

Cash and Investments Debt Administration Report FY 2021/22 Third Quarter Update

Finance Department

Financial Performance and Budget Committee

June 10, 2022

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1

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. March 15, 2022 City Council received and provided input on the Second Quarter Report



2

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2

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



3

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3

Cash and Treasury Performance – End of Q3

1. Pooled Investment Portfolio - \$894 million
2. Investments held by fiscal agent - \$145 million
3. Weighted average yield of pooled investment portfolio – 0.80%
4. No fund's cash balance is currently a concern



4

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4

Debt Summary Analysis – End of Q3

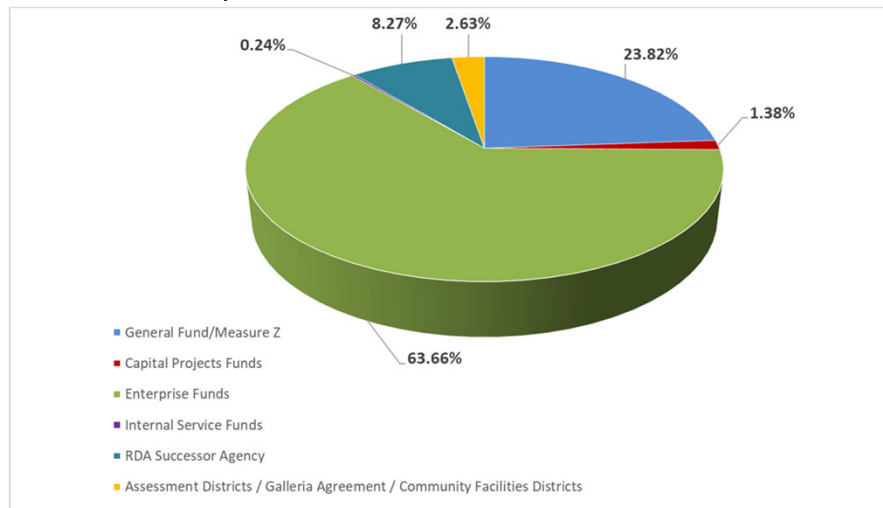
Principal Balance decreased \$6,737,111 due to Debt Service Principal Payments – January 1 through March 31, 2022

- a. Certificates of Participation (\$4,300,000)
- b. Capital Leases (\$1,923,295)
- c. Private Placement Loans (\$513,816)

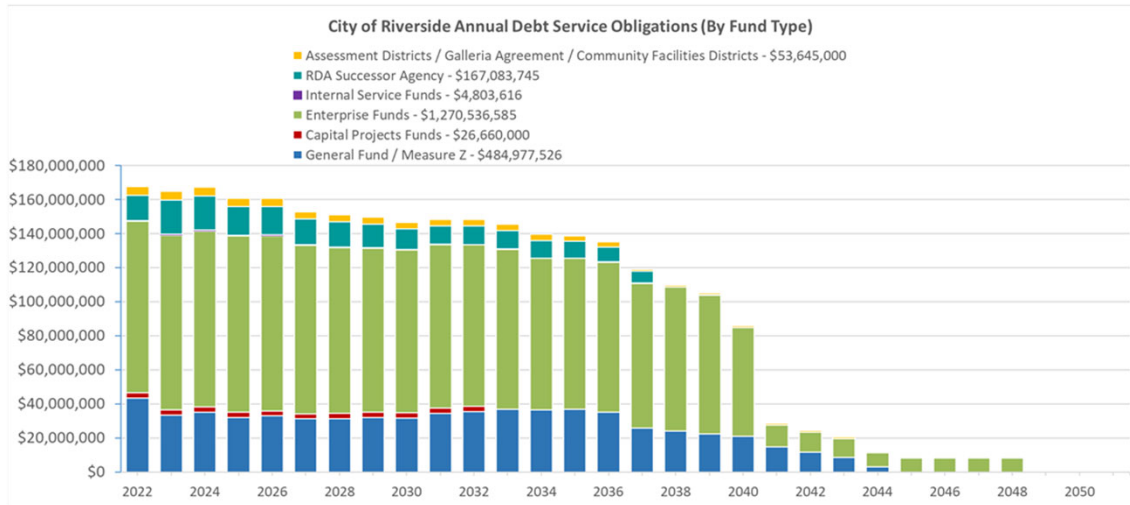


Debt Summary Analysis – End of Q3

Debt Portfolio composition



Debt Summary Analysis – End of Q3



Debt Activities – Q3

1. Annual Continuing Disclosure Reports for all Issuances
2. Annual Engineer's Reports for SLAD and LMDs
3. SB1029, CDIAC Annual Debt Transparency Report
4. Renewal of Electric and Water Fund Revolving LOC
5. Negotiation and Council Approval Riverside Unified School District CFD 39 JCFA
6. AB 1666 Legislative requirements compliance
7. Analysis and initial formation proceedings for CFD 2021-3 (Bridle Ridge)
8. Began process for public issuance of new money Bonds for CFD 2015-2 (Pomelo)



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.



9

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9

Recommendation

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



10

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10