



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JANUARY 16, 2024

FROM: FINANCE DEPARTMENT WARDS: ALL

SUBJECT: FISCAL YEAR 2023/24 FIRST QUARTER FINANCIAL UPDATE AND MID-CYCLE BUDGET ADJUSTMENTS – \$1,353,000 SUPPLEMENTAL APPROPRIATIONS; \$1,000,000 INTERFUND TRANSFERS

ISSUE:

Receive and provide input on the Fiscal Year 2023/24 First Quarter Financial Update; approve proposed mid-cycle budget adjustments.

RECOMMENDATIONS:

That the City Council:

1. Receive and provide input on the Fiscal Year 2023/24 First Quarter financial update; and
2. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record a supplemental appropriation in the General Fund of \$1,000,000 million from the Infrastructure Reserve for an interfund transfer to the Airport Fund and record supplemental appropriations in the same amount in Airport Capital Projects expenditure account for Airport building remedial repairs; and
3. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record a supplemental appropriation of \$3,000 in the General Fund, Mayor’s College Council of Riverside expenditure account, fully offset with funds from the Special Deposit Fund, College Council of Riverside deposit account; and
4. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record a supplemental appropriation in the General Fund, Human Resources Department of \$250,000 to the employee Education Reimbursement Program; and
5. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record a supplemental appropriation in the General Fund, Non-Departmental of \$100,000 to fund payment processing upgrades and related compliance requirements; and
6. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record a supplemental appropriation of \$100,000 in the General Fund, Non-Departmental General Services expenditure account for additional security patrols in Ward 5 and 6.

BACKGROUND:

On June 21, 2022, the City Council adopted Resolution No. 23866 approving the Fiscal Year (FY) 2022-2024 Biennial Budget. On June 27, 2023, the City Council adopted Resolution No. 24010 approving the amendments to the Fiscal Year 2023/24 Budget.

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 first quarter report, City departments analyzed the financial status for all funds and appropriations under their purview. The results of the City's major funds, as well as areas of concern in other funds (if any), are included in this report. This update spans the period of July 2023 through September 2023.

General Fund

First quarter analysis reveals potential challenges for the General Fund for FY 2023/24, including the \$8.57 million set-aside of the Water General Fund Transfer (GFT) revenues, the fiscal impact of recent labor negotiation, and the prospect of a potential economic slowdown. Given that these results only cover three months, it is premature to determine the fiscal year-end outcomes for the General Fund. Staff will continue monitoring General Fund revenues and expenditures, and in the second-quarter report presented to Council, staff will provide projected fiscal year-end estimates and recommendations to address any budgetary issues.

Adopted Budget: The adopted FY 2023/24 amended budget for the General Fund totaled \$332.09 million with a projected \$6.41 million surplus. Anticipating upcoming fiscal challenges and recognizing the importance of flexibility, staff refrained from presenting a formal recommendation for the allocation of the projected surplus reserves. Instead, staff suggested planning for a \$5.00 million contribution to the Infrastructure Reserve for the long-term management of deferred maintenance and other capital costs. The formal recommendation will be presented at fiscal year-end if the budget surplus materializes.

Revenues: FY 2023/24 General Fund revenues recorded through September 2023 were assessed in the context of FY 2022/23 actual results, performance to date, and potential economic impacts through the end of the fiscal year. The first quarter analysis of the General Fund indicates that, while individual revenue streams may vary – with some meeting budgetary expectations and others falling below or exceeding the budget – the overall revenue performance to date aligns with budgeted expectations.

The following outlines trends for the performance of key revenue streams:

- **Property Taxes** – Over the past decade, the City of Riverside has experienced substantial growth in assessed property values. This growth has translated into significant increases in the City's property tax revenues, which constitute approximately 25% of General Fund revenues. According to the County of Riverside Assessor – County Clerk – Recorder, the City witnessed an 8.2% increase in assessed property values for FY 2023/24. This growth is attributed to increases in property values across residential, industrial, and agricultural sectors due to property sales, construction, and development. Consequently, the City's

property tax consultant, HdL, projects current real and secured property taxes will be 3.15% higher than budgeted, for projected growth of 7.1% over the prior year actuals.

- **Sales and Use Tax** –The first-quarter analysis reveals that the economy is starting to feel the effects of the Federal Reserve's measures to combat inflation through interest rate hikes, impacting both households and businesses. Revised FY 2023/24 revenue projections from the City's sales tax consultant, HdL, projects a 4.93% reduction in sales and use tax revenues compared to the budget, and a projected decrease of 4.3% from prior year actuals.
- **Franchise Fees** – At the conclusion of FY 2022/23, franchise tax revenues reached \$6.42 million, marking a notable 7.8% increase compared to the previous fiscal year. This significant increase is attributed to the Year 2 increase in solid waste rates, impacting franchise fees for waste haulers. Additionally, escalating energy costs increased franchise fee collections from SoCal Gas and Edison. Although the FY 2023/24 budget designates \$5.84 million for franchise tax revenues, it is anticipated that the current year's franchise tax revenues will meet or surpass the FY 2022/23 figure, potentially representing at least a 10% increase over the current budgeted amount.

Expenditures: As of the first quarter, overall expenditures are trending lower as compared to the first quarter of the prior fiscal year. It's important to note, however, that expenditures in certain categories cannot be directly compared in a quarter-over-quarter analysis between fiscal years. For example, professional service expenditures in the non-personnel category may vary due to services being contracted on an 'as-needed' basis or timing of project implementations.

The personnel expenditures budget includes a 5% attrition rate (equal to about \$12 million) within a non-departmental fund account, which freed up funds for allocation to City priorities during amendment of the originally adopted budget. However, all positions are fully budgeted within their respective departments, indicating the City's commitment to filling these positions. In FY 2023/24, 41.75 full-time equivalent (FTE) positions were added compared to the total FTE positions in FY 2022/23, resulting in an increase in the vacancy rate from 11.5% at the end of FY 2022/23 to 13.5% at the beginning of the new fiscal year. At the close of the first quarter, the General Fund maintained a high vacancy rate of 12.5%, which decreased to 11.7% by December 2023. If the current trend of filling positions continues throughout the fiscal year, the projected vacancy rate at year-end is estimated to be 9.6%, resulting in an average annual projected vacancy rate of 11.5%. This would yield personnel savings at fiscal year-end exceeding the programmed 5% attrition rate, creating budgetary flexibility that will help mitigate the current fiscal challenges faced by the General Fund.

During the first quarter of FY 2023/24, the City Council approved supplemental appropriations totaling \$1.12 million in the General Fund:

- Riverside New Car Dealers Association (RNCDA) for Business Improvement District (BID) Funding \$100,000 – the City entered into a new agreement with the RNCDA to invest in the BID for five years, at a cost of \$100,000 per year in exchange for advertising time on the Auto Center electronic sign display.
- Emergency Air Support (Corona) \$120,000 – As-needed emergency air support services to the City of Corona, fully offset by corresponding revenues.
- Temporary Parking Lot Construction at 3460 Orange Street \$900,000: Use of General Fund insurance reimbursement reserves for interfund transfer from the General Fund to the Public Parking Fund.

Summary: Despite a two-year shift in sales-tax revenues prompted by the pandemic and changes in consumer spending, which established a new, higher baseline for the City's General Fund revenues, the City is grappling with emerging ongoing fiscal challenges, particularly considering the \$8.57 million set-aside of the Water GFT. If overall revenue performance aligns with budgeted expectations, anticipated FY 2023/24 personnel savings are projected to help alleviate the impacts of the Water General Fund transfer loss and the fiscal impact of current labor contract negotiations in the short-term. City staff will diligently monitor economic impacts on the City's revenues and provide updated projections in the second-quarter report to the Council, along with any recommended adjustments to address budgetary issues.

Supplemental Appropriations: Throughout the fiscal year, staff assess the need for adjustments to the adopted budget. The following budget adjustments are recommended for Council approval and are expected to be fully offset by personnel savings above and beyond the budgeted 5% attrition rate. Additional vacancy savings of \$450,000 will be recorded in the General Fund, Non-Departmental Vacancy Savings account 7223700-419997 for item #3 – 5 below.

1. **General Fund – General Services (\$1,000,000):** Record supplemental appropriations in the General Fund of \$1,000,000 from the Infrastructure Reserve for an interfund transfer to Airport Fund and record supplemental appropriations in the same amount in Airport Capital Projects expenditure account 9599000-470803 for remedial repairs on the Airport Building. During a recent storm, an Airport building experienced significant roof leak issues and related water damage. The building has been vacated pending repairs.
2. **General Fund – Mayor (\$3,000):** Record supplemental appropriations of \$3,000 in the General Fund, Mayor – Community Relations College Council of Riverside expenditure account 0120000-453925 from the Special Deposits Fund, College Council of Riverside deposit account 0000720-225724. The money was collected from organizing the 2016 Amazing College Race event. The funds will be used to support the Riverside Youth Council program and 25 Most Remarkable Teens event.
3. **General Fund – Human Resources Department (\$250,000):** Record supplemental appropriation of \$250,000 in the General Fund, Human Resources – Administration expenditure account 2100000-452005, to fund the employee Education Reimbursement Program. The City administration established a policy for the Education Reimbursement Program to supports a culture of learning by encouraging employees of the City to pursue educational courses, certifications, licenses, and other training programs which will increase their job proficiency, prepare them for promotional opportunities within the City, and improve the overall level of service provided by the City in furtherance of the City' s strategic goals and initiatives.
4. **General Fund – Non-Departmental (\$100,000):** Record supplemental appropriation of \$100,000 in the General Fund, Non-Departmental Professional Services expenditure account 7223700-421000 to fund urgent payment processing upgrades to ensure City compliance with Payment Card Industry (PCI) standards. Non-compliance could result in fines. This is a joint project led by the Finance and the Innovation and Technology Departments and will primarily affect General Fund departments accepting credit card payments.
5. **General Fund – General Services (\$100,000):** Record supplemental appropriation of \$100,000 in the General Fund, Non-Departmental General Services expenditure account 7222100-421000, to fund security patrols in Ward 5 and 6. In accordance with the Security

Resource Pilot Program approved by Council on October 10, 2023, the additional contracted security patrols for Wards 5 and 6 are needed to address safety concerns from residents, businesses, and visitors related to increased transient activity. The security guards supplement the Police Department, serving as extra eyes and ears to monitor activities in Wards 5 and 6, allowing the police to focus on critical deployments.

If approved by the City Council, the supplemental appropriations recommended in this report will increase budgeted expenditures by approximately \$1.45 million, with \$450,000 offset by an increase in projected attrition savings and the balance offset by reserves and deposits.

Measure Z

Based on the spending items approved to date and slowing tax revenue performance, Measure Z is projected to end the fiscal year with approximately \$47.19 million in fund reserves (refer to Attachment 2). Separately, \$5.00 million is held in contingency reserves per the adopted Measure Z Reserve Policy to ensure sufficient funding for ongoing costs in the event of under-performing revenues.

Revenues: The FY 2023/24 adopted amended budget incorporated projected revenues of \$84.46 million. However, as discussed earlier, the actions taken by the Federal Reserve to curb inflation have led to a decline in consumer spending, resulting in a 3.1% decrease in transaction and use tax compared to the first quarter of the previous year. Consequently, HdI projects a 4.0% reduction in sales tax revenues compared to the budget, and a 3.1% decrease from prior year actuals.

Expenditures: The total budget presented in the Measure Z Spending Status (Attachment 2) reflects encumbrances and carryovers of \$48.65 million carried forward from FY 2022/23 as provided for in the Riverside Municipal Code and approved by Council in December 2023. Measure Z funds include many projects and one-time expenditures, causing expenditures to appear to be trending behind budget. However, spending is progressing as planned and within appropriation limits.

Electric Fund

The FY 2023/24 adopted amended budget for the Electric Fund projects a \$9.12 million operating loss due to a planned draw on reserves. This is a financial strategy employed to draw reserves down to keep rate increases as low as possible.

Revenues: As of the end of the first quarter, Electric operating revenues stand at 29.6% of budgeted projections. With the summer season at the beginning of the fiscal year, projected retail sales were expected to be at 30.0% of total budget through September 2023. Retail sales are at 28.2% of total budget through September 2023 and (6.1%) or \$6.60 million lower than expected. As of September 30, 2023, the lower than anticipated retail revenues are a result of decreased electric consumption attributed to milder temperatures through the first quarter of the fiscal year. Decreased electric retail sales will have a corresponding decrease in electric expenses. Weather can significantly impact retail revenues, which will be monitored throughout the remainder of the fiscal year. Transmission revenues are projected to perform as anticipated for the remainder of Fiscal Year 2023/24. The projected Fiscal Year revenue remains unchanged.

Expenditures: Electric operating expenditures are 28.4% of the total budget at the end of the first quarter. Additionally, the Electric Fund had 72.00 FTE vacancies, representing a vacancy rate of 15.2%. Personnel savings are anticipated from normal attrition due to retirements and resignations, as well as the timing of filling positions. Within the Non-Personnel budget, Power

Supply costs are trending 2% over budget due to significantly higher-than-expected increases in market energy and natural gas prices.

Water Fund

The FY 2023/24 adopted amended budget for the Water Fund projected an operating gain of \$4.59 million to help pay for capital projects and ensure reserves are maintained at policy levels.

Revenues: Total operating revenues for the Water Fund are 27.4% of budgeted projections as of first-quarter end. With the summer season at the beginning of the fiscal year, projected retail sales were expected to be at 32.1% of the total budget through September 2023. Actual retail sales are at 27.8% of the total budget through September 2023 and 13.5%, or \$3.32 million, lower than expected. Decreased water consumption appears to be driven by the milder temperatures and increased precipitation through the first quarter of the fiscal year. Weather, including precipitation, can significantly impact retail revenues, which will be monitored throughout the remainder of the fiscal year.

Expenditures: At the end of the first quarter, Water Fund operating expenditures stand at 20.1% of the budget. As of the same period, the Water Fund had 23.00 FTE vacancies, representing a vacancy rate of 13.9%. Personnel savings are anticipated from normal attrition due to retirements and resignations, as well as the timing of filling positions. Non-personnel expenditures are trending 6.9% higher than last year's level of expenditures; however, it is important to note some expenditures vary in their timing throughout the fiscal year. Overall, water expenditures are projected to remain within the budgeted appropriation limit at fiscal year-end.

Refuse Fund

The FY 2023/24 adopted amended budget for the Refuse Fund projects a draw on fund reserves of approximately \$1.16 million due to a decline of recycling revenues precipitated by a reduction in industry demand, rising recycling costs, increased tonnage, and newly implemented state mandates. The Refuse Fund began the fiscal year with fund reserves of \$6.19 million net of prior year encumbrances and the cash infusion of a combined \$11.00 million in General Fund contributions and ARPA funding. As of the first quarter, the reserve balance is expected to be sufficient to accommodate the current fiscal year deficit. On September 19, 2023, the City Council adopted a resolution approving and establishing the residential solid waste rate structure from November 1, 2023, through June 30, 2028. The five-year residential solid waste rate plan will address the challenges to solid waste services provided by the City. The solid waste rate plan is projected to utilize \$3.0 million of reserves over the first three years of the five-year plan before generating a net operating gain.

Revenues: First-quarter analysis suggests that Refuse revenues will meet expectation, inclusive of the November 1, 2023, solid waste rate increase. By the end of the first quarter, service revenues stand at 25.2% of projections and total revenues are 24.3% of projections.

Expenditures: Operating expenditures are 14.9% of total budget at first quarter end. During this period, the Refuse Fund continues to experience staffing shortages with 14.00 FTE vacancies, constituting a vacancy rate of 22.6%. Due to staffing shortages, overtime costs are anticipated to rise, but will be offset by personnel savings. Additionally, Street Sweeping staff are assisting with routes to mitigate impacts from staffing shortages. While awaiting approval of the Solid Waste Rate plan, which included adding five Senior Solid Waste Operator positions, the Refuse Fund received approval to double fill five current Senior Solid Waste Operator positions. Now that the rate plan has been approved, these new positions will be added and filled. Projected overages

are anticipated in the non-personnel budget due to increased maintenance costs from an aging fleet. However, vehicle replacement will result in a reduction of these costs. Staff will monitor costs and make future recommendations for supplemental appropriations if necessary.

Sewer Fund

The FY 2023/24 adopted amended budget projects a net operating loss of \$2.65 million. There are sufficient reserves to cover the potential operating loss.

Revenues: First quarter analysis indicates that the Sewer Fund will surpass revenue expectations. By the end of the first quarter, 26.5% of overall projected revenues have been realized. However, first quarter sewer connection fees are currently at 127.0% of the projected budget. This notable increase is primarily attributed to the growth in planned development.

Expenditures: Operating expenditures are 17.0% of the total budget at the end of the first quarter. During this period, the Sewer Fund had 25.00 FTE vacancies, constituting a vacancy rate of 21.2%. The high vacancy rate requires staff to work overtime to cover shifts and manage the increased workload. As a result, overages are expected in the overtime budget, which will be offset by personnel vacancy savings.

Utility Account Delinquencies

The Electric, Water, Refuse and Sewer 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 May 2022, the City applied credits to customer accounts for the CWWAPP for wastewater utility arrearages in the amount of \$2.3 million. In January 2023, the City applied \$18.6 million in credits to electric customers accounts as part of the General Fund Transfer Settlement.

As of September 30, 2023, the combined delinquent accounts receivable for the four utilities is \$18.68 million, which is \$13.76 million more than March 2020. In August 2022, Riverside Public Utilities (RPU) resumed shut-offs for non-payment along with issuing 48 hour tag notifications. On May 17, 2022, the City Council approved the Restart Utility Bill Repayment (RESTART) Program, which allows utility customers with large past-due balances to enroll in a bill repayment program to pay their delinquent charges over an 18-month period. RPU continues to offer standard twelve-month arrangements for customers with delinquent payments. Of the current \$16.68 million delinquent accounts receivable, \$0.53 million will be paid under the RESTART program and \$1.12 million will be repaid under the standard installment program. The balance of \$17.03 million remains delinquent without an installment plan.

Public Parking Fund

The FY 2023/24 adopted amended budget for the Public Parking Fund anticipates a draw on fund reserves of approximately \$0.48 million. Parking revenues in the original FY 2022-2024 adopted budget included new parking rates, which were subsequently rescinded. On April 18, 2023, the City Council approved a new Parking Rate and Hour Schedule effective July 1, 2023. These

adjustments, along with other related expenditure adjustments, are incorporated into the FY 2023/24 adopted amended budget.

The Public Parking Fund began the fiscal year with fund reserves of \$3.48 million net of prior year encumbrances. As of the first quarter, the reserve balance is expected to be sufficient to accommodate the current fiscal year deficit.

Revenues: The downtown parking operation has experienced a significant turnaround in utilization, leading to a positive annual increase in revenues due to the implementation of the Parking Your Way program, incorporating more accessible free parking, new parking rates, expanded hours of operation, new monthly parking programs, the rollout of the Park Riverside app, and the installation of Parking Access Revenue Control Systems (PARCS) in the garages. The first-quarter comparison to the previous fiscal year reveals that parking revenues are experiencing a 56.1% increase over last year's figures. Additionally, during the expanded hours, parking fine revenues have increased, reflecting a 186.4% increase over prior year's first quarter figures.

Expenditures: Operating expenditures are 13.4% of the total budget at the end of the first quarter. During this period, the Public Parking Fund continues to experience staffing shortages with 5.00 FTE vacancies, constituting a vacancy rate of 26.32%. These shortages, coupled with extended hours of operation, have necessitated the need for overtime. The long-term corrective action involves having sufficient staff with staggered shifts to cover the expanded hours of operation with minimal overtime. Nevertheless, overtime remains a practical solution for providing operational coverage with the current FTEs.

