



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JULY 18, 2023

FROM: FINANCE DEPARTMENT WARDS: ALL

SUBJECT: FISCAL YEAR 2022/23 THIRD QUARTER FINANCIAL UPDATE; GENERAL FUND RESERVES; \$778,155 MEASURE Z SUPPLEMENTAL APPROPRIATION

ISSUE:

Receive and provide input on the Fiscal Year 2022/23 Third Quarter Financial Update; approve contributions to General Fund reserves; approve supplemental appropriations of \$778,155 in the Measure Z Fund.

RECOMMENDATIONS:

That the City Council:

1. Receive and provide input on the Fiscal Year 2022/23 Third Quarter Financial Update;
2. Approve the allocation of \$10 million in projected General Fund savings to the General Fund Infrastructure Reserve (\$7 million) and the establishment of a Technology Reserve (\$3 million);
3. With at least five affirmative votes, authorize the Chief Financial Officer or designee to record a supplemental appropriation in the General Fund of \$500,000, fully offset by an insurance reimbursement, to cover demolition costs expended at 3460 Orange Street; and
4. With at least five affirmative votes, authorize the Chief Financial Officer or designee to record a supplemental appropriation in the amount of \$178,155 in the Measure Z Fund for the Riverside Access Center Rehabilitation project.

COMMISSION RECOMMENDATION:

This report is published on July 6, 2023, for the July 18, 2023, City Council meeting.

On July 13, 2023, the Budget Engagement Commission will hear this item for consideration to:

1. Receive and provide input on the proposed amendment of Fiscal Year 2023/24 of the previously adopted Fiscal Year 2022-2024 Biennial Budget; and

Recommend that the City Council:

2. Approve the allocation of \$10 million in projected General Fund savings to the General Fund Infrastructure Reserve (\$7 million) and the establishment of a Technology Reserve (\$3 million);
3. With at least five affirmative votes, authorize the Chief Financial Officer or designee to record a supplemental appropriation in the General Fund of \$500,000, fully offset by an insurance reimbursement, to cover demolition costs expended at 3460 Orange Street; and
4. With at least five affirmative votes, authorize the Chief Financial Officer or designee to record a supplemental appropriation in the amount of \$178,155 in the Measure Z Fund for the Riverside Access Center Rehabilitation project.

BACKGROUND:

On June 21, 2022, the City Council adopted Resolution No. 23866 approving the Fiscal Year (FY) 2022-2024 Biennial Budget.

On April 18, 2023, the City Council received the Second Quarter Financial Update and approved citywide supplemental appropriations of \$46,502,618 for all City funds, including \$16.4 million in the General Fund which leveraged a portion of the projected fiscal year end surplus and \$7 million in the allocation of General Fund Infrastructure Reserves to support capital needs of the Refuse and Public Parking funds.

The City's Chief Financial Officer provides pertinent financial updates during the fiscal year to the City Council via a standing item on the City Council's agenda and to the Budget Engagement Commission via a standing item on the Commission's agenda.

DISCUSSION:

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 the financial status of all funds and appropriations under their purview. The results of the City's major funds and areas of concern in other funds (if any) are included in this report. This update spans the period of July through March 2023.

General Fund

The third quarter analysis presents a positive outlook for the General Fund for FY 2022/23 which will assist the City with confronting an expected flattening and potential downturn in revenues in the next fiscal year. With the second quarter financial report, staff increased General Fund revenue projections by 5% based on revenue trends and a two-year shift in sales tax revenues produced by the pandemic and change in consumer spending. This provided the City with the opportunity to address critical needs such as street projects and rising costs, as well as subsidizing the Refuse and Public Parking funds' capital needs with a total \$7 million cash infusion from the General Fund infrastructure reserve. However, the one-time anomaly in the sales tax trend has concluded, with the current year expected to produce much slower growth as compared to the previous two years and zero growth expected next year.

In April 2023, the Federal Reserve cautioned that the U.S. economy is headed for a “mild recession” and further stated in May 2023 that “Tighter credit conditions for households and businesses are likely to weigh on economic activity, hiring, and inflation.” While sales tax revenue is still buoyed by inflation this year, the Federal Reserve continues to take action to correct inflation through the adjustment of interest rates. Higher interest rates make borrowing more expensive for individuals, dampening the prospects for large purchases, such as housing, home improvements, vehicles, and travel, all of which are factors that impact the City’s property and sales tax revenue which account for more than half of the General Fund’s annual revenue.

Revenues: FY 2022/23 General Fund revenues recorded through March 2023 were reviewed in the context of FY 2021/22 actual results and performance-to-date. Third quarter analysis reveals that General Fund revenue projections overall are on target with projections as revised in the second quarter report. In addition, revenue replacement funds totaling \$15.9 million from the American Rescue Plan Act (ARPA) have been recorded in the third quarter. There are no recommendations to revise revenue estimates as a result of the third quarter analysis. The following table incorporates adjusted revenue projections from the second quarter analysis and adds the ARPA revenue.

REVENUE PROJECTIONS

(in millions)	Adopted Budget	Amended Budget	Projected	\$ Change	% Change
Property Taxes	\$ 79.28	\$ 80.78	\$ 80.78	\$ -	-
Sales Tax	83.51	94.44	94.44	-	-
Utility Users Tax	32.80	33.10	33.10	-	-
Transient Occupancy Tax	7.10	8.41	8.41	-	-
Franchise Fees	5.72	5.72	5.72	-	-
Licenses & Non-Developer Permits	8.98	9.47	9.47	-	-
Non-Development Charges for Services	10.03	10.03	10.03	-	-
Development Fees & Charges	6.80	6.80	6.80	-	-
General Fund Transfer	50.81	50.50	50.50	-	-
Measure Z Transfer	18.27	18.27	18.27	-	-
Other Revenues & Transfers In	7.33	7.61	7.61	-	-
ARPA Revenue Replacement	-	15.91	15.91	-	-
Use of Infrastructure Reserve	-	N/A	7.00	-	-
Total Revenues & Transfers In	\$ 310.63	\$ 341.04	\$ 348.04	\$ -	-

Expenditures: The second quarter report included supplemental appropriations of approximately \$16 million allocated from projected revenue enhancements and personnel savings totaling \$23.4 million, leaving approximately \$7 million in projected savings as a buffer against an expected mild recession. Separately, \$7 million was allocated to the Refuse and Public Parking Funds from the General Fund’s Infrastructure Reserves. Updated projections in the third quarter reveal additional projected savings at fiscal year-end due to a high vacancy rate in the General Fund and supplemental appropriations which increased the adopted budget.

- *Personnel:* During the fiscal year, the personnel budget was increased by approximately \$18.40 million for estimated MOU fiscal impacts, including \$11.6 million in employee stipends expected to be reimbursed by ARPA funds. The General Fund continues to

experience a high vacancy rate of 13% as of the end of the third quarter, presenting a potential \$15 million in additional personnel savings through the end of the fiscal year against an amended budget which includes the \$11.6 million for employee stipends.

- *Non-Personnel:* Non-personnel expenses fluctuate during the fiscal year and unexpended funds are scrutinized for fiscal year-end carryover, making potential year-end savings largely unpredictable. Current fiscal year non-personnel spending is trending 5% higher than the prior year.

EXPENDITURE PROJECTIONS

(in millions)	Adopted Budget	Amended Budget	Projected	Change	% Variance
Personnel	\$ 217.56	\$ 226.08	\$ 211.08	\$ (15.00)	-6.6%
CalPERS UAL – Safety	11.16	11.16	11.16	-	0.0%
CalPERS UAL – Miscellaneous	5.05	5.05	5.05	-	0.0%
Non-Personnel Costs	57.35	71.16	71.16	-	0.0%
Special Projects	7.14	9.38	9.38	-	0.0%
Minor Capital & Grants	0.42	1.17	1.17	-	0.0%
Debt Service	32.94	32.94	32.94	-	0.0%
Charges To/From	(17.90)	(18.14)	(18.14)	-	0.0%
Cost Allocation Plan	(21.65)	(21.65)	(21.65)	-	0.0%
Operating Transfers	0.89	18.95	18.95	-	0.0%
Special Districts Fund Subsidy	1.40	1.40	1.40	-	0.0%
Convention Center Fund Subsidy	6.00	6.38	6.38	-	0.0%
Entertainment Fund Subsidy	4.32	4.32	4.32	-	0.0%
Cheech Marin Center Fund Subsidy	0.99	0.99	0.99	-	0.0%
Total Expenditures & Transfers Out	\$ 305.67	\$ 349.19	\$ 334.19	\$ (15.00)	-4.3%

During the first three quarters of FY 2022/23, the City Council approved the following supplemental appropriations in the General Fund, totaling approximately \$43 million:

- Economic and Fiscal Impact Analysis of the University of California, Riverside Campus: \$220,000.
- Specialized Legal Assistance in Support of the Riverside Alive Project: \$218,350.
- Novation Agreement between the City of Riverside through its Riverside Public Library and Columbia Telecommunications Corporation for the provision, installation, and maintenance of advanced network services, fully offset by corresponding revenues: \$57,350.
- Emergency Air Support (Corona) – As-needed emergency air support services to the City of Corona, fully offset by corresponding revenues: \$120,000
- Revisions to various MOUs and the Unrepresented Employee’s Compensation and Benefits Package: \$18,691,963
- Covid-19 Pandemic After Action Report: \$134,981
- Fire Emergency Medical System Optimization Plan: \$41,082

- Fireworks at Mt. Rubidoux: \$66,500
- Parks Facility Rental Cleaning (fully offset by deposits): \$47,082
- Contracted Grant Writing Pool: \$150,000
- Police Service Dog (fully offset by donated funds): \$45,000
- Housing and Urban Development Annual Action Plan – General Fund Impact: \$72,467
- 3.5 FTE Council Assistants: \$70,875
- Donations: \$1,000
- Sponsorship Consultant: \$347,625

Supplemental appropriations totaling \$23 million approved in the second quarter financial report include:

- Capital Investment in Streets and Medians: \$11,700,000
- Replace transformer switch and generators at City buildings: \$850,000
- Increase in various utility costs: \$1,595,000
- Other needs, including animal control; security, vandalism & theft issues at the Heritage House and City parks; and other miscellaneous items as described in the second quarter financial report: \$1,875,803
- Use of Infrastructure Reserves for Refuse (\$5 million) and Public Parking (\$2 million) funds.

Summary: As of the third quarter end, the General Fund appears poised to end the fiscal year with a net gain of approximately \$13.85 million, inclusive of ARPA revenue replacement funds totaling \$15.9 million and a use of Infrastructure Reserves totaling \$7 million. Staff recommends replenishing the second quarter \$7 million withdrawal from the Infrastructure Reserves as well as establishing a \$3 million Technology Reserve. A Technology Reserve will enable the City to maintain much needed inventory, address critical technology events, and invest in the City’s technology infrastructure. Following these allocations, the General Fund is projected to end the fiscal year with a \$3.85 million net gain. A portion of this projected net gain will be required to maintain the General Fund’s 20% policy reserves.

General Fund Summary			
Category	Adopted Budget	Amended Budget	Projected
Revenues and Other Resources	\$ 310.63	\$ 341.04	\$ 348.04
Expenditures and Transfers Out	(305.67)	(349.19)	(334.19)
Surplus/(Deficit)	\$ 4.96	\$ (8.15)	\$ 13.85
Replenish Infrastructure Reserve			(7.00)
Establish Technology Reserve			(3.00)
Remaining Balance	\$ 4.96	\$ (8.15)	\$ 3.85

Supplemental Appropriations: In May 2023, a vacant City facility at 3480 Orange Street was destroyed by a fire. As of the date of this report, the City has received an insurance reimbursement in the amount of \$500,000; Council approval is required to appropriate the funds to cover the demolition costs expended to date.

Measure Z

History: Measure Z is a one-percent transaction and use tax (sales tax) that was approved by the residents of Riverside on November 8, 2016. Measure Z will sunset in 2037 unless it is approved again in a mandatory election in November 2036.

To help address the service cuts as well as a portion of the City's critical unfunded needs, at staff's recommendation, the Mayor and the City Council placed a measure on the November 8, 2016, ballot for a one-percent increase in the City's sales tax rate. The November 8, 2016, Measure Z ballot presented to voters asked them to consider a yes or no vote to:

"...prevent cutting police, firefighters, paramedics, 911 emergency response, antigang/drug programs, homelessness reduction and youth after-school/senior/disabled services; to repair local streets/potholes/infrastructure; and to provide other general services, shall a one-cent transaction and use tax (sales tax) be implemented providing \$48,000,000 annually through 2036 unless extended by the voters, requiring independent audits with no funds to Sacramento, all funds remaining for Riverside?"

Overview: Due to a significant increase in sales tax revenue projections, the preliminary budget for the Measure Z Fund presented to the City Council on April 18, 2022, provided the City Council with the opportunity to allocate approximately \$100 million in increased resources to various spending items over the next five years of the spending plan. The new allocations resulted in an annual drawdown of fund reserves, leaving an estimated \$6.31 million remaining at the end of FY 2026/27; potential MOU impacts from ongoing and future labor negotiations were not included in the adopted budget and would therefore come from that residual projected balance.

Revenues: Sales tax revenue continued to increase during the second year of the Covid-19 pandemic, resulting in an additional \$8.81 million in unanticipated sales tax revenue in FY 2021/22. Over the two years of the pandemic, sales tax revenue rose by a remarkable 33%, surprising economists and the City's sales tax consultant. Further, while sales tax is expected to level off as inflation is corrected, the new base level of sales tax revenue is currently anticipated to remain fairly level, providing a revised basis for future sales tax projections. With this new basis, staff is projecting an additional \$32 million in sales tax revenue over the term of the five-year spending plan as compared to the Spending Plan projections presented with the adopted budget.

Expenditures: Since the adoption of the budget, several significant updates to the Spending Plan have taken place:

1. The \$6.5 million in contingency funding set aside as a City match for a Library Infrastructure grant has been returned to unallocated reserves; the grant was not awarded to the City. City staff will return with a project update and a request to complete the anticipated SPC Jesus S. Duran Eastside Library project.
2. Spending Item #29 – Maximize Roads/Streets: On December 6, 2022, the City Council approved an additional \$3.5 million allocation in Measure Z funding for street projects.
3. Spending Item #53 – Mt. Rubidoux Trail Resurfacing: On November 15, 2022, the City Council approved an allocation of \$1.2 million for the design and construction of the Mount Rubidoux Trail Improvements Project. \$250,000 previously allocated to Mount Rubidoux Trail Improvements in Spending Item #44 - PRCSD Infrastructure, Vehicles, and Equipment has been moved to the new spending item for a total of \$1.45 million. On March

7, 2023, the City Council approved an additional allocation of \$330,000 for this spending item.

4. Spending Item #54 - Police K9: On April 18, 2023, the City Council approved a one-time allocation of \$140,000 for the replacement of up to five police service dogs.
5. Spending Item #55 – PRCS Capital and Maintenance: On June 13, 2023, the City Council approved a one-time allocation of \$6.5 million for underfunded parks projects and an annual allocation of \$3.5 million for parks facilities deferred maintenance projects beginning in FY 2024/25.

Summary: The following table incorporates revised revenue projections and the fiscal impact of MOUs approved by the City Council through the third quarter. Not included in the table below is a potential \$4 million in personnel savings resulting from unfilled positions. There are currently 46.75 vacancies within the 181 Measure Z funded positions, with 35 vacancies in the two Public Safety and Engagement Team programs.

MEASURE Z SPENDING PLAN

(in millions)	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Projected
Revenue	\$ 62.82	\$ 63.14	\$ 72.65	\$ 83.91	\$ 84.43
Expenditures	(40.99)	(49.56)	(50.85)	(67.45)	(96.51)
Encumbrances & Carryovers				(32.44)	
Net Change in Fund Balance	\$ 21.83	\$ 13.58	\$ 21.80	\$ (15.98)	\$ (12.08)
Beginning Unallocated Fund Reserves	\$ 22.73	\$ 39.56	\$ 53.14	\$ 74.94	\$ 58.96
Net Change in Fund Balance	21.83	13.58	21.80	(15.98)	(12.08)
Fund Balance Reserve Policy	(5.00)	-	-	-	-
Ending Unallocated Fund Reserves	\$ 39.56	\$ 53.14	\$ 74.94	\$ 58.96	\$ 46.88

Supplemental Appropriation:

- **Spending Item #20 – Homeless Services \$178,155:** City Council awarded the Riverside Access Center Rehabilitation project \$661,000 in Community Development Block Grant (CDBG) funds. The total project cost is \$839,155 leaving a project funding gap of \$178,155. The Riverside Access Center Rehabilitation project will include replacing the roof, windows, doors, remodel the staff and client restrooms, new HVAC system, create office space for the Street Outreach staff and a training room, repaint and install new flooring. The facility was last rehabilitated in 2010. The Access Center serves as the entry point and service hub of the City’s continuum of care offering a wide-range of services under-one-roof including street outreach, shelter placement, benefits enrollment, life skills training, education services, client stabilization resources, computer resources, and transportation assistance.

Electric Fund

The FY 2022/23 adopted operating budget for the Electric Fund includes a strategic drawdown on fund reserves of \$22.0 million. This is a financial strategy employed to draw reserves down to keep rate increases as low as possible. The amended operating budget reflects a \$43.0 million draw on reserves; the increase from the adopted budget is attributable to \$13.8 million of encumbrances and unexpended funds carried forward from FY 2021/22, and \$6.7 million resulting from approved MOUs.

Revenues: As of the end of the third quarter, Electric operating revenues are at 81.4% of budgeted projections. With the summer season at the beginning of the fiscal year, projected retail sales were expected to be at 76.3% of total budget through March 2023. Retail sales are at 78.1% of total budget through March 2023 and 2.4% higher than expected. Residential consumption is 10.4% higher than projections, while commercial/industrial consumption is 3.6% lower than projected. Projected revenue for the fiscal year remains unchanged.

Expenditures: Electric operating expenditures are 72.0% of the total budget at the end of the third quarter. Personnel savings of approximately \$14 million are anticipated due to a high vacancy rate during the fiscal year. As of the end of May 2023, the vacancy rate is about 15%, a 5% reduction from the second quarter. Power Supply costs are trending 12% (about \$14 million) over budget due to significantly higher-than-expected increases in market energy and natural gas prices. In total, the fund is expected to remain within the total appropriations limit with personnel savings offsetting increased power supply costs.

Water Fund

The FY 2022/23 adopted budget for the Water Fund projected an operating gain of \$5.0 million. The amended budget, inclusive of \$3.3 million of encumbrances and unexpended funds carried forward from FY 2021/22 and \$2.4 million resulting from approved MOUs, projects a near break-even for the fund. Revenues are lagging through the third quarter but are expected to be largely offset by personnel savings.

Revenues: Total operating revenues for the Water Fund are 74% of budgeted projections as of third quarter end. Retail sales were projected to be at 75.9% of the total budget through March 2023 but are trending 5% (\$2.9 million) below budgeted expectations. Actual retail sales are at 72.1% of the total budget. Residential consumption is 6.8% lower than projected; consumption in the other categories combined is 5.7% lower than anticipated. Water Wholesale and Conveyance Revenue is projected to be less than anticipated due to drought conservation and increased precipitation causing reduced demand from other utilities. The revised revenue projection of \$4.4 million, is \$1.3 million or 23% less than the original projection of \$5.7 million.

Expenditures: Water Fund operating expenditures are 64% of budget at the end of the third quarter. Personnel savings of approximately \$3.5 million are anticipated due to a 10% vacancy rate, which is unchanged as compared to the second quarter. Non-personnel expenditures are trending slightly behind last year's spending pace; however, it is important to note some expenditures vary in their timing throughout the fiscal year.

Sewer Fund

The FY 2022/23 adopted budget projects a net operating gain of \$2.3 million. Third quarter analysis projects this target will be met, with higher than anticipated revenues offsetting higher operating costs.

Revenues: At the end of the third quarter, 82% of projected revenues have been recorded. Based on an analysis of performance to date, the Public Works Department projects that the Sewer Fund is on track to exceed revenue projections by \$6.7 million, primarily attributable to higher than anticipated sewer connection fees from two large housing developments.

Expenditures: Operating expenditures are 72% of total budget at the end of the third quarter. Personnel savings of approximately \$3 million are anticipated due to a vacancy rate of nearly 21%, partially offset by overtime costs. The vacancies require staff to work overtime to cover shifts and manage an increased workload. Inflation is impacting the cost of construction materials,

chemicals, and fuel, thereby resulting in increased contract costs. Staff will continue to monitor operating expenditures and rebalance spending as necessary to remain within the adopted appropriations limit without impacting operations.

Refuse Fund

The adopted budget for the Refuse fund projected a draw on fund reserves of approximately \$1.7 million due to a decline of recycling revenues precipitated by a reduction in industry demand, rising recycling costs, increased tonnage, and anticipated increases in parking fines assessed for street sweeping; updated projections as of the end of the third quarter present a net operating loss of \$2.4 million with the addition of the fiscal impact of MOUs. On February 7, 2023, the City Council approved an allocation of \$2 million in American Rescue Plan Act (ARPA) revenue replacement funds, which will partially offset the projected loss.

