



City of Cincinnati Retirement System Board of Trustees Meeting

Agenda

**September 12, 2024 / 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
Tom West
Seth Walsh
Aliya Riddle

CRS Staff

Jon Salstrom

Law

Linda Smith

Call to Order

Public Comment

Approval of Minutes

✚ August 1, 2024

Report from Benefits and Performance Evaluation

Informational – Staff Report

- Marquette Investment Report
- Staff Update on Open Positions
- Budget and Operational Update
- 115 Subcommittee Update
- Futures Commissions Update
- Fiduciary Audit Recommendations Update
- Mayoral Trustee Appointment

Old Business

- Survivor Benefits Ordinance
- Term Limits Ordinance
- Points Grid Ordinance
- Annual Report to Mayor & Council

New Business

- Draft Trustee Training Policy
- Trustee Training Manual and Education Annually

Adjournment

Next Meeting: Thursday, October 3, 2024, 2:00 P.M. City Hall Council Chambers and via Zoom

**City of Cincinnati Retirement System
Board of Trustees Meeting Minutes
August 1, 2024 / 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
Tom West
Seth Walsh
Aliya Riddle

Administration

Jon Salstrom

Law

Ian Doig

CALL TO ORDER

Chair Moller called the meeting to order at 2:09 p.m. and a roll call of attendance was taken. Trustees Moller, Gamel, Rahtz, Menkhaus, Morton, West, Walsh and Riddle were present.

PUBLIC COMMENT

No Public Comment.

APPROVAL OF MINUTES

Approval of the minutes of the Board meeting of July 11, 2024, was moved by Trustee Rahtz and seconded by Trustee Morton. The minutes were approved by unanimous roll call vote.

Report from Investment Committee

Chair Moller explained there was a presentation of the Quarterly investment report from Marquette and discussed the current market environment. There was also a presentation from PRIGIM overviewing the real estate market and what they expect in the future. Motion to approve investment and market report, no second needed. The motion was approved by unanimous roll call vote.

Informational – Staff Report

Marquette Investment Report

Chair Moller referenced the Investment Report that is included in the packet.

Staff Update on Open Positions

Director Salstrom explained that there are currently 3 positions being filled; an Accountant position that they are interviewing for next week, an Administrative Specialist that he hoped to schedule the next week, and a Senior Computer Programmer Analyst that's posting that closed the next day.

115 Subcommittee Update

Director Salstrom explained that CRS has met with the Law Department and plan to engage with Ice Miller regarding OPERS.

Futures Commissions Motion Update

Director Salstrom explained that he has not seen any update from the City Administration as far as a report. He anticipates there being an update the following week. Trustee Walsh confirmed that he has not seen or heard of any updates.

Fiduciary Audit Recommendations Update

No update from last meeting. The Governance Report is the Retirement staff's main focus.

Mayoral Trustee Appointments

Director Salstrom explained that next week, at Council, CRS should have a new Mayoral Trustee sent to Council so he will have more to report at the next Board meeting.

Old Business

Survivor Benefits Ordinance

Director Salstrom explained that there is a final version of the ordinance that will be on August 5th Budget & Finance agenda for approval, then will go to Council on August 7th.

Term Limits Ordinance

Trustee Walsh explained that the ordinance is on agenda for Council next week.

Points Gird Ordinance

Director Salstrom explained that there is a final version of the ordinance that will be on August 5th Budget & Finance agenda for approval, then will go to Council on August 7th.

Annual Report Letter to CMO, Mayor & Council

Director Salstrom explained that there is a final version of the report that will be on August 5th Budget & Finance agenda for approval, then will go to Council on August 7th. Chair Moller confirmed with the Board members that this should wait until after the first Council meeting since the agenda is already so long.

Dental RFP

Director Salstrom explained that they have 4 submissions, but they decided to move that back to 8/12 to give everyone a little more time. Horan, the healthcare consultant, will be conducting analysis and provide some feedback.

New Business

None.

Adjournment

Following a motion to adjourn by Trustee Gamel and seconded by Trustee Morton. The Board approved the motion by unanimous roll call vote. The meeting was adjourned at 2:21 p.m.

Meeting video link: <https://archive.org/details/crs-board-8-1-24>

Next Meeting: Thursday, September 12, 2024, at 2:00 p.m. – City Hall Council Chambers and via Zoom

Secretary

DRAFT



Cincinnati Retirement System

City of Cincinnati
Retirement System
Executive Summary
July 31, 2024

Summary of Cash Flows

	Last Month
Beginning Market Value	\$2,325,097,315
Net Cash Flow	-\$10,216,569
Net Investment Change	\$38,811,083
Ending Market Value	\$2,353,691,829

Market Value

	Market Value (\$)	% of Portfolio	Policy %	Policy Difference (\$)
Total Fund Composite	2,353,691,829	100.0	100.0	0
Fixed Income Composite	491,144,974	20.9	22.5	-38,435,688
Private Debt Composite	66,908,199	2.8	6.5	-86,081,770
U.S. Equity Composite	676,679,253	28.7	28.5	5,877,082
Non-U.S. Equity Composite	372,440,720	15.8	16.0	-4,149,973
Volatility Risk Premium Composite	60,676,310	2.6	2.5	1,834,014
Real Estate Composite	153,419,900	6.5	6.0	12,198,391
Infrastructure Composite	251,421,017	10.7	10.0	16,051,834
Private Equity Composite	265,842,758	11.3	8.0	77,547,412
Total Cash Equivalents	15,158,699	0.6	--	15,158,699

Performance

	1 Mo	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception	Inception Date
Total Fund Composite	1.7%	5.1%	6.5%	9.3%	4.3%	8.3%	7.1%	8.8%	May-85
Target Benchmark	1.9%	5.3%	6.7%	9.5%	3.4%	8.1%	7.3%	--	May-85
Actuarial Rate 7.5%	0.6%	1.8%	4.3%	7.5%	7.5%	7.5%	7.5%	7.5%	May-85
Fixed Income Composite	2.1%	5.0%	2.3%	5.7%	-1.5%	1.6%	2.6%	5.0%	Nov-95
Bloomberg US Aggregate TR	2.3%	5.1%	1.6%	5.1%	-2.6%	0.2%	1.6%	4.2%	Nov-95
Private Debt Composite	-0.2%	2.3%	6.7%	11.3%	7.4%	--	--	4.7%	Sep-20
Bloomberg US Aggregate TR	2.3%	5.1%	1.6%	5.1%	-2.6%	0.2%	1.6%	-2.0%	Sep-20
Bloomberg US High Yield TR	1.9%	4.0%	4.6%	11.1%	2.2%	4.2%	4.6%	4.4%	Sep-20
U.S. Equity Composite	2.8%	10.1%	14.8%	19.8%	7.9%	13.2%	11.1%	9.7%	Feb-89
Russell 3000	1.9%	10.0%	15.7%	21.1%	8.1%	14.2%	12.6%	10.9%	Feb-89
Non-U.S. Equity Composite	2.2%	5.3%	8.0%	9.7%	1.9%	6.5%	4.2%	5.9%	May-93
MSCI ACWI ex USA	2.3%	5.2%	8.1%	9.7%	1.8%	6.3%	4.2%	--	May-93
Volatility Risk Premium Composite	0.7%	5.1%	8.0%	10.3%	--	--	--	6.1%	Jan-22
CBOE Put Write Index	1.6%	4.7%	9.1%	9.1%	7.5%	8.2%	7.0%	6.8%	Jan-22
Real Estate Composite	0.1%	0.1%	-2.7%	-8.6%	2.1%	3.7%	6.6%	4.8%	Aug-07
NFI-ODCE	0.0%	-0.4%	-3.2%	-9.4%	0.3%	2.2%	5.4%	3.8%	Aug-07
Infrastructure Composite	0.2%	1.7%	3.2%	7.7%	9.1%	9.2%	7.2%	8.3%	Aug-08
3 Month T-Bill +4%	0.8%	2.3%	5.5%	9.7%	7.3%	6.2%	5.6%	5.0%	Aug-08
Private Equity Composite	0.0%	-0.1%	1.5%	5.3%	6.7%	13.2%	12.3%	8.8%	Jul-93
Burgiss Global All Private Equity	0.0%	0.0%	1.3%	3.7%	3.5%	14.5%	13.8%	15.2%	Jul-93

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Marquette is an independent investment adviser registered under the Investment Advisers Act of 1940, as amended. Registration does not imply a certain level of skill or training. More information about Marquette including our investment strategies, fees and objectives can be found in our ADV Part 2, which is available upon request.

