City of Arts & Innovation

City Council Memorandum

TO: **HONORABLE MAYOR AND CITY COUNCIL** **DATE: MARCH 26, 2019**

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

SUBJECT: **FISCAL YEAR 2018/19 SECOND QUARTER FINANCIAL REPORT, MEASURE Z UPDATE, AND RELATED INTERFUND TRANSFERS AND NET-ZERO SUPPLEMENTAL APPROPRIATIONS**

ISSUE:

Receive and provide input on the attached Fiscal Year 2018/19 Second Quarter Financial Report and Measure Z Update, and approve a related interfund transfer and supplemental appropriations resulting in a net zero impact to City funds.

RECOMMENDATIONS:

That the City Council:

1. Receive and provide input on the attached Fiscal Year 2018/19 Second Quarter Financial Report and Measure Z Update; and

2. Approve an interfund transfer of $88,020 from Measure Z Operating (Fund 110, Account 0000110-990420) to Measure Z Capital (Fund 420, Account 0000420-985110), a reduction of the same amount in Technology account (2400009-462310), and a supplemental appropriation of the same amount in Data Network Replacement project account (Fund 420, Account 9902209-470834) to fund the capital expenditure of previously approved Measure Z Spending Item #33 – Technology Improvements.

BACKGROUND:

On June 12, 2018, the City Council adopted Resolution No. 23316 approving the Fiscal Year 2018-2020 Two-Year Budget, balanced over two years. Within the General Fund, the adopted budget included a projected $1.2 million savings in Fiscal Year (FY) 2018/19 intended to offset a projected shortfall of $1.2 million in FY 2019/20.

On December 11, 2018, the City Council approved the General Fund carryforward of $2.0 million unexpended FY 2017/18 appropriations to FY 2018/19 to fund the Citywide Geographical Information System (GIS) project, and a set-aside of $4.5 million for the long-term management of CalPERS costs.

On December 11, 2018, the City Council received an updated Measure Z spending plan which

reflected actual FY 2017/18 revenues recorded and new Measure Z revenue and uncommitted fund balance projections.

On January 22, 2019, the City Council received the FY 2018/19 First Quarter Financial Report for the General Fund and Measure Z.

DISCUSSION:

FINANCIAL REPORT

City departments and the Budget Office monitor and analyze all City funds for potential issues that require attention and mitigating action. City departments analyzed financial status for all funds and appropriations under their purview and reported no areas of immediate concern. As of the Second Quarter, all departments expect to remain within their approved appropriation limits. The Second Quarter Report includes a financial update for the following City funds which comprise 88% of the City's total budget:

Fund	FY 2018/19 Adopted Budget	FY 2019/20 Adopted Budget	Percent of Total Budget
General Fund	$268.8 M	$282.2 M	25%
Measure Z	49.1 M	57.5 M	5%
Electric	429.3 M	449.0 M	40%
Water	93.5 M	94.2 M	9%
Sewer	74.2 M	71.6 M	7%
Refuse	25.2 M	26.2 M	2%
Other	140.3 M	135.2 M	12%
Grand Total	$1.1 B	$1.1 B	

Revenue & Expenditure Analysis

Revenue and expenditure activity may be impacted by timing or unique characteristics that cause reported activity to appear to be either lagging or exceeding budget at any given point in time. For example, revenue accruals may cause revenues to appear to lag throughout the fiscal year until closing entries and revenue accruals are posted. In expenditures, debt payments and other expenditures may not occur on a frequency that coincides with quarterly reporting, causing expenditures to appear to be either exceeding budget or coming in well under budgeted appropriations. Therefore, revenue and expenditure analysis incorporates two perspectives:

1. Comparison of budget to actual to determine whether budgeted revenue forecasts are expected to be achieved or expenditure budgets are expected to be exceeded; and

2. Comparison of current year revenues and expenditures to the same period for the prior fiscal year to determine whether the observed deviations in budget-to-actual are typical of timing trends in the revenue and expenditure categories.

Significant deviations within those two views are addressed within this report for the funds presented.

Capital Projects

Capital projects are typically multi-year projects that are budgeted in advance, or "front-loaded" – this ensures that funds will be available to see projects through to their completion. As a result, it is common that capital expenditures appear to lag significantly as compared to budget. Departments routinely review project status as a better measurement of performance related to capital projects. Within this quarterly financial report, recently completed and newly started capital projects will be highlighted.

Update: Potential Fiscal Impacts Resulting from Federal or State Legislative/Judicial Actions

Legislative or judicial items are monitored for financial impacts; recent developments or open items are described below.

- **CalPERS "California Rule":** The California Rule is a series of state court decisions that interprets public pensions as a vested right that cannot be unfavorably changed, meaning that any proposed reduction in vested pension benefits must be offset by a comparable new benefit. The California Supreme Court recently issued a ruling on Cal Fire Local 2881 v. CalPERS that the purchase of airtime (an employee's purchase of service credits to boost their retirement benefit) is not a vested right. CalPERS eliminated the airtime service credit option in 2003 with the enactment of the Public Employees' Pension Reform Act (PEPRA). The Court declined to review the California Rule in general, confining its decision to the question of a vested right only in relation to airtime. This recent decision had no financial impact to the City.

- **Wayfair Ruling:** In June 2018, the United States Supreme Court ruled in *South Dakota v. Wayfair, Inc.* that a company's physical presence in a state is not necessary to assess tax on the sale of goods. Within the State of California, the California use tax will apply to retailers whose prior calendar year sales in California exceed $200,000 or the number of separate transactions is 200 or more. Tax collection will apply to taxable sales of tangible personal property to California consumers on and after April 1, 2019, and is not retroactive. No revenue forecasts related to this tax are available at this time due to the unknown demographics of the out-of-state retailers.

<u>General Fund</u>

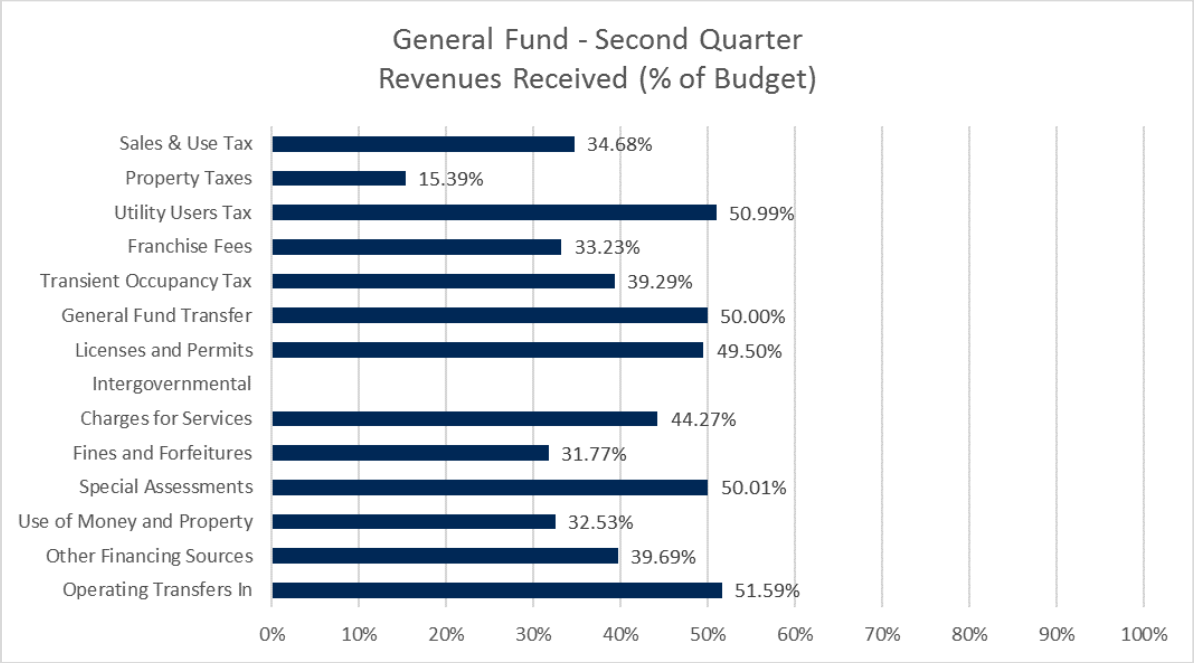
As of June 30, 2018, the General Fund carries a 19% reserve balance. The FY 2018/19 Second Quarter analysis projects total General Fund revenues to come in as estimated and expenditures to remain within their approved appropriation limits. Proposed adjustments to revenue forecasts generated during the budget cycle are identified in the following analysis, and result in no net change in revenue or expenditure projections for the fiscal year.

Revenue Analysis

The Second Quarter analysis reveals that although projected revenues are deviating from forecasts in some categories, General Fund revenues in total are expected to meet projections. Some categories where revenues may potentially fall short are not recommended for adjustment, but will continue to be monitored for performance. As more data is received, these items may be recommended for adjustment in the Third Quarter Report. Immediate adjustment is recommended for other revenues categories that are assured to deviate significantly from revenue forecasts by fiscal year end, based on performance to date.

The chart below shows General Fund revenues received as a percentage of the budget for each major revenue category. At second quarter end, General Fund operating revenues are 36.3% of

total budgeted revenues. Actual revenues at second quarter end are $1.6 million higher than the same period last fiscal year.



For each revenue category, budget to actual results that are lower than normally experienced at second quarter end or projected not to meet revenue forecasts are described below.

- **Sales Tax:** The delay in tax collections experienced resulting from the change in the State's tax reporting processes has partially corrected, and the City has received the majority of delayed tax distributions. HdL, the City's sales tax consultant, expects FY 2018/19 sales tax revenue to fall short of budget by $850,000. The closure of several large retail businesses, slowing auto sales, and lower gas prices are contributing factors to the decline. Due to the continuing impact of the reporting issues, City staff does not recommend adjusting sales tax revenue projections at this time.

- **Property Tax:** Property Tax is currently trending higher than budget, primarily due to strong performance in successor agency property tax revenue. As the wind-down of Redevelopment Agencies continues and the property tax revenue previously allocated to successor agency obligations is freed up, California cities receive a larger share of successor agency property tax revenues. The resulting boost in property taxes to the City is higher than forecasted and is expected to offset other lagging revenue categories by fiscal year end. The property tax revenue forecast will be increased by $2.2 million to offset other recommended revenue adjustments, for a net zero effect on total General Fund revenues.

- **Transient Occupancy Tax (TOT):** TOT revenues are expected to fall short of projections by approximately $350,000 due to much slower growth rates than projected; an adjustment is recommended for this category. For the current year, revenues show a growth rate of just 1% as compared to the same time period in the previous year. This is consistent with sales tax performance reported by HdL in the Restaurants and Hotel sector, which is showing a mere 0.5% growth rate over the prior year. On October 16, 2018, the City Council approved a TOT collection agreement with AirBNB for short-term rentals within the City. Revenue collection began in December 2018, with approximately $12,000 collected

at the end of the second quarter. This revenue source has been factored into the revised revenue estimate.

- **General Fund Transfer (GFT**): The GFT is based on prior year audited revenues and is transferred in equal amounts of 1/12 of budget. With the conclusion of the FY 2017/18 audit, the GFT forecast will be revised downward by $819,000 to reflect actual FY 2018/19 receipts. The remaining GFT transfers for FY 2018/19 will be adjusted accordingly.

- **Intergovernmental:** Intergovernmental revenues are often a product of reimbursable events and are therefore received on an irregular schedule. Currently, Fire Department Mutual Aid reimbursements totaling $1.4 million are expected to be received by fiscal year end. This category is expected to come in as forecasted with the exception of the cost-sharing of Crossing Guard Services with Alvord and Riverside School Districts which was estimated to bring in $200,000 in FY 2018/19; there is no resolution for this item as of yet.

- **Charges for Services:** Charges for Services are trending lower than forecasted and as compared to the prior year. FY 2017/18 included settlement revenues resulting from litigation; similar activity has not occurred in the second quarter of FY 2018/19. Overall, revenues may fall short by about 2% in this category; however, no adjustment is recommended at this time. City staff will continue to monitor revenue performance.

- **Fines and Forfeitures:** Fines and Forfeitures are trending lower than forecasted and as compared to the prior year. Administrative Civil Penalty revenue from Code Enforcement activities are projected to come in $600,000 short of estimates as an improvement in the real estate market has reduced the amount of neglected and foreclosed properties upon which penalties are more likely to be issued. This revenue line item will be reduced by $600,000 to reflect the new projection.

- **Use of Money and Property:** Although this revenue category is tracking similarly to prior years, a $400,000 reduction will be recorded for Bad Debt Recovery to prepare for fiscal year-end adjustments. The forecast for this account did not take into account some anomalous activity in prior years; this adjustment will bring the account in line with new estimates based on adjusted historical data and current year revenue activity.

- **Operating Transfers In:** Transfers In are trending lower than the same point last fiscal year due to timing differences and because Measure Z is contributing $7 million less to the General Fund in FY 2018/19 as compared to FY 2017/18.

A summary of adjustments to revenue forecasts is as follows:

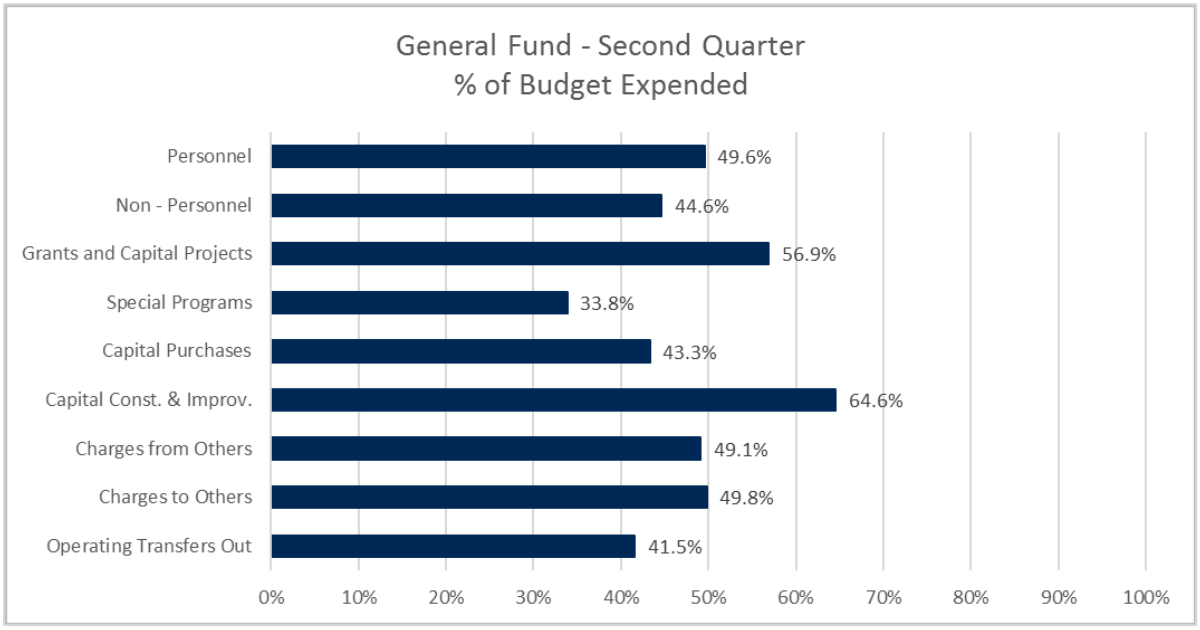
Summary of Mid-Year Revenue Adjustments

Revenue Category	Adopted Budget	Adjustment	Revised Budget	% Revised
Property Taxes	$ 65,279,094	$ 2,169,000	$ 67,448,094	3.3%
Transient Occupancy Tax	7,300,447	(350,000)	6,950,447	(4.8%)
General Fund Transfer	47,289,000	(819,000)	46,470,000	(1.7%)
Fines & Forfeitures	1,808,500	(600,000)	1,208,500	(33.2%)
Use of Money and Property	5,595,734	(400,000)	5,195,734	(7.1%)
Total	**$ 127,272,775**	**$ 0**	**$ 127,272,775**	**(0%)**

Expenditure Analysis

Each quarter, departments perform an internal analysis of budget to actuals and report areas of concern and mitigating actions to the Budget Office. The Budget Office also performs an independent analysis which focuses on anomalies or deviations from historical trends. Currently, no areas of concern have been reported or identified that require intervention.

At the end of the second quarter, spending in the General Fund is less than 50% of the total budget, excluding capital projects and grants. The following chart presents total expenditures to date as a % of Total Budget. "Total Budget" includes the adopted budget, open FY 2017/18 purchase orders carried forward to FY 2018/19, and Council-approved supplemental appropriations, if any.



Spending in two categories, Grants & Capital Projects and Capital Purchases, exceed 50% of their total appropriations at second quarter end. The expenditures in these categories include development agreement payments and large purchases that are not paid evenly throughout the year. These accounts have been reviewed and no adjustments are recommended, as the spending trend appears reasonable.

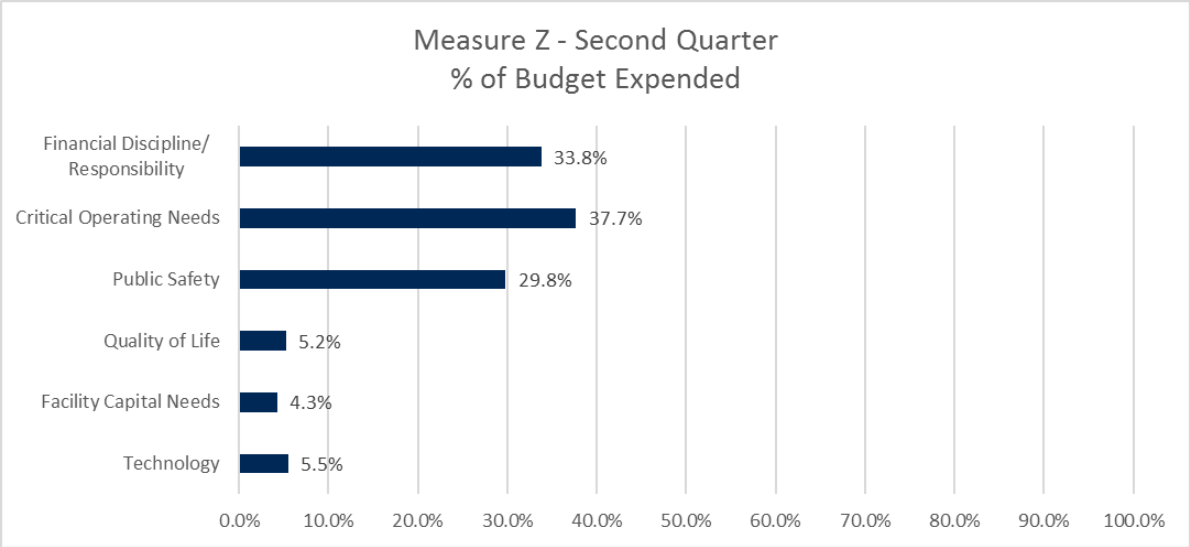
<u>Measure Z</u>

The FY 2018-2023 Measure Z Spending Plan was approved by the City Council on June 12, 2018, with the adoption of the FY 2018-2020 Two-Year Budget. The spending plan continued the tenets and spending items of the original spending plan adopted in May 2017 and added funding for Fire personnel and equipment; furnishing, fixtures and equipment for the Arlington Youth Innovation Center (AYIC); and funding for the City's recreational swimming pools. The Spending Plan was updated in November 2018 to reflect actual FY 2017/18 tax revenues recorded.

HdL, the City's sales tax consultant, reports that Measure Z revenues are performing quite well and are expected to meet or exceed revenue forecasts. However, Measure Z is also impacted by the changes in vendor reporting at the state level, so no adjustment to the current revenue forecast of $56.6 million is recommended.

Measure Z ending fund balance is projected at $19.7 million by the end of FY 2018/19, and is currently unallocated for specific purposes. City staff recommends maintaining a prudent level of reserves in Measure Z to offset cost increases associated with positions funded by Measure Z which are projected to outpace revenue growth, and to provide a buffer for a potential economic downturn and underperforming revenues. In the near future, staff will return to City Council to discuss and seek guidance on a Measure Z reserve policy.

Measure Z spending is inconsistent due to the nature of the items funded. Accomplishments reported in the Quarterly Performance Report published by the City Manager's Office provide an informative picture of the use of Measure Z funds and progress of the spending items (Attachment 1). A chart of actual spending by major expenditure category as compared to total budget is presented below.



A table of FY 2018/19 Measure Z spending to date is included in Attachment 1. Measure Z is funding some spending items through debt; the debt obligations are included in the Measure Z Spending Plan, while the use of debt proceeds is tracked separately. The table does not include spending items that were completed in prior years; completed accomplishments and progress on Spending Items are included in the Measure Z Performance Report (also Attachment 1).

Capital Projects

- **Downtown Library:** At the City Council meeting of February 5, 2019, the City Council approved a bid award of approximately $38 million for the construction of the new Main Library and Archives and the issuance of debt to fund the project.

