



City Of Cincinnati Retirement System Board of Trustees Meeting

Minutes

February 5, 2009 / 2:00 PM
Committee Room B

The Chairperson confirmed a quorum and called the meeting to order: 2:10PM

Present:

Brian Pickering, Chair
Dave Rager, Vice Chair
Jason Barron
Donald Beets
Laketa Cole
Michael Fehn
Joe Gray
Michael Rachford
Dan Radford
James Robinson
Bryan Schmitt

Staff present:

John Boudinot
John Dietz
Cheryl Volk – Recorder

BOARD MINUTES

Minutes from January 8, 2008 Board meeting were submitted for approval. Motion was made and withdrawn to approve the minutes. A question was raised and clarification requested for an item in the minutes. Obtain clarification and bring minutes back to March 5, 2009 Board of Trustees meeting for review and approval.

WELLS FARGO

Mike Niemeyer, VP Wells Fargo, presented to the Board of Trustees to address the City's potential under funding of the pension reserve and the effect on the Board's liability exposure as well as general underwriting concern on the part of Chubb.

Discussion and Questions:

- D. Radford requested that each member of the Board receive a copy of the insurance policy.
- May 2009 is the original contact renewal date. What are pros and cons for moving renewal date to July 2009. Administration will work with Risk Management regarding options and report back to the Board.
- The Board has been proactive in protecting the pension fund and consistently communicating with City Council regarding the security of the fund and the City's funding requirements. Administration to obtain specifics as to the documentation needed from the Board to assure continued insurance coverage.
- Should Board consider increasing the \$5 Million group coverage.
- Administration to learn if the Proxies are also covered.

NEW TRUSTEE

Laketa Cole was sworn in as the new Trustee for the Board.

FUNDING RATIO

The Estimated Funding Ratio 12/31/08 based on market value of assets: 61%

BENEFITS COMMITTEE

M. Rachford submitted the Benefits Committee Report:

- Minutes: January 8, 2009
- Two active members presented to the Benefits Committee requesting an opportunity to purchase service credit prior to 1991.
- Members continue to work on defining eligibility for health care and defining criteria for a disabled child to receive health care benefits.

Board Action

M. Rachford made a motion to accept the Benefits Committee Report. Motion was seconded by M. Fehn and the motion passed.

DISABILITY CASES

The Benefits Committee accepted the Medical Director’s rulings on the following disability cases:

- Willie Smith: Appeal Denied
- Angela Franklin Appeal Denied
- Elizabeth Christie Application Denied

Board Action

M. Rachford made a motion to accept the disability report. D. Rager seconded the motion and the motion passed.

SECRETARY REPORT

J. Gray provided the following report:

City Of Cincinnati Meeting of the Board of Trustees Month Ending: December 31, 2008				
Asset Valuation				
December 31, 2007	\$ 2.69	Billion	\$ 2,685,340	
December 31, 2008	\$ 1.83	Billion	\$ 1,831,513	
YTD Increase (Decrease)	-31.80%			
Current Asset Allocation	12/31/07 Actual	12/31/08 Actual	Target	Pending Allocations
Domestic Equity	52.9%	42.1%	43.5%	
International Equity	17.6%	16.4%	17.0%	Mesirow Financial 2/9/09: \$1,198,021
Fixed Income	28.1%	20.7%	17.0%	
Private Equity	0.7%	4.3%	5.0%	
Real Estate	0.0%	8.7%	7.5%	
Infrastructure	0.0%	1.0%	5.0%	
Long / Short Equity	0.0%	6.1%	5.0%	
Treasury Cash	0.7%	0.7%	0.0%	
	100.0%	100.0%	100.0%	

INVESTMENT COMMITTEE

D. Rager provided the following report:

- Investment Committee will meet monthly alternating between business meetings and face-to-face meetings with Investment Managers. Three Managers will be asked to attend meetings to make 30-minute presentations.
- The February 5, 2009 Investment Committee conducted conference calls with Investment Managers: PIMCO and ABS Investment Management
- Bank of New York/Mellon's (BONY) proposed a new agreement in which BONY would cover 25% of Securities Lending losses after settlement of bankruptcy court. In exchange for covering those losses, the CRS would sign a 3-year contract with BONY. Committee will evaluate options and make recommendations to the Board at a future meeting.

HEALTH CARE BENEFITS FOR EMPLOYED RETIREE AND/ OR SPOUSE

D. Beets made the motion that in the instance a retiree, spouse and /or any dependent of a retiree, *survivor* and /or beneficiary receiving medical, pharmaceutical, dental and eye care coverage paid for by the Cincinnati Retirement System having such other medical, pharmaceutical, dental and eye care coverage that the medical, pharmaceutical, dental and eye care coverage paid for the Cincinnati Retirement System shall become secondary.

The motion failed to get a second.

RESTRUCTURING COMMITTEE

- Minutes – January 8, 2009
- Members working on motion to begin the process to hire a contractor to assist with investment related work for the CRS. Motion will be submitted to the Board when passed by the Restructuring Committee.
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Board Action

D. Rager made a motion to accept the Restructuring Committee Report. Motion was seconded by M. Fehn and the motion passed.

EXECUTIVE SESSION

D. Rager made a motion to enter an Executive Session to discuss personnel issues. J. Barron seconded the motion and the Executive Session was called to order: 3:25 P.M. A motion was made by D. Radford and seconded by D. Rager to adjourn the Executive Session. The motion passed and the Executive Session was adjourned 3:45P.M.

INFORMATIONAL ITEMS

 CRS Activity 2009	<u>January</u>
1. Application for Ordinary Retirement:	Total: 4
2. Application for Deferred Retirement:	Total: 0
3. Enrollment of New Members:	Total: 23
4. Ret. of Contrib. & Death Benefit:	Total: \$ 245,710
5. Loans to Members: 15 members	Total: \$ 190,378
6. Operating Expenses:	Total: \$ 3,791
7. Purchase of Military Service Credit:	Total: \$ 0

Motion was made by M. Rachford and seconded by D. Beets to adjourn the Board of Trustees meeting. The motion passed and the meeting was adjourned 3:55P.M.