



FY 2018 - 2019

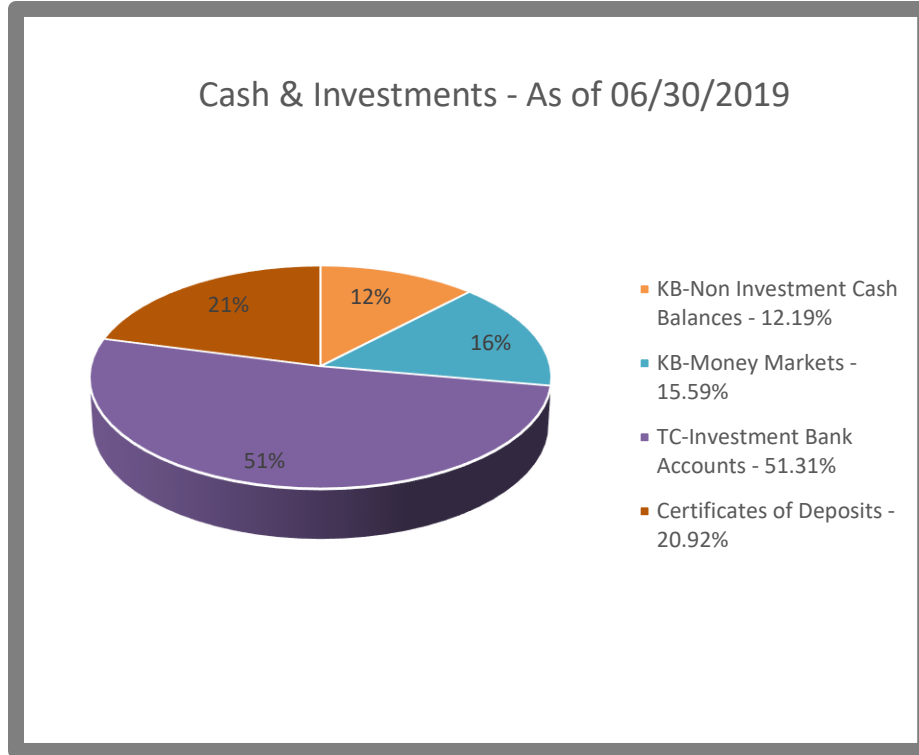
THIRD QUARTER

INVESTMENT REPORT

FOR THE PERIOD ENDING

JUNE 30, 2019

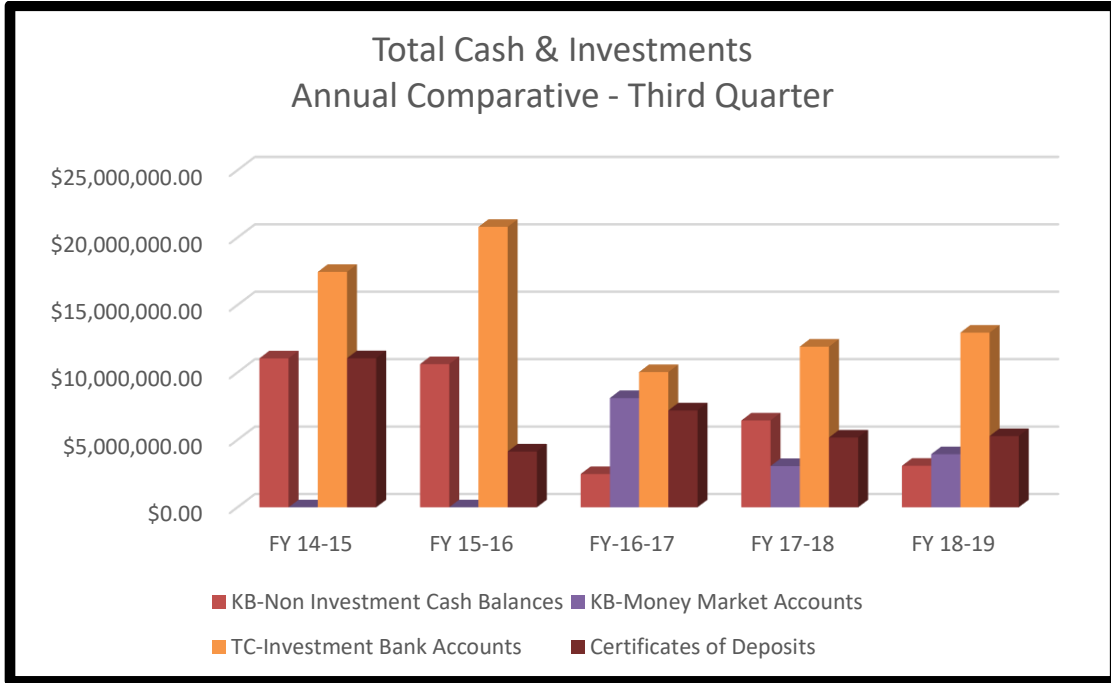
**City of Kingsville
Total Cash and Investments
For Quarter Ended 06/30/2019**



