



FY 2019 - 2020

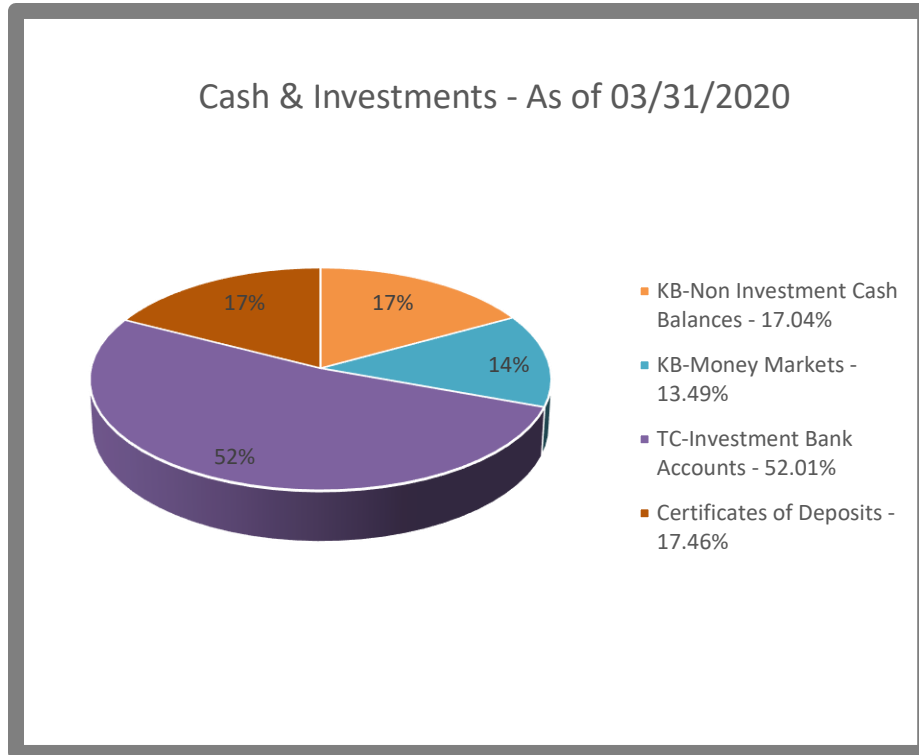
SECOND QUARTER

INVESTMENT REPORT

FOR THE PERIOD ENDING

MARCH 31, 2020

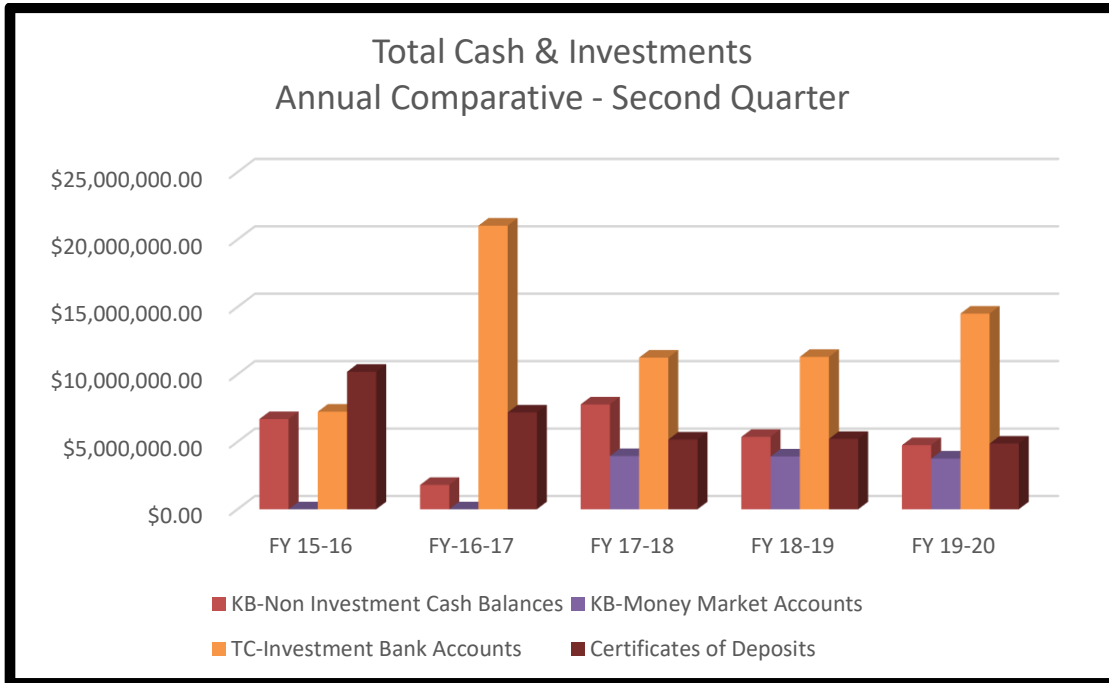
**City of Kingsville
Total Cash and Investments
For Quarter Ended 03/31/2020**



