



FY 2019 - 2020

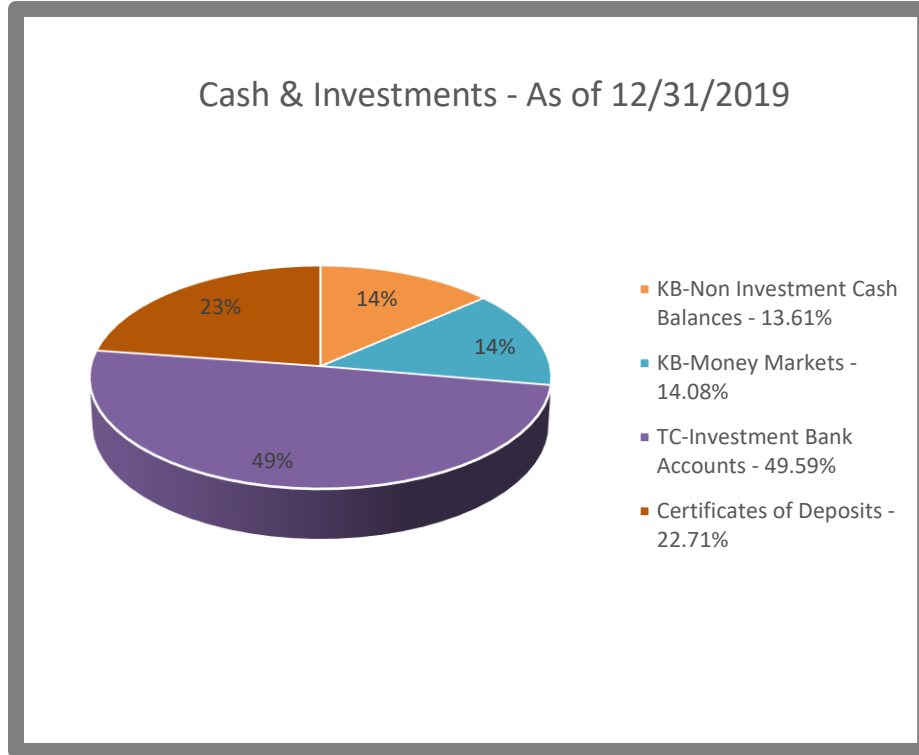
FIRST QUARTER

INVESTMENT REPORT

FOR THE PERIOD ENDING

DECEMBER 31, 2019

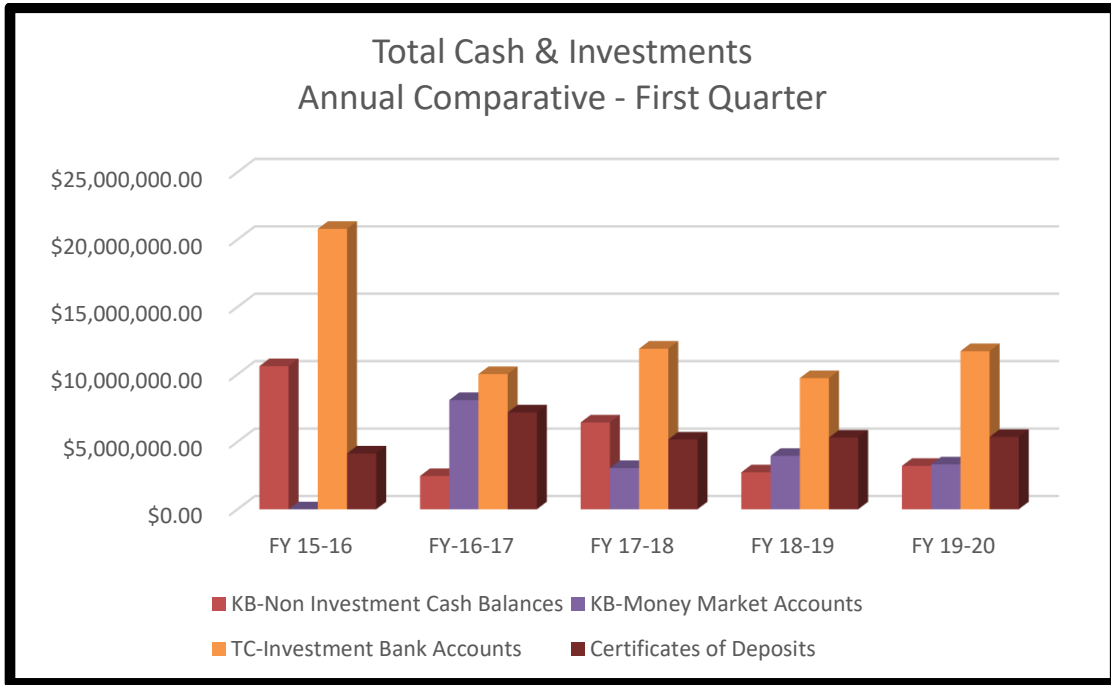
**City of Kingsville
Total Cash and Investments
For Quarter Ended 12/31/2019**



