

Date February 8, 2021

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 20-0152, 20-0626, 20-1343 and 20-1796.

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 December 31, 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	

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.

Mayor

City Clerk

42

QUARTERLY TREASURER'S REPORT

As of December 31, 2020

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

**Quarterly Treasurer's Report
As of December 31, 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 December 30, 48.4 percent of the \$396.7 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 \$350.4 million portion of the portfolio to have an average maturity of 103 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 \$46.2 million of investments in this category is 367 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 103 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 367 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.

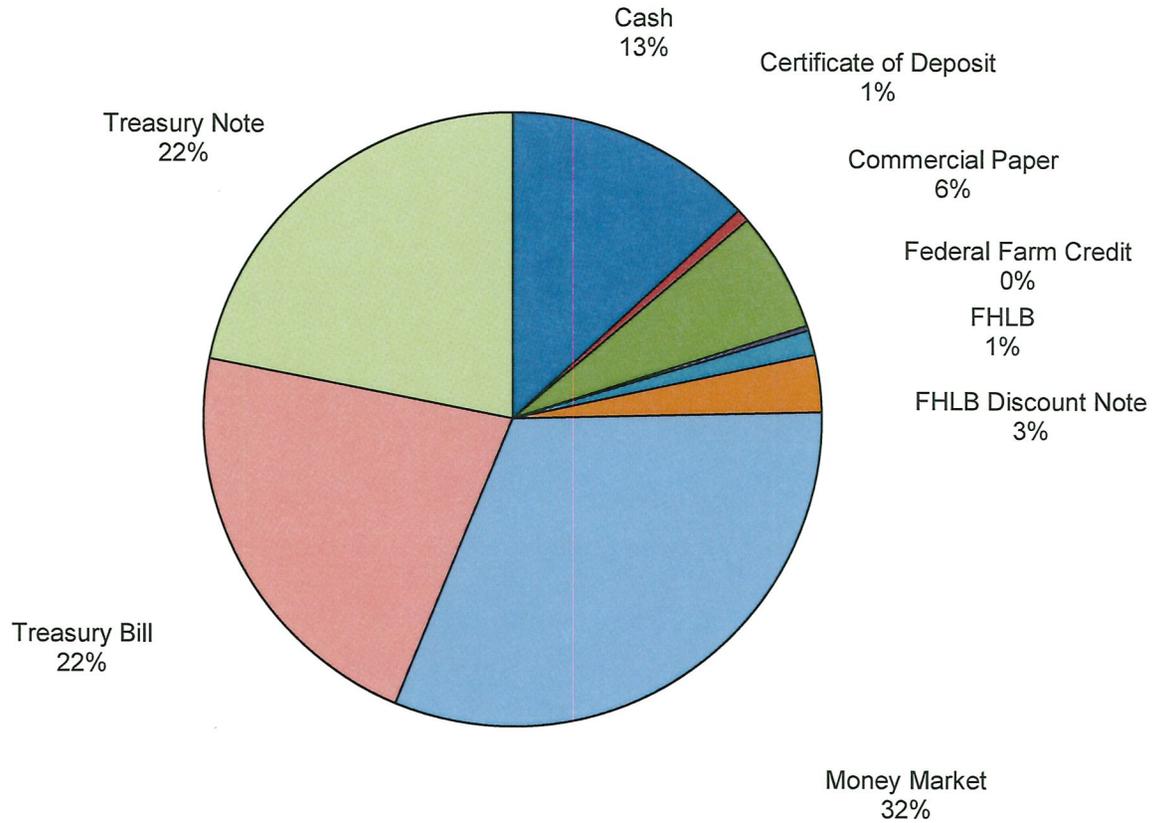
Other

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 \$396,658,000
As of December 31, 2020**



