

★ Roll Call Number

Agenda Item Number  
36

Date April 22, 2019

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 18-0709, 18-1268, 18-1765 and 19-0142

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, 2019 is hereby received and filed.

(copy attached)

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

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BOESEN				
COLEMAN				
GATTO				
GRAY				
MANDELBAUM				
WESTERGAARD				
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 March 31, 2019**

**Prepared by**

**Heide U. Green, Treasury Manager**

**Robert Fagen, Finance Director/Treasurer**

**Quarterly Treasurer's Report  
As of March 31, 2019**

**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

Pages 5 and 6 of the report ("Investment Definitions" and the pie graph of "Combined Portfolio Composition") provide information with which to assess the safety of the City's principal.

As of March 31, 51.8 percent of the \$271.4 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) and Treasuries, which are backed by the implied or moral obligation of the U.S. Government.

## 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 table on page 9 labeled "Pooled Portfolio Detail." The column labeled "Days-Purchase to Maturity" shows this \$219.5 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 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. On page 8, the last line of the table labeled "Non-Pooled Portfolio Detail" reveals that the average maturity of the \$51.8 million of investments in this category is 476 days.

### Return on Investments

The final two pages, 11 and 12, 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 476 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.

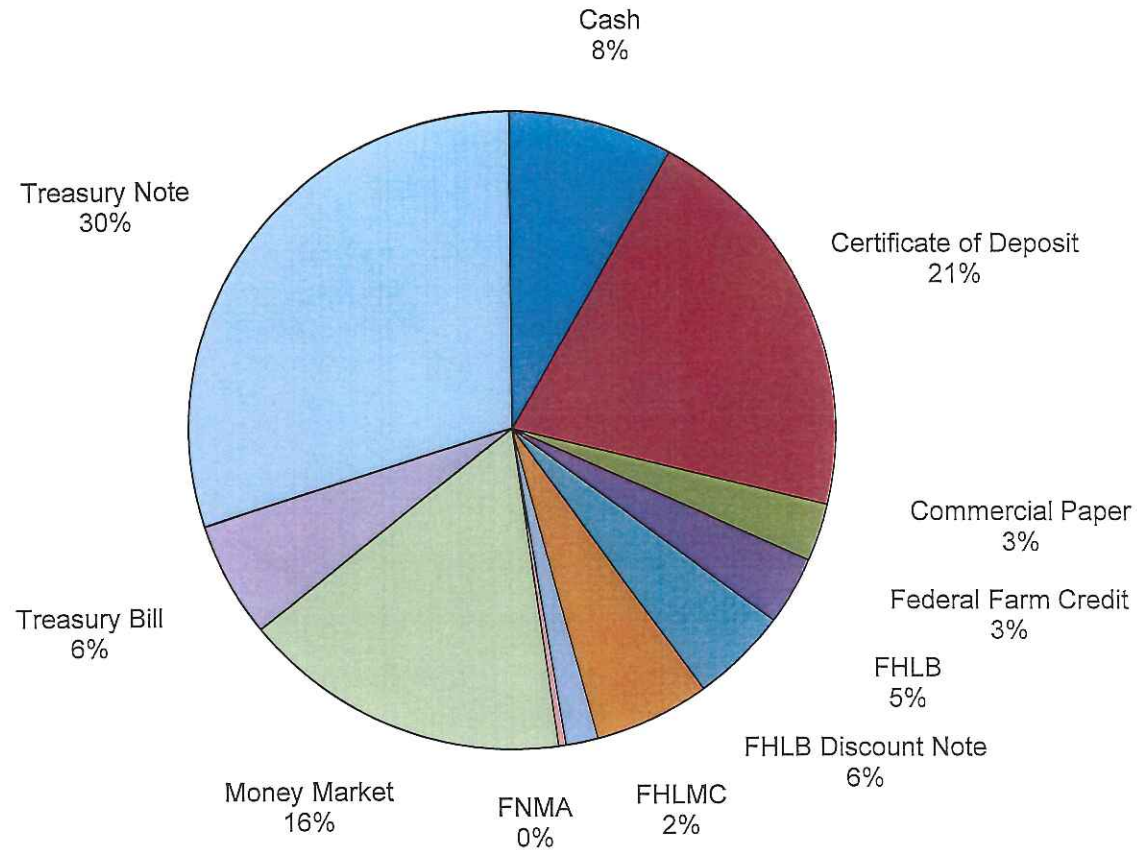
### Other

*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 \$271,350,400  
As of March 31, 2019**





