

MARSHALLTOWN

— I O W A —

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TO: Mayor Greer and City Council
FROM: Diana Steiner, Finance Director
DATE: 10/5/2022
RE: Bank Depositories

Policy Issue: Council must name the official depositories for City funds and set the maximum amount of deposits per depository.

<input type="checkbox"/> Goal 1: Expand and improve development	<input checked="" type="checkbox"/> Goal 3: Continually improve the City's organization & services
<input type="checkbox"/> Goal 2: Enhance Marshalltown's public image	<input type="checkbox"/> Goal 4: Partner with others to improve quality of life

Specific Objective/Action: Maintain a financially healthy organization.

Recommendation: Staff recommends increasing the limits for the bank depositories since CD interest rates are now higher than our checking account rates.

Budget Impact: The City wants to maximize interest earned as much as possible.

Description/Background: Since the CD interest rates are now higher than what the City receives in their checking accounts at First Interstate Bank, staff are recommending that the maximum depository limit be raised from \$25 million to \$35 million for the banks listed, except for First Interstate Bank which will remain at \$70 million. The City currently has over \$23 million with MidWestOne Bank since they have been bidding the highest CD rates. In the event that more funds are invested in CDs, the City would not want to miss out on the highest rate due to the depository limit. The Investment Advisory Committee met on October 5, 2022 and recommend this increased limit.

CITY COUNCIL

Al Hoop, Gabriel Isom, Barry Kell, Mike Ladehoff,
Jeff Schneider, Gary Thompson, Dex Walker

