



Decision Paper

To: Nelson County Board of Education

From: Tim Hockensmith, Chief Operating Officer

cc: Mr. Wes Bradley, Superintendent

Date: May 15, 2018

Re: Bond of Depository 2018-2019

RECOMMENDATION: Approval of Bond of Depository for Wesbanco as the primary depository for district funds effective July 1, 2018 through June 30, 2019.

RECOMMENDED MOTION: I move that the Nelson County Board of Education _____ as presented.

COMMONWEALTH OF KENTUCKY
Department of Education
Office of District Support Services

Bond of "Depository" for Public School Funds

The undersigned, WesBanco Bank of Wheeling, West Virginia, hereinafter referred to as the Depository, hereby acknowledges itself bound to the Commonwealth of Kentucky, and the Nelson County Board of Education, in the penal sum of 103% of current daily balances * that it, as depository of the Board of Education, shall well and truly discharge the duties of said office according to law, account for, to the proper authorities, and pay over to all parties legally entitled thereto on proper warrants all funds that may come into its hands as Depository of the Board of Education aforesaid for a period not to exceed two (2) years, beginning July 1, 2017.

As collateral for this undertaking the undersigned hereby pledges obligations guaranteed by the U. S. Government, Kentucky School Revenue, and/or Federal Government Agency bonds (type of collateral **) in the principal sum of 103% current daily balances *** deposited in escrow with the WesBanco Bank of Wheeling, West Virginia, hereinafter referred to as the Escrow Agent, evidenced by the safekeeping receipt filed in the offices of the local board of education, provided, however, that at no time shall the amount of collateral be reduced without the execution of a new bond which shall have prior approval by the Commissioner of Education.

The undersigned, the Depository, hereby reserves the right unto itself, (1) to detach and collect for its own use and benefit all coupons of said bonds as they mature; (2) to substitute for any of said bonds, other United States Government bonds and/or Kentucky School Revenue Bonds of the same face or par value; (3) to terminate all liability under this bond and escrow deposit by giving thirty (30) days notice, in writing, of its intention to do so to the chairperson of the Nelson County Board of Education, by registered mail, addressed to such chairperson at the Local Board of Education, and to the chairperson of the Kentucky Board of Education, by registered mail, addressed to such chairperson at Frankfort, Kentucky. Within the thirty days, the Depository shall make statements with the board, pay over all funds in its hand to the board, and exhibit to the Escrow Agent a copy of the settlement, duly receipted by the secretary and chairperson of the board. The Board of Education shall cancel this bond only by giving thirty (30) days notice in writing, of its intention to do so, to the Depository, by registered mail, and to the chairperson of the Kentucky Board of Education by registered mail.

It is further conditioned that liability of this bond is not to be effectual until Federal Deposit Insurance Corporation (FDIC) protection is exhausted.

IN WITNESS WHEREOF, the undersigned has caused its corporate name to be subscribed and its corporate seal to be affixed hereof, this 23rd day of February, 2017.

Name of Bank WesBanco Bank, Inc. Wheeling, WV

By (Bank Official)  Title SVP Bank Operations

We hereby certify to the Commissioner of Education that the bond appearing hereon is a true copy of the bond executed and delivered by the Depository of this Board of Education, and it was approved by the _____ Board of Education on _____, 20__.

Chairperson _____ Secretary _____

* Should agree with penal sum for either METHOD 1 or METHOD 2.

** This collateral shall consist of investments that conform to KRS 41.240 and KRS 66.480.

*** May not be less than penal sum.

TO BE RETAINED AT THE LOCAL SCHOOL BOARD OFFICE

RESOLUTION

At a meeting of the Board of Directors of WesBanco Bank, Inc. held, after due notice, on the 23rd day **FEBRUARY, 2017** of a quorum being present and acting throughout, the following resolution was adopted:

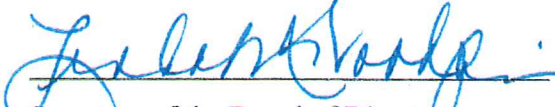
WHEREAS, It appearing to the "Board" that this "Bank" has been designated a Depository by **NELSON COUNTY BOE** and that it is necessary that a bond be executed.

