



City of Arts & Innovation

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: DECEMBER 17, 2024**  
**FROM: FINANCE DEPARTMENT      WARDS: ALL**  
**SUBJECT: FISCAL YEAR 2023/24 FOURTH QUARTER REPORT AND CARRYOVER OF UNEXPENDED FUNDS**

**ISSUE:**

Receive and provide input on the Fiscal Year 2023/24 Fourth Quarter Financial Report; and approve citywide carryovers.

**RECOMMENDATIONS:**

That the City Council:

1. Receive and provide input on the Fiscal Year 2023/24 Fourth Quarter Financial Report; and
2. With at least five affirmative votes, approve a carryover of unexpended funds of approximately \$4.66 million in the General Fund and \$39.09 million in other City funds into Fiscal Year 2024/25.

**BACKGROUND:**

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

On January 16, 2024, the City Council received the First Quarter Financial Update and approved citywide supplemental appropriations of \$1.45 million (M) for all City funds, including a \$1.00M interfund transfer from the General Fund Infrastructure Reserve to support capital needs of the Airport fund.

On April 16, 2024, the City Council received the Second Quarter Financial Update and approved supplemental appropriations totaling \$386,133 across all City funds, including \$99,921 for the General Fund, fully offset by adjusted revenue projections. Additionally, due to a projected year-end surplus, the Council approved the allocation of \$5M to committed reserves, with \$3M directed to the General Fund Infrastructure Reserve and \$2M to the Technology Reserve.

On July 16, 2024, the City Council received the Third Quarter Financial Update and approved the supplemental appropriations of \$1.01M in the General Fund, fully offset by a projected increase in revenues of \$1.66M.

## **DISCUSSION:**

Following the close of each fiscal year, the City's independent auditor performs an audit of the City's financial statements. The FY 2023/24 Fourth Quarter Financial Report precedes the audit report and therefore presents **unaudited financial projections; however, we do not anticipate any material changes to the financial data.** The audit report is expected to be completed in December, followed by presentations to the Financial Performance and Budget Committee and City Council.

Refer to Attachment 1 for a comprehensive Financial Report of the City's major funds.

### **General Fund**

The adopted FY 2023/24 budget for the General Fund totaled \$327.09M with a projected \$6.41M surplus. With the Second and Third Quarter Financial Reports, revenue projections were adjusted upward by a net \$8.40M based on FY 2022/23 actual results, year-to-date performance, and anticipated economic impacts through the end of the fiscal year. In the Second Quarter Report, due to a projected year-end surplus, the Council approved the allocation of \$5M to reserves, with \$3M directed to the General Fund Infrastructure Reserve and \$2M to the Technology Reserve.

The General Fund's unaudited actuals show a net gain of \$6.10M after accounting for encumbrances and recommended carryovers, driven by modest revenue growth and expenditure savings. Refer to Attachment 1 for an in-depth analysis of revenue and expenditure results.

**Revenues:** General Fund revenues are 0.9% (\$3.57M) higher than the total revenue estimate in the adjusted budget, excluding unbudgeted amounts of \$1.42M in Fire Mutual Aid and \$2.47M in sale of capital assets revenues which were anticipated to be received in the following fiscal year. Total revenues increased by just 1.6% over prior year, a slower pace compared to the previous two fiscal years. This gain was largely due to significant increases in property tax revenue, while sales tax revenue was negatively impacted by the broader economic slowdown resulting from the Federal Reserve's inflation control measures. Sales tax revenue for the fiscal year was 1.3% below the prior year, lower than the original adopted budget projection by 1.7%.

**Expenditures:** General Fund expenditures are 1.0% (\$3.83M) lower than the adjusted budget, inclusive of recommended carryovers. Encumbrances and project/grant appropriations totaling \$10.41M were carried forward to FY 2023/24 as allowed per the Riverside Municipal Code. An additional \$4.66M in the carryover of restricted and discretionary funds is recommended for Council approval (refer to Attachment 1, Appendix A).

**General Fund Outlook:** Although sales tax revenue was impacted by the economic slowdown resulting from the Federal Reserve's efforts to combat inflation, overall General Fund revenues grew, partly due to significant increases in property tax revenue. In the short term, the City must prepare for potential headwinds in both sales and property tax revenues as slower economic growth and rising unemployment, driven by industry weaknesses across the state, present challenges. While we took these factors into consideration in the FY 2024/25 revenue projections, the extent of their impact on City revenues remains uncertain.

Additionally, in the long term, the General Fund faces financial challenges that could pose risks to its fiscal health:

- **Water General Fund Transfer** – The Water General Fund Transfer (GFT) accounts for approximately 5% of ongoing General Fund revenues. On September 19, 2023, the City Council directed that all future Water GFT collections be placed in a reserve account pending the outcome of litigation. The potential revenue loss ranges from \$8.52M to \$11.26M annually over the next five years, or \$49.31M over the next five years.
- **Deferred Maintenance and Infrastructure** – Following several years of structural deficits in the General Fund, the City has struggled to allocate funding toward capital needs. Historically, capital investments have largely been funded through debt financing, such as the issuance of 2008 Certificates of Participation for street improvements, and Riverside Renaissance Tax Allocation Bonds for new facilities and capital improvements. However, debt financing does not provide a sustainable method to fund annual and ongoing needs for infrastructure repairs and maintenance and the added debt service reduces the amount of funding available for ongoing deferred maintenance.
- **Rising Pension Costs** – The financial markets influenced the CalPERS retirement fund, which yielded a 9.3% return for the fiscal year ended June 30, 2024, exceeding the 6.8% forecasted rate. While this marks a notable improvement over the past two fiscal years, it does not fully offset previous losses. Additionally, future returns below expectations could increase unfunded liabilities and required annual payments.
- **Labor Costs** – With most MOU contracts set to expire in June 2025, the outcome of future labor negotiations holds the potential to significantly impact personnel costs for the City. Balancing the need to provide competitive salary increases to recruit and retain highly qualified employees, while maintaining financial sustainability, will present a challenge.

In July 2023, the Federal Reserve ended its interest rate hikes and adopted a neutral stance to monitor the effects of its policies. The U.S. economy experienced below-trend growth in early 2024, which was expected to continue through the summer and fall. According to the UCLA Anderson Forecast, California’s economy, which grew at a 3.7% compound annual rate in 2023, slowed in 2024 due to national economic deceleration. This slowdown was driven by specific weaknesses in California industries, as reflected in the state’s high unemployment rate. Despite this, the UCLA Anderson Forecast does not predict a national recession.

**General Fund Reserves:** The General Fund ended FY 2023/24 with a projected net gain of \$6.10M, driven by outperforming revenues and expenditure savings. At each fiscal year end, a portion of the net gain must be allocated to maintain the 20% policy reserve requirement, along with any necessary adjustments to unavailable fund balances. For FY 2023/24, the required 20% policy reserve contribution is \$6.74M, with other adjustments to unavailable fund balances totaling \$0.90M. As a result, the available reserve shows a negative balance of \$1.54M. However, this negative balance is fully offset by other reserves that are currently in nonspendable form, such as an interfund loan receivable. This loan will transition back to spendable form as it is repaid, meaning that the negative unassigned balance reflects a temporary timing difference rather than a structural deficit.

Other reserves set aside by previous City Council action for specific purposes total \$60.30M (Committed Reserves). These reserves allow the City to exercise prudent financial planning for long-term challenges, including litigation related to the Water GFT and rising retirement costs. The Infrastructure Reserve has enabled the City to provide critical funding for infrastructure needs,

including providing grant matches for capital projects. The Technology Reserve will allow the City to plan for critical technology replacement projects as support for aging systems is discontinued.

Projected fiscal year end fund reserves are shown in the following table.

**GENERAL FUND RESERVES (Unaudited)**

(in millions)	Amount	Subtotal
<b>Nonspendable</b>		
Inventories, prepaids, deposits	\$ 1.80	
Parking Fund Loan Receivable	1.81	
Land & Improvements held for resale	0.17	<b>\$ 3.78</b>
<b>Committed</b>		
20% Policy Reserves	72.24	
Reserved for Section 115 Trust Contributions	35.00	
Infrastructure Reserve	12.19	
Technology Reserve	5.00	
Water GFT Escrow	8.11	
Other required reserves	0.52	<b>133.06</b>
<b>Assigned</b>		
Encumbrances/Projects/Grants	10.40	
Restricted Carryovers*	0.82	
Discretionary Carryovers*	3.84	<b>15.06</b>
<b>Unassigned</b>		
Available Reserves <sup>(1)</sup>	(1.54)	<b>(1.54)</b>
<b>Total General Fund Reserves</b>		<b>\$ 150.36</b>

\*Subject to Council approval – refer to *Error! Reference source not found.*

Section 115 Trust Reserves

Section 115 Trust assets are accounted for in a separate fund. This reserve will help the City to smooth fluctuations in the required annual CalPERS UAL payments and minimize the fiscal impact of significant increases that could disrupt the City’s ability to maintain service levels and fund ongoing operations. As of 6/30/2024, the unaudited reserve balance is \$58.29M.

Measure Z

To help address the service cuts as well as a portion of the City’s critical unfunded needs, The City 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?”

The residents of Riverside approved Measure Z with an almost 60% approval rate. The Measure Z tax became effective on April 1, 2017, increasing the City’s sales tax rate from 7.75% to 8.75%. Unless approved again by the voters, Measure Z will sunset in March 2036.

**Revenues:** The FY 2023/24 adopted amended budget projected revenues of \$84.46M. However, due to a decline in consumer spending from the Federal Reserve’s efforts to slow the economy, transaction and use tax revenue projections were reduced to \$80.54M in the second quarter report. Total revenues declined 2.5% to \$81.90M from the prior fiscal year, marking the first revenue drop since Measure Z’s inception.

**Expenditures:** Expenditures at fiscal year-end are \$86.10M before encumbrances and carryovers of \$47.20M. Encumbrances of \$27.38M and capital carryovers of \$13.43M have been carried forward to FY 2024/25 as provided for in the Riverside Municipal Code. Staff is requesting Council approval of an additional \$6.39M in discretionary carryovers. Refer to Attachment 1, Appendix B for inception-to-date revenue and expenditure reporting for Measure Z.

**Reserves:** Actual Measure Z revenues of \$84.20M and expenditures of \$86.10M produced a net decrease of fund reserves of \$1.91M. Projected unallocated fund reserves (unaudited) are anticipated to total \$58.52M net of encumbrances and recommended carryovers totaling \$47.20M. The FY 2024-2026 Biennial Budget includes a Five-Year Spending Plan with a programmed draw on reserves from FY 2024/25 through FY 2028/29 totaling \$47.79M. Staff recommends that unallocated reserves remain intact pending a FY 2024-2026 mid-cycle budget update.

### Electric Fund

The FY 2023/24 adopted operating budget for the Electric Fund included a programmed \$9.12M operating deficit and draw on fund reserves. This is a financial strategy employed to draw reserves down to keep utility rates as low as possible. Unaudited fiscal year end results present an operating deficit of \$6.15M including outstanding encumbrances and carryovers of \$19.75M.

**Revenues:** Revenues surpassed projections by \$27.86M, driven mainly by \$11.21M in investment-related revenue. This increase was due to both higher-than-expected interest earnings and required year-end accounting adjustments to reflect investment market value. Additionally, Transmission Revenue Requirements (TRR) exceeded estimates by \$10.71M, reflecting an increase in the TRR rate due to rising SCE transmission costs associated with operating and maintaining the transmission system.

**Expenditures:** Operating expenditures, net of encumbrances and recommended carryovers, are \$6.94M (1.5%) over the total budget. This overage is mainly attributed to power supply costs, which exceeded the budget by \$15.53M (6.9%), driven by Intermountain Power Plant dispatch restrictions, persistently high power prices, and global market disruptions. However, debt service savings of \$9.71M, resulting from a delay in a bond issuance intended to restructure electric variable-rate debt, helped offset the overage in power supply costs.

**Capital Expenditures:** Capital expenditures totaling \$320.80M were recorded during the fiscal year; this amount includes \$77.00M of encumbrances and \$217.39M of unexpended capital project funds that have been carried forward to FY 2024/25 as provided for in the Riverside Municipal Code.

The Electric Fund's reserve level at fiscal year-end is expected to be within established policy levels; final results are pending the completion of the financial audit.

Carryovers of approximately \$11.13M are recommended for Council approval (refer to Attachment 1, Appendix A).

### Water Fund

The adopted FY 2023/24 budget for the Water Fund projected a \$4.56M operating gain. Unaudited fiscal year end results present a budgetary operating gain of \$5.20M after outstanding encumbrances and carryovers of \$7.08M.

**Revenues:** Actual revenues exceeded projections by \$4.70M (5.1%), primarily due to higher-than-expected interest revenue, which surpassed projections by \$3.46M. This included \$2.51M in additional bond interest earned on cash held by the fiscal agent for the 2022 Water Revenue Bonds Series A issuance. Additionally, \$620,000 in excess land and building rental revenues stemmed from a one-time temporary construction easement, and \$3.24M was generated by increased developer activity, including construction and unbudgeted donated plant assets from developers, such as transmission mains, distribution services, and fire hydrants.

**Expenditures:** Operating expenditures, net of encumbrances and recommended carryovers, are \$2.81M (3.0%) below the total budget. This is primarily due to savings of \$1.87M in system operations professional services and software maintenance support, which were used on an "as needed" basis, as well as \$297,000 in personnel savings from a 13.68% average vacancy rate. Additionally, debt service savings of \$642,000 resulted from delays in vehicle lease financing and the amortization of debt issuance costs.

**Capital Expenditures:** Capital expenditures totaling \$75.98M were recorded during the fiscal year; this amount includes \$13.28M of encumbrances and \$32.65M of unexpended capital project funds that have been carried forward to FY 2024/25 as provided for in the Riverside Municipal Code.

**Reserves:** The Water Fund's reserve level at fiscal year-end is expected to be within established policy levels; final results are pending the completion of the financial audit.

Carryovers of \$880,510 are recommended for Council approval (refer to Attachment 1, Appendix A).

### Refuse Fund

The adopted operating budget for the Refuse Fund projected a draw on fund reserves of \$1.16M driven by rising operations costs and ongoing personnel shortages, which were expected to cause excess overtime costs. Unaudited fiscal year end results present an operating loss of \$10.83M. This is primarily a timing loss attributable to the carryover of unspent funds for vehicle purchases, totaling \$9.50M, from FY 2023/24. The revenue to fund these purchases was recognized in FY 2022/23 and subsequently fell to fund reserves. The associated expenditures will be drawn from these reserves upon receipt of the vehicles, which has been delayed due to extended procurement timelines. Excluding the impact of this carryover, the Refuse Fund's adjusted operating loss aligns more closely with the budgeted reserve drawdown projection, at \$1.33M.

**Revenues:** Revenue at fiscal year-end exceeded projections by \$2.31M (7.2%). Contracted services were over budget by \$727,000 (11.6%) due to a billing adjustment. Waste collection services for a specific area within the City were mistakenly billed under a private waste hauler. This correction was required to accurately reflect the City as the service provider. Additionally, miscellaneous revenue included interest income that surpassed projections by approximately \$360,000, as well as refunds and reimbursements totaling \$316,000 for fuel rebates. Offsetting these increases, street sweeping fines were \$201,000 below projections, as fewer parking fines were issued than anticipated.

**Expenditures:** Operating expenditures, net of encumbrances, are \$930,000 (2.1%) above the total budget. This overage is primarily due to personnel costs, which exceeded the budget by \$570,000 (8.6%) due to personnel shortages and overtime expenses caused by breakdowns of older vehicles, which led to delays in waste pickups. Non-personnel expenditures were \$670,000 (4.2%) higher than budgeted, mainly due to the aging fleet, which resulted in increased vehicle repair costs and higher fuel consumption. Rising CNG fuel costs also contributed to overages in motor fuels and lubricants.

**Reserves:** The Refuse Fund is projected to end the fiscal year with \$6.00M in fund reserves, reflecting an operating loss of \$1.33M, excluding the \$9.50M carryover of unspent funds for vehicle purchases, which were recognized as revenue in a prior year.

Carryovers of \$83,000 are recommended for Council approval (refer to Attachment 1, Appendix A).

### Sewer Fund

The adopted budget for the Sewer Fund projected a net operating gain of approximately \$1.84M which would be used to fund \$1.34M of planned capital projects included in the FY 2023/24 adopted budget and capital improvement plan. Unaudited fiscal year end results present a budgetary operating gain of \$10.24M after outstanding encumbrances.

**Revenues:** Operating revenues at fiscal year-end are \$11.17M (16.1%) higher than projected in the adopted budget. This increase is primarily due to higher-than-expected miscellaneous revenues, including \$6.37M in sewer connection fees driven by increased planned development. Additionally, interest revenue exceeded the budget by \$3.86M, fueled by higher-than-anticipated market interest rates and market value adjustments. Wastewater service contracts with the Rubidoux, Jurupa, and Edgemont Community Service areas also exceeded projections by \$2.02M due to higher surcharges from increased wastewater sent to the Regional Water Quality Control Plant.

**Expenditures:** Operating expenditures, net of encumbrances, are \$6.10M (8.0%) below the total budget. This savings is primarily due to debt service savings of \$2.17M, resulting from the amortization of debt issuance costs, including the premium on debt, which reflects the gradual allocation of these costs over the term of the debt. Personnel costs were \$879,000 (5.5%) below budget due to an average annual vacancy rate of 19.9% during the fiscal year. Additionally, minor capital and equipment savings of \$560,000 (60.9%) were realized in the budget for sewer equipment and construction, which are budgeted on an "as needed" basis. Finally, charges to/from others were \$670,000 below budget, as the amounts charged to capital projects vary depending on project activity.

**Capital Expenditures:** Capital expenditures totaling \$53.07M were recorded during the fiscal year; this amount includes \$23.63M of encumbrances and \$20.42M of unexpended capital project

funds that have been carried forward to FY 2024/25 as provided for in the Riverside Municipal Code.

**Reserves:** The Sewer Fund is expected to end the fiscal year with \$58.80M in fund reserves following an operating gain of \$10.24M.

### Public Parking Fund

The FY 2023/24 adopted operating budget for the Public Parking Fund included a projected \$481,000 operating loss. Unaudited fiscal year end results present a budgetary operating gain of \$3.01M after outstanding encumbrances of \$211,000.

**Revenues:** Parking revenues at fiscal year-end are \$3.15M (37.4%) higher than projected. This significant increase is primarily driven by the new Council-approved Parking Rate and Hour Schedule, as well as higher demand as people returned to work and resumed pre-pandemic activities. The implementation of the "Parking Your Way" program, which includes more accessible free parking, new parking rates, expanded hours, new monthly parking programs, the Park Riverside app, and the installation of Parking Access Revenue Control Systems (PARCS) in garages, further contributed to the 40.5% increase in parking revenue compared to original estimates. Additionally, a one-time land sale of Parking Fund property, along with higher-than-expected interest earnings, contributed \$550,000 (49.5%) to the positive variance.

**Expenditures:** Operating expenditures, net of encumbrances, are \$804,000 (8.5%) below the total budget. This savings is primarily due non-personnel expenditures coming in \$778,000 (12.2%) below budget, largely due to \$790,000 in savings from underutilized professional services, which were budgeted on an 'as-needed' basis.

**Capital Expenditures:** Capital expenditures totaling \$3.32M were recorded during the fiscal year; this amount includes \$459,000 of encumbrances and \$1.70M of unexpended capital project funds that have been carried forward to FY 2024/25 as provided for in the Riverside Municipal Code.

**Reserves:** Following a FY 2023/24 net gain of \$3.01M, the Public Parking Fund is expected to end the fiscal year with \$5.88M in fund reserves.

### Carryovers

A total of \$43,743,863 is recommended for Council approval, comprised of \$10,213,460 in restricted funding and \$33,530,403 in discretionary funding.

Restricted Carryovers represent appropriations of funding designated for a specific use per a third-party agreement, including donations, endowments, and grant matches.

Discretionary Carryovers include amounts appropriated for a specific purpose in previous periods, but unexpended due to timing or for other reasons. Discretionary carryovers may also include a reallocation of amounts from their original purpose to a new purpose, either identified as an emerging need or not funded in the adopted budget due to budget constraints.



**Carryover Requests Summary**

	<b>Restricted</b>	<b>Discretionary</b>	<b>Total</b>
General Fund	\$ 818,322	\$ 3,837,062	\$ 4,655,384
Measure Z Fund	-	6,385,293	6,385,293
Electric Fund	-	11,128,497	11,128,497
Water Fund	-	880,510	880,510
Refuse Fund	83,000	-	83,000
Other Funds	9,312,138	11,299,041	20,611,179
<b>Total Carryover Requests</b>	<b>\$ 10,213,460</b>	<b>\$ 33,530,403</b>	<b>\$ 43,743,863</b>

Refer to Attachment 1, Appendix A for a detailed listing of carryover requests.

**STRATEGIC PLAN ALIGNMENT:**

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

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

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

**FISCAL IMPACT:**

The General Fund ended FY 2023/24 with a net budgetary gain of \$6.10M, primarily due to modest overall revenue growth, bolstered by significant growth in property tax revenues, and \$3.83M in expenditure savings. However, due to necessary adjustments to maintain the 20% policy reserve level, and required audit adjustments to comply with accounting standards, the General Fund is expected to close the fiscal year with a negative available fund balance of \$1.54M. This negative balance reflects a timing difference, which is fully offset by an accounting

requirement to show a loan receivable from the Parking Fund as nonspendable fund reserves. As the loan is repaid, the funds will revert to available fund balance.

The City's major enterprise funds (Electric, Water, Refuse, Sewer, and Public Parking) are expected to end the fiscal year with positive reserve balances within established policy requirements. Final results are pending the conclusion of the City's financial audit.

The approval of carryovers has no new fiscal impact, as the funding was already approved by the City Council in June 2023 with the adoption of the FY 2023/24 budget.

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Attachments:

1. Financial Report and Carryover Recommendations
2. Presentation



FY 2023/24

# Financial Report

(Major Funds)



FISCAL YEAR ENDED

JUNE 30, 2024





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# GENERAL FUND

The City adopts a biennial budget and five-year planning process to provide a more informative, long-term outlook on City finances. Typically, amendments to the second fiscal year are minor, focusing on the following:

- Reviewing and adjusting forecasts of major revenue sources.
- Incorporating the financial impact of City Council actions taken during the fiscal year, including the impacts of new employee Memorandums of Understanding.
- Addressing new and significant changes in the operating needs of City departments, including rising costs in certain sectors (utilities, fuel, chemicals).
- Reviewing and re-prioritizing capital project funding.

To proactively address financial and operational changes, an update to the second year of the fiscal year (FY) 2022-2024 biennial budget was necessary for the General Fund and Measure Z. Revenue projections for the FY 2022-2024 Biennial Budget were initially based on early Spring 2022 performance. However, FY 2021/22 year-end results presented significant growth in sales tax revenue, with a 33% increase in both the General Fund and Measure Z revenues since FY 2018/19.

The City's sales and property tax consultant, HdL, anticipated 0% growth in FY 2023/24 with the Federal Reserve forecasting a mild recession beginning in the latter part of calendar year 2023. However, the post-pandemic growth provided a one-time increase in base sales taxes, resetting revenue expectations going forward. Unlike prior years, this budget update allowed the City to leverage these positive financial results to address numerous City priorities and initiatives.

## General Fund Results at a Glance (Unaudited)

**-0.1%**  
**Revenues**  
**Below**  
Revised Budget  
Projections\*

**1.0%**  
Projected  
**Expenditure**  
**Savings**

**\$6.10M**  
**NET GAIN**  
Net of Carryovers

The General Fund's **unaudited** actuals present a net gain of \$6.10M net of encumbrances and recommended carryovers, primarily due to revenues performing exceptionally well and actual expenditure savings of \$3.83M.

*\*Excludes \$1.42M in Fire Mutual Aid and \$2.47M in sale of capital assets revenues which were anticipated to be received in the following year.*

The adopted FY 2023/24 amended budget for the General Fund totaled \$327.09 million (M) with a projected \$6.41M surplus. In the event of a fiscal year-end budget surplus, the adopted budget included a planned contribution of \$5.00M to the Infrastructure Reserve. Budget adjustments throughout the fiscal year presented a potential \$1.30M shortfall, primarily due to the \$8.57M set-aside of the Water General Fund Transfer (GFT) revenue, the projected fiscal impact of labor negotiations, and the economic slowdown impacting sales tax revenues. Unaudited actuals present a net gain of \$6.10M resulting from positive revenue results and expenditure savings.

### GENERAL FUND SUMMARY

(in millions)	Adopted Budget	Adjusted Budget	Unaudited Actuals
<b>Incoming Resources</b>			
FY 2023/24 Revenue	\$ 333.50	\$ 346.52	\$ 350.09
FY 2023/24 Use of Reserves		29.81	29.81
<b>Total Incoming Resources</b>	<b>\$ 333.50</b>	<b>\$ 376.33</b>	<b>\$ 379.90</b>
<b>Outgoing Resources</b>			
FY 2023/24 Expenditures	\$ 327.09	\$ 351.26	\$ 345.63
FY 2023/24 Contributions to Reserves		5.00	5.00
FY 2023/24 Water GFT Escrow		8.57	8.11
FY 2022/23 Encumbrances		7.05	
FY 2022/23 Carryovers		5.75	
FY 2023/24 Encumbrances			10.37
FY 2023/24 Carryovers			4.69
<b>Total Outgoing Resources</b>	<b>\$ 327.09</b>	<b>\$ 377.63</b>	<b>\$ 373.80</b>
<b>Projected Net Gain / (Loss)</b>	<b>\$ 6.41</b>	<b>\$ (1.30)</b>	<b>\$ 6.10</b>

## Revenue

Revenue estimates for the adopted FY 2023/24 amended budget were developed using a range of sources, including historical revenue analysis, economic data, input from the City's sales and property tax consultant, City departments, and the County of Riverside. Approximately 80% of the General Fund revenue budget comes from sales tax, property tax, utility users tax, and the General Fund transfers.

Sales tax is a major revenue source for the General Fund, accounting for approximately 28% of the overall revenue budget. The FY 2023/24 amended budget increased revenue projections by 9.5% over the original adopted budget. The revision reflected the strong post-COVID-19 rebound in business and consumer activity, combined with inflation driven by government stimulus measures, supply chain disruptions, and tight labor markets, which led to a significant one-time growth in the City's sales tax revenue base.

Another primary source of General Fund revenue is property tax, accounting for approximately 26% of the overall revenue budget. The amended budget increased property tax revenue estimates by 5.7%, based on updated projections from HdL. This adjustment reflects significant growth in property values driven by low interest rates, high demand, and a housing shortage.

Other revenue adjustments in the FY 2023/24 amended budget reflected faster-than-anticipated recovery from the pandemic in sources such as Transient Occupancy Tax and Developer Fees, along with stronger-than-expected growth in Business Tax revenue and other minor adjustments.

With the Second and Third Quarter Financial Reports, revenue projections were adjusted upward by a net \$8.40M based on FY 2022/23 actual results, year-to-date performance, and anticipated economic impacts through the end of the fiscal year. Actual revenues were below the revised budget by \$320,000, or 0.1%, excluding unbudgeted amounts of \$1.42M in Fire Mutual Aid revenue and \$2.47M from the sale of surplus Riverside Police Department capital assets. The table below includes the impact of these unbudgeted revenues in the "Other Revenues and Transfers In" category.


## REVENUES BY CATEGORY

### FISCAL YEAR REVENUE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals	\$ Variance	% Variance
Property Tax	\$ 84.43	\$ 88.83	\$ 88.84	\$ 0.01	0.0%
Sales Tax	94.04	93.44	92.41	(1.03)	-1.1%
Utility Users Tax	33.52	32.92	32.22	(0.70)	-2.1%
Transient Occupancy Tax	8.58	8.43	8.78	0.35	4.2%
Franchise Fees	5.84	6.59	6.69	0.10	1.5%
Licenses & Non-Developer Permits	10.03	11.29	10.28	(1.01)	-8.9%
Non-Development Charges for Services	10.91	11.05	12.25	1.20	10.9%
Developer Fees & Charges for Services	7.37	7.37	8.11	0.74	10.0%
General Fund Transfer	53.20	53.40	53.40	0.00	0.0%
Measure Z Transfer	18.27	18.27	18.27	0.00	0.0%
Other Revenues & Transfers In	7.31	11.55	17.43	5.88	50.9%
ARPA Revenue Replacement	-	3.38	1.41	(1.97)	-58.3%
Use of Reserves	-	29.81	29.81	-	0.0%
<b>Total Revenues &amp; Transfers In</b>	<b>\$ 333.50</b>	<b>\$376.33</b>	<b>\$ 379.90</b>	<b>\$ 3.57</b>	<b>0.9%</b>

### *Explanation of Significant Budget Variances*

- **Property Taxes** – Property tax revenues increased by 7.3% over the prior year. In the Second Quarter Financial Report, property tax revenue projections were increased by \$4.41M. The City of Riverside continued to experience substantial growth in assessed property values, as



evidenced by the 8.2% increase reported by the County of Riverside Assessor in July 2023. This growth has translated into significant increases in the City's property tax revenues. Additionally, property tax revenue from successor agencies (previously tied to redevelopment) grew by a significant \$1.73M (14.9%) compared to prior year.

