



**City of Cincinnati Retirement System
Board of Trustees**

**January 7, 2010 / 2PM
City Hall - Committee Room B**

Call to Order

Approval of Minutes

- ✚ December 3, 2009

Benefits Committee

- ✚ Minutes & Report
 - December 3, 2009 minutes
 - Governance Report
 - Disability Report

Secretary's Report

Investment Committee

- ✚ December 3, 2009 Minutes
- ✚ ABS Offshore SPC Global Segregated Portfolio: Fee Structure

Funding Ratio Report

Legal Updates

- ✚ Roshani Hardin, Chief Counsel

Task Force Update

Pending Business

- ✚ Task Force Funding

New Business

- ✚ Independent Board member replacement
- ✚ International Foundation of Employed Benefit Plan: November 2009 Conference
- ✚ Retiree Health Care Changes effective 1/1/10

Informational Items:

- ✚ Committee Assignments 2010

✚ CRS Activity 2009	December
1. Application for Ordinary Retirement:	Total:
2. Enrollment of New Members:	Total:
3. Return of Contributions for EE:	Total: 92,965
4. Death Benefits:	Total: \$ 152,703
5. New Loans: <u>33 members</u>	Total: \$ 370,316
6. Operating Expenses:	Total: \$ 54,923

- ✚ CRS personnel update

Adjournment

Next Meeting: February 4, 2010 – City Hall - Committee Room B



City Of Cincinnati Retirement System Board of Trustees Meeting

Minutes

December 3, 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
Miles Lindahl
Jack Walsh
Michael Rachford
Dan Radford
Bryan Schmitt

Staff present:

Paula Tilsley
Ron Wilson
Cheryl Volk

Absent

James Robinson

BOARD MINUTES NOVEMBER 5, 2009

M. Rachford made a motion to approve the minutes. M. Fehn seconded the motion and the motion passed. Minutes were approved.

BENEFITS COMMITTEE

M. Rachford provided the following Benefits Committee Report:

- Minutes: November 5, 2009
- The Benefits Committee to submit their Governance Report to next Board of Trustees meeting on January 7, 2010
- Disability Report:
 - William Huxell – Application Denied. The Benefits Committee recommended acceptance of the Medical Director's denial of the disability application.

Board Action

M. Rachford made a motion to accept the denial of William Huxell's disability application.
D. Beets seconded the motion and motion passed.

SECRETARY REPORT

J. Walsh provided the following report:

Board of Trustees Secretary Report			
Month Ending: October 31, 2009			
Asset Valuation			
December 31, 2008	\$ 1.83	Billion	\$ 1,831,513
October 31, 2009	\$ 1.94	Billion	\$ 1,941,770
YTD Increase (Decrease)	6.02%		
Current Asset Allocation	12/31/08 Actual	10/31/09 Actual	Target
Domestic Equity	42.9%	32.6%	29.5%
International Equity	16.5%	21.1%	21.0%
Fixed Income	20.3%	18.8%	17.0%
Private Equity	4.3%	4.4%	5.0%
Real Estate	8.6%	5.6%	7.5%
Infrastructure	1.0%	2.3%	5.0%
Long / Short Equity	6.2%	14.1%	15.0%
Treasury Cash	0.2%	1.1%	
	100.0%	100.0%	100.0%

INVESTMENT REPORT

J. Walsh provided the following report:

- ✚ November 5, 2009 Investment Committee minutes

- ✚ December 3, 2009 Investment Committee Report:
 - October 31, 2009: Year-to-Date Performance of the total portfolio: over 17%

 - Shenkman Capital Management, Inc. Managers: Nick Keyes, Eric Dobbin, and Kim Hekking, presented to the Investment Committee to provide an overview of Shenkman's Four Points Product. Shenkman discussed a potential fee reduction from 75bps to 60bps for the Four Points Product if the CRS became an early investor in the new product.

 - Alinda Capital Partners, LLC Manager, Phil Dyk provided an overview of Alinda's Fund II.

FUNDING RATIO REPORT

P. Tilsely, Cincinnati Retirement System (CRS) Executive Director, recommended the development of an enhanced report for understanding and communicating the funding ratio. Staff to work with Cavanaugh Macdonald to develop a more meaningful method of tracking the Plan's funding ratio.

The Chair referred the issue to the Investment Committee to consider the best method for reporting the funding ratio.

LEGAL UPDATES

Roshani Hardin, Chief Counsel, provided the following updates:

- Anthem Case: Mell et. al. vs City of Cincinnati; Federal District Court, Southern District of Ohio.
- Bates et. al. vs City of Cincinnati
- ✚ Roshani Hardin and Gina Marsh, Senior Assistant City Solicitor provided an overview on Fiduciary Obligations of CRS Trustees. The presentation included:
 - Applicable Laws
 - Duties of Trustees
 - Potential Liabilities
 - CRS Fiduciary Liability Policy
- ✚ Building Trades CRS Membership Ordinance
 - Tom Seward, Senior Human Resources Analyst and Roshani Hardin informed the Board of an impending update to the Cincinnati Municipal Code (CMC). The existing language will be updated to reflect changes as cited in the Labor Management Agreement between the City of Cincinnati and the Building Trades Council in the year 2000. The changes permit all new hires who are not currently in the State of Ohio public retirement system to become members of the CRS.

