



Roll Call Number

Agenda Item Number

43

Date July 27, 2009

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 08-1329, 08-1858, 09-115 and 09-648.

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 June 30, 2009 is hereby received and filed.

(copy attached)

MOVED BY \_\_\_\_\_ to receive and file.

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
KIERNAN				
HENSLEY				
MAHAFFEY				
MEYER				
VLASSIS				
TOTAL				

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.

MOTION CARRIED APPROVED

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

**QUARTERLY TREASURER'S REPORT**

**As of June 30, 2009**

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

**Quarterly Treasurer's Report  
As of June 30, 2009**

**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 June 30, 27.6 percent of the \$183.1 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. 46.5 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 \$164.4 million portion of the portfolio to have an average maturity of 174 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 \$18.6 million of investments in this category is 431 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 174 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 431 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.

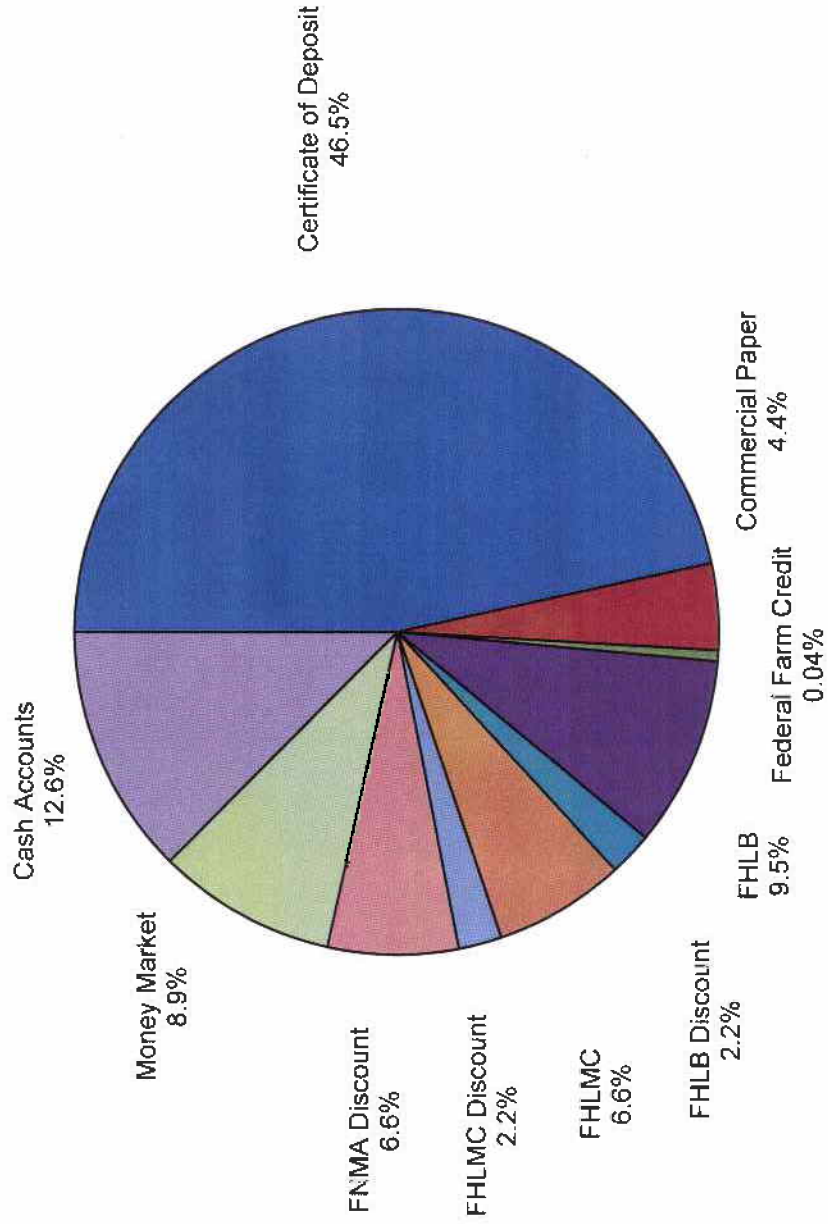
### Other

*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 \$183,061,343  
As of June 30, 2009**



