



**Roll Call Number**

**Agenda Item Number**

58

**Date** October 23, 2023

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 22-1661, 23-0110 23-0603 and 23-1018.

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, 2023 is hereby received and filed.

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

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

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

**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.

MOTION CARRIED APPROVED

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

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

**QUARTERLY TREASURER'S REPORT**  
As of September 30, 2023

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

**Quarterly Treasurer's Report  
As of September 30, 2023**

**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, 40.6 percent of the \$498.4 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 \$438.1 million portion of the portfolio to have an average maturity of 146 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 \$60.4 million of investments in this category is 112 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 146 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 112 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.

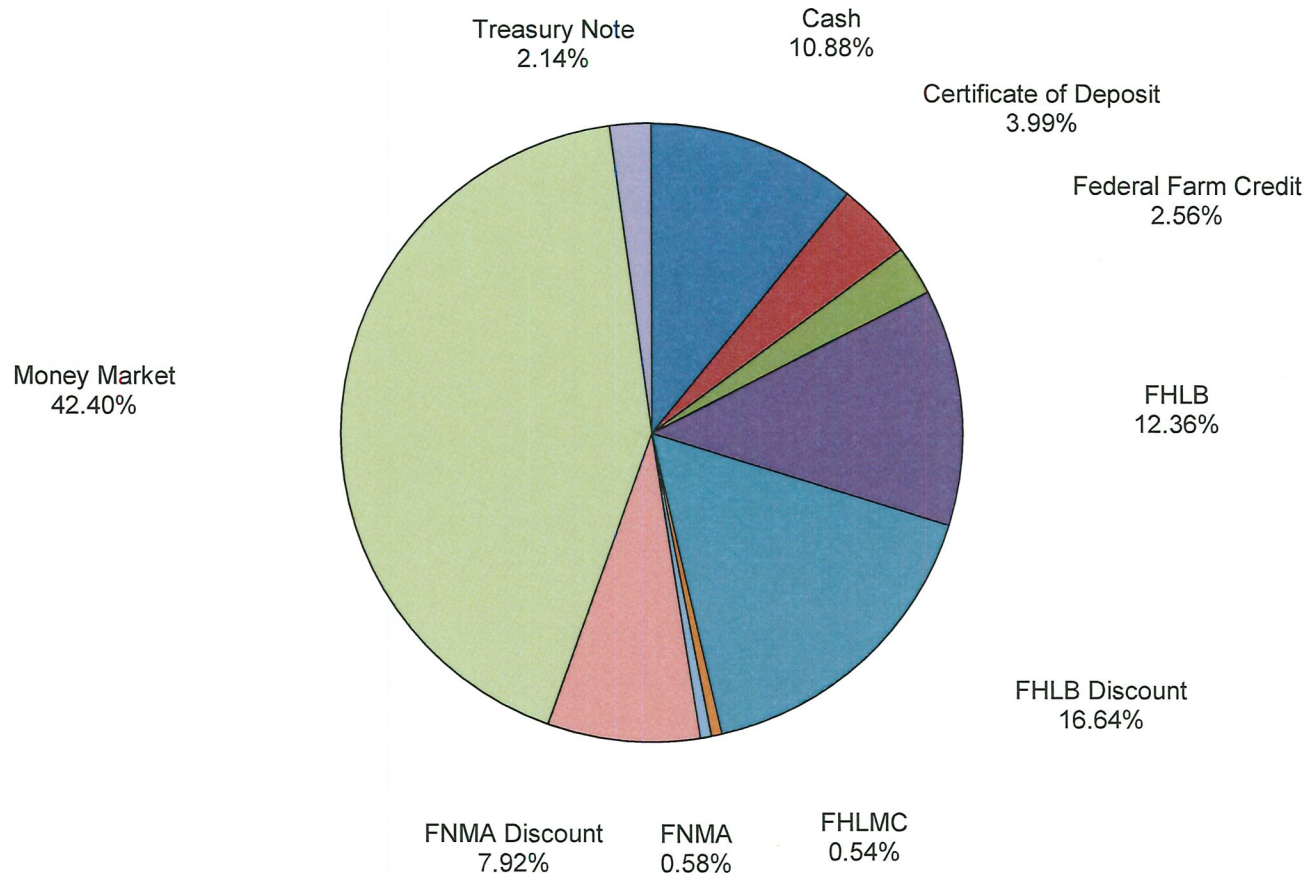
### Other

*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 \$498,562,000  
As of September 30, 2023**



