



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: DECEMBER 20, 2016

FROM: FINANCE DEPARTMENT WARDS: ALL

SUBJECT: FISCAL YEAR 2016/2017 FIRST QUARTER FINANCIAL REPORT, INCLUDING FISCAL YEAR 2017/2018 FINANCIALS, CASH AND INVESTMENT REPORTS AND DEBT REPORTS

ISSUES:

Receive and provide input on the fiscal year (FY) 2016/2017 First Quarter Financial Report, including 2017/2018 financials, cash and investment reports, and debt reports and authorization to amend the FY 2016/17 and 2017/18 Budgets.

RECOMMENDATIONS:

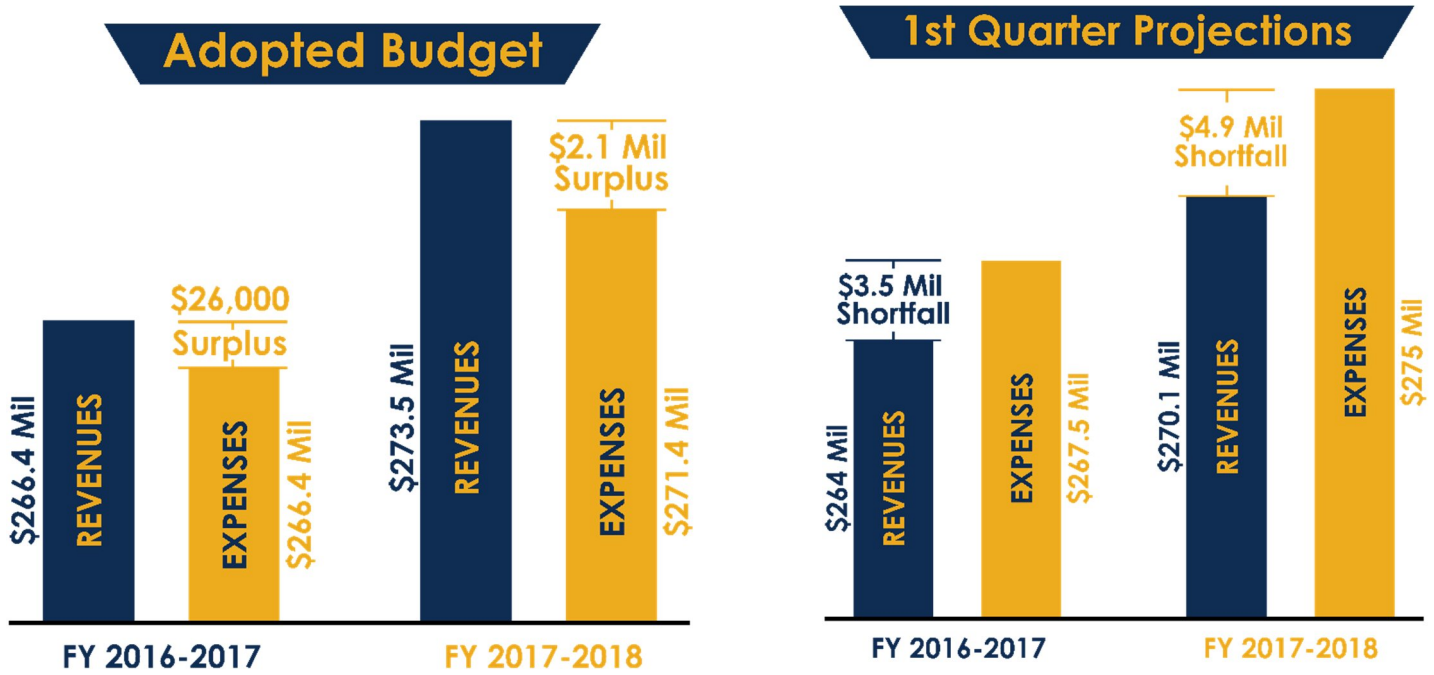
That the City Council:

1. Receive and provide input on the attached FY 2016/2017 First Quarter Financial Report and FY 2017/2018 financials for the General Fund with preliminary analysis of Measure Z revenues, as well as cash, investment and debt reports for all funds;
2. Amend the FY 2016-2018 Two-Year Budget to include the anticipated Measure Z revenues of \$10,000,000 in FY 2016/2017 and \$51,577,000 in FY 2017/2018 (to be accounted in new Fund 110); and
3. Authorize FY 2016/2017 and FY 2017/2018 budget amendment to appropriate Measure Z funding to ratify reinstatement of one Fire squad as directed by the City Manager on December 7, 2016 (costing \$450,000 in FY 2016/2017 and \$792,728 in FY 2017/2018).

EXECUTIVE SUMMARY:

General Fund and Measure Z Analyses

The attached FY 2016/17 First Quarter Financial Report for the General Fund (Attachment 1) summarizes projected revenue and expenditure results for the period from July 1, 2016 through June 30, 2017, based on actual revenues and expenditures from July 1, 2016 through September 30, 2016. The revenues and expenditures included in this report are stated in annualized totals. Also provided are preliminary analyses of: 1) General Fund financials for the following fiscal year (FY 2017/2018), based on the current projections; and, 2) Anticipated Measure Z financials for Fiscal Years 2016/2017 and FY 2017/2018. The following charts summarize these preliminary results, followed by a high-level summary of the key highlights.



Factors Contributing to Projected Shortfall

	FY 2016-2017	FY 2017-2018
Adopted Surplus	\$26,530	\$2,078,014
Union Contracts	\$(819,081)	\$(3,396,309)
Lower Revenues	\$(2,426,858)	\$(3,395,908)
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)
Estimated Shortfall	\$(3,471,413)	\$(4,914,203)

General Fund Reserve Outlook (Based on 1st Quarter Projections)



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 over \$2.0 million in the second year.

The current annualized projections – based on the actual revenues received last fiscal year (FY 2015/2016) and receipts to date for the current year, economic outlook for the current and next year, as well as changes to personnel expenditures – reflect **General Fund deficits in both years, of approximately \$3.5 million in FY 2016/2017 and approximately \$4.9 million in FY 2017/2018**. The projected deficits are driven by the following factors:

	FISCAL YEAR 2016/17	FISCAL YEAR 2017/18
ADOPTED BUDGET – ESTIMATED SURPLUS	\$26,530	\$2,078,014
Employee compensation and benefits	-\$819,081	-\$3,396,309
Lower revenues based on last year’s results and reduced growth assumptions (mainly Property Tax, Sales Tax and Utility Users Tax)	-\$2,426,858	-\$3,395,908
Insufficient funds in the Parks Development Impact Fee Fund for debt service – becomes General Fund obligation	-\$600,000	-\$600,000
Unfunded Fire vehicle maintenance	-\$500,000	-\$500,000
Charges of sewer-related claims to the Sewer Fund instead of the General Fund	\$900,000	\$900,000
Other factors	-\$52,000	\$0
FIRST QUARTER PROJECTION – ESTIMATED ANNUAL SHORTFALL	-\$3,471,413	-\$4,914,203

1. Employee Compensation and Benefits

With each union contract presented to City Council, staff provided an estimated cost over a five-year period. While the two-year budget and five-year plan assumed relatively minor salary increases tied the General Fund revenue growth, the recent voter approval of the Measure Z sales tax will change the growth assumptions for FY 2016/2017 – and, as a result, lead to higher salary increases in FY 2017/2018 based on that growth. Specifically, while the budget assumed approximately 2.5% salary increases in the second year (FY 2017/18), the actual increase is now projected to be 4-6%. Similarly, because the full year of new Measure Z sales tax revenue in FY 2017/2018, employee pay increases will also be in the 4-6% range in FY 2018/19. In future years, more moderate salary increases of 2-3% will occur; however, raises in the first two years will establish a higher level of baseline spending. It must be noted, however, that the passage of Measure Z will yield revenue far in excess of the additional expenses triggered by Measure Z.

In addition, the two-year budget and five-year plan did not account for other negotiated changes with financial impacts, such as increases in health premiums in FY 2016/17 and one-time payments to SEIU union members in the first two years.

2. Lower Revenues

Changes in revenues also add significantly to the projected shortfalls, and are based on the weaker performance of the Property, Sales and Utility Users taxes in the prior fiscal year. **Importantly, the current projections take into account the observed weakening of the Sales Tax growth.** The Adopted Budget and Five-Year Plan included somewhat optimistic growth rates of approximately 5.5% to 5.9%. The current analyses of the political and economic factors, including but not limited to the somewhat unexpected presidential election results, suggests that rates in the range of 4% to 4.5% are more realistic over the next two to five years.

3. Insufficient Funds to Pay Parks-Related Debt Service

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, and this omission must be corrected.

4. Unfunded Fire Vehicle Maintenance

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 needed will exceed budgeted projections by approximately \$500,000. Until the Fire Department is able to replace its fleet, this will likely continue to be an issue.

5. Transfer of Sewer-Related Charges to the Sewer Fund

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 2016/2017, 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 2016/2017 and FY 2017/2018, the total savings to the General Fund will be approximately

\$900,000 per year.

Measure Z

The collection of the additional one-cent sales tax authorized by voters through Measure Z will begin on April 1, 2017. The City will start accruing these revenues in May-June 2017, with the anticipated collection of \$10 million in FY 2016/17 and \$51 million in FY 2017/18 (full year). The City Council is asked to recognize these expected revenues.

Other than noted below, the City Council is not asked at this time to appropriate Measure Z revenues for any specific purposes. The discussion over Measure Z funding use will begin on January 31, 2017, during an initial budget workshop, and again in May 2017 during the Mid-Cycle budget review. By that time, collection of additional General Fund revenues will determine whether the year-end projection (and shortfalls) should be adjusted, and additional expenditure factors may come into play.

Staff is requesting at this time City Council authorization to restore the Fire Squad budget effective December 7, 2016, and appropriate \$450,000 of Measure Z revenues in FY 2016/2017 and \$792,728 in FY 2017/2018.

There will be additional expenses for the City Council's consideration with regards to Measure Z – to be presented and discussed in January-May 2017. For example, the Fire labor contract calls for the reinstatement of several positions effective July 1, 2017, costing an estimated \$450,000 per year, and there is a need to increase police staffing and fund vehicle repair and replacement.

