



City of Corpus Christi

1201 Leopard Street
Corpus Christi, TX 78401
cctexas.com

Meeting Agenda - Final

Corpus Christi B Corporation - Type B

Monday, July 17, 2023

1:30 PM

Council Chambers

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services are requested to contact the City Secretary's office (at 361-826-3105) at least 48 hours in advance so that appropriate arrangements can be made.

The mission of the Business & Jobs Development (Type A) and B Corporations is to promote and enhance the City of Corpus Christi's economic base by supporting projects and programs that create primary jobs, improve small business and affordable housing opportunities, and improve infrastructure in our City.

A. President Leah Pagan Olivarri to call the meeting to order.

B. Call Roll:

Board Members:

- Leah Pagan Olivarri (President)
- Alan Wilson (Vice President)
- Diana Summers (Secretary)
- Scott Harris
- Jesus Jimenez
- Robert Tamez
- John Valls

C. PUBLIC COMMENT:

PLEASE BE ADVISED THAT THE OPEN MEETINGS ACT PROHIBITS THE CORPORATION FROM RESPONDING AND DISCUSSING YOUR COMMENTS AT LENGTH. THE LAW ONLY AUTHORIZES THEM TO DO THE FOLLOWING:

- 1. MAKE A STATEMENT OF FACTUAL INFORMATION.**
- 2. RECITE AN EXISTING POLICY IN RESPONSE TO THE INQUIRY.**
- 3. ADVISE THE CITIZEN THAT THIS SUBJECT WILL BE PLACED ON AN AGENDA AT A LATER DATE.**

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PLEASE REFER TO THE CITY'S WEBSITE:

**<https://www.cctexas.com/detail/covid-19-public-comment-input-procedures>
FOR FURTHER DETAILS ON WRITTEN PUBLIC COMMENT SUBMISSIONS.**

D. MINUTES / EXCUSE ABSENCES

- 1. [23-1075](#) Approval of Minutes of the Type B June 12, 2023 Regular Meeting.**

E. FINANCIAL REPORT

- 2. [23-1134](#) Type B Financial Reports as of May 31, 2023**

F. EXECUTIVE SESSION ITEMS:

PUBLIC NOTICE is given that the Board of Directors may elect to go into closed session at any time during the meeting in order to discuss any matters listed on the agenda, when authorized by the provisions of the Open Meetings Act, Chapter 551 of the Texas Government Code, and that if the Board of Directors specifically expects to go into closed session regarding an agenda item, the section or sections of the Open Meetings Act authorizing the closed session will be publicly announced by the presiding officer. This agenda has been reviewed and approved by the attorney for the governing body, and the presence of any subject or description in the Executive Session portion of this agenda constitutes a written interpretation of Chapter 551 of the Texas Local Government Code by the attorney for this corporation indicating that said subject or description thereof may be legally discussed in a closed meeting.

G. AGENDA ITEMS:

CONSIDERATION OF MOTIONS, RESOLUTIONS:

3. [23-1151](#) Resolution reaffirming the Corpus Christi B Corporation's Investment Policy and Investment Strategy for the Fiscal Year 2023-2024 with non-substantive amendments.
4. [23-1185](#) Motion authorizing amendment of the bylaws of the Corpus Christi B Corporation to provide for automatic resignation of a director in the event of unexcused absences.
5. [23-1161](#) Motion to approve the Corpus Christi B Corporation's Fiscal Year 2023-2024 operating budget for Economic Development, Housing and Streets.

H. **PUBLIC HEARING:**

This agenda constitutes notice of any project or type of project that is the subject of a public hearing for purposes of section 505.160 of the Texas Local Government Code.

I. **PRESENTATION ITEMS:**

The following items are for the Board's Informational purposes only. The Board may give direction to the Staff, but no other action will be taken and no public comment will be solicited.

J. **EXECUTIVE DIRECTOR COMMENTS:**

K. **ADJOURNMENT**

This meeting may be held via videoconference call pursuant to Texas Government Code § 551.127. If this meeting is held via videoconference call or other remote method of meeting, then a member of this governmental body presiding over this meeting will be physically present at the location of this meeting unless this meeting is held pursuant to Texas Government Code § 551.125 due to an emergency or other public necessity pursuant to Texas Government Code § 551.045.



City of Corpus Christi

1201 Leopard Street
Corpus Christi, TX 78401
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Meeting Minutes - Draft

Corpus Christi B Corporation - Type B

Monday, June 12, 2023

1:30 PM

Council Chambers

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services are requested to contact the City Secretary's office (at 361-826-3105) at least 48 hours in advance so that appropriate arrangements can be made.

The mission of the Business & Jobs Development (Type A) and B Corporations is to promote and enhance the City of Corpus Christi's economic base by supporting projects and programs that create primary jobs, improve small business and affordable housing opportunities, and improve infrastructure in our City.

A. President Leah Pagan Olivarri to call the meeting to order.

President Leah Olivarri called the meeting to order at 1:33 p.m.

B. Call Roll:

City Secretary Rebecca Huerta called the roll and verified that a quorum of the Board was present to conduct the meeting.

Present 4 - President Leah Pagan Olivarri, Secretary Diana Summers, Vice-President Alan Wilson, and Board Member Jesus Jimenez

Absent 3 - Board Member Scott Harris, Board Member Robert Tamez, and Board Member John Valls

C. PUBLIC COMMENT:

President Olivarri referred to Public Comment. There were no comments from the public.

D. MINUTES / EXCUSE ABSENCES

1. [23-0947](#) Approval of Minutes of the Type B May 15, 2023 Regular Meeting.

President Olivarri referred to Item 1. Mr. Wilson made a motion to approve the minutes as presented, seconded by Ms. Summers, and passed unanimously.

E. FINANCIAL REPORT

2. [23-0928](#) Type B Financial Reports as of April 30, 2023

President Olivarri referred to Item 2. Interim Director of Finance Alma Casas presented

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the financial reports as of April 30, 2023.

F. EXECUTIVE SESSION ITEMS:

G. AGENDA ITEMS:

3. **23-0970** Discussion and possible action to amend the bylaws of the Corpus Christi B Corporation to provide for automatic resignation of a director in the event of unexcused absences.

President Olivarri referred to Item 3. Assistant City Attroner Aimee Alcorn-Reed said the purpose of this item is to discuss possible amendment to the bylaws for the Type B Board regarding attendance. Ms. Alcorn-Reed suggested adopting the City Council's current attendance policies for city boards or the board could created their own policy.

Board Members and Ms. Alcorn-Reed discussed the following topics: how many meeting would result in an automatic resignation; including guidelines as to what is considered an excused absence to the rules of procedures; and accepting a written request for an excused absence.

Ms. Olivarri requested the item be brought back at the next meeting with the suggested changes for consideration and possible action.

4. [23-0971](#) Discussion and possible action to authorize a job training grant to Del Mar College in the amount of \$130,000 for the Cyber Center to aid small businesses within the city limits by providing education and support related to cyber security issues.

President Olivarri referred to Item 4. Chief Executive Officer of the Corpus Christi Regional Economic Development Corporation Mike Culbertson said the purpose of this item is to discuss and possible action on a grant for Del Mar College in the amount of \$130,000 for a Cyber Center. Mr. Culbertson introduced the Director of the Small Business Development Center Ann Fierova and Executive Vice President and Chief Operating Officer Lenora Keas who gave more information regarding the Cyber Center.

Board Members, Mr. Culbertson and Ms. Fierova discussed the following topics: explained why being compliant with Cyber Awareness is necessary; hiring process for the cyber center and when the center will be compete; allocating funds for each client; the number of businesses that will benefit from the services; and funding for the program is for the calendar year, however, the board could allow a 15 month contract so the program could start sooner.

Mr. Wilson made a motion to approve item 4, seconded by Mr. Jimenez, and passed unanimously.

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5. [23-0972](#) Motion authorizing an amendment to the to the reimbursement Agreement with Botanical and Nature Institute of South Texas, Inc., to extend the performance deadline from August 21, 2023 to March 31, 2024.

President Olivarri referred to Item 5. Executive Director of the Botanical Gardens Michael Womack said the purpose of this item is to request an amendment to the agreement by extending the deadline to March 31, 2024. Mr. Womack explained the Texas Parks and Wildlife grant should have been completed in 9 to 12 months; however, it took 22 months to finalize the grant. The Botanical Gardens received archeological surveys that were double the amount they expected. They will go out for proposals again and hope to get a better price for the survey.

Mr. Wilson made a motion to approve item 5, seconded by Ms. Summers, and passed unanimously.

6. [23-0984](#) Motion authorizing an Amendment to the Reimbursement Agreement with New Sports Company LLC., to extend the performance deadline of Phase I from November 30, 2023, to December 31, 2024, and the completion deadline of Phase II from November 30, 2023, to August 31, 2026.

President Olivarri referred to Item 6. President of Next Sports Company LLC Dr. Kingsley Okonkwo said the purpose of this item is to extend the performance deadline of Phase I to December 31, 2024 and the completion deadline of Phase II to August 31, 2026. Dr. Okonkwo stated all permits and drainage has been completed.

Assistant City Attorney Aimee Alcorn-Reed stated there is a typo on the business name in the agreement. City Secretary Rebecca Huerta stated the name could be corrected administratively from New to Next as it was notated for the record.

Mr. Wilson made a motion to approve item 6, seconded by Ms. Summers, and passed unanimously.

7. [23-1021](#) Presentation and discussion on the proposed FY 2023-2024 Corpus Christi Type B Corporation Budget

President Olivarri referred to Item 7. Director of Management and Budget Eddie Houlihan presented the proposed FY 2023-2024 Type B Budget.

Mr. Houlihan presented the following items: Budget Overview - Economic Development; Budgeted Revenue - Economics Development; Proposed Expenses - Economic Development; Major Business Incentives; Small Business Projects; Type B Incentives; Budget Proposal; Budget Overview - Housing; Budgeted Revenue - Housing; Proposed Expenses - Housing; Affordable Housing; Infill Housing Incentives Program; Budget Overview - Streets; Budgeted Revenue - Streets; and Proposed Expenses - Streets.

Board Members, Mr. Houlihan, Interim Assistant City Manager Heather Hurlbert,

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TAMU-CC Executive Director of Career & Professional Development Center Leslie Mills and Director of the Small Business Development Center Ann Fierova, Chief Lending Officer for LiftFund Michael Coulter, Market Manager for LiftFund Laura Estrada discussed the following topics: proposed expenses - economic development and FY2024 proposed budget for major business incentives totals were incorrect; performance updates for the Texas A&M-CC and Del Mar College Intern program; whether there is a broader range of industries using the intern program; Texas A&M-CC had asked for an increase to the Internship budget program of \$150,000 for FY2024; LiftFund will use the proposed increased fund amount to hire a new full-time employee, advertising, and canvassers to double the amount of clients; the need for a Development Services Liaison to help small and large businesses with the Development Services processes for construction or improvements to their business; and whether there are projects identified for the Affordable Housing Projects.

H. PUBLIC HEARING:

This agenda constitutes notice of any project or type of project that is the subject of a public hearing for purposes of section 505.160 of the Texas Local Government Code.

I. PRESENTATION ITEMS:**J. EXECUTIVE DIRECTOR COMMENTS:**

President Olivarri referred to the Executive Director comments. City Manager Peter Zanoni stated the final budget will be presented at the next board meeting.

K. ADJOURNMENT

There being no further business, President Olivarri adjourned the meeting at 2:53 p.m.

This meeting may be held via videoconference call pursuant to Texas Government Code § 551.127. If this meeting is held via videoconference call or other remote method of meeting, then a member of this governmental body presiding over this meeting will be physically present at the location of this meeting unless this meeting is held pursuant to Texas Government Code § 551.125 due to an emergency or other public necessity pursuant to Texas Government Code § 551.045.