Revenues: The Solid Waste rate plan adopted by City Council in September 2020 included a Year 3 increase in rates effective July 1, 2022. As of the end of the third quarter, service revenues are 76% of projections and total revenues are 75% of projections. Street sweeping fines are 61% of budget due to vacancies; however, the revenue shortfall has been offset by slightly higher revenues in other categories. Total revenues for the fund are expected to meet budgeted projections.

Expenditures: Operating expenditures are 75% of total budget at third quarter end. With a vacancy rate exceeding 17%, the Refuse Fund continues to experience high turnover and staffing shortages despite enhanced recruitment and hiring efforts; Street Sweeping staff are assisting with routes. Capital purchases for vehicle replacement for the Refuse Fund have been initiated utilizing \$4 million in ARPA funding and \$5 million from the General Fund's Infrastructure Reserve to purchase refuse and street sweeping vehicles.

Utility Account Delinquencies

The Electric, Water, Sewer and Refuse funds were impacted by the suspension of utility shutoffs in response to the pandemic. In December 2021, Riverside Public Utilities (RPU) provided credits to water and electric customer accounts of \$13.0 million from the California Arrearage Payment Program (CAPP) and California Water and Wastewater Arrearage Management Program (CWWAPP). In April 2022, RPU provided credits of \$2.3 million to sewer customer accounts from CWWAPP.

In August 2022, Riverside Public Utilities (RPU) resumed shutoffs for non-payment along with issuing 48-hour tag notifications. RPU approved the RESTART program, which allows for eighteen-month payment arrangements for residential customers who signed up by August 2022. RPU continues to offer standard twelve-month arrangements for customers with delinquent payments. As of the close of the third quarter, the combined delinquent accounts receivable for the four utilities is \$22 million, which is \$6.4 million less than at the close of the second quarter. Of the current \$22 million delinquent accounts receivable, \$2.3 million will be paid under the RESTART program and \$8.8 million will be repaid under the standard installment program. The balance of \$10.9 million is delinquent without an installment plan.

Public Parking Fund

Parking Fund reserves at the beginning of FY 2022/23 total \$3.1 million. Third quarter analysis presents a net loss for the fiscal year of nearly \$500,000. On February 7, 2023, the City Council approved an allocation of \$1.5 million in ARPA revenue replacement funds. On April 18, 2023,

the City Council approved a new Parking Rate and Hour Schedule effective July 1, 2023, which is expected to begin generating a net gain for the fund in FY 2024/25.

Revenues: Parking revenues were adopted with the new rates and were subsequently reduced by \$2.6 million to account for the rescinded rate increase. Third quarter projections reveal a potential shortfall of \$700,000 in projected revenues. Parking utilization is below normal for weeknights likely impacted by a slowdown in discretionary spending; however, a slight pickup in pace is being noted as special events return to the downtown area. Daytime activity has increased as workers returned to job sites following the pandemic. Parking citation issuance has slowed as staffing levels have dropped; this revenue is on pace to hit 81% of budget.

Expenditures: As of the third quarter end, expenditures are 75% of total budget. Due to the financial status of the Public Parking Fund, some capital projects will be deferred to FY 2023/24 to help offset projected revenue shortfalls.

STRATEGIC PLAN ALIGNMENT:

The reporting and presentation of financial results support **Strategic Priority 5 – High Performing Government** and **Goal 5.3** – Enhance communication and collaboration with community members to improve transparency, build public trust and encourage shared decision making.

Financial reporting aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – Presentation of financial results provides a transparent view and communication of City finances in a forum that accommodates community engagement.
2. **Equity** – The financial report is available to all members of the public via the City website, and the presentation of the financial report in a public forum accommodates community engagement from all members of the public.
3. **Fiscal Responsibility** – The financial report and proposed recommendations demonstrate the City’s commitment to responsible management of the City’s financial resources.
4. **Innovation** – The financial reports, methodologies, and strategies proposed by staff demonstrate innovative management of City finances.
5. **Sustainability & Resiliency** – The financial reports, methodologies, and strategies proposed by staff demonstrate the City’s commitment to the long-term fiscal health of the City and the preservation of City services.

FISCAL IMPACT:

The General Fund is expected to end the fiscal year in a positive position, which will help to buffer against a flattening in revenues during the mild recession expected to materialize next fiscal year. The recommended \$500,000 supplemental appropriation for demolition costs at 3480 Orange Street is fully offset by an insurance claim reimbursement.

The Measure Z Fund is expected to end the fiscal year with at least \$53 million in unallocated reserves, the majority of which is programmed for use over the five-year spending plan. There are sufficient unallocated reserves to accommodate the recommended \$178,155 supplemental appropriation for the Riverside Access Center Rehabilitation project.

The City's Electric and Water funds are expected to remain within their appropriation limits, and fund reserves are expected to remain within policy levels.

The Sewer Fund is expected to end the fiscal year with an operating gain due to high performing sewer connection revenues.

The Refuse Fund is expected to end the fiscal year with a \$2.4 million loss which will be largely offset by ARPA revenue replacement funds.

The Public Parking Fund is expected to end the fiscal year with a \$500,000 loss which will be offset by ARPA revenue replacement funds.

Prepared by: Kristie Thomas, Finance Director/ Assistant Chief Financial Officer
Certified as to
availability of funds: Kristie Thomas, Finance Director/ Assistant Chief Financial Officer
Approved by: Edward Enriquez, Assistant City Manager/Chief Financial Officer/
City Treasurer
Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. Financial Update
2. Measure Z Spending Plan
3. Measure Z Accomplishments
4. Presentation

CITY OF RIVERSIDE FISCAL UPDATE



TABLE OF CONTENTS

Economic Indicators	2
Sales Tax Outlook	3
State Budget Update	4
General Fund.....	5
Enterprise Funds.....	6
Other Funds.....	7

Assistant City Manager/Chief
Financial Officer/City Treasurer
Edward Enriquez

Finance Director/
Assistant Chief Financial Officer
Kristie Thomas



EXECUTIVE SUMMARY

The past few years have presented a unique and mixed economy at all levels – global, national, and local, with varying impacts depending on the characteristics at hand. As a major supplier of essential commodities, education, housing, and workforce for the Southern California region, the City of Riverside experienced a temporary drawback in some revenue streams, offset by a significant growth in sales tax. The new basis of sales tax revenue has corrected a years-long structural deficit in the General Fund and is allowing the City to look toward the future and address neglected critical needs such as streets projects, vehicle and equipment replacement, and maintenance of City facilities.

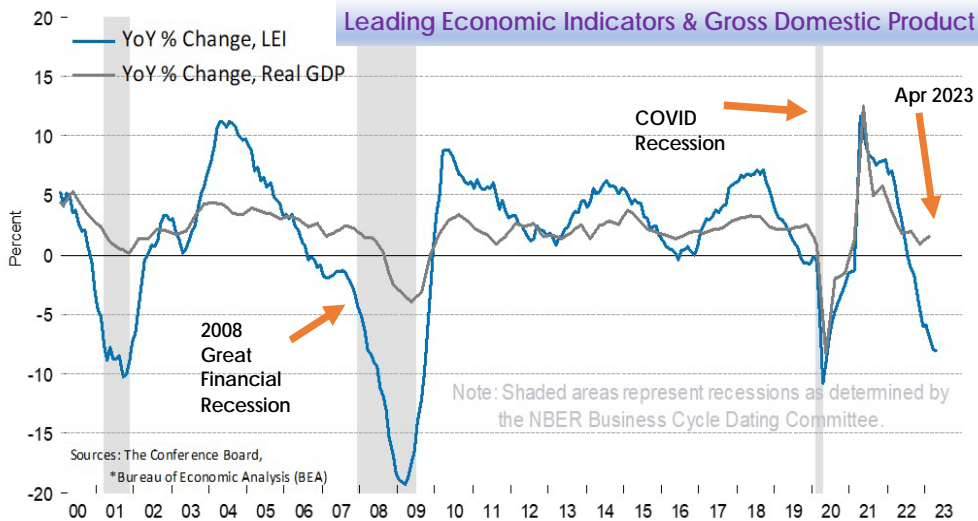
The economy remains mixed, with the traditional indicators of inflation behaving unlike anything seen in past recessions. The Federal Reserve has continued to increase interest rates in an attempt to curb inflation, with some success, although the correction has been gradual thus far. Prices remain high in food, housing, and healthcare, placing pressure on the general population. Spending is shifting from high-cost items to necessities; this change is expected to cause sales tax to flatten. The Fed is currently warning of a mild recession later this year.

At the State level, California is projecting a significant budget deficit following two years of record surpluses. The deferral of income tax filings to next fiscal year is playing a part in the projected deficit. California’s largest revenue sources are personal and corporate income tax, followed by sales tax. The State’s budget issues are unique to the State level; the City’s largest revenue sources are property and sales tax, neither of which are impacted by the State’s income tax extensions.

ECONOMIC INDICATORS

THE ECONOMY: TAKING A BREATH

The years leading out of the COVID recession illustrated that the pandemic has thrown this global economy a major curveball. Having never gone through this in a modern world, substantial fiscal and monetary measures were implemented to support the **global economy**. While these actions successfully supported fragile markets, the consequences of excessive spending and borrowing are now becoming evident, both on the government spending side of the equation, and on consumers' pocketbooks through inflation. The Federal Reserve (Fed) has undertaken a strong position against the increasing backdrop of inflation; however, the goal of overall economic slowdown has been illusive and slow to materialize.



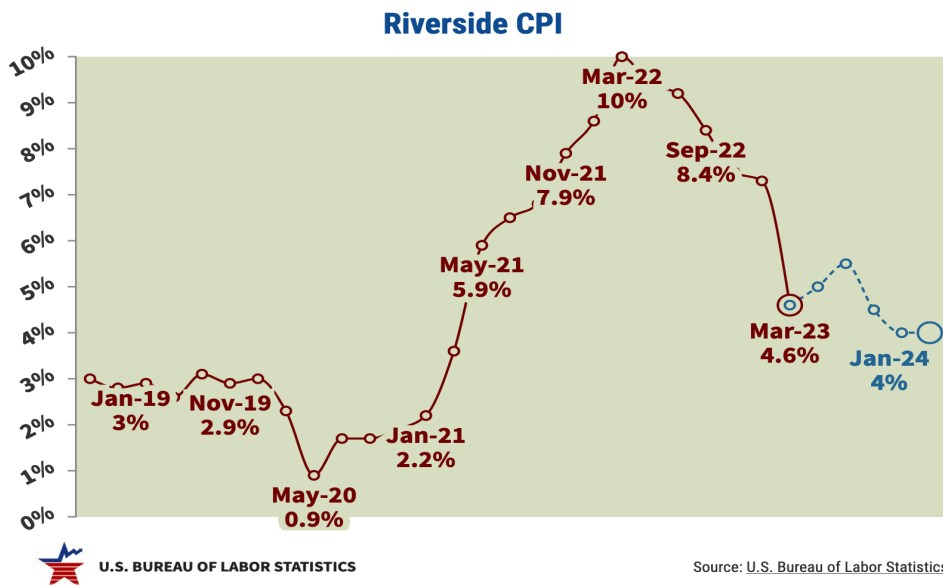
An index that has very good forecasting track record of economic output is the Conference Board's Index of Leading Economic Indicators (LEI). This is a very early measurement of significant turning points in the business cycle that can indicate where the near-term direction of the economy is heading.

In the graphic on the left, the LEI is plotted against the Gross Domestic Product (GDP), which is a measure of the total value of goods and services produced within a country. The graphic shows a very severe slowing of the business cycle and the subsequent lagging of the GDP following closely behind this trend. While not a surefire

predictor of what will come, it is important to grasp and understand the potential implications of a contracting business cycle and its ripple effects on the economy as a whole. The Federal Reserve Bank of Chicago has released its Beige Book¹, a bimonthly summary of economic condition on May 31, 2023. The picture was mixed. Four of the Federal Reserve Districts showed a slight increase in economic activity, two showed a slight decrease, and six showed no change. The **overall measure of inflation suggests some easing of pressures on supply chains and manufacturing activity. One positive factor contributing to the inflation picture is employment, indicating an area of tight supply.** Employment remains a priority for the Fed in assessing how inflation will move in the near future. With tight supply in the job market, there is little reason for wage pressures to decrease, thereby holding the inflation figures higher than their target rate of 2%.

Another factor that is being watched is residential housing prices. While the lifting of interest rates capped the price growth that was the norm over the past few years, the supply of available housing remains extremely low, not just in costly real estate centers like California, but nationwide. Any future easing of interest rates will most likely trigger higher home prices, building on the pricing advances the housing market experienced during the Covid rebound.

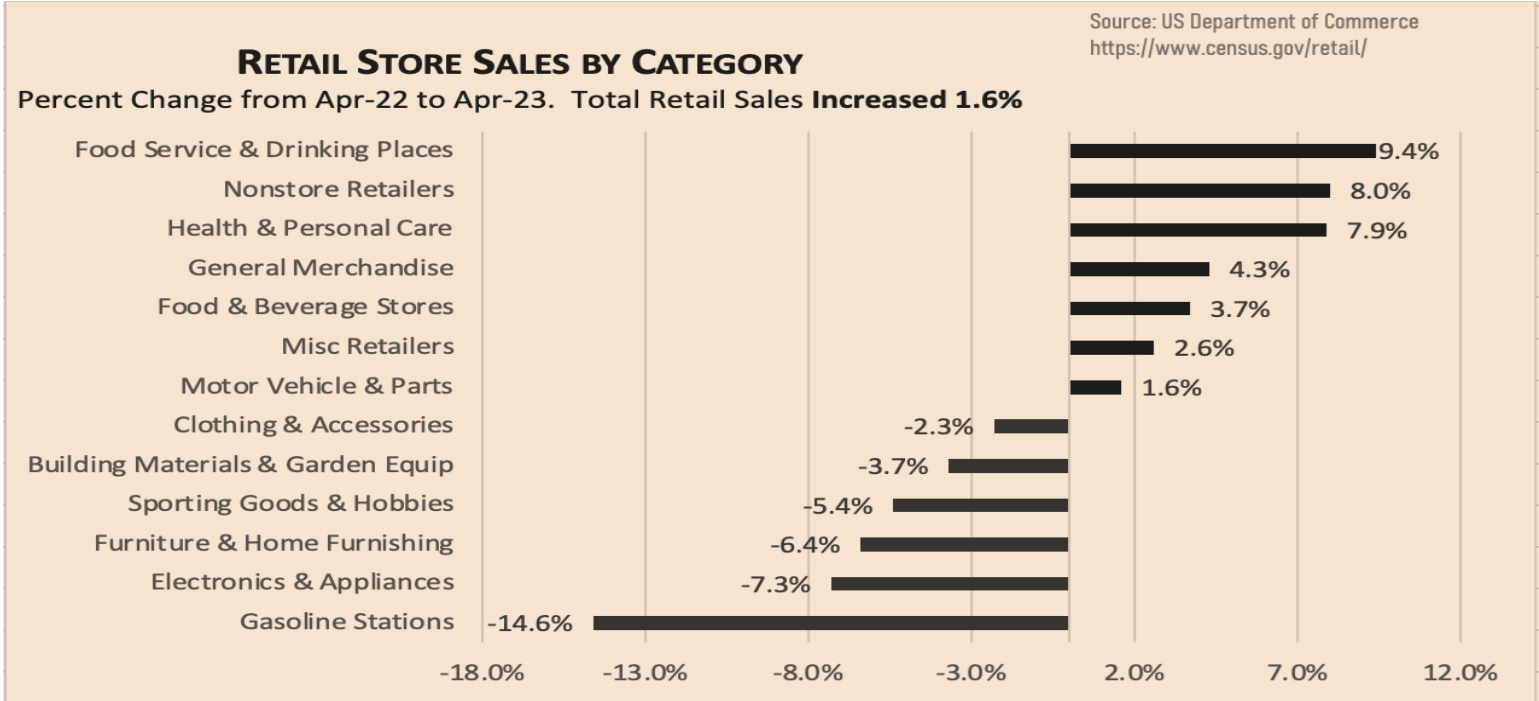
The Consumer Price Index (CPI) pictured at the right is continuously on the minds of the government and public alike. The CIP growth rate of previous highflyers of inflation (energy, food, & transportation) have slowed as compared to the previous year. While not yet in the realm of deflation, a leveling off in the growth rate is welcome news. One of the risks that the Fed must balance is entrenched inflation alongside a sputtering economy, commonly known as stagflation. This is the worst of both worlds as the buying power of businesses and consumers is eroded alongside an economy that shows little to no growth. It is something to watch out for in the near future.



¹ <https://www.federalreserve.gov/monetarypolicy/beigebook202305-summary.htm>

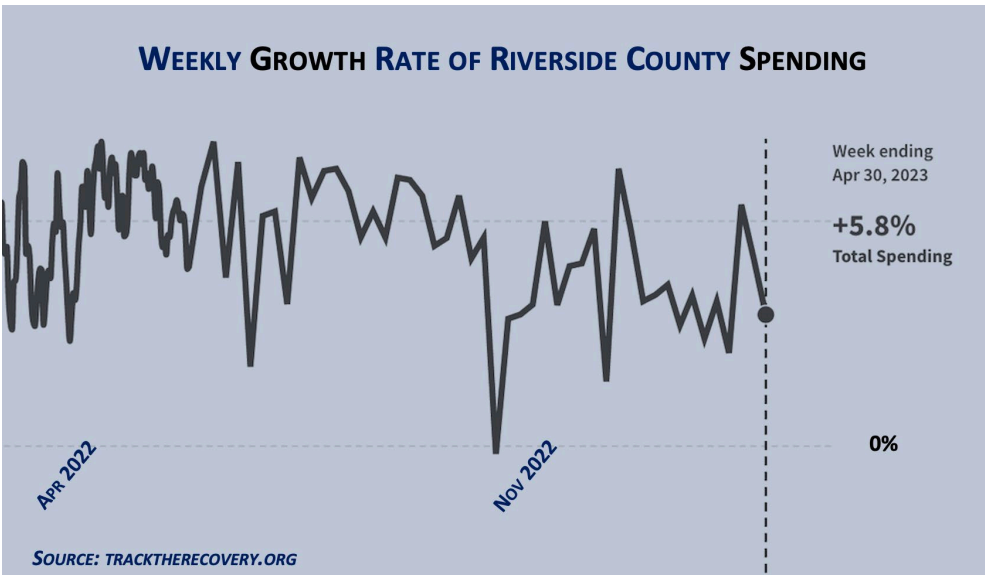
SALES TAX OUTLOOK: A PAUSE IN GROWTH OR DECLINE?

Sales tax revenue for the City is maintaining the large gains starting from the COVID lows. Currently, Fiscal Year (FY) 2022/23 is on track to post a 2.6% increase over the prior fiscal year. The current outlook for Riverside, the state of California, and the United States economy is that consumer spending should hold up and sustain the gains made during the pandemic. HdL has projected with the most recent quarter of data (Oct-Dec 2022) that the next fiscal year (2023/24) may present a flat or nominal gain in sales tax revenue for the City. The chart below shows that overall retail sales are up nationwide 1.6% as compared to April 2022. While these gains appear large, a tired consumer is beginning to pull back on spending.



While spending in some of the categories listed in the chart above has flatlined, the overall prices have declined from their red-hot increases over the past 24 months. The Consumer Price Index (CPI) is beginning to pull back from the effects of a slowing economy thrust forward with the Federal Reserve’s aggressive interest rate increases. The cooling of inflation should continue; however, that is all data dependent. The Fed’s continued tightening policies will impact sales tax outlook for the next six to twelve months. While there appears to be a slowing in consumer spending, the overall spending picture in Riverside County is flat to low spending growth.

The chart on the right shows the overall spending picture in the County, and while the trend is definitely slowing, we have not seen a negative weekly growth rate number since November 2022. This illustrates that, even though the consumer is tiring, they are not putting a stop to spending. With the two data pieces above, we can see that overall spending is still there. Dollars are being shifted to other parts of the economy in order for consumers to get more bang for their buck and shifting away from big ticket items (furniture, electronics, etc.) towards consumption items like restaurants, non-store retailers (Amazon), and health and personal care. Consumers have not stopped spending, but rather are just being more selective about where they spend their money.



