

# Cash and Investments Debt Administration Report FY 2022/23 Third Quarter Update

Finance Department

## City Council

July 18, 2023

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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. April 18, 2023, the City Council received and provided input on the Six Months Ended 12/31/2022 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 Q3

1. Pooled Investment Portfolio - \$942 million
2. Investments held by fiscal agent - \$240 million
3. Weighted average yield of pooled investment portfolio – 2.65%
4. No fund's cash balance is currently a concern



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## DEBT SUMMARY ANALYSIS – THIRD QUARTER

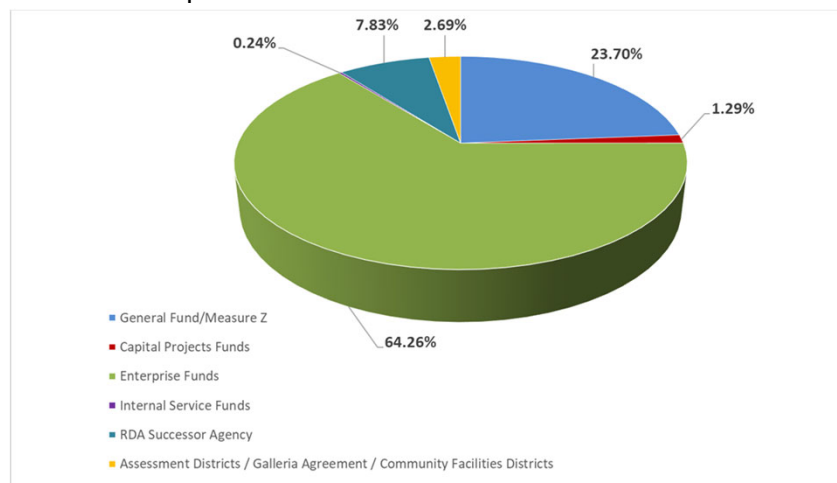
Principal Balance decreased \$6,728,963 due to Debt Service Principal Payments – January 1 through March 31, 2023

- a. Certificates of Participation (\$4,400,000)
- b. Capital Leases (\$1,449,482)
- c. Private Placement Loans (\$529,481)
- d. Mello Roos and Assessment District Bonds (\$350,000)

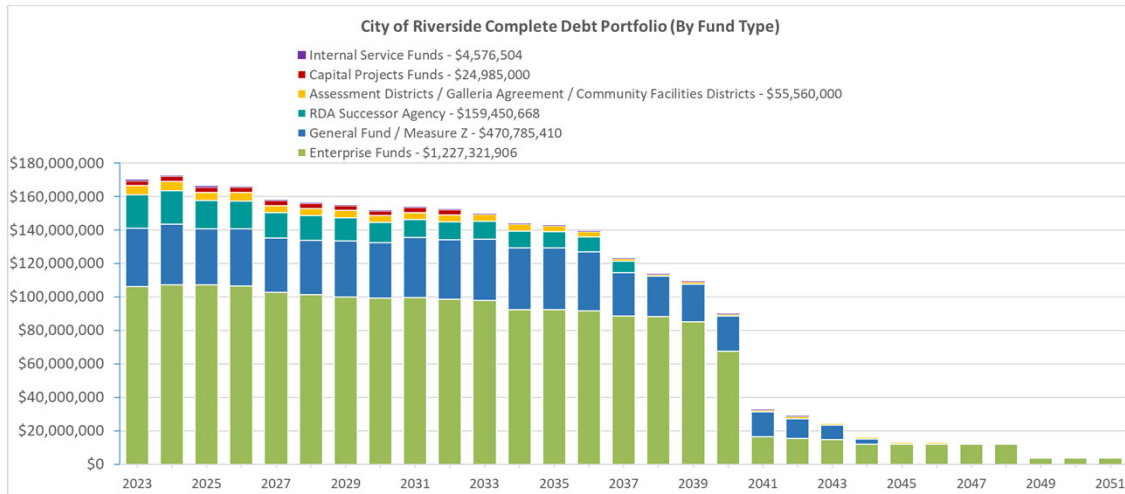


## DEBT SUMMARY ANALYSIS – THIRD QUARTER

Debt Portfolio composition



## DEBT SUMMARY ANALYSIS – THIRD QUARTER



## DEBT ACTIVITIES – THIRD QUARTER

1. Preparation and filing of Annual Continuing Disclosure Reports for all City issued bonds
2. Began process of preparing the Annual Engineer's Reports for the Street Lighting Assessment District and Riverwalk and Sycamore Highlands Landscape Maintenance Districts
3. Analysis, preparation, and posting of the SB 1029 CDIAC Annual Debt Transparency Reports
4. Coordination with bond counsel to provide training for elected officials on municipal disclosure responsibilities and best practices
5. Extension to the Letter of Credit for the 2008 Certificates of Participation
6. Amendment to the Lease Agreement for the 2012 Lease Revenue Bonds, replacing the expiring LIBOR index for the SOFR fallback rate
7. AB 1666 legislative requirements compliance



## STRATEGIC PLAN ALIGNMENT



**High performing government** - Enhance communication and collaboration with community members, to improve transparency, build public trust, and encourage shared decision-making.

### Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation



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## RECOMMENDATION

That the City Council receive and provide input on the Fiscal Year 2022/23 Third Quarter Cash, Investments, and Debt Report.



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