



City of Cincinnati Retirement System Board of Trustees Meeting

Agenda

**September 11, 2025 / 2:00 P.M.
City Hall, Council Chambers and via Zoom**

Members

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

CRS Staff

Jon Salstrom

Law

Kevin Frank

Call to Order

Public Comment

Approval of Minutes

- August 7, 2025 (2-4)

Report on Benefits & Performance Evaluation Committees

Executive Session

Informational – Staff Report

- Marquette Investment Report (5-7)
- Dashboard Reports (8-15)
- Staff Update
- Eyecare RFP Update
- Healthcare Survey Update
- Fiduciary Audit Recommendations Update (16-18)

Old Business

- Governance Manual
- Update on CRS Annual Report to Council (19-26)

New Business

Adjournment

Next Meeting: Thursday, October 2, 2025, 2:00 P.M. City Hall Council Chambers and via Zoom



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**City of Cincinnati Retirement System
Board of Trustees Meeting Minutes
August 7, 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 2:03 p.m. and a roll call of attendance was taken. Trustees Moller, Gamel, Rahtz, Morton, Morris and West were present. Trustees Menkhaus, Walsh and Riddle were 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 July 10, 2025. The motion was seconded by Trustee Morris. The minutes were approved by unanimous roll call vote.

Report on Investment Committee

Chair Morris presented the 2nd quarter investment report from Marquette. A motion to approve the quarterly investment report was made by the committee and passed. The Board voted to approve the report by unanimous roll call vote. A second was not required.

Executive Session

Chair Moller moved to enter Executive Session pursuant to Revised Code Section 121.22(G)(3) for the purpose of conferring with legal counsel regarding disputes involving CRS and pending or imminent court action. The motion was approved by unanimous roll call vote.

Informational – Staff Report

Marquette Investment Report

Chair Moller reported that the Investment Committee reviewed the Marquette investment report.

Staff Update

Director Salstrom provided a staff update, revisiting the proposed staffing plan included in the packet. The plan involves reconfiguring the Administrative Specialist position into an Investment Analyst to support the Director, Finance team and portfolio development. This change will have no impact on the budget.

Eyecare RFP Update

Director Salstrom provided an update on the Eyecare RFP. The contract was awarded to EyeMed, and implementation will be completed over the next month in time for Open Enrollment. Pricing was negotiated downward, offering competitive rates, and the Tier 2 “buy-up” option is included for retirees.

Healthcare Survey Update

Director Salstrom provided a healthcare survey update. A total of 2,246 surveys were emailed and 1,540 mailed, with 19 mailed surveys returned and 562 total respondents, indicating good participation. The survey is tracking as expected and is on pace to provide useful information for presentation to the Board at either the September or December Benefits Committee meeting.

Fiduciary Audit Recommendations Update

Director Salstrom provided an update on fiduciary audit recommendations included in the packet. Two items are pending as part of the CEM Benchmarking survey. Once received, items 4.2 and 4.3, addressing staffing needs and telecommunications, will be completed.

Old Business

CRS Board Annual Report to Council

Director Salstrom provided an update on the CRS Board Annual Report to Council, planned for September 9th. The packet includes the updated presentation from last year. Chair Moller and Director Salstrom will present to the Budget & Finance Committee.

Governance Manual

Director Salstrom provided a Governance Manual update. The manual has been sent to the graphic designer, and the final product is expected to be ready by the next Board meeting.

New Business

No New Business to Discuss.

Adjournment

Following a motion to adjourn by Trustee Morris and seconded by Trustee Rahtz. The Board approved the motion by unanimous roll call vote. The meeting was adjourned at 3:27 p.m.

Meeting video link: <https://archive.org/details/crs-board-8-7-25>

Next Meeting: Thursday, September 11, 2025, at 2:00 p.m. – City Hall Council Chambers and via Zoom

Secretary

DRAFT



Cincinnati Retirement

Monthly Report

Executive Summary
July 31, 2025



Total Fund Composite

6
Monthly Report
As of July 31, 2025

	Market Value	% of Portfolio	Policy %	Target Allocation	Difference	Last Month
Total Fund Composite						
Fixed Income Composite	484,004,797	20.0	22.5	544,855,630	-60,850,834	Beginning Market Value 2,417,231,829
Private Debt Composite	141,647,484	5.8	6.5	157,402,738	-15,755,253	Net Cash Flow -8,264,144
U.S. Equity Composite	640,835,999	26.5	28.5	690,150,465	-49,314,466	Gain/Loss 12,612,893
Non-U.S. Equity Composite	400,454,198	16.5	16.0	387,452,893	13,001,305	Ending Market Value 2,421,580,579
Volatility Risk Premium Composite	57,317,522	2.4	2.5	60,539,514	-3,221,992	
Real Estate Composite	150,911,470	6.2	6.0	145,294,835	5,616,636	
Infrastructure Composite	252,769,672	10.4	10.0	242,158,058	10,611,614	
Private Equity Composite	270,117,005	11.2	8.0	193,726,446	76,390,559	
Total Fund Composite	2,421,580,579	100.0	100.0	2,421,580,579		

