

Date August 8, 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 21-0628, 21-1571, 22-0179 and 22-0626.

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 June 30, 2022 is hereby received and filed.

MOVED BY \_\_\_\_\_ and TO ADOPT.

SECOND BY \_\_\_\_\_

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

**CERTIFICATE**

I, Laura Baumgartner, 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

# **QUARTERLY TREASURER'S REPORT**

**As of June 30, 2022**

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

**Quarterly Treasurer's Report  
As of June 30, 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 June 30, 37.7 percent of the \$507.0 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 \$457.4 million portion of the portfolio to have an average maturity of 86 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 \$49.6 million of investments in this category is 224 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 86 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 224 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.

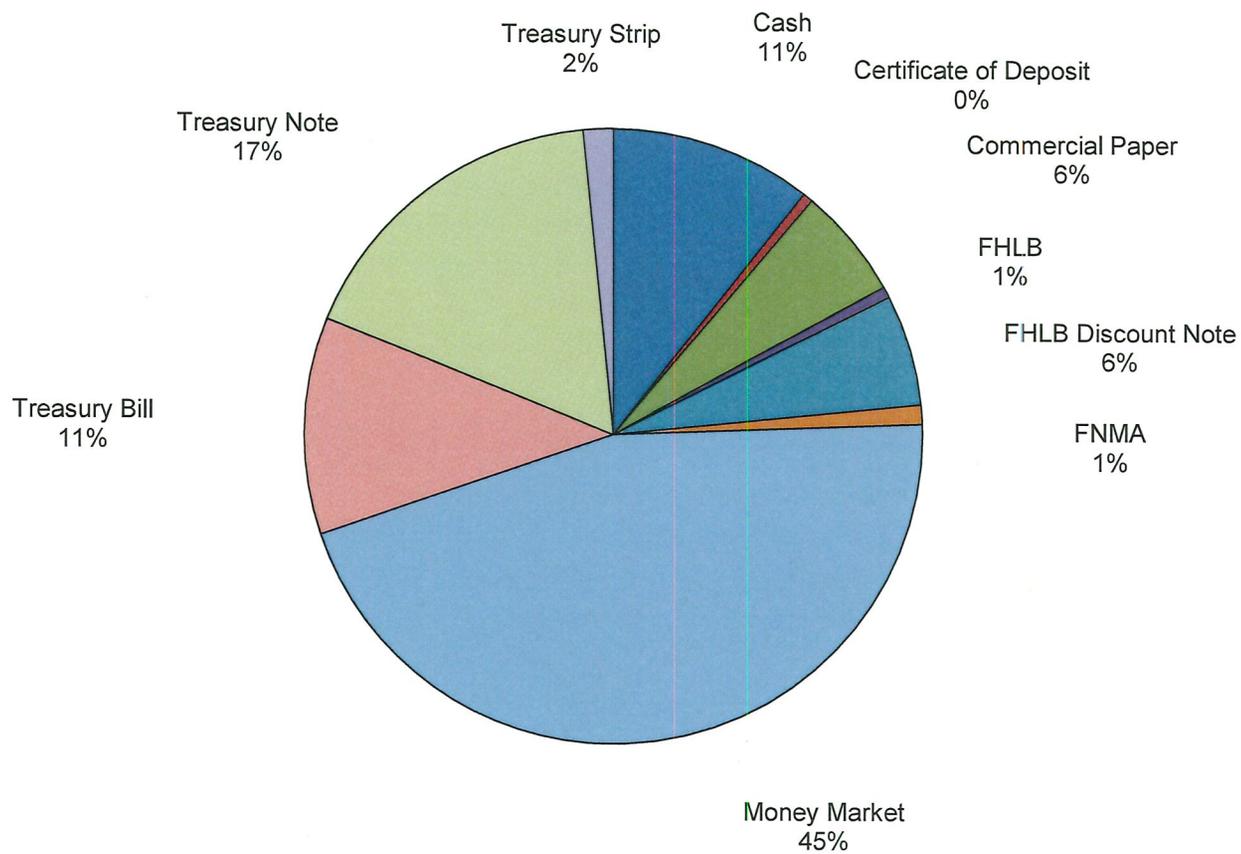
### Other

*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 \$507,030,000  
As of June 30, 2022**



