

ANNUAL DISCLOSURE REPORT

CITY OF RIVERSIDE

FISCAL YEAR ENDING JUNE 30, 2022

Series	Dated	CUSIP Numbers
\$41,240,000 RIVERSIDE PUBLIC FINANCING AUTHORITY LEASE REVENUE REFUNDING BONDS, SERIES 2012A	8/15/2012	76926CAA2 THROUGH 76926CAM6
\$33,505,000 RIVERSIDE PUBLIC FINANCING AUTHORITY LEASE REVENUE BONDS, SERIES 2019B (MAIN LIBRARY PROJECT)	6/13/2019	76926CBD5 THROUGH 76926CBW3

Prepared by
City of Riverside

Edward Enriquez
Chief Financial Officer/Treasurer
Finance Department
951-826-5660

March 20, 2023

Fiscal Year 2022 Annual Report for the City of Riverside's:

- Riverside Public Financing Authority Lease Revenue Refunding Bonds, Series of 2012A
- Riverside Public Financing Authority Lease Revenue Bonds, Series 2019B
(Main Library Project)

As required by the continuing disclosure certificates executed and delivered by the City of Riverside (the "City") relating to the above-referenced bonds, the City provides the following:

Audited Financial Statements: Included by reference is the City of Riverside Annual Comprehensive Financial Report (ACFR), which includes the audited financial statements of the City of Riverside, prepared in accordance with generally accepted accounting principles for the year ending June 30, 2022. The City's ACFR was submitted to the Municipal Securities Rulemaking Board's Electronic Municipal Access System ("EMMA") on January 30, 2023 and can be found at <https://emma.msrb.org/P21651871-P21271315-P21698451.pdf>.

To the extent not included in the audited financial statements of the Issuer, the Annual Report shall also include the following:

2012A Certificate Reference	2019B Certificate Reference	Description	Annual Comprehensive Financial Report location
		Information concerning the actual revenues, expenditures, and beginning and ending fund balances relating to the General Fund of the City for the most recent completed Fiscal Year and;	Pg. 22
4(b)(i)	4(b)(ii)	Information showing tax revenue collected by source.	Page 117
4(b)(iii)	4(b)(iv)	Information concerning the assessed valuation of properties within the City from the most recently available County Assessor's Roll, showing the valuation for secured and unsecured property;	Pg. 119
4(b)(iv)	4(b)(vi)	Information showing the total secured property tax levy and actual amounts collected for the most recent completed Fiscal Year.	Pg. 122
4(b)(v)	4(b)(ii)	Table showing General Fund tax revenues by source	Pg. 117
4(b)(vi)	4(b)(i)	Information showing the balance sheet of the General Fund of the City as of the close of the most recent completed Fiscal Year, including categorized assets, liabilities and reserved and unreserved fund balances	Pg. 20
N/A	4(b)(iii)	Information containing only the General Fund adopted budget information (and not projected actual information)	Pg. 24

Aggregate Principal Amount of Long Term Debt. The long term bonds, leases and other obligations of the City that are payable out of the General Fund are set forth in the following table.

Table 12
SUMMARY OF LONG-TERM GENERAL FUND COP AND LEASE REVENUE BOND
OBLIGATIONS AS OF JUNE 30, 2022 ⁽¹⁾

	Original Issue	Outstanding Principal	Final Maturity Date
2006 Certificates of Participation ⁽²⁾	\$19,945,000	\$5,000	September 1, 2036
2008 Certificates of Participation ⁽³⁾	128,300,000	59,788,000	March 1, 2037
2012 Lease Revenue Bonds	41,240,000	19,038,000	November 1, 2033
2013 Certificates of Participation	35,235,000	24,985,000	June 1, 2033
2019A Lease Revenue Bonds	15,980,000	13,960,000	November 1, 2036
2019B Lease Revenue Bonds	33,505,000	28,810,000	November 1, 2036
Subtotal	\$274,205,000	\$146,586,000	

Source: City of Riverside Annual Comprehensive Financial Report, Fiscal Year 2021-22.

- (1) Other City of Riverside debt obligations are included in separate continuing disclosure reports based on their respective funding source.
- (2) Partially refunded by 2019A Lease Revenue Bonds.
- (3) The City participates in an interest rate swap with respect to the 2008 Certificates of Participation. See Note 7 (Derivative Instruments) to the City's Annual Comprehensive Financial Report for Fiscal Year 2021-2022.

Principal Property Taxpayers. Principal property taxpayers for Fiscal Year 2021-22 is set forth in the following table.