	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs	SI	Inception Date
Total Fund Composite	0.5	5.4	6.5	9.5	9.5	8.5	10.0	7.7	7.6	8.8	Jun 85
Target Benchmark	0.6	5.7	6.8	9.3	9.5	8.2	9.2	7.7	7.7	-	
Actuarial Rate 7.5%	0.6	1.8	4.3	7.5	7.5	7.5	7.5	7.5	7.5	7.5	
Fixed Income Composite	0.0	1.4	4.6	4.6	5.2	3.1	1.1	2.7	2.8	5.0	Dec 95
Blmbg. U.S. Aggregate Index	-0.3	0.5	3.7	3.4	4.2	1.6	-1.1	1.7	1.7	4.2	
Private Debt Composite	0.0	0.5	1.8	6.7	9.0	9.9	-	-	-	5.1	Oct 20
Blmbg. U.S. Aggregate Index	-0.3	0.5	3.7	3.4	4.2	1.6	-1.1	1.7	1.7	-0.9	
MSCI Private Capital Global Private Debt	0.0	0.0	2.0	5.3	7.2	7.6	9.8	7.4	7.4	9.2	
U.S. Equity Composite	2.0	13.5	7.4	13.7	16.7	14.8	16.5	11.5	11.5	9.8	Mar 89
Russell 3000 Index	2.2	14.2	8.1	15.7	18.3	16.4	15.2	13.4	13.0	11.0	
Non-U.S. Equity Composite	-0.3	7.8	17.7	15.1	12.3	12.6	10.1	5.7	6.1	6.2	Jun 93
MSCI AC World ex USA (Net)	-0.3	7.8	17.6	14.7	12.2	12.6	9.1	6.2	6.1	-	
Volatility Risk Premium Composite	1.4	6.9	3.6	7.9	9.1	9.3	-	-	-	6.6	Feb 22
Cboe S&P 500 PutWrite Index	1.2	5.4	0.8	8.9	9.0	9.3	11.2	6.9	7.2	7.4	
Real Estate Composite	0.1	0.9	1.9	3.5	-2.7	-4.7	3.8	4.0	5.6	4.8	Sep 07
NFI-ODCE	0.0	0.5	1.7	2.7	-3.6	-6.3	2.5	2.7	4.3	3.7	
NCREIF Property Index	0.0	1.2	2.5	4.2	-0.8	-2.8	3.7	4.0	5.2	5.5	
Infrastructure Composite	0.0	2.0	4.7	9.7	8.7	8.9	9.4	8.7	7.2	8.4	Sep 08
3 Month T-Bill +4%	0.7	2.0	4.8	8.8	9.2	8.8	6.9	6.7	6.1	5.3	
Private Equity Composite	0.0	0.0	0.7	5.4	6.2	5.7	14.1	12.5	11.8	8.7	Aug 93
MSCI Private Capital Global All Private Equity	0.0	0.0	1.8	5.5	5.0	3.9	13.9	13.1	13.1	14.9	

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CRS Investment Dashboard

31-Jul-25



Investment Objectives

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

	1Y	3Y	5Y
CRS Fund - Net Return	9.50%	8.50%	10.50%
CRS Actuarial Assumed Rate of Return	7.50%	7.50%	7.50%
Difference	2.00%	1.00%	3.00%
Status	Above	Above	Above

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

	1Y	3Y	5Y
CRS Fund - Net Return	9.50%	8.50%	10.50%
CRS Passive Index	11.90%	11.25%	9.12%
Difference	-2.40%	-2.75%	1.38%
Status	Below	Below	Above

Status - Long-term Annualized Return versus Policy Index

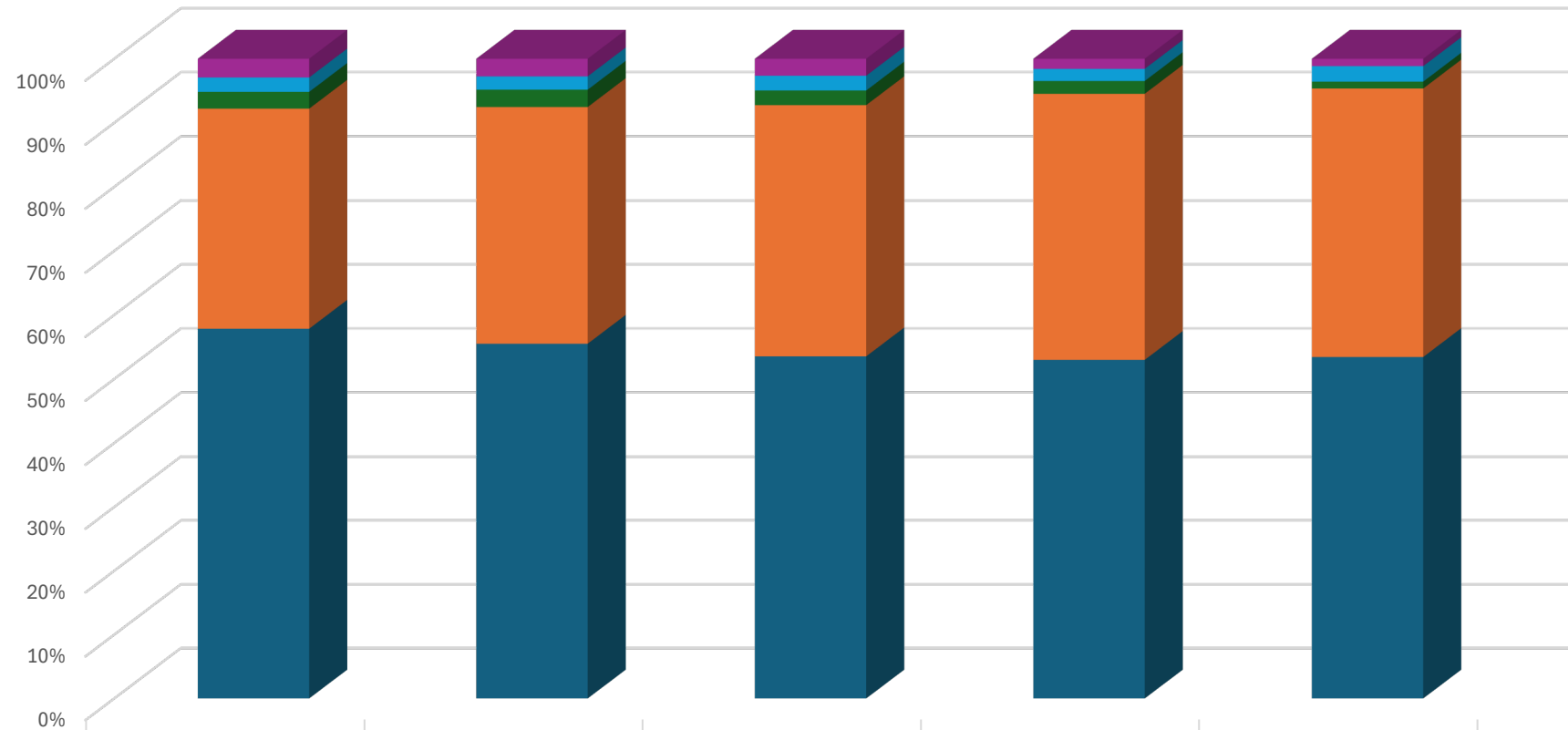
	1Y	3Y	5Y
CRS Fund - Net Return	9.50%	8.50%	10.50%
CRS Policy Index	9.30%	8.20%	9.20%
Difference	0.20%	0.30%	1.30%
Status	Above	Above	Above

