

Joint Finance Committee/Treasury Investment Board Meeting
April 11, 2024, 1:00 p.m. Village Hall

Members Present: Chairman Chris Berger, Council Member Dennis Galicki, Mayor Koons, Fiscal Officer Romanowski, Solicitor Matheney

Visitors: Eileen Stanic, Meeder Investments; Council Member Canton, Police Chief Rizzo

Berger asked how Meeder Investments stays ahead of the curve in terms of investment strategies. Stanic advised that the services of Meeder Investments start with the discussion about cash flow. Last year, this was a key point in that some of the dollars in the portfolio would be spent down so there was a need to make certain the funds were available. What she would hope to gain from today's discussion is whether this is still the case, and what the Village saw in terms of cash flow over the next few years. Taking the cash flow into consideration, Meeder then looks at what is happening in the economy and interest rates. Two components drive what the Federal Reserve does: inflation and jobs. Jobs have been strong, and inflation has been very high. It has come down, but recently is showing signs of being at higher levels than the market and Fed would like to see. Structuring the investment portfolio involves anticipating the future in terms of where the economy and inflation are headed and how this translates into structuring the investment portfolio in terms of long-term or short-term investments. Currently, there is an environment where interest rates exist that have not been seen in 15 years. Cash flow permitting, this provides the opportunity to lock in the rates providing stability to the interest income component. The economy fluctuates and experiences downturns, which is the reason for taking a long view and providing the buffer.

Stanic distributed and reviewed a handout (Attachment A) analyzing the \$1 million investment portfolio. Currently, a fair amount of the portfolio, based on last year's discussion, is set to mature in the next 12 months. The balance is spread out over the next four years. The investments were made with the direction of the Treasury Investment Board (TIB) based on timing. The Fiscal Officer noted that interest rates with STAR Ohio are high right now. Stanic concurred and added that STAR Ohio is a liquid investment that maintains short-term maturity because funds must be available to immediate liquidity needs of the participants. Consequently, the rate will follow what the Federal Reserve does with the overnight rate. She explained that there was a period where the Federal Reserve embarked on the fastest rate hiking cycle in 40 years, going from 0 to a range of 5.25 to 5.5 percent. After July 2023, they stopped raising rates after seeing evidence of a banking impact in March with bank failures. The economy was going a little sideways and inflation numbers were starting to come down. She further advised that monetary policy works with a lag, and it takes time to work its way through the economy. The Fed determined it was an appropriate time to maintain the status quo. Fast forwarding to October 2023, the market and Fed were communicating that one additional rate hike would be warranted. Economic data continued to soften, and inflation dropped. By December, the Fed pivoted its message as well as the market. The next move would be a rate cut, instead. This is the current environment. Rate cuts may be in order in 2024. The expectation at the beginning of the year was that there would be three rate cuts. This has changed to one rate cut in 2024, and the market is aligned with this expectation. The current environment would be characterized as a period of transition with rates that shot up to combat inflation and then inflation dropping and stabilizing. Job and economic growth have remained solid. The expectations are that things will slow down gradually and that lower interest rates are on the horizon starting some time this year and continuing into 2025.

Berger asked why more money had not been moved out of the securities portfolio and into STAR Ohio since it is clearly earning a higher rate of return than the securities. Stanic explained that the reason for this has to do with the way that public entities operate. The books are kept on a cash basis and do not realize losses. In the fixed income market, as interest rates rise, the market value of the securities drop. In order to make a big shift, losses would have to be realized on the Village's funds. Even though there is a gap between the overnight rate versus the portfolio rate, as the interest rate environment changes, that dynamic also changes. Berger asked what the securities are. Stanic replied that they are bonds. Berger concluded that this was why the market value of the bonds had gone down because the rate of return was not keeping up with the market. Stanic concurred. He further verified that Meeder would let those cash out over time as they expire and then put the money into STAR Ohio since the rate of return is higher than the bond market. Stanic, explained that this is not necessarily the case. If the direction of the Village is that it will be spending down the money, it would be logical to move the funds out of the investment portfolio and into STAR Ohio. If the direction is that the Village will be able to have the \$1 million around for some time, they would look to keeping it lower within the short term and potentially add to get close to the STAR Ohio rate because the expectation is that the STAR Ohio rate is going to drop. This would have an immediate impact on the interest income earned by the Village.

Berger asked if Stanic had seen the Village's 2024 budget, and Stanic said she had not. Berger noted it is currently April, and how would she know what the investment strategy should be if she has not looked at the budget and what the Village expects to spend. Stanic explained this was the reason she requested a meeting. Berger asked when the last time was that she saw a monthly financial statement from the Village, and stated that on a monthly basis, the Village knows where its cash is and would this not impact the investment strategy? Stanic said that it would but added that knowing the cash today is part of the equation, but from her perspective, the bigger piece is where the cash is heading. Berger said the budget and what the Village expects to spend would be two important pieces of the discussion. Stanic agreed. The Fiscal Officer stated that this is why it is important to put the salt dome and all the other expenses in the budget. She estimated that there were \$926,000 in possible additional projects that are not in the budget. Until those decisions are made, it makes it difficult to identify what money can be invested without clarity on what the Village is doing in terms of projects. The Mayor stated it was not Stanic's fault but the Village's fault. The Fiscal Officer concurred and clarified that giving Stanic the monthly financials would not tell her about plans to spend another million dollars. Berger concluded that it is the Village's job to communicate its expectations so that they can make the best investment decisions. If they are not told, they cannot be blamed for what they do. From her perspective, Stanic tries to prepare for the unknown based on previous conversations, which was, to the Fiscal Officer's point, that there were pending additional projects where no decisions had been made and therefore a conservative approach was needed. Otherwise, she would be looking at investing funds further out term wise inside of a three-year period. Berger asked what the longest period of time they would consider from an investment perspective. Stanic explained that the Ohio Revised Code (ORC) limits investments out to five years. It limits the types of securities with which the Village can invest to bonds, predominantly U.S. Government Treasury securities and government agency securities as well as FDIC Insured CD's. These are the primary investment options in addition to municipal securities.