<u>Sewer Fund</u>

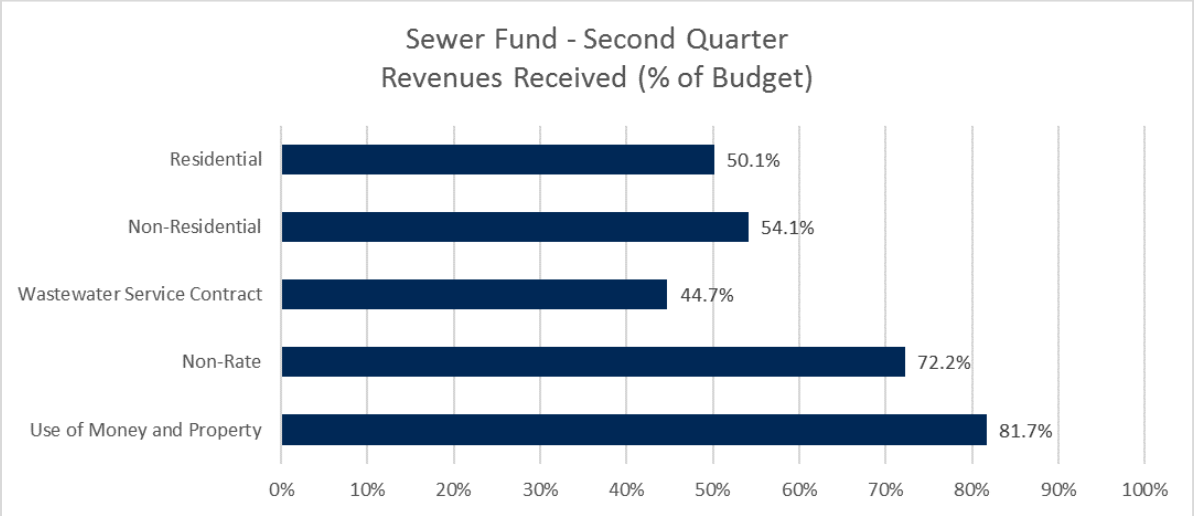
The overall financial position of the Sewer Enterprise fund is good and is operating in accordance with the 2016 Sewer Fund Reserve policy objectives. Revenue and expenditures are tracking in line with the Sewer Fund financial model and 5-year plan projections. Although projected revenues are deviating from revenue forecasts in some non-rate categories, such as connection fees and/or fines for violations, by the end of FY 2018/19 total revenues are projected to exceed expenditures by approximately $5 million.

The Sewer Fund's stable financial position in the current fiscal year has been bolstered by recent refinancing of the 2009A Sewer Revenue Bonds and aggressive management of expenditures.

In addition, Public Works is currently in the process of completing the Wastewater Treatment and Collection Master Plan Update project which includes a comprehensive financial and cost of service analysis and evaluation of various rate structure alternatives for consideration. The outcome of this study will inform future rate discussions.

Revenue Analysis

The Second Quarter revenue analysis reveals that overall revenues through the second quarter are slightly above projected budget and are tracking at 52.16%. Although Wastewater Service Contract revenues appear under-projected, there are timing differences in billing these customers that are not reflected in the accounting system. Sewer rate revenues are projected to meet targets.



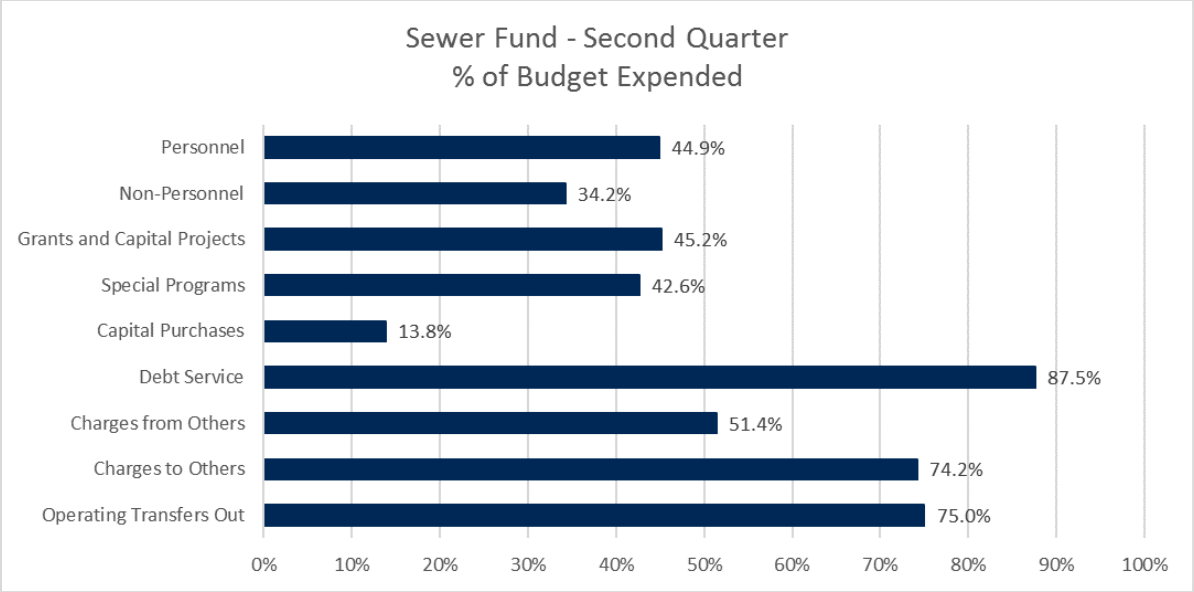
More significant deviations, those greater than $500,000, or below 50% of estimates, are described below.

- **Wastewater Service Contracts:** A flow meter issue resulted in a delay in billing to the Community Services Districts (CSD), which resulted in lower posted revenues than the prior year to date. However, this matter has been resolved and revenue is projected to be on target by the end of the fiscal year.

- **Use of Money and Property:** Interest returns are higher than budgeted and trending higher than previous years due to a rebalancing of the investment portfolio. Cash with fiscal agent was redirected to investment vehicles that produce a higher rate of return.

Expenditure Analysis

Overall expenditures are tracking at 65.96% of total budget but that is mostly due to Debt Service payments that were paid early in the fiscal year. By the end of the fiscal year, expenditures are expected to be in line with the budget.



- **Debt Service:** Currently at 87.5% of budget due mainly to large payments made in the 1st quarter of the fiscal year. Expected to be on target by the end of the fiscal year.

- **Charges from Others:** Currently at 51.4% of budget mainly due to work orders that need to be corrected. Staff is in the process of analyzing and working with management to fix the issues. Expected to be on target by the end of the fiscal year.

- **Operating Transfers Out:** Currently at 75% of budget due to related expenditures for sewer lateral repairs. Expected to be on target by the end of the fiscal year.

Capital Projects

Projects completed in the second quarter:

- **WQCP Levee Upgrade:** This project, identified within the 2008 Integrated Sewer Master Plan, provides protection of the WQCP from a 100-year storm event and is part of the mandated National Pollutant Discharge Elimination System (NPDES) Permit authorized by the Clean Water Act.

Projects started in the second quarter:

- **Arc Flash Study:** This assessment study will enable operators to determine if an electrical arc flash hazard exists within existing or newly installed electrical equipment. This project is expected to be completed prior to FY 2018/19.

- **Secondary Security Gate:** Security is of critical importance at the WQCP. A security gate at a secondary access point of the WQCP will further enhance Plant security. This project is expected to be completed by 4th quarter of FY 2018/19.

<u>Refuse Fund</u>

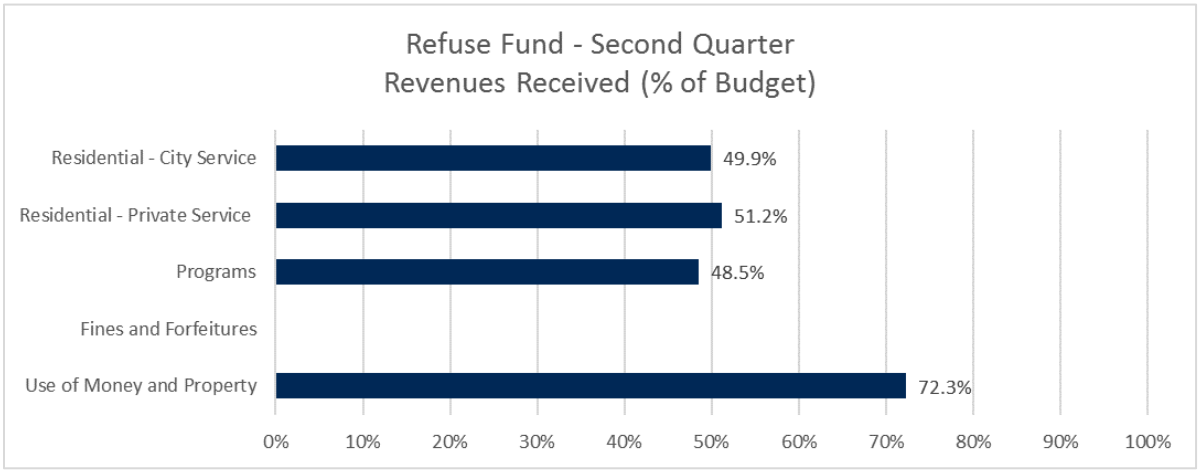
The FY 2017/18 second quarter analysis projects actual revenues and expenses in the Refuse Fund to be within budget. As noted during the December 18, 2019, Refuse rate hearing, the Refuse Fund was projected to end the year with a negative fund balance. With City Council

approval of the mid-year rate adjustment, new revenues are now projected to offset projected revenue shortfalls and with managed spending, expenditures are anticipated to be within budget. In addition, Public Works is in the process of retaining a consultant to perform a comprehensive review of refuse operations to optimize services and cash flow.

Revenue Analysis

Overall, the Fund is estimated to receive 100.3 % of budgeted revenue. Variances in fines and forfeitures (street sweeping citation revenue) is due to delayed budget transfers and an unplanned street sweeping sign replacement program. The sign replacement program is anticipated to be completed during the next fiscal year and will normalize those revenues.

The chart below shows Refuse Fund revenues received as a percentage of the budget for each major revenue category. At second quarter end, Refuse Fund operating revenues are 46% of total budgeted revenues. Actual revenues at second quarter end are approximately $517,000 higher than the same period last fiscal year.



For each revenue category in the chart above, budget to actual results that are lower than normally experienced at second quarter end, or projected to not meet revenue forecasts are described below.

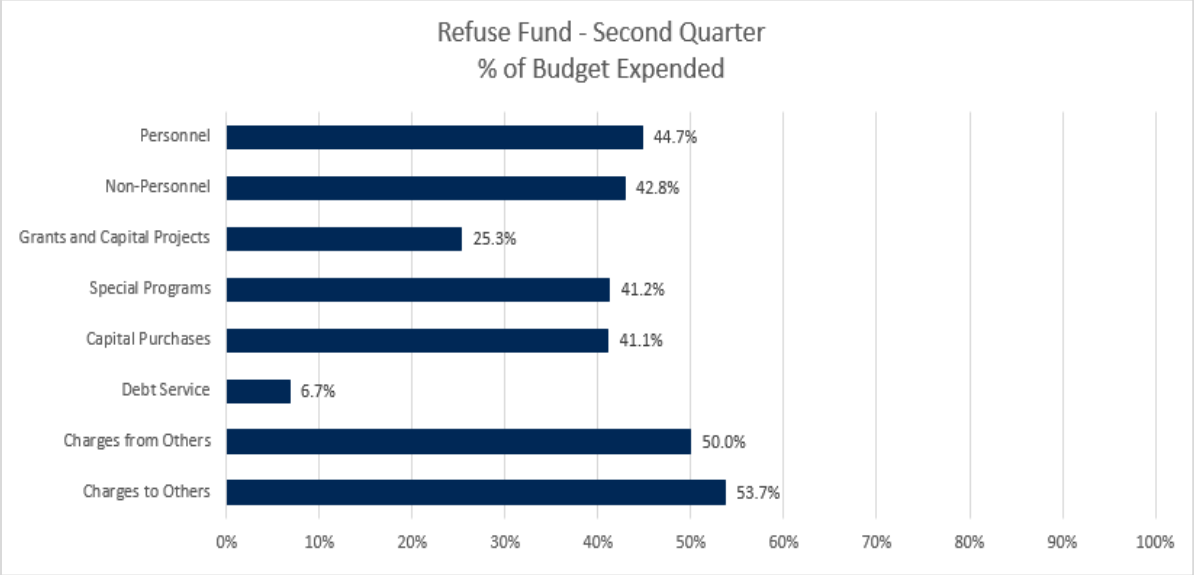
- **Fines & Forfeitures:** As a result of an unplanned Street Sweeping Sign replacement project, citation revenue is projected to realize a shortfall. As the signs are replaced within the service routes, parking enforcement citations will resume. The temporary revenue reduction will be absorbed in the Refuse Fund.

Expenditure Analysis

The chart below shows Refuse Fund expenditures as a percentage of the budget for each major expenditure category. At second quarter end, actual expenditures are 41% of total budgeted expenditures.

Overall, projected expenditures are tracking at 95% of total budget and demonstrate the Refuse

Fund is on track to meet budgeted expenditure targets.



For each expenditure category in the chart above, budget to actual results that are higher than normally experienced at second quarter end, or projected to exceed expenditure forecasts are described below.

- **Charges to Others:** 2nd Quarter actuals are currently at 53.7% of budget. The overage is mainly due to Solid Waste staff assisting with Street Sweeping staff in operating the Roll-off truck to place and remove street sweeping bins throughout the City.

Riverside Public Utilities (RPU)

On March 11, 2019, RPU staff presented the Riverside Public Utilities Fiscal Year 2018-19 Mid-Year Financial Report to the Board of Public Utilities (Board) (Attachment 2). The report provided a similar overview of Electric and Water Fund revenues and expenditures, and a greater detail of capital projects than that included in this report.

For the Electric and Water Funds, capital projects are budgeted on a program basis with many active projects in progress at the same time, ranging from less than $50,000 in size to multi-million dollars in major projects that require Board approval. Major capital projects require several months, and in certain cases cross fiscal years or span multiple fiscal years to complete. The total budget will not be fully spent for any given year due to the timing of projects and extenuating circumstances that may cause a project to be delayed. Refer to Attachment 2 for more detail on RPU capital project planning and spending.

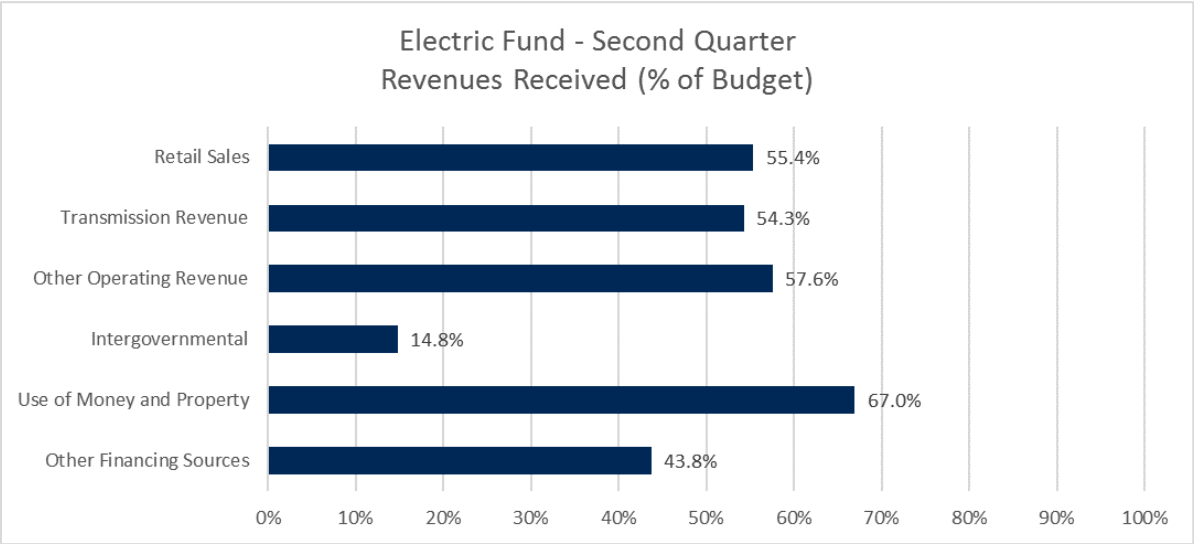
Electric Fund

The mid-year analysis of the Electric Fund shows actual revenues and expenses are trending higher than anticipated. A supplemental appropriation for power supply budget will be presented to the Board and City Council in April 2019 due to unanticipated increase in power supply costs. Capital projects are progressing consistently with the Capital Improvement Program (CIP).

Revenue Analysis

Overall, Electric revenues are trending higher than 50% of total budget at December 31, 2018

due to the summer season in the first quarter of the fiscal year and higher than anticipated retail sales. Weather can significantly impact retail revenues, which will be monitored throughout the remainder of FY 2018/19.



- **Retail Sales:** With the summer season at the beginning of the fiscal year, projected retail sales were expected to be at 53% of total budget through December 2018. Actuals are higher at 55.4% of total budget due to higher than anticipated summer temperatures.

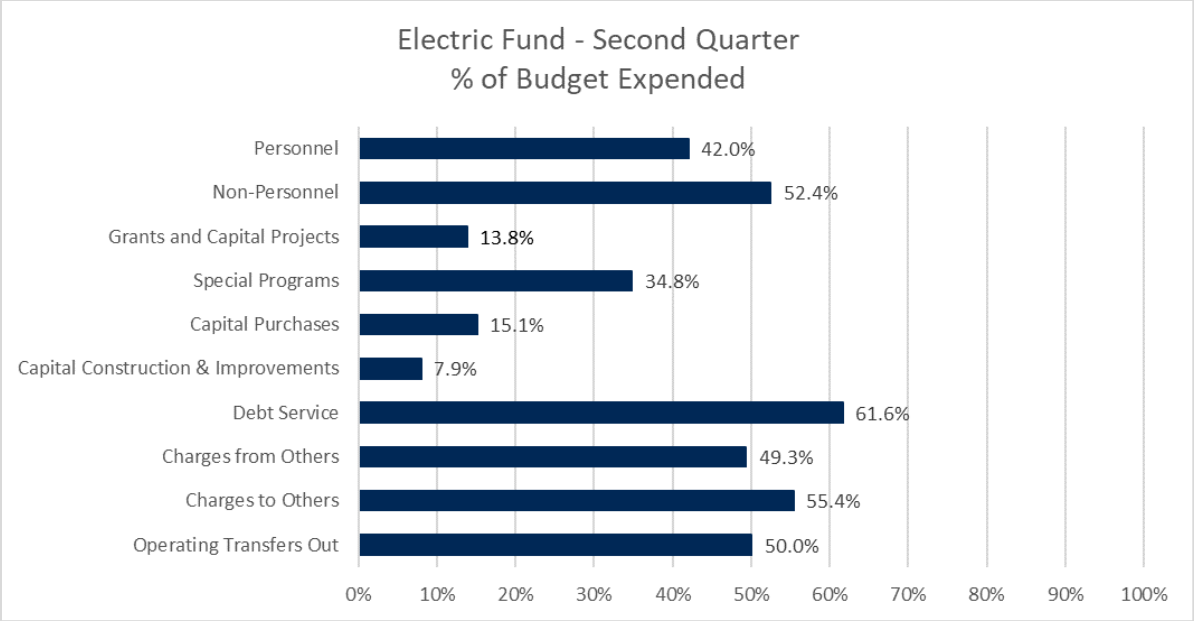
- **Transmission Revenue:** Transmission Revenue fluctuates similar to energy load. Actuals through December 2018 are at 54.3% of total budget due to the summer period at the beginning of the fiscal year. Electric is on target to meet budgeted revenue.

- **Other Operating Revenue:** Actuals through December 2018 are at 57.6% of total budget, primarily due to the timing on the sale of greenhouse gas allowances.

- **Use of Money and Property:** This revenue category represents non-operating revenues such as interest income, rental income, and miscellaneous one-time receipts that are not received evenly throughout the year. Actuals through December 2018 are at 67% of total budget, primarily due to better than anticipated interest earnings on investments and a settlement recovery of $715,000 from San Onofre Nuclear Generating Station.

Expenditure Analysis

At December 31, 2018, Electric Fund expenditures, excluding capital projects, are slightly higher than 50% of the total budget due to unanticipated increase in power supply costs. Power supply costs are expected to trend higher than the adopted budget for power supply through the remainder of FY 2018/19.



- **Non-Personnel:** Non-Personnel is higher than 50% due to higher than expected power supply costs as a result of higher than anticipated consumption, market energy prices, and natural gas prices. Power supply expenditures are projected to be higher than the power supply budget by the end of the fiscal year. A supplemental appropriation for power supply budget will be presented to the Board and City Council in April 2019. The increase in power supply costs is expected to be offset by the increase in retail sales and savings in other operating budget line items.

- **Capital Construction & Improvements:** Actual capital expenditures of 7.9% through December 2018 are on track with the CIP plan. Capital project activities are further discussed in Attachment 2.

- **Debt Service:** Debt service is higher than 50% at December 31, 2018 primarily due to the annual principal payments made on bonds in October 2018. Total debt service is expected to be within total budget at year-end.

- **Charges to Others:** Charges to Others primarily represent the charge out of internal labor and overhead costs to capital projects. This category is trending higher than expected due to an increase in capital project work. This trend is expected to continue for the remainder of the year.

Capital Projects

For the Electric Fund, capital activities and spending are on track. Consistent with the Utility 2.0 initiatives, areas of focus have been on electric system reliability and aging infrastructure replacement. The Electric Fund spent 7.9% ($12 million) of its total CIP budget for the first six months of the fiscal year, comprising of the various CIP categories. The Electric Fund currently projects to spend an additional 18% (approximately $27 million) for the balance of FY 2018/19 based on the various stages of its capital projects.

