



**FY 2020 - 2021**

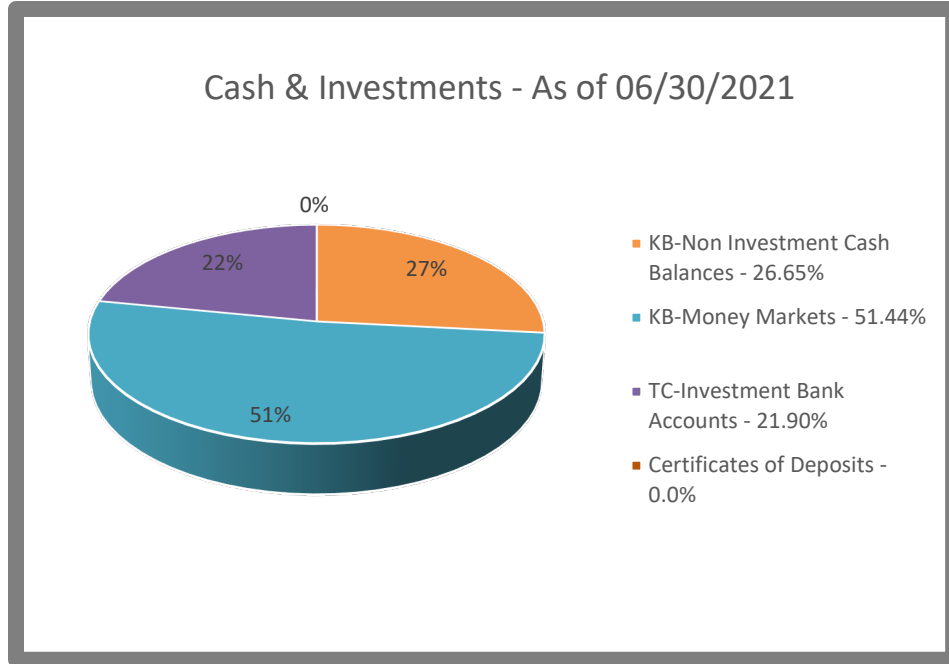
**THIRD QUARTER**

**INVESTMENT REPORT**

**FOR THE PERIOD ENDING**

**JUNE 30, 2021**

**City of Kingsville  
Total Cash and Investments  
For Quarter Ended 06/30/2021**

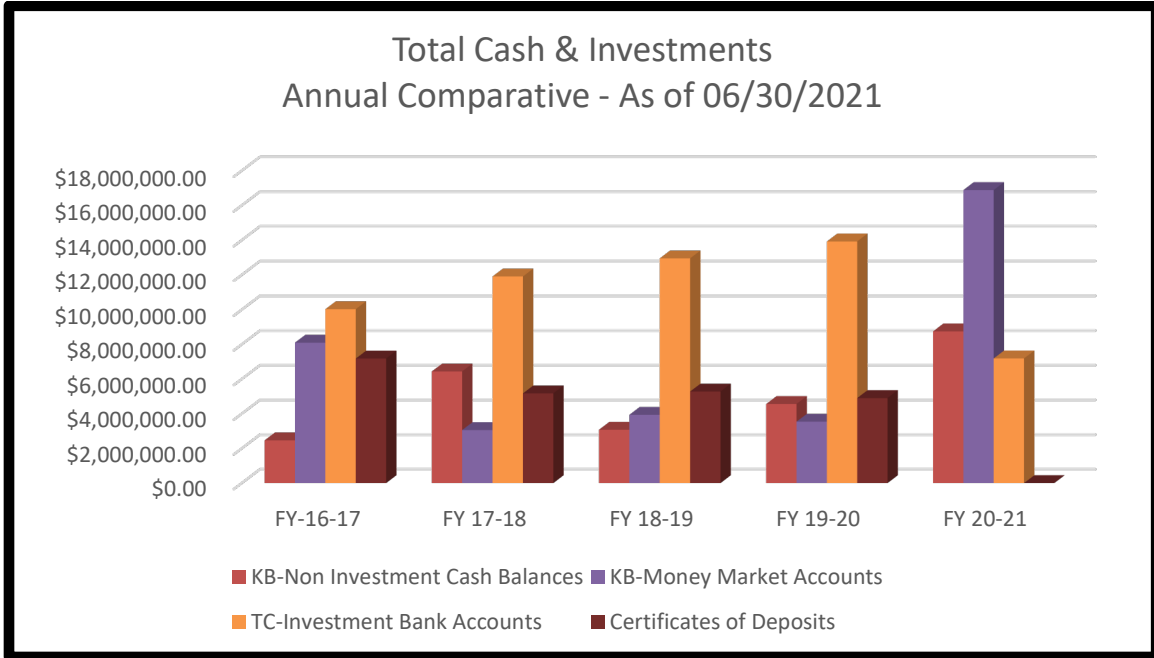


<b>Total Cash &amp; Investments</b>	
KB-Non Investment Cash Balances - 26.65%	\$8,748,486.92
KB-Money Markets - 51.44%	16,883,678.11
TC-Investment Bank Accounts - 21.90%	7,189,373.89
Certificates of Deposits - 0.0%	0.00
<b>Total Cash &amp; Investments</b>	<b><u>\$32,821,538.92</u></b>

