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**City of Cincinnati Retirement System  
Board of Trustees Meeting Minutes  
May 1, 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 2:01 p.m. and a roll call of attendance was taken. Trustees Moller, Gamel, Rahtz, Menkhaus, Morton, Riddle, Morris and West were present. Trustee Walsh was absent.

**PUBLIC COMMENT**

No public comment.

**APPROVAL OF MINUTES**

Trustee Gamel moved to approve the minutes of the Board meeting of April 3, 2025. The motion was seconded by Trustee Morris. The minutes were approved by unanimous roll call vote.

**Report on Investment Committee**

Chair Morris outlined the three motions made at the Investment Committee meeting.

- Accepted and approved the Investment Report presented by Marquette; no second needed. The motion was approved by unanimous roll call vote.
- Approved Marquette's recommendation to commit up to \$10M in Private Equity investments with allocations to Sapphire and Windrose; no second needed. The motion was approved by unanimous roll call vote.
- Approved staff-led adjustments to the policy benchmark within the Investment Policy Statement; no second needed. The motion was approved by unanimous roll call vote.

## **Informational – Staff Report**

### Marquette Investment Report

Chair Moller noted that there was no further update on this item, as it was recently reviewed and discussed in detail during the Investment Committee meeting.

### Staff Update

Interviews have been completed for the Administrative Technician position and a hiring decision is expected within the next 1-2 weeks. Currently reviewing approximately 160 applications for the Administrative Specialist position. Interviews are anticipated to begin within the next month. Efforts are ongoing to fill open roles and address staffing needs.

### Credit Service Purchase Update

There was no update to provide at this time. Director Salstrom will follow up with the Board once a formal update is available.

### Fiduciary Audit Recommendations Update

A key focus area is the Governance Manual. Recent changes have been adopted and incorporated. The updated version has been sent to the graphic designer for formatting. It is expected to be ready for review at the next Governance Committee meeting, followed by presentation to the Board.

The CEM Benchmarking initiative will support progress on several outstanding recommendations. Work on this will begin shortly.

## **Old Business**

### Term Limits Ordinance

The Term Limits Ordinance has officially passed. A presentation was made before the Public Safety and Governance Committee, following a preparatory meeting including the Board Chair, Director and the Committee Chair. The ordinance was approved by the Committee and subsequently passed by City Council, as expected.

## **New Business**

### Cheiron 2024 Valuation Report and Presentation for the Pension and Healthcare Trusts

Kevin Woodrich and Janet Cranna were in attendance to present on the Pension.

## **Pension System Review – Summary**

- **Funded Status & Valuation:** The pension system's funded status was discussed, comparing market vs. actuarial value of assets.
- **Historical & Comparative Context:** Reviewed the system's history, maturity ratio, and how it compares to 290 other systems, with the support ratio and payroll data placing it in the upper quartile.
- **Cash Flow & Investment Returns:** Noted strong investment performance with a 9.73% return, exceeding the 7.5% assumed rate.
- **Contributions:** \$300 million in contributions were highlighted as beneficial. Payroll contributions increased despite a lower rate.
- **Liabilities:**
  - Actuarial liability: \$2.7 billion
  - Unfunded liability: \$846 million (increased by \$4.3 million due to salary increases and asset losses)

- Funded ratio: 68.3%
- **Assumptions & Deviations:** Liability losses occurred due to assumption deviations.
- **Projections:** 30-year projections of assets and liabilities were reviewed, emphasizing the impact of payroll growth and investment returns on the funding ratio.
- **Visualization:** The "tread water cost line" was noted as representing the unfunded liability.

Gaelle Gravot and Beth Mercer were in attendance to present on Retiree Medical.

#### **OPEB Actuarial Valuation Review – Summary**

- **Funding Status:**
  - Funded Ratio: 155.0% (AVA), 153.9% (MVA) as of 12/31/2024.
  - Plan closed as of 12/31/2015.
- **Key Historical Changes:**
  - 2016: Liability drop due to lower drug cost assumptions, contribution rate changes, and asset transfers to the pension fund.
  - 2020: Switch to Medicare Advantage plan lowered 2019 liabilities by over \$127M.
- **Valuation Results & Reconciliation**
  - **Purpose:** Results inform OPEB Trust funding-not used for financial statements.
  - **Actuarially Determined Contribution (ADC):** \$0 due to overfunded status.
  - **Reconciliation Details:**
    - **Census Change:** \$6.9M gain-due to a reduction in active and inactive populations.
    - **Trend Changes:** \$31.4M gain-reflecting updated assumptions post-inflation Reduction Act (IRA) on Medicare Part D (Pharmacy EGWP).
    - **Contribution Changes:** \$5.5M loss-model contribution schedule updated as of 7/1/2024 and 2025 premiums factored in.
- **Projections & Trends**
  - **2025 Assumed Return:** 7.5% (stress tested with -23% return scenario).
  - **Historical Average Return:** 7.26% (based on 20-year, 80% equity/20% fixed asset mix).
  - **Trend Analysis:**
    - Developed separately for medical and pharmacy, Medicare and Non-Medicare.
    - Drug trend for Medicare reflects anticipated effects of the IRA's Part D redesign.
- **Next Steps**
  - **GASB 74/75 Compliance:**
    - Discount rate testing: If assets return better than -23%, 7.5% rate applies for 6/30/2025; otherwise, a lower blended rate (e.g. 6.8% if return is -25%) will be used.
  - **Reports & Deliverables:**
    - Draft GASB 75 Report due October 2025.
    - Health Plan Contribution Rate Developments results due September 2025 for rates effective January 1, 2026.
  - **Assumption Used:**
    - **Demographic:** Based on City's 2023 experience study (adopted March 23, 2023).
    - **Economic:** Based on claims through December 2023 and future trend expectations.
    - **Claims Development:** Utilized claims from CY 2021-2023 for four population groups

- Medicare Eligible Part A&B
- Part B Only
- Part A Only
- Non-Medicare Eligible
- **Plan Enrollment:**
  - Medicare Advantage for Part A&B or Part B Only.
  - Self-insured plan for others.
  - All 65+ assumed eligible for Medicare Part D.

**Disability Claim**


A disability claim was included in the meeting packet. Chair Moller made a motion to approve the claim; seconded by Trustee Gamel. The motion was approved by unanimous roll call vote.

**Adjournment**

Following a motion to adjourn by Trustee Moller and seconded by Trustee Gamel. The Board approved the motion by unanimous roll call vote. The meeting was adjourned at 2:58 p.m.

**Meeting video link:** <https://archive.org/details/crs-board-5-1-25>

**Next Meeting:** Thursday, July 10, 2025, at 2:00 p.m. – City Hall Council Chambers and via Zoom

  
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Secretary