The Electric Fund completed capital improvements during the first six months of FY 2018/19 that focused on the three major infrastructure replacement categories of Overhead, Underground and Substation which are part of Utility 2.0 initiatives. Completed projects in these categories benefit

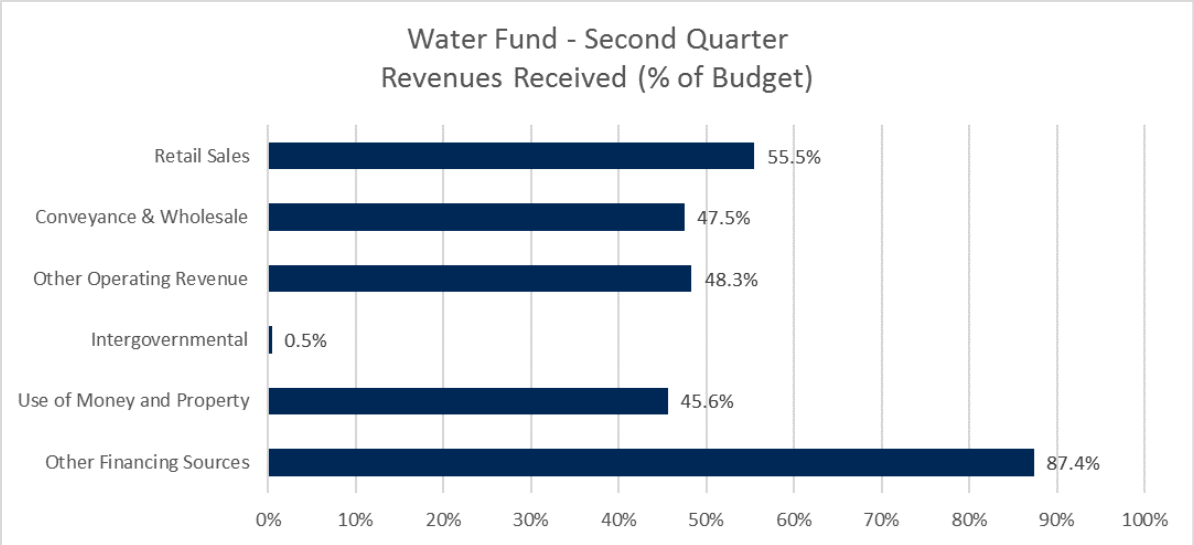
system reliability and mitigate the potential for widespread, prolonged customer outages. Refer to Attachment 2 for a detailed listing of completed projects.

Water Fund

The mid-year analysis of the Water Fund shows actual revenues and expenses are trending lower than anticipated. Capital projects are progressing consistently with the CIP**.**

Revenue Analysis

Overall, Water revenues are trending at 50% of total budget at December 31, 2018, which is less than anticipated primarily due to lower than expected retail sales resulting from higher precipitation weather. Weather, including precipitation, can significantly impact retail revenues, which will be monitored throughout the remainder of FY 2018/19.

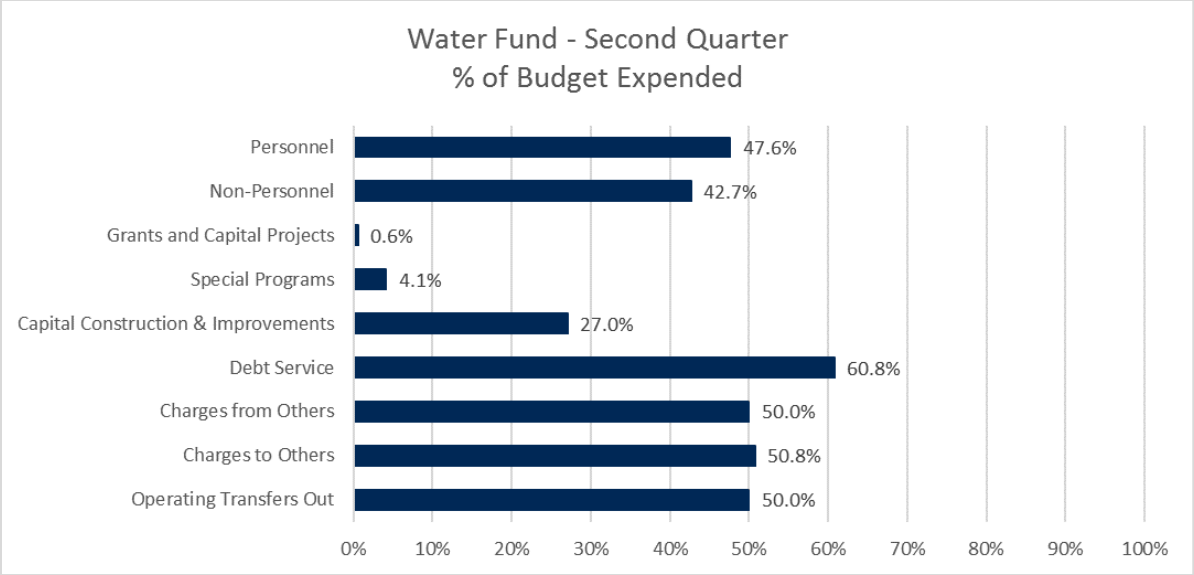


- **Retail Sales:** With the summer season at the beginning of the fiscal year, projected retail sales were expected to be at 56.2% of total budget through December 2018. Actuals are lower at 55.5% of total budget due to higher than anticipated precipitation from October through December. Retail revenues can be significantly impacted by weather, including precipitation, and will be monitored throughout the remainder of FY 2018/19.

- **Other Financing Sources:** This revenue category primarily comprises of proceeds from sale of salvage materials and damage claim recoveries, which are unpredictable and not received evenly throughout the fiscal year.

Expenditure Analysis

At December 31, 2018, Water Fund expenditures, excluding capital projects, are less than 50% of the total budget. This trend is expected to continue for the remainder of FY 2018-19.



- **Capital Construction & Improvements:** Actual capital expenditures of 27% through December 2018 are on track with the CIP plan. Capital project activities are further discussed in Attachment 2.

- **Debt Service:** Debt service is higher than 50% at December 31, 2018 primarily due to the annual principal payments made on bonds in October 2018. Total debt service is expected to be within total budget at year-end.

Capital Projects

The Water Fund's capital activities and spending are on track. Consistent with the Utility 2.0 initiatives, areas of focus have been on water system reliability and aging infrastructure replacement. The Water Fund spent 27% ($9.8 million) of its total CIP budget for the first six months of the fiscal year, comprising of the various CIP categories. The Water Fund currently projects to spend an additional 35% (approximately $12.7 million) for the balance of FY 2018/19 based on the various stages of its capital projects. Refer to Attachment 2 for a detailed listing of completed projects.

Installation of recycled water infrastructure benefits all of Riverside Public Utilities' (RPU) customers by freeing up water supply through making recycled water available for landscaping and irrigation needs. Installation of new mains provide water to new customers and support the City's development and growth. Pipeline and distribution facilities replacements along with well rehabilitations help address aging infrastructure and improve system reliability to maintain RPU's high level of service to its customers.

<u>Interfund Transfer / Supplemental Appropriation</u>

Riverside Municipal Code Sec. 1104 requires the affirmative vote of at least five City Council members to authorize the transfer of appropriations between City funds, and to authorize supplemental appropriations.

Currently, the Measure Z Operating Fund includes appropriations of approximately $1 million for Spending Item #33 – Technology Improvements. The Data Network Replacement Project will be accounted for in the Measure Z Capital Fund to apply appropriate accounting methodology to capital expenditures. In order to move the funds to the project account, an interfund transfer of

$88,020 between the Measure Z Operating fund and Measure Z Capital fund is required, as well as a reduction of the same amount in the Operating Fund's Technology account (2400009-462310) and a supplemental appropriation of the same amount in the Capital Project Funds' Data Network Replacement Project account (9902209-470834). While the required interfund transfer will increase appropriations, the net budgetary impact of the entry is zero.

FISCAL IMPACT:

The City's General Fund is currently operating under an adopted FY 2018/19 Two-Year Budget, balanced over two fiscal years. Operating shortfalls of $15 million to $18 million are projected in FY 2020/21 through FY 2021/23, with the expectation that shortfalls will continue in future years if no mitigating actions are taken. City staff continues to meet regularly to address the impending deficit by focusing on the following items:

- strategize and identify opportunities to enhance non-tax revenues;
- improve business processes to become more efficient;
- identify and implement cost-saving measures;
- strategize the long-term management of the CalPERS Unfunded Accrued Liability (UAL); and
- discuss any and all ideas related to ensuring fiscal stability for the City of Riverside.

The Measure Z Fund is operating within the framework of the Council-approved Measure Z Spending Plan, and is fulfilling the promises made to City residents. Quarterly performance updates reported by the City Manager's Office provide residents with meaningful measures of the impact of Measure Z funding upon City services, operations, and infrastructure. It is important to note that no Measure Z funds are currently being used, nor are they planned to be used, for the long-term management of the CalPERS UAL. There is no net impact to Measure Z from the transfer and appropriation of $88,020 for the Data Network Replacement project.

The Enterprise Funds (Electric, Water, Refuse and Sewer) are all expected to remain within their approved appropriation limits. Both the Refuse and Sewer funds experienced corrective actions during the fiscal year which improved the fiscal health of the funds for the near future. Planned operational analyses for both Refuse and Sewer will incorporate long-term financial outlooks for the respective funds. The Water and Electric funds have benefitted from rate increases implemented during the current fiscal year which have allowed RPU to move forward on major infrastructure projects. All four Enterprise Funds included in this report are expected to end the fiscal year in a positive position.

Prepared by: Kristie Thomas, Budget and Revenue Manager
Certified as to availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by: Carlie Myers, Deputy City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:
1. Measure Spending and Quarterly Performance Status
2. Riverside Public Utilities Fiscal Year 2018-19 Mid-Year Financial Report
3. Presentation

Measure Z
FY 2018/19 Second Quarter Financial Update

	Spending Item	Adopted Budget	Carried Forward	Total Budget	FY 2018/19 Spending
Financial Discipline/ Responsibility					
2	Payoff of the Balloon $32 million Pension Obligation Bond	$ 1,673,554	$ -	$ 1,673,554	$ 836,777
3	Funding for Workers Comp and General Liability	2,500,000	-	2,500,000	1,250,000
4	Measure Z Spending Contingency	2,000,000	-	2,000,000	-
Total Financial Discipline/ Responsibility		**6,173,554**	**-**	**6,173,554**	**2,086,777**
Public Safety					
5	Additional Sworn Police Positions	5,672,185	-	5,672,185	2,281,558
6	Public Safety Non-Sworn Positions and Recruitment Costs	1,076,026	-	1,076,026	380,234
7	Police Officer Lateral Hire Incentives and Recruitment Costs	344,360	-	344,360	20,389
8	Additional Dispatchers	398,661	-	398,661	220,147
9	Reinstatement of Fire Squad	843,730	-	843,730	440,702
10	Reinstatement of Captains (Training and Arson)	364,762	-	364,762	271,281
11	Reinstatement of Battalion Chief	262,693	-	262,693	171,481
12	Revised PD Vehicle Replacement and Maintenance Plan	2,055,119	96,365	2,151,484	280,055
14	Revised Fire Vehicle Replacement and Maintenance Plan	1,967,578	-	1,967,578	809,582
16	Additional Fleet Mechanics for Police Department (2)	198,177	-	198,177	102,163
17	Additional Fleet Mechanics for Fire Department (2)	207,017	-	207,017	100,650
34	4-Person Staffing on Fire Trucks	263,821	-	263,821	4,358
35	Fire Equipment and One-Time Operating Needs	250,000	-	250,000	7,599
36	Contingency - Fire Radios	2,500,000	-	2,500,000	-
37	Recreation - Summer Pools	50,000	-	50,000	25,000
38	Arlington Youth Innovation Center Furniture, Fixtures & Equip.	600,000	-	600,000	-
Total Public Safety		**17,054,129**	**96,365**	**17,150,494**	**5,115,200**
Critical Operating Needs					
18	Funding Gap - Existing Services	13,238,623	-	13,238,623	6,619,311
19	General Plan Update	1,500,000	2,000,000	3,500,000	-
20	Homeless Services	500,000	491,225	991,225	55,345
21	Principal Analyst - City Manager's Office	144,623	-	144,623	74,813
22	Budget Engagement Commission Support	27,000	-	27,000	663
Total Critical Operating Needs		**15,410,246**	**2,491,225**	**17,901,471**	**6,750,133**
Facility Capital Needs					
23	New Downtown Main Library	2,204,500	1,647,611	3,852,111	-
23a	New Downtown Main Library - Archives	1,000,000	-	1,000,000	-
24	Eastside Library Site Selection	-	100,000	100,000	-
25	New Police Headquarters	-	-	-	-
26	Museum Expansion and Rehab	-	-	-	-
27	Downtown Parking Garage	-	-	-	-
28	Annual Deferred Maintenance	1,000,000	541,790	1,541,790	276,107
Total Facility Capital Needs		**4,204,500**	**2,289,401**	**6,493,901**	**276,107**
Quality of Life					
29	Maximize Roads/Streets (Pavement Condition Index)	2,875,000	2,816,518	5,691,518	26,014
30	Tree Trimming	1,000,000	908,793	1,908,793	267,033
31	Ward Action Team - City Attorney's Office	257,082	-	257,082	125,695
32	Ward Action Team - City Manager's Office	129,046	-	129,046	-
Total Quality of Life		**4,261,128**	**3,725,311**	**7,986,439**	**418,742**
Technology					
33	Technology Improvements	2,000,000	1,887,712	3,887,712	214,849
Total Technology		**2,000,000**	**1,887,712**	**3,887,712**	**214,849**
	Expenditures	**$ 49,103,557**	**$ 10,490,014**	**$ 59,593,571**	**$ 14,861,808**

Spending Funded by Debt **Related Spending Item**				**Debt Proceeds**	**FY 2018/19 Spending**
Other expenditures funded by debt paid for by Measure Z, referencing the related Spending Item					
14	Revised Fire Vehicle Replacement and Maintenance Plan			14,500,000	712,574
23	New Downtown Main Library			40,000,000	183,488
Total Spending Funded by Debt				**54,500,000**	**896,063**

Grand Total - Measure Z Expenditures	**$ 49,103,557**	**$ 10,490,014**	**$114,093,571**	**$ 15,757,871**

MEASURE Z

FINANCIAL DISCIPLINE/RESPONSIBILITY

20% General Fund Reserve
Reserves currently at 19%

50% Self-Insurance Fund Reserves
On-Track for FY 2020/21

$2 Million Contingency Funds
Intact; no current plan to spend

Payoff Pension Obligation Bond
Annual payments occurring as scheduled

QUALITY OF LIFE

Maximize Roads / Streets (Pavement Condition Index - PCI)
City's PCI: 61/100; Projects approved by Council on 9/11/18; Next PCI study anticipated in FY 2019/20

Arterial and Minor Streets Maintenance
Construction began in December 2019; Estimated completion in May 2019

Selkirk Avenue Sidewalks
Construction schedule to begin in January 2019; Expected completion in May 2019

Tree Trimming

Last Season: Recreation - Summer Pools

22 Additional Swim Sessions

8,335 Guests Served

Pools will re-open in May 2019

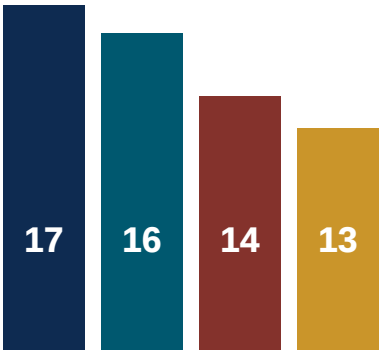
Ward Action Team - Deputy City Attorney II
5 marijuana dispensaries closed; 105 active assignments

Ward Action Team - City Manager's Office
Vacant; internal assessment of position is being conducted.

Arlington Youth Innovation Center Furniture, Fixtures, Equipment
Youth Innovation Center is under construction; July 2018 groundbreaking; August 2019 estimated completion. Measure Z funding will be utilized in February/March 2019.

PUBLIC SAFETY

60 Additional Sworn Police Positions



30 Hired to Date

RPD Vehicle Replacement & Maintenance

51 Vehicles Purchased

5 Motorcycles Purchased;
13 Crown Victorias Refurbished

1 Fixed-Wing Airplane

COMPLETED

8 Additional Dispatcher Positions

3 Hired to Date

16 Fire Vehicles Ordered

2 vehicles in-service

6 Additional Firefighters

3 Firefighters will be hired in Quarter 3; Recruitment underway

Fire Radios

190 radios purchased and pending delivery

Fire Equipment

Purchasing process in progress for firefighter turnouts and HazMat monitors

Ongoing items are on-track:

Police Officer Lateral Hire Incentives and Recruitment Costs

TECHNOLOGY

Technology Improvements Underway

- Network Refresh Projects
- Replacement of defective cameras
- New Projects for QTR2: New HelpDesk system and Microsoft 365

Technology Improvements Completed

- Purchase of Dell PowerEdge Servers
- Installation of wireless radios at Doty Trust Park
- Vendor remote access solution replacement
- Online technology subscription and training for staff

FACILITY CAPITAL NEEDS

New Downtown Main Library & Archives

Spring 2020

Bids received for construction; Anticipated Council action on February 5, 2019; Opening anticipated in Spring 2020.

Museum Expansion and Rehabilitation

Architect selected by Evaluation Committee; Presentation to Council will follow

Eastside Library Site Selection

Cesar Chavez Community Center parking area selected.

New Police Headquarters

Site options being considered.

Downtown Parking Garage

Project is in conceptual stage.

Annual Deferred Maintenance (Existing Facilities)

- Improvements at various City facilities include: new roofs, HVAC repair and replacements, and installation of LED lighting

Completed

- Installed new HVAC units at Fire Stations 7 & 10 and Lincoln Police Station
- New Sump Pump at City Hall
- LED Lighting at City Hall and City Corporation Yard parking lots.
- Complete electrical upgrades to Riverside Municipal Auditorium.
- Expanded Facility Condition Assessment.

CRITICAL UNFUNDED NEEDS

General Plan Update

Continuing to scope and develop the RFP for the General Plan Update; list of potential consultants is being prepared; target to release the RFP in FY 2018/19, 3rd Quarter.

Homeless Services

Grove Tiny House Project
Tenants expected to move in in QTR3

Housing First Plan

Social Work Internship Program

Ongoing items are on-track:

- Funding Gap
- Budget Engagement Commission Support

COMPLETED

- Reinstatement of Fire Squad
- Reinstatement of Captains (Training and Arson)
- Reinstatement of Battalion Chief
- Public Safety Non-Sworn Position and Recruitment Costs
- Refurbish PD Vehicle (Pilot Program)
- Fleet Facility Capital Repairs Needed
- Additional Fleet Mechanics for Police Department (2)
- Additional Fleet Mechanics for Fire Department (2)
- Principal Management Analyst - City Manager's Office

WATER | ENERGY | LIFE

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES **DATE:** MARCH 11, 2019

ITEM NO: 15

SUBJECT: RIVERSIDE PUBLIC UTILITIES FISCAL YEAR 2018-19 MID-YEAR FINANCIAL REPORT

ISSUE:

Receive the Riverside Public Utilities fiscal year 2018-19 mid-year financial report as of December 31, 2018.

RECOMMENDATION:

That the Board of Public Utilities receive the Riverside Public Utilities fiscal year 2018-19 mid-year financial report as of December 31, 2018.

BACKGROUND:

This report provides a brief overview of revenues, expenditures, and capital projects as of December 31, 2018. The financial results for both Electric and Water Funds are presented herein. These results will be incorporated into City Finance's fiscal year 2018-19 second quarter financial report to be presented to City Council on March 26, 2019.

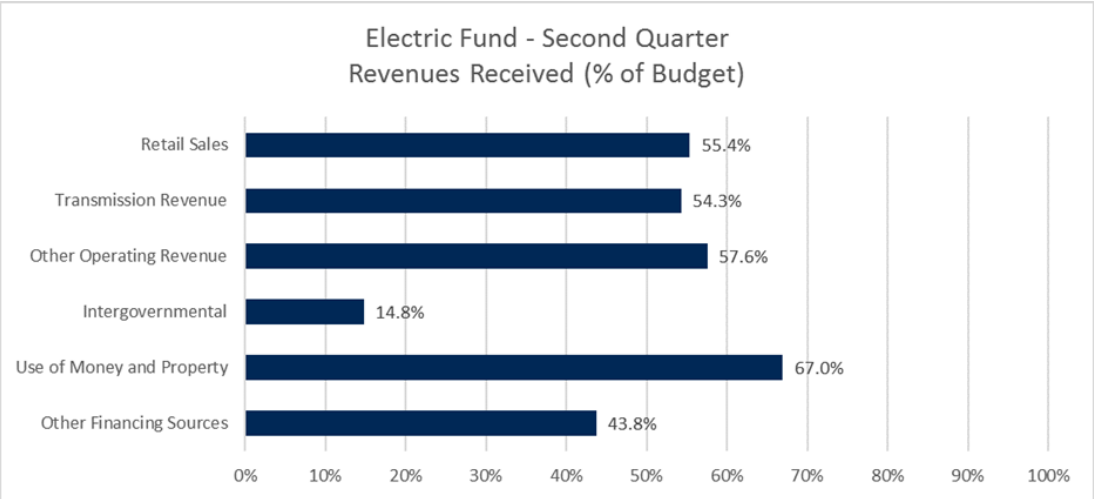
DISCUSSION:

ELECTRIC FUND

The mid-year analysis of the Electric Fund shows actual revenues and expenses are trending higher than anticipated. A supplemental appropriation for the power supply budget will be presented to the Board of Public Utilities (Board) and City Council in April 2019 due to unanticipated increases in power supply costs. Capital projects are progressing consistently with the Capital Improvement Program (CIP).

Revenue Analysis

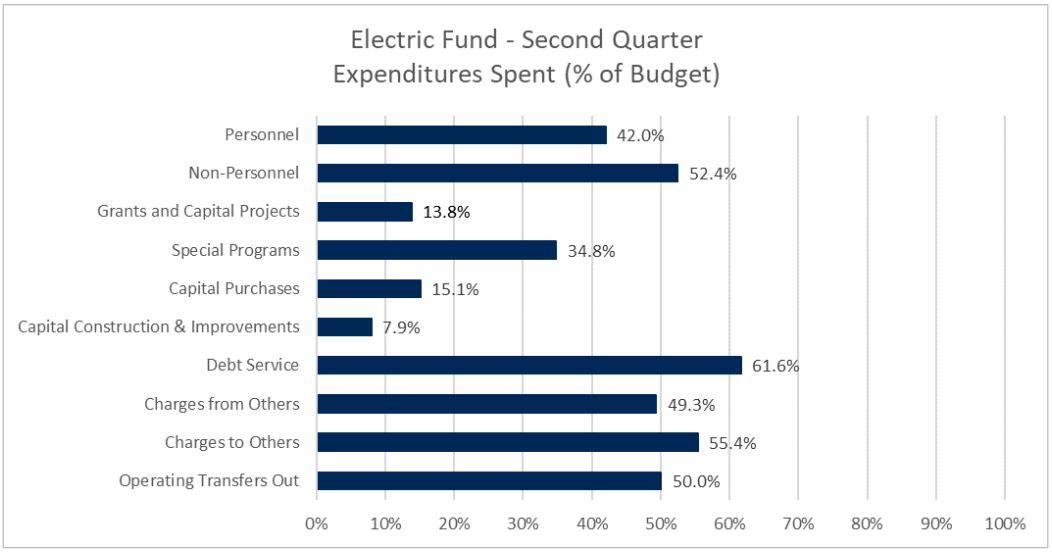
Overall, Electric revenues are trending higher than 50% of total budget as of December 31, 2018 due to the summer season in the first quarter of the fiscal year and higher than anticipated retail sales. Weather can significantly impact retail revenues, which will be monitored throughout the remainder of fiscal year (FY) 2018-19.



