



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

7/27/2016

Honorable Mayor Corbett 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, 2016 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
- Wes Nelson – City of Marion Finance Director
- Steve Tucker – Linn County Finance Director

Ex-officio members:

- Council Member Kris Gulick – Council Liason
- Casey Drew – City Finance Director
- Michele Tamerius – Finance Treasury Analyst

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 portfolio with a discussion of changes during the last year, including the addition of a money market account at NXT, and increase of the monthly maturities from \$2 million to \$3 million in the CD laddered portfolio.
- The presentation of the five – year interest earnings report.

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

Best Regards,

Barrie Ernst
VP and CIO – United Fire Group

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City of Cedar Rapids

5 Year Interest Report

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
July	21,926.42	17,214.00	23,480.27	24,621.86	132,178.77
August	24,649.81	21,322.98	9,078.47	110,662.20	147,358.04
September	22,363.63	35,213.59	42,896.88	71,245.19	200,485.56
October	28,268.56	11,850.82	41,357.18	9,823.16	233,448.96
November	27,946.90	17,923.13	21,940.67	25,656.61	127,156.92
December	26,753.47	15,355.43	22,868.96	214,875.31	167,901.46
January	22,303.22	12,020.20	31,734.43	112,730.31	167,483.79
February	12,994.37	49,412.33	24,853.99	123,109.16	188,487.09
March	22,736.31	15,858.79	32,703.45	115,738.81	152,189.42
April	20,118.88	14,620.56	32,853.55	116,181.14	207,602.96
May	19,843.60	10,964.17	152,051.28	138,801.00	201,001.03
June	25,727.06	50,309.18	66,754.25	199,872.72	397,212.59
	275,632.23	272,065.18	502,573.38	1,263,317.47	2,322,506.59

YE Interest Rate 0.146%

0.133%

0.529%

0.624%

0.630%

CONTINUING DISCLOSURE PROCESS

Continuing Disclosure Certificate is approved as part of the bond sale that outline the City's Responsibilities through the life of the bonds.

SEC Filing Requirement on the SEC Electronic Municipal Market Access (EMMA):

- Within 365 days of yearend: Continuing Disclosure Annual Report and Comprehensive Annual Financial Report (CAFR)
- Within 10 business days of a Material Event a notice must be filed on EMMA

1. Continuing Disclosure Certificate

- a. Treasury will review the certificate at the time of bond sale, review the listing all documents that must be provided and compare them to the requirements spread sheet.

2. Material Event Notice Review

- a. Each July, Treasury will contact the City Attorney and City Finance Director to confirm no Material Events have taken place during the prior fiscal year. If an event has taken place or if Treasury is made aware of an event during the year, Treasury will contact the City's Bond Attorney and Financial Advisor for guidance.

3. Continuing Disclosure Annual Report – Update of tables from the Official Statement

- a. Treasury creates the report in July, reviewed in August then posted to EMMA by August 30

4. Comprehensive Annual Financial Report – CAFR

- a. Treasury will post to EMMA once it is audited and approved by Council in February

Process that are new with the SOP:

Reminders and Confirmations:

- Treasury has set up filing reminders through the EMMA website to ensure timely postings.
- Treasury and the City's Financial Advisor will receive filing confirmations each time a document is posted to EMMA.

Financial Advisor Review

- The City arranged for the City's Financial Advisor to review all of the Treasury Department's Continuing Disclosure filing each year and provide a review by June 1 confirming the timeliness and completeness of the filings, as well as, confirming that the documents are properly attached to all outstanding CUSIPS. The June 1 date will allow for any corrections before the June 30 deadline. Once the Financial Advisor can confirm that the City has meet the requirements, they will provide a letter confirming compliance.

CUSIP Attachments

- Treasury will now attach all documents using CUSIP-6 rather than CUSIP-9. This will eliminate the possibility of missing any outstanding CUSIPs because the EMMA pulls the information in rather than Treasury typing in the detail.

Cedar Rapids Ball Club Inc.
Proposal for alter the Annual Audit Requirements

The Cedar Rapids Ball Club Inc. requests a change in the annual financial audit requirement.

We request that the City of Cedar Rapids and the Veterans Memorial Commission waive the annual financial audit requirement of the Cedar Rapids Ball Club Inc. The Cedar Rapids Ball Club Inc. will deposit all savings generated by forgoing the audit into the Veterans Memorial Stadium Capital Repairs fund. The following formula will be used to determine the amount of savings: total 2015 audit and tax expense (the baseline expense amount) less the current year's tax and audit expense.

The City of Cedar Rapids, Veterans Memorial Commission and the Cedar Rapids Ball Club, Inc. may request an audit or financial review be performed at the conclusion of the fiscal year at any time for any reason. If a financial auditor review is performed, then no savings deposit will be made to the Veterans Memorial Stadium Capital Repairs Funds.
