



City Of Cincinnati Retirement System Board of Trustees Meeting

Minutes

May 7, 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
Laketa Cole
Michael Fehn
Joe Gray
Dan Radford
James Robinson

Staff present:

John Boudinot
John Dietz
Cheryl Volk – Recorder

Absent

Bryan Schmitt
Michael Rachford

NEW BUSINESS

- The Board of Trustees will call a special meeting for the CRS actuary, Cavanaugh Macdonald to present the actuary reports. Board requested more specialized reports be prepared. Date for the special meeting to be announced.
- Employee Trustee Elections
 - One of the candidates requested that ballots be mailed through the U.S. mail rather than interdepartmental distribution. J. Gray made a motion to change the CRS rules for distribution of ballots through the U.S. mail. The motion was seconded by D. Rager and was approved by a 5 to 4 vote to distribute ballots through the U.S. mail. Upon further review of the Cincinnati Municipal Code (CMC) Article XV, Section 3, a concurring vote of six trustees is necessary for any decision by the Board. Therefore, Brian Pickering, Board Chair, instructed the minutes for the May 7, 2009 meeting to indicate the 5-4 vote as a negative vote due to lack of six votes for the affirmative. The motion does not pass.

BOARD MINUTES

April 2, 2009 Board minutes were submitted for approval. D. Rager made a motion to accept the minutes. L. Cole seconded the motion and the motion passed.

SECRETARY REPORT

J. Gray provided the following report:

Board of Trustees Secretary Report				
Month Ending: March 31, 2009				
Asset Valuation				
December 31, 2008	\$ 1.83	Billion	\$ 1,831,513	
March 31, 2009	\$ 1.66	Billion	\$ 1,658,820	
YTD Increase (Decrease)	-9.43%			
Current Asset Allocation	12/31/08 Actual	3/31/09 Actual	Target	Pending Allocations
Domestic Equity	42.9%	41.1%	43.5%	
International Equity	16.5%	15.9%	17.0%	
Fixed Income	20.3%	19.2%	17.0%	
Private Equity	4.3%	4.7%	5.0%	
Real Estate	8.6%	8.3%	7.5%	
Infrastructure	1.0%	3.0%	5.0%	
Long / Short Equity	6.2%	6.9%	5.0%	
Treasury Cash	0.2%	0.9%	0.0%	
	100.0%	100.0%	100.0%	

INVESTMENT COMMITTEE

J. Gray provided an overview of the reports addressed by the May 7, 2009 Investment Committee:

- ✚ **Discussion Securities Lending – Update**
 - R. Hardin provided an update on the issues involved with securities lending with Bank of New York Mellon (BNY). Administration will present contract to the Investment Committee when a date certain for agreement is received from Bank of New York Mellon. Committee's consensus is the securities lending is not worth the risk.

- ✚ Richard Cohen and Scott Brown of Morgan Stanley presented an overview followed by a question/answer session.

- ✚ William Leugers and Steve Dilbone of UBS Gradison presented an overview followed by a question/answer session.

- ✚ The Estimated Funding Ratio 4/28/09 based on market value of assets: 59%

✚ 2009 1st Quarter Performance Report

- The total portfolio was 18.8% invested in fixed income, 42.0% invested in domestic equities, 16.2% invested in international equities, 8.2% invested in real estate, 4.8% invested in private equity, 7.0% invested in Long/Short Equity, 3.0% invested in infrastructure, and 0.0% invested in cash.
- The Total Fund returned -7.2% for the quarter, performing in-line with its policy benchmark, which returned -7.2%. Over the trailing twelve months, the Cincinnati Retirement System returned -28.6%, outperforming the policy benchmark, which returned - 29.0%.
- Asset Allocation report: current & historical
- Recommendation to invite private equity or infrastructure managers to a future meeting.

✚ Marquette Associates recommended the removal of Montag Caldwell from alert status. Investment Committee accepted the recommendation.

Board Action

J. Gray made a motion to remove Montag Caldwell from alert status. Motion was seconded by D. Rager and the motion passed.

Board Action

J. Robinson made a motion to accept the Investment Committee report. The motion was seconded by M. Fehn and the motion passed.

RESTRUCTURING COMMITTEE

Minutes April 16, 2009 submitted pr approval. B. Pickering made a motion to accept the minutes. The motion was seconded by J. Gray and the motion passed.

INFORMATIONAL

✚ CRS	<u>Activity 2009</u>	<u>April</u>	<u>May</u>
1.	Application for Ordinary Retirement:	Total:	4
2.	Enrollment of New Members:	Total:	43
3.	Ret. of Contrib. & Death Benefit:	Total: \$	207,694
4.	Loans to Members: 20 members	Total: \$	176,450
5.	Operating Expenses:	Total: \$	92,169

J. Barron made a motion to adjourn. Motion seconded by L. Cole and the motion passed. Meeting adjourned 3:00PM.