Investment and Debt Reports

Also included are the Quarterly Investment Report (Attachment 2) and the Quarterly Debt Report (Attachment 3), 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 2016-2017 First Quarter Financial Report –General Fund

The Bottom Line

In the FY 2016-2017 First Quarter Financial Report, staff anticipates a **General Fund shortfall of \$3.5 million in FY 2016/17 and \$4.9 million in FY 2017/18.** The projected shortfalls are largely driven by lower tax estimates, employee compensation, unfunded parks debt and fire vehicle repair and maintenance.

A. General Fund Revenues

Compared to the Adopted FY 2016-2018 Two-Year Budget, the First Quarter Financial Report General Fund revenues are estimated to be \$2.4 million lower in FY 2016/17 and \$3.4 million lower in FY 2017/18. The difference is largely due to lowering of sales tax projections and actual tax revenues in FY 2015/16 coming in lower than expected, providing for a diminished starting point for FY 2016/17 and FY 2017/18.

In the **Taxes** category, the final FY 2015/16 revenue is projected to be approximately \$3.2 million below the adopted budget estimates in FY 2016/17 and \$4.4 million below FY 2017/18 estimates. Differences of \$250,000 or higher are explained below.

- *Sales tax* is projected to be lower than adopted budget by approximately \$1.5 million in FY 2016/17 and \$2.5 million in FY 2017/18. These decreases are driven by a lowering of expected annual growth and lower actual receipts in FY 2015/16, which create a lower baseline in FY 2016/17 and FY 2017/18.

Historically, sales tax revenues have been the most subjective General Fund revenue to the economy and the hardest to predict. As of the date this report was published, the City does not have final first quarter sales tax revenue figures from the State. Staff will continue to monitor local economic conditions, which are inconclusive but indicate a potential weakening. The highlights are summarized below.

- As of September 30, 2016, local wage increases in Southern California lead the nation at 3.8% year-over-year-growth.
 - As of September 30, 2016, Statewide unemployment is down; however, Riverside County still has higher unemployment rates (6.5%) than the counties of Los Angeles (5.2%), Ventura (5.5%), San Bernardino (5.9%) and Orange (4.1%).
 - California's sales and use tax revenue in October was \$140 million (\$5.6%) below the month's forecast of \$2.499 billion.
 - In the United States online sales recently hit records for Black Friday and Cyber Monday. The increase on sales made via mobile device (33%) is staggering.
 - Increased online sales and sales tax collection is an issue in California; out-of-state retailers do not always add tax.
 - Reports indicate that with the deep discounts on Black Friday, people actually spent 3.5% less than they did the year before. At the same time other reports indicate that people will spend 8% more this holiday season than the prior holiday season.
 - As of September 30, 2016, at the State level, new car sales are down 5.6% compared to last year.
 - Locally, the Galleria at Tyler expects growth to be similar to last year, which equates to annual increases of approximately 4%.
- *Property taxes* are estimated to be lower than adopted budget by approximately \$820,000 in FY 2016/17 and \$864,000 in FY 2017/18 – again due to lower actual collections in FY 2015/16, mainly related to Successor Agency properties.
 - *Utility users tax (UUT)* is estimated to be lower than adopted budget by approximately \$594,000 in FY 2016/17 and \$675,000 in FY 2017/18. Revenues are estimated to be lower due to the rapid decline of telephone related revenues and FY 2015/16 UUT revenue ending lower than projected.
 - *Property Transfer taxes* are estimated to be lower than adopted budget by approximately \$255,000 in FY 2016/17 and \$280,000 in FY 2017/18, due to lower actual receipts in FY 2015/16.

Special Revenue - Entertainment revenues are estimated to be approximately \$817,000 higher

than adopted budget based on FY 2015-16 actual receipts. These additional revenues are largely offset by additional expenditures.

B. General Fund Expenditures

General Fund expenditures are estimated to exceed adopted budget amounts in FY 2016/17 by \$1.1 million and in FY 2017/18 by \$4.3 million. Differences from adopted budget are described below.

- *Employee Costs* are estimated to add to the FY 2016/17 adopted budget approximately \$820,000 and approximately \$3.4 million to the FY 2017/18 budget.
- The *Finance Department* currently anticipates salary savings of approximately \$200,000 in the Business Tax Division; these savings are offset by revenue reductions. As the Finance Department continues to move forward with the Business Tax Inspection Program, including hiring of 2.5 employees, both revenue and expenditures will continue to be evaluated. Additionally, credit card charges paid by the Finance Department on behalf of all City Departments are estimated to decrease by \$500,000. This will also reduce the cost allocation of these costs to other departments (e.g. Public Utilities) by the same amount. This is a net zero impact to the General Fund.
- The *Fire Department* is projected to exceed the adopted FY 2016/17 Budget by approximately \$750,000. \$500,000 of the overage is attributed to unfunded vehicle maintenance costs. The additional \$250,000 is attributed to the delay of implementing budget reductions.
- The *Budget Balancing Measures* adopted by the City Council, included Fire concessions of \$1.24 million related to the removal of a Fire Squad (\$788,000) and two captain positions (\$450,000). As noted earlier in this report, staff is recommending that Measure Z funds are utilized to restore the Fire Squad, effective December 7, 2016, which will incur an additional \$450,000 in estimated expenditures in FY 2016/17.
- As indicated in the FY 2015/16 Final Financial Report the *Parks, Recreation and Community Services* budget does not address \$600,000 needed to cover Renaissance Parks Projects, that did not materialize in the development impact fee revenue accounts. As such, the General Fund has to pick up an unbudgeted debt expense of approximately \$600,000.
- The *Public Works Department, Finance Department, and City Manager's Office* have worked together to identify charges to Public Work's General Fund budget that should have been charged to the Sewer Fund. Specifically, \$1.35 million in sewer lateral repairs that occurred between the sewer main to the property line (residential only), have been paid by the General Fund over the past three years. Per City Council action in October 2008, the City's sewer system is responsible for sewer laterals from the sewer main to the resident's property line, which represented an expansion of the system – previously the City was only responsible for the sewer main, not the laterals. The General Fund will recover the \$1.35 million over a three-year period (\$450,000 per year). Additionally, the Sewer Fund has begun to pick up the annual costs, when appropriate, which will save the General Fund and additional \$450,000 per year. The total savings to the General Fund will be approximately \$900,000 per year in FY 2016/17 and FY 2017/18.

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 \$51.6 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.

On January 31, 2017, the City Council and the Budget Engagement Commission will hold a budget workshop to further review General Fund financials and Measure Z revenues. At this time, staff does not recommend any appropriation of Measure Z revenues outside of the Fire Squad. At the January 31st meeting, staff will present the City Council and Budget Engagement Commission with spending options for Measure Z.

D. General Fund Reserves

Without the use of Measure Z revenues, the impact of the variances in General Fund revenues and expenditures amount to a projected draw on the General Fund reserve of approximately \$3.5 million in FY 2016/17 and \$4.9 million in FY 2017/18. **This would effectively reduce the General Fund reserve levels to 11.1% (\$29.7 million) in FY 2016/17 and 9.0% (\$24.8 million).**

Per the City's General Fund Reserve Policy, adopted by the City Council on September 6, 2016, 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.

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 September 30, 2016, the City's pooled investment portfolio's market value was \$510.7million, with the market value of investments held by fiscal agents (bond proceeds and reserve funds primarily) amounting to an additional \$281.5 million. The weighted average yield of the pooled investment portfolio continues to hold steady at 0.97%. 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 2. 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 (\$1,462,611), 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 Urban Areas Security Initiative (\$357,467) and Housing Opportunities for Persons with AIDS (\$620,956), which are fully offset by outstanding grant receivables.
3. Certificates of Participation Projects (\$992,321), Capital Outlay (\$4.6 million), and Transportation Uniform Mitigation Fees (\$1.86 million) have negative cash balances due to the timing of year-end expenditures; however, the negative balances are fully offset by grant receivables.
4. The Liability Insurance Trust Fund has a negative cash balance of approximately \$3 million, but is consolidated with the positive cash balances of the Workers Compensation Insurance Trust Fund (\$15.7 million) and Unemployment Insurance Trust Fund (\$435,000) for financial reporting purposes. Staff is implementing a strategy to return the Liability Insurance Trust Fund to an improved financial condition (cash and fund balance levels) over the next five years. In the current year, the cash position was budgeted to improve by \$1 million, however, due to increased claim expenditures the total cash balance increased by only \$500,000.
5. The Central Stores (\$362,586), 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 3) 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. There are no changes to the Quarterly Debt Report for this quarter.

FISCAL IMPACT:

The Fiscal Year 2016-2018 Two Year First Quarter Financial Report projects a General Fund shortfall, largely attributed to lower than anticipated tax revenues, employee compensation and benefits, unbudgeted parks debt, and unfunded fire vehicle maintenance. The impact of the variances in General Fund revenues and expenditures amount to a projected draw on the General Fund Reserve of approximately \$3.5 million in FY 2016/17 and \$4.9 million in FY 2017/18.

