



**City of Cincinnati Retirement System
Governance Committee Meeting Minutes
July 13, 2023/ 12:00 P.M.
City Hall – Council Chambers and remote**

Board Members

Mark Menkhaus, Jr., Chair
Tom Gamel, Vice Chair
John Juech
Bill Moller
Kathy Rahtz
Seth Walsh
Aliya Riddle

Administration

Karen Alder
Mike Barnhill, Contractor

Law

Ann Schooley
Linda Smith

Call to Order

The meeting was called to order at approximately 12:01 p.m. by Chair Menkhaus and a roll call vote of attendance was taken. Committee members, Menkhaus, Gamel, Moller, Rahtz, Walsh, and Riddle were present. Trustee Juech was absent.

Public Comment

No public comment.

Approval of Minutes

Approval of the minutes of the January 12, 2023, meeting was moved by Trustee Rahtz and seconded by Trustee Walsh. The minutes were approved by unanimous roll call vote.

Old Business

CRS Ethics Policy

Chris Liu, the Chief Counsel for Ethics and Good Government for the City's Law Department, spoke on revisions made to the proposed Ethics Policy.

Mr. Liu explained the policy is a compilation of existing Ohio Ethics Laws, City Admin Regulation, and other rules and policies that impact the ethics obligations of all public officials. The policy of the Cincinnati Retirement System (CRS) is to carry out its mission in accordance with the strictest ethical guidelines and to ensure that board members and employees conduct themselves in a manner that fosters public confidence in the integrity of CRS and its processes.

Mr. Liu indicated that the proposed policy does not create any additional or any less obligations or duties than what is already imposed by Ohio Law and City of Cincinnati Administrative Regulations. The proposed policy is intended to be a summary of the ethics rules that most closely apply to the CRS Board. Mr. Liu gave examples of conflicts of interest that might be common for the Board and prohibition of gifts valued greater than \$25 as stated in the policy. He also noted that The Ethics and Good Government Office is a resource for all City employees and City Board Members. If needed, Board Members can reach out to the Ohio Ethics Commission with any questions or concerns..

Chair Menkhaus reminded Committee Members that creating this policy now is proactive in anticipation of the upcoming fiduciary audit. He commented on how Mr. Liu referenced the Administrative Code, Revised Code, and Administrative Regulations throughout the document. Chair Menkhaus then asked Mr. Liu; In the absence of this policy, does administrative regulation apply to all the members of a board, such as the CRS Board? Mr. Liu responded that the regulations would apply to City employees and the expectations apply to those appointed to positions but are not explicitly beholden to City of Cincinnati regulations. However, Ohio Ethics Laws do apply to members of the CRS Board. Administrative Regulation 68 applies to City employees but is a reference for Board Members.

Chair Menkhaus asked if the policy needs to be approved or reviewed by the Ohio Ethics Commission before the Board moves to approve the policy? Mr. Liu explained that the City's Ethics and Good Government staff consulted with the Ohio Ethics Commission with a previous draft of the policy and provided guidance which was incorporated into the current edits made.

Trustee Moller asked Mr. Liu to explain recusing yourself. Mr. Liu referenced the Conflict Disclosure on page 3 of the policy which states; "In the event of a conflict of interest, the conflicted CRS Board Member or employee may not vote, authorize, recommend, discuss or in any other way participate in the matter. A CRS board member shall remove himself or herself from the meeting room during that portion of the meeting involving the item from which that Board Member is conflicted."

Trustee Moller asked about a hypothetical situation if a Board Member was a client of Fidelity who has an investment with Vanguard, and the Retirement board also has an investment with Vanguard, is that trustee conflicted? Mr. Liu answered the Board Member would probably not be conflicted because there is not a direct nexus between the private investment decision made by the Board Member and the CRS's business.

Trustee Rahtz asked Chair Menkhaus about the Financial Disclosure being red lined on the policy and if it is eliminated from the policy. Chair Menkhaus confirmed that it had been removed.

Director Alder explained to the committee that the proposed policy applies to the Board and the staff members of CRS. She asked that Mr. Liu address this issue. Mr. Liu explained that the issue of the conduct of City employees is the responsibility of the City Manager, and the conduct of CRS Board members is a matter for the CRS Board to address.

Chair Menkhaus made a motion that the Ethics Policy be adopted as drafted with one exception. He stated that the phrase "Board members and employees" should be revised to state "Board members" only. Trustee Moller asked Mr. Liu if the Ethics Policy should apply to the Executive Director? Mr. Liu explained that the Executive Director is an employee of the City Manager and explained that the Executive Director follows the same rules and regulations as all City employees. Chair Menkhaus left his

amended motion unchanged. Trustee Walsh seconded the motion. The motion was approved by a majority roll call vote.

Trustee Training Policy

Chair Menkhaus addressed the proposed changes to the Trustee Training Policy. He explained that the revision would require training for trustees vs. simply encouraging the training. The revisions would also require that the Executive Director prepare an individual training plan for each trustee and prepare a schedule of training opportunities for all Board members.

Chair Menkhaus moved to adopt revisions to the policy and the motion was seconded by Trustee Rahtz.

Trustee Riddle asked for more specifics regarding training. Chair Menkhaus explained that it was left intentionally vague as the Executive Director will prepare an individual training plan for each Trustee.

Director Alder explained that there is no internal City training currently being offered and she has spoken to HR about creating a virtual class.

The motion to adopt the revisions was approved by unanimous roll call vote.

Committee Charters

Chair Menkhaus explained that it was discussed previously that the Governance Committee would review Committee Charters for itself and each of the committees. The Benefits Committee, Investment Committee, and Governance Committee Charters have currently been revised. Once these charters are moved for adoption and approved, then the Governance Committee will consider Charters for the Performance Evaluation Committee and Elections Committee at a future date.

Chair Menkhaus moved to adopt the Benefits Committee, Investment Committee, and Governance Committee Charters as drafted and the motion was seconded by Trustee Walsh. Motion to adopt was approved by unanimous roll call vote.

457 Plan Fiduciary Oversight

Director Alder explained to the Committee she feels that the 457 Oversight is a City Administration issue, and not a Board issue at this time. She recommended this be revisited once the new CRS Director is hired.

Chair Menkhaus asked Director Alder if there is any action that is likely to change the scope or put any further requirements on the firm that does our fiduciary audit? Director Alder answered that there is not.

Adjournment

A motion to adjourn was made by Chair Menkhaus and seconded by Trustee Rahtz. The Governance Committee approved the motion by unanimous roll call vote. The meeting adjourned at 12:57 p.m.

Meeting video link: <https://archive.org/details/crs-governance-com-7-13-23>

Next Meeting: October 5, 2023, City Council Chambers and via Zoom



Secretary