

**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 (See Attached)

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. The rate is subject to change on the first business day of each month. 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 and be paid monthly on the last business day of each month.

Plus (+) _____ basis points

Minus (-) 275 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: 0.75%

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 5 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 (See Attached)

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

(See Attached)

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 funds 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. 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 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. Also, 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 Requested

- 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 and Schools within three (3) banking days following the close of each month.

- c. No fees for purchase or sale of securities. (See Attached)
- 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

Christina Cook 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)

☒ **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

Official Quite Form Substitutions

Under careful consideration of the requirements listed throughout your request for quotes, Whitaker Bank will be able to provide all services listed with some **exceptions** stated in the following items:

\$250,000 Compensating Balance: Whitaker Bank requests a compensating balance in order to meet the waiver of all related expenses as requested.

Insured Cash Sweep: This product is a service the school board currently uses. It will be your mechanism for earning the highest interest rate possible. This rate will go to an effective rate of 2.25% based on the Fed Funds Rate at the date of this proposal. An appendix and additional attachment to explain this service is attached.

Loan Requests: (reference section paragraph 16 in the RFQ dated April 24, 2023) Whitaker Bank is prepared to work with the school board on any borrowing needs that might arise over the course of this RFQ period; however, as of the date of this RFQ we are not able to make a loan commitment solely based on the details currently provided.

Purchase or sale of securities: In most cases Whitaker Bank's Investment Subsidiary Kentucky Trust Company can assist the school board in executing the purchase or sell of certain types of securities at no fee. A more detailed explanation of the exact security request for purchase or sell would be needed in order to provide a precise quote.

Electronic Bank Reconciliation: Whitaker Bank can only provide account data in the form of a Comma Separated Value (CSV) report for MUNIS reconciliation.

Point of Contact (Relationship Manager)

As requested, Whitaker Bank will appoint an employee to be your primary contact. Christina Cook the Area Operations Officer will be your primary contact. Christina is assisted by our Relationship Banker, Tina Overstreet. Christina and Tina have an extensive banking background, and will be able to not only meet your requests, but help the school board navigate all of the different situations that might arise throughout the extend of your relationship.

Institution Identification:

Whitaker Bank

Attn: Christina Cook

130 South Main Street

Stanton, KY 40330

606-663-2283 Ext. 3614





Other Whitaker Bank Powell County Locations:

4459 MAIN STREET CLAY CITY KY 40312

Other Officers of the Bank for you to contact:

Relationship Banker- Tina Overstreet (859) 498-3800 Ext. 2011

Market President – Lisa Mays (606) 663-3625

Commercial Loan Officer – David Johnson (606) 663-3619

Additional Services

Employee Benefits: If given permission to do so, our staff is happy to speak at faculty events explaining our personal banking services like checking accounts, home loans, auto loans, and insurance products that can provide your employees with a large amount of savings.

Business Credit Cards with Rewards: Our Credit Card program comes with rewards that the school board can earn on the first dollar spent. With UChoose Rewards the Cash Back reward option (based on dollars spent) could earn the school board a sizable cash back amount that could help fund additional needed expenses. We also include system administrative controls to protect and manage issued cards (SpendTrack) by changing spending limits, suspending or canceling an issued card immediately.

Fraud Protection: With Positive Pay, checks written by the school board would have an additional layer of protection from anyone trying to cash fraudulent checks.

Remote Deposit Capture: Scan your check deposits without leaving your office. With added dual control one staff member can initiate a remote deposit while another person validates that deposit giving Administration another layer of added protection.

Event Sponsorship: Over the years we have enjoyed providing event sponsorship, extra-curricular support, and other additional services on a case by case basis, and we are willing to have those discussions in the future as well.

Summary Statement

In summary, Whitaker Bank's dedication to the community since our formation in 1978 has been focused on providing Central and Eastern Kentucky communities with a top-quality banking experience. At Whitaker Bank we continue to invest in the people and technology that makes the banking of today and tomorrow possible. We have always been a proud supporter of Powell County kids and the school board over the years; and, we truly look forward to being a responsive and reliable banking partner for the Powell County Board of Education once again.

Bank Name: Whitaker Bank

Signature:  **Date:** 4/28/2023

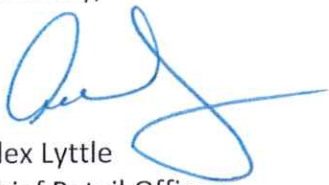
Name: (print) Alex Lyttle **Title:** Chief Retail Officer

Address: 2001 Pleasant Ridge Drive Lexington, KY 40555

Telephone: 859-543-4058 **Email:** alyttle@whitakerbank.com

In conclusion, thank you for allowing us to be of service to you over the years; and, we look forward to being of service to you in the future.

Sincerely,



Alex Lyttle
Chief Retail Officer
Whitaker Bank

Enclosures:

Appendix I (ICS account structure explanation)

WB Financial Call Report 12.31.22

ICS Brochure

IntraFi Network Brochure

Spend Track for Business Brochure



WHITAKER BANK
UNIQUELY KENTUCKY

POWELL COUNTY SCHOOL BOARD BID
Account Structure Explanation with the Insured Cash Sweep Service
Appendix I

Interest Rate Calculation for the Insured Cash Sweep

All Powell County School Board Balances swept into the ICS (Insured Cash Sweep) service will be FDIC insured and receive an interest rate of **2.25%** (Fed Funds minus 275 basis points). The interest rate on funds being swept into the investment account will not fall below 0.75% for the initial time period of this RFQ. This quoted ICS rate would be calculated as Fed Funds High Rate minus 270 basis points (fed interest rate adjustment) plus another 5 basis points for the "ACH/Direct deposit program rate adjustment" as requested in the RFQ. A compensating balance not swept into the ICS service of \$250,000 will be held in the primary checking account earning our base interest rate of 0.07% as of the date of this RFP. If this base rate is adjusted in the future the School Board's rate will also be adjusted.

Assuming the board maintains an overall average balance of \$6,000,000 in the sweep account, the new interest rate will yield the school board **\$135,000** annually in interest revenue. All deposits maintained through the ICS account are FDIC insured.

Certificates of Deposit

Any funds that the board wishes to invest for longer terms with higher yields can be invested in CD's through the IntraFi Network (formerly Certificate of Deposit Account Registry Service or CDARS) program. The school board would also have access to Whitaker Bank's subsidiary investment company Kentucky Trust Company. They are also available to meet with the school board to discuss any investment option the school board may have interest in exploring.

For your convenience we have quoted you the following rates for our IntraFi Network FDIC insured CD's. The current annual percentage yield (APY) for these CD's are:

<u>Time Period</u>	<u>APY</u>	<u>Early withdraw Penalty</u>
4 week	3.64%	<i>28 days interest</i>
13 week	3.84%	<i>90 days interest</i>
26 week	3.94%	<i>90 days interest</i>
1 year	3.99%	<i>180 days interest</i>

***The CD quoted rates are good for 90 days from today's date and would have to be re-quoted based on current market rates at the time of account opening. ***

