

★ **Roll Call Number**

Agenda Item Number

40

Date April 26, 2010

WHEREAS, the City Treasurer is responsible for managing and investing the City's funds in accordance with the investment policy approved by the City Council; and

WHEREAS, the City's investment portfolio consists of two major categories: pooled cash and investments and non-pooled cash and investments.

WHEREAS, previous Treasurer's Reports have been received and filed on Roll Calls 09-648, 09-1349, 09-1941 and 10-124.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa:

That the attached Quarterly Treasurer's Report as of March 31, 2010 is hereby received and filed.

(copy attached)

MOVED BY _____ to receive and file.

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GRIESS				
HENSLEY				
MAHAFFEY				
MEYER				
MOORE				
TOTAL				
MOTION CARRIED			APPROVED	
_____ Mayor				

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

_____ City Clerk

QUARTERLY TREASURER'S REPORT

As of March 31, 2010

Prepared by
Heide U. Green, Treasury Manager
Allen Mc Kinley, Finance Director/Treasurer

Date 4-26-10
Agenda Item 40
Roll Call # _____

**Quarterly Treasurer's Report
As of March 31, 2010**

Background

In accordance with the City's investment policy, State law, and Federal arbitrage and grant regulations, the Finance Director/Treasurer manages the City's funds as follows:

"It is the policy of the City of Des Moines to invest public funds not currently needed in a manner which will provide protection of principal, meet the daily cash flow demands of the City and provide market returns."

Therefore, the primary objectives, in priority order, of the investment activities are:

1. Safety of principal
2. Liquidity
3. Return on investments

(Source: Investment Policy of the City of Des Moines, effective May 2006)

Purpose

This report is intended to permit City Council and the public to monitor the Treasurer's compliance with the three objectives stated above.

Safety of Principal

The first two pages of the report (pie graph of "Portfolio Composition" and "Investment Definitions") provide information with which to assess the safety of the City's principal.

As of March 31, 64.5 percent of the \$187.6 million total portfolio was invested in U.S. government agency securities (Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and Farm Credit Administration), which are backed by the implied or moral obligation of the U.S. Government. 14.3 percent of the portfolio was invested in certificates of deposit issued by Iowa banks that have the backing of the State Sinking Fund

Liquidity

The City's portfolio is divided into two major categories: pooled cash and investments, and non-pooled cash and investments. The pooled cash and investments contain the City's day-to-day operating funds. These investments are relatively short-term, to reflect their needed availability. This is apparent at the bottom of the report labeled "Pooled Portfolio Detail." The column labeled "Days-Purchase to Maturity" shows this \$167.4 million portion of the portfolio to have an average maturity of 190 days.

The other major category of the City's portfolio is non-pooled cash and investments. This category contains investments purchased specifically for, and earning interest for only, a particular fund. Bond proceeds, debt service reserve funds, and bond sinking funds for enterprises like the Airport, Sewer System, and Parking System, are the main components of non-pooled cash and investments. The permanent cemetery

maintenance fund and special assessments are also included in this category. These investments are much longer term than the pooled category described in the preceding paragraph. The last line on the second page of the report labeled "Non-Pooled Portfolio Detail" reveals that the average maturity of the \$20.2 million of investments in this category is 313 days.

Return on investments

The final two pages of this report are line graphs showing, respectively, the pooled cash and investments portfolio yield and the non-pooled cash and investments portfolio yield—both for fifteen months, and both compared with two benchmarks.

For the pooled portfolio, with its current average maturity of 190 days, the two benchmarks displayed are the 180-day Treasury bill and the one-year Treasury note. For the non-pooled portfolio, with its current average maturity of 313 days, the two benchmarks displayed are the two-year Treasury note and the three-year Treasury note yields.

Generally, because the City uses a "buy-and-hold" approach to investing, the portfolio yields will lag the market. Thus, in times of rising interest rates the yield on the City's portfolio will probably not go up as fast as the benchmark. Conversely, in times of declining interest rates, the yield on the City's portfolio will probably not go down as fast as the benchmark.

Investment Definitions

Government Treasuries

Treasury Notes: Intermediate term coupon bearing U.S. Treasury Securities having initial maturities of from 1-10 years. Backed by full faith and credit of the U.S. Government.

