



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JUNE 16, 2020

FROM: FINANCE DEPARTMENT WARDS: ALL

SUBJECT: FISCAL YEAR 2019/20 THIRD QUARTER FINANCIAL REPORT AND MEASURE Z UPDATE, RELATED INTERFUND TRANSFERS AND SUPPLEMENTAL APPROPRIATIONS

ISSUES:

That the City Council receive and provide input on the attached Fiscal Year 2019/20 Third Quarter Financial Report and Measure Z update and approve miscellaneous interfund transfers totaling \$1,283,598.

RECOMMENDATIONS:

That the City Council:

1. Receive and provide input on the attached Fiscal Year 2019/20 Third Quarter Financial Report and Measure Z update; and
2. Approve General Fund interfund transfers and supplemental appropriations of \$1,283,598 required for General Fund restructuring and capital project accounting, with a net zero effect on total citywide appropriations.

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 FY 2019/20 Budget. On February 22, 2020, the City Council received the FY 2019/20 First Quarter financial update. On April 21, 2020, the City Council received the FY 2019/20 Second 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 third quarter report, City departments analyzed 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. Stay-at-home orders followed from the State and City in mid-March. In context of the FY 2019/20 third quarter report, the fiscal impacts of COVID-19 are primarily confined to the last two weeks of March and, as a result, sufficient data is not evident in the quarterly financial performance for the City's major funds reported in the Fiscal Update (Attachment 1).

Staff continues to monitor the fiscal impacts of COVID-19 to the extent possible, although it is too early to reasonably assess the full impact on City finances: the stay-at-home order is the most impactful event, and upon re-opening, the financial well-being and behavior of consumers, City customers, and businesses will continue to influence City finances. Ongoing volatility in numerous economic indicators and industry sector performance further hinders the ability to project future revenue performance (refer to Attachment 1 for details). The City has limited spending to essential and emergency needs to mitigate the potential impacts of COVID-19, and some personnel savings are expected as a result of the minimum staffing requirement and suspension of recruitment.

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 third quarter results for the City's major funds (General Fund, Measure Z, Electric, Water, Refuse, and Sewer).

General Fund

The General Fund's FY 2018-2020 Two-Year budget is balanced over two years, with a pre Covid-19 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; an additional \$1.2 million is separately reserved to offset the adopted FY 2019/20 shortfall.

The FY 2019/20 third quarter analysis reveals that total General Fund revenues may fall short of amended budget estimates by approximately \$10.7 million or 3.8%. This projection is based on information provided by the City's sales and property tax consultant HdL in conjunction with staff discussion; trend analysis based on fiscal year-to-date performance; and consideration of economic factors and the potential impacts of COVID-19. Sales tax, transient occupancy tax, licenses and permits, and charges for services revenue are expected to be most significantly impacted by COVID-19 as stay-at-home orders limit transactions, travel, and City programs and services. Payment deferrals in these revenue categories will also impact total fiscal year end revenues. Additionally, the revised estimates include an \$817,700 reduction in the General Fund Transfer based on FY 2018/19 audited Public Utility electric and water revenues as is not related to COVID-19.

As of March 31, 2020, all General Fund departments expect to end the fiscal year within their appropriation limits. Due to swift action at the onset of COVID-19, potential savings as a result of the managed hiring initiative and COVID-19 recruitment suspension are currently projected at approximately \$10 million; however, the closure of the City's subsidized entertainment venues

including the Convention Center, Fox, Box, and others will require a greater subsidy than originally budgeted. The fourth quarter analysis and ultimate impact of COVID-19 will contain more refined data and analysis of year end results which will alter current projections.

Supplemental appropriations recorded through the third quarter total \$244,118 as listed below.

SUPPLEMENTAL APPROPRIATIONS		
City Council Date	Description	Amount
Multiple	Donations	\$8,067
Oct 01, 2019	March 3, 2020 elections	150,000
Oct 01, 2019	Vending machine receipts for parks supplies/services	3,051
Jan 14, 2020	Collection services contract	50,000
Mar 17, 2020	Assessment engineer services contract	33,000
Total FY 2019/20 Supplementals through March 31, 2020		\$244,118

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. As of June 30, 2019, Measure Z held \$18.8 million in unallocated fund reserves, net of unexpended amounts (\$20.7 million) carried forward into FY 2019/20. 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 underperforming revenues.

Measure Z’s FY 2019/20 sales tax revenue was on pace to outperform estimates, but due to COVID-19, revenue projections have been reduced to approximately \$56 million (\$6.8 million less than FY 2018/19 actuals) following revised projections from the City’s sales tax consultant HdL in conjunction with staff discussion. Interest revenue is overperforming due to the large amount of cash on hand pending the commencement of capital projects and will partially offset the shortfall in sales tax. As of the third quarter, interest revenue has exceeded estimates by \$980,144.

Measure Z expenditures are only 44% of total allocations at March 31, 2020, reflective of large projects that have yet to ramp up and record significant expenditures. Two new allocations of Measure Z funding were approved by the City Council in the third quarter:

- On March 3, 2020, the City Council approved a supplemental appropriation of \$100,000 for improvements at Orangecrest Fire Station No. 11 dormitories to accommodate all genders. (Spending Item #42)
- On March 17, 2020, the City Council approved a supplemental appropriation of \$951,377 over three years to increase security at City libraries. (Spending Item #40)

Following a reduction in revenue estimates and the incorporation of new spending allocations, unallocated Measure Z reserves are \$9.8 million as of March 31, 2020. In the table below, unexpended allocations from the prior year (\$20.7 million) are added to current fiscal year allocations as carryovers.

MEASURE Z SUMMARY				
Category	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Allocations
Revenue	\$12,606,428	\$56,222,806	\$62,816,127	\$56,026,000
Actuals / Allocations (Unexpended) / Carryovers	9,973,447	36,134,811	61,702,430 (20,714,281)	65,024,239 20,714,281
Net Change in Reserves	2,632,981	20,087,995	21,827,978	(29,712,520)
Policy Reserve	-	-	5,000,000	-
Reserves	\$2,632,981	\$22,720,976	\$39,548,954	\$9,836,434

On May 19, 2020, the City Council conceptually approved the use of \$4 million of unexpended funds consisting of \$2 million in FY 2018/19 (returned to unallocated reserves) and \$2 million in FY 2019/20 from the Measure Z Spending Contingency (Spending Item #4) for General Fund balancing measures in FY 2020/21; the proposed budget will be presented for City Council adoption on June 16, 2020. If approved, the \$2 million appropriated in FY 2019/20 will be unappropriated in the current fiscal year and re-appropriated in FY 2020/21.

Sewer Fund

The overall financial position of the Sewer Enterprise fund is presently operating in accordance with the 2016 Sewer Fund Reserve Policy objectives. Due to the COVID-19 pandemic, user rate revenues are tracking slightly lower than projected budget targets, although these are currently offset in the non-rate revenue streams.

Wastewater service is essential for the protection of public health and safety; operations have continued during the COVID-19 pandemic. While the fiscal impact of COVID-19 is not yet predictable, revenue impacts may be experienced by fiscal year end. Residential sewer service charges are fixed monthly fees, but customers’ ability to pay may be impacted by COVID-19. Additionally, a reduction in commercial and industrial service charge revenue is likely because of the prolonged business closures. Commercial and industrial wastewater service billing is not fixed and is based on the volume and strength of the wastewater generated. Developer sewer connection fees may also decline because of the economic downturn and reduced business activity.

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. The outcome of this study will likely inform future rate discussions. The 2019 Wastewater Master Plan will recommend capital improvements and financing alternatives to ensure regulatory compliance; the repair and/or replacement of aging infrastructure; continued reliable and cost-effective wastewater service; and ensuring the that City’s General Plan is supported for planned growth of the community. A primary goal of the Master Plan is to develop a cost of service and sewer rate plan alternatives for the next five-year planning cycle of FY 2021/22 through 2025/26.

At the end of the third fiscal quarter, 75% of projected revenues have been collected. Connection fees and interest revenues came in higher than expected due to new development in the City and favorable market conditions earlier in the fiscal year prior to COVID-19. Operating expenditures

are 74% of total budget at quarter end and are expected to fall in line with budget by the end of the fiscal year.

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.

On January 14, 2020, the City Council received a comprehensive report on a solid waste and recycling program strategy and economic study by R3 Consulting Group, Inc. which addressed the City's own residential solid waste operation, a review of our commercial contracts, compliance with state mandated programs, as well as a preliminary rate analysis to support operations and required programs.

The City Council directed staff to implement a variety of changes to the solid waste program such as: retain City collection staff servicing two-thirds of residential customers, modify the City's Municipal Code to ensure compliance with state regulations, issue an RFP for the remaining one-third of residential customers serviced by Burrtec Waste Industries, Inc. and for all commercial services, modify existing contracts to align contract expiration and ensure compliance with state regulations, and return with residential and commercial rate plans to support operational improvements and programs to ensure regulatory compliance.

On March 17, 2020, the City Council authorized an amendment to R3 Consulting Group, Inc.'s consulting agreement to begin drafting RFP documents for the one-third of residential customers serviced by Burrtec and for all commercial services. The consultant is currently on track with this task.

New Solid Waste rates are being developed and existing contracts with haulers are also being amended to align contract expiration and ensure compliance with state regulations. Both items will be presented to the City Council for its consideration on June 16, 2020.

While the extent of the revenue impacts due to the COVID-19 pandemic have not yet been realized, the Refuse fund may see a reduction in commercial revenue due to a reduced volume of waste being collected by commercial haulers. This is mainly due to the closures of businesses deemed non-essential or businesses that are permanently closed and unable to recover.

Refuse Fund revenue and expenditures are at 75% and 64% respectively as of the third quarter. Revenues at third quarter end are approximately \$2.2 million 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. Expenditures in every category, with the exception of special programs, are under 75%. This is due to vacancy savings as a result of the current hiring suspension, deferred capital equipment purchases, and a principal debt payment that will be paid in June. Also, there are a couple of capital projects at the landfill that are currently out to bid, and expenditures will increase when construction begins. Expenditures will be closely monitored for the remainder of the fiscal year in order to ensure budgeted expenditure targets are met.

Electric Fund

The third quarter analysis of the Electric Fund shows operating revenues and expenses trending slightly below target. Overall, Electric revenues are trending at 75% of total budget at March 31, 2020, which is slightly lower than expected due to retail sales being 2.7% lower than expected

resulting from milder temperatures. This is partially offset by higher interest revenue resulting from rebalancing the investment portfolio and contributions in aid of development revenue related to new electric service charges and required distribution facilities installed by developers. Weather and the effects of the COVID-19 pandemic can significantly impact retail revenues, which will be monitored throughout the remainder of FY 2019/20.

While the extent of the revenue impacts due to the COVID-19 pandemic have not yet been realized, the Electric Fund will likely see a reduction in retail sales revenue due to reduced overall customer usage. The reduction will likely be due to the closures of businesses deemed non-essential or businesses that are permanently closed and unable to recover. This reduction from commercial customers may be partially offset by an increase in residential usage as a result of the Governor's stay-at-home order. Additionally, the suspension of disconnecting utility services for nonpayment during the COVID-19 local emergency may result in retail revenues being deferred and collected in a future period. If the suspension continues for a prolonged period, the electric utility could see a reduction in other operating revenues due to customers no longer receiving notices of termination of service for nonpayment and the associated fee and avoiding charges for reconnection of service. Any reduction in operating revenues of the Electric Fund will have a negative impact on the City's anticipated general fund transfer and will not be known until audited data is available in the second quarter of fiscal year 2020/21.

At March 31, 2020, Electric Fund expenditures, excluding capital projects, are trending slightly lower than 75% 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 nine 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 third quarter analysis of the Water Fund shows operating revenues and expenses trending slightly below target. Overall, Water revenues are trending at 73% of total budget at March 31, 2020, which is slightly lower than expected due to retail sales being 3.4% lower than expected resulting from milder temperatures and higher than anticipated precipitation. This is partially offset by higher interest revenue resulting from rebalancing the investment portfolio and contributions in aid of development revenue related to new water service charges and required distribution facilities installed by developers. Weather, including precipitation, and the effects of the COVID-19 pandemic can significantly impact retail revenues, which will be monitored throughout the remainder of FY 2019/20.

While the extent of the revenue impacts due to the COVID-19 pandemic have not yet been realized, the Water Fund will likely see a reduction in retail sales revenue due to reduced overall customer usage. The reduction will likely be due to the closures of businesses deemed non-essential or businesses that are permanently closed and unable to recover. This reduction from commercial customers may be partially offset by an increase in residential usage as a result of the Governor's stay-at-home order. Additionally, the suspension of disconnecting utility services for nonpayment during the COVID-19 local emergency may result in retail revenues being deferred and collected in a future period. Any reduction in operating revenues of the Water Fund will have a negative impact on the City's anticipated general fund transfer and will not be known until audited data is available in the second quarter of fiscal year 2020/21.

At March 31, 2020, Water Fund expenditures, excluding capital projects, are trending slightly less than 75% of the total budget, primarily due to the timing of other operating expenses. Capital projects are progressing consistently with the CIP. The Water Fund's completed capital improvements during the first nine months of FY 2019/20 includes projects in the Water Supply, Well Projects, Distribution Pipeline and Facilities 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

Interfund and Interdepartmental Transfers; Supplemental Appropriation Requests

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:

- **General Fund \$883,172 interfund transfer to the Grants and Restricted Programs Fund:** As part of the ongoing General Fund restructuring to remove non-operating activity out of the General Fund, restricted Library donations (\$56,475) and asset forfeiture funds (\$826,697) were transferred to the Grants and Restricted Programs Fund.
- **General Fund \$400,426 interfund transfer to the General Capital Project Fund:** The Corporation Yard Security Camera project was approved by the City Council on October 22, 2019 and the related video storage equipment purchase was approved on February 4, 2020. Interfund transfers are needed to appropriately establish and account for the project.

FISCAL IMPACT:

Although the fiscal impact of COVID-19 on City finances cannot be reasonably predicted at this time, the City is in a slightly better position than many other agencies to address the COVID-19 event. Recent and ongoing efforts to shore up the City's finances have provided options that will allow the City to mitigate some of the impacts of COVID-19. Most recently, City Council approved the issuance of a Pension Obligation Bond which will present savings to multiple City funds over the life of the bonds and an estimated \$7.0 million savings to the General Fund in FY 2020/21. Current fiscal year limitations on spending as well as minimal staffing and suspended recruitment for vacant positions will present some savings that will help to offset FY 2019/20 revenue shortfalls in various City funds.

The City's General Fund is currently operating under an adopted FY 2018-2020 Two-Year Budget, balanced over two 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 budgeted FY 2019/20 shortfall. Personnel savings are expected to offset a significant portion of potential revenue shortfalls, although General Fund subsidy of the entertainment venues will present excess expenditures due to the COVID-19 temporary closure of the venues.

The City's major Enterprise Funds (Electric, Water, Refuse and Sewer) are all expected to remain within their appropriation limits. Actions to shore up the Refuse fund continue, as directed by the City Council in January 2020, including the development of a new rate plan for City Council consideration. An updated Wastewater Treatment and Collection Master Plan will present strategies to improve the long-term fiscal health of the Sewer fund and address critical needs.

Prepared by: Kristie Thomas, Budget 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: Gary G. Geuss, City Attorney

Attachments:

1. Fiscal Update – FY 2019/20 Quarter 3
2. Measure Z Financial Summary
3. Presentation

CITY OF RIVERSIDE FISCAL UPDATE

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



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Chief Financial Officer/City Treasurer
Edward Enriquez

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EXECUTIVE SUMMARY

From the world stage to the local stage, the impact of COVID-19 is unlike any economic event recorded in our lifetime. Under “normal” recessions, the impacts may be felt initially with a stock market crash, followed by business declines and increasing unemployment. A natural disaster such as a hurricane triggers a recession due to the loss of critical infrastructure to support the economy. COVID-19 is a new and unprecedented event: the limitation of human movement resulted in an immediate and sudden shock to the economy at all levels, resulting in the near shut-down of entire business sectors such as travel and entertainment, and the immediate layoff of millions of workers.

There is cause for both worry and optimism: although the longevity of the COVID-19 event is unknown, the fact that critical infrastructure remains gives hope to a more immediate and strong rebound. Government response to prop up the economy has been extensive and is providing critical and immediate support to businesses and individuals. We expect the government to be equally supportive of recovery efforts.

On the local level, the City is in a slightly better position than many other agencies to weather the COVID-19 event. Recent and ongoing efforts to shore up the City’s finances have provided options that will allow the City to mitigate some of the impacts of COVID-19. However, without knowing how long the limitation on human movement and business operations will last, the fiscal impact of COVID-19 to the City is speculative, at best. The prudent course of action is to adopt interim mitigating actions, monitor significant events, and model various fiscal impact scenarios. This newsletter is intended to summarize the most impactful events to the local economy resulting from COVID-19, potential impact on City finances, and current fiscal state of the City’s major funds.

LEGISLATIVE ACTIONS

The actions of federal, state, and local government officials in response to economic stress and the immediate need of financial relief for individuals and businesses will impact City finances. As we have observed over the last several weeks, some actions will have a domino effect, the full impact of which may not be known for several months. Initial efforts to shore up specific sectors and protect the financial wellbeing of citizens may impair the financial health of other sectors or individuals down the road. For example, mortgage relief legislation has not yet addressed the impact of payment deferrals on the investor market: loan servicers are experiencing liquidity issues and have no way to pay mortgage bond holders, which could lead to a crisis in the housing market. If this aspect of the mortgage industry is not addressed soon, loan servicers will stop lending, and investors will avoid mortgage-backed securities.

