

# City Council Memorandum

City of Arts & Innovation

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**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: APRIL 11, 2017**

**FROM: FINANCE DEPARTMENT      WARDS: ALL**

**SUBJECT: FISCAL YEAR 2016-2017 SECOND QUARTER FINANCIAL REPORT, INCLUDING PRELIMINARY ANALYSIS OF MEASURE Z AND FISCAL YEAR 2017-2018 FINANCIALS, CASH AND INVESTMENT REPORTS AND DEBT REPORTS**

**ISSUES:**

The issue for City Council consideration is to receive and file the fiscal year (FY) 2016-2017 Second Quarter Financial Report, including preliminary analysis of Measure Z and FY 2017/18 General Fund financials, supplemental appropriations, cash and investment reports, and debt reports.

**RECOMMENDATIONS:**

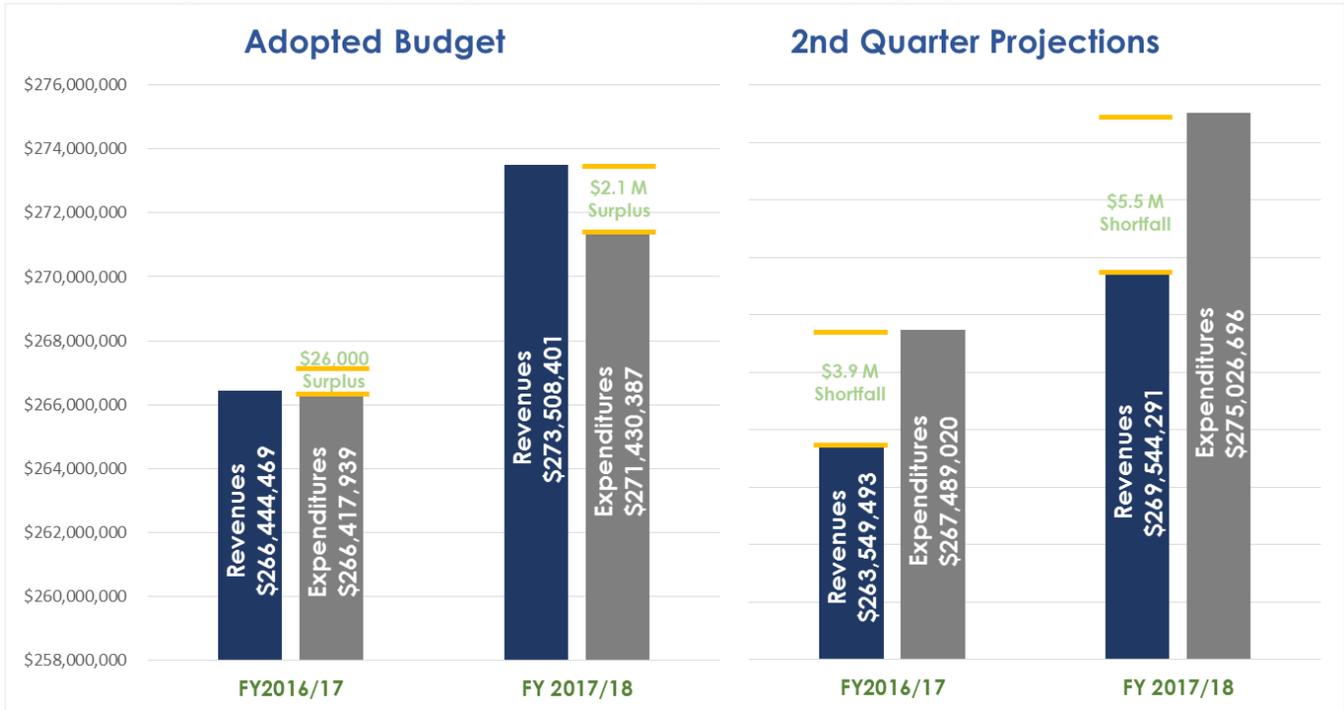
That the City Council receive and file the attached FY 2016/17 Second Quarter Financial Report for the General Fund with preliminary analysis of Measure Z and FY 2016/17 General Fund financials, as well as cash, investment and debt reports for all funds.

**EXECUTIVE SUMMARY:**

**A. Attachment A: General Fund and Measure Z Analyses**

On December 20, 2016, the City Council received and provided input on the FY 2016/17 First Quarter Financial Report that included the projected revenues and expenditures for fiscal years 2016-17 and 2017-18 based on actuals from July 1, 2016 through September 30, 2016. The FY 2016/17 Second Quarter Financial Report provides an update on the projected revenues and expenditures based on actuals from July 1, 2016 through December 31, 2016. **The difference in projections between the first and second quarters is insignificant (\$0.4 million in further deficit for FY 2016/17 and \$0.6 million for FY 2017/18), and mainly attributable to fluctuations in the sales tax revenues.**

The following charts summarize the second quarter projections as compared to the original adopted budget, followed by a high-level summary of the key highlights.

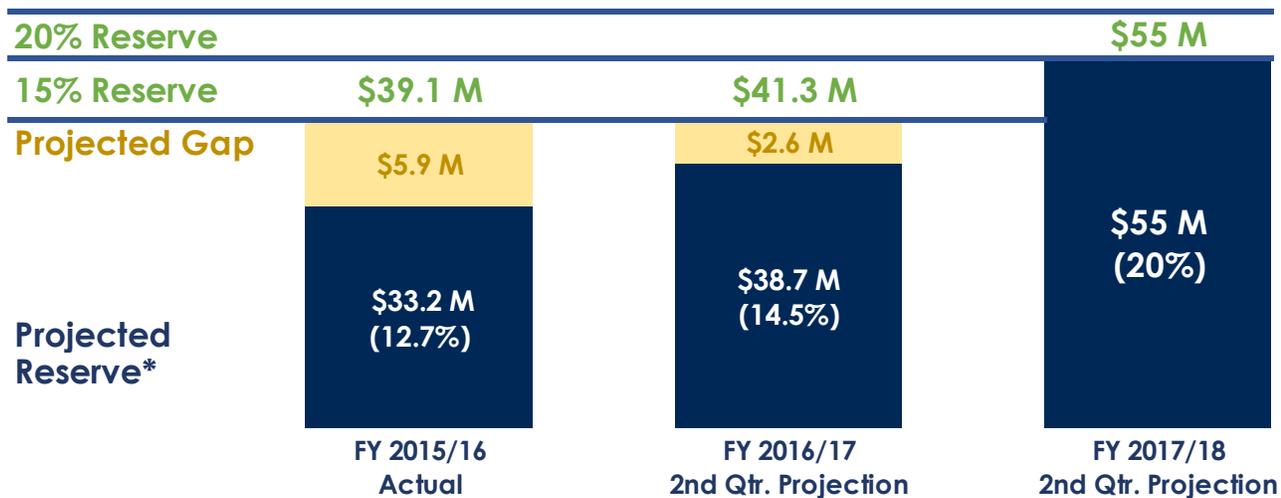


### Factors Contributing to Projected Shortfall (2nd Quarter)

	FY 2016-17	FY 2017-18
<b>Adopted Surplus</b>	\$ 26,530	\$ 2,078,014
<b>Union Contracts</b>	\$ (819,081)	\$ (3,396,309)
<b>Lower Revenues</b>	\$ (2,894,976)	\$ (3,964,110)
<b>Insufficient Funds for Parks Debt</b>	\$ (600,000)	\$ (600,000)
<b>Transfers for Sewer Claims</b>	\$ 900,000	\$ 900,000
<b>Other</b>	\$ (52,004)	
<b>Fire Department Maintenance</b>	\$ (500,000)	\$ (500,000)
<b>Estimated Shortfall</b>	\$ (3,939,531)	\$ (5,482,405)
<b>Management Action*</b>	\$ 3,939,531	\$ 5,482,405
<b>Net General Fund Surplus/Deficit</b>	\$ -	\$ -

\* Staff has recommended the use of Measure Z funds to cover the General Fund shortfalls in FY 2016/17 and FY 2017/18. Alternative options to using Measure Z funds include elimination of carryovers and expenditure reductions that limit service impact to the extent possible (e.g. spending freeze and holding positions vacant).

## General Fund Reserve Outlook (Based On Second Quarter Projections)



*\*With staff's recommendation to utilize Measure Z funding to eliminate the General Fund deficit and increase reserves, the General Fund reserve will meet the City Council's Responsible Spending Pledge "aspirational" goal of 20% by FY 17/18. Without Measure Z or alternative management action, the Second Quarter projected deficit would decrease the General Fund reserve to 10.9% (\$29.2 million) in FY 16/17 and 8.6% (\$23.7 million) in FY 17/18.*

### General Fund

The FY 2016-2018 Two-Year Adopted Budget projected a balanced General Fund budget in both fiscal years, with a slight surplus of approximately \$30,000 in the first year and a larger surplus of \$2.0 million in the second year.

The first quarter financial report projected General Fund shortfalls of \$3.5 million in FY 2016/17 and \$4.9 million in FY 2017/18. **As of the second quarter, General Fund deficits are still projected in both years, of approximately \$3.9 million in FY 2016/17 and \$5.5 million in FY 2017/18.** Same as in the first quarter analysis, the projected deficits are driven by employee compensation and benefits, lower revenues, insufficient budgeted funds to pay for Parks and Recreation debt, and unfunded vehicle maintenance needs. The slightly larger deficits projected during the second quarter are due to declining revenues (mainly sales tax), as discussed below.

Staff is recommending the use of Measure Z funds or alternative management action (e.g. non-safety spending freeze and elimination of carryovers) in FY 2016/17 and FY 2017/18 to cover the General Fund deficits and increase reserves.

#### 1. Employee Compensation and Benefits (no change from the first quarter)

The two-year budget and five-year plan assumed relatively minor salary and medical insurance increases, and did not anticipate one-time payments to SEIU union members in the first two years. With all union agreements now finalized, the anticipated employee costs are higher than the minimal changes included in the baseline projections. Total changes in employee compensation and benefits from the adopted budget are approximately \$850,000 in FY 2016/17 and \$4.8 million in FY 2017/18.

## 2. Lower Revenues (**additional shortfalls** projected from the first quarter)

Changes in revenues add significantly to the projected shortfalls, and are based on the weaker performance of the Property Tax, Sales and Utility Users taxes. Specifically, the sales and property transfer taxes, franchise fees, and fines and forfeits are below the adopted budget. Compared to the first quarter, the sales and property transfer taxes are \$542,000 weaker, the franchise fees are \$353,000 lower, and fines and forfeitures decreased by \$242,000 from the first quarter.

## 3. Insufficient Funds to Pay Parks-Related Debt Service (**no change** from the first quarter)

When debt was issued for the Renaissance initiative, the plan was to utilize annual development impact fees (DIF) to fund parks projects. Unfortunately, with the downturn in the economy, the revenue never materialized, and the General Fund is subsidizing the parks debt by approximately \$600,000 per year. These funds have never been budgeted in the General Fund.

## 4. Unfunded Fire Vehicle Maintenance (**no change** from the first quarter)

As presented to the City Council during the FY 2016-2018 Two-Year Budget process, the Fire Department has an aging fleet of vehicles. Early indications are that vehicle maintenance of the aging fleet will exceed budgeted projections by approximately \$500,000.

## 5. Transfer of Sewer-Related Charges to the Sewer Fund (**no change** from the first quarter)

For a number of years now, the City's Liability Fund (and, by extension, the General Fund) were utilized to pay for claims related to sewer laterals from the sewer main to the resident's property line. Effective FY 2016/17, the Sewer Fund has begun to pay these costs, estimated at \$450,000 per year. In addition, the General Fund will recover the \$1.35 million incorrectly charged there for these claims over the past three-year period (\$450,000 per year). In FY 2016/17 and FY 2017/18, the total savings to the General Fund will be approximately \$900,000 per year.

Given significant budget reductions during the FY 2016-2018 biennial budget process, no current budget or service cuts are proposed to address the projected shortfalls. Instead, it is recommended that Measure Z revenues be used to maintain the essential General Fund services, such as public safety and quality of life.

### **Measure Z**

The collection of the additional one-cent sales tax authorized by voters through Measure Z begins on April 1, 2017. Based on projections from the City's sales tax consultant, HdL, the City will start receiving these revenues in May-June 2017, with the anticipated collection of \$10 million in FY 2016/17 and the entire year's worth of \$51.5 million in FY 2017/18.

