City of Arts & Innovation

City Council Memorandum

TO: **HONORABLE MAYOR AND CITY COUNCIL** **DATE: MARCH 15, 2022**

FROM: **FINANCE DEPARTMENT** **WARDS: ALL**

SUBJECT: **FISCAL YEAR 2021/22 SECOND QUARTER FINANCIAL UPDATE – SUPPLEMENTAL APPROPRIATIONS; INTERFUND TRANSFERS**

ISSUE:

Receive and provide input on the Fiscal Year 2021/22 Second Quarter Financial Update; approve supplemental appropriations.

RECOMMENDATIONS:

That the City Council:

1. Receive and provide input on the Fiscal Year 2021/22 Second Quarter financial update;

2. With at least five affirmative votes, authorize the Chief Financial Officer to record an increase in revenue and appropriate expenditures in the amount of $1,000 in the Development Grants Fund for additional funding received from the State Office of Historic Preservation grant;

3. With at least five affirmative votes, authorize the Chief Financial Officer to record a supplemental appropriation in the amount of $350,000 in the General Fund Parks, Recreation and Community Services department for the repair of Shamel Park pool;

4. With at least five affirmative votes, authorize the Chief Financial Officer to record a supplemental appropriation in the amount of $191,816 in the Community Facilities District 90-1 Highlander Fund for irrigation maintenance; and

5. With at least five affirmative votes, authorize the Chief Financial Officer to record an interfund transfer of Wellness Program Donations from the General Fund to the Grants and Restricted Programs Fund in the amount of $46,679.90.

BACKGROUND:

On June 22, 2021, the City Council adopted Resolution No. 23720, approving the Fiscal Year (FY) 2021-2022 Annual Budget.

On January 18, 2022, the City Council received and provided input on the Fiscal Year 2021/22 First Quarter Financial Update and approved mid-cycle budget adjustments. Budget adjustments related to rescinding the adopted vacancy savings balance measure in the General Fund have not been recorded because they were approved contingent upon the certification of the General Fund Transfer election results (Measure C). As of the compilation of this report, the certification matter is still pending with the court.

The City's Chief Financial Officer provides financial updates to the City Council via a standing item on the City Council's agenda and to the Budget Engagement Commission (BEC) via a standing item on the BEC's agenda.

DISCUSSION:

Throughout the fiscal year, City departments and the Budget Office monitor and analyze all City funds for potential issues that require attention and mitigating action. For the second quarter report, City departments analyzed the financial status for all funds and appropriations under their purview. This update spans the period of July 2021 through December 2021.

General Fund

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

Adopted Budget: The adopted FY 2021/22 budget for the General Fund is balanced and includes a $10 million balancing measure in the form of a vacancy savings target to offset a projected structural deficit. The Fire department's $2 million vacancy savings target was accommodated via a transfer of 14 Fire personnel to the Measure Z Fund for the adopted budget year.

On January 18, 2022, the City Council approved a supplemental appropriation in the General Fund of $5.5 million to rescind a portion of the $10 million adopted vacancy factor contingent upon a successful certification of the General Fund Transfer election results (Measure C). If Measure C is certified, staff will record a supplemental appropriation equal to or less than the approved amount proportionate to the point in time at which the certification occurs within the fiscal year.

Revenues: FY 2021/22 General Fund revenues recorded through December 2021 were reviewed in context of FY 2020/21 actual results, performance to date, and potential COVID-19 impacts through the end of the fiscal year. As disclosed in the first quarter report, General Fund revenue projections were increased by approximately $13.7 million due largely to outstanding sales tax performance. Second quarter analysis reveals that General Fund revenue projections may exceed revised revenue estimates by $5 million, primarily due to continued exceptional sales tax revenue performance. Based on strong sales tax performance through September 2021, the City's sales tax consultant, HdL, has increased revenue projections from a 3.7% growth rate to an 8.1% growth rate in sales tax revenue over prior year actuals. Transient Occupancy Tax continues to outperform expectations and is currently 30% higher than the same period last year. If the current pace continues, Transient Occupancy Tax may exceed pre-pandemic FY 2018/19 actuals of $7.2 million.

Expenditures: As of the second quarter, General Fund non-personnel expenditures are trending lower than prior years and may produce some savings at fiscal year-end. For the General Fund as a whole, personnel is expected to end the fiscal year on target. Based on an analysis of

overtime trends to date, the Fire Department is likely to exceed its overtime budget in FY 2021/22 by approximately $2 million. Overtime costs are largely impacted by vacancies; currently, the Fire Department has 10 vacant firefighter positions, all of which are in the hiring process and were not part of any managed hiring initiative. Illness due to the COVID-19 pandemic has also contributed to excess overtime costs in the Fire Department. As of the second quarter, year-to-date trends in all other General Fund departments combined show that total personnel savings from those departments may be sufficient to offset the Fire Department's budget overage in overtime costs.

During the first quarter of FY 2021/22, the City Council approved supplemental appropriations totaling $257,244 in the General Fund:

- Debt Collaboration Software $17,127 – use of existing funds in the Special Deposits Fund.
- Emergency Air Support (Corona) $120,000 – as-needed emergency air support services to the City of Corona, fully offset by corresponding revenues.
- Police Facilities Renovations $120,117: use of existing funds in the Special Deposits Fund, Evidence Trust Account.

During the second quarter of FY 2021/22, the City Council approved supplemental appropriations totaling $15,000 in the General Fund:

- Board of Ethics $15,000 – establish an outside legal counsel budget for the Board of Ethics.

Measure Z

Based on the spending items approved to date and strong tax revenue performance, Measure Z is projected to end the fiscal year with approximately $44.8 million in unallocated fund reserves. Separately, $5 million is held in contingency reserves per the adopted Measure Z Reserve Policy to ensure sufficient funding for ongoing costs in the event of under-performing revenues.

If the General Fund Transfer election result (Measure C) is certified, $2 million will be reinstated to Measure Z unallocated reserves. This amount represents the Fire Department's vacancy savings target that was funded by Measure Z via the temporary move of fourteen firefighters from the General Fund to Measure Z.

Revenues: The FY 2021/22 adopted budget included projected revenue of $64.8 million. The local sales tax revenue projection was revised to $74.3 million in the first quarter. Based on strong local sales tax performance through September 2021, the City's sales tax consultant, HdL, has increased revenue projections from a 3.2% growth rate to a 6.5% growth rate in local sales tax revenue over prior year actuals. If the revenue trend continues through the fiscal year, tax revenue may come in $2 million higher than the revised estimate.

Expenditures: Measure Z funds include many projects and one-time expenditures, causing expenditures to appear to be trending behind budget. However, spending is progressing as planned and within appropriation limits. Refer to Attachment 2 for a listing of spending items and their spending status.

Enterprise Fund Reserves

Enterprise funds are a fund type used to account for the City's utility and other business-type activities. Enterprise funds are intended to be self-sufficient, with operating, debt, and capital needs covered by revenue generated from fees charged to external users for goods and services. Working capital represents the current (liquid) resources available to fund ongoing operations and is calculated as current assets less current liabilities. In this report and accompanying attachments, working capital is presented as "Fund Reserves" for the Sewer, Refuse, and Public Parking funds. The Electric and Water funds present undesignated reserves labeled as "Cash Reserves" per the Riverside Public Utilities' Cash Reserve Policy. These undesignated cash reserves contain several layers of reserve requirements (operating/working capital, rate stabilization, emergency capital, etc.). It is essential that enterprise funds maintain sufficient working capital to mitigate the risk of revenue shortfalls or unanticipated expenditures. Reserve policies for the Electric, Water and Sewer funds require operating (working capital) reserves equal to a minimum of 60 days of operating and maintenance expenses.

Electric Fund

The FY 2021/22 adopted budget for the Electric Fund includes a programmed $7.4 million operating deficit and draw on fund reserves. This is a financial strategy employed to draw reserves down to keep rate increases as low as possible. Reserve level estimates as of the second quarter end are within established policy levels.

Revenues: As of the end of the second quarter, Electric operating revenues are at 55.0% of budgeted projections. With the summer season at the beginning of the fiscal year, projected retail sales were expected to be at 53.9% of total budget through December 2021. Retail sales are at 54.3% of total budget through December 2021 and 0.4% higher than expected. As of December 31, 2021, retail sales have resulted in higher than anticipated residential retail revenues and lower than anticipated retail revenue from commercial and industrial customers, which may be attributed to the impacts of COVID-19. Residential revenues were 5.4% higher than budgeted as of the second quarter. Commercial/industrial revenues remained 2.5% below budget through the second quarter. Transmission revenues are projected to perform as anticipated for the remainder of FY 2021/22.

Expenditures: Electric operating expenditures are 48.6% of total budget at the end of the second quarter. Year-to-date personnel costs are 21.4% lower than budget due to vacancies and attrition. On December 31, 2021, the Electric Fund had 91 vacancies out of a total 468.50 budgeted positions, for a vacancy rate of 19%. Year-to-date power supply costs are 2.9% higher than budget due to higher-than-expected energy costs. Some costs vary in their timing throughout the fiscal year; overall, Electric Fund expenditures are projected to remain within the budgeted appropriation limit at fiscal year-end.

Water Fund

The Water Fund is in a healthy position with estimated reserve levels at the end of the second quarter within the required policy reserve range (including the available line of credit). Budgeted operating gains of $7.2 million are anticipated, with approximately $3.4 million to be used to fund $21.5 million in capital projects in FY 2021/22, supplemented by bond proceeds.

Revenues: Total operating revenues for the Water Fund are 56.5% of projections as of second quarter end. With the summer season at the beginning of the fiscal year, projected retail sales

were expected to be at 57% of total budget through December 2021. Retail sales are at 57.6% of total budget through December 2021 and $400,000 higher than expected. Residential revenues were 0.6% less than anticipated during the second quarter. Commercial, industrial and other revenues were 2.9% higher than budgeted.

Expenditures: Water Fund operating expenditures are 48.1% of budget at the end of the second quarter. Year-to-date personnel costs are 11.8% lower than budget due to vacancies and attrition. On December 31, 2021, the Water Fund had 18.5 vacancies out of a total 164.50 budgeted positions, for a vacancy rate of 11%. Overall, Water Fund expenditures are projected to remain within the budgeted appropriation limit at fiscal year-end.

Sewer Fund

The overall financial position of the Sewer Enterprise fund is in line with the Sewer Fund Reserve Policy objectives. Fund reserves were $94.5 million at the beginning of FY 2021/22 or $69.8 million net of prior year encumbrances and carryovers. The FY 2021/22 adopted budget projects a net operating gain of $4.6 million which will be used alongside fund reserves to fund $22 million of planned capital projects included in the FY 2021/22 adopted budget and capital improvement plan.

Revenues: Based on an analysis of second quarter performance to date, the Sewer Fund is on track to meet revenue projections and trending slightly higher than prior year revenues. At the end of the second quarter, 51.7% of projected revenues have been recorded.

Expenditures: Operating expenditures are 47.7% of total budget at the end of the second quarter. The Sewer Fund is experiencing chemical market volatility and temporary supply shortages resulting in an increase in unit cost of chemicals. That coupled with unplanned increases in biosolid removal due to truck driver shortages results in a projected overage in the non-personnel budget. Despite these unplanned increases, the Sewer Fund is expected to remain within total adopted appropriation limits through the fiscal year.

Refuse Fund

The adopted budget for the Refuse fund projects a draw on fund reserves of approximately $1 million due to revenues not keeping pace with rising costs. The Refuse Fund began the fiscal year with fund reserves of $6.5 million, or $3.5 million net of prior year encumbrances and carryovers. As of the second quarter, the reserve balance is expected to be sufficient to accommodate a current year deficit.

The Refuse Fund is currently experiencing both financial and operational challenges. Despite the recent rate increase, revenues are not keeping pace with rising recycling costs and increased tonnage from the pandemic, and a deficit is anticipated in FY 2022/23. Residential waste tonnages within the City have increased by 15%, causing the City to incur additional fees. Furthermore, state mandated programs under Senate Bill 1383 requiring residential food waste to be sorted are expected to increase the cost of processing residential green waste. While the costs of implementation of the food waste sorting program are currently unknown, it is anticipated that this new State program will lead to an increase in the projected deficit.

Maintenance costs are rising due to an aging fleet. Three refuse trucks have been ordered and were funded by a combination of cash and capital lease financing. The current budget includes funding for one new refuse truck and a new sweeper. The Public Works Department is exploring

funding options for the purchase of 7 or 8 additional refuse trucks. Refuse operations are also severely impacted by a high vacancy rate and retention issues. Within the Solid Waste Collections division, 14 of the 44 budgeted positions (32%) are currently vacant; recruitment to fill the positions is ongoing. Crews have worked significant overtime in an effort to provide continuity of service. The Parking Services Division has experienced similar difficulties recruiting new staff members, which has caused a loss of revenues on street sweeping days for the Refuse Fund.

City Staff are in the process of bringing a comprehensive update to the City Council regarding the state of equipment, recruitment, and ongoing challenges for the Solid Waste Division.

Revenues: The Solid Waste rate plan adopted by City Council in September 2020 included a Year 2 increase in rates effective July 1, 2021. As of the end of the second quarter, revenues are trending 16% higher than the same period last year and are at 47.5% of projected revenue. Street sweeping revenues may come in lower than anticipated due to street sweeping activities being negatively impacted by vacancies in the Public Parking Fund.

Expenditures: Operating expenditures are 36.9% of total budget at second quarter end; spending in some categories does not occur evenly throughout the year. Increases in recycling costs and tonnage as well as the impact of State mandates are resulting in higher than anticipated costs. Staff will continue to monitor expenditure needs to ensure the fund remains within the adopted appropriations limit and if necessary, will request Council approval for an increase in appropriations at a future date.

Public Parking Fund

The Parking Fund is added to the quarterly financial report as a fund with ongoing financial concerns that may ultimately impact the General Fund if financial stability is not achieved: if the Parking fund exhausts its reserves, a General Fund subsidy will be necessary to pay Parking Fund debt obligations and sustain parking operations.

Parking Fund reserves at the beginning of FY 2021/22 are $1.6 million, or $300,000 net of prior year encumbrances. The adopted FY 2021/22 budget projects a draw on fund reserves of $923,000 due to the lingering impacts of the pandemic on parking revenues, maintenance costs of aging infrastructure, and parking fees not keeping pace with operating costs. Based on second quarter analysis, the Public Works Department projected a net operating loss of $1.6 million for FY 2021/22 which would fully deplete fund reserves.

On February 15, 2022, the City Council adopted revised parking rates and hours, and approved moving forward with a Parking Access and Revenue Control Systems (PARCS) contract. With these changes scheduled to be in place by July 1, 2022, net operating gains of $214,000 are projected for FY 2022/23. In order to account for the ongoing impacts of COVID-19, this projection assumes a 60% utilization rate compared to normal parking volumes. Had the changes to rates, hours and operations not been adopted, a revenue loss of $1.3M was projected for FY 2022/23. A history of efforts undertaken to reach this point, along with additional information about Parking Fund performance during FY 2021/22 are described below.

The Public Works Department has presented a number of strategies to address infrastructure needs and revenue requirements to achieve financial sustainability in the Parking Fund, and some corrective actions have been approved. Major strategies and actions include:

- 2016-2017: A recommended Strategic Parking Plan (SPP) addressed future parking needs with a phased approach to rate revisions; in 2017, the City Council approved an alternate

plan consisting of six incremental rate changes and six program enhancements over two fiscal years.

- 2018-2019: Program updates to the City Council and Transportation Committee included an operations overview, technology challenges, recommendations to pursue strategies, and balancing measures.
- 2020: Staff developed and recommended a Parking Ecosystem Sustainability Plan for program solvency, including infrastructure and equipment needs and parking strategies with rate changes.
- 2020-2022: Replace end-of-life single-space meters with multi-space meters (total cost approximately $836,000).
- 2021: The City Council declared Garages 1 & 2 surplus property and directed their sale.
- 2021: On March 11, 2021, President Biden signed into law the American Rescue Plan Act (ARPA) to facilitate the recovery from the devastating economic and health effects of the COVID-19 pandemic. On November 9, 2021, the City Council approved the City's ARPA expenditure plan which includes $1,300,000 in revenue loss funding for the Parking Fund.
- 2022: On February 15, 2022, the City Council adopted revised parking rates and hours and approved moving forward with the award of a Parking Access and Revenue Control Systems (PARCS) contract to replace outdated garage equipment at an estimated cost of $925,000.

Revenues: As of the second quarter, parking revenues continue to lag due to the ongoing impact of the pandemic on parking activity and a scaled back Festival of Lights event for the second consecutive year. Although the adopted budget incorporated anticipated impacts of the pandemic on revenue performance, the Public Works Department projects a revenue shortfall of $554,000 (9%) for the fiscal year as compared to the adopted budget. Position vacancies have limited some revenue-generating operations, such as parking code enforcement.

Expenditures: Expenditures are 42% of the total budget as of the end of the second quarter. Personnel savings resulting from position vacancies are expected to offset some revenue shortfalls. On December 31, 2021, the Public Parking Fund had 8 vacancies out of a total 18 budgeted positions, for a vacancy rate of 44%. The Public Works Department projects expenditure savings of approximately $1.2 million (14.5%) for the fiscal year as compared to the total budget, inclusive of prior year encumbrances.

Budget Adjustments

Throughout the fiscal year, staff assesses the need for adjustments to the adopted budget. The following budget adjustments are recommended for Council approval; sufficient funds are available in the respective funds to accommodate the recommendations.

1. **General Fund - Parks, Recreation & Community Services ($350,000 supplemental):** Shamel Park Pool currently requires the replacement of the 10-foot perimeter concrete pool decking. The decking is cracked and sinking, causing potential safety issues to the public because of structural integrity. A temporary fix is in the process being completed to allow programming to continue, but the fix does not address the structural and safety issues of the pool. If the pool is not promptly repaired, progressive damage may result in the pool being closed. Historically, Shamel is one of the busiest pools year-round: over 250 swimmers are using the pool on a daily basis. The pool is used daily for swim practice, high

school practices/competitions, senior and disabled aqua programs, and lap swim. City programming is offered from May – August and consists of youth and adult swim lessons and recreation swim. In addition, the pool is currently being used to conduct aquatic staff in-water training. Initial inquiries estimate pool repair at $300,000; a formal bid will need to be issued for an official figure. With a projected gain of potentially $18 million in the General Fund, there are sufficient funds to accommodate this supplemental request.

2. **General Fund / Grants & Restricted Programs Fund ($46,679.90 interfund transfer):** Transfer Wellness Program Donations from the General Fund to the Grants and Restricted Programs Fund where General Fund donations are recorded and accounted for.

3. **Development Grants Fund – Community & Economic Development ($1,000):** Supplemental appropriation of $1,000 and an offsetting increase in revenues due to additional grant funds awarded from the State Office of Historic Preservation. Acceptance of the original grant award amount of $9,000 was approved by City Council on December 17, 2019.

4. **Community Facilities District 90-1 Highlander Fund ($191,816):** Supplemental appropriation from fund reserves of $191,816 for irrigation timer upgrades to allow better monitoring of the irrigation systems and for additional plant material throughout the parkways along Lochmoor and Fair Isle to fill in bare areas and prevent erosion. There are sufficient fund reserves to accommodate this supplemental request.

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 financial reports, methodologies, and strategies proposed by staff demonstrate innovative management of City finances.

