



City Of Cincinnati Retirement System Board of Trustees Meeting

Minutes

April 2, 2009 / 2:00 PM
Committee Room B

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

Present:

Brian Pickering, Chair
Dave Rager, Vice Chair
Jason Barron
Donald Beets
Michael Fehn
Michael Rachford
Dan Radford
James Robinson
Bryan Schmitt
Jack Walsh

Staff present:

John Boudinot
John Dietz
Cheryl Volk – Recorder

Absent

M. Lindahl

NEW BUSINESS

Actuarial Corridor: J. Boudinot provided the Board with an overview of the actuarial corridor. The CRS actuary, Cavanaugh Macdonald will attend the next Board meeting and explain in more detail the purposes of an actuarial corridor and its impact on the CRS pension fund. The next meeting of the Board of Trustees meeting is May 7, 2009.

BOARD MINUTES

February 5, 2009 Board minutes were submitted for approval. D. Beets made a motion to accept the corrected minutes. M. Fehn seconded the motion and the motion passed.

March 5, 2009 Board minutes were submitted for approval. Two minor revisions were requested. D. Rager made a motion to accept the minutes with revisions. M. Fehn seconded the motion and the motion passed.

BENEFITS COMMITTEE

M. Rachford provided the following reports from the Benefits Committee:

- Minutes: February 26, 2009, March 5, 2009, March 19, 2009

Board Action

M. Rachford made motion to accept the Benefits Committee minutes for February 26th, March 5th, March 19th. M. Fehn seconded the motion and the motion passed.

- Draft Ordinance: Service Purchase for Leave of Absence. The draft ordinance was developed by IceMiller and approved by the Benefits Committee. R. Hardin, Chief Counsel recommended the document also be reviewed by the Human Resources Department for review. Board to review the finalized document at the next Board meeting, May 7, 2009.

Board Action

D. Rager made a motion to accept the draft ordinance as submitted. M. Rachford seconded the motion and the motion passed.

- Draft Ordinance: Reemployed Retiree/Spouse Insurance. The intent of the proposal is to implement cost-saving measures. The amendment of CMC §203-43 would require city retirees who subsequently obtain employment or who have employed spouses, to enroll in the other employer's health plan.

Specifics of the document to be clarified and defined. Administration to submit a report reflecting the Board's recommendations. Some of those recommendations include:

- Retirees to pay premiums
- Cost neutral to CRS
- Identify potential savings to CRS
- Timeframe and process for Implementation

IceMiller is currently reviewing the document. The Benefits Committee will consider IceMiller's recommendations and forward the final draft along with administration's report to the Board for approval. Forward the finalized draft ordinance to City Council for action.

Board Action

D. Rager made the following motion:

1. Administration to develop a report for City Council outlining the draft ordinance, associated research, and the Board's recommendations. Benefits Committee to review and approve the report.
 - a. Attach the draft ordinance if content is unchanged by IceMiller.
2. Submit a transmittal to City Council requesting Council's review of the report (and draft ordinance if attached). Within the transmittal convey the Board's request: "If Council finds the report contrary to the motion, please advise and provide direction on how to proceed with the proposed ordinance."

M. Rachford seconded the motion and the motion passed.

- Eligible Retiree/Dependant Family Members Health Insurance
Regarding penalties for non-compliance: Opinions varied and the Board recommended the Benefits Committee revisit the proposed document to address some of the ambiguous language concerning penalties (paragraph #11). Additional legal counsel was suggested for the appropriate language.

The Board made a recommendation to increase timeline to 90 days for submitting written notice to CRS for change in eligibility – (paragraph #10). Benefits Committee agreed to the revision and to present finalized proposal back to the Board of Trustees at a future meeting.

- Survivor Benefits:

Benefits Committee is reviewing all survivor benefits currently issued. Their focus will be to identify any over/under payments and to rectify. Information will be provided as available.

