



**Roll Call Number**

Agenda Item Number

49

Date November 9, 2020

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 19-1742, 20-0152, 20-0626 and 20-1343.

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, 2020 is hereby received and filed.

(copy attached)

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

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BOESEN				
GATTO				
GRAY				
MANDELBAUM				
VOSS				
WESTERGAARD				
TOTAL				
MOTION CARRIED			APPROVED	
_____ Mayor				

**CERTIFICATE**

I, P. Kay Cmelik, 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, 2020

Prepared by  
Heide U. Green, Treasury Manager  
Nickolas Schaul, Interim Finance Director/Treasurer

**Quarterly Treasurer's Report  
As of September 30, 2020**

**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 September 30, 41.5 percent of the \$358.4 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 \$306.3 million portion of the portfolio to have an average maturity of 100 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 \$52.0 million of investments in this category is 327 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 100 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 327 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.

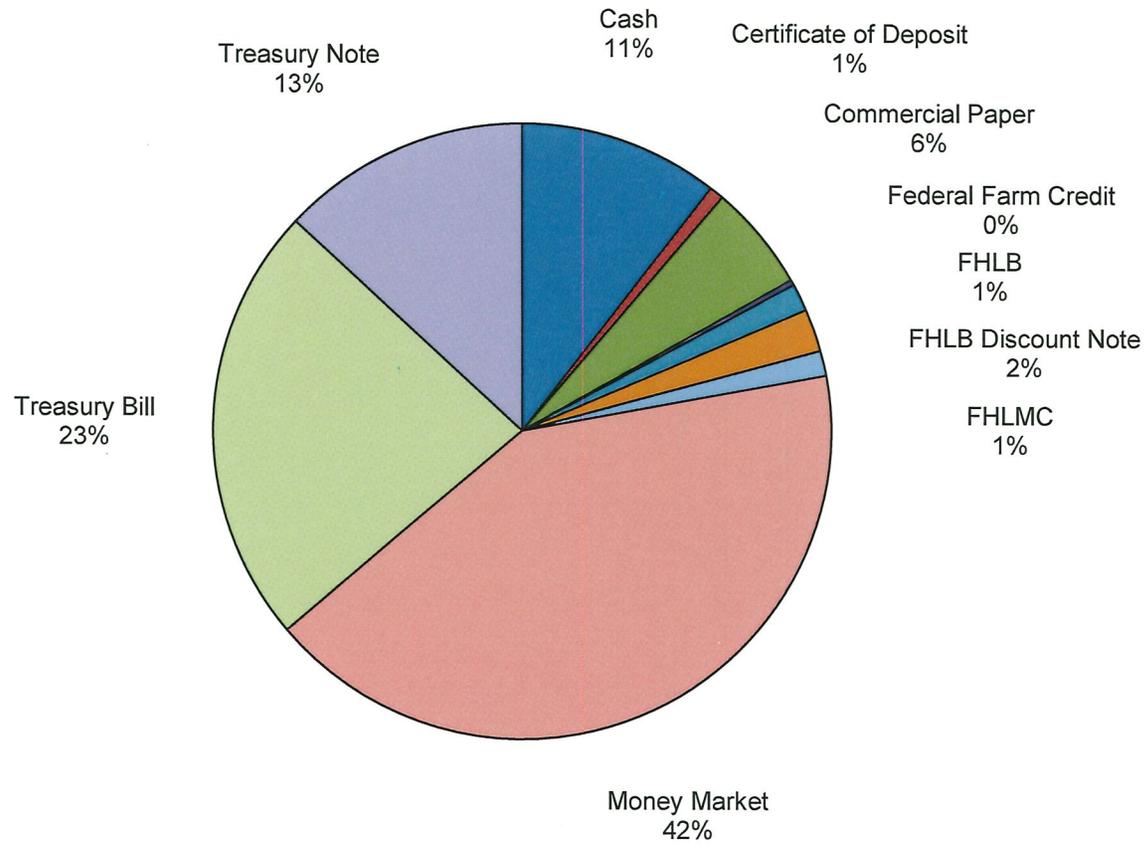
### Other

*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 \$358,358,000  
As of September 30, 2020**



