



City Of Cincinnati Retirement System Board of Trustees Meeting

Minutes

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

The Chairperson confirmed a quorum and called the meeting to order: 2:00 PM

Present:

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

Staff present:

Paula Tilsley
John Dietz
Ron Wilson
Cheryl Volk

Absent

Miles Lindahl

INTRODUCTION

Kathy Creager, Interim Finance Director, introduced Paula Tilsley as the new Executive Director of the Cincinnati Retirement System.

BOARD MINUTES OCTOBER 1, 2009

D. Rager made a motion to approve the minutes. D. Beets seconded the motion and the motion passed. Minutes were approved.

FINANCE DIRECTOR'S PROXY

Kathy Creager, Interim Finance Director appointed John Walsh, City Treasurer, to serve as her proxy for the Cincinnati Retirement System Board of Trustees.

BENEFITS COMMITTEE

M. Rachford provided the following Benefits Committee Report:

- Minutes: September 24, 2009 and October 1, 2009
- Disability Report:
- Myra Madison – Appeal:
 - R. Hardin, Chief Counsel, provided an overview of Ms. Madison's Appeal as presented to the Benefits Committee.

- Benefits Committee recommended acceptance of the Medical Director’s recommendation for denial of a disability retirement.

Board Action

M. Rachford made a motion to accept the denial of Myra Madison’s Appeal. M. Fehn seconded the motion and motion passed.

- Kimberly Billups – Disability Application
 - Benefits Committee recommended the acceptance of the Medical Director’s denial.

Board Action

M. Rachford made a motion to accept the denial of Kimberly Billups’ disability application. J. Walsh seconded the motion and motion passed.

- Gerald Meyer – Disability Application
 - Benefits Committee recommended the acceptance of the Medical Director’s denial.

Board Action

M. Rachford made a motion to accept the denial of Gerald Meyer’s disability application. J. Walsh seconded the motion and motion passed.

- Yolanda Jones-Johnson – Disability Application
 - Benefits Committee recommended the acceptance of the Medical Director’s approval.

Board Action

M. Rachford made a motion to accept the approval of Yolanda Jones -Johnson’s disability application. M. Fehn seconded the motion and motion passed.

SECRETARY REPORT

J. Walsh provided the following report:

- Year-to-Date Performance of the total portfolio: 16.4%

Board of Trustees Secretary Report			
Month Ending: September 30, 2009			
Asset Valuation			
December 31, 2008	\$ 1.83	Billion	\$ 1,831,513
September 30, 2009	\$ 1.98	Billion	\$ 1,983,000
YTD Increase (Decrease)	8.27%		
Current Asset Allocation	12/31/08 Actual	9/30/09 Actual	Target
Domestic Equity	42.9%	35.8%	43.5%
International Equity	16.5%	22.0%	17.0%
Fixed Income	20.3%	16.8%	17.0%
Private Equity	4.3%	4.0%	5.0%
Real Estate	8.6%	6.0%	7.5%
Infrastructure	1.0%	2.4%	5.0%
Long / Short Equity	6.2%	12.0%	5.0%
Treasury Cash	0.2%	1.0%	0.0%
	100.0%	100.0%	100.0%

INVESTMENT REPORT

J. Walsh provided the following report:

- ✚ October 1, 2009 Investment Committee minutes

- ✚ November 5, 2009 Investment Committee Report:
 - 2009 3rd Quarter Portfolio Market Value: \$1.95 Billion
Year to date Investment Performance is 16.4%
 - J.D. Sitton, Portfolio Manager from J.P. Morgan Strategic Property Fund, presented a 30-minute overview of the investment firm followed by a question and answer session.
 - CRS to withdraw the directive to return \$7 million each from Core Real Estate Managers, Morgan Stanley and J. P. Morgan
 - CRS is about 4% over-target in U.S. Equities and the Investment Consultant recommended that the CRS transfer \$7 million from Rhumblin (large-cap value) and \$13 million from Montag Caldwell (large-cap growth manager). This \$20 million would be transferred to fixed income manager Blackrock Financial Management.
 - Update of CRS Investment Policy:
 - Re-balance target asset allocations
 - Regarding Clifton's PIOS program.
 - Adjust the asset class allocation targets and benchmark indexes

 - Shenkman Capital (high yield fixed income) and Alinda (infrastructure) will be invited to make a presentation at the December 3, 2009 Investment Committee.

LEGAL UPDATES

R. Hardin, Chief Counsel provided the following report:

- To make a presentation on Fiduciary Liability at the next meeting of the Board of Trustees on December 3, 2009.

TASK FORCE

B. Pickering gave an update on the Task Force proceedings. The approved Task Force minutes will be presented to the Board and posted on the city's web site. R. Hardin provided an overview of the 2008 Task Force Motions that Law Department is currently reviewing.

M. Rachford objected to the Task Force making recommendations regarding smoothing or amortization. Those actions are within the purview of the Board and are not within the scope of the Task Force.

GOVERNANCE SCHEDULE

B. Pickering provided the Governance Schedule for review. The due dates for Committee reports were reviewed. The following topics were listed as Board responsibility and therefore referred back to the Governance Committee:

- Review Performance of Board according to Board Performance Evaluation Policy
- Review Board Operations Policy
- Review performance of legal counsel services for clarifications reviewed responsibilities
- Require full-scale functionality test of business continuity plan of CRS
- Approve financial audit by CPA or CGAP of CRS transaction
- Review Board Communications Policy

INFORMATIONAL

✚ The 2010 Committee and Board calendar was distributed for review

✚ <u>CRS Activity 2009</u>	<u>October</u>	<u>November</u>
1. Application for Ordinary Retirement:	Total:	2
2. Enrollment of New Members:	Total:	10
3. Ret. of Contrib. & Death Benefit:	Total: \$	366,694
4. Loans to Members: 28 <u>members</u>	Total: \$	414,418
5. Operating Expenses:	Total: \$	149,271

D. Radford made a motion to adjourn the meeting. Motion was seconded by M. Rachford and the motion passed. Meeting was adjourned 2:55 P.M.