



FY 2023-2024

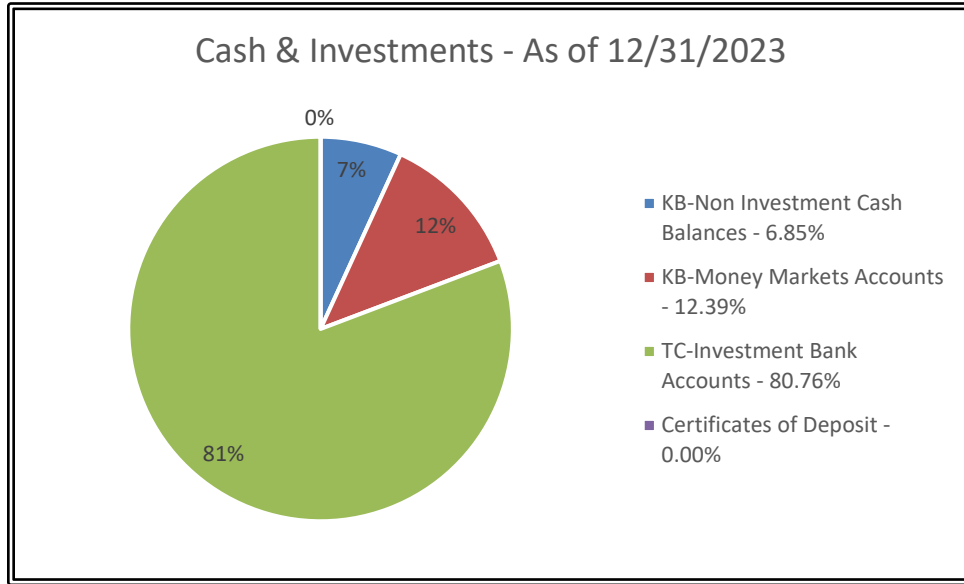
FIRST QUARTER

INVESTMENT REPORT

FOR THE PERIOD ENDING

DECEMBER 31, 2023

**City of Kingsville
Total Cash and Investments
For Quarter Ended 12/31/2023**

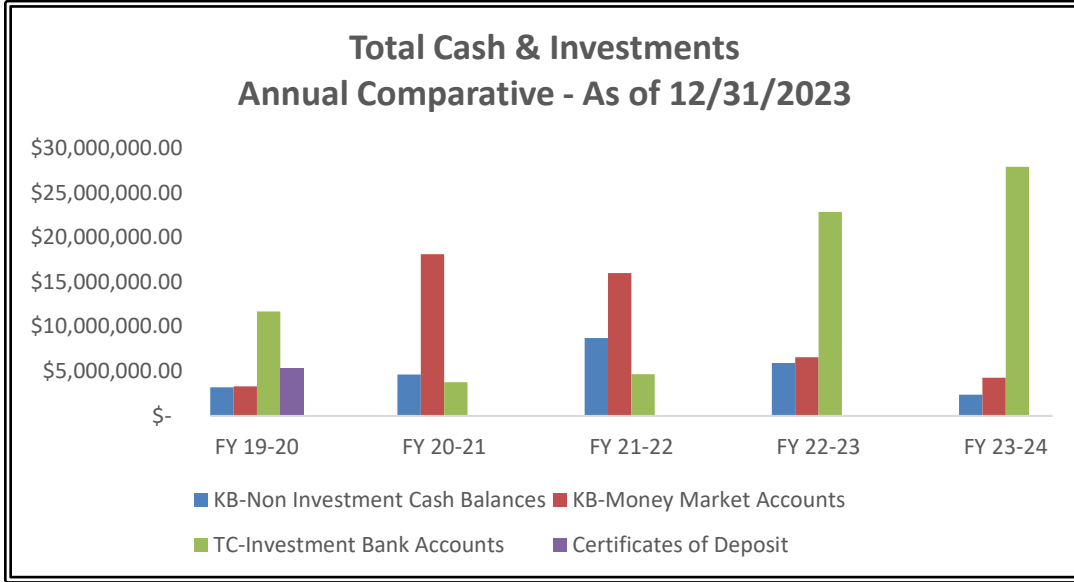


Total Cash & Investments	
KB-Non Investment Cash Balances - 6.85%	\$ 2,365,419.58
KB-Money Markets Accounts - 12.39%	4,282,377.76
TC-Investment Bank Accounts - 80.76%	27,903,715.20
Certificates of Deposit - 0.00%	0.00
Total Cash & Investments	<u>\$ 34,551,512.54</u>

Interest rates continue to increase, and Finance will be moving money from Kleberg Bank to Texas Class to take advantage of the interest rates. The average monthly yields for the prior fiscal year through the 1st Quarter of FY 23-24 for Texas Class are below:

- October 2022 through December 2022 – 3.2287% to 4.3170%
- January 2023 through March 2023 – 4.5742% to 4.8597%
- April 2023 through June 2023 – 5.0423% to 5.2674%
- July 2023 through September 2023 – 5.3245% to 5.5213%
- October 2023 through December 2023 – 5.5550% to 5.5744%

**City of Kingsville
Cash and Investments Annual Comparative
For Quarter Ended 12/31/2023**



**Total Cash & Investments - Annual Comparative
For Quarter Ended December 31, 2023**

Category	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
KB-Non Investment Cash Balances	\$ 3,218,247.18	\$ 4,625,883.51	\$ 8,711,379.87	\$ 5,944,111.17	\$ 2,365,419.58
KB-Money Market Accounts	3,328,655.70	18,128,194.85	16,015,221.72	6,573,539.94	4,282,377.76