**City of Des Moines  
Non-Pooled Portfolio Detail  
As of September 30, 2023**

<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>
23-0058	3133EPBH7	Federal Farm Credit	Great Pacific	3/2/2023	2/21/2025	709	5.0102	1,194,192.00	1,200,000.00	118,066.33	1,187,124.00
23-0076	3133ENNJ5	Federal Farm Credit	Wells Fargo	4/6/2023	2/9/2024	303	4.5542	1,721,201.10	1,770,000.00	48,798.90	1,743,025.20
<b>Federal Farm Credit Total</b>						<b>506</b>	<b>4.7822</b>	<b>2,915,393.10</b>	<b>2,970,000.00</b>	<b>166,865.23</b>	<b>2,930,149.20</b>
23-0057	33133EPBH7	FHLB	Piper Sandler	3/6/2023	3/6/2024	360	5.2500	1,999,020.00	2,000,000.00	105,000.00	1,997,320.00
<b>Federal Home Loan Bank Total</b>						<b>360</b>	<b>5.2500</b>	<b>1,999,020.00</b>	<b>2,000,000.00</b>	<b>105,000.00</b>	<b>1,997,320.00</b>
23-0010	3134GXP81	FHLMC	FHN Financial	8/30/2022	8/28/2024	718	3.8200	2,700,000.00	2,700,000.00	206,280.00	2,657,205.00
<b>FHLMC Total</b>						<b>718</b>	<b>3.8200</b>	<b>2,700,000.00</b>	<b>2,700,000.00</b>	<b>206,280.00</b>	<b>2,657,205.00</b>
23-0015	3135G06W8	FNMA	Piper Sandler	9/16/2022	8/28/2024	702	4.1168	1,841,675.00	1,850,000.00	148,115.63	1,821,547.00
23-0016	3135G06W8	FNMA	Piper Sandler	9/16/2022	8/28/2024	702	4.1168	1,080,117.80	1,085,000.00	86,867.53	1,068,312.70
<b>FNMA Total</b>						<b>702</b>	<b>4.1168</b>	<b>2,921,792.80</b>	<b>2,935,000.00</b>	<b>234,983.16</b>	<b>2,889,859.70</b>
23-0013	91282CCT6	Treasury Note	FHN Financial	8/16/2022	8/15/2024	730	3.1484	828,378.91	875,000.00	53,174.69	837,130.00
<b>Treasury Note Total</b>						<b>730</b>	<b>3.1484</b>	<b>828,378.91</b>	<b>875,000.00</b>	<b>53,174.69</b>	<b>837,130.00</b>
Swartzell Trust	140320268	Money Market	First American Gov Fund	Daily	Daily	1	5.2200	358,646.21	358,646.21	N/A	358,646.21
Sewer Sinking	140324633	Money Market	First American Gov Fund	Daily	Daily	1	5.2200	-	-	N/A	-
Stormwater Sinking	140322173	Money Market	First American Gov Fund	Daily	Daily	1	5.2200	-	-	N/A	-
2020F Stormwater	140346922	Money Market	First American Gov Fund	Daily	Daily	1	5.2200	3,631,823.91	3,631,823.91	N/A	3,631,823.91
2021H Stormwater	140347956	Money Market	First American Gov Fund	Daily	Daily	1	5.2200	15,501,830.98	15,501,830.98	N/A	15,501,830.98
2022B Stormwater	140349184	Money Market	First American Gov Fund	Daily	Daily	1	5.2200	18,686,071.82	18,686,071.82	N/A	18,686,071.82
<b>Money Market Total</b>						<b>1</b>	<b>5.2200</b>	<b>38,178,372.92</b>	<b>38,178,372.92</b>		<b>38,178,372.92</b>
Stormwater Sinking	1567298	Cash Account	Bankers Trust	Daily	Daily	1	4.9540	3,921,139.93	3,921,139.93	N/A	3,921,139.93
Sewer Sinking	1566815	Cash Account	Bankers Trust	Daily	Daily	1	4.9540	1,407,533.42	1,407,533.42	N/A	1,407,533.42
Crivaro	1356872	Cash Account	Bankers Trust	Daily	Daily	1	4.9540	996.85	996.85	N/A	996.85
CDBG Loan	1357052	Cash Account	Bankers Trust	Daily	Daily	1	4.9540	51,260.39	51,260.39	N/A	51,260.39
Perm Cem Maint	1566879	Cash Account	Bankers Trust	Daily	Daily	1	4.9540	4,083,378.98	4,083,378.98	N/A	4,083,378.98
Good Faith	various	Cash Account	Bankers Trust	Daily	Daily	1	4.9540	95,820.03	95,820.03	N/A	95,820.03
PD Seized A580	234145035	Cash Account	Bankers Trust	Daily	Daily	1	4.9540	794,986.00	794,986.00	N/A	794,986.00
6th Ave Corridor	1969903381	Cash Account	Bankers Trust	Daily	Daily	1	4.9540	225,757.14	225,757.14	N/A	225,757.14
PD Seized Fed S321	1967650791	Cash Account	Bankers Trust	Daily	Daily	1	4.9540	228,854.19	228,854.19	N/A	228,854.19
<b>Cash Account Total</b>						<b>1</b>	<b>4.9540</b>	<b>10,809,726.93</b>	<b>10,809,726.93</b>	<b>N/A</b>	<b>10,809,726.93</b>
<b>Investment Total</b>						<b>112</b>	<b>5.0057</b>	<b>60,352,684.66</b>	<b>60,468,099.85</b>	<b>766,303.08</b>	<b>60,299,763.75</b>



