

Date October 22, 2007

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 06-178, 07-135, 07-767 and 07-1411.

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 September 30, 2007 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				
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 September 30, 2007

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

**Quarterly Treasurer's Report
As of September 30, 2007**

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 September 30, 52.5 percent of the \$178.9 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. 23.2 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 \$138.9 million portion of the portfolio to have an average maturity of 193 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 \$39.9 million of investments in this category is 414 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 193 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 419 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.

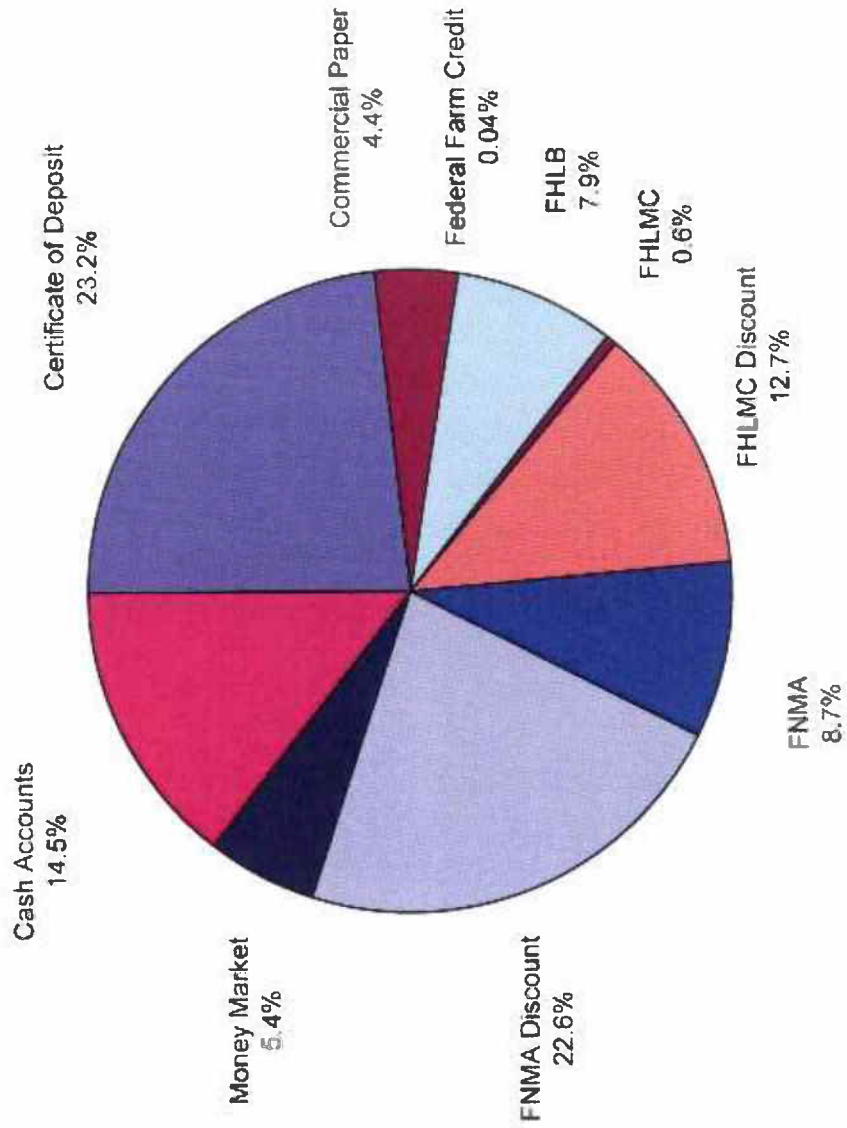
Other

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 \$100,000.

