



City of Cincinnati Retirement System Governance Committee

**City Council Chambers and via Zoom
October 2, 2025 – 1:00 PM**

AGENDA

Members

Mark Menkhaus, Jr. (Chair)
Tom Gamel (Vice Chair)
Bill Moller
Kathy Rahtz
Seth Walsh
Aliya Riddle
Sonya Morris

CRS Staff

Jon Salstrom

Law

Kevin Frank

Call to Order

Public Comment

Approval of Minutes

- July 10, 2025 (2-3)

Old Business

- Funston Performance Audit Recommendations (4-6)
- Review Final Version of the Governance Manual (7-9)
- Disaster Recovery & Business Continuity Policy (10-15)

New Business

Adjournment

Next Meeting: January 8, 2026, at 1:00 p.m. - City Council Chambers and via Zoom



**City of Cincinnati Retirement System
Governance Committee Meeting Minutes
July 10, 2025 / 1:00 P.M.
City Hall – Council Chambers and remote**

Board Members

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

Administration

Jon Salstrom

Law

Kevin Frank

Call to Order

The meeting was called to order at approximately 1:17 p.m. by Chair Menkhaus and a roll call vote of attendance was taken. Committee Members Menkhaus, Gamel, Moller, Rahtz and Morris were present. Committee Members Walsh and Riddle were absent.

Public Comment

No public comment.

Approval of Minutes

Approval of the minutes of the April 3, 2025, motion was moved by Committee Member Moller and seconded by Committee Member Morris. The minutes were approved by unanimous roll call vote.

Old Business

Funston Performance Audit Recommendations

Completion of the Governance Manual will address a major portion of Section 2 (governance framework). The manual consolidates governing documents and implements new policies. Remaining open items will be informed by the results of the CEM Benchmarking survey.

Review Final Draft of the Governance Manual

The packet included the final version of the Governance Manual (incorporating changes from prior meetings: aesthetics, moving definitions to the back, refining definitions, and other minor edits). Proofs from the design firm showing two sample formats: PDF flipbook style and traditional book style. Full 60-page design not yet complete; 10-page proof provided. A remaining discussion item was whether to

include a financial disclosure policy. Chair Menkhaus moved to accept the final draft with comments provided by Committee Member Moller. The motion was seconded by Committee Member Rahtz and approved by unanimous vote.

New Business

No New Business.

Adjournment

A motion to adjourn was made by Committee Member Moller and seconded by Committee Member Rahtz. The Governance Committee approved the motion by unanimous roll call vote. The meeting was adjourned at 1:31 p.m.

Meeting video link: <https://archive.org/details/crs-governance-7-10-25>

Next Meeting: Thursday, October 2, 2025, at 1:00 p.m. - City Council Chambers and via Zoom

Secretary

Funston Performance Audit - Summary of Recommendations

Assignment

			Board	Board, Adm.	Priority	Board	Governance	IC	Staff	Performance evaluation	Audit
1. Legal and Regulatory			Status								
1.1	Improve definition and clarity of roles and authorities of:										
	<ul style="list-style-type: none"> The Board of trustees 	Completed	X		X						
	<ul style="list-style-type: none"> Board chair 	Completed	X		X						
	<ul style="list-style-type: none"> Individual trustees 	Completed	X		X						
	<ul style="list-style-type: none"> City Council and Mayor 	Completed		X							
	<ul style="list-style-type: none"> City Manager and City Finance Director 	Completed		X							
	<ul style="list-style-type: none"> CRS Director 	Completed		X							
1.2	The City should expand Board of Trustees personnel authorities to align with the Board's responsibilities, for example, naming the CRS Director as a direct report to the Board, with authority to hire/fire, evaluate, and set compensation.	Completed		X							
1.3	The City Solicitor should provide the Board of Trustees with independent external legal counsel or establish a policy and process that allows CRS to retain independent external counsel and/or hire internal CRS counsel to address potential conflicts of interest associated with the City Solicitor's representation of other clients on the same matters.	Reveiwed		X	X						
1.4	Confirm the Board's authority, as the named fiduciary, to contract with actuaries, investment consultants, investment managers, custodial banks, benefit providers, and legal counsel, all of which require unique pension and investment expertise.	Completed		X	X						
1.5	The City Manager should allow CRS trustees who are not City employees to vote on CRS procurement decisions; the Board, as fiduciaries, should have final authority on those decisions.	Completed		X	X						
1.6	If the CRS Board is not given authority to hire/fire/evaluate/compensate the Director, work with the City Manager to develop a Memorandum of Understanding that addresses the City Manager's role as a potential fiduciary and formalizes procedures where the Board and City Manager, Finance Director or other officers have overlapping responsibilities (e.g., setting goals for and evaluating the Executive Director); CRS may need to consider options for engagement of independent fiduciary legal counsel to assist with this initiative.	Completed		X	X						
	<small>GREEN - SHORTER TERM COMPLETION RED - LONGER TERM COMPLETION Board - CRS Board has authority to complete Board, Adm. - CRS Board and City Administration have shared authority to complete Priority - CRS Board priority to complete as soon as possible Note: Some Recommendations may require CSA update.</small>										
2. Governance Framework											
2.1	Aggregate and organize the Board policies from all sources into a Board Governance Manual with online access and links to underlying document provisions; include the mission statement, goals, trustee responsibilities, committee charters and the Code of Ethics.	Completed		X	X						
2.2	Develop new policies or formalize current policies and practices for:										
	<ul style="list-style-type: none"> Trustee personal financial disclosures 	Completed	X								
	<ul style="list-style-type: none"> Board self-evaluation / Board education policy 	Completed	X								
	<ul style="list-style-type: none"> Funding 	Initiated		X							
	<ul style="list-style-type: none"> Separate investment policy statement for the 115 trust fund that is tailored to its liabilities 	Completed	X								
	<ul style="list-style-type: none"> Strategic planning, in coordination with the City 	Completed		X							
	<ul style="list-style-type: none"> Collection of claims in securities class actions 	Completed	X								