TASK FORCE

P. Tilsley provided an update on the Task Force.

- ✚ Ed Koebel and Eric Gary of Cavanaugh Macdonald attended the meeting on November 30, 2009 via conference call and provided a presentation for plan design changes.
- ✚ The Task Force is considering:
 - Development of a sub-committee
 - Informational meetings about the pension fund crisis and the potential solutions for active members, retirees, and union members to inform and solicit opinions of stakeholders before submitting recommendations to City Council.

The Board emphasized that the role of the Task Force should not include making recommendations for smoothing or amortization. Those actions are within the purview of the Board and are not within the scope of the Task Force

CRS 2010 BUDGET

P. Tilsley and R. Wilson, CRS Senior Accountant provided an overview of the CRS Budget for year 2010.

Board Action

M. Fehn made a motion to accept the CRS 2010 Budget as submitted. M. Rachford seconded the motion and the motion passed.

Roll Call Vote:

Barron:	Yes
Beets:	No
Fehn:	Yes
Lindahl:	Yes
Pickering:	Yes
Rachford:	Yes
Radford:	Yes
Rager:	Yes
Schmitt:	Yes
Walsh:	Yes

NEW BUSINESS

Board Action

✚ M. Rachford made the following motion: "...that our current actuary determine the specific amount on the money owed by the CITY OF CINCINNATI and that this report first off be completed no later than Feburday,1,2010 this report is to be for the Cincinnati Retirement Board not a draft report and that the actuary does not discuss this report with the CITY OF CINCINNATI in any form I would ask that this report have a table that would include a generation table starting from 1999 were the unfunded liability was at zero and then have the table progress forward in 1 year increments and listing the amount that was due to be paid and to include on each year the amount that was paid as the City portion, Hamilton County, and UC's portion and what was the unfunded liability total for each year. I will be making this in a form of a motion Thursday 12/3/2009 at the retirement boar meeting. When this report is finished I would like it to be forward to all members of Cincinnati City Council as a communications item to let them know as this is a legal obligation and a moral obligation, at the same time the amount owed by the CITY OF CINCINNATI should be sent to the Cincinnati Finance Director for full payment of the money owed and if we do not receive a response or a refusal to pay that at this time the Cincinnati Retirement Board shall hire our existing attorney Ice Miller to go forward with legal action against the CITY OF CINCINNATI."

✚ M. Fehn seconded the motion with a friendly amendment to the last sentence: "...the Cincinnati Retirement Board shall hire an independent legal counsel to advise on the means and methods available to collect all city pension contributions now due or past due according to CMC 203.83, 203.85, 203.91, 203.93 and as documented in the actuarial reports."

M. Rachford accepted the friendly amendment.

Roshani Hardin, Chief Counsel, informed the Board that the City Solicitor serves as the attorney for all entities of the City of Cincinnati. The action to hire an independent counsel would violate the City Charter.

Roll Call Vote:

Barron:	No
Beets:	Yes
Fehn:	Yes
Lindahl:	No
Pickering:	No
Rachford:	Yes
Radford:	No
Rager:	No
Schmitt:	No
Walsh:	No

The motion failed.

RETIREMENT STATE LAW CHANGES

D. Rager updated the Board regarding the steps taken by the city to re-insert the Cincinnati Retirement System as one of the recognized public pension systems in Ohio in relation to the Ohio Revised Code. A prior change in state law several years ago inadvertently removed the reference to CRS which otherwise authorized City employees to participate in CRS as their public pension system. Since the change was inadvertent, it has not had any impact on the ability of CRS to operate as a public pension system, but it is a mistake in the Ohio Revised Code that should be corrected.

RETIREMENT UPDATES

P. Tilsley provided the following updates:

Health Care Bids:

- Per Milton Dohoney, City Manager, retiree health insurance will continue to be provided by Anthem during 2010. A new health-care bidding process will be initiated during 2010 for the active and retired populations combined.

Ordinances

- CRS office is in the process of developing methods for communicating to active and retired CRS members regarding:
 - Pension contribution rates increasing ½% per year over the next four years to a maximum rate of 9.0%.
 - The new Health-Care Eligibility Dependent Ordinance
 - The retiree health care changes effective January 1, 2010. Post cards announcing scheduled information sessions were sent to all retirees, followed by a letter outlining the changes of health care benefits.

DAN RADFORD'S TERM

Dan Radford announced that his term as Trustee of the CRS Board will expire January 2010 and he will not be seeking another term. Mr. Radford said he enjoyed his role on the Board and thanked the Board for the opportunity to serve the CRS. Mr. Radford recommended the Board pursue a citizen member replacement with investment expertise.