The Mayor provided observations about the performance of the Village's investments over the past year. He noted that \$500,000 will be maturing this year and asked where Stanic saw this money being invested. Stanic explained that if it can remain in the investment portfolio, then she would consider extending a portion of it and keeping a portion very short-term with being in the transition period with interest rates.

Berger stated that Council agreed that the Village would keep a \$1 million safety net and would not spend down cash balances below \$1 million unless there were an emergency. He did not know what the emergency would

be. From an investment standpoint, Berger said the \$1 million is long term. Beyond that is a budgeting question. He referred to the March income tax receipts and noted that in five years there had been a 45% increase. Berger indicated that in the last two years, there had been a 20% increase. The Mayor agreed and said the Village is in a flush situation that will continue. That being said, Berger said that at the end of March, the Village was sitting on almost \$3.5 million in cash. \$1 million is in securities. How much is needed for monthly operating expenses? According to the Fiscal Officer, there is what the Village has certified from the county in revenues the Village expects this year minus what is currently budgeted, plus the other potential projects which leaves \$1.5 million. The Mayor clarified that this is if the Village were to do its Christmas list. The Fiscal Officer agreed. The Solicitor asked if this included the \$1 million in investments, and the Fiscal Officer concurred. Berger observed that there is \$1.8 million in the Huntington checking and wondered how much could go to STAR Ohio at 5.47% since this is liquid. Stanic explained that the rule of thumb is to maintain 20% total cash in the checking account, which would be \$700,000 for the Village. The balance could be kept in a combination of STAR Ohio and securities. However, she would defer to the Fiscal Officer who knows the cash flow of the Village. Money in STAR Ohio can be taken out on the same day and local banks may also require certain balances to offset service charges. Berger asked about service charges, and the Fiscal Officer said she would need to inquire. Berger proposed moving \$800,000 to STAR Ohio. The Mayor proposed keeping 800,000 in checking, and Berger said it is \$1 million and \$800,000 to STAR Ohio. Berger further explained that as the \$1 million in investments roll over, they should continue to look at long-term investment strategies.

Berger commented on utilizing short-term investments while interest rates are high. Stanic added that this can be risky from the standpoint of when they shift. It can result in missing out on opportunities with term rates, which can drop as well. This is the reason for a balanced approach.

The Solicitor advised that the TIB would make a recommendation to Council, potentially at the next meeting. Berger clarified that this would be at the April 22nd meeting. The recommendation would be to change the fund structure. The Solicitor stated that the Codified Ordinances state that no investment of Village funds in excess of 20% of the ending fund balance of the last day of the preceding calendar year may be made without the approval of the majority of Council members. Berger thought that they would exceed 20%. The Fiscal Officer offered that this would just mean Council would have to approve it. The Solicitor further advised that technically the other changes do not require Council approval which is part of ORC. Berger said this would be put on the April 22nd agenda to move funds as discussed and ask for Council's approval. Then the Fiscal Officer can let Stanic know. The Fiscal Officer said that this is good for now because STAR Ohio has high rates but what happens when they start coming down and the Village does not have things invested for five years. It would be beneficial for the Village to be able to get a better rate of purchasing when things are low because it will start turning around. This is where the plan of the Village comes in because if they know what projects are coming up in the next couple of years, then they will know what cash they need and what they can invest. Berger agreed and said they need to continue to press forward for the Master Plan.

The Mayor asked if the Village set a limit with STAR Ohio as to when the Village pulls back. Berger responded that the STAR Ohio rate will always be higher than the Huntington rate. The question would be whether they should take those funds and put them in longer term investments. However, the Village cannot do this because they do not know what money the Village will need. Until there is a better four- or five-year plan, it is hard to direct Stanic to lock the \$1 million up for four years. Stanic said that as the Village's advisor, she would not recommend that in view of the conversation of the cash flow. Berger suggested that as the budget is updated as well as the monthly financial summary along with the key events like income tax receipts that this information is passed along to Stanic.

The Mayor asked Stanic if there are things the Village is not doing that it should be doing. Stanic said what they had been discussing was the biggest priority. Secondly, it will be for the Fiscal Officer to reach out to Huntington Bank to inquire about the service charges. Meeder can help determine whether the relationship between the level of service charges and balance maintained in the account is appropriate. The other piece would be to ensure there is no money left on the table.

Stability and interest rates were discussed. Stanic explained that rates can be volatile and are dependent on many factors to include global, fiscal policy coming out of the White House, funding from the states, as well as what happens with consumers and businesses. No one has a crystal ball, and the way they counter this uncertainty is to have a discipline plan. This is to have the investment portfolio diversify across maturities so that they are not subjecting monies to a high degree of reinvestment rate risk.

Stanic concluded her presentation.

The Fiscal Officer informed the Committee that Tom King, the resident member of the TIB, had moved. There was a second candidate, Jim Thie, whom the board interviewed. She asked if the board wanted to reach out to him to see if he was still interested. The Solicitor reminded the board that the requirements were for the individual to be a Village resident with a background in finance. Berger agreed that they should reach out to Thie and if he is interested, invite him to the next TIB meeting. The Mayor said he would call him. Stanic offered to bring the new member up to speed with what ORC limitations are with investment of public dollars. The board agreed that the whole board would benefit from a refresher at the next meeting.

The Chief referred to an email with Automatic Data Processing (ADP) and advised that ADP wanted to install a fiber optic cable from Village Hall to the Service building. The project will cost \$10,500. The Village would save \$1,956. on one internet connection per year and the license fee per year. This would be a \$2,300 savings. It is not a deal breaker. It would involve removing one more firewall in the system. One bigger firewall would be required and an annual maintenance fee of \$595. He questioned whether this would be worth spending another \$10,000. ADP believed it was important. From the Chief's perspective, it meant one less entry point for the bad guys to gain entry as well as modernization of the Village. However, it was not included in the original proposal, and he did not know if it was on ADP's radar at the time of the proposal. If the Village were to do it, it would not hurt, but it is an additional cost. The Chief thought the Village could go either way. Transitioning to fiber would eliminate one piece of equipment at the service building.