Monthly operating costs for Parking Concepts Inc. (PCI) are higher than expected due to the implementation of the Parking Your Way program. This program includes extended hours of operation, new parking programs, additional staffing, additional credit card transaction fees, equipment installation, and weekly power washing maintenance. A Council agenda report will be prepared to request an amendment to the contract with PCI to account for the additional operating costs.

To assist with the proper control and management of Parking Garages 1 and 2, Parking Services is planning to install the Parking Access Revenue Control Systems (PARCS). In December 2023, a Council agenda report will be presented to request Council approval for the installation of the PARCS system. Additionally, Parks is planning structural maintenance for Garage 3, with the specific cost to be determined upon the completion of a request for proposal.

STRATEGIC PLAN ALIGNMENT:

The reporting and presentation of financial results aligns with **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 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 and the involvement of the Budget Engagement Commission.

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, including the use of surplus reserves, demonstrate the City’s commitment to responsible management of the City’s financial resources.
4. **Innovation** – The proposed recommendations, including the use of surplus reserves demonstrate innovative monitoring and management of City finances.
5. **Sustainability & Resiliency** – The financial reports, methodologies, and strategies implemented by staff, including recommendations regarding the use of surplus reserves that invest in the City’s future, demonstrate the City’s commitment to the long-term fiscal health of the City and sustainable provision of City services.

FISCAL IMPACT:

As of the first quarter, the General Fund is anticipated to face challenges due to the loss of the Water General Fund transfer, recent labor negotiation MOU impacts, and the prospect of a potential economic slowdown. Fiscal year-end results for the General Fund will depend on several factors. Immediate fiscal action to preserve General Fund resources is not currently required. In the second-quarter report, staff will present projected fiscal year-end estimates and provide recommendations to address any budgetary issues.

The Measure Z fund projected revenues and unallocated reserves at levels sufficient to fund approved spending items, as illustrated in Attachment 1.

The City’s Sewer, Electric, and Water Funds are healthy, with projected operating gains or strategic drawdowns of reserves to keep rates low. The reserves of each of the three funds are within policy reserve requirements. With the new Solid Waste Rate plan, the Refuse fund is anticipated to utilize \$3.00 million in reserves prior to generating a net operating gain in Year 4 of the five-year plan. Due to the implementation of the Parking Your Way program, the Public Parking Fund has experienced a significant upturn in utilization, and it is anticipated to start generating net operating gains in FY 2024/25.

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availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
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Attachments:

1. Fiscal Update
2. Measure Z Financial Plan
3. Presentation

CITY OF RIVERSIDE FISCAL UPDATE



EXECUTIVE SUMMARY

The conclusion of Fiscal Year (FY) 2022/23 resulted in a favorable outcome for the General Fund, generating a one-time budget surplus. This success was primarily driven by a surge in sales tax revenue, attributed to inflationary factors, and personnel savings arising from a persistently high vacancy rate amid ongoing challenges in recruitment, retention, and hiring to fill vacant positions. The surplus reserves in the General Fund for FY 2022/23 will enable the City to implement long-term fiscal strategies. These strategies include increasing funding in the Section 115 Pension Trust to ensure the funding of pension-related costs, freeing up limited General Fund resources to sustain critical programs and services, and bolstering Infrastructure reserves to address ongoing maintenance and the replacement of capital assets. Such a strategy contributes to the long-term financial health of the General Fund.

Despite a two-year shift in sales-tax revenues prompted by the pandemic and changes in consumer spending, establishing a new, higher baseline for the City's General Fund revenues, FY 2023/24 presents challenges. These challenges include the \$8.57 million set-aside of the Water General Fund Transfer (GFT) revenues, the fiscal impact of recent labor negotiations, and the impact of the Federal Reserve's actions on the economy's trajectory. The economy strongly influences the General Fund's revenue performance and its financial health. While concerns about a recession have diminished, an expected economic slowdown could lead to the cost of doing business outpacing revenue growth, potentially reducing or eliminating the originally anticipated adopted budget surplus.

Key economic indicators affecting the local economy in and around the City encompass inflation, unemployment, income, and the housing market. A comprehensive review of these indicators, coupled with the Federal Reserve's recent decision in December 2023 to cease rate hikes and predict three rate cuts in 2024, has prompted the City to anticipate that overall revenue performance will align with budgeted expectations.

TABLE OF CONTENTS

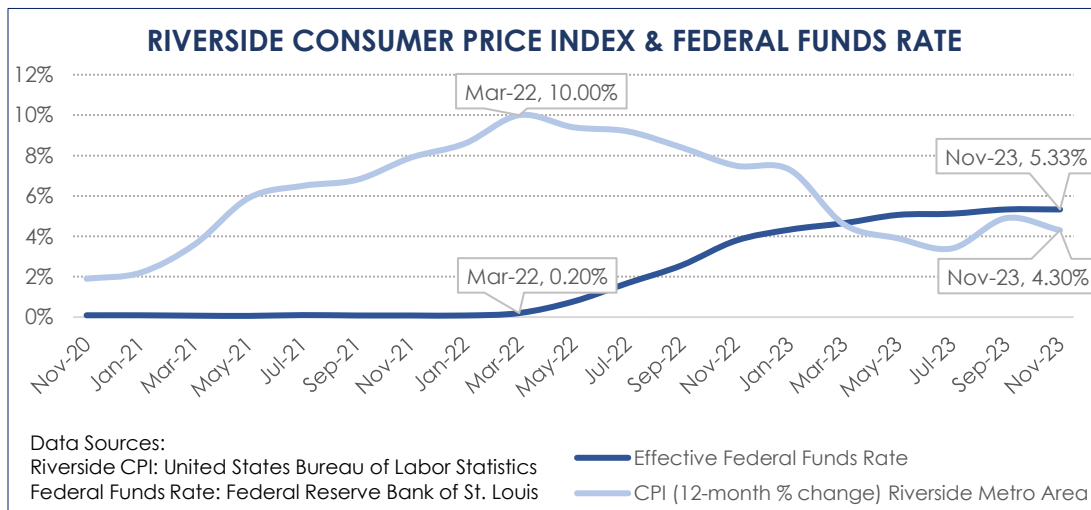
Key Economic Indicators.....	2
General Fund	5
Enterprise Funds	7
Other Funds	8
Biennial Budget Process	8



KEY ECONOMIC INDICATORS

INFLATION

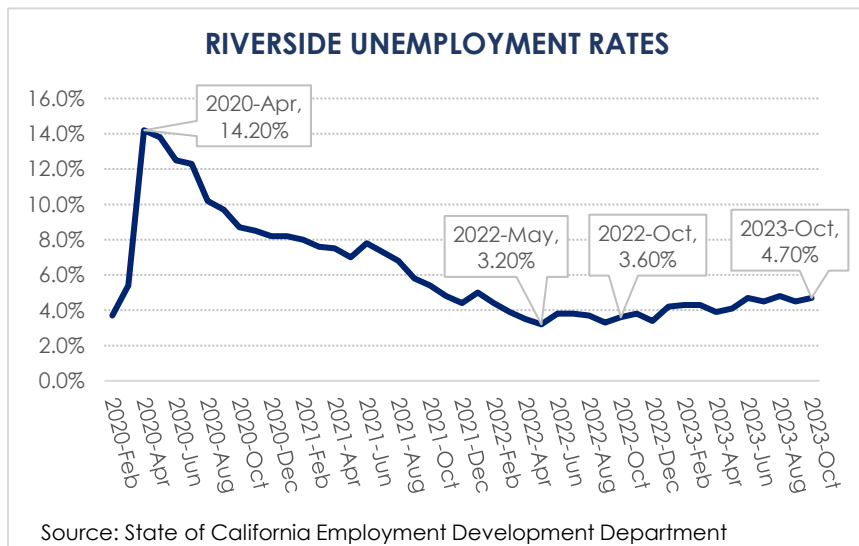
Over the past year, the Federal Reserve (Fed) has diligently pursued its goal of stabilizing prices for Americans. To counter the most painful inflation Americans had experienced since 1981, the Fed raised its benchmark short-term interest rate, the federal funds rate, aiming to achieve a target inflation of 2%. Increases in this crucial rate influences various interest rates, impacting borrowing costs for consumers and businesses and, consequently, economic slowdown through its adverse effects on unemployment and production. In the chart below, the 12-month percent change in the Consumer Price Index (CPI) is plotted against the Federal Funds Rate, demonstrating the Fed's actions on inflation. In March 2022, the Fed initiated rate hikes to address soaring inflation, peaking at an alarming 10.0% in the Riverside Metropolitan area. Persistent inflation, attributed to supply chain issues, a shift in consumer spending, and a tight labor market, led to 11 interest rate increases by the Fed, with the last hike in July 2023, bringing the federal funds rate to a target range of 5.25% to 5.5%—the highest in over two decades. As a result of Fed's interest rate hikes, the average 30-year U.S. mortgage rate, according to Freddie Mac, climbed from a low of 3.76% in March 2022 to 7.79% in October 2023, dampening housing market activity by reducing affordability. According to data from the Federal Reserve Economic Data (FRED), the prime rate, which influences rates on car loans, credit cards, home equity loans, and lines of credit, increased from 3.25% in March 2022 to 8.5% in July 2023, curbing consumer demand for goods and services.



As of November 2023, inflation has eased to 4.30%, and the Fed's aggressive rate hikes appear to be successfully addressing inflation without the predicted surge in unemployment and a deep recession. During the December 14, 2023, Federal Open Market Committee (FOMC) meeting, the central bank indicated that, following its prolonged tightening campaign against decades-high inflation, U.S. economic growth has slowed, job growth has moderated, and "inflation has eased over the past year but remains elevated. The Fed projected three rate cuts in

2024, and while some consumer prices are decreasing, overall price levels are not. Despite rising real wages outpacing inflation, Fed Chair Jerome Powell acknowledged that people are still feeling the effects of inflation.

LABOR MARKETS



The table to the left displays the unemployment rates for the City of Riverside from before the pandemic to October 2023. As demonstrated in the table, unemployment in the City reached a double-digit high of 14.2% in April 2020, due to the pandemic shutdowns. Since the pandemic recovery, labor markets have remained tight with reports of easing. As of October 2023, the state's unemployment rate reached 4.8%, surpassing the national rate of 3.6%. Concurrently, the City's unemployment rate rose to 4.7% in October 2023 from 3.6% in the same month last year, after reaching a post-pandemic low of 3.2% in May 2022.

According to the state's Employment Development Department (EDD), the number of employed people in the City declined by 1,600 from October 2022, with 200 people entering the labor force. Higher unemployment rates may carry economic implications, as individuals

facing financial constraints tend to cut back on non-essential purchases, potentially leading to a decline in sales for local businesses.

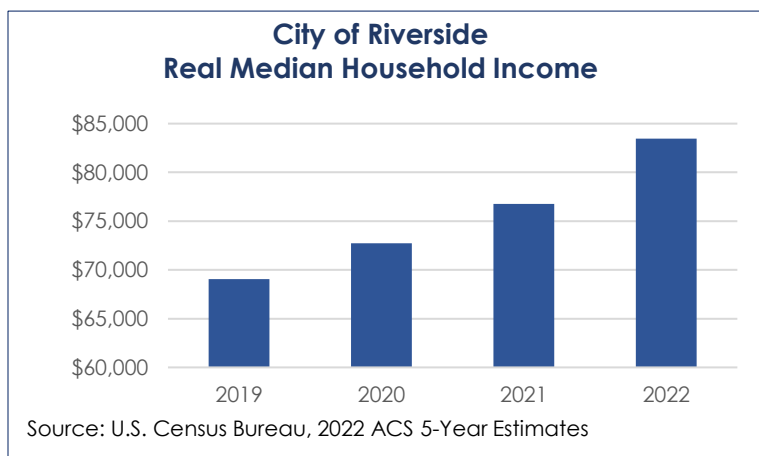
The graphic to the right illustrates employment changes for industries in the Riverside-San Bernardino-Ontario Metropolitan Statistical Area (Riverside Metro), focusing on jobs by "place of work." It excludes the self-employed, unpaid family workers, and private household employees but includes jobs within the Riverside Metro area, irrespective of workers' residence. Analyzing these employment changes across industries is vital for assessing the Riverside Metro area's economic health and growth potential. Despite higher unemployment in the region, total nonfarm employment increased by 23,100, or 1.4%, during the period. The robust growth in private education and health services (13,600 jobs) reflects an expanding healthcare and social assistance industry, meeting increased demand. Public sector expansion of 9,900 was driven by growth in employment within local city government jobs and public education, enhancing the quality of life for residents. The construction sector's addition of 7,500 jobs signifies ongoing development and infrastructure projects within the region. However, the decline in manufacturing, notably in durable goods, suggests a potential slowdown in consumption of automobiles, appliances, and machinery. Similarly, the 7,200 decline in the trade, transportation, and utilities sector, indicates possible economic challenges.

Riverside metro area employment (number in thousands)	Oct. 2023	Change from Oct. 2022 to Oct. 2023	
		Number	Percent
Total nonfarm	1,703.9	23.1	1.4
Mining and logging	1.6	0.0	0.0
Construction	126.2	7.5	6.3
Manufacturing	97.7	-2.3	-2.3
Trade, transportation, and utilities	461.0	-7.2	-1.5
Information	9.8	-0.4	-3.9
Financial activities	45.9	-1.5	-3.2
Professional and business services	184.5	3.3	1.8
Education and health services	284.3	13.6	5.0
Leisure and hospitality	179.2	-0.4	-0.2
Other services	49.4	0.6	1.2
Government	264.3	9.9	3.9

Source: U.S. BLS, Current Employment Statistics.

Despite the recent uptick in unemployment, both the state and the city continue to maintain relatively low unemployment rates. While certain industries in the Riverside Metro area show signs of declining employment, overall job opportunities are significantly up in key sectors. Similar to the nation, the City's robust labor market contributed to rising inflation within the City. Although the rate increases have been painful for businesses and consumers, especially homebuyers, the strong labor market enabled the Fed to raise rates to cool the economy and tighten labor markets, without the anticipated economic collapse. With inflation easing and the Fed signaling potential interest rate cuts in 2024, relief is anticipated for consumers and businesses, promising positive future impacts on the City's economy. However, the Fed remains cautious, opting to assess the sustained direction of inflation before committing to the timing of any interest rate decreases.

MEDIAN HOUSEHOLD INCOME



The table to the right displays the City of Riverside's inflation-adjusted median household income based on the U.S. Census Bureau's 2022 American Community Survey 5-Year Estimates data. From 2019 to 2022, the median household income rose by 20.9%, indicating a thriving local economy and a robust job market with growing wages as employers competed for skilled and educated workers. In 2022, the median household income rose to \$83,448, an increase of 8.7%, from \$76,755 in 2021. The significant increase in the City's median household income indicates improved financial well-being and purchasing power for a substantial portion of its citizens, fostering strong consumer spending. As evidenced in the post-pandemic period, the City has experienced strong economic growth. Additionally, rising real income amid an inflationary economy provides consumers with increased purchasing power, allowing them to maintain their

standard of living and meet essential needs. This financial resilience can mitigate the impact of rising prices on household budgets and contribute to economic stability.

Furthermore, the boost in median household income can enhance the City's competitiveness and local economy, potentially luring new businesses to establish themselves in the City, as demonstrated by the City's recent economic growth. Moreover, the increased purchasing power of residents with higher median incomes may spur new construction and housing development projects, meeting the growing demand for diverse housing options. In light of the Federal Reserve's efforts to combat inflation, the increase in median household income also serves as a stabilizing force, offsetting impacts from rising borrowing costs and associated economic impacts.

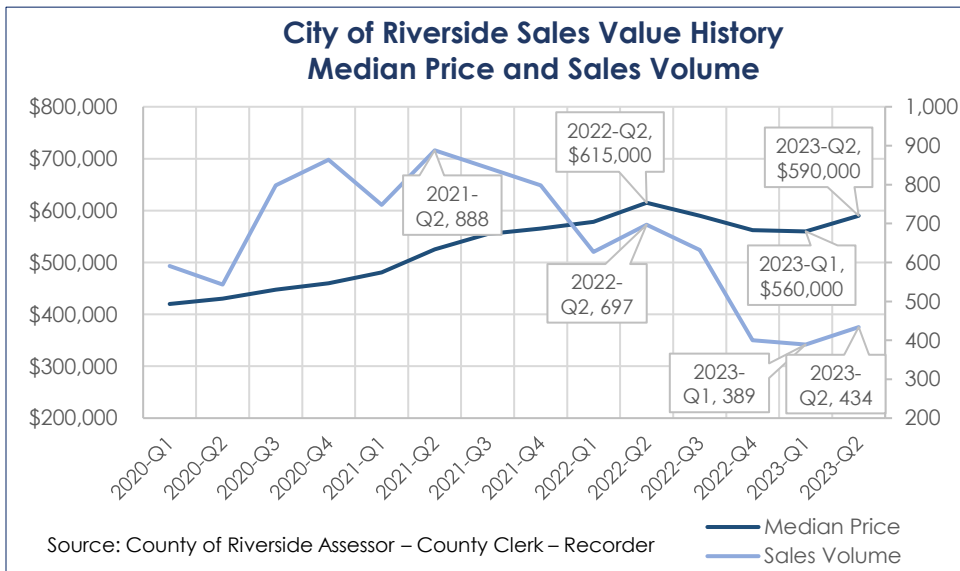
HOUSING MARKET

“Continued strong demand for real estate and a resilient economy, overcoming interest rate hikes, led to a 9% increase in assessment valuation in Riverside County going into 2023,” was reported by the County of Riverside Assessor – County Clerk – Recorder in July 2023. The City witnessed an overall \$3.12 billion, or 8.2%, increase in assessed property values for 2022, which will be reflected in FY 2023/24 tax rolls. The growth in FY 2023/24 is approximately \$123 million higher than last year and is attributed to increases in property values across residential, industrial, and agricultural sectors due to property sales, construction, and development. Higher mortgage rates should send housing prices lower. According to Beacon Economics, “rapidly rising interest rates have further exacerbated California’s housing shortage, as existing homeowners locked into historically low 2% to 3% mortgage rates are either unwilling or financially unable to sell.” This mortgage rate lock-in effect, coupled with increased mortgage costs pricing many potential homebuyers out of the market, will continue to depress home sales volume. As indicated in the chart below, the U.S. average 30-year fixed rate mortgage increased dramatically to a high 7.79% in October of 2023. As of December 2023, mortgage rates have slightly retreated due to the Fed announcing the end of its rate hikes and the taming of inflation.

Illustrated in the Sales Value History chart below for the City of Riverside, home sales for detached single-family residential homes have witnessed a decline since reaching a peak in the spring of 2021. As of the second quarter of 2023, sales have decreased by 37.7% from the same quarter in 2022 but have seen a 5.4% decline from the first quarter of 2023. Riverside’s median home price of \$590,000 decreased by 4.1% year-over-year, but it is up by 5.4% from the previous quarter. The City’s experience in home sales activity mirrors the state’s situation. Due to the shortage of homes on the market resulting from the rate lock-in effect, the depreciation of home prices has been limited.

