



FY 2019 - 2020

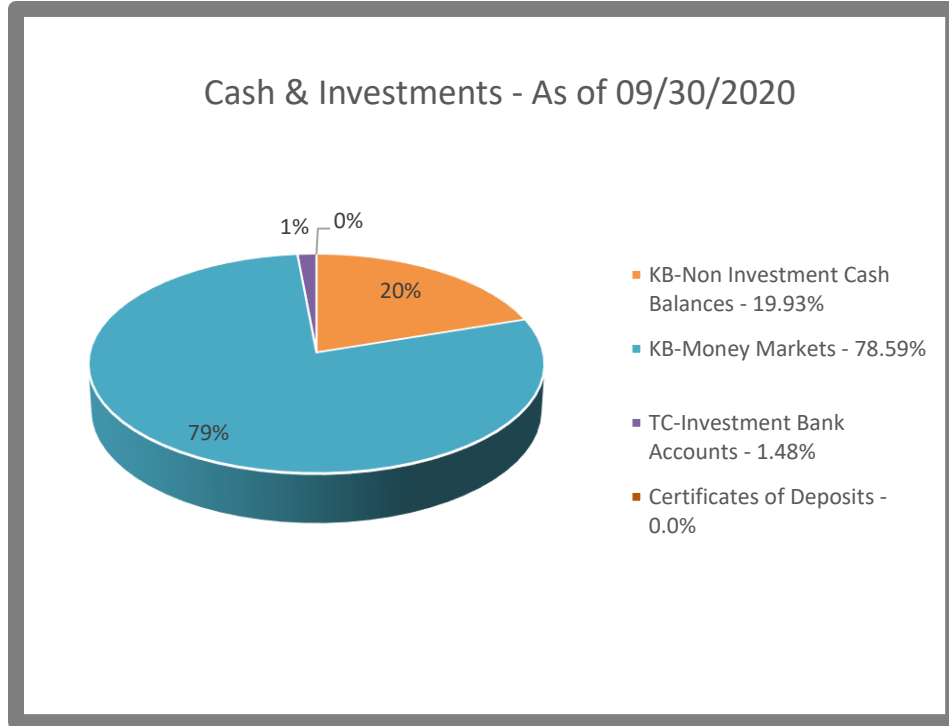
FOURTH QUARTER

INVESTMENT REPORT

FOR THE PERIOD ENDING

SEPTEMBER 30, 2020

**City of Kingsville
Total Cash and Investments
For Quarter Ended 09/30/2020**

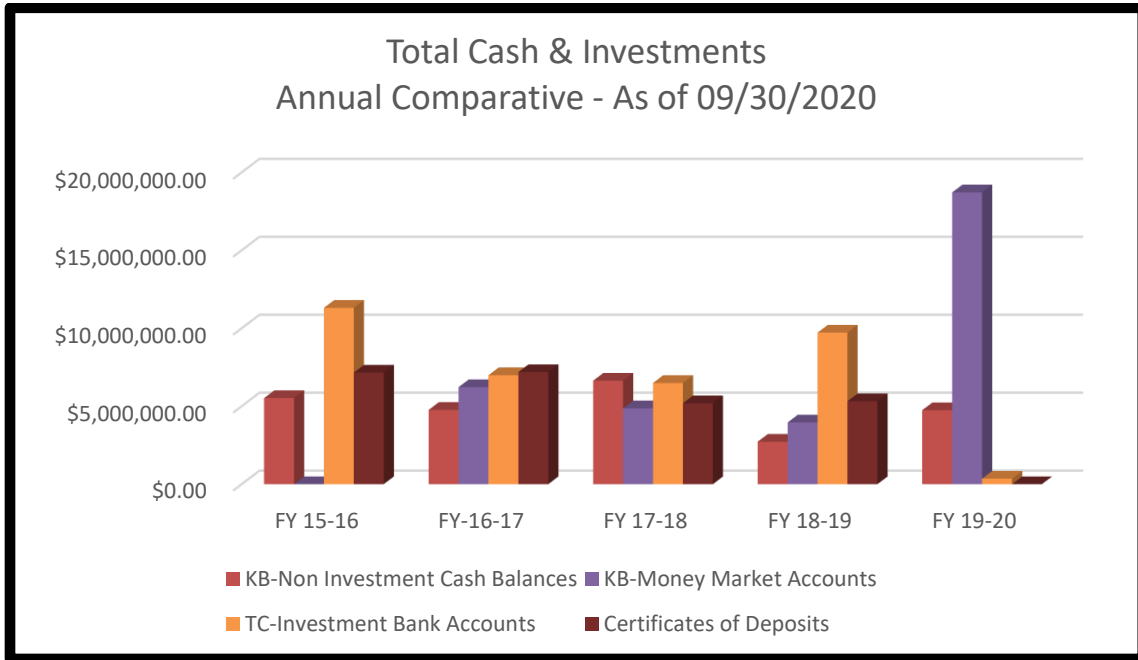


Total Cash & Investments	
KB-Non-Investment Cash Balances - 19.93%	\$4,745,565.11
KB-Money Markets - 78.59%	18,716,726.89
TC-Investment Bank Accounts - 1.48%	352,158.66
Certificates of Deposits - 0.0%	0.00
Total Cash & Investments	<u><u>\$23,814,450.66</u></u>

Interest rates continue to fall as the pandemic affects this county and the financial markets. The average monthly yield for this fiscal year for Texas Class are below:

- October through December - 2.09% to 1.88%
- January through March - 1.86% to 1.47%.
- April through June – 1.10% to 0.59%
- July through September - .45% to .25%

**City of Kingsville
Cash and Investments Annual Comparative
For Quarter Ended 09/30/2020**



**Total Cash & Investments - Annual Comparative
For Quarter Ended September 30, 2020**

Category	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
KB-Non Investment Cash Balances	\$5,523,114.46	\$4,761,680.78	\$6,641,236.78	\$2,723,648.16	4,745,565.11
KB-Money Market Accounts	0.00	6,223,896.84	4,863,419.75	3,958,499.16	18,716,726.89
TC-Investment Bank Accounts	11,311,115.03	\$6,992,179.40	6,490,248.26	9,721,987.56	352,158.66
Certificates of Deposits	7,154,820.47	\$7,188,330.02	5,189,715.26	5,317,729.20	0.00
Total Cash & Investments	\$23,989,049.96	\$25,166,087.04	\$23,184,620.05	\$21,721,864.08	23,814,450.66

**CITY OF KINGSVILLE
TOTAL INVESTMENT PERCENTAGES
FOR QUARTER ENDED 09/30/2020**

HOLDING	REQUIREMENT	ACCOUNT BALANCE 09/30/2020
Kleberg Bank - Non Investment Accounts	Cash Category	4,745,565.11
Kleberg Bank - Investment Money Markets	Cash Category	18,716,726.89
Texas Class - Investment Bank Accounts	Cash Category	352,158.66
Kleberg Bank - Certificates of Deposit	CD	0.00
Total Cash and Investments		<u>23,814,450.66</u>