**City of Des Moines  
Non-Pooled Portfolio Detail  
As of March 31, 2019**

<u>Invest Number</u>	<u>Account or CUSIP</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>
19-0055		Certificate of Deposit	US Bank	3/8/2019	8/15/2022	1256	2.9500	2,670,000.00	2,670,000.00	270,822.12	2,670,000.00
<b>Federal Home Loan Bank Total</b>						<b>1256</b>	<b>2.9500</b>	<b>2,670,000.00</b>	<b>2,670,000.00</b>	<b>270,822.12</b>	<b>2,670,000.00</b>
17-0068	3133EHFK4	FFCB	FTN Financial	4/26/2017	4/17/2019	711	1.3540	999,338.55	1,000,000.00	26,731.45	999,530.00
19-0009	3133EJPV5	FFCB	Wells Fargo Instit	8/2/2018	3/23/2020	591	2.6828	6,984,040.00	7,000,000.00	307,848.34	7,009,660.00
19-0029	3133EJK24	FFCB	FTN Financial	10/24/2018	10/19/2021	1075	2.9890	500,154.51	500,000.00	44,637.16	508,220.00
<b>Federal Farm Credit Total</b>						<b>792</b>	<b>2.3419</b>	<b>8,483,533.06</b>	<b>8,500,000.00</b>	<b>379,216.95</b>	<b>8,517,410.00</b>
19-0005	3130A8DB6	FHLB	FTN Financial	8/2/2018	6/21/2019	319	2.4020	5,933,184.18	6,000,000.00	126,628.32	5,982,960.00
18-0057	313370E38	FHLB	Great Pacific	6/5/2018	6/12/2020	727	2.5599	1,015,940.00	1,000,000.00	52,216.25	1,010,580.00
<b>Federal Home Loan Bank Total</b>						<b>523</b>	<b>2.4810</b>	<b>6,949,124.18</b>	<b>7,000,000.00</b>	<b>178,844.57</b>	<b>6,993,540.00</b>
18-0021	3137EAEH8	FHLMC	FTN Financial	10/17/2017	8/15/2019	658	1.5520	996,811.41	1,000,000.00	28,320.54	996,130.00
<b>Federal Home Loan Mortgage Corp Total</b>						<b>658</b>	<b>1.5520</b>	<b>996,811.41</b>	<b>1,000,000.00</b>	<b>28,320.54</b>	<b>996,130.00</b>
19-0011	3136G4PE7	FNMA	Wells Fargo Instit	8/23/2018	9/29/2020	756	2.7024	979,660.00	1,000,000.00	56,040.00	989,650.00
<b>Federal Home Loan Bank Total</b>						<b>756</b>	<b>2.7024</b>	<b>979,660.00</b>	<b>1,000,000.00</b>	<b>56,040.00</b>	<b>989,650.00</b>
19-0020	912828XS4	Treasury Note	FTN Financial	9/26/2018	5/31/2019	247	2.4780	1,636,453.58	1,650,000.00	13,546.42	1,646,700.00
19-0007	912828F39	Treasury Note	Wells Fargo Instit	8/2/2018	9/30/2019	424	2.5114	5,700,136.72	5,750,000.00	166,709.25	5,729,127.50
19-0008	9128283N8	Treasury Note	Great Pacific	8/2/2018	12/31/2019	516	2.5782	5,941,875.00	6,000,000.00	216,786.69	5,974,680.00
18-0066	912828XR6	Treasury Note	Piper Jaffray	6/29/2018	5/31/2022	1432	2.6700	1,787,026.17	1,850,000.00	189,908.60	1,822,620.00
19-0049	9128282P4	Treasury Note	FTN Financial	1/31/2019	7/31/2022	1277	2.5451	2,708,216.02	2,770,000.00	243,565.23	2,737,868.00
<b>Treasury Note Total</b>						<b>779</b>	<b>2.5565</b>	<b>17,773,707.49</b>	<b>18,020,000.00</b>	<b>830,516.19</b>	<b>17,910,995.50</b>
Swartzell Trust	140320268	Money Market	PFM Prime Instit	Daily	Daily	1	2.2794	357,117.00	357,117.00	N/A	357,117.00
Sewer Sinking	140324633	Money Market	PFM Prime Instit	Daily	Daily	1	2.2794	1,530,118.36	1,530,118.36	N/A	1,530,118.36
Stormwater Sinking	140322173	Money Market	PFM Prime Instit	Daily	Daily	1	2.2794	3,202,738.00	3,202,738.00	N/A	3,202,738.00
2014A GO	140334285	Money Market	PFM Prime Instit	Daily	Daily	1	2.2794	1,988,050.50	1,988,050.50	N/A	1,988,050.50
2014B Sewer	140334340	Money Market	PFM Prime Instit	Daily	Daily	1	2.2794	436,647.97	436,647.97	N/A	436,647.97
2016C Stormwater	140339896	Money Market	PFM Prime Instit	Daily	Daily	1	2.2794	189,836.55	189,836.55	N/A	189,836.55
2018C Stormwater	140344466	Money Market	PFM Prime Instit	Daily	Daily	1	2.2794	5,791,783.98	5,791,783.98	N/A	5,791,783.98
<b>Money Market Total</b>						<b>1</b>	<b>2.2794</b>	<b>13,496,292.36</b>	<b>13,496,292.36</b>		<b>13,496,292.36</b>
Stormwater Sinking	1567298	Cash Account	Bankers Trust	Daily	Daily	1	1.8400	32,228.33	32,228.33	N/A	32,228.33
Sewer Sinking	1566815	Cash Account	Bankers Trust	Daily	Daily	1	1.8400	15,804.70	15,804.70	N/A	15,804.70