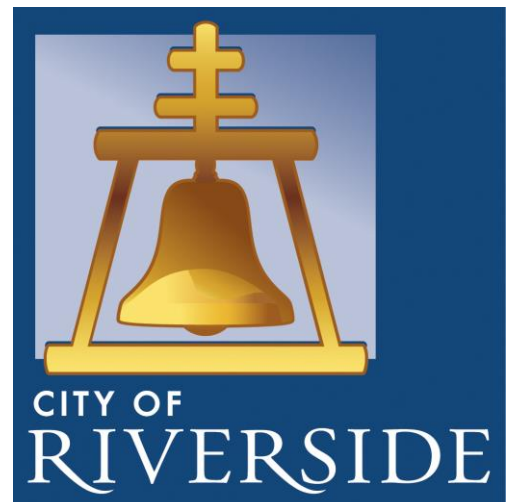
Prepared by: Adam Raymond, Assistant Chief Financial Officer
Certified as to
availability of funds: Scott G. Miller, PhD, Chief Financial Officer/Treasurer
Approved by: Marianna Marysheva, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. FY 2016-2018 Quarterly General Fund Financial Report
2. FY 2016-17 First Quarter Investment Report
3. FY 2016-17 First Quarter Fund Financial Status Report
4. Presentation

ATTACHMENT C

DEBT REPORT

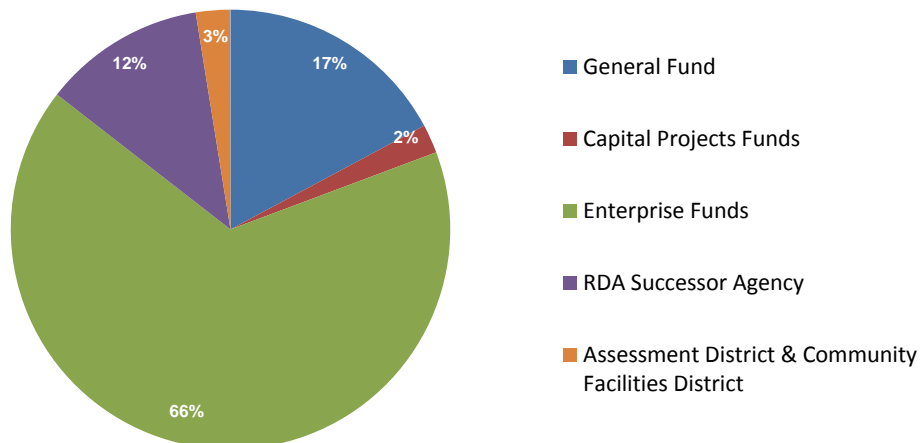


City of Riverside
Fiscal Year 2016/17 Summary of Outstanding Debt ¹
As of September 30, 2016

Debt Issuance ²	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
General Fund						
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	2,018,167	4,174,908	41,324,543
Total General Fund	356,121,272	-	52,281,869	14,272,094	66,553,963	303,839,403
Capital Projects Funds						
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
Total Capital Projects Funds	40,125,220	-	2,698,372	1,752,316	4,450,688	37,426,849
Enterprise Funds						
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
Total Enterprise Funds	1,200,611,888	-	29,197,659	52,854,841	82,052,500	1,171,414,229
Internal Service Funds						
Central Garage Fund Interfund Loans	1,015,607	-	334,766	15,234	350,000	680,841
Total Internal Service Funds	1,015,607	-	334,766	15,234	350,000	680,841
RDA Successor Agency						
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
Total RDA Successor Agency	224,627,727	-	13,303,129	10,695,381	23,998,511	211,324,597
Housing Authority						
3836-3844 Second Street Acquisition Interfund Loan	-	-	-	-	-	-
Total Housing Authority	-	-	-	-	-	-
Assessment District & Community Facilities District						
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
Total AD & CFD	45,805,000	-	1,635,000	2,079,971	3,714,971	44,170,000
Total	\$ 1,868,306,713	\$ -	\$ 99,450,795	\$ 81,669,837	\$ 181,120,632	\$ 1,768,855,918

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 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 ¹
As of September 30, 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
General Obligation										
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
Pension Obligation										
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 ²	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 ²	31,145,000	-	31,145,000	309,460	31,454,460	-
Certificates of Participation										
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
Lease Revenue Bonds										
Lease Revenue Refunding Bonds Series A	2012	2033	41,240,000	General Purpose General Fund Revenues ³	37,245,000	-	1,420,000	1,653,125	3,073,125	35,825,000
Capital Leases										
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	2020	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
Interfund Loans										
Utilities Plaza Purchase Interfund Loan	2012	2028	4,469,221	Building Lease Revenue	3,268,541	-	290,972	49,028	340,000	2,977,569
Private Placement Financings										
Ryan Bonaminio Park Loan	2012	2021	4,000,000	General Purpose General Fund Revenues	2,543,567	-	392,506	746,084	1,138,590	2,151,061
Convention Center Expansion Loan	2012	2034	44,650,000	General Fund Transient Occupancy Tax ⁴	40,937,717	-	1,764,235	1,272,083	3,036,318	39,173,482
Total General Fund					356,121,272	-	52,281,869	14,272,094	66,553,963	303,839,403
Local Park Impact Fee Fund										
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
Total Local Park Impact Fee Fund					6,175,220	-	1,358,372	92,628	1,451,000	4,816,849
Measure A Fund										
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
Total Measure A Fund					33,950,000	-	1,340,000	1,659,688	2,999,688	32,610,000
Electric Utility										
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
Total Electric Fund					571,528,715	-	14,109,052	24,954,578	39,063,630	557,419,662
Water Utility										
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
Total Water Fund					193,480,000	-	5,180,000	7,814,183	12,994,183	188,300,000
Sewer Utility										
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
Total Sewer Fund					415,139,734	-	8,814,345	19,312,639	28,126,984	406,325,389

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
Parking Fund										
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 ⁵	20,246,817	-	976,511	770,193	1,746,704	19,270,306
Total Parking Fund					20,463,440	-	1,094,262	773,442	1,867,704	19,369,178
Central Garage Fund										
CNG Refueling Station Interfund Loan	2013	2019	1,674,262	Fuel Sales	1,015,607	-	334,766	15,234	350,000	680,841
Total Central Garage Fund					1,015,607	-	334,766	15,234	350,000	680,841
RDA Successor Agency										
RPPA 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
RPPA 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
RPPA 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
RPPA 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
RPPA 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	- - -	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	2,695,000	Successor Agency Tax Increment	1,175,000	-	365,000	29,308	394,308	810,000
Reid Park Acquisition Interfund Loan	2011	- - -	720,000	Successor Agency Tax Increment	662,178	-	55,067	9,933	65,000	607,111
Riverside Golf Course Acquisition Interfund Loan	2011	- - -	4,837,500	Successor Agency Tax Increment	4,450,726	-	368,239	66,761	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
Total RDA Successor Agency					224,627,727	-	13,303,129	10,695,381	23,998,511	211,324,597
Housing Authority										
3836-3844 Second Street Acquisition Interfund Loan	2012	2015	458,151	Housing Authority Revenue	-	-	-	-	-	-
Total Housing Authority					-	-	-	-	-	-
Assessment District & Community Facilities District										
Riverwalk Business Center Assessment District Bonds	2005	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 ⁶	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
Total Assessment District & Community Facilities District					45,805,000	-	1,635,000	2,079,971	3,714,971	44,170,000
Total					\$ 1,868,306,713	\$ -	\$ 99,450,795	\$ 81,669,837	\$ 181,120,632	\$ 1,768,855,918

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 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.

³ 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.

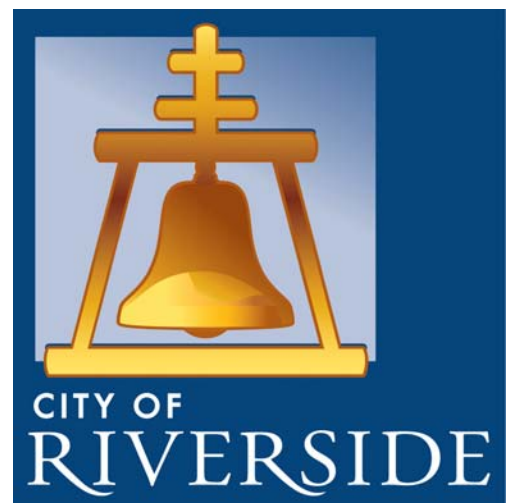
⁴ Debt service for this loan is primarily funded from a voter-approved increase in the transient occupancy tax rate from 11% to 13%.

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

⁶ 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.

ATTACHMENT A

FINANCIAL REPORT



General Fund and Measure Z Summary

FY 2016/17 and FY 2017/18 First Quarter Estimates

GENERAL FUND	ADOPTED		PROJECTED (1ST QTR)		DIFFERENCE	
	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	\$ 264,017,611	\$ 270,112,493	\$ (2,426,858)	\$ (3,395,908)
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	\$ (3,471,409)	\$ (4,914,203)	\$ (3,497,939)	\$ (6,992,217)
ENDING: General Fund Reserve	\$ 33,185,259	\$ 35,263,273	\$ 29,687,320	\$ 24,773,116	\$ (3,497,939)	\$ (10,490,156)
	12.5%	13.0%	11.1%	9.0%		
MEASURE Z			PROJECTED (1ST QTR)			
			FY 2016-17	FY 2017-18		
PROJECTED REVENUES/TRANSFERS IN <i>(See A-3)</i>			\$ 10,000,000	\$ 51,557,000		
RECOMMENDED EXPENDITURES/TRANSFERS OUT <i>(See A-4)</i>			\$ 450,000	\$ 792,728		
ENDING: Measure Z Balance			\$ 9,550,000	\$ 60,314,272		

General Fund and Measure Z Revenue Summary
FY 2016/17 and FY 2017/18 First Quarter Estimates

GENERAL FUND	ACTUALS	ADOPTED		PROJECTED (1ST QTR)		DIFFERENCE	
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18
Sales & Use Taxes	\$ 60,976,046	\$ 66,567,942	\$ 70,140,574	\$ 65,095,762	\$ 67,636,916	\$ (1,472,180)	\$ (2,503,658)
Property Taxes	\$ 53,337,211	\$ 56,730,769	\$ 59,713,414	\$ 55,910,544	\$ 58,849,770	\$ (820,225)	\$ (863,644)
Utilities Users Tax	\$ 27,828,010	\$ 28,577,109	\$ 29,180,764	\$ 27,983,545	\$ 28,505,619	\$ (593,564)	\$ (675,145)
Franchise Fees	\$ 5,729,647	\$ 5,590,000	\$ 5,682,700	\$ 5,628,360	\$ 5,731,968	\$ 38,360	\$ 49,268
Transient Occupancy Tax	\$ 6,093,430	\$ 6,541,500	\$ 6,868,575	\$ 6,398,102	\$ 6,718,007	\$ (143,399)	\$ (150,568)
Property Transfer Tax	\$ 2,208,091	\$ 2,684,000	\$ 2,952,400	\$ 2,428,900	\$ 2,671,790	\$ (255,100)	\$ (280,610)
General Fund Transfer	\$ 44,789,400	\$ 45,075,000	\$ 46,142,500	\$ 44,886,700	\$ 46,142,500	\$ (188,300)	\$ -
Charges for Services - Development & Building	\$ 4,349,030	\$ 4,505,786	\$ 4,742,061	\$ 4,692,984	\$ 4,943,881	\$ 187,198	\$ 201,820
Special Revenue - Entertainment	\$ 11,796,183	\$ 11,151,690	\$ 11,289,982	\$ 11,969,102	\$ 12,121,395	\$ 817,412	\$ 831,413
Charges for Services	\$ 10,372,477	\$ 10,692,514	\$ 10,891,110	\$ 10,713,437	\$ 10,923,092	\$ 20,923	\$ 31,982
Licenses and Permits	\$ 9,076,943	\$ 9,825,167	\$ 10,499,737	\$ 9,670,348	\$ 10,322,308	\$ (154,819)	\$ (177,429)
Fines and Forfeits	\$ 1,937,189	\$ 1,737,000	\$ 1,745,065	\$ 1,685,571	\$ 1,693,444	\$ (51,429)	\$ (51,621)
Special Assessments	\$ 4,423,681	\$ 4,504,237	\$ 4,494,029	\$ 4,467,333	\$ 4,459,815	\$ (36,904)	\$ (34,214)
Intergovernmental Revenues	\$ 2,899,758	\$ 1,520,000	\$ 1,525,000	\$ 1,520,000	\$ 1,525,000	\$ -	\$ -
Other	\$ 7,796,640	\$ 10,741,756	\$ 7,640,491	\$ 10,966,924	\$ 7,866,988	\$ 225,168	\$ 226,497
Projected Total Revenues / Transfers In	\$ 253,613,736	\$ 266,444,469	\$ 273,508,401	\$ 264,017,611	\$ 270,112,493	\$ (2,426,858)	\$ (3,395,908)

