Meeting was called to order at 1:55 P.M.

APPROVAL OF MINUTES
M. Berliant made a motion to approve the May 5, 2016 minutes. C. Baucom seconded the motion and the motion passed. Minutes were approved.

C. Meyer made a motion to approve the July 27, 2016 minutes. C. Baucom seconded the motion and the motion passed. Minutes were approved.

INVESTMENT COMMITTEE REPORT
C. Meyer provided the following report from the August 4, 2016 meeting:

- **2nd Quarter Executive Summary Review**
  - As of June 30, 2016 - YTD Return (Net of Fees) +2.7%
  - 2nd Quarter 2016 – Market Value of Assets $2.12 Billion

- CRS Investment Policy was updated to include the changes in asset allocation and investment managers that have been implemented since the last update.

- Marquette will provide portfolio analyses of Fort Washington, North Sky and other PE firms for years 2017/2018 commitments. Committee to review data and decide at the November 3, 2016 meeting if manager interviews are necessary.
**Board Action**

C. Meyer made a motion to accept the Investment Committee report. C. Baucom seconded the motion and the motion passed. Committee report was accepted.

**LEGAL UPDATE**

Steve Goodin, Graydon Head & Ritchey LLC, requested the Board go into an Executive Session for legal updates. M. Berliant made a motion to go into an Executive Session for legal updates. D. Beets was seconded and the motion passed. Executive Session called to order 2:09 P.M. C. Baucom made a motion to adjourn the Executive Session. C. Meyer seconded the motion and the motion passed. Executive Session was adjourned at 2:20 P.M.

**2015 VALUATIONS**

Cavanaugh Macdonald Consulting, LLC, Ed Koebel, EA, FCA and Eric Gary, FSA, FCA, presented the Pension and Retiree Health Benefits Valuation Reports for year 2015. The purpose of the reports is to provide a summary of the funded status of the System as of December 31, 2015, to determine the employer actuarially determined contribution rates.

The valuation reflects the plan and funding changes included in the Collaborative Settlement Agreement (CSA) which was approved by the United States District Court for the Southern District of Ohio on October 5, 2015 and generally effective January 1, 2016.

- The market value investment return for calendar 2015:
  - Pension  (0.11%)
  - Retiree Health Care  (0.11%)

- Actuarial value investment return for calendar 2015:
  - Pension  7.51%
  - Retiree Health Benefits  7.39%

- Actuarial value of assets funded ratio as of December 31, 2015:
  - Pension  77.1%
  - Retiree Health Benefits  97.9%

- The projected 30 year funding ratio:
  - Pension funding ratio 67% in 30 years and 100% in 43 years (year 2059)
  - Retiree Health Benefits funding ratio declines annually until reaching 0% in year 2040.

- Contribution rates:
  - Pension Actuarially Determined Contribution (ADC) is 27.92% of payroll or $46.7 million. Effective January 1, 2016 the City will contribute 16.25% annually per the CSA.
  - Retiree Health Benefits Annual Required Contribution (ARC) is 3.7% of payroll or $6.2 million. The City is developing a funding policy as required per the CSA.

**Retiree Health Care Funding Policy**

The City is responsible for developing a Funding Policy per the CSA. Board to ensure a formal Funding Policy is developed.

Certain Board members assumed the CRS Retiree Health Care program was closed to new hires effective 1/1/2016 per the CSA. Board agreed that if the City wants to continue funding retiree healthcare for new hires, they do so under another arrangement that is not funded by the 115 Trust. If feasible, Cavanaugh Macdonald to provide the Board the contribution amounts for the OPEB plan as closed and not closed.
**Board Action**

D. Beets made a motion to “recommend that new hires as of January 1, 2016 not be eligible for medical healthcare coverage from the CRS pension and 115 Trust Fund.” The motion was not seconded and the motion failed.

**Board Action**

B. Moller made a motion that the Board direct Tom Gamel, Board Chair, to draft a motion that would incorporate the Board’s discussion regarding the funding of retiree healthcare benefits. T. Gamel asked B. Moller to join him in writing the motion. Discuss the motion at the September 1, 2016 Board meeting. C. Baucom seconded the motion and the motion passed with one No vote from D. Beets.

**Miscellaneous**

D. Beets expressed to Terry Nestor, City Solicitor, concerns about the City accessing CRS funds without the Board’s knowledge or consent. T. Nestor directed the Board to notify the City or the City Solicitor’s Office if the Board is concerned about a cost or an inappropriate use of CRS funds. D. Beets referred to the Early Retirement Incentive Program (ERIP) and how the City used CRS funds to implement that program. P. Tilsley clarified that the ERIP only increased the Fund’s liability and that no CRS funds were withdrawn from the CRS fund to implement the ERIP. D. Beets to present documentation of the City’s transfer of money from the CRS fund.

D. Beets asked about why the Board is not receiving reports of CRS office expenditures. T. Nestor and P. Tilsley reminded the Board that the CRS Annual Budget is approved by the Board every year. The budget identifies actual and projected expenses from previous year and projections for current year. The CRS is not part of the City Finance System (CFS) and does not produce the same reports as created through the CFS. D. Beets to provide examples of CFS reports of CRS expenditures that were submitted to prior CRS Boards.

**Committee Assignments**

Board reviewed the Committee Assignments with appointed Committee Chairs and Vice Chairs. The full Board was encouraged to attend the Investment Committee meetings.

Having no further business, D. Beets made a motion to adjourn the meeting. Motion was seconded by M. Berliant and the motion passed. Meeting was adjourned at 4:07 P.M.