**City of Des Moines  
Non-Pooled Portfolio Detail  
As of June 30, 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
<b>Certificate of Deposit 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>
22-0090	3130ASHG7	FHLB	Piper Sandler	6/29/2022	9/29/2023	450	3.3000	1,000,000.00	1,000,000.00	41,250.00	1,000,470.00
<b>Federal Home Loan Bank Total</b>						<b>450</b>	<b>3.3000</b>	<b>1,000,000.00</b>	<b>1,000,000.00</b>	<b>41,250.00</b>	<b>1,000,470.00</b>
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	2,771,662.00
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	5,000,400.00
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	5,000,400.00
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	1,179,612.00
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	1,966,020.00
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	1,706,226.60
<b>Treasury Note Total</b>						<b>467</b>	<b>1.2027</b>	<b>17,648,092.58</b>	<b>17,710,000.00</b>	<b>335,850.56</b>	<b>17,624,320.60</b>
Swartzell Trust	140320268	Money Market	PFM Prime Instit	Daily	Daily	1	1.2400	357,390.88	357,390.88	N/A	357,390.88
Sewer Sinking	140324633	Money Market	PFM Prime Instit	Daily	Daily	1	1.2400	-	-	N/A	-
Stormwater Sinking	140322173	Money Market	PFM Prime Instit	Daily	Daily	1	1.2400	-	-	N/A	-
2014B Sewer	140334340	Money Market	PFM Prime Instit	Daily	Daily	1	1.2400	1,851,418.77	1,851,418.77	N/A	1,851,418.77
2018C Stormwater	140344466	Money Market	PFM Prime Instit	Daily	Daily	1	1.2400	1,743,152.67	1,743,152.67	N/A	1,743,152.67
2020F Stormwater	140346922	Money Market	PFM Prime Instit	Daily	Daily	1	1.2400	5,130,903.29	5,130,903.29	N/A	5,130,903.29
2021H Stormwater	140347956	Money Market	PFM Prime Instit	Daily	Daily	1	1.2400	16,452,906.76	16,452,906.76	N/A	16,452,906.76
<b>Money Market Total</b>						<b>1</b>	<b>1.2400</b>	<b>25,535,772.37</b>	<b>25,535,772.37</b>		<b>25,535,772.37</b>
Stormwater Sinking	1567298	Cash Account	Bankers Trust	Daily	Daily	1	0.9119	930,918.79	930,918.79	N/A	930,918.79
Sewer Sinking	1566815	Cash Account	Bankers Trust	Daily	Daily	1	0.9119	309,416.74	309,416.74	N/A	309,416.74
Crivaro	1356872	Cash Account	Bankers Trust	Daily	Daily	1	0.9119	949.83	949.83	N/A	949.83
CDBG Loan	1357052	Cash Account	Bankers Trust	Daily	Daily	1	0.9119	268,306.17	268,306.17	N/A	268,306.17
Perm Cem Maint	1566879	Cash Account	Bankers Trust	Daily	Daily	1	0.9119	1,161,066.85	1,161,066.85	N/A	1,161,066.85
Good Faith	various	Cash Account	Bankers Trust	Daily	Daily	1	0.9119	91,300.31	91,300.31	N/A	91,300.31
<b>Cash Account Total</b>						<b>1</b>	<b>0.9119</b>	<b>2,761,958.69</b>	<b>2,761,958.69</b>	<b>N/A</b>	<b>2,761,958.69</b>
<b>Investment Total</b>						<b>224</b>	<b>1.2989</b>	<b>49,615,823.64</b>	<b>49,677,731.06</b>	<b>647,922.68</b>	<b>49,592,521.66</b>

