



City of Cincinnati Retirement System Board of Trustees Meeting

Agenda

March 5, 2026 / 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
Aliya Riddle
Sonya Morris
Tom West
Seth Walsh

CRS Staff

Jon Salstrom

Law

Kevin Frank

Call to Order

Public Comment

Approval of Minutes

- February 5, 2026

Report on Performance Evaluation & Benefits Committee

Executive Session

Informational – Staff Report

- Marquette Investment Report (5-7)
- Update Regarding New Investment Manager Contracts
- Dashboards (8-15)
- Staff Update
- Pension Funding Policy Update (19-24)
 - Funding Plan Ordinance
 - One Time Contribution Ordinance

Old Business

- Finalize Funston Recommendation including CEM Benchmarking suggestions (16-18)

New Business

Adjournment

Next Meeting: Thursday, March 5, 2026, 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
February 5, 2026 / 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 2:01 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

No public comment.

APPROVAL OF MINUTES

Trustee Morris moved to approve the minutes of the Board meeting of January 8, 2025. The motion was seconded by Trustee Morton. The minutes were approved by unanimous roll call vote.

Report on Investment Committee

Chair Morris reported that Marquette presented the quarterly investment report. The Committee was pleased to see strong performance in 2025, which has brought plan assets close to pre-COVID levels.

There were 3 motions passed:

- Motion to approve the Marquette Investment Report. Because it comes from committee, there is no second needed. The motion was approved by unanimous roll call vote.
- Motion to approve corresponding updates to the Investment Policy Statement to reflect the asset allocation changes adopted last December. Because it comes from committee, there is no second needed. The motion was approved by unanimous roll call vote.

- Motion to approve the plan to increase the private credit allocation to its newly approved target. Because it comes from committee, there is no second needed. The motion was approved by unanimous roll call vote.

Informational – Staff Report

Marquette Investment Report

The plan's one-year return was 13.7%, performing in line with the benchmark and significantly exceeding the 7.5% actuarial assumed rate of return.

Staff Update

There are currently two open positions. The Administrative Specialist posting closed on 2/18, with hiring expected to be finalized within the next month. The second position, the Investment Analyst, is anticipated to be posted on 2/19. An update on both roles will be provided at the next meeting.

Stabilization Fund Report

The ordinance was approved by the Budget & Finance Committee and subsequently by City Council the following Wednesday. As a result, the \$2 million funding is expected to be received within the next few weeks.

Old Business

Finalize Funston Recommendation including CEM Benchmarking suggestions

All items are progressing toward completion. The only outstanding item under Pension Operations is 4.3, which will be addressed after the completion of the CEM Benchmarking to develop a roadmap of their recommendations. Direct Salstrom gave a high-level overview of these recommendations.

New Business

Approving of QEBA Trust Agreement (Review IRC 415B)

This information was initially provided about a year ago, and this serves as a refresher regarding its implications for the City of Cincinnati, the Pension Trust, and the Board of Trustees. The Federal Rule limits the annual pension benefit that can be paid from a defined benefit plan to individual retirees. The purpose of the rule is to prevent highly compensated employees from placing an excessive financial burden on the pension plan.

To maintain compliance with IRS Section 415(b), the Pension Trust must limit the annual pension benefit payable from the qualified defined benefit plan. Compliance is critical to preserving CRS's qualified governmental plan status. Failure to comply could jeopardize the tax-advantaged status the City enjoys as a municipality sponsoring a defined benefit plan.

Historically, CRS identified a small number of retirees each year (typically 2–4 individuals) whose benefits exceeded the 415(b) limit. With assistance from Cheiron, a 20-year historical analysis was conducted to quantify the excess amounts. This resulted in an approximate \$2.5 million contribution from the City's General Fund to the Pension Trust to bring the plan into compliance.

Going forward, the City has taken the position that any benefits exceeding the 415(b) limit will be paid outside of the qualified plan. Based on outside counsel's recommendation, an excess benefit (QEBA) trust was established to pay these qualified excess benefits. Each year:

- Cheiron will identify impacted individuals as part of the annual actuarial valuation.

- The estimated excess amount (approximately \$115,000 annually, expected to be similar this year) will be reported.
- The City will work with the Budget Office to appropriate funds into the QEBA trust.
- Payments to affected individuals will then be made from that trust, ensuring continued compliance with IRS requirements.

Chair Moller made a motion to approve the total retirement benefits arrangement plan and trust, and the resolution which has the Director implement the administration of the trust itself. The motion was seconded by Trustee Morris and approved by unanimous roll call vote.

Adjournment

Following a motion to adjourn by Trustee Morton and seconded by Trustee Menkhaus. The Board approved the motion by unanimous roll call vote. The meeting was adjourned at 2:22 p.m.