FEDERAL



March

- 5 Interest Rates cut: 50 basis points to 1 to 1.25 percent
- 6 Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020
- 13 National Emergency Declared
- 16 Interest Rates cut: 150 basis points to .25 percent; \$700 billion in quantitative easing
- 18 Families First Coronavirus Response Act; includes foreclosure and eviction suspension
- 22 President approves California disaster declaration
- 27 Coronavirus Aid, Relief, and Economic Security Act (CARES)

April

- 3 Paycheck Protection Program under CARES Act activated
- 9 \$2.3 trillion in loans to supply liquidity to lenders for Main Street Lending Program; Municipal Liquidity Facility; and Paycheck Protection Program Liquidity Facility
- 13 Economic Impact Payment to Individuals begin

HEROES Act Pending Senate Vote

STATE



March

- 4 State of Emergency Declared
- 16 Eviction, foreclosure, utility shut-off relief through May 31, 2020
- 17 Bars and clubs ordered closed; restaurants restricted to drive-through or pick-up/delivery
- 17 SB89: \$1.1 billion emergency funding, including local government funding for homeless
- 19 Stay-at-home order; identification of essential services
- 22 California's Major Disaster Declaration approved by President
- 22 90-Day Mortgage Payment Relief
- 27 Moratorium on residential evictions through May 31, 2020

April

- 30 90-Day extension to file state and local taxes, including sales tax, to July 15, 2020
- 3 \$50 million in loan guarantees for small businesses
- 3 Project Roomkey to house homeless population; 75% FEMA reimbursement
- 9 Lodging for healthcare workers
- 28 Pandemic Resilience Roadmap

LOCAL



March

- 8 County: Local Emergency Declared
- 13 City: Local Emergency Declared; Non-essential City facilities closed
- 16 County: Prohibit gatherings of 10 or more individuals through April 30
- 17 City: Suspend utility shut-offs; suspend collection of fees for 90 days, through June 15, 2020
- 17 City: Temporary closure of bars, breweries, wineries; restriction of restaurants
- 30 County: Short-term lodging for homeless/displaced
- 31 City: Moratorium on residential & commercial evictions for 60 days, through May 30, 2020; subsequently extended through June 30, 2020

May

- 12 County: Readiness and Reopening Framework
- 15 City: Riverside's Road to Recovery

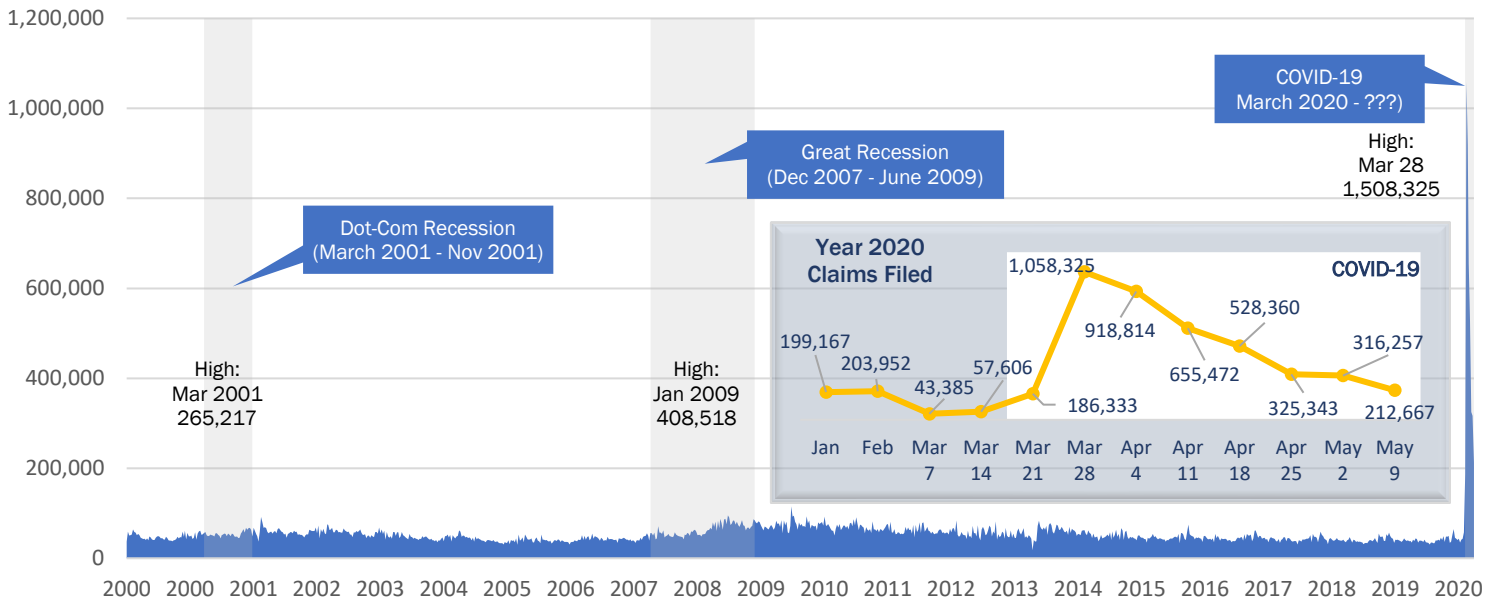
UNEMPLOYMENT

Unemployment has a direct and pervasive effect on the economy. Unemployment removes the productivity and purchasing power of an individual from the economy; the cost of government assistance increases; and the economy declines under the loss of worker productivity and consumer demand. Under COVID-19, the unemployment shock was a direct result of the limitation on human movement and the impaired ability to produce and purchase goods and services. Unemployment levels are a strong indicator of recent business losses and closures, which translate to a loss of sales tax revenue to the City. Stimulus payments and the \$600 per week federal unemployment subsidy have provided higher temporary income and spending power to some individuals as compared to their previous wage earnings but are also causing some workers to be reluctant to return to work. These two opposing forces could further delay economic recovery and the livelihood of small businesses.

California Unemployment Claims Filed

When it comes to unemployment, COVID-19 is unlike previous recessions

Source: US Department of Labor
Unemployment Insurance Weekly Claims Data
<https://oui.doleta.gov/unemploy/claims.asp>

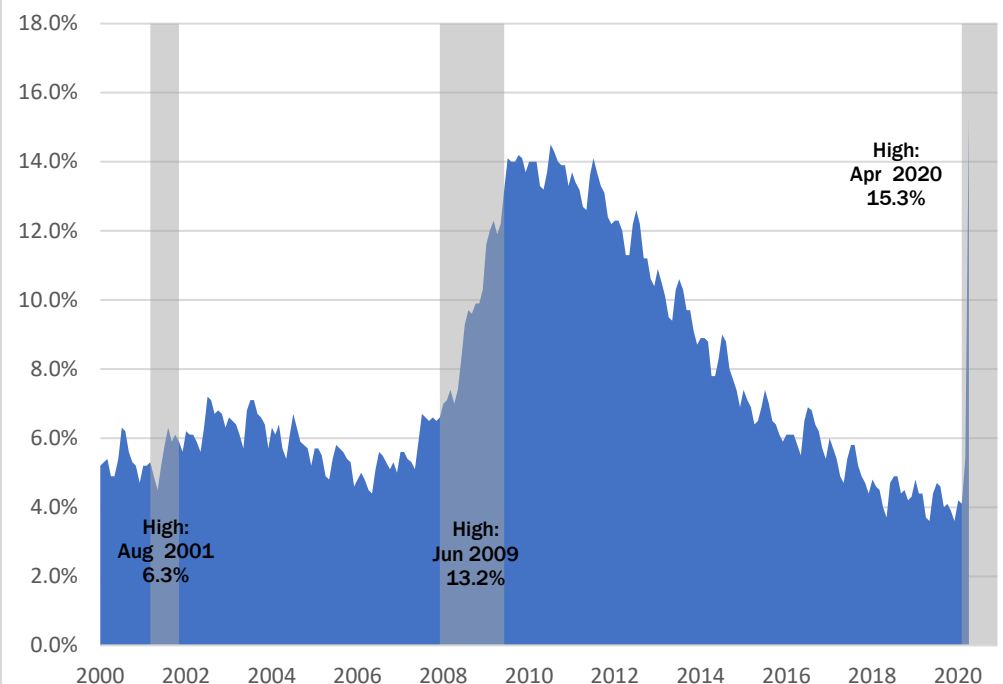


Struggling to Rehire

The CARES Act provides an additional \$600 per week federal subsidy through July 31, 2020 for individuals collecting state unemployment benefits. This amount equals \$15 per hour for a 40-hour work week, meaning that individuals earning \$13 per hour under California's minimum wage requirement are earning more on unemployment than they did at their jobs. There are an increasing number of reports about businesses struggling to hire or bring back furloughed employees following the reopening of the economy for this specific reason – individuals returning to work will take a pay cut with the loss of the federal subsidy. This unintended effect could dampen economic recovery. The HEROES Act pending Senate approval includes a proposal to extend the \$600 subsidy through January 2021.

Riverside County Unemployment Rate

Source: US Federal Reserve Bank of St. Louis
<https://www.labormarketinfo.edd.ca.gov>

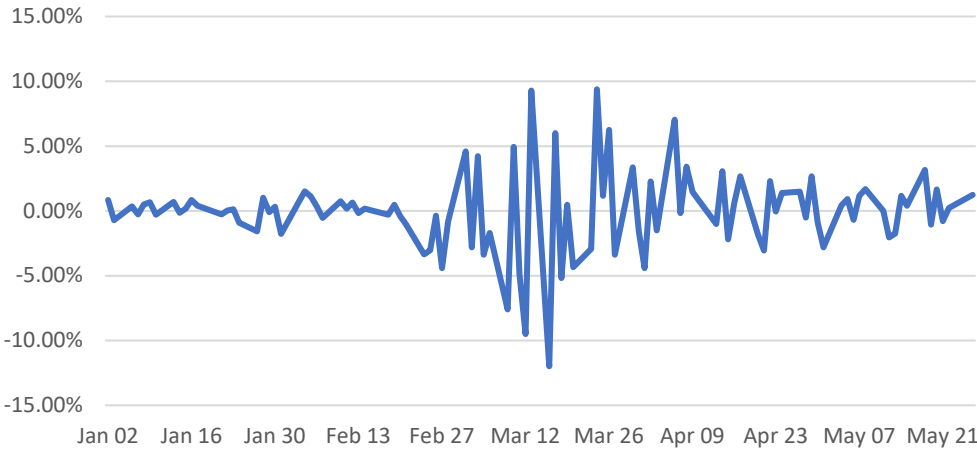


OTHER ECONOMIC INDICATORS

Stock Market Turmoil

Daily Percent Change of S&P 500 Index

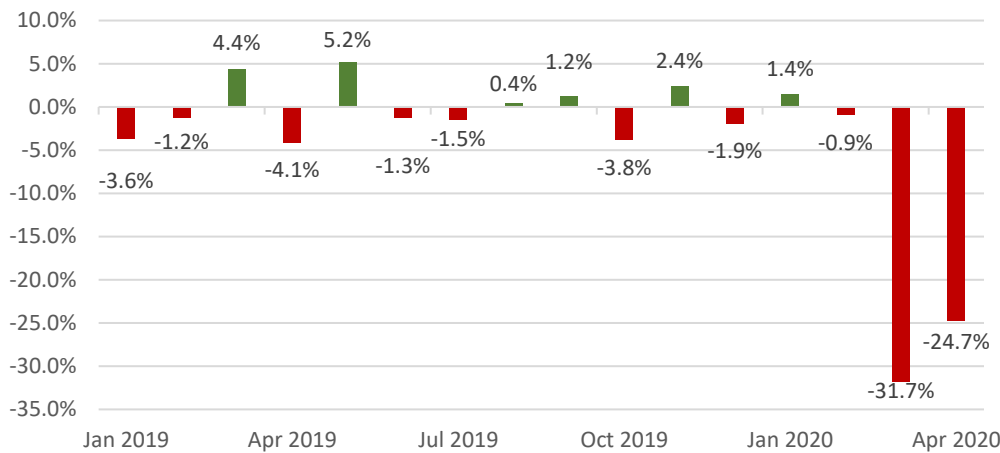
Source: Yahoo! Finance
<https://finance.yahoo.com/quote/%5EGSPC/history/>



Vehicle Sales

Month Over Month Change

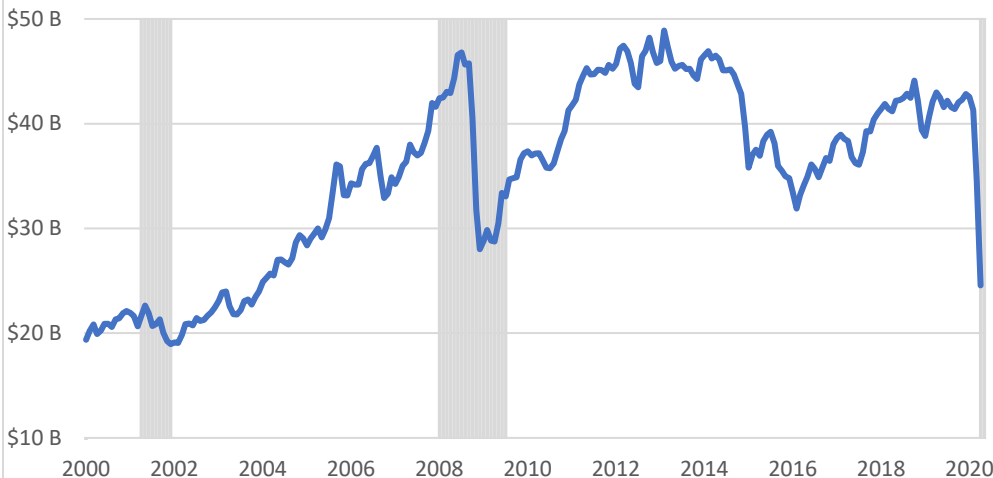
Source: Federal Reserve Bank of St. Louis
<https://fred.stlouisfed.org/series/TOTALSA>



Gasoline Sales Drop

Monthly Retail Gasoline Sales (Billions of Dollars)

Source: US Dept of Commerce
<https://www.census.gov/econ/currentdata/>



Stock Market Volatility: Impact on City Retirement

Pension Obligation Bond

On May 5, 2020, the City Council approved the issuance of a Pension Obligation Bond in fiscal year 2019/20 to smooth annual retirement payment obligations and generate at least \$7 million annually in each of the next two years with similar additional savings thereafter. The municipal bond market was temporarily hobbled by a lack of liquidity, but federal actions to purchase municipal bonds have stabilized the municipal bond market. Staff is cautiously optimistic that market conditions will support the issuance of the POB in the current fiscal year.

CalPERS Unfunded Accrued Liability (UAL)

The annual UAL payment due to CalPERS is based on an annual 7% rate of return on investments. If the rate of return falls below 7%, the City's UAL will increase. The losses are amortized over a five-year period at which time they are at their peak for the next 15 years.

Total Employer Costs

CalPERS hosted a webinar on April 8, 2020 to discuss the potential impacts of COVID-19 on their investment portfolio and member agencies. CalPERS noted positive returns of nearly 6% for the first half of the fiscal year, but returns were down to negative 4% at the end of March 2020. Investment returns of less than 7% will cause both the UAL and the normal costs to increase. In turn, the unfunded status of the plans would also decrease from the current 75.6% combined funded level.

Fuel & Vehicles

Nearly \$42 million in 2018/19 sales tax receipts were attributable to Fuel & Service Stations and Autos & Transportation. Poor performance in these categories will have a negative impact on City revenues.

Fund	Fuel & Service	Autos & Trans.
General Fund	\$4.82 M	\$18.40 M
Measure Z	\$5.76 M	\$12.67 M
Total	\$10.58 M	\$31.07 M

General Spending

The stay-at-home order is expected to significantly impact the City's sales tax revenue, including Measure Z. Consumer spending is shifting to online purchases which will decrease direct sales tax to the City and increase the County pool. The City receives 17% of the County pool. Industry sectors significant to City sales tax are heavily impacted, including Autos and Transportation (29.8% of City sales tax) and Restaurants and Hotels (12.5% of City sales tax). The City's college population exceeds 50,000 individuals; much of the spending power from that demographic will be lost with the temporary closure of the colleges.

Fuel Prices

Fuel and Service Stations accounted for 7% of the City's FY 2018/19 sales tax (\$4.8 million). This category is expected to experience a dramatic decline due to low fuel prices and low demand resulting from the stay-at-home order. Low fuel sales will also negatively impact street capital projects funded by gas tax revenue.

Deferred Tax Payments

On March 30, 2020, Governor Newsom granted a 90-day extension to file tax returns and tax payments for all businesses filing a return for less than \$1 million in taxes. Consequently, sales tax collected for January 2020 through March 2020 will be due to the State at the end of July, and will likely be received by the City in late summer. Small businesses with less than \$5 million in taxable annual sales will be allowed to defer up to \$50,000 under an installment plan agreement (IPA), with the total amount due and payable by July 31, 2021. The City's sales tax consultant, HdL, projects that revenue delays resulting from deferred tax payments will total \$15.5 million inclusive of both the General Fund and Measure Z. The City has sufficient cash liquidity to meet its operating needs for the foreseeable future.

Fund	90-Day Extension	\$50,000 IPA	Total FY 2020 Taxes Delayed to FY 2021
General Fund	\$5,370,000	\$2,245,000	\$7,615,000
Measure Z	\$5,373,000	\$2,247,000	\$7,620,000
Total	\$10,473,000	\$4,492,000	\$15,457,000

Sales Tax Projections

The City's sales tax consultant has provided two state-wide projections in response to COVID-19; their revisions are a testament to the difficulty in projecting COVID-19 impacts at an early date and in unstable conditions. The most recent forecast predicts the greatest economic impact occurring April through June 2020, with moderate gains in the following quarters. Consistent with other economic forecasters' assertions, HdL projects that full recovery may take as long as three years. Currently, the industry impacts shown below are projected, with the solid line represented historical actuals through for June 2018 through December 2019 and the dotted line representing projected trends through June 2022. Actual recovery will depend on many factors.

