



# City of Riverside

## Annual Continuing Disclosure Report

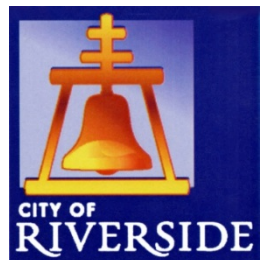
Fiscal Year Ending June 30, 2019

**2006 Lease Revenue Certificates of Participation**

**2019A Lease Revenue Refunding Bonds**

**(Galleria at Tyler Public Improvements)**

Prepared for



March 2020



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### CUSIP Numbers Series 2006

Year	CUSIP	Year	CUSIP	Year	CUSIP	Year	CUSIP
9/1/2011	769030AA5	9/1/2015	769030AE7	9/1/2019	769030AJ6	9/1/2023	769030AN7
9/1/2012	769030AB3	9/1/2016	769030AF4	9/1/2020	769030AK3	9/1/2024	769030AP2
9/1/2013	769030AC1	9/1/2017	769030AG2	9/1/2021	769030AL1	9/1/2030	769030AQ0
9/1/2014	769030AD9	9/1/2018	769030AH0	9/1/2022	769030AM9	9/1/2036	769030AR8

### CUSIP Numbers Series 2019A

Year	CUSIP	Year	CUSIP	Year	CUSIP
11/1/2019	76926CAR5	11/1/2023	76926CAV6	11/1/2027	76926CAZ7
11/1/2020	76926CAS3	11/1/2024	76926CAW4	11/1/2028	76926CBA1
11/1/2021	76926CAT1	11/1/2025	76926CAX2	11/1/2029	76926CBB9
11/1/2022	76926CAU8	11/1/2026	76926CAY0	11/1/2036	76926CBC7

The information herein for the City of Riverside's 2006 Lease Revenue Certificates of Participation (Galleria at Tyler Public Improvements) (the "Certificates") was prepared by Webb Municipal Finance, LLC and the City of Riverside (the "City"), as Administrators. Except as otherwise noted all information is current as of June 30, 2019.

## 1. District Profile

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### **Riverside Public Financing Authority Lease Revenue Certificates of Participation, Series 2006 Lease Revenue Refunding Bonds, Series 2019A Galleria at Tyler Public Improvements**

#### Project Description

The District was established to create a parking structure and nearby surface parking lot (the "Improvements") located at the Galleria at Tyler shopping center in the City.

#### Location

The City is the county seat of the County of Riverside (the "County") and encompasses approximately 81.5 square miles in the western portion of the County, about 60 miles east of downtown Los Angeles and approximately 90 miles north of San Diego. The Galleria at Tyler is bounded by Magnolia Avenue on the north, Hughes Alley on the east, State Route 91 on the south and Tyler Street on the west.

#### Certificate Information

The proceeds of the sale of the 2006 Lease Revenue Certificates of Participation (the "2006 Certificates") were used together with available moneys, (i) to provide funds to the City to finance acquisition, construction, installation and equipping of various public improvements related to the Galleria at Tyler, a retail center in the City, (ii) to fund, in whole or in part, a reserve fund for the Certificates, (iii) to capitalize interest with respect to the Certificates through March 1, 2008, and (iv) to pay certain cost of issuance of the Certificates.

The 2006 Certificates were executed in the amount of \$19,945,000.00 on September 27, 2006. In May 2019, the 2006 Certificates were partially redeemed and the Riverside Public Financing Authority Lease Revenue Refunding Bonds, Series 2019A, (the "2019A Bonds") Certificates of Participation (the "2019 Certificates") were issued in the amount of \$15,980,000.00. The proceeds of the 2019A Certificates were issued to provide funds to: (i) refinance all but \$5,000 of the City's outstanding 2006 Certificates and the City's related lease payment obligations and (ii) pay the costs of issuing the 2019A Bonds.

The 2019 Certificates were executed with interest rates ranging from 2.757% to 4.00%. Interest payments for the 2019 Certificates are payable on November 1 and May 1 of each year, commencing with November 1, 2019; principal payments for the 2019 Certificates are November 1 of each year, commencing November 1, 2019. The final maturity on the 2019 Certificates is November 1, 2036.