- **Sales Tax** – Although slightly below the adjusted budget estimate, sales tax revenue decreased by 1.4% compared to the prior year, primarily driven by the economic slowdown resulting from the Federal Reserve's efforts to counter inflation. In the second quarter, a \$2.10M downward adjustment in projected revenues was made to account for the economic slowdown. However, this overall decline in sales tax revenue was partially mitigated by \$726,000 in sales tax revenue from a new source under the March JPA territory tax and revenue-sharing agreement with the County of Riverside and surrounding cities, which was incorporated into the budget in the third quarter.
- **Non-Development Charges for Services** – Revenues exceeded projections by \$1.20M (10.9%), with the main contributing factors being higher-than-expected revenues from the following sources:
  - \$674,000 for the American Medical Response paramedics program
  - \$371,000 for police special services and miscellaneous receipts
  - \$342,000 from Parks and Recreation Fairmount Golf Course
- **Developer Fees & Charges for Services** – Revenues exceeded projections by \$741,000 (10.0%) due to the following key factors:
  - Building and mechanical permits generated \$400,000 (21%) more than expected.
  - On October 17, 2023, the City Council adopted new guidelines for Storefront Retail Commercial Cannabis Business Permits. The selection process required applicants to pay both an Application Fee and a Site Review Fee, generating \$764,000 in unbudgeted revenue.
  - Offsetting these increases, plan check and inspection fees were \$455,000 (14%) lower than projected.
- **Other Revenues & Transfers In** – Other Revenues and Transfers In are \$8.16M (70.6%) higher than projected. This variance is largely due to a mix of unpredictable or volatile revenue sources and unbudgeted items. Key contributors to the increase include:
  - \$1.42M in unbudgeted Fire Mutual Aid revenue
  - \$2.47M from the unbudgeted sale of surplus Riverside Police Department capital assets (this revenue was anticipated to be received in the following fiscal year)
  - \$945,000 investment revenue, surpassing the updated projection, which had already been adjusted upward by \$1.50M in the second quarter
  - \$392,000 from the Festival of Lights, above expectations
  - \$450,000 in State Mandated Claim reimbursements, exceeding projections
  - \$3.10M from an unbudgeted write-up of investments to market value, a required accounting adjustment that is not typically included in the budget due to its non-cash nature and market volatility



- \$1.62M in lease proceeds recognition
- \$5.57M in revenue reclassifications to unavailable revenue partially offset these increases
- **American Rescue Plan Act (ARPA) Revenue Replacement** – The ARPA revenue replacement was \$1.97M (58.3%) below projections due to a delay in transferring \$2.36M from the Grants and Restricted Fund, American Rescue Plan Act accounts, to FY 2024/25. However, this shortfall was partially offset by recognizing \$389,000 in ARPA revenue for Park & Recreation youth program scholarships.
- **Use of Reserves** – The following details the use of reserves approved by Council during FY 2023/24:
  - Use of General Fund available fund balance for encumbrances and carryovers carried forward from FY 2022/23 as provided for in the Riverside Municipal Code: \$7,072,747
  - Use of General Fund available fund balance surplus for restricted and discretionary carryovers approved by City Council in the FY 2022/23 fourth quarter report: \$5,726,579
  - Use of General Fund Insurance Proceed Reserve for interfund transfer from the General Fund to Public Parking Fund for surface parking lot construction: \$900,000
  - Use of General Fund Infrastructure Reserve for interfund transfer from the General Fund to the Capital Outlay Fund for the Museum Expansion and Renovation Project: \$10,000,000
  - Use of General Fund Infrastructure Reserve for interfund transfer from the General Fund to the Airport fund for Airport building remedial repairs: \$1,000,000
  - Use of General Fund Infrastructure Reserve for interfund transfer from the General Fund to the Capital Outlay Fund for the SPC Jesus S. Duran Eastside Library: \$3,500,000
  - Use of General Fund Infrastructure Reserve for interfund transfer from the General Fund to the Capital Outlay Fund for the Magnolia Roof Replacement Project: \$832,078
  - Use of General Fund Infrastructure Reserve for interfund transfer from the General Fund to the Capital Outlay Fund for the Victoria Avenue Beautification Project: \$775,000

The following table and chart present the 10-year history of General Fund revenues with the impact of **General Fund restructuring and debt proceeds removed to accommodate year-over-year comparability**. The following are not included for any fiscal year: Fire Bond property tax; Fire Mutual Aid; debt proceeds; required non-operating accounting adjustments (such as adjusting investments to market value), and items moved to other funds during General Fund restructuring in 2015-2017.

## 10-YEAR REVENUE HISTORY

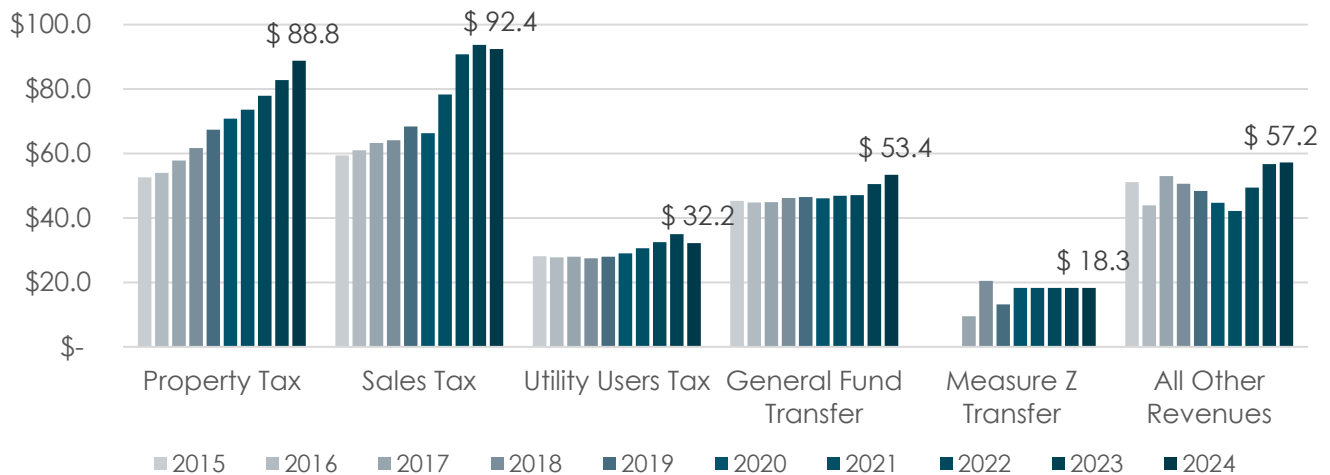
### GENERAL FUND REVENUES – 10-YEAR HISTORY

(in millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Property Tax	\$ 52.6	\$ 54.0	\$ 57.8	\$ 61.7	\$ 67.4	\$ 70.8	\$ 73.6	\$ 77.9	\$ 82.8	\$ 88.8
Sales Tax	59.4	61.0	63.3	64.1	68.4	66.3	78.3	90.8	93.7	92.4
Utility Users Tax	28.1	27.8	28.0	27.5	28.0	29.0	30.6	32.5	35.0	32.2
General Fund Transfer	45.3	44.8	44.9	46.2	46.5	46.1	46.9	47.1	50.5	53.4
Measure Z Transfer			9.5	20.5	13.2	18.3	18.3	18.3	18.3	18.3
All Other Revenues	51.1	43.9	53.0	50.6	48.4	44.7	42.2	49.4	56.7	57.2
<b>Total Revenues*</b>	<b>\$ 236.5</b>	<b>\$ 231.5</b>	<b>\$ 256.5</b>	<b>\$ 270.6</b>	<b>\$ 271.9</b>	<b>\$ 275.2</b>	<b>\$ 289.9</b>	<b>\$ 316.0</b>	<b>\$ 337.0</b>	<b>\$ 342.3</b>
Growth over Prior Year	5.7%	-2.1%	10.8%	5.5%	0.5%	1.2%	5.3%	9.0%	6.6%	1.6%

\*Excludes items that impair comparability from year-to-year, as previously described.


In this view, Property Tax, Sales Tax, Utility Users Tax, and the General Fund Transfer accounted for 77.9% of all General Fund revenues in 2024. In the past 10 years, the total of these revenue sources as a percent of total revenues has ranged from a low of 73.7% in 2018 to a high of 81.0% in 2016.

### 10-YEAR GENERAL FUND REVENUE (in millions)



As illustrated in the chart, Property Tax has experienced strong, steady growth over the past decade, driven by increases in assessed property values. Sales Tax exhibited nominal growth until a surge in fiscal years 2021 through 2023, with revenues rising 37% over 2019 levels due to the pandemic, shifts in consumer spending, and inflationary pressures. However, in 2024, revenues declined by 1.4%, reflecting the economic slowdown prompted by the Federal Reserve's actions to curb inflation. Growth in Sales Tax revenue is anticipated to return to typical levels as interest rates are projected to decrease in the latter half of 2024.

After several years of stagnant revenue, Utility Users Tax (UUT) began increasing in 2020, showing a steady upward trend through 2022. A significant spike occurred in 2023, driven by rising natural gas



prices. In 2024, natural gas prices returned to normal due to record-high production levels, leading to an oversupply in the market and a decline in revenues.

The General Fund Transfer saw 0% growth on average until 2023, when rate increases in electric and water services offset declining consumption. All Other Revenues will continue to fluctuate due to factors like interest earnings, bad debt write-offs, and the sale of land and capital assets. The current year's increase compared to the prior year is attributed to strong investment earnings, State Mandated Claim reimbursements, new cannabis application and site review fees, and higher revenues from non-development charges for service.

## Expenditures

The FY 2023/24 expenditure budget is comprised of the adopted budget of \$327.09M, \$12.80M of unexpended funds carried forward from the previous fiscal year, \$24.17M of budget adjustments occurring during the fiscal year, the \$8.57M escrow of the Water GFT, and a \$5.00M contribution to the General Fund Infrastructure and Technology Reserve. In the FY 2023/24 second quarter report, supplemental appropriations leveraged a projected net surplus of \$9.41M to contribute \$3.00M to the Infrastructure Reserve and \$2.0M to the Technology Reserve. Major supplemental adjustments posted during the fiscal year included:

- Revisions to various labor MOUs compensation and benefits package: \$1.08M
- Use of Infrastructure for capital project needs totaling \$16.11M, including
  - Museum Expansion and Renovation Project: \$10.00M
  - Airport building remedial repairs: \$1.00M
  - SPC Jesus S. Duran Eastside Library: \$3.5M
  - Magnolia Roof Replacement Project: \$832,078
  - Victoria Avenue Beautification Project: \$775,000

The total adjusted budget for FY 2023/24 is \$377.63M. Actual expenditures at fiscal year-end are \$345.63M, before factoring in encumbrances and recommended carryovers totaling \$15.06M. Encumbrances of \$10.37M and grant carryovers of \$0.03M have been carried forward to FY 2024/25 in accordance with the Riverside Municipal Code. **Staff is requesting Council approval of an additional \$4.66M in discretionary and restricted carryovers**, detailed in Appendix A of this report. If approved, total expenditures savings for FY 2023/24 will be **\$3.83M**, or 1.0%, of the total adjusted budget.

## EXPENDITURES BY CATEGORY

### FISCAL YEAR EXPENDITURE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals*	\$ Variance	% Variance
Personnel	\$ 227.54	\$ 228.87	\$ 232.22	\$ 3.35	1.5%
CalPERS UAL – Safety	8.95	8.95	8.66	(0.29)	-3.2%
CalPERS UAL – Miscellaneous	-	-	-	-	0.0%
Non-Personnel Costs	67.40	80.98	79.44	(1.54)	-1.9%
Special Projects	9.65	11.84	9.82	(2.02)	-17.1%
Minor Capital & Grants	1.30	1.90	1.43	(0.47)	-24.7%
Debt Service	28.88	28.88	29.42	0.54	1.9%
Charges To/From	(18.88)	(19.72)	(20.74)	(1.02)	5.2%
Cost Allocation Plan	(24.11)	(24.11)	(24.11)	-	0.0%
Operating Transfers	20.92	41.03	39.72	(1.31)	-3.2%
Special Districts Fund Contribution	1.43	1.43	1.56	0.13	9.1%
Convention Center Fund Contribution	2.27	2.27	2.32	0.05	2.2%
Entertainment Fund Contribution	0.73	0.73	-	(0.73)	-100.0%
Cheech Marin Center Fund Contribution	1.01	1.01	0.95	(0.06)	-5.9%
Infrastructure Reserve Contribution	-	3.00	3.00	-	0.0%
Technology Reserve Contribution	-	2.00	2.00	-	0.0%
Water GFT Escrow	-	8.57	8.11	(0.46)	-5.4%
<b>Total Expenditures &amp; Transfers Out</b>	<b>\$ 327.09</b>	<b>\$ 377.63</b>	<b>\$ 373.80</b>	<b>\$ (3.83)</b>	<b>-1.0%</b>

\*Unaudited Actuals includes \$10.37M in encumbrances and \$0.03M project/grant carryovers recorded as allowed by the Riverside Municipal Code; and \$4.66M in other carryovers recommended for Council approval (refer to Appendix A).

#### Explanation of Significant Budget Variances

- Personnel:** Personnel costs are \$3.36M (1.5%) higher than projected. Based on the 13% vacancy rate at the time of the proposed amendment of the FY 2023/24 budget, recruitment and hiring challenges, and fiscal year-end personnel savings during the previous two fiscal years, a 5% savings on total personnel costs was programmed into the amended budget, freeing up funds for allocation to City priorities. Actual savings fell short of this vacancy savings projection by \$1.03M. Additionally, overtime exceeded budget by \$1.61M, net of \$0.71M in fire mutual aid reimbursements. Police Department overtime exceeded budget by \$1.35M, likely influenced by salary increases, personnel shortages, and training incoming staff.
- Special Projects:** Savings were experienced in the Non-Departmental programs for the City Manager's Audit Program, Riverside County Animal Control, Citywide Fiscal Management accounts, and Education Reimbursement Program.

- **Minor Capital & Grants:** Savings in this category is primarily attributable to under-expenditure of the Building and Structures Improvements budget in General Services and Automotive Equipment budget in Parks, Recreation & Cultural Services (PRCS).
- **Fund Contributions:** The General Fund covers debt obligations and provides operating contributions to the Convention Center, Entertainment Fund, and Cheech Marin Center. Total operating revenues for the Fox Performing Arts Theater, the Riverside Municipal Auditorium, and the Box outperformed projected revenues by \$1.81M, resulting in a lower contribution required from the General Fund.

## EXPENDITURES BY DEPARTMENT

### FISCAL YEAR DEPARTMENTAL RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals*	Overage/ (Savings)	% Variance
Mayor	\$ 0.93	\$ 0.96	\$ 0.84	\$ (0.12)	-12.5%
City Council	1.64	1.64	1.76	0.12	7.3%
City Manager	5.70	6.28	5.41	(0.87)	-13.9%
City Clerk	2.18	2.33	2.08	(0.25)	-10.7%
City Attorney	5.48	5.94	6.18	0.24	4.0%
Human Resources	4.23	4.75	4.39	(0.36)	-7.6%
General Services	5.17	5.40	4.82	(0.58)	-10.7%
Finance	8.49	9.73	9.26	(0.47)	-4.8%
Innovation & Technology	13.21	14.78	15.23	0.45	3.0%
Housing & Human Services	-	2.16	1.49	(0.67)	-31.0%
Community Development	21.15	22.82	18.70	(4.12)	-18.1%
Police	111.80	113.94	112.15	(1.79)	-1.6%
Fire	63.58	64.00	64.15	0.15	0.2%
Public Works	20.10	22.31	20.29	(2.02)	-9.1%
Library	9.52	9.81	9.08	(0.73)	-7.4%
Parks, Rec, & Comm. Services	27.45	29.18	28.45	(0.73)	-2.5%
Museum	2.28	2.57	2.21	(0.36)	-14.0%
Non-Departmental	48.29	69.57	78.31	8.74	12.6%
Cost Allocation Plan	(24.11)	(24.11)	(24.11)	0.00	0.0%
<b>Total Expenditures &amp; Transfers Out</b>	<b>\$ 327.09</b>	<b>\$ 364.06</b>	<b>\$ 360.69</b>	<b>\$ (3.37)</b>	<b>-0.9%</b>

\* Unaudited Actuals includes \$10.37M in encumbrances and \$0.03M project/grant carryovers recorded as allowed by the Riverside Municipal Code; and \$4.66M in other carryovers recommended for Council approval (refer to Appendix A).

### Explanation of Significant Budget Variances

- **Mayor:** The department realized \$64,000 in personnel savings due to vacancies, along with \$39,000 in under-expenditures in the budget for special projects.

- **City Manager:** The department was \$485,000 below budget in professional services spending, along with \$205,000 in expenditure offsets due to higher-than-expected charges for interfund services.
- **City Clerk:** The department experienced \$272,000 in savings on election services spending.
- **General Services:** The department experienced \$306,000 in personnel savings due to vacancies and \$172,000 in unspent funds from the budget allocated for building and structure improvements.
- **Housing & Human Services:** The department experienced \$210,000 in personnel savings due to vacancies, along with \$389,000 in expenditure offsets due to higher-than-expected charges for interfund services.
- **Community Development:** The department realized savings across several areas, including \$2.78M from personnel vacancies, \$205,000 from under-utilized professional services, and \$689,000 from the Special Projects budget allocated for Citywide Events.
- **Museum:** The department realized savings of \$192,000 from personnel vacancies and \$124,000 from the Special Projects budget allocated for Heritage House Projects.
- **Non-Departmental:** The \$8.74M overage is primarily due to a \$12.00M budget adjustment for vacancy savings, which allowed for the reallocation of funds to other spending needs. This amount was not allocated at the departmental level to avoid it being perceived as a specific savings target, but is offset by vacancy savings totaling \$10.97M within the various City departments. Offsetting this adjustment within the Non-Departmental budget, savings were realized in several areas:
  - \$520,000 in under-expenditures in professional services
  - \$542,000 in under-expenditures for Riverside Plaza development agreements
  - \$1.07M in under-expenditures in the Special Projects budgets for the City Manager's Audit Program, Riverside County Animal Control, and the Citywide Fiscal Management accounts
  - \$1.3 million savings due to the timing of operating transfers

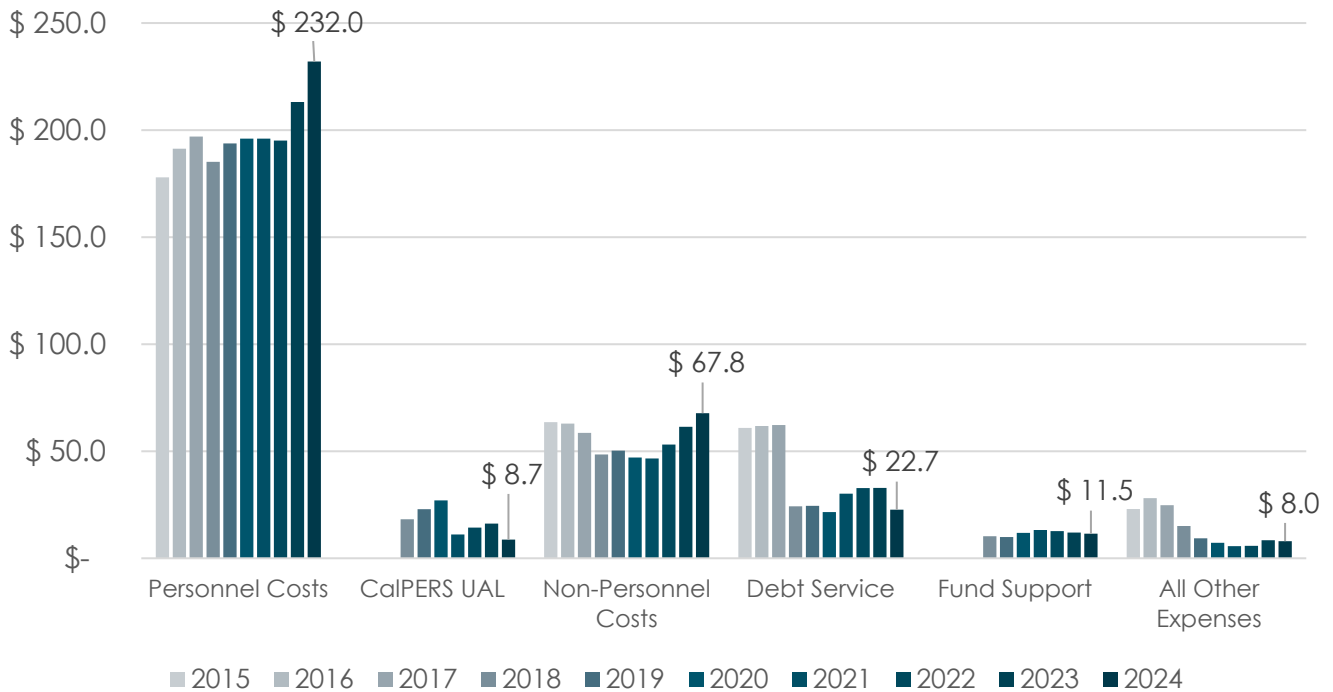
### 10-YEAR EXPENDITURE HISTORY

The following table and chart show the 10-year history of General Fund expenditures, excluding Operating Transfers. The 2024 actuals in the following table will differ from the previous charts as the actuals below do not include carryovers and encumbrances totaling \$15.06M. FY 2023/24 expenditures increased by a nominal 1% as compared to the prior year; including carryovers for both years, the increase is 1.6%.

## GENERAL FUND EXPENDITURES – 10-YEAR HISTORY

(in millions)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Personnel Costs	\$ 177.9	\$ 191.3	\$ 197.0	\$ 185.2	\$ 193.8	\$ 196.0	\$ 196.0	\$ 195.1	\$ 213.1	\$ 232.0
CalPERS UAL – Safety				11.4	14.3	17.2	7.2	9.5	11.2	8.7
CalPERS UAL – Misc				6.8	8.6	9.8	3.9	4.8	5.0	-
Non-Personnel Costs	63.6	62.9	58.6	48.5	50.3	47.1	46.6	53.1	61.4	67.8
Special Projects	13.9	14.6	16.8	7.3	6.8	6.2	4.5	5.4	7.4	7.8
Minor Capital	4.0	8.0	3.9	2.9	2.1	0.8	0.4	0.3	0.7	0.2
Grants	5.1	5.5	4.1	4.9	0.4	0.2	0.8	0.1	0.3	-
Debt Service	60.9	61.8	62.2	24.3	24.5	21.6	30.2	32.8	32.9	22.7
Charges To/From	(16.9)	(17.2)	(16.7)	(17.4)	(19.5)	(17.2)	(20.6)	(18.6)	(19.3)	(20.7)
Cost Allocation Plan	(18.1)	(20.2)	(19.9)	(18.9)	(24.1)	(26.3)	(23.4)	(23.5)	(21.7)	(24.1)
Fund Subsidies				10.3	9.9	11.9	13.2	12.7	12.0	11.5
Total Expenditures	\$ 290.4	\$ 306.7	\$ 306.0	\$ 265.3	\$ 267.1	\$ 267.3	\$ 258.8	\$ 271.7	\$ 303.0	\$ 305.9
Growth over Prior Year	5.3%	5.6%	-0.2%	-13.3%	0.7%	0.1%	-3.2%	5.0%	11.5%	1.0%

## 10-YEAR GENERAL FUND EXPENDITURES (in millions)





## *Explanation of Significant Trend Variations*

- **Personnel Costs:** The 7.5% spike in 2016 is due to an additional pay period in the fiscal year and the impact of MOU negotiations. In 2018 and 2019, the Partnership Compensation Model led to maximum salary increases under MOU provisions. The 6.0% reduction in 2018 was due to balancing measures addressing the General Fund's structural deficit and the reallocation of some personnel to Measure Z. The \$18M (9.2%) increase in 2023 is attributed to a lower average annual vacancy rate as compared to the previous year, \$11.6M in employee stipends, and increases in compensation and benefits. The \$18.9M increase in 2024 reflects MOU-approved salary and benefit adjustments, additional budgeted positions, and a continued decline in the average annual vacancy rate.
- **CalPERS UAL:** CalPERS separated the Unfunded Actuarial Liability (UAL) from normal retirement costs in 2018 and established a UAL payment methodology to address unfunded retirement costs. In 2021, the City issued a Pension Obligation Bond which shifted some CalPERS UAL costs to the Debt Service category. The reduction in 2024 costs is attributable to CalPERS exceeding its investment target in 2021, resulting in lower required UAL payments for 2024.
- **Debt Service:** Through 2017, citywide activity related to outstanding Pension Obligation Bonds were passed through the General Fund for accumulation before sending the resources to the Debt Service Fund to make the annual debt payment. This intermediate step was discontinued in 2018. In 2023, the 2004 Safety Pension Obligation Bond was paid off, resulting in a reduction in debt service costs in future years.
- **Fund Support and All Other Expenses:** The entertainment venues that are now housed in the Convention Center and Entertainment Funds were moved into the General Fund in 2015 (reflected in All Other Expenses) and later removed and established as enterprise funds in 2018. General Fund support of these funds is recorded as Fund Support for transparency. All Other Expenses further declined with restructuring that moved activities funded by restricted funds to the new Grants and Restricted Programs Fund. In 2023, All Other Expenses increased due to a \$1.30M increase in Animal Control, which is a service contracted through the County of Riverside, and the resumption of the Festival of Lights following a 2-year hiatus during the pandemic.

## PERSONNEL

### *Explanation of Actual Personnel Expenditures*

During the fiscal year, the personnel budget was increased by approximately \$1.08M to accommodate approved MOU fiscal impacts.

By the end of FY 2023/24, the General Fund saw a continued improvement in its vacancy rate, decreasing from 11.5% at the close of FY 2022/23 to 9.2%. This reduction reflects significant progress in filling vacant positions. This is consistent with respondents to the 2024 State and Local Workforce Survey, where state and local governments are finally experiencing some relief in recruitment

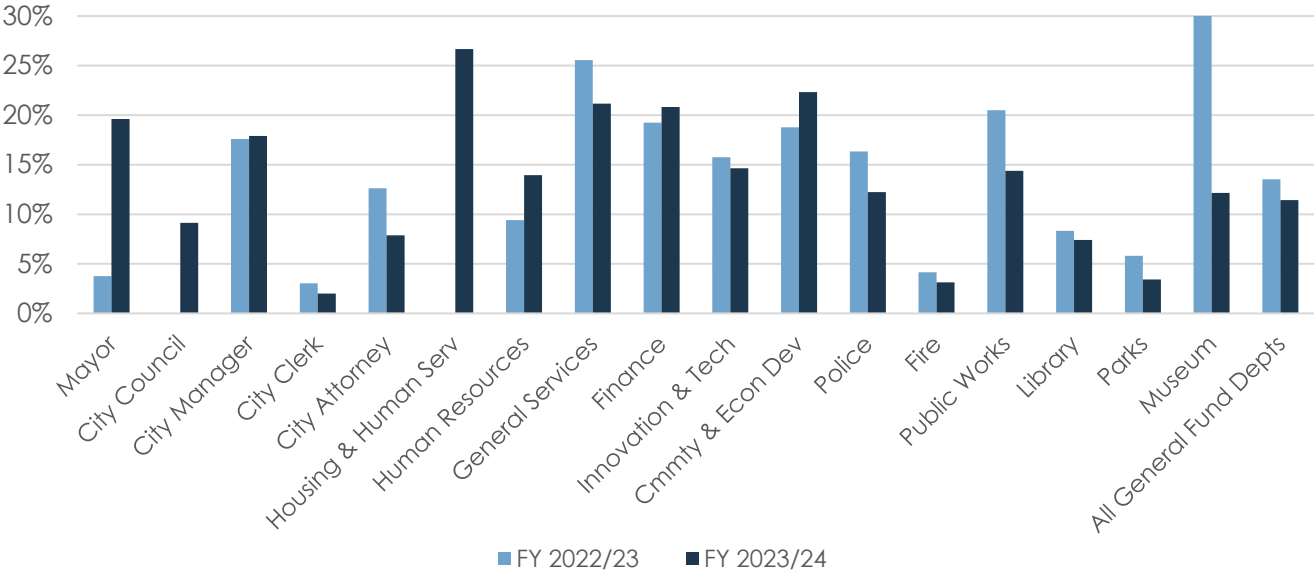




challenges. The Human Resources (HR) Department continues its efforts to fill vacant positions through extended job postings and, in some cases, maintained continuous postings; bolstered advertising efforts; and actively participated in hiring and career fair events. Furthermore, HR is actively working to position the City as an employer of choice, focusing on outreach initiatives to attract a diverse and highly skilled workforce while aligning the recruitment and selection process with values of diversity, equity, and inclusion. However, a significant workforce issue still looms: the impending wave of public service worker retirements.

The following chart depicts the average vacancy rate for FY 2022/23 and FY 2023/24 for each department in the General Fund, as well as the General Fund as a whole. Several departments experienced similar or higher average vacancy rates in FY 2023/24 as compared to the prior year.