Investment Objectives

Status - Long-term Annualized Return versus Actuarial Assumed Rate of Return

	1Y	3Y	5Y
CRS Fund - Net Return	9.30%	4.30%	8.30%
CRS Actuarial Assumed Rate of Return	7.50%	7.50%	7.50%
Difference	1.80%	-3.20%	0.80%
Status	Above	Below	Above

Status - Long-term Annualized Return versus Passive Index (50% Russell 3000/ 20% MSCI ACWI ex US /30% US AGG)

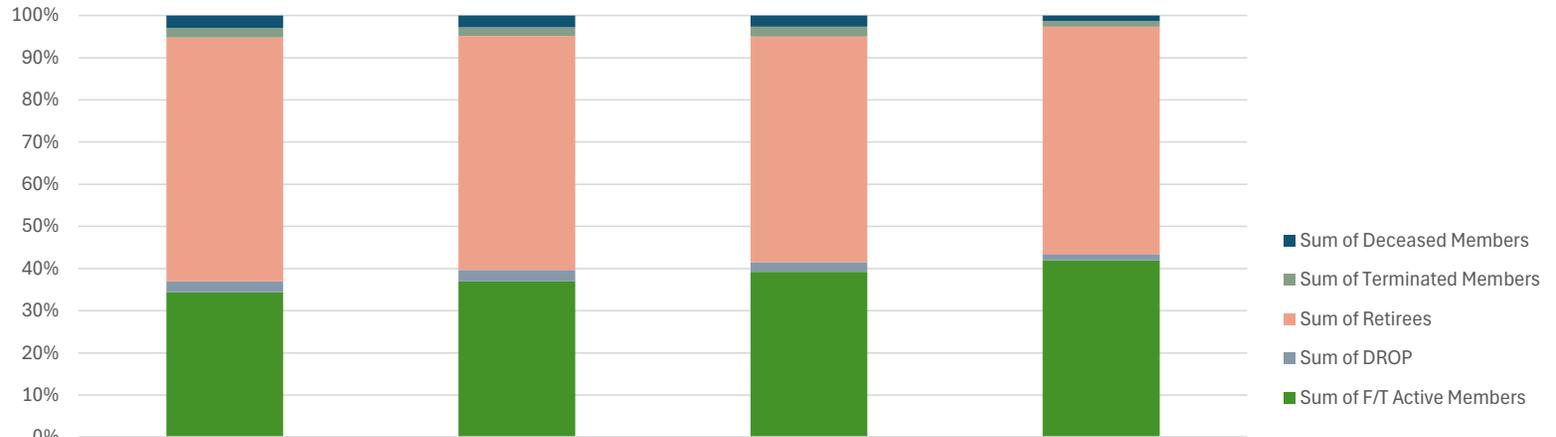
	1Y	3Y	5Y
CRS Fund - Net Return	9.30%	4.30%	8.30%
CRS Passive Index	13.80%	3.70%	8.50%
Difference	-4.50%	0.60%	-0.20%
Status	Below	Above	Below

Status - Long-term Annualized Return versus Policy Index

	1Y	3Y	5Y
CRS Fund - Net Return	9.30%	4.30%	8.30%
CRS Policy Index	9.50%	3.40%	8.10%
Difference	-0.20%	0.90%	0.20%
Status	Below	Above	Above

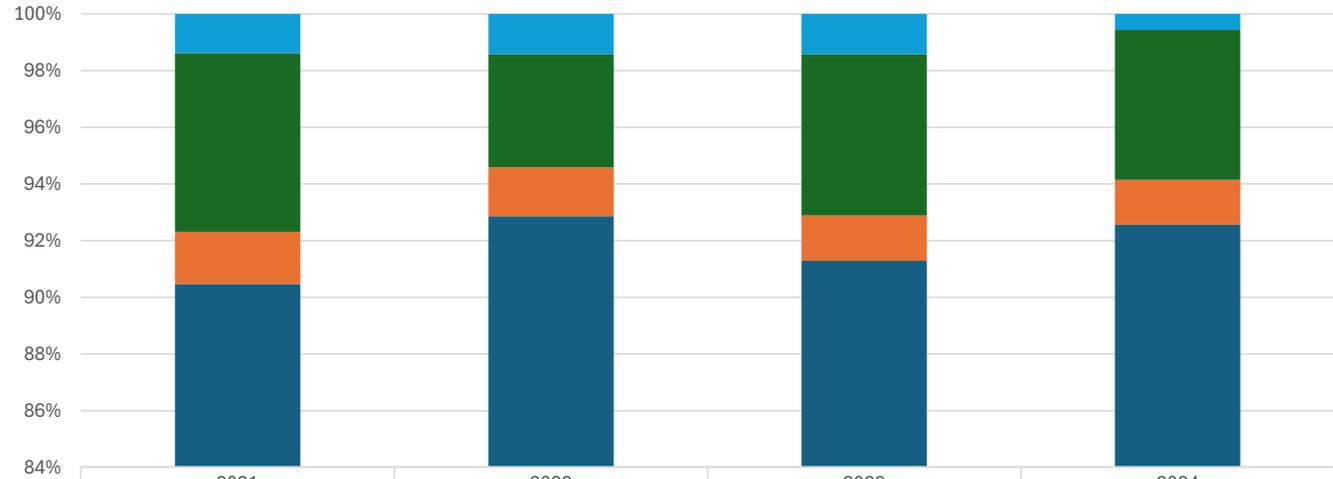


CRS Demographics
(thru 09/01/2024)



	2021	2022	2023	2024
Sum of Deceased Members	213	206	204	97
Sum of Terminated Members	164	156	178	102
Sum of Retirees	4216	4160	4125	4119
Sum of DROP	191	203	176	116
Sum of F/T Active Members	2504	2770	3023	3206

CRS Benefits Paid
(thru 09/01/2024)



	2021	2022	2023	2024
Sum of Refunded/Non-Retirees Benefits Paid	\$2,647,835.99	\$2,694,546.81	\$2,780,272.59	\$819,142.99
Sum of DROP Disbursement Paid	\$12,100,505.14	\$7,603,078.41	\$11,232,153.30	\$7,674,527.93
Sum of Other Benefits Paid (Disability/Survivor/Burial)	\$3,521,886.97	\$3,278,624.36	\$3,134,244.62	\$2,300,930.41
Sum of Retiree Benefits Paid	\$173,504,198.40	\$176,693,255.18	\$179,852,770.72	\$134,249,857.68



