

COMMONWEALTH OF KENTUCKY  
CITY OF PROSPECT  
CITY COUNCIL SPECIAL MEETING  
AGENDA

Thursday, August 3, 2023, 5:00 p.m.

CALL TO ORDER

- Chair: Mayor Doug Farnsley

MAYOR'S REPORT

- Mayor's update on City matters

NEW BUSINESS

- Discussion of city investments and the recommendations of the Prospect investment committee.
- **Resolution 7, Series 2023**, A RESOLUTION AUTHORIZING PARTICIPATION IN THE "KENTUCKY LEAGUE OF CITIES INVESTMENT POOL PLUS"

ADJOURNMENT

Supporting documents for this meeting's agenda are archived on the city's website calendar:

<https://www.prospectky.us/>

This meeting will be conducted in part via WebEx and live-streamed to YouTube here:

[https://www.youtube.com/channel/UCDMvzIGZUk\\_tpL2HXSagU7w](https://www.youtube.com/channel/UCDMvzIGZUk_tpL2HXSagU7w)

Members of the public may attend in person and see and hear all participating members at Prospect City Hall, 9200 US Hwy 42, Prospect, Kentucky.



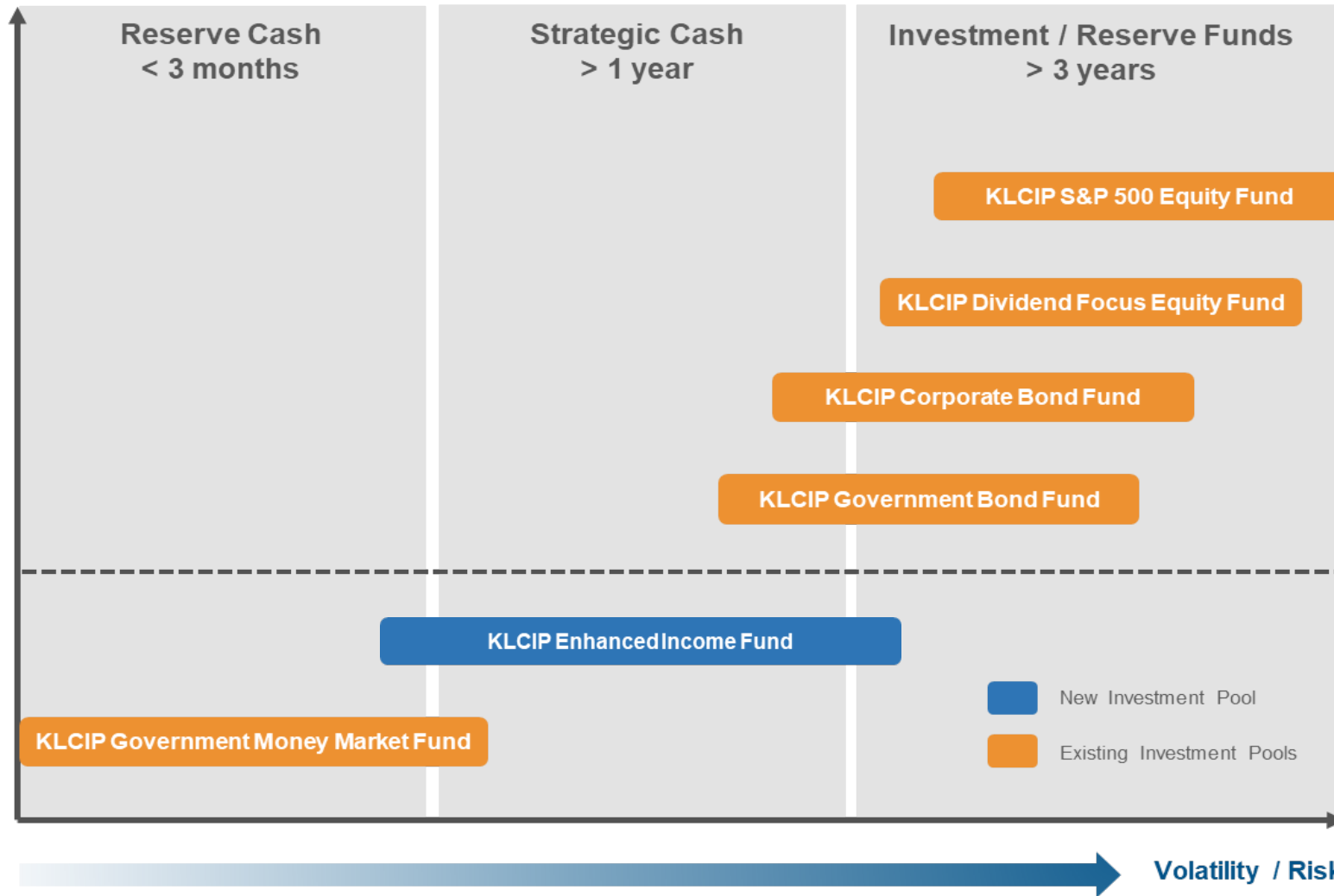
# KLC Investment Pool Program

City of Prospect

## What Drives Us

- Finding solutions to our member needs
- Building long-term relationships to offer consistency and support
- Becoming the trusted financial partner for our members
- Realizing that stronger cities mean a stronger KLC





# Money Market Fund Option

- Protection of principal while offering a safe yield product
- Invests in obligations issued or guaranteed by the U.S. Government, agencies or instrumentalities
- Daily liquidity



# Enhanced Income Fund

- Protection of principal while offering an increased annualized yield
- Buys individual U.S. Government Securities and holds to maturity with reinvestment at maturity
- Income posted monthly to participants
- Removes burden related to shopping CDs



# Investment Pool Options

## Government Bond Fund

Fixed income investment seeking yield through short and intermediate U.S. Government obligations

