

TD: Cindy C.  
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**INTER-OFFICE CORRESPONDENCE  
MANITOWOC PUBLIC UTILITIES, MANITOWOC, WISCONSIN**



**TO:** MPU COMMISSIONERS  
**FROM:** NILAKSH KOTHARI *NK*  
**DATE:** MARCH 10, 2017  
**SUBJECT:** RESTRICTED CASH INVESTMENT SERVICES RECOMMENDATION

MPU transferred banking services partners in 2016 from JP Morgan Chase to Bank First National. This was a lengthy and extensive transition process which is now complete and the checking account with JP Morgan is closed. MPU still has 4 money market accounts with JP Morgan Asset Management which are listed in the table below:

<b>Account Description</b>	<b>Balance as of 12/31/2016</b>
2009 Electric Bond Reserve Fund	\$ 1,316,700.94
2014 Electric Bond Reserve Fund	\$ 247,315.69
Water Bond Reserve / Service Fund	\$ 563,647.36
Electric Debt Service Fund	\$ 531,460.06
	<u>\$ 2,659,124.05</u>

The accounts are restricted funds for bond repayments which earned approximately 28 basis points in 2016. Accounts are required until the bonds are paid off; 2019 for the 2009 electric issue, 2029 for the 2014 electric issue, and 2017 for the water bonds. Bank First National has provided a quote to setup secured deposit accounts for these funds which will be tied to the State Investment Pool rate (53 basis points as of January 2017). The deposit account pledges collateral that is comprised of municipal securities, marked to market daily and held in safekeeping at their third-party agent, BOK Financial Institutional Advisors, a Trust Company owned by Bank of Oklahoma. There is no cap to the collateral, no minimal balance/account fee and all funds can be accessed at any time without a penalty.

The recommendation is to transfer the 3 three electric accounts to Bank First National and close the water account in June 2017 when the last debt payment is due. This will terminate all remaining accounts with JP Morgan.

Your approval is requested to close the JP Morgan money market accounts and coordinate the closing through City Finance Director. Please advise if any questions.

Thank you.

Memo prepared by Cindy Carter, Business Services Manager