**GENERAL FUND AVERAGE FTE VACANCY RATE**



## 10-Year Personnel Cost History

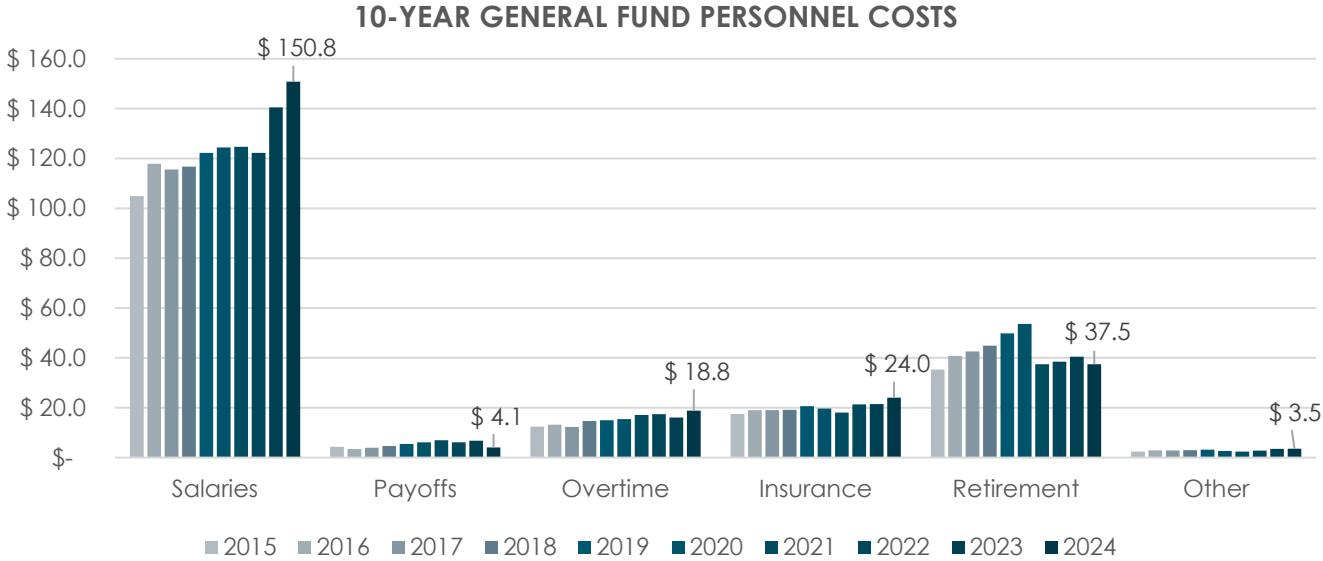
### GENERAL FUND PERSONNEL COSTS – 10-YEAR HISTORY

(in millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Salaries	\$104.9	\$117.9	\$115.6	\$116.7	\$122.2	\$124.4	\$124.7	\$122.3	\$140.5	\$150.8
Leave Payoffs	4.3	3.4	4.0	4.7	5.5	6.1	7.0	6.2	6.7	4.1
Overtime	12.4	13.2	12.3	14.7	15.0	15.4	17.1	17.4	16.1	18.8
Insurances	17.5	19.0	19.0	19.1	20.6	19.7	18.1	21.4	21.6	24.0
Retirement	35.3	40.8	42.6	44.9	49.8	53.6	37.5	38.5	40.5	37.5
Payroll Accruals	1.0	(5.9)	0.6	0.4	0.3	1.1	0.3	0.7	0.5	1.8
Other	2.5	2.9	2.9	3.0	3.2	2.7	2.4	2.8	3.5	3.6
Total Personnel & CalPERS UAL Costs	\$177.9	\$191.3	\$197.0	\$203.5	\$216.6	\$223.0	\$207.1	\$209.4	\$229.3	\$240.6
Growth over Prior Year	2.9%	7.6%	3.0%	3.3%	6.4%	3.0%	-7.1%	1.1%	9.5%	4.9%

### Explanation of Significant Trend Variations

- **Salaries:**
  - In 2016, the spike in salary costs is attributable to several factors, including:
    - 27 biweekly pay periods in 2016, as compared to the usual 26 pay periods per year.
    - Renegotiation of Memoranda of Understanding (MOU), which included an estimated \$3.90M immediate impact related to the Police MOUs.
  - In 2018 and 2019, the Partnership Compensation Model produced maximum salary increases under MOU provisions. The 2018 impact was partially offset by the shifting of some personnel to Measure Z.
  - In 2023, renegotiation of MOUs resulted in salary increases and employee stipends, leading to a significant growth in salary costs.
- **Overtime:** The 7.5% reduction in overtime in 2023 is due to a \$1.57M decrease in Fire Mutual Aid overtime compared to the previous year. In 2024, excluding Fire Mutual Aid, total overtime increased by 23.8%, with 23.6% attributable to Safety, including a 31.2% increase in Police overtime and 19.0% increase in Fire overtime as compared to 2023. The increases are likely influenced by salary increases, personnel shortages, and training incoming staff.
- **Retirement:** Retirement costs declined \$16.20M in 2021 due to a lump sum paydown with the issuance of a Pension Obligation Bond (POB).

- Other:** The 25% increase in other personnel costs in 2023 includes an increase in deferred compensation benefits; heightened use of temporary services to backfill position vacancies; and higher Medicare costs coinciding with compensation increases.



## MAINTAINING RESERVES

The City's policy reserve level is 20%, comprised of a 15% Emergency Reserve and a 5% Contingency Reserve.

At each fiscal year end, fund reserves are calculated as a percentage of the following year's adopted budget. Since adopted appropriations typically increase from year to year, a 20% corresponding increase in reserves is required to maintain the reserve level (\$200,000 for each \$1M increase in appropriations). However, this annual increase in the reserve requirement is not formally incorporated into the adopted budget, due to the timing of budget adoption. Therefore, General Fund savings is typically needed at the end of each fiscal year to ensure that the reserve level is maintained.

The required increase in the 20% General Fund policy reserve based on the adopted FY 2023/24 budget is \$6.74 million.

The FY 2024/25 adopted budget totals \$361.23 million, requiring 20% reserves of \$72.24 million.

## Fund Reserves

The beginning fund balance includes all amounts available to spend at the end of the previous fiscal year and 20% policy reserves. Current year activity, including new encumbrance and carryover balances, required accounting changes in other fund reserves, and recomputed policy reserves are subtracted or added to the beginning fund balance to arrive at the projected ending available reserve balance. This amount is available for allocation per Council direction.

### FUND BALANCE (in millions)

<b>Beginning Fund Balance (Audited)</b>	<b>\$ 65.50</b>
<b>FY 2023/24 Activity</b>	
Revenues	\$ 350.09
Use of Infrastructure Reserve	16.11
Use of Insurance Proceed Reserve	0.90
Use of Encumbrance/Carryover Reserve	12.80
Expenditures	(345.63)
Escrow of Water GFT	(8.11)
Contribution to Infrastructure Reserve	(3.00)
Contribution to Technology Reserve	(2.00)
Encumbrances/Projects/Grants	(10.40)
Restricted Carryovers*	(0.82)
Discretionary Carryovers*	(3.84)
<b>Subtotal</b>	<b>\$ 6.10</b>
Change in Other Reserves	\$ (0.90)
<b>Net Change in Fund Balance</b>	<b>\$ 5.20</b>
<b>Policy Reserves</b>	
15% Emergency Reserve	\$ (54.18)
5% Contingency Reserve	(18.06)
<b>Total Policy Reserves</b>	<b>\$ (72.24)</b>
<b>Projected Available Reserves</b>	<b>\$ (1.54)</b>

\*Subject to Council approval – refer to Appendix A.

## GENERAL FUND RESERVES

The General Fund ended FY 2023/24 with a projected net gain of \$6.10M, driven by outperforming revenues and expenditure savings. At each fiscal year end, a portion of the net gain must be allocated to maintain the 20% policy reserve requirement, along with any necessary adjustments to unavailable fund balances. For FY 2023/24, the required 20% policy reserve contribution is \$6.74M, with other adjustments to unavailable fund balances totaling \$0.90M. As a result, the available reserve shows a negative balance of \$1.54M. However, this negative balance is fully offset by other reserves that are currently in nonspendable form, which will transition to spendable form in the future, mitigating the short-term impact on the General Fund's financial position.

Projected General Fund Reserves are comprised of the following:

(in millions)	Amount	Subtotal
<b>Nonspendable</b>		
Inventories, prepaids, deposits	\$ 1.80	
Parking Fund Loan Receivable	1.81	
Land & Improvements held for resale	0.17	<b>\$ 3.78</b>
<b>Committed</b>		
20% Policy Reserves	72.24	
Reserved for Section 115 Trust Contributions	35.00	
Infrastructure Reserve	12.19	
Technology Reserve	5.00	
Water GFT Escrow	8.11	
Other required reserves	0.52	<b>133.06</b>
<b>Assigned</b>		
Encumbrances/Projects/Grants	10.40	
Restricted Carryovers*	0.82	
Discretionary Carryovers*	3.84	<b>15.06</b>
<b>Unassigned</b>		
Available Reserves <sup>(1)</sup>	(1.54)	<b>(1.54)</b>
<b>Total General Fund Reserves</b>		<b>\$ 150.36</b>

*\*Subject to Council approval – refer to Appendix A*

The General Fund's Unassigned fund balance currently shows a negative balance of \$1.54M, primarily due to the nonspendable classification of an interfund loan to the Parking Fund. This nonspendable portion represents resources that are not immediately available for spending but are expected to become available as the loan is repaid. As such, the negative unassigned balance



reflects a timing difference rather than a structural deficit and will be offset as these resources transition back to spendable form.

### *Section 115 Trust*

Section 115 Trust assets are accounted for in a separate fund. This reserve will help the City to smooth fluctuations in the required annual CalPERS UAL payments and minimize the fiscal impact of significant increases that could disrupt the City's ability to maintain service levels and fund ongoing operations. As of 6/30/2024, the unaudited reserve balance is \$58.29M.

## GENERAL FUND OUTLOOK

Although sales tax revenue was impacted by the economic slowdown resulting from the Federal Reserve's efforts to combat inflation, overall General Fund revenues grew, partly due to significant increases in property tax revenue. In the short term, the City must prepare for potential headwinds in both sales and property tax revenues as slower economic growth and rising unemployment, driven by industry weaknesses across the state, present challenges. While we took these factors into consideration in the FY 2024/25 revenue projections, the extent of their impact on City revenues remains uncertain. Additionally, in the long term, the General Fund faces financial challenges that could pose risks to its fiscal health:

- **Water General Fund Transfer:** The Water General Fund Transfer (GFT) accounts for approximately 5% of ongoing General Fund revenues. On September 19, 2023, the City Council directed that all future Water GFT collections be placed in a reserve account pending the outcome of litigation. The potential revenue loss ranges from \$8.52M to \$11.26M annually over the next five years, or \$49.31M over the next five years.
- **Deferred Maintenance and Infrastructure:** Following several years of structural deficits in the General Fund, the City has struggled to allocate funding toward capital needs. Historically, capital investments have largely been funded through debt financing, such as the issuance of 2008 Certificates of Participation for street improvements, and Riverside Renaissance Tax Allocation Bonds for new facilities and capital improvements. However, debt financing does not provide a sustainable method to fund annual and ongoing needs for infrastructure repairs and maintenance and the added debt service reduces the amount of funding available for ongoing deferred maintenance.
- **Rising Pension Costs:** The financial markets influenced the CalPERS retirement fund, which yielded a 9.3% return for the fiscal year ended June 30, 2024, exceeding the 6.8% forecasted rate. While this marks a notable improvement over the past two fiscal years, it does not fully offset previous losses. Additionally, future returns below expectations could increase unfunded liabilities and required annual payments.
- **Labor Costs:** With most MOU contracts set to expire in June 2025, the outcome of future labor negotiations holds the potential to significantly impact personnel costs for the City. Balancing the need to provide competitive salary increases to recruit and retain highly qualified employees, while maintaining financial sustainability, will present a challenge.

# MEASURE Z FUNDS

The financial reporting of Measure Z focuses on a Spending Plan format, which is a different presentation method than the financial reporting of other funds. The spending plan methodology provides a transparent and accessible illustration of Measure Z activity without the “noise” of formal accounting requirements and debt-funded capital projects:

- Measure Z activity is tracked in two funds as required by accounting rules: the Measure Z operating fund and the Measure Z capital fund. The capital fund includes all major capital activity, while the operating fund includes all other activity. Fund resources are transferred from the operating fund to the capital fund as needed to fund approved capital projects. These interfund transfers have a net zero impact and are not reported in the Spending Plan.
- Some Measure Z capital items are funded by debt, such as Library construction, Fire vehicle replacement, and Police helicopters. Measure Z's current resources are used to pay the annual debt obligations, and these debt payments are reported in the Spending Plan. The spending debt proceeds on capital projects does not represent a use of Measure Z tax revenue, so these expenses are not reported in the Spending Plan.

## Revenue

The adopted FY 2023/24 amended budget projected revenues of \$84.46M. However, due to a decline in consumer spending from the Federal Reserve's efforts to slow the economy, transaction and use tax revenue projections were reduced to \$80.54M in the second quarter report. Since its approval in 2017, the Measure Z Transaction and Use Tax (TUT) has grown steadily, peaking at \$84.02M in FY 2022/23. In FY 2023/24, revenues declined 2.5% to \$81.90M from the prior fiscal year, marking the first revenue drop since Measure Z's inception. Previous years' significant growth was driven by post-pandemic shifts in consumer spending patterns and rising inflation.

The following table reports the revenue history for Measure Z since inception:

### MEASURE Z REVENUES SINCE INCEPTION

(in millions)	2017	2018	2019	2020	2021	2022	2023	2024
Transaction & Use Tax (TUT)	\$12.61	\$ 56.20	\$ 62.29	\$ 62.38	\$ 72.00	\$ 83.16	\$ 84.02	\$ 81.90
Interest Revenue	-	0.04	0.53	0.76	0.65	0.75	1.82	2.30
Total Revenues	\$12.61	\$ 56.24	\$ 62.82	\$ 63.14	\$ 72.65	\$ 83.91	\$ 85.84	\$ 84.20
TUT Growth over Prior Year	100.0%	346.1%	11.7%	0.5%	15.1%	15.5%	2.3%	(1.9%)

## Expenditures

Measure Z expenditures are inconsistent due to the number of long-term initiatives and projects financed by Measure Z resources. This results in an accumulation of resources and carryover of funding in spending items of those types. Actual expenditures at fiscal year-end are \$86.10M before

encumbrances and carryovers of \$47.20M. Encumbrances of \$27.38M and capital carryovers of \$13.43M have been carried forward to FY 2024/25 as provided for in the Riverside Municipal Code. **Staff is requesting Council approval of an additional \$6.39M in discretionary carryovers**, detailed in Appendix A of this report.

For inception-to-date expenditure reporting by funded item, refer to the Measure Z Spending Plan in Appendix B of this report.

## Unallocated Fund Reserves

Actual Measure Z revenues of \$84.20M and expenditures of \$86.10M produced a net decrease of fund reserves of \$1.91M. The projected available fund balance (unaudited) is anticipated to total \$58.52M net of encumbrances and recommended carryovers totaling \$47.20M. The FY 2024-2026 Biennial Budget includes a Five-Year Spending Plan with a programmed draw on reserves from FY 2024/25 through FY 2028/29 totaling \$48.79M. Staff recommends that available reserves remain intact pending a FY 2024-2026 mid-cycle budget update.

### MEASURE Z ACTIVITY AND PROJECTED FUND RESERVES

(in millions)	2018	2019	2020	2021	2022	2023	2024
Revenue	\$ 56.24	\$ 62.82	\$ 63.14	\$ 72.65	\$ 83.91	\$ 85.84	\$ 84.20
Expenditures	(36.14)	(40.99)	(49.57)	(50.85)	(67.45)	(69.61)	(86.10)
Encumbrances & Carryovers	-	-	-	-	-	-	(47.20)
<b>Net Change in Fund Balance</b>	<b>\$ 20.10</b>	<b>\$ 21.83</b>	<b>\$ 13.57</b>	<b>\$ 21.80</b>	<b>\$16.46</b>	<b>\$ 16.24</b>	<b>\$(49.10)</b>
Beginning Available Fund Balance	\$ 2.63	\$ 22.73	\$ 39.56	\$ 53.14	\$ 74.94	\$ 91.40	\$ 107.63
Net Change in Fund Balance	20.10	21.83	13.57	21.80	16.46	16.24	(49.10)
Fund Balance Reserve Policy	-	(5.00)	-	-	-	-	-
<b>Ending Available Fund Balance</b>	<b>\$ 22.73</b>	<b>\$ 39.56</b>	<b>\$ 53.13</b>	<b>\$ 74.94</b>	<b>\$ 91.40</b>	<b>\$ 107.63</b>	<b>\$ 58.52</b>

**Permanent Policy Reserve Set-Aside: \$5M**

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*The Measure Z Reserve Policy adopted by City Council on April 2, 2019, requires a minimum \$5M contingency reserve level. This amount was removed from available fund balance in 2019 and is held intact separately of the available fund balance reported in the Spending Plan.*

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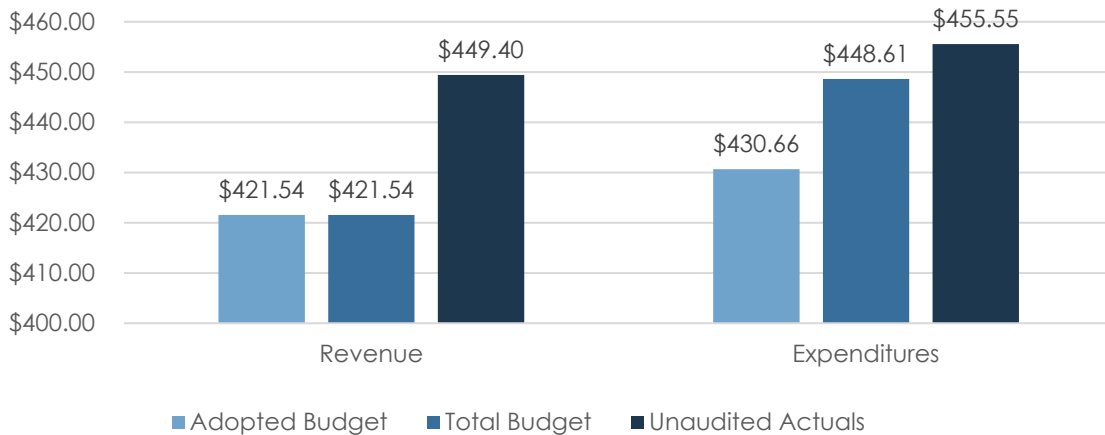


# ELECTRIC FUND

The FY 2023/24 adopted operating budget for the Electric Fund included a programmed \$9.12M operating deficit and draw on fund reserves. This is a financial strategy employed to draw reserves down to keep utility rates as low as possible. Unaudited fiscal year end results present an operating deficit of \$6.15M including outstanding encumbrances and carryovers of \$19.75M.

The Total Budget in the following chart and tables includes the carryover of the previous fiscal year's unexpended funds and adjustments to the revenue and expenditure budgets made during the normal course of business. Actual expenditures include \$19.75M of outstanding encumbrances and carryovers to reflect budgetary savings.

**ELECTRIC FUND BUDGET TO ACTUAL** (in millions)



## Revenue

Total revenues at fiscal year-end are \$27.86M (6.6%) greater than revenue projections in the total budget.

**FISCAL YEAR OPERATING REVENUE RESULTS**

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals	\$ Variance	% Variance
Retail Sales	\$ 362.51	\$ 362.51	\$ 352.50	\$ (10.01)	-2.8%
Transmission Revenue	29.22	29.22	39.93	10.71	36.7%
Other Operating Revenue	15.60	15.60	26.09	10.49	67.2%
Miscellaneous Revenue	11.26	11.26	23.33	12.07	107.2%
Capital Contributions	2.95	2.95	7.55	4.60	155.9%
<b>Total Revenues</b>	<b>\$ 421.54</b>	<b>\$ 421.54</b>	<b>\$ 449.40</b>	<b>\$ 27.86</b>	<b>6.6%</b>



## *Explanation of Significant Budget Variances*

- **Retail Sales:** Electric revenues were \$10.01M below projections, with overall retail revenues and consumption lower than expected due to milder temperatures. While residential revenues met budget expectations, commercial and industrial revenues were 4.9% below budget, driven by an 8.5% decrease in consumption compared to forecasts. Partially offsetting these declines were nine months of the first-year rate increase from the five-year rate plan approved by City Council on September 19, 2023.
- **Transmission Revenue Requirements:** Revenue exceeded projections by \$10.71M, or 36.7%, due to an increase in transmission revenue requirements reflecting increased transmission costs from Southern California Edison for operating and maintaining the transmission system.
- **Other Operating Revenue:** The City received an allocation of emissions allowances that exceeded what was needed to offset its greenhouse gas emissions. These surplus allowances were sold at higher-than-anticipated market prices, resulting in a revenue increase of \$7.36M. Furthermore, revenue from the sale of excess electricity to external entities exceeded projections by an additional \$4.11M.
- **Miscellaneous Revenue:** Revenue exceeded projections by \$12.07M, or 107.2%, primarily driven by interest revenue, which surpassed expectations by \$11.21M due to higher-than-anticipated market interest rates and required year-end accounting adjustments to reflect investment market value.
- **Capital Contributions:** Revenue exceeded projections by \$4.60M, or 155.9%, due to increased developer activity (construction) and donated underground electrical conduit, donated street lighting, and donated land rights and easements. Revenue from the latter is not budgeted as it is highly unpredictable.

## **Expenditures**

The FY 2023/24 total expenditure budget for the Electric Fund is \$448.61M, which includes the adopted budget of \$430.66M, \$17.33M in unexpended funds carried forward from the previous fiscal year, and \$624,000 in other budget adjustments made during the normal course of business. The table below shows a net budgetary loss of \$6.94M after accounting for \$19.75M in encumbrances and carryovers:

## FISCAL YEAR OPERATING EXPENDITURE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals*	\$ Variance	% Variance
Personnel	\$ 74.13	\$ 74.13	\$ 70.52	\$ (3.61)	-4.9%
Power Supply	225.00	224.12	239.65	15.53	6.9%
Operating & Maintenance	24.83	43.01	47.74	4.73	11.0%
Debt Service	58.55	58.55	48.84	(9.71)	-16.6%
General Fund Transfer	44.64	45.29	45.29	-	0.0%
Transfers to Other Funds	3.51	3.51	3.51	-	0.0%
<b>Total Expenditures &amp; Transfers Out</b>	<b>\$ 430.66</b>	<b>\$ 448.61</b>	<b>\$ 455.55</b>	<b>\$ 6.94</b>	<b>1.5%</b>

\*Includes \$8.62M in encumbrances as allowed by the Riverside Municipal Code; and \$11.13M in other carryovers recommended for Council approval (refer to Appendix A).

### Explanation of Significant Budget Variances

- Personnel:** Personnel costs were \$3.61M, or 4.9%, less than total budget due to a high average annual vacancy rate of 15.3% during the fiscal year. At June 30, 2023, the Electric Fund had 75 vacant positions.
- Power Supply:** Power supply costs were \$15.53M, or 6.9%, higher than total budget due to Intermountain Power Project dispatch restrictions, continuing elevated power prices, and continuing global market disturbances.
- Operating & Maintenance:** Operating and maintenance costs were \$4.73M, or 11.0%, higher than total budget primarily due to carryovers for professional services, maintenance of buildings, heavy vehicle purchases, and software, which will be utilized on an 'as-needed' basis or as technology projects are implemented.
- Debt Service:** Savings of \$9.71M, or 16.6%, were primarily due to the delay of a revenue bond issuance intended to restructure electric variable rate debt, originally scheduled for FY 2022/23. Additional savings resulted from refinancing this variable debt into fixed-rate debt, with repayments starting in FY 2024/25. Although the variable debt was budgeted for the full fiscal year, only eight months of debt service funding was needed due to the restructuring. Further savings came from the amortization of debt issuance costs, including the debt premium, a non-cash accounting adjustment spread over the term of the debt.

Actual operating expenditures at fiscal year-end are \$435.80M before encumbrances and carryovers of \$19.75M. Encumbrances of \$8.62M have been carried forward to FY 2023/24 as provided for in the Riverside Municipal Code. **Staff is requesting Council approval of an additional \$11.13M in operating carryovers**, detailed in Appendix A of this report. If the carryovers are approved, the operating expenditure loss for FY 2023/24 will be \$6.94M, or 1.5%, of the total budget.



Capital expenditures totaling \$320.80M were recorded during the fiscal year; this amount includes \$77.0M of encumbrances and \$217.39M of unexpended capital project funds that have been carried forward to FY 2024/25 as provided for in the Riverside Municipal Code.

## **Fund Reserves**

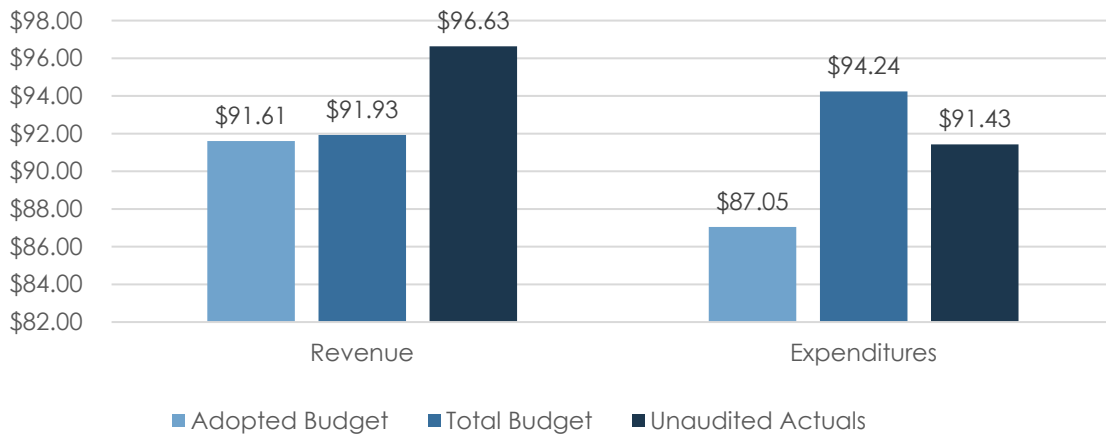
Reserve levels at fiscal year-end are expected to be within established policy levels; final results are pending the completion of the financial audit.

# WATER FUND

The FY 2023/24 adopted operating budget for the Water Fund includes an operating gain of \$4.56M. Unaudited fiscal year end results present a budgetary operating gain of \$5.20M after outstanding encumbrances and carryovers of \$7.08M.

The Total Budget in the following chart and tables includes the carryover of the previous fiscal year's unexpended funds, and adjustments to the revenue and expenditure budgets made during the normal course of business. Actual expenditures include \$7.08M of outstanding encumbrances and carryovers to reflect budgetary savings.

**WATER FUND BUDGET TO ACTUAL** (in millions)



## Revenue

Total revenues at fiscal year-end are \$4.70M (5.1%) greater than revenue projections in the total budget.

**FISCAL YEAR OPERATING REVENUE RESULTS**

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals	\$ Variance	% Variance
Retail Sales	\$ 76.61	\$ 76.61	\$ 73.09	\$ (3.52)	-4.6%
Conveyance/Wholesale	6.00	6.00	4.63	(1.37)	-22.8%
Other Operating Revenue	2.72	2.72	2.72	0.00	0.0%
Miscellaneous Revenue	6.28	6.60	16.19	9.59	145.3%
<b>Total Revenues</b>	<b>\$ 91.61</b>	<b>\$ 91.93</b>	<b>\$ 96.63</b>	<b>\$ 4.70</b>	<b>5.1%</b>

### Explanation of Significant Budget Variances

- **Retail Sales:** Water revenues were \$3.52M below projections due to increased precipitation and milder weather, leading to a 12.9% decrease in residential consumption and a 13.1% decrease in non-residential consumption compared to budget forecasts. These declines were partially offset by nine months of the first-year rate increase from the five-year rate plan approved by City Council on September 19, 2023.
- **Conveyance/Wholesale:** Revenues fell short of projections by \$1.37M, or 22.8%, entirely due to reduced demand from external entities in the wholesale water market.
- **Miscellaneous Revenue:** Revenue exceeded projections by \$9.59M, or 145.3%, due to interest revenues exceeding expectations by \$3.46M, including \$2.51M in additional bond interest revenue earned on cash held by fiscal agent for the 2022 Water Revenue Bonds Series A issuance; \$620,000 in excess land and building rental revenues from an one-time temporary construction easement; and \$3.24M unbudgeted contributions due to increased developer activity (construction) and unbudgeted donated plant assets from developers consisting of transmission mains, transmission and distribution services, and transmission and distribution fire hydrants.

### Expenditures

The FY 2023/24 total expenditure budget for the Water Fund is \$94.24M, which includes the adopted budget of \$87.05M; \$2.85M of unexpended funds carried forward from the previous fiscal year; and \$4.34M in other budget adjustments made during the normal course of business. The following table shows budgetary savings of \$2.81M after \$7.08M of encumbrances and carryovers:


#### FISCAL YEAR OPERATING EXPENDITURE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals*	\$ Variance	% Variance
Personnel	\$ 25.41	\$ 25.41	\$ 25.11	\$ (0.30)	-1.2%
System Operations	27.67	35.32	33.45	(1.87)	-5.3%
Debt Service	24.24	24.24	23.60	(0.64)	-2.6%
General Fund Transfer	8.57	8.11	8.11	-	0.0%
Transfers to Other Funds	1.16	1.16	1.16	-	0.0%
<b>Total Expenditures &amp; Transfers Out</b>	<b>\$ 87.05</b>	<b>\$ 94.24</b>	<b>\$ 91.43</b>	<b>\$ (2.81)</b>	<b>-3.0%</b>

\*Includes \$6.10M in encumbrances and \$0.10M grant carryovers recorded as allowed by the Riverside Municipal Code; and \$0.88M in other carryovers recommended for Council approval (refer to Appendix A).

