsheet tracking the progress of current projects included in the packet. There are no new updates since the last meeting. He highlighted that staff is working on finalizing the CEM Benchmarking contract. This process required a waiver from Procurement to award the contract directly to CEM Benchmarking. The goal is to have the contract finalized within the next month, so work can begin on the two projects. Director Salstrom believes these projects will provide valuable insights into other recommendations within the report.

Old Business

Term Limits Ordinance

Kevin Frank was introduced as the new CRS Board attorney. Kevin discussed the proposed changes:

- A proposal to implement a 12-year term limit for Board members, which would consist of 3 consecutive 4-year terms. After reaching this limit, a member would need to sit out one 4-year term before serving again.

- A proposed change that if an elected member vacates their seat during their term, the Board can appoint a replacement for up to 180 days. After the 180 days, an election must be held.

After discussion, the Trustees suggested a modification where if a vacancy occurs, an interim member could be appointed, the election process would start immediately, and the interim member would serve until a new member is elected. Chair Moller made the motion to adopt this solution, and Trustee Walsh seconded. The motion was approved by unanimous roll call vote.

New Business

Committee Assignments

Chair Moller announced that Sonya Morris will be appointed as the Chair of the Investment Committee and Aliya Riddle will be appointed as the Vice Chair. According to Rule 8 of the Board's rules, the Board Chair has the authority to make these designations. Both Sonya Morris and Aliya Riddle have agreed to the appointments. Both Sonya and Aliya are investment professionals, making them well-suited for these roles. Chair Moller believes this is a good match for the committee leadership.

Both individuals will also serve as Chair and Vice Chair to the 115 Trust Subcommittee, which primarily handles fiduciary and investment-related responsibilities. Given their professional backgrounds, it makes sense for them to lead this subcommittee as well.

Adjournment

Following a motion to adjourn by Trustee Gamel and seconded by Trustee Morton. The Board approved the motion by unanimous roll call vote. The meeting was adjourned at 2:32 p.m.

Meeting video link: <https://archive.org/details/crs-board-2-6-25>

Next Meeting: Thursday, March 6, 2025, at 2:00 p.m. – City Hall Council Chambers and via Zoom

Jon Salstrom

Secretary