

January 23, 2026

TO: Mr. Paul Muething, Chairman, and Trustees of the CSR Trust

FROM: Steve Webb, Finance Director

COPY: William Weber, Assistant City Manager

SUBJECT: City of Cincinnati Investment of Received CSR Funds

The purpose of this memo is to provide an overview of the City of Cincinnati's investment process of funds, including funds received by the City from the CSR Trust that are not immediately ready for deployment.

The City Treasurer, as designee of the Finance Director, invests public funds in the Treasury of the City. The Treasurer reviews cash balances *daily* to determine available cash for investment. Cash that is temporarily idle is pooled and invested according to the City's Investment Policy. The policy directs the investment of public funds in a manner which emphasizes maximum security of principal while meeting the daily cash flow needs of the City, generating investment returns, and complying with all applicable laws and regulations. Available funds are either invested internally by the City Treasurer or through Investment Managers, as explained below.

The City Treasurer manages two separate investment portfolios: general investments and bond proceeds (capital) investments. Separate portfolios are necessary to track the interest earned on bond proceeds for arbitrage compliance and to manage the maturities of bond investments based on anticipated cash flow needs for the capital projects. These two portfolios are managed in-house and utilize a pool of broker/dealers. When funds are available to invest, the City Treasurer will obtain pricing from the approved list of broker/dealers and invest funds accordingly. Securities selected for purchase are evaluated based on cost, term, and yield. The current list of Broker/Dealers is as follows:

Huntington Investment Co.
Multi Bank Securities, Inc.
PNC Capital Markets, LLC
Mischler Financial Group

RBC Capital Markets
Loop Capital Markets, LLC
Rice Securities, LLC
Great Pacific Securities

The City also utilizes Investment Managers for a portion of the city's investment portfolio. The City currently contracts with Nuveen Asset Management and Fifth Third Securities as Investment Managers.

To provide additional oversight and expertise to these investments the City has an Investment Committee that meets quarterly to review investment performance and monitor compliance. Further, the Administration retained Meeder Investment Management through an RFP process to serve as the City's Investment Advisor. Meeder provides market updates, performs portfolio analysis, and monitors the compliance of the City's Investment Managers.

Last fiscal year, the City's investment approach generated an annual return of 5.89%. Interest earned on the City Treasurer's investments becomes an available revenue source and is distributed among the interest earning funds of the City, including the General Fund. Interest income is now the third largest source of revenue for the General Fund behind only income tax and property tax.

Funds received from the CSR Trust Board are included in the City's investment portfolio. Once received, if not immediately needed for project expense, those funds are invested in accordance with the process set forth above until those funds are needed for projects. Any investment returns from the CSR Funds are deposited in the General Fund, as set forth in the Cincinnati Municipal Code.

Steve Webb

Steve Webb
City of Cincinnati Finance Director