City of Cincinnati Retirement System
Performance Evaluation Committee

City Hall Council Chambers and via Zoom
September 1, 2022 – 12:00 PM

AGENDA

Members
Kathy Rahtz, Chair
Tom Gamel, Vice Chair
John Juech
Bill Moller
Mark Menkhaus, Jr.

CRS Staff
Mike Barnhill

Call to Order

Approval of Minutes
- June 9, 2022

Unfinished Business

- Review of progress on Board's CY 2022 Goals and Objectives
  - Fiduciary Audit Scope:
    - Priority List Based on OPERS Fiduciary Audit
    - 3rd Party Benchmarking
- Consideration of any changes to adopted goals and objectives
- Review of Director's performance evaluation form
- Proposal for R. 22 Annual Board Contract Evaluation in December Mtg:
  - Actuary
  - Investment Consultant
  - Health Vendors

Adjournment

Next Meeting: December 1, 2022

City of Cincinnati Retirement System
Performance Evaluation Committee Meeting
Minutes
June 9, 2022/ 12:00 P.M.
City Hall – Council Chambers and remote

Board Members Present
Kathy Rahtz, Chair
Tom Gamel, Vice Chair
Don Stiens, Vice Chair
Bill Moller

Administration

Mike Barnhill

Call to Order
The meeting was called to order at 12:02 p.m. by Chair Rahtz and a roll call of attendance was taken. Committee members Rahtz, Gamel, Stiens, and Moller were present. Committee members Winstead and Juech were absent.

Approval of Minutes
Approval of the minutes of the March 3, 2022, meeting was moved by Trustee Gamel and seconded by Trustee Moller. The minutes were approved unanimously by roll call vote.

Unfinished Business

Review of Progress on Board's 2022 Objectives

Director Barnhill provided a status update on each the Board's 2022 objectives. The objectives and current status of each are detailed in the Committee's meeting packet.

Board Member Comments:
With respect to the fiduciary audit scope item, Trustee Moller explained the objective of this item is to provide the Board assurance that it is administering the system according to best practices. Trustee Moller explained that the Board has been deterred in the past by the high cost of conducting a comprehensive fiduciary audit. Trustee Moller re-iterated his view that a fiduciary audit scope should be defined in the fullness of time. Director Barnhill indicated he could prepare a priority list of topics from the Ohio PERS fiduciary audit for the Board's consideration.

Director Barnhill observed that information security risk is a topic that is missing from the Board's current objectives, and recommended that it be added to the Board's objectives.

Trustee Moller moved, and Trustee Gamel seconded, to elevate the Security and Risk Review item from the Department objectives to the Board objectives. The Committee approved the motion upon unanimous roll call vote.

Trustee Gamel asked about questions that arose from presentations made to City Council members. Director Barnhill summarized the questions he had received from Council members and his responses.

Trustee Gamel asked if the exhibits to the CSA are posted on the website. Trustee Rahtz offered to provide electronic versions of them.

With respect to the objective of publishing a member handbook for retirees, Trustee Gamel commented that many retirees do not have a computer to access a handbook that is only published on the internet. Trustee Gamel further stated that retirees have a continued need to plan for their retirement while in retirement. Trustee Rahtz supported these comments. Trustee Rahtz suggested consideration of a committee of users who could read and comment on the draft handbooks.

With respect to customer service, Trustee Rahtz endorsed the goal of answering the phones and staffing the front desk. Trustee Gamel asked how many staff are responsible for handling retiree death reports. Director Barnhill explained that the staff member that had handled those duties transferred at the beginning of April and has not been replaced. Ultimately, Director Barnhill will work to make sure all functions have a back-up.

With respect to appointed trustees, Trustee Moller asked if the City Manager's and Mayor's Offices are aware of the education and experience requirements in the Administrative Code for appointed trustees. Director Barnhill stated that he has discussed the requirement that 2 of the 4 mayor appointed trustees have specialized education or experience with staff in those offices, and also advised that that he believes two of the current appointed trustees (Juech and Winstead) satisfy those requirements.

With respect to the Annual Report, Trustee Moller indicated that he did not want to delay submission of an annual report while considering whether to revise the format.

With respect to the financial report, Trustee Moller observed that elements of the system's report are prospective in nature, and are important to retain in the report. Director Barnhill noted that pension systems often consolidate the actuarial report into their annual financial report, which has prospective elements in it.

With respect to keeping the Board well informed, Trustee Rahtz expressed appreciation to Director Barnhill for his efforts in this regard.

Evaluation of Executive Director
Trustee Rahtz invited discussion on the City's standard performance evaluation form. Director Barnhill suggested that the director's work on each of the Board' objectives could be evaluated under the Core Competencies section of the form, and that the additional core competencies of timeliness and effectiveness

CRS Performance Evaluation Committee, 6/9/2022

could be added.

Trustee Moller observed that the Board has attempted to use the City's form in the past, and doesn't know how helpful it has been. Trustee Moller suggested the Board could rate the director based on the Board's objectives based on quality and productivity. Questions for the Board to ask are: "Has the Director done the work related to the Board's objectives? If not, why not?" The Board can address quality and other metrics as part of answering these questions. Trustee Moller suggested it was more important for the Board to focus on the work related to the Board's objectives than to force fit its evaluation into the City's form.

Trustee Stiens expressed support for Trustee Moller's comments, and suggested the Board simply create a memo with its evaluation of the Director's work on the Board objectives. Trustee Gamel also expressed concerns about use of the City's form, and perhaps the Board could simply create a grid that is user-friendly for the Board. Trustee Stiens added that it would probably be helpful to the City Manager for the Board to use the City's form. Trustee Rahtz summarized the views of trustees and indicated that she would continue to work on this before the next committee meeting.

Trustee Stiens also suggested that the Committee consider evaluating the Director on the Essential Values section of the City's form. Trustee Gamel suggested outreach to the City Manager to see what approach they would prefer. Trustee Rahtz agreed.

New Business
Board Rule 22 re Evaluation of CRS Contractors

Director Barnhill summarized the evaluation requirement and provided the Committee with a list of CRS contractors, and offered a quarterly schedule for annual evaluation. Director Barnhill explained that given the lengthy list of CRS contractors, he was seeking an approach to achieve reasonable compliance with the annual evaluation requirement of Rule 22 through the adoption of a review schedule. Director Barnhill also observed that some contractors (such as private equity investment managers) may be difficult to evaluate on an annual basis, since they are intentionally given long periods of time in which to produce investment results.

Trustee Stiens stated that he reads the rule more narrowly: the rule only relates to contractors specifically retained by the Board. Basically that only includes the actuary, the investment consultant, and the investment managers. Trustee Moller agreed, and further observed that the investment consultant evaluates the investment managers quarterly. Trustees Moller and Stiens both expressed the view that the Board is generally interested in information and analysis about contractor performance; however this rule does not require the Board to broadly evaluate all contractors—just the ones retained by the Board.

Director Barnhill agreed to narrow the list and bring a revision back at the next meeting.

Adjournment

Following a motion to adjourn by Trustee Gamel and seconded by Trustee Stiens, the Performance Evaluation Committee approved the motion by unanimous roll call vote. The meeting adjourned at 1:30 P.M.

CRS Performance Evaluation Committee, 6/9/2022

Meeting video link: https://archive.org/details/crs-performance-evaluation-6-9-22

Next Meeting: September 1, 2022, at 12:00p.m.

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Secretary

CY 2022 Board Objectives

Item	Owner	Target Date to Complete	Status/Date Completed
1. Complete Governance Manual and Board Rules *(A,B,C,D,5,6,17)*	Governance Comm., Mike Barnhill	6/30/2022	Completed, 4/7/2022
2. Establish fiduciary audit scope (D,2)	Board, Mike Barnhill	6/30/2022	Underway
3. Prepare and present CRS orientation to City Stakeholders (City Mgr, Mayor, V. Mayor, Council Fin. Chair) *(C,D,1,5,7)*	Board, Mike Barnhill	6/30/2022	Completed, 3/28/2022
4. Prepare and provide trustee training plan, including training policy and curriculum *(A,B,C,D,1,2,3,10,12,13)*	Board, Mike Barnhill	6/30/2022	Completed, 3/25/2022
5. Establish "treadwater" employer contribution and employer	Board, Mike Barnhill	3/31/2022	Completed, 3/16/2022

contribution "ramp up" recommendation *(A,B,C,1,2,11)*			
6. Develop CRS handbook for active and retired members *(E,5,7)*	Mike Barnhill	12/31/2022	Underway
7. Develop and provide newsletters for active and retired members *(E,5,7)*	Mike Barnhill	6/30/2022	Underway
8. Develop and implement CRS website content to provide timely, complete, and easily accessible info *(E,5,7)*	Mike Barnhill	9/30/2022	Underway
9. Provide the City Administration with input and recommendations regarding the healthcare trust funding policy *(A,B,C,1,2,11,19)*	Mike Barnhill	3/31/2022	Completed, 3/16/2022
10. Review CRS Department staffing positions and complement *(C,D,1,2)*	Board, Mike Barnhill	3/31/2022	Underway
11. Prepare and approve the 2022 budget *(A,B,D,4,16)*	Board, Mike Barnhill	3/31/2022	Completed, 3/3/2022
12. Assist the Mayor and Council in filling appointed member Board vacancies *(C,1)*	Board, Mike Barnhill	6/30/2022	Underway

