



City Council Memorandum

City of Arts & Innovation

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

FROM: FINANCE DEPARTMENT WARDS: ALL

SUBJECT: FISCAL YEAR 2022/23 SECOND QUARTER FINANCIAL UPDATE AND MID-CYCLE BUDGET ADJUSTMENTS – \$46,502,618 SUPPLEMENTAL APPROPRIATION

ISSUE:

Receive and provide input on the Fiscal Year 2022/23 Second Quarter Financial Update; approve mid-cycle budget adjustments totaling \$46,502,618.

RECOMMENDATIONS:

That the City Council:

1. Receive and provide input on the Fiscal Year 2022/23 Second Quarter Financial Update; and
2. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record mid-cycle budget adjustments resulting in total supplemental appropriations of \$46,502,618 for all City funds as detailed in Attachment 1.

COMMITTEE RECOMMENDATION:

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

On April 14, 2023, the Financial Performance and Budget Committee will hear this item for consideration to recommend to City Council to approve mid-cycle budget adjustments resulting in total supplemental appropriations of \$46,502,618 for all City funds.

If the Committee approves to forward this to City Council, we respectfully request the City Council consider the item at the April 18, 2023, City Council meeting.

BACKGROUND:

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

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

DISCUSSION:

Throughout the fiscal year, City departments and the Budget Office monitor and analyze all City funds for potential issues that require attention and mitigating action. For the second-quarter report, City departments analyzed the financial status of all funds and appropriations under their purview. The results of the City’s major funds and areas of concern in other funds (if any) are included in this report. This update spans the period of July through December 2022.

General Fund

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

Adopted Budget: The adopted FY 2022/23 budget for the General Fund projected a \$4.96 million surplus; however, it is important to note the adopted budget did not include the impact of personnel increases resulting from labor negotiations for Memorandums of Understanding (MOU). As of the compilation of this report, labor negotiations are ongoing with the last labor group, Fire Management.

Revenues: FY 2022/23 General Fund revenues recorded through December 2022 were reviewed in the context of FY 2021/22 actual results and performance-to-date. Second quarter analysis reveals that General Fund revenue projections may exceed revenue estimates by approximately \$14.4 million, largely due to higher collections of Property Tax, Sales Tax, and Transient Occupancy Tax.

UPDATED REVENUE PROJECTIONS

(in millions)	Adopted Budget	Updated Projection	\$ Change	% Change
Property Taxes	\$ 79.28	\$ 80.78	\$ 1.50	1.9%
Sales Tax	83.51	94.44	10.93	13.1%
Utility Users Tax	32.80	33.10	0.30	0.9%
Transient Occupancy Tax	7.10	8.41	1.31	18.5%
Franchise Fees	5.72	5.72	-	0.0%
Licenses & Non-Developer Permits	8.98	9.48	0.50	5.6%
Non-Development Charges for Services	10.03	10.03	-	0.0%
Development Fees & Charges	6.80	6.80	-	0.0%
General Fund Transfer	50.81	50.50	(0.31)	-0.6%
Measure Z Transfer	18.27	18.27	-	0.0%
Other Revenues & Transfers In	7.33	7.51	0.18	2.5%
Total Revenues & Transfers In	\$ 310.63	\$ 325.04	\$ 14.41	4.6%

Explanation of Significant Projection Adjustments:

- *Property Tax:* Property tax revenue reflects activity occurring 18-24 months prior to the

current period, as property sales and transfers activity make their way onto the County's tax assessment rolls. In the summer of 2021, Riverside saw median price increases, likely due to low interest rates, high demand, and limited properties for sale.

- *Sales Tax:* FY 2021/22 sales tax revenue continued to experience exceptional results, posting a growth rate of 16.0% over the prior year. Based on fiscal year performance to date, the higher sales tax base is expected to stabilize, providing a new baseline for revised FY 2022/23 projections. The City's sales tax consultant, HdL, projects sales tax revenue will come within 4.1% of prior year actuals, which is 13.1% more than the amount budgeted.
- *Utility Users Tax:* In the prior year, utility users tax on natural gas brought in \$1.4 million through January. An increase in natural gas prices has resulted in 30% (\$386,000) higher utility users tax collected through January 2023 for natural gas, as compared to the same period last year. An adjustment of \$300,000 for the category on the whole is recommended, due to slight decreases in other line items.
- *Transient Occupancy Tax:* Collections in FY 2021/22 were 50.9% higher than those for FY 2020/21. Second-quarter results are tracking about 5% behind last year's pace, and 18.4% higher than original projections.
- *Licenses & Non-Developer Permits:* Business License revenue is trending 5% higher than the prior year, attributable to positive business growth and the ongoing amnesty program to bring businesses in compliance with business license regulations.
- *General Fund Transfer:* The adjustment is based on FY 2021/22 actual revenue receipts.
- *Other Revenues & Transfers In:* The updated projection includes revenues offsetting supplementals appropriations approved by Council through the second quarter.

Expenditures: The amended budget presented in the table below reflects encumbrances and carryovers of \$9.8 million carried forward from FY 2021/22 as provided for in the Riverside Municipal Code as well as supplemental appropriations approved by Council through the second quarter.

EXPENDITURE PROJECTIONS

(in millions)	Adopted Budget	Amended Budget	Projection	Over / (Under) Budget	% Variance
Personnel	\$ 217.56	\$ 234.47	\$ 224.47	\$ (10.00)	-4.3%
CalPERS UAL – Safety	11.16	11.16	11.16	-	0.0%
CalPERS UAL – Miscellaneous	5.05	5.05	5.05	-	0.0%
Non-Personnel Costs	57.35	66.26	67.02	0.76	1.1%
Special Projects	7.14	8.56	8.56	-	0.0%
Minor Capital & Grants	0.42	1.04	1.04	-	0.0%
Debt Service	32.94	32.94	32.94	-	0.0%
Charges To/From	(17.90)	(17.93)	(17.93)	-	0.0%
Cost Allocation Plan	(21.65)	(21.65)	(21.65)	-	0.0%
Operating Transfers	0.89	0.89	1.14	0.25	28.1%
Special Districts Fund Subsidy	1.40	1.40	1.40	-	0.0%
Convention Center Fund Subsidy	6.00	6.00	6.00	-	0.0%
Entertainment Fund Subsidy	4.32	4.32	4.32	-	0.0%
Cheech Marin Center Fund Subsidy	0.99	0.99	0.99	-	0.0%
Total Expenditures & Transfers Out	\$ 305.67	\$ 333.50	\$ 324.51	\$ (8.99)	-2.7%

Explanation of Significant Items:

- *Personnel:* Projected MOU impacts of nearly \$17 million were recorded as of second quarter-end, inclusive of \$9.8 million in one-time stipends. This projected increase is offset by anticipated personnel savings of at least \$10 million due to the average 18% vacancy rate General Fund departments experienced for the fiscal year to date.
- *Non-Personnel:* The Amended Budget includes \$7.69 million of prior year encumbrances and carryovers. Non-personnel expenses fluctuate during the fiscal year and unexpended funds are often carried over at fiscal year-end. To date, non-personnel spending is trending slightly higher than the prior year in which \$2 million in non-personnel savings was returned to fund balance. These potential savings are expected to be partially offset by an increase in utility and fuel costs. (Refer to Attachment 1 for more details.)
- *Operating Transfers:* The Parks Special Capital Improvement Fund may require an unbudgeted General Fund subsidy of \$245,000 at fiscal year-end if revenues do not improve. Residential development impact fees and aquatic facility fees are recorded in this fund and are intended to cover debt service for park improvements made as part of the Riverside Renaissance. Revenues are currently trending at just 33% of prior year revenue collections and may fall short of the amount required to cover the fund’s debt obligations.

During the first two quarters of FY 2022/23, the City Council approved the following supplemental appropriations in the General Fund, totaling approximately \$18 million:

- Economic and Fiscal Impact Analysis of the University of California, Riverside Campus: \$220,000.
- Specialized Legal Assistance in Support of the Riverside Alive Project: \$218,350.
- Novation Agreement between the City of Riverside through its Riverside Public Library and Columbia Telecommunications Corporation for the provision, installation, and maintenance of advanced network services, fully offset by corresponding revenues: \$57,350.
- Emergency Air Support (Corona) – As-needed emergency air support services to the City of Corona, fully offset by corresponding revenues: \$120,000
- Revisions to various MOUs and the Unrepresented Employee’s Compensation and Benefits Package: \$16,831,963
- Park and Recreation Donation for exercise equipment repair costs at Hunt Park: \$500
- Covid-19 Pandemic After Action Report: \$134,981
- Fire Emergency Medical System Optimization Plan: \$41,082
- Fireworks at Mt. Rubidoux: \$66,500
- Parks Facility Rental Cleaning (fully offset by deposits): \$47,082
- Contracted Grant Writing Pool: \$150,000
- Police Service Dog (fully offset by donated funds): \$45,000
- Housing and Urban Development Annual Action Plan – General Fund Impact: \$72,467

Summary: As of the second quarter end, the General Fund appears poised to end the fiscal year with a net gain of approximately \$23 million, largely attributable to strong sales tax performance and significant personnel savings due to a high vacancy rate.

Mid-cycle Budget Adjustments:

Staff recommends \$21.07 million in General Fund supplemental appropriations. These items are fully described in Attachment 1. The most significant supplemental appropriations are as follows:

- Streets Projects: Based on the positive performance of the General Fund to date, staff recommends allocating \$10 million of projected savings toward street improvement projects. This one-time allocation will supplement current year Measure Z funding of \$15.9 million, for a total investment of \$25.9 million from general revenues sources in FY 2022/23.
- Miscellaneous Capital and Infrastructure: A total allocation of \$2.6 million from projected General Fund Savings is recommended to address miscellaneous capital needs, including median maintenance, City Hall infrastructure, and generators at the City’s fire stations and Magnolia police station.
- Parks, Recreation and Community Services Department: The department has experienced costs outside of its control related to vandalism, theft, and other emergencies. To date, these events have resulted in increased costs of \$338,599. Staff recommends a supplemental appropriation of \$700,000 to reimburse past events and to address future events as they arise.
- Water Costs: Water costs for the City’s parks and landscape are trending 18% higher than the previous fiscal year with 75% of the budget expended to date. A total increase of \$725,000 is recommended to bring the budget in line with projected costs.

- Fuel Costs: The cost of fuel for the City's vehicles has continued to outpace projections, with the Police and Fire Departments expected to exceed the current budget by \$640,000 combined. A mid-cycle adjustment is requested to accommodate the increased costs.
- Animal Control: Costs related to the animal services contract with the County of Riverside are projected to be over budget by approximately \$800,000 due to continued cost increases implemented by the County Board of Supervisors. Costs associated with a one-year extension are being discussed between City and County leadership.
- Use of Infrastructure Reserve - \$5 million one-time subsidy to the Refuse Fund – Capital Outlay: The solid waste program is experiencing significant vehicle maintenance issues that are impacting the timeliness and quality of service to City residents. Refuse Fund user rates are insufficient to cover ongoing operating costs and capital needs. Therefore, staff recommends utilizing \$5 million of the General Fund's \$20.6 million Infrastructure Reserve to provide funding for vehicle replacement in the Refuse Fund.
- Use of Infrastructure Reserve - \$2 million interfund loan to the Parking Fund – Capital Outlay: Parking Garages 1 & 2, previously categorized as surplus properties, will be operated for several more years. They require an estimated \$1.2 million of urgent and significant maintenance as described in structural engineering reports from 2016 and 2022. Additionally, the Parking Access Revenue Control Systems (PARCS) and LED lighting will be installed. The Parking Fund has insufficient reserves and user rate revenue to support these capital investments; the amount is expected to be repaid to the General Fund from future Parking Fund revenues.

Measure Z

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

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

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

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

MEASURE Z – NEW ALLOCATIONS IN ADOPTED BUDGET

Spending Item	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	Total
#25 - RPD Headquarters (Increase)	\$ -	\$1,237,977	\$1,282,282	\$1,318,087	\$1,345,392	\$5,183,738
#28 - Annual Deferred Maintenance	500,000	500,000	500,000	500,000	500,000	2,500,000
#29 - Maximize Roads/Streets	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	40,000,000
#30 - Tree Trimming	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	12,500,000
#39 - Public Safety & Engagement Team Program (PSET) – Urban	412,269	1,834,571	1,681,847	1,922,940	2,194,920	8,046,547
#48 - Office of Homeless Solutions Expansion	157,307	162,479	168,518	174,961	181,727	844,992
#49 - PSET – Wildlands	5,859,685	4,633,429	4,750,315	4,853,583	4,865,277	24,962,289
#50 - Public Safety Enterprise Communication System Radios	343,438	343,438	343,438	343,438	-	1,373,752
#51 - Office of Sustainability	391,293	398,636	418,127	423,994	430,050	2,062,100
#52 - Sidewalk Repair	600,000	600,000	600,000	600,000	600,000	3,000,000
Total New Allocations	\$18,763,992	\$20,210,530	\$20,244,527	\$20,637,003	\$20,617,366	\$100,473,418

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

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

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

Summary: The following table incorporates revised revenue projections and the fiscal impact of MOUs approved by the City Council through the second quarter. MOU impacts that will result from ongoing labor negotiations with the Fire and Fire Management labor groups are not included in the projections.

MEASURE Z SPENDING PLAN

(in millions)	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected
Revenue	\$ 84.43	\$ 84.45	\$ 86.69	\$ 88.42	\$ 90.17
Expenditures	(89.55)	(90.80)	(90.16)	(92.42)	(93.53)
Encumbrances & Carryovers	(32.43)	-	-	-	-
Net Change in Fund Balance	\$ (37.55)	\$ (6.35)	\$ (3.47)	\$ (4.00)	\$ (3.36)
Beginning Unallocated Fund Reserves	\$ 91.39	\$ 53.84	\$ 47.49	\$ 44.02	\$ 40.02
Net Change in Fund Balance	(37.55)	(6.35)	(3.47)	(4.00)	(3.36)
Ending Unallocated Fund Reserves	\$ 53.84	\$ 47.49	\$ 44.02	\$ 40.02	\$ 36.66

Mid-cycle Budget Adjustments:

Following the updates to the spending plan, available unallocated reserves through FY 2026/27 total \$36.66 million. Recommendations for the use of surplus unallocated reserves were scheduled for BEC discussion in February and again in March, but those BEC meetings were canceled due to lack of quorum. In lieu of BEC discussion, staff will engage the Financial Performance and Budget Committee and will return to Council with recommendations on this topic. One use of unallocated reserves is recommended as a mid-cycle adjustment in this report:

1. Staff recommends allocating \$140,000 in one-time funding for the replacement of up to five Police Service Dogs (PSDs). Within the past year, the K9 Trust fund has been used to purchase three PSDs and provide training for five PSD and Handler teams. The Police Department has experienced an increase in the cost to purchase the PSDs, as well as increased training costs and the cost of other standard equipment over the years. Due to these reasons, expenditures have outpaced donations and the K9 Trust Fund has been depleted.

Electric Fund

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

Revenues: As of the end of the second quarter, Electric operating revenues are at 57.9% of budgeted projections. With the summer season at the beginning of the fiscal year, projected retail sales were expected to be at 54.0% of total budget through December 2022. Retail sales are at 56.5% of total budget through December 2022 and 4.6% higher than expected. Residential consumption is 15.7% higher than projections, while commercial/industrial consumption is 1.6% lower than projected. Projected revenue for the fiscal year remains unchanged.

Expenditures: Electric operating expenditures are 50.3% of the total budget at the end of the second quarter. Personnel savings are anticipated due to a vacancy rate of nearly 20%. Power Supply costs are trending 9% over budget due to significantly higher-than-expected increases in market energy and natural gas prices. This increase is expected to be offset by the increase in retail sales and savings in other operating budget line items.

Water Fund

The FY 2022/23 adopted budget for the Water Fund projected an operating gain of \$5.0 million. The amended budget, inclusive of \$3.3 million of encumbrances and unexpended funds carried forward from FY 2021/22 and \$2.4 million resulting from approved MOUs, projects a near break-even for the fund.

Revenues: Total operating revenues for the Water Fund are 54.2% of budgeted projections as of second quarter end. With the summer season at the beginning of the fiscal year, projected retail sales were expected to be at 56.7% of the total budget through December 2022. Actual retail sales are at 54.2% of the total budget. Residential consumption is 5.9% lower than projected; consumption in the other categories combined is 3.5% lower than anticipated. Projected revenue for the fiscal year remains unchanged.

Expenditures: Water Fund operating expenditures are 44.7% of budget at the end of the second quarter. Personnel savings are anticipated due to a 10% vacancy rate. Non-personnel expenditures are trending slightly behind last year's spending pace; however, it is important to note some expenditures vary in their timing throughout the fiscal year. Overall, water expenditures are projected to remain within the budgeted appropriation limit at fiscal year-end.

Sewer Fund

The FY 2022/23 adopted budget projects a net operating gain of \$2.3 million. Quarter 2 analysis projects a slightly higher operating gain due to high-performing revenues.

Revenues: At the end of the second quarter, 53.8% of projected revenues have been recorded. Based on an analysis of performance to date, the Sewer Fund is on track to exceed revenue projections, primarily due to higher than anticipated sewer connection fees from two large housing developments.

Expenditures: Operating expenditures are 47.7% of total budget at the end of the second quarter. Personnel savings are anticipated due to a vacancy rate of nearly 19%, partially offset by overtime costs. The vacancies require staff to work overtime to cover shifts and manage an increased workload. Inflation is impacting the cost of construction materials, chemicals, and fuel, thereby resulting in increased contract costs. Staff will continue to monitor operating expenditures and rebalance spending as necessary to remain within the adopted appropriations limit without impacting operations.

Refuse Fund

The adopted budget for the Refuse fund projected a draw on fund reserves of approximately \$1.4 million due to a decline of recycling revenues precipitated by a reduction in industry demand, rising recycling costs, increased tonnage, and anticipated increases in parking fines assessed for street sweeping; updated projections present a net operating loss of \$1.5 million. On February 7, 2023, the City Council approved an allocation of \$2 million in American Rescue Plan Act (ARPA) revenue replacement funds, which will offset the projected loss.

Revenues: The Solid Waste rate plan adopted by City Council in September 2020 included a Year 3 increase in rates effective July 1, 2022. As of the end of the second quarter, service revenues are 50.6% of projections and total revenues are 50.1% of projections. Street sweeping

finances are 39.1% of budget due to vacancies; however, the revenue shortfall has been offset by slightly higher revenues in other categories.

Expenditures: Operating expenditures are 40.3% of total budget at second quarter end. As of mid-January, Burrtec Waste Industries is no longer providing additional route services. With a vacancy rate exceeding 18%, the Refuse Fund continues to experience high turnover and staffing shortages despite enhanced recruitment and hiring efforts. Overtime costs are anticipated to be over-budget as Street Sweeping staff are assisting with routes. An aging fleet and related maintenance costs are also placing pressure on fund finances. With user rates insufficient to support operating costs and capital needs, staff recommends utilizing \$5 million from the General Fund's Infrastructure Reserve to purchase refuse and street sweeping vehicles.

Mid-cycle Budget Adjustment:

Capital Outlay: The solid waste program is experiencing significant vehicle maintenance issues that are impacting the timeliness and quality of service to City residents. Refuse Fund user rates are insufficient to cover ongoing operating costs and capital needs. Therefore, staff recommends utilizing \$5 million of the General Fund's \$20.6 million Infrastructure Reserve to provide funding for vehicle replacement in the Refuse Fund.

Utility Account Delinquencies

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

In August 2022, Riverside Public Utilities (RPU) resumed shutoffs for non-payment along with issuing 48-hour tag notifications. RPU approved the RESTART program, which allows for eighteen-month payment arrangements for residential customers who signed up by August 2022. RPU continues to offer standard twelve-month arrangements for customers with delinquent payments. As of the close of the second quarter, the combined delinquent accounts receivable for the four utilities is \$28.4 million, which is \$1.8 million less than at the close of the first quarter. Of the current \$28.4 million delinquent accounts receivable, \$3.8 million will be paid under the RESTART program and \$5.8 million will be repaid under the standard installment program. The balance of \$18.8 million is delinquent without an installment plan.

Public Parking Fund

Parking Fund reserves at the beginning of FY 2022/23 total \$3.1 million. On July 19, 2022, the City Council engaged staff in a discussion of the impacts of the Parking Ecosystem Sustainability Plan (PESP) on the Public Parking Program and ultimately directed staff to reinstate the parking program rates and hours of operation in place prior to July 1, 2022. On September 6, the City Council directed staff to bring back the amended parking rates and hours scheduled by the end of March 2023. On February 7, 2023, the City Council approved an allocation of \$1.5 million in ARPA revenue replacement funds, which will help to maintain fund reserves while rate increases are reconsidered.

Revenues: Downtown parking utilization is mixed. There was a 15% increase between August and September during the weekdays as workers returned to the office; however, there was a 27% decline during weeknights, likely attributable to reduced discretionary spending on entertainment

and dining being reported by downtown businesses. The second quarter has remained relatively flat since September, with a very slight upward trend. Parking revenue during the Festival of Lights was on par with revenues collected in 2019 for the event.

Expenditures: As of the second quarter end, expenditures are 33.1% of total budget. Due to the financial status of the Public Parking Fund, some capital projects will be deferred to FY 2023/24.

Mid-cycle Budget Adjustments:

- Mid-cycle budget adjustments include the restatement of revenue projections to reflect the rescinded rate increase as well as balancing measures to offset the revenue loss.
- Capital Outlay - \$2 million interfund loan from the General Fund: Parking Garages 1 & 2, previously categorized as surplus properties, will be operated for several more years. They require an estimated \$1.2 million of urgent and significant maintenance as described in structural engineering reports from 2016 and 2022. Additionally, the Parking Access Revenue Control Systems (PARCS) and LED lighting will be installed. The Parking Fund has insufficient reserves and user rate revenue to support these capital investments; the amount is expected to be repaid to the General Fund from future Parking Fund revenues.

STRATEGIC PLAN ALIGNMENT:

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

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

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

FISCAL IMPACT:

The total fiscal impact of the recommended mid-cycle budget adjustments is summarized by fund in the following table. Sufficient resources are available in the respective funds to accommodate the recommendations.

MID-CYCLE BUDGET ADJUSTMENTS

Fund	Revenue	Expenditures	Net Impact to Fund Reserves
101 - General Fund	\$14,230,000	\$23,020,803	\$(8,790,803)
110 - Measure Z Fund	7,631,000	140,000	7,491,000
215 - Grants and Restricted Programs	-	2,338,176	(2,338,176)
401 - General Capital Fund	12,835,000	12,835,000	-
520 – Water	-	1,448,425	(1,448,425)
540 – Refuse	5,000,000	5,000,000	-
570 – Public Parking	(590,983)	1,510,000	(2,100,983)
742 - Hunter Business Park Assessment District	-	40,682	(40,682)
745 - Riverwalk Assessment District	-	14,923	(14,923)
746 - Riverwalk Bus. Assessment District	-	5,975	(5,975)
756 - CFD-Riverwalk Vista	-	69,729	(69,729)
758 - CFD Sycamore Canyon 92-1	-	15,938	(15,938)
759 - CFD 2006-1-RW Vista Area #2	-	11,980	(11,980)
760 - CFD 2014-2 Highlands	-	13,493	(13,493)
762 - CFD 2015-1 Orangecrest Grove	-	37,494	(37,494)
Citywide Total	\$39,105,017	\$46,502,618	\$(7,397,601)

The General Fund and Measure Z are both performing better than expected, buoyed by high sales tax revenue. The General Fund is also expected to see significant personnel savings due to a high vacancy rate through the second quarter. Mid-cycle adjustments leverage the good news by allocating additional funding to street projects and other critical needs. In the General Fund, \$7 million of the \$20.6 million Infrastructure Reserve is recommended to fund the purchase of Refuse vehicles, as user rates in the Refuse Fund are insufficient to support the solid waste program for City customers. The outcome of this action is the use of general tax dollars to support a rate-payer service. An additional \$2 million from the Infrastructure Reserve is recommended to fund critical needs for Parking Garages 1 and 2 as the Public Parking Fund reserves and user rates are insufficient to fund these needs. This amount will be structured as an interfund fund loan, repayable to the General Fund from future parking revenues. Approximately \$13.6 million will remain in the General Infrastructure Reserve following these allocations.

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

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

The Refuse Fund continues to experience staffing shortages and increased maintenance costs for an aging fleet. These challenges are being addressed through escalated hiring measures and vehicle replacement strategies, including a \$5 million transfer from the General Fund for the purchase of new vehicles.

The Public Parking Fund continues to be closely monitored as a fund with ongoing financial concerns that may ultimately impact the General Fund if financial stability is not achieved later this fiscal year. If the Public Parking Fund exhausts its reserves, a General Fund subsidy will be necessary to pay Public Parking Fund debt obligations and sustain parking operations. In the current fiscal year, ARPA funding will help to maintain fund reserves while rate increases are reconsidered. A \$2 million interfund loan from the General Fund, repayable from future rate revenue, will allow staff to address critical structural and maintenance needs at Garages 1 and 2.

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

Attachments:

1. Mid-cycle Budget Adjustments
2. Fiscal Update
3. Measure Z Spending Plan
4. Measure Z Accomplishments
5. Presentation

Proposed FY 2022/23 Mid-cycle Budget Adjustments

Description	Increase/ (Decrease)
101 - General Fund	
Revenues & Transfers In	
Property Taxes	
Property tax revenue reflects activity occurring 18-24 months prior to the current period, as property sales and transfers activity make their way onto the County's tax assessment rolls. In the summer of 2021, Riverside saw median price increases, likely due to low interest rates, high demand, and limited properties for sale.	\$ 1,500,000
Sales Tax	
FY 2021/22 sales tax revenue continued to experience exceptional results, posting a growth rate of 16.0% over the prior year. Based on fiscal year performance to date, the higher sales tax base is expected to stabilize, providing a new baseline for revised FY 2022/23 projections. The City's sales tax consultant, HdL, projects sales tax revenue will come within 2.3% of prior year actuals, which is 13.1% more than the amount budgeted.	10,930,000
Utility Users Tax	
An increase in natural gas prices has resulted in 30% higher utility users tax collected to date for natural gas, as compared to the same period last year.	300,000
Transient Occupancy Tax	
Collections in FY 2021/22 were 50.9% higher than those for FY 2020/21. Second-quarter results are tracking about 5% behind last year's pace, and 18.4% higher than original projections.	1,310,000
Licenses & Non-Developer Permits	
Business License revenue is trending 5% higher than the prior year, attributable to positive business growth and the ongoing amnesty program to bring businesses in compliance with business license regulations.	500,000
General Fund Transfer	
The adjustment is based on FY 2021/22 actual revenue receipts.	(310,000)
Total Revenues & Transfers In	\$ 14,230,000

Expenditures & Transfers Out

Non-personnel Expenses

Water costs are trending 18% higher than the previous fiscal year with 75% of the budget expended to date.	
Public Works Department	\$ 85,000
Parks, Recreation and Community Services Department	640,000
The increase in natural gas prices are resulting higher costs than anticipated.	
Parks, Recreation and Community Services Department	120,000
The cost of contracted refuse services is higher than projected.	
Police Department	20,000
Parks, Recreation and Community Services Department	90,000
The cost of fuel for City vehicles is higher than projected.	
Police Department	470,000
Fire Department	170,000
Fire Department: In 2016, the Fire Department received grant funding to purchase 25 LifePak 15 portable monitor defibrillators, which included a 5-year maintenance and service agreement. The agreement expired January 3, 2023. The cost renew the maintenance agreement is \$60,000.	60,000

Proposed FY 2022/23 Mid-cycle Budget Adjustments

Description	Increase/ (Decrease)
Parks, Recreation and Community Services Department: The department has experienced costs outside of its control, including vandalism, theft, and other emergencies. To date, these events have resulted in increased costs of \$338,599. Staff recommends a total budget increase of \$700,000 to address past and future events as they arise.	700,000
On January 5, 2021, City Council approved a \$25,000 supplemental appropriation to the Northside Heritage Meadows Project and on December 14, 2021, City Council approved the carryover of an additional \$104,868.94 to the Northside Heritage Meadows Project for its construction located at 895 and 900 Clark. The unexpended appropriations were not carried over from FY 2021/22 to FY 2022/23 and therefore need to be reappropriated in FY 2022/23 in the total amount of \$129,868.94.	129,869
Supplemental request to cover unexpectedly high costs of publication associated with paper and printing of the Explore Riverside magazine. The Explore Riverside magazine includes the Park and Recreation Activity Guide and is a key City newsletter published three times per year.	25,000
Supplemental request to cover Common Area Maintenance (CAM) expenses associated with The Office of the City Attorney's lease at 3750 University Avenue, Suite 200, prorated to cover eight of twelve months. The CAM is an annual expense that will increase 3% each fiscal year effective July 1.	20,148
Fire Department: Internal process issues resulted in unpaid invoices from prior fiscal years being paid from current year budget, and resulting in insufficient funds for current year expenditures.	99,500
Fire Department: Numerous broken appliances at the City's fire stations need replacement, but insufficient funds exist in the budget: (2) dishwashers; (2) ice machines; (1) electric range; (2) Sub-Zero Refrigerators	51,500
Subtotal Non-personnel Expenses	\$ 2,681,017

Special Programs

Animal Control: Costs related to the animal services contract with the County of Riverside (Object 450319) are projected to be \$738,025 over budget due to continued cost increases by the County Board of Supervisors. This deficit is at the bare minimum of service levels and does not include any unforeseen events, after hours calls, etc. Staff is working on a one-year extension to the contract and will be requesting an additional appropriation when the item goes before the City Council. Costs associated with the one-year extension are still being discussed between City and County leadership.	\$ 800,000
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Charges to Others

A supplemental appropriation of \$210,214 in the Community Facility and Assessment District Funds is recommended to reimburse the General Fund for administration costs associated with managing each district's debt.