CORPUS CHRISTI B CORPORATION



Corpus Christi B Corporation Meeting
July 17, 2023



B Corporation Financial Position For The Eight Months Ended May 31, 2023

Beginning FY 23 Fund Balance	\$12,502,352
Revenues Year-to-Date	\$6,360,758
Expenditures Year-to-Date	\$1,046,696
Ending Fund Balance May 31	\$17,816,414

	Affordable Housing	Economic Development	Streets
Beginning FY23 Fund Balance	\$1,717,705	\$9,999,508	\$785,139
Revenues/Transfers In	\$555,885	\$3,326,409	\$2,478,464
Expenses/Transfers Out	\$11,676	\$1,010,540	\$24,480
Commitments	*\$2,191,871	*\$5,899,353	*\$4,149,845
Ending Uncommitted Fund Balance	\$70,043	\$6,416,024	(\$910,722)

*Includes commitments to be paid in future fiscal years



Expenditures as of May 31, 2023

Description	Affordable Housing	Economic Development	Streets
Small Business Projects		\$430,121	
Major Business Incentives		\$479,963	
Job Creation Facility Improvements			
Salvation Army			
REDC Contract		\$62,500	
Interest and Bank Charges	\$20	\$140	\$120
Transfers to General Fund	\$11,656	\$37,816	\$24,360
Transfers to Streets CIP Fund			
Total Expenditures	\$11,676	\$1,010,540	\$24,480



Affordable Housing Commitments as of May 31 , 2023

Fiscal Year	Estimated Annual Revenue**	Current and Future Incentives	Admin and Other Expenses	Transfer (To)/From	Total Estimated Balance Available for Commitments
2023	506,620	1,000,000	27,484		1,196,841
2024	506,620	1,191,871	27,484		484,106
2025	506,620		27,484		963,242

Agreement	Total	FY23	FY24	FY25	FY26	FY27
Infill Housing Incentive Program	1,000,000	1,000,000				
The ALMA at Greenwood	1,191,871		1,191,871			

**This includes total estimated revenue for the entire year.



Economic Development Commitments as of May 31, 2023

Fiscal Year	Estimated Annual Revenue**	Current and Future Incentive	Admin and Other Expenses	Transfer (To)/From	Total Estimated Balance Available for Commitments
2023	4,316,560	3,342,447	66,724		10,906,897
2024	4,316,560	1,479,260	66,724		13,677,473
2025	4,316,560	2,562,457	66,724		15,364,852
2026	4,316,560	650,000	66,724		18,964,688

Agreement	Total	FY23	FY24	FY25	FY26	FY27
South Texas Botanical Gardens	89,000		89,000			
Next Sports Company, LLC	1,850,000			1,200,000	650,000	
TAMUCC Unmanned Aircraft Systems Center	3,436,446	683,729	1,390,260	1,362,457		
Small Business Contracts – FY2023	523,907	523,907				

**This includes total estimated revenue for the entire year.



Streets Commitments as of May 31, 2023

Fiscal Year	Estimated Annual Revenue**	Current and Future Projects	Admin and Other Expenses	Transfer (To)/From	Total Estimated Balance Available for Commitments
2023	3,799,840		46,540	(4,149,845)	388,594
2024	3,799,840		46,540		4,141,894
2025	3,799,840		46,540		7,895,194

Agreement	Total	FY23	FY24	FY25	FY26	FY27
Transfer to Street CIP	4,149,845	4,149,845				

**This includes total estimated revenue for the entire year.



Sales Tax Revenue Update

	Actuals FY2020-2021	Actuals FY2021-2022	Budget FY2022-2023	Actuals FY2022-2023	Variance FY2021-2022
October	\$677,778	\$ 748,904	\$761,906	\$761,244	(\$662)
November	599,761	613,683	673,459	681,613	8,154
December	568,346	671,775	635,924	678,868	42,944
January	744,180	831,742	843,041	877,492	34,451
February	541,583	594,827	626,678	639,818	13,140
March	514,543	612,335	612,240	655,496	43,256
April	808,734	795,149	818,726	892,976	74,250
May	648,853	674,276	693,209	729,542	36,333
June	635,004	672,752	678,852	-	-
July	772,722	764,409	805,630	-	-
August	655,851	727,778	724,537	-	-
September	646,394	715,689	715,624	-	-
	\$7,813,749	\$8,423,319	\$8,589,826	\$5,917,049	\$251,866

Type B - Economic Development Financial Statement (Fund 1146)
Income Statements (Actuals)
June 01, 2022 - May 31, 2023

	June	July	August	September	October	November	December	January	February	March	April	May	YTD - FY2023
Beginning Fund balance	7,201,383.26	7,507,021.15	7,681,486.88	8,042,698.91	9,999,508.26	10,493,606.30	10,839,100.88	11,168,705.20	11,342,507.33	11,451,597.77	11,753,839.90	12,088,932.74	
Revenue:													
Sales Taxes	336,375.82	382,204.52	363,889.26	364,172.13	380,622.18	340,806.29	339,434.24	438,745.75	319,908.78	327,919.21	446,487.96	368,329.14	2,962,253.55
Interest on investments	4,168.14	5,805.43	7,751.15	(125,502.98)	149,452.86	19,278.85	22,993.01	31,397.42	32,032.73	34,538.50	35,882.93	38,579.32	364,155.62
Transf from other fd - Tp B Streets	-	-	-	2,508,923.00	-	-	-	-	-	-	-	-	-
Total revenue	340,543.96	388,009.95	371,640.41	2,747,592.15	530,075.04	360,085.14	362,427.25	470,143.17	351,941.51	362,457.71	482,370.89	406,908.46	3,326,409.17
Total resources available	7,541,927.22	7,895,031.10	8,053,127.29	10,790,291.06	10,529,583.30	10,853,691.44	11,201,528.13	11,638,848.37	11,694,448.84	11,814,055.48	12,236,210.79	12,495,841.20	
Expenditures:													
Economic Development	-	125,000.00	-	-	31,250.00	-	-	-	-	-	31,250.00	-	62,500.00
Major Business Incentive Proj (15010)	-	52,755.47	-	655,835.20	-	9,845.20	21,008.29	266,877.96	16,879.37	-	42,412.85	122,939.45	479,963.12
Small Business Projects (15020)	30,561.71	31,434.92	6,065.66	129,908.24	-	-	7,069.28	24,736.08	221,178.19	55,488.58	68,888.20	52,760.90	430,121.23
BJD - Administration (15030)	18.36	27.83	36.72	713.36	-	18.36	18.36	-	66.51	-	-	36.72	139.95
Incentives Econ Develop (15040)	-	-	-	-	-	-	-	-	-	-	-	-	-
Admin transf to General Fund (60010)	4,326.00	4,326.00	4,326.00	4,326.00	4,727.00	4,727.00	4,727.00	4,727.00	4,727.00	4,727.00	4,727.00	4,727.00	37,816.00
Transf to Parks CIP Fund (60210)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	34,906.07	213,544.22	10,428.38	790,782.80	35,977.00	14,590.56	32,822.93	296,341.04	242,851.07	60,215.58	147,278.05	180,464.07	1,010,540.30
Fund Balance	7,507,021.15	7,681,486.88	8,042,698.91	9,999,508.26	10,493,606.30	10,839,100.88	11,168,705.20	11,342,507.33	11,451,597.77	11,753,839.90	12,088,932.74	12,315,377.13	

Income Statement (Estimates)
June 01, 2023 - May 31, 2024

	June	July	August	September	October	November	December	January	February	March	April	May
Beginning Fund balance	12,315,377.13	12,424,771.80	12,534,166.47	12,643,561.14	12,752,955.82	12,862,350.50	12,971,745.18	13,081,139.86	13,190,534.54	13,299,929.22	13,409,323.90	13,518,718.58
Revenue:												
Sales Taxes Received	357,909.42	357,909.42	357,909.42	357,909.42	357,909.42	357,909.42	357,909.42	357,909.42	357,909.42	357,909.42	357,909.42	357,909.42
Interest on investments	1,803.92	1,803.92	1,803.92	1,803.92	1,803.92	1,803.92	1,803.92	1,803.92	1,803.92	1,803.92	1,803.92	1,803.92
Transfer from other funds	1,241.67	1,241.67	1,241.67	1,241.67	1,241.67	1,241.67	1,241.67	1,241.67	1,241.67	1,241.67	1,241.67	1,241.67
Total revenue	360,955.01	360,955.01	360,955.01	360,955.01	360,955.01	360,955.01	360,955.01	360,955.01	360,955.01	360,955.01	360,955.01	360,955.01
Total resources available	12,676,332.14	12,785,726.81	12,895,121.48	13,004,516.15	13,113,910.83	13,223,305.51	13,332,700.19	13,442,094.87	13,551,489.55	13,660,884.23	13,770,278.91	13,879,673.59
Expenditures:												
Economic Development (14700)	10,416.67	10,416.67	10,416.67	10,416.67	10,416.67	10,416.67	10,416.67	10,416.67	10,416.67	10,416.67	10,416.67	10,416.67
Major Business Incentive Proj (15010)	171,000.00	171,000.00	171,000.00	171,000.00	171,000.00	171,000.00	171,000.00	171,000.00	171,000.00	171,000.00	171,000.00	171,000.00
Small Business Projects (15020)	64,583.33	64,583.33	64,583.33	64,583.33	64,583.33	64,583.33	64,583.33	64,583.33	64,583.33	64,583.33	64,583.33	64,583.33
BJD - Administration (15030)	833.34	833.34	833.34	833.33	833.33	833.33	833.33	833.33	833.33	833.33	833.33	833.33
Incentives Econ Develop (15040)	-	-	-	-	-	-	-	-	-	-	-	-
Admin transf to General Fund (60010)	4,727.00	4,727.00	4,727.00	4,727.00	4,727.00	4,727.00	4,727.00	4,727.00	4,727.00	4,727.00	4,727.00	4,727.00
Total expenditures	251,560.34	251,560.34	251,560.34	251,560.33	251,560.33	251,560.33	251,560.33	251,560.33	251,560.33	251,560.33	251,560.33	251,560.33
Fund Balance	12,424,771.80	12,534,166.47	12,643,561.14	12,752,955.82	12,862,350.50	12,971,745.18	13,081,139.86	13,190,534.54	13,299,929.22	13,409,323.90	13,518,718.58	13,628,113.26

Type B - Housing Financial Statements (Fund 1147)
Income Statements (Actuals)
June 01, 2022 - May 31, 2023

	June	July	August	September	October	November	December	January	February	March	April	May	YTD - FY2023
Beginning Fund balance	1,727,929.99	1,726,761.58	1,725,946.74	1,725,522.83	1,717,705.45	2,106,429.37	2,226,829.87	2,229,026.05	2,232,769.54	2,239,022.93	2,246,349.38	2,253,789.04	
Revenue:													
Sales Taxes	-	-	-	-	380,622.18	119,377.82	-	-	-	-	-	-	500,000.00
Interest on investments	922.16	1,277.06	1,669.23	(5,726.81)	9,558.74	2,482.25	3,655.75	5,200.49	7,719.70	8,783.45	8,896.66	9,588.09	55,885.13
Total revenue	922.16	1,277.06	1,669.23	(5,726.81)	390,180.92	121,860.07	3,655.75	5,200.49	7,719.70	8,783.45	8,896.66	9,588.09	555,885.13
Total resources available	1,728,852.15	1,728,038.64	1,727,615.97	1,719,796.02	2,107,886.37	2,228,289.44	2,230,485.62	2,234,226.54	2,240,489.24	2,247,806.38	2,255,246.04	2,263,377.13	
Expenditures:													
Affordable Housing (15000)	-	-	-	-	-	-	-	-	-	-	-	-	-
BJD - Administration (15030)	2.57	3.90	5.14	2.57	-	2.57	2.57	-	9.31	-	-	5.14	19.59
Admin transf to General Fund (60010)	2,088.00	2,088.00	2,088.00	2,088.00	1,457.00	1,457.00	1,457.00	1,457.00	1,457.00	1,457.00	1,457.00	1,457.00	11,656.00
Total expenditures	2,090.57	2,091.90	2,093.14	2,090.57	1,457.00	1,459.57	1,459.57	1,457.00	1,466.31	1,457.00	1,457.00	1,462.14	11,675.59
Fund Balance	1,726,761.58	1,725,946.74	1,725,522.83	1,717,705.45	2,106,429.37	2,226,829.87	2,229,026.05	2,232,769.54	2,239,022.93	2,246,349.38	2,253,789.04	2,261,914.99	