Berger did not recall a \$10,000 cost estimate of running the line during initial discussions with ADP. Galicki could not recall how this matter evolved and thought it was initially presented as an option. Berger recalled a conversation with the Street Commissioner about a channel under the parking lot that could be used for the cabling. The Chief said ADP was talking about fiber optic directly from the provider, and there would be one fiber optic connection for all three buildings. They never discussed one connection from Village Hall to the Service Department. This is different. Berger asked the Chief if having this done would put the Village in a better position for the future. The Chief said that if a municipal center were being considered in the next five to ten years where this cable would have to be torn out, then no. If they are thinking more than five to ten years out, then it could be helpful in the future. His personal opinion was that it was a lot of money for what it would accomplish, and he did not like that it was presented after the fact. However, ADP has indicated it is not a deal breaker. The Fiscal Officer pointed out that with advances in technology, is it better to do it now. Berger did not see the municipal center being a reality in the next 10 years. It was discussed that this would also facilitate eventually running the line to the Police Department. Berger and the Chief discussed the possibility of installing a faster connection. The cabling proposed by ADP would help with this. Berger concluded that if

higher speed internet services are a potential, the cabling proposal makes sense as a long-term investment for the future. Galicki concurred. The Chief indicated that it is a private company with whom the Village could contract directly or ADP could modify its agreement with the Village. There was discussion as to whether there was a not to exceed dollar amount in the ADP agreement, and the Chief advised the purchase order would be short \$3,500 with the cabling charge. Berger suggested amending the not to exceed to read not to exceed \$50,000. The Solicitor stated that the Village has the proposal and agreement from CCI, the private vendor. She thought it would be cleaner to go directly to CCI. The committee discussed the necessity to obtain three quotes, and the Mayor suggested it would be cleaner to go through ADP. Liability was discussed. It was noted that the email said that ADP could arrange for the work and incorporate the cost in the Village's final expenses. Berger said to communicate with ADP the Village's preference and to generate an additional purchase order. The committee will present it to Council on April 22nd.

The Chief offered that the Village should be prepared for next year when it would be billed the recurring costs less the second firewall that will not be needed.

The Chief addressed body cams/video cams with the Police Department. As background, when the bodycam project started, the department decided to go with a centrally located server at the Police Department to avoid paying the cost of a subscription. The server was due to be replaced next year, and the Chief found that he can no longer manage it locally and has to get a subscription. There are two options. One choice is having another server at the station that is subscription based. The other is going 100% to the cloud with no server in the station. The cost of this is astronomical with a five-year plan costing \$76,000. The other option is to have a server at the station with a subscription cost of \$36,000 for five years. It includes the equipment, but there is a catch. The Chief explained that when they originally got the system, the company sent a server that they did not use. The Chief thought they had purchased it, but apparently this was in error because they received a bill for \$6,800. They can pay for the server now and start to migrate to the new system or he can just send it back. There is the potential to save thousands of dollars on a new server, but this one is a year and a half old. He is not happy with subscriptions, but this is the direction things are going. Body cams and in-car video are necessities for the department, but he cannot squeeze more time out of the local server. The Chief said the initial cost would be just under \$7,000. Going forward, however, there would be the annual expense for the subscription. The Fiscal Officer advised that in the long term, it appears everything is going to the cloud.

The committee discussed the price of the server. A new server could be obtained for \$8,295 and Berger supported getting a new server for an extra \$1,500. There was further discussion of equipment and subscription options. Berger concluded that the recommendation should be that the Chief should buy the new server at \$8,295 and purchase the five-year subscription plan. At the end of five years, he assumed they would end up with the cloud. Berger asked if there was any grant money available. The Chief had looked but was unsure they would qualify again. Berger suggested calling Steve Balaban to see if he was aware of any. If Balaban found there was, then the Village could look at contracting with him for those services.

The Chief discussed software used for redacting camera footage. It is very expensive, and Orange Village has offered to do it for the Village. Berger proposed a regionalized program. The Chief said that the Village can go in with another municipality to share the software. The Chief said he would look into grants regarding the upgrade to the server and check with Geauga County about shared redaction software.

The Fiscal Officer addressed the Bell Road East Reserve Fund which expires in 2024 in relation to the Bell Road east grant which would not be available until 2025. The Solicitor explained that it would be necessary to repeal the resolution setting up the reserve fund. In the resolution, Council would authorize the Fiscal Officer to

close the fund and deposit any balance in the fund from which it was originally taken. Once the resolution is rescinded, it is sent to the Geauga County Auditor. The Fiscal Officer questioned closing the fund in light of some expenses already incurred for Bell Road East. Discussion ensued about Bell Road East paving and Bell Road East culvert. The Fiscal Officer concluded that she would consult with the Auditor for guidance.

The Fiscal Officer advised that the 2.75 mill Safety Levy can be put on the ballot this year for renewal. Legislation will be on the Council agenda to get the Auditor's certification on a renewal.

There was discussion about the proposed Reserve Study for the Village and entities that perform such a service, to include CT Consultants. Berger clarified that in previous discussions, it was not his intention to suggest that the Village should use the Russell Township Reserve Study as a template and do the project internally. His intent was to suggest that the Village identify a similar contractor to conduct the study. He hoped the Properties Committee will make a recommendation to Council that the project be put in the budget in 2024 or 2025. The Fiscal Officer explained that there are two pieces, a reserve study that addresses current assets of the Village and a strategic plan to identify items/projects that the Village wants moving forward. Berger agreed and offered that the results of the Reserve Study would drive the strategic plan.

The next Finance Committee meeting will be changed from May 16th to May 9th at 10:00 p.m.

