

TO: Members of City of Dubuque Investment Oversight Advisory Commission

FROM: Paul Lassance, Investment Oversight Advisory Commission
Ken TeKippe, Finance Director

RE: Un-approved Minutes of the October 22, 2014 Meeting of the Investment Oversight Advisory Commission and Chairman's Quarterly Report

DATE: October 27, 2014

Commission members Paul Lassance and Gary Ruden were present. Ken TeKippe, Finance Director, Jean Nachtman, Assistant Finance Director and Tami Lansing, Accountant were also present. Two commission members had unexpected conflicts arise shortly before meeting and were unable to attend and one open position exists on commission. Although no quorum present, continued with normal meeting.

1. The meeting was called to order at 3:05 p.m. in Conference Room A in City Hall by Paul Lassance. Finance Director Ken TeKippe certified that the meeting was in compliance with the Iowa open meetings law.
2. Paul Lassance moved that the minutes of the July 23, 2014, meeting be approved. The motion was seconded by Gary Ruden.
3. Joe Veranth of Dana Investment Advisors provided a handout with information on the portfolio performance and allocation, compliance information, index total return comparison, Treasury yield curve, economic update and list of current holdings. Joe stressed the safety of the fund, low risk and high quality investments with heavy emphasis in adjustable rate mortgages. The report included information that has been requested from all managers in their report. Dana now has \$5 billion under management and have finance and performance audits annually. Presently targeting a 1% net of fees return.

Investment allocations have changed recently: mortgage bonds and TIP's down slightly and agency bonds increased. Joe indicated that unemployment rate under 6%, number of private sector jobs and auto and housing numbers are all positive; does not see Feds raising rates in the next few quarters, with 3-4% growth in GNP, no reason to raise rates.

Joe confirmed that Dana is in compliance with the City's current investment policy.

4. Ken distributed investment return information for September 30, 2014, from the four investment managers: Dubuque Bank and Trust (DB&T), U.S. Bank, Dana

Investment Advisors and First Community Trust. Also distributed a recap of manager/custodian annual fees based on September 30, 2014 market values, all managers currently use same fee schedule.

Approximately \$24.0 million unspent bond proceeds at end of September. City plans to borrow additional funds (\$25 million+) over the next few months for a number of projects. The City recently changed financial advisor for bond issues to Independent Public Advisors, LLC (IPA) in Des Moines. The landfill (DMASWA) also is planning on borrowing for some major projects over the next year.

Receiving reports electronically with hard copies available for the quarterly meeting seems to be working.

5. There was no communication from the public, commission or staff to report according to Ken.
6. The next meeting of the Commission is scheduled for Wednesday, January 28 2015, at 3:00 p.m. in City Hall. A representative from Dubuque Bank and Trust will be invited to the meeting.
7. Paul Lassance moved that the meeting adjourn. The motion was seconded by Gary Ruden. The meeting adjourned at 3:45 p.m.