**City of Des Moines  
Non-Pooled Portfolio Detail  
As of March 31, 2019**

<u>Invest Number</u>	<u>Account or CUSIP</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>
Crivaro	1356872	Cash Account	Bankers Trust	Daily	Daily	1	1.8400	935.72	935.72	N/A	935.72
CDBG Loan	1357052	Cash Account	Bankers Trust	Daily	Daily	1	1.8400	232,271.74	232,271.74	N/A	232,271.74
Perm Cem Maint	1566879	Cash Account	Bankers Trust	Daily	Daily	1	1.8400	90,181.03	90,181.03	N/A	90,181.03
Good Faith	various	Cash Account	Bankers Trust	Daily	Daily	1	1.8400	89,943.85	89,943.85	N/A	89,943.85
<b>Cash Account Total</b>						<b>1</b>	<b>1.8400</b>	<b>461,365.37</b>	<b>461,365.37</b>	<b>N/A</b>	<b>461,365.37</b>
<b>Investment Total</b>						<b>476</b>	<b>2.4604</b>	<b>51,810,493.87</b>	<b>52,147,657.73</b>	<b>1,743,760.37</b>	<b>52,035,383.23</b>

**City of Des Moines  
Pooled Portfolio Detail  
As of March 31, 2019**

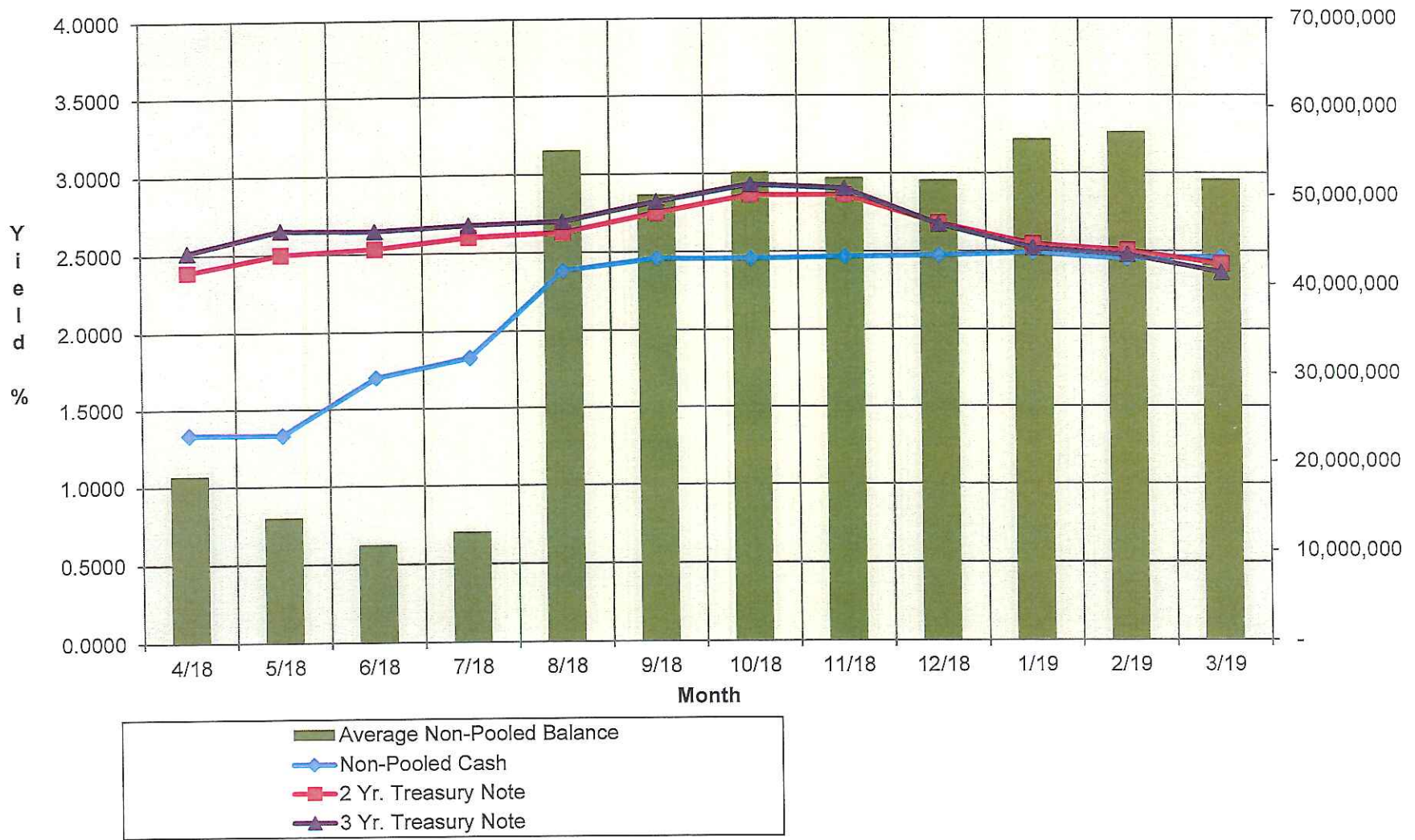
Invest Number	CUSIP	Security Description	Issuer	Purchase Date	Maturity Date	Days-Purchase To Maturity	Yield	Original Cost	Ending Par Value	Earnings To Maturity	Current Market Value
19-0034		Certificate of Deposit	Community State Bank	11/16/2018	4/4/2019	139	2.5000	4,000,000.00	4,000,000.00	38,082.19	4,000,000.00
19-0036		Certificate of Deposit	US Bank	12/3/2018	4/19/2019	137	2.5620	4,000,000.00	4,000,000.00	38,465.10	4,000,000.00
19-0037		Certificate of Deposit	US Bank	12/3/2018	4/26/2019	144	2.5760	4,000,000.00	4,000,000.00	40,651.40	4,000,000.00
19-0038		Certificate of Deposit	US Bank	12/3/2018	5/3/2019	151	2.5960	4,000,000.00	4,000,000.00	42,958.47	4,000,000.00
19-0039		Certificate of Deposit	US Bank	12/3/2018	5/10/2019	158	2.6060	4,000,000.00	4,000,000.00	45,123.07	4,000,000.00
19-0050		Certificate of Deposit	Regions Bank	3/8/2019	7/19/2019	133	2.6200	4,000,000.00	4,000,000.00	38,187.40	4,000,000.00