Risk Category	Risk Description	Rank	Risk Level	Expected Risk Level Trend	Risk Response	Change	Mitigation Activities	Risk Owner	Reporting and Oversight Committee
Personnel	Ability to attract and retain talented staff; succession planning.	1	High	↔	Mitigate	No Change	CRS has hired additional staff to ensure all CRS functions covered and with trained backup. Implement succession plan for 3 key staff near retirement.	Executive Director	Board of Trustees
Funding	A lack of sound funding for the plan could lead to insufficient assets to pay for long-term benefits and financial obligations.	2	High	↔	Mitigate	No Change	Seek City adoption of incremental contribution rate increase; next step is moving up from 17.75%.	Executive Director	Board of Trustees
Cyber	Cyber security controls could lead to breaches or sabotage of CRS systems. Unauthorized access of confidential information could result in state or federal law violations and harm the best interests of CRS and its members.	3	Medium	↔	Monitor	No Change	Monitor ETS security plans. Evaluate and monitor CRS servers and vendors protocol annually	Executive Director, ETS Director	Performance Evaluation
Market	Market volatility could lead to undesirable investment outcomes due to monthly liquidity needs to pay benefits.	4	Medium	↓	Monitor	No Change	Market volatility should remain elevated until after the elections. Gold and US Dollar to be headwinds to ACWI. Fed funds appear to be moving lower following Fed's Jackson Hole speech.	Executive Director, Marquette	Investment Committee
Counterparty	Business partners or entities are unable to fulfill their obligations or do not complete transactions as agreed upon.	5	Medium	↔	Monitor	No Change	Diversifying manager and vendor exposure to limit counterparty risk. Shift check printing and reconciliation process to 5/3 Bank.	Executive Director	Audit Committee (TBD), Investment Committee
Operational	Event causes a major business interruption, such as late monthly pension payroll. Generally strive to improve efficiencies lowering plan cost and customer satisfaction	6	Medium	↔	Mitigate	No Change	Complete document scanning project, with image to accessible and secure server. Evaluate resilience and efficiency or pension payroll process. Develop continuity of operations plan for CRS pension operations and payroll.	Executive Director	Audit Committee (TBD)
Governance	Not following processes and procedures in decision making.	7	Medium	↔	Mitigate	No Change	Consider creation of Audit Committee. Consolidate Board manual, rules and policies into one document	Board of Trustees	Governance Committee
Physical	Monitor facilities for inadequacies; general facilities management; improve space utilization.	8	Medium	↔	Accept	No Change	Current space is adequate; a physical move was completed recently and would be extremely disruptive now. Improve remote access and redundancies to improve worker flexibility.	Executive Director	Benefits
Compliance	Evaluation of legal, tax and operational compliance variations to the City Solicitors office for review	9	Low	↔	Accept	No Change	The preponderance of current request for review are due to new contracts with investment managers and services providers	Executive Director	Performance Evaluation
Legislative	Legislative events may lead to adverse relations, unfavorable investment and operation policy and/or restricted funding.	10	Low	↓	Monitor	No Change	Conduct regular meetings with Council members, Mayor and CMO.	Board, Executive Director	Board of Trustees

High	Represents immediate risk to the plan. Trustees should be mindful and monitoring regularly for resolution
Medium	Represents concern for the plan. Trustees should determine the appropriate interval for evaluation and monitoring
Low	Represents limited risk to the plan. No plan of action is required.

Investment Strategy and Asset Diversification

1. Following prudent investment strategy by implementing the following:	Completion Date	As of Date	Service Provider
Formal asset allocation study every 3 years	Jan'23	Sept'22	Marquette
Review strategic asset allocation parameters annually	Jan'24	Dec'23	Marquette
Review Investment Policy Statement annually	May'24	May'24	

2. Maintain proper diversification of assets by:	Completion Date	Status	
Fund is within strategic asset allocation limits	Q2'24	Ok	
Investment managers are in compliance	Q2'24	Ok	Marquette
Manager diversification and counterparty risk are reviewed	Q2'24	Ok	

Legal , TAX, Regulatory and Operational

3. Legal, tax and operational review	Completion Date	Status
Monitor pension operations quarterly	Q2'24	Ok
Monitor legal, tax and regulatory quarterly	Q2'24	Ok

4. Monitor administrative budget and Professional service :	Completion Date	Status
Monitor budget and professional services fees quarterly	Q2'24	Ok
Professional services review annually	Q1'24	Ok

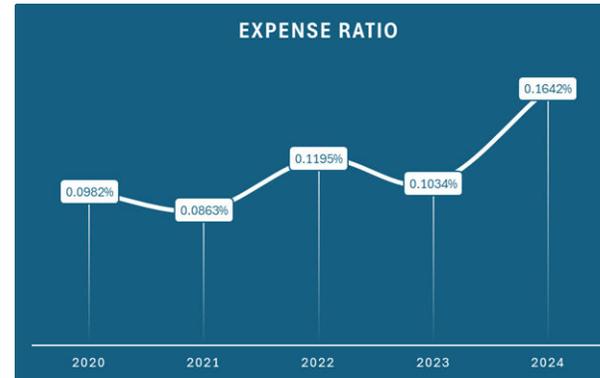
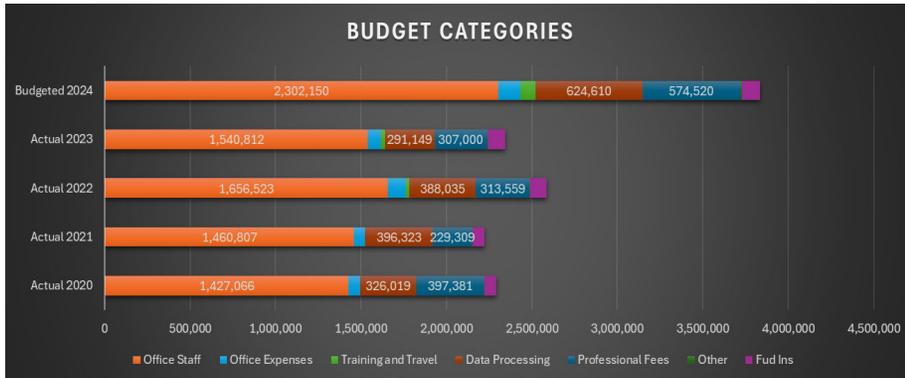
CRS Budget Dashboard

30-Jun-24



Summary

	Actual Q2,2024	50% of Budget	Difference 50% of Budget v	% of Budget Utilized	Budget 2024	Actual 2023	Actual 2022	Actual 2021	Actual 2020
Office Staff	912,509	1,151,075	238,566	40%	2,302,150	1,540,812	1,656,523	1,460,807	1,427,066
Office Expenses	45,189	65,500	20,311	34%	131,000	76,930	104,313	62,767	69,261
Training and Travel	3,661	44,750	41,089	4%	89,500	22,412	23,156	355	425
Data Processing	178,197	312,305	134,108	29%	624,610	291,149	388,035	396,323	326,019
Professional Fees	276,874	287,260	10,386	48%	574,520	307,000	313,559	229,309	397,381
Other	1,720	3,750	2,030	23%	7,500	4,135	3,260	3,175	3,994
Fund Ins	0	53,350	53,350	0%	106,700	99,952	96,959	71,127	67,887
Total Operating Cost	1,418,150	1,917,990	499,840		3,835,980	2,342,390	2,585,805	2,223,863	2,292,033
Member Cost (50% expectation)	112,639,135	117,961,050	5,321,915	48%	235,922,100	222,548,260	216,971,971	221,785,744	200,433,689
Contribution (50% Expectation)	36,486,476	34,584,475	1,902,001	53%	69,168,950	67,373,843	64,443,827	59,941,004	56,566,387
Net Investment Returns (50% Expectation)	115,935,578	76,857,383	39,078,196		153,714,765	251,362,593	(216,487,362)	406,692,091	178,957,178



Funston Performance Audit - Summary of Recommendations

Assignment

		Board	Board, Adm.	Priority	Board	Governance	IC	Staff	Performance evaluation	Audit
<u>1. Legal and Regulatory</u>		Status								
1.1	Improve definition and clarity of roles and authorities of:									
	<ul style="list-style-type: none"> The Board of trustees 	Initiated	X		X					
	<ul style="list-style-type: none"> Board chair 	Initiated	X		X					
	<ul style="list-style-type: none"> Individual trustees 	Initiated	X		X					
	<ul style="list-style-type: none"> City Council and Mayor 	Initiated		X						
	<ul style="list-style-type: none"> City Manager and City Finance Director 	Initiated		X						
	<ul style="list-style-type: none"> CRS Director 	Initiated		X						
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.	Initiated			X					
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.	Initiated			X		X			
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.	Initiated			X		X			
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.	Initiated			X		X			
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.	Initiated			X		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.