Board Action

On behalf of the CRS Board, M. Fehn thanked Mr. Radford for his years of dedicated service. M. Fehn made a motion that the Board of Trustees formally express their appreciation to Mr. Radford and work diligently to fill the Trustee position with someone with investment expertise. J. Walsh seconded the motion and the motion passed.

INFORMATIONAL

-  The 2010 Committee Assignments to be distributed at a future meeting.

 CRS Activity 2009	November	December
1. Application for Ordinary Retirement:	Total:	7
2. Enrollment of New Members:	Total:	11
3. Ret. of Contrib. for EE:	Total:	83,142
4. Death Benefits:	Total:	\$ 52,500
5. Loans to Members: <u>29 members</u>	Total:	\$ 387,383
6. Operating Expenses:	Total:	\$ 194,265

M. Fehn made a motion to adjourn the meeting. Motion was seconded by D. Rager and the motion passed. Meeting was adjourned 4:15P.M.



**City of Cincinnati Retirement System
Benefits Committee
Minutes**

December 3, 2009 9:30 A.M.
Centennial II – Meeting Room A

The Chair declared a quorum and called the meeting to order: 9:40 A.M.

Present

Mike Rachford – Chair
Mike Fehn - Vice Chair
Bryan Schmitt
Don Beets
Brian Pickering

Staff Present

Paula Tilsley
John Dietz
Cheryl Volk

MINUTES

M. Fehn made a motion to approve the Benefits Committee minutes from November 5, 2009.
B. Schmitt seconded the motion and the motion passed.

DISABILITY REPORT

William Huxell: Application Denied

Committee Action

D. Beets made a motion to accept the Medical Director's report and to deny the disability application of William Huxell. B. Schmitt seconded the motion and the motion passed.

GOVERNANCE REPORT

The Benefits Committee updated the Governance Report. Report to be submitted to the Board of Trustees meeting on January 7, 2010.

DEFERRED RETIREMENT WITH LOANS ORDINANCE

P. Tilsley to research all aspects of loan program and bring information back to the committee for discussion. Suggestions for future consideration:

- Deduct the loan balance from vacation and sick balances upon separation from employment.
- Eliminate the option of continuing a loan past retirement.

NEW BUSINESS

Task Force Ordinance:

P. Tilsley provided an overview of the retiree health care changes effective January 1, 2010. Post cards announcing scheduled information sessions were sent to all retirees, followed by a letter outlining the changes of health care benefits.

Cincinnati Retirement System:

M. Rachford raised questions concerning the CRS and received the following information:

- Administrative leave salary costs: CRS paid the salary through July 2009 for the CRS employee who was on administrative leave and removed from CRS.
- Reimbursement for costs associated with Task Force projects:
 - Staff to provide an accounting of total invoices and amounts paid by CRS for the 2008 Task Force.
 - Staff to provide update regarding expectations for reimbursement of costs associated with the 2009 Task Force.
- Early Retirement Incentive Plan (ERIP): Who authorized City of Cincinnati to borrow funds from the CRS. How was interest rate determined? Administration to follow-up.
- Other administrative services and fees: CRS confirmed that its staff administers and assumes the costs for the recordkeeping requirements for the Police, Fire, and ICMA programs, as directed by the City Administration.
- Unfunded liability: Committee requested a report detailing the City's required contribution, actual contributions, and the impact on the unfunded liability over the past several years. Administration to follow-up.

Retiree Health-Care Bids

- Per Milton Dohoney, City Manager, retiree health insurance will continue to be provided by Anthem during 2010. A new health-care bidding process will be initiated during 2010 for the active and retired populations combined.

Committee Action

B. Pickering made a motion to adjourn the meeting. M. Fehn seconded the motion and the motion passed. Meeting was adjourned 11:30 A.M.



Date: January 7, 2010
To: Brian Pickering, Chair
Cincinnati Retirement System, Board of Trustees
From: Michael Rachford, Chair
Cincinnati Retirement System, Benefits Committee
Re: Governance Report – Review of Benefits Administration

The Governance schedule for the Cincinnati Retirement System includes a review every two years of the benefits administration and appropriateness of the benefit plan design (CRS Rules XIII). The Board shall review for acceptance the following report from the Benefits Committee.

1. **Accomplishments.** The following recommended changes were approved except as noted and are cost-neutral to the CRS or have a positive impact on the unfunded liability:

- a. Federal Out of State Service Purchase – Ordinance approved by Council on November 11, 2008
- b. Service Purchase for Leave of Absence – Ordinance to Finance Committee: October 28, 2009

2. **The effectiveness of the CRS communications policy.** Improvement is needed in this area.

The CRS Newsletters have been an effective tool for communication changes and other important information to CRS members. The publication of the Newsletter is expected to be resumed on a regular basis

3. **Administrative errors and acknowledge corrective action taken.** The Benefits Committee works in tandem with the CRS Office in developing strategies to prevent potential abuses.