CRS Benefits and Demographics Dashboard

1-Sep-25



CRS Demographics



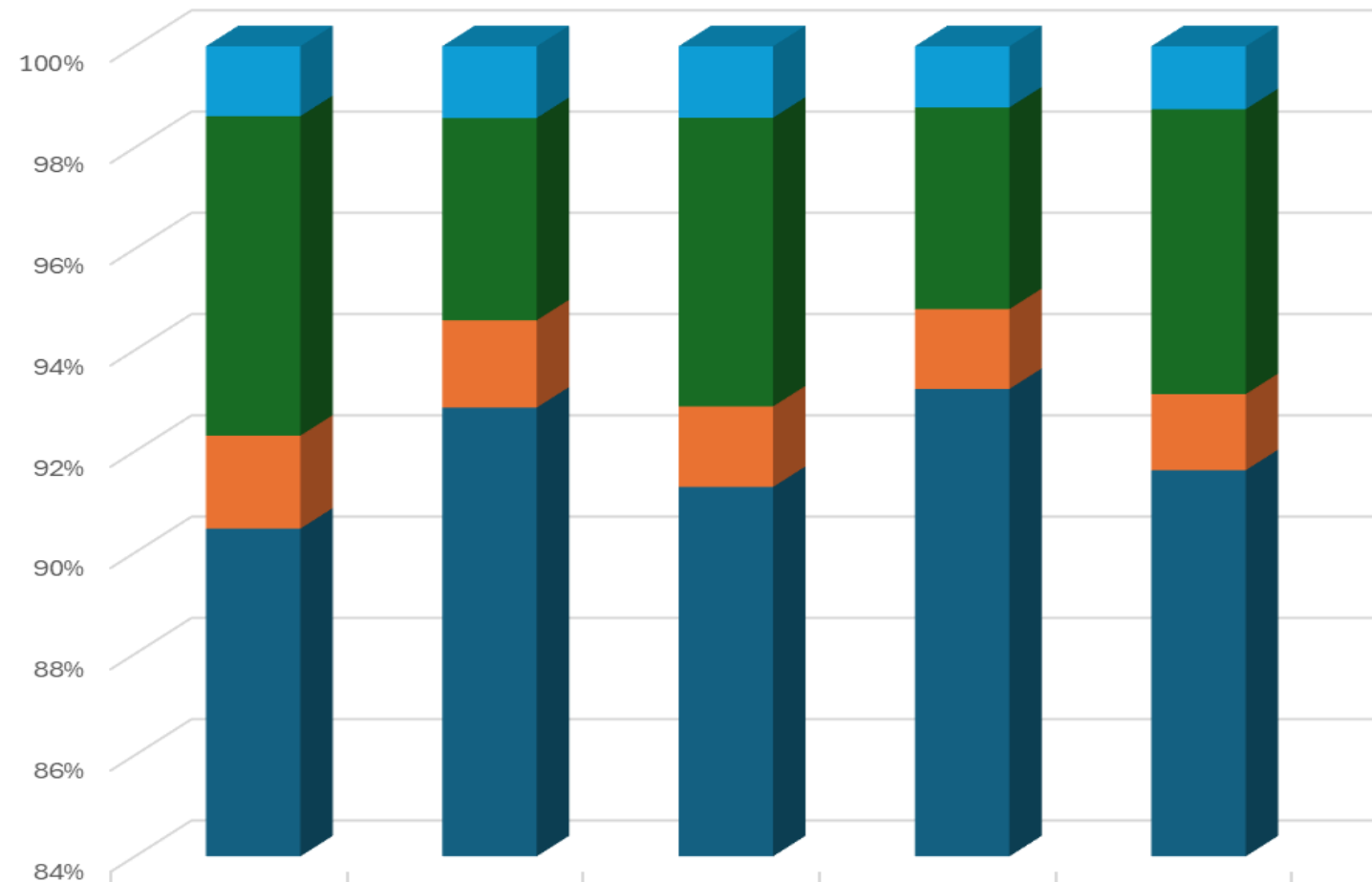
	2021	2022	2023	2024	2025
Sum of Deceased Members	213	206	204	123	91
Sum of Terminated Members	164	156	178	148	191
Sum of DROP	191	203	176	156	85
Sum of F/T Active Members	2504	2770	3023	3243	3313
Sum of Retirees	4216	4160	4125	4135	4222

CRS Benefits and Demographics Dashboard

1-Sep-25



CRS Benefits Paid



	2021	2022	2023	2024	2025
Sum of Refunded/Non-Retirees Benefits Paid	\$2,647,835.99	\$2,694,546.81	\$2,780,272.59	\$2,326,018.19	\$1,863,412.79
Sum of DROP Disbursement Paid	\$12,100,505.14	\$7,603,078.41	\$11,232,153.30	\$7,674,527.93	\$8,437,857.06
Sum of Other Benefits Paid (Disability/Survivor/Burial)	\$3,521,886.97	\$3,278,624.36	\$3,134,244.62	\$3,036,720.14	\$2,253,680.79
Sum of Retiree Benefits Paid	\$173,504,198.40	\$176,693,255.18	\$179,852,770.72	\$179,608,585.88	\$137,393,884.58