Government Agencies

FNMA (Federal National Mortgage Association): Conventional mortgages that are financed by the sale of corporate obligations (debentures and short-term notes) to private investors. Backed by moral or implied obligation of the U.S. Government.

FHLMC (Federal Home Loan Mortgage Corporation): Established to help maintain the availability of mortgage credit for residential housing. Participation is in the conventional loan market. Backed by moral or implied obligation of U.S. Government.

FHLB (Federal Home Loan Banks): The institution that regulates lending to savings and loan associations. Backed by a moral or implied obligation of the U.S. Government.

FFC (Federal Farm Credits): Supports agricultural loans. Backed by moral or implied obligation of the U.S. Government.

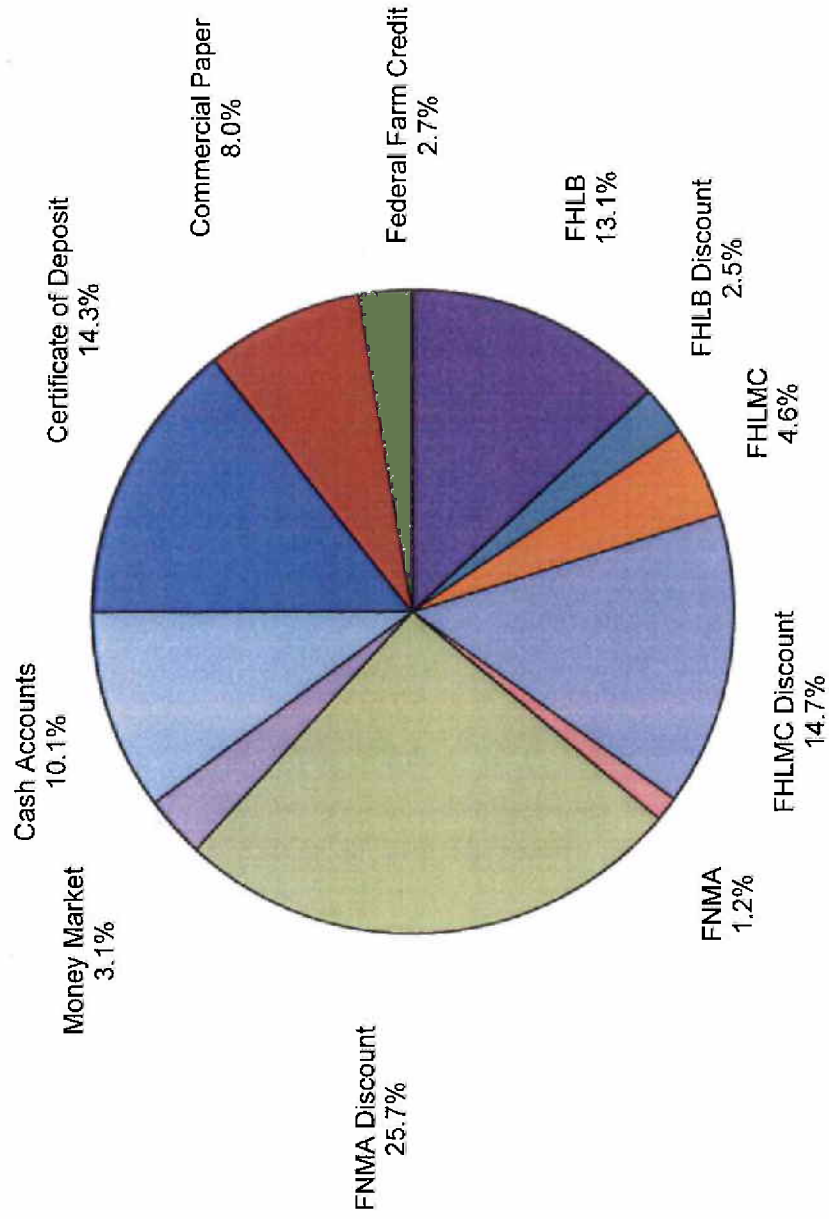
Other

Money Market Fund: A form of mutual fund that restricts investments to relatively safe, relatively short-term instruments. Typical money market funds may invest in short-term U.S. government obligations, commercial paper, and banker's acceptances. Average maturities of fund assets are typically 14 to 28 days.