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.	Initiated			X		X			
2.2	Develop new policies or formalize current policies and practices for:									
	<ul style="list-style-type: none"> Trustee personal financial disclosures 	Initiated	X							
	<ul style="list-style-type: none"> Board self-evaluation / Board education policy 	Initiated	X							
	<ul style="list-style-type: none"> Funding 	Initiated			X					
	<ul style="list-style-type: none"> Separate investment policy statement for the 115 trust fund that is tailored to its liabilities 	Reviewed	X							
	<ul style="list-style-type: none"> Strategic planning, in coordination with the City 	Initiated			X					
	<ul style="list-style-type: none"> Collection of claims in securities class actions 	Initiated	X							

		Board	Board_Adm.	Priority	Board	Governance	IC	Staff	Performance evaluation	Audit
	• Succession planning, in cooperation with relevant City appointing authorities	Initiated	X							
	• Business continuity and resumption	Initiated	X							
	• Independent governance and benchmarking reviews	Reviewed	X							
	• External communications by Board members	Initiated	X							
	• Due diligence and reporting for referral of service provider candidates by trustees, along with limits on candidate contacts with trustees during an RFP process	Initiated	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.	Not Reviewed Yet	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.	Not Reviewed Yet	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.	Not Reviewed Yet	X	X						
2.8	Formalize a CRS stakeholder communications plan that identifies key stakeholders, communications responsibilities, and messages and objectives.	Not Reviewed Yet	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.	Initiated	X	X						
3. Investment Program and Operations										
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						
4. Pension Operations										
4.1	Clarify the Board's responsibilities and role (or lack thereof) in pension and benefits administration.	Initiated	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.	Not Reviewed Yet	X							
4.4	Charter a pension administration cost and performance benchmarking report.	Not Reviewed Yet	X							
4.5	Consult with its actuary and determine if an adjustment to the investment assumed rate of return should be recommended.	Reviewed		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.	Reviewed	X	X						

5. Administrative Operations

		<u>Board</u>	<u>Board, Adm.</u>	<u>Priority</u>	<u>Board</u>	<u>Governance</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.	Initiated	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.	Initiated	X	X						
5.3	Develop a long-term IT plan that identifies future needs.	Initiated	X							
5.4	Work with the City Enterprise Technology Solutions (ETS) Department to ensure security is adequate and tested.	Initiated	X	X						
5.5	Update the documented disaster recovery plan.	Initiated	X	X						

6. Compliance

6.1	Assign leadership, training, and monitoring responsibilities for compliance to ensure compliance with conflict of interest and ethics policies.	Initiated	X	X						
6.2	Develop a repository of risk-ranked compliance requirements.	Initiated	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.

EMERGENCY

City of Cincinnati

LES

EESW

An Ordinance No. 272

- 2024

MODIFYING the provisions of Chapter 203, "Employees' Retirement System," of the Cincinnati Municipal Code by **AMENDING** Section 203-49, "Survivor Benefits," to implement survivor benefit changes recommended by the Cincinnati Retirement System Board.

WHEREAS, the Cincinnati Retirement System Board ("Board") desires to provide a one-time lump sum survivor benefit payment equal to two-thirds of a deceased active member's current annual rate of pay as reflected in the City's payroll system to be divided equally among the deceased active member's surviving spouse and minor children in lieu of ongoing monthly payments of survivor benefits as currently provided in Chapter 203 of the Cincinnati Municipal Code; and

WHEREAS, currently under certain circumstances a surviving spouse, any minor children, and dependent parents of a deceased active member are entitled to monthly payments, which are adjusted annually for the increase in average hourly earnings as measured by the U.S. Bureau of Labor Statistics; and

WHEREAS, following a review of the current policy related to survivor benefits, the Board has determined that a one-time lump sum payment equal to two-thirds of the deceased active member's current annual rate of pay as reflected in the City's payroll system will not result in an increase of the Cincinnati Retirement System's ("CRS") unfunded liability; and

WHEREAS, due to the administrative burden on CRS staff who must maintain records regarding the deceased active member's surviving spouse until the surviving spouse reaches eligibility age, the Board no longer wants to provide ongoing monthly payments of survivor benefits; and

WHEREAS, the Board voted to provide a one-time lump sum survivor benefit payment equal to two-thirds of the deceased active member's current annual rate of pay as reflected in the City's payroll system to be divided equally among the deceased active member's surviving spouse and minor children in lieu of ongoing payments of survivor benefits, and Chapter 203 must be revised to implement those changes; now, therefore,

BE IT ORDAINED by the Council of the City of Cincinnati, State of Ohio:

Section 1. That existing Section 203-49, "Survivor Benefits," of the Cincinnati Municipal Code is amended to read as follows:

Sec. 203-49. Survivor Benefits.

In the event of the death of an Active Member, including a Member on leave of absence without pay for a period of not more than one year, who was a contributing Member of the Retirement System for at least 18 months prior to death and by reason of whose death no benefit is payable pursuant to Section 203-63(b), there shall be paid to, or on behalf of, such survivors who qualify under the provisions of this section the amounts hereinafter indicated, which amounts shall be in addition to the ordinary death benefit payable pursuant to Section 203-45.

- (a)(1) If an Active Member dies on or before August 31, 2024 and is survived by a spouse, such spouse shall receive a pension payment of \$157.50 per month for life or until remarriage. Such pension payment shall begin on the first day of the month next following the last day for which final compensation is paid for the services of the deceased Active Member if survivor benefits are payable pursuant to paragraph subsection (b)(1) hereof and shall continue to be paid as long as such spouse remains unmarried and survivor benefits are payable pursuant to paragraph subsection (b)(1) hereof. Effective the first of the month next following the 62nd birthday of such spouse, if the deceased Active Member had less than 15 years of Creditable Service, or effective the first of the month next following the 50th birthday of such spouse, if the deceased Active Member had 15 years of Creditable Service or more, such pension payment shall be paid irrespective of any benefits payable pursuant to paragraph subsection (b)(1) hereof. If no benefits are payable pursuant to paragraph subsection (b)(1) hereof, such spouse shall begin to receive the pension payment effective on the first day of the month following the 62nd birthday of such spouse, if the deceased Active Member had less than 15 years of Creditable Service, or effective the first of the month next following the 50th birthday of such spouse, if the deceased Active Member had 15 years of Creditable Service or more.
- (2) If an Active Member dies on or after September 1, 2024, and the Active Member is survived by a spouse, and the Active Member has no natural or adopted minor children, including natural children of the Active Member conceived prior to the Active Member's death, such surviving spouse shall receive a one-time lump sum payment equal to two-thirds of the deceased Active Member's current annual rate of pay as reflected in the city's payroll system.
- (3) If an Active Member dies on or after September 1, 2024, and at the time of the Active Member's death the Active Member is survived by a spouse and the Active Member's natural or adopted minor child or children, including natural children of an Active Member conceived prior to the Active Member's death, the Active Member's surviving spouse and minor children shall receive a one-time lump sum payment equal to two-thirds of the deceased Active Member's current annual rate of pay as reflected in the city's payroll system to be divided equally among the surviving spouse and eligible surviving children. In the event the eligible surviving children are not the natural or adopted children of the surviving spouse, payment shall be made to the parent or guardian of such child or children.
- (b)(1) If an Active Member dies on or before August 31, 2024 and is survived by a spouse and an Retiree's Active Member's natural or adopted minor child or children,

including natural children of an Active Member conceived prior to the Active Member's death, there shall be paid during the life of the surviving spouse to the surviving spouse or to the guardian of such child or children in the event such child or children are not in the custody of the surviving spouse the amount of \$157.50 per month for one eligible child for as long as only one child meets the eligibility requirements hereinafter set forth or the amount of \$270 per month for two or more eligible children, for as long as two or more children meet the eligibility requirements hereinafter set forth.