Investment Requirements:

Percentages in Cash	(at least 35% mature in 90 days or less)	100.00%
Percentage in CD's	(at least 10% in U.S. T Bill or CD's)	0.00%
<i>The CD's just matured and the interest rates are not bearing any substantial earnings. Finance will take a look at current CD rates and either invest in CD's of \$2.4 million or put forth a change in the Investment Policy. Kleberg Bank has been contacted for current rates.</i>		
Percentage in US Treasuries	(not to exceed 10%)	0.00%

Effective May 31, 2019, Kleberg Bank changed the collateral pledge from various securities to a FHLB Letter of Credit. The current Letter of Credit is \$24,190,389. Accounts listed above for Kleberg Bank are \$23,462,292. 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 September 30, 2020

Description	GL Account Number	Bank	Fund	Amount 09/30/2020	Amount 06/30/2020
Petty Cash Accounts - General Fund	001-0-02000	Departments	001	\$3,460.00	\$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	575.00
	002-0-02057				
Hot Funds Tax Escrow Account	002-0-04000	Kleberg Bank - 420	002	355,082.58	349,480.59
Police State Forfeiture	005-0-08005	Kleberg Bank - 387	005	223,389.39	223,361.24
Police State Pending Forfeiture	005-0-08550	Kleberg Bank - 386	005	366,522.02	366,472.65
Police Unrestricted Cash (Not Trans	005-0-08590	Split Funded for Gl	005	0.00	0.00
Police Federal Forefeiture	028-0-08051	Kleberg Bank - 385	028	144,972.28	144,954.01
Insurance Fund	138-0-09010	Kleberg Bank - 373	138	613,299.25	377,570.28
Pooled Cash	700-0-01050	Kleberg Bank - 367	700	3,018,409.67	3,054,050.11
Cash Bond Account	700-0-01070	Bank of South Tex.	700	19,854.92	41,236.10
Total Non Investment Cash Account Balances				<u>\$4,745,565.11</u>	<u>\$4,561,159.98</u>

The following are notes on the above changes

- The Insurance Fund account has the largest change from last quarter due to the timing of the claims paid.
- The Cash Bond Account decreased due to bonds being refunded as defendants complete their requirements.

