

KENEDY 4B CORPORATION

MEETING PACKET

MEMBERS:

GARY RICHARDS

FELIPE LEAL

LESLIE WYNN

LAJUANA KASPRZYK

CINDY SAENZ

WALTER "TREY" HILL, III

DON STAGGS



KENEDY 4B CORPORATION AGENDA
MAY 24, 2021 – 6:00 P.M.
CITY AUDITORIUM IN THE RUHMAN C. FRANKLIN MUNICIPAL BUILDING
303 W. MAIN ST., KENEDY, TX. 78119

Notice is hereby given that the Kenedy 4B Corporation will convene to hold a regular meeting on the 24th of May 2021, at 6:00 p.m. at which time business will be conducted in accordance with Local Government Code 551 as follows:

1. Call meeting to order and announce a quorum present.
2. Public comments.
3. Presentation of check to San Antonio River Foundation for park bench in honor of former President Larry Kiesling.
4. Elect new officers.
5. Discussion and approval of regular minutes for the April 2021 meeting.
6. Discussion and possible action to amend bylaws to abolish positions of treasury and secretary from Article IV Officers sections 4.01, 4.05, 4.06, and Article VII Financial Administration sections 7.02 and 7.06.
7. Discussion and possible action to remove Larry Kiesling and Doris Pope from Texas Champion and Texpool accounts, as applicable.
8. Discussion and possible action to approve a resolution for board members to have signatory authority over bank accounts with Texas Champion Bank and Texpool.
9. Discussion and possible action to approve Investment Officer(s).
10. Discussion and possible action for Public Funds Investment Act (PFIA) training.
11. Discussion and possible action to transfer money from Texpool to Texas Champion Bank.
12. Discussion and possible action to approve the April 2021 Financial Report.
13. Discussion and possible action to approve bills to be paid for the month.
14. Discussion and possible action to approve amended budget for the current fiscal year ending September 30, 2021.

15. Discuss and update board on applications received for the mini grants for small businesses adversely affected by COVID 19 pandemic.
 16. Discuss downtown improvement project.
 17. Adjourn.
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Special Accommodations

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at (830) 583-2230 or FAX (830) 583-2063 or email citysecretary@cityofkenedy.org for further information. Braille is not available.

The Kenedy 4B Corporation of the City of Kenedy reserves the right to convene in Executive Session in accordance with the Texas Open Meetings Act, Texas Government Code: Section 551.071 (Consultations with Attorney), Section 551.072 (Deliberations about Real Property), Section 551.076 (Deliberations about Security Devices), or Section 551.087 (Deliberations Regarding Economic Development Negotiations) on any of the above items.

Certification

I, Ruby Beaven, certify that the above notice of this Kenedy 4B Corporation Meeting was posted at the front doors to the City Hall, 303 W. Main St., Kenedy, Texas on the 21st day of May, 2021 before 6:00 p.m.





Ruby Beaven, City Secretary

AGENDA ITEM # 5
BOARD MINUTES

**MINUTES OF A KENEDY 4B CORPORATION REGULAR MEETING
HELD APRIL 26, 2021 – 6:00 P.M.
CITY COUNCIL CHAMBERS IN THE RUHMAN C. FRANKLIN MUNICIPAL
BUILDING
303 WEST MAIN STREET, KENEDY, TX 78119**

MEMBERS PRESENT: GARY RICHARDS, FELIPE LEAL, LESLIE WYNN, LAJUANA KASPRZYK, WALTER HILL, III, CINDY SAENZ

MEMBERS ABSENT – JUSTIN MEYER

CITY PRESENT: WILLIAM LINN (CITY MANAGER) JUDY MURPHY

1. Call meeting to order and announce a quorum is present.

Gary Richards called the meeting to order at 6:00 P.M. and announced a quorum was present.

2. Public comments.

No public comments were made.

3. Welcome new members of the Board. New members, Cindy Saenz and Walter (Trey) Hill, III were welcomed to the board.

4. Elect new officers for Vice President and Secretary

Leslie Wynn made a motion to elect Felipe Leal as Vice President. The motion was seconded by Cindy Saenz. All voted in favor of the motion and the motion passed. Leslie Wynn nominated Cindy Saenz as treasurer. Felipe Leal seconded the motion, all voted in favor and the motion passed. The board decided to place possible election of treasurer on the next agenda since the bylaws state the position is required. It was also discussed to possibly amend the bylaws to remove the requirement for this position since the City acts in the treasurer capacity for the 4B Corp.

5. Discuss and possible action to give council a recommendation to fill vacant position previously held by Justin Meyer.

Felipe Leal made a motion to nominate Amanda Hines for a vacant position on the board. It was discussed to advertise the vacant board position on Facebook. A revised motion was then made by Felipe Leal and seconded by Leslie Wynn to table the item until Council Elections are held on May 1. All voted in favor of the motion.

6. Discuss and approve resolution for board members to have signature authority over bank accounts with Texas Champion Bank and Texpool.

It was discussed that the President, Vice President and Treasurer should have signature authority for the bank accounts at Texas Champion. Leslie Wynn made a motion for the President, Gary Richards to have signature authority. Lajuana Kasprzyk seconded the motion. All voted in favor of the motion and the motion passed. A second motion was made by Leslie Wynn and seconded by Felipe Leal for Cindy Saenz to have signature authority over the bank account at Texas Champion. All voted in favor of the motion and the motion passed.

7. Consider and possible action to approve the February 22, 2021 meeting minutes.

It was noted that paragraph 7 of the minutes needed to be changed to state: "Lajuana Kasprzyk made the motion which was seconded by Leslie Wynn to approve the payment of the bills with the exception of The Flour Shop LLC \$127.99 and the reimbursement to the City of Kenedy for the Sports Complex Archway (Hellas \$26,507) and to reimburse the City for the amount reflected on the Hellas pay application 008 (\$47,034.50). Lajuana Kasprzyk made a motion to approve the minutes with that correction. The motion was seconded by Leslie Wynn. All voted in favor of the motion except Walter Hill who abstained. The motion passed.

8. Review and possible action to approve bills to be paid for the month.

Various items which need a budget amendment were discussed. Lajuana Kasprzyk made a motion which was seconded by Leslie Wynn to approve payment of the bills. All voted in favor of the motion and the motion passed. It was agreed to place a budget amendment item on next month's agenda.

9. Consider and possible action to approve the March 2021 Financial Report.

City Manager Linn presented the March financial statements. He stated revenues are under budget. Expenditures were under budget as well. A motion was made by Leslie Wynn and seconded by Felipe Leal to approve the March 2021 financial report. All voted in favor and the motion passed.

10. Discuss and possible action regarding building C construction costs at Larry Kiesling Sports Complex.

No action was taken on this item.

11. Discuss and possible action to approve mini grants for small businesses adversely affected by COVID 19 pandemic specifically to clarify exactly which supporting documents are necessary and to approve form presented. Discuss/approve any other grant requirements.

This agenda item was discussed at a previous meeting. A question was raised about businesses being in business 2 years prior to the pandemic. A motion was made by Leslie Wynn and seconded by Cindy Saenz to open the first round of applications on May 1, 2021 and run thru May 31, 2021. All voted in favor of the motion and the motion passed.

12. Discuss and possible action in correspondence received from Provost Umphrey in reference to litigation regarding Talisman/Statoil.

No action was taken on this item.

13. Discuss and possible action to approve purchasing a park bench in honor of Larry Kiesling.

Leslie Wynn made a motion which was seconded by Felipe Leal to purchase a park bench at a cost not to exceed \$1,500 in honor of Larry Kiesling and place the bench at Escondido Parkway. All voted in favor of the motion and the motion passed.

14. Adjourn.

Lajuana Kasprzyk made a motion to adjourn the meeting. Leslie Wynn seconded the motion. All voted in favor. Motion passed. The meeting ended at 7:37 p.m.

