



City Of Cincinnati Retirement System Board of Trustees Meeting

Minutes

April 7, 2011 / 1:00 P.M.
City Hall – Committee Room B

Present:

Madelynn Matlock, Chair
Bill Partridge, Vice-Chair
Karen Alder
Don Beets
Mark Berliant
Mike Fehn
Chris Meyer
Brian Pickering
Mike Rachford
Roger Sims

Staff Present:

Christine Zimmer
Paula Tilsley
Cheryl Volk

Absent

Constance Cooper

The Chair called the meeting to order at 1:03 P.M.

Approval Of Minutes

M. Berliant made a motion to approve the February 3, 2011 Board minutes. C. Meyer seconded the motion and the motion passed. Minutes were approved as submitted.

INVESTMENT REPORT

Brett Christenson, Managing Director, Marquette Associates provided the following report via conference call:

- Overview of world events

- Update on Securities Lending Agreement with Bank of New York Mellon (BNYM)
 - The contract with BNYM was executed March 22, 2011 and will expire January 2012. The Board has the option to continue with securities lending. Considering the CRS self-imposed restrictions on investment options under the agreement, CRS may consider eliminating this investment approach.
 - The Board to review and discuss the updated Investment Policy at the May 5, 2011 Board meeting.

- Updated end of year report 2010
 - The 12/31/10 figures do not include final valuation figures from three private equity managers.
 - Market Value - \$2.09 billion. The Total Fund returned +6.1% for the quarter, underperforming its policy benchmark, which returned +7.3%. Over the trailing twelve months, the CRS returned +13.7% underperforming the policy benchmark, which returned +14.2%.
 - Fixed income is expected to produce under 4% in the next few years.
 - Real Estate market expected to improve.
 - Rebalancing actions may be necessary in near term.
 - Marquette will conduct an Asset Allocation Study in conjunction with the actuary's Experience study this summer after the 12/31/10 Annual Valuation is completed.

- February 2011 Market Value was \$2.13 billion

New Business

- 2010 Valuation Report
Cavanaugh Macdonald will present the 2010 Valuation Report to the Board of Trustees meeting on May 5, 2011. The Board will develop and present a report to City Council that will communicate the Annual Required Contribution for 2012 (as both a percentage of payroll and a dollar amount) and identify other key results of the 2010 Annual Valuation. P. Tilsley to research and report on a presentation date for Council.
- Cost of Living Adjustment (COLA) Five states are currently involved in lawsuits concerning reduction of retiree's COLA. Legal updates will be provided as they become available.

Committee Assignments and Meeting Schedule

- Committee assignments were distributed to members. The Benefits Committee is scheduled to meet at 11:00 AM on Thursday, May 5, 2011, followed by the Board meeting at 1:00 P.M. The Investment Committee will hold their first meeting at 11:00 A.M. on June 2, 2011. Meeting schedules to be adjusted as needed.
- The Board will meet during the month of July. Meeting scheduled for Thursday, July 7, 2011, Committee Room B.

Service Purchase / Military Purchase

P. Tilsley provided an overview of the service purchase options available to CRS members. The Cincinnati Municipal Code (CMC) stipulates the requirements for making the following service purchases: prior service with the City of Cincinnati, prior service with other Ohio Systems, out of state service, federal service, leave of absence time with the City of Cincinnati, and military time. Different criteria apply for each category of service purchase. The CRS office has denied multiple requests from members asking for special consideration to purchase prior service or military time. The requests do not meet the requirements or timelines as stipulated by the CMC.

Disability Report

P. Tilsley provided the following disability report to the Board for their information:

- Marvin Dudley - Applied for Disability Retirement January 24, 2011. Medical Director recommended DENIAL and reevaluation in 3 to 4 months to better assess the level of disability permanency for Ordinary Disability Retirement. Mr. Dudley's attorney will appeal this decision.
- Lorenza George - Applied for Disability Retirement January 18, 2011. The Medical Director recommended APPROVAL.

Board Communications Spokesperson

Madelyn Matlock, Chair made a motion that she serve as the Board spokesperson. M. Berliant seconded the motion and the motion passed.

C. Meyer made a motion to adjourn the meeting. Motion was seconded by M. Rachford. Motion passed and meeting was adjourned at 2:30 P.M.