MINUTES OF THE TRUSTEES MEETING OF THE CINCINNATI SOUTHERN RAILWAY TRUST

Sept. 15, 2026

A regular meeting of the Board of Trustees of the Cincinnati Southern Railway Trust (the "Board") was held on Tuesday, Sept. 15, 2026, at 3:00 p.m. at the Cincinnati Parks Administration Office at 950 Eden Park Drive, Cincinnati Ohio. Paul Muething, Mark Mallory, Liz Keating and Paul Sylvester were present in person. Ashley Pannell, City of Cincinnati Law Department Supervising Attorney – General Counsel Complex Contracts; Holly Schnapf, Financial and Administrative Director of Cincinnati Southern Railway Trust; Allen Zaring, Eric Gioia and Tim Bayer, representatives from UBS Financial Services, Inc. ("UBS"); and City of Cincinnati Budget Director Andrew Dudas and Assistant City Manager William Weber and Director of the Department of Transportation & Engineering Steve Webb were also in attendance.

PUBLIC COMMENT

Cincinnati resident Stanford Poole with the People Platform commented that he believes the City administration is corrupt and that the CSRT money is not being used for its intended purposes.

Cincinnati resident Todd Zinser noted that he had supplied materials to the City and the CSRT Board in advance proposing a system where the City would draw down money from the trust fund as they need it, but that he didn't think this proposal had been adopted. He then suggested a different proposal, which is that the CSRT funds be kept in a separate, restricted fund once distributed to the City, so that both the principal and interest would flow back to existing infrastructure. He believes that the City's current accounting practices for the funds may be illegal and go against the Ferguson Act. He also stated his belief that the City is not using the money in a timely way, and it could be earning significantly more interest if it remained under UBS' management. He suggested that the CSRT Board only distribute to the City the minimum amount required by law until they can show they can spend it efficiently.

In response, Paul Muething noted that he had a copy of the Ferguson Act and asked Ms. Schnapf to include it with the minutes. Included as Attachment A. He added that he believes there is some confusion about the obligations required of the Board in accordance with the act.

City resident Stefan Pryor said his concerns were like Mr. Zinser's. In particular, he asserts that the CSRT funds are going into the City's general fund. He asked why Fund 712 earnings aren't allocated back to Fund 712 if other restricted funds receive their own investment earnings. Additionally, he feels that having Mark Mallory and Liz Keating as members of the CSRT board represents a conflict of interest because they were previously elected officials for the City. He added that he feels more of the CSRT funds need to be allocated toward roads and that there needs to be more transparency regarding where the funds are going and how they are being used.

MISCELLANEOUS ADMINISTRATION

Mr. Sylvester moved to approve the minutes from the May 19, 2026 Regular Meeting of the CSRT Board, and Mayor Mallory seconded. The motion passed unanimously.

UBS PRESENTATION OF THE TRUST FUND PERFORMANCE

Mr. Gioia reported that the portfolio continues to perform very well on all fronts and stands (as of 9/14/26) at $1,908,156,424.94 with an annualized return since inception of 9.28%. In 2026, the fund is up more than 5.13% with equities up 11.84%.

He said the market continues to be supported by resilient economic growth and strong corporate earnings. He added that UBS does not predict a recession in the foreseeable future. Rather, UBS is observing steady economic growth, gradually improving inflation and a patient but active Federal Reserve Board. He added that market headwinds include a call to slow the pace of AI growth and rising oil prices because of ongoing conflict in the Middle East. That said, UBS remains optimistic about the economic outlook.

He then reminded the board that the equity market is volatile, which is why the equity investments are balanced with fixed income investments. He noted that UBS purchases actual bonds as part of the CSRT portfolio instead of bond funds. The bonds are held to maturity, creating a consistent and reliable revenue stream to balance the higher risk/higher return equities.

Mr. Bayer then reviewed the composition of the portfolio:
42% in cash and fixed income, ~48% in publicly traded equities, and ~10% in alternative investments.

He noted that while equities are strong (up 11.84%) fixed income had decreased in value (down 1.46%). Therefore, they adjusted the percentages of allocations for those investments slightly, as mentioned above. This is still well within the current investment policy ranges. He added that they continue to diversify the equity investments (domestic and international; large, mid and small cap) with a value-oriented bias.

Alternative investments (private credit and infrastructure) are up 4.95%, creating the asymmetric outcome with bond results that they predicted. He noted their highly selective process in choosing individual managers and investment opportunities in the private credit space; they began with a rigorous review of 5,000 and narrowed it to six. He added that they are very confident in Apollo and Carlyle – the alternative investment partners for the CSRT portfolio.

