



MANITOWOC PUBLIC UTILITIES

1303 South 8th Street P.O. Box 1090 Manitowoc, WI 54221-1090 920-683-4600 FAX 920-686-4348
www.mpu.org

April 2, 2019

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

Re: MPU Bank First New Account

Honorable Mayor and Members of Council:

Bank First is offering a money market account which pays interest at a rate of 10bps above the Local Government Investment Pool (LGIP) Fund Rate adjusted monthly. Information on the LGIP is attached. No fees are associated with this account. Currently MPU's short term investments are held with Baird and invested in one year treasury securities. This account is subject to fees of 15bps.

Below is a comparison of MPU's actual investment performance in the short term account of Baird to the LGIP average annual rates.

<i>Baird Short Term Investments:</i>	2016	2017	2018
Average Balance	\$ 5,003,445	\$ 5,027,167	\$ 5,082,566
Interest & Dividends	\$ 21,149	\$ 32,795	\$ 58,174
Fees	\$ (7,930)	\$ (7,534)	\$ (7,596)
Market Adjustments	\$ 5,047	\$ 3,917	\$ 31,042
Net Annual Return w/ Market Adjustments	0.37%	0.58%	1.61%
Net Annual Return w/o Market Adjustments	0.26%	0.50%	1.00%
<i>LGIP Average Annual Rate</i>	0.42%	0.84%	1.88%

*Note - the BankFirst Account offers interest at 10bps **above** the LGIP rate.

The Manitowoc Public Utilities Commission at its meeting on March 25, 2019 unanimously approved (a) creation of this new money market account at Bank First, and (b) to transfer MPU's short term investment at Baird to the new Bank First account upon City Council approval.

MPU Commission is recommending that the City Finance Committee and Common Council approve the creation of the new Bank First account and transfer of MPU's short term investment at Baird to the new Bank First money market account.

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

Respectfully Submitted,

nilaksh kothari

Nilaksh Kothari, P.E.
CEO & General Manager

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

Attachments

Mailing Address:
P.O. Box 7871
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**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

Ph: 608/266-3711
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December 2018

LOCAL GOVERNMENT INVESTMENT POOL EARNINGS SUMMARY

Average Daily LGIP Balance	\$ 3,260,027,562
Gross LGIP Earnings from the State Investment Fund	\$ 6,573,576
Administrative and Banking Expenses (see below)	\$ (8,817)
Net Earnings Distributed to LGIP Investors:	\$ 6,564,759
Annualized Earnings Rate as Calculated Below:	2.37%

CALCULATION OF ANNUALIZED EARNINGS RATE

Gross Earnings	\$ 6,573,576
Less: LGIP Administrative and Banking Expenses	\$ (8,817)
Net Earnings	\$ 6,564,759
Divided by LGIP Average Daily Balance	\$ 3,260,027,562
Monthly Earnings Rate	0.20137127%
Days in the Month	31
Daily Earnings Rate	0.00649585%
Multiplied by No. of Days in the Year	365
Annualized Earnings Rate	2.37%

LGIP RATE HISTORY AND COMPARATIVE EARNINGS RATES

Month	Year	LGIP Ann Rate	-----Comparative Earnings Rates-----			
			90-Day T-Bill	Repurchase Agreements	Crane Government MMFD	Crane MMFD Average
January	2017	0.53	0.51	0.01	0.07	0.27
February	2017	0.58	0.52	0.01	0.07	0.28
March	2017	0.61	0.74	0.01	0.11	0.33
April	2017	0.65	0.80	0.02	0.17	0.43
May	2017	0.71	0.89	0.05	0.21	0.45
June	2017	0.77	0.98	0.19	0.27	0.55
July	2017	0.88	1.06	0.31	0.34	0.64
August	2017	1.00	1.01	0.35	0.42	0.68
September	2017	1.03	1.03	0.38	0.42	0.70
October	2017	1.04	1.07	0.38	0.45	0.71
November	2017	1.09	1.23	0.43	0.48	0.73
December	2017	1.21	1.32	0.52	0.56	0.84
January	2018	1.35	1.41	0.64	0.66	0.95
February	2018	1.40	1.57	0.64	0.76	1.02
March	2018	1.55	1.70	0.84	0.89	1.16
April	2018	1.73	1.76	0.99	1.02	1.31
May	2018	1.80	1.86	1.01	1.10	1.38
June	2018	1.88	1.90	1.12	1.20	1.47
July	2018	1.95	1.95	1.20	1.27	1.55
August	2018	2.00	2.03	1.25	1.33	1.59
September	2018	2.05	2.12	1.33	1.38	1.63
October	2018	2.20	2.25	1.49	1.51	1.77
November	2018	2.27	2.33	1.55	1.64	1.86
December	2018	2.37	2.33	1.63(e)	1.74(e)	1.98(e)

(e) = estimate