Certificate of Deposit: A time deposit with a specific maturity evidenced by a certificate. Insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000.

Commercial Paper: An unsecured promissory note with a fixed maturity of no more than 270 days. Primarily used by large corporations to finance short-term debt.

**City of Des Moines, Iowa
Combined Portfolio Composition - Total \$187,554,323
As of March 31, 2010**



**City of Des Moines
Non-Pooled Portfolio Detail
As of March 31, 2010**

CUSIP	Invest Number	Security Description	Issuer	Purchase Date	Maturity Date	Days-Purchase To Maturity	Yield	Original Cost	Ending Par Value	Earnings To Maturity	Current Market Value
	09-0055	Certificate of Deposit	Bank of the West	5/5/2009	5/5/2010	365	1.6500	888,250.00	888,250.00	14,656.13	888,250.00
	09-0064	Certificate of Deposit	Bank of the West	6/3/2009	6/2/2010	364	1.5300	1,404,000.00	1,404,000.00	21,422.35	1,404,000.00
		Certificate of Deposit Total				365	1.5900	2,292,250.00	2,292,250.00	36,078.48	2,292,250.00
	31331GSA8	Federal Farm Credit	Piper Jaffray	4/1/2008	4/1/2010	365	0.8750	600,000.00	600,000.00	2,625.00	600,000.00
	31331JDD2	Federal Farm Credit	Coastal Securities	2/3/2010	8/3/2011	546	0.6800	3,330,000.00	3,330,000.00	33,966.00	3,325,837.50
		Federal Farm Credit Total				456	0.7775	3,930,000.00	3,930,000.00	36,591.00	3,925,837.50
	3133XTFY7	FHLMC	RBC Dain Rauche	8/20/2009	7/6/2010	320	0.5003	3,013,110.00	3,000,000.00	5,723.33	3,005,640.00
	3133XRT83	FHLB	Piper Jaffray	9/16/2009	9/10/2010	359	0.4207	514,480.00	500,000.00	2,113.75	506,875.00
	3133XTXH4	FHLB	Wells Fargo Instit.	12/23/2009	7/27/2011	581	0.7800	1,418,705.85	1,400,000.00	17,567.76	1,415,316.00
		FHLB Total				420	0.5670	4,946,295.85	4,900,000.00	25,404.84	4,927,831.00
	3137EABL2	FHLMC	Piper Jaffray	4/30/2009	6/28/2010	424	0.7002	512,550.00	500,000.00	4,140.97	503,215.00
	3128X4HN4	FHLMC	Great Pacific	1/8/2008	9/1/2010	967	3.3998	520,070.00	500,000.00	46,110.56	509,685.00
	3137EABZ1	FHLMC	Great Pacific	3/31/2010	4/26/2011	391	0.5217	1,011,750.00	1,000,000.00	5,628.47	1,010,940.00
		FHLMC Total				594	1.5406	2,044,370.00	2,000,000.00	55,880.00	2,023,840.00
	313569XJ7	FNMA Discount Note	Wells Fargo Instit.	1/15/2010	5/28/2010	133	0.0913	1,659,448.05	1,660,000.00	551.95	1,674,835.50
	313569XJ7	FNMA Discount Note	RBC Dain Rauche	3/11/2010	5/28/2010	78	0.1420	1,629,505.57	1,630,000.00	494.43	1,614,835.50
		FNMA Discount Total				106	0.1167	3,288,953.62	3,290,000.00	1,046.38	3,289,671.00
	140320268	Money Market	Goldman Sachs	Daily	Daily	1	0.0100	357,117.00	357,117.00	N/A	357,117.00
	140320300	Money Market	Goldman Sachs	Daily	Daily	1	0.0100	554,742.58	554,742.58	N/A	554,742.58
	140323536	Money Market	Goldman Sachs	Daily	Daily	1	0.0100	1,290,456.57	1,290,456.57	N/A	1,290,456.57
		Money Market Total				1	0.0100	2,202,316.15	2,202,316.15	N/A	2,202,316.15
	26824	Cash Account	Bankers Trust	Daily	Daily	1	0.0300	3,988.80	3,988.80	N/A	3,988.80
	1356872	Cash Account	Bankers Trust	Daily	Daily	1	0.0300	1,507.95	1,507.95	N/A	1,507.95
	1357052	Cash Account	Bankers Trust	Daily	Daily	1	0.0300	127,599.84	127,599.84	N/A	127,599.84
	1395763	Cash Account	Bankers Trust	Daily	Daily	1	0.0300	274,349.33	274,349.33	N/A	274,349.33
	1395797	Cash Account	Bankers Trust	Daily	Daily	1	0.0300	8,223.40	8,223.40	N/A	8,223.40
	1395813	Cash Account	Bankers Trust	Daily	Daily	1	0.0300	585,986.60	585,986.60	N/A	585,986.60
	1395839	Cash Account	Bankers Trust	Daily	Daily	1	0.0300	21,065.20	21,065.20	N/A	21,065.20