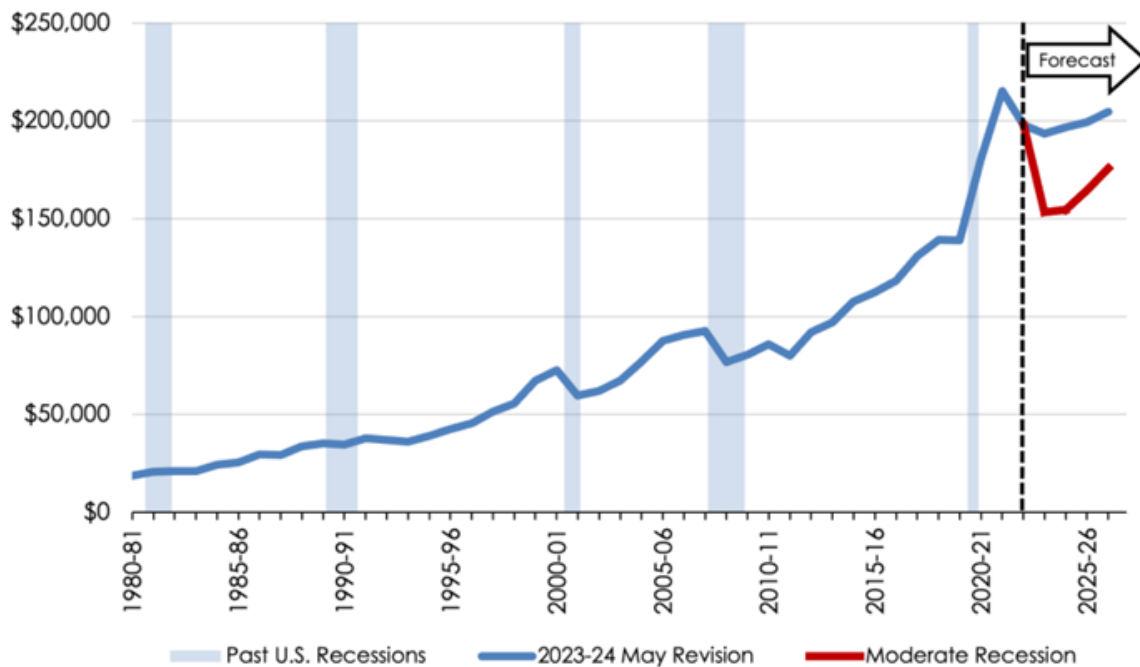
STATE BUDGET UPDATE

STATE BUDGET UPDATE

On May 12, 2023, the State of California provided a revision of the Governor's budget for FY 2023/24. The overall message was one of revenue that is projected to miss the budgeted targets. The current projected deficit shown in the latest update points to a \$31.5 billion shortfall from a previously projected \$22.5 billion in January 2023. The State's issues arise from a lowered outlook of Personal Income Tax, Corporate Income Tax, and an extension from April 15, 2023 to October 15, 2023 offered by the Internal Revenue Service (IRS) for tax filings. Subsequently, California offered the same extension for state income tax filing for those impacted by the severe winter storms experienced by Californians in December and January. This has had an effect of delaying some of the revenue that the State would have normally collected by this time in the fiscal year. Personal Income Taxes accounts for 40% of the total state revenue, making it the largest portion of the state's revenue stream. The State attributed the revenue shortfalls to continued pressure on high earners and a significant downturn in the stock market which have negatively impacted the Personal Income Tax receipts in FY 2023/24 (and most likely the upcoming Corporate Income Tax Receipts to be received in October 2023).

Two of the State's top three revenue sources (Personal Income Tax & Corporate Income Tax) have been delayed until October (the third revenue source is Sales Tax). The City's revenue stream differs greatly from the State, in that Property and Sales Tax, both of which are not impacted by the IRS directives, have had no delays, and run on a completely predictable schedule, which allows for a smooth revenue forecast and collection. **Based on the City's major revenue sources, there is no expectation that the City could follow the same deficits that the State is currently experiencing.**

Big Three Revenues in a Moderate Recession
(Dollars in Millions)



Shaded areas indicate previous U.S. recessions.
Source: California Department of Finance, 2023-24 May Revision Forecast.

The budget update can be read in its entirety on the state of California's Budget website:

<https://ebudget.ca.gov/budget/2023-24MR/>

GENERAL FUND

Overview

The third quarter analysis presents a positive outlook for the General Fund for FY 2022/23 which will assist the City with confronting an expected flattening and potential downturn in revenues in the next fiscal year. With the second quarter financial report, staff increased General Fund revenue projections by 5% based on a two-year shift in sales tax revenues produced by the pandemic and change in consumer spending, as well as the recovery of other revenues to pre-pandemic levels. Current year revenues are expected to grow by 4% over the prior fiscal year and flatten next year.

In April 2023, the Federal Reserve cautioned that the U.S. economy is headed for a “mild recession” and further stated in May 2023 that “Tighter credit conditions for households and businesses are likely to weigh on economic activity, hiring, and inflation.” While sales tax revenue is still buoyed by inflation this year, the Federal Reserve continues to take action to correct inflation through the adjustment of interest rates. Higher interest rates make borrowing more expensive for individuals, dampening the prospects for large purchases, such as housing, home improvements, vehicles, and travel, all of which are factors that impact the City’s property and sales tax revenue. These two revenue sources account for more than half of the General Fund’s annual revenue.

As of the third quarter end, the General Fund appears poised to end the fiscal year with a net gain of approximately \$13.85 million, inclusive of American Rescue Plan Act revenue replacement funds totaling \$15.9 million. Staff recommends replenishing the Infrastructure Reserve (\$7 million) and establishing a Technology Reserve (\$3 million) from the projected gain.

GENERAL FUND OUTLOOK

<i>(in millions)</i>	Adopted Budget	Quarter 2 Projection	Quarter 3 Projection
General Revenues	\$ 310.63	\$ 325.04	\$ 325.13
American Rescue Plan Act	-	-	15.91
Use of Infrastructure Reserve	-	-	7.00
Total Revenues and Other Resources	\$ 310.63	\$ 325.04	\$ 348.04
General Expenditures	(305.67)	(311.42)	(314.10)
Fund Subsidies	(12.70)	(13.09)	(13.09)
Use of Infrastructure Reserve	-	-	(7.00)
Total Expenditures and Transfers Out	\$ (305.67)	\$ (324.51)	\$ (334.19)
Surplus/(Deficit)	\$ 4.96	\$ 0.53	\$ 13.85
Replenishment of Infrastructure Reserve			\$ (7.00)
Establish Technology Reserve			(3.00)
Projected Fiscal Year End Surplus/(Deficit)	\$ 4.96	\$ 0.53	\$ 3.85

Revenue

Revenue projections were increased in the second quarter by \$14.41 million based on FY 2021/22 fiscal year end results that provided a new foundation for current year revenue projections. However, the one-time anomaly in the sales tax trend has concluded, with the current year expected to produce much slower growth as compared to the previous two years, and zero growth expected next year. In total, current year revenues are anticipated to grow by 4% over prior year actuals. The third quarter update adds \$15.91 million in American Rescue Plan Act revenue replacement funds to the revenue projections.

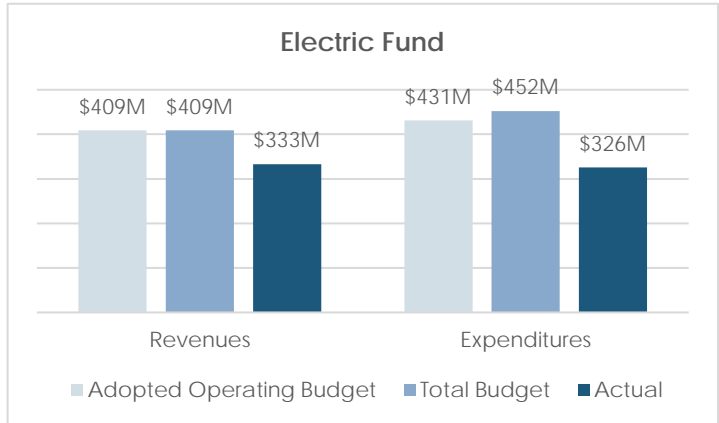
Expenditures

The second quarter update leveraged higher revenue projections and projected personnel savings to fund \$16.02 million in additional spending. The allocation allowed the City to address rising costs and capital needs, including \$10 million toward street projects. The City Council also approved the allocation of \$7 million of the General Fund’s Infrastructure Reserve to support the capital needs of the Refuse Fund (\$5 million for refuse trucks and sweepers) and the Parking Fund (\$2 million structural maintenance).

ENTERPRISE FUNDS

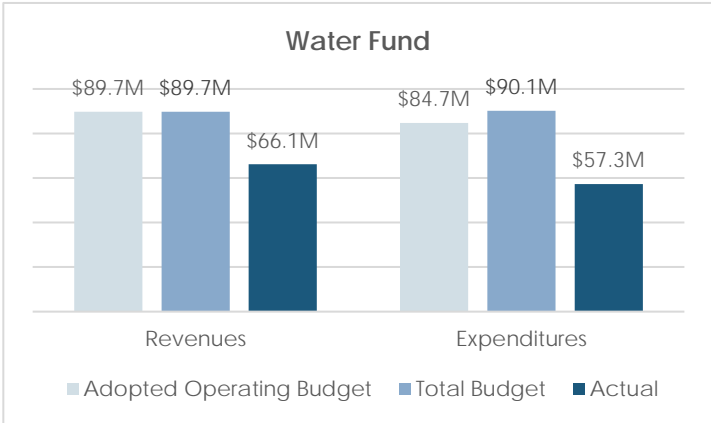
Electric Fund

The amended budget for the Electric Fund projects a \$43.0 million draw on reserves. This is a financial strategy employed to draw reserves down to keep rate increases as low as possible; reserves are expected to remain within policy levels at fiscal year-end. As of the end of the third quarter, Electric operating revenues are at 81% of budgeted projections and expenditures are 72% of the total budget. Personnel savings due to a high vacancy rate are anticipated to offset excess power supply costs which are trending 12% higher than budget.



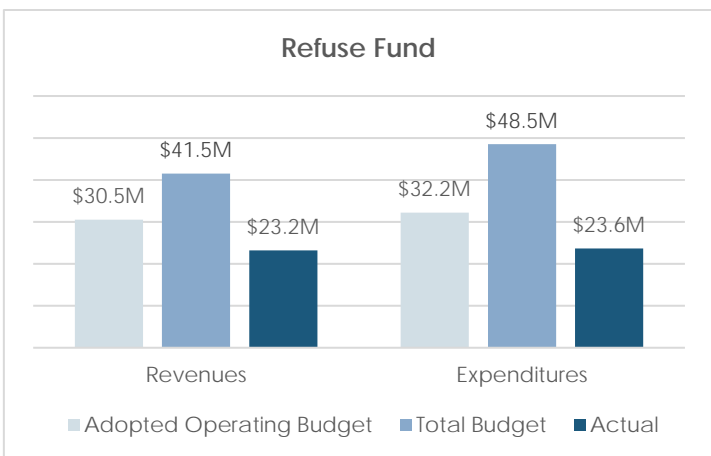
Water Fund

The Water Fund is projected to achieve an operating break-even at fiscal year-end, with revenues and expenditures nearly equal to each other. Revenues are lagging through the third quarter as drought conservation and increased precipitation are causing reduced demand from other utilities. Revenues are currently 74% of budgeted projections; expenditures are 64% with projected personnel savings due to a 10% vacancy rate. The lower revenue projections are expected to be largely offset by personnel savings.



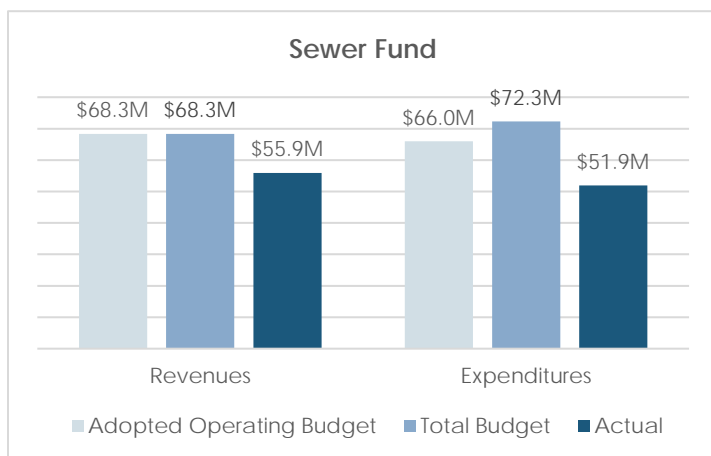
Refuse Fund

The adopted budget for the Refuse fund projected a draw on fund reserves of approximately \$1.7 million due to a decline of recycling revenues precipitated by a reduction in industry demand, rising recycling costs, increased tonnage, and anticipated increases in parking fines assessed for street sweeping; updated projections as of the end of the third quarter present a net operating loss of \$2.4 million with the addition of the fiscal impact of MOUs. On February 7, 2023, the City Council approved an allocation of \$2 million in American Rescue Plan Act (ARPA) revenue replacement funds, which will partially offset the projected loss.



Sewer Fund

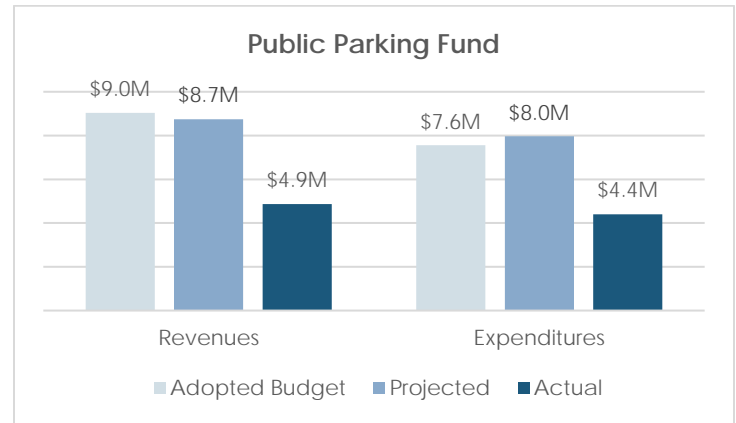
The FY 2022/23 adopted budget projected a net operating gain of \$2.3 million. Based on an analysis of performance to date, the Public Works Departments projects that the Sewer Fund is on track to exceed revenue projections by \$6.7 million, primarily attributable to higher than anticipated sewer connection fees from two large housing developments. At the end of the third quarter, 82% of projected revenues have been recorded. Operating expenditures are 72% of total budget at the end of the third quarter. Personnel savings of approximately \$3 million are anticipated due to a vacancy rate of nearly 21%, partially offset by overtime costs.



OTHER FUNDS

Public Parking Fund

Parking Fund reserves at the beginning of FY 2022/23 total \$3.1 million. Third quarter analysis presents a net loss for the fiscal year of nearly \$500,000. On February 7, 2023, the City Council approved an allocation of \$1.5 million in ARPA revenue replacement funds. On April 18, 2023, the City Council approved a new Parking Rate and Hour Schedule effective July 1, 2023 which is expected to begin generating a net gain for the fund in FY 2024/25. Parking revenues were adopted with the new rates and were subsequently reduced by \$2.6 million to account for the rescinded rate increase. Third quarter projections reveal a potential shortfall of \$700,000 in projected revenues due to the negative impact of a high vacancy rate on parking citation revenues.











Measure Z Funds

Measure Z has benefitted from the two-year anomaly in sales tax growth produced by a shift in consumer spending habits during the pandemic and buoyed by inflation. The adopted revenue projections were based on the FY 2020/21 sales tax growth of 15%. Since budget adoption, FY 2021/22 sales tax grew another 15%; incorporating this growth into the revenue projections for the second quarter report resulted in an estimated \$32 million in new revenue through FY 2026/27. Recommendations for the use of the new revenue are forthcoming in the FY 2023/24 proposed amended budget and stand-alone reports to City Council. If all proposed adjustments are approved, unallocated fund reserves will be drawn down to an estimated \$8.61 million by the end of FY 2027/28 as shown below.

MEASURE Z SPENDING PLAN

(in millions)	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
Revenue	\$ 84.43	\$ 84.46	\$ 86.69	\$ 88.41	\$ 90.18	\$ 91.97
Expenditures	(96.51)	(96.25)	(92.54)	(96.82)	(99.15)	(95.22)
Net Change in Fund Balance	\$ (12.08)	\$ (11.79)	\$ (5.85)	\$ (8.41)	\$ (8.97)	\$ (3.25)
Beginning Unallocated Fund Reserves	\$ 58.96	\$ 46.88	\$ 35.09	\$ 29.24	\$ 20.83	\$ 11.86
Net Change in Fund Balance	(12.08)	(11.79)	(5.85)	(8.41)	(8.97)	(3.25)
Ending Unallocated Fund Reserves	\$ 46.88	\$ 35.09	\$ 29.24	\$ 20.83	\$ 11.86	\$ 8.61

Public Safety & Engagement Team Program (PSET) - Urban & Wildlands

	Individuals Accepted Service	756		Tons of Debris Removed by Contractors	657
	Citations Issued	197		Yards of Debris Removed by Parks Staff	161
	Arrests	487		Contacts with Homeless	5,679
	Vehicles Towed	82		Code Enforcement Notices Issued	1,976

MEASURE Z SPENDING PLAN

Spending Items		Actual FY 2018/19	Actual FY 2019/20	Actual FY 2020/21	Actual FY 2021/22	Projected ¹ FY 2022/23
REVENUE						
Transaction & Use Tax		\$ 62,283,444	\$ 62,380,085	\$ 71,999,092	\$ 83,156,696	\$ 84,133,000
Interest Earnings		532,684	755,392	654,898	752,491	300,000
Total Revenues		\$ 62,816,128	\$ 63,135,477	\$ 72,653,990	\$ 83,909,187	\$ 84,433,000
EXPENDITURES						
2	Payoff of the Balloon \$32 million Pension Obligation Bond	1,673,554	1,674,490	1,674,500	1,679,490	\$ 1,673,080
5	Additional Sworn Police Positions	5,588,853	7,639,210	10,163,726	10,745,658	12,401,044
6	Public Safety Non-Sworn Positions and Recruitment Costs	795,676	877,104	913,458	897,576	1,046,237
7	Police Officer Lateral Hire Incentives and Recruitment Costs	30,049	9,994	300	46,856	353,144
8	Additional Dispatchers	477,694	566,809	656,263	857,136	1,339,469
9	Maintain Firefighter Staffing Level	992,571	1,291,460	1,406,709	4,137,516	1,634,656
10	Reinstatement of Captains (Training and Arson)	559,538	556,919	469,733	507,235	663,850
11	Reinstatement of Battalion Chief	368,948	390,025	611,747	396,056	386,537
12	Police Vehicle Replacement and Maintenance Plan	1,738,555	1,199,786	627,585	3,735,056	3,476,517
14	Fire Vehicle Replacement and Maintenance Plan	1,607,452	3,143,742	2,521,600	1,572,275	5,713,436
16	Additional Fleet Mechanics for Police Department	173,230	202,610	219,713	225,454	256,722
17	Additional Fleet Mechanics for Fire Department	221,068	231,352	237,262	244,309	271,430
18	General Fund Support - Maintain Existing Services	13,238,623	18,266,026	18,266,026	18,266,026	18,266,026
19	General Plan Update	33,419	9,525	300,069	37,534	4,619,453
20	Homeless Services	184,619	528,954	4,197	693,012	1,580,444
21	Principal Analyst - City Manager's Office	148,684	161,803	175,948	180,941	218,528
22	Budget Engagement Commission Support	27,000	8,365	23,364	15,648	27,343
23	New Downtown Main Library	2,386,205	3,819,500	(434,155)	2,751,200	2,742,130
24	SPC Jesus S. Duran Eastside Library	-	-	18,900	75,600	5,500
25	New Police Headquarters (\$43M)	-	26,394	43,556	-	737,025
26	Museum Expansion and Rehabilitation (\$35M)	-	89,053	175	-	-
28	Annual Deferred Maintenance (Existing Facilities)	1,111,923	1,025,461	838,450	959,363	2,106,593
29	Maximize Roads/Streets (Pavement Condition Index)	2,276,844	460,494	4,825,070	12,974,269	26,154,842
30	Tree Trimming	890,259	2,018,472	994,585	983,450	3,521,965
31	Ward Action Team - City Attorney's Office	263,704	295,205	303,967	326,426	368,293
33	Technology Improvements	433,629	679,248	2,792,116	1,686,690	4,311,031
34	4-Person Staffing on Fire Trucks	202,119	1,284,098	1,244,499	1,006,903	1,173,029
39	Public Safety & Engagement Team Program (PSET) - Urban	21,691	1,226,821	1,518,578	1,126,665	9,768,939
43	PW Streets Vehicle & Equipment Needs	-	-	-	-	3,000,000

MEASURE Z SPENDING PLAN

Spending Items	Actual	Actual	Actual	Actual	Projected ¹
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
44 PRCSD Infrastructure, Vehicles, and Equipment	-	-	-	11,735	1,713,663
45 Motorhome Removal & Disposal	-	-	-	5,000	46,500
46 Park and Neighborhood Specialist (PANS) Program	-	-	-	493,808	2,276,094
47 Police Helicopters Capital Lease	-	-	-	-	1,238,158
48 Office of Homeless Solutions Expansion	-	-	-	-	164,291
49 Public Safety & Engagement Team Program (PSET) - Wildlands	-	-	-	-	5,945,062
50 Public Safety Enterprise Communication System (PSEC) Radios	-	-	-	-	343,438
51 Office of Sustainability	-	-	-	-	391,293
52 Sidewalk Repair	-	-	-	-	600,000
53 Mt Rubidoux Trail Resurfacing	-	-	-	-	1,780,000
54 Police K9 ²	-	-	-	-	140,000
55 PRCS Capital and Maintenance	-	-	-	-	6,492,000
Total Expenditures	\$ 40,988,149	\$ 49,561,260	\$ 50,855,945	\$ 67,454,200	\$ 128,947,762

Five-Year Financial Plan Surplus/(Deficit) \$ 21,827,979 \$ 13,574,217 \$ 21,798,045 \$ 16,454,987 \$ (44,514,762)

FUND RESERVES

Beginning Measure Z Fund Reserve ¹	\$ 22,735,372	\$ 39,563,351	\$ 53,137,568	\$ 74,935,613	\$ 91,390,600
Five-Year Financial Plan Surplus/(Deficit)	21,827,979	13,574,217	21,798,045	16,454,987	(44,514,762)
Permanent Policy Reserve Set-Aside	(5,000,000)				
Ending Measure Z Fund Reserve	\$ 39,563,351	\$ 53,137,568	\$ 74,935,613	\$ 91,390,600	\$ 46,875,838

¹ Assumes full spending of prior year carryovers.

