



# City Council Memorandum

*City of Arts & Innovation*

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**TO: HONORABLE MAYOR AND CITY COUNCIL                      DATE: APRIL 21, 2020**

**FROM: FINANCE DEPARTMENT    WARDS: ALL**

**SUBJECT: FISCAL YEAR 2019/20 SECOND QUARTER FINANCIAL REPORT AND MEASURE Z UPDATE, AND RELATED INTERFUND TRANSFERS IN THE AMOUNT OF \$9,376,990 AND SUPPLEMENTAL APPROPRIATIONS IN THE AMOUNT OF \$418,809**

**ISSUE:**

Receive and provide input on the attached Fiscal Year 2019/20 Second Quarter Financial Report and Measure Z update and approve miscellaneous interfund transfers in the amount of \$9,376,990 and supplemental appropriations in the amount of \$418,809.

**RECOMMENDATIONS:**

That the City Council:

1. Receive and provide input on the attached Fiscal Year 2019/20 Second Quarter Financial Report and Measure Z update;
2. Approve an interfund transfer of \$9,353,990 from the General Fund to the Pension Stabilization Fund, representative of the amount previously approved for investment in the Section 115 Pension Trust;
3. Approve an interfund transfer of \$23,000 from the Electric Fund to the General Fund to reimburse the General Fund for a prior year accounting error;
4. Approve an increase in revenues of \$200,000 and a supplemental appropriation of \$200,000 in the General Fund Innovation & Technology department for critical technology needs;
5. Eliminate a budgeted transfer of costs in the amount of \$189,046 from General Fund Fire Prevention to the Grants and Restricted Programs Fund, Certified Unified Program Agency account, effectively increasing General Fund appropriations; and
6. Approve a supplemental appropriation offset by bus pass revenues in the amount of \$29,763 to the Air Quality Improvement Fund, City Pass Program account.

## **BACKGROUND:**

On June 12, 2018, the City Council adopted Resolution No. 23316 approving the Fiscal Year (FY) 2018-2020 Two-Year Budget. On June 18, 2019, the City Council adopted Resolution No. 23457 approving amendments to the Fiscal Year 2019/20 Budget. On February 22, 2020, the City Council received the FY 2019/20 First Quarter financial update.

## **DISCUSSION:**

### **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 financial status for all funds and appropriations under their purview. The results of the City's major funds as well as areas of concern in other funds (if any) are reported in the quarterly financial report.

#### **General Fund**

The General Fund's FY 2018-2020 Two-Year budget is balanced over two (2) years, with a projected shortfall of \$1.2 million in FY 2019/20 funded by savings realized in FY 2018/19. As of June 30, 2019, the General Fund carries a 20% reserve balance. \$1.2 million is separately reserved to offset the adopted FY 2019/20 shortfall.

On February 11, 2020, City Council approved the allocation of \$4.4 million in surplus General Fund reserves to the Section 115 Pension Liability Trust. With the additional \$4.4 million, a total of \$9.4 million is now invested in the Section 115 Pension Trust.

The FY 2019/20 Second Quarter analysis projects total General Fund revenues to come in as estimated. As of December 31, 2019, all General Fund departments expect to end the fiscal year within their appropriation limits. In the first quarter, the Police Department estimated an overage in overtime by approximately \$4.4 million. After further analysis, the revised estimated overage in overtime is \$655,000. This amount is expected to be absorbed by vacancy savings without impacting the department's overall ability to end the year within budget and overtime will continue to be monitored.

Supplemental appropriations recorded through the second quarter total \$161,118 and are related to donations (\$8,067), the March 3, 2020 election (\$150,000), and revenue generated from vending machines to be used on park supplies and services (\$3,051).

#### **Measure Z**

The FY 2018-2023 Measure Z Spending Plan was approved by the City Council on June 12, 2018, with the adoption of the FY 2018-2020 Two-Year Budget. Subsequent updates to the Spending Plan include the allocation of funding for the Public Safety and Engagement Team Program, security guards at City libraries, and increased allocations for street projects. As of June 30, 2019, Measure Z held \$18.8 million in unallocated fund reserves. Separately, \$5 million is held in reserves to ensure sufficient funding for ongoing costs in the event of under-performing revenues.

Measure Z's FY 2018/19 sales tax revenue outperformed expectations, coming in at approximately \$62.3 million; however, the City's sales tax consultant projects a slight decrease in revenue in FY 2019/20 as compared to FY 2018/19. Although there are signs revenue is flattening, actuals are on track to exceed the current estimate of \$59.0 million. Additionally, significant interest revenue is being generated due to the large amount of cash on hand pending the commencement of capital projects funded by Measure Z. Sales tax revenue estimates have been increased by \$2.3 million and interest earned from investments increased by \$900,000 for total projected FY 2019/20 revenues of \$62.3 million.

Measure Z expenditures are 29% of total budget at December 31, 2019, reflective of large projects that have yet to ramp up and incur significant expenditures, such as technology projects, the update of the General Plan, and street projects. Two (2) new allocations of Measure Z funding were approved by Council in the second quarter:

- On December 17, 2019, the City Council approved an allocation of \$2.4 million for the purchase of additional beds at the Emergency Shelter located at 2840 Hulen Place; augmented funding for the Tenant Based Rental Assistance Program; and related operating costs (Spending Item #41).
- On December 17, 2019, the City Council approved a supplemental appropriation of \$95,953 for a Police Headquarters Siting, Facilities Optimization, and Operational Study (Spending Item #25).

Following the increase in revenue estimates and the incorporation of new spending allocations, unallocated Measure Z reserves are projected at \$16.3 million as of December 31, 2019.

<b>MEASURE Z SUMMARY</b>				
<b>Category</b>	<b>FY 2016/17 Actuals</b>	<b>FY 2017/18 Actuals</b>	<b>FY 2018/19 Actuals</b>	<b>FY 2019/20 Allocations</b>
Revenue	\$12,606,428	\$56,222,806	\$62,692,745	\$62,300,000
Spending Allocations	9,973,447	36,134,811	61,605,561	64,820,389
Carryovers			(20,617,412)	20,617,412
<b>Net Change in Fund Balance</b>	<b>2,632,981</b>	<b>20,087,995</b>	<b>21,704,596</b>	<b>(25,104,904)</b>
Fund Balance Reserve	-	-	5,000,000	-
<b>Fund Balance</b>	<b>\$2,632,981</b>	<b>\$22,720,976</b>	<b>\$39,425,572</b>	<b>\$16,287,771</b>

Sewer Fund

The overall financial position of the Sewer Enterprise fund is good and operating in accordance with the 2016 Sewer Fund Reserve Policy objectives. Revenue and expenditures are tracking in line with the Sewer Fund financial model and five-year plan projections, at 52% and 49%, respectively. Two (2) capital projects were completed in the second quarter: the Tequesquite to Arroyo trunk line replacement and the upgrade of the Sewer's collection system.

The Public Works Wastewater Division is in the process of completing a Wastewater Treatment and Collection Master Plan Update project, which includes a comprehensive financial and cost of service analysis and evaluation of various rate structure alternatives for consideration. This item

will be presented to the Utility Services/Land Use/Energy Development Committee on April 13, 2020. The outcome of this study will inform future rate discussions.

### Refuse Fund

The Refuse Fund is operating at a deficit, as projected in the FY 2018-2020 Two-Year Budget. The most recent projections predict a \$4.1 million use of fund reserves in FY 2019/20 and ending fund reserves of \$4.2 million at fiscal year ending June 30, 2020. Public Works has retained a consultant to perform a comprehensive review of refuse operations to optimize services and cash flow; the results of the study were presented to City Council in January 2020.

Refuse Fund revenue and expenditures are at 50% and 40% respectively in the second quarter. Revenues at second quarter end are approximately \$1,090,743 higher than the same period last fiscal year. This increase is a direct result of a rate adjustment which went into effect on January 1, 2019. Overall, projected expenditures are tracking at 99% of total budgeted and demonstrate the Refuse Fund is on track to meet budgeted expenditure targets.

### Electric Fund

The second quarter analysis of the Electric Fund shows operating revenues and expenses trending on target. Overall, Electric revenues are trending at 53% of total budget at December 31, 2019, which is slightly more than anticipated primarily due to higher interest revenue resulting from rebalancing the investment portfolio. Actual retail sales are trending with budget as expected, with a higher percentage of retail sales occurring in the summer months as projected. Weather can significantly impact retail revenues, which will be monitored throughout the remainder of FY 2019/20.

At December 31, 2019, Electric Fund expenditures, excluding capital projects, are trending slightly lower than 50% of the total budget, primarily due to personnel vacancies. Capital projects are progressing consistently with the Capital Improvement Program (CIP). The Electric Fund's completed capital improvements during the first six (6) months of FY 2019/20 includes projects in the Substation, Overhead, Underground and Recurring/Obligation to Serve categories which are part of the Utility 2.0 initiative. Completed projects in these categories benefit system reliability and mitigate the potential for widespread, prolonged customer outages, as well as fulfil the City's obligation to expand facilities to meet customer needs.

### Water Fund

The second quarter analysis of the Water Fund shows operating revenues and expenses trending on target. Overall, Water revenues are trending at 53% of total budget at December 31, 2019, which is slightly more than anticipated primarily due to higher interest revenue resulting from rebalancing the investment portfolio. Actual retail sales are 2% lower than expected due to milder temperatures and higher than anticipated precipitation. Weather, including precipitation, can significantly impact retail revenues, which will be monitored throughout the remainder of FY 2019/20.

At December 31, 2019, Water Fund expenditures, excluding capital projects, are trending slightly less than 50% of the total budget, primarily due to the timing of other operating expenses. Capital projects are progressing consistently with the CIP and include:

- Installation of an interconnection between Riverside and Norco to exchange potable water in emergencies.
- Installation of a new booster station and distribution pipeline to improve water pressure and

fire flow, and address issues of operational deficiencies within a portion of the Downtown Neighborhood.

- Replacement of pipeline and distribution facilities which help address aging infrastructure and improve system reliability to maintain a high level of service to Water customers.
- Rehabilitation of wells and pumps to extend the life of assets, improve system reliability and maintain a high level of service to Water customers.

Interfund and Interdepartmental Transfers; Supplemental Appropriation Requests

Riverside Municipal Code Sec. 1104 requires the affirmative vote of at least five (5) 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 Council approval:

- **General Fund \$9,353,990 Transfer to the Pension Stabilization Fund:** Transfer the amount previously approved by Council for investment in the Section 115 Pension Trust to a new, separate Pension Stabilization fund (Fund 115).
- **Electric Fund \$23,000 Interfund Transfer to the General Fund:** Transfer \$23,000 from Electric’s Administration Building and Improvements at Mission Square account (6000030-462055) to the City Attorney’s Office Building and Improvements at Mission Square account (1300000-462050) due to an inadvertent charge to the City Attorney’s budget for the Mission Square 6th floor ADA restroom in FY 2019/20.
- **General Fund \$200,000 Supplemental Appropriation:** The sale of IP addresses generated total revenues of approximately \$492,100 in FYs 2018-2020, which is nearly \$300,000 higher than revenue projections. Staff recommends utilizing \$200,000 of the excess revenues to fund two (2) critical needs in the General Fund, Innovation & Technology (IT) department: software asset management and infrastructure monitoring.
  - Software license compliance requires highly specialized software to ensure compliance with each unique vendor’s software author’s terms and conditions. Failing to comply with each vendor’s unique software license terms and conditions exposes the City to financial liability and penalties.
  - The City’s current infrastructure monitoring is inadequate and primarily relies on email notifications when problems are detected. The department largely gets notified of performance degradation or outages after receiving calls from our users. The additional funding will allow IT to implement a network operations center software with advanced monitoring, alerting, auto-recovery when possible, and organization health dashboards that are currently lacking. This tool will allow the department to take a proactive approach to improve response time and system availability, in return this will improve City employee’s productivity and our residents experience due to more stable and reliable infrastructure.
- **General Fund \$189,046 Budget Correction:** Currently, the General Fund holds an offsetting credit for the transfer of allowable costs to Certified Unified Program Agency (CUPA) funds, but following General Fund restructuring, allowable costs are recorded directly in the Grants and Restricted Programs Fund, CUPA account. Staff seeks the elimination of the budgeted credit, which will cause a resulting increase in General Fund appropriations.

- **Air Quality Improvement Fund \$29,763 Supplemental Appropriation:** Appropriate unallocated bus pass revenues of \$29,763 to the City Pass Program account (Fund 240, 4140100-421041).

**FISCAL IMPACT:**

The City's General Fund is currently operating under an adopted FY 2018-2020 Two-Year Budget, balanced over two (2) fiscal years. The fund reserve goal of 20% has been achieved as of June 30, 2019. Fund reserves of \$1.2 million are intact, separately of the 20% reserve, to balance the projected FY 2019/20 shortfall.

On February 11, 2019, City Council approved the allocation of \$4.4 million to the Section 115 Pension Liability Trust (Trust) bringing the Trust amount to \$9.4 million. Amounts in the Trust are legally restricted for use to pay the City's pension obligations and can be used to offset growing pressure on the General Fund in future fiscal years as needed, and as approved by City Council.

The Enterprise Funds (Electric, Water, Refuse and Sewer) are all expected to remain within their appropriation limits. Planned operational analyses for both Refuse and Sewer will incorporate long-term financial outlooks for the respective funds.

Prepared by: Kristie Thomas, Budget Manager  
Certified as to  
availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer  
Approved by: Carlie Myers, Deputy City Manager  
Approved as to form: Gary G. Geuss, City Attorney

- Attachments:
1. Quarterly Financial Report
  2. Measure Z Financial Summary
  3. Presentation

# GENERAL FUND

The General Fund is used to account for the **core administrative and operational functions of the City**. The General Fund is primarily supported by property and sales tax, followed by other incoming resources including other taxes, fees, service revenue, and transfers in from other funds. These resources fund public safety, development, culture, recreation, and supporting administrative services.

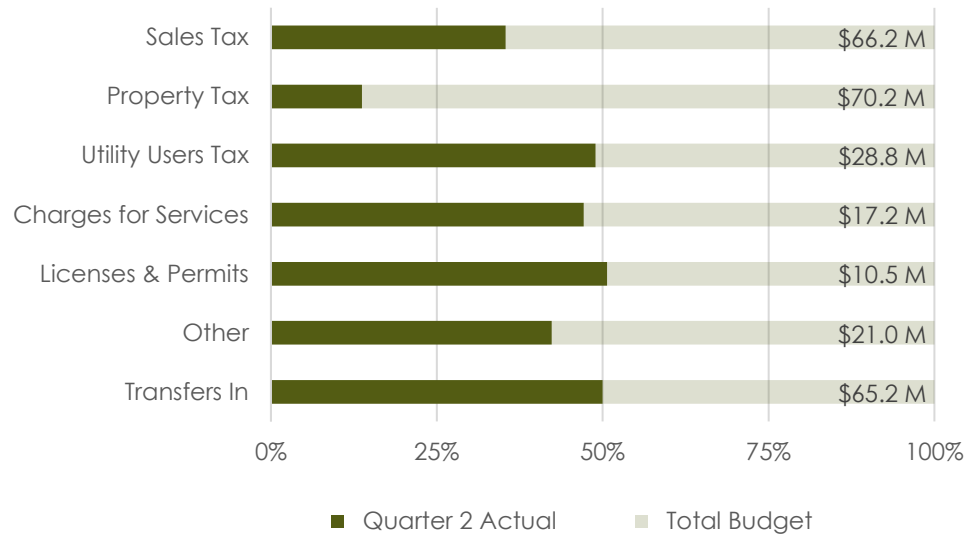
## Quarter 2 Summary

At the end of the second fiscal quarter, 37% of projected revenues have been collected; this is consistent with the historical timing of revenues, which do not come in regularly throughout the year.