The Beacon Outlook California Fall 2023

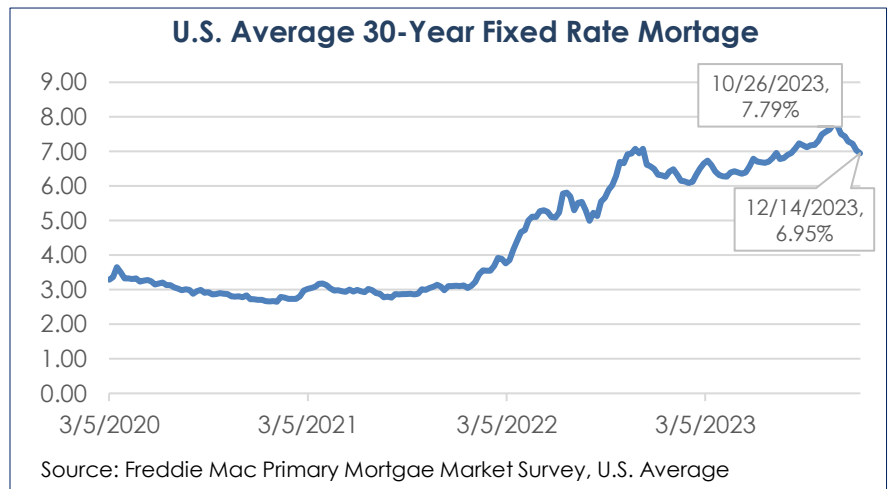
Despite the decline in home sales activity, there is less than 2 months of housing supply available in California. In other words, if no new units were added to the housing market, based on current sales activity thus far in 2023, the number of single-family homes for sale would be exhausted in about 7 weeks. A healthy housing market is typically considered to be one that has six months of supply. The long-term problem is, of course, that California does not build enough housing.



Moreover, as a result of the City’s affordable housing costs in comparison to the rest of Southern California, its expanding economy, well-rounded community, and central location, the City is drawing in consumers with high household incomes and strong balance sheets. This has resulted in a robust demand for housing relative to the available housing supply.

After the pandemic surge in home sales prices, a major correction in the housing market was anticipated by many economists. As of the second quarter of 2023, home sales are still approximately 51.1% from the peak in the second quarter of 2021. However, home sales prices in the City have been relatively flat since peaking in the second quarter of 2022, due to the shortage of homes and relatively strong demand.

Beacon Economics does not foresee a housing collapse in California but rather a housing correction. The recent growth in California home prices indicates that the housing correction may have already run its course. Additionally, according to Beacon Economics, with the current pace of recent growth, California is expected to surpass its pandemic peak in the first quarter of 2024. The City’s housing market mirrors the California market and should continue to see future growth in assessed property values, especially considering the Fed’s recent announcement to halt rate hikes and forecasting rate cuts in 2024.

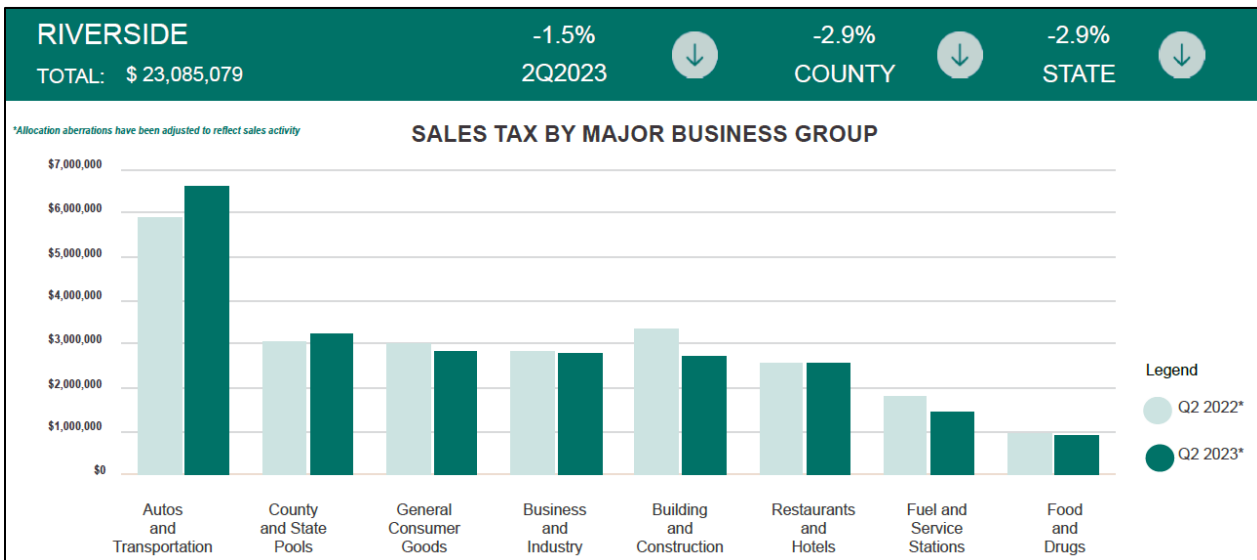


GENERAL FUND REVENUE

As of the first quarter ending September 30, 2023, first quarter analysis of the General Fund revenues indicates that, while individual revenue streams may vary – with some meeting budgetary expectations and others falling below or exceeding the budget – the overall revenue performance aligns with budgeted expectations.

During the first quarter of FY 2023/24, the City Council approved a budget adjustment for a \$900,000 draw from General Fund insurance reimbursement reserves to cover costs of construction for the temporary parking lot at 3460 Orange Street. The following outlines trends for the performance of key revenue streams:

- Property Taxes** – Over the past decade, the City of Riverside has experienced substantial growth in assessed property values. This growth has translated into significant increases in the City’s property tax revenues, which constitute approximately 25% of General Fund revenues. According to the County of Riverside Assessor – County Clerk – Recorder, the City witnessed an 8.2% increase in assessed property values for FY 2023/24. This growth is attributed to increases in property values across residential, industrial, and agricultural sectors due to property sales, construction, and development. Consequently, the City’s property tax consultant, HdL, projects current real and secured property taxes will be 3.15% higher than budgeted, for projected growth of 7.1% over the prior year actuals.
- Sales and Use Tax** – The first-quarter analysis indicates that the economy is now experiencing the repercussions of the Federal Reserve’s efforts to combat inflation through interest rate hikes, affecting both households and businesses. As outlined in the table below, as of the second quarter of 2023, sales taxes have decreased by 1.5% for the City and 2.9% for Riverside County and the state. This decline reflects households navigating tighter budgets and businesses contending with challenges such as elevated labor costs, inventory issues, and heightened competition. The City’s sales tax consultant, HdL, foresees sales tax continuing its recent trend of moderate declines throughout the remainder of 2023, stabilizing by early 2024. Due to the cooling of the labor market and high costs of credit, the upcoming holiday shopping period may be lackluster. Additionally, if inflation begins to tick up again, this could delay the Fed’s timing of rate cuts. In response to these factors, HdL has revised sales tax revenue projections, reflecting a 4.93% reduction compared to the budget, and a projected decrease of 4.3% from the previous year actuals.



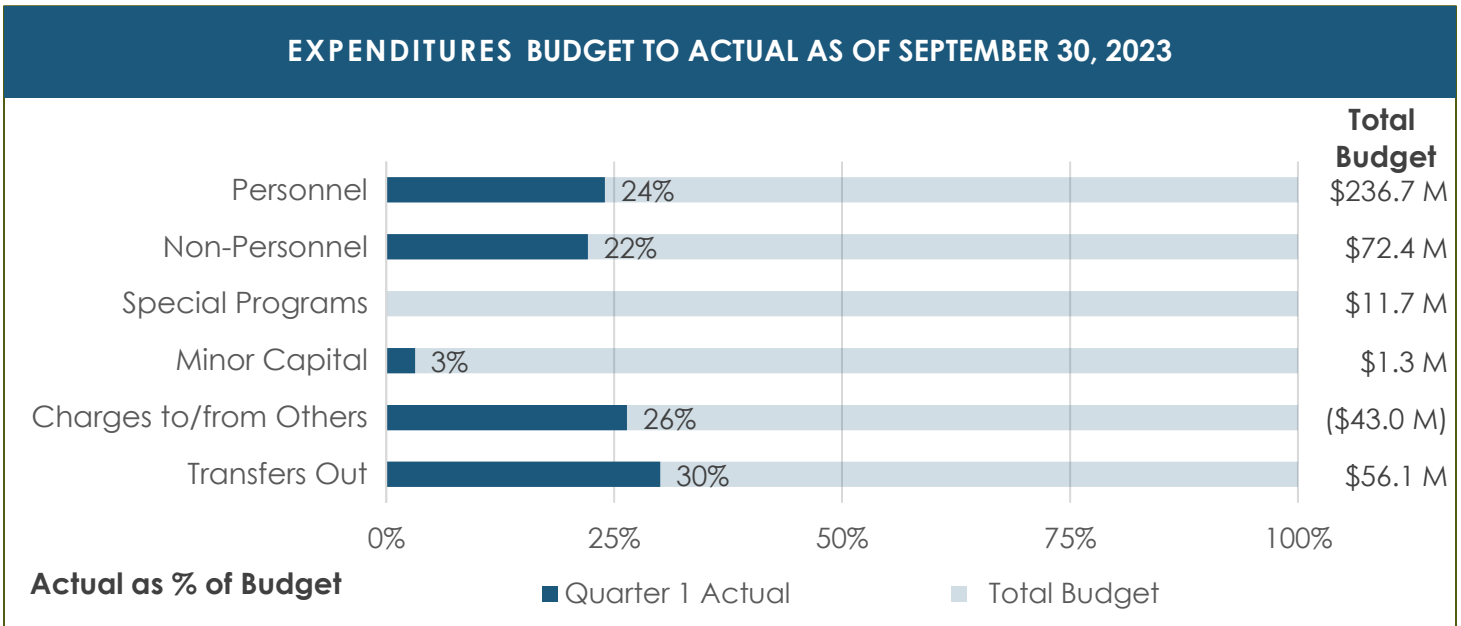
- Franchise Fees** – At the conclusion of FY 2022/23, franchise tax revenues reached \$6.42 million, marking a notable 7.8% increase compared to the previous fiscal year. This significant increase is attributed to the Year 2 increase in solid waste rates, impacting franchise fees for waste haulers. Additionally, escalating energy costs increased franchise fee collections from SoCal Gas and Edison. Although the FY 2023/24 budget designates \$5.84 million for franchise tax revenues, it is anticipated that the current year’s franchise tax revenues will meet or surpass the FY 2022/23 figure, potentially representing at least a 10% increase over the current budgeted amount.

GENERAL FUND EXPENDITURES

As of the first quarter, overall expenditures are trending lower as compared to the first quarter of the prior fiscal year. It's important to note, however, that expenditures in certain categories cannot be directly compared in a quarter-over-quarter analysis between fiscal years. For example, professional service expenditures in the non-personnel category may vary due to services being contracted on an 'as-needed' basis or timing of project implementations.

The personnel expenditures budget includes a 5% attrition rate (equal to about \$12 million) within a non-departmental fund account, which freed up funds for allocation to City priorities during amendment of the originally adopted budget. However, all positions are fully budgeted within their respective departments, indicating the City's commitment to filling these positions. In FY 2023/24, 41.75 full-time equivalent (FTE) positions were added compared to the total FTE positions in FY 2022/23, resulting in an increase in the vacancy rate from 11.5% at the end of FY 2022/23 to 13.5% at the beginning of the new fiscal year. At the close of the first quarter, the General Fund maintained a high vacancy rate of 12.5%, which decreased to 11.7% by December 2023. If the current trend of filling positions continues throughout the fiscal year, the projected vacancy rate at year-end is estimated to be 9.6%, resulting in an average annual projected vacancy rate of 11.5%. This would yield personnel savings at fiscal year-end exceeding the programmed 5% attrition rate, creating budgetary flexibility that will help mitigate the current fiscal challenges faced by the General Fund; however, the goal remains to fill all budgeted positions.

The chart below displays FY 2023/24 year-to-date actual expenditures against the total adjusted budget, as of September 30, 2023. The total adjusted budget includes prior fiscal year encumbrances and carryovers posted in the first quarter.

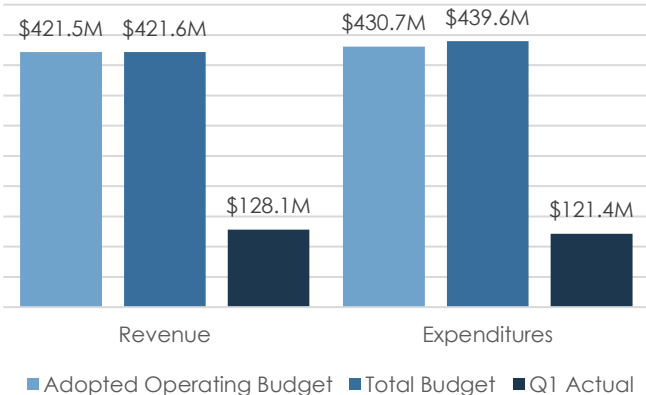


GENERAL FUND SUMMARY: Despite a two-year shift in sales-tax revenues caused by the pandemic and changes in consumer spending, establishing a new, higher baseline for the City's General Fund revenues, the City faces ongoing fiscal challenges, notably the \$8.57 million loss from the Water General Fund transfer. If overall revenue performance aligns with budgeted expectations, projected FY 2023/24 personnel savings are anticipated to mitigate the impacts of the Water General Fund transfer loss and tackle challenges arising from current labor contract negotiations. City staff will actively monitor economic impacts on the City's revenues and present updated projections in the second-quarter report to the Council, along with any recommended adjustments to address budgetary issues.

ENTERPRISE FUNDS

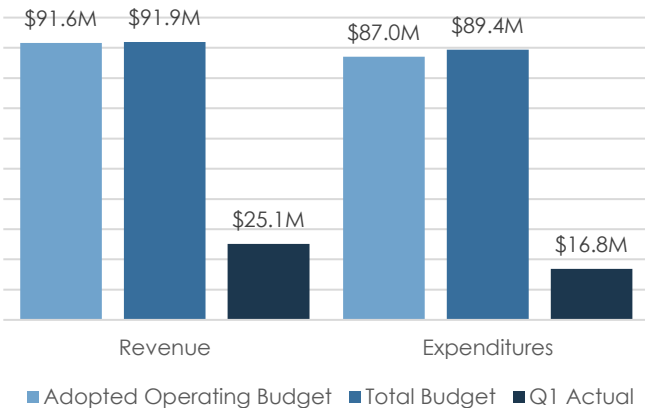
Electric Fund

The adopted amended budget for the Electric Fund now projects a \$9.12 million operating loss due to a planned draw on reserves to minimize rate increases. Retail sales 6.1% lower-than-anticipated and operating expenditures at 28.4% of total budget. Electric consumption is down due to milder temperatures through the first quarter of the fiscal year. Personnel savings are anticipated due to a 15.2% vacancy rate. Power supply costs are trending 2% over budget due to significantly higher-than-expected increases in market energy and natural gas prices.



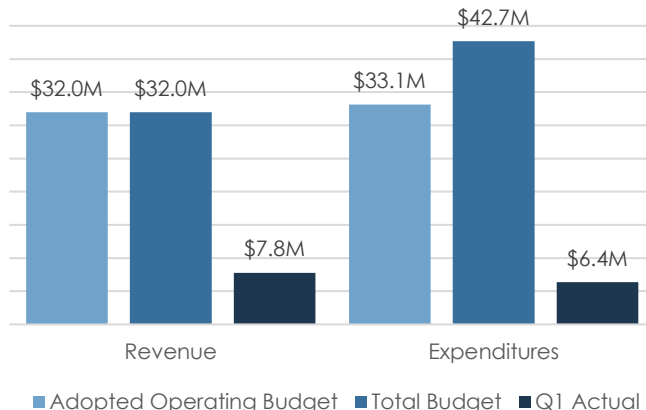
Water Fund

The amended budget for the Water Fund projects a net operating gain that is \$4.59 million. Residential revenues and consumption are both 13.5% lower-than-anticipated as decreased water consumption driven by milder temperatures and increased precipitation. Operating expenditures are 20.1% of budget. The personnel vacancy rate is 13.9%. Overall, water expenditures are projected to remain within the budgeted appropriation limit at fiscal year-end.



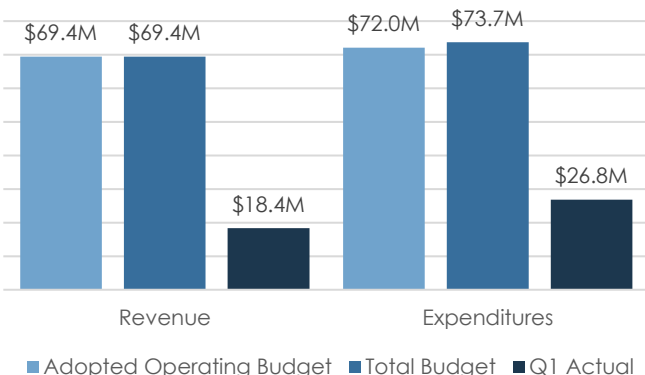
Refuse Fund

The amended Refuse Fund budget anticipates a net operating loss of \$1.16 million, reflecting reduced recycling revenues from declining industry demand, higher recycling costs, increased tonnage, and new state mandates. The fund began the fiscal year with \$6.19 million in fund reserves (net of prior year encumbrances) and a combined \$11.00 million from General Fund contributions and ARPA funding. The Refuse Fund faces challenges like staffing shortages and increased maintenance costs for an aging fleet. Overtime costs are expected to rise but will be offset by personnel savings. To address these issues, efforts are underway to intensify hiring and replace vehicles.



Sewer Fund

The amended budget for the Sewer Fund projected an operating loss of \$2.65 million. Operating revenues are anticipated to exceed budget projections due to the unanticipated growth in planned development. Operating expenditures are 17.0% of budget. The Sewer Fund had a personnel vacancy rate of 21.2%, which required staff to cover shifts and manage increased workloads. Savings are anticipated to offset projected Overtime overages.

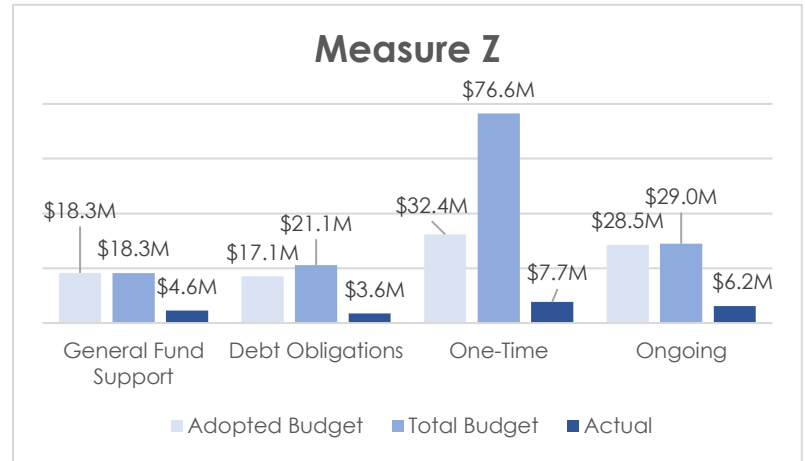


OTHER FUNDS

Measure Z

Based on the spending items approved to date and slowing tax revenue performance, Measure Z is projected to end the fiscal year with approximately \$47.19 million in fund reserves (refer to Attachment 2). Separately, \$5.00 million is held in contingency reserves per the adopted Measure Z Reserve Policy to ensure sufficient funding for ongoing costs in the event of under-performing revenues.