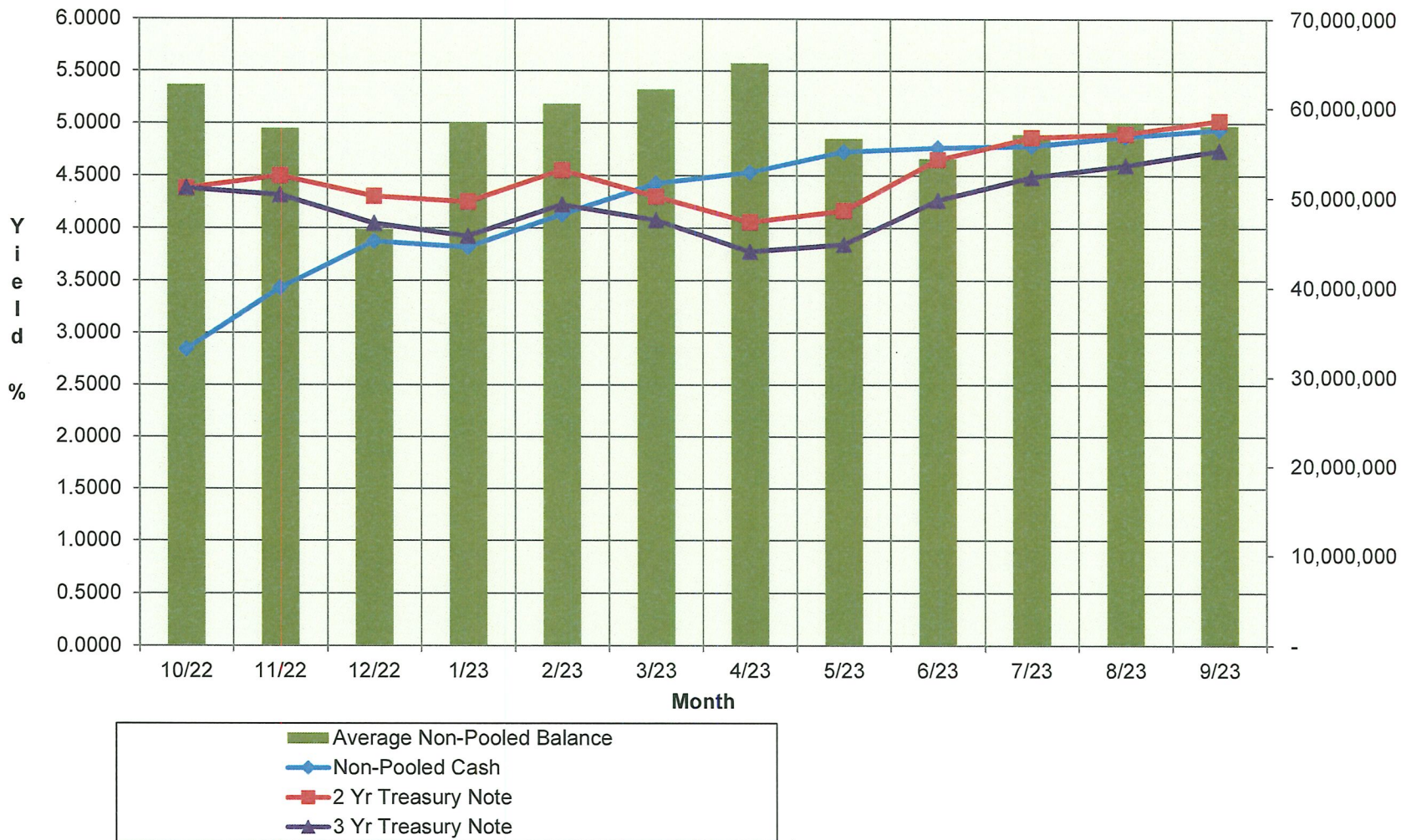
**City of Des Moines  
Pooled Portfolio Detail  
As of September 30, 2023**

