

THE MINUTES OF THE TRUSTEES OF THE CINCINNATI SOUTHERN RAILWAY
May 21, 2024

A regular meeting of the Board of Trustees of the Cincinnati Southern Railway (the "Board") was held on Tuesday, May 21, 2024, at 3:00 p.m. at the Walnut Hills Branch of the Cincinnati and Hamilton County Public Library at 2533 Kemper Lane, Cincinnati, Ohio 45206. Amy Murray, Charlie Luken, Paul Muething, Mark Mallory, and Paul Sylvester were present in person. Kaitlyn Geiger, Assistant City Solicitor; Scott Kane, outside counsel for the Board; Allen Zaring, Eric Gioia, and Tim Bayer, representatives from UBS Financial Services, Inc. ("UBS"); Jasmine Bouie and Ricky Ruiz, representatives from Blackrock; Chrissy Noone, representative from the City of Cincinnati's Finance Department; and members of the public were in attendance as well.

UBS PRESENTATION OF THE TRUST FUND PERFORMANCE

Mr. Gioia presented global market analysis that could impact the trust fund to the Board. Mr. Gioia emphasized that historically, the outcome of a presidential election provides certainty to markets and has a positive impact on earnings, regardless of which political party is successful.

Ms. Bouie and Mr. Ruiz explained that short-term rates are currently paying more than longer term investments. Mr. Luken asked if this market activity means that investors believe inflation will come down, which Mr. Ruiz confirmed.

Mr. Bayer highlighted that the trust fund has grown by \$14 million to date. Mr. Luken asked about the impact of this year's election, to which Mr. Bayer referred back to a prior slide showing an average 13.1% growth following an election due to the certainty it provides the market. Mr. Bayer also took the Board through an analysis of equity performance. Mr. Mallory noted that if there were an intra-year significant decrease in the market as the Board is phasing in its equity investments, then the Board would accelerate the purchase of equities at lower prices.

Mr. Bayer noted that UBS was able to successfully negotiate downward the fees from its proposal of about one basis point. Mr. Bayer also discussed the process for phasing in equity investments.

Mr. Zaring provided a forecast of cash flow for the trust fund for the next twelve months. Ms. Murray noted that this cash flow is comprised of coupons on the bonds and dividends on the stocks.

Mr. Sylvester asked about AI's impact on investments and Ms. Murray asked about security measures with respect to approving transactions and disbursements. Both questions were answered to the satisfaction of the Board.

APPROVAL OF FINANCIAL AND ADMINISTRATIVE DIRECTOR

Mr. Sylvester reported that he and Ms. Murray separately interviewed three candidates for the Financial and Administrative Director role. Mr. Sylvester explained that the role would be for an independent contractor, not an employee of the Board. The job responsibilities would include part-time support to the Board. Mr. Sylvester stated that although all three candidates were qualified and suited for the role, he recommended Ms. Holly Schnapf with Connecting for Good. Ms. Murray agreed. Mr. Kane clarified that Mr. Sylvester and Ms. Murray independently interviewed each candidate and that there was no discussion or communication regarding the candidates. Mr. Mallory moved to engage Ms. Holly Schnapf as a 1099 consultant to the Board, with a 6-month retainer at \$6,250 per month and the ability to adjust as needed, effective as soon as possible, and authorize Mr. Muething to execute the related contract. Mr. Luken seconded. Unanimously approved.

APPROVAL OF PRIOR MEETING MINUTES

Mr. Muething presented the Board with the draft minutes from February 29, 2024 special meeting. The Board reviewed them. Mr. Mallory moved to approve, and Mr. Sylvester seconded. Unanimously approved.

TREASURER'S REPORT

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Mr. Sylvester presented draft 2023 and 2022 Financial Statements and Additional Financial Information. Mr. Sylvester highlighted the future tax credits to be received, the amount of expenses incurred, and noted that going forward, the Board's financial statements are required to be audited. Mr. Mallory moved to approve the draft financial statements. Mr. Luken seconded. Unanimously approved.

Mr. Sylvester stated that based on the financial statements, funds in the current US Bank account will be sufficient to distribute \$36 million to the City prior to June 30, 2024 and transfer the remaining balance of approximately \$700,000 to UBS. Mr. Sylvester moved to approve a distribution of \$36 million to the City in June 2024, to transfer the remaining balance of the current US Bank account to UBS, and to close the US Bank accounts. Mr. Luken seconded. Unanimously approved.

Mr. Sylvester summarized invoices for the Board's approval. He first presented two invoices from Stinson LLP for legal services through March 31, 2024, which Mr. Mallory moved to approve, and Ms. Murray seconded. Unanimously approved. Mr. Sylvester then presented an invoice from Squire Patton Boggs (US) LLP for legal services through March 12, 2024 for ratification. Mr. Mallory moved to approve the invoice, and Mr. Luken seconded. Unanimously approved. Mr. Sylvester presented an invoice from Vehr Communications for communication consulting services through March 31, 2024. Mr. Mallory moved to approve the invoice and Ms. Murray seconded. Unanimously approved. Mr. Sylvester then presented an invoice from US Digital Partners for website hosting services through March 31, 2024. Mr. Mallory moved to approve the invoice, and Mr. Luken seconded. Unanimously approved. Mr. Sylvester presented an invoice from Clark Shaefer Hackett for compilation of financial statements for 2023. Mr. Mallory moved to approve the invoice, and Mr. Luken seconded. Unanimously approved.

Mr. Sylvester then introduced an invoice from Davenport & Company LLC (“Davenport”). He stated that Davenport’s actual expenses incurred exceeded the cap in the contract and the invoice included a discount to stay within the contract. Mr. Sylvester stated that the contract limit was based on an estimate during the financial advisor selection process. Davenport’s role exceeded the initial expectation, due to the increased time required to analyze and evaluate the large applicant pool. Mr. Luken moved to increase the Davenport & Company LLC contract to \$100,000. Mr. Mallory seconded. Unanimously approved. Mr. Luken moved to approve the full amount of Davenport’s invoice. Mr. Mallory seconded. Unanimously approved.

APPROVAL AND INCREASE TO SQUIRE PATTON BOGGS (US) LLP CONTRACT

Mr. Mallory moved to increase the Squire Patton Boggs (US) LLP contract an additional \$100,000 to \$450,000. Mr. Luken seconded. Unanimously approved.

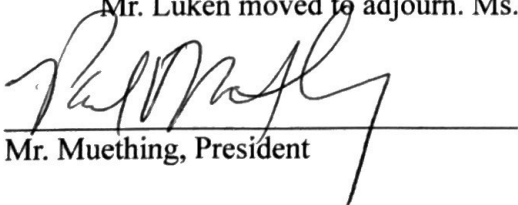
MISCELLANEOUS ADMINISTRATION

Ms. Murray requested that Mr. Sylvester follow up with other candidates for the Financial and Administrative Director position.

Mr. Luken expressed concern about Futures Commission’s recommendations related to the income tax enacted as a result of the Smale Commission. Ms. Geiger offered to provide the Board with privileged guidance.

ADJOURN

Mr. Luken moved to adjourn. Ms. Murray seconded. Unanimously approved.



Mr. Muething, President