



INVESTMENT ADVISORY COMMITTEE MEETING

AGENDA

July 24, 2024

1. Call to Order
2. Roll Call
3. Rules of Public Comment
4. Public Comments
5. Approval of Minutes from Prior Meeting (January 25, 2024)
6. Fund & Portfolio
7. Investment Discussion
 - a. Jason Click, Meeder Investment Management
 - b. Jason Headings, Meeder Investment Management
8. Other Business
 - a. Linked Deposits
9. Adjournment



INVESTMENT ADVISORY COMMITTEE MEETING

Meeting Minutes

April 25th, 2024

1. CALL TO ORDER

Treasurer Cromes called the meeting to order at 10:00 AM

2. ATTENDEES

CUYAHOGA COUNTY INVESTMENT ADVISORY COMMITTEE MEMBERS IN ATTENDANCE

Jack H. Schron, Jr., Councilman

Brad Cromes, Treasurer

CUYAHOGA COUNTY STAFF IN ATTENDANCE

Erik Janas, Chief of Staff

Katie Gallagher, Chief of Operations and Community Innovation

Eileen Egan, Manager, Investment & Cash Management

Ray McDaniel, Deputy Chief Treasurer (Remote)

Rebecca Cook, Assistant Investment and Cash Management Officer

Jed Strohm, Assistant Investment and Cash Management Officer

Michael King, Council Legal Counsel

Trevor McAleer, Council Budget Liaison

Liv Sontag, Public Service

Jerad Zibritosky, Assistant Law Director

OTHERS IN ATTENDANCE

Jason Click, Meeder Investments (Remote)
Jason Headings, Meeder Investments (Remote)
Jason Szabo, Meeder Investments (Remote)
Jenna Muhieddine, Member of the Public
Mohammad Faraj, Member of the Public
Shereen Naser, Member of the Public
Carley Riggins, Member of the Public
Nima (Surname not provided), Member of the Public
Tanmay Shah, Member of the Public

3. Rules Adopted for Public Comment

Schron moved to adjust the agenda to adopt rules for public comment in line with the rules at council. Cromes seconded. It passed.

Public comment rules adopted to allow for 3 minutes per public commentator. Each commentator must comport themselves in a dignified and civil manner; no shouting or personal invective shall be allowed. No threatening remarks or gestures may be directed at any person. There will not be any back and forth between committee members and commentators.

Schron moved to adopt these rules. Cromes Seconded. It passed.

4. Public Comment

Jenna Muhieddine, Mohammad Faraj, Shereen Naser, Carley Riggins, and Tanmay Shah expressed their desire to see the county abstain from investing in investment vehicles from the State of Israel.

5. Approval of Minutes from Prior Meeting (April 25, 2024)

Executive Ronayne asked for motion to accept the minutes; Councilman Schron carried, Treasurer Cromes seconded. It passed.

6. Fund & Portfolio

Eileen Egan, Manager, Investment & Cash Management summarized the Asset Allocation of the treasury funds and advised the Committee that the main portfolio remains compliant with policy limits.

Jed Strohm, Assistant Investment & Cash Manager provided an update on the Opioid funds. Strohm identified the increase in bonds purchased in the Opioid fund, per discussion at the Q4 2023 IAC.

7. Investment Discussion

Jason Szabo from Meeder Investment Management discussed the current economic, financial, and interest rate trends. The expectation remains that restrictiveness will continue to abate, as the Fed projects interest rate cuts throughout 2024. The current projection is for three cuts through the remainder of 2024, although they're expected to be late summer or early fall. They stated that the delay is due to the sticky inflation numbers.

Jason Headings from Meeder Investment Management identified that both the rates and the maturity timelines have gone up due to a desire to lock in the current high interest rate environment in the Cuyahoga County bond portfolio. Meeder is continuing to look at opportunities to swap low interest bonds with higher interest bonds. The Meeder team reconfirmed that Cuyahoga County Investments are compliant with the policy and are structured appropriately for the County's short- and long-term liquidity needs.

Cromes moved to accept the presentation; Schron seconded. It passed.

8. Investment Policy Review

Forgone due to incorrect draft displayed in printouts delivered to council. Will reopen discussion on the topic for 2024 Q2.

9. Linked Deposit

- a. These programs will be rebranded Neighborhood Equity Works, which will include home repair and energy efficiency, as well as a program to assist main street small business. This proposal will be distributed to local banks to generate partnership agreements with local banking institutions. Schron identified his concern for adequate monitoring banks to ensure that they are lending to our constituents for these kinds of projects.

10. Adjournment

Cromes moved to adjourn the meeting at 10:38 AM, seconded by Schron. It passed.

CUYAHOGA COUNTY



2024 Q2
Fiscal Report
Fund & Portfolio

CUYAHOGA COUNTY TREASURY

PORTFOLIO REVIEW - 2nd QUARTER 2024



Asset Allocation and Compliance

	<u>Market Value</u>	<u>Core Portfolio Average</u>	<u>Policy Limit</u>	<u>Policy Comply</u>
<u>General Funds:</u>				
<i>Bank Deposit</i>				
STAR Ohio - ARP	79,826,323	5.742%	100%	YES
STAR Ohio - Main	181,876,479	13.082%	100%	YES
Key Bank	11,430,262	0.822%	100%	YES
PNC Bank	4,008,618	0.288%	100%	YES
US Bank	381,816	0.027%	100%	YES
<i>Investments</i>				
US Agency- Callable	223,088,319	16.046%	70%	YES
US Treasury	304,764,706	21.921%	100%	YES
US Agency- Fixed Rate	202,900,856	14.594%	100%	YES
Corporate Notes	72,620,696	5.223%	15%	YES
Commercial Paper	79,805,701	5.740%	40%	YES
Municipal Notes	30,547,710	2.197%	20%	YES
Certificates of Deposit - Bank	265,000	0.019%	50%	YES
Foreign Notes	15,924,497	1.145%	2%	YES
Money Market Accounts - Portfolio	85,422	0.006%	75%	YES
<u>Non-General Funds:</u>				
STAR Ohio - Opioid	22,028,495	1.584%	100%	YES
Money Market Accounts - Opioid	45,663	0.003%	75%	YES
STAR Ohio - Development	1,051,754	0.076%	100%	YES
Total Quarter-End Market Value	1,230,652,316			
12 Month Trailing Average	1,390,284,996			

Policy Limits: Per investment policy, investment class limits are based on the 12 month trailing average.