## Corporate Bond Fund

More aggressive fixed income component with capital appreciation achieved through corporate bonds rated A or better with maturities less than 10 years per statute requirement

## S&P 500 ETF

Equity investment into S&P 500 Exchange Traded Fund that seeks long-term capital appreciation

## Dividend Focus Fund

Actively traded fund managed by investment partner PNC, that is designed to deliver an attractive dividend yield along with capital appreciation

# Participant Benefits



Fixed income securities offer immediate investment into diversified holdings

No current bond ETF offering is allowable under KRS 66.480

Long-term growth opportunities through equity positions

S&P 500 Fund has returned 12% since start and Dividend Focus Fund has returned 7.4%



Money-market account is yielding 4.75% as of June close

No lock period or penalty for withdrawal

No account minimums

No transactional costs

No investment limits

KLC provides sample investment policy







# How to Join



Adopt or Amend Investment Policy



Adopt Resolution to join KLCIP and Sign Interlocal Agreement



Establish Designated Officials via Application



Fund Investment Account



Determine Investment Allocation

# How Your Participation Helps KLC Help You



## Reinvestment into KLC

- KLC program revenues are reinvested into all KLC programs and services to help our members
- When you use our competitors, you are funding other organizations or for-profit entities.
- KLC's focus is on stronger cities not larger bottom lines



# PROGRAM GROWTH

**FY 2020**

**\$14,201,157**

**FY 2021**

**\$28,087,410**

**FY 2022**

**\$58,608,021**

**FY 2023**

**\$63,798,868**

# FINANCIALS AS OF 06/30/2023

Investment Fund	# A/C's	Market Value	Allocation
KLCIP - Money Market Fund	20	\$ 18,038,777	28%
KLCIP - Enhanced Income Fund	4	\$ 5,993,889	9%
KLCIP - Government Bond Fund	42	\$ 10,918,222	17%
KLCIP - Corporate Bond Fund	38	\$ 9,440,912	15%
KLCIP Equity - S&P 500 Fund	38	\$ 9,282,608	15%
KLCIP Equity - Dividend Focus Fund	39	\$ 10,124,460	16%
<b>Totals</b>		<b>\$ 63,798,868</b>	<b>100%</b>

