

February 6, 2020

Patrick Duhaney  
City Manager  
City of Cincinnati  
801 Plum Street  
Cincinnati, Oh 45202

Dear Mr. Duhaney:

As you are aware, based on our recent annual report to the Mayor and City Council, the Cincinnati Retirement System Board of Trustees is very concerned about the funding positions of the Pension Trust and the Healthcare 115 Trust.

Relatedly, the Board is concerned that the City has not developed and presented "a proper funding policy for the 115 Trust Fund" that "will satisfy the City's obligation to fund it at actuarially appropriate levels for the term of the Agreement". The Collaborative Settlement Agreement (CSA) requires that the proper Healthcare 115 Trust funding policy was to have been developed presented before the end of 2015. Since then the Ohio Auditor of State has issued a non-compliance funding every year.

Even though there is no proper funding policy in place for the term of the CSA, the City has decided unilaterally to implement the Medicare Advantage Plan and changes to the prescription drug plan without fully informing and consulting the Board.

Cincinnati Municipal Code, Section 203.93 (c), requires that "The City, with input and recommendations from the Board, shall establish a funding policy for health care in accordance with the provisions of the Collaborative Settlement Agreement". To reinforce this legal requirement, the Board approved a motion on January 9, 2020 that includes the following requests of the City Administration:

That the City Administration provide the CRS Board of Trustees with a proper funding policy to fully fund the 115 Trust and request from the Board input and recommendations regarding the funding policy;

That the City Administration provide the proper funding policy and seek Board input and recommendations in a timely manner to enable inclusion in the next annual budget; and

That the CRS Board Chair immediately communicate this to the City Manager.

The Board looks forward to receiving the proper funding policy, providing appropriate input and recommendations, and collaborating with the City Administration on developing a budget that reflects full funding of the Healthcare Trust.

Sincerely,



Tom Gamel, Chair  
Cincinnati Retirement System Board of Trustees