



TO: Members of City of Dubuque Investment Oversight Advisory Commission

FROM: Gary Ruden, Investment Oversight Advisory Commission
Jennifer Larson, Director of Finance and Budget

RE: Un-approved Minutes of the October 23, 2019, Meeting of the Investment
Oversight Advisory Commission and Chairman's Quarterly Report

DATE: October 23, 2019

Commission members present: Stephen Reisdorf, Gary Ruden, and Luke Schiltz.
Commission member absent: Paul Lassance. City staff present: Jennifer Larson, Director
of Finance and Budget, Jennifer Raber, Finance Manager, and Nathan Kelleher, Finance
Accountant.

1. The meeting was called to order at 3:05 p.m. in Conference Room A in City Hall by Gary Ruden. 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. Stephen Reisdorf moved that the minutes of the July 24, 2019 be approved. The motion was seconded by Gary Ruden and approved unanimously.
4. Matthew Slowinski, Senior Vice President and Joe Veranth, Chief Financial Officer presented for Dana Investment Advisors. A handout was provided with information on September 30, 2019 returns and other information.

The City ended September 30, 2019 with a 0.81% relative return in comparison to Barclay's 0.57% 3-month treasury index, which is the index that most closely mirrors the City's portfolio. The City's portfolio with Dana Investment Advisors has an effective duration of 0.61. The short duration has caused some of the underperformance recently. The portfolio has focused on mostly mortgage bonds, callable and bullet agencies, and small business administration bonds.

Joe Veranth said that rates are settling and there are no expectations for significant rate changes. The gap of the City of Dubuque's investment portfolio to the index should start increasing. The City of Dubuque portfolio is expected to have an estimated gain between \$170,000-\$190,000 net of fees for June 30, 2019. There is the expectation that the Federal Reserve will cut interest rates again by 0.25% at

their meeting next week due to the economy slowing. Interest rates around the world are lower than the United States.

Stephen Reisdorf inquired how safe Small Business Administration Bonds are. Joe Veranth responded that the Small Business Administration is a government agency fully backed by the Federal Government and has a credit rating of Aaa. Banks make Small Business Administration loans and 85% of the loan is guaranteed by the government and can be sold. The principal and interest are totally guaranteed which is comparable to Freddie Mac.

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

5. Jennifer Larson reported on current cash standings. The City has \$14.1 million in certificates of deposit and \$26.3 million in the Collins Credit Union money market account which earns the feds fund rate plus 20 basis points. Certificates of Deposit have been bidding at 1.64%-1.97% and the City continues to move maturing Certificates of Deposit to the money market account.
6. The Commission reviewed the September 2019 quarterly investment reports.
7. There was no communication from the public.
8. The next meeting of the Commission is scheduled for Wednesday, January 22, 2020 at 3:00 p.m. A representative from Dubuque Bank and Trust will be invited to the meeting.
9. Stephen Reisdorf moved that the meeting adjourn. The motion was seconded by Luke Schiltz. The meeting adjourned at 3:41 p.m.