

**City of Cincinnati Retirement System  
Governance Committee**

**City Council Chambers and via Zoom  
October 5, 2023 – 12:00 PM**

**AGENDA**

**Members**

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

**CRS Staff**

Karen Alder  
Jon Salstrom


**Law**

Ann Schooley  
Linda Smith

**Call to Order**

**Public Comment**

**Approval of Minutes**

 Meeting of July 13, 2023

**Old Business**

-  Committee Charters/ Ad Hoc meeting policy discussion
-  457 Plan Fiduciary Oversight discussion

**New Business**

-  Board Member Attendance Policy
-  Creation of Audit Committee

**Adjournment**

**Next Meeting:** TBD, City Council Chambers and via Zoom

**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

## CRS Benefits Committee Charter

The Board of Trustees of the Cincinnati Retirement System has adopted this Benefits Committee Charter.

### Purpose

The Benefits Committee is responsible for the periodic review of the benefits offered by the Cincinnati Retirement System and funded by the 115 Trust and for making recommendations to the City Manager and City Council for any changes.

### Composition

The Benefits Committee shall consist of no fewer than three members of the Retirement Board appointed by the Chair of the Board. In making appointments, the Chair of the Board will ensure representation from each category of trustee: one Mayoral Appointed Trustee, one Active Employee Trustee and one Retiree Trustee. ~~At the start of each odd-numbered year, the Committee will select a Chair and Vice Chair by majority vote, each to serve a two-year term.~~

### Meetings

~~The Committee will meet on an as needed basis as determined by the Chair of the Committee.~~ A quorum consists of a majority of members appointed to the committee who may be physically or remotely present. A member participating remotely must be able to actively participate in the meeting so that they can ask questions and cast votes in a manner that can be heard. Committee meetings shall be considered meetings of a public body subject to applicable laws and be open to the public commensurate with the method in which the meeting is being conducted. Each meeting agenda will be posted on the CRS website in advance and in accordance with applicable law. Meeting materials will be prepared by the Executive Director, as necessary.

Staff will prepare and post minutes for each meeting.

### Responsibilities

The Benefits Committee is responsible for:

- Reviewing the benefits offered by the Cincinnati Retirement System and considering recommendations for changes as needed.
- Scheduling periodic update presentations by CRS contractors who administer benefits, including healthcare benefits.
- With the assistance of staff, annually evaluating the performance of the healthcare vendors.
- With the assistance of staff and any retained healthcare consultant, ensuring the proper and sustainable administration of healthcare benefits.

Any changes adopted by the Benefits Committee are subject to final approval by the full Board of Trustees.

### **Procedures for Amending the Benefits Committee Charter**

This Charter may be amended by a majority vote of the Board. Recommendations for policy changes should be directed to the Executive Director. The Executive Director shall review all such recommendations and is responsible for submitting necessary changes to the Board for approval.

~~The Benefits Committee Charter shall be reviewed every two years.~~

## CRS Governance Committee Charter

The Board of Trustees of the Cincinnati Retirement System (“Board”) has adopted this Governance Committee Charter.

### Purpose

The Governance Committee is responsible for the proper governance of the Board and the Board’s oversight of the Cincinnati Retirement System (“CRS”).

### Composition

The Governance Committee shall consist of no fewer than three members of the Retirement Board appointed by the Chair of the Board. In making appointments, the Chair of the Board will ensure representation from each category of trustee: one Mayoral Appointed Trustee, one Active Employee Trustee and one Retiree Trustee in accordance with the Collaborative Settlement Agreement. ~~At the start of each odd-numbered year, the Committee will select a Chair and Vice Chair by majority vote, each to serve a two-year term.~~

### Meetings

~~The Committee will meet at least quarterly.~~ A quorum consists of a majority of members appointed to the committee who may be physically or remotely present. A member participating remotely must be able to actively participate in the meeting so that they can ask questions and cast votes in a manner that can be heard. Committee meetings shall be considered meetings of a public body subject to applicable laws and be open to the public commensurate with the method in which the meeting is being conducted. Each meeting agenda will be posted on the CRS website in advance and in accordance with applicable law. Meeting materials will be prepared by the Executive Director, as necessary.

