



**Investment Advisory Committee  
Meeting Minutes**

**April 20, 2023**

Committee Members Present: Al Fullenkamp, Committee Chair  
Robert Ruzinsky  
Mary K. Stanforth

Committee Members Excused: Adrienne Heard  
John A. Lumpkin, Jr.

Others in Attendance: Kena Brown, City of Dayton  
Jonathan Parks, Montgomery County  
Eileen Stanic, Meeder Investments

Mr. Fullenkamp called the meeting to order at 12:00 p.m. and roll call was taken:

**Roll Call**

Mr. Fullenkamp - Yes  
Ms. Heard - Excused  
Mr. Lumpkin - Excused  
Mr. Ruzinsky - Yes  
Ms. Stanforth - Yes

A quorum was present and proper notice of the meeting had been given.

**Approval of January 19, 2023 Meeting Minutes**

Mr. Fullenkamp asked if attendees have questions or corrections pertaining to the minutes?

Upon hearing no questions or corrections, MOTION was made by Mr. Ruzinsky and SECONDED by Ms. Stanforth to APPROVE the January 19, 2023 Investment Advisory Committee meeting minutes.

The Motion was APPROVED 3-0.

## **Meeder Investment Financial Presentation**

Highlights from Ms. Stanic's economic update include the following:

- Fourth quarter Gross Domestic Product (GDP) increased by 2.6%, after an increase of 3.2% in the third quarter. The pace of economic growth is expected to slow further as signaled by the leading economic index registering a decline for eleven consecutive months. The World Bank's forecast for global growth in 2023 was increased slightly to 2% from its previous projection of 1.7% in January.
- Employment gains remain solid with nonfarm payrolls averaging 344,000 per month over the quarter with the labor force participation rate steady at 62.6% in the first quarter. The unemployment rate stands at 3.5%. However, businesses have started to lay off workers or institute hiring freezes due to reduced demand for goods and services.
- Inflation has continued to exceed the Federal Reserve's (Fed's) 2% target. The core Personal Consumption Expenditure (PCE) index stands at 4.6% as inflation has become persistent and broad-based. Oil and diesel prices are off their highs last year but remain subject to recent geopolitical events. Long-term inflation expectations have dipped closer to the Fed's 2% target.
- The yield curve remains inverted with the yield on the 10-year US Treasury 0.55% less than the 2-year US Treasury, a reliable signal of an increased probability of recession. As of 3/31/2023, the 2-year US Treasury yielded 4.03% and the 5-year US Treasury yielded 3.57%. The yield on STAR Ohio stands at 5.02%.
- The Federal Reserve met on March 21-22, increasing the fed funds target by 0.25% to a range of 4.75%-5.00% in line with expectations. Their updated forecast signaled additional rate hikes continuing this year, then shifting to rate cuts in 2024 and 2025.

Ms. Stanic also provided a portfolio summary:

- During the quarter \$5,548,236 was withdrawn from the investment portfolio, resulting in total principal cost of securities of \$87,680,840. The first step in rebalancing the portfolio, to lock in current rates for longer, was executed in February. \$7.8 million of securities with maturities ranging from September 2023 – April 2025 with a weighted average yield of 1.07% were sold prior to maturity, realizing a loss of \$333,960. Funds were reinvested to mature January 2027 – February 2028 at a weighted average yield of 4.27%. This resulted in locking in \$1.5 million in interest income over the next 4-5 years. The overall portfolio yield increased to 2.54% from 2.21%.
- Securities totaling \$15,240,000 are set to mature in the 2nd quarter of 2023. In view of the increased risk of recession, Meeder's bias is to balance the portfolio, with locking in longer term rates for a portion, offset with short term maturities to take advantage of the rising short term interest rate environment. Assuming cash flow permits, the recommendation is to reinvest these funds in permissible securities with \$4.24 million to mature within 1 year and \$11.0 million to mature in the 3–5-year area with expectations of yielding 4% on average.

**Discussion Item – Montgomery County Sales Tax Receipts**

Ms. Stanforth reported November 2022 Sales Tax receipts equal \$3.99 million. In comparison, November 2021 receipts equaled \$4.02 million. This represents a decrease of \$30,000 or 0.7%.

Year-to-Date (YTD) November 2022 Sales Tax receipts equal \$43.79 million. In comparison, YTD November 2021 receipts equaled \$42.25 million. This represents an increase of \$1.54 million or 3.6%. This is an area of concern as the 3.6% increase is not keeping up with current inflation.

**Other Business**

Mr. Fullenkamp stated the next Investment Advisory Committee meeting is currently scheduled for Thursday, July 20, 2023.

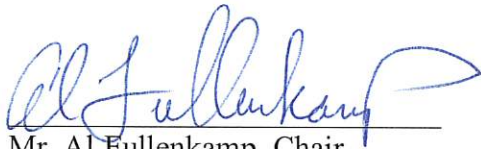
**Adjournment**

With no further business, a MOTION was made by Mr. Ruzinsky and SECONDED by Ms. Stanforth to ADJOURN the meeting.

The Motion was APPROVED 3-0.

The meeting ADJOURNED at 12:50 p.m.

ATTEST



Mr. Al Fullenkamp, Chair  
Investment Advisory Committee



Ms. Mary K. Stanforth, Secretary  
Investment Advisory Committee