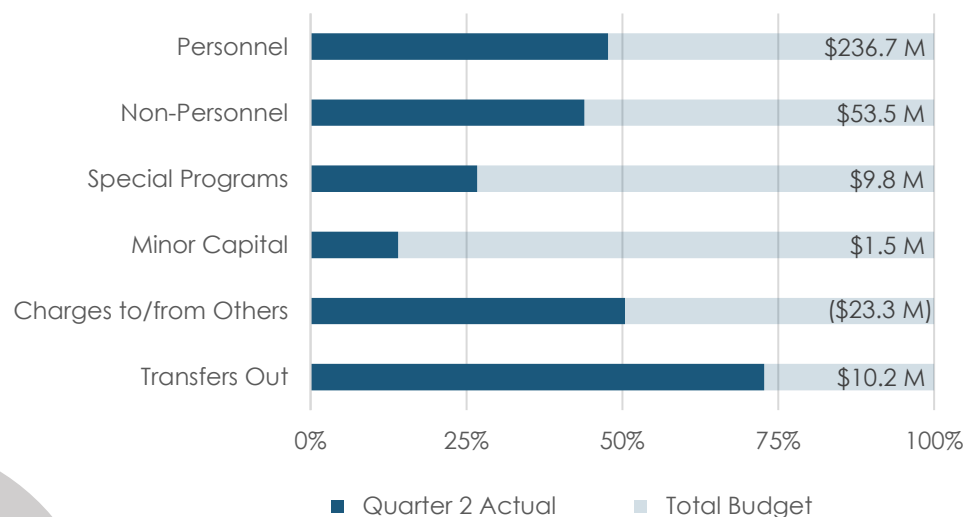
Expenditures are 47% of total budget at the end of the second quarter. City departments reported no areas of concern and expect to remain within their appropriation limits this fiscal year.

On February 11, 2020, City Council approved the investment of \$4.4 million of excess General Fund Reserves in the Section 115 Pension Trust, which will enhance the City's ability to stabilize future payments of pension obligations.

## REVENUE



## EXPENDITURES



## General Fund Reserves



20%

General Fund Reserve

General Fund Emergency (15%)  
Economic Contingency Reserves (5%)

\$4.4 Million

Added to the Section 115 Pension trust in Quarter 2

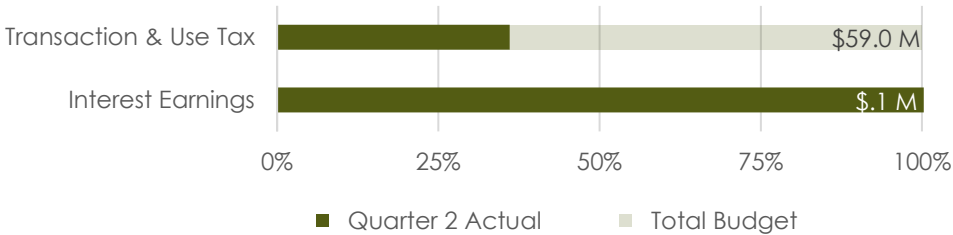
\$9.4 Million

Pension Stability Reserve

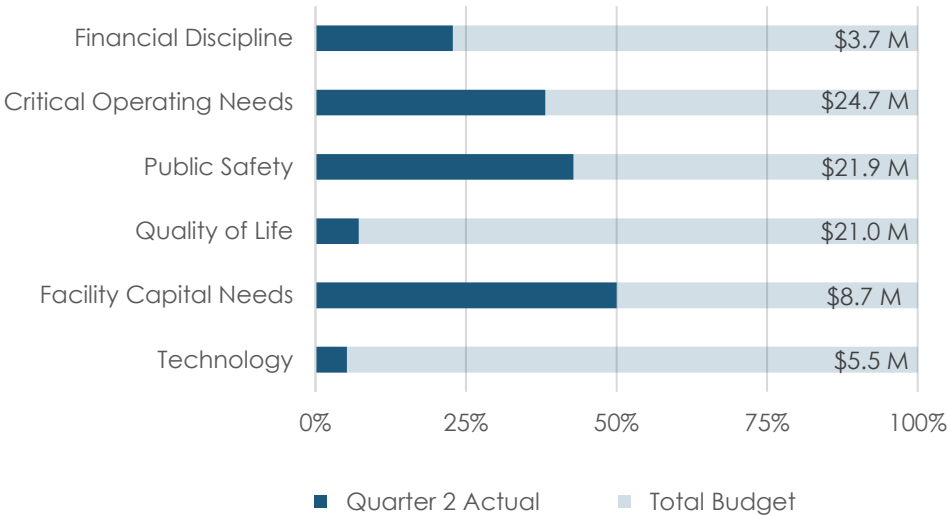
# MEASURE Z

Measure Z is a one-cent transaction and use tax approved by Riverside voters in November 2016. Measure Z was passed to **restore critical services** eliminated during the recession and **address other critical needs**, such as first responder staffing and vehicles, road and tree maintenance, and building repair and maintenance. A separate fund and Measure Z Spending Plan is maintained to provide accountability and transparency into the use of Measure Z revenue.

## REVENUE



## EXPENDITURES



### Quarter 2 Summary

Transaction & Use Tax is performing better than expected in the second quarter and is on track to exceed revenue projections. Interest revenues reflect the high amount of cash on hand for pending projects. Total revenue projections will be increased by \$2.3 million.

Expenditures are 29% of total budget at the end of the second quarter, with capital projects lagging in expenditures. Not reflected in the Spending Plan is the use of debt proceeds for construction of the new Main Library: \$12.4 million has been expended as of the end of the second quarter. The Spending Plan reports only the debt obligations for Library construction.

**\$16.3**  
Million

Amount available for allocation to new spending initiatives as of December 31, 2019

**Join the Conversation**



### Budget Engagement Commission Meetings

Meetings to discuss development of the 2020-2022 Two-Year Budget are underway. Attend meetings on Thursday evenings at 5PM: March 19, April 2, April 6,



**\$2.4**  
Million

**New Spending Item**  
Homeless: Shelter Beds & Temporary Housing



# SEWER FUND

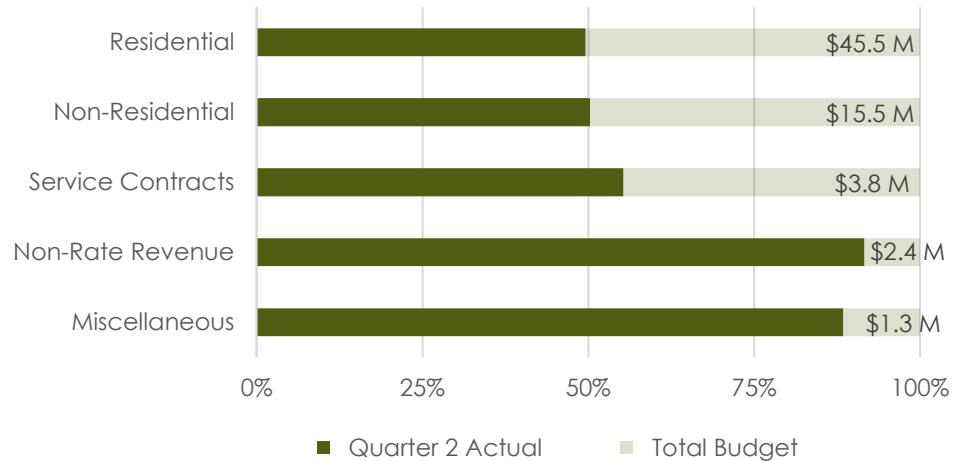
The Sewer Fund reports financial activity related to the **collection and treatment of wastewater** generated within the City and the communities of Edgemont, Highgrove, Jurupa, and Rubidoux. The City serves 93,000 customers within City limits alone. Services are provided through 800 miles of gravity lines, lift stations and the Riverside Regional Water Quality Control Plant (RWQCP) that has the capacity to treat 46 million gallons of sewage a day.

## Quarter 2 Summary

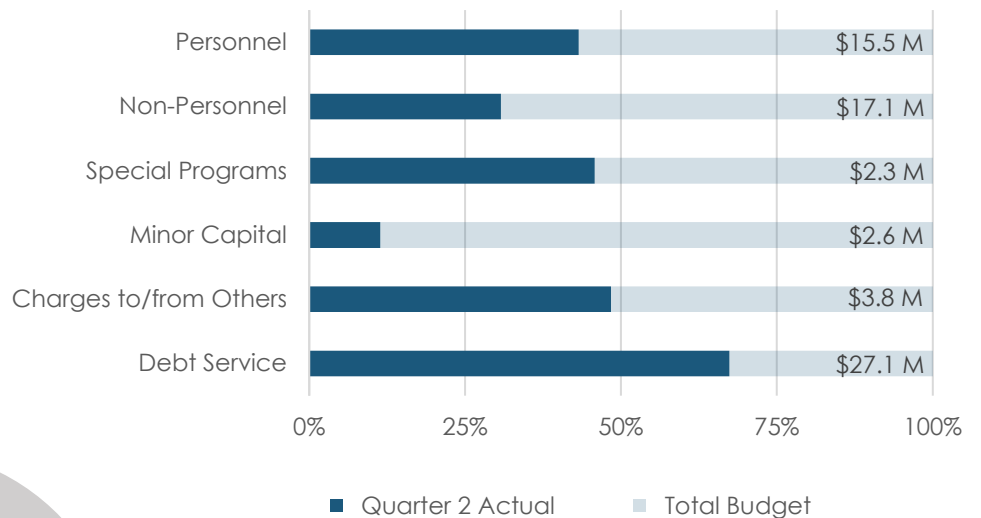
At the end of the second fiscal quarter, 52% of projected revenues have been collected. Connection fees (in Non-Rate Revenue) are higher than expected due to new development in the City. In the Miscellaneous category, favorable market conditions are contributing to interest revenues coming in higher than projected.

Operating expenditures are 49% of total budget at quarter end. Debt payments are occurring as scheduled. Overall, expenditures are expected to fall in line with budget by the end of the fiscal year.

## REVENUE



## EXPENDITURES



## Wastewater Master Plan



Infrastructure Assessment



Regulatory Compliance



Rate Plan



Capital Improvement Plan



Utility Services/Land Use/Energy Development Committee

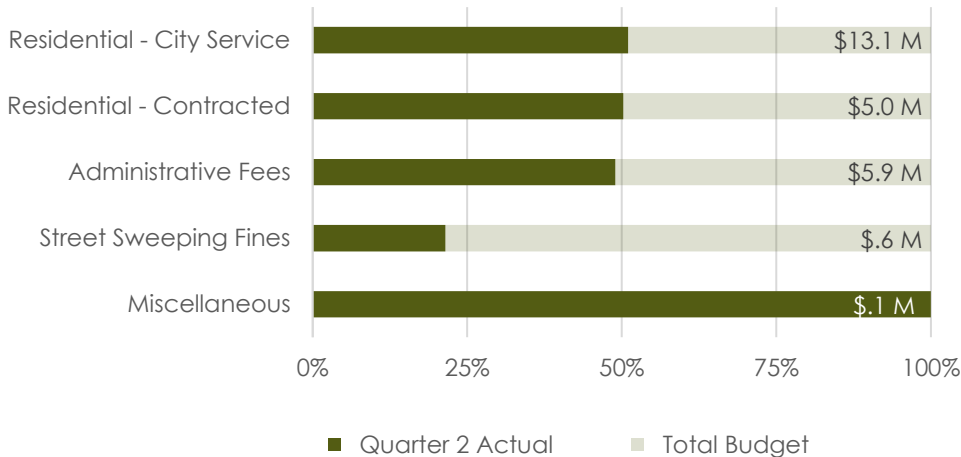


April 13, 1PM – Council Chambers

# REFUSE FUND

The Refuse Fund tracks financial activity related to solid waste services including **trash, recyclables, and green waste collection**. The City provides services directly to two-thirds of Riverside's residents, while a contracted hauler provides services to the remaining one-third. Commercial services are entirely contracted out. Currently, refuse rates are insufficient to cover the costs of operations; rising costs associated with State compliance requirements are also placing pressure on the Refuse Fund.

## REVENUE

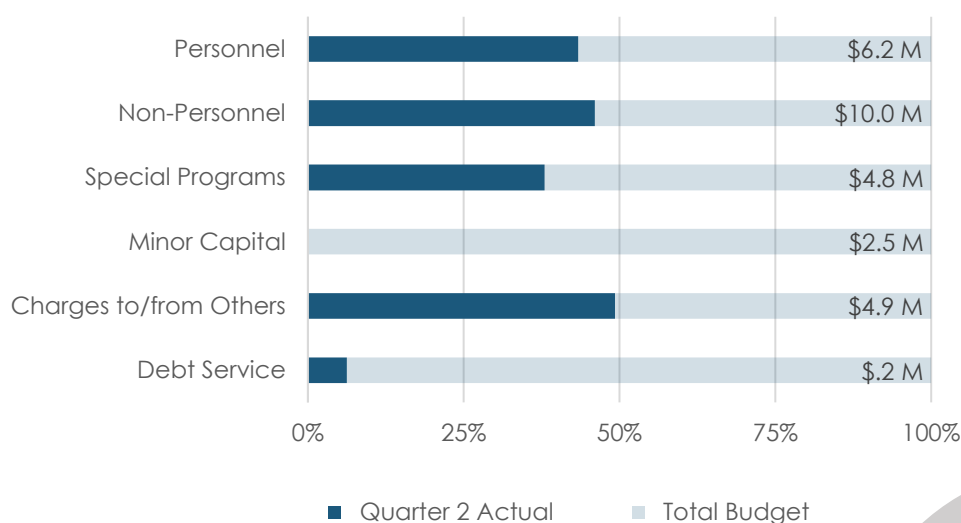


**Quarter 2 Summary**

Following a first quarter reduction in revenue projections, revenues have fallen in line with revised projections, with 50% recorded at the end of the second quarter. In the Miscellaneous category, favorable market conditions are contributing to interest revenues coming in higher than projected.


Expenditures are trending at 40% at the end of the second quarter. Minor capital and debt expenditures do not occur evenly throughout the year, resulting in the current lag in spending. Debt payments will occur as scheduled.

## EXPENDITURES



## Council Direction, January 14, 2020

**Existing inhouse residential collection services will remain intact.**



Seek proposals for contracted residential and commercial services; simultaneously explore insourcing.



Amend existing agreements to include state mandated recycling programs.



Prepare a residential and commercial refuse rate plan through 2023.

# ELECTRIC FUND

The Electric Fund reports financial activity related to the **generation, transmission, and distribution of electricity** over a 90-square-mile territory to more than 109,000 metered electric customers. Charges for service through rates are the primary source of funding for electric operations and the capital improvement program. More than one-half of the Electric Fund's costs go toward the purchase of power.

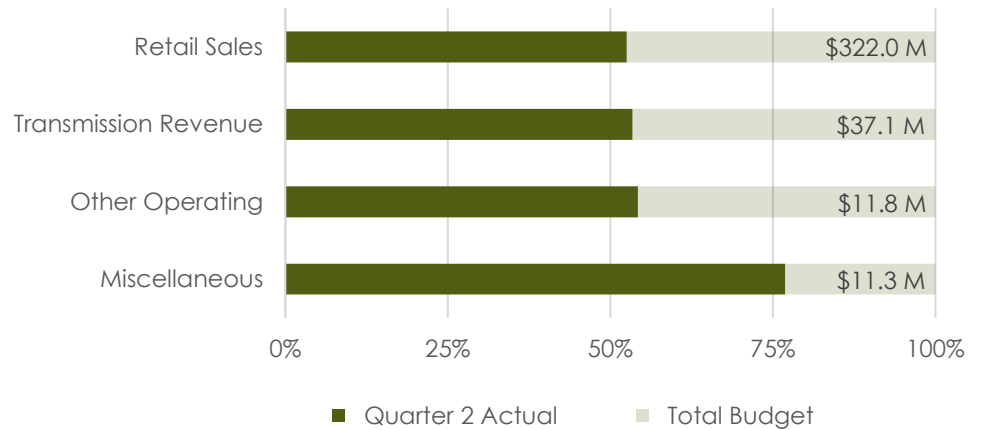
## Quarter 2 Summary

Electric revenues are trending at 53% of total budget at December 31, 2019 due to higher interest revenue as a result of rebalancing the investment portfolio. Actual retail sales are trending with budget as expected, with a higher percentage of retail sales occurring in the summer months as projected.