5. **Sustainability & Resiliency** – The financial reports, methodologies, and strategies proposed by staff demonstrate the City's commitment to the long-term fiscal health of the City and preservation of City services.

FISCAL IMPACT:

As of the second quarter, the General Fund is anticipated to end the fiscal year with savings primarily due to exceptional sales tax revenue performance. However, the City is currently addressing a challenge to the certification of the General Fund Transfer ballot measure (Measure C); should the City not prevail on the legal issue, immediate fiscal action to preserve General Fund resources will be required.

The Measure Z fund has a significant unallocated reserves available for new spending initiatives; however, staff recommends delaying large allocations of the funds pending the outcome of the Measure C certification.

The City's Sewer, Electric, and Water Funds are healthy, with projected operating gains or strategic drawdowns of reserves to keep rates low. The reserves of each of the three funds are within policy reserve requirements.

Costs continue to outpace revenues in the Refuse fund, but as of the second quarter, fund reserves are sufficient to accommodate a potential operating deficit which may exceed the projected draw of $1M based on revenue performance and rising costs.

The Public Parking Fund is projected to fully deplete its fund reserves; however, ARPA revenue loss funding in the amount of $1.3 million, partially offset by an estimated expenditures of $925,000 for the PARCS contract should allow the fund to end the fiscal year in a positive position. Additionally, recent Council action to revise parking rates and hours is expected to generate an operating gain of $214,000 in the next fiscal year (FY 2022/23).

Following Council approval, the recommended supplemental appropriations and interfund transfers will be recorded; sufficient funds exist for all recommended actions.

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

Attachments:

1. Fiscal Update
2. Measure Z Spending Status
3. Presentation

QUARTER ENDING DECEMBER 31, 2021

CITY OF RIVERSIDE FISCAL UPDATE

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Chief Financial Officer/City Treasurer
Edward Enriquez

Assistant Chief Financial Officer
Kristie Thomas

EXECUTIVE SUMMARY

As the country experiences a strong rebound in business sectors heavily impacted by the COVID-19 pandemic, the impact to business sectors, governmental agencies, and individuals spans a broad spectrum. The rebound of businesses, travel, and entertainment appears positive for all and has resulted in extraordinary sales tax growth and a rebound in transient occupancy tax for the City. However, the accompanying supply chain issues and inflation have resulted in significant price increases for consumers in nearly all areas of spending. The City continues to monitor the impact of the pandemic on local businesses and residents and has allocated a significant portion of federal funding from the American Rescue Plan Act (ARPA) to disproportionately impacted communities and to offsetting the local negative economic impact of the pandemic. (Visit https://www.riversideca.gov/citymanager/arpa)

The second quarter of Fiscal Year (FY) 2021/22 brings mixed news for City financials as General Fund revenue continues to perform exceedingly well while some enterprise funds are confronting significant operational and financial challenges. As a result of rebounding business activity and high prices, strong sales tax growth is projected to fully offset the adopted General Fund deficit for the current fiscal year. While the travel and entertainment sectors continue to recover, the City's entertainment venues are experiencing a prolonged recovery. The Public Parking Fund, already experiencing operational and financial challenges prior to the pandemic, has seen a rapid depletion in fund reserves as parking activity was and continues to be impacted by decreased parking activity in the City's downtown area throughout the pandemic. Council recently took action to improve the sustainability of the Parking Fund through an allocation of ARPA funding and revision of parking rates and hours of operation. In the Refuse Fund, an increase in residential tonnage due to more people staying home during the pandemic alongside a shift in the recycling market caused an increase in costs; despite recent rate increases, refuse revenue is not keeping pace with costs in the Refuse Fund. Staff is engaging the City Council on these and other challenges. Overall, the City is actively addressing areas of fiscal concern, while enjoying a slight reprieve in General Fund concerns.

ECONOMIC INDICATORS

INFLATION WATCH

Inflation Trends and Implications

The Consumer Price Index (CPI) is the broadest measure of the increases in the cost of living that the average consumer faces. CPI is still trending much higher, however, the pace of the gains should begin to abate in the next few months. The overall economy remains very hot (from an inflation standpoint) and will continue to remain in such a state, especially with ongoing supply chain issues. This constraint on supply is leading to higher prices for goods and services as demand outpaces supply by a large margin.

The main categories contributing to this inflation growth are food, energy, and transportation, specifically automobile prices, both new and used. This **annualized increase of over 20% in automobile prices** is stoking this area of inflation. Again, this can be directly traced back to supply chain issues and a lack of consistent inventory levels at auto dealers. The expectation remains for a cooling off in automobile prices as more auto parts manufacturing comes back to normal output levels.

Oil and gasoline continue their march upward. Oil prices are nearing the $100-a-barrel mark amid tight supplies, coupled with a reopening economy that is outstripping available petroleum inventories. Reports are floating in about more oil production coming online soon, but that is at least a few quarters away before any material relief can be felt at the pump. Additionally, the conflict between Russia and the Ukraine could potentially have a long term impact on gasoline prices.

Housing affordability is also impacted by supply chain issues, with the cost of materials driving up the cost of housing development. The California Association of Realtors' (CAR) Housing Affordability Index measures the percentage of households that can afford to purchase a median-priced, single-family home in California. Their December index lists the median price of Riverside housing at $585,000, requiring a monthly housing payment of $2,720 and a minimum qualifying income level of $108,800. CAR reports that 25% of households can afford a home in California, up slightly due to higher incomes and slowing price growth, but well below the 56% affordability level of just a decade ago.

Meanwhile, **rental costs** in the Riverside-San Bernardino-Ontario region are more expensive than 65% of the state, according to *rentdata.org*. Median rental prices range from $1,153 for a studio/efficiency apartment to $2,761 for a 4-bedroom home. California law AB 1482 (the Tenant Protection Act) caps annual rent increase at 5% plus the change in the regional April CPI. Accordingly, the maximum allowable rental increase for the period of August 2021-July 2022 was 8.6%.

MONTHLY CPI HEATMAP

	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022
Overall CPI	**1.7%**	**2.6%**	**4.2%**	**5.0%**	**5.4%**	**5.4%**	**5.3%**	**5.4%**	**6.2%**	**6.8%**	**7.0%**	**7.5%**
Category CPI												
Food	3.6%	3.5%	2.4%	2.2%	2.4%	3.5%	3.7%	4.6%	5.3%	6.1%	6.3%	7.0%
Energy	2.4%	13.2%	25.1%	28.6%	24.5%	23.9%	25.0%	24.8%	30.0%	33.3%	29.3%	27.0%
Household Furnishings	2.3%	2.8%	3.2%	3.7%	3.4%	3.0%	3.3%	4.8%	6.1%	6.0%	7.4%	9.3%
Apparel	-3.6%	-2.5%	1.9%	5.6%	4.9%	4.2%	4.2%	3.4%	4.3%	5.0%	5.8%	5.3%
Motor Vehicles & Parts	4.2%	4.5%	9.2%	13.3%	20.3%	19.8%	17.2%	15.0%	16.5%	19.2%	21.3%	23.4%
Shelter	1.5%	1.7%	2.1%	2.2%	2.6%	2.8%	2.8%	3.2%	3.5%	3.8%	4.1%	4.4%
Household Operations	4.3%	4.3%	4.9%	8.3%	7.2%	7.0%	7.3%	6.6%	6.9%	8.4%	7.4%	9.0%
Medical Care Services	3.0%	2.7%	2.2%	1.5%	1.0%	0.8%	1.0%	0.9%	1.7%	2.1%	2.5%	2.7%
Transportation Services	-4.4%	-1.6%	5.6%	11.2%	10.4%	6.4%	4.6%	4.4%	4.5%	3.9%	4.2%	5.6%

Green = lower CPI

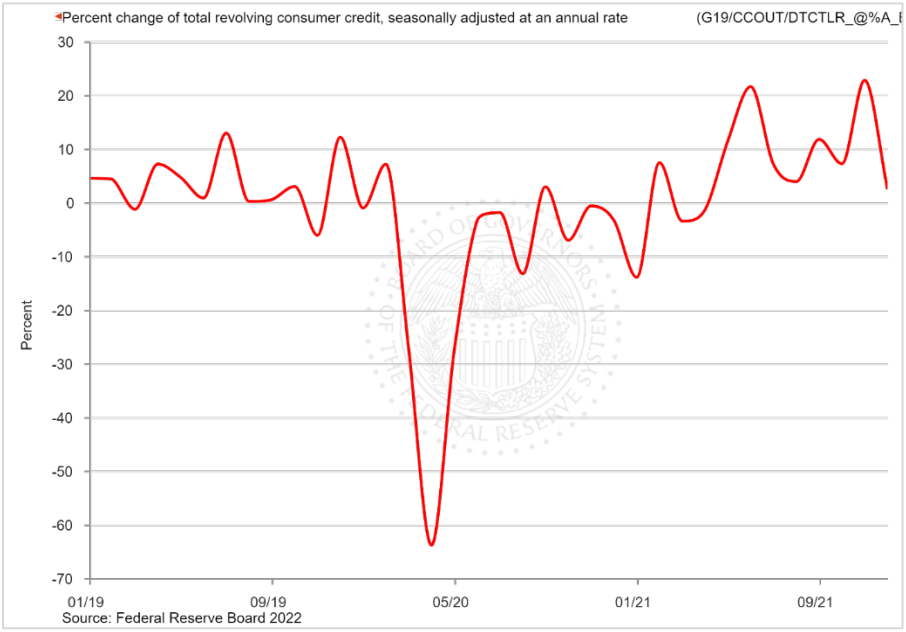
Red = higher CPI

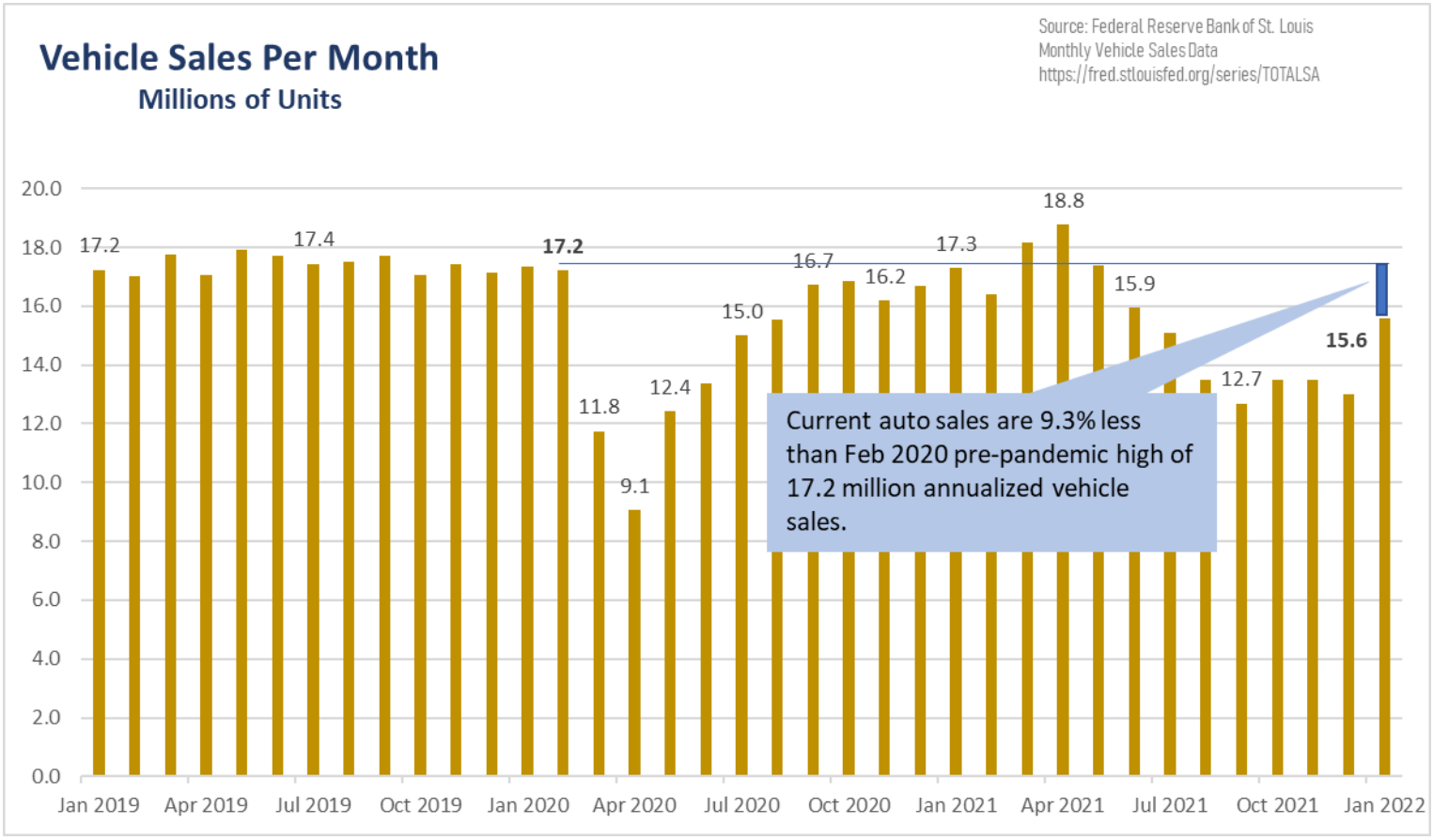
CONSUMER SPENDING TRENDS

Consumer Spending Trends

The City continues to enjoy relatively higher than expected sales tax receipts. Much of consumer spending has been impacted by higher prices. Among those categories are **auto sales**, which **account for 26% of City sales tax receipts**. While an overall decrease in auto unit sales has been realized since the start of the pandemic, there has been a steady, upward trend of units sold. Coupled with the increase in prices in both new and used autos, the City's portion of sales tax revenue from these sales continues its march upward and is exceeding expectations.

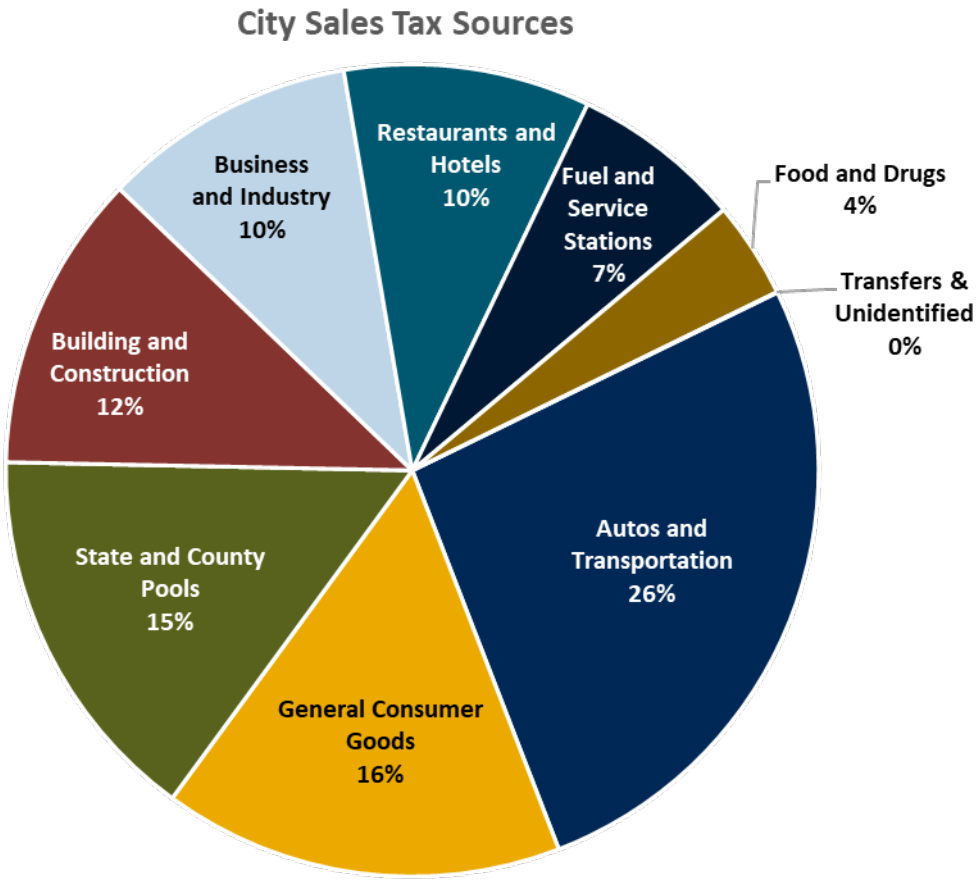
The City will continue to see significant growth in sales tax revenues until the slowdown and impacts of pricing pressures begin to crowd out other industry segments. Consumer spending does have limitations and data is showing that the consumer is beginning to get overburdened with household debt, especially on the revolving credit side of things. **June 2021 & November 2021 saw some of the largest increases in revolving debt** in many years (**+21.6%** & **+22.8%** respectively).





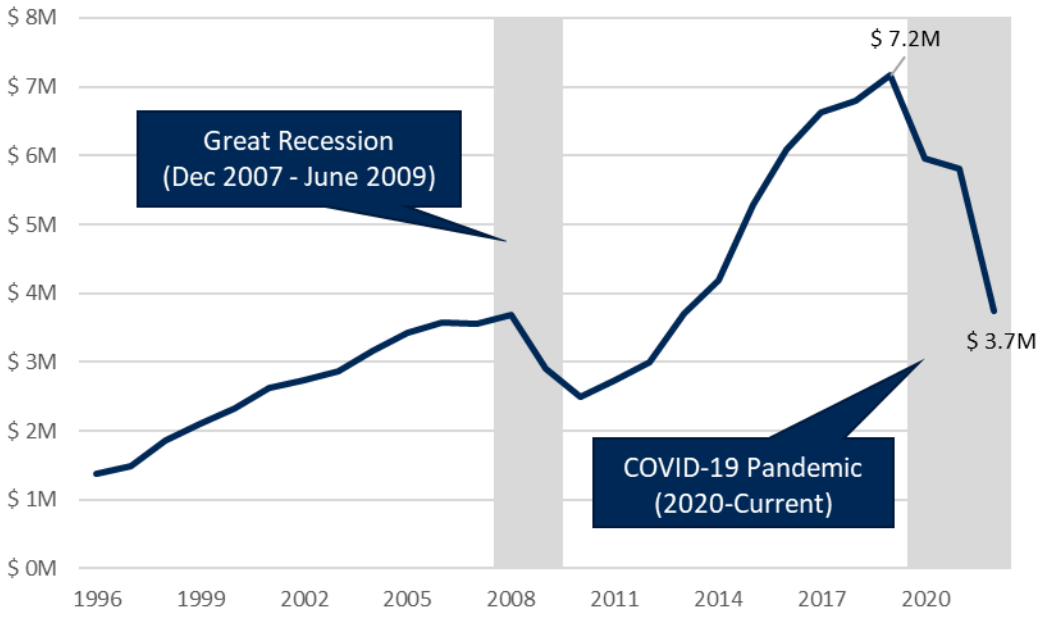
GENERAL FUND REVENUE

Overall, General Fund revenue is on target with revised revenue projections which are $13.7 million above the adopted budget. Since the first quarter report, sales tax has continued a strong upward trend, prompting the City's sales tax consultant (HdL) to revise its previous 3.7% annual growth estimate to 8.1% higher than prior year revenue. Overall, sales tax is up 18% over the prior year for the same period. Based on sales tax receipts in the second quarter, sales tax revenue may come in $5 million higher than the first quarter's revised revenue projections.



