



## City of Cincinnati Retirement System Board of Trustees Meeting

### Agenda

**July 10, 2025 / 2:00 P.M.  
City Hall, Council Chambers and via Zoom**

#### **Members**

Bill Moller, Chair  
Tom Gamel, Vice Chair  
Kathy Rahtz  
Mark Menkhaus, Jr.  
Monica Morton  
Seth Walsh  
Aliya Riddle  
Sonya Morris  
Tom West

#### **CRS Staff**

Jon Salstrom

#### **Law**

Kevin Frank

#### **Call to Order**

#### **Public Comment**

#### **Approval of Minutes**

- June 5, 2025 (2-6)

#### **Report on Governance Committee**

#### **Informational – Staff Report**

- Marquette Investment Report (7-9)
- Staff Update (10-13)
- City of Cincinnati Budget Update
- Credit Service Purchase Update
- Eyecare RFP Update
- Healthcare Survey Update
- Fiduciary Audit Recommendations Update (18-20)

#### **Old Business**

- CRS Board Annual Report to Council (21-30)
- Governance Manual (31-103)

#### **New Business**

- Executive Director Performance Evaluation 2034-2025 (104-110)

#### **Adjournment**

**Next Meeting:** Thursday, August 7, 2025, 2:00 P.M. City Hall Council Chambers and via Zoom



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**City of Cincinnati Retirement System  
Board of Trustees Meeting Minutes  
June 5, 2025 / 2:00 P.M.  
City Hall – Council Chambers and remote**

**Board Members**

Bill Moller, Chair  
Tom Gamel, Co-Chair  
Kathy Rahtz  
Mark Menkhaus Jr.  
Monica Morton  
Seth Walsh  
Aliya Riddle  
Sonya Morris  
Tom West

**Administration**

Jon Salstrom

**Law**

Kevin Frank

**CALL TO ORDER**

Chair Moller called the meeting to order at 2:01 p.m. and a roll call of attendance was taken. Trustees Moller, Gamel, Rahtz, Morton, Walsh, Riddle, Morris and West were present. Trustee Menkhaus was absent.

**PUBLIC COMMENT**

No public comment.

**APPROVAL OF MINUTES**

Trustee Gamel moved to approve the minutes of the Board meeting of May 1, 2025, with suggested changes. The motion was seconded by Trustee Morton. The minutes were approved by unanimous roll call vote.

**Report on Performance Evaluation and Benefits Committee**

Trustee Rahtz explained that the Performance Evaluation Committee approved a motion to adopt the proposed timeline and process for conducting the Executive Director's annual performance evaluation. No second is needed. The motion was approved by unanimous roll call vote.

Trustee Gamel stated that there were no motions made at the Benefits Committee and there were no items to be discussed.

## **Informational – Staff Report**

### **Marquette Investment Report**

Chair Moller noted that while performance is not strong, it remains consistent with benchmarks, acknowledging ongoing market volatility. Director Salstrom added that the portfolio appears resilient, with April and May estimated returns at 3.3% overall. With equities rebounding, performance is currently on track to meet the assumed annual return rate. However, both expressed caution due to expected continued volatility. Chair Moller commented that achieving the 7.5% annual return goal may be challenging.

### **Staff Update**

The staff Organization chart was reintroduced to the Board as a refresher on the organizational structure and current staffing needs. Operations are primarily driven by two subdivisions:

- Pension Operations
- Healthcare Administration

IT and Finance support the core operations. Focus continues on building out the Member's Counselor role to enhance communication and support for both active and retired members.

Kyle Brown is currently serving as both Division Manager and Acting Member's Counselor. The Administrative Tech position has been filled with the new hire starting in a few weeks. An offer has also been extended for the Administrative Specialist role, which will support the Member's Counselor as well as healthcare and pension operations. The team's strategy is to cross-train staff across all functions to build redundancy. Ashley Hacker, who has excelled in her current Admin Tech role, will transition into the Admin Specialist position, while her current role is being backfilled. Even after these changes, one Admin Specialist position may remain open. Director Salstrom and staff will reassess at that point to determine if it's necessary to fill it or if the workload is manageable as-is. A follow-up with more detail will be provided later.

### **CRS Dashboards**

#### **Operating & Investment Expenses Summary:**

Director Salstrom reviewed the operating and investment expenses, noting that the \$3.9 million budgeted (page 10 of the packet) is typically underspent, generally by 11–12 basis points. Currently, it shows 16 basis points. The total budget typically runs around 50 basis points, compared to the national average of approximately 60 basis points as reported by NCPERS. The system generally operates 10–20 basis points below the national average annually. Additional benchmarking data is expected from the upcoming CEM Benchmarking survey. Director Salstrom commended the staff for efficiently and cost-effectively managing pension, healthcare, and member services operations.

## **Investment Performance**

- Returns for the fund were presented over 1-, 3-, and 5-year periods, compared against three benchmarks:
  1. Assumed Rate of Return (7.5%):
    - 1-year and 5-year periods are above the assumption.
    - 3-year period is below the assumption.
  2. Passive Index Benchmark (70/30 public market blend):
    - Fund has lagged this benchmark over all periods due to being underweight U.S. equities, which have performed strongly.

- Expectation that this will reverse during volatile periods.
- 3. Policy Index:
  - Fund is outperforming on 1-, 3-, and 5-year basis, indicating value added relative to strategic allocation.

### **Demographics**

- Data through May reflects trends from the last four calendar years.
- Metrics on active members, retirees, DROP, terminated, and deceased are all in line with expectations.
- Benefit payments and DROP disbursements are normal and not concerning.

### **Risk Dashboard (Page 15)**

- Cybersecurity and market volatility risks elevated from medium to high:
  - Cybersecurity requires ongoing vigilance.
  - Market volatility anticipated due to policy uncertainty and economic conditions.
- Personnel risk may be downgraded from high to medium soon, as staff has stabilized and is performing well.
- No change made in this report, but may be updated next cycle.

### **Asset Allocation & Liquidity**

- Allocation remains generally in line with policy:
  - Underweight in U.S. equities and fixed income.
  - Overweight in non-U.S. equities and private equity.
- Liquidity analysis (through May):
  - Portfolio remains resilient, even in stress scenarios.
  - Monthly cash flow needs are manageable (0.93% of liquid portfolio).
  - Portfolio can withstand a 10–20% equity drawdown without affecting pension benefit payouts.
  - 3-month drawdown scenario shows sufficient liquidity (3.27%).

### **Compliance Dashboard (Page 18)**

- Investment policy and asset allocation were reviewed in May 2025.
- No compliance issues related to tax, operations, budget, or vendors.

### **Budget Dashboard (Page 19)**

- Reviewing data through Q1 of CY 2025:
  - Expenses for office staff are under budget due to vacancies.
  - Data processing expenses are under but expected to increase as vendor projects complete.
  - Legal expenses are ahead of budget due to multiple outside counsel contracts (e.g., Siguler Guff, JP Morgan).
  - Fund insurance not yet recorded (typically paid in Q3 or Q4).

- Overall, operating expenses remain below budget and are expected to normalize by year-end.
- Operating expense ratio budgeted at 16 basis points but typically ends much lower (9–12.5 basis points historically).

#### Credit Service Purchase Update

There was no update to provide at this time. Director Salstrom will follow up with the Board once a formal update is available.

#### Fiduciary Audit Recommendations Update

Director Salstrom provided an update on key initiatives included in the summary of recommendations:

1. Governance Manual
  - A major recommendation was to consolidate all governance structures into a single manual.
  - The manual is currently with a graphic designer and will be presented in final form to the Governance Committee in July.
  - A few policy decisions still need to be finalized, but the overall structure is complete.
2. CEM Benchmarking Survey
  - The contract with CEM has been finalized, and the kickoff meeting is complete.
  - Surveys are underway for both pension administration and investment operations.
  - Preliminary data should be available in 4–5 months, with a full presentation from CEM expected by year-end.
  - Results will help refine staffing, IT, and other operational recommendations.

#### Old Business

No Old Business to discuss.

#### New Business

##### CRS Board Annual Report to Council

Chair Moller presented the CRS Board Annual Report, which is required annually by ordinance and follows the format used in the prior year. The report includes:

- Updates on funding ratios for both the pension trust and healthcare trust.
- Historical overview of CRS annual rates of return, showing strong performance relative to peers.
- A recommendation to incrementally increase the employer contribution rate by 0.8% annually, with the goal of reaching 100% funding by 2045. This increase should become City policy and be incorporated into the bi-annual budgeting process.
- A commitment to actively participate in future discussions related to the Futures Commission.
- Continued coordination with City Administration on implementing fiduciary audit recommendations.

Motion: Trustee Gamel moved to approve the report; Trustee Rahtz seconded.

Outcome: The motion was approved unanimously by roll call vote.

An email from the State Auditor was included in the meeting packet to provide reassurance regarding the oversight of the CRS Pension Trust and likely the Healthcare Trust. While the City's audit opinion does not explicitly address CRS, the auditor confirms that CRS is reviewed as part of the broader City audit, as evidenced on the last page of the correspondence.

This inclusion addresses a Funston recommendation for an external audit. The Board has determined that a separate external audit is not necessary, as CRS is already covered under the City's audit, and this email supports that conclusion.

**Adjournment**

Following a motion to adjourn by Trustee Gamel and seconded by Trustee Morris. The Board approved the motion by unanimous roll call vote. The meeting was adjourned at 2:35 p.m.

**Meeting video link:** <https://archive.org/details/crs-board-6-5-25>

**Next Meeting:** Thursday, July 10, 2025, at 2:00 p.m. – City Hall Council Chambers and via Zoom

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Secretary



# Cincinnati Retirement

## Monthly Report

Executive Summary  
May 31, 2025



## Total Fund Composite

8  
Monthly Report  
As of May 31, 2025

	Market Value	% of Portfolio	Policy %	Target Allocation	Difference	Last Month
<b>Total Fund Composite</b>						
Fixed Income Composite	485,685,891	20.5	22.5	533,351,560	-47,665,669	Beginning Market Value 2,332,176,620
Private Debt Composite	135,742,059	5.7	6.5	154,079,340	-18,337,281	Net Cash Flow -14,102,422
U.S. Equity Composite	606,129,197	25.6	28.5	675,578,642	-69,449,445	Gain/Loss 52,377,179
Non-U.S. Equity Composite	388,628,778	16.4	16.0	379,272,220	9,356,557	Ending Market Value 2,370,451,377
Volatility Risk Premium Composite	54,996,077	2.3	2.5	59,261,284	-4,265,207	
Real Estate Composite	149,959,695	6.3	6.0	142,227,083	7,732,612	
Infrastructure Composite	262,697,550	11.1	10.0	237,045,138	25,652,412	
Private Equity Composite	273,419,554	11.5	8.0	189,636,110	83,783,444	
<b>Total Fund Composite</b>	<b>2,370,451,377</b>	<b>100.0</b>	<b>100.0</b>	<b>2,370,451,377</b>		

	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs	SI	Inception Date
<b>Total Fund Composite</b>	<b>2.2</b>	<b>1.4</b>	<b>3.3</b>	<b>9.3</b>	<b>10.9</b>	<b>7.1</b>	<b>10.5</b>	<b>7.4</b>	<b>7.2</b>	<b>8.8</b>	<b>Jun 85</b>
Target Benchmark	2.4	1.2	3.4	9.0	10.4	6.5	9.6	7.4	7.3	-	
Actuarial Rate 7.5%	0.6	1.8	3.1	7.5	7.5	7.5	7.5	7.5	7.5	7.5	
<b>Fixed Income Composite</b>	<b>-0.3</b>	<b>0.0</b>	<b>2.8</b>	<b>6.1</b>	<b>4.4</b>	<b>2.6</b>	<b>1.6</b>	<b>2.5</b>	<b>2.6</b>	<b>5.0</b>	<b>Dec 95</b>
Blmbg. U.S. Aggregate Index	-0.7	-0.3	2.4	5.5	3.4	1.5	-0.9	1.5	1.5	4.2	
<b>Private Debt Composite</b>	<b>0.0</b>	<b>1.3</b>	<b>1.3</b>	<b>8.6</b>	<b>10.3</b>	<b>8.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.2</b>	<b>Oct 20</b>
Blmbg. U.S. Aggregate Index	-0.7	-0.3	2.4	5.5	3.4	1.5	-0.9	1.5	1.5	-1.2	
Bloomberg US High Yield TR	1.7	0.6	2.7	9.3	10.3	6.8	5.8	5.1	5.0	5.0	
<b>U.S. Equity Composite</b>	<b>6.0</b>	<b>-1.0</b>	<b>0.3</b>	<b>11.8</b>	<b>19.0</b>	<b>12.0</b>	<b>16.4</b>	<b>11.0</b>	<b>10.6</b>	<b>9.7</b>	<b>Mar 89</b>
Russell 3000 Index	6.3	-0.5	0.6	13.1	20.1	13.8	15.3	12.9	12.2	10.8	
<b>Non-U.S. Equity Composite</b>	<b>4.6</b>	<b>8.3</b>	<b>14.2</b>	<b>14.0</b>	<b>15.4</b>	<b>9.5</b>	<b>11.2</b>	<b>5.2</b>	<b>5.4</b>	<b>6.1</b>	<b>Jun 93</b>
MSCI AC World ex USA (Net)	4.6	8.1	14.0	13.8	15.2	9.4	10.4	5.8	5.5	-	
<b>Volatility Risk Premium Composite</b>	<b>2.6</b>	<b>-2.3</b>	<b>-0.6</b>	<b>5.9</b>	<b>9.0</b>	<b>7.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.6</b>	<b>Feb 22</b>
Cboe S&P 500 PutWrite Index	1.0	-5.4	-3.5	7.6	8.8	7.8	11.4	6.7	7.0	6.4	
<b>Real Estate Composite</b>	<b>0.3</b>	<b>1.0</b>	<b>1.3</b>	<b>2.8</b>	<b>-3.7</b>	<b>-4.1</b>	<b>3.4</b>	<b>4.1</b>	<b>5.9</b>	<b>4.8</b>	<b>Sep 07</b>
NFI-ODCE	0.0	0.3	0.8	1.6	-4.7	-6.0	2.3	2.7	4.5	3.7	
NCREIF Property Index	0.0	1.3	1.3	2.7	-2.3	-2.1	3.2	4.0	5.4	5.5	
<b>Infrastructure Composite</b>	<b>-0.1</b>	<b>2.3</b>	<b>2.5</b>	<b>9.0</b>	<b>9.2</b>	<b>8.7</b>	<b>10.1</b>	<b>8.7</b>	<b>7.3</b>	<b>8.4</b>	<b>Sep 08</b>
3 Month T-Bill +4%	0.7	2.0	3.4	9.0	9.3	8.6	6.8	6.6	6.0	5.3	
<b>Private Equity Composite</b>	<b>0.0</b>	<b>0.8</b>	<b>0.7</b>	<b>7.1</b>	<b>8.4</b>	<b>5.1</b>	<b>15.7</b>	<b>13.1</b>	<b>12.4</b>	<b>8.8</b>	<b>Aug 93</b>
MSCI Private Capital Global All Private Equity	0.0	1.8	1.8	6.5	5.8	2.0	16.2	13.9	13.8	15.0	



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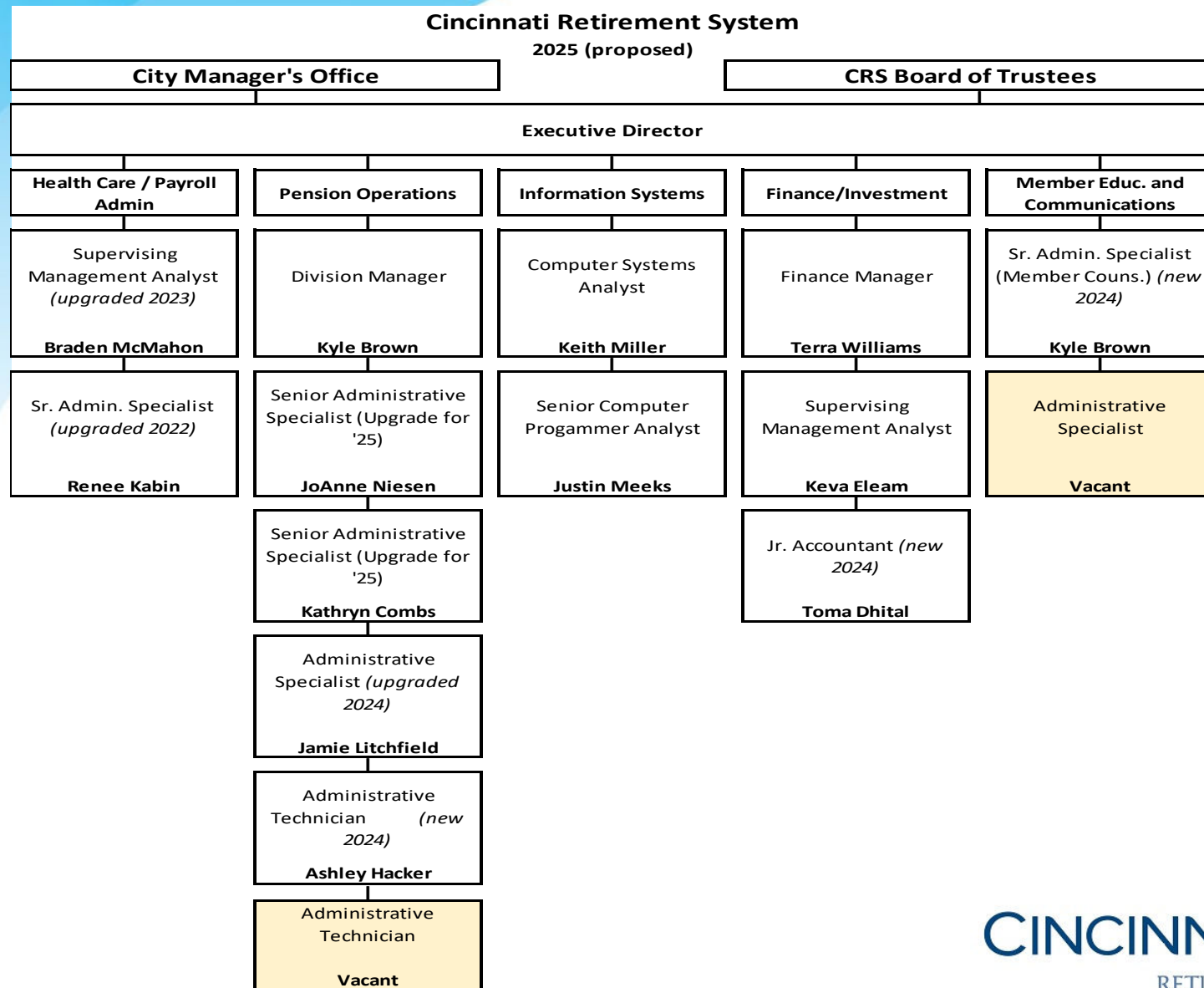


# Cincinnati Retirement System: Proposed Staffing

July 2025

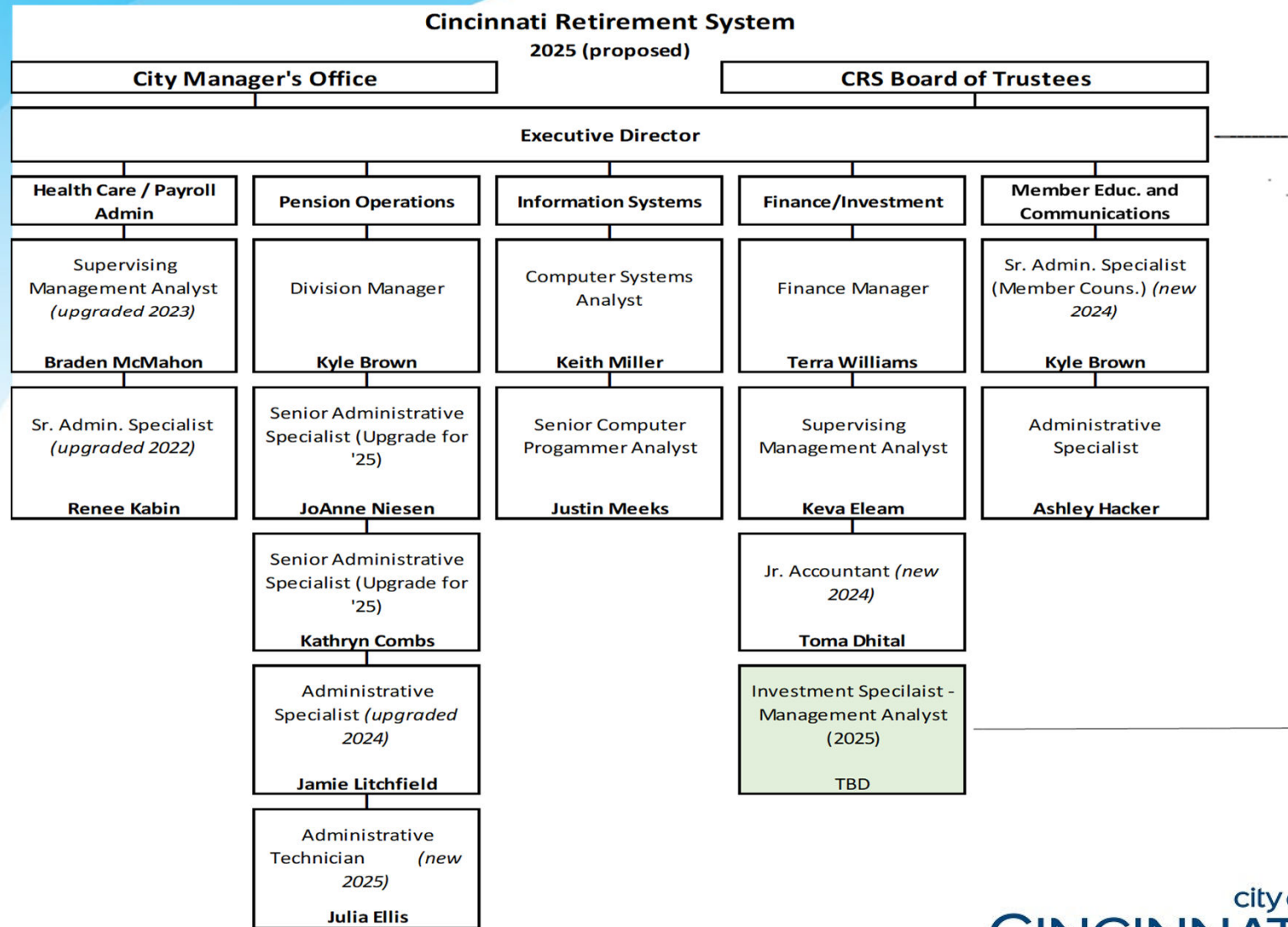
# CINCINNATI RETIREMENT SYSTEM

## → Org Chart with Proposed Staffing



# CINCINNATI RETIREMENT SYSTEM

## → Org Chart with Reconfigured Staffing



# CINCINNATI RETIREMENT SYSTEM

## → Staffing Need – Investment Analyst

### Succession Planning Safeguards Continuity

- Public pension plans are long-term institutions managing multi-generational obligations — **leadership and staff transitions should not disrupt investment strategy or operations.**

### Building Redundancies Enhances Resilience

- Staff redundancy doesn't mean inefficiency — it means **mission-critical knowledge and responsibilities are shared**, not siloed.

### Institutional Knowledge Is a Strategic Asset

- Investment knowledge, historical decisions, manager relationships, and policy evolution represent valuable **tacit knowledge** that can't be easily documented or replaced.

### A Core Part of Risk Management and Governance

- Regulators, auditors, and stakeholders expect that **key-person risk** and **operational continuity** are addressed in governance frameworks.