Total Cash & Investments	
KB-Non Investment Cash Balances - 17.04%	\$4,752,247.49
KB-Money Markets - 13.49%	3,761,703.66
TC-Investment Bank Accounts - 52.01%	14,508,274.78
Certificates of Deposits - 17.46%	<u>4,870,521.13</u>
Total Cash & Investments	<u>\$27,892,747.06</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% and January through March was 1.86% to 1.47%.

**City of Kingsville
Cash and Investments Annual Comparative
For Quarter Ended 03/31/2020**



**Total Cash & Investments - Annual Comparative
For Quarter Ended March 31, 2020**

Category	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
KB-Non Investment Cash Balances	\$6,685,953.98	\$1,803,611.17	\$7,777,152.47	\$5,366,824.55	\$4,752,247.49
KB-Money Market Accounts	0.00	0.00	3,946,558.54	3,914,698.71	3,761,703.66
TC-Investment Bank Accounts	7,239,890.87	\$21,033,413.98	11,245,000.99	11,301,717.09	14,508,274.78
Certificates of Deposits	10,193,876.76	\$7,173,971.10	5,168,574.81	5,217,239.99	4,870,521.13
Total Cash & Investments	\$24,119,721.61	\$30,010,996.25	\$28,137,286.81	\$25,800,480.34	\$27,892,747.06

**CITY OF KINGSVILLE
TOTAL INVESTMENT PERCENTAGES
FOR QUARTER ENDED 03/31/2020**

HOLDING	REQUIREMENT	ACCOUNT BALANCE 03/31/2020
Kleberg Bank - Non Investment Accounts	Cash Category	4,752,247.49
Kleberg Bank - Investment Money Markets	Cash Category	3,761,703.66
Texas Class - Investment Bank Accounts	Cash Category	14,508,274.78
Kleberg Bank - Certificates of Deposit	CD	4,870,521.13
Total Cash and Investments		<u>27,892,747.06</u>
 <u>Investment Requirements:</u>		
Percentages in Cash	(at least 35% mature in 90 days or less)	82.54%
Percentage in CD's	(at least 10% in U.S. T Bill or CD's)	17.46%
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. Accounts listed above for Kleberg Bank are \$13,389,472.28.

City of Kingsville
Non Investment Cash Accounts
As of March 31, 2020

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	349,402.59
Police State Forfeiture	005-0-08005	Kleberg Bank - 3870	005	223,333.40
Police State Pending Forfeiture	005-0-08550	Kleberg Bank - 3862	005	364,502.03
Police Unrestricted Cash (Not Transfer)	005-0-08590	Split Funded for GL	005	0.00
Police Federal Forefeiture	028-0-08051	Kleberg Bank - 3854	028	144,935.94
Insurance Fund	138-0-09010	Kleberg Bank - 3730	138	572,087.96
Pooled Cash	700-0-01050	Kleberg Bank - 3676	700	3,033,900.00
Cash Bond Account	700-0-01070	Bank of South Texas	700	60,050.57
Total Non Investment Cash Account Balances				<u>\$4,752,247.49</u>