Meeting video link: <https://archive.org/details/crs-board-2-5-26>

Next Meeting: Thursday, March 5, 2026, at 2:00 p.m. – City Hall Council Chambers and via Zoom

Secretary



Cincinnati Retirement

Monthly Report

Executive Summary
December 31, 2025



Total Fund Composite

6
Monthly Report
As of December 31, 2025

	Market Value	% of Portfolio	Policy %	Target Allocation	Difference
Fixed Income Composite	606,160,920	24.1	22.5	567,007,979	39,152,942
Private Debt Composite	150,346,620	6.0	8.0	201,602,837	-51,256,217
U.S. Equity Composite	576,495,460	22.9	24.0	604,808,511	-28,313,051
Non-U.S. Equity Composite	419,978,867	16.7	15.0	378,005,319	41,973,548
Volatility Risk Premium Composite	61,778,167	2.5	4.0	100,801,418	-39,023,251
Real Estate Composite	155,639,091	6.2	6.0	151,202,128	4,436,964
Infrastructure Composite	248,863,162	9.9	7.0	176,402,482	72,460,679
Private Equity Composite	281,981,112	11.2	13.5	340,204,787	-58,223,675
Total Fund Composite	2,520,035,461	100.0	100.0	2,520,035,461	

	Last Month
Total Fund Composite	
Beginning Market Value	2,512,735,730
Net Cash Flow	-13,047,828
Gain/Loss	20,347,560
Ending Market Value	2,520,035,461

	1 Mo	3 Mo	1 Yr	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs	SI	Inception Date
Total Fund Composite	0.8	2.0	13.7	11.7	11.8	8.3	9.8	8.7	8.9	Jun 85
Target Benchmark	0.6	2.2	14.0	11.6	11.6	7.6	9.7	8.7	-	
Actuarial Rate 7.5%	0.6	1.8	7.5	7.5	7.5	7.5	7.5	7.5	7.5	
Fixed Income Composite	-0.1	1.2	8.3	5.2	5.7	0.9	3.3	3.5	5.1	Dec 95
Blmbg. U.S. Aggregate Index	-0.1	1.1	7.3	4.2	4.7	-0.4	2.0	2.0	4.3	
Private Debt Composite	0.0	0.0	5.2	8.4	9.8	3.3	-	-	5.4	Oct 20
Blmbg. U.S. Aggregate Index	-0.1	1.1	7.3	4.2	4.7	-0.4	2.0	2.0	-0.2	
MSCI Private Capital Global Private Debt	0.0	0.0	7.2	7.2	8.2	8.7	8.0	8.1	9.5	
U.S. Equity Composite	0.2	2.8	17.2	19.4	20.3	13.7	15.4	13.1	10.0	Mar 89
Russell 3000 Index	0.0	2.4	17.1	20.4	22.2	13.1	16.6	14.3	11.1	
Non-U.S. Equity Composite	3.1	4.2	31.6	17.9	17.1	8.4	9.7	8.2	6.5	Jun 93
MSCI AC World ex USA (Net)	3.0	5.1	32.4	18.2	17.3	7.9	10.1	8.4	-	
Volatility Risk Premium Composite	1.5	3.9	11.7	12.1	13.1	-	-	-	7.9	Feb 22
Cboe S&P 500 PutWrite Index	1.1	4.8	9.2	13.4	13.7	10.6	9.7	8.0	8.8	
Real Estate Composite	0.0	0.5	3.6	1.2	-2.6	3.6	3.7	5.0	4.8	Sep 07
NFI-ODCE	0.2	0.7	2.9	0.3	-4.3	2.5	2.5	3.9	3.7	
NCREIF Property Index	1.2	1.2	4.9	2.6	-1.0	3.8	3.8	4.8	5.5	
Infrastructure Composite	2.3	2.3	9.5	8.8	9.1	9.1	9.3	7.2	8.5	Sep 08
3 Month T-Bill +4%	0.7	2.0	8.3	8.9	9.0	7.3	6.8	6.3	5.4	
Private Equity Composite	0.0	0.0	7.6	7.7	8.4	10.8	12.4	12.5	8.8	Aug 93
MSCI Private Capital Global All Private Equity	0.0	0.0	9.5	7.6	7.0	9.5	13.8	13.8	14.9	

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Investment Objectives

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

	1Y	3Y	5Y
CRS Fund - Net Return	13.70%	11.80%	8.30%
CRS Actuarial Assumed Rate of Return	7.50%	7.50%	7.50%
Difference	6.20%	4.30%	0.80%
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	13.70%	11.80%	8.30%
CRS Passive Index	17.12%	15.89%	8.09%
Difference	-3.42%	-4.09%	0.21%
Status	Below	Below	Above