June 11, 2025

**To:** Mayor and Members of City Council

**From:** Sheryl M. M. Long, City Manager

**Subject: Emergency Ordinance – FY 2026 Budget: General Fund  
Operating Budget**

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Attached is an Emergency Ordinance captioned:

**PROVIDING** for the appropriation of funds and authorization of expenditures from General Fund 050 in the amount of \$542,701,740 for the fiscal year beginning July 1, 2025 and ending June 30, 2026, reflecting a portion of the Recommended FY 2026 General Fund Operating Budget totaling \$543,001,740, per the attached Schedule of Appropriation, to provide for the current expenses and other expenses of the City; **AUTHORIZING** the transfer of \$3,516,260 from the unappropriated surplus of General Fund 050 to the unappropriated surplus of Bond Retirement Fund 151 to pay the City's FY 2026 General Fund debt service obligations related to the Ohio Police & Fire Pension Fund in the amount of \$2,336,140 and the Early Retirement Incentive Program ("ERIP") in the amount of \$1,180,120; **AUTHORIZING** the transfer of \$21,429,160 from the unappropriated surplus of General Fund 050 to the unappropriated surplus of Cincinnati Health District Fund 416 to provide for the FY 2026 General Fund Operating Budget portion of the expenses of the Cincinnati Health Department; **AUTHORIZING** the transfer of \$1,014,680 from the unappropriated surplus of General Fund 050 to the unappropriated surplus of Citizens Job Fund 308 to provide resources for the Career Pathways Initiative; **AUTHORIZING** the transfer of \$18,430 from the unappropriated surplus of General Fund 050 to the unappropriated surplus of Enterprise Technology Solutions Fund 702 to provide resources for debt service for the ERIP; **AUTHORIZING** the transfer of \$500,000 from the unappropriated surplus of General Fund 050 to the unappropriated surplus of Emergency Remediation of Defects in Rental Housing Fund 346 to provide resources for the Special Code Enforcement Program; **AMENDING** the Sections of Chapter 307, "Classified Compensation Schedules," of the Cincinnati Municipal Code regarding the compensation schedules of employees in Divisions 0, 5, 7 (LAW), 8, and 9 by applying a three percent wage adjustment for non-represented employees to constitute the new classification and salary range schedule for these classifications and to provide for wage adjustments effective June 22, 2025; and **REVISING** the Department of Buildings and Inspections fee schedule to reflect the annual consumer price index



adjustment of three percent applied to fees charged for services related to property permitting and maintenance.

The reason for the emergency is to ensure that necessary funding is in place prior to the beginning of FY 2026, which begins on July 1, 2025, for the current expenses and other expenses of the City.

The Administration recommends passage of this Emergency Ordinance.

cc: Andrew Dudas, Budget Director  
Steve Webb, Finance Director

Attachments



Risk & Insurance | Employee Benefits | Retirement & Private Wealth  
**Ready for tomorrow.**

**Stephanie Moman**  
**Consultant**

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[hubinternational.com](http://hubinternational.com)



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**From:** Moman, Stephanie  
**Sent:** Wednesday, June 25, 2025 9:15 AM  
**To:** Moman, Stephanie <[stephanie.moman@hubinternational.com](mailto:stephanie.moman@hubinternational.com)>  
**Subject:** Cincinnati Retirement System (CRS) Benefit Survey

Good morning,

The Cincinnati Retirement System (CRS) has partnered with HUB International to run an anonymous survey to receive your feedback on the benefits programs offered to City Retirees. This survey is intended to provide CRS with information to help ensure the benefits offered fit current Retiree needs and is a follow up from the survey completed two years ago. CRS will also use the information from the survey to support ongoing communication efforts.



If you prefer to complete the survey via postal mail, HUB will send a hard copy to the most recent address on file with CRS. Your responses will be able to be mailed and processed anonymously.

Thank you in advance for your participation. Your feedback is important to CRS!

Survey Link: <https://www.surveymonkey.com/r/CR9BTNT>

Link to Request a Mailed Survey: [City of Cincinnati Retirement Survey](#)

Thank you!  
Stephanie



Risk & Insurance | Employee Benefits | Retirement & Private Wealth  
**Ready for tomorrow.**

**Stephanie Moman**  
**Consultant**

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[hubinternational.com](http://hubinternational.com)



## Funston Performance Audit - Summary of Recommendations

## Assignment

		Board	Board, Adm.	Priority	Board	Governance	IC	Staff	Performance evaluation	Audit
<b><u>1. Legal and Regulatory</u></b>		<b><u>Status</u></b>								
1.1	Improve definition and clarity of roles and authorities of:									
	<ul style="list-style-type: none"> <li>The Board of trustees</li> </ul>	Completed	X	X						
	<ul style="list-style-type: none"> <li>Board chair</li> <li>Individual trustees</li> </ul>	Completed	X	X						
	<ul style="list-style-type: none"> <li>City Council and Mayor</li> <li>City Manager and City Finance Director</li> <li>CRS Director</li> </ul>	Completed	X	X						
		Completed								
		Completed								
		Completed								
1.2	The City should expand Board of Trustees personnel authorities to align with the Board's responsibilities, for example, naming the CRS Director as a direct report to the Board, with authority to hire/fire, evaluate, and set compensation.	Reviewed								
1.3	The City Solicitor should provide the Board of Trustees with independent external legal counsel or establish a policy and process that allows CRS to retain independent external counsel and/or hire internal CRS counsel to address potential conflicts of interest associated with the City Solicitor's representation of other clients on the same matters.	Reviewed								
1.4	Confirm the Board's authority, as the named fiduciary, to contract with actuaries, investment consultants, investment managers, custodial banks, benefit providers, and legal counsel, all of which require unique pension and investment expertise.	Completed								
1.5	The City Manager should allow CRS trustees who are not City employees to vote on CRS procurement decisions; the Board, as fiduciaries, should have final authority on those decisions.	Completed								
1.6	If the CRS Board is not given authority to hire/fire/evaluate/compensate the Director, work with the City Manager to develop a Memorandum of Understanding that addresses the City Manager's role as a potential fiduciary and formalizes procedures where the Board and City Manager, Finance Director or other officers have overlapping responsibilities (e.g., setting goals for and evaluating the Executive Director); CRS may need to consider options for engagement of independent fiduciary legal counsel to assist with this initiative.	Completed								

GREEN - SHORTER TERM COMPLETION

RED - LONGER TERM COMPLETION

Board - CRS Board has authority to complete

Board, Adm. - CRS Board and City Administration have shared authority to complete

Priority - CRS Board priority to complete as soon as possible

Note: Some Recommendations may require CSA update.

## **2. Governance Framework**

2.1	Aggregate and organize the Board policies from all sources into a Board Governance Manual with online access and links to underlying document provisions; include the mission statement, goals, trustee responsibilities, committee charters and the Code of Ethics.	Completed								
2.2	Develop new policies or formalize current policies and practices for:									
	<ul style="list-style-type: none"> <li>Trustee personal financial disclosures</li> </ul>	Completed	X							
	<ul style="list-style-type: none"> <li>Board self-evaluation / Board education policy</li> </ul>	Completed	X							
	<ul style="list-style-type: none"> <li>Funding</li> </ul>	Initiated								
	<ul style="list-style-type: none"> <li>Separate investment policy statement for the 115 trust fund that is tailored to its liabilities</li> </ul>	Reviewed	X							
	<ul style="list-style-type: none"> <li>Strategic planning, in coordination with the City</li> </ul>	Completed								
	<ul style="list-style-type: none"> <li>Collection of claims in securities class actions</li> </ul>	Completed	X							

		Board	Board, Adm.	Priority	Board	Governance	IC	Staff	Performance evaluation	Audit
	<ul style="list-style-type: none"> <li>Succession planning, in cooperation with relevant City appointing authorities</li> <li>Business continuity and resumption</li> <li>Independent governance and benchmarking reviews</li> <li>External communications by Board members</li> <li>Due diligence and reporting for referral of service provider candidates by trustees, along with limits on candidate contacts with trustees during an RFP process</li> </ul>	Completed	X							
		Completed	X							
		Completed	X							
		Completed	X							
		Completed	X							
2.3	Reduce the size of each committee to three or five members to better utilize trustee time.	Reviewed	X							
2.4	Adopt a consent agenda for approval of routine business and reports.	Reviewed	X							
2.5	Conduct periodic board retreats for more in-depth discussion on key topics, conducting board self-evaluations and executive director evaluations, and trustee education.	Completed	X							
2.6	Following implementation of the recommendations in this report, conduct a biennial self-evaluation process, potentially with external assistance; this process should help to inform educational priorities.	Completed	X							
2.7	Define ongoing training requirements for Board members, including onboarding plan for new trustees and required fiduciary training; link training to board self-assessment findings and the calendar of Board agenda action items.	Completed	X	X						
2.8	Formalize a CRS stakeholder communications plan that identifies key stakeholders, communications responsibilities, and messages and objectives.	Completed	X							
2.9	Issue new system email accounts to be used by trustees for all CRS-related business.	Reviewed	X	X						
2.10	Discuss with the Director and the investment consultant how reporting could be improved and executive summaries better utilized to enhance trustee understanding and insight.	Completed	X	X						
2.11	Appoint a Board Audit Committee with oversight of internal and external audits to commission an independent financial audit and obtain internal audit services from the City Internal Audit Department and/or an independent firm; include oversight of enterprise performance and risk in the committee charter responsibilities.	Reviewed	X	X						
<b>3. Investment Program and Operations</b>										
3.1	Develop a separate Statement of Investment Beliefs (SIB) to guide development and implementation of the strategic asset allocation.	Completed	X							
3.2	Develop a liquidity policy as part of the Investment Policy Statement (IPS) to ensure that the cash needs of the organization are effectively and efficiently met.	Completed	X	X						
3.3	Develop a separate IPS for the 115 Trust (Health Care Trust) that reflects the unique liability structure of the 115 Trust.	Reviewed	X	X						
3.4	Extend the time horizon for the strategic asset allocation to 3-5 years and only make changes to the target asset allocation as part of a comprehensive Asset Liability Study.	Completed	X							
3.5	Include a more comprehensive rebalancing policy in the IPS that describes how rebalancing is linked to the Board's investment philosophy and what the process should be.	Completed	X							
3.6	Discuss with Marquette Associates how reporting might be improved through development of an introductory executive summary, with an exception reporting approach, to the quarterly reporting package focused on actual performance compared to the IPS.	Completed	X	X						
<b>4. Pension Operations</b>										
4.1	Clarify the Board's responsibilities and role (or lack thereof) in pension and benefits administration.	Completed	X	X						
4.2	Consider if pension staffing resources and capabilities should be improved through implementation of a member contact center telecommunications system.	Initiated	X	X						
4.3	Develop a long-term plan with service, performance, and cost objectives, to ensure that member self-service, website redesign, and other improvements, are all developed and implemented in a coordinated manner and achieve desired results.	Initiated	X							
4.4	Charter a pension administration cost and performance benchmarking report.	Completed	X							
4.5	Consult with its actuary and determine if an adjustment to the investment assumed rate of return should be recommended.	Completed		X						
4.6	Develop and adopt a formal actuarial and funding policy describing responsibilities and frequency of actuarial and asset/liability study processes and addressing investment, demographic and benefit risks.	Completed	X	X						

**5. Administrative Operations**

		<u>Board</u>	<u>Board, Adm.</u>	<u>Priority</u>	<u>Board</u>	<u>Goverance</u>	<u>IC</u>	<u>Staff</u>	<u>Performance evaluation</u>	<u>Audit</u>
5.1	Develop succession planning and implement a cross training program for staff to minimize key person risk and enhance staff development.	Ongoing	X							
5.2	Work with the City Administration and the Law Department to delegate authority to the CRS Board to engage external counsel to obtain more timely legal support or unique expertise when appropriate. See also Recommendation 1.3.	Reviewed	X	X						
5.3	Develop a long-term IT plan that identifies future needs.	Completed	X							
5.4	Work with the City Enterprise Technology Solutions (ETS) Department to ensure security is adequate and tested.	Completed	X	X						
5.5	Update the documented disaster recovery plan.	Completed	X	X						

**6. Compliance**

6.1	Assign leadership, training, and monitoring responsibilities for compliance to ensure compliance with conflict of interest and ethics policies.	Completed	X	X						
6.2	Develop a repository of risk-ranked compliance requirements.	Completed	X							
6.3	Establish tracking mechanisms to identify and escalate non-compliance.	Completed	X							

GREEN - SHORTER TERM COMPLETION

RED - LONGER TERM COMPLETION

Board - CRS Board has authority to complete

Board, Adm. - CRS Board and City Administration have shared authority to complete

Priority - CRS Board priority to complete as soon as possible

Note: Some Recommendations may require CSA update.

June 5, 2025

To: Mayor and Members of City Council

From: Cincinnati Retirement System Board of Trustees

Copy: Sheryl Long, City Manager

Subject: Cincinnati Retirement System CY2024 Annual Report

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## Summary

This report is from the Cincinnati Retirement System (CRS) Board of Trustees (Board) and provides the Mayor and City Council with the state of the CRS Pension Trust and Healthcare Trust. This summary report is intended to provide a comprehensive summary of the status of the Cincinnati Retirement System, in compliance with the CRS Board's reporting requirements as set out in the City's Administrative Code and Board Rules. The report is as of December 31, 2024. For additional status information, please see the City's Annual Comprehensive Financial Report, Actuarial Valuations of the Pension and Healthcare Trusts, and Investment Results on the CRS website. ( <https://www.cincinnati-oh.gov/retirement/crs-financial-information/> )

The CRS is governed by the Collaborative Settlement Agreement (CSA) and CMC chapter 203. Under the CSA, the CRS Pension Trust is to be 100% funded by 2045. Under the CSA, the Healthcare Trust is to be 100% funded by 2045.

Given the current and projected funding position of the Pension Trust, we recommend that the City Council continue to take action to increase employer contributions thus improving the funding of the Pension Trust (currently funded at 68.3%); that the CRS Board be engaged in any analysis and recommendations regarding the Futures Commission report; and that the City Administration work with the CRS Board to implement Fiduciary Audit recommendations.

## Background

The purposes of the CRS Pension Trust and Healthcare Trust are to provide promised retirement benefits and healthcare benefits to eligible retired City employees. CRS is a defined benefit plan that was established in 1931. The Collaborative Settlement Agreement (CSA) was approved in 2015 to settle litigation and provide a comprehensive strategy to stabilize CRS while securing sustainable and competitive retirement benefits for both current and future retirees.

As of December 31, 2024, there were 2,996 full-time active members (which includes 96 members in the DROP plan who are still working), 4,234 pensioners receiving pension payments, and 4,505 pensioners and spouses receiving healthcare benefits. The CRS Board serves as an independent fiduciary on behalf of active and retired members of the retirement system. The Board retains Marquette Associates, an independent investment consulting firm, and Cheiron, a pension and healthcare actuarial consulting firm, both of which specialize in public sector retirement plans.

Marquette and the Board have developed and follow a disciplined Investment Policy Statement that can be found on the CRS website. Cheiron calculates the actuarial value of assets and liabilities and projects the funded status of the Trusts in future years based on professional actuarial standards and practices.

The assumed investment rate of return and discount rate for calculating liabilities is 7.5% per year as prescribed in the CSA (for both Pension and Healthcare Trust). The CRS annualized rate of return for the past 1, 5 and 10 years as of December 31, 2024, were 9.5%, 7.6% and 7.3%, respectively, which rank above the median investment returns relative to peers of public defined benefit retirement plans over each period.

The table below highlights the actuarial and market value of assets, liabilities, and funded ratios as of 12/31/24:

	Assets	Liabilities	Funded Ratio
Pension			
Actuarial Value	\$ 1,820,976,645	\$ 2,667,823,053	68.3%
Market Value	\$ 1,805,588	\$ 2,667,823,053	67.7%
Health			
Actuarial Value	\$ 564,669,589	\$ 364,355,955	155.0%
Market Value	\$ 560,885,000	\$ 367,355,955	153.9%

### **Pension Trust**

A goal of the CSA is to establish a projected 100% funding ratio by 12/31/2045. The assumptions used in finalizing the CSA projected that the Pension Trust would be fully funded in 30 years if all the assumptions played out exactly. The status of the annual contributions and distributions is described below:

- The active employees contribute 9% of the covered payroll to the Pension Trust as required by the CSA and CMC 203.
- The City in CY2024 increased its percent of payroll contribution from the CSA minimum rate of 16.25% to 17.75% of full-time covered payroll to the Pension Trust. (The General Fund represents approximately 65% of covered payroll and approximately other non-general funds represent 35% of covered payroll.).
- In CY2024, the City contributed an additional payment of \$2.7 million toward the cost of the 2020 Early Retirement Incentive Plan (ERIP). There are now 11 annual payments remaining. Cheiron estimates that payment at 1.10% of payroll for this additional benefit, bringing the City's annual contribution rate for CY2025 to 18.85%.
- In CY2024, the City also contributed a one-time lump sum payment of \$2.0 million dollars from the General Fund fiscal year-end surplus and \$4.0 million for historical compliance with IRC 415B, which is a section of the U.S Internal Revenue Code that places limits on individual benefits paid from defined pension plans. IRC 415B allows plan sponsors to pay the full benefit but only the Pension Trust can pay up to the 415B limit and the exceeding amount must be paid by the plan sponsor (the City) - from a Qualified Excess Benefit Arrangement Trust (QEBA). Cheiron estimates that the \$2MM and \$4MM payments

equate to 0.81% and 1.62% of payroll, respectively, for this additional benefit, bringing the City's annual and one-time contribution rate for CY2025 to 21.28%.

- The Actuarially Determined Contribution (ADC) for the Pension Trust, as calculated by the actuary, is the annual employer contribution amount required to bring the Pension to a fully funded status by 2045. The ADC for FY2024 was 31.43% of covered payroll (as set by the CY2022 actuarial valuation). The contribution rate of 21.28% means the City contributed 67.70% of the actuarial recommendation.
- While contribution rates have improved recently, the benefit payments and expenses have significantly exceeded employer and employee contributions for over a decade. This dynamic put strain on the system and relative to peers CRS ranks in the bottom quartile of net cashflows. This means that CRS continues to liquidate a relatively large amount of assets to pay for benefits and expenses (each month regardless of market conditions) because contributions to the Pension Trust are relatively low. This also means that CRS is much more dependent on investment returns than most public pension plans and lacks some flexibility to take advantage of dislocations in the market when outsized return opportunities are present.

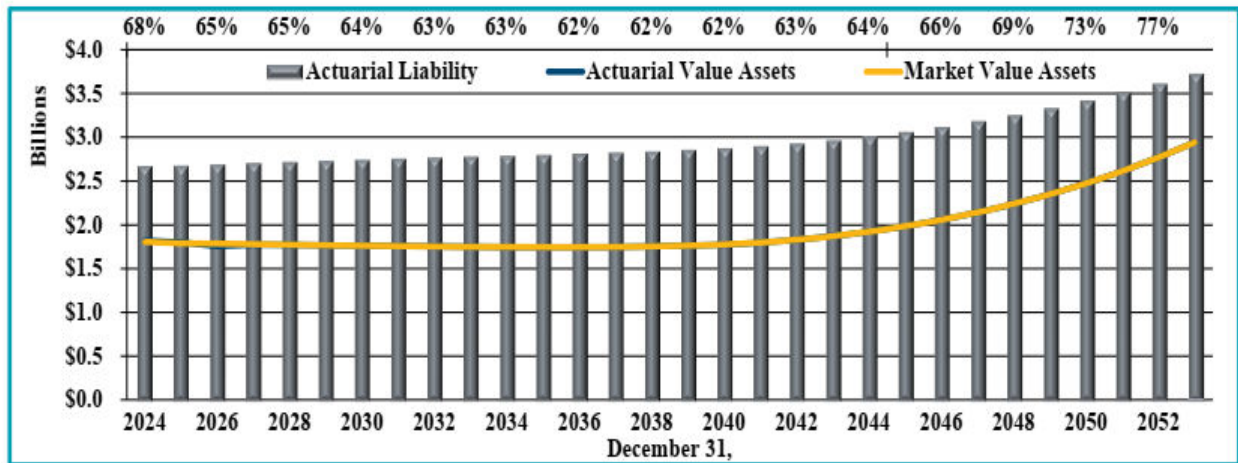
The following events occurred after the CSA was finalized:

- Ordinance 336 - 2016, which reflects changes made in finalizing the CSA that increased liabilities, was approved by City Council in 2016.
- Revisions to actuarial assumptions (e.g., longer life span of retirees) occurred as recommended by the actuary and approved by the CRS Board.
- CRS is especially sensitive to the timing of capital market swings because it continues to liquidate assets to pay benefits when the capital market drops. This requires more time and a significantly higher rate of return for the remaining assets to recover from capital market volatility.
- The City offered the ERIP in 2020 that provided two (2) additional years of service to eligible participants resulting in earlier retirements, additional benefits, and an increase in liabilities.
- The Deferred Retirement Option Plan (DROP) established in the CSA is required to be cost neutral; however, DROP has had a net increase in liabilities to the Pension Trust of \$16.9 million.

The actuary's latest revised funding progress for the Pension Trust, which includes the impact of the DROP and the ERIP, projects the funded ratio on an Actuarial Value of Assets basis is projected to decrease over the next 20 years and will not reach 100% by 2045 in accordance with the CSA.

The graph below reflects the City's status quo scenario where contributions of 17.75% of covered payroll continue for 30 years. It also includes the recommended budget's \$2.7 million contribution per year for the next 11 years to pay for the ERIP liabilities and assumes the CSA benchmark return of 7.5% investment return for all future years. The funding ratio on an Actuarial Value of Assets basis is expected to be 65% by 2045.

## Pension Trust



The following table highlights the elevated funding volatility for CRS, and the overall sensitivity of the system to fluctuations in experienced returns versus the assumed rate of return. The table shows that by meeting the actuarial assumptions, including the 7.5% rate of return, the Pension Trust is fully funded in 2061. Nonetheless, the trust is extremely susceptible to market fluctuations, which generally occur during fiscally challenging times for the City. For example, the chart below shows that if the investment return was negative -15.0% for just one year in 2025, insolvency is projected in 2052.

Assumed 2025 Investment Return*	Projected Insolvency Year	Projected Year to be 100% Funded
15.0%	None	2052
7.5%	None	2061
0.0%	None	2074
(7.5%)	None	Beyond 2100
(15.0%)	2052	None

\* Assumed 7.5% per year for 2026 and thereafter and annual contributions based on 17.75% of Full Time payroll.

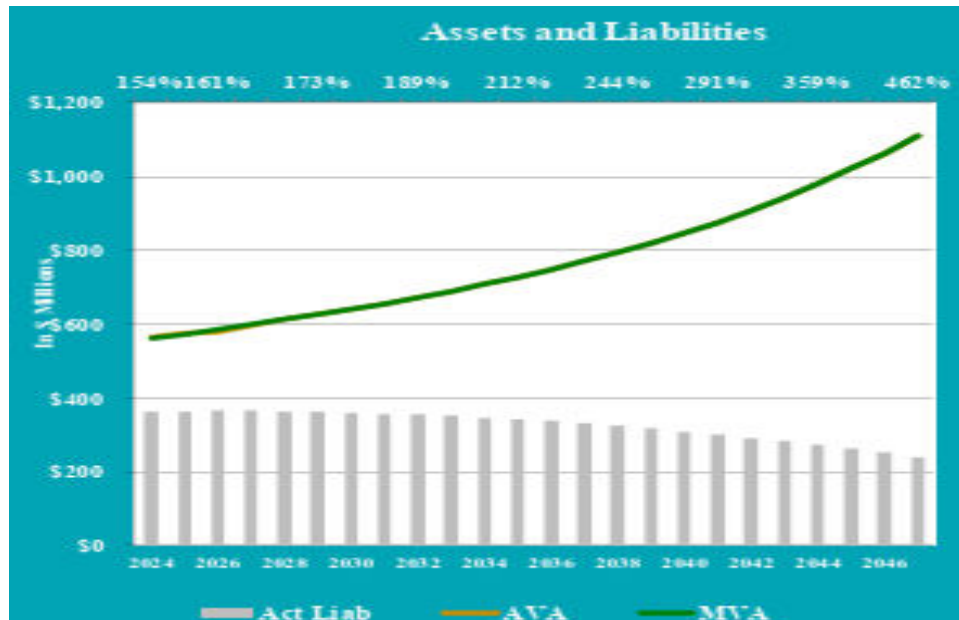
## Healthcare Trust

In 2023, the City adopted a Healthcare Trust funding policy as required by the CSA. At the time of the CSA signing in 2015, the Healthcare Trust was fully funded, and the City was required to develop and present a proper funding policy to fully fund the healthcare trust at actuarially appropriate levels. The funding policy would keep the Trust fully funded over the lifetimes of current and future retirees and their beneficiaries covered by the CSA. The Healthcare Trust is irrevocable, and its assets must be used exclusively for healthcare benefits for CRS retirees and their beneficiaries. The funding policy was approved by the Federal Court on March 28, 2024, nine years after the CSA signing. The funding policy provides for an employer contribution trigger at a 90% funding ratio.



In the graph below, the bars represent liabilities, and the lines represent the actuarial value of assets (AVA) and the market value of assets (MVA) assets. The graph shows that the Healthcare Trust is fully funded in 2023 and beyond. This is based on current assumptions being fully met.