Gary Richards, President

William Linn, City Manager

AGENDA ITEM # 6
4B CORPORATION BY LAWS

REVISED
CORPORATE BYLAWS
OF THE
CITY OF KENEDY 4B CORPORATION

These Bylaws govern the affairs of the City of Kenedy 4B Corporation (the Corporation), a public instrumentality and a non-profit corporation created under Section 4B of the Development Corporation Act of 1979, as amended (the Act).

ARTICLE I
PURPOSE

- 1.01 The purpose of the Corporation is to promote, assist, and enhance economic development activities and quality of life opportunities within the City of Kenedy that promote economic development as authorized by the Act. The Corporation has no members and is a non-profit corporation.

ARTICLE II
REGISTERED OFFICE AND AGENT

- 2.01 The registered office and agent for the Corporation shall be maintained in the City of Kenedy, Texas. The Board of Directors shall initially maintain and use the Kenedy City Hall as its administrative office, but may move its administrative office or establish additional offices with the prior approval of the City Council of the City of Kenedy.

ARTICLE III
BOARD OF DIRECTORS

Powers

- 3.01 The Corporation shall be managed by a Board of Directors which are authorized to exercise the powers authorized by the Act, subject to any limitations of these bylaws, including the following:
- a. To purchase or acquire for the Corporation any property, rights, or privileges and to pay therefore either wholly or partly in money, stock, bonds, debentures, or other securities of the Corporation as may be lawful.
 - b. To create, make and issue notes, mortgages, bonds, deed of trust, trust agreements and negotiable or transferrable instruments and securities, secured by a mortgage or deed of trust on any real property of the Corporation or otherwise, and to do every other act or thing necessary to effect the same.
 - c. To sell or lease the real or personal property of the Corporation on the terms the Board sees fit and to execute deeds, leases and other conveyances of contracts as necessary for carrying out the purposes of this Corporation.

Duties of Directors

3.02 The Board is required to perform the following duties:

a. Program. The Board shall research, develop, and prepare an Economic Development Plan (the Plan) in accordance with policies or directives established by the City Council of Kenedy. The Board shall review the Plan at least once a year and submit it to the City Council for its approval. The Plan should include:

1. The short and long-term objectives of the Corporation and how they might be achieved, including specific details of proposed efforts and programs to achieve those goals;
2. Guidelines of how the Corporation proposes to use the tax funds received by the Corporation to achieve its objectives, including any limitations on the use of the funds;
3. Procedures on how decisions on the use of Corporate funds will be determined in pursuit of the Corporation's objectives; and
4. Any other information the City Council requests in writing be included in the Plan.

b. Reports to City Council. With each submission of the Economic Development Plan, and at any other times requested by the City Council, the Corporation shall submit a written Performance Report to the City council, detailing the activities and accomplishments of the Corporation since the prior Report.

c. Briefings. The president or executive director shall appear before the City Council to brief the City Council on activities of the Corporation at least quarterly and at such other times as requested by the mayor or three or more members of the City Council.

Number and Qualifications

3.03 The Board shall consist of seven (7) persons, who shall be appointed by and shall serve at the pleasure of the City Council of the City of Kenedy.

3.04 At the time of appointments, each director shall be a resident of the City of Kenedy.

3.05 Directors appointed to serve after the expiration of 2007 shall serve two (2) year terms or until successors are appointed.

Attendance

3.06 Directors should attend all regular called or special called meetings of the Board. Directors who are regularly absent from meetings of the Board may be removed from office by the City Council.

Vacancies

3.07 Vacancies in the Board will be filled by appointment by the City Council of the City of Kenedy.

Ex-Officio Members

- 3.08 The City Council of the City of Kenedy and the City Manager shall serve as ex-officio member of the Board. The City Council may also appoint other ex-officio members to the Board. Ex-officio members shall be given notice of all meetings of the Board and may participate in discussions at Board meetings, but shall not be entitled to vote. The Board may recommend individuals to the City Council to serve as ex-officio directors. The ex-officio members shall serve at the please of the City Council and until their successors are appointed.

ARTICLE IV OFFICERS

Officer Position

- 4.01 The officer of the Corporation shall be a president, a vice-president, a secretary, and a treasurer, whom shall be members of the Board. The Board may appoint other officers as it deems necessary. No officer shall be both president and secretary

Election and Terms of Office

- 4.02 The officers of the Corporation shall be elected annually by the Board. Each officer shall hold office until a successor is duly elected and qualified. An officer may be elected to succeed himself or herself in the same office one (1) time. Vacancies in officer positions may be filled by the Board for their unexpired terms.

President

- 4.03 The president shall be the chief executive officer of the Corporation. He shall preside at all Board meetings and generally supervise and control the business and affairs of the Corporation and perform any other duties prescribed from time to time by the Board. He may execute deeds, mortgages, bonds, contracts or other instruments, as authorized by the Board. The president shall appoint the members of all committees and all committee chairs.

Vice-President

- 4.04 A vice-president shall be appointed by the Board. The vice-president shall perform the duties assigned to him by the Board. In the absence of the president, or if the president is unable or refuse to act, the vice-president shall perform the duties of president.

Secretary

- 4.05 The secretary shall be the custodian of the corporate records. The secretary shall record and keep all votes and minutes of the meetings of the Board. The secretary shall give notice of all meetings of the Board and its committees, and shall perform such other duties as may be prescribed by the Board or president.

Treasurer

- 4.06 The treasurer shall perform the usual duties of that office and other duties the president assigns. He shall see that proper and accurate accounts are kept of the financial condition of the corporation and that proper books are maintained for their orderly entry. He or she will insure that the financial

policies adopted by the Board are duly followed and that an independent audit is made of the accounts of the Corporation at the end of each fiscal year. He or she shall report the financial condition of the Corporation at each regular meeting of the Board and to the City Council as requested from time to time.

Executive Director

- 4.07 The Board may employ an executive director to serve as the general manager and chief administrative officer of the Corporation. The executive director shall be subject to the supervision of the Board and shall perform the duties specifically delegated to him by the Board. The executive director shall serve at the pleasure of the Board and receive compensation approved by the Board. The executive director shall be responsible for policy and program implementation and the day to day operations of the corporation, including the hiring of employees, and the supervision and dismissal of those employees. The executive director shall be a non-voting , ex-officio member of the Board and of any other committees created by the Board. The executive director shall compile and submit to the Board regular reports and recommendations regarding the programs, policies and business affairs of the Corporation.

ARTICLE V BOARD COMMITTEES

Committees Authorized

- 5.01 With the approval of the Board, the president may appoint persons to serve on standing or ad hoc committees. A committee may include persons who are not directors of the Corporation. Committees will operate under general rules adopted by the Board. Committees may be charged with specific duties or authority, but shall not have the authority to:
- a. Amend the articles of incorporation, amend, alter, or repeal the Bylaws, or adopt a plan of merger or consolidation with another corporation.
 - b. Authorize the sale, lease, exchange or mortgage of any of the property or assets of the Corporation or commit Corporation funds without the prior approval of the Board.
 - c. Authorize or revoke proceedings for the voluntary dissolution of the Corporation or adopt a plan for the distribution of the assets of the Corporation.
 - d. Approve any transaction to which the Corporation is a party, take any action outside the scope of authority delegated to it by the Board, take final action on a matter that requires the approval of the Board, take action on any other matters appropriate to the authority of the Board, or take any action that involves a potential conflict of interest as defined by these bylaws.

Committee Terms

- 5.02 The members of each standing committee shall serve until successors are appointed by an incoming president, unless the Committee is terminated or a member is removed, resigns, or ceases to qualify as a member. Vacancies on committees may be filled in the same manner as the original appointment.

