



Roll Call Number

Agenda Item Number

41

Date October 24, 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 21-1571, 22-0179, 22-0626 and 22-1263.

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, 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				
MOTION CARRIED			APPROVED	
SECOND BY _____				
_____ Mayor				

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.

_____ City Clerk

QUARTERLY TREASURER'S REPORT
As of September 30, 2022

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

**Quarterly Treasurer's Report
As of September 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 September 30, 34.1 percent of the \$562.4 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 \$494.4 million portion of the portfolio to have an average maturity of 83 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 \$68.0 million of investments in this category is 80 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 83 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 80 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.

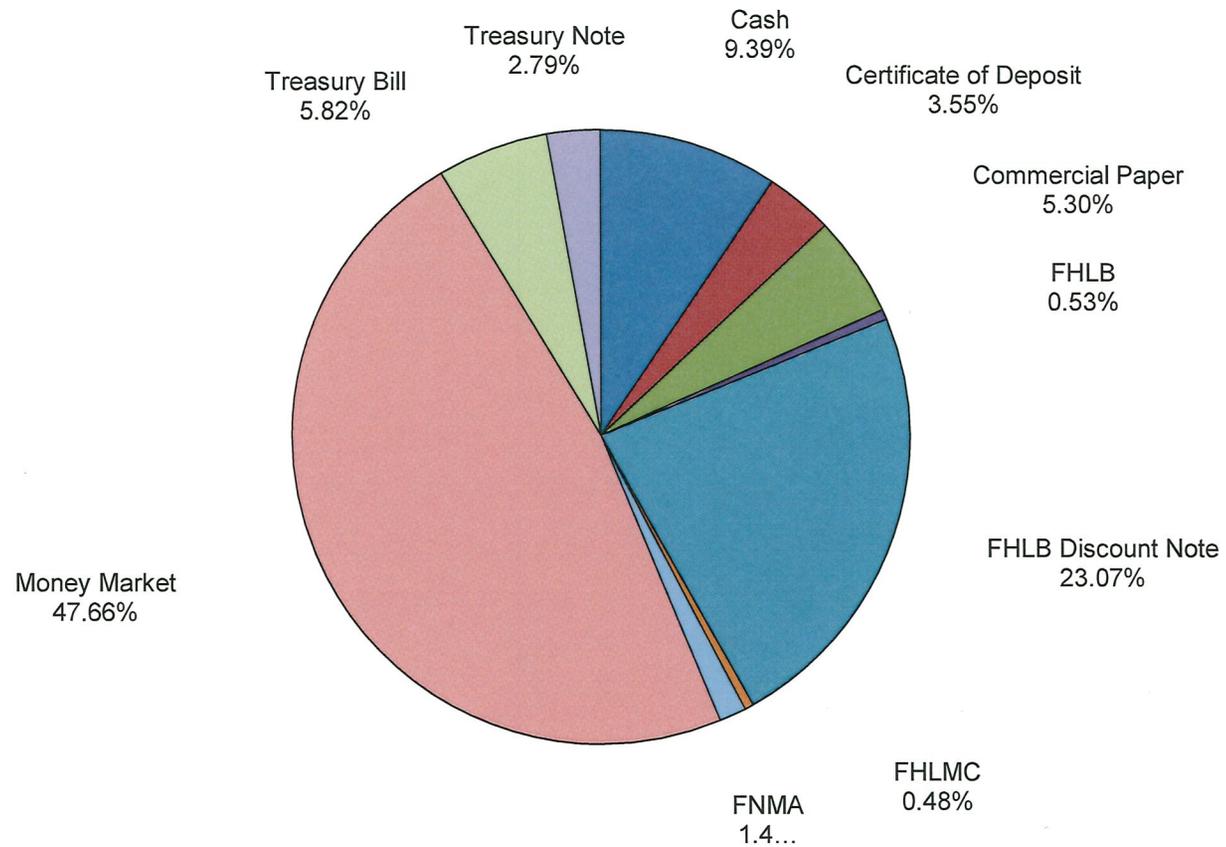
Other

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 \$562,400,000
As of September 30, 2022**