Staff will prepare and post minutes for each meeting.

### Responsibilities

The Governance Committee is responsible for

- Drafting and updating the Board’s Governance Manual, as well as any board rules and policies. The CRS Governance Manual may include policies related to the functions of the Cincinnati Retirement System, including the conduct of board meetings, CRS operations, trustee elections, ethics, financial disclosure, board committees, member handbooks, trustee education, consideration of disability retirement applications, and appeal procedures for members relating to eligibility and disability determinations.

- Drafting and updating Committee Charters.
- Working collaboratively with the Executive Director, the Governance Committee shall have a consultative role in the drafting and updating of CRS Operations Policies and Procedures.

Any changes adopted by the Governance Committee are subject to final approval by the full Board of Trustees.

### **Procedures for Amending the Governance Committee Charter**

This Charter may be amended by a majority vote of the Board. Recommendations for policy changes should be directed to the Executive Director. The Executive Director shall review all such recommendations and is responsible for submitting necessary changes to the Board for approval.

~~The Governance Committee Charter shall be reviewed every two years.~~



## CRS Investment Committee Charter

The Board of Trustees of the Cincinnati Retirement System has adopted this Investment Committee Charter.

### Purpose

The Investment Committee, as trustees and fiduciaries, is responsible for the proper oversight of the CRS assets ([Pension and 115 Trusts](#)). The committee members shall carry out their functions solely in the interest of the active and retired members of the CRS.

### Composition

The Investment Committee shall consist of no fewer than three members of the Retirement Board. In making appointments, the Chair of the Board will ensure representation from each category of trustee: one Mayoral Appointed Trustee, one Active Employee Trustee and one Retiree Trustee in accordance with the Collaborative Settlement Agreement. ~~At the start of each odd-numbered year, the Committee will select a Chair and Vice Chair by majority vote, each to serve a two-year term.~~

### Meetings

~~The Committee will meet at least quarterly.~~ A quorum consists of a majority of members appointed to the committee who may be physically or remotely present. A member participating remotely must be able to actively participate in the meeting so that they can ask questions and cast votes in a manner that can be heard. Committee meetings shall be considered meetings of a public body subject to applicable laws and be open to the public commensurate with the method in which the meeting is being conducted. Each meeting agenda will be posted [on the CRS website](#) in advance and in accordance with applicable law. Meeting materials will be prepared by the Executive Director and Investment Manager, as necessary.

Staff will prepare and post minutes for each meeting.

### Responsibilities

Investment Committee members, as Trustees, shall act in accordance with the provisions of the Ohio Revised Code, Cincinnati Municipal Code, Cincinnati Administrative Code, the Collaborative Settlement Agreement, and the CRS Statement of Investment Policy. In carrying out their duties, the Committee members shall exercise reasonable care, skill, and caution in accordance with the standards described in Section 5809.02 of the Ohio Revised Code and shall strive to follow sound policies and procedures that enhance informed, fair, and open decision making.

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The Investment Committee is responsible to do the following:

- Recommend the policies, objectives, and guidelines for investment of the Fund’s assets and oversee compliance with the CRS Statement of Investment Policy.
- Study thoroughly each issue affecting the Fund’s investments to make educated and prudent recommendations to the Board.
- Select qualified professionals to assist in implementing investment policies and evaluate their services.
- Consider the Investment Consultant recommendations for selecting or terminating investment managers.
- Consider investment actions recommended by the Investment Consultant and make recommendations to the Board.
- Evaluate total Fund performance including performance of all investment mandates.
- With the assistance of staff, annually evaluate the performance of the Investment Consultant.

#### **Reporting Responsibilities of the Committee**

- Regularly report to the Board about activities, issues, and related recommendations.
- Report on any issues relating to its responsibilities.

#### **Other Responsibilities**

- Perform any activities related to this charter as directed by the Board of Trustees.

Any changes adopted by the Investment Committee are subject to final approval by the full Board of Trustees.