- (2) If an Active Member dies on or before August 31, 2024 and is not survived by a spouse or if the spouse dies or remarries during the dependency of the Active Member's minor child or children, –there shall be paid to the parent or guardian of such child or children, during the period there is no living spouse, the amount of \$157.50 per month for one eligible child for as long as only one child meets the eligibility requirements hereinafter set forth, the amount of \$315 per month for two eligible children for as long as two children meet the eligibility requirements hereinafter set forth, or the amount of \$427.50 per month for three or more eligible children for as long as three or more children meet the eligibility requirements hereinafter set forth.

~~In case a guardian is appointed for a surviving child by reason of the probate court adjudging such child to be mentally or physically incompetent, the Board may pay the guardian survivor benefits as provided in this section for the use and benefit of such child during the period of incompetency, notwithstanding the fact that such child may be over 18 years of age.~~

For the purpose of computing benefits pursuant to subsection (b) for the death of an Active Member on or before August 31, 2024, A natural child of a deceased Active Member shall be considered eligible for the purpose of computing benefits pursuant to this paragraph from the first of the month next following the child's birth or the death of the deceased Active Member, whichever is the latter date, until such child reaches 18 years of age or marries, whichever occurs first. In the case of a legally adopted child of the deceased Active Member, such child, in addition to the eligibility requirements hereinbefore fixed for a natural child of the deceased Active Member, must in order to be eligible to be considered for the computation of benefits pursuant to this paragraph subsection (b) have received at least one-half of the child's support from the deceased Active Member during the 12 months immediately prior to the death of the deceased Active Member.

- (3) If an Active Member dies on or after September 1, 2024, and at the time of the Active Member's death, the Active Member is survived by an Active Member's natural or adopted minor child or children, including natural children of an Active Member conceived prior to the Active Member's death, and the Active Member is not survived by a spouse, a one-time lump sum payment equal to two-thirds of the deceased Active Member's current annual rate of pay as reflected in the city's payroll system shall be divided equally among the eligible surviving children, which shall be payable to the parent or guardian of such child or children.

(c) If, at the time of an Active Member's death or within 120 days following the Active Member's death, a guardian has been appointed for an adult surviving child by reason of the probate court adjudging such child to be mentally or physically incompetent, there shall be paid survivor benefits in the amount of \$157.50 per month to the guardian for the use and benefit of such child during the period of incompetency, notwithstanding the fact that such child is over eighteen years of age.

(ed) If an Active Member dies on or before August 31, 2024 and is survived by a dependent father or mother, or both, who received more than one-half of their support from the deceased Active Member during the 12 months immediately prior to the death of the Active Member and this fact is established to the satisfaction of the Board within one year after the death of the Active Member, the dependent father or mother, or both, shall receive a pension payment in an amount fixed by the Board which shall not be less than \$112.50 nor more than \$157.50 per month each. If the benefits payable pursuant to this paragraph (ed) together with the benefits payable pursuant to the preceding paragraphs of this section exceed the limitations fixed by paragraph (eh), the benefits payable pursuant to this paragraph (ed) shall be reduced to meet the requirements of paragraph (eh).

If an Active Member dies on or after September 1, 2024, no benefit for a dependent parent is available under this section.

(e) Should any payments be made pursuant to this section to any person in excess of the payments due said person under the terms of this section, ~~either because of the City's inability to determine the income of such person or otherwise,~~ said overpayment shall be deducted from benefits thereafter payable to such person and no further benefits shall be payable to such person until such overpayment is fully recovered. Nothing herein shall be construed to in any way limit the right of the Retirement System to ~~in any way limit to recover overpayments~~ in any other manner provided by law.

(f) Effective January 1, 1999, the monthly benefit amounts detailed in ~~Sections~~ sections (a), (b) and (c) herein, shall be adjusted for the increase in average hourly earnings that has occurred between June 1987 and June 1998 as measured by the U.S. Bureau of Labor Statistics. Effective January 1, 2000, and every January thereafter, monthly benefits will be adjusted based on the increase in average hourly earnings occurring during the immediately preceding July through June period as measured by the U.S. Bureau of Labor Statistics, not to exceed three (3) percent per year.

(dg) For the purpose of this section the following terms shall have the meanings indicated:

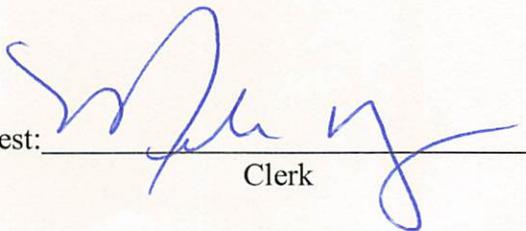
(i) ~~“Widow,” “widower,” “surviving~~ Surviving spouse, ~~“wife” or “husband”~~ shall mean the person legally married to the deceased Active Member on the day of such Active Member's death as evidenced by an undissolved ceremonial marriage and who has, in the opinion of the Board, either lived with the deceased Active Member as spouse immediately prior to the Active

Member's death or has taken care of the children of the Active Member for at least one year immediately prior to the Active Member's death ~~or in the event there is no such person the person, if any, the deceased Member has held out to the public as his or her spouse for at least one year immediately prior to the Member's death and who has been designated by the deceased Member as his or her spouse by written designation duly filed with the Board.~~

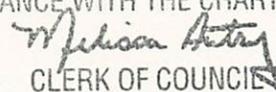
- (ii) "Child" shall mean a natural child, including natural children of an Active Member conceived prior to the Active Member's death, or a legally adopted child.
- (eh) In no event shall more than \$427.50 per month as adjusted according to the terms of ~~the last paragraph~~ of subsection (ef) hereof, be paid pursuant to this section by reason of the death of an Active Member.
- (fi) No person finally adjudged guilty either as a principal or an aider, abettor, or procurer of the aggravated murder (ORC 2903.01), the murder (ORC 2903.02), or the voluntary manslaughter (ORC 2903.03) of an Active Member shall be eligible to receive the benefits payable pursuant to the provisions of this section by reason of the Active Member's death. For the purpose of this section, such person shall be considered as having predeceased the Active Member killed.

Section 2. That this ordinance shall be an emergency measure necessary for the preservation of the public peace, health, safety, and general welfare and shall, subject to the terms of Article II, Section 6 of the Charter, be effective immediately. The reason for the emergency is the immediate need to implement the changes to survivor benefits by the date specified in the amended Section 203-49.

Passed: August 7, 2024

Attest: 
Clerk


Vice Mayor

I HEREBY CERTIFY THAT ORDINANCE NO 272-2024
WAS PUBLISHED IN THE CITY BULLETIN
IN ACCORDANCE WITH THE CHARTER ON 8/20/2024

CLERK OF COUNCIL

New language underscored. Deletions struck through.

City of Cincinnati

LES

EESW/PA

An Ordinance No. _____

- 2024

MODIFYING Article XV, "Retirement System," of the Administrative Code of the City of Cincinnati by **AMENDING** Section 1, "Board of Trustees," to remove the limitation on the terms of board members.