**City of Des Moines  
Non-Pooled Portfolio Detail  
As of June 30, 2009**

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
	07-0058	Certificate of Deposit	US Bank	12/21/2006	12/20/2009	1095	4.9050	1,388,000.00	1,388,000.00	204,244.20	1,388,000.00
	07-0081	Certificate of Deposit	US Bank	1/31/2007	1/29/2010	1094	5.1950	3,325,350.00	3,325,350.00	667,651.14	3,325,350.00
	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				730	3.3200	7,005,600.00	5,601,600.00	907,973.82	5,601,600.00
	3131GSA8	Federal Farm Credit	Piper Jaffray	4/1/2009	4/1/2010	365	0.8750	600,000.00	600,000.00	2,625.00	601,878.00
		Federal Farm Credit Total				365	0.8750	600,000.00	600,000.00	2,625.00	601,878.00
	3133XGJ88	FHLB	Piper Jaffray	9/8/2006	9/11/2009	1099	5.0468	502,800.00	500,000.00	89,614.58	504,690.00
	3133XB6R1	FHLB	Great Pacific	1/8/2008	3/29/2010	811	3.3802	666,965.00	650,000.00	66,672.12	670,111.00
		FHLB Total				955	4.2135	1,169,765.00	1,150,000.00	156,286.70	1,174,801.00
	3137EABL2	FHLMC	Piper Jaffray	4/30/2009	6/28/2010	424	0.7002	512,550.00	500,000.00	7,187.50	511,690.00
	3128X4HN4	FHLMC	Great Pacific	1/8/2008	9/1/2010	967	3.3998	520,070.00	500,000.00	66,180.56	524,790.00
		FHLMC Total				696	2.0500	1,032,620.00	1,000,000.00	73,368.06	1,036,480.00
	140320268	Money Market	Bankers Trust	Daily	Daily	1	0.0900	357,117.00	357,117.00	N/A	357,117.00
	140923536	Money Market	Bankers Trust	Daily	Daily	1	0.0900	1,779,050.27	1,779,050.27	N/A	1,779,050.27
		Money Market Total				1	0.0900	2,136,167.27	2,136,167.27	N/A	2,136,167.27
	26824	Cash Account	Bankers Trust	Daily	Daily	1	0.0900	3,963.64	3,963.64	N/A	3,963.64
	1356872	Cash Account	Bankers Trust	Daily	Daily	1	0.0900	1,801.35	1,801.35	N/A	1,801.35
	1357052	Cash Account	Bankers Trust	Daily	Daily	1	0.0900	147,870.79	147,870.79	N/A	147,870.79
	1395763	Cash Account	Bankers Trust	Daily	Daily	1	0.0900	3,283,141.50	3,283,141.50	N/A	3,283,141.50
	1395787	Cash Account	Bankers Trust	Daily	Daily	1	0.0900	115,770.94	115,770.94	N/A	115,770.94
	1395813	Cash Account	Bankers Trust	Daily	Daily	1	0.0900	2,086,815.41	2,086,815.41	N/A	2,086,815.41
	1395839	Cash Account	Bankers Trust	Daily	Daily	1	0.0900	21,058.29	21,058.29	N/A	21,058.29
	1566815	Cash Account	Bankers Trust	Daily	Daily	1	0.0900	84,293.05	84,293.05	N/A	84,293.05
	1566879	Cash Account	Bankers Trust	Daily	Daily	1	0.0900	694,294.05	694,294.05	N/A	694,294.05
	1567298	Cash Account	Bankers Trust	Daily	Daily	1	0.0900	256,917.90	256,917.90	N/A	256,917.90
		Cash Account Total				1	0.0900	6,695,926.92	6,695,926.92	N/A	6,695,926.92
		<b>Investment Total</b>				<b>431</b>	<b>1.5279</b>	<b>18,640,079.19</b>	<b>17,885,694.19</b>	<b>1,140,263.56</b>	<b>17,948,853.19</b>