MEASURE Z FY 2022/23 STATUS

SPENDING ITEM	ACCOMPLISHMENTS (as of May 31, 2023)
2. Payoff of the Balloon \$32 million Pension Obligation Bond	Payments continue as scheduled.
5. Additional Sworn Police Positions	Of the 60 Measure Z sworn positions; 59 are filled and 1 is in recruitment.
6. Public Safety Non-Sworn Positions and Recruitment Costs	Of the 10 Measure Z non-sworn positions; 9.25 are filled and 1.75 are in recruitment.
7. Police Officer Lateral Hire Incentives and Recruitment Costs	Funding was used for enhancing NeoGov's testing process, social media advertisement, other advertisements, and participation at public recruitment events.
8. Additional Public Safety Dispatchers	Of the 9 Public Safety Dispatch positions available, 8 are filled and 1 is in recruitment.
9. Maintain Firefighter Staffing Level	All Measure Z positions are currently filled.
10 Reinstatement of Fire Captains (Training and Arson)	All Measure Z positions are currently filled.
11. Reinstatement of Fire Battalion Chief	All Measure Z positions are currently filled.
12. Revised Police Vehicle Replacement and Maintenance Plan	In 2022/23, the Police Department ordered 25 patrol vehicles, 4 motorcycles, 5 Ford Explorers, and 13 unmarked vehicles. The motorcycles and the Ford Explorers are deployed with several unmarked vehicles. The 25 patrol vehicles are pending delivery.
14. Fire Vehicle Replacement and Maintenance Plan	The Fire Department purchased Engines 10 and 14 and anticipate they will be in service by Summer 2023. The department also purchased Squad 5/Ambulance and a HazMat box truck with an estimate arrival date of June 2023, and is in the process of purchasing two Type 1 Commander Pumper vehicles.
16. Additional Fleet Mechanics for Police Department	All Measure Z positions are currently filled.
17. Additional Fleet Mechanics for Fire Department	All Measure Z positions are currently filled.
18. General Fund Support - Maintain Existing Services	Budgeted transfers continue as scheduled; Measure Z support is instrumental in sustaining General Fund services and programs.
19. General Plan Update (Includes Zoning Changes)	Phase 2 - A Request for Proposals was issued in April 2023 for consulting services for Zoning Code update, Climate Action and Adaptation Plan, and Program Environmental Impact Reports. Bidding will close on July 7, 2023 and the contract should be awarded in October 2023. This phase is scheduled to begin in January 2024 and will take approximately three years to complete.
20. Homeless Services	Funds were used for case management for the City's rental assistance program: <ul style="list-style-type: none"> - 61 formerly homeless individuals placed in housing received case management to achieve housing stability and self-sufficiency - Assisted with 9 rental applications - Provided 11 households with rental assistance - Provided 19 households with utility assistance - Purchased refrigerators, stoves and beds for 49 households - Provided 13 property managers with landlord incentives
21. Principal Management Analyst - City Manager's Office	All Measure Z positions are currently filled.
22. Budget Engagement Commission Support	Measure Z continues to fund the cost of BEC administration.

MEASURE Z FY 2022/23 STATUS

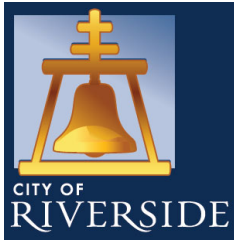
SPENDING ITEM	ACCOMPLISHMENTS (as of May 31, 2023)
24. SPC Jesus S. Duran Eastside Library Site Selection	<p>A site was selected at Bobby Bonds Park. Phase 1 Design is substantially completed. City submitted an application to the California State Library Building Forward Infrastructure Grant Round 2 for \$10M. The project has a budget of \$18M (pending notification of grant award) including a \$2.5M City match plus \$5.5M for additional construction.</p> <p>On July 18, 2023, the Department will ask City Council to approve a Measure Z supplemental appropriation and contract amendment with Cannon/Parking Inc. for Phase 2 architectural design services for a total of \$1.76M.</p>
25. New Police Headquarters	<p>The Request for Proposals closed and proposals are currently in review for new police headquarters. The City acquired the existing police station building from the County of Riverside for \$3.1 million.</p>
26. Museum Expansion and Rehabilitation	<p>Museum Expansion and Rehabilitation is currently undergoing Phase 2 - Architectural Design Services which is expected to be completed in December 2023. The design phase of the Main Museum renovation and two-story expansion with a roof terrace has resumed will take approximately 12 months to complete.</p>
28. Annual Deferred Maintenance (Existing Facilities)	<p>Completed projects at various City facilities include:</p> <ul style="list-style-type: none"> - HVAC repairs and/or replacement - roofing repairs and/or replacement - plumbing system repairs - roll up doors replacement - asphalt resealing - electrical system repairs and upgrades
29. Maximize Roads/Streets (Pavement Condition Index)	<p>FY 2021/2022 Phase 1 - Construction began in February 2023 and scheduled to end in August 2023</p> <ul style="list-style-type: none"> - Resurface 8.76 miles of streets including Indiana Avenue (from Pierce Street to westerly City limits) and California Avenue (from Jefferson Street to Arlington Avenue) - Slurry 0.78 miles of streets - Reconstruct 0.23 miles of alley between Taft Street and Meyers Street <p>FY 2021/2022 Phase 2 - Constuction scheduled to occur between August 2023 and February 2024</p> <ul style="list-style-type: none"> - Resurface 11.5 miles of street including 0.60 miles of westbound Alessandro Boulevard (from Mission Grove Parkway to Communications Center Drive) - Slurry 1.1 miles of streets - Construct a missing segment of sidewalk on Mountain View Avenue (east of Sheppard Street) <p>FY 2022/2023 Phase 1 - Projects are currently in design and construction is estimated to occur between December 2023 and June 2024</p> <ul style="list-style-type: none"> - Resurface 8.12 miles of street including Chicago Avenue (from University Avenue to Third Street) <p>FY 2022/2023 Phase 2 - Projects are currently in design; Construction is estimed to occur between March 2024 and September 2024</p> <ul style="list-style-type: none"> - Resurface 6.39 miles of streets <p>FY 2022/2023 Phase 3 - Projects are currently in design; Construction is estimated to occur between June 2024 and December 2024</p> <ul style="list-style-type: none"> - Resurface 5.94 miles of streets - Slurry 34 miles of street <p>All projects will include reconstruction of damaged curb and gutter, sidewalks, driveways, pedestrian ramps, installation of new signs, and pavement delineation.</p>

MEASURE Z FY 2022/23 STATUS

SPENDING ITEM	ACCOMPLISHMENTS (as of May 31, 2023)
30. Tree Trimming	<p>Parks, Recreation, and Community Services:</p> <ul style="list-style-type: none"> - Expended \$171,998 - Tree Trimming: 1,434 - Trees Inventoried: 19,874 <p>Public Works:</p> <ul style="list-style-type: none"> - Expended \$1,447,72 - Tree Trimming = 18,224 - Tree Plantings = 258 (Since January 2023)
31. Ward Action Team - City Attorney's Office	All Measure Z positions are currently filled.
33. Technology Improvements	<p>Projects currently underway include:</p> <ul style="list-style-type: none"> - Datacenter Disaster Recovery for Enquesta billing system - Citywide Security Camera video retention - Network Refresh and ongoing support and maintenance for previously completed projects - Security Analyst
34. 4-Person Staffing on Fire Trucks	All Measure Z positions are currently filled.
39. Public Safety & Engagement Team Program (PSET) - Urban	<p>Parks, Recreation, and Community Services - Department stopped participating in this program or using this account. Staff will be absorbed into the General Fund account for Parks effective July 1, 2023.</p> <p>Police Department - Some staff assisting PSET, none of the positions added for FY 2022/23 have been filled as of this update.</p> <p>Community and Economic Development Department - Of the 6 Outreach Worker positions available, 4 are filled and 2 are in recruitment.</p> <p>The following data was collected by this multidisciplinary team:</p> <ul style="list-style-type: none"> - 691 individuals accepted service - 192 citations issued - 482 arrests - 74 vehicles towed - 492 tons of debris removed by contractors - 105 yards of debris removed by Parks staff - 5,183 contacts with homeless - 1,769 Code Enforcement notices issued
43. Public Works Streets Vehicle & Equipment Needs	Two dump trucks, two patch trucks and multiple heavy duty equipment items have been ordered and are pending delivery.
44. Parks, Recreation & Community Services Infrastructure, Vehicles, and Equipment	<p>Swimming Pool Heaters - Plans and specifications are completed and cleared County and City plan checks. A Request for Proposals will be issued in July 2023 for construction which is scheduled to begin after the current swim season.</p> <p>Mt. Rubidoux Asphalt Repairs - Contractor is on-site and asphalt work is scheduled for completion in time for July 4th Fireworks. The project will finish with pavement delineation after the event.</p> <p>Fairmount Park Wier Dam - Contractor is on-site as of May 29, 2023. Work will be coordinated to keep appropriate water levels for the Riverside Regatta sailing races on June 10, 2023.</p>
45. Motorhome Removal & Disposal	Approximately \$9,000 spent to tow and dispose abandoned motorhomes.
46. Park and Neighborhood Specialist (PANS) Program	Of the 34 Measure Z Neighborhood Specialist positions; 14 are filled and 20 are in recruitment.
47. Police Helicopter Capital Lease	The first helicopter was received in March 2023 and is in service. The second helicopter is scheduled for delivery by June 30, 2023.
48. Office of Homeless Solutions Expansion	All Measure Z positions are currently filled.

MEASURE Z FY 2022/23 STATUS

SPENDING ITEM	ACCOMPLISHMENTS (as of May 31, 2023)
49. Public Safety & Engagement Team Program (PSET) - Wildlands	<p>Police Department - Some staff are assisting PSET; none of the positions added for FY 2022/23 have been filled as of this update.</p> <p>Community and Economic Development - Of the 8 Outreach Worker positions available, 4 are filled and 4 are in recruitment.</p> <p>The following data was collected by this multidisciplinary team:</p> <ul style="list-style-type: none"> - 65 individuals accepted service - 5 citations issued - 5 arrests - 8 vehicles towed - 165 tons of debris removed by contractors - 56 yards of debris removed by Parks staff - 496 contacts with homeless - 207 Code Enforcement notices issued
50. Public Safety Enterprise Communication System (PSEC) Radios	\$317,285 has been spent for the PSEC radio licenses and services.
51. Office of Sustainability	Recruitment for the Diversity Equity and Inclusion Officer is in process.
52. Sidewalk Repair	City Council awarded a construction contract to repair broken curb, gutter, sidewalk, and ADA ramps on 12/6/2022. Department is soliciting bids for another construction contract to utilize next year's funds.
53. Mt Rubidoux Trail Resurfacing	Planning and bidding for this project has begun.
54. K-9 Program	This item was added in Quarter 2 of FY 2022/23. \$140,000 was allocated to purchase up to five canines over the next few years to sustain the K-9 Program. Training for the canines and their handlers is included in the funding allocation. None of the funds have been expended to date.



FY 2022/23 Third Quarter Financial Update

Finance Department

City Council
July 18, 2023

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1

GENERAL FUND OVERVIEW

FY 2022/23	Adopted Budget	Amended Budget*	Projected
Revenue & Transfers In	\$ 310.63	\$ 341.04	\$ 348.04
Expenditures & Transfers Out	(305.67)	(349.19)	(334.19)
Surplus/(Deficit)	\$ 4.96	\$ (8.15)	\$ 13.85
Replenish Infrastructure Reserve			\$ (7.00)
Establish Technology Reserve			(3.00)
Remaining Balance	\$ 4.96	\$ (8.15)	\$ 3.85

* Includes prior year encumbrances and carryovers and supplemental appropriations.

General Fund Reserves (in millions)

Emergency Reserve (15%)	\$ 45.75 M
Economic Contingency Reserve (5%)	\$ 15.25 M
Infrastructure Reserve	\$ 13.62 M
Section 115 Trust Fund Balance	\$ 30.20 M

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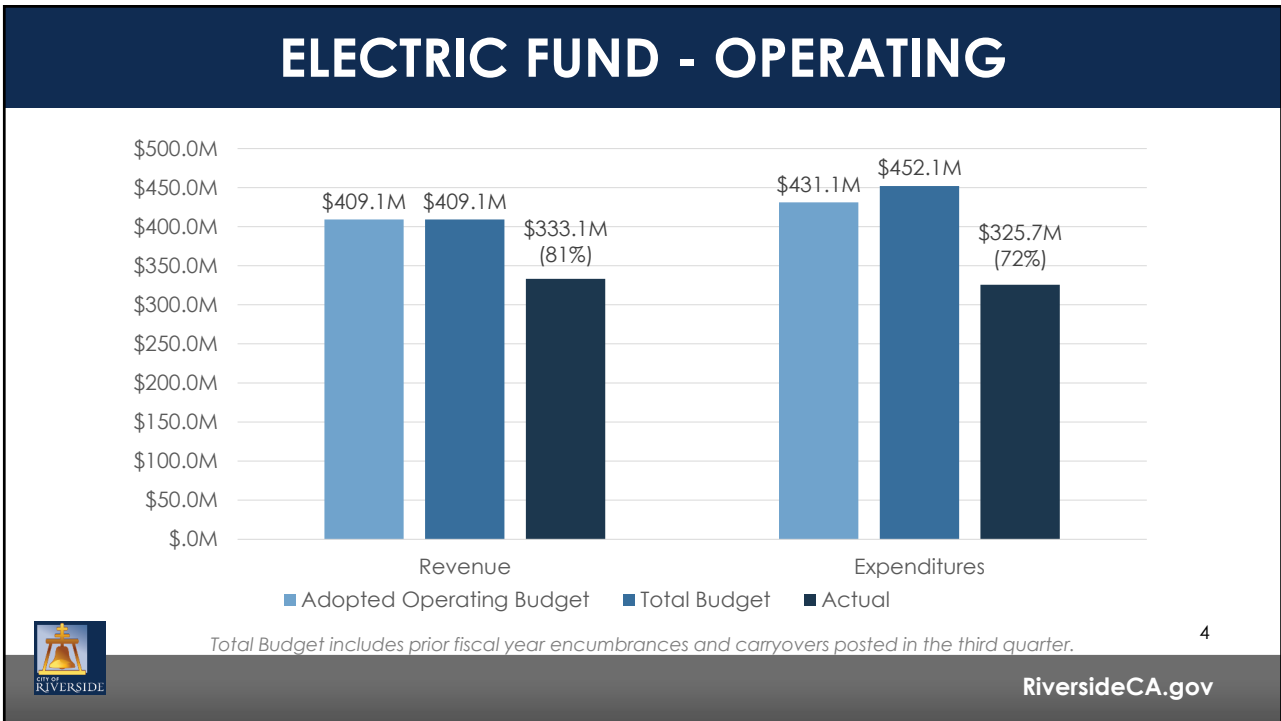
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MEASURE Z SPENDING PLAN

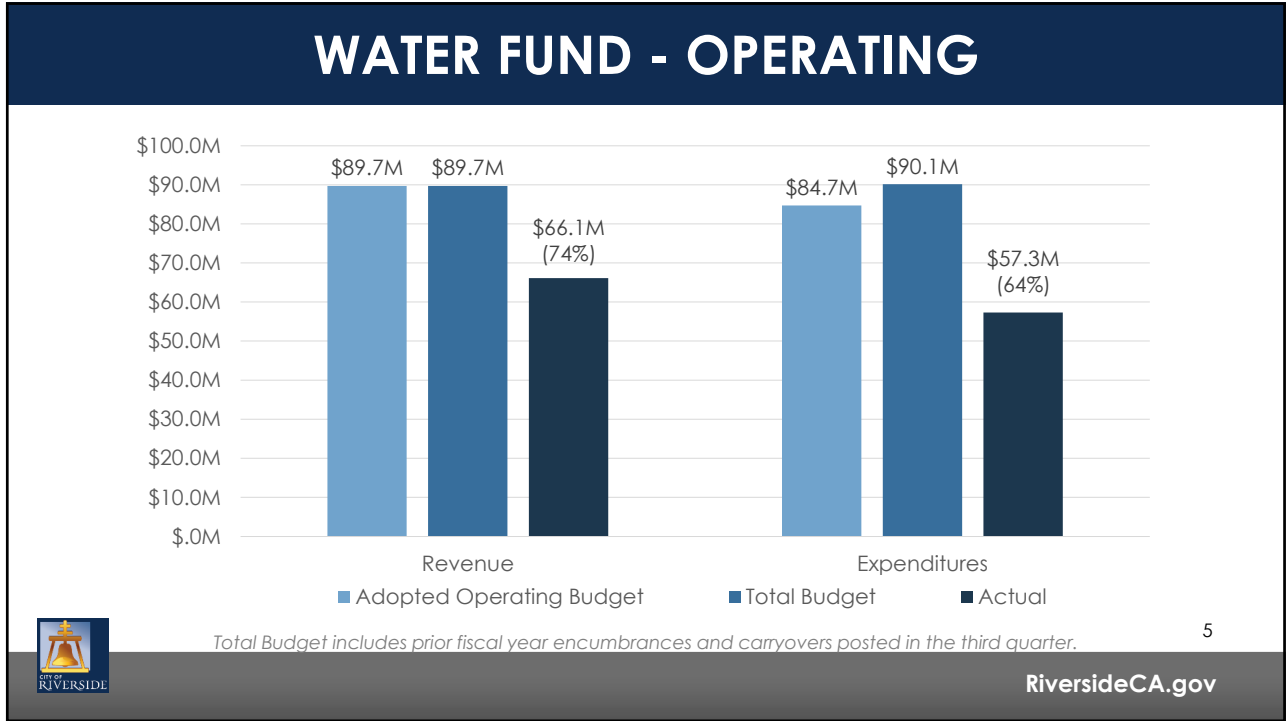
(in millions)	Actuals				Projected
	2019	2020	2021	2022	2023
Revenue	\$ 62.82	\$ 63.14	\$ 72.65	\$ 83.91	\$ 84.43
Expenditures	(40.99)	(49.56)	(50.85)	(67.45)	(96.51)
Encumbrances & Carryovers				(32.44)	
Net Change in Fund Balance	\$ 21.83	\$ 13.58	\$ 21.80	\$(15.98)	\$(12.08)
Beginning Unallocated Fund Reserves	\$ 22.73	\$ 39.56	\$ 53.14	\$ 74.94	\$ 58.96
Net Change in Fund Balance	21.83	13.58	21.80	(15.98)	(12.08)
Fund Balance Reserve Policy	(5.00)	-	-	-	-
Ending Unallocated Fund Reserves	\$ 39.56	\$ 53.14	\$ 74.94	\$ 58.96	\$ 46.88