The Budget Engagement Commission has been reviewing the plan for Measure Z funding, and will present its recommendations to the City Council on May 9, 2017. As indicated in this report, staff is recommending the use of Measure Z funds to eliminate the General Fund deficits and increase General Fund reserves to 20%.

## **B. Attachments B-C: Investment and Debt Reports**

Also included are the unaudited and unadjusted Second Quarter Investment Report (Attachment B) and the Second Quarter Debt Report (Attachment C), which highlight the City's portfolio of investments (including cash) and its outstanding debts, respectively, across all funding sources. Overall, the City's financial position remains strong, with any negative cash balances being offset by receivables.

### **DISCUSSION:**

#### **FY 2016/17 Second Quarter Financial Report –General Fund**

##### *The Bottom Line*

In the FY 2016/17 Second Quarter Financial Report, staff anticipates a **General Fund shortfall of \$3.9 million in FY 2016/17 and \$5.5 million in FY 2017/18**. The projected shortfalls are largely driven by the same factors discussed in the first quarter, mainly lower tax estimates, employee compensation, unfunded maintenance and unfunded parks debt.

##### *A. General Fund Revenues*

Compared to the first quarter FY 2016-2018 projections, the Second Quarter Financial Report General Fund revenues are estimated to be approximately \$468,000 lower in FY 2016/17 and \$568,000 lower in FY 2017/18. (Attachment A-3)

**Taxes** are projected to be \$3.3 million below the adopted budget in FY 2016/17 and \$4.5 million in FY 2017/18. Differences of \$200,000 or more between the first and second quarters are explained below.

- *Sales tax* is projected to be lower than first quarter projections by approximately \$321,000 in FY 2016/17 and \$336,000 in FY 2017/18. Historically, sales tax revenues have been the most subjective General Fund revenue to the economy and the hardest to predict. The decline from the first quarter to the second quarter is mainly driven by more modest sales tax growth than anticipated during budget adoption.

The City receives financial reports from both HdL and Beacon Economics, which staff uses to prepare the City's revenue projections. These reports, in conjunction with local and county sources of economic indicators provides a good information base to project revenues. Overall, sales tax receipts from the most current HdL quarterly report showed a 2.3% growth from the same period last year.

However, the outlook for the remaining half of the fiscal year is positive. Locally, the Galleria at Tyler expects growth to be similar to last year or approximately 4%. The Regional Intelligence Report of Beacon Economics indicates that consumer spending in 2016 was 3.2% above 2015 levels. The restaurants, hotels and autos categories saw significant increases in taxable sales. The auto and transportation industries reported a 5.2% year over year growth.

Beacon Economics also reports that the City of Riverside's job creation is up 3.5%, growing faster than Inland Empire that is at 3.2%. This increased the average annual wage up by 4.2% (to \$47,374). The optimistic economic indicators may translate to sustained or higher sales tax growth in the remaining months of FY 2016/17.

- *Property Transfer taxes* are estimated to be lower than first quarter projections by approximately \$221,000 in FY 2016/17 and \$243,000 in FY 2017/18, due to lower actual year to date receipts. Although economic indicators show property sales volume is up 7% to 8% from last year in the Riverside, the total value of property sales has lagged.
- *Franchise Fees* are expected to be lower than first quarter projections by \$353,000 in FY 2016/17 and \$359,000 in FY 2017/18 due to a significant decline in ATT cable franchise fees year to date as customers move from traditional cable to satellite (e.g. AT&T U-Verse to recently purchased DIRECTV).
- *Licenses and Permits* revenues are projected to be higher than first quarter projections by \$250,000 in FY 2016/17 and \$237,000 in FY 2017/18 due to a steady growth in Animal Licenses resulting from more personnel, changed enforcement measures, and public outreach.

### *B. General Fund Expenditures*

General Fund expenditures are estimated to continue to exceed first quarter projections in FY 2016/17 by \$1.1 million and in FY 2017/18 by \$3.6 million. There are no changes in the City's bottom line expenditures from the first quarter to the second quarter. (Attachment A-4)

### *C. Measure Z*

On November 8, 2016, the residents of Riverside approved Measure Z, which is a general transaction and use tax of 1%. For FY 2016/17, Measure Z revenues are estimated to be approximately \$10 million and for FY 2017/18, Measure Z revenues are estimated to be approximately \$51.5 million. The anticipated revenue projections are based on recommendations of the City's sales tax consultant, HdL. To account for the revenues and associated expenditures, the Finance Department has established Fund 110, Measure Z.

To date, the City Council has approved four items as they relate to Measure Z financial decisions, as listed below.

1. Approved the establishment of Fund 110 on December 20, 2016 to track all expenditures and revenues relating to Measure Z. This facilitates transparency and efficient accounting of Measure Z revenues and expenditures.
2. Approved the estimated Measure Z revenues for the current two-year budget (from July 1, 2016 through June 30, 2018) on December 20, 2016. This appropriates the Measure Z revenues from which the offsetting expenditure appropriations for specific programs can be budgeted.
  - July 1, 2016 – June 30, 2017 (FY 2016/17): \$10 million
  - July 1, 2017 – June 30, 2018 (FY 2017/18): \$51.5 million
3. Approved the reinstatement of the budget for a Fire Squad that was reduced during the recent budget adoption process. Approved on December 20, 2016 as part of the First Quarter Financial Update, this is critical to address response times for the Fire Department.
  - FY 2016/17: \$450,000
  - FY 2017/18: \$800,000

4. On January 31, 2017, staff presented a five-year Measure Z Proposed Spending Plan to the City Council, which included funding to eliminate the FY 2016-2018 Two-Year Budget deficits and increase reserves to City Council's "aspirational goal" of 20%. The City Council provided commentary and directed staff to refine the recommendations for City Council consideration on May 9, 2017.
  
5. Approved the addition of a City Attorney position for staffing of the Ward Action Teams on February 21, 2017. This is critical to provide additional resources to address existing Ward specific quality of life issues.
  - FY 2016/17: \$56,250
  - FY 2017/18: \$225,000

#### *D. General Fund Reserves*

The City's General Fund Reserve Policy, adopted by the City Council on September 6, 2016, requires the General Fund reserve should be 15%. The City Council set an aspiration goal of the General Fund Reserve at 20%; this goal was recently reaffirmed through adoption of the "Responsible Spending Vision Pledge" on October 4, 2016.

The second quarter projections of the General Fund Reserves decreased from the first quarter. Without the use of Measure Z revenues or alternative management action, the projected draw on the General Fund reserve is approximately \$3.9 million in FY 2016/17 and \$5.5 million in FY 2017/18, effectively reducing the General Fund reserve levels to 10.9% (\$29.2 million) in FY 2016/17 and 8.6% (\$23.7 million). With staff recommendation to use Measure Z funds, the General Fund reserves are projected to be 14.5% (\$38.7 million) in FY 2016/17 and 20% (\$55 million) in FY 2017/18.

#### **Quarterly Investment Report Status**

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, 2016, the City's pooled investment portfolio's market value was \$526 million, with the market value of investments held by fiscal agents (bond proceeds and reserve funds primarily) amounting to an additional \$234 million. The weighted average yield of the pooled investment portfolio is 1.059%. Through prior City Council approval, the Chief Financial Officer/Treasurer has the authority to invest/reinvest funds and to sell or exchange purchased securities, consistent with the City's adopted investment policy. This approval is a requirement of State law and is received at the start of each fiscal year.

The Investment Report, including a listing of cash balances by fund, is included in Attachment B. 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 Finance Director/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. The General Fund (\$11,005,869), which is offset by an outstanding capital lease receivable related to the Police Records Management System and Computronix permitting system. Historically, the revenues related to the capital lease have been

received prior to the initiation of project; however, the City is currently in the process of securing financing to fully offset ongoing project costs.

2. The Public Parking (\$384,732), which is based on year to date actual receipts that are lower than projected.
3. The Urban Areas Security Initiative (\$138,831) and Housing Opportunities for Persons with AIDS (\$654,043), which are fully offset by outstanding grant receivables.
4. Certificates of Participation Projects (\$497,135), Capital Outlay (\$4.3 million), and Transportation Uniform Mitigation Fees (\$1.86 million) have negative cash balances due to the timing of expenditures; however, the negative balances are fully offset by grant receivables.
5. The Liability Insurance Trust Fund has a negative cash balance of approximately (\$2.6 million), but is consolidated with the positive cash balances of the Workers Compensation Insurance Trust Fund \$17.8 million and Unemployment Insurance Trust Fund \$439,803 for financial reporting purposes. Staff implemented a strategy to return the Liability Insurance Trust Fund to an improved financial condition (cash and fund balance levels) over the next five years.
6. The Central Stores (\$516,666), which is fully offset by inventory assets that will be recouped when charged out for usage to various departments.

### **Quarterly Debt Report Status**

The Finance Department is also charged with managing the City's debt portfolio, which includes issuing new debt and monitoring opportunities to refinance existing debt as opportunities to reduce interest costs arise. The Quarterly Debt Report (Attachment C) 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 due in the current fiscal year by Fund. As of the second quarter, the City's outstanding principal balance is projected to decrease by \$99,450,795 if no new debt is issued.

### **FISCAL IMPACT:**

The Fiscal Year 2016-2018 Two-Year Second Quarter Financial Report projections are relatively unchanged from the first quarter report. There is still a General Fund shortfall, largely attributed to lower than anticipated tax revenues (not including Measure Z), employee compensation and benefits, unbudgeted parks debt, and unfunded fire vehicle maintenance. The net impact of the variances in General Fund revenues and expenditures is projecting a draw from reserves of approximately \$3.9 million in FY 2016/17 and \$5.5 million in FY 2017/18. Staff is recommending the use of Measure Z funds or alternative management action (e.g. non-safety spending freeze and elimination of carryovers) in FY 2016/17 and FY 2017/18 to cover the General Fund deficits and increase reserves. The Budget Engagement Commission is reviewing the plan for Measure Z funding, and the City Council will vote on the recommended Measure Z spending on May 9, 2017.

Prepared by: Adam Raymond, Assistant Chief Financial Officer  
Certified as to  
availability of funds: Scott Miller, Chief Financial Officer/Treasurer  
Approved by: Marianna Marysheva, Assistant City Manager  
Approved as to form: Gary G. Geuss, City Attorney

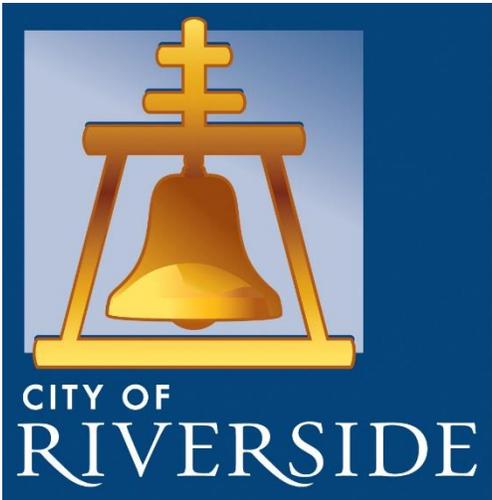
Attachments:

- A. FY 2016-2018 Quarterly General Fund Financial Report
- B. FY 2016/17 Second Quarter Investment Report
- C. FY 2016/17 Second Quarter Fund Financial Status Report
- D. Presentation