MEASURE Z	FINAL	ADOPTED		PROJECTED (1ST QTR)		DIFFERENCE	
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18
<i>Measure Z Revenue</i>	\$ -	\$ -	\$ -	\$ 10,000,000	\$ 51,557,000	\$ 10,000,000	\$ 51,557,000
<i>Projected Total Measure Z Revenues / Transfers In</i>	\$ -	\$ -	\$ -	\$ 10,000,000	\$ 51,557,000	\$ 10,000,000	\$ 51,557,000

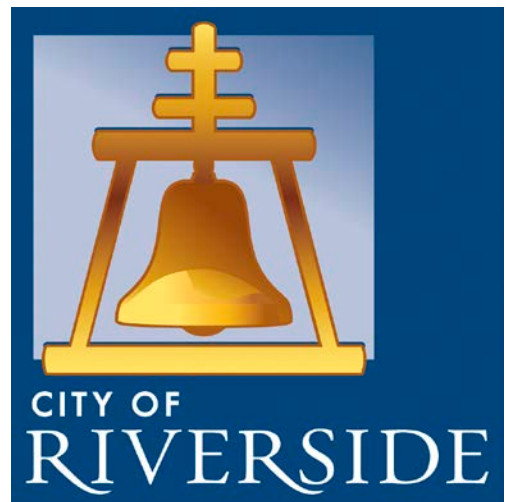
General Fund and Measure Z Expenditure Summary
 FY 2016/17 and FY 2017/18 First Quarter Estimates

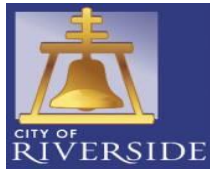
GENERAL FUND	ADOPTED		PROJECTED (1ST Quarter)		DIFFERENCE	
	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18
City Attorney	5,363,115	5,529,013	5,363,115	5,529,013	-	-
City Clerk	1,635,728	1,580,251	1,635,728	1,580,251	-	-
City Council	1,154,498	1,184,984	1,154,498	1,184,984	-	-
City Manager	4,745,799	4,821,270	4,745,799	4,821,270	-	-
Community & Economic Development	15,268,394	13,569,473	15,268,394	13,569,473	-	-
Finance	8,106,718	8,408,463	7,408,718	8,408,463	(698,000)	-
Fire	47,017,090	47,953,565	47,767,090	48,453,565.40	750,000	500,000
General Services	4,400,646	4,460,917	4,400,646	4,460,917	-	-
Human Resources	2,958,276	3,093,091	2,958,276	3,093,091	-	-
Innovation & Technology	11,055,186	11,275,678	11,055,186	11,275,678	-	-
Library	6,461,399	6,647,489	6,461,399	6,647,489	-	-
Mayor	789,653	817,056	789,653	817,056	-	-
Museum & Cultural Affairs	3,834,665	3,879,541	3,834,665	3,879,541	-	-
Non-Departmental	27,245,657	26,821,037	27,245,657	26,821,037	-	-
Non-Departmental - Community Livability	25,000	25,000	25,000	25,000	-	-
Parks, Recreation & Community Services	17,877,800	18,109,838	18,477,800	18,709,838	600,000	600,000
Police	94,609,627	96,934,049	94,609,627	96,934,049	-	-
Public Works	24,608,965	25,090,491	23,708,965	24,190,491	(900,000)	(900,000)
Subtotal	277,158,216	280,201,206	276,910,216	280,401,206	(248,000)	200,000
Estimated Managed Savings	(5,425,000)	(5,425,000)	(5,425,000)	(5,425,000)	-	-
Employee Negotiations	51,764	1,431,685	870,845	4,827,994	819,081	3,396,309
Allocated Costs, Utilization Charges and Operating Transfers	(24,580,201)	(25,034,250)	(24,080,201)	(25,034,250)	500,000	-
Net Debt Service Allocation	19,213,160	20,256,746	19,213,160	20,256,746	-	-
Projected Total Expenditures / Transfers Out	266,417,939	271,430,387	267,489,020	275,026,696	1,071,081	3,596,309

MEASURE Z	ADOPTED		PROJECTED (1ST QTR)		DIFFERENCE	
	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18
<i>Fire Department: Squad</i>	\$ -	\$ -	\$ 450,000	\$ 792,728	\$ 450,000	\$ 792,728
Recommended MEASURE Z Total Expenditures/ Transfers Out	\$ -	\$ -	\$ 450,000	\$ 792,728	\$ 450,000	\$ 792,728

ATTACHMENT B

INVESTMENT REPORT

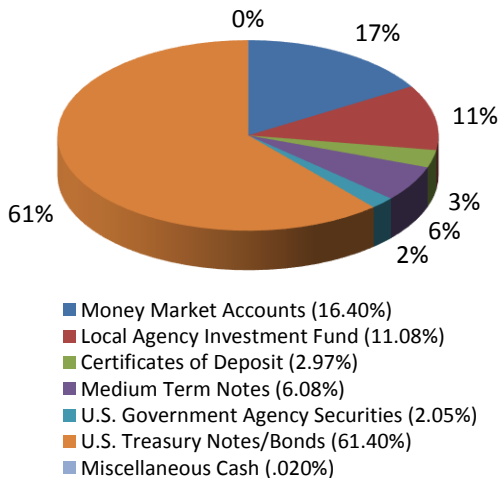




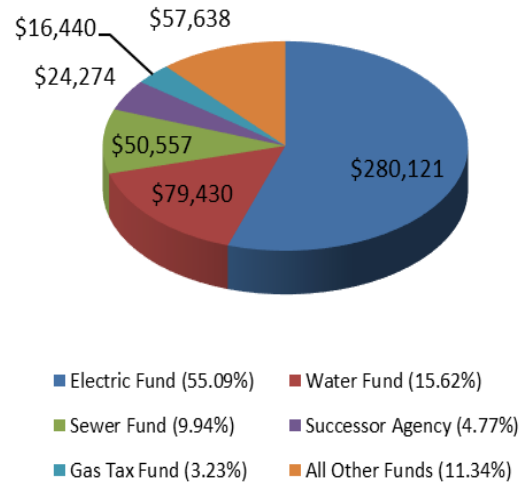
CITY OF RIVERSIDE Quarterly Investment Report September 30, 2016

	AMORTIZED COST	MARKET VALUE
POOLED INVESTMENT PORTFOLIO		
Money Market Accounts	\$ 83,768,228.31	\$ 83,769,829.95
Local Agency Investment Fund (LAIF)	56,591,483.00	56,591,483.00
Certificates of Deposit	15,130,461.52	15,181,422.80
Medium Term Notes	30,966,458.38	31,045,507.52
U.S. Government Agency Securities	10,479,179.97	10,487,000.00
U.S. Treasury Notes/Bonds	311,446,990.58	313,578,893.00
Miscellaneous Cash	77,600.00	77,600.00
TOTAL POOLED INVESTMENT PORTFOLIO	508,460,401.76	510,731,736.27
INVESTMENTS HELD BY FISCAL AGENT	282,862,726.35	281,527,844.67
TOTAL CASH & INVESTMENTS	\$ 791,323,128.11	\$ 792,259,580.94

**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 1.47 years. Market prices of securities are obtained from Interactive Data Corporation. Weighted average yield on cost is 0.974%. 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:

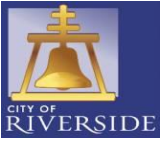


 Edward P. Enriquez, Controller

Approvec

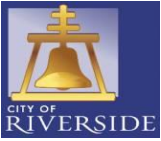


 Scott Miller, Interim Finance Director/Treasurer



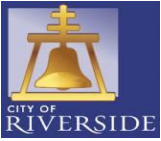
CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
September 30, 2016