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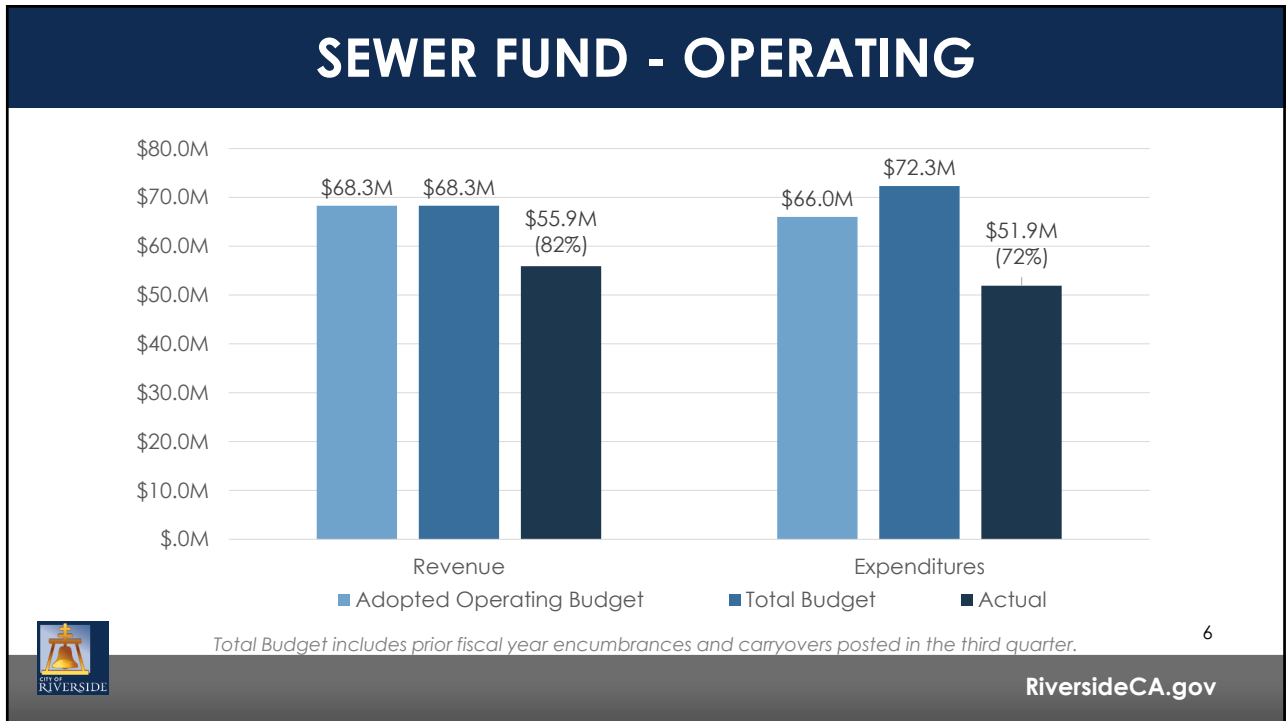
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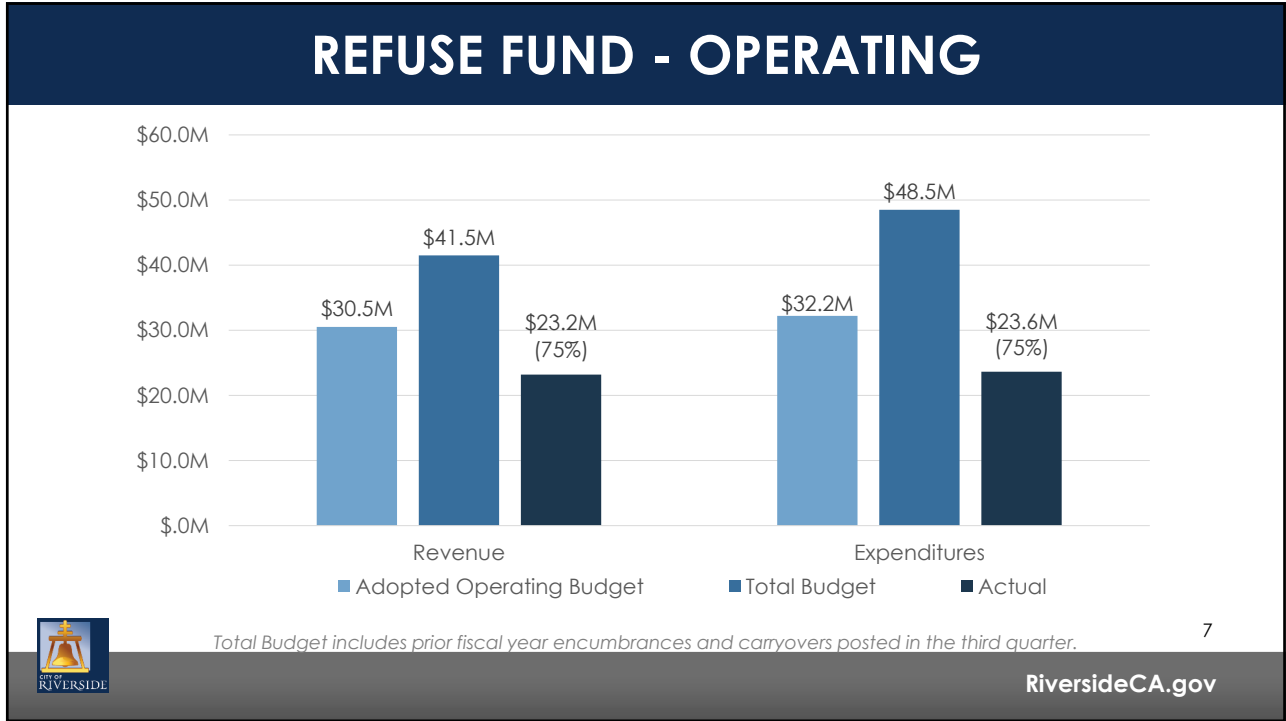
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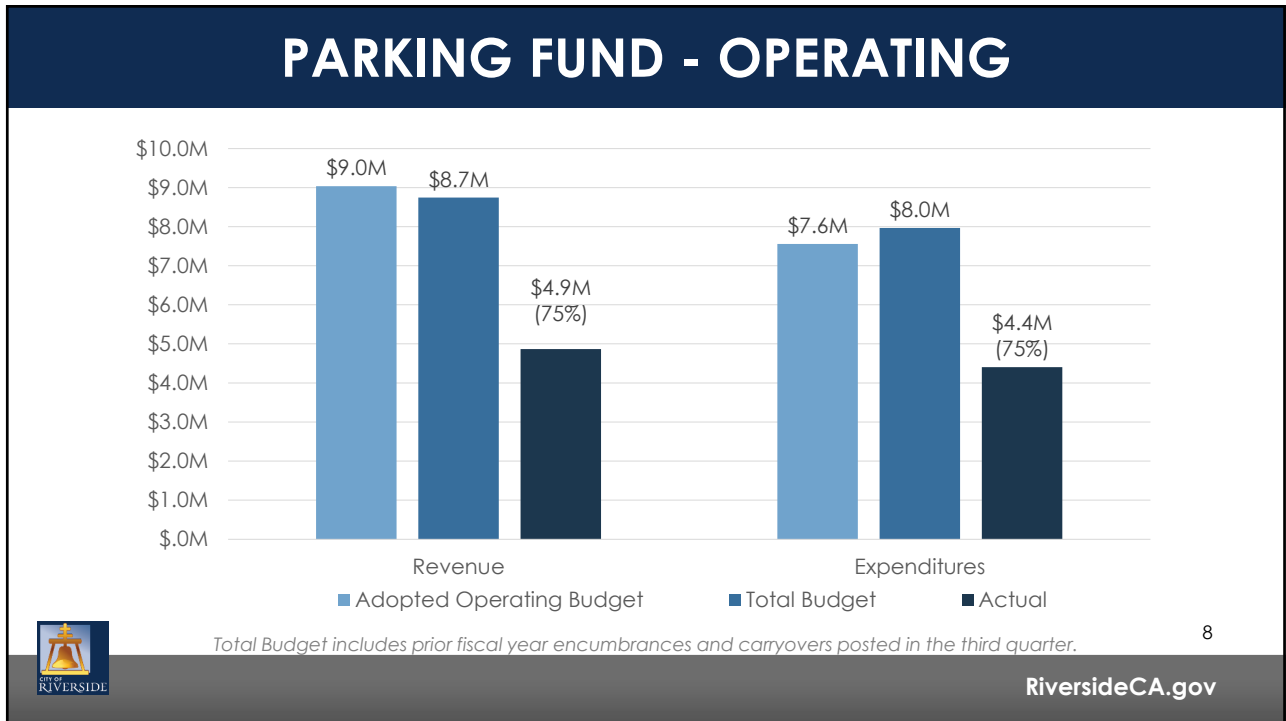
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STRATEGIC PLAN ALIGNMENT



HIGH PERFORMING GOVERNMENT

CROSS-CUTTING THREADS



Community Trust



Equity



Innovation



Fiscal Responsibility



Sustainability and Resiliency



RECOMMENDATIONS

That the City Council:

1. Receive and provide input on the Fiscal Year 2022/23 Third Quarter Financial Update;
2. Approve the allocation of \$10 million in projected General Fund savings to the General Fund Infrastructure Reserve (\$7 million) and the establishment of a Technology Reserve (\$3 million);
3. With at least five affirmative votes, authorize the Chief Financial Officer or designee to record a supplemental appropriation in the General Fund of \$500,000, fully offset by an insurance reimbursement, to cover demolition costs expended at 3460 Orange Street; and



RECOMMENDATIONS

4. With at least five affirmative votes, authorize the Chief Financial Officer or designee to record a supplemental appropriation in the amount of \$178,155 in the Measure Z Fund for the Riverside Access Center Rehabilitation project.



11

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City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JULY 18, 2023**
FROM: FINANCE DEPARTMENT **WARDS: ALL**
SUBJECT: FISCAL YEAR 2022/23 THIRD QUARTER CASH, INVESTMENTS, AND DEBT REPORT

ISSUE:

That the City Council receive and provide input on the attached Fiscal Year 2022/23 Third Quarter Cash, Investments, and Debt Report.

RECOMMENDATIONS:

That the City Council receive and provide input on the attached Fiscal Year 2022/23 Third Quarter Cash, Investments, and Debt Report.

BACKGROUND:

On April 18, 2023, the City Council received and provided input on the Fiscal Year 2022/23 Six Months Ending 12/31/2022 Cash, Investments, and Debt report.

DISCUSSION:

It is staff's intention to provide the Cash and Investments and Debt Quarterly reports at the same City Council meeting as the Quarterly Financial Report for the General Fund and other City funds, in order to provide a comprehensive review of all City Finance activities and to obtain City Council input related to those activities.

QUARTERLY CASH AND INVESTMENT REPORT

Sound investment practices are an essential component of the City's strong fiscal management. The Finance Department is responsible for managing the City's investment portfolio, focusing first on the safety of investments, and then on liquidity and an appropriate rate of return. The investment results and portfolio composition are summarized and reported to the City Council each quarter. As of March 31, 2023, the City's pooled investment portfolio's market value was \$942 million. The market value of investments held for the Section 115 Pension Trust Fund, fiscal agents (bond proceeds and reserve funds primarily), and other miscellaneous cash amounts to an additional \$240 million. The weighted average yield of the pooled investment portfolio is 2.65% as of March 31, 2023.

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

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

All listed funds have a positive cash balance except for the following funds as of March 31, 2023:

1. Civic Entertainment - Convention Center, Visitors Bureau, Sports Commission (\$721,267) has a negative cash balance due to the loss of revenues from the long-term effects of COVID-19. This account is being monitored and will return to positive by fiscal year-end.
2. Civic Entertainment – Cheech Marin Center (\$4,265,747) has a negative cash balance due to a pending submittal of a grant reimbursement and receivables to offset expenses and negative cash.
3. Urban Areas Security Initiative (\$716,671), Community Development Block Grant (\$60,576), Housing Opportunities for Persons with AIDS (\$1,164,696), NPDES Storm Drain (\$996,358), Storm Drain (\$33,609), and Transportation Uniform Mitigation Fees (\$2,314,623), have negative cash balances due to the timing of expenditures; however, the negative balances are fully offset by receivables.
4. Debt Service Fund – General (\$11,730,263) 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 (\$31.8 million) and other debt service payments.
5. Special Deposits (\$11,584,657) has a negative cash balance from decreases in market value of investments primarily due to increased interest rates and related drop in market prices. The accounting adjustments to market value throughout the year are booked to the Special Deposits fund; however, at year-end, this adjustment will be proportionately booked through all related funds and the Special Deposits fund will return to positive by fiscal year-end. Securities acquired by the City are typically held until maturity; as a result, at maturity, there should not be a realized gain or loss as the maturity value will equal the carrying amount on the balance sheet.
6. Central Stores (\$977,629) has a negative cash balance resulting from recent price increases. Inventory is charged out at average cost. While over time the total cost of inventory is recovered with this pricing methodology, the cash balance is negatively impacted as inventory is sold at a lower price than the cost of replenishment. Staff will review the current practice and reevaluate the traditional pricing methodology.

QUARTERLY DEBT REPORT

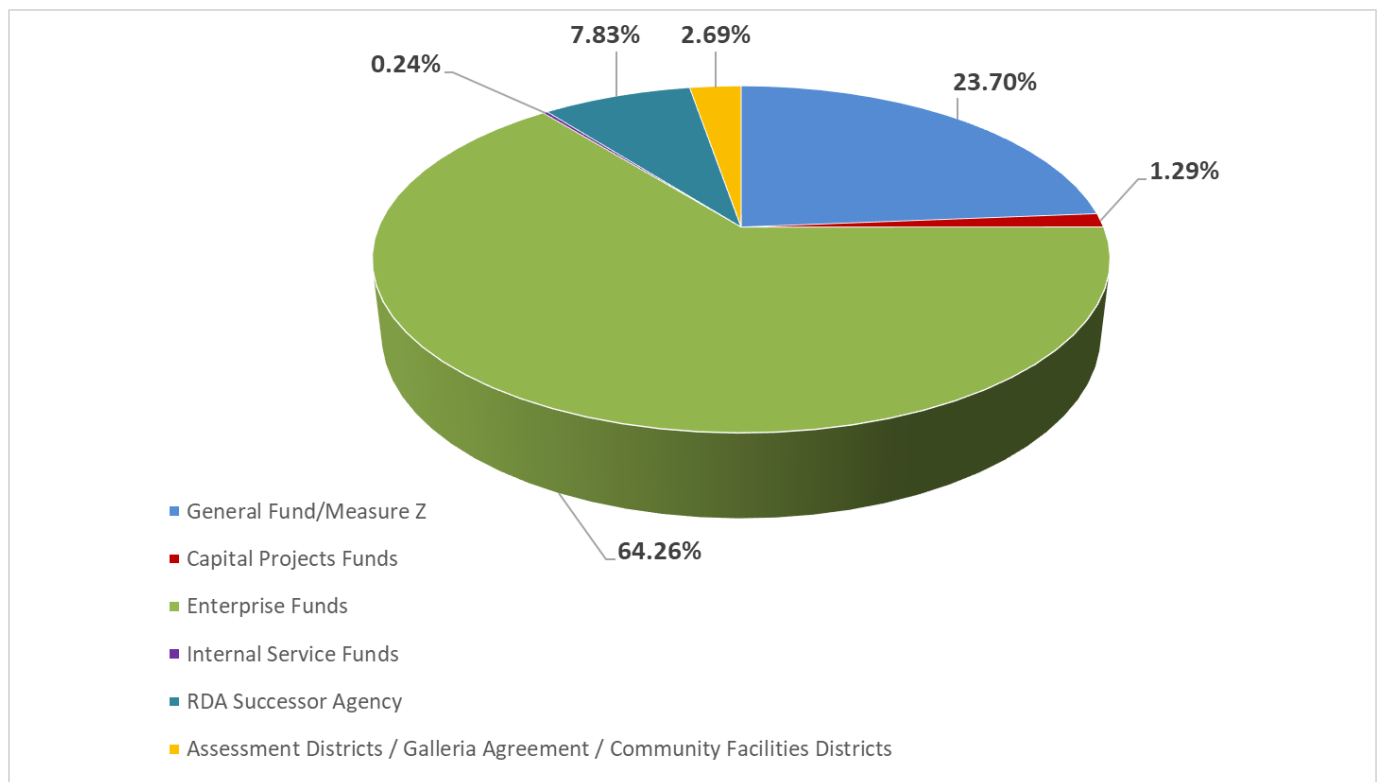
The Finance Department is responsible for managing the City's debt portfolio, which includes issuing new debt and monitoring opportunities to refinance existing debt. The Quarterly Debt

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 2023 by debt classification and fund.

Debt Summary Analysis

The City’s outstanding principal varies 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 \$6,728,963 from the end of the second quarter of Fiscal Year 2023. This principal decrease is due to debt service principal payments on 2008A Certificates of Participation (Renaissance), Capital Lease payments, the Convention Center Expansion Loan, and the Hunter Park Assessment District.

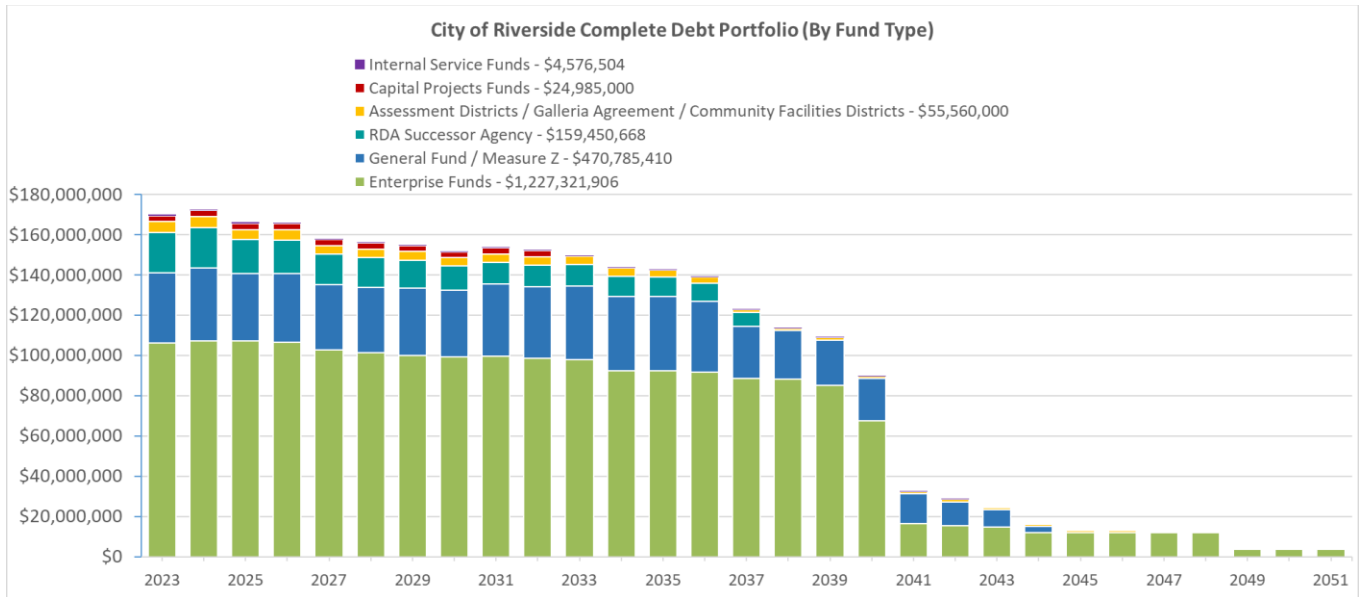
The following chart depicts the composition of the City’s debt portfolio at the end of the third quarter. The Enterprise funds are responsible for most of the City’s debt and are primarily for capital project financing offset by the revenues generated by the newly financed facilities. The General Fund 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. Payment of debt service for the City’s Pension Obligation Bonds is allocated among many of the funds, distributing debt service in alignment with departmental staffing costs.



For purposes of this report, the Sewer, Water, Electric, Refuse, Special Transit, Civic Entertainment, Convention Center, and Parking funds are consolidated under the classification of Enterprise Funds. Measure Z and the General Fund are grouped together. Measure A is 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 classified as City obligations. They are offset by individual Assessment and Community Facilities Districts which

are separate legal entities from the City, formed to issue debt and levy assessments and/or special tax to finance improvements related to development in those districts.

The following chart provides the City’s debt service obligations at the beginning of Fiscal Year 2022/23 using the same classification methodology, depicting aggregate principal and interest payments on all City debt by fund. As illustrated below, the City has a stable debt service curve that results in steadily diminishing annual debt service payments, minimizing large upward spikes in payments that could negatively impact the City’s ability to pay debt service in any one fiscal year.



Debt Related Activities in First Six Months

Finance staff regularly monitor the market to identify opportunities to maximize debt service savings through refunding and to issue debt when rates are most advantageous. Within the third quarter, Debt Division staff prepared and filed Annual Continuing Disclosure reports for all City publicly issued bonds. The City also began the process of preparing the Annual Engineer’s reports for the Street Lighting Assessment District and Riverwalk and Sycamore Highlands Landscape Maintenance Districts.

Other debt related activities conducted within the third quarter includes:

- Analysis, preparation and posting of the SB 1029 CDIAC Annual Debt Transparency Reports
- Coordination with bond counsel to provide training for elected officials on municipal disclosure responsibilities and best practices
- Extension of the Letter of Credit for the 2008 Certificates of Participation
- Amendment to the Lease Agreement for the 2012 Lease Revenue Bonds, replacing the expiring LIBOR index for the SOFR fallback rate
- AB 1666 legislative requirements compliance

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 5 – High Performing Government** and **Goal 5.3 – Enhance communication and collaboration with community members, to improve transparency, build public trust, and encourage shared decision-making.**

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The preparation and approval of the debt and investment quarterly report ensures transparency and demonstrates compliance with City Debt and Investment Policies.
2. **Equity** – The debt and investment portfolios detailed in this report are used to share and offset the long-term cost of growth, development, and expansion among Riverside businesses and residents.
3. **Fiscal Responsibility** – The Quarterly Report demonstrates fiscal responsibility and accountability to show the current financial situation of the City and closely related agencies.
4. **Innovation** – Innovative stewardship of investments and municipal debt is an effective way to track, fund, and finance, repair and improvements while ensuring sufficient cash to meet obligations.
5. **Sustainability & Resiliency** – Quarterly accounting and reporting helps to ensure City funds are used in a sustainable way without compromising future needs.