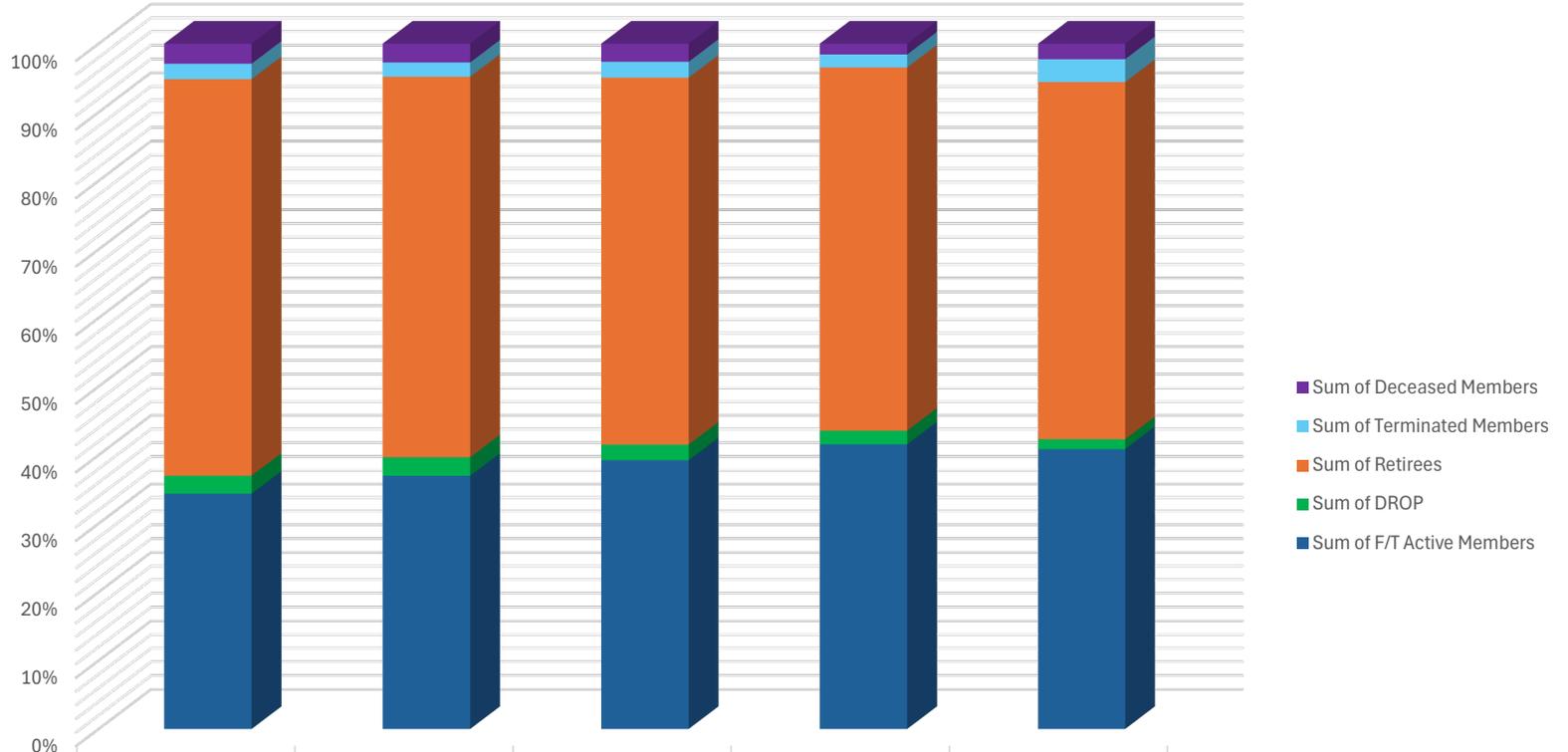
Status - Long-term Annualized Return versus Policy Index

	1Y	3Y	5Y
CRS Fund - Net Return	13.70%	11.80%	8.30%
CRS Policy Index	14.00%	11.60%	7.60%
Difference	-0.30%	0.20%	0.70%
Status	Below	Above	Above

