



**City of Cincinnati Retirement System
Board of Trustees Meeting
Minutes
June 10, 2021 / 2:00 P.M.
City Hall – Council Chambers**

Present

Bill Moller, Chair
Tom Gamel, Vice Chair
John Juech
Kathy Rahtz

Don Stiens
Betsy Sundermann
Erica Winstead

Staff Present

Paula Tilsley
Renee Kabin
Ann Schooley

Absent: Mark Menkhaus, Jr.

CALL TO ORDER

The meeting was called to order at 2:01 p.m. and a roll call of attendance was taken.

APPROVAL OF MINUTES

T. Gamel made a motion to approve the minutes of the May 6, 2021 Board of Trustees meeting.
D. Stiens seconded the motion to approve. Roll call vote results follow:

Mr. Moller– Y
Mr. Gamel – Y
Mr. Juech – Y
Ms. Rahtz - Y
Mr. Stiens – Y
Ms. Sundermann –Y
Ms. Winstead –Y

The motion to approve minutes of the May 6, 2021 Board meeting passed.

NEW BUSINESS

2020 Pension and OPEB Valuation Reports

Kevin Woodrich and Janet Cranna from Cheiron presented the Pension Valuation report for year ending December 31, 2020. The Funded Ratio for 2020 was 70.5%, a decrease from 71.2% in 2019. The Early Retirement Incentive Plan (ERIP) had a negative effect on the support ratio (active employees to retirees)--a key metric used to determine the funded ratio--due to fewer full-time employees. The ratio increased from 1:1.6 to 1:1.8, the highest over the past ten years. The Net Cash Flow was a negative 6.6%. This puts CRS at the bottom 5% of other public retirement plans. Return on

Market Value of Assets (MVA) was 8.03%. The Actuarially Determined Contribution increased from 30.67% to 33.46% of which 1.34% was due to the ERIP.

Margaret Tempkin of Cheiron presented the OPEB (Healthcare) Valuation. The Healthcare Trust was 126% funded as of December 31, 2020 with an Actuarially Determined Contribution of \$0. The unfunded actuarial liability is approximately (\$104.5 million). There was an actuarial loss of approximately \$17.4 million, primarily due to the increase in retirements as a result of the ERIP. P. Tilsley reminded trustees that employees hired on or after 1/1/2016 are not eligible for future healthcare. Effective 1/1/2023, Part D rebates will revert to point-of sale. This may increase the liabilities of plan sponsors. Cheiron will determine the healthcare premiums to be effective 1/1/2022 for the Secure, Select and Model plans.

Board Action

T. Gamel made a motion to accept the Pension and Healthcare Valuation reports for year-end December 31, 2020. K. Rahtz seconded the motion and a roll call vote was taken. Roll call vote results are as follows:

B. Moller -Y

T. Gamel – Y

J. Juech -Y

K. Rahtz – Y

D. Stiens – Y

B. Sundermann – Y

E. Winstead – Y

Retirement of Executive Director

B. Moller took the agenda out of order to present a motion for the Board's immediate consideration: Whereas Ms. Paula Tilsley has directed the CRS for nearly twelve years, whereas she has served with dedication and commitment, whereas she has succeeded through reorganizations, negotiations, market swings and budget ups and downs, I move that the Cincinnati Retirement System Board of Trustees congratulate Paula on her retirement, thank her for her years of service to the City and CRS and wish her success in future endeavors. The motion was seconded by B. Sundermann, E. Winstead and D. Stiens. During discussion, J. Juech wished to thank Ms. Tilsley on behalf of the City Manager's Office for her professionalism and her dedicated service to the City.

A roll call vote was taken. Mr. Moller voted yes, Mr. Gamel voted yes, Mr. Juech voted yes, Ms. Rahtz voted yes, Mr. Stiens voted yes, Ms. Sundermann voted yes, and Ms. Winstead voted yes. The motion to thank and congratulate Paula Tilsley passed unanimously.

Governance Committee Report

D. Stiens reported the committee reviewed and discussed election appeals language involving ballot recounts and protests. The Committee's consensus is to revise and refine this language.

D. Stiens reported discussion occurred regarding overhauling rules with the goal of being able to wrap everything into the Governance Manual. More details will be worked out in future meetings.

Disability Application

Trustees were provided a confidential report from the Medical Director. P. Tilsley provided additional background on the process. CRS's disability determination follows Social Security guidelines, and

the Medical Director's opinion on an application can be a lengthy process due to the need to obtain records from multiple providers. Such requests are usually addressed by the Benefits Committee with final approval from the Board. In the interest of all parties involved, especially the affected employee member, CRS may expedite the process by bringing an application directly to the Board in the absence of a Benefits Committee meeting.

Board Action

T. Gamel made a motion to approve the disability of Kenneth Calloway. E. Winstead seconded the motion to approve. A roll call vote resulted as follows:

- B. Moller – Y
- T. Gamel – Y
- J. Juech – Y
- K. Rahtz – Y
- D. Stiens – Y
- B. Sundermann -Y
- E. Winstead - Y

The motion to approve the disability retirement application of Kenneth Calloway passed.

UNFINISHED BUSINESS

✚ Outstanding Opinions:

Rahtz Board Approved Motion, October 3, 2019

- Item 1. Explain why City's changes to retiree healthcare are permitted under the CSA without Court approval.
- Item 2. Explain why the Board cannot retain outside counsel on matters which the Solicitor's Office will not give counsel.

A. Schooley reported that there are no updates.

✚ Executive Director Search

B. Moller reported that the search is progressing and the hope is to have a candidate in place before Ms. Tilsley's departure.

✚ Annual Report to Council

B. Moller mentioned the 2019 CRS Annual Report was put on hold on City Council's agenda. He proposed to the Board the opportunity to update the report to reflect the 2020 Annual Valuations and submit to Council before summer recess. Mr. Moller further discussed the need to call a special meeting to approve the 2020 Annual Report before it is submitted.

Board Action

K. Rahtz made a motion to present an updated Annual Report for 2020 to City Council. D. Stiens seconded the motion. A roll call vote was taken, results follow:

- Mr. Moller – Y
- Mr. Gamel – Y
- Mr. Juech – Y
- Ms. Rahtz – Y
- Mr. Stiens – Y

Ms. Sundermann - Y
Mr. Winstead - Y

INFORMATIONAL

✚ April 2021 Investment Report

Noted with no discussion.

✚ 115 Health Care Trust Funding Policy

A. Schooley reported there are no updates.

B. Moller proposed moving the next scheduled meeting from July 1st to July 8th, 2021. A. Schooley added that state law allowing livestream and remote participation is scheduled to expire July 1 and the status of any further changes is uncertain at this time. The next Governance Committee and Board meeting will be scheduled for July 8, 2021.

With no other business before the Board, T. Gamel made a motion to adjourn. K. Rahtz seconded the motion to adjourn. The results of the roll call vote follows:

B. Moller - Y
T. Gamel – Y
J. Juech – Y
M. Menkhaus – Y
K. Rahtz – Y
D. Stiens – Y
E. Winstead - Y

The motion to adjourn passed. Meeting adjourned at 3:42 P.M.