### Healthcare Trust



### Investment Performance

While the simple conclusion may be to achieve higher returns or “invest our way out of this,” CRS’ investment performance has been solid relative to return opportunity in the market, the assumed risk and peer group. With that said, the 7.5% annualized return assumption remains a high hurdle. The median investment return assumption of U.S. public retirement systems has steadily decreased over the past decade and is currently 6.9% (NCPERS 2024 report). CRS will be challenged to achieve the 7.5% rate of return with an acceptable level of risk. As noted, CRS, has a high asset liquidation each year to pay benefits while not taking in enough funds through employee and employer contributions. Coupling the high return assumption and large net cash outflow creates a difficult environment to manage liquidity and “invest your way out of this.”

The following chart reflects the annual rates of return including 1-year, 5-year & 10-year annualized returns. The 1-year and 5-year returns exceeded the 7.5% CSA assumption and the 10-year return was slightly below the 7.5% CSA assumption. Over the last ten years there were 3 years under the 7.5% assumed rate of return and 7 years over the 7.5% assumed rate of return.

### Annual CRS Rates of Investment Return & Funded Status

<u>Plan Year</u>	<u>Actuarial Rate of Return</u>	<u>CRS Return</u>	<u>Funded Status</u>
2015*	7.5%	-0.1%	77.1%
2016	7.5%	8.9%	76.9%
2017	7.5%	14.9%	75.5%
2018	7.5%	-4.3%	72.6%
2019	7.5%	16.8%	71.2%
2020	7.5%	10.3%	70.5%
2021	7.5%	17.4%	71.6%
2022	7.5%	-9.3%	69.3%
2023	7.5%	12.1%	68.8%
2024	7.5%	9.5%	68.3%
* CSA			
**Marquette Associates through 3Q'24			
<b>10-Year Compound Average</b>		<b>7.3%</b>	<b>Median Peer Plan Return** 6.9%</b>
<b>5-Year Compound Average</b>		<b>7.6%</b>	<b>6.9%</b>
<b>1-Year Compound Average</b>		<b>9.5%</b>	<b>9.0%</b>

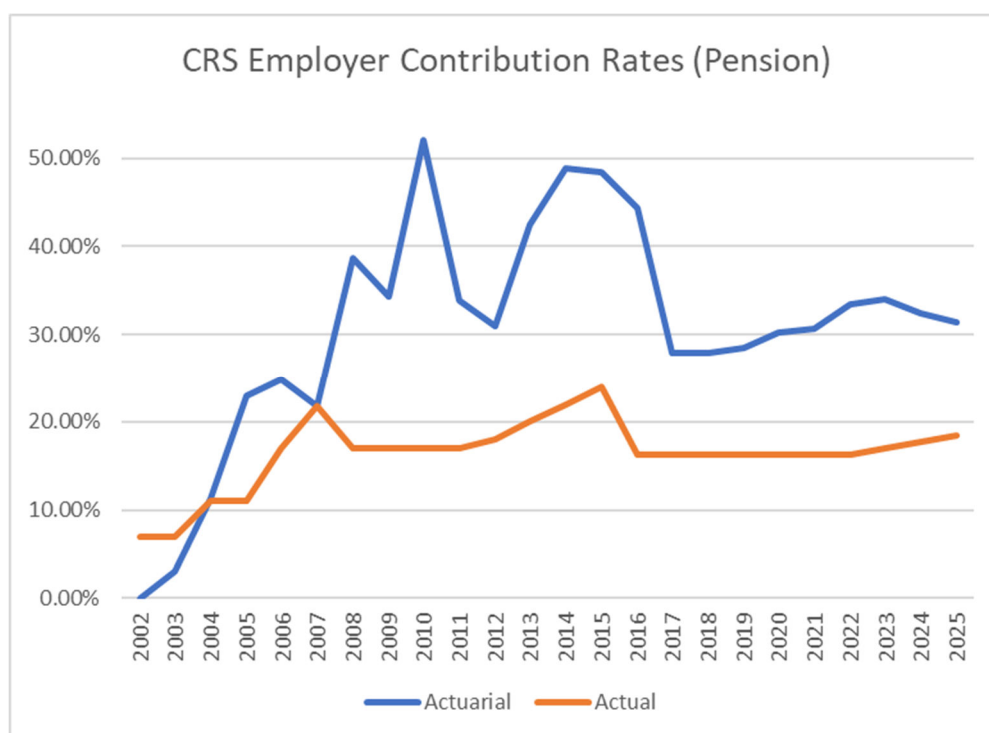
The Board's Investment Policy provides for a well-diversified portfolio across asset class, sector, and investment managers. The chart below is designed to achieve the 7.5% return over time with an acceptable level of risk. In 2024 the Board continued to build a robust portfolio capable of weather various economic cycles and maintaining our long-term 7.5% return target..

#### CRS Asset Allocation

Fixed Income	22.5%
Domestic Equity	28.5%
Non-US Equity	16.0%
Volatility Risk Prem	2.5%
Real Estate	6.0%
Infrastructure	10.0%
Private Credit	6.5%
Private Equity	8.0%
Total	100.0%

### Employer Contributions

In a defined benefit retirement plan such as CRS, the employer (plan sponsor) is responsible for providing benefits (as opposed to a defined contribution plan). The Actuarially Determined Contribution (ADC) is the actuary recommended employer contribution to achieve full funding in 30 years. The chart below reflects the Pension Trust ADC and the City employer contribution for the last 20+ years. By not contributing to the ADC the unfunded liability increases over time meaning that the actuarial liability exceeds the value of assets.



### Fiduciary Audit (Governance Report Update)

In accordance with its fiduciary duty, the Cincinnati Retirement System Board of Trustees engaged Funston Advisory Services to complete a fiduciary audit, entitled Cincinnati Retirement System Governance Review. The Funston report is available on the CRS website. <https://www.cincinnati-oh.gov/retirement/>

The purpose of the engagement is to review Cincinnati Retirement System (CRS) standards and practices and compare them to peer systems and system benchmarks. The six areas of focus are:

1. Legal and Regulatory
2. Governance Framework
3. Investment Program and Operations
4. Pension Operations
5. Administrative Operations, and
6. Compliance.

Overall, the report concludes that the CRS Board of Trustees has been functioning effectively, the Director and the staff have been effectively providing services to active and retired members, and relations among the Board, CRS staff and other City departments have been collaborative and cordial.

As part of the report there were thirty-seven recommendations for improvement. Over the past 18 months the Board has worked with administration and staff to review all recommendations and act on approximately 90% of recommendations including but not limited to amalgamating our governance manual and board rules into one comprehensive governance manual, increasing the depth to the Investment Policy Statement by including a Statement of Investment Beliefs and lastly confirming that CRS financials are included in the state audit of the City's Annual Comprehensive

Financial Report (ACFR), which is a detailed presentation of the City's financial condition, measured on a fiscal year (July to June). The ACFR is prepared according to standards set by the Governmental Accounting Standards Board (GASB) and is audited annually by the state of Ohio.

## Conclusion

The CRS Pension Trust and Healthcare Trust are undoubtedly challenged in providing promised retirement benefits. When the Collaborative Settlement Agreement was implemented, the Pension Trust and Healthcare Trust were projected to be fully funded by 2045. For the Pension Trust this is no longer the case.

At the close of 2024, the Pension Trust experienced a return of 9.5%, above the assumed rate of return of 7.5%. The demographics improved from an actuarial perspective in that the City had a material increase in active employees (i.e. more employee contribution). And with the strong performance and improved demographics, the funded ratio of the plan still decreased, albeit marginally, from 68.8% to 68.3%. Funding vigilance therefore remains a priority for the Board.

CRS Pension Funded Ratio									
2015*	2016	2017	2018	2019	2020	2021	2022	2023	2024
77.1%	76.9%	75.5%	72.6%	71.2%	70.5%	71.6%	69.3%	68.8%	68.3%

\* CSA

The following are possible solutions:

1. Continued increases to City contributions to the Pension Trust above the minimum required amount of 16.25%, as provided for in the CSA. The Board formally **recommends an increase in rates by 0.80% each year** until the actuarial projections reflect anticipated full funding by 2045. The Board also recommends that the City adopt the multi-year incremental increase funding methodology to achieve full funding by 2045, update the methodology annually, and budget accordingly. The Board acknowledges and appreciates the 0.75% increase in the contribution rate and the use of variable General Fund carryover to reduce unfunded pension obligations. Nonetheless, a more stable and predictable path to full funding is necessary. Failure to increase the City's annual contribution rate will result in the CRS Pension Funded Ratio steadily decreasing until it reaches 65% in 2045; alternatively, incremental increases in the rate are required to achieve 100% funding by 2045 based on the most recent projection:

### Incremental Increase Plan

2025 Projections from Cheiron Assumed Rate of Return 7.50%				
Schedule of funded Ratios	Flat E'r Rate of 17.75%		Increase E'r by 0.80/year	
	E'r Contr Rate	Funded Ratio	E'r Contr Rate	Funded Ratio
2024	17.75%	68.8%	17.75%	68.00%
2025	17.75%	67.1%	18.55%	67.20%
2026	17.75%	64.9%	19.35%	65.10%
2027	17.75%	65.0%	20.15%	65.40%
2028	17.75%	64.6%	20.95%	65.30%
2029	17.75%	63.9%	21.75%	65.10%
2030	17.75%	63.4%	22.55%	65.10%
2031	17.75%	62.8%	23.35%	65.30%
2032	17.75%	62.2%	24.15%	65.60%
2033	17.75%	61.6%	24.95%	66.20%
2034	17.75%	61.1%	25.75%	67.00%
2035	17.75%	60.6%	26.55%	68.10%
2036	17.75%	60.1%	27.35%	69.40%
2037	17.75%	59.6%	28.15%	71.00%
2038	17.75%	59.2%	28.95%	73.10%
2039	17.75%	58.9%	29.75%	75.50%
2040	17.75%	58.7%	30.55%	78.50%
2041	17.75%	58.6%	31.35%	82.00%
2042	17.75%	58.7%	32.15%	86.00%
2043	17.75%	59.0%	32.95%	90.60%
2044	17.75%	59.4%	33.75%	95.80%
2045	17.75%	60.1%	34.55%	101.70%

2. Increase investment performance by increasing risk. There are several strategies affecting increased investment return. These include using different investment managers, making a riskier asset allocation, and attempting to lower fees. There is little we can do regarding these factors because we believe we have the appropriate managers, the appropriate asset allocation, and fees are already at the low end. Regarding asset allocation, the only way to increase expected returns in the future is to increase allocation to more volatility and illiquid parts of the market such as private equity. The Board and the investment consultant believe that taking any more risk would be imprudent. Conversely, as stated earlier in the report, the Board has looked to derisk the portfolio while maintaining asset allocation that based on market assumptions hits a target return of 7.5%.
3. Reduce benefits. While unpopular and considered the last resort, reducing benefits would require re-opening the CSA for a prolonged negotiation. Pension benefits have already been reduced significantly for current and future retirees as a result of the CSA. The compound COLA was eliminated and replaced with a simple COLA resulting in thousands

of dollars in reduced benefits during retirement years. For example, an average annual pension amount over a twenty-five-year period is reduced by \$172,000.

4. As the City has done before, explore issuing judgment bonds to reduce the unfunded actuarial liability. As of 12/31/2024, the unfunded actuarial liability for the Pension Trust was \$846 million.
5. As suggested in the Future Commission report, the City could sell an asset to fund the Pension Trust, thus reducing unfunded volatility and providing more stability to the City finances.

### **Recommendation**

Currently, we recommend the following:

1. That City Council adopt a plan to continue increasing the Pension Trust employer contribution incrementally on an annual basis to assure full funding in 2045 (see page 8, #1 of this report)
2. That the Incremental Annual Increase Plan be updated every two years in anticipation of the City's fiscal year biennial budget.
3. That the City Council approve and appropriate the Pension Trust employer contribution in accordance with each updated Incremental Annual Increase Plan.
4. That the City Manager engage with the CRS Trustees on the Futures Commission analysis and recommendations regarding the future of CRS and funding of the Trusts.
5. That the City works with the CRS Board of Trustees to fulfill the recommendations from the Fiduciary Audit (Governance Report) completed by outside consultants.

Immediate action is requested. Further delays will result in significantly increased vulnerability for CRS benefits.

**City of Cincinnati  
Board of Trustees  
Governance Manual  
2025**

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**Board of Trustees meeting schedule, agendas, minutes, IPS and other financial documents:**  
<https://www.cincinnati-oh.gov/retirement/crs-board-of-trustees/board-meetings-minutes/>



## Introduction

The Board of Trustees (“Board”) for the Cincinnati Retirement System (“CRS”), is established and governed by the Collaborative Settlement Agreement (“CSA”) (*Sunyak v. City of Cincinnati*, S.D. Ohio, 2016), the Cincinnati Municipal Code (“CMC”), and the Cincinnati Administrative Code (“CAC”). The Board is also governed by applicable Ohio laws and federal statutes, and City regulations such as Administrative Regulations (“AR”). The general administration and responsibility for the proper operation of the retirement system is vested in the Board of Trustees. The Board administers CRS for the benefit of CRS members and has a fiduciary responsibility solely to active and retired members of CRS. The Board has the exclusive authority to govern the CRS Pension Trust Fund and 115 Trust Fund.

The Board is responsible for establishing the investment policy, approving and managing the annual budget and evaluating the Executive Director of the CRS Retirement Division. The CRS Executive Director is responsible for managing employees of the Retirement Division, and administering policy, procedures, and day-to-day operations of the division. The CRS Executive Director is managed by the City Manager.

This Governance Manual incorporates the terms of the CSA, CMC and CAC, and provides guidance for Board matters, procedures, rules and regulations.

This Board Governance Manual is a guide to assist the CRS board in fulfilling its fiduciary responsibilities and to facilitate the organized, efficient and cohesive functioning of the board. This Board Governance Manual is to be provided to all CRS board members.

## I. Mission Statement and Core Values

The Board, acting in its fiduciary capacity, is dedicated to seeing that CRS accomplishes its mission.

1. Assure Promised Pension and Healthcare Benefits for Current and Future Retirees
2. Assist and Support CRS Members in Achieving a Successful Retirement
3. Assure CRS Transparency and Accessibility for all Stakeholders

As provided by law, the mission of CRS is to provide retirement security for the City of Cincinnati retired public employees. CRS will accomplish its mission by acting in the best interest of all participants, maintaining the financial security of the Trust fund and the 115 Trust, and by providing exceptional service to members, benefit recipients, and employers.

CRS staff members support this mission statement by exemplifying the following core values: professionalism, integrity, exceptional teamwork and excellence in service.

The Board shall discharge its duties with care, skill, prudence and diligence.

## **Fiduciary Duty**

Board members are trustees of the retirement system funds and, as such, are subject to strict fiduciary standards of conduct. Each member of the Board shall have fiduciary responsibility as defined under the laws of the State of Ohio. The fiduciary responsibility shall be solely to the active and retired members of the CRS.<sup>1</sup> The Board shall discharge its duties with respect to the funds solely in the interest of the Members and their Optionees and Beneficiaries, and for the exclusive purpose of providing benefits to Members, and their Optionees and Beneficiaries, and defraying reasonable expenses of administering the Retirement System.

## **II. Overview**

### **1. History**

The Cincinnati City Council established a Retirement System for employees of the City of Cincinnati by the passage of Ordinance No. 412-1931 on June 22, 1931, and the Retirement System became operational on August 1, 1931. This system was established as a defined benefit plan, which serves as a Social Security replacement plan, and provides for retirement benefits, including survivor benefits, based on age, years of service, and wages. The system has been continuously maintained since its establishment and has been modified from time to time in order to define and modify, as appropriate, benefits provided to its Members. The system is overseen by a Board of Trustees, which operates under the provisions of Chapter 203 of the CMC and Article XV of the CAC. CRS is a qualified benefit plan under the laws and regulations set forth in the U.S. Internal Revenue Code.

### **2. Members of the Board**

The current members of the CRS Board are listed on the CRS Website. Members of the Board may be amended to account for changes in the CRS Board of Trustees.

## **III. Board Organization**

The CRS Board shall be composed as follows:

1. The Board shall have nine Trustees.
2. Four Trustees will be appointed by the Mayor.
3. Three Trustees will be elected by retired members. Any Trustee of the Board elected by the retired members must be a retired member of the CRS.
4. Two Trustees will be elected by employee members. Any Trustee of the Board elected by employee members must be an employee member of the CRS.

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<sup>1</sup> CSA, 30.iv; CMC 203-65; Polisen v. Mitchell, 2010-Ohio-2615, P21 (as applied to OPERS).

Elected trustees shall serve a term of four years. Mayoral appointees are allowed to have terms of any length up to four years as determined by the Mayor. Board members may serve up to three consecutive four-year terms (maximum of 12 years). After serving three consecutive terms, Trustees will be ineligible for re-election or reappointment for four years. Temporary appointments to elected positions are allowed up to 300 days to fill vacancies on the Board until a new Board member is elected. Board members shall be allowed to maintain their position for up to 180 days after their term expires while awaiting a successor. Elections must begin at least 120 days prior to the expiration of a Board member's term to avoid delays in appointments.

At least two of the Mayor's appointed Trustees shall have the following qualifications:

1. Baccalaureate degree from an accredited college or university in finance, economics, business or other field of study involving financial management; or
2. A minimum of ten years of experience in pension administration, pension actuarial practice, institutional investment management, employee benefits/investment law, banking, asset/liability management for an insurance company, or university or college professor with a focus on fiduciary or trust fund law or a quantitative background in financial theory or actuarial math.

Residency shall not be considered as a qualification for any appointed Trustee. No more than two current or former elected City officials shall be eligible to simultaneously serve as Trustees.

## **IV. Board Member Responsibilities**

Board Responsibilities shall include:

1. The Board shall take action to preserve the status of the retirement system as a qualified plan under Section 401(a) of the Internal Revenue Code.
2. The Board is empowered to direct the payment of the expenses of administering the retirement system from the assets of the trust fund, subject to law.<sup>2</sup>
3. The Board shall be responsible for determining and approving the CRS budget and all components in a timely fashion. Any deposits, expenditures, transfers, loans, or withdrawals for the CRS Pension Fund, the 115 Trust, or staff funds that were not identified by category in the annual budgets of the CRS and the City must be approved by a vote of two-thirds of the Trustees present. All such actions shall be included and identified as a line item in the budget which shall be approved annually by the Board by a two-thirds vote of those present.<sup>3</sup>
4. The Board shall administer the CRS solely for the benefit of the members of the CRS. The Board shall have the exclusive authority to govern the CRS Pension Trust Fund and the 115 Trust FundC, subject to the terms and provisions of the Internal Revenue Code, the CSA and the Consent Decree issued by the United States District Court, , the CMC, the CAC, and City and Board policies, provided that, in the event of any conflict, the document or authority shall control in the order listed herein.<sup>4</sup>

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<sup>2</sup> CMC §203-65, 203-66

<sup>3</sup> CSA, 30.viii

<sup>4</sup> CSA, 30.iv

5. The Board shall be the trustee of the fund created by CMC §203 and shall have full power to invest and reinvest the moneys and other assets of such fund subject to the terms, conditions, limitations and restrictions set forth in CMC §203.<sup>5</sup>
6. An investment committee consisting of members of the Board shall be appointed by the Chair.<sup>6</sup>
7. Board shall establish and maintain an Investment Policy.
8. The Board and other fiduciaries shall discharge their duties with respect to the funds solely in the interest of the Members and their Optionees and Beneficiaries; and for the exclusive purpose of providing benefits to Members, and their Optionees and Beneficiaries and defraying reasonable expenses of administering the Retirement System. The foregoing shall not prohibit a return of City or Member contributions made under a mistake of fact or law, to the extent permitted under IRC Section 401(a)(2).<sup>7</sup>

**The Board and its members shall abide by the following standards of care as described in the Investment Policy statement:<sup>8</sup>**

1. The Board shall invest and manage the fund assets as a fiduciary would, by considering the purposes, terms, distribution requirements, and other circumstances of the Retirement System. In satisfying this requirement, the Board shall exercise reasonable care, skill and caution.<sup>9</sup>
2. The Board shall make a reasonable effort to verify facts relevant to the investment and management of fund assets.<sup>10</sup>
3. The Board's investment and management decisions (including investment management delegation) shall not be evaluated in isolation, but in the context of the fund portfolio as a whole and as part of an overall investment strategy having risk and return objectives reasonably suited to the Retirement System.<sup>11</sup>
4. The Board may enter into a bank custody or master trustee relationship, hold securities in nominee name, authorize the lending of securities for the purpose of earning additional income, and authorize the writing of options on owned securities. To facilitate investment of the funds, the Board may establish a partnership, trust, limited liability company, corporation, including a corporation exempt from taxation under 26 U.S.C. §§ 1 et seq., as amended, or any other legal entity authorized to transact business in this state.<sup>12</sup>
5. The Board may hire competent outside investment manager(s) and may delegate to such investment manager(s) its power to invest and reinvest as provided herein. The Board may require from investment manager(s) appropriate information to ensure the disinterested character of its recommendations and to ensure disinterested advice on the continued holdings of securities recommended. If investment manager(s) have been

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<sup>5</sup> CMC §203-65

<sup>6</sup> CMC §203-65

<sup>7</sup> CMC §203-65

<sup>8</sup> CMC §203-65

<sup>9</sup> CMC §203-65

<sup>10</sup> CMC §203-65

<sup>11</sup> CMC §203-65

<sup>12</sup> CMC §203-65

hired by the Board in accordance with the provisions of this section, no member of the Board shall be liable for acts or omissions of such investment manager(s), or be under any obligation to invest or otherwise manage any asset of the Retirement System which is subject to the management of such investment manager(s).<sup>13</sup>

6. The Board shall exercise reasonable care, skill and caution in doing all of the following:
  - a. Selecting an investment manager;
  - b. Establishing the scope and terms of the delegation consistent with the purposes and terms of the Retirement System and the fund; and
  - c. Periodically reviewing the actions in order to monitor the investment manager's performance with the terms of the delegation.<sup>14</sup>
7. The Board shall, in the process of selecting an investment manager, consider qualified Cincinnati investment managers, provided, however, that while consideration shall be given to such qualified Cincinnati investment managers, the Board must continue to act as a fiduciary in its selection of an investment manager. The Board shall also make public, on an annual basis, the list of investment managers used by the CRS during that period. An investment manager shall be deemed a "qualified Cincinnati investment manager" if the investment manager possesses each of the following:
  - a. A material investment manager business presence in Cincinnati, Ohio;
  - b. Past and/or future firm commitment or involvement in the Cincinnati, Ohio community, prior to and/or throughout the period in which the investment manager shall manage the fund assets;
  - c. Compliance with the CRS Statement of Investment Policy approved by the Board, including the Investment Manager Selection Policy; and
  - d. The investment manager has a minimum of Two Billion Dollars and 00/100 (\$2,000,000,000) in assets under its management at the time it submits its request to present a proposal to the Board to manage the fund assets. This section does not apply to Alternative Investments as determined by the Board.<sup>15</sup>
8. The Board shall have authority to impose upon the investment manager, pursuant to the contract with such manager, a standard of care that exceeds the standard of care imposed upon a fiduciary under applicable law. An investment manager appointed by the Board shall exercise reasonable care to comply with the terms of its investment management contract. The foregoing provisions of this section providing for the delegation of investment functions are intended to implement the provisions of Section 5808.07 of the Ohio Revised Code in the context of the Retirement System and shall be construed in a manner that is consistent with the requirements of such section.<sup>16</sup>
9. Prohibited Transactions:
  - a. Except as set forth in division b) below, the Board shall not perform any of the following actions to a party in interest:<sup>17</sup>