CRS Benefits and Demographics Dashboard



CRS Demographics

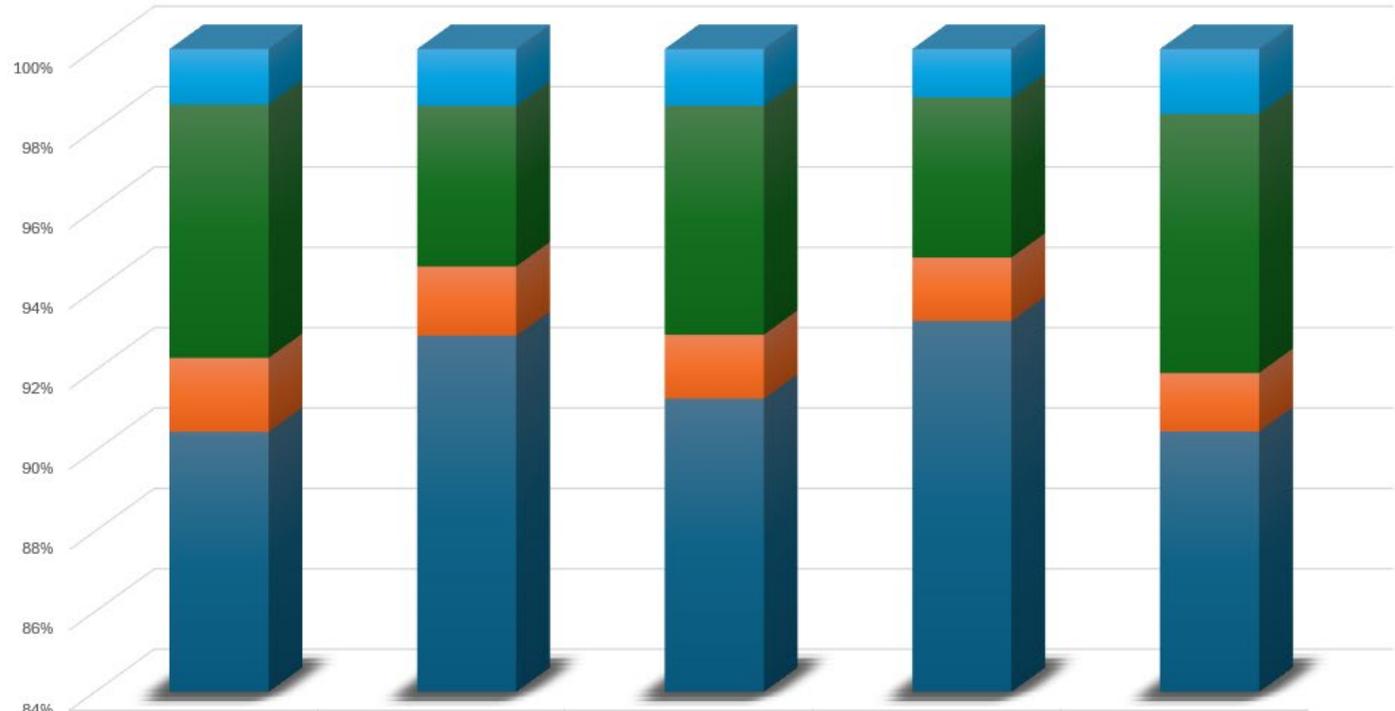


	2021	2022	2023	2024	2025
Sum of Deceased Members	213	206	204	123	184
Sum of Terminated Members	164	156	178	148	270
Sum of Retirees	4216	4160	4125	4135	4224
Sum of DROP	191	203	176	156	118
Sum of F/T Active Members	2504	2770	3023	3243	3311

CRS Benefits and Demographics Dashboard



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	\$3,349,307.00
Sum of DROP Disbursement Paid	\$12,100,505.14	\$7,603,078.41	\$11,232,153.30	\$7,674,527.93	\$13,347,618.55
Sum of Other Benefits Paid (Disability/Survivor/Burial)	\$3,521,886.97	\$3,278,624.36	\$3,134,244.62	\$3,036,720.14	\$3,016,044.97
Sum of Retiree Benefits Paid	\$173,504,198.40	\$176,693,255.18	\$179,852,770.72	\$179,608,585.88	\$187,339,433.83

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	medium	↓	Mitigate	Lower	CRS has hired additional staff to ensure all CRS functions covered and with trained backup.	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	medium	↓	Mitigate	Lower	In Feb'26, City Council passed two ordinance to formalize a funding plan including \$100m injection of cash and increased contribution rates.	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	No Change	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 to remain elevated in '26. Public Equity valuations are rich with risk to the downside. Economic headwinds, with potential for slowing growth and rising rates (10yr) caused by debt and tariffs	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. Annual evaluation of key vendors	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. Constant evaluate of 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	Low	↔	Mitigate	Lower	Completed new Governance manual. Implement Fiducary Audit & Benchmarking Recommendations. Creating PAFR for delivery in '26.	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 City Solicitor's office, Council members, Mayor and CMO.	Board, 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 bulk of the reviews (quarterly and annual) are due to 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