CFD 92-1 Sycamore	(15,938)
CFD 2006-1 Riverwalk IA1	(69,729)
CFD 2006-1 Riverwalk IA2	(11,980)
CFD 2014-2 Highlands	(13,493)
CFD 2015-1 Orangecrest	(37,494)
Hunter Park AD	(40,682)
Riverwalk Business Center Assessment District	(5,975)
Riverwalk Assessment District	(14,923)

Subtotal Charges to Others	\$ (210,214)
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Capital Projects

Public Works Department: Allocate \$10 million of the projected General Fund net gain toward Street Projects.	\$ 10,000,000
Public Works Department: Allocate \$1.7 million of the projected General Fund net gain toward median improvement projects.	1,700,000

Proposed FY 2022/23 Mid-cycle Budget Adjustments

Description	Increase/ (Decrease)
Innovation and Technology Department: Allocate \$300,000 of the projected General Fund net gain toward a new transfer switch at City Hall.	300,000
Police Department and Fire Department: Allocate \$550,000 of the projected General Fund net gain toward the repair of Magnolia Police Station generator (\$50,000) and the replacement of five Fire Station location generators (\$500,000).	550,000
Museum Department: Allocate \$200,000 of the projected General Fund net gain toward Heritage House improvements. Vandalism at the Heritage House has caused severe damage to both HVAC units. The fencing needs to be replaced and extended. Both HVAC units will require a full replacement. To help mitigate future occurrences of vandalism, a wireless detection unit providing real-time awareness of perimeter breaches will be installed along the perimeter fence and security cameras will be installed in strategic locations to monitor the area.	200,000
Subtotal Capital Projects	\$ 12,750,000
Infrastructure Reserve	
Refuse Fund - The solid waste program is experiencing significant vehicle maintenance issues that are impacting the timeliness and quality of service to City residents. The Refuse Fund user rates are insufficient to cover ongoing operating costs and capital needs; without a rate increase, fund reserves are expected to be fully depleted within two years. Therefore, staff recommends utilizing General Fund infrastructure reserves to provide funding for vehicle replacement.	5,000,000
Public Parking Fund - \$2 million interfund loan. Parking Garages 1 & 2, previously categorized as surplus properties, will be operated for several more years. They require an estimated \$1.2 million of urgent and significant maintenance as described in structural engineering reports from 2016 and 2022. Additionally, the Parking Access Revenue Control Systems (PARCS) and LED lighting will be installed. The Parking Fund has insufficient reserves and user rate revenue to support these capital investments. The amount is expected to be repaid to the General Fund from future Parking Fund revenues.	2,000,000
Subtotal Infrastructure Reserve	\$ 7,000,000
Total Expenditures & Transfers Out	\$ 23,020,803
Net Impact to General Fund	\$ (8,790,803)
110 - Measure Z Fund	
Revenues & Transfers In	
Taxes	
Increase in Transaction and Use Tax projections based on updated revenue trends.	\$ 7,631,000
Total Revenues & Transfers In	\$ 7,631,000
Expenditures & Transfers Out	
Non-Personnel	
Police Department: One-Time allocation for the replacement of up to five Police Service Dogs.	\$ 140,000
Total Expenditures & Transfers Out	\$ 140,000
Net Impact to Measure Z Fund	\$ 7,491,000

Proposed FY 2022/23 Mid-cycle Budget Adjustments

Description	Increase/ (Decrease)
215 - Grants and Restricted Programs	
Revenues & Transfers In	
Total Revenues & Transfers In	\$ -
Expenditures & Transfers Out	
Non-personnel Expenses	
On August 3, 2021, City Council approved a lease agreement with the County of Riverside to facilitate building renovations of a city-owned property located at 2800 Hulen Place and authorized a corresponding supplemental appropriation in the Grants and Restricted Programs Fund. The appropriation was not carried over from FY 2021/22 to FY 2022/23 and therefore needs to be reappropriated in FY 2022/23 in the amount of \$2,338,176.	\$ 2,338,176
Total Expenditures & Transfers Out	\$ 2,338,176
Net Impact to Grants and Restricted Programs	\$ (2,338,176)
401 - General Capital Fund	
Revenues & Transfers In	
Operating Transfers In	
Transfer from General Fund, for Public Works Street Projects	\$ 10,000,000
Transfer from General Fund, for Public Works Median Projects	1,785,000
Transfer from General Fund, for Innovation and Technology's Transfer Switch Project	300,000
Transfer from General Fund, for Police and Fire Departments' Generator Projects	550,000
Transfer from General Fund, for Museum's Heritage House Project	200,000
Total Revenues & Transfers In	\$ 12,835,000
Expenditures & Transfers Out	
Capital Outlay	
Public Works Street Projects	\$ 10,000,000
Public Works Median Projects	1,785,000
Innovation and Technology Transfer Switch Project	300,000
Police and Fire Departments' Generator Projects	550,000
Museum Heritage House Project	200,000
Total Expenditures & Transfers Out	\$ 12,835,000
Net Impact to General Capital Fund	\$ -

Proposed FY 2022/23 Mid-cycle Budget Adjustments

Description	Increase/ (Decrease)
520 - Water	
Revenues & Transfers In	
Total Revenues & Transfers In	\$ -
Expenditures & Transfers Out	
Personnel	
The compounded fiscal impact of the Memorandums of Understanding (MOUs) for IBEW and IBEW Supervisory adopted on July 5, 2022, is approximately \$3.6 million. The recommended action presented in the staff report inadvertently combined the needed supplemental appropriation for the Water Fund with that presented for the Electric Fund. Therefore, staff recommends Council formally approve a supplemental appropriation from the Water Fund's cash reserves in the amount of \$1,448,425.	\$ 1,448,425
Total Expenditures & Transfers Out	\$ 1,448,425
Net Impact to Water	\$ (1,448,425)
540 - Refuse	
Revenues & Transfers In	
Transfers In	
Refuse Fund - Public Works Department: The solid waste program is experiencing significant vehicle maintenance issues that are impacting the timeliness and quality of service to City residents. The Refuse Fund user rates are insufficient to cover ongoing operating costs and capital needs; without a rate increase, fund reserves are expected to be fully depleted within two years. Therefore, staff recommends utilizing General Fund infrastructure reserves to provide funding for vehicle replacement.	\$ 5,000,000
Total Revenues & Transfers In	\$ 5,000,000
Expenditures & Transfers Out	
Equipment Outlay	
Refuse Fund - Public Works Department: The solid waste program is experiencing significant vehicle maintenance issues that are impacting the timeliness and quality of service to City residents. The Refuse Fund user rates are insufficient to cover ongoing operating costs and capital needs; without a rate increase, fund reserves are expected to be fully depleted within two years. Therefore, staff recommends utilizing General Fund infrastructure reserves to provide funding for vehicle replacement.	\$ 5,000,000
Total Expenditures & Transfers Out	\$ 5,000,000
Net Impact to Refuse	\$ -

Proposed FY 2022/23 Mid-cycle Budget Adjustments

Description	Increase/ (Decrease)
570 - Public Parking	
Revenues & Transfers In	
Operating Revenue	
Adjust revenue projections to reflect City Council's July 19, 2022 roll-back of rate increases.	
Monthly Rentals Parking Lots	\$ (39,852)
Garage 1 - 3743 Orange	(333,356)
Garage 2 - 3851 Orange	(222,026)
Garage 3 - 3750 Market	(564,994)
Garage 4 - 3750 University	(56,160)
Terrace 6 - 3901 Orange	(92,665)
Garage 7 - Fox Ent Plaza	(614,861)
Metered Parking Zone	(628,200)
Parking Fines	(336,016)
Parking Fines-Street Sweeping	297,147
Interfund Transfer	
Capital Outlay - \$2 million interfund loan from the General Fund: Parking Garages 1 & 2, previously categorized as surplus properties, will be operated for several more years. They require an estimated \$1.2 million of urgent and significant maintenance as described in structural engineering reports from 2016 and 2022. Additionally, the Parking Access Revenue Control Systems (PARCS) and LED lighting will be installed. The Parking Fund has insufficient reserves and user rate revenue to support these capital investments; the amount is expected to be repaid to the General Fund from future Parking Fund revenues.	\$ 2,000,000
Total Revenues & Transfers In	\$ (590,983)
Expenditures & Transfers Out	
Capital Outlay	
Garage 1 & 2 Deferred Maintenance (Interfund loan from General Fund)	\$ 2,000,000
Delay Garage 3 Deferred Maintenance due to rescinded rate increase	(300,000)
Delay LED Lighting Upgrades in the Garages due to rescinded rate increase	(190,000)
Total Expenditures & Transfers Out	\$ 1,510,000
Net Impact to Public Parking	\$ (2,100,983)
742 - Hunter Business Park Assmt Dist	
Revenues & Transfers In	
Total Revenues & Transfers In	\$ -
Expenditures & Transfers Out	
Charges to/from Others	
Reimburse the General Fund for administration costs associated with managing the district's debt.	\$ 40,682
Total Expenditures & Transfers Out	\$ 40,682
Net Impact to Hunter Business Park Assmt Dist	\$ (40,682)
745 - Riverwalk Assessment District	

Proposed FY 2022/23 Mid-cycle Budget Adjustments

Description	Increase/ (Decrease)
Revenues & Transfers In	
Total Revenues & Transfers In	\$ -
Expenditures & Transfers Out	
Charges to/from Others	
Reimburse the General Fund for administration costs associated with managing the district's debt.	\$ 14,923
Total Expenditures & Transfers Out	\$ 14,923
Net Impact to Riverwalk Assessment District	\$ (14,923)

746 - Riverwalk Bus. Assmt. Dist.	
Revenues & Transfers In	
Total Revenues & Transfers In	\$ -
Expenditures & Transfers Out	
Charges to/from Others	
Reimburse the General Fund for administration costs associated with managing the district's debt.	\$ 5,975
Total Expenditures & Transfers Out	\$ 5,975
Net Impact to Riverwalk Bus. Assmt. Dist.	\$ (5,975)

756 - CFD-Riverwalk Vista	
Revenues & Transfers In	
Total Revenues & Transfers In	\$ -
Expenditures & Transfers Out	
Charges to/from Others	
Reimburse the General Fund for administration costs associated with managing the district's debt.	\$ 69,729
Total Expenditures & Transfers Out	\$ 69,729
Net Impact to CFD-Riverwalk Vista	\$ (69,729)

758 - CFD Syc. Canyon 92-1	
Revenues & Transfers In	
Total Revenues & Transfers In	\$ -
Expenditures & Transfers Out	
Charges to/from Others	
Reimburse the General Fund for administration costs associated with managing the district's debt.	\$ 15,938
Total Expenditures & Transfers Out	\$ 15,938
Net Impact to CFD Syc. Canyon 92-1	\$ (15,938)

759 - CFD 2006-1-RW Vista Area #2	
Revenues & Transfers In	

Proposed FY 2022/23 Mid-cycle Budget Adjustments

Description	Increase/ (Decrease)
Total Revenues & Transfers In	\$ -
Expenditures & Transfers Out	
Charges to/from Others	
Reimburse the General Fund for administration costs associated with managing the district's debt.	\$ 11,980
Total Expenditures & Transfers Out	\$ 11,980
Net Impact to CFD 2006-1-RW Vista Area #2	\$ (11,980)

760 - CFD 2014-2 Highlands	
Revenues & Transfers In	
Total Revenues & Transfers In	\$ -
Expenditures & Transfers Out	
Charges to/from Others	
Reimburse the General Fund for administration costs associated with managing the district's debt.	\$ 13,493
Total Expenditures & Transfers Out	\$ 13,493
Net Impact to CFD 2014-2 Highlands	\$ (13,493)

762 - CFD 2015-1 Orangecrest Grove	
Revenues & Transfers In	
Total Revenues & Transfers In	\$ -
Expenditures & Transfers Out	
Charges from Others	
Reimburse the General Fund for administration costs associated with managing the district's debt.	\$ 37,494
Total Expenditures & Transfers Out	\$ 37,494
Net Impact to CFD 2015-1 Orangecrest Grove	\$ (37,494)

CITYWIDE BUDGET ADJUSTMENTS	
Revenues & Transfers In (sum of Fund tables above)	\$ 39,105,017
Expenditures & Transfers Out (sum of Fund tables above)	46,502,618
Surplus / (Deficit)	\$ (7,397,601)

CITY OF RIVERSIDE FISCAL UPDATE



2022 Festival of Lights

EXECUTIVE SUMMARY

The closure of Fiscal Year (FY) 2021/22 presented good news for the General Fund and Measure Z in the form of extraordinary gains in sales tax revenue. The strong performance resulted in surplus reserves in the General Fund, allowing the City to employ some long-term fiscal strategies such as increasing funding in the Section 115 Pension Trust for the long-term management of rising retirement costs and the Infrastructure Reserve to address critical infrastructure needs. The increased resources in the Measure Z Fund presents the opportunity to fund new spending initiatives.

The FY 2021/22 results provided a new basis for revenue projections in FY 2022/23. Although sales tax growth has slowed in the current fiscal year, the gains from the previous three years are intact, and General Fund and Measure Z revenues are expected to exceed budgeted revenue estimates. The Public Parking and Refuse Funds are burdened by rising costs and aging infrastructure, with current user rates unable to sustain the respective funds' operations and capital needs. In other news, recent and projected CalPERS investment losses are expected to significantly increase the City's required UAL contribution and retirement costs, casting on a pall on the positive revenue results.

One of the most widely watched and often-cited economic outlooks for California and the nation, the UCLA Anderson Forecast, anticipates the U.S. economy is likely to muddle along with below-trend growth and continued high inflation over the next 12 months. In its December 2022 update, the panel cited "a lot of uncertainty", followed by a 54% chance of recession in calendar quarter two of 2023, and a 46% chance of a recession occurring after twelve months. The outcome is highly dependent upon the actions of the Federal Reserve, the panel stated, citing a likely recession if interest rates were to increase above 5%. It also noted that historically, a recession followed interest hikes 75% of the time, and this series of interest hikes is occurring at the fastest pace since 1983. As of February 2023, the rate is 4.75%, with the Fed signaling more increases to come.

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Interim Assistant City Manager/Chief
Financial Officer/City Treasurer
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Assistant Chief Financial Officer
Kristie Thomas



ECONOMIC INDICATORS

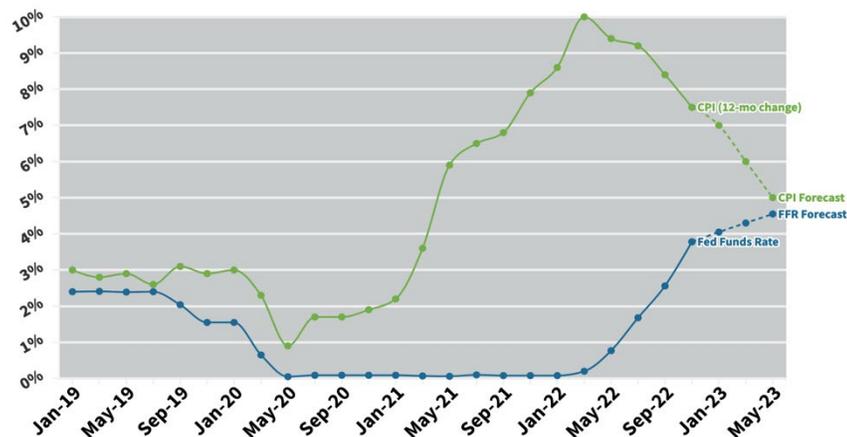
INFLATION & THE FEDERAL RESERVE

The major factor that is continuing to trouble the economy is the growth rate of inflation, as measured by the Consumer Price Index, or CPI. The CPI has been rising at a rapid rate after the influx of trillions of dollars by the Federal government since the COVID onset in March 2020. Coupled with very low interest rates guided by the Federal Reserve (Fed) over the past two years, the American consumer is facing inflation growth rates that have not been seen in forty years. In an effort to battle this inflationary spike, the **Fed has ratcheted up interest rates 4.5% since March 2022**, the fastest pace since the early 1980s. This has implications across the economic spectrum, but the main goal of this action is to slow a superheated economy and lessen demand in an effort to slow the growth rate of inflation.

The localized CPI in the Riverside area is hovering around 7% as compared to last January when it neared 10%. While we are seeing the beginning of a “cooling” effect on inflation, the Fed has repeatedly stated that the rate increases are not over. As Fed Governor Waller stated on February 8, “we could be seeing interest rates higher for longer”. Bottom line: **higher inflation & higher interest rates are here to stay.**

The continued upward pressure on interest rates, or the cost of money, leads to a “squeezing” effect on all other areas of the economy. Credit is prevalent in all areas of the economy and is essential for further growth. By raising rates, this has the effect of slamming on the brakes on economic output by raising the cost of doing business and creating higher barriers for businesses and consumers to continue their current spending pace.

Riverside CPI & Fed Funds Rate



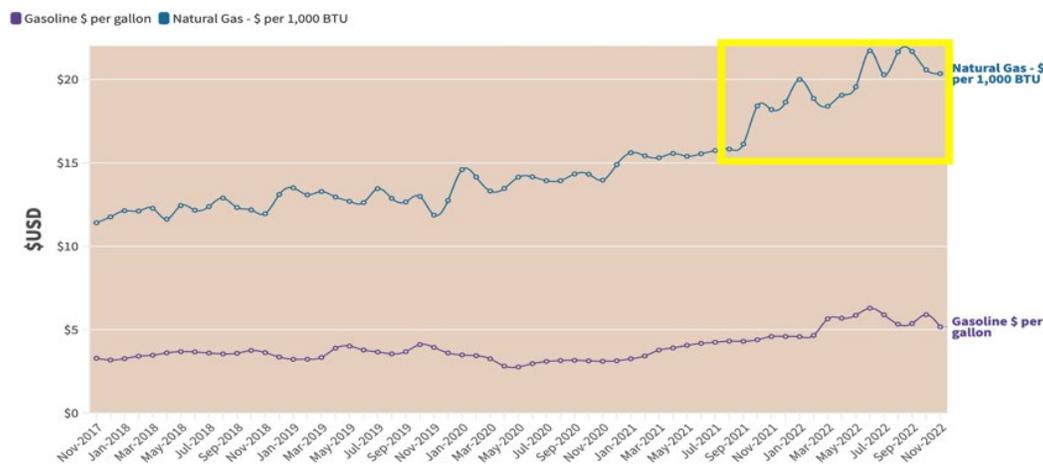
Source: U.S. Bureau of Labor Statistics



Energy is another headwind facing the economy now. The Ukraine conflict has continued to exert pressure on the energy markets as financial and economic sanctions take a bite out of the Russian energy supply chain. The additional effect of the sanctions is to create more scarcity, not just in the oil markets (of which Russia is the number 3 global supplier), but also as in the natural gas markets. Natural gas has seen a meteoric rise in the prices, both on the wholesale and the retail levels, not experienced in a decade. While the United States is the top global producer of natural gas (23%), Russia is a close second (17%)¹, and there is upward pricing pressure on supply chains for those countries looking to supplant their Russian supplies with other less volatile and stable sources.

This scramble for additional supply has the American natural gas market, as well as the **California retail consumer seeing a tripling of monthly gas bills as compared to 2022 prices**. The good news is that the California Public Utilities Commission (CPUC) has released the

California Monthly Energy Prices



Source U.S. Energy Information Agency

annual natural gas climate credit two months early² and this should appear on consumers bills in the next one or two billing cycles. This will give some much-needed temporary relief that will ease the pain caused by the global squeeze on natural gas.

Gasoline prices, as pictured in purple in the accompanying graph, continue their modest decline as oil prices have retreated from their highs north of \$100 per barrel and are forecasted to continue to moderate. However, any step up in the Ukraine conflict could erase these savings and we could see prices north of \$5 per gallon rather quickly.

¹ Statista: <https://www.statista.com/statistics/265363/top-producing-countries-of-natural-gas/>

² CPUC: <https://www.cpuc.ca.gov/news-and-updates/all-news/cpuc-accelerates-climate-credit-to-provide-utility-bill-support-to-customers-2023>

MEASURE Z SPENDING PLAN

Spending Items	Projected ¹ FY 2022/23	Amended FY 2023/24	Projected FY 2024/25	Projected FY 2025/26	Projected FY 2026/27
REVENUE					
Transaction & Use Tax	\$ 84,133,000	\$ 84,158,000	\$ 86,387,000	\$ 88,114,740	\$ 89,877,035
Interest Earnings	300,000	300,000	300,000	300,000	300,000
Total Revenues	\$ 84,433,000	\$ 84,458,000	\$ 86,687,000	\$ 88,414,740	\$ 90,177,035

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	12,401,044	12,571,908	12,759,841	13,046,043	13,187,971
6	Public Safety Non-Sworn Positions and Recruitment Costs	1,046,237	1,017,879	1,039,791	1,060,873	1,081,113
7	Police Officer Lateral Hire Incentives and Recruitment Costs	353,144	200,000	200,000	200,000	200,000
8	Additional Dispatchers	1,339,469	1,317,294	1,358,706	1,400,708	1,408,224
9	Maintain Firefighter Staffing Level	1,634,656	1,653,509	1,660,800	1,687,445	1,709,809
10	Reinstatement of Captains (Training and Arson)	663,850	668,704	671,393	681,698	689,725
11	Reinstatement of Battalion Chief	386,537	388,115	388,299	393,771	397,567
12	Police Vehicle Replacement and Maintenance Plan	3,476,517	2,269,017	2,314,398	2,360,686	2,407,899
14	Fire Vehicle Replacement and Maintenance Plan	5,713,436	4,458,395	3,214,900	5,656,200	6,500,590
16	Additional Fleet Mechanics for Police Department	256,722	255,481	256,833	258,535	259,795
17	Additional Fleet Mechanics for Fire Department	271,430	260,443	261,493	262,872	263,748
18	General Fund Support - Maintain Existing Services	18,266,026	18,266,026	18,266,026	18,266,026	18,266,026
19	General Plan Update	4,619,453	-	-	-	-
20	Homeless Services	1,580,444	500,000	500,000	500,000	500,000
21	Principal Analyst - City Manager's Office	218,528	219,364	220,226	222,346	222,783
22	Budget Engagement Commission Support	27,343	31,536	27,352	32,215	28,090
23	New Downtown Main Library	2,742,130	2,738,750	2,737,000	2,736,630	2,737,380
24	Eastside Library Site Selection	5,500	-	-	-	-
25	New Police Headquarters (\$43M)	737,025	4,609,963	4,654,268	4,690,073	4,717,378
26	Museum Expansion and Rehabilitation (\$35M)	-	3,596,381	3,596,381	3,596,381	3,596,381
28	Annual Deferred Maintenance (Existing Facilities)	2,106,593	1,500,000	1,500,000	1,500,000	1,500,000
29	Maximize Roads/Streets (Pavement Condition Index)	26,154,842	10,875,000	10,875,000	10,875,000	10,875,000
30	Tree Trimming	3,521,965	3,500,000	3,500,000	3,500,000	3,500,000
31	Ward Action Team - City Attorney's Office	368,293	374,926	391,655	402,591	408,300
32	Ward Action Team - City Manager's Office	-	-	-	-	-
33	Technology Improvements	4,311,031	1,000,000	1,000,000	1,000,000	1,000,000
34	4-Person Staffing on Fire Trucks	1,173,029	1,155,711	1,176,152	1,212,044	1,245,251
39	Public Safety & Engagement Team Program (PSET) - Urban	9,768,939	4,862,427	4,714,289	4,960,105	5,235,328
43	PW Streets Vehicle & Equipment Needs	3,000,000	1,050,000	1,180,000	-	-
44	PRCSD Infrastructure, Vehicles, and Equipment	1,713,663	-	-	-	-

¹ Assumes full spending of prior year carryovers.

MEASURE Z SPENDING PLAN

Spending Items	Projected ¹ FY 2022/23	Amended FY 2023/24	Projected FY 2024/25	Projected FY 2025/26	Projected FY 2026/27
45 Motorhome Removal & Disposal	46,500	45,000	45,000	45,000	45,000
46 Park and Neighborhood Specialist (PANS) Program	2,276,094	2,179,894	2,266,852	2,363,063	2,362,788
47 Police Helicopters Capital Lease	1,238,158	1,223,162	1,223,162	1,223,162	1,223,161
48 Office of Homeless Solutions Expansion	164,291	174,518	181,004	187,925	195,192
49 Public Safety & Engagement Team Program (PSET) - Wildlands	5,945,062	4,824,316	4,946,017	5,053,540	5,065,716
50 Public Safety Enterprise Communication System (PSEC) Radios	343,438	343,438	343,438	343,438	-
51 Office of Sustainability	391,293	398,636	418,127	423,994	430,050
52 Sidewalk Repair	600,000	600,000	600,000	600,000	600,000
53 Mt Rubidoux Trail Resurfacing	1,450,000	-	-	-	-
TBD Library Infrastructure Grant Contingency	-	-	-	-	-
Total Expenditures	\$ 121,985,762	\$ 90,803,323	\$ 90,161,774	\$ 92,415,164	\$ 93,533,414

Five-Year Financial Plan Surplus/(Deficit) \$ (37,552,762) \$ (6,345,323) \$ (3,474,774) \$ (4,000,424) \$ (3,356,379)

FUND RESERVES

Beginning Measure Z Fund Reserve¹	\$ 91,390,600	\$ 53,837,838	\$ 47,492,515	\$ 44,017,741	\$ 40,017,317
Five-Year Financial Plan Surplus/(Deficit)	(37,552,762)	(6,345,323)	(3,474,774)	(4,000,424)	(3,356,379)
Permanent Policy Reserve Set-Aside					
Ending Measure Z Fund Reserve	\$ 53,837,838	\$ 47,492,515	\$ 44,017,741	\$ 40,017,317	\$ 36,660,938

¹ Assumes full spending of prior year carryovers.