FISCAL IMPACT:

There is no direct fiscal impact associated with this report.

Prepared by:	Karen Hessell, Interim Debt and Treasury Manager
Certified as to availability of funds:	Edward Enriquez, Assistant City Manager/Chief Financial Officer
Approved by:	Edward Enriquez, Assistant City Manager/Chief Financial Officer
Approved as to form:	Phaedra A. Norton, City Attorney

Attachments:

1. Cash and Investment Report – Q3
2. Quarterly Debt Report – Q3
3. Presentation

ATTACHMENT 1

CASH AND INVESTMENT REPORT

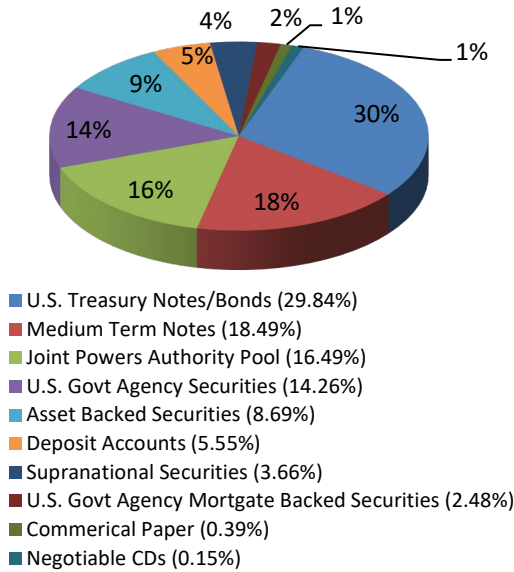




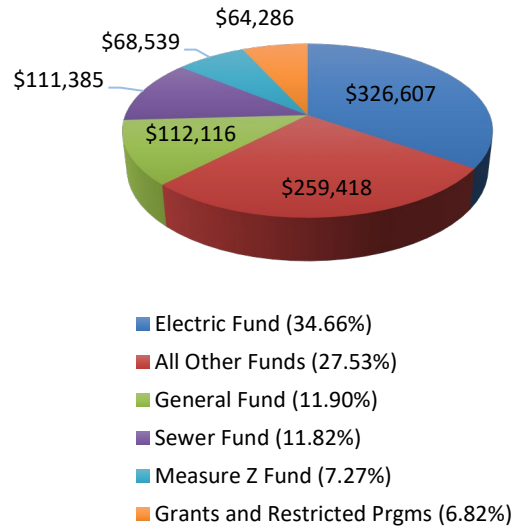
CITY OF RIVERSIDE Quarterly Investment Report March 31, 2023

	AMORTIZED COST	MARKET VALUE
POOLED INVESTMENT PORTFOLIO		
Deposit Accounts	\$ 52,255,560.07	\$ 52,255,560.07
Joint Powers Authority Pool	155,437,350.84	155,437,350.84
Commerical Paper	3,711,689.52	3,719,758.41
Negotiable CDs	1,414,548.45	1,452,201.13
Medium Term Notes	183,676,625.18	174,194,679.29
U.S. Govt Agency Mortgage Backed Securities	24,542,381.42	23,348,228.65
Asset Backed Securities	83,404,448.85	81,919,090.66
Supranational Securities	37,090,512.00	34,446,611.34
U.S. Govt Agency Securities	139,897,585.84	134,387,652.29
U.S. Treasury Notes/Bonds	286,913,651.37	281,189,825.49
TOTAL POOLED INVESTMENT PORTFOLIO	968,344,353.54	942,350,958.17
INVESTMENTS HELD BY FISCAL AGENT -		
SECTION 115 PENSION TRUST FUND	30,912,862.21	30,987,285.75
OTHER INVESTMENTS HELD BY FISCAL AGENT	204,883,747.91	202,953,303.17
OTHER MISCELLANEOUS CASH	5,602,633.24	5,602,633.24
TOTAL CASH & INVESTMENTS	\$ 1,209,743,596.90	\$ 1,181,894,180.33

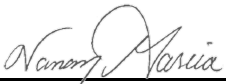
COMPOSITION OF POOLED PORTFOLIO



COMPOSITION OF POOLED PORTFOLIO BY FUND



It has been verified that this investment portfolio is in conformity, exclusive of items identified, with the City of Riverside's investment policy which was approved by City Council on 3/11/2020. The Treasurer's cash management program and cash flow analysis indicates that sufficient liquidity is on hand to meet estimated future expenditures for a period of six months. The weighted average maturity of the City's investment portfolio is 1.68 years. Market prices of securities are obtained from Interactive Data Corporation. Weighted average yield on cost for the City's investment portfolio is 2.65%. 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, 2023

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	**MARKET VALUE
<u>DEPOSIT ACCOUNTS</u>						
Bank of America Checking and Reserve	N/A	Varies	NR	Varies	27,588,807.08	27,588,807.08
Federated Investors Federated Treasury	N/A	Varies	AAA	Varies	24,666,752.99	24,666,752.99
SUBTOTAL DEPOSIT ACCOUNTS					52,255,560.07	52,255,560.07
<u>JOINT POWERS AUTHORITY POOL</u>						
California Asset Management Program (CAMP)	N/A	Varies	AAA	Varies	155,437,350.84	155,437,350.84
SUBTOTAL JOINT POWERS AUTHORITY POOL					155,437,350.84	155,437,350.84
<u>COMMERCIAL PAPER</u>						
Toyota Motor Credit	4.830	05/30/23	A-1+	02/28/23	1,728,633.96	1,736,147.29
MUFG Bank Ltd/NY	5.000	05/30/23	A-1	03/30/23	1,983,055.56	1,983,611.12
SUBTOTAL COMMERCIAL PAPER					3,711,689.52	3,719,758.41
<u>NEGOTIABLE CD</u>						
Cooperative Rabobank UA	3.740	05/31/23	A-1	03/09/23	1,414,548.45	1,452,201.13
SUBTOTAL NEGOTIABLE CD					1,414,548.45	1,452,201.13
<u>MEDIUM TERM NOTES</u>						
Toyota Motor Credit Corp	3.450	09/20/23	A+	02/19/19	2,470,070.70	2,410,708.64
Charles Schwab Corp	0.750	03/18/24	A	03/16/21	1,954,022.50	1,861,478.34
Amazon.com Inc	0.450	05/12/24	AA	05/10/21	3,649,663.70	3,509,368.35
John Deere Capital Corp	0.450	06/07/24	A	06/07/21	2,077,400.00	1,983,544.16
Salesforce.com Inc	0.625	07/15/24	A+	06/29/21	1,064,456.85	1,012,929.43
Royal Bank of Canada	2.250	11/01/24	A	02/06/20	3,037,950.00	2,897,322.00
John Deere Capital Corp	2.050	01/09/25	A	02/06/20	3,024,810.00	2,902,057.33
American Honda Finance	1.500	01/13/25	A-	Various	4,483,050.30	4,271,638.50
Toyota Motor Credit Corp	1.800	02/13/25	A+	05/05/21	2,072,840.00	1,907,098.00
JP Morgan Chase & Co	3.220	03/01/25	A-	08/18/20	3,238,920.00	2,943,799.00
Bank of America Corp	3.458	03/15/25	A-	04/23/20	5,263,900.00	4,902,359.44
Chubb INA Holdings Inc	3.150	03/15/25	A	Various	6,518,943.13	5,811,762.52
Royal Bank of Canada	3.375	04/14/25	A	04/14/22	1,497,420.00	1,479,141.38
Bank of Montreal	1.850	05/01/25	A-	08/12/21	5,162,100.00	4,721,481.67
Caterpillar Financial Service	3.400	05/13/25	A	05/10/22	2,736,520.20	2,719,793.41
Qualcomm Inc	3.450	05/20/25	A	Various	5,245,703.20	4,970,505.83
Morgan Stanley	0.790	05/30/25	A-	Various	7,461,656.65	7,085,966.70
Honeywell Intl	1.350	06/01/25	A	06/23/20	5,119,000.00	4,713,855.00
Royal Bank of Canada	1.150	06/10/25	A	Various	5,044,880.00	4,618,429.17
Northwestern Mutual Gbl	4.000	07/01/25	AA+	06/27/22	6,402,822.30	6,375,197.54
American Honda Finance	1.200	07/08/25	A-	06/22/21	2,017,540.00	1,858,829.33
Toronto Dominion Bank	0.750	09/11/25	A	09/15/20	4,986,850.00	4,509,668.33
National Rural Utilities	3.250	11/01/25	A-	04/14/22	2,994,000.00	2,927,261.00
Simon Property Group	3.300	01/15/26	A-	08/11/21	4,750,593.75	4,206,556.67
Goldman Sachs Group Inc	0.855	02/12/26	BBB+	06/18/21	4,334,706.25	4,009,235.79
Bank of America Corp	2.015	02/13/26	A-	03/04/21	2,066,760.00	1,879,175.33
JP Morgan Chase & Co	2.005	03/13/26	A-	03/12/21	3,086,490.00	2,830,354.50



CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
March 31, 2023

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	**MARKET VALUE
Citigroup Inc	3.106	04/08/26	BBB+	Various	6,788,825.00	6,189,883.10
JP Morgan Chase & Co	2.083	04/22/26	A-	06/23/21	3,105,570.00	2,834,795.75
Guardian Life Glob Fun	1.250	05/13/26	AA+	02/09/22	2,307,168.00	2,164,127.20
United Health Group Inc	1.150	05/15/26	A+	Various	2,852,118.20	2,740,783.34
Toyota Motor Credit Corp	1.125	06/18/26	A+	Various	4,989,707.50	4,524,888.76
Bank of America Corp	1.319	06/19/26	A-	06/18/21	2,004,120.00	1,835,694.33
Met Tower Global Funding	1.250	09/14/26	AA-	09/07/21	2,927,304.40	2,601,776.35
Bank of Montreal	1.250	09/15/26	A-	Various	2,495,539.50	2,210,801.39
Wal-Mart Stores	1.050	09/17/26	AA	09/08/21	1,332,476.85	1,203,999.57
Morgan Stanley	6.138	10/16/26	A-	10/19/22	1,498,185.00	1,570,187.25
Metlife	1.875	01/11/27	AA-	01/03/22	4,240,160.70	3,810,913.38
Toronto-Dominion Bank	1.950	01/12/27	A	01/25/22	992,295.35	899,467.16
Charles Schwab Corp	2.450	03/03/27	A	03/01/22	1,668,196.40	1,499,012.97
Goldman Sachs Group Inc	1.431	03/09/27	BBB+	Various	2,914,727.50	2,910,942.13
Berkshire Hathaway	2.300	03/15/27	AA	03/07/22	4,924,064.25	4,667,916.09
Amazon.com Inc	3.300	04/13/27	AA	04/25/22	2,994,810.00	2,948,892.00
Virginia Electric Power Corp	3.750	05/15/27	BBB+	Various	5,509,511.95	5,412,845.18
Qualcomm Inc	3.250	05/20/27	A	02/15/23	2,368,475.00	2,448,238.47
Citigroup Inc	1.462	06/09/27	BBB+	06/21/22	1,753,880.00	1,784,842.89
Merck & Co	1.700	06/10/27	A+	06/23/22	3,966,221.40	4,002,490.72
Caterpillar Financial Service	3.600	08/12/27	A	Various	3,213,062.50	3,195,851.75
Wal-Mart Stores	3.950	09/09/27	AA	Various	2,495,938.60	2,502,974.72
Amazon.com Inc	4.550	12/01/27	AA	01/17/23	2,028,800.00	2,060,537.33
John Deere Capital Corp	4.750	01/20/28	A	Various	7,069,150.00	7,222,736.11
Bank of America Corp	3.824	01/20/28	A-	Various	1,412,207.55	1,444,418.66
United Health Group Inc	5.250	02/15/28	A+	02/21/23	4,061,040.00	4,186,145.33

SUBTOTAL MEDIUM TERM NOTES					183,676,625.18	174,194,679.29
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U.S. GOVERNMENT AGENCY MORTGAGE BACKED SECURITIES

FHLMC - K723 A2	2.454	08/25/23	NR	07/16/19	9,217,505.83	9,069,937.86
FHLMC - K041 A2	3.171	10/25/24	AAA	07/01/21	5,378,515.63	4,888,052.50
FHLMC - K047 A2	3.329	05/25/25	NR	05/20/22	5,028,906.25	4,889,945.83
FHLMC - K049 A2	3.010	07/25/25	NR	06/23/21	1,789,016.21	1,605,883.46
FHLMC - K059 A2	3.120	09/25/26	AAA	02/18/22	3,128,437.50	2,894,409.00

SUBTOTAL U.S. GOVERNMENT AGENCY MORTGAGE BACKED SECURITIES					24,542,381.42	23,348,228.65
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U.S. GOVERNMENT AGENCY ASSET BACKED SECURITIES

Honda Auto Receivables	1.610	04/22/24	NR	02/19/20	345,319.18	343,825.44
Hyundai Auto Lease Trust	0.330	06/17/24	AAA	06/08/21	1,910,762.78	1,888,399.05
John Deere Owner Trust	1.100	08/15/24	NR	03/04/20	216,545.86	215,724.45
Toyota Auto Receivables Trust	0.440	10/15/24	AAA	07/21/20	468,037.61	462,849.37
Honda Auto Receivables Trust	0.370	10/18/24	AAA	09/22/20	761,638.79	748,290.25
Toyota Lease Owner Trust	0.420	10/21/24	NR	07/27/21	2,407,486.52	2,363,707.79
GM Financial Auto Lease Trust	0.390	10/21/24	AAA	04/18/22	1,433,091.81	1,446,427.50
John Deere Owner Trust	0.510	11/15/24	NR	07/14/20	221,395.53	219,276.47
Mercedes-Benz Auto Lease Trust	0.400	11/15/24	AAA	06/22/21	2,363,465.96	2,310,868.43
BMW Vehicle Lease Trust	0.330	12/26/24	NR	09/08/21	1,161,421.07	1,138,461.13
Hyundai Auto Lease Trust	1.160	01/15/25	AAA	01/11/22	2,074,954.14	2,018,972.01
Toyota Lease Owner Trust	1.960	02/20/25	AAA	02/23/22	4,384,309.80	4,257,672.27
GM Financial Auto Lease Trust	1.900	03/20/25	NR	02/15/22	3,599,969.04	3,506,358.80
BMW Vehicle Lease Trust	1.100	03/25/25	AAA	01/11/22	1,719,742.86	1,677,372.09



CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
March 31, 2023

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	**MARKET VALUE
Honda Auto Receivables Trust	0.270	04/21/25	NR	02/17/21	620,691.27	603,811.45
Toyota Auto Receivables Owners	0.260	05/15/25	NR	02/02/21	2,246,433.34	2,190,006.29
GM Financial Auto Lease Trust	3.420	06/20/25	AAA	05/03/22	2,399,749.68	2,360,023.20
John Deere Owner Trust	0.360	09/15/25	NR	03/02/21	1,148,543.53	1,111,955.62
Hyundai Auto Receivables Trust	0.380	09/15/25	AAA	04/20/21	1,123,411.60	1,092,714.62
BMW Vehicle Lease Trust	5.160	11/25/25	AAA	02/07/23	894,978.70	898,378.63
Hyundai Auto Receivables Trust	0.380	01/15/26	AAA	07/20/21	4,555,581.58	4,401,275.44
Honda Auto Receivables Trust	0.880	01/21/26	NR	11/16/21	1,749,631.10	1,671,849.28
John Deere Owner Trust	0.520	03/16/26	NR	07/13/21	2,204,803.31	2,109,955.93
Hyundai Auto Receivables Trust	0.740	05/15/26	AAA	11/09/21	1,249,721.00	1,192,934.87
Honda Auto Receivables Trust	1.880	05/15/26	AAA	02/15/22	2,814,576.62	2,701,267.12
BMW Vehicle Owner Trust	3.210	08/25/26	AAA	05/10/22	1,999,896.00	1,955,356.00
GM Financial Securitized Term	0.680	09/16/26	AAA	10/13/21	1,334,965.96	1,266,815.32
John Deere Owner Trust	2.320	09/16/26	NR	03/10/22	1,724,618.43	1,669,044.65
Hyundai Auto Receivables Trust	2.220	10/15/26	AAA	03/09/22	3,079,881.42	2,964,027.73
GM Financial Auto Receivables	1.260	11/16/26	AAA	01/11/22	1,139,900.93	1,083,746.70
GM Financial Securitized ART	3.100	02/16/27	AAA	04/05/22	1,674,649.93	1,624,174.92
John Deere Owner Trust	3.740	02/16/27	NR	07/12/22	2,689,743.11	2,642,629.70
Honda Auto Receivables Owner	5.040	04/21/27	NR	02/16/23	1,849,656.27	1,865,277.30
American Express Credit Trust	3.390	05/17/27	AAA	05/17/22	5,188,851.97	5,076,217.90
John Deere Owner Trust	5.090	06/15/27	NR	10/12/22	3,454,731.89	3,490,860.22
Verizon Master Trust	3.720	07/20/27	AAA	08/02/22	2,349,896.60	2,320,598.37
American Express Credit Trust	3.750	08/16/27	NR	10/28/22	3,868,125.00	3,935,118.00
Mercedes-Benz Auto Receivables	5.210	08/16/27	AAA	11/15/22	6,158,781.55	6,236,744.70
John Deere Owner Trust	5.010	11/15/27	NR	02/22/23	2,814,487.11	2,856,101.65
SUBTOTAL U.S. GOVERNMENT AGENCY ASSET BACKED SECURITIES					83,404,448.85	81,919,090.66
<u>SUPRANATIONAL SECURITIES</u>						
Inter-American Dev Bank	0.500	09/23/24	AAA	09/15/21	8,403,776.60	7,951,622.29
Intl. Bank Recon & Development	0.625	04/22/25	AAA	04/15/20	4,278,378.35	4,014,714.39
Inter-American Dev Bank	0.625	07/15/25	AAA	01/13/21	5,071,967.50	4,685,614.44
Intl. Bank Recon & Development	0.500	10/28/25	AAA	Various	9,994,372.85	9,184,850.01
Inter-American Dev Bank	0.875	04/20/26	AAA	04/13/21	9,342,016.70	8,609,810.21
SUBTOTAL SUPRANATIONAL SECURITIES					37,090,512.00	34,446,611.34
<u>U.S. GOVERNMENT AGENCY SECURITIES</u>						
FHLB	4.640	05/03/23	A-1+	02/02/23	4,942,000.00	4,979,377.78
FHLMC	0.375	05/05/23	AA+	05/05/20	4,758,000.80	4,749,955.61
FHLB	4.675	06/15/23	A-1+	02/02/23	1,965,456.94	1,980,520.83
FHLMC	0.250	06/26/23	AA+	06/24/20	5,588,633.40	5,552,384.31
FNMA	0.250	07/10/23	AA+	07/08/20	4,445,421.75	4,406,108.61
FHLMC	0.250	08/24/23	AA+	08/19/20	7,507,334.70	7,383,419.45
FHLMC	0.125	10/16/23	AA+	Various	9,961,598.25	9,759,829.17
FHLMC	0.250	11/06/23	AA+	11/03/20	9,331,594.00	9,096,318.88
FHLB	2.750	12/13/24	AA+	02/06/20	5,281,300.00	4,910,135.00
FNMA	1.625	01/07/25	AA+	03/04/20	8,281,440.00	7,677,805.33
FHLMC	1.500	02/12/25	AA+	02/13/20	6,599,914.15	6,300,764.90
FHLB	2.375	03/14/25	AA+	03/19/20	6,346,620.00	5,795,067.17
FNMA	0.625	04/22/25	AA+	04/22/20	5,199,267.40	4,858,420.95
FHLB	0.500	06/13/25	AA+	06/29/20	5,007,400.00	4,638,120.00
FNMA	0.500	06/17/25	AA+	06/17/20	6,506,503.60	6,034,621.50

