Treasury Investment Board

~Agenda~

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Clerk of Council
937-535-1005

July 24, 2025	6:15 PM	Payne Recreation Center

I. Call to Order

II. Approval of Minutes

A. Treasury Investment Board Meeting Minutes - April 24, 2025

III. Business

A. 2nd Quarter 2025 Investment Report

IV. Other Business

V. Adjournment

Minutes of **Treasury Investment Board** Held **April 24, 2025**

Call to Order

Meeting called to order 7:04 PM.

Teri Murphy	Chair	Present
Ora Allen	Member	Present
Shirley Whitt	Member	Present

Council Members Present: Mike Daugherty, Dave Miller, Don Burchett, Jeanette Marcus

Staff Members Present: City Manager Michael Davis, Finance Director Annetta Williams, Law Director Martina Dillon, Public Information Officer Aaron Vietor, and Clerk of Council Karen Powell

Approval of Minutes

Treasury Investment Board Meeting Minutes - January 23, 2025

Mayor Murphy asked if there were any changes or corrections to the January 23, 2025, Treasury Investment Board meeting minutes. Hearing none, the minutes were approved as submitted.

Business

1st Quarter 2025 Investment Report

Finance Director Annetta Williams reported that for the first quarter of 2025, the Cost Basis Portfolio Value is just over $35,977,000.00 between the Huntington Investments and Fifth Third Accounts. She said of that total, there was $2.1 million in Money Market Funds available to invest. She said both the Huntington and Fifth Third accounts gained a total of $405,000.00 in income. She noted that in April, multiple CD's were purchased with maturity dates of 2028, so most of the Money Market balance has been invested. She noted there are funds of $10,000,000.00 in the Insured Cash Sweep Account. She said that account gained over $95,000.00 income during the first quarter. She reported that the rate is currently 3.75 percent and it is expected to take a decrease this year as Fed Funds is expected to cut rates by 75 basis points. She stated that during the first quarter, the City earned just over $500,000.00. She said Finance is continuing with the ladder approach for investments and looking at investments maturing in 2030 as the rates allow. She said she and City Manager Mike Davis have been looking at investing some of the $10,000,000.00 into Treasuries.

Mr. Davis said that Treasuries provide more liquidity that CD's and items like that do not.

The board members thanked Mrs. Williams for the report.

Other Business

Mayor Murphy set the next Treasury Investment Board meeting date for Thursday, July 24, 2025.

Adjournment

Meeting adjourned at 7:09 PM.

2nd Quarter 2025 Investment Report

Department: Finance
Request: Staff Report

Item Background and Purpose:

Attachments:

1. Q2 2025 Investment Report

City of Moraine

Finance Department

To: Mayor & City Council

From: Annetta Williams, Finance Director

Date: July 18, 2025

Subject: 2nd Quarter 2025 Investment Report

Summary

For our investment accounts, we have a cost-basis portfolio value of $40,917,243 with $852,930 in Money Market Funds. We have invested $750,000 of these money market funds in Certificates of Deposits and US Treasury notes that will settle in July. For the second quarter of 2025, the City gained $363,025 in income. Our Insured Cash Sweep (ICS) account has retained an interest rate that closely follows the Federal Funds rate. The ICS account has gained $62,602 in income during the quarter. The interest rate in the ICS account changes with the Federal Funds rate and is now 3.70%. The investment accounts and the ICS account combined gained $399,079 in income. For the year, these three investment accounts have gained $506,663 in income. Based upon the current portfolio's interest cash flow projection for the remainder of the year, the City is on track to exceed its interest revenue estimate. Further discussion on the Huntington and Fifth Third accounts is on the following pages.

Future Outlook

The Federal Reserve current rate is 4.25-4.50% which affects short-term rates 0 to 2 years. At the start of the year, the Fed was expected to cut the Fed Funds rate by at least 1% (in total) throughout the year. The rate cuts have been postponed with the first rate cut of the year now expected at the September meeting. Fed Funds futures show the Fed Funds rate settling in close to 3% by Jan, 2027.

Treasuries (government bonds) and FDIC insured CDs are considered a credit equivalent and typically will pay similar yields. However, CDs have been paying slightly better than comparable Treasuries. Both are now paying slightly below 4% in the 0–5-year time frame. At this time, we are maintaining a laddered approach for investments maturing each year for the next five years. With about $5.4 million in the ICS account, we have quick access to that money, and it is currently earning a good interest rate of 3.70%. We will have about $5 million to $10 million in investments

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maturing each year for the next three years and that also allows us to have cash flow if needed. Currently, we are trying to purchase as many investments as possible with 2028 to 2030 maturities.