 <p>Auto & Transportation Significant decline during stay-at-home order; protracted recovery due to consumer job losses and economic anxiety.</p>	 <p>Building & Construction Potential issues with supply chain and timely inspections; limited housing development due to unemployment.</p>	 <p>Business & Industry Potential supply chain issues for manufacturers, partially offset by point-of-sale fulfillment and logistics operations.</p>	 <p>Food & Drugs The only sector reacting positively: household essentials are largely unaffected by the stay-at-home order.</p>
 <p>Fuel and Service Stations Fuel consumption is suffering steep declines due to oversupply and low demand coupled with low prices.</p>	 <p>General Consumer Goods Core retail sales are heavily impacted by mandated business shut downs and are expected to be slow to recover.</p>	 <p>Restaurants and Hotels This sector is significantly impacted by the shutdown, with reduced capacity expected after the order is lifted.</p>	 <p>State and County Pools The pool remains strong as shopping shifts to online purchases and Wayfair taxes are implemented.</p>

GENERAL FUND REVENUE

The General Fund will bear the brunt of COVID-19 impacts due to its dependence on sales tax, transient occupancy tax, charges for services, license, and permit revenues. This fund is directly impacted by the stay-at-home order which has prompted the closure of City buildings to the public, local business shut-downs, and high unemployment. Total fiscal impact is impossible to predict without a finite date for the stay-at-home order, and due to revenue deferrals. The areas of greatest risk to General Fund revenue performance in fiscal year 2019/20 are discussed below. The revenues below represent nearly 50% of total General Fund revenues, excluding transfers from other funds. The FY 2019/20 third quarter analysis reveals that total General Fund revenues may fall short of amended budget estimates by approximately \$10.7 million or 3.8%.

COLLECTED

as of April 10, 2020



SALES TAX

Sales tax accounts for 24% of projected General Fund revenues. With business activity limited to essential services and human movement minimized, consumer spending has plummeted. HdL projects a potential decline of 10.7% as compared to the prior fiscal year, not including revenue deferrals.

TRANSIENT OCCUPANCY TAX

With travel and entertainment at a near stop, hotel occupancy is expected to drop dramatically, with a maximum loss in transient occupancy tax of \$2.2 million in the current fiscal year. Governor Newsom approved and encourages use of hotels for at-risk individuals, including healthcare workers and the homeless population, which may improve the revenue outlook.

CHARGES FOR SERVICES

Revenues are up 4.8% over the prior year through March but have stagnated with the closure of City buildings and suspension of many City services. \$1.5 million of projected Parks & Recreation revenues have not been earned to date. Some items in this category are also subject to revenue deferrals to alleviate hardship on individuals, such as false alarm fees.

LICENSES & PERMITS

As of March 31, revenues show a decline of -0.4% as compared to the prior year. Business Licenses are at 78% of projections, but the uncollected balance of \$1.6 million is subject to revenue deferral. The maximum potential revenue loss in this category is \$2.5 million. Building permits are at 73% of projections.

Revenue	Budget	Received	Balance
Property Tax	\$70.2 M	\$37.2 M	\$33.0 M
Sales Tax	\$66.2 M	\$41.3 M	\$24.8 M
Transient Occupancy Tax	\$7.2 M	\$4.9 M	\$2.2 M
Charges for Services	\$17.2 M	\$12.1 M	\$5.1 M
Licenses & Permits	\$10.5 M	\$8.1 M	\$2.5 M
Other Revenues	\$14.1 M	\$9.6 M	\$4.5 M
Transfers In	\$64.3 M	\$48.3 M	\$16.1 M
Total	\$278.6 M	\$182.6 M	\$96.0 M

Property Tax

Property tax has not been identified as a high-risk revenue for fiscal year 2019/20, but prolonged unemployment and lack of federal action to ensure sufficient loan servicer liquidity to pay mortgage bond investors may endanger the housing market and future revenues. The demand for homes has slowed with the onset of COVID-19, however a pickup is expected with the relaxing of the stay at-home orders. Furthermore, Riverside will not be affected by any property tax delinquencies due to the fact that the it is a teeter City. Property tax transfer revenue will most be affected due to the slowdown in sales of property across the City.

GENERAL FUND EXPENDITURES

General Fund expenditures have been restricted to emergency and essential needs; however, savings as result of this directive will be at least partially offset by expenditures related directly to COVID-19, including personal protective equipment, enhanced cleaning services, technology purchases to equip employees to work from home, etc. Recruitment has been identified as a non-essential function, so some salary savings from vacant positions are expected for the current fiscal year. The closure of City buildings and suspension of many City services may also produce some savings, partially offset by revenue losses. Currently, the greatest area of risk in General Fund expenditures are subsidies to other funds. The General Fund heavily subsidizes the Convention Center and Entertainment funds; the activities of those venues were suspended with the stay-at-home order. With a lack of revenue to offset ongoing costs such as the management and maintenance, the closure of the City's subsidized entertainment venues including the Convention Center, Fox, Box, and others will require a greater subsidy than originally budgeted. Also at risk is the ability to pass qualifying General Fund expenditures to other funds, as discussed below. The fourth quarter analysis and ultimate impact of COVID-19 will contain more refined data and analysis of year end results which will alter current projections.

Fund Subsidies

The General Fund subsidizes the operating costs of the Convention Center and Entertainment Funds, both of which have suspended operations due to COVID-19. The impact cannot be measured at this time; if all operational revenues and costs were to cease as of April 30, an additional \$1.13 million fund subsidy would be required from the General Fund. (See page 9 for fund details.)

Charges to Other Funds

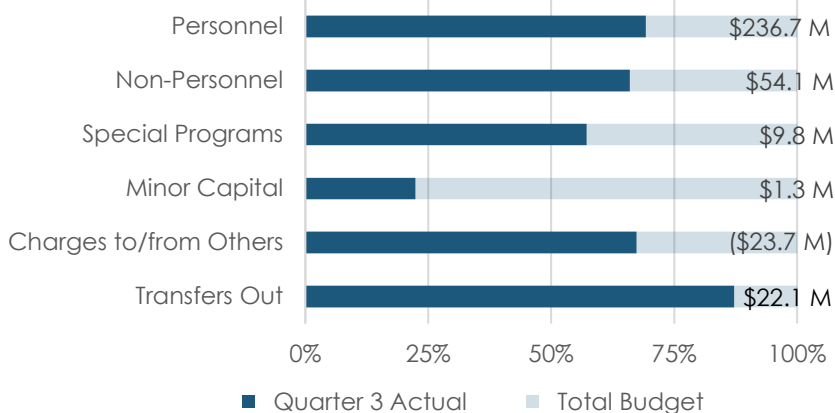
The General Fund budget includes expenditure offsets in the form of Charges to Other Funds for interfund services provided to other funds. These include the transfer of:

- qualifying personnel expenditures for staff that split their time working on the programs and service of other funds (e.g. Successor Agency Fund);
- qualifying expenditures including materials and staff time to individual capital project accounts in Special Revenue and Capital Project funds (e.g. Special Gas Tax);
- the cost of services and support provided by General Fund personnel (excluding those already allocated through the Cost Allocation Plan); and
- costs fronted by the General Fund, such as merchant fees.

The ability to receive budgeted cost reimbursements will be impacted to an unknown degree if the activities typically charged are deemed a non-essential function. More than \$7 million in expenditure offsets are budgeted by the Public Works Department for administrative support to other funds and for estimated materials and services for planned capital projects. Inclusive of all General Fund departments, \$4.1 million is remaining to be charged to other funds.

Charge to Fund	Budget	Charged	Balance
Successor Agency Fund	\$0.1 M	\$0.0 M	\$0.1 M
Special Revenue Funds	\$2.4 M	\$2.1 M	\$0.3 M
Capital Project Funds	\$3.6 M	\$1.2 M	\$2.4 M
Enterprise Funds	\$2.4 M	\$1.2 M	\$1.2 M
Total	\$8.5 M	\$4.5 M	\$4.1 M

EXPENDITURES



COVID-19 Contingency Options

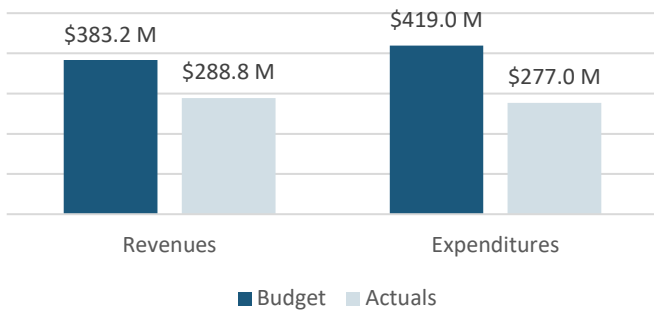
Due to concerted efforts to improve the fiscal health of the General Fund over the last few years, the City of Riverside is in a slightly better position than many agencies to weather the immediate impacts of COVID-19. Currently, the City has suspended new hiring and restricted spending to emergency and essential needs. The proposed FY 2020/21 budget presented to Council for adoption on June 16, 2020 identifies additional balancing measures to offset potential revenue shortfalls in the new fiscal year. Intracycle adjustments will be recommended as necessary.

ENTERPRISE FUNDS

Electric Fund

At the end of the third quarter, retail sales are 2.7% lower than expected due to milder temperatures. While the impacts of COVID-19 are not yet measurable, a reduction in retail sales is likely due to business closures during the shut-down. The reduction from commercial customers may be partially offset by an increase in residential usage as a result of the stay-at-home order. Some revenues may be deferred to a future period due to the suspension of disconnections and associated fees for nonpayment. Expenditures are trending slightly under budget, primarily due to personnel vacancies.

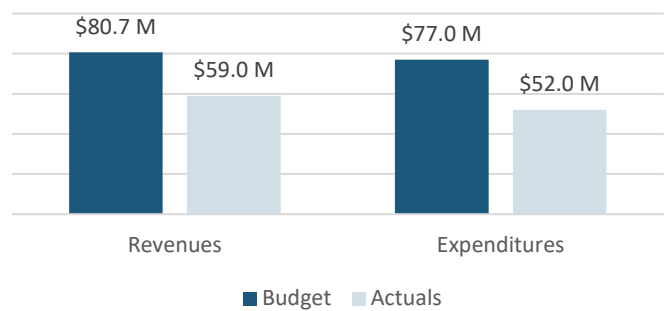
Budget to Actual



Water Fund

Water fund revenues are 3.4% lower than expected at the end of the third quarter due to milder temperatures and higher precipitation than anticipated. COVID-19 is expected to impact water revenues in a similar manner to electric revenues, with lower commercial revenues partially offset by residential usage and revenue deferrals due to the suspension of disconnection procedures. Overall, retail sales may come in less than projections due to business closures during the stay-at-home order. Expenditures are trending slightly less than budget due to timing: spending activity fluctuates during the fiscal year.

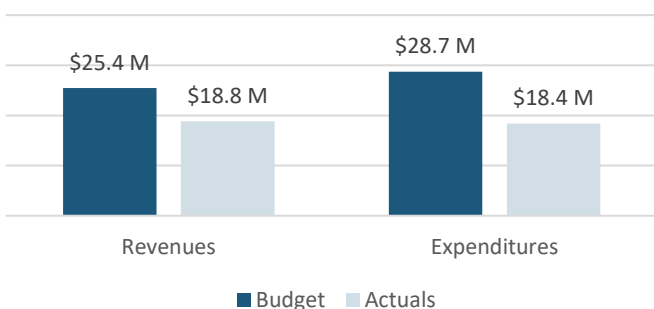
Budget to Actual



Refuse Fund

The Refuse Fund is operating at a deficit with a projected \$4.1 million use of reserves in FY 2019/20. Efforts to stabilize the fiscal health of the refuse fund are continuing following the strategic and economic study presentation to Council in January 2020. In June 2020, Council will receive a follow-up report on refuse rates and waste hauler contracts. Although revenues are 75% of projections at the end of the third quarter, some revenue losses due to business closures are likely as result of COVID-19. Expenditures are at 64% of budget and are expected to remain within the approved appropriation limit by fiscal year end.

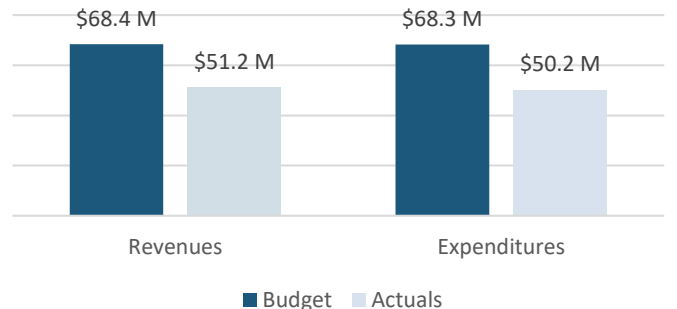
Budget to Actual



Sewer Fund

The Sewer Fund is operating as expected and in line with the 2016 Sewer Fund Reserve Policy objectives. Due to the COVID-19 pandemic, user rate revenues are tracking slightly lower than projected budget targets, although these are currently offset in the non-rate revenue streams. Revenues and expenditures are each approximately 75% of budget at the end of the third quarter. The Public Works Wastewater Division is in the process of completing a Wastewater Treatment and Collection Master Plan Update project, with a primary goal of developing a cost of service and rate plan alternatives for FY 2021-2025.

Budget to Actual



Measure Z

The 1¢ transaction and use tax will experience the same challenges as General Fund sales tax, previously discussed. Fiscal year 2019/20 revenue projections have been decreased \$3.1 million based on revised HdL projections in response to COVID-19 and in conjunction with staff discussion.

As of the end of the third quarter, \$29.7 million change in fund reserves is projected, with \$20.7 million is related to the prior year carryover of unexpended funds. Projected fiscal year end reserves are \$9.8 million. As of March 31, 2020, \$37.9 million has been expended as compared to \$39.2 million revenue received.

	Budget	Actual	Balance
Revenue	\$56.0 M	\$39.2 M	\$16.8 M
Programmed Spending	\$85.7 M	\$37.9 M	\$47.8 M
Change in Reserves	\$(29.7) M	\$1.3 M	

It may be necessary to utilize additional Measure Z funding to provide financial assistance to the General Fund if COVID-19 fiscal impacts are too great for the General Fund to absorb through other mitigating actions. Re-prioritization or deferment of one-time Measure Z spending items such as capital projects may become necessary. The FY 2020/21 proposed budget to be presented for Council adoption on June 16, 2020 includes recommended project deferrals and increased support to the General Fund to help offset a potential 10% (\$28.1 million) revenue shortfall in FY 2020/21 revenues.

Special Gas Tax

The majority of the City's street projects are funded by State gas tax funds and vehicle registration fees. The dramatic decline in fuel and auto sales may require deferment of planned capital projects for the City's streets. The General Fund passes approximately \$3 million annually in qualifying General Fund expenditures to the Special Gas Tax fund. Qualifying expenditures such as personnel time and materials spent on capital projects are funded by gas tax; if capital projects are deferred, City engineers will not be able to charge their time to the Gas Tax fund, and the General Fund will absorb the cost. In May 2020, the State reduced projected revenues by \$804,000 for FY 2019/20 and \$1 million for FY 2020/21. Despite these reductions, there are sufficient funds to complete the capital projects proposed in the respective budget years.

Measure A

Measure A funds come from a County of Riverside half-cent sales tax passed in 1988. The funds passed through to the City are required to be spent on local streets and roads. This funding source is impacted by sales tax performance as a whole, and subject to the same risks previously described. The County of Riverside has reduced 2019/20 revenue projections by \$612,000, however there are sufficient funds to proceed with

the planned capital projects included in the FY 2019/20 budget.

Public Parking Fund

Parking revenues have declined sharply due to the stay-at-home order, compounding existing fiscal challenges in the Public Parking fund. The fund operates on a very narrow margin in most years, and partial use of fund reserves has been requested for critical capital projects, including multi-space pay stations. Revenue loss in this fund will quickly deplete remaining reserves, in which case a General Fund subsidy will be required to keep the fund afloat.

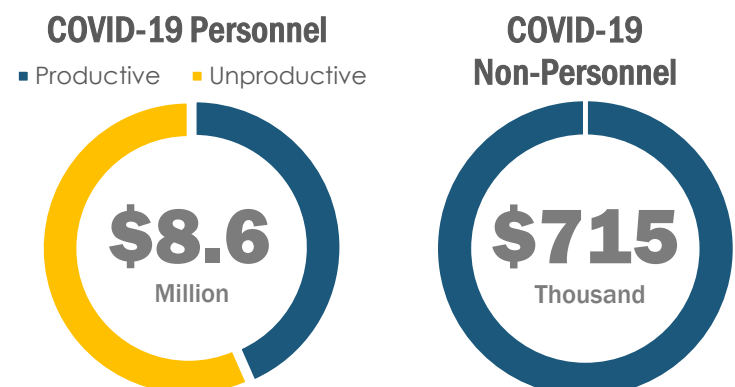
Convention Center

The Convention Center is temporarily closed due to the stay-at-home order. The General Fund subsidizes 100% of debt obligations (\$3.5 million) for the Convention Center Fund and operating losses. In fiscal year 2018/19, the Convention Center posted a nominal profit, but the Riverside Convention & Visitor's Bureau and the Sports Commission required an operating subsidy totaling \$1.6 million. In fiscal year 2019/20, an operating subsidy of approximately \$1.4 million has been budgeted for this fund. At the end of the third quarter, expenditures exceed revenues by \$2.3 million.

Entertainment Fund

The Entertainment Fund encompasses the Fox and Box Theaters and the Municipal Auditorium. The General Fund pays 100% of debt obligations (\$3.2 million) and backfills operating losses. In fiscal year 2018/19, the General Fund subsidized \$444,000 in operating costs; \$300,000 is budgeted in FY 2019/20. At the end of March 2020, expenses had outpaced revenues by \$700,000. Financial activity for March 2020 has not yet been recorded for the Fox Theater and Riverside Municipal Auditorium. With the venues closed for the foreseeable future, the General Fund subsidy will be higher than budgeted, although the impact is currently unknown.

COVID-19: Citywide Costs to Date (May 31, 2020)



COVID-19 FISCAL RESPONSE

The City has made a concerted effort over the past several years to improve the health of City finances and in particular, the City's General Fund. These efforts have resulted in the achievement of 20% General Fund reserves, the passage of Measure Z to restore critical services and address critical unfunded needs; the adoption of new rate plans to support operations and critical capital projects in the electric and water funds, and much more. The City continues to move forward on the path to long-term fiscal sustainability through restructuring of the General Fund, a managed hiring initiative, the CalPERS Challenge, and a plan to adopt a priority based budgeting methodology. Under the COVID-19 emergency, the City is taking deliberate and prudent actions to plan for the imminent fiscal impacts of COVID-19. Some of the actions that the City has taken to date are described below.

