



FY 2020 - 2021

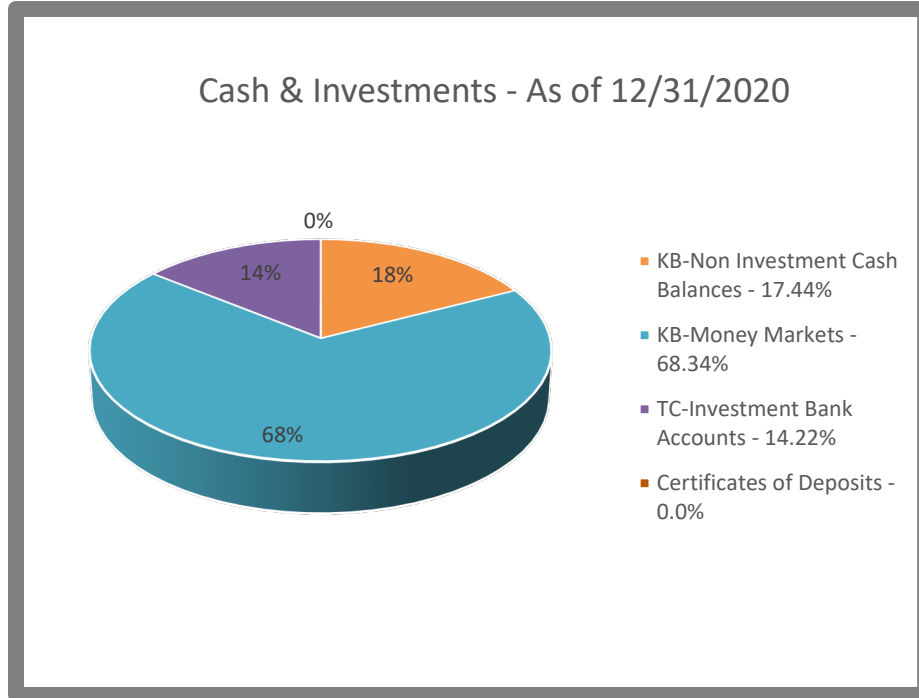
FIRST QUARTER

INVESTMENT REPORT

FOR THE PERIOD ENDING

DECEMBER 31, 2020

**City of Kingsville
Total Cash and Investments
For Quarter Ended 12/31/2020**

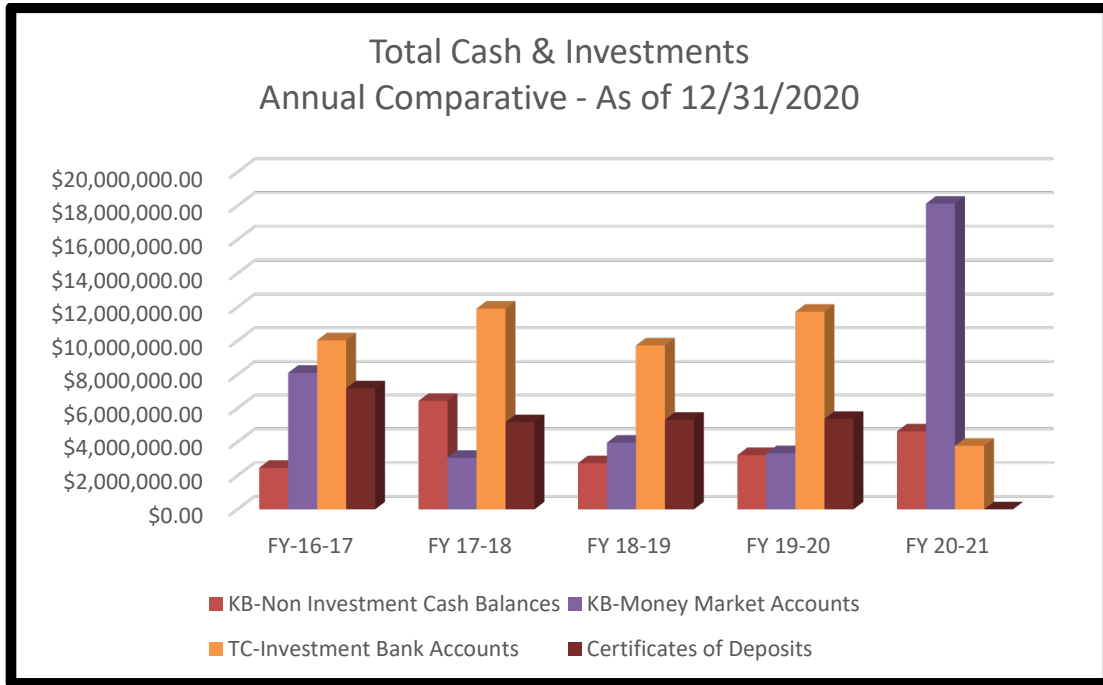


Total Cash & Investments	
KB-Non Investment Cash Balances - 17.44%	\$4,625,883.51
KB-Money Markets - 68.34%	18,128,194.85
TC-Investment Bank Accounts - 14.22%	3,770,533.57
Certificates of Deposits - 0.0%	0.00
Total Cash & Investments	<u>\$26,524,611.93</u>

Interest rates continue to fall as the pandemic affects this county and the financial markets. Financial institutions have an influx of cash due to stimulus funding and interest rates are falling due to less need of additional deposits. The average monthly yield for the prior fiscal year through the 1st Quarter of FY 20-21 for Texas Class are below:

- October through December 2019 - 2.09% to 1.88%
- January through March 2020 - 1.86% to 1.47%.
- April through June 2020 – 1.10% to 0.59%
- July through September 2020 - 0.45% to 0.25%
- October through December 2020 - 0.18% to 0.14%

**City of Kingsville
Cash and Investments Annual Comparative
For Quarter Ended 12/31/2020**



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

Category	FY-16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
KB-Non Investment Cash Balances	\$2,467,506.21	\$6,438,549.47	\$2,740,116.00	\$3,218,247.18	4,625,883.51
KB-Money Market Accounts	\$8,098,829.94	\$3,057,863.71	\$3,958,499.16	\$3,328,655.70	18,128,194.85
TC-Investment Bank Accounts	\$10,027,775.04	11,911,115.33	9,725,929.41	11,723,547.61	3,770,533.57
Certificates of Deposits	\$7,182,463.81	5,174,718.61	5,317,279.20	5,368,180.55	0.00
Total Cash & Investments	\$27,776,575.00	\$26,582,247.12	\$21,741,823.77	\$23,638,631.04	26,524,611.93

**CITY OF KINGSVILLE
TOTAL INVESTMENT PERCENTAGES
FOR QUARTER ENDED 12/31/2020**

HOLDING	REQUIREMENT	ACCOUNT BALANCE 12/31/2020
