



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: APRIL 13, 2021**
FROM: FINANCE DEPARTMENT **WARDS: ALL**
SUBJECT: FISCAL YEAR 2020/21 SECOND QUARTER FINANCIAL UPDATE, RELATED INTERFUND TRANSFERS AND SUPPLEMENTAL APPROPRIATIONS

ISSUE:

Receive and provide input on the Fiscal Year 2020/21 Second Quarter Financial Update and approve related interfund transfers and supplemental appropriations.

RECOMMENDATIONS:

That the City Council:

1. Receive and provide input on the Fiscal Year 2020/21 Second Quarter financial update;
2. With at least five affirmative votes, approve an interfund transfer in the amount of \$4,809 from the Capital Projects Fund to the General Fund; and
3. With at least five affirmative votes, approve a supplemental appropriation in the amount of \$2,500,000 in the Refuse Fund for increased recycling and disposal costs.

BACKGROUND:

On June 16, 2020, the City Council adopted Resolution No. 23592 approving the Fiscal Year (FY) 2020-2021 (Emergency) Annual Budget. The adopted budget was the product of a truncated budget process prompted by the COVID-19 pandemic and Orders that limited the City's ability to receive the usual level of engagement in the budget process. Further, the impacts of the COVID-19 pandemic on City finances were largely unknown at the time of budget adoption due to the ongoing shut-down Order and uncertainty at all levels of the economy. As a part of the adoption of the emergency budget, staff committed to the City Council and the public that interim reports and recommendations to the adopted budget would be made as needed.

On October 27, 2020, the City Council received an interim financial update that reported on the preliminary results of fiscal year ending June 30, 2020 as well as economic developments observed since the adoption of the FY 2020/21 emergency budget. On January 19, 2021, the City Council received the FY 2019/20 Fourth Quarter Update and voted unanimously to set aside approximately \$15.6 of projected General Fund surplus reserves to address future fiscal issues

of the General Fund, including the potential impacts of COVID-19 and the potential loss of the General Fund Transfer (GFT).

DISCUSSION:

This financial update spans the period of July through December 2020. Vacancy saving targets resulting from the uncertain impact of the pandemic and the ongoing structural deficit impacted the Finance Department's ability to meet the usual timelines for closing the previous fiscal year, completing the financial audit, and performing the accounting processes that are necessary for the compilation of quarterly financial reports. However, the City Council received relevant verbal updates from the City's Chief Financial Officer under the City Council's standing agenda item titled "California Public Employees Retirement System challenge/financial solvency update". During the current fiscal year, these updates included information on the economy, sales tax revenue, CalPERS returns, actual and potential impacts of COVID-19, the Electric General Fund Transfer, and other information related to the City's financial health.

Financial Report

Throughout the fiscal year, City departments and the Budget Office monitor and analyze all City funds for potential issues that require attention and mitigating action. For the second quarter report, City departments analyzed the financial status for all funds and appropriations under their purview. City departments also evaluated the potential effect of COVID-19 on departmental finances to the extent possible. The results of the City's major funds as well as areas of concern in other funds (if any) are reported in the Fiscal Update (Attachment 1).

COVID-19 Fiscal Impact

On March 4, 2020, Governor Newsom declared a state of emergency in California as a result of COVID-19. On March 13, 2020, the City of Riverside declared a local emergency and closed non-essential facilities to the public. Temporary stay-at-home orders followed from the State and City in mid-March 2020 and were again reinstated in December 2020 for approximately seven weeks. Fortunately, the impact of the pandemic to the City's budget has not been as drastic as originally expected.

Refer to the Fiscal Update (Attachment 1) for a discussion of the most influential social and economic impacts on City finances as a result of COVID-19, identified areas of fiscal risk, and second quarter results for the City's major funds (General Fund, Measure Z, Electric, Water, Refuse, and Sewer).

General Fund

The second quarter analysis presents a positive FY 2021/22 outlook for the General Fund, with revenues performing better than anticipated and expenditures trending within budgeted appropriation limits.

Revenues: FY 2020/21 General Fund revenues were reviewed in context of FY 2019/20 actual results, performance to date, and potential COVID-19 impacts through the end of the fiscal year. The pre-pandemic budget projected minimal revenue growth of less than 1% over FY 2019/20 revenues based on economic conditions and historical trends. The pandemic presented a significant – yet largely unpredictable – challenge to local agencies nationwide and prompted agencies in the Southern California region to drastically reduce revenue projections and adopt

severe austerity measures, including a significant reduction of workforce levels. However, an analysis of Riverside demographics in relation to its revenue base did not support such severe measures for the City and the 10% contingency revenue reduction (\$28 million) in the adopted budget has thus far provided a sufficient cushion for the City to weather the impacts of the pandemic. FY 2020/21 second quarter analysis reveals that total General Fund revenue projections may match the prior year and exceed emergency budget revenue estimates by at least \$10 million. This is largely due to balancing measures adopted in the emergency budget and positive performance in sales tax which is trending 4% higher than the previous year as of the second quarter. The county sales tax pool continues to exceed estimates and is trending 44.7% over the same period in the prior year. Some revenue sources continue to be impacted by the shut-down or reduction in City services, including Library, Parks and Recreation, and other charges for services. However, the adopted contingency revenue reduction and positive revenue performance in other areas appear sufficient to fully offset those revenue shortfalls as of the second quarter. Additionally, CARES Act funding that was unexpended on planned items within the required timeframe was used to offset safety personnel costs, adding approximately \$5.8 million of revenues to the General Fund. Rather than lose the funding due to spending time constraints, the unspent balance was used to offset public safety personnel costs which is a permitted expense under the CARES Act.

Expenditures: As of the second quarter, a savings in General Fund expenditures is expected. Personnel savings of at least \$5 million are projected, largely due to the closures (and therefore vacancies in temporary and part-time personnel) in Library and Parks & Recreation; vacancies occurring in the normal course of business; and the City Manager's managed hiring initiative. Some savings will be offset by increased subsidies to the Convention Center and Entertainment Fund (both venues have remained closed through the pandemic). Additionally, capital project activity is less than expected due to the pandemic, causing less staff time than budgeted to be charged out to capital projects; as a result, the staff costs will remain in the General Fund and partially offset personnel savings.

In summary, the General Fund is stable and operating within budgeted appropriations for FY 2020/21. Prudent contingency planning for the pandemic, positive revenue performance, and CARES Act funding will likely result in savings at the end of the fiscal year. Despite the positive outlook for the current fiscal year, the long-term financial health of the General Fund continues to be at risk due to an ongoing structural deficit and the potential loss of the Electric GFT. Vacancy savings targets to address the structural deficit will continue to impact City operations and the ability of departments to maintain ongoing alignment with the City's strategic priorities. How the American Rescue Plan Act of 2021 and revenue generation efforts by the City will impact the City's financial health is yet to be determined. These impacts are a part of discussions for the development of the FY 2021/22 budget.

Measure Z

As of June 30, 2020, Measure Z held \$24.9 million in unallocated fund reserves, net of unexpended amounts (\$28.2 million) carried forward into FY 2020/21. Separately, \$5 million is held in contingency reserves per the adopted Measure Z Reserve Policy to ensure sufficient funding for ongoing costs in the event of under-performing revenues. Strong revenues in the previous and current fiscal years are contributing to healthy unallocated reserves, projected at approximately \$13.5 million for the fiscal year ending 2020/21.

Revenues: The FY 2020/21 emergency budget included a 10% contingency reduction for Measure Z revenues with the expectation of significant pandemic impacts on the Transaction and Use Tax revenue. However, the revenue is currently 4.5% higher as of the second quarter as

compared to the same point in the previous fiscal year.

Expenditures: Measure Z funds include many projects and one-time expenditures, causing expenditures to appear to be trending behind budget. However, spending is progressing as planned and within appropriation limits.

Review of the Measure Z Spending Plan in context of the City's financial health continues. The FY 2021/22 baseline Measure Z budget was presented to the Budget Engagement Commission (BEC) on December 17, 2020, and to the Financial Performance and Budget Committee on January 8, 2021. On January 14, 2021, the BEC reviewed and received department feedback on the status of numerous spending items. The BEC unanimously voted to recommend no changes to the spending allocations for the items reviewed, with the exception of Police Officer Lateral Hire Incentives and Recruitment Costs: for this item, the BEC recommended to retain the annual allocation of \$200K, to be further addressed and discussed during budget development for each budget year.

Enterprise Funds Overview

The Sewer, Refuse, Electric, and Water funds have been similarly impacted by the suspension of utility shutoffs in response to the pandemic. The combined accounts receivable for the four utilities is approximately \$47 million as compared to \$25 million for the same period in the last fiscal year. Delinquent accounts have increased to \$22 million in FY 2020/21 as compared to \$4 million for the same period in FY 2019/20. In March 2020, Riverside Public Utilities developed the Emergency Recovery Assistance Program (ERAP) in response to the COVID-19 pandemic to assist active residential utility customers that have experienced reduced income due to loss of employment or reduced hours as a result of COVID-19. Customers eligible for ERAP assistance will be issued a one-time \$400 credit towards their utility bill. In March 2021, the City received a direct allocation of Emergency Rental Assistance (ERA) funding from the US Department of Treasury to assist eligible households with rental assistance and utilities to ensure housing stability. The delinquent revenue is expected to be collected when the suspension of the utility shutoffs is lifted and with assistance from the ERAP program.

Sewer Fund

The overall financial position of the Sewer Enterprise fund is in step with the Sewer Fund Reserve Policy objectives. The FY 2020/21 adopted budget projects a net operating gain of \$7.6 million, which will help to fund \$14 million of planned capital projects. On July 21, 2020, the City Council approved all volumes of the 2019 Master Plan for Wastewater Collections and Treatment Facilities and Environmental Review. The Public Works Department is actively working with a consultant to complete the financial and user rate study aspects of the Wastewater Master Plan Update. The results of the updated Master Plan will inform future discussions on Sewer rates and funding for the projects identified in the Master Plan.

At the end of the second fiscal quarter, 46.5% of projected revenues have been recorded, although the number of delinquent accounts has risen during the pandemic. As of March 9, 2021, delinquent accounts in the Sewer Fund total approximately \$2.86 million. As per City Council direction, accounts for which payment is not being received are not being shut off, and services are continuing uninterrupted.

Operating expenditures are 49% of total budget at the end of the second quarter largely due to the timing of debt obligations and are expected to remain within adopted appropriation limits through the fiscal year.

Refuse Fund

The Refuse Enterprise fund originally projected to end FY 2020/21 in a deficit of approximately \$1.4 million. However, the approval of the Solid Waste Rate Plan, which took effect on January 1, 2021, resulted in a \$2.3 million increase to revenue forecasts resulting in a projected surplus rather than the originally projected deficit. Unfortunately, revenues resulting from the rate increase are being offset by increased recycling and disposal costs.

At the end of the second fiscal quarter, 49.7% of projected revenues have been recorded, although the number of delinquent accounts has risen during the pandemic. As of March 9, 2021, delinquent accounts in the Refuse Fund total approximately \$1.1 million. As per City Council direction, accounts for which payment is not being received are not being shut off, and services are continuing uninterrupted.

Operating expenditures are 46% of total budget at second quarter end largely due to the timing of debt obligations and are expected to exceed budget by fiscal year end due to increased disposal and recycling costs. Changes in the recycling market have resulted in revenues no longer offsetting the cost of processing, transportation, and residual disposal and have resulted in the implementation of new organics processing and recycling rates. In previous discussions with the City Council, staff shared projections of \$1.5 million of increased costs associated with residential recycling. However, the recycling impacts have carried over to the commercial sector as well. As a result, the cost of processing recyclable materials was added to the City's waste processing agreement with the Agua Mansa Transfer Material Recovery Facility (MRF). Lastly, an increase in residential tonnage was an unanticipated effect of the pandemic and is likely attributed to more residents being quarantined in their homes. The combination of these issues is projected to cost an additional \$2.5 million at fiscal year-end; a supplemental appropriation is requested to cover this cost increase. The addition of a new commercial organics processing and recycling rate implemented January 1, 2021, in addition to the residential component of the Solid Waste Rate Plan, should help offset future costs.

Electric Fund

The FY 2020/21 adopted budget for the Electric Fund includes a programmed \$16.3 million operating deficit and draw on fund reserves. This is a financial strategy employed to draw reserves down to keep rate increases as low as possible. Reserve levels as of the second quarter are within established policy levels. In March 2021, the Board of Public Utilities and City Council approved an increase to the Sharing Households Assist Riverside Program (SHARE) from \$150 to \$250 per year for low-income residential electric customers for the duration of the COVID-19 pandemic.

Electric revenues are trending higher than anticipated at the end of the second quarter due to warmer summer months and higher consumption than anticipated. The pandemic has led to higher residential usage and lower commercial and industrial usage. Overall, retail sales are 2.4% (\$4.3 million) higher than anticipated, and \$11.9 million (7%) higher than the same period in the previous fiscal year. The revenues are expected to offset the three-month delay in the implementation of the third year of the approved electric rate increases that were scheduled to go into effect on January 1, 2021. On January 5, 2021, the City Council voted to delay the scheduled rate increase to March 31, 2021, with a projected fiscal impact of \$2.1 million lower electric revenues. On March 23, 2021, the City Council directed staff to delay the implementation of the third year of the electric rate plan and referred it back to the Board of Public Utilities to develop an implementation plan. The estimated impact of the action is an approximately \$4.4 million reduction

in electric revenues through the end of the fiscal year.

Electric expenditures are 41% of total budget at the end of the second quarter. Personnel expenditures are trending low due to vacancies and attrition. Power supply costs are 4.1% lower than projected, and other costs vary in their timing throughout the fiscal year. Overall, electric expenditures are projected to remain within the budgeted appropriation limit at fiscal year-end.

Water Fund

The Water Fund is in a healthy position with reserve levels (including the available line of credit) within the required policy reserve range. Budgeted operating gains of \$7.1 million are anticipated to be used to fund capital projects in FY 2020/21, supplemented by a \$1.1 million draw on reserves and \$22.4 million of bond proceeds.

The pandemic has led to higher residential water usage and slightly lower than anticipated commercial and industrial water usage. As of the end of the second quarter, operating revenues are at 58% of budgeted projections. Retail sales are 4.3% higher than expected due to warmer than anticipated summer months and lower than expected precipitation in the later months of the year. Current year retail sales are \$4.2 million (11.6%) higher than those for the same period in the prior fiscal year.

Water Fund expenditures are 44% of budget at the end of the second quarter. Personnel is trending slightly lower than anticipated due to vacancies and attrition; other expenditures vary in their timing throughout the fiscal year. Overall, water expenditures are projected to remain within the budgeted appropriation limit at fiscal year-end.

Interfund Transfers and Supplemental Appropriations

Riverside Municipal Code Sec. 1104 requires the affirmative vote of at least five City Council members to authorize the transfer of appropriations between City funds and to authorize supplemental appropriations. The following transfers and supplemental appropriations are recommended for City Council approval:

- **Capital Projects Fund transfer to the General Fund \$4,808.95:** In FY 2018/19, the Parks, Recreation & Community Services Department (PRCSD) transferred \$20,000 from their General Fund operating budget to the Hunter Park Improvements project to cover estimated costs required to complete the project. The project is complete and needs to be closed. Staff recommends transferring unused funds totaling \$4,808.95 back to the General Fund PRCSD budget.
- **Refuse Fund \$2,500,000 Supplemental Appropriation:** To cover the cost increases associated with recycling and disposal costs as previously described in this report.

FISCAL IMPACT:

As of the second quarter, the General Fund is anticipated to end the fiscal year with savings. Despite the positive outlook for the current fiscal year, the long-term financial health of the General Fund continues to be at risk due to an ongoing structural deficit and the potential loss of the Electric GFT. This will challenge the ability of City departments to maintain service levels as well as alignment with the City's strategic priorities. Measure Z revenues continue at a level sufficient to fund approved spending items as well as help manage General Fund fiscal challenges, should

that become necessary. Staff will continue to monitor the funds and recommend both short-term and long-term financial strategies during the development of City budgets for the upcoming fiscal year.

The City's major enterprise funds are experiencing similar impacts resulting from the pandemic, with much higher delinquent account balances and lower commercial/industrial revenues. To date, these impacts have not affected the health of the funds, but challenges remain. Other factors affecting the Refuse Fund (as previously described) have prompted a request for supplemental appropriations totaling \$2.5 million. Staff will continue to monitor this fund and recommend additional mitigating fiscal actions as needed.

Prepared by: Kristie Thomas, Assistant Chief Financial Officer
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
Approved by: Moises Lopez, Deputy City Manager
Approved as to form: Kristi J. Smith, Interim City Attorney

Attachments:

1. Fiscal Update
2. Measure Z Spending Status
3. Presentation

CITY OF RIVERSIDE FISCAL UPDATE

Monitoring City of Riverside Finances and the Potential Fiscal Impacts of COVID-19



TABLE OF CONTENTS

Economic Indicators - 2

General Fund – 4

Enterprise Funds - 6

Other Funds – 7

Other Financial News - 8

Chief Financial Officer/City Treasurer
Edward Enriquez

Assistant Chief Financial Officer
Kristie Thomas



EXECUTIVE SUMMARY

In March 2020, the City was confronted with a pandemic that presented significant unknowns to the economy of the City, its businesses, and its constituents. Rising unemployment, increases in homelessness and housing costs, temporary or permanent business closures, continuity of certain City operations and many more potential impacts of the pandemic needed to be considered for the well-being of the City at large and for the narrower question of City finances.

In Southern California, numerous cities immediately slashed revenue estimates and employed severe austerity measures to address the potential fiscal impact of the pandemic on local finances. However, a careful study of the City of Riverside's revenue demographics did not support such drastic measures. Unlike California's coastal cities, Riverside's economy is not dependent on tourism and entertainment. Riverside is a major hub that provides critical economic, employment, and educational support to surrounding regions. Ultimately, City staff proposed a 10% contingency revenue reduction and other balancing measures to address the potential impacts of the pandemic on City finances. As of the second quarter, those contingency measures are proving to be sufficient to offset the fiscal impacts of the pandemic. Simultaneously, federal assistance through the CARES Act enabled the City to respond to the needs of local businesses and constituents with grants, housing and homeless assistance, utility assistance, food assistance, and much more. As of March 2021, the City is transitioning to the recovery stage of the pandemic with a robust testing and vaccination program, and continuing support for economic recovery.

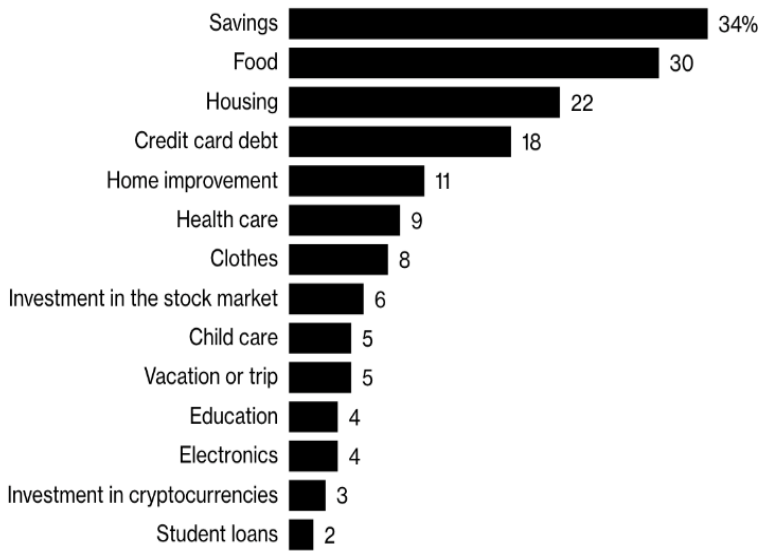
ECONOMIC INDICATORS

The continued stress to the economy is not just relegated to the United States. Global impacts from continued lock downs, multiple, new variants of COVID, and continued stress to consumers' pocketbook are all impacting people's day-to-day lives. In the U.S., federal economic stimulus initiatives in the form of direct payments to consumers seek to ease the burden and inject the economy with some much-needed consumer spending, specifically in retail sales. The latest \$1.9 trillion stimulus package, the American Rescue Plan Act (ARPA) signed into law on March 18, 2021, provides taxpayers up to \$1,400 in direct payments and an additional \$1,400 for dependents. Overall, this should provide a boost to the City's economy as well as the General Fund, which funds many essential City services. Below are some key elements that illustrate the historical impact of direct stimulus payments to consumer spending.