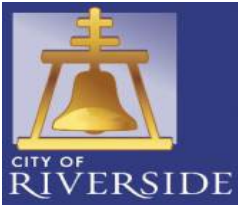


CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
March 31, 2023

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	**MARKET VALUE
FHLMC	0.375	07/21/25	AA+	07/21/20	4,606,942.60	4,263,114.94
FNMA	0.375	08/25/25	AA+	Various	7,962,282.50	7,327,280.02
FHLMC	0.375	09/23/25	AA+	Various	7,970,197.55	7,309,506.67
FNMA	0.500	11/07/25	AA+	11/09/20	6,063,215.70	5,579,391.27
FHLB	4.500	12/12/25	AA+	02/03/23	7,592,925.00	7,694,895.00
FHLB	4.500	03/10/28	AA+	Various	10,246,000.00	10,342,660.00
Tennessee Valley Authority	3.875	03/15/28	AA+	03/30/23	3,733,537.50	3,747,954.90
SUBTOTAL U.S. GOVERNMENT AGENCY SECURITIES					139,897,585.84	134,387,652.29
<u>U.S. GOVERNMENT TREASURY SECURITIES</u>						
US Treasury	4.655	04/25/23	A-1+	Various	16,876,908.11	16,947,246.33
US Treasury	4.551	05/02/23	A-1+	01/19/23	1,974,208.16	1,992,161.30
US Treasury	4.522	05/09/23	A-1+	03/13/23	4,964,828.89	4,976,133.89
US Treasury	4.668	05/11/23	A-1+	02/28/23	4,953,325.00	4,974,069.44
US Treasury	4.615	05/23/23	A-1+	01/19/23	1,969,489.72	1,986,667.78
US Treasury	4.617	05/30/23	A-1+	Various	9,847,365.98	9,924,324.30
US Treasury	1.625	10/31/23	AA+	10/31/19	4,013,437.50	3,956,668.82
US Treasury	2.250	01/31/24	AA+	06/05/19	10,671,445.31	10,324,642.46
US Treasury	2.000	04/30/24	AA+	Various	17,578,257.82	17,068,300.15
US Treasury	0.250	06/15/24	AA+	06/18/21	4,965,429.69	4,758,364.45
US Treasury	1.750	06/30/24	AA+	09/09/19	9,358,759.77	8,990,788.83
US Treasury	1.500	02/15/25	AA+	Various	15,947,968.76	15,749,590.56
US Treasury	1.125	02/28/25	AA+	03/24/20	6,177,656.25	5,679,151.57
US Treasury	1.750	03/15/25	AA+	05/04/22	4,827,539.06	4,786,462.12
US Treasury	2.750	05/15/25	AA+	Various	9,795,000.00	9,841,574.59
US Treasury	3.125	08/15/25	AA+	09/27/22	4,826,171.88	4,925,478.34
US Treasury	0.250	09/30/25	AA+	10/16/20	6,975,937.50	6,405,866.81
US Treasury	4.250	10/15/25	AA+	10/28/22	3,983,750.00	4,109,397.54
US Treasury	0.375	12/31/25	AA+	12/29/20	2,249,824.22	2,052,960.03
US Treasury	0.375	01/31/26	AA+	Various	8,625,488.28	7,948,452.28
US Treasury	4.000	02/15/26	AA+	02/16/23	7,425,585.94	7,568,350.32
US Treasury	0.750	03/31/26	AA+	03/30/21	3,969,843.75	3,659,613.97
US Treasury	0.750	05/31/26	AA+	Various	9,942,773.44	9,121,227.36
US Treasury	0.750	08/31/26	AA+	Various	5,170,878.90	4,748,111.41
US Treasury	1.125	10/31/26	AA+	Various	12,919,453.14	11,918,318.83
US Treasury	1.500	01/31/27	AA+	Various	15,585,117.20	15,231,334.60
US Treasury	2.750	04/30/27	AA+	Various	18,449,570.32	18,531,383.27
US Treasury	3.250	06/30/27	AA+	Various	20,141,015.63	19,818,077.80
US Treasury	4.125	09/30/27	AA+	Various	15,090,664.06	15,284,110.57
US Treasury	3.875	12/31/27	AA+	Various	20,147,968.81	20,404,980.44
US Treasury	3.625	03/31/28	AA+	03/30/23	7,487,988.28	7,506,015.33
SUBTOTAL U.S. GOVERNMENT TREASURY SECURITIES					286,913,651.37	281,189,825.49
TOTAL POOLED CASH & INVESTMENTS					968,344,353.54	942,350,958.17

*The City uses S&P ratings

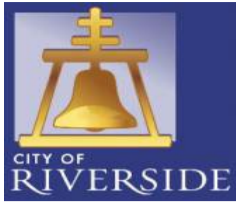
**Includes accrued interest



CITY OF RIVERSIDE
Investments held by Fiscal Agent
Section 115 Pension Trust Fund
March 31, 2023

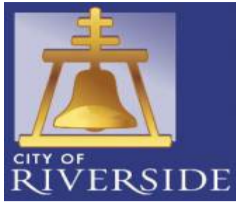
DESCRIPTION OF SECURITY	COST VALUE	MARKET VALUE
<u>CASH AND EQUIVALENTS</u>		
*Cash	21,092.86	21,092.86
First American Government Obligation Fund CL "Z"	1,416,932.21	1,416,932.21
SUBTOTAL CASH AND EQUIVALENTS	1,438,025.07	1,438,025.07
<u>MUTUAL FUNDS - EQUITY</u>		
Ishares Core - S P500 Etf	4,002,802.52	4,327,850.24
Ishares S P - 500 Growth Etf	1,609,072.75	1,697,301.74
Ishares S P - 500 Value Etf	1,836,712.91	1,967,720.16
Ishares - Russell Mid Cap Etf	1,285,678.05	1,304,986.88
Ishares - Russell 2000 Value Etf	1,087,911.99	1,050,806.38
Ishares - Russell 2000 Growth Etf	1,080,542.15	1,051,764.34
Ishares Core - Msci Eafe Etf	1,813,737.41	1,891,921.85
Vanguard Ftse - Emerging Markets Etf	1,191,209.20	1,147,400.40
Vanguard Real - Estate Etf	530,501.01	501,063.36
SUBTOTAL MUTUAL FUNDS - EQUITY	14,438,167.99	14,940,815.35
<u>MUTUAL FUNDS - FIXED INCOME</u>		
Ishares Core - U.S. Aggregate Bond Etf	11,410,310.54	11,038,617.40
Vanguard High - Yield Corporate Adm	319,907.63	311,706.34
Vanguard - Short Term Invt Grade #539	3,306,450.98	3,258,121.59
SUBTOTAL MUTUAL FUNDS - FIXED INCOME	15,036,669.15	14,608,445.33
TOTAL ASSETS	30,912,862.21	30,987,285.75

* Includes accrued income



CITY OF RIVERSIDE
Investments Held by Fiscal Agent
March 31, 2023

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	**MARKET VALUE
<u>CASH & MONEY MARKET ACCOUNTS</u>						
Cash - Custodial Cash Account US Bank	N/A	Varies	NR	Varies	46,173.33	46,173.33
Cash - Bank of America Equipment Lease	N/A	Varies	NR	Varies	11,271,564.00	11,271,564.00
US Bank Commercial Paper Sweep	N/A	Varies	NR	Varies	330,370.59	330,370.59
US Bank Gcts0170	N/A	Varies	NR	Varies	43,340,733.82	43,340,733.82
US Bank Gcts0185	N/A	Varies	NR	Varies	7,129,221.27	7,129,221.27
First American Government Obligation CL "Y"	N/A	Varies	AAA	Varies	131,806.14	131,806.14
First American Government Obligation CL "Z"	N/A	Varies	AAA	Varies	6,211,690.21	6,211,690.21
First American Treasury MMF Class "Z"	N/A	Varies	AAA	03/31/23	64,669,443.17	64,669,443.17
SUBTOTAL CASH & MONEY MARKET ACCOUNTS					133,131,002.53	133,131,002.53
LOCAL AGENCY INVESTMENT FUND (LAIF)	N/A	Varies	NR	Varies	1,258,754.88	1,266,802.85
<u>MEDIUM TERM NOTES</u>						
Charles Schwab Corp	0.750	03/18/24	A	Various	601,166.80	571,297.70
Amazon.com Inc	0.450	05/12/24	AA	05/10/21	394,423.30	379,261.43
John Deere Capital Corp	0.450	06/07/24	A	06/07/21	369,537.50	352,842.00
Salesforce.com Inc	0.625	07/15/24	A+	06/29/21	94,951.55	90,355.21
American Honda Finance	1.500	01/13/25	A-	Various	695,744.40	664,477.10
Toyota Motor Credit Corp	1.800	02/13/25	A+	05/05/21	777,315.00	715,161.75
Chubb INA Holdings Inc	3.150	03/15/25	A	01/26/21	659,406.00	586,158.60
Caterpillar Financial Service	3.400	05/13/25	A	05/10/22	209,733.30	208,451.32
Morgan Stanley	0.790	05/30/25	A-	05/26/21	640,340.50	607,504.17
Eli Lilly & Co	2.750	06/01/25	A+	06/10/21	699,166.00	634,953.60
Honeywell Intl	1.350	06/01/25	A	06/10/21	717,066.00	659,939.70
PNC Bank	3.250	06/01/25	A	06/10/21	710,365.50	627,380.86
Royal Bank of Canada	1.150	06/10/25	A	02/22/21	607,344.00	554,211.50
Toronto Dominion Bank	0.750	09/11/25	A	02/10/21	650,292.50	586,256.88
Simon Property Group	3.300	01/15/26	A-	08/11/21	678,656.25	600,936.67
Goldman Sachs Group Inc	0.855	02/12/26	BBB+	06/18/21	619,243.75	572,747.98
Bank of America Corp	2.015	02/13/26	A-	03/04/21	620,028.00	563,752.60
JP Morgan Chase & Co	2.005	03/13/26	A-	03/12/21	617,298.00	566,070.90
Citigroup Inc	3.106	04/08/26	BBB+	06/18/21	669,075.00	606,851.29
United Health Group Inc	1.150	05/15/26	A+	Various	130,420.30	118,767.28
Wal-Mart Stores	1.050	09/17/26	AA	09/08/21	119,773.20	108,224.68
Target Corp	1.950	01/15/27	A	01/19/22	264,549.50	246,054.53
Virginia Electric Power Corp	3.750	05/15/27	BBB+	05/16/22	119,625.60	118,098.45
SUBTOTAL MEDIUM TERM NOTES					11,665,521.95	10,739,756.20
<u>U.S. GOVERNMENT AGENCY ASSET BACKED SECURITIES</u>						
Mercedes-Benz Auto Lease Trust	0.400	11/15/24	AAA	06/22/21	219,008.41	214,134.53
BMW Vehicle Lease Trust	0.330	12/26/24	NR	09/08/21	107,208.08	105,088.71
GM Financial Auto Lease Trust	1.900	03/20/25	NR	02/15/22	309,997.33	301,936.45
BMW Vehicle Lease Trust	1.100	03/25/25	AAA	01/11/22	149,977.58	146,282.45
Honda Auto Receivables Trust	0.270	04/21/25	NR	02/17/21	68,660.53	66,793.29
Toyota Auto Receivables Owners	0.260	05/15/25	NR	02/02/21	252,012.41	245,682.25
Hyundai Auto Receivables Trust	0.380	09/15/25	AAA	04/20/21	125,669.77	122,235.89
John Deere Owner Trust	0.360	09/15/25	NR	03/02/21	127,223.26	123,170.46
Hyundai Auto Receivables Trust	0.380	01/15/26	AAA	07/20/21	420,292.27	406,056.17
Honda Auto Receivables Trust	0.880	01/21/26	NR	11/16/21	154,967.33	148,078.08



CITY OF RIVERSIDE
Investments Held by Fiscal Agent
March 31, 2023

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	**MARKET VALUE
John Deere Owner Trust	0.520	03/16/26	NR	07/13/21	204,981.72	196,163.71
Hyundai Auto Receivables Trust	0.740	05/15/26	AAA	11/09/21	109,975.45	104,978.26
Honda Auto Receivables Trust	1.880	05/15/26	AAA	02/15/22	244,963.15	235,101.40
BMW Vehicle Owner Trust	3.210	08/25/26	AAA	05/10/22	149,992.20	146,651.70
GM Financial Securitized Term	0.680	09/16/26	AAA	10/13/21	114,997.07	109,126.41
John Deere Owner Trust	2.320	09/16/26	NR	03/10/22	179,960.19	174,161.19
GM Financial Auto Receivables	1.260	11/16/26	AAA	01/11/22	99,991.31	95,065.51
GM Financial Securitized ART	3.100	02/16/27	AAA	04/05/22	139,970.75	135,751.95
John Deere Owner Trust	3.740	02/16/27	NR	07/12/22	184,982.33	181,742.19
Honda Auto Receivables Owner	5.040	04/21/27	NR	02/16/23	139,973.99	141,156.12
John Deere Owner Trust	5.090	06/15/27	NR	10/12/22	239,981.38	242,491.03
Verizon Master Trust	3.720	07/20/27	AAA	08/02/22	159,992.96	157,998.19
Mercedes-Benz Auto Receivables	5.210	08/16/27	AAA	11/15/22	414,917.91	420,170.30
SUBTOTAL U.S. GOVERNMENT AGENCY ASSET BACKED SECURITIES					4,319,697.38	4,220,016.24
<u>SUPRANATIONAL SECURITIES</u>						
Inter-American Dev Bank	0.500	09/23/24	AAA	09/15/21	764,433.90	723,304.53
International Finance Corp	1.375	10/16/24	AAA	07/12/21	1,026,900.00	961,895.08
Intl. Bank Recon & Development	0.500	10/28/25	AAA	01/26/21	1,000,640.00	918,485.00
Inter-American Dev Bank	0.875	04/20/26	AAA	04/13/21	1,040,213.90	958,684.25
SUBTOTAL SUPRANATIONAL SECURITIES					3,832,187.80	3,562,368.86
<u>U.S. GOVERNMENT AGENCY SECURITIES</u>						
FFCB	0.125	04/13/23	AA+	04/06/21	1,033,633.80	1,034,306.90
FHLB	4.500	10/03/24	AA+	10/27/22	799,128.00	817,005.61
FFCB	4.500	11/18/24	AA+	11/15/22	809,141.40	825,051.42
FFCB	1.750	02/14/25	AA+	02/10/22	603,384.65	580,414.45
FHLB	4.500	12/12/25	AA+	01/30/23	1,264,562.50	1,282,482.50
SUBTOTAL U.S. GOVERNMENT AGENCY SECURITIES					4,509,850.35	4,539,260.88
<u>U.S. GOVERNMENT TREASURY SECURITIES</u>						
US Treasury	4.558	06/29/23	A-1+	12/29/22	1,807,372.37	1,829,154.62
US Treasury	4.477	08/31/23	A-1+	03/30/23	7,422,094.74	7,423,976.63
US Treasury	2.750	08/31/23	AA+	09/30/22	200,817.03	200,881.18
US Treasury	0.500	11/30/23	AA+	01/30/23	1,448,203.13	1,461,322.23
US Treasury	0.125	02/15/24	AA+	02/23/21	822,679.69	792,966.39
US Treasury	0.250	05/15/24	AA+	05/18/21	2,194,671.88	2,099,988.29
US Treasury	3.250	08/31/24	AA+	09/30/22	1,703,341.53	1,706,693.91
US Treasury	0.375	09/15/24	AA+	09/29/21	1,990,312.50	1,889,956.46
US Treasury	3.000	07/15/25	AA+	09/30/22	247,159.51	246,213.34
US Treasury	3.125	08/15/25	AA+	08/25/22	1,241,503.90	1,231,369.58
US Treasury	4.250	10/15/25	AA+	Various	2,523,849.62	2,594,057.19
US Treasury	0.375	01/31/26	AA+	Various	1,724,482.43	1,589,690.45
US Treasury	0.750	03/31/26	AA+	05/18/21	2,194,070.32	2,012,787.68
US Treasury	0.750	05/31/26	AA+	06/23/21	3,232,099.61	2,964,398.89
US Treasury	1.500	01/31/27	AA+	03/30/22	765,312.50	738,488.95
US Treasury	3.250	06/30/27	AA+	Various	1,486,835.94	1,486,355.82
US Treasury	3.125	08/31/27	AA+	09/30/22	670,665.96	676,781.25
US Treasury	4.125	09/30/27	AA+	Various	2,533,158.21	2,572,825.27



CITY OF RIVERSIDE
Investments Held by Fiscal Agent
March 31, 2023

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	**MARKET VALUE
US Treasury	3.875	12/31/27	AA+	01/30/23	1,007,656.26	1,020,249.02
US Treasury	3.125	08/31/29	AA+	09/30/22	189,730.51	195,223.08
SUBTOTAL U.S. GOVERNMENT TREASURY SECURITIES					35,406,017.64	34,733,380.23
<u>INVESTMENT CONTRACTS</u>						
Trinity Plus	0.047	10/01/29	NR	03/31/20	6,411,744.65	6,411,744.65
Trinity Plus	0.047	10/01/35	NR	03/31/20	4,348,970.73	4,348,970.73
SUBTOTAL INVESTMENT CONTRACTS					10,760,715.38	10,760,715.38
TOTAL INVESTMENTS HELD WITH FISCAL AGENT					204,883,747.91	202,953,303.17

*The City uses S&P ratings

**Includes accrued interest

**City of Riverside
Cash Balances by Fund
As of March 31, 2023**

Fund	Cash Balance ¹	Interfund Loan Receivables ²	Cash Balance + Loan Receivables	
General Fund	101	112,116,513	-	112,116,513
Measure Z	110	68,538,977	-	68,538,977
Pension Trust	115	171,001	-	171,001
Enterprise Funds				
Electric	510	296,664,465	2,454,345	299,118,810
Electric - Public Benefits Program	511	29,942,112	-	29,942,112
Water	520	58,332,515	-	58,332,515
Water - Conservation & Reclamation Program	521	3,781,227	-	3,781,227
Airport	530	1,745,621	-	1,745,621
Refuse Collection	540	4,809,293	-	4,809,293
Sewer Service	550	111,384,567	1,442,409	112,826,976
Special Transit	560	5,059,971	-	5,059,971
Public Parking	570	2,296,763	-	2,296,763
Civic Entertainment (Convention Center, Visitors Bureau, Sports Commission)	580	(721,267)	-	(721,267)
Civic Entertainment (Fox, Box, RMA, Showcase)	581	4,164,025	-	4,164,025
Civic Entertainment (Cheech Marin Center)	582	(4,265,747)	-	(4,265,747)
SubTotal - Enterprise Funds		513,193,545	3,896,754	517,090,299
Special Revenue Funds				
Urban Areas Security Initiative	205	(716,671)	-	(716,671)
Grants and Restricted Programs	215	64,286,128	-	64,286,128
Community Development Block Grant	220	(60,576)	-	(60,576)
Home Investment Partnership Program	221	516,347	-	516,347
Housing Opportunities for Persons with AIDS	222	(1,164,696)	-	(1,164,696)
Community Development Grants	223	15,550,346	-	15,550,346
Neighborhood Stabilization Program	225	311,820	-	311,820
Special Gas Tax	230	33,141,129	-	33,141,129
Air Quality Improvement	240	1,807,675	-	1,807,675
NPDES Storm Drain	260	(996,358)	-	(996,358)
Housing Authority	280	676,508	-	676,508
Housing Assets	281	8,515,239	-	8,515,239
Special Districts	Various	22,149	-	22,149
SubTotal - Special Revenue Funds		121,889,040	-	121,889,040
Capital Projects Funds				
Capital Outlay	401	2,081,344	-	2,081,344
Storm Drain	410	(33,609)	-	(33,609)
Local Park Special Capital Improvements	411	547,079	-	547,079
Regional Park Special Capital Improvements	413	4,031,830	-	4,031,830
Measure Z Capital Outlay	420	23,847,517	-	23,847,517
Capital Outlay Grants	430	1,265,550	-	1,265,550
Transportation Projects	431	74	-	74
Measure A Capital Outlay	432	32,935,403	-	32,935,403
Transportation Development Impact Fees	433	7,384,224	-	7,384,224
Transportation Uniform Mitigation Fees	434	(2,314,623)	-	(2,314,623)
Community Facilities Districts and Assessment Districts	Various	2,114,511	-	2,114,511
SubTotal - Capital Project Funds		71,859,300	-	71,859,300
Debt Service Funds				
Debt Service Fund - General	390	(11,730,263)	-	(11,730,263)
Debt Service Fund - Public Works	391	1,729,662	-	1,729,662
SubTotal Debt Service Funds		(10,000,601)	-	(10,000,601)
Agency Funds				
Successor Agency	Various	35,327,067	-	35,327,067
Community Facilities Districts and Assessment Districts	Various	724,101	-	724,101
Special Deposits	Various	(11,584,657)	-	(11,584,657)
SubTotal Agency Funds		24,466,511	-	24,466,511
Internal Service Funds				
Workers' Compensation Insurance Trust	610	21,772,915	-	21,772,915
Unemployment Insurance Trust	620	338,947	-	338,947
Liability Insurance Trust	630	4,165,493	-	4,165,493
Parada Settlement Fund	631	3,183,173	-	3,183,173
Central Stores	640	(977,629)	-	(977,629)
Central Garage	650	11,633,773	-	11,633,773
SubTotal - Internal Service Funds		40,116,672	-	40,116,672
Total - All Funds \$ 942,350,958 \$ 3,896,754 \$ 946,247,712				

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

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

CITY OF RIVERSIDE
Fiscal Year 2022/2023 Third Quarter
Summary of Outstanding Debt¹