IMMEDIATE FISCAL ACTIONS



Restrict spending to emergency and essential needs



Recruitment suspension

SECONDARY FISCAL ACTIONS



Seek Emergency Funding



Emergency Budget with contingency measures

NEXT STEPS



Monitoring, reporting, and intracycle adjustments



Priority Based Budgeting

Emergency Funding

The emergency declarations at the federal, state and local levels provides local agencies with access to emergency funds and grants. The City has applied for more than \$5.6 million in grants to reimburse the City with expenses related to its coronavirus response, assist small businesses, assist homeless at at-risk populations, and support City functions impacted by COVID-19.

Council Date	Grant	Amount
May 5, 2020	CDBG – Small Businesses	\$1,870,896
May 19 & 26, 2020	CARES Act – Supplemental CDBG, ESG, and HOPWA funding with submission of an amended HUD action plan	3,318,707
May 19, 2020	FEMA Disaster Assistance (reimbursement based)	N/A
May 19, 2020	CARES Act – Airport operations	\$69,000
May 19, 2020	California State Library – Crisis collection reimbursement for library	\$5,000
May 19, 2020	U.S. DOJ – Police and Fire department coronavirus response	\$364,813
Total		\$5,628,416

Responding to a Fiscal Emergency

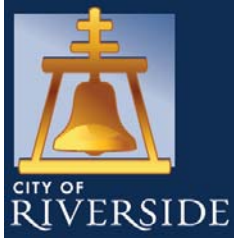
The Government Finance Officers Association (GFOA) is arguably the most highly regarded professional organization in government finance. Based on its 12-Stage Financial Recovery Process first published in April 2011, GFOA has updated and provided more specific guidance to agencies in a state of fiscal emergency through webinars and business partners during the COVID-19 emergency. Some of the key takeaways from GFOA guidance are:

- Recognize the uniqueness of each agency: one-size does not fit all
- Consider three levels of near-term treatments:
 - Primary: such as vacancy control, spending control, revenue enhancement.
 - Cautionary: such as wage freeze, reduced work hours, defer capital projects, temporary budget cuts
 - Extreme: such as wage cuts, sustained budget cuts, tax increases, long-term borrowing.
- Make data-driven decisions

Staff has monitored the actions of other agencies and considered the applicability and need for similar actions for our City. Considering our unique makeup of revenues and available strategic options, a prudent balance of fiscal control, leveraging of resources, and fiscal monitoring has been employed to ensure that Riverside remains fiscally sound.

Measure Z
FY 2019/20 Quarter 3 Financial Update

Spending Item	Category	Total Budget	FY 2019/20 Expenditure
Financial Discipline/ Responsibility			
2 Payoff of the Balloon \$32 million Pension Obligation Bond	Financial Discipline	1,674,490	1,255,867
4 Measure Z Spending Contingency	Financial Discipline	2,000,000	-
Total Financial Discipline/ Responsibility		3,674,490	1,255,867
Public Safety			
5 Additional Sworn Police Positions	Public Safety	8,068,849	5,488,308
6 Public Safety Non-Sworn Positions and Recruitment Costs	Public Safety	982,622	627,430
7 Police Officer Lateral Hire Incentives and Recruitment Costs	Public Safety	658,671	9,994
8 Additional Dispatchers	Public Safety	810,394	408,359
9 Reinstatement of Fire Squad	Public Safety	942,565	953,529
10 Reinstatement of Captains (Training and Arson)	Public Safety	585,486	413,808
11 Reinstatement of Battalion Chief	Public Safety	416,296	285,435
12 Revised PD Vehicle Replacement and Maintenance Plan	Public Safety	2,509,151	1,063,928
14 Revised Fire Vehicle Replacement and Maintenance Plan	Public Safety	3,712,952	2,741,879
16 Additional Fleet Mechanics for Police Department (2)	Public Safety	218,153	142,209
17 Additional Fleet Mechanics for Fire Department (2)	Public Safety	228,155	162,959
34 4-Person Staffing on Fire Trucks	Public Safety	1,194,497	928,295
35 Fire Equipment and One-Time Operating Needs	Public Safety	189,527	64,019
36 Contingency - Fire Radios	Public Safety	568,231	22,960
37 Recreation - Summer Pools	Public Safety	50,000	37,500
38 Arlington Youth Innovation Center Furniture, Fixtures & Equip.	Public Safety	600,000	8,260
40 Library Security Guards	Public Safety	322,719	121,737
42 Orangecrest Fire Station Dormitory Improvements	Public Safety	100,000	427
Total Public Safety		22,158,268	13,481,037
Critical Operating Needs			
18 Funding Gap - Existing Services	Critical Operating Needs	18,266,026	13,699,519
19 General Plan Update	Critical Operating Needs	4,966,581	9,525
20 Homeless Services	Critical Operating Needs	1,306,606	230,926
21 Principal Analyst - City Manager's Office	Critical Operating Needs	161,100	114,942
22 Budget Engagement Commission Support	Critical Operating Needs	27,000	6,825
Total Critical Operating Needs		24,727,313	14,061,738
Facility Capital Needs			
23 New Downtown Main Library and Archives	Facility Capital Needs	4,840,735	3,839,625
24 Eastside Library Site Selection	Facility Capital Needs	100,000	-
25 New Police Headquarters	Facility Capital Needs	2,227,953	1,599,000
26 Museum Expansion and Rehab	Facility Capital Needs	99,220	74,217
28 Annual Deferred Maintenance	Facility Capital Needs	1,429,867	881,826
Total Facility Capital Needs		8,697,775	6,394,668
Quality of Life			
29 Maximize Roads/Streets (Pavement Condition Index)	Quality of Life	12,789,674	460,494
30 Tree Trimming	Quality of Life	2,018,534	734,392
31 Ward Action Team - City Attorney's Office	Quality of Life	282,065	211,607
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	756,796
41 Homeless Shelters	Quality of Life	2,364,000	170,035
Total Quality of Life		21,026,591	2,333,324
Technology			
33 Technology Improvements	Technology	5,454,083	368,945
Total Technology		5,454,083	368,945
Totals		85,738,520	37,895,579



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

Finance Department

City Council
June 16, 2020

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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 3 Highlights



Revenues 66%



Expenditures 70%



Unknown COVID-19 Impacts



2

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GENERAL FUND: COVID-19 IMPACTS



Property Tax

- Home sales slowing
- Construction slowing
- **Impact will be delayed**



Licenses & Permits

- Business licenses at standstill
- Permanent business closures
- **Impact is protracted**



Sales Tax

- Business closures
- Fuel & vehicle sales down
- **Impact is immediate**
- **Sales tax deferral**



Non-development Charges for Services

- Parks and libraries closed
- **Impact is protracted**



Transient Occupancy Tax

- Hotel closures
- Consumer behavior
- **Impact is immediate**



Other Revenues/Rising Costs

- Building & Development Fees
- Utility User Fees & General Fund Transfer
- Operating subsidies for Convention Center, Visitor's Bureau, Fox, Box

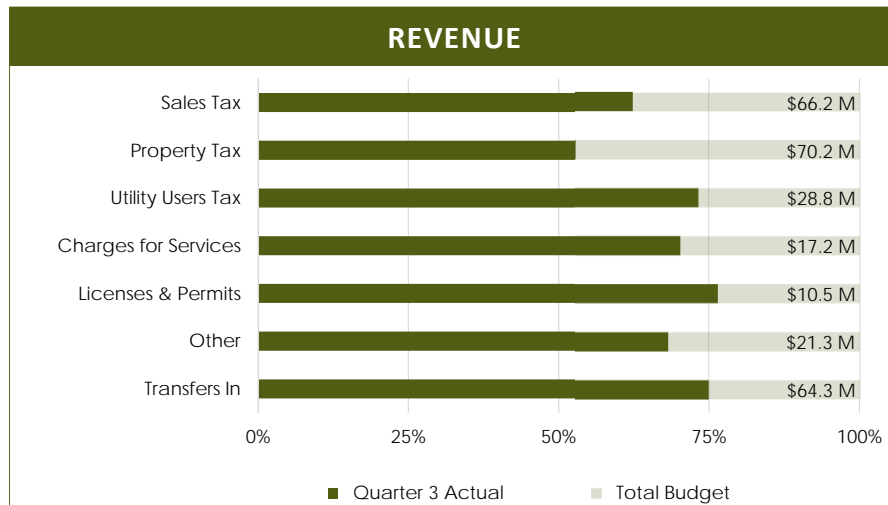


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GENERAL FUND REVENUE

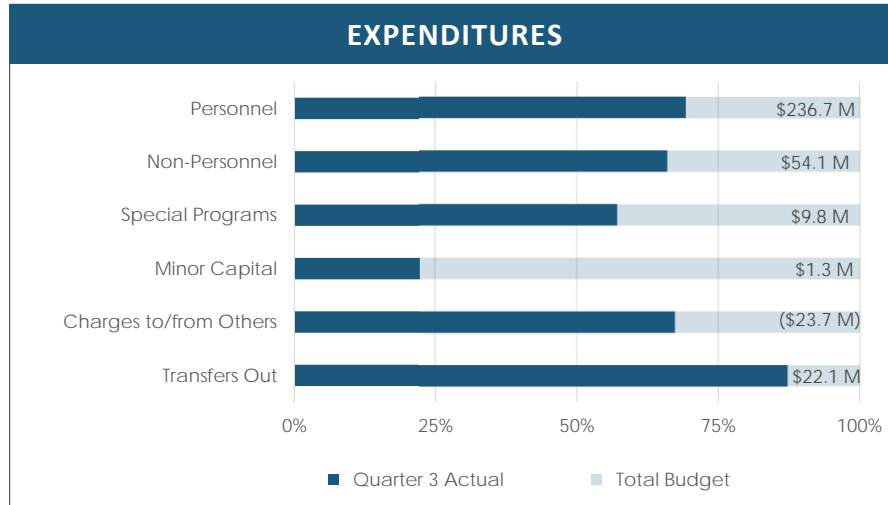


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GENERAL FUND EXPENDITURES



Includes prior fiscal year carryovers.

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MEASURE Z OVERVIEW

MEASURE Z SUMMARY

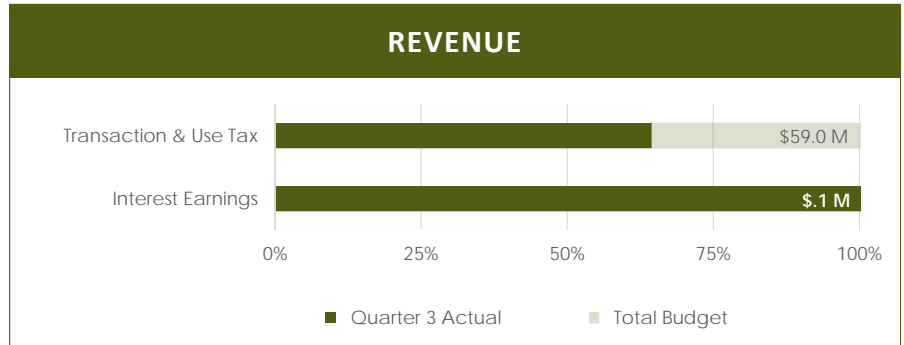
	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Allocations
Revenue	\$12,606,428	\$56,222,806	\$62,826,127	\$56,026,000
Actuals / Allocations	9,973,447	36,134,811	61,702,430	65,024,239
(Unexpended) / Carryovers			(20,714,281)	20,714,281
Net Change in Reserves	\$2,632,981	\$20,087,995	\$21,827,978	\$(29,712,520)
Policy Reserve	-	-	5,000,000	-
Reserves	\$2,632,981	\$22,720,976	\$39,548,954	\$9,836,434

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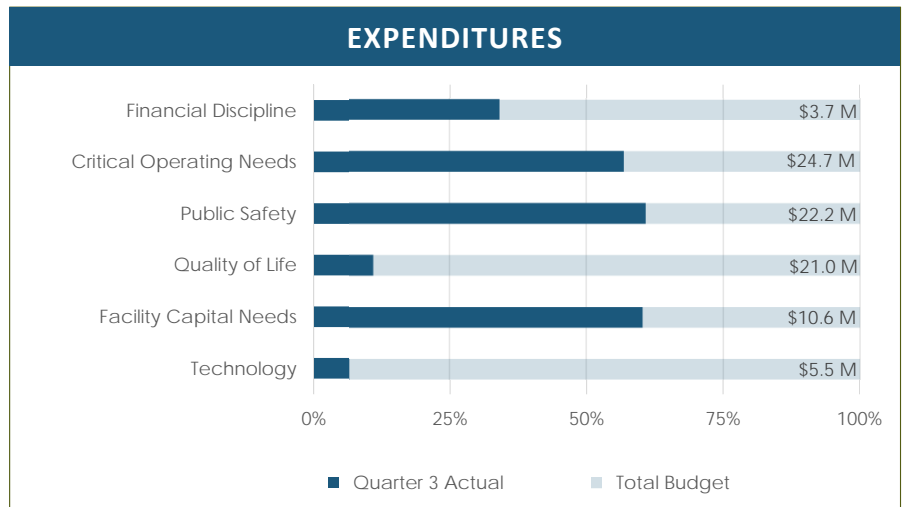
MEASURE Z REVENUE



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MEASURE Z EXPENDITURES



Includes prior fiscal year carryovers.



8

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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

Quarter 3 Highlights



Revenues 75%



Expenditures 74%

Expenditures occur unevenly throughout the year.



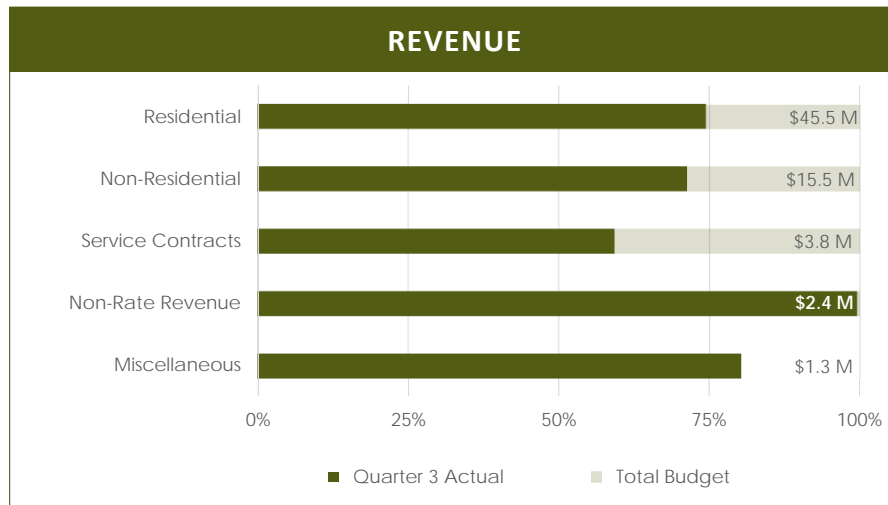
* Includes prior fiscal year carryovers.

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SEWER FUND REVENUE

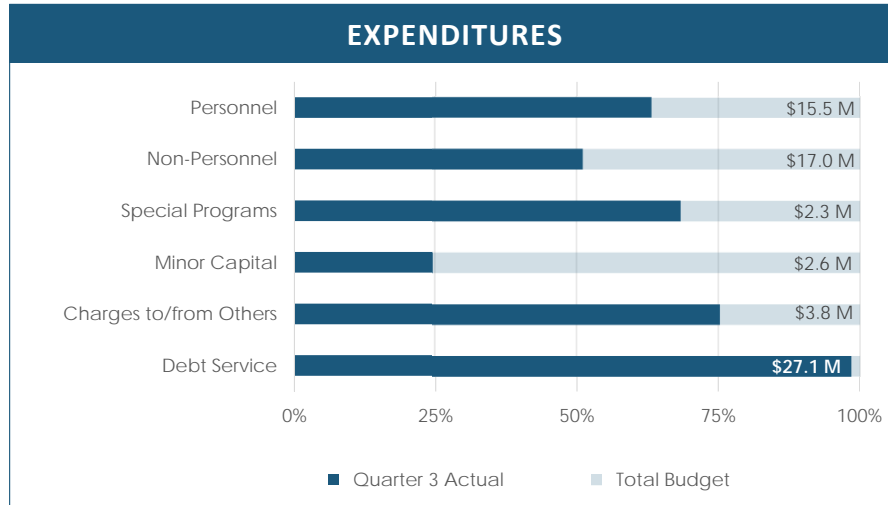


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SEWER FUND EXPENDITURES



Includes prior fiscal year carryovers; excludes capital projects.

11



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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 3 Highlights



Revenues 74%



Expenditures 64%

Expenditures occur unevenly throughout the year.