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 \$178,944,119
As of September 30, 2007



**City of Des Moines
Non-Pooled Portfolio Detail
As of September 30, 2007**

CUSIP	Invest Number	Security Description	Issuer	Purchase Date	Maturity Date	Days To Maturity	Yield	Original Cost	Ending Par Value	Earnings To Maturity	Current Market Value
		Certificate of Deposit Total									
3133QA80	03-0089	Federal Farm Credit	Cambridge Group	4/07/03	4/07/08	1827	3.5512	75,405.00	75,000.00	13,357.50	128,652.00
		Federal Farm Credit Note Total									
3133XJL6	06-0083	FHLB	Groat Pacific	5/16/06	12/24/07	587	5.1633	77,850.00	80,000.00	5,047.11	79,724.80
3133X34F7	04-0034	FHLB	Multi-Bank Securities	1/07/04	1/07/08	1481	3.5000	1,000,000.00	1,000,000.00	154,000.00	1,095,875.00
3133X4NE7	04-0048	FHLB	Wells Fargo Instl	3/17/04	3/17/08	1481	3.3500	75,000.00	75,000.00	10,050.00	74,400.75
31335Y4F6	07-0056	FHLB	Coastal Securities	12/21/06	6/30/08	557	5.0100	1,401,394.41	1,450,000.00	59,703.75	1,428,599.50
3133XCZS5	07-0057	FHLB	Coastal Securities	12/21/06	9/28/08	645	4.9900	1,482,871.81	1,500,000.00	172,447.92	1,495,320.00
3133XGJ88	07-0020	FHLR	Piper Jaffray	9/06/06	9/11/09	1099	5.0468	502,800.00	500,000.00	89,614.58	507,815.00
		FHLB Total									
						968	4.5000	4,639,916.22	4,705,000.00	430,863.36	4,981,895.05
3135RKHHD	01-G-41	FNMA	Smith Barney	5/29/01	10/15/07	2330	5.6954	209,610.00	200,000.00	84,505.56	700,125.00
3135RMP56	07-0054	FNMA	Coastal Securities	12/21/06	12/03/07	337	5.1360	2,802,839.56	2,800,000.00	139,650.00	2,800,868.00
3136FSS42	07-0055	FNMA	O'Connor SWS	12/21/06	3/28/08	453	5.1330	2,027,391.37	2,050,000.00	110,079.87	2,043,804.00
3135RMTFO	07-0018	FNMA	Piper Jaffray	9/08/06	9/15/08	738	5.0805	487,375.00	500,000.00	37,864.58	496,095.00
3136F5LE9	07-0019	FNMA	Piper Jaffray	9/08/06	3/30/09	934	5.0829	496,270.00	500,000.00	60,626.39	502,190.00
		FNMA Total				958	5.2216	6,023,885.93	6,050,000.00	432,926.40	6,042,883.00
313568T0B	06-0006	FNMA Discount	Piper Jaffray	6/31/07	2/27/08	180	5.0183	975,850.00	1,000,000.00	24,150.00	981,800.00
		FNMA Discount Total				180	5.0183	975,850.00	1,000,000.00	24,150.00	981,800.00
140320268		Money Market	Bankers Trust	Daily	Daily	1	4.8100	128,862.00	128,862.00	N/A	128,862.00
140320862		Money Market	Bankers Trust	Daily	Daily	1	4.8100	247,234.39	247,234.39	N/A	247,234.39
140321183		Money Market	Bankers Trust	Daily	Daily	1	4.8100	757,745.99	757,745.99	N/A	757,745.99
140322157		Money Market	Bankers Trust	Daily	Daily	1	4.8100	2,528,125.53	2,528,125.53	N/A	2,528,125.53
140322314		Money Market	Bankers Trust	Daily	Daily	1	4.8100	9,184.63	9,184.63	N/A	9,184.63
140323536		Money Market	Bankers Trust	Daily	Daily	1	4.8100	6,065,823.70	6,065,823.70	N/A	6,065,823.70
		Money Market Total				1	4.8100	9,736,976.24	9,736,976.24	N/A	9,736,976.24
1356872		Cash Account	Bankers Trust	Daily	Daily	1	5.0800	2,330.09	2,330.09	N/A	2,330.09
1357052		Cash Account	Bankers Trust	Daily	Daily	1	5.0800	64,344.64	64,344.64	N/A	64,344.64
1395763		Cash Account	Bankers Trust	Daily	Daily	1	5.0800	3,788,908.84	3,788,908.84	N/A	3,788,908.84
1395787		Cash Account	Bankers Trust	Daily	Daily	1	5.0800	259,706.16	259,706.16	N/A	259,706.16
1365813		Cash Account	Bankers Trust	Daily	Daily	1	5.0800	3,610,869.92	3,610,869.92	N/A	3,610,869.92
1395839		Cash Account	Bankers Trust	Daily	Daily	1	5.0800	20,765.39	20,765.39	N/A	20,765.39