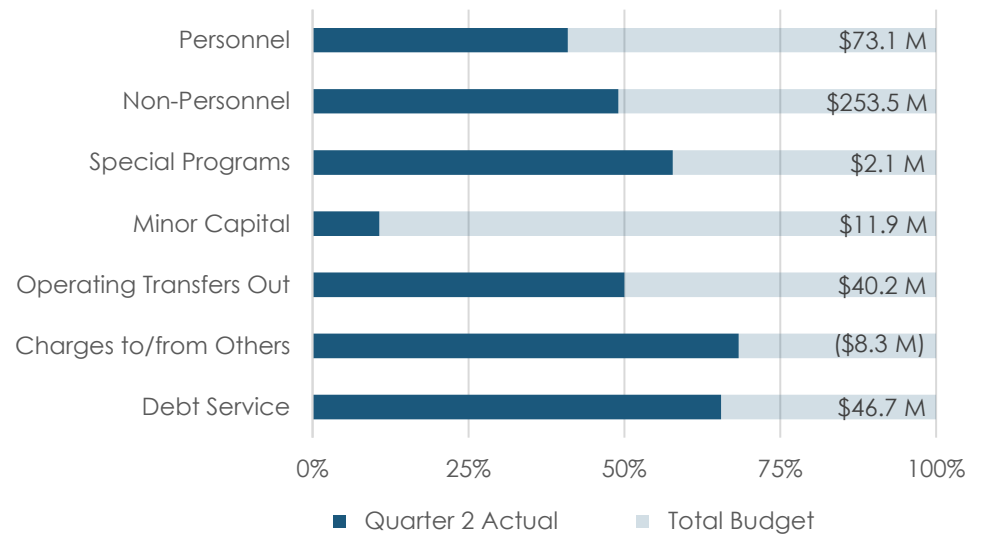
Operating expenditures are 48% of total budget at the end of the second quarter. Minor capital expenditures will vary throughout the year but are expected to come in as budgeted.

An electric rate increase will be implemented in January 2020 (Quarter 3), as scheduled.

## REVENUE



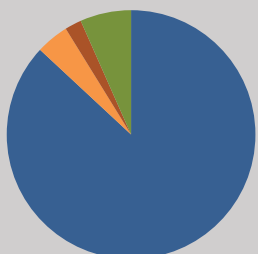
## EXPENDITURES



## Electric Capital Projects



Learn about our major capital projects at:  
<https://riversideca.gov/utilities/projects>



- Bond Proceeds
- Reserves
- Rates
- Contributions in Aid

### Completed in Quarter 2

Substation  
Underground  
Recurring Maintenance &  
Repairs

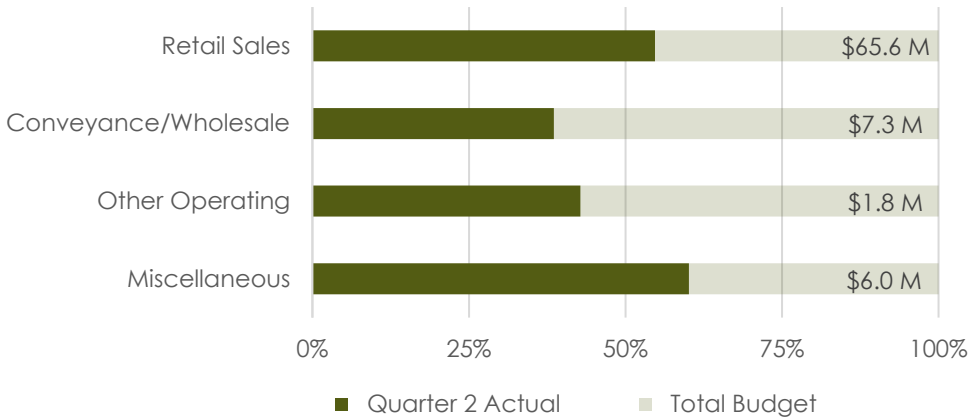
**\$6.8**  
Million

Capital Project  
Spending in  
Quarter 2

# WATER FUND

The Water Fund reports financial activity related to the delivery of water to more than 65,000 metered water customers over 74.2 square-mile territory that covers the majority of the City of Riverside. 100% of Riverside's water comes from groundwater basins fed by rain and snow falling in the San Bernardino Mountains and local foothills. Charges for service through rates are the primary source of funding for operations and the capital improvement program.

## REVENUE

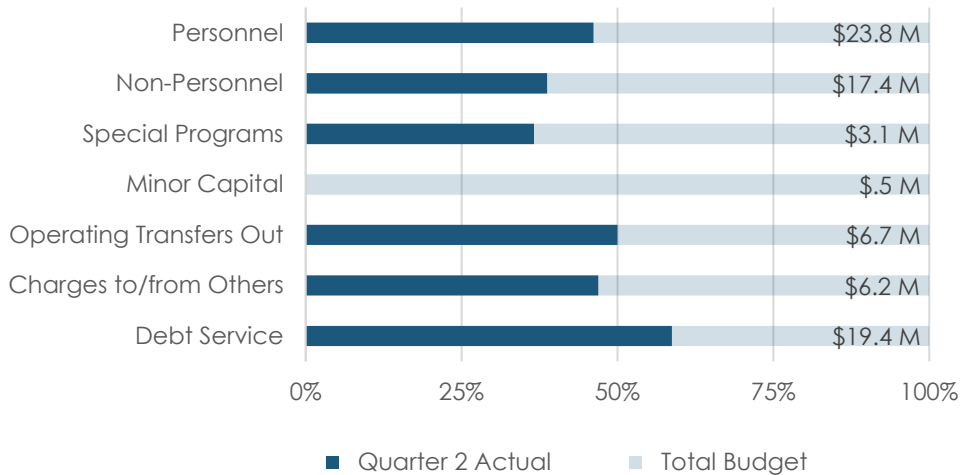


### Quarter 2 Summary

Water revenues are trending at 53% of total budget at December 31, 2019, which is more than anticipated primarily due to higher interest revenue due to rebalancing the investment portfolio. Actual retail sales are 2% lower than expected due to milder temperatures and higher than anticipated precipitation.

Operating expenditures are 47% of total budget at the end of the second quarter, primarily because spending does not occur evenly throughout the year. Overall, expenditures are expected to correspond with the total budgeted at the end of the fiscal year.

## EXPENDITURES



Learn about our major capital projects at:  
<https://riversideca.gov/utilities/projects>



## Water Capital Projects

**\$4.1**  
Million

Capital Project Spending in Quarter 2

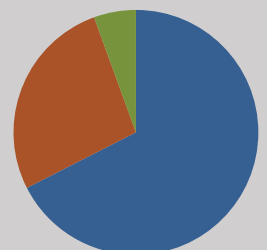
**518**

Meter Replacements

**241**

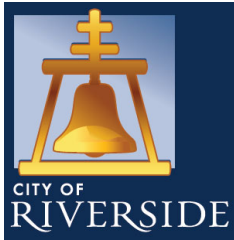
Service Lateral Replacements

- Bond Proceeds
- Rates
- Contributions in Aid



**Measure Z**  
**FY 2019/20 Quarter 2 Financial Update**

Spending Item	Category	Total Budget	FY 2019/20 Expenditure
<b>Financial Discipline/ Responsibility</b>			
2 Payoff of the Balloon \$32 million Pension Obligation Bond	Financial Discipline	1,674,490	837,245
4 Measure Z Spending Contingency	Financial Discipline	2,000,000	-
<b>Total Financial Discipline/ Responsibility</b>		<b>3,674,490</b>	<b>837,245</b>
<b>Public Safety</b>			
5 Additional Sworn Police Positions	Public Safety	8,068,849	3,580,713
6 Public Safety Non-Sworn Positions and Recruitment Costs	Public Safety	982,622	413,038
7 Police Officer Lateral Hire Incentives and Recruitment Costs	Public Safety	658,671	9,994
8 Additional Dispatchers	Public Safety	810,394	255,248
9 Reinstatement of Fire Squad	Public Safety	942,565	642,797
10 Reinstatement of Captains (Training and Arson)	Public Safety	585,486	265,264
11 Reinstatement of Battalion Chief	Public Safety	416,296	185,628
12 Revised PD Vehicle Replacement and Maintenance Plan	Public Safety	2,509,151	653,586
14 Revised Fire Vehicle Replacement and Maintenance Plan	Public Safety	3,712,952	2,340,016
16 Additional Fleet Mechanics for Police Department (2)	Public Safety	218,153	91,501
17 Additional Fleet Mechanics for Fire Department (2)	Public Safety	228,155	109,060
34 4-Person Staffing on Fire Trucks	Public Safety	1,194,497	631,243
35 Fire Equipment and One-Time Operating Needs	Public Safety	189,527	64,019
36 Contingency - Fire Radios	Public Safety	568,231	-
37 Recreation - Summer Pools	Public Safety	50,000	25,000
38 Arlington Youth Innovation Center Furniture, Fixtures & Equip.	Public Safety	600,000	4,531
40 Library Security Guards	Public Safety	122,000	94,096
<b>Total Public Safety</b>		<b>21,857,549</b>	<b>9,365,732</b>
<b>Critical Operating Needs</b>			
18 Funding Gap - Existing Services	Critical Operating Needs	18,266,026	9,133,013
19 General Plan Update	Critical Operating Needs	4,966,581	9,525
20 Homeless Services	Critical Operating Needs	1,306,606	211,267
21 Principal Analyst - City Manager's Office	Critical Operating Needs	161,100	76,884
22 Budget Engagement Commission Support	Critical Operating Needs	27,000	4,332
<b>Total Critical Operating Needs</b>		<b>24,727,313</b>	<b>9,435,020</b>
<b>Facility Capital Needs</b>			
23 New Downtown Main Library and Archives	Facility Capital Needs	4,840,735	2,559,750
24 Eastside Library Site Selection	Facility Capital Needs	100,000	-
25 New Police Headquarters	Facility Capital Needs	2,227,953	1,066,000
26 Museum Expansion and Rehab	Facility Capital Needs	99,220	74,217
28 Annual Deferred Maintenance	Facility Capital Needs	1,429,867	651,231
<b>Total Facility Capital Needs</b>		<b>8,697,775</b>	<b>4,351,198</b>
<b>Quality of Life</b>			
29 Maximize Roads/Streets (Pavement Condition Index)	Quality of Life	12,789,674	460,494
30 Tree Trimming	Quality of Life	2,018,534	481,512
31 Ward Action Team - City Attorney's Office	Quality of Life	282,065	144,014
32 Ward Action Team - City Manager's Office	Quality of Life	142,883	-
39 Public Safety and Engagement Team (PSET)	Quality of Life	3,429,435	423,978
41 Homeless Shelters	Quality of Life	2,364,000	-
<b>Total Quality of Life</b>		<b>21,026,591</b>	<b>1,509,998</b>
<b>Technology</b>			
33 Technology Improvements	Technology	5,454,083	284,105
<b>Total Technology</b>		<b>5,454,083</b>	<b>284,105</b>
<b>Expenditures</b>		<b>85,437,801</b>	<b>25,783,298</b>



# FY 2018-2020 TWO-YEAR BUDGET: FY 2019/20 SECOND QUARTER UPDATE

## Finance Department

City Council  
April 21, 2020

RiversideCA.gov

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## GENERAL FUND OVERVIEW

FY 2019/20 Adopted Budget	
Revenue & Transfers In	\$279,136,415
Expenditures & Transfers Out	280,372,427
Surplus/(Deficit)	\$(1,236,012)

General Fund Reserves (in millions)	
Emergency Reserves (15%)	\$42.0 M
Economic Contingency Reserves (5%)	14.0 M
Budgeted Use of Reserves	1.2 M
Pension Stabilization Reserves	9.4 M
Surplus Reserves	-

### Quarter 2 Highlights

- ✓ Revenues 37%
- ✓ Expenditures 47%

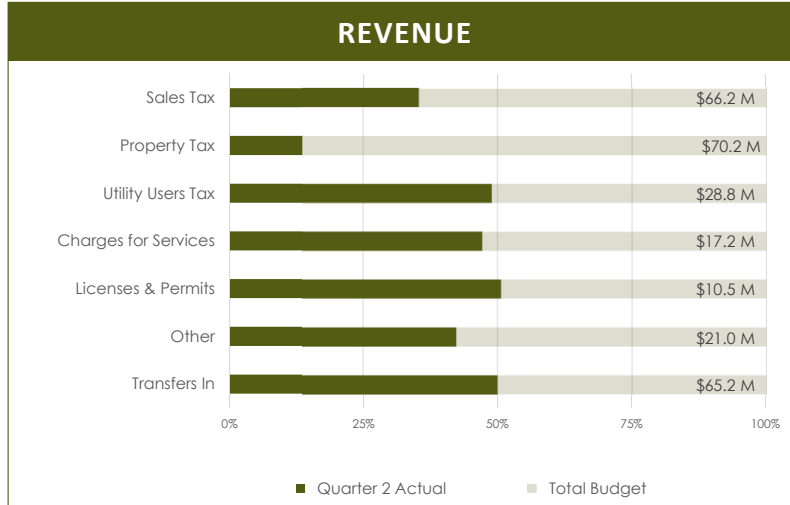


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# GENERAL FUND REVENUE

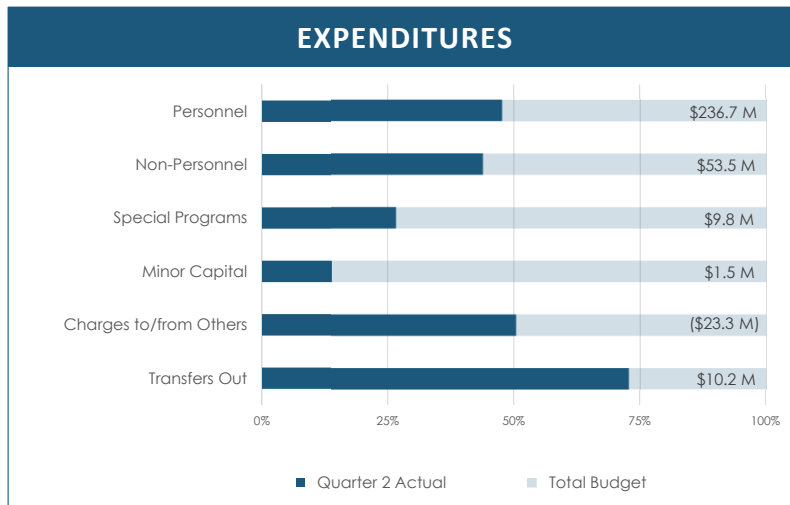


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# GENERAL FUND EXPENDITURES



*Includes prior fiscal year carryovers.*



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## MEASURE Z OVERVIEW

### MEASURE Z SUMMARY

	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Allocations
Revenue	\$12,606,428	\$56,222,806	\$62,692,745	\$62,300,000
Spending Allocations	9,973,447	36,134,811	61,605,561	64,820,389
Carryovers			(20,617,412)	20,617,412
Net Change in Fund Balance	2,632,981	20,087,995	21,704,596	(25,104,904)
Fund Balance Reserve	-	-	5,000,000	-
<b>Fund Balance</b>	<b>\$2,632,981</b>	<b>\$22,720,976</b>	<b>\$39,425,572</b>	<b>\$16,287,771</b>



