

Powell County Board of Education
691 Breckinridge Street
Stanton, KY 40380

OFFICIAL QUOTE FORM
FOR
DEPOSITORY FOR POWELL COUNTY BOARD OF EDUCATION ACCOUNTS

The Powell County Board of Education reserves the right to negotiate any or all of the terms of submitted quotes from financial institutions.

I. Interest Rate

In accordance with Item 17 and 19 of the General Conditions and Specifications, all accounts of the Powell County Board of Education shall be serviced without charge. The bank agrees that no minimum balance shall be required at any time and the bank shall factor any and all expenses of servicing the Board's accounts into the interest rate shown below. Interest shall be paid on all deposits maintained by the Powell County Board of Education, including school activity accounts, starting on the date of deposit.

Interest shall be calculated based on ~~the Federal Funds rate~~ a fixed rate of 3.15%. The rate is subject to change on ~~the first business day of each month~~ July 1, 2025 and annually thereafter. The rate ~~+ or - the basis points stated below~~ will be calculated on a 365-day per year basis for the actual number of days within the month and paid on the daily collected balance. Interest shall compound ~~daily~~ monthly and be paid monthly on the last business day of each month.

Plus(+) NA basis points

Minus (-) NA basis points

(Note: Complete only one line)

The Powell County Board of Education requests that a minimum or floor be set for the interest rate paid on all accounts held at the primary depository. Please indicate such a rate for this quote: 0.25%

II. Direct Deposits

The Powell County Board of Education policy requires employees to participate in direct deposit of payroll checks. The undersigned bank agrees to compensate the Board 0 additional basis points to the interest rate. (This reflects a reduction in the bank's operating cost of originating electronic entries versus processing paper documents.) The bank further agrees that employees of the Board may open one (1) checking account at the bank to permit direct deposit transactions to be handled efficiently. This account will not require any minimum balance and the employee will be permitted to withdraw the full amount from the account

without penalty. The employee also will be able to withdraw up to the full amount from the account via the bank's ATM machine (subject to the ATM machine limitations), and an ATM card will be provided to the employee at no charge. The bank may also provide additional benefits to Board employees through an employer or work group as indicated below or attached in a separate document.

III. Loans

The bank agrees to extend credit as needed on legally drawn notes of the Powell County Board of Education for amounts up to the board's legal borrowing limit at a rate not to exceed the greater of _____ percent per annum (maximum of 6%) or _____ percent (maximum of 70%) of the federal reserve discount rate on ninety (90) day commercial paper in effect in the federal reserve district in which the loan is made in accordance with KRS 160.540 (copy attached). The bank acknowledges that the Board's awarding of this depository agreement to the bank shall not preclude the Board from seeking other financing arrangements for loans that may be needed during the term of this depository agreement.

IV. Location of Offices

The following is a listing of this financial institution's branch office(s):

Branch Office	Location
<u>Stanton</u>	<u>53 East Pendleton Street</u> <u>Stanton, KY 40380</u>

V. Collected Funds

For investment purposes, we agree to credit the Board's account on the day funds are collected by the bank.

VI. Collateral

A. Execution of Bond of Depository and Collateral (KRS 41.240, 66.480, and 160.570)
A Bond of Depository for Public School Funds will be executed by the primary depository and collateral deposited in escrow to secure said bond as hereafter set out. The Bond of Depository form (see attached copy) includes a pledge of collateral in the amount of the required penal sum. Said Bond of Depository should cover the Powell County Board of Education in the estimated amount of \$6,500,000 (the precise amount will be determined later) effective July 1, 2023, for the full term of this agreement subject to approval of the Kentucky Department of Education (KDE). The amount of the Bond of Depository is determined by KDE and may fluctuate from year to year. In the event the amount of Board of Education funds on deposit, including certificates of deposit, exceed the Bond of Depository amount, the primary depository is to pledge additional collateral for any such excess funds on deposit with a fair market value equal to the excess amount.

B. Types of Collateral

All collateral pledged by the official depository selected must have a fair market value equal to at least 103% of all deposits (including all investment instruments) of the Powell County Board of Education and shall consist of U.S. Government Bonds, Kentucky School Building Revenue Bonds, and/or Federal Government Agency Obligations. The collateral may also consist of letters of credit issued by the Federal Home Loan Bank of Cincinnati or other collateral permitted by KRS 41.240(4). Repurchase Agreements for either class of collateral are unacceptable security. The collateral represents the total amount required to cover all funds and investments. At no time shall the collateral be reduced or substituted without prior approval of the Powell County Board of Education. Such approval shall not be granted without the execution of a new bond, which shall have prior approval by KDE.