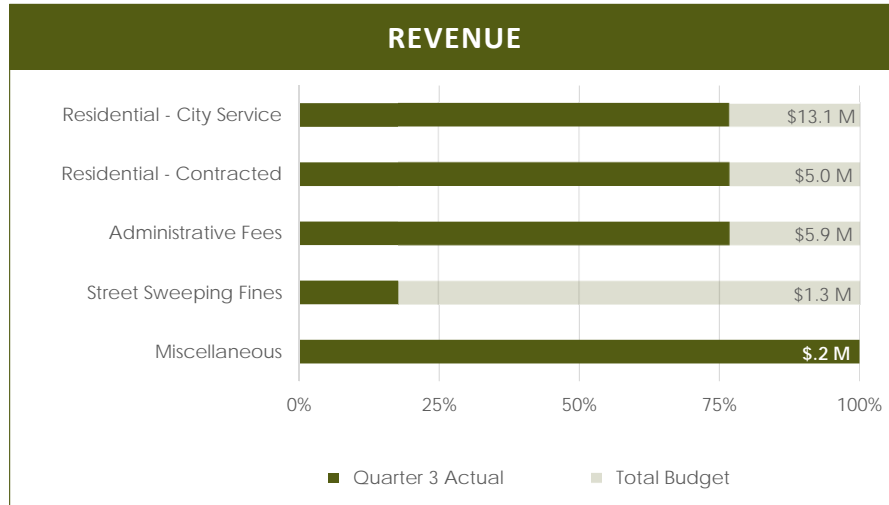
** Includes revenue adjustments and prior fiscal year expenditure carryovers.*

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REFUSE FUND REVENUE

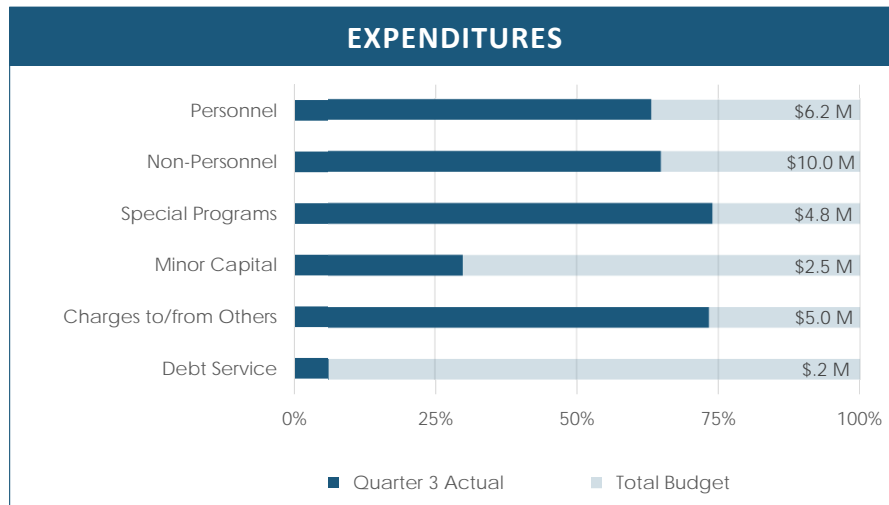


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REFUSE FUND EXPENDITURES



* 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 3 Highlights



Revenues 75%



Expenditures 66%

Expenditures occur unevenly throughout the year.



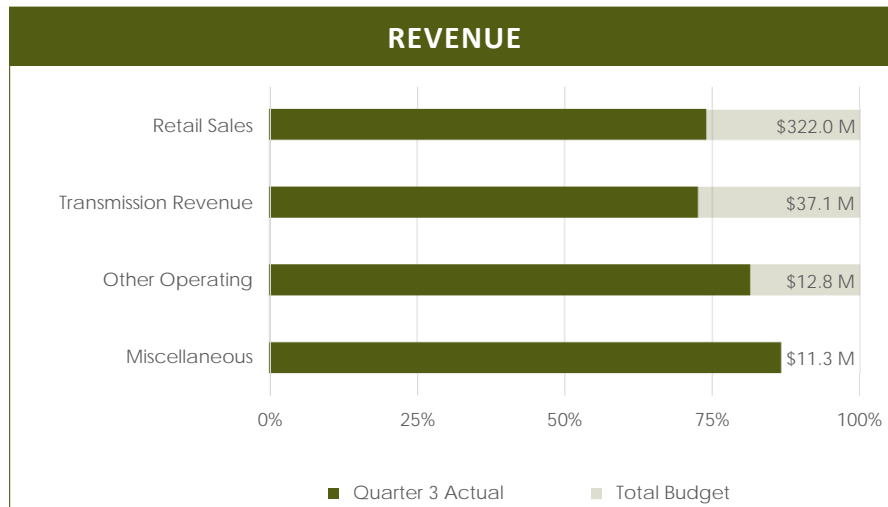
*Strategic drawdown of cash reserves.

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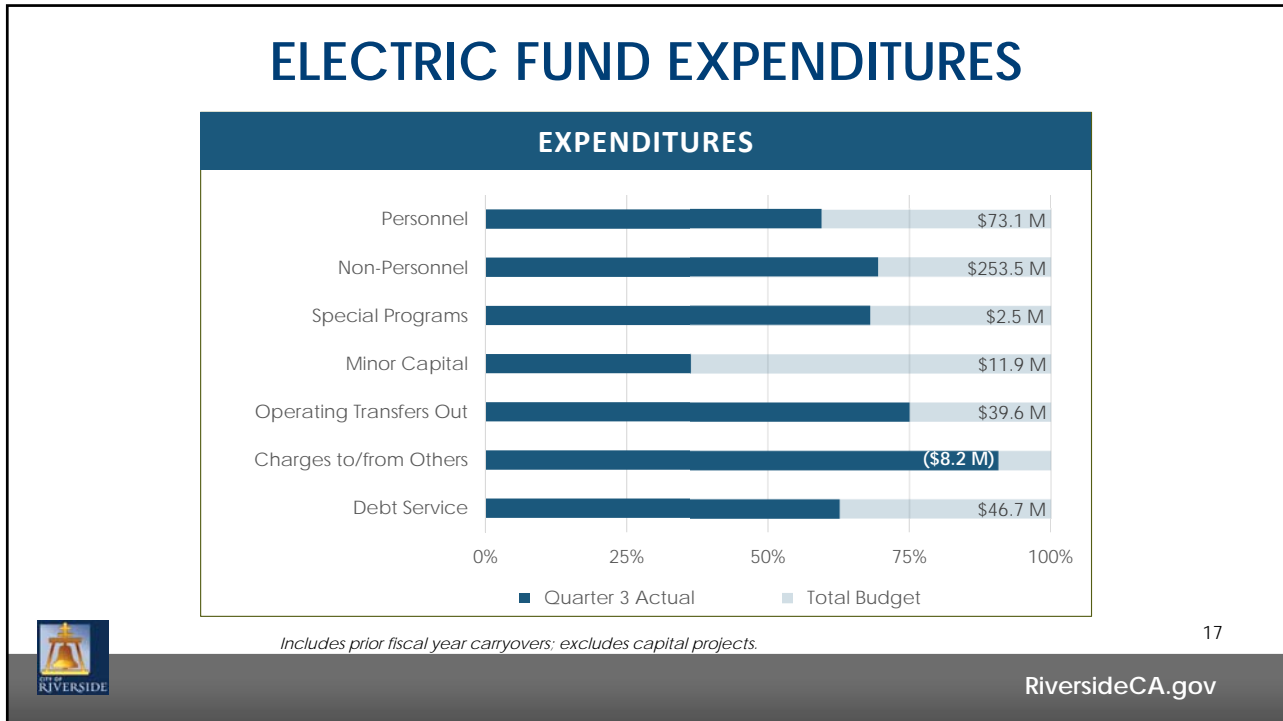
ELECTRIC FUND REVENUE



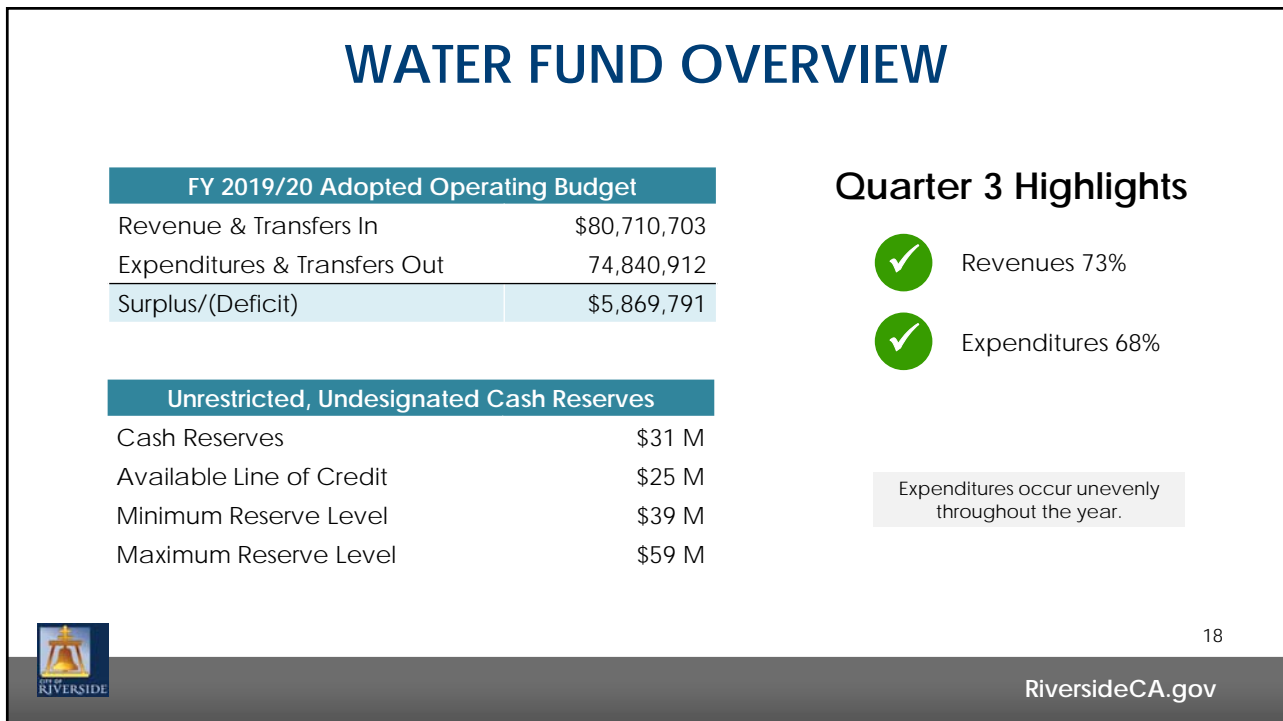
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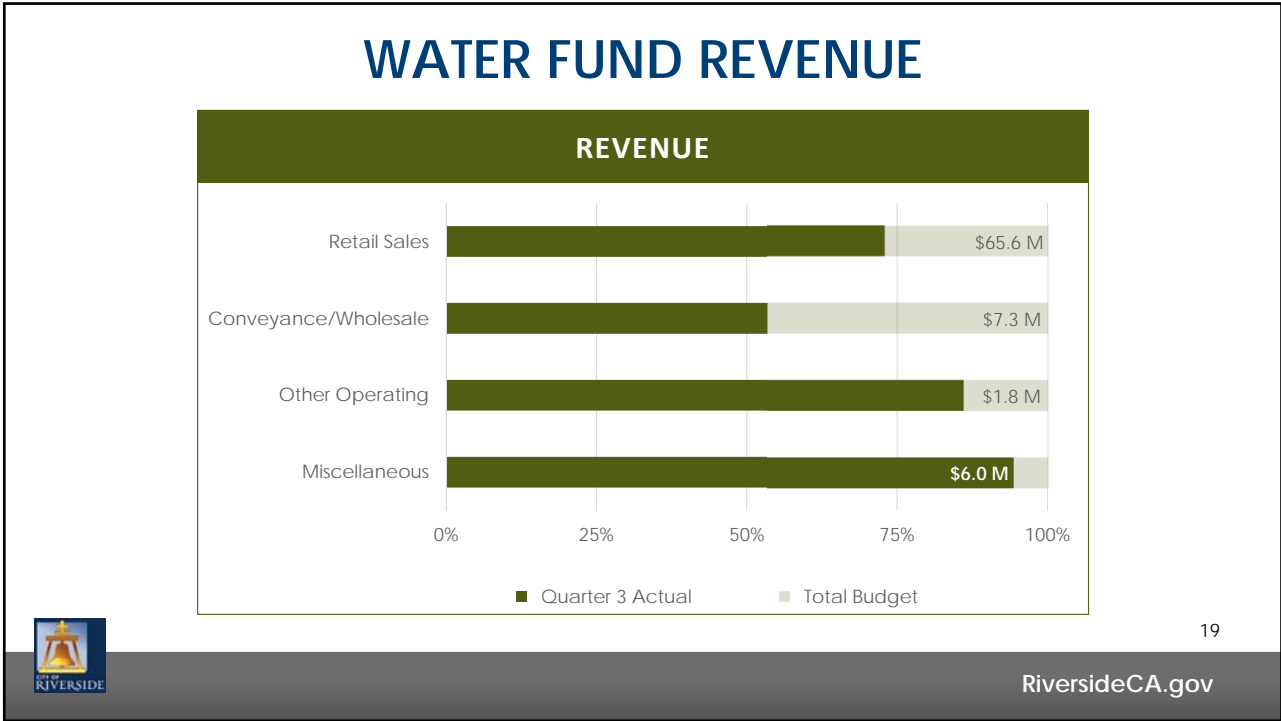
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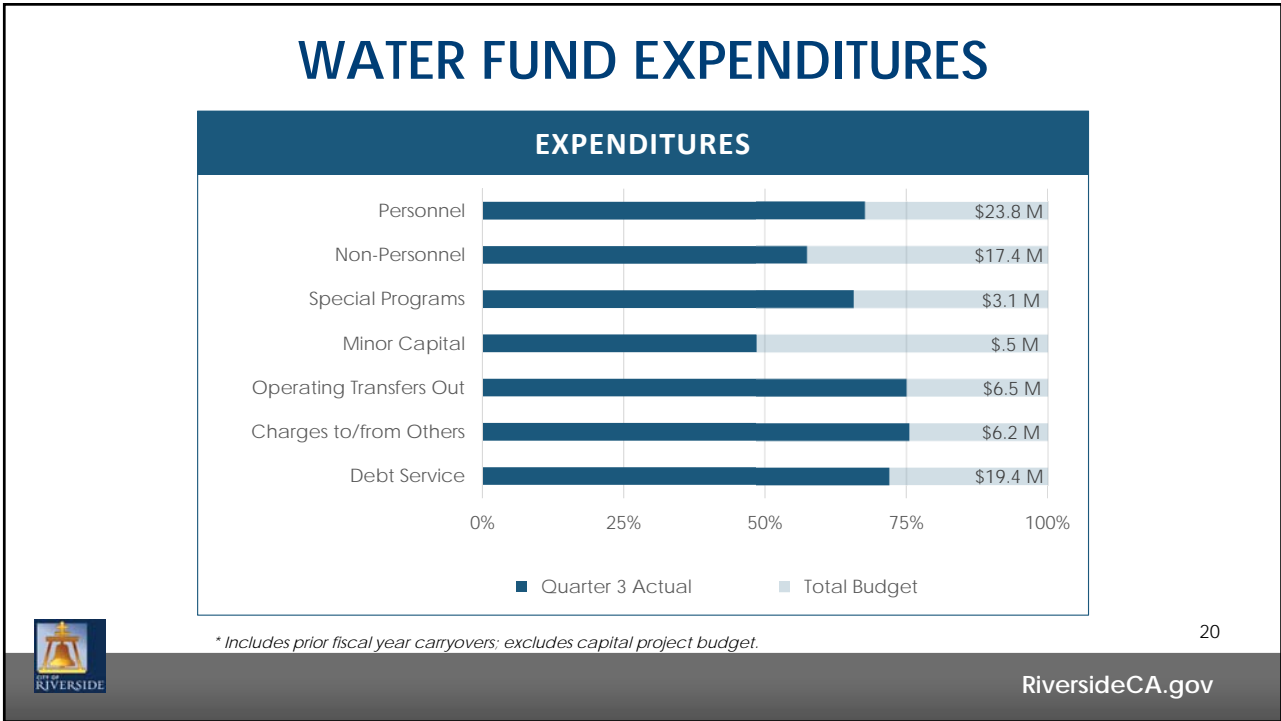
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COVID-19 CITYWIDE EXPENDITURES (May 31, 2020)

COVID-19 Personnel

■ Productive ■ Unproductive



COVID-19 Non-Personnel



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COVID-19 RESPONSE

IMMEDIATE FISCAL ACTIONS



Restrict spending to emergency and essential needs



Recruitment suspension

SECONDARY FISCAL ACTIONS



Seek Emergency Funding



Emergency Budget with contingency measures

NEXT STEPS



Monitoring, reporting, and intracycle adjustments



Priority Based Budgeting



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TRANSFERS AND SUPPLEMENTALS

- 1. General Fund \$883,172 interfund transfer to the Grants and Restricted Programs Fund:** As part of the ongoing General Fund restructuring to remove non-operating activity out of the General Fund, restricted Library donations (\$56,475) and asset forfeiture funds (\$826,697) were transferred to the Grants and Restricted Programs Fund.
- 2. General Fund \$400,426 interfund transfer to the General Capital Project Fund:** The Corporation Yard Security Camera project was approved by City Council on October 22, 2019 and the related video storage equipment purchase was approved on February 4, 2020. Interfund transfers are needed to appropriately establish and account for the project.



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RECOMMENDATIONS

That the City Council:

1. Receive and provide input on the attached Fiscal Year 2019/20 Third Quarter Financial Report and Measure Z update; and
2. Approve General Fund interfund transfers and supplemental appropriations of \$1,283,598 required for General Fund restructuring and capital project accounting, with a net zero effect on total citywide appropriations.



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City Council Memorandum

City of Arts & Innovation

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TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JUNE 16, 2020

FROM: FINANCE DEPARTMENT WARDS: ALL

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

ISSUE:

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

RECOMMENDATION:

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

BACKGROUND:

On March 17, 2020, the City Council received and provided input on the Fiscal Year 2019/20 Second 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 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 INVESTMENTS 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 March 31, 2020, the City's pooled investment portfolio's market value was \$696 million, with the market value of investments held for the Section 115 Pension Trust Fund and fiscal agents (bond proceeds and reserve funds primarily) amounting to an additional \$283 million. The weighted average yield of the pooled investment portfolio is 1.01%.

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 Chief Financial Officer/Treasurer 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 (\$1,192,950), Civic Entertainment Fund – Fox, Box, RMA, and Showcase (\$73,079) Special Districts (\$345,629), and NPDES Storm Drain (\$217,127) have negative cash balances due to timing of expenditures; however, the negative balances are fully offset by outstanding receivables and/or internal transfers.
2. Urban Areas Security Initiative (\$463,271), Grants and Restricted Programs (\$1,280,286), Housing Opportunities for Persons with AIDS (\$592,119), Capital Outlay - Grants (\$1,025,202), and Transportation Uniform Mitigation Fees (\$2,462,659) 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 (\$8,415,295) 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).

