



Roll Call Number

Agenda Item Number

49

Date April 18, 2022

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 21-0207, 21-00628, 21-1571 and 22-0179.

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, 2022 is hereby received and filed.

(copy attached)

MOVED BY _____ TO ADOPT. SECOND BY _____.

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BOESEN				
GATTO				
MANDELBAUM				
SHEUMAKER				
VOSS				
WESTERGAARD				
TOTAL				

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.

MOTION CARRIED

APPROVED

_____ Mayor

_____ City Clerk

QUARTERLY TREASURER'S REPORT

As of March 31, 2022

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

**Quarterly Treasurer's Report
As of March 31, 2022**

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, 40.2 percent of the \$511.9 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) 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 \$438.6 million portion of the portfolio to have an average maturity of 88 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 \$73.3 million of investments in this category is 218 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 88 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 218 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.

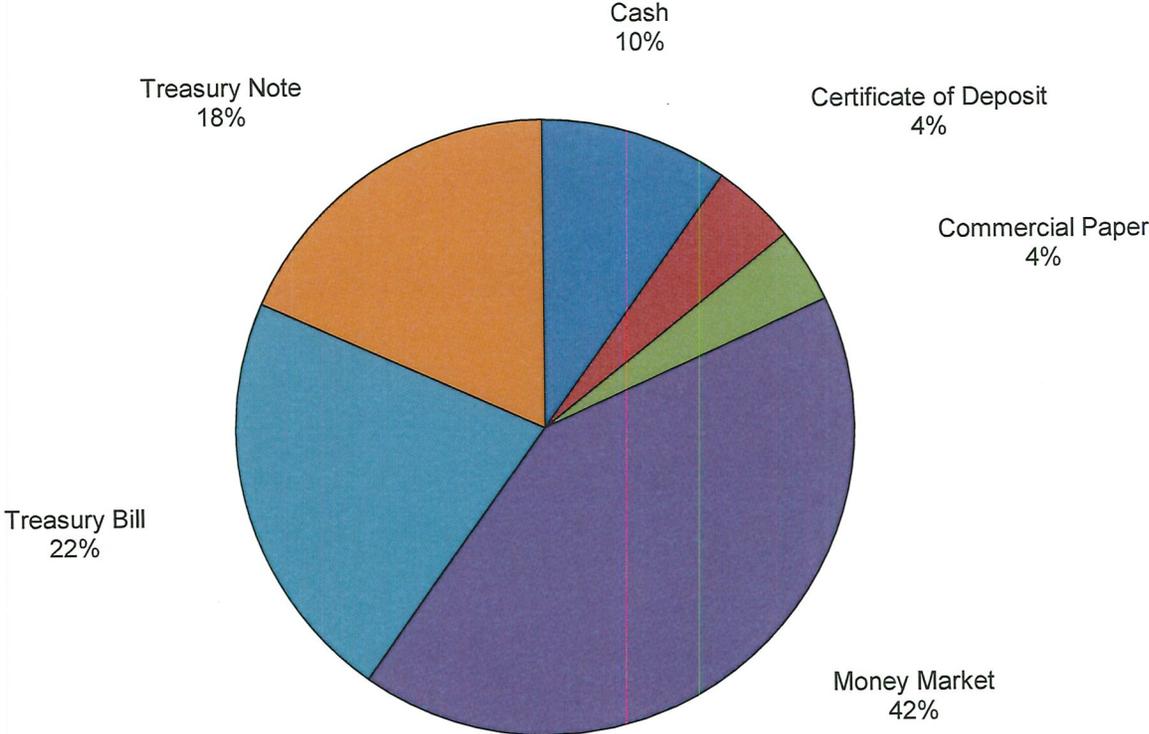
Other

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 \$511,860,000
As of March 31, 2022**