<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>
23-0071		Certificate of Deposit	Community State Bank	3/28/2023	12/31/2023	201	4.9600	20,000,000.00	20,000,000.00	331,572.60	20,000,000.00
<b>Certificate of Deposit Total</b>						<b>201</b>	<b>4.9600</b>	<b>20,000,000.00</b>	<b>20,000,000.00</b>	<b>331,572.60</b>	<b>20,000,000.00</b>
23-0078	3133ENNJ5	Federal Farm Credit	Wells Fargo	4/6/2023	2/9/2024	303	4.5542	4,862,150.00	5,000,000.00	187,508.33	4,923,800.00
23-0080	3133ENRR3	Federal Farm Credit	Wells Fargo	4/6/2023	3/14/2024	338	4.5018	4,869,150.00	5,000,000.00	207,134.72	4,915,600.00
<b>Farm Credit Total</b>						<b>321</b>	<b>4.5280</b>	<b>9,731,300.00</b>	<b>10,000,000.00</b>	<b>394,643.05</b>	<b>9,839,400.00</b>
23-0072	3130AVH54	FHLB	Great Pacific	3/30/2023	11/30/2023	240	4.9500	10,000,000.00	10,000,000.00	330,000.00	9,991,800.00
23-0073	3130AVH47	FHLB	Great Pacific	3/30/2023	1/30/2024	300	5.0000	5,000,000.00	5,000,000.00	208,333.33	4,990,850.00
23-0079	3130AV3G5	FHLB	FHN Financial	4/6/2023	2/23/2024	317	4.5800	5,022,994.53	5,000,000.00	202,647.83	4,991,450.00
23-0087	3130AVPG1	FHLB	Piper Sandler	4/13/2023	5/30/2024	407	4.5800	40,000,000.00	40,000,000.00	2,071,177.78	39,771,200.00
<b>Federal Home Loan Bank Total</b>						<b>316</b>	<b>4.7775</b>	<b>60,022,994.53</b>	<b>60,000,000.00</b>	<b>2,812,158.94</b>	<b>59,745,300.00</b>
23-0060	313384MQ9	FHLB Discount Note	Piper Sandler	3/2/2023	10/6/2023	218	5.1736	4,849,519.44	5,000,000.00	150,480.56	4,997,150.00
23-0062	313384NC9	FHLB Discount Note	Piper Sandler	3/2/2023	10/18/2023	230	5.1766	4,841,236.11	5,000,000.00	158,763.89	4,988,600.00
23-0063	313384NM7	FHLB Discount Note	Piper Sandler	3/2/2023	10/27/2023	239	5.1846	4,834,857.50	5,000,000.00	165,142.50	4,982,250.00
23-0081	313384PP8	FHLB Discount Note	Piper Sandler	4/11/2023	11/22/2023	225	4.9083	4,852,500.00	5,000,000.00	147,500.00	4,963,800.00
23-0082	313384RC5	FHLB Discount Note	Piper Sandler	4/11/2023	12/29/2023	262	4.8548	4,830,427.78	5,000,000.00	169,572.22	4,937,500.00
23-0083	313384RK7	FHLB Discount Note	Piper Sandler	4/12/2023	1/5/2024	268	4.7017	4,831,941.67	5,000,000.00	168,058.33	4,932,550.00
23-0074	313384RS0	FHLB Discount Note	Great Pacific	3/30/2023	1/12/2024	288	4.7569	4,817,600.00	5,000,000.00	182,400.00	4,927,650.00
23-0084	313384SG5	FHLB Discount Note	Piper Sandler	4/12/2023	1/26/2024	289	4.6715	4,820,177.78	5,000,000.00	179,822.22	4,916,350.00
23-0085	313384TD1	FHLB Discount Note	Piper Sandler	4/12/2023	2/16/2024	310	4.6310	4,809,048.50	5,000,000.00	190,951.50	4,903,150.00