QUARTERLY DEBT REPORT

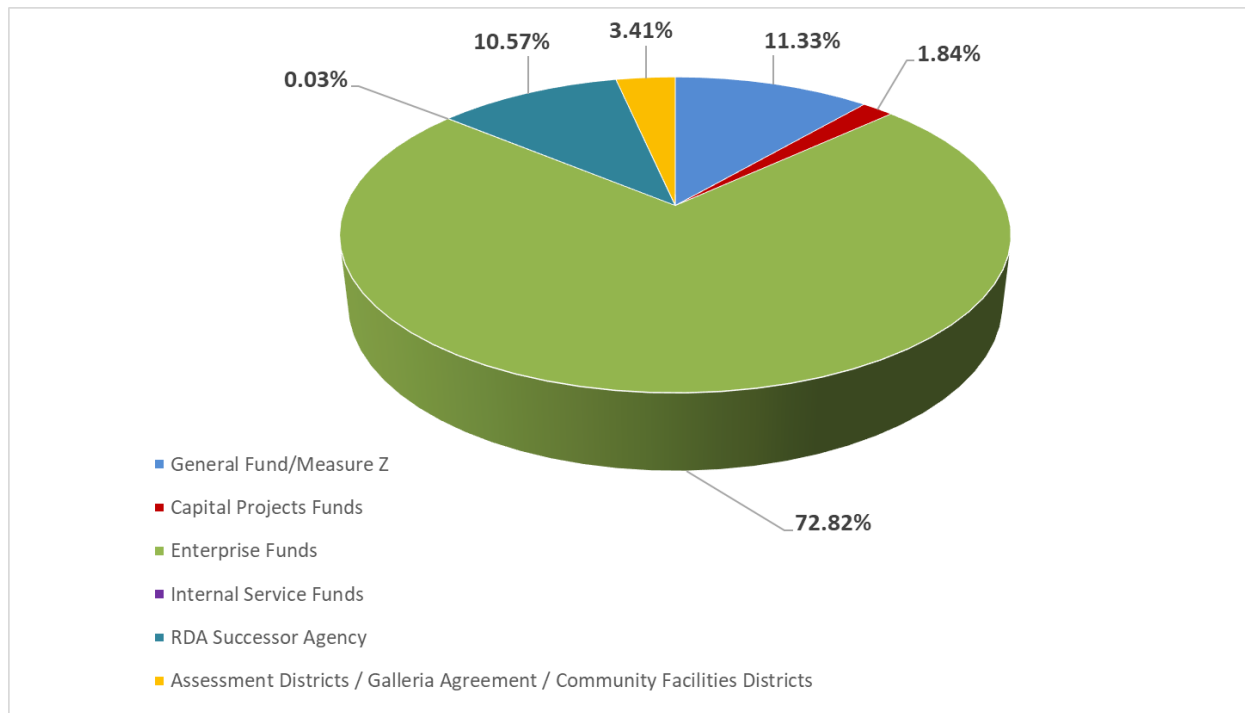
The Finance Department is responsible for managing the City's debt portfolio, which includes issuing new debt and monitoring opportunities to refinance existing debt as opportunities to reduce financing costs arise. The Quarterly Debt Report (Attachment 2) summarizes the composition of the City's debt 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 third 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 third quarter, the City's outstanding principal balance decreased \$4,563,548 from the end of the second quarter of fiscal year 2020. This principal decrease is due to \$7,003,548 debt service principal payments on the City's 2008A Renaissance Certificates of Participation, Capital Leases, one State Revolving Fund Loan Payment and Private Placement Loans. There was one new issuance of debt in the principal amount of \$2,440,000 Special Tax Bonds for Community Facilities District (CFD) 2015-1.

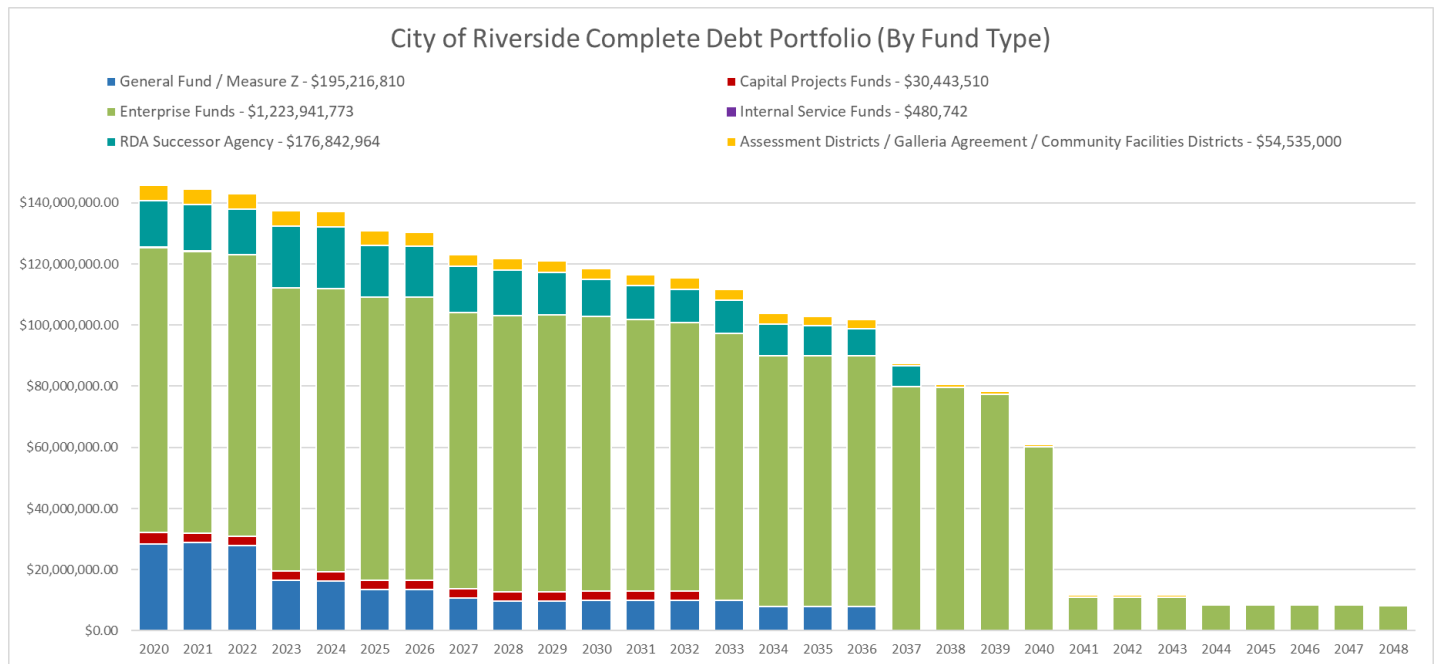
The chart below depicts the composition of the City's debt portfolio at the end of the third quarter. The Enterprise funds are responsible for the majority of the City's debt, with capital project

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 Third 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 third quarter, the Financing Team completed the issuance of the CFD 2015-1 (Orangecrest) Special Tax Bonds and began preparing legal documents and disclosures related to the Electric 2011A Privately placed variable rate bonds. Staff also completed a 20-year forecast of all debt service-related expenses as part of the budget development process and began the annual process of levying special tax and assessments for the City’s land secured debt portfolio.

Other debt related activities conducted within the third quarter include:

- Feasibility analysis of Citywide CFD formation.
- Continuing Disclosure Annual Reports for Enterprise, General Fund, Special Districts and Successor to the Redevelopment Agency Debt.
- Analysis and preparation of legal documents for proposed 2020 POB issuance.

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: Gary G. Geuss, City Attorney

- Attachments:
1. Cash and Investment Report
 2. Quarterly Debt Report
 3. Presentation

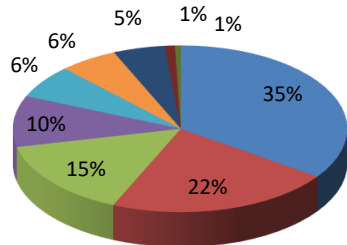


CITY OF RIVERSIDE Quarterly Investment Report March 31, 2020

	AMORTIZED COST	MARKET* VALUE
POOLED INVESTMENT PORTFOLIO		
Deposit Accounts	\$ 39,533,927.95	\$ 39,533,927.95
Joint Powers Authority Pool	101,028,073.79	101,028,073.79
Local Agency Investment Fund (LAIF)	150,000,000.00	150,702,949.12
Certificates of Deposit	3,944,020.00	4,011,254.84
Medium Term Notes	71,002,352.44	72,780,765.74
U.S. Govt Agency Mortgage Backed Securities	31,949,032.17	32,712,580.50
Asset Backed Securities	5,039,297.47	5,007,823.06
U.S. Govt Agency Securities	43,663,779.35	45,113,499.61
U.S. Treasury Notes/Bonds	237,375,642.69	245,557,949.42
TOTAL POOLED INVESTMENT PORTFOLIO	683,536,125.86	696,448,824.03
INVESTMENTS HELD BY FISCAL AGENT - SECTION 115 PENSION TRUST FUND	9,365,397.15	8,713,913.04
INVESTMENTS HELD BY FISCAL AGENT	272,522,062.92	274,014,649.16
TOTAL CASH & INVESTMENTS	\$ 965,423,585.93	\$ 979,177,386.23

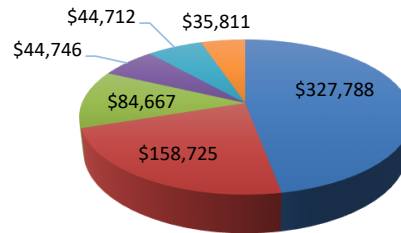
*Includes accrued interest

COMPOSITION OF POOLED PORTFOLIO



- U.S. Treasury Notes/Bonds (35.26%)
- Local Agency Investment Fund (21.64%)
- Joint Powers Authority Pool (14.50%)
- Medium Term Notes (10.45%)
- U.S. Govt Agency Securities (6.48%)
- Deposit Accounts (5.68%)
- U.S. Govt Agency Mortgage Backed (4.70%)
- Asset Backed Securities (0.72%)
- Certificates of Deposit (0.57%)

COMPOSITION OF POOLED PORTFOLIO BY FUND

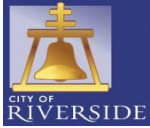


- Electric Fund (47.07%)
- All Other Funds (22.79%)
- Sewer Fund (12.16%)
- Water Fund (6.42%)
- General Fund (6.42%)
- Measure Z Fund (5.14%)

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 pooled investment portfolio is 1.35 years. Market prices of securities are obtained from Interactive Data Corporation. Weighted average yield on cost for the pooled investment portfolio is 1.01%. 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.

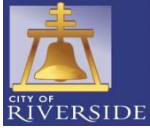
Verified by: 
Nancy Garcia, Controller

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



CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
March 31, 2020

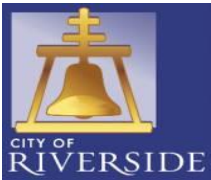
DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	AMORTIZED COST	YIELD ON MATURITY	MARKET * VALUE
<u>DEPOSIT ACCOUNTS</u>							
Bank of America Checking and Reserve	Varies	Varies	NR	Varies	33,506,200.35	0.25%	33,506,200.35
Bank of America Custodial Cash	Varies	Varies	NR	Varies	873,911.85	0.00%	873,911.85
Citizens Business Bank	Varies	Varies	NR	Varies	5,153,815.75	0.00%	5,153,815.75
SUBTOTAL DEPOSIT ACCOUNTS					39,533,927.95		39,533,927.95
<u>JOINT POWERS AUTHORITY POOL</u>							
California Asset Management Program (CAMP)	Varies	Varies	AAA	Varies	101,028,073.79	1.50%	101,028,073.79
SUBTOTAL JOINT POWERS AUTHORITY POOL					101,028,073.79		101,028,073.79
<u>LOCAL AGENCY INVESTMENT FUND (LAIF)</u>							
	Varies	Varies	NR	Varies	150,000,000.00	1.74%	150,702,949.12
<u>CERTIFICATES OF DEPOSIT</u>							
Bank of Wisconsin Dells	1.50%	07/17/20	FDIC	02/05/16	249,000.00	1.01%	249,515.54
Bridgewater Bank	1.50%	08/17/20	FDIC	02/05/16	249,000.00	1.03%	249,600.69
Unity Bank	1.50%	08/26/20	FDIC	02/05/16	249,000.00	0.51%	250,057.90
Barclays Bank Delaware	2.20%	09/16/20	FDIC	09/09/15	247,000.00	0.98%	248,629.55
Bank Of Charles Town	1.80%	09/30/20	FDIC	09/22/15	249,000.00	0.61%	250,514.33
HSBC Bank USA, National Association	3.10%	11/17/20	FDIC	11/18/15	246,000.00	1.18%	251,816.59
Enerbank USA Inc.	1.90%	01/28/21	FDIC	01/15/16	247,000.00	1.15%	249,346.62
The State Bank and Trust Company	1.60%	02/17/21	FDIC	02/05/16	249,000.00	0.69%	251,169.18
BMW Bank of North America Inc.	3.00%	07/13/21	FDIC	07/10/18	244,877.50	1.27%	251,962.45
Citibank, N.A.	3.00%	07/13/21	FDIC	07/10/18	244,877.50	1.27%	251,962.45
Wells Fargo Bank, National Association	3.00%	07/13/21	FDIC	07/10/18	244,877.50	1.28%	250,759.62
Ally Bank	3.00%	07/19/21	FDIC	07/10/18	244,877.50	1.27%	251,905.33
Discover Bank	3.00%	07/19/21	FDIC	07/10/18	244,877.50	1.28%	251,925.47
Medallion Bank	3.00%	07/20/21	FDIC	07/10/18	244,877.50	1.28%	250,693.14
Merrick Bank Corporation	2.95%	07/20/21	FDIC	07/10/18	244,877.50	1.28%	250,530.60
Hanmi Bank	2.95%	08/17/21	FDIC	07/10/18	244,877.50	1.29%	250,865.38
SUBTOTAL CERTIFICATES OF DEPOSIT					3,944,020.00		4,011,254.84
<u>MEDIUM TERM NOTES</u>							
TOYOTA MOTOR CREDIT CORP	1.95%	04/17/20	AA- / Aa3	02/23/18	2,170,872.00	2.42%	2,219,061.53
AMERICAN HONDA FINANCE CORP	3.00%	06/16/20	A / A2	07/11/18	4,169,363.75	3.68%	4,205,419.05
WALMART INC	2.85%	06/23/20	AA / Aa2	06/20/18	12,671,070.75	2.40%	12,785,783.73
CISCO SYSTEMS INC	2.20%	02/28/21	AA- / A1	03/12/18	5,202,692.00	1.70%	5,334,384.63
AMERICAN HONDA FINANCE CORP	3.38%	12/10/21	A / A2	10/03/18	5,447,384.00	2.98%	5,541,768.46
APPLE INC	2.30%	05/11/22	AA+ / Aa1	02/20/18	7,301,625.00	1.05%	7,755,033.33
BERKSHIRE HATHAWAY FINANCE CORP	3.00%	05/15/22	AA / Aa2	03/12/19	5,136,191.29	1.15%	5,341,656.92
ORACLE CORP	2.50%	05/15/22	A+ / A1	02/19/19	2,542,655.20	1.61%	2,638,280.90
EXXON MOBIL CORP	1.90%	08/16/22	AA+ / Aaa	08/13/19	2,375,000.00	1.75%	2,388,754.81
ORACLE CORP	2.50%	10/15/22	A+ / A1	03/12/19	5,943,780.00	1.68%	6,190,906.67
BERKSHIRE HATHAWAY FINANCE CORP	2.75%	03/15/23	AA / Aa2	05/09/19	4,451,187.75	1.47%	4,594,328.37
CHEVRON CORP	3.19%	06/24/23	AA / Aa2	02/19/19	5,057,700.00	1.62%	5,269,754.86
TOYOTA MOTOR CREDIT CORP	3.45%	09/20/23	AA- / Aa3	02/06/19	2,470,070.70	2.31%	2,524,449.65
Royal Bank of Canada	2.25%	11/01/24	A / A2	02/06/20	3,037,950.00	2.14%	3,043,927.50
John Deere Capital Corp.	2.05%	01/09/25	A / A2	02/06/20	3,024,810.00	2.55%	2,947,255.33
SUBTOTAL MEDIUM TERM NOTES					71,002,352.44		72,780,765.74



CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
March 31, 2020

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	AMORTIZED COST	YIELD ON MATURITY	MARKET * VALUE
<u>U.S. GOVERNMENT AGENCY MORTGAGE BACKED SECURITIES</u>							
FHMS K019 A2	2.27%	03/25/22	NR	07/10/19	11,904,891.54	1.45%	12,046,467.17
FHMS K026 A2	2.51%	11/25/22	NR	04/16/19	9,948,046.88	1.27%	10,295,563.33
FHMS K723 A2	2.45%	08/25/23	NR	07/16/19	10,096,093.75	1.31%	10,370,550.00
SUBTOTAL U.S. GOVERNMENT AGENCY MORTGAGE BACKED SECURITIES					31,949,032.17		32,712,580.50
<u>U.S. GOVERNMENT AGENCY ASSET BACKED SECURITIES</u>							
HONDA AUTO RECEIVABLES	1.61%	04/22/24	NR	02/19/20	2,924,426.70	1.56%	2,930,277.36
JOHN DEERE OWNER TRUST	1.10%	08/15/24	NR	03/04/20	2,114,870.77	1.87%	2,077,545.70
SUBTOTAL U.S. GOVERNMENT AGENCY ASSET BACKED SECURITIES					5,039,297.47		5,007,823.06
<u>U.S. GOVERNMENT AGENCY SECURITIES</u>							
FEDERAL HOME LOAN MORTGAGE CORP	2.38%	02/16/21	AA+ / Aaa	04/25/18	7,931,968.00	0.46%	8,157,686.00
FEDERAL NATIONAL MORTGAGE ASSOCIATION	2.63%	01/11/22	AA+ / Aaa	01/11/19	9,222,537.20	0.44%	9,520,784.62
FEDERAL HOME LOAN BANK	2.75%	12/13/24	AA+ / Aaa	02/06/20	5,281,300.00	0.63%	5,532,690.00
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1.63%	01/07/25	AA+ / Aaa	03/04/20	8,281,440.00	0.57%	8,426,786.00
FEDERAL HOME LOAN MORTGAGE CORP	1.50%	02/12/25	AA+ / Aaa	02/13/20	6,599,914.15	0.59%	6,905,159.82
FEDERAL HOME LOAN BANK	2.38%	03/14/25	AA+ / Aaa	03/19/20	6,346,620.00	0.46%	6,570,393.17
SUBTOTAL U.S. GOVERNMENT AGENCY SECURITIES					43,663,779.35		45,113,499.61
<u>U.S. GOVERNMENT TREASURY SECURITIES</u>							
UNITED STATES TREASURY	1.38%	05/31/20	AA+ / Aaa	07/09/15	2,232,246.09	0.11%	2,265,135.53
UNITED STATES TREASURY	1.88%	06/30/20	AA+ / Aaa	09/03/15	7,129,746.10	0.11%	7,064,050.08
UNITED STATES TREASURY	2.00%	09/30/20	AA+ / Aaa	12/13/16	10,112,304.70	0.13%	10,093,906.45
UNITED STATES TREASURY	2.63%	11/15/20	AA+ / Aaa	11/03/17	14,198,955.08	0.08%	14,207,481.28
UNITED STATES TREASURY	1.63%	11/30/20	AA+ / Aaa	01/20/16	6,070,308.00	0.77%	6,094,638.39
UNITED STATES TREASURY	2.38%	12/31/20	AA+ / Aaa	07/26/18	4,858,847.66	0.07%	5,014,016.86
UNITED STATES TREASURY	2.00%	01/15/21	AA+ / Aaa	07/26/18	4,813,292.97	0.06%	4,995,759.57
UNITED STATES TREASURY	2.00%	02/28/21	AA+ / Aaa	Various	11,684,658.21	0.08%	11,722,147.00
UNITED STATES TREASURY	2.25%	03/31/21	AA+ / Aaa	08/18/16	2,946,020.00	0.13%	2,859,453.73
UNITED STATES TREASURY	2.63%	06/15/21	AA+ / Aaa	09/26/18	10,923,515.63	0.13%	11,416,491.92
UNITED STATES TREASURY	2.13%	06/30/21	AA+ / Aaa	11/03/17	3,430,945.31	0.12%	3,503,393.59
UNITED STATES TREASURY	2.25%	07/31/21	AA+ / Aaa	08/22/16	8,090,941.41	0.18%	7,992,951.69
UNITED STATES TREASURY	2.13%	09/30/21	AA+ / Aaa	11/15/16	12,739,250.00	0.19%	12,862,050.75
UNITED STATES TREASURY	2.88%	10/15/21	AA+ / Aaa	01/09/19	12,354,794.92	0.21%	12,915,545.85
UNITED STATES TREASURY	2.00%	11/15/21	AA+ / Aaa	01/09/19	8,015,199.41	0.18%	8,436,600.39
UNITED STATES TREASURY	1.88%	11/30/21	AA+ / Aaa	08/08/17	5,428,687.50	0.20%	5,584,638.04
UNITED STATES TREASURY	2.13%	12/31/21	AA+ / Aaa	04/05/18	1,231,494.14	0.23%	1,298,168.60
UNITED STATES TREASURY	1.88%	02/28/22	AA+ / Aaa	08/08/17	11,045,117.19	0.22%	11,366,843.78
UNITED STATES TREASURY	1.88%	05/31/22	AA+ / Aaa	08/08/17	1,755,058.59	0.22%	1,823,439.15
UNITED STATES TREASURY	2.00%	07/31/22	AA+ / Aaa	09/26/18	2,414,843.75	0.23%	2,611,406.62
UNITED STATES TREASURY	1.88%	08/31/22	AA+ / Aaa	10/13/17	2,595,835.94	0.25%	2,706,107.13
UNITED STATES TREASURY	1.88%	09/30/22	AA+ / Aaa	04/09/18	4,916,943.36	0.25%	5,202,991.15
UNITED STATES TREASURY	2.13%	12/31/22	AA+ / Aaa	12/20/18	5,977,761.72	0.27%	6,442,050.66
UNITED STATES TREASURY	2.38%	01/31/23	AA+ / Aaa	04/05/18	1,235,498.05	0.28%	1,328,998.85
UNITED STATES TREASURY	1.63%	05/31/23	AA+ / Aaa	10/31/19	12,436,812.50	0.30%	12,984,065.61
UNITED STATES TREASURY	2.63%	06/30/23	AA+ / Aaa	09/28/18	14,404,335.94	0.30%	15,684,832.92
UNITED STATES TREASURY	1.63%	10/31/23	AA+ / Aaa	10/31/19	12,441,656.25	0.31%	13,066,430.03
UNITED STATES TREASURY	2.88%	11/30/23	AA+ / Aaa	01/09/19	3,044,882.81	0.31%	3,308,945.66
UNITED STATES TREASURY	2.25%	01/31/24	AA+ / Aaa	06/05/19	10,671,445.31	0.33%	11,309,451.35
UNITED STATES TREASURY	2.00%	04/30/24	AA+ / Aaa	10/31/19	12,637,828.13	0.35%	13,333,491.76
UNITED STATES TREASURY	1.75%	06/30/24	AA+ / Aaa	09/09/19	9,358,759.77	0.35%	9,836,515.46
UNITED STATES TREASURY	1.13%	02/28/25	AA+ / Aaa	03/24/20	6,177,656.25	0.37%	6,225,949.57
SUBTOTAL U.S. GOVERNMENT TREASURY SECURITIES					237,375,642.69		245,557,949.42
TOTAL POOLED CASH & INVESTMENTS					683,536,125.86		696,448,824.03

*Includes accrued interest



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

DESCRIPTION OF SECURITY	AMORTIZED COST	YIELD ON MARKET	MARKET VALUE
<u>CASH AND EQUIVALENTS</u>			
Cash	2,384.27	0.00%	2,384.27
First American Government Obligation Fund CL "Z"	392,510.00	0.31%	392,510.00
SUBTOTAL CASH AND EQUIVALENTS	394,894.27		394,894.27
<u>MUTUAL FUNDS - EQUITY</u>			
Ishares Core - S P500 Etf	938,312.76	2.47%	768,740.00
Ishares S P - 500 Growth Etf	306,149.50	1.55%	258,963.45
Ishares S P - 500 Value Etf	441,670.65	3.04%	349,098.75
Ishares Msci - Eafe Etf	424,669.79	4.03%	350,002.62
Ishares - Russell Mid Cap Etf	243,153.87	2.16%	178,982.82
Ishares - Russell 2000 Value Etf	228,464.41	2.93%	151,755.50
Ishares - Russell 2000 Growth Etf	213,148.00	0.97%	156,271.96
Vanguard Ftse - Emerging Markets Etf	220,009.41	4.22%	175,869.10
Vanguard Real - Estate Etf	194,590.38	4.55%	153,879.55
SUBTOTAL MUTUAL FUNDS - EQUITY	3,210,168.77		2,543,563.75
<u>MUTUAL FUNDS - FIXED INCOME</u>			
Ishares Core - U.S. Aggregate Bond Etf	4,711,789.45	2.57%	4,755,551.40
Vanguard - Short Term Invst Grade #539	1,048,544.66	2.92%	1,019,903.62
SUBTOTAL MUTUAL FUNDS - FIXED INCOME	5,760,334.11		5,775,455.02
TOTAL ASSETS	9,365,397.15		8,713,913.04



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

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	AMORTIZED COST	YIELD ON MATURITY	MARKET* VALUE
<u>CASH & MONEY MARKET ACCOUNTS</u>							
Cash (Bank of America - Lease)	Varies	Varies	NR	Varies	5,767,044.91	Varies	5,767,044.91
US Bank Gcts0170	0.20%	Varies	NR	Varies	31,968,657.82	0.20%	31,968,657.82
US Bank Gcts0185	0.20%	Varies	NR	Varies	134,544,403.45	0.20%	134,544,403.45
First American Government Obligation Fund CL "Y"	0.12%	Varies	AAA	Varies	293,016.77	0.12%	293,016.77
First American Government Obligation Fund CL " Z "	0.39%	Varies	A-1	Varies	26,519,149.12	0.39%	26,519,149.12
US Bank Na Commercial Paper	0.10%	04/01/20	NR	08/01/19	665,305.21	0.10%	665,305.21
SUBTOTAL CASH & MONEY MARKET ACCOUNTS					199,757,577.28		199,757,577.28
LOCAL AGENCY INVESTMENT FUND (LAIF)	1.74%	Varies	NR	Varies	25,832,066.49	1.74%	25,834,522.65
<u>BONDS, DEBENTURES, NOTES & AGREEMENTS</u>							
Korea Development Bank Discount CP	1.81%	06/01/20	AAA	11/26/19	2,861,359.82	1.81%	2,879,356.11
CiscoSystems Corporate Note	2.38%	06/15/20	A	01/19/18	3,405,746.00	1.56%	3,430,620.02
US Treasury Note	2.34%	09/30/20	AAA	02/16/18	2,974,218.76	0.13%	3,028,171.93
US Treasury Note	2.38%	12/31/20	AAA	02/16/18	3,000,000.00	0.07%	3,069,806.25
Apple Inc, Callable Note	2.48%	02/23/21	AA	01/23/18	2,999,917.00	1.00%	3,057,608.07
FNMA Debt	1.38%	02/26/21	AAA	03/30/16	370,735.63	0.32%	375,021.19
US Treasury Note	2.47%	06/30/21	AAA	02/16/18	2,966,953.12	0.12%	3,091,229.63
US Treasury Note	2.51%	09/30/21	AAA	02/16/18	2,959,804.68	0.19%	3,086,892.18
US Treasury Note	2.55%	12/31/21	AAA	02/16/18	2,939,882.82	0.22%	3,108,446.83
US Treasury Note	2.57%	03/31/22	AAA	02/16/18	2,918,437.50	0.22%	3,099,411.69
US Treasury Note	2.59%	06/30/22	AAA	02/16/18	2,942,695.32	0.21%	3,145,253.63
US Treasury Note	2.63%	09/30/22	AAA	02/16/18	2,902,617.18	0.25%	3,121,794.69
US Treasury Note	2.64%	12/31/22	AAA	02/16/18	2,929,335.94	0.27%	3,168,221.63
Invt Agmt-Trinity Plus Fdg Co Gic	4.68%	10/01/29	NR	03/31/20	10,760,715.38	4.68%	10,760,715.38
SUBTOTAL BONDS, DEBENTURES, NOTES & AGREEMENTS					46,932,419.15		48,422,549.23
TOTAL INVESTMENTS HELD BY FISCAL AGENT					272,522,062.92		274,014,649.16

*Includes accrued interest

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

Fund	Cash Balance ¹	Interfund Loan Receivables ²	Cash Balance + Loan Receivables	
General Fund	101	44,712,023	-	44,712,023
Measure Z	110	35,810,514	-	35,810,514
Enterprise Funds				
Electric	510	308,891,938	3,802,762	312,694,700
Electric - Public Benefits Program	511	18,896,517	-	18,896,517
Water	520	41,988,547	-	41,988,547
Water - Conservation & Reclamation Program	521	2,756,930	-	2,756,930
Airport	530	1,363,238	-	1,363,238
Refuse Collection	540	7,012,399	-	7,012,399
Sewer Service	550	84,667,188	3,005,567	87,672,755
Special Transit	560	2,858,398	-	2,858,398
Public Parking	570	2,690,946	-	2,690,946
Civic Entertainment (Convention Center, Visitors Bureau, Sports Commission)	580	(1,192,950)	-	(1,192,950)
Civic Entertainment (Fox, Box, RMA, Showcase)	581	(73,079)	-	(73,079)
SubTotal - Enterprise Funds		469,860,072	6,808,329	476,668,401
Special Revenue Funds				
Urban Areas Security Initiative	205	(463,271)	-	(463,271)
Grants and Restricted Programs	215	(1,280,286)	-	(1,280,286)
Community Development Block Grant	220	275,557	-	275,557
Home Investment Partnership Program	221	893,272	-	893,272
Housing Opportunities for Persons with AIDS	222	(592,119)	-	(592,119)
Community Development Grants	223	1,952,724	-	1,952,724
Neighborhood Stabilization Program	225	117,975	-	117,975
Special Gas Tax	230	21,517,960	-	21,517,960
Air Quality Improvement	240	1,348,306	-	1,348,306
NPDES Storm Drain	260	(217,127)	-	(217,127)
Housing Authority	280	4,798,863	-	4,798,863
Housing Assets	281	3,866,197	-	3,866,197
Special Districts	291	(345,629)	-	(345,629)
SubTotal - Special Revenue Funds		31,872,421	-	31,872,421
Capital Projects Funds				
Capital Outlay	401	3,074,114	-	3,074,114
Storm Drain	410	1,002,822	-	1,002,822
Local Park Special Capital Improvements	411	1,847,799	-	1,847,799
Regional Park Special Capital Improvements	413	2,738,295	-	2,738,295
Measure Z Capital Outlay	420	1,607,201	-	1,607,201
Capital Outlay Grants	430	(1,025,202)	-	(1,025,202)
Transportation Projects	431	12,214	-	12,214
Measure A Capital Outlay	432	21,667,734	-	21,667,734
Transportation Development Impact Fees	433	6,083,545	-	6,083,545
Transportation Uniform Mitigation Fees	434	(2,462,659)	-	(2,462,659)
Community Facilities Districts and Assessment Districts	Various	2,253,109	-	2,253,109
SubTotal - Capital Project Funds		36,798,971	-	36,798,971
Debt Service Funds				
Debt Service Fund - General	390	(8,415,295)	-	(8,415,295)
Debt Service Fund - Public Works	391	1,575,630	-	1,575,630
SubTotal Debt Service Funds		(6,839,665)	-	(6,839,665)
Agency Funds				
Successor Agency	Various	18,019,714	-	18,019,714
Community Facilities Districts and Assessment Districts	Various	2,051,782	-	2,051,782
Special Deposits	Various	26,401,622	-	26,401,622
SubTotal Agency Funds		46,473,118	-	46,473,118
Internal Service Funds				
Workers' Compensation Insurance Trust	610	18,869,187	-	18,869,187
Unemployment Insurance Trust	620	363,077	-	363,077
Liability Insurance Trust	630	9,295,713	-	9,295,713
Central Stores	640	305,998	-	305,998
Central Garage	650	8,927,396	1,373,049	10,300,445
SubTotal - Internal Service Funds		37,761,370	1,373,049	39,134,419
Total - All Funds \$ 696,448,824 \$ 8,181,378 \$ 704,630,202				

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

² 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 Third Quarter
Summary of Outstanding Debt¹

Debt Type By Funding Source	Principal Balance as of 1/1/2020	Q3 New Debt Issued	Q3 Principal Payments	Q3 Interest Payments	Principal Balance as of 4/1/2020	Projected Principal Balance 6/30/2020
General Fund/Measure Z						
General Obligation Bonds	\$ 7,795,000	\$ -	\$ -	\$ 202,942.50	\$ 7,795,000	\$ 7,795,000
Pension Obligation Bonds	39,571,671	-	-	-	39,571,671	39,571,671
Certificates of Participation	68,508,052	-	2,790,552	136,050	65,717,500	66,139,704
Lease Revenue Bonds	52,816,480	-	-	-	52,816,480	52,816,480
Ryan Bonaminio Park Loan	1,329,489	-	-	-	1,329,489	-
Capital Leases	19,610,485	-	1,616,054	219,394	17,994,431	19,107,385
Interfund Loans	2,076,285	-	-	-	2,076,285	2,076,285
Total General Fund	\$ 191,707,460	\$ -	\$ 4,406,606	\$ 558,387	\$ 187,300,855	\$ 187,506,524
Capital Projects Funds						
Local Park Impact Fee Fund Interfund Loans	\$ 668,510	\$ -	\$ -	\$ -	\$ 668,510	\$ 668,510
Measure A Certificates of Participation	29,775,000	-	-	-	29,775,000	28,255,000
Total Capital Projects Funds	\$ 30,443,510	\$ -	\$ -	\$ -	\$ 30,443,510	\$ 28,923,510
Enterprise Funds						
Pension Obligation Bonds	\$ 11,753,694	\$ -	\$ -	\$ -	\$ 11,753,694	\$ 11,753,694
Electric Fund Revenue Bonds	555,520,000	-	-	321,941	555,520,000	555,520,000
Electric Fund Capital Leases	1,854,906	-	211,205	9,074	1,643,700	1,444,336
Water Fund Revenue Bonds	205,165,000	-	-	86,221	205,165,000	205,165,000
Water Fund Capital Lease	1,775,879	-	108,898	21,002	1,666,981	1,666,981
Sewer Fund Revenue Bonds	340,995,000	-	-	8,410,275	340,995,000	340,995,000
Sewer Fund Loans	658,391	-	325,816	13,657	332,575	332,575
Lease Revenue Bonds	7,473,600	-	-	-	7,473,600	7,473,600
Certificates of Participation	29,691,949	-	1,209,448	58,967	28,482,501	28,060,296
Civic Entertainment Fund Capital Lease	779,608	-	257,609	6,822	521,999	521,999
Civic Entertainment Fund Loan	7,865,055	-	-	-	7,865,055	7,604,148
Convention Center Expansion Loan	34,529,772	-	483,966	275,314	34,045,806	33,555,298
Parking Fund Loans	8,794,667	-	-	-	8,794,667	8,502,922
Total Enterprise Funds	\$ 1,206,857,521	\$ -	\$ 2,596,942	\$ 9,203,272	\$ 1,204,260,579	\$ 1,202,595,848
Internal Service Funds						
Pension Obligation Bonds	\$ 480,742	\$ -	\$ -	\$ -	\$ 480,742	\$ 480,742
Total Internal Service Funds	\$ 480,742	\$ -	\$ -	\$ -	\$ 480,742	\$ 480,742
RDA Successor Agency						
Pension Obligation Bonds	\$ 553,893	\$ -	\$ -	\$ -	\$ 553,893	\$ 553,893
Lease Revenue Bonds	13,544,921	-	-	-	13,544,921	13,544,921
Tax Allocation Bonds	157,400,000	-	-	2,908,909	157,400,000	157,400,000
Interfund Loans	3,378,817	-	-	-	3,378,817	3,378,817
Total RDA Successor Agency	\$ 174,877,631	\$ -	\$ -	\$ 2,908,909	\$ 174,877,631	\$ 174,877,631
Assessment Districts / Galleria Agreement / Community Facilities Districts						
Assessment Districts	\$ 19,250,000	\$ -	\$ -	\$ 494,692	\$ 19,250,000	\$ 19,250,000
Galleria Mall Improvements District Certificates of Participation	5,000	-	-	125	5,000	5,000
Lease Revenue Refunding Bonds (Galleria) Series 2019A	15,375,000	-	-	-	15,375,000	15,375,000
Community Facilities Districts	19,300,000	2,440,000	-	426,320	21,740,000	21,740,000
Total AD / Galleria / CFDs	\$ 53,930,000	\$ 2,440,000	\$ -	\$ 921,137	\$ 56,370,000	\$ 56,370,000
Total	\$ 1,658,296,864	\$ 2,440,000	\$ 7,003,548	\$ 13,591,705	\$ 1,653,733,316	\$ 1,650,754,255