13. Complete the five-year actuarial experience study (B,C,D,1,2,11,12,13)	Board, Mike Barnhill	3/31/2023	Underway
14. Prepare and submit the annual CRS report to City Council (C,D,5,7,20)	Board, Mike Barnhill	6/30/2022	Underway
15. Prepare an annual financial report for active and retired members (E,1,2,5,7)	Investment Comm., Mike Barnhill	6/30/2022	Underway
16. Review and approve the annual 12/31/2021 Actuarial Valuation Report (B,1,2,12,13)	Board	6/30/2022	Completed, 7/14/2022
17. Review and approve the quarterly and Annual Investment Reports (A,B,1,2,3,11)	Board	Ongoing	Ongoing
18. Establish the format for providing input into the City Manager's evaluation of the Director (D,1,2,9)	Performance Eval Comm.	12/31/2022	Underway
19. Assign Board Members to Committees (D,1,2,14,15)	Chair Moller	Ongoing	Start in 4Q 2022
20. Select Board Chair and Vice Chair (D,1,2,18)	Board	12/31/2022	Start in 3Q 2022

21. Completion of the election process for one retiree and one active trustee (D,1,2,18)	Elections Comm., Mike Barnhill	8/4/2022	To be completed, 9/12/2022
22. Review and make recommendations regarding survivor benefits (B,D,1,2)	Benefits Comm.	12/31/2022	Underway
23. Develop for Board approval CRS Board Goals and Strategies for 2022 (D,G,21)	Performance Eval Comm.	3/31/2022	Completed, 3/3/22
24. Keep the Board well-informed about important developments and issues (F,5)	Mike Barnhill	Ongoing	Ongoing
25. Review current customer svc practices and identify strengths and opportunities for improvements (D,G,21)	Mike Barnhill	12/31/2022	Underway
26. Review and prepare analysis and recommendation on disabled adult child healthcare eligibility matters	Mike Barnhill	6/30/2022	Completed, 5/18/2022

27. Security and risk review; HIPAA; SOC 1 Type 2 audit of LRS; internal control review on all cashflows; Evaluate CRS and Finance workflows and approvals	Mike Barnhill, CRS Staff	12/31/2022	Underway

Define Fiduciary Audit Scope

OPERS Item #	Task Area	Subject Matter	Current CRS Board Objective?	MB's Recommended Priority (1-4 scale)	Outside Assistance to Needed to Evaluate?
1	Board Governance and Administration	Governing Statutes and Compliance	Y	1	N
2	Board Governance and Administration	Board Composition	N	4	N
3	Board Governance and Administration	Documentation of Responsibilities and Reporting Lines	Y	3	N
4	Board Governance and Administration	Board Education and Associated Costs	Y	2	N
5	Board Governance and Administration	Budget Process and Compliance	Y	3	N
6	Board Governance and Administration	Administrative Costs	N	3	N
7	Board Governance and Administration	Conflict of Interest Policies and Procedures	N	1	N
8	Board Governance and Administration	Communications	Y	1	N
9	Board Governance and Administration	Succession Planning	N	3	N
10	Organizational Structure and Staffing	Staffing, Hiring and Performance Evaluations	Y	1	N
11	Organizational Structure and Staffing	Customer Satisfaction Evaluation Process	Y	1	N
12	Organizational Structure and Staffing	Compensation	N	2	N
13	Organizational Structure and Staffing	Monitoring and Maintaining Staff Qualifications and Continuing Education	N	1	N
14	Investment Policy and Oversight	Investment Policy	N	3	Y
15	Investment Policy and Oversight	Investment Oversight	N	2	Y
16	Investment Policy and Oversight	Investment and Fiduciary Risk	N	2	Y
17	Investment Policy and Oversight	Custody Policy	N	4	Y
18	Legal Compliance	Legal Compliance and Adherence to IRS Regulations	N	2	Y
19	Legal Compliance	Internal and External Legal Counsel	N	2	N
20	Legal Compliance	Ethics Training	N	2	N
21	Risk Management and Controls	Adequacy of the Framework Used to Identify and Respond to Risks	Y	1	Y
22	Risk Management and Controls	Financial Controls and Integrity of Financial Statements	N	2	Y
23	Risk Management and Controls	Adequacy of the Accounting Process	N	2	Y
24	Risk Management and Controls	Adequacy of Internal and External Audit Procedures	N	2	Y
25	Risk Management and Controls	Adequacy of Recordkeeping Processes	N	2	Y
26	IT Operations	Assessment of CRS Policies, Processes and Oversight	N	2	Y
27	IT Operations	Evaluation of Processes Used to Define and Mitigate High-Risk IT Areas	Y	1	Y

Task Areas and Subject Matters taken from 2019 OPERS Fiduciary Performance Audit

CEM Benchmarking Services proposal for:

Cincinnati Retirement System

CEM Benchmarking
What gets measured gets managed

August 24, 2022

Pension administration benchmarking is one subscription with four services

① Benchmarking Report

Cost and Service:
- Members
- Channels
- Activities

- Trend analysis
- Peer data

Annual cycle

② Presentations and Workshops

Presentations to your:
- Board
- Management
- Admin team

Interpret your results and bring everything to life while sharing ideas and global trends.

③ Research and Collaboration

Proprietary research, e.g., websites, engagement, call centres etc.

Peer Intelligence Network (PIN)
- On-line collaboration
- Peer-to-peer Q&A
- Access to research

④ Conferences and Events

Global Conference
- Annually in May
- Site visits
- Share and network

Ad-hoc events
- 2021 video-webinar series
- Video presentations

CEM Benchmarking

We work hard to ensure quality data and comparisons

Our objective is to produce a benchmarking 'story' that accurately and appropriately represents your system.

Step 1 – Survey completion

- We help you to complete our survey
- Data review completed by experienced analysts
- Email and telephone interactions
- Includes review of your draft report

Step 2 – Compare you versus peers (Illustrative peers)

- City of Austin ERS *(16k)*
- Saskatchewan MEPP (22k)
- Toronto Transit PP (25k)
- Los Angeles Fire & Police *(25k)*
- Sacramento County *(25k)*
- Fairfax County RS (29k)
- ER of Fairfax County *(34k)*
- Orange County ERS *(41k)*

Illustrative timing
with June 30, 2022, FY data:

August 2022
Survey initiated

October 2022
Survey due date

Oct. – Nov. 2022
Data review

Nov. – Dec. 2022
Issue draft report and final report after review

Jan. – March 2023
Virtual presentation of results

May 8 - 11 2023
Vancouver Conference

CEM Benchmarking

Your benchmarking report is a comparative analysis of your service level and costs

Service Comparisons:

- Digital – public
- Digital – secure
- Telephone
- Face-to-face
- Statements
- Estimates
- Newsletters
- Payments & Inceptions
- Disability

Cost Comparisons

- # of FTEs
- Salaries & Benefits
- Building expenses
- Professional fees
- Amortization
- Charges from sister organizations
- Other administration expenses

Versus Peers

CEM Benchmarking

Virtual meeting

We would really like you to squeeze all the knowledge you can from us – so we will visit you, present your results, and share what leading systems around the world are doing.

1) A virtual meeting for your board and/ or management team.

2) Allows CEM to help you understand and interpret your benchmarking results.

3) We will share global trends, best practices, and CEM research with you.

CEM Benchmarking

CEM research – saves you time and money by learning from your peers

CEM research on operational and communication issues faced by pension plans.

Topics are selected by a Global Steering Group made up of CEM clients.

The research reflects the experience, collaboration and input of our clients.

The research library is accessible from the Peer Intelligence Network (PIN)

Recent topics

Public website best practices

Business continuity planning

Optimizing the customer experience

System modernization

Cybersecurity – Preventing financial fraud

Economies of scale

Social media

Telecommuting

Mobile apps

Peer Intelligence Network (PIN) – online collaboration and learning

Library

Access CEM research, conference presentations and a host of other documents shared by leading pension funds around the world.

Online Network

A CEM client-only online collaboration platform and knowledgebase.

Connect across time and space with your peers, ask questions and join in conversations.

Vancouver Conference
May 8 – 11 2023, 1 invite

Co-host: British Columbia
Pension Corporation

Investment benchmarking is one subscription with three services

① Report

Cost, performance, risk and asset mix comparisons against peers and a global universe of 330 pension and sovereign wealth funds with US$10 trillion in assets.

② CEM Dashboard

Your benchmarking analysis – clicked!

- Intuitive and easy
- Get fast answers...
- Export to create your own reports
- Drill-down on the data
- Change parameters, e.g., timelines.

③ Presentation

Presentations to:
- Management
- Board or Committee

Interpret your results and bring everything to life while sharing research insights and global trends.