The Fiscal Officer addressed the Building Committee discussion about the use of credit cards for payment through the City Force software. The Building Department Administrative Assistant would explore the associated costs for doing this. The Fiscal Officer reached out to colleagues in surrounding communities, and no one uses credit cards for their Building Departments. She further explained that a lot of the money taken in through the Building Department are refundable deposits. This would lead to the question of how refunds would be done, and how associated service fees would be covered. In discussing the matter with the Building Department Administrative Assistant, it was conveyed that people have to bring in their plans anyway. She had concerns that once a payment was made, the individual might think they are finished when there may be more paperwork that needs to be completed. Berger explained that he brought this issue up based on conversations with the City Force software personnel who demonstrated all the bells and whistles of the software. They were pushing for permits that could be done online which would then require online payment. If it does not make sense, he had no problem with it, but this was one of the justifications for transitioning to this software program. The Mayor stated that Chris Bell thought taking credit cards would be a great idea so it is something that should be hashed out at the next Building Committee meeting. The Solicitor asked if pavilion registrations would be included in the permits that could be acquired online with credit card payments. The Fiscal Officer said that was another discussion point of whether someone would reserve for multiple dates and then only use one.

Galicki asked the Fiscal Officer about the list of unbudgeted projects that are currently in the mix. The Mayor suggested she send it out to Council in the next month. She agreed she could send something out showing where the Village would stand with the budget if all the projects were included. Her concern, however, is that without the plan, decisions are being made to do individual projects without the committees having the knowledge of what other committees are planning to do. Galicki acknowledged that there are a lot of things on the table and not as much money as people think. A written explanation would help Council prioritize and focus on what projects can happen this year, and which can wait. Berger addressed the problem with the salt dome of budgeting with pending grant applications. The Solicitor advised that the existing proposal for the salt dome is through SourceWell, the joint purchasing program. There is an Ohio Attorney General communication that was released in March that said that because it involves construction costs, it is not permissible to use the joint purchasing program. The Village is required to competitively bid the project. This will add time to the project

timeline. Berger suggested having a conversation about this with the Street Commissioner. He further concluded that the Village would have to go through the competitive bid process for the restroom in the park as well.

The Fiscal Officer advised that even with the projects that are below the threshold for competitive bidding, contractors are watching. The Village has received a couple of calls and complaints from contractors about the projected big solar project and wanting to have had the opportunity to bid on it.

Canton addressed the proposed park restroom. He advised that the Village had been using the "Vega" of restrooms in the park and he would prefer the "Buick." It does not have to be the "Cadillac," although that would be nice. Regarding the crosswalks, he spoke with the Chief to get an idea of the current cost. The Chief provided the Safety Committee with an estimate of \$32,000 each. Canton wanted two crosswalks, but in consideration of the budget, would be agreeable to one at the park. Perhaps the crosswalk at the school could be next year. He further advised that the Gurney principal did not think there is a need for a crosswalk at the school. The greater need appears to be at the park. The Solicitor asked how this correlates to the survey, and Canton explained that there was little response to it. Furthermore, one individual initially brought the crosswalk proposal forward, but no longer lives in the Village. Canton wanted to make a motion, have discussion, and vote about it at the next meeting. Berger cautioned that they need to put the numbers on paper so everyone can see it. There is a hard floor of \$1 million and they are not going below it. The salt dome is a necessity and probably one of the biggest Village projects. Canton advised that he would like to see a very nice and appealing restroom in the park that would be easy for the Service Department staff to clean. It would be nice if the money were there to have running water and electricity. The Fiscal Officer asked if the committee had a dollar amount. The budget was \$86,000; \$6,000 was approved for Ann Dunning's designs. Canton wanted to have a discussion with Council to determine definitively to go forward with it or not.

The Mayor referenced recent grant applications for the salt dome and park restroom. He asked if the Village would have been better prepared for situations like this if the Village had a grant writer employed. Galicki said not necessarily. The Fiscal Officer said that the Village needs to know what its projects are and then find applicable grants. The Mayor said the Village is scrambling around. The Solicitor offered that the Village acted on the grants as soon as they were identified. She concurred with the Fiscal Officer about the necessity to first have projects identified. The Mayor said his concern was that if they had somebody out there looking, the Village would be better prepared. Galicki pointed out that the Village would have to direct the grant writer, which was the whole issue with the grant writer they interviewed. He would not be looking for monies for undisclosed projects. The Village would need to point him in a specific direction. The Mayor said that the grant writer asked if the Village wanted him to look into the NatureWorks grant for the restroom on his own. The Fiscal Officer pointed out that the grant writer knew this was one of the Village's projects therefore had some insight into a possible grant. Galicki indicated that the Village applied for the previous NatureWorks grant for the restroom and it was denied, which delayed the project. Had the Village just gone with the prefab building, they would have a structure in place and would not be faced with the increased cost. Canton concurred. Galicki concluded that they are their own self generating delay system with continuously asking about running water, heated seats, finding more grants, etc. Meanwhile, time marches on and expenses increase. The Fiscal Officer relayed that at the Local Government Conference, there were many training sessions on grants and their emphasis was that municipalities should have a list of projects they are looking to do, and then look for grant funding available. They stressed there is a lot of grant money out there, but it is important to have a forward-looking detailed project list ready for when the right funding is found.

The Fiscal Officer reported that CT Consultants has merged with another company, but the Engineer will continue to work for the Village under the CT name for the foreseeable future.

Berger adjourned the meeting at 2:52 p.m.