Income Statement (Estimates)
June 01, 2023 - May 31, 2024

	June	July	August	September	October	November	December	January	February	March	April	May
Beginning Fund balance	2,261,914.99	2,218,509.66	2,175,104.33	2,131,699.00	2,088,293.66	2,044,888.32	2,001,482.98	1,958,077.64	1,914,672.30	1,871,266.96	1,827,861.62	1,784,456.28
Revenue:												
Sales Taxes Received	-	-	-	-	-	-	-	-	-	-	-	-
Interest on investments	551.67	551.67	551.67	551.67	551.67	551.67	551.67	551.67	551.67	551.67	551.67	551.67
Total revenue	551.67	551.67	551.67	551.67	551.67	551.67	551.67	551.67	551.67	551.67	551.67	551.67
Total resources available	2,262,466.66	2,219,061.33	2,175,656.00	2,132,250.67	2,088,845.33	2,045,439.99	2,002,034.65	1,958,629.31	1,915,223.97	1,871,818.63	1,828,413.29	1,785,007.95
Expenditures:												
Affordable Housing (15000)	41,666.66	41,666.66	41,666.66	41,666.67	41,666.67	41,666.67	41,666.67	41,666.67	41,666.67	41,666.67	41,666.67	41,666.67
BJD - Administration (15030)	833.34	833.34	833.34	833.34	833.34	833.34	833.34	833.34	833.34	833.34	833.34	833.34
Admin transf to General Fund (60010)	1,457.00	1,457.00	1,457.00	1,457.00	1,457.00	1,457.00	1,457.00	1,457.00	1,457.00	1,457.00	1,457.00	1,457.00
Total expenditures	43,957.00	43,957.00	43,957.00	43,957.01	43,957.01	43,957.01	43,957.01	43,957.01	43,957.01	43,957.01	43,957.01	43,957.01
Fund Balance	2,218,509.66	2,175,104.33	2,131,699.00	2,088,293.66	2,044,888.32	2,001,482.98	1,958,077.64	1,914,672.30	1,871,266.96	1,827,861.62	1,784,456.28	1,741,050.94

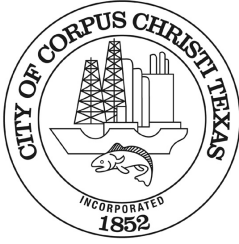
Type B - Streets Financial Statement (Fund 1148)
Income Statements (Actuals)
June 01, 2022 - May 31, 2023

	June	July	August	September	October	November	December	January	February	March	April	May	YTD - FY2023
Beginning Fund balance	1,478,550.82	1,812,928.43	2,193,928.21	2,557,824.49	785,139.27	782,168.55	1,000,646.85	1,337,127.32	1,773,115.23	2,091,320.99	2,419,491.86	2,867,531.95	
Revenue:													
Sales Taxes	336,375.81	382,204.53	363,889.24	735,320.66	-	221,428.48	339,434.25	438,745.76	319,908.80	327,919.20	446,487.96	368,329.14	2,462,253.59
Interest on investments	637.34	1,438.86	2,658.37	3,552.66	74.28	110.61	107.01	287.15	1,399.16	3,296.67	4,597.13	6,338.54	16,210.55
Total revenue	337,013.15	383,643.39	366,547.61	738,873.32	74.28	221,539.09	339,541.26	439,032.91	321,307.96	331,215.87	451,085.09	374,667.68	2,478,464.14
Total resources available	1,815,563.97	2,196,571.82	2,560,475.82	3,296,697.81	785,213.55	1,003,707.64	1,340,188.11	1,776,160.23	2,094,423.19	2,422,536.86	2,870,576.95	3,242,199.63	
Expenditures:													
BJD - Administration (15030)	15.79	23.86	31.58	15.79	-	15.79	15.79	-	57.20	-	-	31.58	120.36
Operating Transfer (60000)	-	-	-	-	-	-	-	-	-	-	-	-	-
Admin transf to General Fund (60010)	2,619.75	2,619.75	2,619.75	2,619.75	3,045.00	3,045.00	3,045.00	3,045.00	3,045.00	3,045.00	3,045.00	3,045.00	24,360.00
Transfer to Streets CIP Fund (60250)	-	-	-	2,508,923.00	-	-	-	-	-	-	-	-	-
Total expenditures	2,635.54	2,643.61	2,651.33	2,511,558.54	3,045.00	3,060.79	3,060.79	3,045.00	3,102.20	3,045.00	3,045.00	3,076.58	24,480.36
Fund Balance	1,812,928.43	2,193,928.21	2,557,824.49	785,139.27	782,168.55	1,000,646.85	1,337,127.32	1,773,115.23	2,091,320.99	2,419,491.86	2,867,531.95	3,239,123.05	

Income Statement (Estimates)
June 01, 2023 - May 31, 2024

	June	July	August	September	October	November	December	January	February	March	April	May
Beginning Fund balance	3,239,123.05	3,206,077.63	3,173,032.23	3,139,986.83	3,106,941.41	3,073,895.99	3,040,850.57	3,007,805.15	2,974,759.73	2,941,714.31	2,908,668.89	2,875,623.47
Revenue:												
Sales Taxes Received	316,242.75	316,242.75	316,242.75	316,242.75	316,242.75	316,242.75	316,242.75	316,242.75	316,242.75	316,242.75	316,242.75	316,242.75
Interest on investments	410.58	410.60	410.60	410.58	410.58	410.58	410.58	410.58	410.58	410.58	410.58	410.58
Total revenue	316,653.33	316,653.35	316,653.35	316,653.33	316,653.33	316,653.33	316,653.33	316,653.33	316,653.33	316,653.33	316,653.33	316,653.33
Total resources available	3,555,776.38	3,522,730.98	3,489,685.58	3,456,640.16	3,423,594.74	3,390,549.32	3,357,503.90	3,324,458.48	3,291,413.06	3,258,367.64	3,225,322.22	3,192,276.80
Expenditures:												
BJD - Administration (15030)	833.34	833.34	833.34	833.33	833.33	833.33	833.33	833.33	833.33	833.33	833.33	833.33
Admin transf to General Fund (60010)	3,045.00	3,045.00	3,045.00	3,045.00	3,045.00	3,045.00	3,045.00	3,045.00	3,045.00	3,045.00	3,045.00	3,045.00
Operating Transfer (60000)	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Streets CIP Fund (60250)	345,820.41	345,820.41	345,820.41	345,820.42	345,820.42	345,820.42	345,820.42	345,820.42	345,820.42	345,820.42	345,820.42	345,820.42
Total expenditures	349,698.75	349,698.75	349,698.75	349,698.75	349,698.75	349,698.75	349,698.75	349,698.75	349,698.75	349,698.75	349,698.75	349,698.75
Fund Balance	3,206,077.63	3,173,032.23	3,139,986.83	3,106,941.41	3,073,895.99	3,040,850.57	3,007,805.15	2,974,759.73	2,941,714.31	2,908,668.89	2,875,623.47	2,842,578.05

3250 - B Corp. Streets CIP - encumbrance balance as of May 31, 2023 is \$233,204.82



AGENDA MEMORANDUM
Corpus Christi B Corporation
Meeting of July 17, 2023

DATE: July 17, 2023

TO: President and Honorable Board Members,
Corpus Christi B Corporation

FROM: Alma Iris Casas, Interim Director of Finance & Procurement
AlmaC@CCTexas.com
(361) 826-3610

Corpus Christi B Corporation
Investment Policy and Investment Strategy

CAPTION:

Resolution reaffirming the Corpus Christi B Corporation's Investment Policy and Investment Strategy for the Fiscal Year 2023-2024 with non-substantive amendments.

SUMMARY:

The Public Funds Investment Act requires annual review by the governing body of its Investment Policy and adoption of a written instrument stating that it has reviewed the investment policy and investment strategies.

BACKGROUND AND FINDINGS:

Under Texas Government Code, Chapter 2256, Subchapter A. Authorized Investments for Governmental Entities, the State of Texas delineates the types of investments and the investment rules that must be followed by governmental entities. This chapter is often referred to as the "Public Funds Investment Act". In accordance with the Public Funds Investment Act, the governing body must approve the Corpus Christi B Corporation's Investment Policy and Strategy annually.

Last year, the Corpus Christi B Corporation's Investment Policy and Investment Strategy was approved on July 18, 2022.

There are no amendments being made to the previous fiscal year's 2022-2023 Investment Policy and Investment Strategies document.

The Corporation's Investment Committee met on May 10, 2023, and approved the Investment Policy as presented, with no substantive changes. The Investment Committee is comprised of the City Manager, Chief Financial Officer, Director of Finance, Assistant Director of Finance, and the Director of Management and Budget.

Linda Patterson with Meeder Public Funds, the City's Investment Advisor, has also reviewed the Investment Policy and Investment Strategies.

ALTERNATIVES:

N/A

FISCAL IMPACT:

N/A

Funding Detail:

Fund:

Organization/Activity:

Mission Element:

Project # (CIP Only):

Account:

RECOMMENDATION:

The Investment Committee recommends approval of the resolution reaffirming the Corpus Christi B Corporation's Investment Policy and Investment Strategy for Fiscal Year 2023-2024 as presented.

LIST OF SUPPORTING DOCUMENTS:

Corpus Christi B Corporation's Investment Policy and Investment Strategy 2023-2024
Corpus Christi B Corporation's Investment Policy and Investment Strategy 2023-2024 (Red Line Version)
Resolution

Resolution reaffirming the Corpus Christi B Corporation’s Investment Policy and Investment Strategies for fiscal year 2023-2024 with non-substantive amendments.

WHEREAS, the Texas Public Funds Investment Act requires the governing body to annually review, amend as necessary, and reaffirm its investment policy and investment strategies;

WHEREAS, the Corpus Christi B Corporation’s Investment Policy and Investment Strategies were previously approved for fiscal year 2022-2023 on July 18, 2022; and

WHEREAS, the Investment Policy and Investment Strategies were reviewed for fiscal year 2023-2024 by the Investment Committee on May 10, 2023; recommended by the committee for approval with no substantive amendments and an updated issuance date; and are being recommended for reaffirmation by the Board of Directors of the Corpus Christi B Corporation (the “Board”).

Therefore, be it resolved by the Board of Directors of the Corpus Christi B Corporation:

Section 1. The Board has reviewed the Corpus Christi B Corporation’s Investment Policy and Investment Strategies for fiscal year 2023-2024. A copy of the Investment Policy, which contains the separate Investment Strategies, for fiscal year 2023-2024 is attached to this resolution as **Exhibit A** and incorporated by reference into this resolution as if set out here in its entirety.

Section 2. No substantive amendments are being made to the previous fiscal year's Investment Policy and Investment Strategies document.

Section 3. With an updated issuance date that coincides with the date this resolution is passed, the Board approves the Investment Policy and Investment Strategies for fiscal year 2023-2024 and reaffirms the continuation of the policy and strategies in full force and effect and appoints the Investment Officers of the City (as named in the City’s Investment Policy and Investment Strategies) as the Corporation's authorized Investment Officers.

PASSED AND APPROVED on the _____ day of _____, 2023:

Scott Harris _____

Jesus Jimenez _____

Leah Olivarri _____

Diana Summers _____

Robert Tamez _____

John Valls _____

Alan Wilson _____

ATTEST:

Corpus Christi B Corporation

Rebecca Huerta
City Secretary

Leah Olivarri
President

Corpus Christi B Corporation

**Investment Policy and
Investment Strategy**

**Adopted
July 17, 2023**

TABLE OF CONTENTS

I. POLICY STATEMENT.....	3
II. SCOPE.....	3
III. PRUDENCE	3
IV. OBJECTIVES.....	4
V. LEGAL LIMITATIONS AND AUTHORITIES.....	4
VI. DELEGATION OF AUTHORITY AND RESPONSIBILITY	4
VII. AUTHORIZED FINANCIAL INSTITUTIONS AND BROKER/DEALERS	6
VIII. AUTHORIZED INVESTMENTS	5
IX. REPURCHASE AGREEMENT COLLATERALIZATION	8
X. SAFEKEEPING	7
XI. INTERNAL CONTROLS.....	9
XII. REPORTING	10
XIII. DEPOSITORIES.....	9
XIV. AUDITS AND COMPLIANCE WITH LAWS.....	11
XV. INVESTMENT POLICY ADOPTION	11
XVI. INVESTMENT STRATEGY.....	12
<u>APPENDIX</u>	
A. RESOLUTION.....	12

CORPUS CHRISTI B CORPORATION
INVESTMENT POLICY AND INVESTMENT STRATEGY

Adopted, July 17, 2023

This Investment Policy ("Policy") sets forth the specific policies and guidelines and general strategy for the investment of funds of the Corpus Christi B Corporation ("Corporation") in order to achieve the Corporation's goals of safety, liquidity, diversification, and yield and to preserve the public trust. This Policy satisfies the statutory requirements of the Public Funds Investment Act, Texas Government Code, Chapter 2256 ("Act") to define and adopt a formal investment policy and investment strategy and assures compliance with the Act.