CEM Benchmarking

Your investment results are benchmarked to a peer group of similar sized U.S. public plans and delivered to you in a comprehensive report and online in Dashboard

CEM Benchmarking has identified the right metrics to compare performance, risk and costs

Comparator	Benchmark Focus	Output
1 **Policy return**	How did the impact of your policy/asset mix decisions compare with other funds?	✓ Quantifies the impact your investment policy/asset mix decisions had on performance
2 **Net value added**	Are your active management decisions adding value?	✓ Quantifies the impact of implementation decisions on performance ✓ Identifies the sources of your net value add
3 **Costs**	Are your costs reasonable?	✓ Benchmark cost quantifies the cost for peers to implement a similar investment portfolio to yours
4 **Cost Effectiveness**	Are you receiving value commensurate with what you are spending?	✓ Cost effectiveness measures your implementation value add relative to your benchmark cost
5 **Risk**	How do your risk levels compare with other funds?	✓ A comparison of your asset risk (the expected volatility of your asset mix)

CEM Benchmarking

CEM Dashboard

Click….

… the power of the CEM Database at your fingertips to help you make the best possible decisions.
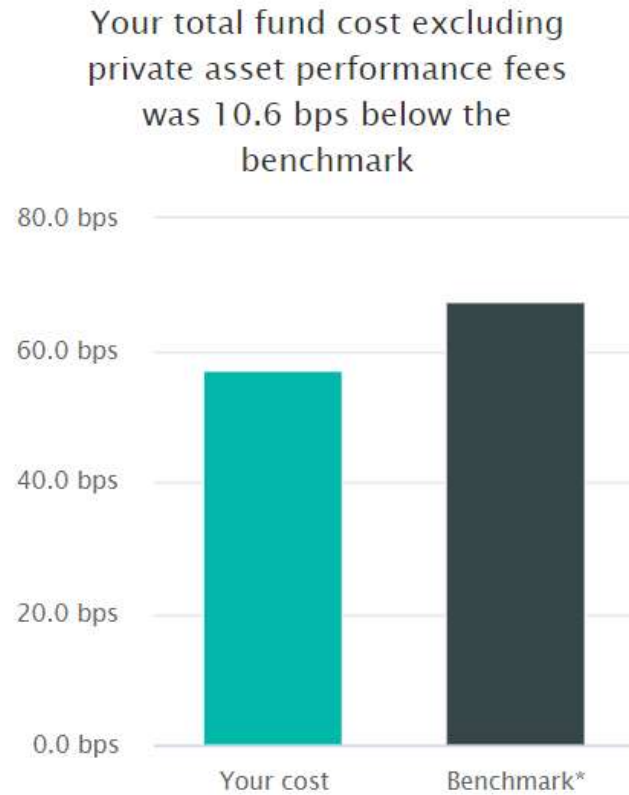

Choose….

- Universe of comparators
- Timelines
- Whole-of-fund / asset class analysis
- Your asset classes / all asset classes
- Include / exclude performance fees

Drill down …..

- Understand what's driving your results
- Tables, graphs, data ranges
- Download what you need for your own analysis

How do your investment costs compare with peers?

Are you a high or low cost fund?
Let us help you find out.

We'll help you to understand why your costs compare as they do:

Your total fund cost excluding private asset performance fees was 10.6 bps below the benchmark

Reasons why your cost was 10.6 bps below the benchmark
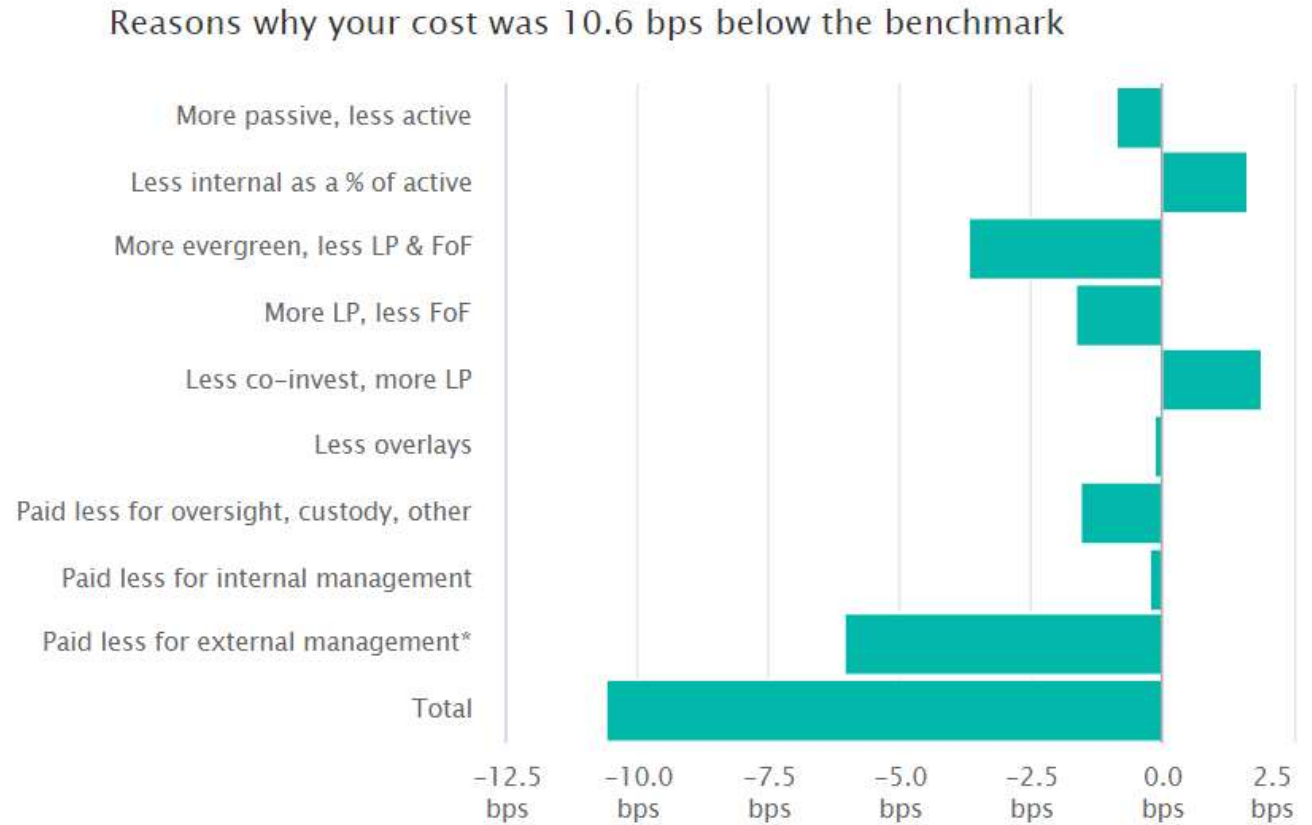
Costs need to be seen in the context of performance

Were your active management decisions rewarded and did you add more value than peers?

We will compare your returns to peers and the U.S. public universe.

5-year Net value added*
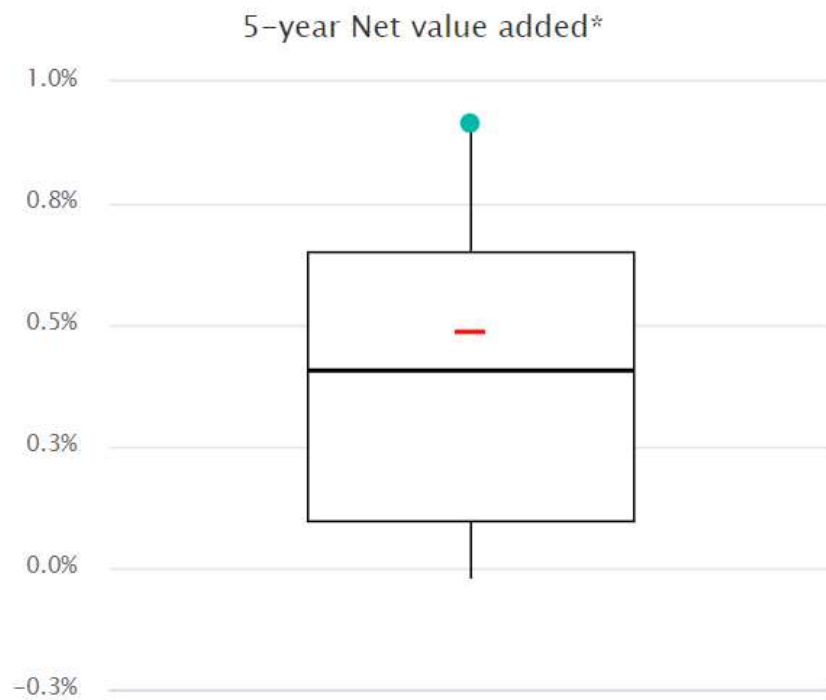
Your 5-year net value added was 0.9%. This was above the U.S. Public universe median of 0.4% and above the peer median of 0.5%.

