



**City of Cincinnati Retirement System
Restructuring Committee**

**January 29, 2009 9:30 AM
Committee Room B**

AGENDA

Members: Brian Pickering – Chair
Don Beets
Michael Fehn
Jason Barron

Goal - The committee is charged with considering the recommendation in the restructuring resolution and bringing forward to the board specific actions for the Board to act upon.

Call to Order

Approval of Minutes

Pending Business

- 1) Chief Investment Officer Motion
- 2) Law Department answers to questions – Charter Changes etc
- 3) Succession Plan

New Business:

Adjournment

Future/Next Meetings: February 26, 2009

CRS Succession Plan

CIO Succession- (Duties the executive director currently manages):

- Hire CIO
 - § Cross-train Sr. Investment accountant
 - § Cross-train administrative specialist/accountant to handle non-investment duties of Sr. Investment accountant

Administrative Succession-

- If vacancy in Executive Director position
 - § Assistant Finance Director will temporarily fill position
 - § National search conducted
- If /when vacancy in Finance Manager position currently held by Keith Giles
 - § Cross-train Sr. Management Analyst (approximately 18 months)
 - § (If CIO not City employee)- hire administrative specialist to cross-train to handle current Sr. Management Analyst duties

Resolution

8/5/08

Version VI

BE IT RESOLVED That The Retirement Division be removed from the Department of Finance and Established as its own Department; and that The Cincinnati Retirement System Retain And Compensate Top Employees Of The Fund At Fair Market Value, That Proper Staffing Levels Be Established And That A Management Succession Plan be Implemented

Whereas, the Trustees of The Cincinnati Retirement System have fiduciary duties of Loyalty, Prudence, and Care; to act solely in the interests of the Plan Participants; safeguard pension funds; oversee the investment of those funds; and oversee the administration of the plan; and

Whereas, the Board of Trustees has a need for unbiased and independent information and opinions from top fund Staff; and

Whereas, the Board of Trustees has a significant need for a staff whose resources are unencumbered; and a work load that is reasonable and specialized; and

Whereas, studies of pension fund failures in other cities attribute improper staffing levels and inadequate salaries as core issues in these failures (inadequate pay prevents the hiring and retention of highly skilled staff); and

Whereas, a clear and immediate succession plan is not in place should key staff quit, retire or otherwise not be able to fulfill their duties;

Now therefore be it;

Resolved: That following the enactment of any required legislative changes to the Cincinnati Municipal Code, the Board of Trustees of the Cincinnati Retirement System hereby recommends that City Council remove the Retirement Division from the Finance Department and establish a separate Retirement Department which shall include but not be limited to the following positions:

- #1 Executive Director
- #2 Chief Financial Officer/Chief Investment Officer/ Assistant Director---new hire
- #3 Benefits / Plan Manager
- #4 Executive Assistant to Director
- #5 All required support and Administrative Staff

with the Board of Trustees making recommendations regarding candidates for the positions of the Retirement Director, CFO/CIO, and Benefits/Plan Manager, in compliance with all Human Resources Department and Civil Service Commission requirements, with the final selections for such positions made by City Manager.

Resolved: That The Board of Trustees of the Cincinnati Retirement System shall commission a salary study for the following positions: Executive Director, Chief Financial Officer, Benefits Manager, Executive Assistant to Director and that said salaries be comparable to Pension Funds with assets of 2-5 billion dollars; and

Be it further resolved: That the Board of Trustees recommends that salaries for Retirement Staff be properly adjusted based on that study and that the Executive Director, Benefits Plan Manager and Executive Assistant to the Director retain their current positions and that the position of CFO/CIO be filled as soon as possible; and

Be it further resolved: Following the establishment of the necessary employment positions, the Board of Trustees recommends implementation of the following. A succession is now established: should the Executive Director be unable to fulfill his duties, the CFO/CIO shall assume those responsibilities, and that should both the Executive Director and CFO/CIO be unable to fulfill their duties, that the Benefits Manager/Plan Manager shall assume the duties of the Executive Director, until such time as The Board of Trustee selects a replacement.