#### Lease Agreement

The 2019A Bonds are payable from Base Rental Payments to be made by the City, pursuant to a Lease Agreement by and between the City and the Riverside Public Financing Authority. The City has covenanted under the Lease Agreement to make all scheduled Base Rental Payments. The Base Rental Payments are 100% supported by the CFD 2004-1 Special Tax that has been authorized to be levied by the District.

#### Audited Financial Statements

The City's Fiscal Year 2018-19 Audited Financial Statements were submitted on December 27, 2019 to the Municipal Securities Rulemaking Board using EMMA (Electronic Municipal Market Access) under separate cover and are incorporated herein by reference.

## 2. Property Information

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### Assessed Value and Estimated Actual Value of Taxable Property

Assessed Values and Estimated Actual Values of Taxable Property can be found in the City's Fiscal Year Ending June 30, 2019 Comprehensive Annual Financial Report (CAFR), page 112.

### Principal Property Taxpayers Information

A listing of the Principal Property Taxpayers in the City can be found in the CAFR, page 114.

### Property Tax Levies and Actual Amounts Collected

A table with the history of Property Tax Levies and Actual Amounts Collected can be found in the CAFR, page 115.

### The Status of Construction

Construction on the projects related to the 2006 Bonds was complete as of December 2007.

### Change in Ownership Information

The parent company of the owner of the Galleria at Tyler changed in August 2018 from General Growth Properties to Brookfield Property Partners.

### 3. Fund Information

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#### General Fund Balance Sheet

The City's General Fund balance sheet can be found in the CAFR, page 22.

#### General Fund Revenues, Expenditures, Balances

The City's Statement of Revenues, Expenditures and Changes in Fund Balances can be found in the CAFR, page 24.

#### General Fund Revenue by Source

A breakdown of the City's General Fund Revenue by Source can be found in the CAFR, page 24, section Revenues.

#### General Fund Final Budget

The General Fund Final Budget can be found in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual in the CAFR, page 26.

#### General Fund Certificates of Participation Long-Term Obligations

Details about the General Fund Certificates of Participation Long-Term Obligations can be found in the Notes to Basic Financial Statement in the CAFR, page 48.

## 4. Pension Plans

The City contributes to the California Public Employee's Retirement System (CalPERS). The follow tables set forth the market value of the retirement plan's assets and funded status as of the valuation dates listed, as well as the total contributions made by the City in each fiscal year. These tables are derived from information produced by PERS, its independent accountants and actuaries.

**Table 1-1**  
**Historical Funding Status – Miscellaneous Plan**

Valuation Date June 30	Accrued Liability	Market Value of Assets (MVA)	Unfunded Liability <sup>(1)</sup>	MVA Funded Status	Affects City Contribution Rate for Fiscal Year	Annual Covered Payroll	City Contribution Amount <sup>(2)</sup>	UL as a Percentage of Payroll <sup>(3)</sup>
2012	\$1,046,199,578	\$766,804,452	\$126,627,922	73.3%	2014-15	\$110,037,157	\$22,838,012	115.1%
2013	\$1,086,925,211	\$847,232,156	\$239,693,055	77.9%	2015-16	\$110,552,014	\$25,382,919	216.8%
2014	\$1,180,549,024	\$972,056,589	\$208,492,435	82.3%	2016-17	\$110,534,205	\$27,753,436	188.6%
2015	\$1,228,644,007	\$969,285,454	\$259,358,553	78.9%	2017-18	\$111,185,202	\$30,427,685	233.3%
2016	\$1,277,998,975	\$949,866,377	\$328,132,598	74.3%	2018-19	\$113,072,729	\$34,637,237	290.2%
2017	\$1,317,421,178	\$1,029,759,135	\$287,662,043	78.2%	2019-20	\$118,644,799	\$39,371,750	242.5%
2018	\$1,401,014,728	\$1,090,728,598	\$310,286,130	77.9%	2020-21	\$119,987,927	\$41,352,127	258.6%