Net return for total fund – You vs. U.S. Public universe
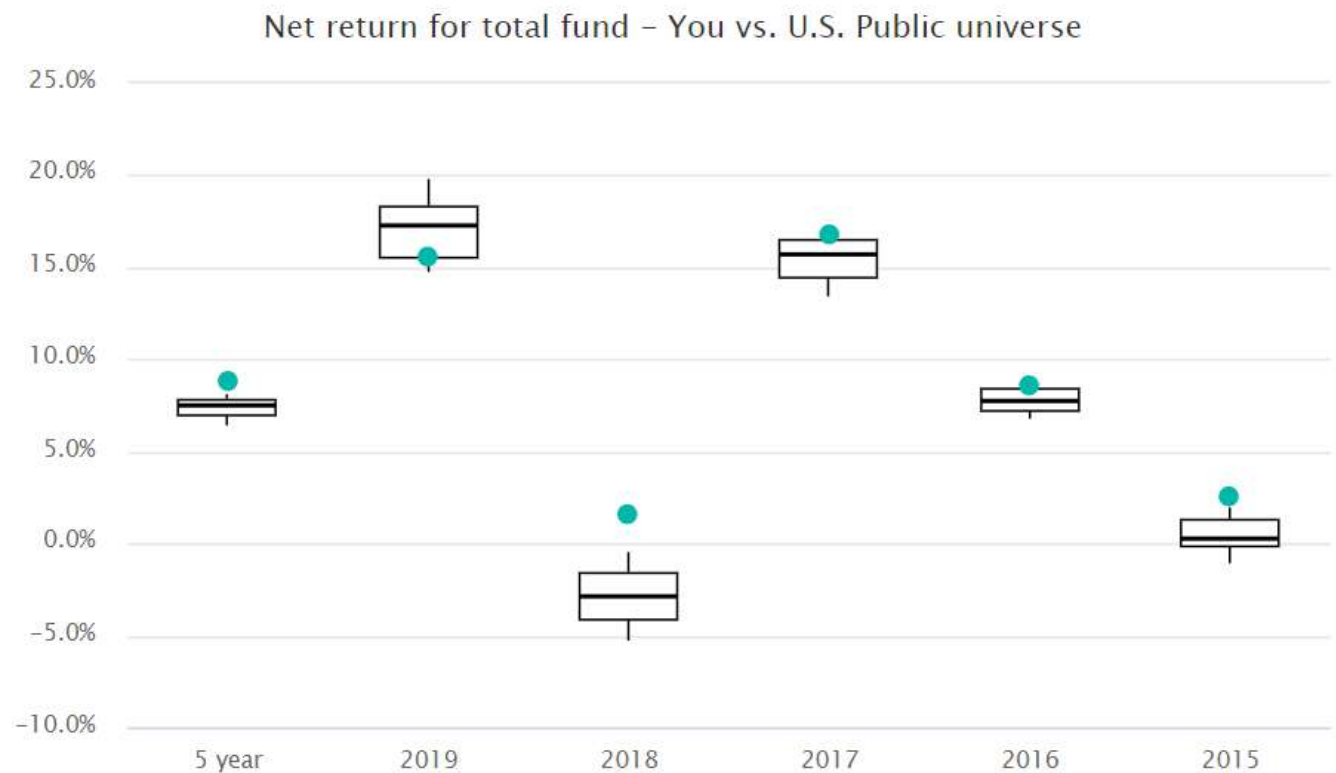
Asset mix and risk comparisons help to explain differences in returns

Your asset risk on December 31, 2019 of 11.9% was above the U.S. Public median of 10.7% and above the peer median of 10.7%. Your asset-liability risk of 13.5% was above the U.S. Public median of 13.4% and above the peer median of 13.4%.

Key service deliverables and pricing

Pension Administration Benchmarking Subscription

- ✓ Comprehensive and customized benchmarking report
- ✓ Video meeting(s) to present and discuss your results to management and board
- ✓ Research insights and PIN access
- ✓ One invite to the World Conference
- ✓ Annual fee of USD$22,500.

Investment Benchmarking Subscription

- ✓ Comprehensive and customized benchmarking report
- ✓ Your benchmarking results will also be provided for you on Dashboard, our interactive online reporting tool
- ✓ Video meeting(s) to present and discuss your results to management and board
- ✓ Annual fee of USD$40,000.

Both Pension Administration and Investment Benchmarking Subscriptions in a one-year period

- ✓ Service features as described above
- ✓ Annual fee of USD$40,000.
- ✓ We would be available for one on-site meeting to present your results. We would add our out-of-pocket travel expenses to our fee (e.g., economy airfare and hotel).

CEM Benchmarking

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Your key contact

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CEM Pension Administration Benchmarking Analysis

Iowa Public Employees' Retirement System

March 22, 2021

Michael Reid

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Key Takeaways:

Cost

- Your total pension administration cost of $46 per active member and annuitant was $52 below the peer average of $98.

- From 2013 to 2020, your total pension administration cost per active member and annuitant increased by 0.3% per annum.

- You continue to be one of the lowest cost systems in our database.

Service

- Your total service score was 79. This was below the peer median of 83. You have a very high scoring peer group, including 6 out of the 10 top scoring systems in the CEM's database.

- Your service score increased from 76 to 79 between 2013 and 2020. This was mainly due to improvements made in your mass communications.

70 leading global pension systems participate in the benchmarking service.

Participants

United States

Arizona SRS	PERS of Mississippi
CalPERS	PSRS PEERS of Missouri
CalSTRS	South Carolina RS
Colorado PERA	STRS Ohio
Delaware PERS	TRS Illinois
Florida RS	TRS of Texas
Idaho PERS	Utah RS
Illinois MRF	Virginia RS
Indiana PRS	Washington State DRS
Iowa PERS	
KPERS	**Canada**
LACERA	Alberta TRS
Maryland SRPS	Alberta PS
Michigan ORS	BC Pension Corporation
Minnesota State RS	Canadian Forces PP
Nevada PERS	Federal Public Service PP
North Carolina RS	LAPP of Alberta
NYC ERS	Ontario Pension Board
NYC TRS	Ontario Teachers
NYSLRS	OPTrust
Ohio PERS	RCMP
Oregon PERS	Saskatchewan HEPP
Pennsylvania PSERS	

The Netherlands*

ABN Amro PF
ABP
bpfBOUW
BPF Levensmiddelen
BPL Pensioen
Metaal en Techniek
PF PWRI
PF Vervoer
PFZW
Rabobank PF
Shell PF

South Africa

EPPF

United Kingdom*

BSA NHS Pensions
BT Pension Scheme
Greater Manchester PF
Local Pensions Partnership
Lothian PF
Merseyside PF
Pension Protection Fund
Principal Civil Service
Royal Mail Pensions
South Yorkshire PF
Teachers' Pensions
Tyne & Wear PF
Universities Superannuation
West Midlands Metro
West Yorkshire PF

* Systems in the UK and most systems in the Netherlands complete different benchmarking surveys and hence your analysis does not include their results

The custom peer group for Iowa PERS consists of the following 12 peers:

Custom Peer Group for Iowa PERS			
	Membership (in 000's)		
Peers (sorted by size)	Active Members	Annuitants	Total
Washington State DRS	338	201	539
Indiana PRS	252	164	416
Arizona SRS	210	159	369
Colorado PERA	245	124	369
STRS Ohio	209	159	368
Oregon PERS	181	155	336
Illinois MRF	178	136	314
Iowa PERS	**170**	**127**	**297**
PERS of Mississippi	153	113	266
PSRS PEERS of Missouri	129	98	227
NYC TRS	129	93	222
TRS Louisiana	92	81	172
Peer Median	179	131	325
Peer Average	191	134	325

Inactive members are not considered when selecting peers because they are excluded when determining cost per member. They are excluded because they are less costly to administer than either active members or annuitants.

Your total pension administration cost of $46 per active member and annuitant was $52 below the peer average of $98.