- Retail Sales: With the summer season at the beginning of the fiscal year, projected retail sales were expected to be at 53% of total budget through December 2018. Actuals are higher at 55.4% of total budget due to higher than anticipated summer temperatures.
- Transmission Revenue: Transmission Revenue fluctuates similar to energy load. Actuals through December 2018 are at 54.3% of total budget due to the summer period at the beginning of the fiscal year. Electric is on target to meet budgeted revenue.
- Other Operating Revenue: Actuals through December 2018 are at 57.6% of total budget, primarily due to the timing of the sale of greenhouse gas allowances.
- Use of Money and Property: This revenue category represents non-operating revenues such as interest income, rental income, and miscellaneous one-time receipts that are not received evenly throughout the year. Actuals through December 2018 are at 67% of total budget, primarily due to better than anticipated interest earnings on investments and a settlement recovery of $715,000 from San Onofre Nuclear Generating Station.

Expenditure Analysis

At December 31, 2018, Electric Fund expenditures, excluding capital projects, are slightly higher than 50% of the total budget due to unanticipated increases in power supply costs. Power supply costs are expected to trend higher than the adopted budget for power supply through the remainder of FY 2018-19.



- Non-Personnel: Non-Personnel is higher than 50% due to higher than expected power supply costs as a result of higher than anticipated consumption, market energy prices, and natural gas

prices. Power supply expenditures are projected to be higher than the power supply budget by the end of the fiscal year. A supplemental appropriation for the power supply budget will be presented to the Board and City Council in April 2019. The increase in power supply costs is expected to be offset by the increase in retail sales and savings in other operating budget line items.

- Capital Construction & Improvements: Actual capital expenditures of 7.9% through December 2018 are on track with the CIP plan. Capital project activities are further discussed below.
- Debt Service: Debt service is higher than 50% at December 31, 2018 primarily due to the annual principal payments made on bonds in October 2018. Total debt service is expected to be within total budget at year-end.
- Charges to Others: Charges to Others primarily represent the charge out of internal labor and overhead costs to capital projects. This category is trending higher than expected due to an increase in capital project work. This trend is expected to continue for the remainder of the year.

Capital Projects

For the Electric and Water Funds, total budget for capital construction and improvements includes the adopted budget for FY 2018-19 along with open FY 2017-18 purchase orders and selected portions of the FY 2017-18 budget carried forward to FY 2018-19 which were unexpended due to project timing. For both Funds, capital projects are budgeted on a program basis with many active projects in progress at the same time, ranging from less than $50,000 in size to multi-million dollars in major projects that require Board approval. Major capital projects require several months, and in certain cases cross fiscal years or span multiple fiscal years to complete. The total budget will not be fully spent for any given year due to the timing of projects and extenuating circumstances that may cause a project to be delayed.

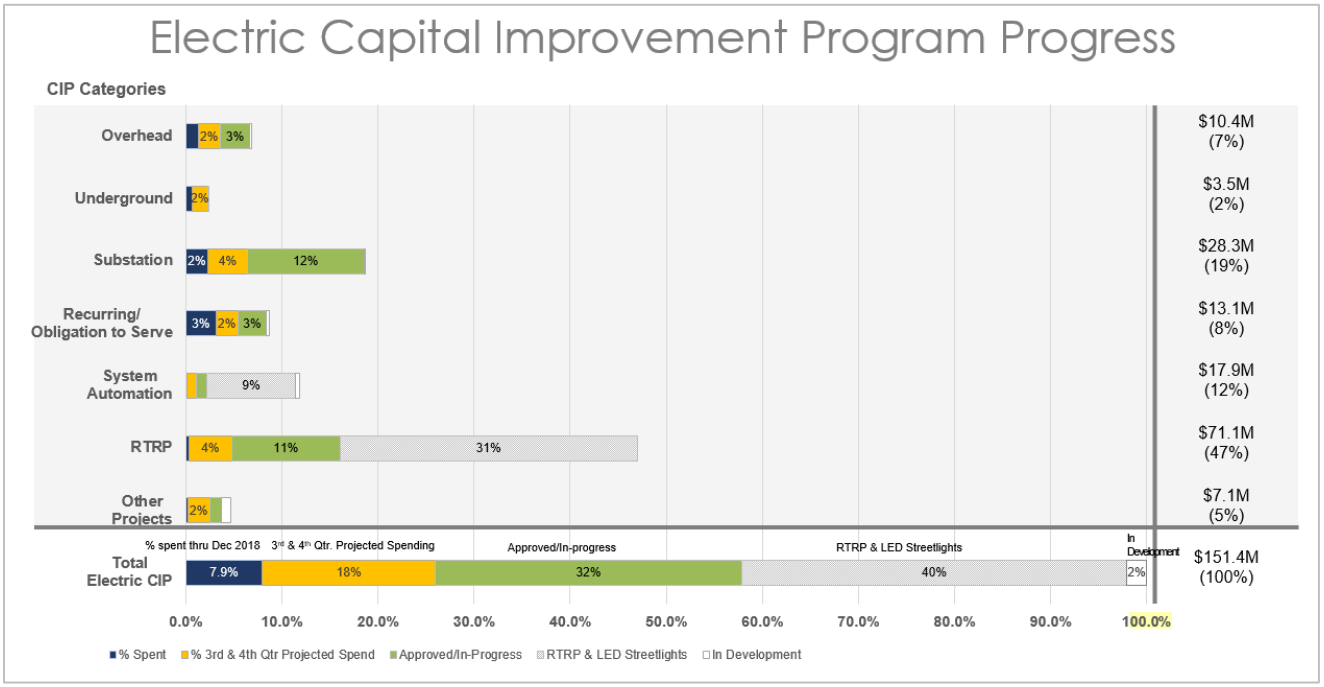
For the Electric Fund, capital activities and spending are on track. Consistent with the Utility 2.0 initiatives, areas of focus have been on electric system reliability and aging infrastructure replacement. Major projects taken to Board for approval from July through December 2018 include:

- $8.2 million in Substation projects for switchgear and transformer upgrades to address aged substation equipment impacting system reliability and customer service in a large geographic area.
- $3.2 million in Overhead projects for pole replacements and 12kV conversions to address aged 4kV equipment and deteriorated poles impacting system reliability and customer service.
- $1.6 million in Recurring projects to serve new customers and expanded load within the service area.
- $247,000 in Underground projects to replace cable failures impacting system reliability.
- $761,000 in System Automation for Electric's portion of the Citywide Geographic Information System (GIS) Technology Upgrade project to provide for improved operational efficiencies.

January continued to be a busy month for the Energy Delivery division with $6.4 million in major projects approved by Board. In addition, the Board also approved the first phase of implementation of an Electric Advanced Meter System and Meter Data Management System for FY 2018-19.

As previously indicated, these major projects require several months, and in certain cases cross fiscal years or span multiple fiscal years to complete. Fiscal year actual capital expenditures are comprised of small projects less than $50,000, projects continued from previous fiscal year(s) and projects started in the current fiscal year.

As shown in the graph below, the Electric Fund spent 7.9% ($12 million, in blue) of its total CIP budget for the first six (6) months of the fiscal year, comprised of the various CIP categories. The Electric Fund currently projects to spend an additional 18% (approximately $27 million, in yellow) for the balance of FY 2018-19 based on the various stages of its capital projects.



The balance of the total budget is comprised of the following:

- 32% (approximately $48 million, in green) of the total budget is comprised of major projects that have been approved by Board and may be completed subsequent to the current fiscal year due to the size and timing of the projects.
- 40% (approximately $61 million, in grey) of the total budget is comprised of budget dedicated to Riverside Transmission Reliability Project (RTRP) and LED Streetlight projects in which spending will span multiple fiscal years and where project approval is brought to Board in phases.
- 2% (approximately $3 million, in white) is in the development phase. Staff will bring these projects to Board for consideration when they are ready.

The Electric Fund completed the following capital improvements during the first six (6) months of FY 2018-19:

- Orangecrest Substation to La Colina Substation Line Relay Replacement Project
- University Substation to La Colina Substation Line Relay Replacement Project
- Riverside Substation to Vista Substation Line Relay Replacement Project
- Substation Distance Relay and SAS Upgrade
- Mobile Substation 3 acceptance and commissioning
- Multi substation–DC system upgrades
- Orangecrest Substation Switchgear 1-1 air conditioning upgrade project
- Harvey Lynn Substation grounding upgrade
- Hunter Substation land acquisition
- HMPE Cable Replacement at Canyon Crest Phase 1D
- Cable Replacement at American Drive
- G.O. 165 Underground Structure Rehab of vaults and manholes on Central Ave, Chicago Ave, and Pachappa Drive

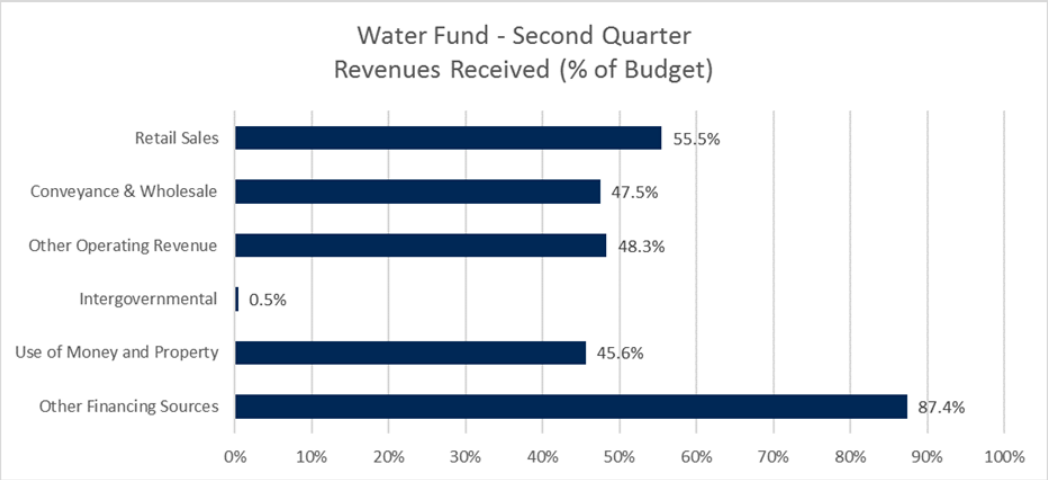
These completed projects focused on the three (3) major infrastructure replacement categories of Overhead, Underground, and Substation, which are part of Utility 2.0 initiatives. Completed projects in these categories benefit system reliability and mitigate the potential for widespread, prolonged customer outages.

WATER FUND

The mid-year analysis of the Water Fund shows actual revenues and expenses are trending lower than anticipated. Capital projects are progressing consistently with the CIP.

Revenue Analysis

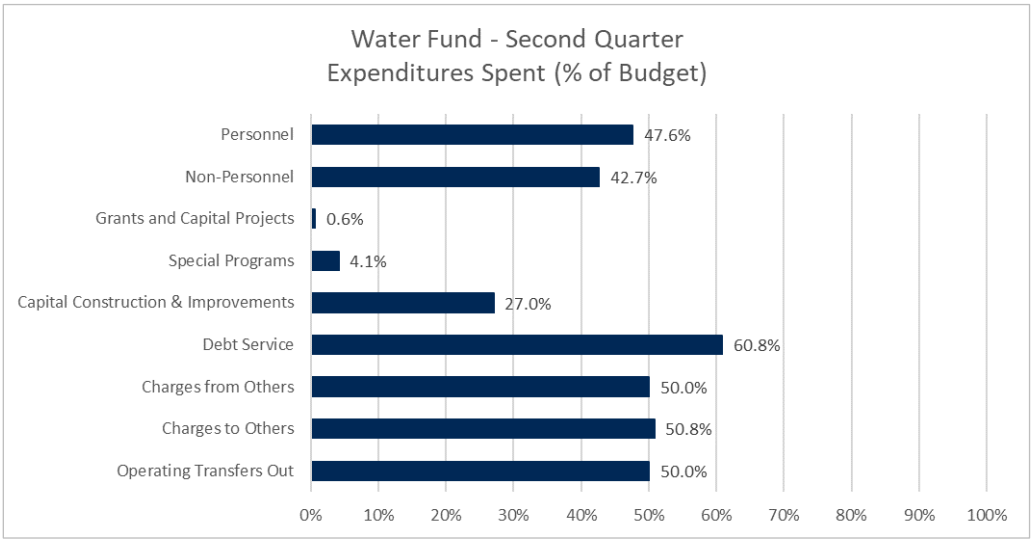
Overall, Water revenues are trending at 50% of total budget at December 31, 2018, which is less than anticipated primarily due to lower than expected retail sales resulting from higher precipitation weather. Weather, including precipitation, can significantly impact retail revenues, which will be monitored throughout the remainder of FY 2018-19.



- Retail Sales: With the summer season at the beginning of the fiscal year, projected retail sales were expected to be at 56.2% of total budget through December 2018. Actuals are lower at 55.5% of total budget due to higher than anticipated precipitation from October through December 2018. Retail revenues can be significantly impacted by weather, including precipitation, and will be monitored throughout the remainder of FY 2018-19.
- Other Financing Sources: This revenue category is primarily comprised of proceeds from sale of salvage materials and damage claim recoveries, which are unpredictable and not received evenly throughout the fiscal year.

Expenditure Analysis

As of December 31, 2018, Water Fund expenditures, excluding capital projects, are less than 50% of the total budget. This trend is expected to continue for the remainder of FY 2018-19.



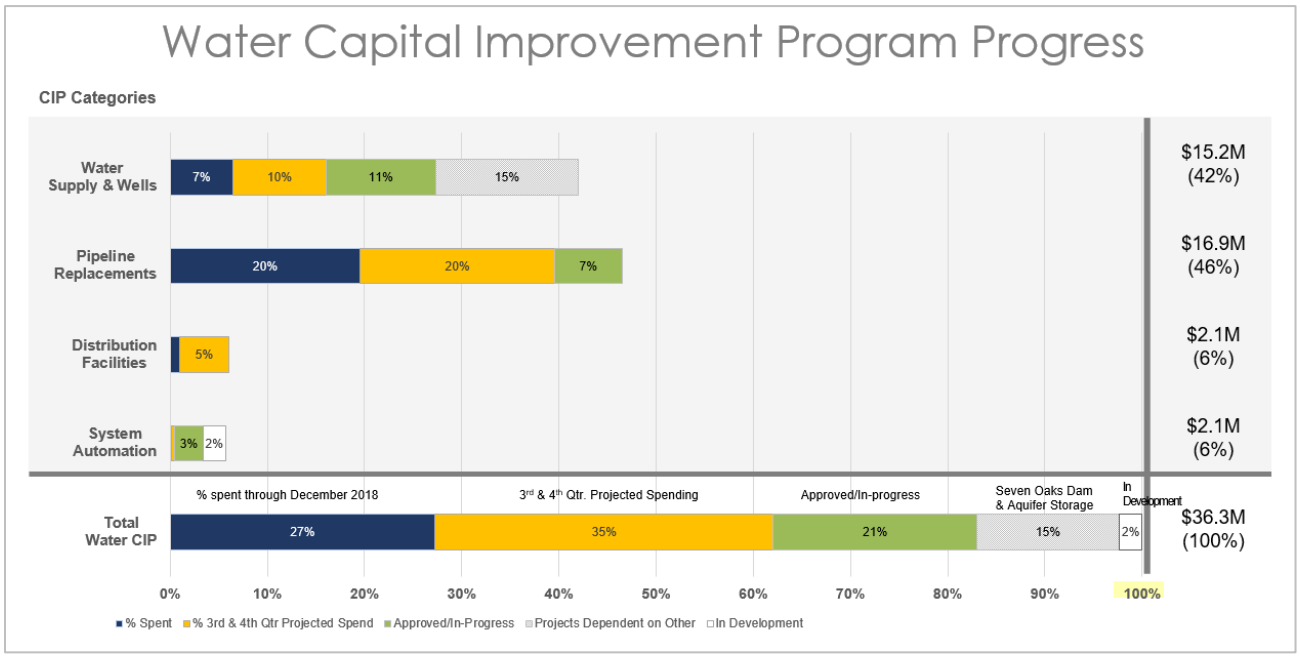
- Capital Construction & Improvements: Actual capital expenditures of 27% through December 2018 are on track with the CIP plan. Capital project activities are further discussed below.
- Debt Service: Debt service is higher than 50% at December 31, 2018 primarily due to the annual principal payments made on bonds in October 2018. Total debt service is expected to be within total budget at year-end.

Capital Projects

The Water Fund's capital activities and spending are on track. Consistent with the Utility 2.0 initiatives, areas of focus have been on water system reliability and aging infrastructure replacement. Major capital projects taken to Board for approval from July through December 2018 include:

- $1.5 million in Well projects to rehabilitate three wells to improve water supply reliability and address aging infrastructure.
- $3.75 million Water Supply project for recycled water improvements at the Riverside Water Quality Control Plant to invest in recycled water supply infrastructure.
- $9.6 million in Pipeline Replacement projects primarily comprise of two major projects, the Magnolia Techite Pipeline Replacement project and Iowa Ave. Transmission Main Replacement project to improve reliability and address aging infrastructure.
- $599,000 in Distribution Facilities project for pressure reducing station replacement, replacing an aging pressure reducing station.
- $446,000 in System Automation for Water's portion of the citywide GIS Technology Upgrade project to provide for improved operational efficiencies.

Similar to the Electric Fund, the Water Fund's fiscal year actual capital expenditures are comprised of small projects less than $50,000, projects continued from previous fiscal year(s) and projects started in the current fiscal year. As shown in the graph below, the Water Fund spent 27% ($9.8 million, in blue) of its total CIP budget for the first six (6) months of the fiscal year, comprised of the various CIP categories. The Water Fund currently projects to spend an additional 35% (approximately $12.7 million, in yellow) for the balance of FY 2018-19 based on the various stages of its capital projects.



The balance of the total budget is comprised of the following:

- 21% (approximately $7.6 million, in green) of the total budget is comprised of major projects that have been approved by Board and may be completed subsequent to the current fiscal year due to the size and timing of the projects.
- 15% (approximately $5.4 million, in grey) of the total budget is comprised of budget dedicated to the Seven Oaks Dam Conservation and Aquifer Storage & Recovery System projects in which spending will span multiple fiscal years and is dependent on other agencies' activities.
- 2% (approximately $0.8 million) is in the development phase. Staff will bring these projects to Board for consideration when they are ready.

The Water Fund completed the following capital improvements during the first six (6) months of FY 2018-19:

- Substantial completion of the Jackson Street Recycled Water Pipeline Project – Phase I
- Completion of the Iowa ARB main extension project
- Completion of 5 well rehab projects
- Completed 559 service lateral replacements
- Completed 26 fire hydrant replacements
- Completed 5 valve replacements
- Replaced 7 booster pumps/motors and rebuilt 3 booster pumps/motors
- Refurbished 2 potable well pumps/motors
- Replaced 865 small meters, 45 large meters, and performed 182 large meter calibrations.

Installation of recycled water infrastructure benefits all of RPU customers by freeing up water supply through making recycled water available for landscaping and irrigation needs. Installations of new mains provide water to new customers and support the City's development and growth. Pipeline and distribution facilities replacements along with well rehabilitations help address aging infrastructure and improve system reliability to maintain RPU's high level of service to its customers.

FISCAL IMPACT:

There is no fiscal impact associated with this report.