**Table 1-2**  
**Historical Funding Status – Safety Plan**

Valuation Date June 30	Accrued Liability	Market Value of Assets (MVA)	Unfunded Liability <sup>(1)</sup>	MVA Funded Status	Affects City Contribution Rate for Fiscal Year	Annual Covered Payroll <sup>(3)</sup>	City Contribution Amount <sup>(2)</sup>	UL as a Percentage of Payroll <sup>(3)</sup>
2012	\$766,405,422	\$561,733,859	\$92,467,753	73.3%	2014-15	\$63,114,831	\$20,029,006	146.5%
2013	\$800,762,531	\$618,807,277	\$181,955,254	77.3%	2015-16	\$62,829,727	\$21,660,507	289.6%
2014	\$875,318,159	\$710,483,280	\$164,834,879	81.2%	2016-17	\$62,765,015	\$23,891,949	262.6%
2015	\$912,387,268	\$707,597,722	\$204,789,546	77.6%	2017-18	\$62,890,841	\$26,004,752	325.6%
2016	\$968,923,917	\$693,848,703	\$275,075,214	71.6%	2018-19	\$66,464,764	\$30,448,377	413.9%
2017	\$1,027,624,656	\$751,708,228	\$275,916,428	73.2%	2019-20	\$64,312,108	\$34,092,845	429.0%
2018	\$1,111,845,886	\$794,903,449	\$316,942,437	67.4%	2020-21	\$67,797,235	\$38,262,332	467.5%

<sup>(1)</sup> Prior to Fiscal Year 2012-13, Unfunded Liability was based on the actuarial value of assets. As a result of the PERS Board's adoption of modifications to smoothing and amortization policies, beginning in Fiscal Year 2012-13 and continuing thereafter, the Unfunded Liability will be based on the market value of assets.

<sup>(2)</sup> 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 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 the declining employer-paid member contributions obscuring changes in the employer rates.

<sup>(3)</sup> The Annual Covered Payroll and the UL as a Percentage of Payroll in the Safety Plan for 2015-2017 have been updated with actual figures from the 2018 CalPERS Actuarial Report.

## 4. Pension Plans

Table 1-3  
Schedule of Minimum Employer Contribution Rates

Valuation Date June 30	Affects Contribution Rate for Fiscal Year	Safety Plan <sup>(4)</sup>	Miscellaneous Plan <sup>(3)</sup>
2012	2014-15	29.041%	18.994%
2013	2015-16	31.549%	21.012%
2014	2016-17	34.839%	22.978%
2015	2017-18	37.840%	25.044%
2016	2018-19	41.924%	28.033%
2017	2019-20	48.690%	30.479%
2018	2020-21	52.025%	31.770%

Table 1-4  
Pension Tiers for City Employees

Pension Plan	Pension Formula	Benefit Calculation <sup>(5)</sup>	Effective Date - Formula and Benefit Calculation	Effective Date - Employees Paying Employee Share of Contribution
Safety - Fire	Tier 1: 3.0% @ 50 Tier 2: 3.0% @ 55 Tier 3: 2.7% @ 57	Tier 1: 1 Year Tier 2: 3 Years Tier 3: 3 Years	-- June 11, 2011 January 1, 2013	January 01, 2019 <sup>(6)</sup> June 11, 2011 January 01, 2013
Safety - Police <sup>(7)</sup>	Tier 1: 3.0% @ 50 Tier 2: 3.0% @ 50 Tier 3: 2.7% @ 57	Tier 1: 1 Year Tier 2: 3 Years Tier 3: 3 Years	-- February 17, 2012 January 1, 2013	January 01, 2018 <sup>(8)</sup> February 17, 2012 January 01, 2013
Miscellaneous	Tier 1: 2.7% @ 55 Tier 2: 2.7% @ 55 Tier 3: 2.5% @ 67 <sup>(10)</sup>	Tier 1: 1 Year Tier 2: 3 Years Tier 3: 3 Years	-- December 16, 2011 January 1, 2013	January 01, 2018 <sup>(9)</sup> October 19, 2011 January 01, 2013

<sup>(4)</sup> Represents a blended rate for all three Tiers of employees.