Kleberg Bank - Non Investment Accounts	Cash Category	4,625,883.51
Kleberg Bank - Investment Money Markets	Cash Category	18,128,194.85
Texas Class - Investment Bank Accounts	Cash Category	3,770,533.57
Kleberg Bank - Certificates of Deposit	CD	0.00
Total Cash and Investments		26,524,611.93

Investment Requirements:

Percentages in Cash	(at least 35% mature in 90 days or less)	31.66%
Percentage in CD's & Money Markets	(at least 10% in U.S. T Bill or CD's)	68.34%
Percentage in US Treasuries	(not to exceed 10%)	0.00%

The Money Markets are as liquid as cash, but earn better interest rates.

The Investment Policy was updated to include money markets as types of investment.

Money market accounts are currently not earning much more interest than our other bank accounts, so there is no reason to move money from the money markets to cash as these accounts are the same as the cash account's liquidity.

Kleberg Bank Account Balances 22,754,078.36

Pledged collateral as reported 11/30/2020 is as follows:

Letter of Credit - \$20,000,000
Investment Securities - \$3,940,389
FDIC Insurance - \$250,000
Total Collateral - \$24,190,389

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

Description	GL Account Number	Bank	Fund	Amount 09/30/2020	Amount 12/31/2020
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 - 42	002	355,082.58	363,945.36
Police State Forfeiture	005-0-08005	Kleberg Bank - 38	005	223,389.39	223,417.55
Police State Pending Forfeiture	005-0-08550	Kleberg Bank - 38	005	366,522.02	368,933.33
Police Unrestricted Cash (Not Transferred)	005-0-08590	Split Funded for t	005	0.00	0.00
Police Federal Forfeiture	028-0-08051	Kleberg Bank - 38	028	144,972.28	144,990.55
Insurance Fund	138-0-09010	Kleberg Bank - 37	138	613,299.25	615,058.08
Pooled Cash	700-0-01050	Kleberg Bank - 36	700	3,018,409.67	2,876,352.86
Cash Bond Account	700-0-01070	Bank of South Te:	700	19,854.92	29,150.78
Total Non Investment Cash Account Balances				<u>\$4,745,565.11</u>	<u>\$4,625,883.51</u>