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	AMORTIZED COST	YIELD ON MATURITY	MARKET VALUE
<u>MONEY MARKET ACCOUNTS</u>							
CALTRUST Heritage Money Market Fund - Select Class	Varies	Varies	AAA	Varies	19,084,379.81	0.49%	19,084,379.81
CALTRUST Investment Trust of California	Varies	Varies	AA	Varies	28,842,587.61	0.81%	28,844,189.25
Bank of America	Varies	Varies	Coll. ¹	Varies	30,754,920.17	0.50%	30,754,920.17
Citizens Business Bank	Varies	Varies	Coll. ¹	Varies	5,086,340.72	0.35%	5,086,340.72
SUBTOTAL MONEY MARKET ACCOUNTS					83,768,228.31		83,769,829.95
LOCAL AGENCY INVESTMENT FUND (LAIF)	Varies	Varies	NR	Varies	56,591,483.00	0.65%	56,591,483.00
<u>CERTIFICATES OF DEPOSIT</u>							
Medallion Bank	1.10%	10/04/16	FDIC	10/04/13	248,000.00	1.10%	248,009.92
Bank of The Ozarks	1.00%	10/17/16	FDIC	10/17/13	249,000.00	1.00%	249,039.84
Community Financial Services Bank	0.80%	10/17/16	FDIC	10/17/14	248,000.00	0.80%	248,017.36
Lakeside Bank (Inc)	0.90%	10/24/16	FDIC	12/23/14	248,000.00	0.90%	248,039.68
Main Street Bank Corp.	0.90%	12/16/16	FDIC	10/16/14	248,000.00	0.90%	248,104.16
SouthWest Bank	0.75%	02/13/17	FDIC	02/13/15	237,000.00	0.75%	237,004.74
Triad Bank	1.00%	03/14/17	FDIC	11/14/13	249,000.00	1.00%	249,266.43
BMO Harris Bank National Association	0.90%	03/23/17	FDIC	09/23/15	248,000.00	0.90%	248,148.80
Parkway Bank And Trust Company	1.15%	04/07/17	FDIC	10/07/14	248,000.00	1.15%	248,453.84
United Community Bank	1.00%	04/13/17	FDIC	10/14/14	248,000.00	1.00%	248,275.28
Leader Bank, National Association	1.05%	04/21/17	FDIC	10/23/14	248,000.00	1.05%	248,342.24
Georgia Bank & Trust Company of Augusta	1.00%	06/20/17	FDIC	12/20/13	249,000.00	1.00%	249,251.49
First Commercial Bank	1.00%	07/31/17	FDIC	10/30/14	248,000.00	1.00%	248,205.84
American Express Bank, FSB	1.25%	08/21/17	FDIC	08/21/14	248,000.00	1.25%	248,716.72
Capital One, National Association	1.25%	08/21/17	FDIC	08/19/15	249,000.00	1.25%	249,717.12
Discover Bank	1.30%	08/21/17	FDIC	08/20/14	248,000.00	1.30%	248,823.36
Signature Bank of Arkansas	1.05%	08/25/17	FDIC	08/26/15	249,000.00	1.05%	249,278.88
EverBank	1.10%	08/28/17	FDIC	08/28/15	248,000.00	1.10%	248,381.92
Mauch Chunk Trust Company	1.20%	09/11/17	FDIC	10/10/14	248,000.00	1.20%	248,600.16
First Niagara Bank, National Association	1.15%	09/25/17	FDIC	09/25/15	248,000.00	1.15%	248,473.68
First Bank of Highland Park	1.25%	10/10/17	FDIC	10/08/14	248,000.00	1.25%	248,711.76
Third Federal Savings and Loan Association of Clev	1.40%	11/27/17	FDIC	11/27/13	248,000.00	1.40%	249,108.56
BBVA Compass	0.45%	12/04/17	FDIC ²	12/04/15	1,000,000.00	0.45%	1,000,000.00
Wex Bank	1.20%	12/11/17	FDIC	12/11/15	248,000.00	1.20%	248,540.64
Customers Bank	1.25%	12/18/17	FDIC	12/18/15	248,000.00	1.25%	248,679.52
Bank of North Carolina	1.25%	01/16/18	FDIC	01/16/15	247,000.00	1.25%	247,652.08
Cadence Bank, N.A.	1.25%	02/12/18	FDIC	02/10/16	248,000.00	1.25%	248,615.04
Mercantil Commercebank, National Association	1.50%	04/24/18	FDIC	10/24/14	248,000.00	1.50%	249,376.40
GE Capital Bank	1.60%	07/03/18	FDIC	07/03/14	248,000.00	1.60%	249,688.88
United Bank	1.55%	07/17/18	FDIC	10/17/14	248,000.00	1.55%	249,460.72
MB Financial Bank, National Association	1.35%	08/21/18	FDIC	08/21/15	249,000.00	1.35%	249,577.68
Comenity Capital Bank	1.70%	08/24/18	FDIC	08/24/15	249,000.00	1.70%	251,026.86
East Boston Savings Bank	1.40%	08/24/18	FDIC	08/24/15	249,000.00	1.40%	249,771.90
Goldman Sachs Bank USA	1.65%	09/04/18	FDIC	09/03/14	247,000.00	1.65%	248,773.46
Sallie Mae Bank	1.80%	09/04/18	FDIC	09/03/14	247,000.00	1.80%	249,395.90
First Priority Bank	1.45%	09/28/18	FDIC	09/30/15	248,000.00	1.45%	248,870.48
UBS Bank USA	1.40%	10/01/18	FDIC	10/08/15	248,000.00	1.40%	248,657.20
Capital One Bank	1.80%	10/09/18	FDIC	10/08/14	248,000.00	1.80%	250,363.44
Marlin Business Bank	1.70%	10/15/18	FDIC	10/14/14	248,000.00	1.70%	249,946.80
Community Bankers' Bank	1.65%	10/17/18	FDIC	10/17/14	248,000.00	1.65%	249,733.52
American Express Centurion Bank	2.00%	11/28/18	FDIC	11/28/14	248,000.00	2.00%	251,308.32
Flushing Bank	1.50%	12/17/18	FDIC	12/17/15	249,000.00	1.50%	250,043.31
KeyBank National Association	1.55%	01/22/19	FDIC	01/20/16	247,000.00	1.55%	248,239.94



CITY OF RIVERSIDE
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DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	AMORTIZED COST	YIELD ON MATURITY	MARKET VALUE
Investors Community Bank	1.15%	02/12/19	FDIC	02/12/16	249,000.00	1.15%	248,175.81
Prime Alliance Bank, Inc.	1.15%	02/12/19	FDIC	02/12/16	249,000.00	1.15%	248,175.81
CIT Bank, National Association	2.00%	05/14/19	FDIC	05/14/14	247,000.00	2.00%	250,606.20
Webster Bank, National Association	1.90%	07/02/19	FDIC	07/02/14	247,461.52	1.98%	251,100.00
ConnectOne Bank	1.55%	07/29/19	FDIC	01/28/15	247,000.00	1.55%	248,062.10
Alma Bank	1.70%	09/30/19	FDIC	09/30/15	247,000.00	1.70%	248,869.79
Belmont Savings Bank	1.40%	02/18/20	FDIC	02/17/16	249,000.00	1.40%	248,474.61
Bank of Wisconsin Dells	1.50%	07/17/20	FDIC	02/17/16	249,000.00	1.50%	248,504.49
Bridgewater Bank	1.50%	08/17/20	FDIC	02/17/16	249,000.00	1.50%	248,352.60
Unity Bank	1.50%	08/26/20	FDIC	02/26/16	249,000.00	1.50%	248,312.76
Barclays Bank Delaware	2.20%	09/16/20	FDIC	09/16/15	247,000.00	2.20%	251,616.43
Bank of Charles Town	1.80%	09/30/20	FDIC	09/30/15	249,000.00	1.80%	250,329.66
HSBC Bank USA, National Association	1.60%	11/17/20	FDIC	11/23/15	246,000.00	2.79%	248,467.38
EnerBank USA	1.90%	01/28/21	FDIC	01/28/16	247,000.00	1.90%	248,657.37
The State Bank and Trust Company	1.60%	02/17/21	FDIC	02/17/16	249,000.00	1.60%	248,023.92
SUBTOTAL CERTIFICATES OF DEPOSIT					15,130,461.52		15,181,422.80
<u>MEDIUM TERM NOTES</u>							
GENERAL ELECTRIC CAPITAL CORPORATION	5.38%	10/20/16	AA- / A1	09/10/14	2,004,625.26	0.90%	2,005,080.00
GENERAL ELECTRIC CO	2.30%	04/27/17	AA- / A1	09/10/14	7,634,575.91	1.15%	7,644,011.30
APPLE INC	1.05%	05/05/17	AA+ / Aa1	09/10/14	4,004,941.19	0.84%	4,005,480.00
SHELL INTERNATIONAL FINANCE BV	1.13%	08/21/17	A / Aa2	04/10/14	1,802,363.28	1.29%	1,808,267.05
TOYOTA MOTOR CREDIT CORP	1.25%	10/05/17	AA- / Aa3	04/10/14	2,715,748.64	1.30%	2,722,189.47
CHEVRON CORP	1.10%	12/05/17	AA- / Aa2	04/10/14	2,738,671.98	1.46%	2,748,515.00
WAL-MART STORES INC	5.80%	02/15/18	AA / Aa2	01/28/16	504,147.70	0.48%	501,259.70
BERKSHIRE HATHAWAY FINANCE CORP	1.30%	05/15/18	AA / Aa2	01/28/16	1,001,382.65	1.21%	1,002,240.00
TOYOTA MOTOR CREDIT CORP	1.55%	07/13/18	AA- / Aa3	01/28/16	5,010,296.70	1.43%	5,030,800.00
APPLE INC	2.10%	05/06/19	AA+ / Aa1	01/28/16	3,549,705.08	1.54%	3,577,665.00
SUBTOTAL MEDIUM TERM NOTES					30,966,458.38		31,045,507.52
<u>U.S. GOVERNMENT AGENCY SECURITIES</u>							
FEDERAL HOME LOAN MORTGAGE CORP	5.13%	11/17/17	AA+ / Aaa	01/16/13	10,479,179.97	0.85%	10,487,000.00
SUBTOTAL U.S. GOVERNMENT AGENCY SECURITIES					10,479,179.97		10,487,000.00
<u>U.S. GOVERNMENT TREASURY SECURITIES</u>							
UNITED STATES TREASURY	0.75%	03/15/17	AA+ / Aaa	06/16/14	6,996,257.18	0.87%	7,009,030.00
UNITED STATES TREASURY	0.50%	04/30/17	AA+ / Aaa	07/13/15	14,993,141.27	0.58%	14,996,550.00
UNITED STATES TREASURY	2.75%	05/31/17	AA+ / Aaa	05/22/14	8,104,085.88	0.78%	8,112,480.00
UNITED STATES TREASURY	0.75%	06/30/17	AA+ / Aaa	10/10/14	1,496,378.54	1.08%	1,501,470.00
UNITED STATES TREASURY	0.75%	06/30/17	AA+ / Aaa	07/13/15	15,033,191.17	0.45%	15,014,700.00
UNITED STATES TREASURY	0.88%	07/15/17	AA+ / Aaa	05/24/16	4,204,081.67	0.75%	4,208,022.00
UNITED STATES TREASURY	0.50%	07/31/17	AA+ / Aaa	05/21/14	6,942,255.24	1.50%	6,992,860.00
UNITED STATES TREASURY	1.00%	09/15/17	AA+ / Aaa	05/28/15	11,792,666.25	0.62%	11,786,777.50
UNITED STATES TREASURY	0.63%	09/30/17	AA+ / Aaa	05/21/14	1,984,015.35	1.44%	1,999,060.00
UNITED STATES TREASURY	0.88%	10/15/17	AA+ / Aaa	01/22/16	14,560,578.97	0.80%	14,577,790.50
UNITED STATES TREASURY	0.88%	11/15/17	AA+ / Aaa	03/09/15	6,236,773.00	1.07%	6,261,937.50
UNITED STATES TREASURY	0.75%	12/31/17	AA+ / Aaa	05/24/16	13,534,743.00	0.84%	13,555,284.50
UNITED STATES TREASURY	0.75%	12/31/17	AA+ / Aaa	03/09/15	6,229,273.79	1.02%	6,252,437.50
UNITED STATES TREASURY	2.63%	01/31/18	AA+ / Aaa	05/21/14	12,244,034.27	1.08%	12,298,560.00
UNITED STATES TREASURY	0.88%	01/31/18	AA+ / Aaa	07/16/14	1,982,332.98	1.55%	2,004,220.00
UNITED STATES TREASURY	0.75%	03/31/18	AA+ / Aaa	07/13/15	4,989,588.39	0.89%	5,001,350.00
UNITED STATES TREASURY	2.63%	04/30/18	AA+ / Aaa	05/21/14	11,247,957.21	1.18%	11,323,950.00