**City of Des Moines  
Non-Pooled Portfolio Detail  
As of September 30, 2020**

<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>
19-0029	3133EJK24	FFCB	FTN Financial	10/24/2018	10/19/2021	1075	2.9890	500,154.51	500,000.00	44,637.16	514,776.85
<b>Federal Farm Credit Total</b>						<b>1075</b>	<b>2.9890</b>	<b>500,154.51</b>	<b>500,000.00</b>	<b>44,637.16</b>	<b>514,776.85</b>
21-0005	3130AK6Z4	FHLB	Wells Fargo Instit.	9/28/2020	9/17/2021	349	0.1219	1,200,036.00	1,200,000.00	1,418.17	1,199,751.82
<b>FHLB Total</b>						<b>349</b>	<b>0.1219</b>	<b>1,200,036.00</b>	<b>1,200,000.00</b>	<b>1,418.17</b>	<b>1,199,751.82</b>
21-0007	9127964L0	Treasury Bill	Piper Jaffray	9/28/2020	9/9/2021	346	0.1015	9,990,388.89	10,000,000.00	9,611.11	9,989,011.10
<b>Treasury Bill Total</b>						<b>346</b>	<b>0.1015</b>	<b>9,990,388.89</b>	<b>10,000,000.00</b>	<b>9,611.11</b>	<b>9,989,011.10</b>
20-0029	912828WG1	Treasury Note	FTN Financial	10/30/2019	4/30/2021	548	1.6580	1,008,750.00	1,000,000.00	25,061.14	1,012,421.90
21-0008	9128284T4	Treasury Note	Great Pacific	9/29/2020	6/15/2021	259	0.0994	10,179,296.88	10,000,000.00	7,178.53	10,174,219.00
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	1,899,429.78
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	2,857,861.08
<b>Treasury Note Total</b>						<b>879</b>	<b>1.7431</b>	<b>15,683,289.07</b>	<b>15,620,000.00</b>	<b>465,713.50</b>	<b>15,943,931.76</b>
Swartzell Trust	140320268	Money Market	PFM Prime Instit	Daily	Daily	1	0.0300	357,125.86	357,125.86	N/A	357,125.86
Sewer Sinking	140324633	Money Market	PFM Prime Instit	Daily	Daily	1	0.0300	-	-	N/A	-
Stormwater Sinking	140322173	Money Market	PFM Prime Instit	Daily	Daily	1	0.0300	-	-	N/A	-
2014A GO	140334285	Money Market	PFM Prime Instit	Daily	Daily	1	0.0300	1,068.25	1,068.25	N/A	1,068.25
2016C Stormwater	140339896	Money Market	PFM Prime Instit	Daily	Daily	1	0.0300	189,841.26	189,841.26	N/A	189,841.26
2018C Stormwater	140344466	Money Market	PFM Prime Instit	Daily	Daily	1	0.0300	11,992,081.54	11,992,081.54	N/A	11,992,081.54
2020F Stormwater	140346922	Money Market	PFM Prime Instit	Daily	Daily	1	0.0300	3,077,012.31	3,077,012.31	N/A	3,077,012.31
<b>Money Market Total</b>						<b>1</b>	<b>0.0300</b>	<b>15,617,129.22</b>	<b>15,617,129.22</b>		<b>15,617,129.22</b>
Stormwater Sinking	1567298	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	2,059,821.12	2,059,821.12	N/A	2,059,821.12
Sewer Sinking	1566815	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	918,462.82	918,462.82	N/A	918,462.82
Crivaro	1356872	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	647.99	647.99	N/A	647.99
CDBG Loan	1357052	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	23,396.50	23,396.50	N/A	23,396.50
Perm Cem Maint	1566879	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	3,286,322.28	3,286,322.28	N/A	3,286,322.28
Good Faith	various	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	91,124.08	91,124.08	N/A	91,124.08
<b>Cash Account Total</b>						<b>1</b>	<b>0.0500</b>	<b>6,379,774.79</b>	<b>6,379,774.79</b>	<b>N/A</b>	<b>6,379,774.79</b>
<b>Investment Total</b>						<b>327</b>	<b>0.4932</b>	<b>52,040,772.48</b>	<b>51,986,904.01</b>	<b>792,202.06</b>	<b>52,314,375.54</b>