CUYAHOGA COUNTY TREASURY PORTFOLIO REVIEW - 2nd QUARTER 2024 Opioid Portfolio Asset Allocation

Asset Allocation

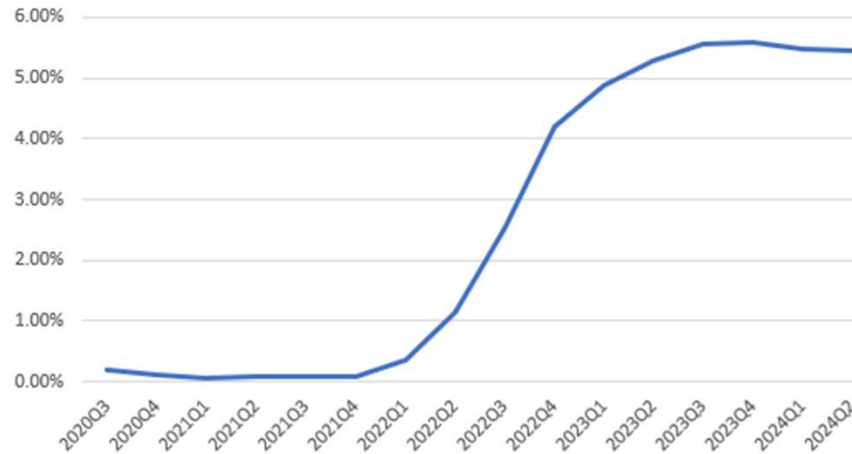
	<u>Market Value</u>
US Treasury	32,038,845
US Agency- Callable	5,944,473
US Agency- Fixed Rate	21,966,257
Commercial Paper	1,487,452
Money Market Accounts	45,663
Total Month-End Market Value	61,482,690



STAR OHIO DAILY RATE

STAR Ohio Rate as of 6/28/2024	
Total Shares:	24.712 Billion
Overnight Yield:	5.45 %
Annualized Yield:	5.59 %
Daily Dividend Rate:	0.0004479270
Average Days to Maturity:	46.5 days