Total Cash & Investments	
KB-Non Investment Cash Balances - 12.19%	\$3,077,389.08
KB-Money Markets - 15.59%	3,936,699.54
TC-Investment Bank Accounts - 51.31%	12,952,500.80
Certificates of Deposits - 20.92%	5,281,702.71
Total Cash & Investments	<u>\$25,248,292.13</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 June for Texas Class was 2.5%,

City of Kingsville
Cash and Investments Annual Comparative
For Quarter Ended 06/30/2019



Total Cash & Investments - Annual Comparative
For Quarter Ended June 30, 2019

Category	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
KB-Non Investment Cash Balances	\$11,044,066.02	\$10,614,434.01	\$2,467,506.21	\$6,438,549.47	\$3,077,389.08
KB-Money Market Accounts	\$0.00	\$0.00	\$8,098,829.94	\$3,057,863.71	\$3,936,699.54
TC-Investment Bank Accounts	17,456,452.88	20,795,161.95	\$10,027,775.04	11,911,115.33	12,952,500.80
Certificates of Deposits	11,054,232.55	4,136,229.46	\$7,182,463.81	5,174,718.61	5,281,702.71
Total Cash & Investments	\$39,554,751.45	\$35,545,825.42	\$27,776,575.00	\$26,582,247.12	\$25,248,292.13

**CITY OF KINGSVILLE
TOTAL INVESTMENT PERCENTAGES
FOR QUARTER ENDED 06/30/2019**

HOLDING	REQUIREMENT	ACCOUNT BALANCE 06/30/2019
Kleberg Bank - Non Investment Accounts	Cash Category	3,077,389.08
Kleberg Bank - Investment Money Marke	Cash Category	3,936,699.54
Texas Class - Investment Bank Accounts	Cash Category	12,952,500.80
Kleberg Bank - Certificates of Deposit	CD	5,281,702.71
Total Cash and Investments		25,248,292.13

Investment Requirements:

Percentages in Cash	(at least 35% mature in 90 days or less)	79.08%
Percentage in CD's	(at least 10% in U.S. T Bill or CD's)	20.92%
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 June 30, 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	175.00
	002-0-02057			
Hot Funds Tax Escrow Account	002-0-04000	Kleberg Bank - 4206	002	319,498.51
Police State Forfeiture	005-0-08005	Kleberg Bank - 3870	005	159,876.77
Police State Pending Forfeiture	005-0-08550	Kleberg Bank - 3862	005	372,400.50
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	146,822.30
Insurance Fund	138-0-09010	Kleberg Bank - 3730	138	513,553.37
Pooled Cash	700-0-01050	Kleberg Bank - 3676	700	1,527,177.57
Cash Bond Account	700-0-01070	Bank of South Texas	700	22,938.46
Total Non Investment Cash Account Balances				<u>\$3,077,389.08</u>

**Kleberg Bank Money Market Accounts
Summary Statement
For 3rd Quarter Ended 06/30/2019**

Account	Fund	Beginning Balance 03/31/2019	Contributions	Withdrawals	Interest	Ending Balance 06/30/2019
26046-MM - Storm Water	068	\$13,549.83	\$0.00	0.00	\$76.15	\$13,625.98
26054-MM - UF Cap Projects	054	133,727.96	0.00	0.00	751.56	\$134,479.52
26062-MM - Sanitation Addtl Re	087	198,719.61	0.00	0.00	1,116.81	\$199,836.42
26070-MM - UF CO 2011	066	184,875.47	0.00	0.00	1,039.01	\$185,914.48
27239-MM - GF CO 2016	033	948,481.39	0.00	0.00	5,330.52	\$953,811.91
62488-MM General Fund	001	2,435,344.45	0.00	0.00	13,686.78	\$2,449,031.23
Totals		<u>\$3,914,698.71</u>	<u>\$0.00</u>	<u>0.00</u>	<u>\$22,000.83</u>	<u>\$3,936,699.54</u>