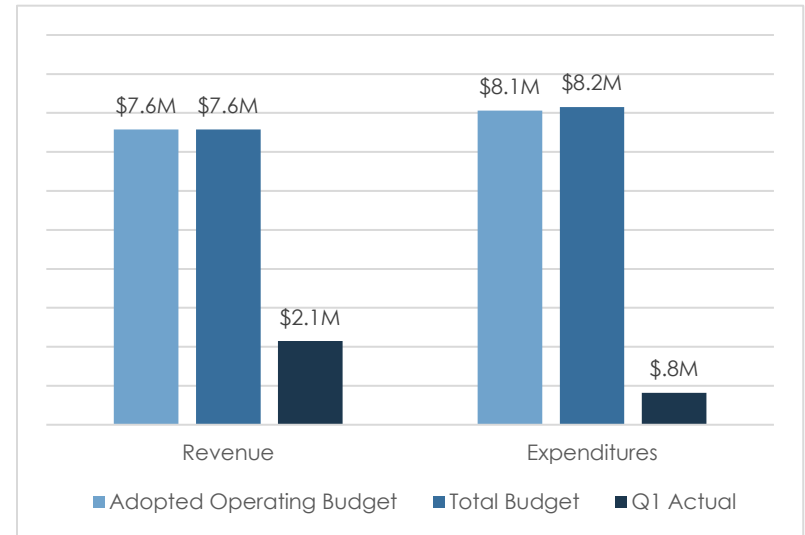
The chart to the right displays the spending status as of September 30, 2023, of approved spending items of various types. Total budget also reflects encumbrances and capital carryovers from FY 2022/23.



Public Parking Fund

The FY 2023/24 adopted amended budget for the Public Parking Fund anticipates a draw on fund reserves of approximately \$0.48 million. Parking revenues in the original FY 2022-2024 adopted budget included new parking rates, which were subsequently rescinded. On April 18, 2023, the City Council approved a new Parking Rate and Hour Schedule, with revenue and expenditure adjustments incorporated into the FY 2023/24 adopted amended budget.

Downtown parking saw a 56.1% increase in revenue during the first quarter compared to the prior year, due to the new Parking Your Way program. This program includes improvements like more accessible free parking, extended operational hours, new monthly parking options, the Park Riverside app, and the installation of Parking Access Revenue Control Systems (PARCS) in the garages.



FY 2024-2026 Biennial Budget Process

The City of Riverside adopts a biennial budget and a five-year planning process to provide a more informative, long-term outlook on the city's finances. Public engagement is encouraged at numerous meetings during which budget presentations and discussion will be conducted and feedback will be received. The final budget will be presented at two meetings, with a public hearing at the City Council meeting. Get the latest information on public meetings by visiting the City's budget website at <https://riversideca.gov/finance/budget.asp>.

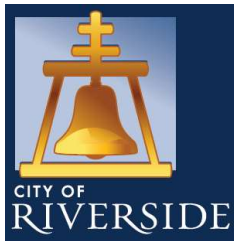
Date	Time	Meeting Body	Subject Matter
April 8	5:00 PM	Board of Library Trustees	Library Department Budget
April 8	6:30 PM	Board of Public Utilities	Public Utilities Preliminary Budget
April 11	5:00 PM	Budget Engagement Commission	Budget Workshop
April 15	6:30 PM	Park & Recreation Commission	Parks, Recreation, & Community Services Department Budget
April 18	9:00 AM	Planning Commission	Proposed CIP Conformance to General Plan
April 24	3:00 PM	Museum of Riverside Board	Museum Preliminary Budget
May 9	5:00 PM	Financial Performance & Budget Committee (Special Meeting)	Budget Workshop
May 21	1:00 PM	City Council	Proposed Budget
June 25	6:15 PM	City Council – Evening Session	Public Hearing and Final Budget Adoption

Measure Z Spending Plan
FY 2023/24 First Quarter Financial Update

Spending Items		Actual FY 2022/23	Carryover FY 2022/23 ¹	Amended FY 2023/24	Projected FY 2024/25	Projected FY 2025/26	Projected FY 2026/27	Projected FY 2027/28
REVENUE								
Transaction & Use Tax		\$ 84,015,703	\$ -	\$ 84,158,000	\$ 82,949,000	\$ 85,675,000	\$ 88,466,000	\$ 91,299,000
Interest Earnings		1,825,380	-	300,000	800,000	800,000	800,000	800,000
Total Revenues		\$ 85,841,083	\$ -	\$ 84,458,000	\$ 83,749,000	\$ 86,475,000	\$ 89,266,000	\$ 92,099,000
EXPENDITURES								
2	Payoff of the Balloon \$32 million Pension Obligation Bond	\$ 1,673,080	\$ -	\$ 1,673,530	\$ 1,673,370	\$ 1,672,800	\$ 1,673,150	\$ -
5	Additional Sworn Police Positions	13,751,855	30,937	12,549,623	13,993,334	14,439,200	14,784,291	15,180,778
6	Public Safety Non-Sworn Positions and Recruitment Costs	952,016	-	1,014,830	1,079,422	1,118,364	1,154,563	1,192,230
7	Police Officer Lateral Hire Incentives and Recruitment Costs	73,986	-	200,000	200,000	200,000	200,000	200,000
8	Additional Dispatchers	1,407,570	-	1,340,627	1,413,058	1,459,240	1,497,030	1,527,433
9	Maintain Firefighter Staffing Level	2,178,353	-	1,587,087	1,715,402	1,792,847	1,844,137	1,907,466
10	Reinstatement of Captains (Training and Arson)	657,475	-	708,920	790,339	819,590	834,098	853,987
11	Reinstatement of Battalion Chief	416,987	-	368,685	439,045	457,617	462,357	469,201
12	Police Vehicle Replacement and Maintenance Plan	2,143,480	1,333,037	2,269,017	2,314,398	2,360,686	2,407,899	2,456,057
14	Fire Vehicle Replacement and Maintenance Plan	1,706,747	4,006,690	4,458,395	3,214,900	5,656,200	6,500,590	5,644,063
16	Additional Fleet Mechanics for Police Department	149,860	-	257,521	250,121	257,470	263,949	270,765
17	Additional Fleet Mechanics for Fire Department	297,025	-	262,973	286,661	289,945	291,898	293,888
18	General Fund Support - Maintain Existing Services	18,266,026	-	18,266,026	18,266,026	18,266,026	18,266,026	18,266,026
19	General Plan Update	279,886	4,339,567	-	-	-	-	-
20	Homeless Services	503,743	796,669	500,000	500,000	500,000	500,000	500,000
21	Principal Analyst - City Manager's Office	170,144	-	154,543	181,171	191,431	201,298	210,044
22	Budget Engagement Commission Support	10,868	31	39,082	27,745	32,775	28,817	33,881
23	New Downtown Main Library	2,738,151	-	2,738,750	2,737,000	2,736,630	2,737,380	2,734,130
24	SPC Jesus S. Duran Eastside Library	-	5,500	2,000,000	-	-	-	-
25	New Police Headquarters (\$43M)	-	-	4,609,963	4,654,268	4,690,073	4,717,378	4,736,183
26	Museum Expansion and Rehabilitation (\$35M)	1,474	-	4,049,924	3,596,381	3,596,381	3,596,381	3,596,381
28	Annual Deferred Maintenance (Existing Facilities)	1,859,493	247,100	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
29	Maximize Roads/Streets (Pavement Condition Index)	7,219,089	18,935,753	10,875,000	10,875,000	10,875,000	10,875,000	10,875,000
30	Tree Trimming	1,842,682	1,673,868	3,500,000	2,000,000	2,000,000	2,000,000	2,000,000
31	Ward Action Team - City Attorney's Office	388,006	-	359,706	412,340	427,667	435,328	438,182
33	Technology Improvements	1,470,850	3,176,936	1,501,315	1,514,271	1,515,464	1,516,098	1,517,886
34	4-Person Staffing on Fire Trucks	979,106	17,595	1,199,078	1,371,306	1,461,456	1,516,929	1,556,707
38	Bourns Family Youth Innovation Center	(2,808)	-	-	-	-	-	-
39	Public Safety & Engagement Team Program (PSET) - Urban	2,657,537	1,190,167	4,572,806	4,882,982	5,192,303	5,556,094	5,450,397
43	PW Streets Vehicle & Equipment Needs	490,337	2,509,628	2,230,000	-	-	-	-
44	PRCSD Infrastructure, Vehicles, and Equipment	189,894	1,523,574	-	-	-	-	-
45	Motorhome Removal & Disposal	9,000	1,500	45,000	45,000	45,000	45,000	45,000
46	Park and Neighborhood Specialist (PANS) Program	1,296,852	118,660	1,815,973	2,148,654	2,263,536	2,362,663	2,418,906
47	Police Helicopters Capital Lease	1,238,158	-	1,238,158	1,238,158	1,238,158	1,238,158	1,238,158
48	Office of Homeless Solutions Expansion	47,454	-	158,649	186,744	197,008	206,212	212,735
49	Public Safety & Engagement Team Program (PSET) - Wildlands	613,870	1,296,840	5,315,839	5,818,850	6,076,923	6,311,230	6,556,973
50	Public Safety Enterprise Communication System (PSEC) Radios	343,438	-	343,438	343,438	343,438	-	-
51	Office of Sustainability	13,402	-	380,988	411,327	428,820	446,011	463,880
52	Sidewalk Repair	371,776	228,224	600,000	600,000	600,000	600,000	600,000
53	Mt Rubidoux Trail Resurfacing	1,198,947	581,053	-	-	-	-	-
54	Police K9	-	140,000	-	-	-	-	-
55	Parks Capital Improvement Projects	-	6,492,000	-	3,500,000	3,500,000	3,500,000	3,500,000
56	Fire - Analog Simulcast Communication System	-	-	1,566,441	-	-	-	-
Total Expenditures		\$ 69,605,809	\$ 48,645,608	\$ 96,251,887	\$ 94,180,711	\$ 98,202,048	\$ 100,069,965	\$ 98,446,337
Financial Plan Surplus/(Deficit)		\$ 16,235,274	\$ (48,645,608)	\$ (11,793,887)	\$ (10,431,711)	\$ (11,727,048)	\$ (10,803,965)	\$ (6,347,337)
FUND RESERVES								
Beginning Measure Z Unallocated Fund Reserve		\$ 91,390,600	\$ 107,625,874	\$ 58,980,266	\$ 47,186,379	\$ 36,754,668	\$ 25,027,620	\$ 14,223,655
Five-Year Financial Plan Surplus/(Deficit)		16,235,274	(48,645,608)	(11,793,887)	(10,431,711)	(11,727,048)	(10,803,965)	(6,347,337)
Ending Measure Z Unallocated Fund Reserve		\$ 107,625,874	\$ 58,980,266	\$ 47,186,379	\$ 36,754,668	\$ 25,027,620	\$ 14,223,655	\$ 7,876,318

1. Includes prior year encumbrances and carryovers carried forward from FY 2022/23 as provided for in the Riverside Municipal Code. Additionally, discretionary carryovers approved by the City Council on December 19, 2023.

2. Measure Z was a one-cent Transaction and Use tax approved by Riverside voters in November 2016 for a period of 20 years. Tax collection is set to expire in March 2036.



FY 2023/24 First Quarter Financial Update

Finance Department

City Council
January 16, 2024

RiversideCA.gov

GENERAL FUND – FUND BALANCE

(in millions)

Beginning Fund Balance	\$ 70.77
FY 2022/23 Activity	
Revenues	\$ 360.69
Use of Infrastructure Reserves	7.00
Expenditures	(333.24)
Encumbrances/Projects/Grants	(7.07)
Restricted Carryovers*	(4.43)
Discretionary Carryovers*	(1.30)
Subtotal	\$ 21.65
Change in Other Reserves	(2.23)
Net Change in Fund Balance	\$ 19.42
Fund Balance Reserves	
15% Emergency Reserve	\$ (49.06)
5% Contingency Reserve	(16.36)
Total Policy Reserves	\$ (65.42)
Projected Surplus Reserves	\$ 24.77

General Fund Reserves at June 30, 2023

(in millions)

Economic Reserves (15%)	\$ 49.06 M
Economic Contingency Reserves (5%)	\$ 16.36 M
MOU Impacts Reserve*	\$ 15.00 M
Infrastructure Reserve	\$ 20.62 M
Technology Reserve	\$ 3.00 M
Section 115 Trust Fund Reserve	\$ 32.70 M
Insurance Reserves	\$ 2.00 M
Surplus Reserves*	\$ 24.77 M

* In FY 2022/23 Fourth Quarter Report, staff presented to Council recommendations for Restricted and Discretionary carryovers, as well as the following use of Surplus Reserves:

- Section 115 Trust: \$20M
 - Staff also recommended reallocating \$15M in reserves earmarked for MOU impacts
- Infrastructure Reserves: \$4.8M

Amounts will post in FY 2023/24 Second Quarter.

2



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GENERAL FUND OVERVIEW

(in millions)

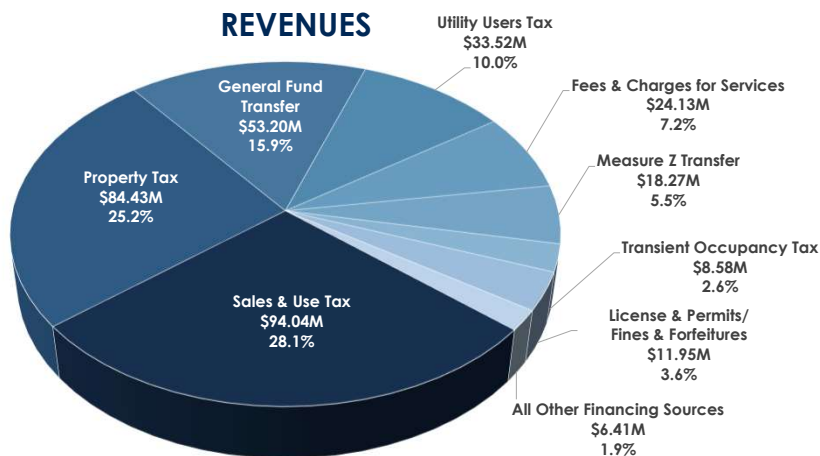
FY 2023/24	Adopted Budget	Total Adjusted Budget As of 9/30/2023	Quarter 1 Actuals
Revenue & Transfers In	\$ 333.50	\$ 333.63	\$ 42.64
Expenditures & Transfers Out*	(332.09)	(335.28)	(77.13)
Balance Before Changes in Reserves	\$ 6.41	\$ (1.65)	\$ (34.49)
Changes in Reserves			
Use of Prior Year Fund Balance for Encumbrance & Project/Grant Carryovers	-	7.07	-
Escrow of \$8.57M Water GFT	-	(8.57)	(2.14)
Drawdown of Insurance Reserves	-	0.90	-
Net Surplus \ (Deficit)**	\$ 6.41	\$ (2.25)	\$ (36.63)

* Includes prior year encumbrances \$7.05M in encumbrances and \$0.02M project/grant carryovers carried over as allowed by the Riverside Municipal Code.

**In the event of a fiscal year-end budget surplus, the adopted budget includes a planned contribution of \$5.00M to the Infrastructure Reserve, which is excluded in the table.



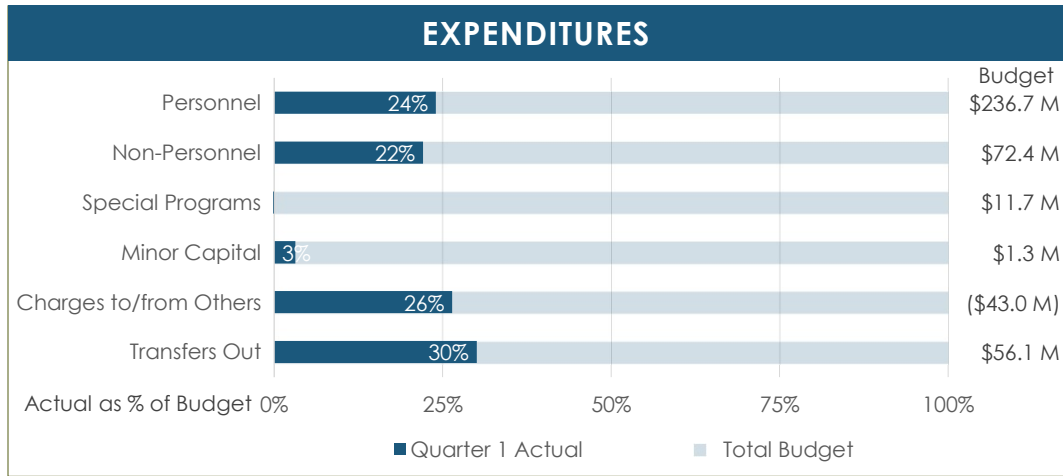
GENERAL FUND REVENUE BUDGET



* All revenues are being reviewed in preparation for the FY 2024-2026 mid-cycle budget update.



GENERAL FUND EXPENDITURES



*Total Budget includes prior fiscal year encumbrances and carryovers posted in the first quarter.

5

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MEASURE Z SPENDING PLAN

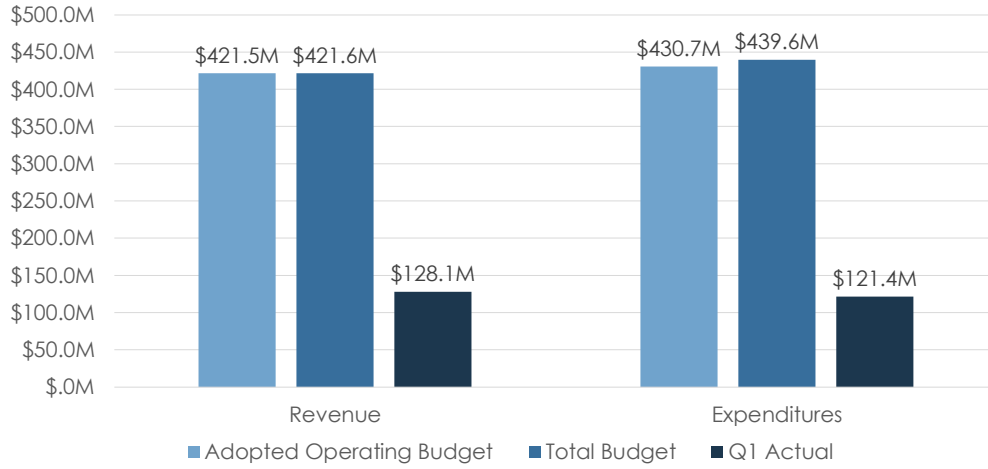
(in millions)	Actuals				Projected
	2020	2021	2022	2023	2024
Revenue	\$ 63.14	\$ 72.65	\$ 83.91	\$ 85.84	\$ 84.46
Expenditures	(49.56)	(50.85)	(67.45)	(69.61)	(96.25)
Encumbrances & Carryovers				(48.65)	
Net Change in Fund Balance	\$ 13.58	\$ 21.80	\$ 16.46	\$(32.42)	\$(11.79)
Beginning Fund Reserves	\$ 39.56	\$ 53.14	\$ 74.94	\$ 91.40	\$ 58.98
Net Change in Fund Balance	13.58	21.80	16.46	(32.42)	(11.79)
Fund Balance Reserve Policy	-	-	-	-	-
Ending Fund Reserves	\$ 53.14	\$ 74.94	\$ 91.40	\$ 58.98	\$ 47.19



6

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ELECTRIC FUND - OPERATING

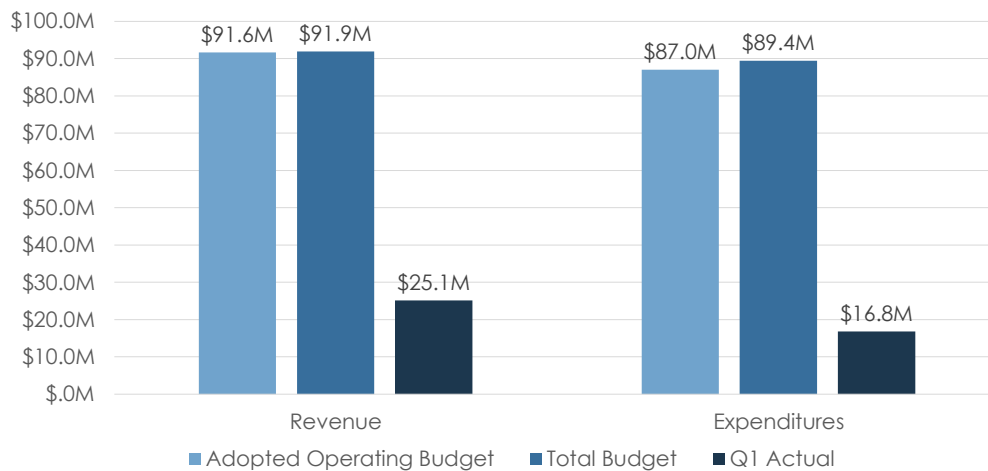


Total Budget includes prior fiscal year encumbrances and carryovers posted in the first quarter.