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<sup>13</sup> CMC §203-65

<sup>14</sup> CMC §203-65

<sup>15</sup> CMC §203-65

<sup>16</sup> CMC §203-65

<sup>17</sup> CMC §203-66

- i. Lend any part of its income or corpus, without the receipt of adequate security and a reasonable rate of interest;
  - ii. Pay any compensation, in excess of a reasonable allowance for salaries or other compensation for personal services actually rendered;
  - iii. Make any part of its services available on a preferential basis;
  - iv. Make any substantial purchase of securities or any other property, for more than adequate consideration in money or money's worth;
  - v. Sell any substantial part of its securities or other property, for less than an adequate consideration in money or money's worth; or
  - vi. Engage in any other transaction which results in a substantial diversion of its income or corpus.
- b. For purposes of subsection (a)(i) above, a bond, debenture, note, or certificate or other evidence of indebtedness (hereinafter in this section referred to as "obligation") of the City shall not be treated as a loan made without the receipt of adequate security if:<sup>18</sup>
- i. Such obligation is acquired:
    - a) On the market, either at the price of the obligation prevailing on a national securities exchange which is registered with the Securities and Exchange Commission; or if the obligation is not traded on such a national securities exchange, at a price not less favorable to the trust than the offering price for the obligation as established by current bid and asked prices quoted by persons independent of the issuer;
    - b) From an underwriter, at a price not in excess of the public offering price for the obligation as set forth in a prospectus or offering circular filed with the Securities and Exchange Commission; and at which a substantial portion of the same issue is acquired by person independent of the issuer; or
    - c) Directly from the issuer, at a price not less favorable to the trust than the price paid currently for a substantial portion of the same issue by persons independent of the issuer.
  - ii. Immediately following acquisition of the obligation:
    - a) Not more than 25% of the aggregate amount of obligations issued in such issue and outstanding at the time of acquisition is held by the trust; and
    - b) At least 50% of the aggregate amount referred to in subsection (a) is held by persons independent of the issuer; and
  - iii. Immediately following acquisition of the obligation, not more than 25% of the assets of the trust are invested in obligations of persons described in division (d).
- c. Except as otherwise provided herein, the Board shall not purchase or sell any securities from, to or through any party in interest. The Board shall not hire an investment manager who is a party in interest.<sup>19</sup>

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<sup>18</sup> CMC §203-66

<sup>19</sup> CMC §203-66



- d. For purposes of this section, the term "party in interest" shall include the following:<sup>20</sup>
  - i. The City of Cincinnati;
  - ii. A member of the Board;
  - iii. An elected or appointed official, an officer who is appointed with the consent of the council of the City of Cincinnati, or any department or division head;
  - iv. A relative of a person described in subsections (ii) or (iii);
  - v. A corporation, partnership or other legal entity that is controlled by the City of Cincinnati;
  - vi. A corporation, partnership or other legal entity in which a person described in subsections (ii), (iii), or (iv) has a stock, capital or profits interest of three percent or more.
- e. For purposes of this section, the term "relative" shall include a spouse, lineal ascendants, lineal descendants, and spouses of lineal descendants.<sup>21</sup>
- f. The foregoing restrictions are intended to comply with the requirements of Federal Internal Revenue Code, 26 U.S.C. § 503(b) and (e), and shall be construed and interpreted accordingly.<sup>22</sup>
- 10. Each member of the Board shall have fiduciary responsibility as defined under the laws of the State of Ohio. The fiduciary responsibility shall be solely to the active, deferred and retired members of the CRS.
- 11.
- 12. The Board shall be guided by principles of full transparency. The public and the CRS members shall have a right to be fully informed of the Board's concerns, considerations, and decisions. Board and committee meetings shall be considered meetings of a public body and be open to the public subject to lawfully convened executive sessions.<sup>23</sup>
- 13. The Board shall generate, maintain, and make publicly available a governing manual for guidance of Board matters, procedures, rules and regulations.
- 14. The Board shall adopt rules and regulations for the administration of the funds of the retirement system and for the transaction of its business.<sup>24</sup>
- 15. The Board shall provide to the City Manager and the City Solicitor any information and documentation needed for the reports required by the CSA and the Consent Decree.<sup>25</sup>
- 16. The Board shall report to Council annually.<sup>26</sup>
- 17. At least once in each five-year period, the Board shall cause an actuarial investigation to be made into the mortality, service, and compensation experience of the members and beneficiaries of the CRS, and shall make a valuation of its assets and liabilities. Taking into account the results of such investigation and valuation, the Board may:<sup>27</sup>

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<sup>20</sup> CMC §203-66

<sup>21</sup> CMC §203-66

<sup>22</sup> CMC §203-66

<sup>23</sup> CSA, §30.iv

<sup>24</sup> CAC §4

<sup>25</sup> CSA, §52-53

<sup>26</sup> CAC §1(h) and 5

<sup>27</sup> CAC §9

- a. Adopt such mortality service and other tables as it shall consider necessary; and
  - b. Cause an actuarial valuation to be made of the assets and liabilities of the retirement system at least once every two years.
- 18. CRS Executive Director: The City Manager shall be the appointing authority for the CRS Executive Director and shall supervise his or her performance. The Board will actively participate in the search for a new CRS Executive Director, whether by committee or otherwise, and may present candidates for consideration. The City Manager and the Board shall develop formalized procedures for the evaluation of the CRS Executive Director and the Board's annual written evaluation of the CRS Executive Director's performance shall be submitted to the City Manager at the close of each fiscal year. The City Manager may also dismiss the CRS Executive Director if warranted by circumstances and performance. The City Manager shall dismiss the CRS Executive Director at the request of a two-thirds majority of the Board of Trustees.<sup>28</sup>
- 19. The City Manager shall be responsible for fixing the compensation of the CRS Executive Director with the advice and consent of the Board of Trustees.<sup>29</sup>
- 20. The CRS Executive Director shall oversee the administration of benefits, investments and member services of the division, and shall direct, control and supervise all employees within the Retirement Division.<sup>30</sup>
- 21. Under the supervision of the CRS Executive Director, CRS staff shall disseminate bi-annual newsletters to keep active and retired stakeholders informed of topical items and current events regarding CRS benefits and retirement. CRS shall have available handbooks as overviews of the benefits available for active members based on group assignment. CRS staff shall host monthly educational events to inform active members close to retirement eligibility of their benefits, as well as hosting monthly education events for active members based on their group assignment.
- 22. Special Services
  - a. The Board may employ such special actuarial, medical and other service as shall be required.<sup>31</sup>
  - b. Actuary
    - i. The Board shall designate an actuary who shall be its technical adviser on matters regarding the operation of the retirement system and shall perform such other duties as are required in connection therewith.<sup>32</sup>
    - ii. Any actuaries, investment advisors and investment consultants hired shall be experienced and reputable professionals in the field.
    - iii. They shall have experience and competencies in the areas of management of funds for large public pension plans.
    - iv. They shall be experienced in assessing index funds, assessing, comparing, choosing and administering appropriate asset allocation plans, and satisfying objectives.

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<sup>28</sup> CSA, §30.v

<sup>29</sup> CAC §11

<sup>30</sup> CAC §12

<sup>31</sup> CAC §8

<sup>32</sup> CAC §7



- v. Any firm(s) chosen shall also have records of positive achievement regarding integrity and attaining plan goals.<sup>33</sup>
- vi. The Board shall keep in convenient form such data as shall be necessary for actuarial valuation of the retirement system and for checking the experience of the retirement system.<sup>34</sup>
- vii. The Board may determine the format and subjects of any reports from the actuary and investment managers. However, the Board shall not limit, in any way, the right and duty of the actuaries, investment advisors, and other professionals deemed necessary for the administration of the CRS to provide content deemed by those actuaries, investment advisors, and other professionals deemed necessary for the administration of the CRS to be important for the Board, the members, staff, or public.<sup>35</sup>

c. Medical Director

The Board shall designate a Medical Director, who shall be a physician not eligible to participate in the retirement system.<sup>36</sup> The Medical Director shall:

- i. Arrange for and pass upon all medical examinations required under the provisions of the ordinances,
  - ii. Investigate all essential statements and certificates by or on behalf of a member in connection with any application for disability retirement, and
  - iii. Report in writing to the board his or her conclusions and recommendations upon all referred matters.
- d. The Board will follow the City's established procurement process for selection of and contracting with any actuaries, investment advisors and other professionals deemed necessary for the administration of the CRS excluding investment managers and/or funds.<sup>37</sup>
- e. The term of any contract for actuaries, investment advisors, and other professionals deemed necessary for the administration of the CRS shall be determined by City Procurement Standards, with general standard contracts being three years, with one additional three year extension, for a maximum term of six years. Prior to the end of the six year term, these contractual services must be rebid, but nothing herein is intended to preclude selection of the former contractor.<sup>38</sup>
- f. Administrative Services
- The City Solicitor shall serve the Board as legal counsel and attorney and shall represent the Board in all proceedings in court.<sup>39</sup>

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<sup>33</sup> CSA §30.vi

<sup>34</sup> CAC §7

<sup>35</sup> CSA §30.vii

<sup>36</sup> CAC §6

<sup>37</sup> CSA §6

<sup>38</sup> CSA §6

<sup>39</sup> CAC §10

- g. The operating budget for the administration of the system shall be paid for by the funds of the system.<sup>40</sup>

#### 23. Committees

- a. The Board shall create committees.<sup>41</sup>
- b. The Board Chair shall appoint committee members.
- c. Any committee shall have at least one retiree Trustee, one employee Trustee and one Mayor-appointed Trustee.<sup>42</sup>
- d. All reports made to a committee of the Board shall be provided to all Trustees of the Board, and any Trustee may request additional reports as needed provided that such request is approved by at least two other Trustees.<sup>43</sup>
- e. In making appointments, the Chair of the Board will ensure representation from each category of trustee: one Mayoral Appointed Trustee, one Active Employee Trustee and one Retiree Trustee in accordance with the Collaborative Settlement Agreement.

## V. Board Operations

The Trustees shall elect from their membership the Chair and Vice Chair who shall serve for two years.<sup>44</sup> The Chair (or Vice Chair in the absence of the Chair) shall be responsible for:

- 24. Communicating the concerns of the Board to the CRS Executive Director,
- 25. Setting Board meeting agendas, and
- 26. After consulting with the Board as a whole, establishing priorities for the CRS Executive Director and CRS staff.<sup>45</sup>
- 27. Representing the Board when dealing with City Council, Committees of Council, the City Administration, City employees, City retirees, the public, and the media.
  - a. The representation shall be limited to the consensus view of the Board and not the personal opinions, interests, beliefs, or views of the Chairs or Vice Chair.
  - b. All such representations shall be reported to the Board, to include the content of the representations and the parties involved.
  - c. No member shall assail, question or impugn the integrity, character or motives of another Board member.
- 28. The CRS Executive Director shall be Secretary, ex officio, of the Board, but shall not vote on items considered by the Board.
- 29. Any Trustee may communicate with or pose a question to the CRS Executive Director, the actuary, or other individuals dealing with the business of the Board.

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<sup>40</sup> CAC §10

<sup>41</sup> CSA

<sup>42</sup> CSA

<sup>43</sup> CSA

<sup>44</sup> CSA §30.iii

<sup>45</sup> CSA §30.iii

30. The CRS Executive Director and the Chair will be copied on any question or communication with the actuary.
31. Should the CRS Executive Director find that Trustees' communications are incurring expense to CRS; the CRS Executive Director shall bring such cost to the attention of the Board.
32. If answering any specific question or providing further information will incur considerable expense to the CRS, for example, running new projections, agreement to proceed is required of at least three Trustees.
33. The City Treasurer ("Treasurer") shall be the custodian of the CRS regular bank account. All payments from said account shall be made by the Treasurer only upon vouchers signed by the Secretary or persons designated by the Secretary.<sup>46</sup>
34. The Board may designate a master trustee/custodian and delegate to said custodian the authority to make payments from custodial accounts for investment purposes, receive funds derived from investment sales, dividends, and interest, and perform such other services related to investment transactions and custody as specified in the master custody agreement.<sup>47</sup>
35. Trustees are required to comply with all applicable laws, including but not limited to ethics laws, in the performance of their duties as Board Members

## **Board Meetings**

1. The Board shall meet regularly and shall convene other meetings at the request of the Chair or a majority of the members. Board meetings shall occur once a month on the first Thursday of each month in a predetermined location, except when a meeting falls on a holiday or other event pursuant to a schedule approved by the Board.
2. At least six Trustees shall be present for a quorum at a Board meeting. At least a majority of the members of a committee shall be present for a quorum at meetings of Board committees.<sup>48</sup>
3. The Trustees present shall vote on issues before the Board.
4. There shall be no voting by proxy or designated representative.
5. The concurring votes of at least five Trustees shall be necessary for any decision by the Board.<sup>49</sup> The concurring votes of at least a majority of members of a committee is necessary for any decision by a committee.
6. Board and committee meetings shall be considered meetings of a public body and be open to the public.<sup>50</sup>
7. Board meeting agendas shall be made available to the public prior to the meeting time of the Board.
8. Members of the public shall have an opportunity to speak to the Board on items under consideration at the time such items are considered and before the Board's vote on such items.

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<sup>46</sup> CMC §203-69

<sup>47</sup> CMC §203-69

<sup>48</sup> CAC §3

<sup>49</sup> CAC §3

<sup>50</sup> CSA §30.ix

- a. Each public speaker's comments may be limited in time at the discretion of the Board Chair depending on the time available and the number of members of the public wishing to speak..
  - b. Other opinions and comments shall be welcomed in writing, by email, or by other similar means.
9. The Board shall keep a record of its proceedings, which shall be open to public inspection.<sup>51</sup>
10. Board minutes shall be published in a timely fashion.
11. Upon the request of persons at the Board meetings, public reports by and to the Board shall be made available to attendees.
12. Board agenda shall be published on the CRS website.

## VI. Board Committees

1. Benefits Committee:  
The Benefits Committee is responsible for the periodic review of the benefits offered by the Cincinnati Retirement System and funded by the 115 Trust and for making recommendations to the City Manager and City Council for any changes. See *iii. Appendix – Committee Charters* for more information.
2. CRS Performance and Evaluation Committee:  
The Performance and Evaluation Committee is responsible for developing performance measures for the CRS Executive Director. The Committee also monitors the retirement system members' satisfaction with the benefits and services provided and develops and monitors the strategic goals of the board and the committees. See *iii. Appendix – Committee Charters* for more information.
3. Election Committee:  
The Election Committee shall consist of no fewer than three members of the Retirement Board. In making appointments, the Chair of the Board will ensure representation from each category of trustee: one Mayoral Appointed Trustee, one Active Employee Trustee and one Retiree Trustee in accordance with the Collaborative Settlement Agreement. See *iii. Appendix – Committee Charters* for more information.
4. Governance Committee:  
The Governance Committee is responsible for the proper governance of the Board and the Board's oversight of the Cincinnati Retirement System ("CRS"). See *iii. Appendix – Committee Charters* for more information.
5. Investment Committee:  
The Investment Committee is responsible for the proper oversight of the CRS assets (Pension and 115 Trusts). The committee members shall carry out their functions solely

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<sup>51</sup> CAC §5

in the interest of the active and retired members of the CRS. See *iii. Appendix – Committee Charters* for more information.

6. 115 Trust Sub-Committee:

The 115 Sub-Committee is responsible for the periodic review of the benefits offered by the Cincinnati Retirement System and Investments made by the 115 Trust and for making recommendations to the City Manager and City Council/ See *iii. Appendix – Committee Charters* for more information.

## **VII. Board Elections**

1. The Board shall establish rules for all elections of the elected Trustees. The following reasons disqualify any person from seeking election to the Board or remaining as a Trustee:<sup>52</sup>
  - a. Finding of dishonesty in any civil proceeding or disciplinary decision;
  - b. Conviction of a felony for an act committed while the candidate or member was an adult, or
  - c. Failure to comply with election requirements established by the Board.

### **2. ELECTION OF CHAIR AND VICE-CHAIR**

Each December of even-numbered years, the Board shall elect one of its members as Chair and another as Vice-Chair, to serve for two-year terms. If a vacancy in the office of the Chair occurs, then the Vice-Chair shall succeed the Chair. The Board shall elect a member to fill any unexpired term of the Vice-Chair.

### **3. TRUSTEE ELECTIONS**

The Board is made up of four Appointed Trustees, three elected Retired Trustees, and two elected Active Employee Trustees. Only members of the CRS are eligible to serve as elected Trustees or to vote in the CRS election process. Elected Trustees are elected for a four-year term. Appointed Trustees are appointed by the Mayor for a term of up to four years, as determined by the Mayor.

### **4. ACTIVE EMPLOYEE TRUSTEES**

Only active Members of the CRS shall be elected as Active Employee Trustees. Employees who participate in DROP are ineligible to serve on the Board of Trustees as an Active Employee Trustee. Active Employee Trustees who enroll in DROP during their terms shall forfeit their Trustee position on the Board effective the date of their DROP enrollment.

Every CRS Member who is a full-time, part-time, or seasonal employee employed as of the opening of Elections shall be eligible to vote for candidates for either of the two Active Employee Trustee positions. Additionally, ballots for the Active Employee Trustees shall be

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<sup>52</sup> CAC §1(i)

provided to each Member who is classified as a Deferred Vested Member and to every employee on leave of any type.

## **5. RETIREE TRUSTEES**

Only Retired Members of CRS shall be elected as Retiree Trustees. Every Pensioner (a person receiving a pension benefit) shall be eligible to vote for candidates for the three Retiree Board Trustee positions.

## **IX. Board Member Attendance**

Board members are expected to attend all Board and applicable committee meetings, in person or remotely. While attendance is not always possible, Board members should, once the calendar for a year is set, immediately flag any scheduling conflicts and thereafter manage their schedules to avoid creating additional conflicts. Board members shall make all reasonable efforts to regularly attend the meetings of the Board and Committee meetings.

A Trustee who fails to attend at least two-thirds of the regular and special meetings of the Board during any rolling two-year period permanently forfeits membership on the Board.<sup>53</sup>

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<sup>53</sup> CAC §1(g)

## APPENDIX

### A. Code of Ethics

The policy of the CRS is to carry out its mission in accordance with the strictest ethical guidelines and to ensure that Board members and employees conduct themselves in a manner that fosters public confidence in the integrity of CRS and its mission.

The Board shall abide by the following ethics:

1. CRS Board members and employees must, at all times, abide by Ohio Revised Code and Cincinnati Municipal Code provisions related to their ethical obligations and possible or actual conflicts of interest. Board members and employees must conduct themselves, at all times, in a manner that avoids favoritism, bias, and the appearance of impropriety. AR 68.
2. A general summary of the restraints upon the conduct of all CRS Board members and employees includes, but is not limited to, those listed below.
3. No CRS Board member or employee shall:
  - a. Have any business, personal, or family interests related to the city or the retirement system that would constitute a conflict of interest, or that would create the appearance of a conflict of interest, with the duties of a trustee. Being a member of the CRS or a beneficiary of the CRS, or having a family member who is a member or beneficiary of the CRS, shall not constitute a conflict of interest.
  - b. Solicit or accept anything of value from anyone doing business with or interested in matters before the Board or the CRS. Anything of value may include lavish meals, tickets to professional sporting events, and other items over \$25 in value. (R.C. 102.03(E));
  - c. Solicit or accept employment from anyone doing business with or interested in matters before the Board or the CRS, unless the Board member or employee completely withdraws from any discussions, deliberations, votes, or decisions regarding the party offering employment. (R.C. 102.03(D) and (E));
  - d. Use his or her public position to obtain any advantages or benefits for the Board member or employee, a family member thereof, or anyone with whom the Board member or employee has a business or employment relationship. (R.C. 2921.42(A)(1) and (A)(2));
  - e. Be paid or accept any form of compensation for personal services rendered on a matter before, or sell goods or services to, the Board or the CRS, except for compensation received from the City of Cincinnati. (R.C. 2921.43(A)(1));
  - f. Be paid or accept any form of compensation for personal services rendered on a matter before, or sell (except by competitive bid) goods or services to, any state agency other than the Board or the CRS, unless the Board member or employee first discloses the services or sales and fully withdraws from matters before the Board or the CRS that directly affect officials and employees of the other state agency. (R.C. 2921.41(A)(3));



- g. Vote, authorize, recommend, discuss, participate or in any other way use his or her position to secure approval of a Board or system contract (including employment or personal services) in which the Board member or employee, an immediate family member thereof, or anyone with whom the Board member or employee has a business or employment relationship, has an interest. (R.C. 2921.41(A)(4) and (A)(5));
- h. Solicit or accept an honorarium, except CRS employees who are not required to file a financial disclosure may receive an honorarium only if the honorarium is unrelated to the CRS employee's public office or employment, and it is not paid for by any person or other entity, or by a representative or association of those persons or entities, doing business with the Board or the CRS. (R.C. 102.03(H)(1));
- i. During public service, and for one year after leaving public service, represent any person, in any fashion, before any public agency, with respect to a matter in which the Board member or employee personally participated while serving with the Board or system. (R.C. 2921.41(A)(3));
- j. Use or disclose confidential information, that was designated as confidential, or that is confidential by operation of law, unless appropriately authorized. (R.C. 102.03(B) and AR 68);
- k. Use or share non-public investment or financial information for personal gain, or for the personal gain of another person, except for the collective gain of the CRS members and their beneficiaries. (R.C. 102.03(B));
- l. Use, or authorize the use of, his or her title, the name of the Board or the CRS, or the Board's or CRS system's logo in a manner that suggests impropriety, favoritism, or bias by the Board or system, or the Board member or employee. (AR 68).;
- m. Solicit or accept any compensation, except from the City of Cincinnati, to perform his or her official duties or any act or service in his or her official capacity. (R.C. 2921.41(A)(3)); or
- n. Solicit or accept from any person, including a partnership of which the system is a partner, payment of CRS related travel expenses, including expenses incurred with the travel for lodging, meals, food, and beverages unless permitted by Ohio Administrative Code Sec. 102-3-08. (R.C. 102.03(E)).

#### 4. Conflict Disclosure

CRS Board members and employees must promptly disclose any circumstances that could result in any actual or potential conflict of interest so that the matter may be fully assessed. CRS Board members and employees are encouraged to consult the City Solicitor regarding any potential conflict of interest. CRS Board members are required to report to the CRS Executive Director, and CRS employees are required to report to their supervisor, any actual conflict of interest.

In the event of a conflict of interest, the conflicted CRS Board member or employee may not vote, authorize, recommend, discuss or in any other way participate in the matter. A CRS Board



member shall remove himself or herself from the meeting room during that portion of the meeting involving the item from which that member is conflicted.

#### 5. Financial Disclosure

The CRS executive director shall file an annual financial disclosure statement with the City of Cincinnati Clerk of Council. This financial disclosure statement shall be filed annually by April 15 for the preceding calendar year.

## **APPENDIX**

### **B. CRS Retirement Division Operations**

The CRS is responsible with distributing benefits to various beneficiaries to the Plan. The CRS is segmented into the following units to best suit the business needs of the division.

1. **Benefits Administration Section:** Responsible for administering monthly and periodic payments to eligible members and their beneficiaries, including but not limited to: Retiree monthly pension payments, DROP member account disbursements, burial benefits for eligible retiree's beneficiaries, and the return of employee contributions for terminated members who request refunds. Additionally, CRS administers three health care providers to eligible CRS retirees. CRS represents the City for the two employer-sponsored deferred compensation plans: Ohio Deferred Compensation and Mission Square Retirement. Each plan offers city employees additional options to save for retirement. Additionally, CRS represents the City for any state retirement systems that have members employed or formerly employed by the City, namely, Ohio Police and Fire Pension Fund and Ohio Public Employee Retirement System.
2. **Finance Section:** Responsible for verifying and accounting for all benefits and expenses paid and received by CRS.
3. **Information Technology (I.T.) Section:** Responsible for the maintenance, customization, and upgrading of the various computer-based systems CRS uses to suit business needs including, but not limited to, CRS's pension system, Pension Gold, CRS's document imaging database, OnBase, and CRS's service purchase calculator database, MAE. CRS I.T. is also responsible for the performance, maintenance, and upgrading of any devices and computer-based tools staff use to perform their duties.

## APPENDIX

### C. Committee Charters

#### 1. **CRS Benefits Committee Charter**

The Board of Trustees of the Cincinnati Retirement System has adopted this Benefits Committee Charter.

##### **Purpose**

The Benefits Committee is responsible for the periodic review of the benefits offered by the CRS and funded by the 115 Trust and for making recommendations to the City Manager and City Council for any changes.

##### **Composition**

The Benefits Committee shall consist of no fewer than three members of the Board appointed by the Chair of the Board. In making appointments, the Chair of the Board will ensure representation from each category of trustee: one Mayoral Appointed Trustee, one Active Employee Trustee and one Retiree Trustee.

##### **Meetings**

A quorum consists of a majority of members appointed to the committee, who may be physically or remotely present. A member participating remotely must be able to actively participate in the meeting so that they can ask questions and cast votes in a manner that can be heard. Committee meetings shall be considered meetings of a public body subject to applicable laws and be open to the public commensurate with the method in which the meeting is being conducted. Each meeting agenda will be posted on the CRS website in advance and in accordance with applicable law. Meeting materials will be prepared by the Executive Director, as necessary.

Staff will prepare and post minutes for each meeting.