NOW, THEREFORE, BE IT RESOLVED: That Jeff Grandstaff, the Senior Vice-President of Bank Operations & Electronic Delivery Services of this Bank, is hereby authorized and directed to make, execute and deliver, in the name of this Bank and in its behalf, a bond, conditioned as required by law, to expire on **JUNE 31, 2019**, in the sum of **FOURTEEN MILLION DOLLARS, (14,000,000)** in such form as may be prescribed by **NELSON COUNTY BOE** and collaterally secured by the deposit of any bonds or securities of this bank acceptable to **NELSON COUNTY BOE** and of such aggregate amount or value as may be approved by **NELSON COUNTY BOE**. And the said Senior Vice-President is hereby authorized to deliver to **NELSON COUNTY BOE** such collateral securities or, in lieu thereof, a receipt therefore from a banking institution agreeable to **NELSON COUNTY BOE**.

I, the undersigned, Secretary of the Board of Directors of WesBanco Bank, Inc., do hereby certify that the foregoing is a full, true and complete copy of a resolution duly adopted by the Board of Directors of said Bank, at a meeting held, after due notice, on the 23rd day of **FEBRUARY, 2017** at which meeting a quorum was present and acting throughout and I further certify that at the date hereof said resolution is in full force and effect.

Given under my hand and the seal of said bank, this 23rd day of **FEBRUARY, 2017**.




Secretary of the Board of Directors

KNOW ALL MEN BY THESE PRESENTS:

That WesBanco Bank, Inc. (hereinafter called the "Obligor"), is held and firmly bound unto in the sum of **FOURTEEN MILLION DOLLARS (14,000,000)**, for the payment whereof, well and truly to be made, it binds itself, its successors and assigns, firmly by these presents.

This bond is executed by the "Obligor" in pursuance of a resolution authorizing its execution and authorizing the delivery of the collateral securities hereinafter described to **NELSON COUNTY BOE** in lieu thereof, a receipt for the hereinafter described securities from a banking institution agreeable to **NELSON COUNTY BOE**, adopted by the Board of Directors of the "Obligor" at a meeting held, after due notice, on the _____ day of **FEBRUARY, 2017** and the said "Obligor" has delivered to the **NELSON COUNTY BOE**, the following collateral securities or in lieu thereof, a receipt therefor from a banking institution agreeable to **NELSON COUNTY BOE** for the payment of this bond, to wit:

See Attached "Appendix A"

Of market value estimated by the "Obligor" at which collateral securities and any substitutions therefor and any additions thereto, upon the non-performance of the conditions of this bond, **NELSON COUNTY BOE** or any authorized official or agent of **NELSON COUNTY BOE**, is hereby given full power and authority to sell, assign and deliver the whole or any part thereof at public or private sale, at the option of **NELSON COUNTY BOE** or any authorized advertisement or notice of any kind, which are hereby expressly waived. And at such sale, **NELSON COUNTY BOE** may purchase the whole or any part of said collateral securities so pledged, free from any right of redemption on the part of the "Obligor", which right is hereby waived and released. In case of sale, after delivery, the residue of the proceeds shall be applied to the payment of this bond and if there be then a residue left, it shall be turned over to the "Obligor".

THE CONDITION of the above obligation is such that whereas, the said "Obligor" has been designated by **NELSON COUNTY BOE** in the manner provided by law as a depository of moneys belonging to **NELSON COUNTY BOE** and the said "Obligor" has assented to such designation and has agreed to accept deposits of moneys belonging to **NELSON COUNTY BOE**.

NOW, THEREFORE, if said "Obligor" shall promptly pay, whenever lawfully required, any Authority money, or part thereof, heretofore deposited, or that may be hereafter deposited, with said "Obligor", then this obligation shall be void; otherwise, it shall remain in full force and effect.

This bond shall be effective as of **JULY 1, 2017** and shall expire on **JUNE 31, 2019**.

IN WITNESS WHEREOF, the said "Obligor" has caused this bond to be subscribed in its name and in its behalf by:

Jeff Grandstaff, Senior Vice-President of Bank Operations & Electronic Delivery Services

And has caused its corporate seal to be hereunto affixed; all of which is done as of the 23rd day of FEBRUARY, 2017.

WESBANCO BANK, INC.