7

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WATER FUND - OPERATING

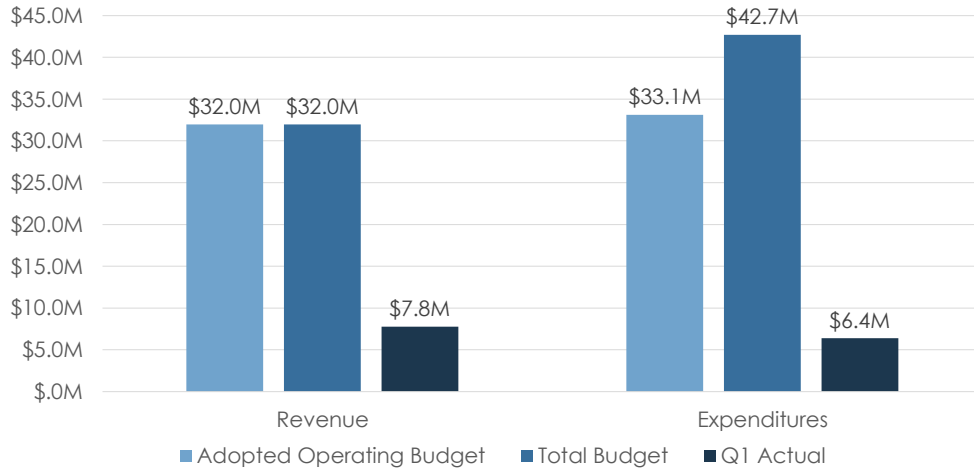


Total Budget includes prior fiscal year encumbrances and carryovers posted in the first quarter.

8

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REFUSE FUND - OPERATING



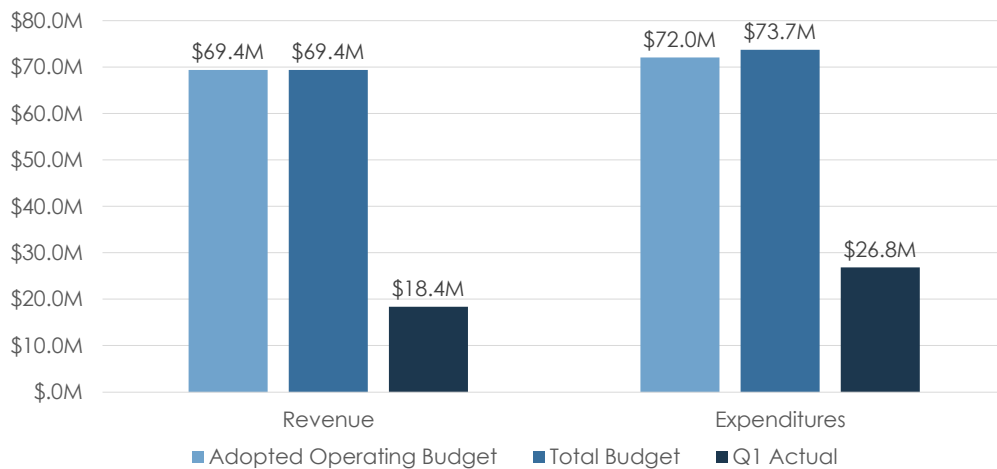
Total Budget includes prior fiscal year encumbrances and carryovers posted in the first quarter.

9



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SEWER FUND - OPERATING



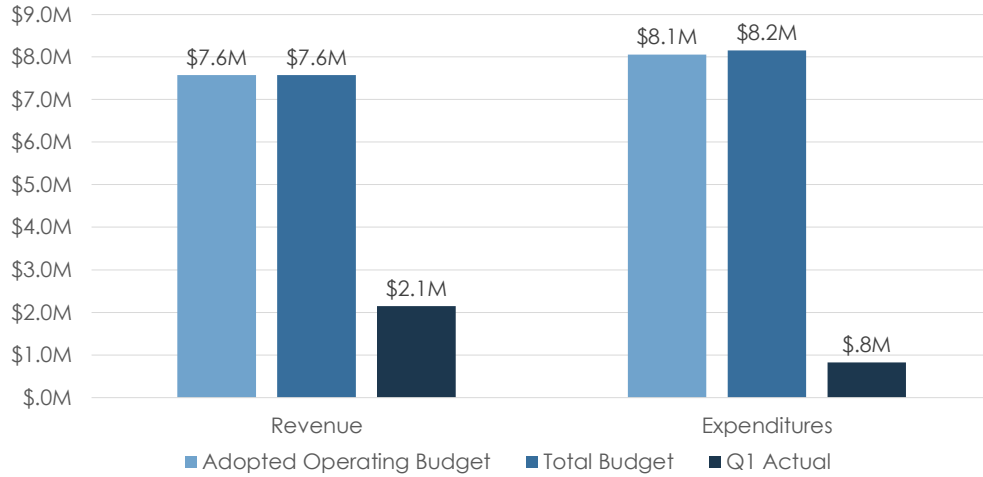
Total Budget includes prior fiscal year encumbrances and carryovers posted in the first quarter.

10



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PUBLIC PARKING FUND - OPERATING



Total Budget includes prior fiscal year encumbrances and carryovers posted in the first quarter.

11



STRATEGIC PLAN ALIGNMENT



HIGH PERFORMING GOVERNMENT

CROSS-CUTTING THREADS



Community Trust



Equity



Innovation



Fiscal Responsibility



Sustainability and Resiliency

12



RECOMMENDATIONS

That the City Council:

1. Receive and provide input on the Fiscal Year 2023/24 First Quarter financial update; and
2. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record a supplemental appropriation in the General Fund of \$1,000,000 million from the Infrastructure Reserve for an interfund transfer to the Airport Fund and record supplemental appropriations in the same amount in Airport Capital Projects expenditure account for Airport building remedial repairs; and
3. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record a supplemental appropriation of \$3,000 in the General Fund, Mayor's College Council of Riverside expenditure account, fully offset with funds from the Special Deposit Fund, College Council of Riverside deposit account; and

13


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RECOMMENDATIONS

4. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record a supplemental appropriation in the General Fund, Human Resources Department of \$250,000 to the employee Education Reimbursement Program; and
5. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record a supplemental appropriation in the General Fund, Non-Departmental of \$100,000 to fund payment processing upgrades and related compliance requirements; and
6. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record a supplemental appropriation of \$100,000 in the General Fund, Non-Departmental General Services expenditure account for additional security patrols in Ward 5 and 6.

14


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City Council Memorandum

City of Arts & Innovation

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TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JANUARY 16, 2024

FROM: FINANCE DEPARTMENT WARDS: ALL

SUBJECT: FISCAL YEAR 2023/24 FIRST QUARTER CASH, INVESTMENTS, AND DEBT REPORT

ISSUE:

That the City Council receive and provide input on the attached Fiscal Year 2023/24 First Quarter Cash, Investments, and Debt Report.

RECOMMENDATION:

That the City Council receive and provide input on the attached Fiscal Year 2023/24 First Quarter Cash, Investments, and Debt Report.

BACKGROUND:

On December 19, 2023, the City Council received and provided input on the Fiscal Year 2022/23 Fourth Quarter Cash and 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 September 30, 2023, the City's pooled investment portfolio's market value was \$890 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 \$254 million. The weighted average yield of the pooled investment portfolio is 2.69% as of September 30, 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 September 30, 2023:

1. Civic Entertainment - Convention Center, Visitors Bureau, Sports Commission (\$298,813) has a negative cash balance in the pooled investment portfolio; however, the negative cash balance is offset by a positive \$2,095,978 in miscellaneous cash. The overall cash balance for Civic Entertainment is a positive \$1,797,165.
2. Civic Entertainment – Cheech Marin Center (\$3,210,447) 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 (\$1,357,537), Community Development Block Grant (\$576,874), Housing Opportunities for Persons with AIDS (\$2,029,341), Special Districts (\$67,250), and Transportation Uniform Mitigation Fees (\$2,439,237) have negative cash balances due to the timing of expenditures; however, the negative balances are fully offset by receivables.
4. Debt Service Fund – General (\$16,483,541) which is fully offset by outstanding cash transfers from all funds related to their share of the Pension Obligation Bond (POBs) payments made by the Debt Service Fund (\$30.9 million) and other debt service payments.
5. Special Deposits (\$19,430,096) 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 (\$636,018) 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 temporarily 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.

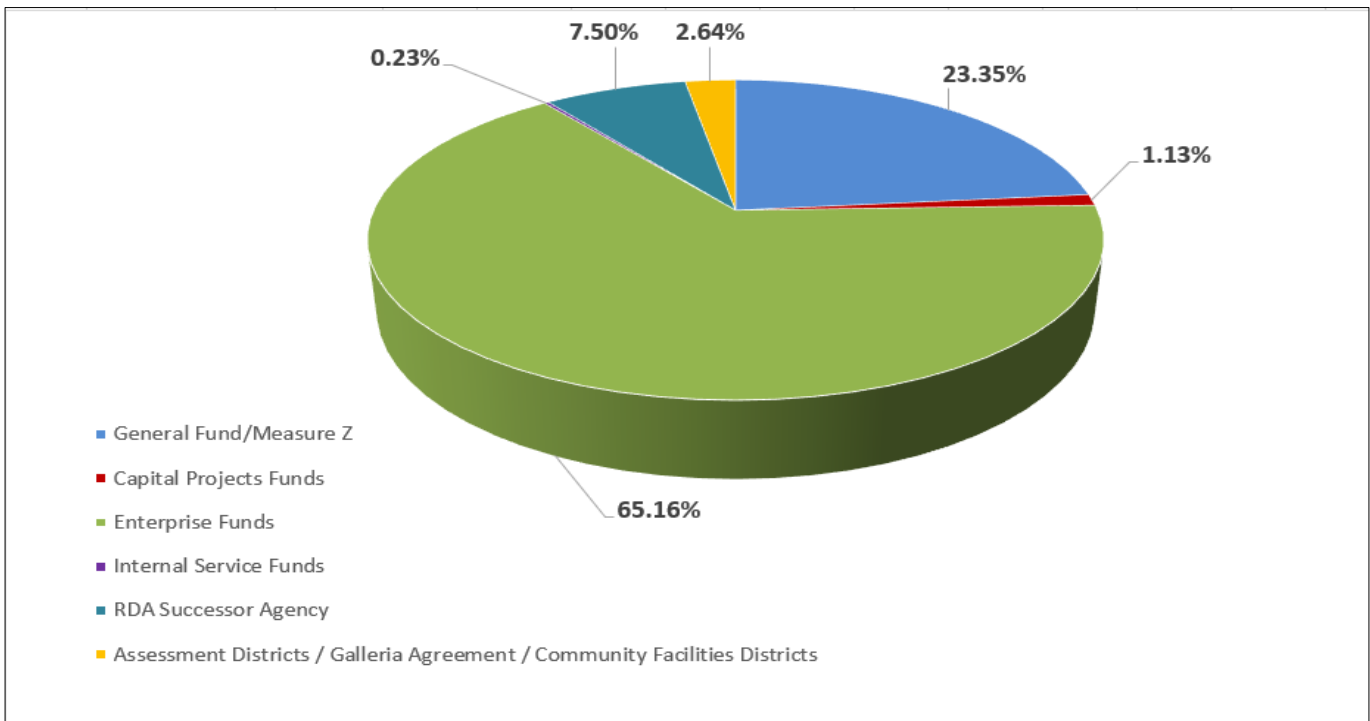
QUARTERLY DEBT REPORT

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 first quarter of Fiscal Year 2024 by debt classification and fund.

Debt Summary Analysis

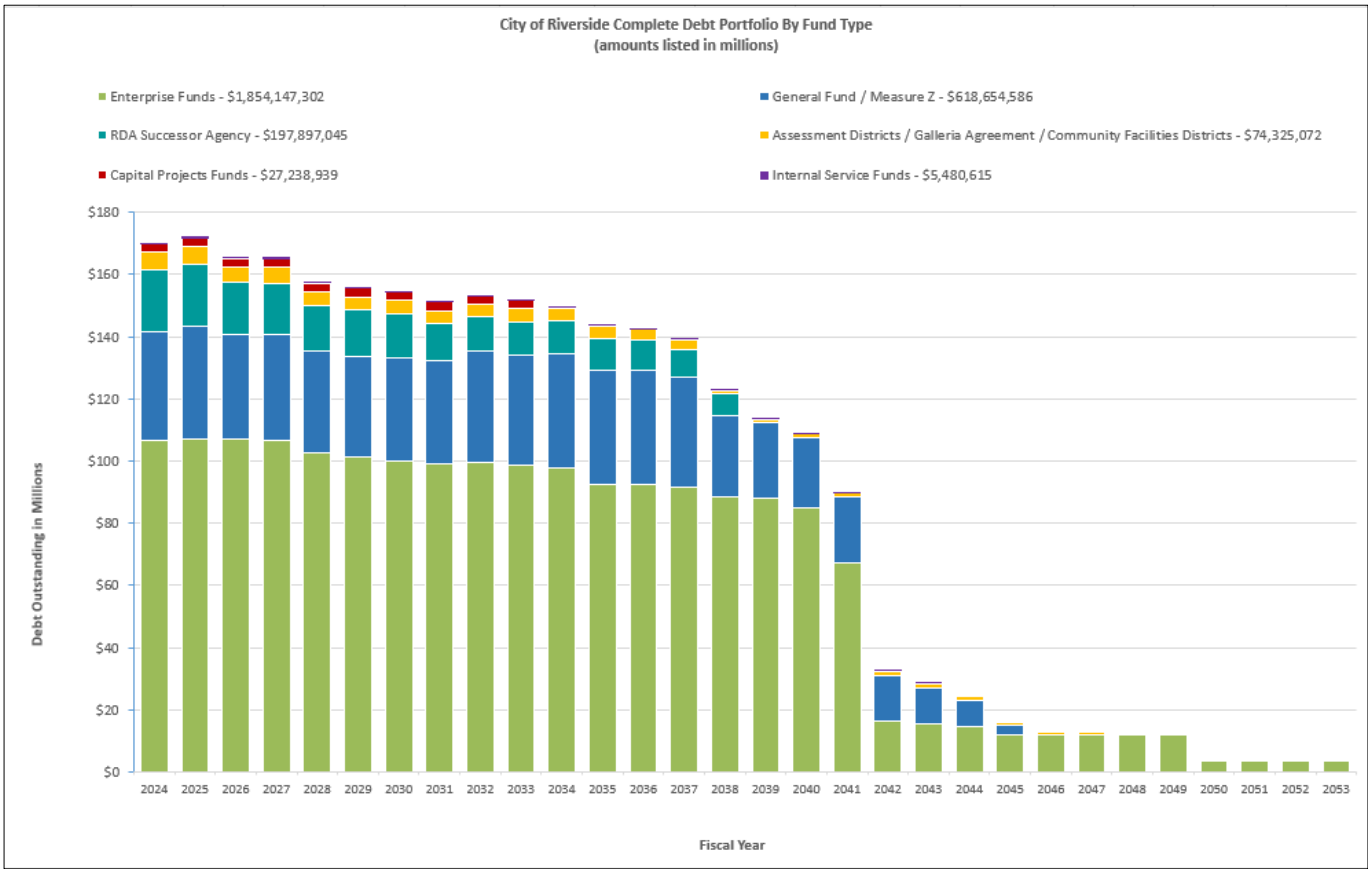
The City’s outstanding principal varies as a result of debt service payments, bond calls, new debt issuances, and refunding and defeasance activity. At the end of the first quarter of fiscal year 2024, the City’s outstanding principal balance decreased \$30,508,599 from the end of the fourth quarter of fiscal year 2023. This principal decrease is due to debt service principal payments on the Measure G Fire Facility General Obligation Bonds, Capital Lease Payments, Convention Center Expansion Loan, Sewer Revenue Bonds, Tax Allocation Bonds (paid by Successor Agency Tax Increment,) Mello Roos and Assessment District bonds (paid by levied Special Property Tax,) Interfund Loan transfers at the end of Fiscal Year 2023, and the refinancing of the Measure A Sales Tax Certificates of Participation.

The following chart depicts the composition of the City’s debt portfolio at the end of the first 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 2023-2024 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 Quarter

Finance staff regularly monitor the market to identify opportunities to maximize debt service savings through refunding and to issue debt when rates are most advantageous. Within the first quarter, staff finalized the Refunding of the 2013 Measure A Certificates of Participation. This financing plan resulted in approximately \$2.3 million net present value (NPV) savings for the City.

Other debt related activities conducted within the first quarter includes:

- Coordination of the Auto Center, Arlington, and Downtown Business Improvement District annual levies

- Completion and submission of levies for all Fiscal Year 2024 Community Facilities Districts, Assessment Districts, and General Obligation Bonds with the County of Riverside
- Began process for a plan of finance for the 2023 Refunding Electric Revenue Bonds

STRATEGIC PLAN ALIGNMENT:

This item contributes to Strategic Priority No. 5 High Performing Government Goal No. 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 fiscal impact associated with this report.

