



**City of Cincinnati Retirement System
Performance Evaluation Committee Meeting Minutes
March 6, 2025 / 12:00 P.M.
City Hall – Council Chambers and remote**

Members

Kathy Rahtz, Chair
Mark Menkhaus Jr., Vice Chair
Tom Gamel
Monica Morton
Seth Walsh
Tom West
Aliya Riddle

Administration

Jon Salstrom

Law

Kevin Frank

Call to Order

The meeting was called to order at 12:01 p.m. by Chair Rahtz and a roll call of attendance was taken. Committee members Rahtz, Menkhaus, Gamel, Morton, West, and Riddle were present. Committee member Walsh was absent. Trustee Moller was also in attendance and participated.

Public Comment

No public comment.

Approval of Minutes

Approval of the minutes for the meeting of December 6, 2024, with changes, was moved by Committee member Gamel and Seconded by Committee member Menkhaus and approved by unanimous roll call vote.

Informational

Review Funston Recommendations for Committee

A spreadsheet detailing the Funston recommendations workflow was reviewed. Updates and adjustments made since the last review were highlighted in light gray for easier tracking. The focus on today's comments was on page 7 of the packet, related to the Performance Evaluation Committee.

Pension Operations Recommendation 4.4:

- Objective: Charter a pensions administration cost and performance benchmarking report.
- Status Update:
 - CEM Benchmarking has been hired to perform the report.

- Contract negotiations between internal legal counsel and CEM's legal team are ongoing, expected to be finalized within 1-2 weeks.
- No substantive issues remain; finalization is anticipated shortly.
- Once the contract is signed, the benchmarking survey process will begin.
- Results are expected later in the year and will be reported back to the Committee.

Pension Operations Recommendations 4.2 & 4.3:

- The Benchmarking data from CEM is expected to assist in evaluating:
 - 4.2: Whether pension staffing resources and capabilities should be enhanced (e.g., through a member contact center telecommunications system).
 - 4.3: The development of a long-term plan encompassing service, performance, cost objectives, website redesign, and coordinated member service improvements.

Risk Dashboard

The Risk Dashboard was reviewed (Page 9 of the packet). No changes had been made to the Dashboard when it was initially prepared for the Board packet last week. Had the Dashboard been updated this week, the staff would have elevated the risk ratings for:

- Market Risk: From medium to high risk due to:
 - Volatility surrounding the incoming national administration.
 - Uncertainty related to trade policies and their potential impact on the U.S. dollar and the broader economic outlook.
- Legislative Risk: From low to medium risk because:
 - National-level policy changes could indirectly affect the City of Cincinnati and the State of Ohio.
 - Potential impacts on federal funding to departments such as cybersecurity.

Overall, staff recommended closer monitoring of Market and Legislative risks in the coming months.

Trustee Moller highlighted recent cyber security incidents in Ohio municipalities. He referenced Cleveland's cyberattack which led to a temporary shutdown. He emphasized that while the City of Cincinnati is not necessarily at imminent risk, awareness should be heightened. He suggested elevating Cybersecurity Risk from medium to high as a precautionary measure.

Old Business

2025 Strategic Objectives

2025 Strategic Objectives were reviewed (Page 10 of the packet). This report follows the same annual format used in previous years, listing the collective goals for the current year.

The previous separation between ongoing objectives and annual strategic objectives was removed. All objectives are now listed together under a single category, recognizing that most are ongoing efforts.

Pages 11-12: Objectives are further broken out by subcommittee. Many of these objectives have been developed over the last year and a half and are familiar to the committee.

Committee member Gamel asked for clarification on the second item: "Complete and Publish CRS for active and retired members," specifically what was being published. Director Salstrom clarified that it refers to the Handbook, which is ready and being finalized with the City Solicitor's Office and Law

Department. The goal is to publish a streamlined set of documents on the website, likely four versions, to avoid unnecessary duplication across different groups.