**City of Des Moines
Non-Pooled Portfolio Detail
As of March 31, 2022**

<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
18-0066	91282XR6	Treasury Note	Piper Jaffray	6/29/2018	5/31/2022	1432	2.6700	1,787,026.17	1,850,000.00	189,908.60	1,854,107.00
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	2,780,055.10
22-0045	9128282S8	Treasury Note	FHN Financial	2/18/2022	8/31/2022	194	0.6739	5,025,000.00	5,000,000.00	17,869.48	5,013,650.00
22-0046	9128282S8	Treasury Note	FHN Financial	2/18/2022	8/31/2022	194	0.6739	5,025,000.00	5,000,000.00	17,869.48	5,013,650.00
22-0047	91282CBN0	Treasury Note	FHN Financial	2/18/2022	2/28/2023	375	1.0913	1,188,187.50	1,200,000.00	13,353.94	1,183,872.00
22-0048	91282CBN0	Treasury Note	FHN Financial	2/18/2022	2/28/2023	375	1.0913	1,980,312.50	2,000,000.00	22,256.56	1,973,120.00
22-0051	91282CBU4	Treasury Note	FHN Financial	3/8/2022	3/31/2023	388	1.1407	1,721,376.56	1,740,000.00	20,935.87	1,712,873.40
Treasury Note Total						605	1.4123	19,435,118.75	19,560,000.00	525,759.16	19,531,327.50
Swartzell Trust	140320268	Money Market	PFM Prime Instit	Daily	Daily	1	0.0200	357,147.61	357,147.61	N/A	357,147.61
Sewer Sinking	140324633	Money Market	PFM Prime Instit	Daily	Daily	1	0.0200	-	-	N/A	-
Stormwater Sinking	140322173	Money Market	PFM Prime Instit	Daily	Daily	1	0.0200	-	-	N/A	-
2018C Stormwater	140344466	Money Market	PFM Prime Instit	Daily	Daily	1	0.0200	1,741,933.24	1,741,933.24	N/A	1,741,933.24
2020F Stormwater	140346922	Money Market	PFM Prime Instit	Daily	Daily	1	0.0200	15,055,590.67	15,055,590.67	N/A	15,055,590.67
2021H Stormwater	140347956	Money Market	PFM Prime Instit	Daily	Daily	1	0.0200	21,370,302.72	21,370,302.72	N/A	21,370,302.72
Money Market Total						1	0.0200	38,524,974.24	38,524,974.24		38,524,974.24
Stormwater Sinking	1567298	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	6,911,973.69	6,911,973.69	N/A	6,911,973.69
Sewer Sinking	1566815	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	2,393,433.02	2,393,433.02	N/A	2,393,433.02
Crivaro	1356872	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	948.70	948.70	N/A	948.70
CDBG Loan	1357052	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	138,068.00	138,068.00	N/A	138,068.00
Perm Cem Maint	1566879	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	3,103,311.62	3,103,311.62	N/A	3,103,311.62
Good Faith	various	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	91,192.44	91,192.44	N/A	91,192.44
Cash Account Total						1	0.0500	12,638,927.47	12,638,927.47	N/A	12,638,927.47
Investment Total						218	0.5401	73,269,020.46	73,393,901.71	796,581.28	73,365,229.21