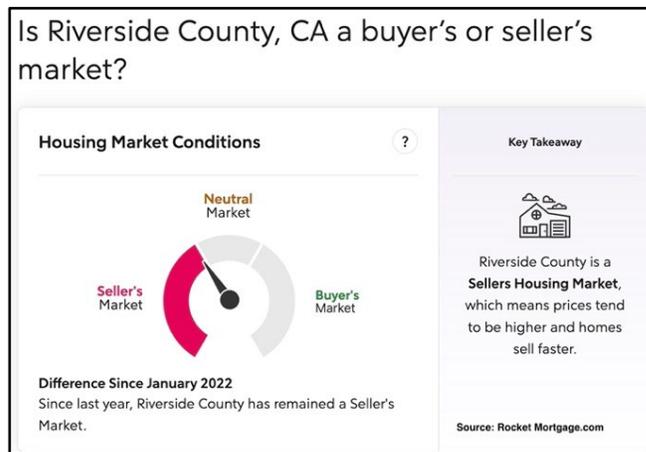
HOUSING & INTEREST RATES

Housing has been the one area of the economy that has held up well even with the large increases in the borrowing rate initiated by the Federal Reserve in the Spring of 2022. The unprecedented speed at which the increases have hit the economy have not only slowed down the pace of gains in housing prices, but have slowed transactions to a trickle over the past year. The chart below shows that **transactions of single-family residences (SFRs) in Riverside County are down 42% from last year, but prices are only down 1.8%** from prior year. This pricing reflects extreme resiliency in the housing market in Riverside County, even in the face of 30-year fixed rate mortgages rising to near 7%.



While there appears to be a slowing in the rate increases in mortgage loan rates, there does not appear to be a market crash in sight, and the most logical explanation is the lack of supply. While the numbers are beginning to show an increase in the market supply, sellers are still in the driver's seat, and since they had the ability to lock in mortgage rates at a much lower level, there is no reason for them to aggressively sell their homes if not needed.

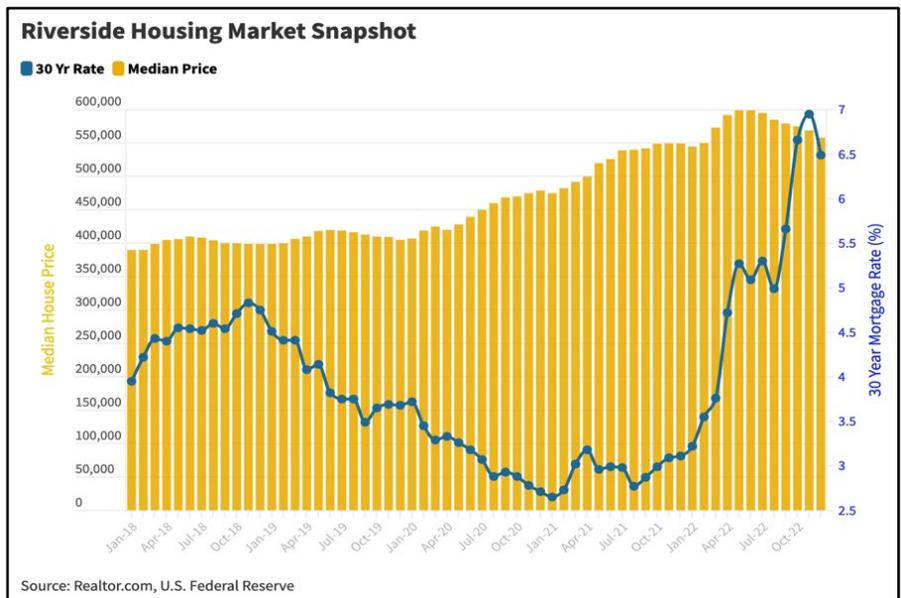
What does this add up to? It adds up to slower markets with less available supply, and sellers not budging. According to Rocket Mortgage, one of the largest mortgage originators in the United States, **Riverside County still lands in the "Seller's Market"** category, meaning that buyers are still having a tough time to locate affordable housing and find access to desirable homes.



To gain perspective on how housing has exploded in price over the past 30 months, according to Realtor.com the **median pre-pandemic price of a house in Riverside cost approximately \$424,500 versus the current price of \$558,000** (a 31% increase since the start of the pandemic). While some forecasters are predicting a 5% drop in prices³ from current levels, that would still leave a large increase since the start of the pandemic. Whether or not those drops materialize is more related to interest rates than anything else. The Fed has increased the Fed Funds Rate, which is the basis for all other loans, and has signaled that additional increases are coming.

In its December 2022 forecast, UCLA Anderson gave two potential scenarios regarding the upcoming direction of the economy both in California and nationwide. At this point they have much uncertainty about the path that we will take and it is mostly based on the position of the Fed moving forward. **Should the Fed take a looser approach, with respect to easing of interest rates, UCLA predicts a lesser chance of a recession. However, should the Fed remain steadfast in the tighter monetary policy, with continued increases, then a recession is likely.**

Economists are torn as to what path the Fed will take and what reaction the markets and the U.S. economy will set on in the near future. At this point, until more data is known, specifically with respect to the jobs numbers, there is little to be gleaned from metrics that are out there. Everything being measured at this stage shows a very strong economy with little slow down happening at the moment.



In order for the Fed to flinch and change posture on their mission of raising interest rates, there needs to be a showing of slowdown in both the employment numbers and the wage growth rates. Without a slowdown in both of these metrics, there may be a continued march upward in the Fed Funds Rate and, subsequently, the cost of borrowing across all of the economy from mortgage rates to auto loans. The next few data points will be telling as to what path the Fed will take moving forward.

³ Forbes: <https://www.forbes.com/advisor/mortgages/real-estate/housing-market-predictions/>

GENERAL FUND REVENUE

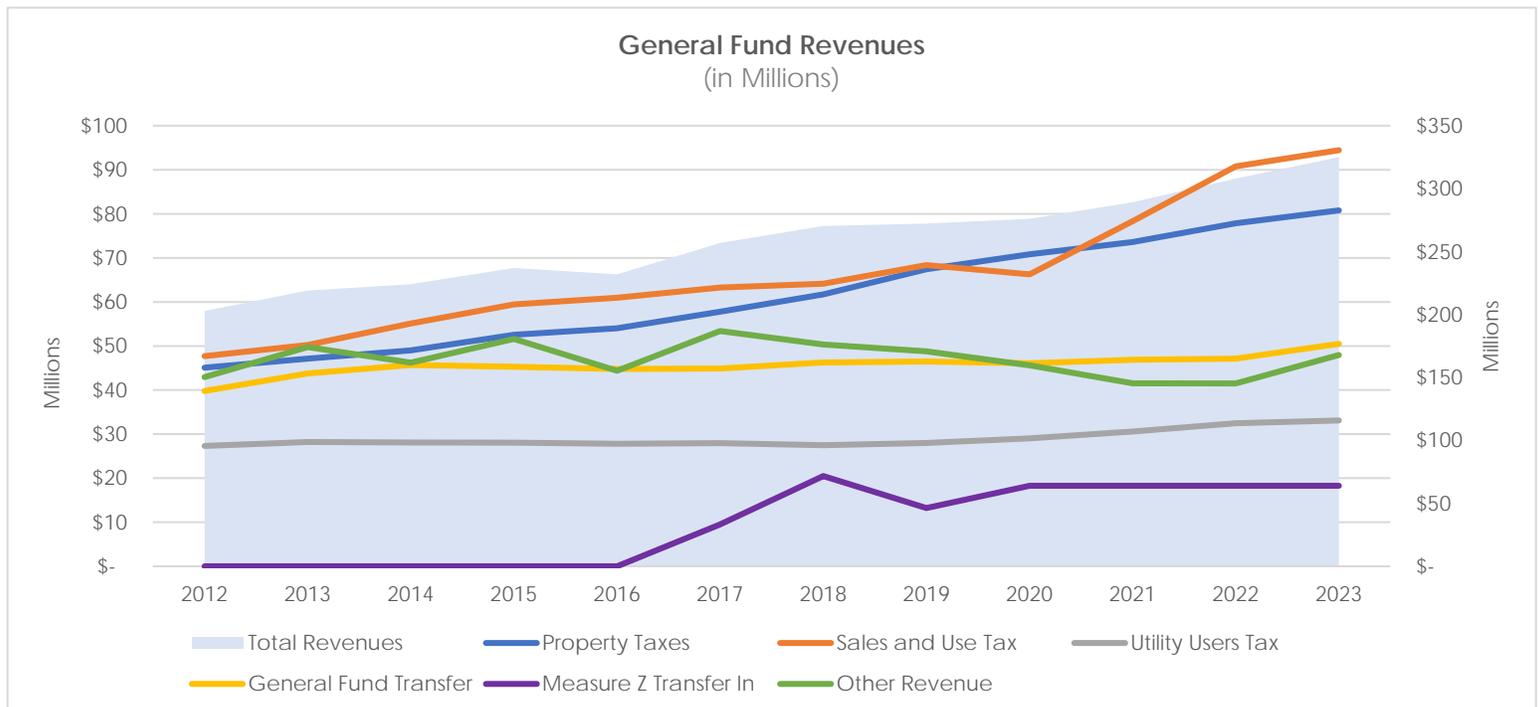
Budgeted revenue projections for FY 2022/23 were prepared in the Spring of 2022, several months prior to budget adoption in June 2022. Final sales and property tax payments for FY 2021/22 were received in late September 2022. The mid-cycle update of the FY 2023/24 budget began following an audit of the City's finances and considers FY 2021/22 actual revenues as well as fiscal year to date revenue performance.

Sales and property tax account for more than half of all General Fund revenues. Sales tax revenue in the General Fund has increased by 33% since FY 2018/19, an unexpected result of the shift in consumer buying habits during the Covid-19 pandemic, and more recently, inflation. Revenues through December 2022 show the increase remaining intact and HdL, the City's sales tax consultant, predicts a potential 4.1% growth over FY 2021/22 based on performance through September 2022. As a result, sales tax revenue projections have been increased by nearly \$11 million. Property tax projections are adjusted upward by approximately 2% (\$1.5 million) based on strong home sales and higher sales prices in the previous 18-24 months. In other revenues, Transient Occupancy Tax is trending 18.4% higher than original projections as travel and entertainment recover post-pandemic, and Business Tax revenue is continuing to perform well, trending 5% above prior year actuals. Overall, revenue projections for the General Fund are increased by 4.6%, or \$14.41 million.

UPDATED REVENUE PROJECTIONS – FY 2022/23

(in millions)	Adopted Budget	Projected	\$ Change	% Change
Property Taxes	\$ 79.28	\$ 80.78	\$ 1.50	1.9%
Sales and Use Tax	83.51	94.44	10.93	13.1%
Utility Users Tax	32.80	33.10	0.30	0.9%
Transient Occupancy Tax	7.10	8.41	1.31	18.5%
Licenses & Non-Developer Permits	8.98	9.48	0.50	5.6%
General Fund Transfer	50.81	50.50	(0.31)	-0.6%
All Other Revenues	48.15	48.33	0.18	0.4%
Total Revenues	\$ 310.63	\$ 325.04	\$ 14.41	4.6%

Revenue recovery from the Great Recession exceeded ten years and contributed to General Fund revenue growth not keeping pace with rising costs. For nearly all of the City's history, sales tax was the City's primary revenue source, but after years of stagnated growth, in 2020 property tax overtook sales tax as the City's largest revenue source. With the shift in consumer spending and recent inflation, sales tax is once again the General Fund's primary revenue source, but this may be a one-time shot in the arm; property tax is projected to grow at a faster pace than sales tax for the foreseeable future. The chart below demonstrates historical and projected growth (left axis) against a backdrop of total General Fund revenues (right axis).



GENERAL FUND EXPENDITURES

The adopted expenditure budget included appropriations of \$306 million; this amount did not include the potential impacts of ongoing negotiations with the City's labor unions. Through December 2022, negotiations concluded with seven of the nine labor unions, with salary and benefit increases approved for each, as well as for the unrepresented employee groups. Projected impacts of nearly \$17 million were recorded as of second quarter-end, inclusive of \$9.8 million in one-time stipends. This projected increase is offset by anticipated personnel savings due to the average 18% vacancy rate General Fund departments experienced for the fiscal year to date. The Amended Budget in the chart below includes prior encumbrances and carryovers of \$9.8 million. Projected savings as of the second quarter end total approximately \$9 million. Recommended mid-cycle adjustments totaling \$21.11 million are not included in the table below.

EXPENDITURE PROJECTIONS – FY 2022/23

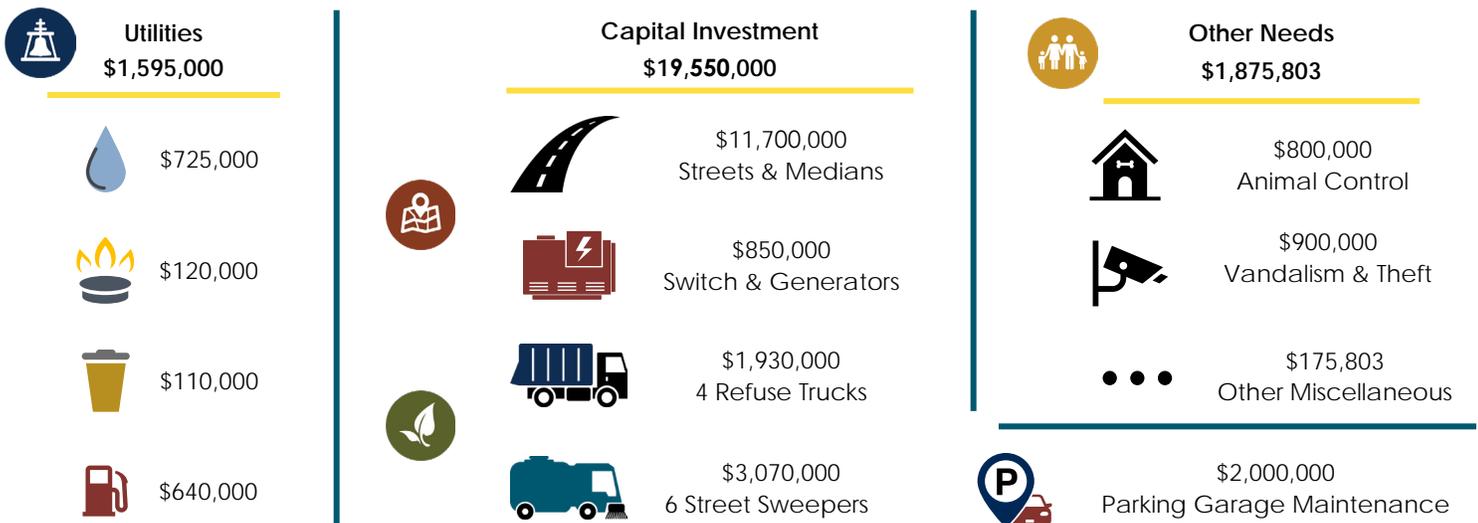
(in millions)	Adopted Budget	Amended Budget	Projected	\$ Change	% Change
Personnel	\$217.56	\$234.47	\$224.47	(\$10.00)	-4.3%
CalPERS UAL	16.21	16.21	16.21	-	0.0%
Non-Personnel Costs	64.91	75.86	76.62	0.76	1.0%
Debt Service	32.94	32.94	32.94	-	0.0%
Charges To/From	-39.55	-39.58	-39.58	0	0.0%
Transfers & Subsidies	13.6	13.6	13.85	0.25	1.8%
Total Expenditures & Transfers Out	\$305.67	\$333.50	\$324.51	(\$8.99)	-2.7%

MID-CYCLE ADJUSTMENTS

The \$14.41 million increase in revenue projections and \$8.99 million in projected expenditure savings presents an opportunity to allocate funding toward needs identified during the mid-cycle budget review, as illustrated below.

- **Utility costs** for water, natural gas, refuse, and fuel are trending higher than prior years; an additional appropriation of approximately \$1.6 million will bring the budget in line with projected actuals.
- **General Fund capital investment** of approximately \$12.55 million is recommended to be allocated to street projects, replacement of the City Hall transfer switch, and generator replacements at the City's fire stations and Magnolia police station.
- **Other needs** include increased costs in County Animal Control services and the fiscal impact of security, vandalism, and theft at the Hertigate House and City properties related to Parks.

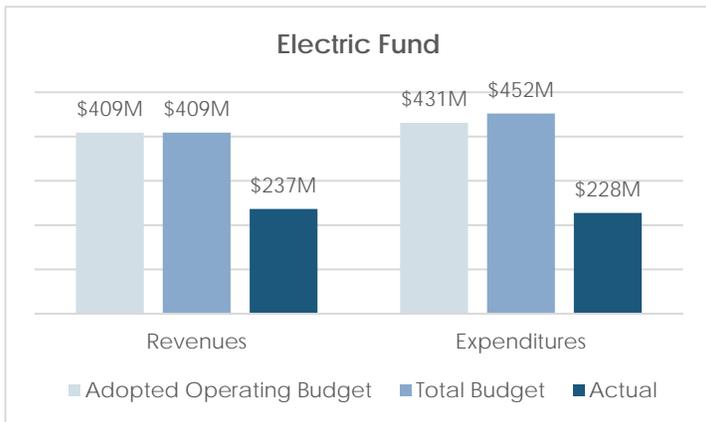
\$7 million of the General Fund's \$20.6 million Infrastructure Reserve will be allocated to the Refuse Fund and Public Parking Funds for critical needs; the reserves and user fees of those funds are insufficient to support their needs. The \$2 million to the Public Parking Fund will be structured as an interfund loan.



ENTERPRISE FUNDS

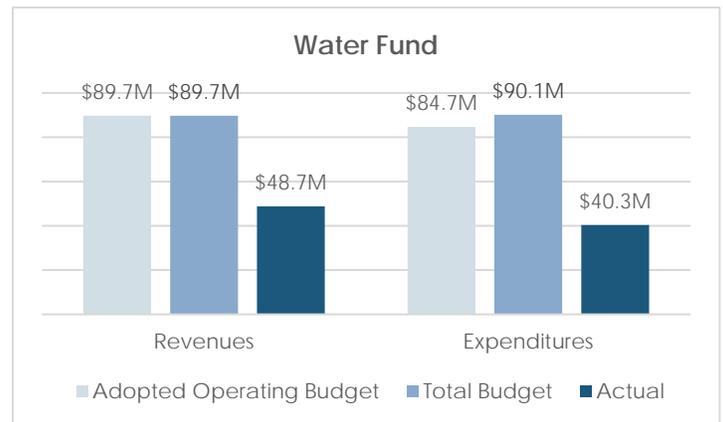
Electric Fund

The amended budget for the Electric Fund projects a \$43.0 million draw on reserves. This is a financial strategy employed to draw reserves down to keep rate increases as low as possible; reserves are expected to remain within policy levels at fiscal year-end. As of the end of the second quarter, Electric operating revenues are at 57.9% of budgeted projections and expenditures are 50.3% of the total budget. Personnel savings are anticipated due to a 20% vacancy rate and will offset excess power supply costs. No mid-cycle adjustments are recommended.



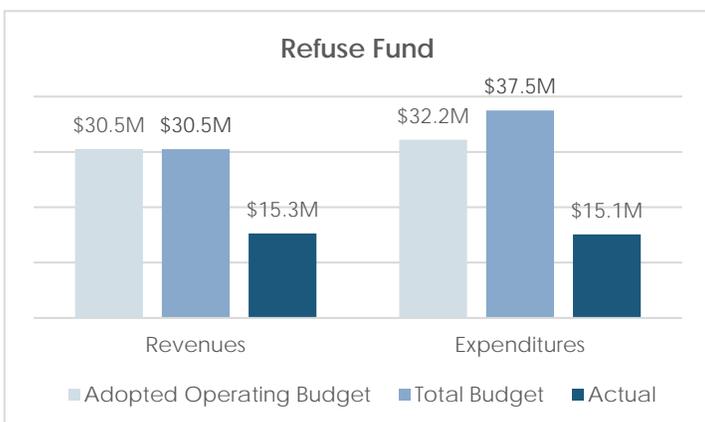
Water Fund

The Water Fund is projected to achieve an operating break-even at fiscal year-end, with revenues and expenditures nearly equal to each other. Revenues are currently 54.2% of budgeted projections; expenditures are 44.7% with projected personnel savings due to a 10% vacancy rate. A mid-cycle adjustment of \$1.5 million is recommended to record the estimated impact of salary and benefit increases approved by the City Council during through the second quarter of the fiscal year.



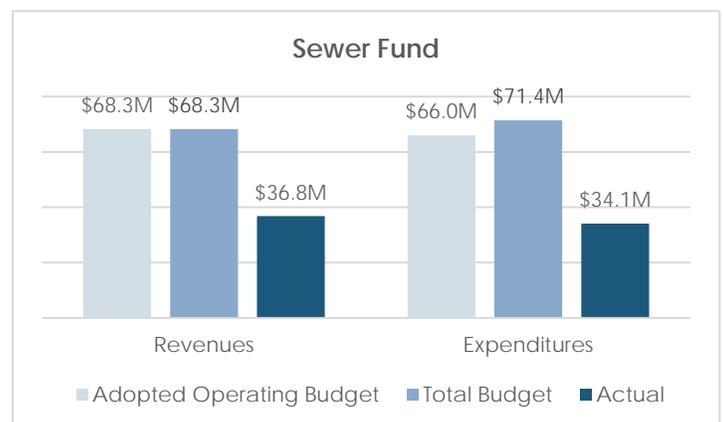
Refuse Fund

Second quarter analysis projects a potential \$1.5 million operating loss for the Refuse Fund as user rates are not keeping pace with operating expenses. Approved by the City Council on February 7, 2022, a \$2 million allocation of revenue loss funding from the American Rescue Plan Act (ARPA) will offset the operating loss; however, the structural deficit will remain in the absence of rate adjustments. Council also approved \$4 million in ARPA funding to purchase refuse trucks. Staff recommends allocating \$5 million from the General Fund Infrastructure Reserve toward the purchase of street sweeping and refuse trucks. The outcome of this action is that general tax revenue will be used to subsidize a rate-based service.



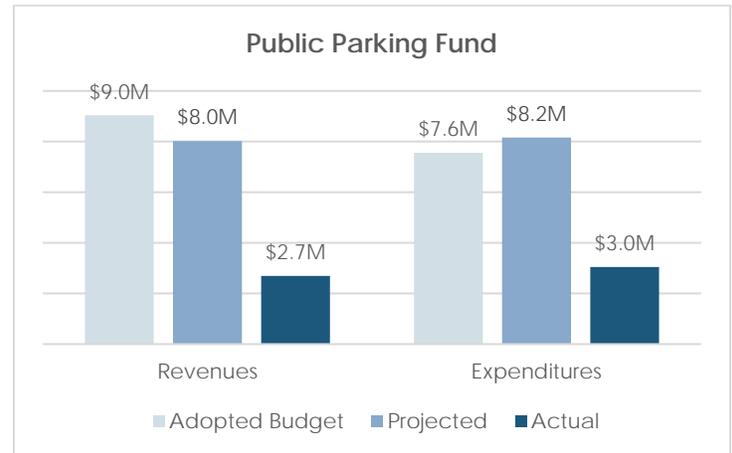
Sewer Fund

The FY 2022/23 adopted budget projected a net operating gain of \$2.3 million. The amended budget projects a net operating loss of \$3.1 million due to \$3.8 million of encumbrances carried forward from FY 2021/22 and \$1.6 million in increased appropriations from approved salary and benefit increases. There are sufficient reserves to cover the potential operating loss. Although inflation is negatively impacting contract costs related to construction materials, chemicals, and fuel, personnel savings resulting from a 19% vacancy rate are expected to offset the increased costs. Staff will monitor and rebalance spending as necessary to remain within the appropriations limit without impacting operations.



Public Parking Fund

Parking Fund reserves at the beginning of FY 2022/23 total \$3.1 million. On July 19, 2022, the City Council directed staff to reinstate the parking program rates and hours of operation in place prior to July 1, 2022. On September 6, 2022, the City Council directed staff to bring back the amended parking rates and hours schedule by the end of March 2023. On February 7, 2023, the City Council approved an allocation of \$1.5M in ARPA revenue replacement funds, which will help to maintain fund reserves while rate increases are reconsidered. Updated projections in the chart to the right reflect the rescinded rate increase, ARPA allocation, impact of salary and benefit increases, and deferred expenses. A \$2 million interfund loan from the General Fund, repayable from future rate revenue, will allow staff to address critical structural and maintenance needs at Garages 1 and 2.



Measure Z Funds

Like the General Fund, Measure Z is benefitting from extraordinary sales tax gains, with FY 2021/22 revenues coming in 33.5% higher than FY 2018/19 pre-pandemic revenues. However, the revenue growth is expected to flatten: HdL projects a mere 1.2% growth in FY 2022/23 revenues as compared to the prior year. With this new basis and the future growth projections, staff is anticipating an additional \$32 million in sales tax revenue over the term of the five-year spending plan as compared to the Spending Plan projections presented with the adopted budget. Additionally, the \$6.5 million in contingency funding set aside as a City match for a Library Infrastructure grant has been returned to unallocated reserves; the grant was not awarded to the City. City staff will return with a project update and a request to complete the anticipated Eastside Library project. As of the second quarter end and this mid-cycle update, unallocated reserves in the Measure Z fund are projected to reach \$36.7 million by the end of FY 2026/27. Staff is evaluating citywide needs and will bring forth recommendations for the allocation of these reserves at a future date.

MEASURE Z SPENDING PLAN

(in millions)	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected
Revenue	\$ 84.43	\$ 84.45	\$ 86.69	\$ 88.42	\$ 90.17
Expenditures	(89.55)	(90.80)	(90.16)	(92.42)	(93.53)
Encumbrances & Carryovers	(32.43)	-	-	-	-
Net Change in Fund Balance	\$ (37.55)	\$ (6.35)	\$ (3.47)	\$ (4.00)	\$ (3.36)
Beginning Unallocated Fund Reserves	\$ 91.39	\$ 53.84	\$ 47.49	\$ 44.02	\$ 40.02
Net Change in Fund Balance	(37.55)	(6.35)	(3.47)	(4.00)	(3.36)
Ending Unallocated Fund Reserves	\$ 53.84	\$ 47.49	\$ 44.02	\$ 40.02	\$ 36.66

CalPERS and the Unfunded Accrued Liability (UAL)

In July 2022, CalPERS announced preliminary investment returns of -6.8% – a significant loss that will negatively impact employers' required UAL payments. CalPERS later disclosed its final 2022 investment losses at -7.5%. The losses will impact the City in FY 2024/25 and onward, with required UAL payments higher than those currently provided for in the General Fund five-year financial plan. The long-term plan includes contributions and withdrawals from the Section 115 Trust that smooths payments at \$38 million annually for twelve years.

Required UAL payments are based on an assumed annual investment return of 6.8%, referred to as the discount rate. CalPERS' current year investment returns are currently lagging at 0% year-to-date. A second year of investment returns below the discount rate of 6.8% will further increase the City's required UAL payments. Staff is working with an actuary to identify potential funding scenarios to be included in the mid-cycle update of the adopted FY 2023/24 budget.