Star Ohio End of Month Interest Rates





JUNE 30, 2024

Cuyahoga County Investment Strategy Update

PRESENTED BY: JASON CLICK AND JASON HEADINGS



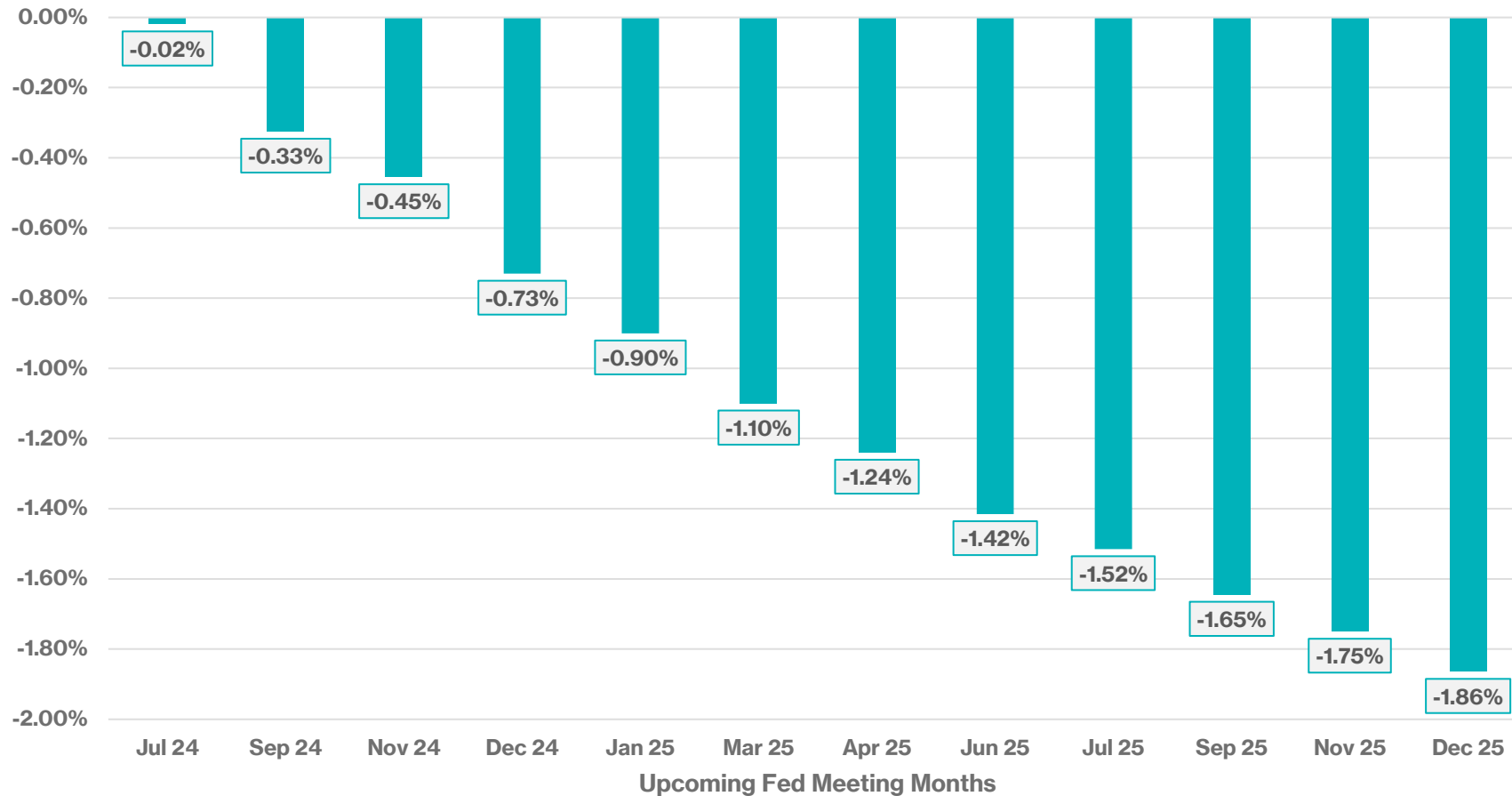
MEEDER
PUBLIC FUNDS

Metric

Probable Outlook

Fed Funds Rate	Fed Chair Powell said to expect “patience” regarding rate cuts, probably only one .25% cut this year; which is less than the .75% of cuts they expected earlier this year.
Inflation	The path to the Fed’s 2% (PCE Core YoY) inflation target will take longer than anticipated...this was reiterated by Chair Powell when he said recently the Fed doesn’t expect inflation to hit their target rate until 2025 or 2026.
Growth	Gross Domestic Product (GDP) growth will slow from 2023’s rate, but will not be negative in the second half of 2024.
Employment	Employment will remain moderately robust, with job growth slowing and the unemployment rate continuing to climb over 4%.
Yields	Intermediate-term and longer-term rates have peaked...remaining rangebound near the highest levels since 2007.

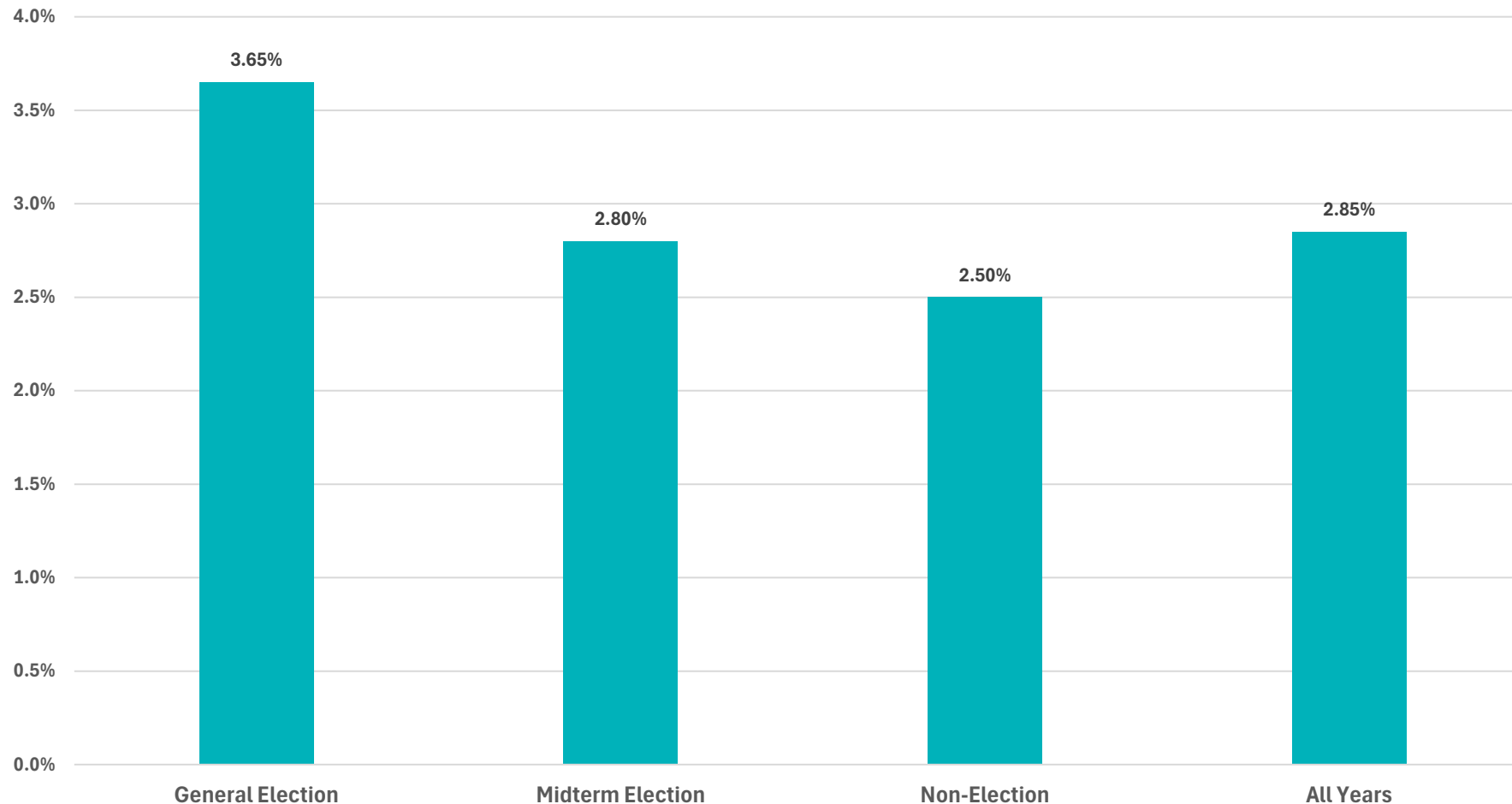
Fed Funds Rate Declines Priced In Per Futures Market