**Kleberg Bank Money Market Accounts
Summary Statement
For 2nd Quarter Ended 03/31/2020**

Account	Fund	Beginning Balance 12/31/2019	Contributions	Withdrawals	Interest	Ending Balance 03/31/2020
26046-MM - Storm Water	068	\$13,764.47	\$520,188.58	0.00	\$157.61	\$534,110.66
26054-MM - UF Cap Projects	054	135,835.41	0.00	0.00	535.66	\$136,371.07
26062-MM - Sanitation Addtl Rev	087	201,852.77	0.00	0.00	795.99	\$202,648.76
26070-MM - UF CO 2011	066	67,890.72	0.00	0.00	267.72	\$68,158.44
27239-MM - GF CO 2016	033	435,570.47	0.00	(100,000.00)	1,347.33	\$336,917.80
62488-MM General Fund	001	2,473,741.86	0.00	0.00	9,755.07	\$2,483,496.93
Totals		\$3,328,655.70	\$520,188.58	(100,000.00)	\$12,859.38	\$3,761,703.66

The large contribution on Money Market account 26046 is due to CD #61532 that was not renewed due to the need to cover negative claim on cash.

Money Market Withdrawal Information:

Second quarter withdrawals included the following:

- Fund 033
 - Cash Match on TX CDBG Grant - \$34,000
 - Dog Park - \$12,000
 - Santa Gertrudis Tree project - \$5,000
 - PD Annex Building - \$49,000

**Certificates of Deposit
For Quarter Ending 03/31/2020**

CD #	Fund	Term	Principal 10/01/2019	Interest Rate	Daily Interest	Interest Earned Through 03/31/2020
61483	001-General Fund 051-Utility Fund	08/03/18 - 08/03/20	\$3,116,824.05	2.85%	\$243.37	\$44,536.43
61531	138-Insurance	09/25/18 - 09/25/20	\$105,858.69	2.85%	\$8.2657	\$1,512.62
61533	068-Storm Water Drainage	09/25/18 - 09/25/20	\$1,581,960.84	2.50%	\$108.35	\$19,828.69
Totals			<u>\$4,804,643.58</u>			<u>\$65,877.73</u>

Certificates of Deposit Summary

Principal	\$4,804,643.58
Interest	<u>\$65,877.73</u>
Total CD's	<u>\$4,870,521.31</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 - November 2019	92
January 2020	31
February 2020	29
March 2020	31
Total Days	<u>183</u>

**Texas Class
Summary Statement
For Quarter Ended 03/31/2020**

Account	Beginning Balance 12/31/2019	Contributions	Withdrawals	Interest	Ending Balance 03/31/2020
07-Landfill Closure Acct	\$41,617.27			\$175.95	\$41,793.22
08-CMA Savings	810,947.91	2,046,354.05	(1,082,834.77)	8,818.04	1,783,285.23
09-CO 2013 Street - GF	8,575.56			36.25	8,611.81
11-GO Debt Service	744,401.71	772,990.20	(271,487.50)	4,509.10	1,250,413.51
12-Utility Fund Debt Svc	152,593.87	40,000.00	(179,137.50)	207.92	13,664.29
15-CMA Acct-M&O Taxes	8,759,830.75	3,154,387.40	(2,000,000.00)	38,446.17	9,952,664.32
18-Self Insurance Fund	80,462.72	1,082,834.77	(800,000.00)	1,407.93	364,705.42
20-Federal Forfeiture	1,210.05			5.11	1,215.16
21-State Forfeiture	943,649.84	9,794.00	(46,354.05)	3,812.04	910,901.83
22-CO Series 2002 - GF	5,210.65			22.03	5,232.68
24-State Pending Forfeiture	123,741.59			523.22	124,264.81
26-CO 2005 Construction - UF	51,241.29			216.68	51,457.97
32-GF Capital Projects	64.40			0.13	64.53
Totals	\$11,723,547.61	\$7,106,360.42	(\$4,379,813.82)	\$58,180.57	\$14,508,274.78

