Treasury Investment Board
~Agenda~

http://www.ci.moraine.oh.us/

Clerk of Council
937-535-1005

July 23, 2026 **6:15 PM**

I. Call to Order

II. Approval of Minutes

A. Treasury Investment Board Minutes - April 23, 2026

III. Business

A. 2nd Quarter 2026 Investment Report

IV. Other Business

V. Adjournment

Call to Order

Meeting called to order at 6:23 PM.

Board Members Present:

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

Council Members Present:

Branden Delph	At-Large	Present
Mike Daugherty	Ward 1	Present
Dave Miller	Ward 2	Present
Jeanette Marcus	Ward 4	Present

Staff Members Present:

City Manager Michael Davis
Police Chief Craig Richardson
Finance Director Annetta Williams
Build. Maint. Superintendent Rocky Bangert
Comm. Dev. Director Libby Schroeder
Parks and Recreation Director Brent Shane
Build. & Zoning Admin. Brent Carpenter
Law Director Martina Dillon
Fire Chief Traci Kuzminski
Street Superintendent Chris Dunn
City Engineer Lauren Alvarado
Public Information Officer Aaron Vietor
Clerk of Council Karen Powell

Approval of Minutes

Treasury Investment Board Meeting Minutes - January 22, 2026

Mrs. Whitt moved to approve the January 22, 2026, Treasury Investment Board Meeting Minutes.

RESULT: Passed *(Yes 3, No 0, Abstained 0)*
MOVER: Shirley Whitt
AYES: Teri Murphy, Ora Allen, Shirley Whitt
NAYS: None
ABSTAIN: None

Business

1st Q 2026 Investment Report

Finance Director Annetta Williams stated that the First Quarter 2026 Investment Report is available in the meeting packet. She reported that the portfolio value at the end of March was $2,206,000.00 in Huntington and Fifth Third investment accounts combined. She said the accounts gained just over $488,000.00 in interest for the quarter. She noted that additionally, $5,500,000.00 is available in the Huntington ICS account, which is paying 2.95 percent. She said the interest projection for 2026 is set at $1,600,000.00. Mrs. Williams explained that in looking toward the future, the Federal Reserve current rate is 3.5 to 3.75 percent, and that rate affects the short-term rates in the range of zero to two years. She said lower short-term rates in the future are anticipated. She noted that fortunately, the City is looking in the three to five-year range, and she said the graph displays that from 2026 to 2028, $10,000,000.00 is maturing each of those years, with $30,000,000.00 by the year 2028, so the City needs to go out to years three, four, and five for maturities. She explained that CDs are paying slightly better than treasuries, but an insured can only own up to $250,000.00 in CDs and still be insured. She said there are over 65 CDs in the portfolio.

Mayor Murphy, Mrs. Allen, and Mrs. Whitt all acknowledged that Mrs. Williams is doing a very good job with City investments.

Other Business

Mayor Murphy set the next meeting date for Thursday, July 23, 2026.

Adjournment

Meeting adjourned at 6:25 PM.

2nd Quarter 2026 Investment Report

Department: Finance
Request: Staff Report

Item Background and Purpose:
2nd Q 2026 Investment Report

Attachments:

1. Q2 2026 Investment Report

City of Moraine

Finance Department

To: Mayor & City Council

From: Annetta Williams, Finance Director

Date: July 15, 2026

Subject: 2nd Quarter 2026 Investment Report

Summary

For our investment accounts, we have a cost-basis portfolio value of $43,661,921 with $328,999 in Money Market Funds. For 2nd quarter of 2026, the City gained $345,954 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 $54,768 in income during the quarter. The interest rate in the ICS account changes with the Federal Funds rate and has remained unchanged during the 2nd quarter at 2.95%. The investment accounts, ICS and Star Ohio accounts combined gained $405,102 in income. Further discussion on the Huntington and Fifth Third accounts is on the following pages.