TC-Investment Bank Accounts	11,723,547.61	3,770,533.57	4,688,225.73	22,852,988.37	27,903,715.20
Certificates of Deposit	5,368,180.55	0.00	0.00	0.00	0.00
Total Cash & Investments	\$23,638,631.04	\$26,524,611.93	\$29,414,827.32	\$35,370,639.48	\$34,551,512.54

**CITY OF KINGSVILLE
TOTAL INVESTMENT PERCENTAGES
FOR QUARTER ENDED 12/31/2023**

HOLDING	REQUIREMENT	ACCOUNT BALANCE 12/31/2023
Kleberg Bank - Non Investment Accounts	Cash Category	\$ 2,365,419.58
Kleberg Bank - Investment Money Markets	Investment Category	4,282,377.76
Texas Class - Investment Bank Accounts	Cash Category	27,903,715.20
Kleberg Bank - Certificates of Deposit	CD	0.00
Total Cash and Investments		<u>\$ 34,551,512.54</u>

Investment Requirements:

Percentages in Cash	(at least 35% mature in 90 days or less)	87.61%
Percentage in Investments	(at least 10% in U.S. T Bill, CD's, Money Mkt)	12.39%
Percentage in US Treasuries	(not to exceed 10%)	0.00%

Notes:

The Investment Policy was updated to include money market accounts 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 liquidity. However, we will be moving funds from Kleberg Bank to Texas Class.

Kleberg Bank Account Balances 12/31/2023 - per Kleberg Bank	\$ 8,315,650.11
Pledged Collateral as reported for 12/31/2023 is as follows:	
Market Value of Securities	\$ 9,622,604.18
FDIC Coverage	250,000.00
Total Pledge & FDIC Coverage	<u>\$ 9,872,604.18</u>
Net Pledge over account balances	<u>\$ 1,556,954.07</u>

