

ADMINISTRATIVE REPORT

DATE: August 20, 2026
TOPIC: 5.9 – Custodial Account and Investment Advisor
PRESENTER: Kris Blackburn, Director of Business Services
REFERENCE TO POLICY/STATUTE: Policy 701

A. PURPOSE OF REPORT

- a. The District routinely invests funds, including bond proceeds, in various banking institutions.
- b. In the current interest rate environment, the District is incurring arbitrage on certain bond proceeds. Arbitrage happens the temporary investment of tax-exempt bond proceeds earns a higher interest rate than the borrowing rate of the bonds.
- c. Ehlers Investment Partners has developed a successful strategy to mitigate arbitrage on bond proceeds.
- d. The District wishes to open custodial account(s) with Pershing Advisor Solutions LLC and engage Ehlers Investment Partners as investment advisor of those funds to mitigate arbitrage.

B. RECOMMENDATION

- a. Administration recommends approval to open custodial account(s) with Pershing Advisor Solutions LLC and engage Ehlers Investment Partners as Investment Advisor.

C. CONNECTION TO STRATEGIC PRIORITY

- a. Operations, Staffing, and Finance





**South Washington County Schools,
Independent School District 833,
Minnesota**

**APPROVAL TO OPEN CUSTODIAL ACCOUNT(S) WITH
PERSHING ADVISOR SOLUTIONS LLC, and ENGAGE EHLERS INVESTMENT PARTNERS as
INVESTMENT ADVISOR**

WHEREAS, Ehlers Investment Partners LLC recommends opening custodial accounts for investment of South Washington County Schools' funds; and

WHEREAS, Ehlers Investment Partners LLC, as the School District's investment fiduciary will help manage and advise the School District on the investment of these funds in accordance with State Statute.

NOW THEREFORE, BE IT RESOLVED, by the School Board of South Washington County Schools, that it hereby approves engagement of Ehlers Investment Partners LLC to open Pershing Advisor Solutions LLC accounts to aid the School District in the management of investments and designate Pershing Advisor Solutions LLC as an official School District depository.

The above and foregoing Resolution was duly adopted by the School Board of South Washington County Schools, Minnesota, at a meeting held on Thursday, August 20, 2026 by a vote of

_____in favor _____opposed _____abstentions.