APRIL 11, 2024

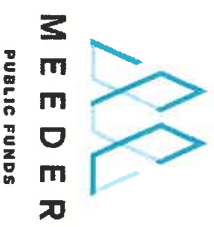
Village of South Russell Investment Strategy Update

PRESENTED BY:

EILEEN STANIC, CTP
REGIONAL DIRECTOR, ADVISORY SERVICES



MEEDER
PUBLIC FUNDS

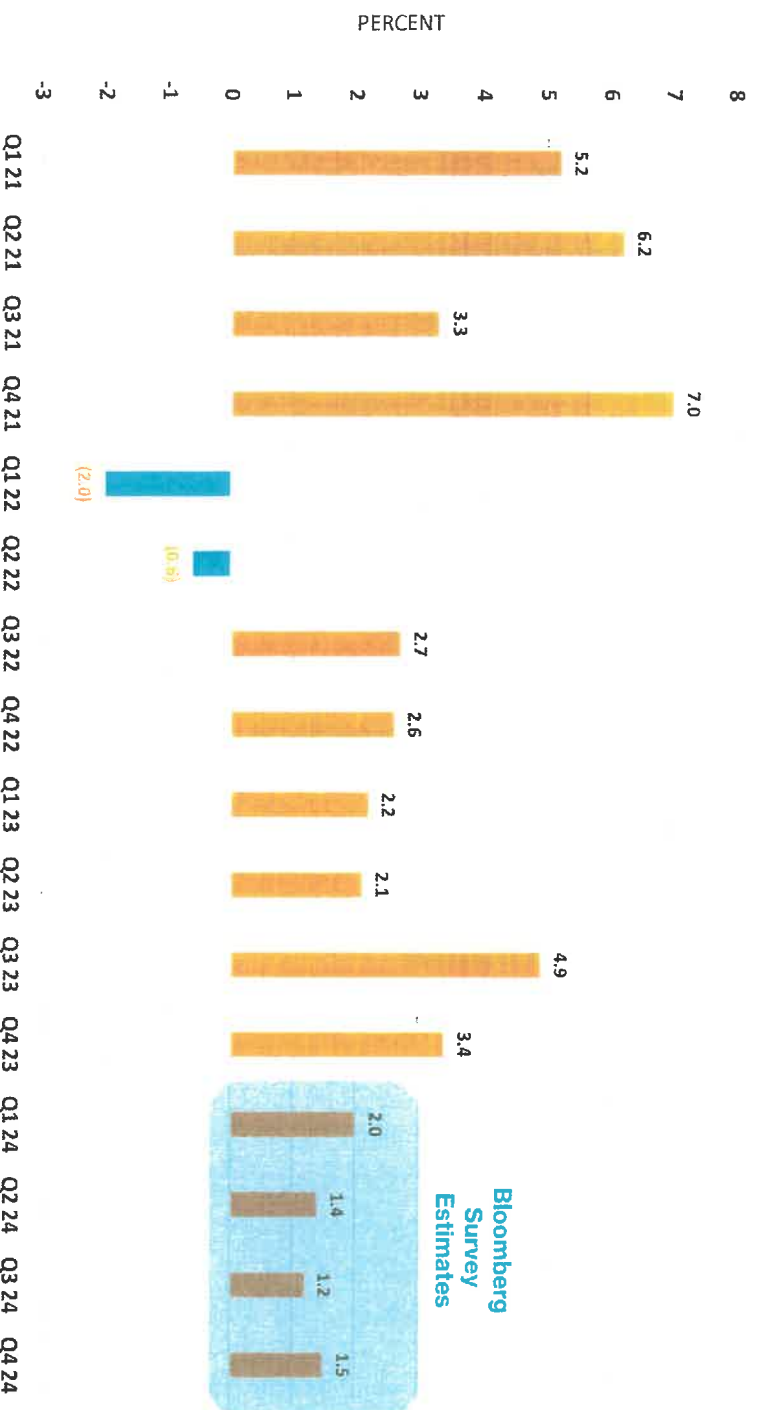


ECONOMIC UPDATE

Economic Growth



US QUARTERLY GDP CHANGE

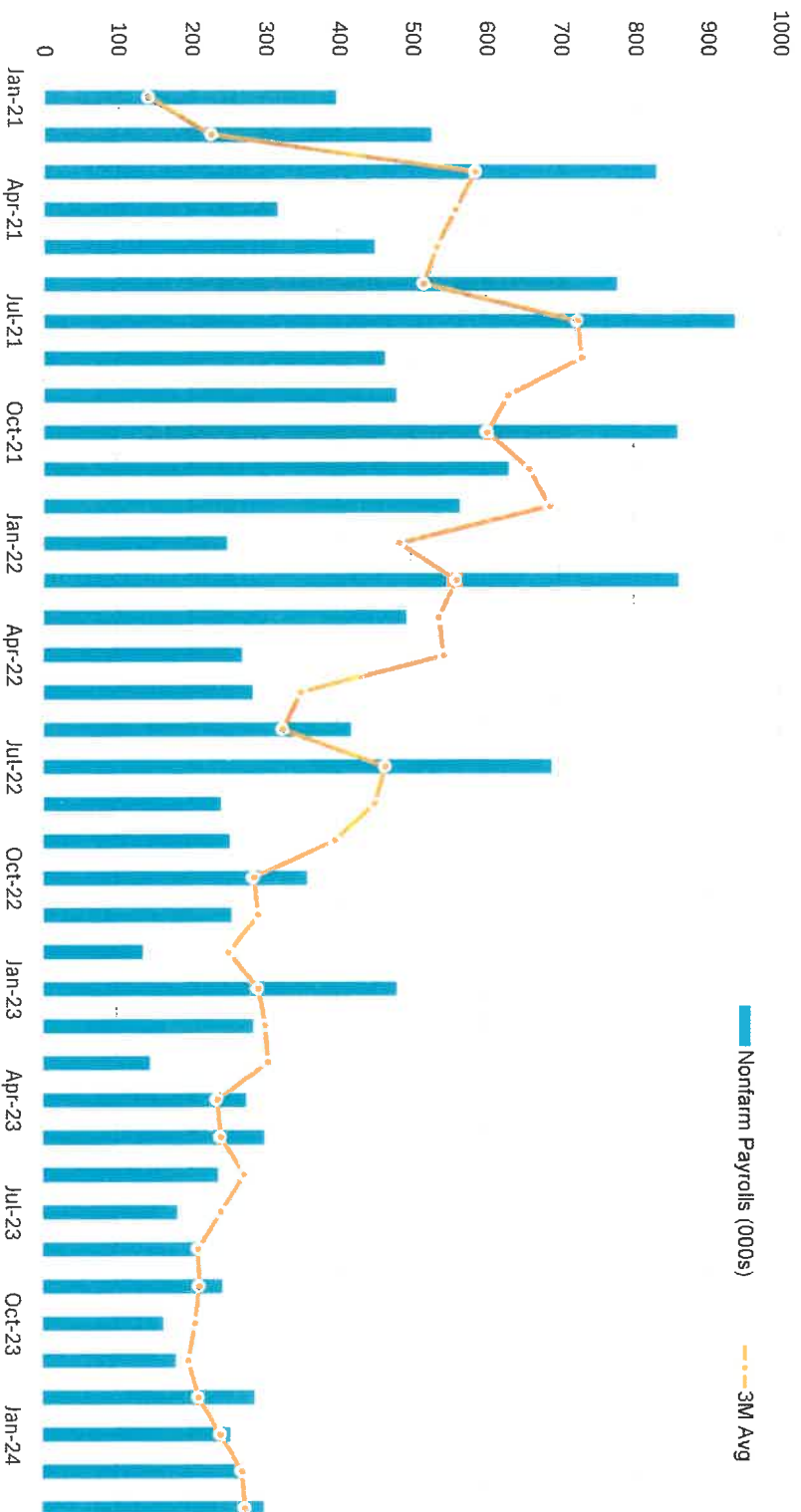


SOURCE: BLOOMBERG

- The U.S. economy grew much faster than expected in the third and fourth quarters of 2023.
- Economists and strategists surveyed by Bloomberg expect GDP to slow below trend during 2024.
- This slowing growth is due to a few factors; one primary one is less stimulus from the federal government as compared to the previous few years.