SECRETARY REPORT

J. Walsh provided the following report:

Board of Trustees Secretary Report				
Month Ending: February 28, 2009				
Asset Valuation				
December 31, 2008	\$ 1.83	Billion	\$ 1,831,513	
February 28, 2009	\$ 1.62	Billion	\$ 1,619,959	
YTD Increase (Decrease)	-11.55%			
Current Asset Allocation	12/31/08 Actual	2/28/09 Actual	Target	Pending Allocations
Domestic Equity	42.9%	38.9%	43.5%	
International Equity	16.5%	15.2%	17.0%	March 30, 2009 Macquarie Infrastructure Partners II \$568,461
Fixed Income	20.3%	21.3%	17.0%	
Private Equity	4.3%	4.8%	5.0%	
Real Estate	8.6%	9.5%	7.5%	
Infrastructure	1.0%	2.2%	5.0%	
Long / Short Equity	6.2%	7.0%	5.0%	
Treasury Cash	0.2%	1.1%	0.0%	
	100.0%	100.0%	100.0%	

INVESTMENT COMMITTEE

J. Walsh provided an overview of the reports addressed by the April 2, 2009 Investment Committee:

- ✚ Investment Committee on May 7, 2009 will begin at 11:30 AM to allow adequate time for interviews with:
 - Morgan Stanley
 - UBS Gradison
- ✚ Investment Policy Guidelines: updated
- ✚ Asset Allocation study
- ✚ Discussion Securities Lending – Update
 - Request legal representative to attend next meeting of Investment Committee, May 7, 2009. Consider securities/bond attorney to address specifics and peripheral issues surrounding the Bank of New York Mellon (BNY) securities lending contract..

- ✚ Mangers Alert Status Report
 - Harding Loevner - Remove from Alert Status
 - Allegiant – Remove from Alert Status
 - PanAgora – Remove from Alert Status
 - Montage & Caldwell – Remain on Alert Status
 - PIMCO – Remain on Alert Status
 - BlackRock - Place on Alert Status
 - BlackRock will attend a future meeting of the Investment Committee

- ✚ March 2009 Report
 - Asset Valuation as of 3/31/09: \$1.68 Billion
 - U.S. Economy
 - Fixed Income Markets
 - Shenkman received positive reviews from Marquette’s on-site visit
 - Discussion regarding active vs passive fixed income management
 - U.S. Equity Markets
 - International Equity Markets
 - Hedge Fund Markets

- ✚ Discussion of Turner Investment Partners holding Deckers Outdoor Corporation (DECK)
 - Committee reviewed DECK financials and extent of Turner’s holdings
 - Committee requested further updates from Turner per substantial changes in DECK holdings

Board Action

M. Rachford made a motion to accept the Investment Committee report. Motion was seconded by J. Walsh and the motion passed.

FUNDING RATIO

The Estimated Funding Ratio 3/27/09 based on market value of assets: 59%

BOARD EDUCATION

Trustees will participate in a continued education day September 15, 2009. Location to be determined. J. Boudinot making arrangements and will provide information to all trustees.

RESTRUCTURING COMMITTEE

B. Pickering will notify the Board of the upcoming meeting dates for the Board Restructuring Committee.

EXECUTIVE SESSION

M. Rachford made a motion to enter an Executive Session to discuss CRS personnel matters. D. Rager seconded the motion. Jim Robinson recused himself and left the room.

Roll-call vote to enter Executive Session:

J. Barron: yes
 D. Beets: no
 M. Fehn yes
 B. Pickering yes
 M. Rachford yes
 D. Rager yes
 B. Schmitt yes
 J. Walsh yes

Motion passed and the Executive Session was called to order: 3:30 P.M.


Motion was made by D. Rager and seconded by J. Walsh to adjourn the Executive Session.

Roll-call vote to adjourn the Executive Session:

J. Barron: yes
D. Beets: yes
M. Fehn yes
B. Pickering yes
M. Rachford yes
D. Rager yes
B. Schmitt yes
J. Walsh yes

The motion passed and the Executive Session was adjourned 3:55 P.M.

INFORMATIONAL ITEMS

 CRS Activity 2009	<u>March</u>
1. Application for Ordinary Retirement:	Total: 6
2. Application for Deferred Retirement:	Total: 0
3. Enrollment of New Members:	Total: 56
4. Ret. of Contrib. & Death Benefit:	Total: \$ 275,203
5. Loans to Members: 16 members	Total: \$ 199,515
6. Operating Expenses:	Total: \$ 119,247
7. Purchase of Military Service Credit:	Total: \$ 0

Motion was made by D. Beets to adjourn the Board of Trustees meeting. M. Fehn seconded the motion and the meeting was adjourned 4:00 P.M.