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# ATTACHMENT A

# FINANCIAL REPORT



## General Fund and Measure Z Summary

FY 2016/17 and FY 2017/18 Second Quarter Projections

As of December 31, 2016

GENERAL FUND	ADOPTED		PROJECTED (2ND QTR)		DIFFERENCE (Adopted vs 2nd Quarter Projections)		DIFFERENCE (1st vs 2nd Quarter Projections)	
	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18
REVENUES/TRANSFERS IN <i>(See A-3)</i>	\$ 266,444,469	\$ 273,508,401	\$ 263,549,493	\$ 269,544,291	\$ (2,894,976)	\$ (3,964,110)	\$ (468,119)	\$ (568,202)
EXPENDITURES/TRANSFERS OUT <i>(See A-4)</i>	\$ 266,417,939	\$ 271,430,387	\$ 267,489,020	\$ 275,026,696	\$ 1,071,081	\$ 3,596,309	\$ -	\$ -
PROJECTED SURPLUS/(DEFICIT)	\$ 26,530	\$ 2,078,014	\$ (3,939,527)	\$ (5,482,405)	\$ (3,966,057)	\$ (7,560,419)	\$ (468,119)	\$ (568,202)
ENDING: General Fund Reserve	\$ 33,185,259	\$ 35,263,273	\$ 29,219,202	\$ 23,736,797	\$ 32,717,140	\$ 34,226,952	\$ 3,497,938	\$ 10,490,155
	12.5%	13.0%	10.9%	8.6%				
MEASURE Z	ADOPTED		PROJECTED (2ND QTR)		DIFFERENCE (Adopted vs 2nd Quarter Projections)		DIFFERENCE (1st vs 2nd Quarter Projections)	
	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18
PROJECTED MEASURE Z REVENUES/ TRANSFERS IN <i>(See A-3)</i>	\$ -	\$ -	\$ 10,000,000	\$ 51,557,000	\$ 10,000,000	\$ 51,557,000	\$ -	\$ -
PROJECTED MEASURE Z EXPENDITURES/ TRANSFERS OUT <i>(See A-4)</i>	\$ -	\$ -	\$ 9,943,750	\$ 22,567,519	\$ 9,943,750	\$ 22,567,519	\$ 9,493,750	\$ 21,774,791
ENDING: Measure Z Reserve	\$ -	\$ -	\$ 56,250	\$ 29,045,730	\$ 56,250	\$ 29,045,730	\$ (9,493,750)	\$ (31,268,542)
ENDING: General Fund Reserve with Measure Z Staff Recommendations	\$ 33,185,259	\$ 35,263,273	\$ 38,712,952	\$ 55,005,339	\$ 5,527,693	\$ 19,742,066	\$ 9,025,631	\$ 30,232,221
	12.5%	13.0%	14.5%	20.0%				

**General Fund and Measure Z Revenue Summary**  
 FY 2016/17 and FY 2017/18 Second Quarter Projections  
 As of December 31, 2016

GENERAL FUND	PROJECTED (2nd Qtr)		DIFFERENCE (Adopted vs 2nd Qtr Projections)		DIFFERENCE (1st Qtr vs 2nd Qtr Projections)	
	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18
Sales & Use Taxes	\$ 64,774,596	\$ 67,301,060	\$ (1,793,346)	\$ (2,839,514)	\$ (321,166)	\$ (335,856)
Property Taxes	\$ 56,013,942	\$ 58,955,324	\$ (716,827)	\$ (758,090)	\$ 103,398	\$ 105,554
Utilities Users Tax	\$ 27,987,000	\$ 28,497,775	\$ (590,109)	\$ (682,989)	\$ 3,455	\$ (7,844)
Franchise Fees	\$ 5,275,000	\$ 5,372,500	\$ (315,000)	\$ (310,200)	\$ (353,360)	\$ (359,468)
Transient Occupancy Tax	\$ 6,541,500	\$ 6,868,575	\$ -	\$ -	\$ 143,398	\$ 150,568
Property Transfer Tax	\$ 2,208,091	\$ 2,428,900	\$ (475,909)	\$ (523,500)	\$ (220,809)	\$ (242,890)
General Fund Transfer	\$ 44,902,400	\$ 46,142,500	\$ (172,600)	\$ -	\$ 15,700	\$ -
Charges for Services - Development & Building	\$ 4,717,984	\$ 4,971,445	\$ 212,198	\$ 229,384	\$ 25,000	\$ 27,564
Special Revenue - Entertainment	\$ 11,969,102	\$ 12,121,395	\$ 817,412	\$ 831,413	\$ 0	\$ (0)
Charges for Services	\$ 10,713,437	\$ 10,923,092	\$ 20,923	\$ 31,982	\$ -	\$ 0
Licenses and Permits	\$ 9,920,348	\$ 10,559,461	\$ 95,181	\$ 59,724	\$ 250,000	\$ 237,153
Fines and Forfeits	\$ 1,444,000	\$ 1,427,669	\$ (293,000)	\$ (317,396)	\$ (241,571)	\$ (265,775)
Special Assessments	\$ 4,514,237	\$ 4,504,029	\$ 10,000	\$ 10,000	\$ 46,904	\$ 44,214
Intergovernmental Revenues	\$ 1,575,959	\$ 1,578,834	\$ 55,959	\$ 53,834	\$ 55,959	\$ 53,834
Other	\$ 10,991,897	\$ 7,891,732	\$ 250,141	\$ 251,241	\$ 24,973	\$ 24,744
Projected Total Revenues/ Transfers In	\$ 263,549,493	\$ 269,544,291	\$ (2,894,976)	\$ (3,964,110)	\$ (468,119)	\$ (568,202)

MEASURE Z	PROJECTED (2nd QTR)		DIFFERENCE		DIFFERENCE	
	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18
Measure Z Revenue	\$ 10,000,000	\$ 51,557,000	\$ 10,000,000	\$ 51,557,000	\$ -	\$ -
Projected Total Measure Z Revenues/ Transfers In	\$ 10,000,000	\$ 51,557,000	\$ 10,000,000	\$ 51,557,000	\$ -	\$ -

**General Fund and Measure Z Expenditure Summary**  
 FY 2016/17 and FY 2017/18 Second Quarter Projections  
 As of December 31, 2016

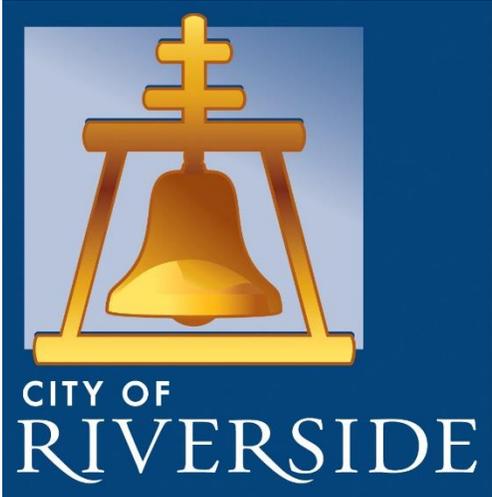
GENERAL FUND	PROJECTED (2nd Quarter)		DIFFERENCE (Adopted vs 2nd Quarter Projections)		DIFFERENCE (1st Quarter vs 2nd Quarter Projections)	
	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18
City Attorney	5,363,115	5,529,013	-	-	-	-
City Clerk	1,635,728	1,580,251	-	-	-	-
City Council	1,154,498	1,184,984	-	-	-	-
City Manager	4,745,799	4,821,270	-	-	-	-
Community & Economic Development	15,268,394	13,569,473	-	-	-	-
Finance	7,408,718	8,408,463	(698,000)	-	-	-
Fire	47,767,090	48,453,565	750,000	500,000	-	-
General Services	4,400,646	4,460,917	-	-	-	-
Human Resources	2,958,276	3,093,091	-	-	-	-
Innovation & Technology	11,055,186	11,275,678	-	-	-	-
Library	6,461,399	6,647,489	-	-	-	-
Mayor	789,653	817,056	-	-	-	-
Museum & Cultural Affairs	3,834,665	3,879,541	-	-	-	-
Non-Departmental	27,245,657	26,821,037	-	-	-	-
Non-Departmental - Community Livability	25,000	25,000	-	-	-	-
Parks, Recreation & Community Services	18,477,800	18,709,838	600,000	600,000	-	-
Police	94,609,627	96,934,049	-	-	-	-
Public Works	23,708,965	24,190,491	(900,000)	(900,000)	-	-
<b>Subtotal</b>	<b>276,910,216</b>	<b>280,401,206</b>	<b>(248,000)</b>	<b>200,000</b>	-	-
Estimated Managed Savings	(5,425,000)	(5,425,000)	-	-	-	-
Employee Negotiations	870,845	4,827,994	819,081	3,396,309	-	-
Allocated Costs, Utilization Charges and Operating Transfers	(24,080,201)	(25,034,250)	500,000	-	-	-
Net Debt Service Allocation	19,213,160	20,256,746	-	-	-	-
<b>Total</b>	<b>267,489,020</b>	<b>275,026,696</b>	<b>1,071,081</b>	<b>3,596,309</b>	-	-

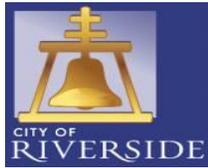
MEASURE Z	PROJECTED (2nd Quarter)		DIFFERENCE (Adopted vs 2nd Quarter Projections)		DIFFERENCE (1st Quarter vs 2nd Quarter Projections)	
	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18
Fire Department: Squad and Captains	450,000	792,728	450,000	792,728	-	-
Fire Department: Vehicle Maintenance	-	-	-	-	-	-
Quality of Life Prosecutor	-	-	-	-	-	-
<i>Transfer Out: SUBTOTAL General Fund Council Approved Adjustments</i>	<i>450,000</i>	<i>792,728</i>	<i>450,000</i>	<i>792,728</i>	-	-
<i>Recommended Transfer Out: General Fund Operating Deficit</i>	<i>3,939,526</i>	<i>5,482,404</i>	<i>3,939,526</i>	<i>5,482,404</i>	<i>3,939,526</i>	<i>5,482,404</i>
<i>Recommended Transfer Out: General Fund Reserve</i>	<i>5,554,224</i>	<i>16,292,387</i>	<i>5,554,224</i>	<i>16,292,387</i>	<i>5,554,224</i>	<i>16,292,387</i>
<b>MEASURE Z TOTAL EXPENDITURES / TRANSFERS OUT</b>	<b>9,943,750</b>	<b>22,567,519</b>	<b>9,943,750</b>	<b>22,567,519</b>	<b>9,493,750</b>	<b>21,774,791</b>

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# ATTACHMENT B

## INVESTMENT REPORT

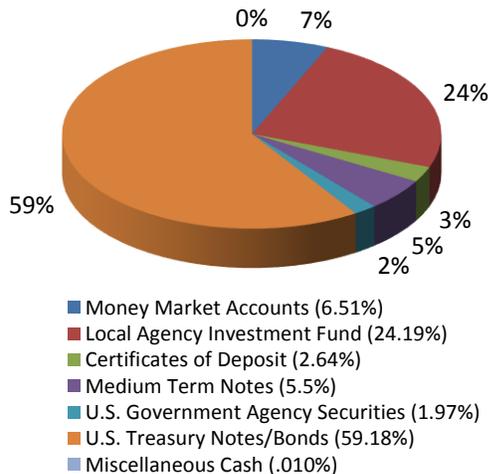




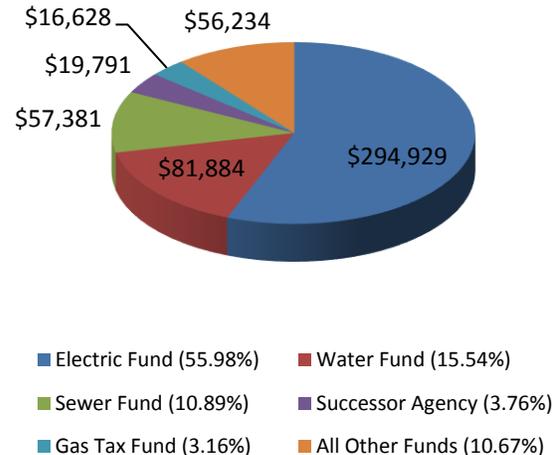
## CITY OF RIVERSIDE Quarterly Investment Report December 31, 2016

	AMORTIZED COST	MARKET VALUE
<b>POOLED INVESTMENT PORTFOLIO</b>		
Money Market Accounts	\$ 34,222,672.29	\$ 34,222,657.88
Local Agency Investment Fund (LAIF)	127,224,277.09	127,224,277.09
Certificates of Deposit	13,889,510.87	13,875,919.48
Medium Term Notes	28,928,712.39	28,903,270.15
U.S. Government Agency Securities	10,372,468.67	10,371,000.00
U.S. Treasury Notes/Bonds	312,132,013.71	311,312,296.50
Miscellaneous Cash	77,600.00	77,600.00
<b>TOTAL POOLED INVESTMENT PORTFOLIO</b>	<b>526,847,255.02</b>	<b>525,987,021.10</b>
<b>INVESTMENTS HELD BY FISCAL AGENT</b>	<b>235,550,271.46</b>	<b>234,023,111.68</b>
<b>TOTAL CASH &amp; INVESTMENTS</b>	<b>\$ 762,397,526.48</b>	<b>\$ 760,010,132.78</b>

**COMPOSITION OF POOLED  
PORTFOLIO**



**COMPOSITION OF POOLED  
PORTFOLIO BY FUND  
(In Thousands)**



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 1.52 years. Market prices of securities are obtained from Interactive Data Corporation. Weighted average yield on cost is 1.059%. 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.