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 2019/20 Third Quarter
 Outstanding Debt¹

Debt Type / Issuance	Year Issued	Final Maturity	Total Issue Size	Outstanding Principal Balance 7/1/2019	Outstanding Principal Balance 4/1/2020	Q3 New Debt Issued	Q3 Principal Payments	Q3 Interest Payments	Outstanding Principal Balance 4/1/2020	Projected Principal Balance 6/30/2020
General Obligation										
Measure G Fire Facility Projects General Obligation Bonds 2004	2004	2024	\$ 20,000,000	\$ 9,085,000	\$ 7,795,000	\$ -	\$ -	202,943	\$ 7,795,000	\$ 7,795,000
Total General Obligation Bonds			\$ 20,000,000	\$ 9,085,000	\$ 7,795,000	\$ -	\$ -	202,943	\$ 7,795,000	\$ 7,795,000
Pension Obligation²										
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
Total Pension Obligation Bonds			\$ 151,500,000	\$ 66,120,000	\$ 52,360,000	\$ -	\$ -	\$ -	\$ 52,360,000	\$ 52,360,000
Certificates of Participation										
Galleria Mall Improvements COPs Series 2006A	2006	2036	\$ 19,945,000	\$ 5,000	\$ 5,000	\$ -	\$ -	125	\$ 5,000	\$ 5,000
Riverside Renaissance Projects Refunding COPs Series 2008A	2008	2037	128,300,000	98,200,000	98,200,000	-	4,000,000	195,016	94,200,000	94,200,000
Local Measure A Sales Tax Revenue COPs Series 2013A	2013	2033	35,235,000	29,775,000	29,775,000	-	-	-	29,775,000	28,255,000
Total Certificates of Participation			\$ 183,480,000	\$ 127,980,000	\$ 127,980,000	\$ -	\$ 4,000,000	\$ 195,141	\$ 123,980,000	\$ 122,460,000
Lease Revenue Bonds										
California Tower Lease Revenue Bonds Series 2003A	2003	2024	\$ 26,255,000	\$ 11,365,000	\$ 9,785,000	\$ -	\$ -	\$ -	\$ 9,785,000	\$ 9,785,000
California Tower Lease Revenue Bonds Series 2003B	2003	2024	4,810,000	1,840,000	1,570,000	-	-	-	1,570,000	1,570,000
Lease Revenue Refunding Bonds Series 2012A	2012	2033	41,240,000	32,780,000	31,140,000	-	-	-	31,140,000	31,140,000
Lease Revenue Refunding Bonds (Galleria) Series 2019A	2019	2036	15,980,000	15,980,000	15,375,000	-	-	-	15,375,000	15,375,000
Lease Revenue Bonds (Main Library Project) Series 2019B	2019	2036	33,505,000	33,505,000	31,340,000	-	-	-	31,340,000	31,340,000
Total Lease Revenue Bonds			\$ 121,790,000	\$ 95,470,000	\$ 89,210,000	\$ -	\$ -	\$ -	\$ 89,210,000	\$ 89,210,000
Capital Leases										
Pinnacle #2 - VOIP Phone System	2012	2022	\$ 1,650,000	\$ 622,383	\$ 536,596	\$ -	\$ 86,809	\$ 6,385	\$ 449,787	\$ 449,787
BofA #1 - Convention Center, Fox, Muni, RPD Dispatch	2013	2021	3,668,000	1,094,669	824,568	-	272,465	7,215	552,103	552,103
US Bank - Various Vehicles, Software, and Hardware	2014	2022	4,450,000	2,145,725	1,796,508	-	352,536	17,076	1,443,973	1,443,973
BofA #2 - Various Hardware and Software	2017	2025	7,955,000	6,095,093	5,619,365	-	481,355	66,455	5,138,010	5,138,010
BofA #3 - Fire Vehicles and Equipment	2017	2027	14,500,000	12,499,490	11,826,340	-	680,498	129,085	11,145,841	11,145,841
BofA #2 - Water Fund Vehicles Capital Lease	2017	2027	2,305,000	1,883,505	1,775,879	-	108,898	21,002	1,666,981	1,666,981
Electric Fund Vehicles Capital Leases - Various	Various	Various	Various	2,273,868	1,854,906	-	211,205	9,074	1,643,700	1,444,336
Total Capital Leases			\$ 34,528,000	\$ 26,614,734	\$ 24,234,161	\$ -	\$ 2,193,766	\$ 256,291	\$ 22,040,395	\$ 21,841,030
Interfund Loans³										
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
Total Interfund Loans			\$ 16,888,721	\$ 8,181,377	\$ 6,123,613	\$ -	\$ -	\$ -	\$ 6,123,613	\$ 6,123,613
Private Placement Loans										
Pinnacle - Ryan Bonaminio Park Loan	2012	2021	\$ 4,000,000	\$ 1,329,489	\$ 1,116,206	\$ -	\$ -	\$ -	\$ 1,116,206	\$ 899,671
Fox Entertainment Plaza Loan	2010	2032	25,000,000	17,201,937	16,659,722	-	-	-	16,659,722	16,107,070
Convention Center Expansion Loan ⁴	2012	2034	44,650,000	35,490,039	34,529,772	-	483,966	275,314	34,045,806	33,555,298
Total Private Placement Loans			\$ 73,650,000	\$ 54,021,465	\$ 52,305,700	\$ -	\$ 483,966	\$ 275,314	\$ 51,821,734	\$ 50,562,038
State of California Revolving Fund Loans										
Sewer Cogeneration Project Loan	2003	2021	\$ 5,374,978	\$ 658,391	\$ 658,391	\$ -	\$ 325,816	\$ 13,657	\$ 332,575	\$ 332,575
Total State of California Revolving Fund Loans			\$ 5,374,978	\$ 658,391	\$ 658,391	\$ -	\$ 325,816	\$ 13,657	\$ 332,575	\$ 332,575

CITY OF RIVERSIDE
 Fiscal Year 2019/20 Third Quarter
 Outstanding Debt¹

Debt Type / Issuance	Year Issued	Final Maturity	Total Issue Size	Outstanding Principal Balance 7/1/2019	Outstanding Principal Balance 4/1/2020	Q3 New Debt Issued	Q3 Principal Payments	Q3 Interest Payments	Outstanding Principal Balance 4/1/2020	Projected Principal Balance 6/30/2020
Enterprise Revenue Bonds										
Electric Revenue Refunding Bonds (2008) Series A	2008	2029	\$ 84,515,000	\$ 34,465,000	\$ 34,465,000	\$ -	\$ -	\$ 72,116	\$ 34,465,000	\$ 34,465,000
Electric Revenue Refunding Bonds (2008) Series C	2008	2035	57,325,000	32,150,000	32,150,000	-	-	62,531	32,150,000	32,150,000
Electric Revenue Bonds (2010) Series A	2010	2040	133,290,000	133,290,000	133,290,000	-	-	-	133,290,000	133,290,000
Electric Revenue Bonds (2010) Series B	2010	2019	7,090,000	2,210,000	-	-	-	-	-	-
Electric Revenue Bonds (2011) Series A	2011	2035	56,450,000	41,025,000	39,275,000	-	-	187,296	39,275,000	39,275,000
Electric Revenue Refunding Bonds (2013) Series A	2013	2043	79,080,000	38,990,000	38,155,000	-	-	-	38,155,000	38,155,000
Electric Revenue Refunding Bonds (2019) Series A	2019	2048	283,325,000	283,325,000	278,185,000	-	-	-	278,185,000	278,185,000
Water Revenue Bonds (2009) Series A	2009	2020	31,895,000	4,630,000	2,360,000	-	-	-	2,360,000	2,360,000
Water Revenue Bonds (2009) Series B	2009	2039	67,790,000	67,790,000	67,790,000	-	-	-	67,790,000	67,790,000
Water Revenue Bonds (2011) Series A	2011	2035	59,000,000	24,050,000	24,050,000	-	-	86,221	24,050,000	24,050,000
Water Revenue Refunding Bonds (2019) Series A	2019	2048	114,215,000	114,215,000	110,965,000	-	-	-	110,965,000	110,965,000
Sewer Revenue Bonds (2015) Series A	2015	2040	200,030,000	195,240,000	190,230,000	-	-	4,697,450	190,230,000	190,230,000
Sewer Revenue Bonds (2018) Series A ⁵	2018	2039	153,670,000	153,670,000	150,765,000	-	-	3,712,825	150,765,000	150,765,000
Total Enterprise Revenue Bonds			\$ 1,327,675,000	\$ 1,125,050,000	\$ 1,101,680,000	\$ -	\$ -	\$ 8,818,438	\$ 1,101,680,000	\$ 1,101,680,000
Tax Allocation Bonds										
2014 Subordinate Tax Allocation Refunding Bonds Series 2014A	2014	2034	61,250,000	45,835,000	41,675,000	\$ -	\$ -	1,034,375	\$ 41,675,000	41,675,000
2014 Subordinate Tax Allocation Refunding Bonds Series 2014B	2014	2024	1,730,000	1,080,000	910,000	-	-	16,144	910,000	910,000
2018 Tax Allocation Refunding Bonds Series 2018A	2018	2034	74,435,000	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	40,380,000	-	-	-	40,380,000	40,380,000
Total Tax Allocation Bonds			\$ 177,795,000	\$ 161,730,000	\$ 157,400,000	\$ -	\$ -	\$ 2,908,909	\$ 157,400,000	\$ 157,400,000
Mello Roos and Assessment District Bonds										
Riverwalk Business Center Assessment District Bonds	2004	2029	\$ 3,755,000	\$ 2,280,000	\$ 2,130,000	\$ -	\$ -	65,549	\$ 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	-	-	173,304	6,615,000	6,615,000
Hunter Park Assessment District Bonds	2006	2036	15,269,906	11,560,000	11,155,000	-	-	288,078	11,155,000	11,155,000
Riverwalk Assessment District Refunding Bonds	2011	2026	7,805,000	4,700,000	4,200,000	-	-	101,147	4,200,000	4,200,000
Auto Center Assessment District Refunding Bonds	2012	2024	4,050,000	2,085,000	1,765,000	-	-	39,919	1,765,000	1,765,000
Riverwalk Vista CFD 2006-1 Bonds	2013	2043	4,415,000	4,035,000	3,945,000	-	-	98,022	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	-	-	92,222	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	-	-	20,497	1,000,000	1,000,000
Highlands CFD 2014-2 2016 Series A	2016	2046	1,800,000	1,780,000	1,770,000	-	-	28,738	1,770,000	1,770,000
Highlands CFD 2014-2 2016 Series B	2016	2031	810,000	720,000	675,000	-	-	13,538	675,000	675,000
Orangecrest CFD 2015-1 Bonds Series 2020 Series A&B	2020	2050	2,440,000	-	-	2,440,000	-	-	2,440,000	2,440,000
Total Mello Roos and Assessment District Bonds			\$ 56,824,906	\$ 40,500,000	\$ 38,550,000	\$ 2,440,000	\$ -	\$ 921,012	\$ 40,990,000	\$ 40,990,000
Total				\$ 1,715,410,967	\$ 1,658,296,864	\$ 2,440,000	\$ 7,003,548	\$ 13,591,705	\$ 1,653,733,316	\$ 1,650,754,255

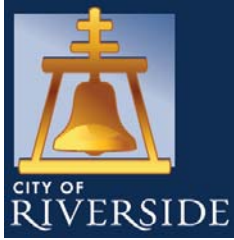
¹ Excludes water stock acquisition rights, copier leases, development agreements, and amortization of premiums and discounts on outstanding debt, none of which are material.

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 2019/20 Third Quarter Update

Finance Department

City Council

June 16, 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. March 17, 2020 City Council received and provided input on Second 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 – Q3

1. Pooled Investment Portfolio - \$696 million
2. Investments held by fiscal agent - \$283 million
3. Weighted average yield of pooled investment portfolio – 1.01%
4. No fund's cash balance is currently a concern



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DEBT SUMMARY ANALYSIS – Q3

1. Principal Balance decreased \$4,563,548 due to

A. Debt payments:

- a. Certificates of Participation (\$4,000,000)
- b. Capital Leases (\$2,193,766)
- c. Private Placement Loans (\$483,966)
- d. State Revolving Fund Loan (Sewer) (\$325,816)

B. New Debt Issuance

- a. CFD 2015-1 (Orangecrest) Special Tax Bonds (2,440,000)

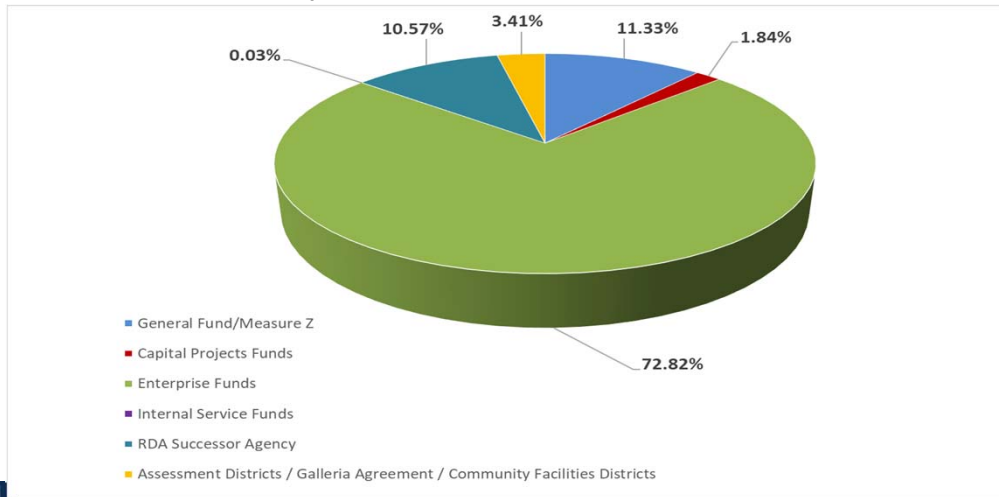


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DEBT SUMMARY ANALYSIS – Q3

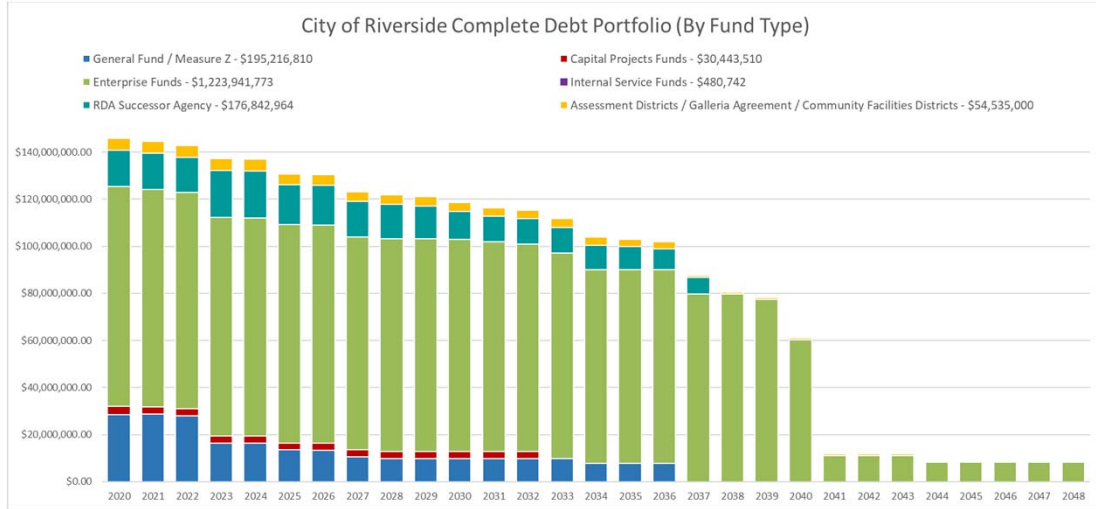
Debt Portfolio composition



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DEBT SUMMARY ANALYSIS – Q3



DEBT ACTIVITIES – Q3

1. CFD 2015-1 Orangecrest 2020 Bond Issuance
2. Preparation of Remarketing Documents – 2011A Electric Revenue Refunding Documents
3. Preparation of Annual Disclosure Reports Enterprise, General Fund, Special Districts and Successor to the Redevelopment Agency Debt
4. Analysis and Preparation of Legal Documents for Proposed 2020 POB Issuance
5. Preparation of Annual Levy for all Land Secured Debt Issuances



RECOMMENDATION

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

