

ANNUAL DISCLOSURE REPORT

FISCAL YEAR ENDING JUNE 30, 2019

City of Riverside

**Taxable Pension Obligation Refunding Bonds
2017 Series A**

DATED May 31, 2017

CUSIP NUMBERS: 769036 AX2 through 769036 BG8

Prepared by
City of Riverside

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March 31, 2020

As required by Sections 4(a) and 4(b) of the Continuing Disclosure Certificate, executed and delivered by the City of Riverside (the “City”) relating to the City’s Taxable Pension Obligation Refunding Bonds, Series 2017A (the “Bonds”), the City provides the following:

Section 4(a): Audited Financial Statements of the Issuer prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board.

Included by reference in this Annual Report is the City of Riverside’s Comprehensive Annual Financial Report (the “CAFR”), 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, 2019. The CAFR was filed with the Municipal Securities Rulemaking Board’s Electronic Municipal Access System (“EMMA”) on December 27, 2019

Section 4(b): The following required information per the Continuing Disclosure Certificate for the Bonds can be found within the City’s CAFR for the year ending June 30, 2019 at the listed locations:

Certificate Reference	Description	CAFR Location
4(b)(i)	Table 2, containing information about the City’s General Fund Balance.	Pg. 22
4(b)(ii)	Table 3 and 7, containing information concerning the actual revenues, expenditures, and beginning and ending fund balances relating to the General Fund of the City, and showing tax revenue collected by source.	Pg. 24 Pg.110
4(b)(iv)	Table 10, containing information about assessed values of taxable property	Pg. 112
4(b)(v)	Table 11, containing information about principal property owners.	Pg. 114

Table 5
CITY OF RIVERSIDE
GENERAL FUND ADOPTED BUDGET (FISCAL YEAR 2019-20)
(Amounts Expressed in Thousands)

Revenues		
Sales & Use Tax	\$	66,160
Property Tax		67,466
Utilities Users Tax		28,838
Charges for Services		17,825
Licenses and Permits		10,531
Property Transfer Tax		-
Fines and Forfeitures		1,832
Franchises		4,765
Special Assessments		505
Transient Occupancy Tax		7,592
Intergovernmental Revenues		2,085
One-Time Revenues ⁽¹⁾		7,715
Transfers In ⁽²⁾		65,492
Use of Reserves		194
Total Revenues	\$	281,000
Expenditures		
City Attorney	\$	6,202
City Clerk		1,828
City Council		1,366
City Manager		5,786
Community Development		17,006
Finance		7,462
Fire		62,304
General Services		4,887
Human Resources		3,530
Innovation & Technology		13,972
Library		8,160
Mayor		931
Museum		2,160
Non-Departmental		8,907
Parks, Recreation & Community Svcs		23,180
Police		113,916
Public Works		16,925
Negotiated Labor Adjustments		-
Allocation Expenditures ⁽³⁾		(26,250)
Managed Savings		-
Transfers Out ⁽⁴⁾		9,964
Total Expenditures	\$	282,236
Revenue over/(under) expenditure		(1,236)
Other financing sources (uses)		
Proceeds from issuance of long-term debt	\$	-
Payments to escrow for refunding		-
Measure Z Transaction & Use Tax ⁽⁵⁾		55,085
Measure Z - appropriations ⁽⁵⁾		(57,529)
Total other financing sources (uses)	\$	(2,444)
Net change in fund balance		(3,680)
Fund balance, beginning ⁽⁴⁾		60,434
Fund balance, ending ⁽⁴⁾		56,754

(1) Include claims recovery and sale of land, buildings, salvaged materials and equipment

(2) Transfers In include annual operating transfers from the Electric Fund, and Water Fund to maintain local general purposes or other appropriations, transfer from Measure Z to fund critical operating needs and capital projects and transfer from the Sewer Fund for liability cost recovery.

(3) Part of non-departmental expenditures. Includes allocated charges which are typically used to allocate administrative service costs to departments that receive the benefit of services provided by General Fund departments. The budget will show as a negative (contra) expenditure, offsetting the department's operating cost.