Future Outlook

The Federal Reserve current rate is 3.50-3.75%, which affects short-term rates 0 to 2 years and is a total of 1.50% lower from its peak when the Fed started its easing cycle last September 2024. It appears we are now getting ready to start the next cycle of tightening/raising rates. Fed Funds futures are currently pricing with a chance of a 25-bps rate hike at the end of the September 16, 2026, meeting and possibly another 25 bps in the 1st quarter of 2027.

Treasuries (as well as US Government Agency bonds) and FDIC insured CDs are considered a credit equivalent and typically will pay similar yields. Both are now paying around 4.2% - 4.35% in the 2–5-year time frame (some CDs slightly better).

We are maintaining a laddered approach for investments maturing each year for the next five years. We have quick access to both the ICS and Star Ohio accounts. There is about $5.5 million in the ICS account currently earning a rate of 2.95% and about $5.4 million in Star Ohio currently earning a rate of 3.81%. We will have about $10 and $12 million in investments maturing in 2027 and 2028, respectively. It is prudent to consider how to best reinvest those funds to ensure liquidity needs are maintained as well as investing to maximize returns and maintain safety of principal. We have $7.8 million maturing still in

4200 Dryden Road Moraine, Ohio 45439 P (937) 535-1000

2026 and will look to reinvest it to mature in 2029, 2030 and 2031 depending on market conditions at the time.

In April 2026, we started working with a company called Three+One to help us identify opportunities to increase the return the City earns on taxpayer dollars while maintaining safety and meeting liquidity needs. Three+One provides many benefits including: Identify liquidity opportunities, independent rate review to help ensure the city receives fair interest rates, monitor bank fees to endure fairness, provide one clear dashboard view to see all city cash, forecast cash needs into the future. This has provided more data with which to base investment decisions on and to become more confident in these decisions. We look forward to a presentation from them at the third quarter investment board meeting.

For every $1.0 million transfer from our operating accounts at 0% interest to the ICS account at 2.95%, we earn an estimated $34,500 annually. For every $1.0 million moved from ICS at 2.95% to STAR Ohio at 3.81%, we earn an additional estimated $8,700 annually.

The State Treasury Asset Reserve (STAR Ohio) allows Ohio subdivisions to invest in a highly rated public investment pool. The Ohio Treasurer's office acts as administrator and advisor, managing STAR Ohio's portfolio and working to maximize returns for government subdivisions. It has maintained Standard & Poor's highest rating of AAAm since 1995 and provides a powerful resource for government subdivisions.