#### **Procedures for Amending the Investment Committee Charter**

This Charter may be amended by a majority vote of the Board. Recommendations for policy changes should be directed to the Executive Director. The Executive Director shall review all such recommendations and is responsible for submitting necessary changes to the Board for approval.

~~The Investment Committee Charter shall be reviewed every two years.~~

## **CRS Election Committee Charter**

The Board of Trustees of the Cincinnati Retirement System has adopted this Election Committee Charter.

### **Purpose**

The Performance and Evaluation Committee is responsible

### **Composition**

The Election Committee shall consist of no fewer than three members of the Retirement Board. In making appointments, the Chair of the Board will ensure representation from each category of trustee: one Mayoral Appointed Trustee, one Active Employee Trustee and one Retiree Trustee in accordance with the Collaborative Settlement Agreement.

### **Meetings**

A quorum consists of a majority of members appointed to the committee who may be physically or remotely present. A member participating remotely must be able to actively participate in the meeting so that they can ask questions and cast votes in a manner that can be heard. Meetings are subject to the Open Meetings Act. Each meeting agenda will be posted on the CRS website in advance and in accordance with Ohio and Cincinnati law. Meeting materials will be prepared by Executive Director, as necessary.

Staff will prepare and post minutes for each meeting.

### **Responsibilities**

The Performance and Evaluation Committee is responsible for:

#### **Reporting Responsibilities of the Committee**

- Regularly report to the Board about activities, issues, and related recommendations.
- Report on any issues relating to its responsibilities.

#### **Other Responsibilities**

- Perform any activities related to this charter as directed by the Board of Trustees

### **Procedures for Amending the Election Committee Charter**

This Charter may be amended by a majority vote of the Board. Recommendations for policy changes should be directed to the Executive Director. The Executive Director shall review all such recommendations and is responsible for submitting necessary changes to the Board for approval.

## **CRS Performance and Evaluation Committee Charter**

The Board of Trustees of the Cincinnati Retirement System has adopted this Performance and Evaluation Committee Charter.

### **Purpose**

The Performance and Evaluation Committee is responsible for developing performance measures for the Executive Director. The Committee also monitors the retirement system members' satisfaction with the benefits and services provided and develops and monitors the strategic goals of the board and the committees.

### **Composition**

The Investment Committee shall consist of no fewer than three members of the Retirement Board. In making appointments, the Chair of the Board will ensure representation from each category of trustee: one Mayoral Appointed Trustee, one Active Employee Trustee and one Retiree Trustee in accordance with the Collaborative Settlement Agreement.

### **Meetings**

A quorum consists of a majority of members appointed to the committee who may be physically or remotely present. A member participating remotely must be able to actively participate in the meeting so that they can ask questions and cast votes in a manner that can be heard. Meetings are subject to the Open Meetings Act. Each meeting agenda will be posted on the CRS website in advance and in accordance with Ohio and Cincinnati law. Meeting materials will be prepared by Executive Director, as necessary.

Staff will prepare and post minutes for each meeting.

### **Responsibilities**

The Performance and Evaluation Committee is responsible for:

- Developing performance measures for the Executive Director
- Measuring the performance of the Executive Director
- Monitoring members' satisfaction with the benefits and services provided
- Developing and monitoring the strategic goals of the Board and the committees

### **Reporting Responsibilities of the Committee**

- Regularly report to the Board about activities, issues, and related recommendations.
- Report on any issues relating to its responsibilities.

## **Other Responsibilities**

- Perform any activities related to this charter as directed by the Board of Trustees

## **Procedures for Amending the Performance and Evaluation Committee Charter**

This Charter may be amended by a majority vote of the Board. Recommendations for policy changes should be directed to the Executive Director. The Executive Director shall review all such recommendations and is responsible for submitting necessary changes to the Board for approval.