- The estimates for the decline in GDP has been one of the contributors to lower intermediate-term interest rates since last October.

Job Market

Nonfarm Payrolls



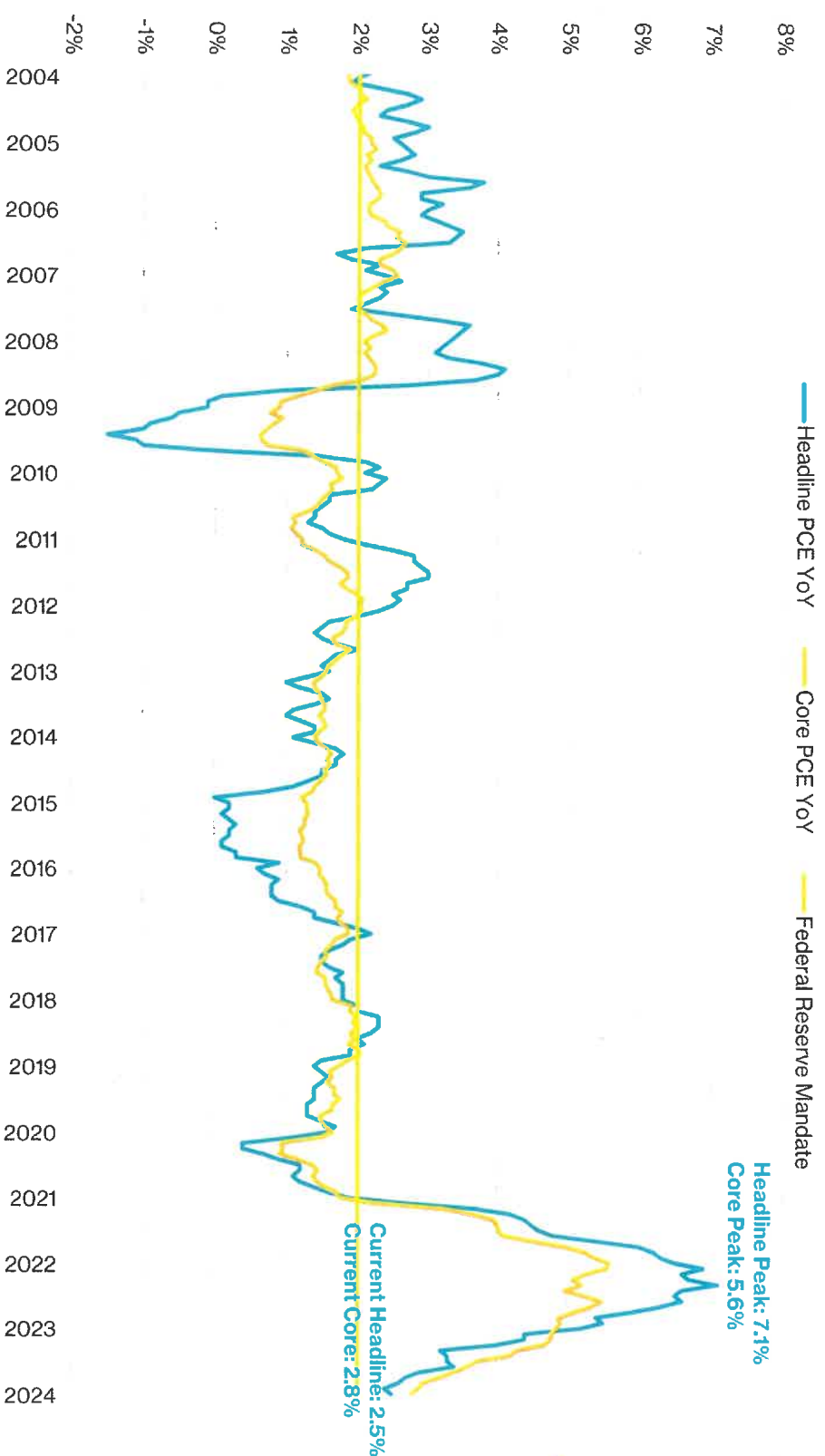
SOURCE: BLOOMBERG



MEEDER

- The U.S. employment sector remains robust.
- The U.S. economy has experienced 38 consecutive months of job growth.
- The 3-month average job growth has accelerated since the later part of last year.
- Job openings have declined but remain well above pre-pandemic levels.
- The healthy job market has helped keep consumer spending at a high level.