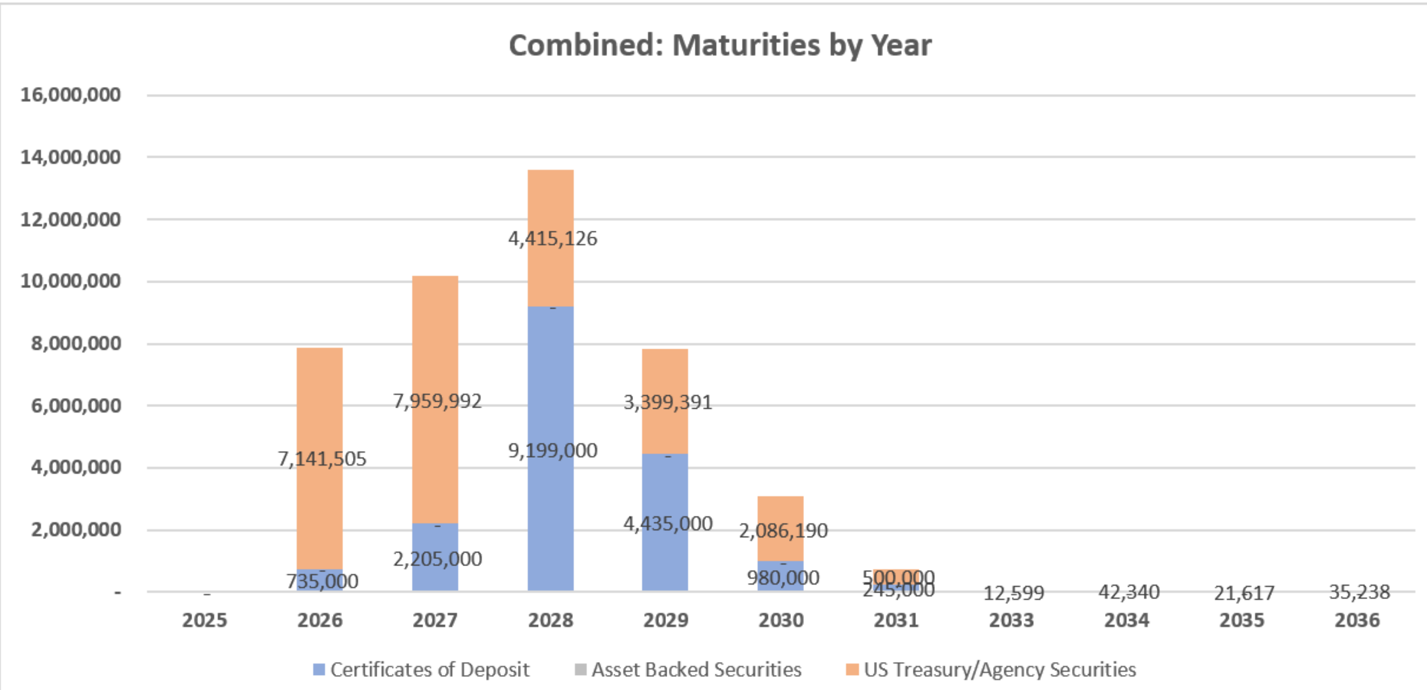
During the quarter, and with the assistance of Three+One, we were able to restructure our operating accounts with Huntington Bank, lowering our required minimum compensating balance from about $15.9 million to 8.5 million, and also to earn a modest rate of interest on any operating account balances in excess of the required minimum, This strategy allowed us to identify account balances that could be invested more prudently which could yield up to $92,600 annually.

