

# AGENDA ITEM

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**Subject:** Depository proposals

**Rationale:** Every two years, school districts must select a depository for the district's funds. This occurs in odd number years, so this process must take place during the current year.

The District requested proposals two years ago in 2015. The depository contract at that time was awarded to Citizen's National Bank. As permitted by regulations, school districts may extend a depository contract for two additional two year terms, if the school district did not file an extension in the two previous bienniums and the school district and the depository bank agree to extend the current depository contract.

Citizen's National Bank has revised the interest rate offered from a floating rate of interest based on the Federal Funds rate plus 25 basis points to the rate of the 90-day (13 week) Bank Treasury Bill. Because of this change to the original contract, the District was required to request proposals. Attached is the only proposal received which was from Citizen's National Bank.

**Recommendation:** Award the depository contract to Citizen's National Bank for the period beginning September 1, 2017 through August 31, 2019.