I. POLICY STATEMENT

It is the policy of the Corporation that the administration of its funds and the investment of those funds shall be handled as its highest public trust. Investments shall be made in a manner which will provide maximum security of principal invested through risk management and diversification strategies while meeting the cash flow needs of the Corporation and conforming to all federal, State and local laws, rules and regulations governing the investment of public funds.

The receipt of a reasonable yield is secondary to the requirements for safety and liquidity. Earnings from investment will be used in a manner that best serves the interests of the Corporation.

II. SCOPE

This Investment Policy applies to all the financial assets of the Corporation. All funds of the Corporation are pooled for investment purposes and efficiency into the Corporation's Investment Portfolio ("Portfolio"). All investments must be accounted for in the City of Corpus Christi's ("City") Annual Comprehensive Financial Report.

III. PRUDENCE

The standard of care established by law to be used in the investment process shall be the "prudent person standard" and shall be applied in the context of managing the overall Portfolio, rather than a consideration as to the prudence of a single investment. The standard states that:

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.

IV. OBJECTIVES

All funds shall be managed and invested with four primary objectives, in order of their priority:

A. Safety

The preservation and safety of principal is the Corporation's foremost objective. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. Authorized investments are chosen for their high credit quality and stability.

B. Liquidity

The Portfolio shall remain sufficiently liquid, and retain a liquidity buffer, to assure that the Corporation meets all reasonably anticipated expenditures. Investment decisions will be based on anticipated cash flows and only high-credit quality securities will be used for their marketability.

C. Diversification

The Corporation will diversify its investments by maturity and market sector in an effort to avoid incurring unreasonable and avoidable market risks.

D. Yield

The Portfolio shall be designed with the objective of attaining a reasonable market yield taking into account the investment risk constraints and liquidity needs of the Corporation.

V. LEGAL LIMITATIONS AND AUTHORITIES

Specific investment parameters for the investment of public funds in Texas are found in the Act. All investments will be made in accordance with the Act, this Policy, and any applicable financial indentures or trust requirements.

VI. DELEGATION OF AUTHORITY AND RESPONSIBILITY

All participants in the investment process shall seek to act responsibly as custodians of the public trust.

A. Corporation Board

The Corporation Board ("Board") has fiduciary responsibility for all funds. The Board is responsible for reviewing and adopting the Investment Policy and Investment Strategy on no less than an annual basis. The Board has resolved to designate the Investment Committee and authorized Investment Officers of the City (as named in the City's Investment Policy and Investment Strategies) as the Corporation's Investment Committee and authorized Investment Officers, respectively. The Executive Director of the

Corporation Board will coordinate with the Investment Officers on all strategy decisions and provide cash flow requirements. This will provide efficiency and cost effectiveness but retain control of investment strategy and final decision-making by the Corporation. The Board shall receive and review quarterly investment reports, approved by the Investment Committee, from the Investment Officers.

B. Investment Committee

An Investment Committee shall meet at least quarterly to review and determine operational strategies and to monitor investment results. The Investment Committee shall include in its deliberation such topics as: economic outlook, diversification, maturity structure, risk, and performance of the Portfolio. The Investment Committee shall be responsible for monitoring, reviewing, and making recommendations regarding the Policy to the Board. The Investment Committee will review quarterly investment reports before submission to the Board.

C. Investment Officer

The Investment Officers will be responsible for the daily operations of the investment program; shall comply with this Policy, the Act, and all applicable federal, State, and City laws, rules, and regulations; and will provide complete reports to the Investment Committee on a quarterly basis. The Investment Officers will retain all documentation on investment transactions and will direct the settlement and safekeeping of securities in accordance with any controlling Indenture of Trust, if applicable. Should funds be removed from a Trust or there is no Trust, the Investment Officers will settle investments into the Corporation's safekeeping account and provide documentation of the safekeeping to the Board representatives.

The Investment Officers will follow training guidelines as set forth in the City's Investment Policy and Investment Strategies.

D. Investment Advisor

The Corporation may use the City's Investment Advisor, if applicable. The City Council 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 City Council by ordinance or resolution.

E. Ethics and Conflicts of Interest

Investment Officers shall comply with the Ethics and Conflicts of Interest section in the City's Investment Policy and Investment Strategies.

VII. AUTHORIZED FINANCIAL INSTITUTIONS AND BROKER/DEALERS

All investment transactions shall be made through the financial institutions or broker/dealers the City's Investment Committee has approved, and all requirements for these institutions of the City are to be met for Corporation funds.

No investment transactions may be entered into with a brokerage subsidiary of the City or the Corporation's safekeeping bank in order to perfect delivery versus payment (DVP) requirements for trade independence.

The Investment Officers will provide each authorized financial institution and broker/dealer a copy of this Policy to ensure that they are familiar with the goals and objectives of the Corporation as required by the Act.

Investments shall only be made with local government investment pools which have provided the Corporation with a written certification executed by a qualified representative of the pool acknowledging that the pool has:

- A. Received, and thoroughly reviewed the Policy; and
- B. Implemented reasonable controls and procedures in an effort to preclude investment transactions not authorized by the Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the Corporation's Portfolio or requires an interpretation of subjective investment standards.

The Investment Officers will request the Investment Committee authorize the deletion of financial institutions or broker/dealers for:

- A. Slow response time;
- B. Inability to compete with other authorized firms;
- C. Insufficient market information on technical or fundamental expectations based on economic indicators;
- D. Failed transactions or continuing operations difficulties; or
- E. Unwillingness to abide by this Policy.

VIII. AUTHORIZED INVESTMENTS

A. Investments

Authorized investments under this Policy shall be limited to the instruments listed below as further described by the Act. If additional types of securities are approved for investment of public funds by State statute, they will not be eligible for investment by the Corporation until this Policy has been amended and the amended version adopted by the Board. The Corporation is not required to liquidate investments that were authorized investments at the time of purchase (2256.017).

1. Obligations of the U.S. Government, its agencies and instrumentalities, excluding

- mortgage-backed securities, with a maximum stated maturity of three years [2256.009(a)(1)].
2. Fully Federal Deposit Insurance Corporation (FDIC) insured depository certificates of deposit of a depository institution that has its main office or a branch office in Texas with a maximum maturity of two years (2256.010).
 3. Fully collateralized direct repurchase agreements with a defined termination date secured in accordance with this Policy and placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this State. All repurchase agreement transactions shall be governed in accordance with the Act. The maximum stated maturity shall be one year with the exception of flex repurchase agreements used for bond proceeds capital projects. The flex repurchase agreement transaction shall be matched to the expenditure plan of the bonds (2256.011).
 4. AAA, or equivalent, rated local government investment pools defined by the Act and striving to maintain a \$1 net asset value and specifically approved for participation by a resolution of the Board (2256.016).
 5. AAA-rated, SEC registered no-load money market mutual funds which strive to maintain a \$1 net asset value [2256.014(a)].
 6. Fully FDIC insured interest-bearing depository accounts of banks in Texas [2256.009(a)(7)].
 7. General debt obligations of any U.S. states, agencies, counties, cities, and other political subdivisions of any state rated no less than A by a nationally recognized rating agency and with a maximum stated maturity of three years [2256.009(a)(5)].
 8. FDIC insured brokered certificate of deposit securities from a bank in any U.S. state, DVP to the Corporation's safekeeping agent, not to exceed two years to maturity. Before purchase, the Investment Officers must verify the FDIC status of the bank on www.fdic.gov to assure the bank is FDIC insured [2256.010(b)].
 9. A1/P1, or equivalent, rated commercial paper with a maximum maturity of 270 days subject to meeting one of the two stated conditions in Sec. 2256.013. (2256.013).
 10. Guaranteed investment contracts with a maximum maturity of two years and executed in accordance with the Act (2256.015).
 11. Securities lending transactions with primary dealers or banks doing business in Texas in accordance with the Act (2256.0115).

B. Competitive Bidding Requirement

It is the policy of the Corporation to require competitive bidding for all security purchases and sales, except for:

1. Transactions with money market mutual funds and local government investment pools;
2. Treasury and agency securities purchased at issue;
3. Automatic overnight "sweep" transactions with the Corporation depository; and
4. Repurchase agreements.

Two or more bids or offers must be solicited for all other transactions involving individual securities with the exception of guaranteed investment contracts, which require at least three bids or offers. In situations where the exact security is not offered by other dealers, offers on the closest comparable investment may be used to establish a fair market price for the security. Certificates of deposit may be solicited in any manner permitted by the Act.

C. Delivery versus Payment Requirement

All security transactions, including collateral for repurchase agreements, shall be conducted on a DVP basis.

D. The Portfolio, as a pooled fund group, shall have a maximum dollar-weighted average maturity of one year (365 days)

IX. REPURCHASE AGREEMENT COLLATERALIZATION

As a local government *corporation*, the Corporation is not authorized to have collateral pledged to it for time and demand bank deposits in accordance with FDIC regulations. Time and demand deposits in any bank holding company must be limited by the FDIC insurance level (currently \$250,000), inclusive of accrued interest.

A. Repurchase Agreements Owned Collateral

Collateral under a repurchase agreement is owned by the Corporation (2256.011). It will be held by an independent third-party safekeeping institution approved by the Corporation under an executed Bond Market Master Repurchase Agreement. Securities (collateral) with a market value totaling 102% of the principal and accrued interest of the repurchase agreement are required and the counterparty is responsible for the monitoring and maintaining of collateral and margins daily.

Authorized collateral for repurchase agreements will include only:

1. Cash;
2. Obligations of the US Government, its agencies and instrumentalities including mortgage-backed securities and CMO which pass the *bank test*; or
3. Debt obligations of any US state or US state sub-division rated A or better by at least one nationally recognized rating agency.

X. SAFEKEEPING

The Corporation shall maintain safekeeping under the Indenture of Trust, if applicable. Should funds be removed from a Trust, or if there is no Trust, the Investment Officers will settle investments into the Corporation's safekeeping account and provide documentation of the safekeeping to the Board. All security transactions shall be settled on a DVP basis by the safekeeping institution (2256.005).

Securities shall not be held in any brokerage account. Securities shall not be bought from the Corporation's depository in order to provide perfected DVP.

The safekeeping institution shall be required to issue safekeeping receipts listing each specific security, rate, description, maturity, Committee on Uniform Security Identification Procedures (CUSIP) number, and other pertinent information which will be maintained by the Investment Officers.

XI. INTERNAL CONTROLS

The Investment Officers will maintain controls to regulate the activities of the investment program in accordance with this Policy. The controls shall be designed to prevent loss of funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, or imprudent actions. Internal controls deemed most important would include: competitive bidding, control of collusion, separation of duties, safekeeping, delegation of authority, and documentation. In conjunction with the annual financial audit, a compliance audit of management controls on investments and adherence to this Policy shall be performed.

A. Cash Flow Forecasting

Cash flow analysis and forecasting is designed to protect and sustain cash flow requirements of the Corporation. The Executive Director will inform the Investment Officers of anticipated cash flows which will be used for cash flow and investment purposes.

B. Loss of Rating

The Investment Officers shall monitor the credit rating on all authorized investments in the Portfolio which require ratings by policy or law. Ratings will be based upon independent information from a nationally recognized rating agency. An investment that requires a minimum rating under the Act does not qualify as an authorized investment during the period the investment does not have the minimum rating. The Corporation shall take all prudent measures that are consistent with this Policy to liquidate an investment that does not have the minimum rating. If any security falls below the minimum rating required by Policy or law, the Investment Officers shall notify the Investment Committee of the loss of rating, conditions affecting the rating and possible loss of principal with liquidation options available, within one week after the loss of the required rating (2256.021).