Rules

- 5.03 Each committee or subcommittee may adopt rules for its own operation consistent with the Bylaws or with rules adopted by the Board.

ARTICLE VI MEETINGS

Regular Meetings

- 6.01 The Board shall hold at least four (4) regular quarterly meetings each year. All regular quarterly meetings will be held in city-owned facilities. Special meetings may be held on city-owned facilities or the meeting room at the Dairy Queen.

Special Meetings

- 6.02 Special meetings of the Board may be called by the mayor or at the request of the president or upon written request of at least three (3) directors. Any notice of a special meeting shall contain a summary of the business or proposals to be brought before the special meeting.

Notice

- 6.03 Written or printed notice of each regular meeting of the Board shall be delivered to each director not less than three (3) days before the date of the meeting. The notice shall state the place, date, and time of the meeting. In the case of special meetings, notice may be issued to directors by mail, telephone, fax, or in person at least three (3) days before the date of the meeting and shall include who called the meeting and the purpose of the meeting.

Quorum

- 6.04 Four (4) directors shall constitute a quorum for the transaction of business at any meeting of the Board.

Action of Board

- 6.05 The vote of a majority of the directors present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board.

Proxies

- 6.06 A director may not vote by proxy.

Open Meetings

- 6.07 All meeting and deliberations of the Board shall be called, convened, held and conducted in accordance with the Texas Open Meetings Act, as amended.

ARTICLE VII
FINANCIAL ADMINISTRATION

Fiscal Year

- 7.01 The fiscal year of the Corporation shall run concurrently with the fiscal year of the City of Kenedy.

Accounts to be kept with City

- 7.02 The Corporation shall contract with the City of Kenedy for the administration of its accounts, expenditures, deposits, investment of funds and accounts, and other financial services for the Corporation. The Board shall designate the accounts and depositories to be created and designated for such purposes, and the methods of withdrawal of funds therefrom for use by and for the purposes of the Corporation upon the signature of its treasurer and such other members as the Board shall designate.

Budget

- 7.03 At least sixty (60) days prior to the commencement of each fiscal year of the Corporation, the Board shall adopt a proposed budget of expected revenues and proposed expenditures of the next ensuing fiscal year. The budget shall contain such classifications and shall be in such form as may be prescribed from time to time by the City Council of the City of Kenedy. The Corporation's budget shall not be effective until the same has been approved by the City Council.

Audits

- 7.04 The Corporation shall cause its books, records, accounts, and financial statements, and all other activities for the previous fiscal year to be audited at least once each fiscal year by an outside independent certified public accounting firm approved by the City Council of the City of Kenedy. Any such audit shall be performed in accordance with generally accepted auditing procedures (GAAP) and shall include a written management letter with details suggested management controls and operating efficiencies. The management letter shall include recommendations for improving cost reduction and safeguarding assets. Each audit shall be prepared and submitted annually to the City Council of the City of Kenedy, Texas, for approval.

Limitations on Expenditures

- 7.05 Before expending funds to undertake a project, the Corporation shall hold at least one public hearing on the proposed project.

Checks and Drafts

- 7.06 All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed or bear the facsimile of the president and treasurer, or such other person as designated by the Board.

Contracts

- 7.07 The Board may by official action authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of and on behalf of the Corporation. This authority may be limited to a specific contract or instrument or it may extend to any number and type

of possible contracts and instruments. The Corporations shall follow and be bound by the same purchasing and contracting provisions of State law, including the provisions on competitive bidding, that are applicable to the City of Kenedy. Any contract of the Corporation which will require an expenditure of funds in excess of \$25,000.00 that the City Council has not previously approved as part of the Corporation's annual budget or in a city tax abatement agreement, must be approved by the City Council before any payment on the contract is made.

Gifts

- 7.08 The Board may accept on behalf of the Corporation any gift or bequest. Special funds shall include all funds from government contract, grants, and gifts designated by a donor for the special purposes. All other funds shall be general funds.

Potential Conflicts of Interest

- 7.09 The Corporation shall not make a loan to a director, officer or employee of the Corporation or to an officer or employee of the City of Kenedy. In transactions with the Corporation, directors shall follow and be bound by the requirements and limitations of Chapter 171 of the Local Government Code, as amended. Any director may bring to the Board's attention any apparent or potential conflict of interest of any other director in any transaction or matter coming before the Board for a decision. The Board shall make a determination on whether the director has a conflict of interest before voting on the transaction or matter. The director alleged to have the conflict of interest shall not vote on the determination of whether the conflict of interest exists. A director who has a conflict of interest in a matter before the Board shall leave the room during any discussion and vote on that matter. This paragraph shall also apply to members of committees.

Bonds

- 7.10 Any bonds issued by the Corporation shall be in accordance with the Act and shall not be issued until approved by the City Council and by the bond counsel and financial advisors of the City or the Corporation.

ARTICLE VIII BOOKS, RECORDS AUDITS

Maintenance of Records

- 8.01 The Corporation shall keep and properly maintain, in accordance with generally accepted accounting principles, complete books, records, accounts, and financial statements pertaining to its corporate funds, activities, and affairs. In addition to proper financial records, the Corporation shall keep correct and complete minutes of all board and committee meetings and all records required by the City of Kenedy, by contracting agents, or by funding sources.

Compliance with State Law

- 8.02 All records shall be kept and administered in accordance with the Texas Open Records Act, as amended.

Inspection

- 8.03 Any member of the City Council of Kenedy, director or officer of the Corporation may inspect and receive copies of all books and records of the Corporation required to be kept by the Bylaws.

ARTICLE IX AMENDMENTS TO BYLAWS

- 9.01 The Board may alter, amend, or repeal the Bylaws or adopt new Bylaws, but the change shall be effective only upon approval by the City of Kenedy City Council.

Legal Construction

- 9.02 If any Bylaw provision is held to be illegal, the illegality shall not effect any other provision and the Bylaws shall be construed as if the illegal provision had not been included in the Bylaws.

ARTICLE X INDEMNIFICATION AND INSURANCE

Corporation to Indemnify

- 10.01 The Corporation shall indemnify any director or officer or former director or officer of the Corporation from expenses and costs (including attorney's fees) actually and necessarily incurred by the officer or director in connection with any claim asserted against the officer or director by action in court or otherwise by reason of the person being or having been a director or officer, except in relation to matters as to which the person shall have been guilty of negligence or misconduct in respect of the matter in which indemnity is sought.

Corporation May Provide-Insurance

- 10.02 The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Corporation to insure such person against any liability asserted against the person by reason of the person being or having been a director, officer, employee, or agent of the Corporation. The premiums for the insurance shall be paid for by the Corporation.

ARTICLE XI PARLIAMENTARY AUTHORITY

- 11.01 Robert's Rules of Order, Newly Revised, shall be the parliamentary authority for all matters of procedure not specifically covered by the Bylaws or any specific rules of procedure adopted by the Board.

ARTICLE XII DISSOLUTION OF THE CORPORATION

- 12.01 The Corporation is a non-profit corporation. Upon dissolution, all of the Corporation's assets shall be conveyed to the City of Kenedy.

Originally adopted by the Board of Directors on January 28, 1999, revised in 2007 and ratified by the Board of Directors this 31st day of August, 2015.

KENEDY 4B CORPORATION

Larry Kiesling, President

ATTEST:

Joe Ed Ponish, Secretary

Bylaws originally approved and adopted by the City of Kenedy City Council by Resolution on January 30, 1999, revised in 2007 and ratified by the City Council this 8th day of September, 2015.

CITY OF KENEDY

Randy Garza, Mayor

ATTEST:

Sandra G. Lundquist, City Secretary

AGENDA ITEM 8
RESOLUTION FOR SIGNATORY AUTHORITY

A RESOLUTION OF THE CITY OF KENEDY ECONOMIC DEVELOPMENT CORPORATION (4B), AUTHORIZING AND DESIGNATING THE OFFICIAL SIGNATURES OF THE KENEDY ECONOMIC DEVELOPMENT CORPORATION (4B) FOR BANKING AND DEPOSITORY SERVICES.