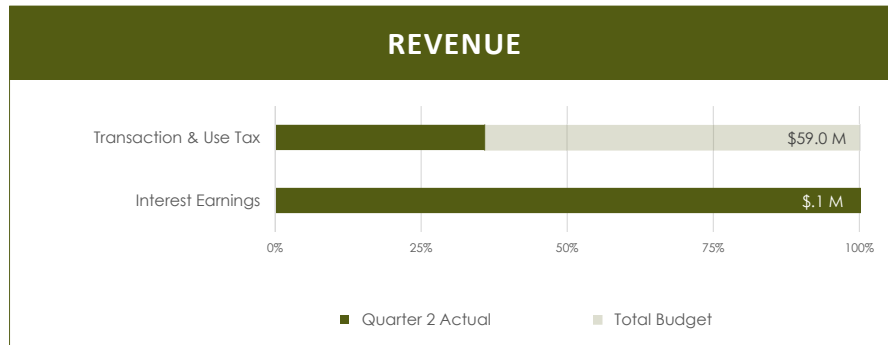
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## MEASURE Z REVENUE

### REVENUE



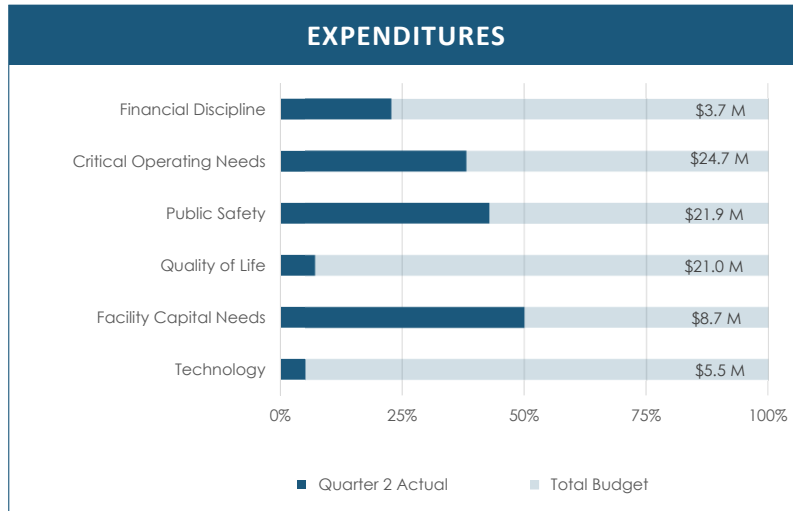
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## MEASURE Z EXPENDITURES



*Includes prior fiscal year carryovers.*

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## SEWER FUND OVERVIEW

### FY 2019/20 Adopted Budget

Revenue & Transfers In	\$68,439,438
Expenditures & Transfers Out	64,989,311
Surplus/(Deficit)	\$3,450,127

### Fund Reserves

Beginning Balance	\$99,455,823
Estimated Revenues	68,439,438
Budgeted Expenditures*	99,313,151
Estimated Ending Reserves	\$68,582,110

*\* Includes prior fiscal year carryovers.*

### Quarter 2 Highlights

- Revenues 52%
- Expenditures 49%

Expenditures occur unevenly throughout the year.

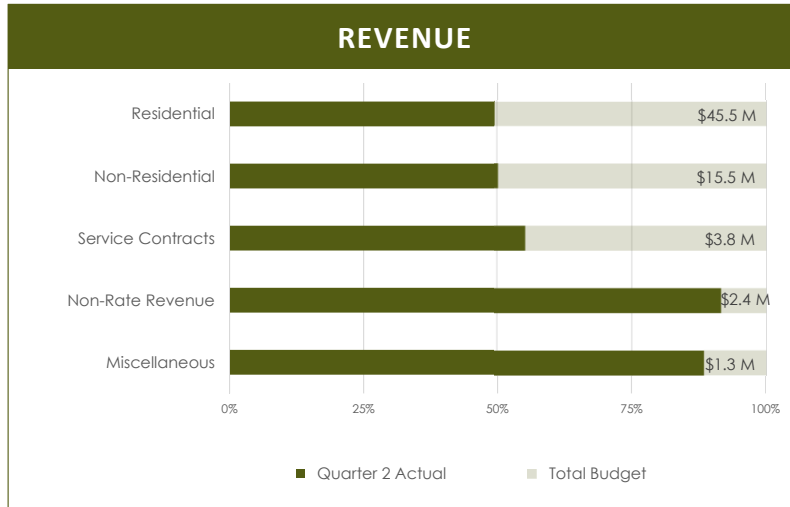
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## SEWER FUND REVENUE

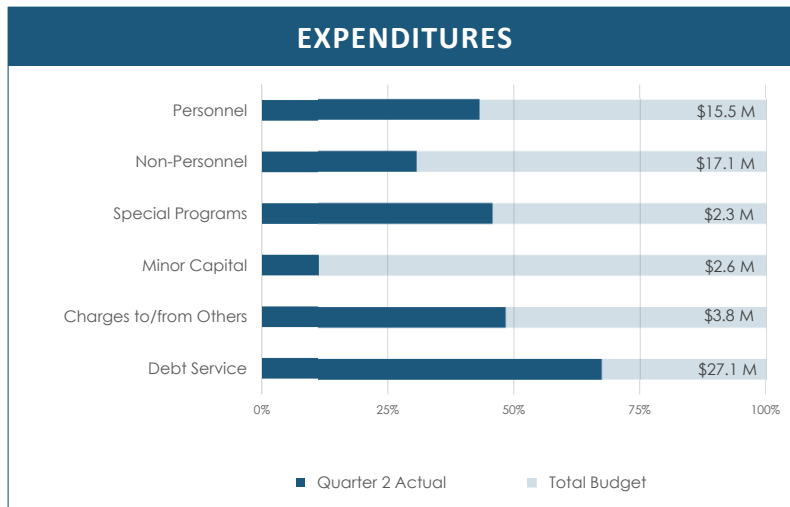


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## SEWER FUND EXPENDITURES



*Includes prior fiscal year carryovers; excludes capital projects.*

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## REFUSE FUND OVERVIEW

### FY 2019/20 Adopted Budget

Revenue & Transfers In	\$25,441,965
Expenditures & Transfers Out	26,815,371
Surplus/(Deficit)	\$(1,373,406)

### Fund Reserves

Beginning Balance	\$8,326,106
Estimated Revenues*	25,441,965
Budgeted Expenditures*	28,725,073
Estimated Ending Reserves	\$5,042,998

### Quarter 2 Highlights



Revenues 50%



Expenditures 40%

Expenditures occur unevenly throughout the year.



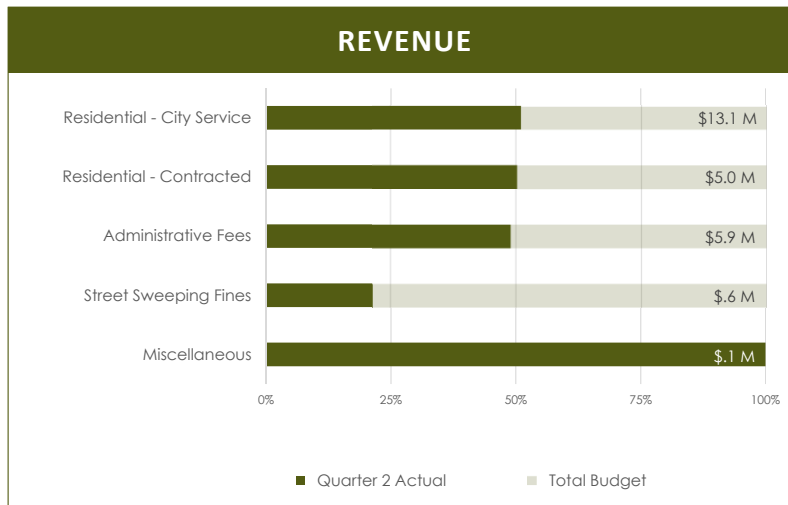
\* Includes revenue adjustments and prior fiscal year expenditure carryovers.

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## REFUSE FUND REVENUE

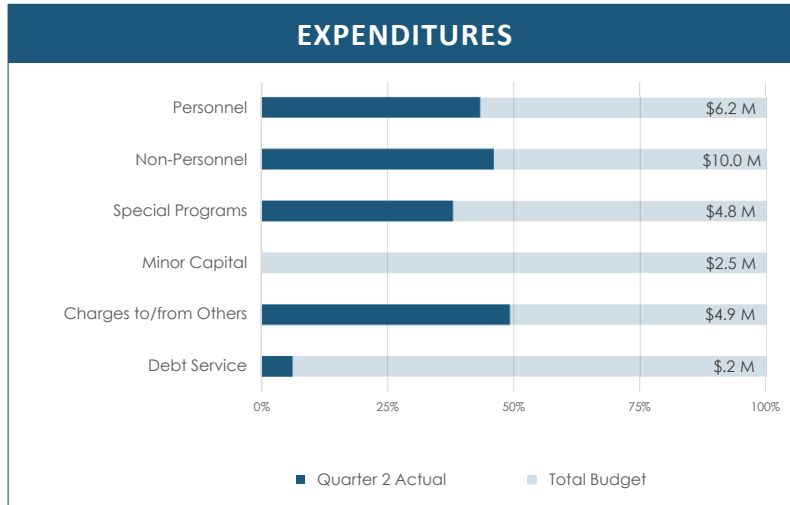


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## REFUSE FUND EXPENDITURES



\* Includes prior fiscal year carryovers; excludes capital project budget.

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## ELECTRIC FUND OVERVIEW

### FY 2019/20 Adopted Operating Budget

Revenue & Transfers In	\$382,074,694
Expenditures & Transfers Out	404,034,819
Surplus/(Deficit)*	\$(21,960,125)

### Unrestricted, Undesignated Cash Reserves

Cash Reserves	\$185 M
Available Line of Credit	\$35 M
Minimum Reserve Level	\$131 M
Maximum Reserve Level	\$209 M

### Quarter 2 Highlights

- ✓ Revenues 53%
- ✓ Expenditures 48%

Expenditures occur unevenly throughout the year.

\*Strategic drawdown of cash reserves.

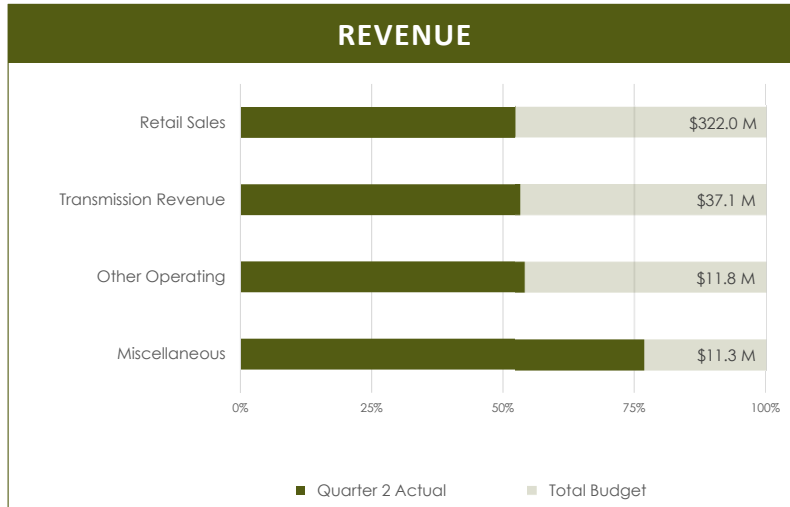
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## ELECTRIC FUND REVENUE

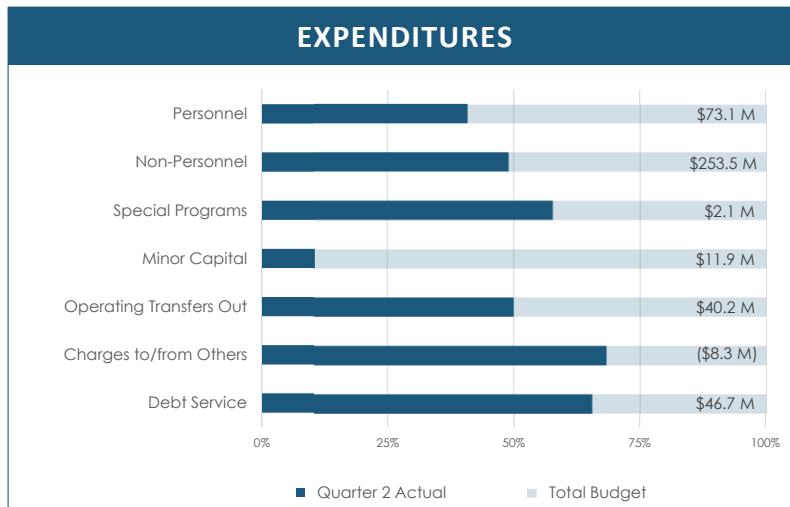


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## ELECTRIC FUND EXPENDITURES



*Includes prior fiscal year carryovers; excludes capital projects.*



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# WATER FUND OVERVIEW

## FY 2019/20 Adopted Operating Budget

Revenue & Transfers In	\$80,710,703
Expenditures & Transfers Out	74,840,912
Surplus/(Deficit)	\$5,869,791

## Unrestricted, Undesignated Cash Reserves

Cash Reserves	\$31 M
Available Line of Credit	\$25 M
Minimum Reserve Level	\$39 M
Maximum Reserve Level	\$59 M

## Quarter 2 Highlights



Revenues 53%



Expenditures 47%

Expenditures occur unevenly throughout the year.

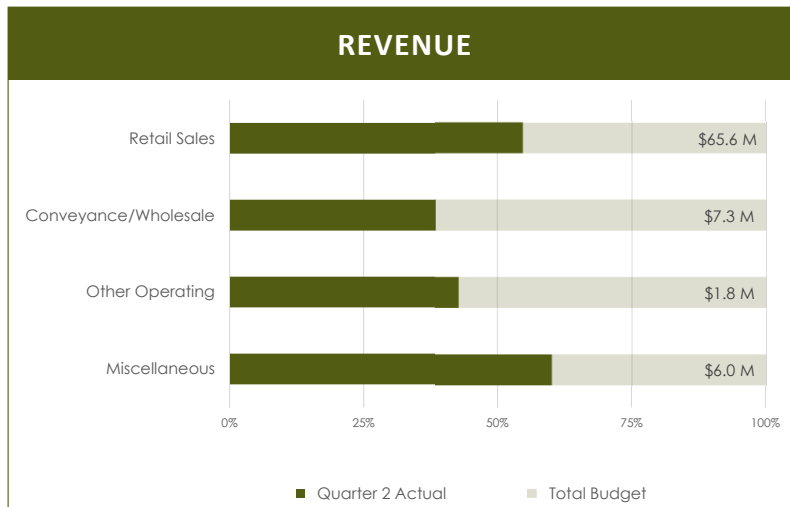


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# WATER FUND REVENUE

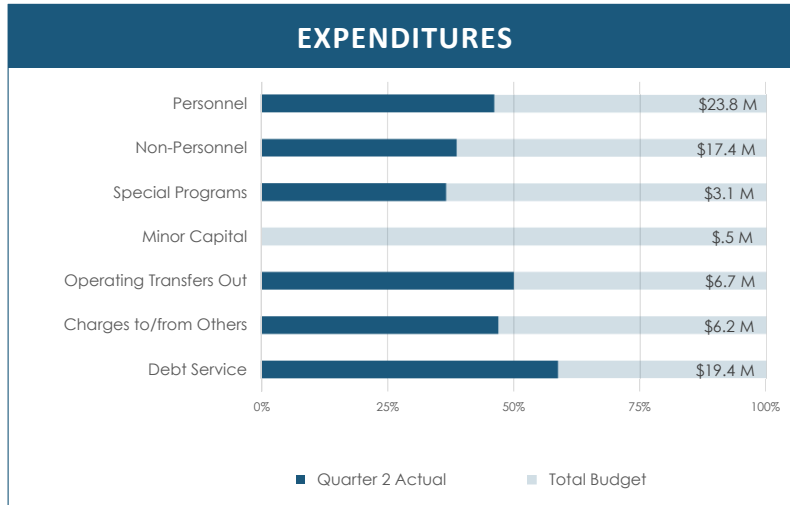


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## WATER FUND EXPENDITURES



\* Includes prior fiscal year carryovers; excludes capital project budget.