C. Monitoring FDIC Coverage

The Investment Officers shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered certificates of deposit owned by the Corporation based upon information from the FDIC. If any bank has been acquired or merged with another bank in which brokered certificates of deposit are owned by the Corporation, the Investment Officers shall immediately liquidate any brokered certificate of deposit which

places the Corporation above the FDIC insurance level.

XII. REPORTING

In accordance with the Act (2256.023), not less than quarterly, the Investment Officers shall prepare and submit to the Investment Committee and the Board a written report of investment transactions for all funds covered by the Act and this Policy for the preceding reporting period within a reasonable time after the end of the period. The report must:

- A. Describe in detail the investment position of the Portfolio on the date of the report;
- B. Be prepared jointly by all Investment Officers of the Corporation;
- C. Be signed by each Investment Officer of the Corporation;
- D. Contain a summary statement of each pooled fund group that states the:
 1. Beginning market value for the reporting period;
 2. Ending market value for the period; and
 3. Fully accrued interest for the reporting period;
- E. State the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
- F. State the maturity date of each separately invested asset that has a maturity date;
- G. State the account or fund or pooled group fund in the Corporation for which each individual investment was acquired; and
- H. State the compliance of the Portfolio of the Corporation as it relates to:
 1. The investment strategy expressed in this Policy; and
 2. Relevant provisions of Section 2256.023 of the Act.

The quarterly reports prepared by the Investment Officers shall be formally reviewed at least annually by the independent auditor of the City, and the result of the review shall be reported to the City Council by that auditor. The City Council will then distribute the results to the Board.

Market prices for market value calculations shall be obtained from nationally recognized securities databases including those provided by the City's depository bank through its safekeeping services and Bloomberg Professional Services.

XIII. DEPOSITORIES

The Corporation will use the City's depository bank or, if applicable, the depository listed in the Indenture of Trust. The City designates one banking institution for banking services through a competitive process at least every five years. Written depository agreements shall be executed before funds are transferred.

XIV. AUDITS AND COMPLIANCE WITH LAWS

Each banking institution agrees to comply with all federal, State, and local laws, rules, and regulations. The personnel or officers of such institution shall be fully qualified and authorized under federal, State, and local law to perform the services set out under this Policy. Each institution shall permit the Investment Officers to audit, examine, and make excerpts or transcripts from such records of all contracts, invoices, materials, and other data relating to applicable investments.

XV. INVESTMENT POLICY ADOPTION

The Board shall review and adopt by resolution its Investment Policy and Investment Strategy not less than annually, and the approving resolution shall designate any changes made to the Policy and Strategy.

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XVI. INVESTMENT STRATEGY

All funds of the Corporation are commingled for investment purposes and efficiency into one portfolio. The Corporation's Investment Portfolio ("Portfolio") will be designed and managed based on projected cash flows to provide for all anticipated and projected cash needs. The Portfolio is to be managed pro-actively considering ongoing market changes but is essentially a buy-and-hold portfolio. Information on expected expenditures from the Executive Director of the Board will be incorporated in Investment decisions. The overall investment program shall be designed and managed with a degree of professionalism worthy of public trust.

The Portfolio is maintained to meet anticipated daily cash needs for Corporation operations, capital projects, and debt service payments. The objectives of the Portfolio are to:

- A. Ensure safety of principal by investing only in high-credit quality investments for which a strong secondary market exists which are designed to assure on-going suitability and marketability of such investments;
- B. Ensure that anticipated cash flows are matched with adequate investment liquidity;
- C. Limit market and credit risk through diversification; and
- D. Attain a market yield commensurate with the objectives and restrictions set forth in this Policy.

The Portfolio shall have a maximum dollar-weighted average maturity (WAM) of one year (365 days) designed to meet anticipated cash flow needs. The fund shall be laddered based on cash flow analysis to provide ongoing liquidity for anticipated needs and provide for reasonable extension.

A minimum of 15% of the Portfolio shall be held in cash or cash equivalents for liquidity and no more than 40% may be invested longer than one year. Changes in the Corporation's cash flows may change percentage representations over time. Unless approved by the Investment Committee, the target percentages specified shall not be exceeded for a temporary period greater than thirty (30) days without the Investment Officers taking corrective action.

The risks in the Portfolio shall be measured quarterly against a risk benchmark designed to mirror the authorized market investments and the Corporation's cash flow requirements. Because this Portfolio is dictated by cash flow needs, the benchmark becomes a measure of risk which reflects the primary market rates matched to the WAM. With a maximum WAM of one year, the risk benchmark is established as the one-year Treasury Bill for the comparable period. The fund should track the risk benchmark but will naturally lag as market interest rates, which adjust daily, move.

Corpus Christi B Corporation

**Investment Policy and
Investment Strategy**

Adopted

July 17, 2023~~July 18, 2022~~

I

TABLE OF CONTENTS

I. POLICY STATEMENT.....	3
II. SCOPE.....	3
III. PRUDENCE	3
IV. OBJECTIVES	4
V. LEGAL LIMITATIONS AND AUTHORITIES.....	4
VI. DELEGATION OF AUTHORITY AND RESPONSIBILITY	4
VII. AUTHORIZED FINANCIAL INSTITUTIONS AND BROKER/DEALERS	6
VIII. AUTHORIZED INVESTMENTS	5
IX. REPURCHASE AGREEMENT COLLATERALIZATION	8
X. SAFEKEEPING	7
XI. INTERNAL CONTROLS.....	9
XII. REPORTING	10
XIII. DEPOSITORIES.....	9
XIV. AUDITS AND COMPLIANCE WITH LAWS.....	11
XV. INVESTMENT POLICY ADOPTION	11
XVI. INVESTMENT STRATEGY.....	12
<u>APPENDIX</u>	
A. RESOLUTION.....	12

CORPUS CHRISTI B CORPORATION
INVESTMENT POLICY AND INVESTMENT STRATEGY

Adopted, ~~July 17, 2023~~ July 18, 2022

This Investment Policy ("Policy") sets forth the specific policies and guidelines and general strategy for the investment of funds of the Corpus Christi B Corporation ("Corporation") in order to achieve the Corporation's goals of safety, liquidity, diversification, and yield and to preserve the public trust. This Policy satisfies the statutory requirements of the Public Funds Investment Act, Texas Government Code, Chapter 2256 ("Act") to define and adopt a formal investment policy and investment strategy and assures compliance with the Act.

I. POLICY STATEMENT

It is the policy of the Corporation that the administration of its funds and the investment of those funds shall be handled as its highest public trust. Investments shall be made in a manner which will provide maximum security of principal invested through risk management and diversification strategies while meeting the cash flow needs of the Corporation and conforming to all federal, State and local laws, rules and regulations governing the investment of public funds.

The receipt of a reasonable yield is secondary to the requirements for safety and liquidity. Earnings from investment will be used in a manner that best serves the interests of the Corporation.

II. SCOPE

This Investment Policy applies to all the financial assets of the Corporation. All funds of the Corporation are pooled for investment purposes and efficiency into the Corporation's Investment Portfolio ("Portfolio"). All investments must be accounted for in the City of Corpus Christi's ("City") Annual Comprehensive Financial ~~Report~~ Report.

III. PRUDENCE

The standard of care established by law to be used in the investment process shall be the "prudent person standard" and shall be applied in the context of managing the overall Portfolio, rather than a consideration as to the prudence of a single investment. The standard states that:

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.

IV. OBJECTIVES

All funds shall be managed and invested with four primary objectives, in order of their priority:

A. Safety

The preservation and safety of principal is the Corporation's foremost objective. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. Authorized investments are chosen for their high credit quality and stability.

B. Liquidity

The Portfolio shall remain sufficiently liquid, and retain a liquidity buffer, to assure that the Corporation meets all reasonably anticipated expenditures. Investment decisions will be based on anticipated cash flows and only high-credit quality securities will be used for their marketability.

C. Diversification

The Corporation will diversify its investments by maturity and market sector in an effort to avoid incurring unreasonable and avoidable market risks.

D. Yield

The Portfolio shall be designed with the objective of attaining a reasonable market yield taking into account the investment risk constraints and liquidity needs of the Corporation.

V. LEGAL LIMITATIONS AND AUTHORITIES

Specific investment parameters for the investment of public funds in Texas are found in the Act. All investments will be made in accordance with the Act, this Policy, and any applicable financial indentures or trust requirements.

VI. DELEGATION OF AUTHORITY AND RESPONSIBILITY

All participants in the investment process shall seek to act responsibly as custodians of the public trust.

A. Corporation Board

The Corporation Board ("Board") has fiduciary responsibility for all funds. The Board is responsible for reviewing and adopting the Investment Policy and Investment Strategy on no less than an annual basis. The Board has resolved to designate the Investment Committee and authorized Investment Officers of the City (as named in the City's Investment Policy and Investment Strategies) as the Corporation's Investment Committee and authorized Investment Officers, respectively. The Executive Director of the

Corporation Board will coordinate with the Investment Officers on all strategy decisions and provide cash flow requirements. This will provide efficiency and cost effectiveness but retain control of investment strategy and final decision-making by the Corporation. The Board shall receive and review quarterly investment reports, approved by the Investment Committee, from the Investment Officers.

B. Investment Committee

An Investment Committee shall meet at least quarterly to review and determine operational strategies and to monitor investment results. The Investment Committee shall include in its deliberation such topics as: economic outlook, diversification, maturity structure, risk, and performance of the Portfolio. The Investment Committee shall be responsible for monitoring, reviewing, and making recommendations regarding the Policy to the Board. The Investment Committee will review quarterly investment reports before submission to the Board.

C. Investment Officer

The Investment Officers will be responsible for the daily operations of the investment program; shall comply with this Policy, the Act, and all applicable federal, State, and City laws, rules, and regulations; and will provide complete reports to the Investment Committee on a quarterly basis. The Investment Officers will retain all documentation on investment transactions and will direct the settlement and safekeeping of securities in accordance with any controlling Indenture of Trust, if applicable. Should funds be removed from a Trust or there is no Trust, the Investment Officers will settle investments into the Corporation's safekeeping account and provide documentation of the safekeeping to the Board representatives.

The Investment Officers will follow training guidelines as set forth in the City's Investment Policy and Investment Strategies.

D. Investment Advisor

The Corporation may use the City's Investment Advisor, if applicable. The City Council 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 City Council by ordinance or resolution.

E. Ethics and Conflicts of Interest

Investment Officers shall comply with the Ethics and Conflicts of Interest section in the City's Investment Policy and Investment Strategies.

VII. AUTHORIZED FINANCIAL INSTITUTIONS AND BROKER/DEALERS

All investment transactions shall be made through the financial institutions or broker/dealers the City's Investment Committee has approved, and all requirements for these institutions of the City are to be met for Corporation funds.

No investment transactions may be entered into with a brokerage subsidiary of the City or the Corporation's safekeeping bank in order to perfect delivery versus payment (DVP) requirements for trade independence.

The Investment Officers will provide each authorized financial institution and broker/dealer a copy of this Policy to ensure that they are familiar with the goals and objectives of the Corporation as required by the Act.

Investments shall only be made with local government investment pools which have provided the Corporation with a written certification executed by a qualified representative of the pool acknowledging that the pool has:

- A. Received, and thoroughly reviewed the Policy; and
- B. Implemented reasonable controls and procedures in an effort to preclude investment transactions not authorized by the Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the Corporation's Portfolio or requires an interpretation of subjective investment standards.

The Investment Officers will request the Investment Committee authorize the deletion of financial institutions or broker/dealers for:

- A. Slow response time;
- B. Inability to compete with other authorized firms;
- C. Insufficient market information on technical or fundamental expectations based on economic indicators;
- D. Failed transactions or continuing operations difficulties; or
- E. Unwillingness to abide by this Policy.

VIII. AUTHORIZED INVESTMENTS

A. Investments

Authorized investments under this Policy shall be limited to the instruments listed below as further described by the Act. If additional types of securities are approved for investment of public funds by State statute, they will not be eligible for investment by the Corporation until this Policy has been amended and the amended version adopted by the Board. The Corporation is not required to liquidate investments that were authorized investments at the time of purchase (2256.017).

1. Obligations of the U.S. Government, its agencies and instrumentalities, excluding

~~mortgage-backed~~mortgage-backed securities, with a maximum stated maturity of three years [2256.009(a)(1)].