### Explanation of Significant Budget Variances

- **Personnel:** Personnel costs were \$297,000, or 1.2%, less than total budget due to an average annual vacancy rate of 13.68% during the fiscal year. On June 30, 2024, the Water Fund had 18 vacant positions.

- 
- **System Operations:** Savings of \$1.87M, or 5.3%, were realized in the budgets for professional services and software maintenance, which are used on an 'as-needed' basis. These savings were partially offset by an overage in chemical supply costs.
  - **Debt Service:** Savings of \$642,000, or 2.6%, were partially due to budgeting for a full year of debt service for a vehicle capital lease in FY 2023/24. However, delays in vehicle manufacturing, purchasing, and delivery postponed the financing, which was finalized in July 2024. As a result, debt service payments will begin in the third quarter of FY 2024/25. Additional savings came from the amortization of debt issuance costs, including the premium on debt, a non-cash accounting adjustment spread over the debt's term.

Actual operating expenditures at fiscal year-end are \$84.33M before encumbrances and carryovers of \$7.08M. Encumbrances of \$6.10M and grant carryovers of \$102,000 have been carried forward to FY 2024/25 as provided for in the Riverside Municipal Code. **Staff is requesting Council approval of an additional \$880,510 in operating carryovers**, detailed in Appendix A of this report. If the carryovers are approved, operating expenditure savings for FY 2023/24 will be \$2.81M, or 3.0% of the total budget.

Capital expenditures totaling \$75.98M were recorded during the fiscal year; this amount includes \$13.28M of encumbrances and \$32.65M of unexpended capital project funds that have been carried forward to FY 2024/25 as provided for in the Riverside Municipal Code.

## Fund Reserves

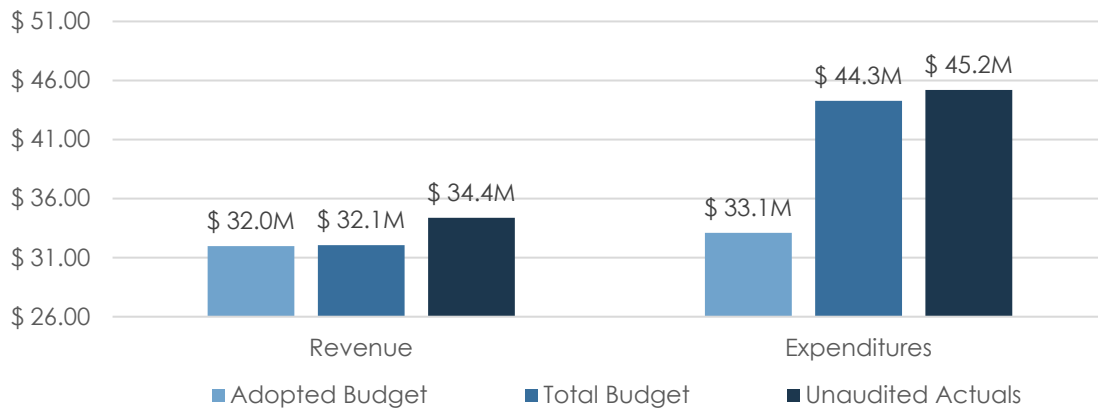
The Water Fund is expected to end the fiscal year with reserves within required policy levels; final results are pending the completion of the financial audit.

# REFUSE FUND

The adopted operating budget for the Refuse Fund projected a draw on fund reserves of \$1.16M, driven by rising operations costs and ongoing personnel shortages, which were expected to cause excess overtime costs. Unaudited fiscal year end results present an operating loss of \$10.83M. This is primarily a timing loss attributable to the carryover of unspent funds for vehicle purchases, totaling \$9.50M, from FY 2023/24. The revenue to fund these purchases was recognized in FY 2022/23 and subsequently fell to fund reserves. The associated expenditures will be drawn from these reserves upon receipt of the vehicles, which has been delayed due to extended procurement timelines. Excluding the impact of this carryover, the Refuse Fund's adjusted operating loss aligns more closely with the budgeted reserve drawdown projection.

The Total Budget in the following chart and tables includes the carryover of the previous fiscal year's unexpended funds totaling \$10.78M and adjustments to revenue and expenditure budgets made during the normal course of business. Actual expenditures include \$9.50M in outstanding encumbrances and carryovers.

**REFUSE FUND BUDGET TO ACTUAL** (in millions)



## Revenue

Total revenue at fiscal year-end is \$2.31M (7.2%) greater than revenue projections in the total budget.



## FISCAL YEAR OPERATING REVENUE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals	\$ Variance	% Variance
City Service	\$ 16.91	\$ 16.91	\$ 17.59	\$ 0.68	4.0%
Contracted Service	6.32	6.32	7.05	0.73	11.6%
Administrative Fees	7.17	7.17	7.52	0.35	4.9%
Street Sweeping Fines	1.50	1.50	1.29	(0.21)	-14.0%
Miscellaneous Revenue	0.08	0.16	0.92	0.76	475.0%
<b>Total Revenues</b>	<b>\$ 31.98</b>	<b>\$ 32.06</b>	<b>\$ 34.37</b>	<b>\$ 2.31</b>	<b>7.2%</b>

### Explanation of Significant Budget Variances

- **Contracted Services:** Revenues exceeded projections by \$727,000, or 11.6%, due to a billing adjustment. Waste collection services for a specific area within the City were mistakenly billed under a private waste hauler. The billing correction was required to accurately reflect the City as the service provider.
- **Street Sweeping Fines:** Revenues were \$201,000 below budget due to fewer parking fines issued than forecasted in the budget.
- **Miscellaneous Revenue:** This category included interest income that exceeded projection by approximately \$360,000 and refunds and reimbursement of \$316,000 for fuel rebates.

## Expenditures

The FY 2023/24 total expenditure budget for the Refuse Fund is \$44.26M, which includes the adopted budget of \$33.13M, \$10.78M of unexpended funds carried forward from the previous fiscal year, and budget adjustments made during the normal course of business. Unexpended funds include \$9.50M of encumbrances for the replacement of heavy vehicles for the fund. The following table shows a net budgetary overage of \$930,000 after \$9.50M in encumbrances and carryovers.

## FISCAL YEAR OPERATING EXPENDITURE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals*	\$ Variance	% Variance
Personnel	\$ 6.66	\$ 6.66	\$ 7.23	\$ 0.57	8.6%
Non-Personnel	13.70	16.01	16.68	0.67	4.2%
Special Projects	6.74	7.30	7.28	(0.02)	-0.3%
Minor Capital & Equipment	0.50	8.75	8.75	-	0.0%
Debt Service	0.60	0.60	0.60	-	0.0%
Charges To/From Others	4.94	4.94	4.65	(0.29)	-5.9%
<b>Total Expenditures &amp; Transfers Out</b>	<b>\$ 33.14</b>	<b>\$ 44.26</b>	<b>\$ 45.19</b>	<b>\$ 0.93</b>	<b>2.1%</b>

\*Includes \$9.50M in encumbrances recorded as allowed by the Riverside Municipal Code for the purpose of procuring new trash and street sweeping vehicles.



### *Explanation of Significant Budget Variances*

- **Personnel:** Personnel costs exceeded total budget by \$570,000, or 8.6%, due to overtime overages caused by personnel shortages and breakdowns of older vehicles, which led to delays in waste pickups. On June 30, 2024, the Refuse Fund had 15 vacant positions.
- **Non-Personnel:** Expenditures were \$670,000 (4.2%) higher than budgeted, primarily due to an aging fleet, which led to increased vehicle repair costs and higher fuel consumption. Rising CNG fuel costs also contributed to overages in motor fuels and lubricants

Actual operating expenditures at fiscal year-end are \$35.69M before encumbrances and carryovers. Encumbrances and carryovers of \$9.50M have been carried forward to FY 2024/25 as provided for in the Riverside Municipal Code. **Staff is requesting Council approval of an additional \$83,000 in operating carryovers**, detailed in Appendix A of this report.

### **Fund Reserves**

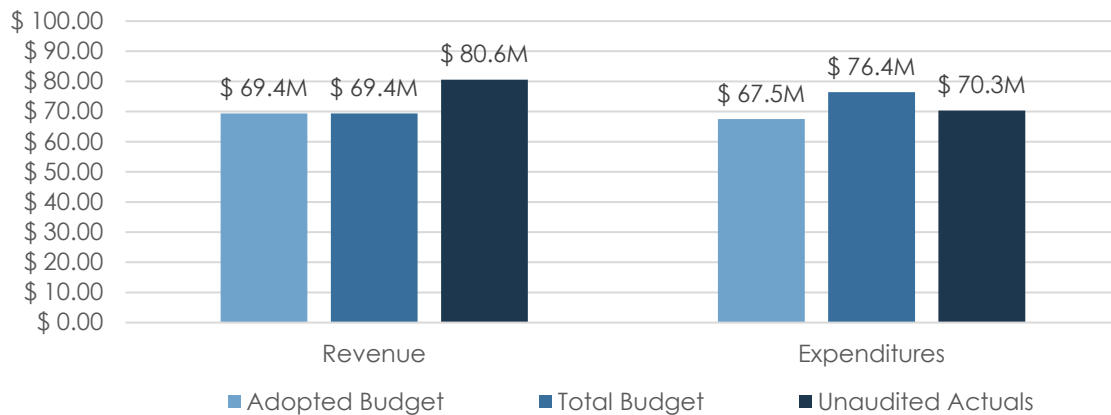
The Refuse Fund is projected to end the fiscal year with \$6.00M in fund reserves, reflecting an operating loss of \$1.33M, excluding the \$9.50M carryover of unspent funds for vehicle purchases, which were recognized as revenue in a prior year.

# SEWER FUND

The adopted budget for the Sewer Fund projected a net operating gain of approximately \$1.84M which would be used to fund \$1.34M of planned capital projects included in the FY 2023/24 adopted budget and capital improvement plan. Unaudited fiscal year end results present a budgetary operating gain of \$10.24M after outstanding encumbrances.

The Total Budget in the following chart and tables includes \$2.49M in unexpended funds carried forward from the previous fiscal year and adjustments to the revenue and expenditure budgets made during the normal course of business. Actual expenditures include \$2.50M in outstanding encumbrances to reflect budgetary savings.

**SEWER FUND BUDGET TO ACTUAL** (in millions)



## Revenue

Total operating revenues at fiscal year-end are \$11.16M (16.1%) higher than revenue projections in the adopted budget.

**FISCAL YEAR OPERATING REVENUE RESULTS**

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals	\$ Variance	% Variance
Residential Rate Revenue	\$ 46.28	\$ 46.28	\$ 46.62	\$ 0.34	0.7%
Commercial Rate Revenue	16.49	16.49	15.36	(1.13)	-6.9%
Wastewater Service Contracts	3.13	3.13	5.15	2.02	64.5%
Miscellaneous Revenue	3.48	3.48	13.42	9.94	284.6%
<b>Total Revenues</b>	<b>\$ 69.38</b>	<b>\$ 69.38</b>	<b>\$ 80.55</b>	<b>\$ 11.17</b>	<b>16.1%</b>

### Explanation of Significant Budget Variances

- **Wastewater Service Contracts:** Revenue from Wastewater Service Contracts with the Rubidoux, Jurupa, and Edgemont Community Service areas exceeded projections by \$2.02M, representing a 64.5% increase. This variance is primarily attributable to surcharges resulting from higher levels of wastewater sent to the Regional Water Quality Control Plant.
- **Miscellaneous Revenue:** This category was bolstered by \$6.37M in sewer connection fees, exceeding the budget due to increased planned development. Additionally, interest revenues were \$3.86M higher than budget, driven by higher-than-anticipated market interest rates and market value adjustments.

## Expenditures

The FY 2023/24 total expenditure budget for the Sewer Fund is \$76.41M, which includes the adopted budget of \$67.54; \$2.49M of unexpended funds carried forward from the previous fiscal year; and budget adjustments made during the normal course of business. The following table shows a net budgetary savings of \$6.10M after \$2.50M in encumbrances.


### FISCAL YEAR OPERATING EXPENDITURE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals*	\$ Variance	% Variance
Personnel	\$ 15.87	\$ 15.94	\$ 15.06	\$ (0.88)	-5.5%
Non-Personnel	16.92	24.84	23.09	(1.75)	-7.0%
Special Projects	2.33	2.28	2.21	(0.07)	-3.1%
Minor Capital & Equipment	0.98	0.92	0.36	(0.56)	-60.9%
Debt Service	28.02	28.02	25.85	(2.17)	-7.7%
Charges To/From Others	3.42	4.41	3.74	(0.67)	-15.2%
<b>Total Expenditures &amp; Transfers Out</b>	<b>\$67.54</b>	<b>\$ 76.41</b>	<b>\$ 70.31</b>	<b>\$ (6.10)</b>	<b>-8.0%</b>

\*Includes \$2.50M in encumbrances recorded as allowed by the Riverside Municipal Code.

### Explanation of Significant Budget Variances

- **Personnel:** Personnel costs were \$879,000, or 5.5%, less than total budget due an average annual vacancy rate of 19.9% during the fiscal year. On June 30, 2024, the Sewer Fund had 20 vacant positions.
- **Non-Personnel:** Non-personnel costs were \$1.75M under budget, primarily due to \$1.60M in savings from the transportation and disposal of biosolids under a new sewer contract.
- **Minor Capital & Equipment:** Savings of \$560,000, or 60.9%, were realized in the budget for sewer equipment and construction that is budgeted on an "as needed" basis.

- 
- **Debt Service:** Savings of \$2.17M resulted from the amortization of debt issuance costs, which includes the premium on debt. This is a non-cash accounting adjustment that reflects the gradual allocation of costs over the term of the debt.
  - **Charges To/From Others:** The amount charged to capital projects will vary depending upon project activity.

Actual operating expenditures at fiscal year-end are \$67.81M before encumbrances of \$2.50M, which have been carried forward to FY 2024/25 as provided for in the Riverside Municipal Code.

Capital expenditures totaling \$53.07M were recorded during the fiscal year; this amount includes \$23.63M of encumbrances and \$20.42M of unexpended capital project funds that have been carried forward to FY 2024/25 as provided for in the Riverside Municipal Code.

## Fund Reserves

The Sewer Fund is expected to end the fiscal year with \$58.80M in fund reserves following an operating gain of \$10.24M.

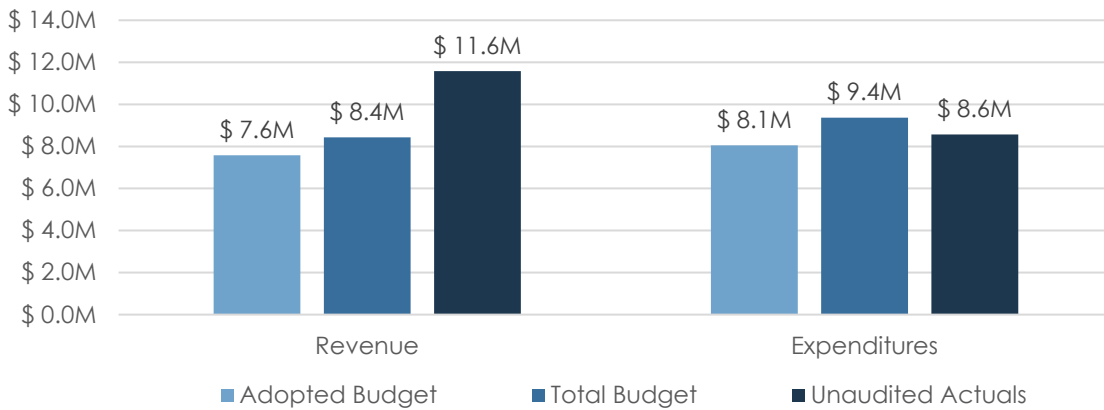


# PUBLIC PARKING FUND

The FY 2023/24 adopted operating budget for the Public Parking Fund included a projected \$470,000 operating loss. Unaudited fiscal year end results present a budgetary operating gain of \$3.01M after outstanding encumbrances of \$211,000.

The Total Budget in the following chart includes the carryover of \$97,000 in unexpended funds carried forward from the previous fiscal year and adjustments to the revenue and expenditure budgets made during the normal course of business. Actual expenditures include \$212,000 of outstanding encumbrances to reflect budgetary savings.

**PUBLIC PARKING FUND BUDGET TO ACTUAL** (in millions)



## Revenue

On April 18, 2023, the City Council approved a new Parking Rate and Hour Schedule effective July 1, 2023. These adjustments, along with other related expenditure adjustments, are incorporated into the adopted amended budget for FY 2023/24. The total revenue budget for the Public Parking Fund includes a \$900,000 contribution from the General Fund Insurance Reimbursement Reserve for the demolition and repaving of a parking structure.

Total operating revenues at fiscal year-end are \$3.15M (37.4%) higher than revenue projections. The downtown parking operation has experienced a significant turnaround in utilization due to the implementation of the Parking Your Way program. This program includes more accessible free parking, new parking rates, expanded hours, new monthly parking programs, the Park Riverside app, and the installation of Parking Access Revenue Control Systems (PARCS) in garages.

### FISCAL YEAR OPERATING REVENUE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals	\$ Variance	% Variance
User Fees	\$ 6.47	\$ 6.42	\$ 9.02	\$ 2.60	40.5%
Miscellaneous Revenue	1.11	1.11	1.66	0.55	49.5%
General Fund Contribution	-	0.90	0.90	-	0.0%
<b>Total Revenues</b>	<b>\$ 7.58</b>	<b>\$ 8.43</b>	<b>\$ 11.58</b>	<b>\$ 3.15</b>	<b>37.4%</b>

#### Explanation of Significant Budget Variances

- **User Fees:** Parking revenues significantly exceeded projections, driven by the new Council-approved Parking Rate and Hour Schedule, increased demand as people returned to work and resumed pre-pandemic activities, and the implementation of the Parking Your Way program. These factors resulted in a 40.5% increase in parking revenue compared to original estimates.
- **Miscellaneous Revenue:** A one-time land sale of Parking Fund property, alongside higher-than-average interest earnings, contributed \$550,000 (49.5%) to the positive variance.

## Expenditures

The FY 2023/24 total expenditure budget for the Public Parking Fund is \$9.37M, which includes the adopted budget of \$8.05M, \$97,000 of unexpended funds carried forward from the previous fiscal year, and budget adjustments made during the normal course of business. The following table shows budgetary savings of \$804,000 after \$212,000 of encumbrances:


### FISCAL YEAR OPERATING EXPENDITURE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals*	\$ Variance	% Variance
Personnel	\$ 1.49	\$ 1.49	\$ 1.40	\$ (0.09)	-6.0%
Non-Personnel	5.05	6.37	5.59	(0.78)	-12.2%
Debt Service	1.78	1.78	1.85	0.07	3.9%
Charges To/From Others	(0.27)	(0.27)	(0.27)	-	0%
<b>Total Expenditures &amp; Transfers Out</b>	<b>\$ 8.05</b>	<b>\$ 9.37</b>	<b>\$ 8.57</b>	<b>\$ (0.80)</b>	<b>-8.5%</b>

\*Includes \$0.21M in encumbrances recorded as allowed by the Riverside Municipal Code.

#### Explanation of Significant Budget Variances

- **Non-Personnel:** Expenditures were \$778,000 (12.2%) below budget, largely due to \$790,000 in savings from underutilized professional services, which were budgeted on an 'as-needed' basis.



Actual operating expenditures at fiscal year-end are \$8.57M after \$212,000 in encumbrances, which have been carried forward to FY 2024/25 as provided for in the Riverside Municipal Code.

Capital expenditures totaling \$3.32M were recorded during the fiscal year; this amount includes \$459,000 of encumbrances and \$1.70M of unexpended capital project funds that have been carried forward to FY 2024/25 as provided for in the Riverside Municipal Code.

## **Fund Reserves**

Following a FY 2023/24 net gain of \$3.01M, the Public Parking Fund is expected to end the fiscal year with \$5.88M in fund reserves.



# APPENDIX A – CARRYOVER RECOMMENDATIONS

**Restricted Carryovers** represent appropriations of funding designated for a specific use per a third-party agreement, including donations, endowments, and grant matches.

**Discretionary Carryovers** include amounts appropriated for a specific purpose in previous periods, but unexpended due to timing or for other reasons. Discretionary carryovers may also include a reallocation of amounts from their original purpose to a new purpose, either identified as an emerging need or not funded in the adopted budget due to budget constraints.

## CARRYOVER SUMMARY BY FUND

	Restricted	Discretionary	Total
General Fund	\$ 818,322.23	\$ 3,837,062.44	\$ 4,655,384.67
Measure Z Fund	-	6,385,292.77	6,385,292.77
Grants and Restricted Programs Fund	7,205,771.42	-	7,205,771.42
Gas Tax Fund	-	206,044.92	206,044.92
Housing Authority Fund	652,721.47	-	652,721.47
Special Districts Fund	406,968.13	-	406,968.13
Riverwalk Landscape Maintenance District Fund	281,268.00	-	281,268.00
Storm Drain Fund	-	90,313.12	90,313.12
Regional Park Special Capital Fund	-	50,161.49	50,161.49
Measure A Fund	-	771,861.51	771,861.51
Redevelopment Successor Agency 2007 Bonds	573,593.23	-	573,593.23
Electric Fund	-	11,128,497.01	11,128,497.01
Electric Public Benefits Programs Fund	-	8,397,252.98	8,397,252.98
Water Fund	-	880,510.02	880,510.02
Water Conservation Fund	-	1,601,189.97	1,601,189.97
Refuse Fund	83,000.00	-	83,000.00
Central Stores Fund	-	56,417.07	56,417.07
Central Garage Fund	-	125,800.00	125,800.00
CFD 90-1-Highlander Fund	191,816.00	-	191,816.00
<b>Total Recommended Carryovers</b>	<b>\$ 10,213,460.48</b>	<b>\$ 33,530,403.30</b>	<b>\$ 43,743,863.78</b>

**101 – GENERAL FUND**

<b>Department</b>	<b>Description</b>	<b>Amount</b>
<b>Restricted</b>		
Cmmtly & Econ Dev	SB-1186 Certified Access Specialist Training	\$ 546,168.22
Cmmtly & Econ Dev	Seismic Education Training & Supplies	5,004.86
Housing & Hum Svcs	Donations for Hulen Pet Shelter	14.99
Museum	Endowment Fund for Botany Exhibit	67,401.49
Parks & Recreation	ARPA Scholarship Program	84,685.63
Parks & Recreation	Maintenance Endowment Fund	14,537.75
Police	Donations for K-9s	2,784.81
Police	Evidence Trust Funds - Renovation of Police Facilities	52,845.45
Police	Vehicle Purchase for PACT	44,879.03
<b>Total Restricted</b>		<b>\$ 818,322.23</b>
<b>Discretionary</b>		
City Clerk	Destruction of Records/Archival Materials for City Archive	\$ 70,221.00
City Manager	On-Call Grant Writing Services	50,000.00
Cmmtly & Econ Dev	Grow Riverside	51,210.32
Cmmtly & Econ Dev	Improvements to Computronix to Enhance Customer Service	97,400.43
Cmmtly & Econ Dev	Northside Specific Plan	67,886.62
Cmmtly & Econ Dev	Riverside Alive	50,408.75
Finance	ARPA Consultant	100,000.00
Finance	Budget Software Upgrade/Customizations	12,000.00
Finance	Harvard Kennedy GPL Consultant – Procurement Reform Project	330,000.00
Finance	Cubicle construction	33,820.59
Finance	Development Fee Impact Study	120,000.00
Finance	Citywide Fees & Charges Study	20,120.00
Finance	Payment Card Industry (PCI) Compliance	246,670.00
Finance	Payment Reconciliation Streamlining – Software Enhancements	52,479.55
Fire	Clothing/ Linen/Safety Supplies - Turnout Gear	17,840.00
Fire	Hazmat Team Required Annual Physicals	13,358.00
Human Resources	City-Wide Employee Training	137,988.08
Human Resources	Education Reimbursement	208,354.03
Innov & Tech	Citywide Security Cameras	152,657.00
Museum	Harada House	2,014.85
Parks & Recreation	Citywide Events	257,000.00
Parks & Recreation	Downtown Summer Concert Series	47,544.18
Public Works	Median Landscape Improvements	1,599,485.60
Public Works	Public Works Vehicles & Equipment	98,603.44
<b>Total Discretionary</b>		<b>\$ 3,837,062.44</b>
<b>Total Carryover Recommendations – General Fund</b>		<b>\$ 4,655,384.67</b>

**110 - MEASURE Z**

<b>Department</b>	<b>Spending Item &amp; Description</b>	<b>Amount</b>
<b>Discretionary</b>		
Cmmtly & Econ Dev	#19 - General Plan Update	\$ 1,886.08
Fire	#14 - Fire Vehicle Replacement (Cash Funding)	2,254,396.69
Fire	#34 - Clothing/Linen/Safety Supplies - Turnout Gear	4,130.63
General Services	#28 - Annual Deferred Maintenance	24,687.41
Innov & Tech	#33 - Technology Improvements	3,024,926.79
Museum	#26 - Museum Rehabilitation - Grand Opening	444,343.00
Police	#12 - PD Vehicle Replacement and Maintenance Plan	443,542.10
Police	#46 - Park and Neighborhood Specialist (PANS) Program	10,000.00
Police	#54 - Police K9	118,443.51
Public Works	#43 - Public Works Vehicles & Equipment	58,936.56
<b>Total Discretionary</b>		<b>\$ 6,385,292.77</b>
<b>Total Carryover Recommendations – Measure Z</b>		<b>\$ 6,385,292.77</b>

**215 - GRANTS AND RESTRICTED PROGRAMS**

<b>Department</b>	<b>Description</b>	<b>Amount</b>
<b>Restricted</b>		
City Manager	Grant Management	\$ 75,000.00
City Manager	Non-Profit Revolving Loan Funds	2,813,766.00
Cmmtly & Econ Dev	Downtown Safety Ambassador Program	61,323.75
Fire	California Fire and Rescue Training Authority Task Force Mobilization Training	140,861.39
Fire	Certified Unified Program Agencies (CUPA)	47,432.88
Fire	CFFJAC Firefighter Joint Apprentice	125,726.53
Fire	Rancho Santiago/Riverside Community College Moreno Valley Inter-Agency Instructional Services Agreement	116,624.14
Housing & Hum Svcs	Homeless Campus (Department of Public Social Services)	596,423.17
Housing & Hum Svcs	Hulen Campus Rehab Sponsorship	16,225.00
Housing & Hum Svcs	Hulen Place-Access Center	177,808.86
Housing & Hum Svcs	Hulen Rehabilitation	2,061,383.87
Housing & Hum Svcs	PSET Riverside County Flood Control MOU	130,331.42
Human Resources	Donations for the Wellness Program	123,640.40
Library	Donations, Gifts, and Trust Funds	128,518.61
Mktg & Comm	PEG (Public, Educational, or Governmental access)	218,198.62
Museum	Donations from The Riverside Museum Associates for Museum Projects	13,107.00
Parks & Recreation	Donation for Aquatics	20,981.67
Parks & Recreation	Donation for Riverside Arts Academy	38,456.40
Parks & Recreation	Donation for Senior Programming	840.00

Department	Description	Amount
Parks & Recreation	Donation for Special Events	7,931.70
Parks & Recreation	Donations from LA84 Foundation for Learn-to-Swim Lessons	2,100.39
Police	Asset Forfeiture	286,089.62
Police	Donations for Shop With a Cop	3,000.00
<b>Total Restricted</b>		<b>\$ 7,205,771.42</b>
<b>Total Carryover Recommendations – Grants and Restricted Programs</b>		<b>\$ 7,205,771.42</b>

#### 230 – GAS TAX

Department	Description	Amount
<b>Discretionary</b>		
Public Works	Pavement Management Program	\$ 15,505.61
Public Works	Railroad Project Management	140,403.02
Public Works	Surplus Property Disposal	50,136.29
<b>Total Discretionary</b>		<b>\$ 206,044.92</b>
<b>Total Carryover Recommendations – Gas Tax</b>		<b>\$ 206,044.92</b>

#### 280 – HOUSING AUTHORITY

Department	Description	Amount
<b>Restricted</b>		
Housing & Hum Svcs	Housing Authority Projects (Multiple)	\$ 652,721.47
<b>Total Restricted</b>		<b>\$ 652,721.47</b>
<b>Total Carryover Recommendations – Housing Authority</b>		<b>\$ 652,721.47</b>

#### 291 – SPECIAL DISTRICTS

Department	Description	Amount
<b>Restricted</b>		
Parks & Recreation	Loving Homes Landscape Maintenance District	\$ 77,776.45
Parks & Recreation	Village at Canyon Crest Landscape Maintenance District	329,191.68
<b>Total Restricted</b>		<b>\$ 406,968.13</b>
<b>Total Carryover Recommendations – Special Districts</b>		<b>\$ 406,968.13</b>

**292 – RIVERWALK LANDSCAPE MAINTENANCE DISTRICT FUND**

<b>Department</b>	<b>Description</b>	<b>Amount</b>
<b>Restricted</b>		
Parks & Recreation	Riverwalk Trail Fencing	\$ 281,268.00
<b>Total Restricted</b>		<b>\$ 281,268.00</b>
<b>Total Carryover Recommendations – Riverwalk Landscape Maintenance District Fund</b>		<b>\$ 281,268.00</b>

**410 – STORM DRAIN**

<b>Department</b>	<b>Description</b>	<b>Amount</b>
<b>Discretionary</b>		
Public Works	Miscellaneous Drainage Studies	\$ 84,815.30
Public Works	Sycamore Canyon Business Park Habitat Restoration	5,497.82
<b>Total Discretionary</b>		<b>\$ 90,313.12</b>
<b>Total Carryover Recommendations – Storm Drain</b>		<b>\$ 90,313.12</b>

