



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

**Agenda**

**June 4, 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**

Colleen Swim

**Call to Order**

**Public Comment**

**Approval of Minutes**

- May 7, 2026 (2-6)

**Report on Performance Evaluation Committee**

**Informational – Staff Report**

- Marquette Investment Report (7-9)
- Dashboards (10-17)
- Staff Update
- Pension Funding Policy Update (18-24)
- Elections Update (25-40)
- Annual Report Timeline Update

**Old Business**

- Actuarial Annual Valuation Report Motion (41)

**New Business**

- 2025 CRS Board Annual Report to Council (42-49)

**Adjournment**

**Next Meeting:** Thursday, July 2, 2026, 2:00 P.M. City Hall Council Chambers and via Zoom



**City of Cincinnati Retirement System  
Board of Trustees Meeting Minutes  
May 7, 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 Gamel moved to approve the minutes of the Board meeting of April 2, 2026. The motion was seconded by Trustee Rahtz. The minutes were approved by unanimous roll call vote.

**Report on Investment Committee**

Chair Morris reported that the Investment Committee approved a motion to approve the Marquette 3Q Investment Report. Because this came from committee, no second was needed. The motion was approved by unanimous roll call vote.

**Informational – Staff Report**

**Marquette Investment Report**

A new IPS was approved at the February meeting. The plan made its initial investments in Silver Point, Manager A, & Kirkoswald at the end of the quarter. 463 and Whitebox are still to be funded. An additional \$10 million was committed to Bain Global Direct Lending and AG Direct Lending. The plan's

Private Debt funds called \$1.4 million during 1Q26 while distributing \$2.4 million. The plan's Private Equity funds called \$6.8 million during 1Q26 while distributing \$13.9 million.

#### Update Regarding Hedge Fund Investment

The onboarding process for five hedge funds (approved in last year's asset allocation) has been completed. Three funds were activated April 1, 2026, and the remaining two on May 1, 2026. These allocations are expected to first appear in the Q2 Marquette report.

#### Staff Update

An offer for the Investment Analyst position was extended and accepted, with an anticipated start date in mid-June. The Administrative Technician position remains open and is actively being filled. Julie Ellison has accepted the Administrative Specialist position and will continue supporting the front office operations and serve in that capacity until a new Administrative Technician is hired.

#### Pension Funding Policy Update

The packet includes a Council motion increasing the employer contribution rate from 18.5% to 19.25%. The budget is still in draft but is expected to be formally finalized and sent at the end of May (target – May 22) and move toward Council approval on June 17. The finalized budget will include an increase in the employer contribution for CRS.

#### Elections Update

Things are on schedule with anticipation of getting nominations back for candidates in the next month or so. Director Salstrom will give a further update then.

#### Annual Report Timeline Update

With the actuarial valuations from Cheiron now complete, the next step is to begin drafting the annual report. Director Salstrom will collaborate with the Board Chair to refine and finalize the draft and present it to the Board in June. Following Board review, the report is typically submitted to Council shortly thereafter (June/July timeframe). However, formal presentation to Council will occur after the summer recess, in September.

#### Old Business

No Old Business.

#### New Business

##### Cheiron Presentation (Pension Trust Valuation Report & 115 Trust Valuation Report)

Kevin Woodrich and Janet Cranna were in attendance to present the Pension Actuarial Valuation as of December 31, 2025.

#### Pension Actuarial Valuation Summary (as of December 31, 2025)

##### Overall Financial Position

- The pension fund showed strong investment performance, with:
  - 13.96% return on Market Value of Assets
  - 8.49% return on Actuarial Value of Assets
- Despite strong returns, there was a liability loss of \$20.8 million (0.8%) after reflecting actual 2025 experience.

##### Funded Status

- Actuarial basis (AVA):

- Slight decrease in funded ratio from 68.3% → 68.1%
- Market basis (MVA):
  - Improvement from 67.7% → 71.0%

#### Takeaway:

Market performance improved overall funded position, but actuarial smoothing and experience losses slightly reduced the AVA ratio.

#### Contribution Requirements

- Actuarially Determined Contribution (ADC) rate decreased:
  - From 31.43% → 29.58%
- This decrease occurred despite a higher unfunded liability, because:
  - Total payroll increased by 10%, lowering the rate when expressed as a percentage of payroll

#### Additional Context

- Prior significant contributions included:
  - \$220 million (CSA contribution)
  - \$17.9 million (transferred earnings/expenses)
- Workforce indicators:
  - 542 of 1,364 part-time active members had reported final pay periods before December 2025
- DROP program participation declined slightly:
  - 71 participants in 2025 vs. 96 in 2024
- The City continues required annual contributions:
  - \$2.7 million annually through July 31, 2035

#### Key Takeaways

- Strong investment returns improved market-based funding
- Slight actuarial decline reflects liability experience and smoothing effects
- Lower contribution rate driven primarily by payroll growth, not reduced obligations
- Long-term funding commitments and demographic shifts remain important factors

Gaelle Gravot and Robert Murray were in attendance to present the OPEB Actuarial Valuation as of December 31, 2025.

#### OPEB Funding Status (as of December 31, 2025)

- The trust remains significantly overfunded:
  - 200.8% funded (Actuarial Value basis)
  - 208.5% funded (Market Value basis)
- As a result:
  - Actuarially Determined Contribution (ADC) = \$0
  - No additional funding is currently required

#### Key Plan Changes & Historical Impacts

- Plan was closed in 2015, limiting future liability growth
- 2016 liability reduction driven by:
  - Lower projected drug costs
  - Contribution changes
  - Asset transfer to pension

- 2020 Medicare Advantage (MA) plan transition:
  - Reduced 2019 liabilities by \$127M+
  - Continues to shape lower long-term obligations

## 2025 Experience & Drivers of Change

### Losses

- \$3.6M liability loss from census changes
  - Driven mainly by retirement patterns and Medicare elections

### Gains

- \$73.1M liability gain overall, including:
  - ~\$55M from Medicare Rx (Part D) changes and subsidy increases
  - ~\$18M from favorable medical and prescription claims experience
- Additional favorable 2025 experience:
  - Claims performance better than expected
  - Higher rebates (36% increase vs. 2024)
  - Lower net plan cost per member

## Healthcare & Market Considerations

- Part D market is highly volatile due to Inflation Reduction Act (IRA) changes through ~2030
- Redesigned 2025 Part D benefits provide:
  - Lower retiree out-of-pocket costs
- Future risk area:
  - Potential GLP-1 drug coverage (weight-loss medications) starting 2027
  - Could significantly increase liabilities, but not yet reflected

## Accounting & Forward Planning (GASB 74/75)

- Discount rate depends on asset performance:
  - Likely 7.5% if no fund depletion risk
  - Could drop (e.g., ~6.05%) under severe negative returns
- Upcoming deliverables:
  - GASB 75 report (draft): October 2026
  - 2027 healthcare contribution rates: September 2026

## Key Takeaways

- OPEB trust is financially strong and overfunded, requiring no near-term contributions
- Favorable claims experience and subsidies have significantly improved liabilities
- However, future healthcare policy changes and drug costs remain key risks
- Actuarial results are stable but sensitive to external healthcare and market trends

## **Adjournment**

Following a motion to adjourn by Trustee Gamel and seconded by Trustee Rahtz. The Board approved the motion by unanimous roll call vote. The meeting was adjourned at 3:10 p.m.

**Meeting video link:** <https://archive.org/details/crs-board-5-7-26v>

**Next Meeting:** Thursday, June 4, 2026, at 2:00 p.m. – City Hall Council Chambers and via Zoom

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Secretary

DRAFT



# Cincinnati Retirement

## Monthly Report

Executive Summary  
March 31, 2026

# Total Fund Composite

8  
Monthly Report  
As of March 31, 2026

	Market Value	% of Portfolio	Policy %	Target Allocation	Difference
Fixed Income Composite	561,923,687	22.6	22.5	558,889,081	3,034,606
Private Debt Composite	152,347,756	6.1	8.0	198,716,118	-46,368,362
U.S. Equity Composite	553,716,612	22.3	24.0	596,148,353	-42,431,741
Non-U.S. Equity Composite	379,065,941	15.3	15.0	372,592,721	6,473,220
Hedge Fund Composite	111,739,381	4.5	4.0	99,358,059	12,381,323
Real Estate Composite	153,392,958	6.2	6.0	149,037,088	4,355,869
Infrastructure Composite	252,256,811	10.2	7.0	173,876,603	78,380,208
Private Equity Composite	283,152,082	11.4	13.5	335,333,449	-52,181,366
<b>Total Fund Composite</b>	<b>2,483,951,471</b>	<b>100.0</b>	<b>100.0</b>	<b>2,483,951,471</b>	

	Last Month
<b>Total Fund Composite</b>	
Beginning Market Value	2,574,608,846
Net Cash Flow	-11,936,379
Gain/Loss	-78,720,996
Ending Market Value	2,483,951,471

	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>-3.1</b>	<b>-0.5</b>	<b>12.8</b>	<b>9.7</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	-3.3	-0.8	12.7	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>-1.6</b>	<b>0.1</b>	<b>5.5</b>	<b>5.4</b>	<b>4.6</b>	<b>1.3</b>	<b>2.8</b>	<b>3.4</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>0.4</b>	<b>0.4</b>	<b>5.9</b>	<b>7.2</b>	<b>8.8</b>	<b>8.8</b>	<b>-</b>	<b>-</b>	<b>5.5</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>2.0</b>	<b>1.9</b>	<b>9.4</b>	<b>9.3</b>	<b>9.2</b>	<b>9.6</b>	<b>9.4</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>0.7</b>	<b>0.8</b>	<b>9.8</b>	<b>8.5</b>	<b>8.9</b>	<b>9.4</b>	<b>12.3</b>	<b>12.9</b>	<b>8.9</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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## Investment Objectives

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

	1Y	3Y	5Y
CRS Fund - Net Return	12.80%	10.40%	7.00%
CRS Actuarial Assumed Rate of Return	7.50%	7.50%	7.50%
Difference	<b>5.30%</b>	<b>2.90%</b>	<b>-0.50%</b>
Status	<b>Above</b>	<b>Above</b>	<b>Below</b>

**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	12.80%	10.40%	7.00%
CRS Passive Index	15.30%	12.90%	7.01%
Difference	<b>-2.50%</b>	<b>-2.50%</b>	<b>-0.01%</b>
Status	<b>Below</b>	<b>Below</b>	<b>Below</b>