**City of Des Moines
Non-Pooled Portfolio Detail
As of March 31, 2010**

<u>CUSIP</u>	<u>Invest Number</u>	<u>Security Description</u>	<u>Issuer</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Days-Purchase To Maturity</u>	<u>Yield</u>	<u>Original Cost</u>	<u>Ending Par Value</u>	<u>Earnings To Maturity</u>	<u>Current Market Value</u>
1566815		Cash Account	Bankers Trust	Daily	Daily	1	0.0300	2,262.38	2,262.38	N/A	2,262.38
1566879		Cash Account	Bankers Trust	Daily	Daily	1	0.0300	429,817.24	429,817.24	N/A	429,817.24
1567298		Cash Account	Bankers Trust	Daily	Daily	1	0.0300	5,701.38	5,701.38	N/A	5,701.38
Cash Account Total						1	0.0300	1,460,502.12	1,460,502.12	N/A	1,460,502.12
Investment Total						313	0.611%	20,164,687.74	20,075,058.27	155,000.70	20,122,247.77

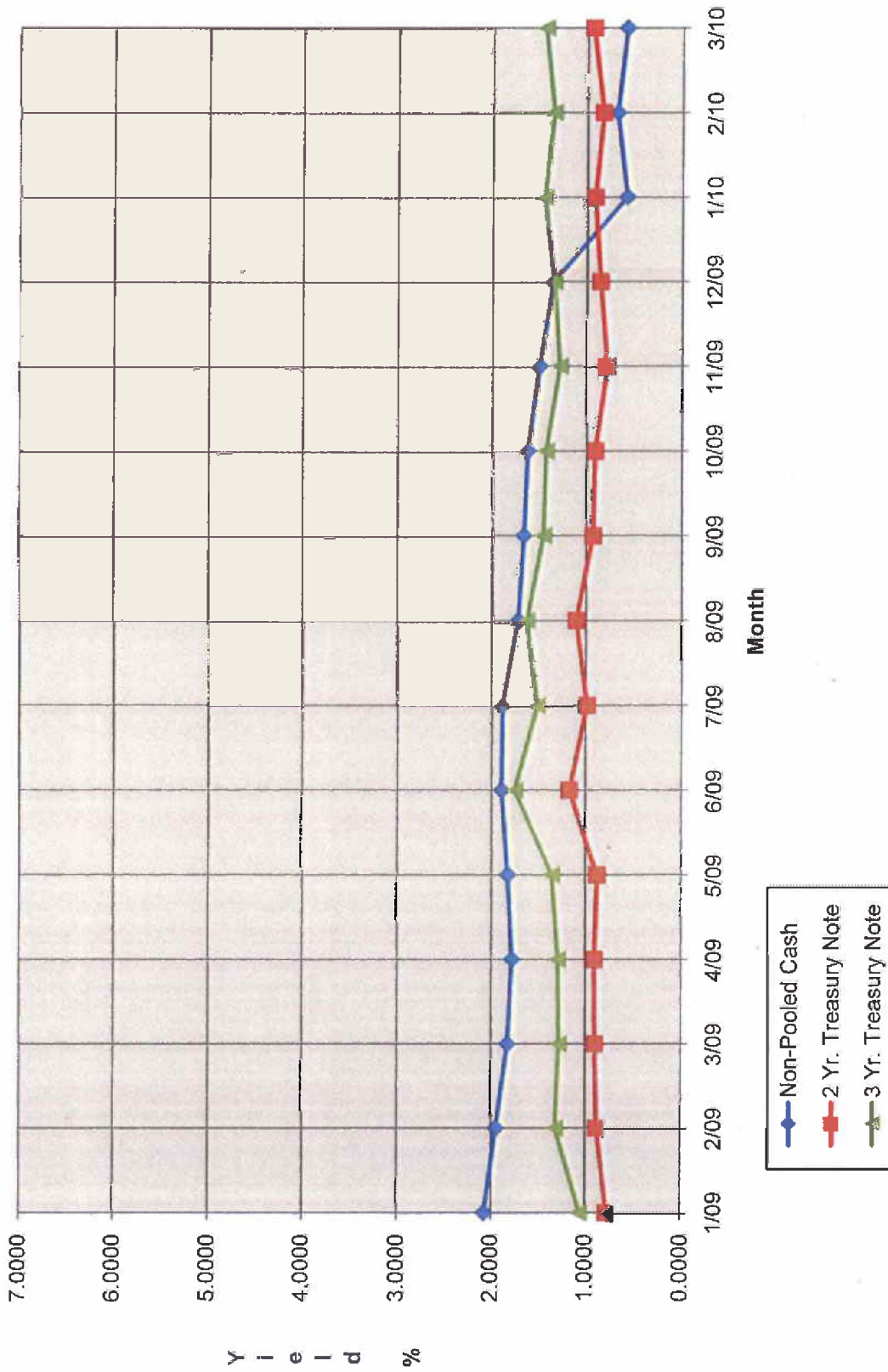
**City of Des Moines
Pooled Portfolio Detail
As of March 31, 2010**