Transient Occupancy Tax

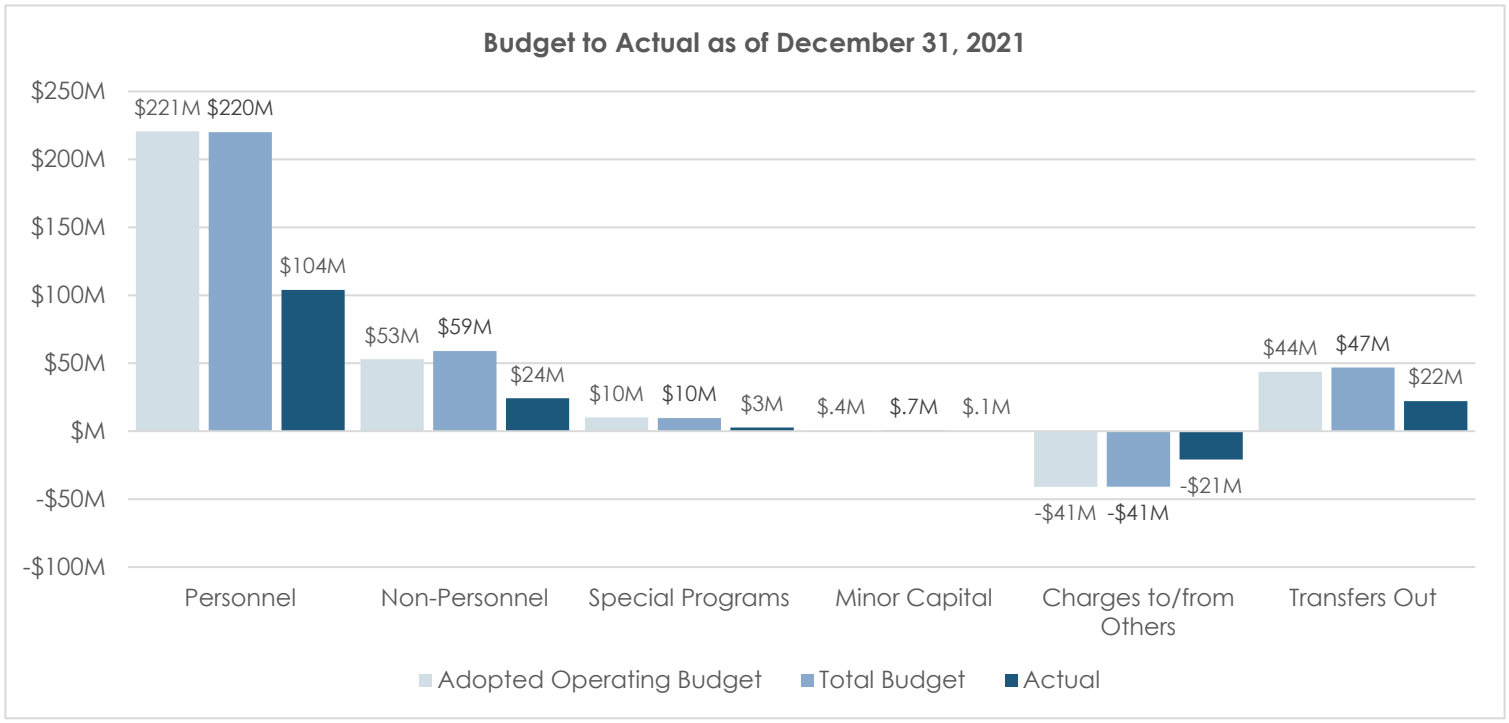
As one of the hardest-hit revenue sources during the COVID-19 pandemic, transient occupancy tax was expected to experience a long, protracted recovery as the entertainment and travel sectors continued to deal with pandemic outbreaks and related health mandates. However, as of the second quarter end, FY 2021/22 receipts are trending 30% higher than receipts for the same period in pre-pandemic FY 2018/19 ($7.2 million). If the trend continues, FY 2021/22 transient occupancy tax revenues could post an all-time high near or exceeding $8 million.



GENERAL FUND EXPENDITURES

As of the second quarter, General Fund expenditures are trending within the approved appropriation limit. General Fund non-personnel expenditures are trending lower than prior years and may produce some savings at fiscal year-end; however, actual expenditures fluctuate during the fiscal year and are subject to carryover at fiscal year-end. Based on an analysis of overtime trends to date, the Fire Department is likely to exceed its overtime budget in FY 2021/22 by approximately $2 million. Overtime costs are largely impacted by vacancies; currently, the Fire Department has 10 vacant firefighter positions, all of which are in the hiring process. Illness due to the COVID-19 pandemic has also contributed to excess overtime costs in the Fire Department. As of the second quarter, year-to-date trends in all other General Fund departments combined show that total savings from those departments may be sufficient to offset the Fire Department's budget overage in overtime costs.

In the chart below, General Fund expenditures recorded as of December 31, 2021, are presented in comparison to the Adopted Budget and the Total Budget. The Total Budget includes prior year encumbrances and carryovers as well as current year budget adjustments. Prior year encumbrances and carryovers represent the amount of unexpended appropriations from previous fiscal years.



Position Vacancies

The adopted budget includes a $10 million vacancy savings factor. On January 18, 2022, the City Council approved a supplemental appropriation in the General Fund of $5.5 million to rescind a portion of the $10 million adopted vacancy factor contingent upon successful certification of the General Fund Transfer election results (Measure C). If the General Fund Transfer election result (Measure C) is certified, staff will record a supplemental appropriation equal to or less than the approved amount proportionate to the point in time at which the certification occurs within the fiscal year. The legal matter is still pending in the courts.

The chart at right shows the vacancies by department as of December 31, 2021.

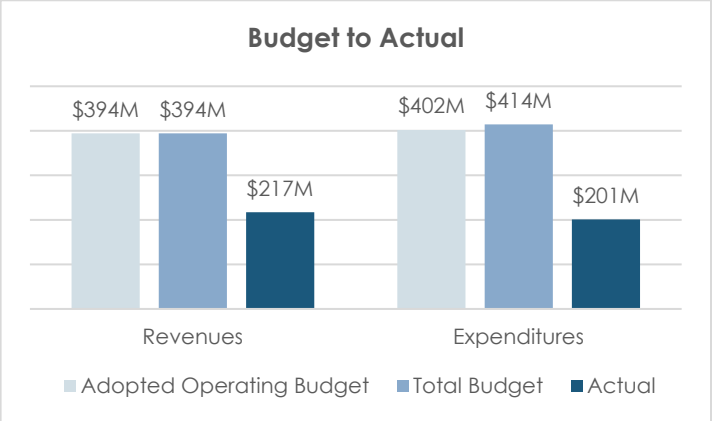
Position Vacancies by Department as of December 31, 2021

Department	Budgeted	Vacant	% Vacant
Mayor	7.75	0.25	3%
City Council	14	0	0%
City Manager	29.55	6.45	22%
City Clerk	11	1	9%
City Attorney	34	6	18%
Human Resources	31	5	16%
General Services	30	6	20%
Finance	55	10	18%
Innovation & Technology	59.25	12	20%
Community & Economic Development	106.5	26	24%
Public Works	505	63	12%
Library	219	12	5%
Parks, Recreation & Community Service	134	33	25%
Museum	60	13	22%
Police	152.85	18	12%
Fire	13.5	3	22%
Total	**1,462.4**	**214.7**	**15%**

ENTERPRISE FUNDS

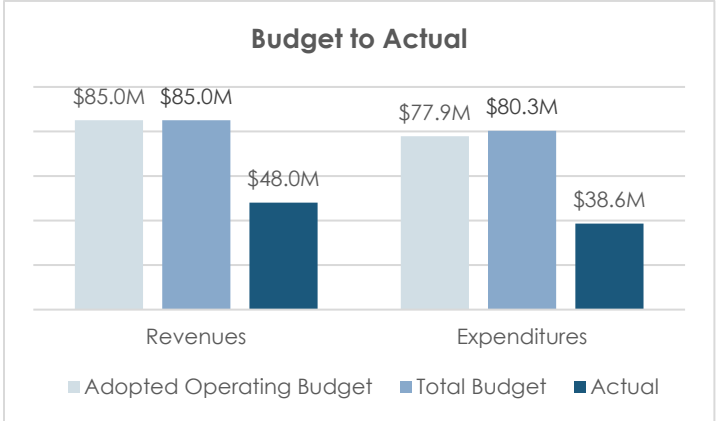
Electric Fund

The FY 2021/22 adopted budget for the Electric Fund includes a programmed $7.4 million operating deficit and draw on fund reserves. This is a financial strategy employed to draw reserves down to minimize the impact on rate increases and keep them as low as possible. Reserve level estimates as of the second quarter end are within established policy levels. As of the end of the second quarter, Electric operating revenues are at 55.0% of budgeted projections and operating expenditures are 48.6% of total budget.



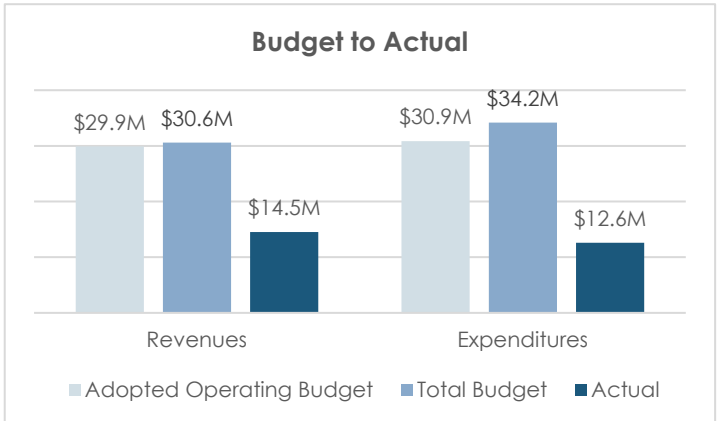
Water Fund

The Water Fund is in a healthy position with estimated reserve levels at the end of the second quarter within the required policy reserve range (including the available line of credit). Budgeted operating gains of $7.2 million are anticipated, with approximately $3.4 million to be used to fund $21.5 million in capital projects in FY 2021/22, supplemented by bond proceeds. Total operating revenues for the Water Fund are 56.5% of projections as of second quarter end and operating expenditures are 48.1% of budget.



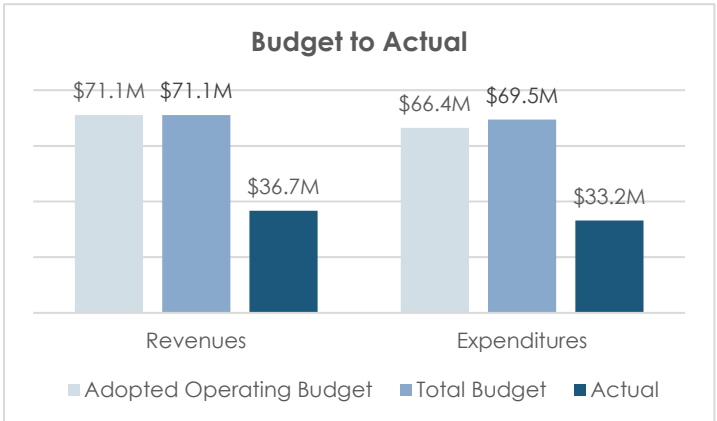
Refuse Fund

The adopted budget for the Refuse Fund projects a draw on fund reserves of approximately $1 million due to revenues not keeping pace with rising costs. The Refuse Fund began the fiscal year with fund reserves of $3.1 million net of prior year encumbrances and carryovers; as of the second quarter, the reserve balance is expected to be sufficient to accommodate a current year deficit. The Refuse Fund is currently experiencing both financial and operational challenges. Despite a recent rate increase, revenues are not keeping pace with rising costs. City Staff is in the process of bringing a comprehensive update to the City Council regarding ongoing challenges for the Refuse Fund.



Sewer Fund

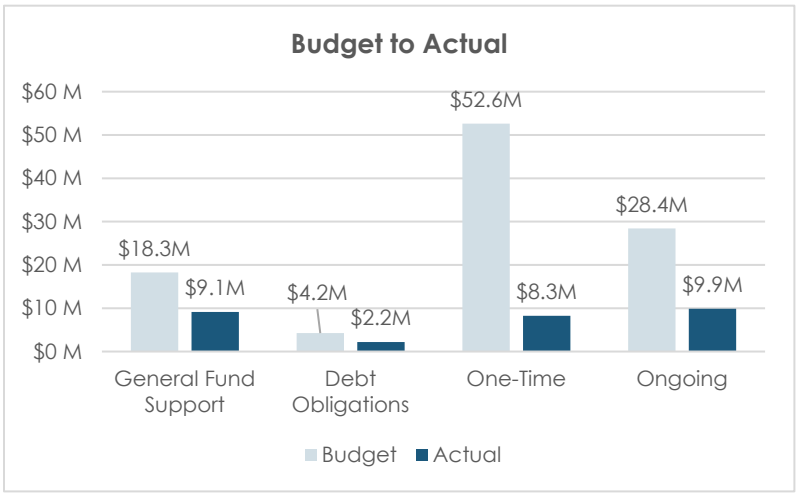
The FY 2021/22 adopted budget for the Sewer Fund projects a net operating gain of $4.6 million. The operating gain, in addition to fund reserves will be used to fund $22 million of planned capital projects. Based on an analysis of second quarter performance to date, the Sewer Fund is on track to meet revenue and expenditure projections. Chemical costs are higher than anticipated due to market volatility and supply shortages, and unplanned increases in biosolid removal due to truck driver shortages may cause overages in the non-personnel budget. Despite these unplanned increases, the Sewer Fund is expected to remain within total adopted appropriation limits through the fiscal year.



Measure Z

Based on the spending items approved to date and strong tax revenue performance, Measure Z is projected to end the fiscal year with approximately $44.8 million in unallocated fund reserves. The City's sales tax consultant, HdL, has increased revenue projections from a 3.2% growth rate to a 6.5% growth rate in sales tax revenue over prior year actuals. If the current revenue trend continues through the fiscal year, tax revenue may come in $2 million higher than the revised estimate.

The chart to the right displays the spending status as of December 31, 2021 of approved spending items of various types. Ongoing items are obligations that may increase annually and cannot be easily defunded, such as personnel. One-time items are spending items that can be defunded if necessary, depending on contractual obligations.

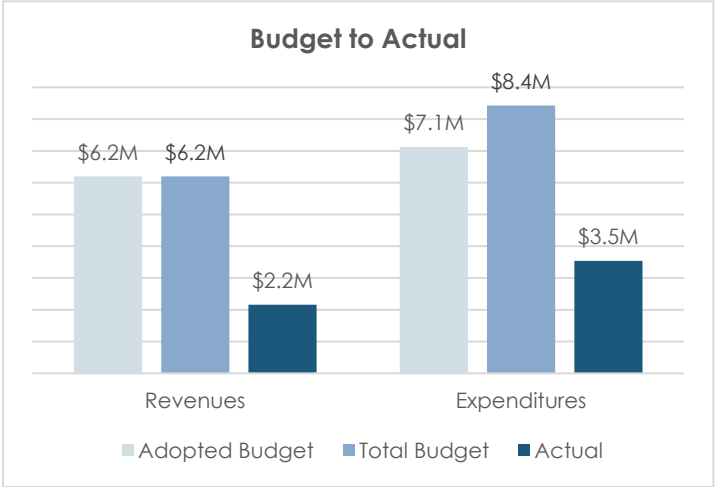


Public Parking Fund

Parking Fund reserves at the beginning of FY 2021/22 are $1.6 million, or $300,000 net of prior year encumbrances. The adopted FY 2021/22 budget projects a draw on fund reserves of $923,000 due to the lingering impacts of the pandemic on parking revenues, maintenance costs of aging infrastructure, and parking fees not keeping pace with operating costs. Based on second quarter analysis, the Public Works Department projected a net operating loss of $1.6 million for FY 2021/22 which would fully deplete fund reserves; however, actions executed after the second quarter may produce ending fund reserves of $325,000 (refer to #6 and #7, following).

The Public Works Department has presented several strategies to address infrastructure needs and revenue requirements to achieve financial sustainability in the Parking Fund, and some corrective actions have been approved. Major strategies and actions include:

1. 2016-2017: A recommended Strategic Parking Plan (SPP) addressed future parking needs with a phased approach to rate revisions; in 2017, the City Council approved an alternate plan consisting of six incremental rate changes and six program enhancements over two fiscal years.
2. 2018-2019: Program updates to the City Council and Transportation Committee included an operations overview, technology challenges, recommendations to pursue strategies, and balancing measures.
3. 2020: Staff developed and recommended a Parking Ecosystem Sustainability Plan for program solvency, including infrastructure and equipment needs and parking strategies with rate changes.
4. 2020-2022: Replace end-of-life single-space meters with multi-space meters (total cost approximately $836,000).
5. 2021: The City Council declared Garages 1 & 2 surplus property and directed their sale.
6. 2021: On March 11, 2021, President Biden signed into law the American Rescue Plan Act (ARPA) to facilitate the recovery from the devastating economic and health effects of the COVID-19 pandemic. On November 9, 2021, the City Council approved the City's ARPA expenditure plan which includes $1,300,000 in revenue loss funding for the Parking Fund.
7. On February 15, 2022, the City Council adopted revised parking rates and hours and approved moving forward with a Parking Access and Revenue Control Systems contract at an estimated cost of $925,000. With these changes scheduled to be in place by July 1, 2022, net operating gains of $214,000 are projected for FY 2022/23. In order to account for the ongoing impacts of COVID-19, this projection assumes a 60% utilization rate compared to normal parking volumes. Had the changes to rates, hours and operations not been adopted, a revenue loss of $1.3M was projected for FY 2022/23.



BUDGET DEVELOPMENT

FY 2022-2024 Biennial Budget Development

The City is currently developing the FY 2022-2024 biennial budget. Public engagement is encouraged at numerous meetings during which budget presentations and discussion will be conducted and feedback will be received. The following meetings are currently scheduled (subject to change); additional public outreach meetings may also be scheduled. Get the latest information on public meetings related to the development of the FY 2022-2024 biennial budget by visiting the City's budget website at https://riversideca.gov/finance/budget.asp.

Date	Time	Meeting Body	Subject Matter
March 21	6:30 PM	Park & Recreation Commission	Parks, Recreation, & Community Services Department preliminary budget
March 23	3:00 PM	Museum of Riverside Board	Museum Department Preliminary Budget
March 31	5:00 PM	Budget Engagement Commission	Departments' Preliminary Budget Presentations (Meeting 1 of 3)
April 7	5:00 PM	Budget Engagement Commission	Departments' Preliminary Budget Presentations (Meeting 2 of 3)
April 11	5:00 PM	Board of Library Trustees	Library Department Preliminary Budget
April 11	6:30 PM	Board of Public Utilities	Public Utilities Preliminary Budget
April 14	5:00 PM	Budget Engagement Commission	Departments' Preliminary Budget Presentations (Meeting 3 of 3)
April 18	8:00 AM	City Council Budget Workshop	Budget Overview (General Fund & Measure Z) & Departments' Preliminary Budget Presentations
April 29	9:00 AM	Planning Commission	Proposed CIP Conformance to General Plan
May 12	5:00 PM	Budget Engagement Commission	FY 2022-2024 Proposed Biennial Budget
May 17	1:00 PM	City Council – Afternoon Session	FY 2022-2024 Proposed Biennial Budget
June 9	5:00 PM	Budget Engagement Commission	FY 2022-2024 Final Budget
June 21	6:15 PM	City Council – Evening Session	Public Hearing and Adoption of the FY 2022-2024 Biennial Budget

Priority Based Budgeting (PBB)

Priority Based Budgeting is a decision-making tool that assists City leadership in aligning resources with activities closely aligned to the City's strategic plan. To date, the City has classified City activities into more than 500 programs, identified the revenue and costs associated with those programs, and scored the programs in relation to their alignment to the City's strategic plan, *Envision Riverside 2025*. Alignment to the City's strategic plan is considered separately for outward-facing programs (Community) and inward facing programs (Governance). Governance programs are internal programs that support the City function at large. Programs are also scored against "Basic Program Attributes" which define the level of necessity or impact of a program separately of the City's strategic plan.

