

February 20, 2020

Honorable Michael R. Barrett
U.S. District Judge
Potter Stewart U.S. Courthouse
100 East Fifth Street, Room 239
Cincinnati, Oh 45202

Re: State of the Cincinnati Retirement System

Honorable Judge Barrett:

The Cincinnati Retirement System (CRS) Board has asked me to send you a copy of our Annual Report to the Mayor and City Council dated January 23, 2020. It addresses the state of the CRS Pension Trust and Healthcare Trust as of December 31, 2018, the date of the most recent annual actuarial valuation. The 12/31/19 annual Actuarial Valuation will not be available until June or July of this year.

As you are aware our Board is made up of four Mayor appointed and City Council approved members, two active members and three retiree members. The Board motion to deliver the report to the Mayor and City Council, as well as the Board motion to send it to you, were unanimously approved.

With regard to the Pension Trust, the Collaborative Settlement Agreement (CSA) requires that the City contribute a **minimum** of 16.25% of payroll even though the Actuarial Determined Contribution (ADC) has exceeded the minimum contribution every year since the CSA became effective. The result is that the Pension Trust will remain significantly underfunded for the life of the CSA. In fact, the most recent Actuarial Valuation shows a funding level of less than 20% by the CSA expiration date.

The Healthcare Trust is problematic as well. The Healthcare Trust will run out of funds prior to the CSA termination as well. The City has not contributed to the Healthcare Trust since 2010. As part of the CSA healthcare was to be preserved for current and future retirees.

The Board asks for your assistance in assuring us that the City will provide adequate funding of these trusts so that CRS members will receive both pension and healthcare that was contemplated in the CSA.

Thank you for considering our request.

Sincerely,



Thomas A. Gamel, Chair
Cincinnati Retirement System Board of Trustees

Attachment: Letter from CRS Board to the Mayor and City Council dated January 23, 2020