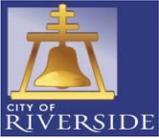
Verified by:   
Edward P. Enriquez, Controller

Approvec   
Scott Miller, Interim Finance Director/Treasurer



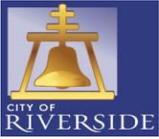
**CITY OF RIVERSIDE**  
**Pooled Investment Portfolio Holdings**  
**December 31, 2016**

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	AMORTIZED COST	YIELD ON MATURITY	MARKET VALUE
<b><u>MONEY MARKET ACCOUNTS</u></b>							
CALTRUST Heritage Money Market Fund - Select Class	Varies	Varies	AAA	Varies	54,444.67	0.72%	54,444.67
CALTRUST Investment Trust of California	Varies	Varies	AA	Varies	62,802.31	0.92%	62,787.90
Bank of America	Varies	Varies	Coll. <sup>1</sup>	Varies	29,014,644.94	0.50%	29,014,644.94
Citizens Business Bank	Varies	Varies	Coll. <sup>1</sup>	Varies	5,090,780.37	0.35%	5,090,780.37
<b>SUBTOTAL MONEY MARKET ACCOUNTS</b>					<b>34,222,672.29</b>		<b>34,222,657.88</b>
<b>LOCAL AGENCY INVESTMENT FUND (LAIF)</b>	Varies	Varies	NR	Varies	<b>127,224,277.09</b>	<b>0.74%</b>	<b>127,224,277.09</b>
<b><u>CERTIFICATES OF DEPOSIT</u></b>							
SouthWest Bank	0.75%	02/13/17	FDIC	02/13/15	237,000.00	0.75%	237,002.37
Triad Bank	1.00%	03/14/17	FDIC	11/14/13	249,000.00	1.00%	249,112.05
BMO Harris Bank National Association	0.90%	03/23/17	FDIC	09/23/15	248,000.00	0.90%	248,059.52
Parkway Bank And Trust Company	1.15%	04/07/17	FDIC	10/07/14	248,000.00	1.15%	248,208.32
United Community Bank	1.00%	04/13/17	FDIC	10/14/14	248,000.00	1.00%	248,124.00
Leader Bank, National Association	1.05%	04/21/17	FDIC	10/23/14	248,000.00	1.05%	248,156.24
Georgia Bank & Trust Company of Augusta	1.00%	06/20/17	FDIC	12/20/13	249,000.00	1.00%	249,087.15
First Commercial Bank	1.00%	07/31/17	FDIC	10/30/14	248,000.00	1.00%	248,039.68
American Express Bank, FSB	1.25%	08/21/17	FDIC	08/21/14	248,000.00	1.25%	248,337.28
Capital One, National Association	1.25%	08/21/17	FDIC	08/19/15	249,000.00	1.25%	249,338.64
Discover Bank	1.30%	08/21/17	FDIC	08/20/14	248,000.00	1.30%	248,401.76
Signature Bank of Arkansas	1.05%	08/25/17	FDIC	08/26/15	249,000.00	1.05%	249,072.21
EverBank	1.10%	08/28/17	FDIC	08/28/15	248,000.00	1.10%	248,133.92
Mauch Chunk Trust Company	1.20%	09/11/17	FDIC	10/10/14	248,000.00	1.20%	248,267.84
First Niagara Bank, National Association	1.15%	09/25/17	FDIC	09/25/15	248,000.00	1.15%	248,181.04
First Bank of Highland Park	1.25%	10/10/17	FDIC	10/08/14	248,000.00	1.25%	248,332.32
Third Federal Savings and Loan Association of Clev	1.40%	11/27/17	FDIC	11/27/13	248,000.00	1.40%	248,615.04
BBVA Compass	0.45%	12/04/17	FDIC <sup>2</sup>	12/04/15	1,000,000.00	0.45%	1,000,000.00
Wex Inc.	1.20%	12/11/17	FDIC	12/11/15	248,000.00	1.20%	248,181.04
Customers Bank	1.25%	12/18/17	FDIC	12/18/15	248,000.00	1.25%	248,285.20
Bank of North Carolina	1.25%	01/16/18	FDIC	01/16/15	247,000.00	1.25%	247,232.18
Cadence Bank, N.A.	1.25%	02/12/18	FDIC	02/10/16	248,000.00	1.25%	248,163.68
Mercantil Commercebank, National Association	1.50%	04/24/18	FDIC	10/24/14	248,000.00	1.50%	248,721.68
GE Capital Bank	1.60%	07/03/18	FDIC	07/03/14	248,000.00	1.60%	248,875.44
United Bank	1.55%	07/17/18	FDIC	10/17/14	248,000.00	1.55%	248,664.64
MB Financial Bank, National Association	1.35%	08/21/18	FDIC	08/21/15	249,000.00	1.35%	248,773.41
Comenity Capital Bank	1.70%	08/24/18	FDIC	08/24/15	249,000.00	1.70%	250,063.23
East Boston Savings Bank	1.40%	08/24/18	FDIC	08/24/15	249,000.00	1.40%	248,960.16
Goldman Sachs Bank USA	1.65%	09/04/18	FDIC	09/03/14	247,000.00	1.65%	247,839.80
Sallie Mae Bank	1.80%	09/04/18	FDIC	09/03/14	247,000.00	1.80%	248,358.50
First Priority Bank	1.45%	09/28/18	FDIC	09/30/15	248,000.00	1.45%	248,007.44
UBS Bank USA	1.40%	10/01/18	FDIC	10/08/15	248,000.00	1.40%	247,776.80
Capital One Bank	1.80%	10/09/18	FDIC	10/08/14	248,000.00	1.80%	249,235.04
Marlin Business Bank	1.70%	10/15/18	FDIC	10/14/14	248,000.00	1.70%	248,863.04
Community Bankers' Bank	1.65%	10/17/18	FDIC	10/17/14	248,000.00	1.65%	248,677.04
American Express Centurion Bank	2.00%	11/28/18	FDIC	11/28/14	248,000.00	2.00%	249,745.92
Flushing Bank	1.50%	12/17/18	FDIC	12/17/15	249,000.00	1.50%	248,825.70
KeyBank National Association	1.55%	01/22/19	FDIC	01/20/16	247,000.00	1.55%	246,883.91
Investors Community Bank	1.15%	02/12/19	FDIC	02/12/16	249,000.00	1.15%	246,771.45
Prime Alliance Bank, Inc.	1.15%	02/12/19	FDIC	02/12/16	249,000.00	1.15%	246,771.45
CIT Bank, National Association	2.00%	05/14/19	FDIC	05/14/14	247,000.00	2.00%	248,526.46
Webster Bank, National Association	1.90%	07/02/19	FDIC	07/02/14	247,510.87	1.98%	249,016.80
ConnectOne Bank	1.55%	07/29/19	FDIC	01/28/15	247,000.00	1.55%	246,283.70



**CITY OF RIVERSIDE**  
**Pooled Investment Portfolio Holdings**  
**December 31, 2016**

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	AMORTIZED COST	YIELD ON MATURITY	MARKET VALUE
Alma Bank	1.70%	09/30/19	FDIC	09/30/15	247,000.00	1.70%	246,822.16
Belmont Savings Bank	1.40%	02/18/20	FDIC	02/17/16	249,000.00	1.40%	246,119.07
Bank of Wisconsin Dells	1.50%	07/17/20	FDIC	02/17/16	249,000.00	1.50%	245,491.59
Bridgewater Bank	1.50%	08/17/20	FDIC	02/17/16	249,000.00	1.50%	245,170.38
Unity Bank	1.50%	08/26/20	FDIC	02/26/16	249,000.00	1.50%	245,075.76
Barclays Bank Delaware	2.20%	09/16/20	FDIC	09/16/15	247,000.00	2.20%	248,385.67
Bank of Charles Town	1.80%	09/30/20	FDIC	09/30/15	249,000.00	1.80%	247,095.15
HSBC Bank USA, National Association	1.60%	11/17/20	FDIC	11/23/15	246,000.00	2.87%	242,327.22
EnerBank USA	1.90%	01/28/21	FDIC	01/28/16	247,000.00	1.90%	245,078.34
The State Bank and Trust Company	1.60%	02/17/21	FDIC	02/17/16	249,000.00	1.60%	244,381.05
<b>SUBTOTAL CERTIFICATES OF DEPOSIT</b>					<b>13,889,510.87</b>		<b>13,875,919.48</b>
<b><u>MEDIUM TERM NOTES</u></b>							
GENERAL ELECTRIC CO	2.30%	04/27/17	AA- / A1	09/10/14	7,612,686.66	1.15%	7,606,920.65
APPLE INC	1.05%	05/05/17	AA+ / Aa1	09/10/14	4,002,846.26	0.84%	4,003,160.00
SHELL INTERNATIONAL FINANCE BV	1.13%	08/21/17	A / Aa2	04/10/14	1,803,102.42	1.29%	1,803,447.70
TOYOTA MOTOR CREDIT CORP	1.25%	10/05/17	AA- / Aa3	04/10/14	2,716,060.47	1.30%	2,717,000.00
CHEVRON CORP	1.10%	12/05/17	AA- / Aa2	04/10/14	2,741,076.74	1.46%	2,745,022.50
WAL-MART STORES INC	5.80%	02/15/18	AA / Aa2	01/28/16	497,943.06	0.48%	493,589.30
BERKSHIRE HATHAWAY FINANCE CORP	1.30%	05/15/18	AA / Aa2	01/28/16	1,001,169.50	1.21%	997,150.00
TOYOTA MOTOR CREDIT CORP	1.55%	07/13/18	AA- / Aa3	01/28/16	5,008,869.93	1.43%	4,999,250.00
APPLE INC	2.10%	05/06/19	AA+ / Aa1	01/28/16	3,544,957.34	1.54%	3,537,730.00
<b>SUBTOTAL MEDIUM TERM NOTES</b>					<b>28,928,712.39</b>		<b>28,903,270.15</b>
<b><u>U.S. GOVERNMENT AGENCY SECURITIES</u></b>							
FEDERAL HOME LOAN MORTGAGE CORP	5.13%	11/17/17	AA+ / Aaa	01/16/13	10,372,468.67	0.85%	10,371,000.00
<b>SUBTOTAL U.S. GOVERNMENT AGENCY SECURITIES</b>					<b>10,372,468.67</b>		<b>10,371,000.00</b>
<b><u>U.S. GOVERNMENT TREASURY SECURITIES</u></b>							
UNITED STATES TREASURY	0.88%	10/15/17	AA+ / Aaa	01/22/16	7,053,882.40	0.80%	7,051,410.00
UNITED STATES TREASURY	0.75%	12/31/17	AA+ / Aaa	05/24/16	13,537,786.33	0.84%	13,526,694.00
UNITED STATES TREASURY	0.75%	12/31/17	AA+ / Aaa	03/09/15	6,233,403.71	1.02%	6,239,250.00
UNITED STATES TREASURY	2.63%	01/31/18	AA+ / Aaa	05/21/14	12,198,493.69	1.08%	12,211,440.00
UNITED STATES TREASURY	0.88%	01/31/18	AA+ / Aaa	07/16/14	1,985,621.31	1.55%	1,998,280.00
UNITED STATES TREASURY	0.75%	03/31/18	AA+ / Aaa	07/13/15	4,991,338.13	0.89%	4,985,150.00
UNITED STATES TREASURY	2.63%	04/30/18	AA+ / Aaa	05/21/14	11,208,607.57	1.18%	11,230,780.00
UNITED STATES TREASURY	1.00%	05/31/18	AA+ / Aaa	07/13/15	10,269,642.34	0.86%	10,245,182.50
UNITED STATES TREASURY	1.00%	05/31/18	AA+ / Aaa	05/21/14	3,976,021.57	1.43%	3,998,120.00
UNITED STATES TREASURY	1.38%	06/30/18	AA+ / Aaa	10/10/14	1,501,635.11	1.30%	1,506,975.00
UNITED STATES TREASURY	2.25%	07/31/18	AA+ / Aaa	11/17/16	11,223,116.89	0.95%	11,198,990.00
UNITED STATES TREASURY	1.38%	07/31/18	AA+ / Aaa	11/17/16	11,068,265.21	0.98%	11,050,270.00
UNITED STATES TREASURY	1.50%	08/31/18	AA+ / Aaa	05/21/14	5,530,764.24	1.16%	5,533,935.00
UNITED STATES TREASURY	1.38%	09/30/18	AA+ / Aaa	12/16/15	10,547,030.79	1.11%	10,539,375.00
UNITED STATES TREASURY	1.25%	10/31/18	AA+ / Aaa	05/21/14	4,980,726.03	1.46%	5,007,600.00
UNITED STATES TREASURY	1.25%	11/30/18	AA+ / Aaa	07/13/15	5,319,105.27	1.06%	5,306,625.00
UNITED STATES TREASURY	1.25%	01/31/19	AA+ / Aaa	05/21/14	2,978,952.11	1.59%	3,001,170.00
UNITED STATES TREASURY	2.75%	02/15/19	AA+ / Aaa	07/16/14	2,080,022.81	0.84%	2,062,500.00
UNITED STATES TREASURY	2.75%	02/15/19	AA+ / Aaa	05/21/14	2,091,508.23	0.58%	2,062,500.00
UNITED STATES TREASURY	0.75%	02/15/19	AA+ / Aaa	11/17/16	9,927,574.56	1.10%	9,900,000.00
UNITED STATES TREASURY	1.38%	02/28/19	AA+ / Aaa	05/24/16	14,611,729.28	1.01%	14,537,410.00
UNITED STATES TREASURY	1.38%	02/28/19	AA+ / Aaa	10/10/14	2,591,365.97	1.53%	2,606,708.00
UNITED STATES TREASURY	1.63%	04/30/19	AA+ / Aaa	02/26/15	7,067,453.40	1.20%	7,053,620.00
UNITED STATES TREASURY	1.63%	06/30/19	AA+ / Aaa	11/09/15	3,721,293.97	1.39%	3,727,750.00



