

Resolution

08-05-2008

Version V

BE IT RESOLVED That The Retirement Division be removed from the Department of Finance and Established as its own Department; and that The Cincinnati Retirement System Retain And Compensate Top Employees Of The Fund At Fair Market Value, That Proper Staffing Levels Be Established And That A Management Succession Plan be Implemented

Whereas, the Trustees of The Cincinnati Retirement System have fiduciary duties of Loyalty, Prudence, and Care; to act solely in the interests of the Plan Participants; safeguard pension funds; oversee the investment of those funds; and oversee the administration of the plan; and

Whereas, the Board of Trustees has a need for unbiased and independent information and opinions from top fund Staff; and

Whereas, the Board of Trustees has a significant need for a staff whose resources are unencumbered; and a work load that is reasonable and specialized; and

Whereas, studies of pension fund failures in other cities attribute improper staffing levels and inadequate salaries as core issues in these failures (inadequate pay prevents the hiring and retention of highly skilled staff); and

Whereas, a clear and immediate succession plan is not in place should key staff quit, retire or otherwise not be able to fulfill their duties;

Now therefore be it;

Resolved: That following the enactment of any required legislative changes to the Cincinnati Municipal Code, the Board of Trustees of the Cincinnati Retirement System hereby recommends that City Council remove the Retirement Division from the Finance Department and establish a separate Retirement Department which shall include but not be limited to the following positions:

- #1 Executive Director
- #2 Chief Financial Officer/Chief Investment Officer/ Assistant Director---new hire
- #3 Benefits / Plan Manager
- #4 Executive Assistant to Director
- #5 All required support and Administrative Staff

with the Board of Trustees making recommendations regarding candidates for the positions of the Retirement Director, CFO/CIO, and Benefits/Plan Manager, in compliance with all Human Resources Department and Civil Service

Commission requirements, with the final selections for such positions made by City Manager.

Resolved: That The Board of Trustees of the Cincinnati Retirement System shall commission a salary study for the following positions: Executive Director, Chief Financial Officer, Benefits Manager, Executive Assistant to Director and that said salaries be comparable to Pension Funds with assets of 2-5 billion dollars; and

Be it further resolved: That the Board of Trustees recommends that salaries for Retirement Staff be properly adjusted based on that study and that the Executive Director, Benefits Plan Manager and Executive Assistant to the Director retain their current positions and that the position of CFO/**CIO** be filled as soon as possible; and

Be it further resolved: Following the establishment of the necessary employment positions, the Board of Trustees recommends implementation of the following. A succession is now established: should the Executive Director be unable to fulfill his duties, the CFO/**CIO** shall assume those responsibilities, and that should both the Executive Director and CFO/**CIO** be unable to fulfill their duties, that the Benefits Manager/Plan Manager shall assume the duties of the Executive Director, **until such time as The Board of Trustee selects a replacement; and**

Be it further resolved: That the Board of Trustees request an RFP be issued by the Solicitor's Office for legal services related to outside counsel, open to firms specializing in public pension funds, to assist the Solicitor's Office in its representation of the Retirement System.

Submitted by Michael P. Fehn 6-5-2008 version II---- with friendly amendments added

6-22-2008 Version III -----review with Rashani Hardin 07-25-2008 Revised Version IV-----review and revised 8-5-2008 Rashani Hardin Version V