**City of Des Moines
Non-Pooled Portfolio Detail
As of December 31, 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
Federal Home Loan Bank Total						1256	2.9500	2,670,000.00	2,670,000.00	270,822.12	2,670,000.00
19-0029	3133EJK24	FFCB	FTN Financial	10/24/2018	10/19/2021	1075	2.9890	500,154.51	500,000.00	44,637.16	511,589.40
Federal Farm Credit Total						1075	2.9890	500,154.51	500,000.00	44,637.16	511,589.40
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	1,200,039.72
FHLB Total						349	0.1219	1,200,036.00	1,200,000.00	1,418.17	1,200,039.72
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	9,993,700.00
Treasury Bill Total						346	0.1015	9,990,388.89	10,000,000.00	9,611.11	9,993,700.00
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	1,006,875.00
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	10,110,156.00
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	1,892,058.64
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	2,845,958.66
Treasury Note Total						879	1.7431	15,683,289.07	15,620,000.00	465,713.50	15,855,048.30
Swartzell Trust	140320268	Money Market	PFM Prime Instit	Daily	Daily	1	0.0300	357,127.07	357,127.07	N/A	357,127.07
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	749,589.54	749,589.54	N/A	749,589.54
2016C Stormwater	140339896	Money Market	PFM Prime Instit	Daily	Daily	1	0.0300	-	-	N/A	-
2018C Stormwater	140344466	Money Market	PFM Prime Instit	Daily	Daily	1	0.0300	6,991,981.04	6,991,981.04	N/A	6,991,981.04
2020F Stormwater	140346922	Money Market	PFM Prime Instit	Daily	Daily	1	0.0300	77,048.50	77,048.50	N/A	77,048.50
Money Market Total						1	0.0300	8,175,746.15	8,175,746.15		8,175,746.15
Stormwater Sinking	1567298	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	3,015,279.53	3,015,279.53	N/A	3,015,279.53
Sewer Sinking	1566815	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	1,537,054.64	1,537,054.64	N/A	1,537,054.64
Crivaro	1356872	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	948.11	948.11	N/A	948.11
CDBG Loan	1357052	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	42,269.83	42,269.83	N/A	42,269.83
Perm Cem Maint	1566879	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	3,337,553.05	3,337,553.05	N/A	3,337,553.05
Good Faith	various	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	91,135.50	91,135.50	N/A	91,135.50
Cash Account Total						1	0.0500	8,024,240.66	8,024,240.66	N/A	8,024,240.66
Investment Total						367	0.5520	46,243,855.28	46,189,986.81	792,202.06	46,430,364.23