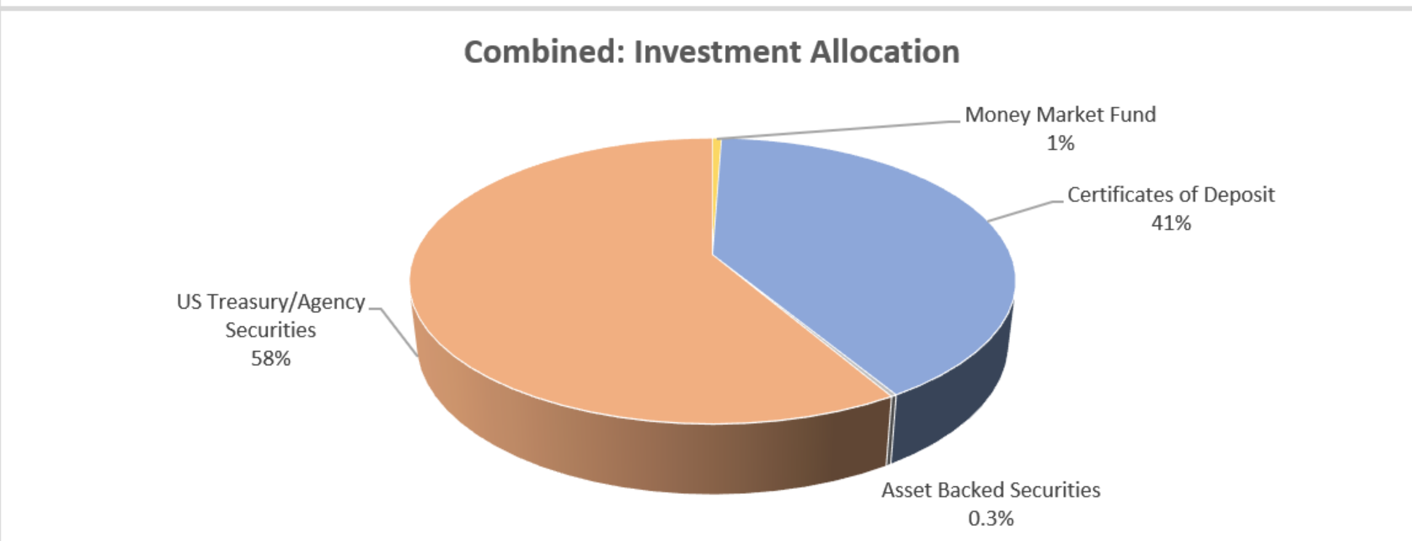
INVESTMENTS COMBINED

QUARTERLY INCOME COST BASIS

2nd QUARTER 2026

INVESTMENTS BY TYPE	BEGIN QTR COST BASIS	MATURED / REDEEMED	PURCHASED	INCOME	END QTR COST BASIS
Money Market Fund	$ 411,974	$ 3,520,015	$ (4,012,065)	$ 328,999	$ 248,924
Certificates of Deposit	17,343,000	(1,720,000)	2,176,000	-	17,799,000
Asset Backed Securities	117,722	(5,015)	-	(913)	111,794
US Treasury/Agency Securities	24,333,284	(1,795,000)	2,946,052	17,868	25,502,203
Total	**$ 42,205,980**	**$ -**	**$ 1,109,987**	**$ 345,954**	**$ 43,661,921**