##### **Responsibilities**

The Benefits Committee is responsible for:

- Reviewing the benefits offered by the CRS and considering recommendations for changes as needed.
- Scheduling periodic update presentations by CRS contractors who administer benefits, including healthcare benefits.

- With the assistance of staff, annually evaluating the performance of the healthcare vendors.
- With the assistance of staff and any retained healthcare consultant, ensuring the proper and sustainable administration of healthcare benefits.
- Approving or denying disability retirement applicants based on the Medical Director's recommendation.

Any changes adopted by the Benefits Committee are subject to final approval by the full Board of Trustees.

### **Procedures for Amending the Benefits Committee Charter**

This Charter may be amended by a majority vote of the Board. Recommendations for policy changes should be directed to the Executive Director and/or the Chair. The Executive Director and/or the Chair shall review all such recommendations and is responsible for submitting necessary changes to the Board for approval.

## **2. CRS Election Committee Charter**

The Board of Trustees of the CRS has adopted this Election Committee Charter.

### **Composition**

The Election Committee shall consist of no fewer than three members of the Board. In making appointments, the Chair of the Board will ensure representation from each category of trustee: one Mayoral Appointed Trustee, one Active Employee Trustee and one Retiree Trustee in accordance with the Collaborative Settlement Agreement.

### **Meetings**

A quorum consists of a majority of members appointed to the committee who may be physically or remotely present. A member participating remotely must be able to actively participate in the meeting so that they can ask questions and cast votes in a manner that can be heard. Meetings are subject to the Open Meetings Act. Each meeting agenda will be posted on the CRS website in advance and in accordance with Ohio and Cincinnati law. Meeting materials will be prepared by the Executive Director, as necessary.

Staff will prepare and post minutes for each meeting.

### **Responsibilities**

The Election Committee is responsible for:

- The election of Trustees
- The appeals process

### **Reporting Responsibilities of the Committee**

- Regularly report to the Board about activities, issues, and related recommendations.
- Report on any issues relating to its responsibilities.

### **Other Responsibilities**

- Perform any activities related to this charter as directed by the Board of Trustees

### **Procedures for Amending the Election Committee Charter**

This Charter may be amended by a majority vote of the Board. Recommendations for policy changes should be directed to the Executive Director. The Executive Director shall review all such recommendations and is responsible for submitting necessary changes to the Board for approval.

## **3. CRS Governance Committee Charter**

The Board of Trustees of the CRS has adopted this Governance Committee Charter.

### **Purpose**

The Governance Committee is responsible for the proper governance of the Board and the Board's oversight of the CRS.

### **Composition**

The Governance Committee shall consist of no fewer than three members of the Board appointed by the Chair of the Board. In making appointments, the Chair of the Board will ensure representation from each category of trustee: one Mayoral Appointed Trustee, one Active Employee Trustee and one Retiree Trustee in accordance with the Collaborative Settlement Agreement.

### **Meetings**

A quorum consists of a majority of members appointed to the committee who may be physically or remotely present. A member participating remotely must be able to actively participate in the meeting so that they can ask questions and cast votes in a manner that can be heard. Committee meetings shall be considered meetings of a public body subject to applicable laws and be open to

the public commensurate with the method in which the meeting is being conducted. Each meeting agenda will be posted on the CRS website in advance and in accordance with applicable law. Meeting materials will be prepared by the Executive Director, as necessary.

Staff will prepare and post minutes for each meeting.

### **Responsibilities**

The Governance Committee is responsible for:

- Drafting and updating the Board's Governance Manual, as well as any board rules and policies. The Governance Manual may include policies related to the functions of the CRS, including the conduct of Board meetings, CRS operations, trustee elections, ethics, financial disclosure, board committees, member handbooks, trustee education, consideration of disability retirement applications, and appeal procedures for members relating to eligibility and disability determinations.
- Drafting and updating Committee Charters.
- Working collaboratively with the Executive Director, the Governance Committee shall have a consultative role in the drafting and updating of CRS Operations Policies and Procedures.

Any changes adopted by the Governance Committee are subject to final approval by the full Board of Trustees.

### **Procedures for Amending the Governance Committee Charter**

This Charter may be amended by a majority vote of the Board. Recommendations for policy changes should be directed to the Executive Director and/or the Chair. The Executive Director and/or the Chair shall review all such recommendations and is responsible for submitting necessary changes to the Board for approval.

#### **4. CRS Investment Committee Charter**

The Board of Trustees of the CRS has adopted this Investment Committee Charter.

##### **Purpose**

The Investment Committee, as trustees and fiduciaries, is responsible for the proper oversight of the CRS assets (Pension and 115 Trusts). The committee members shall carry out their functions solely in the interest of the active and retired members of the CRS.

##### **Composition**

The Investment Committee shall consist of no fewer than three members of the Board. In making appointments, the Chair of the Board will ensure representation from each category of trustee: one Mayoral Appointed Trustee, one Active Employee Trustee and one Retiree Trustee in accordance with the Collaborative Settlement Agreement.

##### **Meetings**

A quorum consists of a majority of members appointed to the committee who may be physically or remotely present. A member participating remotely must be able to actively participate in the meeting so that they can ask questions and cast votes in a manner that can be heard. Committee meetings shall be considered meetings of a public body subject to applicable laws and be open to the public commensurate with the method in which the meeting is being conducted. Each meeting agenda will be posted on the CRS website in advance and in accordance with applicable law. Meeting materials will be prepared by the Executive Director and Investment Manager, as necessary.

Staff will prepare and post minutes for each meeting.

##### **Responsibilities**

Investment Committee members, as Trustees, shall act in accordance with the provisions of the Ohio Revised Code, Cincinnati Municipal Code, Cincinnati Administrative Code, the Collaborative Settlement Agreement, and the CRS Statement of Investment Policy. In carrying out their duties, the Committee members shall exercise reasonable care, skill, and caution in accordance with the standards described in Section 5809.02 of the Ohio Revised Code and shall strive to follow sound policies and procedures that enhance informed, fair, and open decision making.

The Investment Committee is responsible to do the following:

- Recommend the policies, objectives, and guidelines for investment of the Fund's assets and oversee compliance with the CRS Statement of Investment Policy.
- Study thoroughly each issue affecting the Fund's investments to make educated and prudent recommendations to the Board.
- Select qualified professionals to assist in implementing investment policies and evaluate their services.
- Consider the Investment Consultant recommendations for selecting or terminating investment managers.
- Consider investment actions recommended by the Investment Consultant and make recommendations to the Board.
- Evaluate total Fund performance including performance of all investment mandates.
- With the assistance of staff, annually evaluate the performance of the Investment Consultant.

### **Reporting Responsibilities of the Committee**

- Regularly report to the Board about activities, issues, and related recommendations.
- Report on any issues relating to its responsibilities.

### **Other Responsibilities**

- Perform any activities related to this charter as directed by the Board of Trustees.

Any changes adopted by the Investment Committee are subject to final approval by the full Board of Trustees.

### **Procedures for Amending the Investment Committee Charter**

This Charter may be amended by a majority vote of the Board. Recommendations for policy changes should be directed to the Executive Director and/or the Chair. The Executive Director and/or the Chair shall review all such recommendations and is responsible for submitting necessary changes to the Board for approval.

## **5. CRS Performance and Evaluation Committee Charter**

The Board of Trustees of the CRS has adopted this Performance and Evaluation Committee Charter.

### **Purpose**

The Performance and Evaluation Committee is responsible for developing performance measures for the Executive Director. The Committee also monitors the retirement system members'



satisfaction with the benefits and services provided and develops and monitors the strategic goals of the board and the committees.

### **Composition**

The Investment Committee shall consist of no fewer than three members of the Board. In making appointments, the Chair of the Board will ensure representation from each category of trustee: one Mayoral Appointed Trustee, one Active Employee Trustee and one Retiree Trustee in accordance with the Collaborative Settlement Agreement.

### **Meetings**

A quorum consists of a majority of members appointed to the committee who may be physically or remotely present. A member participating remotely must be able to actively participate in the meeting so that they can ask questions and cast votes in a manner that can be heard. Meetings are subject to the Open Meetings Act. Each meeting agenda will be posted on the CRS website in advance and in accordance with Ohio and Cincinnati law. Meeting materials will be prepared by Executive Director, as necessary.

Staff will prepare and post minutes for each meeting.

### **Responsibilities**

- The Performance and Evaluation Committee is responsible for: Developing performance measures for the Executive Director
- Measuring the performance of the Executive Director
- Monitoring members' satisfaction with the benefits and services provided
- Developing and monitoring the strategic goals of the Board and the committees

### **Reporting Responsibilities of the Committee**

- Regularly report to the Board about activities, issues, and related recommendations.
- Report on any issues relating to its responsibilities.

### **Other Responsibilities**

- Perform any activities related to this charter as directed by the Board of Trustees

### **Procedures for Amending the Performance and Evaluation Committee Charter**

This Charter may be amended by a majority vote of the Board. Recommendations for policy changes should be directed to the Executive Director and/or the Chair. The Executive Director and/or the Chair shall review all such recommendations and is responsible for submitting necessary changes to the Board for approval.

## **APPENDIX**

### **D. Board Rules**

#### **Rule I Order of Business**

- A. Approval of Minutes
- B. Reports of the Secretary and the Committees
- C. Unfinished Business
- D. New Business
- E. Informational
- F. Adjournment

#### **Rule II Rules of Order**

The Board of Trustees of the Retirement System adopts Robert's Rules in Plain English by Doris P. Zimmerman (Scott, Foresman 1997).

#### **Rule III Meeting Place and Time**

Regular meetings of the Board of Trustees are generally held monthly in accordance with an annual calendar of dates as approved by the Board each year.

#### **Rule IV Open Meetings**

All meetings of the Board and its Committees are open to the public, except that the Board and its Committees may adjourn into Executive Session under circumstances permitted under Ohio Revised Code Section 121.22. The Secretary, which is defined as the CRS Executive Director, has the duty to cause minutes to be prepared of all meetings and keep the minutes available to the public.

#### **Rule V Special Meetings**

Special meetings of the Board of Trustees may be held at the request of the Chairperson or two or more members not less than 24 hours before the time of the meetings, and not less than 24 hours notice to each member. The notice for the meeting must state the time, date, location, and subjects to be considered at the meeting and be posted on the Cincinnati Retirement System's web page, in compliance with Ohio Revised Code Section 121.22. No other subject may be discussed except as referenced in the special meeting notice.

## **Rule VI      Election of Chair and Vice-Chair**

Each December of the even-numbered years, the Board shall elect one of its members as Chair and another as Vice-Chair, to serve for two-year terms. If a vacancy in the office of the Chair occurs, then the Vice-Chair shall succeed the Chair. The Board shall elect a member to fill any unexpired term of the Vice-Chair.

## **Rule VII      Trustee Elections**

The Board is made up of four Appointed Trustees, three elected Retired Trustees, and two elected Active Employee Trustees. Only members of the CRS are eligible to serve as elected Trustees or to vote in the CRS election process. Elected Trustees are elected for a four-year term. Appointed Trustees are appointed by the Mayor for a term of up to four years, as determined by the Mayor.

### **1. Active Employee Trustees**

Only active Members of the CRS shall be elected as Active Employee Trustees. Employees who participate in the DROP are ineligible to serve on the Board of Trustees as an Active Employee Trustee. Active Employee Trustees who enroll in the DROP during their terms shall forfeit their Trustee position on the Board effective the date of their DROP enrollment.

Every CRS Member who is a full-time, part-time, or seasonal employee employed as of the opening of Elections shall be eligible to vote for candidates for either of the two Active Employee Trustee positions. Additionally, ballots for the Active Employee Trustees shall be provided to each Member who is classified as a Deferred Vested Member and to every employee on leave of any type.

### **2. Retiree Trustees**

Only Retired Members of the CRS shall be elected as Retiree Trustees. Every Pensioner (a person receiving a pension benefit) shall be eligible to vote for candidates for the three Retiree Board Trustee positions.

### **3. Election Process**

#### **a. Opening of Nominations**

- i. An Opening of Nominations Notice shall be prepared and distributed by the Retirement Department. The nomination period shall remain open for no less than 25 days. For counting purposes, day 1 shall be the date declared on the Opening of Nominations Notice. As used throughout the rules for elections, the number of days refers to calendar days unless expressly indicated otherwise, and any date or

deadline landing on a weekend or holiday shall be extended to the next regular business day.

- ii. The Opening of Nominations Notice shall state all deadlines and dates pertinent to the election, including but not limited to, the deadline for nominations, the deadline for candidates' position papers, the date for the posting of the confirmed candidates' names, the opening and closing dates of the election, and the contact person's name, telephone number and email address within the Retirement Department.
- iii. Candidate Instructions shall include an outline of the Board's function, the duties of a Board Trustee, the meeting schedule, and attendance expectations. The following reasons disqualify any person from seeking election to the Board or remaining as a Trustee:
  - a) Finding of dishonesty in any civil proceeding or disciplinary decision,
  - b) Conviction of a felony for an act committed while the candidate or member was an adult, or
  - c) Failure to comply with election requirements established by the Board.
- iv. Active Employee Trustees: The Opening of Nominations Notice shall be sent via email to all employees who have City email addresses and who are CRS Members as of the date of Departments shall be responsible for the distribution and posting of the Opening of Nominations Notice. Retirement Department shall mail the Opening of Nominations Notice via USPS first-class mail to all Deferred Vested Members.
- v. Retiree Trustees: The Opening of Nominations Notice shall be mailed by USPS first-class mail to all CRS Pensioners.

b. Nomination Petition Forms

- i. Nomination Petition Forms can be obtained from the Retirement Department office or website.
- ii. Completed Nomination Petition Forms shall contain on each page the name of the candidate, the position the candidate is seeking, and the deadline for submission of candidate's position paper.
- iii. Nomination Petition Forms shall require no fewer than 15 signatures and printed names of those meeting the qualification to vote in the election of a trustee. For the Active Employee

Trustees, the signatures must be from active employees who are members of CRS, employees who participate in the Deferred Retirement Option Program or Deferred Vested Members of CRS. For the Retiree Trustees, the signatures must be from CRS Pensioners.

- iv. Nomination Petition Forms can include a single signature or multiple signatures as long as a nominated candidate receives a combined total of no less than 15 signatures from eligible CRS members from their representative group. The Nomination Petition Forms may be delivered directly to CRS, mailed to CRS, or electronic copies may be emailed to the designated CRS contact listed on the Opening of Nominations Notice.
- v. Hard copies and electronic copies of Nomination Petition Forms must be RECEIVED by the Retirement Department (Room 328 City Hall) by the deadline posted on the Nomination Petition Form.
- vi. At the time that the Nomination Petition Form is due, each candidate shall provide the Retirement Department with his or her:
  - a) Official home address
  - b) Email address
  - c) Home phone and cell phone if applicable
  - d) Department/Division name  
Job title
  - e) Years employed with the City
- vii. The Retirement Department shall confirm that names on petitions are eligible CRS members and shall notify the candidate within two business days if there are not enough legible or valid names on the petitions.
- viii. The list of validated candidates' names shall be posted on the Retirement Department's web page within five business days after the closing of the nominations.
- ix. If the total number of candidates validly nominated equals the number of vacancies, the election shall be declared closed and the candidates shall be declared the winners.

c. Candidates' Position Papers

- i. Each candidate shall provide the Retirement Department with a position paper in Microsoft WORD format containing no more than 200 words, on only one page, no later than 4:00 P.M. on the deadline date posted on the Opening of Nomination Notice and Nomination Petition Form.
- ii. Each position paper must be emailed to the Retirement System contact listed on the Opening of Nominations Notice and must be received by the Retirement Department by the deadline posted on the Opening of Nominations Notice and Nomination Petition Form. It is the responsibility of the candidate to confirm receipt of his or her position paper by CRS.
- iii. Candidates' position papers shall be included with each ballot. The placement of each candidate's position paper shall be rotated so no single name appears as the first a greater number of times than that of the others to the extent feasible.
- iv. Candidates' position papers shall not contain any profanity or derogatory comments regarding other candidates.
- v. A candidate's failure to submit a position paper meeting the above-listed criteria by the deadline shall invalidate his or her candidacy.

d. Ballots

- i. Ballots shall be sent by USPS first-class mail. The Ballots shall be designed by the Retirement Department and include the official Cincinnati Retirement logo and be printed on heavier than the customary 20-pound weighted paper or card-stock. Official election return envelopes shall be imprinted with a series of numeric characters and sequentially numbered in a location and of a design as determined by the Retirement Department. The official election return envelopes shall be pre-paid postage envelopes.
- ii. Returned election ballots must be contained within a sealed, official election return envelope. Copied ballots, reproduced ballots, or ballots in unsealed envelopes or unofficial return envelopes will not be deemed valid and will not be counted.
- iii. The position of the name of each candidate shall be rotated on the ballots so that no single candidate's name shall appear as the first name a greater number of times than the other candidates to the extent feasible.

- iv. No write-in candidates are permitted
  - v. A ballot with more votes than vacancies will be deemed invalid.
  - vi. Ballots shall be mailed by USPS first-class mail within 14 days after the close of nominations. For counting purposes, day one shall be the day after the close of nominations.
  - vii. Employees not receiving a ballot at their address of record may request a duplicate ballot from the Retirement Department.
  - viii. A duplicate ballot shall be of a different color and marked “DUPLICATE.”
  - ix. A duplicate ballot shall be mailed to the employee’s home address on record, or picked up in person at the Retirement Department, Room 328, City Hall. A new official election return envelope will be provided with the duplicate ballot. The Retirement Department will keep a log of all members receiving duplicate ballots and check those against the ballots to be counted on Ballot Count Day.
  - x. The CRS Board and the Retirement Department are not responsible if the duplicate ballot is not returned by the deadline.
  - xi. All ballots shall be returned only in the official election return envelope provided. Ballots returned in any other envelope are invalid and will not be counted.
  - xii. Only one ballot shall be returned in the official election return envelope. If multiple ballots are returned in one envelope, they will be invalidated and will not be counted.
  - xiii. Ballots in the official election return envelope shall be returned by USPS first-class mail, interdepartmental mail, or deposited directly into the locked ballot box located in the Retirement Department, Room 328, City Hall.
  - xiv. Returned ballots shall remain secure in the locked ballot box in the Retirement Department during business and non-business hours.
- e. Election
- i. The election period shall be declared open on the 14th day after the close of nominations and remain open for a minimum of 21 days. The opening and closing date of the election period shall be posted on all



ballots. For counting purposes, day one shall be the first day after the close of nominations.

- ii. The election shall continue for at least 21 days and close at 4:00 PM on the 21st day or the due date specified on the ballots, if later. All ballots must be received by the Retirement Department by 4:00PM on the 21st day (or the due date specified on the ballots).

f. Counting of Ballots

- i. Retirement Department shall be responsible for coordinating the Ballot Count Day and providing the ballot box to the ballot counters on Ballot Count Day.
- ii. Ballot Count Day shall be treated as an open meeting with the date and time posted on CRS website.
- iii. The ballots shall be counted by City employees within five business days after the close of the election.
- iv. If Duplicate ballots were provided to members during the election, the ballot counters will review all ballot envelopes to determine if a member submitted more than one ballot.
- v. If it is determined that a member submitted more than one ballot, all ballots submitted by that member will deemed invalid and discarded.
- vi. The Retirement Department shall notify the candidates of the time and location for the counting of ballots at least two business days prior to the counting of ballots.
- vii. Each candidate shall have the opportunity to attend and witness the counting of ballots, or, prior to the initiation of the counting process, to designate a proxy as their official representative to attend and witness the counting of the ballots.
- viii. A member of the Election Committee shall brief the candidates, or the proxies of a candidate, on the procedure for the count, as well as the appeal process regarding the count.
- ix. During the counting process, the candidates or their proxies shall remain in the audience seating section of the room. If a candidate or his or her proxy violates the rules of the election count or disrupts the proceedings, the Election Committee has the discretion of asking the member to leave the room or the Committee may contact the City Hall Security Staff as appropriate.

- x. The Retirement Department shall notify each candidate of the unofficial election results by phone or email by the end of the next business day following the counting of ballots.
- xi. Election Committee shall review the results of the ballot count. The results shall include the number of issued ballots, returned valid ballots, invalidated ballots, duplicate ballots issued, and duplicate ballots returned. The Election Committee shall declare the winners of the election based on the results of the ballot count.

g. Tied Vote Results

If a tie is declared in the count of valid ballots received, the following process shall be used to resolve the tie:

- i. The Chair of the Election Committee shall set the time and location for resolving a tie.
- ii. Candidates shall be notified of the tie and the tie-breaking process.
- iii. A tie shall be resolved by the Chair of the Election Committee flipping a coin, once.
- iv. The candidate having the greater service credit as a member of the CRS shall call the coin while still in the air.
- v. The coin shall fall to the ground.
- vi. The candidate whose ‘called-side’ lands face up shall be declared the elected candidate.

h. Oath of Office

The Election Committee shall submit the election results for approval to the CRS Board of Trustees at their next regularly scheduled meeting. Following approval of the election results, the Oath of Office shall be administered to the newly elected Trustee(s). If a newly elected trustee is unable to attend the Board meeting following the counting of ballots, they may be sworn in at the next Board meeting or by a Notary from the Retirement Department at another time. A newly elected Trustee must receive the Oath of Office before he/she can serve as a Board Trustee.

i. Appeals

If the counted ballot margin between the candidate with the most votes and another candidate is less than one percent of the total votes cast, a candidate receiving a lesser number of votes than the candidate receiving the most votes may file an appeal for a recount. An appeal must be filed

in writing, either letter or email, with the Cincinnati Retirement System Executive Director, no later than two business days after notice of the ballot count. The Executive Director will immediately notify the Cincinnati Retirement System Board of Trustees of the appeal. A recount will be completed within five business days of the receipt of the appeal. Candidates will be given notice of the time and location of the recount at least two business days prior to the recount. If the recount results in a different candidate receiving the most votes, a second and final recount will occur within five business days. A candidate may withdraw an appeal at any time.

Appeals may result in an extension of the trustee election timeline as determined by the Board of Trustees Chair in consultation with the Cincinnati Retirement System Executive Director.

j. Formal Protests

i. Nomination Petition Forms Determination

Any individual who has submitted Nomination Petition Forms which have been determined to be invalid in whole or in part resulting in fewer than the required number of valid signatures required to be a candidate may file a protest. A protest must be filed in writing, either letter or email, with the Cincinnati Retirement System Executive Director within two business days after notice of not being a valid candidate. An individual filing a protest may withdraw the protest at any time.

ii. Representative Group Determination

Any individual who has submitted Nomination Petition Forms for which a determination has been made that the individual is not a member of the represented group which the individual seeks to represent as a candidate may file a protest. Represented groups include either active employee members or retiree members. A protest must be filed in writing, either letter or email, with the Cincinnati Retirement System Executive Director within two business days after notice of not being a valid candidate. An individual filing the protest may withdraw the protest at any time.

iii. Invalid/Invalidated Ballots

Any candidate appearing on the ballot who believes there is evidence that counted ballots are invalid or that ballots were invalidated in error prior to the ballot count may file a protest. A protest must be filed in writing, either letter or email, with the Cincinnati Retirement System Executive Director within two business days of notice of the ballot count. Such protest shall only be made if the number of alleged invalid ballots or invalidated ballots is sufficient to change the outcome of the election. A candidate may withdraw the protest at any time.

iv. Protest Hearings

Protests shall be considered at a hearing of the Elections Committee of the Board of Trustees as soon as practicable. An individual filing the protest will receive reasonable notice of the date and time of the meeting by the Cincinnati Retirement System Executive Director. An individual making the appeal may appear before the Elections Committee.

Protests may result in an extension of the trustee election timeline as determined by the Board of Trustees Chair in consultation with the Cincinnati Retirement System Executive Director.

The Elections Committee shall render its decision in writing and shall be considered the final decision.

k. Retention And Destruction Of Ballots And Returned Envelopes

The destruction of ballots from elections as well as the envelopes used to return such ballots shall conform to the guidelines and/or retention schedules of the Cincinnati Retirement System.

## **Rule VIII Committees**

The Chair shall annually appoint standing Investment, Benefits, Performance Evaluation, Governance, and Elections Committees, comprised of no fewer than three members of the Board. The Chair shall fill any vacancies on Committees as they may occur. The Chair may appoint sub-committees or special committees as needed to conduct the business of the Board. All Committees, sub-committees and special committees shall include at least one Mayor Appointed Trustee, one Active Employee Trustee and one Retiree Trustee in accordance with the Collaborative Settlement Agreement. The Chair shall designate a member to chair each Committee. The Investment Committee shall adopt a regular time and place for meeting. Other Committee meetings are at the call of the Committee Chair. Notice of all Committee, sub-committee and special committee meetings shall be given in compliance with Ohio Revised Code Section 121.22.

