

AGENDA ITEM

Subject: Depository extension

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 2017. 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.

Citizen's National Bank has revised the interest rate offered to a floating rate of interest based on the Federal Funds rate minus 125 basis points from the rate of the 90-day (13 week) Bank Treasury Bill. The District must also maintain a minimum balance of \$4,000,000 between all accounts.

Recommendation: Extend the depository contract of Citizen's National Bank for the period beginning September 1, 2019 through August 31, 2021.