Money Market Withdrawal Information

- The third quarter had no withdrawals from the money market accounts

**Certificates of Deposit
For Quarter Ending 06/30/2019**

CD #	Fund	Term	Principal	Interest Rate	Daily Interest	Interest Earned Through 06/30/2019
61483	001-General Fund 051-Utility Fund	08/03/18 - 08/03/20	\$3,029,698.87	2.85%	\$239.97	\$65,511.81
61531	138-Insurance	09/25/18 - 09/25/20	\$102,168.69	2.85%	\$7.9781	\$2,178.02
61532	068-Storm Water Drainage	09/25/18 - 03/25/20	\$500,000.00	2.65%	\$36.31	\$9,912.63
61533	068-Storm Water Drainage	09/25/18 - 09/25/19	\$1,543,373.86	2.50%	\$105.71	\$28,858.83
Totals			<u>\$5,175,241.42</u>			<u>\$106,461.29</u>

Certificates of Deposit Summary

Principal	\$5,175,241.42
Interest	<u>\$106,461.29</u>
Total CD's	<u>\$5,281,702.71</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 2018	31
November 2018	30
December 2018	31
January 2019	31
February 2019	28
March 2019	31
April 2019	30
May 2019	31
June 2019	30
Total Days	<u>273</u>

**Texas Class
Summary Statement
For Quarter Ended 06/30/2019**

Account	Beginning Balance 03/31/2019	Contributions	Withdrawals	Interest	Ending Balance 06/30/2019
07-Landfill Closure Acct	\$40,911.04			\$260.70	\$41,171.74
08-CMA Savings	2,310,632.42	2,500,000.00	(1,177,719.64)	25,979.35	\$3,658,892.13
09-CO 2013 Street - GF	8,430.05			53.75	\$8,483.80
11-GO Debt Service	1,435,251.32	62,841.62		9,372.60	\$1,507,465.54
12-Utility Fund Debt Svc	153,307.92			977.04	\$154,284.96
15-CMA Acct-M&O Taxes	5,776,672.05	253,765.64		37,728.13	\$6,068,165.82
18-Self Insurance Fund	195,106.17	1,177,719.64	(1,250,000.00)	1,001.36	\$123,827.17
20-Federal Forfeiture	1,189.75			7.40	\$1,197.15
21-State Forfeiture	1,201,234.19			7,655.49	\$1,208,889.68
22-CO Series 2002 - GF	5,122.23			32.59	\$5,154.82
24-State Pending Forfeiture	121,641.73			775.23	\$122,416.96
26-CO 2005 Construction - UF	50,371.72			321.02	\$50,692.74
32-GF Capital Projects	1,846.50			11.79	\$1,858.29
Totals	\$11,301,717.09	\$3,994,326.90	(\$2,427,719.64)	\$84,176.45	\$12,952,500.80

Texas Class
Average Daily Yield Rate

Month	Average Daily Yield Rate
April 2019	2.58%
May 2019	2.56%
June 2019	2.50%

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

The following information provides detail on the purpose of the bond issue:

09-Certificates of Obligation, Series 2013

\$5,230,000 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.

22-Certificates of Obligation, Series 2002

\$3,960,000 City Owned Public Property

Proceeds from the sale of the Certificates will be used for the purpose of paying contractual obligations of City of Kingsville to be incurred for (1) the construction of a water well; (2) the construction of improvements to the City's street and drainage system; (3) construction of improvements to City buildings; (4) purchase of vehicles for various City departments; (5) purchase of office equipment and heavy equipment for various City departments; and (6) paying legal, financial, and engineering fees in connection with the project.

22-Certificates of Obligation, Series 2002A

\$2,485,000 City Owned Public Property

Proceeds from the sale of the Certificates will be used for the purpose of paying contractual obligations of City of Kingsville to be incurred for (1) the construction of a water well; (2) the construction of improvements to the City's street and drainage system; (3) construction of improvements to City buildings; (4) purchase of vehicles for various City departments; (5) purchase of office equipment and heavy equipment for various City departments; and (6) paying legal, financial, and engineering fees in connection with the project.

26-Certificates of Obligation, Series 2005

\$11,780,000 Water & Sewer

Proceeds from the sale of the Certificates will be used for the purpose of the rehabilitation, maintenance, and repair of certain City water towers; construction, repair, and replacement of City wastewater treatment plants and lift stations; water meter upgrades and replacements; construction of a new water well; sewer line repair and replacement; equipment purchases in the form of two backhoes; and payment of contractual obligations for professional services in connection with such projects, and paying the costs of issuance of the Certificates.

