



City of Cincinnati Retirement System Governance Committee

**City Council Chambers and via Zoom
January 8, 2026 – 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

- October 2, 2025 (2-3)

Old Business

New Business

- Update on the creation of CRS's new Popular Annual Financial Report (PAFR)
- Finalize Funston Recommendation including CEM Benchmarking suggestions

Adjournment

Next Meeting: April 2, 2026, at 1:00 p.m. - City Council Chambers and via Zoom



**City of Cincinnati Retirement System
Governance Committee Meeting Minutes
October 2, 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 1:02 p.m. by Chair Menkhaus and a roll call vote of attendance was taken. Committee Members Menkhaus, Gamel, Moller, Rahtz, Riddle and Morris were present. Committee Member Walsh was absent.

Public Comment

No public comment.

Approval of Minutes

Approval of the minutes of the July 10, 2025, motion was moved by Committee Member Moller and seconded by Committee Member Rahtz. The minutes were approved by unanimous roll call vote.

Old Business

Funston Performance Audit Recommendations

Director Salstrom reviewed the Funston Audit Recommendations. He highlighted the areas in gray where the status was updated. Under Pension Operations, items 4.2 & 4.3 will be completed after the CEM Benchmarking presentation in December. Item 5.2 is essentially the same as item 1.3 regarding legal counsel and the status will be changed to "reviewed".

Review Final Draft of the Governance Manual

The current packet only includes sample pages, but the content and design are finalized and satisfactory. Trustees will review the final version before it is posted on the website.

Disaster Recovery & Business Continuity Policy

This policy was previously shared with the committee during the governance manual review but is kept separately due to its sensitive nature. The document outlines how the Retirement System identifies vulnerabilities and ensures continued ability to process pension benefit payments during disruptions. The system works closely with key vendors including: LRS (Pension Gold) – operational platform for benefit payments, banking and accounting platforms, Treasury, and ETS. The Retirement System contacts vendors annually to confirm they maintain similar disaster recovery measures. The policy, an internal staff document, originally went into effect 4-5 years ago and has now been updated. Director Salstrom will contact CEM and conduct peer benchmarking for a more formal review of the policy.

New Business

No New Business.

Adjournment

A motion to adjourn was made by Chair Menkhaus and seconded by Committee Member Moller. 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-comm-10-2-25>

Next Meeting: Thursday, January 8, 2025, at 1:00 p.m. - City Council Chambers and via Zoom

Secretary



POPULAR ANNUAL FINANCIAL REPORT (PAFR)

For the Fiscal Year Ending June 30, 2024





ABOUT THIS REPORT

The Popular Annual Financial Report (PAFR) includes condensed and simplified information from the 2024 City of Cincinnati Annual Comprehensive Financial Report, which is prepared in accordance with generally accepted accounting principles in the United States of America. Financial information is designed to be easy-to-understand language. ACFR is audited annual by XXX. The City of Cincinnati Retirement System is a unit of the City of Cincinnati ACFR.

- 3 OVERVIEW & PLAN SUMMARY**
- 3 ADMINISTRATION AND GOVERNANCE**
- 4 DEFINED BENEFITS EXPLAINED**
- 4 HOW CRS IS FUNDED**
- 5 MEMBERSHIP AND DEMOGRAPHICS**
- 5 MEMBER BENEFITS AND SERVICES**
- 6 FINANCIAL SUMMARY**
- 11 FUNDING PROGRESS**
- 13 INVESTMENTS SUMMARY**
- 17 CRS HIGHLIGHTS**

Funston Performance Audit - Summary of Recommendations				Assignment						
		Board	Board, Adm.	Priority	Board	Governance	IC	Staff	Performance evaluation	Audit
<u>1. Legal and Regulatory</u>					<u>Status</u>					
1.1	Improve definition and clarity of roles and authorities of:	Completed	X	X						
	• The Board of trustees									
	• Board chair	Completed	X	X						
	• Individual trustees	Completed	X	X						
	• City Council and Mayor	Completed		X						
	• City Manager and City Finance Director	Completed		X						
	• 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.	Reviewed		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					
<p>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.</p>										
<u>2. Governance Framework</u>					<u>Status</u>					
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:	Completed		X						
	• Trustee personal financial disclosures	Completed		X						
	• Board self-evaluation / Board education policy	Completed		X						
	• Funding	Initiated		X						
	• Separate investment policy statement for the 115 trust fund that is tailored to its liabilities	Completed		X						
	• Strategic planning, in coordination with the City	Completed		X						
	• Collection of claims in securities class actions	Completed		X						

		Board	Board, Adm.	Priority	Board	Governance	JC	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						

	<u>5. Administrative Operations</u>	Board	Board, Adm.	Priority	Board	Governance	IC	Staff	Performance evaluation	Audit
5.1	Develop succession planning and implement a cross training program for staff to minimize key person risk and enhance staff development.	Completed		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.	Completed		X	X					
5.3	Develop a long-term IT plan that identifies future needs.	Completed		X						
5.4	Work with the City Enterprise Technology Solutions (ETS) Department to ensure security is adequate and tested.	Completed		X	X					
5.5	Update the documented disaster recovery plan.	Completed		X	X					

6. Compliance

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

GREEN - SHORTER TERM COMPLETION
RED - LONGER TERM COMPLETION

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

Note: Some Recommendations may require CSA update.



Cincinnati Retirement System: CEM Recommendations

January 2026

CINCINNATI RETIREMENT SYSTEM

→ CEM Key Suggestions

- One-on-one Counseling
- Feedback Surveys
 - One-on-one counsel
 - New Employee Orientation
 - Retirement 101
- Improve User Interface Experience Via:
 - Member Direct
 - CRS Website

CINCINNATI RETIREMENT SYSTEM

→CRS Implementation

- Retirement counseling request form can be accessed and submitted to us through an online form in Member Direct (MD).
- Update Forms section of MD to be submittable forms (currently forms can only be downloaded and must be manually submitted to us).
- We can make most of our forms, especially for retirees available as online forms (tax withholding, change of address, update personal information).
- For active employees, service purchase applications, as well as DROP and Retirement applications to be submitted through MD, which will streamline the process and remove redundancies.