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

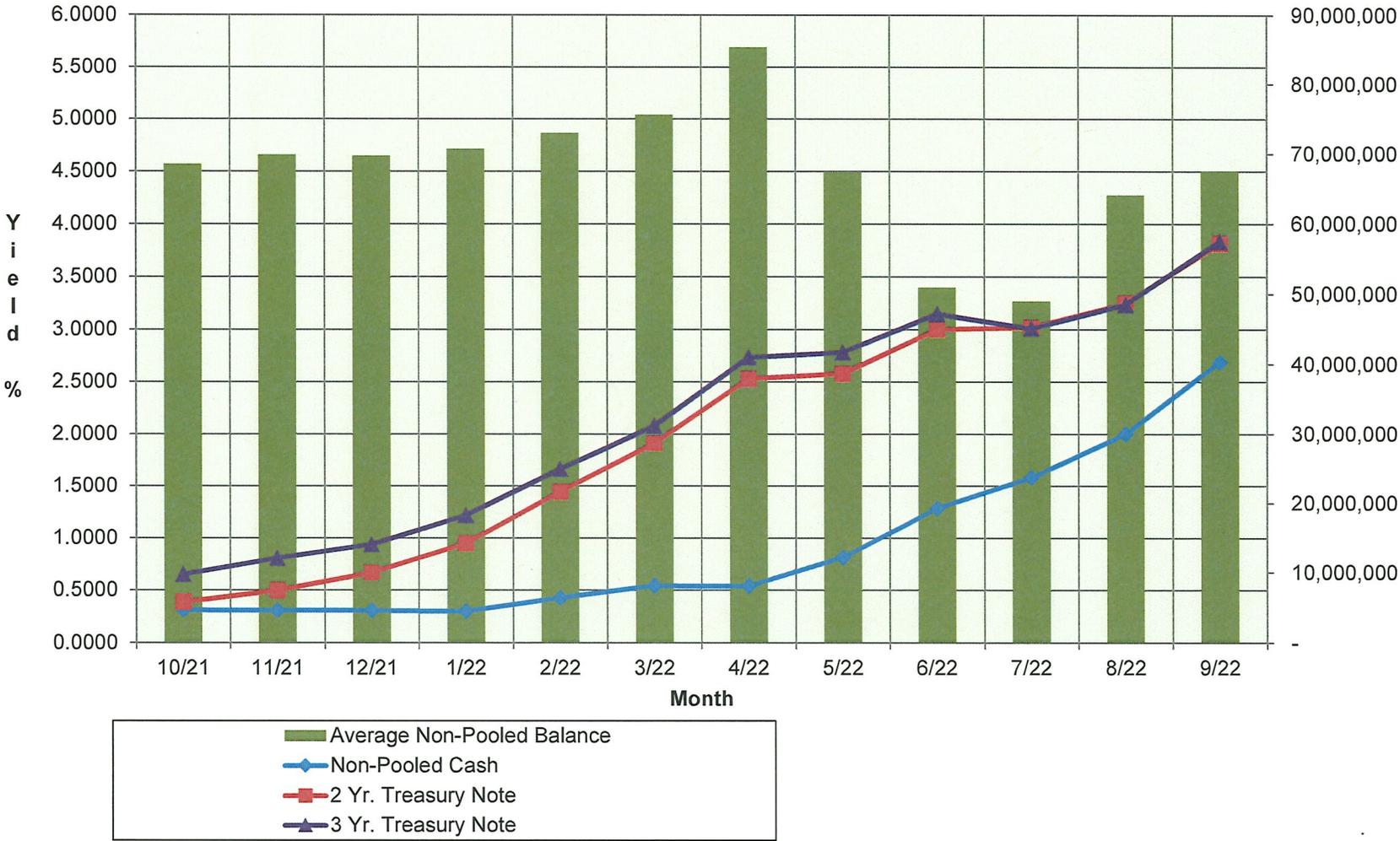
<u>Invest Number</u>	<u>CUSIP</u>	<u>Security Description</u>	<u>Issuer</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Days-Purchase To Maturity</u>	<u>Yield</u>	<u>Original Cost</u>	<u>Ending Par Value</u>	<u>Earnings To Maturity</u>	<u>Current Market Value</u>
23-0012		Certificate of Deposit	Community State Bai	8/12/2022	10/31/2022	49	2.4100	20,000,000.00	20,000,000.00	62,065.79	20,000,000.00
Certificate of Deposit Total						49	2.4100	20,000,000.00	20,000,000.00	62,065.79	20,000,000.00
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	4,978,290.25
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	4,975,188.85
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	4,969,550.00
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	4,966,166.65
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	4,962,783.30
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	4,959,400.00
Commercial Paper						181	2.2809	29,664,870.83	30,000,000.00	335,129.17	29,811,379.05
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	987,060.00
Federal Home Loan Bank Total						450	3.3000	1,000,000.00	1,000,000.00	41,250.00	987,060.00
23-0014	313385J31	FHLB Discount Note	FHN Financial	8/26/2022	10/4/2022	39	2.3887	39,898,166.67	40,000,000.00	101,833.33	39,996,800.00
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	3,998,680.00
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	3,996,320.00
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	3,994,360.00
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	3,988,800.00
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	4,953,200.00
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	4,949,750.00
23-0001	313384BK4	FHLB Discount Note	Great Pacific	7/28/2022	2/3/2023	190	2.9581	4,924,131.94	5,000,000.00	75,868.06	4,936,700.00