**Status - Long-term Annualized Return versus Policy Index**

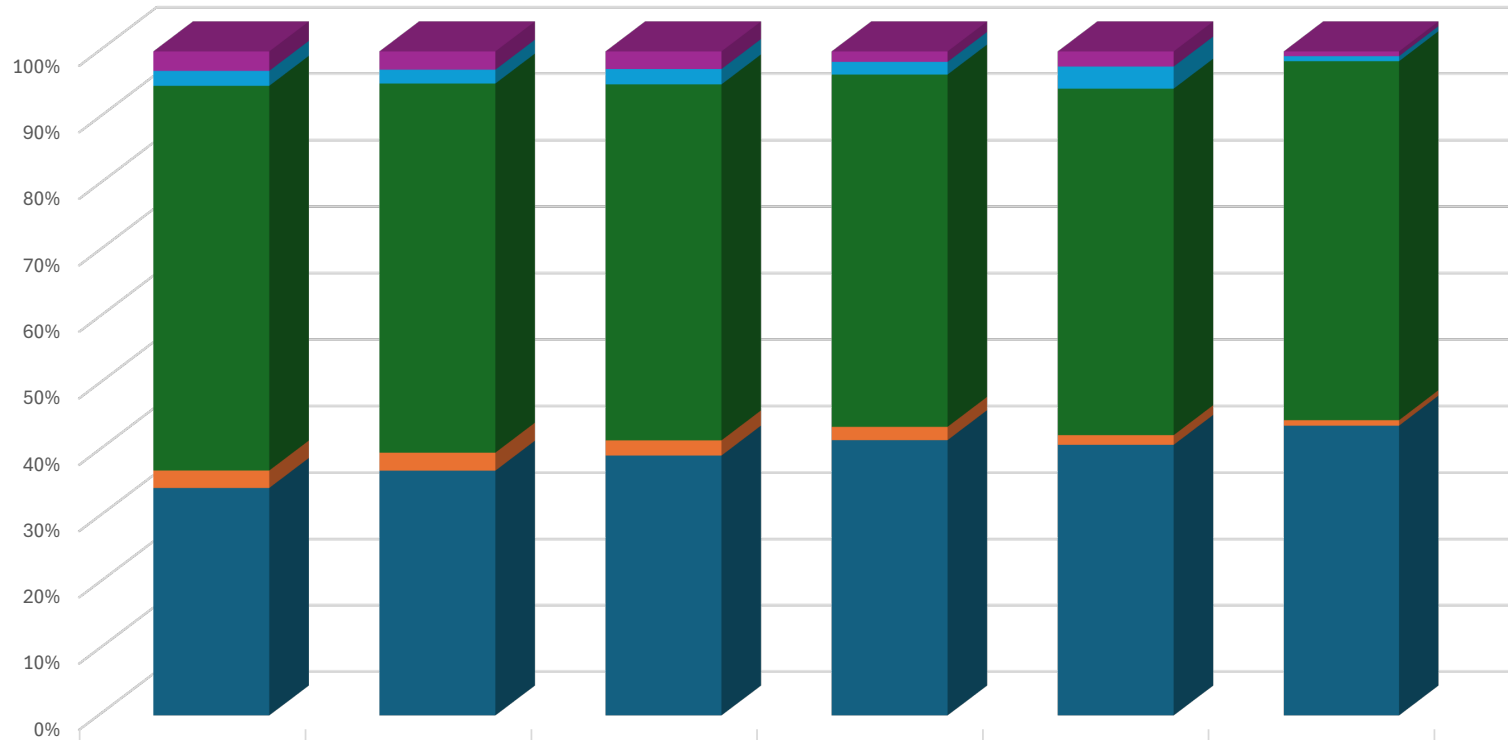
	1Y	3Y	5Y
CRS Fund - Net Return	12.80%	10.40%	7.00%
CRS Policy Index	12.70%	10.00%	6.40%
Difference	<b>0.10%</b>	<b>0.40%</b>	<b>0.60%</b>
Status	<b>Above</b>	<b>Above</b>	<b>Above</b>

# CRS Benefits and Demographics Dashboard

1-May-26



## CRS Demographics



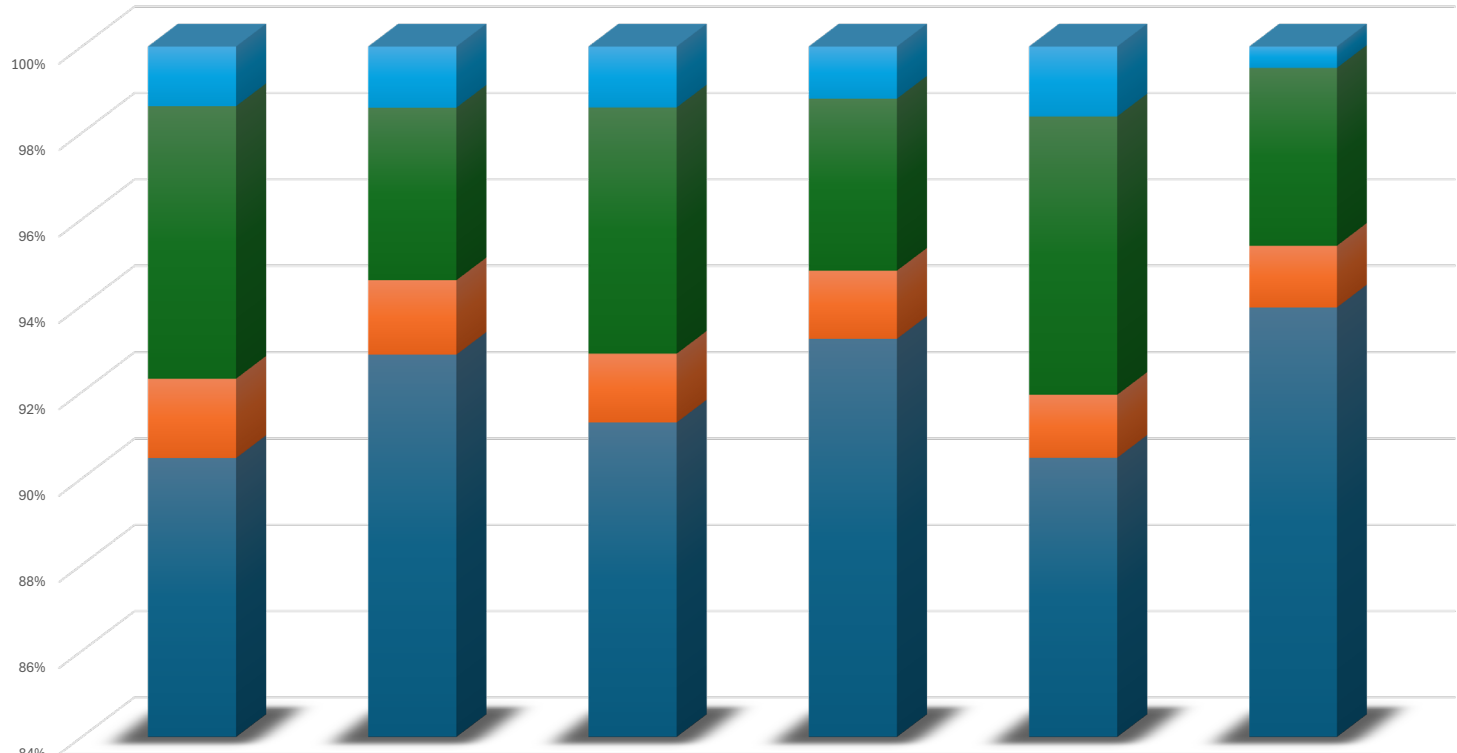
	2021	2022	2023	2024	2025	2026
Sum of Deceased Members	213	206	204	123	184	55
Sum of Terminated Members	164	156	178	148	270	58
Sum of Retirees	4216	4160	4125	4135	4224	4144
Sum of DROP	191	203	176	156	118	63
Sum of F/T Active Members	2504	2770	3023	3243	3311	3357

CRS Benefits and Demographics Dashboard

1-May-26



CRS Benefits Paid



	2021	2022	2023	2024	2025	2026
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	\$503,685.65
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	\$4,186,322.13
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	\$1,449,500.78
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	\$95,498,157.48

**CRS Risk Dashboard** 26-May-26

Risk Category	Risk Description	Rank	Risk Level	Expected Risk Level Trend	Risk Response	Change	Mitigation Activities	Risk Owner	Reporting and Oversight Committee
<b>Cyber</b>	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.	1	High	↑	Monitor	No Change	Continuous work with ETS security plans for business continuity plans and preventing Cyber Attacks across City and CRS infrastructure. Evaluate and monitor CRS servers and vendors protocol annually	Executive Director, ETS Director	Performance Evaluation
<b>Market</b>	Market volatility could lead to undesirable investment outcomes due to monthly liquidity needs to pay benefits.	2	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 reemerging inflation	Executive Director, Marquette	Investment Committee
<b>Funding</b>	A lack of sound funding for the plan could lead to insufficient assets to pay for long-term benefits and financial obligations.	3	High	↓	Mitigate	No Change	In May'26 a fairness hearing took place for a federal judge to decide on accepting the proposed funding plan including \$100m injection of cash and increased contribution rates.	Executive Director	Board of Trustees
<b>Personnel</b>	Ability to attract and retain talented staff; succession planning.	4	Medium	↓	Mitigate	Lower	CRS has hired additional staff to ensure all CRS functions covered and with trained backup.	Executive Director	Board of Trustees
<b>Counterparty</b>	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 as well as limit liquidity risk associated from one manager. Annual evaluation of key vendors	Executive Director	Investment Committee
<b>Operational</b>	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	Governance; Audit Committee (TBD)
<b>Physical</b>	Monitor facilities for inadequacies; general facilities management; improve space utilization.	7	Medium	↔	Accept	No Change	Current space is adequate; continue to add space to accommodate new staff members. Improve remote access and redundancies to improve worker flexibility.	Executive Director	Benefits
<b>Legislative</b>	Legislative events may lead to adverse relations, unfavorable investment and operation policy and/or restricted funding.	8	Medium	↑	Monitor	Higher	Conduct regular meetings with outside consultants to assess risk from federal bills like IRA and local like Ohio house bill 96. As well as meet City Solicitor's office, Council members, Mayor and CMO.	Board, Executive Director	Board of Trustees
<b>Compliance</b>	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
<b>Governance</b>	An breach in processes and procedures in decision making.	10	Low	↔	Mitigate	Lower	Completed new Governance manual. Implement Fiducary Audit & Benchmarking Recommendations. Creating PAFR for delivery in '26.	Board of Trustees	Governance Committee

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

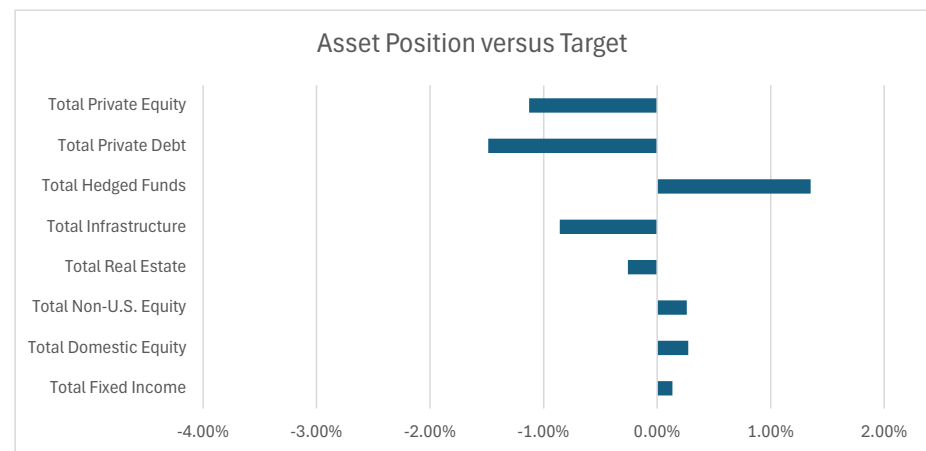
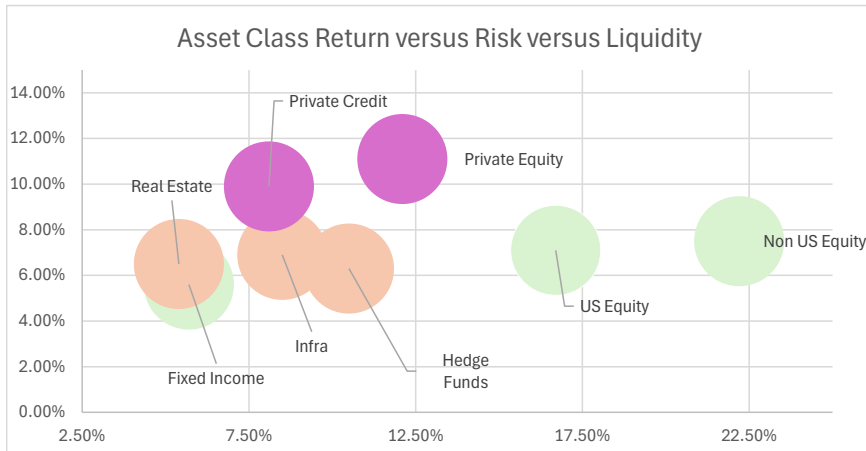
22-May-26