MEASURE Z FY 2022/23 STATUS

SPENDING ITEM	ACCOMPLISHMENTS
2 Payoff of the Balloon \$32 million Pension Obligation Bond	Payments continue as scheduled.
5 Additional Sworn Police Positions	Of the 60 Measure Z Sworn Positions; 57 are filled and 3 are in recruitment.
6 Public Safety Non-Sworn Positions and Recruitment Costs	Of the 11 Measure Z Non-Sworn Positions; 8.25 are filled and 2.75 are in recruitment.
7 Police Officer Lateral Hire Incentives and Recruitment Costs	This funding was used for enhancing NeoGov's testing process, social media advertisement, and other advertisements and attendance at public recruitment events.
8 Additional Public Safety Dispatchers	All Measure Z Dispatcher Positions are currently filled.
9 Maintain Firefighter Staffing Level	The Fire Department's efforts to fill positions is ongoing. Current vacancies include two Firefighter/Paramedic positions.
10 Reinstatement of Fire Captains (Training and Arson)	All Measure Z Fire Captain positions are currently filled.
11 Reinstatement of Fire Battalion Chief	The Measure Z Fire Battalion Chief position is currently filled.
12 Revised Police Vehicle Replacement and Maintenance Plan	In FY 22/23 the Police department ordered 25 patrol vehicles and received 4 motorcycles pending deployment. The department also ordered, received, and deployed five unmarked vehicles and one custodial van.
14 Fire Vehicle Replacement and Maintenance Plan	The Fire Department purchased Engines 10 and 14 and anticipate they will be in service by Summer 2023. They also purchased Squad 5/Ambulance and a HazMat box truck with an estimate arrival date of June 2023.
16 Additional Fleet Mechanics for Police Department	All Measure Z Senior Mechanic positions are currently filled. This item is funding 2.0 FTE Senior Mechanic positions that are 100% dedicated to servicing Police Department vehicles.
17 Additional Fleet Mechanics for Fire Department	All Measure Z Senior Fire Mechanic positions are currently filled. This item is funding 2.0 FTE Senior Fire Mechanic positions that are 100% dedicated to servicing Fire Department vehicles.
18 General Fund Support - Maintain Existing Services	Budgeted transfers continue as scheduled; Measure Z support has been instrumental in minimizing the impact of balancing measures on General Fund services and programs.
19 General Plan Update (Includes Zoning Changes)	Phase 1 - The Housing Element and Public Safety Element update has been completed and adopted. Environmental Justice Policies have been developed, including Title 19 Amendments, Specific Plan Amendments, and preparation of a detailed Action Plan for implementation. Phase 2 - An RFP is currently being developed with an anticipated release date of Spring 2023 for The General Plan, Zoning Code, Development Regulation and Climate Action and Adaptation Plan.
20 Homeless Services	Measure Z funds were used to cover case management costs related to the City's rental assistance program, which 38 formerly homeless individuals received case management, which 13 were newly housed during the reporting period. Measure Z funds were also used to cover the cost of three rental applications, assisted 8 households with rental assistance, assisted 16 households with utility assistance, purchased refrigerators and beds for 13 households, and provided 9 property managers with landlord incentives.
21 Principal Management Analyst - City Manager's Office	The Measure Z Principal Management Analyst position is currently filled.
22 Budget Engagement Commission Support	Measure Z continues to fund the cost of BEC administration.

MEASURE Z FY 2022/23 STATUS

SPENDING ITEM	ACCOMPLISHMENTS
23 New Downtown Main Library & Archives	This project was completed and the grand opening was held on June 19, 2021.
24 Eastside Library Site Selection	A site was selected at Bobby Bonds Park. The architect has substantially completed Phase 1 Design, preliminary programming and project budgeting. A funding source for construction has not yet been identified.
25 New Police Headquarters	The Police Department, in conjunction with General Services is currently developing a Request for Proposals for design services for the new Police Headquarters. The City acquired the existing police station building from the County of Riverside for \$3.1 million. The plan is to demolish the existing building and construct a new 35,000 – 40,000 sq. ft. facility at an estimated cost of \$50 million.
26 Museum Expansion and Rehabilitation	Budgeted in FY 2022/23. Museum Expansion and Rehabilitation is currently undergoing Phase 2 - Architectural Design Services, approved by City Council on 10/4/22. The design phase of the Main Museum renovation and two-story expansion with a roof terrace has resumed and will take approximately 12 months to complete.
28 Annual Deferred Maintenance (Existing Facilities)	Completed Measure Z Annual Deferred Maintenance projects at various City facilities include: HVAC repairs and/or replacement, roofing repairs and/or replacement, plumbing system repairs, flooring resurfacing and/or replacement, lighting system repairs, playground resurfacing, asphalt resealing, and electrical system repairs.
29 Maximize Roads/Streets (Pavement Condition Index)	The Public Works Department made significant progress expending Measure Z funds to deliver all FY 2019/20 maintenance projects; award FY 2020/21 maintenance projects, which are now under construction; FY 2021/22 maintenance projects are waiting to be advertised with Purchasing; FY 2022/23 projects are currently in design. Through a professional services agreement, IMS Infrastructure Management Services will conduct annual partial network pavement evaluations through December 2025.
30 Tree Trimming	11,317 trees were trimmed at a cost of \$932,900.
31 Ward Action Team - City Attorney's Office	There are two Measure Z positions; a Legal Secretary and a Senior Deputy City Attorney, both positions are filled.
32 Ward Action Team - City Manager's Office	Closed item; this item was defunded with the adoption of the FY 2020/21 budget.
33 Technology Improvements	Projects completed include: Network Upgrade Uninterrupted Power Supply, Datacenter Disaster Recovery, Avaya Phone System Upgrade, Advanced Endpoint Protection, Help Desk System and Inventory Module, NeoGov Human Resources Employee Onboard and Performance Modules; Initial move to Office 365; Secure Remote Access; Security Analyst. Projects currently underway include: Datacenter Disaster Recovery for Enquesta billing system, Citywide Security Camera video retention, Network Refresh and ongoing support and maintenance for previously completed projects, and the salary of a Security Analyst.
34 4-Person Staffing on Fire Trucks	All Measure Z positions are currently filled.

MEASURE Z FY 2022/23 STATUS

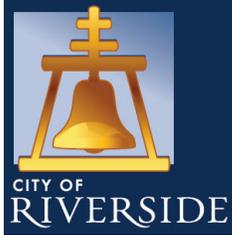
SPENDING ITEM	ACCOMPLISHMENTS
39 Public Safety & Engagement Team Program (PSET) - Urban	<p>Office of Homeless Solutions: PSET has had success in cultivating relationships with individuals in the field and providing options for support services and connections to shelter.</p> <p>The following is data collected by this multidisciplinary team:</p> <ul style="list-style-type: none"> - 174 individuals accepted services - 52 citations were issued - 139 arrests made - 10 vehicles towed - There has been approximately 147 tons of debris removed by contractors and 3,521.75 yards of debris removed by parks staff. <p>Code Enforcement:</p> <ul style="list-style-type: none"> - 3,595 contacts with homeless - 480 accepted services - 1,110 Code Enforcement Notices - 335 tons of trash abated
43 Public Works Streets Vehicle & Equipment Needs	<p>The purchase of Streets vehicles and equipment was approved by Council on February 8, 2022. Purchase orders for two dump trucks, two patch trucks and multiple heavy duty equipment items were issued on March 3, 2022 and some equipment has been received. The purchase of three freightliner dump trucks from PB Loader & one Super Shot 250 Melter from Crafcro, Inc. for the Street Maintenance Division was approved by City Council on January 17, 2023. This purchase will utilize FY 22/23 Measure Funds.</p>
44 Parks, Recreation & Community Services Infrastructure, Vehicles, and Equipment	<p>Swimming Pool Heaters: The PRCS Department is working with SoCal Gas for gas lines to feed the new heaters and applying for County Environmental Health permits. Staff is working on construction bid documents, and anticipate posting for bids towards the end of February. Estimated completion dates for pool heaters will be prior to the 2023 summer swim season.</p> <p>Mt. Rubidoux Asphalt Repairs: Site visits have been completed to obtain inventory/analysis in order to determine scope of work for a Request for Proposal. A design consultant with assistance from Public Works will create the construction documents for its completion anticipated in Spring 2023.</p> <p>Fairmount Park Wier Dam: An agreement was executed to perform work in August 2022. A kickoff meeting was held and the construction should be completed by the Spring on 2023.</p>
45 Motorhome Removal & Disposal	<p>The Police Department spent approximately \$3,000 to supplement the cost for tow truck vendors to haul away and dispose of abandoned motorhomes.</p>
46 Park and Neighborhood Specialist (PANS) Program	<p>The Police Department has filled 13 of the 20 Parks and Neighborhood Specialist positions and they are deployed in the City Parks and surrounding areas. The Department is continuing to recruit in order to fill all vacant positions.</p>
47 Police Helicopter Capital Lease	<p>The helicopters are on track to arrive as expected. The first helicopter is anticipated to arrive in March 2023 and the second helicopter is anticipated to arrive between April and June 2023. Training for the pilots has begun.</p>
48 Office of Homeless Solutions Expansion	<p>The Measure Z Project Assistant position is filled and recruitment for the Senior Office Specialist is in process.</p>

MEASURE Z FY 2022/23 STATUS

SPENDING ITEM

ACCOMPLISHMENTS

49	Public Safety & Engagement Team Program (PSET) - Wildlands	The PSET Wildland team became active in November 2022. During the reporting period, the Wildland PSET team made 147 contacts of which 29 individuals accepted services, 76 code notices and two citations were issued. Additionally, one arrest was made, six vehicles towed, and 65 tons and 56 yards of debris removed. The recruitment for eight PSET Wildland Outreach Workers are in progress and two Fire Captains have been assigned to the PSET Team.
50	Public Safety Enterprise Communication System (PSEC) Radios	\$86,000 has been spent for the PSEC radios licenses and services.
51	Office of Sustainability	Recruitment for the Diversity Equity and Inclusion Officer is in process.
52	Sidewalk Repair	City Council awarded a construction contract to repair broken curb, gutter, sidewalk, and ADA ramps on 12/6/2022 in the amount of \$710,743.
53	Mt Rubidoux Trail Resurfacing	Planning and bidding for this projects has begun.



FY 2022/23 Second Quarter Financial Update

Finance Department

City Council
April 18, 2023

RiversideCA.gov

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GENERAL FUND OVERVIEW

FY 2022/23	Adopted Budget	Amended Budget*	Projected	Change
Revenue & Transfers In	\$ 310.63	\$ 310.63	\$ 325.04	\$ 14.41
Expenditures & Transfers Out	(305.67)	(333.50)	(324.51)	8.99
Surplus/(Deficit)	\$ 4.96	\$ (22.87)	\$ (0.53)	\$ 23.40

* Includes prior year encumbrances and carryovers and supplemental appropriations.

General Fund Reserves (in millions)

Emergency Reserve (15%)	\$ 45.75 M
Economic Contingency Reserve (5%)	\$ 15.25 M
Infrastructure Reserve	\$ 20.62 M
Section 115 Trust Fund Balance	\$ 30.20 M

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GENERAL FUND REVENUE

FY 2022/23 <i>(in millions)</i>	Adopted Budget	Projected	\$ Change	% Change
Property Taxes	\$ 79.28	\$ 80.78	\$ 1.50	1.9%
Sales and Use Tax	83.51	94.44	10.93	13.1%
Utility Users Tax	32.80	33.10	0.30	0.9%
Transient Occupancy Tax	7.10	8.41	1.31	18.5%
Licenses & Non-Developer Permits	8.98	9.48	0.50	5.6%
General Fund Transfer	50.81	50.50	(0.31)	-0.6%
All Other Revenues	48.15	48.33	0.18	0.4%
Total Revenues	\$ 310.63	\$ 325.04	\$ 14.41	4.6%


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GENERAL FUND MID-CYCLE ADJUSTMENTS

Projected savings: \$23.40M
➔
Recommended Uses: \$16.4M

Infrastructure Reserves: \$7M

Utilities \$1,595,000

- \$725,000
- \$120,000
- \$110,000
- \$640,000

Capital Investment \$19,550,000

- \$11,700,000 Streets & Medians
- \$850,000 Switch & Generators
- \$1,930,000 4 Refuse Trucks
- \$3,070,000 6 Street Sweepers

Other Needs \$1,875,803

- \$800,000 Animal Control
- \$900,000 Vandalism & Theft
- \$175,803 Other Miscellaneous
- \$2,000,000 Parking Garage Maintenance


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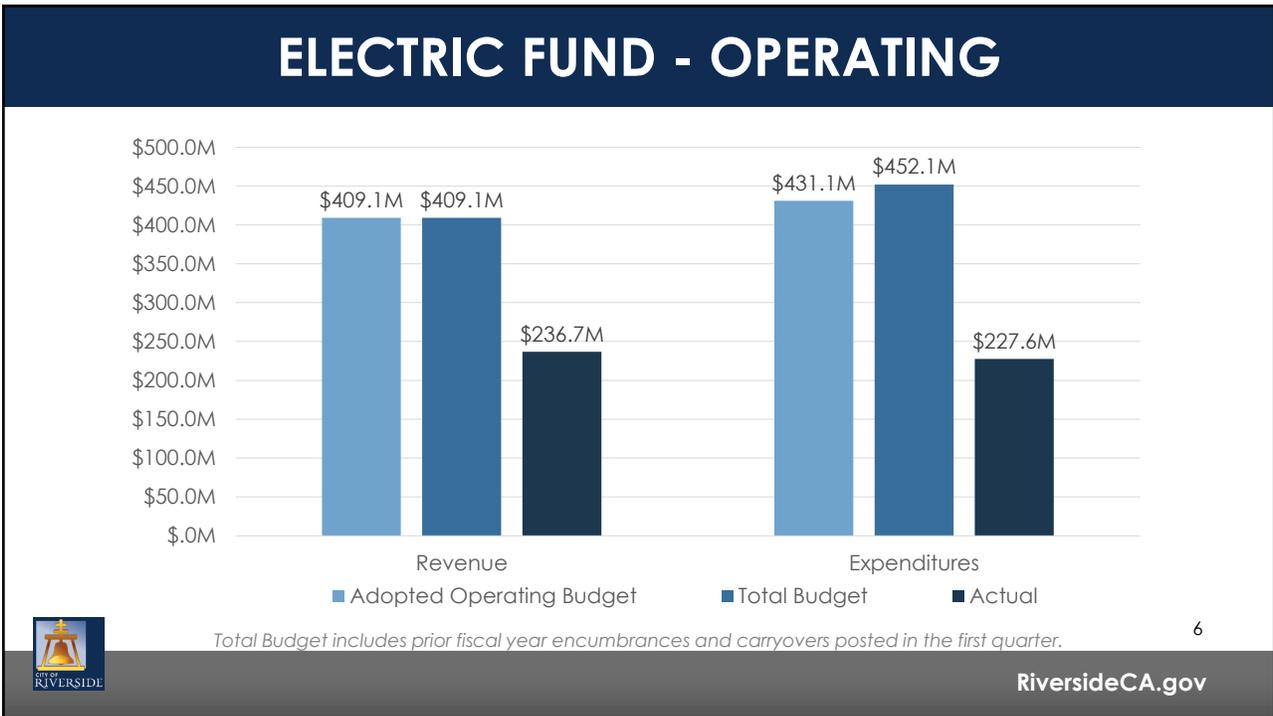
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MEASURE Z SPENDING PLAN

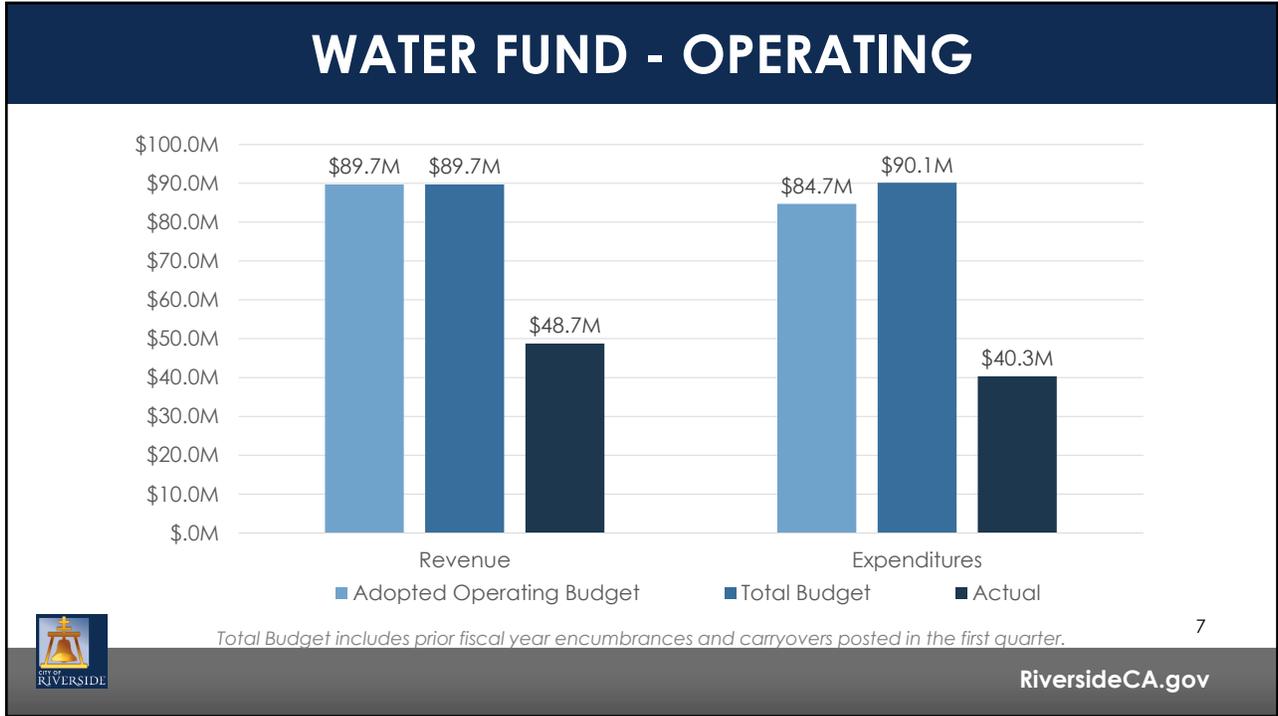
(in millions)	Actuals				Projected
	2019	2020	2021	2022	2023
Revenue	\$ 62.82	\$ 63.14	\$ 72.65	\$ 83.91	\$ 84.43
Expenditures	(40.99)	(49.56)	(50.85)	(67.45)	(89.55)
Encumbrances & Carryovers				(32.44)	
Net Change in Fund Balance	\$ 21.83	\$ 13.58	\$ 21.80	\$(15.98)	\$(5.12)
Beginning Unallocated Fund Reserves	\$ 22.73	\$ 39.56	\$ 53.14	\$ 74.94	\$ 58.96
Net Change in Fund Balance	21.83	13.58	21.80	(15.98)	(5.12)
Fund Balance Reserve Policy	(5.00)	-	-	-	-
Ending Unallocated Fund Reserves	\$ 39.56	\$ 53.14	\$ 74.94	\$ 58.96	\$ 53.84


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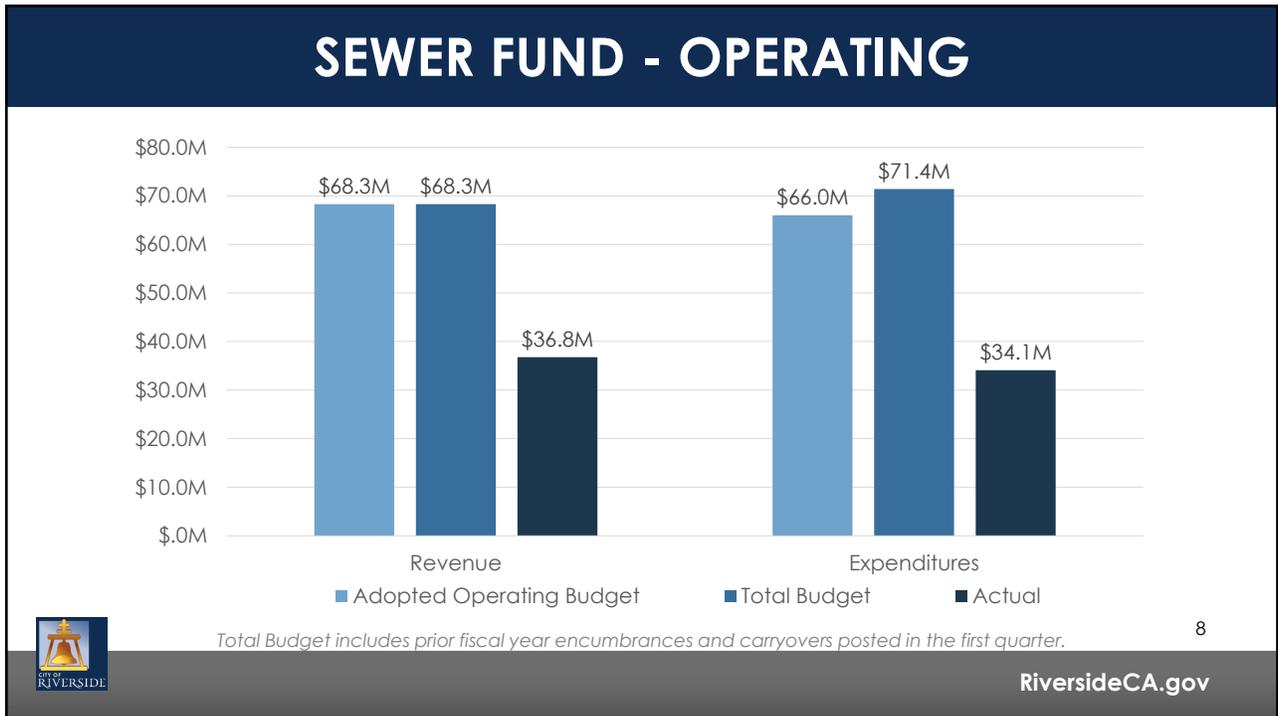
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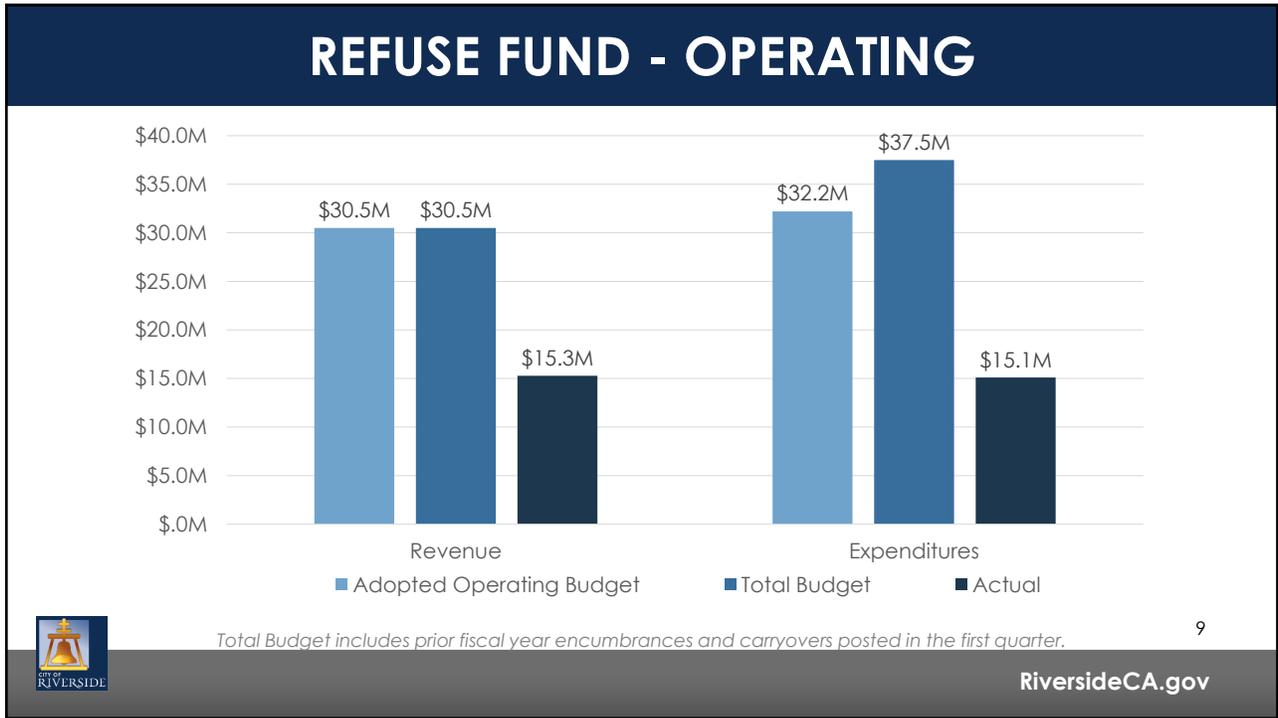
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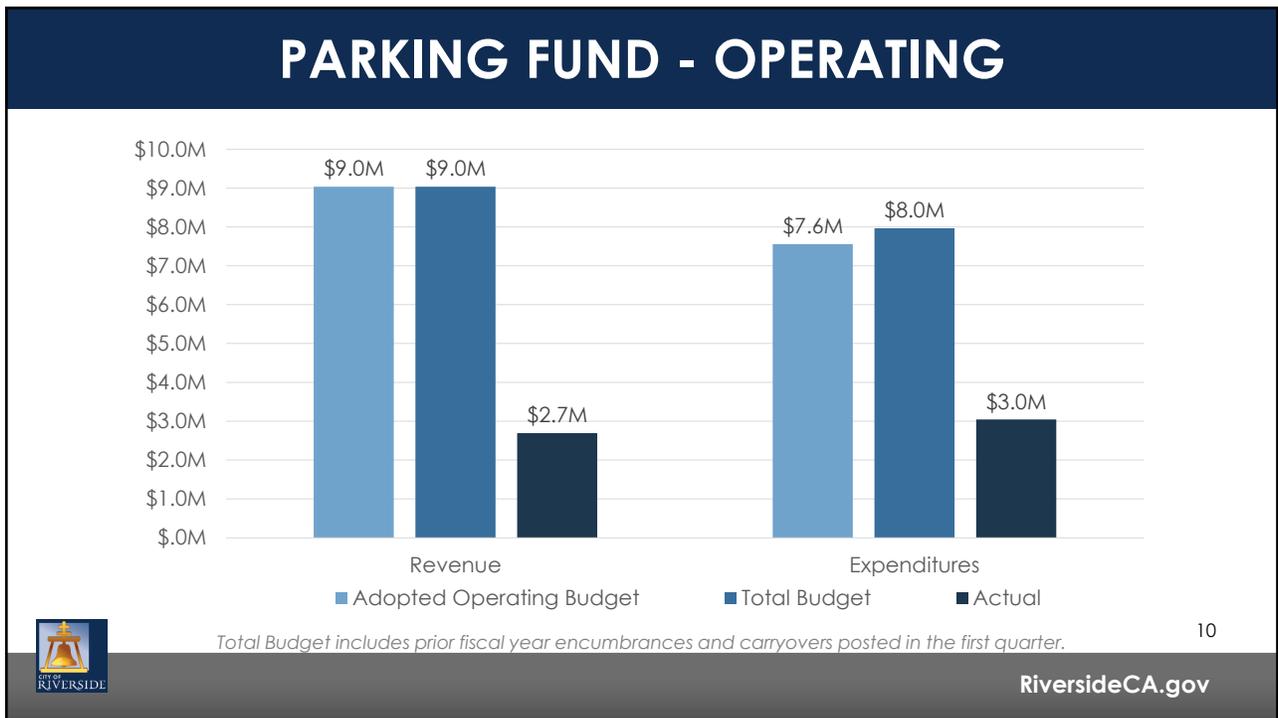
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MID-CYCLE BUDGET ADJUSTMENTS

Fund	Revenue	Expenditures	Net Impact to Reserves
101 - General Fund	\$14,230,000	\$23,020,803	\$(8,790,803)
110 - Measure Z Fund	7,631,000	140,000	7,491,000
215 - Grants and Restricted Programs	-	2,338,176	(2,338,176)
401 - General Capital Fund	12,835,000	12,835,000	-
520 - Water	-	1,448,425	(1,448,425)
540 - Refuse	5,000,000	5,000,000	-
570 - Public Parking	(590,983)	1,510,000	(2,100,983)
7xx - Assessment Districts	-	210,214	(210,214)
Citywide Total	\$39,105,017	\$46,502,618	\$(7,397,601)



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STRATEGIC PLAN ALIGNMENT



STRATEGIC PRIORITY 5 - HIGH PERFORMING GOVERNMENT

CROSS-CUTTING THREADS



Community Trust



Equity



Innovation



Fiscal Responsibility



Sustainability and Resiliency



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RECOMMENDATIONS

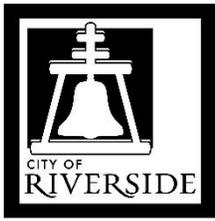
That the City Council:

1. Receive and provide input on the Fiscal Year 2022/23 Second Quarter Financial Update; and
2. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record mid-cycle budget adjustments resulting in total supplemental appropriations of \$46,502,618 for all City funds as detailed in Attachment 1.