**413 – REGIONAL PARK SPECIAL CAPITAL FUND**

<b>Department</b>	<b>Description</b>	<b>Amount</b>
<b>Discretionary</b>		
Parks & Recreation	Sycamore Canyon Trail Development	\$ 50,161.49
<b>Total Discretionary</b>		<b>\$ 50,161.49</b>
<b>Total Carryover Recommendations – Regional Park Special Capital Fund</b>		<b>\$ 50,161.49</b>

**432 – MEASURE A**

<b>Department</b>	<b>Description</b>	<b>Amount</b>
<b>Discretionary</b>		
Public Works	Railroad Project Management	\$ 716,783.43
Public Works	Railroad Quiet Zone Maintenance	55,078.08
<b>Total Discretionary</b>		<b>\$ 771,861.51</b>
<b>Total Carryover Recommendations – Measure A</b>		<b>\$ 771,861.51</b>

**480 - REDEVELOPMENT SUCCESSOR AGENCY 2007 BONDS**

<b>Department</b>	<b>Description</b>	<b>Amount</b>
<b>Restricted</b>		
Cmmtly & Econ Dev	Unprogrammed 2007 Taxable Bonds	\$ 443,516.41
Cmmtly & Econ Dev	Splash Pad	23,095.00
Cmmtly & Econ Dev	Villegas Park Brown Room Renovation	51,996.86
Cmmtly & Econ Dev	Villegas Park Construction	54,034.39
Cmmtly & Econ Dev	Ward 3 Street Improvements	950.57
<b>Total Restricted</b>		<b>\$ 573,593.23</b>
<b>Total Carryover Recommendations – Redevelopment Successor Agency 2007 Bonds</b>		<b>\$ 573,593.23</b>

**510 - ELECTRIC**

<b>Department</b>	<b>Description</b>	<b>Amount</b>
<b>Discretionary</b>		
RPU - Administration	311 Upgrade Project	\$ 418,752.13
RPU - Administration	Customer Information System (CIS) Disaster Recovery Project	500,000.00
RPU - Administration	Customer Web Portal	1,037,502.16
RPU - Administration	Department of Homeland Security Recommended Security Projects	128,224.12
RPU - Administration	Electric Fund Cost of Service Analysis (COSA)	400,000.00
RPU - Administration	Mission Square ADA Accommodations (Floors 3-5)	122,623.73
RPU - Administration	Mission Square Heating and Air Conditioning (HVAC) Improvements	1,500,000.00
RPU - Administration	Mission Square Outdoor Concourse Improvements	324,951.00
RPU - Administration	Mission Square Roof Replacement	500,000.00
RPU - Administration	Obsolete Inventory Write-off	250,000.00
RPU - Administration	Orange Square Generator	100,000.00
RPU - Administration	Physical Security Projects	93,150.00
RPU - Administration	Proportional Share of Measure Z Technology Projects	1,163,876.91
RPU - Administration	Workforce Development (WFD) Internal Training	119,440.97
RPU - Electric	Integrated Resource Plan	68,565.43
RPU - Electric	Legal Fees for FERC Proceedings and TRR Filing	544,567.30
RPU - Electric	Maintenance Projects for RERC	150,000.00
RPU - Electric	Maintenance Projects for Springs	250,000.00
RPU - Electric	National Joint Apprenticeship and Training Committee (NJATC) Training for Linework Power Line Technicians (PLT)	347,755.00
RPU - Electric	New Trucks Purchased	300,000.00
RPU - Electric	Obsolete Inventory Write-off	642,221.50
RPU - Electric	Publicly Accessible Electric Vehicles Charging Stations	500,000.00
RPU - Electric	Vehicle Capital Leases	1,666,866.76
<b>Total Discretionary</b>		<b>\$ 11,128,497.01</b>
<b>Total Carryover Recommendations – Electric</b>		<b>\$ 11,128,497.01</b>

**511 – ELECTRIC PUBLIC BENEFITS PROGRAM**

<b>Department</b>	<b>Description</b>	<b>Amount</b>
<b>Discretionary</b>		
RPU - Administration	Implement Energy Efficient Measures at Medium and Small Sized Businesses	\$ 125,000
RPU - Administration	Unprogrammed Funds	8,272,252.98
<b>Total Discretionary</b>		<b>\$ 8,397,252.98</b>
<b>Total Carryover Recommendations – Electric Public Benefits Program</b>		<b>\$ 8,397,252.98</b>

**520 - WATER**

<b>Department</b>	<b>Description</b>	<b>Amount</b>
<b>Discretionary</b>		
RPU - Water	Advanced Metering Infrastructure project	\$ 174,787.00
RPU - Water	Foreman Academy training	3,261.04
RPU - Water	Obsolete Inventory Write-off	100,000.00
RPU - Water	Seven Oaks Dam Operations and Maintenance	176,326.63
RPU - Water	Proportional Share of Measure Z Technology Projects	426,135.35
<b>Total Discretionary</b>		<b>\$ 880,510.02</b>
<b>Total Carryover Recommendations – Water</b>		<b>\$ 880,510.02</b>

**521 – WATER CONSERVATION**

<b>Department</b>	<b>Description</b>	<b>Amount</b>
<b>Discretionary</b>		
RPU - Water	Water Energy Community Action Network's Turf Removal Program	\$ 1,067,787.34
RPU - Water	Water Conservation Surcharge Programs Enhancements	533,402.63
<b>Total Discretionary</b>		<b>\$ 1,601,189.97</b>
<b>Total Carryover Recommendations – Water Conservation</b>		<b>\$ 1,601,189.97</b>

**540- REFUSE**

<b>Department</b>	<b>Description</b>	<b>Amount</b>
<b>Restricted</b>		
Public Works	Solid Waste SHARE Program – City Funded	\$ 83,000.00
<b>Total Restricted</b>		<b>\$ 83,000.00</b>
<b>Total Carryover Recommendations – Refuse</b>		<b>\$ 83,000.00</b>

**640 - CENTRAL STORES**

<b>Department</b>	<b>Description</b>	<b>Amount</b>
<b>Discretionary</b>		
Finance	Vending Machine and Barcode Scanning System	\$ 56,417.07
<b>Total Discretionary</b>		<b>\$ 56,417.07</b>
<b>Total Carryover Recommendations – Central Stores</b>		<b>\$ 56,417.07</b>

**650 - CENTRAL GARAGE**

<b>Department</b>	<b>Description</b>	<b>Amount</b>
<b>Discretionary</b>		
General Services	Payment Card Industry (PCI) Compliance	\$ 125,800.00
<b>Total Discretionary</b>		<b>\$ 125,800.00</b>
<b>Total Carryover Recommendations – Central Garage</b>		<b>\$ 125,800.00</b>

**753 – CFD 90-1-HIGHLANDER**

<b>Department</b>	<b>Description</b>	<b>Amount</b>
<b>Restricted</b>		
Finance	Community Facilities District 90-1 Irrigation Maintenance	\$ 191,816.00
<b>Total Restricted</b>		<b>\$ 191,816.00</b>
<b>Total Carryover Recommendations – CFD 90-1 – Highlander</b>		<b>\$ 191,816.00</b>



## APPENDIX B – MEASURE Z SPENDING PLAN

The Measure Z Spending plan includes only those expenditures and carryovers that utilize current revenues. Expenditures and carryovers related to the use of debt proceeds are not included in the Spending Plan. Refer to the description of the Measure Z Spending Plan on page 20.

Spending Items	Actual FY 2017/18	Actual FY 2018/19	Actual FY 2019/20	Actual FY 2020/21	Actual FY 2021/22	Actual FY 2022/23	Actual FY 2023/24	Carryover FY 2023/24
<b>REVENUE</b>								
Transaction & Use Tax	\$ 56,201,937	\$ 62,283,444	\$ 62,380,085	\$ 71,999,092	\$ 83,156,696	\$ 84,015,703	\$ 81,892,623	\$ -
Interest Earnings	35,265	532,684	755,392	654,898	752,491	1,825,380	2,303,372	-
<b>Total Revenues</b>	<b>\$ 56,237,202</b>	<b>\$ 62,816,128</b>	<b>\$ 63,135,477</b>	<b>\$ 72,653,990</b>	<b>\$ 83,909,187</b>	<b>\$ 85,841,083</b>	<b>\$ 84,195,995</b>	<b>\$ -</b>
<b>EXPENDITURES</b>								
1 20% General Fund Reserve	\$ 15,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Payoff of the Balloon \$32 million Pension Obligation Bond	1,706,290	1,673,554	1,674,490	1,674,500	1,679,490	1,673,080	1,673,530	-
3 Funding for Workers' Compensation and General Liability	2,500,000	2,500,000	-	-	-	-	-	-
4 Measure Z Spending Contingency - General Fund Balancing Measure	-	-	-	-	-	-	-	-
5 Additional Sworn Police Positions	2,671,321	5,588,853	7,639,210	10,163,726	10,745,658	13,751,855	14,278,338	-
6 Public Safety Non-Sworn Positions and Recruitment Costs	450,833	795,676	877,104	913,458	897,576	952,016	981,520	-
7 Police Officer Lateral Hire Incentives and Recruitment Costs	-	30,049	9,994	300	46,856	73,986	133,853	45,000
8 Additional Public Safety Dispatchers	254,112	477,694	566,809	656,263	857,136	1,407,570	1,372,577	-
9 Maintain Firefighter Staffing Level	838,478	992,571	1,291,460	1,406,709	4,137,516	2,178,353	2,135,230	-
10 Reinstatement of Fire Captains (Training and Arson)	522,192	559,538	556,919	469,733	507,235	657,475	693,595	-
11 Reinstatement of Fire Battalion Chief	355,402	368,948	390,025	611,747	396,056	416,987	405,715	-
12 Police Vehicle Replacement and Maintenance Plan	2,434,081	1,738,555	1,199,786	627,585	3,735,056	2,143,480	2,063,080	1,533,036
13 Refurbish Police Vehicles (Pilot Program)	50,000	-	-	-	-	-	-	-
14 Fire Vehicle Replacement and Maintenance Plan	823,208	1,607,452	3,143,742	2,521,600	1,572,275	1,706,747	1,939,520	6,525,564

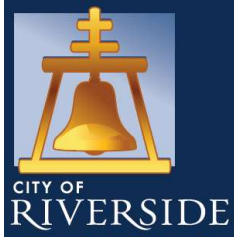
Spending Items	Actual FY 2017/18	Actual FY 2018/19	Actual FY 2019/20	Actual FY 2020/21	Actual FY 2021/22	Actual FY 2022/23	Actual FY 2023/24	Carryover FY 2023/24
15 Fleet Facility Capital Repairs	100,000	-	-	-	-	-	-	-
16 Additional Fleet Mechanics for Police Department	176,329	173,230	202,610	219,713	225,454	149,860	184,487	-
17 Additional Fleet Mechanics for Fire Department	184,275	221,068	231,352	237,262	244,309	297,025	280,007	-
18 General Fund Support - Maintain Existing Services	5,482,007	13,238,623	18,266,026	18,266,026	18,266,026	18,266,026	18,266,026	-
19 General Plan Update	-	33,419	9,525	300,069	37,534	279,886	30,249	4,309,318
20 Homeless Services	8,775	184,619	528,954	4,197	693,012	503,743	434,065	679,745
21 Principal Management Analyst - City Manager's Office	108,724	148,684	161,803	175,948	180,941	170,144	126,740	-
22 Budget Engagement Commission Support	10,280	27,000	8,365	23,364	15,648	10,868	15,384	338
23 New Downtown Main Library & Archives	1,541,139	3,386,205	5,119,500	(434,155)	2,751,200	2,738,151	2,738,750	-
24 SPC Jesus S. Duran Eastside Library	-	-	-	18,900	75,600	-	1,117,999	887,501
25 New Police Headquarters	-	-	26,394	43,556	-	-	-	-
26 Museum Expansion and Rehabilitation	-	-	89,053	175	-	1,474	44,801	963,717
27 New Downtown Parking Garage	-	-	-	-	-	-	-	-
28 Annual Deferred Maintenance (Existing Facilities)	458,210	1,111,923	1,025,461	838,450	959,363	1,859,493	1,630,681	111,752
29 Maximize Roads/Streets (Pavement Condition Index)	58,482	2,276,844	460,494	4,825,070	12,974,269	7,219,089	16,927,952	12,882,802
30 Tree Trimming	114,807	890,259	2,018,472	994,585	983,450	1,842,682	3,956,958	1,216,909
31 Ward Action Team - City Attorney's Office	173,578	263,704	295,205	303,967	326,426	388,006	343,233	-
32 Ward Action Team - City Manager's Office	-	-	-	-	-	-	-	-
33 Technology Improvements	112,288	433,629	679,248	2,792,116	1,686,690	1,470,850	1,033,871	3,590,438
34 4-Person Staffing on Fire Trucks	-	202,119	1,284,098	1,244,499	1,006,903	979,106	1,017,827	4,131
35 Fire Equipment and One-Time Operating Needs	-	60,473	64,019	52,466	89,769	-	-	-
36 Fire Radios	-	1,931,769	45,920	-	-	-	-	-
37 Recreation – Summer Pools	-	50,000	50,000	-	3,006	-	-	-

Spending Items	Actual FY 2017/18	Actual FY 2018/19	Actual FY 2019/20	Actual FY 2020/21	Actual FY 2021/22	Actual FY 2022/23	Actual FY 2023/24	Carryover FY 2023/24
38 Bourns Family Youth Innovation Center – Furnishing & Operating Costs	-	-	183,961	49,536	342,145	(2,808)	-	-
39 Public Safety & Engagement Team (PSET) – Urban	-	21,691	1,226,821	1,518,578	1,126,665	2,657,537	2,731,728	347,031
40 Library Security Guards	-	-	121,809	339,822	380,393	-	-	-
41 Homeless Temporary Housing	-	-	112,204	(112,204)	-	-	-	-
42 Orangecrest Fire Station Dormitory Improvements	-	-	427	108,384	-	-	-	-
43 Public Works Streets Vehicle & Equipment Needs	-	-	-	-	-	490,337	1,578,114	3,161,514
44 Parks, Recreation & Community Services Infrastructure, Vehicles, and Equipment	-	-	-	-	11,735	189,894	288,277	1,236,062
45 Motorhome Removal & Disposal	-	-	-	-	5,000	9,000	12,000	3,000
46 Park and Neighborhood Safety (PANS) Program	-	-	-	-	493,808	1,296,852	1,692,713	10,000
47 Police Helicopter Capital Lease	-	-	-	-	-	1,238,158	1,238,158	-
48 Office of Homeless Solutions Expansion	-	-	-	-	-	47,454	147,518	-
49 Public Safety & Engagement Team (PSET) - Wildlands	-	-	-	-	-	613,870	3,443,270	660,829
50 Public Safety Enterprise Communication System (PSEC) Radios	-	-	-	-	-	343,438	456,456	-
51 Office of Sustainability	-	-	-	-	-	13,402	53,809	55,445
52 Sidewalk Repair	-	-	-	-	-	371,776	20,238	807,986
53 Mt Rubidoux Trail Resurfacing	-	-	-	-	-	1,198,947	404,350	176,703
54 Police K9	-	-	-	-	-	-	21,556	118,444
55 Parks Capital Improvement Projects	-	-	-	-	-	-	186,897	6,305,103
56 Fire - Analog Simulcast Communication System	-	-	-	-	-	-	3,788	1,562,653
<b>Total Expenditures</b>	<b>\$ 36,134,811</b>	<b>\$ 40,988,149</b>	<b>\$ 49,561,260</b>	<b>\$ 50,855,945</b>	<b>\$ 67,454,200</b>	<b>\$ 69,605,809</b>	<b>\$ 86,104,860</b>	<b>\$ 47,195,021</b>
<b>Five-Year Financial Plan Surplus/(Deficit)</b>	<b>\$ 20,102,391</b>	<b>\$ 21,827,979</b>	<b>\$ 13,574,217</b>	<b>\$ 21,798,045</b>	<b>\$ 16,454,987</b>	<b>\$ 16,235,274</b>	<b>\$ (1,908,865)</b>	<b>\$ (47,195,021)</b>

Spending Items	Actual FY 2017/18	Actual FY 2018/19	Actual FY 2019/20	Actual FY 2020/21	Actual FY 2021/22	Actual FY 2022/23	Actual FY 2023/24	Carryover FY 2023/24
<b>FUND RESERVES</b>								
<b>Beginning Measure Z Available Balance</b>	<b>\$ 2,632,981</b>	<b>\$ 22,735,372</b>	<b>\$ 39,563,351</b>	<b>\$ 53,137,568</b>	<b>\$ 74,935,613</b>	<b>\$ 91,390,600</b>	<b>\$ 107,625,874</b>	<b>\$ 105,717,009</b>
Five-Year Financial Plan Surplus/(Deficit)	20,102,391	21,827,979	13,574,217	21,798,045	16,454,987	16,235,274	(1,908,865)	(47,195,021)
Permanent Policy Reserve Set-Aside		(5,000,000)						
<b>Ending Measure Z Available Balance</b>	<b>\$ 22,735,372</b>	<b>\$ 39,563,351</b>	<b>\$ 53,137,568</b>	<b>\$ 74,935,613</b>	<b>\$ 91,390,600</b>	<b>\$ 107,625,874</b>	<b>\$ 105,717,009</b>	<b>\$ 58,521,988</b>

**Permanent Policy Reserve Set-Aside: \$5M**

*The Measure Z Reserve Policy adopted by City Council on April 2, 2019, requires a minimum \$5M contingency reserve level. This amount was removed from available fund balance in 2019 and is held intact, separately of the available fund balance reported in the Spending Plan.*



# FY 2023/24 Fourth Quarter Report

Finance Department

City Council  
December 17, 2024

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## GENERAL FUND OVERVIEW

### Budget Amendment

- Leverage one-time sales tax revenue growth, new baseline for future projections
- Recognize hiring challenges and personnel savings – allocate projected 5% personnel savings to spending priorities
- Assess operational needs
- Assess ways to advance the City's strategic priorities through funding allocations

### Revenue Highlights

- Adopted 2022-2024 Budget:
- Based on FY 2020/21 and year-to-date (Spring 2022) revenue trends
  - Gradual recovery from the pandemic
- FY 2023/24 Budget Amendment:
- Based on new revenue trends
  - \$15.3M increase in revenue projections

**Fiscal Year End Results:**  
• **\$3.57M excess**

### Expenditure Highlights

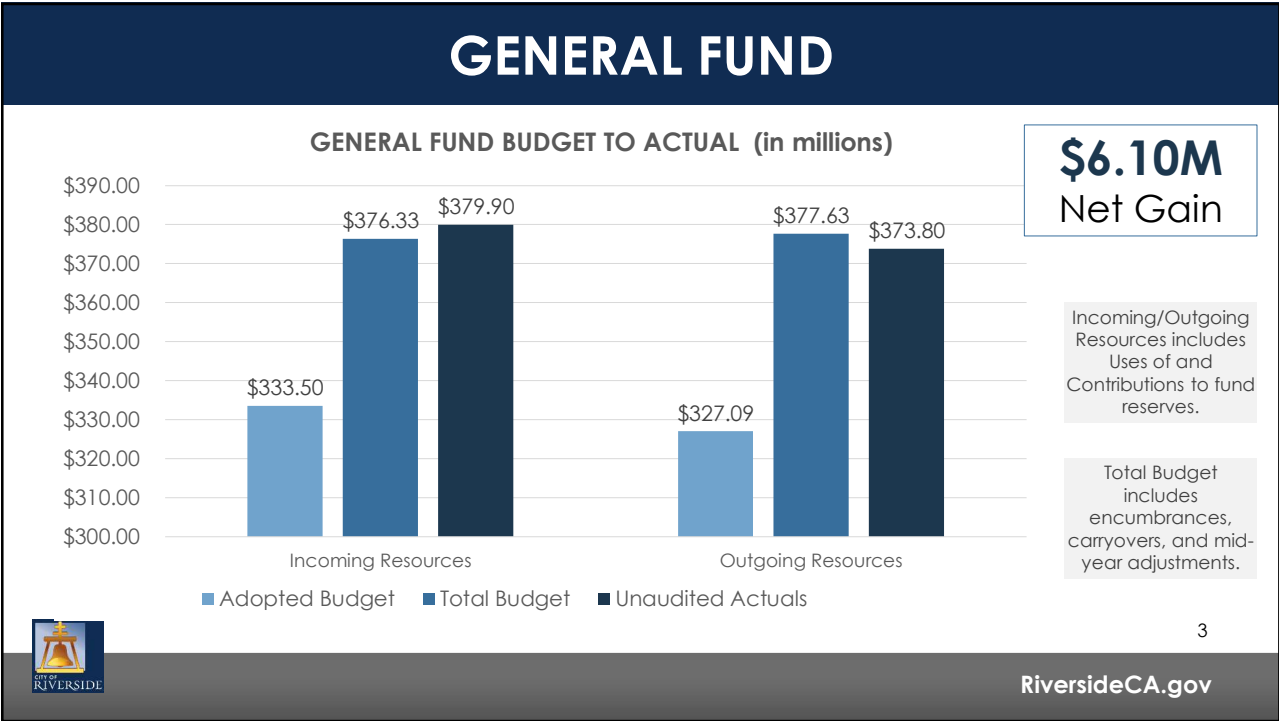
- Adopted 2022-2024 Budget:
- CPI increase, no balancing measures, all positions funded
- FY 2023/24 Budget Amendment:
- Personnel refresh
  - Address rising costs
  - Address operational needs following years of budget constraints
  - Propose funding initiatives to advance the City's strategic priorities, including shoring up internal support services

**Fiscal Year End Results:**  
• **\$3.83M savings**



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## GENERAL FUND – FUND BALANCE

<i>(in millions)</i>		<i>(in millions)</i>	
<b>Beginning Fund Balance (Audited)</b>	<b>\$ 65.50</b>	<b>Policy Reserves</b>	
<b>FY 2023/24 Activity</b>		15% Emergency Reserve	\$ (54.18)
Revenues	\$ 350.09	5% Contingency Reserve	(18.06)
Use of Infrastructure Reserve	16.11	<b>Total Policy Reserves</b>	<b>\$ (72.24)</b>
Use of Insurance Proceed Reserve	0.90	<b>Projected Available Reserves*</b>	<b>\$ (1.54)</b>
Use of Encumbrance/Carryover Reserves	12.80		
Expenditures	(345.63)	* Reflects a timing difference and required accounting treatment to reserve the balance of interfund loan receivable as a nonspendable asset.	
Escrow of Water GFT	(8.11)	<i>(in millions)</i>	
Contribution to Infrastructure Reserve	(3.00)	<b>Other Reserve Balances</b>	
Contribution to Technology Reserve	(2.00)	Reserved for Section 115 Trust Contributions	\$ 35.00
Encumbrances & Project/Grant Carryovers	(10.40)	Infrastructure Reserve	12.19
Restricted Carryovers (pending approval)	(0.82)	Technology Reserve	5.00
Discretionary Carryovers (pending approval)	(3.84)	Water GFT Escrow	8.11
<b>Subtotal</b>	<b>\$ 6.10</b>	Section 115 Trust	58.29
Change in Other Reserves	(0.90)	<b>Total Other Reserves</b>	<b>\$ 118.59</b>
<b>Net Change in Fund Balance</b>	<b>\$ 5.20</b>		

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# MEASURE Z FY 2023/24 RESULTS

(in millions)	2018	2019	2020	2021	2022	2023	2024
Revenue	\$ 56.24	\$ 62.82	\$ 63.14	\$ 72.65	\$ 83.91	\$ 85.84	\$ 84.20
Expenditures	(36.14)	(40.99)	(49.57)	(50.85)	(67.45)	(69.61)	(86.10)
Encumbrances & Carryovers	-	-	-	-	-	-	(47.20)
<b>Net Change in Fund Balance</b>	<b>\$ 20.10</b>	<b>\$ 21.83</b>	<b>\$ 13.57</b>	<b>\$ 21.80</b>	<b>\$16.46</b>	<b>\$ (32.42)</b>	<b>\$ (49.10)</b>
Beginning Unallocated Fund Reserves	\$ 2.63	\$ 22.73	\$ 39.56	\$ 53.14	\$ 74.94	\$ 91.40	\$ 107.63
Net Change in Fund Balance	20.10	21.83	13.57	21.80	16.46	16.24	(49.10)
Fund Balance Reserve Policy	-	(5.00)	-	-	-	-	-
<b>Ending Available Fund Balance</b>	<b>\$ 22.73</b>	<b>\$ 39.56</b>	<b>\$ 53.13</b>	<b>\$ 74.94</b>	<b>\$ 91.40</b>	<b>\$ 107.63</b>	<b>\$ 58.52</b>

**Permanent Policy Reserve Set-Aside: \$5M**

The FY 2024-2026 Biennial Budget includes a Five-Year Spending Plan with a programmed draw on reserves totaling \$48.79M through FY 2028/29.

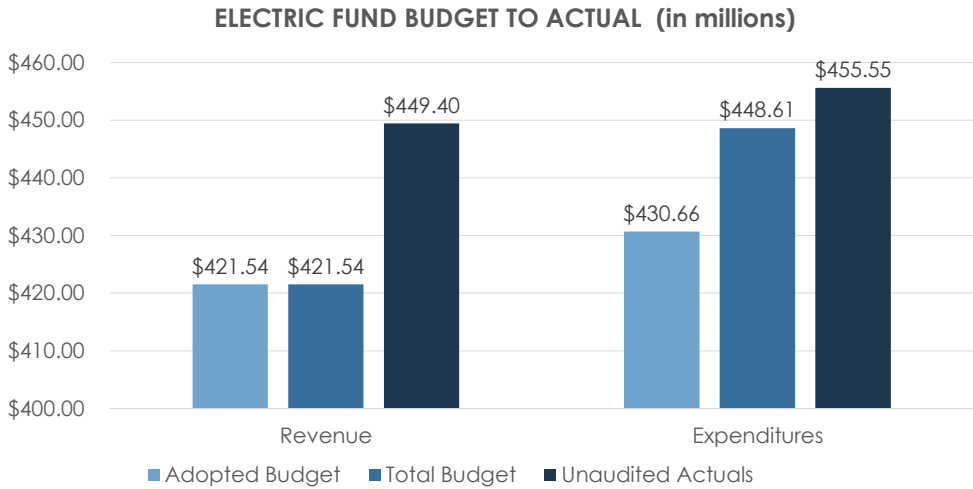
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# ELECTRIC FUND - OPERATING



**\$6.15M**  
Net Loss

Total Budget includes encumbrances, carryovers, and mid-year adjustments.



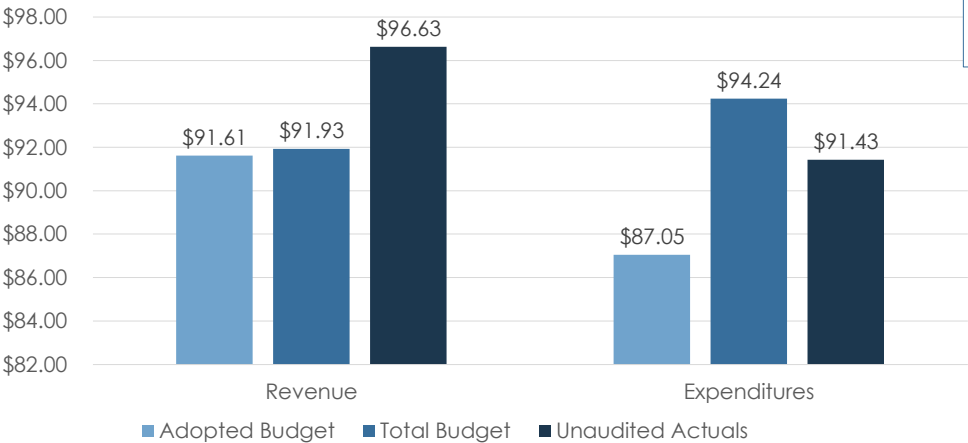
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# WATER FUND - OPERATING

WATER FUND BUDGET TO ACTUAL (in millions)



**\$5.20M**  
Net Gain

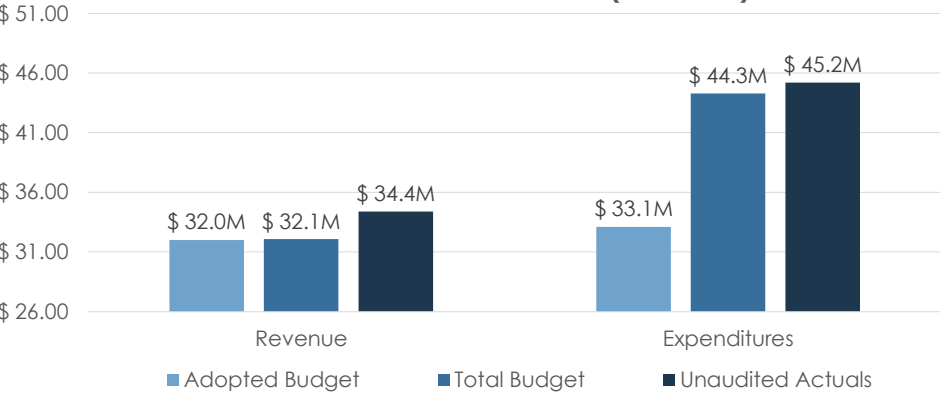
Total Budget includes encumbrances, carryovers, and mid-year adjustments.



