

**Minutes of the Board of Trustees
City Of Cincinnati
Retirement System
February 2, 2007**

The Chairperson called the meeting to order at 2:00 p.m. with the following members present:

Marijane Klug, Chairperson
Joe Gray, Secretary
David Rager, (proxy for City Manager Dohoney)
John Cranley, Council Member
Jason Barron (proxy for Mayor Mallory)
Donald Beets
Michael Fehn
Michael Rachford
V. Daniel Radford
Brian Pickering

Member/s Absent

Margaret Allen, Civil Service Representative

Staff present: John Boudinot, CRS Executive Director, Keith Giles, Supervisor of Pension Plans, John Walsh, Investment Officer and Linda Johnson, Board Recorder

Ms. Klug called for a motion to approve the minutes of the January 5, 2006 Board Meeting. Mr. Beets indicated that the two motions passed by the Benefits Committee at the January 5th meeting, should be reflected in the minutes:

- 1) Revised reimbursement schedule – Medicare Part B;
- 2) Rule to include supplemental jobs be pensionable for both service credit and average highest salary calculations; and both require a change to the Municipal Code.

Ms. Hardin of the City Solicitor's Office indicated that a change to the Municipal Code would have to be enacted by City Council to change the Medicare reimbursement schedule. Mr. Giles reported that the revised Medicare reimbursement schedule did require a change to the CMC, and that an ordinance by City Council (#2007000020) was passed January 2007. Mr. Giles also clarified rule #2 noted above, that this rule was a revision to a Board Rule, not the Municipal Code, and no City Council action was needed for this change.

Ms. Klug moved for a motion to approve the minutes. The motion was made by Mr. Gray, seconded by Mr. Radford and carried by the Board.

BENEFITS COMMITTEE

Mr. Rachford reported that the Benefits Committee met on Thursday, January 25, 2007 at 2:00 p.m. in Committee Room B. Mr. Rachford presented the following report to the Board:

1. Application for Ordinary Retirement - February 11, 2007 Total – 12

NO.	NAME	DEPARTMENT
37912	Howard Wright	MSD
40035	Janet Drapp	Hamilton County
43112	Terri Jacqua	University Hospital
44621	Lois Roberts	University of Cincinnati
44923	William Deters	Hamilton County
44957	Bruce Kraus	Water Works
44968	Barry Webb	Police
48547	Barry King	RCC
52013	Malcolm Allen	Water Works
57444	Robert Maidens	Parking
63377	Joann Re	Facility Management
51962	Richard Rueve	MSD

2. Application for Deferred Retirement: Total – 1

NO.	NAME	DEPARTMENT
50897	Nancy Reid	Fleet Services

3. Application for Ordinary Retired Deaths: Total – 9

Mr. Rachford moved that the Board accept the report of the Benefits Committee. Mr. Rachford indicated that the Committee had no recommendations for board action at this meeting. The motion was seconded by Mr Fehn and unanimously carried by the Board.

SECRETARY'S REPORT

Mr. Gray reported that as of December 31, 2006, the asset level of the fund was \$2.61 billion, a year-to-date increase of 7.99%. Mr. Gray also reported that the asset allocation of the investment portfolio was 52.7% domestic equities, 17.3% international equities, 28.3% fixed income, and 1.7% alternative assets/treasury cash. These actual asset allocations were all within the target bands defined in the asset allocation policy.

Mr. Rager moved that Board accept the Secretary's report. Mr. Radford seconded the motion, and the motion passed unanimously.

The Secretary submitted the following report:

1. Resolution for Enrollment of New Members – Total: 28
2. Resolution for Return of Contribution & Deaths of Pensioned Members
Total: 43 – Amount: \$155,407.44
3. Resolution for Loans to Members – Total: 25 Amount: \$379,816.18
4. Resolution for Deaths of Pensioned Members – Total: 16

The Secretary submitted the following vouchers for payment:

PAYEE	AMOUNT
John Boudinot – Reimbursement for Conference Expenses incurred 1/28-30, 2007 in Columbus, OH at the Ohio Pension Forum	\$644.82
Keith Giles – Reimbursement for Conference Expenses incurred 1/28-30, 2007 in Columbus, OH at the Ohio Pension Forum	\$72.00
John Walsh – Reimbursement for Conference Expenses incurred 1/28-30, 2007 in Columbus, OH at the Ohio Pension Forum	\$688.58
V. Daniel Radford – Reimbursement for Conference Expenses incurred 1/28-30, 2007 in Columbus, OH at the Ohio Pension Forum	\$659.58
Brian Pickering – Reimbursement for Conference Expenses incurred 1/28-30, 2007 in Columbus, OH at the Ohio Pension Forum	\$494.59
Michael Fehn – Reimbursement for Conference Expenses incurred 1/28-30, 2007 in Columbus, OH at the Ohio Pension Forum	\$672.88
John Dietz – Reimbursement for Conference Expenses incurred 1/28-30, 2007 in Columbus, OH at the Ohio Pension Forum	\$180.16
State of Ohio – Attorney General Office – Withholding Tax Penalty Assessments	\$1,545.00
Lee Personnel Inc. – Temporary Personnel Services	\$545.68
ABS Business Products Inc, - Monthly Rental Billing for Copier	\$418.50
Donald Beets – Reimbursement for Conference Expenses incurred 1/28-30, 2007 in Columbus, OH at the Ohio Pension Forum	\$634.88
Ohio Public Employees Retirement System – Reciprocity Transfers	\$6,621.02
Ohio Police & Fire Pension Fund – Reciprocity Transfers	\$322,774.74
Lee Personnel Inc. – Temporary Personnel Services	\$214.71
Division of Accounts & Audits – CINSY Billing for December 2006	\$8,093.78
Paul T. Hoga MD – Professional Services Rendered	\$1,085.00
Keith Giles – Reimbursement for conference expenses incurred 10/21-25, 2006	\$45.84
John Boudinot – Reimbursement for Office Supplies	\$39.75
Business Information Solutions, Inc. – Storage of CRS files	\$78.00
National Business Furniture – Payment of Office Furniture	\$2,188.65
V. Daniel Radford – Reimbursement for conference expenses – Corporate Governance Program – March 21, 2007	\$7,500.00
Mercer Human Resource Consulting – Professional Actuarial Services	\$2,516.00
Fifth Third Bank – Professional Custodial Services	\$25,424.17

Paul T. Hoya, MD – Professional Medical Services	\$2,585.00
Lee Personnel Inc. – Temporary Personnel Services	\$227.34

The Secretary reported that at the close of business January 31, 2007, there was in the Treasury to the credit of the Retirement System, the amount of \$3,580,559.95.

Asset Valuation:

- December 31, 2005: \$2.42 billion
- December 31, 2006: \$2.61 billion
- YTD Increase (Decrease): 7.99%

Current Asset Allocation: (Interim Policy Objective)

- Domestic Equity: 52.9% (52.7%)
- International: 17.6% (16.9%)
- Fixed Income: 28.1% (29.5%)
- Alternative Assets/Treasury Cash: 1.4% (0.9)

INVESTMENT COMMITTEE

Mr. Gray reported that the Investment Committee met immediately before this Board meeting from 11:30 a.m. to 1:45 p.m. The investment consultant was on hand to provide a preliminary investment report for the 4th quarter of 2006. Also at this meeting, the Investment Committee agreed to recommend that the CRS Board hire The Clifton Group as the CRS cash equalization manager. Mr. Gray then submitted a motion that the CRS Board of Trustees hire The Clifton Group to manage the cash equalization program for the CRS. Mr. Fehn seconded the motion. The motion passed unanimously.

Mr. Gray also reported that The Investment Committee reviewed six private equity fund-of-fund managers that are on Marquette’s short list of favored private equity managers. After reviewing the characteristics and investment style of each manager, the committee agreed to invite four of these managers to make presentations at the March committee meeting. Mr. Gray commented that the committee plans to select two of these managers and commit about \$40 million of CRS assets to both managers.

Mr. Cranley moved that Board accept the report of the Investment Committee. Mr. Pickering seconded the motion, and the motion passed unanimously.

ADJOURNMENT

Ms. Klug moved for a motion to adjourn. The motion was made by Mr. Gray seconded by Mr. Fehn and carried by the Board. The meeting was adjourned at 2:30 p.m.