**Kleberg Bank Money Market Accounts
Summary Statement
For 4th Quarter Ended 09/30/2020**

Account	Fund	Beginning Balance 06/30/2020	Contributions	Withdrawals	Interest	Ending Balance 09/30/2020
62488-MM General Fund	001	2,488,999.69	1,603,428.01		6,117.82	\$4,098,545.52
38583-MM PD State Seizure Fund	005	0.00	840,962.63	(20,849.29)	13.48	\$820,126.82
42084-MM GO Debt Service	011	0.00	29,465.81	(5.00)	0.20	\$29,461.01
27239-MM - GF CO 2016	033	160,431.90		(3,813.92)	207.51	\$156,825.49
39504-MM - Utility Fund	051	0.00	1,603,428.00		1,559.87	\$1,604,987.87
26054-MM - UF Cap Projects	054	136,673.18			176.8	\$136,849.98
26070-MM - UF CO 2011	066	68,309.44		(68,388.75)	85.08	\$5.77
26046-MM - Storm Water	068	\$485,835.51	\$1,621,618.21	(6,000.00)	\$916.25	\$2,102,369.97
26062-MM - Sanitation Addtl Rev	087	203,097.70			262.73	\$203,360.43
38575-MM - Insurance Fund	138	0.00	321,299.04	(5.00)	7.22	\$321,301.26
42092-MM - Trust & Agency Fund	700	\$0.00	\$9,045,481.23	(5.00)	\$148.69	\$9,045,624.92
38664-MM - Trust & Agency Fund	700	0.00	197,271.50	(5.00)	1.35	\$197,267.85
Totals		\$3,543,347.42	\$15,262,954.43	(99,071.96)	\$9,497.00	\$18,716,726.89

Notes:

(1) Contributions were from Texas Class Funds moved over to Kleberg Bank due to higher interest rates or deposits from CD's that matured

(2) Withdrawals were for expenditures due to projects

(3) Small amounts are due to service charges by the bank in error. Working with Kleberg Bank for reimbursements.

There are currently no Certificates of Deposits as CD's just recently matured.

Finance is reviewing current interest rates and will be investing \$2.4 million or asking for a revision to the Investment Policy due to poor interest rates. Currently, matured funds were deposited into Money Market accounts earning .85%.

**Texas Class
Summary Statement
For Quarter Ended 09/30/2020**

Account	Beginning Balance 06/30/2020	Contributions	Withdrawals	Interest	Ending Balance 09/30/2020
07-Landfill Closure Acct	\$41,877.96			\$36.05	\$41,914.01
08-CMA Savings	992,437.55		(943,070.02)	639.89	50,007.42
09-CO 2013 Street - GF	8,629.29		(8,636.36)	7.43	0.36
11-GO Debt Service	1,308,833.56	379,459.83	(1,686,553.31)	430.58	2,170.66
12-Utility Fund Debt Svc	13,691.98	865,425.00	(865,425.00)	11.79	13,703.77
15-CMA Acct-M&O Taxes	10,198,143.60	153,121.25	(10,250,906.23)	8,117.29	108,475.91
18-Self Insurance Fund	371,612.75	811,351.49	(1,183,150.98)	195.08	8.34
20-Federal Forfeiture	1,217.62			1.04	1,218.66
21-State Forfeiture	807,342.56	42,952.21	(840,962.63)	701.25	10,033.39
22-CO Series 2002 - GF	5,243.23		(5,247.56)	4.52	0.19
24-State Pending Forfeiture	124,516.77			107.16	124,623.93
26-CO 2005 Construction - UF	51,562.37		(51,604.45)	44.10	2.02
32-GF Capital Projects	64.58		(64.58)		0.00
Totals	\$13,925,173.82	\$2,252,309.78	(\$15,835,621.12)	\$10,296.18	\$352,158.66

**Texas Class
Average Monthly Yield**

Month	Yield
July 2020	0.45%
August 2020	0.32%
September 2020	0.25%

Compare to Kleberg Bank rate for Money Market Accounts –0.85%

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

- 08-Contributions into this account comes from transfers from other funds. Withdrawals occur to maintain minimum balances in the main pooled cash account and funds were moved from Texas Class to Kleberg Bank due to interest rates.
- 11-Contributions are the I&S tax portion of ad valorem tax payments. Withdrawals are due to debt service payments and funds were moved from Texas Class to Kleberg Bank due to interest rates.
- 15-Contributions are the M&O portion of ad valorem tax payments. Withdrawals are due to funds moved from Texas Class to Kleberg Bank due to interest rates.
- 18-Contributions are the employer and employee insurance premiums received. Withdrawals are for claims paid and funds were moved from Texas Class to Kleberg Bank due to interest rates.