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# REFUSE FUND - OPERATING

REFUSE FUND BUDGET TO ACTUAL (in millions)



**\$1.33M**  
Net Loss\*

\* Excludes \$9.5M timing difference for pending vehicle purchases funded by prior year revenues.

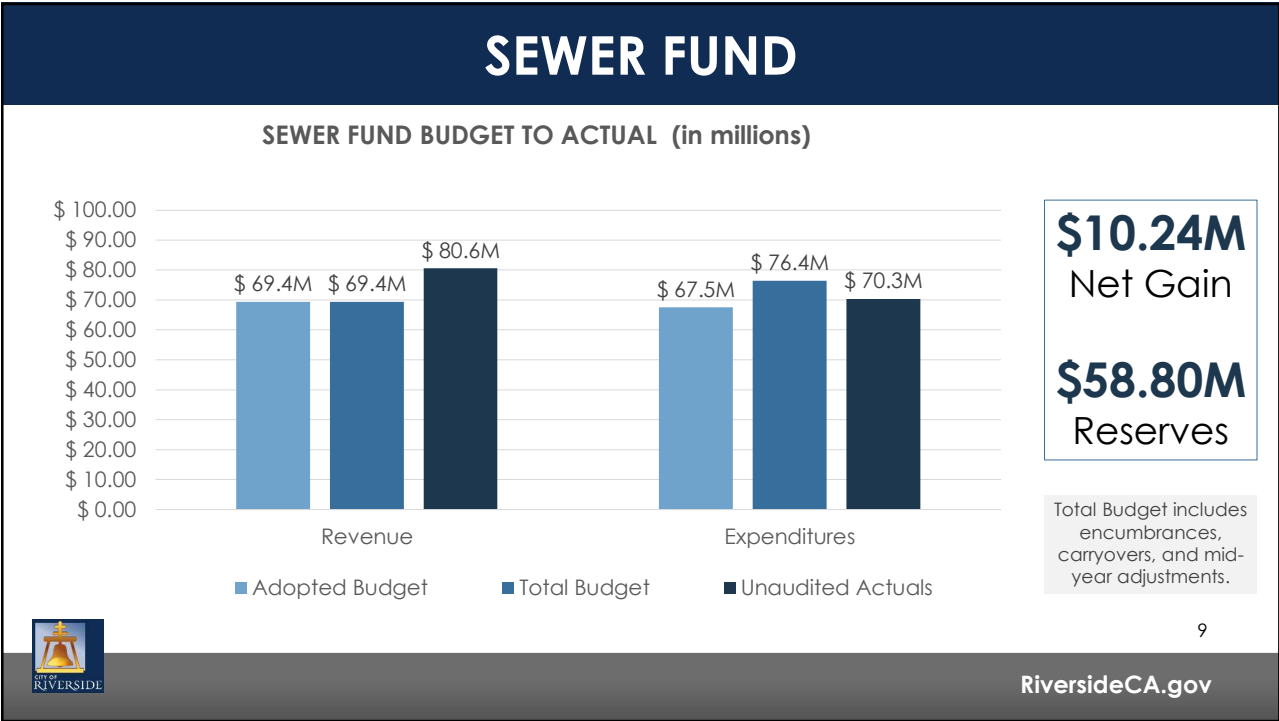
**\$6.00M**  
Reserves

Total Budget includes encumbrances, carryovers, and mid-year adjustments. \$9.5M of expenditures (Total Budget and Unaudited Actuals ) represents a use of fund reserves for vehicle purchases.

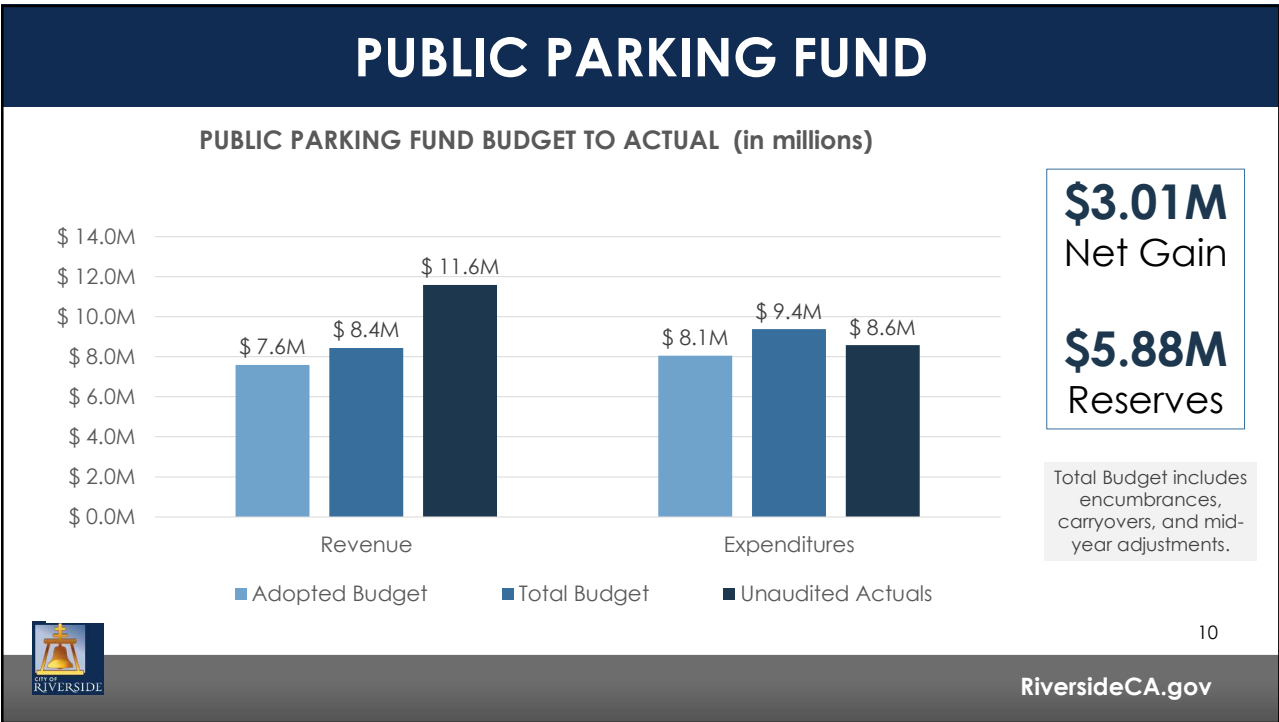


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## CARRYOVERS

Fund	Restricted	Discretionary	Total
General Fund	\$ 818,322	\$ 3,837,062	\$ 4,655,384
Measure Z Fund	-	6,385,293	6,385,293
Electric Fund	-	11,128,497	11,128,497
Water Fund	-	880,510	880,510
Refuse Fund	83,000	-	83,000
Other Funds	9,312,138	11,299,041	20,611,179
<b>Total Carryovers</b>	<b>\$ 10,213,460</b>	<b>\$ 33,530,403</b>	<b>\$ 43,743,863</b>


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## STRATEGIC PLAN ALIGNMENT



### HIGH PERFORMING GOVERNMENT

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### CROSS-CUTTING THREADS



Community Trust



Equity



Innovation



Fiscal Responsibility



Sustainability and Resiliency


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## RECOMMENDATIONS

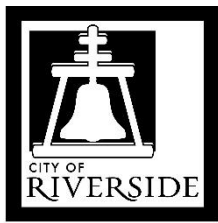
That the City Council:

1. Receive and provide input on the Fiscal Year 2023/24 Fourth Quarter Financial Report;
2. With at least five affirmative votes, approve a carryover of unexpended funds of approximately \$4.66 million in the General Fund and \$39.09 million in other City funds into Fiscal Year 2024/25.



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# City Council Memorandum

*City of Arts & Innovation*

.....

**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: DECEMBER 17, 2024**

**FROM: FINANCE DEPARTMENT      WARDS: ALL**

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

**ISSUE:**

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

**RECOMMENDATION:**

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

**BACKGROUND:**

The Cash, Investments, and Debt report is prepared quarterly to provide an overview of the City's cash and investment portfolio, and debt management activities and portfolio. The quarterly reports are placed on the City Council's consent calendar without a formal presentation. Presenting the fourth quarter (fiscal year-end) report to the Finance Committee provides the opportunity for a more in-depth review of annual changes in the City's investment and debt portfolios.

On July 16, 2024, the City Council received the Fiscal Year 2023/24 Third Quarter Cash, Investments, and Debt report.

**DISCUSSION:**

The Cash, Investments, and Debt Report is provided to the City Council alongside the Quarterly Financial Report for the General Fund and other major City funds, ensuring a comprehensive overview of all City Finance 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

quarterly and to the Finance Committee annually. As of June 30, 2024, the City's pooled investment portfolio's market value was \$1.087 billion. 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 \$305 million. The weighted average yield of the pooled investment portfolio is 3.20% as of June 30, 2024.

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/Chief Financial Officer for a one-year period the authority to invest or to reinvest all funds of the City. In accordance with the City Charter and under authority granted by the City Council, the Chief Financial Officer is designated the responsibilities of the Treasurer and is responsible for investing the unexpended cash in the City Treasury consistent with the City's adopted investment policy.

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

All listed funds have a positive cash balance except for the following funds as of June 30, 2024:

1. The Convention Center Fund has a negative cash balance of \$953,664 in the pooled investment portfolio; however, the negative cash balance is offset by a positive \$2,942,708 in miscellaneous cash in the fund. The overall cash balance for the Convention Center Fund is a positive \$1,989,044.
2. The Cheech Marin Center Fund has a negative cash balance of \$32,433, fully offset by pending receivables.
3. Housing Opportunities for Persons with AIDS (\$618,830), Neighborhood Stabilization Program (\$87,051), and Transportation Uniform Mitigation Fees (\$2,261,541) have negative cash balances due to the timing of expenditures; however, the negative balances are fully offset by receivables.

## **QUARTERLY DEBT REPORT**

The Finance Department is responsible for managing the City's debt portfolio, which includes issuing new debt and monitoring opportunities to refinance existing debt. The Quarterly Debt Report (Attachment 2) summarizes the composition of the City's debt portfolio, details the revenue sources utilized to pay the debt service associated with each outstanding debt, and provides detailed information regarding the total principal and interest payments made in the fourth quarter of Fiscal Year 2023/24 by debt classification and fund.

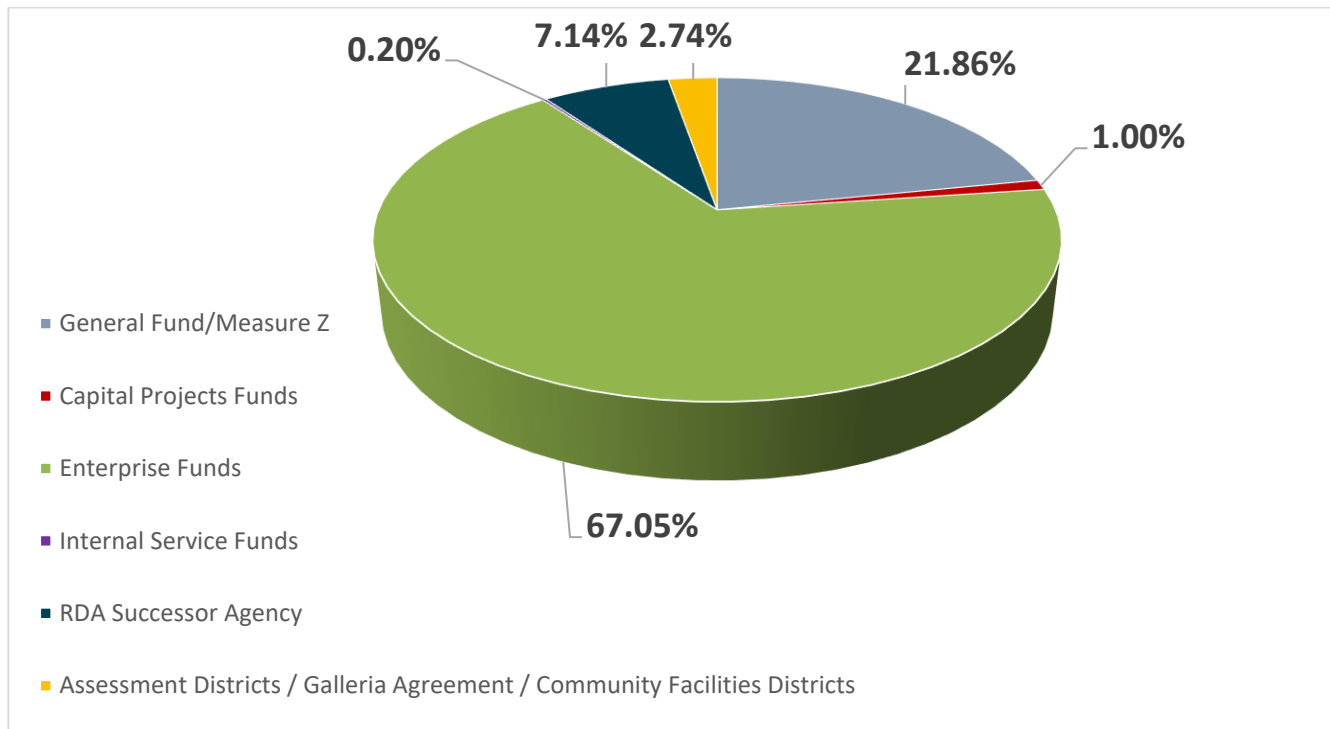
### *Debt Summary Analysis*

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 fourth quarter of fiscal year 2024, the City's outstanding principal balance decreased \$13,492,060 from the end of the third quarter of fiscal year 2023/24.

Additionally, debt service principal payments were made on the following bonds:

- Bank of America Capital Lease #4 (Police Helicopters)
- Convention Center Expansion Loan
- Fox Entertainment Plaza Loan
- Local Measure A Certificate of Participation Series 2023A
- Pension Obligation Bonds Series 2017A
- Pension Obligation Bonds Series 2020A (Safety) & (Misc.)

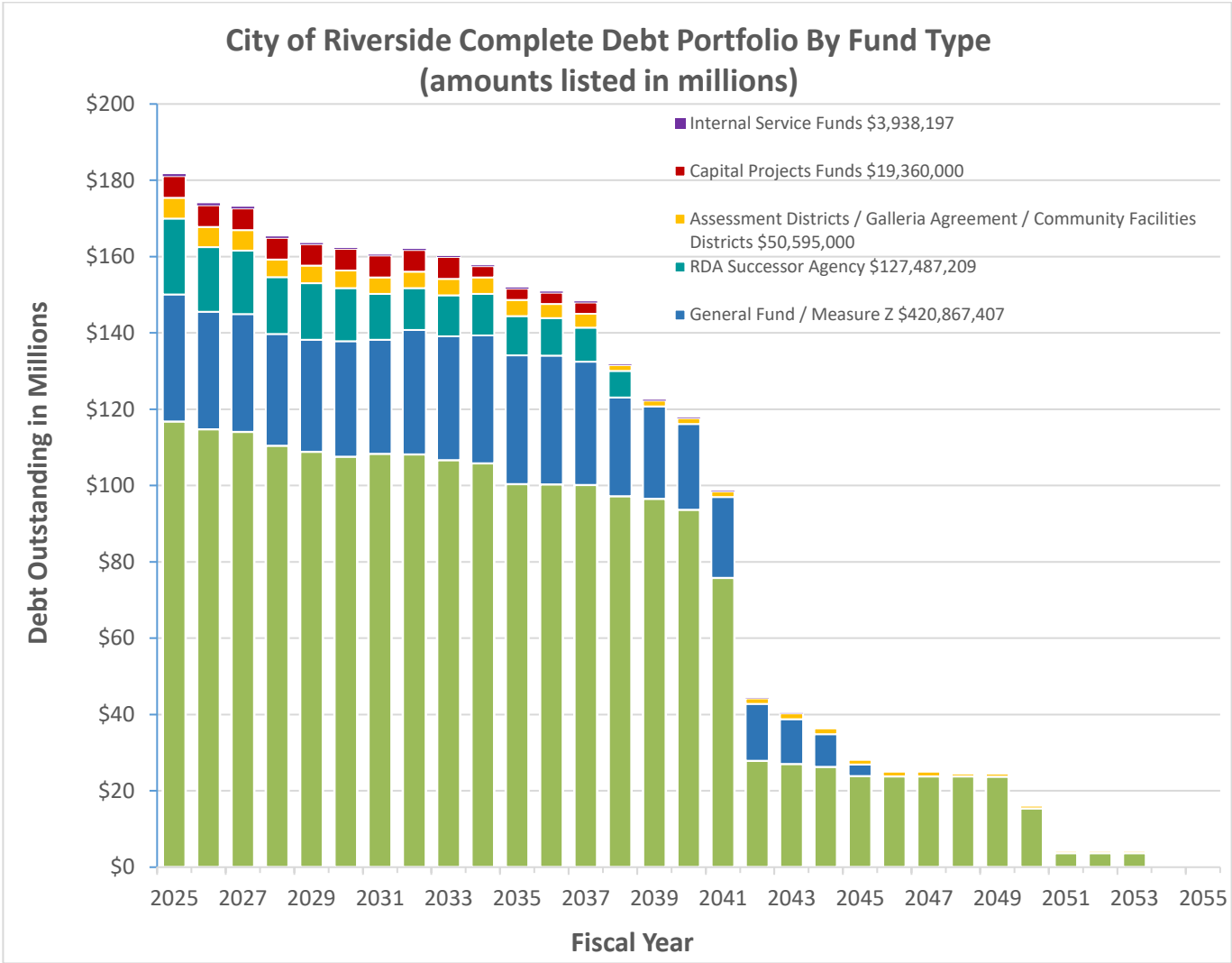
The following chart depicts the composition of the City’s debt portfolio at the end of the fourth quarter. Most of the City’s debt is held by the Enterprise funds, which is primarily issued for capital project financing offset by the revenues generated by the newly financed facilities. The General Fund 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 the purposes of this report, the Sewer, Water, Electric, Refuse, Special Transit, 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 are not 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 displays the City’s debt service obligations at the beginning of fiscal year 2023/24 using the same classification methodology, depicting aggregate principal and interest payments on all City debt by fund. As illustrated, 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 Fourth Quarter*

Finance staff regularly monitors the market to identify opportunities for maximizing debt service savings through refunding and issuing debt when rates are most favorable. During the fourth quarter, staff began developing a financing plan to refinance the existing 2012 Lease Revenue Bonds as part of the Museum financing plan, to reduce future debt service obligations. This debt restructuring will enable the City to reduce its budget for future fiscal years’ debt service costs, aligning with the City’s Strategic Plan initiatives of Fiscal Responsibility and High Performing Government.

Other debt related activities conducted in the fourth quarter include:

- Finalizing the financing plan for the Community Facility District 2013-1 Kunny Ranch, which closed on April 18, 2024.
- Finalized the interfund loan financing for Parking Garages 1 & 2.
- Continuing the process to finance the procurement of 15 vehicles for Riverside Public Utility, with a closing date of July 25, 2024, and receiving the Board of Public Utility’s recommendation for City Council approval.

- Continuing the process to finance the Capital Improvement Plan for the Riverside Municipal Airport.
- Beginning the process to finance the Museum Reconstruction Project and refinancing of 2012 Lease Revenue Bonds.
- Completing the annual assessment levy process for the Street Lighting Assessment District and Landscape Maintenance Districts.
- Finalizing a new contract with the City’s Special Tax Advisor.
- Finalizing a new contract with a new Investment Advisor for the City’s 115 Pension Trust Account.

**STRATEGIC PLAN ALIGNMENT:**

This item contributes to Strategic Priority No. 5 High Performing Government Goal No. 5.3 – Enhance communication and collaboration with community members, to improve transparency, build public trust, and encourage shared decision-making.

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

1. **Community Trust** – The Quarterly Report enhances financial 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 in the management of the City’s debt and investment portfolios.
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:	Meline Carranza, Debt and Treasury Manager
Approved by:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Certified as to availability of funds:	Kristie Thomas, Finance Director/ Assistant Chief Financial Officer
Approved by:	Edward Enriquez, Assistant City Manager/Chief Financial Officer/City Treasurer
Approved as to form:	Jack Liu, Interim City Attorney



Attachments:

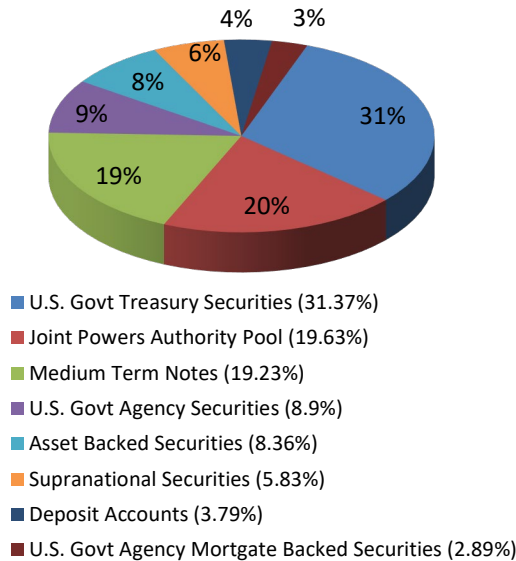
1. Cash and Investment Report – Q4
2. Quarterly Debt Report – Q4
3. Presentation – Q4



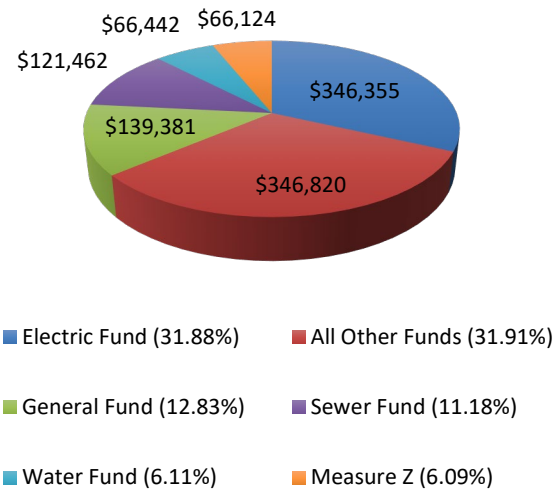
## CITY OF RIVERSIDE Quarterly Investment Report June 30, 2024

	AMORTIZED COST	MARKET VALUE
<b>POOLED INVESTMENT PORTFOLIO</b>		
Deposit Accounts	\$ 41,168,430.04	\$ 41,168,430.04
Joint Powers Authority Pool	213,274,880.55	213,274,880.55
Medium Term Notes	214,841,273.38	208,961,726.49
U.S. Govt Agency Mortgage Backed Securities	32,409,209.38	31,386,891.90
Asset Backed Securities	91,159,132.98	90,836,277.90
Supranational Securities	64,917,217.55	63,336,045.42
U.S. Govt Agency Securities	100,382,062.80	96,755,857.50
U.S. Govt Treasury Securities	346,993,007.95	340,864,140.62
<b>TOTAL POOLED INVESTMENT PORTFOLIO</b>	<b>1,105,145,214.63</b>	<b>1,086,584,250.42</b>
<b>INVESTMENTS HELD BY FISCAL AGENT -</b>		
<b>SECTION 115 PENSION TRUST FUND</b>	<b>62,037,174.01</b>	<b>65,992,332.75</b>
<b>OTHER INVESTMENTS HELD BY FISCAL AGENT</b>	<b>235,357,914.68</b>	<b>233,819,860.34</b>
<b>OTHER MISCELLANEOUS CASH</b>	<b>5,210,737.12</b>	<b>5,210,737.12</b>
<b>TOTAL CASH &amp; INVESTMENTS</b>	<b>\$ 1,407,751,040.44</b>	<b>\$ 1,391,607,180.63</b>

**COMPOSITION OF POOLED PORTFOLIO**



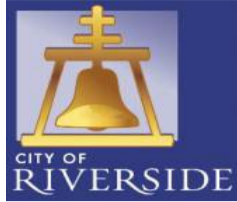
**COMPOSITION OF POOLED PORTFOLIO BY FUND**



It has been verified that this investment portfolio is in conformity, exclusive of items identified, with the City of Riverside's investment policy which was approved by City Council on April 21, 2020. The Treasurer's cash management program and cash flow analysis indicates that sufficient liquidity is on hand to meet estimated future expenditures for a period of six months. The weighted average maturity of the City's investment portfolio is 2.01 years. Market prices of securities are obtained from Interactive Data Corporation. Weighted average yield on cost for the City's investment portfolio is 3.20%. 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:   
Ryan Carter, Controller

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



**CITY OF RIVERSIDE**  
**Pooled Investment Portfolio Holdings**  
**June 30, 2024**

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	MARKET VALUE
<b><u>DEPOSIT ACCOUNTS</u></b>						
Bank of America Checking and Reserve	N/A	Varies	NR	Varies	40,168,605.12	40,168,605.12
Federated Investors Federated Treasury	N/A	Varies	AAA	Varies	999,824.92	999,824.92
<b>SUBTOTAL DEPOSIT ACCOUNTS</b>					<b>41,168,430.04</b>	<b>41,168,430.04</b>
<b><u>JOINT POWERS AUTHORITY POOL</u></b>						
California Asset Management Program (CAMP)	N/A	Varies	AAA	Varies	213,274,880.55	213,274,880.55
<b>SUBTOTAL JOINT POWERS AUTHORITY POOL</b>					<b>213,274,880.55</b>	<b>213,274,880.55</b>
<b><u>MEDIUM TERM NOTES</u></b>						
Deere & Company	2.050	01/09/25	A	02/06/20	3,024,810.00	2,947,261.71
Honda Motor Co., Ltd.	1.500	01/13/25	A-	Various	1,992,466.80	1,957,919.78
Chubb Limited	3.150	03/15/25	A	Various	6,518,943.13	5,855,343.58
Royal Bank of Canada	3.375	04/14/25	A	04/14/22	1,497,420.00	1,474,653.26
Bank of Montreal	1.850	05/01/25	A-	08/12/21	2,581,050.00	2,425,007.88
Caterpillar Inc.	3.400	05/13/25	A	05/10/22	2,736,520.20	2,695,008.65
QUALCOMM Incorporated	3.450	05/20/25	A	Various	5,245,703.20	4,917,940.15
Honeywell International Inc.	1.350	06/01/25	A	06/23/20	5,119,000.00	4,821,626.85
Royal Bank of Canada	1.150	06/10/25	A	Various	5,044,880.00	4,801,216.80
Northwestern Mutual Global Funding	4.000	07/01/25	AA+	06/27/22	6,402,822.30	6,324,346.70
Honda Motor Co., Ltd.	1.200	07/08/25	A-	06/22/21	2,017,540.00	1,916,052.52
The Toronto-Dominion Bank	0.750	09/11/25	A	09/15/20	2,493,425.00	2,365,605.40
National Rural Utilities Cooperative	3.250	11/01/25	A-	04/14/22	2,994,000.00	2,915,267.07
Simon Property Group, Inc.	3.300	01/15/26	A-	08/11/21	4,750,593.75	4,239,129.48
The Goldman Sachs Group, Inc.	0.855	02/12/26	BBB+	06/18/21	4,334,706.25	4,243,079.49
Bank of America Corporation	2.015	02/13/26	A-	03/04/21	2,066,760.00	1,954,225.40
JPMorgan Chase & Co.	2.005	03/13/26	A-	03/12/21	3,086,490.00	2,922,317.55
Citigroup Inc.	3.106	04/08/26	BBB+	Various	6,788,825.00	6,245,665.47
Massachusetts Mutual Life Insurance	4.500	04/10/26	AA+	04/04/23	1,998,620.00	1,977,926.02
JPMorgan Chase & Co.	2.083	04/22/26	A-	06/23/21	3,105,570.00	2,913,181.56
Guardian Life Global Funding	1.250	05/13/26	AA+	02/09/22	2,307,168.00	2,228,088.24
UnitedHealth Group Incorporated	1.150	05/15/26	A+	Various	2,852,118.20	2,788,708.71
Toyota Motor Corporation	1.125	06/18/26	A+	Various	4,989,707.50	4,630,377.75
Bank of America Corporation	1.319	06/19/26	A-	06/18/21	2,004,120.00	1,916,418.32
Met Tower Global Funding	1.250	09/14/26	AA-	09/07/21	2,927,304.40	2,686,110.29
Bank of Montreal	1.250	09/15/26	A-	Various	2,495,539.50	2,289,940.70
Walmart Inc.	1.050	09/17/26	AA	09/08/21	1,332,476.85	1,230,652.54
Morgan Stanley	6.138	10/16/26	A-	10/19/22	1,498,185.00	1,509,852.50
Metropolitan Life Global Funding I	1.875	01/11/27	AA-	01/03/22	4,240,160.70	3,917,078.25
The Toronto-Dominion Bank	1.950	01/12/27	A	01/25/22	992,295.35	928,070.87
The Charles Schwab Corporation	2.450	03/03/27	A-	03/01/22	1,668,196.40	1,557,542.30
The Goldman Sachs Group, Inc.	1.431	03/09/27	BBB+	Various	2,914,727.50	3,032,557.35
Berkshire Hathaway Inc.	2.300	03/15/27	AA	03/07/22	4,924,064.25	4,616,561.68
Toyota Motor Corporation	3.050	03/22/27	A+	06/14/23	1,881,520.00	1,899,286.86
Amazon.com, Inc.	3.300	04/13/27	AA	04/25/22	2,994,810.00	2,876,831.88
Dominion Energy, Inc.	3.750	05/15/27	BBB+	Various	5,509,511.95	5,296,932.63
QUALCOMM Incorporated	3.250	05/20/27	A	Various	4,754,650.00	4,774,693.75
Citigroup Inc.	1.462	06/09/27	BBB+	06/21/22	1,753,880.00	1,853,654.88
Merck & Co., Inc.	1.700	06/10/27	A+	06/23/22	3,966,221.40	4,019,408.48
Caterpillar Inc.	3.600	08/12/27	A	Various	3,213,062.50	3,127,957.69