- a. Loan Process June 4, 2009: Initiated changes in loan process due to violations identified by Internal Audit (IAD). Stricter guidelines and procedures incorporated.
- b. Survivor Benefits April 30, 2009: Underpayments and Overpayments identified. CRS Office in process of rectifying errors, recovering benefits, and communicating with recipients. New process for reviewing and processing future benefits. CMC to reflect changes as appropriate.
- c. Pension payments made to deceased retirees and beneficiaries as identified by IAD in their December 2008 report. CRS Office in process of recovering benefits. Quarterly reviews and reports implemented to avoid future errors.

4. **Administration of the disability program on an annual basis**

- a. August 27, 2009 Benefits Committee approved implementing a \$50 fee for members to file an appeal. The Law Department will prepare an Ordinance for the Board and Council to approve.
- b. Medical Records handling and storage. November 6, 2008, created a process and procedure for the handling of medical records by the Committee and the CRS Office. The Procedure aligns with the city's legal guidelines.

5. **The recovery of any benefits or premium subsidies paid to ineligible recipients.** Also see 3. above

- a. Survivor Benefits: Underpayments and Overpayments identified. CRS Office in process of rectifying errors, recovering benefits, and communicating with recipients. New process for reviewing and processing future benefits. CMC to reflect changes as appropriate.
- b. Pension payments made to deceased retirees and beneficiaries as identified by IAD. CRS Office in process of recovering benefits. Quarterly reviews and reports implemented to avoid future errors.

6. **The administration of the health insurance program on an annual basis and**

- a. A city Task Force recommended changes to the city retiree health care and prescription program. City council passed motions approving the changes in June 2009 and they are expected to pass ordinances approving the changes with implementation on January 1, 2010
- b. City Council requested that the City Administration obtain bids for retiree health care and prescription programs. Per Milton Dohoney, City Manager, retiree health insurance will continue to be provided by Anthem during 2010. A new health-care bidding process will be initiated during 2010 for the active and retired populations combined.
- c. Eligibility for Health Care Benefits – Ordinance approved by Council on June 24, 2009.
 - i. Ordinance identifies the costs for dependents eligible for Health care and documentation needed to qualify a disabled adult-child for health insurance benefits.

7. **Recommendations for more cost effective prescription programs**

- a. City Council requested that the City Administration obtain bids for retiree health care and prescription programs. Per Milton Dohoney, City Manager, retiree health insurance will continue to be provided by Anthem during 2010. A new health-care bidding process will be initiated during 2010 for the active and retired populations combined.

8. **Recommendations regarding the CRS members' loan program,** including loan interest rate, deferred retirement loans, insurance on loans and review of loan policies and procedures

- a. No changes are recommended for the interest rate, insurance or other policies and procedures except as noted below in b. and c.
- b. Loan Process. Changes in loan process were implemented due to violations identified by Internal Audit (IAD). Stricter guidelines and procedures incorporated
- c. Deferred Retirements with Loans: Proposed Ordinance held by City council.

➤ **Identifying Opportunities for Improvement:**

Current Agenda Items:

Disability Definition, Application and Appeal Process, and Audit Processes. The vision of this committee includes working with the Administrative Staff to provide clear definitions for administrative ambiguities. This unified focus will result in aligning administrative policy with consistencies among the Cincinnati Municipal Code, the CRS policies and rules, and the CRS administrative manual. Consultations with the Law Department and Risk Management will continue until all aspects of the Disability Process are reviewed.



**Board of Trustees
Secretary Report**

Month Ending: November 30, 2009

Asset Valuation			
December 31, 2008	\$ 1.83	Billion	\$ 1,831,513
November 30, 2009	\$ 1.97	Billion	\$ 1,974,542
YTD Increase (Decrease)	7.81%		
	12/31/08	11/30/09	
Current Asset Allocation	Actual	Actual	Target
Domestic Equity	42.9%	32.1%	29.5%
International Equity	16.5%	21.5%	21.0%
Fixed Income	20.3%	19.7%	17.0%
Private Equity	4.3%	4.2%	5.0%
Real Estate	8.6%	5.4%	7.5%
Infrastructure	1.0%	2.4%	5.0%
Long / Short Equity	6.2%	13.8%	15.0%
Treasury Cash	0.2%	0.9%	
	100.0%	100.0%	100.0%

6)

City of Cincinnati, Ohio
Pension Trust
Statement of Changes in Plan Net Assets
For the Month ended November 30, 2009
(Amounts in Thousands)

