



**City of Cincinnati Retirement System  
Board of Trustees Meeting**

**Agenda**

**May 7, 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  
Mia Rivolta

**CRS Staff**

Jon Salstrom

**Law**

Kevin Frank

**Call to Order**

**Public Comment**

**Approval of Minutes**

- April 2, 2026 (2-4)

**Report on Investment Committee**

**Informational – Staff Report**

- Marquette Investment Report (5-7)
- Update Regarding Hedge Fund Investment
- Staff Update
- Pension Funding Policy Update (8-11)
- Elections Update
- Annual Report Timeline Update

**Old Business**

**New Business**

- Cheiron Presentation (12-53)
  - Pension Trust Valuation Report
  - 115 Trust Valuation Report

**Adjournment**

**Next Meeting:** Thursday, June 4, 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  
April 2, 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  
Mia Rivolta  
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, Rivolta, Riddle, Morris, and West were present.

**PUBLIC COMMENT**

No public comment.

**APPROVAL OF MINUTES**

Trustee Rahtz moved to approve the minutes of the Board meeting of March 5, 2026, with an amendment. The motion was seconded by Trustee Menkhaus. The minutes were approved by unanimous roll call vote.

**Report on Elections & Governance Committees**

Chair Morris reported that the Elections Committee has begun the election process, starting with a review of the timeline created by staff, along with an evaluation of governance policies related to the committee.

Chair Menkhaus reported that the Governance Committee reviewed the new Popular Annual Financial Report (PAFR) and revisited board attendance rules as a reminder for members.

## **Informational – Staff Report**

### Marquette Investment Report / Private Credit Market Update

Chair Moller reported that year-to-date investment performance is meeting the target benchmark but remains below the 7.5% goal. However, performance over the 1-, 2-, 3-, 5-, 7-, and 10-year periods remains strong and consistently aligned with the actuarial rate of return of 7.5%.

Director Salstrom provided an overview of the private credit market, noting recent media attention around fund gating and redemption pressures, particularly in retail-focused business development corporations (BDCs). While these developments have raised concerns about market health, both staff and Marquette believe the media may be overstating the situation.

He emphasized the importance of monitoring potential early signs of a liquidity event, which could eventually lead to deteriorating fundamentals and increased default rates. However, the current fund structures are functioning as intended by limiting outflows and avoiding forced selling.

The portfolio remains well-diversified across upper, middle, and lower market segments, with institutional investments less exposed to the liquidity pressures affecting retail-focused funds. While some minor default losses (around 1%) are possible, expected returns remain strong (approximately 8–9% vs. a 10% target). Overall, staff and Marquette remain comfortable with the current positioning but will continue to closely monitor market conditions.

### Update on New Investment Manager

Director Salstrom reported progress on onboarding hedge fund managers, with 3 of the 5 contracts completed. He noted the process has been somewhat tedious due to LPA negotiations but is typical. By the second-quarter report, 3 managers will be finalized, with the remaining 2 expected to be completed by the end of the month.

### Staff Update

Director Salstrom reported that two of the three open positions have been successfully filled, with accepted offers for both the Finance Manager (internal candidate) and Admin Specialist roles (filled by current Admin Tech, Julie Ellison). Interviews for the remaining Investment Analyst position are scheduled for next week, which is expected to strengthen support and add redundancy to investment-related responsibilities.

### Pension Funding Policy Update

Director Salstrom reported that a fairness hearing to open the CSA and amend the pension funding policy is scheduled for May 18th at 3:00 PM. Notification letters have been sent to all parties subject to the CSA, and the information is also available on the CRS website for public access. The outcome of the hearing is expected to provide clarity on next steps.

### Annual Report Timeline Update

Director Salstrom reviewed the FY27 budget and annual report timeline, noting that the valuation report will be finalized in June. Following board approval at the June meeting, the annual report will be sent to Council the next day to inform final budget decisions, consistent with last year's process.

Chair Moller added that, as in prior years, a small group of board members—typically the Chair, Vice Chair, and possibly others—will review the annual report in advance of the full board meeting.

Cybersecurity ETS Update (Ordinance)

Director Salstrom reported that an ordinance from ETS and the City Manager is included in the packet and is being presented to Council. The update is in response to Ohio Revised Code 9.64, enacted through House Bill 96, which requires political subdivisions to strengthen cybersecurity programs to better protect municipalities.

ETS is actively involved in implementing this requirement. The ordinance formally affirms the City’s commitment to enhanced cybersecurity preparedness. ETS already maintains a cybersecurity policy and a disaster/emergency recovery plan, and similar frameworks are in place across other divisions.

Over the past month, there has been increased coordination citywide to ensure all departments have appropriate disaster recovery and cybersecurity safeguards in place. The topic remains a continued priority due to its importance to overall city operations and risk management.

**Old Business**

No Old Business.

**New Business**

New Trustee Member – Mia Rivolta (Committee Membership)

Chair Moller introduced new Trustee Member Mia Rivolta, an Associate Professor in Finance at Xavier University. Trustee Rivolta will serve on the Elections, Investment, Governance, and Performance Evaluation Committees.

**Adjournment**

Following a motion to adjourn by Trustee Rahtz and seconded by Trustee Morton. The Board approved the motion by unanimous roll call vote. The meeting was adjourned at 2:19 p.m.

**Meeting video link:** <https://archive.org/details/crs-board-4-2-26>

**Next Meeting:** Thursday, May 7, 2026, at 2:00 p.m. – City Hall Council Chambers and via Zoom

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Secretary



# Cincinnati Retirement

## Monthly Report

Executive Summary  
March 31, 2026



# Total Fund Composite

6  
Monthly Report  
As of March 31, 2026

	Market Value	% of Portfolio	Policy %	Target Allocation	Difference
Fixed Income Composite	561,445,076	22.6	22.5	557,998,193	3,446,882
Private Debt Composite	151,784,165	6.1	8.0	198,399,358	-46,615,192
U.S. Equity Composite	553,716,612	22.3	24.0	595,198,073	-41,481,461
Non-U.S. Equity Composite	379,065,941	15.3	15.0	371,998,796	7,067,145
Hedge Fund Composite	111,739,381	4.5	4.0	99,199,679	12,539,703
Real Estate Composite	153,392,958	6.2	6.0	148,799,518	4,593,439
Infrastructure Composite	251,291,258	10.1	7.0	173,599,438	77,691,820
Private Equity Composite	281,200,338	11.3	13.5	334,798,916	-53,598,579
<b>Total Fund Composite</b>	<b>2,479,991,971</b>	<b>100.0</b>	<b>100.0</b>	<b>2,479,991,971</b>	

	Last Month
<b>Total Fund Composite</b>	
Beginning Market Value	2,574,608,846
Net Cash Flow	-11,357,377
Gain/Loss	-83,259,498
Ending Market Value	2,479,991,971

	1 Mo	3 Mo	1 Yr	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs	SI	Inception Date
<b>Total Fund Composite</b>	<b>-3.2</b>	<b>-0.7</b>	<b>12.6</b>	<b>9.6</b>	<b>10.4</b>	<b>7.0</b>	<b>8.6</b>	<b>8.5</b>	<b>8.8</b>	<b>Jun 85</b>
Target Benchmark	-3.2	-0.7	12.8	9.4	10.0	6.4	8.5	8.6	-	
Actuarial Rate 7.5%	0.6	1.8	7.5	7.5	7.5	7.5	7.5	7.5	7.5	
<b>Fixed Income Composite</b>	<b>-1.7</b>	<b>0.1</b>	<b>5.4</b>	<b>5.4</b>	<b>4.6</b>	<b>1.3</b>	<b>2.8</b>	<b>3.3</b>	<b>5.0</b>	<b>Dec 95</b>
Blmbg. U.S. Aggregate Index	-1.8	0.0	4.3	4.6	3.6	0.3	1.6	1.7	4.2	
<b>Private Debt Composite</b>	<b>0.0</b>	<b>0.0</b>	<b>5.5</b>	<b>7.0</b>	<b>8.6</b>	<b>8.7</b>	<b>-</b>	<b>-</b>	<b>5.4</b>	<b>Oct 20</b>
Blmbg. U.S. Aggregate Index	-1.8	0.0	4.3	4.6	3.6	0.3	1.6	1.7	-0.2	
MSCI Private Capital Global Private Debt	0.0	0.0	7.6	7.7	8.2	8.6	8.2	8.4	9.7	
<b>U.S. Equity Composite</b>	<b>-5.0</b>	<b>-4.0</b>	<b>17.6</b>	<b>11.9</b>	<b>16.7</b>	<b>10.1</b>	<b>12.7</b>	<b>12.5</b>	<b>9.8</b>	<b>Mar 89</b>
Russell 3000 Index	-5.0	-4.0	18.1	12.5	17.9	10.9	13.8	13.7	10.9	
<b>Non-U.S. Equity Composite</b>	<b>-10.8</b>	<b>-0.7</b>	<b>24.1</b>	<b>15.0</b>	<b>14.4</b>	<b>7.2</b>	<b>8.3</b>	<b>7.9</b>	<b>6.4</b>	<b>Jun 93</b>
MSCI AC World ex USA (Net)	-10.8	-0.7	24.9	15.1	14.5	7.0	8.5	8.4	-	
<b>Hedge Fund Composite</b>	<b>-2.1</b>	<b>0.0</b>	<b>13.2</b>	<b>9.5</b>	<b>11.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.4</b>	<b>Feb 22</b>
Cboe S&P 500 PutWrite Index	-2.3	-1.1	11.1	10.1	10.9	9.1	8.7	8.0	8.0	
<b>Real Estate Composite</b>	<b>1.2</b>	<b>1.4</b>	<b>4.1</b>	<b>3.5</b>	<b>-1.4</b>	<b>3.4</b>	<b>3.7</b>	<b>4.9</b>	<b>4.8</b>	<b>Sep 07</b>
NFI-ODCE	0.3	1.0	3.1	2.1	-2.8	2.3	2.4	3.8	3.7	
NCREIF Property Index	1.2	1.2	4.8	3.8	0.0	3.7	3.8	4.7	5.5	
<b>Infrastructure Composite</b>	<b>1.6</b>	<b>1.5</b>	<b>9.0</b>	<b>9.1</b>	<b>9.0</b>	<b>9.5</b>	<b>9.3</b>	<b>7.3</b>	<b>8.5</b>	<b>Sep 08</b>
3 Month T-Bill +4%	0.6	1.8	8.2	8.7	8.9	7.5	6.8	6.3	5.4	
<b>Private Equity Composite</b>	<b>0.0</b>	<b>0.1</b>	<b>9.0</b>	<b>8.1</b>	<b>8.7</b>	<b>9.2</b>	<b>12.2</b>	<b>12.8</b>	<b>8.8</b>	<b>Aug 93</b>
MSCI Private Capital Global All Private Equity	0.0	0.0	11.3	8.9	7.6	8.1	13.6	14.1	14.9	

## PREPARED BY MARQUETTE ASSOCIATES

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**Jeff Cramerding**  
Councilmember

4/13/2026

## **MOTION**

### **Council Priority Budget Motion**

**WE MOVE** that the City Administration prepare a Fiscal Year 2027 Recommended General Fund Budget which respects the following policy guidelines and priorities:

#### **Police and Fire**

1. Prioritize public safety so that all essential functions, including enhanced police visibility and technology updates (surveillance cameras, FUSUS, drones), are maintained and the proposed recruit classes continue on schedule.