23-0091	313384UQ0	FHLB Discount Note	Great Pacific	6/28/2023	3/22/2024	268	5.3458	4,809,608.33	5,000,000.00	190,391.67	4,878,600.00
23-0092	313384UW7	FHLB Discount Note	Great Pacific	6/28/2023	3/28/2024	274	5.3376	4,805,726.39	5,000,000.00	194,273.61	4,874,400.00
23-0093	313384VE6	FHLB Discount Note	Great Pacific	6/28/2023	4/5/2024	282	5.3304	4,800,445.83	5,000,000.00	199,554.17	4,871,550.00
23-0094	313384VM8	FHLB Discount Note	Piper Sandler	6/28/2023	4/12/2024	289	5.3228	4,795,893.75	5,000,000.00	204,106.25	4,866,750.00
23-0095	313384VU0	FHLB Discount Note	Piper Sandler	6/28/2023	4/19/2024	296	5.3262	4,790,950.00	5,000,000.00	209,050.00	4,862,000.00
23-0096	313384WB1	FHLB Discount Note	Piper Sandler	6/28/2023	4/26/2024	303	5.3134	4,786,637.50	5,000,000.00	213,362.50	4,857,250.00
24-0001	313384WJ4	FHLB Discount Note	Great Pacific	9/13/2023	5/3/2024	233	5.5152	4,828,971.53	5,000,000.00	171,028.47	4,852,750.00
24-0002	313384WR6	FHLB Discount Note	Great Pacific	9/13/2023	5/10/2024	240	5.5122	4,824,000.00	5,000,000.00	176,000.00	4,848,000.00
<b>FHLB Discount Note</b>						<b>266</b>	<b>5.1213</b>	<b>81,929,542.11</b>	<b>85,000,000.00</b>	<b>3,070,457.89</b>	<b>83,460,300.00</b>
23-0061	313588MX0	FNMA Discount Note	Wells Fargo	3/2/2023	10/13/2023	225	5.1165	4,846,406.25	5,000,000.00	153,593.75	4,992,200.00
23-0064	313588NU5	FNMA Discount Note	Great Pacific	3/8/2023	11/3/2023	240	5.3401	4,830,044.44	5,000,000.00	169,955.56	4,977,250.00
23-0065	313588PB5	FNMA Discount Note	Great Pacific	3/8/2023	11/10/2023	247	5.3425	4,825,066.67	5,000,000.00	174,933.33	4,972,300.00
23-0066	313588PJ8	FNMA Discount Note	Great Pacific	3/8/2023	11/17/2023	254	5.3451	4,820,088.89	5,000,000.00	179,911.11	4,967,350.00
23-0067	313588PY5	FNMA Discount Note	Great Pacific	3/8/2023	12/1/2023	268	5.3776	4,809,206.25	5,000,000.00	190,793.75	4,957,300.00
23-0068	313588QF5	FNMA Discount Note	Great Pacific	3/8/2023	12/8/2023	275	5.3807	4,804,204.17	5,000,000.00	195,795.83	4,952,350.00
23-0069	313588QN8	FNMA Discount Note	Great Pacific	3/8/2023	12/15/2023	282	5.3839	4,799,202.08	5,000,000.00	200,797.92	4,947,400.00
23-0070	313588QV0	FNMA Discount Note	Great Pacific	3/8/2023	12/22/2023	289	5.3872	4,794,200.00	5,000,000.00	205,800.00	4,942,450.00
<b>FNMA Discount Note</b>						<b>260</b>	<b>5.3342</b>	<b>38,528,418.75</b>	<b>40,000,000.00</b>	<b>1,471,581.25</b>	<b>39,708,600.00</b>
23-0075	91282CBE0	Treasury Note	FHN Financial	3/30/2023	1/15/2024	291	4.5530	4,828,906.25	5,000,000.00	171,093.75	4,925,200.00

