



City of Arts & Innovation

News Release

FOR IMMEDIATE RELEASE:

Nov. 19, 2018

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City of Riverside Seeks to Educate Public, Gather Input on Pension Issue

New website to bolster public awareness and seek possible solutions to the CalPERS Challenge

RIVERSIDE, Calif. – The City of Riverside has set up a new website to educate the community on how the city is working to address its unfunded pension liability and to seek input from the public.

Riverside, like nearly all public agencies and special districts across California, must address the difference between the current and future resources that exist to cover expenses related to providing retirement benefits for current and future retirees, and the projected cost of providing those benefits in the coming years. The difference between those two amounts is called the unfunded pension liability.

Determining how to provide contractually-agreed-upon retirement benefits while continuing to provide first-rate municipal services is at the heart of what Riverside has dubbed the “CalPERS Challenge.” A new webpage – <https://www.riversideca.gov/citymanager/calperschallenge> – provides information on the issue and includes an option to provide feedback.

“Public agencies across the state are all facing the same problem because of, among other things, less-than-anticipated investment returns from CalPERS dating back to the Great Recession,” Mayor Rusty Bailey said. “I commend City Manager Al Zelinka for being proactive in educating residents and the business community on the issue and for seeking their input.”

Riverside’s unfunded pension liability is \$563.6 million, according to actuarial reports from June, 2017. That represents a 51 percent increase in the past three years, according to a report that went to the City Council’s Finance Committee last month. That report can be found at: <https://aquarius.riversideca.gov/clerkdb/0/doc/259609/Page1.aspx>

Zelinka has summed up the CalPERS Challenge thusly: How to Effectively Secure the Solvent Financial Future of the City, Its Employees, & Its Retirees While Ensuring the Delivery of Public Services & Stewardship of Public Resources. This effort will include many facets, including direction from elected officials, good-faith bargaining with employee groups, public input and intense and ongoing analysis by city staff.

“We are all in this together and need our collective wisdom to find the best solutions for meeting the unfunded pension obligations for Riverside’s retirees and employees,” Zelinka said. “The information

gathered through this process will be used to further the conversation between the City Manager and City Council on how best to manage the CalPERS Challenge.”

The new website includes information about how public pensions work; how they differ from other forms of retirement planning, such as a 401(k); efforts the City of Riverside already has taken to reduce the unfunded pension liability; and a list of Frequently Asked Questions (FAQ).

The website also features links to other websites and videos, including a video of a 45-minute discussion held by the Riverside City Council’s Finance Committee on Oct. 10, as well as an explanatory video from CalPERS.

The websites, videos and reports are designed to give the public an opportunity to learn more about the issue before utilizing the feedback button at the bottom of the CalPERS Challenge website.

“As elected officials, we work for the people, so we need their input, especially on something as large as the CalPERS Challenge,” Mayor Pro Tem Chuck Conder said. “Tough decisions will need to be made in order to ensure our city’s future financial viability. This website is an opportunity for people to take some time to really educate themselves on the various issues at play, then provide us with their guidance.”

In addition to the website, two upcoming public meetings provide further opportunities for public input. The Riverside Budget Engagement Commission will receive a report on the City’s CalPERS unfunded pension obligations on November 29, starting at 5:00 p.m. at Riverside City Hall – Mayor’s Ceremonial Room, 3900 Main Street, Riverside; and the City Council will hold a workshop on the CalPERS Challenge on December 4, starting at 1:00 p.m. at Riverside City Hall – Art Pick Council Chamber, 3900 Main Street, Riverside.