How Will Third Stimulus Check Be Spent?

Third Stimulus Check

How respondents in a Bloomberg/Morning Consult survey said they would mostly spend it



Survey of 2,191 adults, Feb. 3-6, 2021. Respondents were asked to select all that apply. Results have a margin of error of plus or minus 2 percentage points.
Data: Bloomberg/Morning Consult

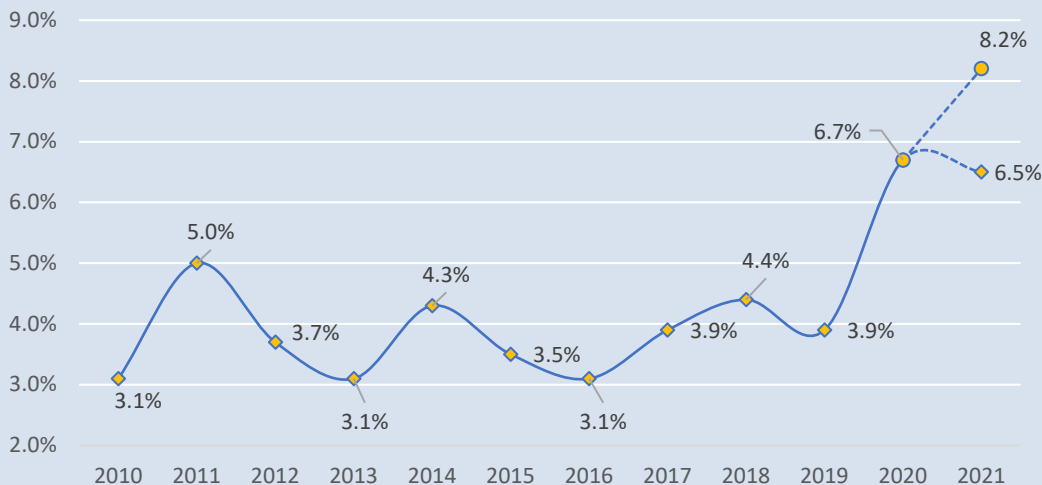
Stimulus Check Spending

Consumer data during the pandemic has been unusual and at times defies what might be considered normal during a pandemic recession. Much of the behavior however, is driven by the various stimulus efforts of the federal and state governments. Both consumer savings and spending have increased even while unemployment rose, likely affected by the unemployment subsidy. Meanwhile, consumers also paid down outstanding debts.

According to a Bloomberg survey conducted in February 2021, recipients plan use of their ARPA stimulus check on savings (34%), followed by food (30%), housing (22%), and paying down debt (18%). Comparatively, according to Forbes, recipients spent the first stimulus check on savings (36%); debt repayment (35%); and consumption (29%) which includes essential spending on necessary living expenses (18%), non-essential spending (8%), and charity (3%).

Retail sales and overall sales tax receipts have held up well despite spiking unemployment in March & April 2020. Direct stimulus payments from the Federal government and supplemental unemployment benefits have aided the consumer spending aspect of the economy.

Historical Change in Retail Sales



According to the latest data from the National Retail Federation, the projected increase in retail sales for calendar year 2021 is between 6.5% - 8.2% as compared to 6.7% in 2020.

While the direct impact of the stimulus checks on City sales taxes is unknown, sales tax receipts are up 4.4% over the prior year for the period of July - December 2020. Spending has shifted among the major categories compared to the prior year, with building and construction (including spending on personal home improvement) up 21.8%, and spending at restaurants and hotels down 18.7%.

ECONOMIC INDICATORS

City Sales Tax Trends

Sales tax revenue was expected to plummet due to the recurring stay-at-home Orders and business restrictions, but a significant amount of spending has shifted to online sales and increased the amount going to the State and County pools. Sales taxes from the Riverside county pool have increased 44.7% for the City. Additionally, the City's share of the online pool has increased from 15% in calendar year 2019 to 20% in calendar year 2020. Part of this can be attributed to the implementation of the Wayfair Act – the collection of sales taxes from out of state retailers.

The sector sales tax graphs show the trends of the City's major sales tax categories for the period of September 2018 through December 2020. As demonstrated in the respective charts, every sector experienced an immediate and sudden impact in response to the pandemic in the first quarter (January – March) of 2020. The shift of spending can also be observed as the pandemic progressed. Overall, City sales tax is up 4.3% at the end of the second quarter (September – December) in 2020 as compared to the same period in 2019.



Auto & Transportation

This category has bounced back from an initial decline, ending 2020 with a 9.6% increase over the prior year.



Building & Construction

This category has been propped up by personal home improvement spending and is 21.8% higher than the prior year.



Fuel and Service Stations

This sector continues to suffer despite a rebound in gas prices and posted a 27.8% decrease from 2019 levels.



General Consumer Goods

Core retail sales were sharply impacted by mandated business shutdowns but recovered faster than anticipated.



Business & Industry

The trend demonstrates initial supply chain issues offset by point-of-sale fulfillment and logistics operations.



Food & Drugs

Initially the only sector reacting positively to the pandemic, this sector has normalized, posting a 2.7% growth over 2019.



Restaurants and Hotels

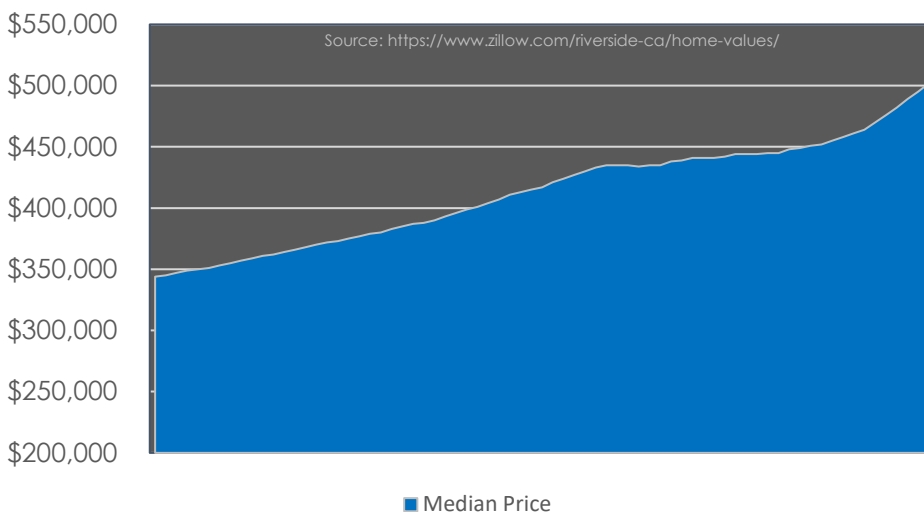
This sector continues to be significantly impacted by mandated restrictions, with 2020 sales ending 18.7% lower than 2019.



State and County Pools

The shift to online shopping and the new out-of-state taxes contributed to a 44.7% increase in the County pool.

City of Riverside Housing Prices



Housing Prices & Property Taxes

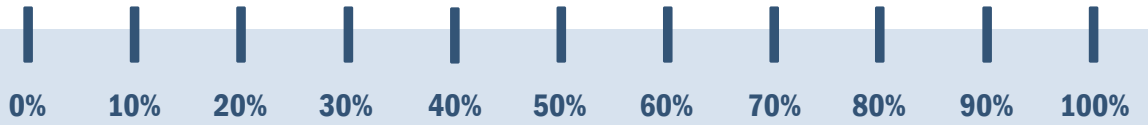
The initial reaction to the COVID lockdown was one of consumer caution, reflected in both the economy and the housing market. After the initial shock had worn off, the housing price trend continued its move upward in the county, including the City of Riverside. According to Zillow, from January 2020 through January 2021, the year over year increase in housing equaled 11.8% and another double-digit growth year is forecasted for calendar year 2021. This directly affects the City's property tax revenue, which is 26% of total General Fund revenue; a healthy property tax base is vital for the City's financial health.

GENERAL FUND REVENUE

The General Fund was expected to bear the brunt of COVID-19 impacts due to its dependence on sales tax, transient occupancy tax, charges for services, and licenses and permit revenues. These revenues are directly impacted by the recurring stay-at-home orders which prompted the closure of City buildings to the public, local business shut-downs, and high unemployment. To offset the potential impacts, a contingency revenue reduction of 10% (about \$28 million) was recorded in the adopted emergency budget. However, the FY 2020/21 second quarter analysis reveals that total General Fund revenues may exceed emergency budget estimates by \$10 million or more. Additionally, \$5.8 million of CARES Act funding will be recorded as revenue in the next quarter, offsetting reimbursable Public Safety personnel costs. The revenues deemed most at risk to pandemic impacts are discussed below.

COLLECTED

as of December 31, 2020



SALES TAX

Sales tax accounts for 22% of projected General Fund revenues. This revenue category was expected to be significantly impacted by the pandemic, but that has not been the case. Consumers appear to have shifted spending to online purchases and to new areas (home improvement). Sales Tax revenue is 4.3% higher than at the same point in the prior fiscal year; however, collected revenues lag due to the timing of remittance from the State to the City.

TRANSIENT OCCUPANCY TAX (TOT)

Travel and entertainment continue to be impacted by the pandemic, but less than expected. In FY 2018/19, approximately \$7.2 million in TOT revenues were received. FY 2019/20 revenues came in at 85% of the prior year. FY 2020/21 revenues were expected to continue to decline to about 38% of FY 2018/19 actuals and were budgeted at \$2.8 million. As of the second quarter, it appears that TOT revenues may reach close to \$4 million for the fiscal year.

CHARGES FOR SERVICES

Charges for Services are impacted by the temporary cessation of City activities, most notably those of Parks & Recreation. The closure of the City's One Stop Shop has also impacted Planning revenues. Additionally, building and fire inspections activity has been greatly reduced. As a result, this revenue category is \$2.3 million less than that collected at the same point in the prior fiscal year.

LICENSES & PERMITS

Business License revenue was expected to decline as businesses closed under the pressure of the pandemic and was projected to come in \$1.6 million less than FY 2019/20 actuals. However, the stimulus funding prompted many businesses that had not previously registered with the City to obtain a business license. Overall, business license revenue is on pace to exceed FY 2019/20 revenues. Other declines in this category, such as building permits, will be offset by outperforming business license revenue.

Revenue	Budget	Received	Balance
Property Tax	\$70.9 M	\$9.8 M	\$61.1 M
Sales Tax	\$59.6 M	\$24.4 M	\$35.2 M
Utility Users Tax	\$30.1 M	\$14.9 M	\$15.2 M
Charges for Services	\$15.5 M	\$5.3 M	\$10.2 M
Licenses & Permits	\$8.7 M	\$4.9 M	\$3.8 M
Other Revenues	\$7.4 M	\$6.7 M	\$0.7 M
Transfers In	\$79.1 M	\$36.5 M	\$42.6 M
Total	\$271.3 M	\$102.5 M	\$168.8 M

CARES Act for Public Safety

CARES Act funding of approximately \$28 million was granted to the City, with the requirement that the funds be encumbered no later than September 1, 2020 or expended no later than December 31, 2020. The CARES Act Funding was required to be expended on activities that promoted public health and safety in response to the COVID-19 public health emergency. The City Council approved a spending plan for CARES Act funding on August 4, 2020. The City had approximately \$5.8 million of CARES Act funding remaining nearing the expenditure deadline. Rather than forfeiting the funds, the City allocated the remaining funds to reimbursable Public Safety personnel costs.

GENERAL FUND EXPENDITURES

Overview

FY 2020/21 expenditure projections are largely dependent upon the progression of the pandemic, vaccination rates, and the resumption of City activities, such as parks and recreation activities and the reopening of City libraries. While these activities are suspended, the City will realize savings in part-time and temporary personnel, supplies, and materials. If personnel activity remains constant through the fiscal year – i.e. comparable to the first six months of the year – the City may see savings of \$5 million or more in personnel. However, the savings would be offset by other items impacted by the pandemic, including charge to capital projects and fund subsidies.

Charges to Other Funds

The General Fund budget includes expenditure offsets in the form of Charges to Other Funds for interfund services provided to other funds. These include the transfer of qualifying expenditures including materials and staff time to individual capital project accounts in Special Revenue and Capital Project funds (e.g. Special Gas Tax). Capital project activity has been reduced from normal levels due to the pandemic as well as personnel vacancies. Second quarter analysis reveals that the charges to projects may fall short of expectations by as much as \$1.3 million.

Fund Subsidies

The General Fund subsidizes the costs of several funds, some of which are impacted by the pandemic. The Special Capital Fund is dependent upon development impact fees to pay debt obligations incurred for park projects during the City's Renaissance initiative in 2008. Development impact revenues are about \$996,000 lower than the same point in time in the prior year and may result in an increase of about \$450,000 in the budgeted subsidy.

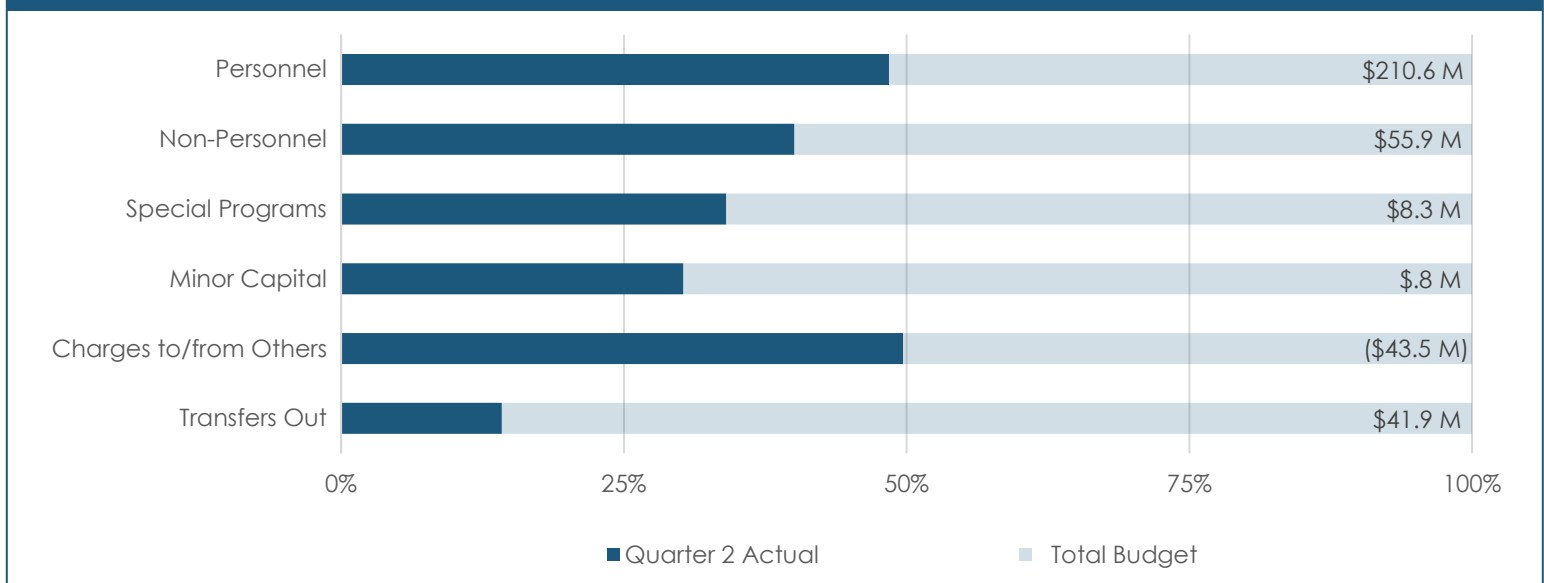
A fund subsidy of \$5.2 million is budgeted to pay for Convention Center debt obligations as well as revenue shortfalls of the Riverside Visitor's Bureau and the Sports Commission. With the venues closed since the onset of the pandemic, and some operating expenses continuing, such as the required management fee, the additional subsidy requirement could reach \$730,000 over the budgeted amount.

The General Fund also pays the debt obligations of the Entertainment Fund as well as operational shortfalls. The FY 2020/21 budget included a projected subsidy of \$2.8 million for this fund. The Entertainment Fund includes the Fox Theater, the Box, and the Municipal Auditorium, all of which have been closed since the onset of the pandemic. The operator agreed to a reduction in the management fee during the venue closure. However, the subsidy requirement may increase by \$400,000 over the amount budgeted due to other ongoing expenses.

Vacancy Savings Balancing Measure

The FY 2020/21 emergency budget included budgeted vacancy savings targets totaling approximately \$15.65 million to offset the General Fund structural deficit. Due to the pandemic and urgent need to shift budget strategy, the vacancy savings targets were based on vacancies at a point in time and commensurate with the managed hiring prompted by the pandemic. The impact of both the pandemic and the vacancy savings targets will continue to impact City operations and the ability of departments to maintain ongoing alignment with the City's strategic priorities.

EXPENDITURES

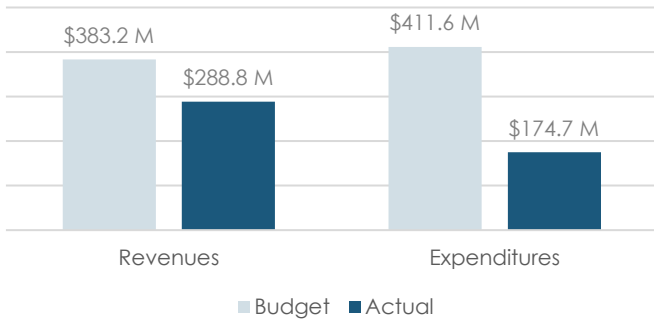


ENTERPRISE FUNDS

Electric Fund

At the end of the second quarter, retail sales are 2.4% higher than expected due to higher than anticipated consumption. Current year actual retail sales are \$11.9 million (7.0%) higher than the prior year. On March 23, 2021, the City Council voted to delay the implementation and refer it back to the RPU Board for an implementation plan. The estimated impact of the action is a \$4.4 million reduction in electric revenues through fiscal year end. Expenditures are trending under budget due to personnel vacancies, lower than expected power supply costs, and the timing of operating expenses.

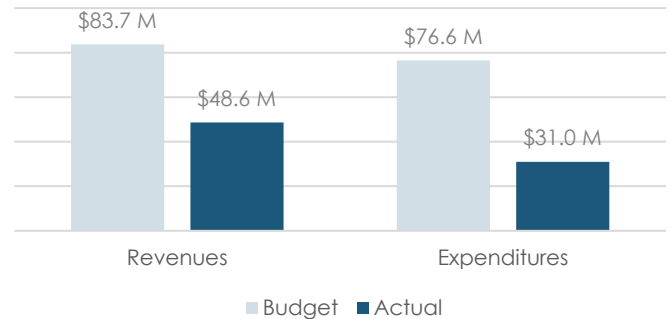
Budget to Actual



Water Fund

The pandemic has led to an increase in residential water usage and a decrease in commercial/industrial water usage. Overall, water fund revenues are 4.3% higher than expected due to higher than anticipated consumption. Current year retail sales are \$4.2 million (11.6%) higher than the prior year. Expenditures are trending under budget due to personnel vacancies and the timing of operating expenses. Budgeted operating gains of \$7.1 million are anticipated to be used to fund capital projects in FY 2020/21, supplemented by a \$1.1 million draw on reserves and \$22.4 million of bond proceeds.