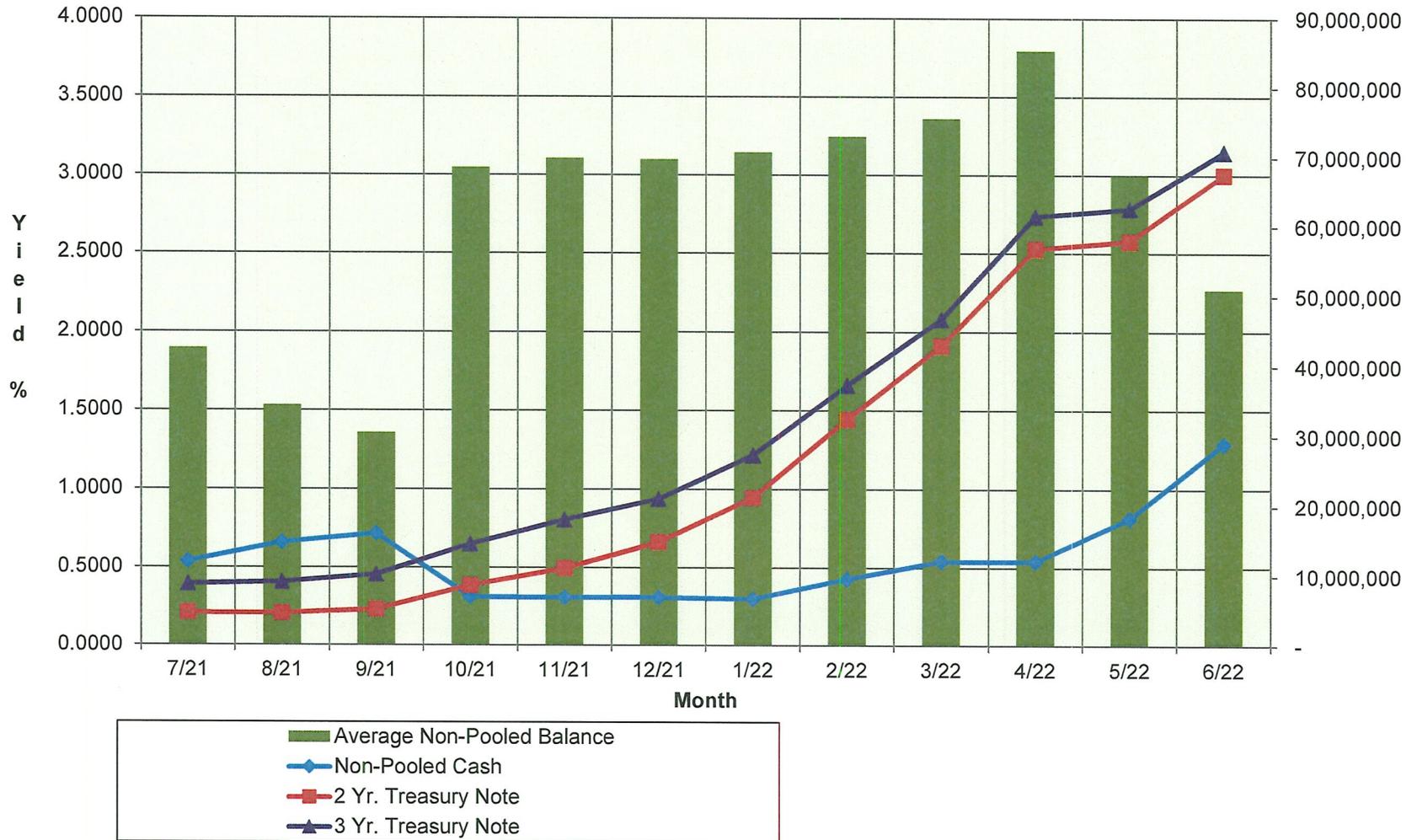
**City of Des Moines  
Pooled Portfolio Detail  
As of June 30, 2022**