PBB is a multi-year implementation process that emphasizes successful implementation and integration of PBB into organizational thought processes. For the upcoming budget cycle, the City focused on vetting critical unfunded needs through the lens of PBB, including relating those needs to existing programs and considering the alignment of those needs with the strategic plan. The needs mostly aligned with the strategic plan will be presented to the Budget Engagement Commission and City Council for direction on funding those items in the FY 2022-2024 biennial budget.

PBB Scoring Criteria

Programs are scored according to their alignment with the City's strategic priorities:

Community Programs

- Arts, Culture and Recreation
- Community Well-Being
- Economic Opportunity
- Environmental Stewardship
- Infrastructure, Mobility & Connectivity

Governance Programs

- Organizational Culture
- Diverse and Highly Skilled Workforce
- Financial Health
- Technology, Data and Process Improvement
- Communication and Collaboration

Basic Program Attributes

- Population Served
- Level of Cost Recovery
- Level of Reliance on the City to provide the program
- Whether the program is Mandated by Federal, State, or local rule, regulation, or law
- Level of Demand for the program
- Whether the program is Equally Accessible to stakeholders

Measure Z
FY 2021/22 Quarter 2 Financial Update

	Spending Item	Adopted Budget	Total Budget [1]	Spent as of Dec 31, 2021	Amount Remaining
Financial Discipline/ Responsibility					
2	Payoff Balloon $32 million Pension Obligation Bond	$ 1,674,490	$ 1,674,490	$ 842,245	$ 832,245
Total Financial Discipline/ Responsibility		**$ 1,674,490**	**$ 1,674,490**	**$ 842,245**	**$ 832,245**
Public Safety					
5	Additional Sworn Police Positions	$ 10,696,098	$ 10,672,658	$ 5,235,383	$ 5,437,275
6	Public Safety Non-Sworn Positions & Recruitment Costs	960,636	959,358	416,941	542,417
7	Police Officer Recruitment Costs	200,000	200,000	-	200,000
8	Additional Dispatchers	1,166,456	1,164,863	464,736	700,127
9	Maintain Firefighter Staffing Level	3,346,678	3,337,980	1,944,693	1,393,287
10	Reinstatement of Captains (Training and Arson)	578,012	576,430	193,392	383,038
11	Reinstatement of Battalion Chief	393,599	392,488	192,202	200,286
12	Police Vehicle Replacement and Maintenance Plan	2,180,909	4,987,046	678,880	4,308,166
14	Fire Vehicle Replacement and Maintenance Plan	1,934,544	3,678,712	1,068,004	2,610,708
16	Fleet Mechanics for Police Department	224,766	224,416	107,961	116,455
17	Fleet Mechanics for Fire Department	240,535	240,153	116,502	123,651
34	4-Person Staffing on Fire Trucks	1,429,255	1,425,883	508,588	917,295
35	Fire Equipment and One-Time Operating Needs	-	73,042	8,291	64,751
36	Contingency - Fire Radios	-	19,679	-	19,679
38	Bourns Youth Innovation Center	-	366,503	58,749	307,754
40	Library Security Guards	372,829	380,635	208,079	172,556
46	Park and Neighborhood Specialist (PANS) Program	2,393,098	2,393,098	-	2,393,098
47	Police Helicopters Capital Lease	-	-	-	-
Total Public Safety		**$ 26,117,415**	**$ 31,092,945**	**$ 11,202,402**	**$ 19,890,543**
Critical Operating Needs					
18	General Fund Support - Maintain Existing Services	$ 18,266,026	$ 18,266,026	$ 9,133,013	$ 9,133,013
19	General Plan Update	-	4,656,987	452,986	4,204,001
20	Homeless Services	500,000	1,773,455	70,675	1,702,780
21	Principal Analyst - City Manager's Office	180,858	180,566	92,099	88,467
22	Budget Engagement Commission Support	37,687	37,987	8,040	29,947
43	PW Streets Vehicle & Equipment Needs	2,000,000	2,000,000	-	2,000,000
44	PRCSD Infrastructure, Vehicles, and Equipment	1,965,000	1,965,000	3,113	1,961,887
45	Motorhome Removal & Disposal	45,000	45,000	3,500	41,500
Total Critical Operating Needs		**$ 22,994,571**	**$ 28,925,021**	**$ 9,763,425**	**$ 19,161,596**
Facility Capital Needs					
23	New Downtown Main Library and Archives	$ 2,751,200	$ 4,305,112	$ 1,375,600	$ 2,929,512
24	Eastside Library Site Selection	-	81,100	75,600	5,500
25	New Police Headquarters	-	26,003	-	26,003
26	Museum Expansion and Rehabilitation	-	9,991	-	9,991
28	Annual Deferred Maintenance (Existing Facilities)	1,000,000	1,565,956	310,227	1,255,729
Total Facility Capital Needs		**$ 3,751,200**	**$ 5,988,162**	**$ 1,761,427**	**$ 4,226,736**
Quality of Life					
29	Maximize Roads/Streets (Pavement Condition Index)	$ 4,375,000	$ 23,254,111	$ 4,315,485	$ 18,938,626
30	Tree Trimming	1,000,000	1,005,415	239,955	765,460
31	Ward Action Team - City Attorney's Office	323,321	322,800	158,818	163,982
39	Public Safety & Engagement Team Program (PSET)	2,800,000	6,282,922	425,443	5,857,479
Total Quality of Life		**$ 8,498,321**	**$ 30,865,248**	**$ 5,139,701**	**$ 25,725,547**
Technology					
33	Technology Improvements	$ 1,000,000	$ 4,982,497	$ 731,092	$ 4,251,405
Total Technology		**$ 1,000,000**	**$ 4,982,497**	**$ 731,092**	**$ 4,251,405**
Grand Total		**$ 64,035,997**	**$ 103,528,363**	**$ 29,440,291**	**$ 74,088,072**

[1] Includes proior years' accumulated unexpended funds (encumbrances and carryovers) totaling $36.16 million.

FY 2021/22 Second Quarter Financial Update

Finance Department

City Council
March 15, 2022

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GENERAL FUND OVERVIEW

FY 2021/22	Adopted Budget	Total Budget	Actuals as of Dec 31, 2021
Revenues & Transfers In	$ 286,973,197	$ 301,214,138	$ 110,951,833
Expenditures & Transfers Out	(286,973,197)	(295,426,542)	(132,317,241)
Surplus/(Deficit)	**$ -**	**$ 5,787,596**	**$ (21,365,408)**

General Fund Reserves at June 30, 2021
(in millions)

Economic Reserves (15%)	$ 43.05 M
Economic Contingency Reserves (5%)	$ 14.35 M
Surplus Reserves*	$ 47.12 M
Section 115 Trust Fund Reserves	$ 10.98 M

* Per City Council direction on December 14, 2021, surplus reserves have been allocated for specific purposes contingent upon the certification of Measure C results.

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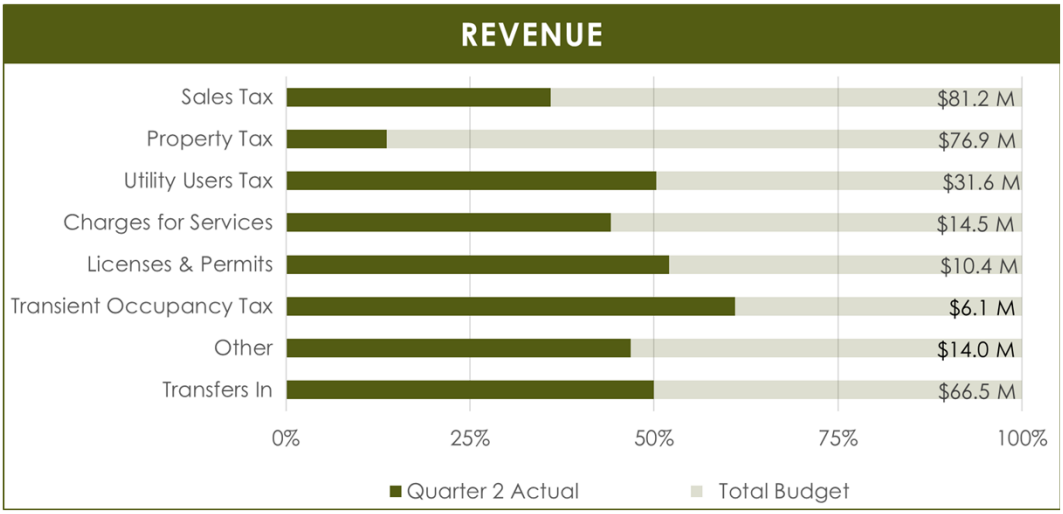
GENERAL FUND REVENUE



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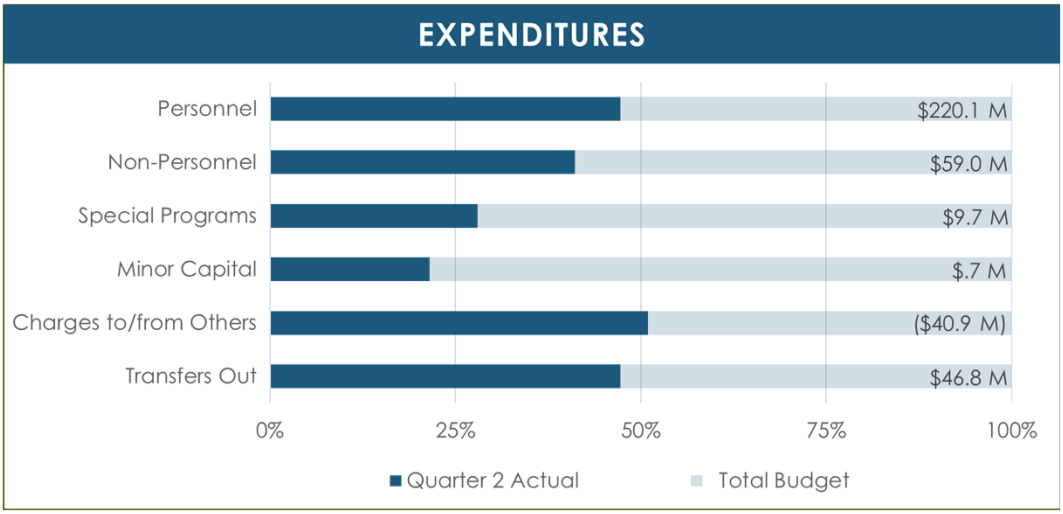
GENERAL FUND EXPENDITURES



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

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MEASURE Z SPENDING PLAN

	Actuals				Projected
(in millions)	**2018**	**2019**	**2020**	**2021**	**2022**
Revenue	$ 56.24	$ 62.82	$ 63.14	$ 72.65	$ 74.65
Expenditures	(36.14)	(40.99)	(49.56)	(50.85)	(68.64)
Encumbrances & Carryovers	-	-	-	(36.16)	-
Net Change in Fund Balance	**$ 20.10**	**$ 21.83**	**$ 13.58**	**$(14.36)**	**$6.01**
Beginning Unallocated Fund Reserves	$ 2.63	$ 22.73	$ 39.56	$ 53.14	$ 38.78
Net Change in Fund Balance	20.10	21.83	13.58	(14.36)	6.01
Fund Balance Reserve Policy	-	(5.00)	-	-	-
Ending Unallocated Fund Reserves	**$ 22.73**	**$ 39.56**	**$ 53.14**	**$ 38.78**	**$ 44.79**

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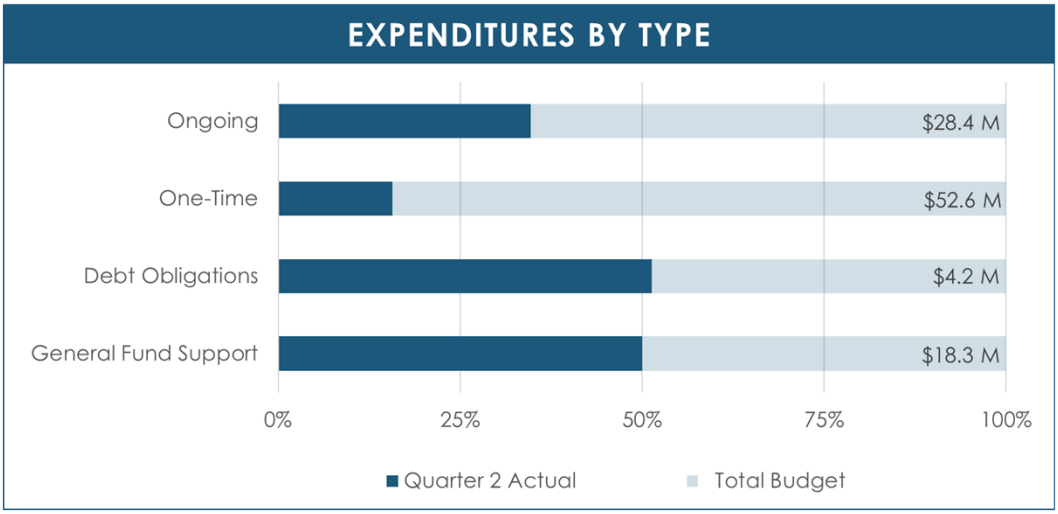
MEASURE Z EXPENDITURES



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

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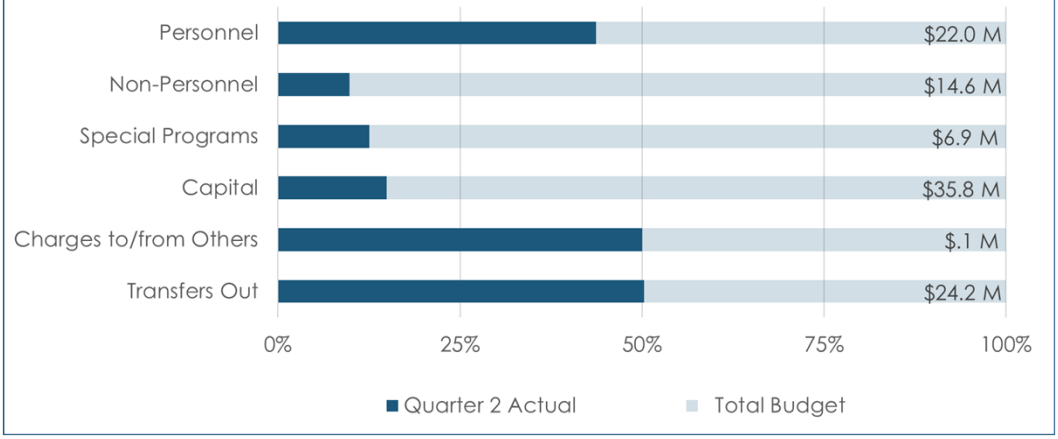
MEASURE Z EXPENDITURES

EXPENDITURES BY CATEGORY



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

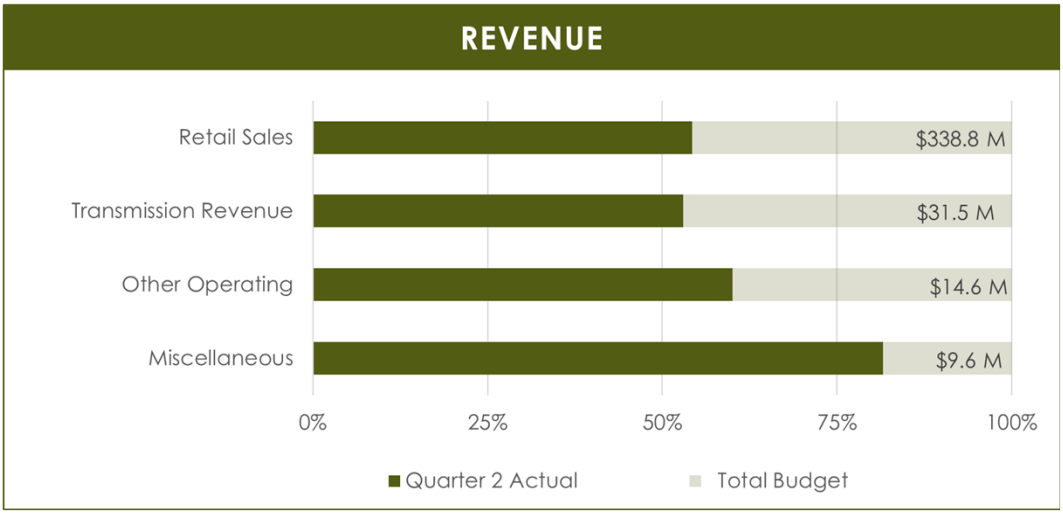
ELECTRIC FUND OVERVIEW

FY 2021/22 Operating Budget	Adopted Budget	Total Operating Budget	Actuals as of Dec 31, 2021
Revenue & Transfers In	$ 394,458,800	$ 394,458,800	$ 217,061,520
Expenditures & Transfers Out	(401,889,290)	(414,231,961)	(201,160,919)
Surplus/(Deficit)	**$ (7,430,490)**	**$ (19,773,161)**	**$ 15,900,601**

Unrestricted, Undesignated Cash Reserves
As of 11/30/2021 (in millions)

Cash Reserves	$ 190.2 M
Available Line of Credit	$ 35.0 M
Minimum Reserve Level	$ 139.0 M
Maximum Reserve Level	$ 220.0 M

ELECTRIC FUND OPERATING REVENUE



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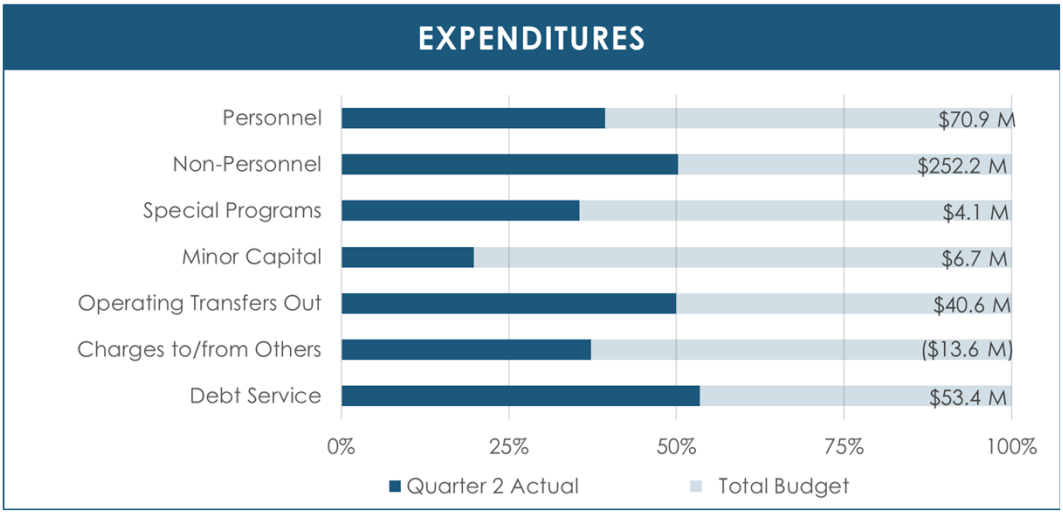
ELECTRIC FUND OPERATING EXPENDITURES