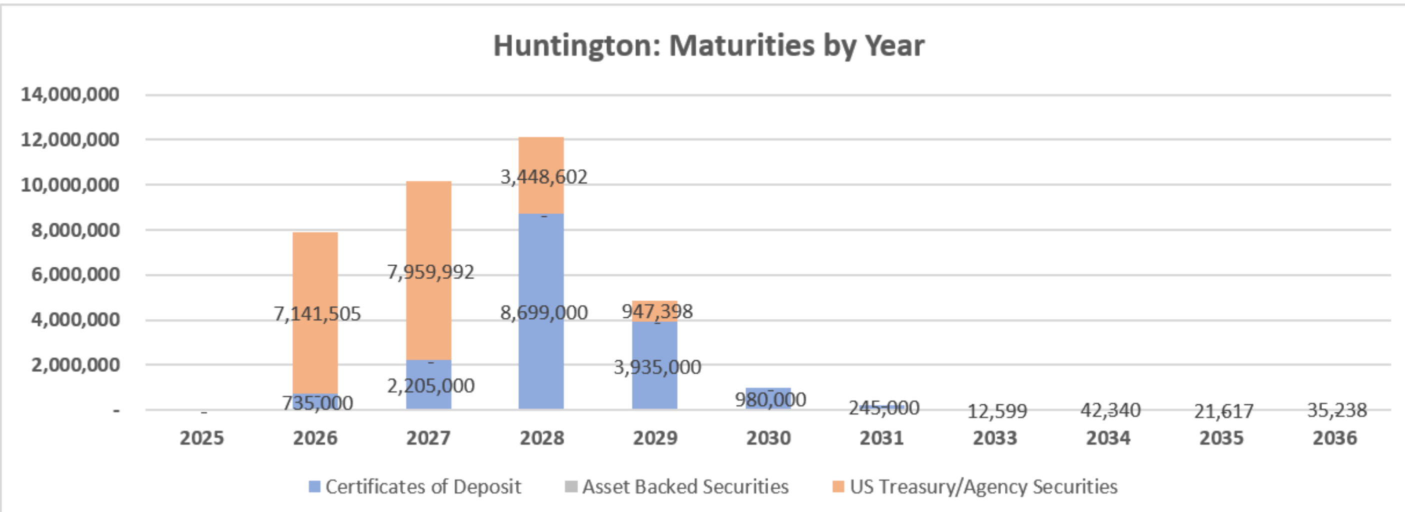


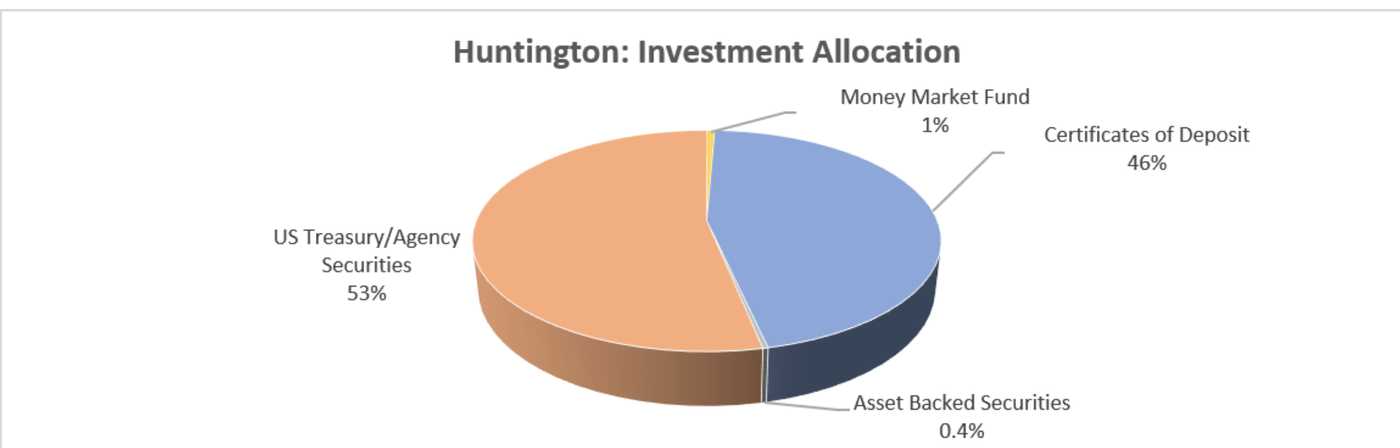
HUNTINGTON SECURITIES

2nd QUARTER 2026

QUARTERLY INCOME COST BASIS

INVESTMENTS BY TYPE	BEGIN QTR COST BASIS	MATURED / REDEEMED	PURCHASED	INCOME	END QTR COST BASIS
Money Market Fund	$ 357,484	$ 1,230,015	$ (1,568,832)	$ 226,332	$ 245,000
Certificates of Deposit	15,848,000	(1,225,000)	2,176,000		16,799,000
Asset Backed Securities	117,722	(5,015)		(913)	111,794
US Treasury/Agency Securities	18,995,246		502,819	(567)	19,497,497
Total	**$ 35,318,452**	**$ 0**	**$ 1,109,987**	**$ 224,852**	**$ 36,653,291**