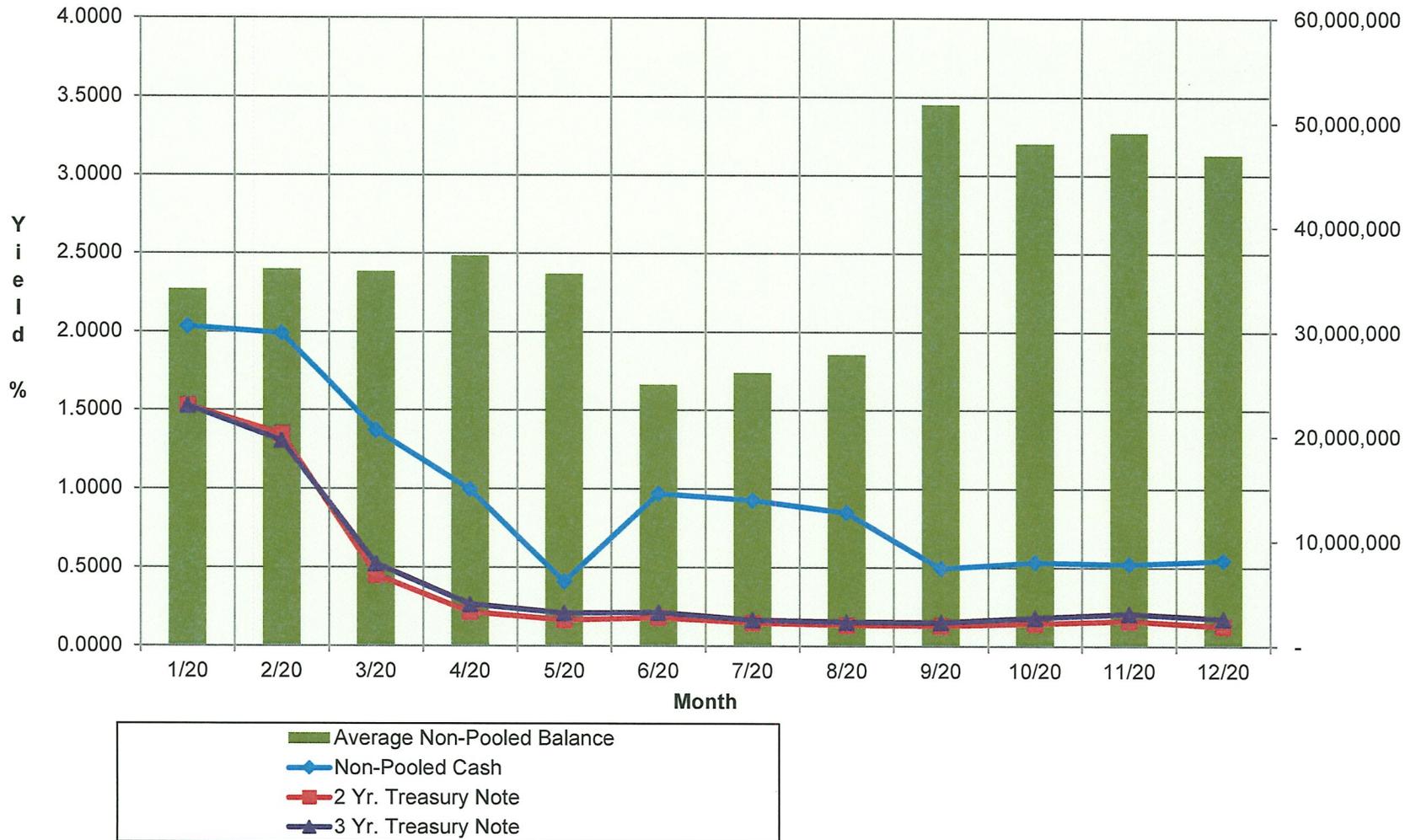
**City of Des Moines
Pooled Portfolio Detail
As of December 31, 2020**