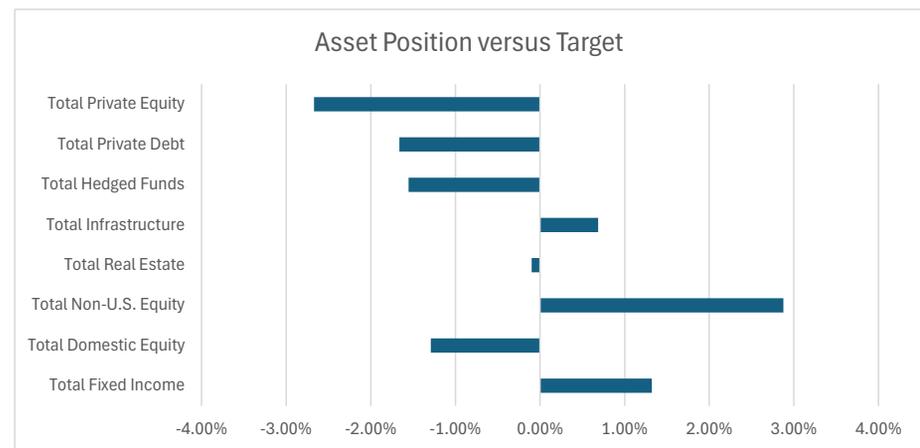
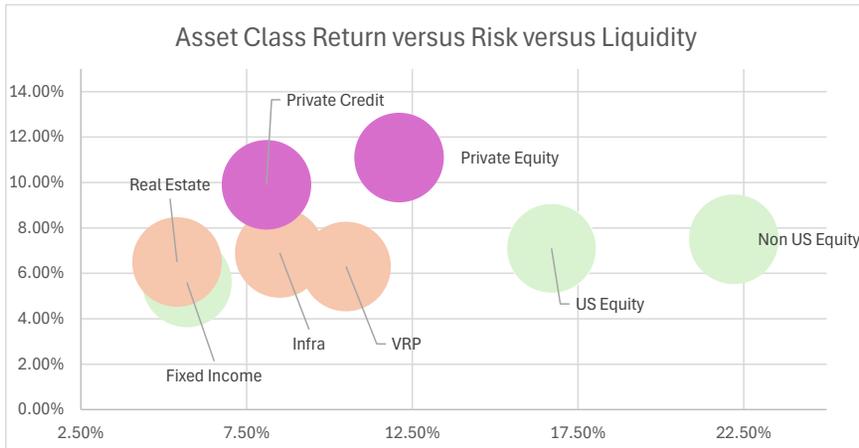
19-Feb-26



Fund Positioning

Marquette

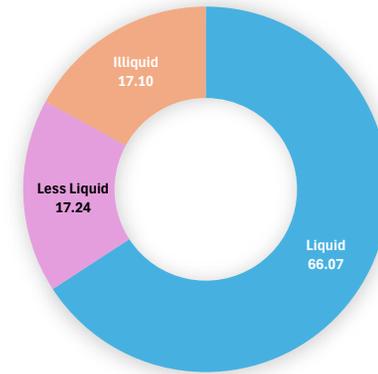
Asset Class	Liquidity	Current	10 YR Return Expectation	10 YR Risk (standard deviation)	Policy	Relative	In Compliance
Total Fixed Income	high	23.82%	5.60%	5.70%	22.50%	1.32%	Yes
Total Domestic Equity	high	22.71%	7.10%	16.70%	24.00%	-1.29%	Yes
Total Non-U.S. Equity	high	17.88%	7.50%	22.20%	15.00%	2.88%	Yes
Total Real Estate	medium	5.90%	6.50%	5.40%	6.00%	-0.10%	Yes
Total Infrastructure	medium	9.69%	6.90%	8.50%	9.00%	0.69%	Yes
Total Hedged Funds	medium	2.45%	6.30%	10.50%	4.00%	-1.55%	Yes
Total Private Debt	low	5.84%	9.90%	8.10%	7.50%	-1.66%	Yes
Total Private Equity	low	10.83%	11.10%	12.10%	13.50%	-2.67%	Yes
TOTAL		0.93271			100.00		





Fund Positioning

Portfolio Redemption Liquidity	%	Market Value
Daily/Weekly	57.98%	\$1,443,603,447
Monthly	8.09%	\$201,516,415
Quarterly	12.15%	\$302,523,593
Semi Annual	5.07%	\$126,327,439
Illiquid	17.10%	\$425,738,905
Unfunded Commitments (PE, PC, RE, Infra)	7.01%	\$166,905,661
Expected Distributions (PE, PC, RE, Infra)	8.50%	\$202,179,135