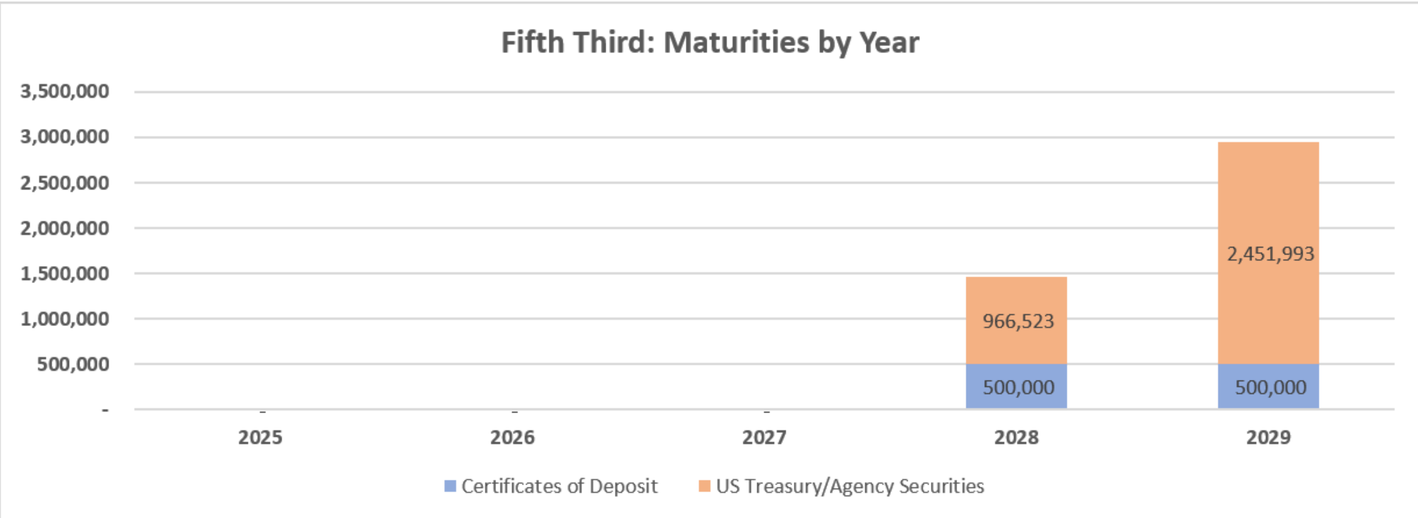
This quarter, $1,225,000 in CDs matured and we purchased $2,176,000 in CDs with another $245,000 that settled on July 1st. We also purchased approximately $500,000 in treasuries in June. This purchase of an additional $1.7 million in CDs and treasuries was to invest funds that had been set aside for the ladder truck which will mature in 2027 when payment for the truck is expected. These funds were previously earning 0% and now are expected to yield anywhere from 3.875 to 4.25%. If the truck comes in early, the City has $7.0 million and 10.0 million maturing in the remainder of 2026 and 2027, respectively. We will look to invest that out as far as possible with the highest available rates. We are looking to purchase investments that mature in 2029, 2030 or 2031 but only want to purchase quality securities at the same time.