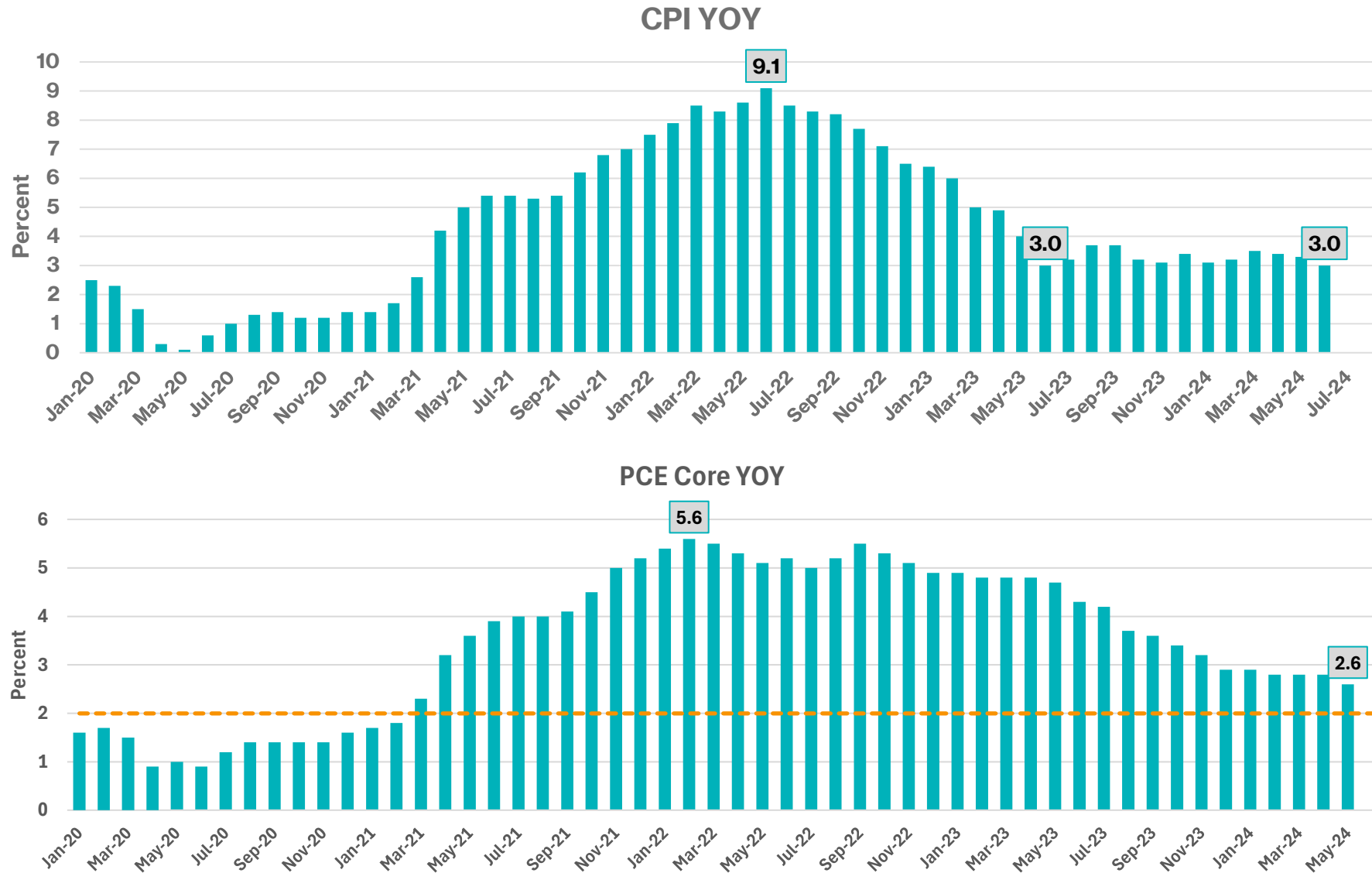
- After four quarter point hikes in 2023, the Federal Reserve has held this rate steady since last July.
- At the last Federal Open Market Committee Meeting (FOMC) press conference, Chair Powell stated, “so far this year, the data have not given us that greater confidence” to lower the Fed Funds rate.
- Currently, the futures market is implying almost three .25% Fed cuts between now and the end of the year.

Fed Funds and Election Year Moves

Average Calendar Year Cumulative Absolute Percentage Change in the Target Fed Funds Rate Since 1971 by Type of Year