**City of Des Moines  
Pooled Portfolio Detail  
As of June 30, 2009**

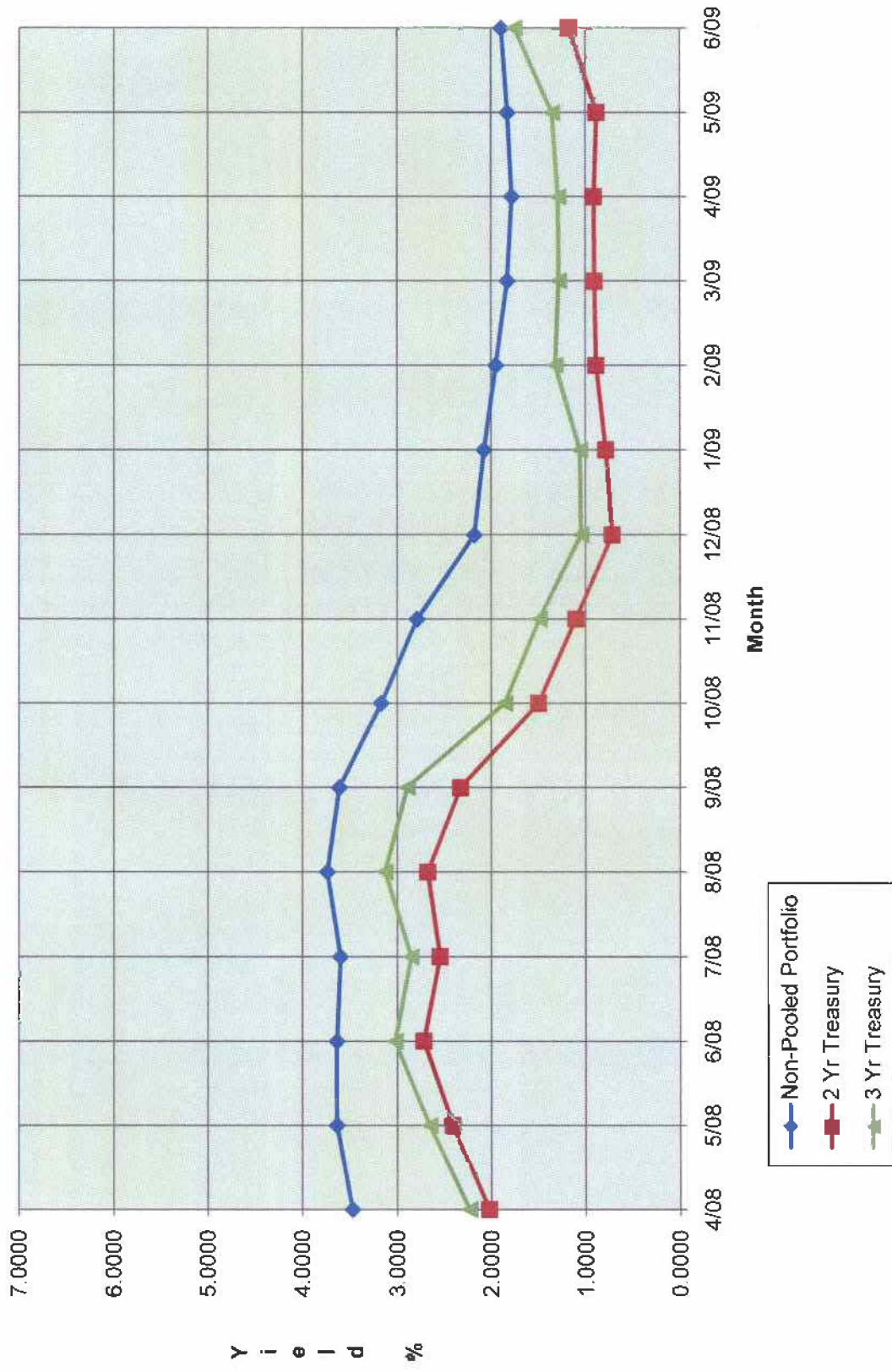
<u>CUSIP</u>	<u>Invest Number</u>	<u>Security Description</u>	<u>Issuer</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Days-Purchase To Maturity</u>	<u>Yield</u>	<u>Original Cost</u>	<u>Ending Par Value</u>	<u>Earnings To Maturity</u>	<u>Current Market Value</u>
	09-0032	Certificate of Deposit	First American Bank	2/11/2009	7/3/2009	142	1.00	4,000,000.00	4,000,000.00	15,561.84	4,000,000.00
	09-0033	Certificate of Deposit	First American Bank	2/11/2009	7/10/2009	148	1.00	4,000,000.00	4,000,000.00	16,328.77	4,000,000.00
	09-0034	Certificate of Deposit	Bank of the West	4/3/2009	8/14/2009	133	0.30	4,000,000.00	4,000,000.00	4,372.60	4,000,000.00
	09-0054	Certificate of Deposit	First American Bank	5/5/2009	9/4/2009	122	0.71	4,000,000.00	4,000,000.00	9,492.60	4,000,000.00
	09-0056	Certificate of Deposit	First American Bank	5/13/2009	9/11/2009	121	0.50	4,000,000.00	4,000,000.00	6,930.14	4,000,000.00
	09-0057	Certificate of Deposit	First American Bank	5/13/2009	9/18/2009	128	0.50	4,000,000.00	4,000,000.00	7,013.70	4,000,000.00
	09-0058	Certificate of Deposit	Bank of the West	5/15/2009	9/25/2009	133	0.83	4,000,000.00	4,000,000.00	12,097.53	4,000,000.00
	09-0060	Certificate of Deposit	Bank of the West	5/22/2009	10/2/2009	133	0.50	4,000,000.00	4,000,000.00	7,287.67	4,000,000.00
	09-0061	Certificate of Deposit	Bank of the West	5/22/2009	10/9/2009	140	0.50	4,000,000.00	4,000,000.00	7,671.23	4,000,000.00
	09-0065	Certificate of Deposit	Bank of the West	6/3/2009	10/16/2009	135	0.50	4,000,000.00	4,000,000.00	7,397.26	4,000,000.00
	09-0066	Certificate of Deposit	Bank of the West	6/3/2009	10/23/2009	142	0.50	4,000,000.00	4,000,000.00	7,780.82	4,000,000.00
	09-0067	Certificate of Deposit	Bank of the West	6/3/2009	10/30/2009	149	0.50	4,000,000.00	4,000,000.00	8,164.38	4,000,000.00
	09-0069	Certificate of Deposit	First American Bank	6/19/2009	11/6/2009	140	0.50	4,000,000.00	4,000,000.00	7,671.23	4,000,000.00
	09-0070	Certificate of Deposit	First American Bank	6/23/2009	11/13/2009	143	0.65	4,000,000.00	4,000,000.00	10,186.30	4,000,000.00
	09-0073	Certificate of Deposit	Metabank	6/26/2009	11/20/2009	147	0.50	4,000,000.00	4,000,000.00	8,054.79	4,000,000.00