Fund Positioning

Marquette

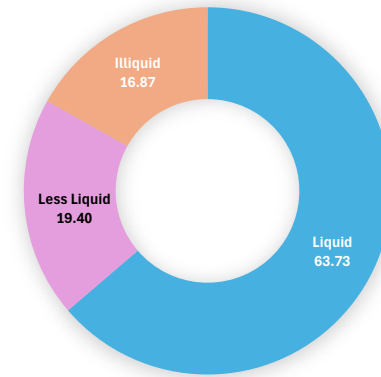
Asset Class	Liquidity	Current	10 YR Return Expectation	10 YR Risk (standard deviation)	Policy	Relative	In Compliance
Total Fixed Income	high	22.63%	5.60%	5.70%	22.50%	0.13%	Yes
Total Domestic Equity	high	24.28%	7.10%	16.70%	24.00%	0.28%	Yes
Total Non-U.S. Equity	high	15.26%	7.50%	22.20%	15.00%	0.26%	Yes
Total Real Estate	medium	5.74%	6.50%	5.40%	6.00%	-0.26%	Yes
Total Infrastructure	medium	8.14%	6.90%	8.50%	9.00%	-0.86%	Yes
Total Hedged Funds	medium	5.35%	6.30%	10.50%	4.00%	1.35%	Yes
Total Private Debt	low	6.01%	9.90%	8.10%	7.50%	-1.49%	Yes
Total Private Equity	low	10.87%	11.10%	12.10%	12.00%	-1.13%	Yes
<b>TOTAL</b>		<b>98.29%</b>			100.0%		





Fund Positioning

Portfolio Redemption Liquidity	%	Market Value
Daily/Weekly	54.71%	\$1,423,504,341
Monthly	9.01%	\$234,531,778
Quarterly	14.25%	\$370,687,181
Semi Annual	5.16%	\$134,177,988
Illiquid	16.87%	\$438,907,984
Unfunded Commitments (PE, PC, RE, Infra)	5.73%	\$149,122,061
Expected Distributions (PE, PC, RE, Infra)	6.50%	\$169,083,846



Capital Call Ratio	Total Capital Needs at Various Call Ratios	3 Year Investment Period	Additional dollars per month
75%	\$ 111,841,545.75	\$ 37,280,515.25	\$ 3,106,709.60
80%	\$ 119,297,648.80	\$ 39,765,882.93	\$ 3,313,823.58
85%	\$ 126,753,751.85	\$ 42,251,250.62	\$ 3,520,937.55
90%	\$ 134,209,854.90	\$ 44,736,618.30	\$ 3,728,051.53

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

Monthly CF/Liquid Portfolio\*\*  
0.84%

Worst Case CF/Liquid Porfolio\*\*  
1.07%

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

3M CF/Liquid Portfolio\*\*  
2.98%

Worst Case 3M CF/Liquid Porfolio\*\*  
3.77%

\*Assumes negative 15% return to liquid portfolio

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

# CRS Compliance Dashboard

26-May-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	Dec'25	Sept'25	Marquette
Review strategic asset allocation parameters annually	Feb'26	Q4'25	Marquette
Review Investment Policy Statement annually	Feb'26	Q4'25	
2. Maintain proper diversification of assets by:	Completion Date	Status	
Fund is within strategic asset allocation limits	Q1'26	Ok	
Investment managers are in compliance	Q1'26	Ok	Marquette
Manager diversification and counterparty risk are reviewed	Q1'26	Ok	

## Legal , TAX, Regulatory and Operational

3. Legal, tax and operational review	Completion Date	Status
Monitor pension operations quarterly	Q1'26	Ok
Monitor legal, tax and regulatory quarterly	Q1'26	Ok
4. Monitor administrative budget and Professional service :	Completion Date	Status
Monitor budget and professional services fees quarterly	Q1'16	Ok
Professional services review annually	Q1'26	Ok

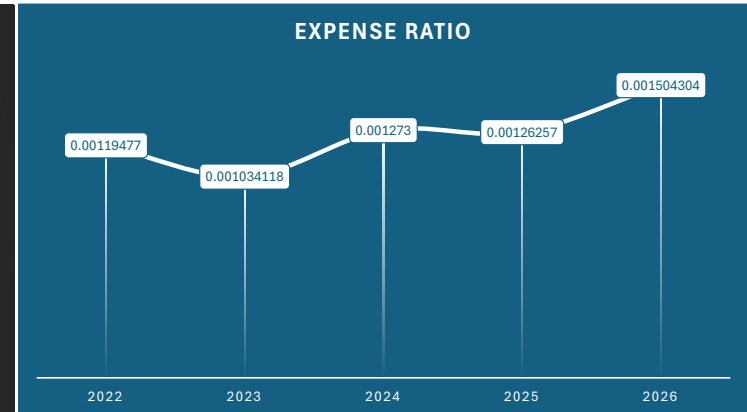
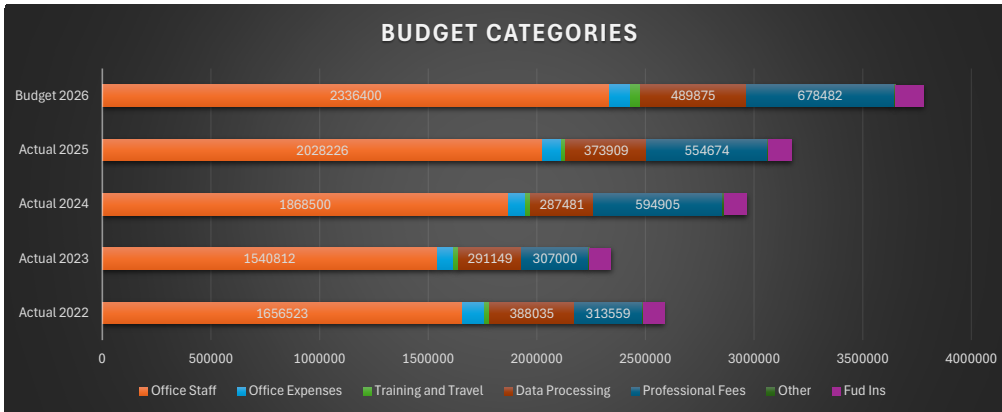
# CRS Budget Dashboard

31-Mar-26



## Summary

	Actual Q1 2026	Budget Q1 2026	Difference Budget v Actual	% of Budget Utilized	Budget 2026	Actual 2025	Actual 2024	Actual 2023	Actual 2022
<b>Office Staff</b>	403,556	553,295	149,739	73%	2,336,400	2,028,226	1,868,500	1,540,812	1,656,523
<b>Office Expenses</b>	21,962	20,697	(1,265)	106%	93,800	86,598	80,726	76,930	104,313
<b>Training and Travel</b>	9,571	11,500	1,929	83%	45,500	18,190	23,201	22,412	23,156
<b>Data Processing</b>	188,450	195,988	7,538	96%	489,875	373,910	287,481	291,149	388,035
<b>Professional Fees</b>	71,575	166,488	94,912	43%	678,482	554,675	594,905	307,000	313,559
<b>Other</b>	200	1,880	1,680	11%	7,500	4,912	5,126	4,135	3,260
<b>Fund Ins</b>	0	0	0	0%	129,107	106,618	104,389	99,952	96,959
<b>Total Operating Cost</b>	<b>695,314</b>	<b>949,848</b>	<b>254,533</b>	<b>73%</b>	<b>3,780,664</b>	<b>3,173,129</b>	<b>2,964,328</b>	<b>2,342,390</b>	<b>2,585,805</b>
<b>Member Cost</b>	<b>56,916,458</b>	<b>59,735,215</b>	<b>2,818,757</b>	<b>95%</b>	<b>244,242,700</b>	<b>227,708,047</b>	<b>227,404,758</b>	<b>222,548,260</b>	<b>216,971,971</b>
<b>Contribution</b>	<b>20,995,489</b>	<b>19,188,470</b>	<b>1,807,019</b>	<b>109%</b>	<b>87,771,050</b>	<b>81,921,696</b>	<b>82,656,085</b>	<b>67,373,843</b>	<b>64,443,827</b>
<b>Net Investment Returns</b>	<b>319,927,589</b>	<b>169,954,354</b>	<b>149,973,235</b>		<b>180,816,185</b>	<b>319,927,589</b>	<b>216,423,029</b>	<b>251,362,593</b>	<b>(216,487,362)</b>



IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF OHIO  
WESTERN DIVISION

NICK SUNYAK, <i>et al.</i> ,	:	Case Nos: 1:11-CV-445
	:	1:12-CV-329
Plaintiffs,	:	
	:	Judge Michael R. Barrett
v.	:	
CITY OF CINCINNATI, <i>et al.</i>	:	
	:	
Defendants.	:	
(City of Cincinnati Pension Litigation)	:	

**ORDER GRANTING FINAL APPROVAL OF PROPOSED AMENDMENTS TO  
COLLABORATIVE SETTLEMENT AGREEMENT, SETTLEMENT ORDER, AND  
CONSENT DECREE**

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WHEREAS, the Court entered an Opinion and Order (Doc. #100) (“Settlement Order”) on October 5, 2015, which granted final approval of a class action settlement (Doc. #100-1) (“Collaborative Settlement Agreement” or “CSA”) intended to resolve certain litigation, including litigation pending in this Court;

WHEREAS, the Court authorized and approved the entry of a consent decree (Doc. #105) (“Consent Decree”) on November 20, 2015, which adopted and incorporated the terms of the CSA in its entirety;

WHEREAS, Paragraph 62 of the CSA governs “Modification” and provides that the CSA may “only be modified in writing and with consent of the Parties, subject to the approval of the Court or by order of the Court”;

WHEREAS, pursuant to Paragraph 62 of the CSA, the Parties consent to the modification of the CSA and have provided their written consent through their Joint Motion for Preliminary Approval of Proposed Amendments to Collaborative Settlement Agreement, Settlement Order, and Consent Decree (“Joint Motion”) filed by Plaintiffs Nick Sunyak, Jeffrey Harmon, Kim Kappel, Finley Jones, and Richard Ganulin, on behalf of themselves and the Current Employees Class they represent; Plaintiffs Thomas A Gamel, Sr., Mark K. Jones, Ely Ryder, Constance M. Roesch, Carol Walker, and Steven Dietrich, on behalf of themselves and the Retirees Class they represent; the American Federation of State and Municipal Employees Ohio Council No. 8 (“AFSCME”); the City of Cincinnati (“City”), the Cincinnati Retirement System (“CRS”), Mayor Aftab Pureval (“Mayor”), and City Manager Sheryl Long (“City Manager”) (all persons above listed comprising the “Parties” to the CSA), which Joint Motion is now before the Court;

WHEREAS, the Parties propose to replace Paragraph 17 of the CSA, as approved and adopted by the Court in the Settlement Order and Consent Decree, with the following:

17. Employee Contributions: Pension contributions made by Current Employees Class members shall be increased from nine percent of pensionable wages to ten percent of pensionable wages in four annual increments of 0.25 percent of pensionable wages with the first increase being effective as of the pay period that includes July 1, 2026, and the three subsequent increases being effective as of the pay periods that include (i) July 1, 2027, (ii) July 1, 2028, and (iii) July 1, 2029, respectively. Pension contributions made by Current Employees Class members shall not exceed ten percent of pensionable wages during the term of the Consent Decree, subject to this Agreement and the Consent Decree. Any reduction in pension contributions may not adversely affect benefits as defined in this Agreement for the members of the Current Employees Class and the Retirees Class.