## TRANSFERS AND SUPPLEMENTALS

1. **General Fund \$9,353,990 Transfer to the Pension Stabilization Fund:** Transfer the amount previously approved by Council for investment in the Section 115 Pension Trust to a new, separate Pension Stabilization fund (Fund 115).
2. **Electric Fund \$23,000 Interfund Transfer to the General Fund:** Transfer \$23,000 from Electric Administration to the City Attorney due to an inadvertent charge to the City Attorney's budget for the Mission Square 6th floor ADA restroom in FY 2019/20
3. **General Fund \$200,000 Supplemental Appropriation:** Appropriate excess IP Address sale revenues to the Innovation & Technology Department to fund critical needs: software asset management and infrastructure monitoring.
4. **General Fund \$189,046 Budget Correction:** Residual effect of General Fund restructuring; eliminate a budgeted credit charging restricted funds, which will cause a resulting increase in General Fund appropriations.
5. **Air Quality Improvement Fund \$29,763 Supplemental Appropriation:** Appropriate bus pass revenues for the purchase of bus passes for the City Pass Program.



## RECOMMENDATIONS

That the City Council:

1. Receive and provide input on the attached Fiscal Year 2019/20 Second Quarter Financial Report and Measure Z update;
2. Approve an interfund transfer of \$9,353,990 from the General Fund to the Pension Stabilization Fund, representative of the amount previously approved for investment in the Section 115 Pension Trust;
3. Approve an interfund transfer of \$23,000 from the Electric Fund to the General Fund to reimburse the General Fund for a prior year accounting error;
4. Approve an increase in revenues of \$200,000 and a supplemental appropriation of \$200,000 in the General Fund Innovation & Technology department for critical technology needs;



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## RECOMMENDATIONS

5. Eliminate a budgeted transfer of costs in the amount of \$189,046 from General Fund Fire Prevention to the Grants and Restricted Programs Fund, Certified Unified Program Agency account, effectively increasing General Fund appropriations; and
6. Approve a supplemental appropriation of buss pass revenues in the amount of \$29,763 to the Air Quality Improvement Fund, City Pass Program account.



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# City Council Memorandum

*City of Arts & Innovation*

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**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: APRIL 21, 2020**

**FROM: FINANCE DEPARTMENT      WARDS: ALL**

**SUBJECT: FISCAL YEAR 2019/20 SECOND QUARTER CASH, INVESTMENTS, AND DEBT REPORT**

**ISSUE:**

Receive and provide input on the attached Fiscal Year 2019/20 Second Quarter Cash, Investments, and Debt Report.

**RECOMMENDATION:**

That the City Council receive and provide input on the attached Fiscal Year 2019/20 Second Quarter Cash, Investments, and Debt Report.

**BACKGROUND:**

On February 11, 2020, the City Council received and provided input on the Fiscal Year 2019/20 First Quarter Cash and Investments and Debt report. In quarters prior to April 23, 2019, this information was included in a comprehensive Quarterly Financial Report. The Finance Department separated the General Fund and Measure Z Quarterly Financial report from the Cash Investments and Debt Quarterly report as of April 23, 2019 to increase financial accountability and transparency as it relates to the City's Debt and Investment activities.

**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 Measure Z in order to provide a comprehensive review of all City Finance activities and to obtain City Council input related to those activities.

**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 December 31, 2019, the City's pooled investment portfolio's market value was \$669 million, with the market value of investments held by Southern California Public Power Authority and fiscal agents (bond proceeds and reserve funds primarily) amounting to an additional \$270 million. The weighted average yield of the pooled investment portfolio is 1.960%.

The authority to manage the City's investment program is provided by the 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:

1. Civic Entertainment Fund – Convention Center, Visitors Bureau, Sports Commission (\$446,857), and Special Districts (\$1,542,404), have negative cash balances due to timing of expenditures; however, the negative balances are fully offset by outstanding receivables.
2. Urban Areas Security Initiative (\$145,641), Grants and Restricted Programs (\$835,236), Housing Opportunities for Persons with AIDS (\$830,167), Capital Outlay - Grants (\$922,581), and Transportation Uniform Mitigation Fees (\$2,136,452) have negative cash balances due to the timing of expenditures; however, the negative balances are fully offset by grant receivables.
3. Debt Service Fund – General (\$11,589,416) 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 (\$17 million).
4. Central Stores (\$141,807) which is fully offset by inventory assets that will be recouped when charged out for usage to various departments.

## **QUARTERLY DEBT REPORT**

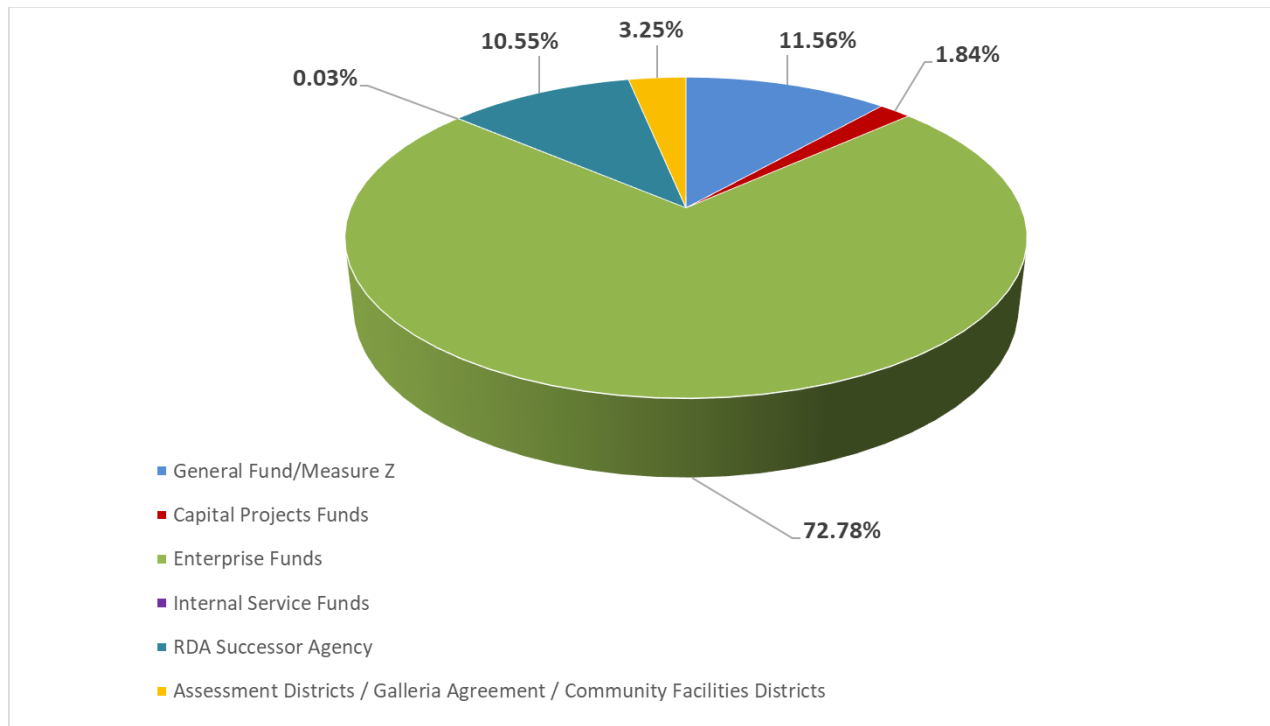
The Finance Department is responsible for managing the City's debt portfolio, which includes issuing new debt and monitoring opportunities to refinance existing debt as opportunities to reduce financing costs arise. The Quarterly Debt Report (Attachment 2) summarizes the composition of the City's debt 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 second quarter of Fiscal Year 2020 by debt classification and fund.

### *Debt Summary Analysis*

The City's outstanding principal changes quarterly as a result 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 \$23,163,936 from the end of the first quarter of fiscal year 2020. This principal decrease is due to debt service principal payments on the City's Electric and Water Revenue Bonds, Lease Revenue Bonds, Capital Leases, and Private

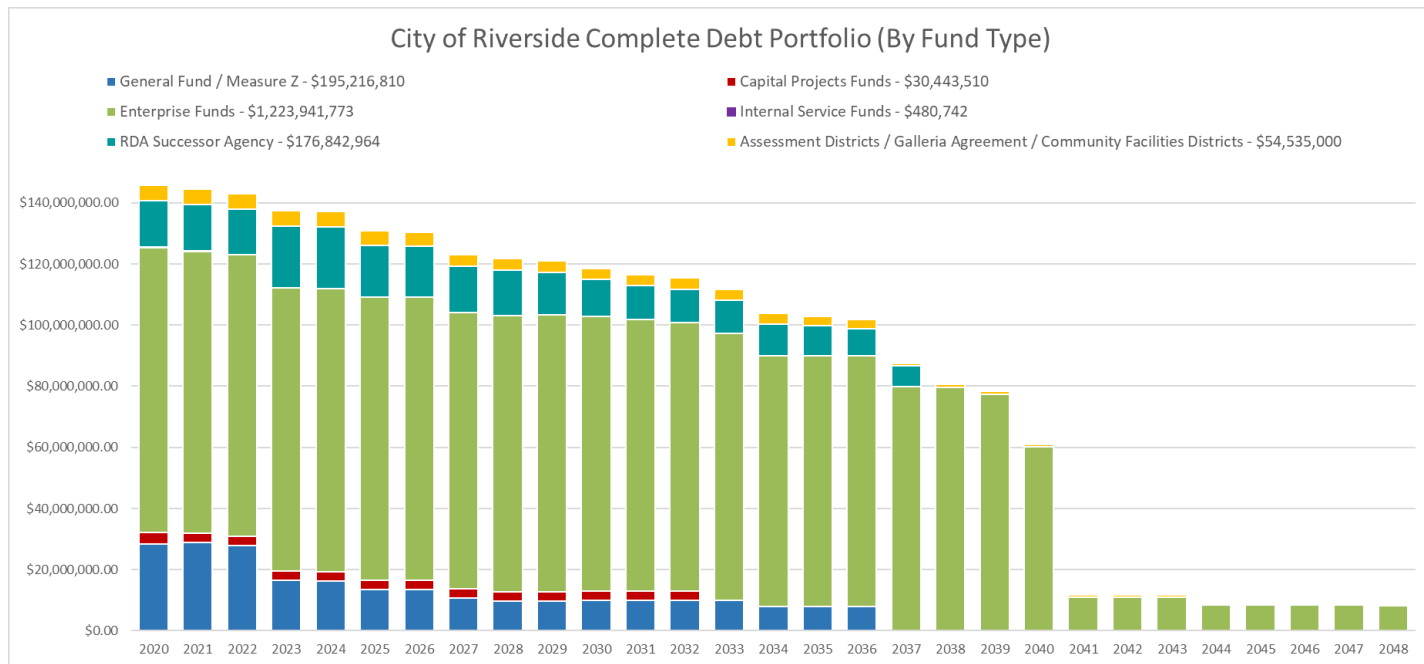
### Placement Loans.

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 the majority 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.



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 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 aren’t 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 Second Quarter**

Finance staff regularly monitor the market in order to identify opportunities to maximize debt service savings through refunding and to issue debt when rates are most advantageous. Within the second quarter, the Financing Team completed the rate reset of the RPU 2011A Water Revenue Bonds and began preparing legal documents and disclosures related to the Electric 2011A Privately placed variable rate bonds. Staff also worked on preparing a 20-year forecast of all debt service-related expenses as part of the biennial budget preparation, and prepared various debt related reports to the California Debt and Investment Advisory Commission (CDIAC) and the State Controller’s Office.

Other debt related activities conducted within the second quarter include:

- CFD 2015-1 Orangecrest 2020 Bond Sale
- Debt Service 20 Year Budget Preparation
- CFD Formation analysis for tentative tract no. 28987
- Feasibility analysis of Citywide CFD formation
- JCFA formation with Riverside Unified School District CFD 34
- Preparation and levy of 2020 Downtown BID
- Continuing Disclosure Analysis and Reports for 2004 and 2005 POBs
- Preparation and filing of SB 165 Report

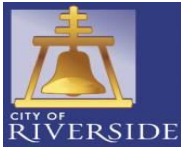
**FISCAL IMPACT:**

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: Charlie Myers, Deputy City Manager  
 Approved as to form: Gary G. Geuss, City Attorney

Attachments:

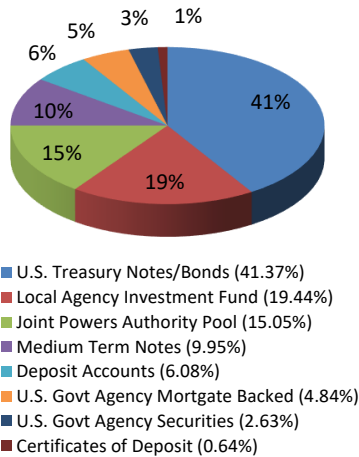
1. Cash and Investment Report
2. Quarterly Debt Report
3. Presentation



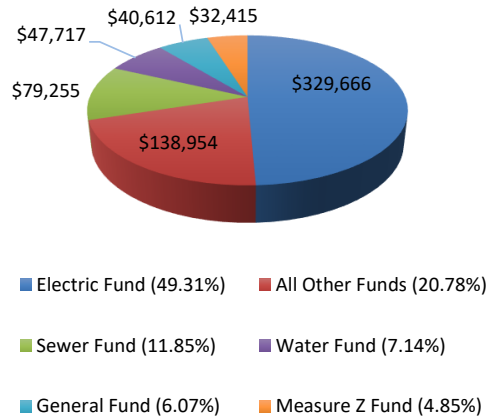
## CITY OF RIVERSIDE Quarterly Investment Report December 31, 2019

	AMORTIZED COST	MARKET VALUE
<b>POOLED INVESTMENT PORTFOLIO</b>		
Deposit Accounts	\$ 40,670,392.68	\$ 40,670,392.68
Joint Powers Authority Pool	100,608,755.25	100,608,755.25
Local Agency Investment Fund (LAIF)	130,000,000.00	130,000,000.00
Certificates of Deposit	4,193,493.40	4,260,175.54
Medium Term Notes	65,102,159.85	66,538,477.06
U.S. Govt Agency Mortgage Backed Securities	32,023,616.75	32,351,543.38
U.S. Govt Agency Securities	17,187,128.07	17,552,255.82
U.S. Treasury Notes/Bonds	273,862,279.12	276,637,215.97
<b>TOTAL POOLED INVESTMENT PORTFOLIO</b>	<b>663,647,825.12</b>	<b>668,618,815.70</b>
<b>INVESTMENTS HELD BY SCPPA</b>	<b>4,256.97</b>	<b>4,256.97</b>
<b>INVESTMENTS HELD BY FISCAL AGENT</b>	<b>269,406,635.56</b>	<b>270,271,893.42</b>
<b>TOTAL CASH &amp; INVESTMENTS</b>	<b>\$ 933,058,717.65</b>	<b>\$ 938,894,966.09</b>

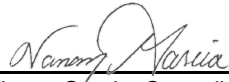
**COMPOSITION OF POOLED PORTFOLIO**



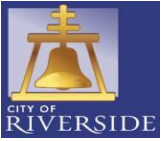
**COMPOSITION OF POOLED PORTFOLIO BY FUND**



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 12/15/15. 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 pooled investment portfolio is 1.20 years. Market prices of securities are obtained from Interactive Data Corporation. Weighted average yield on cost is 1.960%. 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.