**CITY OF RIVERSIDE**  
**Pooled Investment Portfolio Holdings**  
**December 31, 2016**

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	AMORTIZED COST	YIELD ON MATURITY	MARKET VALUE
UNITED STATES TREASURY	1.63%	06/30/19	AA+ / Aaa	05/24/16	6,084,066.18	1.06%	6,045,000.00
UNITED STATES TREASURY	0.75%	07/15/19	AA+ / Aaa	11/17/16	12,604,520.43	1.21%	12,565,762.50
UNITED STATES TREASURY	0.88%	07/31/19	AA+ / Aaa	11/17/16	12,642,478.26	1.21%	12,602,610.00
UNITED STATES TREASURY	1.63%	07/31/19	AA+ / Aaa	09/09/14	3,496,089.68	1.67%	3,524,080.00
UNITED STATES TREASURY	1.00%	08/31/19	AA+ / Aaa	10/10/14	1,852,378.27	1.97%	1,882,045.00
UNITED STATES TREASURY	1.75%	09/30/19	AA+ / Aaa	12/15/16	5,807,223.14	1.38%	5,805,717.50
UNITED STATES TREASURY	1.00%	09/30/19	AA+ / Aaa	05/28/15	3,450,728.97	1.53%	3,463,635.00
UNITED STATES TREASURY	1.00%	09/30/19	AA+ / Aaa	12/16/14	7,853,973.19	1.68%	7,916,880.00
UNITED STATES TREASURY	1.50%	11/30/19	AA+ / Aaa	11/09/15	6,798,717.86	1.51%	6,813,260.00
UNITED STATES TREASURY	1.00%	11/30/19	AA+ / Aaa	07/13/15	2,954,972.13	1.53%	2,963,670.00
UNITED STATES TREASURY	1.13%	12/31/19	AA+ / Aaa	02/26/15	1,876,318.31	1.55%	1,881,437.00
UNITED STATES TREASURY	1.25%	01/31/20	AA+ / Aaa	05/28/15	2,477,736.63	1.55%	2,481,450.00
UNITED STATES TREASURY	1.25%	02/29/20	AA+ / Aaa	11/09/15	9,889,208.54	1.61%	9,918,800.00
UNITED STATES TREASURY	1.38%	05/31/20	AA+ / Aaa	07/13/15	6,953,583.92	1.58%	6,954,080.00
UNITED STATES TREASURY	1.50%	05/31/20	AA+ / Aaa	08/22/16	6,614,545.10	0.97%	6,477,640.00
UNITED STATES TREASURY	1.88%	06/30/20	AA+ / Aaa	03/17/16	7,769,744.87	1.41%	7,721,757.00
UNITED STATES TREASURY	2.13%	08/31/20	AA+ / Aaa	11/09/15	2,036,073.37	1.62%	2,031,880.00
UNITED STATES TREASURY	2.00%	09/30/20	AA+ / Aaa	12/15/16	10,110,976.88	1.69%	10,110,200.00
UNITED STATES TREASURY	1.63%	11/30/20	AA+ / Aaa	01/22/16	6,060,349.67	1.36%	5,973,780.00
UNITED STATES TREASURY	2.00%	02/28/21	AA+ / Aaa	03/17/16	5,608,571.94	1.51%	5,542,515.00
UNITED STATES TREASURY	2.25%	03/31/21	AA+ / Aaa	08/22/16	2,934,808.26	1.09%	2,849,868.00
UNITED STATES TREASURY	2.25%	07/31/21	AA+ / Aaa	08/22/16	6,826,168.25	1.12%	6,598,995.00
UNITED STATES TREASURY	2.13%	09/30/21	AA+ / Aaa	11/17/16	12,733,438.94	1.71%	12,605,500.00
<b>SUBTOTAL U.S. GOVERNMENT TREASURY SECURITIES</b>					<b>312,132,013.71</b>		<b>311,312,296.50</b>
<b>MISCELLANEOUS CASH</b>					<b>77,600.00</b>		<b>77,600.00</b>
<b>TOTAL POOLED CASH &amp; INVESTMENTS</b>					<b>526,847,255.01</b>		<b>525,987,021.10</b>
<b>WEIGHTED AVERAGE MATURITY</b>							<b>1.52</b>

<sup>1</sup> Collateralized in accordance with Section 53652 of the CA state code.

<sup>2</sup> Balance in excess of FDIC insurance limits collateralized in accordance with state statutes.



**CITY OF RIVERSIDE**  
**Investments Held by Fiscal Agent**  
**December 31, 2016**

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	AMORTIZED COST	YIELD ON MATURITY	MARKET VALUE
<b><u>CASH &amp; MONEY MARKET ACCOUNTS</u></b>							
Cash	Varies	Varies	NR	Varies	41,975.76	Varies	41,975.76
Wells Fargo Advantage 100% Treasury Money Market	0.00%	Varies	AAAm	Varies	161,251.83	0.00%	161,251.83
Wells Fargo Advantage Government Money Market	0.00%	Varies	AAAm	Varies	7,443,841.20	0.00%	7,443,841.20
US Bank Money Market Account 10	0.05%	Varies	A+	Varies	1,122,835.90	0.05%	1,122,835.90
US Bank Mmkt 5 - CT	0.02%	Varies	A+	Varies	20,255,281.76	0.02%	20,255,281.76
First American Government Obligation	0.00%	Varies	AAAm	Varies	422,842.63	0.00%	422,842.63
First American Prime Obligations Fund CL " Z "	0.02%	Varies	AAAm	Varies	36,783,159.06	0.02%	36,783,159.06
<b>SUBTOTAL CASH &amp; MONEY MARKET ACCOUNTS</b>					<b>66,231,188.14</b>		<b>66,231,188.14</b>
<b>LOCAL AGENCY INVESTMENT FUND (LAIF)</b>	<b>0.51%</b>	<b>Varies</b>	<b>NR</b>	<b>Varies</b>	<b>56,229,911.23</b>	<b>0.51%</b>	<b>56,229,911.23</b>
<b><u>BONDS, DEBENTURES, NOTES &amp; AGREEMENTS</u></b>							
US Bank Na C P	0.10%	05/01/17	A+	09/01/16	332,562.46	0.10%	332,562.46
US Bank Na C P	0.00%	08/01/17	A+	12/01/16	3,513,185.69	0.00%	3,513,185.69
US Treasury Note	0.88%	12/31/16	AAA	10/20/15	1,132,597.66	0.88%	1,126,000.00
FNMA MT	1.25%	1/30/17	AAA	11/1/12	4,106,960.00	1.25%	4,001,880.00
FHLB Disc Note	4.60%	1/30/17	AAA	8/01/16	3,436,002.48	4.60%	3,508,614.01
US Treasury Note	0.88%	01/31/17	AAA	10/10/14	4,769,788.12	0.88%	4,743,896.80
US Treasury Note	0.50%	01/31/17	AAA	10/20/15	1,129,234.03	0.50%	1,128,124.08
General Electric Cap Corp Medium Term Nts	5.40%	02/15/17	A1	07/05/07	2,029,629.00	5.40%	2,110,227.00
US Treasury Note	0.88%	02/28/17	AAA	12/16/14	1,132,685.63	0.88%	1,126,754.42
US Treasury Note	3.25%	3/31/17	AAA	10/20/15	12,615,309.53	3.25%	12,200,998.60
FNMA Debt	1.13%	4/27/17	AAA	1/16/13	3,559,500.00	1.13%	3,505,285.00
Glaxosmithkline Cap	1.50%	5/8/17	A2	11/1/12	2,040,140.00	1.50%	2,002,960.00
US Govt Agency-F N M A MTN	5.00%	05/11/17	AAA	07/06/07	996,779.15	5.00%	1,054,855.14
US Treasury Bill	0.58%	05/25/17	AAA	06/27/16	1,785,228.34	0.58%	1,788,696.80
Caterpillar	1.63%	6/1/17	A2	11/1/12	2,290,826.72	1.63%	2,239,913.00
US Govt Agency-Federal Home Loan Bks Bonds	5.63%	06/09/17	AAA	06/13/07	5,400,000.00	5.63%	5,514,264.00
FNMA MTN	5.38%	6/12/17	AAA	11/1/12	4,844,520.00	5.38%	4,082,000.00
US Treasury Bill	0.57%	06/22/17	AAA	06/29/16	3,894,446.89	0.57%	3,898,582.80
FHLMCM	1.00%	6/29/17	AAA	11/1/12	3,042,120.00	1.00%	3,004,620.00
FHLMC Debt	1.00%	7/28/17	AAA	11/1/12	3,040,080.00	1.00%	3,004,650.00
US Treasury Note	2.38%	07/31/17	AAA	10/20/15	4,914,160.78	2.38%	4,807,762.82
FHLMCM	1.00%	9/29/17	AAA	1/16/13	3,023,340.00	1.00%	3,002,910.00
Oracle Corp	1.20%	10/15/17	A1	11/1/12	4,015,960.00	1.20%	4,000,960.00
FNMA Debt	0.88%	12/20/17	AAA	1/16/13	3,498,145.00	0.88%	3,498,075.00
FHLMCM	0.75%	1/12/18	AAA	3/19/13	3,973,128.00	0.75%	3,991,840.00
US Treasury Note	2.63%	1/31/18	AAA	8/29/14	5,026,442.89	2.63%	4,904,633.63
FHLB Debt	1.25%	06/08/18	AAA	06/28/13	290,532.33	1.25%	295,672.60
US Treasury Note	2.25%	07/31/18	AAA	10/20/15	3,366,614.38	2.25%	3,300,388.42
FHLB Debt	1.00%	09/21/18	AAA	09/21/16	1,335,000.00	1.00%	1,324,413.45
Natixis Funding Corp	1.67%	03/01/19	BBB	02/14/14	7,422,802.00	1.67%	7,422,802.00
FNMA Debt	1.38%	02/26/21	AAA	03/30/16	370,735.63	1.38%	363,769.21
Invt Agmt-Trinity Plus Fdg Co Gic	4.68%	10/01/29	AA-	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	AA-	05/14/08	4,348,970.73	4.68%	4,348,970.73
<b>SUBTOTAL BONDS, DEBENTURES, NOTES &amp; AGREEMENTS</b>					<b>113,089,172.09</b>		<b>111,562,012.31</b>
<b>TOTAL INVESTMENTS HELD BY FISCAL AGENT</b>					<b>235,550,271.46</b>		<b>234,023,111.68</b>