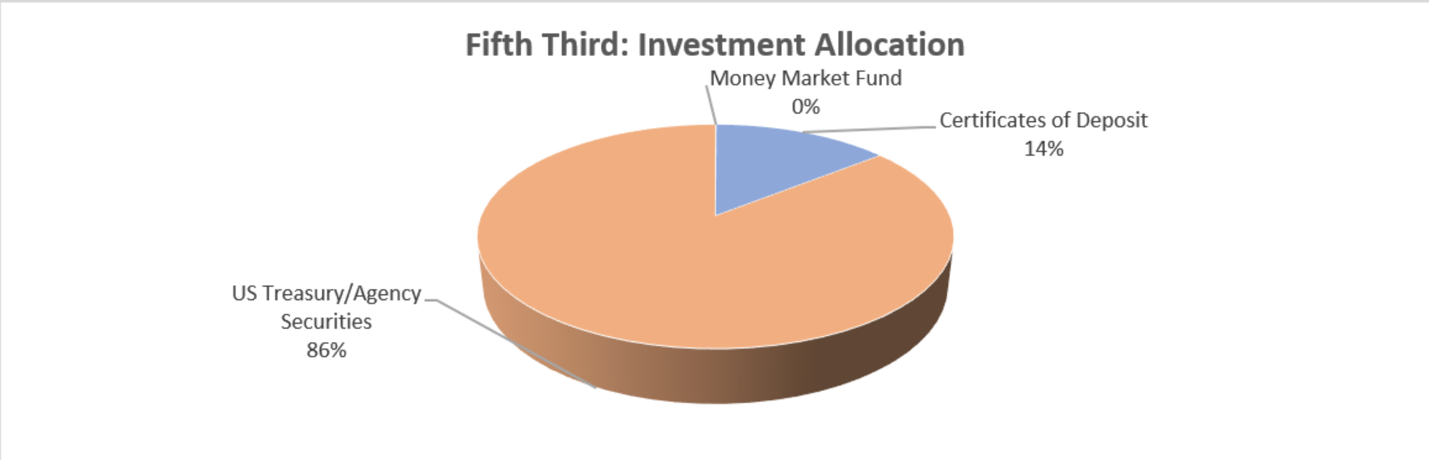
FIFTH THIRD SECURITIES

2ND QUARTER 2026

QUARTERLY INCOME COST BASIS

INVESTMENTS BY TYPE	BEGIN QTR COST BASIS	MATURED / REDEEMED	PURCHASED	INCOME	END QTR COST BASIS
Money Market Fund	$ 54,490	$ 2,290,000	$ (2,443,233)	$ 102,666	$ 3,924
Certificates of Deposit	1,495,000	(495,000)	-		1,000,000
US Treasury/Agency Securities	5,338,038	(1,795,000)	2,443,233	18,435	6,004,706
Total	**$ 6,887,528**	**$ -**	**$ -**	**$ 121,102**	**$ 7,008,630**





This quarter, $495,000 in CDs were redeemed this quarter and $1,745,000 in treasuries/securities matured. At this point, with almost $18.0 million in CDs at $250,000 each, it is difficult to find a CD offered by an institution that we don't already own. Therefore, $2.4 million was reinvested in US Treasuries/agency securities. We earned $121,000 in income at Fifth Third bank this quarter.

OVERNIGHT LIQUID

2ND QUARTER 2026

INVESTMENTS BY TYPE	BEGIN QTR COST BASIS	WITHDRAWN	PURCHASED	INCOME	END QTR COST BASIS
ICS(Huntington)	$ 5,561,340	$ (6,900,000)	$ 6,800,000	$ 54,768	$ 5,516,107
Star Ohio	$ 411,552		$ 5,000,000	$ 4,967	$ 5,416,519
Total Liquid Cash	**$ 5,972,891**	**$ (6,900,000)**	**$ 11,800,000**	**$ 59,735**	**$ 10,932,626**

This section is new to the investment report. In June, as we reviewed the City's bank account structure and wanted to focus on earning the safest and highest return possible, we moved $6.8 million from the operating account to the ICS to take advantage of 2.95% yield versus 0% and maintain the $8.5 million required to offset fees in the operating account. Subsequently, at the end of June, $5.0 million was transferred to Star Ohio, where the current yield is 3.81%, while maintaining the same liquid access to those funds. The remaining $1.9 million withdrawn from ICS was to invest the ladder truck funds with Huntington, which was invested in CDs ($1.2 million) and a 2-year treasury ($504K) and $200K was moved back to the operating accounts to maintain the target $8.5 million balance.

TOTAL INCOME POSTINGS

2026

YEAR TO DATE INCOME

INCOME POSTING BY MONTH	INCOME POSTED HUNTINGTON	INCOME POSTED FIFTH THIRD	INCOME POSTED ICS	INCOME POSTED STAR	TOTAL MONTH
January	$ 103,157	$ 1,854	$ 13,849	$ 1,329	$ 120,190
February	59,075	25,337	12,539	1,192	98,143
March	284,178	14,754	13,916	1,319	314,167
April	71,723	21,484	13,500	1,285	107,992
May	85,359	1,795	14,793	1,329	103,277
June	67,183	97,822	26,475	2,353	193,833
July					
August					
September					
October					
November					
December					
Total	**$ 670,676**	**$ 163,046**	**$ 95,072**	**$ 8,809**	**$ 937,602**