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

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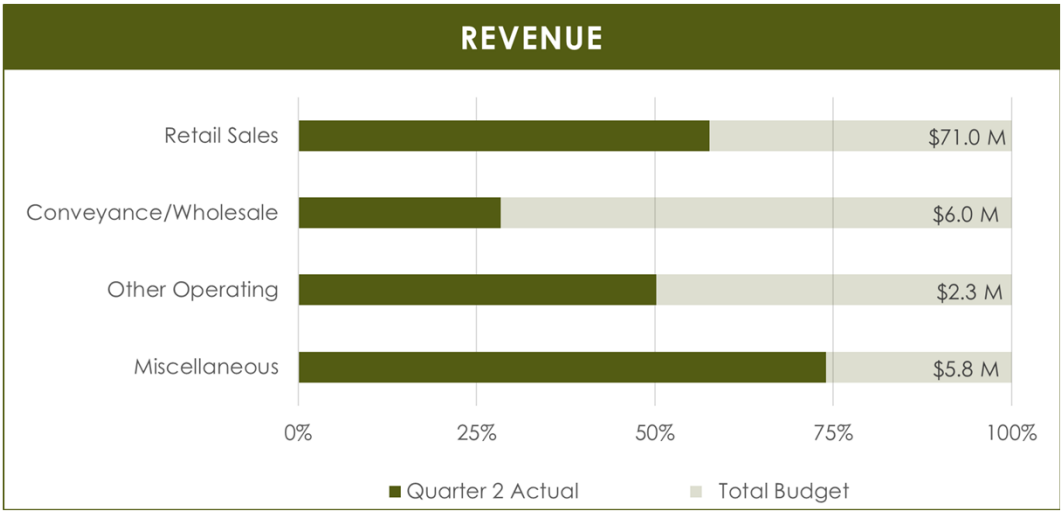
WATER FUND OVERVIEW

FY 2021/22 Operating Budget	Adopted Budget	Total Operating Budget	Actuals as of Dec 31, 2021
Revenue & Transfers In	$ 85,043,500	$85,043,500	$ 48,041,360
Expenditures & Transfers Out	(77,863,871)	(80,337,130)	(38,606,517)
Surplus/(Deficit)	**$ 7,179,629**	**$ 4,706,370**	**$ 9,434,843**

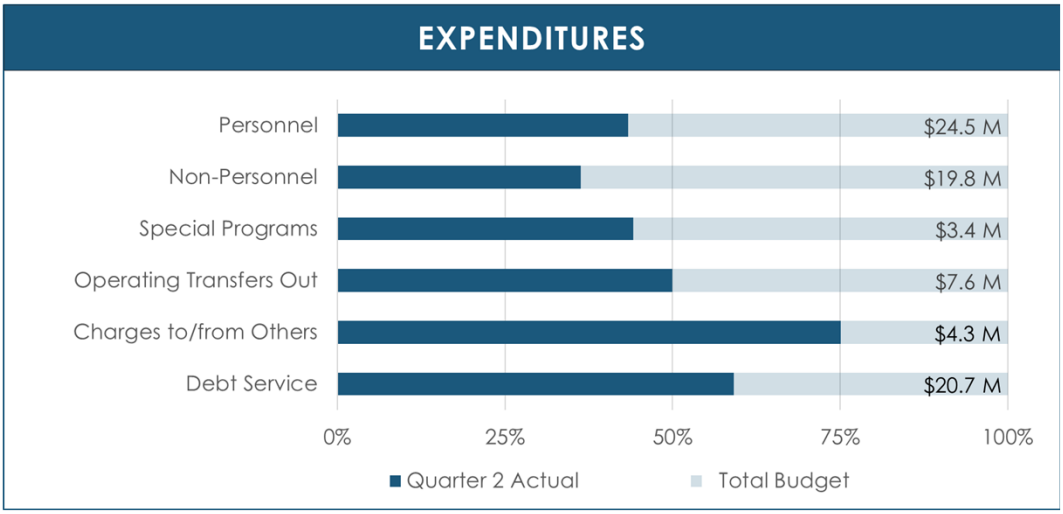
Unrestricted, Undesignated Cash Reserves
As of 11/30/2021 (in millions)

Cash Reserves	$ 40.1 M
Available Line of Credit	$ 25.0 M
Minimum Reserve Level	$ 42.0 M
Maximum Reserve Level	$ 65.0 M

WATER FUND OPERATING REVENUE



WATER FUND OPERATING EXPENDITURES



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

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SEWER FUND OVERVIEW

FY 2021/22 Operating Budget	Adopted Budget	Total Budget	Actuals as of Dec 31, 2021
Revenue & Transfers In	$ 71,086,253	$ 71,086,253	$ 36,716,642
Expenditures & Transfers Out	(66,443,526)	(69,481,901)	(33,159,765)
Surplus/(Deficit)	**$ 4,642,727**	**$ 1,604,352**	**$ 3,556,877**

Fund Reserves (in millions)	
Beginning Balance	$ 94.5 M
Estimated Revenues	71.1 M
Total Budgeted Expenditures*	(113.1) M
Estimated Ending Reserves	**$ 52.5 M**

** Includes $43.5 million in unexpended capital project budget*

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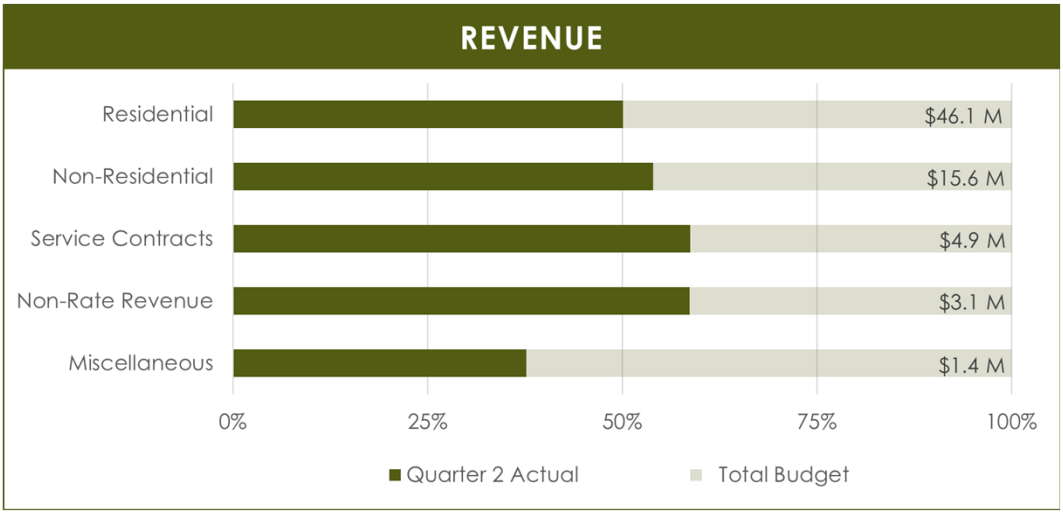
SEWER FUND OPERATING REVENUE



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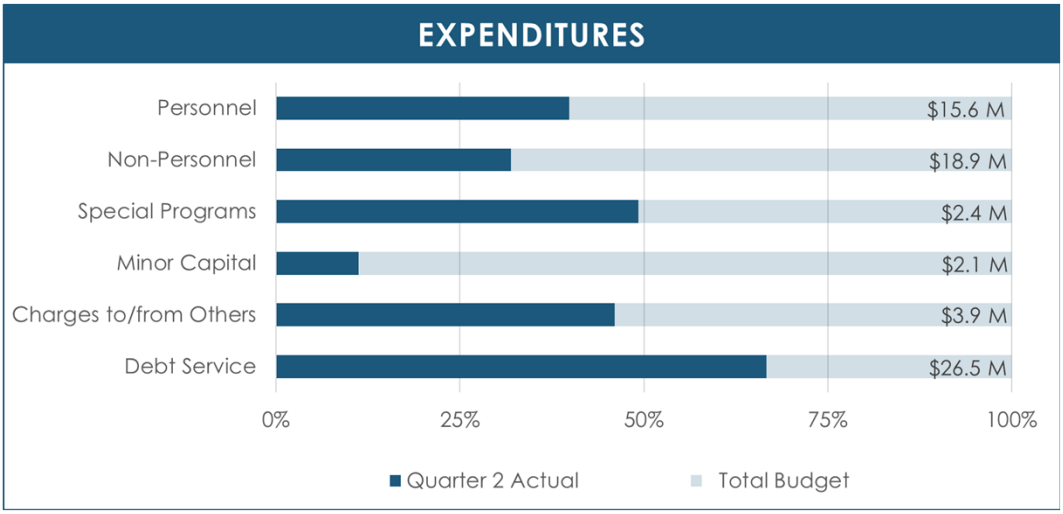
SEWER FUND OPERATING EXPENDITURES



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

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REFUSE FUND OVERVIEW

FY 2021/22 Operating Budget	Adopted Budget	Total Budget	Actuals as of Dec 31, 2021
Revenue & Transfers In	$ 29,894,417	$ 30,588,135	$ 14,522,837
Expenditures & Transfers Out	(30,855,904)	(34,172,055)	(12,604,259)
Surplus/(Deficit)	**$ (961,487)**	**$ (3,583,920)**	**$ 1,918,578**

Fund Reserves (in millions)	
Beginning Balance	$ 6.5 M
Estimated Revenues	30.6 M
Total Budgeted Expenditures	(34.2) M
Estimated Ending Reserves	**$ 2.9 M**

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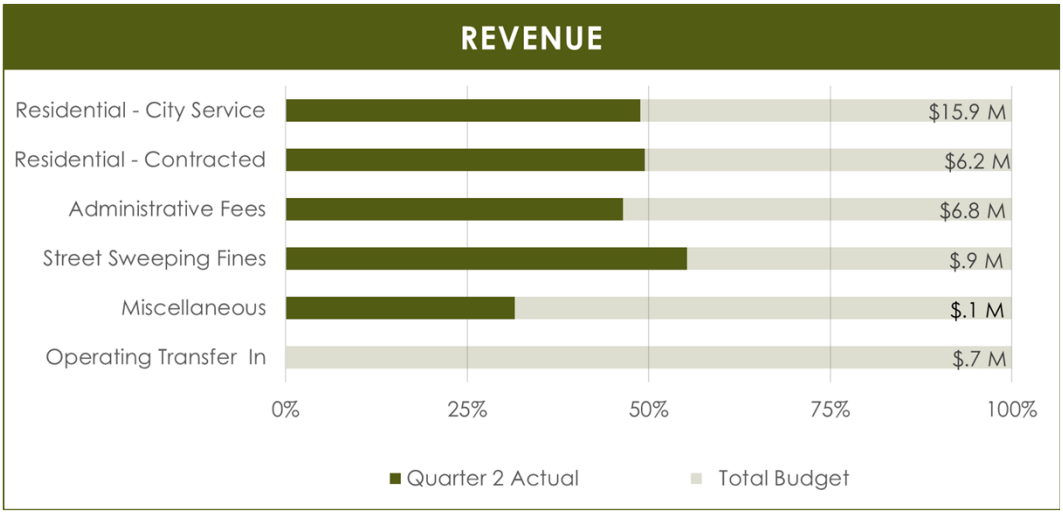
REFUSE FUND OPERATING REVENUE



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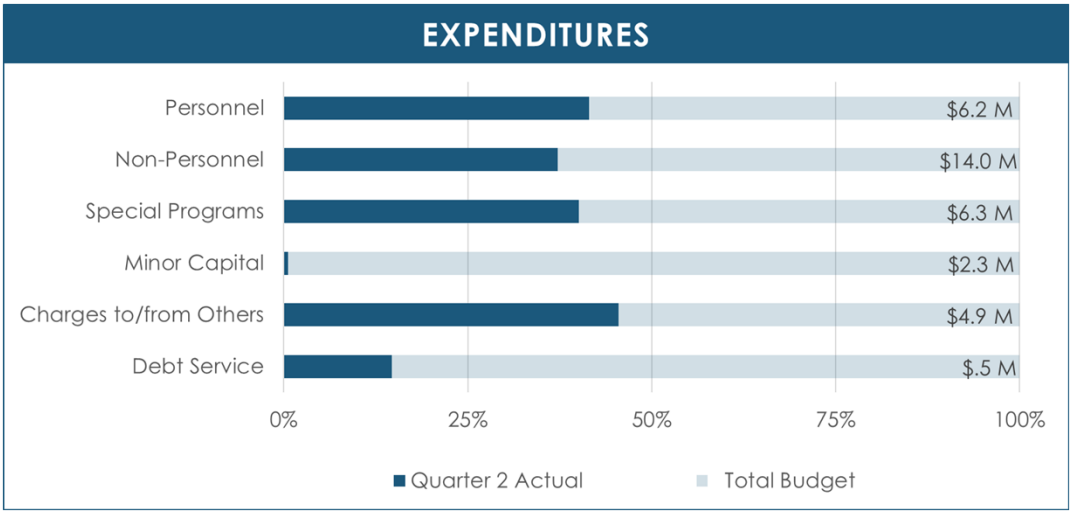
REFUSE FUND OPERATING EXPENDITURES



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

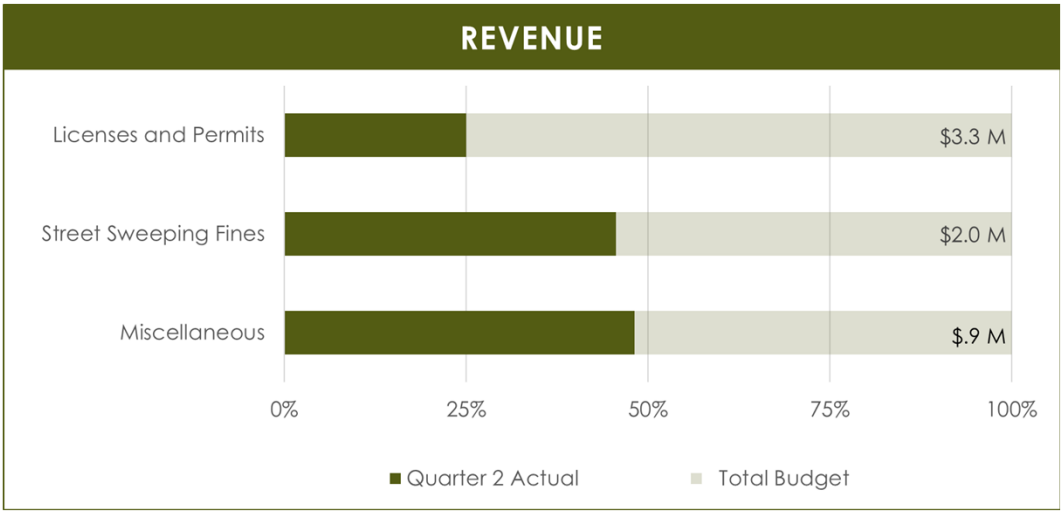
PUBLIC PARKING FUND OVERVIEW

FY 2021/22 Operating Budget	Adopted Budget	Total Budget	Actuals as of Dec 31, 2021
Revenue & Transfers In	$ 6,196,851	$ 6,196,851	$ 2,160,978
Expenditures & Transfers Out	(7,119,830)	(8,429,571)	(3,537,783)
Surplus/(Deficit)	**$ (922,979)**	**$ (2,232,720)**	**$ (1,376,805)**

Fund Reserves (in millions)	
Beginning Balance	$ 1.57 M
Projected Revenues*	5.64 M
Projected Expenditures*	(7.21) M
Projected Ending Reserves	**$ 0.0 M**

* Does not include $1.3M ARPA allocation for revenue loss or projected capital expenditure of $925,000.

PUBLIC PARKING FUND OPERATING REVENUE



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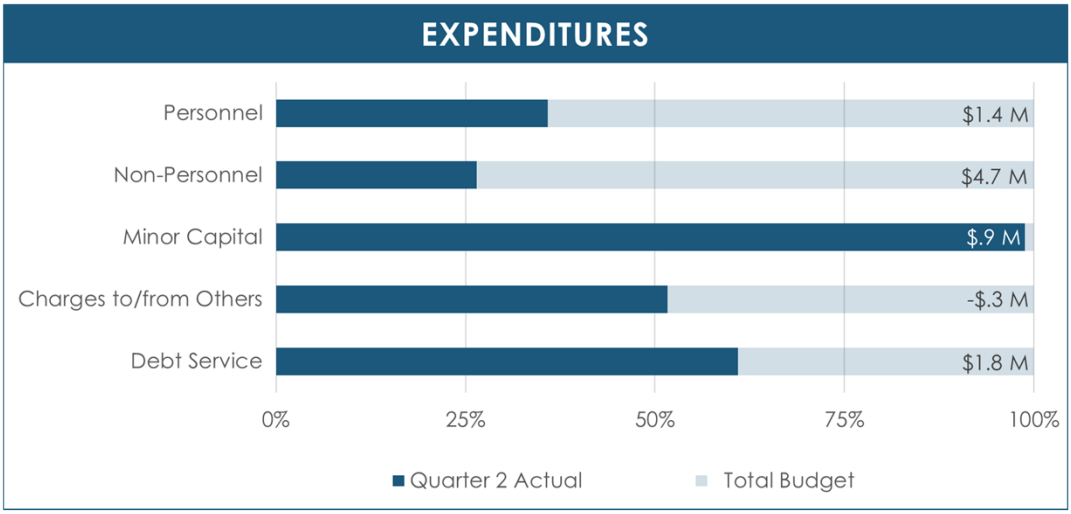
PUBLIC PARKING FUND OPERATING EXPENDITURES



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

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STRATEGIC PLAN ALIGNMENT

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.

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 2021/22 Second Quarter financial update;
2. With at least five affirmative votes, authorize the Chief Financial Officer to record an increase in revenue and appropriate expenditures in the amount of $1,000 in the Development Grants Fund for additional funding received from the State Office of Historic Preservation grant;
3. With at least five affirmative votes, authorize the Chief Financial Officer to record a supplemental appropriation in the amount of $350,000 in the General Fund Parks, Recreation and Community Services department for the repair of Shamel Park pool;

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RECOMMENDATIONS

5. With at least five affirmative votes, authorize the Chief Financial Officer to record a supplemental appropriation in the amount of $191,816 in the Community Facilities District 90-1 Highlander Fund for irrigation maintenance; and
6. With at least five affirmative votes, authorize the Chief Financial Officer to record an interfund transfer of Wellness Program Donations from the General Fund to the Grants and Restricted Programs Fund in the amount of $46,679.90.