WHEREAS, the Parties propose to replace Paragraph 19 of the CSA, as approved and adopted by the Court in the Settlement Order and Consent Decree, with the following:

19. City’s Annual Contribution to the CRS Pension Trust Fund:

- i. Subject to the provisions in subsection (ii) below, the City shall contribute to the CRS Pension Trust Fund no less than 19.25 percent of Covered

Payroll beginning as of the pay period that includes July 1, 2026, and continuing annually for the duration of the Consent Decree (30 years commencing November 20, 2015), notwithstanding any contrary calculations claimed by any Party or non-party under any provision of the CMC or any other basis.

- ii. The City's 19.25 percent required minimum annual contribution to the CRS Pension Trust Fund as described in subsection (i) above shall be adjusted on the first day of the City's fiscal year (i.e., July 1) as follows:
  - a. In the third quarter of the City's preceding fiscal year (i.e., January to March), the CRS shall cause its actuary to issue a report indicating the projected Funded Ratio of the CRS Pension Trust Fund as of the year 2049.
    - i. If the report indicates that the projected Funded Ratio will meet or exceed 100 percent in 2049, no adjustment to the City's required minimum annual contribution to the CRS Pension Trust Fund shall be required.
    - ii. If the report indicates that the projected Funded Ratio will fall below 100 percent in 2049, the City's required minimum annual contribution to the CRS Pension Trust Fund shall be increased by 0.75 percent of Covered Payroll for the duration of the Consent Decree.
    - iii. No more than three 0.75-percent increases shall be applied to the City's required minimum annual contribution as described above, and in no event shall the City's required minimum annual contribution exceed 21.5 percent of Covered Payroll.
  - b. In the event the CRS Pension Trust Fund achieves an actual (not estimated) 100-percent Funded Ratio prior to the termination of the Consent Decree as reflected in the annual actuarial valuation prepared by the actuary for CRS ("CRS Annual Valuation"), the City's required minimum annual contribution to the CRS Pension Trust Fund shall be no less than the Net Normal Cost of operating the plan as reflected in the CRS Annual Report.
    - i. "Net Normal Cost" is the actuarial present value of (i) the projected retirement benefits, excluding healthcare benefits, accruing to CRS members in the upcoming plan year, plus (ii) the administrative expense of operating the System in the upcoming plan year, less (iii) expected employee contributions in the upcoming plan year.

- ii. The Net Normal Cost shall be calculated by CRS's actuary under the actuarial cost method and reported in the CRS Annual Valuation.
- iii. The terms "actuarial present value" and "actuarial cost method" shall have the same meaning as provided in the Actuarial Standards Board's Actuarial Standard of Practice No. 4.

WHEREAS, the Parties propose to replace Paragraph 20 of the CSA, as approved and adopted by the Court in the Settlement Order and Consent Decree, with the following:

20. Additional Contributions to the CRS Pension Trust Fund:

- i. No later than July 31, 2026, the City shall make an additional one-time contribution of \$50 million to the CRS Pension Trust Fund. In addition, the City shall cause its restricted funds as listed in the City's approved biennial budget to make annual contributions to the CRS Pension Trust Fund for the duration of the Consent Decree, which contribution the City may apportion among its restricted funds in its sole discretion. The initial restricted-fund payment shall be \$1.5 million and paid no later than July 31, 2026. Subject to provisions of subsections (a)-(c) below, subsequent annual payments shall be increased by five percent on an annually compounding basis and shall be paid no later than July 31 of each year.
  - a. In the third quarter of the City's preceding fiscal year (i.e., January to March), the CRS shall cause its actuary to issue a report indicating the projected Funded Ratio of the CRS Pension Trust Fund as of the year 2049.
  - b. If the report indicates that the projected Funded Ratio will meet or exceed 100 percent in 2049, the City shall not be required to pay the annual restricted fund contribution in its upcoming fiscal year.
  - c. If the report indicates that the projected Funded Ratio will fall below 100 percent in 2049, the City's shall pay the annual restricted fund contribution required by Section 20(i) in its upcoming fiscal year.
- ii. The City, recognizing the risk typically borne by the employer in a defined benefit plan, shall contribute to the CRS Pension Trust Fund an additional three percent of Covered Payroll for three consecutive years before requesting an Annual Minimum Funded Ratio Re-opener as defined in Paragraph 35 (iii) of this Agreement. Following that three-consecutive-year supplemental contribution, the City may seek an Annual Minimum Funded Ratio Re-opener only if the City complies with the requirements

of the Annual Minimum Funded Ratio Re-opener set forth in Paragraph 35 (iii) for the term of this Agreement.

- iii. If the City sells an asset or privatizes any City service or otherwise transfers or loses a City function which results in a reduction of total Covered Payroll, the City shall provide or secure funding for any remaining pension and healthcare liabilities to remedy any impact on the CRS.
- iii. Recognizing the need for additional case contributions, the City shall make an additional contribution equal to or greater than the remaining liability on the Early Retirement Incentive Program (ERIP) through a judgment or settlement bond with the consent of the Parties and the Court or continue current required payments.

WHEREAS, the Court reviewed the Parties' Joint Motion and memorandum in support, the proposed amendments to the CSA, Settlement Order, and Consent Decree, and the record in the case, and found the Parties' Joint Motion to be well-founded (Doc. #182);

WHEREAS, the Court approved the Parties' proposed notice program, finding that it was reasonably calculated to apprise class members of their right to object, constituted due, adequate, and sufficient notice to all persons entitled to receive notice, was the best notice practicable under the circumstances, and met all applicable requirements of the Federal Rules of Civil Procedure, due process, and any other applicable law (Doc. #182);

WHEREAS, pursuant to the approved notice program, the City has issued class notice to the Current Employees Class members and the Retirees Class members, informing them of the terms of these proposed amendments to the CSA and Consent Decree, as well as their right to object to the proposed amendments and have their objections considered by the Court;

WHEREAS, the Court conducted a fairness hearing on May 18, 2026 during which the Court considered all objections to the proposed amendments submitted by Current Employees Class members and the Retirees Class members, and found them to be not well-founded.

**IT IS HEREBY ORDERED AND ADJUDGED THAT:**

1. The Court grants final approval of the proposed amendments to the CSA, Settlement Order, and Consent Decree as serving the best interest of the City, the CRS, and the members of the Current Employees Class and the Retirees Class in light of the purposes, objectives and goals of the CSA and the Consent Decree pursuant to Paragraph 62 of the CSA, and as fair, reasonable and adequate pursuant to Fed. R. Civ. P. 23.

2. The Court finally approves the Parties' notice program, finding that it was reasonably calculated to, and did, apprise class members of their right to object, constituted due, adequate, and sufficient notice to all persons entitled to receive notice, was the best notice practicable under the circumstances, and met all applicable requirements of the Federal Rules of Civil Procedure, due process, and any other applicable law.

3. The Court has reviewed and considered all objections to the proposed amendments to the CSA, Settlement Order, and Consent Decree and overrules all such objections.

4. Accordingly, the Court finally approves the proposed amendments as binding on all Class Members and directs the Parties and their Counsel to amend and file on the docket for this case an amended CSA and Consent Decree to reflect these changes finally approved by the Court.

5. The Court retains continuing and exclusive jurisdiction over the Parties for the duration of the Consent Decree (30 years commencing November 20, 2015) as to all matters relating to the administration, consummation, enforcement, and interpretation of the CSA,

Settlement Order, and Consent Decree and for any other necessary purposes related thereto, including the entry of any additional order as may be necessary and appropriate.

**IT IS SO ORDERED.**

*/s/ Michael R. Barrett*

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Michael R. Barrett, Judge  
United States District Court



## Cincinnati Retirement System Retiree and Active Election Process

Proposed Process and Timeline	Dates
Inventory and Order Envelopes	April 6, 2026
Contact Printing Services - about timeline to get nominations notices and ballots to USPS.	April 6, 2026
Nomination postcards to Active Deferred and Retirees mailed	April 13, 2026
<b><u>Opening of Nominations (active and retirees)</u></b> Active CRS members sent nomination email	April 27, 2026
Ballot Skeleton to Printing Services	May 4, 2026
Labels with ID#'s and Envelopes to Printing for Ballots	May 12, 2026
<b><u>Closing of Nominations (25 days after open)</u></b> Nomination Petition sheets & Candidate Position Papers are due to CRS.	May 22, 2026
Authenticate Names - Review Position Papers <i>(Within 2 business days of Closing of Nomination)</i>	May 24, 2026
<b>Distribute Candidates Names &amp; Bios</b> Post to Web page <i>(5 business days after Close of Nominations)</i>	May 27, 2026
<b><u>Election Opens</u></b> <u>(Ballots to U.S. mail first-class)</u> <i>(14 days after close of Nominations)</i>	June 5, 2026
<b><u>Election Closes -</u></b> <b><u>(21 days)</u></b>	June 26, 2026
<b><u>Ballot Count -</u></b> <u>Election Committee Declares winners</u> <i>(Within 5 business days after election close)</i>	July 1, 2026
<b><u>Oath of Office</u></b> <i>Board meeting</i>	August 6, 2026

## **Ballot Count Process**

### **Board Elections 2026**

#### **Night before Ballot Count day– get room ready – bring in forms, supplies etc.**

1. Have stacks of count sheets ready
2. Label tables for Employee or Retiree ballots
3. Get supplies set up with signage on tables. Boxes for envelopes.

#### **Election Committee Chair accompanies CRS to deliver Ballot Box to Committee Room B.**

#### **Instructions to Group:**

1. Turn off cell phones- limit conversation
2. Look for watermarks
3. Look for multiple votes
4. Raise hand with question
5. Names are rotated on ballots
6. Hash marks
7. Goal: Balance with one count – avoid recounts
8. Have separate person or group do the re-count when there is an unbalance
9. Initial on form after every step

#### **8:00 AM**

1. Remove envelopes from Ballot box
2. Separate any ballots submitted in:
  - a. Unofficial envelopes
  - b. Unsealed envelopes
3. Pull duplicate ballots (they are identified by ID number written on back of envelope – confirm original not submitted).
  - a. Reviews all submitted ballot envelopes for the original ID number to determine if an original ballot was also submitted.

- b. Sift through the envelopes prior to slicing – looking for the numbers that the employees who submitted duplicate ballots. It doesn't take long to do. Stack envelopes and slice them open.
- c. If an original ballot and a duplicate have been submitted by the same person – the envelope with the earlier date stamp will be counted.
  - i. In the event that one or both of the envelopes are not date-stamped, (to determine the earlier arrival) only the original ballot will be counted.
4. Open envelopes with automatic envelope slicer – Be sure to push envelopes to the back, thumb on corner. Many ballots sliced in the middle of the names – difficult to read. Slice a few and see how it looks before doing all. Have envelopes shoot from slicer into a large box.
5. Begin to open envelopes and remove ballots. The committee COULD review the ballots for watermark etc (to remove one step for the counters).. ...then distribute the ballots to the counters.

