

**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 22, 2022, Meeting of the Investment Oversight Advisory Commission and Chairman's Quarterly Report

**DATE:** May 12, 2022

**Commission members present:**

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

**City staff present virtually:**

Cassie Ross, Assistant Director of Finance  
Jennifer Larson, Director of Finance and budget  
Jacob Baltierra, Finance Accountant

1. The meeting was called to order at 3:04 p.m. by Paul Lassance. 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. Paul Lassance administered the Oath of Office for Joshua Merritt and Thomas Major.
4. Paul Lassance moved that the minutes of the January 26, 2022 be approved. The motion was seconded by Gary Ruden and approved unanimously.
5. Dave Mazza, Vice President and Matthew Slowinski, Senior Vice President from Dana Investment Advisors presented.

Matthew gave a portfolio and economic update for the quarter ending March 31, 2022. The portfolio has held up well given the environment that we have been in. Short-term pain for long-term gains. The City's portfolio characteristics are government securities which are Aaa which yield 2.18%, more than doubled in the last six months. As rates go up, the duration gets longer.

There is a year-to-date rise in interest and unrealized losses in the portfolio. Short-term agency bonds mature between now and 2024. 50% in adjustable-rate securities continuing to receive adjustments as Federal Reserve adjusts rates. 44% is held in

agency bonds. All bonds are bought at par and held to maturity. Principal and interest are used to reinvest or to change the portfolio structure.

Paul Lassance asked what the plan was for durations in the portfolio. Matthew responded that reinvestment in adjustable-rate securities will also shorten durations. Tom Major asked what the period is in the excess cumulative growth chart. Matthew responded it is since inception of the City's account.

Paul asked with interest rates going up, especially mortgages, have there been many payoffs? Matthew responded that people have slowed refinancing, which is good for Dubuque's portfolio. There is a significant tailwind for the portfolio because of the securities owned.

Paul asked with the housing and mortgage market and the impact that rising interest rates will have on those markets, has there been any impact on the investment market. Matthew responded no, housing pricing still are moving up, however refinancing are now low. Adjustable rate mortgages have increased. There has been no material slow down.

Paul asked if Dana Investment Advisors reviewed the City's investment policy and that all investments in the portfolio are in compliance with the policy. Dave responded that they had, and all investment are in compliance with the policy.

Current portfolio – Yield is at 2.18%, book yield 1.50%, and average maturity 3.01 years.

6. Jennifer Larson reported on recent certificate of deposit results. Midwest One Bank bid 0.58% on a recent six-month certificate of deposit bid. The City is seeing approximately 3 bids on certificate of deposits. Also discussed BTC Capital Management and the missing quarterly statement information. City staff will reach out to BTC Capital to request the missing statement information.
7. The Commission reviewed the March 31, 2022 quarterly investment reports.
8. There was no communication from the public.
9. The next meeting of the Commission is scheduled for Wednesday, July 27, 2022 at 3:00 p.m. A representative from Dana Investment Advisors, Inc. will be invited to present at the meeting.
10. Tom Major moved that the meeting adjourn. The motion was seconded by Gary Ruden. The meeting adjourned at 3:37 p.m.