

# **ANNUAL DISCLOSURE REPORT**

## **CITY OF RIVERSIDE**

**FISCAL YEAR ENDING JUNE 30, 2019**

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

Prepared by  
City of Riverside

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

Preparation Date: March 26, 2020

**Fiscal Year 2019 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 Comprehensive Annual Financial Report (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 City's CAFR was submitted on 12/27/2019 to the MSRB Central Repository.

**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	CAFR 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. 24
4(b)(i)	4(b)(ii)	Information showing tax revenue collected by source.	Page 110
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. 112
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. 115
4(b)(v)	4(b)(ii)	Table showing General Fund tax revenues by source	Pg. 110
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. 22
N/A	4(b)(iii)	Information containing only the General Fund adopted budget information (and not projected actual information)	Pg. 26

**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, 2019 <sup>(1)</sup>**

	Original Issue	Outstanding Principal	Final Maturity Date
2006 Certificates of Participation <sup>(1)</sup>	\$19,945,000	\$5,000	September 1, 2036
2008 Certificates of Participation <sup>(2)</sup>	128,300,000	98,200,000	March 1, 2037
2012 Lease Revenue Bonds	41,240,000	32,780,000	November 1, 2033
2013 Certificates of Participation	35,235,000	29,775,000	June 1, 2034
2019A Lease Revenue Bonds	15,980,000	15,980,000	November 1, 2036
2019B Lease Revenue Bonds	33,505,000	33,505,000	November 1, 2036
Subtotal	\$274,205,000	\$210,245,000	

(1) Other City of Riverside debt obligations are included in separate continuing disclosure reports based on their respective funding source.

(1) Partially refunded by 2019A Lease Revenue Bonds.

(2) The City participates in an interest rate swap with respect to the 2008 Certificates of Participation. See Note 6 (Derivative Instruments) to the City's Comprehensive Annual Financial Report for Fiscal Year 2018-2019.

**Principal Property Taxpayers.** Principal property taxpayers for fiscal year 2018-19 is set forth in the following table.

**Table 10**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**Fiscal Year 2018-19**  
**(Dollars in thousands)**

Property Owner	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Riverside Healthcare System	Health Care	\$ 315,873	1	1.1%
Tyler Mall	Retail Sales	220,073	2	0.7
Rohr Inc.	Manufacturing	161,444	3	0.5
CPT Riverside Plaza LLC	Retail Sales	159,171	4	0.5
La Sierra University	Student Housing	135,947	5	0.5
Corona Pointe Apartments	Multi-Family Residential Rental	104,102	6	0.4
Smith's Food and Drug Centers Inc.	Retail Sales	101,093	7	0.3
Cole ID	Manufacturing	101,007	8	0.3
Walmart Stores Inc./Sam's	Multi-Family Residential Rental	83,051	9	0.3
Northrop Drive Apartments Investment	Multi-Family Residential Rental	82,307	10	0.3
Totals		\$ 1,464,068		4.9%

Source: Riverside County Assessor fiscal year 2018-19.

**Table 14**  
**HISTORICAL FUNDING STATUS**  
**(Miscellaneous Plan) Valuation Date June 30, 2019**

<b>Accrued Liability</b>	<b>Market Value of Assets (MVA)</b>	<b>Unfunded Liability</b>	<b>MVA Funded Status</b>	<b>Affects City Contribution Rate for Fiscal Year</b>	<b>Annual Covered Payroll</b>	<b>City Contribution Amount<sup>(1)</sup></b>	<b>UL as a Percentage of Payroll</b>
1,401,014,728	1,090,728,598	310,286,130	77.90%	2020-21	119,987,924	41,352,127	258.6

<sup>(1)</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.

Source: PERS Actuarial Reports for June 30, 2019.

**Table 15**  
**HISTORICAL FUNDING STATUS**  
**(Safety Plan) Valuation Date June 30, 2019**

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

<sup>(1)</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.

Source: PERS Actuarial Reports for June 30, 2019.

**Table 16**  
**SCHEDULE OF MINIMUM EMPLOYER CONTRIBUTION RATES**

<b>Valuation Date June 30</b>	<b>Affects Contribution Rate for Fiscal Year</b>	<b>Safety Plan<sup>(1)</sup></b>	<b>Miscellaneous Plan<sup>(1)</sup></b>
2019	2020-21	52.025%	31.770%

<sup>(1)</sup> Represents a blended rate for all three tiers of employees.

Source: PERS Actuarial Reports for June 30, 2019.

**Table 17**  
**PENSION TIERS FOR CITY EMPLOYEES**

<b>Pension Plan</b>	<b>Pension Formula</b>	<b>Benefit Calculation<sup>(2)</sup></b>	<b>Effective Date – Formula and Benefit Calculation</b>	<b>Effective Date – Employees Paying Employee Share of Contribution</b>
	Tier 1: 3.0% @ 50	Tier 1: 1 Year	--	January 1, 2019 <sup>(3)</sup>
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 <sup>(5)</sup>
Safety – Police <sup>(1)</sup>	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	--	December 3, 2013 <sup>(6)</sup>
Miscellaneous	Tier 2: 2.7% @ 55	Tier 2: 3 Years	December 16, 2011	June 8, 2011 <sup>(7)</sup>
	Tier 3: 2.0% @ 62	Tier 3: 3 Years	January 1, 2013	January 1, 2013

(1) 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) negotiated separately with a tier 2 effective date of June 8, 2012.

(2) 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.

(3) Beginning January 1, 2019, tier 1 employees were required to pay for a portion of their pensionable income. This portion is a three year increase of 2.5% (2019), 2.5% (2020) and 3% (2021). By 2021 employees will be contributing 8% of their pensionable income.

(5) 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.

(6) Beginning December 3, 2013, employees in the SEIU/SEIU-Refuse units were required to pay an additional portion of their pensionable income. 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 are paying 8% of the employee contribution; employees in the unrepresented and IBEW groups have a three year increase of 2% (2019), 2% (2020) and 2% (2021). By 2021, employees will be contributing the entire 8% of their pensionable income.

(7) 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.

Source: City of Riverside's Department of Human Resources