Table 10
PRINCIPAL PROPERTY TAXPAYERS
Fiscal Year 2021-22
(Rounded dollars in thousands)

Property Owner	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Tyler Mall	Retail Sales	\$230,416	1	0.65%
Nordstrom Inc	Retail Sales	196,794	2	0.56%
CPT Riverside Plaza LLC	Retail Sales	167,317	3	0.47%
Rohr Inc.	Manufacturing	155,703	4	0.44%
La Sierra University	Student Housing	142,538	5	0.40%
TA Lance	Industrial	133,054	6	0.38%
490 Columbia	Retail Fulfillment Center	128,033	7	0.36%
Corona Pointe Resort LLC	Real Estate	127,164	8	0.36%
Riverside Healthcare System	Healthcare	111,349	9	0.32%
Smiths Food and Drug	Retail Sales	106,267	10	0.30%
Totals		\$1,498,635		4.24%

Source: City of Riverside Annual Comprehensive Financial Report, Fiscal Year 2021-22.

Table 14
HISTORICAL FUNDING STATUS
(Miscellaneous Plan) Valuation Date June 30, 2021

Accrued Liability	Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)⁽¹⁾	MVA Funded Status	Affects City Contribution Rate for Fiscal Year	Annual Covered Payroll	City Contribution Amount⁽²⁾	UL as a Percentage of Payroll
1,570,873,013	1,638,143,404	(67,270,391)	104.30%	2023-24	128,059,046	18,864,674	-52.5%

Source: CalPERS Actuarial Reports as of June 30, 2021 dated July 2022

- (1) Previously referred to as Unfunded Liability. Annual payment on the Unfunded Accrued Liability is the amortized dollar amount needed to fund past service credit earned (or accrued) for members who are currently receiving benefits, active members, and for members entitled to deferred benefits, as of the valuation date. The UAL is billed monthly.
- (2) Amounts are the actuarially required employer contribution amounts from the PERS Annual Valuation Reports rather than the actual amounts contributed by the City. The City's actual contributions differ based on increases or decreases in staffing levels. Differences are accounted for in future actuarially required contribution amounts. The City has multiple pension tiers, with new employees paying their own contribution to the plan.

Table 15
HISTORICAL FUNDING STATUS
(Safety Plan) Valuation Date June 30, 2021

Accrued Liability	Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)⁽¹⁾	MVA Funded Status	Affects City Contribution Rate for Fiscal Year	Annual Covered Payroll	City Contribution Amount⁽²⁾	UL as a Percentage of Payroll
1,306,957,978	1,301,859,055	5,098,923	99.6 %	2023-24	76,460,803	29,728,685	6.7%

Source: CalPERS Actuarial Reports as of June 30, 2021 dated July 2022

- (1) Previously referred to as Unfunded Liability. Annual payment on the Unfunded Accrued Liability is the amortized dollar amount needed to fund past service credit earned (or accrued) for members who are currently receiving benefits, active members, and for members entitled to deferred benefits, as of the valuation date. The UAL is billed monthly.
- (2) Amounts are the actuarially required employer contribution amounts from the PERS Annual Valuation Reports rather than the actual amounts contributed by the City. The City's actual contributions differ based on increases or decreases in staffing levels. Differences are accounted for in future actuarially required contribution amounts. The City has multiple pension tiers, with new employees paying their own contribution to the plan.

Table 16
SCHEDULE OF MINIMUM EMPLOYER CONTRIBUTION RATES

Valuation Date June 30	Affects Contribution Rate for Fiscal Year	Safety Plan⁽¹⁾	Miscellaneous Plan⁽¹⁾
2021	2023-24	23.39%	13.56%

Source: CalPERS Actuarial Reports as of June 30, 2021 dated July 2022

- (1) Represents a blended rate for all three tiers of employees.

Table 17
PENSION TIERS FOR CITY EMPLOYEES

Pension Plan	Pension Formula	Benefit Calculation⁽¹⁾	Effective Date – Formula and Benefit Calculation	Effective Date – Employees Paying Employee Share of Contribution
	Tier 1: 3.0% @ 50	Tier 1: 1 Year	--	January 1, 2019 ⁽²⁾
Safety – Fire	Tier 2: 3.0% @ 55	Tier 2: 3 Years	June 11, 2011	June 11, 2011
	Tier 3: 2.7% @ 57	Tier 3: 3 Years	January 1, 2013	January 1, 2013
	Tier 1: 3.0% @ 50	Tier 1: 1 Year	--	January 1, 2018 ⁽³⁾
Safety – Police ⁽⁴⁾	Tier 2: 3.0% @ 50	Tier 2: 3 Years	February 17, 2012	February 17, 2012
	Tier 3: 2.7% @ 57	Tier 3: 3 Years	January 1, 2013	January 1, 2013
	Tier 1: 2.7% @ 55	Tier 1: 1 Year	--	January 1, 2018 ⁽³⁾
Miscellaneous ⁽⁵⁾	Tier 2: 2.7% @ 55	Tier 2: 3 Years	December 16, 2011	October 19, 2011
	Tier 3: 2.0% @ 62	Tier 3: 3 Years	January 1, 2013	January 1, 2013

