



Dara Thompson &lt;dthompson@panaschools.com&gt;

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**FW: Pana and Taylorville School Banking Proposal**

1 message

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**Dr. Lett** <dlett@panaschools.com>  
To: Dara Thompson <dthompson@panaschools.com>

Tue, May 9, 2017 at 5:30 PM

Let's go with this email instead of the 1st one I sent you. D.Lett

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**From:** John Gardner <[JGardner@bankpbt.com](mailto:JGardner@bankpbt.com)>  
**Date:** Tuesday, May 9, 2017 at 5:29 PM  
**To:** "Dr. Lett" <[dlett@panaschools.com](mailto:dlett@panaschools.com)>, Gregg Fuerstenau <[gfuerstenau@taylorvilleschools.com](mailto:gfuerstenau@taylorvilleschools.com)>, 'Jason Bauer' <[jbauer@donovanschools.org](mailto:jbauer@donovanschools.org)>  
**Cc:** Internal Funds Mgmt <[InternalFundsMgmt@bankpbt.com](mailto:InternalFundsMgmt@bankpbt.com)>, Ken Hart <[KHart@bankpbt.com](mailto:KHart@bankpbt.com)>  
**Subject:** Pana and Taylorville School Banking Proposal

Following our recent meeting, emails, phone calls and voice messages, I am sending this email to slightly formalize and clarify our proposal to you for banking services over the next year.

Some of the ideas discussed during our lunch meeting didn't turn out to be worth pursuing, but others turned out better than expected. We will be upgrading our internal systems to accommodate the Promontory Interfinancial Network Insured Cash Sweep (PIN ICS) program over the coming months to provide seamless integration for check clearing transfers and online viewing when this program is used.

As a result of these discussions, we propose:

1. PBT continues to service your accounts over the next twelve months as we have in the past with ACH origination service fees and account service fees waived.
2. All accounts will be maintained in PBT Business NOW accounts with a fixed interest rate of 0.37% during the next twelve months, except as provided in #3 below.
3. PBT, at its option, may place excess school deposits in liquid FDIC insured deposits in other bank through the PIN ICS program when PBT does not have need for part or all of the school's deposits and the market offers a yield in excess of 0.37% is available through this program. Under this scenario, the school would have an opportunity to enhance its yield. PBT agrees to pay the school 0.37% plus ½ of the difference between the ICS program yield and 0.37%.

These changes would become effective July 1, 2017 for Pana School and August 1, 2017 for Taylorville School.

Thank you all for the opportunity to provide banking services to you school districts for several years. We appreciate the opportunity to serve your banking needs and the trust you have placed in Peoples Bank & Trust.

**John Gardner**

President &amp; CEO

Peoples Bank &amp; Trust

866.670.3455

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**From:** Dr. Lett [<mailto:dlett@panaschools.com>]  
**Sent:** Tuesday, May 09, 2017 3:37 PM  
**To:** John Gardner; Gregg Fuerstenau  
**Cc:** Ken Hart; Jason Bauer  
**Subject:** Re: Thank you.

John,

I will be reviewing with the Board your proposal. But I think we would like the provisions in what is being offered in Item 2. If we were to accept Item 2 with the additional caveat of Item 3 that you indicated was being offered with either 1 or 2 would that be acceptable to you?

Thanks for working with us on this and for the more than fair treatment you have extended the District over a period of several years.

D.Lett

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**From:** John Gardner <[JGardner@bankpbt.com](mailto:JGardner@bankpbt.com)>  
**Date:** Monday, April 24, 2017 at 4:53 PM  
**To:** Gregg Fuerstenau <[g fuerstenau@taylorvilleschools.com](mailto:g fuerstenau@taylorvilleschools.com)>, "Dr. Lett" <[dlett@panaschools.com](mailto:dlett@panaschools.com)>  
**Cc:** Ken Hart <[KHart@bankpbt.com](mailto:KHart@bankpbt.com)>, John Gardner <[JGardner@bankpbt.com](mailto:JGardner@bankpbt.com)>  
**Subject:** Thank you.

Dr. Lett – I don't have Jason Bower's email address, so please forward this on.

Thank you all for the opportunity to provide banking services to you school districts for several years. We appreciate the opportunity to serve your banking needs and the trust you have placed in Peoples Bank & Trust.

The following points summarize our conversation and proposal:

1. We propose that upon the termination of the existing agreements, PBT make a donation to each school that would be consistent with the receipt of 0.37% interest for the following 12 months and value of expected transaction account service charges including ACH origination expenses in our Premium Plus Business Checking account (non-interest bearing). Each school would receive no interest and pay for the services the bank provides. This method of payment

is intended to change the form of payment, but be revenue neutral with ongoing monitoring of actual costs and balances.

2. (If we are unable to reach a reasonable agreement to make a donation, upon the termination of the existing agreements, we propose that ACH origination and account service charge fees be waived for a period of 12 months. We propose that each of the 12 accounts in the two districts be changed to Business NOW accounts and they accrue interest for 12 months at a fixed rate of 0.37%.)

3. Under either scenario, PBT proposes that during periods of time when the bank does not have need for part or all of the school's funding and the market offers a yield in excess of 0.37% through the Promontory Interfinancial Network ICS program, PBT would place excess school deposits in amounts covered by FDIC insurance deposits with other financial institutions. Under this scenario, the school would have an opportunity to enhance its yield. PBT agrees to pay the school 0.37% plus ½ of the difference between the ICS program yield and 0.37%.

I'm attaching a link to CRA Regulation we discussed: <https://www.fdic.gov/regulations/laws/rules/2000-6500.html#fdic2000part345.23>

I'm attaching a link to the Promontory Interfinancial Network ICS program we discussed: <http://www.promnetwork.com/home/services/insured-cash-sweep/ics-overview/>

Thank you again. I look forward to hearing from you soon and working through the details necessary to continue to provide for all your banking needs.

**John Gardner**

President & CEO

Peoples Bank & Trust

866.670.3455

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