CUSIP	Invest Number	Security Description	Issuer	Purchase Date	Maturity Date	Days-Purchase To Maturity	Yield	Original Cost	Ending Par Value	Earnings To Maturity	Current Market Value
		Certificate of Deposit	Wells Fargo Bank	11/17/2009	5/7/2010	171	0.16	4,000,000.00	4,000,000.00	2,998.36	4,000,000.00
	10-0025	Certificate of Deposit	Wells Fargo Bank	11/23/2009	5/14/2010	172	0.16	4,000,000.00	4,000,000.00	3,015.89	4,000,000.00
	10-0026	Certificate of Deposit	Bank of the West	6/19/2009	6/18/2010	364	0.81	3,000,000.00	3,000,000.00	44,577.53	3,000,000.00
	09-0068	Certificate of Deposit	First American Bank	6/26/2009	7/20/2010	389	0.81	4,000,000.00	4,000,000.00	57,550.68	4,000,000.00
	09-0075	Certificate of Deposit	Wells Fargo Bank	2/17/2010	7/30/2010	163	0.14	4,000,000.00	4,000,000.00	57,550.68	4,000,000.00
	10-0047	Certificate of Deposit	Wells Fargo Bank	6/26/2009	9/23/2010	454	0.81	2,000,000.00	2,000,000.00	33,583.56	2,000,000.00
	09-0076	Certificate of Deposit	First American Bank			266	0.48	21,000,000.00	21,000,000.00	199,276.70	21,000,000.00
		Certificate of Deposit Total									
85324JFG3	10-0036	Commercial Paper	Great Pacific	12/16/2009	6/16/2010	182	0.40	3,992,113.33	4,000,000.00	7,886.67	3,992,113.33
4497W1FR2	10-0037	Commercial Paper	Great Pacific	12/16/2009	6/25/2010	191	0.27	4,992,837.50	5,000,000.00	7,162.50	4,992,837.50
17307SG22	10-0042	Commercial Paper	Piper Jaffray	1/26/2010	7/2/2010	157	0.28	3,995,115.56	4,000,000.00	4,884.44	3,995,115.56
		Commercial Paper Total				177	0.32	12,980,066.39	13,000,000.00	19,933.61	12,980,066.39
31331GSA8	09-0045	Federal Farm Credit	Piper Jaffray	4/1/2009	4/1/2010	365	0.88	400,000.00	400,000.00	1,750.00	400,000.00
		Federal Farm Credit Total				365	0.88	400,000.00	400,000.00	1,750.00	400,000.00
3133XBTH8	10-0034	FHLB	Piper Jaffray	12/8/2009	6/11/2010	185	0.19	3,439,556.80	3,370,000.00	3,249.24	3,396,319.70