City of Des Moines
 Non-Pooled Portfolio Detail
 As of September 30, 2007

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
1566815		Cash Account	Bankers Trust	Daily	Daily	1	5.0600	673.47	673.47	N/A	673.47
1566878		Cash Account	Bankers Trust	Daily	Daily	1	5.0600	492,529.18	492,529.18	N/A	492,529.18
1567298		Cash Account	Bankers Trust	Daily	Daily	1	5.0600	282,058.25	282,058.25	N/A	282,058.25
Cash Account Total						1	5.0600	8,532,205.94	8,532,205.94	N/A	8,532,205.94
Investment Total						414	4.8535	39,985,087.83	40,100,230.68	2,135,664.26	40,105,670.73

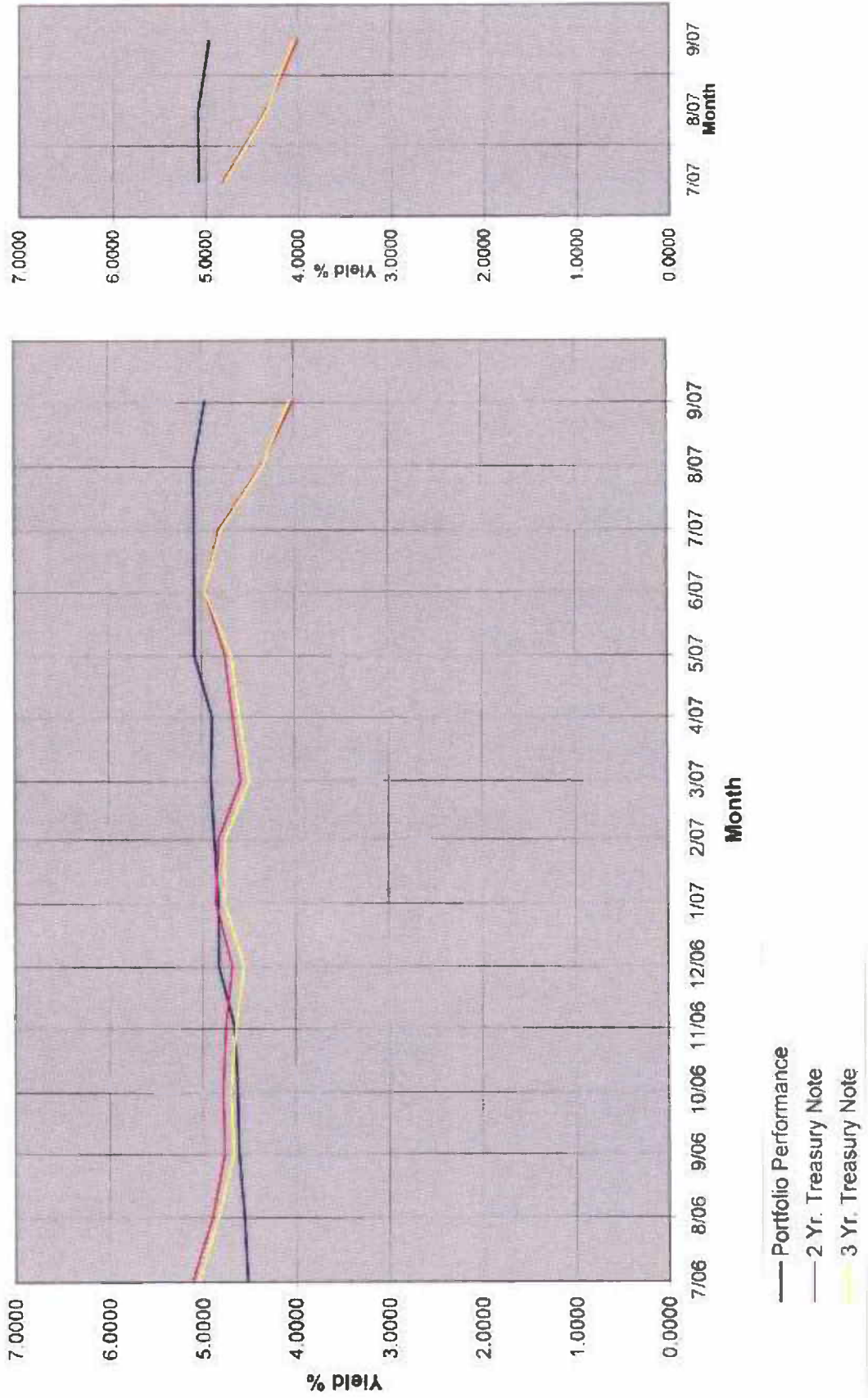
**City of Des Moines
Pooled Portfolio Detail
As of September 30, 2007**