Prepared by:	Aileen Ma, Interim Utilities Assistant General Manager/Finance & Administration
Approved by:	Todd M. Corbin, Utilities General Manager
Approved by:	Al Zelinka, FAICP, City Manager
Approved as to form:	Gary G. Geuss, City Attorney
Certifies availability of funds:	Aileen Ma, Interim Utilities Assistant General Manager/Finance & Administration
Attachment:	Presentation

FISCAL YEAR 2018-19
MID-YEAR FINANCIAL REPORT

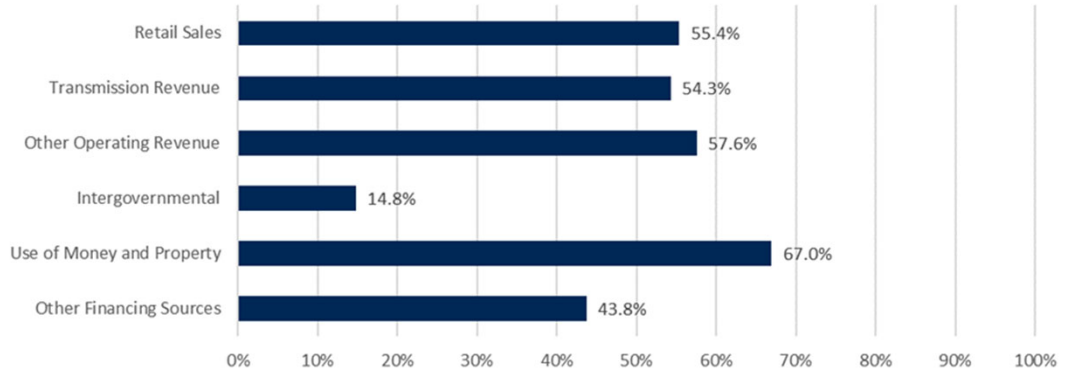
RIVERSIDE PUBLIC UTILITIES

Board of Public Utilities
March 11, 2019

FINANCIAL HIGHLIGHTS

1. Electric
   A. Revenues are higher than anticipated
   B. Expenditures, excluding capital, are higher than anticipated
   C. Capital projects are progressing consistent with the Capital Improvement Program
2. Water
   A. Revenues are lower than anticipated
   B. Expenditures, excluding capital, are less than 50% of total budget
   C. Capital projects are progressing consistent with the Capital Improvement Program

ELECTRIC FUND – SECOND QUARTER REVENUE RECEIVED (% OF BUDGET)



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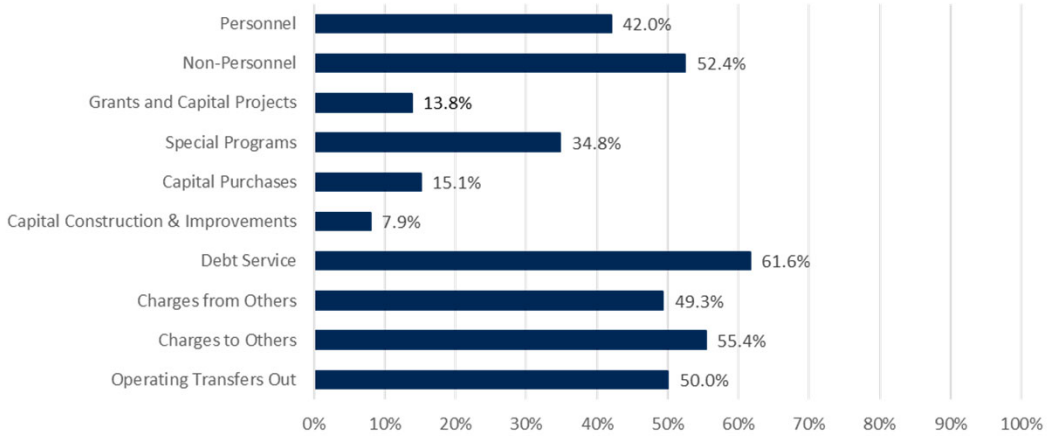
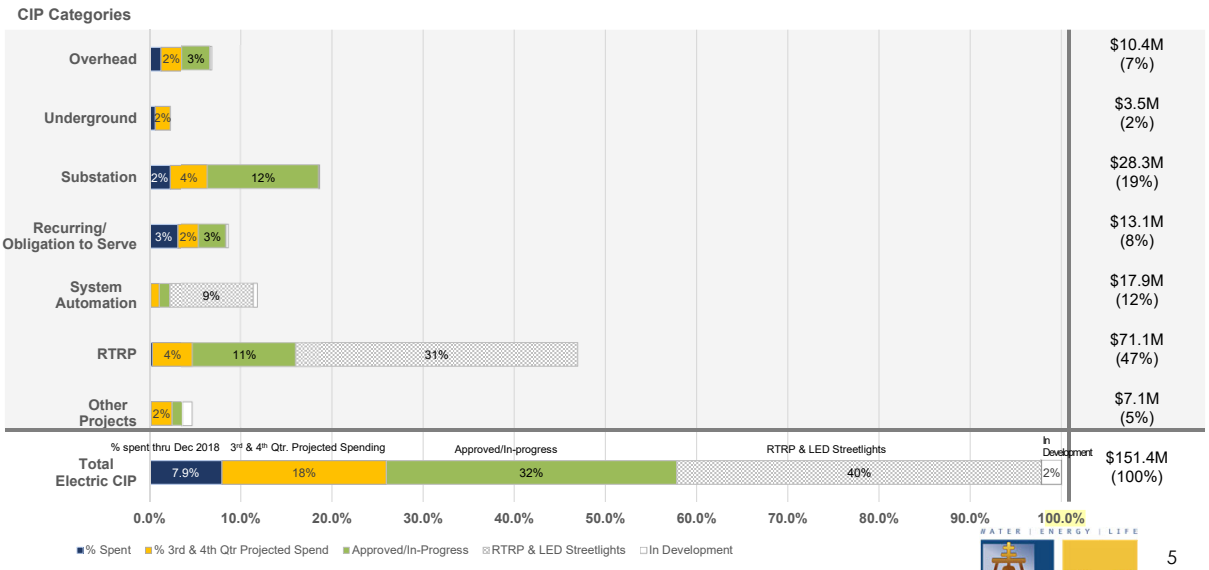
ELECTRIC FUND – SECOND QUARTER EXPENDITURES SPENT (% OF BUDGET)

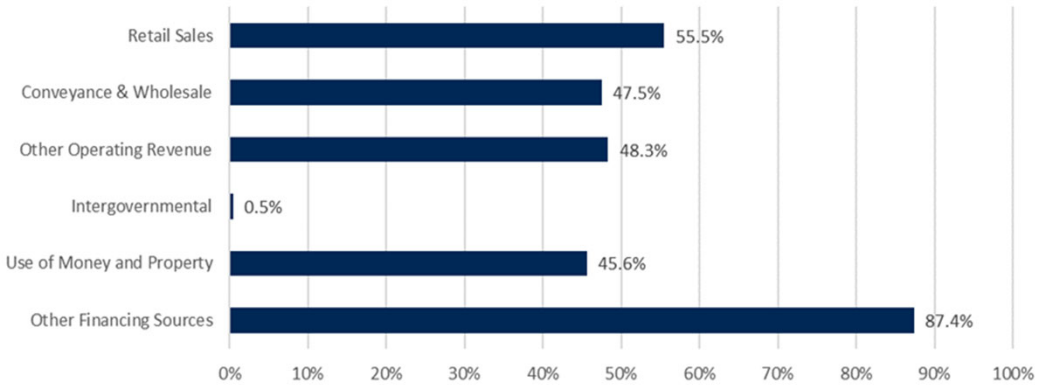


4

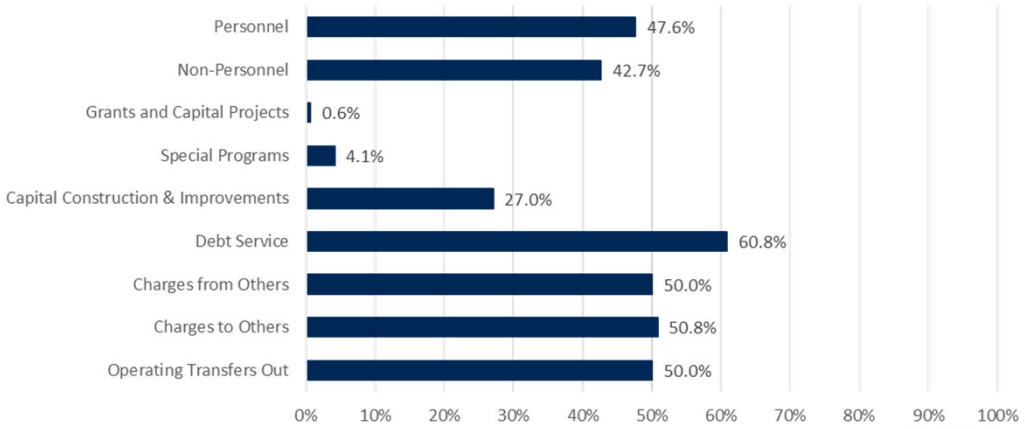
ELECTRIC CAPITAL IMPROVEMENT PROGRAM PROGRESS



WATER FUND – SECOND QUARTER REVENUE RECEIVED (% OF BUDGET)



WATER FUND – SECOND QUARTER EXPENDITURES SPENT (% OF BUDGET)



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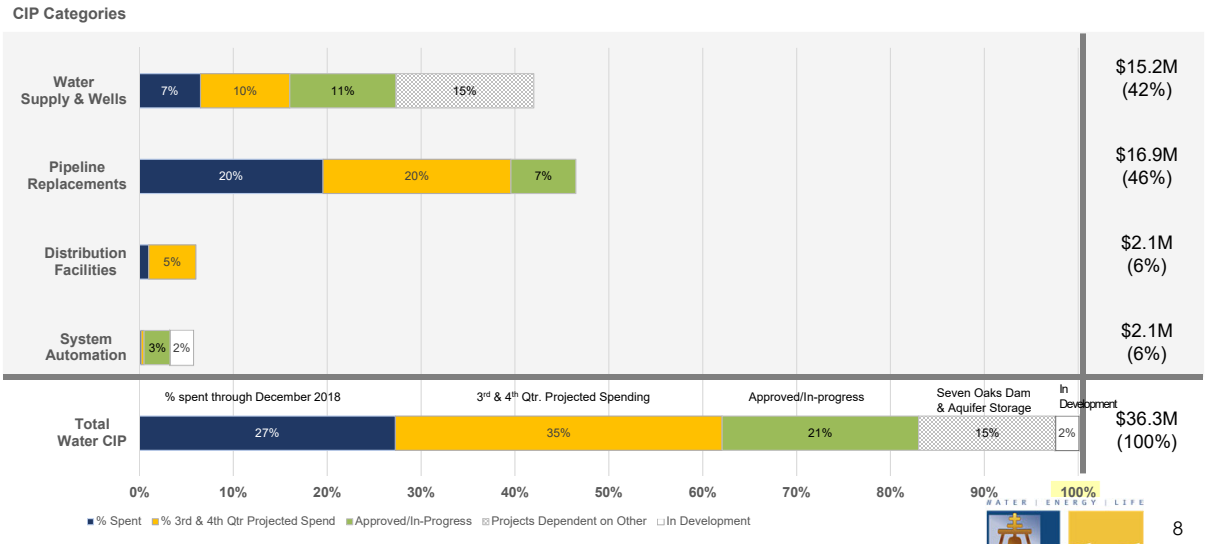
WATER CAPITAL IMPROVEMENT PROGRAM PROGRESS



8

RECOMMENDATION

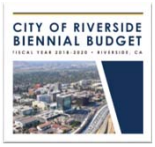
That the Board of Public Utilities receive the Riverside Public Utilities fiscal year 2018-19 mid-year financial report as of December 31, 2018.

FY 2018-2020 TWO-YEAR BUDGET: FY 2018/19 SECOND QUARTER UPDATE

Finance, Public Works, & Public Utilities Departments

City Council
March 26, 2019

BACKGROUND



June 2018
Budget Adopted by City Council

December 2018
Carryover of prior year unexpended funds

Second Quarter
Budget Engagement Commission
Finance Committee

June 2018 – Updated Spending Plan in adopted budget; new spending Items (Fire, Parks & Rec)

December 2018 – Updated Spending Plan to reflect actual FY 2017/18 revenues recorded.

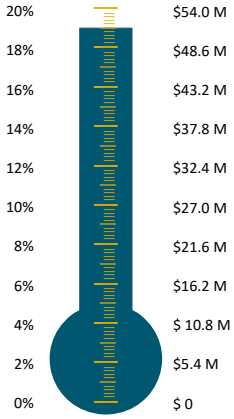
LEGISLATIVE/JUDICIAL

CalPERS California Rule

Wayfair Ruling

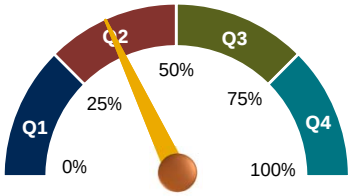
GENERAL FUND SUMMARY

Reserves

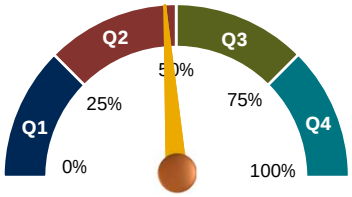


19%, computed as a % of the FY 2018/19 Adopted Appropriations of $269 million

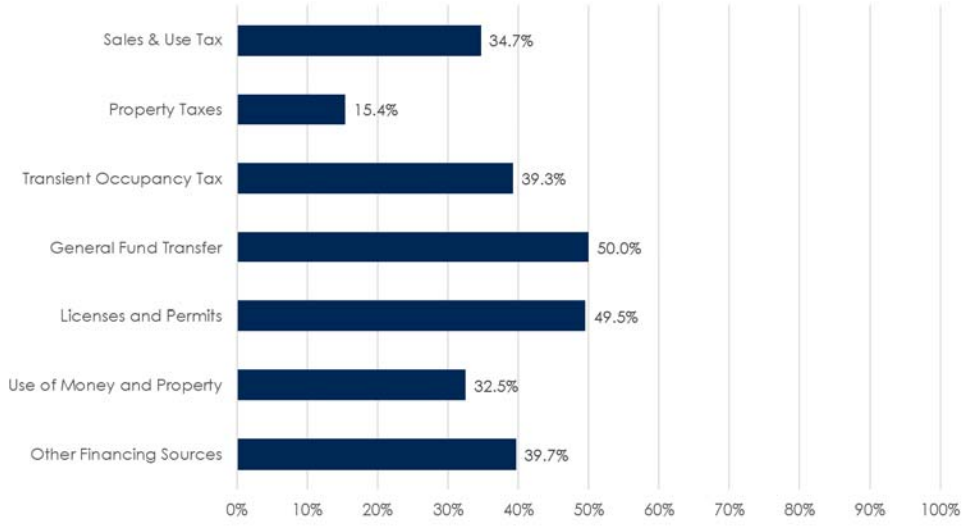
Revenue Recorded to Date



Expenditures Recorded to Date



GENERAL FUND REVENUE
DISCUSSION ITEMS

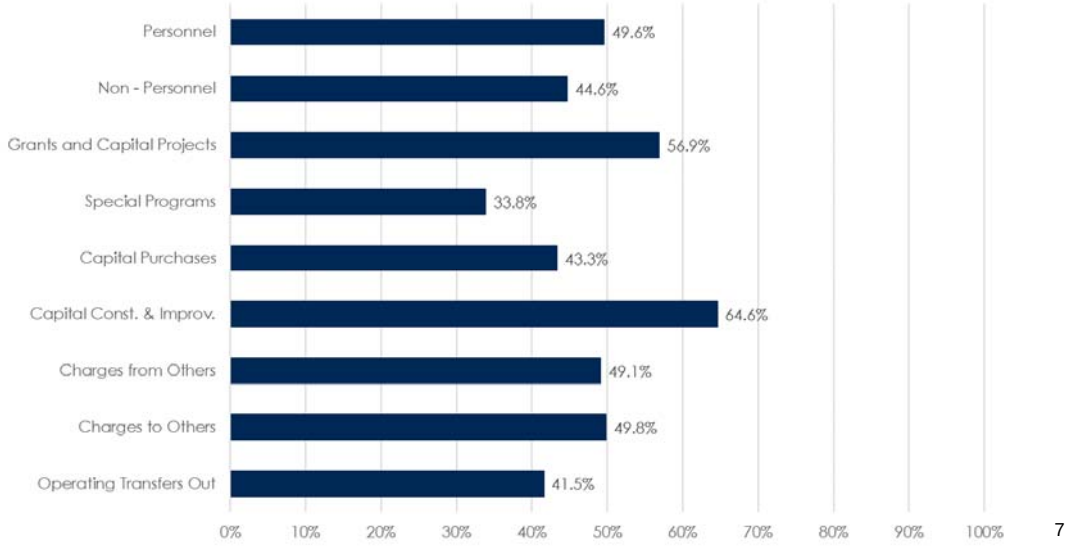


GENERAL FUND REVENUE
REVISED ESTIMATES

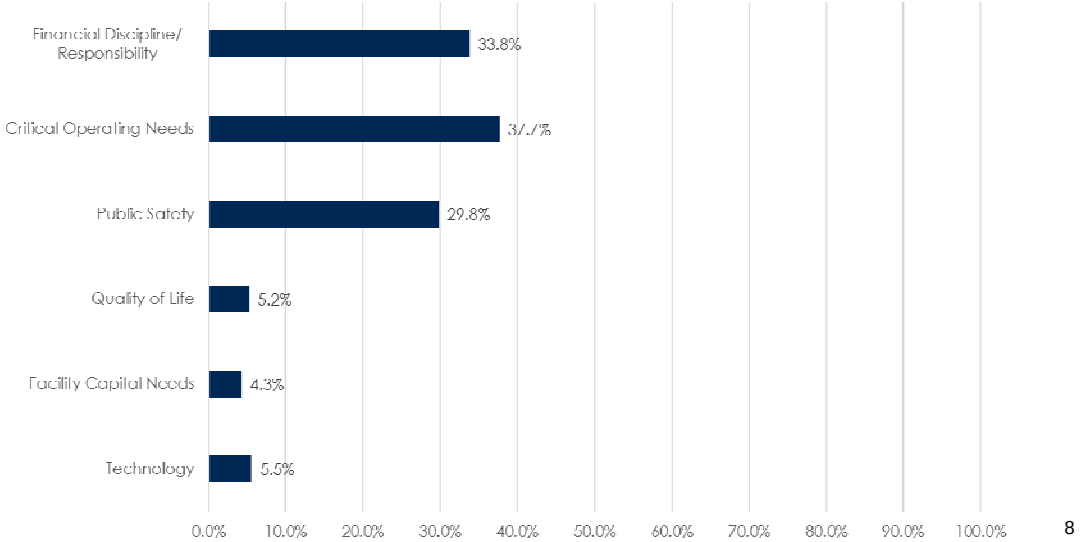
Summary of Mid-Year Revenue Adjustments

Revenue Category	Adopted Budget	Adjustment	Revised Budget	% Revised
Property Taxes	$ 65,279,094	$ 2,169,000	$ 67,448,094	3.3%
Transient Occupancy Tax	7,300,447	(350,000)	6,950,447	(4.8%)
General Fund Transfer	47,289,000	(819,000)	46,470,000	(1.7%)
Fines & Forfeitures	1,808,500	(600,000)	1,208,500	(33.2%)
Use of Money and Property	5,595,734	(400,000)	5,195,734	(7.1%)
Totals	**$ 127,272,775**	**$ 0**	**$ 127,272,775**	**(0%)**

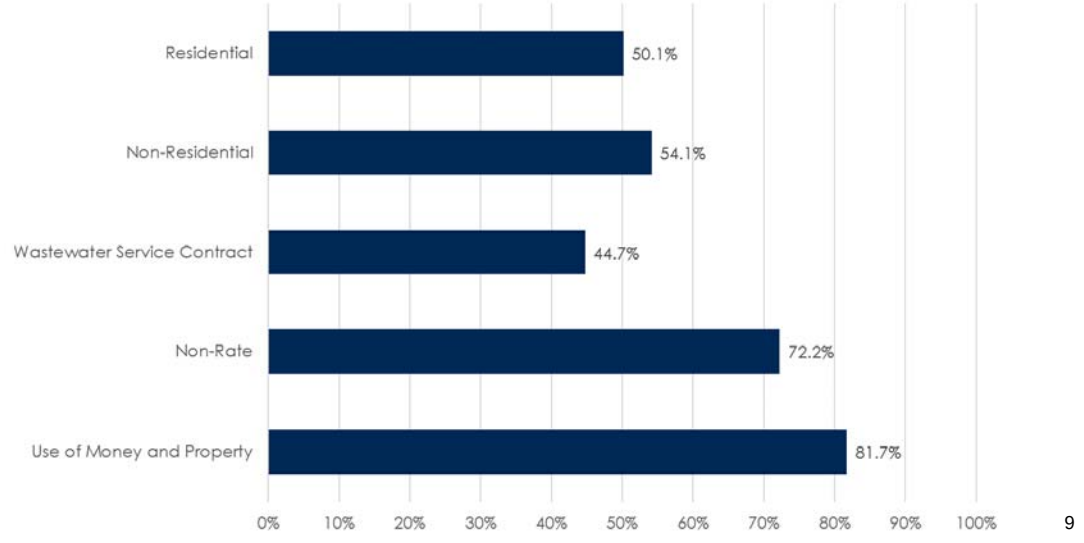
GENERAL FUND EXPENDITURES
% OF BUDGET EXPENDED



MEASURE Z EXPENDITURES
% OF BUDGET EXPENDED



SEWER FUND REVENUE
% OF BUDGET RECEIVED



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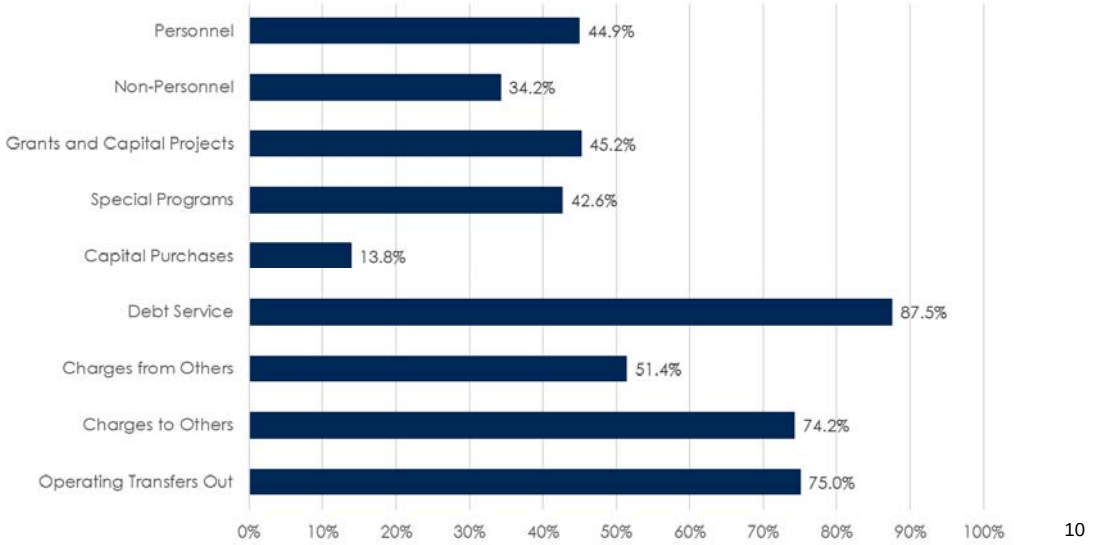
SEWER FUND EXPENDITURES
% OF BUDGET EXPENDED