2. Fully Federal Deposit Insurance Corporation (FDIC) insured depository certificates of deposit of a depository institution that has its main office or a branch office in Texas with a maximum maturity of ~~two-year~~two years (2256.010).
3. Fully collateralized direct repurchase agreements with a defined termination date secured in accordance with this Policy and placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this State. All repurchase agreement transactions shall be governed in accordance with the Act. The maximum stated maturity shall be one year with the exception of flex repurchase agreements used for bond proceeds capital projects. The flex repurchase agreement transaction shall be matched to the expenditure plan of the bonds (2256.011).
4. AAA, or equivalent, rated local government investment pools defined by the Act and striving to maintain a \$1 net asset value and specifically approved for participation by a resolution of the Board (2256.016).
5. AAA-rated, SEC registered no-load money market mutual funds which strive to maintain a \$1 net asset value [2256.014(a)].
6. Fully FDIC insured interest-bearing depository accounts of banks in Texas [2256.009(a)(7)].
7. General debt obligations of any U.S. states, agencies, counties, cities, and other political subdivisions of any state rated no less than A by a nationally recognized rating agency and with a maximum stated maturity of three years [2256.009(a)(5)].
8. FDIC insured brokered certificate of deposit securities from a bank in any U.S. state, DVP to the Corporation's safekeeping agent, not to exceed two years to maturity. Before purchase, the Investment Officers must verify the FDIC status of the bank on www.fdic.gov to assure the bank is FDIC insured [2256.010(b)].
9. A1/P1, or equivalent, rated commercial paper with a maximum maturity of 270 days subject to meeting one of the two stated conditions in Sec. 2256.013. (2256.013).
10. Guaranteed investment contracts with a maximum maturity of two years and executed in accordance with the Act (2256.015).
11. Securities lending transactions with primary dealers or banks doing business in Texas in accordance with the Act (2256.0115).

B. Competitive Bidding Requirement

It is the policy of the Corporation to require competitive bidding for all security purchases and sales, except for:

1. Transactions with money market mutual funds and local government investment pools;
2. Treasury and agency securities purchased at issue;
3. Automatic overnight "sweep" transactions with the Corporation depository; and
4. Repurchase agreements.

Two or more bids or offers must be solicited for all other transactions involving individual securities with the exception of guaranteed investment contracts, which require at least three bids or offers. In situations where the exact security is not offered by other dealers, offers on the closest comparable investment may be used to establish a fair market price for the security. Certificates of deposit may be solicited in any manner permitted by the Act.

C. Delivery versus Payment Requirement

All security transactions, including collateral for repurchase agreements, shall be conducted on a DVP basis.

D. The Portfolio, as a pooled fund group, shall have a maximum dollar-weighted average maturity of one year (365 days)

IX. REPURCHASE AGREEMENT COLLATERALIZATION

As a local government *corporation*, the Corporation is not authorized to have collateral pledged to it for time and demand bank deposits in accordance with FDIC regulations. Time and demand deposits in any bank holding company must be limited by the FDIC insurance level (currently \$250,000), inclusive of accrued interest.

A. Repurchase Agreements Owned Collateral

Collateral under a repurchase agreement is owned by the Corporation ~~;- (2256.011)~~. It will be held by an independent third-party safekeeping institution approved by the Corporation under an executed Bond Market Master Repurchase Agreement. Securities (collateral) with a market value totaling 102% of the principal and accrued interest of the repurchase agreement are required and the ~~counter-party~~counterparty is responsible for the monitoring and maintaining of collateral and margins daily.

Authorized collateral for repurchase agreements will include only:

1. Cash;
2. Obligations of the US Government, its agencies and instrumentalities including mortgage-backed securities and CMO which pass the *bank test*; or
3. Debt obligations of any US state or US state sub-division rated A or better by at least one nationally recognized rating agency.

X. SAFEKEEPING

The Corporation shall maintain safekeeping under the Indenture of Trust, if applicable. Should funds be removed from a Trust, or if there is no Trust, the Investment Officers will settle investments into the Corporation's safekeeping account and provide documentation of the safekeeping to the Board. All security transactions shall be settled on a DVP basis by the safekeeping institution (2256.005).

Securities shall not be held in any brokerage account. Securities shall not be bought from the Corporation's depository in order to provide perfected DVP.

The safekeeping institution shall be required to issue safekeeping receipts listing each specific security, rate, description, maturity, Committee on Uniform Security Identification Procedures (CUSIP) number, and other pertinent information which will be maintained by the Investment Officers.

XI. INTERNAL CONTROLS

The Investment Officers will maintain controls to regulate the activities of the investment program in accordance with this Policy. The controls shall be designed to prevent loss of funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, or imprudent actions. Internal controls deemed most important would include: competitive bidding, control of collusion, separation of duties, safekeeping, delegation of authority, and documentation. In conjunction with the annual financial audit, a compliance audit of management controls on investments and adherence to this Policy shall be performed.

A. Cash Flow Forecasting

Cash flow analysis and forecasting is designed to protect and sustain cash flow requirements of the Corporation. The Executive Director will inform the Investment Officers of anticipated cash flows which will be used for cash flow and investment purposes.

B. Loss of Rating

The Investment Officers shall monitor the credit rating on all authorized investments in the Portfolio which require ratings by policy or law. Ratings will be based upon independent information from a nationally recognized rating agency. An investment that requires a minimum rating under the Act does not qualify as an authorized investment during the period the investment does not have the minimum rating. The Corporation shall take all prudent measures that are consistent with this Policy to liquidate an investment that does not have the minimum rating. If any security falls below the minimum rating required by Policy or law, the Investment Officers shall notify the Investment Committee of the loss of rating, conditions affecting the rating and possible loss of principal with liquidation options available, within one week after the loss of the required rating (2256.021).

C. Monitoring FDIC Coverage

The Investment Officers shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered certificates of deposit owned by the Corporation based upon information from the FDIC. If any bank has been acquired or merged with another bank in which brokered certificates of deposit are owned by the Corporation, the Investment Officers shall immediately liquidate any brokered certificate of deposit which

places the Corporation above the FDIC insurance level.

XII. REPORTING

In accordance with the Act (2256.023), not less than quarterly, the Investment Officers shall prepare and submit to the Investment Committee and the Board a written report of investment transactions for all funds covered by the Act and this Policy for the preceding reporting period within a reasonable time after the end of the period. The report must:

- A. Describe in detail the investment position of the Portfolio on the date of the report;
- B. Be prepared jointly by all Investment Officers of the Corporation;
- C. Be signed by each Investment Officer of the Corporation;
- D. Contain a summary statement of each pooled fund group that states the:
 1. Beginning market value for the reporting period;
 2. Ending market value for the period; and
 3. Fully accrued interest for the reporting period;
- E. State the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
- F. State the maturity date of each separately invested asset that has a maturity date;
- G. State the account or fund or pooled group fund in the Corporation for which each individual investment was acquired; and
- H. State the compliance of the Portfolio of the Corporation as it relates to:
 1. The investment strategy expressed in this Policy; and
 2. Relevant provisions of Section 2256.023 of the Act.

The quarterly reports prepared by the Investment Officers shall be formally reviewed at least annually by the independent auditor of the City, and the result of the review shall be reported to the City Council by that auditor. The City Council will then distribute the results to the Board.

Market prices for market value calculations shall be obtained from nationally recognized securities databases including those provided by the City's depository bank through its safekeeping services and Bloomberg Professional Services.

XIII. DEPOSITORIES

The Corporation will use the City's depository bank or, if applicable, the depository listed in the Indenture of Trust. The City designates one banking institution for banking services through a competitive process at least every five years. Written depository agreements shall be executed before funds are transferred.

|

XIV. AUDITS AND COMPLIANCE WITH LAWS

Each banking institution agrees to comply with all federal, State, and local laws, rules, and regulations. The personnel or officers of such institution shall be fully qualified and authorized under federal, State, and local law to perform the services set out under this Policy. Each institution shall permit the Investment Officers to audit, examine, and make excerpts or transcripts from such records of all contracts, invoices, materials, and other data relating to applicable investments.

XV. INVESTMENT POLICY ADOPTION

The Board shall review and adopt by resolution its Investment Policy and Investment Strategy not less than annually, and the approving resolution shall designate any changes made to the Policy and Strategy.

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XVI. INVESTMENT STRATEGY

All funds of the Corporation are commingled for investment purposes and efficiency into one portfolio. The Corporation's Investment Portfolio ("Portfolio") will be designed and managed based on projected cash flows to provide for all anticipated and projected cash needs. The Portfolio is to be managed pro-actively considering ongoing market changes but is essentially a buy-and-hold portfolio. Information on expected expenditures from the Executive Director of the Board will be incorporated in Investment decisions. The overall investment program shall be designed and managed with a degree of professionalism worthy of public trust.

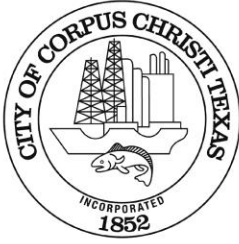
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AGENDA MEMORANDUM
Corpus Christi B Corporation Meeting
July 17, 2023

DATE: July 10, 2023

TO: President and Honorable Board Members,
Corpus Christi Business and Job Development Corporation

THROUGH: Peter Zanoni, City Manager

FROM: Aimee Alcorn-Reed, Assistant City Attorney
Aimeel@cctexas.com
361-826-3374

Type B Attendance Policy and Procedures

CAPTION:

Motion authorizing amendment of the bylaws of the Corpus Christi B Corporation to provide for automatic resignation of a director in the event of unexcused absences.

SUMMARY:

This item is intended for discussion purposes and possible action to determine if the Board wants to adopt the City Council's attendance policy and procedures or if the Board wants to create their own set of rules for attendance policy and procedures.

BACKGROUND AND FINDINGS:

On the May 15th Corpus Christi A Corporation Board meeting it was discovered that there is currently no established attendance policy and procedures in place for the Corpus Christi B Corporation Board.

Staff recommends updating section 5.4 with the following language.

ALTERNATIVES:

The Board could choose not to discuss the attendance policy and procedures.

FINANCIAL IMPACT:

There is no financial impact associated with this action.

Funding Detail:

Fund:
Organization/Activity:
Mission Element:
Project # **(CIP Only)**:
Account:

RECOMMENDATION:

Staff recommends two options: either adopt the attendance policy of the City Council or create a new attendance policy specific to the Board.

LIST OF SUPPORTING DOCUMENTS:

Draft amended bylaws based on City Council policy for City boards.

BYLAWS OF CORPUS CHRISTI B CORPORATION

ARTICLE I: PURPOSE AND POWERS

Section 1.1 Purpose. The Corpus Christi B Corporation (the “Corporation”) is a Type B corporation established for the purposes set forth in its Certificate of Formation, acting on behalf of the City of Corpus Christi, Texas (the “City”) as its duly constituted authority and instrumentality in accordance with the Development Corporation Act of 1979, Chapters 501-505 of the Texas Local Government Code, as amended (the “Act”), the Texas Non-Profit Corporation Act, Chapter 22 of the Texas Business Organizations Code, as amended (the “Non-Profit Act”), and other applicable laws.

Section 1.2 Powers. In the fulfillment of its corporate purposes, the Corporation shall be governed by Chapter 505 and other applicable provisions of the Act, and shall have all the powers set forth and conferred in its Certificate of Formation, in the Act, in the Non-Profit Act, and in other applicable law, subject to the limitations prescribed therein and herein and to the provisions thereof and hereof.

ARTICLE II: BOARD OF DIRECTORS

Section 2.1 Number and Term of Office

(a) The affairs of the Corporation shall be managed and controlled by a Board of Directors (the “Board”) subject to the advice and consent of the City and, subject to the restrictions imposed by the law, by the Certificate of Formation, and by these Bylaws, the Board shall exercise all of the powers of the Corporation. Any projects undertaken using the funds of the Corporation will require the approval of the Corpus Christi City Council (the “City Council”), in accordance with the Act.

(b) The Board shall be composed of seven persons appointed by the City Council as laid out in the Corporation’s Certificate of Formation.

(c) Any vacancy occurring on the board of directors shall be filled by appointment by the City Council of a person who shall hold office until the expiration of the term. Directors serve at the will of City Council and can be removed with or without cause at any time by motion of the City Council.