	09-0074	Certificate of Deposit	Metabank	6/26/2009	11/27/2009	154	0.50	4,000,000.00	4,000,000.00	8,438.36	4,000,000.00
	07-0081	Certificate of Deposit	US Bank	1/31/2007	1/29/2010	1094	5.20	962,500.00	962,500.00	149,731.64	962,500.00
	09-0034	Certificate of Deposit	First American Bank	2/18/2009	2/18/2010	365	0.95	3,050,000.00	3,050,000.00	28,975.00	3,050,000.00
	09-0062	Certificate of Deposit	Bank of the West	5/22/2009	3/9/2010	291	0.81	1,000,000.00	1,000,000.00	6,457.81	1,000,000.00
	09-0068	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
	09-0075	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
	09-0076	Certificate of Deposit	First American 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
		<b>Certificate of Deposit Total</b>				<b>235</b>	<b>0.86</b>	<b>78,012,500.00</b>	<b>78,012,500.00</b>	<b>465,025.24</b>	<b>78,012,500.00</b>
	36161CVM1	Commercial Paper	Great Pacific	4/29/2009	8/21/2009	114	0.20	3,997,466.67	4,000,000.00	2,533.33	3,997,466.67
	36161CVL3	Commercial Paper	Great Pacific	4/29/2009	8/28/2009	121	0.23	3,996,907.78	4,000,000.00	3,092.22	3,996,907.78
		<b>Commercial Paper Total</b>				<b>118</b>	<b>0.22</b>	<b>7,994,374.45</b>	<b>8,000,000.00</b>	<b>5,625.55</b>	<b>7,994,374.45</b>
	31331GSA6	Federal Farm Credit	Piper Jaffray	4/1/2009	4/1/2010	365	0.88	400,000.00	400,000.00	1,750.00	401,252.00
		<b>Federal Farm Credit Total</b>				<b>365</b>	<b>0.88</b>	<b>400,000.00</b>	<b>400,000.00</b>	<b>1,750.00</b>	<b>401,252.00</b>
	3133XGYT5	FHLB	O'Connor SWS	6/26/2009	12/11/2009	168	0.31	4,065,840.00	4,000,000.00	91,666.67	4,063,760.00
	3133XTB88	FHLB	Great Pacific	3/12/2009	3/5/2010	358	1.11	2,148,688.50	2,150,000.00	22,136.04	2,158,729.00
	3133XTZN9	FHLB	O'Connor SWS	6/26/2009	6/22/2010	361	0.57	9,999,300.00	10,000,000.00	55,377.78	10,006,300.00
		<b>FHLB Total</b>				<b>296</b>	<b>0.66</b>	<b>16,233,828.50</b>	<b>16,150,000.00</b>	<b>169,180.49</b>	<b>16,246,789.00</b>
	313385KA3	FHLB Discount	Piper Jaffray	3/30/2009	8/5/2009	128	0.25	3,996,472.22	4,000,000.00	3,527.78	3,999,600.00
		<b>FHLB Discount Total</b>				<b>128</b>	<b>0.25</b>	<b>3,996,472.22</b>	<b>4,000,000.00</b>	<b>3,527.78</b>	<b>3,999,600.00</b>