Total Cash & Investments	
KB-Non Investment Cash Balances - 13.61%	\$3,218,247.18
KB-Money Markets - 14.08%	3,328,655.70
TC-Investment Bank Accounts - 49.59%	11,723,547.61
Certificates of Deposits - 22.71%	5,368,180.55
Total Cash & Investments	<u>\$23,638,631.04</u>

In August 2018, we negotiated better interest rates at Kleberg Bank and are now receiving interest rates of 2.5% - 2.85% based on the length of the CD and Money Market interest rates increased to 2.25% up from .85%. The average monthly yield for October through December from Texas Class was 2.09% to 1.88%.

**City of Kingsville
Cash and Investments Annual Comparative
For Quarter Ended 12/31/2019**



**Total Cash & Investments - Annual Comparative
For Quarter Ended December 31, 2019**

Category	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
KB-Non Investment Cash Balances	\$10,614,434.01	\$2,467,506.21	\$6,438,549.47	\$2,740,116.00	\$3,218,247.18
KB-Money Market Accounts	\$0.00	\$8,098,829.94	\$3,057,863.71	\$3,958,499.16	\$3,328,655.70
TC-Investment Bank Accounts	20,795,161.95	\$10,027,775.04	11,911,115.33	9,725,929.41	11,723,547.61
Certificates of Deposits	4,136,229.46	\$7,182,463.81	5,174,718.61	5,317,279.20	5,368,180.55
Total Cash & Investments	\$35,545,825.42	\$27,776,575.00	\$26,582,247.12	\$21,741,823.77	\$23,638,631.04

**CITY OF KINGSVILLE
TOTAL INVESTMENT PERCENTAGES
FOR QUARTER ENDED 12/31/2019**

HOLDING	REQUIREMENT	ACCOUNT BALANCE 12/31/2019
Kleberg Bank - Non Investment Accounts	Cash Category	3,218,247.18
Kleberg Bank - Investment Money Markets	Cash Category	3,328,655.70
Texas Class - Investment Bank Accounts	Cash Category	11,723,547.61
Kleberg Bank - Certificates of Deposit	CD	5,368,180.55
Total Cash and Investments		23,638,631.04

Investment Requirements:

Percentages in Cash	(at least 35% mature in 90 days or less)	77.29%
Percentage in CD's	(at least 10% in U.S. T Bill or CD's)	22.71%
Percentage in US Treasuries	(not to exceed 10%)	0.00%

Effective May 31, 2019, Kleberg Bank changed the pledge collateral from various securities to a FHLB Letter of Credit #1426002683 in the amount of \$20,000,000. The Letter of Credit falls within the guidelines of the City of Kingsville Investment Policy, which follows the Public Funds Investment Act.

