

TO: Village Council and Mayor Brown
FROM: Finance Committee, Rob Bartlett - Chair
RE: STAR Ohio for Surplus Cash
DATE: November 16, 2022

The Finance Committee met on Wednesday, November 16, 2022 at 2:00 pm to discuss opening an account at STAR Ohio for investing the Village's surplus cash. Present at the meeting were Finance Committee members Rob Bartlett, Kelly Rankin and Marcy Lewis, Mayor Bill Brown, Fiscal Officer Richard Ford, and Tax Administrator Chuck Barlow.

Currently, the Village invests its surplus money in a Fidelity Federal Money Market fund via an investment account at PNC, who also has our checking and sweep accounts. As of November 18, the money market account is yielding 3.3%, and it is cumbersome to move money between the investment account and the sweep account as it requires sending an email to a PNC manager in Columbus to initiate any transfer, which can cause the process to take up to 5 business days. As such, we keep more in the sweep account than we need to, and we are earning only 0.1% on the money in the sweep account.

Fiscal Officer Ford has found a government investment account run by the state of Ohio called STAR Ohio. As of November 18, STAR Ohio is yielding 3.8%. Since 1995 it has maintained Standard & Poor's highest rating of AAA. Also, the account can be set up such that Fiscal Officer Ford or Tax Administrator Chuck Barlow (as his back up) can initiate a funds transfer directly themselves, reducing the time to transfer funds to 2 business days.

The Finance Committee recommends that the Village establish an account at STAR Ohio to invest the Village's surplus cash, and that Fiscal Officer Ford and Tax Administrator Barlow be given access to the account so they can transfer funds between the STAR Ohio account and our PNC sweep account on an as needed basis. If council is in agreement, a resolution will need to be voted on to officially make this change. In order to start earning the higher interest rate as soon as possible, the Finance Committee also recommends that the resolution be passed on an emergency basis.

Respectfully Submitted,

Rob Bartlett, Chair

Marcy Lewis, Vice-Chair

Kelly Rankin, Member