**CITY OF RIVERSIDE**  
**Pooled Investment Portfolio Holdings**  
**June 30, 2024**

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	MARKET VALUE
Walmart Inc.	3.950	09/09/27	AA	Various	2,495,938.60	2,442,587.05
Amazon.com, Inc.	4.550	12/01/27	AA	Various	3,027,460.00	2,977,709.07
The Toronto-Dominion Bank	5.156	01/10/28	A	Various	3,980,080.00	3,995,195.64
Deere & Company	4.750	01/20/28	A	Various	7,069,150.00	6,970,177.34
Bank of America Corporation	3.824	01/20/28	A-	Various	2,356,757.55	2,409,589.25
UnitedHealth Group Incorporated	5.250	02/15/28	A+	02/21/23	4,061,040.00	4,052,063.76
Comcast Corporation	3.550	05/01/28	A-	Various	4,785,920.00	4,749,768.65
JPMorgan Chase & Co.	3.540	05/01/28	A-	06/12/23	1,872,100.00	1,908,740.12
Public Service Enterprise Group Inco	3.700	05/01/28	A	02/27/24	1,433,610.00	1,436,281.29
Apple Inc.	4.000	05/10/28	AA+	05/08/23	1,571,960.25	1,542,283.82
Merck & Co., Inc.	4.050	05/17/28	A+	Various	3,997,647.20	3,915,876.12
BNY Mellon Corp	3.992	06/13/28	A	07/14/23	1,922,520.00	1,934,181.54
Honda Motor Co., Ltd.	5.125	07/07/28	A-	Various	2,330,643.15	2,379,791.17
Royal Bank of Canada	5.200	08/01/28	A	09/07/23	1,478,460.00	1,509,848.93
Bank of Montreal	5.717	09/25/28	A-	11/09/23	2,467,200.00	2,550,586.55
Realty Income Corporation	4.700	12/15/28	A-	Various	4,191,465.00	4,172,376.00
Metropolitan Life Global Funding I	4.850	01/08/29	AA-	01/23/24	1,495,335.00	1,487,231.60
Deere & Company	4.500	01/16/29	A	04/18/24	1,945,100.00	1,966,034.22
Morgan Stanley	3.772	01/24/29	A-	01/23/24	1,425,135.00	1,427,861.28
U.S. Bancorp	4.653	02/01/29	A	04/11/24	3,863,840.00	3,913,954.04
Cisco Systems, Inc.	4.850	02/26/29	AA-	02/21/24	4,473,433.75	4,474,210.52
The Toronto-Dominion Bank	4.994	04/05/29	A	05/23/24	2,466,525.00	2,478,652.28
Morgan Stanley	5.164	04/20/29	A-	05/30/24	5,446,725.00	5,482,150.58
Bank of America Corporation	5.202	04/25/29	A-	05/16/24	3,988,040.00	3,993,662.32
Toyota Motor Corporation	5.050	05/16/29	A+	Various	3,994,220.00	4,013,987.16
The Home Depot, Inc.	4.750	06/25/29	A	06/17/24	3,681,102.75	3,683,425.23

**SUBTOTAL MEDIUM TERM NOTES** **214,841,273.38** **208,961,726.49**

**U.S. GOVERNMENT AGENCY MORTGAGE BACKED SECURITIES**

FHMS K-041 A2	3.171	10/25/24	AA+	07/01/21	5,091,716.72	4,695,646.37
FHMS K-047 A2	3.329	05/25/25	AA+	05/20/22	5,005,455.25	4,886,639.66
FHMS K-049 A2	3.010	07/25/25	AA+	06/23/21	1,781,337.22	1,608,909.82
FHMS K-059 A2	3.120	09/25/26	AAA	02/18/22	3,128,437.50	2,883,393.90
FHMS K-073 A2	3.350	01/25/28	AA+	05/24/23	5,156,267.97	5,102,237.86
FHMS K-074 A2	3.600	01/25/28	AA+	07/25/23	2,386,035.15	2,396,321.00
FHMS K-077 A2	3.850	05/25/28	AA+	05/24/23	7,023,638.67	6,900,302.03
FHMS K-085 A2	4.060	10/25/28	AA+	10/30/23	2,836,320.90	2,913,441.26

**SUBTOTAL U.S. GOVERNMENT AGENCY MORTGAGE BACKED SECURITIES** **32,409,209.38** **31,386,891.90**

**ASSET BACKED SECURITIES**

American Express Credit Master Trust	3.390	05/15/25	AAA	05/17/22	5,188,851.97	5,097,099.00
American Express Credit Master Trust	3.750	08/15/25	NR	10/28/22	3,868,125.00	3,928,026.40
John Deere Owner Trust	0.360	09/15/25	NR	03/02/21	145,652.25	144,763.84
Hyundai Auto Receivables Trust	0.380	09/15/25	AAA	04/20/21	47,448.37	47,339.86
BMW Vehicle Lease Trust	5.160	11/25/25	AAA	02/07/23	788,298.16	786,846.48
Hyundai Auto Receivables Trust	0.380	01/15/26	AAA	07/20/21	844,834.81	837,322.82
Honda Auto Receivables Owner Trust	0.880	01/21/26	NR	11/16/21	699,109.51	685,029.20
John Deere Owner Trust	0.520	03/16/26	NR	07/13/21	648,332.99	635,904.58
Honda Auto Receivables Owner Trust	1.880	05/15/26	AAA	02/15/22	1,742,765.97	1,710,035.04
Hyundai Auto Receivables Trust	0.740	05/15/26	AAA	11/09/21	472,407.43	464,764.30
BMW Vehicle Owner Trust	3.210	08/25/26	AAA	05/10/22	1,244,370.15	1,227,795.52



**CITY OF RIVERSIDE**  
**Pooled Investment Portfolio Holdings**  
**June 30, 2024**

<b>DESCRIPTION OF SECURITY</b>	<b>COUPON RATE</b>	<b>MATURITY DATE</b>	<b>*INVEST RATING</b>	<b>PURCH DATE</b>	<b>COST VALUE</b>	<b>MARKET VALUE</b>
John Deere Owner Trust	0.360	09/15/26	NR	03/10/22	957,630.02	938,999.90
GM Financial Securitized Term	0.680	09/16/26	AAA	10/13/21	597,086.28	583,203.73
Hyundai Auto Receivables Trust	2.220	10/15/26	AAA	03/09/22	1,935,838.21	1,900,823.75
GM Financial Securitized Term	1.260	11/16/26	AAA	01/11/22	610,776.13	597,297.39
GM Financial Securitized Term	3.100	02/16/27	AAA	04/05/22	1,255,771.15	1,236,189.58
John Deere Owner Trust	3.740	02/16/27	NR	07/12/22	2,367,395.01	2,334,237.65
Hyundai Auto Lease Securitization Tr	5.020	03/15/27	AAA	01/17/24	2,134,595.42	2,125,976.85
GM Financial Automobile Leasing Trus	5.090	03/22/27	AAA	02/08/24	2,714,660.63	2,701,959.86
Toyota Lease Owner Trust	5.250	04/20/27	AAA	02/21/24	2,854,879.52	2,854,602.01
Honda Auto Receivables Owner Trust	5.040	04/21/27	NR	02/16/23	1,849,656.27	1,842,269.41
John Deere Owner Trust	5.090	06/15/27	NR	10/12/22	3,454,731.89	3,442,662.54
GM Financial Automobile Leasing Trus	5.390	07/20/27	AAA	05/07/24	3,014,824.83	3,023,734.76
MERCEDES-BENZ AUTO RECEIVABLES TRUST	5.210	08/16/27	AAA	11/15/22	6,158,781.55	6,148,158.02
John Deere Owner Trust	5.010	11/15/27	NR	02/22/23	2,814,487.11	2,802,161.63
Mercedes-Benz Auto Lease Trust	5.320	01/18/28	NR	05/17/24	2,194,743.19	2,201,285.16
GM Financial Securitized Term	4.470	02/16/28	AAA	04/04/23	1,549,957.38	1,532,895.60
BMW Vehicle Owner Trust	5.470	02/25/28	AAA	07/11/23	1,499,734.20	1,504,700.10
John Deere Owner Trust	5.180	03/15/28	NR	06/21/23	2,649,557.98	2,644,139.79
Toyota Auto Receivables Owner Trust	5.540	08/15/28	AAA	11/07/23	2,669,712.17	2,689,071.54
Chase Issuance Trust	5.160	09/15/28	AAA	09/07/23	8,417,665.98	8,441,494.58
Honda Auto Receivables Owner Trust	5.270	11/20/28	AAA	05/14/24	2,859,652.51	2,867,719.43
GM Financial Securitized Term	4.850	12/18/28	NR	01/09/24	1,209,756.67	1,202,654.09
Chase Issuance Trust	4.600	01/16/29	AAA	01/24/24	5,194,208.80	5,147,229.90
Hyundai Auto Receivables Trust	4.990	02/15/29	AAA	03/20/24	3,349,261.33	3,337,681.72
BMW Vehicle Owner Trust	5.180	02/26/29	AAA	06/04/24	3,744,431.14	3,748,699.69
Bank of America Credit Card Trust	4.930	03/15/29	AAA	06/06/24	4,229,762.70	4,231,677.62
John Deere Owner Trust	5.200	03/15/29	NR	06/11/24	3,179,378.31	3,189,824.61
<b>SUBTOTAL ASSET BACKED SECURITIES</b>					<b>91,159,132.98</b>	<b>90,836,277.90</b>
<b><u>SUPRANATIONAL SECURITIES</u></b>						
International Bank for Recon and Dev	0.625	04/22/25	AAA	04/15/20	4,278,378.35	4,140,062.04
Inter-American Development Bank	0.625	07/15/25	AAA	01/13/21	5,071,967.50	4,820,135.87
International Bank for Recon and Dev	0.500	10/28/25	AAA	Various	9,994,372.85	9,425,732.80
Inter-American Development Bank	0.875	04/20/26	AAA	04/13/21	9,342,016.70	8,742,046.88
International Bank for Recon and Dev	3.500	07/12/28	AAA	Various	14,429,190.65	14,453,114.25
International Finance Corporation	4.500	07/13/28	AAA	07/06/23	4,365,149.30	4,371,656.71
Inter-American Development Bank	3.125	09/18/28	AAA	Various	9,019,187.20	9,002,495.93
Inter-American Development Bank	4.125	02/15/29	AAA	02/15/24	8,416,955.00	8,380,800.93
<b>SUBTOTAL SUPRANATIONAL SECURITIES</b>					<b>64,917,217.55</b>	<b>63,336,045.42</b>
<b><u>U.S. GOVERNMENT AGENCY SECURITIES</u></b>						
FNMA	1.625	01/07/25	AA+	03/04/20	8,281,440.00	7,850,739.92
Federal Home Loan Banks	2.375	03/14/25	AA+	03/19/20	6,346,620.00	5,880,092.22
FNMA	0.625	04/22/25	AA+	04/22/20	5,199,267.40	5,023,785.27
Federal Home Loan Banks	0.500	06/13/25	AA+	06/29/20	5,007,400.00	4,785,535.00
FNMA	0.500	06/17/25	AA+	06/17/20	6,506,503.60	6,237,292.80
FHLMC	0.375	07/21/25	AA+	07/21/20	4,606,942.60	4,411,217.55
FNMA	0.375	08/25/25	AA+	Various	7,962,282.50	7,584,825.44
FHLMC	0.375	09/23/25	AA+	Various	7,970,197.55	7,560,952.08
FNMA	0.500	11/07/25	AA+	11/09/20	6,063,215.70	5,733,562.65
Federal Home Loan Banks	4.500	12/12/25	AA+	02/03/23	7,592,925.00	7,456,511.25



**CITY OF RIVERSIDE**  
**Pooled Investment Portfolio Holdings**  
**June 30, 2024**

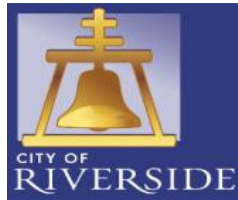
DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	MARKET VALUE
Farm Credit System	4.375	06/23/26	AA+	06/20/23	7,745,892.50	7,695,308.25
Federal Home Loan Banks	4.500	03/10/28	AA+	Various	10,246,000.00	9,987,730.30
Tennessee Valley Authority	3.875	03/15/28	AA+	Various	10,324,710.95	10,075,467.62
Federal Home Loan Banks	4.375	06/09/28	AA+	07/26/23	6,528,665.00	6,472,837.15
<b>SUBTOTAL U.S. GOVERNMENT AGENCY SECURITIES</b>					<b>100,382,062.80</b>	<b>96,755,857.50</b>
<b><u>U.S. GOVERNMENT TREASURY SECURITIES</u></b>						
US Treasury	0.250	09/30/25	AA+	10/16/20	2,989,687.50	2,828,671.86
US Treasury	4.250	10/15/25	AA+	10/28/22	3,983,750.00	3,962,500.00
US Treasury	0.375	12/31/25	AA+	12/29/20	2,249,824.22	2,104,189.45
US Treasury	0.375	01/31/26	AA+	Various	8,625,488.28	8,154,931.66
US Treasury	4.000	02/15/26	AA+	02/16/23	7,425,585.94	7,398,632.85
US Treasury	0.750	03/31/26	AA+	03/30/21	3,969,843.75	3,730,312.48
US Treasury	0.750	05/31/26	AA+	Various	9,942,773.44	9,273,828.10
US Treasury	0.750	08/31/26	AA+	Various	5,170,878.90	4,828,359.38
US Treasury	1.125	10/31/26	AA+	Various	12,919,453.14	11,997,070.28
US Treasury	1.500	01/31/27	AA+	Various	15,585,117.20	15,270,234.38
US Treasury	2.750	04/30/27	AA+	Various	18,449,570.32	18,101,953.22
US Treasury	3.250	06/30/27	AA+	Various	20,141,015.63	19,297,656.20
US Treasury	4.125	09/30/27	AA+	Various	20,091,445.31	19,773,437.60
US Treasury	3.875	12/31/27	AA+	Various	20,147,968.81	19,616,406.20
US Treasury	3.625	03/31/28	AA+	Various	20,028,125.00	19,437,500.00
US Treasury	3.625	05/31/28	AA+	Various	26,998,242.19	26,716,894.60
US Treasury	4.125	07/31/28	AA+	Various	30,015,292.97	30,177,128.83
US Treasury	4.625	09/30/28	AA+	Various	9,375,585.94	9,580,527.32
US Treasury	4.375	11/30/28	AA+	Various	20,273,378.90	19,996,875.00
US Treasury	3.750	12/31/28	AA+	Various	24,582,675.78	24,361,328.00
US Treasury	4.250	02/28/29	AA+	Various	29,760,039.10	29,865,234.30
US Treasury	4.625	04/30/29	AA+	Various	34,267,265.63	34,390,468.92
<b>SUBTOTAL U.S. GOVERNMENT TREASURY SECURITIES</b>					<b>346,993,007.95</b>	<b>340,864,140.62</b>
<b>TOTAL POOLED CASH &amp; INVESTMENTS</b>					<b>1,105,145,214.63</b>	<b>1,086,584,250.42</b>

\*The City uses S&P ratings



**CITY OF RIVERSIDE**  
**Investments held by Fiscal Agent**  
**Section 115 Pension Trust Fund**  
**June 30, 2024**

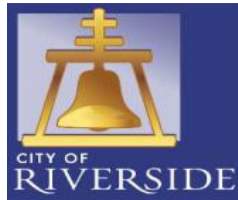
DESCRIPTION OF SECURITY	COST VALUE	MARKET VALUE
<b><u>CASH AND EQUIVALENTS</u></b>		
*Cash	19,144.28	19,144.28
First American Government Obligation Fund CL "X"	1,926,737.67	1,926,737.67
Charles Schwab Trust Bank	13,101,616.15	13,101,616.15
<b>SUBTOTAL CASH AND EQUIVALENTS</b>	<b>15,047,498.10</b>	<b>15,047,498.10</b>
<b><u>MUTUAL FUNDS - EQUITY</u></b>		
Ishares Core - S P500 Etf	6,079,266.26	8,114,326.44
Ishares S P - 500 Growth Etf	2,416,587.05	3,393,071.64
Ishares S P - 500 Value Etf	2,495,322.72	3,039,202.98
Ishares - Russell Mid Cap Etf	2,253,778.57	2,572,506.24
Ishares - Russell 2000 Value Etf	1,602,014.88	1,705,455.40
Ishares - Russell 2000 Growth Etf	1,541,508.62	1,722,721.86
Ishares - Global Infrastructure Etf	418,265.81	406,888.72
Ishares Core - Msci Eafe Etf	2,732,426.66	3,018,264.64
Vanguard Ftse - Emerging Markets Etf	1,626,790.87	1,716,267.20
Vanguard Real - Estate Etf	923,728.56	906,953.28
<b>SUBTOTAL MUTUAL FUNDS - EQUITY</b>	<b>22,089,690.00</b>	<b>26,595,658.40</b>
<b><u>MUTUAL FUNDS - FIXED INCOME</u></b>		
Ishares Core - U.S. Aggregate Bond Etf	19,461,189.23	18,905,838.55
Ishares Mbs - Etf	4,229,780.38	4,240,534.76
Spdr High Yield Bond Etf	1,209,016.30	1,202,802.94
<b>SUBTOTAL MUTUAL FUNDS - FIXED INCOME</b>	<b>24,899,985.91</b>	<b>24,349,176.25</b>
<b>TOTAL ASSETS</b>	<b>62,037,174.01</b>	<b>65,992,332.75</b>
<i>* Includes accrued income</i>		



**CITY OF RIVERSIDE**  
**Investments Held by Fiscal Agent**  
**June 30, 2024**

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	MARKET VALUE
<b><u>CASH &amp; MONEY MARKET ACCOUNTS</u></b>						
US Bank Commercial Paper Sweep	N/A	Varies	NR	Varies	330,391.60	330,391.60
US Bank Money Mkt 3N-CT	N/A	Varies	NR	Varies	4,301,558.13	4,301,558.13
US Bank Gcts0170	N/A	Varies	NR	Varies	2,978,064.48	2,978,064.48
US Bank Gcts0300	N/A	Varies	NR	Varies	713,719.05	713,719.05
US Bank Gcts0470	N/A	Varies	NR	Varies	127,745,592.11	127,745,592.11
First American Government Obligation CL "Y"	N/A	Varies	AAA	Varies	284,520.37	284,520.37
First American Government Obligation CL "Z"	N/A	Varies	AAA	Varies	5,940,289.71	5,940,289.71
First American Treasury MMF Class "Z"	N/A	Varies	AAA	Varies	35,242,817.51	35,242,817.51
<b>SUBTOTAL CASH &amp; MONEY MARKET ACCOUNTS</b>					<b>177,536,952.96</b>	<b>177,536,952.96</b>
<b>LOCAL AGENCY INVESTMENT FUND (LAIF)</b>	<b>N/A</b>	<b>Varies</b>	<b>NR</b>	<b>Varies</b>	<b>1,314,433.50</b>	<b>1,309,615.15</b>
<b><u>MEDIUM TERM NOTES</u></b>						
BANK OF AMERICA CORP 2.015 02/13/2026	2.015	02/13/26	A-	03/04/21	620,028.00	586,267.62
CATERPILLAR FINANCIAL SERVICES CORP 3.400 05/13/25	3.400	05/13/25	A	05/10/22	209,733.30	206,551.76
CHUBB INA HOLDINGS LLC 3.15 03/15/2025	3.150	03/15/25	A	01/26/21	659,406.00	590,554.07
CITIGROUP INC 3.106 04/08/2026	3.106	04/08/26	BBB+	06/18/21	669,075.00	612,320.14
ELI LILLY AND CO 2.75 06/01/2025	2.750	06/01/25	A+	06/10/21	699,166.00	635,053.22
GOLDMAN SACHS GROUP INC 0.855 02/12/2026	0.855	02/12/26	BBB+	06/18/21	619,243.75	606,154.21
HONEYWELL INTERNATIONAL INC 1.35 06/01/2025	1.350	06/01/25	A	06/10/21	717,066.00	675,027.76
JOHN DEERE CAPITAL CORP 4.5 01/16/2029	4.500	01/16/29	A	01/29/24	573,234.75	565,234.84
JPMORGAN CHASE & CO 2.005 03/13/2026	2.005	03/13/26	A-	03/12/21	617,298.00	584,463.51
MERCK & CO INC 4.05 05/17/2028	4.050	05/17/28	A+	05/15/23	600,024.00	587,381.42
MORGAN STANLEY 5.164 04/20/2029	5.164	04/20/29	A-	05/30/24	594,210.00	598,052.79
PNC BANK NA (DELAWARE) 3.25 06/01/2025	3.250	06/01/25	A	06/10/21	710,365.50	636,638.31
REALTY INCOME CORP 4.7 12/15/2028	4.700	12/15/28	A-	01/29/24	571,958.25	564,497.93
ROYAL BANK OF CANADA 1.15 06/10/2025	1.150	06/10/25	A	02/22/21	607,344.00	576,146.02
SALESFORCE INC 0.625 07/15/2024	0.625	07/15/24	A+	06/29/21	94,951.55	94,817.48
SIMON PROPERTY GROUP LP 3.3 01/15/2026	3.300	01/15/26	A-	08/11/21	678,656.25	605,589.93
TARGET CORP 1.95 01/15/2027	1.950	01/15/27	A	01/19/22	264,549.50	246,609.58
TORONTO-DOMINION BANK 4.994 04/05/2029	4.994	04/05/29	A	05/23/24	641,296.50	644,449.59
TOYOTA MOTOR CREDIT CORP 5.05 05/16/2029	5.050	05/16/29	A+	05/20/24	750,187.50	752,622.59
UNITEDHEALTH GROUP INC 1.15 05/15/2026	1.150	05/15/26	A+	Various	130,420.30	120,844.04
VIRGINIA ELECTRIC AND POWER CO 3.75 05/15/2027	3.750	05/15/27	BBB+	05/16/22	119,625.60	115,569.44
WALMART INC 1.05 09/17/2026	1.050	09/17/26	AA	09/08/21	119,773.20	110,620.45
<b>SUBTOTAL MEDIUM TERM NOTES</b>					<b>11,267,612.95</b>	<b>10,715,466.71</b>
<b><u>ASSET BACKED SECURITIES</u></b>						
BACCT 2024-1 A 4.93 03/15/2029	4.930	03/15/29	AAA	06/06/24	229,987.10	230,091.22
BMWOT 2022-A A3 3.21 08/25/2026	3.210	08/25/26	AAA	05/10/22	93,327.78	92,084.66
GMCAR 2021-4 A3 0.68 09/16/2026	0.680	09/16/26	AAA	10/13/21	51,434.40	50,238.52
GMCAR 2022-1 A3 1.26 11/16/2026	1.260	11/16/26	AAA	01/11/22	53,576.84	52,394.51
GMCAR 2022-2 A3 3.1 02/16/2027	3.100	02/16/27	AAA	04/05/22	104,959.97	103,323.31
HAROT 2021-4 A3 0.88 01/21/2026	0.880	01/21/26	NR	11/16/21	61,921.16	60,674.01
HAROT 2022-1 A3 1.88 05/15/2026	1.880	05/15/26	AAA	02/15/22	151,679.44	148,830.76
HAROT 2023-1 A3 5.04 04/21/2027	5.040	04/21/27	NR	02/16/23	139,973.99	139,414.98
HART 2021-A A3 0.38 09/15/2025	0.380	09/15/25	AAA	04/20/21	5,307.79	5,295.65
HART 2021-B A3 0.38 01/15/2026	0.380	01/15/26	AAA	07/20/21	77,943.39	77,250.36
HART 2021-C A3 0.74 05/15/2026	0.740	05/15/26	AAA	11/09/21	41,571.85	40,899.26
JDOT 2021 A3 0.36 09/15/2025	0.360	09/15/25	NR	03/02/21	16,133.79	16,035.38
JDOT 2021-B A3 0.52 03/16/2026	0.520	03/16/26	NR	07/13/21	60,275.83	59,120.38
JDOT 2022 A3 0.36 09/15/2026	0.360	09/15/26	NR	03/10/22	99,926.63	97,982.60
JDOT 2022-B A3 3.74 02/16/2027	3.740	02/16/27	NR	07/12/22	162,813.41	160,533.07
JDOT 2022-C A3 5.09 06/15/2027	5.090	06/15/27	NR	10/12/22	239,981.38	239,142.98
MBART 2022-1 A3 5.21 08/16/2027	5.210	08/16/27	AAA	11/15/22	414,917.91	414,202.20
<b>SUBTOTAL ASSET BACKED SECURITIES</b>					<b>2,005,732.65</b>	<b>1,987,513.85</b>





**CITY OF RIVERSIDE**  
**Investments Held by Fiscal Agent**  
**June 30, 2024**

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	MARKET VALUE
<b><u>SUPRANATIONAL SECURITIES</u></b>						
INTER-AMERICAN DEVELOPMENT BANK 0.875 04	0.875	04/20/26	AAA	04/13/21	1,040,213.90	973,408.52
INTER-AMERICAN DEVELOPMENT BANK 3.125 09	3.125	09/18/28	AAA	01/09/24	957,660.00	947,132.66
INTERNATIONAL BANK FOR RECONSTRUCTION /	0.500	10/28/25	AAA	01/26/21	1,000,640.00	942,573.28
INTERNATIONAL FINANCE CORP 1.375 10/16/2024	1.375	10/16/24	AAA	07/12/21	1,026,900.00	988,260.10
<b>SUBTOTAL SUPRANATIONAL SECURITIES</b>					<b>4,025,413.90</b>	<b>3,851,374.56</b>
<b><u>U.S. GOVERNMENT AGENCY SECURITIES</u></b>						
FEDERAL FARM CREDIT BANKS FUNDING CORP	1.750	02/14/25	AA+	02/10/22	603,384.65	591,770.57
FEDERAL FARM CREDIT BANKS FUNDING CORP	4.500	11/18/24	AA+	11/15/22	809,141.40	806,662.05
FEDERAL HOME LOAN BANKS 4.5 10/03/2024	4.500	10/03/24	AA+	10/27/22	799,128.00	797,987.73
FEDERAL HOME LOAN BANKS 4.5 12/12/2025	4.500	12/12/25	AA+	01/30/23	1,264,562.50	1,242,751.88
<b>SUBTOTAL U.S. GOVERNMENT AGENCY SECURITIES</b>					<b>3,476,216.55</b>	<b>3,439,172.22</b>
<b><u>U.S. GOVERNMENT TREASURY SECURITIES</u></b>						
UNITED STATES TREASURY 0.375 01/31/2026	0.375	01/31/26	AA+	Various	1,724,482.43	1,630,986.33
UNITED STATES TREASURY 0.375 09/15/2024	0.375	09/15/24	AA+	09/29/21	1,492,734.38	1,484,765.63
UNITED STATES TREASURY 0.75 03/31/2026	0.750	03/31/26	AA+	05/18/21	2,194,070.32	2,051,671.86
UNITED STATES TREASURY 0.75 05/31/2026	0.750	05/31/26	AA+	06/23/21	3,232,099.61	3,013,994.13
UNITED STATES TREASURY 1.5 01/31/2027	1.500	01/31/27	AA+	03/30/22	765,312.50	740,375.00
UNITED STATES TREASURY 3.0 07/15/2025	3.000	07/15/25	AA+	09/30/22	247,159.51	244,748.54
UNITED STATES TREASURY 3.125 08/15/2025	3.125	08/15/25	AA+	08/25/22	1,241,503.90	1,223,779.30
UNITED STATES TREASURY 3.125 08/31/2027	3.125	08/31/27	AA+	09/30/22	670,665.96	661,968.75
UNITED STATES TREASURY 3.125 08/31/2029	3.125	08/31/29	AA+	09/30/22	189,730.51	188,625.00
UNITED STATES TREASURY 3.25 06/30/2027	3.250	06/30/27	AA+	Various	1,486,835.94	1,447,324.22
UNITED STATES TREASURY 3.25 08/31/2024	3.250	08/31/24	AA+	09/30/22	1,703,341.53	1,721,407.51
UNITED STATES TREASURY 3.625 03/31/2028	3.625	03/31/28	AA+	05/25/23	987,265.62	971,875.00
UNITED STATES TREASURY 3.75 12/31/2028	3.750	12/31/28	AA+	Various	1,893,478.51	1,875,822.26
UNITED STATES TREASURY 3.875 12/31/2027	3.875	12/31/27	AA+	01/30/23	1,007,656.26	980,820.31
UNITED STATES TREASURY 4.0 02/15/2026	4.000	02/15/26	AA+	09/06/23	7,404,702.04	7,306,622.90
UNITED STATES TREASURY 4.125 07/31/2028	4.125	07/31/28	AA+	08/30/23	719,392.58	717,325.19
UNITED STATES TREASURY 4.125 09/30/2027	4.125	09/30/27	AA+	Various	2,533,158.21	2,496,396.50
UNITED STATES TREASURY 4.25 02/28/2029	4.250	02/28/29	AA+	04/29/24	907,981.44	920,844.72
UNITED STATES TREASURY 4.25 10/15/2025	4.250	10/15/25	AA+	Various	2,523,849.62	2,501,328.13
UNITED STATES TREASURY 4.375 08/15/2026	4.375	08/15/26	AA+	09/06/23	200,867.63	199,549.44
UNITED STATES TREASURY 4.625 04/30/2029	4.625	04/30/29	AA+	06/26/24	911,144.53	910,335.94
UNITED STATES TREASURY 4.625 09/30/2028	4.625	09/30/28	AA+	Various	1,694,119.14	1,689,198.24
<b>SUBTOTAL U.S. GOVERNMENT TREASURY SECURITIES</b>					<b>35,731,552.17</b>	<b>34,979,764.88</b>
<b>TOTAL INVESTMENTS HELD WITH FISCAL AGENT</b>					<b>235,357,914.68</b>	<b>233,819,860.34</b>