3133XTZNG	09-0072	FHLB	O'Connor SWS	6/26/2009	6/22/2010	361	0.57	9,999,300.00	10,000,000.00	56,077.78	10,008,300.00
3133XVDMD	10-0049	FHLB	Piper Jaffray	2/18/2010	4/18/2011	424	0.47	3,008,010.00	3,000,000.00	16,490.00	3,002,320.00
		FHLB Total				323	0.41	16,446,866.80	16,370,000.00	75,817.02	16,405,439.70
313885XG6	10-0032	FHLB Discount Note	Wells Fargo Instit. Brokerage	12/4/2009	5/26/2010	173	0.14	3,997,308.88	4,000,000.00	2,691.12	3,999,600.00
		FHLB Total				173	0.14	3,997,308.88	4,000,000.00	2,691.12	3,999,600.00
3137EABG3	10-0024	FHLMC	Piper Jaffray	11/13/2009	4/30/2010	168	0.17	4,050,140.00	4,000,000.00	3,207.22	4,008,760.00
3137EABL2	09-0053	FHLMC	Piper Jaffray	4/30/2009	6/28/2010	424	2.88	1,537,650.00	1,500,000.00	12,422.92	1,509,645.00
		FHLMC Total				296	1.52	5,587,790.00	5,500,000.00	15,630.14	5,518,405.00
313397UJZ	10-0020	FHLMC Discount Note	Piper Jaffray	11/13/2009	4/1/2010	139	0.12	3,998,146.67	4,000,000.00	1,853.33	4,000,000.00
313397WH1	10-0021	FHLMC Discount Note	Wells Fargo Instit. Brokerage	11/13/2009	4/9/2010	147	0.13	3,997,876.67	4,000,000.00	2,123.33	4,000,000.00
313397VQ1	10-0022	FHLMC Discount Note	Wells Fargo Instit. Brokerage	11/13/2009	4/16/2010	154	0.14	3,997,604.44	4,000,000.00	2,395.56	4,000,000.00
313397VX6	10-0011	FHLMC Discount Note	RBC Dain Raucher	9/17/2009	4/23/2010	218	0.20	3,995,155.56	4,000,000.00	4,844.44	4,000,000.00
313397VX6	10-0023	FHLMC Discount Note	Wells Fargo Instit. Brokerage	11/13/2009	4/23/2010	161	0.16	3,997,137.78	4,000,000.00	2,862.22	4,000,000.00
313397XN6	10-0050	FHLMC Discount Note	Wells Fargo Instit. Brokerage	3/3/2010	6/1/2010	90	0.14	24,646,678.94	24,655,000.00	8,321.06	24,650,069.00
313397VZ8	10-0044	FHLMC Discount Note	RBC Dain Raucher	2/3/2010	7/3/2010	150	0.17	3,997,280.00	4,000,000.00	2,720.00	3,998,000.00
		FHLMC Discount Total				151	0.15	48,629,880.06	48,655,000.00	25,119.94	48,648,069.00