City of Kingsville
Non Investment Cash Accounts
As Of December 31, 2023

Description	GL Account Number	Bank	Fund	Amount 09/30/2023	Amount 12/31/2023
Petty Cash Accounts - General Fund	001-0-02000	Department Held	001	\$ 3,460.00	\$ 3,582.37
	001-0-02050				
	001-0-02051				
	001-0-02053				
	001-0-02054				
	001-0-02055				
	001-0-02056				
	001-0-02058				
	001-0-02059				
	001-0-03000				
	001-0-02250				
Petty Cash Accounts-Tourism	002-0-02050	Department Held	002	75.00	75.00
Hot Funds Tax Escrow Account	002-0-04000	Kleberg Bank - 4206	002	475,161.21	481,863.50
Police State Forfeiture	005-0-08005	Kleberg Bank - 3870	005	625,556.28	625,634.27
KPD Forefeiture-Human Trafficking	005-0-08006	Kleberg Bank - 7183	005	1.00	1.00
Police State Pending Forfeiture	005-0-08550	Kleberg Bank - 3862	005	387,587.35	387,635.66
KPD Pending-Human Trafficking	005-0-08555	Kleberg Bank - 7132	005	161,948.14	161,968.33
Police Federal Forfeiture	028-0-08051	Kleberg Bank - 3854	028	135,181.28	135,198.13
Drainage Master Plan Location 7	116-0-09111	Kleberg Bank	116	2,035.72	2,036.05
Drainage Master Plan Location 1	117-0-09112	Kleberg Bank	117	2,035.48	2,035.81
Drainage Master Plan Location 3	118-0-09113	Kleberg Bank	118	2,105.17	2,105.52
Drainage Master Plan Location 4	119-0-09114	Kleberg Bank	119	2,821.37	2,821.82
Drainage Master Plan Location 8	128-0-09115	Kleberg Bank	128	22,002.81	3.98
Insurance Fund	138-0-09010	Kleberg Bank - 3730	138	124,672.60	124,688.14
Pooled Cash	700-0-01050	Kleberg Bank - 3676	700	6,109,913.70	418,487.49
Cash Bond Account	700-0-01070	Bank of South Texas	700	42,047.29	17,282.51
Total Non Investment Cash Account Balances				<u>\$ 8,096,604.40</u>	<u>\$ 2,365,419.58</u>

The following are notes on the above changes:

- Hot fund account is used for Tourism operations.
- Drainage accounts are used for TWDB projects.
- Pooled Cash is our main operations account. The large decrease is due to CO funds being spent for the intended purposes and the completion of projects along with transferring funds to Texas Class for better interest rates.

**Kleberg Bank Money Market Accounts
Summary Statement
For Quarter Ended 12/31/2023**

Account	Fund	Ending Balance 09/30/2023	Contributions	Withdrawals	Interest	Ending Balance 12/31/2023
62488-MM General Fund	001	\$ -	\$ -	\$ -	\$ -	\$ -
38583-MM PD State Seizure Fund	005	415,464.27			521.89	415,986.16
42084-MM GO Debt Service	011	356,853.95	464,353.91		895.45	822,103.31
27239-MM - GF CO 2016	033	0.00				0.00
39504-MM - Utility Fund	051	0.00				0.00
26054-MM - UF Cap Projects	054	0.00				0.00
26070-MM - UF CO 2011	066	0.00				0.00
26046-MM - Storm Water	068	0.00				0.00
26062-MM - Sanitation Addtl Rev	087	0.00				0.00
38575-MM - Insurance Fund	138	1,001,822.43			2,499.77	1,004,322.20
42092-MM - CMA M&O Taxes	700	237,066.57	1,668,615.94		1,523.75	1,907,206.26
38664-MM - CMA Savings	700	132,594.47			165.36	132,759.83
Totals		\$ 2,143,801.69	\$ 2,132,969.85	\$ -	\$ 5,606.22	\$ 4,282,377.76

Notes:

Debt Service

- Contributions received from tax receipts from the I&S portion of the tax rate.

CMA M&O Taxes

- Contributions received from tax receipts from the M&O portion of the tax rate.