Inflation



5 SOURCE: BLOOMBERG

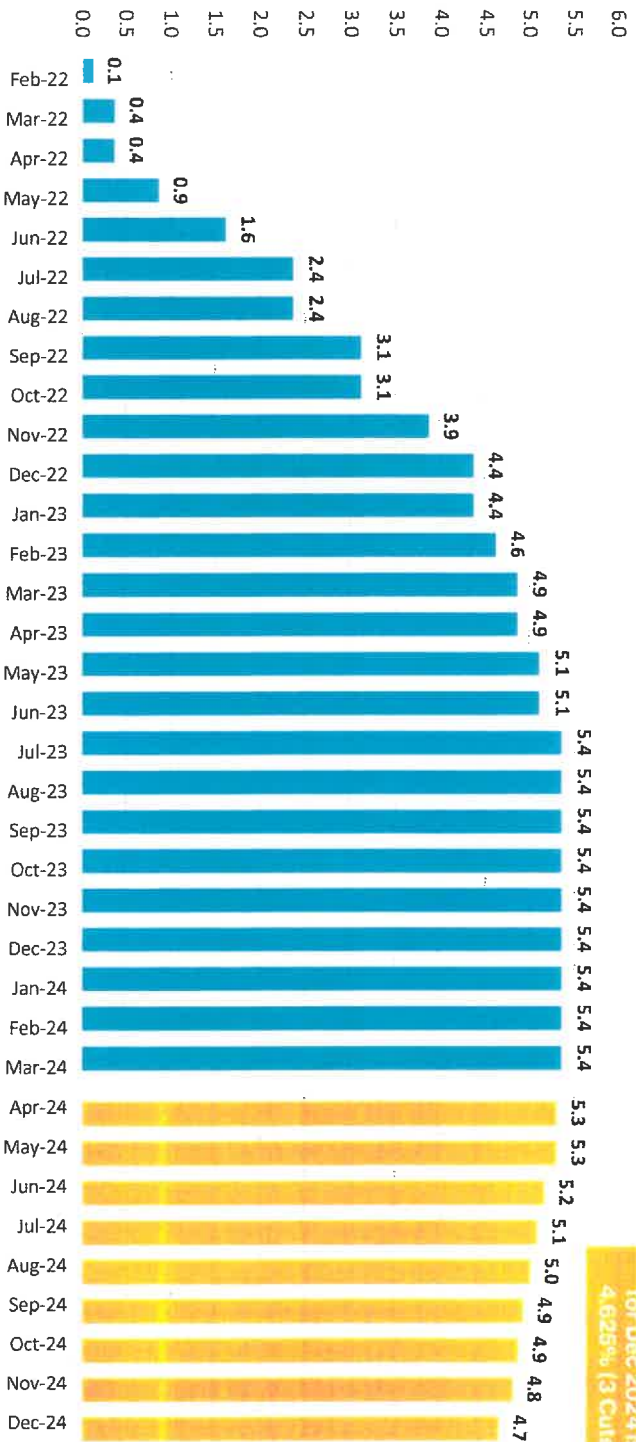


- The Consumer Price Index (CPI), has shown signs of stickiness the past six months, averaging about 3.2% since last September.

- The Fed's preferred inflation metric, Core Personal Consumption Expenditure (excluding food and energy prices), continues decelerating, but is still above the Fed's 2% target level.

Fed Funds

Fed Funds Mid-Rate Actual History and Fed Funds Futures



Fed's Projection for Dec 2024 is 4.625% (3 Cuts)

Meeting Date	1/31/24	3/20/24	5/1/24	6/12/24	7/31/24	9/18/24	11/7/24	12/18/24
Hike/Pause/Cut	Pause	Pause	Pause	Pause	Cut	Pause	Cut	Cut
Basis Point Change	0	0	0	0	(25)	0	(25)	(25)
Fed Funds Mid Rate	5.375	5.375	5.375	5.375	5.125	5.125	4.875	4.625