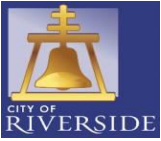
Verified by:   
Nancy Garcia, Controller

Approved by:   
Edward P. Enriquez, Chief Financial Officer/Treasurer



**CITY OF RIVERSIDE**  
**Pooled Investment Portfolio Holdings**  
**December 31, 2019**

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	AMORTIZED COST	YIELD ON MATURITY	MARKET VALUE
<b><u>DEPOSIT ACCOUNTS</u></b>							
Bank of America	Varies	Varies	Coll. <sup>1</sup>	Varies	35,522,601.48	0.50%	35,522,601.48
Citizens Business Bank	Varies	Varies	Coll. <sup>1</sup>	Varies	5,147,791.20	0.50%	5,147,791.20
<b>SUBTOTAL DEPOSIT ACCOUNTS</b>					<b>40,670,392.68</b>		<b>40,670,392.68</b>
<b><u>JOINT POWERS AUTHORITY POOL</u></b>							
California Asset Management Program (CAMP)	Varies	Varies	AAA	Varies	100,608,755.25	1.80%	100,608,755.25
<b>SUBTOTAL JOINT POWERS AUTHORITY POOL</b>					<b>100,608,755.25</b>		<b>100,608,755.25</b>
<b><u>LOCAL AGENCY INVESTMENT FUND (LAIF)</u></b>							
	Varies	Varies	NR	Varies	<b>130,000,000.00</b>	2.02%	<b>130,000,000.00</b>
<b><u>CERTIFICATES OF DEPOSIT</u></b>							
Belmont Savings Bank	1.40%	02/18/20	FDIC	02/17/16	249,000.00	1.40%	249,220.70
Bank of Wisconsin Dells	1.50%	07/17/20	FDIC	02/17/16	249,000.00	1.50%	248,941.35
Bridgewater Bank	1.50%	08/17/20	FDIC	02/17/16	249,000.00	1.50%	248,915.45
Unity Bank	1.50%	08/26/20	FDIC	02/26/16	249,000.00	1.50%	249,660.74
Barclays Bank Delaware	2.20%	09/16/20	FDIC	09/16/15	247,000.00	2.20%	249,636.80
Bank Of Charles Town	1.80%	09/30/20	FDIC	09/30/15	249,000.00	1.80%	250,144.06
HSBC Bank USA, National Association	3.10%	11/17/20	FDIC	11/23/15	246,000.00	3.09%	249,847.17
Enerbank USA Inc.	1.90%	01/28/21	FDIC	01/28/16	247,000.00	1.90%	249,635.14
The State Bank and Trust Company	1.60%	02/17/21	FDIC	02/17/16	249,000.00	1.60%	250,372.37
BMW Bank of North America Inc.	3.00%	07/13/21	FDIC	07/13/18	244,937.52	3.02%	253,317.99
Citibank, N.A.	3.00%	07/13/21	FDIC	07/13/18	244,937.52	3.02%	253,317.99
Wells Fargo Bank, National Association	3.00%	07/13/21	FDIC	07/13/18	244,937.52	3.02%	250,254.92
Ally Bank	3.00%	07/19/21	FDIC	07/19/18	244,936.85	3.02%	253,245.68
Discover Bank	3.00%	07/19/21	FDIC	07/18/18	244,936.91	3.02%	253,266.06
Medallion Bank	3.00%	07/20/21	FDIC	07/20/18	244,936.74	3.02%	250,171.29
Merrick Bank Corporation	2.95%	07/20/21	FDIC	07/20/18	244,936.74	2.97%	249,979.10
Hanmi Bank	2.95%	08/17/21	FDIC	08/17/18	244,933.61	2.97%	250,248.72
<b>SUBTOTAL CERTIFICATES OF DEPOSIT</b>					<b>4,193,493.40</b>		<b>4,260,175.54</b>
<b><u>MEDIUM TERM NOTES</u></b>							
TOYOTA MOTOR CREDIT CORP	1.95%	04/17/20	AA- / Aa3	02/27/18	2,195,938.21	2.59%	2,208,773.10
AMERICAN HONDA FINANCE CORP	3.00%	06/16/20	A / A2	07/16/18	4,173,613.14	3.07%	4,197,801.18
WALMART INC	2.85%	06/23/20	AA / Aa2	06/27/18	12,674,034.05	2.87%	12,747,159.58
CISCO SYSTEMS INC	2.20%	02/28/21	AA- / A1	03/14/18	5,261,504.09	2.84%	5,370,860.82
AMERICAN HONDA FINANCE CORP	3.38%	12/10/21	A / A2	10/10/18	5,448,258.16	3.39%	5,621,076.10
APPLE INC	2.30%	05/11/22	AA+ / Aa1	02/22/18	7,386,141.81	2.97%	7,614,006.03
BERKSHIRE HATHAWAY FINANCE CORP	3.00%	05/15/22	AA / Aa2	03/14/19	5,124,261.72	2.68%	5,245,894.04
ORACLE CORP	2.50%	05/15/22	A+ / A1	02/21/19	2,549,754.06	2.85%	2,611,954.39
EXXON MOBIL CORP	1.90%	08/16/22	AA+ / Aaa	08/16/19	2,375,000.00	1.90%	2,405,049.31
ORACLE CORP	2.50%	10/15/22	A+ / A1	03/14/19	5,955,903.54	2.78%	6,142,980.95
BERKSHIRE HATHAWAY FINANCE CORP	2.75%	03/15/23	AA / Aa2	05/13/19	4,448,580.87	2.65%	4,583,665.78
CHEVRON CORP	3.19%	06/24/23	AA / Aa2	02/21/19	5,046,205.75	2.89%	5,208,415.76
TOYOTA MOTOR CREDIT CORP	3.45%	09/20/23	AA- / Aa3	02/21/19	2,462,964.45	3.06%	2,580,840.03
<b>SUBTOTAL MEDIUM TERM NOTES</b>					<b>65,102,159.85</b>		<b>66,538,477.06</b>
<b><u>U.S. GOVERNMENT AGENCY MORTGAGE BACKED SECURITIES</u></b>							
FHMS K019 A2	2.27%	03/25/22	AA+ / Aaa	07/10/19	11,984,944.67	2.09%	12,045,378.71
FHMS K026 A2	2.51%	11/25/22	AA+ / Aaa	04/22/19	9,954,823.75	2.63%	10,159,425.67
FHMS K723 A2	2.45%	08/25/23	AA+ / Aaa	07/19/19	10,083,848.33	2.17%	10,146,739.00

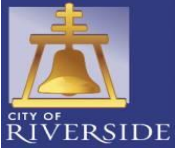


**CITY OF RIVERSIDE**  
**Pooled Investment Portfolio Holdings**  
**December 31, 2019**

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	AMORTIZED COST	YIELD ON MATURITY	MARKET VALUE
<b>SUBTOTAL U.S. GOVERNMENT AGENCY MORTGAGE BACKED SECURITIES</b>					<b>32,023,616.75</b>		<b>32,351,543.38</b>
<b><u>U.S. GOVERNMENT AGENCY SECURITIES</u></b>							
FEDERAL HOME LOAN MORTGAGE CORP	2.38%	02/16/21	AA+ / Aaa	04/27/18	7,972,156.42	2.69%	8,139,831.52
FEDERAL NATIONAL MORTGAGE ASSOCIATION	2.63%	01/11/22	AA+ / Aaa	01/11/19	4,112,972.61	2.65%	4,249,273.29
FEDERAL NATIONAL MORTGAGE ASSOCIATION	2.63%	01/11/22	AA+ / Aaa	10/29/19	5,101,999.04	1.60%	5,163,151.02
<b>SUBTOTAL U.S. GOVERNMENT AGENCY SECURITIES</b>					<b>17,187,128.07</b>		<b>17,552,255.82</b>
<b><u>U.S. GOVERNMENT TREASURY SECURITIES</u></b>							
UNITED STATES TREASURY	1.50%	04/15/20	AA+ / Aaa	08/11/17	4,000,410.92	1.46%	4,011,694.89
UNITED STATES TREASURY	1.13%	04/30/20	AA+ / Aaa	01/18/17	7,714,040.31	1.56%	7,726,523.44
UNITED STATES TREASURY	1.38%	05/31/20	AA+ / Aaa	07/13/15	6,994,258.15	1.58%	7,000,211.30
UNITED STATES TREASURY	1.50%	05/31/20	AA+ / Aaa	08/22/16	6,514,047.42	0.97%	6,504,936.59
UNITED STATES TREASURY	1.88%	06/30/20	AA+ / Aaa	03/17/16	7,667,387.69	1.41%	7,659,658.21
UNITED STATES TREASURY	2.13%	08/31/20	AA+ / Aaa	04/27/18	10,220,478.51	2.57%	10,354,833.23
UNITED STATES TREASURY	2.13%	08/31/20	AA+ / Aaa	11/09/15	2,006,679.94	1.62%	2,020,455.26
UNITED STATES TREASURY	2.13%	08/31/20	AA+ / Aaa	12/12/17	7,786,941.50	1.89%	7,854,519.84
UNITED STATES TREASURY	2.00%	09/30/20	AA+ / Aaa	12/15/16	10,022,670.86	1.69%	10,076,599.67
UNITED STATES TREASURY	2.63%	11/15/20	AA+ / Aaa	11/07/17	13,952,438.65	1.77%	14,013,255.81
UNITED STATES TREASURY	1.63%	11/30/20	AA+ / Aaa	01/22/16	6,014,362.27	1.36%	6,007,120.59
UNITED STATES TREASURY	2.38%	12/31/20	AA+ / Aaa	07/30/18	4,882,725.65	2.74%	4,934,962.71
UNITED STATES TREASURY	2.00%	01/15/21	AA+ / Aaa	07/30/18	4,862,709.03	2.75%	4,963,455.64
UNITED STATES TREASURY	2.00%	02/28/21	AA+ / Aaa	03/17/16	5,531,006.21	1.51%	5,559,731.33
UNITED STATES TREASURY	2.00%	02/28/21	AA+ / Aaa	10/18/17	6,020,854.73	1.70%	6,065,161.45
UNITED STATES TREASURY	2.25%	03/31/21	AA+ / Aaa	08/22/16	2,840,207.61	1.09%	2,837,335.80
UNITED STATES TREASURY	2.63%	06/15/21	AA+ / Aaa	09/28/18	10,958,429.99	2.89%	11,173,252.89
UNITED STATES TREASURY	2.13%	06/30/21	AA+ / Aaa	11/07/17	3,412,973.80	1.87%	3,427,027.89
UNITED STATES TREASURY	2.25%	07/31/21	AA+ / Aaa	04/09/18	1,245,104.93	2.50%	1,274,367.20
UNITED STATES TREASURY	2.25%	07/31/21	AA+ / Aaa	08/22/16	6,614,480.12	1.12%	6,626,709.45
UNITED STATES TREASURY	2.13%	09/30/21	AA+ / Aaa	11/17/16	12,588,112.22	1.71%	12,679,307.38
UNITED STATES TREASURY	2.88%	10/15/21	AA+ / Aaa	01/11/19	12,318,876.16	2.55%	12,599,725.85
UNITED STATES TREASURY	2.00%	11/15/21	AA+ / Aaa	01/11/19	8,055,286.56	2.54%	8,220,201.25
UNITED STATES TREASURY	1.88%	11/30/21	AA+ / Aaa	08/11/17	5,413,037.01	1.75%	5,440,280.46
UNITED STATES TREASURY	2.13%	12/31/21	AA+ / Aaa	04/09/18	1,239,876.68	2.54%	1,263,207.97
UNITED STATES TREASURY	1.88%	02/28/22	AA+ / Aaa	08/11/17	11,021,889.63	1.78%	11,137,157.37
UNITED STATES TREASURY	1.88%	05/31/22	AA+ / Aaa	08/11/17	1,752,604.28	1.81%	1,764,900.10
UNITED STATES TREASURY	2.00%	07/31/22	AA+ / Aaa	09/28/18	2,441,739.39	2.94%	2,546,703.91
UNITED STATES TREASURY	1.88%	08/31/22	AA+ / Aaa	10/18/17	2,597,687.97	1.91%	2,635,567.61
UNITED STATES TREASURY	1.88%	09/30/22	AA+ / Aaa	04/09/18	1,225,659.50	2.61%	1,265,476.68
UNITED STATES TREASURY	1.88%	09/30/22	AA+ / Aaa	12/12/17	3,724,171.95	2.13%	3,796,430.04
UNITED STATES TREASURY	2.13%	12/31/22	AA+ / Aaa	12/24/18	6,007,634.14	2.65%	6,193,283.51
UNITED STATES TREASURY	2.38%	01/31/23	AA+ / Aaa	04/09/18	1,240,520.82	2.63%	1,290,792.32
UNITED STATES TREASURY	1.63%	05/31/23	AA+ / Aaa	11/04/19	12,435,263.56	1.54%	12,418,101.09
UNITED STATES TREASURY	2.63%	06/30/23	AA+ / Aaa	09/28/18	5,437,671.93	2.97%	5,686,450.63
UNITED STATES TREASURY	2.63%	06/30/23	AA+ / Aaa	12/24/18	8,990,372.92	2.66%	9,305,101.04
UNITED STATES TREASURY	1.63%	10/31/23	AA+ / Aaa	11/04/19	12,440,038.94	1.54%	12,423,186.23
UNITED STATES TREASURY	2.88%	11/30/23	AA+ / Aaa	01/11/19	3,036,422.87	2.55%	3,145,471.98
UNITED STATES TREASURY	2.25%	01/31/24	AA+ / Aaa	06/07/19	10,651,394.31	1.88%	10,842,087.49
UNITED STATES TREASURY	2.00%	04/30/24	AA+ / Aaa	11/04/19	12,629,648.56	1.56%	12,612,258.16
UNITED STATES TREASURY	1.75%	06/30/24	AA+ / Aaa	09/11/19	9,352,161.43	1.50%	9,279,711.71
<b>SUBTOTAL U.S. GOVERNMENT TREASURY SECURITIES</b>					<b>273,862,279.12</b>		<b>276,637,215.97</b>
<b>TOTAL POOLED CASH &amp; INVESTMENTS</b>					<b>663,647,825.12</b>		<b>668,618,815.70</b>
<b>WEIGHTED AVERAGE MATURITY</b>							

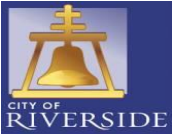
<sup>1</sup> Collateralized in accordance with Section 53652 of the CA state code.





