



City Of Cincinnati Retirement System Board of Trustees Meeting

Minutes

February 4, 2010 / 2:00 PM
Committee Room B

Meeting was called to order at 2:00 PM

Present:

Brian Pickering, Chair
David Rager, Vice Chair
Donald Beets
Michael Fehn
Miles Lindahl
Kathy Creager
Michael Rachford
James Robinson
Bryan Schmitt

Staff present:

Paula Tilsley
John Dietz
Cheryl Volk

Absent

Jason Barron

BOARD MINUTES DECEMBER 3, 2009

M. Rachford made a motion to approve the minutes. D. Beets requested the minutes to include more detail concerning the 2010 budget report. The budget report listed the estimated projected actuals for year 2009 and explanations for each category cited in the 2010 budget. M. Fehn seconded the motion to approve the minutes with revisions. The motion passed and the minutes were approved with revisions.

BENEFITS COMMITTEE

M. Rachford provided the following Benefits Committee Report:

- Benefits Committee Governance Report – Board to review and consider for acceptance at the next Board meeting.
- Minutes: December 3, 2009
- Retirement Healthcare Eligibility Ordinance
 - Benefits Committee determined the ordinance's original effective date of August 1, 2010 as unattainable. The original effective date would not provide sufficient time to properly notify and educate the members prior to implementation.
 - Ordinance to be revised with a new implementation date and submitted back to City Council as an Emergency Ordinance. Administration to generate communications to CRS members immediately following the passage by Council. The date for implementation would be changed to the first of the month, 180 days following passage of Ordinance.
- Disability Report:
 - Lavelle Gray - The Benefits Committee accepted the Medical Director's report and approved the disability application.

Board Action

M. Rachford made a motion to accept the Medical Director’s report and to approve the disability application of Lavelle Gray. B. Schmitt seconded the motion and the motion passed.

- Glenda Harris - The Benefits Committee accepted the Medical Director’s report and denied the disability application.

Board Action

M. Rachford made a motion to accept the Medical Director’s report and to deny the disability application of Glenda Harris. B. Schmitt seconded the motion and the motion passed.

- Kimberly Billups - The Benefits Committee accepted the Medical Director’s report and denied the disability appeal.

Board Action

M. Rachford made a motion to accept the Medical Director’s report and to deny the disability appeal of Kimberly Billups. D. Rager seconded the motion and the motion passed.

- Linda Stoffel - The Benefits Committee accepted the Medical Director’s report and denied the disability appeal.

Board Action

M. Rachford made a motion to accept the Medical Director’s report and to deny the disability appeal of Linda Stoffel. K. Creager seconded the motion and the motion passed.

SECRETARY REPORT

J. Walsh provided the following report:

Board of Trustees Secretary Report Month Ending: December 31, 2009			
Asset Valuation			
December 31, 2008	\$ 1.83	Billion	\$ 1,831,513
December 31, 2009	\$ 2.00	Billion	\$ 1,998,378
YTD Increase (Decrease)	9.11%		
Current Asset Allocation	12/31/08 Actual	12/31/09 Actual	Target
Domestic Equity	42.9%	32.2%	29.5%
International Equity	16.5%	21.6%	21.0%
Fixed Income	20.3%	19.4%	17.0%
Private Equity	4.3%	4.5%	5.0%
Real Estate	8.6%	5.3%	7.5%
Infrastructure	1.0%	2.3%	5.0%
Long / Short Equity	6.2%	13.9%	15.0%
Treasury Cash	0.2%	0.8%	
	100.0%	100.0%	100.0%

INVESTMENT REPORT

J. Walsh provided the following report:

- ✚ December 3, 2009 Investment Committee minutes
- ✚ February 4, 2010 Investment Committee meeting:
 - 4th Quarter Report for 2009: End of Quarter Portfolio Market Value: \$1.98 billion
 - Gregory Leonberger, Director of Research, Marquette Associates attended the meeting to provide a report on Investing in Inflationary Environments
 - Investment Committee actions:
 - Cancellation of \$10 million allocation to Private Equity Fund of Fund Manager, Fort Washington Capital Partners, Fund VII.
 - Allocation of \$10 million from International Equity Manager, Harding Loevner to Fixed Income Manager PIMCO.

FUNDING RATIO REPORT

P. Tilsley presented a revised monthly funding ratio report. The report included comments that spoke to the use and concern of using certain outdated figures. The Board again asked P. Tilsley to research other options of providing a meaningful funding ratio report from the Board to City Council.

LEGAL UPDATES

Allison Davison from the City Solicitor's office presented to the Board to answer questions regarding the Gamel vs City of Cincinnati case. No questions were raised.

TASK FORCE

P. Tilsley provided an update on the Task Force:

- ✚ The Task Force has been meeting once a week for the past couple of months. The pension benefits remain their primary concern as they analyze the many components. B. Pickering to provide reports from the Task Force to the Board
- ✚ A question was raised at the last Board meeting: How was Task Force #1 funded?
K. Creager reported the Cincinnati Retirement System (CRS) has paid all costs for Task Force #1 and will continue to pay costs for Task Force #2. In both instances, City Council recommended the development of the Task Force whose sole purpose is to help the CRS reach fund sustainability. Therefore the CRS paying all costs is justified.

Follow-up question: What was total the amount paid by CRS for Task Force #1?
Administration to research.
- ✚ Ed Koebel and Eric Gary of Cavanaugh Macdonald continue to attend the meetings via conference call.

NEW BUSINESS

- ✚ Independent Board member replacement: Board in search of replacement
- ✚ International Foundation of Employee Benefit Plans: November 2009 Conference
 - Mike Fehn and Bryan Schmitt were asked to share with the Board what they learned at the conference.
- ✚ Retiree Health Care Changes effective 1/1/10: Healthcare changes from Task Force # 1 were implemented on January 1, 2010. The deadline for retirees to submit their tax information for carve out eligibility is March 1, 2010.
- ✚ Governance Committee Reports: Investment Committee to discuss at next Investment Committee meeting – March 4, 2010.

✚ CRS Staffing: Current positions in the CRS office are being reviewed to help determine staffing needs. The Investment Officer position will be addressed once job descriptions are determined.

✚ Committee Assignments were distributed

✚ CRS Activity	December 2009	January 2010
1. Application for Ordinary Retirement:	Total: 5	4
2. Enrollment of New Members:	Total: 21	22
3. Return of Contributions for EE:	Total: \$ 92,965	\$ 97,950
4. Death Benefits:	Total: \$ 152,703	\$ 82,500
5. New Loans:	Total: \$ 370,316	\$ 373,805
6. Operating Expenses:	Total: \$ 99,059	\$ 166,327

M. Rachford made a motion to adjourn the meeting. Motion was seconded by M. Rachford and the motion passed. Meeting was adjourned 3:15P.M.