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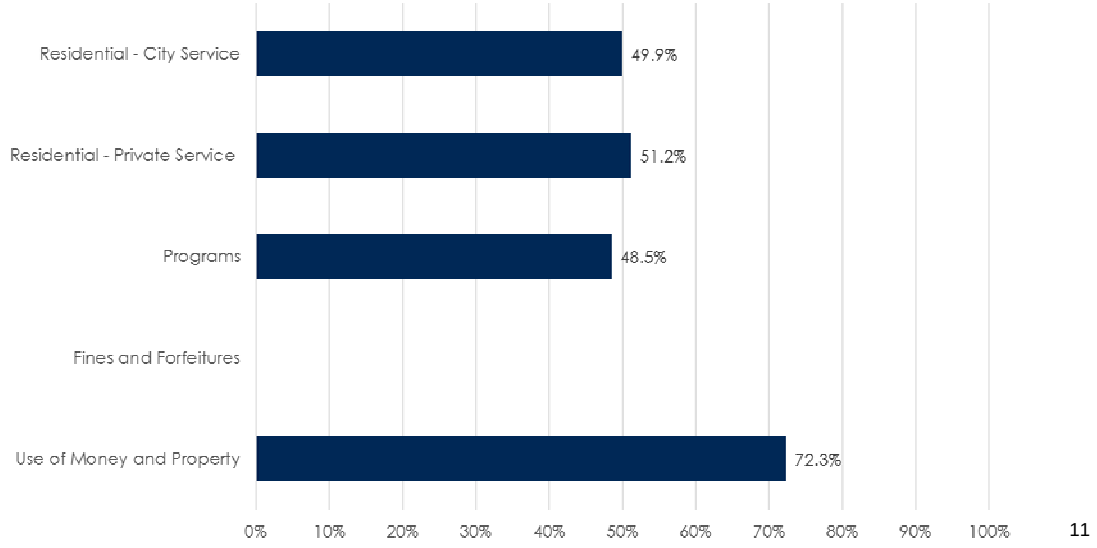
REFUSE FUND REVENUE
% OF BUDGET RECEIVED



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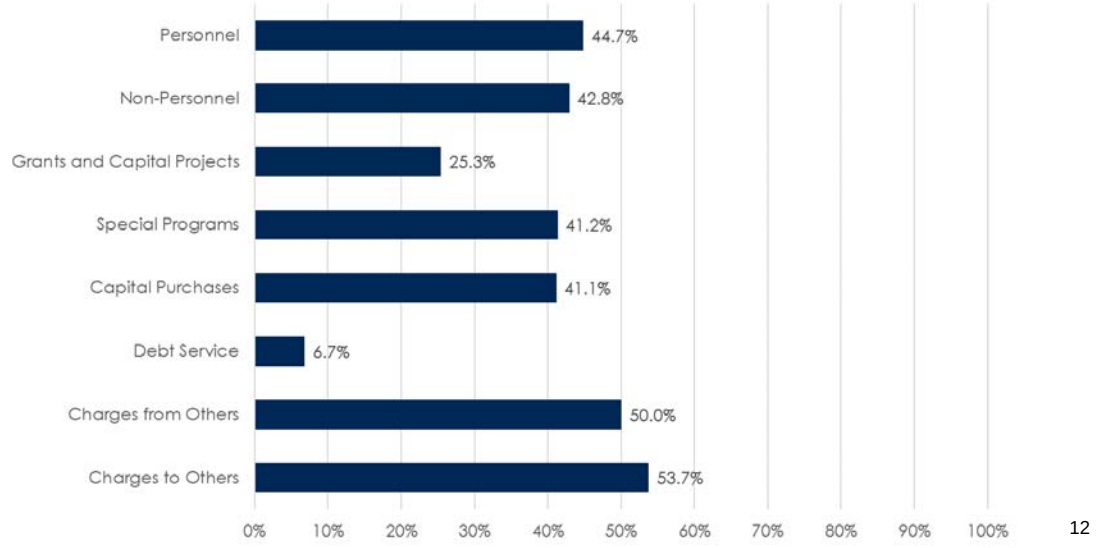
REFUSE FUND EXPENDITURES
% OF BUDGET EXPENDED



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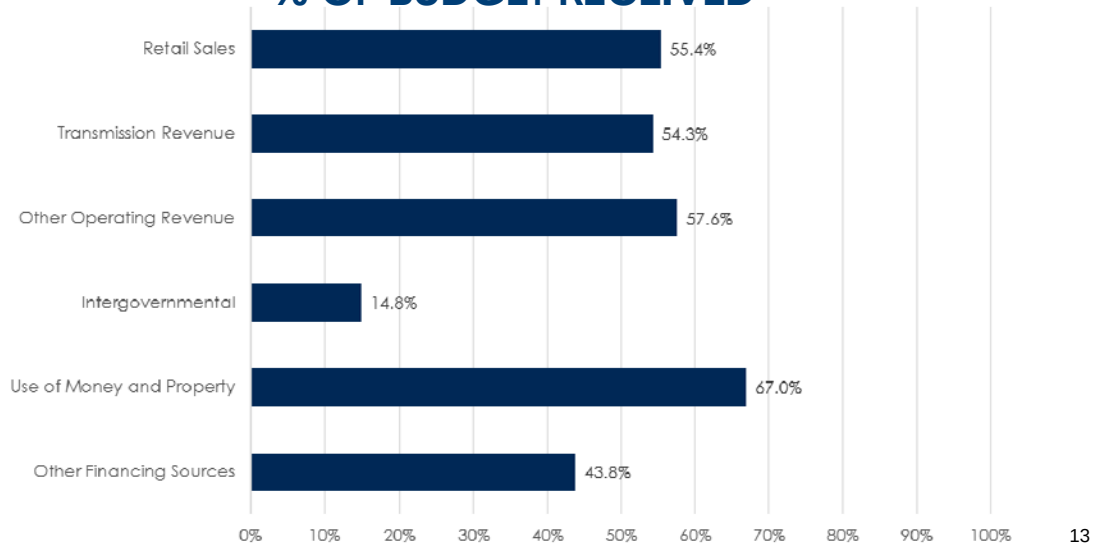
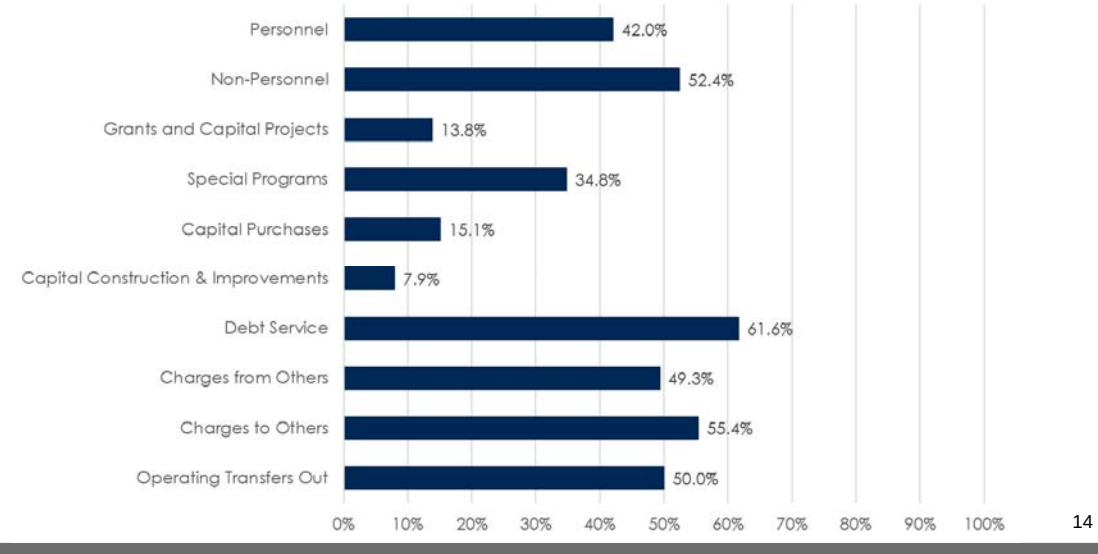
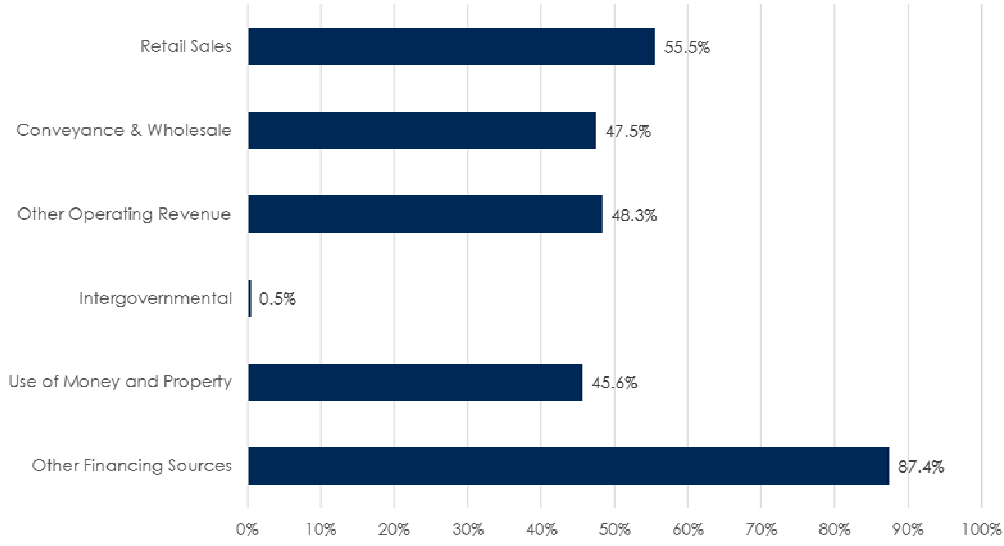
ELECTRIC FUND REVENUE
% OF BUDGET RECEIVED



ELECTRIC FUND EXPENDITURES
% OF BUDGET EXPENDED



WATER FUND REVENUE
% OF BUDGET RECEIVED



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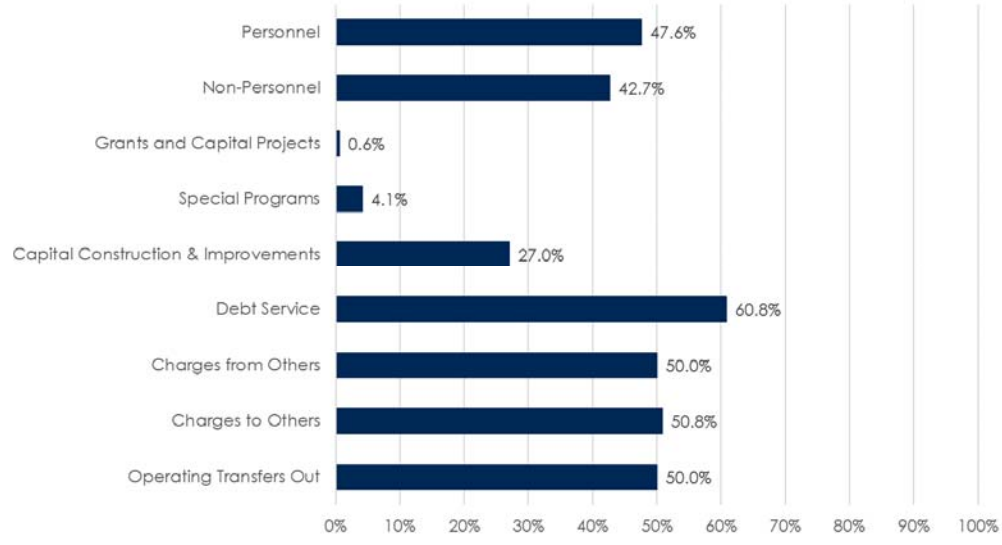
WATER FUND EXPENDITURES
% OF BUDGET EXPENDED



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RECOMMENDATIONS

That the City Council:

1. Receive and provide input on the attached Fiscal Year 2018/19 Second Quarter Financial Report and Measure Z Update; and
2. 2. Approve an interfund transfer of $88,020 from Measure Z Operating (Fund 110, Account 0000110-990420) to Measure Z Capital (Fund 420, Account 0000420-985110), a reduction of the same amount in Technology account (2400009-462310), and a supplemental appropriation of the same amount in Data Network Replacement project account (Fund 420, Account 9902209-470834) to fund the capital expenditure of previously approved Measure Z Spending Item #33 – Technology Improvements.

City of Arts & Innovation

City Council Memorandum

TO: **HONORABLE MAYOR AND CITY COUNCIL** **DATE: APRIL 23, 2019**

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

SUBJECT: **FISCAL YEAR 2018/19 SECOND QUARTER CASH AND INVESTMENTS AND DEBT REPORT**

ISSUE:

That the City Council receive and provide input on the attached Fiscal Year 2018/19 Second Quarter Cash and Investments and Debt Report.

RECOMMENDATION:

That the City Council receive and provide input on the attached Fiscal Year 2018/19 Second Quarter Cash and Investments and Debt Report.

BACKGROUND:

Finance has historically submitted comprehensive Quarterly Financial Reports to the Council four (4) times each fiscal year. These reports include financial analysis related to revenues and expenditures, potential fiscal impacts resulting from legislative and judicial actions, reserve fund balances, carryforward review, interfund and interdepartmental transfers, Measure Z activities, cash and investments, and debt projections.

On January 22, 2019, the City Council received and provided input on the Fiscal Year 2018/19 First Quarter Financial Report and Measure Z Update, accompanied by the Cash and Investment reports and the Debt report.

DISCUSSION:

In an effort to increase financial accountability and transparency as it relates to the City's Debt and Investment activities, the Finance Department is bringing forward for City Council review a separate Quarterly Cash and Investment and Debt report. It is staff's intention in the near future to provide both Finance Quarterly reports at the same City Council meeting to deliver 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, 2018, the City's pooled investment portfolio's market value was $598 million, with the market value of investments held by fiscal agents (bond proceeds and reserve funds primarily) amounting to an additional $156 million. The weighted average yield of the pooled investment portfolio is 2.005%.

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 with the exception of the following funds:

1. Civic Entertainment Fund - Convention Center, Visitors Bureau, and Sports Commission ($820,968), Special Districts ($1,361,096), and Capital Outlay ($289,852), have negative cash balances which are fully offset by outstanding receivables.
2. Urban Areas Security Initiative ($676,970), Housing Opportunities for Persons with AIDS ($188,033), Capital Outlay - Grants ($4,763,488), and Transportation Uniform Mitigation Fees ($1,989,936) have negative cash balances due to the timing of expenditures; however, the negative balances are fully offset by grant receivables.
3. Debt Service Fund – General ($22,199,858) 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 ($11 million). In addition, the Debt Service Fund is pending receipt of lease proceeds currently held with fiscal agent for the reimbursement of fire vehicle purchases ($11 million).
4. Central Stores ($891,596) which is fully offset by inventory assets that will be recouped when charged out for usage to various departments.

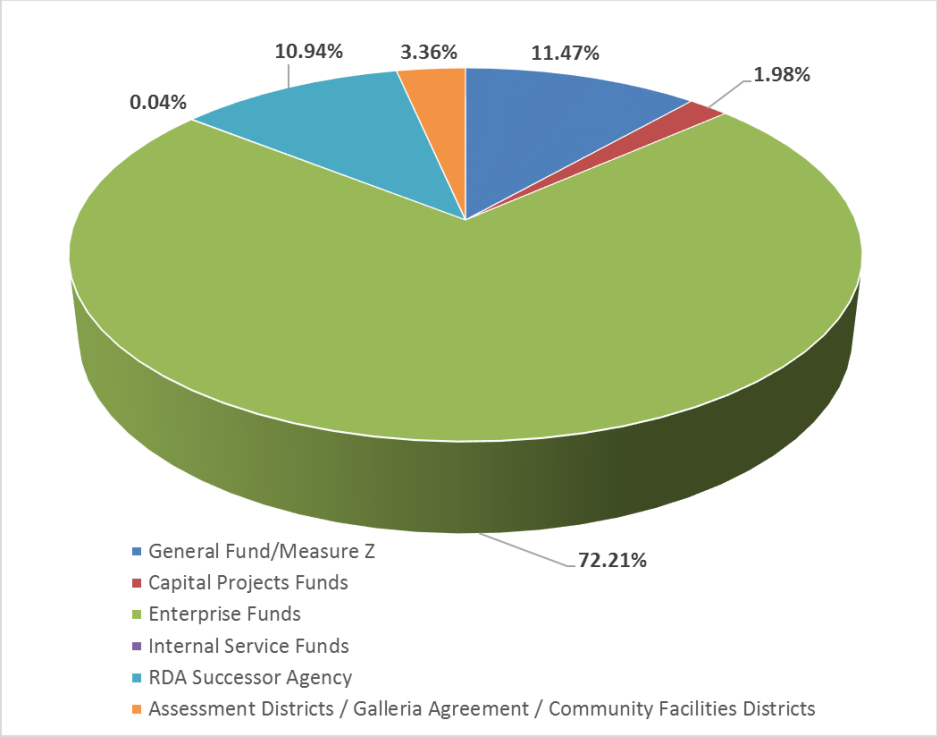
QUARTERLY DEBT REPORT

The Finance Department is responsible for managing the City's debt portfolio, which includes issuing new debt and monitoring opportunities to refinance existing debt as opportunities to reduce financing costs arise. 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 by debt classification and fund.

Debt Summary Analysis

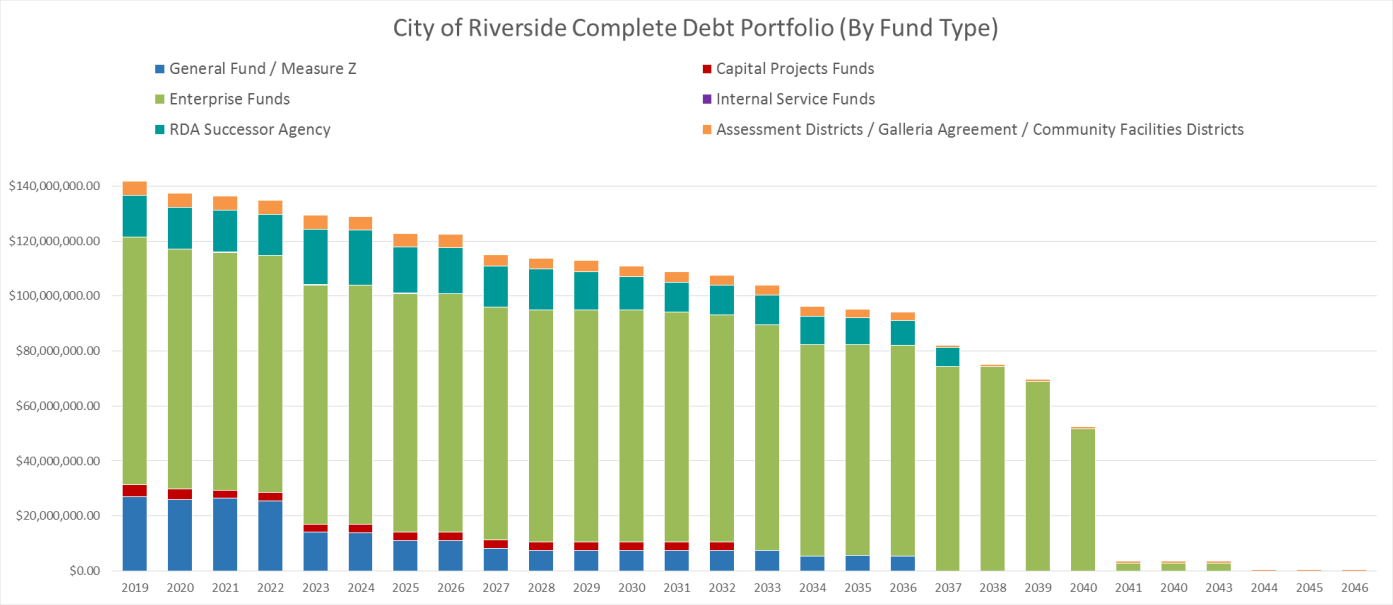
The City's outstanding principal will change throughout the year as a result of debt service payments, bond calls, new debt issuances, and refunding and defeasance activity. At the end of the second quarter, the City's outstanding principal balance has decreased $58,502,932 from the end of the first quarter. This principal reduction includes $33,270,000 in principal savings related to the Sewer Revenue Bonds 2009 Series B Build America Bonds defeasance by the 2018 Sewer Revenue Bonds Series A, which closed November 22, 2018. The remaining reduction is due to debt service principal payments on the City's Lease Revenue Bonds, two capital leases, the Fox Entertainment Plaza and Convention Center Private Placement loans, the last payment on a State Revolving Fund Loan for the Sewer Headworks project, and RPU Water and Electric Revenue Bond principal payments.

The composition of the City's debt portfolio at the end of the second quarter is shown in the chart below. The Enterprise funds are responsible for the majority of the City's debt, with 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. The City's Pension Obligation Bonds are allocated within a majority of the funds, distributing debt service in alignment with departmental staffing.



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 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 City obligations. They are paid by individual Districts that are separate legal entities from the City, formed to issue debt and levy assessments and special tax to pay debt service within those districts.

The following bar chart provides the City's debt service portfolio using the same classification methodology, outlining the 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 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 in order to identify opportunities to maximize debt service savings through refunding. Within the second quarter, the City priced and closed the $153,670,000 2018A Refunding Revenue Bond issuance. Proceeds from the bonds were used to refund the 2009B Sewer Revenue Build America Bonds. As part of this debt issuance, staff presented sewer enterprise financial and operational highlights to both S&P Global Ratings and Moody's Investors Service, obtaining a ratings upgrade from A+ to AA- from S&P and affirming its current rating of A1 from Moody's. Ratings increases reflect the strong fiscal condition of the sewer enterprise and help to reduce the overall cost of the debt issuance.

Other debt related activities conducted within the second quarter include:

- Refunding/de-risking the Riverside Public Utility's variable rate debt portfolio in the second quarter
- Preparation and filing of AB2109, CDIAC and SB165 debt and parcel tax accountability reports
- Preparation and filing of annual disclosure reports
- First submission of Landscape Maintenance District and Street Lighting Assessment District levy process
- Public Hearing to renew the Downtown Business Improvement District.