**CITY OF RIVERSIDE**  
**Investments Held by Southern California**  
**Public Power Authority (SCPPA)**  
**December 31, 2019**

<b>DESCRIPTION OF SECURITY/ISSUER</b>	<b>INVESTMENT NUMBER</b>	<b>CUSIP</b>	<b>PURCH DATE</b>	<b>RATING</b>	<b>MATURITY DATE</b>	<b>BOOK VALUE</b>	<b>MARKET VALUE</b>
SCPPA - Cash/MMIA	427290	SYS427290	07/01/01	NR	N/A	4,256.97	4,256.97
<b>TOTAL DEPOSIT ACCOUNTS</b>						<b>4,256.97</b>	<b>4,256.97</b>



**CITY OF RIVERSIDE**  
**Investments Held by Fiscal Agent**  
**December 31, 2019**

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	AMORTIZED COST	YIELD ON MATURITY	MARKET VALUE
<b><u>CASH &amp; MONEY MARKET ACCOUNTS</u></b>							
Cash	Varies	Varies	NR	Varies	6,529,810.42	Varies	6,529,810.42
US Bank Mmkt 5 - CT	0.02%	Varies	A	Varies	1.20	0.02%	1.20
US Bank Gcts0170	1.20%	Varies	A	Varies	21,146,949.91	1.20%	21,146,949.91
US Bank Gcts0185	1.20%	Varies	A	Varies	131,109,443.51	1.20%	131,109,443.51
First American Government Obligation	0.00%	Varies	AAA	Varies	297,421.18	0.00%	297,421.18
First American Prime Obligations Fund CL " Z "	0.02%	Varies	AAA	Varies	24,747,899.56	0.02%	24,747,899.56
<b>SUBTOTAL CASH &amp; MONEY MARKET ACCOUNTS</b>					<b>183,831,525.78</b>		<b>183,831,525.78</b>
<b>LOCAL AGENCY INVESTMENT FUND (LAIF)</b>	<b>0.51%</b>	<b>Varies</b>	<b>NR</b>	<b>Varies</b>	<b>35,031,818.43</b>	<b>0.51%</b>	<b>35,031,818.43</b>
<b><u>BONDS, DEBENTURES, NOTES &amp; AGREEMENTS</u></b>							
Bank of China Ltd CP	4.61%	03/20/20	A	7/31/19	2,861,076.03	4.61%	2,935,889.81
US Treasury Note	1.38%	03/31/20	AAA	2/16/18	2,946,093.76	1.38%	2,998,020.00
US Bank Na C P	0.10%	04/01/20	A	08/1/19	665,062.23	0.10%	665,062.23
CiscoSystems	2.45%	06/15/20	A	1/19/18	3,405,746.00	2.45%	3,410,064.00
US Treasury Note	2.00%	09/30/20	AAA	2/16/18	2,974,218.76	2.00%	3,007,740.00
US Treasury Note	2.38%	12/31/20	AAA	2/16/18	3,000,000.00	2.38%	3,021,210.00
Apple Inc	2.25%	02/23/21	AA	1/23/18	2,999,917.00	2.25%	3,037,969.00
FNMA Debt	1.38%	02/26/21	AAA	03/30/16	370,735.63	1.38%	370,068.79
US Treasury Note	2.13%	06/30/21	AAA	2/16/18	2,966,953.12	2.13%	3,023,670.00
US Treasury Note	2.13%	09/30/21	AAA	2/16/18	2,959,804.68	2.13%	3,026,850.00
US Treasury Note	2.00%	12/31/21	AAA	2/16/18	2,939,882.82	2.00%	3,024,030.00
US Treasury Note	1.88%	03/31/22	AAA	2/16/18	2,918,437.50	1.88%	3,019,110.00
US Treasury Note	2.13%	06/30/22	AAA	2/16/18	2,942,695.32	2.13%	3,039,600.00
US Treasury Note	1.88%	09/30/22	AAA	2/16/18	2,902,617.18	1.88%	3,022,860.00
US Treasury Note	2.13%	12/31/22	AAA	2/16/18	2,929,335.94	2.13%	3,045,690.00
Invnt Agmt-Trinity Plus Fdg Co Gic	4.68%	10/01/29	A	05/14/08	6,411,744.65	4.68%	6,411,744.65
Invnt Agmt-Trinity Plus Fdg Co Gic	4.68%	10/01/35	A	05/14/08	4,348,970.73	4.68%	4,348,970.73
<b>SUBTOTAL BONDS, DEBENTURES, NOTES &amp; AGREEMENTS</b>					<b>50,543,291.35</b>		<b>51,408,549.21</b>
<b>TOTAL INVESTMENTS HELD BY FISCAL AGENT</b>					<b>269,406,635.56</b>		<b>270,271,893.42</b>

City of Riverside  
Cash Balances by Fund  
As of December 31, 2019

Fund		Cash Balance <sup>1</sup>	Interfund Loan Receivables <sup>2</sup>	Cash Balance + Loan Receivables
<b>General Fund</b>	<b>101</b>	<b>40,611,967</b>	-	<b>40,611,967</b>
<b>Measure Z</b>	<b>110</b>	<b>32,414,952</b>	-	<b>32,414,952</b>
<b>Enterprise Funds</b>				
Electric	510	311,409,063	3,802,762	315,211,825
Electric - Public Benefits Program	511	18,256,463	-	18,256,463
Water	520	44,953,473	-	44,953,473
Water - Conservation & Reclamation Program	521	2,763,921	-	2,763,921
Airport	530	1,376,866	-	1,376,866
Refuse Collection	540	7,025,565	-	7,025,565
Sewer Service	550	79,254,636	3,005,567	82,260,203
Special Transit	560	3,017,746	-	3,017,746
Public Parking	570	1,786,512	-	1,786,512
Civic Entertainment (Convention Center, Visitors Bureau, Sports Commission)	580	(446,857)	-	(446,857)
Civic Entertainment (Fox, Box, RMA, Showcase)	581	613,702	-	613,702
<b>SubTotal - Enterprise Funds</b>		<b>470,011,090</b>	<b>6,808,329</b>	<b>476,819,419</b>
<b>Special Revenue Funds</b>				
Urban Areas Security Initiative	205	(145,641)	-	(145,641)
Grants and Restricted Programs	215	(835,236)	-	(835,236)
Community Development Block Grant	220	175,527	-	175,527
Home Investment Partnership Program	221	1,077,553	-	1,077,553
Housing Opportunities for Persons with AIDS	222	(830,167)	-	(830,167)
Community Development Grants	223	1,923,840	-	1,923,840
Neighborhood Stabilization Program	225	128,011	-	128,011
Special Gas Tax	230	19,795,207	-	19,795,207
Air Quality Improvement	240	1,130,379	-	1,130,379
NPDES Storm Drain	260	25,526	-	25,526
Housing Authority	280	5,393,678	-	5,393,678
Housing Assets	281	3,828,077	-	3,828,077
Special Districts	291	(1,542,404)	-	(1,542,404)
<b>SubTotal - Special Revenue Funds</b>		<b>30,124,352</b>	-	<b>30,124,352</b>
<b>Capital Projects Funds</b>				
Capital Outlay	401	3,290,397	-	3,290,397
Storm Drain	410	1,075,361	-	1,075,361
Local Park Special Capital Improvements	411	1,804,347	-	1,804,347
Regional Park Special Capital Improvements	413	2,996,422	-	2,996,422
Measure Z Capital Outlay	420	5,467,439	-	5,467,439
Capital Outlay Grants	430	(922,581)	-	(922,581)
Transportation Projects	431	12,147	-	12,147
Measure A Capital Outlay	432	20,466,844	-	20,466,844
Transportation Development Impact Fees	433	6,005,074	-	6,005,074
Transportation Uniform Mitigation Fees	434	(2,136,452)	-	(2,136,452)
Community Facilities Districts and Assessment Districts	Various	2,371,692	-	2,371,692
<b>SubTotal - Capital Project Funds</b>		<b>40,430,691</b>	-	<b>40,430,691</b>
<b>Debt Service Funds</b>				
Debt Service Fund - General	390	(11,589,416)	-	(11,589,416)
Debt Service Fund - Public Works	391	820,229	-	820,229
<b>SubTotal Debt Service Funds</b>		<b>(10,769,187)</b>	-	<b>(10,769,187)</b>
<b>Agency Funds</b>				
Successor Agency	Various	10,096,338	-	10,096,338
Community Facilities Districts and Assessment Districts	Various	664,211	-	664,211
Special Deposits	Various	20,202,291	-	20,202,291
<b>SubTotal Agency Funds</b>		<b>30,962,840</b>	-	<b>30,962,840</b>
<b>Internal Service Funds</b>				
Workers' Compensation Insurance Trust	610	18,426,388	-	18,426,388
Unemployment Insurance Trust	620	353,459	-	353,459
Liability Insurance Trust	630	7,363,461	-	7,363,461
Central Stores	640	(141,807)	-	(141,807)
Central Garage	650	8,830,609	1,373,049	10,203,658
<b>SubTotal - Internal Service Funds</b>		<b>34,832,110</b>	<b>1,373,049</b>	<b>36,205,159</b>
<b>Total - All Funds \$ 668,618,816 \$ 8,181,378 \$ 676,800,194</b>				

<sup>1</sup> Amount reflects each fund's share of the City's pooled investment portfolio.

<sup>2</sup> Amounts shown are interfund loans outstanding, including the SERAF loan due to the Housing Authority. 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 2019/20 Second Quarter**  
**Summary of Outstanding Debt<sup>1</sup>**

Debt Type By Funding Source	Principal Balance as of 10/1/2019/2019	Q2 New Debt Issued	Q2 Principal Payments	Q2 Interest Payments	Principal Balance as of 12/31/2019	Projected Principal Balance 6/30/2020
<b>General Fund/Measure Z</b>						
General Obligation Bonds	\$ 7,795,000	\$ -	\$ -	\$ -	\$ 7,795,000	\$ 7,795,000
Pension Obligation Bonds	39,571,671	-	-	-	39,571,671	39,571,671
Certificates of Participation	68,508,052	-	-	186,302	68,508,052	66,139,704
Lease Revenue Bonds	56,112,547	-	3,296,067	1,118,875	52,816,480	52,816,480
Ryan Bonaminio Park Loan	1,329,489	-	-	-	1,329,489	-
Capital Leases	19,823,768	-	213,283	20,275	19,610,485	19,107,385
Interfund Loans	2,076,285	-	-	-	2,076,285	2,076,285
<b>Total General Fund</b>	<b>\$ 195,216,810</b>	<b>\$ -</b>	<b>\$ 3,509,350</b>	<b>\$ 1,325,452</b>	<b>\$ 191,707,460</b>	<b>\$ 187,506,524</b>
<b>Capital Projects Funds</b>						
Local Park Impact Fee Fund Interfund Loans	\$ 668,510	\$ -	\$ -	\$ -	\$ 668,510	\$ 668,510
Measure A Certificates of Participation	29,775,000	-	-	739,119	29,775,000	28,255,000
<b>Total Capital Projects Funds</b>	<b>\$ 30,443,510</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 739,119</b>	<b>\$ 30,443,510</b>	<b>\$ 28,923,510</b>
<b>Enterprise Funds</b>						
Pension Obligation Bonds	\$ 11,753,694	\$ -	\$ -	\$ -	\$ 11,753,694	\$ 11,753,694
Electric Fund Revenue Bonds	565,455,000	-	9,935,000	11,705,673	555,520,000	555,520,000
Electric Fund Capital Leases	2,064,960	-	210,054	10,225	1,854,906	1,444,336
Water Fund Revenue Bonds	210,685,000	-	5,520,000	4,983,789	205,165,000	205,165,000
Water Fund Capital Lease	1,775,879	-	-	-	1,775,879	1,666,981
Sewer Fund Revenue Bonds	340,995,000	-	-	-	340,995,000	340,995,000
Sewer Fund Loans	658,391	-	-	-	658,391	332,575
Lease Revenue Bonds	7,867,200	-	393,600	176,697	7,473,600	7,473,600
Certificates of Participation	29,691,948	-	-	80,745	29,691,948	28,060,296
Civic Entertainment Fund Capital Lease	779,608	-	-	-	779,608	521,999
Civic Entertainment Fund Loan	8,121,034	-	255,980	156,330	7,865,055	7,604,148
Convention Center Expansion Loan	35,013,156	-	483,385	276,839	34,529,772	33,555,298
Parking Fund Loans	9,080,902	-	286,235	174,807	8,794,667	8,502,922
<b>Total Enterprise Funds</b>	<b>\$ 1,223,941,773</b>	<b>\$ -</b>	<b>\$ 17,084,253</b>	<b>\$ 17,565,106</b>	<b>\$ 1,206,857,520</b>	<b>\$ 1,202,595,848</b>
<b>Internal Service Funds</b>						
Pension Obligation Bonds	\$ 480,742	\$ -	\$ -	\$ -	\$ 480,742	\$ 480,742
<b>Total Internal Service Funds</b>	<b>\$ 480,742</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 480,742</b>	<b>\$ 480,742</b>
<b>RDA Successor Agency</b>						
Pension Obligation Bonds	\$ 553,893	\$ -	\$ -	\$ -	\$ 553,893	\$ 553,893
Lease Revenue Bonds	15,510,254	-	1,965,333	386,317	13,544,921	13,544,921
Tax Allocation Bonds	157,400,000	-	-	-	157,400,000	157,400,000
Interfund Loans	3,378,817	-	-	-	3,378,817	3,378,817
<b>Total RDA Successor Agency</b>	<b>\$ 176,842,964</b>	<b>\$ -</b>	<b>\$ 1,965,333</b>	<b>\$ 386,317</b>	<b>\$ 174,877,631</b>	<b>\$ 174,877,631</b>
<b>Assessment Districts / Galleria Agreement / Community Facilities Districts</b>						
Assessment Districts	\$ 19,250,000	\$ -	\$ -	\$ -	\$ 19,250,000	\$ 19,250,000
Galleria Mall Improvements District Certificates of Participation	5,000	-	-	-	5,000	5,000
Lease Revenue Refunding Bonds (Galleria) Series 2019A	15,980,000	-	605,000	265,274	15,375,000	15,375,000
Community Facilities Districts	19,300,000	-	-	-	19,300,000	19,300,000
<b>Total AD / Galleria / CFDs</b>	<b>\$ 54,535,000</b>	<b>\$ -</b>	<b>\$ 605,000</b>	<b>\$ 265,274</b>	<b>\$ 53,930,000</b>	<b>\$ 53,930,000</b>
<b>Total</b>	<b>\$ 1,681,460,799</b>	<b>\$ -</b>	<b>\$ 23,163,936</b>	<b>\$ 20,281,268</b>	<b>\$ 1,658,296,863</b>	<b>\$ 1,648,314,255</b>

<sup>1</sup> 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 2019/20 Second Quarter  
Outstanding Debt<sup>1</sup>

