

**City of Cincinnati Retirement System
Governance Committee**

**City Council Chambers and via Zoom
January 12, 2023 – 3:30 PM**

AGENDA

Members

Mark Menkhaus, Jr.
Tom Gamel
Kathy Rahtz
Jeff Cramerding
Monica Morton
Tom West

CRS Staff

Mike Barnhill


Law

Ann Schooley




Call to Order

Public Comment

Approval of Minutes

 May 5, 2022

New Business

-  Ethics Policy
-  Trustee Training Policy
-  Proposed Workplan for 2023
 - Consolidation of Governance Manual, Board Rules and Policies
 - Additions to Governance Manual
 - Financial Disclosure
 - Creation of Audit Committee
 - Fiscal Year: Calendar or July 1?
 - Committee Charters
 - Fiduciary Governance of 457 Plans

Adjournment

Next Meeting: April 6, 2023, City Council Chambers and via Zoom



**City of Cincinnati Retirement System
Governance Committee Meeting
Minutes
May 5, 2022/ 1:30 P.M.
City Hall – Council Chambers and remote**

Board Members

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

Administration

Mike Barnhill
Ann Schooley

Call to Order

The meeting was called to order at approximately 1:50 p.m. by Chair Menkhaus and a roll call of attendance was taken. Committee members Menkhaus, Stiens, Rahtz, and Winstead were present. Trustees Gamel and Cramerding were absent. Additionally, Trustee Moller and Trustee Juech attended.

Approval of Minutes

Approval of the minutes of the April 7, 2022, meeting was moved by Trustee Rahtz and seconded by Trustee Winstead. Trustee Moller observed that the minutes as drafted make reference to tabling certain items, when in fact the Committee merely took no action on those items. Trustee Menkhaus proposed an amendment to change the language from “the item was tabled” to “no action was taken.” The amendment was accepted by the makers of the motion. The minutes, as amended, were approved by unanimous roll call vote.

Unfinished Business

Legal Advice Regarding DROP participants’ role in CRS Elections

Trustee Menkhaus invited Ms. Schooley of the Law Department to provide advice regarding the issue raised in the last meeting regarding whether DROP participants should vote in the election for an active trustee or in the election for a retired trustee. Ms. Schooley stated that the issue is not addressed in any of the governance authorities for the CRS, and therefore is not a legal issue. As such it is a “business” issue for the Board and system to decide. Trustee Menkhaus observed that the CRS practice is to permit DROP participants to get notice of and to vote in the election for an active trustee only.

Trustee Menkhaus moved to revise Board Rule 7(b)(4) governing active trustee elections to add the language “including DROP participants” so that the language is clear that DROP participants get notice of the active trustee election. Trustee Winstead seconded the motion. Trustee Stiens raised the issue of who

DROP participants are more aligned with: active or retired. Director Barnhill referenced the previous legal opinion regarding whether a DROP participant could serve as an active trustee. In that opinion, the Law Department stated that a DROP participant is a hybrid category in that they have interests aligned with both active members and retired members. Director Barnhill stated that the Board should not seek to disenfranchise DROP participants, and therefore supported the pending motion. Trustee Menkhaus asked if DROP participants receive active employee health insurance. Director Barnhill confirmed this is correct. The motion passed on a roll call vote of 3-0 (majority of committee members present; Stiens abstained).

Adjournment

Following a motion to adjourn by Trustee Stiens and seconded by Trustee Rahtz, the Governance Committee approved the motion by unanimous roll call vote. The meeting adjourned at 2:00 P.M.

Meeting video link: <https://archive.org/details/crs-governance-comm-5-5-22>

Next Meeting: July 14, 2022, 12:00PM, City Council Chambers and via TEAMs

Secretary

Draft Cincinnati Retirement System
Ethics Policy

Preamble

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.

Ethics Rules

1. CRS board members and employees must, at all times, abide by protections to the public embodied in the law related to the fiduciary duty, as well as the Cincinnati Municipal Code. Board members and employees must conduct themselves, at all times, in a manner that avoids favoritism, bias, and the appearance of impropriety.
2. A general summary of the restraints upon the conduct of all board members and employees includes, but is not limited to, those listed below.