City of Arts & Innovation

City Council Memorandum

TO: **HONORABLE MAYOR AND CITY COUNCIL** **DATE: MARCH 15, 2022**

FROM: **FINANCE DEPARTMENT** **WARDS: ALL**

SUBJECT: **FISCAL YEAR 2021/22 SECOND QUARTER CASH, INVESTMENTS, AND DEBT REPORT**

ISSUE:

That the City Council receive and provide input on the attached Fiscal Year 2021/22 Second Quarter Cash, Investments, and Debt Report.

RECOMMENDATIONS:

That the City Council:

1. Receive and provide input on the attached Fiscal Year 2021/22 Second Quarter Cash, Investments, and Debt Report.

BACKGROUND:

On January 18, 2022, the City Council received and provided input on the Fiscal Year 2020/21 First Quarter Cash and Investments and Debt report.

DISCUSSION:

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

QUARTERLY CASH AND INVESTMENT REPORT

Sound investment practices are an essential component of the City's strong fiscal management. The Finance Department is responsible for managing the City's investment portfolio, focusing first on the safety of investments and then on liquidity and an appropriate rate of return. The investment results and portfolio composition are summarized and reported to the City Council each quarter. As of December 31, 2021, the City's pooled investment portfolio's market value was $866 million. The market value of investments held for the Section 115 Pension Trust Fund, fiscal agents (bond proceeds and reserve funds primarily), and other miscellaneous cash amounts to an additional $135 million. The weighted average yield of the pooled investment portfolio is 0.76% as of

December 31, 2021.

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

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

All listed funds have a positive cash balance except for the following funds as of December 31, 2021:

1. Civic Entertainment - Convention Center, Visitors Bureau, Sports Commission ($1,459,107) has a negative cash balance due to the loss of revenues from the COVID-19 impact. This account is being monitored and will return to positive by fiscal year-end.

2. Civic Entertainment – Cheech Marin Center ($9,267,848) has a negative cash balance due to a pending submittal of a grant reimbursement to offset expenses and negative cash.

3. Urban Areas Security Initiative ($1,010,835), Home Investment Partnership Program ($1,445,805), Housing Opportunities for Persons with AIDS ($1,067,107), Special Districts ($1,279,465), Capital Outlay Grants ($167,011), and Transportation Uniform Mitigation Fees ($1,794,929) have negative cash balances due to the timing of expenditures; however, the negative balances are fully offset by receivables.

4. Debt Service Fund – General ($18,554,442), which is fully offset by outstanding cash transfers from all funds related to their share of the Pension Obligation Bond (POBs) payments made by the Debt Service Fund ($28 million) and other debt service payments.

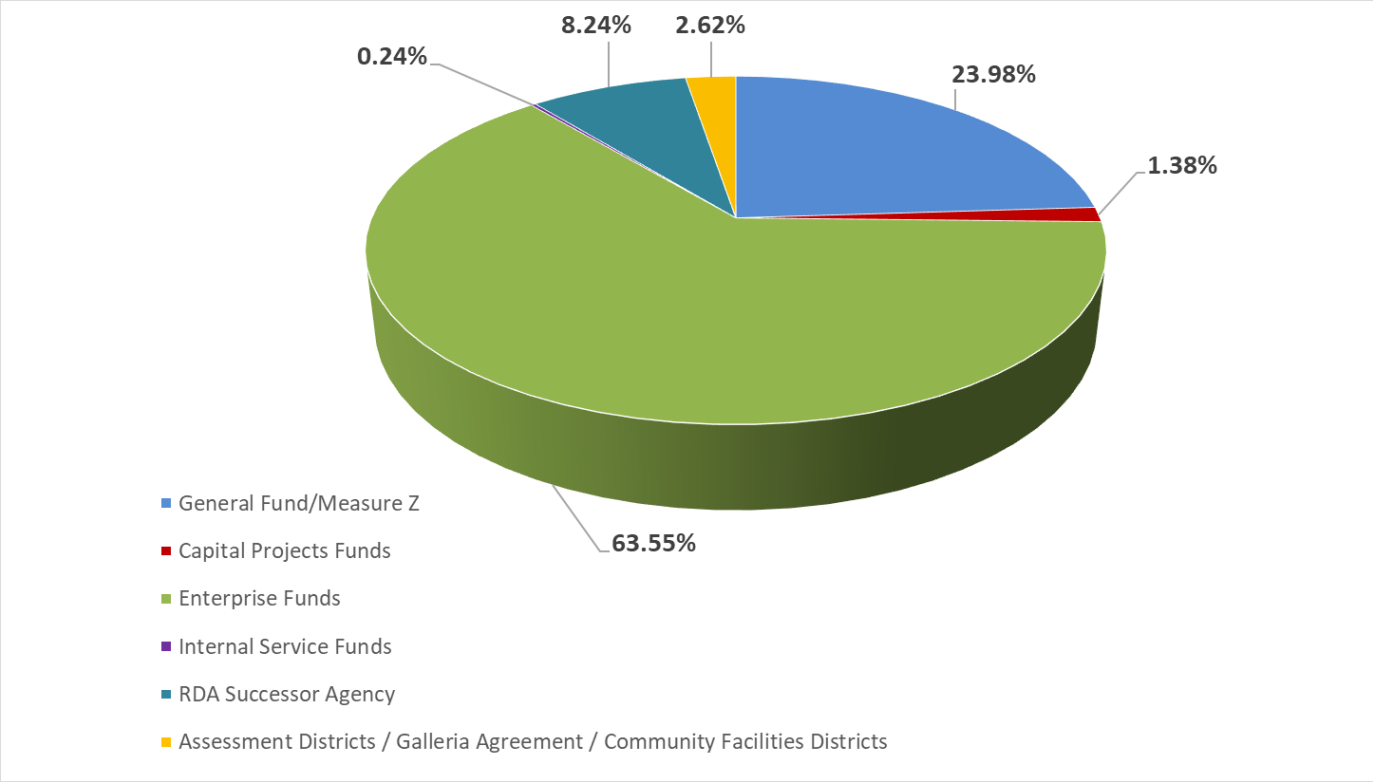
QUARTERLY DEBT REPORT

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 second quarter of Fiscal Year 2022 by debt classification and fund.

Debt Summary Analysis

The City's outstanding principal varies quarterly as a result of debt service payments, bond calls, new debt issuances, and refunding and defeasance activity. At the end of the second quarter, the City's outstanding principal balance decreased $30,057,897 from the end of the first quarter of fiscal year 2022. This principal decrease is due to debt service principal payments on 2003A and B California Tower, 2012A, 2019A (Galleria – paid by CFD 2004-1 special tax revenue) and 2019B (Library) Lease Revenue Bonds, Ryan Bonaminio Park Loan, Fox Entertainment Plaza Loan, Convention Center Expansion Loan, and various Electric and Water Revenue Bonds.

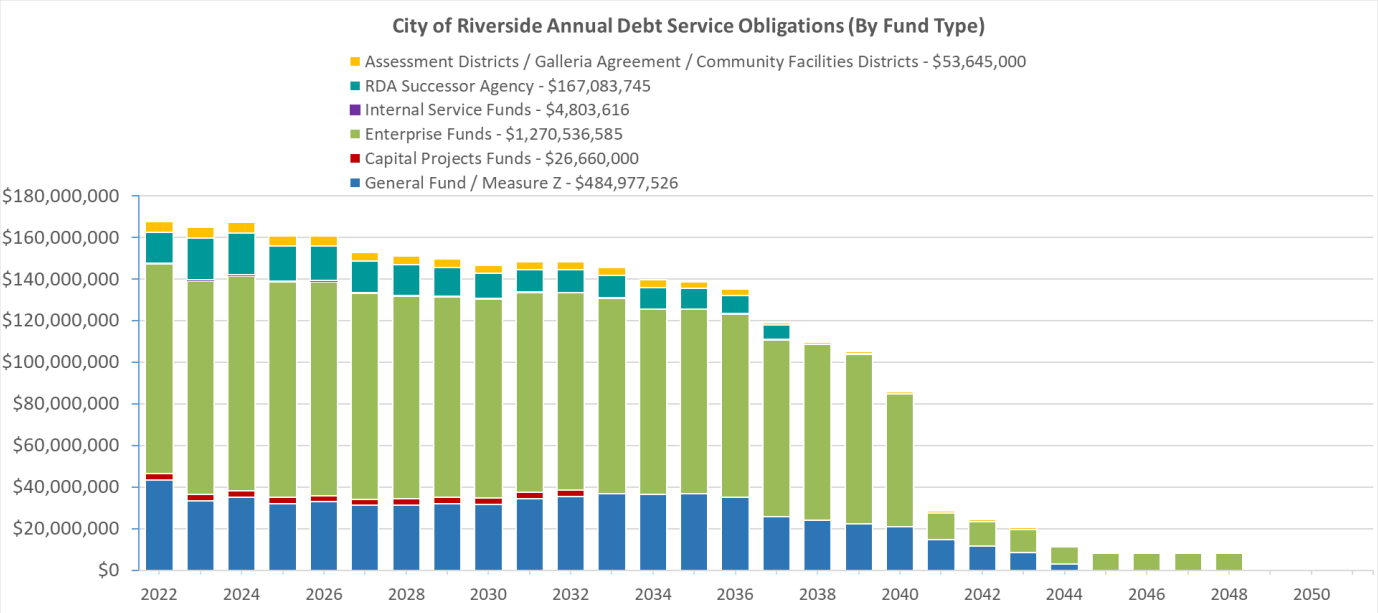
The chart below depicts the composition of the City's debt portfolio at the end of the second quarter. The Enterprise funds are responsible for most of the City's debt and are primarily for capital project financing offset by the revenues generated by the newly financed facilities. The General Fund and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



For purposes of this report, the Sewer, Water, Electric, Refuse, Special Transit, Civic Entertainment, Convention Center, and Parking funds are consolidated under the classification of Enterprise Funds. Measure Z and the General Fund are grouped together. Measure A and the City's Parks Special Capital fund are classified under Capital Projects Funds. While the Assessment Districts, Galleria Agreement, and Community Facilities Districts are part of the City debt portfolio, they aren't classified as City obligations. They are offset by individual Improvement Districts, which are separate legal entities from the City, formed to issue debt and levy assessments or special tax to finance improvements related to development in those districts.

The following bar chart provides the City's debt service obligations using the same classification

methodology, depicting the aggregate principal and interest payments on all City debt instruments by fund. As illustrated below, the City has a stable debt service curve that results in steadily diminishing annual debt service payments, and that minimizes any upward spikes in payments that could negatively impact the City's ability to pay debt service.



Debt Related Activities in Second Quarter

Finance staff regularly monitor the market to identify opportunities to maximize debt service savings through refunding and to issue debt when rates are most advantageous. Within the second quarter, staff prepared various debt-related reports to the California Debt and Investment Advisory Commission (CDIAC) and the State Controller's Office.

Other debt related activities conducted within the second quarter include:

- Debt Service Budget Preparation
- Reimbursement resolution for Electric Fund capital projects
- TEFRA Public Hearing Vista de la Sierra Apartments
- Three-year extension of Water and Electric Line of Credit
- Preparation and levy of Arlington and Downtown BIDs
- Continuing Disclosure Analysis and Reports for 2004 POBs
- Preparation and filing of annual SB 165 Report

STRATEGIC PLAN ALIGNMENT:

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

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

1. **Community Trust** – The preparation and approval of the debt and investment quarterly report ensures transparency and demonstrates compliance with City Debt and Investment Policies.

2. **Equity** – The debt and investment portfolios detailed in this report are used to share and offset the long-term cost of growth, development, and expansion among Riverside businesses and residents.

3. **Fiscal Responsibility** – The Quarterly Report demonstrates fiscal responsibility and accountability to show the current financial situation of the City and closely related agencies.

4. **Innovation** – Innovative stewardship of investments and municipal debt is an effective way to track, fund, and finance, repair and improvements while ensuring sufficient cash to meet obligations.

5. **Sustainability & Resiliency** – Quarterly accounting and reporting helps to ensure City funds are used in a sustainable way without compromising future needs.

FISCAL IMPACT:

There is no direct fiscal impact associated with this report.

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

Attachments:
1. Cash and Investment Report
2. Quarterly Debt Report

ATTACHMENT 1

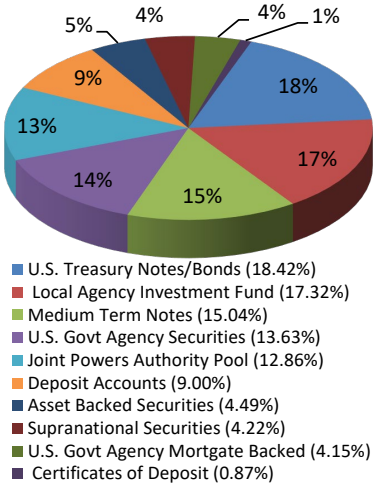
CASH AND INVESTMENT REPORT

CITY OF
RIVERSIDE

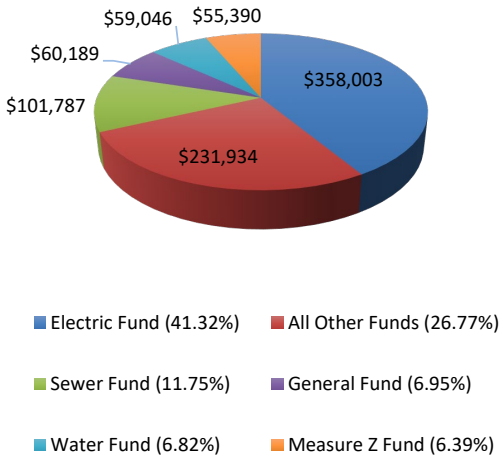
CITY OF RIVERSIDE
Quarterly Investment Report
December 31, 2021

	AMORTIZED COST	MARKET VALUE
POOLED INVESTMENT PORTFOLIO		
Deposit Accounts	$ 77,961,457.98	$ 77,961,457.98
Joint Powers Authority Pool	111,423,248.53	111,423,248.53
Local Agency Investment Fund (LAIF)	150,000,000.00	150,078,131.54
Certificates of Deposit	7,499,999.42	7,504,077.50
Medium Term Notes	130,705,476.47	130,256,125.09
U.S. Govt Agency Mortgage Backed Securities	35,778,820.67	35,970,316.57
Asset Backed Securities	39,117,289.11	38,921,319.98
Supranational Securities	37,090,512.00	36,521,040.57
U.S. Govt Agency Securities	119,069,564.65	118,058,975.42
U.S. Treasury Notes/Bonds	158,675,093.78	159,653,873.76
TOTAL POOLED INVESTMENT PORTFOLIO	**867,321,462.61**	**866,348,566.94**
INVESTMENTS HELD BY FISCAL AGENT -		
SECTION 115 PENSION TRUST FUND	**9,999,605.61**	**11,014,634.12**
OTHER INVESTMENTS HELD BY FISCAL AGENT	**120,745,115.94**	**120,806,335.89**
OTHER MISCELLANEOUS CASH	**3,268,906.81**	**3,268,906.81**
TOTAL CASH & INVESTMENTS	**$ 1,001,335,090.97**	**$ 1,001,438,443.76**

COMPOSITION OF POOLED PORTFOLIO



COMPOSITION OF POOLED PORTFOLIO BY FUND



It has been verified that this investment portfolio is in conformity, exclusive of items identified, with the City of Riverside's investment policy which was approved by City Council on 3/11/2020. The Treasurer's cash management program and cash flow analysis indicates that sufficient liquidity is on hand to meet estimated future expenditures for a period of six months. The weighted average maturity of the City's investment portfolio is 1.55 years. Market prices of securities are obtained from Interactive Data Corporation. Weighted average yield on cost for the City's investment portfolio is 0.76%. The cash held and invested with fiscal agents is subject to the investment provisions of the related trust indentures associated with the bond transaction which generated the cash.

Verified by: _____
Nancy García, Controller

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

CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
December 31, 2021

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	**MARKET VALUE
DEPOSIT ACCOUNTS						
Bank of America Checking and Reserve	N/A	Varies	NR	Varies	67,452,385.30	67,452,385.30
Federated Investors Federated Treasury	N/A	Varies	AAA	Varies	5,339,107.99	5,339,107.99
Citizens Business Bank	N/A	Varies	NR	Varies	5,169,964.69	5,169,964.69
SUBTOTAL DEPOSIT ACCOUNTS					**77,961,457.98**	**77,961,457.98**
JOINT POWERS AUTHORITY POOL						
California Asset Management Program (CAMP)	N/A	Varies	AAA	Varies	111,423,248.53	111,423,248.53
SUBTOTAL JOINT POWERS AUTHORITY POOL					**111,423,248.53**	**111,423,248.53**
LOCAL AGENCY INVESTMENT FUND (LAIF)	N/A	Varies	NR	Varies	**150,000,000.00**	**150,078,131.54**
CERTIFICATES OF DEPOSIT						
Bank of Nova Scotia Houston	0.200	06/23/22	A-1	06/29/21	7,499,999.42	7,504,077.50
SUBTOTAL CERTIFICATES OF DEPOSIT					**7,499,999.42**	**7,504,077.50**
MEDIUM TERM NOTES						
Apple Inc	2.300	05/11/22	AA+	02/20/18	7,301,625.00	7,562,275.83
Berkshire Hathaway	3.000	05/15/22	AA	03/12/19	5,136,191.29	5,154,272.19
Exxon Mobil Corp	1.902	08/16/22	AA-	08/13/19	2,375,000.00	2,412,747.07
Berkshire Hathaway	2.750	03/15/23	AA	05/09/19	4,451,187.75	4,564,498.55
Chevron Corp	3.191	06/24/23	AA-	02/19/19	5,057,700.00	5,151,577.36
Toyota Motor Credit Corp	3.450	09/20/23	A+	02/19/19	2,470,070.70	2,563,089.08
Charles Schwab Corp	0.750	03/18/24	A	03/16/21	1,954,022.50	1,950,806.20
Amazon.com Inc	0.450	05/12/24	AA	05/10/21	3,649,663.70	3,622,084.90
John Deere Capital Corp	0.450	06/07/24	A	06/07/21	2,077,400.00	2,055,168.96
Salesforce.com Inc	0.625	07/15/24	A+	06/29/21	1,064,456.85	1,058,423.66
Royal Bank of Canada	2.250	11/01/24	A	02/06/20	3,037,950.00	3,093,474.00
John Deere Capital Corp	2.050	01/09/25	A	02/06/20	3,024,810.00	3,113,047.33
Toyota Motor Credit Corp	1.800	02/13/25	A+	05/05/21	2,072,840.00	2,044,536.00
JP Morgan Chase & Co	3.220	03/01/25	A-	08/18/20	3,238,920.00	3,151,420.00
Bank of America Corp	3.458	03/15/25	A-	04/23/20	5,263,900.00	5,280,864.44
Chubb INA Holdings Inc	3.150	03/15/25	A	Various	6,518,943.13	6,335,631.46
Bank of Montreal	1.850	05/01/25	A-	08/12/21	5,162,100.00	5,091,396.67
Qualcomm Inc	3.450	05/20/25	A	11/24/21	3,147,841.60	3,167,132.41
Morgan Stanley	0.790	05/30/25	BBB+	Various	7,461,656.65	7,373,929.08
Honeywell Intl	1.350	06/01/25	A	06/23/20	5,119,000.00	5,027,745.00
Royal Bank of Canada	1.150	06/10/25	A	Various	5,044,880.00	4,962,329.17
American Honda Finance	1.200	07/08/25	A-	06/22/21	2,017,540.00	2,004,595.33
Toronto Dominion Bank	0.750	09/11/25	A	09/15/20	4,986,850.00	4,879,973.33
Simon Property Group	3.300	01/15/26	A-	08/11/21	4,750,593.75	4,698,157.92
Goldman Sachs Group Inc	0.855	02/12/26	BBB+	06/18/21	4,334,706.25	4,305,438.60
Bank of America Corp	2.015	02/13/26	A-	03/04/21	2,066,760.00	2,041,994.33
JP Morgan Chase & Co	2.005	03/13/26	A-	03/12/21	3,086,490.00	3,054,657.00
Citigroup Inc	3.106	04/08/26	BBB+	Various	6,788,825.00	6,731,471.23
JP Morgan Chase & Co	2.083	04/22/26	A-	06/23/21	3,105,570.00	3,058,159.25
United Health Group Inc	1.150	05/15/26	A+	Various	1,188,834.05	1,174,577.27

CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
December 31, 2021

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	**MARKET VALUE
Toyota Motor Credit Corp	1.125	06/18/26	A+	Various	4,989,707.50	4,928,941.25
Bank of America Corp	1.319	06/19/26	A-	06/18/21	2,004,120.00	1,980,513.33
Met Tower Global Funding	1.250	09/14/26	AA-	09/07/21	2,927,304.40	2,879,147.73
Bank of Montreal	1.250	09/15/26	A-	Various	2,495,539.50	2,457,201.39
Wal-Mart Stores	1.050	09/17/26	AA	09/08/21	1,332,476.85	1,324,847.77
SUBTOTAL MEDIUM TERM NOTES					**130,705,476.47**	**130,256,125.09**
U.S. GOVERNMENT AGENCY MORTGAGE BACKED SECURITIES						
FHLMC - K019 A2	2.272	03/25/22	NR	07/10/19	8,945,008.85	8,938,743.70
FHLMC - K026 A2	2.510	11/25/22	NR	04/16/19	9,948,046.88	10,157,156.67
FHLMC - K723 A2	2.454	08/25/23	NR	07/16/19	9,718,233.10	9,854,578.04
FHLMC - K041 A2	3.171	10/25/24	AAA	07/01/21	5,378,515.63	5,269,572.50
FHLMC - K049 A2	3.010	07/25/25	NR	06/23/21	1,789,016.21	1,750,265.66
SUBTOTAL U.S. GOVERNMENT AGENCY MORTGAGE BACKED SECURITIES					**35,778,820.67**	**35,970,316.57**
U.S. GOVERNMENT AGENCY ASSET BACKED SECURITIES						
John Deere Owner Trust	2.910	07/17/23	NR	06/21/21	572,864.35	569,788.77
Honda Auto Receivables	1.610	04/22/24	NR	02/19/20	2,548,992.54	2,568,779.72
Hyundai Auto Lease Trust	0.330	06/17/24	AAA	06/08/21	2,789,581.50	2,772,943.80
John Deere Owner Trust	1.100	08/15/24	NR	03/04/20	1,840,033.97	1,847,519.68
Toyota Auto Receivables Trust	0.440	10/15/24	AAA	07/21/20	1,944,850.24	1,943,816.58
Honda Auto Receivables Trust	0.370	10/18/24	AAA	09/22/20	2,124,687.84	2,119,344.55
Toyota Lease Owner Trust	0.420	10/21/24	NR	07/27/21	2,484,966.45	2,464,213.81
John Deere Owner Trust	0.510	11/15/24	NR	07/14/20	969,852.17	968,734.80
Mercedes-Benz Auto Lease Trust	0.400	11/15/24	AAA	06/22/21	2,589,804.46	2,570,929.25
BMW Vehicle Lease Trust	0.330	12/26/24	NR	09/08/21	1,624,832.30	1,612,685.77
Honda Auto Receivables Trust	0.270	04/21/25	NR	02/17/21	1,129,979.32	1,124,056.20
Toyota Auto Receivables Owners	0.260	05/15/25	NR	02/02/21	4,144,230.69	4,124,650.36
John Deere Owner Trust	0.360	09/15/25	NR	03/02/21	1,624,687.68	1,612,113.75
Hyundai Auto Receivables Trust	0.380	09/15/25	AAA	04/20/21	1,474,844.83	1,464,238.25
Hyundai Auto Receivables Trust	0.380	01/15/26	AAA	07/20/21	4,713,959.40	4,663,723.85
Honda Auto Receivables Trust	0.880	01/21/26	NR	11/16/21	1,749,631.10	1,746,205.03
John Deere Owner Trust	0.520	03/16/26	NR	07/13/21	2,204,803.31	2,180,383.63
Hyundai Auto Receivables Trust	0.740	05/15/26	AAA	11/09/21	1,249,721.00	1,241,841.11
GM Financial Securitized Term	0.680	09/16/26	AAA	10/13/21	1,334,965.96	1,325,351.07
SUBTOTAL U.S. GOVERNMENT AGENCY ASSET BACKED SECURITIES					**39,117,289.11**	**38,921,319.98**
SUPRANATIONAL SECURITIES						
Inter-American Dev Bank	0.500	09/23/24	AAA	09/15/21	8,403,776.60	8,310,014.44
Intl. Bank Recon & Development	0.625	04/22/25	AAA	04/15/20	4,278,378.35	4,230,179.50
Inter-American Dev Bank	0.625	07/15/25	AAA	01/13/21	5,071,967.50	4,971,558.07
Intl. Bank Recon & Development	0.500	10/28/25	AAA	Various	9,994,372.85	9,754,940.02
Inter-American Dev Bank	0.875	04/20/26	AAA	04/13/21	9,342,016.70	9,254,348.54
SUBTOTAL SUPRANATIONAL SECURITIES					**37,090,512.00**	**36,521,040.57**
U.S. GOVERNMENT AGENCY SECURITIES						

CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
December 31, 2021

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	**MARKET VALUE
FHLMC	0.375	05/05/23	AA+	05/05/20	4,758,000.80	4,752,485.55
FNMA	0.250	05/22/23	AA+	05/20/20	7,651,898.25	7,645,442.30
FHLMC	0.250	06/26/23	AA+	06/24/20	5,588,633.40	5,578,694.18
FNMA	0.250	07/10/23	AA+	07/08/20	4,445,421.75	4,436,411.51
FHLMC	0.250	08/24/23	AA+	08/19/20	7,507,334.70	7,473,561.87
FHLMC	0.125	10/16/23	AA+	Various	9,961,598.25	9,904,714.18
FHLMC	0.250	11/06/23	AA+	11/03/20	9,331,594.00	9,261,889.06
FHLB	2.750	12/13/24	AA+	02/06/20	5,281,300.00	5,265,420.00
FNMA	1.625	01/07/25	AA+	03/04/20	8,281,440.00	8,209,025.33
FHLMC	1.500	02/12/25	AA+	02/13/20	6,599,914.15	6,739,964.37
FHLB	2.375	03/14/25	AA+	03/19/20	6,346,620.00	6,294,900.17
FNMA	0.625	04/22/25	AA+	04/22/20	5,199,267.40	5,145,343.47
FHLB	0.500	06/13/25	AA+	06/29/20	5,007,400.00	4,907,490.00
FNMA	0.500	06/17/25	AA+	06/17/20	6,506,503.60	6,392,608.62
FHLMC	0.375	07/21/25	AA+	07/21/20	4,606,942.60	4,521,017.52
FNMA	0.375	08/25/25	AA+	Various	7,962,282.50	7,793,628.01
FHLMC	0.375	09/23/25	AA+	Various	7,970,197.55	7,793,366.67
FNMA	0.500	11/07/25	AA+	11/09/20	6,063,215.70	5,943,012.61
SUBTOTAL U.S. GOVERNMENT AGENCY SECURITIES					**119,069,564.65**	**118,058,975.42**
U.S. GOVERNMENT TREASURY SECURITIES						
US Treasury	2.125	12/31/22	AA+	12/20/18	5,977,761.72	6,201,630.28
US Treasury	2.375	01/31/23	AA+	04/05/18	1,235,498.05	1,288,204.82
US Treasury	0.125	02/28/23	AA+	06/24/21	7,988,750.00	7,970,581.79
US Treasury	1.625	05/31/23	AA+	10/31/19	12,436,812.50	12,605,165.09
US Treasury	0.125	05/31/23	AA+	06/18/21	7,480,078.13	7,454,534.18
US Treasury	2.625	06/30/23	AA+	Various	14,404,335.94	14,940,575.45
US Treasury	1.625	10/31/23	AA+	10/31/19	12,441,656.25	12,644,244.65
US Treasury	2.875	11/30/23	AA+	01/09/19	3,044,882.81	3,130,747.42
US Treasury	2.250	01/31/24	AA+	06/05/19	10,671,445.31	10,922,884.99
US Treasury	2.000	04/30/24	AA+	10/31/19	12,637,828.13	12,781,057.14
US Treasury	0.250	06/15/24	AA+	06/18/21	4,965,429.69	4,927,928.79
US Treasury	1.750	06/30/24	AA+	09/09/19	9,358,759.77	9,453,873.17
US Treasury	1.125	02/28/25	AA+	03/24/20	6,177,656.25	6,045,903.08
US Treasury	0.250	09/30/25	AA+	10/16/20	6,975,937.50	6,785,721.15
US Treasury	0.375	12/31/25	AA+	12/29/20	2,249,824.22	2,181,909.06
US Treasury	0.375	01/31/26	AA+	Various	8,625,488.28	8,482,777.57
US Treasury	0.750	03/31/26	AA+	03/30/21	3,969,843.75	3,933,756.84
US Treasury	0.750	05/31/26	AA+	Various	9,942,773.44	9,806,593.40
US Treasury	0.750	08/31/26	AA+	Various	5,170,878.90	5,148,944.55
US Treasury	1.125	10/31/26	AA+	Various	12,919,453.14	12,946,840.34
SUBTOTAL U.S. GOVERNMENT TREASURY SECURITIES					**158,675,093.78**	**159,653,873.76**
TOTAL POOLED CASH & INVESTMENTS					**867,321,462.61**	**866,348,566.94**

**The City uses S&P ratings*

*** Includes Accrued Interest*

CITY OF RIVERSIDE
Investments held by Fiscal Agent
Section 115 Pension Trust Fund
December 31, 2021

DESCRIPTION OF SECURITY	COST VALUE	MARKET VALUE
CASH AND EQUIVALENTS		
Cash	2,049.87	2,049.87
First American Government Obligation Fund CL "Z"	146,224.99	146,224.99
SUBTOTAL CASH AND EQUIVALENTS	**148,274.86**	**148,274.86**
MUTUAL FUNDS - EQUITY		
Ishares Core - S P500 Etf	1,282,080.21	1,707,624.20
Ishares S P - 500 Growth Etf	468,673.03	661,829.70
Ishares S P - 500 Value Etf	661,598.61	768,896.67
Ishares - Russell Mid Cap Etf	394,873.30	472,409.91
Ishares - Russell 2000 Value Etf	402,303.98	466,600.50
Ishares - Russell 2000 Growth Etf	420,590.37	460,088.50
Ishares Core - Msci Eafe Etf	685,722.46	758,193.12
Vanguard Ftse - Emerging Markets Etf	325,389.55	355,271.18
Vanguard Real - Estate Etf	164,524.72	206,265.78
SUBTOTAL MUTUAL FUNDS - EQUITY	**4,805,756.23**	**5,857,179.56**
MUTUAL FUNDS - FIXED INCOME		
Ishares Core - U.S. Aggregate Bond Etf	3,896,273.63	3,866,513.44
Vanguard High - Yield Corporate Adm	233,285.82	233,955.79
Vanguard - Short Term Invt Grade #539	916,015.07	908,710.47
SUBTOTAL MUTUAL FUNDS - FIXED INCOME	**5,045,574.52**	**5,009,179.70**
TOTAL ASSETS	**9,999,605.61**	**11,014,634.12**

CITY OF RIVERSIDE
Investments Held by Fiscal Agent
December 31, 2021

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	**MARKET VALUE
CASH & MONEY MARKET ACCOUNTS						
Cash - Custodial Cash Account US Bank	N/A	Varies	NR	Varies	43,374.95	43,374.95
Cash - Bank of America Equipment Lease	N/A	Varies	NR	Varies	693,717.98	693,717.98
US Bank Commercial Paper Sweep	N/A	Varies	NR	Varies	665,400.03	665,400.03
US Bank Gcts0170	N/A	Varies	NR	Varies	39,463,231.60	39,463,231.60
US Bank Gcts0185	N/A	Varies	NR	Varies	13,820,479.73	13,820,479.73
First American Government Obligation CL "Y"	N/A	Varies	AAA	Varies	339,097.80	339,097.80
First American Prime Obligations Fund CL " Z "	N/A	Varies	AAA	Varies	9,460,512.95	9,460,512.95
SUBTOTAL CASH & MONEY MARKET ACCOUNTS					**64,485,815.04**	**64,485,815.04**
LOCAL AGENCY INVESTMENT FUND (LAIF)	**N/A**	**Varies**	**NR**	**Varies**	**2,316,875.60**	**2,318,081.55**
MEDIUM TERM NOTES						
Charles Schwb Corp	0.750	03/18/24	A	Various	601,166.80	598,712.92
Amazon Medium Term Note	0.450	05/12/24	AA	05/10/21	394,423.30	391,442.83
John Deere Owner Trust	0.450	06/07/24	A	06/07/21	369,537.50	365,582.94
Salesforce.com Inc.	0.625	07/15/24	A+	06/29/21	94,951.55	94,413.38
Toyota Motor Medium Term Note	1.800	02/13/25	A+	05/05/21	777,315.00	766,701.00
Chubb Ina Holdings, Inc.	3.150	03/15/25	A	01/26/21	659,406.00	638,994.60
Morgan Stanley	0.790	05/30/25	BBB+	05/26/21	640,340.50	632,192.17
PNC Bank	3.250	06/01/25	A	06/10/21	710,365.50	692,784.52
Eli Lilly & Co.	2.750	06/01/25	A+	06/10/21	699,166.00	679,558.54
Honeywell Intl	1.350	06/01/25	A	06/10/21	717,066.00	703,884.30
Royal Bank of Canada	1.150	06/10/25	A	02/22/21	607,344.00	595,479.50
Toronto Dominion Bank	0.750	09/11/25	A	02/10/21	650,292.50	634,396.53
Simon Property Group	3.300	01/15/26	A-	08/11/21	678,656.25	671,165.42
Goldman Sachs Group Inc	0.855	02/12/26	BBB+	06/18/21	619,243.75	615,062.67
Bank of America Corp.	2.015	02/13/26	A-	03/04/21	620,028.00	612,598.30
JP Morgan Chase & Co.	2.005	03/13/26	A-	03/12/21	617,298.00	610,931.40
Citigroup, Inc	3.106	04/08/26	BBB+	06/18/21	669,075.00	659,948.16
United Health Group Inc.	1.150	05/15/26	A+	Various	130,420.30	128,856.60
Wal-Mart Stores	1.050	09/17/26	AA	09/08/21	119,773.20	119,087.44
SUBTOTAL MEDIUM TERM NOTES					**10,375,869.15**	**10,211,793.22**
U.S. GOVERNMENT AGENCY ASSET BACKED SECURITIES						
Mercedes-Benz Auto Lease Trust	0.400	11/15/24	AAA	06/22/21	239,981.88	238,232.83
BMW Vehicle Lease Trust	0.330	12/26/24	NR	09/08/21	149,984.52	148,863.30
Honda Auto Receivables Trust	0.270	04/21/25	NR	02/17/21	124,997.71	124,342.51
Toyota Auto Receivables Owners	0.260	05/15/25	NR	02/02/21	464,913.70	462,717.11
John Deere Owner Trust	0.360	09/15/25	NR	03/02/21	179,965.40	178,572.60
Hyundai Auto Receivables Trust	0.380	09/15/25	AAA	04/20/21	164,982.64	163,796.15
Hyundai Auto Receivables Trust	0.380	01/15/26	AAA	07/20/21	434,904.00	430,269.32
Honda Auto Receivables Trust	0.880	01/21/26	NR	11/16/21	154,967.33	154,663.88
John Deere Owner Trust	0.520	03/16/26	NR	07/13/21	204,981.72	202,711.41
Hyundai Auto Receivables Trust	0.740	05/15/26	AAA	11/09/21	109,975.45	109,282.01
GM Financial Securitized Term	0.680	09/16/26	AAA	10/13/21	114,997.07	114,168.82
SUBTOTAL U.S. GOVERNMENT AGENCY ASSET BACKED SECURITIES					**2,344,651.42**	**2,327,619.94**

CITY OF RIVERSIDE
Investments Held by Fiscal Agent
December 31, 2021

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	*INVEST RATING	PURCH DATE	COST VALUE	**MARKET VALUE
SUPRANATIONAL SECURITIES						
Inter-American Dev Bank	0.500	09/23/24	AAA	09/15/21	764,433.90	755,905.00
International Finance Corp.	1.375	10/16/24	AAA	07/12/21	1,026,900.00	1,013,013.58
Intl. Bank Recon & Development	0.500	10/28/25	AAA	01/26/21	1,000,640.00	975,494.00
Inter-American Dev Bank	0.875	04/20/26	AAA	04/13/21	1,040,213.90	1,030,452.24
SUBTOTAL SUPRANATIONAL SECURITIES					**3,832,187.80**	**3,774,864.82**
U.S. GOVERNMENT AGENCY SECURITIES						
FFCB	0.125	02/03/23	AA+	01/26/21	854,521.20	852,661.49
FHLB	0.125	03/17/23	AA+	03/17/21	779,142.00	776,699.13
FFCB	0.125	04/13/23	AA+	04/06/21	1,033,633.80	1,030,113.59
SUBTOTAL U.S. GOVERNMENT AGENCY SECURITIES					**2,667,297.00**	**2,659,474.21**
U.S. GOVERNMENT TREASURY SECURITIES						
US Treasury Note	1.875	03/31/22	AA+	02/16/18	2,854,231.87	2,960,560.11
US Treasury Note	2.125	06/30/22	AA+	02/16/18	2,942,695.32	3,028,067.11
US Treasury Note	1.875	09/30/22	AA+	02/16/18	2,902,617.18	3,048,940.57
US Treasury Note	2.125	12/31/22	AA+	02/16/18	2,929,335.94	3,049,982.11
US Treasury Note	0.125	02/15/24	AA+	02/23/21	997,187.50	987,581.14
US Treasury Note	0.250	05/15/24	AA+	05/18/21	2,194,671.88	2,171,150.49
US Treasury Note	0.375	09/15/24	AA+	09/29/21	1,990,312.50	1,974,425.56
US Treasury Note	0.375	01/31/26	AA+	02/23/21	1,724,482.43	1,696,555.52
US Treasury Note	0.750	03/31/26	AA+	05/18/21	2,194,070.32	2,163,566.26
US Treasury Note	0.750	05/31/26	AA+	06/23/21	3,232,099.61	3,187,142.86
SUBTOTAL U.S. GOVERNMENT TREASURY SECURITIES					**23,961,704.55**	**24,267,971.73**
INVESTMENT CONTRACTS						
Invt Agmt-Trinity Plus Fdg Co Gic	0.047	10/01/29	NR	03/31/20	6,411,744.65	6,411,744.65
Invt Agmt-Trinity Plus Fdg Co Gic	0.047	10/01/35	NR	03/31/20	4,348,970.73	4,348,970.73
SUBTOTAL INVESTMENT CONTRACTS					**10,760,715.38**	**10,760,715.38**
TOTAL INVESTMENTS HELD WITH FISCAL AGENT					**120,745,115.94**	**120,806,335.89**

