

# City Of Cincinnati Retirement System Board of Trustees Meeting

## Minutes

March 5, 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  
Jack Walsh  
Miles Lindahl  
Michael Rachford  
James Robinson  
Bryan Schmitt

### Staff present:

John Boudinot  
John Dietz  
Cheryl Volk – Recorder

### Absent

D. Radford

### BOARD MINUTES

January 8, 2008 minutes were submitted for approval. Motion was made by D. Beets and seconded by M. Fehn to approve the January 8, 2009 minutes. Motion passed and the minutes were approved.

February 5, 2009 Board minutes were submitted for approval. Question was raised concerning the February Operational Expenses total. Clarification will be obtained and minutes resubmitted to the April 2, 2009 Board of Trustees meeting.

### WATER WORKS

D. Rager addressed the recent Water District Study and the City's administrative and legal obligations. The plan is to maintain the same process for benefits as current employees. Updates will be provided as information is available.

### FUNDING RATIO

The Estimated Funding Ratio 2/25/09 based on market value of assets: 54.5%

### BENEFITS COMMITTEE

M. Rachford submitted the Benefits Committee Report:

- Minutes: February 5, 2009
- Health Care Benefits for Employed Retiree and/or Spouse: Draft Ordinance submitted for review. Board members were asked to review the document and forward comments to J. Boudinot. Administration to research potential savings for Cincinnati Retirement System (CRS) and provide report to City Council outlining the process, costs and savings.
- Eligible Family Members For Retiree Health Coverage. Document was sent to Law Department with a Request for Legal Services (RLS). Draft Ordinance will be reviewed by Benefits Committee and when approved ordinance will be forwarded to the Board for approval.

### *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:

- Lorena Carter: Appeal Denied
- Linda Stoffel Application Denied
- Joy Garner Application Denied
- Verlinda Wise Application Approved

***Board Action***

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

**INTRODUCTION**

Miles Lindahl, Proxy for Laketa Cole, was introduced to the Board.

**SECRETARY REPORT**

J. Walsh provided the following report: Current Asset Valuation as of 3/4/09: \$1.5 Billion

<b>City Of Cincinnati</b> <b>Meeting of the Board of Trustees</b> <b>Month Ending: January 31, 2009</b>				
<b>Asset Valuation</b>				
December 31, 2008	\$ 1.83	Billion	\$ 1,831,513	
<b>January 31, 2009</b>	<b>\$ 1.73</b>	<b>Billion</b>	<b>\$ 1,734,996</b>	
<b>YTD Increase (Decrease)</b>	<b>-5.27%</b>			
<b>Current Asset Allocation</b>	<b>12/31/08 Actual</b>	<b>1/31/09 Actual</b>	<b>Target</b>	<b>Pending Allocations</b>
Domestic Equity	42.9%	40.8%	43.5%	
International Equity	16.5%	15.5%	17.0%	Alinda Infrastructure LLP \$1,503,615
Fixed Income	20.3%	20.8%	17.0%	
Private Equity	4.3%	4.5%	5.0%	
Real Estate	8.6%	9.0%	7.5%	
Infrastructure	1.0%	2.0%	5.0%	Tentative March 13, 2009- \$16.5 million- Alinda II
Long / Short Equity	6.2%	6.4%	5.0%	
Treasury Cash	0.2%	1.0%	0.0%	
	100.0%	100.0%	100.0%	

**INVESTMENT COMMITTEE**

J. Walsh provided an overview of the reports addressed by the March 5, 2009 Investment Committee:

- Minutes: December 4, 2008
- Marquette Associates due diligence
- Investment Policy Guidelines updated

- Performance Fees reviewed
- CRS Lending
- January 2009 Report

***Board Action***

M. Rachford made a motion to accept the Investment Committee report. Motion was seconded by D. Rager, motion passed and report accepted.

**WELLS FARGO FEDERAL INSURANCE COMPANY**

The Chubb Insurance Policy will be sent to all Board members for review. Risk Management is looking into changing renewal date to July, and increasing coverage to \$10 million. Administration will research coverage of proxies. Document to be addressed at future meeting of the Board of Trustees.

**RESTRUCTURING COMMITTEE**

B. Pickering provided the following report:

- Minutes – February 5, 2009
- The Committee continues to address the recommendation for hiring a Chief Investment Officer. The correct title and classification has been obtained from Civil Service for the position to be filled. A motion is scheduled for submission at the April 2, 2009 Board meeting for consideration.

***Board Action***

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

**EXECUTIVE SESSION**

M. Rachford made a motion to enter an Executive Session to discuss legal matters with Chief of Counsel. M. Fehn seconded the motion.

Roll-call vote to enter Executive Session:

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

Motion passed and the Executive Session was called to order: 3:15 P.M.

Motion was made by D. Rager and seconded by M. Lindahl adjourn the Executive Session.

Roll-call vote to adjourn the Executive Session:

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

J. Walsh            yes

The motion passed and the Executive Session was adjourned 3:25P.M.

**ENRON/CITY OF CINCINNATI RETIREMENT SYSTEMS – SETTLEMENT WITH JOE HIRKO**

D. Rager made a motion to accept the outside counsel, Grant & Eisenhofer’s recommendation to accept the \$50,000 settlement. CRS could anticipate a 10% recovery since the settlement would be split with other funds. J. Robinson seconded the motion and the motion passed.

**PENDING LITIGATION**

Diane Langhorst: Arguments heard - Decision pending

Michael Perkins: Arguments heard - Decision pending

Bates vs City of Cincinnati: Motion for summary – Judgment to be filed March 2009.

**EXECUTIVE SESSION**

D. Beets made a motion to enter Executive Session to discuss personnel issues. J. Robinson seconded the motion and recused himself and left the room.


Roll-call vote to enter Executive Session:

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

Motion passed and Executive Session was called to order 3:30 PM.

M. Rachford made a motion to adjourn the Executive Session. Motion was seconded by M. Fehn and the motion passed. Executive Session was adjourned: 3:50 PM

**INFORMATIONAL ITEMS**

 CRS Activity 2009	<u>February</u>
1. Application for Ordinary Retirement:	Total: 3
2. Application for Deferred Retirement:	Total: 1
3. Enrollment of New Members:	Total: 21
4. Ret. of Contrib. & Death Benefit:	Total: \$ 75,208
5. Loans to Members: 6 members	Total: \$ 59,677
6. Operating Expenses:	Total: \$ 66,219
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.