23-0002	313384BS7	FHLB Discount Note	Great Pacific	7/28/2022	2/10/2023	197	2.974	4,920,926.39	5,000,000.00	79,073.61	4,933,100.00
23-0003	313384BZ1	FHLB Discount Note	Great Pacific	7/28/2022	2/17/2023	204	2.9743	4,918,116.67	5,000,000.00	81,883.33	4,929,550.00
23-0004	313384CG2	FHLB Discount Note	Great Pacific	7/28/2022	2/24/2023	211	2.9747	4,915,306.94	5,000,000.00	84,693.06	4,925,950.00
23-0005	313384CP2	FHLB Discount Note	Great Pacific	7/28/2022	3/3/2023	218	3.0065	4,911,588.89	5,000,000.00	88,411.11	4,919,200.00
23-0006	313384CW7	FHLB Discount Note	Great Pacific	7/28/2022	3/10/2023	225	3.0071	4,908,750.00	5,000,000.00	91,250.00	4,915,500.00
23-0011	313384DD8	FHLB Discount Note	Piper Sandler	8/4/2022	3/17/2023	225	2.8502	4,913,822.20	5,000,000.00	86,177.80	4,911,800.00
23-0008	313384DL0	FHLB Discount Note	Piper Sandler	8/5/2022	3/24/2023	231	2.8508	4,911,129.00	5,000,000.00	88,871.00	4,908,100.00
23-0009	313384DT3	FHLB Discount Note	FHN Financial	8/5/2022	3/31/2023	238	3.0397	4,902,486.11	5,000,000.00	97,513.89	4,904,400.00
23-0017	313384DZ9	FHLB Discount Note	Great Pacific	9/29/2022	4/6/2023	189	3.9602	4,899,462.50	5,000,000.00	100,537.50	4,902,050.00
23-0018	313384EH8	FHLB Discount Note	Great Pacific	9/29/2022	4/14/2023	197	3.9816	4,894,659.70	5,000,000.00	105,340.30	4,897,900.00
23-0020	313384FF4	FHLB Discount Note	Great Pacific	9/29/2022	5/5/2023	218	4.0365	4,881,916.65	5,000,000.00	118,083.35	4,886,950.00
23-0021	313384FM6	FHLB Discount Note	Great Pacific	9/29/2022	5/12/2023	225	4.0481	4,877,812.50	5,000,000.00	122,187.50	4,883,300.00
FHLB Discount Note						192	2.7505	129,458,315.03	131,000,000.00	1,541,684.97	129,732,410.00
23-0010	3134GXP81	FHLMC	FHN Financial	8/30/2022	8/28/2024	718	3.8200	2,700,000.00	2,700,000.00	197,971.50	2,669,841.00
FHLMC Total						718	3.8200	2,700,000.00	2,700,000.00	197,971.50	2,669,841.00
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	4,979,250.00
FNMA Total						212	2.4764	4,997,000.00	5,000,000.00	72,930.56	4,979,250.00