Interest rates continue to fall as the pandemic affects this country 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 3rd Quarter of FY 20-21 for Texas Class are below:

- 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%
- January through March 2021 – 0.13% to 0.11%
- April 2021 through June 2021 – 0.0840% to .0611%

**City of Kingsville**  
**Cash and Investments Annual Comparative**  
**For Quarter Ended 06/30/2021**



**Total Cash & Investments - Annual Comparative**  
**For Quarter Ended June 30, 2021**

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	\$3,077,389.08	\$4,561,159.98	\$8,748,486.92
KB-Money Market Accounts	8,098,829.94	3,057,863.71	3,936,699.54	3,543,347.42	16,883,678.11
TC-Investment Bank Accounts	\$10,027,775.04	11,911,115.33	12,952,500.80	13,925,173.82	7,189,373.89
Certificates of Deposits	\$7,182,463.81	5,174,718.61	5,281,702.71	4,903,280.19	0.00
<b>Total Cash &amp; Investments</b>	<b>\$27,776,575.00</b>	<b>\$26,582,247.12</b>	<b>\$25,248,292.13</b>	<b>\$26,932,961.41</b>	<b>\$32,821,538.92</b>

**CITY OF KINGSVILLE  
TOTAL INVESTMENT PERCENTAGES  
FOR QUARTER ENDED 06/30/2021**

<b>HOLDING</b>	<b>REQUIREMENT</b>	<b>ACCOUNT BALANCE 06/30/2021</b>
Kleberg Bank - Non Investment Accounts	Cash Category	8,748,486.92
Kleberg Bank - Investment Money Markets	Investment Category	16,883,678.11
Texas Class - Investment Bank Accounts	Cash Category	7,189,373.89
Kleberg Bank - Certificates of Deposit	CD	0.00
Total Cash and Investments		<u>32,821,538.92</u>

Investment Requirements:

Percentages in Cash	(at least 35% mature in 90 days or less)	48.56%
Percentage in CD's	(at least 10% in U.S. T Bill or CD's)	51.44%
Percentage in US Treasuries	(not to exceed 10%)	0.00%

Notes:

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

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.

Kleberg Bank Account Balances - per statements	\$22,477,168.02
Pledged Collateral as reported for 6/30/2021 is as follows:	
Market Value of Securities	\$23,125,918.48
FDIC Coverage	250,000.00
Total Pledge & FDIC Coverage	<u>\$23,375,918.48</u>
Net Pledge over account balances	<u>\$898,750.46</u>

**City of Kingsville**  
**Non Investment Cash Accounts**  
**As of June 30, 2021**

Description	GL Account Number	Bank	Fund	Amount 03/31/2021	Amount 06/30/2021
Petty Cash Accounts - General Fund	001-0-02000	Departments	001	\$3,460.00	\$2,995.00
	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	75.00
	002-0-02057				
Hot Funds Tax Escrow Account	002-0-04000	Kleberg Bank - 4206	002	324,674.00	665,818.31
Police State Forfeiture	005-0-08005	Kleberg Bank - 3870	005	223,445.09	82,171.21
Police State Pending Forfeiture	005-0-08550	Kleberg Bank - 3862	005	653,610.06	1,921,431.41
Police Unrestricted Cash (Not Transferred)	005-0-08590	Split Funded for GL	005	0.00	0.00
Police Federal Forfeiture	028-0-08051	Kleberg Bank - 3854	028	145,008.43	26,343.54
Drainage Master Plan Location 7	116-0-09111	Kleberg Bank	116	0.00	0.00
Drainage Master Plan Location 1	117-0-09112	Kleberg Bank	117	0.00	0.00
Drainage Master Plan Location 3	118-0-09113	Kleberg Bank	118	0.00	0.00
Drainage Master Plan Location 4	119-0-09114	Kleberg Bank	119	0.00	0.00
Insurance Fund	138-0-09010	Kleberg Bank - 3730	138	434,207.09	302,752.45
Pooled Cash	700-0-01050	Kleberg Bank - 3676	700	4,722,679.97	5,632,186.08
Cash Bond Account	700-0-01070	Bank of South Texas	700	26,143.48	114,713.92
Total Non Investment Cash Account Balances				<u>\$6,533,803.12</u>	<u>\$8,748,486.92</u>

The following are notes on the above changes

- Hot Funds Tax Escrow account increased to revenues collected and not disbursed on expenditures
- The Police Pending Forfeiture account increased due to new seizures that have not been adjudicated.
- The Federal Forfeiture account decreased due to case amounts distributed due to adjudication.
- The Insurance Fund account changed due to the payment of claims.
- Pooled Cash changed due to excess transfers have not been moved out to savings accounts.
- Cash Bond Account increased due to additional bonds taken in waiting on case closures.