City of Kingsville
Non Investment Cash Accounts
As of December 31, 2019

Description	GL Account Number	Bank	Fund	Amount
Petty Cash Accounts - General Fund	001-0-02000	Departments	001	\$3,460.00
	001-0-02050			
	001-0-02051			
	001-0-02053			
	001-0-02054			
	001-0-02055			
	001-0-02056			
	001-0-02058			
	001-0-03000			
Petty Cash Accounts-Tourism	002-0-02050	Department	002	575.00
	002-0-02057			
Hot Funds Tax Escrow Account	002-0-04000	Kleberg Bank - 4206	002	353,082.48
Police State Forfeiture	005-0-08005	Kleberg Bank - 3870	005	164,896.18
Police State Pending Forfeiture	005-0-08550	Kleberg Bank - 3862	005	422,841.62
Police Unrestricted Cash (Not Transferred)	005-0-08590	Split Funded for GL	005	11,486.60
Police Federal Forefeiture	028-0-08051	Kleberg Bank - 3854	028	144,911.92
Insurance Fund	138-0-09010	Kleberg Bank - 3730	138	466,740.56
Pooled Cash	700-0-01050	Kleberg Bank - 3676	700	1,605,691.49
Cash Bond Account	700-0-01070	Bank of South Texas	700	<u>44,561.33</u>
Total Non Investment Cash Account Balances				<u><u>\$3,218,247.18</u></u>

**Kleberg Bank Money Market Accounts
Summary Statement
For 1st Quarter Ended 12/31/2019**

Account	Fund	Beginning Balance 09/30/2019	Contributions	Withdrawals	Interest	Ending Balance 12/31/2019
26046-MM - Storm Water	068	\$13,701.44	\$1.00	0.00	\$62.03	\$13,764.47
26054-MM - UF Cap Projects	054	135,224.20	0.00	(1.00)	612.21	\$135,835.41
26062-MM - Sanitation Addtl Rev	087	200,943.03	0.00	0.00	909.74	\$201,852.77
26070-MM - UF CO 2011	066	186,943.99	0.00	(119,544.00)	490.73	\$67,890.72
27239-MM - GF CO 2016	033	959,093.68	0.00	(526,299.69)	2,776.48	\$435,570.47
62488-MM General Fund	001	2,462,592.82	0.00	0.00	11,149.04	\$2,473,741.86
Totals		\$3,958,499.16	\$1.00	(645,844.69)	\$16,000.23	\$3,328,655.70

Money Market Withdrawal Information:

First quarter withdrawals included the following:

- Fund 066
 - Water Well 19 repairs

- Fund 033
 - Cash Match on Texas Parks & Wildlife grant
 - Additional Cash Match on EDA grant
 - Santa Gertrudis Tree project
 - Internet installation at Health Department

**Certificates of Deposit
For Quarter Ending 12/31/2019**

CD #	Fund	Term	Principal	Interest Rate	Daily Interest	Interest Earned Through 12/31/2019
61483	001-General Fund 051-Utility Fund	08/03/18 - 08/03/20	\$3,116,824.05	2.85%	\$243.37	\$36,748.64
61531	138-Insurance	09/25/18 - 09/25/20	\$105,111.82	2.85%	\$8.2074	\$755.08
61532	068-Storm Water Drainage	09/25/18 - 03/25/20	\$513,382.49	2.65%	\$37.27	\$3,429.11
61533	068-Storm Water Drainage	09/25/18 - 09/25/20	\$1,581,960.84	2.50%	\$108.35	\$9,968.52
	Totals		<u>\$5,317,279.20</u>			<u>\$50,901.35</u>

Certificates of Deposit Summary

Principal	\$5,317,279.20
Interest	<u>\$50,901.35</u>
Total CD's	<u>\$5,368,180.55</u>

Note: The interest earned stated above includes interest earned since the October 1, 2019. The interest calculations are based on the following number of days times the daily interest amount of the CD.