Texas Class Accounts
Investment Summary Comparison
Qtr Ended 09/30/2023 vs Qtr Ended 12/31/2023

<u>Investment</u>	<u>Account #</u>	<u>Fund</u>	<u>TX Class Stmt Qtr Ended 09/30/2023</u>	<u>TX Class Stmt Qtr Ended 12/31/2023</u>	<u>Net Change</u>
Landfill Closure Acct	TX 01-0170-0007	090	\$ 44,370.02	\$ 44,997.48	\$ 627.46
CMA Savings	TX 01-0170-0008	700	5,769,276.52	5,850,861.09	81,584.57
CO 2013 Street Projects - GF	TX 01-0170-0009	067			0.00
CO 2013 Storm Water	TX 01-0170-0010	068	686,587.61	696,296.78	9,709.17
GO Debt Service	TX 01-0170-0011	011	233,230.96	236,529.07	3,298.11
Utility Fund Debt Service	TX 01-0170-0012	012	17,781.88	18,033.32	251.44
CMA Acct - M&O Taxes	TX 01-0170-0015	700	15,262,411.33	15,478,240.39	215,829.06
Self Insurance Fund	TX 01-0170-0018	138	1,463,713.40	1,484,412.12	20,698.72
Federal Forfeiture Funds	TX 01-0170-0020	028	1,289.35	1,307.67	18.32
State Forfeiture Funds	TX 01-0170-0021	005	10,621.20	10,771.39	150.19
CO Series 2002	TX 01-0170-0022	039			0.00
State Pending	TX 01-0170-0024	005	131,927.12	133,792.72	1,865.60
CO 2005 Construction	TX 01-0170-0026	062			0.00
UF Capital Projects Savings	TX 01-0170-0029	054	95,426.68	96,776.14	1,349.46
Sanitation Collection Cap Proj	TX 01-0170-0031	087	214,959.03	217,998.80	3,039.77
GF Capital Projects	TX 01-0170-0032	091			0.00
Utility Fund	TX 01-0170-0037	051	1,546,921.23	1,568,796.53	21,875.30
CO Series 2023	TX 01-0170-0038	141	2,036,108.65	2,064,901.70	28,793.05
Total Accounts			<u>\$ 27,514,624.98</u>	<u>\$ 27,903,715.20</u>	<u>\$ 389,090.22</u>

Texas Class
Average Daily Yield Rate

<u>Month</u>	<u>Average Daily Yield Rate</u>
October 2023	5.56%
November 2023	5.59%
December 2023	5.57%

Compared to Kleberg Bank rate for Money Market Accounts –0.05%. No change in current interest rates for these accounts.

Texas Class has upward trends in their interest rates, so we will be moving funds into Texas Class to pick up additional interest earnings.

City of Kingsville
Budgeted Project & Capital Outlay Descriptions
FY 2023-2024

Investment	Account	Balance	Fund	Project/Usage Description
Kleberg Money Market Accounts:				
PD State Seizure Fund	38583	\$ 415,986.16	005	State Awarded Seizure Cases
GO Debt Service	42084	822,103.31	011	GF Debt Service Payments
Insurance Fund	38575	1,004,322.20	138	Health Insurance expenditures
Trust & Agency Fund-M&O	42092	1,907,206.26	700	GF Operating expenditures
Trust & Agency Fund	38664	132,759.83	700	CMA Savings Account
Total Kleberg Accounts		<u>\$ 4,282,377.76</u>		
Texas Class Accounts:				
Landfill Closure Acct	0007	\$ 44,997.48	090	Landfill Closure Costs
CMA Savings	0008	5,850,861.09	700	General Fund Savings Account
CO 2013 Storm Water	0010	696,296.78	068	Storm Water Projects
GO Debt Service	0011	236,529.07	011	GF Debt Service Payments
Utility Fund Debt Service	0012	18,033.32	012	UF Debt Service Payments
CMA Acct - M&O Taxes	0015	15,478,240.39	700	General Fund operating expenditures
Health Insurance Fund	0018	1,484,412.12	138	Health Insurance expenditures
Federal Forfeiture Funds	0020	1,307.67	028	Federal Seizures that have been awarded
State Forfeiture Funds	0021	10,771.39	005	State Seizures that have been awarded
State Pending	0024	133,792.72	005	Holding acct until seized funds are awarded
UF Capital Projects Savings	0029	96,776.14	054	UF Capital Projects
Sanitation Collection Cap Proj	0031	217,998.80	087	Trash Pickup Equipment
Utility Fund	0037	1,568,796.53	051	Utility Fund operating expenditures
CO Series 2023	0038	2,064,901.70	141	Water Meter Project
Total Texas Class Accounts		<u>\$ 27,903,715.20</u>		
Total Investment Accounts		<u>\$ 32,186,092.96</u>		

