



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 22, 2015 Meeting of the Investment
Oversight Advisory Commission

DATE: April 27, 2015

Commission members Brad Chalmers, Rachael Ferraro, Paul Lassance, Stephen Reisdorf and Gary Ruden were present. Ken TeKippe, Finance Director, Jean Nachtman, Assistant Finance Director and Tami Lansing, Accountant were also present.

1. The meeting was called to order at 3:00 p.m. in Conference Room B in City Hall by Chairperson Paul Lassance. Finance Director Ken TeKippe, certified that the meeting was in compliance with the Iowa open meetings law. In the future will email notice of meeting, not fax. Current list of media on public notice list was distributed.
2. Paul Lassance, Chairperson, administered the Oath of Office for newly appointed commission member Rachael Ferraro.
3. Stephen Reisdorf moved that the minutes of the January 28, 2015 meeting be approved as written. The motion was seconded by Gary Ruden and approved unanimously.
4. Mike Maloney, Senior Portfolio Manager, of U.S. Bank provided a handout which provided information on performance, portfolio overview, holdings, market review and outlook and City investment policy.

Mike Maloney reviewed the U.S. Bank report. His comments included: Securities have very high credit ratings. The high quality of these safe investments (government agencies and FDIC insured CD's) guarantee a very low risk portfolio. US Bank does not feel this is the time to extend maturities. Fed fund rate may go up in June 2015 by 25 basis points. Any changes will be gradual and incremental. Portfolio continues to have a low yield.

US Bank may invest in 3-4 year maturities as assets mature, plan to keep funds liquid and have a quick response time for changing interest rates and funds available if City needs to withdraw.

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

5. Tami distributed investment return information for March 31, 2015, 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, 2015 market values.
6. The Commission reviewed the March 2015 quarterly investment reports prepared by Finance. The City has continued to reinvest maturing Certificates of Deposit (approximately 6 month maturities) for the Dubuque Metropolitan Area Solid Waste Agency. Continue to have considerable unspent bond proceeds (approximately \$45.5 million) invested from recent years' bond issues, includes \$4.5 million for Dubuque Metropolitan Area Solid Waste Agency. The City recently received \$12 million of property tax revenue.

The City will be borrowing approximately \$24 million via Sales Tax Increment Revenue Bonds (Flood Mitigation Program) in May 2015 for Upper Bee Branch Creek Project. The borrowing is part of the State of Iowa Flood Mitigation Program Board state sales tax increment funding of \$98,484,178 for the Bee Branch Watershed Flood Mitigation Project. There will also be an approximate \$29 million State Revolving Loan borrowing for the project. The City will also be borrowing approximately \$3 million in May 2015 in Tax Exempt General Obligation Bonds to pay costs of the settlement of the Franchise Fee litigation.

It may be necessary to withdraw \$1,000,000 - \$1,500,000 from the four investment managers. The amount is allocated based on funds balance previous month end. The last withdrawal of funds \$1,500,000 was in 2014 and the previous withdrawal was in 2004. A letter has been sent to the four managers to alert them of a potential withdrawal of funds in the next few months. A copy of possible allocation of funds by managers was distributed.

Fidelity Bank & Trust, headquartered in Dyersville, with a branch office in Dubuque, requested to bid on City funds and will be added as a potential depositor. Approval will be requested at the next City Council meeting.

The balance in the general checking account for the City is higher than in the past since return is now better than the return now on the premium savings account.

7. The date for the annual Boards and Commissions Picnic has changed to Wednesday, July 22 at Eager Point Park. City Clerk's office should be sending out information on the picnic in a few weeks.
8. Brad Chalmers and Rachael Ferraro terms on the commission expire on July 1, 2015, both are eligible to reapply. City Clerk's office should be forwarding information to Brad and Rachael to reapply.

9. There was no communication from the public, commission or staff to report according to Ken.
10. The next meeting of the Commission is scheduled for Wednesday, July 22, 2015, at 3:00 p.m. in City Hall. A representative from First Community Trust will be invited to the meeting.
11. Gary Ruden moved that the meeting adjourn. The motion was seconded by Steve Reisdorf and approved unanimously. The meeting adjourned at 3:40 p.m.