Source: City of Riverside's Department of Human Resources

- (1) The Benefit Calculation refers to the number of years of salary included in the calculation of the amount to which the retirement benefit is applied. In the case of one year, the highest year of salary is utilized. In the case of three years, the highest consecutive three years is utilized.
- (2) Beginning January 1, 2019, Safety Fire Tier 1 employees were required to pay for a portion of their employee share. This portion increased over three years; by 2.5% (2019), 2.5% (2020) and 3% (2021). As of 2022, employees are responsible for 8% cost share of PERs pensionable income cost. For Safety Tier 1 employees starting in 2023, the employer contribution will increase over three years by 2% in 2023, 1% in 2024, and 1% in 2025.
- (3) Beginning January 1, 2018, based on revenue performance of the City, Safety Police Tier 1 employees could pay 1.5% of employer PERS costs for up to a total of 6.0% through 2021; actual PERS cost sharing as of March 2022 is 4.5%. In 2023 the RPAA Police group will contribute a total of 6.5% of the PERS cost sharing contribution. In 2023 the RPOA and RPOA Supervisory groups will contribute a total of 5% of the PERS cost sharing contribution. Miscellaneous Tier 1 employees are required to pay 8% of employee PERS costs as follows: Beginning December 3, 2013, employees in the SEIU and SEIU Refuse units were required to begin paying an additional portion of their pensionable income cost. Employees in the unrepresented group started paying January 1, 2018 and employees in the IBEW/IBEW Supervisory groups started paying November 3, 2017. As of January 1, 2019, employees in the SEIU/SEIU Refuse group pay 8.0% of covered pay toward PERS normal cost. Employees in the unrepresented and IBEW groups had a three-year increase of 2% (2019), 2% (2020), and 2% (2021). As of 2022, employees are contributing the entire 8% employee share of their pensionable income cost.
- (4) The dates shown apply to the Police Officer, Police Pilot, and Police Detective classifications. The Police Sergeants and Riverside Police Administrators Association (ranks of Lieutenant and above) were negotiated separately at a subsequent date but are now also subject to the provisions of the second tier.
- (4) The Miscellaneous group includes three (3) employee groups: SEIU/SEIU Refuse, Unrepresented, and IBEW/IBEW Supervisory. The December date shown is the contract amendment date for all groups implementing a 3-year final compensation. SEIU/SEIU Refuse employees started paying the employee contribution on June 8, 2011; unrepresented and IBEW units started paying the employee contribution on October 19, 2011.

EVENT FILINGS

On August 26, 2021, Moody's Investor Services upgraded the City of Riverside, CA's issuer rating to Aa3 from A1. As such, the City posted a Material Events Notice to the MSRB Central Repository which can be found at <https://emma.msrb.org/P21491571-P21155284-P21569480.pdf>.

On February 1, 2022, the City of Riverside entered into an Amended and Restated Revolving Credit Agreement with U.S. Bank National Association. As such, the City posted a Notice of Significant Event (Incurrence of Financial Obligations) to the MSRB Central Repository which can be found at <https://emma.msrb.org/P21547835-P21196261-P21615464.pdf>.

On February 8, 2022, there was a change in name of the trustee, with no operational or location changes. As such, the City posted a Material Events Notice to the MSRB Central Repository which can be found at <https://emma.msrb.org/P21547953-P21196344-P21615575.pdf>.

On June 7, 2022, the City of Riverside entered into Schedule of Property No. 4 to Master Equipment lease/Purchase Agreement with Banc of America Public Capital Corp. As such, the City posted a Notice of Incurrence of a Financial Obligation to the MSRB Central Repository which can be found at <https://emma.msrb.org/P21580748-P21220204-P21641970.pdf>.

On June 30, 2022, the City of Riverside entered into Amendment No. 6 to Schedule of Property No. 4 to Master Equipment Lease Purchase Agreement with Banc of America Public Capital Corp. As such, the City posted a Notice of Incurrence of a Financial Obligation to the MSRB Central Repository which can be found at <https://emma.msrb.org/P21580748-P21220204-P21641970.pdf>.