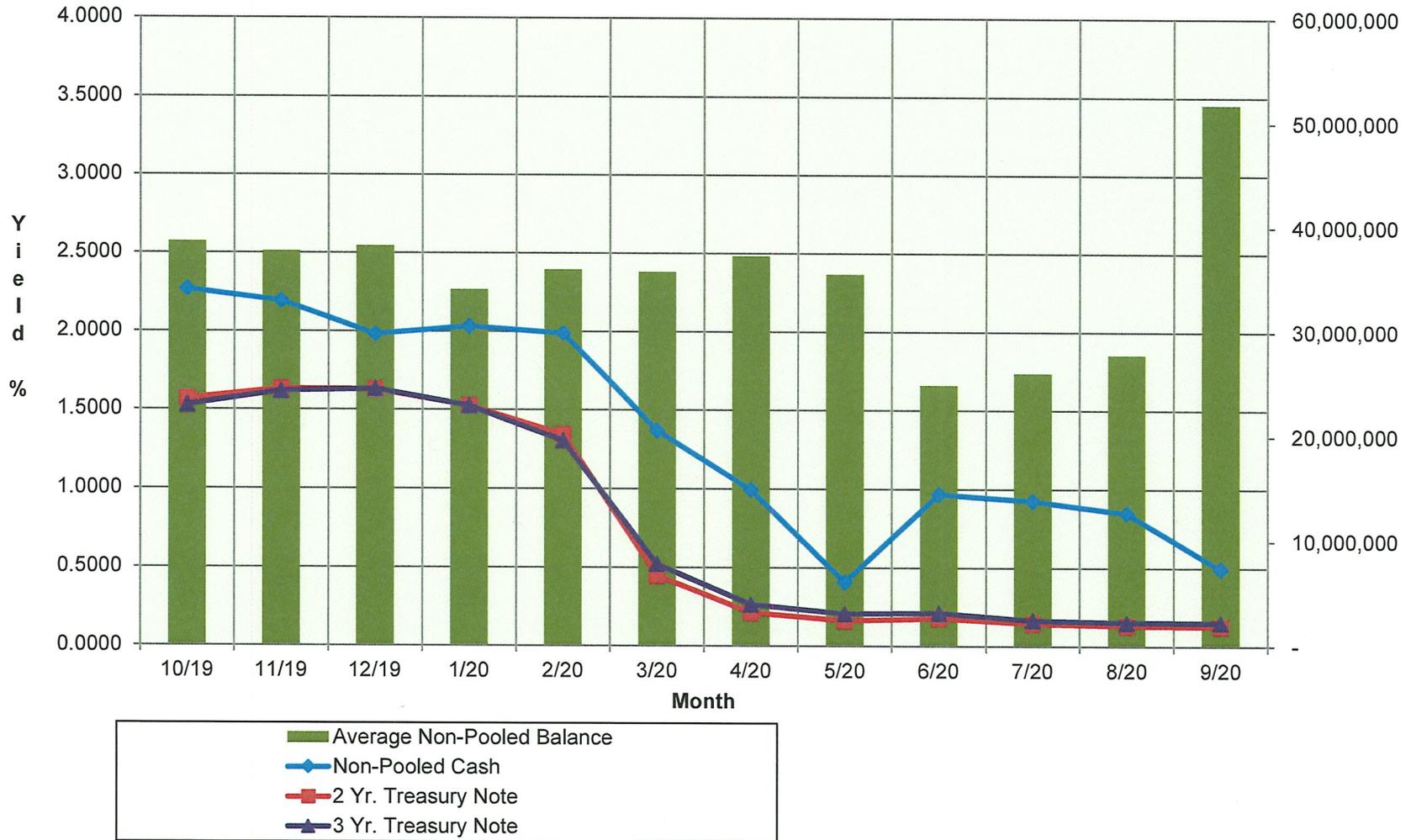
**City of Des Moines  
Pooled Portfolio Detail  
As of September 30, 2020**