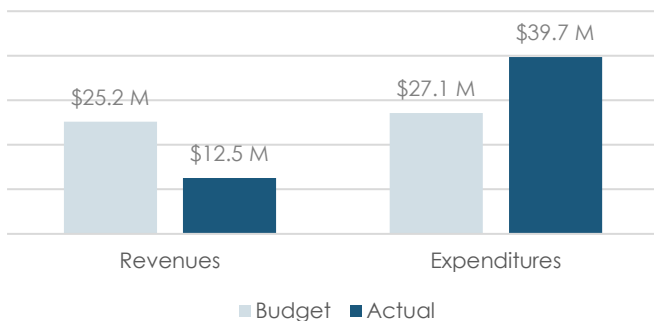
Budget to Actual



Refuse Fund

The Refuse Fund adopted budget does not include the rate increases approved by the City Council in September 2020 and effective January 2021. The rate increases are expected to improve the overall health of the fund, which had been operating at a deficit for some time. However, new pressures on the recycling market have resulted in a \$2.5 million increase in City contracts for recycling. Staff will request a supplemental appropriation to increase the Refuse budget to accommodate the higher costs. Overall, the Refuse fund is expected to end the fiscal year near break-even due to these developments.

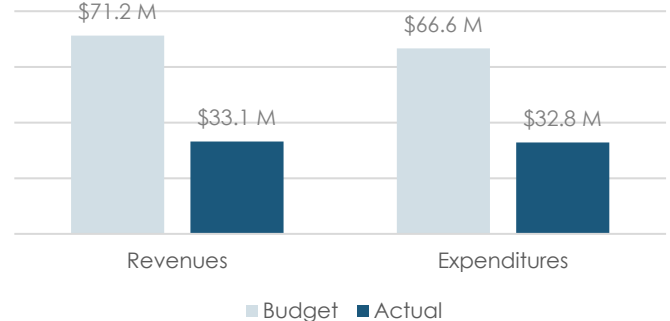
Budget to Actual



Sewer Fund

The Sewer Fund is operating in line with the Sewer Fund Reserve Policy objectives. Revenues are currently lagging due to delayed billing for service contracts. Revenue shortfalls in excess of \$1 million are expected in service contract revenue due to business shutdowns and related surcharges. Sewer connection fees dependent on development are also trending lower than anticipated. Expenditures are trending as expected. The FY 2020/21 adopted budget projects a net operating gain of \$7.6 million, which will help to fund \$14 million of planned capital projects, supplemented by reserves.

Budget to Actual



Measure Z

Contingency measures were employed for Measure Z in response to the pandemic. Prior to the pandemic, Measure Z revenues were projected to remain flat; with the onset of the pandemic, revenue projections were lowered by 10% as a contingency for the unknown impacts of the pandemic. Two capital projects, the Museum renovation and new police headquarters were delayed one year, to FY 2022/23. Since then, consumer spending trends have far exceeded expectations and HdL, the City's sales tax consultant, now projects that Measure Z revenue could reach \$65 million, \$6 million higher than emergency budget projections. Actual revenue is 4.5% higher at second quarter end versus the same period in the prior fiscal year.

Programmed spending in the table below includes a \$28.2 million carryover of prior year unexpended funds. These are funds committed for multi-year projects where the spending occurs unevenly over a period of time. As of December 31, 2020, \$21.5 million has been expended as compared to \$22.6 million revenue received. Projected fiscal year end unallocated reserves are \$13.5 million, without considering the potential increase in revenues. If the revised revenue estimate of \$65 million is achieved, unallocated reserves would reach \$19.5 million at fiscal year end.

	Budget	Actual	Balance
Revenue	\$56.2 M	\$22.6 M	\$33.6 M
Programmed Spending	95.8 M	21.5 M	74.3 M
Change in Reserves	\$(39.6) M	\$1.1 M	

Unemployment Fund

The City of Riverside has a self-insured fund for unemployment. The unprecedented wave of unemployment claims filed during the pandemic has put a strain on the resources of the fund. Citywide unemployment payments submitted July 2020 through December 2020 are \$357,000 higher than the three-year average of \$78,000. The impact to the General Fund is approximately \$250,000. The payments made during this period cover the most impacted months of the pandemic: April 2020 through August 2020. The subsequent payment posting in the third quarter is 200% higher than normal. The American Rescue Plan includes payroll tax credits that are available to local governments. Staff is exploring the ability of the tax credits to help offset the increased unemployment costs.

Public Parking Fund

Parking revenues have declined during the initial stay-at-home order, have remained lower than projected during the slow reopening process, and will likely continue to underperform in the near future. The Public Parking Fund is currently operating at a deficit and capital projects have been put on hold in order to keep the fund in balance and not request a General Fund subsidy. Current operations remain a challenge, as forecasts for revenue remain low and additional overcapacity

and maintenance require additional capital for which the Public Parking Fund cannot provide.

Convention Center

The Convention Center remains closed due to the governor's stay-at-home order and will most likely remain so through the end of the fiscal year. Even though the Convention Center is closed due to the pandemic, there are expenses being incurred from the management fee and operations resulting from minimal staff that are still working in the facility. The General Fund will likely exceed budgeted expenditures and have to increase its subsidy to the Convention Center due to the operational losses that are being incurred, projected at \$1.6 million for FY 2020/21. Operational losses are also expected for the Riverside Visitor's Bureau and the Sports Commission and are also likely to require an increase in the General Fund subsidy.

Entertainment Fund

The Entertainment Fund's three venues, the Fox and Box Theaters and the Municipal Auditorium, have been closed since the beginning of the pandemic in March 2020. The General Fund subsidizes the entire cost of the debt service (~\$3.2 million) and supports any operational losses that occur from daily operations. The venue operator has agreed to forgo approximately 50% of the management fee that the City pays them to operate the venues; however, there are still minimal staff operating from the venues which will impact the subsidy from the General Fund. Due to the lack of revenue and ongoing expenditures, an increase in the General Fund subsidy is likely. There is no current timeframe set for reopening the venues; the expectation is that the earliest reopening would be in the next fiscal year.

Special Capital Improvement Fund

This fund carries debt obligations incurred during the City's Renaissance initiative which included numerous park projects. The debt obligations were intended to be repaid from development impact fees; however, when this revenue source proves insufficient to make the debt payments, the General Fund covers the difference. In FY 2019/20, a debt obligation was paid in full which was anticipated to fully relieve the General Fund from subsidy payments. However, revenue is trending 20% lower this year due to the pandemic and a General Fund subsidy of approximately \$425,000 may be required if this trend continues through fiscal year end.

Special Gas Tax

The majority of the City's street projects are funded by State gas tax funds and vehicle registration fees. In May 2020, the State reduced projected revenues for FY 2020/21 by \$1 million. However subsequent rebounds in both gasoline consumption and wholesale gasoline prices have improved the outlook. The State now estimates that revenues will decline a nominal \$240,000 in FY 2020/21. This slight reduction is not expected to have a major impact on planned capital projects or other project billing costs that the General Fund charges out to the Gas Tax.

OTHER FINANCIAL NEWS

FY 2021/22 Budget Development

The City is currently developing the FY 2021/22 annual budget. Public engagement is encouraged at the numerous meetings during which budget presentations and discussion will be conducted and feedback will be received. As of the date of this publication, some meetings have already taken place, but there are additional opportunities for participation. The meetings conducted or coming up include:

Date	Time	Meeting Body	Subject Matter
March 15	5:00 PM	Parks & Recreation Commission	Parks, Recreation & Community Services Dept preliminary budget
March 22	6:30 PM	Board of Public Utilities	Riverside Public Utilities preliminary budget
March 24	3:00 PM	Museum of Riverside Board	Museum Department preliminary budget
March 31	5:00 PM	Budget Engagement Commission	Department Presentations - Library; Museum; Parks, Recreation & Community Services; General Services; and Riverside Public Utilities departments
April 8	5:00 PM	Budget Engagement Commission	Department Presentations - Community & Economic Development; Public Works; Fire; and Police departments
April 12	5:00 PM	Board of Library Trustees	Library Department preliminary budget
April 15	5:00 PM	Budget Engagement Commission	Department Presentations - Mayor's Office, City Clerk's Office, City Attorney's Office, City Manager's Office, Finance, Human Resources, and Innovation & Technology departments
April 19	8:00 AM	City Council Budget Workshop	General Fund Overview and Department Presentations (all departments)
May 13	5:00 PM	Budget Engagement Commission	FY 2021-2022 Proposed Budget
May 18	1:00 PM	City Council – Afternoon Session	FY 2021-2022 Proposed Budget
June 10	5:00 PM	Budget Engagement Commission	FY 2021-2022 Final Budget
June 22	6:15 PM	City Council – Evening Session	Public Hearing and Adoption of the FY 2021-2022 Annual Budget

American Rescue Plan ACT

On March 11, 2021, President Biden signed the third stimulus bill which provided additional relief to both individuals and businesses suffering from the impact of the pandemic. Some of the most noteworthy items in the new law are:

- Extended \$300 per week jobless benefits through September 6, 2021
- Sends \$1,400 direct payments to most Americans and their dependents:
 - Income phaseouts of the direct payments begin at \$75,000 for individuals and \$150,000 for married couples and is capped at \$80,000 and \$160,000 respectively.
- \$2 billion in California small business grants (up to \$25,000 per business)
- Expands child tax credit for one year
- \$25 billion in rental and utility assistance; \$10 billion for mortgage aid
- \$30 billion in aid to restaurants
- \$350 billion in relief to state, local, and tribal governments
 - For costs incurred to respond to the public health emergency with respect to COVID-19 or its negative economic impacts
 - To respond to workers performing essential work during the pandemic by providing premium pay to eligible workers
 - For the provision of government services to the extent of the reduction in revenue due to COVID-19 relative to revenues collected in the most recent full fiscal year. (FY 2018/19 will be the baseline year for the City.)
 - To make necessary investments in water, sewer, or broadband infrastructure

The City of Riverside is expected to receive approximately \$79 million in relief payments, subject to audit and validation that the funds are used for approved purposes under the American Rescue Plan. In conjunction with the City Council, staff will identify opportunities to alleviate some of the fiscal impacts of the pandemic that have occurred to date and continue to impact City finances and present those findings to the City Council at a future date. Staff will also work with the community and City Council to provide assistance to external parties eligible under the provisions of the American Rescue Plan Act.

Measure Z
FY 2020/21 Quarter 2 Financial Update

Spending Item	Total Budget	QTR1 Expenditure	QTR2 Expenditure	FY 2020/21 Expenditure
Financial Discipline/ Responsibility				
2 Payoff of the Balloon \$32 million Pension Obligation Bond	\$ 1,674,500	\$ -	\$ -	\$ -
4 Measure Z Spending Contingency	6,000,000	1,500,000	1,500,000	3,000,000
Total Financial Discipline/ Responsibility	\$ 7,674,500	\$ 1,500,000	\$ 1,500,000	\$ 3,000,000
Public Safety				
5 Additional Sworn Police Positions	\$ 10,598,698	\$ 1,840,552	\$ 2,650,392	\$ 4,490,944
6 Public Safety Non-Sworn Positions and Recruitment Costs	1,087,572	188,710	229,296	418,006
7 Police Officer Lateral Hire Incentives and Recruitment Costs	200,000	-	300	300
8 Additional Dispatchers	862,212	115,943	159,594	275,537
9 Reinstatement of Fire Squad	1,392,682	267,025	302,568	569,593
10 Reinstatement of Captains (Training and Arson)	590,104	171,535	86,622	258,157
11 Reinstatement of Battalion Chief	387,293	76,716	90,149	166,865
12 Revised PD Vehicle Replacement and Maintenance Plan	3,433,722	23,737	370,182	393,919
14 Revised Fire Vehicle Replacement and Maintenance Plan	4,380,828	(1,428,300)	438,363	(989,937) (1)
16 Additional Fleet Mechanics for Police Department (2)	219,427	46,733	56,356	103,089
17 Additional Fleet Mechanics for Fire Department (2)	240,750	50,570	60,887	111,457
34 4-Person Staffing on Fire Trucks	1,382,796	264,823	350,256	615,079
35 Fire Equipment and One-Time Operating Needs	125,508	-	-	-
36 Contingency - Fire Radios	19,679	-	-	-
38 Bourns Youth Innovation Center Furniture, Fixtures & Equip.	416,039	38	13,864	13,902
40 Library Security Guards	419,971	-	104,961	104,961
Total Public Safety	\$ 25,757,281	\$ 1,618,082	\$ 4,913,790	\$ 6,531,872
Critical Operating Needs				
18 Funding Gap - Existing Services	\$ 18,266,026	\$ 4,566,506	\$ 4,566,506	\$ 9,133,012
19 General Plan Update	4,957,056	-	2,485	2,485
20 Homeless Services	1,235,402	32,186	(161,861)	(129,675) (2)
21 Principal Analyst - City Manager's Office	170,346	34,570	44,416	78,986
22 Budget Engagement Commission Support	32,730	6,371	5,192	11,563
Total Critical Operating Needs	\$ 24,661,560	\$ 4,639,633	\$ 4,456,738	\$ 9,096,371
Facility Capital Needs				
23 New Downtown Main Library and Archives	\$ 2,755,580	\$ -	\$ -	\$ -
24 Eastside Library Site Selection	100,000	-	-	-
25 New Police Headquarters	69,559	30,816	-	30,816
26 Museum Expansion and Rehab	10,167	175	-	175
28 Annual Deferred Maintenance	1,404,407	49,517	54,461	103,978
42 Fire Station Dormitory Improvements	99,573	3,913	3,214	7,127
Total Facility Capital Needs	\$ 4,439,286	\$ 84,421	\$ 57,675	\$ 142,096
Quality of Life				
29 Maximize Roads/Streets (Pavement Condition Index)	\$ 20,204,180	\$ 178,424	\$ 1,149,014	\$ 1,327,438
30 Tree Trimming	1,000,000	86,615	233,155	319,770
31 Ward Action Team - City Attorney's Office	305,403	63,665	80,610	144,275
39 Public Safety and Engagement Team (PSET)	5,002,614	170,860	157,055	327,915
41 Homeless Shelters	58,763	16,815	4,270	21,085
Total Quality of Life	\$ 26,570,960	\$ 516,379	\$ 1,624,104	\$ 2,140,483
Technology				
33 Technology Improvements	\$ 6,774,834	\$ 228,811	\$ 384,280	\$ 613,091
Total Technology	\$ 6,774,834	\$ 228,811	\$ 384,280	\$ 613,091
Totals	\$ 95,878,421	\$ 8,587,326	\$ 12,936,587	\$ 21,523,913

(1) An internal review of all historical expenditures to date for this spending item revealed an additional amount eligible for refunding from capital lease proceeds; as a result, the total use of Measure Z cash has been adjusted and is available for spending.

(2) The negative amount is a result of expenditures being recorded as an expense in the prior fiscal year for accounting purposes (accruals).



FY 2020/21 SECOND QUARTER FINANCIAL UPDATE

Finance Department

City Council
April 13, 2021

RiversideCA.gov

1

GENERAL FUND OVERVIEW

FY 2020/21 Adopted Budget	
Revenue & Transfers In	\$271,400,277
Expenditures & Transfers Out	271,400,277
Surplus/(Deficit)	\$ -

General Fund Reserves at June 30, 2020 (in millions)	
Emergency Reserves (15%)	\$42.0 M
Economic Contingency Reserves (5%)	14.0 M
Surplus Reserves*	15.6M
Pension Stabilization Reserves	9.4 M

Quarter 2 Highlights

- ✓ Revenues 38%
- ✓ Expenditures 41%

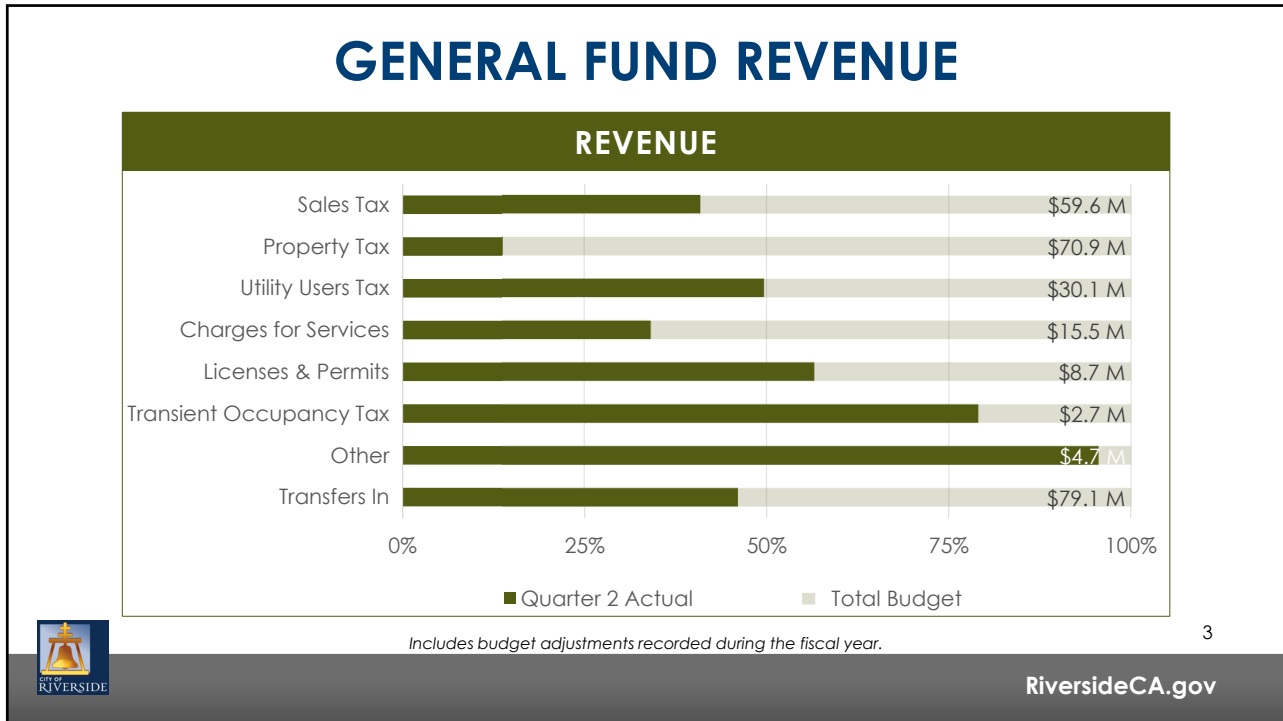


* Per Council direction on January 19, 2021, surplus reserves have been set aside to address future fiscal uncertainties.