City of Kingsville
Summary of Bank Balances By Fund

Fund	Claim on Cash	Kleberg Bank	Texas Class	Money Market	Total Cash
001-General Fund	\$ 8,212,249.28	\$ 3,582.37	\$	\$	\$ 8,215,831.65
002-Tourism Fund	(28,158.99)	481,938.50			453,779.51
005-PD State Seizure Fund	(101,889.06)	1,175,239.26	144,564.11	415,986.16	1,633,900.47
009-Law Enfo Off Stand-PD	17,302.78				17,302.78
010-Law Enfo Off Stand-Fire	2,656.69				2,656.69
011-G.O Debt Service	50,675.00		236,529.07	822,103.31	1,109,307.38
012-UF Debt Service	2,489,937.11		18,033.32		2,507,970.43
016-PD Stonegarden	(22,955.30)				(22,955.30)
017-PD Borderstar	(6,908.90)				(6,908.90)
019-JAG Grant	0.00				0.00
025-Building Security	38,325.46				38,325.46
026-Golf Cap Maint	24,374.53				24,374.53
027-EMS	0.00				0.00
028-PD Federal Seizure	0.00	135,198.13	1,307.67		136,505.80
031-Municipal Court Tech	39,290.12				39,290.12
033-CO Series 2016	11,629.55				11,629.55
039-CO Series 2002-2002A	0.00				0.00
050-DOJ JAG Grant	0.00				0.00
051-Utility Fund	2,128,159.25		1,568,796.53		3,696,955.78
054-Capital Projects	81,733.87		96,776.14		178,510.01
055-Stormwater	525,430.16				525,430.16
059-Homeland Security	0.00				0.00
062-CO Series 2005-UF	20,149.89				20,149.89
066-CO Series 2011-UF	275.96				275.96
068-CO Series 2013-UF	0.00		696,296.78		696,296.78
084-DEAAG	521,232.30				521,232.30
087-Solid Wast Cap Projects	62,377.55		217,998.80		280,376.35
090-Landfill Closure	2,449,015.07		44,997.48		2,494,012.55
091-GF Capital Projects	0.00				0.00
092-Street Fund	916,047.87				916,047.87
093-Park Maintenance	33,782.25				33,782.25
094-Texas Parks & Wildlife	(98,112.96)				(98,112.96)
097-Vehicle Replacement-Fire	226,877.89				226,877.89
098-Economic Development	224,964.47				224,964.47
100-Safe Routes to School	161,682.10				161,682.10
101-TX CDBF Main St 7219192	0.00				0.00
105-Vehicle Replacement-PD	2,500.00				2,500.00
106-Vehicle Replacement-PW	35,743.94				35,743.94
107-Assist to FF	0.00				0.00
108-Patrick Leahy BVP	(6,485.00)				(6,485.00)