UBS closed by sharing that the estimated 2026 income production from stock dividends, bond coupons and private credit is approximately $59MM.

CERTIFICATION OF AVAILABILTY OF TRUST FUNDS

Mr. Zaring reminded those present that each year, before authorizing distributions to the City, and in accordance with the Ferguson Act, the Board must certify that the Trust funds have not decreased by 25% or more. He continued that UBS can substantiate a 12.11% increase for FY2026 and that the fund has grown from the starting value of $1,769,000,000 to end FY26 at $1,924,612,396, allowing the trust to distribute income to the City.

He then read from the CSRT Investment Policy Statement (IPS) dated November 17th, 2025, "The spending policy seeks to align the competing goals of stability and its support to the City of Cincinnati's existing infrastructure and preservation of the Trust in the future. The board intends to distribute a majority of the investment income generated by the CSR trust, each of the City's fiscal years, the period between July 1 and June 30th. The spending policy is the amount available for distribution during each fiscal year shall be calculated by considering the policy spending rate applied to the average of the previous three fiscal years' ending period portfolio values. The policy spending rate shall be targeted at 3.5% per fiscal year, the period between July 1 and June 30, payable quarterly. The board shall have the discretion to increase or decrease the product determined above based on market conditions, demonstrated needs of the city or otherwise."

He added that the 3-year average value of the Trust, $1,773,187,197, multiplied by the target spend rate of 3.5% is $62,161,552. He then noted that the IPS gives the Board discretion to increase or decrease from this number based on market conditions, demonstrated needs of the City or otherwise.

Mr. Zaring advised the board that 12% returns should not be considered a regular occurrence. Utilizing the average return that can be expected over time, UBS developed income-only, target (3.5%), and accelerated/ceiling (4.19%) spending recommendations. He noted that the 4.19% distribution for FY28 would be $74,296,544. That is the maximum amount UBS recommends that the Trustees consider for distribution.

Mr. Muething suggested that they table additional discussion until after the City's presentation.

CITY OF CINCINNATI PRESENTATION ON CSRT FUND USE

Assistant City Manager Billy Weber introduced co-presenters Budget Director Andrew Dudas, and Greg Long, Director of Department of Transportation and Engineering (DOTE). He also noted that Assistant City Manager Kathy Bailey was present and had been very involved in the work.

Mr. Dudas spoke about the plans for utilizing the FY27 CSRT fund distributions. He began with historical context, noting that from FY15-25 the City averaged a spend of

~$50MM on existing infrastructure with half coming from CSR lease funds. Now, the average spent on existing infrastructure is almost $96MM.

FY 27 CSRT (aka Cincy On Track) dollars are allocated as follows: 55% toward streets and bridges, 27% to Public Services (including City facilities), 13% for Recreation, 4.4% to Parks and .3% to Health Facilities.

Nearly 50% of the proposed spending will go to projects that are in neighborhoods with a median income of less than $50,000 annually, 41% will go to neighborhoods above that income, and 10% will have a City-wide impact.

Mr. Dudas then spoke about the various projects in detail. See a map of these projects, as well as the specific project allocations at https://thecsrt.org/projects and https://insights.cincinnati-oh.gov/stories/s/Cincy-On-Track-Project-Explorer/.

Mr. Weber then spoke about capital deployment and performance management. He explained that deploying capital resources requires a multi-step process that usually takes more than one fiscal year. This can include a design stage, procurement for design services, procurement and contracting for actual construction services, and then eventual construction services.

The City balances multiple projects at the same time, and multiple funding sources with unique timelines in addition to the CSRT. The pace of deployment and project cost is balanced against a competing framework of public policy goals, including open and competitive procurement processes, minority-owned and women-owned firm inclusion goals, encouragement and support of union participation, and support of local businesses and local workers. Prevailing wage requirements are frequently applicable. The City also tries to leverage local funding with state and federal grants.

Over the last two years, the administration's focus has been on accelerating the historic pace of capital deployment, while also balancing the goals that elected officials set for those processes. The staffing approach is customized by department to ensure that projects are moving forward as efficiently as possible, given the challenges and opportunities of each department. The spending timeline goals are as follows:
- At the end of year one – 50% under contract (through procurement)
- End of year two – 100% under contract
- At least 50% spent with 90-100% spent by the end of year three

DOTE and Public Services are on target with these goals. The board-managed departments (Recreation, Health and Parks) are significantly below benchmarks. This is being addressed and is a major focus of the administration.