October 2019	31
November 2019	30
December 2019	<u>31</u>
Total Days	<u>92</u>

**Texas Class
Summary Statement
For Quarter Ended 12/31/2019**

Account	Beginning Balance 09/30/2019	Contributions	Withdrawals	Interest	Ending Balance 12/31/2019
07-Landfill Closure Acct	\$41,411.22			\$206.05	\$41,617.27
08-CMA Savings	1,750,577.14	279,226.59	(1,224,723.98)	5,868.16	\$810,947.91
09-CO 2013 Street - GF	8,533.11			42.45	\$8,575.56
11-GO Debt Service	132,377.21	610,643.15		1,381.35	\$744,401.71
12-Utility Fund Debt Svc	151,838.38			755.49	\$152,593.87
15-CMA Acct-M&O Taxes	6,237,604.16	2,488,258.93		33,967.66	\$8,759,830.75
18-Self Insurance Fund	5,293.31	724,723.98	(650,000.00)	445.43	\$80,462.72
20-Federal Forfeiture	1,204.10			5.95	\$1,210.05
21-State Forfeiture	1,215,920.38		(277,418.59)	5,148.05	\$943,649.84
22-CO Series 2002 - GF	5,184.81			25.84	\$5,210.65
24-State Pending Forfeiture	123,128.95			612.64	\$123,741.59
26-CO 2005 Construction - UF	50,987.58			253.71	\$51,241.29
32-GF Capital Projects	1,869.06		(1,808.00)	3.34	\$64.40
Totals	\$9,725,929.41	\$4,102,852.65	(\$2,153,950.57)	\$48,716.12	\$11,723,547.61

**Texas Class
Average Daily Yield Rate**

<u>Month</u>	<u>Average Daily Yield Rate</u>
October 2019	2.09%
November 2019	1.94%
December 2019	1.88%

Compare to Kleberg Bank rate for Money Market Accounts – 2.25%

The large net change in the above accounts are due in part to the following:

- 08-Transfers from CMA Savings to CMA operating account to maintain minimum balances
- 11-Debt Service payment transfers into Debt Service accounts
- 15-Property tax payments received
- 18-Insurance premiums received, and claims paid

Texas Class Accounts
Investment Summary Comparison
Qtr Ended 09/30/2019 vs Qtr Ended 12/31/2019

Investment	Account #	Fund	TX Class Stmt Qtr Ended 09/30/2019	TX Class Stmt Qtr Ended 12/31/2019	Net Change
Landfill Closure Acct	TX 01-0170-0007	090	\$41,411.22	\$41,617.27	\$206.05
CMA Savings	TX 01-0170-0008	700	1,750,577.14	810,947.91	(939,629.23)
CO 2013 Street Projects - GF	TX 01-0170-0009	067	8,533.11	8,575.56	42.45
GO Debt Service	TX 01-0170-0011	011	132,377.21	744,401.71	612,024.50
Utility Fund Debt Service	TX 01-0170-0012	012	151,838.38	152,593.87	755.49
CMA Acct - M&O Taxes	TX 01-0170-0015	700	6,237,604.16	8,759,830.75	2,522,226.59
Self Insurance Fund	TX 01-0170-0018	138	5,293.31	80,462.72	75,169.41
Federal Forfeiture Funds	TX 01-0170-0020	028	1,204.10	1,210.05	5.95
State Forfeiture Funds	TX 01-0170-0021	005	1,215,920.38	943,649.84	(272,270.54)
CO Series 2002	TX 01-0170-0022	039	5,184.81	5,210.65	25.84
State Pending	TX 01-0170-0024	005	123,128.95	123,741.59	612.64
CO 2005 Construction	TX 01-0170-0026	062	50,987.58	51,241.29	253.71
GF Capital Projects	TX 01-0170-0032	091	1,869.06	64.40	(1,804.66)
Total Accounts			\$9,725,929.41	\$11,723,547.61	\$1,997,618.20