WHEREAS the Kenedy Economic Development Corporation (4B), approved by action at a regular scheduled Economic Development Corporation (4B), meeting an agreement with Texas Champion Bank to serve the various banking functions of the Economic Development Corporation (4B); and

WHEREAS the Economic Development Corporation (4B), also has various financial relationships with other banking entities.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Kenedy Economic Development Corporation (4B), that the following are designated as the individuals authorized to sign the disbursements, on all fund accounts, on behalf of the Economic Development Corporation (4B). Any two (2) of the following named officers of the Economic Development Corporation (4B) ("Agents"), whose actual signatures are shown below are required and that the Financial Institution shall be and is authorized to honor and pay the same whether or not they are payable to bearer or to the individual order of any Agent or Agents signing the same.

Gary Richards, President

Cynthia Saenz, Director

Felipe Leal, Vice President

FURTHER RESOLVED, that the Financial Institution is hereby directed to accept and pay without further inquiry any item drawn against any of the Entity's accounts with the Financial Institution bearing the signature or signatures of Agents, as authorized above or otherwise, even though drawn or endorsed to the order of any Agent signing or tendered by such Agent for cashing or in payment of the individual obligation of such Agent or for deposit to the Agent's personal account, and the Financial Institution shall not be required or be under any obligation to inquire as to the circumstances of the issue or use of any item signed in accordance with the resolutions contained herein, or the application or disposition of such item or the proceeds of the item.

FURTHER RESOLVED, that any two (2) of such Agents is authorized to endorse all checks, drafts, notes and other items payable to or owned by this Entity for deposit with the Financial Institution, or for collection or discount by the Financial Institution; and to accept drafts and other items payable at the Financial Institution.

FURTHER RESOLVED, that the above named Agents are authorized and empowered to execute such other agreements, including, but not limited to, special depository agreements and arrangements regarding the manner, conditions, or purposes for which funds, checks, or items of the Entity may be deposited, collected, or withdrawn and to perform such other acts as they deem reasonable necessary to carry out the provisions of these resolutions. The other agreements and other acts may not be contrary to the provisions contained in this Resolution.

FURTHER RESOLVED, that the authority hereby conferred upon the above named Agents shall be and remain in full force and effect until written notice of any amendment or revocation thereof shall have been delivered to and received by the Financial Institution at each location where an account is maintained. Financial Institution shall be indemnified and held harmless from any lost suffered or any liability incurred by it in continuing to act in accordance with this resolution. Any such notice shall not affect any items in process at the time notice is given.

I, further certify that the above-named persons names occupy the positions set forth opposite their respective names and signatures; that the foregoing Resolutions now stand of record on the books of the Entity; that they are in full force and effect and have not been modified in any manner whatsoever.

Duly passed and approved by the Economic Development Corporation (4B) of Kenedy, Karnes County, State of Texas on the 26th day of April 2021.

APPROVED:

BY: _____
Gary Richards
President

ATTEST:

BY: _____
William Linn
City Manager

AGENDA ITEM # 10
PUBLIC FUNDS INVESTMENT ACT
(EXCERPT)

GOVERNMENT CODE

TITLE 10. GENERAL GOVERNMENT

SUBTITLE F. STATE AND LOCAL CONTRACTS AND FUND MANAGEMENT

CHAPTER 2256. PUBLIC FUNDS INVESTMENT

SUBCHAPTER A. AUTHORIZED INVESTMENTS FOR GOVERNMENTAL ENTITIES

Sec. 2256.001. SHORT TITLE. This chapter may be cited as the Public Funds Investment Act.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.002. DEFINITIONS. In this chapter:

(1) "Bond proceeds" means the proceeds from the sale of bonds, notes, and other obligations issued by an entity, and reserves and funds maintained by an entity for debt service purposes.

(2) "Book value" means the original acquisition cost of an investment plus or minus the accrued amortization or accretion.

(3) "Funds" means public funds in the custody of a state agency or local government that:

(A) are not required by law to be deposited in the state treasury; and

(B) the investing entity has authority to invest.

(4) "Institution of higher education" has the meaning assigned by Section 61.003, Education Code.

(5) "Investing entity" and "entity" mean an entity subject to this chapter and described by Section 2256.003.

(6) "Investment pool" means an entity created under this code to invest public funds jointly on behalf of the entities that participate in the pool and whose investment objectives in order of priority are:

(A) preservation and safety of principal;

(B) liquidity; and

(C) yield.

(7) "Local government" means a municipality, a county, a school district, a district or authority created under Section 52(b)(1) or (2), Article III, or Section 59, Article XVI, Texas Constitution, a fresh water supply district, a hospital district, and any political subdivision, authority, public corporation, body politic, or instrumentality of the

State of Texas, and any nonprofit corporation acting on behalf of any of those entities.

(8) "Market value" means the current face or par value of an investment multiplied by the net selling price of the security as quoted by a recognized market pricing source quoted on the valuation date.

(9) "Pooled fund group" means an internally created fund of an investing entity in which one or more institutional accounts of the investing entity are invested.

(10) "Qualified representative" means a person who holds a position with a business organization, who is authorized to act on behalf of the business organization, and who is one of the following:

(A) for a business organization doing business that is regulated by or registered with a securities commission, a person who is registered under the rules of the National Association of Securities Dealers;

(B) for a state or federal bank, a savings bank, or a state or federal credit union, a member of the loan committee for the bank or branch of the bank or a person authorized by corporate resolution to act on behalf of and bind the banking institution;

(C) for an investment pool, the person authorized by the elected official or board with authority to administer the activities of the investment pool to sign the written instrument on behalf of the investment pool; or

(D) for an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or, if not subject to registration under that Act, registered with the State Securities Board, a person who is an officer or principal of the investment management firm.

(11) "School district" means a public school district.

(12) "Separately invested asset" means an account or fund of a state agency or local government that is not invested in a pooled fund group.

(13) "State agency" means an office, department, commission, board, or other agency that is part of any branch of state government, an institution of higher education, and any nonprofit corporation acting on behalf of any of those entities.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1421, Sec. 1, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1454, Sec. 1, eff. Sept. 1, 1999.

Sec. 2256.003. AUTHORITY TO INVEST FUNDS; ENTITIES SUBJECT TO THIS CHAPTER. (a) Each governing body of the following entities may purchase, sell, and invest its funds and funds under its control in investments authorized under this subchapter in compliance with investment policies approved by the governing body and according to the standard of care prescribed by Section 2256.006:

- (1) a local government;
- (2) a state agency;
- (3) a nonprofit corporation acting on behalf of a local government or a state agency; or
- (4) an investment pool acting on behalf of two or more local governments, state agencies, or a combination of those entities.

(b) In the exercise of its powers under Subsection (a), the governing body of an investing entity may contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control. A contract made under authority of this subsection may not be for a term longer than two years. A renewal or extension of the contract must be made by the governing body of the investing entity by order, ordinance, or resolution.

(c) This chapter does not prohibit an investing entity or investment officer from using the entity's employees or the services of a contractor of the entity to aid the investment officer in the execution of the officer's duties under this chapter.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1999, 76th Leg., ch. 1454, Sec. 2, eff. Sept. 1, 1999.

Sec. 2256.004. APPLICABILITY. (a) This subchapter does not apply to:

- (1) a public retirement system as defined by Section 802.001;
- (2) state funds invested as authorized by Section 404.024;
- (3) an institution of higher education having total endowments of at least \$150 million in book value on September 1, 2017;
- (4) funds invested by the Veterans' Land Board as authorized by Chapter 161, 162, or 164, Natural Resources Code;
- (5) registry funds deposited with the county or district clerk under Chapter 117, Local Government Code; or

(6) a deferred compensation plan that qualifies under either Section 401(k) or 457 of the Internal Revenue Code of 1986 (26 U.S.C. Section 1 et seq.), as amended.