		Board	Board, Adm.	Priority	Board	Governance	IC	Staff	Performance evaluation	Audit
• Succession planning, in cooperation with relevant City appointing authorities	Completed		X							
• Business continuity and resumption	Completed		X							
• Independent governance and benchmarking reviews	Completed		X							
• External communications by Board members	Completed	X								
• Due diligence and reporting for referral of service provider candidates by trustees, along with limits on candidate contacts with trustees during an RFP process	Completed	X								
2.3 Reduce the size of each committee to three or five members to better utilize trustee time.	Completed	X								
2.4 Adopt a consent agenda for approval of routine business and reports.	Completed	X								
2.5 Conduct periodic board retreats for more in-depth discussion on key topics, conducting board self-evaluations and executive director evaluations, and trustee education.	Completed	X								
2.6 Following implementation of the recommendations in this report, conduct a biennial self-evaluation process, potentially with external assistance; this process should help to inform educational priorities.	Completed	X								
2.7 Define ongoing training requirements for Board members, including onboarding plan for new trustees and required fiduciary training; link training to board self-assessment findings and the calendar of Board agenda action items.	Completed	X		X						
2.8 Formalize a CRS stakeholder communications plan that identifies key stakeholders, communications responsibilities, and messages and objectives.	Completed		X							
2.9 Issue new system email accounts to be used by trustees for all CRS-related business.	Completed	X		X						
2.10 Discuss with the Director and the investment consultant how reporting could be improved and executive summaries better utilized to enhance trustee understanding and insight.	Completed		X	X						
2.11 Appoint a Board Audit Committee with oversight of internal and external audits to commission an independent financial audit and obtain internal audit services from the City Internal Audit Department and/or an independent firm; include oversight of enterprise performance and risk in the committee charter responsibilities.	Reviewed		X	X						

3. Investment Program and Operations

3.1 Develop a separate Statement of Investment Beliefs (SIB) to guide development and implementation of the strategic asset allocation.	Completed	X								
3.2 Develop a liquidity policy as part of the Investment Policy Statement (IPS) to ensure that the cash needs of the organization are effectively and efficiently met.	Completed	X		X						
3.3 Develop a separate IPS for the 115 Trust (Health Care Trust) that reflects the unique liability structure of the 115 Trust.	Completed	X		X						
3.4 Extend the time horizon for the strategic asset allocation to 3-5 years and only make changes to the target asset allocation as part of a comprehensive Asset Liability Study.	Completed	X								
3.5 Include a more comprehensive rebalancing policy in the IPS that describes how rebalancing is linked to the Board's investment philosophy and what the process should be.	Completed	X								
3.6 Discuss with Marquette Associates how reporting might be improved through development of an introductory executive summary, with an exception reporting approach, to the quarterly reporting package focused on actual performance compared to the IPS.	Completed	X		X						

4. Pension Operations

4.1 Clarify the Board's responsibilities and role (or lack thereof) in pension and benefits administration.	Completed		X	X						
4.2 Consider if pension staffing resources and capabilities should be improved through implementation of a member contact center telecommunications system.	Initiated		X	X						
4.3 Develop a long-term plan with service, performance, and cost objectives, to ensure that member self-service, website redesign, and other improvements, are all developed and implemented in a coordinated manner and achieve desired results.	Initiated	X								
4.4 Charter a pension administration cost and performance benchmarking report.	Completed	X								
4.5 Consult with its actuary and determine if an adjustment to the investment assumed rate of return should be recommended.	Completed			X						
4.6 Develop and adopt a formal actuarial and funding policy describing responsibilities and frequency of actuarial and asset/liability study processes and addressing investment, demographic and benefit risks.	Completed	X		X						