#### **Public Services & Infrastructure**

2. The Department of Public Services has made tremendous and noticeable strides under new leadership, including successful winter operation. DPS must have the resources (personnel, fleet, technology) necessary for improvements to year round service delivery, including pothole repair and litter cleanup.
3. Improve process for expedited deployment of Cincy on Track funds to accelerate investments in deferred capital maintenance and road repairs.
4. Continue to invest in the priorities outlined in the 2023 Green Cincinnati Plan.
5. Extend the residential sidewalk repair program and prioritize repairing City-owned sidewalks.
6. Continue the City's partnership with the County regarding the Regional Safety Complex, specifically related to requested updates to the Complex from CPD.

#### **Housing and Economic Development**

7. Fund the Office of Strategic Growth with adequate staffing and resources.
8. Create a neighborhood development fund that catalyzes housing and development, with an emphasis on major transit corridors, neighborhoods where there are no TIFs or the TIFs are not producing sufficient revenue, and neighborhoods where development is not occurring. The administration should examine and restructure existing capital programs into a more consolidated and clear structure to accomplish the goals listed above. This

should also include an examination of current TIF districts, possible restructuring and the creation of new TIFs.<sup>1</sup>

9. Continue funding the Affordable Housing Leverage Fund.

### **Violence Reduction**

10. Continue investment and implementation of ACT for Cincy violence reduction portfolio and action teams.
11. Maintain funding for Boots on the Ground and Safe and Clean grant programs.
12. Maintain funding for ARC, Community Responders teams, Victims Liaison Unit, and violence reduction partnerships.
13. Fund the installation of additional lights and cameras inside City-owned parks, playgrounds, and recreational areas.

### **Human Services**

14. Maintain funding for the Human Services Fund at 1.5% of the General Fund.
15. Invest in the City's Access to Counsel program.
16. Expand Rec @ Nite in partnership with Cincinnati Public Schools.

### **Economic Inclusion**

17. Invest in MORTAR for economic development and job readiness.
18. Deploy existing funding for minority-owned businesses through Represent Cincy.
19. Increase investments in lead abatement programs that protect children under six from lead poisoning.
20. Fund the Department of Opportunity & Resident Services with adequate staffing and resources.

### **Economic Development**

21. Fund CincyTech, Cintrifuse, REDI, the Port, and the Cincinnati Sports Commission to create and attract jobs.
22. Continue to invest in Red Bike's "Strengthen and Sustain" plan.
23. Support Findlay Market's capital campaign.

### **Youth Workforce Development**

24. Expand and streamline the City's youth workforce development programs. The program should:

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<sup>1</sup> In line with Motion 202600419 from Councilmember Walsh.

- Connect youth to jobs year-round
- Work with external partners for job placement
- Act as a one-stop-shop for the City's programs to refer applicants to programs such as Career Pathways Initiative, Youth 2 Work, and the City's green jobs programs.

### **Internal City Investments**

25. Continue to fund the City's pension contribution at 19.25%.
26. No budget cuts to personnel, outside of vacancy savings.

### **Arts, Culture, and Major Events**

27. Provide funding to the Farmer Music Center as directed by prior Council resolution.

### **Revenue Generators and Efficiencies**

28. Optimize parking revenue through new enforcement officers and enforcement citywide.
29. Examine the Cincinnati Accessibility Board of Advisors' resolution creating a volunteer parking enforcement unit of Cincinnatians with disabilities to enforce accessible parking laws.
30. Charge higher fees for non-city residents for certain City services such as park rentals, summer camps, and golf fees.
31. Continue to expand the Building Inspector Training Academy and fund inspectors for enforcement of the Vacant Building Registry, where fees are projected to cover 100%+ of the funding needed for the program.
32. Consolidate landscaping and facility maintenance for CRC and Parks where feasible.
33. Pursue reimbursements from Ohio Highway Patrol for crash responses and ODOT for snow and litter removal on State Routes in the City.

~~Jeff~~ Ormrod

Evan Nolan

Anna Elvi

Marta D. De

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Classic Values, Innovative Advice

# Cincinnati Retirement System

Pension Actuarial Valuation as of December 31, 2025

Presented By

Kevin Woodrich, FSA, EA, MAAA

Janet Cranna, FSA, EA, MAAA

May 7, 2026

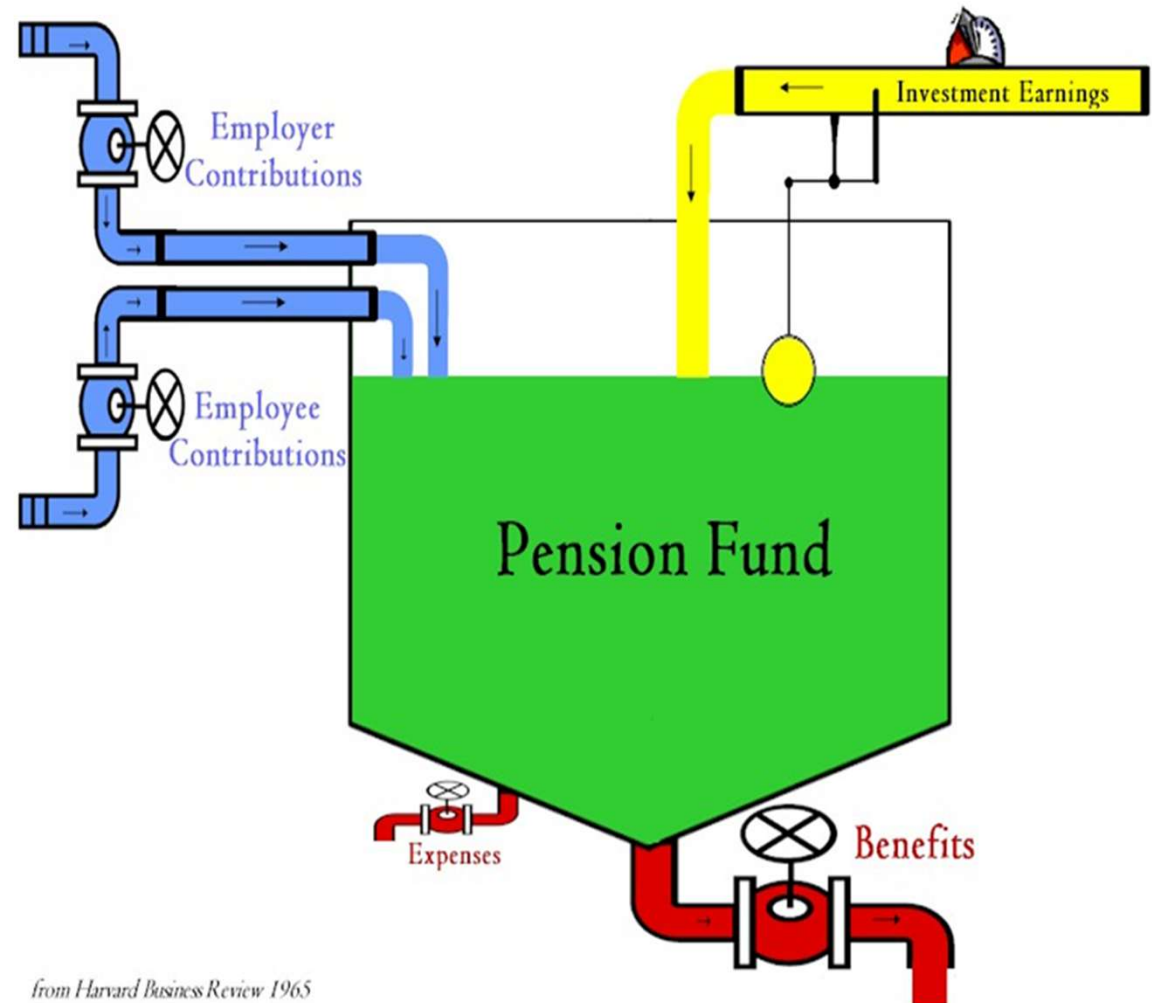


# Agenda



- Key Results
- Historical Trends
- December 31, 2025 Valuation Results
- Stress Testing

1. Collect information
  - Member data
  - Plan provisions
  - Asset information
2. Apply assumptions
  - Demographic
  - Economic
3. Project all future benefit payments
4. Determine a present value of the benefits
5. Compare to assets
6. Calculate employer and employee contributions

