Cincinnati Southern Railway Trust
PO Box 8039
Cincinnati, Ohio 45208
February 2, 2026

Todd J. Zinser
Cincinnati Oversight Project
4114 Jamestown Street
Cincinnati, Ohio 45205

Dear Mr. Zinser,

I am responding to your letter of December 17, 2025

Please be assured that each of the Trustees of the Cincinnati Southern Railway Trust takes their responsibilities to the Trust very seriously. We are proud of the Trust's performance since its founding in March 2024. We are also mindful of the provisions of Ohio's Ferguson Act, as amended, as they govern the Trust's disbursements to the City.

As fellow citizens of Cincinnati, we share your desire and expectation that the City moves as quickly and effectively as possible to put all funds designated for capital expenditures, including those funds received from the CSR Trust, to work. However, as you know, it is not the Trust's responsibility to decide how or when funds are spent. That responsibility rests with the City's Administration.

Several times in your letter you assert that funds distributed by the Trust to the City sit idle (without generating interest) between the time when they are distributed to the City and when they are spent by the City. In fact, that is not the case.

In February 2025 when you first raised your concern that the City was not investing the funds which it received from the Trust until it spent the funds, I consulted with City Administration which confirmed that the funds were indeed invested and earning interest until spent. When we received your letter of December 17, I again consulted with the City for confirmation. Enclosed with this letter is the memo I received from the City's Finance Director containing that confirmation. I am sure you will notice that the City's cumulative annual rate of 5.89% for its invested funds is less than the Trust's return on its invested funds. The Trust's Investment Advisor points out the difference is likely attributable to the difference in risk accepted for each portfolio. Again, the Trustees are very satisfied with the Trust's performance (significantly better than predicted in the campaign for voter approval of the sale). Whether the City's return could be higher is not for us to determine.

The Ferguson Act requires the Trust to consult with the City Treasurer and agree upon the amount to be distributed to the City for each fiscal year (assuming a distribution is possible) and the timing of the distribution (s). Quarterly distributions as the Trust has committed to this year and plans to continue to do absent a different agreement with the City allow the City to plan upon when it will receive funds and allow the Trust's Investment Advisor to anticipate when cash will be needed for its distribution. As good stewards of the Trust funds, we believe this is the best and most prudent way to proceed.

Respectfully,

CINCINNATI SOUTHERN RAILWAY TRUST

By: ___________________________________
Paul V. Muething, President