



City Of Cincinnati Retirement System Board of Trustees Meeting

Minutes

September 3, 2009 / 2:00 PM
Committee Room B

The Chairperson confirmed a quorum and called the meeting to order: 2:08 PM

Present:

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

BOARD MINUTES AUGUST 6, 2009

Board Action

M. Rachford made a motion to approve Gerald Powell’s application for Deferred Retirement. M. Fehn seconded the motion and the motion passed.

Disability Report Submitted for Approval by the Benefits Committee

- Shiela Nash: Application Denied
- Michael Smith: Application Denied
- Donna Ingle: Appeal Denied
- David Gatto: Appeal Denied

Board Action

D. Radford made a motion to accept the Denial of Shiela Nash. D. Beets seconded the motion and the motion passed.

Board Action

D. Radford made a motion to accept the Denial of Michael Smith. D. Beets seconded the motion and the motion passed.

Board Action

D. Radford made a motion to accept the Denial of Donna Ingle. B. Schmitt seconded the motion and the motion passed.

Board Action

D. Radford made a motion to accept the Denial of David Gatto. D. Beets seconded the motion and the motion passed.

SECRETARY REPORT

J. Walsh provided the following report:

Board of Trustees Secretary Report				
Month Ending: July 31, 2009				
Asset Valuation				
December 31, 2008	\$ 1.83	Billion	\$ 1,831,513	
July 31, 2009	\$ 1.90	Billion	\$ 1,896,779	
YTD Increase (Decrease)	3.56%			
Current Asset Allocation	12/31/08 Actual	7/31/09 Actual	Target	Pending Allocations
Domestic Equity	42.9%	44.1%	43.5%	
International Equity	16.5%	18.4%	17.0%	
Fixed Income	20.3%	17.1%	17.0%	
Private Equity	4.3%	4.0%	5.0%	
Real Estate	8.6%	6.6%	7.5%	
Infrastructure	1.0%	2.6%	5.0%	
Long / Short Equity	6.2%	6.3%	5.0%	
Treasury Cash	0.2%	0.9%	0.0%	
	100.0%	100.0%	100.0%	

INVESTMENT REPORT

- ✚ August 8, 2009 Investment Committee minutes
- ✚ Piper Jaffray Private Capital and Ft. Washington Capital Partners made 25-minute presentations to the Investment Committee.
- ✚ The Portfolio increased \$65 million from January 2009
- ✚ Total Portfolio July 31, 2009: \$1.9 Billion.
- ✚ Investment Management Fees. Marquette approached PanAgora and Allegiant regarding a reduction in their fees. B. Christenson recommended keeping both managers for diversity and due to their willingness to adjust their fees.
 - PanAgora agreed to lower their fees to .03% on the Balance (minimum of \$50,000)
 - Allegiant agreed to match any fees

FUNDING RATIO

Estimated Funding Ratio 8/24/09 based on estimated market value of assets:

<u>Estimated Market Value of Assets</u>	<u>\$1,930,000,000</u>
Actuarial Accrued Liability =	\$3,210,947,600 = 60.1%
(Adjusted for Task Force Changes)	

Future reports to reflect funding ratio with and without the Task Force recommended changes.

PENSION FUND MANAGER POSITION

Interviews will begin within the next few weeks. J. Gray, K. Creager, J. Walsh, and B. Pickering, Board Chair will participate in the interview process. M. Fehn objected to the limitations placed on the Board's participation.. Candidates will be assessed for their expertise, administration experience, and permanency. Board will be updated.

RETIREE HEALTH CARE BIDS

C. Haas will present update at the next Board meeting October 1, 2009.

IRS CODE COMPLIANCE

Lisa Harrison, of IceMiller addressed the specific questions posed regarding the Emergency Ordinance – Amending Section 203, Cincinnati Municipal Code (CMC).

The Cincinnati Retirement System (CRS) is intended to constitute a qualified defined benefit plan under Sections 401(a) and 414(d) of the IRC or such other provision of the IRC as applicable. The board shall administer the terms of the retirement system accordingly. The reason for the emergency is the immediate need to implement these revisions to ensure the CMC provisions governing the CRS comply with the requirements of the IRC and remains a qualified plan.

Ms. Harrison provided an overview of the IRC, explaining terminology and outlining the comprehensive changes. Ordinance to be submitted to City Council by October 31, 2009

Board Action

M. Fehn made a motion to approve the Emergency Ordinance – Amending Section 203, CMC. D. Rager seconded the motion and following a roll-call vote, the motion was passed.

Roll-Call Vote

J. Barron	Absent for vote
D. Beets	Yes
M. Fehn	Yes
M. Lindahl	Absent for vote
B. Picketing	Yes
M. Rachford	Yes
D. Radford	Absent for vote
D. Rager	Yes
J. Robinson	Yes
B. Schmitt	Yes
J. Walsh	Yes

LEAVE OF ABSENCE EMERGENCY ORDINANCE

C. Zimmer and L. Harrison provided an overview of the ordinance. The emergency ordinance allows employees to purchase additional creditable service under the CRS for up to one year due to unpaid authorized leave of absence.

Board Action

M. Rachford made a motion to approve the emergency ordinance. The motion was seconded by M. Fehn. Following a roll-call vote, the motion passed.

Roll-Call Vote

J. Barron	Absent for vote
D. Beets	Yes
M. Fehn	Yes
M. Lindahl	Absent for vote
B. Picketing	Yes
M. Rachford	Yes
D. Radford	Absent for vote
D. Rager	Yes
J. Robinson	Yes
B. Schmitt	Yes
J. Walsh	Yes

ELECTION COMMITTEE

In year 2010, CRS Board members Don Beets and Mike Fehn will be eligible to run for re-election to their CRS Board positions. Therefore, to avoid any perceived conflict of interest, B. Pickering, Board Chair will implement the following changes to the Election Committee:

- M. Rachford to replace M. Fehn as Committee Chair
- B. Schmitt to replace D. Beets as Vice Chair

D. Beets and M. Fehn objected to the changes.. M. Fehn requested the Election Committee meet in October to allow for finalization of pending business.

INFORMATIONAL ITEMS

- ✚ Board Education Day
 - Tuesday, September 15, 2009, GCWW Conference Room, 4747 Spring Grove. Tentative Agenda distributed.

- ✚ Task Force Meeting: September 14, 2009 - 3PM Centennial II – Meeting Room A
 - B. Pickering announced that D. Rager would serve as replacement for him on the Task Force should he be unavailable.

✚ CRS <u>Activity 2009</u>	<u>August</u>	<u>September</u>
1. Application for Ordinary Retirement:	Total:	5
2. Enrollment of New Members:	Total:	13
3. Ret. of Contrib. & Death Benefit:	Total: \$	172,073
4. Loans to Members: <u>33 members</u>	Total: \$	448,062
5. Operating Expenses:	Total: \$	124,409

D. Rager made a motion to adjourn. Motion was seconded by M. Fehn and the motion passed. Meeting was adjourned 3:55 P.M.