City of Riverside  
Cash Balances by Fund  
As of December 31, 2016

Fund		Cash Balance <sup>1</sup>	Interfund Loan Receivables <sup>2</sup>	Cash Balance + Loan Receivables
<b>General Fund</b>	<b>101</b>	<b>(11,005,869)</b>	-	<b>(11,005,869)</b>
<b>Successor Agency Administration Fund</b>	<b>170</b>	<b>268,901</b>	-	<b>268,901</b>
<b>Enterprise Funds</b>				
Electric	510	279,631,108	4,689,598	284,320,706
Electric - Public Benefits Charge	511	15,297,520	-	15,297,520
Water	520	79,078,021	-	79,078,021
Water - Conservation & Reclamation Program	521	2,806,099	-	2,806,099
Airport	530	703,656	-	703,656
Refuse Collection	540	5,578,787	-	5,578,787
Sewer Service	550	57,381,104	5,014,518	62,395,622
Special Transit	560	1,597,896	-	1,597,896
Public Parking	570	(384,732)	-	(384,732)
<b>SubTotal - Enterprise Funds</b>		<b>441,689,459</b>	<b>9,704,115</b>	<b>451,393,574</b>
<b>Special Revenue Funds</b>				
Urban Areas Security Initiative	205	(138,831)	-	(138,831)
Community Development Block Grant	220	249,015	-	249,015
Home Investment Partnership Program	221	257,934	-	257,934
Housing Opportunities for Persons with AIDS	222	(654,043)	-	(654,043)
Community Development Grants	223	1,660,603	-	1,660,603
Neighborhood Stabilization Program	225	127,893	-	127,893
Special Gas Tax	230	16,627,801	-	16,627,801
Air Quality	240	836,431	-	836,431
NPDES Storm Drain	260	(46,918)	-	(46,918)
Housing Authority	280	4,467,741	-	4,467,741
Housing Assets	281	4,061,172	14,146,520	18,207,692
<b>SubTotal - Special Revenue Funds</b>		<b>27,448,799</b>	<b>14,146,520</b>	<b>41,595,319</b>
<b>Capital Projects Funds</b>				
Certificates of Participation Projects	401	(497,135)	-	(497,135)
Storm Drain	410	1,132,204	-	1,132,204
Local Park Special Capital Improvements	411	1,243,178	-	1,243,178
Regional Park Special Capital Improvements	413	2,292,993	-	2,292,993
Capital Outlay	430	(4,279,713)	-	(4,279,713)
Transportation Projects	431	11,861	-	11,861
Measure A Capital Outlay	432	17,364,658	-	17,364,658
Transportation Development Impact Fees	433	3,529,733	-	3,529,733
Transportation Uniform Mitigation Fees	434	(1,863,368)	-	(1,863,368)
Community Facilities Districts and Assessment Districts	Various	1,897,794	-	1,897,794
<b>SubTotal - Capital Project Funds</b>		<b>20,832,205</b>	-	<b>20,832,205</b>
<b>Debt Service Funds</b>				
Debt Service Fund - General	390	1,513,404	-	1,513,404
Debt Service Fund - Public Works	391	684,160	-	684,160
<b>SubTotal Debt Service Funds</b>		<b>2,197,564</b>	-	<b>2,197,564</b>
<b>Agency Funds</b>				
Redevelopment Successor Agency	Various	19,522,556	-	19,522,556
Community Facilities Districts and Assessment Districts	Various	877,596	-	877,596
Special Deposits	Various	11,472,573	-	11,472,573
<b>SubTotal Agency Funds</b>		<b>31,872,725</b>	-	<b>31,872,725</b>
<b>Internal Service Funds</b>				
Workers' Compensation Insurance Trust	610	10,376,818	7,316,264	17,693,082
Unemployment Insurance Trust	620	439,803	-	439,803
Liability Insurance Trust	630	(2,609,615)	-	(2,609,615)
Central Stores	640	(516,666)	-	(516,666)
Central Garage	650	4,992,897	2,779,900	7,772,797
<b>SubTotal - Internal Service Funds</b>		<b>12,683,237</b>	<b>10,096,164</b>	<b>22,779,401</b>
<b>Total - All Funds</b>		<b>\$ 525,987,021</b>	<b>\$ 33,946,799</b>	<b>\$ 559,933,820</b>

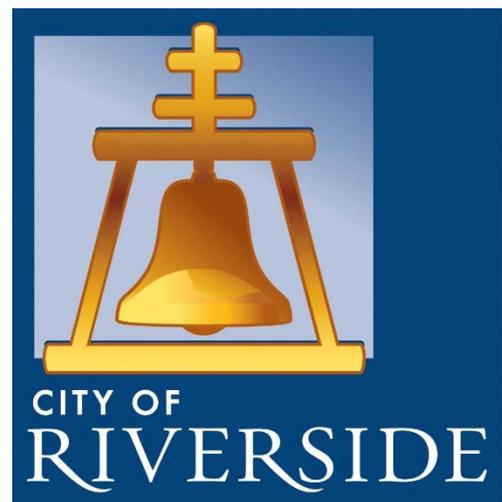
<sup>1</sup> Amount reflects each fund's share of the City's pooled investment portfolio.

<sup>2</sup> Amounts shown are interfund loans outstanding, 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.

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# ATTACHMENT C

## DEBT REPORT

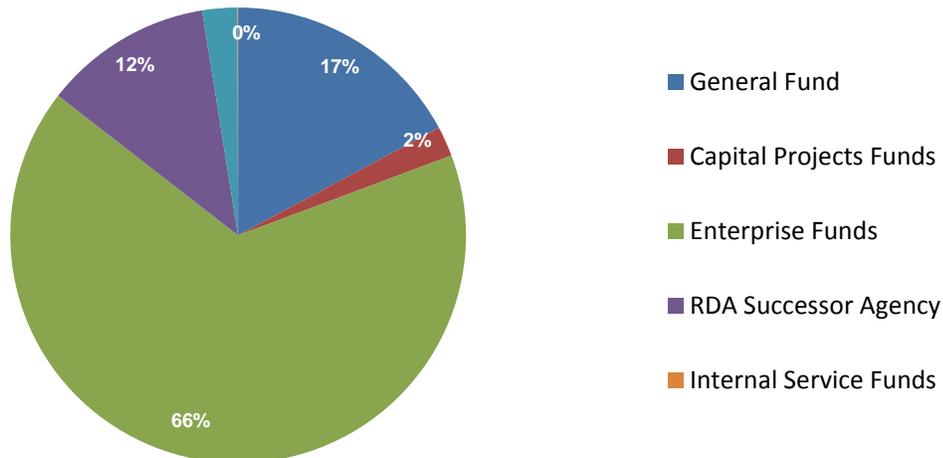


**City of Riverside**  
**Fiscal Year 2016/17 Summary of Outstanding Debt <sup>1</sup>**  
**As of December 31, 2016**

Debt Issuance <sup>2</sup>	Outstanding Principal Balance 6/30/2016	New Debt Issued During Fiscal Year	2016/17 Principal Payments	2016/17 Interest Payments	2016/17 Total Payments	Projected Principal Balance 6/30/2017
<b>General Fund</b>						
General Obligation	12,430,000	-	1,040,000	592,023	1,632,023	11,390,000
Pension Obligation	101,000,000	-	40,025,000	4,280,185	44,305,185	60,975,000
Certificates of Participation	146,690,000	-	4,580,000	5,477,637	10,057,637	142,110,000
Lease Revenue Bonds	37,245,000	-	1,420,000	1,653,125	3,073,125	35,825,000
Capital Leases	12,006,447	-	2,769,156	201,930	2,971,086	9,237,291
Interfund Loans	3,268,541	-	290,972	49,028	340,000	2,977,569
Private Placement Financings	43,481,284	-	2,156,741	1,346,691	3,503,432	41,324,543
<b>Total General Fund</b>	<b>356,121,272</b>	<b>-</b>	<b>52,281,869</b>	<b>13,600,618</b>	<b>65,882,487</b>	<b>303,839,403</b>
<b>Capital Projects Funds</b>						
Local Park Impact Fee Fund Interfund Loans	6,175,220	-	1,358,372	92,628	1,451,000	4,816,849
Measure A Certificates of Participation	33,950,000	-	1,340,000	1,659,688	2,999,688	32,610,000
<b>Total Capital Projects Funds</b>	<b>40,125,220</b>	<b>-</b>	<b>2,698,372</b>	<b>1,752,316</b>	<b>4,450,688</b>	<b>37,426,849</b>
<b>Enterprise Funds</b>						
Electric Fund Revenue Bonds	566,835,000	-	13,320,000	24,862,514	38,182,514	553,515,000
Electric Fund Capital Leases	4,693,715	-	789,052	92,063	881,115	3,904,662
Water Fund Revenue Bonds	193,480,000	-	5,180,000	7,814,183	12,994,183	188,300,000
Sewer Fund Revenue Bonds	412,160,000	-	8,055,000	19,255,123	27,310,123	404,105,000
Sewer Fund Loans	2,979,734	-	759,345	57,516	816,861	2,220,389
Parking Fund Interfund Loans	216,623	-	117,751	3,249	121,000	98,872
Parking Fund Loans	20,246,817	-	976,511	770,193	1,746,704	19,270,306
<b>Total Enterprise Funds</b>	<b>1,200,611,888</b>	<b>-</b>	<b>29,197,659</b>	<b>52,854,841</b>	<b>82,052,500</b>	<b>1,171,414,229</b>
<b>Internal Service Funds</b>						
Central Garage Fund Interfund Loans	1,015,607	-	334,766	15,234	350,000	680,841
<b>Total Internal Service Funds</b>	<b>1,015,607</b>	<b>-</b>	<b>334,766</b>	<b>15,234</b>	<b>350,000</b>	<b>680,841</b>
<b>RDA Successor Agency</b>						
Tax Allocation Bonds	196,070,000	-	6,775,000	9,720,031	16,495,031	189,295,000
Lease Revenue Bonds	18,030,000	-	1,500,000	869,349	2,369,349	16,530,000
Interfund Loans	9,352,727	-	4,663,129	76,694	4,739,823	4,689,597
Loans	1,175,000	-	365,000	29,308	394,308	810,000
<b>Total RDA Successor Agency</b>	<b>224,627,727</b>	<b>-</b>	<b>13,303,129</b>	<b>10,695,381</b>	<b>23,998,511</b>	<b>211,324,597</b>
<b>Assessment District &amp; Community Facilities District</b>						
Assessment Districts	24,435,000	-	1,220,000	1,186,277	2,406,277	23,215,000
Community Facilities Districts	21,370,000	-	415,000	893,694	1,308,694	20,955,000
<b>Total AD &amp; CFD</b>	<b>45,805,000</b>	<b>-</b>	<b>1,635,000</b>	<b>2,079,971</b>	<b>3,714,971</b>	<b>44,170,000</b>
<b>Total</b>	<b>\$ 1,868,306,713</b>	<b>\$ -</b>	<b>\$ 99,450,795</b>	<b>\$ 80,998,362</b>	<b>\$ 180,449,156</b>	<b>\$ 1,768,855,918</b>

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

<sup>2</sup> See the notes of the following page, which detail dedicated revenue streams and certain obligations paid by other funds.



Note: Categories not shown represent less than 1% of the City's debt portfolio.

