



PROPOSED AGENDA ITEM

Meeting Date: June 25, 2015

Subject: Additional depository of school funds for 2015-2016

Initiated By: Terri Birchard, Business Manager

DESCRIPTION: Erie Bank is currently working with two other local school districts on their cash management needs and has assembled a multi-year ladder CD portfolio plan, which when coupled with their Public Funds Savings Account, should provide for greater interest earnings annually.

RECOMMENDATION:

Motion to approve the addition of Erie Bank as an additional depository of school funds for 2015-2016

(Board Policy nos. 005 and 608 and PA School Code Section 621)

June 19, 2015

Erie County Technical School
8500 Oliver Road
Erie, PA 16509
Attn: Terri Birchard, Business Manager & Board Secretary

Dear Ms. Birchard,

ERIEBANK, a division of CNB Bank, appreciates the opportunity to provide you with information regarding our Business Services. We pride ourselves in the simplicity of the products we offer to our customers, and are committed to meeting your financial needs.

Public Funds Deposit Account

Public Funds Savings Account

- Recommended for the Erie County Technical School's liquid investments
- \$100 minimum balance
- \$3.00 monthly service charge if minimum balance is not maintained
- No withdrawal or early close penalty
- **Earns competitive interest, currently 0.38% APY on balances under \$500,000 and 0.25% APY on balances of \$500,000 and above**

Funds Availability

It is important to note that our Funds Availability Policy is to typically make funds from your deposits available to you on the same day that we receive your deposit. This policy allows you to immediately earn interest on all funds deposited to your accounts. Should you deposit an item that is unusual or not customary to your account activity, the bank reserves the right to delay the availability of those funds.

Collateralization of Public Funds

ERIEBANK, a division of CNB assures that cash deposits for the Erie County Technical School will be secured and collateralized in accordance with Act 72 of 1971. ERIEBANK pledges securities for public funds greater than \$250,000. Public fund balances are monitored on a monthly basis and pledged securities are adjusted accordingly. As of May 31, 2015 all public funds on deposit had pledged securities coverage of 125% of the account balances. It is Bank policy to maintain pledged securities above 105%. In addition, the Bank has control agreements in place to ensure against the premature release of any securities and maintains a copy of the vendor's corporate resolution.

We thank you for taking the time to consider ERIEBANK as your financial partner. Please feel free to contact me at (814) 866-4191 or ahodas@eriebank.net with any questions that you may have. I look forward to working with you in the future.

Sincerely,



Allison M. Hodas
Cash Management Officer

**Erie County Technical School
Investment Management Proposal
C.D. Portfolio
June 19, 2015**



Presented by:
Larry Morton
VP, Financial Consultant
2035 Edinboro Rd.
Erie, PA 16509
(814) 866-4198

Erie County Technical School

Investment Management Account Proposal

C.D. Portfolio

Issue	Type	Par	Price	Coupon	Maturity	Est. Annual Income
American Express 1.35	Cert Deposit	\$50,000	\$50,000	1.35%	12/26/2017	\$675.00
Capital One Bank 1.55	Cert Deposit	\$50,000	\$50,000	1.55%	6/25/2018	\$775.00
Ally Bank / GMATT BK 1.55	Cert Deposit	\$50,000	\$50,000	1.55%	6/25/2018	\$775.00
American Express 1.95	Cert Deposit	\$50,000	\$50,000	1.95%	6/24/2019	\$975.00
Capital One Bank 1.9	Cert Deposit	\$50,000	\$50,000	1.90%	6/24/2019	\$950.00
Discover Bank 1.90	Cert Deposit	\$50,000	\$50,000	1.90%	6/24/2019	\$950.00
Goldman Sachs 1.90	Cert Deposit	\$50,000	\$50,000	1.90%	6/24/2019	\$950.00
Discover Bank 2.25	Cert Deposit	\$50,000	\$50,000	2.25%	6/24/2020	\$1,125.00
Goldman Sachs 2.40	Cert Deposit	\$50,000	\$50,000	2.40%	6/24/2021	\$1,200.00
Ally Bank / GE 2.55	Cert Deposit	\$50,000	\$50,000	2.55%	6/20/2022	\$1,275.00
		\$500,000	\$500,000			\$9,650.00

Investments are for illustrative purposes only
All pricing information is based on prices as of 06/17/2015

Erie County Technical School Investment Management Account Proposal C.D. Portfolio SUMMARY

Par Amount	\$ 500,000.00
Average Price	\$ 100.00
Coupon	1.93%
Yield to Maturity	1.93%
Current Yield	1.93%
Duration	4.27
Estimated Annual Income	\$ 9,650.00
EBIA Estimated Fee	\$ 1,250.00
Estimated Net Annual Income	\$ 8,400.00

*Investments are for illustrative purposes only
All pricing information is based on prices as of 06/17/2015*

**Erie County Technical School
Investment Management Account Proposal
C.D. Portfolio**

Annual Fee Schedule (C.D. Portfolio)

- | | |
|---------------------|------|
| • First \$1,000,000 | .25% |
| • Next \$4,000,000 | .15% |
| • Over \$5,000,000 | .10% |