CRS Risk Dashboard

31-Aug-25



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

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

CRS Strategic Asset Allocation & Liquidity

29-Aug-25

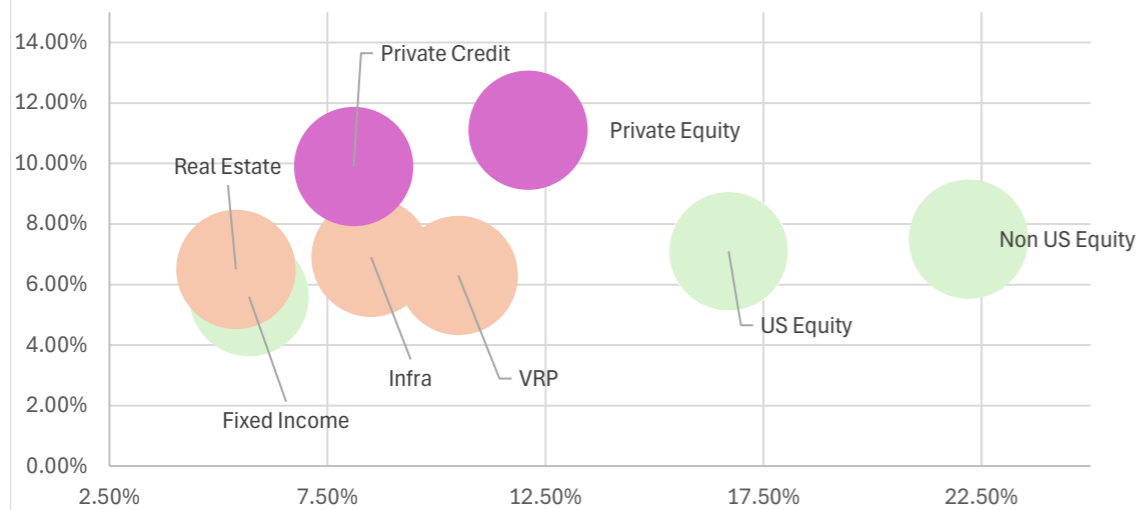


Fund Positioning

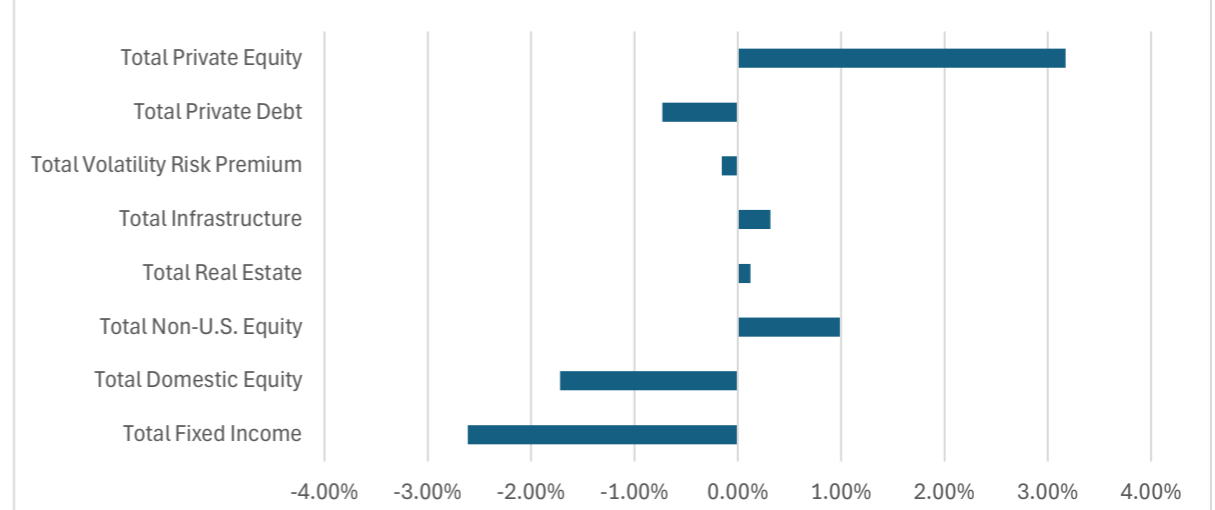
Marquette

Asset Class	Liquidity	Current	10 YR Return Expectation	10 YR Risk (standard deviation)	Policy	Relative	In Compliance
Total Fixed Income	high	19.89%	5.60%	5.70%	22.50%	-2.61%	Yes
Total Domestic Equity	high	26.78%	7.10%	16.70%	28.50%	-1.72%	Yes
Total Non-U.S. Equity	high	16.99%	7.50%	22.20%	16.00%	0.99%	Yes
Total Real Estate	medium	6.12%	6.50%	5.40%	6.00%	0.12%	Yes
Total Infrastructure	medium	10.32%	6.90%	8.50%	10.00%	0.32%	Yes
Total Volatility Risk Premium	medium	2.35%	6.30%	10.50%	2.50%	-0.15%	Yes
Total Private Debt	low	5.77%	9.90%	8.10%	6.50%	-0.73%	Yes
Total Private Equity	low	11.17%	11.10%	12.10%	8.00%	3.17%	Yes
TOTAL		0.93615			100.00		