**2-PERSON TEAMS (If the committee opens the envelopes and and stacks the ballots ahead of time, then this step will be skipped)**

Everyone

1. Removes ballots from envelopes – place envelopes in box on edge of the tables. (place regular envelope box on edge of desk)
  - a. Staff collects empty envelopes periodically and saves
2. Reviews ballots and verifies:
  - a. Invalid ballots (multiple votes)
  - b. Watermarks
3. Counts ballots into stacks of 25 and rubber band together.
4. Use pens for tallies
5. Stacks to Person #1

Counter #1

6. Picks up a stack of 25 and a set of Tally Sheets starting with Batch #1
7. Counts the votes by writing hash marks (define) on Tally Sheet A
8. Explain that names are rotated on ballots
9. Enter the total count for each candidate in left hand column
10. Writes initials in upper left hand corner of Tally Sheet A
11. Clips batch together
12. Hands batch with Tally Sheets B on top of A and hands to the person next to them (Person #2) for the recount

### Counter #2

13. Conducts the same vote tally by writing hash-marks on Tally Sheet B.
14. Enters the total count for each candidate in left hand column
15. Writes initials in upper left hand corner of Tally Sheet B
16. Indicate if Balanced – Yes or No
17. If Balanced:
  - a. Places Tally Sheet B on top and clips batch together. Places batch at edge of table.
  - b. An Election committee member picks up and confirms that they documented **balance** and places on Excel Table
18. If Unbalanced, place Tally Sheet C on top and clip to batch. Place at edge of table.
  - a. An Election Committee member will conduct re-count and initial and document balance.

### STAFF

1. Collects the batches from each team.
2. Reviews Tally Sheets A & B to verify matching totals
  - a. Initials Tally Sheet B or Tally Sheet C to confirm totals balance or conducts a recount and initials when balanced.
  - b. Keeps batches in order and stacks them by Team # on table near computer.
3. Staff member enters the Batch totals into an Excel Spreadsheet. Write-in names are also totaled on the spreadsheet.
  - a. Initials every Tally Sheet B or Tally Sheet C after entering totals.
4. Totals are read back from the electronic spreadsheet and compared to the totals from hand-written Tally Sheets B or C.
  - a. Person confirming the hand-written totals will initial Tally Sheet B or Tally Sheet C
5. The finalized spreadsheet is emailed to the CRS office for record keeping. Totals are submitted to the Election Committee

All Batches/Tally Sheets, all envelopes and invalid ballots are collected and retained per Records Retention Policy.

Each Tally Sheet B or Tally Sheet C should have initials from the following persons:

- Ballot Counters
- Tally Sheet Balancer – (indicating the totals from A & B match)
- Data entry person
- Final Balancer (indicating the totals read back from the excel spreadsheet match the hand written totals on Tally Sheets)



**12:00 PM or immediately following ballot count:**

Election Committee will be called to order

The Election Committee announces the winners of the election.

Administer Oath of Office at the next Board of Trustees meeting

Send emails to Candidates, Board and all city employees



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## Election Committee and ballot counting

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**From** Frank, Kevin <Kevin.Frank@cincinnati-oh.gov>

**Date** Wed 5/27/2026 10:38 AM

**To** Salstrom, Jon <jon.salstrom@cincinnati-oh.gov>

**Cc** Brown, Kyle <Kyle.Brown@cincinnati-oh.gov>; Smith, Maxwell <maxwell.smith@cincinnati-oh.gov>

Jon:

You have asked whether the CRS Election Committee (“Committee”) must meet when the ballots for new board members are counted. CRS is about to commence the process for selecting new members to the CRS Board, and there are currently one active employee position and two retiree positions up for election.

In short, yes, a quorum of the Committee must be present for the ballot counting. The ballot counting must be noticed as a special meeting of the Committee open to the public, and minutes must be taken. After the ballot counting is complete, the Committee must schedule a separate special meeting to certify the election results.

### CRS Board Rules: A Summary of the Relevant Steps in the Election Process

CRS Board Rules provide that the Committee must monitor trustee elections, assure that the election rules are followed, and submit the election results to the Board. Board Rule VII.A. Procedures for the counting of ballots are contained within Section VII.G. of the Board Rules.

Within five days after the election closes, ballots are counted by City employees. Board Rule VII.G. 3. Ballot Count Day must be treated as an open meeting, with the date and time posted on the CRS website. Board Rule VII.G.2. The Board Rules do not specify which public body must meet during this open meeting, however at least one member of the Committee must be present to brief the attendees on the procedure for the count and the appeal process. Board Rule VII.G.8. Candidates or their proxies are allowed to attend the ballot counting, and if a candidate or proxy violates the rules of the election count or disrupts the proceedings, the Committee may ask the person to leave. Board Rules VII.G.7. and 9.

After the ballot counting is complete, CRS staff must notify each candidate of the unofficial results of the election by phone or email by the end of the next business day. Board Rule VII.G.10. The Committee must then meet to review the results of the ballot count and declare the winners. Board Rule VII.G.11. There is no deadline by which the Committee must meet, but the Committee should endeavor to meet soon after the ballot counting in case there are ties or appeals. Board Rules VII.H. and I.

### The Election Committee is Required to Meet During the Ballot Counting

Current Board rules require the Committee to monitor elections and ensure that elections rules are followed and require Ballot County Day to be treated as an open meeting. Board Rules VII.A. and G.2. While the Board Rules do not specify which public body—the Committee or the CRS Board—should conduct the Ballot County Day open meeting, at least one Committee member must be present to brief the attendees of the procedures for the count and the appeal process (Board Rule VII.G.8.) and the Committee has the authority to ask a candidate or proxy to leave the ballot count if the candidate or proxy violates the rules of the election count or disrupts the proceedings (Board Rule VII.G.9.). Consequently, Ballot Count Day should be noticed as a special public meeting of the Committee, and all rules applicable to public meetings must be followed. This includes calling the meeting the order, conducting votes if the Committee takes any official action, and taking minutes to reflect what occurred during the meeting.

After the ballots are counted and the candidates are informed of the results, the Committee must then notice a separate special meeting to review the ballot count and declare the winners. Board Rule VII.G.11.

Please let me or Max know if you have any questions or discuss this further.

Kevin



**Kevin K. Frank**

Senior Assistant City Solicitor

General Counsel Section

Law Department

801 Plum Street, Room 214

Cincinnati, OH 45202

513/352-3308 (o) | 513/352-1515 (f)

[Kevin.Frank@cincinnati-oh.gov](mailto:Kevin.Frank@cincinnati-oh.gov)

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MEMO

To: 2026 Active Trustee Candidates  
From: Sonya Morris, CRS Board Elections Committee Chair  
Date: June 26, 2026

Re: Election Counting Process and Appeals

On behalf of the CRS Board of Trustees, thank you candidates for deciding to run for the open Active Trustee seat. Your participation and active involvement in the CRS makes it a stronger system for all.

The CRS Board Rules require me to brief you on the ballot counting procedure. The process is straightforward. City employees will conduct the ballot counting process under the supervision of CRS staff. Here are the steps in the ballot counting procedure:

1. Open the ballots
2. Sort the ballots
3. Review ballots for duplicates, if any duplicates were sent
4. Count the ballots and tally the results
5. Count the ballots a second time and tally the results (different employee to perform the second count)

You have a right to be present during the ballot count or designate a proxy to attend on your behalf.

For efficiency purposes, CRS will have multiple ballot-counting stations in the counting room. Invalid ballots will be deemed invalid and discarded. Invalid ballots include when a member submits more than one ballot, or ballots where the intent of the voter is unclear, such as a ballot that is marked for more than one candidate. The Law Department will be present to provide advice on whether a ballot is invalid and should not be counted.

At the conclusion of the counting process, CRS staff will prepare a report for the Elections Committee of the ballot count results, including the number of issued ballots, returned valid ballots, invalidated ballots, duplicate ballots issued, and duplicate ballots returned.

The CRS Board rules also require me to explain the appeal process regarding the count. Attached are the Board Rules that govern formal protests and appeals. Please review these, and if you have any questions, you may direct your questions to Executive Director Jon Salstrom ([jon.salstrom@cincinnati-oh.gov](mailto:jon.salstrom@cincinnati-oh.gov)).

c: William E. Moller, CRS Board Chair  
Jon Salstrom, CRS Executive Director

Attachment: CRS Board Rule VII (Trustee Elections)

## **Rule VII      Trustee Elections**

### **TRUSTEE ELECTIONS**

The Board is made up of four Appointed Trustees, three elected Retired Trustees, and two elected Active Employee Trustees. Only members of the Cincinnati Retirement System (“CRS”) are eligible to serve as elected Trustees or to vote in the CRS election process. Elected Trustees are elected for a four-year term. Appointed Trustees are appointed by the Mayor for a term of up to four years, as determined by the Mayor.

### **ACTIVE EMPLOYEE TRUSTEES**

Only active Members of the CRS shall be elected as Active Employee Trustees. Employees who participate in the D.R.O.P. (Deferred Retirement Option Program) are ineligible to serve on the Board of Trustees as an Active Employee Trustee. Active Employee Trustees who enroll in the D.R.O.P. during their terms shall forfeit their Trustee position on the Board effective the date of their D.R.O.P. enrollment.

Every CRS Member who is a full-time, part-time, or seasonal employee employed as of the opening of Elections shall be eligible to vote for candidates for either of the two Active Employee Trustee positions. Additionally, ballots for the Active Employee Trustees shall be provided to each Member who is classified as a Deferred Vested Member and to every employee on leave of any type.

### **RETIREE TRUSTEES**

Only Retired Members of the City of Cincinnati Retirement System shall be elected as Retiree Trustees. Every Pensioner (a person receiving a pension benefit) shall be eligible to vote for candidates for the three Retiree Board Trustee positions.

### **ELECTION PROCESS**

#### **A. Elections Committee**

The Elections Committee of the Board shall monitor trustee elections, assure that the election rules of the Board of Trustees are followed, submit the election results to the Board of Trustees for approval, and hear election protests.

#### **B. Opening of Nominations**

- 1) An Opening of Nominations Notice shall be prepared and distributed by the Retirement Department. The nomination period shall remain open for no less than 25 days. For counting purposes, day 1 shall be the date declared on the Opening of Nominations Notice.

- 2) The Opening of Nominations Notice shall state all deadlines and dates pertinent to the election, including but not limited to, the deadline for nominations, the deadline for candidates' position papers, the date for the posting of the confirmed candidates' names, the opening and closing dates of the election, and the contact person's name, telephone number and email address within the Retirement Department.
- 3) Candidate Instructions shall include an outline of the Board's function, the duties of a Board Trustee, the meeting schedule, and attendance expectations. The following reasons disqualify any person from seeking election to the Board or remaining as a Trustee:
  - a. Finding of dishonesty in any civil proceeding or disciplinary decision,
  - b. Conviction of a felony for an act committed while the candidate or member was an adult, or
  - c. Failure to comply with election requirements established by the Board.
- 4) Active Employee Trustees: The Opening of Nominations Notice shall be sent via email to all employees who have City email addresses and who are CRS Members as of the date of the Opening of Nominations. City Departments shall be responsible for the distribution and posting of the Opening of Nominations Notice. Retirement Department shall mail the Opening of Nominations Notice via U.S.P.S. first-class mail to all Deferred Vested Members
- 5) Retiree Trustees: The Opening of Nominations Notice shall be mailed by U.S.P.S. first-class mail to all CRS Pensioners.

### **C. Nomination Petition Forms**

- 1) Nomination Petition Forms can be obtained from the Retirement Department office or website.
- 2) Completed Nomination Petition Forms shall contain on each page the name of the candidate, the position the candidate is seeking, and the deadline for submission of candidate's position paper.
- 3) Nomination Petition Forms shall require no fewer than 25 signatures and printed names of those meeting the qualification to vote in the election of a trustee. For the Active Employee Trustees, the signatures must be from active employees who are members of CRS, employees who participate in the Deferred Retirement Option Program or Deferred Vested Members of CRS. For the Retiree Trustees, the signatures must be from CRS Pensioners.
- 4) Nomination Petition Forms can include a single signature or multiple signatures as long as a nominated candidate receives a combined total of no less than 25 signatures from eligible CRS members from their representative group. The Nomination Petition Forms may be delivered directly to CRS, mailed to CRS, or electronic copies may be emailed to the designated CRS contact listed on the Opening of Nominations Notice.