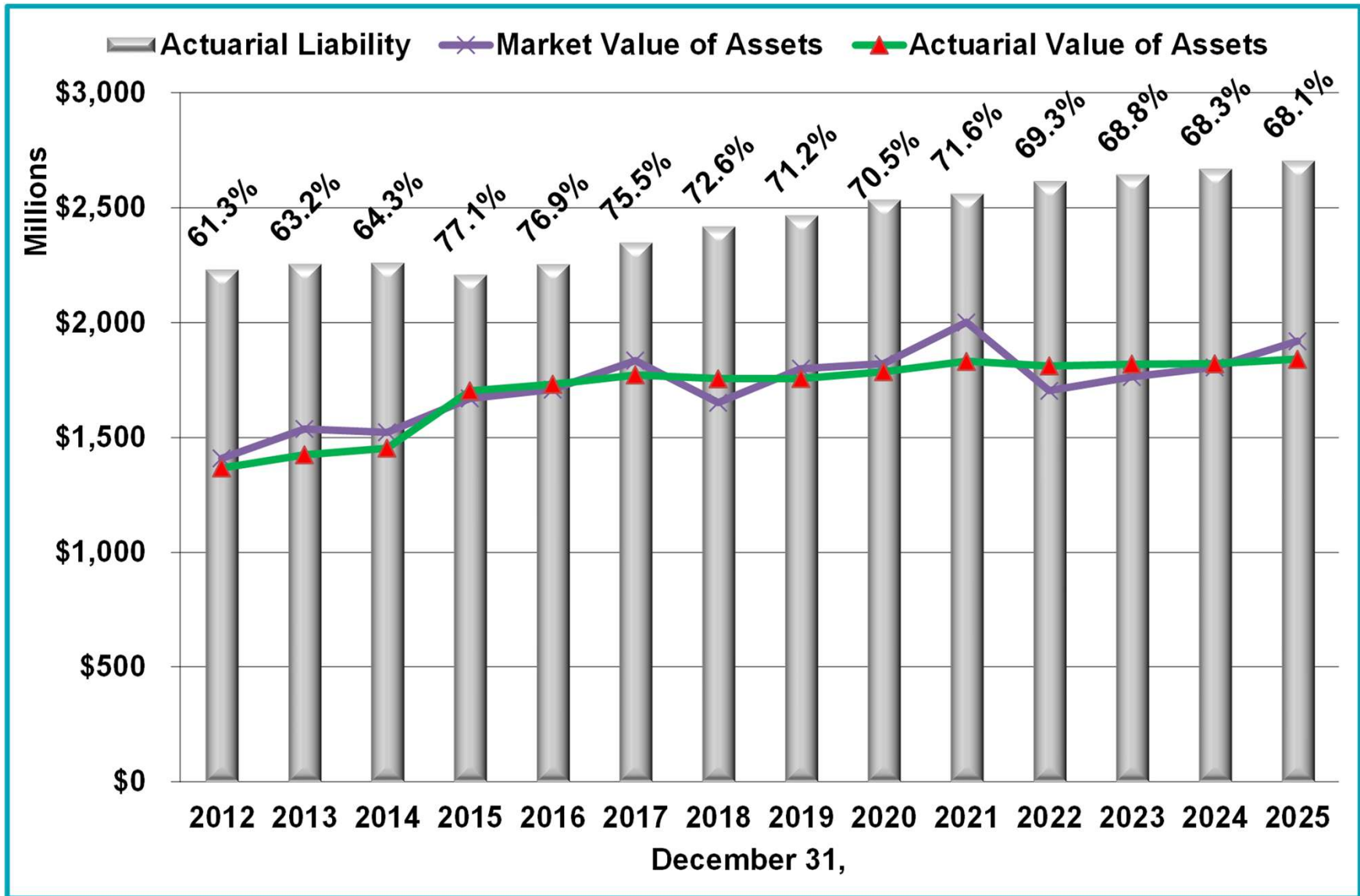


*from Harvard Business Review 1965*

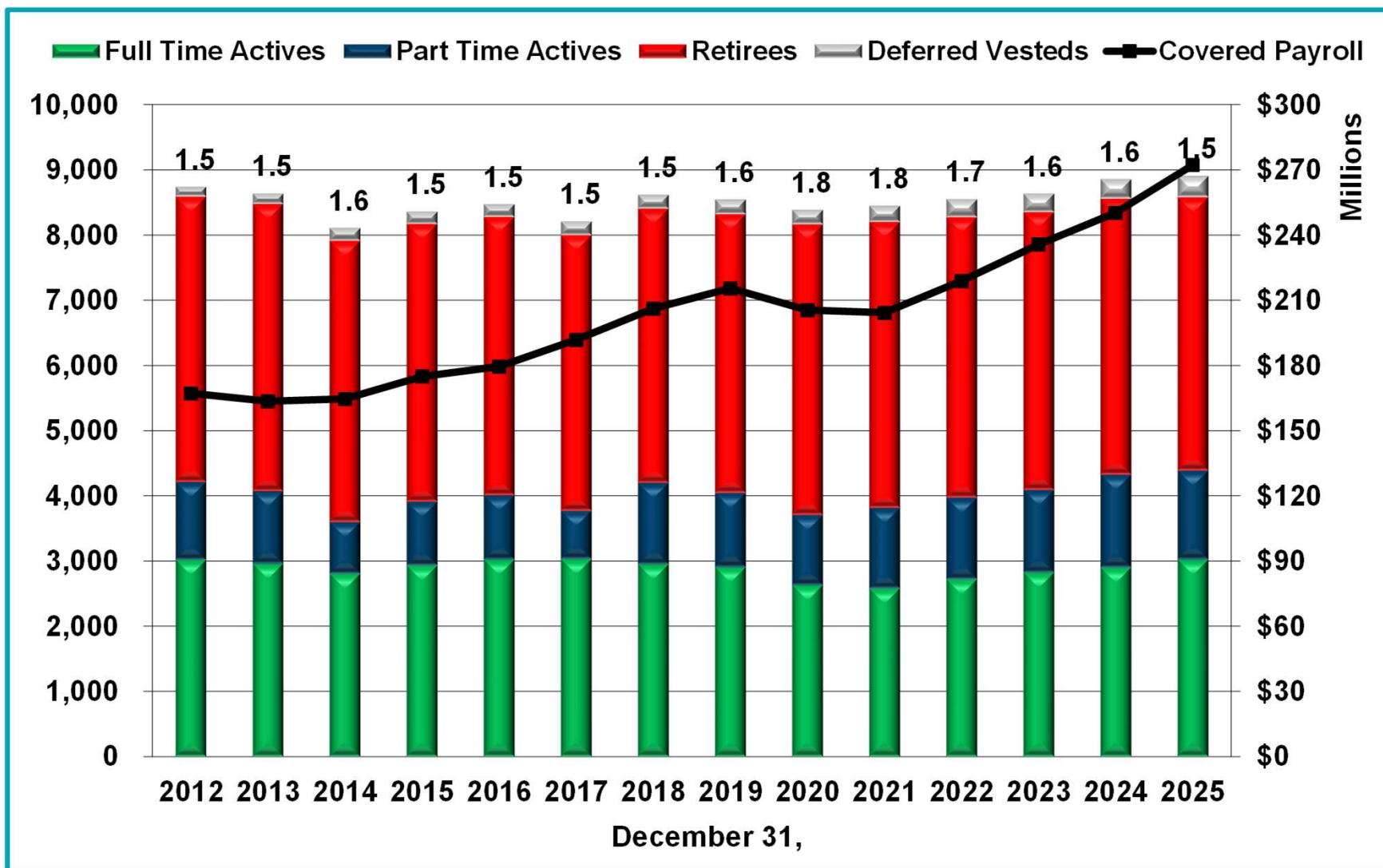
- Return on Market Value of Assets = 13.96% (dollar-weighted)
- Return on Actuarial Value of Assets = 8.49%
- Liability loss of \$20.8 million (0.8% of liabilities) after reflecting 2025 actual experience
- Funded Ratio (AVA/AL) slightly decreased from 68.3% to 68.1%
  - Funded Ratio (MVA/AL) increased from 67.7% to 71.0%
- Actuarial Determined Contribution rate decreased from 31.43% to 29.58%
  - Despite larger Unfunded Actuarial Liability dollar amount, total payroll (i.e. denominator) increased by 10.0%.

# Historical Trends

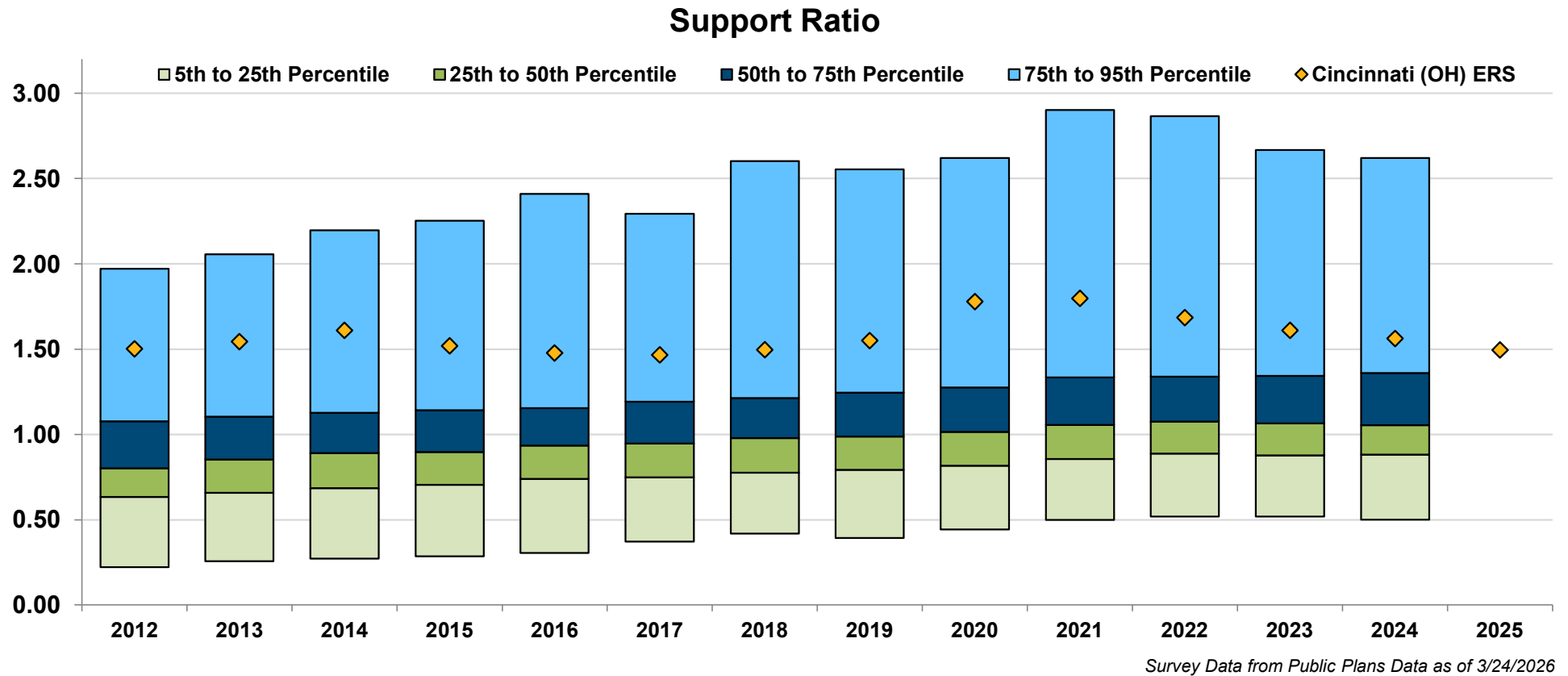




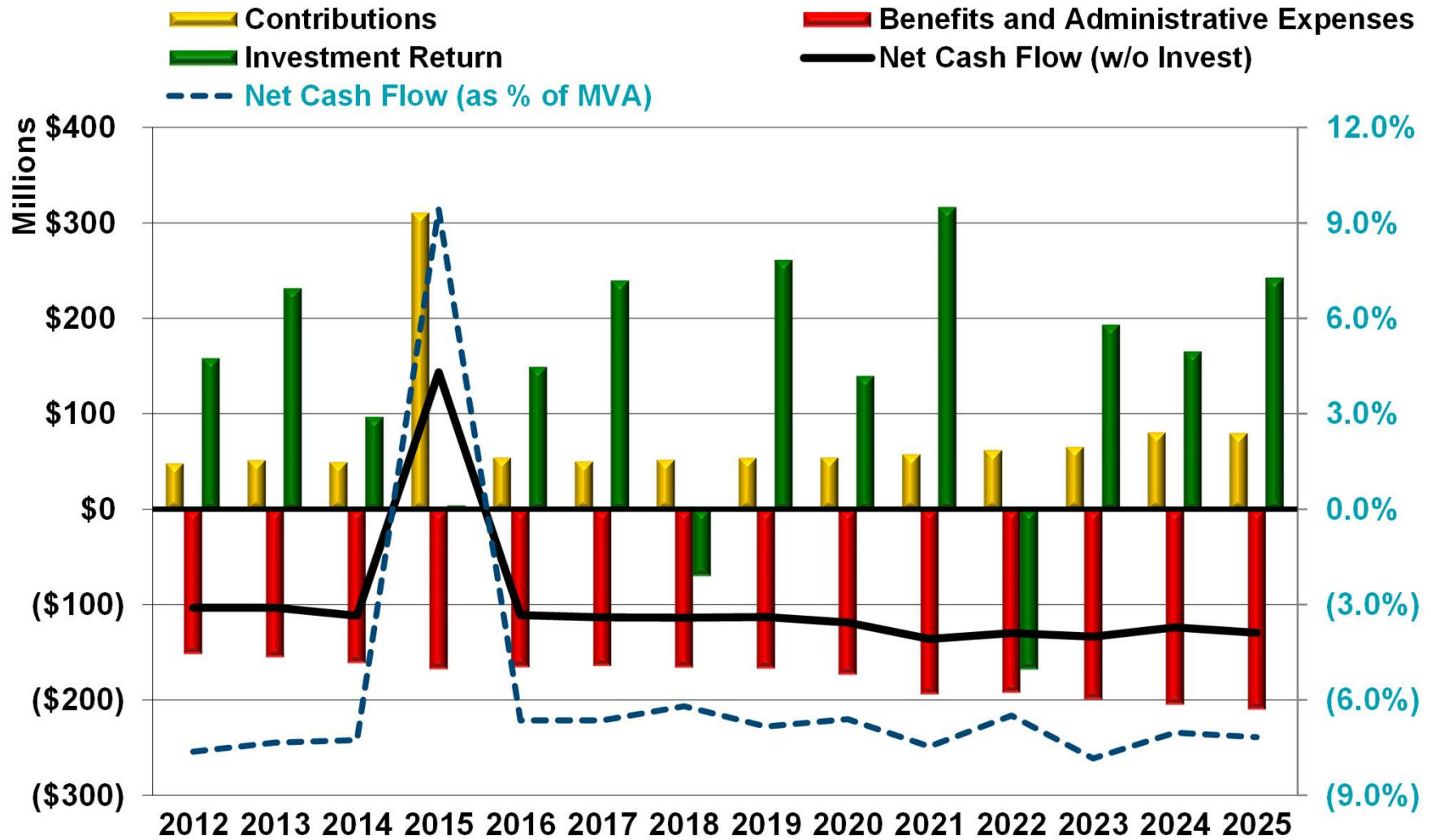
Funded status shown above bars is Actuarial Value of Assets divided by Actuarial Liability.