## **Rule IX Matters Referred to Committees**

The Chair shall present matters immediately to the various committees. The committees are to submit their reports at a future Board meeting.

## **Rule X            Attendance**

Board members have the duty to attend the meetings of the Board and the meetings of such committees as to which they have been appointed. A member who fails to attend at least two-thirds of the regular and special meetings of the Board during any rolling two-year period permanently forfeits membership on the Board.

## **Rule XI            Disability Application and Appeal Process**

### **1. Applications and Audits**

- a. Member has 30 calendar days from the disability application date or receipt of audit notification to meet with the Cincinnati Retirement System's (CRS) Medical Director for a medical evaluation.
- b. Member has 60 calendar days from the disability application date or receipt of audit notification to have medical records forwarded from their healthcare providers to the CRS Medical Director.

### **2. Disability Appeals**

This rule applies when the Board of Trustees of the Cincinnati Retirement System either denies an application for a disability retirement benefit pursuant to CMC §203-41 or terminates a disability retirement benefit pursuant to CMC §203-53 and §203-55.

- a. After the Board of Trustees has either denied an application for or terminated a disability retirement benefit, the member shall be notified in writing, via USPS Certified Mail within seven calendar days of such action.
- b. The notification shall include the following information:
  - i. The Board of Trustee's denial or termination of the disability retirement benefit;
  - ii. The member's right to Request an Appeal by providing additional medical evidence. Such an Appeal Request shall be received by the CRS Administrative Office no later than 30 calendar days from the date of the notice of denial, or termination;
  - iii. Failure of a member to submit an Appeal Request within 30 calendar days shall make the Board of Trustee's action final as to such application;
  - iv. Such additional medical evidence relative to the Appeal Request shall be current medical evidence documented by a licensed physician specially trained in the field of medicine covering the illness or injury

for which the disability is claimed and such evidence has not been considered previously by the Benefits Committee and/or the Board of Trustees;

- v. Member has 60 calendar days from the CRS Office's receipt of the Appeal Request to provide additional medical evidence. Failure to provide the additional medical evidence within the 60 calendar days, shall make the Board of Trustee's action final to such application or benefit unless an extension for submission of such evidence has been requested and granted by Administration;
- vi. After submission of additional medical evidences, all evidence shall be reviewed by the CRS Medical Director who shall submit a recommendation to the Benefits Committee and/or the Board of Trustees. The Board of Trustees shall make its recommendation at the next regular Board of Trustees meeting. The decision of the Board of Trustees shall be final.

### 3. Request for Extension

The Request for Extension provides the member additional time to gather medical documentation.

- a. Member has 30 days to provide additional medical evidence.
- b. Request must be submitted in writing.

### 4. Reapplication by an Active or Terminated Member Following a Denial

- a. Member may reapply for disability retirement if they can prove the initial documented condition(s) have progressed or additional condition(s) have been identified.
- b. Medical Director to assess the new medical evidence to determine if the reapplication criteria have been met.

### 5. Terminated Employees – Disability Application

Member has 24 months from their employment termination date to apply for disability. Member must prove that the disabling condition existed while employed.

### 6. Effective Date of Approved Disability **Retirement**

- a. Disability Application – Employee’s disability retirement effective date is the first day of the month following their disability application date or their employment termination date – whichever is later.
- b. Appeal of Denied Disability Application – The effective date of an Appeal that has been approved will be retroactive to the first day of the month following their original disability application date or their termination date – whichever is later.
- c. Appeal of Denied Disability Audit – The effective date of an Appeal that has been approved will be retroactive to the first day of the month following the termination of their most recent audited disability retirement benefit.

## **Rule XII      Policies and Procedures for Determination of Disability Benefits**

The Benefits Committee shall recommend to the Board and the Board shall adopt policies and procedures for determination of disability benefits.

## **Rule XIII      Review of Benefits**

Repealed, 12/2/2021.

## **Rule XIV      Delegation of Functions**

1. The Board may delegate functions that prudent trustees acting in a like capacity and familiar with those matters could properly delegate under the circumstance.
2. The Board shall exercise reasonable care, skill, and caution in:
  - a. Selecting a service provider, an agent or other person to perform duties it delegates;
  - b. Establishing the scope and terms of the delegation, consistent with the purposes and terms of the Retirement System; and
  - c. Periodically reviewing the service provider or agent’s performance and compliance with the terms of the delegation.
3. Every agreement for the retention of a service provider or agent shall prohibit the service provider or agent and the employees and subcontractors of a service provider or agent engaged in providing goods or services to the Retirement System from directly or indirectly giving, soliciting or receiving or in any manner being concerned in giving, soliciting or receiving any assessment, subscription or contribution for any political party

in the City of Cincinnati or Hamilton County or for any candidate for public office in the City of Cincinnati or Hamilton County.

4. Every agreement for the retention of an agent shall prohibit the agent from paying any finder's fee or commission based on obtaining the agreement with the Retirement System to any person other than:
  - a. An employee of the agent, or
  - b. A person whose identity and the basis for compensation is disclosed in writing to the Retirement System prior to entering into the agreement.
5. The Board will follow the City's Purchasing Department procedures as described in Section 30.vi of the Collaborative Settlement Agreement Board Reforms.
6. Every agreement for the retention of an agent shall clearly identify the responsibilities of the agent and state the standards by which the agent's performance shall be evaluated.

#### **Rule XV      Investment Objectives and Policies**

The Board shall adopt a statement of investment objectives and policies for the Retirement System. At least annually, the Board shall review the statement and change or reaffirm it.

#### **Rule XVI      Handbook**

1. The Secretary shall prepare and send a Member Handbook to all active members. The Member Handbook shall include a summary description of the rights and obligations of members of the Retirement System and be prepared in accordance with this Rule.
2. The Secretary shall furnish to each member a copy of an updated Member Handbook that integrates all modifications and changes to the rights and obligations of members of the Retirement System, at intervals not exceeding five years.
3. The Secretary shall furnish each new active member a copy of the most recently published Member Handbook, along with a summary description of any modifications or changes to the rights and obligations of members of the Retirement System since the date of publication.
4. The Member Handbook and the summary description of modifications or changes are to be written in a manner calculated to be understood by the average member and be accurate and sufficiently comprehensive reasonable to inform the members and beneficiaries of their rights and obligations under the Retirement System.
5. The Member Handbook must contain:



- a. a description of the Retirement System's requirements regarding eligibility for participation and benefits;
- b. a description of the benefits provided by the Retirement System, including the manner of calculating benefits and any benefits provided for spouses and survivors;
- c. the procedure to claim benefits under the Retirement System and the administrative procedures available under the program for the redress of claims denied; and
- d. the notice of availability of additional information pursuant to Rules XVIII and XIX.

### **Rule XVII    Annual Disclosure of Financial, Actuarial and Operational Status**

The Secretary shall prepare and distribute to the Board of Trustees an annual disclosure of the financial, actuarial and operational status of the Retirement System. The annual disclosure shall be kept available for public examination. The annual disclosure must contain:

- 1. The name of each member of the Board of Trustees and a brief description of how each member was selected.
- 2. Financial statements and notes to the financial statements prepared in conformity with generally accepted accounting principles.
- 3. An unqualified opinion rendered by a certified public accountant that the financial statements are in conformity with generally accepted accounting principles.
- 4. Actuarial schedules and notes to the actuarial schedules in conformity with generally accepted actuarial principles and practices for measuring pension obligations.
- 5. An opinion by a qualified actuary that the actuarial schedules are complete and accurate to the best of the actuary's knowledge, that assumptions and methods in the aggregate are reasonable, and that the assumptions and methods in combination offer the actuary's best estimate of anticipated experience.
- 6. The number of members of the Retirement System by classification (active, retired and deferred).
- 7. The name of each actuarial, investment consulting, investment managing and investment custodial firm paid fees in excess of \$1,000 during the calendar year.
- 8. A schedule of rates of return, net of manager fees, on the assets of The Retirement System overall and on assets aggregated by asset class (equity, fixed income, alternative

investment and cash) over the most recent one-year, three-year, five-year and 10-year periods, to the extent available, and the rates of return on appropriate benchmarks for assets of the Retirement System overall and or each asset class over each period.

9. A schedule of the sum of the total investment expense and total general administrative expense for the fiscal year expressed as a percentage of the average of the beginning and ending fair value of assets of The Retirement System during the fiscal year and an equivalent percentage for the preceding five fiscal years.
10. A schedule of the 100 assets held for investment purposes on the last day of the year having the greatest fair value.

### **Rule XVIII Annual Report**

The Secretary shall prepare, send to members and persons receiving benefits and make available for public inspection an annual report.

The annual report must contain:

1. The name of each member of the Board
2. A summary description of any material modification of the retirement System since the last publication of the Member Handbook.
3. A concise and accurate compilation of the financial statements, but not the notes, required by Rule XVIII(B).
4. A restatement of the Summary of Principal Valuation Results, or substantially similar data, as reported by the Retirement System's actuary.
5. Other material necessary to summarize fairly and accurately the annual disclosure of financial and actuarial status.

### **Rule XIX Benefit Estimates**

The Secretary shall provide to each active member annually and upon written request of the member a statement containing information that would permit the member to estimate projected benefits reasonable, to the extent the information is regularly maintained by the Retirement System.

## **Rule XX      Trustee Education**

Recognizing that each Trustee is under a fiduciary obligation to be prudent in discharging the duties of a Trustee, each Trustee is encouraged to further his or her education in matters that come before the Board. The education of a Trustee may include attendance at conferences and seminars sponsored by the National Conference of Public Employee Retirement Systems, the International Federation of Employee Benefit Plans, and other programs appropriate to advancing the Trustee's knowledge and skills. The decision to attend conferences shall be at the discretion of each Trustee, who must be mindful of a Trustees' fiduciary obligation to incur only costs that are appropriate and reasonable. Reimbursement of actual expenses may not exceed those allowed City of Cincinnati employees. A Trustee may not be reimbursed for the expenses of attending more than two conferences in a year without the prior approval of the Board for the attendance of each additional conference.

## **Rule XXI      Annual Evaluation of Pension Manager and Retained Fiduciaries**

The Board shall annually evaluate the performance of the Secretary, the Investment Consultant, the Actuary, each investment manager and all other advisors, consultants and fiduciaries retained by the Board. The performance shall be evaluated according to whether each individual or firm exceeds, fulfills, or fails to fulfill the duties delegated to the individual or firm.

## **Rule XXII      Adoption and Amendment of the Revised Rules**

Upon their adoption by a vote of a majority of the Trustees, these Revised Rules shall supersede the Rules then in existence and go into immediate effect. They may be amended or revised only after notice of the proposed revision or amendment has been introduced at a regular meeting of the Board, held until the next regular meeting and adopted by a vote of a majority of the Trustees

## APPENDIX

### E. Board Policies

#### 1. CRS Board and Committee Attendance Policy

Approval Authority: CRS Board of Trustees

Adopted: October 5, 2023

Responsible Executive: Executive Director

##### a. Policy Statement:

The CRS Board shall adopt an Attendance Policy for the Board and Committee members.

##### b. Reason of Policy

To ensure continuity among Trustees on issues and policies that carry over year-to-year and from meeting-to-meeting.

##### c. Guidelines

Board members are expected to attend all board and applicable committee meetings. While attendance is not always possible, board members should, once the calendar for a year is set, immediately flag any scheduling conflicts and thereafter manage their schedules to avoid creating additional conflicts.

Board members shall make all reasonable efforts to regularly attend the meetings of the Board and Committee meetings.

- Board members have the duty to attend the meetings of the board and committees. A member who fails to attend at least two-thirds of the regular (e.g. 16 meetings), committee and special meetings of the Board during any rolling two-year period permanently forfeits membership on the Board.
- Members shall strive not to miss two meetings in a row and attend the majority of each individual meeting.
- Absences for medical or other substantial reasons (e.g. bereavement, jury duty, work commitments, natural disasters, etc) shall be deemed excused.
- Unexcused and "silent failure"(no notification) absences should be avoided.
- The Executive Director and Board Chair will consult with individual board members as needed.
- Year-end summary of board member attendance will be maintained and reported to the CRS website.

## 2. CRS Investment Contracts Approval Policy

Approval Authority: CRS Board of Trustees

Adopted: May 2, 2019

Responsible Executive: Executive Director

Revised: June 6, 2019

### a. Policy Statement

The Board shall invest and manage the fund assets as a fiduciary would, by considering the purposes, terms, distribution requirements, and other circumstances of the Retirement System while exercising reasonable care, skills and caution. To support the timely implementation of the Board's investment direction in circumstances that require a decision prior to the next Board meeting, the Board Chair has the authority to approve a contract provision of a previously approved investment by the Board that would otherwise require the Board's approval, after consultation with the Investment Committee Chair, Board Vice Chair and Investment Consultant.

### b. Reason for Policy

Provide for the timely approval of investment contracts. Investment contract reviews and negotiations can involve the identification of contract provisions or changes that may require additional input and approval from the CRS Board. Investment funds often have limited investment windows that may be offered once, or only available periodically. This Policy supports the timely approval of investment contracts and implementation of the Board's investment strategy.

### c. Guidelines

If an investment contract under review includes a provision that is identified as significant enough to require the Board's approval, the Board Chair has the authority to accept or reject the provision.

- The Board Chair is expected to make reasonable attempts to discuss the provision with the Chair of the Investment Committee, Board Vice Chair and CRS's Investment Consultant.

- The Board Chair is to communicate the decision at the following Board meeting.

The Board has full authority to choose the appropriate investments for the Retirement System and approve the contracts, subject to legal review. The City Manager has the sole authority to execute contracts.

### 3. CRS Annual Report to City Council Policy

Approval Authority: CRS Board of Trustees

Adopted: May 2, 2019

Responsible Executive: Executive Director

Revised: April 4, 2019

#### a. Policy Statement:

The CRS Board shall provide a report to Cincinnati City Council annually on the financial state of the CRS by September 30.

#### b. Reason for Policy:

Article XV of the Municipal Code

#### c. Guidelines

- CRS shall report on the financial condition of the CRS by summarizing the results of the actuarial valuations for the pension trust and the 115 health care trust that are developed by the CRS actuary as of the end of each calendar year.

#### 4. CRS Quarterly Budget Report Policy

Approval Authority: CRS Board of Trustees

Adopted: May 2, 2019

Responsible Executive: Executive Director

Revised: April 4, 2019

##### a. Policy Statement:

CRS Executive Director or CRS Finance Manager will provide quarterly budget reports regarding office expenditures, benefit payments, contributions and investment income of the retirement system.

##### b. Reason Of Policy:

The Cincinnati Retirement System Board of Trustees has a fiduciary responsibility to the members of the retirement system to oversee the expenses, benefit payments, contributions and investment income of the Cincinnati Retirement System.

##### c. Guidelines

- Budget reports will be presented quarterly by either the CRS Executive Director or the CRS Finance Manager.
- If possible, the budget reports will be presented at the February, May, August, and November CRS Board meetings.
- In the event a board meeting is cancelled, the budget report will be presented at the next scheduled CRS Board Meeting.

#### 5. Trustee Training Policy

Purpose: To ensure that all trustees of the CRS are well-informed about their fiduciary responsibilities and the operations of the pension plan.

##### Training Requirements

##### 1. Initial Training:

- a) All new trustees must complete an initial training program within six months of their appointment.
- b) Topics include:
  - i. fiduciary duties,
  - ii. structure of the pension plan,
  - iii. plan governance,

- iv. trustee responsibilities, and
  - v. investment principles
- Delivery Methods:
  - i. In-person or online presentation from Executive Director.
  - ii. In-house training sessions conducted by staff or consultants.
  - iii. Online courses and webinars from the City of Cincinnati.
  - iv. Attendance at industry conferences and workshops.
- 2. Outgoing Training:
  - a) Trustees must complete a minimum of eight hours of training annually.
  - b) Topics include updates on:
    - i. legal and regulatory changes,
    - ii. advanced investment principles,
    - iii. actuarial principles,
    - iv. health care education, and
    - v. risk management and ethics.
  - Delivery Methods:
    - i. In-person or online presentation from Executive Director or consultants.
    - ii. Conferences and symposiums hosted by relevant industry organizations.
    - iii. In-person or online workshops and seminars.
- Tracking and Reporting
  - i. Trustees must submit proof of training completion to the Board's secretary.
  - ii. The Board's secretary will maintain training records and report annually to the Board on the status of trustee training compliance.

## 6. Records Retention Policy

**Purpose:** the purpose of this policy is to establish efficient records management procedures pursuant to applicable law

**Scope:** this policy applies to all employees, to strictly adhere to the State's Public Records Act. It is the policy of this public office that, as required by Ohio law, records will be organized and maintained so that they are readily available for inspection and copy.

### Definitions

- **Records:** Is defined by Ohio Revised Code and generally includes any document on any media, including but not limited to paper and electronic, that is created or received by, or comes under the jurisdiction of a public office and that documents the organization, functions, policies, decisions, procedures, operations, or other activities.
- **Public Record:** is defined by Ohio Revised Code and generally includes all records maintained by or for the City of Cincinnati unless they are specifically exempt from



disclosure under the Ohio Revised Code or their disclosure is prohibited by State or Federal law.

- Public Office: is defined by Ohio Revised Code and generally includes all offices, departments, commissions, and boards of the City of Cincinnati.
- Records Custodian: is defined by Ohio Revised Code and generally defined as that person or persons designated to maintain the records of the public office. The Director, Chief, Chairman, President, or any other person responsible for a public office.
- Retention Period: The duration for which records must be kept before disposal.
- Disposal: The process of permanently deleting or destroying records after their retention period has expired.

## **Responsibilities**

- The Executive Director is responsible for overseeing records retention practices.
- Department Heads must ensure compliance within their respective areas.
- Employees must adhere to the records retention schedule and guidelines.

## **Records Retention Schedule Records will be retained based on the following general categories:**

- Financial Records (e.g., invoices, tax filings) – Generally 7 years, with some permanent
- Member Records (e.g., payroll, benefits) – Generally permanent
- Legal Documents (e.g., contracts, agreements) – Generally permanent
- Operational Records (e.g., policies, procedures) – Generally 7 years
- Electronic Communications (e.g., emails, messages) – Retain for 1 year unless subject to litigation.

## **Record Storage and Security**

- Records must be stored securely, whether in physical or electronic format.
- Access to confidential records should be restricted to authorized personnel.
- Electronic records must be backed up and protected against data breaches.

## **Disposal of Records**

- Records that have surpassed their retention period must be securely shredded (paper) or permanently deleted (electronic).
- Sensitive information must be disposed of in compliance with applicable data protection laws.

## 7. Executive Director Performance Evaluation Policy

**Purpose:** This policy establishes a framework for the evaluation of the Executive Director to ensure accountability, performance alignment with organizational goals, and continuous professional growth.

**Scope:** this policy applies to the Board of Trustees, Finance Director and the Executive Director of the CRS.

### **Evaluation Criteria**

The performance of the Executive Director will be assessed based on the following key areas:

- Leadership, Board Relations, support, communication and Strategic Direction: Alignment with the organization’s mission, vision, and strategic objectives. Effective communication, collaboration, and reporting to the Board of Trustees.
- Financial and Investment Structure/governance: Oversight of financial sustainability, resource management, and operational efficiency.
- Education, support in service delivery: Achievement of program goals and organizational impact.
- Stakeholder Engagement: Relationships with key stakeholders, donors, and community partners.

### **Evaluation Process**

- The Board of Trustees will conduct the performance evaluation annually.
- The evaluation will include input from Board members, key stakeholders, and submitted to the City Finance Director for input into the City annual evaluation of the ED.
- CRS ED, Finance Director and Chair of the Performance Evaluation Committee will meet annually to align and discuss the CRS Board’s annual strategic goals and objectives with the City’s strategic performance metrics for the CRS ED.
- The Finance Director, in conjunction with the ED, will provide the CRS Board with the annual performance metrics related to the CRS organization.
- Formal complaints about the ED should be brought to the attention of the Board.

### **Evaluation Methods**

- Board Assessment: Board members will complete a structured evaluation form rating performance in key areas.

- Stakeholder Feedback: If applicable, feedback may be gathered from staff, partners, and other stakeholders.
- Performance Metrics Review: Assessment of key performance indicators and strategic objectives.

## 8. Strategic Objectives Policy

**Purpose:** this Strategic Objectives Policy establishes a framework for defining, implementing, and evaluating the organization's strategic goals to ensure alignment with its mission, vision, and long-term success.

**Scope:** This policy applies to the Board of Trustees and CRS staff which are involved in the planning and execution of strategic objectives.

### **Strategic Objectives Development**

- Strategic objectives must be aligned with the organization's mission and vision.
- Objectives should be Specific, Measurable, Achievable, Relevant, and Time-bound (SMART).
- The Trustees along with the Executive Director are responsible for setting and approving strategic objectives annually.

### **Implementation and Execution**

- Each department must develop action plans to support the achievement of strategic objectives.
- Key performance indicators (KPIs) will be established to measure progress.
- Employees should be made aware of strategic objectives and their role in achieving them.

### **Monitoring and Evaluation**

- Progress on strategic objectives will be reviewed annual as part of the Executive Directors Performance Evaluation.
- Adjustments may be made based on performance data and changing external conditions.
- A formal review will be conducted annually to assess effectiveness and make improvements.

### **Responsibilities**

- The Performance Evaluation Committee oversees the development and implementation of strategic objectives.
- The Executive Director is responsible for aligning departmental goals with CRS Board Strategic objectives.
- Staff are expected to contribute to achieving strategic objectives through their daily work.

## 9. Succession Planning Policy

**Purpose:** this policy ensures continuity of leadership and operational stability by proactively identifying and developing employees for key roles.

**Scope:** Applies to all leadership positions, including executive director and critical operational roles.

### **Objectives:**

- Maintain uninterrupted leadership and operations.
- Develop internal talent to fill key roles.
- Establish clear procedures for both planned and unplanned transitions.

### **Key Principles**

- **Proactive Talent Development:** Identify and mentor potential successors.
- **Emergency Preparedness:** Maintain contingency plans for unexpected departures.
- **Transparent Process:** Ensure fair and merit-based succession decisions.
- **Board Oversight:** The Board of Trustees monitors and approves key succession plans.

### **Roles & Responsibilities**

- **Board of Trustees:** Oversees executive succession planning.
- **Executive Director:** Develops and implements succession strategies.
- **HR Department:** Supports leadership development and maintains talent pipelines.

### **Implementation Process**

1. **Identification of Key Positions:** Define critical leadership and operational roles.
2. **Assessment of Potential Successors:** Conduct regular evaluations of internal candidates.

3. Development Plans: Provide training, mentorship, and cross-functional experiences.
4. Emergency Succession Protocols: Define interim leadership strategies for sudden vacancies.

## 10. Financial Disclosure Policy

**Purpose:** This Financial Disclosure Policy establishes guidelines for the reporting and disclosure of financial interests to promote transparency, accountability, and compliance with applicable laws and regulations.

**Scope:** This policy applies to all Trustees

### **Disclosure Requirements**

- Individuals covered by this policy must disclose any financial interests that may create a conflict of interest with the organization.
- Required disclosures include, but are not limited to, ownership stakes, financial investments, outside employment, and any financial relationships with vendors or clients.
- Disclosures must be made upon election/appointment, biennial, and whenever a material change in financial interests occurs.

### **Confidentiality**

- All financial disclosures will be treated as confidential to the extent allowed by law and used solely for compliance and risk management purposes.
- Access to disclosed information will be restricted to the Executive Director and the City Solicitors office for reviewing and ensuring compliance.

### **Review and Compliance**

- If a conflict is identified, appropriate measures will be taken to mitigate risks, including recusal from decision-making or divestiture of conflicting interests.
- Failure to disclose relevant financial interests may result in disciplinary action, including termination.

### **Biennial Certification**

- Covered individuals must complete and sign financial disclosure statement affirming compliance with this policy.
- Any changes in financial interest must be reported promptly to the City.

## 11. Travel & Expense Reimbursement Policy

**Purpose:** These policies ensure that trustee travel and related expenses are managed responsibly, maintaining the integrity and financial health of the pension plans. The purpose of this policy is to define the reimbursement process for travel-related expenses incurred by trustees while attending board meetings, conferences, training, or other business-related activities essential to the operation of the public pension plan.

**Scope:** this policy applies to all trustees, board members, and designated pension plan staff traveling on approved pension plan business.