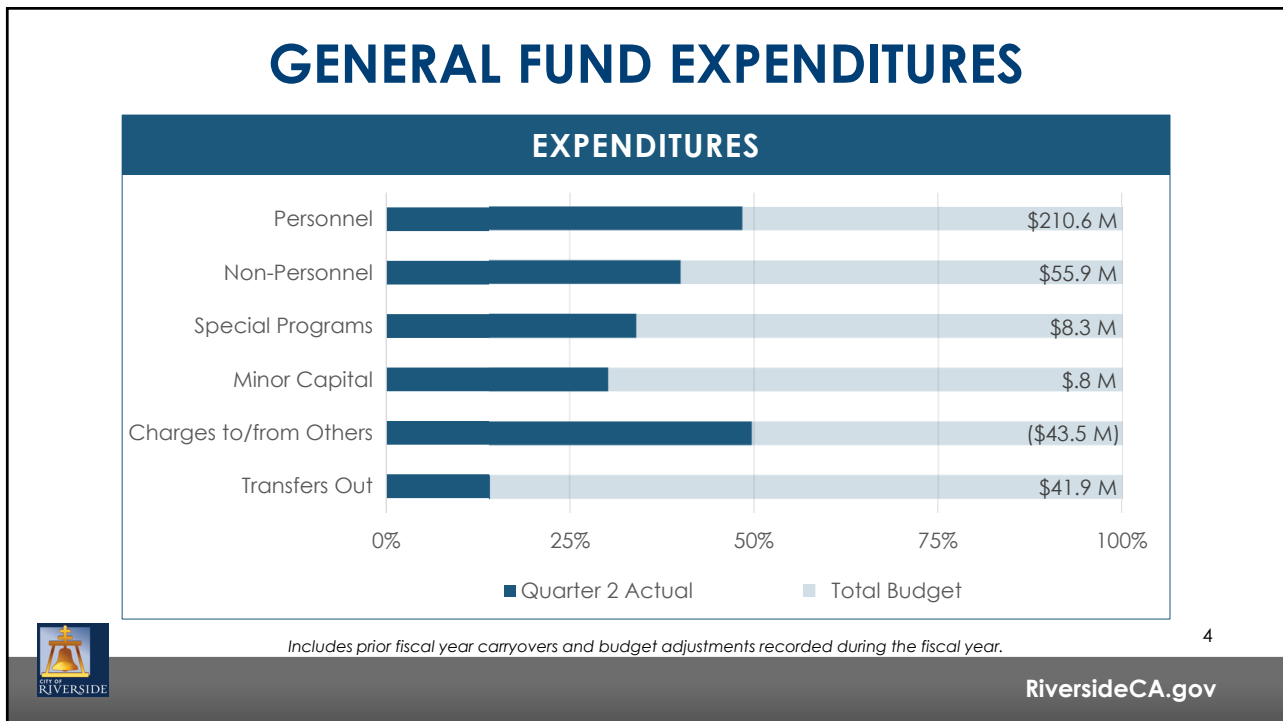
2

RiversideCA.gov

2



3



4

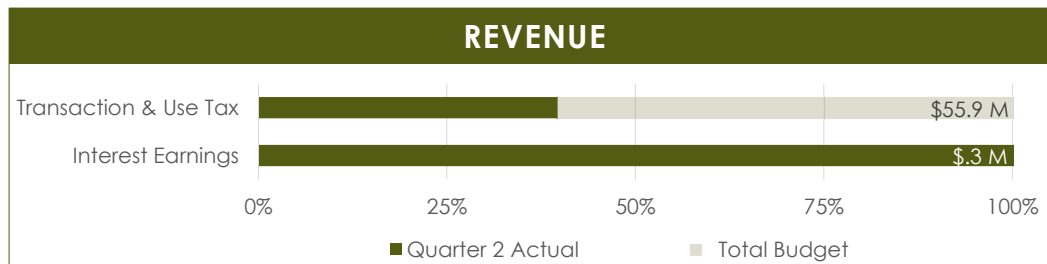
MEASURE Z OVERVIEW

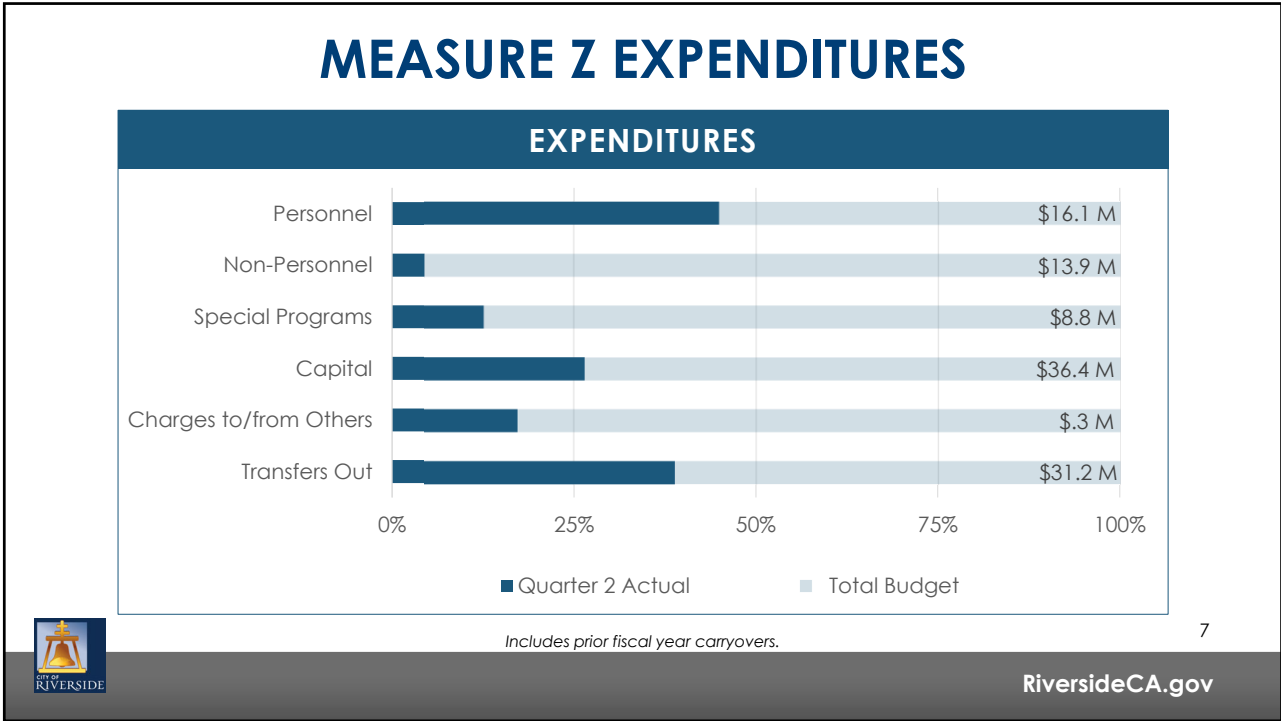
MEASURE Z SUMMARY

	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Budget
Revenue	\$12,606,428	\$56,237,202	\$62,816,127	\$63,135,477	\$56,200,000
Expenditures / Allocations (Unexpended) / Carryovers	(9,973,447)	(36,134,811)	(40,988,149)	(49,603,436)	(67,641,582) (28,177,644)
Net Change in Reserves	\$2,632,981	\$20,102,391	\$21,827,978	\$13,532,041	(\$39,619,226)
Policy Reserve Set Aside	-	-	(5,000,000)	-	
Reserves	\$2,632,981	\$22,735,372	\$39,563,350	\$53,095,391	\$13,476,165

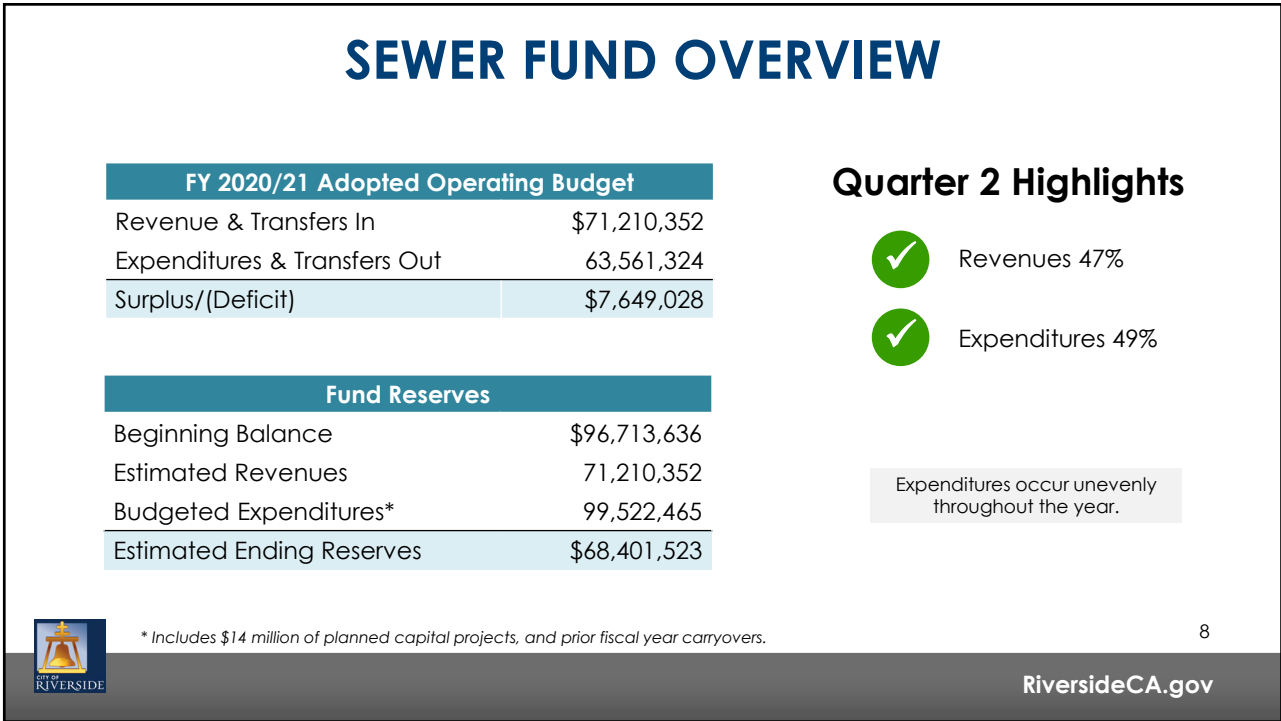


MEASURE Z REVENUE

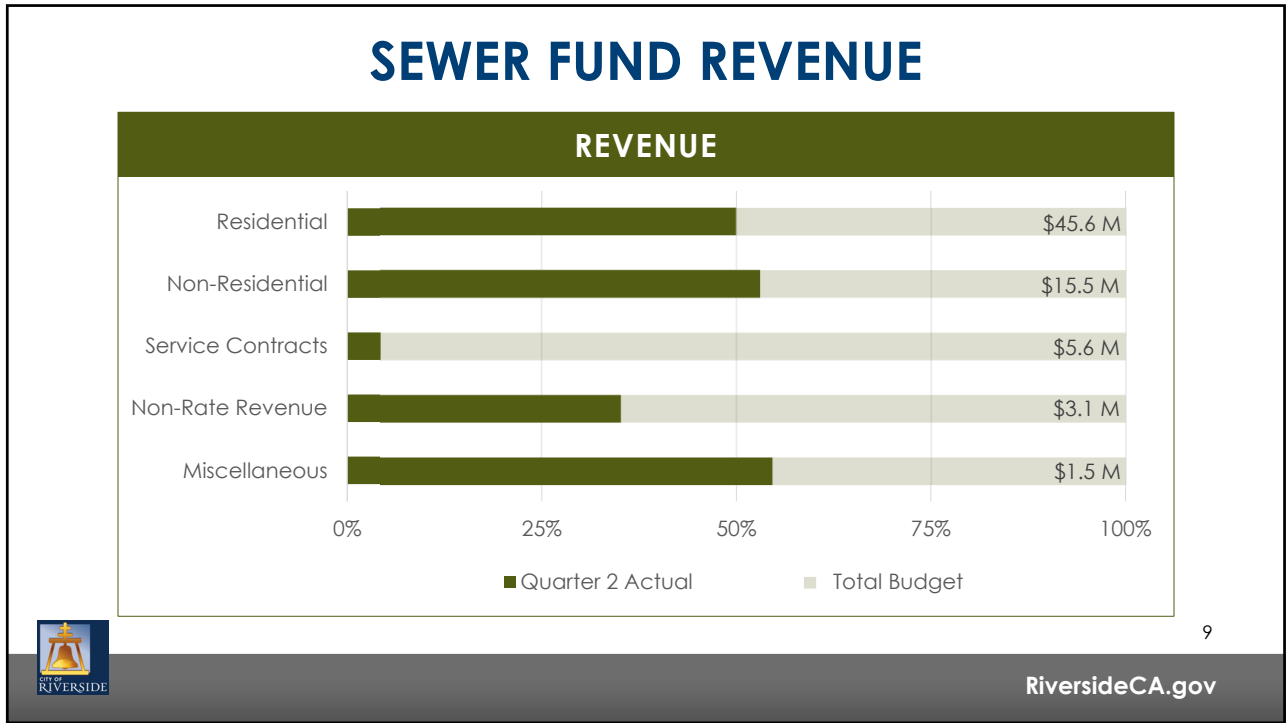




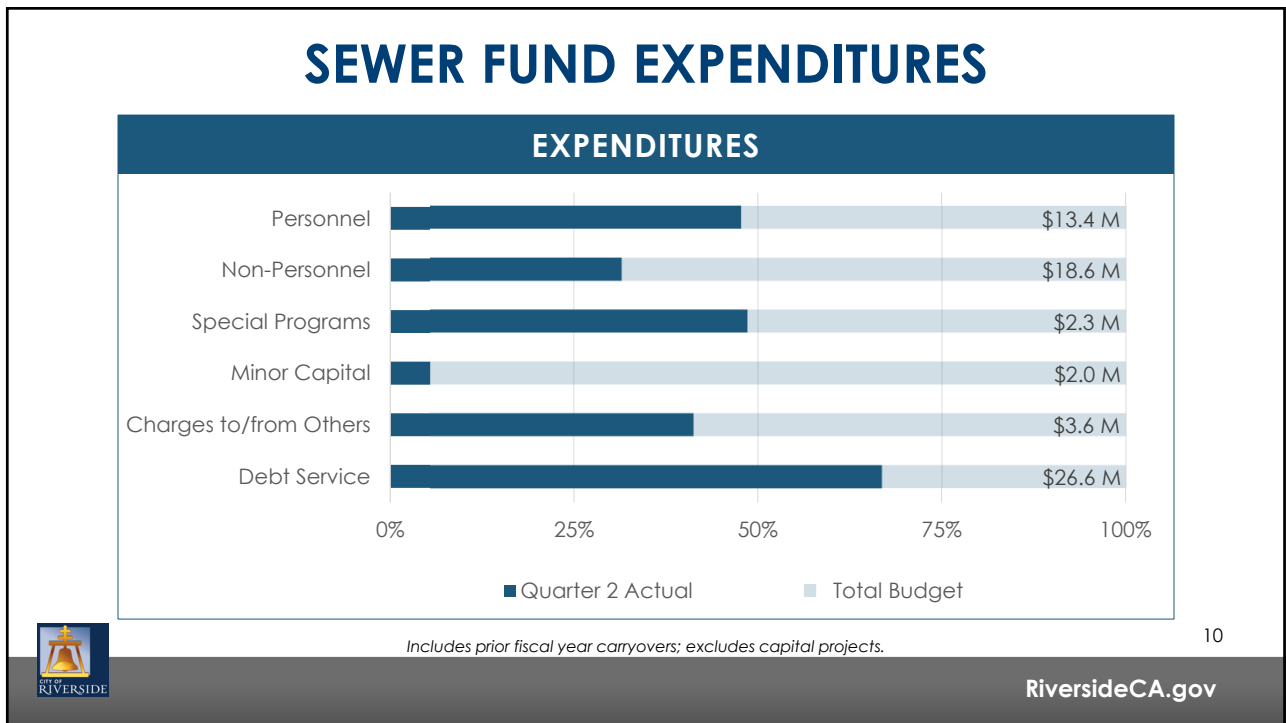
7



8



9



10

REFUSE FUND OVERVIEW

FY 2020/21 Adopted Budget

Revenue & Transfers In	\$25,222,325
Expenditures & Transfers Out	26,649,412
Surplus/(Deficit)	\$(1,427,087)

Fund Reserves

Beginning Balance	\$7,607,955
Estimated Revenues*	25,222,325
Budgeted Expenditures*	27,197,949
Estimated Ending Reserves	\$5,632,331

Quarter 2 Highlights



Revenues 50%



Expenditures 46%

Expenditures occur unevenly throughout the year.



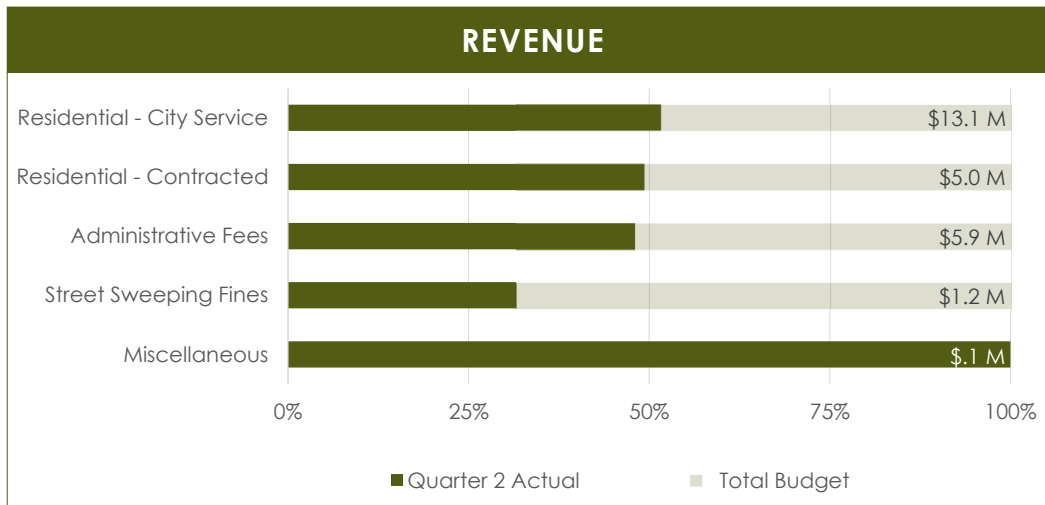
* Includes revenue adjustments and prior fiscal year expenditure carryovers.