(b) This subchapter does not apply to an investment donated to an investing entity for a particular purpose or under terms of use specified by the donor.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 505, Sec. 24, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1421, Sec. 2, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 62, Sec. 8.21, eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 1454, Sec. 3, eff. Sept. 1, 1999.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 773 (H.B. 1003), Sec. 1, eff. June 14, 2017.

Sec. 2256.005. INVESTMENT POLICIES; INVESTMENT STRATEGIES; INVESTMENT OFFICER. (a) The governing body of an investing entity shall adopt by rule, order, ordinance, or resolution, as appropriate, a written investment policy regarding the investment of its funds and funds under its control.

(b) The investment policies must:

- (1) be written;
- (2) primarily emphasize safety of principal and liquidity;
- (3) address investment diversification, yield, and maturity and the quality and capability of investment management; and
- (4) include:
 - (A) a list of the types of authorized investments in which the investing entity's funds may be invested;
 - (B) the maximum allowable stated maturity of any individual investment owned by the entity;
 - (C) for pooled fund groups, the maximum dollar-weighted average maturity allowed based on the stated maturity date for the portfolio;
 - (D) methods to monitor the market price of investments acquired with public funds;
 - (E) a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis; and

(F) procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the provisions of Section 2256.021.

(c) The investment policies may provide that bids for certificates of deposit be solicited:

- (1) orally;
- (2) in writing;
- (3) electronically; or
- (4) in any combination of those methods.

(d) As an integral part of an investment policy, the governing body shall adopt a separate written investment strategy for each of the funds or group of funds under its control. Each investment strategy must describe the investment objectives for the particular fund using the following priorities in order of importance:

- (1) understanding of the suitability of the investment to the financial requirements of the entity;
- (2) preservation and safety of principal;
- (3) liquidity;
- (4) marketability of the investment if the need arises to liquidate the investment before maturity;
- (5) diversification of the investment portfolio; and
- (6) yield.

(e) The governing body of an investing entity shall review its investment policy and investment strategies not less than annually. The governing body shall adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies.

(f) Each investing entity shall designate, by rule, order, ordinance, or resolution, as appropriate, one or more officers or employees of the state agency, local government, or investment pool as investment officer to be responsible for the investment of its funds consistent with the investment policy adopted by the entity. If the governing body of an investing entity has contracted with another investing entity to invest its funds, the investment officer of the other investing entity is considered to be the investment officer of the first investing entity for purposes of this chapter. Authority granted to a person to invest an entity's funds is effective until rescinded by the investing entity, until the expiration of the officer's term or the termination of the person's employment by the

investing entity, or if an investment management firm, until the expiration of the contract with the investing entity. In the administration of the duties of an investment officer, the person designated as investment officer shall exercise the judgment and care, under prevailing circumstances, that a prudent person would exercise in the management of the person's own affairs, but the governing body of the investing entity retains ultimate responsibility as fiduciaries of the assets of the entity. Unless authorized by law, a person may not deposit, withdraw, transfer, or manage in any other manner the funds of the investing entity.

(g) Subsection (f) does not apply to a state agency, local government, or investment pool for which an officer of the entity is assigned by law the function of investing its funds.

Text of subsec. (h) as amended by Acts 1997, 75th Leg., ch. 685, Sec. 1

(h) An officer or employee of a commission created under Chapter 391, Local Government Code, is ineligible to be an investment officer for the commission under Subsection (f) if the officer or employee is an investment officer designated under Subsection (f) for another local government.

Text of subsec. (h) as amended by Acts 1997, 75th Leg., ch. 1421, Sec. 3

(h) An officer or employee of a commission created under Chapter 391, Local Government Code, is ineligible to be designated as an investment officer under Subsection (f) for any investing entity other than for that commission.

(i) An investment officer of an entity who has a personal business relationship with a business organization offering to engage in an investment transaction with the entity shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree by affinity or consanguinity, as determined under Chapter 573, to an individual seeking to sell an investment to the investment officer's entity shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the governing body of the entity. For purposes of this subsection, an investment officer has a personal business relationship with a business organization if:

(1) the investment officer owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the

fair market value of the business organization;

(2) funds received by the investment officer from the business organization exceed 10 percent of the investment officer's gross income for the previous year; or

(3) the investment officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer.

(j) The governing body of an investing entity may specify in its investment policy that any investment authorized by this chapter is not suitable.

(k) A written copy of the investment policy shall be presented to any business organization offering to engage in an investment transaction with an investing entity. For purposes of this subsection and Subsection (1), "business organization" means an investment pool or investment management firm under contract with an investing entity to invest or manage the entity's investment portfolio that has accepted authority granted by the entity under the contract to exercise investment discretion in regard to the investing entity's funds. Nothing in this subsection relieves the investing entity of the responsibility for monitoring the investments made by the investing entity to determine that they are in compliance with the investment policy. The qualified representative of the business organization offering to engage in an investment transaction with an investing entity shall execute a written instrument in a form acceptable to the investing entity and the business organization substantially to the effect that the business organization has:

(1) received and reviewed the investment policy of the entity;
and

(2) acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the entity and the organization that are not authorized by the entity's investment policy, except to the extent that this authorization:

(A) is dependent on an analysis of the makeup of the entity's entire portfolio;

(B) requires an interpretation of subjective investment standards; or

(C) relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority.

(l) The investment officer of an entity may not acquire or otherwise obtain any authorized investment described in the investment policy of the investing entity from a business organization that has not delivered to the entity the instrument required by Subsection (k).

(m) An investing entity other than a state agency, in conjunction with its annual financial audit, shall perform a compliance audit of management controls on investments and adherence to the entity's established investment policies.

(n) Except as provided by Subsection (o), at least once every two years a state agency shall arrange for a compliance audit of management controls on investments and adherence to the agency's established investment policies. The compliance audit shall be performed by the agency's internal auditor or by a private auditor employed in the manner provided by Section 321.020. Not later than January 1 of each even-numbered year a state agency shall report the results of the most recent audit performed under this subsection to the state auditor. Subject to a risk assessment and to the legislative audit committee's approval of including a review by the state auditor in the audit plan under Section 321.013, the state auditor may review information provided under this section. If review by the state auditor is approved by the legislative audit committee, the state auditor may, based on its review, require a state agency to also report to the state auditor other information the state auditor determines necessary to assess compliance with laws and policies applicable to state agency investments. A report under this subsection shall be prepared in a manner the state auditor prescribes.

(o) The audit requirements of Subsection (n) do not apply to assets of a state agency that are invested by the comptroller under Section 404.024.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 685, Sec. 1, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1421, Sec. 3, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1454, Sec. 4, eff. Sept. 1, 1999; Acts 2003, 78th Leg., ch. 785, Sec. 41, eff. Sept. 1, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004 (H.B. 2226), Sec. 1, eff. June 17, 2011.

Acts 2017, 85th Leg., R.S., Ch. 149 (H.B. 1701), Sec. 1, eff. September 1, 2017.

Sec. 2256.006. STANDARD OF CARE. (a) Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. Investment of funds shall be governed by the following investment objectives, in order of priority:

- (1) preservation and safety of principal;
- (2) liquidity; and
- (3) yield.

(b) In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

(1) the investment of all funds, or funds under the entity's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and

(2) whether the investment decision was consistent with the written investment policy of the entity.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.007. INVESTMENT TRAINING; STATE AGENCY BOARD MEMBERS AND OFFICERS. (a) Each member of the governing board of a state agency and its investment officer shall attend at least one training session relating to the person's responsibilities under this chapter within six months after taking office or assuming duties.

