Benbrook Economic Development Corporation

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June 22, 2020		Approve Renewal of BEDC's Certificate of Deposit with Pinnacle Bank	1 of 1

BACKGROUND

As of April 17, 2020, the Benbrook Economic Development Corporation (BEDC) held the following liquid assets at Pinnacle Bank, with accompanying balances and interest rates:

Account Type	Account Number	Current Balance	Interest Rate(s)
1. Checking	# - 3560	$1,189,081.53	0.2000%
2. CD – 24 mo.	# - 1311	$3,784,442.38	2.25%

The BEDC's 24-month certificate of deposit (CD) matured on April 17, 2020. Pinnacle Bank is offering a 12-month certificate of deposit at an interest rate .75%.

At the BEDC's special meeting held on May 4, 2020, the board of directors voted to postpone renewal of Pinnacle Bank's CD, and directed staff to research other investment options and bring forward any appropriate options for board consideration.

The BEDC staff and the City of Benbrook's finance director compared Pinnacle Bank's offer to other financial institutions and investment vehicles. Staff concluded that, based on the guidelines set forth in the Texas Public Funds Investment Act and available investment options, the Pinnacle .75% rate for 12-months is a fair and competitive offer for the current market.

As with the previous terms, Pinnacle Bank will continue to allow the BEDC to withdraw and/or transfer funds as needed, without penalty.

RECOMMENDATION

Staff recommends the BEDC board approve the new term and rate of 12-months at .75% for the BEDC's Certificate of Deposit (#1311) with Pinnacle Bank.

SUBMITTED BY:	DISPOSITION BY BEDC BOARD:	PROCESSED BY:
Hillary Cromer	ϒ APPROVED ϒ OTHER (DESCRIBE)	
		DATE: June 22, 2020