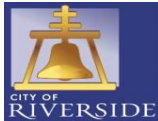


CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
September 30, 2016

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	AMORTIZED COST	YIELD ON MATURITY	MARKET VALUE
UNITED STATES TREASURY	1.00%	05/31/18	AA+ / Aaa	07/13/15	10,273,119.79	0.86%	10,291,205.00
UNITED STATES TREASURY	1.00%	05/31/18	AA+ / Aaa	05/21/14	3,971,796.94	1.43%	4,016,080.00
UNITED STATES TREASURY	1.38%	06/30/18	AA+ / Aaa	10/10/14	1,501,904.67	1.30%	1,515,765.00
UNITED STATES TREASURY	1.50%	08/31/18	AA+ / Aaa	05/21/14	5,535,424.60	1.16%	5,574,360.00
UNITED STATES TREASURY	1.38%	09/30/18	AA+ / Aaa	12/16/15	10,553,779.75	1.11%	10,618,965.00
UNITED STATES TREASURY	1.25%	10/31/18	AA+ / Aaa	05/21/14	4,978,099.42	1.46%	5,045,300.00
UNITED STATES TREASURY	1.25%	11/30/18	AA+ / Aaa	07/13/15	5,321,592.31	1.06%	5,348,442.00
UNITED STATES TREASURY	1.25%	01/31/19	AA+ / Aaa	05/21/14	2,976,472.03	1.59%	3,029,070.00
UNITED STATES TREASURY	2.75%	02/15/19	AA+ / Aaa	07/16/14	2,089,356.17	0.84%	2,090,460.00
UNITED STATES TREASURY	2.75%	02/15/19	AA+ / Aaa	05/21/14	2,102,214.63	0.58%	2,090,460.00
UNITED STATES TREASURY	1.38%	02/28/19	AA+ / Aaa	05/24/16	14,624,720.76	1.01%	14,682,410.00
UNITED STATES TREASURY	1.38%	02/28/19	AA+ / Aaa	10/10/14	2,590,368.03	1.53%	2,632,708.00
UNITED STATES TREASURY	1.63%	04/30/19	AA+ / Aaa	02/26/15	7,074,667.55	1.20%	7,135,660.00
UNITED STATES TREASURY	1.63%	06/30/19	AA+ / Aaa	11/09/15	3,723,382.30	1.39%	3,774,851.00
UNITED STATES TREASURY	1.63%	06/30/19	AA+ / Aaa	05/24/16	6,092,351.95	1.06%	6,121,380.00
UNITED STATES TREASURY	1.63%	07/31/19	AA+ / Aaa	09/09/14	3,495,720.06	1.67%	3,572,450.00
UNITED STATES TREASURY	1.00%	08/31/19	AA+ / Aaa	10/10/14	1,847,953.37	1.97%	1,905,795.00
UNITED STATES TREASURY	1.00%	09/30/19	AA+ / Aaa	05/28/15	3,446,285.09	1.53%	3,509,835.00
UNITED STATES TREASURY	1.00%	09/30/19	AA+ / Aaa	12/16/14	7,840,831.00	1.68%	8,022,480.00
UNITED STATES TREASURY	1.50%	11/30/19	AA+ / Aaa	11/09/15	6,798,609.64	1.51%	6,918,456.00
UNITED STATES TREASURY	1.00%	11/30/19	AA+ / Aaa	07/13/15	2,951,172.79	1.53%	3,005,400.00
UNITED STATES TREASURY	1.13%	12/31/19	AA+ / Aaa	02/26/15	1,874,395.44	1.55%	1,910,241.00
UNITED STATES TREASURY	1.25%	01/31/20	AA+ / Aaa	05/28/15	2,475,977.40	1.55%	2,522,650.00
UNITED STATES TREASURY	1.25%	02/29/20	AA+ / Aaa	11/09/15	9,880,534.05	1.61%	10,087,500.00
UNITED STATES TREASURY	1.38%	05/31/20	AA+ / Aaa	07/13/15	6,950,257.08	1.58%	7,088,060.00
UNITED STATES TREASURY	1.50%	05/31/20	AA+ / Aaa	08/22/16	6,622,835.97	0.97%	6,611,735.00
UNITED STATES TREASURY	1.88%	06/30/20	AA+ / Aaa	03/17/16	7,778,068.05	1.41%	7,883,707.50
UNITED STATES TREASURY	2.13%	08/31/20	AA+ / Aaa	11/09/15	2,038,501.83	1.62%	2,080,620.00
UNITED STATES TREASURY	1.63%	11/30/20	AA+ / Aaa	01/22/16	6,064,124.56	1.36%	6,129,840.00
UNITED STATES TREASURY	2.00%	02/28/21	AA+ / Aaa	03/17/16	5,614,991.25	1.51%	5,704,105.00
UNITED STATES TREASURY	2.25%	03/31/21	AA+ / Aaa	08/22/16	2,942,652.71	1.09%	2,935,408.00
UNITED STATES TREASURY	2.25%	07/31/21	AA+ / Aaa	08/22/16	6,843,475.23	1.12%	6,827,015.00
SUBTOTAL U.S. GOVERNMENT TREASURY SECURITIES					311,446,990.58		313,578,893.00
MISCELLANEOUS CASH					77,600.00		77,600.00
TOTAL POOLED CASH & INVESTMENTS					508,460,401.77		510,731,736.27

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

² Balance in excess of FDIC insurance limits collateralized in accordance with state statutes.



