

CASH AND INVESTMENTS DEBT ADMINISTRATION REPORT FY 2019/20 FIRST QUARTER UPDATE

Finance Department

City Council
February 11, 2020

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BACKGROUND

1. Cash and Investments and Debt originally included in Quarterly Financial Report and Measure Z Update
2. 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
3. Keep Council updated on debt and investment portfolio management



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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 – Q1

1. Pooled Investment Portfolio - \$617 million
2. Investments held by fiscal agent - \$322 million
3. Weighted average yield of pooled investment portfolio – 2.025%
4. No fund's cash balance is currently a concern



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DEBT SUMMARY ANALYSIS – Q1

1. Principal Balance decreased \$33,950,168 due to principal payments:
 - A. General Obligation Bonds (\$1,290,000)
 - B. Pension Obligation Bonds (\$13,760,000)
 - C. Capital Leases (\$2,170,519)
 - D. Interfund Loans (\$2,057,765)
 - E. Private Placement Loans (\$476,883)
 - F. Sewer Revenue Bonds (\$7,915,000)
 - G. Redevelopment Successor Agency Tax Allocation Bonds (\$4,330,000)
 - H. Mello Roos and Assessment District Bonds (\$1,950,000)

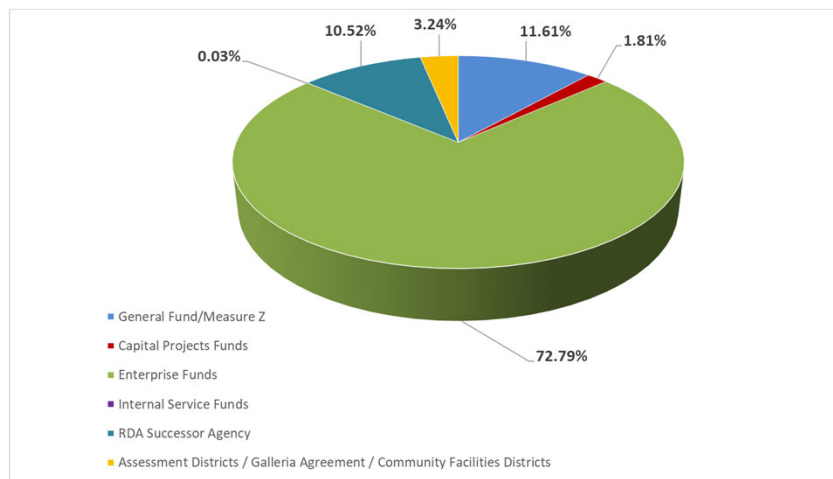


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DEBT SUMMARY ANALYSIS – Q1

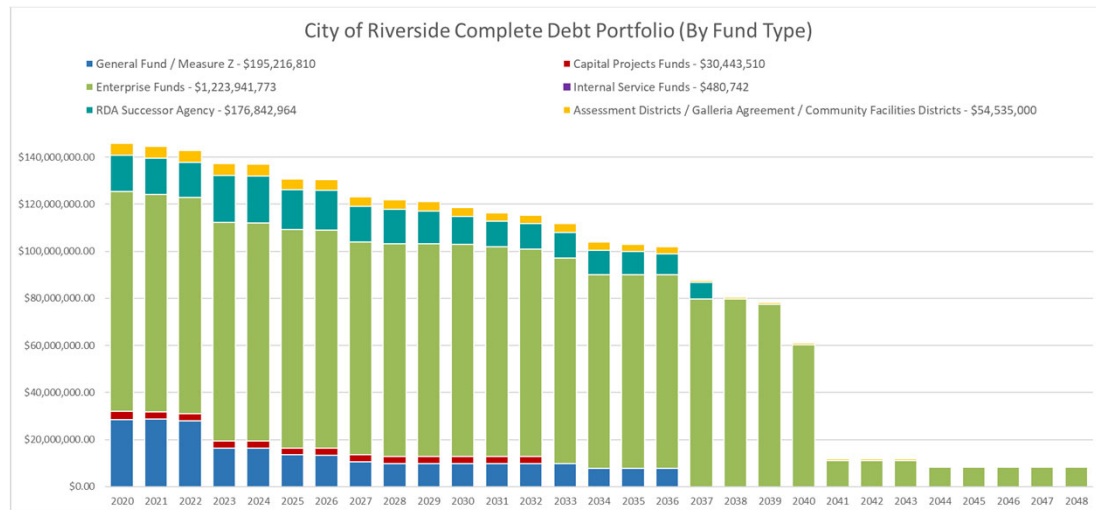
Debt Portfolio composition



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DEBT SUMMARY ANALYSIS – Q1



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DEBT ACTIVITIES – Q1

1. Interest rate reset RPU 2011A Water Revenue Bonds
2. Credit presentation to Fitch Ratings – Annual surveillance of electric credit
3. 20-Year Forecast of Debt Service Expenses as part of Biennial Budget preparation
4. CFD 2015-1 Orangecrest 2020 Bond Sale
5. CFD Formation Analysis – Tentative Tract No. 28987
6. Preparation of Annual Business Improvement District Levies



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RECOMMENDATION

That the City Council receive and provide input on the Fiscal Year 2019/20 First Quarter Cash, Investments and Debt Report.



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