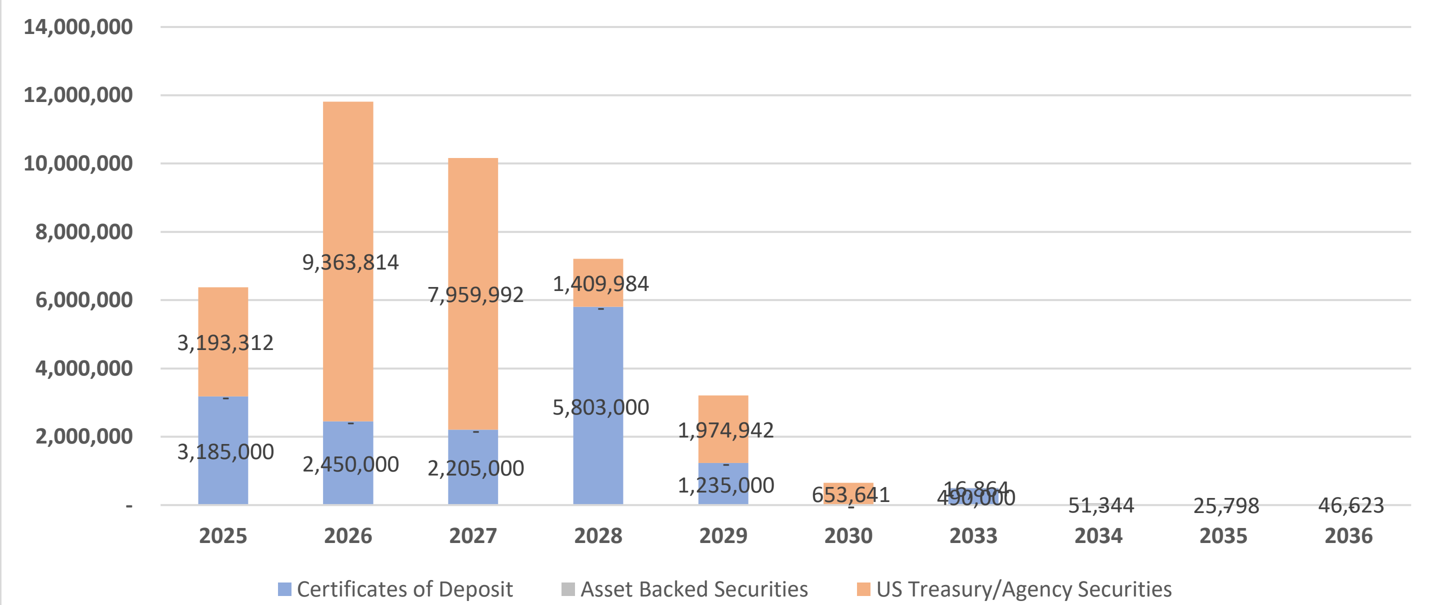
INVESTMENTS COMBINED

2nd QUARTER 2025

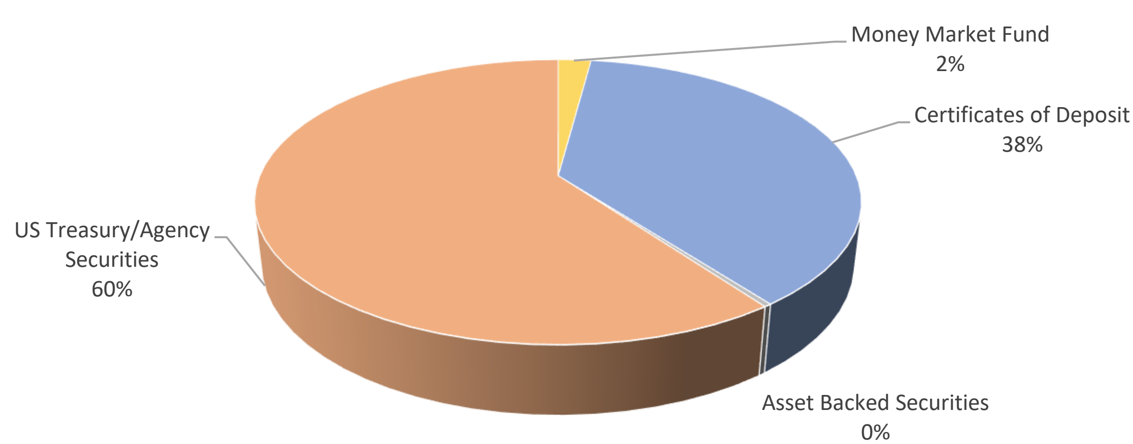
QUARTERLY INCOME COST BASIS

INVESTMENTS BY TYPE	BEGIN QTR COST BASIS	MATURED / REDEEMED	PURCHASED	INCOME	END QTR COST BASIS
Money Market Fund	$ 2,102,148	$ 6,784,937	$ (8,397,180)	$ 363,025	$ 852,930
Certificates of Deposit	14,685,000	(2,177,000)	2,860,000	-	15,368,000
Asset Backed Securities	145,935	(4,525)	-	(782)	140,629
US Treasury/Agency Securities	19,044,270	-	5,537,180	(25,766)	24,555,685
Total	**$ 35,977,353**	**$ -**	**$ -**	**$ 336,478**	**$ 40,917,243**