Capital Call Ratio	Total Capital Needs at Various Call Ratios	3 Year Investment Period	Additional dollars per month
75%	\$ 125,179,245.75	\$ 41,726,415.25	\$ 3,477,201.27
80%	\$ 133,524,528.80	\$ 44,508,176.27	\$ 3,709,014.69
85%	\$ 141,869,811.85	\$ 47,289,937.28	\$ 3,940,828.11
90%	\$ 150,215,094.90	\$ 50,071,698.30	\$ 4,172,641.53

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

Monthly CF/Liquid Portfolio**
0.85%

Worst Case CF/Liquid Porfolio**
1.10%

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

3M CF/Liquid Portfolio**
3.00%

Worst Case 3M CF/Liquid Porfolio**
3.90%

*Assumes negative 15% return to liquid portfolio

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

CRS Compliance Dashboard

28-Feb-26



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	Jan'26	Q4'25	Marquette
Review Investment Policy Statement annually	Jan'26	Q4'25	
2. Maintain proper diversification of assets by:	Completion Date	Status	
Fund is within strategic asset allocation limits	Q4'25	Ok	
Investment managers are in compliance	Q4'25	Ok	Marquette
Manager diversification and counterparty risk are reviewed	Q4'25	Ok	

Legal , TAX, Regulatory and Operational

3. Legal, tax and operational review	Completion Date	Status
Monitor pension operations quarterly	Q4'25	Ok
Monitor legal, tax and regulatory quarterly	Q4'25	Ok
4. Monitor administrative budget and Professional service :	Completion Date	Status
Monitor budget and professional services fees quarterly	Q4'25	Ok
Professional services review annually	Q4'25	Ok

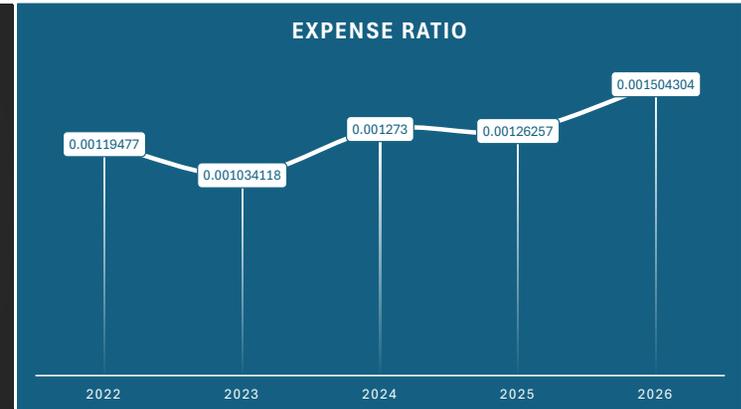
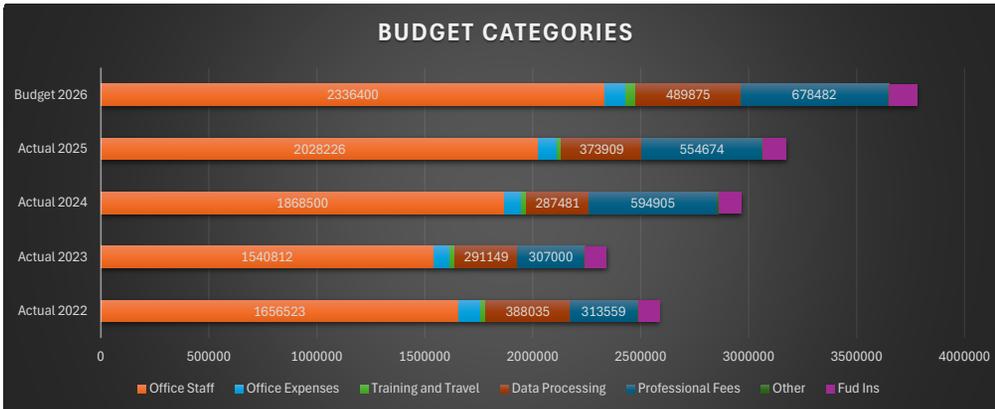
CRS Budget Dashboard

31-Dec-25



Summary

	Actual 2025	Budget 2025	Difference Budget v Actual	% of Budget Utilized	Budget 2026	Actual 2025	Actual 2024	Actual 2023	Actual 2022
Office Staff	2,028,226	2,449,400	421,174	83%	2,336,400	2,028,226	1,868,500	1,540,812	1,656,523
Office Expenses	86,599	120,500	33,901	72%	93,800	86,598	80,726	76,930	104,313
Training and Travel	18,190	62,500	44,310	29%	45,500	18,190	23,201	22,412	23,156
Data Processing	373,909	519,566	145,657	72%	489,875	373,910	287,481	291,149	388,035
Professional Fees	554,674	672,481	117,806	82%	678,482	554,675	594,905	307,000	313,559
Other	4,912	7,500	2,588	65%	7,500	4,912	5,126	4,135	3,260
Fund Ins	106,618	117,370	10,752	91%	129,107	106,618	104,389	99,952	96,959
Total Operating Cost	3,173,129	3,949,317	776,188	80%	3,780,664	3,173,129	2,964,328	2,342,390	2,585,805
Member Cost	227,708,047	238,416,400	10,708,353	96%	244,242,700	227,708,047	227,404,758	222,548,260	216,971,971
Contribution	81,921,696	78,245,675	3,676,021	105%	87,771,050	81,921,696	82,656,085	67,373,843	64,443,827
Net Investment Returns	319,927,589	169,954,354	149,973,235		180,816,185	319,927,589	216,423,029	251,362,593	(216,487,362)



