



MEMORANDUM

DATE: January 13, 2017
TO: Dan Duchniak
FROM: Donna Scholl
RE: Designation of 2017 Depositories

According to Water Utility Policy, the Water Commission needs to authorize cash and investment depositories annually. I recommend that the Commission designate the Waukesha State Bank (WSB) (including its investment branch, Waukesha Investments), JP Morgan Chase Bank, and the State of Wisconsin Local Government Investment Pool (LGIP) for the 2017 calendar year.

WSB is our current servicing bank. The bank has been able to accommodate our needs for service and is conveniently located near our office. The current Bank Services Agreement for the City and the Utility commenced on November 1, 2011 and was reviewed in 2015. We are currently renegotiating the terms of this agreement.

We have two accounts with JP Morgan Chase. The first account serves as a deposit account for electronic payments received from our customers. The second account is a large balance savings that holds the Utility's Bond Reserve. This account is collateralized by securities held with the Federal Reserve.

The LGIP is a safe, liquid, and economical investment tool and is utilized by the vast majority, if not all, of the municipalities across the state. Also, the risk of loss is extremely low and deposits, transfers, and withdrawals are easily accomplished.

Please note the designations of the above institutions are in accordance with Wisconsin State Statutes regarding public funds and does not limit our investment opportunities. The Commission may add depositories, as it sees fit, at any time throughout the year. As always, our goal is to obtain needed services at the most beneficial and economical price and maximize earnings on our reserves. Should the negotiations, mentioned above, suggest a different banking relationship, the Commission will be asked to authorize a new depository.

Please let me know if you have any questions regarding our depositories prior to the meeting next week, otherwise, I look forward to discussing them with you and the Commission.

Recommended Motion: Move to designate the Waukesha State Bank, including its investment branch, Waukesha Investments, JP Morgan Chase Bank, and the State of Wisconsin Local Government Investment Pool, as depositories for the 2017 calendar year.