**Kleberg Bank Money Market Accounts  
Summary Statement  
For 3rd Quarter Ended 06/30/2021**

Account	Fund	Beginning Balance 03/31/2021	Contributions	Withdrawals	Interest	Ending Balance 06/30/2021
62488-MM General Fund	001	4,102,583.92			786.84	\$4,103,370.76
38583-MM PD State Seizure Fund	005	767,355.69		(23,734.63)	147.10	\$743,768.16
42084-MM GO Debt Service	011	29,480.82	53,190.29		6.64	\$82,677.75
27239-MM - GF CO 2016	033	52,279.06			6.52	\$52,285.58
39504-MM - Utility Fund	051	1,606,569.30			308.13	\$1,606,877.43
26054-MM - UF Cap Projects	054	136,919.79			17.07	\$136,936.86
26070-MM - UF CO 2011	066	5.78				\$5.78
26046-MM - Storm Water	068	\$2,092,618.42			\$401.35	\$2,093,019.77
26062-MM - Sanitation Addtl Rev	087	203,461.68			25.37	\$203,487.05
38575-MM - Insurance Fund	138	1,047,464.36	1,004,834.40	(700,000.00)	234.55	\$1,352,533.31
42092-MM - CMA M&O Taxes	700	\$7,253,570.85	\$236,481.06	(2,000,000.00)	\$1,219.91	\$5,491,271.82
38664-MM - CMA Savings	700	22,182.38	2,000,000.00	(1,004,834.40)	95.86	\$1,017,443.84
<b>Totals</b>		<u>\$17,314,492.05</u>	<u>\$3,294,505.75</u>	<u>(3,728,569.03)</u>	<u>\$3,249.34</u>	<u>\$16,883,678.11</u>

Notes:

Insurance Fund

- Contributions come in from employer and employee contributions
- Withdrawals go out for payment of claims

CMA M&O Taxes

- Contributions come in from tax receipts
- Withdrawals go out for expenditure payments

CMA Savings

- Contributions come in from various accounts
- Withdrawals go out for expenditure payments

**Texas Class  
Summary Statement  
For Quarter Ended 06/30/2021**

<b>Account</b>	<b>Beginning Balance 03/31/2021</b>	<b>Contributions</b>	<b>Withdrawals</b>	<b>Interest</b>	<b>Ending Balance 06/30/2021</b>
07-Landfill Closure Acct	\$41,942.28			\$7.80	\$41,950.08
08-CMA Savings	50,041.04			9.26	50,050.30
09-CO 2013 Street - GF	0.34				0.34
11-GO Debt Service	1,015,820.82	1,342.53		188.94	1,017,352.29
12-Utility Fund Debt Svc	17,739.74	800,000.00		20.65	817,760.39
15-CMA Acct-M&O Taxes	5,919,127.19	6,046.78	(800,000.00)	1,083.22	5,126,257.19
18-Self Insurance Fund	8.34				8.34
20-Federal Forfeiture	1,219.29			0.12	1,219.41
21-State Forfeiture	10,040.18			1.85	10,042.03
22-CO Series 2002 - GF	0.19				0.19
24-State Pending Forfeiture	124,708.13			23.18	124,731.31
26-CO 2005 Construction - UF	2.02				2.02
32-GF Capital Projects	0.00				0.00
<b>Totals</b>	<b>\$7,180,649.56</b>	<b>\$807,389.31</b>	<b>(\$800,000.00)</b>	<b>\$1,335.02</b>	<b>\$7,189,373.89</b>

**Texas Class  
Average Monthly Yield**

<b>Month</b>	<b>Yield</b>
April 2021	0.0840%
May 2021	0.0784%
June 2021	0.0611%

Compare to Kleberg Bank rate for Money Market Accounts –0.05% down from .10%

July Texas Class was .0615% which is a slight increase, but in checking in August, it dropped back down to .0475%. There is not much that we can do to increase interest earnings. Once Finance sees that the market is improving, we will start moving funds, but we will be holding for now.