Pension Administration Cost Per Active Member and Annuitant

Legend: You | Peer | All | ---- Peer Avg | —— All Avg
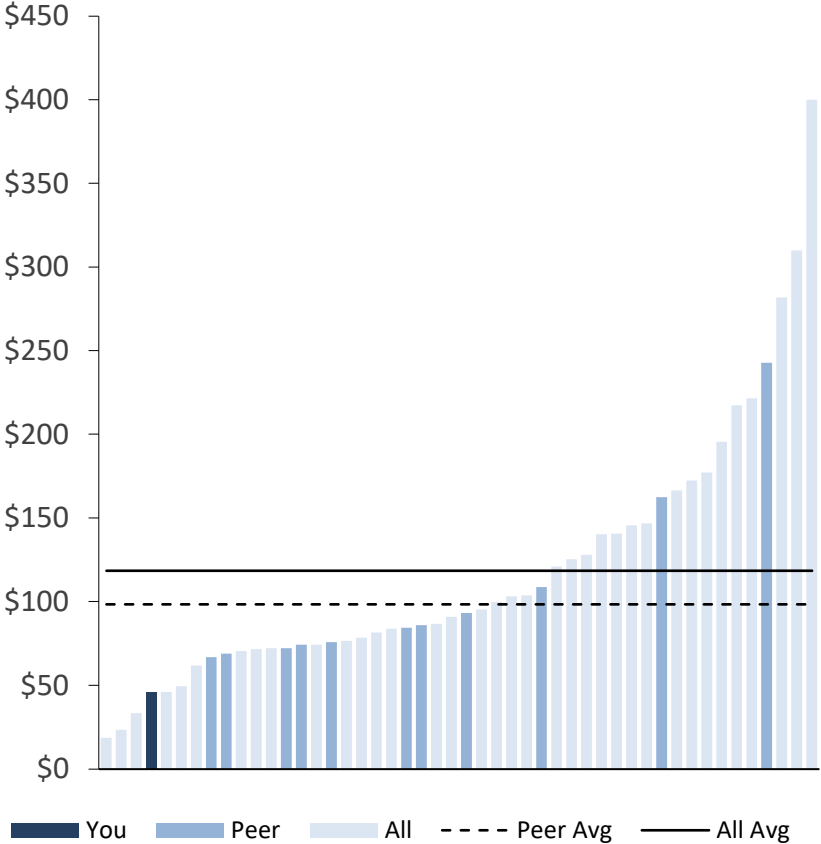
Category	$000s You	$ per Active Member and Annuitant You	$ per Active Member and Annuitant Peer Avg
Front office			
Member Transactions	1,266	4	13
Member Communication	2,705	9	15
Collections & Data Maintenance	1,661	6	7
Governance and support			
Governance and Financial Control	935	3	8
Major Projects	174	1	13
Information Technology	4,911	17	24
Building	713	2	7
Legal	373	1	3
HR, Actuarial, Audit, Other	850	3	10
Total Pension Administration	13,587	46	98

# Reasons why your cost per member was $52 below the peer average:

Reason	You	Peer Avg	Impact $ per active member and annuitant
1 Fewer front-office FTE per 10,000 members	1.6 FTE	3.7 FTE	-$26
2 Lower third party costs per member in the front-office	$4	$5	-$1
3 Higher costs per FTE			
Salaries and Benefits (Incl. retiree benefits)	$104,736	$95,163	
Building and Utilities	$10,815	$11,606	
HR	$1,897	$3,355	
IT Desktop, Networks, Telecom	$13,927	$15,684	
Total	$131,375	$125,808	$3
4 Lower support costs per member[1]			
Governance and Financial Control	$4	$9	
Major Projects	$1	$14	
IT Strategy, Database, Applications	$14	$17	
Actuarial, Legal, Audit, Other	$4	$12	
Total	$22	$52	-$29
Total			-$52

1. To avoid double counting, Governance and support costs are adjusted for differences in cost per FTE.

One reason you had fewer FTE in the front-office was that you preformed 35% fewer weighted transactions that peers. You also had higher productivity.

Website - Total Secure Area Visits
per 1,000 active members and annuitants
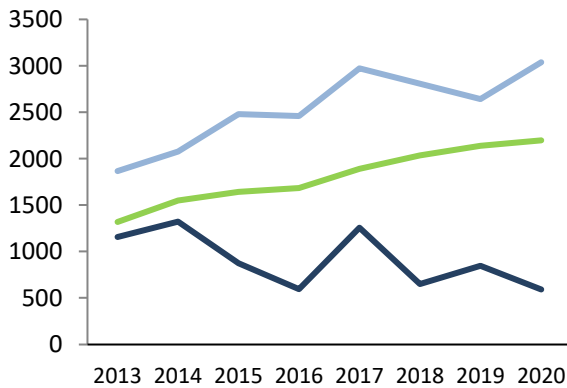
Incoming Calls and Emails
per 1,000 active members and annuitants
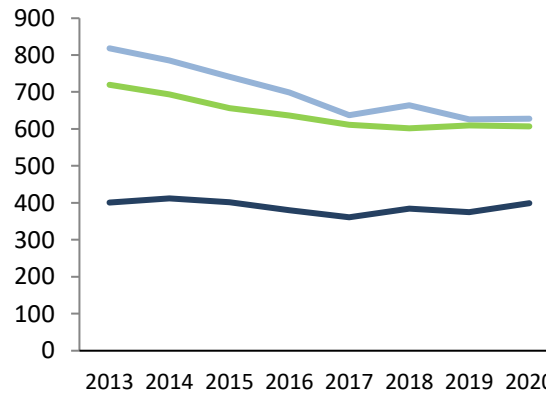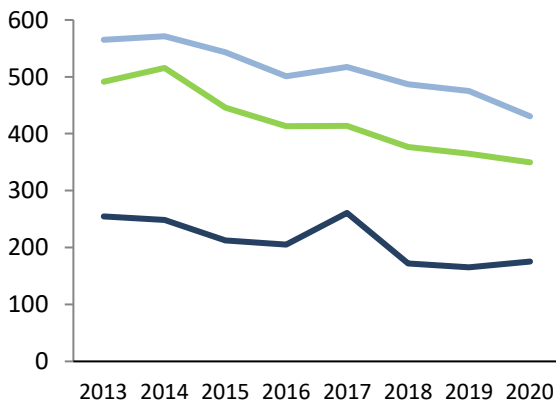
Written Estimates
per 1,000 active members and annuitants
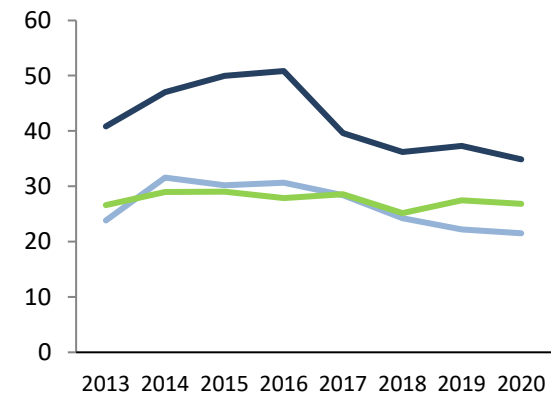
Incoming Mail
per 1,000 active members and annuitants

Members Counseled 1-on-1
per 1,000 active members and annuitants
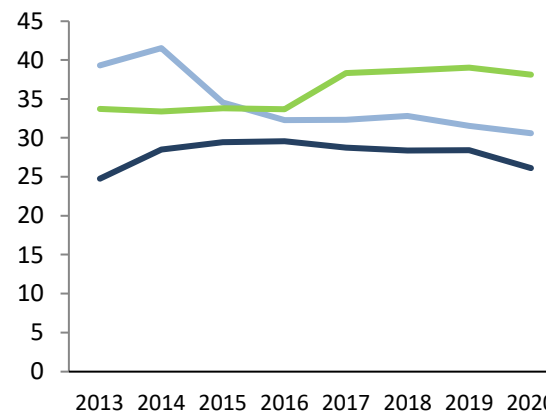
Member Presentations
per 1,000 active members and annuitants
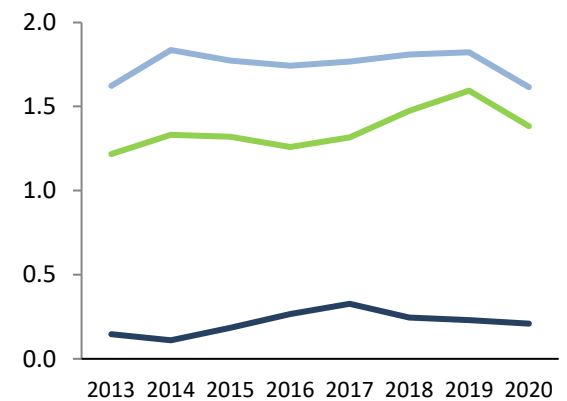
—— You —— Peer Avg —— All Avg

Trend analysis is based on 36 systems that have provided 8 consecutive years of data.

Cost Trends

Trend in Total Pension Administration Costs

	2013	2014	2015	2016	2017	2018	2019	2020
You	$45	$54	$45	$53	$55	$51	$53	$46
Peer Avg	$97	$101	$106	$108	$104	$102	$101	$104
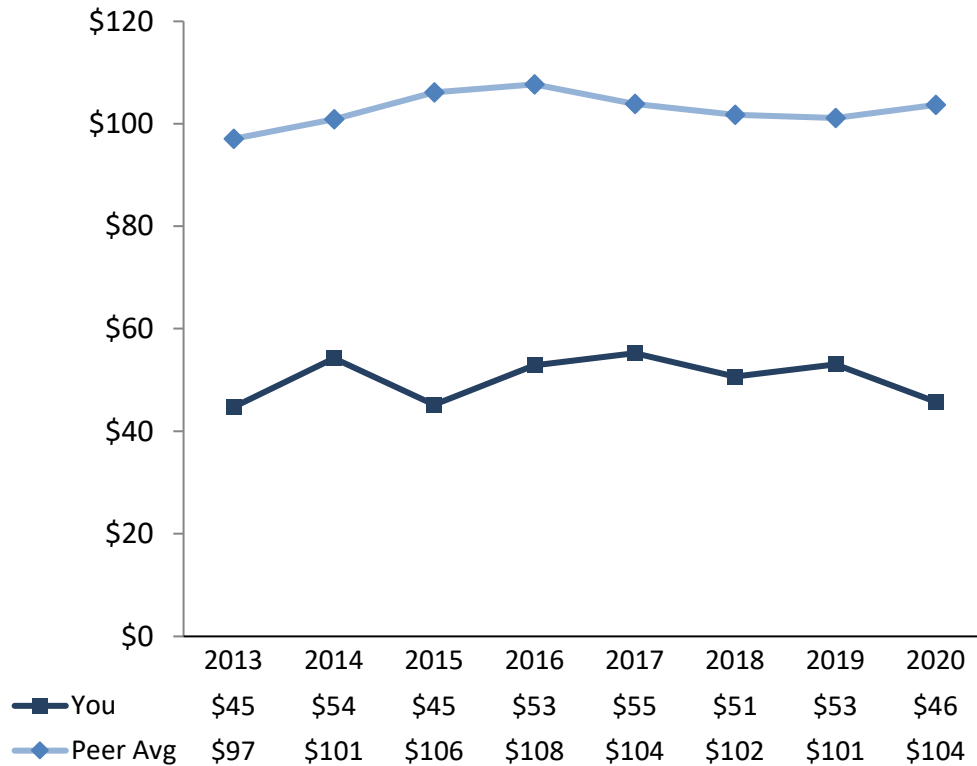
Between 2013 and 2020:

Your total pension administration cost per active member and annuitant increased 0.3% per annum.

During the same period, the average cost of your peers with 8 consecutive years of data increased 0.9% per annum.

You continue to be one of the lowest cost systems in our database.

Trend analysis is based on systems that have provided 8 consecutive years of data (10 of your 12 peers).

Your total service score was 79. This was below the peer median of 83.

Total Service Score

Legend:
- You
- Peer
- All
- - - - Peer Median
- —— All Median
- ·········· Peer Avg

Service is defined from a member's perspective. Higher service means more channels, faster turnaround times, more availability, more choice, better content and higher quality.
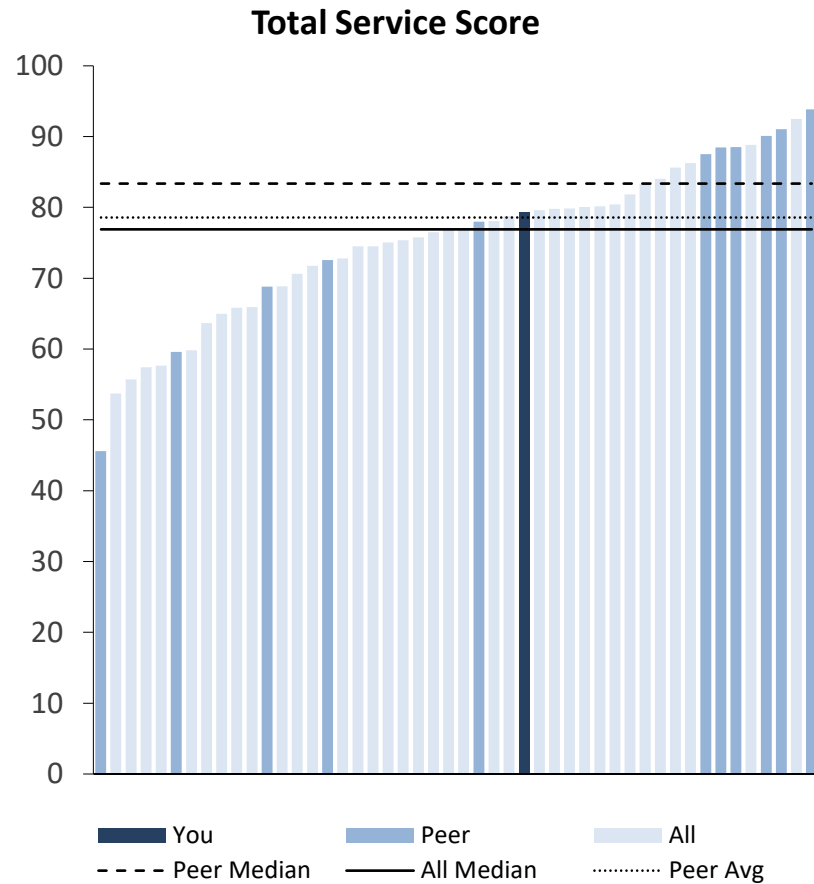
Higher service is not necessarily cost-effective. For example, the ability to answer the telephone 24 hours a day is higher service, but not cost effective.

Service Scores by Activity

Activity	Weight	You	Peer Median
1. Member Transactions			
Pension Payments	10.0%	100	100
Pension Inceptions	7.4%	88	90
Refunds, Withdrawals, and Transfers-out	1.3%	100	95
Purchases and Transfers-in	3.1%	92	86
Disability	3.8%	90	86
2. Member Communication			
Call Center	21.0%	79	77
1-on-1 Counseling	7.4%	97	91
Member Presentations	6.5%	51	100
Written Pension Estimates	4.7%	93	96
Mass Communication			
Website	21.3%	74	83
News and Targeted Communication	2.8%	87	84
Member statements	4.7%	91	87
3. Other			
Member Experience Surveying	5.0%	10	41
Disaster Recovery	1.0%	100	99
Weighted Total Service Score	100%	79	83

Examples of key service measures included in your Service Score:

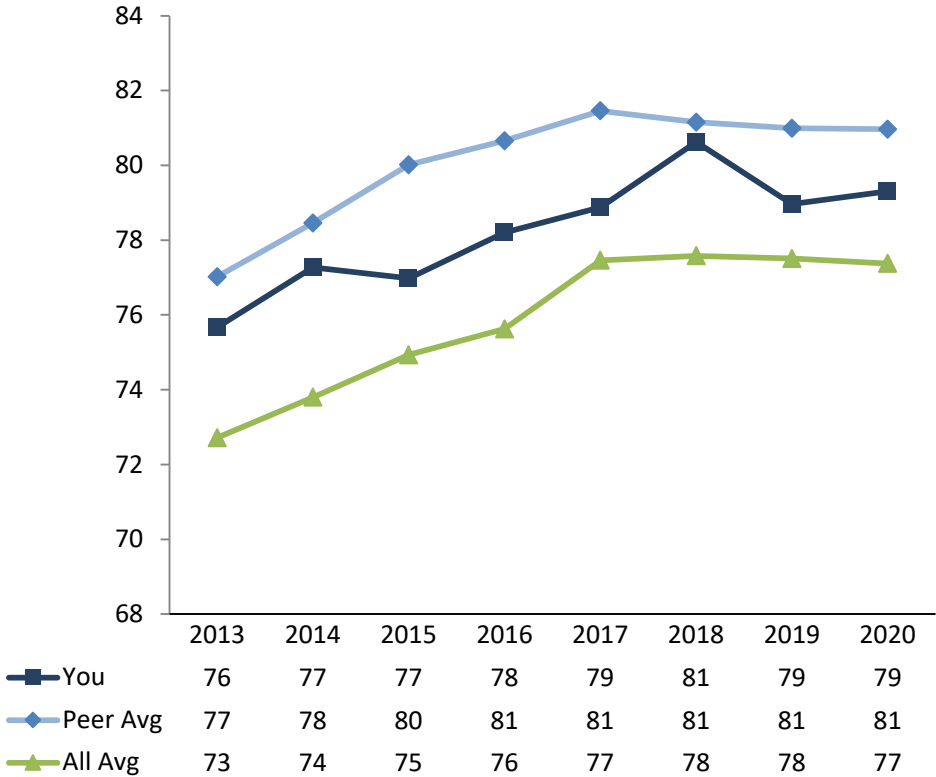| Select Key Service Metrics	You 2020	Peer Avg
Member Contacts		
• % of calls resulting in undesired outcomes (busy signals, messages, hang-ups)	6%	11%
• Average total wait time including time negotiating auto attendants, etc.	36 secs	195 secs
Website		
• Can members access their own data in a secure environment?	Yes	92% Yes
• Do you have an online calculator linked to member data?	Yes	92% Yes
• # of other website tools offered such as changing address information, registering for counseling sessions and/or workshops, viewing or printing tax receipts, etc.	13	14
1-on-1 Counseling and Member Presentations		
• % of your active membership that attended a 1-on-1 counseling session	4.6%	4.9%
• % of your active membership that attended a presentation	1.2%	6.1%
Pension Inceptions		
• What % of annuity pension inceptions are paid without an interruption of cash flow greater than 1 month between the final pay check and the first pension	100.0%	90.2%
Member Statements		
• How current is an active member's data in the statements that the member	3.0 mos	2.2 mos
• Do statements provide an estimate of the future pension entitlement?	Yes	75% Yes

Where can you improve your total service score?

