

DECISION MEMORANDUM OF THE FINANCE BOARD
ACTING WITHOUT A QUORUM

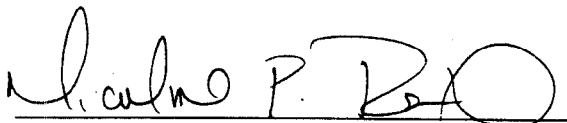
Date: August 12, 1994
No. : 94-DM-30

ISSUE: Approval of amendment to the Federal Home Loan Bank of Des Moines (Bank) budgets as requested by the Bank's board of directors.

FACTORS CONSIDERED:

- 0 Pursuant to section 934.6 of the Federal Housing Finance regulations, the Bank's board of directors has requested to increase the Bank's 1994 operating expense and capital expenditures budgets.
- o The Bank has requested to increase its 1994 operating expense budget by \$446,000. The increase is to cover costs associated with: the acquisition of additional item processing business including 12 staff and a new marketing representative to market the Bank's item processing services: a new credit services assistant to process advances, a new staff person to assist in managing the Bank's MBS portfolio and additional services from the Bank's MBS consultant; and a new internal auditor.
- 0 The Bank has requested to increase its 1994 capital expenditures budget by \$280,000. This increase will cover costs associated with: the acquisition of item processing equipment and the purchase of personal computers and software for the financial services and internal audit functions.

DECISION: To approve the Bank's request to increase the 1994 operating expense budget by \$446,000 from \$18,493,000 to \$18,939,000 and to increase the 1994 capital expenditures budget by \$280,000 from \$1,029,000 to \$1,309,000 as set forth on the attached Table 1.


Nicolas P. Retsinas


Lawrence U. Costiglio

Table 1

Federal Home Loan Bank of Des Moines
Amendment to 1994 Budget
(\$Thousands)

	A	B	C	D
	1994 Approved Budget	Amendment	1994 Revised Budget	Percent Increase C to A
<u>Operating Budget</u>				
1. Total Operating Expenses	\$18,493	\$446	\$18,939	2.4%
a. Salaries	8,467	139	8,606	1.6%
b. Benefits	1,714	23	1,737	1.3%
c. Cost of Quarters	1,318	91	1,409	6.9%
d. Equipment	1,741	67	1,808	3.8%
e. Contractual Services	2,407	44	2,451	1.8%
f. Imputed Compensating Balances - Cash	430	0	430	0.0%
g. Other Operating Expenses	2,416	83	2,499	3.4%
<u>Capital Expenditures Budget</u>				
2. Total Capital Expenditures	\$1,029	\$280	\$1,309	27.2%
a. Furniture and Equipment	899	260	1,159	28.9%
b. Automobiles	93	20	113	N/M
c. Land & Building Related Expenses	37	0	37	N/M
<u>Staff</u>				
3. Total Staff (FTEs) - 12/31/94	231.0	16.0	247.0	6.9%