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City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: APRIL 18, 2023
FROM: FINANCE DEPARTMENT WARDS: ALL
SUBJECT: FISCAL YEAR 2022/23 SIX MONTHS ENDING 12/31/2022 CASH,
INVESTMENTS, AND DEBT REPORT

ISSUE:

That the City Council receive and provide input on the attached Fiscal Year 2022/23 six months ending 12/31/2022 Cash, Investments, and Debt Report.

RECOMMENDATIONS:

That the City Council receive and provide input on the attached Fiscal Year 2022/23 six months ending 12/31/2022 Cash, Investments, and Debt Report.

BACKGROUND:

On January 24, 2023, the City Council received and provided input on the Fiscal Year 2021/22 Fourth Quarter Cash, Investments, and Debt report.

DISCUSSION:

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

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, 2022, and December 31, 2022, the City's pooled investment portfolio's market value was \$900 million and \$909 million, respectively. The market value of investments held for the Section 115 Pension Trust Fund, fiscal agents (bond proceeds and reserve funds primarily), and other miscellaneous cash amounts to an additional \$152 million as of September 30, 2022, and \$149 million as of December 31, 2022. The weighted average yield of the pooled

investment portfolio is 1.62% as of September 30, 2022, and 2.18% as of December 31, 2022.

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 Attachments 1 and 2. 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 December 31, 2022:

1. Civic Entertainment - Convention Center, Visitors Bureau, Sports Commission (\$235,537) has a negative cash balance due to the loss of revenues from the long-term effects of COVID-19. This account is being monitored and will return to positive by fiscal year-end.
2. Civic Entertainment – Cheech Marin Center (\$4,355,750) 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 (\$1,535,946), Community Development Block Grant (\$131,897), Housing Opportunities for Persons with AIDS (\$1,108,798), NPDES Storm Drain (\$312,573), Special Districts (\$1,215,584), and Transportation Uniform Mitigation Fees (\$2,111,441), have negative cash balances due to the timing of expenditures; however, the negative balances are fully offset by receivables.
4. Debt Service Fund – General (\$19,105,424), which is fully offset by outstanding cash transfers from all funds related to their share of the Pension Obligation Bond (POBs) payments made by the Debt Service Fund (\$31.8 million) and other debt service payments.
5. Debt Service Fund – Public Works (\$524,939), which is fully offset by outstanding cash transfers from Measure A Capital Outlay Fund related to its share of the Certificates of Participation (COP) payments made by the Debt Service Fund – Public Works (\$1.5 million).
6. Special Deposits (\$19,540,203) 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.
7. Central Stores (\$888,987) has a negative cash balance resulting from recent price increases. Inventory is charged out at average cost. While over time the total cost of

inventory is recovered with this pricing methodology, the cash balance is negatively impacted as inventory is sold at a lower price than the cost of replenishment. Staff will review the current practice and reevaluate the traditional pricing methodology.

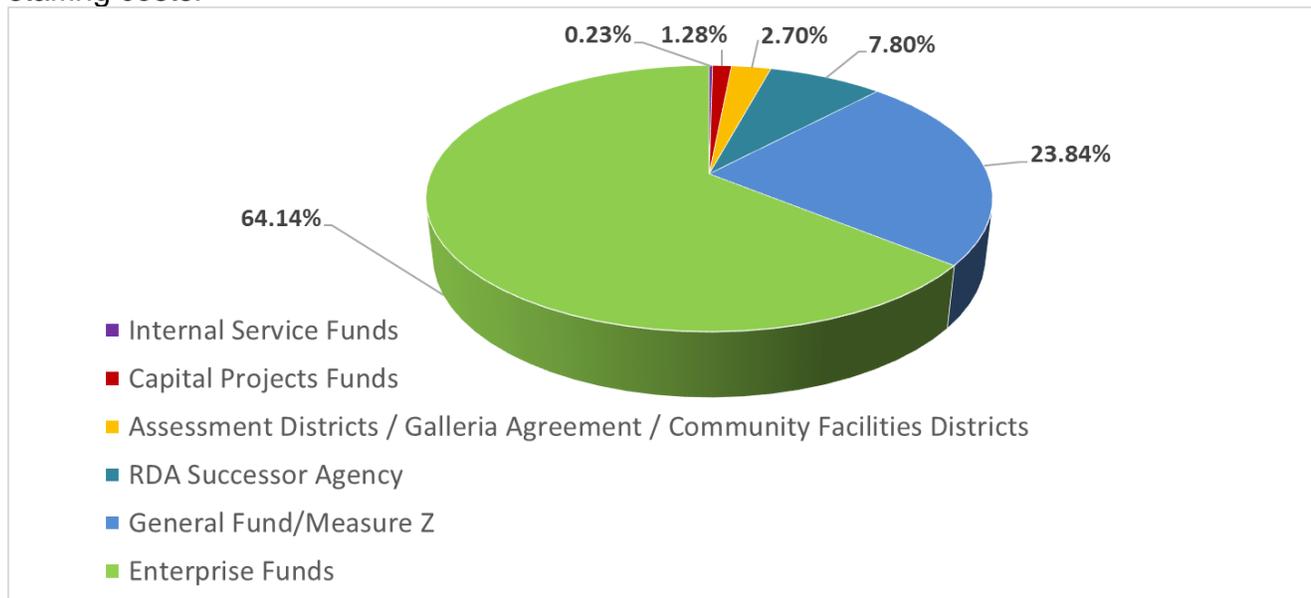
QUARTERLY DEBT REPORT

The Finance Department is responsible for managing the City’s debt portfolio, which includes issuing new debt and monitoring opportunities to refinance existing debt. The Six Months Debt Report (Attachment 3) 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 two quarters of Fiscal Year 2023 by debt classification and fund.

Debt Summary Analysis

The City’s outstanding principal varies as a result of debt service payments, bond calls, new debt issuances, and refunding and defeasance activity. At the end of the first six months, the City’s outstanding principal balance increased \$5,206,347 from the end of the fourth quarter of fiscal year 2022. This principal increase is due to a \$58,025,000 new debt issuance of the 2022A Water Revenue Bonds, offset by debt service principal payments on the Measure G Fire Facility General Obligation Bonds, California Tower Lease Revenue Bonds Series 2003A and B, 2012A Lease Revenue Bonds, 2019A (Galleria) and 2019B (Library) Lease Revenue Bonds, Capital Leases, Interfund Loans, Fox Entertainment Plaza Loan, Convention Center Expansion Loan, Electric Revenue Bonds, Water Revenue Bonds, Sewer Revenue Bonds, Tax Allocation Bonds, and Mello Roos and Assessment District Bonds.

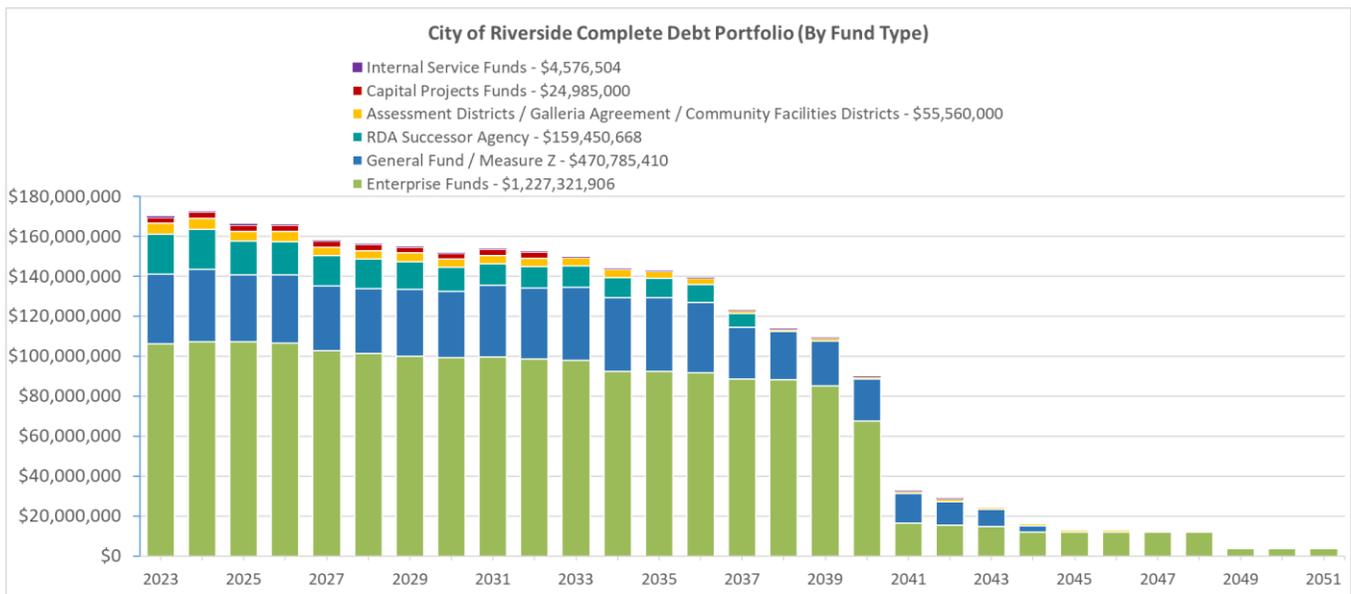
The following chart depicts the composition of the City’s debt portfolio at the end of the first six months. The Enterprise funds are responsible for most of the City’s debt and are primarily for capital project financing offset by the revenues generated by the newly financed facilities. The General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



For purposes of this report, the Sewer, Water, Electric, Refuse, Special Transit, Civic

Entertainment, Convention Center, and Parking funds are consolidated under the classification of Enterprise Funds. Measure Z and the General Fund are grouped together. Measure A is classified under Capital Projects Funds. While the Assessment Districts, Galleria Agreement, and Community Facilities Districts are part of the City debt portfolio, they aren't classified as City obligations. They are offset by individual Assessment and Community Facilities Districts, which are separate legal entities from the City formed to issue debt and levy assessments and/or special tax to finance improvements related to development in those districts.

The following chart provides the City's debt service obligations at the beginning of fiscal year 2022-2023 using the same classification methodology, depicting aggregate principal and interest payments on all City debt by fund. As illustrated below, the City has a stable debt service curve that results in steadily diminishing annual debt service payments, minimizing large upward spikes in payments that could negatively impact the City's ability to pay debt service in any one fiscal year.



Debt Related Activities in First Six Months

Finance staff regularly monitor the market to identify opportunities to maximize debt service savings through refunding and to issue debt when rates are most advantageous. Within the first six months, the Debt Division staff prepared documents and disclosure to issue new money Water Fund Revenue Bonds and an interest rate mode conversion and remarketing of the 2011A Water SIFMA Notes to Variable Rate Demand Obligations (VRDO).

Other debt-related activities conducted within the first six months of FY 2023 includes:

- Preparation and approval of Arlington, Auto Center, and Downtown Business Improvement District annual levies.
- Approval and posting of the levies for all FY 2023 CFD, AD and GO Bonds with the County of Riverside.
- Conducted a TEFRA hearing to facilitate tax-exempt funding for The Aspire affordable housing facility and joined the California Public Finance Authority as a Non-Charter Additional Member.
- Preparation of various debt-related reports for submission to the California Debt and Investment Advisory Commission (CDIAC) and the State Controller's Office.

- Preparation and filing of the annual SB 165 Report.

STRATEGIC PLAN ALIGNMENT:

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

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

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

FISCAL IMPACT:

There is no direct fiscal impact associated with this report.

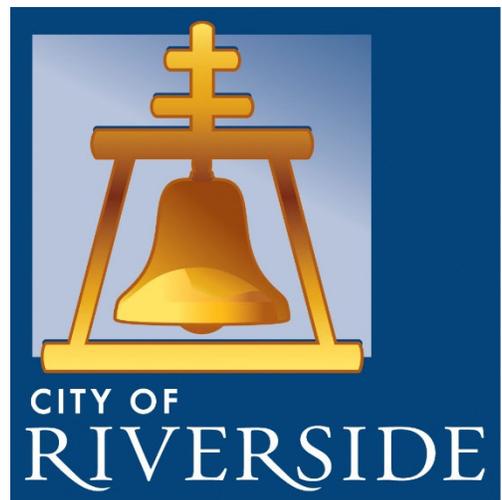
Prepared by:	Heidi Schrader, Debt and Treasury Manager
Certified as to availability of funds:	Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer
Approved by:	Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer
Approved as to form: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

Attachments:

1. Cash and Investment Report – Q1
2. Cash and Investment Report – Q2
3. Six Months Debt Report
4. Presentation

ATTACHMENT 1

CASH AND INVESTMENT REPORT

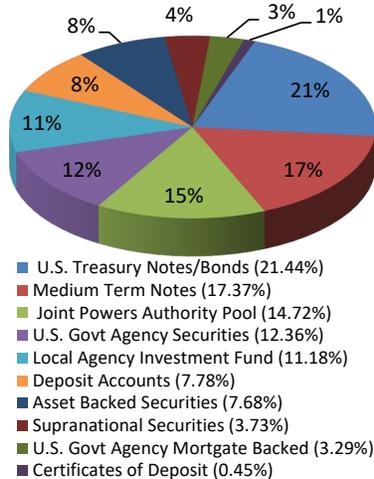




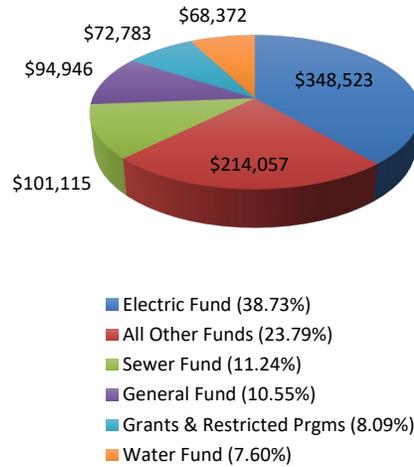
CITY OF RIVERSIDE Quarterly Investment Report September 30, 2022

	AMORTIZED COST	MARKET VALUE
POOLED INVESTMENT PORTFOLIO		
Deposit Accounts	\$ 69,955,925.36	\$ 69,955,925.36
Joint Powers Authority Pool	132,480,806.18	132,480,806.18
Local Agency Investment Fund (LAIF)	100,309,763.66	100,635,762.80
Certificates of Deposit	3,974,475.71	4,003,109.33
Medium Term Notes	169,689,955.38	156,330,443.22
U.S. Govt Agency Mortgage Backed Securities	30,972,726.85	29,631,425.63
Asset Backed Securities	71,444,732.52	69,080,473.00
Supranational Securities	37,090,512.00	33,579,492.04
U.S. Govt Agency Securities	119,069,564.65	111,225,772.14
U.S. Treasury Notes/Bonds	203,263,326.23	192,873,094.77
TOTAL POOLED INVESTMENT PORTFOLIO	938,251,788.54	899,796,304.47
INVESTMENTS HELD BY FISCAL AGENT -		
SECTION 115 PENSION TRUST FUND	20,137,399.36	18,502,336.06
OTHER INVESTMENTS HELD BY FISCAL AGENT	132,496,458.49	129,687,352.80
OTHER MISCELLANEOUS CASH	3,639,253.39	3,639,253.39
TOTAL CASH & INVESTMENTS	\$ 1,094,524,899.78	\$ 1,051,625,246.72

COMPOSITION OF POOLED PORTFOLIO



COMPOSITION OF POOLED PORTFOLIO BY FUND



It has been verified that this investment portfolio is in conformity, exclusive of items identified, with the City of Riverside's investment policy which was approved by City Council on 3/11/2020. The Treasurer's cash management program and cash flow analysis indicates that sufficient liquidity is on hand to meet estimated future expenditures for a period of six months. The weighted average maturity of the City's investment portfolio is 1.66 years. Market prices of securities are obtained from Interactive Data Corporation. Weighted average yield on cost for the City's investment portfolio is 1.62%. The cash held and invested with fiscal agents is subject to the investment provisions of the related trust indentures associated with the bond transaction which generated the cash.

Verified by:

Nancy Garcia

Nancy Garcia, Controller

Approved by:

Edward P. Enriquez

Edward P. Enriquez, Chief Financial Officer/Treasurer



CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
September 30, 2022

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	61,702,856.68	61,702,856.68
Federated Investors Federated Treasury	N/A	Varies	AAA	Varies	3,079,235.87	3,079,235.87
Citizens Business Bank	N/A	Varies	NR	Varies	5,173,832.81	5,173,832.81
SUBTOTAL DEPOSIT ACCOUNTS					69,955,925.36	69,955,925.36
<u>JOINT POWERS AUTHORITY POOL</u>						
California Asset Management Program (CAMP)	N/A	Varies	AAA	Varies	132,480,806.18	132,480,806.18
SUBTOTAL JOINT POWERS AUTHORITY POOL					132,480,806.18	132,480,806.18
LOCAL AGENCY INVESTMENT FUND (LAIF)	N/A	Varies	NR	Varies	100,309,763.66	100,635,762.80
<u>CERTIFICATES OF DEPOSIT</u>						
Westpac Banking Corp NY	0.300	10/26/22	A-1+	05/25/22	3,974,475.71	4,003,109.33
SUBTOTAL CERTIFICATES OF DEPOSIT					3,974,475.71	4,003,109.33
<u>MEDIUM TERM NOTES</u>						
Berkshire Hathaway	2.750	03/15/23	AA	05/09/19	4,451,187.75	4,416,440.52
Toyota Motor Credit Corp	3.450	09/20/23	A+	02/19/19	2,470,070.70	2,404,580.18
Charles Schwab Corp	0.750	03/18/24	A	03/16/21	1,954,022.50	1,849,810.90
Amazon.com Inc	0.450	05/12/24	AA	05/10/21	3,649,663.70	3,433,461.31
John Deere Capital Corp	0.450	06/07/24	A	06/07/21	2,077,400.00	1,943,487.52
Salesforce.com Inc	0.625	07/15/24	A+	06/29/21	1,064,456.85	994,360.09
Royal Bank of Canada	2.250	11/01/24	A	02/06/20	3,037,950.00	2,867,991.00
John Deere Capital Corp	2.050	01/09/25	A	02/06/20	3,024,810.00	2,840,659.33
American Honda Finance	1.500	01/13/25	A-	Various	4,483,050.30	4,190,962.50
Toyota Motor Credit Corp	1.800	02/13/25	A+	05/05/21	2,072,840.00	1,871,704.00
JP Morgan Chase & Co	3.220	03/01/25	A-	08/18/20	3,238,920.00	2,911,903.00
Bank of America Corp	3.458	03/15/25	A-	04/23/20	5,263,900.00	4,850,644.44
Chubb INA Holdings Inc	3.150	03/15/25	A	Various	6,518,943.13	5,716,388.15
Royal Bank of Canada	3.375	04/14/25	A	04/14/22	1,497,420.00	1,465,158.38
Bank of Montreal	1.850	05/01/25	A-	08/12/21	5,162,100.00	4,639,296.67
Caterpillar Financial Service	3.400	05/13/25	A	05/10/22	2,736,520.20	2,685,694.11
Qualcomm Inc	3.450	05/20/25	A	Various	5,245,703.20	4,903,215.83
Morgan Stanley	0.790	05/30/25	A-	Various	7,461,656.65	6,892,294.74
Honeywell Intl	1.350	06/01/25	A	06/23/20	5,119,000.00	4,625,065.00
Royal Bank of Canada	1.150	06/10/25	A	Various	5,044,880.00	4,530,304.17
Northwestern Mutual Gbl	4.000	07/01/25	AA+	06/27/22	6,402,822.30	6,303,564.02
American Honda Finance	1.200	07/08/25	A-	06/22/21	2,017,540.00	1,815,393.33
Toronto Dominion Bank	0.750	09/11/25	A	09/15/20	4,986,850.00	4,411,208.33
National Rural Utilities	3.250	11/01/25	A-	04/14/22	2,994,000.00	2,891,453.00
Simon Property Group	3.300	01/15/26	A-	08/11/21	4,750,593.75	4,152,595.42
Goldman Sachs Group Inc	0.855	02/12/26	BBB+	06/18/21	4,334,706.25	3,908,755.16
Bank of America Corp	2.015	02/13/26	A-	03/04/21	2,066,760.00	1,838,981.33
JP Morgan Chase & Co	2.005	03/13/26	A-	03/12/21	3,086,490.00	2,750,764.50
Citigroup Inc	3.106	04/08/26	BBB+	Various	6,788,825.00	6,071,053.10
JP Morgan Chase & Co	2.083	04/22/26	A-	06/23/21	3,105,570.00	2,761,247.75



CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
September 30, 2022

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	**MARKET VALUE
Guardian Life Glob Fun	1.250	05/13/26	AA+	02/09/22	2,307,168.00	2,105,452.00
United Health Group Inc	1.150	05/15/26	A+	Various	2,852,118.20	2,668,975.34
Toyota Motor Credit Corp	1.125	06/18/26	A+	Various	4,989,707.50	4,391,513.75
Bank of America Corp	1.319	06/19/26	A-	06/18/21	2,004,120.00	1,782,934.33
Met Tower Global Funding	1.250	09/14/26	AA-	09/07/21	2,927,304.40	2,522,868.52
Bank of Montreal	1.250	09/15/26	A-	Various	2,495,539.50	2,139,731.39
Wal-Mart Stores	1.050	09/17/26	AA	09/08/21	1,332,476.85	1,165,879.98
Metlife	1.875	01/11/27	AA-	01/03/22	4,240,160.70	3,731,977.60
Toronto-Dominion Bank	1.950	01/12/27	A	01/25/22	992,295.35	874,676.17
Charles Schwab Corp	2.450	03/03/27	A	03/01/22	1,668,196.40	1,502,511.62
Goldman Sachs Group Inc	1.431	03/09/27	BBB+	Various	2,914,727.50	2,797,890.88
Berkshire Hathaway	2.300	03/15/27	AA	03/07/22	4,924,064.25	4,489,379.92
Amazon.com Inc	3.300	04/13/27	AA	04/25/22	2,994,810.00	2,879,010.00
Virginia Electric Power Corp	3.750	05/15/27	BBB+	Various	5,509,511.95	5,263,627.43
Citigroup Inc	1.462	06/09/27	BBB+	06/21/22	1,753,880.00	1,712,540.89
Merck & Co	1.700	06/10/27	A+	06/23/22	3,966,221.40	3,847,924.90
Caterpillar Financial Service	3.600	08/12/27	A	Various	3,213,062.50	3,085,868.50
Wal-Mart Stores	3.950	09/09/27	AA	Various	2,495,938.60	2,429,242.22

SUBTOTAL MEDIUM TERM NOTES					169,689,955.38	156,330,443.22
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U.S. GOVERNMENT AGENCY MORTGAGE BACKED SECURITIES

FHLMC - K026 A2	2.510	11/25/22	NR	04/16/19	6,195,062.94	6,226,374.25
FHLMC - K723 A2	2.454	08/25/23	NR	07/16/19	9,452,788.32	9,235,258.47
FHLMC - K041 A2	3.171	10/25/24	AAA	07/01/21	5,378,515.63	4,874,652.50
FHLMC - K047 A2	3.329	05/25/25	NR	05/20/22	5,028,906.25	4,854,290.83
FHLMC - K049 A2	3.010	07/25/25	NR	06/23/21	1,789,016.21	1,590,498.58
FHLMC - K059 A2	3.120	09/25/26	AAA	02/18/22	3,128,437.50	2,850,351.00

SUBTOTAL U.S. GOVERNMENT AGENCY MORTGAGE BACKED SECURITIES					30,972,726.85	29,631,425.63
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U.S. GOVERNMENT AGENCY ASSET BACKED SECURITIES

Honda Auto Receivables	1.610	04/22/24	NR	02/19/20	1,063,661.45	1,055,419.89
Hyundai Auto Lease Trust	0.330	06/17/24	AAA	06/08/21	2,789,581.50	2,722,389.00
John Deere Owner Trust	1.100	08/15/24	NR	03/04/20	761,760.86	754,622.71
Toyota Auto Receivables Trust	0.440	10/15/24	AAA	07/21/20	993,273.11	977,194.19
Honda Auto Receivables Trust	0.370	10/18/24	AAA	09/22/20	1,401,142.82	1,371,006.14
GM Financial Auto Lease Trust	0.390	10/21/24	AAA	04/18/22	1,572,855.47	1,565,795.07
Toyota Lease Owner Trust	0.420	10/21/24	NR	07/27/21	2,484,966.45	2,393,127.90
John Deere Owner Trust	0.510	11/15/24	NR	07/14/20	482,066.69	472,854.95
Mercedes-Benz Auto Lease Trust	0.400	11/15/24	AAA	06/22/21	2,589,804.46	2,500,895.65
BMW Vehicle Lease Trust	0.330	12/26/24	NR	09/08/21	1,624,832.30	1,578,752.52
Hyundai Auto Lease Trust	1.160	01/15/25	AAA	01/11/22	2,074,954.14	1,998,865.26
Toyota Lease Owner Trust	1.960	02/20/25	AAA	02/23/22	4,384,309.80	4,229,774.90
GM Financial Auto Lease Trust	1.900	03/20/25	NR	02/15/22	3,599,969.04	3,477,951.20
BMW Vehicle Lease Trust	1.100	03/25/25	AAA	01/11/22	1,719,742.86	1,656,443.13
Honda Auto Receivables Trust	0.270	04/21/25	NR	02/17/21	984,977.14	956,335.76
Toyota Auto Receivables Owners	0.260	05/15/25	NR	02/02/21	3,502,456.46	3,413,600.70
GM Financial Auto Lease Trust	3.420	06/20/25	AAA	05/03/22	2,399,749.68	2,356,720.80
Hyundai Auto Receivables Trust	0.380	09/15/25	AAA	04/20/21	1,474,844.83	1,426,228.96
John Deere Owner Trust	0.360	09/15/25	NR	03/02/21	1,624,687.68	1,561,982.50
Hyundai Auto Receivables Trust	0.380	01/15/26	AAA	07/20/21	4,713,959.40	4,495,143.74



CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
September 30, 2022

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	1,749,631.10	1,656,125.53
John Deere Owner Trust	0.520	03/16/26	NR	07/13/21	2,204,803.31	2,084,291.93
Honda Auto Receivables Trust	1.880	05/15/26	AAA	02/15/22	2,814,576.62	2,677,463.48
Hyundai Auto Receivables Trust	0.740	05/15/26	AAA	11/09/21	1,249,721.00	1,179,962.37
BMW Vehicle Owner Trust	3.210	08/25/26	AAA	05/10/22	1,999,896.00	1,947,904.00
GM Financial Securitized Term	0.680	09/16/26	AAA	10/13/21	1,334,965.96	1,258,499.61
John Deere Owner Trust	2.320	09/16/26	NR	03/10/22	1,724,618.43	1,650,788.97
Hyundai Auto Receivables Trust	2.220	10/15/26	AAA	03/09/22	3,079,881.42	2,957,639.81
GM Financial Auto Receivables	1.260	11/16/26	AAA	01/11/22	1,139,900.93	1,085,122.69
GM Financial Securitized ART	3.100	02/16/27	AAA	04/05/22	1,674,649.93	1,625,762.82
John Deere Owner Trust	3.740	02/16/27	NR	07/12/22	2,689,743.11	2,631,372.05
American Express Credit Trust	3.390	05/17/27	AAA	05/17/22	5,188,851.97	5,030,182.60
Verizon Master Trust	3.720	07/20/27	AAA	08/02/22	2,349,896.60	2,330,252.17
SUBTOTAL U.S. GOVERNMENT AGENCY ASSET BACKED SECURITIES					71,444,732.52	69,080,473.00
<u>SUPRANATIONAL SECURITIES</u>						
Inter-American Dev Bank	0.500	09/23/24	AAA	09/15/21	8,403,776.60	7,812,478.84
Intl. Bank Recon & Development	0.625	04/22/25	AAA	04/15/20	4,278,378.35	3,922,092.71
Inter-American Dev Bank	0.625	07/15/25	AAA	01/13/21	5,071,967.50	4,563,156.99
Intl. Bank Recon & Development	0.500	10/28/25	AAA	Various	9,994,372.85	8,918,760.02
Inter-American Dev Bank	0.875	04/20/26	AAA	04/13/21	9,342,016.70	8,363,003.48
SUBTOTAL SUPRANATIONAL SECURITIES					37,090,512.00	33,579,492.04
<u>U.S. GOVERNMENT AGENCY SECURITIES</u>						
FHLMC	0.375	05/05/23	AA+	05/05/20	4,758,000.80	4,662,124.09
FNMA	0.250	05/22/23	AA+	05/20/20	7,651,898.25	7,498,727.00
FHLMC	0.250	06/26/23	AA+	06/24/20	5,588,633.40	5,452,037.99
FNMA	0.250	07/10/23	AA+	07/08/20	4,445,421.75	4,329,540.52
FHLMC	0.250	08/24/23	AA+	08/19/20	7,507,334.70	7,257,084.79
FHLMC	0.125	10/16/23	AA+	Various	9,961,598.25	9,576,869.17
FHLMC	0.250	11/06/23	AA+	11/03/20	9,331,594.00	8,942,078.12
FHLB	2.750	12/13/24	AA+	02/06/20	5,281,300.00	4,876,560.00
FNMA	1.625	01/07/25	AA+	03/04/20	8,281,440.00	7,578,949.33
FHLMC	1.500	02/12/25	AA+	02/13/20	6,599,914.15	6,217,977.83
FHLB	2.375	03/14/25	AA+	03/19/20	6,346,620.00	5,742,441.17
FNMA	0.625	04/22/25	AA+	04/22/20	5,199,267.40	4,762,807.03
FHLB	0.500	06/13/25	AA+	06/29/20	5,007,400.00	4,537,385.00
FNMA	0.500	06/17/25	AA+	06/17/20	6,506,503.60	5,903,126.14
FHLMC	0.375	07/21/25	AA+	07/21/20	4,606,942.60	4,157,842.63
FNMA	0.375	08/25/25	AA+	Various	7,962,282.50	7,157,368.01
FHLMC	0.375	09/23/25	AA+	Various	7,970,197.55	7,140,834.67
FNMA	0.500	11/07/25	AA+	11/09/20	6,063,215.70	5,432,018.65
SUBTOTAL U.S. GOVERNMENT AGENCY SECURITIES					119,069,564.65	111,225,772.14
<u>U.S. GOVERNMENT TREASURY SECURITIES</u>						
US Treasury	1.625	10/31/23	AA+	10/31/19	12,040,312.50	11,743,167.26
US Treasury	2.875	11/30/23	AA+	01/09/19	3,044,882.81	2,979,884.66
US Treasury	2.250	01/31/24	AA+	06/05/19	10,671,445.31	10,262,130.49

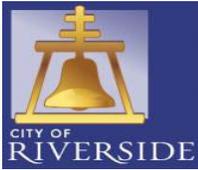


CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
September 30, 2022

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	**MARKET VALUE
US Treasury	2.000	04/30/24	AA+	Various	17,578,257.82	16,933,237.44
US Treasury	0.250	06/15/24	AA+	06/18/21	4,965,429.69	4,674,588.52
US Treasury	1.750	06/30/24	AA+	09/09/19	9,358,759.77	8,899,226.63
US Treasury	1.500	02/15/25	AA+	Various	15,947,968.76	15,500,360.04
US Treasury	1.125	02/28/25	AA+	03/24/20	6,177,656.25	5,579,450.39
US Treasury	1.750	03/15/25	AA+	05/04/22	4,827,539.06	4,712,852.40
US Treasury	2.750	05/15/25	AA+	Various	9,795,000.00	9,728,482.29
US Treasury	3.125	08/15/25	AA+	09/27/22	4,826,171.88	4,867,610.84
US Treasury	0.250	09/30/25	AA+	10/16/20	6,975,937.50	6,222,117.08
US Treasury	0.375	12/31/25	AA+	12/29/20	2,249,824.22	1,992,063.80
US Treasury	0.375	01/31/26	AA+	Various	8,625,488.28	7,713,735.70
US Treasury	0.750	03/31/26	AA+	03/30/21	3,969,843.75	3,552,426.42
US Treasury	0.750	05/31/26	AA+	Various	9,942,773.44	8,859,184.92
US Treasury	0.750	08/31/26	AA+	Various	5,170,878.90	4,609,427.89
US Treasury	1.125	10/31/26	AA+	Various	12,919,453.14	11,593,112.44
US Treasury	1.500	01/31/27	AA+	Various	15,585,117.20	14,839,492.37
US Treasury	2.750	04/30/27	AA+	Various	18,449,570.32	18,159,556.89
US Treasury	3.250	06/30/27	AA+	Various	20,141,015.63	19,450,986.30
SUBTOTAL U.S. GOVERNMENT TREASURY SECURITIES					203,263,326.23	192,873,094.77
TOTAL POOLED CASH & INVESTMENTS					938,251,788.54	899,796,304.47

*The City uses S&P ratings

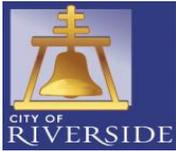
**Includes accrued interest



CITY OF RIVERSIDE
Investments held by Fiscal Agent
Section 115 Pension Trust Fund
September 30, 2022

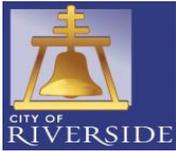
DESCRIPTION OF SECURITY	COST VALUE	MARKET VALUE
<u>CASH AND EQUIVALENTS</u>		
*Cash	7,708.18	7,708.18
First American Government Obligation Fund CL "Z"	1,026,573.31	1,026,573.31
SUBTOTAL CASH AND EQUIVALENTS	1,034,281.49	1,034,281.49
<u>MUTUAL FUNDS - EQUITY</u>		
Ishares Core - S P500 Etf	2,645,450.12	2,557,174.50
Ishares S P - 500 Growth Etf	1,078,612.25	1,030,077.10
Ishares S P - 500 Value Etf	1,248,439.74	1,176,986.16
Ishares - Russell Mid Cap Etf	906,244.50	832,810.00
Ishares - Russell 2000 Value Etf	711,677.21	652,772.59
Ishares - Russell 2000 Growth Etf	745,509.67	653,444.17
Ishares Core - Msci Eafe Etf	965,922.37	813,698.83
Vanguard Ftse - Emerging Markets Etf	641,502.94	539,212.73
Vanguard Real - Estate Etf	377,810.85	331,743.46
SUBTOTAL MUTUAL FUNDS - EQUITY	9,321,169.65	8,587,919.54
<u>MUTUAL FUNDS - FIXED INCOME</u>		
Ishares Core - U.S. Aggregate Bond Etf	7,479,892.74	6,714,319.96
Vanguard High - Yield Corporate Adm	206,462.14	186,850.86
Vanguard - Short Term Invnt Grade #539	2,095,593.34	1,978,964.21
SUBTOTAL MUTUAL FUNDS - FIXED INCOME	9,781,948.22	8,880,135.03
TOTAL ASSETS	20,137,399.36	18,502,336.06

* Includes accrued income



CITY OF RIVERSIDE
Investments Held by Fiscal Agent
September 30, 2022

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	24,177.44	24,177.44
Cash - Bank of America Equipment Lease	N/A	Varies	NR	Varies	11,965,281.98	11,965,281.98
US Bank Commercial Paper Sweep	N/A	Varies	NR	Varies	330,362.28	330,362.28
US Bank Gcts0170	N/A	Varies	NR	Varies	43,452,247.10	43,452,247.10
US Bank Gcts0185	N/A	Varies	NR	Varies	3,246,384.07	3,246,384.07
First American Government Obligation CL "Y"	N/A	Varies	AAA	Varies	66,253.10	66,253.10
First American Prime Obligations Fund CL " Z "	N/A	Varies	AAA	Varies	9,758,501.82	9,758,501.82
SUBTOTAL CASH & MONEY MARKET ACCOUNTS					68,843,207.79	68,843,207.79
LOCAL AGENCY INVESTMENT FUND (LAIF)	N/A	Varies	NR	Varies	1,247,967.82	1,252,011.97
<u>MEDIUM TERM NOTES</u>						
Charles Schwab Corp	0.750	03/18/24	A	Various	601,166.80	567,716.90
Amazon.com Inc	0.450	05/12/24	AA	05/10/21	394,423.30	371,058.07
John Deere Capital Corp	0.450	06/07/24	A	06/07/21	369,537.50	345,716.54
Salesforce.com Inc	0.625	07/15/24	A+	06/29/21	94,951.55	88,698.79
American Honda Finance	1.500	01/13/25	A-	Various	695,744.40	651,927.50
Toyota Motor Credit Corp	1.800	02/13/25	A+	05/05/21	777,315.00	701,889.00
Chubb INA Holdings Inc	3.150	03/15/25	A	01/26/21	659,406.00	576,539.40
Caterpillar Financial Service	3.400	05/13/25	A	05/10/22	209,733.30	205,837.87
Morgan Stanley	0.790	05/30/25	A-	05/26/21	640,340.50	590,900.01
PNC Bank	3.250	06/01/25	A	06/10/21	710,365.50	629,633.12
Eli Lilly & Co	2.750	06/01/25	A+	06/10/21	699,166.00	628,145.50
Honeywell Intl	1.350	06/01/25	A	06/10/21	717,066.00	647,509.10
Royal Bank of Canada	1.150	06/10/25	A	02/22/21	607,344.00	543,636.50
Toronto Dominion Bank	0.750	09/11/25	A	02/10/21	650,292.50	573,457.08
Simon Property Group	3.300	01/15/26	A-	08/11/21	678,656.25	593,227.92
Goldman Sachs Group Inc	0.855	02/12/26	BBB+	06/18/21	619,243.75	558,393.60
Bank of America Corp	2.015	02/13/26	A-	03/04/21	620,028.00	551,694.40
JP Morgan Chase & Co	2.005	03/13/26	A-	03/12/21	617,298.00	550,152.90
Citigroup Inc	3.106	04/08/26	BBB+	06/18/21	669,075.00	595,201.29
United Health Group Inc	1.150	05/15/26	A+	Various	130,420.30	115,655.60
Wal-Mart Stores	1.050	09/17/26	AA	09/08/21	119,773.20	104,798.20
Target Corp	1.950	01/15/27	A	01/19/22	264,549.50	238,777.63
Virginia Electric Power Corp	3.750	05/15/27	BBB+	05/16/22	119,625.60	114,842.79
SUBTOTAL MEDIUM TERM NOTES					11,665,521.95	10,545,409.71
<u>U.S. GOVERNMENT AGENCY ASSET BACKED SECURITIES</u>						
Mercedes-Benz Auto Lease Trust	0.400	11/15/24	AAA	06/22/21	239,981.88	231,743.23
BMW Vehicle Lease Trust	0.330	12/26/24	NR	09/08/21	149,984.52	145,731.00
GM Financial Auto Lease Trust	1.900	03/20/25	NR	02/15/22	309,997.33	299,490.25
BMW Vehicle Lease Trust	1.100	03/25/25	AAA	01/11/22	149,977.58	144,457.25
Honda Auto Receivables Trust	0.270	04/21/25	NR	02/17/21	108,957.66	105,789.36
Toyota Auto Receivables Owners	0.260	05/15/25	NR	02/02/21	392,917.31	382,949.18
John Deere Owner Trust	0.360	09/15/25	NR	03/02/21	179,965.40	173,019.60
Hyundai Auto Receivables Trust	0.380	09/15/25	AAA	04/20/21	164,982.64	159,544.26
Hyundai Auto Receivables Trust	0.380	01/15/26	AAA	07/20/21	434,904.00	414,716.33
Honda Auto Receivables Trust	0.880	01/21/26	NR	11/16/21	154,967.33	146,685.41



CITY OF RIVERSIDE
Investments Held by Fiscal Agent
September 30, 2022

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	**MARKET VALUE
John Deere Owner Trust	0.520	03/16/26	NR	07/13/21	204,981.72	193,777.71
Hyundai Auto Receivables Trust	0.740	05/15/26	AAA	11/09/21	109,975.45	103,836.68
Honda Auto Receivables Trust	1.880	05/15/26	AAA	02/15/22	244,963.15	233,029.68
BMW Vehicle Owner Trust	3.210	08/25/26	AAA	05/10/22	149,992.20	146,092.80
GM Financial Securitized Term	0.680	09/16/26	AAA	10/13/21	114,997.07	108,410.08
John Deere Owner Trust	2.320	09/16/26	NR	03/10/22	179,960.19	172,256.24
GM Financial Auto Receivables	1.260	11/16/26	AAA	01/11/22	99,991.31	95,186.22
GM Financial Securitized ART	3.100	02/16/27	AAA	04/05/22	139,970.75	135,884.67
John Deere Owner Trust	3.740	02/16/27	NR	07/12/22	184,982.33	180,967.97
Verizon Master Trust	3.720	07/20/27	AAA	08/02/22	159,992.96	158,655.47
SUBTOTAL U.S. GOVERNMENT AGENCY ASSET BACKED SECURITIES					3,876,442.78	3,732,223.39
<u>SUPRANATIONAL SECURITIES</u>						
Inter-American Dev Bank	0.500	09/23/24	AAA	09/15/21	764,433.90	710,647.60
International Finance Corp	1.375	10/16/24	AAA	07/12/21	1,026,900.00	949,132.08
Intl. Bank Recon & Development	0.500	10/28/25	AAA	01/26/21	1,000,640.00	891,876.00
Inter-American Dev Bank	0.875	04/20/26	AAA	04/13/21	1,040,213.90	931,202.84
SUBTOTAL SUPRANATIONAL SECURITIES					3,832,187.80	3,482,858.52
<u>U.S. GOVERNMENT AGENCY SECURITIES</u>						
FFCB	0.125	02/03/23	AA+	01/26/21	854,521.20	845,216.57
FHLB	0.125	03/17/23	AA+	03/17/21	779,142.00	767,161.68
FFCB	0.125	04/13/23	AA+	04/06/21	1,033,633.80	1,014,249.63
FFCB	1.750	02/14/25	AA+	02/10/22	603,384.65	571,629.25
SUBTOTAL U.S. GOVERNMENT AGENCY SECURITIES					3,270,681.65	3,198,257.13
<u>U.S. GOVERNMENT TREASURY SECURITIES</u>						
US Treasury	2.125	12/31/22	AA+	02/16/18	2,929,335.94	3,005,928.73
US Treasury	0.000	02/16/23	A-1+	09/30/22	353,863.51	353,900.46
US Treasury	0.000	03/30/23	A-1+	09/30/22	7,362,717.75	7,363,503.84
US Treasury	2.750	08/31/23	AA+	09/30/22	200,817.03	199,832.33
US Treasury	0.125	02/15/24	AA+	02/23/21	997,187.50	945,003.64
US Treasury	0.250	05/15/24	AA+	05/18/21	2,194,671.88	2,063,631.44
US Treasury	3.250	08/31/24	AA+	09/30/22	1,703,341.53	1,702,097.55
US Treasury	0.375	09/15/24	AA+	09/29/21	1,990,312.50	1,856,269.50
US Treasury	3.000	07/15/25	AA+	09/30/22	247,159.51	243,269.42
US Treasury	3.125	08/15/25	AA+	08/25/22	1,241,503.90	1,216,902.71
US Treasury	0.375	01/31/26	AA+	Various	1,724,482.43	1,542,747.15
US Treasury	0.750	03/31/26	AA+	05/18/21	2,194,070.32	1,953,834.53
US Treasury	0.750	05/31/26	AA+	06/23/21	3,232,099.61	2,879,235.10
US Treasury	1.500	01/31/27	AA+	03/30/22	765,312.50	719,490.54
US Treasury	3.250	06/30/27	AA+	08/25/22	1,002,460.94	972,549.32
US Treasury	3.125	08/31/27	AA+	09/30/22	670,665.96	664,031.23
US Treasury	3.125	08/31/29	AA+	09/30/22	189,730.51	190,441.42
SUBTOTAL U.S. GOVERNMENT TREASURY SECURITIES					28,999,733.32	27,872,668.91
<u>INVESTMENT CONTRACTS</u>						



CITY OF RIVERSIDE
Investments Held by Fiscal Agent
September 30, 2022

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	**MARKET VALUE
Invt Agmt-Trinity Plus Fdg Co Gic	0.047	10/01/29	NR	05/14/08	6,411,744.65	6,411,744.65
Invt Agmt-Trinity Plus Fdg Co Gic	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					132,496,458.49	129,687,352.80

**The City uses S&P ratings*

***Includes accrued interest*

**City of Riverside
Cash Balances by Fund
As of September 30, 2022**

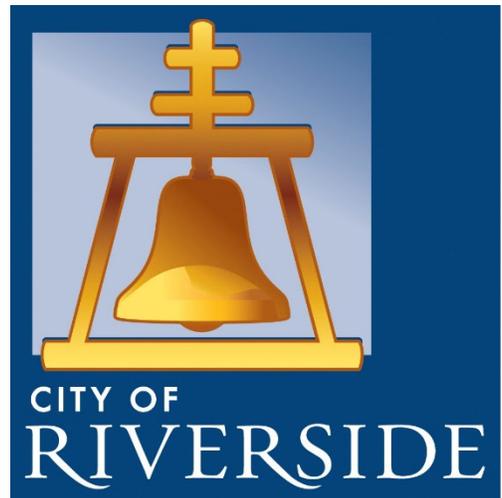
Fund	Cash Balance ¹	Interfund Loan Receivables ²	Cash Balance + Loan Receivables		
General Fund	101	94,945,972	-	94,945,972	
Measure Z	110	67,003,749	-	67,003,749	
Pension Trust	115	409,316	-	409,316	
Enterprise Funds					
Electric	510	321,429,974	2,454,345	323,884,319	
Electric - Public Benefits Program	511	27,093,040	-	27,093,040	
Water	520	64,809,648	-	64,809,648	
Water - Conservation & Reclamation Program	521	3,562,878	-	3,562,878	
Airport	530	1,672,995	-	1,672,995	
Refuse Collection	540	4,859,321	-	4,859,321	
Sewer Service	550	101,114,840	1,442,409	102,557,249	
Special Transit	560	3,950,715	-	3,950,715	
Public Parking	570	2,502,897	-	2,502,897	
Civic Entertainment (Convention Center, Visitors Bureau, Sports Commission)	580	(534,347)	-	(534,347)	
Civic Entertainment (Fox, Box, RMA, Showcase)	581	4,050,900	-	4,050,900	
Civic Entertainment (Cheech Marin Center)	582	(3,105,813)	-	(3,105,813)	
SubTotal - Enterprise Funds		531,407,048	3,896,754	535,303,802	
Special Revenue Funds					
Urban Areas Security Initiative	205	(1,897,232)	-	(1,897,232)	
Grants and Restricted Programs	215	72,783,305	-	72,783,305	
Community Development Block Grant	220	69,892	-	69,892	
Home Investment Partnership Program	221	669,990	-	669,990	
Housing Opportunities for Persons with AIDS	222	(875,444)	-	(875,444)	
Community Development Grants	223	5,419,091	-	5,419,091	
Neighborhood Stabilization Program	225	163,191	-	163,191	
Special Gas Tax	230	28,824,067	-	28,824,067	
Air Quality Improvement	240	1,579,909	-	1,579,909	
NPDES Storm Drain	260	114,194	-	114,194	
Housing Authority	280	1,381,214	-	1,381,214	
Housing Assets	281	8,327,730	-	8,327,730	
Special Districts	Various	(134,955)	-	(134,955)	
SubTotal - Special Revenue Funds		116,424,952	-	116,424,952	
Capital Projects Funds					
Capital Outlay	401	2,100,766	-	2,100,766	
Storm Drain	410	884,907	-	884,907	
Local Park Special Capital Improvements	411	591,125	-	591,125	
Regional Park Special Capital Improvements	413	3,814,272	-	3,814,272	
Measure Z Capital Outlay	420	15,799,696	-	15,799,696	
Capital Outlay Grants	430	419,030	-	419,030	
Transportation Projects	431	211	-	211	
Measure A Capital Outlay	432	29,806,074	-	29,806,074	
Transportation Development Impact Fees	433	7,137,182	-	7,137,182	
Transportation Uniform Mitigation Fees	434	(1,884,002)	-	(1,884,002)	
Community Facilities Districts and Assessment Districts	Various	2,103,976	-	2,103,976	
SubTotal - Capital Project Funds		60,773,237	-	60,773,237	
Debt Service Funds					
Debt Service Fund - General	390	(26,896,959)	-	(26,896,959)	
Debt Service Fund - Public Works	391	94,012	-	94,012	
SubTotal Debt Service Funds		(26,802,947)	-	(26,802,947)	
Agency Funds					
Successor Agency	Various	22,802,223	-	22,802,223	
Community Facilities Districts and Assessment Districts	Various	585,665	-	585,665	
Special Deposits	Various	(24,207,127)	-	(24,207,127)	
SubTotal Agency Funds		(819,239)	-	(819,239)	
Internal Service Funds					
Workers' Compensation Insurance Trust	610	20,017,327	-	20,017,327	
Unemployment Insurance Trust	620	282,883	-	282,883	
Liability Insurance Trust	630	2,230,123	-	2,230,123	
Parada Settlement Fund	631	21,816,952	-	21,816,952	
Central Stores	640	(320,896)	-	(320,896)	
Central Garage	650	12,427,827	-	12,427,827	
SubTotal - Internal Service Funds		56,454,216	-	56,454,216	
		Total - All Funds	\$ 899,796,304	\$ 3,896,754	\$ 903,693,059

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.

ATTACHMENT 1

CASH AND INVESTMENT REPORT

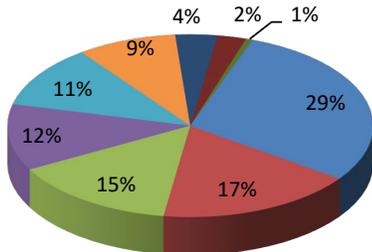




CITY OF RIVERSIDE Quarterly Investment Report December 31, 2022

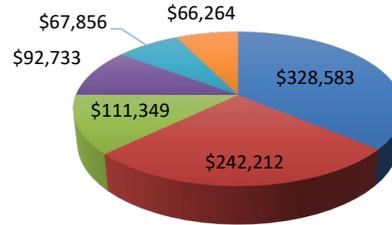
	AMORTIZED COST	MARKET VALUE
POOLED INVESTMENT PORTFOLIO		
Deposit Accounts	\$ 100,333,276.85	\$ 100,333,276.85
Joint Powers Authority Pool	133,747,280.60	133,747,280.60
Commerical Paper	5,432,977.78	5,471,105.56
Medium Term Notes	170,415,892.13	158,854,324.94
U.S. Govt Agency Mortgage Backed Securities	24,599,953.99	23,245,317.70
Asset Backed Securities	82,314,917.11	80,268,772.96
Supranational Securities	37,090,512.00	33,837,311.08
U.S. Govt Agency Securities	113,891,836.54	106,920,916.50
U.S. Treasury Notes/Bonds	275,368,290.04	266,318,899.36
TOTAL POOLED INVESTMENT PORTFOLIO	943,194,937.04	908,997,205.55
INVESTMENTS HELD BY FISCAL AGENT -		
SECTION 115 PENSION TRUST FUND	20,247,991.90	19,378,380.39
OTHER INVESTMENTS HELD BY FISCAL AGENT	128,203,579.79	125,762,122.71
OTHER MISCELLANEOUS CASH	3,856,861.53	3,856,861.53
TOTAL CASH & INVESTMENTS	\$ 1,095,503,370.26	\$ 1,057,994,570.18

COMPOSITION OF POOLED PORTFOLIO



- U.S. Treasury Notes/Bonds (29.30%)
- Medium Term Notes (17.48%)
- Joint Powers Authority Pool (14.71%)
- U.S. Govt Agency Securities (11.76%)
- Deposit Accounts (11.04%)
- Asset Backed Securities (8.83%)
- Supranational Securities (3.72%)
- U.S. Govt Agency Mortgage Backed (2.56%)
- Certificates of Deposit (0.60%)

COMPOSITION OF POOLED PORTFOLIO BY FUND



- Electric Fund (36.15%)
- All Other Funds (26.65%)
- Sewer Fund (12.25%)
- General Fund (10.20%)
- Grants & Restricted Prgms (7.46%)
- Measure Z Fund (7.29%)

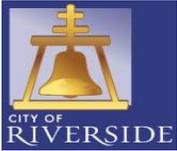
It has been verified that this investment portfolio is in conformity, exclusive of items identified, with the City of Riverside's investment policy which was approved by City Council on 3/11/2020. The Treasurer's cash management program and cash flow analysis indicates that sufficient liquidity is on hand to meet estimated future expenditures for a period of six months. The weighted average maturity of the City's investment portfolio is 1.63 years. Market prices of securities are obtained from Interactive Data Corporation. Weighted average yield on cost for the City's investment portfolio is 2.18%. The cash held and invested with fiscal agents is subject to the investment provisions of the related trust indentures associated with the bond transaction which generated the cash.