FISCAL IMPACT:

There is no direct fiscal impact associated with this report.

Prepared by:	Heidi Schrader, Debt Manager
Certified as to availability of funds:	Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by:	Carlie Myers, Deputy City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachments:

1. Cash and Investment Report
2. Debt Report
3. Presentation

ATTACHMENT 1

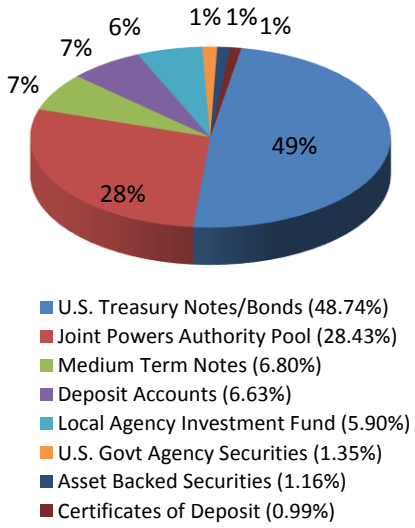
CASH AND INVESTMENT REPORT

CITY OF
RIVERSIDE

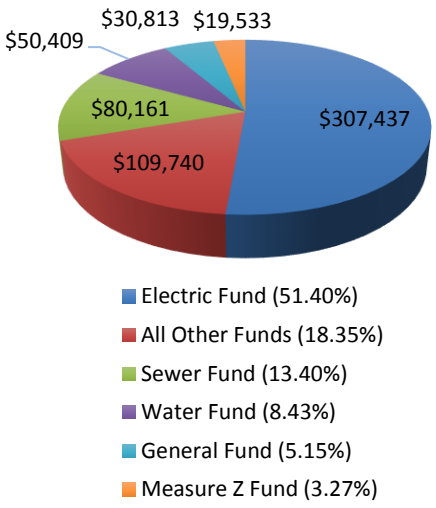
CITY OF RIVERSIDE
Quarterly Investment Report
December 31, 2018

	AMORTIZED COST	MARKET VALUE
POOLED INVESTMENT PORTFOLIO		
Deposit Accounts	$ 39,665,850.32	$ 39,665,850.32
Joint Powers Authority Pool	170,262,695.64	170,061,057.38
Local Agency Investment Fund (LAIF)	35,299,993.11	35,299,993.11
Certificates of Deposit	5,927,069.46	5,907,667.94
Medium Term Notes	40,547,897.37	40,647,813.85
Asset Backed Securities	6,930,924.83	6,940,091.67
U.S. Govt Agency Securities	7,948,086.30	8,043,170.00
U.S. Treasury Notes/Bonds	293,293,087.44	291,527,068.04
TOTAL POOLED INVESTMENT PORTFOLIO	**599,875,604.47**	**598,092,712.31**
INVESTMENTS HELD BY FISCAL AGENT	**156,014,908.19**	**156,157,314.18**
TOTAL CASH & INVESTMENTS	**$ 755,890,512.66**	**$ 754,250,026.49**

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 12/15/15. 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 pooled investment portfolio is 1.12 years. Market prices of securities are obtained from Interactive Data Corporation. Weighted average yield on cost is 2.005%. The cash held and invested with fiscal agents is subject to the investment provisions of the related trust indentures associated with the bond transaction which generated the cash.

Verified by: _____
Nancy Garcia, Controller

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

CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
December 31, 2018

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	AMORTIZED COST	YIELD ON MATURITY	MARKET VALUE
DEPOSIT ACCOUNTS							
Bank of America	Varies	Varies	Coll. [1]	Varies	34,539,265.57 [2]	0.50%	34,539,265.57
Citizens Business Bank	Varies	Varies	Coll. [1]	Varies	5,126,584.75	0.35%	5,126,584.75
SUBTOTAL DEPOSIT ACCOUNTS					**39,665,850.32**		**39,665,850.32**
JOINT POWERS AUTHORITY POOL							
CALTRUST Investment Trust of California	**Varies**	**Varies**	**AA**	**Varies**	**170,262,695.64**		**170,061,057.38**
LOCAL AGENCY INVESTMENT FUND (LAIF)	Varies	Varies	NR	Varies	**35,299,993.11**	2.32%	**35,299,993.11**
CERTIFICATES OF DEPOSIT							
KeyBank National Association	1.55%	01/22/19	FDIC	01/20/16	247,000.00	1.55%	248,676.35
Investors Community Bank	1.15%	02/12/19	FDIC	02/12/16	249,000.00	1.15%	248,945.25
Prime Alliance Bank, Inc.	1.15%	02/12/19	FDIC	02/12/16	249,000.00	1.15%	248,972.64
CIT Bank, National Association	2.00%	05/14/19	FDIC	05/14/14	247,000.00	2.00%	247,180.34
Webster Bank, National Association	1.90%	07/02/19	FDIC	07/02/14	247,902.39	1.98%	249,658.13
ConnectOne Bank	1.55%	07/29/19	FDIC	01/28/15	247,000.00	1.55%	246,333.07
Alma Bank	1.70%	09/30/19	FDIC	09/30/15	247,000.00	1.70%	245,343.41
Belmont Savings Bank	1.40%	02/18/20	FDIC	02/17/16	249,000.00	1.40%	246,608.44
Bank of Wisconsin Dells	1.50%	07/17/20	FDIC	02/17/16	249,000.00	1.50%	243,854.77
Bridgewater Bank	1.50%	08/17/20	FDIC	02/17/16	249,000.00	1.50%	243,466.33
Unity Bank	1.50%	08/26/20	FDIC	02/26/16	249,000.00	1.50%	245,328.89
Barclays Bank Delaware	2.20%	09/16/20	FDIC	09/16/15	247,000.00	2.20%	245,670.97
Bank of Charles Town	1.80%	09/30/20	FDIC	09/30/15	249,000.00	1.80%	245,931.98
HSBC Bank USA, National Association	3.60%	11/17/20	FDIC	11/23/15	246,000.00	3.60%	247,040.18
EnerBank USA	1.90%	01/28/21	FDIC	01/28/16	247,000.00	1.90%	243,233.89
The State Bank and Trust Company	1.60%	02/17/21	FDIC	02/17/16	249,000.00	1.60%	244,111.52
BMW Bank of North America	3.00%	07/13/21	FDIC	07/13/18	244,896.72	3.02%	247,633.01
Citibank (South Dakota), National Association	3.00%	07/13/21	FDIC	07/13/18	244,896.72	3.02%	247,633.01
Wells Fargo Bank, National Association	3.00%	07/13/21	FDIC	07/13/18	244,896.72	3.02%	244,547.15
Ally Bank	3.00%	07/19/21	FDIC	07/19/18	244,896.05	3.02%	247,490.14
Discover Bank	3.00%	07/19/21	FDIC	07/18/18	244,896.15	3.02%	247,510.28
Medallion Bank	3.00%	07/20/21	FDIC	07/20/18	244,895.94	3.02%	244,384.14
Merrick Bank Corporation	2.95%	07/20/21	FDIC	07/20/18	244,895.94	2.97%	244,078.77
Hanmi Bank	2.95%	08/17/21	FDIC	08/17/18	244,892.81	2.97%	244,035.27
SUBTOTAL CERTIFICATES OF DEPOSIT					**5,927,069.46**		**5,907,667.94**
MEDIUM TERM NOTES							
APPLE INC	2.10%	05/06/19	AA+ / Aa1	01/28/16	3,506,714.33	1.54%	3,503,599.17
TOYOTA MOTOR CREDIT CORP	1.95%	04/17/20	AA- / Aa3	02/27/18	2,182,252.06	2.59%	2,179,360.33
AMERICAN HONDA FINANCE CORP	3.00%	06/16/20	A+ / A2	07/16/18	4,170,639.06	3.07%	4,170,616.25
WALMART INC	2.85%	06/23/20	AA / Aa2	06/27/18	12,672,043.95	2.87%	12,694,561.75
CISCO SYSTEMS INC	2.20%	02/28/21	AA- / A1	03/14/18	5,228,589.72	2.84%	5,269,401.33
AMERICAN HONDA FINANCE CORP	3.38%	12/10/21	A+ / A2	10/10/18	5,447,403.76	3.39%	5,487,216.69
APPLE INC	2.30%	05/11/22	AA+ / Aa1	02/22/18	7,340,254.47	2.97%	7,343,058.33

CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
December 31, 2018

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	AMORTIZED COST	YIELD ON MATURITY	MARKET VALUE
SUBTOTAL MEDIUM TERM NOTES					**40,547,897.37**		**40,647,813.85**
ASSET BACKED SECURITIES							
CCCIT 16A1 A1	1.75%	11/19/19	AAA / Aaa	09/24/18	6,930,924.83	2.89%	6,940,091.67
SUBTOTAL ASSET BACKED SECURITIES					**6,930,924.83**		**6,940,091.67**
U.S. GOVERNMENT AGENCY SECURITIES							
FEDERAL HOME LOAN MORTGAGE CORP	2.38%	02/16/21	AA+ / Aaa	04/27/18	7,948,086.30	2.69%	8,043,170.00
SUBTOTAL U.S. GOVERNMENT AGENCY SECURITIES					**7,948,086.30**		**8,043,170.00**
U.S. GOVERNMENT TREASURY SECURITIES							
UNITED STATES TREASURY	0.88%	07/31/19	AA+ / Aaa	11/17/16	12,725,498.60	1.21%	12,674,158.98
UNITED STATES TREASURY	1.63%	07/31/19	AA+ / Aaa	09/09/14	3,499,104.79	1.67%	3,505,040.95
UNITED STATES TREASURY	1.00%	08/31/19	AA+ / Aaa	10/10/14	1,887,955.51	1.97%	1,886,258.80
UNITED STATES TREASURY	1.75%	09/30/19	AA+ / Aaa	01/18/17	19,048,181.05	1.41%	18,961,641.92
UNITED STATES TREASURY	1.75%	09/30/19	AA+ / Aaa	12/15/16	5,765,738.04	1.38%	5,738,391.63
UNITED STATES TREASURY	1.00%	09/30/19	AA+ / Aaa	05/28/15	3,486,436.69	1.53%	3,467,502.31
UNITED STATES TREASURY	1.00%	09/30/19	AA+ / Aaa	12/16/14	7,959,741.37	1.68%	7,925,719.56
UNITED STATES TREASURY	1.50%	11/30/19	AA+ / Aaa	10/18/17	15,331,129.50	1.53%	15,196,964.78
UNITED STATES TREASURY	1.50%	11/30/19	AA+ / Aaa	11/09/15	6,799,592.46	1.51%	6,738,791.03
UNITED STATES TREASURY	1.00%	11/30/19	AA+ / Aaa	07/13/15	2,985,684.51	1.53%	2,958,447.36
UNITED STATES TREASURY	1.13%	12/31/19	AA+ / Aaa	02/26/15	1,891,998.57	1.55%	1,872,072.05
UNITED STATES TREASURY	1.25%	01/31/20	AA+ / Aaa	05/28/15	2,492,066.77	1.55%	2,476,902.45
UNITED STATES TREASURY	1.25%	02/29/20	AA+ / Aaa	11/09/15	9,958,680.55	1.61%	9,888,272.38
UNITED STATES TREASURY	1.50%	04/15/20	AA+ / Aaa	08/11/17	7,403,386.36	1.46%	7,324,847.71
UNITED STATES TREASURY	1.13%	04/30/20	AA+ / Aaa	01/18/17	7,681,124.13	1.56%	7,594,036.50
UNITED STATES TREASURY	1.38%	05/31/20	AA+ / Aaa	07/13/15	6,980,491.20	1.58%	6,895,061.54
UNITED STATES TREASURY	1.50%	05/31/20	AA+ / Aaa	08/22/16	6,547,861.68	0.97%	6,412,631.43
UNITED STATES TREASURY	1.88%	06/30/20	AA+ / Aaa	03/17/16	7,701,988.49	1.41%	7,573,819.74
UNITED STATES TREASURY	2.13%	08/31/20	AA+ / Aaa	04/27/18	10,176,858.51	2.57%	10,254,718.11
UNITED STATES TREASURY	2.13%	08/31/20	AA+ / Aaa	11/09/15	2,016,623.43	1.62%	2,000,920.61
UNITED STATES TREASURY	2.13%	08/31/20	AA+ / Aaa	12/12/17	7,804,679.05	1.89%	7,778,578.86
UNITED STATES TREASURY	2.00%	09/30/20	AA+ / Aaa	12/15/16	10,052,600.79	1.69%	9,960,998.90
UNITED STATES TREASURY	2.63%	11/15/20	AA+ / Aaa	11/07/17	14,068,122.37	1.77%	13,920,193.87
UNITED STATES TREASURY	1.63%	11/30/20	AA+ / Aaa	01/22/16	6,029,894.67	1.36%	5,908,551.43
UNITED STATES TREASURY	2.38%	12/31/20	AA+ / Aaa	07/30/18	4,865,867.35	2.74%	4,888,365.48
UNITED STATES TREASURY	2.00%	01/15/21	AA+ / Aaa	07/30/18	4,827,759.53	2.75%	4,894,850.74
UNITED STATES TREASURY	2.00%	02/28/21	AA+ / Aaa	03/17/16	5,557,218.37	1.51%	5,479,130.69
UNITED STATES TREASURY	2.00%	02/28/21	AA+ / Aaa	10/18/17	6,038,450.28	1.70%	5,977,233.48
UNITED STATES TREASURY	2.25%	03/31/21	AA+ / Aaa	08/22/16	2,872,053.67	1.09%	2,801,144.15
UNITED STATES TREASURY	2.63%	06/15/21	AA+ / Aaa	09/28/18	10,930,823.22	2.89%	11,048,245.58
UNITED STATES TREASURY	2.13%	06/30/21	AA+ / Aaa	11/07/17	3,421,440.08	1.87%	3,371,537.59
UNITED STATES TREASURY	2.25%	07/31/21	AA+ / Aaa	04/09/18	1,242,106.91	2.50%	1,254,669.70
UNITED STATES TREASURY	2.25%	07/31/21	AA+ / Aaa	08/22/16	6,685,835.33	1.12%	6,524,282.45
UNITED STATES TREASURY	2.13%	09/30/21	AA+ / Aaa	11/17/16	12,637,357.67	1.71%	12,447,990.73
UNITED STATES TREASURY	1.88%	11/30/21	AA+ / Aaa	08/11/17	5,419,680.80	1.75%	5,319,963.10
UNITED STATES TREASURY	2.13%	12/31/21	AA+ / Aaa	04/09/18	1,234,996.86	2.54%	1,237,710.88
UNITED STATES TREASURY	1.88%	02/28/22	AA+ / Aaa	08/11/17	11,031,717.67	1.78%	10,869,989.42
UNITED STATES TREASURY	1.88%	05/31/22	AA+ / Aaa	08/11/17	1,753,650.61	1.81%	1,718,409.62
UNITED STATES TREASURY	2.00%	07/31/22	AA+ / Aaa	09/28/18	5,324,678.51	2.94%	5,455,392.61

CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
December 31, 2018

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	AMORTIZED COST	YIELD ON MATURITY	MARKET VALUE
UNITED STATES TREASURY	1.88%	08/31/22	AA+ / Aaa	10/18/17	2,596,850.63	1.91%	2,560,924.23
UNITED STATES TREASURY	1.88%	09/30/22	AA+ / Aaa	04/09/18	1,217,226.77	2.61%	1,228,813.15
UNITED STATES TREASURY	1.88%	09/30/22	AA+ / Aaa	12/12/17	3,715,143.99	2.13%	3,686,439.46
UNITED STATES TREASURY	2.13%	12/31/22	AA+ / Aaa	12/24/18	5,978,406.09	2.65%	6,014,592.08
UNITED STATES TREASURY	2.38%	01/31/23	AA+ / Aaa	04/09/18	1,237,604.86	2.63%	1,256,698.57
UNITED STATES TREASURY	2.63%	06/30/23	AA+ / Aaa	09/28/18	5,420,999.48	2.97%	5,528,888.83
UNITED STATES TREASURY	2.63%	06/30/23	AA+ / Aaa	12/24/18	8,987,779.68	2.66%	9,047,272.62
SUBTOTAL U.S. GOVERNMENT TREASURY SECURITIES					**293,293,087.44**		**291,527,068.03**
TOTAL POOLED CASH & INVESTMENTS					**599,875,604.47**		**598,092,712.31**
WEIGHTED AVERAGE MATURITY							

[1] Collateralized in accordance with Section 53652 of the CA state code.

[2] Bank of America Checking account adjusted by $1,803,432.76 to account for reconciled items.

CITY OF RIVERSIDE
Investments Held by Fiscal Agent
December 31, 2018

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	AMORTIZED COST	YIELD ON MATURITY	MARKET VALUE
CASH & MONEY MARKET ACCOUNTS							
Cash	Varies	Varies	NR	Varies	17,414,040.53	Varies	17,414,040.53
US Bank Mmkt 5 - CT	0.02%	Varies	A+	Varies	16.87	0.02%	16.87
US Bank Gcts0170	1.20%	Varies	A+	Varies	14,738,879.26	1.20%	14,738,879.26
First American Government Obligation	0.00%	Varies	AAAm-mf	Varies	727,223.56	0.00%	727,223.56
First American Prime Obligations Fund CL " Z "	0.02%	Varies	AAAm-mf	Varies	15,049,427.50	0.02%	15,049,427.50
SUBTOTAL CASH & MONEY MARKET ACCOUNTS					**47,929,587.72**		**47,929,587.72**
LOCAL AGENCY INVESTMENT FUND (LAIF)	0.51%	Varies	NR	Varies	**37,132,924.67**	0.51%	**37,132,924.67**
BONDS, DEBENTURES, NOTES & AGREEMENTS							
US Bank Na C P	0.10%	02/01/19	A+	08/01/18	663,363.14	0.10%	663,363.14
Korea Development BK CP	4.74%	3/1/19	Aaa	08/01/18	4,018,144.07	4.74%	4,055,707.74
Natixis Funding Corp	1.67%	03/01/19	Baa2	02/14/14	7,422,802.00	1.67%	7,422,802.00
Exxon Mobil Corp	1.82%	3/15/19	Aaa	1/19/18	2,887,183.50	1.82%	2,889,673.20
US Treasury Note	1.63%	06/30/19	Aaa	2/16/18	2,980,312.50	1.63%	2,986,410.00
US Treasury Note	1.75%	09/30/19	Aaa	2/16/18	2,980,312.50	1.75%	2,980,560.00
US Treasury Note	1.88%	12/31/19	Aaa	2/16/18	2,983,125.00	1.88%	2,978,190.00
US Treasury Note	1.38%	3/31/20	Aaa	2/16/18	2,946,093.76	1.38%	2,955,930.00
CiscoSystems	2.45%	6/15/20	A1	1/19/18	3,405,746.00	2.45%	3,381,946.00
US Treasury Note	2.00%	9/30/20	Aaa	2/16/18	2,974,218.76	2.00%	2,973,390.00
US Treasury Note	2.38%	12/31/20	Aaa	2/16/18	3,000,000.00	2.38%	2,993,310.00
Apple Inc	2.25%	2/23/21	Aa1	1/23/18	2,999,917.00	2.25%	2,984,605.60
FNMA Debt	1.38%	02/26/21	Aaa	03/30/16	370,735.63	1.38%	361,958.73
US Treasury Note	2.13%	6/30/21	Aaa	2/16/18	2,966,953.12	2.13%	2,975,160.00
US Treasury Note	2.13%	9/30/21	Aaa	2/16/18	2,959,804.68	2.13%	2,971,530.00
US Treasury Note	2.00%	12/31/21	Aaa	2/16/18	2,939,882.82	2.00%	2,958,990.00
US Treasury Note	1.88%	3/31/22	Aaa	2/16/18	2,918,437.50	1.88%	2,943,750.00
US Treasury Note	2.13%	6/30/22	Aaa	2/16/18	2,942,695.32	2.13%	2,964,390.00
US Treasury Note	1.88%	9/30/22	Aaa	2/16/18	2,902,617.18	1.88%	2,934,720.00
US Treasury Note	2.13%	12/31/22	Aaa	2/16/18	2,929,335.94	2.13%	2,957,700.00
Invt Agmt-Trinity Plus Fdg Co Gic	4.68%	10/01/29	Aa3	05/14/08	6,411,744.65	4.68%	6,411,744.65
Invt Agmt-Trinity Plus Fdg Co Gic	4.68%	10/01/35	Aa3	05/14/08	4,348,970.73	4.68%	4,348,970.73
SUBTOTAL BONDS, DEBENTURES, NOTES & AGREEMENTS					**70,952,395.80**		**71,094,801.79**
TOTAL INVESTMENTS HELD BY FISCAL AGENT					**156,014,908.19**		**156,157,314.18**