By: Jeff Grandstaff
Jeff Grandstaff
Senior Vice-President of Bank Operations
& Electronic Delivery Services

APPROVED BY THE NELSON COUNTY BOE
THIS _____ DAY OF _____, 20 ____.

(Authorized Signer)

APPLICATION FOR DESIGNATION AS DEPOSITORY

**TO: Nelson County BOE
Attn: Mr Tim Hockensmith
288 Wildcat Lane
Bardstown, KY 40004**


We, WesBanco Bank, Inc., hereby make application for designation as a depository for the public funds of your organization subject to your control which are to be awarded and deposited as active and/or inactive and/or interim deposits. The maximum amount this applicant wishes to receive and have on deposit at any one time during the period covered by this designation is a total of **FOURTEEN MILLION DOLLARS (14,000,000)**.

This application will cover a period of **TWO** year(s) beginning **JULY 1, 2017**, and ending **June 31, 2019**.

Should the balance/balances of any/all of the accounts belonging to your corporation at any time exceed \$250,000, WesBanco Bank, Inc. shall immediately deposit as guarantee of payment of such funds, bonds or other securities having been approved by the laws of West Virginia, to the credit of the sufficient to cover said balance, WesBanco Bank, Inc. to comply with all requirements of WV Code 7-6-1.

This application is accompanied by a financial statement of the applicant under oath of its Vice President and Cashier in such detail as to show the capital funds of the applicant as of the date of its latest report to the superintendent of banks or comptroller of the currency, adjusted to show any changes therein made prior to the date of the application.

WESBANCO BANK, INC.

BY: 
Jeff Grandstaff
Senior Vice-President of Bank Operations
& Electronic Delivery Services

NELSON COUNTY BOE

BY: _____

DEPOSITORY AGREEMENT

This Agreement made and concluded at Wheeling, West Virginia, by and between **NELSON COUNTY BOE** hereinafter designated as party of the first part, and **WESBANCO BANK, INC.**, hereinafter designated as party of the second part.

WITNESSETH: That whereas on the 23rd day of **FEBRUARY, 2017**, the party of the second part made application to **WESBANCO** to become the depository for all active, inactive and interim deposits of the public monies of said party of the first part for a period of **TWO** years from and after that on **FEBRUARY 23, 2017** the said party of the first part accepted the said proposal, then it is mutually agreed by the parties to this agreement that the said party of the second part will become the depository for all active, inactive and interim deposits of public monies belonging to the party of the first part for a period of year(s), beginning **July 1, 2017** and ending **June 31, 2019**; that the party of the second part shall secure said deposits in accordance with the statues of the State of West Virginia.

In Witness Whereof the parties hereto have hereunto set their hands this 23rd day of **FEBRUARY, 2017**.

WESBANCO BANK, INC.

BY: _____


Jeff Grandstaff

Senior Vice-President of Bank Operations
& Electronic Delivery Services

NELSON COUNTY BOE

BY: _____

as of 03/31/2018

Pledges to Pledgee
Pledged To: Nelson County Board of Education

For Holding Company WESBANCO BANK INC. Customer WesBanco Bank Inc.

Safeguarding Code	CUSIP TransNo	Description Coupon Maturity Date	FAS 115 PreRefund Price	Moody S&P Fitch	Original Face	Par Value	Book Value	Market Value
02	82161PBC9	Shelby Co. KY Justice Center Proj Rev		A1	900,000.00			
	5363201303131C	4.400000 11/01/2028	HTM 0.00	NR	900,000.00	900,000.00	920,870.88	926,325.00
03	3137BUDF2	FLMCMO #FHR 4646 D 3.500000		Aaa	10,000,000.00			
	83782017013112	01/15/2042	AFS 0.00	AA+	10,000,000.00	8,522,920.10	8,780,608.93	8,634,408.42
03	3140FTJC6	FNMA POOL #BE7458 3.500000		Aaa	4,206,926.00			
	8370201701301C	02/01/2047	AFS 0.00	AA+	4,206,926.00	4,071,014.23	4,216,366.48	4,084,196.34
FEDERAL RESERVE					15,106,926.00	13,493,934.33	13,917,846.29	13,644,929.76
3 Total Pledged								

To: 0W0248 Nelson County Board of Education

as of 12/31/2017

Pledges to Pledgee
Pledged To: Nelson County Board of Education

For Holding Company WESBANCO BANK INC, Customer WesBanco Bank, Inc.