<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>
21-0022	00850UQF4	Commercial Paper	Wells Fargo Instit.	12/23/2020	3/15/2021	82	0.2739	4,996,925.00	5,000,000.00	3,075.00	4,998,458.35
21-0023	16537LQK0	Commercial Paper	Great Pacific	12/23/2020	3/19/2021	86	0.2536	4,997,013.90	5,000,000.00	2,986.10	4,998,375.00
21-0024	05990CT46	Commercial Paper	Great Pacific	12/23/2020	6/4/2021	163	0.2944	4,993,434.70	5,000,000.00	6,565.30	4,996,125.00
21-0025	16537LTB7	Commercial Paper	Great Pacific	12/23/2020	6/11/2021	170	0.2741	4,993,625.00	5,000,000.00	6,375.00	4,995,950.00
21-0026	45581BTJ6	Commercial Paper	Great Pacific	12/23/2020	6/18/2021	177	0.2639	4,993,608.35	5,000,000.00	6,391.65	4,995,775.00
Commercial Paper Total						136	0.2720	24,974,606.95	25,000,000.00	25,393.05	24,984,683.35
19-0029	3133EJK24	Federal Farm Credit	FTN Financial	10/24/2018	10/19/2021	1075	2.9890	500,154.51	500,000.00	44,637.16	511,589.40
Federal Farm Credit Total						1075	2.9890	500,154.51	500,000.00	44,637.16	511,589.40
21-0019	3130A7CV5	FHLB	Wells Fargo Instit. Brokera	11/20/2020	2/18/2021	88	1.3750	4,000,000.00	4,000,000.00	13,444.44	4,006,251.20
Federal Home Loan Bank Total						88	1.3750	4,000,000.00	4,000,000.00	13,444.44	4,006,251.20
21-0013	313385AH9	FHLB Discount Note	Great Pacific	10/15/2020	1/8/2021	85	0.0862	3,999,197.24	4,000,000.00	802.76	3,999,968.88
21-0014	313385AQ9	FHLB Discount Note	FHN Financial	10/15/2020	1/15/2021	92	0.1014	3,998,977.78	4,000,000.00	1,022.22	3,999,914.44
21-0020	313385CJ3	FHLB Discount Note	Piper Sandler	11/19/2020	2/26/2021	99	0.0608	3,999,340.00	4,000,000.00	660.00	3,999,528.88
FHLB Total						92	0.0828	11,997,515.02	12,000,000.00	2,484.98	11,999,412.20
21-0016	9127963V9	Treasury Bill	Great Pacific	11/20/2020	1/21/2021	62	0.0511	3,999,655.56	4,000,000.00	344.44	3,999,953.32
21-0017	912796UC1	Treasury Bill	Piper Sandler	11/19/2020	1/28/2021	70	0.0511	3,999,611.11	4,000,000.00	388.89	3,999,735.56
21-0018	9127963W7	Treasury Bill	Great Pacific	11/20/2020	2/4/2021	76	0.0562	3,999,535.56	4,000,000.00	464.44	3,999,727.76
21-0021	9127964N6	Treasury Bill	FHN Financial	11/20/2020	3/18/2021	118	0.0714	39,990,691.20	40,000,000.00	9,308.80	39,993,155.60
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	4,999,125.00
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	19,987,400.00
Treasury Bill Total						142	0.0703	76,968,046.21	77,000,000.00	31,953.79	76,979,097.24
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	503,437.50
21-0015	912828R77	Treasury Note	Great Pacific	10/15/2020	5/31/2021	228	0.1006	50,398,437.50	50,000,000.00	31,719.60	50,238,280.00
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	20,220,312.00
Treasury Note Total						345	0.6193	71,261,406.25	70,500,000.00	58,607.24	70,962,029.50
General Operating	140320243	Money Market	PFM Prime Instit	Daily	Daily	1	0.0300	41,740,118.70	41,740,118.70	N/A	41,740,118.70
2016A GO	140339888	Money Market	PFM Prime Instit	Daily	Daily	1	0.0300	367,934.81	367,934.81	N/A	367,934.81
2017A GO	140341488	Money Market	PFM Prime Instit	Daily	Daily	1	0.0300	3,924,123.93	3,924,123.93	N/A	3,924,123.93
2018B GO	140344458	Money Market	PFM Prime Instit	Daily	Daily	1	0.0300	11,500,324.13	11,500,324.13	N/A	11,500,324.13
2019A GO	140345448	Money Market	PFM Prime Instit	Daily	Daily	1	0.0300	24,816,075.74	24,816,075.74	N/A	24,816,075.74
2019B GO	140345455	Money Market	PFM Prime Instit	Daily	Daily	1	0.0300	1,503,748.02	1,503,748.02	N/A	1,503,748.02
2020D GO	140346917	Money Market	PFM Prime Instit	Daily	Daily	1	0.0300	32,819,815.19	32,819,815.19	N/A	32,819,815.19
2020E GO	140346925	Money Market	PFM Prime Instit	Daily	Daily	1	0.0300	355,867.18	355,867.18	N/A	355,867.18
Money Market Total						1	0.0300	117,028,007.70	117,028,007.70	N/A	117,028,007.70

**City of Des Moines
Pooled Portfolio Detail
As of December 31, 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>
General Operating	23450	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	41,479,030.88	41,479,030.88	N/A	41,479,030.88
Spec Assess	1395789	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	872,737.59	872,737.59	N/A	872,737.59
Trust and Agency	23523	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	702,789.02	702,789.02	N/A	702,789.02
Parking Meters	1117290	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	149,236.65	149,236.65	N/A	149,236.65
Parking Ramps	23493	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	291,232.12	291,232.12	N/A	291,232.12
Park and Ride	23515	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	189,706.90	189,706.90	N/A	189,706.90
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	160.20	160.20	N/A	160.20
Cash Account Total						1	0.0500	43,684,893.36	43,684,893.36	N/A	43,684,893.36
Investment Total						103	0.0981	350,414,630.00	349,712,901.06	176,520.66	350,155,963.95

City of Des Moines Non-Pooled Cash Portfolio Yield For the Twelve Months Ended December 31, 2020



City of Des Moines Pooled Cash Portfolio Yield For the Twelve Months Ended December 31, 2020