(b) The Texas Higher Education Coordinating Board shall provide the training under this section.

(c) Training under this section must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with this chapter.

(d) An investment officer shall attend a training session not less than once each state fiscal biennium and may receive training from any independent source approved by the governing body of the state agency. The investment officer shall prepare a report on this subchapter and deliver the report to the governing body of the state agency not later than the 180th day after the last day of each regular session of the legislature.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 73, Sec. 1, eff. May 9, 1997; Acts 1997, 75th Leg.,

ch. 1421, Sec. 4, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1454, Sec. 5, eff. Sept. 1, 1999.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004 (H.B. 2226), Sec. 2, eff. June 17, 2011.

Sec. 2256.008. INVESTMENT TRAINING; LOCAL GOVERNMENTS.

(a) Except as provided by Subsections (a-1), (b), (b-1), (e), and (f), the treasurer, the chief financial officer if the treasurer is not the chief financial officer, and the investment officer of a local government shall:

(1) attend at least one training session from an independent source approved by the governing body of the local government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government and containing at least 10 hours of instruction relating to the treasurer's or officer's responsibilities under this subchapter within 12 months after taking office or assuming duties; and

(2) attend an investment training session not less than once in a two-year period that begins on the first day of that local government's fiscal year and consists of the two consecutive fiscal years after that date, and receive not less than 10 hours of instruction relating to investment responsibilities under this subchapter from an independent source approved by the governing body of the local government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government.

(a-1) Except as provided by Subsection (g), the treasurer, or the chief financial officer if the treasurer is not the chief financial officer, and the investment officer of a school district or a municipality, in addition to the requirements of Subsection (a)(1), shall attend an investment training session not less than once in a two-year period that begins on the first day of the school district's or municipality's fiscal year and consists of the two consecutive fiscal years after that date, and receive not less than eight hours of instruction relating to investment responsibilities under this subchapter from an independent source approved by the governing body of the school district or municipality, or by a designated investment committee advising the investment officer as provided for in the investment policy of the school district or municipality.

(b) An investing entity created under authority of Section 52(b), Article III, or Section 59, Article XVI, Texas Constitution, that has

contracted with an investment management firm under Section 2256.003(b) and has fewer than five full-time employees or an investing entity that has contracted with another investing entity to invest the entity's funds may satisfy the training requirement provided by Subsection (a)(2) by having an officer of the governing body attend four hours of appropriate instruction in a two-year period that begins on the first day of that local government's fiscal year and consists of the two consecutive fiscal years after that date. The treasurer or chief financial officer of an investing entity created under authority of Section 52(b), Article III, or Section 59, Article XVI, Texas Constitution, and that has fewer than five full-time employees is not required to attend training required by this section unless the person is also the investment officer of the entity.

(b-1) A housing authority created under Chapter 392, Local Government Code, may satisfy the training requirement provided by Subsection (a)(2) by requiring the following person to attend, in each two-year period that begins on the first day of that housing authority's fiscal year and consists of the two consecutive fiscal years after that date, at least five hours of appropriate instruction:

- (1) the treasurer, or the chief financial officer if the treasurer is not the chief financial officer, or the investment officer; or
- (2) if the authority does not have an officer described by Subdivision (1), another officer of the authority.

(c) Training under this section must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with this chapter.

(d) Not later than December 31 each year, each individual, association, business, organization, governmental entity, or other person that provides training under this section shall report to the comptroller a list of the governmental entities for which the person provided required training under this section during that calendar year. An individual's reporting requirements under this subsection are satisfied by a report of the individual's employer or the sponsoring or organizing entity of a training program or seminar.

(e) This section does not apply to a district governed by Chapter 36 or 49, Water Code.

(f) Subsection (a)(2) does not apply to an officer of a municipality or housing authority if the municipality or housing authority:

- (1) does not invest municipal or housing authority funds, as applicable; or
- (2) only deposits those funds in:

- (A) interest-bearing deposit accounts; or
- (B) certificates of deposit as authorized by Section

2256.010.

(g) Subsection (a-1) does not apply to the treasurer, chief financial officer, or investment officer of a school district if:

(1) the district:

- (A) does not invest district funds; or
- (B) only deposits those funds in:
 - (i) interest-bearing deposit accounts; or
 - (ii) certificates of deposit as authorized by Section

2256.010; and

(2) the treasurer, chief financial officer, or investment officer annually submits to the agency a sworn affidavit identifying the applicable criteria under Subdivision (1) that apply to the district.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1421, Sec. 5, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1454, Sec. 6, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 69, Sec. 4, eff. May 14, 2001.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004 (H.B. 2226), Sec. 3, eff. June 17, 2011.

Acts 2015, 84th Leg., R.S., Ch. 222 (H.B. 1148), Sec. 1, eff. September 1, 2015.

Acts 2015, 84th Leg., R.S., Ch. 1248 (H.B. 870), Sec. 1, eff. September 1, 2015.

Acts 2017, 85th Leg., R.S., Ch. 324 (S.B. 1488), Sec. 8.015, eff. September 1, 2017.

Acts 2017, 85th Leg., R.S., Ch. 1000 (H.B. 1238), Sec. 1, eff. September 1, 2017.

Acts 2017, 85th Leg., R.S., Ch. 1000 (H.B. 1238), Sec. 2, eff. September 1, 2017.

Acts 2019, 86th Leg., R.S., Ch. 477 (H.B. 293), Sec. 1, eff. June 7, 2019.

Sec. 2256.009. AUTHORIZED INVESTMENTS: OBLIGATIONS OF, OR GUARANTEED BY GOVERNMENTAL ENTITIES. (a) Except as provided by Subsection (b), the following are authorized investments under this subchapter:

(1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home

AGENDA ITEM # 12
APRIL FINANCIAL STATEMENT

BALANCE SHEET

AS OF: APRIL 30TH, 2021

15 -KENEDY 4B CORPORATION

ACCOUNT #	ACCOUNT DESCRIPTION	BALANCE	
<hr/>			
ASSETS			
=====			
15-00-101.01	KENEDY 4B CORP - CHECKING	(182,192.66)	
15-00-120.01	TEXPOOL - 4B CORPORATION	<u>5,123,658.63</u>	
			<u>4,941,465.97</u>
TOTAL ASSETS			4,941,465.97
			=====
LIABILITIES			
=====			
15-00-201.01	ACCOUNTS PAYABLE	<u>53,824.12</u>	
	TOTAL LIABILITIES		<u>53,824.12</u>
EQUITY			
=====			
15-00-290.01	FUND BALANCE - KENEDY 4B CORP	<u>5,019,183.56</u>	
	TOTAL BEGINNING EQUITY	5,019,183.56	
TOTAL REVENUE		488,012.05	
TOTAL EXPENSES		<u>619,553.76</u>	
TOTAL REVENUE OVER/ (UNDER) EXPENSES		(131,541.71)	
TOTAL EQUITY & REV. OVER/ (UNDER) EXP.			<u>4,887,641.85</u>
TOTAL LIABILITIES, EQUITY & REV.OVER/ (UNDER) EXP.			4,941,465.97
			=====

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: APRIL 30TH, 2021

15 -KENEDY 4B CORPORATION
FINANCIAL SUMMARY

58.33% OF YEAR COMP.