No board member or employee shall:

- a. Have any business, personal or family interests related to the City or CRS that would constitute a conflict of interest, or that would create the appearance of a conflict of interest. Being a member of the CRS or a beneficiary of the CRS, or having a family member who is a member or beneficiary of the CRS shall not constitute a conflict of interest;
- b. Solicit or accept anything of value from anyone doing business with the board or System. For traditional gifts of food made to CRS staff at holidays, the food shall be made available to all staff;
- c. Solicit or accept employment from anyone doing business with the board or system, unless the board member or employee completely withdraws from any board and system discretionary or decision-making activity regarding the party offering employment, and the board approves the withdrawal in the case of a board member or the executive director of the system, and the executive director approves the withdrawal in the case of another employee;
- d. Use his or her public position to obtain benefits for the board member or employee, a family member, or anyone with whom the board member or employee has a business or employment relationship;

- e. Be paid or accept any form of compensation for personal services rendered on a matter before, or sell goods or services to, the board or system;
- f. Be paid or accept any form of compensation for personal services rendered on a matter before, or sell (except by competitive bid) goods or services to, any state agency other than the board or system, unless the board member or employee first discloses the services or sales and withdraws from matters before the board or system that directly affect officials and employees of the other state agency;
- g. Hold or benefit from a contract with, authorized by, or approved by, the board or system;
- h. Vote, authorize, recommend, or in any other way use his or her position to secure approval of a board or system contract (including employment or personal services) in which the board member or employee, a family member, or anyone with whom the board member or employee has a business or employment relationship, has an interest;
- i. Solicit or accept honoraria, except employees who are not financial disclosure filers they may receive an honorarium only if the honorarium is paid in recognition of a demonstrable business, professional, or esthetic interest of the employee that exists apart from public office or employment, and is not paid by any person or other entity, or by a representative or association of those persons or entities, doing business with the board or system;
- j. During public service, and for one year after leaving public service, represent any person, in any fashion, before any public agency, with respect to a matter in which the board member or employee personally participated while serving with the board or system;
- k. Use or disclose confidential information protected by law, unless appropriately authorized;
- l. Use or share non-public investment or financial information for personal gain or for the personal gain of another person;
- m. Use, or authorize the use of, his or her title, the name of the CRS Board or System, or the board's or system's logo in a manner that suggests impropriety, favoritism, or bias by the board or system, or the board member or employee;
- n. Solicit or accept any compensation, except as allowed by law, to perform his or her official duties or any act or service in his or her official capacity; and

- o. Solicit or accept from any person, including a partnership of which the system is a partner, payment of actual travel expenses, including expenses incurred with the travel for lodging, meals, food, and beverages.
3. No person who is running for a position on the CRS Board shall solicit or accept campaign contributions from any person or entity that the person knows or has reason to know: (1) has a contract related to investment of the system's funds; (2) is marketing or otherwise attempting to secure business involving the system's funds; or (3) is an agent or acting on behalf of any person or entity described in (1) or (2). Campaign contributions include contributions made to a campaign committee, political party, legislative campaign fund, political action committee, or political contributing entity on behalf of the person running for a position on the CRS Board.

Financial Disclosure

TBD

Definitions

1. "Anything of value" includes anything of monetary value, including, but not limited to, money, loans, gifts, food or beverages, social event tickets and expenses, travel expenses, golf outings, consulting fees, compensation, or employment. "Value" means worth greater than de minimus or nominal, and in no event worth more than \$10.
2. "Anyone doing business with the board or system" includes, but is not limited to, any person, corporation, or other party that is doing or seeking to do business with, regulated by, or has interests before the board or system, including anyone who is known or should be known to be an agent or acting on behalf of such a party, including any partnership or which the system is a partner, any person or entity that has a contract related to investment of the system's funds, and any other person marketing or otherwise attempting to secure business involving the system's funds.

Rule XXI Trustee Education

Recognizing that each Trustee is under a fiduciary obligation to be prudent in discharging the duties of a Trustee, each Trustee is encouraged to further his or her education in matters that come before the Board. The education of a Trustee may include attendance at conferences and seminars sponsored by the National Conference of Public Employee Retirement Systems, the International Federation of Employee Benefit Plans, and other programs appropriate to advancing the Trustee’s knowledge and skills. The decision to attend conferences shall be at the discretion of each Trustee, who must be mindful of a Trustees’ fiduciary obligation to incur only costs that are appropriate and reasonable. Reimbursement of actual expenses may not exceed those allowed City of Cincinnati employees. A Trustee may not be reimbursed for the expenses

of attending more than two conferences in a year without the prior approval of the Board for the attendance of each additional conference.

Proposed Changes:

Recognizing that each Trustee is under a fiduciary obligation to be prudent in discharging the duties of a Trustee, each Trustee is ~~encouraged~~required to further his or her education in matters that come before the Board. The education of a Trustee may include attendance at conferences and seminars sponsored by the National Conference of Public Employee Retirement Systems, the International Federation of Employee Benefit Plans, and other programs appropriate to advancing the Trustee’s knowledge and skills. The decision to attend conferences shall be at the discretion of each Trustee, who must be mindful of a Trustees’ fiduciary obligation to incur only costs that are appropriate and reasonable. Reimbursement of actual expenses may not exceed those allowed City of Cincinnati employees. A Trustee may not be reimbursed for the expenses of attending more than two conferences in a year without the prior approval of the Board for the attendance of each additional conference.

In consultation with each Trustee, the Executive Director shall prepare an individual training plan for each Trustee. The Executive Director shall annually prepare a schedule of training opportunities for the Board.