



*United Fire & Casualty Company
United Fire & Indemnity Company
United Fire Lloyds
UFG Specialty Insurance Company
Addison Insurance Company
Financial Pacific Insurance Company
Franklin Insurance Company
Lafayette Insurance Company
Mercer Insurance Company
Mercer Insurance Company
of New Jersey, Inc.*

Honorable Mayor Hart and Esteemed Council Members:

In 2009, the Finance Treasury Division created the Investment Oversight Committee to review and advise the City on its investment activities. The Committee receives quarterly reports from City staff and then meets annually to provide recommendations. The Committee is required to report investment summary findings annually to the City Council. The Investment Oversight Committee met on July 19, 2018 to review the results of the City's current investment strategies. This letter serves as the annual report of the Committee's review.

The membership of this Committee is comprised of the following:

- Barrie Ernst (Chairman) – Vice President and Chief Investment Officer for United Fire Group
- Gary Ernst – Regional Trust Officer for Wells Fargo Bank – Retired
- Steve Tucker – Linn County Finance Director

Ex-officio members:

- Casey Drew – City Finance Director
- Michele Tamerius – Finance Treasury Operations Program Manager

During the July 19th meeting, the Committee agenda consisted of the following:

- A review from the US Bank Portfolio Management Team, which included a presentation of the US Bank Portfolio Annual Report and a discussion of the portfolio methodology, annual results and plans for the future.
- Review of City's total portfolio with a discussion of events during the last year, including the bid letting and investment in a CRB&T money market account and in the laddered CD portfolio.
- The presentation of the five – year interest earnings report.

The Committee makes no recommendation for a change in course at this time. Please call me at (319)399-5236 if you have any specific questions.

Best Regards,

A handwritten signature in black ink, appearing to read "Barrie Ernst", written over a horizontal line.

Barrie Ernst
VP and CIO – United Fire Group