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.	Completed		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.	Completed		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.	Completed		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.	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.



Date: February 19, 2026

To: Mayor Aftab Purevall

From: Emily Smart Woerner, City Solicitor *EESW*

Subject: **Emergency Ordinance – Authorizing Pension Settlement Agreement**

Transmitted herewith is an emergency ordinance captioned as follows:

AUTHORIZING the City Manager and City Solicitor to seek amendment of the Collaborative Settlement Agreement and Consent Decree in the class action lawsuit in the U.S. District Court for the Southern District of Ohio, Western Division captioned Sunyak, et al., v. City of Cincinnati, et al., Case Nos. 1:11-cv-445 and 1:12-cv-329.

EESW/CNS(dbr)
Attachment
4929-5436-8903

EMERGENCY

City of Cincinnati

CNS

EESW

An Ordinance No. _____

- 2026

AUTHORIZING the City Manager and City Solicitor to seek amendment of the Collaborative Settlement Agreement and Consent Decree in the class action lawsuit in the U.S. District Court for the Southern District of Ohio, Western Division captioned Sunyak, et al., v. City of Cincinnati, et al., Case Nos. 1:11-cv-445 and 1:12-cv-329.

WHEREAS, the City is bound by the terms of a Consent Decree and Collaborative Settlement Agreement in Case Nos. 1:11-cv-445 and 1:12-cv-329 in the U.S. District Court for the Southern District of Ohio (“Pension Litigation”), the goal of which is to appropriately fund the Cincinnati Retirement System (“CRS”) Pension Trust Fund; and

WHEREAS, following participation in federal mediation with class representatives, the City and those parties have agreed to present recommended changes for modifying the Collaborative Settlement Agreement and Consent Decree to the court overseeing the Pension Litigation; and

WHEREAS, the City and the class representatives in the Pension Litigation believe the proposed changes are necessary to fortify the CRS Pension Trust Fund and to secure benefits that have been promised to current and future CRS retirees;

WHEREAS, the plan to be presented to the court includes large one-time contributions to the CRS Pension Fund by the City, increased annual contributions to the CRS Pension Fund by the City, increased contributions by employees, and extension of the target date for achieving full-funding status of the CRS Pension Trust Fund; and

WHEREAS, this plan, if approved, will strengthen the City’s long-term fiscal stability and reduce reliance on future taxpayers to fund past benefits; now, therefore,

BE IT ORDAINED by the Counsel of the City of Cincinnati, State of Ohio:

Section 1. That the City Manager and City Solicitor are authorized to seek amendment of the Collaborative Settlement Agreement and Consent Decree in the class action lawsuit in the U.S. District Court for the Southern District of Ohio, Western Division captioned Sunyak, et al., v. City of Cincinnati, et al., Case Nos. 1:11-cv-445 and 1:12-cv-329, to implement a pension funding plan with the following components:

- The City will make a one-time contribution of \$50,000,000 to the Cincinnati Retirement System (“CRS”) Pension Trust Fund upon plan approval.

- Annually over time, the City will make an additional \$50,000,000 contribution to the CRS Pension Trust Fund from its restricted funds, beginning with a \$1,500,000 contribution in 2026 and subsequent annual payments increasing by five percent annually until the total \$50,000,000 amount is paid.
- The City will increase its minimum annual contribution to the CRS Pension Trust Fund from the currently mandated 16.25 percent of covered payroll to 19.25 percent of covered payroll, with the potential for the minimum contribution to increase to 21.5 percent – through three adjustments of 0.75 percent – if reporting by CRS’s actuary indicates the CSR Pension Trust Fund is not on pace for full funding by 2049.
- Employee contributions to the CRS Pension Trust Fund will increase from the current maximum of nine percent of pensionable wages to ten percent of pensionable wages via a series of 0.25-percent increases over the next four years.
- The target year for full funding of the CRS pension trust fund will shift from 2045 to 2049.
- The City may reduce its minimum annual contribution to the CRS Pension Trust Fund to the net normal cost for operating the CRS in the event the CRS Pension Trust Fund reaches full funding prior to the expiration of the Collaborative Settlement Agreement and Consent Decree.