Asset Class Return versus Risk versus Liquidity



Asset Position versus Target



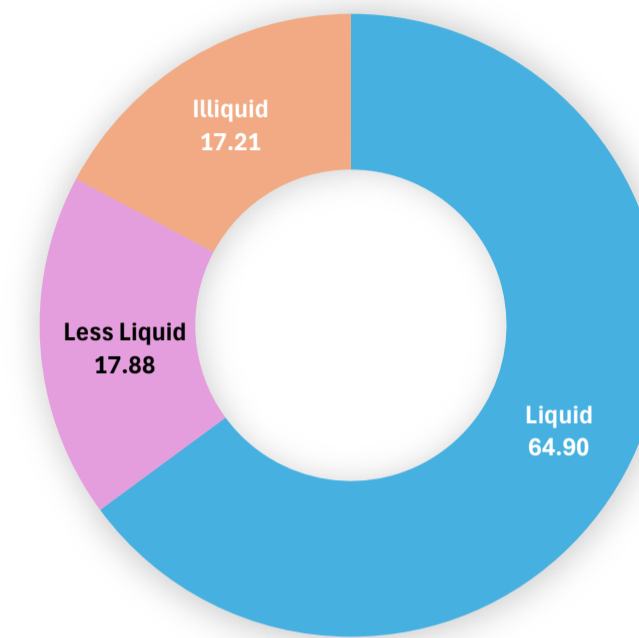
CRS Strategic Asset Allocation & Liquidity

29-Aug-25



Fund Positioning

Portfolio Redemption Liquidity	%	Market Value
Daily/Weekly	56.86%	\$1,353,054,200
Monthly	8.04%	\$191,328,499
Quarterly	12.45%	\$296,226,014
Semi Annual	5.43%	\$129,241,925
Illiquid	17.21%	\$409,595,288
Unfunded Commitments (PE, PC, RE, Infra)	6.82%	\$162,412,982
Expected Distributions (PE, PC, RE, Infra)	7.35%	\$174,934,182



Capital Call Ratio	Total Capital Needs		
	at Various Call Ratios	3 Year Investment Period	Additional dollars per month
75%	\$ 121,809,736.50	\$ 40,603,245.50	\$ 3,383,603.79
80%	\$ 129,930,385.60	\$ 43,310,128.53	\$ 3,609,177.38
85%	\$ 138,051,034.70	\$ 46,017,011.57	\$ 3,834,750.96
90%	\$ 146,171,683.80	\$ 48,723,894.60	\$ 4,060,324.55

Average
Avg Montly Cash Flow Needs
\$14,000,000

Monthly CF/Liquid Portfolio**
0.91%

Worst Case CF/Liquid Portfolio**
1.17%

Max 3M Draw Down Period (4Q'08)*
Montly Cash Flow Needs
\$14,000,000

3M CF/Liquid Portfolio**
3.20%

Worst Case 3M CF/Liquid Portfolio**
4.13%

*Assumes negative 15% return to liquid portfolio

** Liquid portfolio is Daily, Weekly, and Monthly added together

CRS Compliance Dashboard

31-May-25



Investment Strategy and Asset Diversification

1. Following prudent investment strategy by implementing the following:

	Completion Date	As of Date	Service Provider
Formal asset allocation study every 3 years	Jan'23	Sept'22	Marquette
Review strategic asset allocation parameters annually	May'25	Q1'25	Marquette
Review Investment Policy Statement annually	May'25	Q1'25	

2. Maintain proper diversification of assets by:

	Completion Date	Status	
Fund is within strategic asset allocation limits	Q1'25	Ok	
Investment managers are in compliance	Q1'25	Ok	Marquette
Manager diversification and counterparty risk are reviewed	Q1'25	Ok	

Legal , TAX, Regulatory and Operational

3. Legal, tax and operational review

	Completion Date	Status
Monitor pension operations quarterly	Q1'25	Ok
Monitor legal, tax and regulatory quarterly	Q1'25	Ok

4. Monitor administrative budget and Professional service :

	Completion Date	Status
Monitor budget and professional services fees quarterly	Q1'25	Ok
Professional services review annually	Q1'25	Ok