19-0051		Certificate of Deposit	Regions Bank	3/8/2019	7/26/2019	140	2.6200	4,000,000.00	4,000,000.00	40,197.26	4,000,000.00
19-0052		Certificate of Deposit	Regions Bank	3/8/2019	8/2/2019	147	2.6200	4,000,000.00	4,000,000.00	42,207.12	4,000,000.00
19-0053		Certificate of Deposit	Regions Bank	3/8/2019	8/9/2019	154	2.6200	4,000,000.00	4,000,000.00	44,216.99	4,000,000.00
19-0056		Certificate of Deposit	Regions Bank	3/27/2019	8/16/2019	142	2.6000	4,000,000.00	4,000,000.00	40,460.27	4,000,000.00
19-0057		Certificate of Deposit	Community State Bank	3/27/2019	8/23/2019	149	2.6000	4,000,000.00	4,000,000.00	42,454.79	4,000,000.00
19-0058		Certificate of Deposit	Community State Bank	3/27/2019	8/30/2019	156	2.6000	4,000,000.00	4,000,000.00	44,449.32	4,000,000.00
19-0054		Certificate of Deposit	Regions Bank	3/8/2019	3/6/2020	364	2.6800	6,000,000.00	6,000,000.00	160,281.21	6,000,000.00
<b>Certificate of Deposit Total</b>						<b>163</b>	<b>2.6000</b>	<b>54,000,000.00</b>	<b>54,000,000.00</b>	<b>657,734.59</b>	<b>54,000,000.00</b>
19-0035	76582KRC7	Commercial Paper	Great Pacific	11/15/2018	4/12/2019	148	2.8719	3,953,955.56	4,000,000.00	46,044.44	3,953,955.56
19-0042	16536JSX6	Commercial Paper	Great Pacific	12/3/2018	5/31/2019	179	3.0042	3,941,924.44	4,000,000.00	58,075.56	3,941,924.44
<b>Commercial Paper Total</b>						<b>164</b>	<b>2.9381</b>	<b>7,895,880.00</b>	<b>8,000,000.00</b>	<b>104,120.00</b>	<b>7,895,880.00</b>
17-0068	3133EHFK4	FFCB	FTN Financial	4/26/2017	4/17/2019	711	1.3540	499,669.27	500,000.00	13,365.73	499,765.00
19-0029	3133EJK24	FFCB	FTN Financial	10/24/2018	10/19/2021	1075	2.9890	500,154.51	500,000.00	44,637.16	508,220.00
<b>Federal Farm Credit Total</b>						<b>893</b>	<b>2.1715</b>	<b>999,823.78</b>	<b>1,000,000.00</b>	<b>58,002.89</b>	<b>1,007,985.00</b>