- 5) Hard copies and electronic copies of Nomination Petition Forms must be RECEIVED by the Retirement Department (Room 328 City Hall) by the deadline posted on the Nomination Petition Form.
- 6) At the time that the Nomination Petition Form is due, each candidate shall provide the Retirement Department with his or her:
  - a. Official home address
  - b. Email address
  - c. Home phone and cell phone if applicable
  - d. Department/Division name
  - e. Job title
  - f. Years employed with the City
- 7) The Retirement Department shall confirm that names on petitions are eligible CRS members and shall notify the candidate within 2 business days if there are not enough legible or valid names on the petitions.
- 8) The list of validated candidates' names shall be posted on the Retirement Department's web page within 5 business days after the closing of the nominations.
- 9) If the total number of candidates validly nominated equals the number of vacancies, the election shall be declared closed and the candidates shall be declared the winners.

#### **D. Candidates' Position Papers**

- 1) Each candidate shall provide the Retirement Department with a position paper in Microsoft WORD format containing no more than 200 words, on only one (1) page, no later than 4:00 P.M. on the deadline date posted on the Opening of Nomination Notice and Nomination Petition Form.
- 2) Each position paper must be emailed to the Retirement System contact listed on the Opening of Nominations Notice and must be received by the Retirement Department by the deadline posted on the Opening of Nominations Notice and Nomination Petition Form. It is the responsibility of the candidate to confirm receipt of his or her position paper by CRS.
- 3) Candidates' position papers shall be included with each ballot. The placement of each candidate's position paper shall be rotated so no single name appears as the first a greater number of times than that of the others.
- 4) Candidates' position papers shall not contain any profanity or derogatory comments regarding other candidates.
- 5) A candidate's failure to submit a position paper meeting the above-listed criteria by the deadline shall invalidate his or her candidacy.

## E. Ballots

- 1) Ballots shall be sent by U.S.P.S. first-class mail. The Ballots shall be designed by the Retirement Department and include the official Cincinnati Retirement logo and be printed on heavier than the customary 20-pound weighted paper or card-stock. Official election return envelopes shall be imprinted with a series of numeric characters and sequentially numbered in a location and of a design as determined by the Retirement Department. The official election return envelopes shall be pre-paid postage envelopes.
- 2) Returned election ballots must be contained within a sealed, official election return envelope. Copied ballots, reproduced ballots, or ballots in unsealed envelopes or unofficial return envelopes will not be deemed valid and will not be counted.
- 3) The position of the name of each candidate shall be rotated on the ballots so that no single candidate's name shall appear as the first name a greater number of times than the other candidates to the extent feasible.
- 4) No write-in candidates are permitted
- 5) A ballot with more votes than vacancies will be deemed invalid.
- 6) Ballots shall be mailed by U.S.P.S first-class mail 14 days after the close of nominations. For counting purposes, day 1 shall be the day after the close of nominations.
- 7) Employees not receiving a ballot at their address of record may request a duplicate ballot from the Retirement Department.
- 8) A duplicate ballot shall be of a different color and marked "DUPLICATE."
- 9) A duplicate ballot shall be mailed to the employee's home address on record, or picked up in person at the Retirement Department, Room 328, City Hall. A new official election return envelope will be provided with the duplicate ballot. The Retirement Department will keep a log of all members receiving duplicate ballots and check those against the ballots to be counted on Ballot Count Day.
- 10) The CRS Board and the Retirement Department are not responsible if the duplicate ballot is not returned by the deadline.
- 11) All ballots shall be returned only in the official election return envelope provided. Ballots returned in any other envelope are invalid and will not be counted.
- 12) Only one ballot shall be returned in the official election return envelope. If multiple ballots are returned in one envelope, they will be invalidated and will not be counted.

13) Ballots in the official election return envelope shall be returned by U.S.P.S. first-class mail, interdepartmental mail, or deposited directly into the locked ballot box located in the Retirement Department, Room 328, City Hall.

14) Returned ballots shall remain secure in the locked ballot box in the Retirement Department during business and non-business hours.

#### **F. Election**

1) The election period shall be declared open on the 14th day after the close of nominations and remain open for a minimum of 21 days. The opening and closing date of the election period shall be posted on all ballots. For counting purposes, day 1 shall be the first day after the close of nominations.

2) The election shall continue for at least 21 days and close at 4:00 PM on the 21st day or the due date specified on the ballots, if later. All ballots must be received by the Retirement Department by 4:00PM on the 21st day (or the due date specified on the ballots).

#### **G. Counting of Ballots**

1) Retirement Department shall be responsible for coordinating the Ballot Count Day and providing the ballot box to the ballot counters on Ballot Count Day.

2) Ballot Count Day shall be treated as an open meeting with the date and time posted on CRS website.

3) The ballots shall be counted by City employees within 5 business days after the close of the election.

4) If Duplicate ballots were provided to members during the election, the ballot counters will review all ballot envelopes to determine if a member submitted more than one ballot.

5) If it is determined that a member submitted more than one ballot, the ballots will be deemed invalid and discarded.

6) The Retirement Department shall notify the candidates of the time and location for the counting of ballots at least two business days prior to the counting of ballots.

7) Each candidate shall have the opportunity to attend and witness the counting of ballots, or, prior to the initiation of the counting process, to designate a proxy as their official representative to attend and witness the counting of the ballots.

8) A member of the Election Committee shall brief the candidates, or the proxies of a candidate, on the procedure for the count, as well as the appeal process regarding the count.

9) During the counting process, the candidates or their proxies shall remain in the audience seating section of the room. If a candidate or his or her proxy violates the rules of the election count or disrupts the proceedings, the Election Committee has the discretion of asking the member to leave the room or the Committee may contact the City Hall Security Staff as appropriate.

10) The Retirement Department shall notify each candidate of the unofficial election results by phone or email by the end of the next business day following the counting of ballots.

11) Election Committee shall review the results of the ballot count. The results shall include the number of issued ballots, returned valid ballots, invalidated ballots, duplicate ballots issued, and duplicate ballots returned. The Election Committee shall declare the winners of the election based on the results of the ballot count.

## **H. Tied Vote Results**

If a tie is declared in the count of valid ballots received, the following process shall be used to resolve the tie:

- 1) The Chair of the Election Committee shall set the time and location for resolving a tie.
- 2) Candidates shall be notified of the tie and the tie-breaking process.
- 3) A tie shall be resolved by the Chair of the Election Committee flipping a coin, once.
- 4) The candidate having the greater service credit as a member of the CRS shall call the coin while still in the air.
- 5) The coin shall fall to the ground.
- 6) The candidate whose 'called-side' lands face up shall be declared the elected candidate.

## **I. Appeals**

If the counted ballot margin between the candidate with the most votes and another candidate is less than 1% of the total votes cast, a candidate receiving a lesser number of votes than the candidate receiving the most votes may file an appeal for a recount. An appeal must be filed in writing, either letter or email, with the Cincinnati Retirement System Executive Director, no later than 2 business days after notice of the ballot count. The Executive Director will immediately notify the Cincinnati Retirement System Board of Trustees of the appeal. A recount will be completed within 5 business days of the receipt of the appeal. Candidates will be given notice of the time and location of the recount at least 2 business days prior to the recount. If the recount

results in a different candidate receiving the most votes, a second and final recount will occur within 5 business days. A candidate may withdraw an appeal at any time.

Appeals may result in an extension of the trustee election timeline as determined by the Board of Trustees Chair in consultation with the Cincinnati Retirement System Executive Director.

## **J. Formal Protests**

### 1) Nomination Petition Forms Determination

Any individual who has submitted Nomination Petition Forms which have been determined to be invalid in whole or in part resulting in fewer than 25 valid signatures required to be a candidate may file a protest. A protest must be filed in writing, either letter or email, with the Cincinnati Retirement System Executive Director within 2 business days after notice of not being a valid candidate. An individual filing a protest may withdraw the protest at any time.

### 2) Representative Group Determination

Any individual who has submitted Nomination Petition Forms for which a determination has been made that the individual is not a member of the represented group which the individual seeks to represent as a candidate may file a protest. Represented groups include either active employee members or retiree members. A protest must be filed in writing, either letter or email, with the Cincinnati Retirement System Executive Director within 2 business days after notice of not being a valid candidate. An individual filing the protest may withdraw the protest at any time.

### 3) Invalid/Invalidated Ballots

Any candidate appearing on the ballot who believes there is evidence that counted ballots are invalid or that ballots were invalidated in error prior to the ballot count may file a protest. A protest must be filed in writing, either letter or email, with the Cincinnati Retirement System Executive Director within 2 business days of notice of the ballot count. Such protest shall only be made if the number of alleged invalid ballots or invalidated ballots is sufficient to change the outcome of the election. A candidate may withdraw the protest at any time.

### 4) Protest Hearings

Protests shall be considered at a hearing of the Elections Committee of the Board of Trustees as soon as practicable. An individual filing the protest will receive reasonable notice of the date and time of the meeting by the Cincinnati Retirement System Executive Director. An individual making the appeal may appear before the Elections Committee.

Protests may result in an extension of the trustee election timeline as determined by the Board of Trustees Chair in consultation with the Cincinnati Retirement System Executive Director.

The Elections Committee shall render its decision in writing and shall be considered the final decision.

#### **K. Oath of Office**

The Election Committee shall submit the election results for approval to the CRS Board of Trustees at their next regularly scheduled meeting. Following approval of the election results, the Oath of Office shall be administered to the newly elected Trustee(s). If a newly elected trustee is unable to attend the Board meeting following the counting of ballots, they may be sworn in at the next Board meeting or by a Notary from the Retirement Department at another time. A newly elected Trustee must receive the Oath of Office before he/she can serve as a Board Trustee.

#### **RETENTION AND DESTRUCTION OF BALLOTS AND RETURNED ENVELOPES**

The destruction of ballots from elections as well as the envelopes used to return such ballots shall conform to the guidelines and/or retention schedules of the Cincinnati Retirement System.



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## Cheiron Full Valuation Reports for CRS 2025

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**From** Salstrom, Jon <jon.salstrom@cincinnati-oh.gov>

**Date** Thu 5/7/2026 3:25 PM

**To** Bill Moller <mollerwe@gmail.com>; Tom Gamel <gamelsenior@yahoo.com>; rahtz.km@gmail.com <rahtz.km@gmail.com>; Tom West <cincy\_tom@yahoo.com>; Rivolta, Mia <rivoltay@xavier.edu>; Aliya Riddle <ariddle@bartlett1898.com>; Menkhaus Jr, Mark <Mark.MenkhausJr@cincinnati-oh.gov>; Morton, Monica <Monica.Morton@cincinnati-oh.gov>; Sonya Morris <sonyamorrisca@gmail.com>

**Cc** Banks, Erin <erin.banks@cincinnati-oh.gov>; Frank, Kevin <Kevin.Frank@cincinnati-oh.gov>

 2 attachments (3 MB)

Healthcare Trust Valuation Report 2025\_20260501s.pdf; Valuation Report Pension VR\_2026.04.29s.pdf;

Hello Trustees:

Attached please find the full valuation reports for calendar year 2025 for CRS.

