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September 2, 2015

Honorable Mayor Justin Nickels
And Members of Manitowoc Common Council
Manitowoc City Hall
900 Quay Street
Manitowoc, WI 54220

Re: Investment Management and Advisory Services

Honorable Mayor and Members of Council:

The Manitowoc Public Utilities Commission, at its meeting on August 24, 2015, approved replacing the services of ICM with R.W. Baird/Chlupp & Hall Group from West Bend, Wisconsin for the investment management and advisory services. Attached is the Quotation Tabulation comparing various service providers. An interview was conducted of Associated and Baird, in addition to an analysis of the responses to the Request for Proposals. The selection of R.W. Baird/The Chlupp Hall Group was based on a unique contract arrangement. Baird would partner with Reinhart as the money managers. Reinhart specializes in fixed income investments. This arrangement allows Baird to contract with another money manager if the returns or investment decisions are not satisfactory.

Baird confirmed that there will be no conflict of interest with municipal bond advisory role. City Finance Director, Steve Corbeille is in agreement with this recommendation.

The MPU Commission unanimously approved to recommend that the City Finance Committee and Common Council approve retaining the R.W. Baird/The Chlupp Hall Group for MPU investments.

Please feel free to call me at (920) 686-4351 for additional information.

Respectfully Submitted,

A handwritten signature in black ink that reads "nilaksh kothari".

Nilaksh Kothari, P.E.
General Manager

Attachment

cc: Steve Corbeille, Finance Director, City of Manitowoc
Attorney Kathleen McDaniel, City Attorney
Cindy Carter, Business Services Manager, MPU



**MANITOWOC PUBLIC UTILITIES
QUOTATION TABULATION**

Commission Meeting: August 24, 2015	 MANITOWOC PUBLIC UTILITIES QUOTATION TABULATION										RECOMMENDED BIDDER					
Request for Bid #											Lowest Qualified Bidder					
Title: RFP - Investment Management & Advisory Services	COMPANY															
	Associated Trust Company			Prudent Man Advisors				The Chlupp & Hall Group (Baird) / Reinhart Partners								
	DESCRIPTION															
												Treasury Only <1 Yr	Gov/Corp Credit 1-7 Yr			
	Range	Rate	Fee			Rate	Fee					Rate	Fee	Rate	Fee	
	\$0 \$5M	0.20%	\$ 10,000			0.18%	\$ 9,000					0.15%	\$ 7,500	0.35%	\$ 17,500	
	\$5M \$15M	0.18%	\$ 18,000			0.18%	\$ 18,000					0.15%	\$ 15,000	0.35%	\$ 35,000	
	\$15M \$25M	0.16%	\$ 16,000			0.18%	\$ 18,000					0.15%	\$ 15,000	0.35%	\$ 35,000	
	\$25M \$50M	0.14%				0.18%						0.15%		0.35%		
	Total Fee - \$25M of AUM		\$ 44,000				\$ 45,000					\$37,500		\$87,500		
	Minimum Annual Fee	None listed			\$15,000			None listed								
	Custodian	Associated Trust Co., NA			Not included in proposal			R. W. Baird & Co, Inc.								
	AUM	\$8.1B			\$3.4B			\$145B / \$5.45B								
	Fund Performance:		2014	2013	2012	2011	3-Mo	6-Mo	1-Yr	ITD*		2014	2013	2012	2011	
	Managed Fund	Assoc Institutional ST Bond	1.18%	0.21%	1.17%	1.87%	Custom Composite^	0.30%	1.59%	2.86%	2.51%	Reinhart Partners Limited Duration	1.43%	0.35%	2.54%	3.32%
	Benchmark	Barclay's Capital US 1-3 Yr Gov't	0.64%	0.37%	0.51%	1.56%	BofA Merrill Lynch 1-5 Yr. US Treas Index	0.54%	0.71%	1.38%	1.21%	Merrill 1-5 Yr Gov't / Corp	1.51%	0.32%	2.47%	3.10%
	Managed Fund											Reinhart Partners Active Intermediate	3.18%	-1.05%	3.99%	5.86%
	Benchmark											Barclays Intermediate Gov't / Credit	3.13%	-0.86%	3.89%	5.80%
		^Custom Composite - represents 6 client accounts														
		*Inception Date - 11/1/2013														
	Earnings / Fee Analysis:	Est. Earnings (4 Yr. Ave)	Fees	Net Earnings	Not calculated due to Custodian pricing not provided.							Est. Earnings (4 Yr. Ave)	Fees	Net Earnings		
	\$7M - less than 1 Year	\$77,525	\$ 13,600	\$63,925								\$133,700	\$ 10,500	\$123,200		
	\$18M - 1-7 Year	\$199,350	\$ 30,400	\$168,950								\$539,100	\$ 63,000	\$476,100		
				\$232,875										\$599,300		
REMARKS:																
Current investment management provider (Institutional Capital Management) rates - 15bps / 2014 Total Return (Gross of Fees) - .63%																