Prepared by:	Meline Carranza, Debt and Treasury Manager
Approved 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: Treasurer	Edward Enriquez, Assistant City Manager/Chief Financial Officer/City Treasurer
Approved as to form:	Phaedra A. Norton, City Attorney

Attachments:

1. Cash and Investment Report – Q1
2. Quarterly Debt Report – Q1
3. Presentation

CITY OF RIVERSIDE
Fiscal Year 2023/2024 First Quarter
Summary of Outstanding Debt¹

Debt Type By Funding Source	Principal Balance as of 7/1/2023	Q1 New Debt Issued	Q1 Principal Payments	Q1 Interest Payments	Principal Balance as of 10/1/2023	Projected Principal Balance 6/30/2024
General Fund/Measure Z						
General Obligation Bonds	\$ 3,380,000	\$ -	\$ 1,640,000	\$ 92,950	\$ 1,740,000	\$ 1,740,000
Pension Obligation Bonds	317,279,231	-	-	-	317,279,231	310,004,808
Certificates of Participation	56,717,969	-	-	361,185	56,717,969	53,508,835
Lease Revenue Bonds	45,199,648	-	-	-	45,199,648	42,420,298
Capital Leases	19,289,928	-	1,256,870	100,522	18,033,059	15,701,019
Interfund Loans	1,130,945	-	306,072	-	824,873	824,873
Total General Fund	\$ 442,997,721	\$ -	\$ 3,202,941	\$ 554,657	\$ 439,794,780	\$ 424,199,832
Capital Projects Funds						
Measure A Certificates of Participation	23,225,000	21,190,000	23,225,000	-	21,190,000	19,360,000
Total Capital Projects Funds	\$ 23,225,000	\$ 21,190,000	\$ 23,225,000	\$ -	\$ 21,190,000	\$ 19,360,000
Enterprise Funds						
Pension Obligation Bonds	\$ 103,708,515	\$ -	\$ -	\$ -	\$ 103,708,515	\$ 95,251,995
Electric Fund Revenue Bonds	507,370,000	-	-	552,074	507,370,000	489,855,000
Water Fund Revenue Bonds	243,300,000	-	-	111,729	243,300,000	235,350,000
Water Fund Capital Lease	986,007	-	118,239	11,661	867,768	748,130
Sewer Fund Revenue Bonds	313,085,000	-	11,460,000	7,712,525	301,625,000	301,625,000
Lease Revenue Bonds	6,168,000	-	-	-	6,168,000	5,688,000
Certificates of Participation	24,582,031	-	-	156,540	24,582,031	23,191,165
Civic Entertainment Fund Loan	5,929,782	-	-	-	5,929,782	5,327,720
Convention Center Expansion Loan	27,410,223	-	537,505	227,616	26,872,718	25,239,939
Parking Fund Loans	6,630,655	-	-	-	6,630,655	5,957,432
Total Enterprise Funds	\$ 1,239,170,213	\$ -	\$ 12,115,745	\$ 8,772,145	\$ 1,227,054,468	\$ 1,188,234,382
Internal Service Funds						
Pension Obligation Bonds	\$ 4,287,254	\$ -	\$ -	\$ -	\$ 4,287,254	\$ 3,938,197
Total Internal Service Funds	\$ 4,287,254	\$ -	\$ -	\$ -	\$ 4,287,254	\$ 3,938,197
RDA Successor Agency						
Lease Revenue Bonds	6,802,353	-	-	-	6,802,353	4,246,703
Tax Allocation Bonds	143,085,000	-	10,280,000	3,353,163	132,805,000	132,805,000
Interfund Loans	2,002,900	-	439,913	-	1,562,987	1,562,987
Total RDA Successor Agency	\$ 151,890,253	\$ -	\$ 10,719,913	\$ 3,353,163	\$ 141,170,339	\$ 138,614,689
Assessment Districts / Galleria Agreement / Community Facilities Districts						
Assessment Districts	\$ 14,395,000	\$ -	\$ 1,625,000	\$ 378,664	\$ 12,770,000	\$ 12,770,000
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	12,465,000
Community Facilities Districts	24,585,000	-	810,000	538,929	23,775,000	23,775,000
Total AD / Galleria / CFDs	\$ 52,210,000	\$ -	\$ 2,435,000	\$ 917,718	\$ 49,775,000	\$ 49,015,000
Total	\$ 1,913,780,440	\$ 21,190,000	\$ 51,698,599	\$ 13,597,684	\$ 1,883,271,841	\$ 1,823,362,101

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 2023/2024 First Quarter
Outstanding Debt¹

Debt Type / Issuance	Year Issued (FY)	Final Maturity (FY)	Total Issue Size	Outstanding Principal Balance 7/1/2023	Q1 New Debt Issued	Q1 Principal Payments	Q1 Interest Payments	Outstanding Principal Balance 10/1/2023	Projected Principal Balance 6/30/2024
General Obligation									
Measure G Fire Facility Projects General Obligation Bonds 2004	2004	2025	\$ 20,000,000	\$ 3,380,000	\$ -	\$ 1,640,000	\$ 92,950	\$ 1,740,000	\$ 1,740,000
Total General Obligation Bonds			\$ 20,000,000	\$ 3,380,000	\$ -	\$ 1,640,000	\$ 92,950	\$ 1,740,000	\$ 1,740,000
Pension Obligation²									
Pension Obligation Bonds Series 2017A	2017	2027	31,960,000	13,715,000	-	-	-	13,715,000	10,430,000
Pension Obligation Bonds Series 2020A (Safety)	2020	2045	231,085,000	231,085,000	-	-	-	231,085,000	230,895,000
Pension Obligation Bonds Series 2020A (Misc)	2020	2043	201,080,000	180,475,000	-	-	-	180,475,000	167,870,000
Total Pension Obligation Bonds			\$ 464,125,000	\$ 425,275,000	\$ -	\$ -	\$ -	\$ 425,275,000	\$ 409,195,000
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	81,300,000	-	-	517,725	81,300,000	76,700,000
Local Measure A Sales Tax Revenue COPs Series 2023A ⁽⁶⁾	2023	2033	21,190,000	23,225,000	21,190,000	23,225,000	-	21,190,000	19,360,000
Total Certificates of Participation			\$ 169,435,000	\$ 104,530,000	\$ 21,190,000	\$ 23,225,000	\$ 517,850	\$ 102,495,000	\$ 96,065,000
Lease Revenue Bonds									
California Tower Lease Revenue Bonds Series 2003A	2003	2024	\$ 26,255,000	\$ 4,315,000	\$ -	\$ -	\$ -	\$ 4,315,000	\$ 2,230,000
California Tower Lease Revenue Bonds Series 2003B	2003	2024	4,810,000	680,000	-	-	-	680,000	350,000
Lease Revenue Refunding Bonds Series 2012A	2013	2034	41,240,000	25,700,000	-	-	-	25,700,000	23,700,000
Lease Revenue Refunding Bonds (Galleria) Series 2019A	2019	2037	15,980,000	13,225,000	-	-	-	13,225,000	12,465,000
Lease Revenue Bonds (Main Library Project) Series 2019B	2019	2037	33,505,000	27,475,000	-	-	-	27,475,000	26,075,000
Total Lease Revenue Bonds			\$ 121,790,000	\$ 71,395,000	\$ -	\$ -	\$ -	\$ 71,395,000	\$ 64,820,000
Capital Leases									
BoFA #2 - Various Hardware and Software	2018	2028	7,955,000	2,127,954	-	522,644	25,165	1,605,310	1,076,485
BoFA #3 - Fire, PW and Refuse Vehicles and Equipment	2017	2027	14,500,000	6,904,003	-	734,225	75,357	6,169,778	5,427,538
BoFA #4 - Police Helicopters	2022	2032	11,291,564	10,257,971	-	-	-	10,257,971	9,196,996
BoFA #2 - Water Fund Vehicles Capital Lease	2018	2028	2,305,000	986,007	-	118,239	11,661	867,768	748,130
Total Capital Leases			\$ 36,051,564	\$ 20,275,935	\$ -	\$ 1,375,109	\$ 112,183	\$ 18,900,826	\$ 16,449,149
Interfund Loans³									
Reid Park Acquisition Interfund Loan	2011	2028	\$ 720,000	\$ 257,604	-	57,272	-	200,332	\$ 200,332
Riverside Golf Course Acquisition Interfund Loan	2011	2028	4,837,500	1,745,296	-	382,641	-	1,362,655	1,362,655
Utilities Plaza Purchase Interfund Loan	2012	2027	4,469,221	1,130,945	-	306,072	-	824,873	824,873
Total Interfund Loans			\$ 10,026,721	\$ 3,133,845	\$ -	\$ 745,985	\$ -	\$ 2,387,860	\$ 2,387,860
Private Placement Loans									
Fox Entertainment Plaza Loan	2011	2032	\$ 25,000,000	\$ 12,560,437	\$ -	\$ -	\$ -	\$ 12,560,437	\$ 11,285,152
Convention Center Expansion Loan ⁴	2013	2034	44,650,000	27,410,223	-	537,505	227,616	26,872,718	25,239,939
Total Private Placement Loans			\$ 69,650,000	\$ 39,970,660	\$ -	\$ 537,505	\$ 227,616	\$ 39,433,155	\$ 36,525,092
Enterprise Revenue Bonds									
Electric Revenue Refunding Bonds (2008) Series A	2008	2029	\$ 84,515,000	\$ 34,465,000	\$ -	\$ -	\$ 170,504	\$ 34,465,000	\$ 34,465,000
Electric Revenue Refunding Bonds (2008) Series C	2008	2036	57,325,000	32,150,000	-	-	188,870	32,150,000	32,150,000
Electric Revenue Bonds (2010) Series A	2010	2041	133,290,000	126,110,000	-	-	-	126,110,000	123,515,000
Electric Revenue Bonds (2011) Series A	2011	2036	56,450,000	33,600,000	-	-	192,699	33,600,000	32,875,000
Electric Revenue Refunding Bonds (2013) Series A	2014	2044	79,080,000	35,385,000	-	-	-	35,385,000	34,370,000

CITY OF RIVERSIDE
Fiscal Year 2023/2024 First Quarter
Outstanding Debt¹

Debt Type / Issuance	Year Issued (FY)	Final Maturity (FY)	Total Issue Size	Outstanding Principal Balance 7/1/2023	Q1 New Debt Issued	Q1 Principal Payments	Q1 Interest Payments	Outstanding Principal Balance 10/1/2023	Projected Principal Balance 6/30/2024
Electric Revenue Refunding Bonds (2019) Series A	2019	2049	283,325,000	245,660,000	-	-	-	245,660,000	232,480,000
Water Revenue Bonds (2009) Series B	2010	2040	67,790,000	62,760,000	-	-	-	62,760,000	60,115,000
Water Revenue Bonds (2011) Series A	2011	2036	59,000,000	24,050,000	-	-	111,729	24,050,000	24,050,000
Water Revenue Refunding Bonds (2019) Series A	2019	2049	114,215,000	98,465,000	-	-	-	98,465,000	93,895,000
Water Revenue Bonds (2022) Series A	2022	2053	58,025,000	58,025,000	-	-	-	58,025,000	57,290,000
Sewer Revenue Bonds (2015) Series A	2015	2041	200,030,000	173,610,000	-	6,120,000	4,281,950	167,490,000	167,490,000
Sewer Revenue Bonds (2018) Series A	2019	2040	153,670,000	139,475,000	-	5,340,000	3,430,575	134,135,000	134,135,000
Total Enterprise Revenue Bonds			\$ 1,346,715,000	\$ 1,063,755,000	\$ -	\$ 11,460,000	\$ 8,376,328	\$ 1,052,295,000	\$ 1,026,830,000
Tax Allocation Bonds									
2014 Subordinate Tax Allocation Refunding Bonds Series 2014A	2014	2034	\$ 61,250,000	\$ 28,025,000	\$ -	\$ 4,600,000	\$ 693,125	\$ 23,425,000	\$ 23,425,000
2014 Subordinate Tax Allocation Refunding Bonds Series 2014B	2014	2024	1,730,000	385,000	-	190,000	7,510	195,000	195,000
2018 Tax Allocation Refunding Bonds Series 2018A	2018	2034	74,435,000	74,295,000	-	5,490,000	1,854,891	68,805,000	68,805,000
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	\$ -	\$ 10,280,000	\$ 3,353,163	\$ 132,805,000	\$ 132,805,000
Mello Roos and Assessment District Bonds									
Riverwalk Business Center Assessment District Bonds	2004	2029	\$ 3,755,000	\$ 1,620,000	\$ -	\$ 190,000	\$ 50,329	\$ 1,430,000	\$ 1,430,000
Sycamore Canyon Business Park CFD 92-1 Bonds	2005	2034	9,700,000	5,660,000	-	350,000	149,023	5,310,000	5,310,000
Hunter Park Assessment District Bonds	2006	2036	15,269,906	9,460,000	-	475,000	244,933	8,985,000	8,985,000
Riverwalk Assessment District Refunding Bonds	2011	2026	7,805,000	2,565,000	-	595,000	64,653	1,970,000	1,970,000
Auto Center Assessment District Refunding Bonds ⁵	2012	2024	4,050,000	750,000	-	365,000	18,750	385,000	385,000
Riverwalk Vista CFD 2006-1 Bonds	2013	2043	4,415,000	3,660,000	-	105,000	92,547	3,555,000	3,555,000
Riverwalk Vista CFD 2006-1 Improv Area No.2 2016 Series A	2016	2046	5,505,000	5,055,000	-	85,000	88,622	4,970,000	4,970,000
Riverwalk Vista CFD 2006-1 Improv Area No.2 2016 Series B	2016	2031	1,275,000	790,000	-	75,000	17,347	715,000	715,000
Highlands CFD 2014-2 2016 Series A	2016	2046	1,800,000	1,740,000	-	10,000	28,438	1,730,000	1,730,000
Highlands CFD 2014-2 2016 Series B	2016	2031	810,000	530,000	-	50,000	11,413	480,000	480,000
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	-	50,000	4,590	220,000	220,000
Pomelo CFD 2015-2 Bonds Series 2022	2022	2053	4,805,000	4,805,000	-	85,000	105,450	4,720,000	4,720,000
Total Mello Roos and Assessment District Bonds			\$ 61,629,906	\$ 38,980,000	\$ -	\$ 2,435,000	\$ 917,593	\$ 36,545,000	\$ 36,545,000
Total			\$ 1,913,780,440	\$ 1,883,271,841	\$ 21,190,000	\$ 51,698,599	\$ 13,597,684	\$ 1,823,362,101	\$ 1,823,362,101

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

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

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

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

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

⁶ The Measure A bonds were refinanced in July 2023 for debt service savings, same final maturity.

ATTACHMENT 1

CASH AND INVESTMENT REPORT

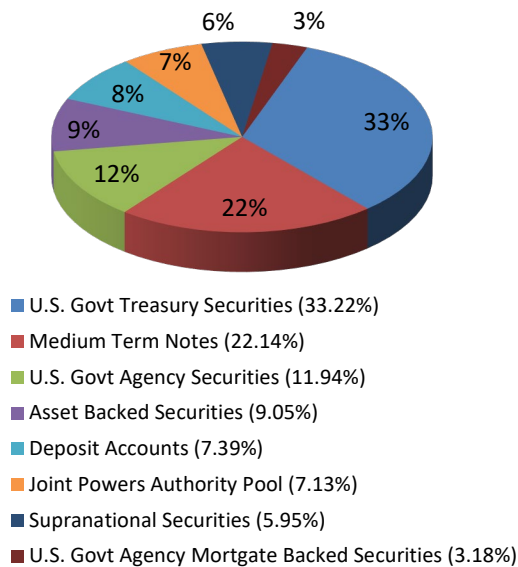




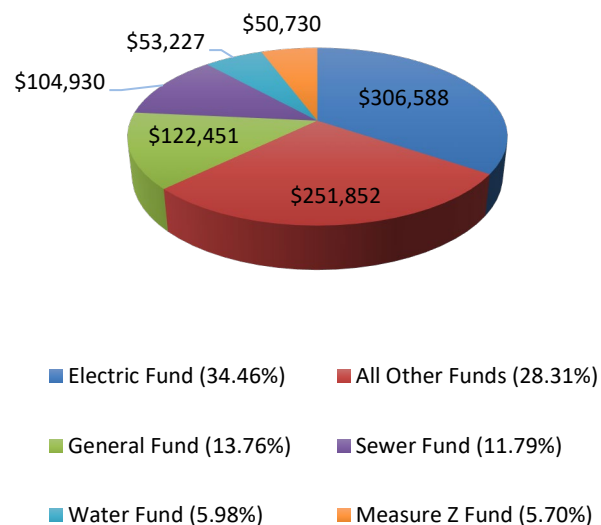
CITY OF RIVERSIDE Quarterly Investment Report September 30, 2023

	AMORTIZED COST	MARKET VALUE
POOLED INVESTMENT PORTFOLIO		
Deposit Accounts	\$ 65,762,119.09	\$ 65,762,119.09
Joint Powers Authority Pool	63,484,252.51	63,484,252.51
Medium Term Notes	208,068,887.03	196,959,427.52
U.S. Govt Agency Mortgage Backed Securities	29,869,788.08	28,252,810.27
Asset Backed Securities	81,789,522.61	80,536,374.75
Supranational Securities	55,884,851.95	52,983,814.19
U.S. Govt Agency Securities	112,263,680.60	106,200,615.45
U.S. Govt Treasury Securities	306,197,095.83	295,598,820.82
TOTAL POOLED INVESTMENT PORTFOLIO	923,320,197.70	889,778,234.60
INVESTMENTS HELD BY FISCAL AGENT -		
SECTION 115 PENSION TRUST FUND	34,167,295.92	33,584,606.79
OTHER INVESTMENTS HELD BY FISCAL AGENT	218,339,836.32	216,022,777.02
OTHER MISCELLANEOUS CASH	4,928,918.29	4,928,918.29
TOTAL CASH & INVESTMENTS	\$ 1,180,756,248.23	\$ 1,144,314,536.70


**COMPOSITION OF POOLED
PORTFOLIO**



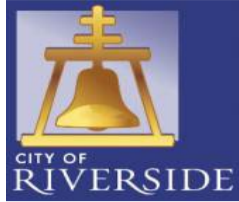
**COMPOSITION OF POOLED
PORTFOLIO BY FUND**



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 2.06 years. Market prices of securities are obtained from Interactive Data Corporation. Weighted average yield on cost for the City's investment portfolio is 2.69%. 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.