<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>
22-0079	06742X6R3	Commercial Paper	Great Pacific	6/8/2022	11/18/2022	163	2.1806	4,951,779.17	5,000,000.00	48,220.83	4,948,691.95
22-0080	06742X6S1	Commercial Paper	Great Pacific	6/8/2022	11/25/2022	170	2.1815	4,949,708.33	5,000,000.00	50,291.67	4,946,144.40
22-0081	2254EBM24	Commercial Paper	Wells Fargo Instit.	6/8/2022	12/2/2022	177	2.3275	4,944,195.83	5,000,000.00	55,804.17	4,943,597.20
22-0082	15060YM98	Commercial Paper	Great Pacific	6/8/2022	12/9/2022	184	2.3698	4,940,966.67	5,000,000.00	59,033.33	4,941,050.00
22-0083	2284K1MG5	Commercial Paper	Great Pacific	6/8/2022	12/16/2022	191	2.3699	4,938,720.83	5,000,000.00	61,279.17	4,938,502.75
22-0084	22533UMP5	Commercial Paper	Great Pacific	6/8/2022	12/23/2022	198	2.2559	4,939,500.00	5,000,000.00	60,500.00	4,935,955.55
<b>Commercial Paper</b>						<b>181</b>	<b>2.2809</b>	<b>29,664,870.83</b>	<b>30,000,000.00</b>	<b>335,129.17</b>	<b>29,653,941.85</b>
22-0090	3130ASHG7	FHLB	Piper Sandler	6/29/2022	9/29/2023	450	3.3000	2,000,000.00	2,000,000.00	82,500.00	2,000,940.00
<b>Federal Home Loan Bank Total</b>						<b>450</b>	<b>3.3000</b>	<b>2,000,000.00</b>	<b>2,000,000.00</b>	<b>82,500.00</b>	<b>2,000,940.00</b>
22-0069	313385F27	FHLB Discount Note	Piper Sandler	5/13/2022	9/9/2022	119	1.0989	3,985,720.00	4,000,000.00	14,280.00	3,985,240.00
22-0073	313385J64	FHLB Discount Note	Piper Sandler	5/13/2022	10/7/2022	147	1.1715	3,981,216.67	4,000,000.00	18,783.33	3,976,600.00
22-0074	313385K54	FHLB Discount Note	Wells Fargo Instit.	5/19/2022	10/14/2022	148	1.3456	3,978,293.33	4,000,000.00	21,706.67	3,974,920.00
22-0075	313385L38	FHLB Discount Note	Great Pacific	5/19/2022	10/20/2022	154	1.3459	3,977,413.32	4,000,000.00	22,586.68	3,973,480.00
22-0077	313385N28	FHLB Discount Note	Great Pacific	5/19/2022	11/4/2022	169	1.4186	3,973,898.88	4,000,000.00	26,101.12	3,966,520.00
22-0092	313384AF6	FHLB Discount Note	Piper Sandler	6/17/2022	1/6/2023	203	2.339	4,935,716.67	5,000,000.00	64,283.33	4,931,300.00
22-0093	313384AN9	FHLB Discount Note	Piper Sandler	6/17/2022	1/13/2023	210	2.3392	4,933,500.00	5,000,000.00	66,500.00	4,928,700.00
<b>FHLB Discount Note</b>						<b>164</b>	<b>1.5798</b>	<b>29,765,758.87</b>	<b>30,000,000.00</b>	<b>234,241.13</b>	<b>29,736,760.00</b>
22-0094	3135G0T94	FNMA	Piper Sandler	6/17/2022	1/19/2023	212	2.4764	4,997,000.00	5,000,000.00	72,930.56	4,997,050.00
<b>FNMA Total</b>						<b>212</b>	<b>2.4764</b>	<b>4,997,000.00</b>	<b>5,000,000.00</b>	<b>72,930.56</b>	<b>4,997,050.00</b>
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	3,999,520.00
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	3,998,480.00
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	3,997,760.00
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	3,996,760.00
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	3,995,520.00
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	3,994,120.00
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	3,992,920.00
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	3,991,240.00
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	3,989,520.00
22-0071	912796U56	Treasury Bill	Great Pacific	5/13/2022	9/22/2022	132	1.0938	3,984,380.00	4,000,000.00	15,620.00	3,985,000.00
22-0076	912796V71	Treasury Bill	Wells Fargo Instit.	5/19/2022	10/27/2022	161	1.3402	3,976,565.56	4,000,000.00	23,434.44	3,974,800.00
22-0078	912796W54	Treasury Bill	Wells Fargo Instit.	5/19/2022	11/10/2022	175	1.4619	3,972,388.89	4,000,000.00	27,611.11	3,970,400.00
22-0091	912796R27	Treasury Bill	Piper Sandler	6/17/2022	12/29/2022	195	2.1477	4,943,395.83	5,000,000.00	56,604.17	4,939,150.00
22-0095	912796S34	Treasury Bill	Piper Sandler	6/17/2022	1/26/2023	223	2.3333	4,930,002.78	5,000,000.00	69,997.22	4,929,300.00
<b>Treasury Bill Total</b>						<b>153</b>	<b>1.0197</b>	<b>57,714,600.51</b>	<b>58,000,000.00</b>	<b>285,399.49</b>	<b>57,754,490.00</b>
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	40,008,400.00
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	19,916,800.00