# City of Cincinnati

## Cincinnati Retirement System Board Policy

*DRAFT*

<b>Policy Name:</b>	CRS Board and Committee Attendance Policy		
<b>Approval Authority:</b>	CRS Board of Trustees	<b>Adopted:</b>	
<b>Responsible Executive:</b>	Jon Salstrom	<b>Revised:</b>	

### 1. Policy Statement

The CRS Board shall adopt an Attendance Policy for the Board and Committee members

### 2. Reason for Policy

To ensure continuity among trustees on issues & policies that carry over year to year and from meeting to meeting

### 3. Guidelines

**Board members are expected to attend all board and applicable committee meetings. While attendance is not always possible, board members should, once the calendar for a year is set, immediately flag any scheduling conflicts and thereafter manage their schedules to avoid creating additional conflicts.**

**Board members shall make all reasonable efforts to regularly attend the meetings of the Board and Committee meetings.**

- Board members have the duty to attend the meetings of the board and committees. A member who fails to attend at least 2/3rds of the regular (e.g. 16 meetings), committee (5) and special meetings of the Board during any rolling two-year period permanently forfeits membership on the board.
- Members shall strive not to miss two meetings in a row and attend the majority of each individual meeting.
- Absences for medical or other substantial reasons shall be deemed excused.
- Unexcused and "silent failure"(no notification) absences should be avoided.
- The Governance Committee will consult with individual board members as needed.
- Year end summary of board member summaries will be maintained and reported to the CRS website.

Protests may result in an extension of the trustee election timeline as determined by the Board of Trustees Chair in consultation with the Cincinnati Retirement System Executive Director.

The Elections Committee shall render its decision in writing and shall be considered the final decision.

#### **K. Oath of Office**

The Election Committee shall submit the election results for approval to the CRS Board of Trustees at their next regularly scheduled meeting. Following approval of the election results, the Oath of Office shall be administered to the newly elected Trustee(s). If a newly elected trustee is unable to attend the Board meeting following the counting of ballots, they may be sworn in at the next Board meeting or by a Notary from the Retirement Department at another time. A newly elected Trustee must receive the Oath of Office before he/she can serve as a Board Trustee.

#### **RETENTION AND DESTRUCTION OF BALLOTS AND RETURNED ENVELOPES**

The destruction of ballots from elections as well as the envelopes used to return such ballots shall conform to the guidelines and/or retention schedules of the Cincinnati Retirement System.

#### **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. The Chair shall fill any vacancies on Committees 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 at least one Mayor Appointed Trustee, one Active Employee Trustee and one 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 Committee, sub-committee and special committee meetings shall be given in compliance with Ohio Revised Code Section 121.22.

#### **Rule IX      Matters Referred to Committees**

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**

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 rolling two-year period permanently forfeits membership on the Board.

## **Rule XI      Disability Application and Appeal Process**

### **A. Applications and Audits**

- 1) Member has 30 calendar days from application date or receipt of audit notification, to meet with the Cincinnati Retirement System's (CRS) Medical Director for a medical evaluation.
- 2) Member has 60 calendar days from application date or receipt of audit notification, to have medical records forwarded from their healthcare providers to the CRS Medical Director.
- 3) Member has 180 calendar days from application date to complete the application, including the submission of the member's option election form.
- 4) The Executive Director may provide additional background information to the Board with respect to a pending application for disability retirement. It is the Board's responsibility to either approve or deny the application based upon the recommendation of the medical director and evidence provided in the application, or to request additional information from the medical director in order to either approve or deny the application for disability.

### **B. Disability Appeals**

This rule applies when the Board of Trustees of the Cincinnati Retirement System either denies an application for a disability retirement benefit pursuant to CMC §203-41 or terminates a disability retirement benefit pursuant to CMC §203-53 and §203-55.

- 1) After the Board of Trustees has either denied an application for or terminated a disability retirement benefit, the member shall be notified in writing, via USPS Certified Mail within 7 calendar days of such action.
- 2) The notification shall include the following information:
  - a. The Board of Trustee's denial or termination of the disability retirement benefit;
  - b. The member's right to Request an Appeal by providing additional medical evidence. Such an Appeal Request shall be received by the CRS Administrative Office no later than 30 calendar days from the date of the notice of denial, or termination;