110-KV PD Enhancement	0.00				0.00
111-FEMA COVID 19	(20,253.64)				(20,253.64)
112-FEMA Winter Storm	0.00				0.00
113-CW WW Collection System	(261,659.02)				(261,659.02)
114-SWB Rural & Tribal Assist	0.00				0.00
115-Tax Note Series 2021	156,105.32				156,105.32
116-TWDB Location 7	0.00	2,036.05			2,036.05
117-TWDB Location 1	0.00	2,035.81			2,035.81
118-TWDB Location 3	0.00	2,105.52			2,105.52
119-TWDB Location 4	0.00	2,821.82			2,821.82
120-Property Tax Reserve	432,231.49				432,231.49
121-GF ARP Funding	651,547.49				651,547.49
122-GLO Mitigation Grant	44,809.00				44,809.00
123-Economic Develop Grant	270,000.47				270,000.47
124-Ed Rachal Found Grant	352.62				352.62
125-UF ARP Funding	1,406,341.40				1,406,341.40
126-GF Tax Note Series 2022	80,343.59				80,343.59
127-UF Tax Note Series 2022	149.76				149.76
128-TWDB Location 8	0.00	3.98			3.98
129-Winter Storm-M Generator	17,728.00				17,728.00
130-Winter Storm-Backup Gen	95,420.50				95,420.50
131-TASA Grant	0.00				0.00
132-Public Improv District	7,622.86				7,622.86
138-Health Insurance	(884,806.51)	124,688.14	1,484,412.12	1,004,322.20	1,728,615.95
139-Vehicle Replace-PW GF	37,761.32				37,761.32
140-Ed Rachal Parks	0.00				0.00
141-CO Series 2023-UF	(1,175,427.31)		2,064,901.70		889,474.39
151-CO Series 2023A-GF	4,378,737.82				4,378,737.82
202-Façade Grant	0.00				0.00
203-JK EDA Fund	557,000.00				557,000.00
205-Tourism ARP	45,897.72				45,897.72
206-Chamberlain Park	(46,968.19)				(46,968.19)
	\$ 23,804,837.57	\$ 1,929,649.58	\$ 6,574,613.72	\$ 2,242,411.67	\$ 34,551,512.54
Claim on Cash Funds are held in the following accounts					
CMA Checking	\$ (418,487.49)	\$ 418,487.49	\$		0.00
CMA M&O Taxes MM Acct	(1,907,206.26)			1,907,206.26	0.00
CMA Savings MM Acct	(132,759.83)			132,759.83	0.00
Cash Bond Account	(17,282.51)	17,282.51			0.00
TX Class #8-CMA Savings	(5,850,861.09)		5,850,861.09		0.00
TX Class #15-CMA M&O Taxes	(15,478,240.39)		15,478,240.39		0.00
Total	\$ 0.00	\$ 2,365,419.58	\$ 27,903,715.20	\$ 4,282,377.76	\$ 34,551,512.54