CITY OF RIVERSIDE
Investments Held by Fiscal Agent
September 30, 2016

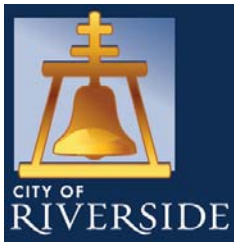
DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	AMORTIZED COST	YIELD ON MATURITY	MARKET VALUE
<u>CASH & MONEY MARKET ACCOUNTS</u>							
Cash	Varies	Varies	NR	Varies	481,683.37	Varies	481,683.37
Wells Fargo Advantage Heritage Money Market	0.00%	Varies	AAAm	Varies	0.00	0.00%	0.00
Wells Fargo Advantage 100% Treasury Money Market	0.00%	Varies	AAAm	Varies	317,976.77	0.00%	317,976.77
Wells Fargo Advantage Government Money Market	0.00%	Varies	AAAm	Varies	9,101,903.12	0.00%	9,101,903.12
US Bank Money Market Account 10	0.05%	Varies	A+	Varies	1,122,417.22	0.05%	1,122,417.22
US Bank Mmkt 5 - CT	0.02%	Varies	A+	Varies	56,529,385.25	0.02%	56,529,385.25
First American Government Obligation	0.00%	Varies	AAAm	Varies	420,992.56	0.00%	420,992.56
First American Prime Obligations Fund CL " Z "	0.02%	Varies	AAAm	Varies	28,386,574.40	0.02%	28,386,574.40
SUBTOTAL CASH & MONEY MARKET ACCOUNTS					96,360,932.69		96,360,932.69
LOCAL AGENCY INVESTMENT FUND (LAIF)	0.51%	Varies	NR	Varies	62,648,010.97	0.51%	62,648,010.97
<u>BONDS, DEBENTURES, NOTES & AGREEMENTS</u>							
US Bank Na C P	0.10%	05/01/17	A+	09/01/16	332,478.40	0.10%	332,478.40
US Bank Na C P	0.00%	12/01/16	A+	03/30/16	3,711,914.20	0.00%	3,711,914.20
FHLB Disc Note	4.69%	10/12/16	AAA	08/01/16	316,051.00	4.69%	318,984.05
General Electric Cap Corp Medium Term Nts	5.38%	10/20/16	A1	04/30/08	5,478,300.00	5.38%	5,409,612.00
US Govt Agency-Treasury Note	4.63%	11/15/16	AAA	04/30/08	26,347.15	4.63%	27,139.86
FNMA Debt	1.38%	11/15/16	AAA	11/1/12	4,745,268.00	1.38%	4,605,244.00
US Treasury Note	0.88%	12/31/16	AAA	10/20/15	1,132,597.66	0.88%	1,127,643.96
FNAMMT	1.25%	1/30/17	AAA	11/1/12	4,106,960.00	1.25%	4,010,400.00
FHLB Disc Note	4.61%	1/30/17	AAA	8/01/16	3,436,002.48	4.61%	3,506,333.16
US Treasury Note	0.88%	01/31/17	AAA	10/10/14	4,769,788.12	0.88%	4,750,583.02
US Treasury Note	0.50%	01/31/17	AAA	10/20/15	1,129,234.03	0.50%	1,128,665.52
General Electric Cap Corp Medium Term Nts	5.40%	02/15/17	A1	07/05/07	2,029,629.00	5.40%	2,134,230.00
US Treasury Note	0.88%	02/28/17	AAA	12/16/14	1,132,685.63	0.88%	1,128,364.60
US Treasury Note	3.25%	3/31/17	AAA	10/20/15	12,615,309.53	3.25%	12,284,754.71
FNMA Debt	1.13%	4/27/17	AAA	1/16/13	3,559,500.00	1.13%	3,510,920.00
Glaxosmithkline Cap	1.50%	5/8/17	A2	11/1/12	2,040,140.00	1.50%	2,005,040.00
US Govt Agency-F N M A MTN	5.00%	05/11/17	AAA	07/06/07	996,779.15	5.00%	1,067,021.83
US Treasury Bill	0.43%	05/25/17	AAA	06/27/16	1,785,228.34	0.43%	1,787,710.65
Caterpillar	1.63%	6/1/17	A2	11/1/12	2,290,826.72	1.63%	2,242,327.88
US Govt Agency-Federal Home Loan Bks Bonds	5.63%	06/09/17	AAA	06/13/07	5,400,000.00	5.63%	5,584,896.00
FNAMMTN	5.38%	6/12/17	AAA	11/1/12	4,844,520.00	5.38%	4,132,480.00
US Treasury Bill	0.46%	06/22/17	AAA	06/29/16	3,894,446.89	0.46%	3,896,354.10
FHLMCM	1.00%	6/29/17	AAA	11/1/12	3,042,120.00	1.00%	3,008,460.00
FHLB Debt	1.00%	7/28/17	AAA	11/1/12	3,040,080.00	1.00%	3,009,300.00
US Treasury Note	2.38%	07/31/17	AAA	10/20/15	4,914,160.78	2.38%	4,829,906.12
FHLMCM	1.00%	9/29/17	AAA	1/16/13	3,023,340.00	1.00%	3,009,360.00
Oracle Corp	1.20%	10/15/17	A1	11/1/12	4,015,960.00	1.20%	4,000,160.00
FNMA Debt	0.88%	12/20/17	AAA	1/16/13	3,498,145.00	0.88%	3,505,215.00
FHLMCM	0.75%	1/12/18	AAA	3/19/13	3,973,128.00	0.75%	3,998,840.00
US Treasury Note	2.63%	1/31/18	AAA	8/29/14	5,026,442.89	2.63%	4,938,896.72
FHLB Debt	1.25%	06/08/18	AAA	06/28/13	290,532.33	1.25%	297,003.05
US Treasury Note	2.25%	07/31/18	AAA	10/20/15	3,366,614.38	2.25%	3,328,885.60
FHLB Debt	1.00%	09/21/18	AAA	09/21/16	1,335,000.00	1.00%	1,332,810.60
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%	373,448.60
Inv 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
Inv 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
SUBTOTAL BONDS, DEBENTURES, NOTES & AGREEMENTS					123,853,782.69		122,518,901.01
TOTAL INVESTMENTS HELD BY FISCAL AGENT					282,862,726.35		281,527,844.67

City of Riverside
Cash Balances by Fund
As of September 30, 2016

Fund		Cash Balance ¹	Interfund Loan Receivables ²	Cash Balance + Loan Receivables
General Fund	101	(1,462,611)	-	(1,462,611)
Successor Agency Administration Fund	170	588,829	-	588,829
Enterprise Funds				
Electric	510	265,611,213	4,689,598	270,300,810
Electric - Public Benefits Charge	511	14,510,260	-	14,510,260
Water	520	76,629,009	-	76,629,009
Water - Conservation & Reclamation Program	521	2,800,746	-	2,800,746
Airport	530	531,480	-	531,480
Refuse Collection	540	4,990,315	-	4,990,315
Sewer Service	550	50,557,463	5,014,518	55,571,981
Special Transit	560	1,570,988	-	1,570,988
Public Parking	570	197,917	-	197,917
SubTotal - Enterprise Funds		417,399,391	9,704,115	427,103,506
Special Revenue Funds				
Urban Areas Security Initiative	205	(357,467)	-	(357,467)
Community Development Block Grant	220	443,983	-	443,983
Home Investment Partnership Program	221	422,662	-	422,662
Housing Opportunities for Persons with AIDS	222	(620,956)	-	(620,956)
Community Development Grants	223	1,850,992	-	1,850,992
Neighborhood Stabilization Program	225	131,184	-	131,184
Special Gas Tax	230	16,440,436	-	16,440,436
Air Quality	240	785,196	-	785,196
NPDES Storm Drain	260	244,289	-	244,289
Housing Authority	280	4,747,102	-	4,747,102
Housing Assets	281	460,130	14,146,520	14,606,650
SubTotal - Special Revenue Funds		24,547,551	14,146,520	38,694,071
Capital Projects Funds				
Certificates of Participation Projects	401	(992,321)	-	(992,321)
Storm Drain	410	1,139,849	-	1,139,849
Local Park Special Capital Improvements	411	416,735	-	416,735
Regional Park Special Capital Improvements	413	2,247,778	-	2,247,778
Capital Outlay	430	(4,598,160)	-	(4,598,160)
Transportation Projects	431	11,844	-	11,844
Measure A Capital Outlay	432	17,742,134	-	17,742,134
Transportation Development Impact Fees	433	3,479,503	-	3,479,503
Transportation Uniform Mitigation Fees	434	(1,859,574)	-	(1,859,574)
Community Facilities Districts and Assessment Districts	Various	1,976,033	-	1,976,033
SubTotal - Capital Project Funds		19,563,821	-	19,563,821
Debt Service Funds				
Debt Service Fund - General	390	1,617,873	-	1,617,873
Debt Service Fund - Public Works	391	762,543	-	762,543
SubTotal Debt Service Funds		2,380,416	-	2,380,416
Agency Funds				
Redevelopment Successor Agency	Various	23,685,039	-	23,685,039
Community Facilities Districts and Assessment Districts	Various	895,855	-	895,855
Special Deposits	Various	15,220,381	-	15,220,381
SubTotal Agency Funds		39,801,275	-	39,801,275
Internal Service Funds				
Workers' Compensation Insurance Trust	610	8,455,432	7,316,264	15,771,696
Unemployment Insurance Trust	620	406,385	-	406,385
Liability Insurance Trust	630	(5,455,684)	-	(5,455,684)
Central Stores	640	(362,586)	-	(362,586)
Central Garage	650	4,869,517	2,779,900	7,649,417
SubTotal - Internal Service Funds		7,913,064	10,096,164	18,009,228
Total - All Funds		\$ 510,731,736	\$ 33,946,799	\$ 544,678,536

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.



FY 2016-2018 Two-Year Budget: FY 2016-2017 1st Quarter Update

Finance Department

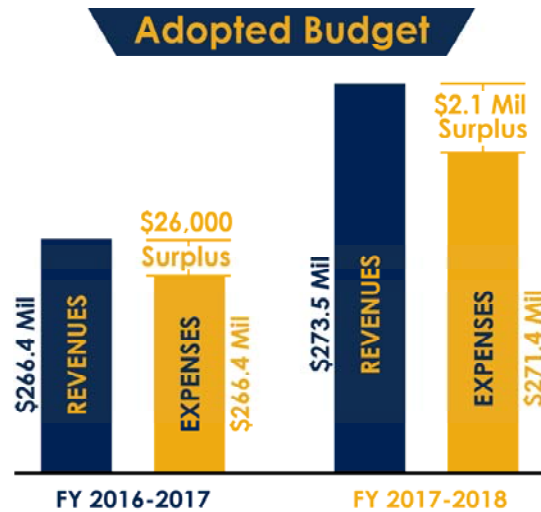
City Council Meeting

December 20, 2016

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BACKGROUND

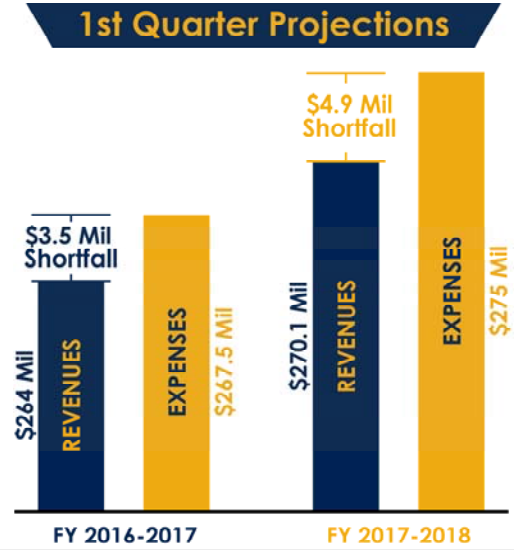
- FY 2016-2018 Budget adopted on June 21, 2016
 - 1st two-year budget and five-year plan
 - Intensive public outreach
 - In-depth departmental budget presentations
 - Identified critical unfunded needs
 - Implemented 4% reductions



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1ST QUARTER PROJECTIONS

- General Fund shortfalls attributed to:
 - Lower revenues
 - Unbudgeted/unfunded vehicle maintenance and parks debt
 - Higher projected personnel costs