Section 2. That this ordinance shall be an emergency measure necessary for the preservation of the public peace, health, safety, and general welfare, and shall, subject to the terms of Article II, Section 6 of the Charter, be effective immediately. The reason for the emergency is the immediate need to present the proposed funding plan to the court and seek its approval to amend the Collaborative Settlement Agreement and Consent Decree so that the CRS may realize the benefits of the funding plan at the earliest possible time.

Passed: _____, 2026

Aftab Pureval, Mayor

Attest: _____
 Clerk



Date: February 19, 2026

To: Mayor Aftab Purevall

From: Emily Smart Woerner, City Solicitor *EESW*

Subject: **Emergency Ordinance - Transfer to the Cincinnati Retirement System to Address Unfunded Liability**

Transmitted herewith is an emergency ordinance captioned as follows:

AUTHORIZING the transfer and return to source of \$50,000,000 from General Fund balance sheet reserve account no. 050x3421, "Income Tax Reserve for Refunds," to the unappropriated surplus of General Fund 050; and **AUTHORIZING** the transfer and appropriation of \$50,000,000 from the unappropriated surplus of General Fund 050 to City Manager's Office fringe benefit operating budget account no. 050x101x7500 to provide resources for a one-time payment, upon receipt of appropriate court orders, to the Cincinnati Retirement System to reduce the City's unfunded pension liability.

EESW/MSS(dbr)
Attachment
4903-1211-8150

EMERGENCY

City of Cincinnati

MSS

EESW

An Ordinance No. _____

- 2026

AUTHORIZING the transfer and return to source of \$50,000,000 from General Fund balance sheet reserve account no. 050x3421, "Income Tax Reserve for Refunds," to the unappropriated surplus of General Fund 050; and **AUTHORIZING** the transfer and appropriation of \$50,000,000 from the unappropriated surplus of General Fund 050 to City Manager's Office fringe benefit operating budget account no. 050x101x7500 to provide resources for a one-time payment, upon receipt of appropriate court orders, to the Cincinnati Retirement System to reduce the City's unfunded pension liability.

WHEREAS, the City is bound by the terms of a Collaborative Settlement Agreement and Consent Decree in the class action lawsuit in the U.S. District Court for the Southern District of Ohio, Western Division captioned Sunyak, et al., v. City of Cincinnati, et al., Case Nos. 1:11-cv-445 and 1:12-cv-329 ("Pension Litigation"), the goal of which is to appropriately fund the Cincinnati Retirement System ("CRS") Pension Trust Fund; and

WHEREAS, following participation in federal mediation with class representatives, the City and those parties have agreed to present recommended changes for modifying the Collaborative Settlement Agreement and Consent Decree to the court overseeing the Pension Litigation; and

WHEREAS, Council approved the presentation of those recommended changes to the court via Ordinance No. _____ passed by Council on _____, 2026; and

WHEREAS, one of the approved recommendations is for the City to make a one-time payment of \$50,000,000 from a General Fund reserve account to the Pension Trust Fund; and

WHEREAS, the payment to the CRS Pension Trust Fund is contingent upon receipt of court orders approving the Collaborative Settlement Agreement and Consent Decree as amended to include the recommended changes; and

WHEREAS, this action will strengthen the City's long-term fiscal stability and reduce reliance on future taxpayers to fund past benefits; now, therefore,

BE IT ORDAINED by the Council of the City of Cincinnati, State of Ohio:

Section 1. That the transfer and return to source of \$50,000,000 is authorized from General Fund balance sheet reserve account no. 050x3421, "Income Tax Reserve for Refunds," to the unappropriated surplus of General Fund 050.

Section 2. That the transfer and appropriation of \$50,000,000 is authorized from the unappropriated surplus of General Fund 050 to City Manager's Office fringe benefit operating budget account no. 050x101x7500 to provide resources for a one-time payment, upon receipt of appropriate court orders, to the Cincinnati Retirement System to reduce the City's unfunded pension liability.

Section 3. That the proper City officials are authorized to do all things necessary and proper to carry out the terms of Sections 1 and 2.

Section 4. That this ordinance shall be an emergency measure necessary for the preservation of the public peace, health, safety, and general welfare and shall, subject to the terms of Article II, Section 6 of the Charter, be effective immediately. The reason for the emergency is the immediate need to transfer and appropriate resources to make a one-time payment to the Cincinnati Retirement System once approved court orders are issued so that the Cincinnati Retirement System may realize the benefits of the funding plan at the earliest possible time.

Passed: _____, 2026

Aftab Pureval, Mayor

Attest: _____

Clerk