Section 2.2 Meetings of Directors. The directors may hold their meetings at such place or places in the City as the Board may from time to time determine; provided, however, in the absence of any such determination by the Board, the meetings shall be held at an available room at City Hall.

Section 2.3 Quorum. A majority of the entire membership of the Board shall constitute a quorum to conduct official business of the Corporation.

Section 2.4 Conduct of Business.

(a) The president shall be a voting member of the Board.

(b) At all meetings of the Board, the president shall preside. In the absence of the president, the vice-president shall preside.

(c) The secretary of the Corporation shall act as secretary of all meetings of the Board, but in the absence of the secretary, the presiding officer may appoint any person to act as secretary of the meeting. The City Secretary shall serve as assistant secretary, to provide administrative support services and official record keeping for the Corporation.

(d) At meetings of the Board, matters pertaining to the business of the Corporation shall be considered in accordance with the rules of procedure as from time to time adopted by the Board.

Section 2.5 Compensation of Directors. Directors shall serve without compensation, but they may be reimbursed for their actual expenses incurred in the performance of their official duties as directors.

ARTICLE III: OFFICERS

Section 3.1 Titles and Terms of Office. The officers of the Corporation shall include a president, a vice-president, a secretary, and such other officers as the Board of Directors may from time to time authorize. A majority of the directors shall elect the officers and fill any vacant offices. Terms of officers shall expire in accordance with the Certificate of Formation. Officers may be re-elected. So long as the person elected to a position remains a Director, he or she will continue to serve in that position until a new officer is elected by the Board.

Section 3.2 Powers and Duties of the President. The president shall be the presiding officer of the Corporation, and after approval by the Board, shall execute all contracts and other instruments in the name of the Corporation.

Section 3.3 Vice-President. The vice-president shall exercise the powers of the president during that officer's absence or inability to act.

Section 3.4 Secretary. The secretary or assistant secretary shall keep the minutes of all meetings of the Board and books provided for that purpose, shall give and serve all notices, may sign with the president in the name of the Corporation, and/or attest to the signature of the president, shall have charge of the corporate books, records, documents and instruments, except the books of account and financial records and securities, and such other books and papers as the Board may direct, and shall in general perform all duties incident to the office of secretary subject to the control of the Board. All records of the Corporation are subject to the Texas Public Information Act.

Section 3.5 City Manager's Office. The City Manager of the City, or designee, will

serve as the Executive Director of the Corporation, provide administrative support services for the Corporation in accordance with section 5.6, and perform duties as prescribed by the Board and City Council.

Section 3.6 City Council Liaison.

(a) The City Council may, in its discretion, appoint a City Council member as a liaison to the Corporation for purposes of facilitating communication between the City Council and the Board.

(b) The City Council liaison may:

1. Attend meetings of the Board and sit with the Board, as if a part of the Board's membership.
2. Communicate with City Council regarding the activity and discussion at each Board meeting, so long as any communication between the liaison that the City Council complies with the Open Meetings Act. The liaison may make scheduled updates during City Council meetings or discuss Type B business when Type B projects appear on the City Council agenda.
3. Communicate with the Board at meetings regarding direction from City Council and participate in the discussion of potential projects as a representative of City Council.

(c) The City Council liaison may **not**:

1. Vote on any item considered at a meeting of the Board.
2. Be counted when determining if a quorum of the Board is present.
3. Act as a Director of the Board in any capacity. The City Council liaison is not a Director of the Corporation and, as such, has no authority to speak on behalf of the Board. The liaison may communicate as a representative of City Council to facilitate communication between the Board and the City Council.

Section 3.7 Compensation. Officers, other than City staff, shall not receive any salary or compensation for those services, except that they may be reimbursed for the actual expenses incurred in the performance of those services. The Corporation shall reimburse the City for the time of all City staff in accordance with section 5.6.

ARTICLE IV: FUNCTIONAL CORPORATE DUTIES AND REQUIREMENTS

Section 4.1 Contracts. No contract or other transaction between the Corporation and any

other corporation, person, or entity shall be executed unless the majority of the Board, who are present and approve such contract, are persons with no interest in such other person or entity. Board members are subject to the City's Code of Ethics, Chapter 2, Article V, of the City's Code of Ordinances.

Section 4.2 Annual Corporate Budget. Prior to the commencement of each fiscal year of the Corporation, the Board shall adopt a proposed budget of expected revenues and proposed expenditures for the next ensuing fiscal year. The budget shall not be effective until the same has been approved by the City Council.

Section 4.3 Books, Records, Audits.

(a) 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.

(b) The books, records, accounts, and financial statements of the Corporation shall be maintained for the Corporation by the accountants and other staff of the City.

(c) The Corporation's books, records, accounts, and financial statements shall be audited at least once each fiscal year by an outside, independent auditing and accounting firm selected by the City Council. Such audit shall be at the expense of the Corporation.

Section 4.4 Deposit and Investment of Corporation Funds.

(a) All proceeds from loans or from the issuance of bonds, notes, or other debt instruments ("Obligations") issued by the Corporation shall be deposited and invested as provided in the resolution, order, indenture, or other documents authorizing or relating to their execution or issuance.

(b) Subject to the requirements of contracts, loan agreements, indentures, or other agreements securing Obligations, all other monies of the corporation, if any, shall be deposited, secured, and/or invested in the manner provided for the deposit, security, and/or investment of the public funds of the City. The accounts, reconciliation, and investment of such funds and accounts shall be performed by the Finance Department of the City.

Section 4.5 Expenditure of Corporate Money. The sales and use taxes collected pursuant to the Act and any proceeds deriving therefrom, including proceeds from the investment of funds of the Corporation and proceeds derived from the sale of Obligations, may be expended by the Corporation for its authorized purposes consistent with the Act.

Section 4.6 Issuance of Obligations. No Obligations, including refunding Obligations, shall be authorized or sold and delivered by the Corporation unless the City Council approves such Obligations by action taken prior to the date of sale of the obligations.

ARTICLE V: MISCELLANEOUS PROVISIONS

Section 5.1 Principal Office.

(a) The principal office and the registered office of the Corporation shall be the registered office of the Corporation specified in the Certificate of Formation.

(b) The Corporation shall have and shall continuously designate a registered agent at its office, as required by the Act.

Section 5.2 Fiscal Year. The fiscal year of the Corporation shall be the same as the fiscal year of the City.

Section 5.3 Seal. The seal of the Corporation shall be determined by the Board.

Section 5.4 Resignations. Any director or officer may resign at any time. Such resignation shall be made in writing and delivered to the City Secretary, and shall take effect upon appointment of a successor. Unexcused absences from more than 25% of regularly scheduled meetings during a term year on the part of any director shall result in an automatic resignation, which resignation shall be promptly reported to the City Council. An absence shall be deemed unexcused unless excused by the Board for good cause no later than its next meeting after the absence. A director requesting that his/her absence be excused may make the request at the next meeting or may send a written request to the City Secretary's Office, with a copy to the President and the City staff liaison, at least 24 hours prior to the next meeting. Any director, otherwise eligible, shall not be precluded from reappointment by reason of such automatic resignation.

Section 5.5 Approval by City Council or Advice and Consent of the City. To the extent that these bylaws or the Certificate of Formation refer to any approval by the City Council, such approval shall be evidenced by a certified copy of a resolution, ordinance or motion duly adopted by the City Council. To the extent that that these bylaws or the Certificate of Formation refer to advice and consent of the City, such advice and consent can be in the form of City Council approval or other approval by the City Manager, or designee, when appropriate.

Section 5.6 Services of City Staff and Officers. The Corporation shall pay for all services provided to the Corporation by City staff. Subject to the authority of the City Manager under the Charter of the City, the Corporation shall utilize the services of the staff and employees of the City. All requests for staff time or inquiries of staff will be requested through the executive director of the Corporation. The Corporation shall pay reasonable compensation to the City for such services, and the performance of such services shall not materially interfere with the other duties of such personnel of the City. Reasonable compensation for services provided by City staff, including City staff serving as an officer for the Corporation, is the amount determined by the allocation study conducted annually for the City, or such other method used by the City to make that determination.

Section 5.7 Indemnification of Directors, Officers and Employees.

(a) As provided in the Act, the Corporation is, for the purposes of the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practices and Remedies Code), a governmental unit and its actions are governmental functions.

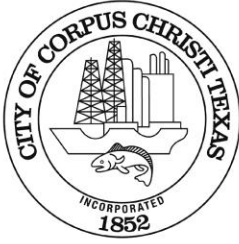
(b) The Corporation shall indemnify each and every member of the Board, its Officers, and its employees and each member of the City Council and each employee of the City, to the fullest extent permitted by law, against any and all liability or expense, including attorneys' fees, incurred by any of such persons by reason of any actions or omissions that may arise out of the functions and activities of the Corporation.

ARTICLE VI: EFFECTIVE DATE, AMENDMENTS

Section 6.1 Effective Date. These bylaws shall become effective upon the occurrence of the following events:

- (1) the approval of these bylaws by the City Council; and
- (2) the adoption of the bylaws by the Board.

Section 6.2 Amendments to Bylaws. These bylaws may be amended only in accordance with the requirements of the Act.



DATE: July 6, 2023

TO: President and Honorable Board Members,
Corpus Christi B Corporation

THROUGH: Heather Hurlbert, CPA, CGFO, Assistant City Manager

FROM: Eddie Houlihan, Director of Management and Budget
EddieHo@cctexas.com
(361) 826-379

Approval of Corpus Christi B Corporation's Fiscal Year 2023-2024 Operating Budgets

CAPTION:

Motion to approve the Corpus Christi B Corporation's Fiscal Year 2023-2024 operating budget for Economic Development, Housing and Streets.

SUMMARY:

The purpose of this item is to approve the Fiscal Year (FY) 2023 - 2024 operating budget for the Corpus Christi B Corporation (Type B) fund.

BACKGROUND AND FINDINGS:

Article IV, Section 4.2 of the By-Laws requires the Board to adopt a proposed budget of expected revenues and proposed expenditures for the next ensuing FY. The budget will be effective upon approval by the City Council.

ALTERNATIVES:

N/A.

FINANCIAL IMPACT:

The proposed budget for FY2024 Type B Economic Development Fund proposed revenues are \$4,773,282 and expenditures are \$4,101,517. Type B Housing Fund proposed revenues are \$556,179 and expenditures are \$2,542,565. Type B Streets Fund proposed revenues are \$3,951,708 and expenditures are \$4,384,903.

Funding Detail:

Fund:

Organization/Activity:

Mission Element:

Project # (CIP Only):

Account:

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

FY 2023-2024 Type B Operating Budget Financial Statements

FY 2023-2024 Operating Budget PowerPoint Presentation

City of Corpus Christi - Budget
Type B Fund 1146 -Economic Development

Account Number	Account Description	Actuals 2021 - 2022	Original Budget 2022 - 2023	Amended Budget 2022 - 2023	Estimated 2022 - 2023	Proposed 2023-2024
Beginning Balance		\$ 5,512,865	\$ 7,729,164	\$ 9,999,508	\$ 9,999,508	\$ 12,438,232
Revenues:						
300650	Economic Development Sales Tax	\$ 4,217,988	\$ 4,294,913	\$ 4,294,913	\$ 4,332,184	\$ 4,447,663
340900	Interest on investments	40,193	21,647	21,647	283,147	325,619
340995	Net Inc/Dec in FV of Investments	(134,122)	-	-	-	-
352000	Transfer from other fund	-	14,900	14,900	14,900	-
352148	Trnsfr from fund-1148	2,508,923	-	-	-	-
TOTAL REVENUES		\$ 6,632,981	\$ 4,331,460	\$ 4,331,460	\$ 4,630,231	\$ 4,773,282
Total Funds Available		\$ 12,145,846	\$ 12,060,624	\$ 14,330,968	\$ 14,629,739	\$ 17,211,514
Expenditures:						
14700	Economic Development	125,000	125,000	125,000	125,000	275,000
15010	Major Business Incentive Project	708,591	2,052,000	2,052,000	1,247,283	2,590,260
15020	Small Business Projects	509,917	775,000	981,962	752,500	1,068,500
15030	BJD - Administration	918	10,000	10,000	10,000	10,000
15040	Type B Incentives	250,000	-	89,000	-	89,000
60010	Transfer to General Fund	51,912	56,724	56,724	56,724	68,757
60210	Transfer to Park CIP Fund	500,000	-	-	-	-
TOTAL EXPENDITURES		\$ 2,146,338	\$ 3,018,724	\$ 3,314,686	\$ 2,191,507	\$ 4,101,517
Gross Ending Balance		\$ 9,999,508	\$ 9,041,900	\$ 11,016,282	\$ 12,438,232	\$ 13,109,997
	Major business incentive projects	3,314,391	-	-	-	-
	Small business projects	271,018	-	-	-	-
Net Ending Balance		\$ 6,685,117	\$ 9,041,900	\$ 11,016,282	\$ 12,438,232	\$ 13,109,997

Note: Funding source for Type B Fund is 50% of the 1/8 cent voter approved sales tax for economic development, specifically the promotion and development of new and expanded business enterprises to the full extent allowed by Texas law. Sales tax is to be collected no longer than 15 years from April 1, 2018.