# FINANCIALS as of 06/30/2023

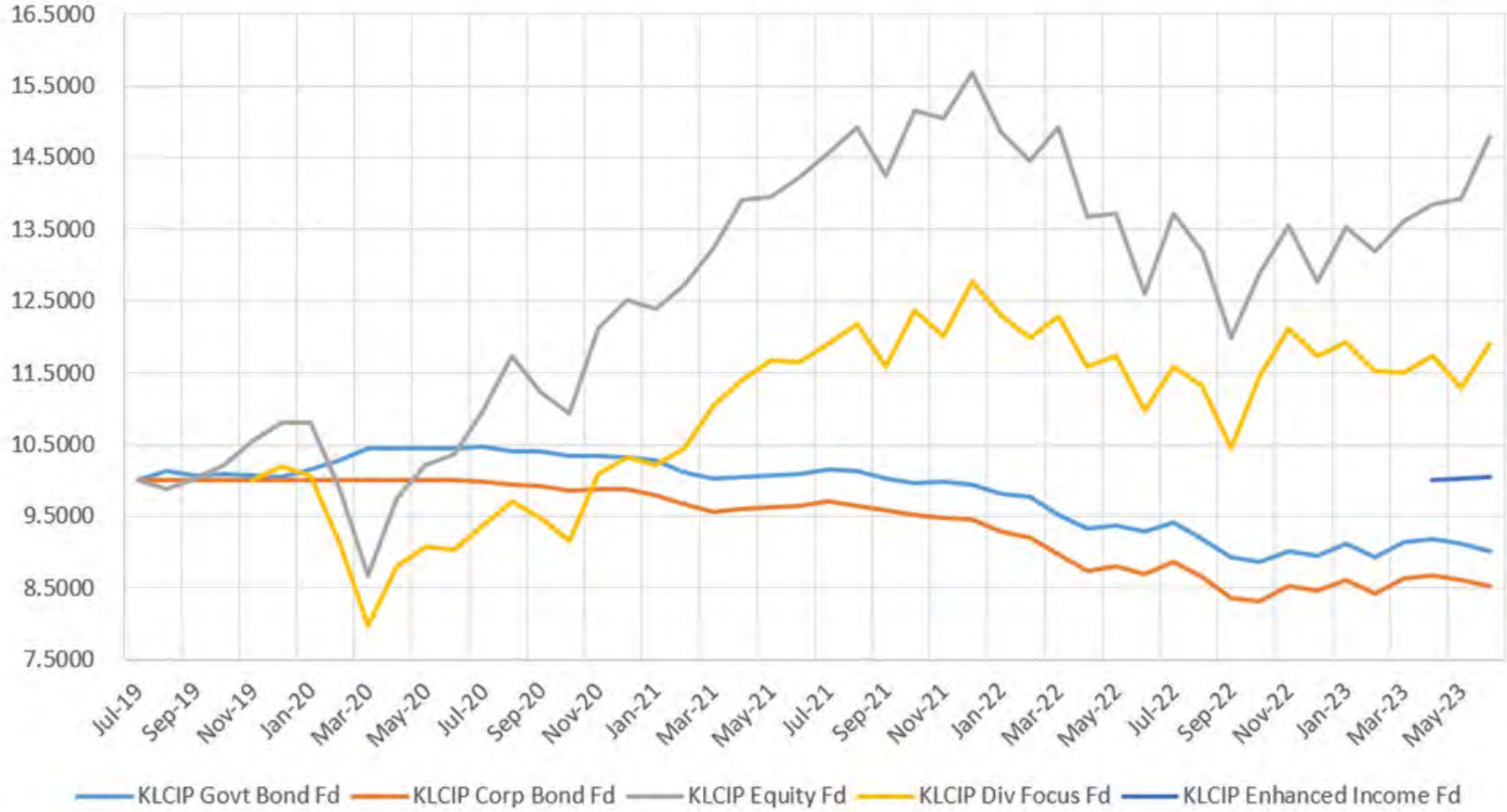
Investment Pool	1 Month	3 Months	YTD	FY22-23	1 Year	2 Year	ITD
KLCIP Government Bond Fund	-0.96	-1.05	1.46	-1.07	-1.07	-3.76	-1.09
KLCIP Corporate Bond Fund	-0.73	-0.69	2.22	1.20	1.20	-3.09	-1.40
KLCIP S&P 500 Equity Fund	6.53	8.70	16.52	19.10	19.10	3.42	12.01
<b>S&amp;P 500 Index</b>	<b>6.61</b>	<b>8.74</b>	<b>16.89</b>	<b>19.59</b>	<b>19.59</b>	<b>3.39</b>	<b>12.78</b>
KLCIP Dividend Focus Fund	5.71	4.17	2.67	11.33	11.33	3.45	7.41
<b>Russell 1000 Value Index</b>	<b>6.64</b>	<b>4.07</b>	<b>5.17</b>	<b>11.54</b>	<b>11.54</b>	<b>1.95</b>	<b>7.97</b>