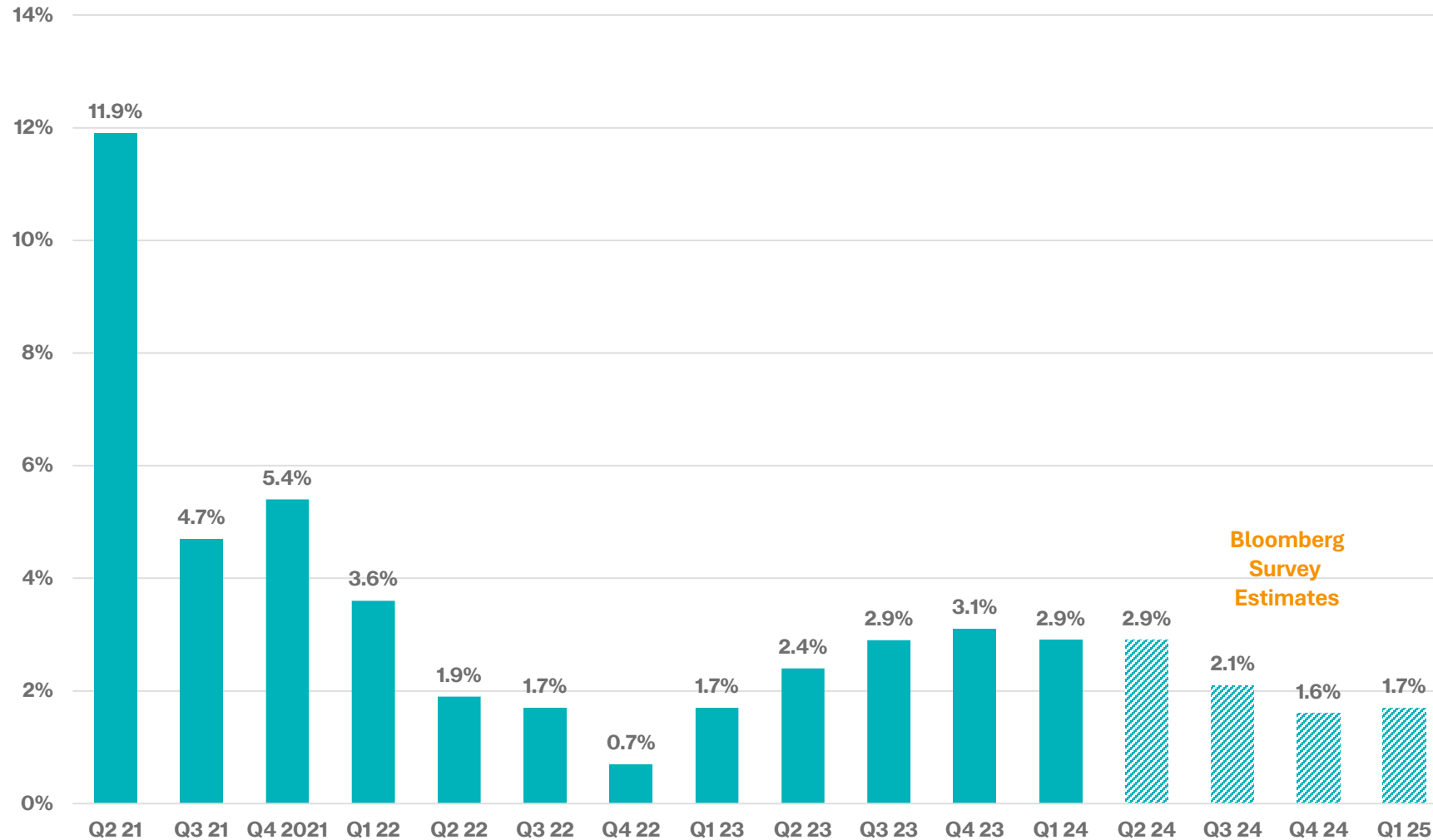


- The Fed changes policy (rates) in election years without hesitation.
- Actual policy rate changes back to 1971 suggests the Fed does not shy away from changing policy during general election years and midterm election years.
- Fed Chair Powell stated at the recent Fed meeting that election timing won't affect the Fed's decision to cut rates...we shall see!



- The year-over-year Consumer Price Index data peaked in June 2022 in conjunction with the massive stimulus provided by Uncle Sam, supply chain challenges, and many commodities increasing due to the Russia/Ukraine war.
- CPI YoY bottomed in June 2023 at 3.0%, climbed a bit and is now currently at 3.0%
- Personal Consumption Expenditure (PCE) Core (excluding food and energy) is the Fed's preferred inflation gauge.
- PCE YoY percent change has also declined materially since 2022, but remains above the Fed 2% target.