WHEREAS, the Cincinnati Retirement System Board ("Board") desires to remove the limitation on the number of terms which board members may serve in order to provide flexibility and continuity in Board membership and to maintain attendance of a sufficient number of Board members; and

WHEREAS, the Board has voted to remove the limitation on the number of terms that board members may serve; now, therefore,

BE IT ORDAINED by the Council of the City of Cincinnati, State of Ohio, with three-fourths of its members concurring:

Section 1. That Article XV, "Retirement System," of the Administrative Code of the City of Cincinnati is amended to read as follows:

ARTICLE XV. – RETIREMENT SYSTEM

Sec. 1. Board of Trustees.

- a) The general administration and responsibility for the proper operation of the retirement system shall be vested in a board of trustees. The board of trustees shall consist of nine members:
 - i. Four members with qualifications specified in subsection (b) shall be appointed by the Mayor with the advice and consent of Council.
 - ii. Two members, who shall be employee members of the system, shall be elected by deferred members and active members, as defined in Sections 203-1-D and 203-1-A2, who are not currently receiving a retirement benefit.
 - iii. Three members, who shall be retired members of the system, shall be elected by persons who are receiving retirement allowances, optional benefits, or survivor benefits from the system.
- b) At least two of the appointed members of the board shall have the following qualifications:

- i. Baccalaureate degree from an accredited college or university in finance, economics, business, or other field of study involving financial management; or
 - ii. 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 quantitative background in financial theory or actuarial math.
 - iii. The appointed member shall not 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 Cincinnati Retirement System or a beneficiary of the Cincinnati Retirement System shall not constitute a conflict of interest.
 - iv. Residency shall not be considered as a qualification for any appointed member.
 - v. A current or former elected city official appointed as a member of the board pursuant to this section does not have to meet the requirements of subsection b)i and b)ii of this section. No more than two current or former elected city officials appointed as members of the board pursuant to this section shall be eligible to simultaneously serve as members of the board.
- c) Board members shall serve four-year terms, except that:
- i. when the Mayor makes initial appointments to the board under this Article, the Mayor shall appoint two members to serve four-year terms, and two members to serve two-year terms, so that the terms overlap to establish continuity in board membership from year to year.
 - ii. for the initial election of the board members elected pursuant to subsection a)ii of this section, the active employee candidate with the highest vote total shall serve a four-year term and the active employee candidate with the next highest vote total shall serve a two-year term.
 - iii. for the initial election of the board members elected pursuant to subsection a)iii of this section, the two retiree candidates with the two highest vote totals shall serve four-year terms and the retiree candidate with the third highest vote total shall serve a two-year term.
- ~~d) Each board member may serve up to three four-year terms, either consecutive or non-consecutive, except that persons serving two-year terms upon their initial appointments to the board may serve the initial term and two subsequent four-year terms.~~

- ed)** Each board member shall hold office from the first date of the term until the end of the term for which the member was appointed. Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of the unexpired term. Any member shall continue in office after the expiration date of the member's term until the member's successor takes office, or until a period of thirty days has elapsed, whichever occurs first.
- i. Appointed members: A vacancy on the board shall be filled in the same manner as the original appointment.
- ii. Elected members: If the remaining portion of the unexpired term is nine months or less, the position will remain vacant until the next regularly scheduled election. If the remaining portion of the unexpired term is more than nine months, an election to elect a new board member shall be held in accordance with the election rules promulgated by the board.
- fe)** An entity authorized to appoint or elect a member under subsection a) shall remove its appointee or representative from the board for any act of misconduct involving the trustee's duties, including breach of fiduciary duty and failure to properly discharge the duties of the trustee, to the extent permitted by state law.
- gf)** The board shall meet regularly and shall convene other meetings at the request of the chairperson or a majority of the members. A member who fails to attend at least two-thirds of the regular and special meetings of the board during any two-year period forfeits membership on the board.
- hg)** The board shall report to council at least annually on the following issues:
- i. Success at meeting the investment and funding objectives.
- ii. Investment performance and attribution.
- iii. Compliance with conflict of interest and ethics policies.
- iv. Compliance with benefit delivery policies.
- v. Results of external and internal audit findings and follow-up efforts.
- vi. Board member attendance, travel, and educational efforts.
- ih)** The board shall vote to disqualify any candidate from seeking election to the board or any member from remaining as a board trustee for any of the following reasons:
- i. Finding of dishonesty in any civil proceeding or disciplinary decision.
- ii. Conviction of a felony for an act committed while the candidate or member was an adult.

iv. Failure to comply with election requirements established by the board.

Section 2. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.

Passed: _____, 2024

Aftab Pureval, Mayor

Attest: _____
Clerk

New language underscored. Deletions indicated by strike-through.

EMERGENCY

City of Cincinnati

AKS

EESW

An Ordinance No. 275

- 2024

MODIFYING the provisions of Chapter 203, "Employees' Retirement System," of the Cincinnati Municipal Code by **AMENDING** Sections 203-0, "Legislative Finding," and 203-44, "Health Care Benefits for Membership Dates On and After January 9, 1997," to clarify that subsequent court orders in the case of Sunyak, et al. v. City of Cincinnati, et al., Case: 1:11-cv-00445-MRB, in the United States District Court, Southern District of Ohio, Western Division, supersede the provisions of Chapter 203 of the Cincinnati Municipal Code and to implement the new points system for health care premiums for certain retirees as agreed to by the parties to the collaborative settlement agreement.

WHEREAS, in 2015 the City of Cincinnati entered into a collaborative settlement agreement ("CSA") to resolve claims made by members of the Cincinnati Retirement System in the case of Sunyak, et al. v. City of Cincinnati, et al. ("Pension Litigation"), Case: 1:11-cv-00445-MRB, in the United States District Court, Southern District of Ohio, Western Division; and

WHEREAS, the CSA required the parties to the Pension Litigation to continue to negotiate several remaining issues after the execution of the CSA, including changes to the percentages of healthcare premiums that certain retired members are required to pay for healthcare coverage ("Points System"); and

WHEREAS, the parties to the Pension Litigation have agreed on changes to the Points System and the Court has entered an order in the Pension Litigation requiring that the agreed upon changes be implemented; and

WHEREAS, the Cincinnati Retirement System desires to revise the Cincinnati Municipal Code to conform with the Court order and to make clear that subsequent orders from the Court related to the Pension Litigation supersede the provisions of the Municipal Code; now, therefore,

BE IT ORDAINED by the Council of the City of Cincinnati, State of Ohio:

Section 1. That existing Sections 203-0, "Legislative Finding," and 203-44, "Health Care Benefits for Membership Dates On and After January 9, 1997," of the Cincinnati Municipal Code are amended to read as follows:

Sec. 203-0. Legislative Finding.

The 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 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 Article XV of the Adm. Code of the City. The trustees administer the system and invest its assets. Trustee duties are to be performed solely in the interests of the Members and their Optionees and Beneficiaries, for the exclusive purpose of providing benefits to Members and their Optionees and Beneficiaries and defraying the reasonable expenses of administering the system. Such duties are to be performed with the care, skill, prudence, and diligence more particularly described in this Chapter. The system is recognized by the State of Ohio. The system is a qualified benefit plan under the laws and regulations set forth in the U.S. Internal Revenue Code.

There are some Members of the system who are current or former employees of the University of Cincinnati and University Hospital, which institutions were formerly, in whole or in part, under the jurisdiction of the City. There are also some Members of the system who are current or former employees of Hamilton County, which employee functions were transferred from the jurisdiction of the City of Cincinnati to Hamilton County over the years. There are specific Ohio Revised Code provisions that recognize the Membership of these non-City employees in the Cincinnati Retirement System.