Debt Type By Funding Source	Principal Balance as of 1/1/2023	Q3 New Debt Issued	Q3 Principal Payments	Q3 Interest Payments	Principal Balance as of 4/1/2023	Projected Principal Balance 6/30/2023
General Fund/Measure Z						
General Obligation Bonds	\$ 3,380,000	\$ -	\$ -	\$ 92,950	\$ 3,380,000	\$ 3,380,000
Pension Obligation Bonds	333,879,538	-	-	-	333,879,538	317,279,231
Certificates of Participation	59,787,577	-	3,069,607	437,883	56,717,969	56,717,969
Lease Revenue Bonds	45,199,648	-	-	-	45,199,648	45,199,648
Capital Leases	21,056,267	-	1,242,833	114,558	19,813,434	19,289,928
Interfund Loans	1,145,682	-	-	-	1,145,682	1,145,682
Total General Fund	\$ 464,448,712	\$ -	\$ 4,312,441	\$ 645,391	\$ 460,136,271	\$ 443,012,458
Capital Projects Funds						
Measure A Certificates of Participation	24,985,000	-	-	-	24,985,000	23,225,000
Total Capital Projects Funds	\$ 24,985,000	\$ -	\$ -	\$ -	\$ 24,985,000	\$ 23,225,000
Enterprise Funds						
Pension Obligation Bonds	\$ 110,718,958	\$ -	\$ -	\$ -	\$ 110,718,958	\$ 103,708,515
Electric Fund Revenue Bonds	507,370,000	-	-	653,288	507,370,000	507,370,000
Electric Fund Capital Leases	89,791	-	89,791	225	(0)	(0)
Water Fund Revenue Bonds	243,300,000	-	-	123,972	243,300,000	243,300,000
Water Fund Capital Lease	1,102,864	-	116,857	13,042	986,007	986,007
Sewer Fund Revenue Bonds	313,085,000	-	-	7,712,525	313,085,000	313,085,000
Lease Revenue Bonds	6,168,000	-	-	-	6,168,000	6,168,000
Certificates of Participation	25,912,423	-	1,330,393	189,782	24,582,031	24,582,031
Civic Entertainment Fund Loan	6,222,312	-	-	-	6,222,312	5,929,782
Convention Center Expansion Loan	28,473,182	-	529,481	274,706	27,943,700	27,410,223
Parking Fund Loans	6,957,760	-	-	-	6,957,760	6,630,654
Total Enterprise Funds	\$ 1,249,400,290	\$ -	\$ 2,066,523	\$ 8,967,540	\$ 1,247,333,768	\$ 1,239,170,212
Internal Service Funds						
Pension Obligation Bonds	\$ 4,576,504	\$ -	\$ -	\$ -	\$ 4,576,504	\$ 4,287,254
Total Internal Service Funds	\$ 4,576,504	\$ -	\$ -	\$ -	\$ 4,576,504	\$ 4,287,254
RDA Successor Agency						
Lease Revenue Bonds	6,802,353	-	-	-	6,802,353	6,802,353
Tax Allocation Bonds	143,085,000	-	-	3,353,163	143,085,000	143,085,000
Interfund Loans	2,027,976	-	-	-	2,027,976	2,027,976
Total RDA Successor Agency	\$ 151,915,329	\$ -	\$ -	\$ 3,353,163	\$ 151,915,329	\$ 151,915,329
Assessment Districts / Galleria Agreement / Community Facilities Districts						
Assessment Districts	\$ 14,745,000	\$ -	\$ 350,000	\$ 387,724	\$ 14,395,000	\$ 14,395,000
Galleria Mall Improvements District Certificates of Participation	5,000	-	-	125	5,000	5,000
Lease Revenue Refunding Bonds (Galleria) Series 2019A	13,225,000	-	-	-	13,225,000	13,225,000
Community Facilities Districts	24,585,000	-	-	538,929	24,585,000	24,585,000
Total AD / Galleria / CFDs	\$ 52,560,000	\$ -	\$ 350,000	\$ 926,778	\$ 52,210,000	\$ 52,210,000
Total	\$ 1,947,885,835	\$ -	\$ 6,728,963	\$ 13,892,872	\$ 1,941,156,871	\$ 1,913,820,252

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 2022/2023 Third Quarter
Outstanding Debt¹

Debt Type / Issuance	Year Issued (FY)	Final Maturity (FY)	Total Issue Size	Outstanding Principal Balance 1/1/2023	Q3 New Debt Issued	Q3 Principal Payments	Q3 Interest Payments	Outstanding Principal Balance 4/1/2023	Projected Principal Balance 6/30/2023
General Obligation									
Measure G Fire Facility Projects General Obligation Bonds 2004	2004	2025	\$ 20,000,000	\$ 3,380,000	\$ -	\$ -	\$ 92,950	\$ 3,380,000	\$ 3,380,000
Total General Obligation Bonds			\$ 20,000,000	\$ 3,380,000	\$ -	\$ -	\$ 92,950	\$ 3,380,000	\$ 3,380,000
Pension Obligation²									
Pension Obligation Bonds Series 2004A	2004	2023	\$ 89,540,000	\$ 10,715,000	\$ -	\$ -	\$ -	\$ 10,715,000	\$ -
Pension Obligation Bonds Series 2017A	2017	2027	31,960,000	16,915,000	-	-	-	16,915,000	13,715,000
Pension Obligation Bonds Series 2020A (Safety)	2020	2045	231,085,000	231,085,000	-	-	-	231,085,000	231,085,000
Pension Obligation Bonds Series 2020A (Misc)	2020	2043	201,080,000	190,460,000	-	-	-	190,460,000	180,475,000
Total Pension Obligation Bonds			\$ 553,665,000	\$ 449,175,000	\$ -	\$ -	\$ -	\$ 449,175,000	\$ 425,275,000
Certificates of Participation									
Galleria Mall Improvements COPs Series 2006A	2006	2037	\$ 19,945,000	\$ 5,000	\$ -	\$ -	\$ 125	\$ 5,000	\$ 5,000
Riverside Renaissance Projects Refunding COPs Series 2008A	2008	2037	128,300,000	85,700,000	-	4,400,000	627,664	81,300,000	81,300,000
Local Measure A Sales Tax Revenue COPs Series 2013A	2013	2033	35,235,000	24,985,000	-	-	-	24,985,000	23,225,000
Total Certificates of Participation			\$ 183,480,000	\$ 110,690,000	\$ -	\$ 4,400,000	\$ 627,789	\$ 106,290,000	\$ 104,530,000
Lease Revenue Bonds									
California Tower Lease Revenue Bonds Series 2003A	2003	2024	\$ 26,255,000	\$ 4,315,000	\$ -	\$ -	\$ -	\$ 4,315,000	\$ 4,315,000
California Tower Lease Revenue Bonds Series 2003B	2003	2024	4,810,000	680,000	-	-	-	680,000	680,000
Lease Revenue Refunding Bonds Series 2012A	2013	2034	41,240,000	25,700,000	-	-	-	25,700,000	25,700,000
Lease Revenue Refunding Bonds (Galleria) Series 2019A	2019	2037	15,980,000	13,225,000	-	-	-	13,225,000	13,225,000
Lease Revenue Bonds (Main Library Project) Series 2019B	2019	2037	33,505,000	27,475,000	-	-	-	27,475,000	27,475,000
Total Lease Revenue Bonds			\$ 121,790,000	\$ 71,395,000	\$ -	\$ -	\$ -	\$ 71,395,000	\$ 71,395,000
Capital Leases									
Pinnacle #2 - VOIP Phone System	2013	2023	\$ 1,650,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BofA #2 - Various Hardware and Software	2018	2028	7,955,000	2,644,490	-	516,536	31,274	2,127,954	2,127,954
BofA #3 - Fire, PW and Refuse Vehicles and Equipment	2017	2027	14,500,000	7,630,301	-	726,298	83,285	6,904,003	6,904,003
BofA #4 - Police Helicopters	2022	2032	11,291,564	10,781,477	-	-	-	10,781,477	10,257,971
BofA #2 - Water Fund Vehicles Capital Lease	2018	2028	2,305,000	1,102,864	-	116,857	13,042	986,007	986,007
Electric Fund Vehicles Capital Leases - Various	Various	Various	Various	89,791	-	89,791	225	(0)	(0)
Total Capital Leases			\$ 37,701,564	\$ 22,248,923	\$ -	\$ 1,449,482	\$ 127,826	\$ 20,799,441	\$ 20,275,935
Interfund Loans³									
Reid Park Acquisition Interfund Loan	2011	2028	\$ 720,000	\$ 260,836	\$ -	\$ -	\$ -	\$ 260,836	\$ 260,836
Riverside Golf Course Acquisition Interfund Loan	2011	2028	4,837,500	1,767,140	-	-	-	1,767,140	1,767,140
Utilities Plaza Purchase Interfund Loan	2012	2027	4,469,221	1,145,682	-	-	-	1,145,682	1,145,682
Total Interfund Loans			\$ 10,026,721	\$ 3,173,658	\$ -	\$ -	\$ -	\$ 3,173,658	\$ 3,173,658
Private Placement Loans									
Fox Entertainment Plaza Loan	2011	2032	\$ 25,000,000	\$ 13,180,072	\$ -	\$ -	\$ -	\$ 13,180,072	\$ 12,560,436
Convention Center Expansion Loan ⁴	2013	2034	44,650,000	28,473,182	-	529,481	274,706	27,943,700	27,410,223
Total Private Placement Loans			\$ 69,650,000	\$ 41,653,254	\$ -	\$ 529,481	\$ 274,706	\$ 41,123,773	\$ 39,970,660
Enterprise Revenue Bonds									
Electric Revenue Refunding Bonds (2008) Series A	2008	2029	\$ 84,515,000	\$ 34,465,000	\$ -	\$ -	\$ 210,276	\$ 34,465,000	\$ 34,465,000
Electric Revenue Refunding Bonds (2008) Series C	2008	2036	57,325,000	32,150,000	-	-	217,675	32,150,000	32,150,000
Electric Revenue Bonds (2010) Series A	2010	2041	133,290,000	126,110,000	-	-	-	126,110,000	126,110,000
Electric Revenue Bonds (2011) Series A	2011	2036	56,450,000	33,600,000	-	-	225,336	33,600,000	33,600,000

CITY OF RIVERSIDE
Fiscal Year 2022/2023 Third Quarter
Outstanding Debt¹

Debt Type / Issuance	Year Issued (FY)	Final Maturity (FY)	Total Issue Size	Outstanding Principal Balance 1/1/2023	Q3 New Debt Issued	Q3 Principal Payments	Q3 Interest Payments	Outstanding Principal Balance 4/1/2023	Projected Principal Balance 6/30/2023
Electric Revenue Refunding Bonds (2013) Series A	2014	2044	79,080,000	35,385,000	-	-	-	35,385,000	35,385,000
Electric Revenue Refunding Bonds (2019) Series A	2019	2049	283,325,000	245,660,000	-	-	-	245,660,000	245,660,000
Water Revenue Bonds (2009) Series B	2010	2040	67,790,000	62,760,000	-	-	-	62,760,000	62,760,000
Water Revenue Bonds (2011) Series A	2011	2036	59,000,000	24,050,000	-	-	123,972	24,050,000	24,050,000
Water Revenue Refunding Bonds (2019) Series A	2019	2049	114,215,000	98,465,000	-	-	-	98,465,000	98,465,000
Water Revenue Bonds (2022) Series A	2022	2053	58,025,000	58,025,000	-	-	-	58,025,000	58,025,000
Sewer Revenue Bonds (2015) Series A	2015	2041	200,030,000	173,610,000	-	-	4,281,950	173,610,000	173,610,000
Sewer Revenue Bonds (2018) Series A ⁵	2019	2040	153,670,000	139,475,000	-	-	3,430,575	139,475,000	139,475,000
Total Enterprise Revenue Bonds			\$ 1,346,715,000	\$ 1,063,755,000	\$ -	\$ -	\$ 8,489,785	\$ 1,063,755,000	\$ 1,063,755,000
Tax Allocation Bonds									
2014 Subordinate Tax Allocation Refunding Bonds Series 2014A	2014	2034	\$ 61,250,000	\$ 28,025,000	\$ -	\$ -	\$ 693,125	\$ 28,025,000	\$ 28,025,000
2014 Subordinate Tax Allocation Refunding Bonds Series 2014B	2014	2024	1,730,000	385,000	-	-	7,510	385,000	385,000
2018 Tax Allocation Refunding Bonds Series 2018A	2018	2034	74,435,000	74,295,000	-	-	1,854,891	74,295,000	74,295,000
2018 Tax Allocation Refunding Bonds, Taxable Series 2018B	2018	2033	40,380,000	40,380,000	-	-	797,638	40,380,000	40,380,000
Total Tax Allocation Bonds			\$ 177,795,000	\$ 143,085,000	\$ -	\$ -	\$ 3,353,163	\$ 143,085,000	\$ 143,085,000
Mello Roos and Assessment District Bonds									
Riverwalk Business Center Assessment District Bonds	2004	2029	\$ 3,755,000	\$ 1,620,000	\$ -	\$ -	\$ 50,329	\$ 1,620,000	\$ 1,620,000
Sycamore Canyon Business Park CFD 92-1 Bonds	2005	2034	9,700,000	5,660,000	-	-	149,023	5,660,000	5,660,000
Hunter Park Assessment District Bonds	2006	2036	15,269,906	9,810,000	-	350,000	253,993	9,460,000	9,460,000
Riverwalk Assessment District Refunding Bonds	2011	2026	7,805,000	2,565,000	-	-	64,653	2,565,000	2,565,000
Auto Center Assessment District Refunding Bonds	2012	2024	4,050,000	750,000	-	-	18,750	750,000	750,000
Riverwalk Vista CFD 2006-1 Bonds	2013	2043	4,415,000	3,660,000	-	-	92,547	3,660,000	3,660,000
Riverwalk Vista CFD 2006-1 Improv Area No.2 2016 Series A	2016	2046	5,505,000	5,055,000	-	-	88,622	5,055,000	5,055,000
Riverwalk Vista CFD 2006-1 Improv Area No.2 2016 Series B	2016	2031	1,275,000	790,000	-	-	17,347	790,000	790,000
Highlands CFD 2014-2 2016 Series A	2016	2046	1,800,000	1,740,000	-	-	28,438	1,740,000	1,740,000
Highlands CFD 2014-2 2016 Series B	2016	2031	810,000	530,000	-	-	11,413	530,000	530,000
Orangecrest CFD 2015-1 Bonds Series 2020 Series A	2020	2050	2,075,000	2,075,000	-	-	41,500	2,075,000	2,075,000
Orangecrest CFD 2015-1 Bonds Series 2020 Series B	2020	2028	365,000	270,000	-	-	4,590	270,000	270,000
Pomelo CFD 2015-2 Bonds Series 2022	2022	2053	4,805,000	4,805,000	-	-	105,450	4,805,000	4,805,000
Total Mello Roos and Assessment District Bonds			\$ 61,629,906	\$ 39,330,000	\$ -	\$ 350,000	\$ 926,653	\$ 38,980,000	\$ 38,980,000
Total			\$ 1,947,885,835	\$ 1,947,885,835	\$ -	\$ 6,728,963	\$ 13,892,872	\$ 1,941,156,871	\$ 1,913,820,252

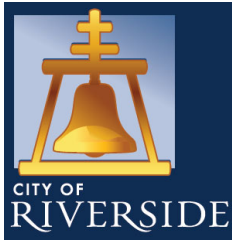
¹ Excludes water stock acquisition rights, copier leases, development agreements, and amortization of premiums and discounts on outstanding debt, none of which are material.

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 bc \$ 1,855,795,252.44

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 2022/23 Third Quarter Update

Finance Department

City Council

July 18, 2023

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1

BACKGROUND

1. Improve reporting of treasury and debt administrative activities
 - A. Separate process for management of investment and debt
 - B. Different metrics of performance for debt and investments
2. Keep Council updated on debt and investment portfolio management activities
3. April 18, 2023, the City Council received and provided input on the Six Months Ended 12/31/2022 report



2

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2

TREASURY FINANCIAL GOALS

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



3

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3

CASH AND TREASURY PERFORMANCE – END OF Q3

1. Pooled Investment Portfolio - \$942 million
2. Investments held by fiscal agent - \$240 million
3. Weighted average yield of pooled investment portfolio – 2.65%
4. No fund's cash balance is currently a concern



4

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4

DEBT SUMMARY ANALYSIS – THIRD QUARTER

Principal Balance decreased \$6,728,963 due to Debt Service Principal Payments – January 1 through March 31, 2023

- a. Certificates of Participation (\$4,400,000)
- b. Capital Leases (\$1,449,482)
- c. Private Placement Loans (\$529,481)
- d. Mello Roos and Assessment District Bonds (\$350,000)

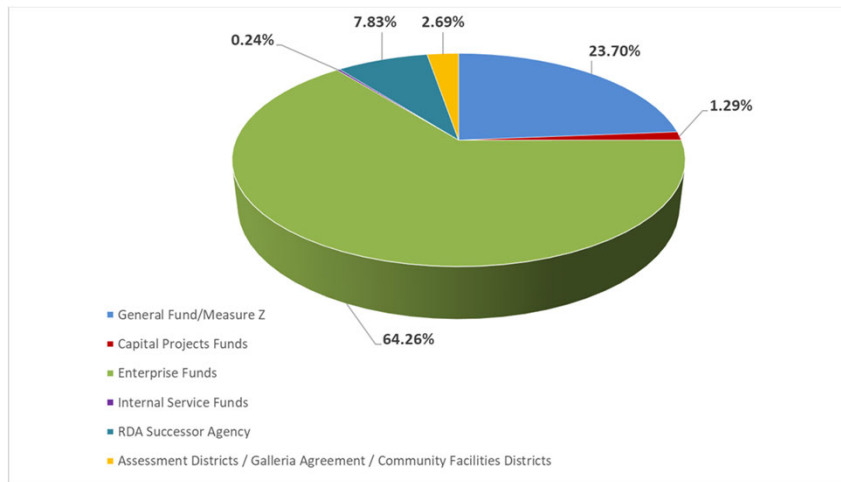


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DEBT SUMMARY ANALYSIS – THIRD QUARTER

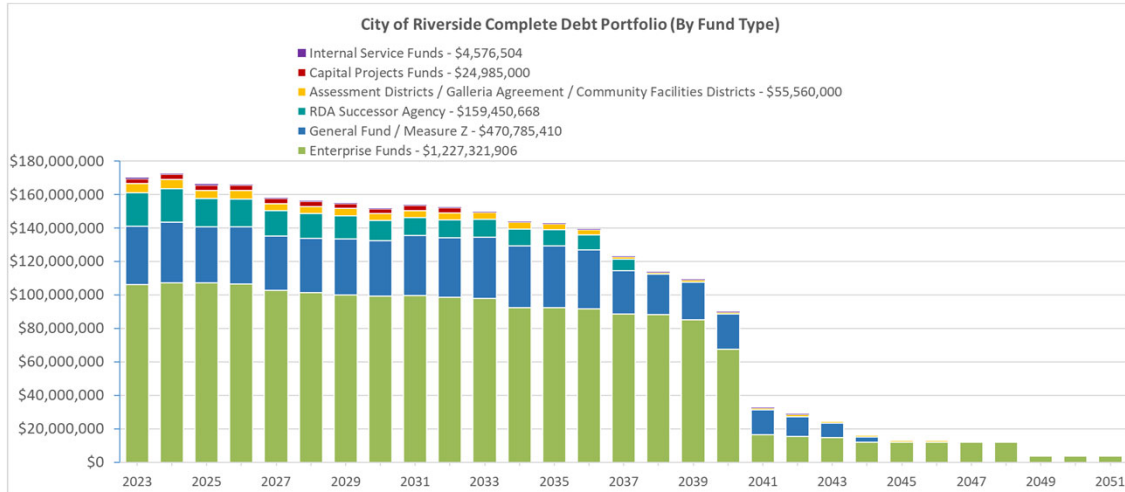
Debt Portfolio composition



6

6

DEBT SUMMARY ANALYSIS – THIRD QUARTER



DEBT ACTIVITIES – THIRD QUARTER

1. Preparation and filing of Annual Continuing Disclosure Reports for all City issued bonds
2. Began process of preparing the Annual Engineer's Reports for the Street Lighting Assessment District and Riverwalk and Sycamore Highlands Landscape Maintenance Districts
3. Analysis, preparation, and posting of the SB 1029 CDIAC Annual Debt Transparency Reports
4. Coordination with bond counsel to provide training for elected officials on municipal disclosure responsibilities and best practices
5. Extension to the Letter of Credit for the 2008 Certificates of Participation
6. Amendment to the Lease Agreement for the 2012 Lease Revenue Bonds, replacing the expiring LIBOR index for the SOFR fallback rate
7. AB 1666 legislative requirements compliance



STRATEGIC PLAN ALIGNMENT



High performing government - Enhance communication and collaboration with community members, to improve transparency, build public trust, and encourage shared decision-making.

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation



9

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9

RECOMMENDATION

That the City Council receive and provide input on the Fiscal Year 2022/23 Third Quarter Cash, Investments, and Debt Report.



10

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10