Trustee Moller raised a concern regarding the inclusion of the description of the Simple COLA (Cost of Living Adjustment). Director Salstrom confirmed that the COLA information has been included in the publication and finalization is underway.

Chair Rahtz asked about items listed on Page 10 (5th and 6th rows), questioning whether they referred to the same objective. Director Salstrom clarified that one item concerns ensuring ongoing investment manager selections continue outside the formal RFP process. The other relates to obtaining formal approval for retirees to sit on RFP Selection Committees. Procurement is coordinating with the City Manager to secure the necessary exemption for retiree participation.

Chair Rahtz also reminded the Committee that these strategic objectives align with the Executive Director's performance year (July to July), meaning some objectives may include tasks completed during the previous calendar year.

Chair Rahtz's motion to approve the list of 2025 Strategic Objectives for the Executive Director's performance period was moved by Committee member Menkhaus and seconded by Committee member Gamel. The motion was approved by unanimous roll call vote.

2025 Executive Director Performance Evaluation

The Committee reviewed a draft document (pages 13-14 of the packet) outlining the performance evaluation structure for the Director, reflecting discussions from the previous meeting. The Committee adopted four overarching goals for the Director.

Committee objectives were organized under these goals:

- All committee objectives were grouped under Goal #1 (focused on leadership, support, and coordination), despite some overlap, to preserve continuity with previous classification.

Director Salstrom emphasized that Trustees are not required to comment on every objective—only those where they feel informed—making the form more flexible despite its detailed appearance.

Chair Rahtz suggested using one quality rating per goal instead of rating each individual objective.

Potential Timeline:

- Evaluation form sent to Trustees in June.
- Trustees to complete by end of June.
- Chair Rahtz to compile and forward to Finance Director by early to mid-July.

Committee Member Gamel motioned to approve the modified performance evaluation form for the 2024-2025 period; seconded by Committee Member Menkhaus. The motion was approved by unanimous roll call vote.

New Business

Contract Assessments – Actuary & Healthcare Consultant

Director Salstrom referenced the staff assessments included in the packet on pages 15 (Anthem, CVS, Horan) and 17 (Cheiron). The overall rating is Exceeds Expectations.

Anthem and CVS maintain strong relationships with staff and provide quality service. They actively collaborate on policy development and problem resolution, including isolated issues. They are consistently responsive and cooperative in managing retiree healthcare.

Horan provides valuable insight based on experience with other retirement systems. They offer proactive support in navigating complex healthcare topics and future legislative developments. They support staff with tools like surveys and website updates. They help identify unknown issues and anticipate future needs.

All vendors-Anthem, CVS, and Horan-contribute effectively to the successful delivery of retiree healthcare services, and continue to support the organization in fulfilling its commitments.

Cheiron is consistently quick to respond and assist with questions. They actively collaborate with staff to ensure data accuracy and timely completion of the annual valuation (scheduled for May). CRS was one of the first clients completed by Cheiron for the calendar year, reflecting their commitment.

Cheiron willingly presents to the Board for both education and formal reporting. They demonstrate a strong understanding of the system's unique structure and history. They provide helpful reports and educational support tailored to the organization's needs.

Director Salstrom described Cheiron as pleasant, kind, and easy to work with. They maintain a strong partnership with staff and leadership. They are a reliable and knowledgeable actuary partner that provides high-quality service and meaningful support to the organization.


Committee Member Gamel motioned to approve the staff assessments of the health vendors and actuarial consultant reports; seconded by Committee Member Menkhaus. The motion was approved by unanimous roll call vote.

Adjournment

Following a motion to adjourn by Committee member Menkhaus and seconded by Committee member Morton. The Performance Evaluation Committee approved the motion by unanimous roll call vote. The meeting was adjourned at 12:40 p.m.

Meeting video link: <https://archive.org/details/crs-performance-3-6-25>

Next Meeting: Thursday, June 5, 2025, at 12:00 P.M. City Hall Council Chambers and via zoom


Secretary