	2009 November	2008 November	Current Year To Date	Prior Year To Date
<u>Additions to Assets:</u>				
Contributions				
Member (1)	\$ 948	929	\$ 11,526	\$ 12,146
Employer (2)	2,195	2,148	28,132 *	27,400
Medicare Reimbursements	307	0	3,734	1,127
Total Contributions	3,450	3,077	43,392	40,673
<small>* includes contribution from ERIIP \$2.3 Million</small>				
Investment Income				
Net Appreciation (Depreciation) in Fair Value of Investments				
	42,770	(94,776)	237,326	(817,845)
Dividends	1,692	1,827	28,059	36,150
Interest (3)	2,589	3,702	15,876	31,302
Miscellaneous Income (4)	34	247	1,118	2,132
	47,085	(89,000)	282,379	(748,261)
Less Investment Expense	1,086	291	5,001	5,398
Net Investment Income	45,999	(89,291)	277,378	(753,659)
Transfers In From Other Retirement Systems (5)	0	0	285	434
Total Additions to Assets	49,449	(86,214)	321,055	(712,552)
Deductions from Assets:				
Benefits Payments				
Pension and Annuities	11,076	10,879	121,236	118,814
Hospital and Medical Care Benefits	4,767	8,110	45,986	39,623
Medicare Benefits	320	322	3,536	3,492
Dental Benefits	119	260	1,115	1,523
Vision Benefits	12	23	115	114
Death Benefits, Active and Retired	54	132	947	1,178
Loss Due to Death of Members with Loans	0	0	0	18
Transfers to Other Retirement Systems (6)	37	532	1,973	2,087
Total Benefits Payments	16,385	20,258	174,908	166,849
Refund of Contributions	90	168	1,442	981
Administration Expenses				
Personal Services	58	40	671	598
Contractual Services	119	90	793	904
Material and Supplies	24	3	204	5
Other	1	0	8	517
Total Administration Expenses	202	133	1,676	2,024
Total Deductions from Assets	16,677	20,559	178,026	169,854
Net Increase (Decrease) in Plan Assets	\$ 32,772	\$ (106,773)	143,029	(882,406)
Plan Net Assets held in Trust for Benefits				
Beginning of Year			1,831,513	2,685,340
Year - To - Date			\$ 1,974,542	\$ 1,802,934

*N/M = not meaningful

November, 2009

Attachments

	<u>2009</u> <u>November</u>	<u>2008</u> <u>November</u>	<u>Current Year</u> <u>To Date</u>	<u>Prior Year</u> <u>To Date</u>
Members Contribution Detail (1)				
City of Cincinnati	\$ 928	\$ 908	\$ 10,977	\$ 11,642
Closed Groups	8	6	76	109
Prior Service - CRS	12	4	460	353
Military Time	0	11	13	42
TOTAL	\$ 948	\$ 929	\$ 11,526	\$ 12,146

Employers Contribution Detail (2)				
City of Cincinnati	\$ 2,181	\$ 2,125	\$ 27,959	\$ 27,093
Closed Groups	14	23	173	297
Prior Service - CRS	0	0	0	10
Military Time	0	0	0	0
TOTAL	\$ 2,195	\$ 2,148	\$ 28,132	\$ 27,400

	<u>2009</u> <u>November</u>	<u>2008</u> <u>November</u>	<u>Current Year</u> <u>To Date</u>	<u>Prior Year</u> <u>To Date</u>
Interest Detail (3)				
U.S. Government - Interest	\$ 231	\$ 320	\$ 493	\$ 8,784
Bonds - Interest	1,016	1,617	12,426	16,941
Cash & Cash Equivalents - Interest	3	168	343	1,811
Mortgage/Other Bonds - Interest	104	123	1,958	2,483
Income Receivable	1,164	1,395	(163)	262
Interest from Members Loans	71	79	819	1,021
TOTAL	\$ 2,589	\$ 3,702	\$ 15,876	\$ 31,302

Miscellaneous Income Detail (4)				
Unclaimed Benefits	\$ 0	\$ 0	\$ 23	\$ (8)
Securities Lending Income - Net	34	247	1,095	2,140
Misc - other receipts	0	0	0	0
TOTAL	\$ 34	\$ 247	\$ 1,118	\$ 2,132

	<u>2009</u> <u>November</u>	<u>2008</u> <u>November</u>	<u>Current Year</u> <u>To Date</u>	<u>Prior Year</u> <u>To Date</u>
Transfers In (Detail) (5)				
Ohio Police & Fire	\$ 0	\$ 0	\$ 7	\$ 0
PERS	0	0	193	426
STRS	0	0	80	8
SERS	0	0	5	0
Ohio Highway Patrol	0	0	0	0
TOTAL	\$ 0	\$ 0	\$ 285	\$ 434

Transfers Out (Detail) (6)				
Ohio Police & Fire	\$ 22	\$ 0	\$ 557	\$ 184
PERS	15	529	788	986
STRS	0	3	500	252
SERS	0	0	128	665
Ohio Highway Patrol	0	0	0	0
TOTAL	\$ 37	\$ 532	\$ 1,973	\$ 2,087

() Denotes Negative Amount

	(thru 10/31)		(Amounts In Thousands)		
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Recovery on Security Losses (Litigation)	656	714	2,536	1,127	2,698