**City of Des Moines  
Pooled Portfolio Detail  
As of June 30, 2009**

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
3134A3M78	08-0100	FHLMC	Government Perspectives	6/25/2008	8/15/2009	447	3.12	9,791,228.00	9,400,000.00	761,138.89	9,523,422.00
3137EABL2	09-0053	FHLMC	Piper Jaffray	4/30/2009	6/28/2010	424	2.88	1,537,650.00	1,500,000.00	21,562.50	1,535,070.00
FHLMC Total						436	3.00	11,328,878.00	10,900,000.00	782,701.39	11,058,492.00
313997KF7	09-0047	FHLMC Discount Note	Piper Jaffray	4/9/2009	8/10/2009	123	0.30	3,995,900.00	4,000,000.00	4,100.00	3,999,600.00
FHLMC Discount Total						123	0.30	3,995,900.00	4,000,000.00	4,100.00	3,999,600.00
09-0038	313589JF1	FNMA Discount Note	Wells Fargo Instit Brokerage	3/18/2009	7/17/2009	121	0.24	3,986,773.33	4,000,000.00	3,226.67	4,000,000.00
09-0039	313589JN4	FNMA Discount Note	Wells Fargo Instit. Brokerage	3/18/2009	7/24/2009	128	0.25	3,996,444.44	4,000,000.00	3,555.56	3,999,600.00
09-0040	313589JV6	FNMA Discount Note	Wells Fargo Instit. Brokerage	3/18/2009	7/31/2009	135	0.26	3,996,100.00	4,000,000.00	3,900.00	3,999,600.00
FNMA Discount Total						128	0.25	11,989,317.77	12,000,000.00	10,682.23	11,999,200.00
140320243	General	Money Market	Bankers Trust	Daily	Daily	1	0.09	10,856,052.55	10,856,052.55	N/A	10,856,052.55
140323650	2007B GO	Money Market	Bankers Trust	Daily	Daily	1	0.09	1,900,000.00	1,900,000.00	N/A	1,900,000.00
140323666	2007C GO	Money Market	Bankers Trust	Daily	Daily	1	0.09	1,400,000.00	1,400,000.00	N/A	1,400,000.00
Money Market Total						1	0.09	14,156,052.55	14,156,052.55	-	14,156,052.55
23450	General	Cash Account	Bankers Trust	10/1/1999	Open	1	0.09	13,474,192.86	13,474,192.86	N/A	13,474,192.86
23477	Grandview/Wavelle	Cash Account	Bankers Trust	10/1/1999	Open	1	0.09	251,455.50	251,455.50	N/A	251,455.50
23493	Parking Ramps	Cash Account	Bankers Trust	10/1/1999	Open	1	0.09	807,591.09	807,591.09	N/A	807,591.09
23515	Park & Ride	Cash Account	Bankers Trust	10/1/1999	Open	1	0.09	3,772.19	3,772.19	N/A	3,772.19
23523	Trust & Agency	Cash Account	Bankers Trust	10/1/1999	Open	1	0.09	284,627.14	284,627.14	N/A	284,627.14
72001	Airport Parking	Cash Account	Bankers Trust	10/1/1999	Open	1	0.09	544,778.25	544,778.25	N/A	544,778.25
1117290	Parking Meters	Cash Account	Bankers Trust	10/1/1999	Open	1	0.09	136,844.68	136,844.68	N/A	136,844.68
1357029	Ambulance	Cash Account	Bankers Trust	10/1/1999	Open	1	0.09	1,022.72	1,022.72	N/A	1,022.72
1395078	Swimming Pools	Cash Account	Bankers Trust	10/1/1999	Open	1	0.09	60,137.16	60,137.16	N/A	60,137.16
1395789	Spec Assess	Cash Account	Bankers Trust	10/26/1999	Open	1	0.09	749,518.84	16,313,940.43	N/A	16,313,940.43
Cash Account Total						1	0.09	16,313,940.43	31,879,362.02	N/A	31,879,362.02

**Investment Total** 174 0.659% 156,421,263.92 179,486,914.57 1,442,592.68 179,748,222.02

**City of Des Moines  
Non-Pooled Cash Portfolio Yield  
For the Fifteen Months Ended June 30, 2009**



**City of Des Moines  
Pooled Cash Portfolio Yield  
For the Fifteen Months Ended June 30, 2009**