Verified by:

Nancy Garcia, Controller

Approved by:

Edward P. Enriquez, Chief Financial Officer/Treasurer



CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
December 31, 2022

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	87,530,134.42	87,530,134.42
Federated Investors Federated Treasury	N/A	Varies	AAA	Varies	12,803,142.43	12,803,142.43
SUBTOTAL DEPOSIT ACCOUNTS					100,333,276.85	100,333,276.85
<u>JOINT POWERS AUTHORITY POOL</u>						
California Asset Management Program (CAMP)	N/A	Varies	AAA	Varies	133,747,280.60	133,747,280.60
SUBTOTAL JOINT POWERS AUTHORITY POOL					133,747,280.60	133,747,280.60
<u>COMMERCIAL PAPER</u>						
Bank of Montreal	4.200	01/18/23	A-1	11/16/22	1,488,975.00	1,497,025.00
MUFG Bank Ltd/NY	4.450	01/30/23	A-1	10/31/22	1,977,502.78	1,992,830.56
BofA Securities	4.500	03/17/23	A-1	11/03/22	1,966,500.00	1,981,250.00
SUBTOTAL COMMERCIAL PAPER					5,432,977.78	5,471,105.56
<u>MEDIUM TERM NOTES</u>						
Qualcomm Inc	2.600	01/30/23	A	11/03/22	995,570.00	1,009,295.96
Pepsico Inc.	2.750	03/01/23	A+	11/04/22	1,640,331.00	1,661,095.44
Berkshire Hathaway	2.750	03/15/23	AA	11/01/22	1,043,038.50	1,054,006.17
Toyota Motor Credit Corp	3.450	09/20/23	A+	02/19/19	2,470,070.70	2,426,158.58
Charles Schwab Corp	0.750	03/18/24	A	03/16/21	1,954,022.50	1,862,774.52
Amazon.com Inc	0.450	05/12/24	AA	05/10/21	3,649,663.70	3,446,154.95
John Deere Capital Corp	0.450	06/07/24	A	06/07/21	2,077,400.00	1,956,227.04
Salesforce.com Inc	0.625	07/15/24	A+	06/29/21	1,064,456.85	1,002,474.81
Royal Bank of Canada	2.250	11/01/24	A	02/06/20	3,037,950.00	2,872,383.15
John Deere Capital Corp	2.050	01/09/25	A	02/06/20	3,024,810.00	2,878,748.62
American Honda Finance	1.500	01/13/25	A-	Various	4,483,050.30	4,242,229.11
Toyota Motor Credit Corp	1.800	02/13/25	A+	05/05/21	2,072,840.00	1,894,450.26
JP Morgan Chase & Co	3.220	03/01/25	A-	08/18/20	3,238,920.00	2,947,729.69
Bank of America Corp	3.458	03/15/25	A-	04/23/20	5,263,900.00	4,923,141.94
Chubb INA Holdings Inc	3.150	03/15/25	A	Various	6,518,943.13	5,803,664.33
Royal Bank of Canada	3.375	04/14/25	A	04/14/22	1,497,420.00	1,461,386.14
Bank of Montreal	1.850	05/01/25	A-	08/12/21	5,162,100.00	4,682,055.02
Caterpillar Financial Service	3.400	05/13/25	A	05/10/22	2,736,520.20	2,678,108.01
Qualcomm Inc	3.450	05/20/25	A	Various	5,245,703.20	4,890,429.18
Morgan Stanley	0.790	05/30/25	A-	Various	7,461,656.65	6,960,728.34
Honeywell Intl	1.350	06/01/25	A	06/23/20	5,119,000.00	4,631,959.40
Royal Bank of Canada	1.150	06/10/25	A	Various	5,044,880.00	4,583,700.42
Northwestern Mutual Gbl	4.000	07/01/25	AA+	06/27/22	6,402,822.30	6,412,094.75
American Honda Finance	1.200	07/08/25	A-	06/22/21	2,017,540.00	1,841,825.39
Toronto Dominion Bank	0.750	09/11/25	A	09/15/20	4,986,850.00	4,478,463.53
National Rural Utilities	3.250	11/01/25	A-	04/14/22	2,994,000.00	2,868,979.40
Simon Property Group	3.300	01/15/26	A-	08/11/21	4,750,593.75	4,223,992.23
Goldman Sachs Group Inc	0.855	02/12/26	BBB+	06/18/21	4,334,706.25	3,973,176.73
Bank of America Corp	2.015	02/13/26	A-	03/04/21	2,066,760.00	1,870,620.73
JP Morgan Chase & Co	2.005	03/13/26	A-	03/12/21	3,086,490.00	2,796,706.83
Citigroup Inc	3.106	04/08/26	BBB+	Various	6,788,825.00	6,073,979.61



CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
December 31, 2022

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	**MARKET VALUE
JP Morgan Chase & Co	2.083	04/22/26	A-	06/23/21	3,105,570.00	2,795,464.31
Guardian Life Glob Fun	1.250	05/13/26	AA+	02/09/22	2,307,168.00	2,119,619.01
United Health Group Inc	1.150	05/15/26	A+	Various	2,852,118.20	2,687,404.12
Toyota Motor Credit Corp	1.125	06/18/26	A+	Various	4,989,707.50	4,425,258.70
Bank of America Corp	1.319	06/19/26	A-	06/18/21	2,004,120.00	1,805,566.37
Met Tower Global Funding	1.250	09/14/26	AA-	09/07/21	2,927,304.40	2,560,015.06
Bank of Montreal	1.250	09/15/26	A-	Various	2,495,539.50	2,196,488.77
Wal-Mart Stores	1.050	09/17/26	AA	09/08/21	1,332,476.85	1,187,734.67
Morgan Stanley	6.138	10/16/26	A-	10/19/22	1,498,185.00	1,552,006.70
Metlife	1.875	01/11/27	AA-	01/03/22	4,240,160.70	3,797,863.74
Toronto-Dominion Bank	1.950	01/12/27	A	01/25/22	992,295.35	901,431.55
Charles Schwab Corp	2.450	03/03/27	A	03/01/22	1,668,196.40	1,538,360.51
Goldman Sachs Group Inc	1.431	03/09/27	BBB+	Various	2,914,727.50	2,864,486.50
Berkshire Hathaway	2.300	03/15/27	AA	03/07/22	4,924,064.25	4,584,437.24
Amazon.com Inc	3.300	04/13/27	AA	04/25/22	2,994,810.00	2,872,775.76
Virginia Electric Power Corp	3.750	05/15/27	BBB+	Various	5,509,511.95	5,277,629.60
Citigroup Inc	1.462	06/09/27	BBB+	06/21/22	1,753,880.00	1,738,710.15
Merck & Co	1.700	06/10/27	A+	06/23/22	3,966,221.40	3,893,193.60
Caterpillar Financial Service	3.600	08/12/27	A	Various	3,213,062.50	3,151,110.56
Wal-Mart Stores	3.950	09/09/27	AA	Various	2,495,938.60	2,496,027.74

SUBTOTAL MEDIUM TERM NOTES	170,415,892.13	158,854,324.94
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U.S. GOVERNMENT AGENCY MORTGAGE BACKED SECURITIES

FHLMC-K723 A2	2.454	08/25/23	NR	07/16/19	9,275,078.40	9,067,216.27
FHLMC-K041 A2	3.171	10/25/24	AAA	07/01/21	5,378,515.63	4,857,774.00
FHLMC-K047 A2	3.329	05/25/25	NR	05/20/22	5,028,906.25	4,859,593.83
FHLMC-K049 A2	3.010	07/25/25	NR	06/23/21	1,789,016.21	1,594,247.70
FHLMC-K059 A2	3.120	09/25/26	AAA	02/18/22	3,128,437.50	2,866,485.90

SUBTOTAL U.S. GOVERNMENT AGENCY MORTGAGE BACKED SECURITIES	24,599,953.99	23,245,317.70
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U.S. GOVERNMENT AGENCY ASSET BACKED SECURITIES

Honda Auto Receivables	1.610	04/22/24	NR	02/19/20	689,403.05	683,480.62
Hyundai Auto Lease Trust	0.330	06/17/24	AAA	06/08/21	2,789,581.50	2,747,843.01
John Deere Owner Trust	1.100	08/15/24	NR	03/04/20	443,245.65	439,616.75
Toyota Auto Receivables Trust	0.440	10/15/24	AAA	07/21/20	717,869.08	706,573.18
Honda Auto Receivables Trust	0.370	10/18/24	AAA	09/22/20	1,065,699.69	1,042,710.36
Toyota Lease Owner Trust	0.420	10/21/24	NR	07/27/21	2,484,966.45	2,416,058.98
GM Financial Auto Lease Trust	0.390	10/21/24	AAA	04/18/22	1,572,855.47	1,574,137.26
John Deere Owner Trust	0.510	11/15/24	NR	07/14/20	368,199.93	362,682.27
Mercedes-Benz Auto Lease Trust	0.400	11/15/24	AAA	06/22/21	2,589,804.46	2,515,809.65
BMW Vehicle Lease Trust	0.330	12/26/24	NR	09/08/21	1,583,587.21	1,547,652.86
Hyundai Auto Lease Trust	1.160	01/15/25	AAA	01/11/22	2,074,954.14	2,003,578.62
Toyota Lease Owner Trust	1.960	02/20/25	AAA	02/23/22	4,384,309.80	4,231,901.63
GM Financial Auto Lease Trust	1.900	03/20/25	NR	02/15/22	3,599,969.04	3,480,564.80
BMW Vehicle Lease Trust	1.100	03/25/25	AAA	01/11/22	1,719,742.86	1,664,311.61
Honda Auto Receivables Trust	0.270	04/21/25	NR	02/17/21	792,389.41	766,556.09
Toyota Auto Receivables Owners	0.260	05/15/25	NR	02/02/21	2,846,706.01	2,774,142.40
GM Financial Auto Lease Trust	3.420	06/20/25	AAA	05/03/22	2,399,749.68	2,350,431.36
John Deere Owner Trust	0.360	09/15/25	NR	03/02/21	1,417,056.21	1,368,714.25
Hyundai Auto Receivables Trust	0.380	09/15/25	AAA	04/20/21	1,378,093.25	1,333,118.70



CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
December 31, 2022

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	4,713,959.40	4,503,034.29
Honda Auto Receivables Trust	0.880	01/21/26	NR	11/16/21	1,749,631.10	1,661,278.58
John Deere Owner Trust	0.520	03/16/26	NR	07/13/21	2,204,803.31	2,093,225.93
Hyundai Auto Receivables Trust	0.740	05/15/26	AAA	11/09/21	1,249,721.00	1,181,231.24
Honda Auto Receivables Trust	1.880	05/15/26	AAA	02/15/22	2,814,576.62	2,677,444.93
BMW Vehicle Owner Trust	3.210	08/25/26	AAA	05/10/22	1,999,896.00	1,949,148.20
GM Financial Securitized Term	0.680	09/16/26	AAA	10/13/21	1,334,965.96	1,261,702.82
John Deere Owner Trust	2.320	09/16/26	NR	03/10/22	1,724,618.43	1,656,287.75
Hyundai Auto Receivables Trust	2.220	10/15/26	AAA	03/09/22	3,079,881.42	2,946,428.61
GM Financial Auto Receivables	1.260	11/16/26	AAA	01/11/22	1,139,900.93	1,078,448.89
GM Financial Securitized ART	3.100	02/16/27	AAA	04/05/22	1,674,649.93	1,624,915.90
John Deere Owner Trust	3.740	02/16/27	NR	07/12/22	2,689,743.11	2,632,622.36
American Express Credit Trust	3.390	05/17/27	AAA	05/17/22	5,188,851.97	5,049,283.36
John Deere Owner Trust	5.090	06/15/27	NR	10/12/22	3,454,731.89	3,475,834.11
Verizon Master Trust	3.720	07/20/27	AAA	08/02/22	2,349,896.60	2,317,030.74
American Express Credit Trust	3.750	08/16/27	NR	10/28/22	3,868,125.00	3,919,716.00
Mercedes-Benz Auto Receivables	5.210	08/16/27	AAA	11/15/22	6,158,781.55	6,231,254.85
SUBTOTAL U.S. GOVERNMENT AGENCY ASSET BACKED SECURITIES					82,314,917.11	80,268,772.96
<u>SUPRANATIONAL SECURITIES</u>						
Inter-American Dev Bank	0.500	09/23/24	AAA	09/15/21	8,403,776.60	7,849,619.42
Intl. Bank Recon & Development	0.625	04/22/25	AAA	04/15/20	4,278,378.35	3,948,188.96
Inter-American Dev Bank	0.625	07/15/25	AAA	01/13/21	5,071,967.50	4,615,601.55
Intl. Bank Recon & Development	0.500	10/28/25	AAA	Various	9,994,372.85	9,000,997.91
Inter-American Dev Bank	0.875	04/20/26	AAA	04/13/21	9,342,016.70	8,422,903.24
SUBTOTAL SUPRANATIONAL SECURITIES					37,090,512.00	33,837,311.08
<u>U.S. GOVERNMENT AGENCY SECURITIES</u>						
FHLB	4.325	02/24/23	A-1+	11/30/22	2,474,170.14	2,483,781.25
FHLMC	0.375	05/05/23	AA+	05/05/20	4,758,000.80	4,696,934.83
FHLMC	0.250	06/26/23	AA+	06/24/20	5,588,633.40	5,489,479.51
FNMA	0.250	07/10/23	AA+	07/08/20	4,445,421.75	4,355,818.69
FHLMC	0.250	08/24/23	AA+	08/19/20	7,507,334.70	7,302,819.12
FHLMC	0.125	10/16/23	AA+	Various	9,961,598.25	9,647,479.47
FHLMC	0.250	11/06/23	AA+	11/03/20	9,331,594.00	8,989,084.01
FHLB	2.750	12/13/24	AA+	02/06/20	5,281,300.00	4,849,827.60
FNMA	1.625	01/07/25	AA+	03/04/20	8,281,440.00	7,626,351.97
FHLMC	1.500	02/12/25	AA+	02/13/20	6,599,914.15	6,266,360.97
FHLB	2.375	03/14/25	AA+	03/19/20	6,346,620.00	5,782,784.33
FNMA	0.625	04/22/25	AA+	04/22/20	5,199,267.40	4,796,572.37
FHLB	0.500	06/13/25	AA+	06/29/20	5,007,400.00	4,566,266.65
FNMA	0.500	06/17/25	AA+	06/17/20	6,506,503.60	5,938,714.58
FHLMC	0.375	07/21/25	AA+	07/21/20	4,606,942.60	4,201,204.39
FNMA	0.375	08/25/25	AA+	Various	7,962,282.50	7,231,957.28
FHLMC	0.375	09/23/25	AA+	Various	7,970,197.55	7,213,764.51
FNMA	0.500	11/07/25	AA+	11/09/20	6,063,215.70	5,481,714.97
SUBTOTAL U.S. GOVERNMENT AGENCY SECURITIES					113,891,836.54	106,920,916.50
<u>U.S. GOVERNMENT TREASURY SECURITIES</u>						

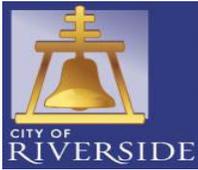


CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
December 31, 2022

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	**MARKET VALUE
US Treasury	3.990	01/26/23	A-1+	10/31/22	9,903,565.33	9,972,288.89
US Treasury	4.016	01/31/23	A-1+	11/03/22	4,950,357.78	4,983,266.67
US Treasury	1.750	01/31/23	AA+	11/03/22	4,970,898.44	5,027,601.85
US Treasury	4.187	02/28/23	A-1+	Various	24,659,242.50	24,831,365.00
US Treasury	4.248	03/16/23	A-1+	11/03/22	21,657,306.01	21,807,883.67
US Treasury	1.625	10/31/23	AA+	10/31/19	10,033,593.75	9,779,781.49
US Treasury	2.875	11/30/23	AA+	01/09/19	3,044,882.81	2,958,598.42
US Treasury	2.250	01/31/24	AA+	06/05/19	10,671,445.31	10,324,059.49
US Treasury	2.000	04/30/24	AA+	Various	17,578,257.82	16,853,316.61
US Treasury	0.250	06/15/24	AA+	06/18/21	4,965,429.69	4,695,113.79
US Treasury	1.750	06/30/24	AA+	09/09/19	9,358,759.77	8,867,802.42
US Treasury	1.500	02/15/25	AA+	Various	15,947,968.76	15,635,066.04
US Treasury	1.125	02/28/25	AA+	03/24/20	6,177,656.25	5,628,015.08
US Treasury	1.750	03/15/25	AA+	05/04/22	4,827,539.06	4,754,229.97
US Treasury	2.750	05/15/25	AA+	Various	9,795,000.00	9,685,704.42
US Treasury	3.125	08/15/25	AA+	09/27/22	4,826,171.88	4,917,223.34
US Treasury	0.250	09/30/25	AA+	10/16/20	6,975,937.50	6,295,994.15
US Treasury	4.250	10/15/25	AA+	10/28/22	3,983,750.00	4,036,740.57
US Treasury	0.375	12/31/25	AA+	12/29/20	2,249,824.22	2,012,893.56
US Treasury	0.375	01/31/26	AA+	Various	8,625,488.28	7,806,358.82
US Treasury	0.750	03/31/26	AA+	03/30/21	3,969,843.75	3,597,040.84
US Treasury	0.750	05/31/26	AA+	Various	9,942,773.44	8,935,893.40
US Treasury	0.750	08/31/26	AA+	Various	5,170,878.90	4,668,244.05
US Treasury	1.125	10/31/26	AA+	Various	12,919,453.14	11,668,173.34
US Treasury	1.500	01/31/27	AA+	Various	15,585,117.20	15,021,256.37
US Treasury	2.750	04/30/27	AA+	Various	18,449,570.32	18,121,666.94
US Treasury	3.250	06/30/27	AA+	Various	20,141,015.63	19,369,755.58
US Treasury	4.125	09/30/27	AA+	10/28/22	3,986,562.50	4,063,564.59
SUBTOTAL U.S. GOVERNMENT TREASURY SECURITIES					275,368,290.04	266,318,899.36
TOTAL POOLED CASH & INVESTMENTS					943,194,937.04	908,997,205.55

*The City uses S&P ratings

**Includes accrued interest



CITY OF RIVERSIDE
Investments held by Fiscal Agent
Section 115 Pension Trust Fund
December 31, 2022

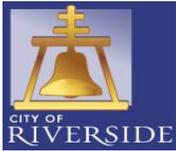
DESCRIPTION OF SECURITY	COST VALUE	MARKET VALUE
<u>CASH AND EQUIVALENTS</u>		
*Cash	9,649.70	9,649.70
First American Government Obligation Fund CL "Z"	1,030,384.99	1,030,384.99
SUBTOTAL CASH AND EQUIVALENTS	1,040,034.69	1,040,034.69
<u>MUTUAL FUNDS - EQUITY</u>		
Ishares Core - S P500 Etf	2,656,823.31	2,749,790.97
Ishares S P - 500 Growth Etf	1,140,607.81	1,102,842.00
Ishares S P - 500 Value Etf	1,194,451.15	1,270,087.85
Ishares - Russell Mid Cap Etf	892,482.58	890,542.35
Ishares - Russell 2000 Value Etf	704,146.79	695,014.04
Ishares - Russell 2000 Growth Etf	758,515.98	693,972.20
Ishares Core - Msci Eafe Etf	867,135.57	854,885.16
Vanguard Ftse - Emerging Markets Etf	627,441.23	567,821.66
Vanguard Real - Estate Etf	384,947.83	349,137.84
SUBTOTAL MUTUAL FUNDS - EQUITY	9,226,552.25	9,174,094.07
<u>MUTUAL FUNDS - FIXED INCOME</u>		
Ishares Core - U.S. Aggregate Bond Etf	7,624,645.99	6,912,768.27
Vanguard High - Yield Corporate Adm	205,362.51	192,381.49
Vanguard - Short Term Invt Grade #539	2,151,396.46	2,059,101.87
SUBTOTAL MUTUAL FUNDS - FIXED INCOME	9,981,404.96	9,164,251.63
TOTAL ASSETS	20,247,991.90	19,378,380.39

* Includes accrued income



CITY OF RIVERSIDE
Investments Held by Fiscal Agent
December 31, 2022

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	41,975.76	41,975.76
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	330,366.46	330,366.46
US Bank Gcts0170	N/A	Varies	NR	Varies	35,397,066.15	35,397,066.15
US Bank Gcts0185	N/A	Varies	NR	Varies	1,534,248.10	1,534,248.10
First American Government Obligation CL "Y"	N/A	Varies	AAA	Varies	67,052.29	67,052.29
First American Prime Obligations Fund CL " Z "	N/A	Varies	AAA	Varies	9,381,684.68	9,381,684.68
SUBTOTAL CASH & MONEY MARKET ACCOUNTS					58,023,957.44	58,023,957.44
LOCAL AGENCY INVESTMENT FUND (LAIF)	N/A	Varies	NR	Varies	1,252,213.36	1,258,422.00
<u>MEDIUM TERM NOTES</u>						
Charles Schwab Corp	0.750	03/18/24	A	Various	601,166.80	571,695.50
Amazon.com Inc	0.450	05/12/24	AA	05/10/21	394,423.30	372,429.88
John Deere Capital Corp	0.450	06/07/24	A	06/07/21	369,537.50	347,982.70
Salesforce.com Inc	0.625	07/15/24	A+	06/29/21	94,951.55	89,422.64
American Honda Finance	1.500	01/13/25	A-	Various	695,744.40	659,902.30
Toyota Motor Credit Corp	1.800	02/13/25	A+	05/05/21	777,315.00	710,418.85
Chubb INA Holdings Inc	3.150	03/15/25	A	01/26/21	659,406.00	585,341.84
Caterpillar Financial Service	3.400	05/13/25	A	05/10/22	209,733.30	205,256.46
Morgan Stanley	0.790	05/30/25	A-	05/26/21	640,340.50	596,767.06
PNC Bank	3.250	06/01/25	A	06/10/21	710,365.50	629,289.04
Eli Lilly & Co	2.750	06/01/25	A+	06/10/21	699,166.00	622,947.62
Honeywell Intl	1.350	06/01/25	A	06/10/21	717,066.00	648,474.32
Royal Bank of Canada	1.150	06/10/25	A	02/22/21	607,344.00	550,044.06
Toronto Dominion Bank	0.750	09/11/25	A	02/10/21	650,292.50	582,200.25
Simon Property Group	3.300	01/15/26	A-	08/11/21	678,656.25	603,427.46
Goldman Sachs Group Inc	0.855	02/12/26	BBB+	06/18/21	619,243.75	567,596.68
Bank of America Corp	2.015	02/13/26	A-	03/04/21	620,028.00	561,186.22
JP Morgan Chase & Co	2.005	03/13/26	A-	03/12/21	617,298.00	559,341.36
Citigroup Inc	3.106	04/08/26	BBB+	06/18/21	669,075.00	595,488.20
United Health Group Inc	1.150	05/15/26	A+	Various	130,420.30	116,454.20
Wal-Mart Stores	1.050	09/17/26	AA	09/08/21	119,773.20	106,762.67
Target Corp	1.950	01/15/27	A	01/19/22	264,549.50	243,289.04
Virginia Electric Power Corp	3.750	05/15/27	BBB+	05/16/22	119,625.60	115,148.28
SUBTOTAL MEDIUM TERM NOTES					11,665,521.95	10,640,866.63
<u>U.S. GOVERNMENT AGENCY ASSET BACKED SECURITIES</u>						
Mercedes-Benz Auto Lease Trust	0.400	11/15/24	AAA	06/22/21	239,981.88	233,125.21
BMW Vehicle Lease Trust	0.330	12/26/24	NR	09/08/21	146,177.27	142,860.26
GM Financial Auto Lease Trust	1.900	03/20/25	NR	02/15/22	309,997.33	299,715.31
BMW Vehicle Lease Trust	1.100	03/25/25	AAA	01/11/22	149,977.58	145,143.46
Honda Auto Receivables Trust	0.270	04/21/25	NR	02/17/21	87,653.70	84,796.03
Toyota Auto Receivables Owners	0.260	05/15/25	NR	02/02/21	319,353.02	311,212.59
John Deere Owner Trust	0.360	09/15/25	NR	03/02/21	156,966.22	151,611.42
Hyundai Auto Receivables Trust	0.380	09/15/25	AAA	04/20/21	154,159.58	149,128.53
Hyundai Auto Receivables Trust	0.380	01/15/26	AAA	07/20/21	434,904.00	415,444.31
Honda Auto Receivables Trust	0.880	01/21/26	NR	11/16/21	154,967.33	147,141.82



CITY OF RIVERSIDE
Investments Held by Fiscal Agent
December 31, 2022

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	**MARKET VALUE
John Deere Owner Trust	0.520	03/16/26	NR	07/13/21	204,981.72	194,608.31
Hyundai Auto Receivables Trust	0.740	05/15/26	AAA	11/09/21	109,975.45	103,948.35
Honda Auto Receivables Trust	1.880	05/15/26	AAA	02/15/22	244,963.15	233,028.06
BMW Vehicle Owner Trust	3.210	08/25/26	AAA	05/10/22	149,992.20	146,186.12
GM Financial Securitized Term	0.680	09/16/26	AAA	10/13/21	114,997.07	108,686.00
John Deere Owner Trust	2.320	09/16/26	NR	03/10/22	179,960.19	172,830.02
GM Financial Auto Receivables	1.260	11/16/26	AAA	01/11/22	99,991.31	94,600.79
GM Financial Securitized ART	3.100	02/16/27	AAA	04/05/22	139,970.75	135,813.87
John Deere Owner Trust	3.740	02/16/27	NR	07/12/22	184,982.33	181,053.95
John Deere Owner Trust	5.090	06/15/27	NR	10/12/22	239,981.38	241,447.24
Verizon Master Trust	3.720	07/20/27	AAA	08/02/22	159,992.96	157,755.29
Mercedes-Benz Auto Receivables	5.210	08/16/27	AAA	11/15/22	414,917.91	419,800.44
SUBTOTAL U.S. GOVERNMENT AGENCY ASSET BACKED SECURITIES					4,398,844.33	4,269,937.38
<u>SUPRANATIONAL SECURITIES</u>						
Inter-American Dev Bank	0.500	09/23/24	AAA	09/15/21	764,433.90	714,026.03
International Finance Corp	1.375	10/16/24	AAA	07/12/21	1,026,900.00	947,374.04
Intl. Bank Recon & Development	0.500	10/28/25	AAA	01/26/21	1,000,640.00	900,099.80
Inter-American Dev Bank	0.875	04/20/26	AAA	04/13/21	1,040,213.90	937,872.55
SUBTOTAL SUPRANATIONAL SECURITIES					3,832,187.80	3,499,372.42
<u>U.S. GOVERNMENT AGENCY SECURITIES</u>						
FFCB	0.125	02/03/23	AA+	01/26/21	854,521.20	852,279.36
FHLB	0.125	03/17/23	AA+	03/17/21	779,142.00	773,456.77
FFCB	0.125	04/13/23	AA+	04/06/21	1,033,633.80	1,021,997.19
FHLB	4.500	10/03/24	AA+	10/27/22	799,128.00	805,758.74
FFCB	4.500	11/18/24	AA+	11/15/22	809,141.40	813,822.00
FFCB	1.750	02/14/25	AA+	02/10/22	603,384.65	578,929.49
SUBTOTAL U.S. GOVERNMENT AGENCY SECURITIES					4,878,951.05	4,846,243.55
<u>U.S. GOVERNMENT TREASURY SECURITIES</u>						
US Treasury	N/A	02/16/23	AA+	09/30/22	353,863.51	357,300.15
US Treasury	N/A	03/30/23	AA+	09/30/22	7,362,717.75	7,435,824.10
US Treasury	4.558	06/29/23	AA+	12/29/22	1,953,916.08	1,954,675.70
US Treasury	2.750	08/31/23	AA+	09/30/22	200,817.03	201,323.08
US Treasury	0.125	02/15/24	AA+	02/23/21	822,679.69	784,396.92
US Treasury	0.250	05/15/24	AA+	05/18/21	2,194,671.88	2,072,238.49
US Treasury	3.250	08/31/24	AA+	09/30/22	1,703,341.53	1,711,778.96
US Treasury	0.375	09/15/24	AA+	09/29/21	1,990,312.50	1,867,315.56
US Treasury	3.000	07/15/25	AA+	09/30/22	247,159.51	245,798.67
US Treasury	3.125	08/15/25	AA+	08/25/22	1,241,503.90	1,229,305.83
US Treasury	4.250	10/15/25	AA+	Various	2,523,849.62	2,548,192.48
US Treasury	0.375	01/31/26	AA+	Various	1,724,482.43	1,561,271.77
US Treasury	0.750	03/31/26	AA+	05/18/21	2,194,070.32	1,978,372.46
US Treasury	0.750	05/31/26	AA+	06/23/21	3,232,099.61	2,904,165.36
US Treasury	1.500	01/31/27	AA+	03/30/22	765,312.50	728,303.34
US Treasury	3.250	06/30/27	AA+	08/25/22	1,486,835.94	1,452,731.67
US Treasury	3.125	08/31/27	AA+	09/30/22	670,665.96	672,044.19