11

RiversideCA.gov

11

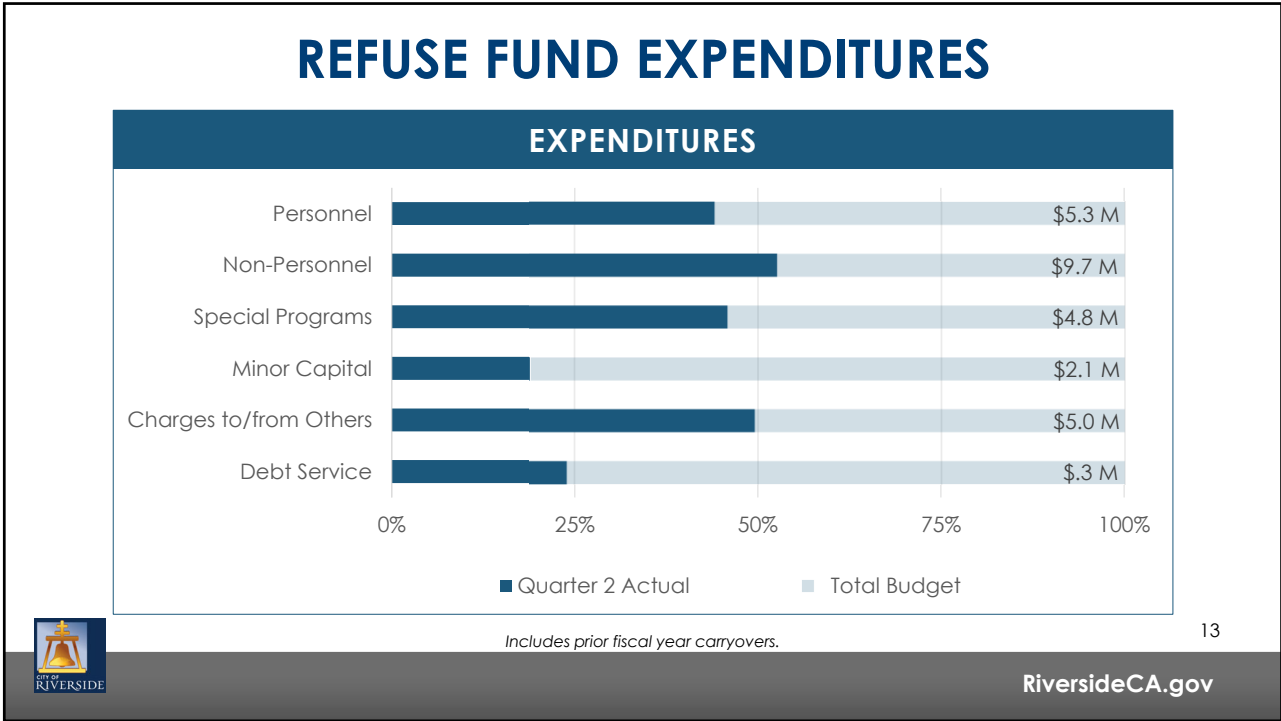
REFUSE FUND REVENUE



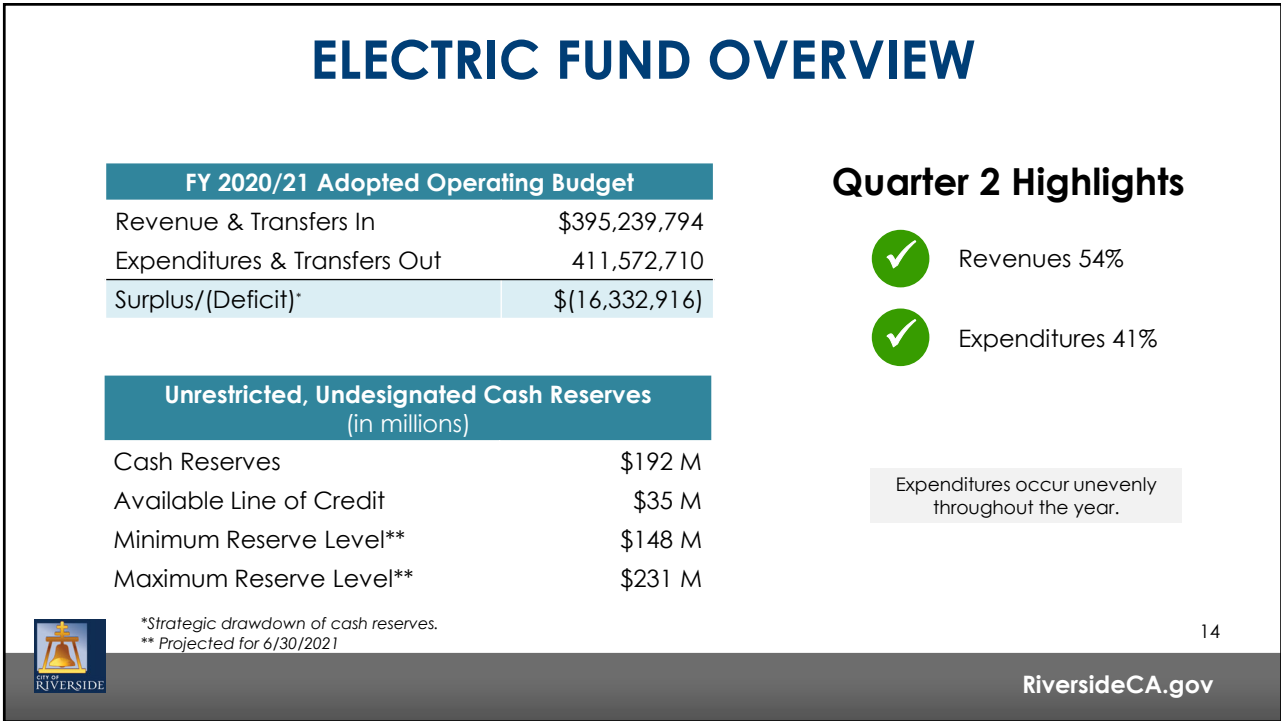
12

RiversideCA.gov

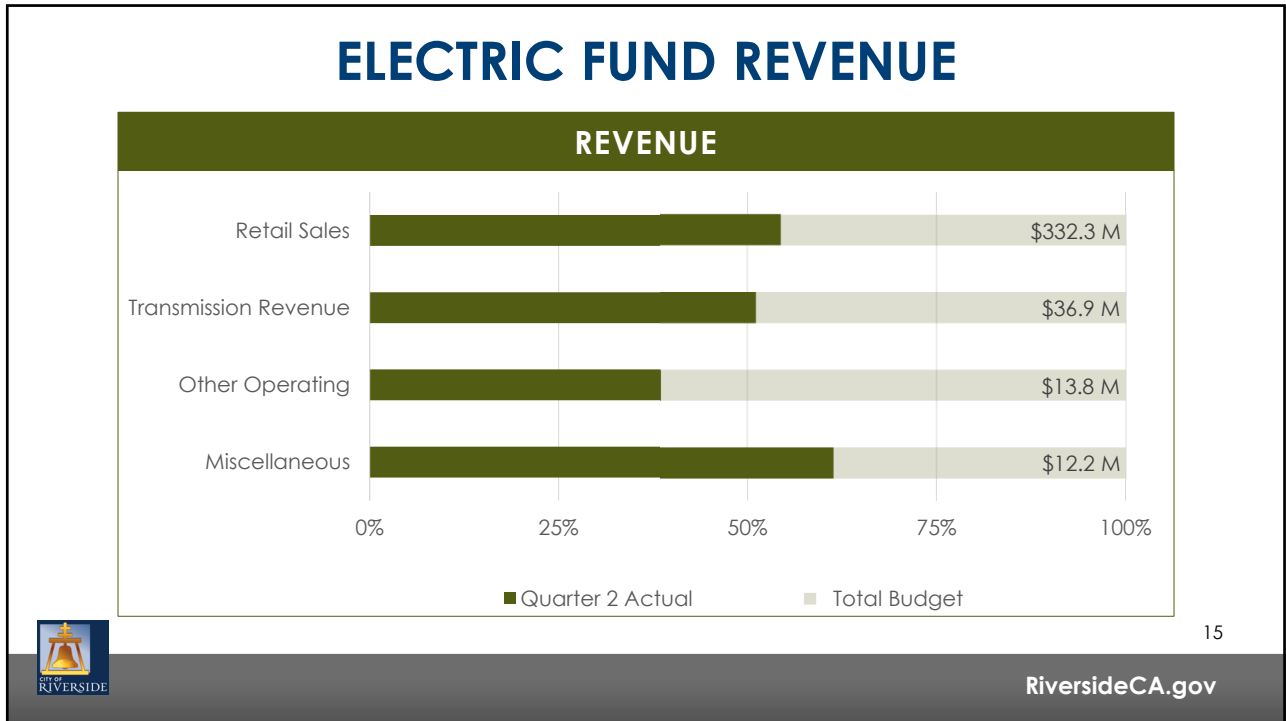
12



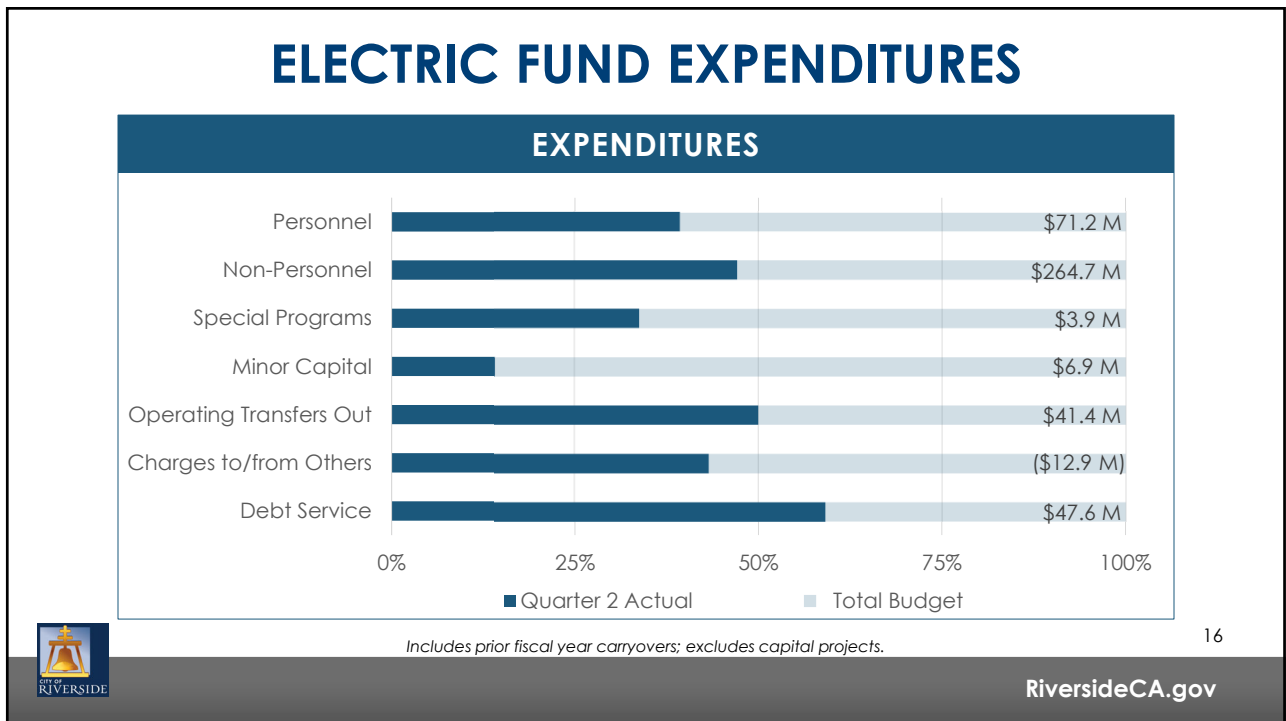
13



14



15



16

WATER FUND OVERVIEW



FY 2020/21 Adopted Operating Budget

Revenue & Transfers In	\$83,693,756
Expenditures & Transfers Out	76,571,747
Surplus/(Deficit)	\$7,122,009

Unrestricted, Undesignated Cash Reserves (in millions)

Cash Reserves	\$37 M
Available Line of Credit	\$25 M
Minimum Reserve Level*	\$43 M
Maximum Reserve Level*	\$66 M

Quarter 2 Highlights

-  Revenues 58%
-  Expenditures 44%

Expenditures occur unevenly throughout the year.



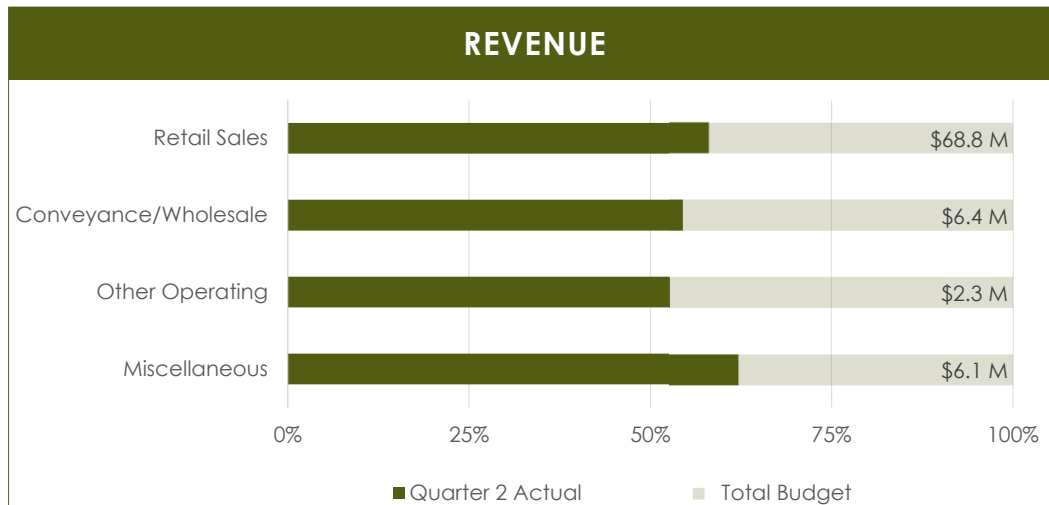
* Projected for 6/30/2021.

17

RiversideCA.gov

17

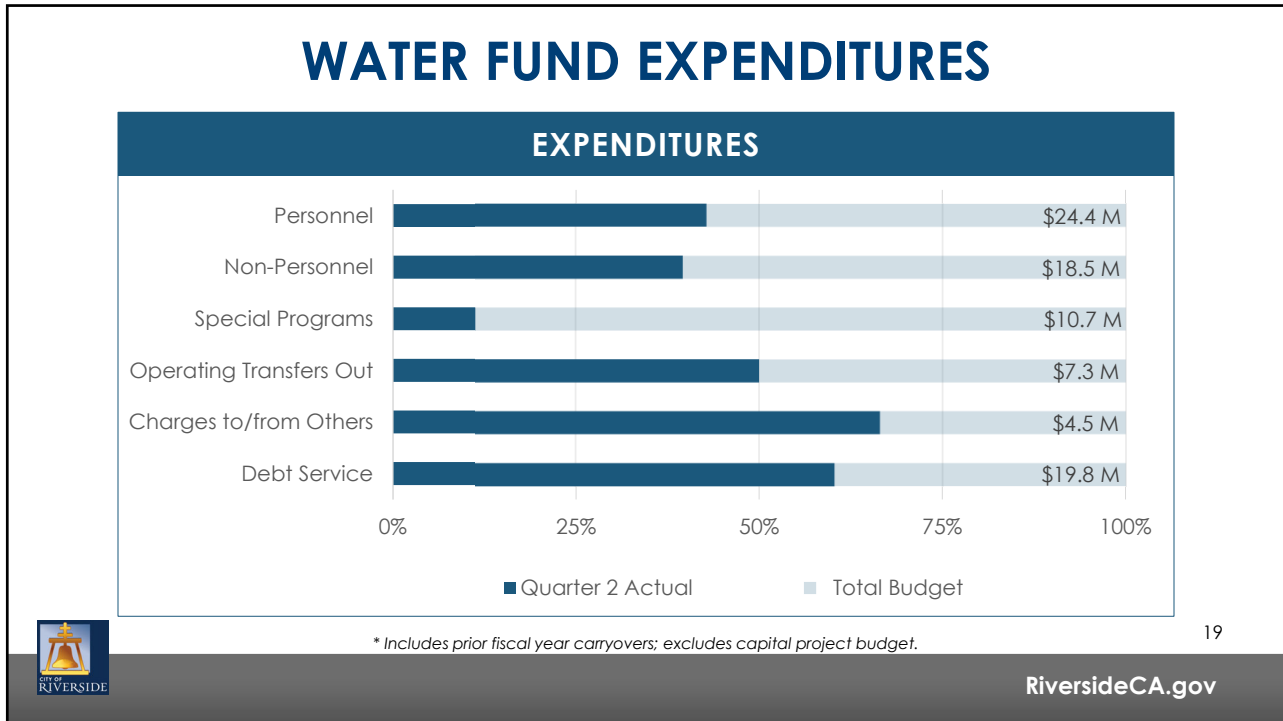
WATER FUND REVENUE



18

RiversideCA.gov


18



19

TRANSFERS AND SUPPLEMENTALS

- Capital Projects Fund transfer to the General Fund \$4,808.95:**
 Hunter Park Improvements project completed. Parks, Recreation & Community Service Department General Fund operating funds of \$20,000 were allocated to the project; \$4,808.95 remain and are requested to be transferred back to the General Fund.
- Refuse Fund \$2,500,000 Supplemental Appropriation:** To cover the cost increases associated with recycling and disposal costs.


RiversideCA.gov

20

RECOMMENDATIONS

That the City Council:

1. Receive and provide input on the Fiscal Year 2020/21 Second Quarter financial update;
2. With at least five affirmative votes, approve an interfund transfer in the amount of \$4,809 from the Capital Projects Fund to the General Fund; and
3. With at least five affirmative votes, approve a supplemental appropriation in the amount of \$2,500,000 in the Refuse Fund for increased recycling and disposal costs



21

RiversideCA.gov



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: APRIL 13, 2021

FROM: FINANCE DEPARTMENT WARDS: ALL

SUBJECT: FISCAL YEAR 2020/21 FIRST AND SECOND QUARTER CASH, INVESTMENTS, AND DEBT REPORT

ISSUE:

That the City Council receive and provide input on the attached Fiscal Year 2020/21 First and Second Quarter Cash, Investments, and Debt Report.

RECOMMENDATIONS:

That the City Council receive and provide input on the attached Fiscal Year 2020/21 First and Second Quarter Cash, Investments, and Debt Report.

BACKGROUND:

On January 19, 2021, the City Council received and provided input on the Fiscal Year 2019/20 Fourth Quarter Cash and Investments and Debt report.

DISCUSSION:

It is staff's intention to provide the Cash and Investments and Debt Quarterly report at the same City Council meeting as the Quarterly Financial Report for the General Fund and other City funds, to provide a comprehensive review of all City finance activities and to obtain City Council input related to those activities. Due to disruption from the COVID-19 pandemic, City financials were completed later than usual for Fiscal Year (FY) 2019/20. As a result, the FY 2019/20 Fourth Quarter Financial Report was presented to City Council in January 2021. Staff has created a combined first and second quarter report for FY 2020/21, to resume a regular schedule of quarterly updates. Going forward, the third quarter report will be presented upon completion and closeout of the City's third quarter of FY 2020/21.

QUARTERLY CASH AND INVESTMENT REPORT

Sound investment practices are an essential component of the City's strong fiscal management. The Finance Department is responsible for managing the City's investment portfolio, focusing first on the safety of investments, and then on liquidity and an appropriate rate of return. The investment results and portfolio composition are summarized and reported to the City Council each quarter. As of September 30, 2020, and December 31, 2020, the City's pooled investment portfolio's market value was \$719 million and \$748 million, respectively. The market value of investments held for the Section 115 Pension Trust Fund, fiscal agents (bond proceeds and

reserve funds primarily), and other miscellaneous cash amounting to an additional \$256 million as of September 30, 2020 and \$197 million as of December 31, 2020. The weighted average yield of the pooled investment portfolio is 1.02% as of September 30, 2020 and as of December 31, 2020, respectively.

The authority to manage the City's investment program is provided by California Government Code Sections 53600-53610 which allows the City Council to delegate to the Treasurer/CFO for a one-year period the authority to invest or to reinvest all funds of the City. In accordance with the City Charter and under authority granted by the City Council, the Chief Financial Officer is designated the responsibilities of the Treasurer and is responsible for investing the unexpended cash in the City Treasury consistent with the City's adopted investment policy.

The Cash and Investment Report, including a listing of cash balances by fund, is included in Attachment 1. These cash balances reflect each fund's share of the City's pooled investment portfolio. Also shown are interfund loan receivables, which are treated as available cash due to the Chief Financial Officer/Treasurer's authorization to move loan receivables to other funds as needed.

All listed funds have a positive cash balance except for the following funds as of September 30, 2020:

1. Civic Entertainment (Convention Center, Visitors Bureau, Sports Commission) (\$709,824) from loss of revenues due to COVID 19; however, the fund is currently being monitored with no major concerns at this time. It is anticipated that the General Fund will need to update and increase the financial subsidy at fiscal year-end.
2. Urban Areas Security Initiative (\$734,284), Community Development Block Grant (\$279,061), Housing Opportunities for Persons with AIDS (\$640,968), NPDES Storm Drain (\$21,494), Special Districts (\$517,306), Capital Outlay Grants (\$2,880,900), Transportation Projects (\$27,150), and Transportation Uniform Mitigation Fees (\$2,981,011) have negative cash balances due to the timing of expenditures; however, the negative balances are fully offset by receivables.
3. Debt Service Fund – General (\$34,895,922) which is fully offset by outstanding cash transfers from all funds related to their share of the Pension Obligation Bond (POBs) payments made by the Debt Service Fund (\$32 million) and other debt service payments.
4. Unemployment Insurance Trust (\$36,494) due to an increase in unemployment claims related to the COVID-19 pandemic; however, the fund is currently being monitored with no major concerns at this time. Funding options are being reviewed to bring this account positive by fiscal year-end.

