



TO: Members of City of Dubuque Investment Oversight Advisory Commission

FROM: Paul Lassance, Investment Oversight Advisory Commission
Cassie Ross, Assistant Director of Finance

RE: Un-approved Minutes of the January 26, 2022, Meeting of the Investment Oversight Advisory Commission and Chairman's Quarterly Report

DATE: January 27, 2022

Commission members present virtually:

Paul Lassance, Gary Ruden, Josh Merritt, and Molly Valaskey.

City staff present virtually:

Cassie Ross, Assistant Director of Finance

Nathan Kelleher, Finance Accountant

Jacob Baltierra, Finance Accountant

1. The virtual meeting was called to order at 3:02 p.m. virtually by Paul Lassance. This is an official meeting as a quorum was present.
2. Assistant Director of Finance Cassie Ross certified that the meeting was in compliance with the Iowa open meetings law.
3. Tom Peckosh from Dubuque Bank and Trust presented.

Tom discussed bond market review for 2021. Bonds struggled. He discussed and showed charts of interest rates and how they have fluctuated over the past several years. He then went into discussion on how these correlates to stable prices and unemployment rates.

Outlook and strategy for 2022 – Federal Reserve is expected to increase interest rates significantly in 2022. These will lead to higher short-term rates as well as allow for longer-end of the yield curve to rise as well. While at present inflation expectations remain high there is a risk that inflation moderates more quickly than anticipated which could lead to a flatter yield curve. DB&T will monitor the evolution of the yield curve for opportunities as interest rates normalize over the coming years.

Paul Lassance and Tom Peckosh discussed the news that the Federal Reserve will be rolling funds off their balance sheet and how that might impact the City's portfolio. Paul asked if anticipated rise in interest rates would reduce the number of securities

that are likely to be called in the portfolio managed by DB&T. Tom confirmed that would likely be the case if interest rates rise.

Current portfolio – Yield to maturity is at 1.51%, yield to call 1.47%, and current duration 3.46 years.

4. Gary Ruden moved that the minutes of the October 26,2021 be approved. The motion was seconded by Paul Lassance and approved unanimously.
5. Cassie Ross reported on investment results. The City bid \$24 million to the investment managers. DB&T was the high bidder at 0.26% with no associated fees. There were extra funds due to American Rescue Plan Act dollars that were received. This was at a 6-month term.

Gary asked how the CD bids have been lately. Cassie reported that they are minimal and sometimes only receive one bid. Paul requested that we look into expanding the bidding pool to other organizations other than the ones we have historically sent the request to and see if there is any additional interest.

6. The Commission reviewed the December 31,2021 quarterly investment reports.
7. There was no communication from the public.
8. The next meeting of the Commission is scheduled for Wednesday, April 27,2022 at 3:00 p.m. A representative from Dana Investment Advisors, Inc. will be invited to present at the meeting.
9. Gary Ruden moved that the meeting adjourn. The motion was seconded by Josh Merritt. The meeting adjourned at 3:40 p.m.