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>REVENUE SUMMARY</u>					
ALL REVENUE	<u>1,150,000.00</u>	<u>65,542.96</u>	<u>488,012.05</u>	<u>42.44</u>	<u>661,987.95</u>
TOTAL REVENUES	1,150,000.00	65,542.96	488,012.05	42.44	661,987.95
	=====	=====	=====	=====	=====
<u>EXPENDITURE SUMMARY</u>					
KENEDY 4B CORPORATION	<u>1,163,000.00</u>	<u>540,024.12</u>	<u>619,553.76</u>	<u>53.27</u>	<u>543,446.24</u>
TOTAL EXPENDITURES	1,163,000.00	540,024.12	619,553.76	53.27	543,446.24
	=====	=====	=====	=====	=====
REVENUES OVER/(UNDER) EXPENDITURES	(13,000.00)	(474,481.16)	(131,541.71)		118,541.71

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: APRIL 30TH, 2021

15 -KENEDY 4B CORPORATION

58.33% OF YEAR COMP.

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>SALES TAX</u>					
15-00-303.01 SALES TAX REVENUE	600,000.00	39,563.28	281,312.25	46.89	318,687.75
TOTAL SALES TAX	600,000.00	39,563.28	281,312.25	46.89	318,687.75
<u>FINES & MISCELLANEOUS REV</u>					
15-00-305.01 OIL & GAS ROYALTIES	550,000.00	25,922.97	204,788.89	37.23	345,211.11
TOTAL FINES & MISCELLANEOUS REV	550,000.00	25,922.97	204,788.89	37.23	345,211.11
<u>OTHER REVENUE</u>					
15-00-308.05 INTEREST EARNED	0.00	56.71	1,910.91	0.00	(1,910.91)
TOTAL OTHER REVENUE	0.00	56.71	1,910.91	0.00	(1,910.91)
TOTAL REVENUES	1,150,000.00	65,542.96	488,012.05	42.44	661,987.95
	=====	=====	=====	=====	=====

CITY OF KENEDY
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: APRIL 30TH, 2021

15 -KENEDY 4B CORPORATION
KENEDY 4B CORPORATION

58.33% OF YEAR COMP.

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>SALARIES & OTHER</u>					
15-00-510.03 LEGAL FEES	10,000.00	0.00	0.00	0.00	10,000.00
15-00-510.04 BOOKKEEPING -CITY OF KENED	12,000.00	1,000.00	6,000.00	50.00	6,000.00
15-00-510.05 MISCELLANEOUS EXPENSE	0.00	0.00	15.00	0.00	(15.00)
15-00-510.09 HOLIDAY PARTY	500.00	0.00	0.00	0.00	500.00
TOTAL SALARIES & OTHER	22,500.00	1,000.00	6,015.00	26.73	16,485.00
<u>OPERATING EXPENSES</u>					
15-00-520.10 OPERATING SUPPLIES	3,000.00	0.00	2,151.19	71.71	848.81
TOTAL OPERATING EXPENSES	3,000.00	0.00	2,151.19	71.71	848.81
<u>MISCELLANEOUS SERVICES</u>					
15-00-530.05 ADVERTISING	500.00	0.00	0.00	0.00	500.00
15-00-530.11 UTILITIES	10,000.00	0.00	388.95	3.89	9,611.05
TOTAL MISCELLANEOUS SERVICES	10,500.00	0.00	388.95	3.70	10,111.05
<u>GENERAL EXPENDITURES</u>					
<u>CAPITAL PROJECTS</u>					
15-00-570.02 COMPLEX SECURITY FENCE	65,000.00	0.00	57,375.00	88.27	7,625.00
15-00-570.03 TRASH CANS	5,000.00	5,336.28	5,336.28	106.73	(336.28)
15-00-570.06 COMPLEX BATRY ARCH	10,000.00	26,507.00	26,507.00	265.07	(16,507.00)
TOTAL CAPITAL PROJECTS	80,000.00	31,843.28	89,218.28	111.52	(9,218.28)
<u>BUILDING & STRUCT. EXP.</u>					
15-00-580.02 PARK SIGNAGE	10,000.00	0.00	0.00	0.00	10,000.00
15-00-580.04 BENCHES	3,000.00	0.00	0.00	0.00	3,000.00
TOTAL BUILDING & STRUCT. EXP.	13,000.00	0.00	0.00	0.00	13,000.00
<u>CAPITAL PURCHASES</u>					
15-00-590.03 TICKET BOOTH	25,000.00	0.00	0.00	0.00	25,000.00
15-00-590.04 BUILDING C - SPORTS COMPLE	300,000.00	0.00	0.00	0.00	300,000.00
15-00-590.05 BASEBALL FIELD PADS	16,000.00	0.00	14,599.50	91.25	1,400.50
TOTAL CAPITAL PURCHASES	341,000.00	0.00	14,599.50	4.28	326,400.50
<u>GEN FUND TRSFR & EXP</u>					
15-00-610.01 GRANT EXPENSES	176,800.00	0.00	0.00	0.00	176,800.00
15-00-610.03 HEB SALES TAX REBATE AGREE	30,000.00	20,980.84	20,980.84	69.94	9,019.16
15-00-610.04 SPORTS COMPLEX-BOND P & I	486,200.00	486,200.00	486,200.00	100.00	0.00
TOTAL GEN FUND TRSFR & EXP	693,000.00	507,180.84	507,180.84	73.19	185,819.16
TOTAL KENEDY 4B CORPORATION	1,163,000.00	540,024.12	619,553.76	53.27	543,446.24
TOTAL EXPENDITURES	1,163,000.00	540,024.12	619,553.76	53.27	543,446.24
REVENUES OVER/(UNDER) EXPENDITURES	(13,000.00)	(474,481.16)	(131,541.71)		118,541.71

KENEDY 4B CORPORATION
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

Note 1. Reporting Entity:

Kenedy 4B Corporation is a nonprofit corporation created by the City in 1998 pursuant to the provisions of the *Development Corporation Act of 1979*, as amended (which was originally enacted as Article 5190.6, V.A.T.C.S., and was subsequently codified and now appears in Chapters 501 - 505 of the Texas Local Government Code - collectively, the "Act").

Note 2. Summary of significant accounting policies:

The Kenedy 4B Corporation is governed by a board appointed by the City Council. Although they are legally separate from the City, the Kenedy 4B Corporation is reported as if they are a part of the City's primary government on its audited annual financial report because their primary purpose is to provide services to the citizens of the City. As a governmental type fund funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current asset and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balance present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash. Expenditures are recorded in the accounting period in which they related fund liability is incurred or spent.

The Kenedy 4B Corporation is used to collect sales tax monies to promote new business activity in the City.

Note 3. Capital assets

Capital (fixed) assets are recorded on the financial statements of the City of Kendy.

Mineral Rights: The following is a list of mineral rights for the Kenedy 4B Corporation as listed at appraised value per the Karnes County Appraisal District and are 2020 Certified Values:

• Young Gas Unit 1 w No B1H	\$ 6,580
• Young Gas Unit 1 w No B2H	26,120
• Kenedy Corp Gas Unit 1w B3H	18,160
• Kenedy Corp Gas Unit 1w B4H	11,370
• Young Gas Unit 1 w No A1H	62,740
• Young Gas Unit 1w No A2H	82,830
• Young Guns Unit 1A3H	18,150
• Young Gas Unit 1w No A4H	53,960
• Young Gas Unit 1w No A5H	125,630
• Young Gas Unit 1 w No C3H	69,930
• Young Gas Unit 1 w C2H	67,900
• Young Gas Unit 1 w No C1H & C4H	<u>32,880</u>
	576,250

KENEDY 4B CORPORATION
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

Note 4. Contractual Obligations

A. **Project Funding Agreement re: Financing a New Sports Activity Complex. Entered into in Connection with the issuance of City of Kenedy Combination Tax and Revenue Certificates of Obligation Series 2019:** This agreement was signed and dated July 1, 2019. The bonds were issued in the name of the City of Kenedy on August 1, 2019.

Terms of Agreement. The term of this Agreement shall become effective from the date on which the City issues and delivers the City Sports Complex COs and shall terminate one business day after the Corporation has transferred to the City sufficient funds to pay the final annual debt service payment on the City Sports Complex COs (or any bonds or obligations issued in the future to refund the City's Sports Complex COs).