Support ratio above bars is the ratio of the number of inactive (Retirees and Deferred Vesteds) per active (Full-Time only). Payroll includes Full-Time and Part-Time actives for years shown. Beginning in 2018, amount includes payroll of DROP participants.

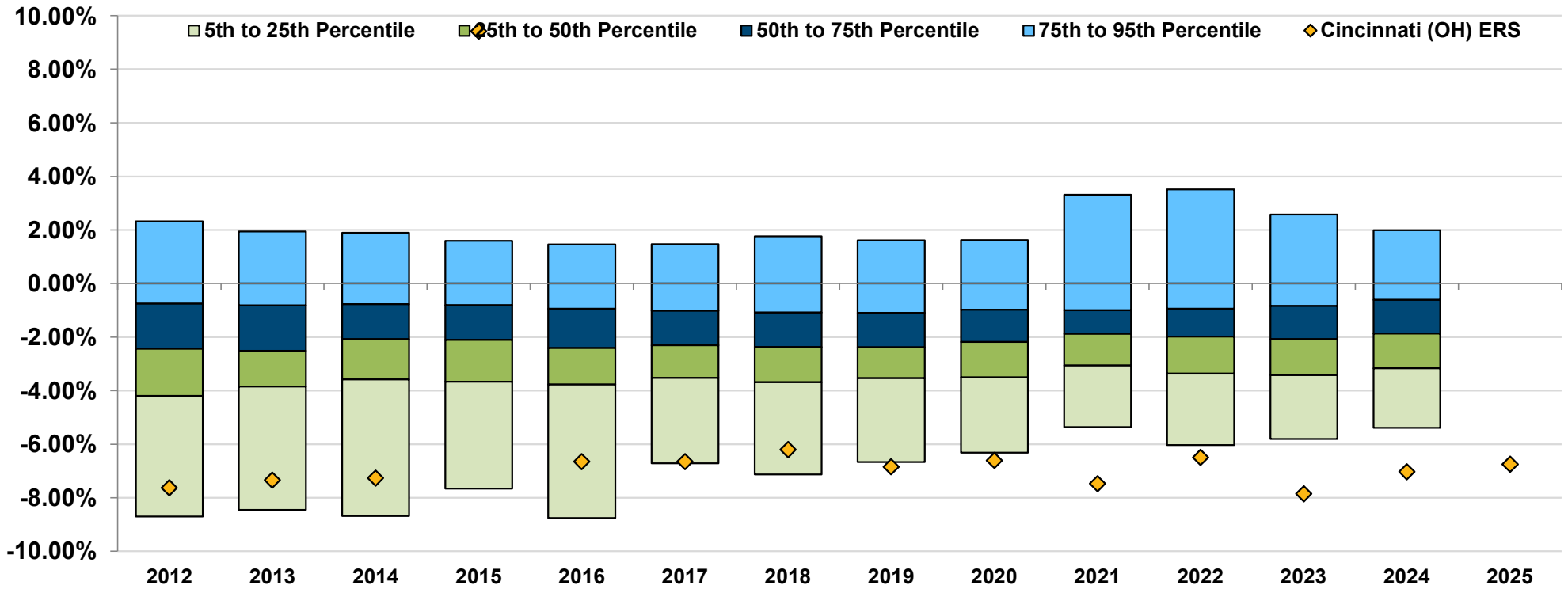


Support ratio is the ratio of the number of inactive (Retirees and Deferred Vested) per active (Full Time only).



For 2015, there was an additional contribution of \$220.0 million per the CSA and \$17.9 million for transferred earnings and expenses.

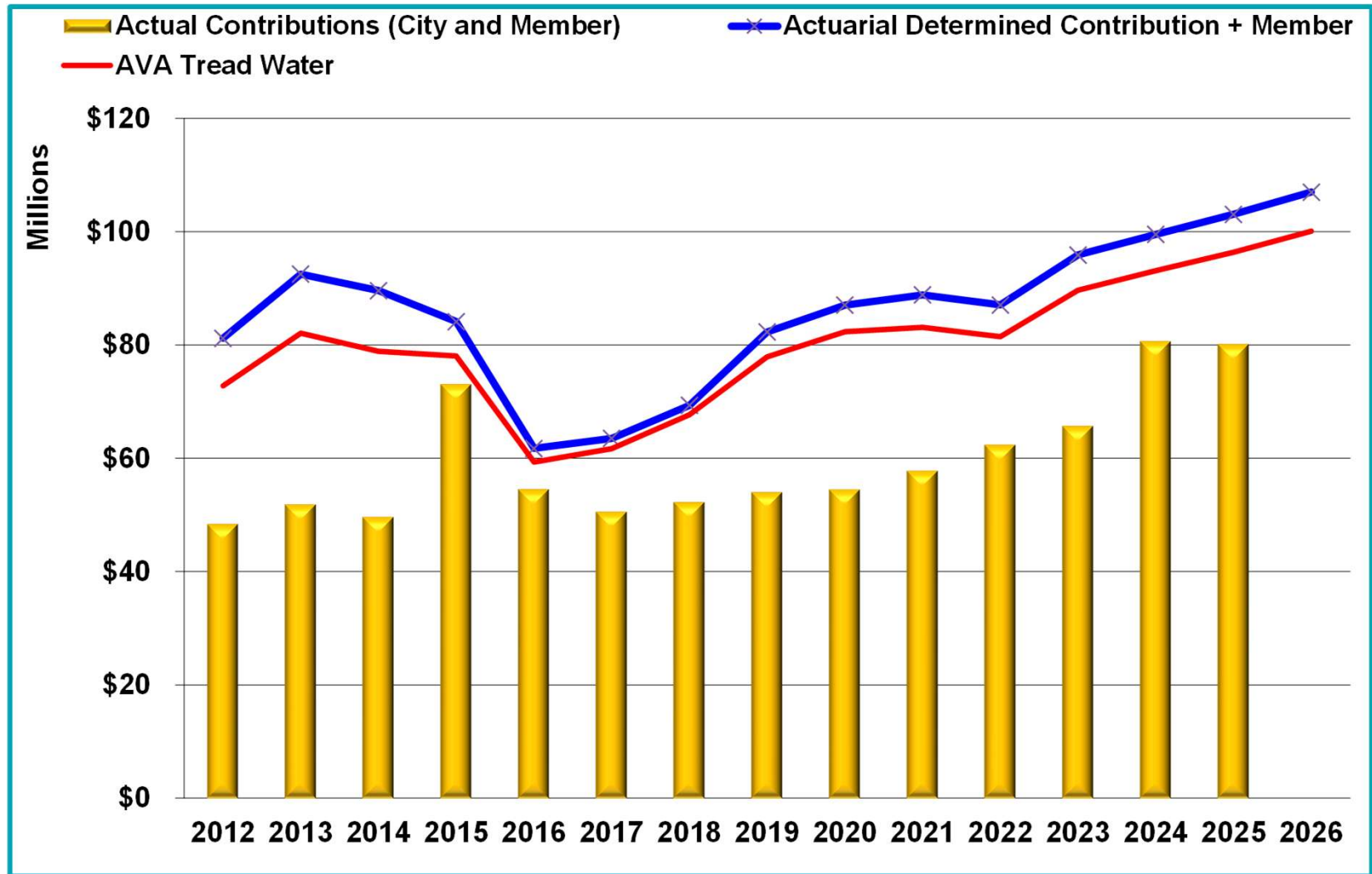
## Net Cash Flow Rate



Survey Data from Public Plans Data as of 3/24/2026

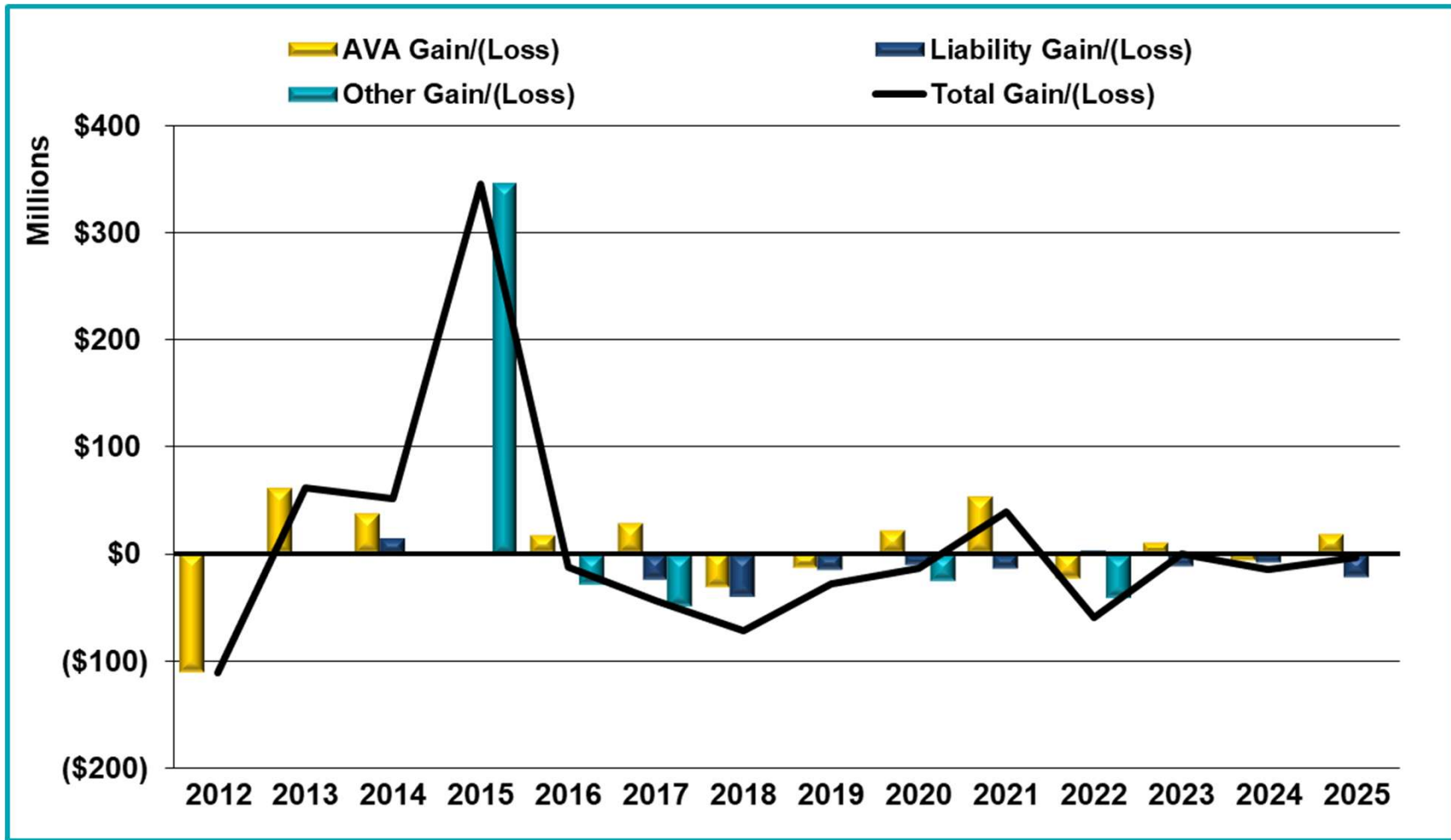
For 2015, there was an additional contribution of \$220.0 million per the CSA and \$17.9 million for transferred earnings and expenses.