All listed funds have a positive cash balance except for the following funds as of December 31, 2020:

1. Civic Entertainment (Convention Center, Visitors Bureau, Sports Commission) (\$1,586,054) from loss of revenues due to COVID 19; however, the fund is currently being monitored with no major concerns at this time. It is anticipated that the General Fund will need to update and increase the financial subsidy at fiscal year-end.
2. Urban Areas Security Initiative (\$466,129), Grants and Restricted Programs (\$1,028,054), Community Development Block Grant (\$49,676), Housing Opportunities for Persons with

AIDS (\$862,874), Special Districts (\$1,516,927), Capital Outlay Grants (\$2,823,053), Transportation Projects (\$27,150), and Transportation Uniform Mitigation Fees (\$2,686,185) have negative cash balances due to the timing of expenditures; however, the negative balances are fully offset by receivables.

3. Debt Service Fund – General (\$36,644,485) which is fully offset by outstanding cash transfers from all funds related to their share of the Pension Obligation Bond (POBs) payments made by the Debt Service Fund (\$30 million) and other debt service payments.
4. Debt Service Fund – Public Works (\$625,573) which is fully offset by outstanding cash transfers from the Measure A Capital Outlay Fund.
5. Unemployment Insurance Trust (\$31,663) due to an increase in unemployment claims related to the COVID-19 pandemic; however, the fund is currently being monitored with no major concerns at this time. Funding options are being reviewed to bring this account positive by fiscal year-end.
6. Central Stores (\$205,673) which is fully offset by inventory assets that will be recouped when charged out for usage to various departments.

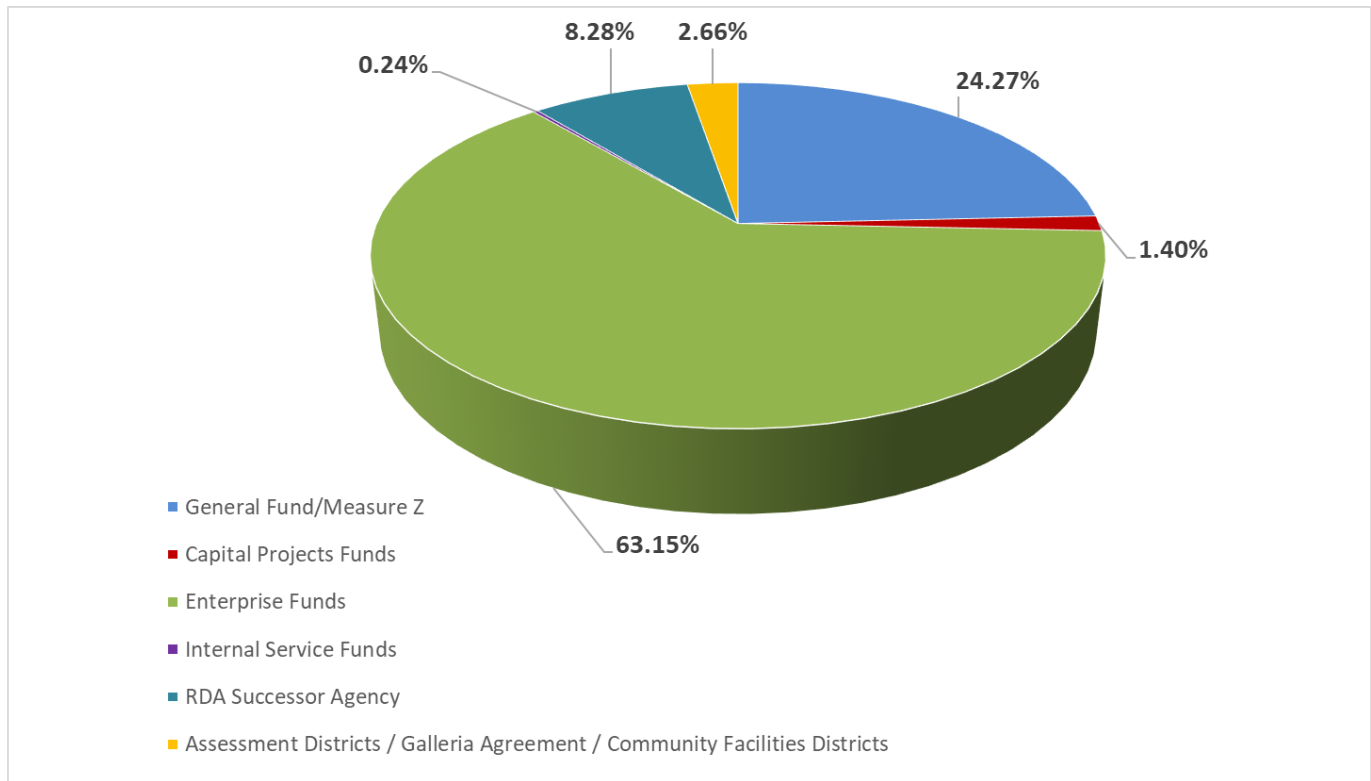
QUARTERLY DEBT REPORT

The Finance Department is responsible for managing the City's debt portfolio, which includes issuing new debt and monitoring opportunities to refinance existing debt as opportunities to reduce financing costs arise. The Quarterly Debt Report (Attachment 2) summarizes the composition of the City's debt portfolio, details the revenue sources utilized to pay the debt service associated with each outstanding debt, and provides detailed information regarding the total principal and interest payments made in the first and second quarters of Fiscal Year 2021 by debt classification and fund.

Debt Summary Analysis

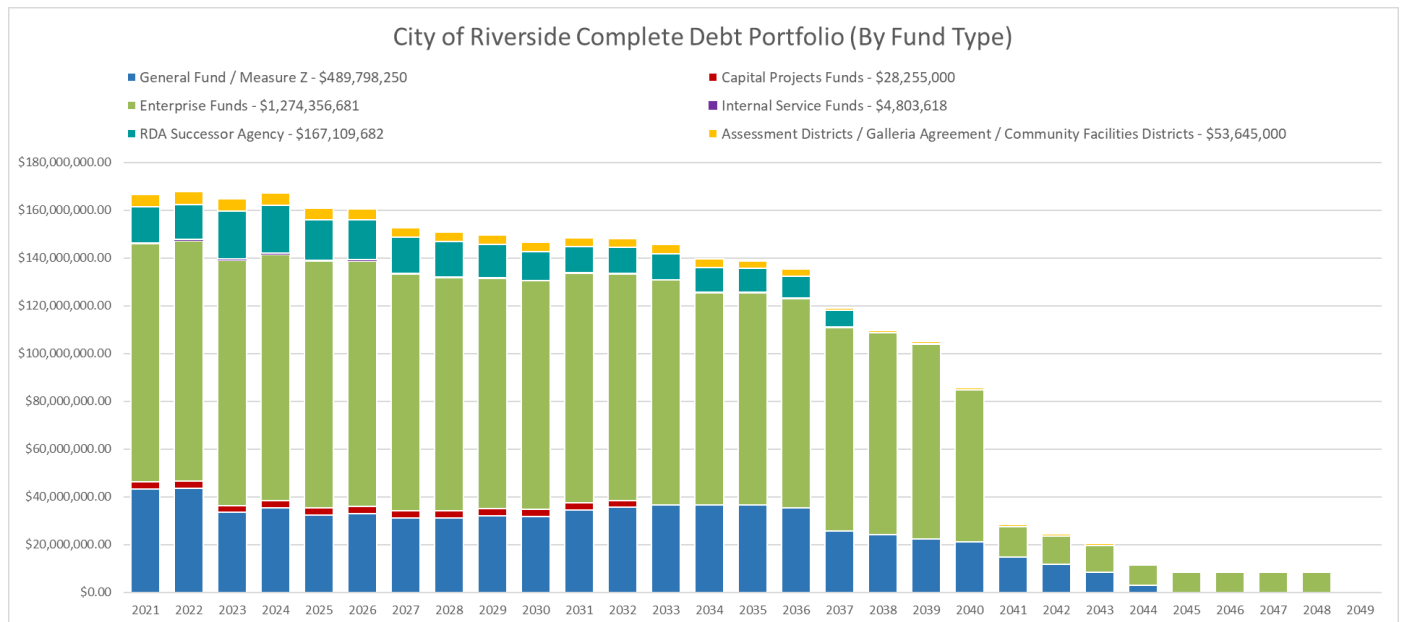
The City's outstanding principal varies quarterly because of debt service payments, bond calls, new debt issuances, and refunding and defeasance activity. At the end of the second quarter, the City's outstanding principal balance decreased \$64,960,127 from the end of the fourth quarter of FY 2019/20. This principal decrease is primarily due to debt service principal payments on the City's Measure G Fire Facilities General Obligation Bonds, Pension Obligation Bonds, Lease Revenue Bonds, Capital Leases, Interfund Loans, and Private Placement Loans, Enterprise Revenue Bonds, Tax Allocation Bonds and Mello Roos and Assessment District Bonds.

The chart below depicts the composition of the City's debt portfolio at the end of the second quarter. The Enterprise funds are responsible for most of the City's debt, with capital project financing offset by the revenues generated by the newly financed facilities. The General Fund and Measure Z have the next largest percentage of debt, providing financing for projects and equipment related to public safety, downtown revitalization, and public facility and infrastructure improvements. The debt service for the City's Pension Obligation Bonds is allocated among many of the funds, distributing debt service in alignment with departmental staffing costs.



For purposes of this report, the Sewer, Water, Electric, Refuse, Special Transit, Civic Entertainment, Convention Center, and Parking funds are consolidated under the classification of Enterprise Funds. Measure Z and the General Fund are grouped together. Measure A and the City’s Parks Special Capital fund are classified under Capital Projects Funds. While the Assessment Districts, Galleria Agreement, and Community Facilities Districts are part of the City debt portfolio, they are not City obligations. They are paid by individual Improvement Districts that are separate legal entities from the City, formed to issue debt and levy assessments or special tax to pay debt service within those districts.

The following bar chart provides the City’s debt service portfolio using the same classification methodology, outlining the principal and interest payments on all City debt instruments by fund. As illustrated below, the City has a stable debt service curve that results in steadily diminishing annual debt service payments and that minimizes any upward spikes in payments that could negatively impact the City’s ability to pay debt service.



Debt Related Activities in First and Second Quarters

Finance staff regularly monitor the market to identify opportunities to maximize debt service savings through refunding and to issue debt when rates are most advantageous. Within the first and second quarters, the Financing Team formed a new CFD 2015-2 (Pomelo), which is the first City CFD to include a services fee to offset the cost of new development within the City. Staff also coordinated the approval of Arlington, Auto Center, and Downtown Business Improvement District annual levies. The City completed and posted the levies for all FY 2020/21 Community Facility District, Assessment District and General Obligation Bonds with the County of Riverside.

Other debt related activities conducted within the first and second quarters include:

- Analysis, preparation and posting of the SB165 Parcel Tax Report
- Began process of renewing Letters of Credit for the 2008A and 2008C Electric Revenue Bonds and 2008 Certificates of Participation (Renaissance)

FISCAL IMPACT:

There is no direct fiscal impact associated with this report.

Prepared by: Heidi Schrader, Debt Manager
 Certified as to availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
 Approved by: Moises Lopez, Deputy City Manager
 Approved as to form: Kristi J. Smith, Interim City Attorney

- Attachments:
1. Cash and Investment Report – First Quarter
 2. Cash and Investment Report – Second Quarter
 3. Quarterly Debt Report
 4. Presentation

ATTACHMENT 1

CASH AND INVESTMENT REPORT

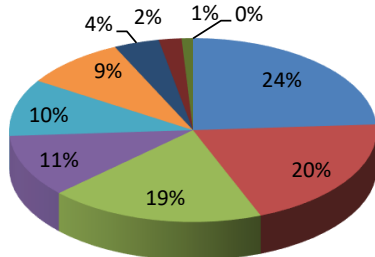




CITY OF RIVERSIDE Quarterly Investment Report December 31, 2020

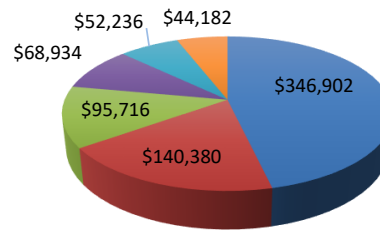
	AMORTIZED COST	MARKET VALUE
POOLED INVESTMENT PORTFOLIO		
Deposit Accounts	\$ 65,557,834.02	\$ 65,557,834.02
Joint Powers Authority Pool	71,370,292.02	71,370,292.02
Local Agency Investment Fund (LAIF)	150,000,000.00	150,218,934.42
Certificates of Deposit	2,455,020.00	2,505,859.19
Medium Term Notes	79,139,299.07	82,110,403.04
U.S. Govt Agency Mortgage Backed Securities	31,539,349.70	32,558,717.58
Asset Backed Securities	10,078,687.72	10,184,504.61
Supranational Securities	11,065,700.00	11,155,293.83
U.S. Govt Agency Securities	142,306,335.55	144,217,286.10
U.S. Treasury Notes/Bonds	172,904,356.54	178,470,623.61
TOTAL POOLED INVESTMENT PORTFOLIO	736,416,874.62	748,349,748.42
INVESTMENTS HELD BY FISCAL AGENT -		
SECTION 115 PENSION TRUST FUND	9,441,092.06	10,092,019.19
OTHER INVESTMENTS HELD BY FISCAL AGENT	183,246,182.94	184,292,130.60
OTHER MISCELLANEOUS CASH	2,489,981.71	2,489,981.71
TOTAL CASH & INVESTMENTS	\$ 931,594,131.33	\$ 945,223,879.92

COMPOSITION OF POOLED PORTFOLIO



- U.S. Treasury Notes/Bonds (23.85%)
- Local Agency Investment Fund (20.07%)
- U.S. Govt Agency Securities (19.28%)
- Medium Term Notes (10.97%)
- Joint Powers Authority Pool (9.54%)
- Deposit Accounts (8.76%)
- U.S. Govt Agency Mortgage Backed (4.35%)
- Supranational Securities (1.49%)
- Asset Backed Securities (1.36%)
- Certificates of Deposit (0.33%)

COMPOSITION OF POOLED PORTFOLIO BY FUND



- Electric Fund (46.36%)
- All Other Funds (18.76%)
- Sewer Fund (12.79%)
- General Fund (9.21%)
- Water Fund (6.98%)
- Measure Z Fund (5.90%)

It has been verified that this investment portfolio is in conformity, exclusive of items identified, with the City of Riverside's investment policy which was approved by City Council on 3/11/2020. The Treasurer's cash management program and cash flow analysis indicates that sufficient liquidity is on hand to meet estimated future expenditures for a period of six months. The weighted average maturity of the City's investment portfolio is 1.32 years. Market prices of securities are obtained from Interactive Data Corporation. Weighted average yield on cost for the City's investment portfolio is 1.02%. The cash held and invested with fiscal agents is subject to the investment provisions of the related trust indentures associated with the bond transaction which generated the cash.

Verified by:

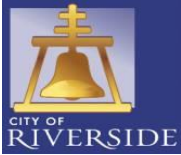
Nancy Garcia

Nancy Garcia, Controller

Approved by:

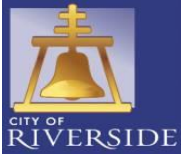
Edward P. Enriquez

Edward P. Enriquez, Chief Financial Officer/Treasurer



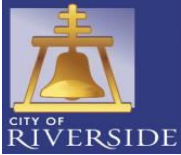
CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
December 31, 2020

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	AMORTIZED COST	**MARKET VALUE
<u>DEPOSIT ACCOUNTS</u>						
Bank of America Checking and Reserve	0.003	Varies	NR	Varies	59,722,852.10	59,722,852.10
Bank of America Custodial Cash	0.010	Varies	AAA	Varies	671,344.45	671,344.45
Citizens Business Bank	Varies	Varies	NR	Varies	5,163,637.47	5,163,637.47
SUBTOTAL DEPOSIT ACCOUNTS					65,557,834.02	65,557,834.02
<u>JOINT POWERS AUTHORITY POOL</u>						
California Asset Management Program (CAMP)	0.120	Varies	AAA	Varies	71,370,292.02	71,370,292.02
SUBTOTAL JOINT POWERS AUTHORITY POOL					71,370,292.02	71,370,292.02
LOCAL AGENCY INVESTMENT FUND (LAIF)	0.660	Varies	NR	Varies	150,000,000.00	150,218,934.42
<u>CERTIFICATES OF DEPOSIT</u>						
Enerbank USA	1.900	01/28/21	NR	01/15/16	247,000.00	249,373.32
State Bank & Trust Co	1.600	02/17/21	NR	02/05/16	249,000.00	249,522.29
BMW Corp	3.000	07/13/21	NR	07/10/18	244,877.50	252,352.45
Citibank NA	3.000	07/13/21	NR	07/10/18	244,877.50	252,352.45
Wells Fargo Bank NA	3.000	07/13/21	NR	07/10/18	244,877.50	249,271.73
Ally Bank	3.000	07/19/21	NR	07/10/18	244,877.50	252,352.17
Discover Bank	3.000	07/19/21	NR	07/10/18	244,877.50	252,372.31
Medallion Bank Utah	3.000	07/20/21	NR	07/10/18	244,877.50	249,271.40
Merrick Bank	2.950	07/20/21	NR	07/10/18	244,877.50	249,199.52
Hanmi Bank	2.950	08/17/21	NR	07/10/18	244,877.50	249,791.55
SUBTOTAL CERTIFICATES OF DEPOSIT					2,455,020.00	2,505,859.19
<u>MEDIUM TERM NOTES</u>						
Cisco Systems	2.200	02/28/21	AA-	03/12/18	5,202,692.00	5,356,321.33
American Honda Finance	3.375	12/10/21	A-	10/03/18	5,447,384.00	5,617,182.84
Apple Inc	2.300	05/11/22	AA+	02/20/18	7,301,625.00	7,732,150.83
Oracle Corp	2.500	05/15/22	A	02/19/19	2,542,655.20	2,646,921.24
Berkshire Hathaway	3.000	05/15/22	AA	03/12/19	5,136,191.29	5,300,498.00
Exxon Mobil Corp	1.902	08/16/22	AA	03/13/19	2,375,000.00	2,460,270.82
Oracle Corp	2.500	10/15/22	A	03/12/19	5,943,780.00	6,268,270.67
Berkshire Hathaway	2.750	03/15/23	AA	05/09/19	4,451,187.75	4,693,379.65
Chevron Corp	3.191	06/24/23	AA	02/19/19	5,057,700.00	5,320,917.36
Toyota Motor Credit Corp	3.450	09/20/23	A+	02/19/19	2,470,070.70	2,656,403.51
Royal Bank of Canada	2.250	11/01/24	A	02/06/20	3,037,950.00	3,202,671.00
John Deere Capital Corp	2.050	01/09/25	A	02/06/20	3,024,810.00	3,210,583.33
JP Morgan Chase & Co	3.220	03/01/25	A-	08/18/20	3,238,920.00	3,267,181.00
Bank of America Corp	3.458	03/15/25	A-	04/23/20	5,263,900.00	5,494,869.44
Chubb INA Holdings Inc	3.150	03/15/25	A	Various	6,518,943.13	6,621,469.02
Honeywell Intl	1.350	06/01/25	A	06/23/20	5,119,000.00	5,186,060.00
Royal Bank of Canada	1.150	06/10/25	A	07/14/20	2,020,640.00	2,045,089.67
Toronto Dominion Bank	0.750	09/11/25	A	09/15/20	4,986,850.00	5,030,163.33
SUBTOTAL MEDIUM TERM NOTES					79,139,299.07	82,110,403.04



CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
December 31, 2020

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	AMORTIZED COST	**MARKET VALUE
<u>U.S. GOVERNMENT AGENCY MORTGAGE BACKED SECURITIES</u>						
FHLMC	2.272	03/25/22	NR	07/10/19	11,495,209.07	11,708,180.91
FHLMC	2.510	11/25/22	NR	04/16/19	9,948,046.88	10,347,196.67
FHLMC	2.454	08/25/23	NR	07/16/19	10,096,093.75	10,503,340.00
SUBTOTAL U.S. GOVERNMENT AGENCY MORTGAGE BACKED SECURITIES					31,539,349.70	32,558,717.58
<u>U.S. GOVERNMENT AGENCY ASSET BACKED SECURITIES</u>						
Honda Auto Receivables	1.610	04/22/24	NR	02/19/20	2,924,426.70	2,987,516.68
John Deere Owner Trust	1.100	08/15/24	NR	03/04/20	2,114,870.77	2,142,568.79
Toyota Auto Receivables Trust	0.440	10/15/24	AAA	07/21/20	1,944,850.24	1,952,203.42
Honda Auto Receivables Trust	0.370	10/18/24	AAA	09/22/20	2,124,687.84	2,128,877.30
John Deere Owner Trust	0.510	11/15/24	NR	07/14/20	969,852.17	973,338.42
SUBTOTAL U.S. GOVERNMENT AGENCY ASSET BACKED SECURITIES					10,078,687.72	10,184,504.61
<u>SUPRANATIONAL SECURITIES</u>						
Intl. Bank Recon & Development	0.625	04/22/25	AAA	04/15/20	4,278,378.35	4,341,634.75
Intl. Bank Recon & Development	0.500	10/28/25	AAA	10/21/20	6,787,321.65	6,813,659.08
SUBTOTAL SUPRANATIONAL SECURITIES					11,065,700.00	11,155,293.83
<u>U.S. GOVERNMENT AGENCY SECURITIES</u>						
FHLMC	2.375	02/16/21	AA+	04/25/18	7,931,968.00	8,092,674.00
FNMA	2.625	01/11/22	AA+	Various	9,222,537.20	9,461,541.67
FFCB	0.250	05/06/22	AA+	04/30/20	6,082,265.70	6,103,890.95
FHLMC	0.375	05/05/23	AA+	05/05/20	4,758,000.80	4,787,214.51
FNMA	0.250	05/22/23	AA+	05/20/20	7,651,898.25	7,695,199.33
FHLMC	0.250	06/26/23	AA+	06/24/20	5,588,633.40	5,617,379.89
FNMA	0.250	07/10/23	AA+	07/08/20	4,445,421.75	4,470,928.85
FHLMC	0.250	08/24/23	AA+	08/19/20	7,507,334.70	7,536,596.45
FHLMC	0.125	10/16/23	AA+	Various	9,961,598.25	9,995,764.17
FHLMC	0.250	11/06/23	AA+	11/03/20	9,331,594.00	9,351,533.86
FHLB	2.750	12/13/24	AA+	02/06/20	5,281,300.00	5,483,115.00
FNMA	1.625	01/07/25	AA+	03/04/20	8,281,440.00	8,492,977.33
FHLMC	1.500	02/12/25	NR	02/13/20	6,599,914.15	6,967,083.90
FHLB	2.375	03/14/25	AA+	03/19/20	6,346,620.00	6,538,536.17
FNMA	0.625	04/22/25	AA+	04/22/20	5,199,267.40	5,277,484.70
FHLB	0.500	06/13/25	AA+	06/29/20	5,007,400.00	5,031,580.00
FNMA	0.500	06/17/25	AA+	06/17/20	6,506,503.60	6,555,856.38
FHLMC	0.375	07/21/25	AA+	07/21/20	4,606,942.60	4,640,064.85
FNMA	0.375	08/25/25	AA+	Various	7,962,282.50	8,008,581.35
FHLMC	0.375	09/23/25	AA+	Various	7,970,197.55	7,994,688.00
FNMA	0.500	11/07/25	AA+	11/09/20	6,063,215.70	6,114,594.74
SUBTOTAL U.S. GOVERNMENT AGENCY SECURITIES					142,306,335.55	144,217,286.10
<u>U.S. GOVERNMENT TREASURY SECURITIES</u>						
US Treasury	2.625	06/15/21	AA+	09/26/18	5,858,976.57	5,973,147.97

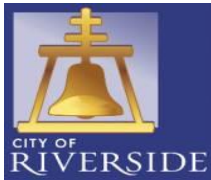


CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
December 31, 2020

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	AMORTIZED COST	**MARKET VALUE
US Treasury	2.125	06/30/21	AA+	11/03/17	3,430,945.31	3,433,934.39
US Treasury	2.250	07/31/21	AA+	Various	8,090,941.41	7,918,033.65
US Treasury	2.125	09/30/21	AA+	11/15/19	8,153,120.00	8,162,810.07
US Treasury	2.875	10/15/21	AA+	01/09/19	12,354,794.92	12,589,125.50
US Treasury	2.000	11/15/21	AA+	01/09/19	8,015,199.41	8,288,952.31
US Treasury	1.875	11/30/21	AA+	08/08/17	5,428,687.50	5,495,598.10
US Treasury	2.125	12/31/21	AA+	04/05/17	1,231,494.14	1,274,975.88
US Treasury	1.875	02/28/22	AA+	08/08/17	11,045,117.19	11,293,511.42
US Treasury	1.875	05/31/22	AA+	08/08/17	1,755,058.59	1,796,225.12
US Treasury	2.000	07/31/22	AA+	09/26/18	2,414,843.75	2,594,556.41
US Treasury	1.875	08/31/22	AA+	10/13/17	2,595,835.94	2,691,922.63
US Treasury	1.875	09/30/22	AA+	Various	4,916,943.36	5,175,712.61
US Treasury	2.125	12/31/22	AA+	12/20/18	5,977,761.72	6,343,168.58
US Treasury	2.375	01/31/23	AA+	04/05/18	1,235,498.05	1,320,626.07
US Treasury	1.625	05/31/23	AA+	10/31/19	12,436,812.50	12,859,947.89
US Treasury	2.625	06/30/23	AA+	Various	14,404,335.94	15,393,700.45
US Treasury	1.625	10/31/23	AA+	10/31/19	12,441,656.25	12,952,310.25
US Treasury	2.875	11/30/23	AA+	01/09/19	3,044,882.81	3,243,598.42
US Treasury	2.250	01/31/24	AA+	06/05/19	10,671,445.31	11,269,878.49
US Treasury	2.000	04/30/24	AA+	10/31/19	12,637,828.13	13,185,507.94
US Treasury	1.750	06/30/24	AA+	09/09/19	9,358,759.77	9,749,077.67
US Treasury	1.125	02/28/25	AA+	03/24/20	6,177,656.25	6,234,573.08
US Treasury	0.250	09/30/25	AA+	10/16/20	6,975,937.50	6,977,948.15
US Treasury	0.375	12/31/25	AA+	12/29/20	2,249,824.22	2,251,780.56
SUBTOTAL U.S. GOVERNMENT TREASURY SECURITIES					172,904,356.54	178,470,623.61
TOTAL POOLED CASH & INVESTMENTS					736,416,874.62	748,349,748.42

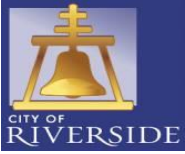
*The City uses S&P ratings

**Includes accrued interest



CITY OF RIVERSIDE
Investments held by Fiscal Agent
Section 115 Pension Trust Fund
December 31, 2020

DESCRIPTION OF SECURITY	AMORTIZED COST	MARKET VALUE
<u>CASH AND EQUIVALENTS</u>		
Cash	2,179.33	2,179.33
First American Government Obligation Fund CL "Z"	116,593.72	116,593.72
SUBTOTAL CASH AND EQUIVALENTS	118,773.05	118,773.05
<u>MUTUAL FUNDS - EQUITY</u>		
Ishares Core - S P500 Etf	900,552.15	1,084,877.10
Ishares S P - 500 Growth Etf	270,987.90	356,817.62
Ishares S P - 500 Value Etf	333,348.06	351,286.88
Ishares - Russell Mid Cap Etf	178,582.62	208,734.75
Ishares - Russell 2000 Value Etf	158,140.20	171,406.75
Ishares - Russell 2000 Growth Etf	134,329.88	178,040.70
Ishares Core - Msci Eafe Etf	345,714.25	398,580.21
Vanguard Ftse - Emerging Markets Etf	219,076.86	259,970.68
Vanguard Real - Estate Etf	56,778.91	54,694.92
SUBTOTAL MUTUAL FUNDS - EQUITY	2,597,510.83	3,064,409.61
<u>MUTUAL FUNDS - FIXED INCOME</u>		
Ishares Core - U.S. Aggregate Bond Etf	5,396,954.96	5,557,530.18
Spdr - Bloomberg Barclays High Etf	124,914.41	125,825.70
Vanguard - Short Term Invt Grade #539	1,202,938.81	1,225,480.65
SUBTOTAL MUTUAL FUNDS - FIXED INCOME	6,724,808.18	6,908,836.53
TOTAL ASSETS	9,441,092.06	10,092,019.19



CITY OF RIVERSIDE
Investments Held by Fiscal Agent
December 31, 2020

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	AMORTIZED COST	**MARKET VALUE
<u>CASH & MONEY MARKET ACCOUNTS</u>						
Cash - Custodial Cash Account US Bank	Varies	Varies	NR	Varies	43,374.95	43,374.95
Cash - Bank of America Equipment Lease	Varies	Varies	NR	Varies	2,704,510.82	2,704,510.82
US Bank Commercial Paper Sweep	0.10%	Varies	NR	Varies	665,366.29	665,366.29
US Bank Gcts0170	0.20%	Varies	NR	Varies	34,031,557.38	34,031,557.38
US Bank Gcts0185	0.20%	Varies	NR	Varies	67,088,859.37	67,088,859.37
First American Government Obligation CL "Y"	0.01%	Varies	AAA	Varies	328,787.91	328,787.91
First American Prime Obligations Fund CL " Z "	0.03%	Varies	AAA	Varies	34,746,663.92	34,746,663.92
SUBTOTAL CASH & MONEY MARKET ACCOUNTS					139,609,120.64	139,609,120.64
LOCAL AGENCY INVESTMENT FUND (LAIF)	0.52%	Varies	NR	Varies	8,945,967.73	8,958,959.81
<u>BONDS, DEBENTURES, NOTES & AGREEMENTS</u>						
Apple Inc	2.25%	02/23/21	AA+	01/23/18	2,999,917.00	3,047,744.75
FNMA Debt	1.38%	02/26/21	AA+	03/30/16	370,735.63	373,455.03
US Treasury Note	2.13%	06/30/21	AA+	02/16/18	2,966,953.12	3,029,942.11
US Treasury Note	2.13%	09/30/21	AA+	02/16/18	2,959,804.68	3,061,053.77
US Treasury Note	2.00%	12/31/21	AA+	02/16/18	2,939,882.82	3,056,181.75
US Treasury Note	1.88%	03/31/22	AA+	02/16/18	2,918,437.50	3,079,996.57
US Treasury Note	2.13%	06/30/22	AA+	02/16/18	2,942,695.32	3,089,942.11
US Treasury Note	1.88%	09/30/22	AA+	02/16/18	2,902,617.18	3,105,427.57
US Treasury Note	2.13%	12/31/22	AA+	02/16/18	2,929,335.94	3,119,591.11
Invt Agmt-Trinity Plus Fdg Co Gic	4.68%	10/01/29	NR	05/14/08	10,760,715.38	10,760,715.38
SUBTOTAL BONDS, DEBENTURES, NOTES & AGREEMENTS					34,691,094.57	35,724,050.15
TOTAL INVESTMENTS HELD BY FISCAL AGENT					183,246,182.94	184,292,130.60

*The City uses S&P ratings

**Includes accrued interest

City of Riverside
Cash Balances by Fund
As of December 31, 2020

Fund		Cash Balance ¹	Interfund Loan Receivables ²	Cash Balance + Loan Receivables
General Fund	101	68,934,503	-	68,934,503
Measure Z	110	44,181,555	-	44,181,555
Pension Trust	115	120,904	-	120,904
Enterprise Funds				
Electric	510	326,878,732	3,383,403	330,262,135
Electric - Public Benefits Program	511	20,022,936	-	20,022,936
Water	520	49,349,132	-	49,349,132
Water - Conservation & Reclamation Program	521	2,886,944	-	2,886,944
Airport	530	1,286,470	-	1,286,470
Refuse Collection	540	5,003,488	-	5,003,488
Sewer Service	550	95,715,634	2,079,142	97,794,776
Special Transit	560	1,844,583	-	1,844,583
Public Parking	570	1,919,083	-	1,919,083
Civic Entertainment (Convention Center, Visitors Bureau, Sports Commission)	580	(1,586,054)	-	(1,586,054)
Civic Entertainment (Fox, Box, RMA, Showcase)	581	339,869	-	339,869
SubTotal - Enterprise Funds		503,660,817	5,462,545	509,123,362
Special Revenue Funds				
Urban Areas Security Initiative	205	(466,129)	-	(466,129)
Grants and Restricted Programs	215	(1,028,054)	-	(1,028,054)
Community Development Block Grant	220	(49,676)	-	(49,676)
Home Investment Partnership Program	221	781,714	-	781,714
Housing Opportunities for Persons with AIDS	222	(862,874)	-	(862,874)
Community Development Grants	223	7,442,304	-	7,442,304
Neighborhood Stabilization Program	225	129,860	-	129,860
Special Gas Tax	230	23,379,414	-	23,379,414
Air Quality Improvement	240	981,445	-	981,445
NPDES Storm Drain	260	168,430	-	168,430
Housing Authority	280	5,967,303	-	5,967,303
Housing Assets	281	4,044,333	-	4,044,333
Special Districts	291	(1,516,927)	-	(1,516,927)
SubTotal - Special Revenue Funds		38,971,143	-	38,971,143
Capital Projects Funds				
Capital Outlay	401	2,398,511	-	2,398,511
Storm Drain	410	231,799	-	231,799
Local Park Special Capital Improvements	411	1,162,350	-	1,162,350
Regional Park Special Capital Improvements	413	2,847,457	-	2,847,457
Measure Z Capital Outlay	420	18,305,446	-	18,305,446
Capital Outlay Grants	430	(2,823,053)	-	(2,823,053)
Transportation Projects	431	(27,150)	-	(27,150)
Measure A Capital Outlay	432	23,466,262	-	23,466,262
Transportation Development Impact Fees	433	6,417,324	-	6,417,324
Transportation Uniform Mitigation Fees	434	(2,686,185)	-	(2,686,185)
Community Facilities Districts and Assessment Districts	Various	2,129,205	-	2,129,205
SubTotal - Capital Project Funds		51,421,966	-	51,421,966
Debt Service Funds				
Debt Service Fund - General	390	(36,644,485)	-	(36,644,485)
Debt Service Fund - Public Works	391	(625,573)	-	(625,573)
SubTotal Debt Service Funds		(37,270,058)	-	(37,270,058)
Agency Funds				
Successor Agency	Various	17,582,360	-	17,582,360
Community Facilities Districts and Assessment Districts	Various	394,424	-	394,424
Special Deposits	Various	25,507,205	-	25,507,205
SubTotal Agency Funds		43,483,989	-	43,483,989
Internal Service Funds				
Workers' Compensation Insurance Trust	610	18,104,390	-	18,104,390
Unemployment Insurance Trust	620	(31,663)	-	(31,663)
Liability Insurance Trust	630	5,209,627	-	5,209,627
Central Stores	640	(205,673)	-	(205,673)
Central Garage	650	11,768,248	670,166	12,438,414
SubTotal - Internal Service Funds		34,844,929	670,166	35,515,095
Total - All Funds		\$ 748,349,748	\$ 6,132,711	\$ 754,482,459

¹ Amount reflects each fund's share of the City's pooled investment portfolio.

² Amounts shown are interfund loans outstanding. Interfund loan receivable balances are treated as available cash due to the ability to move loan receivables to other funds as needed.

CITY OF RIVERSIDE
Fiscal Year 2020/21 First and Second Quarters
Summary of Outstanding Debt¹

Debt Type By Funding Source	Principal Balance as of 7/1/2020	Q1/Q2 New Debt Issued	Q1/Q2 Principal Payments	Q1/Q2 Interest Payments	Principal Balance as of 1/1/2021	Projected Principal Balance 6/30/2021
General Fund/Measure Z						
General Obligation Bonds	\$ 7,795,000	\$ -	\$ 1,380,000	\$ 202,943	\$ 6,415,000	\$ 6,415,000.00
Pension Obligation Bonds	359,956,266	-	11,706,890	13,063,256	348,249,376	348,249,376
Certificates of Participation	65,717,500	-	-	1,079,444	65,717,500	62,787,420
Lease Revenue Bonds	52,816,480	-	2,434,689	1,244,113	50,381,790	50,381,790
Ryan Bonaminio Park Loan	899,671	-	219,838	13,720	679,833	456,643
Capital Leases	18,207,714	-	1,633,688	201,760	16,574,026	14,922,511
Interfund Loans	2,079,142	-	298,417	-	1,780,725	1,780,725
Total General Fund	\$ 507,471,772	\$ -	\$ 17,673,522	\$ 15,805,235	\$ 489,798,250	\$ 484,993,465
Capital Projects Funds						
Local Park Impact Fee Fund Interfund Loans	\$ 670,166	\$ -	\$ 670,166	\$ -	\$ -	\$ -
Measure A Certificates of Participation	28,255,000	-	-	701,119	28,255,000	26,660,000
Total Capital Projects Funds	\$ 28,925,166	\$ -	\$ 670,166	\$ 701,119	\$ 28,255,000	\$ 26,660,000
Enterprise Funds						
Pension Obligation Bonds	\$ 119,625,276	\$ -	\$ 3,398,268	\$ 3,567,074	\$ 116,227,008	\$ 116,227,008
Electric Fund Revenue Bonds	555,520,000	-	15,355,000	12,819,404	540,165,000	540,165,000
Electric Fund Capital Leases	1,444,336	-	266,139	13,337	1,178,197	909,385
Water Fund Revenue Bonds	205,165,000	-	6,335,000	4,621,863	198,830,000	198,830,000
Water Fund Capital Lease	1,666,981	-	110,186	19,714	1,556,795	1,445,306
Sewer Fund Revenue Bonds	340,995,000	-	8,845,000	8,410,275	332,150,000	332,150,000
Sewer Fund Loans	332,575	-	-	-	332,575	-
Lease Revenue Bonds	7,473,600	-	414,000	166,857	7,059,600	7,059,600
Certificates of Participation	28,482,500	-	-	467,840	28,482,500	27,212,580
Civic Entertainment Fund Capital Lease	521,999	-	259,863	4,567	262,137	-
Civic Entertainment Fund Loan	7,604,147	-	265,930	146,380	7,338,218	7,067,169
Convention Center Expansion Loan	33,555,298	-	986,207	521,083	32,569,091	31,568,063
Parking Fund Loans	8,502,922	-	297,361	163,681	8,205,561	7,902,475
Total Enterprise Funds	\$ 1,310,889,635	\$ -	\$ 36,532,954	\$ 30,922,075	\$ 1,274,356,681	\$ 1,270,536,585
Internal Service Funds						
Pension Obligation Bonds	\$ 4,943,458	\$ -	\$ 139,841	\$ 147,421	\$ 4,803,618	\$ 4,803,618
Total Internal Service Funds	\$ 4,943,458	\$ -	\$ 139,841	\$ 147,421	\$ 4,803,618	\$ 4,803,618
RDA Successor Agency						
Lease Revenue Bonds	13,544,921	-	2,101,311	336,536	11,443,610	11,443,610
Tax Allocation Bonds	157,400,000	-	4,685,000	3,706,547	152,715,000	152,715,000
Interfund Loans	3,383,404	-	432,332	-	2,951,072	2,951,072
Total RDA Successor Agency	\$ 174,328,325	\$ -	\$ 7,218,643	\$ 4,043,082	\$ 167,109,682	\$ 167,109,682
Assessment Districts / Galleria Agreement / Community Facilities Districts						
Assessment Districts	\$ 19,250,000	\$ -	\$ 1,430,000	\$ 494,692	\$ 17,820,000	\$ 17,820,000
Galleria Mall Improvements District Certificates of Participation	5,000	-	-	125	5,000	5,000
Lease Revenue Refunding Bonds (Galleria) Series 2019A	15,375,000	-	700,000	269,273	14,675,000	14,675,000
Community Facilities Districts	21,740,000	-	595,000	472,965	21,145,000	21,145,000
Total AD / Galleria / CFDs	\$ 56,370,000	\$ -	\$ 2,725,000	\$ 1,237,054	\$ 53,645,000	\$ 53,645,000
Total	\$2,082,928,355	\$ -	\$ 64,960,125	\$ 52,855,987	\$ 2,017,968,230	\$ 2,007,748,350

¹ Excludes water stock acquisition rights, copier leases, development agreements, and amortization of premiums and discounts on outstanding debt, none of which are material.