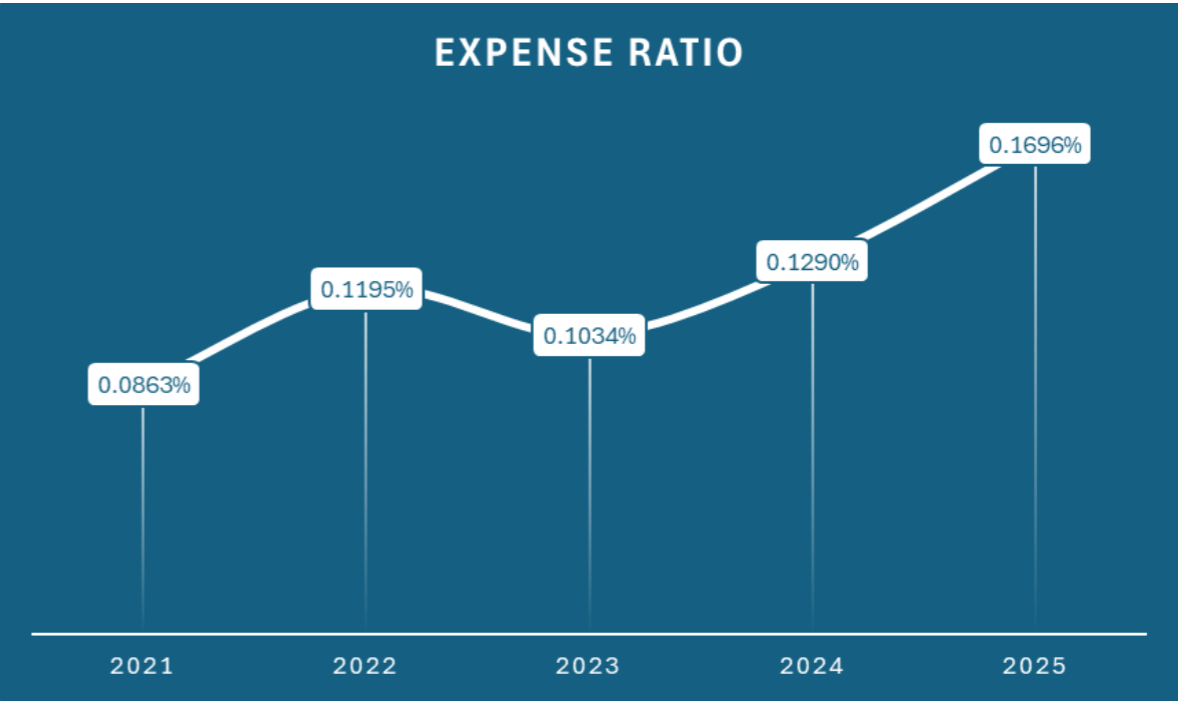
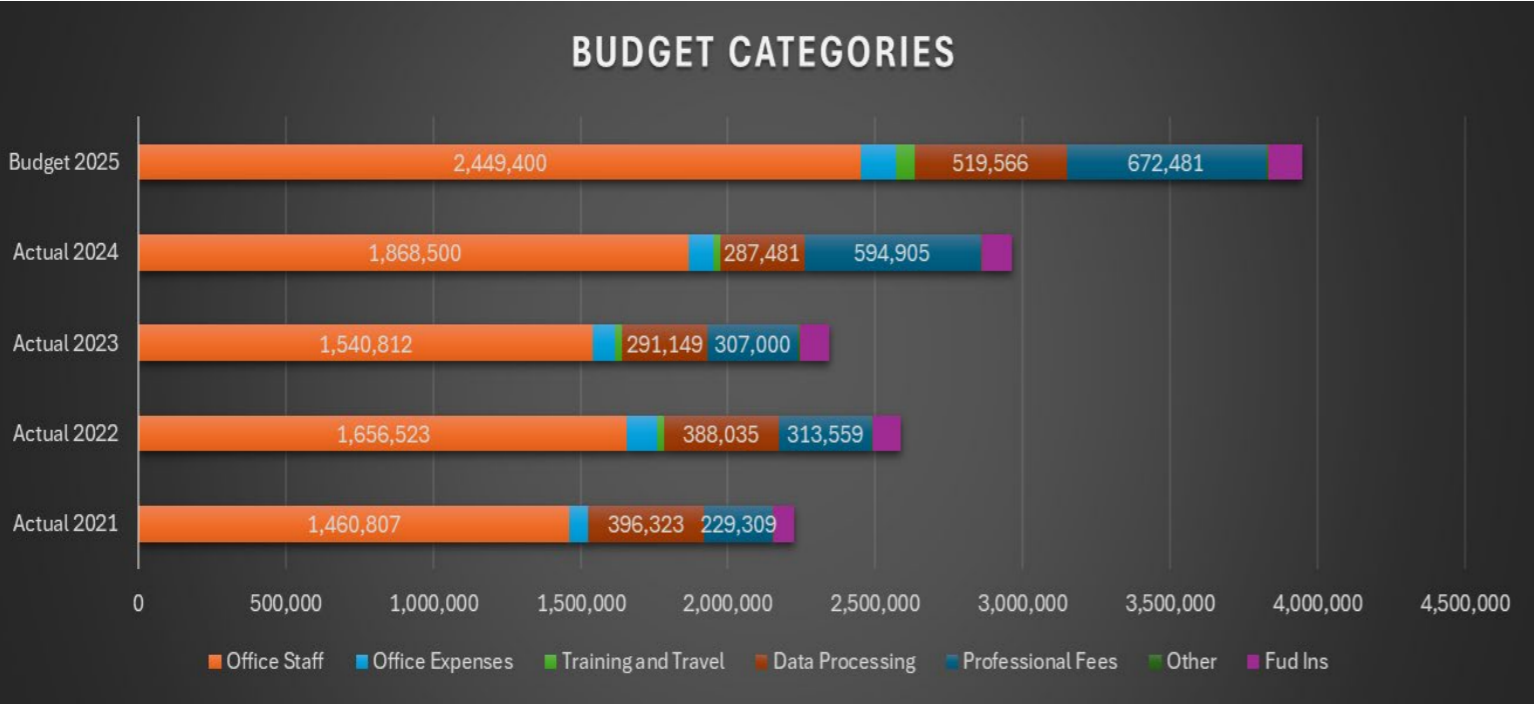
CRS Budget Dashboard

30-Jun-25



Summary

	Actual Q2,2025	Budget Q2,2025	Difference Budget v Actual	% of Budget Utilized	Budget 2025	Actual 2024	Actual 2023	Actual 2022	Actual 2021
Office Staff	856,192	1,129,772	273,580	35%	2,449,400	1,868,500	1,540,812	1,656,523	1,460,807
Office Expenses	37,931	67,398	29,467	31%	120,500	80,726	76,930	104,313	62,767
Training and Travel	8,914	31,512	22,598	14%	62,500	23,201	22,412	23,156	355
Data Processing	193,108	264,683	71,575	37%	519,566	287,481	291,149	388,035	396,323
Professional Fees	248,726	304,261	55,534	37%	672,481	594,905	307,000	313,559	229,309
Other	1,710	3,752	2,042	23%	7,500	5,126	4,135	3,260	3,175
Fund Ins	0	0	0	0%	117,370	104,389	99,952	96,959	71,127
Total Operating Cost	1,346,582	1,801,378	454,796	34%	3,949,317	2,964,328	2,342,390	2,585,805	2,223,863
Member Cost	114,317,133	117,604,552	3,287,419	48%	238,416,400	227,404,758	222,548,260	216,971,971	221,785,744
Contribution	35,949,934	34,836,339	1,113,594	46%	78,245,675	82,656,085	67,373,843	64,443,827	59,941,004
Net Investment Returns	146,525,401	84,976,870	61,548,531		169,954,354	216,423,029	251,362,593	(216,487,362)	406,692,091



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:									
	<ul style="list-style-type: none"> The Board of trustees 	Completed	X	X						
	<ul style="list-style-type: none"> Board chair Individual trustees 	Completed	X	X						
	<ul style="list-style-type: none"> City Council and Mayor City Manager and City Finance Director CRS Director 	Completed	X	X						
		Completed								
		Completed								
		Completed								
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.	Reviewed								
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								
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								
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								
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								

GREEN - SHORTER TERM COMPLETION

RED - LONGER TERM COMPLETION

Board - CRS Board has authority to complete

Board, Adm. - CRS Board and City Administration have shared authority to complete

Priority - CRS Board priority to complete as soon as possible

Note: Some Recommendations may require CSA update.