Debt Type / Issuance	Year Issued	Final Maturity	Total Issue Size	Outstanding Principal Balance 7/1/2019	Outstanding Principal Balance 10/1/2019	Q2 New Debt Issued	Q2 Principal Payments	Q2 Interest Payments	Outstanding Principal Balance 1/1/2020	Projected Principal Balance 6/30/2020
<b>General Obligation</b>										
Measure G Fire Facility Projects General Obligation Bonds 2004	2004	2024	\$ 20,000,000	\$ 9,085,000	\$ 7,795,000	\$ -	\$ -	\$ -	7,795,000	7,795,000
<b>Total General Obligation Bonds</b>			<b>\$ 20,000,000</b>	<b>\$ 9,085,000</b>	<b>\$ 7,795,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>7,795,000</b>	<b>7,795,000</b>
<b>Pension Obligation<sup>2</sup></b>										
Pension Obligation Bonds Series 2004A	2004	2023	\$ 89,540,000	\$ 37,225,000	\$ 29,260,000	\$ -	\$ -	\$ -	29,260,000	29,260,000
Pension Obligation Bonds Series 2005A	2005	2020	30,000,000	2,795,000	-	-	-	-	-	-
Pension Obligation Bonds Series 2017A	2017	2027	31,960,000	26,100,000	23,100,000	-	-	-	23,100,000	23,100,000
<b>Total Pension Obligation Bonds</b>			<b>\$ 151,500,000</b>	<b>\$ 66,120,000</b>	<b>\$ 52,360,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>52,360,000</b>	<b>52,360,000</b>
<b>Certificates of Participation</b>										
Galleria Mall Improvements COPs Series 2006A	2006	2036	\$ 19,945,000	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	5,000	5,000
Riverside Renaissance Projects Refunding COPs Series 2008A	2008	2037	128,300,000	98,200,000	98,200,000	-	-	267,047	98,200,000	94,200,000
Local Measure A Sales Tax Revenue COPs Series 2013A	2013	2033	35,235,000	29,775,000	29,775,000	-	-	739,119	29,775,000	28,255,000
<b>Total Certificates of Participation</b>			<b>\$ 183,480,000</b>	<b>\$ 127,980,000</b>	<b>\$ 127,980,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>1,006,166</b>	<b>\$ 127,980,000</b>	<b>\$ 122,460,000</b>
<b>Lease Revenue Bonds</b>										
California Tower Lease Revenue Bonds Series 2003A	2003	2024	\$ 26,255,000	\$ 11,365,000	\$ 11,365,000	\$ -	\$ 1,580,000	\$ 284,125	\$ 9,785,000	\$ 9,785,000
California Tower Lease Revenue Bonds Series 2003B	2003	2024	4,810,000	1,840,000	1,840,000	-	270,000	50,416	1,570,000	1,570,000
Lease Revenue Refunding Bonds Series 2012A	2012	2033	41,240,000	32,780,000	32,780,000	-	1,640,000	736,238	31,140,000	31,140,000
Lease Revenue Refunding Bonds (Galleria) Series 2019A	2019	2036	15,980,000	15,980,000	15,980,000	-	605,000	265,274	15,375,000	15,375,000
Lease Revenue Bonds (Main Library Project) Series 2019B	2019	2036	33,505,000	33,505,000	33,505,000	-	2,165,000	611,110	31,340,000	31,340,000
<b>Total Lease Revenue Bonds</b>			<b>\$ 121,790,000</b>	<b>\$ 95,470,000</b>	<b>\$ 95,470,000</b>	<b>\$ -</b>	<b>\$ 6,260,000</b>	<b>\$ 1,947,163</b>	<b>\$ 89,210,000</b>	<b>\$ 89,210,000</b>
<b>Capital Leases</b>										
Pinnacle #2 - VOIP Phone System	2012	2022	\$ 1,650,000	\$ 622,383	\$ 536,596	\$ -	\$ -	\$ -	536,596	449,787
BofA #1 - Convention Center, Fox, Muni, RPD Dispatch	2013	2021	3,668,000	1,094,669	824,568	-	-	-	824,568	552,103
US Bank - Various Vehicles, Software, and Hardware	2014	2022	4,450,000	2,145,725	1,796,508	-	-	-	1,796,508	1,443,973
BofA #2 - Various Hardware and Software	2017	2025	7,955,000	6,095,093	5,619,365	-	-	-	5,619,365	5,138,010
BofA #3 - Fire Vehicles and Equipment	2017	2027	14,500,000	12,499,490	11,826,340	-	-	-	11,826,340	11,145,841
BofA #2 - Water Fund Vehicles Capital Lease	2017	2027	2,305,000	1,883,505	1,775,879	-	-	-	1,775,879	1,666,981
Electric Fund Vehicles Capital Leases - Various	Various	Various	Various	2,273,868	2,064,960	-	210,054	10,225	1,854,906	1,444,336
<b>Total Capital Leases</b>			<b>\$ 34,528,000</b>	<b>\$ 26,614,734</b>	<b>\$ 24,444,214</b>	<b>\$ -</b>	<b>\$ 210,054</b>	<b>\$ 10,225</b>	<b>\$ 24,234,161</b>	<b>\$ 21,841,030</b>
<b>Interfund Loans<sup>3</sup></b>										
Riverside Renaissance Debt Service Interfund Loan #73	2011	2020	\$ 3,460,000	\$ 1,373,049	\$ 668,510	\$ -	\$ -	\$ -	668,510	668,510
Riverside Renaissance Debt Service Interfund Loan #79	2011	2019	3,402,000	636,659	-	-	-	-	-	-
Reid Park Acquisition Interfund Loan	2011	2028	720,000	491,755	436,590	-	-	-	436,590	436,590
Riverside Golf Course Acquisition Interfund Loan	2011	2028	4,837,500	3,311,008	2,942,228	-	-	-	2,942,228	2,942,228
Utilities Plaza Purchase Interfund Loan	2012	2027	4,469,221	2,368,907	2,076,285	-	-	-	2,076,285	2,076,285
<b>Total Interfund Loans</b>			<b>\$ 16,888,721</b>	<b>\$ 8,181,377</b>	<b>\$ 6,123,613</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>6,123,613</b>	<b>\$ 6,123,613</b>
<b>Private Placement Loans</b>										
Pinnacle - Ryan Bonaminio Park Loan	2012	2021	\$ 4,000,000	\$ 1,329,489	\$ 1,329,489	\$ -	\$ 213,283	\$ 20,275	\$ 1,116,206	\$ 899,671
Fox Entertainment Plaza Loan	2010	2032	25,000,000	17,201,937	17,201,937	-	542,215	331,137	16,659,722	16,107,070
Convention Center Expansion Loan <sup>4</sup>	2012	2034	44,650,000	35,490,039	35,013,156	-	483,385	276,839	34,529,772	33,555,298
<b>Total Private Placement Loans</b>			<b>\$ 73,650,000</b>	<b>\$ 54,021,465</b>	<b>\$ 53,544,582</b>	<b>\$ -</b>	<b>\$ 1,238,882</b>	<b>\$ 628,251</b>	<b>\$ 52,305,700</b>	<b>\$ 50,562,038</b>
<b>State of California Revolving Fund Loans</b>										
Sewer Cogeneration Project Loan	2003	2021	\$ 5,374,978	\$ 658,391	\$ 658,391	\$ -	\$ -	\$ -	658,391	332,575
<b>Total State of California Revolving Fund Loans</b>			<b>\$ 5,374,978</b>	<b>\$ 658,391</b>	<b>\$ 658,391</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>658,391</b>	<b>\$ 332,575</b>

**CITY OF RIVERSIDE**  
 Fiscal Year 2019/20 Second Quarter  
 Outstanding Debt<sup>1</sup>

Debt Type / Issuance	Year Issued	Final Maturity	Total Issue Size	Outstanding Principal Balance 7/1/2019	Outstanding Principal Balance 10/1/2019	Q2 New Debt Issued	Q2 Principal Payments	Q2 Interest Payments	Outstanding Principal Balance 1/1/2020	Projected Principal Balance 6/30/2020
<b>Enterprise Revenue Bonds</b>										
Electric Revenue Refunding Bonds (2008) Series A	2008	2029	\$ 84,515,000	\$ 34,465,000	\$ 34,465,000	\$ -	\$ -	\$ 87,211	\$ 34,465,000	\$ 34,465,000
Electric Revenue Refunding Bonds (2008) Series C	2008	2035	57,325,000	32,150,000	32,150,000	-	-	83,706	32,150,000	32,150,000
Electric Revenue Bonds (2010) Series A	2010	2040	133,290,000	133,290,000	133,290,000	-	-	3,239,740	133,290,000	133,290,000
Electric Revenue Bonds (2010) Series B	2010	2019	7,090,000	2,210,000	2,210,000	-	2,210,000	44,200	-	-
Electric Revenue Bonds (2011) Series A	2011	2035	56,450,000	41,025,000	41,025,000	-	1,750,000	208,764	39,275,000	39,275,000
Electric Revenue Refunding Bonds (2013) Series A	2013	2043	79,080,000	38,990,000	38,990,000	-	835,000	958,928	38,155,000	38,155,000
Electric Revenue Refunding Bonds (2019) Series A	2019	2048	283,325,000	283,325,000	283,325,000	-	5,140,000	7,083,125	278,185,000	278,185,000
Water Revenue Bonds (2009) Series A	2009	2020	31,895,000	4,630,000	4,630,000	-	2,270,000	101,400	2,360,000	2,360,000
Water Revenue Bonds (2009) Series B	2009	2039	67,790,000	67,790,000	67,790,000	-	-	1,358,688	67,790,000	67,790,000
Water Revenue Bonds (2011) Series A	2011	2035	59,000,000	24,050,000	24,050,000	-	-	113,114	24,050,000	24,050,000
Water Revenue Refunding Bonds (2019) Series A	2019	2048	114,215,000	114,215,000	114,215,000	-	3,250,000	3,410,587	110,965,000	110,965,000
Sewer Revenue Bonds (2015) Series A	2015	2040	200,030,000	195,240,000	190,230,000	-	-	-	190,230,000	190,230,000
Sewer Revenue Bonds (2018) Series A <sup>5</sup>	2018	2039	153,670,000	153,670,000	150,765,000	-	-	-	150,765,000	150,765,000
<b>Total Enterprise Revenue Bonds</b>			<b>\$ 1,327,675,000</b>	<b>\$ 1,125,050,000</b>	<b>\$ 1,117,135,000</b>	<b>\$ -</b>	<b>\$ 15,455,000</b>	<b>\$ 16,689,464</b>	<b>\$ 1,101,680,000</b>	<b>\$ 1,101,680,000</b>
<b>Tax Allocation Bonds</b>										
2014 Subordinate Tax Allocation Refunding Bonds Series 2014A	2014	2034	61,250,000	45,835,000	41,675,000	\$ -	\$ -	\$ -	41,675,000	41,675,000
2014 Subordinate Tax Allocation Refunding Bonds Series 2014B	2014	2024	1,730,000	1,080,000	910,000	-	-	-	910,000	910,000
2018 Tax Allocation Refunding Bonds Series 2018A	2018	2034	74,435,000	74,435,000	74,435,000	-	-	-	74,435,000	74,435,000
2018 Tax Allocation Refunding Bonds, Taxable Series 2018B	2018	2033	40,380,000	40,380,000	40,380,000	-	-	-	40,380,000	40,380,000
<b>Total Tax Allocation Bonds</b>			<b>\$ 177,795,000</b>	<b>\$ 161,730,000</b>	<b>\$ 157,400,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 157,400,000</b>	<b>\$ 157,400,000</b>
<b>Mello Roos and Assessment District Bonds</b>										
Riverwalk Business Center Assessment District Bonds	2004	2029	\$ 3,755,000	\$ 2,280,000	\$ 2,130,000	\$ -	\$ -	\$ -	2,130,000	2,130,000
Sycamore Canyon Business Park CFD 92-1 Bonds	2005	2034	9,700,000	6,905,000	6,615,000	-	-	-	6,615,000	6,615,000
Hunter Park Assessment District Bonds	2006	2036	15,269,906	11,560,000	11,155,000	-	-	-	11,155,000	11,155,000
Riverwalk Assessment District Refunding Bonds	2011	2026	7,805,000	4,700,000	4,200,000	-	-	-	4,200,000	4,200,000
Auto Center Assessment District Refunding Bonds	2012	2024	4,050,000	2,085,000	1,765,000	-	-	-	1,765,000	1,765,000
Riverwalk Vista CFD 2006-1 Bonds	2013	2043	4,415,000	4,035,000	3,945,000	-	-	-	3,945,000	3,945,000
Riverwalk Vista CFD 2006-1 Improv Area No.2 2016 Series A	2016	2046	5,505,000	5,370,000	5,295,000	-	-	-	5,295,000	5,295,000
Riverwalk Vista CFD 2006-1 Improv Area No.2 2016 Series B	2016	2031	1,275,000	1,065,000	1,000,000	-	-	-	1,000,000	1,000,000
Highlands CFD 2014-2 2016 Series A	2016	2046	1,800,000	1,780,000	1,770,000	-	-	-	1,770,000	1,770,000
Highlands CFD 2014-2 2016 Series B	2016	2031	810,000	720,000	675,000	-	-	-	675,000	675,000
<b>Total Mello Roos and Assessment District Bonds</b>			<b>\$ 54,384,906</b>	<b>\$ 40,500,000</b>	<b>\$ 38,550,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 38,550,000</b>	<b>\$ 38,550,000</b>
<b>Total</b>				<b>\$ 1,715,410,967</b>	<b>\$ 1,681,460,800</b>	<b>\$ -</b>	<b>\$ 23,163,936</b>	<b>\$ 20,281,268</b>	<b>\$ 1,658,296,864</b>	<b>\$ 1,648,314,255</b>

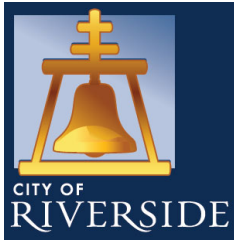
<sup>1</sup> Excludes water stock acquisition rights, copier leases, development agreements, and amortization of premiums and discounts on outstanding debt, none of which are material.

<sup>2</sup> 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

<sup>3</sup> 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

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

<sup>5</sup> 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 2019/20 SECOND QUARTER UPDATE

Finance Department

City Council  
April 21, 2020

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## 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
3. February 11, 2020 City Council received and provided input on First Quarter Report



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## 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



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## CASH AND TREASURY PERFORMANCE – Q2

1. Pooled Investment Portfolio - \$669 million
2. Investments held by fiscal agent - \$270 million
3. Weighted average yield of pooled investment portfolio – 1.960%
4. No fund's cash balance is currently a concern



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## DEBT SUMMARY ANALYSIS – Q2

1. Principal Balance decreased \$23,163,936 due to principal payments:
  - A. Lease Revenue Bonds (\$6,260,000)
  - B. Capital Leases (\$210,054)
  - C. Private Placement Loans (\$1,238,882)
  - D. Water and Electric Revenue Bonds (\$15,455,000)

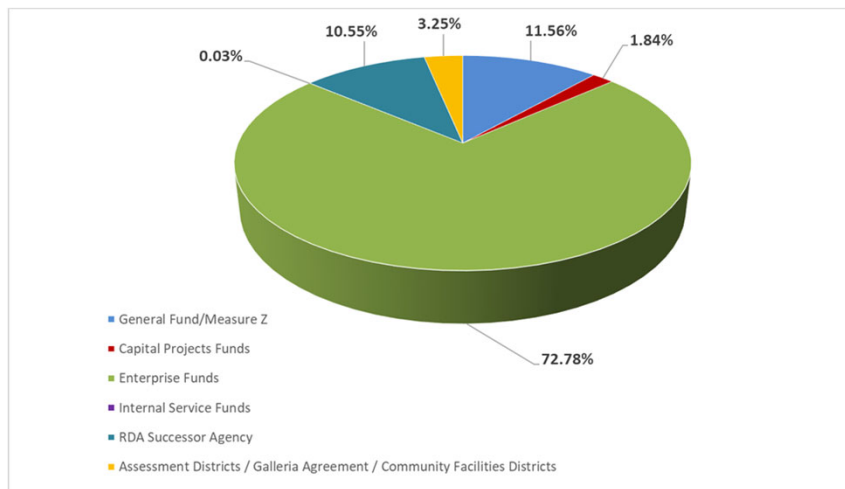


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## DEBT SUMMARY ANALYSIS – Q2

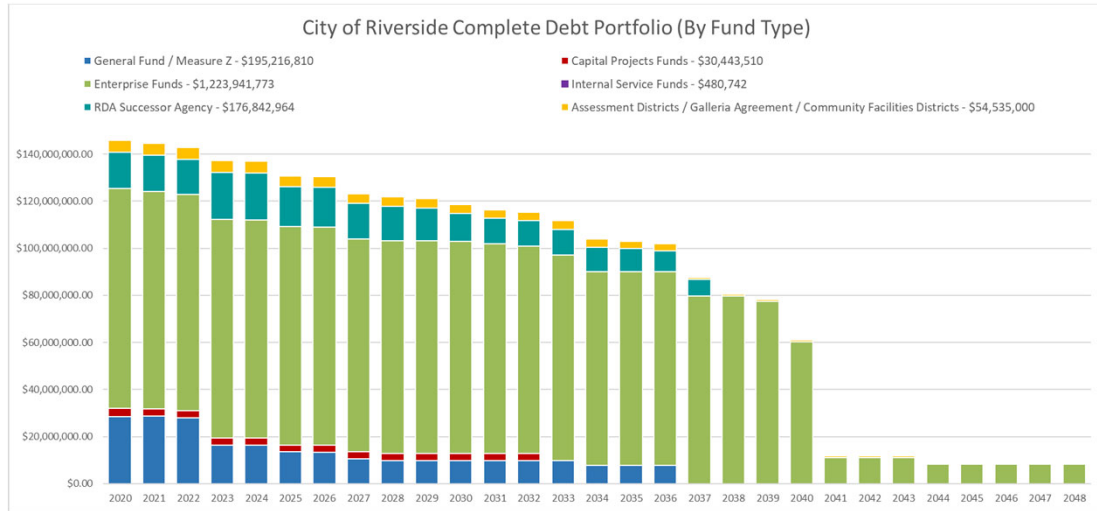
Debt Portfolio composition



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## DEBT SUMMARY ANALYSIS – Q2



## DEBT ACTIVITIES – Q2

1. Interest rate reset RPU 2011A Water Revenue Bonds
2. Preparation of legal documents and disclosure related to the Remarketing of the 2011A Electric Revenue Bonds
3. 20-Year Forecast of Debt Service Expenses as part of Biennial Budget preparation
4. CFD 2015-1 Orangecrest 2020 Bond Sale
5. JCFA Formation with Riverside Unified School District CFD 34
6. Preparation of CDIAC and State Controller Reports related to Mello Roos and Parcel Taxes
7. Preparation of Downtown Business Improvement District Levy



## RECOMMENDATION

That the City Council receive and provide input on the Fiscal Year 2019/20 Second Quarter Cash and Investments and Debt Report.