**City of Corpus Christi - Budget
Type B Fund 1147 - Housing**

Account Number	Account Description	Actuals 2021 - 2022	Original Budget 2022 - 2023	Amended Budget 2022 - 2023	Estimated 2022 - 2023	Proposed 2023-2024
	Beginning Balance	\$ 1,741,989	\$ 327,928	\$ 1,717,705	\$ 1,717,705	\$ 2,037,430
	Revenues:					
300650	Economic Development Sales Tax	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
340900	Interest on investments	8,291	6,620	6,620	47,209	56,179
340995	Net Inc/Dec in FV of Investments	(7,487)	-	-	-	-
	TOTAL REVENUES	<u>\$ 500,804</u>	<u>\$ 506,620</u>	<u>\$ 506,620</u>	<u>\$ 547,209</u>	<u>\$ 556,179</u>
	Total Funds Available	\$ 2,242,793	\$ 834,548	\$ 2,224,325	\$ 2,264,914	\$ 2,593,609
	Expenditures:					
15000	Affordable Housing	\$ 500,000	\$ -	\$ -	\$ -	\$ 2,500,000
15001	Infill Housing Incentive Program	\$ -	\$ 500,000	\$ 500,000	\$ 200,000	\$ -
15030	BJD - Administration	31	10,000	10,000	10,000	10,000
60010	Transfer to General Fund	25,056	17,484	17,484	17,484	32,565
	TOTAL EXPENDITURES	<u>\$ 525,087</u>	<u>\$ 527,484</u>	<u>\$ 527,484</u>	<u>\$ 227,484</u>	<u>\$ 2,542,565</u>
	Gross Ending Balance	<u>\$ 1,717,705</u>	<u>\$ 307,064</u>	<u>\$ 1,696,841</u>	<u>\$ 2,037,430</u>	<u>\$ 51,044</u>
	Reserved for Encumbrances	1,000,000				
	Net Ending Balance	<u>\$ 717,705</u>	<u>\$ 307,064</u>	<u>\$ 1,696,841</u>	<u>\$ 2,037,430</u>	<u>\$ 51,044</u>

Note: Funding source for Type B Fund is up to \$500,000 annually of the 1/8 cent voter approved sales tax. Sales tax is to be collected no longer than 15 years from April 1, 2018.

**City of Corpus Christi - Budget
Type B Fund 1148 - Streets**

Account Number	Account Description	Actuals 2021 - 2022	Original Budget 2022 - 2023	Amended Budget 2022 - 2023	Estimated 2022 - 2023	Proposed 2023-2024
	Beginning Balance	\$ 426,855	\$ 396,545	\$ 785,139	\$ 785,139	\$ 433,195
	Revenues:					
300650	Economic Development Sales Tax	\$ 4,089,136	\$ 3,794,913	\$ 3,794,913	\$ 3,832,185	\$ 3,947,664
340900	Interest on investments	9,767	4,927	4,927	12,255	4,044
340995	Net Inc/Dec in FV of Investmen	(68)	-	-	-	-
	TOTAL REVENUES	<u>\$ 4,098,835</u>	<u>\$ 3,799,840</u>	<u>\$ 3,799,840</u>	<u>\$ 3,844,440</u>	<u>\$ 3,951,708</u>
	Total Funds Available	\$ 4,525,691	\$ 4,196,385	\$ 4,584,979	\$ 4,629,580	\$ 4,384,903
	Expenditures:					
15030	BJD - Administration	\$ 192	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
60000	Operating Transfers Out	2,508,923	-	-	-	-
60010	Transfer to General Fund	31,437	36,540	36,540	36,540	47,304
60250	Transfer to Street CIP	1,200,000	4,149,845	4,149,845	4,149,845	4,327,599
	TOTAL EXPENDITURES	<u>\$ 3,740,552</u>	<u>\$ 4,196,385</u>	<u>\$ 4,196,385</u>	<u>\$ 4,196,385</u>	<u>\$ 4,384,903</u>
	Net Ending Balance	<u>\$ 785,139</u>	<u>\$ -</u>	<u>\$ 388,594</u>	<u>\$ 433,195</u>	<u>\$ -</u>

Note: Funding source for Type B Fund is the balance of proceeds of the 1/8 cent voter approved sales tax. Sales tax is to be collected no longer than 15 years from April 1, 2018.

Proposed Fiscal Year 2024 Budget Type B



Board Presentation
July 17, 2023



Budget Overview-Economic Development

	FY2022 Actual	FY2023 Original Budget	FY2023 Amended Budget	FY2023 Estimated Actuals	FY2024 Proposed Budget
Beginning Fund Balance	5,512,865	7,729,164	9,999,508	9,999,508	12,438,232
Total Revenue	6,632,981	4,331,460	4,331,460	4,630,231	4,773,282
Total Expenditures	2,146,338	3,018,724	3,314,686	2,191,507	4,101,517
Ending Fund Balance	9,999,508	9,041,900	11,016,282	12,438,232	13,109,997



Budgeted Revenue-Economic Development

	FY2022 Actual	FY2023 Original Budget	FY2023 Amended Budget	FY2023 Estimated Actuals	FY2024 Proposed Budget
Sales Tax*	4,217,988	4,294,913	4,294,913	4,332,184	4,447,663
Interest and Investment Income	(93,929)	21,647	21,647	283,147	325,619
Transfer from other fund	2,508,923	14,900	14,900	14,900	-
Total	6,632,981	4,331,460	4,331,460	4,630,231	4,773,282

*50% of 1/8 cent voter approved sales tax



Proposed Expenses-Economic Development

	FY2022 Actual	FY2023 Original Budget	FY2023 Amended Budget	FY2023 Estimated Actuals	FY2024 Proposed Budget
Economic Development	125,000	125,000	125,000	125,000	275,000
Major Business Incentive Project	708,591	2,052,000	2,052,000	1,247,283	2,590,260
Small Business Projects	509,917	775,000	981,962	752,500	1,068,500
BJD - Administration	918	10,000	10,000	10,000	10,000
Type B Incentives	250,000	-	89,000	-	89,000
Transfer to General Fund	51,912	56,724	56,724	56,724	68,757
Transfer to Park CIP Fund	500,000	-	-	-	-
Total	2,146,338	3,018,724	3,314,686	2,191,507	4,101,517



Major Business Incentives

Projects	FY2023 Original Budget	FY2023 Amended Budget	FY2023 Estimated Actuals	FY2024 Proposed Budget
NEXT Sports Complex	650,000	650,000	-	1,200,000
Texas A & M Drones	1,402,000	1,402,000	1,247,283	1,390,260
Total	2,052,000	2,052,000	1,247,283	2,590,260



Small Business Projects

	FY2023 Original Budget	FY2023 Amended Budget	FY2023 Estimated Actuals	FY2024 Proposed Budget
Texas A&M Internship	100,000	150,516	100,000	150,000
Del Mar College Internship	100,000	100,000	100,000	100,000
Del Mar College – PTAC/APEX	105,000	135,353	99,500	105,000
Del Mar College - CRC	150,000	194,503	133,000	150,000
Del Mar College - SBDC	150,000	207,360	150,000	150,000
LiftFund	100,000	116,704	100,000	200,000
SCORE	70,000	77,526	70,000	83,500
DMC Cyber Center				130,000
Total	775,000	981,962	752,500	1,068,500



Type B Incentives

	FY2023 Original Budget	FY2023 Amended Budget	FY2023 Estimated Actuals	FY2024 Proposed Budget
South Texas Botanical Gardens	-	89,000	-	89,000
Total	-	89,000	-	89,000



Budget Proposal

Development Services Liaison \$150,000
Dedicated position within the Economic Development Department
to assist businesses with the Development Services process



Budget Overview-Housing

	FY2022 Actual	FY2023 Original Budget	FY2023 Amended Budget	FY2023 Estimated Actuals	FY2024 Proposed Budget
Beginning Fund Balance	1,741,989	327,928	1,717,705	1,717,705	2,037,430
Total Revenue	500,804	506,620	506,620	547,209	556,179
Total Expenditures	525,087	527,484	527,484	227,484	2,542,565
Ending Fund Balance	1,717,705	307,064	1,696,841	2,037,430	51,044



Budgeted Revenue-Housing

	FY2022 Actual	FY2023 Original Budget	FY2023 Amended Budget	FY2023 Estimated Actuals	FY2024 Proposed Budget
Sales Tax*	500,000	500,000	500,000	500,000	500,000
Interest and Investment Income	804	6,620	6,620	47,209	56,179
Total	500,804	506,620	506,620	547,209	556,179

*First 500k of 50% of 1/8 cent voter approved sales tax; remaining goes to Type B - Streets



Proposed Expenses-Housing

	FY2022 Actual	FY2023 Original Budget	FY2023 Amended Budget	FY2023 Estimated Actuals	FY2024 Proposed Budget
Affordable Housing	500,000	-	-	-	2,500,000
Infill Housing	-	500,000	500,000	200,000	-
BJD - Administration	31	10,000	10,000	10,000	10,000
Transfer to General Fund	25,056	17,484	17,484	17,484	32,565
Total	525,087	527,484	527,484	227,484	2,542,565



Affordable Housing

	FY2023 Original Budget	FY2023 Amended Budget	FY2023 Estimated Actuals	FY2024 Proposed Budget
Affordable Housing Projects New	-	-	-	1,308,129
ALMA at Greenwood	-	-	-	1,191,871
Total	-	-	-	2,500,000



Infill Housing Incentive Program

	FY2023 Original Budget	FY2023 Amended Budget	FY2023 Estimated Actuals	FY2024 Proposed Budget
Infill Housing Incentives	500,000	500,000	200,000	-
Total	500,000	500,000	200,000	-



Budget Overview-Streets

	FY2022 Actual	FY2023 Original Budget	FY2023 Amended Budget	FY2023 Estimated Actuals	FY2024 Proposed Budget
Beginning Fund Balance	426,855	396,545	785,139	785,139	433,195
Total Revenue	4,098,835	3,799,840	3,799,840	3,844,440	3,951,708
Total Expenditures	3,740,552	4,196,385	4,196,385	4,196,385	4,384,903
Ending Fund Balance	785,139	-	388,594	433,195	-



Budgeted Revenue-Streets

	FY2022 Actual	FY2023 Original Budget	FY2023 Amended Budget	FY2023 Estimated Actuals	FY2024 Proposed Budget
Sales Tax*	4,089,136	3,794,913	3,794,913	3,832,185	3,947,664
Interest and Investment Income	9,699	4,927	4,927	12,255	4,044
Total	4,098,835	3,799,840	3,799,840	3,844,440	3,951,708

*50% of 1/8 cent voter approved sales tax after first 500k to Type B - Housing



Proposed Expenses-Streets

	FY2022 Actual	FY2023 Original Budget	FY2023 Amended Budget	FY2023 Estimated Actuals	FY2024 Proposed Budget
BJD - Administration	192	10,000	10,000	10,000	10,000
Operating Transfers Out*	2,508,923	-	-	-	-
Transfer to General Fund	31,437	36,540	36,540	36,540	47,304
Transfer to Street CIP	1,200,000	4,149,845	4,149,845	4,149,845	4,327,599
Total	3,740,552	4,196,385	4,196,385	4,196,385	4,384,903

*To pay off loan from Economic Development Type B Fund.



Proposed Street Recommendation

City Staff proposing utilizing the funds for the Williams Drive extension from Rodd Field Road to Lexington Road.