**Texas Class Accounts**  
**Investment Summary Comparison**  
**Qtr Ended 03/31/2021 vs Qtr Ended 06/30/2021**

<b>Investment</b>	<b>Account #</b>	<b>Fund</b>	<b>TX Class Stmt Qtr Ended 03/31/2021</b>	<b>TX Class Stmt Qtr Ended 06/30/2021</b>	<b>Net Change</b>
Landfill Closure Acct	TX 01-0170-0007	090	\$41,942.28	\$41,950.08	\$7.80
CMA Savings	TX 01-0170-0008	700	50,041.04	50,050.30	9.26
CO 2013 Street Projects - GF	TX 01-0170-0009	067	0.34	0.34	0.00
GO Debt Service	TX 01-0170-0011	011	1,015,820.82	1,017,352.29	1,531.47
Utility Fund Debt Service	TX 01-0170-0012	012	17,739.74	817,760.39	800,020.65
CMA Acct - M&O Taxes	TX 01-0170-0015	700	5,919,127.19	5,126,257.19	(792,870.00)
Self Insurance Fund	TX 01-0170-0018	138	8.34	8.34	0.00
Federal Forfeiture Funds	TX 01-0170-0020	028	1,219.29	1,219.41	0.12
State Forfeiture Funds	TX 01-0170-0021	005	10,040.18	10,042.03	1.85
CO Series 2002	TX 01-0170-0022	039	0.19	0.19	0.00
State Pending	TX 01-0170-0024	005	124,708.13	124,731.31	23.18
CO 2005 Construction	TX 01-0170-0026	062	2.02	2.02	0.00
GF Capital Projects	TX 01-0170-0032	091	0.00	0.00	0.00
<b>Total Accounts</b>			<b>\$7,180,649.56</b>	<b>\$7,189,373.89</b>	<b>\$8,724.33</b>



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

<b>Investment</b>	<b>Account</b>	<b>Balance</b>	<b>Fund</b>	<b>Project/Usage Description</b>
<b>Texas Class Accounts:</b>				
Landfill Closure Acct	0007	\$41,950.08	090	Landfill Closure Costs
CMA Savings	0008	50,050.30	700	General Fund Savings Account
CO 2013 Street Projects-GF	0009	0.34	067	Street Projects
GO Debt Service	0011	1,017,352.29	011	Debt Service Payments
Utility Fund Debt Service	0012	817,760.39	012	Debt Service Payments
CMA Acct - M&O Taxes	0015	5,126,257.19	700	For GF operating expenditures
Self Insurance Fund	0018	8.34	138	Held for Insurance Claims
Federal Forfeiture Funds	0020	1,219.41	028	Federal Seizures that have been awarded
State Forfeiture Funds	0021	10,042.03	005	Awarded Seizure Cases for PD Expend
CO Series 2002	0022	0.19	039	Remaining Unspent Funds
State Pending	0024	124,731.31	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
<b>Total Texas Class Accounts</b>		<b>7,189,373.89</b>		
<b>Kleberg Money Market Accounts:</b>				
General Fund	62488	\$4,103,370.76	001	Major Fund supporting City
PD State Seizure Fund	38583	\$743,768.16	005	Awarded Seizure Cases for PD Expend
GO Debt Service	42084	\$82,677.75	011	Debt Service Payments
GF CO 2016	27239	\$52,285.58	033	Various Capital Projects
Utility Fund	39504	\$1,606,877.43	051	Major Fund supporting utility activity
UF Cap Projects	26054	\$136,936.86	054	Various Capital Projects
UF CO 2011	26070	\$5.78	066	Remaining Unspent Funds
Storm Water	26046	\$2,093,019.77	068	Funds for storm water projects
Sanitation Addtl Rev	26062	\$203,487.05	087	Solid Waste Capital Projects
Insurance Fund	38575	\$1,352,533.31	138	Held for Insurance Claims
Trust & Agency Fund-M&O	42092	\$5,491,271.82	700	For GF operating expenditures
Trust & Agency Fund	38664	\$1,017,443.84	700	CMA Savings Account
<b>Total Kleberg Accounts</b>		<b>16,883,678.11</b>		
<b>Total Accounts</b>		<b>\$24,073,052.00</b>		

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

**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.

**Certificates of Obligation, Series 2013**

**\$1,260,000 City Owned Public Property**

**Matures 09/30/2023**

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.

## 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, 2021, on \_\_\_\_\_.

\_\_\_\_\_  
Mark McLaughlin, City Manager

\_\_\_\_\_  
Courtney Alvarez, City Attorney

\_\_\_\_\_  
Norma Alvarez, City Commissioner

\_\_\_\_\_  
Deborah Balli, Finance Director