Combined: Maturities by Year



Combined: Investment Allocation

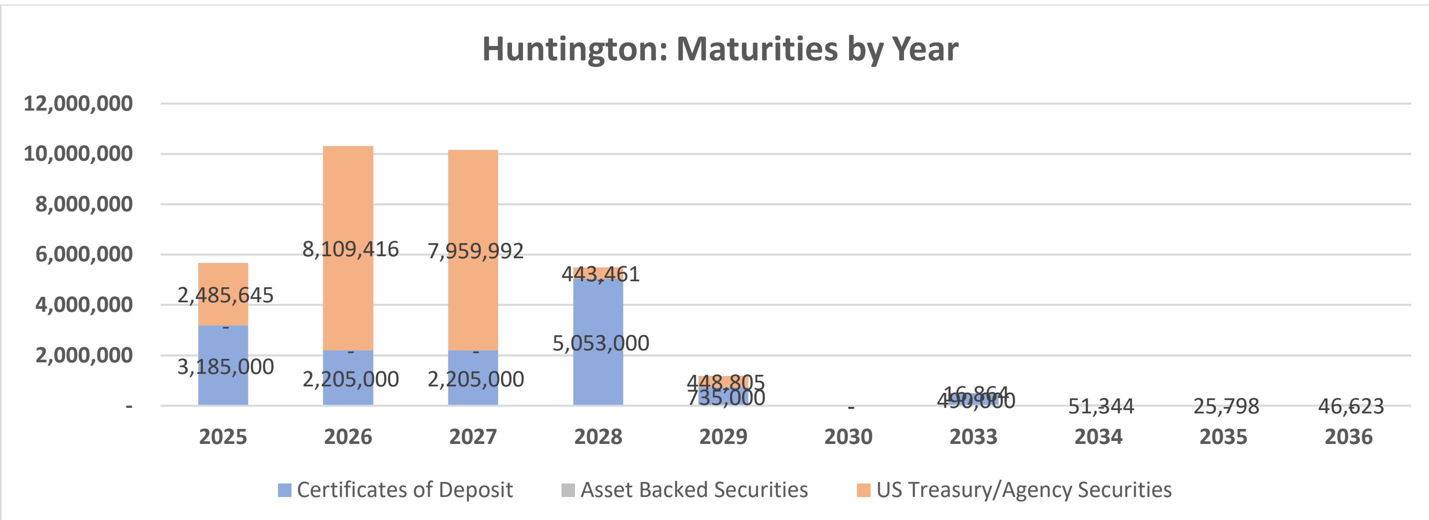


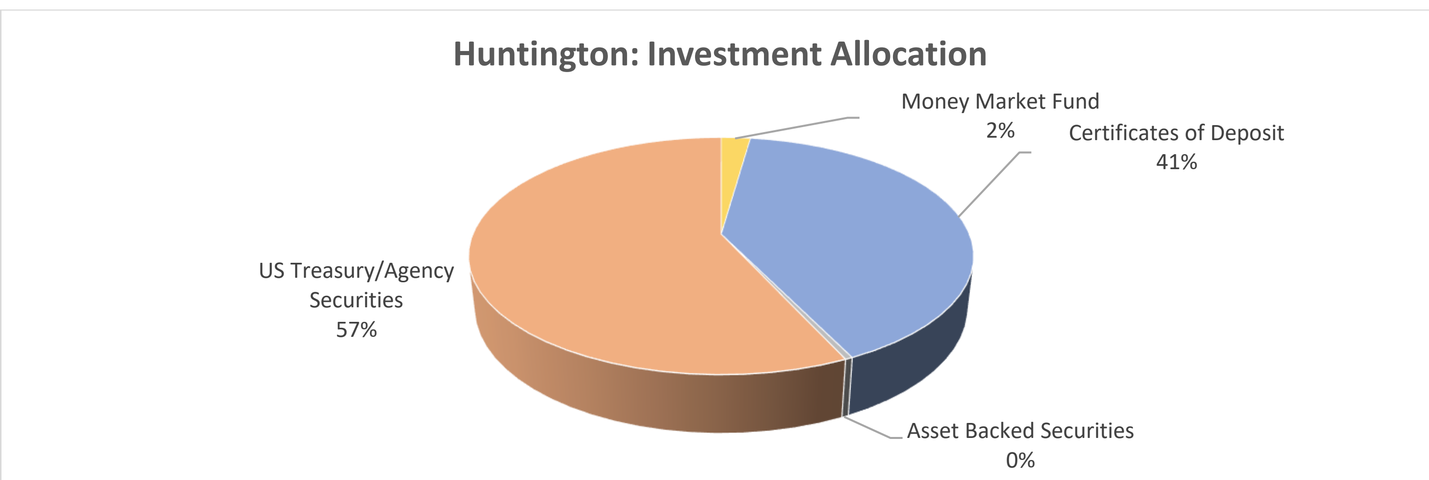
HUNTINGTON SECURITIES

2nd QUARTER 2025

QUARTERLY INCOME COST BASIS

INVESTMENTS BY TYPE	BEGIN QTR COST BASIS	MATURED / REDEEMED	PURCHASED	INCOME	END QTR COST BASIS
Money Market Fund	$ 665,671	$ 6,784,937	$ (6,993,159)	$ 302,707	$ 760,156
Certificates of Deposit	13,940,000	(2,177,000)	2,110,000	-	13,873,000
Asset Backed Securities	145,935	(4,525)	-	(782)	140,629
US Treasury/Agency Securities	14,589,545	-	4,883,159	(25,385)	19,447,318
Total	**$ 29,341,151**	**$ 4,603,413**	**$ -**	**$ 276,540**	**$ 34,221,103**