May 7, 2026



Actuarial Determined Contribution (ADC) calculated as of December 31 preceding year shown.

For 2015, there was an additional contribution of \$220.0 million per the CSA and \$17.9 million for transferred earnings and expenses.



Other Gain/(Loss) includes assumption, method or plan changes.



# December 31, 2025 Actuarial Valuation Results

May 7, 2026

## Key Results

Valuation as of:	December 31, 2024	December 31, 2025	% Change
<b><u>Participant Counts</u></b>			
a) Full Time Actives	2,900	3,023	4.2%
b) Part Time Actives <sup>1</sup>	1,427	1,364	(4.4%)
c) Deferred Vesteds	298	323	8.4%
d) Members in Pay Status <sup>2</sup>	4,234	4,200	(0.8%)
e) Total	8,859	8,910	0.6%
f) Annual Salaries of Full Time Active Members	\$ 239,916,648	\$ 263,900,316	10.0%
g) Annual Salaries of DROP Members <sup>2</sup>	\$ 10,367,713	\$ 8,389,323	(19.1%)
h) Annual Retirement Allowances	\$ 193,592,145	\$ 196,264,258	1.4%
<b><u>Assets and Liabilities</u></b>			
i) Present Value of Future Benefits	\$ 2,925,908,766	\$ 2,985,347,329	2.0%
j) Actuarial Liability	\$ 2,667,823,053	\$ 2,703,925,725	1.4%
k) Actuarial Value of Assets (AVA)	\$ 1,820,976,645	\$ 1,840,584,626	1.1%
l) Unfunded Actuarial Liability [(j) - (k)]	\$ 846,846,408	\$ 863,341,099	1.9%
m) Funded Ratio on AVA basis [(k) ÷ (j)]	68.3%	68.1%	(0.2%)
n) Market Value of Assets (MVA)	\$ 1,805,588,000	\$ 1,919,080,000	6.3%
o) Funded Ratio on MVA basis [(n) ÷ (j)]	67.7%	71.0%	3.3%
<b><u>City's Actuarial Determined Contribution (ADC)</u></b>			
	<u>FYE June 30, 2026</u>	<u>FYE June 30, 2027</u>	
p) Gross Normal Cost Rate	12.10%	11.94%	(0.16%)
q) Plan Changes <sup>3</sup>	1.06%	0.98%	(0.08%)
r) Unfunded Actuarial Liability Amortization Rate	26.47%	24.86%	(1.61%)
s) Administrative Expenses	0.80%	0.80%	0.00%
t) Expected Employee Contributions	(9.00%)	(9.00%)	0.00%
u) City's ADC Rate [(p) + (q) + (r) + (s) + (t)]	31.43%	29.58%	(1.85%)

<sup>1</sup> As of December 31, 2025, 542 of the 1,364 Part Time actives had reported last pay periods before December 2025.

<sup>2</sup> Includes 71 and 96 members as of December 31, 2025 and 2024 respectively currently participating in DROP.

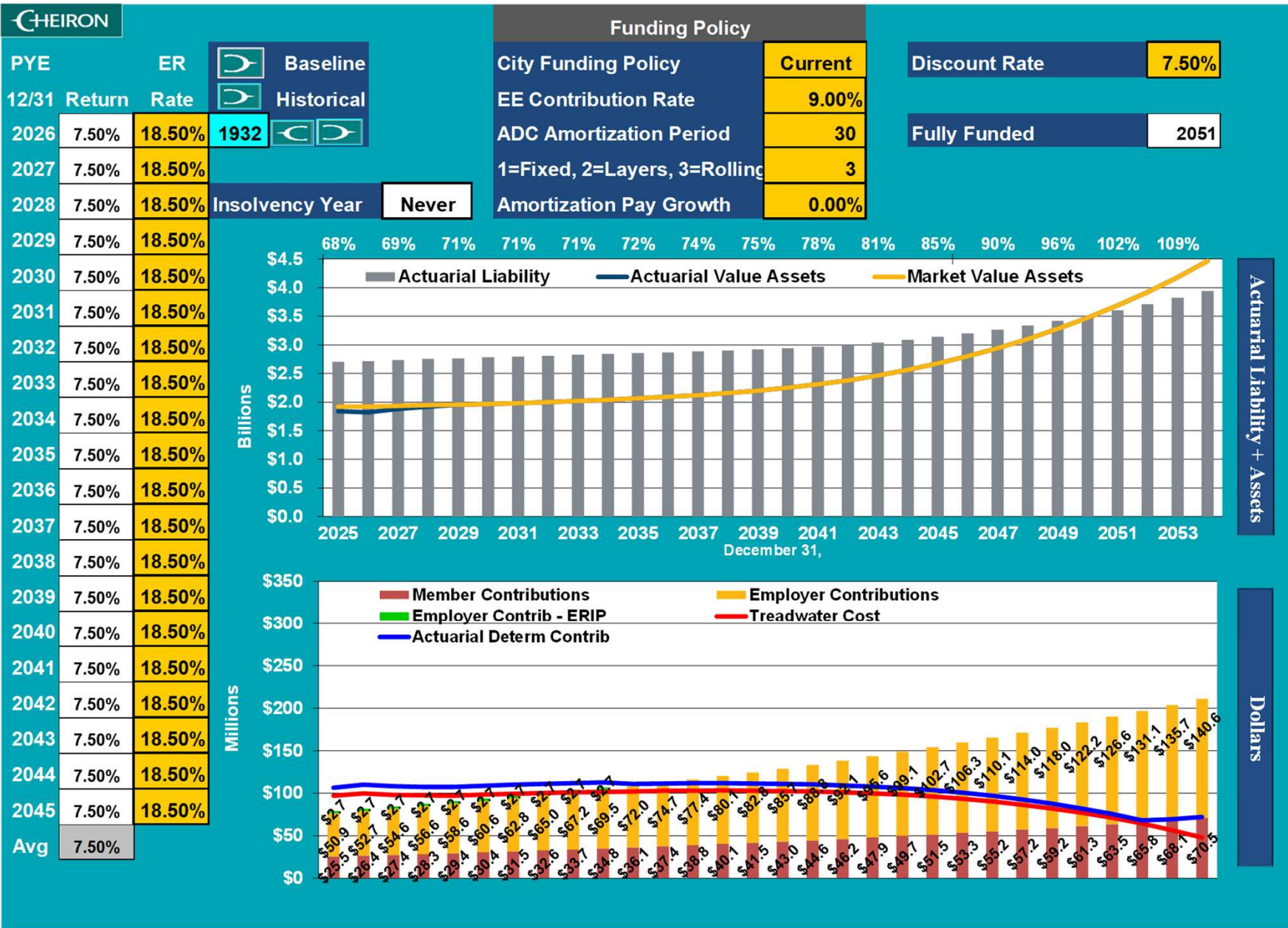
<sup>3</sup> The City is currently contributing the remaining annual payments of \$2.7 million by July 31 of each year, with the last contribution due by July 31, 2035.

(\$ millions)	<u>Liability</u>	<u>Actuarial Assets</u>	<u>UAL</u>	<u>Funded Ratio</u>
As of December 31, 2024	\$2,667.8	\$1,821.0	\$ 846.8	68.3%
Expected Changes*	\$ (179.3)	\$ (129.5)	\$ (49.8)	
Assumption Changes	0.0	0.0	0.0	
Expected Interest / Invest Return	<u>194.6</u>	<u>131.6</u>	<u>63.0</u>	
Total	\$ 15.3	\$ 2.1	\$ 13.2	
Expected at December 31, 2025	\$2,683.1	\$1,823.1	\$ 860.0	67.9%
Actual at December 31, 2025	\$2,703.9	\$1,840.6	\$ 863.3	68.1%
(Gain) / Loss	\$ 20.8	\$ (17.5)	\$ 3.3	

\*Normal Cost, Expenses, Contributions, and Benefit Payments

# A Look Ahead





Actuarial Liability + Assets

Dollars

The purpose of this presentation is to present the actuarial valuation results for the Cincinnati Retirement System (CRS or System). This presentation is for the use of the Board and System staff.

In preparing this presentation, we relied on information (some oral and some written) supplied by the Cincinnati Retirement System. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23, Data Quality.

The actuarial assumptions and methods are the same as those used in the preparation of the Actuarial Valuation Report as of December 31, 2025. The census data provided to us by CRS was as of December 31, 2025.

The assumptions reflect our understanding of the likely future experience of the System, and the assumptions as a whole represent our best estimate for the future experience of the System. The results of this presentation are dependent upon future experience conforming to these assumptions. To the extent that future experience deviates from the actuarial assumptions, the true cost of the System could vary from our results.

Cheiron utilizes ProVal, an actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate the liabilities, normal costs and projected benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have a basic understanding of it and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this actuarial valuation.

Projections in this presentation were developed using *P-Scan*, our proprietary tool for developing deterministic projections to illustrate the impact of changes in assumptions and actual experience (particularly investment experience) on the future financial status of the Plan.