**Kleberg Bank Money Market Accounts
Summary Statement
For 1st Quarter Ended 12/31/2020**

Account	Fund	Beginning Balance 09/30/2020	Contributions	Withdrawals	Interest	Ending Balance 12/31/2020
62488-MM General Fund	001	4,098,545.53			2,571.92	\$4,101,117.45
38583-MM PD State Seizure Fund	005	820,121.82	15.00		514.64	\$820,651.46
42084-MM GO Debt Service	011	29,461.01	5.00		7.91	\$29,473.92
27239-MM - GF CO 2016	033	156,825.49			42.11	\$156,867.60
39504-MM - Utility Fund	051	1,604,987.87			1,007.17	\$1,605,995.04
26054-MM - UF Cap Projects	054	136,849.98	1.00		36.75	\$136,887.73
26070-MM - UF CO 2011	066	5.77		(5.00)	0.01	\$0.78
26046-MM - Storm Water	068	\$2,102,369.97			\$1,319.29	\$2,103,689.26
26062-MM - Sanitation Addtl Rev	087	203,360.43		(1.00)	54.60	\$203,414.03
38575-MM - Insurance Fund	138	321,301.26	946,745.90	(600,000.00)	324.32	\$668,371.48
42092-MM - Trust/Agy-M&O Taxes	700	\$9,045,624.92	\$5.00	(1,000,000.00)	\$5,226.94	\$8,050,856.86
38664-MM - Trust/Agy-CMA Sav	700	197,267.85	1,000,005.00	(946,740.90)	337.29	\$250,869.24
Totals		<u>\$18,716,721.90</u>	<u>\$1,946,776.90</u>	<u>(2,546,746.90)</u>	<u>\$11,442.95</u>	<u>\$18,128,194.85</u>

Notes:

- (1) Contributions are from insurance deductions and movement of excess funds into savings.
- (2) Withdrawals are from claim payments and movement of excess funds into savings for payment of expenditures.
- (3) Small amounts are due to service charges by the bank in error or reimbursement from Kleberg Bank.
Other small amounts are transactions that are needed to keep the account open.

**Texas Class
Summary Statement
For Quarter Ended 12/31/2020**

Account	Beginning Balance 09/30/2020	Contributions	Withdrawals	Interest	Ending Balance 12/31/2020
07-FD 090-Landfill Closure Acct	\$41,914.01			\$16.40	\$41,930.41
08-FD 700-CMA Savings	50,007.42			19.51	50,026.93
09-FD 067-CO 2013 Street - GF	0.34				0.34
11-FD 011-GO Debt Service	2,170.66	610,760.99		52.90	612,984.55
12-FD 012-Utility Fund Debt Svc	13,703.77			5.32	13,709.09
15-FD 700-CMA-M&O Taxes	108,475.91	2,807,186.13		280.65	2,915,942.69
18-FD 138-Self Insurance Fund	8.34				8.34
20-FD 028-Federal Forfeiture	1,218.68			0.46	1,219.14
21-FD 005-State Forfeiture	10,033.39			3.93	10,037.32
22-FD 039-CO Series 2002 - GF	0.19				0.19
24-FD 005-State Pend Forfeiture	124,623.93			48.62	124,672.55
26-FD 062-CO 2005 Const - UF	2.02				2.02
Totals	\$352,158.66	\$3,417,947.12	\$0.00	\$427.79	\$3,770,533.57

**Texas Class
Average Monthly Yield**

Month	Yield
October 2020	0.18%
November 2020	0.15%
December 2020	0.14%

Compare to Kleberg Bank rate for Money Market Accounts –0.15% - 0.45%

For the most part, accounts have been set up in Kleberg Bank due to higher interest rates and normal contributions and withdrawals are happening there instead of Texas Class. Funds were left in these accounts in order to leave these accounts open when interest rates improve.