Potential improvements to your total service score	
Factor	Potential Improvement
You do not review your staff's responses to member calls, 1-on-1 counselors or presenters for coaching purposes. To achieve a perfect service score you must review your staff's responses to member calls 4 or more times per month and must regularly review counselors and presenters for coaching purposes.	+2.3
You did not survey recently retired members about their retirement process experience during the fiscal year covered in this benchmarking report.	+ 1.1
You require notarization of retirement applications when incepting a pension and on disability applications. To achieve a perfect service score you must not require notarization of retirement applications when incepting a pension or disability applications.	+1.0
Your members are forced to acknowledge a disclaimer every time they log-in or use the calculator. To achieve a perfect service score members must not be forced to acknowledge a disclaimer every time they log-in or use the calculator.	+ 0.9

CEM is not recommending these changes. Service improvement should be cost effective and important to your members.

Your service score increased from 76 to 79 between 2013 and 2020.

Trends in Total Service Scores

	2013	2014	2015	2016	2017	2018	2019	2020
You	76	77	77	78	79	81	79	79
Peer Avg	77	78	80	81	81	81	81	81
All Avg	73	74	75	76	77	78	78	77

Changes that had a positive impact:

- Website: Over the past 8 years you've added a number of online transactions, such as a service credit purchase calculator, changing a beneficiary, and the option to register for presentations.

- Newsletters: You now offer 5 targeted newsletters to different segments vs. 1 in 2013.

- Presentations: Your percent of attendees as a percent of active members increased from 0.6% to 1.2%.

Changes that had a negative impact:

- Member Experience Surveying: You are doing less member surveying than you did in 2013.

Trend analysis is based on systems that have provided 8 consecutive years of data (10 of your 12 peers and 36 of the 48 systems in the universe).

Historic scores have been restated to reflect changes in methodology. Therefore, your historic service scores may differ from previous reports.

The relationship between service and pension administration cost in the CEM universe:
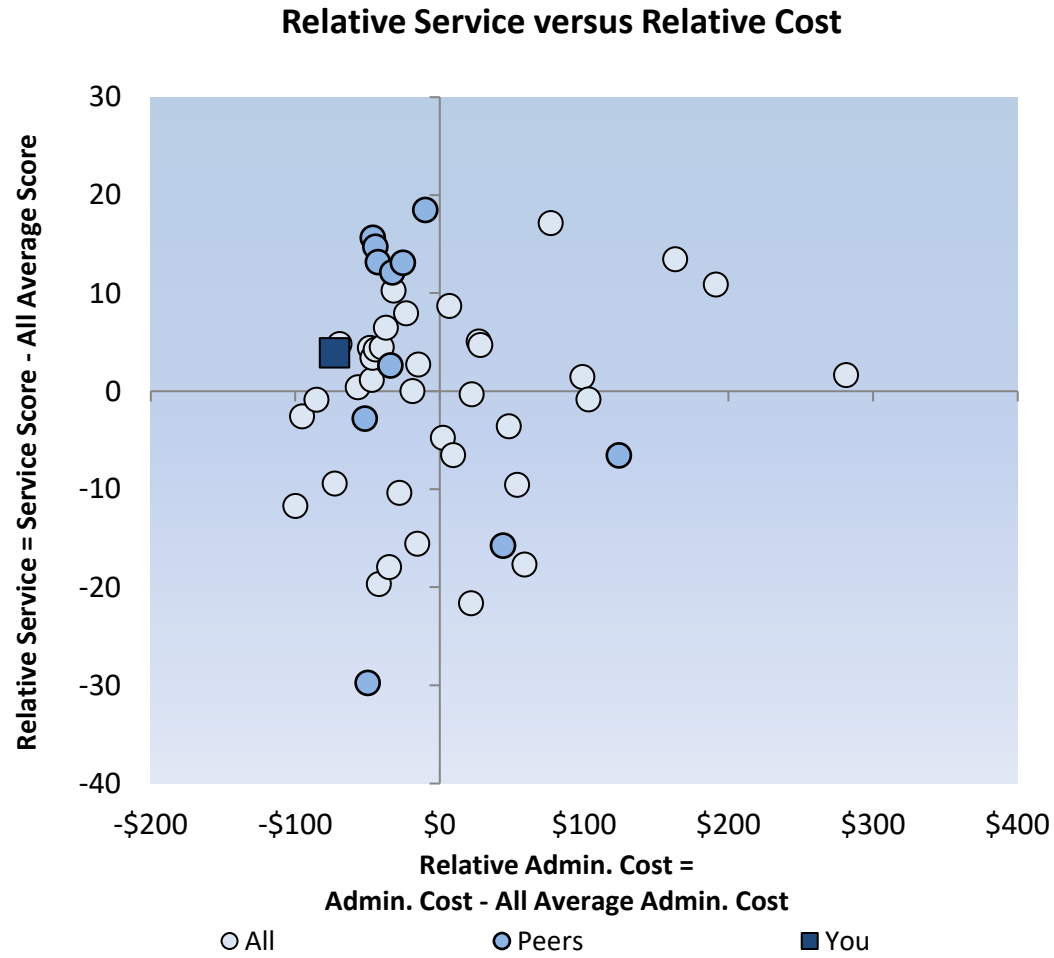
Relative Service versus Relative Cost

Relative Service = Service Score - All Average Score (y-axis, ranging from -40 to 30)

Relative Admin. Cost =
Admin. Cost - All Average Admin. Cost (x-axis, ranging from -$200 to $400)

Legend: ○ All   ○ Peers   ■ You

Key Takeaways:

Cost

- Your total pension administration cost of $46 per active member and annuitant was $52 below the peer average of $98.

- From 2013 to 2020, your total pension administration cost per active member and annuitant increased by 0.3% per annum.

- You continue to be one of the lowest cost systems in our database.

Service

- Your total service score was 79. This was below the peer median of 83. You have a very high scoring peer group, including 6 out of the 10 top scoring systems in the CEM's database.

- Your service score increased from 76 to 79 between 2013 and 2020. This was mainly do to improvements made in your mass communications.

Annual Performance Evaluation

For Middle Management (Div. 0), Senior Management (Div. 8), Executive Management (Div. 5), and Cincinnati Organized and Dedicated Employees (CODE).

General Information

Employee Name: Employee ID #:

Department: Division:

Employee's Job Classification:

Review Period: From: To:

Effective Date of Review: Next Review Date:

Rater's Name: Reviewer's Name:

Rater's ID: Reviewer's ID#:

Type of Review: Annual

Introduction & Purpose

For the Rater / Supervisor:
The performance evaluation is a tool to measure, evaluate, reinforce and/or improve your employee's job performance. After completion of the Performance Evaluation, your employee should understand if they have been successful in meeting their goals & objectives for the review period. It is also a tool to measure the degree to which your employee has embraced the values of your Department and the City of Cincinnati. It is best if you give your employee on-going feedback throughout the year.

For the Employee:
The performance evaluation provides feedback concerning a) your supervisor's expectations and priorities of your current position; b) your performance strengths and areas where there is room for improvement; and c) the degree to which you have met your goals & objectives.

Definition of Performance Ratings

The rater must provide comments for each measurement when completing the evaluation.

Performance Ratings:

Exceptional: Employee consistently surpassed expectations, did more than required, and exceeded requirements and goals / objectives.

Exceeds Expectations: The employee met expectations and often rose above expected standards and performance requirements for position held. Did more than required on an ongoing basis.

Meets Expectations: Performance was competent. Achieved results that met requirements or goals / objectives. Performance was at the level expected of a qualified and experienced employee, although there may be opportunities for improvement.

Needs Improvement: Performance fell short of consistently meeting requirements. Needed counseling by supervisor. Needs improvement in area to more effectively and efficiently meet requirements of the position.

Unacceptable: Deficient performance in meeting requirements. Needs counseling and oversight by supervisor on an on-going basis. Immediate, substantial and sustained improvement is required.

These performance ratings are used for individual measurements, sections, and the overall rating.

It is expected that over 80 - 90% of our employees will meet or exceed expectations. However, in the rare case where an employee receives an overall score of "Needs Improvement" or "Unacceptable" for a section or the overall evaluation, the supervisor should consult the Performance Improvement Steps.

Essential Values

Rater must provide comments for each measurement when completing the evaluation.

1. **Acts with Integrity, Ethics & Accountability:** Is perceived as trustworthy. Assumes responsibility for actions and follows through on commitments. Serves as role model and "walks the talk". Conducts self in a professional manner. Understands the responsibility of being a public servant. Makes decisions in a consistent manner. Maintains confidentiality. Shows compassion for others. Gives honest feedback.

   Rating:
   Comments and / or Examples:

2. **Communicates Effectively:** Demonstrates effective and tactful listening, speaking, and writing skills with all levels of the City Administration. Skilled at interacting with people who have different communication styles. Openly shares appropriate information. Understands and can articulate the Department's mission. Keeps supervisor aware of progress and communicates potential roadblocks and information that could impact public opinion.

Rating:
Comments and / or Examples:

3. **Provides Excellent Customer Service:** Understands and embraces that the City's primary mission is to deliver excellent customer service. Responds in a timely and effective manner to both internal and external customer's needs and does so courteously. Looks for creative solutions to better serve our customer, and shares best practices.

   Rating:
   Comments and / or Examples:

4. **Relationship Building:** Seeks, builds, and maintains productive relationships with employees at all levels, and with customers (both internal and external). Works courteously and cooperatively with other team members and the public. Seeks opportunities to assist others. Treats all people respectfully.