City of Riverside
Cash Balances by Fund
As of December 31, 2018

Fund		Cash Balance [1]	Interfund Loan Receivables [2]	Cash Balance + Loan Receivables
General Fund	**101**	**30,813,104**	**-**	**30,813,104**
Measure Z	**110**	**19,532,339**	**-**	**19,532,339**
Enterprise Funds				
Electric	510	289,614,201	4,226,657	293,840,858
Electric - Public Benefits Charge	511	17,823,095	-	17,823,095
Water	520	47,918,210	-	47,918,210
Water - Conservation & Reclamation Program	521	2,491,042	-	2,491,042
Airport	530	1,151,680	-	1,151,680
Refuse Collection	540	6,898,172	-	6,898,172
Sewer Service	550	80,160,806	3,992,674	84,153,480
Special Transit	560	2,505,193	-	2,505,193
Public Parking	570	1,421,607	-	1,421,607
Civic Entertainment (Convention Center, Visitors Bureau, Sports Commission)	580	(820,968)	-	(820,968)
Civic Entertainment (Fox, Box, RMA, Showcase)	581	958,770	-	958,770
SubTotal - Enterprise Funds		**450,121,808**	**8,219,331**	**458,341,139**
Special Revenue Funds				
Urban Areas Security Initiative	205	(676,970)	-	(676,970)
Community Development Block Grant	220	274,031	-	274,031
Home Investment Partnership Program	221	850,705	-	850,705
Housing Opportunities for Persons with AIDS	222	(188,033)	-	(188,033)
Community Development Grants	223	1,808,290	-	1,808,290
Neighborhood Stabilization Program	225	174,444	-	174,444
Special Gas Tax	230	15,561,205	-	15,561,205
Air Quality	240	921,141	-	921,141
NPDES Storm Drain	260	43,273	-	43,273
Housing Authority	280	8,817,758	-	8,817,758
Housing Assets	281	1,811,622	1,663,639	3,475,261
Special Districts	291	(1,361,096)	-	(1,361,096)
SubTotal - Special Revenue Funds		**28,036,368**	**1,663,639**	**29,700,007**
Capital Projects Funds				
Capital Outlay	401	(289,852)	-	(289,852)
Storm Drain	410	1,537,022	-	1,537,022
Local Park Special Capital Improvements	411	1,619,384	-	1,619,384
Regional Park Special Capital Improvements	413	2,723,713	-	2,723,713
Measure Z Capital Outlay	420	7,438,421	-	7,438,421
Capital Outlay Grants	430	(4,763,488)	-	(4,763,488)
Transportation Projects	431	11,924	-	11,924
Measure A Capital Outlay	432	19,828,666	-	19,828,666
Transportation Development Impact Fees	433	5,352,072	-	5,352,072
Transportation Uniform Mitigation Fees	434	(1,989,936)	-	(1,989,936)
Community Facilities Districts and Assessment Districts	Various	1,903,033	-	1,903,033
SubTotal - Capital Project Funds		**33,370,959**	**-**	**33,370,959**
Debt Service Funds				
Debt Service Fund - General	390	(22,199,858)	-	(22,199,858)
Debt Service Fund - Public Works	391	762,264	-	762,264
SubTotal Debt Service Funds		**(21,437,594)**	**-**	**(21,437,594)**
Agency Funds				
Redevelopment Successor Agency	Various	19,316,291	-	19,316,291
Community Facilities Districts and Assessment Districts	Various	907,277	-	907,277
Special Deposits	Various	10,061,396	-	10,061,396
SubTotal Agency Funds		**30,284,965**	**-**	**30,284,965**
Internal Service Funds				
Workers' Compensation Insurance Trust	610	15,835,806	334,914	16,170,720
Unemployment Insurance Trust	620	355,469	-	355,469
Liability Insurance Trust	630	4,777,490	-	4,777,490
Central Stores	640	(891,596)	-	(891,596)
Central Garage	650	7,293,594	2,067,816	9,361,410
SubTotal - Internal Service Funds		**27,370,764**	**2,402,730**	**29,773,493**
Total - All Funds		**$ 598,092,712**	**$ 12,285,700**	**$ 610,378,412**

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

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

ATTACHMENT 2

DEBT REPORT

CITY OF RIVERSIDE
Fiscal Year 2018/19 Second Quarter
Summary of Outstanding Debt[1]

Debt Type By Funding Source	Outstanding Principal Balance as of 10/1/2018	Q2 New Debt Issued	Q2 Principal Payments	Q2 Interest Payments	Principal Balance as of 1/1/2019	Projected Principal Balance 6/30/2019
General Fund/Measure Z						
General Obligation Bonds	$ 9,085,000	$ -	$ -	$ -	$ 9,085,000	$ 9,085,000
Pension Obligation Bonds	60,476,694	-	-	1,551,521	60,476,694	50,187,072
Certificates of Participation	71,616,240	-	-	252,652	71,616,240	68,948,184
Lease Revenue Bonds	23,683,440	-	1,075,893	534,662	22,607,547	22,607,547
Capital Leases	25,487,807	-	206,924	26,634	25,280,883	22,751,867
Interfund Loans	2,367,560	-	-	-	2,367,560	2,367,560
Total General Fund	**$ 192,716,740**	**$ -**	**$ 1,282,817**	**$ 2,365,468**	**$ 191,433,924**	**$ 175,947,229**
						-
Capital Projects Funds						
Local Park Impact Fee Fund Interfund Loans	$ 2,007,989	$ -	$ -	$ -	$ 2,007,989	$ 2,007,989
Measure A Certificates of Participation	31,220,000	-	-	775,244	31,220,000	29,775,000
Total Capital Projects Funds	**$ 33,227,989**	**$ -**	**$ -**	**$ 775,244**	**$ 33,227,989**	**$ 31,782,989**
						-
Enterprise Funds						
Pension Obligation Bonds	$ 18,324,907	$ -	$ -	$ 276,535	$ 18,324,907	$ 14,774,732
Electric Fund Revenue Bonds	528,715,000	-	14,445,000	9,729,060	514,270,000	514,270,000
Electric Fund Capital Leases	2,893,786	-	205,511	14,768	2,688,275	2,273,868
Water Fund Revenue Bonds	182,885,000	-	5,635,000	3,158,746	177,250,000	177,250,000
Water Fund Capital Lease	1,989,873	-	-	-	1,989,873	1,883,505
Sewer Fund Revenue Bonds	382,180,000	153,670,000	186,940,000	5,567,563	348,910,000	348,910,000
Sewer Fund Loans	1,446,699	-	469,113	8,274	977,586	658,391
Lease Revenue Bonds	8,241,600	-	374,400	186,057	7,867,200	7,867,200
Certificates of Participation	30,383,760	-	-	107,189	30,383,760	29,251,816
Civic Entertainment Fund Capital Lease	1,288,141	-	-	-	1,288,141	1,034,982
Civic Entertainment Fund Loan	8,618,581	-	246,402	165,908	8,372,179	8,121,034
Convention Center Expansion Loan	36,902,691	-	469,457	292,783	36,433,234	35,490,039
Parking Fund Loans	9,637,257	-	275,525	185,517	9,361,732	9,080,902
Total Enterprise Funds	**$ 1,213,507,296**	**$ 153,670,000**	**$ 209,060,408**	**$ 19,692,401**	**$ 1,158,116,887**	**$ 1,150,866,470**
						-
Internal Service Funds						
Pension Obligation Bonds	$ 749,506	$ -	$ -	$ 11,310	$ 749,506	$ 604,303
Total Internal Service Funds	**$ 749,506**	**$ -**	**$ -**	**$ 11,310**	**$ 749,506**	**$ 604,303**
						-
RDA Successor Agency						
Pension Obligation Bonds	$ 553,893	$ -	$ -	$ -	$ 553,893	$ 553,893
Lease Revenue Bonds	17,339,961	-	1,829,707	432,660	15,510,254	15,510,254
Tax Allocation Bonds	161,730,000	-	-	-	161,730,000	161,730,000
Interfund Loans	3,800,624	-	-	-	3,800,624	3,800,624
Loans	420,000	-	-	-	420,000	-
Total RDA Successor Agency	**$ 183,844,478**	**$ -**	**$ 1,829,707**	**$ 432,660**	**$ 182,014,771**	**$ 181,594,771**
						-
Assessment Districts / Galleria Agreement / Community Facilities Districts						
Assessment Districts	$ 20,625,000	$ -	$ -	$ -	$ 20,625,000	$ 20,625,000
Galleria Mall Improvements District	15,905,000	-	-	-	15,905,000	15,905,000
Community Facilities Districts	19,875,000	-	-	-	19,875,000	19,875,000
Total AD / Galleria / CFDs	**$ 56,405,000**	**$ -**	**$ -**	**$ -**	**$ 56,405,000**	**$ 56,405,000**
Total	**$ 1,680,451,008**	**$ 153,670,000**	**$ 212,172,932**	**$ 23,277,083**	**$ 1,621,948,076**	**$ 1,597,200,762**

[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 2018/19 Second Quarter

Outstanding Debt[1]

Debt Type / Issuance	Year Issued	Final Maturity	Total Issue Size	Outstanding Principal Balance 7/1/2018	Outstanding Principal Balance 10/1/2018	Q2 New Debt Issued	Q2 Principal Payments	Q2 Interest Payments	Outstanding Principal Balance 1/1/2019	Projected Principal Balance 6/30/2019
General Obligation										
Measure G Fire Facility Projects General Obligation Bonds 2004	2004	2024	$ 20,000,000	$ 10,280,000	$ 9,085,000	$ -	$ -	$ -	$ 9,085,000	$ 9,085,000
Total General Obligation Bonds			$ 20,000,000	$ 10,280,000	$ 9,085,000	$ -	$ -	$ -	$ 9,085,000	$ 9,085,000
Pension Obligation[2]										
Pension Obligation Bonds Series 2004A	2004	2023	$ 89,540,000	$ 44,400,000	$ 44,400,000	$ -	$ -	$ 1,308,912	$ 44,400,000	$ 37,225,000
Pension Obligation Bonds Series 2005A	2005	2020	30,000,000	6,655,000	6,655,000	-	-	159,055	6,655,000	2,795,000
Pension Obligation Bonds Series 2017A	2017	2027	31,960,000	29,050,000	29,050,000	-	-	371,400	29,050,000	26,100,000
Total Pension Obligation Bonds			$ 151,500,000	$ 80,105,000	$ 80,105,000	$ -	$ -	$ 1,839,367	$ 80,105,000	$ 66,120,000
Certificates of Participation										
Galleria Mall Improvements COPs Series 2006A	2006	2036	$ 19,945,000	$ 16,485,000	$ 15,905,000	$ -	$ -	$ -	$ 15,905,000	$ 15,905,000
Riverside Renaissance Projects Refunding COPs Series 2008A	2008	2037	128,300,000	102,000,000	102,000,000	-	-	359,841	102,000,000	98,200,000
Local Measure A Sales Tax Revenue COPs Series 2013A	2013	2033	35,235,000	31,220,000	31,220,000	-	-	775,244	31,220,000	29,775,000
Total Certificates of Participation			$ 183,480,000	$ 149,705,000	$ 149,125,000	$ -	$ -	$ 1,135,085	$ 149,125,000	$ 143,880,000
Lease Revenue Bonds										
California Tower Lease Revenue Bonds Series 2003A	2003	2024	$ 26,255,000	$ 12,835,000	$ 12,835,000	$ -	$ 1,470,000	$ 320,875	$ 11,365,000	$ 11,365,000
California Tower Lease Revenue Bonds Series 2003B	2003	2024	4,810,000	2,090,000	2,090,000	-	250,000	57,266	1,840,000	1,840,000
Lease Revenue Refunding Bonds Series 2012A	2012	2033	41,240,000	34,340,000	34,340,000	-	1,560,000	775,238	32,780,000	32,780,000
Total Lease Revenue Bonds			$ 72,305,000	$ 49,265,000	$ 49,265,000	$ -	$ 3,280,000	$ 1,153,379	$ 45,985,000	$ 45,985,000
Capital Leases										
Pinnacle #2 - VOIP Phone System	2012	2022	$ 1,650,000	$ 790,944	$ 707,162	$ -	$ -	$ -	$ 707,162	$ 622,383
Pinnacle - Ryan Bonaminio Park Loan	2012	2021	4,000,000	1,746,491	1,746,491	-	206,924	26,634	1,539,568	1,329,489
Chase 78 - Police Department Helicopter	2013	2019	1,348,316	233,598	117,289	-	-	-	117,289	-
Chase 79 - Vehicles, Software, and Hardware	2013	2019	3,642,934	631,144	316,896	-	-	-	316,896	-
Pinnacle #4 - Vehicles, Software, and Hardware	2013	2018	2,957,221	303,394	303,394	-	-	-	303,394	-
BofA #1 - Convention Center, Fox, Muni, RPD Dispatch	2013	2021	3,668,000	1,627,864	1,362,428	-	-	-	1,362,428	1,094,669
US Bank - Various Vehicles, Software, and Hardware	2014	2022	4,450,000	2,834,325	2,491,654	-	-	-	2,491,654	2,145,725
BofA #2 - Various Hardware and Software	2017	2025	7,955,000	7,029,935	6,565,262	-	-	-	6,565,262	6,095,093
BofA #3 - Fire Vehicles and Equipment	2017	2027	14,500,000	13,824,066	13,165,373	-	-	-	13,165,373	12,499,490
BofA #2 - Water Fund Vehicles Capital Lease	2017	2027	2,305,000	2,094,997	1,989,873	-	-	-	1,989,873	1,883,505
Electric Fund Vehicles Capital Leases - Various	Various	Various	Various	3,098,177	2,893,786	-	205,511	14,768	2,688,275	2,273,868
Total Capital Leases			$ 46,476,471	$ 34,214,935	$ 31,659,607	$ -	$ 412,434	$ 41,402	$ 31,247,173	$ 27,944,222
Interfund Loans[3]										
Riverside Renaissance Debt Service Interfund Loan #73	2011	2020	$ 3,460,000	$ 2,067,816	$ 1,372,003	$ -	$ -	$ -	$ 1,372,003	$ 1,372,003
Riverside Renaissance Debt Service Interfund Loan #79	2011	2019	3,402,000	1,331,681	635,986	-	-	-	635,986	635,986
Reid Park Acquisition Interfund Loan	2011	2028	720,000	546,907	491,478	-	-	-	491,478	491,478
Riverside Golf Course Acquisition Interfund Loan	2011	2028	4,837,500	3,679,750	3,309,146	-	-	-	3,309,146	3,309,146
Utilities Plaza Purchase Interfund Loan	2012	2027	4,469,221	2,660,993	2,367,560	-	-	-	2,367,560	2,367,560
CNG Refueling Station Interfund Loan	2013	2019	1,674,262	334,914	-	-	-	-	-	-
Total Interfund Loans			$ 18,562,983	$ 10,622,061	$ 8,176,173	$ -	$ -	$ -	$ 8,176,173	$ 8,176,173
Private Placement Loans										
Fox Entertainment Plaza Loan	2010	2032	$ 25,000,000	$ 18,255,838	$ 18,255,838	$ -	$ 521,927	$ 351,425	$ 17,733,911	$ 17,201,937
HUD Section 108 Refunding Loan - Mission Village	2011	2018	2,695,000	420,000	420,000	-	-	-	420,000	-
Convention Center Expansion Loan[4]	2012	2034	44,650,000	37,356,143	36,902,691	-	469,457	292,783	36,433,234	35,490,039
Total Private Placement Loans			$ 72,345,000	$ 56,031,982	$ 55,578,529	$ -	$ 991,384	$ 644,208	$ 54,587,145	$ 52,691,976

CITY OF RIVERSIDE

Fiscal Year 2018/19 Second Quarter

Outstanding Debt[1]

Debt Type / Issuance	Year Issued	Final Maturity	Total Issue Size	Outstanding Principal Balance 7/1/2018	Outstanding Principal Balance 10/1/2018	Q2 New Debt Issued	Q2 Principal Payments	Q2 Interest Payments	Outstanding Principal Balance 1/1/2019	Projected Principal Balance 6/30/2019
Enterprise Revenue Bonds										
Electric Revenue Refunding Bonds (2008) Series A	2008	2029	$ 84,515,000	$ 70,540,000	$ 70,540,000	$ -	$ 4,575,000	$ 220,254	$ 65,965,000	$ 65,965,000
Electric Revenue Refunding Bonds (2008) Series C	2008	2035	57,325,000	41,975,000	41,975,000	-	900,000	137,569	41,075,000	41,075,000
Electric Revenue Bonds (2008) Series D	2008	2038	209,740,000	195,275,000	195,275,000	-	3,560,000	4,782,391	191,715,000	191,715,000
Electric Revenue Bonds (2009) Series A	2009	2018	34,920,000	1,275,000	1,275,000	-	1,275,000	25,500	-	-
Electric Revenue Bonds (2010) Series A	2010	2040	133,290,000	133,290,000	133,290,000	-	-	3,239,740	133,290,000	133,290,000
Electric Revenue Bonds (2010) Series B	2010	2019	7,090,000	4,650,000	4,650,000	-	2,440,000	105,200	2,210,000	2,210,000
Electric Revenue Bonds (2011) Series A	2011	2035	56,450,000	41,925,000	41,925,000	-	900,000	239,603	41,025,000	41,025,000
Electric Revenue Refunding Bonds (2013) Series A	2013	2043	79,080,000	39,785,000	39,785,000	-	795,000	978,803	38,990,000	38,990,000
Water Revenue Bonds (2008) Series B	2008	2038	58,235,000	55,415,000	55,415,000	-	1,535,000	1,358,775	53,880,000	53,880,000
Water Revenue Bonds (2009) Series A	2009	2020	31,895,000	7,255,000	7,255,000	-	2,625,000	162,025	4,630,000	4,630,000
Water Revenue Bonds (2009) Series B	2009	2039	67,790,000	67,790,000	67,790,000	-	-	1,358,688	67,790,000	67,790,000
Water Revenue Bonds (2011) Series A	2011	2035	59,000,000	52,425,000	52,425,000	-	1,475,000	279,258	50,950,000	50,950,000
Sewer Revenue Bonds (2009) Series B[5]	2009	2039	204,075,000	195,665,000	186,940,000	-	186,940,000	5,567,563	-	-
Sewer Revenue Bonds (2015) Series A	2015	2040	200,030,000	200,030,000	195,240,000	-	-	-	195,240,000	195,240,000
Sewer Revenue Bonds (2018) Series A[5]	2018	2039	153,670,000	-	-	153,670,000	-	-	153,670,000	153,670,000
Total Enterprise Revenue Bonds			$ 1,437,105,000	$ 1,107,295,000	$ 1,093,780,000	$ 153,670,000	$ 207,020,000	$ 18,455,370	$ 1,040,430,000	$ 1,040,430,000
State of California Revolving Fund Loans										
Sewer Headworks Project Loan	2000	2019	$ 7,956,419	$ 469,113	$ 469,113	$ -	$ 469,113	$ 8,274	$ -	$ -
Sewer Cogeneration Project Loan	2003	2021	5,374,978	977,586	977,586	-	-	-	977,586	658,391
Total State of California Revolving Fund Loans			$ 13,331,397	$ 1,446,699	$ 1,446,699	$ -	$ 469,113	$ 8,274	$ 977,586	$ 658,391
Tax Allocation Bonds										
RPFA Multiple Project Area TABs (2007) Series A[6]	2007	2037	$ 8,340,000	$ 8,120,000	$ -	$ -	$ -	$ -	$ -	$ -
RPFA Multiple Project Area TABs (2007) Series B[6]	2007	2028	14,850,000	10,800,000	-	-	-	-	-	-
RPFA Multiple Project Area TABs (2007) Series C[6]	2007	2037	89,205,000	83,885,000	-	-	-	-	-	-
RPFA Multiple Project Area TABs (2007) Series D[6]	2007	2032	43,875,000	28,135,000	-	-	-	-	-	-
2014 Subordinate Tax Allocation Refunding Bonds Series 2014A	2014	2034	61,250,000	49,795,000	45,835,000	-	-	-	45,835,000	45,835,000
2014 Subordinate Tax Allocation Refunding Bonds Series 2014B	2014	2024	1,730,000	1,245,000	1,080,000	-	-	-	1,080,000	1,080,000
2018 Tax Allocation Refunding Bonds Series 2018A[6]	2018	2034	74,435,000	-	74,435,000	-	-	-	74,435,000	74,435,000
2018 Tax Allocation Refunding Bonds, Taxable Series 2018B[6]	2018	2033	40,380,000	-	40,380,000	-	-	-	40,380,000	40,380,000
Total Tax Allocation Bonds			$ 334,065,000	$ 181,980,000	$ 161,730,000	$ -	$ -	$ -	$ 161,730,000	$ 161,730,000
Mello Roos and Assessment District Bonds										
Riverwalk Business Center Assessment District Bonds	2004	2029	$ 3,755,000	$ 2,425,000	$ 2,280,000	$ -	$ -	$ -	$ 2,280,000	$ 2,280,000
Sycamore Canyon Business Park CFD 92-1 Bonds	2005	2034	9,700,000	7,180,000	6,905,000	-	-	-	6,905,000	6,905,000
Hunter Park Assessment District Bonds	2006	2036	15,269,906	11,950,000	11,560,000	-	-	-	11,560,000	11,560,000
Riverwalk Assessment District Refunding Bonds	2011	2026	7,805,000	5,185,000	4,700,000	-	-	-	4,700,000	4,700,000
Auto Center Assessment District Refunding Bonds[7]	2012	2024	4,050,000	2,390,000	2,085,000	-	-	-	2,085,000	2,085,000
Riverwalk Vista CFD 2006-1 Bonds	2013	2043	4,415,000	4,120,000	4,035,000	-	-	-	4,035,000	4,035,000
Riverwalk Vista CFD 2006-1 Improv Area No.2 2016 Series A	2016	2046	5,505,000	5,440,000	5,370,000	-	-	-	5,370,000	5,370,000
Riverwalk Vista CFD 2006-1 Improv Area No.2 2016 Series B	2016	2031	1,275,000	1,130,000	1,065,000	-	-	-	1,065,000	1,065,000
Highlands CFD 2014-2 2016 Series A	2016	2046	1,800,000	1,790,000	1,780,000	-	-	-	1,780,000	1,780,000
Highlands CFD 2014-2 2016 Series B	2016	2031	810,000	765,000	720,000	-	-	-	720,000	720,000
Total Mello Roos and Assessment District Bonds			$ 54,384,906	$ 42,375,000	$ 40,500,000	$ -	$ -	$ -	$ 40,500,000	$ 40,500,000
Total				**$ 1,723,320,677**	**$ 1,680,451,008**	**$ 153,670,000**	**$ 212,172,932**	**$ 23,277,083**	**$ 1,621,948,076**	**$ 1,597,200,762**

[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.

[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] Sewer 2009B Bonds defeased by Sewer 2018A Refunding Bonds on 11/27/18. 2009B Interest expense includes a cash on hand refunding contribution.

[6] RPFA 2007 Series A, B, C and D Tax Allocation Bonds refunded by the SARDA 2018 Series A and B Tax Allocation Refunding Bonds on 9/30/2018

[7] 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.