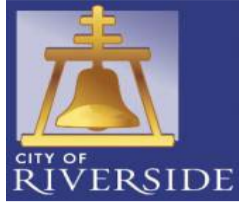
Verified by: 
Nancy Garcia, Controller

Approved by: 
Edward P. Enriquez, Assistant City Manager/CFO



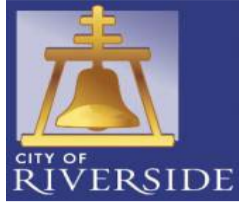
CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
September 30, 2023

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	60,435,782.42	60,435,782.42
Federated Investors Federated Treasury	N/A	Varies	AAA	Varies	5,326,336.67	5,326,336.67
SUBTOTAL DEPOSIT ACCOUNTS					65,762,119.09	65,762,119.09
<u>JOINT POWERS AUTHORITY POOL</u>						
California Asset Management Program (CAMP)	N/A	Varies	AAA	Varies	63,484,252.51	63,484,252.51
SUBTOTAL JOINT POWERS AUTHORITY POOL					63,484,252.51	63,484,252.51
<u>MEDIUM TERM NOTES</u>						
Amazon.com Inc	0.450	05/12/24	AA	05/10/21	3,649,663.70	3,548,093.08
John Deere Capital Corp	0.450	06/07/24	A	06/07/21	2,077,400.00	2,014,126.40
Salesforce.com Inc	0.625	07/15/24	A+	06/29/21	1,064,456.85	1,024,990.56
Royal Bank of Canada	2.250	11/01/24	A	02/06/20	3,037,950.00	2,912,010.00
John Deere Capital Corp	2.050	01/09/25	A	02/06/20	3,024,810.00	2,886,454.33
American Honda Finance	1.500	01/13/25	A-	Various	4,483,050.30	4,283,248.50
Toyota Motor Credit Corp	1.800	02/13/25	A+	05/05/21	2,072,840.00	1,905,408.00
JP Morgan Chase & Co	3.220	03/01/25	A-	08/18/20	3,238,920.00	2,968,696.00
Bank of America Corp	3.458	03/15/25	A-	04/23/20	5,263,900.00	4,940,929.44
Chubb INA Holdings Inc	3.150	03/15/25	A	Various	6,518,943.13	5,742,748.17
Royal Bank of Canada	3.375	04/14/25	A	04/14/22	1,497,420.00	1,470,667.88
Bank of Montreal	1.850	05/01/25	A-	08/12/21	5,162,100.00	4,731,036.67
Caterpillar Financial Service	3.400	05/13/25	A	05/10/22	2,736,520.20	2,684,929.65
Qualcomm Inc	3.450	05/20/25	A	Various	5,245,703.20	4,901,830.83
Morgan Stanley	0.790	05/30/25	A-	Various	7,461,656.65	7,190,260.23
Honeywell Intl	1.350	06/01/25	A	06/23/20	5,119,000.00	4,702,115.00
Royal Bank of Canada	1.150	06/10/25	A	Various	5,044,880.00	4,641,404.17
Northwestern Mutual Gbl	4.000	07/01/25	AA+	06/27/22	6,402,822.30	6,282,837.44
American Honda Finance	1.200	07/08/25	A-	06/22/21	2,017,540.00	1,858,121.33
Toronto Dominion Bank	0.750	09/11/25	A	09/15/20	4,986,850.00	4,552,658.33
National Rural Utilities	3.250	11/01/25	A-	04/14/22	2,994,000.00	2,902,724.00
Simon Property Group	3.300	01/15/26	A-	08/11/21	4,750,593.75	4,182,752.30
Goldman Sachs Group Inc	0.855	02/12/26	BBB+	06/18/21	4,334,706.25	4,059,491.41
Bank of America Corp	2.015	02/13/26	A-	03/04/21	2,066,760.00	1,887,239.33
JP Morgan Chase & Co	2.005	03/13/26	A-	03/12/21	3,086,490.00	2,828,023.50
Citigroup Inc	3.106	04/08/26	BBB+	Various	6,788,825.00	6,178,911.73
Mass Mutual Global funding	4.500	04/10/26	AA+	04/04/23	1,998,620.00	1,994,966.00
JP Morgan Chase & Co	2.083	04/22/26	A-	06/23/21	3,105,570.00	2,843,414.75
Guardian Life Glob Fun	1.250	05/13/26	AA+	02/09/22	2,307,168.00	2,139,966.40
United Health Group Inc	1.150	05/15/26	A+	Various	2,852,118.20	2,711,719.34
Toyota Motor Credit Corp	1.125	06/18/26	A+	Various	4,989,707.50	4,480,993.75
Bank of America Corp	1.319	06/19/26	A-	06/18/21	2,004,120.00	1,841,622.33
Met Tower Global Funding	1.250	09/14/26	AA-	09/07/21	2,927,304.40	2,583,203.08
Bank of Montreal	1.250	09/15/26	A-	Various	2,495,539.50	2,198,868.89
Wal-Mart Stores	1.050	09/17/26	AA	09/08/21	1,332,476.85	1,190,875.19
Morgan Stanley	6.138	10/16/26	A-	10/19/22	1,498,185.00	1,543,623.75
Metlife	1.875	01/11/27	AA-	01/03/22	4,240,160.70	3,780,480.97
Toronto-Dominion Bank	1.950	01/12/27	A	01/25/22	992,295.35	894,972.17
Charles Schwab Corp	2.450	03/03/27	A-	03/01/22	1,668,196.40	1,490,723.09
Goldman Sachs Group Inc	1.431	03/09/27	BBB+	Various	2,914,727.50	2,896,281.38



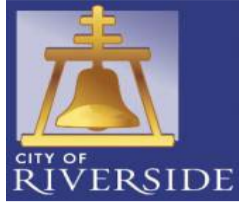
CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
September 30, 2023

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	**MARKET VALUE
Berkshire Hathaway	2.300	03/15/27	AA	03/07/22	4,924,064.25	4,522,904.39
Toyota Motor Credit Corp	3.050	03/22/27	A+	06/14/23	1,881,520.00	1,855,831.00
Amazon.com Inc	3.300	04/13/27	AA	04/25/22	2,994,810.00	2,868,903.00
Virginia Electric Power Corp	3.750	05/15/27	BBB+	Various	5,509,511.95	5,268,805.67
Qualcomm Inc	3.250	05/20/27	A	Various	4,754,650.00	4,723,256.94
Citigroup Inc	1.462	06/09/27	BBB+	06/21/22	1,753,880.00	1,776,964.89
Merck & Co	1.700	06/10/27	A+	06/23/22	3,966,221.40	3,902,880.76
Caterpillar Financial Service	3.600	08/12/27	A	Various	3,213,062.50	3,082,170.00
Wal-Mart Stores	3.950	09/09/27	AA	Various	2,495,938.60	2,418,414.72
Amazon.com Inc	4.550	12/01/27	AA	Various	3,027,460.00	2,983,427.00
Toronto-Dominion Bank	5.156	01/10/28	A	Various	3,980,080.00	3,950,368.00
John Deere Capital Corp	4.750	01/20/28	A	Various	7,069,150.00	6,938,533.39
Bank of America Corp	3.824	01/20/28	A-	Various	2,356,757.55	2,340,454.44
United Health Group Inc	5.250	02/15/28	A+	02/21/23	4,061,040.00	4,033,629.33
Comcast Corp	3.550	05/01/28	A-	Various	4,785,920.00	4,713,523.33
JP Morgan Chase & Co	3.540	05/01/28	A-	06/12/23	1,872,100.00	1,868,490.00
Apple Inc	4.000	05/10/28	AA+	05/08/23	1,571,960.25	1,537,005.75
Merck & Co	4.050	05/17/28	A+	Various	3,997,647.20	3,909,348.00
Bank of NY Mellon Corp	3.992	06/13/28	A	07/14/23	1,922,520.00	1,909,450.00
American Honda Finance	5.125	07/07/28	A-	09/22/23	998,142.60	1,006,300.71
Royal Bank of Canada	5.200	08/01/28	A	09/07/23	1,478,460.00	1,475,346.83
SUBTOTAL MEDIUM TERM NOTES					208,068,887.03	196,959,427.52
<u>U.S. GOVERNMENT AGENCY MORTGAGE BACKED SECURITIES</u>						
FHLMC - K041 A2	3.171	10/25/24	AAA	07/01/21	5,357,486.33	4,863,900.63
FHLMC - K047 A2	3.329	05/25/25	NR	05/20/22	5,028,906.25	4,843,050.83
FHLMC - K049 A2	3.010	07/25/25	NR	06/23/21	1,789,016.21	1,590,020.83
FHLMC - K059 A2	3.120	09/25/26	AAA	02/18/22	3,128,437.50	2,833,944.00
FHLMC - K073 A2	3.350	01/25/28	NR	05/24/23	5,156,267.97	4,993,775.98
FHLMC - K074 A2	3.600	01/25/28	NR	07/25/23	2,386,035.15	2,350,010.00
FHLMC - K077 A2	3.850	05/25/28	NR	05/24/23	7,023,638.67	6,778,108.00
SUBTOTAL U.S. GOVERNMENT AGENCY MORTGAGE BACKED SECURITIES					29,869,788.08	28,252,810.27
<u>ASSET BACKED SECURITIES</u>						
Toyota Auto Receivables Trust	0.440	10/15/24	AAA	07/21/20	33,296.67	33,234.16
Honda Auto Receivables Trust	0.370	10/18/24	AAA	09/22/20	252,483.26	250,440.50
Toyota Lease Owner Trust	0.420	10/21/24	NR	07/27/21	701,683.45	697,788.92
GM Financial Auto Lease Trust	0.390	10/21/24	AAA	04/18/22	515,796.76	527,899.72
John Deere Owner Trust	0.510	11/15/24	NR	07/14/20	22,763.63	22,722.38
Mercedes-Benz Auto Lease Trust	0.400	11/15/24	AAA	06/22/21	1,014,686.90	1,006,294.07
BMW Vehicle Lease Trust	0.330	12/26/24	NR	09/08/21	308,338.32	306,636.48
Hyundai Auto Lease Trust	1.160	01/15/25	AAA	01/11/22	1,570,044.88	1,553,619.75
Toyota Lease Owner Trust	1.960	02/20/25	AAA	02/23/22	4,194,870.22	4,144,193.62
GM Financial Auto Lease Trust	1.900	03/20/25	NR	02/15/22	2,967,730.09	2,931,583.30
BMW Vehicle Lease Trust	1.100	03/25/25	AAA	01/11/22	927,299.30	916,724.50
Honda Auto Receivables Trust	0.270	04/21/25	NR	02/17/21	314,495.97	308,926.58
Toyota Auto Receivables Owners	0.260	05/15/25	NR	02/02/21	1,159,456.41	1,139,792.05
GM Financial Auto Lease Trust	3.420	06/20/25	AAA	05/03/22	2,399,749.68	2,373,528.00
John Deere Owner Trust	0.360	09/15/25	NR	03/02/21	702,037.85	685,642.24
Hyundai Auto Receivables Trust	0.380	09/15/25	AAA	04/20/21	640,740.32	627,913.98
BMW Vehicle Lease Trust	5.160	11/25/25	AAA	02/07/23	894,978.70	888,205.16



CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
September 30, 2023

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	**MARKET VALUE
Hyundai Auto Receivables Trust	0.380	01/15/26	AAA	07/20/21	2,905,335.88	2,824,519.46
Honda Auto Receivables Trust	0.880	01/21/26	NR	11/16/21	1,499,677.50	1,441,880.12
John Deere Owner Trust	0.520	03/16/26	NR	07/13/21	1,627,835.18	1,572,780.64
Hyundai Auto Receivables Trust	0.740	05/15/26	AAA	11/09/21	1,070,845.07	1,035,457.63
Honda Auto Receivables Trust	1.880	05/15/26	AAA	02/15/22	2,814,576.62	2,718,182.48
BMW Vehicle Owner Trust	3.210	08/25/26	AAA	05/10/22	1,999,896.00	1,952,172.00
GM Financial Securitized Term	0.680	09/16/26	AAA	10/13/21	1,151,080.95	1,104,682.95
John Deere Owner Trust	2.320	09/16/26	NR	03/10/22	1,724,618.43	1,671,839.15
Hyundai Auto Receivables Trust	2.220	10/15/26	AAA	03/09/22	3,079,881.42	2,983,447.10
GM Financial Auto Receivables	1.260	11/16/26	AAA	01/11/22	1,129,484.18	1,092,114.10
GM Financial Securitized ART	3.100	02/16/27	AAA	04/05/22	1,674,649.93	1,630,377.44
John Deere Owner Trust	3.740	02/16/27	NR	07/12/22	2,689,743.11	2,622,992.70
Honda Auto Receivables Owner	5.040	04/21/27	NR	02/16/23	1,849,656.27	1,833,823.60
American Express Credit Trust	3.390	05/17/27	AAA	05/17/22	5,188,851.97	5,016,527.71
John Deere Owner Trust	5.090	06/15/27	NR	10/12/22	3,454,731.89	3,425,909.67
Verizon Master Trust	3.720	07/20/27	AAA	08/02/22	2,349,896.60	2,337,722.82
American Express Credit Trust	3.750	08/16/27	NR	10/28/22	3,868,125.00	3,878,066.00
Mercedes-Benz Auto Receivables	5.210	08/16/27	AAA	11/15/22	6,158,781.55	6,133,521.58
John Deere Owner Trust	5.010	11/15/27	NR	02/22/23	2,814,487.11	2,788,397.62
GM Auto Receivable Trust	4.470	02/16/28	AAA	04/04/23	1,549,957.38	1,518,224.25
BMW Vehicle Owner Trust	5.470	02/25/28	AAA	07/11/23	1,499,734.20	1,497,422.50
John Deere Owner Trust	5.180	03/15/28	NR	06/21/23	2,649,557.98	2,632,860.39
Chase Issuance Trust	5.160	09/15/28	AAA	09/07/23	8,417,665.98	8,408,307.43
SUBTOTAL ASSET BACKED SECURITIES					81,789,522.61	80,536,374.75
<u>SUPRANATIONAL SECURITIES</u>						
Inter-American Dev Bank	0.500	09/23/24	AAA	09/15/21	8,403,776.60	8,002,057.06
Intl. Bank Recon & Development	0.625	04/22/25	AAA	04/15/20	4,278,378.35	4,003,349.82
Inter-American Dev Bank	0.625	07/15/25	AAA	01/13/21	5,071,967.50	4,664,086.29
Intl. Bank Recon & Development	0.500	10/28/25	AAA	Various	9,994,372.85	9,121,800.02
Inter-American Dev Bank	0.875	04/20/26	AAA	04/13/21	9,342,016.70	8,505,064.23
Intl. Bank Recon & Development	3.500	07/12/28	AAA	Various	14,429,190.65	14,326,463.34
International Finance Corp	4.500	07/13/28	AAA	07/06/23	4,365,149.30	4,360,993.43
SUBTOTAL SUPRANATIONAL SECURITIES					55,884,851.95	52,983,814.19
<u>U.S. GOVERNMENT AGENCY SECURITIES</u>						
FHLB	2.750	12/13/24	AA+	02/06/20	5,281,300.00	4,885,745.00
FNMA	1.625	01/07/25	AA+	03/04/20	8,281,440.00	7,664,933.33
FHLMC	1.500	02/12/25	AA+	02/13/20	6,599,914.15	6,291,650.00
FHLB	2.375	03/14/25	AA+	03/19/20	6,346,620.00	5,760,315.17
FNMA	0.625	04/22/25	AA+	04/22/20	5,199,267.40	4,863,037.01
FHLB	0.500	06/13/25	AA+	06/29/20	5,007,400.00	4,627,210.00
FNMA	0.500	06/17/25	AA+	06/17/20	6,506,503.60	6,037,796.74
FHLMC	0.375	07/21/25	AA+	07/21/20	4,606,942.60	4,258,822.93
FNMA	0.375	08/25/25	AA+	Various	7,962,282.50	7,320,488.01
FHLMC	0.375	09/23/25	AA+	Various	7,970,197.55	7,294,754.67
FNMA	0.500	11/07/25	AA+	11/09/20	6,063,215.70	5,545,741.22
FHLB	4.500	12/12/25	AA+	02/03/23	7,592,925.00	7,506,420.00
FFCB	4.375	06/23/26	AA+	06/20/23	7,745,892.50	7,740,589.35
FHLB	4.500	03/10/28	AA+	Various	10,246,000.00	9,972,430.00
Tennessee Valley Authority	3.875	03/15/28	AA+	Various	10,325,114.60	9,958,773.58

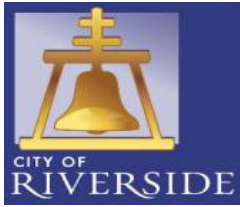


CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
September 30, 2023

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	**MARKET VALUE
FHLB	4.375	06/09/28	AA+	07/26/23	6,528,665.00	6,471,908.44
SUBTOTAL U.S. GOVERNMENT AGENCY SECURITIES					112,263,680.60	106,200,615.45
<u>U.S. GOVERNMENT TREASURY SECURITIES</u>						
US Treasury	2.000	04/30/24	AA+	Various	17,578,257.82	17,203,076.64
US Treasury	0.250	06/15/24	AA+	06/18/21	4,965,429.69	4,824,198.52
US Treasury	1.750	06/30/24	AA+	09/09/19	9,358,759.77	9,037,976.63
US Treasury	1.500	02/15/25	AA+	Various	15,947,968.76	15,705,323.04
US Treasury	1.125	02/28/25	AA+	03/24/20	6,177,656.25	5,669,184.63
US Treasury	1.750	03/15/25	AA+	05/04/22	4,827,539.06	4,758,536.15
US Treasury	2.750	05/15/25	AA+	Various	9,795,000.00	9,723,792.29
US Treasury	3.125	08/15/25	AA+	09/27/22	4,826,171.88	4,843,590.84
US Treasury	0.250	09/30/25	AA+	10/16/20	6,975,937.50	6,370,047.81
US Treasury	4.250	10/15/25	AA+	10/28/22	3,983,750.00	4,015,841.27
US Treasury	0.375	12/31/25	AA+	12/29/20	2,249,824.22	2,036,184.05
US Treasury	0.375	01/31/26	AA+	Various	8,625,488.28	7,882,234.45
US Treasury	4.000	02/15/26	AA+	02/16/23	7,425,585.94	7,379,817.72
US Treasury	0.750	03/31/26	AA+	03/30/21	3,969,843.75	3,617,269.97
US Treasury	0.750	05/31/26	AA+	Various	9,942,773.44	9,006,064.92
US Treasury	0.750	08/31/26	AA+	Various	5,170,878.90	4,678,520.36
US Treasury	1.125	10/31/26	AA+	Various	12,919,453.14	11,709,410.44
US Treasury	1.500	01/31/27	AA+	Various	15,585,117.20	14,898,149.87
US Treasury	2.750	04/30/27	AA+	Various	18,449,570.32	17,985,877.89
US Treasury	3.250	06/30/27	AA+	Various	20,141,015.63	19,166,606.30
US Treasury	4.125	09/30/27	AA+	Various	20,091,445.31	19,585,854.09
US Treasury	3.875	12/31/27	AA+	Various	20,147,968.81	19,579,455.98
US Treasury	3.625	03/31/28	AA+	Various	20,028,125.00	19,175,420.88
US Treasury	3.625	05/31/28	AA+	Various	26,998,242.19	26,692,060.37
US Treasury	4.125	07/31/28	AA+	Various	30,015,292.97	30,054,325.71
SUBTOTAL U.S. GOVERNMENT TREASURY SECURITIES					306,197,095.83	295,598,820.82
TOTAL POOLED CASH & INVESTMENTS					923,320,197.70	889,778,234.60

*The City uses S&P ratings

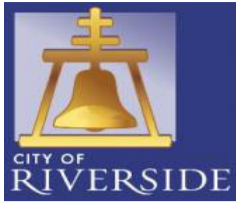
** Includes accrued interest



CITY OF RIVERSIDE
Investments held by Fiscal Agent
Section 115 Pension Trust Fund
September 30, 2023

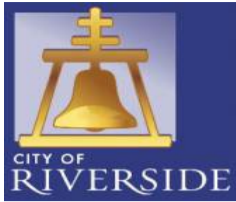
DESCRIPTION OF SECURITY	COST VALUE	MARKET VALUE
<u>CASH AND EQUIVALENTS</u>		
*Cash	74,982.44	74,982.44
First American Government Obligation Fund CL "Z"	1,238,546.32	1,238,546.32
SUBTOTAL CASH AND EQUIVALENTS	1,313,528.76	1,313,528.76
<u>MUTUAL FUNDS - EQUITY</u>		
Ishares Core - S P500 Etf	4,115,917.00	4,604,777.89
Ishares S P - 500 Growth Etf	1,616,334.53	1,812,172.12
Ishares S P - 500 Value Etf	1,930,488.83	2,079,916.80
Ishares - Russell Mid Cap Etf	1,785,396.84	1,788,381.25
Ishares - Russell 2000 Value Etf	1,159,116.47	1,110,425.60
Ishares - Russell 2000 Growth Etf	1,148,484.58	1,107,301.00
Ishares Core - Msci Eafe Etf	2,025,997.29	2,026,831.95
Vanguard Ftse - Emerging Markets Etf	1,185,955.69	1,111,603.50
Vanguard Real - Estate Etf	594,216.85	521,751.36
SUBTOTAL MUTUAL FUNDS - EQUITY	15,561,908.08	16,163,161.47
<u>MUTUAL FUNDS - FIXED INCOME</u>		
Ishares Core - U.S. Aggregate Bond Etf	15,159,333.90	14,072,051.56
Ishares Mbs - Etf	1,066,292.79	1,016,404.80
Ishares US - Treasury Bond Etf	1,066,232.39	1,019,460.20
SUBTOTAL MUTUAL FUNDS - FIXED INCOME	17,291,859.08	16,107,916.56
TOTAL ASSETS	34,167,295.92	33,584,606.79

