

**City of Cincinnati Retirement System
Board of Trustees Meeting Minutes
February 5, 2026 / 2:00 P.M.
City Hall – Council Chambers and remote**

Board Members

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

Administration

Jon Salstrom

Law

Kevin Frank

CALL TO ORDER

Chair Moller called the meeting to order at 2:01 p.m. and a roll call of attendance was taken. Trustees Moller, Gamel, Rahtz, Menkhaus, Morton, Riddle, Morris, and West were present. Trustee Walsh was absent.

PUBLIC COMMENT

No public comment.

APPROVAL OF MINUTES

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

Report on Investment Committee

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

There were 3 motions passed:

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

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

Informational – Staff Report

Marquette Investment Report

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

Staff Update

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

Stabilization Fund Report

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

Old Business

Finalize Funston Recommendation including CEM Benchmarking suggestions

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

New Business

Approving of QEBA Trust Agreement (Review IRC 415B)

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

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

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

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

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

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

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

Adjournment

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

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

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

Jon Salstrom

Secretary