

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 July 24, 2019, Meeting of the Investment Oversight Advisory Commission and Chairman's Quarterly Report

DATE: August 2, 2019

Commission members; Paul Lassance, Franz Becker, Stephen Reisdorf and Gary Ruden, as well as City staff, Jennifer Larson, Director of Finance and Budget, Jennifer Raber, Finance Manager, and Nathan Kelleher, Finance Accountant.

1. The meeting was called to order at 3:00 p.m. in Conference Room II in City Hall Annex by Chairperson 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. The oath of office was administered by Paul Lassance to Steve Reisdorf and Gary Ruden.
4. Gary Ruden moved that the minutes of the April 24, 2019 be approved. The motion was seconded by Paul Lassance and approved unanimously.
5. Bill Neal, Investment Officer, John Gonner, Executive Vice President, and Paul Kronlage, Executive Vice President presented for First Community Trust. A handout was provided with information on June 30, 2019 returns and other information.

The City ended June 30, 2019 with a 0.71% relative return in comparison to Barclay's 1.32% 1-3-year government index, which is the index that most closely mirrors the City's portfolio. The City's portfolio with First Community Trust has an effective duration of 0.92. The short duration has caused some of the underperformance recently. The long-term view is that rates will move higher, in which case, the City of Dubuque is set up to do well in that environment. First Community Trust will look to extend the duration of the portfolio as investments come due. The portfolio has focused on mostly bullet agencies and callable agencies.

Bill Neal said that globally there has been a little bit of move in the currency. Most likely the Federal Reserve will cut interest rates at their meeting the week of July 29th due to the inverted yield curve and the value of the dollar becomes too strong which causes the Federal Reserve to lower the rates.

Paul Lassance inquired how much of the City of Dubuque's portfolio is in mortgage backed securities. John Gonner responded that very little of the City's portfolio is in mortgage backed securities.

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

6. Jennifer Larson reported on current cash standings. The City has moved approximately \$23 million from maturing certificates of deposit and cash balance to the Collins Credit Union money market account which earns 2.7%. Certificates of Deposit have been bidding at 2.08-2.48%.
7. The Commission reviewed the June 2019 quarterly investment reports.
8. The Commission reported that this is Franz Becker's last meeting as he will be attending Law School at the University of Iowa starting this Fall.
9. There was no communication from the public. Jennifer Larson reported that she met with MidWestOne Regional President Mike FitzPatrick on July 18, 2019. MidWestOne is honoring all American Trust and Savings agreements with the City of Dubuque. He also expressed interest in having more of the City of Dubuque's investments, however MidWestOne is the City of Dubuque's investment custodian.
10. The next meeting of the Commission is scheduled for Wednesday, October 23, 2019 at 3:00 p.m. A representative from Dana Investments will be invited to the meeting.
11. Paul Lassance moved that the meeting adjourn. The motion was seconded by Franz Becker. The meeting adjourned at 3:35 p.m.