<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>
21-0001	85520LLA1	Commercial Paper	Great Pacific	9/18/2020	11/10/2020	53	0.1217	4,999,116.65	5,000,000.00	883.35	4,999,487.50
21-0002	06119QLL9	Commercial Paper	Wells Fargo Instit.	9/21/2020	11/20/2020	60	0.2028	4,998,333.33	5,000,000.00	1,666.67	4,999,362.50
21-0003	82880WLR1	Commercial Paper	Great Pacific	9/21/2020	11/25/2020	65	0.1420	4,998,736.10	5,000,000.00	1,263.90	4,999,300.00
21-0004	45581BM46	Commercial Paper	Wells Fargo Instit.	9/18/2020	12/4/2020	77	0.2029	4,997,861.11	5,000,000.00	2,138.89	4,999,006.95
<b>Commercial Paper Total</b>						<b>64</b>	<b>0.1674</b>	<b>19,994,047.19</b>	<b>20,000,000.00</b>	<b>5,952.81</b>	<b>19,997,156.95</b>
19-0029	3133EJK24	FFCB	FTN Financial	10/24/2018	10/19/2021	1075	2.9890	500,154.51	500,000.00	44,637.16	514,776.85
<b>Federal Farm Credit Total</b>						<b>1075</b>	<b>2.9890</b>	<b>500,154.51</b>	<b>500,000.00</b>	<b>44,637.16</b>	<b>514,776.85</b>
20-0058	3130AJN39	FHLB	FTN Financial	6/25/2020	10/22/2020	117	0.1550	3,999,869.84	4,000,000.00	2,015.16	3,999,954.68
<b>FHLB Total</b>						<b>117</b>	<b>0.1550</b>	<b>3,999,869.84</b>	<b>4,000,000.00</b>	<b>2,015.16</b>	<b>3,999,954.68</b>
20-0055	313384J26	FHLB Discount Note 0.0	Piper Jaffray	6/25/2020	10/2/2020	99	0.1319	3,998,570.00	4,000,000.00	1,430.00	4,000,000.00
20-0056	313384J91	FHLB Discount Note 0.0	Piper Jaffray	6/25/2020	10/9/2020	106	0.1319	3,998,468.89	4,000,000.00	1,531.11	3,999,946.68
<b>FHLB Discount Note Total</b>						<b>103</b>	<b>0.1319</b>	<b>7,997,038.89</b>	<b>8,000,000.00</b>	<b>2,961.11</b>	<b>7,999,946.68</b>
20-0025	3137EAEK1	FHLMC	Great Pacific	10/17/2019	11/17/2020	390	1.6300	4,819,570.31	4,807,000.00	85,071.89	4,818,008.03
<b>Federal Home Loan Mortgage Corp Total</b>						<b>390</b>	<b>1.6300</b>	<b>4,819,570.31</b>	<b>4,807,000.00</b>	<b>85,071.89</b>	<b>4,818,008.03</b>
20-0057	9127962R9	Treasury Bill	Wells Fargo Instit.	6/25/2020	10/15/2020	112	0.1424	3,998,257.78	4,000,000.00	1,742.22	3,999,866.68
20-0059	9127962T5	Treasury Bill	Wells Fargo Instit.	6/25/2020	10/29/2020	126	0.1424	3,998,040.00	4,000,000.00	1,960.00	3,999,710.00
20-0050	9127963A5	Treasury Bill	Great Pacific	5/22/2020	11/19/2020	181	0.1381	39,972,850.00	40,000,000.00	27,150.00	39,995,000.00
21-0006	9127962F5	Treasury Bill	Piper Jaffray	9/28/2020	3/25/2021	178	0.0905	4,997,775.00	5,000,000.00	2,225.00	4,997,433.35
21-0007	9127964L0	Treasury Bill	Piper Jaffray	9/28/2020	9/9/2021	346	0.1015	19,980,777.78	20,000,000.00	19,222.22	19,978,022.20
<b>Treasury Bill Total</b>						<b>189</b>	<b>0.1230</b>	<b>72,947,700.56</b>	<b>73,000,000.00</b>	<b>52,299.44</b>	<b>72,970,032.23</b>
20-0024	912828PC8	Treasury Note	Great Pacific	10/17/2019	11/15/2020	395	1.6268	10,301,300.63	10,193,000.00	180,351.02	10,224,057.05
20-0029	912828WG1	Treasury Note	FTN Financial	10/30/2019	4/30/2021	548	1.6580	504,375.00	500,000.00	12,530.57	506,210.95
21-0008	9128284T4	Treasury Note	Great Pacific	9/29/2020	6/15/2021	259	0.0994	20,358,593.75	20,000,000.00	14,357.07	20,348,438.00
<b>Treasury Note Total</b>						<b>401</b>	<b>1.1281</b>	<b>31,164,269.38</b>	<b>30,693,000.00</b>	<b>207,238.66</b>	<b>31,078,706.00</b>
General Operating	140320243	Money Market	PFM Prime Instit	Daily	Daily	1	0.0300	18,525,032.69	18,525,032.69	N/A	18,525,032.69
2016A GO	140339888	Money Market	PFM Prime Instit	Daily	Daily	1	0.0300	367,933.57	367,933.57	N/A	367,933.57
2017A GO	140341488	Money Market	PFM Prime Instit	Daily	Daily	1	0.0300	3,924,110.70	3,924,110.70	N/A	3,924,110.70
2018B GO	140344458	Money Market	PFM Prime Instit	Daily	Daily	1	0.0300	11,500,285.36	11,500,285.36	N/A	11,500,285.36
2019A GO	140345448	Money Market	PFM Prime Instit	Daily	Daily	1	0.0300	44,816,211.00	44,816,211.00	N/A	44,816,211.00
2019B GO	140345455	Money Market	PFM Prime Instit	Daily	Daily	1	0.0300	1,503,746.41	1,503,746.41	N/A	1,503,746.41
2020D GO	140346917	Money Market	PFM Prime Instit	Daily	Daily	1	0.0300	52,818,699.52	52,818,699.52	N/A	52,818,699.52
2020E GO	140346925	Money Market	PFM Prime Instit	Daily	Daily	1	0.0300	355,857.73	355,857.73	N/A	355,857.73