**Texas Class
Average Monthly Yield**

Month	Yield
January 2020	1.86%
February 2020	1.77%
March 2020	1.47%

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 into this account comes from our M&O Tax Account which is then transferred to CMA operating account to maintain minimum balances
- 11-Debt Service payment transfers into Debt Service accounts and Debt Service payments going out.
- 12-Debt Service payments going out
- 15-Property tax payments received and transferred into the CMA savings
- 18-Insurance premiums received, and claims paid
- 24-Forfeiture revenues coming in and allocation payments made

Texas Class Accounts
Investment Summary Comparison
Qtr Ended 12/31/2019 vs Qtr Ended 03/31/2020

Investment	Account #	Fund	TX Class Stmt	TX Class Stmt	Net Change
			Qtr Ended	Qtr Ended	
			12/31/2019	03/31/2020	
Landfill Closure Acct	TX 01-0170-0007	090	\$41,617.27	\$41,793.22	\$175.95
CMA Savings	TX 01-0170-0008	700	810,947.91	1,783,285.23	972,337.32
CO 2013 Street Projects - GF	TX 01-0170-0009	067	8,575.56	8,611.81	36.25
GO Debt Service	TX 01-0170-0011	011	744,401.71	1,250,413.51	506,011.80
Utility Fund Debt Service	TX 01-0170-0012	012	152,593.87	13,664.29	(138,929.58)
CMA Acct - M&O Taxes	TX 01-0170-0015	700	8,759,830.75	9,952,664.32	1,192,833.57
Self Insurance Fund	TX 01-0170-0018	138	80,462.72	364,705.42	284,242.70
Federal Forfeiture Funds	TX 01-0170-0020	028	1,210.05	1,215.16	5.11
State Forfeiture Funds	TX 01-0170-0021	005	943,649.84	910,901.83	(32,748.01)
CO Series 2002	TX 01-0170-0022	039	5,210.65	5,232.68	22.03
State Pending	TX 01-0170-0024	005	123,741.59	124,264.81	523.22
CO 2005 Construction	TX 01-0170-0026	062	51,241.29	51,457.97	216.68
GF Capital Projects	TX 01-0170-0032	091	64.40	64.53	0.13
Total Accounts			\$11,723,547.61	\$14,508,274.78	\$2,784,727.17

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	\$41,793.22	090	Landfill Closure Costs
CMA Savings	0008	1,783,285.23	700	General Fund Savings Account
CO 2013 Street Projects-GF	0009	8,611.81	067	Street Projects
GO Debt Service	0011	1,250,413.51	011	Debt Service Payments
Utility Fund Debt Service	0012	13,664.29	012	Debt Service Payments
CMA Acct - M&O Taxes	0015	9,952,664.32	700	Held for Debt Service Payments
Self Insurance Fund	0018	364,705.42	138	Held for Insurance Claims
Federal Forfeiture Funds	0020	1,215.16	028	Federal Seizures that have been awarded
State Forfeiture Funds	0021	910,901.83	005	Awarded Seizure Cases for PD Expend
CO Series 2002	0022	5,232.68	039	Remaining Unspent Funds
State Pending	0024	124,264.81	005	Holding acct until seized funds are awarded
CO 2005 Construction	0026	51,457.97	062	Sewer Lines & Manholes
GF Capital Projects	0032	64.53	091	Left over funds from previous projects
Total Texas Class Accounts		14,508,274.78		
Kleberg Money Market Accounts:				
CO 2013 Storm Water-UF	20646	534,110.66	068	Drainage Projects
UF Capital Projects FD 054	26054	136,371.07	054	Available funding for Utility project TXDOT Utility Line Relocation
Sanitation Collection Additional Revenue Fee	26062	202,648.76	087	Debt Service Payments
CO 2011 - UF 066	26070	68,158.44	066	Available funding for Utility project
CO 2016 GF Capital	27239	336,917.80	033	Various Capital Projects
General Fund - Savings	62488	2,483,496.93	001	Savings Account Until Needed for Operations
Total Kleberg Accounts		3,761,703.66		
Total Accounts		\$18,269,978.44		

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 March 31, 2020 on Monday April 27, 2020.

Mark McLaughlin, City Manager

Courtney Alvarez, City Attorney

Arturo Pecos, Commissioner

Deborah Balli, Finance Director