Real GDP YoY

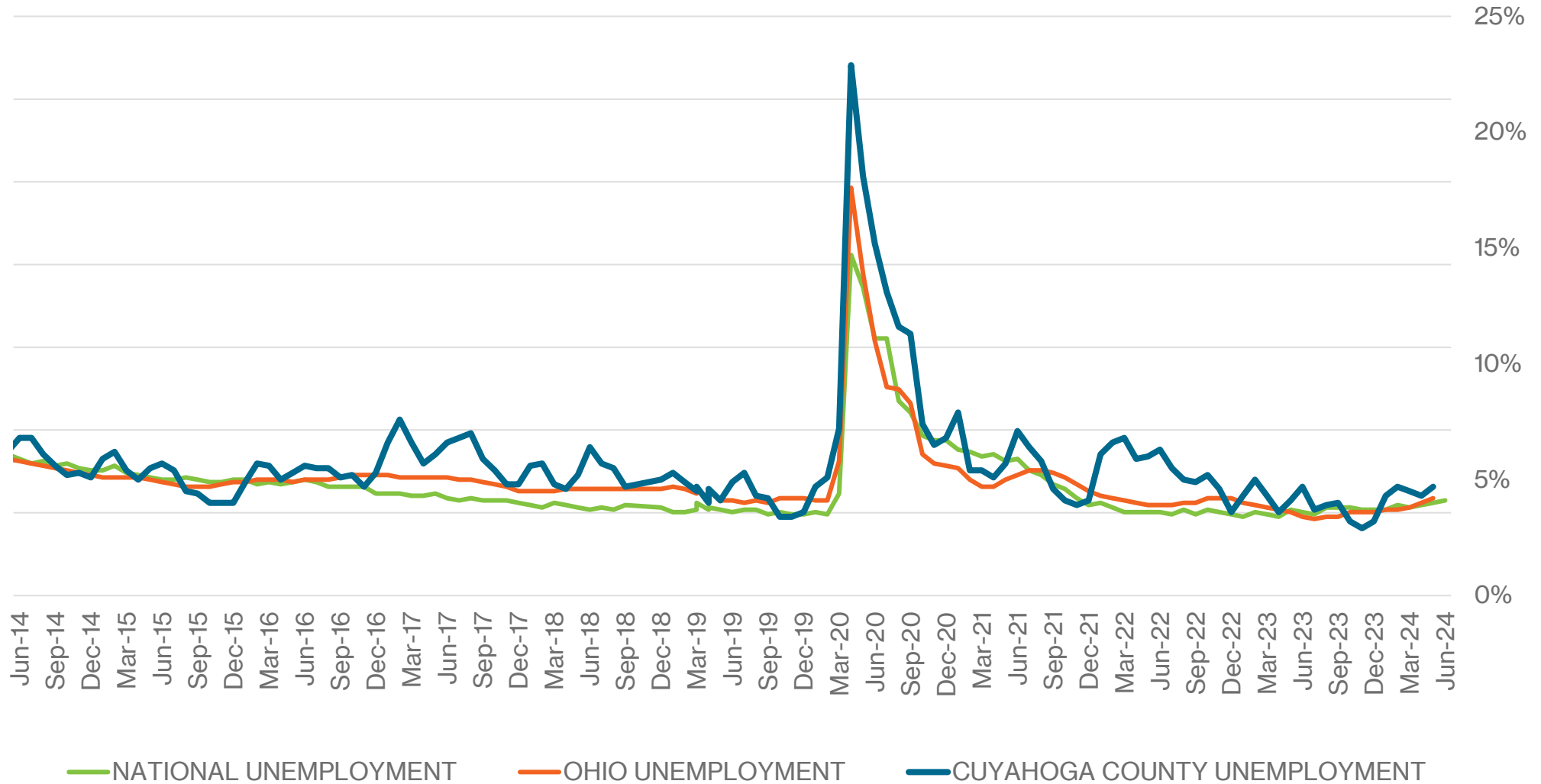


SOURCE: BLOOMBERG, BUREAU OF ECONOMIC ANALYSIS

- U.S. Gross Domestic Product (GDP) slowed the first half of 2024 from its above average pace in the second half of 2023.
- Economists and strategists surveyed by Bloomberg expect GDP to slow below trend during 2024, with lower than 2% growth for the next few quarters.
- GDP year-over-year growth is projected by Bloomberg's survey of economists to be 1.6% for the full year of 2024.

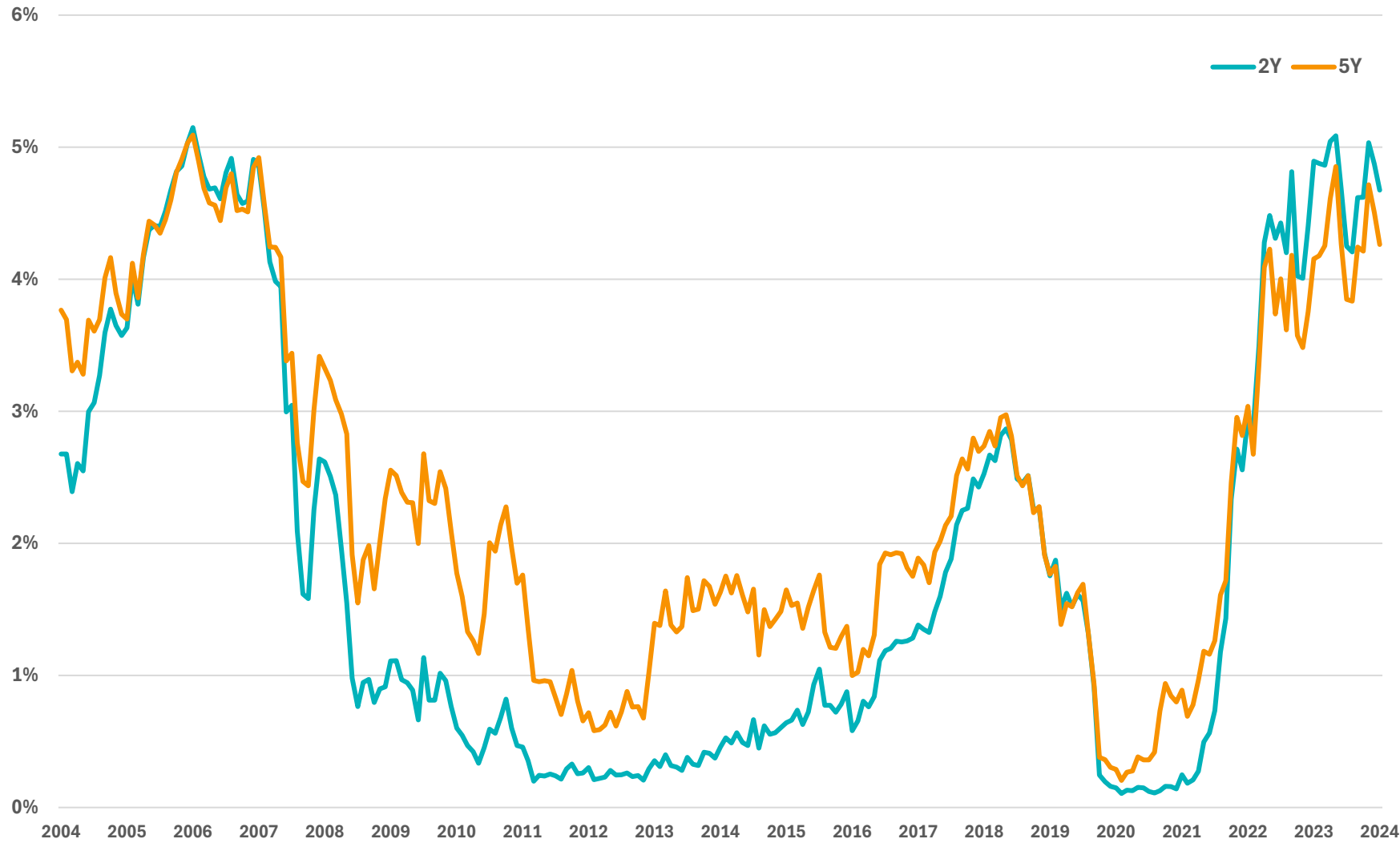
Employment

US & Regional Labor Markets



SOURCES: BLOOMBERG, BUREAU OF LABOR STATISTICS, FRED

2 Year and 5 Year Treasury Yields Past 20 Years



- Intermediate-term U.S. Treasury rates are near their highest levels since 2007.
- These rates most likely have peaked for this cycle due to economic growth slowing, unemployment increasing, and the rate of change of inflation moderating.
- With fixed income investors not seeing these higher yields for the past 17 years, we believe locking in these intermediate-term rates is a prudent strategy.



