Intermediate School District 917
Purposeful. Personalized. Partners.
1300 145th Street East, Rosemount, MN 55068
(651) 423-8229 + www.isd917.org

To: ISD 917 School Board Members
Dr. Michael Favor, Superintendent

From: Mark Johns, Director of Finance

Date: September 1, 2026

Re: Proposed Investment Strategy: Implementation of $4M CD Ladder

Purpose

This memo outlines a proposed adjustment to our current investment strategy and requests the Board's permission to designate $4 million of 917's investment funds as "long-term" and agree that the long-term funds can be used to create a Certificate of Deposit (CD) laddering strategy.

Background and Strategy

In alignment with Policy 705 Investments, our primary objectives for depositing and investing school district funds are: 1) principal safety, 2) liquidity to meet immediate payment requirements, 3) obtain a market rate of return.

To increase our yield while maintaining safety and appropriate liquidity, we are proposing the following investment process:

- **Funds Source:** Designate $4,000,000 of current investment funds as "long term".
- **Investment Vehicle:** Transfer up to $4,000,000 of the long term funds that are currently held in the MSDLAF+ Max Class to create a "CD ladder" by purchasing Certificates of Deposit with varying start dates and maturity dates of up to two years.
- **Time Horizon:** The designation of $4,000,000 as long term funds would remain in place until adjusted by the 917 Board.

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Delegation of Authority and Reporting

Per Policy 705, the Director of Finance serves as the designated investment officer responsible for investment decisions. To execute this specific strategy effectively in a fluctuating interest rate environment, District 917 is requesting explicit Board permission to:

1. Make the day-to-day decisions regarding specific CD purchases, maturity lengths (within the 2-year window), and rates.
2. Operate under the "prudent person standard" to exercise judgment and care in securing the best possible return while prioritizing the safety of the capital.

Accountability: To ensure full transparency and routine monitoring, 917 will provide the Board with a comprehensive **monthly report**. This report will detail the specific CDs purchased, their maturity dates, interest rates, and the overall status of the $4 million portfolio.

Action Requested

Request that the School Board approve the strategy to designate $4 million as long-term and authorize 917's Director of Finance to execute investment decisions in creating a CD ladder with the long-term funds. The Director of Finance will present monthly reports to the Board on the status of the long-term designated funds.

Please let me know if you have any questions or need further details before the next board meeting.