SOURCE: BLOOMBERG AS OF 4/11/24

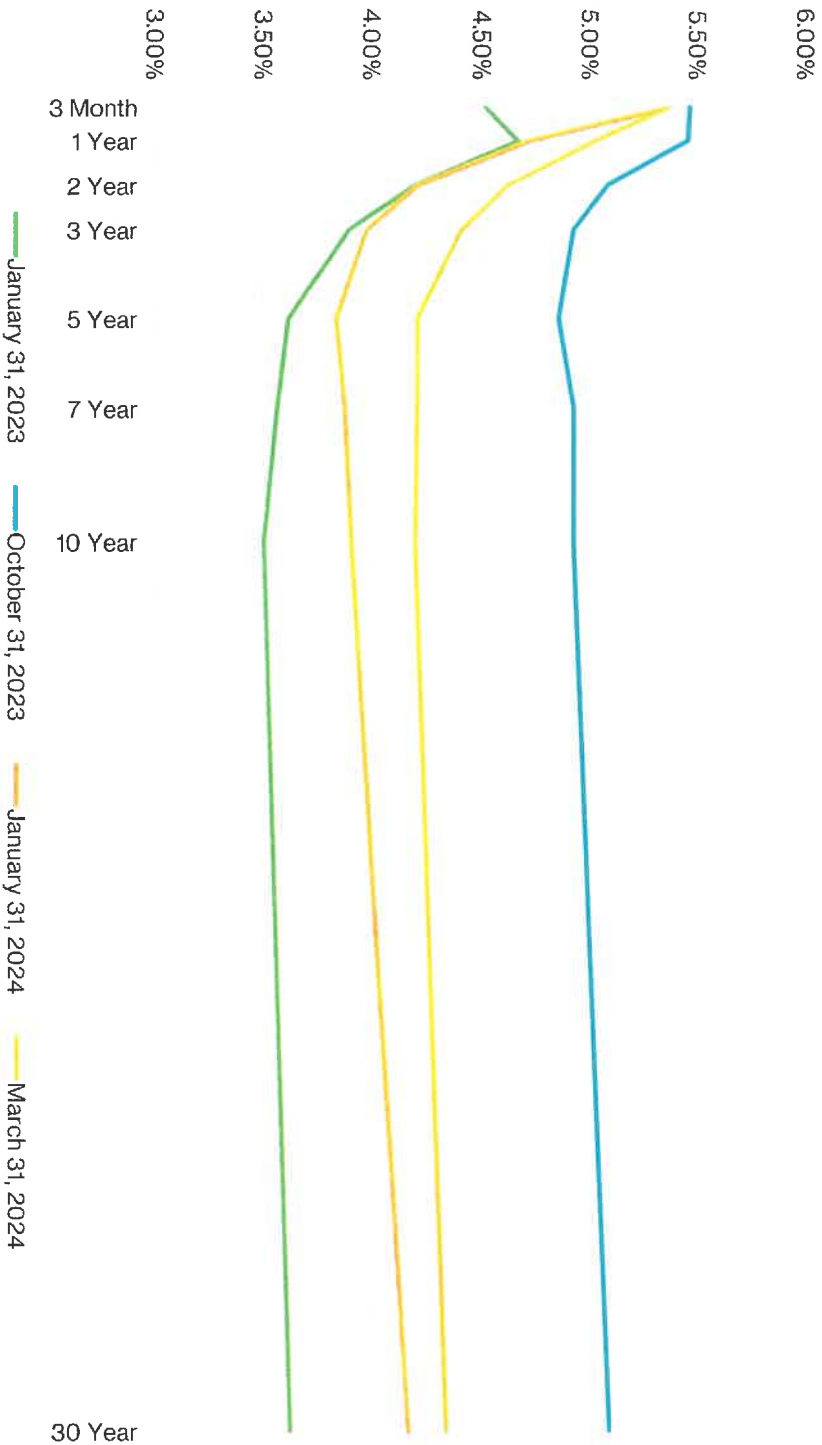


The Fed Funds futures market is also expecting about 3 cuts this year. However, the futures market was projecting about 7 cuts back in January 2024.

The futures market is currently expecting the first cut to occur at the July 31, 2024 meeting.

Interest Rates

US Treasury Yield Curves



SOURCE: BLOOMBERG



- With growth (GDP) estimates slowing this year and inflation declining materially from the summer 2022 highs, intermediate and longer-term rates have dropped from last fall's peaks.
- Intermediate and longer-term rates are generally much more correlated to growth and inflation expectations.
- Short-term rates, such as the 3-month treasury, generally have a high correlation to the Fed Funds rate.



M E E D E R
PUBLIC FUNDS

PORTFOLIO REVIEW

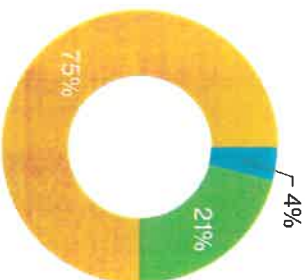
Current Portfolio

Village of South Russell portfolio as of 3/31/2024

Your Portfolio

Cash \$656,715
 Securities \$1,032,074
 Total Portfolio \$1,688,789

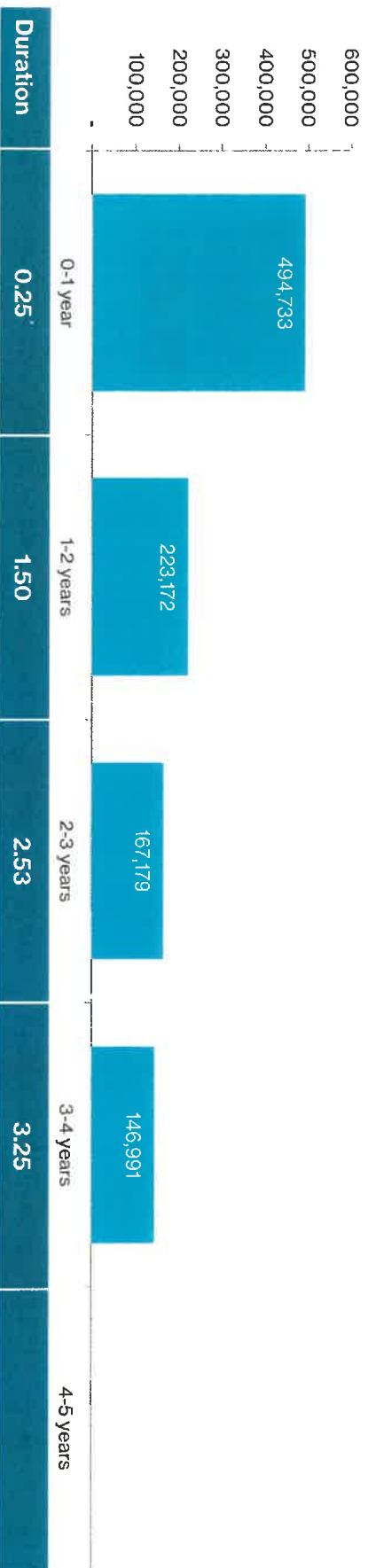
Your Asset Allocation



- FDIC-Insured Products
- Money Market Fund
- US Treasuries

Your Securities
 Weighted Average Maturity 1.35 years
 Weighted Effective Duration 1.28 years
 Weighted Average Yield 4.18%

Your Maturity Distribution



Projected Interest Income



ACTUAL INTEREST INCOME REFLECTS INCOME RECEIVED ON SECURITIES HELD IN THE CUSTODY ACCOUNT AND DOES NOT INCLUDE INCOME RECEIVED ON CLIENT MANAGED ASSETS. PROJECTED INTEREST INCOME REFLECTS INTEREST TO BE RECEIVED ON EXISTING SECURITY HOLDINGS AS OF 4/9/2024. PROJECTED INTEREST INCOME DOES NOT ASSUME ANY REINVESTMENT OF MATURITIES.

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