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**City of Des Moines
Pooled Portfolio Detail
As of September 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>
22-0076	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	3,993,120.00
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	3,988,600.00
23-0007	912796YS2	Treasury Bill	Great Pacific	8/8/2022	11/29/2022	113	2.6918	9,918,231.94	10,000,000.00	81,768.06	9,952,500.00
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	4,961,300.00
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	4,945,850.00
23-0019	912796V48	Treasury Bill	Wells Fargo Instit.	9/29/2022	4/20/2023	203	3.5770	4,902,165.28	5,000,000.00	97,834.72	4,901,150.00
Treasury Bill Total						178	2.2587	32,642,750.28	33,000,000.00	357,249.72	32,742,520.00
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	9,816,400.00
Treasury Note Total						388	1.1407	9,892,968.75	10,000,000.00	120,321.09	9,816,400.00
General Operating	140320243	Money Market	First Amer Govt Oblig	Daily	Daily	1	2.7400	25,060,751.57	25,060,751.57	N/A	25,060,751.57
2017A GO	140341488	Money Market	First Amer Govt Oblig	Daily	Daily	1	2.7400	1,637,078.15	1,637,078.15	N/A	1,637,078.15
2018B GO	140344458	Money Market	First Amer Govt Oblig	Daily	Daily	1	2.7400	5,510,297.58	5,510,297.58	N/A	5,510,297.58
2019A GO	140345448	Money Market	First Amer Govt Oblig	Daily	Daily	1	2.7400	11,686,951.66	11,686,951.66	N/A	11,686,951.66
2019B GO	140345455	Money Market	First Amer Govt Oblig	Daily	Daily	1	2.7400	2,127,685.30	2,127,685.30	N/A	2,127,685.30
2020D GO	140346917	Money Market	First Amer Govt Oblig	Daily	Daily	1	2.7400	23,924,000.81	23,924,000.81	N/A	23,924,000.81
2021B GO	140347626	Money Market	First Amer Govt Oblig	Daily	Daily	1	2.7400	4,533,109.42	4,533,109.42	N/A	4,533,109.42
ARPA	140347790	Money Market	First Amer Govt Oblig	Daily	Daily	1	2.7400	67,749,949.46	67,749,949.46	N/A	67,749,949.46
2021F GO	140347931	Money Market	First Amer Govt Oblig	Daily	Daily	1	2.7400	48,166,312.95	48,166,312.95	N/A	48,166,312.95
2021G GO	140347949	Money Market	First Amer Govt Oblig	Daily	Daily	1	2.7400	1,894,292.77	1,894,292.77	N/A	1,894,292.77
2022A GO	140349176	Money Market	First Amer Govt Oblig	Daily	Daily	1	2.7400	25,571,516.89	25,571,516.89	N/A	25,571,516.89
Money Market Total						1	2.7400	217,861,946.56	217,861,946.56	N/A	217,861,946.56
General Operating	23450	Cash Account	Bankers Trust	Daily	Daily	1	2.6040	43,604,639.36	43,604,639.36	N/A	43,604,639.36
Spec Assess	1395789	Cash Account	Bankers Trust	Daily	Daily	1	2.6040	877,918.31	877,918.31	N/A	877,918.31
Trust and Agency	23523	Cash Account	Bankers Trust	Daily	Daily	1	2.6040	864,162.30	864,162.30	N/A	864,162.30
Parking Meters	1117290	Cash Account	Bankers Trust	Daily	Daily	1	2.6040	252,589.57	252,589.57	N/A	252,589.57
Parking Ramps	23493	Cash Account	Bankers Trust	Daily	Daily	1	2.6040	427,339.42	427,339.42	N/A	427,339.42
Park and Ride	23515	Cash Account	Bankers Trust	Daily	Daily	1	2.6040	110,283.79	110,283.79	N/A	110,283.79
Swimming Pools	1395078	Cash Account	Bankers Trust	Daily	Daily	1	2.6040	1.89	1.89	N/A	1.89
Ambulance	12044	Cash Account	Bankers Trust	Daily	Daily	1	2.6040	6,141.11	6,141.11	N/A	6,141.11
PD Seized Funds	2341454035	Cash Account	Bankers Trust	Daily	Daily	1	0.0000	7,824.00	7,824.00	N/A	7,824.00
Cash Account Total						1	2.3147	46,150,899.75	46,150,899.75	N/A	46,150,899.75
Investment Total						83	2.6158	494,368,751.20	496,712,846.31	2,728,602.80	494,751,706.36

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



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