Texas Class Accounts
Investment Summary Comparison
Qtr Ended 06/30/2020 vs Qtr Ended 09/30/2020

Investment	Account #	Fund	TX Class Stmt Qtr Ended 06/30/20	TX Class Stmt Qtr Ended 09/30/2020	Net Change
Landfill Closure Acct	TX 01-0170-0007	090	\$41,877.96	\$41,914.01	\$36.05
CMA Savings	TX 01-0170-0008	700	992,437.55	50,007.42	(942,430.13)
CO 2013 Street Projects - GF	TX 01-0170-0009	067	8,629.29	0.34	(8,628.95)
GO Debt Service	TX 01-0170-0011	011	1,308,833.56	2,170.66	(1,306,662.90)
Utility Fund Debt Service	TX 01-0170-0012	012	13,691.98	13,703.77	11.79
CMA Acct - M&O Taxes	TX 01-0170-0015	700	10,198,143.60	108,475.91	(10,089,667.69)
Self Insurance Fund	TX 01-0170-0018	138	371,612.75	8.34	(371,604.41)
Federal Forfeiture Funds	TX 01-0170-0020	028	1,217.62	1,218.68	1.06
State Forfeiture Funds	TX 01-0170-0021	005	807,342.56	10,033.39	(797,309.17)
CO Series 2002	TX 01-0170-0022	039	5,243.23	0.19	(5,243.04)
State Pending	TX 01-0170-0024	005	124,516.77	124,623.93	107.16
CO 2005 Construction	TX 01-0170-0026	062	51,562.37	2.02	(51,560.35)
GF Capital Projects	TX 01-0170-0032	091	64.58	0.00	(64.58)
Total Accounts			\$13,925,173.82	\$352,158.66	(\$13,573,015.16)

Most of the Net Change is due to the transfer of funds from Texas Class to Kleberg Bank due to interest rates.

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	\$41,914.01	090	Landfill Closure Costs
CMA Savings	0008	50,007.42	700	General Fund Savings Account
CO 2013 Street Projects-GF	0009	0.34	067	Street Projects
GO Debt Service	0011	2,170.66	011	Debt Service Payments
Utility Fund Debt Service	0012	13,703.77	012	Debt Service Payments
CMA Acct - M&O Taxes	0015	108,475.91	700	For GF operating expenditures
Self Insurance Fund	0018	8.34	138	Held for Insurance Claims
Federal Forfeiture Funds	0020	1,218.68	028	Federal Seizures that have been awarded
State Forfeiture Funds	0021	10,033.39	005	Awarded Seizure Cases for PD Expend
CO Series 2002	0022	0.19	039	Remaining Unspent Funds
State Pending	0024	124,623.93	005	Holding acct until seized funds are awarded
CO 2005 Construction	0026	2.02	062	Sewer Lines & Manholes
GF Capital Projects	0032	0.00	091	Left over funds from previous projects
Total Texas Class Accounts		352,158.66		
Kleberg Money Market Accounts:				
General Fund	62488	\$4,098,545.52	001	Major Fund supporting City
PD State Seizure Fund	38583	\$820,126.82	005	Awarded Seizure Cases for PD Expend
GO Debt Service	42084	\$29,461.01	011	Debt Service Payments
GF CO 2016	27239	\$156,825.49	033	Various Capital Projects
Utility Fund	39504	\$1,604,987.87	051	Major Fund supporting utility activity
UF Cap Projects	26054	\$136,849.98	054	Various Capital Projects
UF CO 2011	26070	\$5.77	066	Remaining Unspent Funds
Storm Water	26046	\$2,102,369.97	068	Funds for storm water projects
Sanitation Addtl Rev	26062	\$203,360.43	087	Solid Waste Capital Projects
Insurance Fund	38575	\$321,301.26	138	Held for Insurance Claims
Trust & Agency Fund-M&O	42092	\$9,045,624.92	700	For GF operating expenditures
Trust & Agency Fund	38664	\$197,267.85	700	CMA Savings Account
Total Kleberg Accounts		18,716,726.89		
Total Accounts		\$19,068,885.55		

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

This series was refunded in May 2020
Limited Tax Refunding Bonds Series 2020

\$5,025,000 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 September 30, 2020 on December 3, 2020.

Mark McLaughlin, City Manager

Courtney Alvarez, City Attorney

Norma Alvarez, City Commissioner

Deborah Balli, Finance Director