City of Kingsville
Budgeted Project & Capital Outlay Descriptions
FY 2019-2020

Investment	Account	Balance	Fund	Project/Usage Description
Texas Class Accounts:				
Landfill Closure Acct	0007	\$41,617.27	090	Landfill Closure Costs
CMA Savings	0008	810,947.91	700	General Fund Savings Account
CO 2013 Street Projects-GF	0009	8,575.56	067	Street Projects
GO Debt Service	0011	744,401.71	011	Debt Service Payments
Utility Fund Debt Service	0012	152,593.87	012	Debt Service Payments
CMA Acct - M&O Taxes	0015	8,759,830.75	700	Held for Debt Service Payments
Self Insurance Fund	0018	80,462.72	138	Held for Insurance Claims
Federal Forfeiture Funds	0020	1,210.05	028	Federal Seizures that have been awarded
State Forfeiture Funds	0021	943,649.84	005	Awarded Seizure Cases for PD Expend
CO Series 2002	0022	5,210.65	039	Remaining Unspent Funds
State Pending	0024	123,741.59	005	Holding acct until seized funds are awarded
CO 2005 Construction	0026	51,241.29	062	Sewer Lines & Manholes
GF Capital Projects	0032	64.40	091	Left over funds from previous projects
Total Texas Class Accounts		11,723,547.61		
Kleberg Money Market Accounts:				
CO 2013 Storm Water-UF	20646	13,764.47	068	Drainage Projects
UF Capital Projects FD 054	26054	135,835.41	054	Available funding for Utility project TXDOT Utility Line Relocation
Sanitation Collection Additional Revenue Fee	26062	201,852.77	087	Debt Service Payments
CO 2011 - UF 066	26070	67,890.72	066	Available funding for Utility project
CO 2016 GF Capital	27239	435,570.47	033	Various Capital Projects
General Fund - Savings	62488	2,473,741.86	001	Savings Account Until Needed for Operations
Total Kleberg Accounts		3,328,655.70		
Total Accounts		\$15,052,203.31		

The following information provides detail on the purpose of outstanding bond issues:

Certificates of Obligation, Series 2009
\$4,270,000 Landfill & Equipment

Proceeds from the sale of the Certificates will be used for design, planning, acquisition, construction, equipping, expansion, repair, renovation, and/or rehabilitation of certain City-owned public property, specifically landfill enhancements, development of a new cell at the landfill, equipment for the Solid Waste Department, street sweepers, enclosures, welding equipment, dumpsters, bulldozers, scrappers, carts, fencing, copiers and the payment of contractual obligations for professional services in connection with such projects.

Certificates of Obligation, Series 2011
\$10,000,000 Public Improvements

Proceeds from the sale of the Certificates will be used for the purpose of providing for the payment of contractual obligations to be incurred in connection with street and related drainage system repair and improvements; vehicles and equipment for police, fire, engineering, street, health, utility and public works departments; drainage improvements between Santa Gertrudis Estate and Texas A&M University-Kingsville parking lot; drainage improvements to Tranquitas Creek and Caesar Avenue ditch; water and wastewater projects for new water and wastewater lines; acquisition of land and to construct a new water well; a 500,000 gallon elevated storage tank, new south plant clarifier, rehabilitation of existing water wells, and lift station rehabilitation; improvements to and renovation of City Hall; and the payment of contractual obligations for professional services in connection with such projects.

Certificates of Obligation, Series 2013
\$5,230,000 City Owned Public Property
\$1,260,000 City Owned Public Property

Proceeds from the sale of the Certificates will be used for providing for the payment of contractual obligations to be incurred in connection with the design, planning, acquisition, construction, equipping, expansion, repair, renovation, and/or rehabilitation of certain City-owned public property and the payment of contractual obligations for professional services in connection with such projects.

Certificates of Obligation, Series 2014
\$9,040,000 Various Projects

Proceeds from the sale of the Bonds will be used to refund a portion of the City's outstanding debt designated in Schedule 1 hereto (the "Refunded Obligations") in order to lower the overall debt service requirements of the City and to pay the costs associated with the issuance of the Bonds.

Certificates of Obligation, Series 2016
\$6,740,000 Various Projects

Proceeds from the sale of the Certificates will be used for the purpose of providing for the payment of contractual obligations to be incurred in connection with the design, planning, acquisition, construction, equipping, expansion, repair, renovation and/or rehabilitation of certain City-owned public property, including (1) park and golf course improvements; (2) downtown revitalization improvements including streets, sidewalks, lighting, and property acquisition; (3) street repairs; (4) improvements to municipal buildings; (5) Public Works department equipment; (6) emergency department vehicles and equipment and (7) payment of contractual obligations for professional services in connection with the issuance of the Certificates.

Compliance Statement

The investment portfolio of the City of Kingsville complies as it relates to the adopted Investment Policy.

SIGNATURE SECTION

The following investment committee members have received a copy of the Investment Report for the quarter ended December 31, 2019 on Wednesday January 22, 2020.

Mark McLaughlin, City Manager

Courtney Alvarez, City Attorney

Arturo Pecos, Commissioner

Deborah Balli, Finance Director