

DES MOINES WATER WORKS

Board of Water Works Trustees



2201 George Flagg Parkway | Des Moines, Iowa 50321-1190 | (515) 283-8700 | www.dmww.com

MEMORANDUM

DATE: January 18, 2016
TO: William Stowe, CEO and General Manager
FROM: Peggy Freese, CFO
SUBJECT: Deposit of Public Funds

Chapter 12C, Code of Iowa, requires a board resolution listing approved depositories and maximum amounts approved each year. The attached list is staff's recommendation of financial institutions and amounts for 2016.

At one time, the State of Iowa maintained a listing of banks approved to accept deposits of public funds. They discontinued this practice a number of years ago and now any bank may accept public funds as long as they collateralize them according to law. Our list of approved depositories includes institutions in addition to Bankers Trust which is our primary bank. This would allow us to change or expand our banking relationship should the need arise. One of our requirements for a bank is that they have a downtown or south side branch easily accessible from DMWW. The banks on the approved depository list are the metro area banks who meet this criteria.

Investments of reserve funds that are invested in securities are not covered by this requirement as they are not direct obligations of the bank. Government backed securities are book entry at the Federal Reserve and are not literally held at the bank. We do, however, need to allow for the maturing of investments from time to time, since proceeds are deposited in our bank accounts by the bank's investment department and reside there until further investment orders are placed.

Attachment

Chapter 12C, Code of Iowa - Deposit of Public Funds

12C.2 Approval - requirements. The approval of a financial institution as a depository shall be by written resolution or order which shall be entered of record in the minutes of the approving board, and which shall distinctly name each depository approved, and specify the maximum amount which may be kept on deposit in each such depository.

Recommended depositories and amounts for 2016:

Bankers Trust Company	\$10,000,000
Bank of America	10,000,000
Bank of the West	10,000,000
First American Bank	10,000,000
Iowa State Bank	10,000,000
Liberty Bank	10,000,000
MetaBank	10,000,000
US Bank	10,000,000
Wells Fargo Bank Iowa	10,000,000
West Bank	10,000,000