

Cash and Investments Debt Administration Report FY 2020/21 Fourth Quarter Update

Finance Department

City Council

December 14, 2021

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Background

1. Improve reporting of treasury and debt administrative activities
 - A. Separate process for management of investment and debt
 - B. Different metrics of performance for debt and investments
2. Keep Council updated on debt and investment portfolio management activities
3. June 15, 2021 City Council received and provided input on the Third Quarter Report



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Treasury Financial Goals

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



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Cash and Treasury Performance – End of Q4

1. Pooled Investment Portfolio - \$885 million
2. Investments held by fiscal agent - \$123 million
3. Weighted average yield of pooled investment portfolio – 0.82%
4. No fund's cash balance is currently a concern



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Debt Summary Analysis – End of Q4

1. Principal Balance decreased \$3,029,463 due to
 - A. Debt Service Principal Payments – May 1 through June 30, 2021
 - a. Certificates of Participation (\$1,595,000)
 - b. Capital Leases (\$134,742)
 - c. Private Placement Loans (\$1,299,721)



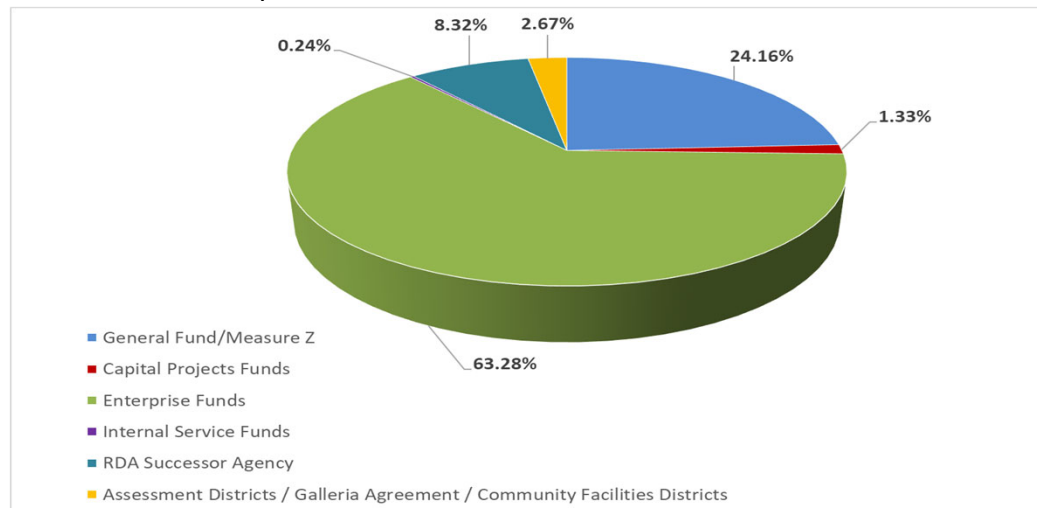
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Debt Summary Analysis – End of Q4

Debt Portfolio composition

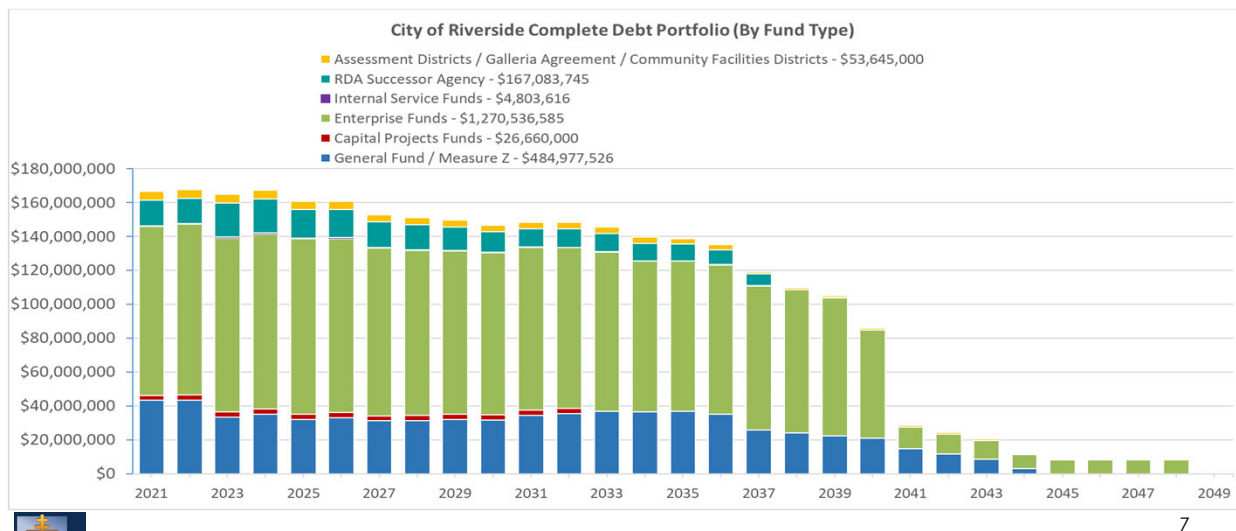


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Debt Summary Analysis – End of Q4



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Debt Activities – Q4

1. Completed procurement process and selected new City Debt Collaboration software system.
2. Began procurement process to identify and select a new City Banking vendor.
3. Completed a new Joint Community Facilities District with Riverside Unified School District.
4. Completed legislative requirements for annual levy of all Business Improvement Districts, Landscape Maintenance Districts, Streetlight Maintenance District, Special Tax and Assessment Districts and General Obligation Bonds.
5. Conducted TEFRA Hearing providing approval of tax-exempt financing for Oasis Affordable Senior Housing Project.



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STRATEGIC PLAN ALIGNMENT

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

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

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

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Recommendation

1. Receive and provide input on the Fiscal Year 2020/21 Fourth Quarter Cash and Investments and Debt Report.

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