



Cleveland
Metroparks

100
YEARS

Finance Presentation
November 9, 2017

Cleveland Metroparks

Investment Objectives:

- **Liquidity** – funds must be available to meet immediate payment requirements
- **Safety** – seek to ensure preservation of capital
- **Return** – create portfolio designed to attain market average returns while considering investment risk constraints and cash flow needs

Cleveland Metroparks

Permitted Investments:

- **Treasury Securities**
- **Government Securities**
- **Bank Deposits**
- **Certain Commercial Paper**
 - Subject to max allocation, maturity and concentration restrictions
- **Corporate Securities**
 - Subject to allocation and risk rating restrictions
- **Municipal Securities**
 - Subject to various restrictions and training requirements

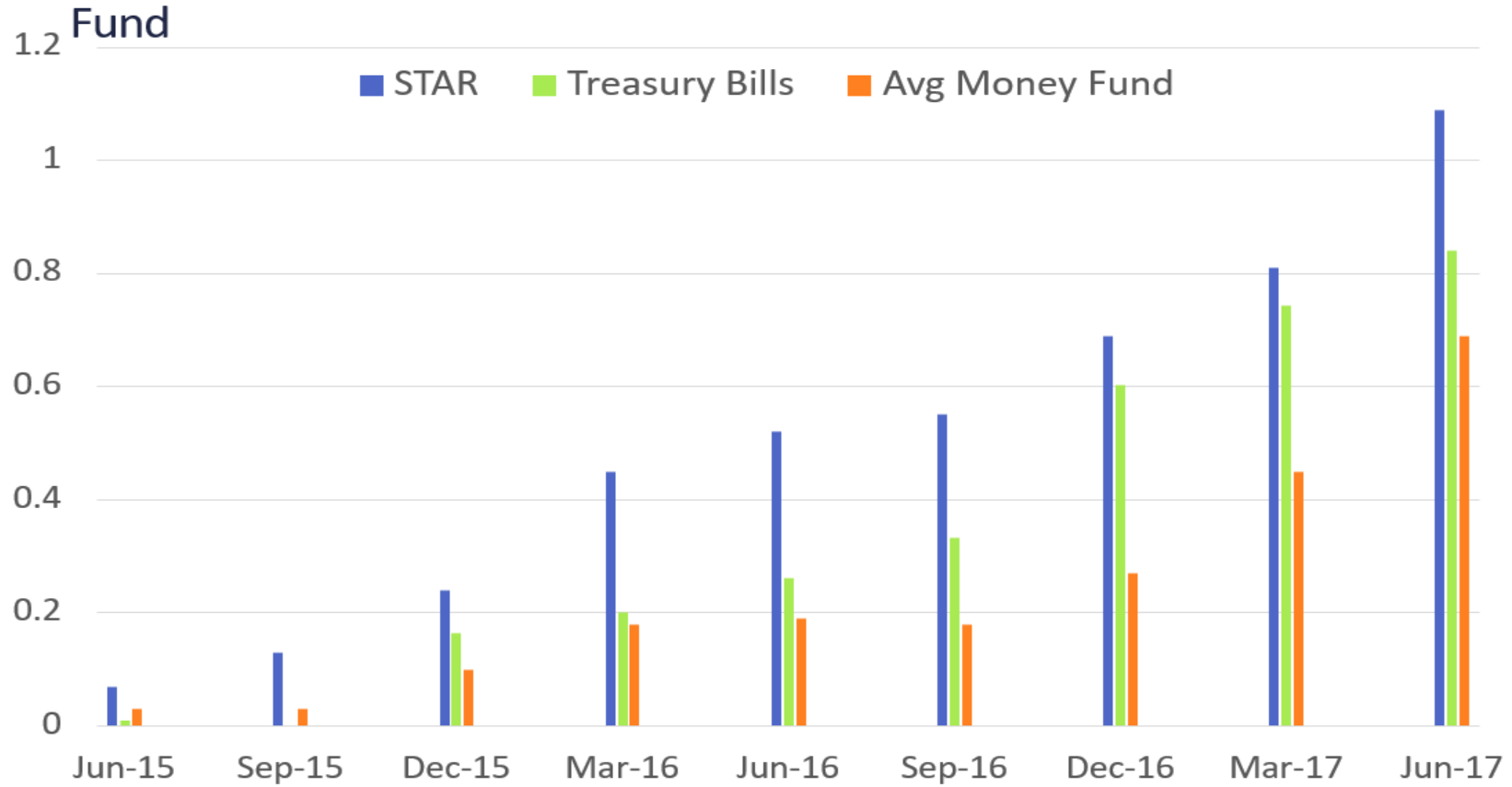
Cleveland Metroparks

Preferred Investments:

- **STAR Ohio** (State Treasury Asset Reserve of Ohio)
 - Highest investment rating AAAm (Safe)
 - Daily liquidity (liquid)
 - Daily interest (return)
 - Similar to a money market fund, but not guaranteed by FDIC
 - Public entity investment pool invested in assets on previous slide
- **STAR Plus**
 - Cash deposits in extensive, proprietary network of banks
 - No credit risk and competitive yield to T-bills, money markets and CD's
 - FDIC insured up to \$50M
 - Liquidity 2x/week, daily deposits

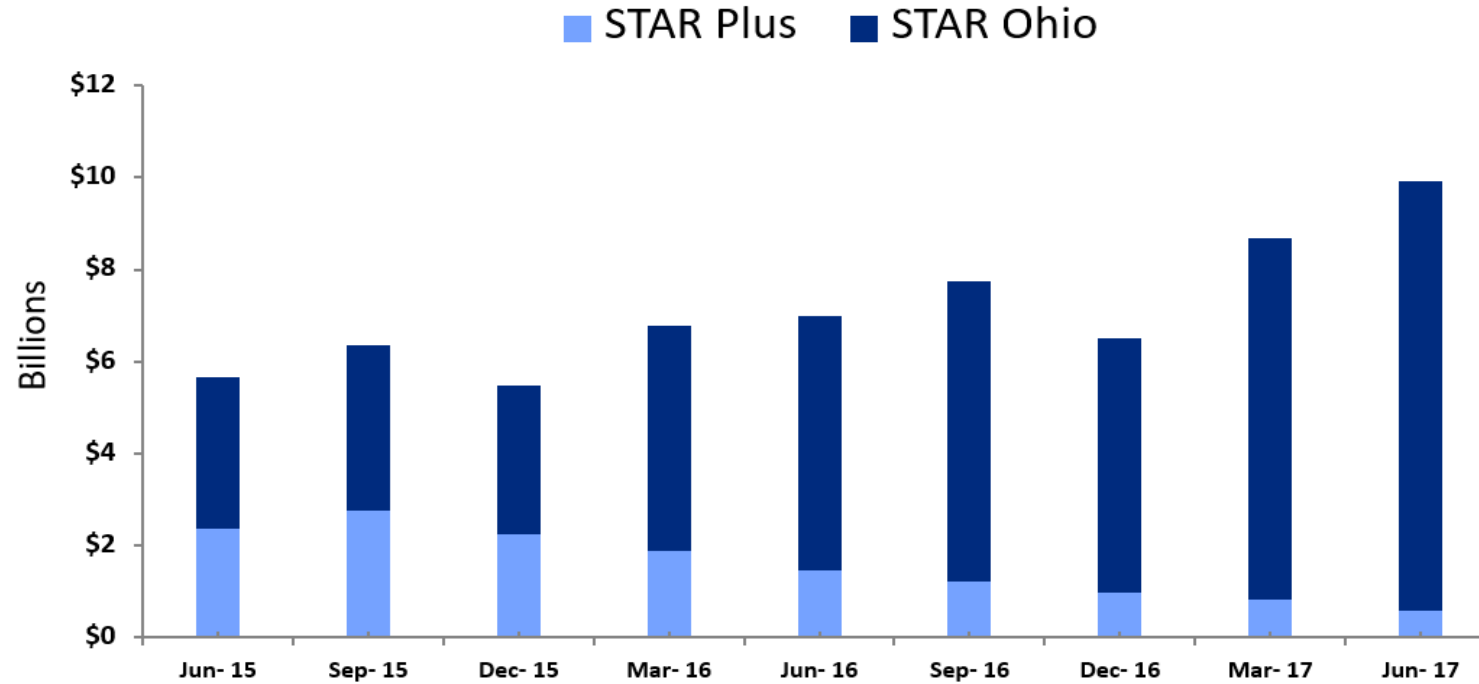
Yield Comparison

STAR Ohio vs. Treasury vs. Avg Money Fund



Program Assets

Star Ohio vs Star Plus



Data as of 6/30/2017

Cleveland Metroparks

Expectations for yields and rates:

- Implied Fed Funds probability of a rate increase in December is 92%
 - Was 82% two weeks ago
- December rate expected to be 1.25-1.50% (up 0.25-0.50%)
- Jay Powell was just appointed the next Chairman of the Fed
 - Gradualist in terms of increase policies
 - Do not expect rate increases every quarter
 - Appears open to less restrictive bank policies
- Implied Fed Funds rate 2.25-2.50% from 2018-2021
 - Not all economists agree

Cleveland Metroparks

Other Market Conditions:

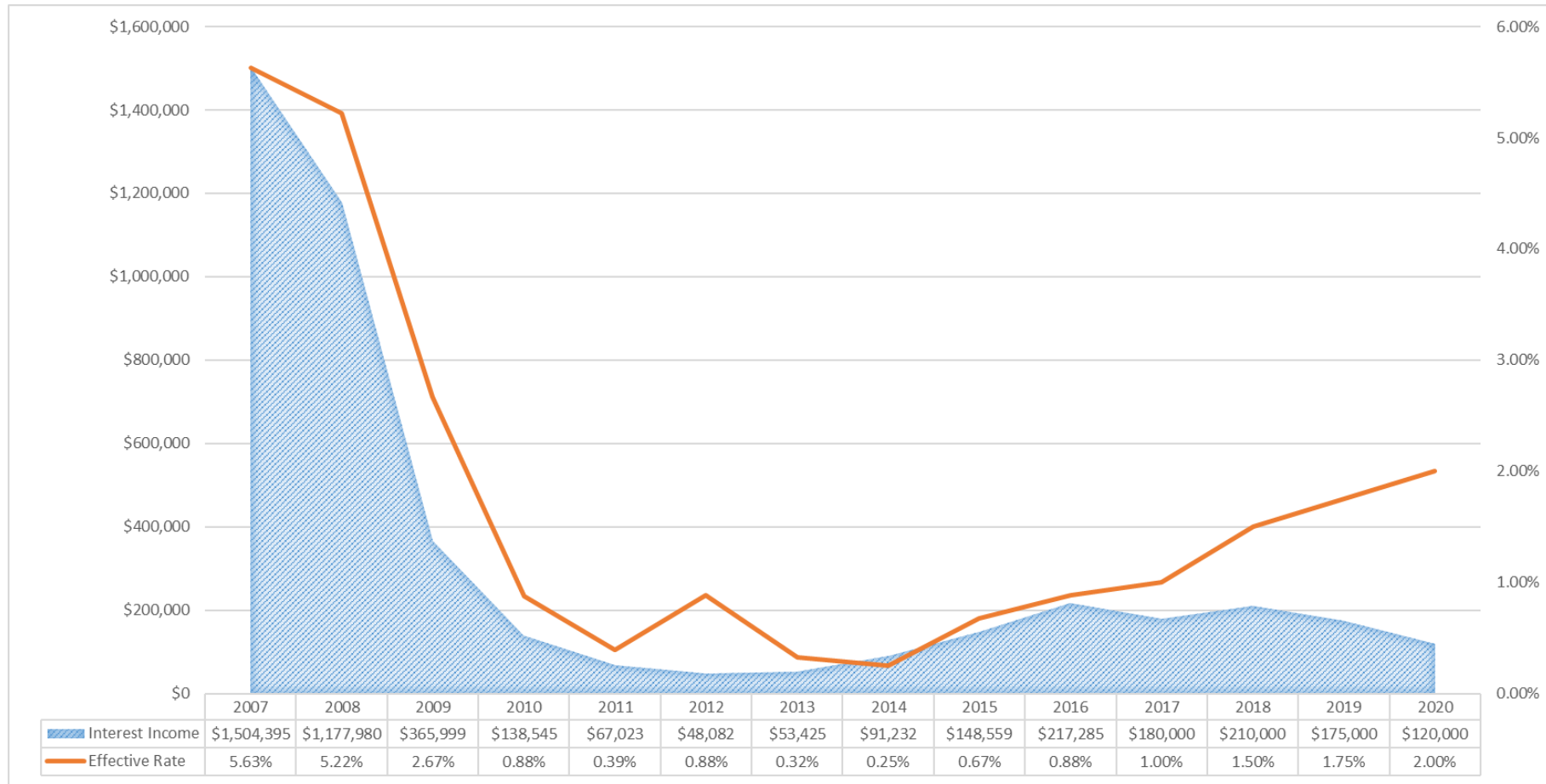
The Good:

- Unemployment ~4% (nearing full employment)
- GDP growing at moderate 2% pace

The Concerning:

- Geopolitical concerns loom
- Student loan delinquencies continue to increase
- Subprime auto lending is increasing
 - Credit scores under 660
- Credit card delinquencies continue
 - 90+ days overdue has increased 3 consecutive quarters

Cleveland Metroparks



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Effective Rate	5.63%	5.22%	2.67%	0.88%	0.39%	0.88%	0.32%	0.25%	0.67%	0.88%	1.00%	1.50%	1.75%	2.00%
Interest Income	\$1,504,395	\$1,177,980	\$365,999	\$138,545	\$67,023	\$48,082	\$53,425	\$91,232	\$148,559	\$217,285	\$180,000	\$210,000	\$175,000	\$120,000
Cash Balance - EOY	\$26,738,579	\$22,555,353	\$13,702,114	\$15,805,230	\$17,174,739	\$5,433,981	\$16,607,345	\$36,015,174	\$22,059,866	\$24,620,763	\$18,000,000	\$14,000,000	\$10,000,000	\$6,000,000