Thanks,  
Jon

**Jon Salstrom, CFA**

Executive Director & CIO

Cincinnati Retirement System

801 Plum Street, Suite 328, Cincinnati, OH 45202

Office: 513.352.3290

<https://www.cincinnati-oh.gov/retirement/>



June 1, 2026

To: Mayor and Members of City Council  
From: Cincinnati Retirement System Board of Trustees  
Copy: Sheryl Long, City Manager  
Subject: Cincinnati Retirement System CY2025 Annual Report

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## Summary

This report is from the Cincinnati Retirement System (CRS) Board of Trustees (Board) and provides the Mayor and City Council with the state of the CRS Pension Trust and Healthcare Trust. It is intended to provide a comprehensive summary of the status of the Cincinnati Retirement System, in compliance with the CRS Board's reporting requirements as set out in the City's Administrative Code and Board Rules. The report is as of December 31, 2025. For additional status information, please see the City's Annual Comprehensive Financial Report, Actuarial Valuations of the Pension and Healthcare Trusts, and Investment Results on the CRS website.

(<https://www.cincinnati-oh.gov/retirement/crs-financial-information/>)

The CRS is governed by the Collaborative Settlement Agreement (CSA) and CMC chapter 203. Under the CSA, the CRS Pension Trust is to be 100% funded by 2045. Under the CSA, the Healthcare Trust is to be 100% funded by 2045. Amendments to the CSA in 2026 establish the goal to fund the Pension Trust at 100% by 2049. Annual employer and employee contributions will increase beginning in 2026, a one-time employer contribution of \$50 million will be made and an additional \$50 million will be made in \$1.5 million annual increments. (see the attached Judicial Order). An actuarial analysis supports 100% funding by 2049.

## Background

The purposes of the CRS Pension Trust and Healthcare Trust are to provide promised retirement benefits and healthcare benefits to eligible retired City employees. CRS is a defined benefit plan that was established in 1931. The CSA was approved in 2015 to settle litigation and provide a comprehensive strategy to stabilize CRS while securing sustainable and competitive retirement benefits for both current and future retirees.

As of December 31, 2025, there were 3,023 full-time active members (which includes 71 members in the DROP plan who are still working), 4,200 pensioners receiving pension payments, and 4,528 pensioners and spouses receiving healthcare benefits. The CRS Board serves as an independent fiduciary on behalf of active and retired members of the retirement system. The Board retains Marquette Associates, an independent investment consulting firm, and Cheiron, a pension and healthcare actuarial consulting firm, both of which specialize in public sector retirement plans. Marquette and the Board developed and followed a disciplined Investment Policy Statement that

can be found on the CRS website. Cheiron calculates the actuarial value of assets and liabilities and projects the funded status of the Trusts in future years based on professional actuarial standards and practices.

The assumed investment rate of return and discount rate for calculating liabilities is 7.5% per year as prescribed in the CSA (for both Pension and Healthcare Trust). The CRS annualized rate of return for the past 1, 3, 5 and 10 years as of December 31, 2025, were 14.2%, 12.0%, 8.4% and 8.7%, respectively, which rank above the median investment returns relative to peers of public defined benefit retirement plans over each period.

The table below highlights the actuarial and market value of assets, liabilities, and funded ratios as of 12/31/25:

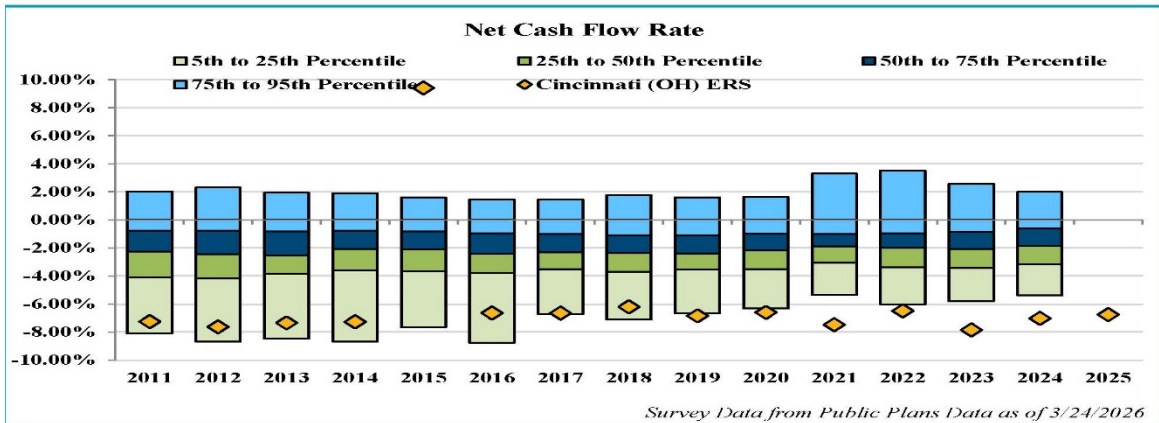
	<b>Assets</b>	<b>Liabilities</b>	<b>Funded Ratio</b>
<b>Pension</b>			
Actuarial Value	\$ 1,840,584,626	\$ 2,703,925,725	68.1%
Market Value	\$ 1,919,080,000	\$ 2,703,925,725	71.0%
<b>Health</b>			
Actuarial Value	\$ 592,590,404	\$ 295,107,102	200.8%
Market Value	\$ 618,361,000	\$ 295,107,102	209.5%

#### **Pension Trust – As of 12/31/25**

One goal of the CSA was to establish a projected 100% funding ratio by 12/31/2045. The assumptions used in finalizing the CSA projected that the Pension Trust would be fully funded in 30 years if all the assumptions played out exactly. The status of the annual contributions and distributions is described below:

- The active employees contribute 9% of the covered payroll to the Pension Trust as required by the CSA and CMC 203.
- The City in CY2025 increased its percent of payroll contribution from the CSA minimum rate of 16.25% by another 0.75% to 18.50% of full-time covered payroll to the Pension Trust. The General Fund represents approximately 65% of covered payroll and other non-general funds represent approximately 35% of covered payroll.
- In CY2025, the City contributed an additional payment of \$2.7 million toward the cost of the 2020 Early Retirement Incentive Plan (ERIP). There are now 10 annual payments remaining. Cheiron estimates that payment at 1.02% of payroll for this additional benefit, bringing the City's annual contribution rate for CY2025 to 19.52%.
- In FY2025, the City also contributed a one-time lump sum payment of \$2.0 million dollars from the General Fund fiscal year-end surplus. Cheiron estimates that the \$2.0 million payments equate to 0.76% of payroll bringing the City's annual and one-time contribution rate for CY2025 to 20.27%.
- The Actuarially Determined Contribution (ADC) for the Pension Trust, as calculated by the actuary as of 12/31/25, is the annual employer contribution amount required to bring the Pension to a fully funded status by 2045. The ADC for CY2026 is 29.58% of covered payroll (as set by the CY2025 actuarial valuation). The contribution rate of 20.27% means the City would contribute 68.5% of the actuarial recommendation for CY2026.

- While contribution rates have improved recently, the benefit payments and expenses have significantly exceeded employer and employee contributions for over a decade. This dynamic put strain on the system and relative to peers CRS ranks in the bottom quartile of net cashflows as the graph below shows. This means that CRS continues to liquidate a relatively large amount of assets to pay for benefits and expenses monthly (regardless of market conditions) because contributions to the Pension Trust are relatively low. This also means that CRS is much more dependent on investment returns than most public pension plans and lacks some flexibility to take advantage of dislocations in the market when outsized return opportunities are present.



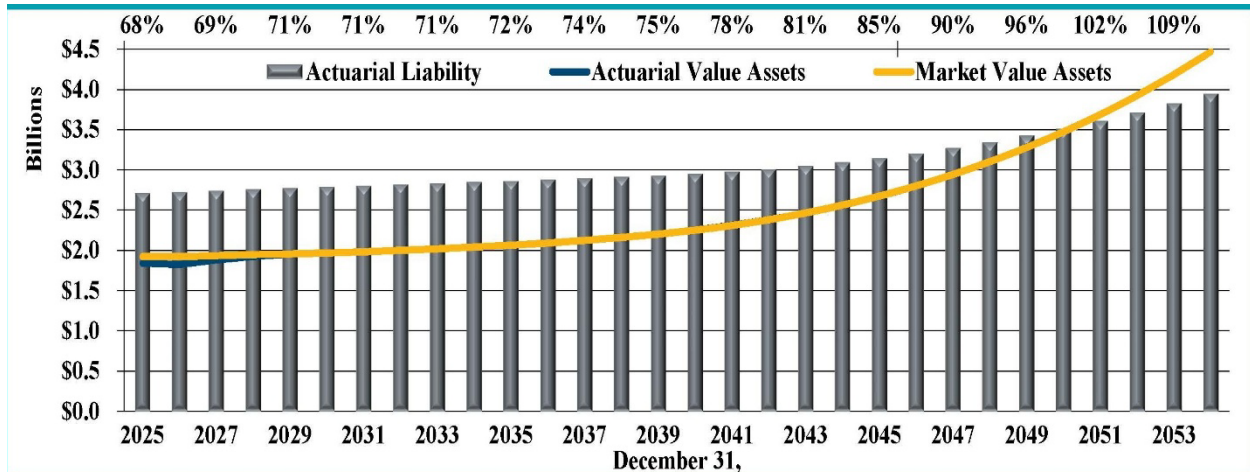
Adding strain to the system, the following events occurred after the CSA was finalized:

- Ordinance 336 - 2016, which reflects changes made in finalizing the CSA that increased liabilities, was approved by City Council in 2016.
- Revisions to actuarial assumptions (e.g., longer life span of retirees) occurred as recommended by the actuary and approved by the CRS Board.
- CRS is especially sensitive to the timing of capital market swings because it continues to liquidate assets to pay benefits even during capital market declines. This requires more time and a significantly higher rate of return for the remaining assets to recover from capital market volatility.
- The City offered the ERIP in 2020 that provided two additional years of service to eligible participants resulting in earlier retirements, additional benefits, and an increase in liabilities.
- The Deferred Retirement Option Plan (DROP) established in the CSA is required to be cost neutral; however, DROP has had a net increase in liabilities to the Pension Trust of \$16.9 million.

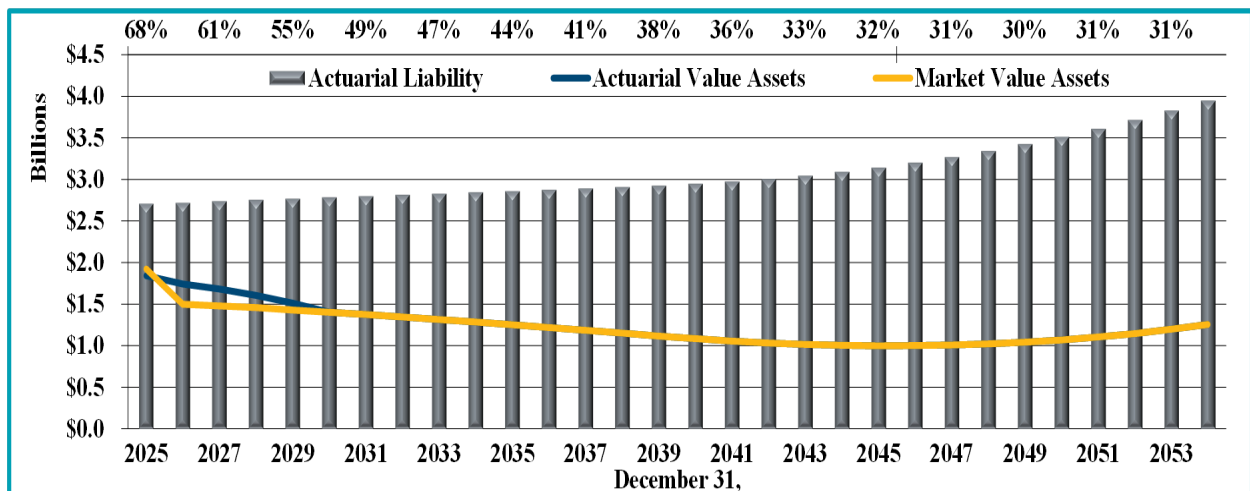
The actuary's latest revised funding progress for the Pension Trust, which includes the impact of the DROP and the ERIP, projects the funded ratio on an Actuarial Value of Assets (AVA) basis is projected to gradually rise over the next 20 years but will not reach 100% by 2045 in accordance with the CSA, and remains volatile given investment return variability.