C. Safekeeping receipt(s)

As security for this bond, the depository bank shall deposit with its escrow agent, collateral in an amount equal to the penal sum of the bonds. This collateral shall consist of United States Government Bonds, Kentucky School Revenue Bonds and/or Federal Government Agency obligations of the Government National Mortgage Association and the Federal Home Loan Mortgage Corporation. The collateral may also consist of letters of credit issued by the Federal Home Loan Bank of Cincinnati or other collateral permitted by KRS 41.240(4). The escrow agent will execute a safekeeping receipt for collateral which will include an endorsement as follows (the form of the endorsement on the safekeeping receipt may be amended so as to modify the endorsement in any manner required by the rules and regulation of the Federal Reserve Banks providing that the collateral pledged for safekeeping in connection with the bond depository is deposited in a federal reserve bank):

"The securities described herein have been pledged as collateral to funds on deposit in Stanton, Powell County, Kentucky to the credit of the Powell County Board of Education, Stanton, Kentucky under terms of a depository agreement. These securities may not be withdrawn or substituted except with the written consent of the Powell County Board of Education. The original of this receipt has been delivered to the Powell County Board of Education, Stanton, Kentucky."

Note: In addition, if at any time the deposits of the Powell County Board of Education exceeds the bond amount that has been pledged, the Depository Agent shall pledge additional securities. In addition, should the depository institution, at any time, substitute a different type of collateral, it shall notify the local board of education immediately.

VII. Length of Contract

The quotations and undertakings offered herein will be valid for the fiscal years beginning July 1, 2023 and ending June 30, 2025.

VIII. Other Banking Services Required

- a. Free access to online banking and training relevant staff on such services.

- b. Monthly statements ending on the last day of each month to be made available to the Board within three (3) banking days following the close of each month.
- c. No fees for purchase or sale of securities.
- d. No fees for processing checks, deposits, stop payment, return checks, or any other banking fees that may be associated with the accounts.
- e. Direct deposit and EFT capability.
- f. The auditing firm that annually audits our books may require the assistance and cooperation of your bank, such as a record of all investments and check copies, and other information they may deem necessary.
- g. The bank shall be responsible for providing, at no charge to the Board or schools comprising the School District, all reasonable items needed to transact banking business. These items include, but are not limited to, deposit tickets, rolled coin wrappers, bank bags for schools (large locking bags), and endorsement stamps. The bank shall provide pre-printed, 3-part deposit books for all accounts as needed. The bank shall sort and count coinage if requested by the Board or a designee at a school.

IX. Annual Report

Provide a copy of the financial institution's most recent annual financial report.

X. Additional Banking Services

Please list any other products or services that your bank can provide the Powell County Board of Education that are not listed in this RFQ document. Products that will increase the efficiency of the financial operations of the Powell County Board of Education will be evaluated at the time of the opening. Please attach a separate document.

XI. Designated Employee

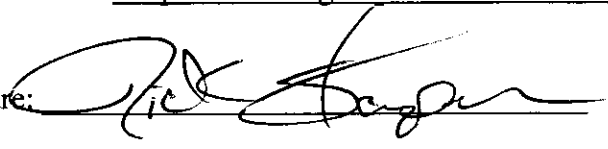
Leslie Inman, CFO, shall be the employee of our financial institution who will be responsible for compliance with the terms of this depository agreement.

XII. Type of Financial Institution

We have read and understand the General Conditions and Specifications for Powell County Board of Education accounts and agree to comply with all said stipulations should we be selected as your official primary depository. Our institution is a: (check the following description that applies)

 X **Commercial Bank** and is a member of the Federal Deposit Insurance Corporation, and as such, we propose to accept and hold in SECURED CUSTODY funds belonging to the Powell County Board of Education, and to pay out any funds on order of the board as provided by law. We hereby offer our quote to the Powell County Board of Education of Powell County under terms and conditions as above specified.

BANK NAME: Peoples Exchange Bank

Signature: 

Date: 4-25-23

Name: (print) Rick Stamper

Title: Market President

Address: 53 East Pendleton Street, Stanton, KY 40380

Telephone: (859)744-9400

Email: rstamper@pebank.com



PEOPLES
EXCHANGE BANK
People Serving People Since 1912

WWW.PEBANK.COM

May 12, 2023

To Whom it May Concern:

Based on the assumptions of a \$6,000,000.00 account balance at 3.15% interest compounded monthly, total interest earned in a 1 year period would be \$191,752.71.

Thank you,

Rick Stamper
Regional Market President
Peoples Exchange Bank
Ph: 606-663-9559
Fax: 606-663-9567
rstamper@pebank.com