Texas Class Accounts
Investment Summary Comparison
Qtr Ended 09/30/2020 vs Qtr Ended 12/31/2020

Investment	Account #	TX Class Stmt Qtr Ended 09/30/20	TX Class Stmt Qtr Ended 12/31/2020	Net Change
FD 090-Landfill Closure Acct	TX 01-0170-0007	\$41,914.01	\$41,930.41	\$16.40
FD 700-CMA Savings	TX 01-0170-0008	50,007.42	50,026.93	19.51
FD 067-CO 2013 Street-GF	TX 01-0170-0009	0.34	0.34	0.00
FD 011-GO Debt Service	TX 01-0170-0011	2,170.66	612,984.55	610,813.89
FD 012-Utility Fund Debt Svc	TX 01-0170-0012	13,703.77	13,709.09	5.32
FD 700-CMA M&O Taxes	TX 01-0170-0015	108,475.91	2,915,942.69	2,807,466.78
FD 138-Self Insurance Fund	TX 01-0170-0018	8.34	8.34	0.00
FD 028-Federal Forfeiture	TX 01-0170-0020	1,218.68	1,219.14	0.46
FD 005-State Forfeiture Funds	TX 01-0170-0021	10,033.39	10,037.32	3.93
FD 039-CO Series 2002	TX 01-0170-0022	0.19	0.19	0.00
FD 005-State Pending	TX 01-0170-0024	124,623.93	124,672.55	48.62
FD 062-CO 2005 Construction	TX 01-0170-0026	2.02	2.02	0.00
Total Accounts		\$352,158.66	\$3,770,533.57	\$3,418,374.91

City of Kingsville
Budgeted Project & Capital Outlay Descriptions
FY 2020-2021

Investment	Account	Balance	Fund	Project/Usage Description
Texas Class Accounts:				
Landfill Closure Acct	0007	\$41,930.41	090	Landfill Closure Costs
CMA Savings	0008	50,026.93	700	General Fund Savings Account
CO 2013 Street Projects-GF	0009	0.34	067	Street Projects
GO Debt Service	0011	612,984.55	011	Debt Service Payments
Utility Fund Debt Service	0012	13,709.09	012	Debt Service Payments
CMA Acct - M&O Taxes	0015	2,915,942.69	700	For GF operating expenditures
Self Insurance Fund	0018	8.34	138	Held for Insurance Claims
Federal Forfeiture Funds	0020	1,219.14	028	Federal Seizures that have been awarded
State Forfeiture Funds	0021	10,037.32	005	Awarded Seizure Cases for PD Expend
CO Series 2002	0022	0.19	039	Remaining Unspent Funds
State Pending	0024	124,672.55	005	Holding acct until seized funds are awarded
CO 2005 Construction	0026	2.02	062	Sewer Lines & Manholes
Total Texas Class Accounts		3,770,533.57		
Kleberg Money Market Accounts:				
General Fund	62488	\$4,101,117.45	001	Major Fund supporting City
PD State Seizure Fund	38583	\$820,651.46	005	Awarded Seizure Cases for PD Expend
GO Debt Service	42084	\$29,473.92	011	Debt Service Payments
GF CO 2016	27239	\$156,867.60	033	Various Capital Projects
Utility Fund	39504	\$1,605,995.04	051	Major Fund supporting utility activity
UF Cap Projects	26054	\$136,887.73	054	Various Capital Projects
UF CO 2011	26070	\$0.78	066	Remaining Unspent Funds
Storm Water	26046	\$2,103,689.26	068	Funds for storm water projects
Sanitation Addtl Rev	26062	\$203,414.03	087	Solid Waste Capital Projects
Insurance Fund	38575	\$668,371.48	138	Held for Insurance Claims
Trust & Agency Fund-M&O	42092	\$8,050,856.86	700	For GF operating expenditures
Trust & Agency Fund	38664	\$250,869.24	700	CMA Savings Account
Total Kleberg Accounts		18,128,194.85		
Total Accounts		\$21,898,728.42		

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

Limited Tax Refunding Bonds Series 2020

\$5,025,000 Public Improvements

Series Refunded: 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.

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 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 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, scrapers, carts, fencing, copiers and the payment of contractual obligations for professional services in connection with such projects.

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, 2020, on _____.

Mark McLaughlin, City Manager

Courtney Alvarez, City Attorney

Norma Alvarez, City Commissioner

Deborah Balli, Finance Director