



## **City of Cincinnati Retirement System Governance Committee Meeting**

### **Agenda**

**December 2, 2021 at 12:00 – 2:00  
City Hall, Council Chambers and Via Zoom**

#### **Members**

Mark Menkhaus, Jr., Chair  
Don Stiens  
Tom Gamel  
Kathy Rahtz  
Erica Winstead

#### **Administration**

Mike Barnhill  
Paula Tilsley  
Renee Tyree  
Ann Schooley  
Linda Smith

#### **Call to Order**

#### **Approval of Minutes**

📅 Minutes September 2, 2021

#### **Unfinished Business**

📅 Continue to Review and Update Rules of the Board (2018 Version)

#### **Adjournment**

**Next Meeting:** TBA



## City of Cincinnati Retirement System Governance Committee Meeting

Minutes, September 2, 2021 12:00PM  
City Hall – Council Chambers and via Zoom

### Committee Members

Mark Menkhaus, Jr, Chair      Bill Moller  
Don Stiens, Vice Chair  
Tom Gamel  
Kathy Rahtz  
Erica Winstead

### Administration

Paula Tilsley  
Renee Kabin  
Ann Schooley

**Absent:** Betsy Sundermann

Meeting was called to order by M. Menkhaus, Jr. at 12:04 P.M. and a roll call of attendance was taken.

### APPROVAL OF MINUTES

D. Stiens made a motion to approve the minutes from the June 10, 2021 meeting. E. Winstead seconded the motion. A roll call vote was taken to approve the minutes. Roll call vote results follow:

M. Menkhaus, Jr. - Y  
D. Stiens – Y  
T. Gamel – Y  
K. Rahtz – Y  
E. Winstead - Y

Minutes of the June 10, 2021 Governance Committee meeting were approved.

### UNFINISHED BUSINESS

#### Continued Revision and Update of Board Rules

There were several changes discussed with the intent to harmonize with the Governance Manual and remove conflicts with CSA provisions. K. Rahtz gave an overview of her proposed additions and revisions to language involving elections appeals and protests.

#### ***Committee Action***

Mark Menkhaus, Jr. made a motion to change the language in the Governance Manual in Section 1., subsection d. regarding trustee attendance from a minimum of three-fifths to two-thirds involving the number of missed meetings to remain a trustee on the Board from two-thirds to three-fifths to match the Cincinnati Administrative Code. E. Winstead seconded the motion. A roll call vote was taken, with the following results: (All changes appear in *italics*)

M. Menkhaus, Jr. – Y  
T. Gamel – Y  
K. Rahtz – Y  
D. Stiens – Y

E. Winstead – Y

The motion passed to change language in the Governance Manual Section 1., subsection d. to read:  
*A Trustee who fails to attend at least two-thirds of the regular and special meetings of the Board during any two-year period forfeits membership on the Board.*

***Committee Action***

Mark Menkhaus, Jr. made a motion to adopt revisions to Board Rules # I, III, IV, IX, X, XVIII and XIX as they appear in the draft provided to the Committee. E. Winstead seconded the motion.

Rule X was further revised to remove the last sentence.

During discussion, K. Rahtz provided additional draft text to further flesh out language regarding election appeals and protests and discussed the changes included in this draft.

T. Gamel expressed reluctance to change Rule XVIII and proposed an amendment to the motion to adopt changes for I, III, IV, IX, X, and XIX. Mr. Menkhaus Jr. accepted the friendly amendment and revised his motion to adopt the changes to Rules I, III, IV, IX, X and XIX. A roll call vote was taken and the results follow:

M. Menkhaus, Jr. – Y

T. Gamel – Y

K. Rahtz – Y

D. Stiens – Y

E. Winstead - Y

The motion passed to adopt revisions to Rules of the Board I, III, IV, IX, X and XIX as they appear in the draft copy provided to the Committee and remove last sentence of Rule X.

***Committee Action***

Mr. Menkhaus Jr. made a motion to delete Rules XIII and XVI. K. Rahtz seconded the motion.

During discussion, Ms. Tilsley pointed out that the CSA limits the ability of the Board and Council to change certain benefits and Rule XVI is already addressed in the Cincinnati Municipal Code.

A roll call vote was taken and the results follow:

M. Menkhaus, Jr. – Y

T. Gamel – N

K. Rahtz – Y

D. Stiens – Y

E. Winstead – Y

***Committee Action***

M. Menkhaus, Jr. made a motion to adopt changes to Rule XIV to remove original Section E., and modify original Section F. to read: “The Board will follow the City’s Purchasing Department procedures *as described in Section N of the CSA Board Reforms.*” T. Gamel seconded the motion. A roll call vote was taken, and the results are as follows:

M. Menkhaus, Jr. – Y

T. Gamel – Y

K. Rahtz – Y

D. Stiens – Y

E. Winstead – Y

Mr. Menkhaus, Jr. initiated discussion on revising Rule V from having special meetings called by the Chairperson to changing to two or more members in order to call a special meeting. A. Schooley discussed the need to be able to call special meetings in a timely manner regarding election matters.