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	First American Bank	3/22/07	10/22/07	214	5.3600	430,000.00	430,000.00	13,513.07	430,000.00
	07-0089	Certificate of Deposit	Bank of the West	6/29/07	7/31/08	389	5.2700	6,960,000.00	6,960,000.00	400,066.52	6,960,000.00
	07-0126	Certificate of Deposit	Bank of the West	6/28/07	10/31/08	491	5.2700	4,470,000.00	4,470,000.00	315,597.52	4,470,000.00
	07-0078	Certificate of Deposit	US Bank	1/19/07	1/20/09	732	5.2500	100,000.00	100,000.00	10,528.77	100,000.00
	07-0128	Certificate of Deposit	Bank of the West	6/28/07	1/31/09	583	5.2700	3,800,000.00	3,800,000.00	318,770.03	3,800,000.00
	08-0010	Certificate of Deposit	US Bank	9/10/07	1/11/08	123	5.3000	4,000,000.00	4,000,000.00	71,441.10	4,000,000.00
	08-0011	Certificate of Deposit	US Bank	9/14/07	1/18/08	128	5.4100	4,000,000.00	4,000,000.00	74,577.70	4,000,000.00
	08-0013	Certificate of Deposit	Principal Bank	9/25/07	1/25/08	122	4.9500	4,000,000.00	4,000,000.00	66,180.82	4,000,000.00
	08-0014	Certificate of Deposit	Fort Des Moines Comm	8/25/07	2/01/08	129	5.1000	4,000,000.00	4,000,000.00	72,088.63	4,000,000.00
		Certificate of Deposit Total				324	5.2427	31,780,000.00	31,780,000.00	1,342,963.56	31,780,000.00
	173078ZK1	Commercial Paper	Smith Barney	8/17/07	12/19/07	124	5.3584	3,928,355.56	4,000,000.00	71,644.44	3,928,355.56
	5777E3ZM1	Commercial Paper	Wells Fargo Instit. Brok	7/17/07	12/21/07	157	5.3946	3,909,288.89	4,000,000.00	90,711.11	3,909,288.89
		Commercial Paper Total				140	5.3815	7,837,644.45	8,000,000.00	162,355.55	3,928,355.56
	3133XGAL8	FHLB	Piper Jaffray	6/29/07	1/28/08	213	5.3003	5,806,264.00	5,800,000.00	185,197.22	5,809,048.00
	3133XKGB5	FHLB	O'Connor SWS	6/28/07	4/08/08	285	5.2711	3,692,156.00	3,700,000.00	36,620.83	3,702,331.00
		FHLB Total				249	5.2856	9,498,420.00	9,500,000.00	221,818.05	9,511,379.00
	3128XOSW0	FHLMC	Wells Fargo Instit. Brok	12/06/06	12/20/07	379	4.9089	986,123.30	1,000,000.00	36,620.83	996,870.00