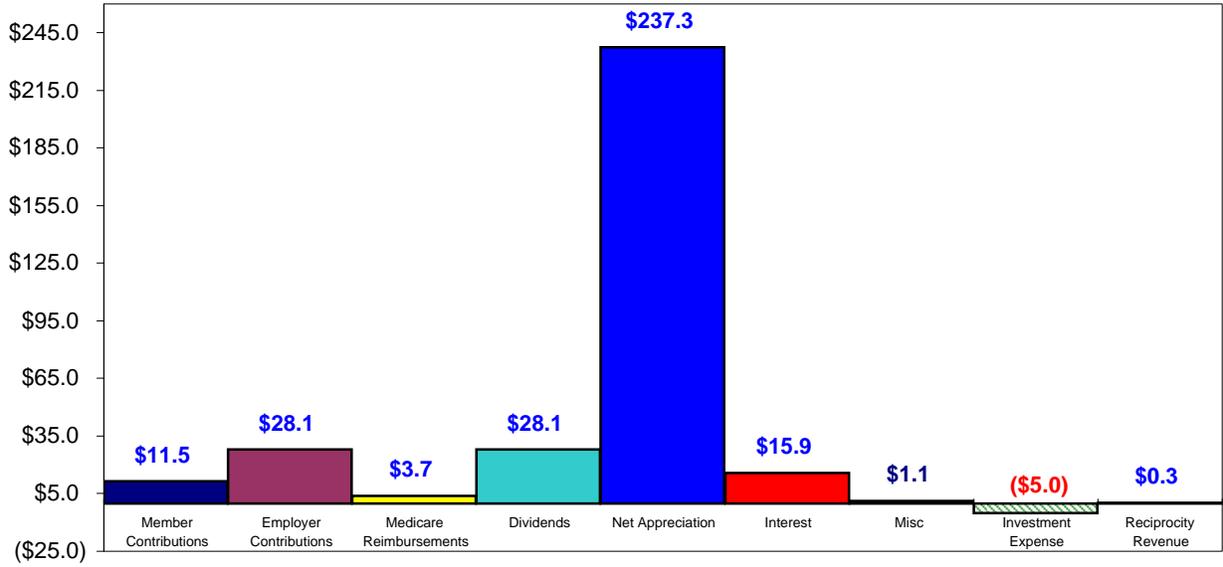
7)

City of Cincinnati, Ohio
Pension Trust
Statement of Plan Net Assets
For the Month ended November 30, 2009
(Amounts in Thousands)

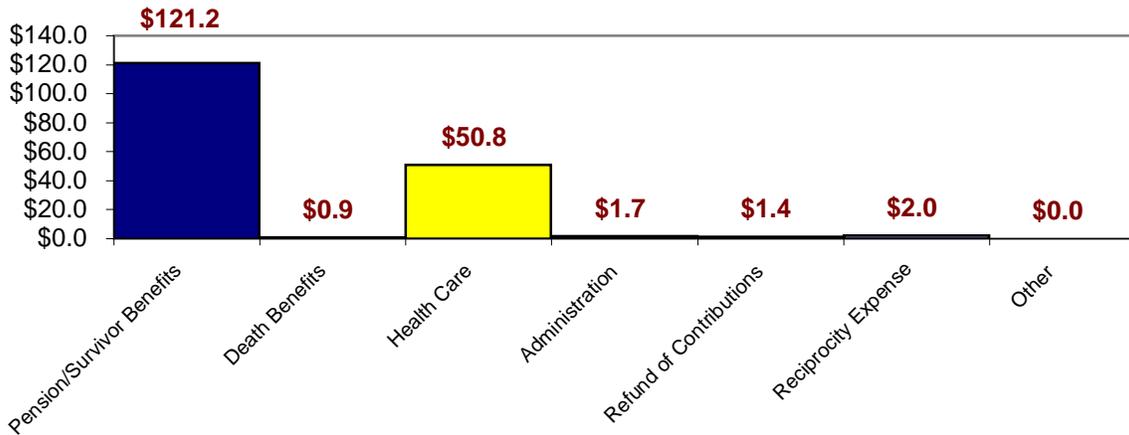
		Asset Allocation Percentage
ASSETS		
1) Cash and Equivalents *	\$ 72,129	0.9%
2) Income Receivables *	6,091	
2a) Pension Receivable *	0	
3) Accounts Receivable *	13,200	
Investments		
Fixed Income Securities		
U.S. Government Bonds	\$ 44,650	
Government Asset & Mortgage Backed	70,880	
Corporate Bonds	211,014	
State & Local Obligations	6,473	
Total Derivative Instruments/Convert. Bonds	11,335	
Other Fixed Income	79,365	
Loans to Members	12,535	
Total Fixed Income Securities	<u>\$ 436,252</u>	19.7%
Equity Securities		
Domestic	620,541	32.1%
International	356,405	21.5%
Total Equity Securities	<u>976,946</u>	53.6%
Alternative Assets		
Private Equity	80,673	4.2%
Long Short Funds	273,686	13.8%
Infrastructure	47,100	2.4%
Real Estate	107,444	5.4%
Total Alternative Assets	<u>508,903</u>	25.8%
4) Total Investments	<u>1,922,101</u>	
Total Assets	\$ 2,013,520	
LIABILITIES		
5) Accounts Payable *	\$ 38,979	
Total Liabilities	<u>38,979</u>	
6) NET ASSETS	<u>\$ 1,974,542</u>	100.0%

*Asset Allocation Percentages on graph: Amounts in the Cash and Equivalents, I/R, A/R and A/P categories which are under the control of the money manager are counted in the asset class of that money manager.