Safetkeeping Code	CUSIP TransNo	Description Coupon Maturity Date	FAS 115 PreRefund Price	Moody S&P Fitch	Original Face Remaining Face Pledged %	Pledged Par Value	Book Value	Market Value
02	82161PBQ9	Shelby Co. KY Justice Center Proj Rev	HTM	A1	900,000.00			
DTC	5563201303131C	4.400000 11/01/2028	0.00	NR	900,000.00	900,000.00	925,611.14	933,561.00
03	3137BUDF2	FHLNC CHO #FHR 4646 D	AFS	Aaa	10,000,000.00			
FEDERAL RESERVE	83782017013112	3.500000 01/15/2042	0.00	AA+	10,000,000.00	8,886,505.20	9,161,627.83	9,122,867.58
03	3140FTYC6	FINMA POOL #BE7458	AFS	Aaa	4,206,926.00			
FEDERAL RESERVE	8370201701301C	3.500000 02/01/2047	0.00	AA+	4,206,926.00	4,090,949.84	4,238,301.09	4,208,844.10
3 Total Pledged	To: 0W0248 Nelson County Board of Education				15,106,926.00	13,877,455.04	14,325,540.06	14,265,272.68

as of 09/30/2017

Pledges to Pledgee

Pledged To: Nelson County Board of Education

For Holding Company WESBANCO BANK INC, Customer WesBanco Bank, Inc.

Safekeeping Code	Receipt No	CUSIP TransNo	Description Coupon Maturity Date	FAS 115 PreRefund Price	Moody S&P Fitch	Original Face Remaining Face Pledged %	Original Face	Pledged Per Value	Book Value	Market Value
02		92161PBQ9	Shelby Co, KY Justice Center Proj Rev			900,000.00				
		5363201303131C	4.400000 11/01/2028	HTM 0.00	NR	900,000.00	900,000.00	900,000.00	930,343.41	947,484.00
DTC										
03		2137BUDF2	PHLM CMO #FHR 4646 D			10,000,000.00				
		83782017013112	3.500000 01/15/2042	AFS 0.00	AA+	10,000,000.00	10,000,000.00	9,291,922.20	9,587,818.48	9,641,048.52
FEDERAL RESERVE										
03		3140FTJG6	FNMA POOL #BE7458			4,206,926.00				
		8370201701301C	3.500000 02/01/2047	AFS 0.00	AA+	4,206,926.00	4,206,926.00	4,111,178.59	4,260,552.18	4,241,299.74
FEDERAL RESERVE										
3 Total Pledged							15,106,926.00	14,303,100.79	14,778,714.07	14,829,832.26

as of 06/30/2017

Pledges to Pledgee
Pledged To: Nelson County Board of Education

For Holding Company **WESBANCO BANK INC.** Customer **WesBanco Bank, Inc.**

Safeskeeping Code Receipt No Location	CUSTP TransNo	Description Coupon Maturity Date	FAS 115 PreRefund Price	Moody S&P Fitch	Original Face Remaining Face Pledged %	Original Face	Par Value	Pledged	Book Value	Market Value
02	82151PBQ9 5363201303131C	Shelby Co. KY Justice Center Proj Rev 4,400,000 11/01/2028	HTM 0.00	Aa3 NR	900,000.00 900,000.00 100.00%	900,000.00	900,000.00		935,031.53	953,343.00
03	31378UDF2 83782017013112	FHLNC CMO #FHR 4646 D 3,500,000 01/15/2042	AFS 0.00	Aaa AA+	10,000,000.00 10,000,000.00 100.00%	10,000,000.00	9,658,449.50		9,975,701.64	9,975,687.07
03	3140FTDC6 8370201701301C	FWMA POOL #BE7458 3,500,000 02/01/2047	AFS 0.00	Aaa AA+	4,206,926.00 4,206,926.00 100.00%	4,206,926.00	4,152,665.36		4,304,860.01	4,268,849.88
3 Total Pledged	To: 0W0248 Nelson County Board of Education					15,106,926.00	14,711,118.86		15,215,593.18	15,197,879.95