On May 7, 2015, a Collaborative Settlement Agreement was entered in the case of Sunyak, et al. v. City of Cincinnati, et al. (the City of Cincinnati Pension Litigation), Case: 1:11-cv-00445-MRB, in the United States District Court, Southern District of Ohio, Western Division. To the extent that there is any conflict between the provisions of Chapter 203 and the terms of the Collaborative Settlement Agreement or any subsequent court orders in the City of Cincinnati Pension Litigation, the terms of the Collaborative Settlement Agreement and any subsequent Pension Litigation court orders shall govern.

Sec. 203-44. Health Care Benefits For Membership Dates On and After January 9, 1997.

- (a) In addition to other benefits provided in this chapter, the Retiree health care benefits described in this Section shall be provided to the following persons:
 - (i) A Member whose most recent membership enrollment date is on or after January 9, 1997 and on or before December 31, 2015, and who:
 - (A) Retired on or after August 1, 2011 and on or before January 1, 2016 with 15 years of Membership Service and who is not entitled to benefits under Section 203-42 or 203-43, or
 - (B) Retires on or after February 1, 2016 and who is at least 60 years of age with a minimum of 20 years of Membership Service and who is not otherwise eligible for health care benefits under Section 203-42 or Section 203-43, or

- (C) Retires on or after February 1, 2016 with 30 or more years of Creditable Service consisting of a minimum of 20 years of Membership Service and who is not otherwise entitled to benefits under Section 203-42 or Section 203-43.
- (ii) Persons receiving the benefits of a retirement optional allowance under Section 203-63 of this Chapter, and who are eligible for benefits under Section 203-48 of this Chapter, provided that the Member satisfied the requirements of paragraph (i) above at the time the Member retired and who is not otherwise entitled to benefits under Section 203-42 or Section 203-43.
- (iii) Members whose most recent membership enrollment date is on or after January 9, 1997 and who are not covered by the provisions of the Collaborative Settlement Agreement and who retire on or after February 1, 2016 and on or before January 1, 2017 and who have at least 15 years of Membership Service.
- (iv) Each surviving spouse, and each eligible dependent child or orphan of a deceased Active Member who would have been eligible for benefits under this section, who is receiving survivor benefits as provided in Section 203-49 of this Chapter, provided that:
 - (A) the deceased Active Member's most recent membership enrollment date is on or after January 9, 1997 and on or before December 31, 2015; and
 - (B) a surviving spouse may only obtain benefits if the surviving spouse possessed a valid marriage certificate or other proof of marriage recognized by the State of Ohio, dated prior to the date of the Active Member's death. However, if the deceased Active Member dies on or after January 1, 2019, the surviving spouse is eligible for coverage only if the spouse was not legally separated from the deceased Active Member at the time of the deceased Active Member's death.

Accordingly, the provisions of Section 203-33 of this Chapter, which provide for Service Retirement Allowances after vesting, shall not entitle Members who are so vested to health care benefits under the provisions of this Section unless such Members also qualify for health care benefits under the provisions of this Section.

- (b) The benefits to be provided under this Section are:
 - (i) Medical and prescription drug coverage similar to the most favorable plan available to active Employees, excluding Police, Fire, and Building & Trade unions; and subject to Member premium contributions described in (c) below; and

- (ii) Dental and vision insurance coverage shall be purchased and fully paid for by the Retiree, their surviving spouse, and their eligible dependents or orphans.
- (iii) Any person eligible to receive healthcare coverage under this Chapter who is eligible for coverage under Medicare shall apply for Medicare coverage and provide documentation to the Retirement System that is acceptable to the Retirement System that confirms either acceptance or denial for such coverage. To the extent allowable under applicable federal law, coverage under this Section for any person who is eligible to be covered under Medicare shall be secondary to coverage of such person under Medicare. The benefit payable under this Section shall be reduced by the greater of: (a) the amount actually paid by Medicare Part A and Part B; or (b) the amount Medicare would pay if the person were enrolled in Medicare Part A and/or Part B. A person is considered eligible for Medicare for these purposes during any period such person has coverage under Medicare Part A or Part B or, while otherwise qualifying for coverage under Medicare Part A or Part B, does not have such coverage under Medicare Part A (premium free) or Part B solely because such person has refused, discontinued, or failed to make any necessary application or applicable payment for Medicare Part A or Part B coverage.
- (c) Except for dental and vision insurance coverage, the percentage of the full funding rates, or premiums, for medical and prescription drug coverage to be paid by the Retirement System on behalf of persons entitled to benefits under this Section shall be based on a formula consisting of the sum of (i) the number of the Member's full years of Creditable Service, and (ii) the Member's age at the earlier of the Member's Retirement date or the date that the Member ceased to be an Active Member, with each such full year of Membership Service and each such year of age at Retirement date counting as one point each. Years of age at Retirement shall mean years of age at the birthday immediately preceding the earlier of the Member's Retirement date or the date that the Member ceased to be an Active Member. The number of full years of Creditable Service and the years of age at Retirement date shall be added together and shall result in the payment of medical and prescription drug coverage in the following percentage amounts:

~~95~~90% of full cost or full premiums for ~~90~~ 85 points

~~75~~80% of full cost or full premiums for 80 to ~~89~~84 points

~~50~~60% of full cost or full premiums for 70 to 79 points

~~25~~40% of full cost or full premiums for 60 to 69 points

If a Member's total points are less than 60, the Member is only eligible for individual medical and prescription drug coverage. The Retirement System will pay 25% of the premium for individual medical and prescription drug coverage. No spouse or family coverage is available.

A Member's years of Creditable Service shall be used for the purpose of determining the points of a Member under this subsection (c); but will not include years of Creditable Service credited under a previous Service Retirement Allowance provided under this Chapter.

- (d) If a Member leaves the City service prior to Retirement and is entitled to a deferred Service Retirement Allowance and such Member is entitled to benefits under this Section, no benefits shall be provided to the Member until the Member reaches the later of their normal retirement date, or their Medicare eligibility age.
- (e) Any Inactive Member who is rehired on or after January 1, 2016 shall not be eligible for benefits under this Section.
- (f) The director of retirement shall adopt rules and procedures necessary to implement this Section.

Section 2. That this ordinance shall be an emergency measure necessary for the preservation of the public peace, health, safety, and general welfare and shall, subject to the terms of Article II, Section 6 of the Charter, be effective immediately. The reason for the emergency is the immediate need to implement the changes to the health points system as agreed to by the parties to the Collaborative Settlement Agreement.

Passed: August 7, 2024

Jan Michele Lennear
Vice Mayor

Attest: [Signature]
Clerk

New language underscored. Deletions struck through.

I HEREBY CERTIFY THAT ORDINANCE NO. 275-2024
WAS PUBLISHED IN THE CITY BULLETIN
IN ACCORDANCE WITH THE CHARTER ON 8/20/2024
Melissa Antley
CLERK OF COUNCIL



Cincinnati Retirement System Board of Trustees

2023 Annual Report

CINCINNATI RETIREMENT SYSTEM

→ Funding Status

	Assets	Liabilities	Funded Ratio
Pension			
Actuarial Value	\$ 1,819,308,605	\$ 2,643,382,463	68.8%
Market Value	\$ 1,763,884,000	\$ 2,643,382,463	66.7%
Health			
Actuarial Value	\$ 549,871,265	\$ 393,177,787	139.9%
Market Value	\$ 533,879,000	\$ 393,177,787	135.8%