2. Governance Framework

2.1	Aggregate and organize the Board policies from all sources into a Board Governance Manual with online access and links to underlying document provisions; include the mission statement, goals, trustee responsibilities, committee charters and the Code of Ethics.	Completed	X	X
2.2	Develop new policies or formalize current policies and practices for:			
	• 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	Reviewed	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	IC	Staff	Performance evaluation	Audit
	<ul style="list-style-type: none"> Succession planning, in cooperation with relevant City appointing authorities Business continuity and resumption Independent governance and benchmarking reviews External communications by Board members 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							
		Completed	X							
		Completed	X							
		Completed	X							
		Completed	X							
2.3	Reduce the size of each committee to three or five members to better utilize trustee time.	Reviewed	X							
2.4	Adopt a consent agenda for approval of routine business and reports.	Reviewed	X							
2.5	Conduct periodic board retreats for more in-depth discussion on key topics, conducting board self-evaluations and executive director evaluations, and trustee education.	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.	Reviewed	X	X						
2.10	Discuss with the Director and the investment consultant how reporting could be improved and executive summaries better utilized to enhance trustee understanding and insight.	Completed	X	X						
2.11	Appoint a Board Audit Committee with oversight of internal and external audits to commission an independent financial audit and obtain internal audit services from the City Internal Audit Department and/or an independent firm; include oversight of enterprise performance and risk in the committee charter responsibilities.	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.	Reviewed	X	X						
3.4	Extend the time horizon for the strategic asset allocation to 3-5 years and only make changes to the target asset allocation as part of a comprehensive Asset Liability Study.	Completed	X							
3.5	Include a more comprehensive rebalancing policy in the IPS that describes how rebalancing is linked to the Board's investment philosophy and what the process should be.	Completed	X							
3.6	Discuss with Marquette Associates how reporting might be improved through development of an introductory executive summary, with an exception reporting approach, to the quarterly reporting package focused on actual performance compared to the IPS.	Completed	X	X						
4. Pension Operations										
4.1	Clarify the Board's responsibilities and role (or lack thereof) in pension and benefits administration.	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>Goverance</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.	Ongoing	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.	Reviewed	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 Board of Trustees

2024 Annual Report

CINCINNATI RETIREMENT SYSTEM

→Funding Status

	Assets		Liabilities	Funded Ratio
Pension				
Actuarial Value	\$	1,820,976,645	\$ 2,667,823,053	68.3%
Market Value	\$	1,805,588,000	\$ 2,667,823,053	67.7%
Health				
Actuarial Value	\$	564,669,589	\$ 364,355,955	155.0%
Market Value	\$	560,885,000	\$ 367,355,955	153.9%

CINCINNATI RETIREMENT SYSTEM

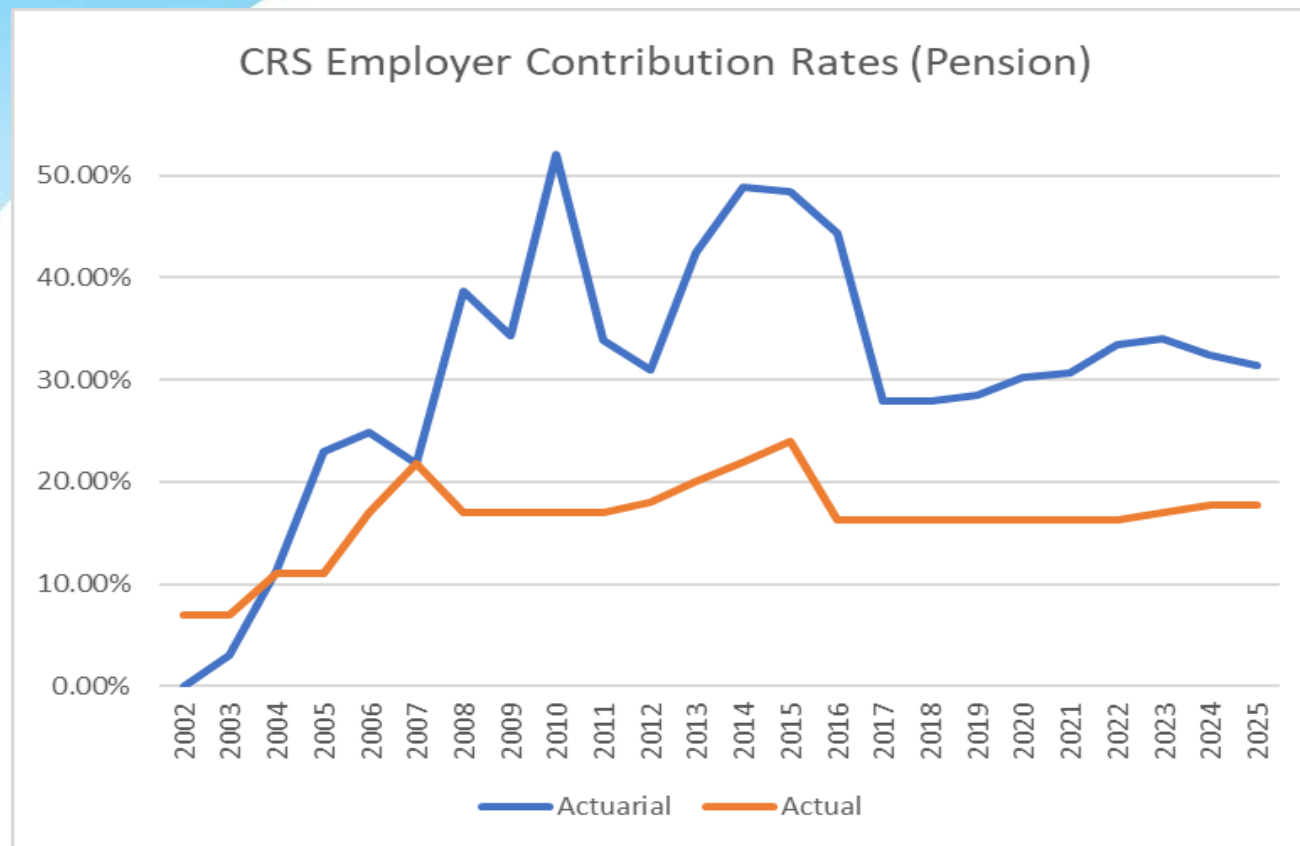
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→Funding Benefits: Contributions