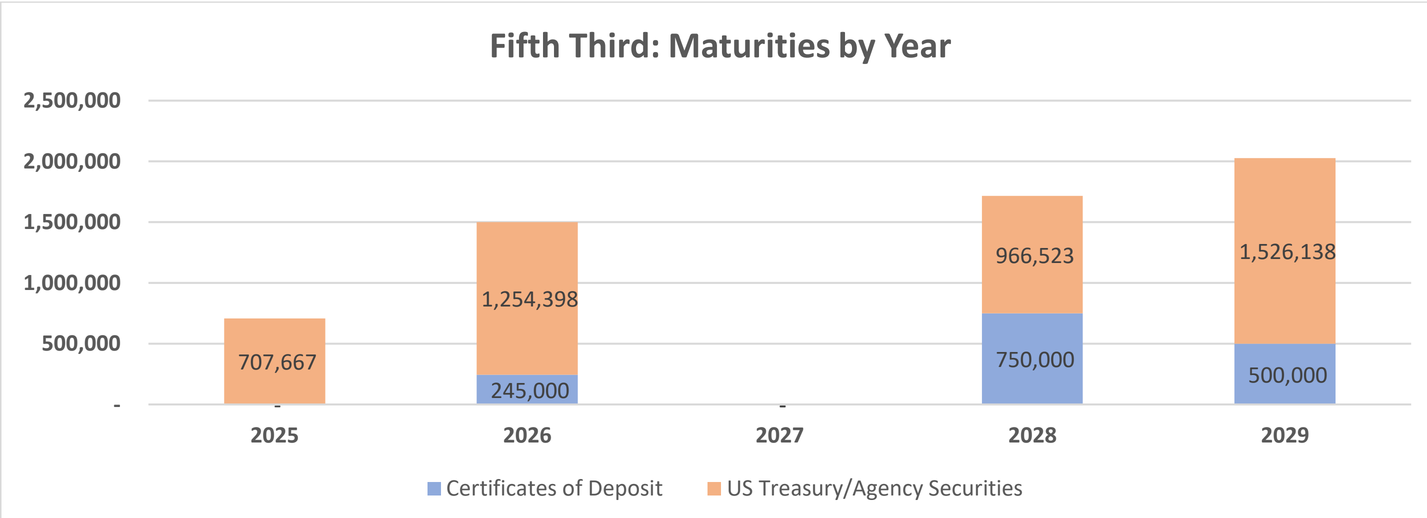
This quarter, we transferred $4.6 million from the ICS account to our Huntington Investment account. Additionally, $2.2 million in CDs matured. We purchased over $6.1 million investments in US Treasuries and CDs. Ending the quarter with $760K in the money market fund, we have purchased 3 CDs with maturities in 2029 that will settle in July with interest rates of 3.75%-3.85%. We have over $5.6 million maturing yet this year. We are looking to purchase investments that mature in 2028, 2029 and 2030 but only want to purchase quality securities at the same time.