5. Administrative Operations

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

6. Compliance

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

GREEN - SHORTER TERM COMPLETION
 RED - LONGER TERM COMPLETION

Board - CRS Board has authority to complete
 Board, Adm. - CRS Board and City Administration have shared authority to complete
 Priority - CRS Board priority to complete as soon as possible

Note: Some Recommendations may require CSA update.

city of
CINCINNATI 
RETIREMENT

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

BOARD FUNCTION | GOVERNANCE MANUAL POLICY AND GOVERNANCE TABLE OF CONTENTS

<i>Purpose, Overview, and Fiduciary Duty</i>	2025 CRS Board and Committee Schedule	X
	Introduction, Mission Statement and Core Values	X
	Key Governing Laws, Powers (with links to source documents)	X
	Fiduciary Duty	X
	Overview of Plan	X
<i>Board Organization</i>	Definitions; terms used in this manual/retirement keywords	X
	Board Organization	X
	Terms & Vacancies	X
	Board Member Responsibilities	X
<i>Conduct Business of the Board</i>	Evaluate Board Direct Reports (Director)	X
	Stakeholder Relations & Communications	X
	Board Operations; Chair, Vice Chair & Secretary Charters/Duties	X
	Board Meetings	X
	Minutes	X
	Posting of materials on website	X
	Board Committees	X
	Board Elections	X
	Board Member Attendance	X
Code of Ethics	X	
<i>Appendixes</i>	CRS Retirement Division Operations	X
	Committee Charters	X
	Board Rules	X
	Board policies	X
	CRS Quarterly Budget Report	X
	Oath of Office	X

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.

Cincinnati Retirement System

Disaster Recovery and Emergency Preparedness

03/27/2025

Table of Content

Department Emergency Internal Contacts

Department Emergency External Contacts

Systems used for Pension Payroll

Current Disaster Recovery Operational Plan

PensionGold Disaster Recovery Testing

Future Disaster Recovery Plan

Damage Types

Hot Site Designations

Hot Site Needs

City of Cincinnati Hot Site

City of Cincinnati Retirement DREP Action

City of Cincinnati Comprehensive Disaster Recovery Plan

CRS Contact Information

Department Emergency Internal Contacts

Name	Position	Cell
Jon Salstrom	CRS Director	[REDACTED]
Kyle Brown	Retirement Administrator	[REDACTED]
Braden McMahon	Payroll Administrator	[REDACTED]
Terra Williams	CRS Finance Administrator	[REDACTED]
Keith Miller	IT Lead	[REDACTED]
Justin Meek	IT	[REDACTED]

Department Emergency External Contacts

Company/Dept	CRS Relationship	Contact Phone	e-mail / website
ETS (City of Cincinnati's Enterprise Technology Solutions)	Internet, Email, Network Servers, Backups, Telephone	[REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED]
City of Cincinnati Treasury Dept	ACH processing and Check printing	[REDACTED]	[REDACTED] [REDACTED]
LRS (Levi, Ray & Shoup, Inc.)	Pension Gold (PG) vendor	[REDACTED]	[REDACTED]
Fifth-Third Bank	CRS Banking	[REDACTED]	[REDACTED]
Martin and Associates	Acumatica Support	[REDACTED]	[REDACTED]

Systems Used for Pension Payroll

PensionGold

[REDACTED]

[REDACTED]

MAE System

[REDACTED]

5th/3rd Bank

[REDACTED]

Acumatica

[REDACTED]

Current Disaster Recovery Operational Plan

The issuance of the monthly Retirement Pension Payroll (RPP) is the most critical function of the Cincinnati Retirement System (CRS). In the event CRS staff are unable to access their offices in City Hall, RPP will be processed remotely by utilizing PensionGold and 5th/3rd Bank systems to complete the required tasks.

Currently, CRS staff utilize Acumatica, a cloud-based accounting system, to generate payment vouchers for submission to the Treasury Division during pension payroll processing. Without remote internet access, staff would be unable to use Acumatica to generate these vouchers. However, the vouchers may be produced after recovery operations are complete.

If either CRS or Treasury Division staff are unable to access the shared network drive, which is the current standard practice, CRS will transmit the required files to the Treasury Division via email. If the Treasury Division is also unable to access City Hall, their established Disaster Recovery and Emergency Preparedness (DREP) plan will be relied upon to complete their process.

PensionGold Disaster Recovery Testing

To maintain uninterrupted system operations in the event of a disaster in Springfield, Illinois, LRS mirrors the production database to its designated disaster recovery site in ██████████ which became operational in March 2024.