- Actuarially Determined Contribution Rate (ADC): 31.43%
- City 2024 rate = 19.90%
- FT Employee Contribution Rate: 9%
- City Employer Contribution Rate: 17.75%
- City 2024 ERIP payment (\$2.7mm)
- City 2024 “Stabilization Fund” payment (\$2mm)

CINCINNATI RETIREMENT SYSTEM

→Funding Benefits: Contributions



CINCINNATI RETIREMENT SYSTEM

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→Funding Benefits: Investments

Annual CRS Rates of Investment Return & Funded Status

<u>Plan Year</u>	<u>Actuarial Rate of</u>		<u>Funded Status</u>
	<u>Return</u>	<u>CRS Return</u>	
2015*	7.5%	-0.1%	77.1%
2016	7.5%	8.9%	76.9%
2017	7.5%	14.9%	75.5%
2018	7.5%	-4.3%	72.6%
2019	7.5%	16.8%	71.2%
2020	7.5%	10.3%	70.5%
2021	7.5%	17.4%	71.6%
2022	7.5%	-9.3%	69.3%
2023	7.5%	12.1%	68.8%
2024	7.5%	9.5%	68.3%

* CSA

**Marquette Associates

Median Public Plan Return**

10-Year Compound Average	7.2%	6.8%
5-Year Compound Average	7.5%	6.9%
1-Year Compound Average	9.5%	9.0%

NCPERS 2024 Survey:

Average Peer Assumed rate of return is **6.9%**

Average Peer Funding Status is **75.4%**

CINCINNATI RETIREMENT SYSTEM

→2023 Fiduciary Audit - Update

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- Purpose to review CRS standards and practices and compare to peers and industry norms:
 - Focused on Legal & Regulatory, Governance, Investment, Pension Operations, Administrative and Compliance.
- The report concludes that the CRS Board of Trustees has been functioning effectively, the Director and the staff have been effectively providing services to active and retired members, and relations among the Board, CRS staff and other City departments have been collaborative and cordial.
- As part of the report there were thirty-seven recommendations for improvement. Over the past 18 months the Board has worked with administration and staff to review all recommendations and act on approximately 90% of recommendations. This is consistent with what report authors see with other plans/clients.

→ Recommendations to City Council: Incremental Annual Increase Plan

1. City Council adopt a plan to continue increasing the Pension Trust employer contribution 0.8% incrementally on an annual basis to assure full funding in 2045
2. Incremental Annual Increase Plan be updated every two years in anticipation of the City's fiscal year biennial budget.
3. City Council approve and appropriate the Pension Trust employer contribution in accordance with each updated Incremental Annual Increase Plan.
4. City Manager engage with the CRS Trustees on the Futures Commission analysis and recommendations regarding the future of CRS and funding of the Trusts.
5. City works with the CRS Board of Trustees to fulfill the recommendations from the Fiduciary Audit (Governance Report) completed by outside consultants.

CINCINNATI RETIREMENT SYSTEM

→Scenario to Fully Fund by 2045

2025 Projections from Cheiron Assumed Rate of Return 7.50%				
Schedule of funded Ratios	Flat E'r Rate of 17.75%		Increase E'r by 0.80/year	
	E'r Contr Rate	Funded Ratio	E'r Contr Rate	Funded Ratio
2024	17.75%	68.8%	17.75%	68.00%
2025	17.75%	67.1%	18.55%	67.20%
2026	17.75%	64.9%	19.35%	65.10%
2027	17.75%	65.0%	20.15%	65.40%
2028	17.75%	64.6%	20.95%	65.30%
2029	17.75%	63.9%	21.75%	65.10%
2030	17.75%	63.4%	22.55%	65.10%
2031	17.75%	62.8%	23.35%	65.30%
2032	17.75%	62.2%	24.15%	65.60%
2033	17.75%	61.6%	24.95%	66.20%
2034	17.75%	61.1%	25.75%	67.00%
2035	17.75%	60.6%	26.55%	68.10%
2036	17.75%	60.1%	27.35%	69.40%
2037	17.75%	59.6%	28.15%	71.00%
2038	17.75%	59.2%	28.95%	73.10%
2039	17.75%	58.9%	29.75%	75.50%
2040	17.75%	58.7%	30.55%	78.50%
2041	17.75%	58.6%	31.35%	82.00%
2042	17.75%	58.7%	32.15%	86.00%
2043	17.75%	59.0%	32.95%	90.60%
2044	17.75%	59.4%	33.75%	95.80%
2045	17.75%	60.1%	34.55%	101.70%