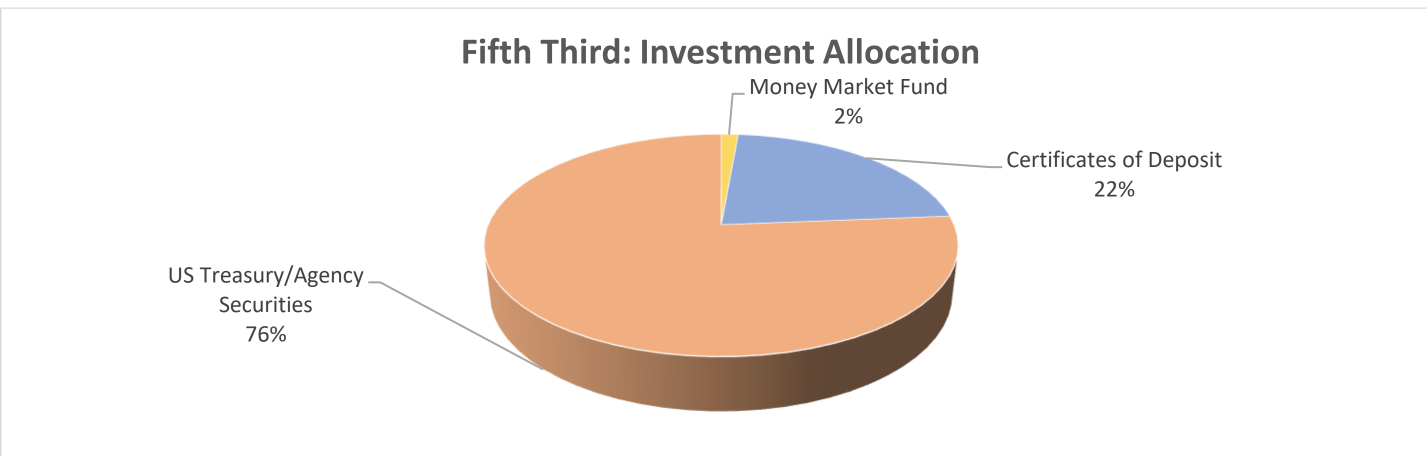
FIFTH THIRD SECURITIES

2nd QUARTER 2025

QUARTERLY INCOME COST BASIS

INVESTMENTS BY TYPE	BEGIN QTR COST BASIS	MATURED / REDEEMED	PURCHASED	INCOME	END QTR COST BASIS
Money Market Fund	$ 1,436,477	$ -	$ (1,404,022)	$ 60,318	$ 92,774
Certificates of Deposit	745,000	-	750,000	-	1,495,000
US Treasury/Agency Securities	4,454,726	-	654,022	(381)	5,108,367
Total	**$ 6,636,203**	**$ -**	**$ -**	**$ 59,938**	**$ 6,696,140**





This quarter, $1,400,000 of investments were purchased. In April, we invested $750,000 in 3 CDs each at a rate of 3.95% and maturing in 2028. US Treasury Notes in the amount of $650,000 at a yield of 3.87% were also purchased in April. These notes have a rate of 3.87% and mature in 2030.

TOTAL INCOME POSTINGS 2025

YEAR TO DATE INCOME

INCOME POSTING BY MONTH	INCOME POSTED HUNTINGTON	INCOME POSTED FIFTH THIRD	INCOME POSTED ICS	TOTAL MONTH
January	$ 95,633	$ 32,753	$ 32,753	**$ 161,138**
February	36,104	38,820	29,673	**104,597**
March	201,398	6,578	32,952	**240,928**
April	101,056	19,498	28,906	**149,460**
May	104,775	2,002	17,200	**123,977**
June	70,708	38,437	16,497	**125,642**
July				**-**
August				**-**
September				**-**
October				**-**
November				**-**
December				**-**
Total	**$ 609,675**	**$ 138,089**	**$ 157,979**	**$ 905,742**