\*The City uses S&P ratings

**City of Riverside  
Cash Balances by Fund  
As of June 30, 2024**

Fund	Cash Balance <sup>1</sup>	Interfund Loan Receivables <sup>2</sup>	Cash Balance + Loan Receivables	
<b>General Fund</b>	101	139,381,266	2,000,000	141,381,266
<b>Measure Z</b>	110	66,123,595	-	66,123,595
<b>Enterprise Funds</b>				
Electric	510	314,322,890	1,554,874	315,877,764
Electric - Public Benefits Program	511	32,032,532	-	32,032,532
Water	520	62,695,209	-	62,695,209
Water - Conservation & Reclamation Program	521	3,746,583	-	3,746,583
Airport	530	2,758,422	-	2,758,422
Refuse Collection	540	16,585,114	-	16,585,114
Sewer Service	550	121,462,566	820,292	122,282,858
Public Parking	570	7,792,542	-	7,792,542
Convention Center, Visitors Bureau, Sports Commission	580	(953,664)	-	(953,664)
Entertainment Fund (Fox, Box, RMA, Showcase)	581	2,831,758	-	2,831,758
Cheech Marin Center	582	(32,433)	-	(32,433)
<b>SubTotal - Enterprise Funds</b>		<b>563,241,519</b>	<b>2,375,167</b>	<b>565,616,686</b>
<b>Special Revenue Funds</b>				
Grants and Restricted Programs	215	46,419,451	-	46,419,451
Community Development Block Grant	220	459,832	-	459,832
Home Investment Partnership Program	221	1,106,174	-	1,106,174
Housing Opportunities for Persons with AIDS	222	(618,830)	-	(618,830)
Community Development Grants	223	12,400,459	-	12,400,459
Neighborhood Stabilization Program	225	(87,051)	-	(87,051)
Special Gas Tax	230	32,025,019	-	32,025,019
Air Quality Improvement	240	2,301,739	-	2,301,739
Housing Authority	280	8,015,365	-	8,015,365
Special Districts	Various	1,168,636	-	1,168,636
<b>SubTotal - Special Revenue Funds</b>		<b>103,190,794</b>	<b>-</b>	<b>103,190,794</b>
<b>Capital Projects Funds</b>				
Capital Outlay	401	28,981,056	-	28,981,056
Storm Drain	410	837,660	-	837,660
Local Park Special Capital Improvements	411	2,484,162	-	2,484,162
Regional Park Special Capital Improvements	413	4,914,512	-	4,914,512
Measure Z Capital Outlay	420	28,342,618	-	28,342,618
Capital Outlay Grants	430	566,721	-	566,721
Transportation Projects	431	5,039	-	5,039
Measure A Capital Outlay	432	39,105,021	-	39,105,021
Transportation Development Impact Fees	433	8,803,507	-	8,803,507
Transportation Uniform Mitigation Fees	434	(2,261,541)	-	(2,261,541)
Community Facilities Districts and Assessment Districts	Various	2,138,201	-	2,138,201
<b>SubTotal - Capital Project Funds</b>		<b>113,916,956</b>	<b>-</b>	<b>113,916,956</b>
<b>Debt Service Funds</b>				
Debt Service Fund - General	390	6,096,867	-	6,096,867
Debt Service Fund - Public Works	391	388,014	-	388,014
<b>SubTotal Debt Service Funds</b>		<b>6,484,881</b>	<b>-</b>	<b>6,484,881</b>
<b>Agency Funds</b>				
Successor Agency	Various	34,624,806	-	34,624,806
Community Facilities Districts and Assessment Districts	Various	640,915	-	640,915
Special Deposits	Various	14,732,095	-	14,732,095
<b>SubTotal Agency Funds</b>		<b>49,997,816</b>	<b>-</b>	<b>49,997,816</b>
<b>Internal Service Funds</b>				
Workers' Compensation Insurance Trust	610	24,180,424	-	24,180,424
Unemployment Insurance Trust	620	433,272	-	433,272
Liability Insurance Trust	630	5,122,754	-	5,122,754
Parada Settlement Fund	631	2,808,494	-	2,808,494
Central Garage	650	11,702,479	-	11,702,479
<b>SubTotal - Internal Service Funds</b>		<b>44,247,423</b>	<b>-</b>	<b>44,247,423</b>
<b>Total - All Funds \$ 1,086,584,250 \$ 4,375,167 \$ 1,090,959,417</b>				

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

<sup>2</sup> Amounts shown are interfund loans outstanding. 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 2023/2024 Quarterly**  
**Summary of Outstanding Debt<sup>1</sup>**

Debt Type By Funding Source	Principal Balance as of 7/1/2023	Principal Balance as of 4/1/2024	Q4 New Debt Issued	Q4 Principal Payments	Q4 Interest Payments	Projected Principal Balance 6/30/2024
<b>General Fund/Measure Z</b>						
General Obligation Bonds	\$ 3,380,000	\$ 1,740,000	\$ -	\$ -	\$ -	\$ 1,740,000
Pension Obligation Bonds	317,279,231	317,279,231	-	7,274,423	5,692,540	310,004,808
Certificates of Participation	56,717,969	53,508,835	-	-	375,810	53,508,835
Lease Revenue Bonds	45,199,648	42,420,298	-	-	1,003,083	42,420,298
Capital Leases	19,289,928	16,233,847	-	532,829	86,250	15,701,019
Interfund Loans	1,130,945	824,873	-	-	33,928	824,873
<b>Total General Fund</b>	<b>\$ 442,997,721</b>	<b>\$ 432,007,084</b>	<b>\$ -</b>	<b>\$ 7,807,252</b>	<b>\$ 7,191,611</b>	<b>\$ 424,199,832</b>
<b>Capital Projects Funds</b>						
Measure A Certificates of Participation	23,225,000	21,190,000	-	1,830,000	529,750	19,360,000
<b>Total Capital Projects Funds</b>	<b>\$ 23,225,000</b>	<b>\$ 21,190,000</b>	<b>\$ -</b>	<b>\$ 1,830,000</b>	<b>\$ 529,750</b>	<b>\$ 19,360,000</b>
<b>Enterprise Funds</b>						
Pension Obligation Bonds	\$ 103,708,515	\$ 103,708,515	\$ -	\$ 8,456,520	\$ 1,671,025	\$ 95,251,995
Electric Fund Revenue Bonds	507,370,000	600,680,000	-	-	10,480,045	600,680,000
Water Fund Revenue Bonds	243,300,000	235,350,000	-	-	5,838,050	235,350,000
Water Fund Capital Lease	986,007	748,130	-	-	-	748,130
Sewer Fund Revenue Bonds	313,085,000	301,625,000	-	-	-	301,625,000
Lease Revenue Bonds	6,168,000	5,688,000	-	-	122,217	5,688,000
Certificates of Participation	24,582,031	23,191,165	-	-	162,879	23,191,165
Civic Entertainment Fund Loan	5,929,782	5,631,621	-	303,901	108,409	5,327,720
Convention Center Expansion Loan	27,410,223	25,785,450	-	545,510	218,746	25,239,939
Parking Fund Loans	6,630,655	6,297,252	2,000,000	339,820	121,222	7,957,432
<b>Total Enterprise Funds</b>	<b>\$ 1,239,170,213</b>	<b>\$ 1,308,705,134</b>	<b>\$ 2,000,000</b>	<b>\$ 9,645,752</b>	<b>\$ 18,722,592</b>	<b>\$ 1,301,059,382</b>
<b>Internal Service Funds</b>						
Pension Obligation Bonds	\$ 4,287,254	\$ 4,287,254	\$ -	\$ 349,056	\$ 69,083	\$ 3,938,197
<b>Total Internal Service Funds</b>	<b>\$ 4,287,254</b>	<b>\$ 4,287,254</b>	<b>\$ -</b>	<b>\$ 349,056</b>	<b>\$ 69,083</b>	<b>\$ 3,938,197</b>
<b>RDA Successor Agency</b>						
Lease Revenue Bonds	6,802,353	4,246,703	-	-	101,152	4,246,703
Tax Allocation Bonds	143,085,000	132,805,000	-	-	-	132,805,000
Interfund Loans	2,002,900	1,562,987	-	-	60,087	1,562,987
<b>Total RDA Successor Agency</b>	<b>\$ 151,890,253</b>	<b>\$ 138,614,689</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 161,239</b>	<b>\$ 138,614,689</b>
<b>Assessment Districts / Galleria Agreement / Community Facilities Districts</b>						
Assessment Districts	\$ 14,395,000	\$ 12,770,000	\$ -	\$ -	\$ -	\$ 12,770,000
Galleria Mall Improvements District Certificates of Participation	5,000	5,000	-	-	-	5,000
Lease Revenue Refunding Bonds (Galleria) Series 2019A	13,225,000	12,465,000	-	-	227,356	12,465,000
Community Facilities Districts	24,585,000	23,775,000	4,140,000	-	-	27,915,000
<b>Total AD / Galleria / CFDs</b>	<b>\$ 52,210,000</b>	<b>\$ 49,015,000</b>	<b>\$ 4,140,000</b>	<b>\$ -</b>	<b>\$ 227,356</b>	<b>\$ 53,155,000</b>
<b>Total</b>	<b>\$ 1,913,780,440</b>	<b>\$ 1,953,819,161</b>	<b>\$ 6,140,000</b>	<b>\$ 19,632,060</b>	<b>\$ 26,901,632</b>	<b>\$ 1,940,327,101</b>

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

**CITY OF RIVERSIDE**  
Fiscal Year 2023/2024 Quarterly  
Outstanding Debt<sup>1</sup>

Debt Type / Issuance	Year Issued (FY)	Final Maturity (FY)	Total Issue Size	Outstanding Principal Balance 7/1/2023	Outstanding Principal Balance 4/1/2024	Q4 New Debt Issued	Q4 Principal Payments	Q4 Interest Payments	Projected Principal Balance 6/30/2024
<b>General Obligation</b>									
Measure G Fire Facility Projects General Obligation Bonds 2004	2004	2025	\$ 20,000,000	\$ 3,380,000	\$ 1,740,000	\$ -	\$ -	\$ -	\$ 1,740,000
<b>Total General Obligation Bonds</b>			<b>\$ 20,000,000</b>	<b>\$ 3,380,000</b>	<b>\$ 1,740,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,740,000</b>
<b>Pension Obligation<sup>2</sup></b>									
Pension Obligation Bonds Series 2017A	2017	2027	31,960,000	13,715,000	13,715,000	-	3,285,000	203,856	10,430,000
Pension Obligation Bonds Series 2020A (Safety)	2020	2045	231,085,000	231,085,000	231,085,000	-	190,000	4,304,160	230,895,000
Pension Obligation Bonds Series 2020A (Misc)	2020	2043	201,080,000	180,475,000	180,475,000	-	12,605,000	2,924,632	167,870,000
<b>Total Pension Obligation Bonds</b>			<b>\$ 464,125,000</b>	<b>\$ 425,275,000</b>	<b>\$ 425,275,000</b>	<b>\$ -</b>	<b>\$ 16,080,000</b>	<b>\$ 7,432,648</b>	<b>\$ 409,195,000</b>
<b>Certificates of Participation</b>									
Galleria Mall Improvements COPs Series 2006A	2006	2037	\$ 19,945,000	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000
Riverside Renaissance Projects Refunding COPs Series 2008A	2008	2037	128,300,000	81,300,000	76,700,000	-	-	538,689	76,700,000
Local Measure A Sales Tax Revenue COPs Series 2013A	2013	2033	35,235,000	23,225,000	-	-	-	-	-
Local Measure A Sales Tax Revenue COPs Series 2023A <sup>(6)</sup>	2024	2033	21,190,000	-	21,190,000	-	1,830,000	529,750	19,360,000
<b>Total Certificates of Participation</b>			<b>\$ 204,670,000</b>	<b>\$ 104,530,000</b>	<b>\$ 97,895,000</b>	<b>\$ -</b>	<b>\$ 1,830,000</b>	<b>\$ 1,068,439</b>	<b>\$ 96,065,000</b>
<b>Lease Revenue Bonds</b>									
California Tower Lease Revenue Bonds Series 2003A	2003	2024	\$ 26,255,000	\$ 4,315,000	\$ 2,230,000	\$ -	\$ -	\$ 55,750	\$ 2,230,000
California Tower Lease Revenue Bonds Series 2003B	2003	2024	4,810,000	680,000	350,000	-	-	9,590	350,000
Lease Revenue Refunding Bonds Series 2012A	2013	2034	41,240,000	25,700,000	23,700,000	-	-	509,238	23,700,000
Lease Revenue Refunding Bonds (Galleria) Series 2019A	2019	2037	15,980,000	13,225,000	12,465,000	-	-	227,356	12,465,000
Lease Revenue Bonds (Main Library Project) Series 2019B	2019	2037	33,505,000	27,475,000	26,075,000	-	-	651,875	26,075,000
<b>Total Lease Revenue Bonds</b>			<b>\$ 121,790,000</b>	<b>\$ 71,395,000</b>	<b>\$ 64,820,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,453,809</b>	<b>\$ 64,820,000</b>
<b>Capital Leases</b>									
BofA #2 - Various Hardware and Software	2018	2028	7,955,000	2,127,954	1,076,485	-	-	-	1,076,485
BofA #3 - Fire, PW and Refuse Vehicles and Equipment	2017	2027	14,500,000	6,904,003	5,427,538	-	-	-	5,427,538
BofA #4 - Police Helicopters	2022	2032	11,291,564	10,257,971	9,729,824	-	532,829	86,250	9,196,996
BofA #2 - Water Fund Vehicles Capital Lease	2018	2028	2,305,000	986,007	748,130	-	-	-	748,130
<b>Total Capital Leases</b>			<b>\$ 36,051,564</b>	<b>\$ 20,275,935</b>	<b>\$ 16,981,977</b>	<b>\$ -</b>	<b>\$ 532,829</b>	<b>\$ 86,250</b>	<b>\$ 16,449,149</b>
<b>Interfund Loans<sup>3</sup></b>									
Reid Park Acquisition Interfund Loan	2011	2028	\$ 720,000	\$ 257,604	\$ 200,332	-	-	7,728	\$ 200,332
Riverside Golf Course Acquisition Interfund Loan	2011	2028	4,837,500	1,745,296	1,362,655	-	-	52,359	1,362,655
Parking Interfund Loan Outlay Garages 1 & 2	2024	2034	2,000,000	-	-	2,000,000	-	-	2,000,000
Utilities Plaza Purchase Interfund Loan	2012	2027	4,469,221	1,130,945	824,873	-	-	33,928	824,873
<b>Total Interfund Loans</b>			<b>\$ 12,026,721</b>	<b>\$ 3,133,845</b>	<b>\$ 2,387,860</b>	<b>\$ 2,000,000</b>	<b>\$ -</b>	<b>\$ 94,015</b>	<b>\$ 4,387,860</b>
<b>Private Placement Loans</b>									
Fox Entertainment Plaza Loan	2011	2032	\$ 25,000,000	\$ 12,560,437	\$ 11,928,873	\$ -	\$ 643,721	\$ 229,631	\$ 11,285,152
Convention Center Expansion Loan <sup>4</sup>	2013	2034	44,650,000	27,410,223	25,785,450	-	545,510	218,746	25,239,939
<b>Total Private Placement Loans</b>			<b>\$ 69,650,000</b>	<b>\$ 39,970,660</b>	<b>\$ 37,714,323</b>	<b>\$ -</b>	<b>\$ 1,189,232</b>	<b>\$ 448,376</b>	<b>\$ 36,525,092</b>
<b>Enterprise Revenue Bonds</b>									
Electric Revenue Refunding Bonds (2008) Series A	2008	2029	\$ 84,515,000	\$ 34,465,000	\$ -	\$ -	\$ -	\$ -	-
Electric Revenue Refunding Bonds (2008) Series C	2008	2036	57,325,000	32,150,000	-	-	-	-	-
Electric Revenue Bonds (2010) Series A	2010	2041	133,290,000	126,110,000	123,515,000	-	-	4,668,045	123,515,000
Electric Revenue Bonds (2011) Series A	2011	2036	56,450,000	33,600,000	-	-	-	-	-
Electric Revenue Refunding Bonds (2013) Series A	2014	2044	79,080,000	35,385,000	-	-	-	-	-

**CITY OF RIVERSIDE**  
Fiscal Year 2023/2024 Quarterly  
Outstanding Debt<sup>1</sup>

Debt Type / Issuance	Year Issued (FY)	Final Maturity (FY)	Total Issue Size	Outstanding Principal Balance 7/1/2023	Outstanding Principal Balance 4/1/2024	Q4 New Debt Issued	Q4 Principal Payments	Q4 Interest Payments	Projected Principal Balance 6/30/2024
Electric Revenue Refunding Bonds (2019) Series A	2019	2049	283,325,000	245,660,000	232,480,000	-	-	5,812,000	232,480,000
Electric Revenue Refunding Bonds (2023) Series A	2024	2044	31,390,000	-	31,390,000	-	-	-	31,390,000
Electric Revenue Refunding Bonds (2024) Series A	2024	2050	213,295,000	-	213,295,000	-	-	-	213,295,000
Water Revenue Bonds (2009) Series B	2010	2040	67,790,000	62,760,000	60,115,000	-	-	1,876,918	60,115,000
Water Revenue Bonds (2011) Series A	2011	2036	59,000,000	24,050,000	24,050,000	-	-	181,506	24,050,000
Water Revenue Refunding Bonds (2019) Series A	2019	2049	114,215,000	98,465,000	93,895,000	-	-	2,347,375	93,895,000
Water Revenue Bonds (2022) Series A	2022	2053	58,025,000	58,025,000	57,290,000	-	-	1,432,250	57,290,000
Sewer Revenue Bonds (2015) Series A	2015	2041	200,030,000	173,610,000	167,490,000	-	-	-	167,490,000
Sewer Revenue Bonds (2018) Series A	2019	2040	153,670,000	139,475,000	134,135,000	-	-	-	134,135,000
<b>Total Enterprise Revenue Bonds</b>			<b>\$ 1,591,400,000</b>	<b>\$ 1,063,755,000</b>	<b>\$ 1,137,655,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,318,095</b>	<b>\$ 1,137,655,000</b>
<b>Tax Allocation Bonds</b>									
2014 Subordinate Tax Allocation Refunding Bonds Series 2014A	2014	2034	\$ 61,250,000	\$ 28,025,000	\$ 23,425,000	\$ -	\$ -	\$ -	\$ 23,425,000
2014 Subordinate Tax Allocation Refunding Bonds Series 2014B	2014	2024	1,730,000	385,000	195,000	-	-	-	195,000
2018 Tax Allocation Refunding Bonds Series 2018A	2018	2034	74,435,000	74,295,000	68,805,000	-	-	-	68,805,000
2018 Tax Allocation Refunding Bonds, Taxable Series 2018B	2018	2033	40,380,000	40,380,000	40,380,000	-	-	-	40,380,000
<b>Total Tax Allocation Bonds</b>			<b>\$ 177,795,000</b>	<b>\$ 143,085,000</b>	<b>\$ 132,805,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 132,805,000</b>
<b>Mello Roos and Assessment District Bonds</b>									
Riverwalk Business Center Assessment District Bonds	2004	2029	\$ 3,755,000	\$ 1,620,000	\$ 1,430,000	\$ -	\$ -	\$ -	\$ 1,430,000
Sycamore Canyon Business Park CFD 92-1 Bonds	2005	2034	9,700,000	5,660,000	5,310,000	-	-	-	5,310,000
Hunter Park Assessment District Bonds	2006	2036	15,269,906	9,460,000	8,985,000	-	-	-	8,985,000
Riverwalk Assessment District Refunding Bonds	2011	2026	7,805,000	2,565,000	1,970,000	-	-	-	1,970,000
Auto Center Assessment District Refunding Bonds <sup>5</sup>	2012	2024	4,050,000	750,000	385,000	-	-	-	385,000
Riverwalk Vista CFD 2006-1 Bonds	2013	2043	4,415,000	3,660,000	3,555,000	-	-	-	3,555,000
Riverwalk Vista CFD 2006-1 Improv Area No.2 2016 Series A	2016	2046	5,505,000	5,055,000	4,970,000	-	-	-	4,970,000
Riverwalk Vista CFD 2006-1 Improv Area No.2 2016 Series B	2016	2031	1,275,000	790,000	715,000	-	-	-	715,000
Highlands CFD 2014-2 2016 Series A	2016	2046	1,800,000	1,740,000	1,730,000	-	-	-	1,730,000
Highlands CFD 2014-2 2016 Series B	2016	2031	810,000	530,000	480,000	-	-	-	480,000
Orangecrest CFD 2015-1 Bonds Series 2020 Series A	2020	2050	2,075,000	2,075,000	2,075,000	-	-	-	2,075,000
Orangecrest CFD 2015-1 Bonds Series 2020 Series B	2020	2028	365,000	270,000	220,000	-	-	-	220,000
Pomelo CFD 2015-2 Bonds Series 2022	2022	2053	4,805,000	4,805,000	4,720,000	-	-	-	4,720,000
Kunny Ranch CFD 2013-1 Series 2024	2024	2054	4,140,000	-	-	4,140,000	-	-	4,140,000
<b>Total Mello Roos and Assessment District Bonds</b>			<b>\$ 65,769,906</b>	<b>\$ 38,980,000</b>	<b>\$ 36,545,000</b>	<b>\$ 4,140,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 40,685,000</b>
<b>Total</b>				<b>\$ 1,913,780,440</b>	<b>\$ 1,953,819,161</b>	<b>\$ 6,140,000</b>	<b>\$ 19,632,060</b>	<b>\$ 26,901,632</b>	<b>\$ 1,940,327,101</b>

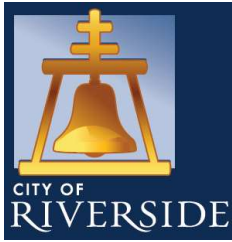
<sup>1</sup> Excludes water stock acquisition rights, copier leases, development agreements, and amortization of premiums and discounts on outstanding debt, none of which are material.

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

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

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

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



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

Finance Department

**City Council**  
December 17, 2024

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## BACKGROUND

- Treasury and debt administrative activities
  - Separate process for management of investment and debt
  - Different metrics of performance for debt and investments
- Quarterly reports to Council; annual reports to Finance Committee
- July 16, 2024, the City Council received and provided input on the Fiscal Year 2023/24 Third Quarter report



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## TREASURY FINANCIAL GOALS

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



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## CASH AND TREASURY PERFORMANCE – END OF Q4

- Pooled Investment Portfolio - \$1.087 billion
- Investments held by fiscal agent - \$305 million
- Weighted average yield of pooled investment portfolio – 3.20%
- No fund's cash balance is currently a concern



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## DEBT SUMMARY ANALYSIS – FOURTH QUARTER

Principal Balance decreased a net \$13.5 million

- New Debt Issuances:
  - Interfund Loan ~\$2 million
  - Community Facility District ~\$4.1 million
- Debt Service Principal Payments April 1 through June 30, 2024
  - Pension Obligation Bonds ~\$16 million
  - Certificate of Participation ~\$1.83 million
  - Capital Leases ~\$532 thousand
  - Private Placement Loans ~\$1.18 million

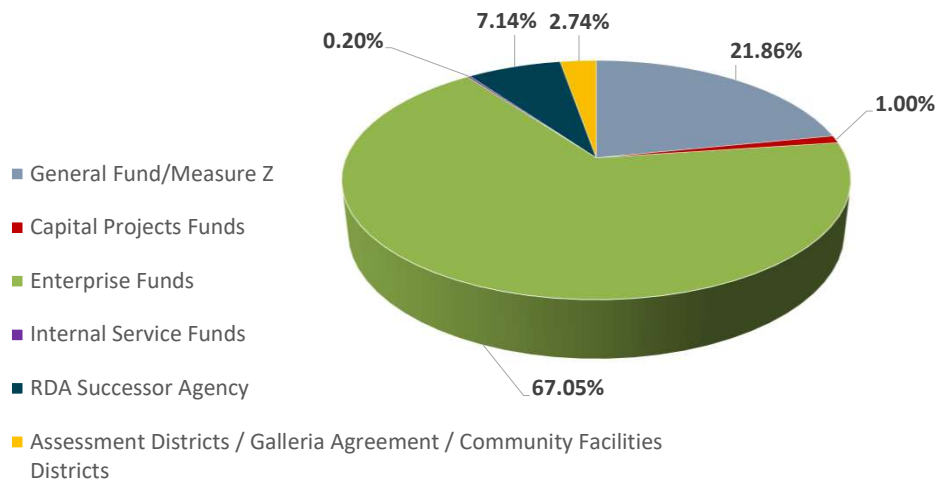


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## DEBT PORTFOLIO COMPOSITION – FOURTH QUARTER

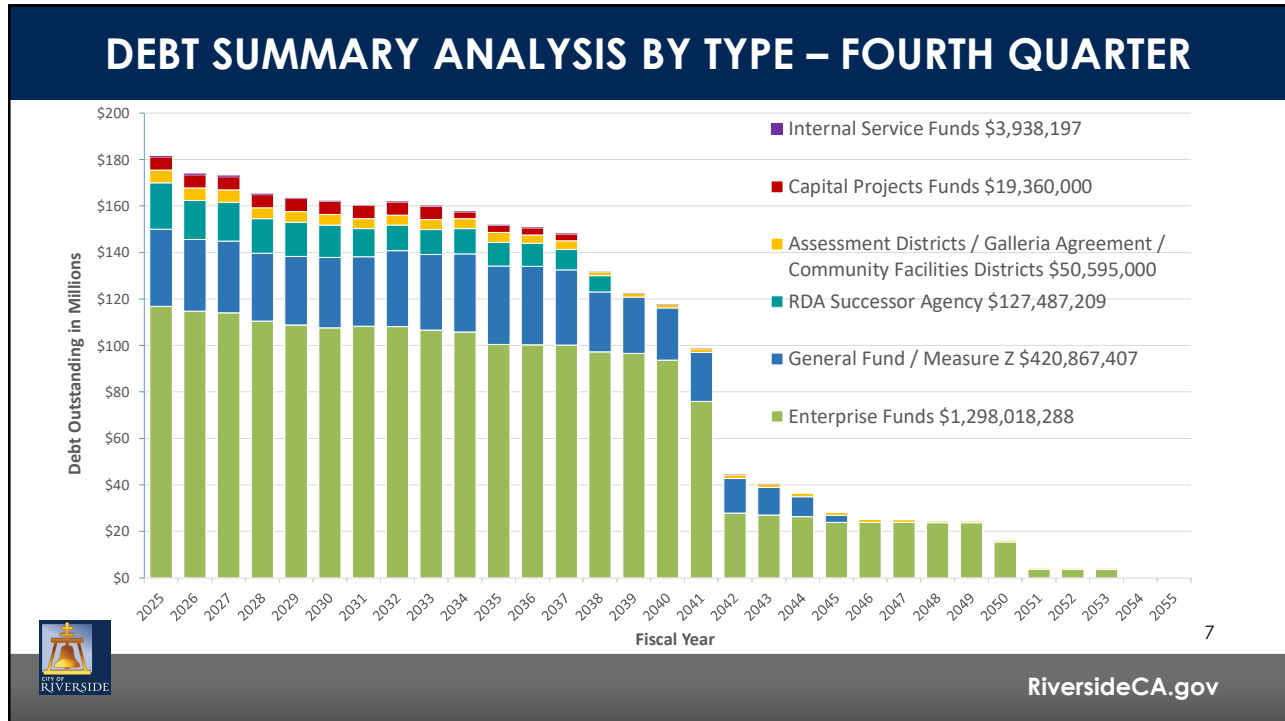


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- ## DEBT AND INVESTMENT ACTIVITIES – FOURTH QUARTER
1. Finalizing the financing plan for the Community Facility District 2013-1 Kunny Ranch, which closed on April 18, 2024.
  2. Finalized the interfund loan financing for Parking Garages 1 & 2.
  3. Continuing the process to finance the procurement of 15 vehicles for Riverside Public Utility, with a closing date of July 25, 2024, and receiving the Board of Public Utility's recommendation for City Council approval.
  4. Continuing the process to finance the Capital Improvement Plan for the Riverside Municipal Airport.
  5. Beginning the process to finance the Museum Reconstruction Project and refinancing of 2012 Lease Revenue Bonds.
  6. Completing the annual assessment levy process for the Street Lighting Assessment District and Landscape Maintenance Districts.
  7. Finalizing a new contract with the City's Special Tax Advisor.
  8. Finalizing a new contract with a new Investment Advisor for the City's 115 Pension Trust Account.
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## STRATEGIC PLAN ALIGNMENT



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

### Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation



## RECOMMENDATION

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