This presentation and its contents were prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this presentation. This presentation does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This presentation was prepared solely for the Cincinnati Retirement System for the purposes described herein. Other users of this presentation are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

Kevin Woodrich, FSA, EA, MAAA  
Principal Consulting Actuary

Janet Cranna, FSA, EA, MAAA  
Principal Consulting Actuary

May 7, 2026



Classic Values, Innovative Advice

city of  
**CINCINNATI**  
RETIREMENT

# 12/31/2025 OPEB Actuarial Valuation

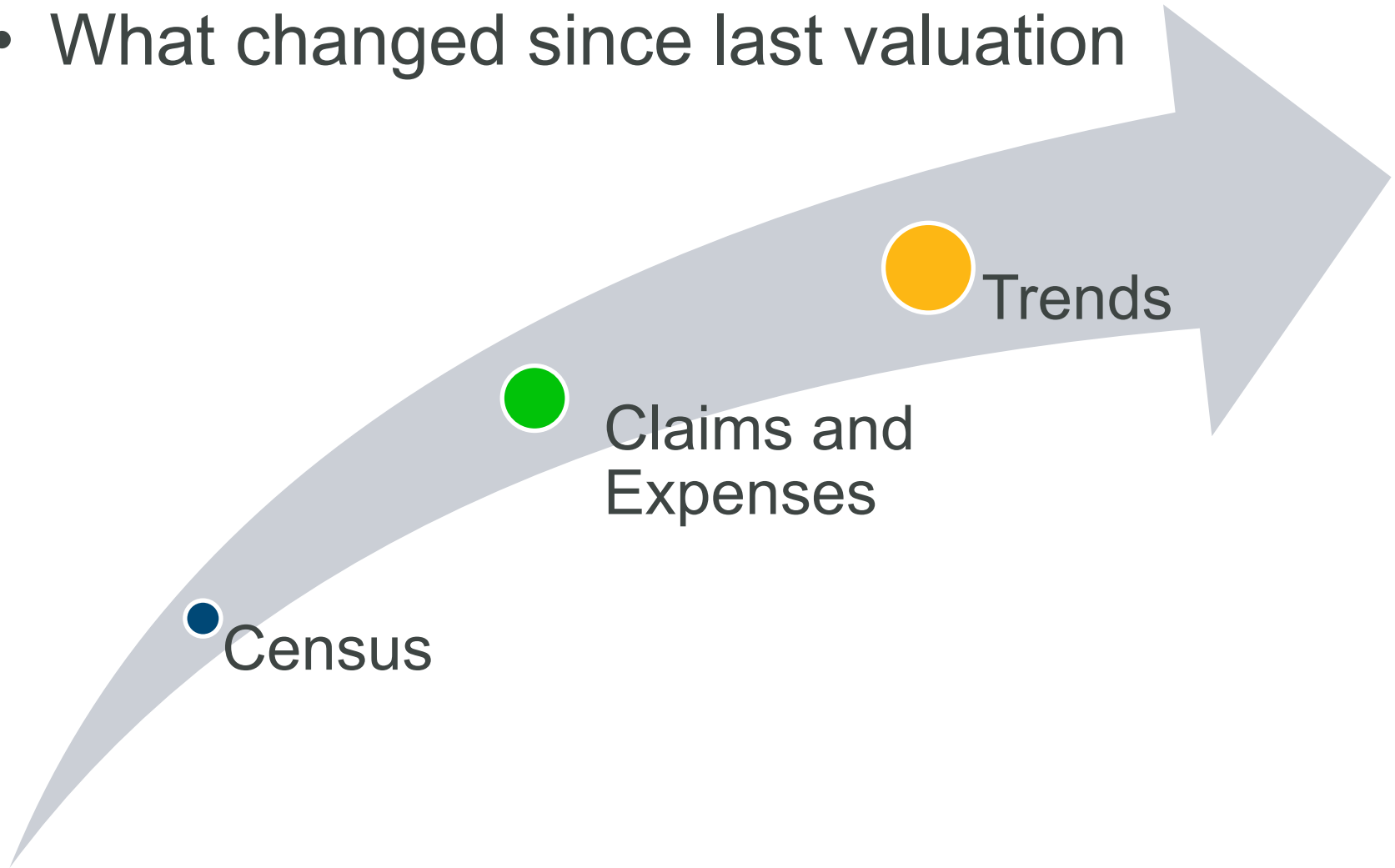
May 7, 2026

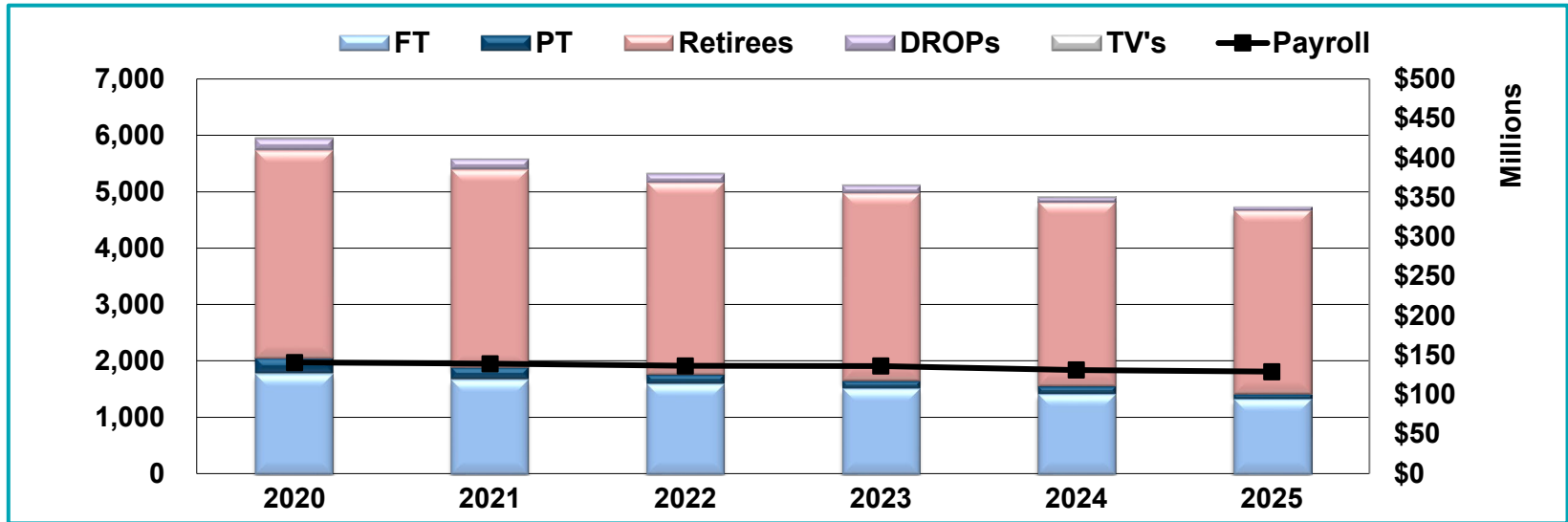
Gaelle Gravot, FSA, MAAA  
Robert Murray, FSA, EA, MAAA



- Review of 12/31/2025 OPEB Actuarial Valuation
- Projections
- Next steps

- What changed since last valuation



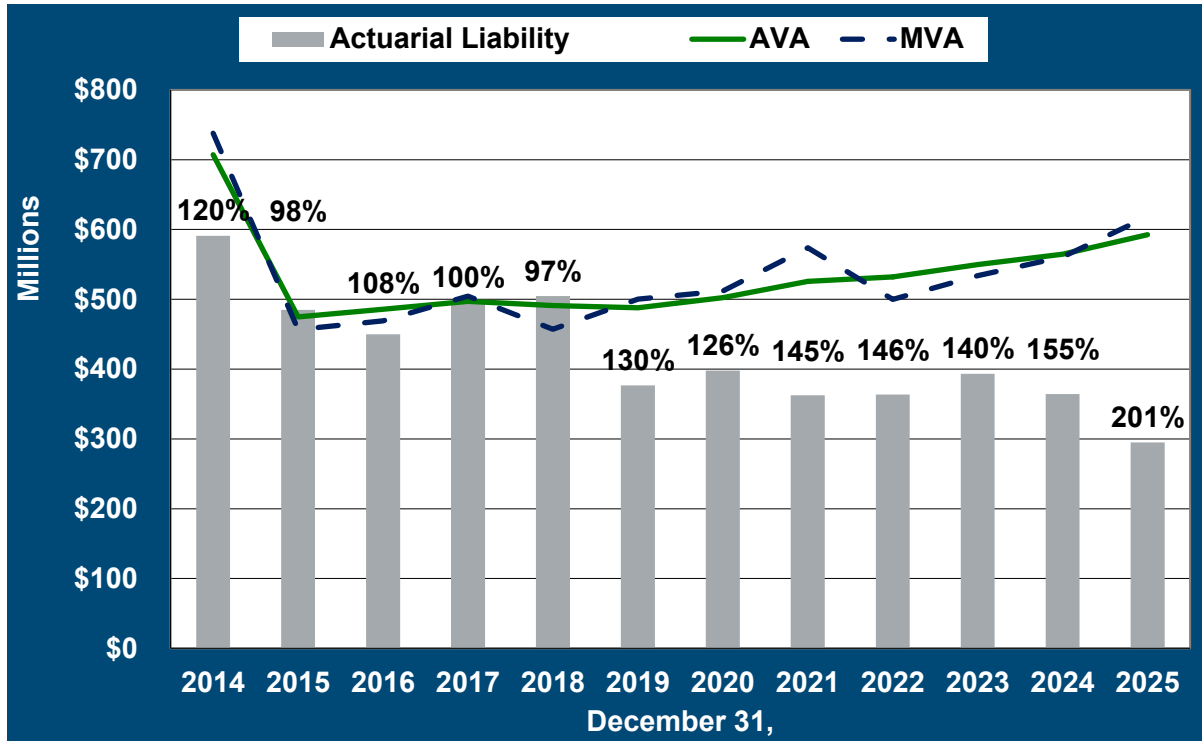


- Plan was closed December 31, 2015

Year	FT	PT	Retirees	DROP	TV's	Spouses*
2020	1,767	279	3,683	209	25	1,427
2021	1,673	210	3,511	185	20	1,398
2022	1,593	163	3,409	157	18	1,353
2023	1,514	135	3,330	141	19	1,298
2024	1,414	144	3,259	95	19	1,246
2025	1,326	90	3,260	73	19	1,268

\* Spouses not shown above in graph

As of December 31, 2025, the Fund is 200.8% funded on an AVA basis, and 208.5% on a MVA basis



- Plan was closed December 31, 2015
- Drop in liability in 2016 due to lower anticipated drug costs, contribution rate changes, and the asset Drop was due to transfer of assets to the pension
- Move to MA plan effective January 1, 2020, reduced 2019 liabilities by over \$127 million



Group	December 31, 2024	December 31, 2025
<b>Active Participants</b>		
Active Full Time Employees	1,414	1,326
Active Part Time Employees	144	90
Active DROP Employees	95	73
<b>Total Actives and Active DROP Included in Valuation</b>	<b>1,653</b>	<b>1,489</b>
Covered Payroll	\$131,267,041	\$129,024,625
<b>Other Actives - Ineligible for Retiree Health Benefits</b>		
Active Full Time Employees - ineligible for retiree health benefits	1,743	1,968
Active Part Time Employees - ineligible for retiree health benefits	674	451
<b>Total Actives - Ineligible for Retiree Health Benefits</b>	<b>2,417</b>	<b>2,419</b>
<b>Total Actives</b>	<b>4,070</b>	<b>3,908</b>
Total Compensation	\$250,220,037	\$270,135,840
<b>Inactive Participants</b>		
Number of retirees and surviving spouses currently receiving retiree health benefits	3,259	3,260
Spouses currently receiving retiree health benefits	1,246	1,268
<b>Total - Retirees and Spouses Receiving Benefits</b>	<b>4,505</b>	<b>4,528</b>
Retired members and surviving spouses not currently receiving retiree health benefits but may elect coverage in the future	409	442
<b>Total - Retirees and Spouses</b>	<b>4,914</b>	<b>4,970</b>
Terminated vested members eligible for retiree health benefits	19	19
Terminated vested members not eligible for retiree health benefits	279	304
<b>Total Inactives</b>	<b>5,212</b>	<b>5,293</b>

- The results below are used for the Funding of the OPEB Trust and are not applicable for the financial statements
- These results are used to determine the Actuarially Determined Contribution (ADC), which is \$0