Fiscal Year Ended	Debt Service Requirements, Series 2019 Combination Tax and Revenue Bonds		
	Principal	Interest	Total
<u>30-Sep</u>			
2020	315,000.00	172,480.00	487,480.00
2021	230,000.00	256,200.00	486,200.00
2022	240,000.00	247,000.00	487,000.00
2023	250,000.00	237,400.00	487,400.00
2024	260,000.00	227,400.00	487,400.00
2025	270,000.00	217,000.00	487,000.00
2026	280,000.00	206,200.00	486,200.00
2027	295,000.00	195,000.00	490,000.00
2028	305,000.00	183,200.00	488,200.00
2029	315,000.00	171,000.00	486,000.00
2030	330,000.00	158,400.00	488,400.00
2031	345,000.00	145,200.00	490,200.00
2032	355,000.00	131,400.00	486,400.00
2033	370,000.00	117,200.00	487,200.00
2034	385,000.00	102,400.00	487,400.00
2035	400,000.00	87,000.00	487,000.00
2036	420,000.00	71,000.00	491,000.00
2037	435,000.00	54,200.00	489,200.00
2038	450,000.00	36,800.00	486,800.00
2038	470,000.00	18,800.00	488,800.00
	<u>6,720,000.00</u>	<u>3,035,280.00</u>	<u>9,755,280.00</u>

KENEDY 4B CORPORATION
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

Note 4. Contractual Obligations (Continued)

B. Development Agreement – HEB Grocery Company, LP The Kenedy 4B Corporation has the following agreement to reimburse HEB Grocery Company, LP. The total Cost Reimbursement available to HEB for the Public Improvements under the terms of this Agreement shall not exceed one hundred and fifty thousand dollars (\$150,000). The 4B Corporation shall reimburse HEB for its expenses for the Public Improvements up to the Maximum Reimbursement Amount. Annually throughout the Term of this Agreement, 4B Corporation shall pay to HEB one hundred percent (100%) of the Increased Sales Tax Revenues (as defined below) generated at the Property, up to the Maximum Reimbursement Amount. For purposes of this Agreement, *“Increased Sales Tax Revenues” shall mean for any given calendar year the difference between the (x) Sales Tax Revenues minus (y) the Sales Tax Base Line Amount.* As of September 30, 2020 the 4B Corporation has paid HEB a cumulative amount of \$96,901.28 which leaves an unpaid balance of \$ 53,098.72. An invoice payable to HEB for \$20,980.84 was approved in April 2021 which will then leave the unpaid liability at \$32,117.88.

AGENDA ITEM 13
ACCOUNTS PAYABLE INVOICES

KENEDY 4B CORPORATION
 LISTING OF OPEN ACCOUNTS PAYABLE INVOICES
 BOARD MEETING DATE: MAY 24, 2021

DATE	VENDOR	DESCRIPTION	AMOUNT
05/11/2021	CITY OF KENEDY	BOOKKEEPING – APRIL 2021	\$ 1,000.00
04/30/2021	SAN ANTONIO RIVER FOUNDATION	PARK BENCH AND PLAQUE RE: LARRY KIESLING FOR ESCONDIDO CREEK PARKWAY	1,500.00
		TOTAL ALL UNPAID INVOICES	<u>\$ 2,500.00</u>



INVOICE

DATE: May 11, 2021
INVOICE # 186
FOR: Monthly Accounting

303 W. Main St.
Kenedy, Tx. 78119
phone (830) 583-2230
fax (830) 583-2063

BILL TO: Kenedy 4B Corporation
303 W. Main St.
Kenedy, Tx. 78119
(830) 583-2230

DESCRIPTION	AMOUNT
Bookkeeping Services to the City of Kenedy Month of April 2021	\$1,000.00

Make all checks payable to City of Kenedy
If you have any questions concerning this invoice, contact the
City Secretary at (830) 583-2230,
citysecretary@cityofkenedy.org

THANK YOU !!!

S:\Accounting\KENEDY 4B CORP\INVOICE TO CITY MAR 2021.xlsx\MAR 2021 (2)

SUBTOTAL	\$	1,000.00
SALES TAX		-
OTHER		
TOTAL	\$	1,000.00



April 30, 2021

Kenedy 4B Corporation
City of Kenedy
303 West Main Street
Kenedy, TX 78119

Invoice

Escondido Creek Parkway Naming Opportunities

Donation for: **Park Bench**

To be placed at the Splash Pad.

Bench will be for:
**Kenedy 4B Corporation
In Memory Of
Larry Kiesling**

Total Donation: **\$1,500**

Make check payable to:
San Antonio River Foundation

Designate on the check:
Escondido Creek Parkway

Mail check to:
Gaylon Oehlke will pick-up the check for delivery to SARF.

Your support of this incredible project is appreciated.

Thank you,

Kathy Oehlke
ECP Fundraising Committee
504 Cottonwood St.
Kenedy, TX 78119
koehlke@sbcglobal.net
830-534-3896

AGENDA ITEM # 14
PROPOSED AMENDED BUDGET WORKSHEET

BE IT THERFORE AGREED BY THE KENEDY 4B CORPORATION BOARD THAT:

That the Kenedy 4B Corporation's Budget for the Fiscal year beginning October 1, 2020 and ending September 30, 2021 be hereby amended as follows:

Line item 15-00-570.03 Trash Cans—funding will be increased from \$5,000.00 to \$8,000.00.

Line item 15-00-570.06 Complex Batry Arch—funding will be increased from \$10,000.00 to \$30,000.00.

Line item 15-00-560.10 Training—funding will be increased from \$0.00 to \$4,000.00.

Line item 15-00-510.03 Legal Fees—funding will decrease from \$10,000.00 to \$3,500.00 with \$500.00 to be reallocated to line item 15-00-570.03 and \$6,000.00 to be reallocated to line item 15-00-570.06.

Line item 15-00-530.11 Utilities—funding will decrease from \$10,000.00 to \$3,500.00 with \$2,500.00 to be reallocated to line item 15-00-570.03 and \$4,000.00 to be reallocated to line item 15-00-560.10.

Line item 15-00-570.02 Complex Security Fence—funding will decrease from \$65,000.00 to \$61,000.00 to be reallocated to line item 15-00-570.06.

Line item 15-00-580.02 Park Signage—funding will decrease from \$10,000.00 to \$2,000.00 to be reallocated to line item 15-00-570.06.

Line item 15-00-610.03 HEB Sales Tax Rebate Agreement—funding will decrease from \$30,000.00 to \$28,000.00 to be reallocated to line item 15-00-570.06.

AGENDA ITEM 15
COVID 19 SMALL BUSINESS ASSISTANCE
GRANT UPDATE

3 GRANT APPLICATIONS HAVE BEEN
RECEIVED SINCE MAY 1, 2021:

- ONE HOTEL
- ONE RESTAURANT
- ONE BAR

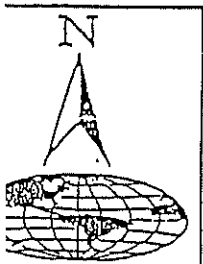
AGENDA ITEM 16
DOWNTOWN IMPROVEMENT PROJECT

A circular logo featuring a stylized recycling symbol (three chasing arrows forming a triangle) in the center. The background of the circle is filled with a dense, textured pattern of small, irregular shapes, possibly representing a forest or a natural environment.

KEEP AMERICA BEAUTIFUL

RECYCLE!!

Produced By
D & L MAP SERVICE
Since 1974
111 Mull Marketing Corp.
4 E East • Arlington, TX 76011



Produced By
D & L MAP SERVICE
Since 1974
197 Mullis Marketing Corp.
4 E. East • Arlington, TX 76011