**City of Des Moines  
Pooled Portfolio Detail  
As of September 30, 2023**

<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>
23-0077	91282CDV0	Treasury Note	Great Pacific	4/6/2023	1/31/2024	300	4.5269	4,854,492.19	5,000,000.00	181,402.15	4,925,600.00
<b>Treasury Note Total</b>						<b>296</b>	<b>4.5400</b>	<b>9,683,398.44</b>	<b>10,000,000.00</b>	<b>352,495.90</b>	<b>9,850,800.00</b>
General Operating	140320243	Money Market	First American Gov Fund	Daily	Daily	1	5.2200	39,682,290.94	39,682,290.94	N/A	39,682,290.94
2018B GO	140344458	Money Market	First American Gov Fund	Daily	Daily	1	5.2200	2,510,809.42	2,510,809.42	N/A	2,510,809.42
2019A GO	140345448	Money Market	First American Gov Fund	Daily	Daily	1	5.2200	2,174,603.41	2,174,603.41	N/A	2,174,603.41
2019B GO	140345455	Money Market	First American Gov Fund	Daily	Daily	1	5.2200	2,132,843.26	2,132,843.26	N/A	2,132,843.26
2020D GO	140346917	Money Market	First American Gov Fund	Daily	Daily	1	5.2200	6,854,486.92	6,854,486.92	N/A	6,854,486.92
2021B GO	140347626	Money Market	First American Gov Fund	Daily	Daily	1	5.2200	526,970.26	526,970.26	N/A	526,970.26
ARPA	140347790	Money Market	First American Gov Fund	Daily	Daily	1	5.2200	55,475,726.25	55,475,726.25	N/A	55,475,726.25
2021F GO	140347931	Money Market	First American Gov Fund	Daily	Daily	1	5.2200	34,162,503.02	34,162,503.02	N/A	34,162,503.02
2022A GO	140349176	Money Market	First American Gov Fund	Daily	Daily	1	5.2200	30,945,285.37	30,945,285.37	N/A	30,945,285.37
<b>Money Market Total</b>						<b>1</b>	<b>5.2200</b>	<b>174,465,518.85</b>	<b>174,465,518.85</b>	<b>N/A</b>	<b>174,465,518.85</b>
General Operating	23450	Cash Account	Bankers Trust	Daily	Daily	1	4.9540	40,286,777.98	40,286,777.98	N/A	40,286,777.98
Spec Assess	1395789	Cash Account	Bankers Trust	Daily	Daily	1	4.9540	1,880,785.55	1,880,785.55	N/A	1,880,785.55
Trust and Agency	23523	Cash Account	Bankers Trust	Daily	Daily	1	4.9540	895,674.60	895,674.60	N/A	895,674.60
Parking Meters	1117290	Cash Account	Bankers Trust	Daily	Daily	1	4.9540	266,981.46	266,981.46	N/A	266,981.46
Parking Ramps	23493	Cash Account	Bankers Trust	Daily	Daily	1	4.9540	388,709.76	388,709.76	N/A	388,709.76
Park and Ride	23515	Cash Account	Bankers Trust	Daily	Daily	1	4.9540	8,304.56	8,304.56	N/A	8,304.56
Swimming Pools	1395078	Cash Account	Bankers Trust	Daily	Daily	1	4.9540	222.48	222.48	N/A	222.48
Ambulance	12044	Cash Account	Bankers Trust	Daily	Daily	1	4.9540	5,162.64	5,162.64	N/A	5,162.64
<b>Cash Account Total</b>						<b>1</b>	<b>4.9540</b>	<b>43,732,619.03</b>	<b>43,732,619.03</b>	<b>N/A</b>	<b>43,732,619.03</b>
<b>Investment Total</b>						<b>146</b>	<b>5.0682</b>	<b>438,093,791.71</b>	<b>443,198,137.88</b>	<b>8,432,909.63</b>	<b>440,802,537.88</b>

### City of Des Moines Non-Pooled Cash Portfolio Yield For the Twelve Months Ended September 30, 2023



### City of Des Moines Pooled Cash Portfolio Yield For the Twelve Months Ended September 30, 2023