**The City uses S&P ratings*

*** Includes Accrued Interest*

City of Riverside
Cash Balances by Fund
As of December 31, 2021

Fund		Cash Balance [1]	Interfund Loan Receivables [2]	Cash Balance + Loan Receivables
General Fund	101	**60,188,882**	**-**	**60,188,882**
Measure Z	110	**55,390,245**	**-**	**55,390,245**
Pension Trust	115	**250,429**	-	**250,429**
Enterprise Funds				
Electric	510	333,640,066	2,925,134	336,565,200
Electric - Public Benefits Program	511	24,362,818	-	24,362,818
Water	520	55,780,182	-	55,780,182
Water - Conservation & Reclamation Program	521	3,265,354	-	3,265,354
Airport	530	1,513,323	-	1,513,323
Refuse Collection	540	4,659,694	-	4,659,694
Sewer Service	550	101,787,149	1,764,786	103,551,935
Special Transit	560	3,245,202	-	3,245,202
Public Parking	570	194,677	-	194,677
Civic Entertainment (Convention Center, Visitors Bureau, Sports Commission)	580	(1,459,107)	-	(1,459,107)
Civic Entertainment (Fox, Box, RMA, Showcase)	581	2,726,965	-	2,726,965
Civic Entertainment (Cheech Marin Center)	582	(9,267,848)	-	(9,267,848)
SubTotal - Enterprise Funds		**520,448,475**	**4,689,920**	**525,138,395**
Special Revenue Funds				
Urban Areas Security Initiative	205	(1,010,835)	-	(1,010,835)
Grants and Restricted Programs	215	34,727,560	-	34,727,560
Community Development Block Grant	220	142,752	-	142,752
Home Investment Partnership Program	221	(1,445,805)	-	(1,445,805)
Housing Opportunities for Persons with AIDS	222	(1,067,107)	-	(1,067,107)
Community Development Grants	223	21,030,627	-	21,030,627
Neighborhood Stabilization Program	225	158,541	-	158,541
Special Gas Tax	230	27,763,908	-	27,763,908
Air Quality Improvement	240	1,528,527	-	1,528,527
NPDES Storm Drain	260	193,811	-	193,811
Housing Authority	280	4,360,500	-	4,360,500
Housing Assets	281	8,117,430	-	8,117,430
Special Districts	Various	(1,279,465)	-	(1,279,465)
SubTotal - Special Revenue Funds		**93,220,444**	**-**	**93,220,444**
Capital Projects Funds				
Capital Outlay	401	1,296,327	-	1,296,327
Storm Drain	410	9,174,711	-	9,174,711
Local Park Special Capital Improvements	411	864,312	-	864,312
Regional Park Special Capital Improvements	413	3,277,443	-	3,277,443
Measure Z Capital Outlay	420	21,733,347	-	21,733,347
Capital Outlay Grants	430	(167,011)	-	(167,011)
Transportation Projects	431	209	-	209
Measure A Capital Outlay	432	22,730,680	-	22,730,680
Transportation Development Impact Fees	433	6,301,240	-	6,301,240
Transportation Uniform Mitigation Fees	434	(1,794,929)	-	(1,794,929)
Community Facilities Districts and Assessment Districts	Various	2,088,815	-	2,088,815
SubTotal - Capital Project Funds		**65,505,144**	**-**	**65,505,144**
Debt Service Funds				
Debt Service Fund - General	390	(18,554,442)	-	(18,554,442)
Debt Service Fund - Public Works	391	923,688	-	923,688
SubTotal Debt Service Funds		**(17,630,754)**	**-**	**(17,630,754)**
Agency Funds				
Successor Agency	Various	17,074,226	-	17,074,226
Community Facilities Districts and Assessment Districts	Various	488,870	-	488,870
Special Deposits	Various	13,535,703	-	13,535,703
SubTotal Agency Funds		**31,098,799**	**-**	**31,098,799**
Internal Service Funds				
Workers' Compensation Insurance Trust	610	18,627,776	-	18,627,776
Unemployment Insurance Trust	620	240,709	-	240,709
Liability Insurance Trust	630	26,554,034	-	26,554,034
Central Stores	640	213,981	-	213,981
Central Garage	650	12,240,403	-	12,240,403
SubTotal - Internal Service Funds		**57,876,903**	**-**	**57,876,903**
	Total - All Funds	**$ 866,348,567**	**$ 4,689,920**	**$ 871,038,487**

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

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

CITY OF RIVERSIDE
Fiscal Year 2021/2022 Second Quarter
Summary of Outstanding Debt[1]

Debt Type By Funding Source	Principal Balance as of 10/1/2021	Q2 New Debt Issued	Q2 Principal Payments	Q2 Interest Payments	Principal Balance as of 1/1/2022	Projected Principal Balance 6/30/2022
General Fund/Measure Z						
General Obligation Bonds	$ 4,940,000	$ -	$ -	$ -	$ 4,940,000	$ 4,940,000.00
Pension Obligation Bonds	333,879,538	-	-	-	333,879,538	333,879,538
Certificates of Participation	62,787,420	-	-	515,017	62,787,420	59,787,577
Lease Revenue Bonds	50,381,790	-	2,533,312	1,195,696	47,848,478	47,848,478
Ryan Bonaminio Park Loan	456,643	-	226,594	6,964	230,049	-
Capital Leases	13,268,220	-	-	-	13,268,220	11,595,843
Interfund Loans	1,477,730	-	-	-	1,477,730	1,477,730
Total General Fund	**$ 467,191,341**	**$ -**	**$ 2,759,906**	**$ 1,717,677**	**$ 464,431,435**	**$ 459,529,166**
Capital Projects Funds						
Measure A Certificates of Participation	$ 26,660,000	$ -	$ -	$ 661,244	$ 26,660,000	$ 24,985,000
Total Capital Projects Funds	**$ 26,660,000**	**$ -**	**$ -**	**$ 661,244**	**$ 26,660,000**	**$ 24,985,000**
Enterprise Funds						
Pension Obligation Bonds	$ 110,718,958	$ -	$ -	$ -	$ 110,718,958	$ 110,718,958
Electric Fund Revenue Bonds	540,165,000	-	16,035,000	11,588,047	524,130,000	524,130,000
Electric Fund Capital Leases	773,968	-	136,094	3,644	637,874	363,637
Water Fund Revenue Bonds	198,830,000	-	6,640,000	4,267,062	192,190,000	192,190,000
Water Fund Capital Lease	1,332,498	-	-	-	1,332,498	1,218,356
Sewer Fund Revenue Bonds	322,855,000	-	-	-	322,855,000	322,855,000
Lease Revenue Bonds	7,059,600	-	434,400	156,507	6,625,200	6,625,200
Certificates of Participation	27,212,580	-	-	223,213	27,212,580	25,912,423
Civic Entertainment Fund Loan	7,067,169	-	276,267	136,043	6,790,902	6,509,317
Convention Center Expansion Loan	31,061,870	-	510,022	242,675	30,551,849	29,520,327
Parking Fund Loans	7,902,475	-	308,920	152,123	7,593,555	7,278,688
Total Enterprise Funds	**$ 1,254,979,118**	**$ -**	**$ 24,340,703**	**$ 16,769,315**	**$ 1,230,638,416**	**$ 1,227,321,906**
Internal Service Funds						
Pension Obligation Bonds	$ 4,576,504	$ -	$ -	$ -	$ 4,576,504	$ 4,576,504
Total Internal Service Funds	**$ 4,576,504**	**$ -**	**$ -**	**$ -**	**$ 4,576,504**	**$ 4,576,504**
RDA Successor Agency						
Lease Revenue Bonds	$ 11,443,610	$ -	$ 2,242,288	$ 283,331	$ 9,201,322	9,201,322
Tax Allocation Bonds	147,795,000	-	-	-	147,795,000	147,795,000
Interfund Loans	2,512,889	-	-	-	2,512,889	2,512,889
Total RDA Successor Agency	**$ 161,751,499**	**$ -**	**$ 2,242,288**	**$ 283,331**	**$ 159,509,211**	**$ 159,509,211**
Assessment Districts / Galleria Agreement / Community Facilities Districts						
Assessment Districts	$ 16,315,000	$ -	$ -	$ -	$ 16,315,000	$ 16,315,000
Galleria Mall Improvements District Certificates of Participation	5,000	-	-	-	5,000	5,000
Lease Revenue Refunding Bonds (Galleria) Series 2019A	14,675,000	-	715,000	259,662	13,960,000	13,960,000
Community Facilities Districts	20,475,000	-	-	-	20,475,000	20,475,000
Total AD / Galleria / CFDs	**$ 51,470,000**	**$ -**	**$ 715,000**	**$ 259,662**	**$ 50,755,000**	**$ 50,755,000**
Total	**$1,966,628,462**	**$ -**	**$ 30,057,897**	**$ 19,691,228**	**$ 1,936,570,565**	**$ 1,926,676,786**

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

CITY OF RIVERSIDE

Fiscal Year 2021/2022 Second Quarter

Outstanding Debt[1]

Debt Type / Issuance	Year Issued (FY)	Final Maturity (FY)	Total Issue Size	Outstanding Principal Balance 10/1/2021	Q2 New Debt Issued	Q2 Principal Payments	Q2 Interest Payments	Outstanding Principal Balance 1/1/2022	Projected Principal Balance 6/30/2022
General Obligation									
Measure G Fire Facility Projects General Obligation Bonds 2004	2004	2025	$ 20,000,000	$ 4,940,000	$ -	$ -	$ -	$ 4,940,000	$ 4,940,000
Total General Obligation Bonds			$ 20,000,000	$ 4,940,000	$ -	$ -	$ -	$ 4,940,000	$ 4,940,000
Pension Obligation[2]									
Pension Obligation Bonds Series 2004A	2004	2023	$ 89,540,000	$ 10,715,000	$ -	$ -	$ -	$ 10,715,000	$ 10,715,000
Pension Obligation Bonds Series 2017A	2017	2027	31,960,000	16,915,000	-	-	-	16,915,000	16,915,000
Pension Obligation Bonds Series 2020A (Safety)	2020	2045	231,085,000	231,085,000	-	-	-	231,085,000	231,085,000
Pension Obligation Bonds Series 2020A (Misc)	2020	2043	201,080,000	190,460,000	-	-	-	190,460,000	190,460,000
Total Pension Obligation Bonds			$ 553,665,000	$ 449,175,000	$ -	$ -	$ -	$ 449,175,000	$ 449,175,000
Certificates of Participation									
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	90,000,000	-	-	738,230	90,000,000	85,700,000
Local Measure A Sales Tax Revenue COPs Series 2013A	2013	2033	35,235,000	26,660,000	-	-	661,244	26,660,000	24,985,000
Total Certificates of Participation			$ 183,480,000	$ 116,665,000	$ -	$ -	$ 1,399,474	$ 116,665,000	$ 110,690,000
Lease Revenue Bonds									
California Tower Lease Revenue Bonds Series 2003A	2003	2024	$ 26,255,000	$ 8,085,000	$ -	$ 1,820,000	$ 202,125	$ 6,265,000	$ 6,265,000
California Tower Lease Revenue Bonds Series 2003B	2003	2024	4,810,000	1,290,000	-	295,000	35,346	995,000	995,000
Lease Revenue Refunding Bonds Series 2012A	2013	2034	41,240,000	29,415,000	-	1,810,000	652,113	27,605,000	27,605,000
Lease Revenue Refunding Bonds (Galleria) Series 2019A	2019	2037	15,980,000	14,675,000	-	715,000	259,662	13,960,000	13,960,000
Lease Revenue Bonds (Main Library Project) Series 2019B	2019	2037	33,505,000	30,095,000	-	1,285,000	745,950	28,810,000	28,810,000
Total Lease Revenue Bonds			$ 121,790,000	$ 83,560,000	$ -	$ 5,925,000	$ 1,895,195	$ 77,635,000	$ 77,635,000
Capital Leases									
Pinnacle #2 - VOIP Phone System	2013	2023	$ 1,650,000	$ 183,113	$ -	$ -	$ -	$ 183,113	$ 92,098
US Bank - Various Vehicles, Software, and Hardware	2016	2022	4,450,000	366,131	-	-	-	366,131	-
BofA #2 - Various Hardware and Software	2018	2028	7,955,000	3,659,520	-	-	-	3,659,520	3,154,988
BofA #3 - Fire Vehicles and Equipment	2017	2027	14,500,000	9,059,456	-	-	-	9,059,456	8,348,757
BofA #2 - Water Fund Vehicles Capital Lease	2018	2028	2,305,000	1,332,498	-	-	-	1,332,498	1,218,356
Electric Fund Vehicles Capital Leases - Various	Various	Various	Various	773,968	-	136,094	3,644	637,874	363,637
Total Capital Leases			$ 30,860,000	$ 15,374,686	$ -	$ 136,094	$ 3,644	$ 15,238,592	$ 13,177,836
Interfund Loans[3]									
Reid Park Acquisition Interfund Loan	2011	2028	$ 720,000	$ 323,902	$ -	$ -	$ -	$ 323,902	$ 323,902
Riverside Golf Course Acquisition Interfund Loan	2011	2028	4,837,500	2,188,987	-	-	-	2,188,987	2,188,987
Utilities Plaza Purchase Interfund Loan	2012	2027	4,469,221	1,477,730	-	-	-	1,477,730	1,477,730
Total Interfund Loans			$ 10,026,721	$ 3,990,619	$ -	$ -	$ -	$ 3,990,619	$ 3,990,619
Private Placement Loans									
Pinnacle - Ryan Bonaminio Park Loan	2013	2022	$ 4,000,000	$ 456,643	$ -	$ 226,594	$ 6,964	$ 230,049	$ -
Fox Entertainment Plaza Loan	2011	2032	25,000,000	14,969,644	-	585,187	288,166	14,384,457	13,788,005
Convention Center Expansion Loan[4]	2013	2034	44,650,000	31,061,870	-	510,022	242,675	30,551,849	29,520,327
Total Private Placement Loans			$ 73,650,000	$ 46,488,157	$ -	$ 1,321,803	$ 537,805	$ 45,166,355	$ 43,308,332
Enterprise Revenue Bonds									
Electric Revenue Refunding Bonds (2008) Series A	2008	2029	$ 84,515,000	$ 34,465,000	$ -	$ -	$ 240,447	$ 34,465,000	$ 34,465,000
Electric Revenue Refunding Bonds (2008) Series C	2008	2036	57,325,000	32,150,000	-	-	247,012	32,150,000	32,150,000
Electric Revenue Bonds (2010) Series A	2010	2041	133,290,000	130,990,000	-	2,390,000	3,292,834	128,600,000	128,600,000

CITY OF RIVERSIDE

Fiscal Year 2021/2022 Second Quarter

Outstanding Debt[1]

Debt Type / Issuance	Year Issued (FY)	Final Maturity (FY)	Total Issue Size	Outstanding Principal Balance 10/1/2021	Q2 New Debt Issued	Q2 Principal Payments	Q2 Interest Payments	Outstanding Principal Balance 1/1/2022	Projected Principal Balance 6/30/2022
Electric Revenue Bonds (2011) Series A	2011	2036	56,450,000	37,450,000	-	1,900,000	276,585	35,550,000	35,550,000
Electric Revenue Refunding Bonds (2013) Series A	2014	2044	79,080,000	37,275,000	-	920,000	835,294	36,355,000	36,355,000
Electric Revenue Refunding Bonds (2019) Series A	2019	2049	283,325,000	267,835,000	-	10,825,000	6,695,875	257,010,000	257,010,000
Water Revenue Bonds (2009) Series B	2010	2040	67,790,000	67,790,000	-	2,475,000	1,400,390	65,315,000	65,315,000
Water Revenue Bonds (2011) Series A	2011	2036	59,000,000	24,050,000	-	-	191,922	24,050,000	24,050,000
Water Revenue Refunding Bonds (2019) Series A	2019	2049	114,215,000	106,990,000	-	4,165,000	2,674,750	102,825,000	102,825,000
Sewer Revenue Bonds (2015) Series A	2015	2041	200,030,000	179,430,000	-	-	-	179,430,000	179,430,000
Sewer Revenue Bonds (2018) Series A[5]	2019	2040	153,670,000	143,425,000	-	-	-	143,425,000	143,425,000
Total Enterprise Revenue Bonds			$ 1,288,690,000	$ 1,061,850,000	$ -	$ 22,675,000	$ 15,855,110	$ 1,039,175,000	$ 1,039,175,000
Tax Allocation Bonds									
2014 Subordinate Tax Allocation Refunding Bonds Series 2014A	2014	2034	$ 61,250,000	$ 32,415,000	$ -	$ -	$ -	$ 32,415,000	$ 32,415,000
2014 Subordinate Tax Allocation Refunding Bonds Series 2014B	2014	2024	1,730,000	565,000	-	-	-	565,000	565,000
2018 Tax Allocation Refunding Bonds Series 2018A	2018	2034	74,435,000	74,435,000	-	-	-	74,435,000	74,435,000
2018 Tax Allocation Refunding Bonds, Taxable Series 2018B	2018	2033	40,380,000	40,380,000	-	-	-	40,380,000	40,380,000
Total Tax Allocation Bonds			$ 177,795,000	$ 147,795,000	$ -	$ -	$ -	$ 147,795,000	$ 147,795,000
Mello Roos and Assessment District Bonds									
Riverwalk Business Center Assessment District Bonds	2004	2029	$ 3,755,000	$ 1,800,000	$ -	$ -	$ -	$ 1,800,000	$ 1,800,000
Sycamore Canyon Business Park CFD 92-1 Bonds	2005	2034	9,700,000	5,990,000	-	-	-	5,990,000	5,990,000
Hunter Park Assessment District Bonds	2006	2036	15,269,906	10,280,000	-	-	-	10,280,000	10,280,000
Riverwalk Assessment District Refunding Bonds	2011	2026	7,805,000	3,135,000	-	-	-	3,135,000	3,135,000
Auto Center Assessment District Refunding Bonds	2012	2024	4,050,000	1,100,000	-	-	-	1,100,000	1,100,000
Riverwalk Vista CFD 2006-1 Bonds	2013	2043	4,415,000	3,760,000	-	-	-	3,760,000	3,760,000
Riverwalk Vista CFD 2006-1 Improv Area No.2 2016 Series A	2016	2046	5,505,000	5,140,000	-	-	-	5,140,000	5,140,000
Riverwalk Vista CFD 2006-1 Improv Area No.2 2016 Series B	2016	2031	1,275,000	860,000	-	-	-	860,000	860,000
Highlands CFD 2014-2 2016 Series A	2016	2046	1,800,000	1,750,000	-	-	-	1,750,000	1,750,000
Highlands CFD 2014-2 2016 Series B	2016	2031	810,000	580,000	-	-	-	580,000	580,000
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	320,000	-	-	-	320,000	320,000
Total Mello Roos and Assessment District Bonds			$ 56,824,906	$ 36,790,000	$ -	$ -	$ -	$ 36,790,000	$ 36,790,000
Total				**$ 1,966,628,462**	**$ -**	**$ 30,057,897**	**$ 19,691,228**	**$ 1,936,570,565**	**$ 1,926,676,786**

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

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

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

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

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