# FINANCIALS as of 06/30/2023

Investment Pool	Current Yield
KLCIP Money Market Fund - Net	4.75
KLCIP Enhanced Income Fund (Net - YTM)	4.97
KLCIP Government Bond Fund (YTM)	4.48
KLCIP Corporate Bond Fund (YTM)	4.95
KLCIP S&P 500 Equity Fund	1.52
KLCIP Dividend Focus Fund	2.54

# FINANCIALS

Monthly Returns by Pooled Fund







# KENTUCKY LEAGUE OF CITIES

## INVESTMENT POOL

### CONTACT US



Location

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100 East Vine St., Suite 800  
Lexington, KY 40507



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Fax: 859.977.3703



Phone

800.876.4552  
859.977.3743





Thank You!

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**COMMONWEALTH OF KENTUCKY  
CITY OF PROSPECT  
RESOLUTION 7, SERIES 2023**

AUTHORIZING PARTICIPATION IN THE  
"KENTUCKY LEAGUE OF CITIES INVESTMENT POOL PLUS"

**WHEREAS**, the City of Prospect (the "City"), has been presented with and has reviewed an Information Statement dated as of July 1, 2019, for a cash management and investment program known as the Kentucky League of Cities Investment Pool Plus; and

**WHEREAS**, the City has determined that participation in this program for the purpose of the joint investment of moneys with other local governments will result in economies of scale that should enhance the investment earnings accruing to the City while preserving the principal of the City's investment;

**NOW THEREFORE, BE IT RESOLVED** by the governing body of the City, as follows:

1. The City is a public agency as defined by KRS 65.230 and eligible under KRS 65.240 to join the interlocal agreement with the existing parties to this agreement.
2. The Interlocal Cooperation Agreement and the Declaration of Trust as described in the Information Statement, are hereby adopted and approved, and the Mayor or the chief executive officer of the City is hereby authorized to execute and deliver the Interlocal Cooperation Agreement and otherwise to evidence the City's approval and participation in the program including the execution and delivery of all documents and the taking of other actions as may be necessary or appropriate, and the of the City is hereby authorized to attest such signature and to sign such documents and take such actions as foregoing official shall direct, their respective signatures to constitute conclusive evidence of their approval of the documents they sign.
3. The Mayor and City Clerk hereby are designated as "Authorized Officials" with the authority to effectuate the investment and withdrawal of monies from time to time in accordance with the Declaration of Trust. The City shall advise the Fund of any changes in Authorized Officials in accordance with procedures established by the Fund.
4. The provisions of this Resolution are severable, and if any section, phrase or provision hereof shall for any reason be declared invalid or unenforceable, such declaration shall not affect the validity of the remainder hereof. If any other

resolution, order or part thereof is in conflict with the provisions hereof, the provisions hereof shall prevail and be given effect. This Resolution shall be effective immediately upon its enactment.

Enacted this \_\_\_\_\_ day of August, 2023

Adopted on: \_\_\_\_\_, by a vote of \_\_\_\_ aye to \_\_\_\_ nay.

By: \_\_\_\_\_ Dated: August 3, 2023  
Mayor Douglass Farnsley

ATTEST:

By: \_\_\_\_\_ Dated: August 3, 2023  
John S. Carter, City Clerk