Other Debt Series – Funds no longer remain in Texas Class:

Pub Property Finance Contractual Obligation, Series 2007

\$1,200,000 Fire Truck, Garbage Trucks

Proceeds from the sale of the Obligations will be used for the purchase of equipment, including one ladder fire truck, up to five garbage trucks, and as many rollout garbage containers as possible and the payment of the costs of issuance of the Obligations.

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 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.

Texas Class Accounts
Investment Summary Comparison
Qtr Ended 03/31/2019 vs Qtr Ended 06/31/2019

Investment	Account #	Fund	TX Class Stmt Qtr Ended 03/31/2019	TX Class Stmt Qtr Ended 06/30/2019	Net Change
Landfill Closure Acct	TX 01-0170-0007	090	\$40,911.04	\$41,171.74	\$260.70
CMA Savings	TX 01-0170-0008	700	2,310,632.42	3,658,892.13	1,348,259.71
CO 2013 Street Projects - GF	TX 01-0170-0009	067	8,430.05	8,483.80	53.75
GO Debt Service	TX 01-0170-0011	011	1,435,251.32	1,507,465.54	72,214.22
Utility Fund Debt Service	TX 01-0170-0012	012	153,307.92	154,284.96	977.04
CMA Acct - M&O Taxes	TX 01-0170-0015	700	5,776,672.05	6,068,165.82	291,493.77
Self Insurance Fund	TX 01-0170-0018	138	195,106.17	123,827.17	(71,279.00)
Federal Forfeiture Funds	TX 01-0170-0020	028	1,189.75	1,197.15	7.40
State Forfeiture Funds	TX 01-0170-0021	005	1,201,234.19	1,208,889.68	7,655.49
CO Series 2002	TX 01-0170-0022	039	5,122.23	5,154.82	32.59
State Pending	TX 01-0170-0024	005	121,641.73	122,416.96	775.23
CO 2005 Construction	TX 01-0170-0026	062	50,371.72	50,692.74	321.02
GF Capital Projects	TX 01-0170-0032	091	1,846.50	1,858.29	11.79
Total Accounts			\$11,301,717.09	\$12,952,500.80	\$1,650,783.71

City of Kingsville
Budgeted Project & Capital Outlay Descriptions
FY 2018-2019

Investment	Account	Balance	Fund	Project/Usage Description
Texas Class Accounts:				
Landfill Closure Acct	0007	\$41,171.74	090	Landfill Closure Costs
CMA Savings	0008	3,658,892.13	700	General Fund Savings Account
CO 2013 Street Projects-GF	0009	8,483.80	067	Street Projects
GO Debt Service	0011	1,507,465.54	011	Debt Service Payments
Utility Fund Debt Service	0012	154,284.96	012	Debt Service Payments
CMA Acct - M&O Taxes	0015	6,068,165.82	700	Held for Debt Service Payments
Self Insurance Fund	0018	123,827.17	138	Held for Insurance Claims
Federal Forfeiture Funds	0020	1,197.15	028	Federal Seizures that have been awarded
State Forfeiture Funds	0021	1,208,889.68	005	Awarded Seizure Cases for PD Expend
CO Series 2002	0022	5,154.82	039	Remaining Unspent Funds
State Pending	0024	122,416.96	005	Holding account until seized funds are awarded
CO 2005 Construction	0026	50,692.74	062	Sewer Lines & Manholes
GF Capital Projects	0032	1,858.29	091	Left over funds from previous projects
Total Texas Class Accounts		12,952,500.80		
Kleberg Money Market Accounts:				
CO 2013 Storm Water-UF	20646	13,625.98	068	Drainage Projects
UF Capital Projects FD 054	26054	134,479.52	054	Water Lines Ground Storage Tank Replacement South Plant projects
Sanitation Collection Additional Revenue Fee	26062	199,836.42	087	Debt Service Payments
CO 2011 - UF 066	26070	185,914.48	066	Water Well #22
CO 2016 GF Capital	27239	953,811.91	033	Various Capital Projects
General Fund - Savings	62488	2,449,031.23	001	Savings Account Until Needed for Operations
Total Kleberg Accounts		3,936,699.54		
Total Accounts		\$16,889,200.34		

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 June 30, 2019 on Friday, August 5, 2019.

Courtney Alvarez, City Attorney

Arturo Pecos, Commissioner

Deborah Balli, Interim City Manager/Finance Director