**City of Des Moines
Pooled Portfolio Detail
As of March 31, 2010**

CUSIP	Invest Number	Security Description	Issuer	Purchase Date	Maturity Date	Days-Purchase To Maturity	Yield	Original Cost	Ending Par Value	Earnings To Maturity	Current Market Value
31398AVQ2	10-0051	FNMA	RBC Dain Raucher	3/8/2010	3/23/2011	380	0.44	2,027,300.00	2,000,000.00	9,158.33	2,022,500.00
FNMA Total						380	0.44	2,027,300.00	2,000,000.00	9,158.33	2,022,500.00
313589XB4	10-0031	FNMA Discount Note	Wells Fargo Instit. Brokerage	12/4/2009	5/21/2010	168	0.12	3,997,760.00	4,000,000.00	2,240.00	3,999,600.00
313589XP3	10-0033	FNMA Discount Note	Wells Fargo Instit. Brokerage	12/4/2009	6/2/2010	180	0.15	3,997,000.00	4,000,000.00	3,000.00	3,999,200.00
313589ZH9	10-0045	FNMA Discount Note	RBC Dain Raucher	2/4/2010	7/14/2010	160	0.16	3,997,244.44	4,000,000.00	2,755.56	3,998,000.00
313589ZS5	10-0046	FNMA Discount Note	RBC Dain Raucher	2/4/2010	7/23/2010	169	0.16	3,996,995.56	4,000,000.00	3,004.44	3,998,000.00
313589A95	10-0048	FNMA Discount Note	RBC Dain Raucher	2/18/2010	8/6/2010	169	0.19	3,996,432.22	4,000,000.00	3,567.78	3,997,200.00
313589B77	10-0053	FNMA Discount Note	Smith Barney	3/10/2010	8/13/2010	158	0.22	3,996,186.67	4,000,000.00	3,813.33	3,996,800.00
313589C68	10-0056	FNMA Discount Note	Wells Fargo Instit. Brokerage	3/18/2010	8/29/2010	155	0.22	3,996,211.11	4,000,000.00	3,788.89	3,996,800.00
313589D59	10-0057	FNMA Discount Note	Wells Fargo Instit. Brokerage	3/18/2010	8/27/2010	162	0.23	3,995,860.00	4,000,000.00	4,140.00	3,996,400.00
313589E41	10-0058	FNMA Discount Note	RBC Dain Raucher	3/23/2010	9/3/2010	164	0.25	3,995,444.44	4,000,000.00	4,555.56	3,996,000.00
313589CP8	10-0052	FNMA Discount Note	Smith Barney	3/10/2010	3/3/2011	358	0.44	522,755.04	525,000.00	2,244.96	522,637.50
313589CW3	10-0055	FNMA Discount Note	Wells Fargo Instit. Brokerage	3/18/2010	3/10/2011	357	0.46	1,991,075.00	2,000,000.00	8,925.00	1,990,800.00
FNMA Discount Total						200	0.24	38,482,964.48	38,525,000.00	42,035.52	38,491,437.50
140320243	General	Money Market	Goldman Sachs	Daily	Daily	1	0.01	2,892,112.56	2,892,112.56	N/A	2,892,112.56
Money Market Total						1	0.01	2,892,112.56	2,892,112.56	-	2,892,112.56
23450	General	Cash Account	Bankers Trust	Daily	Daily	1	0.03	12,328,175.54	12,328,175.54	N/A	12,328,175.54
23493	Parking Ramps	Cash Account	Bankers Trust	Daily	Daily	1	0.03	803,158.77	803,158.77	N/A	803,158.77
23515	Park & Ride	Cash Account	Bankers Trust	Daily	Daily	1	0.03	36,191.12	36,191.12	N/A	36,191.12
23523	Trust & Agency	Cash Account	Bankers Trust	Daily	Daily	1	0.03	286,449.20	286,449.20	N/A	286,449.20
72001	Airport Parking	Cash Account	Bankers Trust	Daily	Daily	1	0.03	705,498.48	705,498.48	N/A	705,498.48
1117290	Parking Meters	Cash Account	Bankers Trust	Daily	Daily	1	0.03	143,188.44	143,188.44	N/A	143,188.44
1357029	Ambulance	Cash Account	Bankers Trust	Daily	Daily	1	0.03	2,527.71	2,527.71	N/A	2,527.71
1395078	Swimming Pools	Cash Account	Bankers Trust	Daily	Daily	1	0.03	660,155.94	660,155.94	N/A	660,155.94
1395789	Spec Assess	Cash Account	Bankers Trust	Daily	Daily	1	0.03	14,945,346.20	14,945,346.20	N/A	14,945,346.20
Cash Account Total						1	0.03	14,945,346.20	14,945,346.20	N/A	14,945,346.20
Investment Total						190	0.2805	167,389,635.37	167,287,458.76	391,112.38	167,302,976.35

**City of Des Moines
Non-Pooled Cash Portfolio Yield
For the Fifteen Months Ended March 31, 2010**



**City of Des Moines
Pooled Cash Portfolio Yield
For the Fifteen Months Ended March 31, 2010**