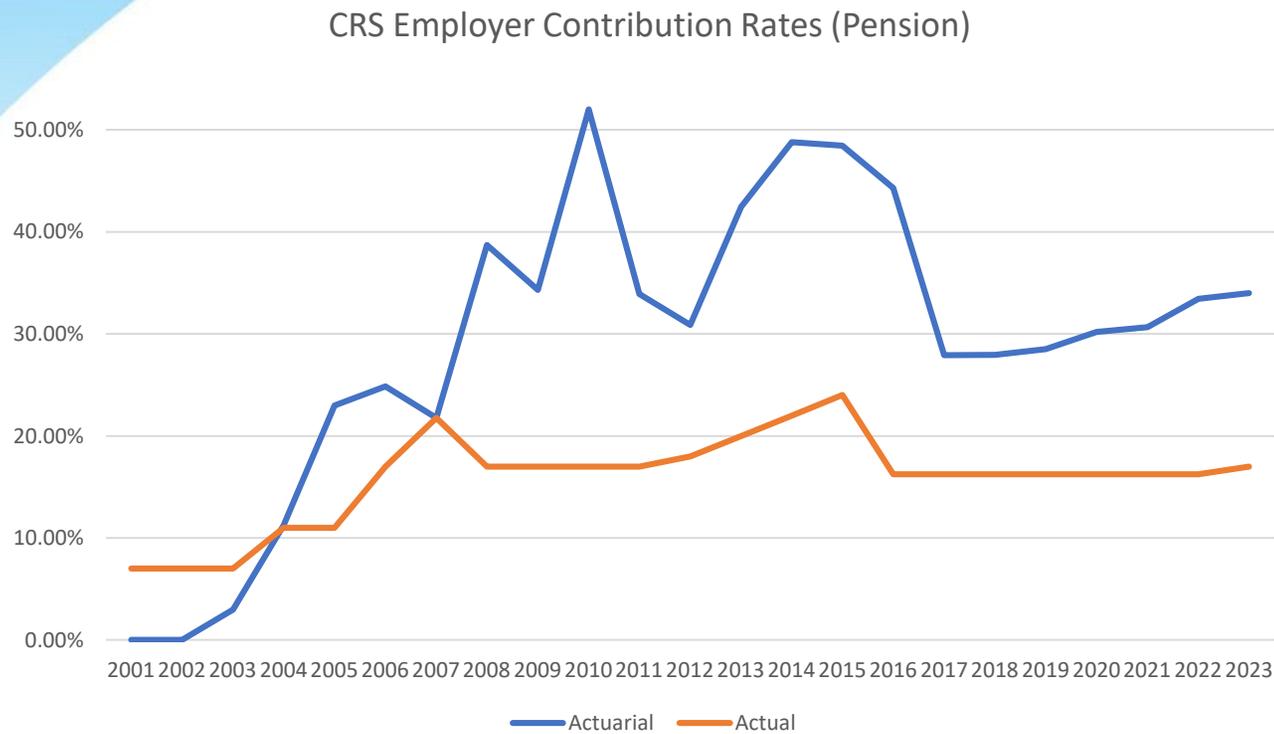
CINCINNATI RETIREMENT SYSTEM

→ Funding Benefits: Contributions

- Actuarially Determined Contribution Rate (ADC): 32.46%
- City 2023 rate = 19.1%
- FT Employee Contribution Rate: 9%
- City Employer Contribution Rate: 17.00%
- City 2023 ERIP payment (\$2.7mm)
- City 2023 “Stabilization Fund” payment (\$2mm)

CINCINNATI RETIREMENT SYSTEM

→ Funding Benefits: Contributions



CINCINNATI RETIREMENT SYSTEM

→ Funding Benefits: Investments

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>
2014	7.5%	6.4%	64.3%
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%

* CSA

**Marquette Associates

10-Year Compound Average

5-Year Compound Average

6.9%

9.0%

Median Plan Return**

6.6%

8.4%

CINCINNATI RETIREMENT SYSTEM

→ 2023 Fiduciary Audit

- Purpose to review CRS standards and practices and compare to peers and industry norms:
 - Focused on Legal & Regulatory, Governance, Investment, Pension Operations, administrative and compliance.
- 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.
- Report recommended opportunities for improvement, which the Board is reviewing and implementing.

CINCINNATI RETIREMENT SYSTEM

→ Recommendations to City Council

1. City Council adopt a plan to continue increasing the Pension Trust employer contribution 0.9% incrementally on an annual basis to assure full funding in 2045
2. Incremental Annual Increase Plan be updated every two years in anticipation of the City's fiscal year biennial budget.
3. City Council approve and appropriate the Pension Trust employer contribution in accordance with each updated Incremental Annual Increase Plan.
4. 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. City works with the CRS Board of Trustees to fulfill the recommendations from the Fiduciary Audit (Governance Report) completed by outside consultants.

CINCINNATI RETIREMENT SYSTEM

→ Scenarios to Fully Fund by 2045 & Status Quo

Schedule of funded RaioS	Earnings Assumption of 7.50			
	Flat E'r Rate of 17%		Increase E'r Rate by 0.90%/year	
	E'r Contr Rate	Funded Ratio	E'r Contr Rate	Funded Ratio
12/31/2023	17.00%	68.8%	17.0%	68.8%
12/31/2024	17.75%	67.6%	17.8%	67.6%
12/31/2025	17.75%	66.4%	18.7%	66.4%
12/31/2026	17.75%	63.9%	19.6%	64.0%
12/31/2027	17.75%	63.6%	20.5%	64.0%
12/31/2028	17.75%	62.8%	21.4%	63.6%
12/31/2029	17.75%	62.1%	22.3%	63.4%
12/31/2030	17.75%	61.4%	23.2%	63.4%
12/31/2031	17.75%	60.6%	24.1%	63.5%
12/31/2032	17.75%	59.9%	25.0%	63.8%
12/31/2033	17.75%	59.2%	25.9%	64.3%
12/31/2034	17.75%	58.5%	26.8%	65.1%
12/31/2035	17.75%	57.8%	27.7%	66.2%
12/31/2036	17.75%	57.1%	28.6%	67.5%
12/31/2037	17.75%	56.4%	29.5%	69.2%
12/31/2038	17.75%	55.7%	30.4%	71.3%
12/31/2039	17.75%	55.2%	31.3%	73.9%
12/31/2040	17.75%	54.7%	32.2%	77.0%
12/31/2041	17.75%	54.3%	33.1%	80.6%
12/31/2042	17.75%	54.1%	34.0%	84.9%
12/31/2043	17.75%	54.1%	34.9%	89.7%
12/31/2044	17.75%	54.3%	35.8%	95.2%
12/31/2045	17.75%	54.6%	36.7%	101.4%



Trustee Training Policy

Purpose

To ensure that all trustees of the Cincinnati Retirement System (CRS) are well-informed about their fiduciary responsibilities and the operations of the pension plan.

Training Requirements

1. Initial Training:

- All new trustees must complete an initial training program within six months of their appointment.
- Topics include
 1. Plan overview and fiduciary duties,
 2. Plan governance,
 3. Trustee responsibilities, and
 4. Investment principles
 5. Actuarial principles

Delivery Methods

- In-person or online presentation from Executive Director.
- In-house training sessions conducted by staff or consultants.
- Online courses and webinars from the City of Cincinnati.
- Attendance at industry conferences and workshops
 - NCPERS
 - International Foundation of Employee Benefit Plans

2. Ongoing Training:

- Trustees must complete a minimum of 8 hours of training annually.
- Topics include updates on
 1. Advanced investment principals,
 2. Advanced actuarial principles,
 3. Healthcare education
 4. Legal and regulatory changes,
 5. Risk management and ethics

Delivery Methods

- In-person or online presentation from Executive Director or consultants.
- Conferences and symposiums hosted by relevant industry organizations.
 - NCPERS
 - International Foundation of Employee Benefit Plans
- In-person or online workshops and seminars.

Tracking and Reporting

- Trustees must submit proof of training completion to the board's secretary.
- The board's secretary will maintain training records and report annually to the board on the status of trustee training compliance.