19-0005	3130A8DB6	FHLB	FTN Financial	8/2/2018	6/21/2019	319	2.4020	6,427,616.20	6,500,000.00	137,180.67	6,481,540.00
<b>Federal Home Loan Bank Total</b>						<b>319</b>	<b>2.4020</b>	<b>6,427,616.20</b>	<b>6,500,000.00</b>	<b>137,180.67</b>	<b>6,481,540.00</b>
19-0043	313384GP8	FHLB Discount	FTN Financial	1/8/2019	6/7/2019	150	2.4786	3,959,666.67	4,000,000.00	40,333.33	3,982,000.00
19-0044	313384GW3	FHLB Discount	FTN Financial	1/8/2019	6/14/2019	157	2.4798	3,957,784.44	4,000,000.00	42,215.56	3,980,120.00
19-0045	313384HD4	FHLB Discount	FTN Financial	1/8/2019	6/21/2019	164	2.4810	3,955,902.22	4,000,000.00	44,097.78	3,978,240.00
19-0046	313384HL6	FHLB Discount	FTN Financial	1/30/2019	6/28/2019	149	2.4474	3,960,432.22	4,000,000.00	39,567.78	3,976,320.00
<b>Federal Home Loan Bank Discount Total</b>						<b>155</b>	<b>2.4717</b>	<b>15,833,785.55</b>	<b>16,000,000.00</b>	<b>166,214.45</b>	<b>15,916,680.00</b>
18-0025	3134GBNU2	FHLMC	Piper Jaffray	11/29/2017	5/15/2020	886	1.9302	745,687.50	750,000.00	35,507.08	744,105.00
<b>Federal Home Loan Mortgage Corp Total</b>						<b>886</b>	<b>1.9302</b>	<b>745,687.50</b>	<b>750,000.00</b>	<b>35,507.08</b>	<b>744,105.00</b>
19-0040	912796RQ4	Treasury Bill	Wells Fargo Instit	12/3/2018	5/16/2019	164	2.4929	3,955,355.56	4,000,000.00	44,644.44	3,988,200.00
19-0041	912796QH5	Treasury Bill	Wells Fargo Instit	12/3/2018	5/23/2019	171	2.5038	3,953,260.00	4,000,000.00	46,740.00	3,986,440.00
19-0047	912796RW1	Treasury Bill	Wells Fargo Instit	1/30/2019	7/5/2019	156	2.4510	3,958,226.67	4,000,000.00	41,773.33	3,975,000.00
19-0048	912796RZ4	Treasury Bill	Wells Fargo Instit	1/30/2019	7/11/2019	162	2.4721	3,956,260.00	4,000,000.00	43,740.00	3,973,400.00
<b>Federal Home Loan Bank Total</b>						<b>163</b>	<b>2.4800</b>	<b>15,823,102.23</b>	<b>16,000,000.00</b>	<b>176,897.77</b>	<b>15,923,040.00</b>