Summary of Valuation Results		
Valuation Date	December 31, 2024	December 31, 2025
Discount Rate	7.50%	7.50%
Actuarial Liability (AL)	\$364,355,955	\$295,107,102
Actuarial Value of Assets	564,669,589	592,590,404
<b>Unfunded actuarial liability (UAL)</b>	<b>(\$200,313,634)</b>	<b>(\$297,483,302)</b>
Funded Ratio (AVA/AL)	154.98%	200.81%
Market Value of Assets	\$560,885,000	\$618,361,000
Funded Ratio (MVA/AL)	153.94%	209.54%
<b>Fiscal Year Ending</b>	<b>June 30, 2026</b>	<b>June 30, 2027</b>
Actuarially Determined Contribution	\$0	\$0
<b>Calendar Year</b>	<b>2025</b>	<b>2026</b>
Actual/Expected Net Benefit Payments	18,619,000	22,894,449



The Trust remains over funded as of December 31, 2025

<b>Actuarial Liability</b>		
<b>Valuation Date</b>	<b>December 31, 2024</b>	<b>December 31, 2025</b>
Discount Rate	7.50%	7.50%
<b>Actuarial Liability</b>		
Current active members	\$94,792,053	\$77,626,105
Current retirees, beneficiaries, and dependents	269,563,902	217,480,997
<b>Total Actuarial Liability (AL)</b>	<b>\$364,355,955</b>	<b>\$295,107,102</b>
Actuarial Value of Assets (AVA)	564,669,589	592,590,404
<b>Unfunded Actuarial Liability (UAL)</b>	<b>(\$200,313,634)</b>	<b>(\$297,483,302)</b>
Funded Ratio (AVA/AL)	154.98%	200.81%
Market Value of Assets (MVA)	\$560,885,000	\$618,361,000
<b>Unfunded Actuarial Liability (UAL)</b>	<b>(\$196,529,045)</b>	<b>(\$323,253,898)</b>
Funded Ratio (MVA/AL)	153.94%	209.54%
<b>Normal Cost</b>	<b>\$2,442,338</b>	<b>\$1,918,870</b>

- Census change - \$3.6 million loss
  - Primarily due to retirement and Medicare election behavior
- Health Care Claims and Trend Changes - \$73.1 million gain
  - About \$55 million of the gain is attributable to change in ME Rx claims and trend. The response of the Individual Part D Industry to the IRA and previously announced tariffs on prescription drugs has led to significant increase in CMS’s Part D Direct Subsidy (about \$2.1 million for 2026 alone).
  - CRS has had a couple of years of favorable medical and Rx claims experience. Claims curves and trend assumptions were updated to reflect the current experience, producing an \$18 million gain.

<b>Reconciliation of Actuarial Liability</b>	
<b>Actuarial Liability at December 31, 2024</b>	<b>\$364,355,955</b>
Normal Cost	2,442,338
Expected Benefits paid throughout the year	(28,632,831)
Interest	26,436,141
	\$364,601,603
Expected Actuarial Liability at December 31, 2025	\$364,601,603
Actuarial Liability at December 31, 2025	<b>295,107,102</b>
(Gain) or Loss	(\$69,494,501)
(Gain) or Loss due to:	
Benefit changes	0
Census changes	3,637,916
Demographic Assumption changes	0
Health Care Claims and Trend Changes	(73,132,417)
Total changes	(\$69,494,501)

- **The Part D market has been very volatile** because of the gradual implementation of changes (from 2023 through 2031) to the Part D program as mandated by the Inflation Reduction Act (IRA). It is **not expected to stabilize before 2030**.
- The 2025 EGWP experience is an aberration
  - \$3.2 million better than expected because rebates were 36% higher than in 2024. The net plan pay Per Person Per Month (PPPM) was 19% of the gross plan pay PPPM (vs. 34% in 2023 and 30% in 2024).
- The redesigned Part D benefit effective in 2025 provides richer benefits to CRS ME retirees (lower overall out-of-pocket expenses).
- Under the CMS BALANCE program (2027) will cover GLP-1 drugs for weight-loss. This valuation does not make any adjustments for this as CVS hasn't elected to participate in the program. It is also unclear if groups will be required to cover GLP-1 for weight-loss. If they are, liabilities may increase significantly.

## H-scan OPEB

## Stress Testing



Increase in trends

**0.00%**

### Health Trends

	Starting Trend	2026 Year	2027 Year	2028 Year	2029 Year	2030 Year	2031 Year	2032 Year	2033 Year	2034 Year	Ultimate Trend	Years to Ultimate
Pre-Med	8.41%	7.80%	6.50%	5.50%	5.41%	5.32%	5.24%	5.15%	5.06%	4.97%	4.04%	19
Post-Med	11.51%	8.71%	6.50%	5.50%	5.41%	5.32%	5.24%	5.15%	5.06%	4.97%	4.04%	19

Valuation Year

31-Dec **2025**

Valuation Method

**EAN**

Total or Closed Payroll

**Total**

Investment Return

**7.50%**

Open or Fixed Amortization

**Open**

GASB 74 Discount Rate

**7.50%**

Actuarial Amort. Years

**30**

ADC Max % Payroll

**2.00%**

Average Salary Increases

**3.25%**

2025 calendar year return

**7.50%**



Baseline



Historical



Equity %

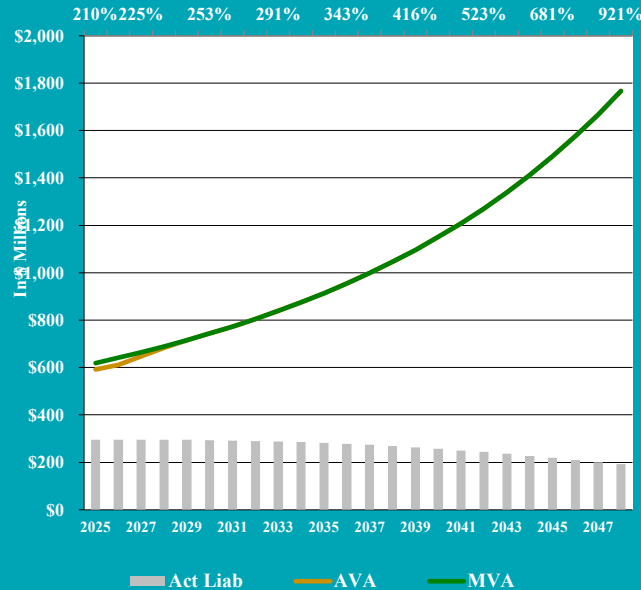
**2001**

**80%**

### Calendar

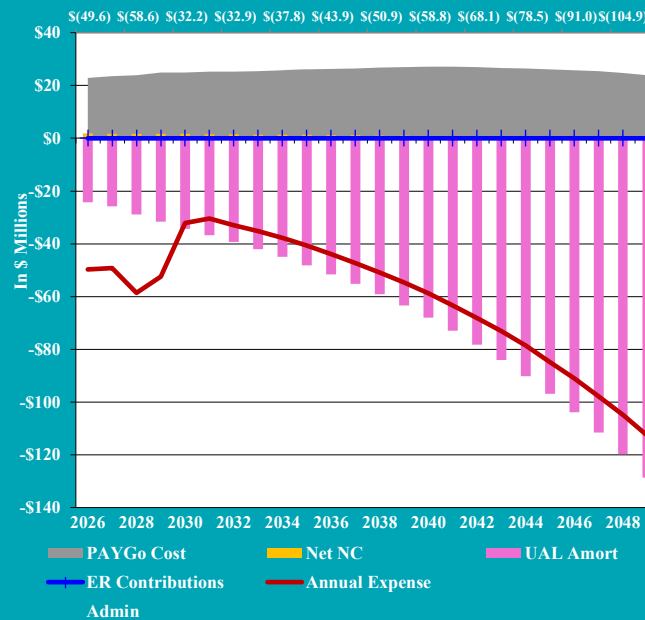
Year	7.50%
2026	7.50%
2027	7.50%
2028	7.50%
2029	7.50%
2030	7.50%
2031	7.50%
2032	7.50%
2033	7.50%
2034	7.50%
2035	7.50%
2036	7.50%
2037	7.50%
2038	7.50%
2039	7.50%
2040	7.50%
2041	7.50%
2042	7.50%
2043	7.50%
2044	7.50%
2045	7.50%
Avg	7.50%

### Assets and Liabilities



### Plan Expense and Funding

Fiscal Year Ending



### H-scan OPEB

### Stress Testing



Increase in trends

**0.00%**

#### Health Trends

	Starting Trend	2026 Year	2027 Year	2028 Year	2029 Year	2030 Year	2031 Year	2032 Year	2033 Year	2034 Year	Ultimate Trend	Years to Ultimate
Pre-Med	8.41%	7.80%	6.50%	5.50%	5.41%	5.32%	5.24%	5.15%	5.06%	4.97%	4.04%	19
Post-Med	11.51%	8.71%	6.50%	5.50%	5.41%	5.32%	5.24%	5.15%	5.06%	4.97%	4.04%	19

Valuation Year

31-Dec **2025**

Valuation Method

**EAN**

Baseline  Historical

Total or Closed Payroll

**Total**

Investment Return

**7.50%**

Open or Fixed Amortization

**Open**

GASB 74 Discount Rate

**7.50%**

Actuarial Amort. Years

**30**

ADC Max % Payroll

**2.00%**

Average Salary Increases

**3.25%**

2025 calendar year return

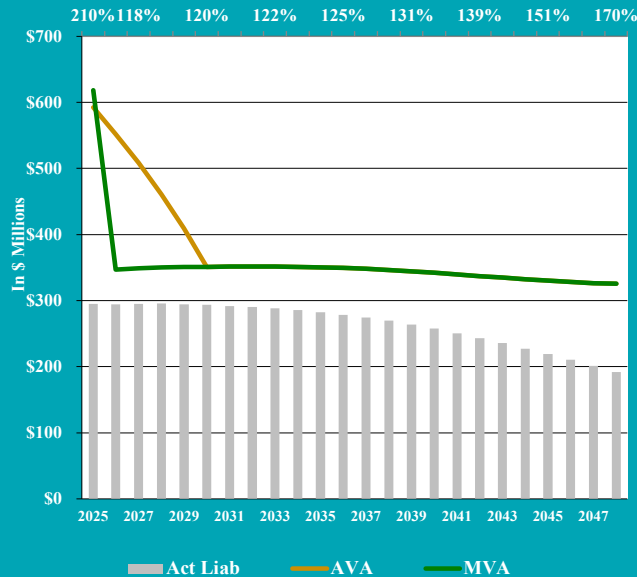
**7.50%**

Equity % **2001**  
**80%**

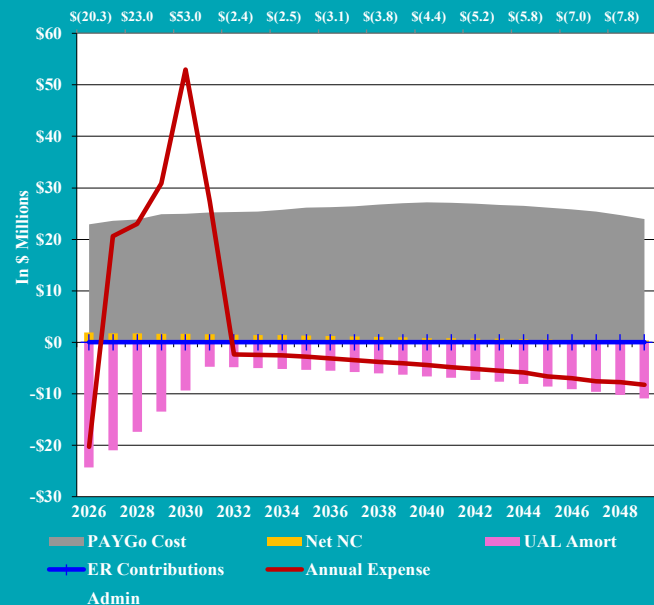
#### Calendar Year

2026	<b>-41.00%</b>
2027	<b>7.50%</b>
2028	<b>7.50%</b>
2029	<b>7.50%</b>
2030	<b>7.50%</b>
2031	<b>7.50%</b>
2032	<b>7.50%</b>
2033	<b>7.50%</b>
2034	<b>7.50%</b>
2035	<b>7.50%</b>
2036	<b>7.50%</b>
2037	<b>7.50%</b>
2038	<b>7.50%</b>
2039	<b>7.50%</b>
2040	<b>7.50%</b>
2041	<b>7.50%</b>
2042	<b>7.50%</b>
2043	<b>7.50%</b>
2044	<b>7.50%</b>
2045	<b>7.50%</b>
Avg	<b>4.32%</b>

