city of CINCINNATI RETIREMENT

City of Cincinnati
Board of Trustees

GOVERNANCE MANUAL

BOARD FUNCTION | GOVERNANCE MANUAL POLICY AND GOVERNANCE TABLE OF CONTENTS

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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.[1] 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

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.

[1] CSA, 30.iv; CMC 203-65; Poliseno 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.[2]
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.[3]
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 Fund, 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.[4]
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.[5]
6) An investment committee consisting of members of the Board shall be appointed by the Chair.[6]
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 reasoable 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).[7]

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[2] CMC §203-65, 203-66
[3] CSA, 30.viii
[4] CSA, 30.iv
[5] CMC §203-65
[6] CMC §203-65
[7] 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:[8]

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.[9]
2) The Board shall make a reasonable effort to verify facts relevant to the investment and management of fund assets.[10]
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.[11]
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.[12]
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).[13]
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

[8] CMC §203-65
[9] CMC §203-65
[10] CMC §203-65
[11] CMC §203-65
[12] CMC §203-65
[13] 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.[14]

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.[15]

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.[16]

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[14] CMC §203-65
[15] CMC §203-65
[16] 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:[17]

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:[18]

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*

[17] CMC §203-66

[18] 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.[19]

d) For purposes of this section, the term "party in interest" shall include the following:[20]

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.[21]

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.[22]

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[19] CMC §203-66
[20] CMC §203-66
[21] CMC §203-66
[22] CMC §203-66

IV. BOARD MEMBER RESPONSIBILITIES CONT'D.

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) 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.[23]
12) The Board shall generate, maintain, and make publicly available a governing manual for guidance of Board matters, procedures, rules and regulations.
13) The Board shall adopt rules and regulations for the administration of the funds of the retirement system and for the transaction of its business.[24]
14) 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.[25]
15) The Board shall report to Council annually.[26]
16) 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 shal make a valuation of its assets and liabilities. Taking into account the results of such investigation and valuation, the Board may:[27]
    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.
17) 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.[28]

[23] CSA, §30.iv [24] CAC §4 [25] CSA, §52-53 [26] CAC §1(h) and 5 [27] CAC §9 [28] CSA, §30.v

IV. BOARD MEMBER RESPONSIBILITIES CONT'D.

18) 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.[29]

19) 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.[30]

20) 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.

21) Special Services

- a) The Board may employ such special actuarial, medical and other service as shall be required.[31]
- 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.[32]
  - 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.
  - v. Any firm(s) chosen shall also have records of positive achievement regarding integrity and attaining plan goals.[33]

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[29] CAC §11
[30] CAC §12
[31] CAC §8
[32] CAC §7
[33] CSA §30.vi

IV. BOARD MEMBER RESPONSIBILITIES CONT'D.

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.[34]

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.[35]

c) Medical Director

The Board shall designate a Medical Director, who shall be a physician not eligible to participate in the retirement system.[36]

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.[37]

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.[38]

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[34] CAC §7
[35] CSA §30.vii
[36] CAC §6
[37] CSA §6
[38] CSA §6

IV. BOARD MEMBER RESPONSIBILITIES CONT'D.

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.[39]

g) The operating budget for the administration of the system shall be paid for by the funds of the system.[40]

22) Committees

a) The Board shall create committees.[41]

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.[42]

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.[43]

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.[44] The Chair (or Vice Chair in the absence of the Chair) shall be responsible for:

23) Communicating the concerns of the Board to the CRS Executive Director,

24) Setting Board meeting agendas, and

25) After consulting with the Board as a whole, establishing priorities for the CRS Executive Director and CRS staff.[45]

26) 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.

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[39] CAC §10 [40] CAC §10 [41] CSA [42] CSA [43] CSA [44] CSA §30.iii [45] CSA §30.iii

V. BOARD OPERATIONS CONT'D.

27) The CRS Executive Director shall be Secretary, ex officio, of the Board, but shall not vote on items considered by the Board.
28) 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.
29) The CRS Executive Director and the Chair will be copied on any question or communication with the actuary.
30) 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.
31) 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.
32) 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.[46]
33) 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.[47]
34) 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. The Chair, in consultation with the Director, may cancel a regular meeting of the Board if it is determined that there is no immediate need for the Board to meet.
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.[48]
3) The Trustees present shall vote on issues before the Board.
4) There shall be no voting by proxy or designated representative.

[46] CMC §203-69 [47] CMC §203-69 [48] CAC §3

V. BOARD OPERATIONS CONT'D

5) The concurring votes of at least five Trustees shall be necessary for any decision by the Board.[49] 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.[50]
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.
    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.[51]
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.

[49] CAC §3 [50] CSA §30.ix [51] CAC §5

VI. BOARD COMMITTEES CONT'D.

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 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:[52]
   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) <u>ELECTION OF CHAIR AND VICE CHAIR</u>
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.

[52] CAC §1(i)

VII. BOARD ELECTIONS CONT'D.

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 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.

IX. BOARD MEMBER ATTENDANCE CONT'D.

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.[53]

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.
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));

APPENDIX CONT'D.

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);

APPENDIX CONT'D.

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 CONT'D.

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.

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.

APPENDIX CONT'D.

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.

APPENDIX CONT'D.

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.

APPENDIX CONT'D.

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

APPENDIX CONT'D.

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.

APPENDIX CONT'D.

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 Performance and Evaluation Committee shall consist of no fewer than three member 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.

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

APPENDIX CONT'D.

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.

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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

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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 nam 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.

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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.

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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.

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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

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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 o 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 cand date. 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;

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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 ..... 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 XIV ..... 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 XV ..... 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 XVI ..... Annual Disclosure of Financial, Actuarial and Operational Status

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.

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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 XVII ..... 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 XVIII ..... Benefits 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 XVIX ..... 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 XX ..... 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 XXI ..... 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.

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.

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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, be 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.

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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

c) 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) Ongoing 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.
c) 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.
d) 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

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jurisdiction of a public office and that documents the organization, functions, policies, decisions, procedures, operations, or other activities.

- **Public Record:** is defined by Ohio Revise 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.

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- 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.

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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.

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11) Travel & Expense Reimbursement Policy

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

- o Airfare: Economy class is the preferred option. First-class travel is only allowed under special circumstances with prior approval.
- o Ground Transportation: Taxi, ride-share services (e.g., Uber, Lyft), or car rentals for necessary travel.
- o Parking and Tolls: Reimbursed when necessary for business travel.

ii) Lodging

- o 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

- o 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

- o 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.

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Documentation and Reimbursement Process

- o 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.

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

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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

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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

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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.

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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.