		FHLMC Total				379	4.9099	986,123.30	1,000,000.00	36,620.83	996,870.00
	313396MW0	FHLMC Discount	Great Pacific	5/11/07	10/12/07	154	5.2438	3,813,417.78	4,000,000.00	86,582.22	3,994,400.00
	07-0118	FHLMC Discount	Piper Jaffray	6/27/07	11/30/07	156	5.2812	3,912,033.33	4,000,000.00	87,966.67	3,970,000.00
	313396QE6	FHLMC Discount	Piper Jaffray	6/27/07	12/07/07	163	5.2718	3,907,995.56	4,000,000.00	92,004.44	3,966,800.00
	07-0120	FHLMC Discount	Piper Jaffray	6/27/07	12/14/07	170	5.2771	3,904,044.44	4,000,000.00	95,955.56	3,963,200.00
	313396RM7	FHLMC Discount	Wells Fargo Instit. Brok	6/29/07	1/07/08	182	5.2604	4,885,200.00	5,000,000.00	134,800.00	4,940,000.00
	313396RR6	FHLMC Discount	Piper Jaffray	6/27/07	1/11/08	188	5.2556	729,168.76	750,000.00	20,831.25	740,625.00
	07-0121	FHLMC Discount	Wells Fargo Instit. Brok	4/08/07	3/03/08	329	5.1856	1,241,310.08	1,300,000.00	59,689.94	1,275,680.00
	313396TV5	FHLMC Discount	Wells Fargo Instit. Brok	12/06/06	12/20/07	379	5.2608	22,473,169.92	23,050,000.00	576,830.08	22,850,715.00
		FHLMC Discount Total				185	5.2608	22,473,169.92	23,050,000.00	576,830.08	22,850,715.00
	31359MP56	FNMA	Coastal Securities	12/29/06	12/03/07	339	5.2040	3,766,527.54	3,765,000.00	183,386.87	3,766,167.15
	31359MWQ2	FNMA	Multi-Bank Securities	6/10/07	2/15/07	249	5.2870	2,881,350.23	2,700,000.00	57,421.87	2,689,875.00
	08-0002	FNMA	Coastal Securities	6/10/07	2/15/08	158	5.2032	1,754,974.16	1,750,000.00	54,225.69	1,754,974.50
	31359FLH0	FNMA	Piper Jaffray	12/06/06	5/09/08	520	4.8019	1,479,495.00	1,500,000.00	81,225.00	1,491,080.00
		FNMA Total				326	5.1230	9,862,346.93	9,715,000.00	376,259.43	9,702,049.65
	313568MP7	FNMA Discount	Piper Jaffray	5/09/07	10/05/07	149	5.2506	3,915,053.33	4,000,000.00	83,936.67	3,988,000.00
	313568ND3	FNMA Discount	Smith Barney	5/11/07	10/15/07	161	5.2491	3,809,482.22	4,000,000.00	90,517.78	3,980,800.00
	313568NL5	FNMA Discount	Smith Barney	5/11/07	10/26/07	168	5.2437	3,905,733.33	4,000,000.00	84,266.67	3,987,600.00