**City of Des Moines  
Pooled Portfolio Detail  
As of September 30, 2020**

<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>
<b>Money Market Total</b>											
						1	0.0300	133,811,876.98	133,811,876.98	N/A	133,811,876.98
General Operating	23450	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	28,815,164.26	28,815,164.26	N/A	28,815,164.26
Spec Assess	1395789	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	872,697.89	872,697.89	N/A	872,697.89
Trust and Agency	23523	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	702,758.30	702,758.30	N/A	702,758.30
Parking Meters	1117290	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	168,051.98	168,051.98	N/A	168,051.98
Parking Ramps	23493	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	333,105.17	333,105.17	N/A	333,105.17
Park and Ride	23515	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	188,632.54	188,632.54	N/A	188,632.54
Swimming Pools	1395078	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	-	-	N/A	-
Ambulance	12044	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	2,329.48	2,329.48	N/A	2,329.48
<b>Cash Account Total</b>											
						1	0.0500	31,082,739.62	31,082,739.62	N/A	31,082,739.62
<b>Investment Total</b>						<b>100</b>	<b>0.1590</b>	<b>306,317,267.28</b>	<b>305,894,616.60</b>	<b>400,176.23</b>	<b>306,273,198.02</b>

### City of Des Moines Non-Pooled Cash Portfolio Yield For the Twelve Months Ended September 30, 2020



### City of Des Moines Pooled Cash Portfolio Yield For the Twelve Months Ended September 30, 2020

