



Investing Public Funds

Presented by:

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Permitted investment

Regulation Public Funds

- K.S.A 12-1675



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Types of Investments for Public Funds

- KMIP (Kansas Municipal Investment Pool)
- Securities
- CD's
- Repurchase Agreements
- Interest bearing Savings or Money Market accounts



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Types of Investments for Public Funds

- PMIB (Pooled Money Investment Board)

9/26/16 thru 10/2/16

TERM	CURRENT	PREVIOUS
1 to 89 Days	0.40%	0.40%
3 Months	0.28%	0.37%
6 Months	0.46%	0.50%
1 Year	0.67%	0.69%
18 Months	0.76%	0.74%
2 Years	0.81%	0.80%



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KMIP (Kansas Municipal Investment Pool)



Path: KMIP Rates
System Status: Normal Business Day

Monday, Sep 26, 2016
Topeka, KS Time: 3:12:54 pm

DAILY MUNICIPAL INVESTMENT POOL RATES

Rate is confirmed when online transaction is completed

Description	Term	Type	Curr Rate	Eff Date	Maturities
Omp, Overnight Pool	1	Overnight	.05%	09/26/2016	Next Business Day
Fx30, 30 Day Pool	30 - 89	Fixed	.40%	09/26/2016	10/27/2016 - 12/23/2016
Fx90, 90 Day Pool	90 - 179	Fixed	.40%	09/26/2016	12/27/2016 - 03/24/2017
Fx180, 180 Day Pool	180 - 364	Fixed	.46%	09/26/2016	03/27/2017 - 09/26/2017
Fx365, 365 Day Pool	365 - 549	Fixed	.67%	09/26/2016	09/27/2017 - 03/29/2018
Fx550, 550 Day Pool	550 - 723	Fixed	.76%	09/26/2016	04/02/2018 - 09/20/2018
Fx730, 730 Day Pool	724 - 730	Fixed	.81%	09/26/2016	09/21/2018 - 09/27/2018

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Banks and Public Funds

- Why don't banks want public funds?
- Can you make public funds more attractive to banks?



It is really not a secret.....

Is this what you get from your banker when going out to bid?



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Banks and Public Funds

Deterrent to placing public funds

- Your Bank may not understand public funds
- Cost of Collateral
- Transaction vs Relationship
 - Analysis of other services may have an impact
- Regulatory Environment
 - Loan demand at a bank may impact whether they want public fund deposits



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Collateral for public funds

- K.S.A 9-1402
- How much collateral is needed?
- Why do I need collateral?
- What does FDIC cover or does it?
- Who provides documentation of coverage and calculations?
- How often should you check on your collateral coverage?



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Peak Depository Periods

- K.S.A 9-1403

9-1403. Securities for deposits of public funds; exemption during peak deposits. (a) During the periods of peak deposits occurring at tax paying time and tax distributing time and continuing for a period of not to exceed 60 continuous days at any given time and not to exceed 120 days in any calendar year the amount of security for the deposit of public moneys as required under K.S.A. 9-1402, and amendments thereto, may be reduced by not more than 1/2 in an amount thereof.

(b) The provisions of this section shall apply only to the deposits of all municipal corporations and quasi-municipal corporations, but the custodian of the funds of each of such municipal corporations or quasi-municipal corporations together with an officer of the depository bank, savings and loan association or savings bank may enter into an agreement which designates in writing the beginning of each such sixty-day period, and a copy thereof, fully executed, shall be kept on file in the office of the governing body of such municipal corporation or quasi-municipal corporation and in the files of such bank, savings and loan association or savings bank.



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Peak Depository Periods

- Should you take advantage of them to allow lower collateral?
- Pros/Cons
 - Lower cost could produce more interested parties
 - Could put your entity at risk
 - Your bank may not want to do this



Investment Policy

- Scope
- Objectives
- Policy and Procedure
- Authorized investments
- Reporting
- State Regulation
- Appendix:
 - KS policy documents that apply to your county



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Broker/Dealer Relationship

- How do I find a broker?
 - Ask your local bank
 - Larger banks may have in house broker/dealers
 - Ask your peers
 - Send request



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QUESTIONS?



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Resources

- 2015 Kansas Statutes 9-1402

http://www.kslegislature.org/li/b2015_16/statute/009_000_0000_chapter/009_014_0000_article/009_014_0002_section/009_014_0002_k/

- FDIC for public funds.

<https://www.fdic.gov/deposit/deposits/factsheet.html>

- PMIB (Pooled Money Investment Board)

<https://pooledmoneyinvestmentboard.com/>

- GFOA (Government Finance Officers Association)

<http://www.gfoa.org/>

- 2015 Kansas Statutes 9-1403

http://www.kslegislature.org/li/b2015_16/statute/009_000_0000_chapter/009_014_0000_article/009_014_0003_section/009_014_0003_k/

- 2015 Kansas Statutes 12-1675

http://www.kslegislature.org/li/b2015_16/statute/012_000_0000_chapter/012_016_0000_article/012_016_0075_section/012_016_0075_k/



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