**City of Des Moines
Pooled Portfolio Detail
As of March 31, 2022**

<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>
22-0062		Certificate of Deposit	Community State	3/31/2022	4/30/2022	30	0.2300	20,000,000.00	20,000,000.00	3,780.82	20,000,000.00
Certificate of Deposit Total						30	0.2300	20,000,000.00	20,000,000.00	3,780.82	20,000,000.00
22-0024	16537MD14	Commercial Paper	Great Pacific	10/15/2021	4/1/2022	168	0.1522	4,996,500.00	5,000,000.00	3,500.00	4,999,968.05
22-0025	55607LD68	Commercial Paper	Great Pacific	10/14/2021	4/6/2022	174	0.1623	4,996,133.35	5,000,000.00	3,866.65	4,999,775.00
22-0026	05970UDE5	Commercial Paper	Wells Fargo Instit.	10/14/2021	4/14/2022	182	0.1827	4,995,450.00	5,000,000.00	4,550.00	4,999,475.00
22-0027	82459MDN2	Commercial Paper	Wells Fargo Instit.	10/14/2021	4/22/2022	190	0.1725	4,995,513.89	5,000,000.00	4,486.11	4,998,991.65
Commercial Paper Total						179	0.1674	19,983,597.24	20,000,000.00	16,402.76	19,998,209.70
22-0028	912796P29	Treasury Bill	FHN Financial	10/15/2021	4/14/2022	181	0.0485	39,990,346.67	40,000,000.00	9,653.33	39,998,000.00
22-0034	912796P37	Treasury Bill	Wells Fargo Instit.	1/7/2022	4/28/2022	111	0.0910	3,998,890.00	4,000,000.00	1,110.00	3,999,680.00
22-0035	912796P45	Treasury Bill	Great Pacific	1/10/2022	5/5/2022	115	0.1187	3,998,492.24	4,000,000.00	1,507.76	3,999,440.00
22-0036	912796Q28	Treasury Bill	Great Pacific	1/10/2022	5/12/2022	122	0.1207	3,998,373.32	4,000,000.00	1,626.68	3,999,120.00
22-0037	912796H44	Treasury Bill	Great Pacific	1/7/2022	5/19/2022	132	0.1308	3,998,093.32	4,000,000.00	1,906.68	3,998,680.00
22-0038	912796Q36	Treasury Bill	Wells Fargo Instit.	1/7/2022	5/26/2022	139	0.1358	3,997,915.00	4,000,000.00	2,085.00	3,998,240.00
22-0040	912796Q44	Treasury Bill	Wells Fargo Instit.	2/2/2022	6/2/2022	120	0.2834	3,996,266.67	4,000,000.00	3,733.33	3,997,760.00
22-0041	912796R35	Treasury Bill	Wells Fargo Instit.	2/2/2022	6/9/2022	127	0.2936	3,995,907.78	4,000,000.00	4,092.22	3,997,120.00
22-0042	912796J42	Treasury Bill	Wells Fargo Instit.	2/2/2022	6/16/2022	134	0.3139	3,995,384.44	4,000,000.00	4,615.56	3,996,480.00
22-0043	912796R43	Treasury Bill	Wells Fargo Instit.	2/2/2022	6/23/2022	141	0.3037	3,995,300.00	4,000,000.00	4,700.00	3,995,720.00
22-0053	912796R68	Treasury Bill	Piper Sandler	3/8/2022	7/7/2022	121	0.4887	3,993,479.44	4,000,000.00	6,520.56	3,993,800.00
22-0054	912796K57	Treasury Bill	Piper Sandler	3/8/2022	7/14/2022	128	0.5089	3,992,817.78	4,000,000.00	7,182.22	3,993,000.00
22-0055	912796S42	Treasury Bill	Piper Sandler	3/8/2022	7/21/2022	135	0.5140	3,992,350.00	4,000,000.00	7,650.00	3,991,880.00
22-0056	912796S59	Treasury Bill	Piper Sandler	3/8/2022	7/28/2022	142	0.5292	3,991,716.67	4,000,000.00	8,283.33	3,990,120.00
22-0057	912796S67	Treasury Bill	Great Pacific	3/24/2022	8/5/2022	134	0.7008	3,989,655.56	4,000,000.00	10,344.44	3,988,920.00
22-0058	912796L64	Treasury Bill	Great Pacific	3/24/2022	8/11/2022	140	0.7567	3,988,333.32	4,000,000.00	11,666.68	3,987,840.00
22-0059	912796T41	Treasury Bill	Great Pacific	3/24/2022	8/18/2022	147	0.7745	3,987,464.16	4,000,000.00	12,535.84	3,986,960.00
22-0060	912796T58	Treasury Bill	Great Pacific	3/24/2022	8/25/2022	154	0.8150	3,986,182.76	4,000,000.00	13,817.24	3,985,440.00
22-0061	912796T66	Treasury Bill	Great Pacific	3/24/2022	9/1/2022	161	0.8106	3,985,867.76	4,000,000.00	14,132.24	3,984,520.00
Treasury Bill Total						136	0.4073	111,872,836.89	112,000,000.00	127,163.11	111,882,720.00
22-0044	912828XG0	Treasury Note	Wells Fargo Instit.	2/2/2022	6/30/2022	148	0.3447	4,029,062.50	4,000,000.00	5,688.88	4,015,320.00
22-0031	9128287C8	Treasury Note	Piper Sandler	12/3/2021	7/15/2022	224	0.1213	40,401,562.50	40,000,000.00	30,230.98	40,122,000.00
22-0050	91282CAN1	Treasury Note	Great Pacific	3/8/2022	9/30/2022	206	0.7275	19,932,400.00	20,000,000.00	81,679.67	19,908,600.00
22-0052	91282CBU4	Treasury Note	FHN Financial	3/8/2022	3/31/2023	388	1.1407	9,892,968.75	10,000,000.00	120,321.09	9,844,100.00
Treasury Note Total						242	0.5836	74,255,993.75	74,000,000.00	237,920.62	73,890,020.00
General Operating	140320243	Money Market	PFM Prime Instit	Daily	Daily	1	0.0200	9,931,008.33	9,931,008.33	N/A	9,931,008.33
2016A GO	140339888	Money Market	PFM Prime Instit	Daily	Daily	1	0.0200	92,932.41	92,932.41	N/A	92,932.41
2017A GO	140341488	Money Market	PFM Prime Instit	Daily	Daily	1	0.0200	1,924,178.20	1,924,178.20	N/A	1,924,178.20
2018B GO	140344458	Money Market	PFM Prime Instit	Daily	Daily	1	0.0200	5,500,471.32	5,500,471.32	N/A	5,500,471.32