***Committee Action***

Mr. Menkhaus, Jr. made a motion to adopt changes to Rule V as follows in italics:

“Special meetings of the Board of Trustees may be held at the request of the Chairperson *or two or more members* not less than 48 hours before the time of the meetings, and not less than 24 hours’ notice to each

member. The notice for the meeting must state the time, date, location, and subjects to be considered at the meeting and be posted on the Cincinnati Retirement System's web page, in compliance with Ohio Revised Code Section 121.22. No other subject may be discussed except with the approval of a majority of the Board.”

A roll call vote was taken and the results follow:

M. Menkhaus, Jr. – Y  
T. Gamel – Y  
K. Rahtz – Y  
D. Stiens – Y  
E. Winstead – Y

The motion to adopt changes to Rule V, Special Meetings, passed.

### ***Committee Action***

M. Menkhaus, Jr. made a motion to adopt changes to Rule VIII, Committees.

“The Chair shall annually appoint standing Investment, Performance Evaluation, Governance, and Elections Committees, comprised of no fewer than three members of the Board. The Chair shall fill any vacancies on committees as they may occur. The Chair may appoint special committees as needed to conduct the business of the Board. The Chair shall designate a member to chair each Committee. The Investment Committee shall adopt a regular time and place for meeting. Other Committee meetings are at the call of the Committee Chair. Notice of all committee meetings shall be given in compliance with Ohio Revised Code Section 121.22.”

During discussion, D. Stiens pointed out that since the CSA describes Committees and who should be on them, there should be an addition to the first sentence, “in accordance with the CSA”. A question was asked regarding why Benefits was not listed as a Committee of the Board. T. Gamel asserted that Benefits should be a standing Committee, just not a regularly scheduled one. M. Menkhaus, Jr. amended his motion to state: “The Chair shall annually appoint standing Investment, Benefits, *Performance Evaluation*, Governance, and Elections Committees, comprised of no fewer than three members of the Board, *in accordance with the CSA.*” A roll call vote was taken, and results of which follow:

M. Menkhaus, Jr. – Y  
T. Gamel – Y  
K. Rahtz – Y  
D. Stiens – Y  
E. Winstead - Y

### ***Committee Action***

Having no further business, D. Stiens made a motion to adjourn. E. Winstead seconded the motion. With no further discussion, the motion to adjourn passed. Meeting was adjourned at 1:16 P.M.

Next Meeting: TBD

# Cincinnati Retirement System

## Proposed Changes to the Governance Manual and the Rules of the Board as Passed or Failed by the Governance Committee on September 2, 2021

### Governance Manual (passed)

#### 1. Board Composition

- d. A Trustee who fails to attend at least two-thirds of the regular and special meetings of the Board during any two-year period forfeits membership on the Board.

### Rules of the Board (passed)

#### Rule I Order of Business

- A. Approval of Minutes
- B. Reports of the Secretary and the Committees
- C. Unfinished Business
- D. New Business
- E. Informational
- F. Adjournment

#### Rule III Meeting Place and Time (passed)

Regular meetings of the Board of Trustees are generally held monthly in accordance with an annual calendar of dates as approved by the Board each year.

#### Rule IV Open Meetings (passed)

All meetings of the Board and its Committees are open to the public, except that the Board and its Committees may adjourn into Executive Session under circumstances permitted under Ohio Revised Code Section 121.22. The Secretary, which is defined as the CRS Executive Director, has the duty to cause minutes to be prepared of all meetings and keep the minutes available to the public.

#### Rule V Special Meetings (passed)

Special meetings of the Board of Trustees may be held at the request of the Chairperson or two or more members not less than 48 hours before the time of the meetings, and not less than 24 hours notice to each member. The notice for the meeting must state the time, date, location, and subjects to be considered at the meeting and be posted on the Cincinnati Retirement System's web page, in compliance with Ohio Revised Code Section 121.22. No other subject may be discussed except with the approval of a majority of the Board.

**Rule VIII      Committees (*passed*)**

The Chair shall annually appoint standing Investment, Benefits, Performance Evaluation, Governance, and Elections Committees, comprised of no fewer than three members of the Board, in accordance with the Collaborative Settlement Agreement. The Chair shall fill any vacancies on committees as they may occur. The Chair may appoint special committees as needed to conduct the business of the Board. The Chair shall designate a member to chair each Committee. The Investment Committee shall adopt a regular time and place for meeting. Other Committee meetings are at the call of the Committee Chair. Notice of all committee meetings shall be given in compliance with Ohio Revised Code Section 121.22.

**Rule IX        Matters Referred to Committees (*passed*)**

The Chair shall present matters immediately to the various committees. The committees are to submit their reports at a future Board meeting.