**City of Riverside**  
**Fiscal Year 2016/17 Detail of Outstanding Debt<sup>1</sup>**  
**As of December 31, 2016**

Debt Issuance	Year of Issuance	Year of Final Maturity	Total Issue Size	Repayment Source	Outstanding Principal Balance 6/30/2016	New Debt Issued During Fiscal Year	2016/17 Principal Payments	2016/17 Interest Payments	2016/17 Total Payments	Projected Principal Balance 6/30/2017
<b>General Obligation</b>										
Measure G Fire Facility Projects Bonds	2004	2024	20,000,000	Existing Special Property Tax	12,430,000	-	1,040,000	592,023	1,632,023	11,390,000
<b>Pension Obligation</b>										
Pension Obligation Bonds (2004)	2004	2023	89,540,000	General Purpose General Fund Revenues	56,600,000	-	5,760,000	3,337,136	9,097,136	50,840,000
Pension Obligation Bonds (2005) Series A	2005	2020	30,000,000	General Purpose General Fund Revenues <sup>2</sup>	13,255,000	-	3,120,000	633,589	3,753,589	10,135,000
Pension Obligation Refunding Bond Anticipation Notes	2016	2017	31,145,000	General Purpose General Fund Revenues <sup>2</sup>	31,145,000	-	31,145,000	309,460	31,454,460	-
<b>Certificates of Participation</b>										
Galleria Mall Improvements	2006	2036	19,945,000	Project Developer / Successor Agency	17,575,000	-	535,000	790,491	1,325,491	17,040,000
Riverside Renaissance Projects Refunding	2008	2037	128,300,000	General Purpose General Fund Revenues	109,300,000	-	3,600,000	3,644,408	7,244,408	105,700,000
Recovery Zone Facility Hotel Project (Hyatt)	2010	2040	20,660,000	Project Developer / Successor Agency	19,815,000	-	445,000	1,042,738	1,487,738	19,370,000
<b>Lease Revenue Bonds</b>										
Lease Revenue Refunding Bonds Series A	2012	2033	41,240,000	General Purpose General Fund Revenues <sup>3</sup>	37,245,000	-	1,420,000	1,653,125	3,073,125	35,825,000
<b>Capital Leases</b>										
VOIP Phone System	2012	2022	1,650,000	General Purpose General Fund Revenues	1,116,334	-	160,771	25,618	186,388	955,564
Police Department Helicopter	2013	2019	1,348,316	General Purpose General Fund Revenues	689,198	-	225,889	10,665	236,554	463,309
Various Vehicles, Software, and Hardware	2013	2019	3,642,934	General Purpose General Fund Revenues	1,862,102	-	610,315	28,816	639,131	1,251,787
Various Vehicles, Software, and Hardware	2013	2018	2,957,221	General Purpose General Fund Revenues	1,498,981	-	594,218	16,210	610,428	904,764
Convention Center, Fox, Muni, and RPD Dispatch FF&E	2013	2021	3,668,000	General Purpose General Fund Revenues	2,666,783	-	514,934	44,426	559,360	2,151,849
Various Vehicles, Software, and Hardware	2014	2022	4,450,000	General Purpose General Fund Revenues	4,173,048	-	663,030	76,194	739,224	3,510,019
<b>Interfund Loans</b>										
Utilities Plaza Purchase Interfund Loan	2012	2027	4,469,221	Building Lease Revenue	3,268,541	-	290,972	49,028	340,000	2,977,569
<b>Private Placement Financings</b>										
Ryan Bonaminio Park Loan	2012	2021	4,000,000	General Purpose General Fund Revenues	2,543,567	-	392,506	74,608	467,114	2,151,061
Convention Center Expansion Loan	2012	2034	44,650,000	General Fund Transient Occupancy Tax <sup>4</sup>	40,937,717	-	1,764,235	1,272,083	3,036,318	39,173,482
<b>Total General Fund</b>					<b>356,121,272</b>	<b>-</b>	<b>52,281,869</b>	<b>13,600,618</b>	<b>65,882,487</b>	<b>303,839,403</b>
<b>Local Park Impact Fee Fund</b>										
Riverside Renaissance Debt Service Interfund Loan #1	2010	2020	3,460,000	Development Impact Fee Revenue	3,460,000	-	680,100	51,900	732,000	2,779,900
Riverside Renaissance Debt Service Interfund Loan #2	2011	2019	3,402,000	Development Impact Fee Revenue	2,715,220	-	678,272	40,728	719,000	2,036,949
<b>Total Local Park Impact Fee Fund</b>					<b>6,175,220</b>	<b>-</b>	<b>1,358,372</b>	<b>92,628</b>	<b>1,451,000</b>	<b>4,816,849</b>
<b>Measure A Fund</b>										
RPPA Local Measure A Sales Tax Revenue COPs	2013	2033	35,235,000	Measure A Sales Tax Revenues	33,950,000	-	1,340,000	1,659,688	2,999,688	32,610,000
<b>Total Measure A Fund</b>					<b>33,950,000</b>	<b>-</b>	<b>1,340,000</b>	<b>1,659,688</b>	<b>2,999,688</b>	<b>32,610,000</b>
<b>Electric Utility</b>										
Electric Revenue Refunding Bonds (2008) Series A	2008	2029	84,515,000	Existing Electric Rates/Refunding Proceeds	70,540,000	-	-	2,194,499	2,194,499	70,540,000
Electric Revenue Refunding Bonds (2008) Series C	2008	2035	57,325,000	Existing Electric Rates/Refunding Proceeds	41,975,000	-	-	1,344,879	1,344,879	41,975,000
Electric Revenue Bonds (2008) Series D	2008	2038	209,740,000	Existing Electric Rates	209,740,000	-	-	10,246,400	10,246,400	209,740,000
Electric Revenue Bonds (2009) Series A	2009	2018	34,920,000	Existing Electric Rates	3,640,000	-	1,150,000	140,500	1,290,500	2,490,000
Electric Revenue Bonds (2010) Series A	2010	2040	133,290,000	Existing Electric Rates	133,290,000	-	-	6,479,481	6,479,481	133,290,000
Electric Revenue Bonds (2010) Series B	2010	2019	7,090,000	Existing Electric Rates	7,090,000	-	95,000	305,625	400,625	6,995,000
Electric Revenue Bonds (2011) Series A	2011	2035	56,450,000	Existing Electric Rates/Refunding Proceeds	41,925,000	-	-	1,613,274	1,613,274	41,925,000
Electric Revenue Refunding Bonds (2013) Series A	2013	2043	79,080,000	Existing Electric Rates	58,635,000	-	12,075,000	2,537,856	14,612,856	46,560,000
Electric Fund Vehicles Capital Leases	Various	Various	Various	Existing Electric Rates	4,693,715	-	789,052	92,063	881,115	3,904,662
<b>Total Electric Fund</b>					<b>571,528,715</b>	<b>-</b>	<b>14,109,052</b>	<b>24,954,578</b>	<b>39,063,630</b>	<b>557,419,662</b>
<b>Water Utility</b>										
Water Revenue Bonds (2008) Series B	2008	2038	58,235,000	Existing Water Rates	58,235,000	-	1,610,000	2,798,150	4,408,150	56,625,000
Water Revenue Bonds (2009) Series A	2009	2020	31,895,000	Existing Water Rates	12,730,000	-	2,970,000	517,350	3,487,350	9,760,000
Water Revenue Bonds (2009) Series B	2009	2039	67,790,000	Existing Water Rates	67,790,000	-	-	2,717,377	2,717,377	67,790,000
Water Revenue Bonds (2011) Series A	2011	2035	59,000,000	Existing Water Rates	54,725,000	-	600,000	1,781,306	2,381,306	54,125,000
<b>Total Water Fund</b>					<b>193,480,000</b>	<b>-</b>	<b>5,180,000</b>	<b>7,814,183</b>	<b>12,994,183</b>	<b>188,300,000</b>
<b>Sewer Utility</b>										
Headworks Project Loan	2000	2019	7,956,419	Existing Sewer Rates	1,383,086	-	452,992	24,395	477,387	930,095
Cogeneration Project Loan	2003	2021	5,374,978	Existing Sewer Rates	1,596,647	-	306,353	33,120	339,474	1,290,294
Sewer Revenue Bonds (2009) Series A	2009	2016	36,835,000	Existing Sewer Rates	8,055,000	-	8,055,000	201,375	8,256,375	-
Sewer Revenue Bonds (2009) Series B	2009	2039	204,075,000	Existing Sewer Rates	204,075,000	-	-	9,216,748	9,216,748	204,075,000
Sewer Revenue Bonds (2015) Series A	2015	2040	200,030,000	Existing Sewer Rates	200,030,000	-	-	9,837,000	9,837,000	200,030,000
<b>Total Sewer Fund</b>					<b>415,139,734</b>	<b>-</b>	<b>8,814,345</b>	<b>19,312,639</b>	<b>28,126,984</b>	<b>406,325,389</b>

Debt Issuance	Year of Issuance	Year of Final Maturity	Total Issue Size	Repayment Source	Outstanding Principal Balance 6/30/2016	New Debt Issued During Fiscal Year	2016/17 Principal Payments	2016/17 Interest Payments	2016/17 Total Payments	Projected Principal Balance 6/30/2017
<b>Parking Fund</b>										
Parking Garages 1 & 2 Interfund Loan #2	2008	2018	942,006	Parking Fund Revenue	216,623	-	117,751	3,249	121,000	98,872
Fox Entertainment Plaza Loan	2010	2032	25,000,000	Parking Fund Revenue <sup>5</sup>	20,246,817	-	976,511	770,193	1,746,704	19,270,306
<b>Total Parking Fund</b>					<b>20,463,440</b>	<b>-</b>	<b>1,094,262</b>	<b>773,442</b>	<b>1,867,704</b>	<b>19,369,178</b>
<b>Central Garage Fund</b>										
CNG Refueling Station Interfund Loan	2013	2019	1,674,262	Fuel Sales	1,015,607	-	334,766	15,234	350,000	680,841
<b>Total Central Garage Fund</b>					<b>1,015,607</b>	<b>-</b>	<b>334,766</b>	<b>15,234</b>	<b>350,000</b>	<b>680,841</b>
<b>RDA Successor Agency</b>										
RPFA Multiple Project Area TABs (1991)	1991	2018	13,285,000	Successor Agency Tax Increment	45,000	-	20,000	3,600	23,600	25,000
California Tower Lease Revenue Bonds Series A	2003	2024	26,255,000	Successor Agency Tax Increment	15,475,000	-	1,275,000	735,500	2,010,500	14,200,000
California Tower Lease Revenue Bonds Series B	2003	2024	4,810,000	Successor Agency Tax Increment	2,555,000	-	225,000	133,849	358,849	2,330,000
RPFA Multiple Project Area TABs (2007) Series A	2007	2037	8,340,000	Successor Agency Tax Increment	8,170,000	-	25,000	356,331	381,331	8,145,000
RPFA Multiple Project Area TABs (2007) Series B	2007	2028	14,850,000	Successor Agency Tax Increment	11,620,000	-	470,000	658,922	1,128,922	11,150,000
RPFA Multiple Project Area TABs (2007) Series C	2007	2037	89,205,000	Successor Agency Tax Increment	85,960,000	-	605,000	4,193,100	4,798,100	85,355,000
RPFA Multiple Project Area TABs (2007) Series D	2007	2032	43,875,000	Successor Agency Tax Increment	31,430,000	-	1,805,000	1,782,519	3,587,519	29,625,000
3615-3653 Main Street Acquisition Interfund Loan	2009	2017	4,280,000	Successor Agency Tax Increment	4,239,823	-	4,239,823	-	4,239,823	(0)
HUD Section 108 Refunding Loan - Mission Village	2011	2018	2,895,000	Successor Agency Tax Increment	1,175,000	-	365,000	29,308	394,308	810,000
Reid Park Acquisition Interfund Loan	2011	2028	720,000	Successor Agency Tax Increment	682,178	-	55,067	9,933	65,000	607,111
Riverside Golf Course Acquisition Interfund Loan	2011	2028	4,837,500	Successor Agency Tax Increment	4,450,726	-	368,239	66,781	435,000	4,082,487
2014 Subordinate Tax Allocation Refunding Bonds Series A	2014	2034	61,250,000	Successor Agency Tax Increment	57,280,000	-	3,690,000	2,681,900	6,371,900	53,590,000
2014 Subordinate Tax Allocation Refunding Bonds Series B	2014	2024	1,730,000	Successor Agency Tax Increment	1,565,000	-	160,000	43,660	203,660	1,405,000
<b>Total RDA Successor Agency</b>					<b>224,627,727</b>	<b>-</b>	<b>13,303,129</b>	<b>10,695,381</b>	<b>23,998,511</b>	<b>211,324,597</b>
<b>Assessment District &amp; Community Facilities District</b>										
Riverwalk Business Center Assessment District Bonds	2004	2029	3,755,000	Existing Special Property Tax	2,690,000	-	130,000	159,693	289,693	2,560,000
Sycamore Canyon Business Park CFD 92-1 Bonds	2005	2034	9,700,000	Existing Special Property Tax	7,690,000	-	250,000	392,990	642,990	7,440,000
Hunter Park Assessment District Bonds	2006	2036	15,269,906	Existing Special Property Tax	12,675,000	-	355,000	641,106	996,106	12,320,000
Riverwalk Assessment District Refunding Bonds	2011	2026	7,805,000	Existing Special Property Tax	6,100,000	-	450,000	267,006	717,006	5,650,000
Auto Center Assessment District Refunding Bonds	2012	2024	4,050,000	General Fund Sales Tax Revenue <sup>5</sup>	2,970,000	-	285,000	118,472	403,472	2,685,000
Riverwalk Vista CFD 2006-1	2013	2043	4,415,000	Existing Special Property Tax	4,290,000	-	85,000	204,919	289,919	4,205,000
Riverwalk Vista CFD 2006-1 Improv Area No.2 Series A	2016	2046	5,505,000	Existing Special Property Tax	5,505,000	-	-	179,005	179,005	5,505,000
Riverwalk Vista CFD 2006-1 Improv Area No.2 Series B	2016	2031	1,275,000	Existing Special Property Tax	1,275,000	-	80,000	42,934	122,934	1,195,000
Highlands CFD 2014-2 Series A	2016	2046	1,800,000	Existing Special Property Tax	1,800,000	-	-	48,880	48,880	1,800,000
Highlands CFD 2014-2 Series B	2016	2031	810,000	Existing Special Property Tax	810,000	-	-	24,966	24,966	810,000
<b>Total Assessment District &amp; Community Facilities District</b>					<b>45,805,000</b>	<b>-</b>	<b>1,635,000</b>	<b>2,079,971</b>	<b>3,714,971</b>	<b>44,170,000</b>
<b>Total</b>					<b>\$ 1,868,306,713</b>	<b>\$ -</b>	<b>\$ 99,450,795</b>	<b>\$ 80,998,362</b>	<b>\$ 180,449,156</b>	<b>\$ 1,768,855,918</b>

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

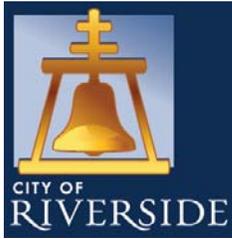
<sup>2</sup> 48.3% of the debt service for these bonds is allocated to other Funds based on the percentage of miscellaneous CalPERS plan employees budgeted in those Funds.