DOTE Director Long then spoke about the street rehab program, noting that program changes have helped DOTE cut the cost for street rehabilitation per lane mile by more than half - $500,000 to $250,000. This will allow the City to rehab and surface treat a combined 112 miles for FY27, exceeding the Smale Commission goal of 100 miles/year

for the first time in several years. He added that a additional $10MM allocation from CSRT for FY28 would bring that number to 151 lane miles - an increase of 44% over current FY28 projections.

Mr. Muething asked how many years of additional investment at this level it would take to move from 60% of roads being acceptably rated for pavement conditions back up to 70% where it was 10 years ago. Mr. Long reported that he couldn't answer that, but a one-time investment would reverse the trend. Without this, Long's goal is to keep the percentage of roads in good repair steady year over year.

Mr. Sylvester noted that the condition of roads and bridges are the top concern the board hears from constituents and asked why only 55% of the FY27 allocation was directed to DOTE. Mr. Weber responded that it is up to City Council to determine allocations when they approve the budget. Mr. Sylvester then asked for clarification of the process, noting that the City administration makes recommendations to the elected officials. Mr. Weber confirmed that there is dialogue back and forth. Mr. Muething then asked what the total percentage allocation of the budget is for DOTE (not just from CSRT). Mr. Weber said he would investigate it and get back to Mr. Muething with an answer.

Mayor Mallory asked for clarification regarding whether the administration was asking for an additional $10MM or if they were just sharing what they would do if they had an additional $10MM. Mr. Weber said they wanted to demonstrate what they could do with $10MM more for street repair. Mr. Mallory asked Mr. Weber to confirm, for clarity, that an increased allocation cannot be earmarked by the Board and that it is up to City Council to decide how it is spent. Mr. Weber confirmed this.

Ms. Keating asked if the administration has evaluated contractor capacity and if/when project plans might outpace available contractors.

Mr. Long acknowledged that there is a tipping point, but noted that Director Long has found a way to tap into a larger pool of contractors by keeping individual contracts smaller and more manageable for a larger number of companies. The additional $10MM is the number that they feel is the cap.

Mr. Muething asked how the CSRT Board could reinforce to City Council that if the Board authorized an additional allocation, they would be doing so with the hope that it would be used toward additional road and bridge repair. Mr. Weber said that this is the perspective the administration has heard broadly from both constituents and elected officials. It is a top priority for everyone. He suggested that additionally the CSRT Board could send a letter or resolution to the Mayor and City Council strongly suggesting that any additional distribution be spent for this purpose. Mr. Muething added that the letter would also emphasize that this would be a one-time additional distribution based on the robust recent earnings in the Trust Fund.

CERTIFICATION OF FUNDS AND FY28 DISTRIBUTIONS

The CSRT Board certified that the principal amount in the CSRT Fund as of 6/30/26 was $1,924,612,396. Therefore, in accordance with the Ferguson Act, the CSR Trust may disperse to the City of Cincinnati. Mr. Sylvester moved to certify, Ms. Keating seconded. Mayor Mallory, Mr. Muething, Mr. Sylvester and Ms. Keating all voted aye, and the motion passed.

Mr. Sylvester moved to approve a FY28 distribution (in accordance with the spending policy) of $62MM paid in quarterly installments of $15.5MM. Mayor Mallory seconded the motion. Ms. Keating seconded. Mayor Mallory, Mr. Muething, Mr. Sylvester and Ms. Keating all voted aye, and the motion passed.

Mr. Sylvester moved to award the City an additional one-time distribution of $10MM to be distributed quarterly in $2.5MM increments in FY28. Mayor Mallory seconded. Mayor Mallory, Mr. Muething, Mr. Sylvester and Ms. Keating each voted aye, and the motion passed.

Ms. Keating asked if the Board should also agree to give Mr. Muething authority to write a letter to the City on their behalf, sharing their rational for making the additional allocation and preference for its usage. It was decided that Mr. Muething would bring a letter to the November CSRT meeting for the Board's review and approval.

TREASURER'S REPORT

There was an invoice for $250 from the Cincinnati Parks Department for AV Support and Recording Services of the CSRT May, 2026 Board Meeting. Mr. Sylvester moved to approve payment of the invoice. Ms. Keating seconded the motion. Mr. Mallory noted that he was not happy that the Parks Department was billing the Board for this service, considering that the CSRT Board just approved $72MM to go to the City. The motion then carried unanimously.

ADJOURNMENT

Mr. Sylvester motioned to adjourn. Ms. Keating seconded. The motion passed unanimously.

Paul Muething, President — 11-17-26 Date

Holly Schnapf, Financial & Admin. Director — 11/17/26 Date