**City of Des Moines  
Pooled Portfolio Detail  
As of March 31, 2019**

<u>Invest Number</u>	<u>CUSIP</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>
19-0004	912828XS4	Treasury Note	Wells Fargo Instit	8/2/2018	5/31/2019	302	2.3801	5,944,687.50	6,000,000.00	117,402.66	5,988,000.00
19-0027	912828XS4	Treasury Note	Great Pacific	10/12/2018	5/31/2019	231	2.4987	39,687,500.00	40,000,000.00	629,439.89	39,920,000.00
19-0006	9128282T6	Treasury Note	Wells Fargo Instit	8/2/2018	8/31/2019	394	2.5013	6,413,925.78	6,500,000.00	173,727.07	6,466,460.00
19-0007	912828F39	Treasury Note	Wells Fargo Instit	8/2/2018	9/30/2019	424	2.5114	6,939,296.87	7,000,000.00	202,950.40	6,974,590.00
19-0008	9128283N8	Treasury Note	Great Pacific	8/2/2018	12/31/2019	516	2.5782	4,951,562.50	5,000,000.00	180,655.57	4,978,900.00
<b>Treasury Note Total</b>						<b>373</b>	<b>2.4939</b>	<b>63,936,972.65</b>	<b>64,500,000.00</b>	<b>1,304,175.59</b>	<b>64,327,950.00</b>
General Operating	140320243	Money Market	PFM Prime Instit	Daily	Daily	1	2.2794	28,857,717.84	28,857,717.84	N/A	28,857,717.84
2015A GO	140336249	Money Market	PFM Prime Instit	Daily	Daily	1	2.2794	433,183.45	433,183.45	N/A	433,183.45
2016A GO	140339888	Money Market	PFM Prime Instit	Daily	Daily	1	2.2794	2,192,924.44	2,192,924.44	N/A	2,192,924.44
2017A GO	140341488	Money Market	PFM Prime Instit	Daily	Daily	1	2.2794	24,013.33	24,013.33	N/A	24,013.33
2018A GO	140344458	Money Market	PFM Prime Instit	Daily	Daily	1	2.2794	250,000.00	250,000.00	N/A	250,000.00
<b>Money Market Total</b>						<b>1</b>	<b>2.2794</b>	<b>31,757,839.06</b>	<b>31,757,839.06</b>	<b>N/A</b>	<b>31,757,839.06</b>
General Operating	23450	Cash Account	Bankers Trust	Daily	Daily	1	1.8540	20,300,548.93	20,300,548.93	N/A	20,300,548.93
Spec Assess	1395789	Cash Account	Bankers Trust	Daily	Daily	1	1.8540	131,891.32	131,891.32	N/A	131,891.32
Trust and Agency	23523	Cash Account	Bankers Trust	Daily	Daily	1	1.8540	703,757.37	703,757.37	N/A	703,757.37
Parking Meters	1117290	Cash Account	Bankers Trust	Daily	Daily	1	1.8540	294,283.40	294,283.40	N/A	294,283.40
Parking Ramps	23493	Cash Account	Bankers Trust	Daily	Daily	1	1.8540	641,662.72	641,662.72	N/A	641,662.72
Park and Ride	23515	Cash Account	Bankers Trust	Daily	Daily	1	1.8540	43,930.97	43,930.97	N/A	43,930.97
Ambulance	12044	Cash Account	Bankers Trust	Daily	Daily	1	1.8540	3,157.29	3,157.29	N/A	3,157.29
<b>Cash Account Total</b>						<b>1</b>	<b>1.8540</b>	<b>22,119,232.00</b>	<b>22,119,232.00</b>	<b>N/A</b>	<b>22,119,232.00</b>
<b>Investment Total</b>						<b>174</b>	<b>2.4330</b>	<b>219,539,938.97</b>	<b>220,627,071.06</b>	<b>2,639,833.04</b>	<b>220,174,251.06</b>



### City of Des Moines Non-Pooled Cash Portfolio Yield For the Twelve Months Ended March 31, 2019



## City of Des Moines Pooled Cash Portfolio Yield For the Twelve Months Ended March 31, 2019

