



City of CHARLOTTE

MEMORANDUM

TO: Mayor Lewis and City Council Members

FROM: Gregg Guetschow, City Manager

SUBJECT: City Manager Report

DATE: August 10, 2018

Banking and Investments. As of today, we are completing the process of consolidating our bank accounts at Independent Bank. We had to delay closing the City's account with Bank of America while we tested automated clearing house (ACH) transactions to receive utility bill payments at Independent Bank. That successful test allows us to transfer nearly \$1.9 million in idle funds, making them available for investment. We are structuring those investments in accordance with the policy Council recently adopted. That policy allows us to invest in CDARS (certificate of deposit account registry service) so that amounts in excess of \$250,000 will now be fully insured. We have chosen to "ladder" CDARS so that 12.5% of the total amount invested in those instruments comes due each month. The primary advantage of this approach is in better controlling cash flow during a period when we expect to be spending significant sums for capital improvements. This involves a trade-off in terms of rate of return because no investment in CDARS will have a maturity greater than eight months. On the other hand, the consolidation of bank accounts and the elimination of accounts that were previously earning little to no interest will result in a net gain in investment income when the entire portfolio is evaluated. That rate of return will be further enhanced later this month when we convert our primary checking account to an insured automatic sweep account to allow for short-term investment of surplus cash.

Safe Routes to Schools. The Step by Step committee of CanDo! has been working for several months on a safe routes to schools initiative. Their plans include a survey of walking and biking routes from residential areas to schools. This is tentatively scheduled to occur on the afternoon of Thursday, September 20. Citizens, including councilmembers will be welcome to participate in identifying gaps in sidewalk infrastructure that should be addressed.

Galewood School Ribbon Cutting. I have included in the agenda packet a flier from Charlotte Public Schools inviting members of the community to attend a ribbon cutting and open house at Galewood Early Elementary School. Mayor Lewis and I are both planning to attend.

CanDo! The next CanDo! general meeting will take place on Wednesday, August 22 at 7:00 a.m. at the Charlotte Community Library. The program that morning will be focusing on the environment with a speaker from Lansing firm Triterra.