The graph below reflects the City’s status quo scenario where contributions of 18.50% of covered payroll continue for 30 years. It also includes the recommended budget’s \$2.7 million contribution per year for the next 10 years to pay for the ERIP liabilities and assumes the CSA benchmark return of 7.5% investment return for all future years. The funding ratio on an AVA basis is expected to be 85% by 2045.

**Pension Trust – Actuarial Projections**



The following graph demonstrates the elevated funding volatility of CRS and the system’s sensitivity to deviations from the assumed rate of return. For example, the graph uses the same assumptions as the prior analysis, except it assumes a -15.0% investment return in 2026 instead of the expected 7.5% return. The results demonstrate the plan’s vulnerability to market downturns, which often coincide with fiscally challenging periods for the City. Under this scenario, a single year return of -15.0% in 2026 reduces the projected funded ratio in 2045 to 32%, compared to 85% under the baseline assumption, underscoring the significant funding volatility of the plan.

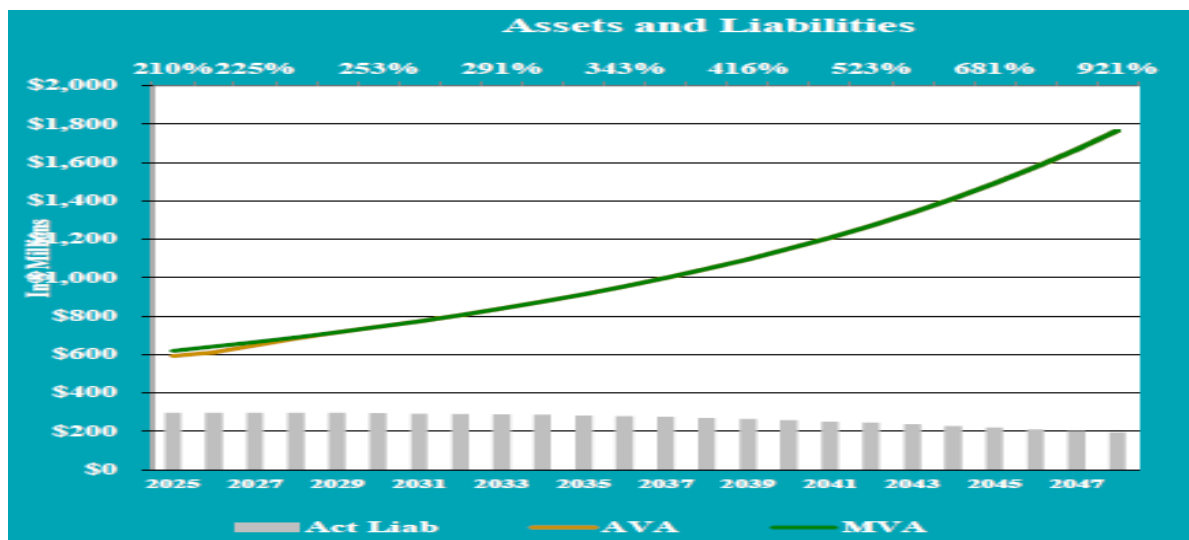


**Healthcare Trust – As of 12/31/25**

In 2023, the City adopted a Healthcare Trust funding policy as required by the CSA. At the time of the CSA signing in 2015, the Healthcare Trust was fully funded, and the City was required to develop and present a formal funding policy to maintain the fully funded healthcare trust at actuarially appropriate levels. The funding policy would keep the Trust fully funded over the lifetimes of current and future retirees and their beneficiaries covered by the CSA. The Healthcare Trust is irrevocable, and its assets must be used exclusively for healthcare benefits for CRS retirees and their beneficiaries. The funding policy was approved by the Federal Court on March 28, 2024, nine years after the CSA signing. A key aspect of the funding policy provides for an employer contribution trigger at a 90% funding ratio.

In the graph below, the bars represent liabilities, and the lines represent the actuarial value of assets (AVA) and the market value of assets (MVA) assets. The graph shows that the Healthcare Trust is fully funded in 2026 and beyond. This is based on current assumptions being fully met.

**Healthcare Trust**



While the Healthcare Trust is projected to remain fully funded throughout the forecast period, several emerging healthcare cost trends could create future funding volatility. These include the growing utilization and high cost of GLP-1 and other weight loss drugs, ongoing volatility in Medicare Part D pricing and subsidy structures, including the financial impacts associated with the 2025 EGWP (Employer Group Waiver Plan) market variability. Overall, the federal redesign of Medicare Part D benefits — including enhanced participant coverage and revised cost-sharing among manufacturers, plan sponsors, and the federal government — may increase plan costs and add uncertainty to long-term healthcare projections. At the latest actuarial valuation presentation, our actuary stated this market will continue to evolve until 2030, with actual healthcare expenditures potentially exceeding current assumptions. This increases the likelihood that the Healthcare Trust’s future funded status could be negatively affected.

## Investment Performance – As of 12/31/25

CRS investment performance has been solid relative to return opportunity in the market, the assumed risk, and our peer group. That said, the 7.5% annualized return assumption remains a high hurdle. The median investment return assumption of U.S. public retirement systems has steadily decreased over the past decade and is currently 6.9% (NCPERS 2024 report). CRS will be challenged to achieve the 7.5% rate of return with an acceptable level of risk. As noted, CRS has a high asset liquidation rate (approximately 6.5%) each year to pay benefits while not taking in enough funds through employee and employer contributions. Coupling the high return assumption and large net cash outflow creates a more difficult environment to manage liquidity.

The following chart reflects the annual rates of return including 1-year, 3-year, 5-year & 10-year annualized returns. Each period's returns exceeded the 7.5% CSA assumption and exceeded median peer returns. Over the last ten years there were two years that underperformed the 7.5% assumed rate of return and 8 years that outperformed the 7.5% assumed rate of return.

<b>Annual CRS Rates of Investment Return &amp; Funded Status</b>			
<u>Plan Year</u>	<u>Actuarial Rate of Return</u>	<u>CRS Return</u>	<u>Funded Status</u>
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%	9.6%	68.3%
2025	7.5%	14.2%	68.1%
<b>*Marquette Associates</b>			<b>Median Public Plan Return*</b>
<b>10-Year Compound Return</b>		<b>8.7%</b>	<b>8.2%</b>
<b>5-Year Compound Return</b>		<b>8.4%</b>	<b>7.1%</b>
<b>3-Year Compound Return</b>		<b>12.0%</b>	<b>11.2%</b>
<b>1-Year Compound Return</b>		<b>14.2%</b>	<b>13.4%</b>

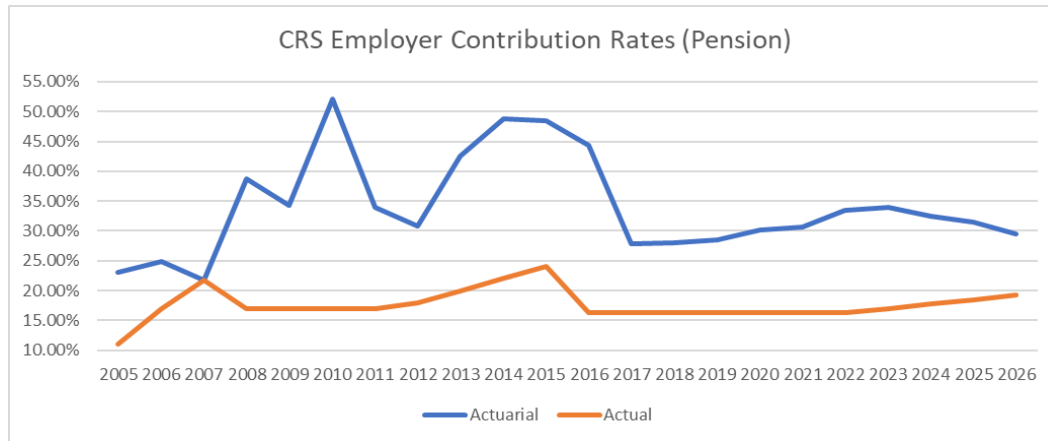
The Board's newly adopted Investment Policy (Dec'25) provides for a well-diversified portfolio across asset class, sector, and regions. The CRS asset allocation below is designed to achieve the 7.5% return over time with an acceptable level of risk.

### CRS Asset Allocation

US Equity	24.0%
Non-US Equity	15.0%
Private Equity	13.5%
Fixed Income	19.5%
Opportunistic Credit	3.0%
Private Credit	8.0%
Infrastructure	7.0%
Real Estate	6.0%
Hedged Funds	4.0%
<b>Total</b>	<b>100.0%</b>

## Employer Contributions

In a defined benefit retirement plan such as CRS, the employer (plan sponsor) is responsible for providing benefits (as opposed to a defined contribution plan). The ADC is the actuary recommended employer contribution to achieve full funding in 30 years. The chart below reflects the Pension Trust ADC and the City employer contribution for the last 21 years. By not contributing the fully recommended ADC amount each year the unfunded liability increases over time, meaning that the actuarial liability exceeds the value of assets.



## Board Accomplishments

Each year, the CRS Board establishes strategic objectives to strengthen governance, improve investment manager oversight, and enhance operational effectiveness. Recent accomplishments include:

- Revised Investment Policy to improve risk-adjusted return objectives,
- Completed Trustee Manual,
- Completed Governance Manual,
- Conducted CRS orientation sessions for new City Council Members,
- Created inaugural Popular Annual Financial Report (PAFR),
- Completed CEM Benchmarking Survey identifying operational improvement opportunities,
- Achieved 95% completion or initiation rate on Funston governance recommendations,
- Strengthened investment manager due diligence and monitoring procedures,
- Advancement of board education and trustee development initiatives,
- Increased focus on cost efficiency and operational effectiveness.

## Conclusion

The CRS Pension Trust and Healthcare Trust are undoubtedly challenged in providing promised retirement benefits. When the Collaborative Settlement Agreement was implemented, the Pension Trust and Healthcare Trust were projected to be fully funded by 2045. For the Pension Trust this is no longer the case.

At the close of 2025, the Pension Trust experienced a return of 14.2%, nearly doubling the assumed rate of return of 7.5%. The demographics improved from an actuarial perspective in that the City had a material increase in number of active employees and total payroll (i.e. more employee contribution) during the year. Despite strong performance and improved demographics, the funded ratio of the plan still decreased, albeit marginally, from 68.3% to 68.1%. Funding vigilance therefore remains a priority for the Board.

<b>CRS Pension Funded Ratio</b>										
2015*	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
77.1%	76.9%	75.5%	72.6%	71.2%	70.5%	71.6%	69.3%	68.8%	68.3%	68.1%

\* CSA

### **Recommendation: CSA Pension Trust Amendments**

The recent amendments to the CSA have an actuarially based projection of 100% Pension Trust funding by 2049. The negotiations among the parties that resulted in the CSA amendments took over a year to complete and began when the funding ratio declined to 68.3%. To avoid future prolonged negotiations and potential major contribution and benefit changes, the Board recommends that action for full funding be considered when the projected 2049 funding level is 85% or less.