**City of Des Moines
Pooled Portfolio Detail
As of September 30, 2007**

Invest Number	Security Description	Issue	Purchase Date	Maturity Date	Days-Purchase To Maturity	Yield	Original Cost	Ending Par Value	Earnings To Maturity	Current Market Value
313588NR2	FNMA Discount	Piper Jaffray	6/29/07	10/3/07	124	5.2633	3,369,748.33	3,430,000.00	60,253.67	3,416,856.00
313588NTB	FNMA Discount	Wells Fargo Insitt. Brok	6/05/07	11/02/07	150	5.2775	3,915,166.67	4,000,000.00	84,833.33	3,915,166.67
313588PA7	FNMA Discount	Wells Fargo Insitt. Brok	6/05/07	11/08/07	157	5.2779	3,911,207.78	4,000,000.00	88,792.22	3,980,400.00
313588PF6	FNMA Discount	Morgan Keegan	6/05/07	11/14/07	162	5.2604	3,908,740.00	4,000,000.00	91,260.00	3,978,000.00
313588PNH	FNMA Discount	Morgan Keegan	6/05/07	11/21/07	169	5.2657	3,904,796.67	4,000,000.00	95,203.33	3,974,400.00
313588RJ6	FNMA Discount	Smith Barney	6/28/07	1/04/08	129	4.9413	3,931,343.33	4,000,000.00	68,656.67	3,953,600.00
313588RR8	FNMA Discount	Smith Barney	1/19/07	1/11/08	357	5.2224	1,426,220.00	1,500,000.00	73,780.00	1,481,250.00
313588TC9	FNMA Discount	Smith Barney	5/18/07	2/15/08	279	5.2025	2,020,800.50	2,100,000.00	78,306.50	2,064,930.00
313588WN1	FNMA Discount	Wells Fargo Insitt. Brok	6/05/07	5/07/08	337	5.2660	963,100.83	1,000,000.00	45,899.17	973,500.00
FNMA Discount Total					195	5.2283	39,072,293.99	40,030,000.00	957,706.01	39,714,612.67
23450 General	Cash Account	Bankers Trust	10/01/99	Open	1	5.0800	14,332,872.32	14,332,872.32	N/A	14,332,872.32
23477 Grandview/Wavela	Cash Account	Bankers Trust	10/01/99	Open	1	5.0800	178,764.91	178,764.91	N/A	178,764.91
23483 Parking Ramps	Cash Account	Bankers Trust	10/01/99	Open	1	5.0800	785,196.45	785,196.45	N/A	785,196.45
23515 Park & Rice	Cash Account	Bankers Trust	10/01/99	Open	1	5.0800	145,144.22	145,144.22	N/A	145,144.22
23523 Trust & Agency	Cash Account	Bankers Trust	10/01/99	Open	1	5.0800	174,585.78	174,585.78	N/A	174,585.78
72001 Airport Parking	Cash Account	Bankers Trust	10/01/99	Open	1	5.0800	454,895.92	454,895.92	N/A	454,895.92
1117280 Parking Meters	Cash Account	Bankers Trust	10/01/99	Open	1	5.0800	67,374.59	67,374.59	N/A	67,374.59
1357029 Ambulance	Cash Account	Bankers Trust	10/01/99	Open	1	5.0800	3,755.45	3,755.45	N/A	3,755.45
1395078 Swimming Pools	Cash Account	Bankers Trust	10/01/99	Open	1	5.0800	54.30	54.30	N/A	54.30
1395789 Spec Assess	Cash Account	Bankers Trust	10/26/99	Open	1	5.0800	1,506,488.17	1,506,488.17	N/A	1,506,488.17
Cash Account Total					1	5.0800	17,649,032.11	17,649,032.11	N/A	17,649,032.11
Investment Total					193	5.2198	138,959,030.70	140,724,032.11	3,674,673.61	138,067,658.44

**City of Des Moines
Non-Pooled Cash Portfolio Yield
For the Fifteen Months Ended September 30, 2007**



**City of Des Moines
Pooled Cash Portfolio Yield
For the Fifteen Months Ended September 30, 2007**