   Rating:
   Comments and / or Examples:

5. **Embraces Change:** Accepts and promotes new systems, processes, and procedures, and looks for opportunities to improve upon them. Understands the need for change and growth. Seeks to minimize bureaucratic inefficiencies.

   Rating:
   Comments and / or Examples:

6. **Attitude:** Demonstrates a positive and cooperative attitude and willingness to follow instructions. Shows initiative. Contributes to unit morale and shows acceptance of Department goals. Considers the needs of the organization and others when solving problems and exercising judgment. Extends common-courtesy to others. Is supportive of, and gives credit to, others.

   Rating:
   Comments and / or Examples:

   ## Section Rating for <u>Essential Values</u>:
   Rating: Previous Rating:
   Comments:

A Core Competency is an ability to perform a role or complete a set of tasks, which comes from a combination of knowledge, skills and behaviors. Generally speaking, a Core Competency is a "primary responsibility". A person will typically have four to seven Core Competencies; with each one having a set of tasks associated with it. This list is not necessarily all-inclusive of the employee's responsibilities and / or tasks performed.

The first three competencies have been pre-determined. However, there must be <u>at least two to five additional competencies and associated goals added to this list</u>.

The Supervisor selects the Competencies and Goals, with input from the employee. You may also reference the Job Specifications for the position.

The Rater must provide comments for each measurement and should use quantifiable results and specific examples when practical.

The CRS Board has adopted a mission and a list of objectives for 2022. The Board is evaluating the Executive Director's core competencies based on the Director's work on this mission and these objectives. The owner of each objective is different—in some cases the Board is the sole owner of the objective and the Executive Director's work on that objective may be relatively minor.

The Board's mission is:

1. Assure promised pension and healthcare benefits for current and future retirees.

   Quality Rating:
   Comments and/or Examples

   Effectiveness Rating:
   Comments and/or Examples

2. Assist and support CRS members in achieving a successful retirement.

   Quality Rating:
   Comments and/or Examples

   Effectiveness Rating:
   Comments and/or Examples

3. Assure CRS transparency and accessibility for all stakeholders.

   Quality Rating:
   Comments and/or Examples

   Effectiveness Rating:
   Comments and/or Examples

The Board's 2022 objectives and ratings form are attached.

For the Board's 2022 objectives in whole, please rank the following 4 competencies:

1. **Competency: Work Productivity** – Manages concurrent assignments and meets deadlines and commitments. The amount of work performed is appropriate to the job function. Uses time wisely. Balances work / personal matters appropriately.

   Goal(s):
   Rating:
   Comments and/or Quantifiable Results:

2. **Competency: Attendance** – Meets normal standards regarding attendance, tardiness, and observance of work hours. Follows call-in procedures and approval procedures for leaves of absence. (The evaluation of an employee's attendance record must not reflect their use of FMLA.)

   Goal(s):
   Rating:
   Comments and/or Quantifiable Results:

3. **Competency: Timeliness** – Board objectives are completed in a timely manner.

   Goal(s):
   Rating:
   Comments and/or Quantifiable Results:

4. **Competency: Effectiveness** – Board objectives are completed and are effective as intended.

   Goal(s):
   Rating:
   Comments and/or Quantifiable Results:

   Section Rating for <u>Core Competencies</u>:
   Rating: Previous Rating:
   Comments:

Supervisory / Leadership Skills

(Applicable to supervisory personnel)
Rater must provide comments for each measurement when completing the evaluation.

1. Provides Leadership, Trains, Motivates, and Coaches. Is a Role Model to Team Members, Fosters Teamwork, Provides an Environment for Open and Shared Ideas.

Rating:
Comments and / or Examples:

2. Consistently Upholds Standards Fairly, Resolves Problems, Conflicts, and/or Grievances in an Appropriate and Timely Fashion, (i.e.; HR P&P, Labor contracts.), Makes Fair and Consistent Decisions, Maintains Environment for Positive Employee Morale.

Rating:
Comments and / or Examples:

3. Plans and Acts Strategically, Delegates Effectively, Promotes Cross Training and Shared Responsibilities.

Rating:
Comments and / or Examples:

4. Promotes, embraces, and values Small Business Enterprise (SBE) initiatives, EEO, and Affirmative Action goals. Implements a strategy to increase the number of competitively bid contracts awarded to SBE's. Attains the departmental SBE utilization goal of _____.

Rating:
Comments and / or Examples:

5.Completes Employees' Performance Evaluations on Time.

Rating:
Comments and / or Examples:

Section Rating for <u>Supervisory / Leadership Skills</u>:
Rating: Previous Rating:
Comments:

Overall Evaluation

Rating: Previous Rating:

Supervisor's Specific Comments to Support Overall Evaluation:
Rater/Supervisor's Name: Date: ID#:

Supervisor's Signature: _____

Reviewer's Name: Date: ID#:

Reviewer's Signature: _____

I understand that my signature indicates that I have had the opportunity to review and discuss the completed performance evaluation with my supervisor, but does not necessarily mean that I agree with the performance evaluation.

_____   _____   _____
Employee's Signature   Date   ID #

Employee comments (Optional):

Reviewer's Comments (Optional)

Reviewer's Comments:

_____   _____   _____
Signature of Reviewer   Date of Review   Reviewer's ID

CY 2022 Board Objectives					
Item	**Owner**	**Target Date**	**Status**	**Quality Rating**	**Comments**
1. Complete Governance Manual and Board Rules *(A,B,C,D,5,6,17)*	Governance Comm., Mike Barnhill	6/30/2022			
2. Establish fiduciary audit scope (D,2)	Board, Mike Barnhill	6/30/2022			
3. Prepare and present CRS orientation to City Stakeholders (City Mgr, Mayor, V. Mayor, Council Fin. Chair) *(C,D,1,5,7)*	Board, Mike Barnhill	6/30/2022			
4. Prepare and provide trustee training plan, including training policy and curriculum *(A,B,C,D,1,2,3,10,12,13)*	Board, Mike Barnhill	6/30/2022			
5. Establish "treadwater" employer contribution and employer contribution "ramp up" recommendation *(A,B,C,1,2,11)*	Board, Mike Barnhill	3/31/2022			
6. Develop CRS handbook for active and retired members *(E,5,7)*	Mike Barnhill	12/31/2022			
7. Develop and provide newsletters for active and retired members *(E,5,7)*	Mike Barnhill	6/30/2022			
8. Develop and implement CRS website content to provide timely, complete, and easily accessible info *(E,5,7)*	Mike Barnhill	9/30/2022			

9. Provide the City Administration with input and recommendations regarding the healthcare trust funding policy *(A,B,C,1,2,11,19)*	Mike Barnhill	3/31/2022			
10. Review CRS Department staffing positions and complement *(C,D,1,2)*	Board, Mike Barnhill	3/31/2022			
11. Prepare and approve the 2022 budget *(A,B,D,4,16)*	Board, Mike Barnhill	3/31/2022			
12. Assist the Mayor and Council in filling appointed member Board vacancies *(C,1)*	Board, Mike Barnhill	6/30/2022			
13. Complete the five-year actuarial experience study *(B,C,D,1,2,11,12,13)*	Board, Mike Barnhill	3/31/2023			
14. Prepare and submit the annual CRS report to City Council *(C,D,5,7,20)*	Board, Mike Barnhill	6/30/2022			
15. Prepare an annual financial report for active and retired members *(E,1,2,5,7)*	Investment Comm., Mike Barnhill	6/30/2022			
16. Review and approve the annual 12/31/2021 Actuarial Valuation Report *(B,1,2,12,13)*	Board	6/30/2022			
17. Review and approve the quarterly and Annual Investment Reports *(A,B,1,2,3,11)*	Board	Ongoing			
18. Establish the format for providing input into the City Manager's evaluation of the Director *(D,1,2,9)*	Performance Eval Comm.	12/31/2022			

19. Assign Board Members to Committees (D,1,2,14,15)	Chair Moller	Ongoing			
20. Select Board Chair and Vice Chair (D,1,2,18)	Board	12/31/2022			
21. Completion of the election process for one retiree and one active trustee (D,1,2,18)	Elections Comm., Mike Barnhill	8/4/2022			
22. Review and make recommendations regarding survivor benefits (B,D,1,2)	Benefits Comm.	12/31/2022			
23. Develop for Board approval CRS Board Goals and Strategies for 2022 (D,G,21)	Performance Eval Comm.	3/31/2022			
24. Keep the Board well-informed about important developments and issues (F,5)	Mike Barnhill	Ongoing			
25. Review current customer svc practices and identify strengths and opportunities for improvements (D,G,21)	Mike Barnhill	12/31/2022			
26. Review and prepare analysis and recommendation on disabled adult child healthcare eligibility matters	Mike Barnhill	6/30/2022			
27. Security and risk review; HIPAA; SOC 1 Type 2 audit of LRS; internal control review on all cashflows; Evaluate CRS and Finance workflows and approvals	Mike Barnhill, CRS Staff	12/31/2022			