<sup>(5)</sup> 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.

<sup>(6)</sup> Beginning January 1, 2019, Tier 1 employees pay for a percentage of PERS costs, which will total 7.0% by 2021.

<sup>(7)</sup> 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) are negotiated separately at a subsequent date but are now also subject to the provisions of the second tier.

<sup>(8)</sup> Beginning January 1, 2018, based on revenue performance of the City, Tier 1 employees may pay 1.5% of PERS costs for up to a total of 6.0% through 2021.

<sup>(9)</sup> The Miscellaneous plan mandated by PEPRA is commonly known as the "2.0% @ 62 Plan", however the maximum benefit that can be earned under the plan is 2.5% at age 67.

<sup>(10)</sup> SEIU and SEIU Refuse employees pay 7.0% of PERS costs and will increase percentage up to 8.0% by 2020. Beginning January 1, 2018, IBEW and unrepresented employees began contributing 2.0% of PERS costs per year, increasing each year to a total of 8.0% by 2020. Please note that the Official Statement for these Bonds originally cited the date of 2021.

## **APPENDIX A**

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### **Disclosure Certificate Reference Guides**





## Appendix A. Disclosure Certificate Reference Guides

SECTION 4. Content of Annual Reports. The Annual Report shall contain or include by reference:

### Series 2006

Requirements	Page Number / Reference
(a) Financial Statements	Page 1
(b) To the extent not contained in the audited financial statements filed pursuant to the preceding clause (a), the Annual Report shall contain or incorporate by reference the following information:	
(i) information concerning the actual revenues, expenditures and beginning and ending fund balances relating to the General Fund of the Issuer for the most recent completed Fiscal Year, including information showing tax revenue collections by source;	Page 3
(ii) (ii) information showing the aggregate principal amount of long-term bonds, leases and other obligations of the Issuer which are payable out of the General Fund of the Issuer, as of the close of the most recent completed Fiscal Year;	Page 3
(iii) information concerning the assessed valuation of properties within the Issuer from the most recently available County Assessor's Roll, Showing the valuation for secured and unsecured property;	Page 2
(iv) information showing the total secured property tax levy and actual amounts collected for the most recent completed Fiscal Year;	Page 2
(v) information showing the balance sheet of the General Fund of the Issuer as of the close of the most recent completed Fiscal Year, including categorized assets, liabilities and reserved and unreserved fund balances.	Page 3
(vi) until such time as construction is complete, information about the status of construction of each element of the Project constituting Leased Premises as of a date no later than 30 days prior to the date of the Annual Report; and	Page 2
(vii) information about any change in ownership of Galleria at Tyler during the most recently completed Fiscal Year.	Page 2

## Appendix A. Disclosure Certificate Reference Guides

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SECTION 4. Content of Annual Reports. The Annual Report shall contain or include by reference:

### Series 2019A

Requirements	Page Number / Reference
(a) Financial Statements	Page 1
(b) To the extent not contained in the audited financial statements of the Issuer, the Annual Report shall include the following:	
(i) Table 2, containing information about the City's General Fund balance sheet;	Page 3
(ii) Tables 3 and 6, 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 collections by source;	Page 3
(iii) Table 4, containing only the General Fund adopted budget information (and not projected actual information);	Page 3
(iv) Table 9, containing information about assessed values of taxable property;	Page 2
(v) Table 10, containing information about principal property taxpayers;	Page 2
(vi) Table 11, showing property tax levies and collections, only if and for so long as the City is not covered by the County's Teeter Plan;	Page 2
(vii) Table 12, containing information showing the aggregate principal amount of long-term bonds, leases and other obligations of the City which are payable out of the General Fund of the City; and	Page 3
(viii) Table 14 through 17, containing information on the City's funding status and contribution rates with respect to its PERS retirement plans.	Pages 4-5



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