



TO: Members of City of Dubuque Investment Oversight Advisory Commission

FROM: Paul Lassance, Investment Oversight Advisory Commission
Jennifer Larson, Director of Finance and Budget

RE: Un-approved Minutes of the April 24, 2019, Meeting of the Investment
Oversight Advisory Commission and Chairman's Quarterly Report

DATE: April 26, 2019

Commission members; Paul Lassance, Franz Becker, Luke Schiltz, Stephen Reisdorf and Gary Ruden, as well as City staff, Jennifer Larson, Director of Finance and Budget, Arielle Swift, Assistant Public Works Director, and Connie Mueller, Finance Confidential Account Clerk. There were also three Loras College students present from a Political Science class.

1. The meeting was called to order at 3:05 p.m. in Conference Room A in City Hall by Vice-Chairperson Franz Becker. This is an official meeting as a quorum was present.
2. Director of Finance and Budget Jennifer Larson, certified that the meeting was in compliance with the Iowa open meetings law.
3. The oath of office was administered to Luke Schiltz.
4. Franz Becker moved that the minutes of the October 24, 2018 and January 23, 2019 meetings be approved. The motion was seconded by Gary Ruden and approved unanimously.
5. The term expiration of Stephen Reidorf and Gary Ruden is on July 1, 2019. Both said that they would be completing an application to renew their terms.
6. Nick Zimmerman, Wealth Management Trust Advisor, and Jon Cushman, Investment Portfolio Manager, presented for US Bank. Michael Maloney manages the portfolio; however, he had a conflict and was unable to attend. A handout was provided with information on March 31, 2019 returns and other information.

The City ended March 31, 2019 with a 2.63% relative return in comparison to Barclay's 2.74% 1-3-year government index, which is the index that most closely mirrors the City's portfolio. The City's portfolio with US Bank has an effective duration of 1.15. This is intentionally short because there is no additional compensation to go longer.

The portfolio has focused on mostly fixed income government agency debt. They believe that the bond yields are headed higher. Given the flat yield curve, duration of maturities has been kept short.

Paul Lassance inquired if US Bank is looking at higher rates down the road. Jon said he expected 0%-1% this year. Paul inquired if US Bank would continue to keep the duration low. Jon responded that since the discount is low, the duration would be kept low. Paul inquired if he thought the flat yield curve would continue. Jon responded that he did not think it would continue because the political winds are blowing to increase inflation.

Jon confirmed that the investments are in compliance with the City investment policy.

7. Jennifer reported on current cash standings. The City continues to ladder CD maturities to meet operations. Certificates of Deposit bid at 2.63%.
8. The Commission reviewed the March 2019 quarterly investment reports.
9. Arielle discussed the Investment Managers Fees. Fees are sometimes not charged every quarter and some quarters may include fees for multiple quarters.
10. The Commission reported that Franz Becker's last meeting will be July 24, 2019. There was no communication from the public or staff to report according to Jennifer.
11. The next meeting of the Commission is scheduled for Wednesday, July 24, 2019 at 3:00 p.m. A representative from First Community Trust will be invited to the meeting.
12. Paul Lassance moved that the meeting adjourn. The motion was seconded by Gary Ruden. The meeting adjourned at 3:23 p.m.