M E E D E R
PUBLIC FUNDS

PORTFOLIO REVIEW

CORE PORTFOLIO REVIEW

Cuyahoga County portfolio as of 6/30/2024

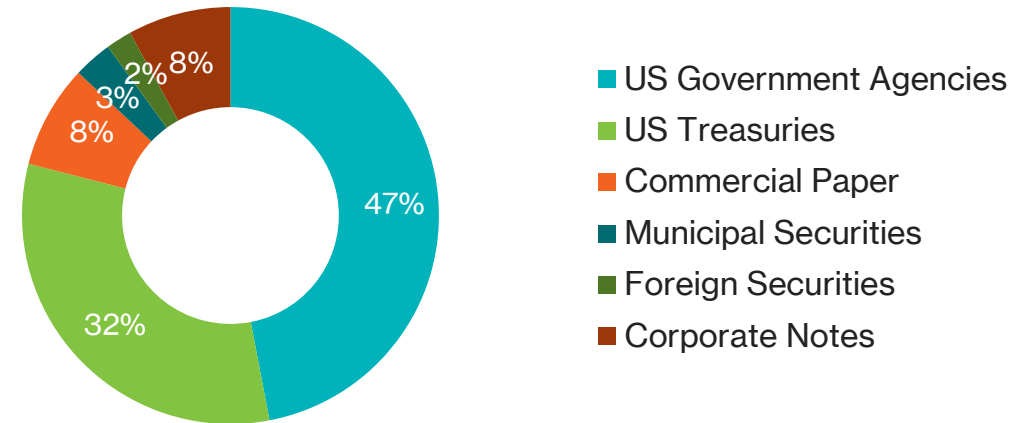
Your Portfolio

Cash	\$85,422
Securities	\$953,149,329
Total Portfolio	\$953,234,751

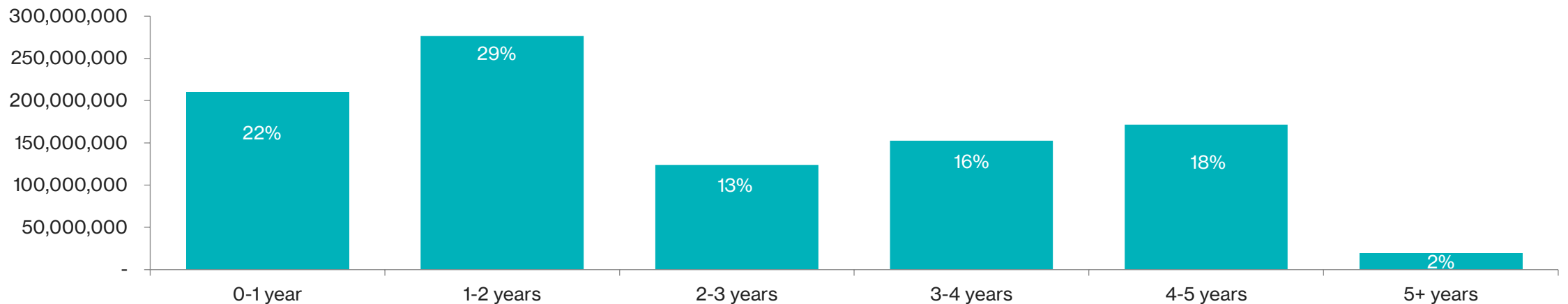
Your Securities

Weighted Average Maturity	2.42 years
Weighted Average Yield	2.80%
Estimated Annual Income	\$26,688,181

Your Asset Allocation



Your Maturity Distribution



ALL VALUES SHOWN AT COST. YIELD AND INTEREST INCOME INFORMATION IS ANNUALIZED. ALL YIELD INFORMATION IS SHOWN GROSS OF ANY ADVISORY AND CUSTODY FEES AND IS BASED ON YIELD TO MATURITY AT COST. PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS.

Year-end Investment Statistics

2017 - 2024



	PORTFOLIO SIZE	WEIGHTED AVERAGE MATURITY	WEIGHTED AVERAGE YIELD
2017	\$743,993,000	2.83	1.70%
2018	\$689,959,719	2.40	2.19%
2019	\$776,515,558	2.83	2.01%
2020	\$647,284,593	2.89	1.15%
2021	\$914,448,905	2.89	0.97%
2022	\$919,607,905	2.56	1.85%
2023	\$942,738,180	2.55	2.52%
2024 (through 6/30/2024)	\$953,149,329	2.42	2.80%

Yield information is annualized. All yield information is shown gross of any advisory and custody fees and is based on yield to maturity at cost. Past performance is not a guarantee of future results.

Compliance Review - Core Portfolio as of 6/30/2024

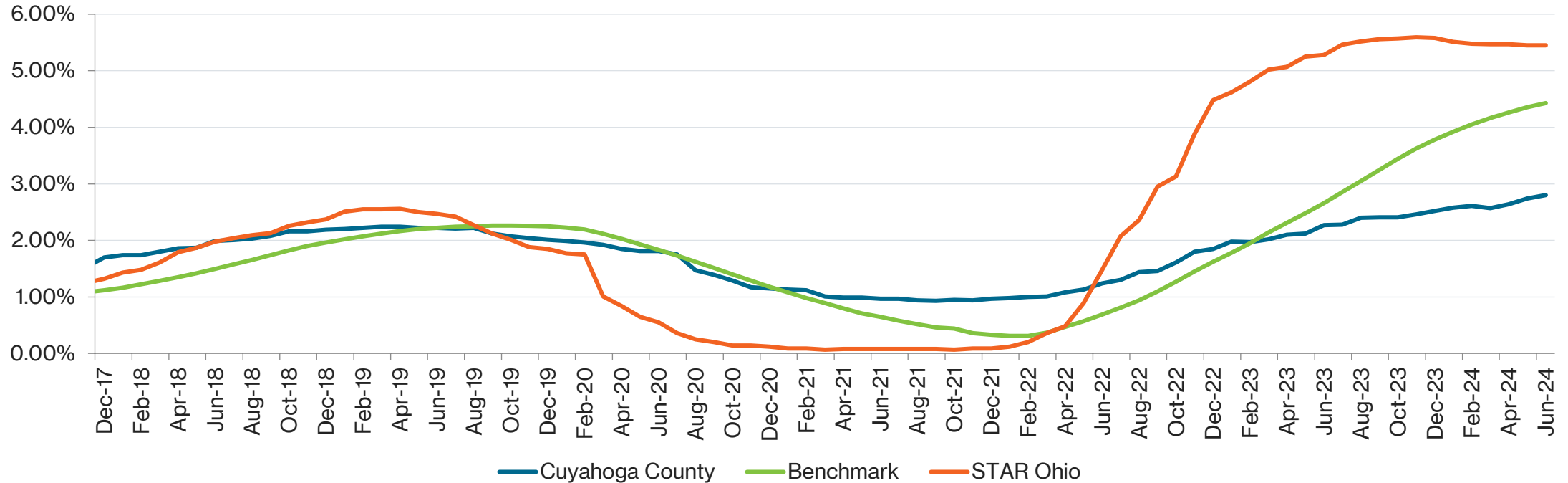
Policy Requirements	Current Allocation	Max Allocation	Test Results
U.S. Treasury Bills/Notes/Bonds	32%	100%	✓
U.S. Government Agencies	47%	100%	✓
Commercial Paper & Bankers' Acceptances	9%	40%	✓
Municipal Bonds/Notes	3%	20%	✓
Money Market Mutual Funds	0%	75%	✓
Corporate Bonds/Notes	8%	15%	✓
Foreign Bonds/Notes	2%	2%	✓