### **Approval Process**

- i. **Travel Authorization:** Trustees shall submit to the executive director for any travel related to pension plan activities. The Executive Director will inform the Board of Trustees of any approved travel.
- ii. **Required Information:** Travel requests should include the purpose of the trip, estimated expenses, and travel dates.
- iii. **Budget Limits:** Travel expenses should be within the allocated annual budget for trustee activities.

### **Reimbursable Expenses**

- i. **Transportation**
  - **Airfare:** Economy class is the preferred option. First-class travel is only allowed under special circumstances with prior approval.
  - **Ground Transportation:** Taxi, ride-share services (e.g., Uber, Lyft), or car rentals for necessary travel.
  - **Parking and Tolls:** Reimbursed when necessary for business travel.
- ii. **Lodging**
  - Reimbursement for hotel accommodations is allowed at the standard or mid-range hotel rates. Luxury accommodation is not reimbursable unless pre-approved for special circumstances.
- iii. **Meals**
  - Trustees may be reimbursed for meals while traveling. A daily meal allowance may be provided or individual meal expenses may be reimbursed with receipts.

iv. Conference Fees:

- The cost of attending pension-related conferences, seminars, or training programs will be reimbursed, provided they align with the plan's strategic goals and fiduciary duties.

**Documentation and Reimbursement Process**

- Expense Report Submission: Trustees must submit a completed travel expense report along with receipts within 30 days of returning from the trip.

## 12. Whistleblower Policy

**Purpose:** This Whistleblower Policy is designed to provide a process for employees, contractors, and other stakeholders to report concerns regarding unethical, illegal, or fraudulent activities within the organization without fear of retaliation.

**Scope:** This policy applies to all board members, city employees, officers, directors, contractors, and any third parties associated with the organization.

In Ohio, state employees are protected under the Ohio Whistleblower Protection Act, which safeguards individuals who report violations of state or federal statutes, rules, or regulations from retaliatory actions. This act encourages the reporting of wrongful activities by ensuring that employees can disclose information without fear of retribution.

CRS has established an Ethics Policy to guide the conduct of its board members and employees. This policy emphasizes the importance of ethical behavior and compliance with applicable laws and regulations. While the policy does not explicitly detail whistleblower procedures, it underscores CRS's commitment to maintaining integrity within the organization.

### Ohio Whistleblower Protection Act

In Ohio, the Whistleblower Protection Act (Chapter 4113 of the Ohio Revised Code) safeguards employees who report violations of state or federal statutes, rules, or regulations from retaliatory actions. This act encourages the reporting of wrongful activities by ensuring that employees can disclose information without fear of retribution.

The Office of Ethics & Good Government, created by City Council Ordinance No. 413-2021, oversees the "Ethics, Fraud, Waste & Abuse" Hotline and investigates complaints. This office aims to support a culture of compliance in ethics and conflicts of interest within the city.

For more information or to report a concern, you can contact the Office of Ethics & Good Government at 513-352-4519 or via email at [Ethics@cincinnati-oh.gov](mailto:Ethics@cincinnati-oh.gov).



## APPENDIX

### F. Definitions

The terms used in this Governance Manual are as defined below unless the context clearly requires a different meaning. Any conflict between terms used herein with the CMC, CAC, or CSA shall be resolved in favor of the CMC, CAC, or CSA, as applicable.

1. "Accumulated Contributions" shall mean the sum of the contributions deducted from the compensation of a Member and credited to the Member's retirement account, or transferred from another retirement system, or paid for by the Member to purchase Creditable Service, together with Regular Interest thereon as provided in Section 203-1-R. See CMC 203-1-A.
2. "Annuity" shall mean payments for life derived from the accumulated contributions of a member. All annuities shall be paid in equal monthly installments. CMC 203-1-A1.
3. "Active Member" shall mean any Employee who is a Member of the Retirement System. CMC 203-1-A2.
4. "Average Highest Compensation" shall mean the average annual compensation or salary paid to a Member during the Member's most highly compensated period of the designated number of consecutive years of service. CMC 203-1-A3.
5. "Beneficiary" shall mean any person designated by a Member, in writing and filed with the Board for the purpose of distributing benefits payable under Sections 203-45, 203-47, and 203-63(b) and (f) of the CMC. CMC 203-1-B.
6. "Board" shall mean the board of trustees of the retirement system provided in Article XV, Section 1 of the CAC. CMC 203-1-B1.
7. "Board Member" shall mean any member of the CRS Board.
8. "City" shall mean the city of Cincinnati, state of Ohio. CMC 203-1-C.
9. "Collaborative Settlement Agreement" shall mean the Collaborative Settlement Agreement entered into on May 7, 2015 in Sunyak, et al., v. City of Cincinnati, et al. (the City of Cincinnati Pension Litigation), Case: 1:11-cv00445-MRB in the United States District Court, Southern District of Ohio, Western Division. CMC 203-1-C4.
10. "Council" shall mean the council of the city of Cincinnati. CMC 203-1-C1.
11. "Creditable Service" shall mean the sum of a Member's Membership Service, purchased prior CRS service, military service, or transferred service from another Ohio state retirement system. CMC 203-1-C2.
12. "CRS Executive Director" shall mean the employee of the CRS Retirement Division who oversees and manages the CRS Retirement Division and staff. The CRS Executive Director is evaluated by the Board and is managed by the City Manager.
13. "Current Employees Class" shall mean all persons who (a) participated in the CRS with at least five years of Creditable Service on July 1, 2011 and (b) were actively employed or otherwise qualified for benefits on July 1, 2011, and (c) are Members of Group C, Group D, Group E, or Group F, as defined under Section 203-1-M1(b), (c), (d), and (e). In addition, the dependents and/or surviving beneficiaries of any Current Employees Class Member who is entitled to retirement benefits subject to the Collaborative Settlement Agreement shall be included in the Current Employees Class. CMC 203-1-C3.

14. "Deferred Retirement Option Plan (DROP)" shall mean the program, created by the CSA, and only eligible for members who are protected under the CSA, for members who have reached at least thirty years of service to voluntarily enter into an agreement that the member will retire within five years of entering the program in exchange for an additional 401-A account to be opened in their name in which bi-weekly employee contributions, a selected monthly pension payment amount, and quarterly interest accrue. The account is disbursed to the member upon retirement. CSA §21.
15. "Deferred Vested Member" shall mean a Member who (i) is not an Active Member, (ii) has contributions on deposit with the Retirement System; (iii) is vested, and (iv) is not currently eligible for a Service Retirement Allowance. CMC 203-1-D.
16. "Disability Retiree" shall mean a Member receiving a disability retirement allowance under Section 203-41. CMC 203-1-D2.
17. "Employee" shall mean any officer, servant or employee of the City, not elected, but shall not include officers and employees who receive no salary. CMC 203-1-E.
18. "Employer" shall mean the employer of an Active Member described in Section 203-1-A2 of the CMC. CMC 203-1-E1.
19. "Financial Disclosure Statement" shall mean the Plan's financial disclosure form which each Board Member is required to file with the Plan on an annual basis.
20. "Governance Manual" or "Manual" shall mean this Governance Manual.
21. "Groups A and B" shall mean any Member who has retired under the Plan prior to July 1, 2011. "Group C" shall mean any Member who, as of June 30, 2011, was an Active Member or a Deferred Vested Member and has either completed at least thirty years of service, or reached age sixty and completed at least five years of service, regardless of the Member's Retirement date. "Group D" shall mean any Member who, as of June 30, 2011, was either: An Active Member and who, during the period beginning on July 1, 2011 and ending on December 31, 2013, both: Retired, and either completed at least thirty years of service or reached age sixty and completed at least five years of service; or a Deferred Vested Member and who, regardless of the Member's Retirement date, during the period beginning on July 1, 2011 and ending on December 31, 2013, either completed at least thirty years of service, or reached age sixty and completed at least five years of service. "Group E" shall mean any Member who, as of June 30, 2011, was an Active Member and who: During the period beginning on July 1, 2011 and ending on December 31, 2013, either: Completed at least thirty years of service, or reached age sixty and completed at least five years of service, and (ii) retired after January 1, 2014. "Group F" shall mean any Member whose most recent membership enrollment date was prior to January 1, 2010, and who is not in Groups A through E. "Group G" shall mean any Member whose most recent membership enrollment date is on or after January 1, 2010, or a Retiree of the Cincinnati Retirement System who is receiving a Service Retirement Allowance and is re-employed on or after April 1, 2013 pursuant to CMC Section 203-137. CMC 203-1-M1. "Inactive Member" shall mean a Member who has contributions on deposit with the Retirement System but is not an Employee and is not vested. CMC 203-1-I1.
22. "IRC" means the Federal Internal Revenue Code of 1986, as amended from time to time. Reference to a section of the IRC includes all regulations that are issued by the United States Department of the Treasury, revenue rulings of the Internal Revenue Service, and decisions of any court of competent jurisdiction that are lawful and pertinent to the

- interpretation, application or effectiveness of such section with respect to the status of the Retirement System as a tax-qualified plan under IRC Section 401(a). CMC 203-1-I.
23. "Medical director" shall mean the physician provided for in Article XV, Section 6, of the administrative code. CMC 203-1-M.
  24. "Member" shall mean any person enrolled in the membership of the Retirement System as provided in CMC Section 203-3. Membership in the Retirement System is terminated by the death of the Member or by the withdrawal of the Member's Accumulated Contributions as provided in CMC Section 203-11. Except for Inactive Members and Members who were Deferred Vested Members on July 1, 2011, effective on and after July 1, 2011, Members shall be designated a Member in one of the Groups as defined herein. For purposes of determining the group in which a Member is placed, years of service will include only service earned through June 30, 2011, or service credited pursuant to a service purchase through June 25, 2011. CMC 203-1-M1.
  25. "Membership Service" shall mean service as an Employee since last becoming a Member and such other service rendered subsequent to August 1, 1931, for which credit is allowed under the provisions of CMC Chapter 203. Membership Service shall include purchased Contract Service as provided for in CMC Section 203-23, Creditable Military Service purchased under CMC Section 203-27, USERRA service established under CMC Section 203-27A, Military Service Credit Prior to Membership purchased under CMC Section 203-28, and purchase of Prior Withdrawn Retirement System Service as provided for in CMC Section 203-29. Membership Service shall not include any purchase of Prior Service Credit from Eligible System under CMC Section 203-7-A, any Out of State or Federal Service Credit purchased under CMC Section 203-7-B, any Unpaid Authorized Leave of Absence Service Credit purchased under CMC Section 203-7-C, or State Retirement System Service Credit obtained under CMC Section 203-8. CMC 203-1-M3.
  26. "Optionee" shall mean a person designated, in writing and filed with the Board, by the Member at the time of the Member's Retirement, to receive a reduced allowance under CMC Section 203-63. CMC 203-1-O.
  27. "Out of State and Federal Service Credit" means the total amount of creditable service that a member becomes entitled to by purchasing such creditable service under this Retirement System pursuant to CMC Section 203-7-B. CMC 203-1-S3.
  28. "Pension" shall mean payments for life derived from the money provided by the employer. All pensions shall be paid in equal monthly installments. CMC 203-1-P.
  29. "Pensioner" shall mean a person receiving a monthly allowance under CMC Chapter 203. CMC 203-1-P5. "Quorum" shall mean the minimum number of Board or committee members that must be present at a meeting to transact business.
  30. "Retirement" shall mean the separation from service of an Active Member who is eligible for the receipt of a Service Retirement Allowance on or after their last day of employment service, and has applied for and submitted all required documentation to the Cincinnati Retirement System. CMC 203-1-R1.
  31. "Retiree" shall mean a person who was formerly employed by the City and who is receiving a Service Retirement Allowance. "Retiree" does not include any person who is receiving a disability retirement allowance as provided under CMC Section 203-41. CMC 203-1-R5.
  32. "Retirees Class" shall mean all persons who (a) were formerly employed by the City of Cincinnati, the University of Cincinnati, the University Hospital f/k/a General Hospital

and Hamilton County, (b) retired on or before July 1, 2011, and (c) have received retirement benefits under the Retirement System, and their dependents and/or their surviving beneficiaries who are entitled to those benefits under CMC Chapter 203. CMC 203-1-R6.

33. "Retirement System" shall mean the retirement system for employees of the city of Cincinnati as provided for by Article XV of the Administrative Code. CMC 203-1-R3.
34. "Service" shall mean service as an employee as described in CMC Section 203-1-E and paid for by the city and military service for which the city has made pension and annuity contributions on behalf of the employee. CMC 203-1-S.
35. "Service Retirement Allowance" shall mean the sum of the annuity and the pension. CMC 203-1-S5.
36. "State Retirement System" shall include the following Ohio retirement systems: (i) The Public Employees Retirement System ("PERS"), (ii) The State Teachers Retirement System ("STRS"), (iii) The School Employees Retirement System ("SERS"), (iv) The Police and Fire Pension Fund ("PFPF"), and (v) The Highway Patrol Retirement System ("HPRS"). CMC 203-1-S1.
37. "Survivor" shall mean a person receiving survivor benefits under CMC Section 203-49. CMC 203-1-S6.
38. "Termination of Membership" shall mean that membership in the Retirement System shall terminate as follows: (a) On the death of the Member, or (b) if a Member withdraws his or her Accumulated Contributions after leaving City employment. CMC 203-11.
39. "Trustee" shall mean any person appointed or elected to serve as a member of the Board.
40. "Vesting" or "Vested" shall mean the point in time when any Member having completed five years of Creditable Service shall be entitled, upon reaching the requisite age, to a Service Retirement Allowance specified by their Group eligibility rules, provided, however, that the entire Accumulated Contributions of the Member remain to the Member's credit in the Retirement System. CMC 203-33.



City of Cincinnati  
Board of Trustees  
**GOVERNANCE  
MANUAL 2025**

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<https://www.cincinnati-oh.gov/retirement/crs-board-of-trustees/board-meetings-minutes/>



## INTRODUCTION

The Board of Trustees (“Board”) for the Cincinnati Retirement System (“CRS”), is established and governed by the Collaborative Settlement Agreement (“CSA”) (*Sunyak v. City of Cincinnati*, S.D. Ohio, 2016), the Cincinnati Municipal Code (“CMC”), and the Cincinnati Administrative Code (“CAC”). The Board is also governed by applicable Ohio laws and federal statutes, and City regulations such as Administrative Regulations (“AR”). The general administration and responsibility for the proper operation of the retirement system is vested in the Board of Trustees. The Board administers CRS for the benefit of CRS members and has a fiduciary responsibility solely to active and retired members of CRS. The Board has the exclusive authority to govern the CRS Pension Trust Fund and 115 Trust Fund.

The Board is responsible for establishing the investment policy, approving and managing the annual budget and evaluating the Executive Director of the CRS Retirement Division. The CRS Executive Director is responsible for managing employees of the Retirement Division, and administering policy, procedures, and day-to-day operations of the division. The CRS Executive Director is managed by the City Manager.

This Governance Manual incorporates the terms of the CSA, CMC and CAC, and provides guidance for Board matters, procedures, rules and regulations.

This Board Governance Manual is a guide to assist the CRS board in fulfilling its fiduciary responsibilities and to facilitate the organized, efficient and cohesive functioning of the board. This Board Governance Manual is to be provided to all CRS board members.

## I. MISSION STATEMENT AND CORE VALUES

The Board, acting in its fiduciary capacity, is dedicated to seeing that CRS accomplishes its mission.

- 1) Assure Promised Pension and Healthcare Benefits for Current and Future Retirees
- 2) Assist and Support CRS Members in Achieving a Successful Retirement
- 3) Assure CRS Transparency and Accessibility for all Stakeholders

As provided by law, the mission of CRS is to provide retirement security for the City of Cincinnati retired public employees. CRS will accomplish its mission by acting in the best interest of all participants, maintaining the financial security of the Trust fund and the 115 Trust, and by providing exceptional service to members, benefit recipients, and employers.



CRS staff members support this mission statement by exemplifying the following core values: professionalism, integrity, exceptional teamwork and excellence in service.

The Board shall discharge its duties with care, skill, prudence and diligence.

### **Fiduciary Duty**

Board members are trustees of the retirement system funds and, as such, are subject to strict fiduciary standards of conduct. Each member of the Board shall have fiduciary responsibility as defined under the laws of the State of Ohio. The fiduciary responsibility shall be solely to the active and retired members of the CRS.<sup>1</sup> The Board shall discharge its duties with respect to the funds solely in the interest of the Members and their Optionees and Beneficiaries, and for the exclusive purpose of providing benefits to Members, and their Optionees and Beneficiaries, and defraying reasonable expenses of administering the Retirement System.

## **II. OVERVIEW**

### **History**

The Cincinnati City Council established a Retirement System for employees of the City of Cincinnati by the passage of Ordinance No. 412-1931 on June 22, 1931, and the Retirement System became operational on August 1, 1931. This system was established as a defined benefit plan, which serves as a Social Security replacement plan, and provides for retirement benefits, including survivor benefits, based on age, years of service, and wages. The system has been continuously maintained since its establishment and has been modified from time to time in order to define and modify, as appropriate, benefits provided to its Members. The system is overseen by a Board of Trustees, which operates under the provisions of Chapter 203 of the CMC and Article XV of the CAC. CRS is a qualified benefit plan under the laws and regulations set forth in the U.S. Internal Revenue Code.

### **Members of the Board**

The current members of the CRS Board are listed on the CRS Website. Members of the Board may be amended to account for changes in the CRS Board of Trustees.

<sup>1</sup> CSA, 30.iv; CMC 203-65; Polisen v. Mitchell, 2010-Ohio-2615, P21 (as applied to OPERS).



### III. BOARD ORGANIZATION

The CRS Board shall be composed as follows:

- 1) The Board shall have nine Trustees.
- 2) Four Trustees will be appointed by the Mayor.
- 3) Three Trustees will be elected by retired members. Any Trustee of the Board elected by the retired members must be a retired member of the CRS.
- 4) Two Trustees will be elected by employee members. Any Trustee of the Board elected by employee members must be an employee member of the CRS.

Elected trustees shall serve a term of four years. Mayoral appointees are allowed to have terms of any length up to four years as determined by the Mayor.

Board members may serve up to three consecutive four-year terms (maximum of 12 years). After serving three consecutive terms, Trustees will be ineligible for re-election or reappointment for four years. Temporary appointments to elected positions are allowed up to 300 days to fill vacancies on the Board until a new Board member is elected. Board members shall be allowed to maintain their position for up to 180 days after their term expires while awaiting a successor.

Elections must begin at least 120 days prior to the expiration of a Board member's term to avoid delays in appointments.

At least two of the Mayor's appointed Trustees shall have the following qualifications:

- 1) Baccalaureate degree from an accredited college or university in finance, economics, business or other field of study involving financial management; *or*
- 2) A minimum of ten years of experience in pension administration, pension actuarial practice, institutional investment management, employee benefits/investment law, banking, asset/liability management for an insurance company, or university or college professor with a focus on fiduciary or trust fund law or a quantitative background in financial theory or actuarial math.

Residency shall not be considered as a qualification for any appointed Trustee. No more than two current or former elected City officials shall be eligible to simultaneously serve as Trustees.



## IV. BOARD MEMBER RESPONSIBILITIES

### **Board Responsibilities shall include:**

- 1) The Board shall take action to preserve the status of the retirement system as a qualified plan under Section 401(a) of the Internal Revenue Code.
- 2) The Board is empowered to direct the payment of the expenses of administering the retirement system from the assets of the trust fund, subject to law.<sup>2</sup>
- 3) The Board shall be responsible for determining and approving the CRS budget and all components in a timely fashion. Any deposits, expenditures, transfers, loans, or withdrawals for the CRS Pension Fund, the 115 Trust, or staff funds that were not identified by category in the annual budgets of the CRS and the City must be approved by a vote of two-thirds of the Trustees present. All such actions shall be included and identified as a line item in the budget which shall be approved annually by the Board by a two-thirds vote of those present.<sup>3</sup>
- 4) The Board shall administer the CRS solely for the benefit of the members of the CRS. The Board shall have the exclusive authority to govern the CRS Pension Trust Fund and the 115 Trust FundC, subject to the terms and provisions of the Internal Revenue Code, the CSA and the Consent Decree issued by the United States District Court, , the CMC, the CAC, and City and Board policies, provided that, in the event of any conflict, the document or authority shall control in the order listed herein.<sup>4</sup>
- 5) The Board shall be the trustee of the fund created by CMC §203 and shall have full power to invest and reinvest the moneys and other assets of such fund subject to the terms, conditions, limitations and restrictions set forth in CMC §203.<sup>5</sup>
- 6) An investment committee consisting of members of the Board shall be appointed by the Chair.<sup>6</sup>
- 7) Board shall establish and maintain an Investment Policy.
- 8) The Board and other fiduciaries shall discharge their duties with respect to the funds solely in the interest of the Members and their Optionees and Beneficiaries; and for the exclusive purpose of providing benefits to Members, and their Optionees and Beneficiaries and defraying reasonable expenses of administering the Retirement System. The foregoing shall not prohibit a return of City or Member contributions made under a mistake of fact or law, to the extent permitted under IRC Section 401(a)(2).<sup>7</sup>

<sup>2</sup> CMC §203-65, 203-66

<sup>3</sup> CSA, 30.viii

<sup>4</sup> CSA, 30.iv

<sup>5</sup> CMC §203-65

<sup>6</sup> CMC §203-65

<sup>7</sup> CMC §203-65

## IV. BOARD MEMBER RESPONSIBILITIES CONT'D.

**The Board and its members shall abide by the following standards of care as described in the Investment Policy statement:<sup>8</sup>**

- 1) The Board shall invest and manage the fund assets as a fiduciary would, by considering the purposes, terms, distribution requirements, and other circumstances of the Retirement System. In satisfying this requirement, the Board shall exercise reasonable care, skill and caution.<sup>9</sup>
- 2) The Board shall make a reasonable effort to verify facts relevant to the investment and management of fund assets.<sup>10</sup>
- 3) The Board's investment and management decisions (including investment management delegation) shall not be evaluated in isolation, but in the context of the fund portfolio as a whole and as part of an overall investment strategy having risk and return objectives reasonably suited to the Retirement System.<sup>11</sup>
- 4) The Board may enter into a bank custody or master trustee relationship, hold securities in nominee name, authorize the lending of securities for the purpose of earning additional income, and authorize the writing of options on owned securities. To facilitate investment of the funds, the Board may establish a partnership, trust, limited liability company, corporation, including a corporation exempt from taxation under 26 U.S.C. §§ 1 et seq., as amended, or any other legal entity authorized to transact business in this state.<sup>12</sup>
- 5) The Board may hire competent outside investment manager(s) and may delegate to such investment manager(s) its power to invest and reinvest as provided herein. The Board may require from investment manager(s) appropriate information to ensure the disinterested character of its recommendations and to ensure disinterested advice on the continued holdings of securities recommended. If investment manager(s) have been hired by the Board in accordance with the provisions of this section, no member of the Board shall be liable for acts or omissions of such investment manager(s), or be under any obligation to invest or otherwise manage any asset of the Retirement System which is subject to the management of such investment manager(s).<sup>13</sup>
- 6) The Board shall exercise reasonable care, skill and caution in doing all of the following:
  - a) Selecting an investment manager;
  - b) Establishing the scope and terms of the delegation consistent with the purposes and terms of the Retirement System

<sup>8</sup> CMC §203-65

<sup>10</sup> CMC §203-65

<sup>12</sup> CMC §203-65

<sup>9</sup> CMC §203-65

<sup>11</sup> CMC §203-65

<sup>13</sup> CMC §203-65

#### IV. BOARD MEMBER RESPONSIBILITIES CONT'D.

and the fund; *and*

c) Periodically reviewing the actions in order to monitor the investment manager's performance with the terms of the delegation.<sup>14</sup>

7) The Board shall, in the process of selecting an investment manager, consider qualified Cincinnati investment managers, provided, however, that while consideration shall be given to such qualified Cincinnati investment managers, the Board must continue to act as a fiduciary in its selection of an investment manager. The Board shall also make public, on an annual basis, the list of investment managers used by the CRS during that period. An investment manager shall be deemed a "qualified Cincinnati investment manager" if the investment manager possesses each of the following:

a) A material investment manager business presence in Cincinnati, Ohio;

b) Past and/or future firm commitment or involvement in the Cincinnati, Ohio community, prior to and/or throughout the period in which the investment manager shall manage the fund assets;

c) Compliance with the CRS Statement of Investment Policy approved by the Board, including the Investment Manager Selection Policy; *and*

d) The investment manager has a minimum of Two Billion Dollars and 00/100 (\$2,000,000,000) in assets under its management at the time it submits its request to present a proposal to the Board to manage the fund assets. This section does not apply to Alternative Investments as determined by the Board.<sup>15</sup>

