



TO: Members of City of Dubuque Investment Oversight Advisory Commission

FROM: Paul Lassance, Investment Oversight Advisory Commission
Kenneth J. TeKippe, Finance Director

RE: Un-approved Minutes of the April 25, 2012 Meeting of the Investment Oversight Advisory Commission

DATE: May 10, 2012

Commission members Brad Chalmers, Gary Ruden, Stephen Reisdorf, Ashlie Simonson and Paul Lassance were present. Ken TeKippe, Finance Director, Jean Nachtman and Assistant Finance Director were also present.

1. The meeting was called to order at 3:05 p.m. in Conference Room A in City Hall by Chairperson Paul Lassance. Finance Director Ken TeKippe, certified that the meeting was in compliance with the Iowa open meetings law.
2. Steve Reisdorf moved that the minutes of the January 25, 2012 meeting be approved. The motion was seconded by Gary Ruden and approved unanimously.
3. Chris Johnson and Mike Maloney of U.S. Bank provided a handout which provided information on performance, holdings, maturity information and economic and financial markets review and outlook. Chris Johnson explained the transition to Mike Maloney based out of Dubuque location handling our account.

Mike Maloney reviewed the U.S. Bank report. His comments included: continue to have a AAA portfolio, duration is 1.73, not the time to extend maturities since bond market topped out so short duration is the way to go, liquidity is key, Feds are buying 60-80% of bonds, predict another year before rates go up so meager returns will continue, companies are making money but just not hiring, staffing firms doing well, unemployment will remain high for some time.

Mike Maloney confirmed that U.S. Bank is in compliance with the City's current investment policy.

4. Ken distributed investment return information for March 31, 2012, from the four investment managers: Dubuque Bank and Trust, U.S. Bank, Dana Investment Advisors and First Community Trust. Also distributed a recap of manager/custodian annual fees based on March 31, 2012 market values and new rates.

Ken does not anticipate adding to or withdrawing funds from the investment managers over the next few months.

5. The Commission reviewed the March 2012 quarterly investment reports prepared by Finance. The City has continued to invest new funds or maturing investments in the high yield savings accounts and limited Certificates of Deposit (approximately 6 month maturities) for the Dubuque Metropolitan Area Solid Waste Agency. Interest rates on the two high yield savings accounts reviewed. Recent interest rates for certificates of deposit acquired have been in the .20-.25 % range. The City recently received \$10.7 million of property tax revenue. Principal and interest on City debt in the amount of slightly less than \$9 million is due June 2012.

The City may be issuing (bonds plus SRF loans) approximately \$16 million of bonds in June 2012, anticipate limited interest in investing the funds by the local banks. Prior bond proceeds continue to be spent along with drawdowns from State Revolving Loan Fund for some larger projects. Currently 11 prior bond issues not fully expended and 4 SRF loans not fully drawdown.

The City may need to increase our authorization naming depositories (for Code of Iowa) with Dubuque Bank and Trust. Most of the unspent bond proceeds, certificates of deposits and high yield savings account balances have been invested with them due to lack of interest or need by other local financial institutions.

6. There was no communication from the public, commission or staff to report according to Ken.
7. The next meeting of the Commission is scheduled for Wednesday, July 25, 2012, at 3:00 p.m. in City Hall. A representative from First Community Trust will be invited to the meeting.
8. Gary Ruden moved that the meeting adjourn. The motion was seconded by Steve Reisdorf and approved unanimously. The meeting adjourned at 3:45 p.m.