✓ = Compliant ✗ = Non-compliant

QUARTERLY COMPARISON

Cuyahoga County Core Portfolio

	Quarter Ended June 30, 2024 Yield To Maturity
Cuyahoga County ¹	2.80%
Benchmark ²	4.43%
STAR Ohio ³	5.45%



1. PERFORMANCE ON TRADE DATE BASIS, GROSS (I.E. BEFORE FEES)
 2. BENCHMARK IS A 24-MONTH MOVING AVERAGE OF THE 2-YEAR CONSTANT MATURITY TREASURY
 3. STAR OHIO MONTHLY DISTRIBUTION YIELDS RETRIEVED ONLINE FROM THE STATE TREASURER OF OHIO WEBSITE
 4. YIELDS FOR CUYAHOGA COUNTY PRIOR TO 9/30/2017, USING YIELDS CALCULATED ON THE 'LONG TERM PORTFOLIO'

OPIOID SETTLEMENT PORTFOLIO REVIEW

Cuyahoga County portfolio as of 6/30/2024

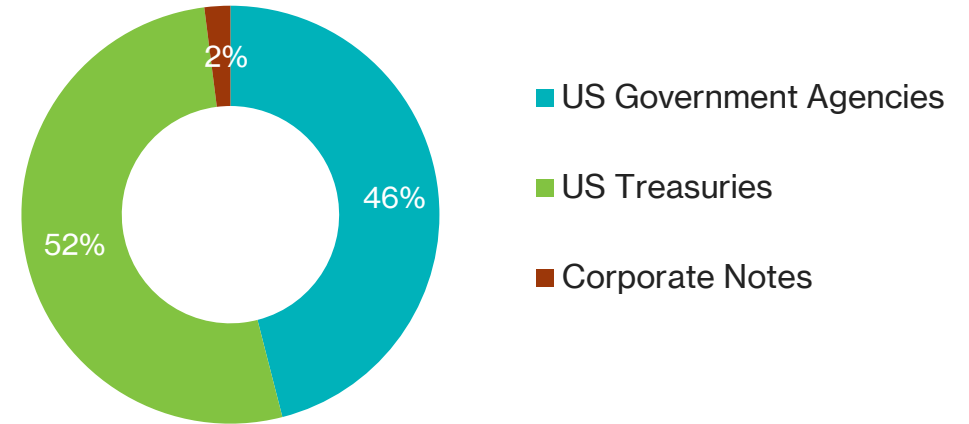
Your Portfolio

Cash	\$45,663
Securities	\$62,408,648
Total Portfolio	\$62,454,311

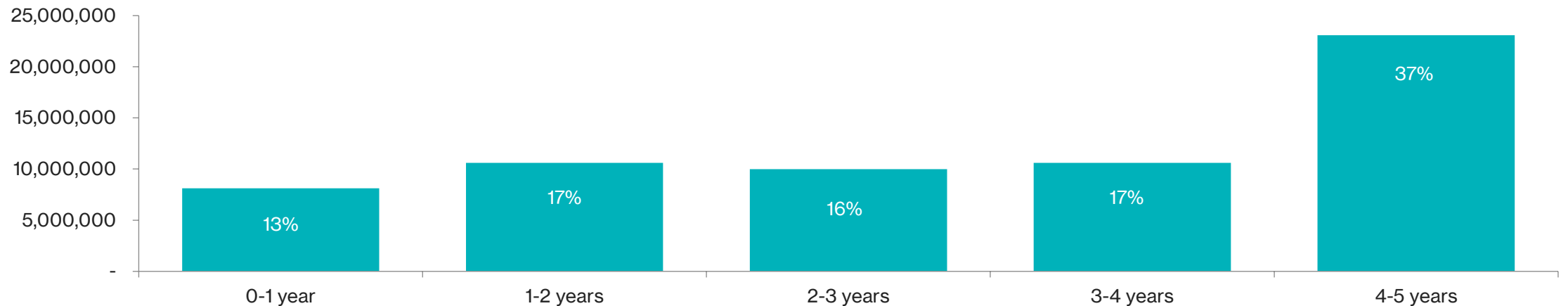
Your Securities

Weighted Average Maturity	3.04 years
Weighted Average Yield	3.32%
Estimated Annual Income	\$2,071,967

Your Asset Allocation



Your Maturity Distribution



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Compliance Review - Opioid Settlement Portfolio as of 6/30/2024

Policy Requirements	Current Allocation	Max Allocation	Test Results
U.S. Treasury Bills/Notes/Bonds	52%	100%	✓
U.S. Government Agencies	45%	100%	✓
Commercial Paper & Bankers' Acceptances	3%	40%	✓
Municipal Bonds/Notes	0%	20%	✓
Money Market Mutual Funds	0%	75%	✓
Corporate Bonds/Notes	0%	15%	✓
Foreign Bonds/Notes	0%	2%	✓

✓ = Compliant ✗ = Non-compliant

Disclosures



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