

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 October 28, 2020, Meeting of the Investment Oversight Advisory Commission and Chairman's Quarterly Report

DATE: October 29, 2020

Commission members present virtually:
Paul Lassance, Gary Ruden, and Luke Schiltz.

City staff present virtually:
Jennifer Larson, Director of Finance and Budget
Cassie Ross, Finance Manager
Nathan Kelleher, Finance Accountant.

1. The virtual meeting was called to order at 3:05 p.m. virtually 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. Joe Vernath, Chief Financial Officer and Matt Slowinski, Senior Vice President, both from Dana Investment Advisors presented. A handout was provided with information on September 30, 2020 returns and other information.

The City ended September 30, 2020 with a 0.25% relative return in comparison to Barclay's 0.04% 3-month treasury index and Barclay's 0.08% 1-year treasury index. The City's portfolio with Dana Investment Advisors has an effective duration of 0.57.

Joe Vernath reported that the City's portfolio will maintain a yield above money market rates. There is no inflation on the horizon and inflation will stay low due to demand gap. Inflation does exist in the home market. Market participants believe markets are strengthening due to the uptick in the yield curve. Matt Slowinski reported that the City has the lowest percent of agency bonds in the portfolio at 4% because the Federal Reserve went to a zero-rate policy.

Paul Lassance asked if going to Small Business Administration Bonds will have any impact on duration of the portfolio. Joe Vernath responded that the SBA's will reset quicker and result in a shorter duration of the portfolio.

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

4. Paul Lassance moved that the minutes of the January 22, 2020 be approved. The motion was seconded by Luke Schiltz and approved unanimously.
5. Jennifer Larson reported on investment results. Dana Investment Advisors monthly return gross of fees is -0.02%, Dubuque Bank and Trust is 0.08%, First Community Trust is 0.03%, and U.S. Bank is 0.03%. The City has \$18 million remaining in certificates of deposit. Certificates of Deposit are bidding between 0.26% and 0.38% for 6 months. As certificates of deposit mature, the funds are being transferred to the City's general checking account.
6. The Commission reviewed the September 30, 2020 quarterly investment reports.
7. The Investment Managers Fees are the same as prior quarters, no change. The fees will change once the new Investment Manager contracts are in place with Dubuque Bank and Trust, Dana Investment Advisors, and BTC Capital.
8. There was no communication from the public other than the proposals received for Investment Manager and Investment Custodian and a communication from Dubuque Bank and Trust relative to their fees.
9. The next virtual meeting of the Commission is scheduled for Wednesday, January 27, 2021 at 3:00 p.m. A representative from Dubuque Bank and Trust will be invited to present virtually at the meeting.
10. Paul Lassance moved that the meeting adjourn. The motion was seconded by Luke Schiltz. The meeting adjourned at 3:35 p.m.