<sup>3</sup> 25.4% of the debt service for these bonds is allocated to the Parking Fund for the construction of Garage 6 and to the Successor Agency for the construction of the University Village garage.

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

<sup>5</sup> A portion of the debt service for this loan related to non-parking facilities is funded by the General Fund.

<sup>6</sup> Under the terms of an existing development agreement, increased incremental sales tax resulting from the expansion of the Auto Center funds the debt service on these bonds.



# FY 2016-2018 Two-Year Budget: FY 2016-2017 2<sup>nd</sup> Quarter Update

Finance Department

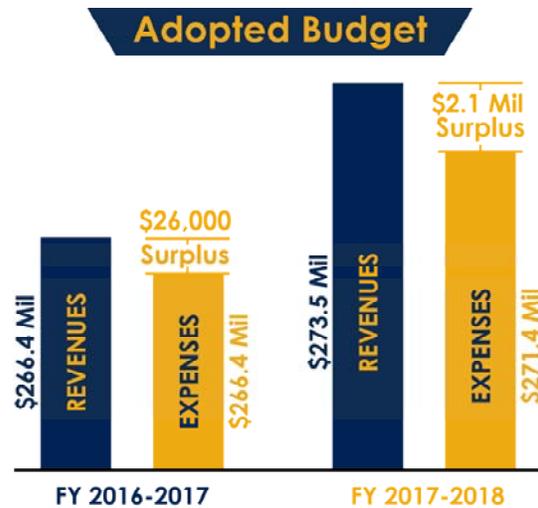
## City Council Meeting

April 11, 2017

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### BACKGROUND

- FY 2016-2018 Budget adopted on June 21, 2016
  - 1<sup>st</sup> two-year budget and five-year plan
  - Intensive public outreach
  - In-depth departmental budget presentations
  - Identified critical unfunded needs
  - Implemented 4% reductions



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## 2<sup>ND</sup> QUARTER PROJECTIONS

- General Fund shortfalls attributed to:
  - Lower revenues
  - Unbudgeted/unfunded vehicle maintenance and parks debt
  - Higher projected personnel costs
  - Increase of:
    - FY 2016/17 \$468,000
    - FY 2017/18 \$568,000



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### Factors Contributing to Projected Shortfall (2nd Quarter)

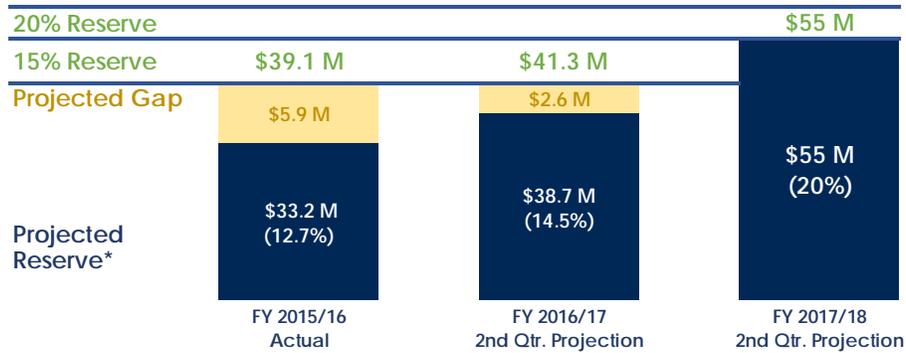
	FY 2016-17	FY 2017-18
<b>Adopted Surplus</b>	\$ 26,530	\$ 2,078,014
Union Contracts	\$ (819,081)	\$ (3,396,309)
Lower Revenues	\$ (2,894,976)	\$ (3,964,110)
Insufficient Funds for Parks Debt	\$ (600,000)	\$ (600,000)
Transfers for Sewer Claims	\$ 900,000	\$ 900,000
Other	\$ (52,004)	
Fire Department Maintenance	\$ (500,000)	\$ (500,000)
<b>Estimated Shortfall</b>	\$ (3,939,531)	\$ (5,482,405)
Management Action*	\$ 3,939,531	\$ 5,482,405
<b>Net General Fund Surplus/Deficit</b>	\$ -	\$ -

\* Staff has recommended the use of Measure Z funds to cover the General Fund shortfalls in FY 2016/17 and FY 2017/18. Alternative options to using Measure Z funds include elimination of carryovers and expenditure reductions that limit service impact to the extent possible (e.g. spending freeze and holding positions vacant).



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### General Fund Reserve Outlook (Based On Second Quarter Projections)



*\*With staff's recommendation to utilize Measure Z funding to eliminate the General Fund deficit and increase reserves, the General Fund reserve will meet the City Council's Responsible Spending Pledge "aspirational" goal of 20% by FY 17/18. Without Measure Z or alternative management action, the Second Quarter projected deficit would decrease the General Fund reserve to 10.9% (\$29.2 million) in FY 16/17 and 8.6% (\$23.7 million) in FY 17/18.*



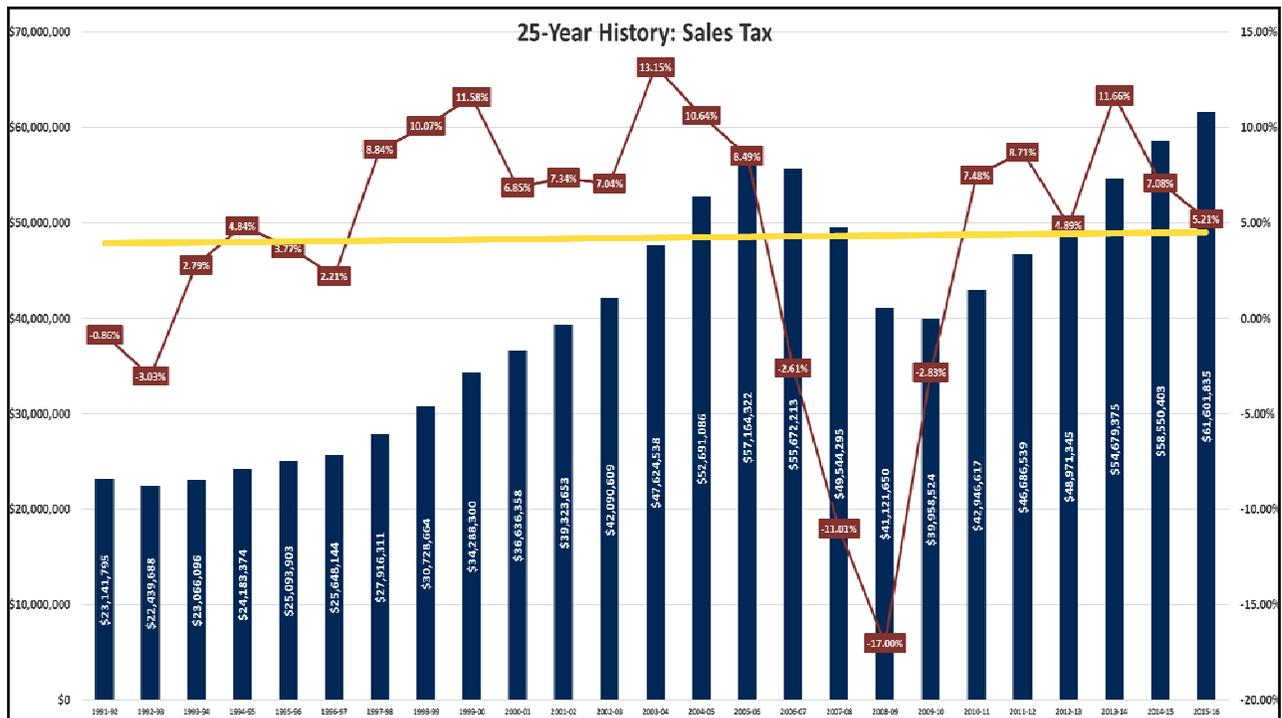
## GENERAL FUND REVENUES (2<sup>nd</sup> Quarter)

GENERAL FUND	PROJECTED (2nd Qtr)		DIFFERENCE (Adopted vs 2nd Qtr Projections)		DIFFERENCE (1st Qtr vs 2nd Qtr Projections)	
	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18
Sales & Use Taxes	\$ 64,774,596	\$ 67,301,060	\$ (1,793,346)	\$ (2,839,514)	\$ (321,166)	\$ (335,856)
Franchise Fees	\$ 5,275,000	\$ 5,372,500	\$ (315,000)	\$ (310,200)	\$ (353,360)	\$ (359,468)
Property Transfer Tax	\$ 2,208,091	\$ 2,428,900	\$ (475,909)	\$ (523,500)	\$ (220,809)	\$ (242,890)
Licenses and Permits	\$ 9,920,348	\$ 10,559,461	\$ 95,181	\$ 59,724	\$ 250,000	\$ 237,153
Fines and Forfeits	\$ 1,444,000	\$ 1,427,669	\$ (293,000)	\$ (317,396)	\$ (241,571)	\$ (265,775)



## SALES TAX PROJECTION (2<sup>nd</sup> Quarter)

- FY 2016-2017: \$1,793,346
- FY 2017-2018: \$2,839,514
- Lower baseline
- Growth projections lowered
  - FY 2016-2017: 5.9% to 4.5% (currently at 3.9% growth)
  - FY 2017-2018: 5.5% to 4%



## CITY'S ECONOMIC CONDITIONS

- Overall positive outlook for the remaining half of the fiscal year.
- The Galleria at Tyler expects growth to be similar to last year or approximately 4%.
- Consumer spending in 2016 was 3.2% above 2015 levels.
- Restaurants, hotels and autos categories saw significant increases in taxable sales.
- The auto and transportation industries reported a 5.2% year over year growth.
- Job creation is up 3.5%.
- Average annual wage up by 4.2% (to \$47,374).

(Source: HdL Quarterly Report and Regional Intelligence Report from Beacon Economics)



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## GENERAL FUND EXPENDITURES (2<sup>nd</sup> Quarter)

- Zero net difference between 1<sup>st</sup> and 2<sup>nd</sup> quarter projections
- Projected Expenditure shortfall:
  - FY 2016/17: \$1,071,081
  - FY 2017/18: \$3,596,309



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## MEASURE Z REVENUE

- Approved by voters on November 8, 2016
  - Estimated FY 2016-17 revenue: \$10 million
  - Estimated FY 2017-17 revenue: \$51.6 million



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## MEASURE Z EXPENDITURES

- Workshop on January 31, 2017
  - Recommended use of Measure Z for General Fund shortfalls and increasing General Fund Reserves
- Fire Squad reinstatement on December 20, 2016
  - \$450,000 in FY 2016/17
  - \$792,728 in FY 2017/18
- Ward Action Team on February 21, 2017
  - \$56,250 in FY 2016/17
  - \$225,000 in FY 2017/18



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## FY 2016/17 SECOND QUARTER COMMENTS FROM THE BUDGET ENGAGEMENT COMMISSION CHAIRPERSON ROBERT MENDEZ



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## DEBT AND INVESTMENT REPORTS

- The quarterly investment report is included in this report:
  - Report shows cash balances by fund.
  - Information is provided regarding funds with an unusual cash position.
  - No fund's cash balance is currently a major concern.
- The quarterly debt report is included in this report:
  - There have been no major changes to the City's debt portfolio through December 31, 2016.



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## RECOMMENDATIONS

That the City Council receive and file the attached FY 2016/17 Second Quarter Financial Report for the General Fund with preliminary analysis of Measure Z and FY 2016/17 General Fund financials, as well as cash, investment and debt reports for all funds.