* Includes accrued income



CITY OF RIVERSIDE
Investments Held by Fiscal Agent
September 30, 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	39,177.38	39,177.38
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	330,379.03	330,379.03
US Bank Gcts0170	N/A	Varies	NR	Varies	47,314,825.76	47,314,825.76
US Bank Gcts0185	N/A	Varies	NR	Varies	26,353,133.59	26,353,133.59
First American Government Obligation CL "Y"	N/A	Varies	AAA	Varies	74,789.24	74,789.24
First American Government Obligation CL "Z"	N/A	Varies	AAA	Varies	4,700,376.37	4,700,376.37
First American Treasury MMF Class "Z"	N/A	Varies	AAA	03/31/23	58,206,718.75	58,206,718.75
SUBTOTAL CASH & MONEY MARKET ACCOUNTS					148,290,964.12	148,290,964.12
LOCAL AGENCY INVESTMENT FUND (LAIF)	N/A	Varies	NR	Varies	1,277,830.56	1,288,546.54
<u>MEDIUM TERM NOTES</u>						
Charles Schwab Corp	0.750	03/18/24	A-	Various	601,166.80	585,808.72
Amazon.com Inc	0.450	05/12/24	AA	05/10/21	394,423.30	383,446.46
John Deere Capital Corp	0.450	06/07/24	A	06/07/21	369,537.50	358,282.12
Salesforce.com Inc	0.625	07/15/24	A+	06/29/21	94,951.55	91,431.09
American Honda Finance	1.500	01/13/25	A-	Various	695,744.40	666,283.10
Toyota Motor Credit Corp	1.800	02/13/25	A+	05/05/21	777,315.00	714,528.00
Chubb INA Holdings Inc	3.150	03/15/25	A	01/26/21	659,406.00	579,198.00
Caterpillar Financial Service	3.400	05/13/25	A	05/10/22	209,733.30	205,779.28
Morgan Stanley	0.790	05/30/25	A-	05/26/21	640,340.50	616,445.61
Honeywell Intl	1.350	06/01/25	A	06/10/21	717,066.00	658,296.10
Eli Lilly & Co	2.750	06/01/25	A+	06/10/21	699,166.00	628,857.24
PNC Bank	3.250	06/01/25	A	06/10/21	710,365.50	628,103.02
Royal Bank of Canada	1.150	06/10/25	A	02/22/21	607,344.00	556,968.50
Toronto Dominion Bank	0.750	09/11/25	A	02/10/21	650,292.50	591,845.58
Simon Property Group	3.300	01/15/26	A-	08/11/21	678,656.25	597,536.05
Goldman Sachs Group Inc	0.855	02/12/26	BBB+	06/18/21	619,243.75	579,927.35
Bank of America Corp	2.015	02/13/26	A-	03/04/21	620,028.00	566,171.80
JP Morgan Chase & Co	2.005	03/13/26	A-	03/12/21	617,298.00	565,604.70
Citigroup Inc	3.106	04/08/26	BBB+	06/18/21	669,075.00	605,775.67
United Health Group Inc	1.150	05/15/26	A+	Various	130,420.30	117,507.84
Wal-Mart Stores	1.050	09/17/26	AA	09/08/21	119,773.20	107,044.97
Target Corp	1.950	01/15/27	A	01/19/22	264,549.50	240,422.75
Virginia Electric Power Corp	3.750	05/15/27	BBB+	05/16/22	119,625.60	114,955.76
Merck & Co	4.050	05/17/28	A+	05/15/23	600,024.00	586,402.21
SUBTOTAL MEDIUM TERM NOTES					12,265,545.95	11,346,621.92
<u>ASSET BACKED SECURITIES</u>						
Mercedes-Benz Auto Lease Trust	0.400	11/15/24	AAA	06/22/21	94,025.03	93,247.33
BMW Vehicle Lease Trust	0.330	12/26/24	NR	09/08/21	28,461.97	28,304.88
GM Financial Auto Lease Trust	1.900	03/20/25	NR	02/15/22	255,554.54	252,441.90
BMW Vehicle Lease Trust	1.100	03/25/25	AAA	01/11/22	80,869.13	79,946.91
Honda Auto Receivables Trust	0.270	04/21/25	NR	02/17/21	34,789.38	34,173.29
Toyota Auto Receivables Owners	0.260	05/15/25	NR	02/02/21	130,071.69	127,865.70
Hyundai Auto Receivables Trust	0.380	09/15/25	AAA	04/20/21	71,676.06	70,241.24
John Deere Owner Trust	0.360	09/15/25	NR	03/02/21	77,764.17	75,948.06
Hyundai Auto Receivables Trust	0.380	01/15/26	AAA	07/20/21	268,042.66	260,586.64



CITY OF RIVERSIDE
Investments Held by Fiscal Agent
September 30, 2023

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	**MARKET VALUE
Honda Auto Receivables Trust	0.880	01/21/26	NR	11/16/21	132,828.59	127,709.38
John Deere Owner Trust	0.520	03/16/26	NR	07/13/21	151,340.68	146,222.23
Honda Auto Receivables Trust	1.880	05/15/26	AAA	02/15/22	244,963.15	236,573.61
Hyundai Auto Receivables Trust	0.740	05/15/26	AAA	11/09/21	94,234.37	91,120.27
BMW Vehicle Owner Trust	3.210	08/25/26	AAA	05/10/22	149,992.20	146,412.90
GM Financial Securitized Term	0.680	09/16/26	AAA	10/13/21	99,156.79	95,159.97
John Deere Owner Trust	2.320	09/16/26	NR	03/10/22	179,960.19	174,452.79
GM Financial Auto Receivables	1.260	11/16/26	AAA	01/11/22	99,077.56	95,799.48
GM Financial Securitized ART	3.100	02/16/27	AAA	04/05/22	139,970.75	136,270.36
John Deere Owner Trust	3.740	02/16/27	NR	07/12/22	184,982.33	180,391.69
Honda Auto Receivables Owner	5.040	04/21/27	NR	02/16/23	139,973.99	138,775.84
John Deere Owner Trust	5.090	06/15/27	NR	10/12/22	239,981.38	237,979.26
Verizon Master Trust	3.720	07/20/27	AAA	08/02/22	159,992.96	159,164.12
Mercedes-Benz Auto Receivables	5.210	08/16/27	AAA	11/15/22	414,917.91	413,216.14
SUBTOTAL ASSET BACKED SECURITIES					3,472,627.48	3,402,003.99
<u>SUPRANATIONAL SECURITIES</u>						
Inter-American Dev Bank	0.500	09/23/24	AAA	09/15/21	764,433.90	727,892.23
International Finance Corp	1.375	10/16/24	AAA	07/12/21	1,026,900.00	963,946.08
Intl. Bank Recon & Development	0.500	10/28/25	AAA	01/26/21	1,000,640.00	912,180.00
Inter-American Dev Bank	0.875	04/20/26	AAA	04/13/21	1,040,213.90	947,021.01
SUBTOTAL SUPRANATIONAL SECURITIES					3,832,187.80	3,551,039.32
<u>U.S. GOVERNMENT AGENCY SECURITIES</u>						
FHLB	4.500	10/03/24	AA+	10/27/22	799,128.00	809,020.80
FFCB	4.500	11/18/24	AA+	11/15/22	809,141.40	815,265.00
FFCB	1.750	02/14/25	AA+	02/10/22	603,384.65	577,258.17
FHLB	4.500	12/12/25	AA+	01/30/23	1,264,562.50	1,251,070.00
SUBTOTAL U.S. GOVERNMENT AGENCY SECURITIES					3,476,216.55	3,452,613.97
<u>U.S. GOVERNMENT TREASURY SECURITIES</u>						
US Treasury	0.500	11/30/23	AA+	01/30/23	1,448,203.13	1,490,629.99
US Treasury	0.125	02/15/24	AA+	02/23/21	822,679.69	809,147.34
US Treasury	0.250	05/15/24	AA+	05/18/21	1,870,458.99	1,816,931.80
US Treasury	3.250	08/31/24	AA+	09/30/22	1,703,341.53	1,698,425.04
US Treasury	0.375	09/15/24	AA+	09/29/21	1,990,312.50	1,906,189.68
US Treasury	3.000	07/15/25	AA+	09/30/22	247,159.51	242,507.67
US Treasury	3.125	08/15/25	AA+	08/25/22	1,241,503.90	1,210,897.71
US Treasury	4.250	10/15/25	AA+	Various	2,523,849.62	2,534,999.81
US Treasury	0.375	01/31/26	AA+	Various	1,724,482.43	1,576,446.90
US Treasury	4.000	02/15/26	AA+	09/06/23	7,404,702.04	7,404,417.11
US Treasury	0.750	03/31/26	AA+	05/18/21	2,194,070.32	1,989,498.48
US Treasury	0.750	05/31/26	AA+	06/23/21	3,232,099.61	2,926,971.10
US Treasury	4.375	08/15/26	AA+	09/06/23	200,867.63	200,619.46
US Treasury	1.500	01/31/27	AA+	03/30/22	765,312.50	722,334.54
US Treasury	3.250	06/30/27	AA+	Various	1,486,835.94	1,437,495.48
US Treasury	3.125	08/31/27	AA+	09/30/22	670,665.96	653,050.78
US Treasury	4.125	09/30/27	AA+	Various	2,533,158.21	2,472,714.07
US Treasury	3.875	12/31/27	AA+	01/30/23	1,007,656.26	978,972.80



CITY OF RIVERSIDE
Investments Held by Fiscal Agent
September 30, 2023

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	**MARKET VALUE
US Treasury	3.625	03/31/28	AA+	05/25/23	987,265.62	958,771.04
US Treasury	4.125	07/31/28	AA+	08/30/23	719,392.58	714,406.10
US Treasury	3.125	08/31/29	AA+	09/30/22	189,730.51	184,844.88
SUBTOTAL U.S. GOVERNMENT TREASURY SECURITIES					34,963,748.48	33,930,271.78
<u>INVESTMENT CONTRACTS</u>						
Trinity Plus	0.047	10/01/29	NR	05/14/08	6,411,744.65	6,411,744.65
Trinity Plus	0.047	10/01/35	NR	05/14/08	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					218,339,836.32	216,022,777.02

*The City uses S&P ratings

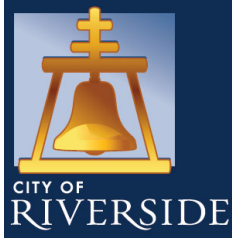
**Includes accrued interest

**City of Riverside
Cash Balances by Fund
As of September 30, 2023**

Fund	Cash Balance ¹	Interfund Loan Receivables ²	Cash Balance + Loan Receivables	
General Fund	101	122,450,659	-	122,450,659
Measure Z	110	50,729,721	-	50,729,721
Pension Trust	115	6,533,972	-	6,533,972
Enterprise Funds				
Electric	510	275,917,771	2,002,899	277,920,670
Electric - Public Benefits Program	511	30,670,249	-	30,670,249
Water	520	49,524,486	-	49,524,486
Water - Conservation & Reclamation Program	521	3,703,086	-	3,703,086
Airport	530	1,765,114	-	1,765,114
Refuse Collection	540	15,611,835	-	15,611,835
Sewer Service	550	104,929,972	1,130,944	106,060,916
Special Transit	560	782,001	-	782,001
Public Parking	570	7,407,456	-	7,407,456
Civic Entertainment (Convention Center, Visitors Bureau, Sports Commission)	580	(298,813)	-	(298,813)
Civic Entertainment (Fox, Box, RMA, Showcase)	581	3,546,690	-	3,546,690
Civic Entertainment (Cheech Marin Center)	582	(3,210,447)	-	(3,210,447)
SubTotal - Enterprise Funds		490,349,400	3,133,843	493,483,243
Special Revenue Funds				
Urban Areas Security Initiative	205	(1,357,537)	-	(1,357,537)
Grants and Restricted Programs	215	43,555,927	-	43,555,927
Community Development Block Grant	220	(576,874)	-	(576,874)
Home Investment Partnership Program	221	1,059,481	-	1,059,481
Housing Opportunities for Persons with AIDS	222	(2,029,341)	-	(2,029,341)
Community Development Grants	223	17,163,625	-	17,163,625
Neighborhood Stabilization Program	225	63,112	-	63,112
Special Gas Tax	230	29,106,927	-	29,106,927
Air Quality Improvement	240	1,988,654	-	1,988,654
NPDES Storm Drain	260	74,135	-	74,135
Housing Authority	280	315,241	-	315,241
Housing Assets	281	8,652,874	-	8,652,874
Special Districts	Various	(67,250)	-	(67,250)
SubTotal - Special Revenue Funds		97,948,974	-	97,948,974
Capital Projects Funds				
Capital Outlay	401	13,571,853	-	13,571,853
Storm Drain	410	774,795	-	774,795
Local Park Special Capital Improvements	411	2,133,769	-	2,133,769
Regional Park Special Capital Improvements	413	4,481,781	-	4,481,781
Measure Z Capital Outlay	420	29,480,626	-	29,480,626
Capital Outlay Grants	430	786,039	-	786,039
Transportation Projects	431	109	-	109
Measure A Capital Outlay	432	34,701,618	-	34,701,618
Transportation Development Impact Fees	433	8,091,520	-	8,091,520
Transportation Uniform Mitigation Fees	434	(2,439,237)	-	(2,439,237)
Community Facilities Districts and Assessment Districts	Various	2,142,065	-	2,142,065
SubTotal - Capital Project Funds		93,724,938	-	93,724,938
Debt Service Funds				
Debt Service Fund - General	390	(16,483,541)	-	(16,483,541)
Debt Service Fund - Public Works	391	864,785	-	864,785
SubTotal Debt Service Funds		(15,618,756)	-	(15,618,756)
Agency Funds				
Successor Agency	Various	20,623,101	-	20,623,101
Community Facilities Districts and Assessment Districts	Various	702,267	-	702,267
Special Deposits	Various	(19,430,096)	-	(19,430,096)
SubTotal Agency Funds		1,895,272	-	1,895,272
Internal Service Funds				
Workers' Compensation Insurance Trust	610	22,773,904	-	22,773,904
Unemployment Insurance Trust	620	395,940	-	395,940
Liability Insurance Trust	630	4,789,723	-	4,789,723
Parada Settlement Fund	631	3,054,253	-	3,054,253
Central Stores	640	(636,018)	-	(636,018)
Central Garage	650	11,386,253	-	11,386,253
SubTotal - Internal Service Funds		41,764,055	-	41,764,055
Total - All Funds \$ 889,778,235 \$ 3,133,843 \$ 892,912,078				

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.



Cash and Investments Debt Administration Report FY 2023/24 First Quarter Update

Finance Department

City Council
January 16, 2024

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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. December 19, 2023, the City Council received and provided input on the Fiscal Year 2022/23 Fourth Quarter 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 Q1

1. Pooled Investment Portfolio - \$890 million
2. Investments held by fiscal agent - \$254 million
3. Weighted average yield of pooled investment portfolio – 2.69%
4. No fund's cash balance is currently a concern



4

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4

DEBT SUMMARY ANALYSIS – FIRST QUARTER

Principal Balance decreased \$30,508,599 due to Debt Service Principal Payments and Measure A Refunding – July 1 through September 30, 2023

- a. General Obligation Bonds (\$1,640,000)
- b. Certificates of Participation (\$2,035,000)
- c. Capital Leases (\$1,375,109)
- d. Interfund Loans (\$745,985)
- e. Private Placement Loans (\$537,505)
- f. Enterprise Revenue Bonds (\$11,460,000)
- g. Tax Allocation Bonds (\$10,280,000)
- h. Mello Roos and Assessment District Bonds (\$2,435,000)



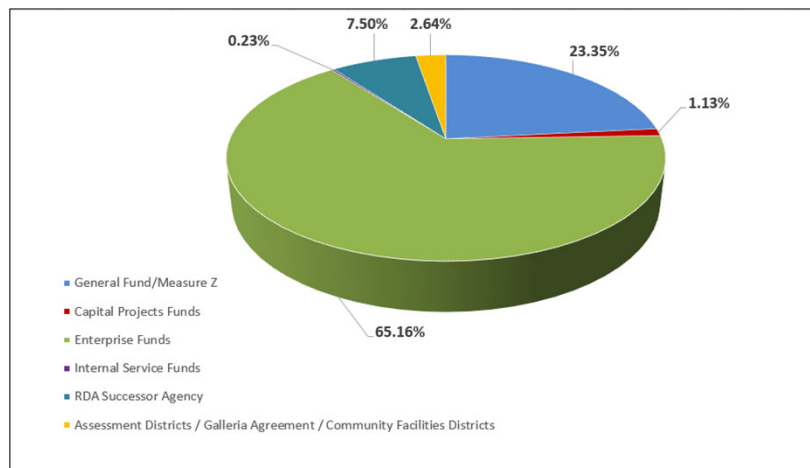
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5

DEBT SUMMARY ANALYSIS – FIRST QUARTER

Debt Portfolio composition

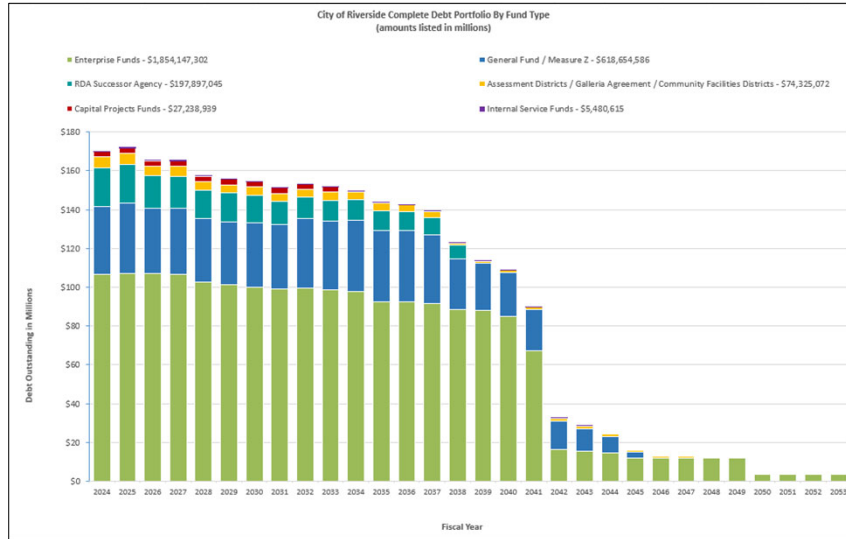


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DEBT SUMMARY ANALYSIS – FIRST QUARTER



7

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DEBT ACTIVITIES – FIRST QUARTER

1. Finalized refunding of the 2013 Measure A Certificates of Participation to achieve debt service savings
2. Coordination of the Auto Center, Arlington, and Downtown Business Improvement District annual levies
3. Completion and submission of levies for all Fiscal Year 2024 Community Facilities Districts, Assessment Districts, and General Obligation Bonds with County of Riverside
4. Began process for a plan of finance for the 2023 Refunding Electric Revenue Bonds



8

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8

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 2023/24 First Quarter Cash, Investments, and Debt Report.



10

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10