Fund Bank Balances

The City of Kingsville manages a large share of its funds through the use of a pooled cash accounting system. The pooled cash bank accounts are recorded in the General Ledger Fund 700. This pooled cash system is made up of several different bank accounts and includes the following bank accounts:

- CMA Checking – Kleberg Bank
- CMA M&O Taxes Money Market – Kleberg Bank
- CMA Savings Money Market – Kleberg Bank
- Cash Bond Account – Bank of South Texas
- CMA Savings #8 – Texas Class
- CMA M&O Taxes #15 – Texas Class

All funds own a piece of the pooled cash system based on revenues and expenditures associated with each fund. The piece or amount of the pooled cash system that is owned by each fund is indicated by the amount that is recorded in the account Claim on Cash. As the account name suggests it represents the fund's claim on the pooled cash bank accounts.

The City has other bank accounts at Kleberg Bank for those accounts that are specific in operations and have requirements to keep funding separate. Also at Kleberg Bank, are several money market accounts specific to certain funds that were created for better interest earnings offered by Kleberg Bank which is currently 1%.

There are only three bank accounts that issue actual checks, and these include the following bank accounts:

- Accounts Payable – Kleberg Bank
- Payroll – Kleberg Bank
- Cash Bond Account – Bank of South Texas

The Accounts Payable and Payroll bank accounts are sweep bank accounts which means, as checks are written, the CMA Checking account reimburses the bank account resulting in a daily zero balance. The Cash Bond account is used for Municipal Court defendant transactions.

Bank Accounts at Texas Class are either part of the pooled cash system or specific to a fund. Funds are kept at Texas Class due to the interest rates the City is receiving.

Outstanding Bond Issues

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

Certificates of Obligation, Series 2023A

\$4,625,000 General Fund Equipment

Matures 09/30/2043

Proceeds from the sale of the Certificates shall be used for (1) public works department vehicles and equipment including garbage trucks and dump trucks, and (2) paying the costs of issuance of the Certificates.

Combination Tax and Subordinate Lien Certificates of Obligation, Series 2023

\$6,100,000 Water Meter Project

Matures 08/01/2038

Proceeds will be used for the purpose of purchasing and acquiring certain City-owned public property, including (1) improvements to the water and sewer system including water meters and related technology, and (2) payment of contractual obligations for professional services in connection therewith (to wit: consulting, engineering, financial advisory, and legal).

Tax Notes Series 2022

\$1,850,000 Capital Outlay Purchases

Matures 05/01/2029

Proceeds from the sale of the Tax Notes Series will be used for the purpose of purchasing and acquiring certain City-owned public property, including (1) vehicles for various City departments, (2) trash compactor; (3) street repair equipment for the Public Works Department; (4) equipment for the Utility Department and (5) payment of contractual obligations for professional services in connection therewith (to wit: consulting, engineering, financial advisory, and legal).

Combination Tax and Subordinate Lien Revenue Certificates of Obligation, Taxable Series 2022

\$399,000 Texas Water Development Board Projects

Matures 08/01/2052

Proceeds from the sale of the Certificates of Obligation will be used in providing for the payment of contractual obligations to be incurred in connection with the design, planning, purchasing, acquisition, construction, equipping, expansion, repair, renovation, and/or rehabilitation of certain City-owned public property, including: (1) drainage projects; and (2) the payment of contractual obligations for professional services in connection therewith (to-wit: consulting, engineering, financial advisory, and legal).

Combination Tax and Subordinate Lien Revenue Certificates of Obligation, Taxable Series 2021

\$3,358,000 Texas Water Development Board Projects

Matures 09/30/2051

Proceeds from the sale of the Certificates of Obligation will be used in providing for the payment of contractual obligations to be incurred in connection with the design, planning, purchasing, acquisition, construction, equipping, expansion, repair, renovation, and/or rehabilitation of certain City-owned public property, including: (1) drainage projects; and (2) the payment of contractual obligations for professional services in connection therewith (to-wit: consulting, engineering, financial advisory, and legal).

Limited Tax Refunding Bonds Series 2021

\$3,595,000 Public Property

Refunded: Certificates of Obligation, Series 2013 - \$5,230,000

This series was refunded in May 2021.

Matures 09/30/2033

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.

Tax Notes Series 2021

\$1,310,000 Capital Outlay Purchases

Matures 09/30/2027

Proceeds from the sale of the Tax Notes Series was used to purchase a Backhoe for the Golf Course, a Command Vehicle for the Fire Department, (4) Police Vehicles and (3) Garbage Trucks for Sanitation.

Limited Tax Refunding Bonds Series 2020

\$5,025,000 Public Improvements

Refunded: Certificates of Obligations, Series 2011 - \$10,000,000

This series was refunded in May 2020.

Matures 09/30/2032

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

Matures 09/30/2036

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

Matures 09/30/2025

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") to lower the overall debt service requirements of the City and to pay the costs associated with the issuance of the Bonds.

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, 2023, on February 5, 2024.

Mark McLaughlin, City Manager

Courtney Alvarez, City Attorney

Norma Alvarez, City Commissioner

Deborah Balli, Finance Director