Additions to Net Assets
 November 30, 2009 - YTD
 \$ 321 Million



Deductions from Net Assets
 November 30, 2009 - YTD
 \$ 178 Million





City Of Cincinnati Retirement System Investment Committee

Minutes

December 3, 2009 / 11:30 A.M.
Centennial II Meeting Room A

The meeting was called to order: 11:30 A.M.

Present:

Jack Walsh - Chair
David Rager – Vice Chair
Donald Beets
Michael Fehn
Brian Pickering
Michael Rachford
Bryan Schmitt
D. Radford

Staff Present:

Paula Tilsley
Ron Wilson
Cheryl Volk

Absent

James Robinson

Minutes

The Investment Committee minutes from November 5, 2009 were submitted for approval. D. Radford made a motion to accept the minutes. M. Rachford seconded the motion and the motion passed. Minutes were approved.

The Cincinnati Retirement System (CRS) Investment Consultant, Brett Christenson, Managing Director of Marquette Associates provided the following reports:

- ✚ Review of 3rd Quarter Report
- ✚ Investment Report: October 31, 2009
 - Market Values
 - Annualized Performance
 - Private Equity/ Infrastructure Data

Investment Manager Presentations

- ✚ Shenkman Capital Management, Inc. Managers: Nick Keyes, Eric Dobbin, and Kim Hekking, provided an overview of Shenkman's Four Points Product followed by a question and answer session. Shenkman discussed a potential fee reduction from 75bps to 60bps for the Four Points Product if the Board of Trustees became an early investor in the new product.
- ✚ Alinda Capital Partners, LLC
 - Phil Dyk provided an overview of Alinda's Fund II followed by a question and answer session.

Committee Action

Motion made by D. Rager and seconded by M. Fehn to adjourn the meeting. Motion passed and the meeting was adjourned 1:50 P.M.

**Retirement System of the City Cincinnati
Loans to Members**

Loan #	Payee's Name	Department	Check Amount	Check #
62375			\$3,500.00	103632
62376			\$27,501.00	103633
62377			\$5,000.00	103634
62378			\$7,500.00	103635
62379			\$11,303.00	103636
62380			\$4,423.00	103637
62381			\$8,630.50	103638
62382			\$11,689.50	103639
62383			\$5,000.00	103640
62384			\$8,000.00	103641
62385			\$31,838.00	103642
62386			\$6,450.00	103643
62387			\$2,300.00	103644
62388			\$7,500.00	103645
62389			\$4,048.00	103646
62390			\$25,005.00	103647
62391			\$7,537.00	103648
62392			\$8,000.00	103649
62393			\$25,000.00	103650
62394			\$15,726.00	103651
62395			\$6,018.00	103652
62396			\$1,000.00	103653
62397			\$2,000.00	103654
62398			\$7,500.00	103655
62399			\$29,665.00	103656
62400			\$17,182.50	103657
62401			\$10,000.00	103658
62402			\$1,000.00	103659
62403			\$5,000.00	103660
62404			\$6,000.00	103661
62405			\$32,000.00	103662
62406			\$24,000.00	103663
62407			\$3,000.00	103664

Retirement System of the City Cincinnati
Loans to Members

Loan #	Payee's Name	Department	Check Amount	Check #
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To the City Treasurer:

Voucher #: 21144

Please issue a check to each of the above listed payees in the amount set opposite their respective name. The total of all the checks requested by this voucher is : \$370,316.50

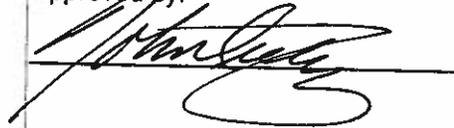
Check Date: 12/23/2009

Staff Approval:

Prepared by:



Approved by:



RETIREMENT SYSTEM OF THE CITY OF CINCINNATI

Operating Expense

Acct#	NAME && ADDRESS	AMOUNT	CHECK#
7280	LexisNexis - Accurint	\$448.74	103620
	Internal Audit Reviews November 2009	\$448.74	
7280	CITY OF CINCINNATI	\$2,734.56	103621
	DIVISION OF TREASURY		
	Treasury Services December 2009	\$2,734.56	
7280	MAE CONSULTING INC	\$95.00	103622
	700 PETE ROSE WAY, SUITE 5D		
	CINCINNATI OH 45203		
	Military service credit corrections	\$47.50	
	Loans DB information	\$47.50	
7280	ABS BUSINESS PRODUCTS INC.	\$180.60	103623
	10855 MEDALLION DRIVE		
	CINCINNATI OH 45241-4829		
	contract base rate December 2009	\$180.60	
7280	LEVI, RAY & SHOUP INC	\$1,425.00	103624
	2401 WEST MONROE		
	ATTN: ACCOUNTS RECEIVABLE		
	SPRINGFIELD IL 62704		
	Pension Gold PE Change Request #58989	\$1,425.00	
7280	THE BERWYN GROUP	\$358.00	103625
	PARK CENTER I		
	23215 COMMERCE PARK DRIVE SUITE 215		
	BEACHWOOD OH 44122		
	death check report December 1, 2009	\$358.00	