8) The Board shall have authority to impose upon the investment manager, pursuant to the contract with such manager, a standard of care that exceeds the standard of care imposed upon a fiduciary under applicable law. An investment manager appointed by the Board shall exercise reasonable care to comply with the terms of its investment management contract. The foregoing provisions of this section providing for the delegation of investment functions are intended to implement the provisions of Section 5808.07 of the Ohio Revised Code in the context of the Retirement System and shall be construed in a manner that is consistent with the requirements of such section.<sup>16</sup>

<sup>14</sup> CMC §203-65

<sup>15</sup> CMC §203-65

<sup>16</sup> CMC §203-65

## IV. BOARD MEMBER RESPONSIBILITIES CONT'D.

### 9) Prohibited Transactions:

- a) Except as set forth in division b) below, the Board shall not perform any of the following actions to a party in interest:<sup>17</sup>
  - i. Lend any part of its income or corpus, without the receipt of adequate security and a reasonable rate of interest;
  - ii. Pay any compensation, in excess of a reasonable allowance for salaries or other compensation for personal services actually rendered;
  - iii. Make any part of its services available on a preferential basis;
  - iv. Make any substantial purchase of securities or any other property, for more than adequate consideration in money or money's worth;
  - v. Sell any substantial part of its securities or other property, for less than an adequate consideration in money or money's worth; *or*
  - vi. Engage in any other transaction which results in a substantial diversion of its income or corpus.
- b) For purposes of subsection (a)(i) above, a bond, debenture, note, or certificate or other evidence of indebtedness (hereinafter in this section referred to as "obligation") of the City shall not be treated as a loan made without the receipt of adequate security if:<sup>18</sup>
  - i. Such obligation is acquired:
    - a) On the market, either at the price of the obligation prevailing on a national securities exchange which is registered with the Securities and Exchange Commission; or if the obligation is not traded on such a national securities exchange, at a price not less favorable to the trust than the offering price for the obligation as established by current bid and asked prices quoted by persons independent of the issuer;
    - b) From an underwriter, at a price not in excess of the public offering price for the obligation as set forth in a prospectus or offering circular filed with the Securities and Exchange Commission; and at which a substantial portion of the same issue is acquired by person independent of the issuer; *or*

<sup>17</sup> CMC §203-66

<sup>18</sup> CMC §203-66



## IV. BOARD MEMBER RESPONSIBILITIES CONT'D.

- c) Directly from the issuer, at a price not less favorable to the trust than the price paid currently for a substantial portion of the same issue by persons independent of the issuer.
  - ii. Immediately following acquisition of the obligation:
    - a) Not more than 25% of the aggregate amount of obligations issued in such issue and outstanding at the time of acquisition is held by the trust; *and*
    - b) At least 50% of the aggregate amount referred to in subsection (a) is held by persons independent of the issuer; *and*
  - iii. Immediately following acquisition of the obligation, not more than 25% of the assets of the trust are invested in obligations of persons described in division (d).
- c) Except as otherwise provided herein, the Board shall not purchase or sell any securities from, to or through any party in interest. The Board shall not hire an investment manager who is a party in interest.<sup>19</sup>
- d) For purposes of this section, the term “party in interest” shall include the following:<sup>20</sup>
  - i. The City of Cincinnati;
  - ii. A member of the Board;
  - iii. An elected or appointed official, an officer who is appointed with the consent of the council of the City of Cincinnati, or any department or division head;
  - iv. A relative of a person described in subsections (ii) or (iii);
  - v. A corporation, partnership or other legal entity that is controlled by the City of Cincinnati;
  - vi. A corporation, partnership or other legal entity in which a person described in subsections (ii), (iii), or (iv) has a stock, capital or profits interest of three percent or more.
- e) For purposes of this section, the term “relative” shall include a spouse, lineal ascendants, lineal descendants, and spouses of lineal descendants.<sup>21</sup>
- f) The foregoing restrictions are intended to comply with the requirements of Federal Internal Revenue Code, 26 U.S.C. § 503(b) and (e), and shall be construed and interpreted accordingly.<sup>22</sup>

<sup>19</sup> CMC §203-66

<sup>20</sup> CMC §203-66

<sup>21</sup> CMC §203-66

<sup>22</sup> CMC §203-66

# INTRODUCTION

The Board of Trustees (“Board”) for the Cincinnati Retirement System (“CRS”), is established and governed by the Collaborative Settlement Agreement (“CSA”) (*Sunyak v. City of Cincinnati*, S.D. Ohio, 2016), the Cincinnati Municipal Code (“CMC”), and the Cincinnati Administrative Code (“CAC”). The Board is also governed by applicable Ohio laws and federal statutes, and City regulations such as Administrative Regulations (“AR”). The general administration and responsibility for the proper operation of the retirement system is vested in the Board of Trustees. The Board administers CRS for the benefit of CRS members and has a fiduciary responsibility solely to active and retired members of CRS. The Board has the exclusive authority to govern the CRS Pension Trust Fund and 115 Trust Fund.

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As provided by law, the mission of CRS is to provide retirement security for the City of Cincinnati retired public employees. CRS will accomplish its mission by acting in the best interest of all participants, maintaining the financial security of the Trust fund and the 115 Trust, and by providing exceptional service to members, benefit recipients, and employers.

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CRS staff members support this mission statement by exemplifying the following core values: professionalism, integrity, exceptional teamwork and excellence in service.

The Board shall discharge its duties with care, skill, prudence and diligence.

## Fiduciary Duty

Board members are trustees of the retirement system funds and, as such, are subject to strict fiduciary standards of conduct. Each member of the Board shall have fiduciary responsibility as defined under the laws of the State of Ohio. The fiduciary responsibility shall be solely to the active and retired members of the CRS.<sup>1</sup> The Board shall discharge its duties with respect to the funds solely in the interest of the Members and their Optionees and Beneficiaries, and for the exclusive purpose of providing benefits to Members, and their Optionees and Beneficiaries, and defraying reasonable expenses of administering the Retirement System.

## History

The Cincinnati City Council established a Retirement System for employees of the City of Cincinnati by the passage of Ordinance No. 412-1931 on June 22, 1931, and the Retirement System became operational on August 1, 1931. This system was established as a defined benefit plan, which serves as a Social Security replacement plan, and provides for retirement benefits, including survivor benefits, based on age, years of service, and wages. The system has been continuously maintained since its establishment and has been modified from time to time in order to define and modify, as appropriate, benefits provided to its Members. The system is overseen by a Board of Trustees, which operates under the provisions of Chapter 203 of the CMC and Article XV of the CAC. CRS is a qualified benefit plan under the laws and regulations set forth in the U.S. Internal Revenue Code.

## Members of the Board

The current members of the CRS Board are listed on the CRS Website. Members of the Board may be amended to account for changes in the CRS Board of Trustees.

<sup>1</sup> CSA, 30.iv; CMC 203-65; *Poliseno v. Mitchell*, 2010-Ohio-2615, P21 (as applied to OPERS).



CRS Board Performance Evaluation of Exec. Dir. Form, 2024-2025 Performance Period		
Performance Rating Period: 7/12/2024 - 7/11/2025		
Rating Scale: 1 - 3. 1 = Does not meet expectations; 2 = Meets expectations; 3 = Exceeds expectations		
Essential Values		
	Quality Rating	
Acts with Integrity, Ethics & Accountability	2.9	<p>Dir. Salstrom shows integrity through his thoughtful responses and accountability through meeting his commitments and being clear about factors that delay or redirect priorities.</p> <p>Jon takes his responsibilities and fiduciary role seriously. He puts members' needs first and centers his decisions accordingly.</p> <p>Jon displays a sincere commitment to serving CRS participants.</p> <p>Director demonstrated a commitment to a member focus and is honest, open, and transparent in working with the Board.</p>
Communicates Effectively	2.9	<p>Dir. Salstrom has been easy to reach and direct in his messaging. He is clear about whether an answer includes his professional opinion or is based on best practices or a third party research. HE can be relied upon for timely answers and sound advice.</p> <p>Jon responds to all communications and reaches out to seek clarification and input. He prioritizes transparency.</p> <p>Jon is typically timely in his communication to the board. He keeps us apprised of progress on ongoing items and keeps the board informed of issues that arise between meetings.</p> <p>Director generally communicated with the Board in a thorough and timely manner.</p>
Provides Excellent Customer Service	2.9	<p>Dir. Salstrom has carried on the customer service focus that was started by his predecessor. This includes defining the role of a member counselor and improving upon member experience ratings.</p> <p>Prompt and satisfactory response to service needs of members and other stakeholders.</p> <p>Jon is very responsive in providing customer service for trustees when we have questions/concerns.</p> <p>Jon is consistently responsive to my questions and often provides back-up materials for my education.</p> <p>The Board has prioritized stronger customer service and the Director has worked toward improvement.</p>
Relationship Building	2.9	<p>Dir. Salstrom's relationships with the other City offices, including Finance, Budget, Law, and the City Manager's Office have helped the Board get clear answers on complicated questions and have assisted the Board to advocate for its priorities, the most important of which has been to secure an increased employer contribution to the pension fund each year of the director's tenure.</p> <p>Jon's extensive knowledge in his field as well as his friendly style of communication supports building of good, supportive relationships, both within the City organization and with the Board, CRS members, consultants and contractors.</p> <p>As an example, Jon has been helpful in supporting my relationship with Marquette as I get up to speed and as I take on more responsibility on the Investment Committee</p> <p>Director has managed the dual reporting relationships well.</p>
Embraces Change	2.8	<p>Dir. Salstrom has been reasonably open to suggestions to the Board about process changes and future audits. He does not resist change, and in fact embraces it in the best interest of the system.</p> <p>Jon exhibits a can-do mentality which supports managing both big changes and gradual ones effectively.</p> <p>Jon is open and responsive to constructive feedback and suggestions.</p> <p>Director has recommended positive change when needed (e.g., fiduciary audit recommendations) and effectively implemented Board determined changes. (e.g., term limits ordinance)</p>



Attitude	3.0	<p>Dir. Salstrom has shown a positive and cooperative attitude in all of our interactions. He has been welcoming and friendly to new Board members.</p> <p>Consistently positive and kind.</p> <p>Jon's patience and positive demeanor have helped the board work effectively through issues.</p> <p>Jon consistently displays a positive, can-do attitude.</p> <p>Director maintained a positive approach to problem solving.</p>
<b>Core Competencies</b>		
Work Productivity	2.9	<p>Dir. Salstrom updates the Board monthly regarding progress on the list of priority projects. Each month, we can see timely progress and take stock of the director's continued success.</p> <p>Managing the complex, multifaceted operation of CRS is a heavy workload. Jon does exceptionally well keeping up with demand.</p> <p>I am continually impressed by the volume of work that Jon and his team are able to complete between each meeting.</p> <p>Director completed Board-related assignments in a professional and complete manner.</p>
Attendance	2.8	<p>Dir. Salstrom has been present at all of the Board meetings I have attended. He is not only present, but sufficiently prepared to discuss the agenda topics.</p> <p>Consistently attends Board and committee meetings as well as pre-meeting prep activities.</p> <p>Director attended all Board-related meetings and was available for consultation when needed.</p>
Timeliness	2.8	<p>Dir. Salstrom has given a timely response to questions I have asked directly and has also been timely in response to Board priorities.</p> <p>Deliverables are consistently accomplished timely.</p> <p>Director provided information and completed work products in a timely manner.</p>
<b>Supervisory / Leadership Skills</b>		
Provides Leadership, Trains, Motivates and Coaches	2.9	<p>I am pleased with the role the director has taken in Board trainings, in providing context during Board discussions, and in guiding the Board without making decisions in its place.</p> <p>Jon has demonstrated faith in and support of his staff, and has taken care to build a strong organization to carry out the work of the CRS. He supports Board members with training and by being available to answer questions and concerns.</p> <p>This is probably meant more for employees, but Jon has been patient in coaching trustees through complicated issues related to investments/governance/etc.</p> <p>Board related only: Director demonstrated leadership in providing the Board with the resources it needs to make decisions.</p> <p>Cannot fairly rate Jon in this area</p>
Plans and Acts Strategically; Delegates Effectively	2.9	<p>I have seen evidence of the director's strategic thinking, specifically with regard to the implementation of audit-recommended action items.</p> <p>Jon's competence in planning and acting strategically is evidenced by his tracking and accomplishment of Board objectives.</p> <p>Board-related only: Director generally had a strategic perspective in planning and implementing policies and procedures.</p> <p>Cannot fairly rate Jon in this area</p>

**Performance Rating Period: 7/12/24 - 7/11/2025****Executive Director Performance Goals and Objectives****Goal 1 - Provide Board with solid leadership, support, coordination, education and communication.**

Board Objectives	Owner	Target Date	Status	Quality Rating	Comments
Assist the Mayor and Council in filling appointed member Board vacancies; conduct elections process in accordance with Board rules for filling elected trustee vacancies.	Board, Exec. Director	2Q26	Ongoing	3.0	We have a fully staffed Board, in part due to Dir. Salstrom's direct efforts in recruiting. Trustee training has been encouraged and members are attending NCPERS events, largely due to Dir. Salstrom's communication about opportunities and his office's facilitation of training registrations. His monthly reports are well-designed to keep the Board informed.  Jon fulfills his role as the CRS Board Secretary at a level of excellence that enables the Board and its committees to function smoothly and competently. For example, data dashboards provide key essential information for the Board in a format that allows us to more readily comprehend, monitor, and take action on.
Development of data dashboards to provide-key information and ongoing updates to the Board (e.g. Demographics, Benefits, Returns, Risk, Compliance, Liquidity).	Exec. Director	4Q24	Ongoing		The addition of the training schedule has been an improvement in the opportunity set for Trustees to meet their education goals.  Examples: The data dashboards effectively distill complicated material down to what matters most and presents them in a way that is easy to absorb. Jon has provided ongoing education and training in most board meetings. He effectively shepherded the term-limit changes through Council. Jon consistently keeps the board apprised of progress on the Fundston audit recommendations.
Annual trustee training schedule, including training policy and curriculum; monitor and update implementation	Board, Exec. Director	Ongoing	Complete		Director successfully assisted in filling appointed Board vacancies in a timely manner.  Director successfully created and distributed dashboards to inform Board members in areas such as investment returns, liquidity status, budget status, compliance with policies, and member demographics. The dashboards have been well received by the Board.
Keep the Board well-informed about important developments and issues.	Exec. Director	Ongoing	Ongoing		Director has worked with the Board to create a training policy and provides updates on training availability.
					Director has generally kept the Board informed on new developments, concerns, and pending issues.
Investment Committee Objectives	Owner	Target Date	Status		Comments
Make a formal Asset allocation review every 3 years with annual review of market conditions, opportunities and liquidity needs and risks.	Board	1Q26	1Q23 (last review)		Jon's support and leadership undergirds the Board's decisions about investment policy, to the benefit of the CRS members.  Jon's investment background continues to be an asset for Trustees, particularly with complicated topics that those without such an education would have difficulty navigating. He helps to explain these concepts clearly so that all trustees understand.
Quarterly review of Market volatility and Investment risk/concentrations	Board, Exec. Director	Ongoing	2Q25		Director was well-prepared to provide the Investment Committee with information it needed to monitor investments and recommend changes when necessary. Two areas of significance were the updated Investment Policy Statement and the quarterly investment Executive Summary.
Quarterly update on investment return peer ranking	Board, Exec. Director	Ongoing	2Q25		
Review of liquidity	Exec. Director	Ongoing	2Q25		
Monitor investment manager compliance	Board, Exec. Director	Ongoing	2Q25		
Monitoring tolerance bands	Exec. Director	Ongoing	2Q25		
Development of Executive summary from Marquette	Exec. Director	3Q24	Complete		
Development of Manager Selection and Monitoring policy	Exec. Director	4Q24	Complete		
Complete the five-year actuarial experience study; act on recommendations	Board, Exec. Director	2Q28	2Q23 (last report)		

Governance Committee Objectives	Owner	Target Date	Status	Comments
Trustee Training Policy	Board, Exec. Director	3Q24	Complete	The development of a revised Governance manual for the Board is a major accomplishment for the Governance Committee with the support and leadership of Jon.
Enroll retirees in Member Direct to continue the path to paperless	Exec. Director	2Q24	ongoing	Director successfully assisted the Board in obtaining passage of the term limits ordinance which clarified the manner in which Board positions are filled to maintain Board continuity.
Amend Term limits Ordinance	Board, Exec. Director	2Q25	Complete	Director provided City annual financial report information which verified that CRS is a focus of the audit process. This increased confidence for stakeholders that there is an independent financial review annually.
Creation of Audit Committee, possibly from Performance Eval Comm	Board, Exec. Director	1Q26	Review in 2026	Director recommended and the Board approved an external benchmarking review for CRS to assure that best practices are achieved.
Annual Evaluate Fiduciary Governance of 457 Plans	Exec. Director	3Q25	ongoing 3Q24	Director assisted the Board in updating the Governance Manual which assembled into one document CRS policies and procedures. Final Board approval is pending.
Financial Disclosure Policy and Forms	Board, Exec. Director	2Q25	Complete	
Consider if pension staffing resources and capabilities should be improved through Implementation of a member contact center telecommunications system.	Board, Exec. Director	4Q25	Review Annually	
Charter a pension administration cost and performance benchmarking report.	Exec. Director	4Q24	Complete	
Update the documented disaster recovery plan.	Exec. Director	2Q25	Complete	
Benefits Committee Objectives	Owner	Target Date	Status	Comments
Review Horan healthcare plan changes summary	Board, Exec. Director	4Q25	Ongoing	Progress on Benefits Committee objectives is on track as expected.
Horan Audit of Benefits	Exec. Director	3Q25	Ongoing	Director successfully provided healthcare plan updates, benefits audit results, and member survey information so that the Board could make fully informed decisions.
Survey retirees on benefits	Exec. Director	2Q25	Ongoing	
Performance Evaluation Committee Objectives	Owner	Target Date	Status	Comments
2025 Strategic Plan	Board, Exec. Director	1Q25	Complete	Tracking and reporting progress on fiduciary audit recommendations has been clear and consistent, ensuring appropriate action is taken. A majority of recommendations will be completed within the next year.
Annual evaluations of Board contractors	Board, Exec. Director	1Q25 (annually)	Complete	Jon's guidance on the strategic plan greatly assists the trustees in understanding the most important aspects for us to focus on in order to support and improve CRS.
Fiduciary Performance Audit: Review audit and implement Board-approved recommendations	Board, Exec. Director	2Q25	Ongoing	Director successfully worked with the Board to develop the 2025 Strategic Plan.  The evaluation of contractors and status of the fiduciary audit recommendations provided by the Director gave the Board timely monitoring information.

**Goal 2 - Assist Board in developing, updating and documenting a sound investment policy and robust governance structure.**

Board Objectives	Owner	Target Date	Status	Quality Rating	Comments
Annually review the Board's Investment Policy and provide recommended adjustments or changes	Board	1st Quarter	1Q25	2.9	Dir. Salstrom has had a huge list of action items deriving from the Funston Audit, comprising significantly of things related to Board Governance. His work with the Board and the Governance Committee on that list has been noteworthy. Dir. Salstrom has also guided the Board to wait longer terms between making changes to the Investment Policy, such that the Board can fully realize and analyze the most recent changes before adopting new ones.
Aggregate and organize the Board policies from all sources into a Governance Manual	Executive Director	4Q25	Ongoing		Jon has shown strong leadership in these areas, supporting committees and the Board in meeting these objectives.
Within Governance Manual clarify roles and responsibilities for all stakeholders (e.g. admin, staff, trustees, vendors, law)	Exec. Director	Ongoing	Ongoing		Jon's recommendations have been pragmatic and aimed at improving clarity and processes. Jon & staff did a good job of distilling several governing documents into one overarching document.  See above comments on the Governance Manual.  Director successfully assisted the Board in updating the Investment Policy Statement including a statement of Investment Beliefs.

**Goal 3 - Provide information, education, support, assistance and excellent customer services to active and retired members of CRS.**

Board Objectives	Owner	Target Date	Status	Quality Rating	Comments
Complete and publish CRS handbook for active and retired members	Exec. Director	2Q25	Complete	2.6	I am pleased with what has been completed so far. Much of the deliverables in this section are still in the works. There has been a focus on helping active employees understand what benefits they will have at retirement and it's great to see more people gain that understanding.
Evaluate and Redesign CRS website; maintain legacy website with timely information for members.	Exec. Director	4Q25	ongoing		Jon has adjusted staffing and procedures to improve services to CRS members. The handbook is a sorely needed improvement.  The need for website overhaul is longstanding. Although CRS is presently constrained by city's web redesign plans, a more immediate (if temporary) rewriting, reorganizing, and simplifying to create a more intuitive flow for users would be a great service to CRS members.
Identify improvements for member services and communications.	Exec. Director	ongoing	ongoing		It would be great to see the outcome of these projects and the ability that Jon and his team have to implement recommended changes and hear from retirees that that the website redesign is truly an improvement.  Jon has done a good job of compiling the CRS handbook. The staff has been slow to update website of changes in board members and responsibilities.  Director developed and published the new CRS Handbook which provides members and other stakeholders a "one-stop" document that explains CRS.

**Goal 4 - Coordinate activities and communication between the Board, the Board's contractors and City Administration as necessary to accomplish Board's objectives. (C., D., F., H.)**

Board Objectives	Owner	Target Date	Status	Quality Rating	Comments
Work collaboratively with CMO to update City Contribution rate incrementally for 2025	Board, Exec. Director	2Q25	Annual	2.9	We saw another increase to the employer contribution again this year, which is a testament to the cooperative efforts of the Board and the director to advocate for the health of CRS.
Personnel Oversight: Annually work with administration to incorporate Board evaluation of the Executive Director into City's employee review	Board, Exec. Director	3Q25	Ongoing (every July)		I'm really pleased to see that all members of the Board will now have the opportunity to participate in RFP evaluations and note the director's efforts to get that approved.
Work with Administration to- enable CRS Retiree Trustees to serve on RFP Selection Committees	Exec. Director	2Q25	Ongoing		Jon has led the Board to many successes in this area. City Council has demonstrated a new willingness to address the need to increase funding for the pension trust. The changes to the City's procurement rules and processes enable the Board to participate fully in contractor selection. The CRS orientation and annual report, which in the past have been ignored, appear to have gained attention of decision-makers and brought to their attention the seriousness of the financial picture.
Work with Administration to obtain standing exemption for procurement and contracting	Exec. Director	2Q25	Complete		Jon has been an effective bridge between the CRS board and City Administration.
Prepare and present CRS orientation to City Stakeholders (City Mgr, Mayor, V. Mayor, Council Fin. Chair; new Councilmember(s), Budget and Finance Committee)	Board, Exec. Director	Ongoing 2Q annually	Complete		Although not at the employer contribution level recommended by the Board, the Director has worked with the city administration to successfully increase the employer contribution.
Prepare and submit the annual CRS report to City Council	Board, Exec. Director	2Q Annually	Complete		Director has successfully worked with the city administration to increase Board inclusion for CRS vendor selection.
					Director and Chair have successfully provided CRS orientation and status to elected officials to keep them informed about CRS.
					Director and Board successfully completed the CRS Annual Report for 2024 as required by city ordinance.

**Additional or general comments:**

Jon's overall performance exceeds expectations. The Board and CRS department are fortunate that he is at the helm.

It is clear that Jon takes his responsibilities as the Director very seriously and is dedicated to improving the lives of all retirees. In many aspects of his work, he has gone above and beyond what many would deem necessary. The board is better able to make key decisions with Jon's guidance and support. I look forward to seeing what we can all accomplish in the coming year.

I value and appreciate Jon's leadership as the Retirement Director. Jon communicates well with the Board and is always available to assist with answering follow up questions, while responding to inquiries and emails in a timely manner. Jon has worked hard this year in getting Retirement fully staffed.

Jon Salstrum is an excellent Executive Director for the Cincinnati Retirement System. His understanding and guidance to the board has helped the Board understand the different mix of investments that we needed to make in order for the Board to be good stewards of the members funds. Jon has always been willing to respond to the needs of the CRS system. He has taken steps to improve reporting mechanisms to the Board. As a Director, he has taken steps to improve staffing development and cross-training of staff planning for the future of the Department.

I am very pleased to submit my rating for Jon Salstrum at this time.

Evaluation Form Completed by: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_