NAVARRO INDEPENDENT SCHOOL DISTRICT

Subject: **Approve use of Meeder Public Funds and Huntington Institutional Custodian Services**

Date: December 16, 2024

Administrator Responsible/Position: **Paul Neuhoff**

A. Purpose of Agenda Item:
☐ Information Only ☑ Action Needed ☐ Receive Input

B. Authority for This Action:
☐ Local Policy ☑ Law or Rule ☐ N/A

C. Priority, Goal, or Need Addressed:
☐ Strategic Plan ☐ District/Campus Improvement Plan ☑ Other

Priorities
☐ **Priority 1:** Recruiting, Hiring, Coaching, and Retaining High Quality Teachers and Staff to Support Student Outcomes.
☐ **Priority 2:** Maximizing Academic Performance.

☐ **Priority 3:** Maximizing Co-Curricular and Extra-Curricular Opportunities, Performance, and Engagement.

☐ **Priority 4:** Planning, Preparing, and Maintaining Facilities and Environments for Learning.

☐ **Priority 5:** Obtaining and Maintaining Top Rated District Recognition

Board Goals for 2023-2028
☐ **Goal 1*:** The percent of 3rd grade students that score meets grade level or above on STAAR Reading will increase from 49% to 60% by June 2024, 65% for 2024-2025, 70% for 2025-2026, 75% for 2026-2027, 80% for 2027-2028. **(HB3 Required Goal)**

☐ **Goal 2*:** Increased overall student performance in mathematics to 85% Meets Standard by 2028. The percent of 3rd grade students that score meets grade level or above on STAAR Math will increase from 53% to 65% by June 2024, 70% for 2024-2025, 75% for 2025-2026, 80% for 2026-2027, 85% for 2027-2028. **(HB3 Required Goal)**

☐ **Goal 3*:**The percentage of graduates that meet the criteria for CCMR will increase from 72% to 88% by August 2024 and increase to 95% by 2028. **(HB3 Required Goal)**

D.

Summary: **The district would like to utilize the services of Meeder Public Funds for investment of some bond proceeds, using Huntington Institutional Custodial Services and broker/dealers as listed by Meeder.**

Background **Currently the district has invested 2022 bond proceeds in Treasury Bills**

Information:	and Notes as well as the Lone Star Investment pool. These investments have yielded earnings that will exceed the arbitrage rate allowed under the Internal Revenue Code.
During recent investment training we learned that investments in Demand Deposit SLGS (State and Local Government Securities) are exempt from arbitrage requirements. Any earnings from such investments are allowed to be retained in full, even if in excess of the arbitrage rate.

Our 2022 bond issue has an arbitrage rate of 2.2542. The Demand Deposit SLG rate is currently 3.48%.

Meeder Public Funds charges a 0.05% management fee. So that even after the management fee the district is in a positive position.

It is currently anticipated that we will only be investing 2022 bond funds as they mature in these instruments, although as we issue other bonds in the future this will be reviewed to determine the best alternative for the district.

Meeder utilizes various broker/dealers in their investment process so that approval of this agreement will also authorize the use of these broker/dealers should it be necessary. |

E. Comments Received:

☐ LT   ☐ DEIC   ☑ Other

All agenda items are reviewed by the Superintendent's Leadership Team.

F.

Administrative Recommendation: That the Board of Trustees approve the use of Meeder Public Funds, Huntington Institutional Custodian Services and Meeder listing of broker/dealers.

G. Fiscal Impact and Cost: **Amount:** N/A

☐ Budget   ☐ Grant/Special Funds   ☐ Other
☐ Bond

H.

Exhibits: Huntington Custody Agreement
Meeder Investment Management Agreement
Meeder Approved Broker/Dealer Listing

I. **Action:** **"I move to approve/disapprove/postpone"** the use of Meeder Public Funds, ~~Huntington Institutional Custodian Services and Meeder listing of~~ **broker/dealers.**

_____

Motion by: _____ second by: _____

FOR: J. Frederick, D. Gilliam, L. Gosch, D. Reinhard, M. Sartain, C. Scheib, B. Stephenson
AGAINST: J. Frederick, D. Gilliam, L. Gosch, D. Reinhard, M. Sartain, C. Scheib, B. Stephenson
ABSTAIN: J. Frederick, D. Gilliam, L. Gosch, D. Reinhard, M. Sartain, C. Scheib, B. Stephenson

MOTION CARRIED/DENIED/POSTPONED