CITY OF RIVERSIDE
 Fiscal Year 2020/21 First and Second Quarters
 Outstanding Debt¹

Debt Type / Issuance	Year Issued (FY)	Final Maturity (FY)	Total Issue Size	Outstanding Principal Balance 7/1/2020	Q1/Q2 New Debt Issued	Q1/Q2 Principal Payments	Q1/Q2 Interest Payments	Outstanding Principal Balance 1/1/2021	Projected Principal Balance 6/30/2021
General Obligation									
Measure G Fire Facility Projects General Obligation Bonds 2004	2004	2025	\$ 20,000,000	\$ 7,795,000	\$ -	\$ 1,380,000	\$ 202,943	\$ 6,415,000	\$ 6,415,000
Total General Obligation Bonds			\$ 20,000,000	\$ 7,795,000	\$ -	\$ 1,380,000	\$ 202,943	\$ 6,415,000	\$ 6,415,000
Pension Obligation²									
Pension Obligation Bonds Series 2004A	2004	2023	\$ 89,540,000	\$ 29,260,000	\$ -	\$ 8,815,000	\$ 1,725,170	\$ 20,445,000	\$ 20,445,000
Pension Obligation Bonds Series 2017A	2017	2027	31,960,000	23,100,000	-	3,060,000	634,863	20,040,000	20,040,000
Pension Obligation Bonds Series 2020A (Safety)	2020	2045	231,085,000	231,085,000	-	-	8,369,201	231,085,000	231,085,000
Pension Obligation Bonds Series 2020A (Misc)	2020	2043	201,080,000	201,080,000	-	3,370,000	6,048,518	197,710,000	197,710,000
Total Pension Obligation Bonds			\$ 553,665,000	\$ 484,525,000	\$ -	\$ 15,245,000	\$ 16,777,751	\$ 469,280,000	\$ 469,280,000
Certificates of Participation									
Galleria Mall Improvements COPs Series 2006A	2006	2037	\$ 19,945,000	\$ 5,000	\$ -	\$ -	\$ 125	\$ 5,000	\$ 5,000
Riverside Renaissance Projects Refunding COPs Series 2008A	2008	2037	128,300,000	94,200,000	-	-	1,547,284	94,200,000	90,000,000
Local Measure A Sales Tax Revenue COPs Series 2013A	2013	2033	35,235,000	28,255,000	-	-	701,119	28,255,000	26,660,000
Total Certificates of Participation			\$ 183,480,000	\$ 122,460,000	\$ -	\$ -	\$ 2,248,528	\$ 122,460,000	\$ 116,665,000
Lease Revenue Bonds									
California Tower Lease Revenue Bonds Series 2003A	2003	2024	\$ 26,255,000	\$ 9,785,000	\$ -	\$ 1,700,000	\$ 244,625	\$ 8,085,000	\$ 8,085,000
California Tower Lease Revenue Bonds Series 2003B	2003	2024	4,810,000	1,570,000	-	280,000	43,018	1,290,000	1,290,000
Lease Revenue Refunding Bonds Series 2012A	2013	2034	41,240,000	31,140,000	-	1,725,000	695,238	29,415,000	29,415,000
Lease Revenue Refunding Bonds (Galleria) Series 2019A	2019	2037	15,980,000	15,375,000	-	700,000	269,273	14,675,000	14,675,000
Lease Revenue Bonds (Main Library Project) Series 2019B	2019	2037	33,505,000	31,340,000	-	1,245,000	764,625	30,095,000	30,095,000
Total Lease Revenue Bonds			\$ 121,790,000	\$ 89,210,000	\$ -	\$ 5,650,000	\$ 2,016,778	\$ 83,560,000	\$ 83,560,000
Capital Leases									
Pinnacle #2 - VOIP Phone System	2013	2023	\$ 1,650,000	\$ 449,787	\$ -	\$ 87,842	\$ 5,352	\$ 361,945	\$ 273,058
BofA #1 - Convention Center, Fox, Muni, RPD Dispatch	2015	2021	3,668,000	552,103	-	274,849	4,831	277,254	-
US Bank - Various Vehicles, Software, and Hardware	2016	2022	4,450,000	1,443,973	-	355,887	13,725	1,088,086	728,816
BofA #2 - Various Hardware and Software	2018	2028	7,955,000	5,138,010	-	487,047	60,762	4,650,963	4,158,155
BofA #3 - Fire Vehicles and Equipment	2017	2027	14,500,000	11,145,841	-	687,926	121,657	10,457,916	9,762,481
BofA #2 - Water Fund Vehicles Capital Lease	2018	2028	2,305,000	1,666,981	-	110,186	19,714	1,556,795	1,445,306
Electric Fund Vehicles Capital Leases - Various	Various	Various	Various	1,444,336	-	266,139	13,337	1,178,197	909,385
Total Capital Leases			\$ 34,528,000	\$ 21,841,030	\$ -	\$ 2,269,876	\$ 239,378	\$ 19,571,155	\$ 17,277,202
Interfund Loans³									
Riverside Renaissance Debt Service Interfund Loan #73	2011	2021	\$ 3,460,000	\$ 670,166	\$ -	\$ 670,166	\$ -	\$ -	\$ -
Reid Park Acquisition Interfund Loan	2011	2028	720,000	437,183	-	56,256	-	380,927	380,927
Riverside Golf Course Acquisition Interfund Loan	2011	2028	4,837,500	2,946,221	-	376,076	-	2,570,145	2,570,145
Utilities Plaza Purchase Interfund Loan	2012	2027	4,469,221	2,079,142	-	298,417	-	1,780,725	1,780,725
Total Interfund Loans			\$ 13,486,721	\$ 6,132,712	\$ -	\$ 1,400,915	\$ -	\$ 4,731,797	\$ 4,731,797
Private Placement Loans									
Pinnacle - Ryan Bonaminio Park Loan	2013	2022	\$ 4,000,000	\$ 899,671	\$ -	\$ 219,838	\$ 13,720	\$ 679,833	\$ 456,643
Fox Entertainment Plaza Loan	2011	2032	25,000,000	16,107,069	-	563,291	310,061	15,543,778	14,969,644
Convention Center Expansion Loan ⁴	2013	2034	44,650,000	33,555,298	-	986,207	521,083	32,569,091	31,568,063
Total Private Placement Loans			\$ 73,650,000	\$ 50,562,038	\$ -	\$ 1,769,336	\$ 844,864	\$ 48,792,702	\$ 46,994,349
State of California Revolving Fund Loans									
Sewer Cogeneration Project Loan	2003	2021	\$ 5,374,978	\$ 332,575	\$ -	\$ -	\$ -	\$ 332,575	\$ -
Total State of California Revolving Fund Loans			\$ 5,374,978	\$ 332,575	\$ -	\$ -	\$ -	\$ 332,575	\$ -

CITY OF RIVERSIDE
Fiscal Year 2020/21 First and Second Quarters
Outstanding Debt¹

Debt Type / Issuance	Year Issued (FY)	Final Maturity (FY)	Total Issue Size	Outstanding Principal Balance 7/1/2020	Q1/Q2 New Debt Issued	Q1/Q2 Principal Payments	Q1/Q2 Interest Payments	Outstanding Principal Balance 1/1/2021	Projected Principal Balance 6/30/2021
Enterprise Revenue Bonds									
Electric Revenue Refunding Bonds (2008) Series A	2008	2029	\$ 84,515,000	\$ 34,465,000	\$ -	\$ -	\$ 485,442	\$ 34,465,000	\$ 34,465,000
Electric Revenue Refunding Bonds (2008) Series C	2008	2036	57,325,000	32,150,000	-	-	497,649	32,150,000	32,150,000
Electric Revenue Bonds (2010) Series A	2010	2041	133,290,000	133,290,000	-	2,300,000	3,347,898	130,990,000	130,990,000
Electric Revenue Bonds (2011) Series A	2011	2036	56,450,000	39,275,000	-	1,825,000	595,737	37,450,000	37,450,000
Electric Revenue Refunding Bonds (2013) Series A	2014	2044	79,080,000	38,155,000	-	880,000	938,053	37,275,000	37,275,000
Electric Revenue Refunding Bonds (2019) Series A	2019	2049	283,325,000	278,185,000	-	10,350,000	6,954,625	267,835,000	267,835,000
Water Revenue Bonds (2009) Series A	2009	2020	31,895,000	2,360,000	-	2,360,000	56,000	-	-
Water Revenue Bonds (2009) Series B	2010	2040	67,790,000	67,790,000	-	-	1,404,048	67,790,000	67,790,000
Water Revenue Bonds (2011) Series A	2011	2036	59,000,000	24,050,000	-	-	387,690	24,050,000	24,050,000
Water Revenue Refunding Bonds (2019) Series A	2019	2049	114,215,000	110,965,000	-	3,975,000	2,774,125	106,990,000	106,990,000
Sewer Revenue Bonds (2015) Series A	2015	2041	200,030,000	190,230,000	-	5,265,000	4,697,450	184,965,000	184,965,000
Sewer Revenue Bonds (2018) Series A ⁵	2019	2040	153,670,000	150,765,000	-	3,580,000	3,712,825	147,185,000	147,185,000
Total Enterprise Revenue Bonds			\$ 1,320,585,000	\$ 1,101,680,000	\$ -	\$ 30,535,000	\$ 25,851,542	\$ 1,071,145,000	\$ 1,071,145,000
Tax Allocation Bonds									
2014 Subordinate Tax Allocation Refunding Bonds Series 2014A	2014	2034	\$ 61,250,000	\$ 41,675,000	\$ -	\$ 4,515,000	\$ 1,034,375	\$ 37,160,000	\$ 37,160,000
2014 Subordinate Tax Allocation Refunding Bonds Series 2014B	2014	2024	1,730,000	910,000	-	170,000	16,144	740,000	740,000
2018 Tax Allocation Refunding Bonds Series 2018A	2018	2034	74,435,000	74,435,000	-	-	1,858,391	74,435,000	74,435,000
2018 Tax Allocation Refunding Bonds, Taxable Series 2018B	2018	2033	40,380,000	40,380,000	-	-	797,638	40,380,000	40,380,000
Total Tax Allocation Bonds			\$ 177,795,000	\$ 157,400,000	\$ -	\$ 4,685,000	\$ 3,706,547	\$ 152,715,000	\$ 152,715,000
Mello Roos and Assessment District Bonds									
Riverwalk Business Center Assessment District Bonds	2004	2029	\$ 3,755,000	\$ 2,130,000	\$ -	\$ 160,000	\$ 65,549	\$ 1,970,000	\$ 1,970,000
Sycamore Canyon Business Park CFD 92-1 Bonds	2005	2034	9,700,000	6,615,000	-	305,000	173,304	6,310,000	6,310,000
Hunter Park Assessment District Bonds	2006	2036	15,269,906	11,155,000	-	425,000	288,078	10,730,000	10,730,000
Riverwalk Assessment District Refunding Bonds	2011	2026	7,805,000	4,200,000	-	520,000	101,147	3,680,000	3,680,000
Auto Center Assessment District Refunding Bonds	2012	2024	4,050,000	1,765,000	-	325,000	39,919	1,440,000	1,440,000
Riverwalk Vista CFD 2006-1 Bonds	2013	2043	4,415,000	3,945,000	-	90,000	98,022	3,855,000	3,855,000
Riverwalk Vista CFD 2006-1 Improv Area No.2 2016 Series A	2016	2046	5,505,000	5,295,000	-	75,000	92,222	5,220,000	5,220,000
Riverwalk Vista CFD 2006-1 Improv Area No.2 2016 Series B	2016	2031	1,275,000	1,000,000	-	70,000	20,497	930,000	930,000
Highlands CFD 2014-2 2016 Series A	2016	2046	1,800,000	1,770,000	-	10,000	28,738	1,760,000	1,760,000
Highlands CFD 2014-2 2016 Series B	2016	2031	810,000	675,000	-	45,000	13,538	630,000	630,000
Orangetrest CFD 2015-1 Bonds Series 2020 Series A	2020	2050	2,075,000	2,075,000	-	-	40,578	2,075,000	2,075,000
Orangetrest CFD 2015-1 Bonds Series 2020 Series B	2020	2028	365,000	365,000	-	-	6,067	365,000	365,000
Total Mello Roos and Assessment District Bonds			\$ 56,824,906	\$ 40,990,000	\$ -	\$ 2,025,000	\$ 967,657	\$ 38,965,000	\$ 38,965,000
Total				\$ 2,082,928,355	\$ -	\$ 64,960,127	\$ 52,855,987	\$ 2,017,968,228	\$ 2,007,748,348

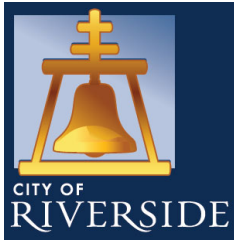
¹ Excludes water stock acquisition rights, copier leases, development agreements, and amortization of premiums and discounts on outstanding debt, none of which are material.

² Debt service for these bonds is allocated based on the percentage of CalPERS plan employees budgeted in those Funds. Payments sent to trustee 8/1 annually, but are actually paid to bondholders in Dec & June

³ Beginning outstanding principal balance on interfund loans may be less than prior year projected ending balance due to actual FY 2018 pooled interest rate adjustment at end of FY

⁴ Debt service for this loan is primarily funded from a voter-approved increase in the transient occupancy tax rate from 11% to 13%.

⁵ Under the terms of an existing development agreement, increased incremental sales tax resulting from the expansion of the Auto Center funds the debt service on these bonds.



Cash and Investments Debt Administration Report FY 2020/21 First and Second Quarter Update

Finance Department

City Council

April 13, 2021

RiversideCA.gov

1

Background

1. Improve reporting of treasury and debt administrative activities
 - A. Separate process for management of investment and debt
 - B. Different metrics of performance for debt and investments
2. Keep Council updated on debt and investment portfolio management activities
3. January 19, 2021 City Council received and provided input on FY 2019/20 Fourth Quarter Report



2

RiversideCA.gov

2

Treasury Financial Goals

1. Safety of Principal
2. Liquidity for Cash Flow
3. Yield return on investment
 - A. Ensure sufficient cash on hand to meet obligations
 - B. Adhere to City Investment Policy and bond covenants related to Permitted Investments for Bond Proceeds
 - C. Annual requirement to delegate investment authority to Chief Financial Officer/Treasurer



3

RiversideCA.gov

3

Cash and Treasury Performance – End of Q2

1. Pooled Investment Portfolio - \$748 million
2. Investments held by fiscal agent & other miscellaneous cash - \$197 million
3. Weighted average yield of pooled investment portfolio – 1.02%
4. No fund's cash balance is currently a concern



4

RiversideCA.gov

4

Debt Summary Analysis – End of Q2

1. Principal Balance decreased \$64,960,127 due to
 - A. Debt Service Principal Payments – July 1 through December 31, 2020
 - a. General Obligation Bonds (\$1,380,000)
 - b. Pension Obligation Bonds (\$15,245,000)
 - c. Lease Revenue Bonds (\$5,650,000)
 - d. Capital Leases (\$2,269,876)
 - e. Interfund Loans (\$1,400,915)
 - f. Private Placement Loans (\$1,769,336)
 - g. Enterprise Revenue Bonds (\$30,535,000)
 - h. Tax Allocation Bonds (\$4,685,000)
 - i. Mello Roos and Assessment District Bonds (\$2,025,000)

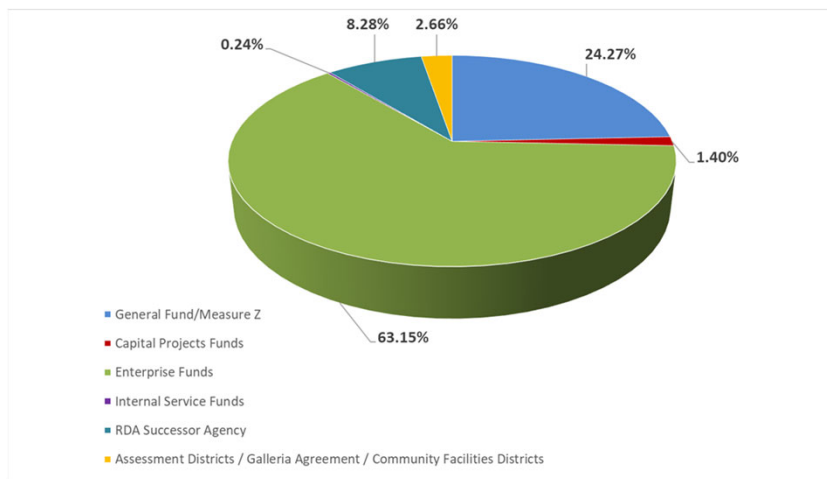


5

5

Debt Summary Analysis – End of Q2

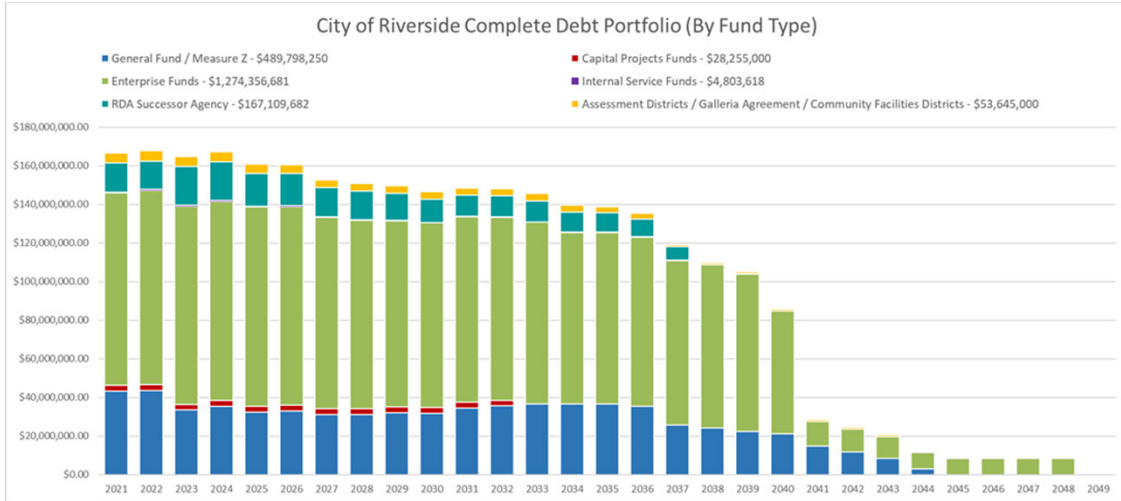
Debt Portfolio composition



6

6

Debt Summary Analysis – End of Q2



7

RiversideCA.gov

7

Debt Activities – Q1 and Q2

1. Completed Formation of CFD 2015-2 (Pomelo), which includes City services fee to help offset new development costs
2. Coordination and approval of Arlington, Auto Center, and Downtown Business Improvement District Annual Levies
3. Preparation of CDIAC and State Controller Reports related to Mello Roos, Long and Short-Term Debt Obligations, and Parcel Taxes
4. Posted Levy for CFD, AD and GO Bonds with the County of Riverside
5. Analysis and preparation of SB165 Parcel Tax report
6. Began process of renewing LOCs for 2008A and 2008C Electric Revenue Bonds and 2008 Certificates of Participation
7. Regular bi-monthly review of refunding opportunities



8

RiversideCA.gov

8

Recommendation

1. Receive and provide input on the Fiscal Year 2020/21 First and Second Quarter Cash and Investments and Debt Report.