#### Assets and Liabilities



#### Plan Expense and Funding



## H-scan OPEB

### Stress Testing



Increase in trends

**0.00%**

#### Health Trends

	Starting Trend	2026 Year	2027 Year	2028 Year	2029 Year	2030 Year	2031 Year	2032 Year	2033 Year	2034 Year	Ultimate Trend	Years to Ultimate
Pre-Med	8.41%	7.80%	6.50%	5.50%	5.41%	5.32%	5.24%	5.15%	5.06%	4.97%	4.04%	19
Post-Med	11.51%	8.71%	6.50%	5.50%	5.41%	5.32%	5.24%	5.15%	5.06%	4.97%	4.04%	19

Valuation Year

31-Dec **2025**

Valuation Method

**EAN**

Total or Closed Payroll

**Total**

Investment Return

**7.50%**

Open or Fixed Amortization

**Open**

GASB 74 Discount Rate

**7.50%**

Actuarial Amort. Years

**30**

ADC Max % Payroll

**2.00%**

Average Salary Increases

**3.25%**

2026 calendar year return

**7.50%**

Baseline  Historical

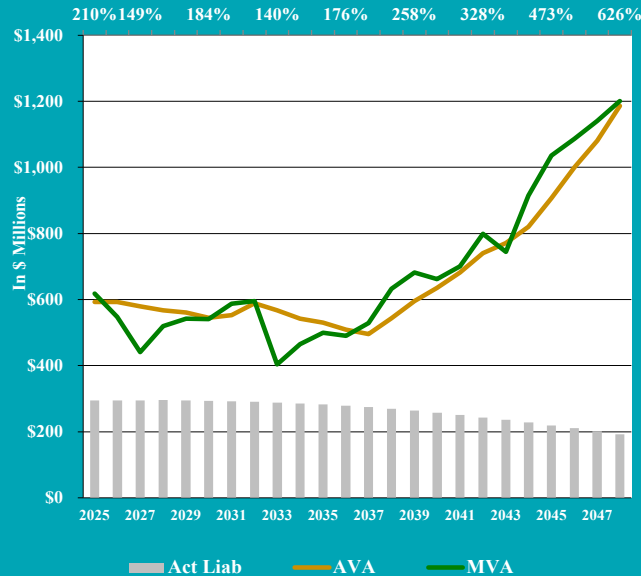
Equity % **2001**  
**80%**

Calendar Year

2026	-7.82%
2027	-15.63%
2028	23.78%
2029	9.57%
2030	4.42%
2031	13.50%
2032	5.79%
2033	-28.55%
2034	22.36%
2035	13.40%
2036	3.26%
2037	13.65%
2038	25.51%
2039	12.14%
2040	1.22%
2041	10.10%
2042	18.17%
2043	-3.51%
2044	26.93%
2045	16.22%

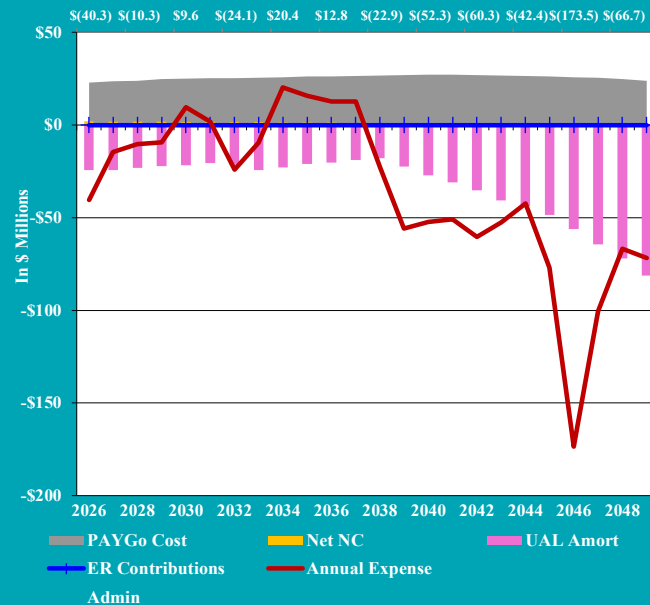
Avg **7.26%**

#### Assets and Liabilities



#### Plan Expense and Funding

Fiscal Year Ending



- GASB 74/75
  - Determine the blended discount rate
    - Preliminarily, the Fund should pass the depletion testing if assets return at least -41%
    - If test is passed, will use 7.5% for 6/30/2025
    - If test is *not* passed, the discount rate will be blended
    - Highly dependent on investment returns
      - Example, if return is -45%, the blended rate could be 6.05%
  - Draft GASB 75 report and provide in October 2026
- Develop contribution rates for the three health plans as of January 1, 2027
  - Provide results by September 2026

The purpose of this presentation is to present the results from the December 31, 2025, Retiree Health Benefits Plan for the City of Cincinnati OPEB Plan. Other users of this presentation are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other user.

In preparing this presentation, we relied on information, some oral and some written, supplied by the Cincinnati's staff, its vendors. This information includes, but is not limited to, the plan provisions, member data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

The analysis was based on financial data through December 31, 2025 and the January 1, 2026 membership data. Unless otherwise noted, the assumptions and methods are outlined in the December 31, 2025 Actuarial Valuation Report. Future results may differ significantly from this presentation due to such factors as the following: plan experience differing from that anticipated by the assumptions; changes in assumptions; and changes in plan provisions or applicable law.

Cheiron utilizes ProVal, an actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate the liabilities, normal costs and projected benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have a basic understanding of it and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this actuarial valuation.

This report includes projections of future contributions, claims, assets, reserves, funded status for the purpose of assisting the Board of Trustees with the management of the Fund. We have used Cheiron's H-Scan model to develop these projections. The model is also used to stress test the impact of volatile asset returns over the projection period.

This presentation and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this presentation. This presentation does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

Gaelle Gravot, FSA, MAAA  
Principal Consulting Actuary

Robert Murray, FSA, EA, MAAA  
Associate Actuary

May 7, 2026

# Appendices

## *Eligibility*

Per Ordinance 336-2016 adopted by the City Council on October 26, 2016, employees hired after December 31, 2015, **are not** eligible to receive retiree health benefits

Eligibility requirements:

- Age 60 with 20 years of service (yos) (15 years of service for Group C) or 30 years of service at any age
- At least 20 years of service must be CRS membership service

## *Benefits Offered*

- Medical, Prescription Drugs, Dental and Vision
- Eligible retirees, beneficiaries, and their dependents Pre and Post Medicare Eligibility
- Three Retiree Medical Plans:

<b>Secure*</b>	<b>Select</b>	<b>Model</b>
Retired prior to 9/1/07 with income <\$30K	Group C, or retired between 9/1/07 and 1/1/16	Not Group C and retired after 1/1/16

\* Participants not meeting the income requirement can elect either the Select or Model plan



## Contribution Rules

	Secure	Select	Model
<b>Group 1 (hired before 1/9/97)</b>	\$0	5% of full cost adjusted for Medicare Eligibility	10% of full cost adjusted for Medicare Eligibility
<b>Group 2 (hired after 1/9/97)</b>	\$0	Varies - See Sliding scale below	Varies - See Sliding scale below

### Sliding Scale

Points	Select	Points	Model
90+	5%	85+	10%
80-89	25%	80-84	20%
70-79	50%	70-79	40%
60-69	75%	60-69	60%

## Plan Benefit Comparison

Non-Medicare	Secure	Select	Model
Deductible (Ind / Fam) <sup>1</sup>	\$0/\$0	\$300/\$600	\$500/\$1,000
Coinsurance (INN / OON) <sup>2</sup>	20% / 50%	20% / 50%	20% / 50%
Out-of-Pocket Max (OOP Max)	\$500 / \$1,000	\$1,500 / \$3,000	\$2,000 / \$4,000
OON Deductible / OOP Max	2 x INN	2 x INN	2 x INN
Prescription Drug Mail Order	\$5 / \$15 / \$30 \$10 / \$30 / \$60	\$10 / \$20 / \$30 \$20 / \$40 / \$60	\$10 / \$20 / \$30 \$20 / \$40 / \$60
Medicare	Secure	Select	Model
Deductible (Ind) <sup>1</sup>	\$0	\$300	\$500
Coinsurance (INN / OON) <sup>2</sup>	4% / 10%	4% / 10%	4% / 10%
Out-of-Pocket Max (OOP Max)	\$500	\$3,000	\$4,000
OON Deductible / OOP Max	Combined INN	Combined INN	Combined INN
Prescription Drug Mail Order	\$5 / \$15 / \$30 \$10 / \$30 / \$60	\$10 / \$20 / \$30 \$20 / \$40 / \$60	\$10 / \$20 / \$30 \$20 / \$40 / \$60

<sup>1</sup> Ind / Fam: Individual / Family

<sup>2</sup> INN / OON: In-Network / Out-of-Network

- Demographic assumptions
  - Based on the City's 2023 actuary's experience study adopted March 23, 2023
- Economic assumptions:
  - Based on claims experience through December 2025
  - Trends reflect future information in medical and drug costs, plan design and general inflation

## *Claims Development*

- 2026 claims were developed based on the calendar year (CY) 2023, 2024 and 2025 claims broken down by the three plans and four population subsets (Medicare Eligible Part A&B (ME part AB), Medicare Eligible Part B Only (ME part B), Medicare Eligible Part A Only (ME part A) and Non-Medicare Eligible (NME)).
- Retirees are enrolled in:
  - The Medicare Advantage plans if Part A&B, or Part B only eligible
  - The self-insured medical plans otherwise
- All participants age 65+ are assumed to be eligible for Part D

## Trends

Trends were developed by determining the expected increase in trends for each type of coverage, medical vs pharmacy, Non-Medicare and Medicare. The Drug ME trend reflects our current understanding and the emerging market reaction to the redesign of Part D under the Inflation Reduction Act (IRA) of 2022.

Year	Medical NME	Medical ME	Drug NME	Drug ME
2026	8.00%	14.07%	10.00%	10.45%
2027	7.75%	10.36%	8.00%	8%
2045 (Ultimate)	4.04%	4.04%	4.04%	4.04%



Classic Values, Innovative Advice



**THANK YOU!**