CITY OF RIVERSIDE
Investments Held by Fiscal Agent
December 31, 2022

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	**MARKET VALUE
US Treasury	4.125	09/30/27	AA+	Various	2,533,158.21	2,565,125.16
US Treasury	3.125	08/31/29	AA+	09/30/22	189,730.51	192,444.02
SUBTOTAL U.S. GOVERNMENT TREASURY SECURITIES					33,391,188.48	32,462,607.91
<u>INVESTMENT CONTRACTS</u>						
Trinity Plus	0.047	10/01/29	NR	03/31/20	6,411,744.65	6,411,744.65
Trinity Plus	0.047	10/01/35	NR	03/31/20	4,348,970.73	4,348,970.73
SUBTOTAL INVESTMENT CONTRACTS					10,760,715.38	10,760,715.38
TOTAL INVESTMENTS HELD WITH FISCAL AGENT					128,203,579.79	125,762,122.71

**The City uses S&P ratings*

***Includes accrued interest*

**City of Riverside
Cash Balances by Fund
As of December 31, 2022**

Fund	Cash Balance ¹	Interfund Loan Receivables ²	Cash Balance + Loan Receivables	
General Fund	101	92,733,219	-	92,733,219
Measure Z	110	66,264,229	-	66,264,229
Pension Trust	115	635,249	-	635,249
Enterprise Funds				
Electric	510	300,078,202	2,454,345	302,532,547
Electric - Public Benefits Program	511	28,504,399	-	28,504,399
Water	520	60,967,063	-	60,967,063
Water - Conservation & Reclamation Program	521	3,720,601	-	3,720,601
Airport	530	1,733,584	-	1,733,584
Refuse Collection	540	4,330,980	-	4,330,980
Sewer Service	550	111,348,810	1,442,409	112,791,219
Special Transit	560	5,103,140	-	5,103,140
Public Parking	570	1,465,210	-	1,465,210
Civic Entertainment (Convention Center, Visitors Bureau, Sports Commission)	580	(235,537)	-	(235,537)
Civic Entertainment (Fox, Box, RMA, Showcase)	581	4,656,477	-	4,656,477
Civic Entertainment (Cheech Marin Center)	582	(4,355,750)	-	(4,355,750)
SubTotal - Enterprise Funds		517,317,179	3,896,754	521,213,933
Special Revenue Funds				
Urban Areas Security Initiative	205	(1,535,946)	-	(1,535,946)
Grants and Restricted Programs	215	67,856,008	-	67,856,008
Community Development Block Grant	220	(131,897)	-	(131,897)
Home Investment Partnership Program	221	1,237,355	-	1,237,355
Housing Opportunities for Persons with AIDS	222	(1,108,798)	-	(1,108,798)
Community Development Grants	223	6,860,169	-	6,860,169
Neighborhood Stabilization Program	225	311,661	-	311,661
Special Gas Tax	230	31,575,770	-	31,575,770
Air Quality Improvement	240	1,693,333	-	1,693,333
NPDES Storm Drain	260	(312,573)	-	(312,573)
Housing Authority	280	1,033,813	-	1,033,813
Housing Assets	281	8,431,221	-	8,431,221
Special Districts	Various	(1,215,584)	-	(1,215,584)
SubTotal - Special Revenue Funds		114,694,532	-	114,694,532
Capital Projects Funds				
Capital Outlay	401	1,875,513	-	1,875,513
Storm Drain	410	334,233	-	334,233
Local Park Special Capital Improvements	411	554,220	-	554,220
Regional Park Special Capital Improvements	413	3,875,523	-	3,875,523
Measure Z Capital Outlay	420	22,471,309	-	22,471,309
Capital Outlay Grants	430	1,449,332	-	1,449,332
Transportation Projects	431	212	-	212
Measure A Capital Outlay	432	31,626,067	-	31,626,067
Transportation Development Impact Fees	433	7,243,869	-	7,243,869
Transportation Uniform Mitigation Fees	434	(2,111,441)	-	(2,111,441)
Community Facilities Districts and Assessment Districts	Various	2,111,776	-	2,111,776
SubTotal - Capital Project Funds		69,430,613	-	69,430,613
Debt Service Funds				
Debt Service Fund - General	390	(19,105,424)	-	(19,105,424)
Debt Service Fund - Public Works	391	(524,939)	-	(524,939)
SubTotal Debt Service Funds		(19,630,363)	-	(19,630,363)
Agency Funds				
Successor Agency	Various	29,052,819	-	29,052,819
Community Facilities Districts and Assessment Districts	Various	507,982	-	507,982
Special Deposits	Various	(19,540,203)	-	(19,540,203)
SubTotal Agency Funds		10,020,598	-	10,020,598
Internal Service Funds				
Workers' Compensation Insurance Trust	610	20,732,803	-	20,732,803
Unemployment Insurance Trust	620	311,853	-	311,853
Liability Insurance Trust	630	3,305,935	-	3,305,935
Parada Settlement Fund	631	21,917,438	-	21,917,438
Central Stores	640	(888,987)	-	(888,987)
Central Garage	650	12,152,908	-	12,152,908
SubTotal - Internal Service Funds		57,531,950	-	57,531,950
Total - All Funds		\$ 908,997,206	\$ 3,896,754	\$ 912,893,960

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

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

CITY OF RIVERSIDE
Fiscal Year 2022/2023 First Six Months
Summary of Outstanding Debt¹

Debt Type By Funding Source	Principal Balance as of 7/1/2022	Q1 & Q2 New Debt Issued	Q1 & Q2 Principal Payments	Q1 & Q2 Interest Payments	Principal Balance as of 1/1/2023	Projected Principal Balance 6/30/2023
General Fund/Measure Z						
General Obligation Bonds	\$ 4,940,000	\$ -	\$ 1,560,000	\$ 135,850	\$ 3,380,000	\$ 3,380,000
Pension Obligation Bonds	333,879,538	-	-	6,069,700	333,879,538	317,279,231
Certificates of Participation	59,787,577	-	-	895,859	59,787,577	56,717,969
Lease Revenue Bonds	47,848,478	-	2,648,831	1,138,788	45,199,648	45,199,648
Capital Leases	22,887,407	-	1,831,140	238,525	21,056,267	19,289,928
Interfund Loans	1,442,410	-	296,728	-	1,145,682	1,145,682
Total General Fund	\$ 470,785,410	\$ -	\$ 6,336,699	\$ 8,478,721	\$ 464,448,712	\$ 443,012,458
Capital Projects Funds						
Measure A Certificates of Participation	24,985,000	-	-	619,369	24,985,000	23,225,000
Total Capital Projects Funds	\$ 24,985,000	\$ -	\$ -	\$ 619,369	\$ 24,985,000	\$ 23,225,000
Enterprise Funds						
Pension Obligation Bonds	\$ 110,718,958	\$ -	\$ -	\$ 1,743,752	\$ 110,718,958	\$ 103,708,515
Electric Fund Revenue Bonds	524,130,000	-	16,760,000	13,534,815	507,370,000	507,370,000
Electric Fund Capital Leases	363,637	-	273,846	2,487	89,791	-
Water Fund Revenue Bonds	192,190,000	58,025,000	6,915,000	4,972,138	243,300,000	243,300,000
Water Fund Capital Lease	1,218,356	-	115,492	14,408	1,102,864	986,007
Sewer Fund Revenue Bonds	322,855,000	-	9,770,000	7,956,775	313,085,000	313,085,000
Lease Revenue Bonds	6,625,200	-	457,200	145,647	6,168,000	6,168,000
Certificates of Participation	25,912,423	-	-	388,272	25,912,423	24,582,031
Civic Entertainment Fund Loan	6,509,317	-	287,005	125,304	6,222,312	5,929,782
Convention Center Expansion Loan	29,520,327	-	1,047,145	470,205	28,473,182	27,410,223
Parking Fund Loans	7,278,688	-	320,928	140,115	6,957,760	6,630,654
Total Enterprise Funds	\$ 1,227,321,906	\$ 58,025,000	\$ 35,946,615	\$ 29,493,918	\$ 1,249,400,290	\$ 1,239,170,213
Internal Service Funds						
Pension Obligation Bonds	\$ 4,576,504	\$ -	\$ -	\$ 72,082	\$ 4,576,504	\$ 4,287,254
Total Internal Service Funds	\$ 4,576,504	\$ -	\$ -	\$ 72,082	\$ 4,576,504	\$ 4,287,254
RDA Successor Agency						
Lease Revenue Bonds	9,201,322	-	2,398,969	226,566	6,802,353	6,802,353
Tax Allocation Bonds	147,795,000	-	4,710,000	3,469,608	143,085,000	143,085,000
Interfund Loans	2,454,346	-	426,370	-	2,027,976	2,027,976
Total RDA Successor Agency	\$ 159,450,668	\$ -	\$ 7,535,339	\$ 3,696,174	\$ 151,915,329	\$ 151,915,329
Assessment Districts / Galleria Agreement / Community Facilities Districts						
Assessment Districts	\$ 16,315,000	\$ -	\$ 1,570,000	\$ 425,947	\$ 14,745,000	\$ 14,395,000
Galleria Mall Improvements District Certificates of Participation	5,000	-	-	125	5,000	5,000
Lease Revenue Refunding Bonds (Galleria) Series 2019A	13,960,000	-	735,000	249,487	13,225,000	13,225,000
Community Facilities Districts	25,280,000	-	695,000	503,764	24,585,000	24,585,000
Total AD / Galleria / CFDs	\$ 55,560,000	\$ -	\$ 3,000,000	\$ 1,179,323	\$ 52,560,000	\$ 52,210,000
Total	\$1,942,679,488	\$ 58,025,000	\$ 52,818,653	\$ 43,539,587	\$ 1,947,885,835	\$ 1,913,820,253

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

CITY OF RIVERSIDE
Fiscal Year 2022/2023 First Six Months
Outstanding Debt¹

Debt Type / Issuance	Year Issued (FY)	Final Maturity (FY)	Total Issue Size	Outstanding Principal Balance 7/1/2022	Q1 & Q2 New Debt Issued	Q1 & Q2 Principal Payments	Q1 & Q2 Interest Payments	Outstanding Principal Balance 1/1/2023	Projected Principal Balance 6/30/2023
General Obligation									
Measure G Fire Facility Projects General Obligation Bonds 2004	2004	2025	\$ 20,000,000	\$ 4,940,000	\$ -	\$ 1,560,000	\$ 135,850	\$ 3,380,000	\$ 3,380,000
Total General Obligation Bonds			\$ 20,000,000	\$ 4,940,000	\$ -	\$ 1,560,000	\$ 135,850	\$ 3,380,000	\$ 3,380,000
Pension Obligation²									
Pension Obligation Bonds Series 2004A	2004	2023	\$ 89,540,000	\$ 10,715,000	\$ -	\$ -	\$ 315,878	\$ 10,715,000	\$ -
Pension Obligation Bonds Series 2017A	2017	2027	31,960,000	16,915,000	-	-	245,856	16,915,000	13,715,000
Pension Obligation Bonds Series 2020A (Safety)	2020	2045	231,085,000	231,085,000	-	-	4,304,160	231,085,000	231,085,000
Pension Obligation Bonds Series 2020A (Misc)	2020	2043	201,080,000	190,460,000	-	-	3,019,639	190,460,000	180,475,000
Total Pension Obligation Bonds			\$ 553,665,000	\$ 449,175,000	\$ -	\$ -	\$ 7,885,534	\$ 449,175,000	\$ 425,275,000
Certificates of Participation									
Galleria Mall Improvements COPs Series 2006A	2006	2037	\$ 19,945,000	\$ 5,000	\$ -	\$ -	\$ 125	\$ 5,000	\$ 5,000
Riverside Renaissance Projects Refunding COPs Series 2008A	2008	2037	128,300,000	85,700,000	-	-	1,284,131	85,700,000	81,300,000
Local Measure A Sales Tax Revenue COPs Series 2013A	2013	2033	35,235,000	24,985,000	-	-	619,369	24,985,000	23,225,000
Total Certificates of Participation			\$ 183,480,000	\$ 110,690,000	\$ -	\$ -	\$ 1,903,625	\$ 110,690,000	\$ 104,530,000
Lease Revenue Bonds									
California Tower Lease Revenue Bonds Series 2003A	2003	2024	\$ 26,255,000	\$ 6,265,000	\$ -	\$ 1,950,000	\$ 156,625	\$ 4,315,000	\$ 4,315,000
California Tower Lease Revenue Bonds Series 2003B	2003	2024	4,810,000	995,000	-	315,000	27,263	680,000	680,000
Lease Revenue Refunding Bonds Series 2012A	2013	2034	41,240,000	27,605,000	-	1,905,000	606,863	25,700,000	25,700,000
Lease Revenue Refunding Bonds (Galleria) Series 2019A	2019	2037	15,980,000	13,960,000	-	735,000	249,487	13,225,000	13,225,000
Lease Revenue Bonds (Main Library Project) Series 2019B	2019	2037	33,505,000	28,810,000	-	1,335,000	720,250	27,475,000	27,475,000
Total Lease Revenue Bonds			\$ 121,790,000	\$ 77,635,000	\$ -	\$ 6,240,000	\$ 1,760,488	\$ 71,395,000	\$ 71,395,000
Capital Leases									
Pinnacle #2 - VOIP Phone System	2013	2023	\$ 1,650,000	\$ 92,098	\$ -	\$ 92,098	\$ 1,096	\$ -	\$ -
BofA #2 - Various Hardware and Software	2018	2028	7,955,000	3,154,988	-	510,498	37,311	2,644,490	2,127,954
BofA #3 - Fire, PW and Refuse Vehicles and Equipment	2017	2027	14,500,000	8,348,757	-	718,456	91,127	7,630,301	6,904,003
BofA #4 - Police Helicopters	2022	2032	11,291,564	11,291,564	-	510,087	108,991	10,781,477	10,257,971
BofA #2 - Water Fund Vehicles Capital Lease	2018	2028	2,305,000	1,218,356	-	115,492	14,408	1,102,864	986,007
Electric Fund Vehicles Capital Leases - Various	Various	Various	Various	363,637	-	273,846	2,487	89,791	-
Total Capital Leases			\$ 37,701,564	\$ 24,469,400	\$ -	\$ 2,220,477	\$ 255,420	\$ 22,248,923	\$ 20,275,935
Interfund Loans³									
Reid Park Acquisition Interfund Loan	2011	2028	\$ 720,000	\$ 316,346	\$ -	\$ 55,510	\$ -	\$ 260,836	\$ 260,836
Riverside Golf Course Acquisition Interfund Loan	2011	2028	4,837,500	2,138,000	-	370,860	-	1,767,140	1,767,140
Utilities Plaza Purchase Interfund Loan	2012	2027	4,469,221	1,442,410	-	296,728	-	1,145,682	1,145,682
Total Interfund Loans			\$ 10,026,721	\$ 3,896,756	\$ -	\$ 723,098	\$ -	\$ 3,173,658	\$ 3,173,658
Private Placement Loans									
Fox Entertainment Plaza Loan	2011	2032	\$ 25,000,000	\$ 13,788,005	\$ -	\$ 607,933	\$ 265,419	\$ 13,180,072	\$ 12,560,436
Convention Center Expansion Loan ⁴	2013	2034	44,650,000	29,520,327	-	1,047,145	470,205	28,473,182	27,410,223
Total Private Placement Loans			\$ 69,650,000	\$ 43,308,332	\$ -	\$ 1,655,078	\$ 735,624	\$ 41,653,254	\$ 39,970,660
Enterprise Revenue Bonds									
Electric Revenue Refunding Bonds (2008) Series A	2008	2029	\$ 84,515,000	\$ 34,465,000	\$ -	\$ -	\$ 445,632	\$ 34,465,000	\$ 34,465,000
Electric Revenue Refunding Bonds (2008) Series C	2008	2036	57,325,000	32,150,000	-	-	448,664	32,150,000	32,150,000
Electric Revenue Bonds (2010) Series A	2010	2041	133,290,000	128,600,000	-	2,490,000	4,840,177	126,110,000	126,110,000
Electric Revenue Bonds (2011) Series A	2011	2036	56,450,000	35,550,000	-	1,950,000	482,039	33,600,000	33,600,000

CITY OF RIVERSIDE
 Fiscal Year 2022/2023 First Six Months
 Outstanding Debt¹

Debt Type / Issuance	Year Issued (FY)	Final Maturity (FY)	Total Issue Size	Outstanding Principal Balance 7/1/2022	Q1 & Q2 New Debt Issued	Q1 & Q2 Principal Payments	Q1 & Q2 Interest Payments	Outstanding Principal Balance 1/1/2023	Projected Principal Balance 6/30/2023
Electric Revenue Refunding Bonds (2013) Series A	2014	2044	79,080,000	36,355,000	-	970,000	893,053	35,385,000	35,385,000
Electric Revenue Refunding Bonds (2019) Series A	2019	2049	283,325,000	257,010,000	-	11,350,000	6,425,250	245,660,000	245,660,000
Water Revenue Bonds (2009) Series B	2010	2040	67,790,000	65,315,000	-	2,555,000	2,026,868	62,760,000	62,760,000
Water Revenue Bonds (2011) Series A	2011	2036	59,000,000	24,050,000	-	-	374,645	24,050,000	24,050,000
Water Revenue Refunding Bonds (2019) Series A	2019	2049	114,215,000	102,825,000	-	4,360,000	2,570,625	98,465,000	98,465,000
Water Revenue Bonds (2022) Series A	2022	2053	58,025,000	-	58,025,000	-	-	58,025,000	58,025,000
Sewer Revenue Bonds (2015) Series A	2015	2041	200,030,000	179,430,000	-	5,820,000	4,427,450	173,610,000	173,610,000
Sewer Revenue Bonds (2018) Series A ⁵	2019	2040	153,670,000	143,425,000	-	3,950,000	3,529,325	139,475,000	139,475,000
Total Enterprise Revenue Bonds			\$ 1,346,715,000	\$ 1,039,175,000	\$ 58,025,000	\$ 33,445,000	\$ 26,463,728	\$ 1,063,755,000	\$ 1,063,755,000
Tax Allocation Bonds									
2014 Subordinate Tax Allocation Refunding Bonds Series 2014A	2014	2034	\$ 61,250,000	\$ 32,415,000	\$ -	\$ 4,390,000	\$ 802,875	\$ 28,025,000	\$ 28,025,000
2014 Subordinate Tax Allocation Refunding Bonds Series 2014B	2014	2024	1,730,000	565,000	-	180,000	10,705	385,000	385,000
2018 Tax Allocation Refunding Bonds Series 2018A	2018	2034	74,435,000	74,435,000	-	140,000	1,858,391	74,295,000	74,295,000
2018 Tax Allocation Refunding Bonds, Taxable Series 2018B	2018	2033	40,380,000	40,380,000	-	-	797,638	40,380,000	40,380,000
Total Tax Allocation Bonds			\$ 177,795,000	\$ 147,795,000	\$ -	\$ 4,710,000	\$ 3,469,608	\$ 143,085,000	\$ 143,085,000
Mello Roos and Assessment District Bonds									
Riverwalk Business Center Assessment District Bonds	2004	2029	\$ 3,755,000	\$ 1,800,000	\$ -	\$ 180,000	\$ 55,729	\$ 1,620,000	\$ 1,620,000
Sycamore Canyon Business Park CFD 92-1 Bonds	2005	2034	9,700,000	5,990,000	-	330,000	157,479	5,660,000	5,660,000
Hunter Park Assessment District Bonds	2006	2036	15,269,906	10,280,000	-	470,000	265,978	9,810,000	9,460,000
Riverwalk Assessment District Refunding Bonds	2011	2026	7,805,000	3,135,000	-	570,000	77,834	2,565,000	2,565,000
Auto Center Assessment District Refunding Bonds	2012	2024	4,050,000	1,100,000	-	350,000	26,406	750,000	750,000
Riverwalk Vista CFD 2006-1 Bonds	2013	2043	4,415,000	3,760,000	-	100,000	94,547	3,660,000	3,660,000
Riverwalk Vista CFD 2006-1 Improv Area No.2 2016 Series A	2016	2046	5,505,000	5,140,000	-	85,000	89,897	5,055,000	5,055,000
Riverwalk Vista CFD 2006-1 Improv Area No.2 2016 Series B	2016	2031	1,275,000	860,000	-	70,000	18,484	790,000	790,000
Highlands CFD 2014-2 2016 Series A	2016	2046	1,800,000	1,750,000	-	10,000	28,538	1,740,000	1,740,000
Highlands CFD 2014-2 2016 Series B	2016	2031	810,000	580,000	-	50,000	12,225	530,000	530,000
Orangecrest CFD 2015-1 Bonds Series 2020 Series A	2020	2050	2,075,000	2,075,000	-	-	41,500	2,075,000	2,075,000
Orangecrest CFD 2015-1 Bonds Series 2020 Series B	2020	2028	365,000	320,000	-	50,000	5,440	270,000	270,000
Pomelo CFD 2015-2 Bonds Series 2022	2022	2053	4,805,000	4,805,000	-	-	55,654	4,805,000	4,805,000
Total Mello Roos and Assessment District Bonds			\$ 61,629,906	\$ 41,595,000	\$ -	\$ 2,265,000	\$ 929,711	\$ 39,330,000	\$ 38,980,000
Total				\$ 1,942,679,488	\$ 58,025,000	\$ 52,818,653	\$ 43,539,587	\$ 1,947,885,835	\$ 1,913,820,253

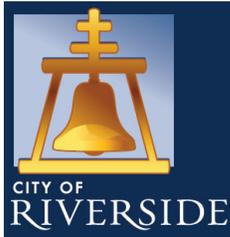
¹ Excludes water stock acquisition rights, copier leases, development agreements, and amortization of premiums and discounts on outstanding debt, none of which are material.

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 2022 pooled interest rate adjustment at end of FY

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

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



Cash and Investments Debt Administration Report FY 2022/23 Six Months Ending 12/31/2022

Finance Department

City Council

April 18, 2023

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BACKGROUND

1. Improve reporting of treasury and debt administrative activities
 - A. Separate process for management of investment and debt
 - B. Different metrics of performance for debt and investments
2. Keep Council updated on debt and investment portfolio management activities
3. January 24, 2023, the City Council received and provided input on the Fourth Quarter Report



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TREASURY FINANCIAL GOALS

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



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CASH AND TREASURY PERFORMANCE – SIX MONTHS ENDED 12/31/2022

1. Pooled Investment Portfolio - \$909 million
2. Investments held by fiscal agent - \$149 million
3. Weighted average yield of pooled investment portfolio – 2.18%
4. No fund's cash balance is currently a concern



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DEBT SUMMARY ANALYSIS – FIRST SIX MONTHS

Principal Balance increased \$5,206,347 due to new \$58,025,000 debt issuance of the 2022A Water Revenue Bonds, offset by Debt Service Principal Payments – July 1 through December 31, 2022

- a. General Obligation Bonds (\$1,560,000)
- b. Lease Revenue Bonds (\$6,240,000)
- c. Capital Leases (\$2,220,477)
- d. Interfund Loans (\$723,098)
- e. Private Placement Loans (\$1,655,078)
- f. Enterprise Revenue Bonds (\$33,445,000)
- g. Tax Allocation Bonds (\$4,710,000)
- h. Mello Roos and Assessment District Bonds (\$2,265,000)

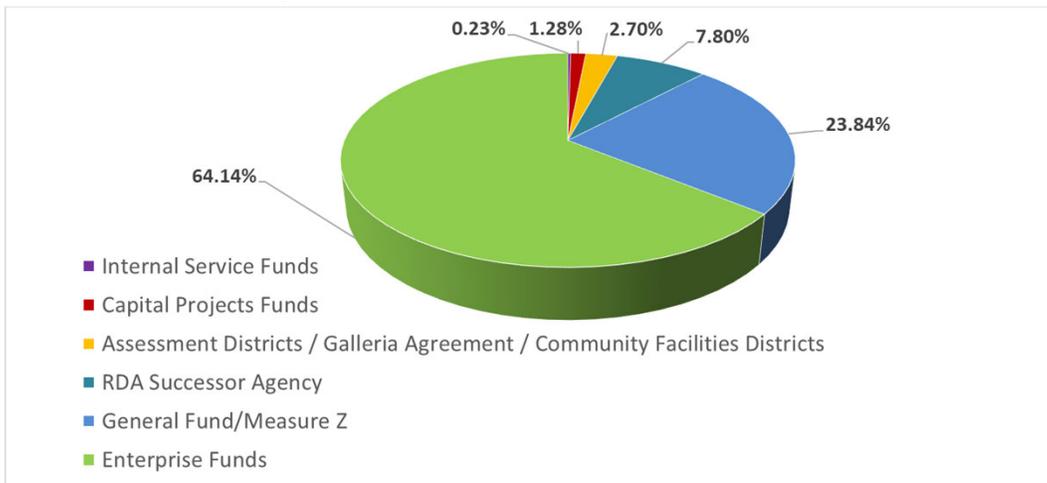


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DEBT SUMMARY ANALYSIS – FIRST SIX MONTHS

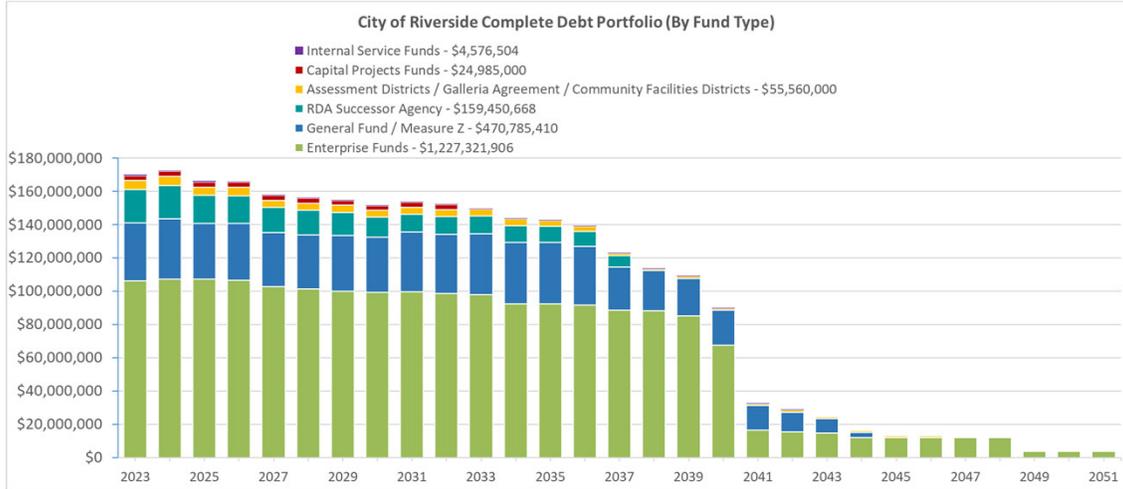
Debt Portfolio composition



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DEBT SUMMARY ANALYSIS – FIRST SIX MONTHS



DEBT ACTIVITIES – FIRST SIX MONTHS

1. Issued new money Water Fund Revenue Bonds and an interest rate mode conversion and remarketing of the 2011A Water SIFMA Notes to VRDO's
2. Preparation and approval of Arlington, Auto Center, and Downtown Business Improvement District annual levies
3. Approval and posting of the levies for all FY 2023 CFD, AD and GO Bonds with the County of Riverside
4. Preparation of various debt related reports for submission to the California Debt and Investment Advisory Commission (CDIAC) and the State Controller's Office
5. Conducted a TEFRA hearing to facilitate tax exempt funding for The Aspire affordable housing facility and joined the California Public Finance Authority as a Non-Charter Additional Member
6. Preparation and filing of annual SB 165 Report



STRATEGIC PLAN ALIGNMENT



Strategic Priority 5 – High Performing Government

Goal 5.3 – 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



RECOMMENDATION

That the City Council receive and provide input on the attached Fiscal Year 2022/23 six months ending 12/31/2022 Cash, Investments, and Debt Report.

