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**City of Cincinnati Retirement System
Board of Trustees Meeting Minutes
July 10, 2025 / 2:00 P.M.
City Hall – Council Chambers and remote**

Board Members

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

Administration

Jon Salstrom

Law

Kevin Frank

CALL TO ORDER

Chair Moller called the meeting to order at 2:00 p.m. and a roll call of attendance was taken. Trustees Moller, Gamel, Rahtz, Menkhaus, Morton, Riddle, Morris and West were present. Trustee Walsh was absent.

PUBLIC COMMENT

There was one person present for public comment.

APPROVAL OF MINUTES

Trustee Rahtz moved to approve the minutes of the Board meeting of June 5, 2025, with suggested changes. The motion was seconded by Trustee Morris. The minutes were approved by unanimous roll call vote.

Report on Governance Committee

Trustee Menkhaus explained that the final draft of the Governance Manual was reviewed. Minor typos were identified and noted. A motion was made to accept the draft with those corrections. As the motion came from the committee, no second was required. The motion was approved by unanimous roll call vote.

Informational – Staff Report

Marquette Investment Report

The Marquette monthly report indicates performance is tracking well relative to the benchmark. However, the 7.5% target return remains challenging. Equity markets have rebounded since April and

May, and as of the end of July, the Bank of NY shows a return of approximately 5.5%. If this trend continues, meeting the 7.5% target by year-end is possible, though some volatility is expected in the coming months.

Staff Update

At the start of the year, there were three open positions. Two have been filled: Ashley, formerly at the front desk, has been promoted to Administrative Specialist, where she'll assist with healthcare during open enrollment, communications, and pension operations. Julie Ellison was recently hired to replace Ashley as the front desk point person.

One vacancy remains. After reviewing team structure and needs with Division Manager Kyle, it was decided that the open role should be reconfigured into an Investment Analyst position. This role would support the Director, act as a backup for key investment functions, and maintain institutional knowledge around investment policy, rebalancing, and asset class structures. The goal is to build redundancy, ensure continuity, and enhance risk management and governance.

This proposal does not require immediate Board approval, but it is being presented now for awareness and discussion. Supporting visuals and rationale are included on pages 11 and 12 of the packet.

City of Cincinnati Budget Update

The budget has been approved, and the ordinance documenting this is included as a formal record. Notably, CRS's employer contribution rate was increased to 18.5%, moving closer to the Board's recommended level. The plan is to continue raising the rate by an additional 75 basis points annually, though each increase requires yearly approval.

While this progress is encouraging, Chair Moller emphasized the need for the annual incremental increase methodology to be adopted as a formal policy. This recommendation is also highlighted in the annual report and will continue to be a key talking point in discussions with the council committee.

Credit Service Purchase Update

A budget update will be brought to a future Board meeting. As a reminder, in November of last year, Legal raised concerns about mispriced credit service purchases dating back roughly 20 years. The issue affected only a small number of members and involved improper inclusion of OPEB (Other Post-Employment Benefits) costs in the purchase price for credit.

Working with both the past and current actuaries, affected individuals were identified and categorized into two main groups:

1. Members who did not purchase credit due to the inflated price:
 - a. Members whose benefits have already exceeded what the correct cost would have been. These individuals are owed refunds.
 - b. Members who may still purchase the credit at the corrected price, which would increase their monthly benefits. Most in this group have been contacted and are expected to proceed with purchasing, which will generate additional contributions to the system and affect liabilities going forward.
2. Members who previously purchased credit at the inflated rate:

- a. These individuals are being refunded the overpaid amount, calculated with a 5% assumed rate of return. Refunds are either already issued or will be within the next two weeks.

An amended budget reflecting these adjustments will be presented at the next Board meeting or shortly thereafter.

Eyecare RFP Update

The Eyecare RFP is expected to be finalized next week. Three submissions were received and scoring and final selection should also be completed within the next week. Trustees and Menkhaus and West are serving on the review committee, ensuring representation in the RFP evaluation process.

Healthcare Survey Update

An email was sent to all retiree members eligible for healthcare, offering them the option to complete the healthcare survey online or request a mailed hard copy. This is a follow-up to the survey conducted two years ago. Efforts have been made to collaborate with the retiree association to increase awareness and reassure members that the survey is legitimate and not a phishing attempt.

So far, around 300 responses have been received out of approximately 3,900 retirees, just a day or two after launch. A 30-40% completion rate is anticipated.

Fiduciary Audit Recommendations Update

A summary of the Funston recommendations, categorized by area, is included in the packet. Most major items have been addressed, particularly in governance, where the committee finalized the governance manual and added new policies. Legal and framework items have also been largely completed.

The investment program recommendations are mostly implemented, with only pension operations still needing attention. This remaining work centers on staffing and developing a long-term strategic plan, particularly around IT support.

The ongoing CEM benchmarking surveys are expected to provide valuable insights into staffing gaps, customer service coverage, and whether a telecommunications system is necessary or feasible. On the investment side, the survey should also reveal whether certain asset classes are being overpaid. The remaining Funston items are expected to be informed by this data over the next 4-5 months.

Old Business

CRS Board Annual Report to Council

The report has been submitted to Council ahead of their summer recess. As with last year, the plan is to present it in September, given that the Council's August agenda is typically very full. This timing remains the main consideration at this point.

Governance Manual

Already discussed.

New Business

Executive Director Performance Evaluation 2024-2025

Trustee Rahtz presented the compiled performance evaluation for the Executive Director, incorporating ratings and comments from all 9 Board members. The evaluation showed strong consistency across

responses, with no ratings falling below expectations. Director Salstrom's performance was rated as exceeding expectations, with Trustees highlighting his leadership, dedication, expertise, and positive impact on the Board and CRS organization.

Following the presentation, Trustee Morris moved to approve the evaluation, seconded by Trustee Morton. The motion was approved by unanimous roll call vote. Next steps include having the Chair and Director sign the evaluation before it is submitted to the City Managers Office.

Adjournment

Following a motion to adjourn by Trustee Morton and seconded by Trustee Rahtz. The Board approved the motion by unanimous roll call vote. The meeting was adjourned at 2:31 p.m.

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

Next Meeting: Thursday, August 7, 2025, at 2:00 p.m. – City Hall Council Chambers and via Zoom



Secretary