Date: **December 18, 2009**

Voucher No. **21141**

Approved for Payment:

Member of Board of Trustees

TO THE CITY TREASURER:

Pay to the order of the above named payees, the amounts set opposite their respective names, totaling the sum of: **\$5,241.90**

Prepared by

Secretary

Approved by

Approved by

RETIREMENT SYSTEM OF THE CITY OF CINCINNATI

Operating Expense

Acct#	NAME && ADDRESS	AMOUNT	CHECK#
7280	XEROX CORPORATION P.O. BOX 650361 Dallas, TX 75265-0361	\$371.87	103626
	September 2009 Copier	\$200.00	
	November 2009 Copier	\$171.87	
7280	PAUL T HOGYA MD 245 BUENA VISTA DRIVE SOUTH LEBANON OH 45065	\$100.00	103627
	Debra Vitt Assessment - No Show Fee	\$100.00	
7280	ICE MILLER LLP PO BOX 663633 INDIANAPOLIS, IN 46266	\$26,629.87	103628
	September 2009	\$1,141.65	
	October 2009	\$6,092.55	
	November 2009	\$19,395.67	
7280	LEE PERSONNEL, INC 621 E MEHRING WAY, SUITE 317-A CINCINNATI OH 45202	\$6,978.46	103629
	PPE 12/4/09	\$3,856.25	
	PPE 12/11/09	\$3,122.21	
7280	CHERYL VOLK c/o Retirement	\$115.20	103630
	Board meeting lunch 12/3/09	\$115.20	

Date: **December 18, 2009**

Voucher No. **21142**

Approved for Payment:

Member of Board of Trustees

Secretary

TO THE CITY TREASURER:

Pay to the order of the above named payees, the amounts set opposite their respective names, totaling the sum of: **\$34,195.40**

Prepared by

Approved by

Approved by

RETIREMENT SYSTEM OF THE CITY OF CINCINNATI

Operating Expense

Acct#	NAME && ADDRESS	AMOUNT	CHECK#
7280	FORTRESS 165 W. CRESCENTVILLE RD. CINCINNATI, OH 45246 Inv#72484 Service from 12/1/09-12/31/09	\$100.10	103605
7280	LEE PERSONNEL, INC 621 E MEHRING WAY, SUITE 317-A CINCINNATI OH 45202 CIT 69,154 Week Ending 11/27/09 CIT 69, 138 Week Ending 11/20/09	\$100.10 \$6,845.76	103606
7280	XEROX CORPORATION P.O. BOX 802555 CHICAGO, IL 60680-2555 In# 044320606 WC7335P Printer	\$190.19 \$190.19	103607
7280	CITY OF CINCINNATI FINANCE - PRINTING SERVICES Inv# 2029 Charges for the month of November 2009.	\$2,515.91 \$2,515.91	103608
7280	PAUL T HOGYA MD 245 BUENA VISTA DRIVE SOUTH LEBANON OH 45065 IN# 8478 Medical Exam for William Huxell	\$525.00 \$525.00	103609
7280	Bryan Schmitt 3721 Boudinot Ave Cincinnati, OH 45211 Travel Expense- Employee Benefits Conference & CAPP class, Orlando, FL 11/6/09-11/11/09	\$1,454.26 \$1,454.26	103610

Date: **December 7, 2009**
Voucher No. **21133**

Approved for Payment:

TO THE CITY TREASURER:

Pay to the order of the above named payees, the amounts set opposite their respective names, totaling the sum of: **\$15,307.52**

Member of Board of Trustees

Prepared by

Secretary

Approved by

Approved by

RETIREMENT SYSTEM OF THE CITY OF CINCINNATI

Operating Expense

Acct#	NAME && ADDRESS	AMOUNT	CHECK#
7280	MICHAEL P FEHN	\$3,676.30	103611
c/o Retirement			
Travel Expense-Continuing Education - Trustees Master Program, Orlando, FL- 11/6/09 to 11/11/09.		\$3,676.30	

Date: **December 7, 2009**
Voucher No. **21133**

Approved for Payment:

TO THE CITY TREASURER:

Pay to the order of the above named payees, the
amounts set opposite their respective names, totaling
the sum of: **\$15,307.52**

Member of Board of Trustees

Prepared by

Secretary

Approved by

Approved by