**City of Des Moines
Pooled Portfolio Detail
As of March 31, 2022**

<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>
2019A GO	140345448	Money Market	PFM Prime Instit	Daily	Daily	1	0.0200	12,316,154.29	12,316,154.29	N/A	12,316,154.29
2019B GO	140345455	Money Market	PFM Prime Instit	Daily	Daily	1	0.0200	2,123,891.10	2,123,891.10	N/A	2,123,891.10
2020D GO	140346917	Money Market	PFM Prime Instit	Daily	Daily	1	0.0200	13,879,760.97	13,879,760.97	N/A	13,879,760.97
2021B GO	140347626	Money Market	PFM Prime Instit	Daily	Daily	1	0.0200	4,525,025.73	4,525,025.73	N/A	4,525,025.73
ARPA	140347790	Money Market	PFM Prime Instit	Daily	Daily	1	0.0200	47,416,369.97	47,416,369.97	N/A	47,416,369.97
2021F GO	140347931	Money Market	PFM Prime Instit	Daily	Daily	1	0.0200	71,954,333.64	71,954,333.64	N/A	71,954,333.64
2021G GO	140347949	Money Market	PFM Prime Instit	Daily	Daily	1	0.0200	4,991,121.93	4,991,121.93	N/A	4,991,121.93
Money Market Total						1	0.0200	174,655,247.89	174,655,247.89	N/A	174,655,247.89
General Operating	23450	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	34,216,842.58	34,216,842.58	N/A	34,216,842.58
Spec Assess	1395789	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	1,877,272.83	1,877,272.83	N/A	1,877,272.83
Trust and Agency	23523	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	862,571.32	862,571.32	N/A	862,571.32
Parking Meters	1117290	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	269,990.21	269,990.21	N/A	269,990.21
Parking Ramps	23493	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	486,847.39	486,847.39	N/A	486,847.39
Park and Ride	23515	Cash Account	Bankers Trust	Daily	Daily	1	0.0500	106,720.01	106,720.01	N/A	106,720.01
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	2,139.82	2,139.82	N/A	2,139.82
Cash Account Total						1	0.0500	37,822,384.16	37,822,384.16	N/A	37,822,384.16
Investment Total						88	0.1779	438,590,059.93	438,477,632.05	385,267.31	438,248,581.75

**City of Des Moines, Iowa
Combined Portfolio Composition - Total \$511,860,000
As of March 31, 2022**