With the implementation of SQL 2019 and Transparent Data Encryption (TDE) in February 2021, the production database is backed up daily, supplemented by hourly incremental backups. These backups are regularly restored to the test server during data refreshes and are available to CRS upon request. The SQL 2019 server requires encryption keys to access the database. These keys are securely maintained in LRS's source control and escrow process and can be provided to CRS if backup verification becomes necessary.

LRS periodically tests the mirrored system to ensure it is fully operational. The attached images display the LRSC-PG-Cinci recovery procedures and status information, located in the upper-left corner of the screenshots.

The screenshot displays a disaster recovery plan for 'LRSC-RS-Cinci'. The plan status is 'Test complete'. The description states: 'The virtual machines have been recovered in a test environment at the recovery site. Review the plan history to view any errors or warnings. When you are ready to remove the test environment, run cleanup on this plan.'

Recovery Step	Status	Step Started	Step Completed
1. Synchronize storage	Success	Friday, September 24, 2021 1:30:40 PM	Friday, September 24, 2021 1:41:32 PM
2. Restore recovery site hosts from standby	Success	Friday, September 24, 2021 1:41:32 PM	Friday, September 24, 2021 1:41:32 PM
3. Suspend non-critical VMs at recovery site			
4. Create writable storage snapshot	Success	Friday, September 24, 2021 1:41:32 PM	Friday, September 24, 2021 1:43:13 PM
5. Configure test networks	Success	Friday, September 24, 2021 1:41:45 PM	Friday, September 24, 2021 1:43:13 PM
6. Power on priority 1 VMs	Success	Friday, September 24, 2021 1:41:45 PM	Friday, September 24, 2021 1:43:04 PM
7. Prompt: Domain Controller Prompt	Success	Friday, September 24, 2021 1:43:04 PM	Friday, September 24, 2021 1:44:43 PM
8. Power on priority 2 VMs			
9. Power on priority 3 VMs	Success	Friday, September 24, 2021 1:44:43 PM	Friday, September 24, 2021 1:45:54 PM
10. Power on priority 4 VMs			
11. Power on priority 5 VMs			

Future Disaster Recovery Plans

As the City and CRS work toward developing a comprehensive plan, the following topics must be reviewed, planned for, and thoroughly tested.

Damage Types

The DREP plan may be activated in the event of one or more catastrophic events that prevent normal business operations. The plan includes the establishment of a designated Hot Site, equipped with all necessary resources to execute RPP. These procedures ensure access to PensionGold, critical spreadsheets, contact information, check stock, essential hardware, and alternative methods for completing Pension Payroll when standard operations are unavailable.

Possible Damage Types or Events:

- Fire impacting City Hall and/or CRS offices
- Severe weather events, including hurricanes, flooding, blizzards, and earthquakes
- Civil unrest or riots
- Unsafe conditions, such as active shooter incidents or acts of terrorism
- Equipment and supply failures, including workstations, servers, printers, telephones, and check stock
- City Hall facility issues, including disruptions to electricity, internet connectivity, heating, cooling, water supply, or air quality
- Other unforeseen events or circumstances that may significantly disrupt operations

Hot Site Designations

Alternate City Location: In addition to documented procedures, this location must be equipped with all necessary resources to fully execute RPP, including the ability to produce checks and submit the ACH file to 5th/3rd Bank.

Hot Site Needs

- Windows-based workstations with Microsoft Office
- Access to CRS network files via the current network or the ETS DREP site
- Stable and reliable electricity supply
- Telephone or an alternative method of communication
- Internet access and secure network connectivity (including Hot Site access)
- Printer with adequate toner and necessary printing supplies
- Complete and up-to-date procedural instructions

The Treasury Division must be operational either in their primary office or at an established Hot Site, with reliable access to both telephone and internet services. The site must also have Treasury's printers, workstations equipped with Standard Register software, and adequate check stock to support RPP processing.

City of Cincinnati Hot Site

In March 2024, ETS, in coordination with other City departments, conducted a successful test of the Hot Site. During this exercise, CRS verified access to critical files located on the Hot Site. Documents stored in OnBase and on the network drives were successfully accessed and tested without issue.

City of Cincinnati Retirement DREP Action

CRS has prepared two emergency kits, each equipped with a city laptop, power supply with charger, and internet connectivity. The CRS Payroll Administrator and IT Lead will each be assigned a kit to ensure continuity of operations during emergencies. Should either staff member be unable to access City Hall, these kits will enable them to securely connect to the city network and carry out essential duties. In the event of a major or widespread disruption, the kits will also provide access to backup systems maintained by ETS and our vendors.

City of Cincinnati Comprehensive Disaster Recovery Plan

CRS is aware of the limitations of our current DREP Operational Plan and are involved with the City's ongoing effort to continue updating and continued development of the City's comprehensive DREP plan. ETS is working on securing funding and developing a more comprehensive disaster recovery plan. ETS has determined this first phase of this effort will be onsite systems only.