(4) Transfers out include transfers to subsidize Civic Entertainment and Special District activity and debt service requirements in the Park Capital Improvement Fund.

(5) Measure Z is a 1% Transaction and Use Tax approved by the electorate on November 8, 2016 and expires in 2036. Funds are segregated but available for General Fund obligations.

Table 12, showing property tax levies and collections, only if and for so long as the City is not covered by the County's Teeter Plan:

The City is currently covered by the County's Teeter Plan.

Table 13, containing information showing the aggregate principal amount of long-term bonds, leases and other obligations of the City which is payable out of the General Fund of the City:

Debt Issuance	Original Issue	Outstanding Principal Balance 6/30/2019
General Obligation Bonds	\$20,000,000	\$9,085,000
Pension Obligation Bonds ⁽¹⁾	151,500,000	66,120,000
Certificates of Participation ⁽²⁾	148,245,000	98,205,000
Lease Revenue Bonds ⁽³⁾	90,725,000	82,265,000
Capital Leases	36,503,471	21,362,692
Private Placement Financing	4,000,000	1,329,489

(1) 76% of debt service for POBs is allocated in General and Measure Z funds. 24% is allocated to other funds based on the percentage of CalPERS plan employees budgeted in those Funds.

(2) 70% of debt service for COPs is allocated in General Fund. 30% is allocated to other funds based on capital projects funded with bond proceeds.

(3) 68% of debt service for Lease Revenue Bonds is allocated in General Fund. 32% is allocated to other funds based on projects funded with bond proceeds.

Table 14 through 18 containing information on the City's funding status and contribution rates with respect to its PERS retirement plans:

Table 14
CITY OF RIVERSIDE
HISTORICAL FUNDING STATUS
(Miscellaneous Plan)

<i>Valuation Date</i>	<i>Accrued Liability</i>	<i>Market Value of Assets (MVA)</i>	<i>Unfunded Liability ⁽¹⁾</i>	<i>MVA Funded Status</i>	<i>Affects City Contribution Rate for Fiscal Year</i>	<i>Annual Covered Payroll</i>	<i>City Contribution Amount ⁽¹⁾</i>	<i>UAL as a Percentage of Payroll</i>
June 30 2018	\$1,401,014,728	\$1,090,728,598	\$310,286,130	77.9%	2020-2021	\$119,987,924	\$ 41,352,127	258.6%

⁽¹⁾ Amounts are actuarially required employer contributions 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 now has multiple pension tiers, with new employees paying their own contribution to the plan. As a result, prospective trending of actual contribution data would be difficult due to declining employer-paid member contribution obscuring changes in the employer rates.

Source: CalPERS Actuarial Reports for June 30, 2019

Table 15
CITY OF RIVERSIDE
HISTORICAL FUNDING STATUS
(Safety Plan)

<i>Valuation Date</i>	<i>Accrued Liability</i>	<i>Market Value of Assets (MVA)</i>	<i>Unfunded Liability ⁽¹⁾</i>	<i>MVA Funded Status</i>	<i>Affects City Contribution Rate for Fiscal Year</i>	<i>Annual Covered Payroll ⁽³⁾</i>	<i>City Contribution Amount ⁽¹⁾</i>	<i>UAL as a Percentage of Payroll</i>
June 30 2018	1,111,845,886	794,903,449	316,942,437	71.5%	2020-21	67,797,235	38,262,332	467.5%

⁽¹⁾ Amounts are actuarially required employer contributions 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 now has multiple pension tiers, with new employees paying their own contribution to the plan. As a result, prospective trending of actual contribution data would be difficult due to declining employer-paid member contribution obscuring changes in the employer rates.

Source: CalPERS Actuarial Reports for June 30, 2011 through June 30, 2016

As a result of the implementation of GASB Statement No. 68, the information presented in Table 16, Table 17, and Table 18 of the Official Statement is no longer reported by PERS.