**City of Des Moines  
Pooled Portfolio Detail  
As of June 30, 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>
22-0052	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	9,805,900.00
<b>Treasury Note Total</b>						<b>273</b>	<b>0.6632</b>	<b>70,226,931.25</b>	<b>70,000,000.00</b>	<b>232,231.74</b>	<b>69,731,100.00</b>
22-0070	912821CV5	Treasury STRIP	Piper Sandler	5/13/2022	9/15/2022	125	1.1418	3,984,560.00	4,000,000.00	15,440.00	3,986,480.00
22-0072	912820X69	Treasury STRIP	Piper Sandler	5/13/2022	9/30/2022	140	1.2196	3,981,440.00	4,000,000.00	18,560.00	3,981,440.00
<b>Treasury Strip Total</b>						<b>133</b>	<b>1.1807</b>	<b>7,966,000.00</b>	<b>8,000,000.00</b>	<b>34,000.00</b>	<b>7,967,920.00</b>
General Operating	140320243	Money Market	PFM Prime Instit	Daily	Daily	1	1.2400	25,033,588.38	25,033,588.38	N/A	25,033,588.38
2017A GO	140341488	Money Market	PFM Prime Instit	Daily	Daily	1	1.2400	1,635,302.80	1,635,302.80	N/A	1,635,302.80
2018B GO	140344458	Money Market	PFM Prime Instit	Daily	Daily	1	1.2400	5,504,321.88	5,504,321.88	N/A	5,504,321.88
2019A GO	140345448	Money Market	PFM Prime Instit	Daily	Daily	1	1.2400	11,674,277.63	11,674,277.63	N/A	11,674,277.63
2019B GO	140345455	Money Market	PFM Prime Instit	Daily	Daily	1	1.2400	2,125,377.91	2,125,377.91	N/A	2,125,377.91
2020D GO	140346917	Money Market	PFM Prime Instit	Daily	Daily	1	1.2400	13,889,420.06	13,889,420.06	N/A	13,889,420.06
2021B GO	140347626	Money Market	PFM Prime Instit	Daily	Daily	1	1.2400	4,528,193.45	4,528,193.45	N/A	4,528,193.45
ARPA	140347790	Money Market	PFM Prime Instit	Daily	Daily	1	1.2400	94,891,668.16	94,891,668.16	N/A	94,891,668.16
2021F GO	140347931	Money Market	PFM Prime Instit	Daily	Daily	1	1.2400	43,107,645.32	43,107,645.32	N/A	43,107,645.32
2021G GO	140347949	Money Market	PFM Prime Instit	Daily	Daily	1	1.2400	1,892,238.48	1,892,238.48	N/A	1,892,238.48
<b>Money Market Total</b>						<b>1</b>	<b>1.2400</b>	<b>204,282,034.07</b>	<b>204,282,034.07</b>	<b>N/A</b>	<b>204,282,034.07</b>
General Operating	23450	Cash Account	Bankers Trust	Daily	Daily	1	0.9119	48,184,768.80	48,184,768.80	N/A	48,184,768.80
Spec Assess	1395789	Cash Account	Bankers Trust	Daily	Daily	1	0.9119	877,274.68	877,274.68	N/A	877,274.68
Trust and Agency	23523	Cash Account	Bankers Trust	Daily	Daily	1	0.9119	862,966.18	862,966.18	N/A	862,966.18
Parking Meters	1117290	Cash Account	Bankers Trust	Daily	Daily	1	0.9119	273,940.20	273,940.20	N/A	273,940.20
Parking Ramps	23493	Cash Account	Bankers Trust	Daily	Daily	1	0.9119	477,861.06	477,861.06	N/A	477,861.06
Park and Ride	23515	Cash Account	Bankers Trust	Daily	Daily	1	0.9119	93,711.56	93,711.56	N/A	93,711.56
Swimming Pools	1395078	Cash Account	Bankers Trust	Daily	Daily	1	0.9119	446.49	446.49	N/A	446.49
Ambulance	12044	Cash Account	Bankers Trust	Daily	Daily	1	0.9119	6,810.53	6,810.53	N/A	6,810.53
PD Seized Funds	2341454035	Cash Account	Bankers Trust	Daily	Daily	1	0.9119	19,003.25	19,003.25	N/A	19,003.25
<b>Cash Account Total</b>						<b>1</b>	<b>0.9119</b>	<b>50,796,782.75</b>	<b>50,796,782.75</b>	<b>N/A</b>	<b>50,796,782.75</b>
<b>Investment Total</b>						<b>86</b>	<b>1.1718</b>	<b>457,413,978.28</b>	<b>458,078,816.82</b>	<b>1,276,432.09</b>	<b>456,921,018.67</b>

## City of Des Moines Non-Pooled Cash Portfolio Yield For the Twelve Months Ended June 30, 2022



## City of Des Moines Pooled Cash Portfolio Yield For the Twelve Months Ended June 30, 2022