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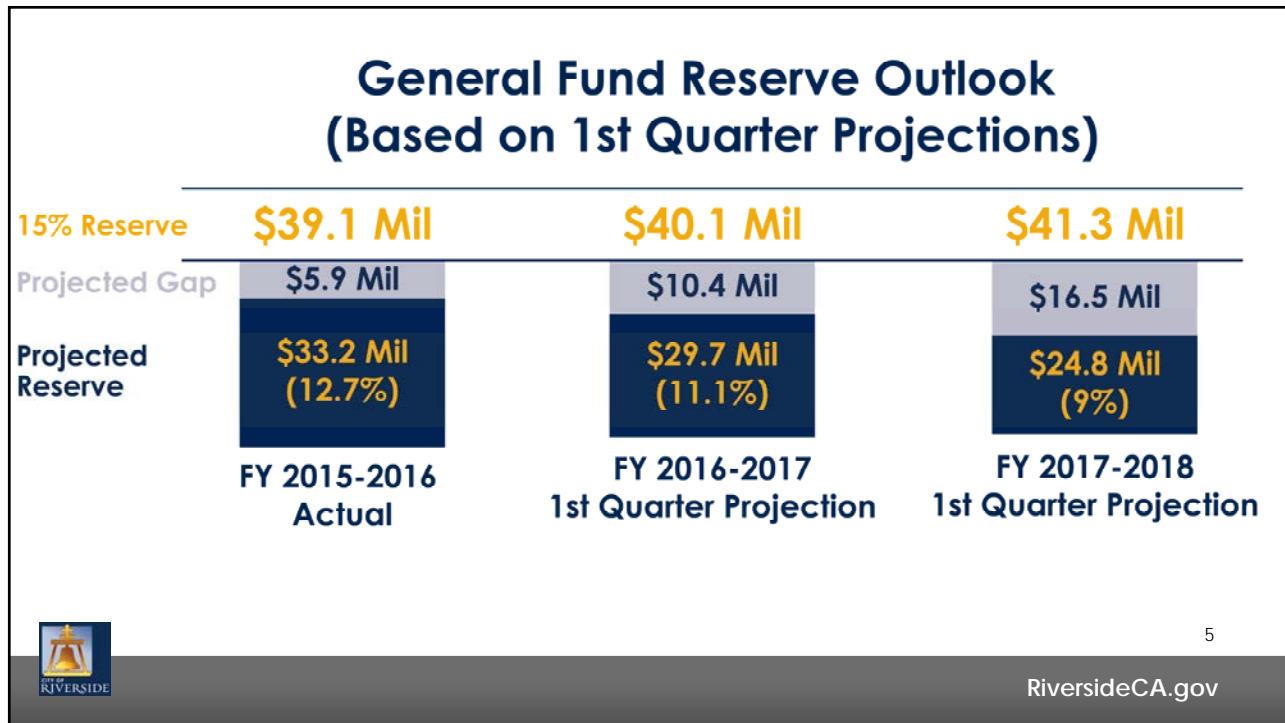
Factors Contributing to Projected Shortfall

	FY 2016-2017	FY 2017-2018
Adopted Surplus	\$26,530	\$2,078,014
Union Contracts	\$(819,081)	\$(3,396,309)
Lower Revenues	\$(2,426,858)	\$(3,395,908)
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)
Estimated Shortfall	\$(3,471,413)	\$(4,914,203)




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GENERAL FUND REVENUE

GENERAL FUND	ACTUALS	ADOPTED		PROJECTED (1ST QTR)		DIFFERENCE	
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18
Sales & Use Taxes	\$60,976,046	\$66,567,942	\$70,140,574	\$65,095,762	\$67,636,916	\$(1,472,180)	\$(2,503,658)
Property Taxes	\$53,337,211	\$56,730,769	\$59,713,414	\$55,910,544	\$58,849,770	\$(820,225)	\$(863,644)
Utilities Users Tax	\$27,828,010	\$28,577,109	\$29,180,764	\$27,983,545	\$28,505,619	\$(593,564)	\$(675,145)
Special Revenue - Entert.	\$11,796,183	\$11,151,690	\$11,289,982	\$11,969,102	\$12,121,395	\$817,412	\$831,413


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SALES TAX

- FY 2016-2017: \$1,472,180
- FY 2017-2018: \$2,503,658
- Lower baseline
- Growth projections lowered
 - FY 2016-2017: 5.9% to 4.5%
 - FY 2017-2018: 5.5% to 4%



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ECONOMIC CONDITIONS

- **09/2016:** So. CA lead the nation in wage growth (3.8% year-over-year)
- **09/2016:** Statewide unemployment is down
 - Riverside County(6.5%) higher than other counties - Los Angeles(5.2%), Ventura (5.5%), San Bernardino (5.9%) and Orange (4.1%)
- **09/2016:** CA's new car sales are down (5.6% year-over-year)
- **10/2016:** CA's sales tax revenue in October was lower than projections(5.6%)

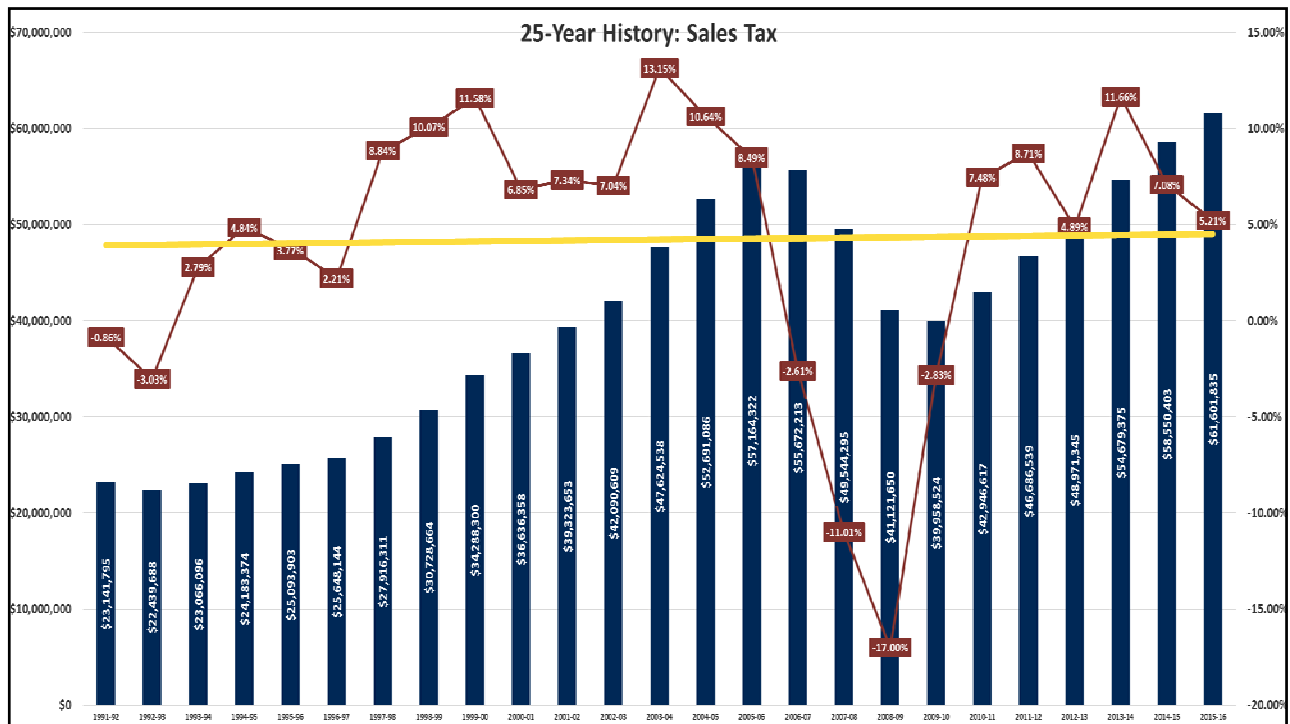


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ECONOMIC CONDITIONS

- **11/2016:** US online sales hit records on Black Friday and Cyber Monday.
 - Increased online sales and sales tax collection is an issue in California; out-of-state retailers do not always add tax.
- **11/2016:** Reports indicate that with deep discounts on Black Friday, people spent less (3.5%) less than last year
 - Other reports indicate that people will spend 8% more this holiday season
- **12/2016:** Galleria at Tyler expects growth to be similar to last year (approx. 4%)



GENERAL FUND EXPENDITURES

Finance Department

- \$698,000 under budget
 - 2.5 Business Tax vacancies (\$198,000)
 - Offsetting reduction in revenue
 - Credit card charges (\$500,000)
 - Offsetting reduction in charges to other departments (e.g. Public Utilities)



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GENERAL FUND EXPENDITURES

Fire Department

- \$750,000 over budget in FY 2016-2017
- \$500,000 over budget in FY 2017-2018
 - Unfunded vehicle maintenance (\$500,000)
 - FY 2016-2017 and FY 2017-2018
 - Personnel (\$250,000)
 - Implementation of 4% reductions in FY 2016-2017



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GENERAL FUND EXPENDITURES

Parks, Recreation, and Community Services

- \$600,000 over budget in FY 2016-2017 and FY 2017-2018
 - Unbudgeted Park's Renaissance debt in General Fund
 - Development Impact Fee Funds unable to pay \$1.1 million annual allocation
 - FY 2015-2016 end-of-year closing process identified issue



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GENERAL FUND EXPENDITURES

Public Works

- \$900,000 under budget in FY 2016-2017 and FY 2017-2018
 - General Fund recovery of lateral repairs from Sewer Fund
 - Annual savings of \$450,000 in estimated lateral costs
 - Three year recovery of previous expenditures at \$450,000/year



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GENERAL FUND EXPENDITURES

Employee Compensation

- \$819,081 in FY 2016-2017
- \$3,396,309 in FY 2017-2018
- Final employee negotiations cost more than anticipated
 - FY 2016-2017:
 - Medical and one-time pay increases in
 - FY 2017-18:
 - Medical, one-time, and Measure Z related salary increases



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MEASURE Z REVENUE

- Adopted by voter 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
- City Manager authorized reinstatement of Fire Squad on December 7, 2016
 - Improve response times
 - Eliminated with 4% reductions
 - \$450,000 in FY 2016-17
 - \$792,728 in FY 2017-18



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DEBT AND INVESTMENT REPORTS

- The quarterly investment report is included in this report:
 - Report showing cash balances by fund has been added as of 09/30/2016
 - 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 09/30/16.



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RECOMMENDATIONS

That the City Council:

1. Receive and provide input on the attached FY 2016/2017 First Quarter Financial Report and FY 2017/2018 financials for the General Fund with preliminary analysis of Measure Z revenues, as well as cash, investment and debt reports for all funds;
2. Amend the FY 2016-2018 Two-Year Budget to include the anticipated Measure Z revenues of \$10,000,000 in FY 2016/2017 and \$51,577,000 in FY 2017/2018 (to be accounted in new Fund 110); and
3. Authorize FY 2016/2017 and FY 2017/2018 budget amendment to appropriate Measure Z funding to ratify the City Manager's reinstatement of one Fire squad as directed by the City Manager on December 7, 2016 (costing \$450,000 in FY 2016/2017 and \$792,728 in FY 2017/2018).



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