

City Of Cincinnati Retirement System Board of Trustees Meeting

Minutes

November 1, 2007 / 2PM
Committee Room B

The Chairperson confirmed a quorum and called the meeting to order: 2:05PM

Present:

Marijane Klug, Chairperson
Kathy Creager
Michael Rachford
Gina Marsh
Donald Beets
V. Daniel Radford
Brian Pickering
Jason Barron
James Robinson

Absent

Dave Rager
Michael Fehn

Staff present: John Boudinot, Keith Giles, John Walsh

James B. Robinson was sworn-in as a new member of the Board of Trustees. James Robinson will replace Margaret Allen and serve as a Civil Service Representative, Ex-Officio. J. Robinson has also agreed to serve on the Investment Committee and Governance Committee.

GARY DIXON, MERCER ACTUARY *Attachment A*

Financial Data Regarding Healthcare Coverage and Contributions for the CRS –
Based on Actuarial Data 12/31/06

Discussion ensued concerning the financial data, including unfunded liability associated with 3 scenarios:

- No Change to 96/4 Healthcare for Current / Future Retirees
- All Members of the CRS on 80/20 Healthcare
- Grandfather Current Retirees to 96/4 Healthcare

G. Dixon was requested to provide to the Board of Trustees the rate of return for investments for the past 10 years.

After full discussion of the actuary report, it was agreed that a separate audit of the data is warranted. In order to validate the data, and dissuade any misperceptions, it was agreed that an independent audit would be conducted. A recommendation by staff will be presented at the December Board meeting regarding a limited-scope audit to address the data presented and confirm the assumption rate.

OCTOBER 4, 2007 BOARD MINUTES

B. Pickering moved to approve the minutes. M. Rachford seconded and it was carried by the board to approve the minutes with minor revisions.

Marijane Klug	Yes
Kathy Creager	Yes
Michael Rachford	Yes
Gina Marsh	Yes
Donald Beets	Yes

V. Daniel Radford	Yes
Brian Pickering	Yes
Jason Barron	Yes
James Robinson	Yes

BENEFITS COMMITTEE, OCTOBER 25, 2007: *Attachment B*

- | | |
|--|------------|
| 1. Application for Early Retirement Incentive - November 2007: | Total - 23 |
| 2. Application for Ordinary Retirement October 2007: | Total - 2 |
| 3. Application for Deferred Retirement: | Total - 0 |
| 4. Resolution for Deaths of Pensioned Members: | Total - 7 |

CRS ACTIVITY *Attachment C*

- Resolution for Enrollment of New Members – Total: 37
- Resolution for Return of Contribution & Deaths of Pensioned Members
Total: 30 – Gross Amount: \$108,091.43
- Resolution for Loans to Members – Total: 71 Amount: \$857,387.02
- Resolution of Military Service Credit Prior to Membership – Total: 4

SECRETARY’S REPORT *Attachment D*

Asset Valuation

December 31, 2006	\$2.61	Billion
September 30, 2007	\$2.74	Billion
YTD Increase (Decrease)	4.96%	

	12/31/06	9/30/07	Target	Pending Allocations
Current Asset Allocation	Actual	Actual		
Domestic Equity	52.9%	53.5%	43.5%	
International Equity	17.6%	18.1%	17.0%	
Fixed Income	28.1%	23.6%	17.0%	
Private Equity	0.7%	1.6%	5.0%	\$ 74.8 Million
Real Estate	0.0%	2.4%	7.5%	\$136.3 Million
Infrastructure	0.0%	0.0%	5.0%	\$ 65.0 Million
Long / Short Equity	0.0%	0.0%	5.0%	
Treasury Cash	0.7%	0.8%	0.0%	
	100.0%	100.0%	100.0%	

Board Action:

Ms. Klug called for a motion for the Board to accept the report of the Secretary. The motion was made by J. Barron, seconded by D. Radford and carried by the Board.

Marijane Klug	Yes
Kathy Creager	Yes
Michael Rachford	Yes
Gina Marsh	Yes
Donald Beets	Yes
V. Daniel Radford	Yes
Brian Pickering	Yes
Jason Barron	Yes
James Robinson	Yes

OPERATING EXPENSES *Attachment E*

The total amount issued for operating expenses, October, 2007: \$148,522.07

INVESTMENT COMMITTEE

Jarislowky Fraser Limited

Marquette Associates recommended termination of Jarislowsky Fraser Limited. After a complete review of reports and full discussion of Jarislowsky's under-performance, the Investment Committee passed a motion to recommend to the Board of Trustees to terminate International Equity Manager, Jarislowsky Fraser Limited and use transition managers to reallocate assets.

Board Action:

Motion made by K. Creager, seconded by M. Rachford, and carried by the Board to terminate International Equity Manager, Jarislowsky Fraser Limited and use transition managers to reallocate assets as follows:

- \$55 million to Dimensional Fund Advisors
- \$27.5 million to Mondrian emerging markets
- Remainder of assets to be split evenly between current international managers of Mondrian and Harding Loevner

Marijane Klug	Yes
Kathy Creager	Yes
Michael Rachford	Yes
Gina Marsh	Yes
Donald Beets	Yes
V. Daniel Radford	Yes
Brian Pickering	Yes
Jason Barron	Yes
James Robinson	Yes

Long-Short Equity Manager Search

The following four Managers were chosen for further consideration through the interview process by the Investment Committee:

- Austin
- ABS
- Attalus
- Common Sense

Infrastructure Manager

Investment Committee recommended to the Board to hire Alinda for an allocation of \$65 million to Alinda Infrastructure Fund II.

Board Action:

Motion made by K. Creager, seconded by B. Pickering, and carried by the Board to hire Alinda for an allocation of \$65 million to Alinda Infrastructure Fund II.

Marijane Klug	Yes
Kathy Creager	Yes
Michael Rachford	Yes
Gina Marsh	Yes
Donald Beets	Yes
V. Daniel Radford	Yes
Brian Pickering	Yes
Jason Barron	Yes
James Robinson	Yes

Statement of Investment Policy: Proposed Changes

Proposed changes will be presented to the December Board of Trustees meeting.

2008 meeting calendar was distributed for review

ADJOURNMENT

Adjourned: 3:30PM