**Rule X         Attendance (*passed*)**

Board members have the duty to attend the meetings of the Board and the meetings of such committees as to which they have been appointed. A member who fails to attend at least two-thirds of the regular and special meetings of the Board during any two-year period forfeits membership on the Board.

*(passed)*

**Rule XIV      Delegation of Functions (*passed*)**

- A. The Board may delegate functions that prudent trustees acting in a like capacity and familiar with those matters could properly delegate under the circumstance.
- B. The Board shall exercise reasonable care, skill, and caution in:
  - 1. Selecting a service provider, an agent or other person to perform duties it delegates;
  - 2. Establishing the scope and terms of the delegation, consistent with the purposes and terms of the Retirement System; and
  - 3. Periodically reviewing the service provider or agent's performance and compliance with the terms of the delegation.
- C. Every agreement for the retention of a service provider or agent shall prohibit the service provider or agent and the employees and subcontractors of a service provider or agent engaged in providing goods or services to the Retirement System from directly or indirectly giving, soliciting or receiving or in any manner being concerned in giving, soliciting or receiving any assessment, subscription or contribution for any political

party in the City of Cincinnati or Hamilton County or for any candidate for public office in the City of Cincinnati or Hamilton County.

- D. Every agreement for the retention of an agent shall prohibit the agent from paying any finder's fee or commission based on obtaining the agreement with the Retirement System to any person other than:
1. An employee of the agent, or
  2. A person whose identity and the basis for compensation is disclosed in writing to the Retirement System prior to entering into the agreement.

E.

F. The Board will follow the City's Purchasing Department procedures as described in Section N of the Collaborative Settlement Agreement Board Reforms.

- G. Every agreement for the retention of an agent shall clearly identify the responsibilities of the agent and state the standards by which the agent's performance shall be evaluated.

*(passed)*

**Rule XIX Annual Report *(remains to be updated)***

The Secretary shall prepare, send to members and persons receiving benefits and make available for public inspection an annual report.

The annual report must contain:

- A. The name of each member of the Board
- B. A summary description of any material modification of the Retirement System since the last publication of the Member Handbook.
- C. A concise and accurate compilation of the financial statements, but not the notes, required by Rule XVIII (B).
- D. A restatement of the Summary of Principal Valuation Results, or substantially similar data, as reported by the Retirement System's actuary.
- E. Other material necessary to summarize fairly and accurately the annual disclosure of financial and actuarial status.

# Cincinnati Retirement System

## Proposed Changes to the Rules of the Board Presented December 2, 2021

### Rule VIII Committees

The Chair shall annually appoint standing Investment, Benefits, ~~Performance Evaluation,~~ Governance, and Elections Committees, comprised of no fewer than three members of the Board, ~~in accordance with the Collaborative Settlement Agreement.~~ The Chair shall fill any vacancies on eCommittees as they may occur. The Chair may appoint sub-committees or special committees as needed to conduct the business of the Board. All Committees, sub-committees and special committees shall include an Appointed Trustee, Active Employee Trustee and Retiree Trustee in accordance with the Collaborative Settlement Agreement. The Chair shall designate a member to chair each Committee. The Investment Committee shall adopt a regular time and place for meeting. Other Committee meetings are at the call of the Committee Chair. Notice of all eCommittee, sub-committee and special committee meetings shall be given in compliance with Ohio Revised Code Section 121.22.

### Rule XIX Annual Information Reporting Requirements

The Secretary shall ensure that the following information is prepared and made available on either the Cincinnati Retirement System's website or the City's website as appropriate; send to members and persons receiving benefits and make available for public inspection an annual report.

~~The annual report must contain:~~

- A. The name, term and status of each member of the Board (Appointed, Active Employee, Retiree);
- B. ~~A summary description of any material modification of the Retirement System since the last publication of the Member Handbook.~~ The Board's Annual Report to Council;
- C. ~~A concise and accurate compilation of the financial statements, but not the notes, required by Rule XVIII (B).~~ Financial statements in conformity with generally accepted accounting principles;
- D. The Annual Actuarial Valuation as reported by the Retirement System's actuary; ~~A restatement of the Summary of Principal Valuation Results, or substantially similar data, as reported by the Retirement System's actuary.~~
- E. Other material necessary to summarize fairly and accurately the annual disclosure ~~of financial and actuarial status.~~ Investment Reports.

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# **Cincinnati Retirement System**

## **Proposed Changes to the Rules of the Board Presented December 2, 2021**

### **Rule VIII     Committees**

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### **Rule XIX     Information Reporting Requirements**

The Secretary shall ensure that the following information is prepared and made available on either the Cincinnati Retirement System's website or the City's website as appropriate:

- A.     The name, term and status of each member of the Board (Appointed, Active Employee, Retiree);
- B.     The Board's Annual Report to Council;
- C.     Financial statements in conformity with generally accepted accounting principles;
- D.     The Annual Actuarial Valuation as reported by the Retirement System's actuary;
- E.     Investment Reports.