

## APPENDIX A

### CITY OF RIVERSIDE GENERAL DEMOGRAPHIC AND FINANCIAL INFORMATION

#### General

The City is the county seat of Riverside County (the “County”) and is located in the western portion of the County about 60 miles east of downtown Los Angeles and approximately 90 miles north of San Diego. Within 10 miles of the City are the cities of San Bernardino, Loma Linda, Corona, Norco, Fontana, Ontario, Rialto, Colton, Moreno Valley and Redlands, among others. These cities and the City are located in the County and the County of San Bernardino, and comprise the Riverside-San Bernardino Primary Metropolitan Statistical Area (the “PMSA”). The PMSA represents an important economic area of the State and of Southern California. It lies to the west and south, respectively, of the strategic San Gorgonio and Cajon Passes, from which three transcontinental railroads and interstate highways converge to connect the Los Angeles area with the other areas of the nation. The City is situated in close proximity to the metropolitan centers of Los Angeles and Orange Counties.

The County and the County of San Bernardino cover 27,400 square miles, a land area larger than the State of Virginia. As of January 1, 2024, the County had a population estimated at 2,442,378 and San Bernardino County had a population estimated at 2,181,433. With a population of over 4.6 million, the PMSA ranks as one of the largest Metropolitan Statistical Areas (“MSAs”) in the United States. The County alone is larger than the State of New Jersey. The PMSA, though small geographically in relation to the bi-county area, contains most of the two counties’ population.

#### Municipal Government

The City was incorporated in 1883 and covers 81.5 square miles. The City is a charter city and has a council-manager form of government with a seven-member council being elected by ward for four-year overlapping terms. The mayor is elected at large for a four-year term and is the presiding officer of the council, but does not have a vote except in case of a tie. The position of City Manager is filled by appointment of the council to serve as administrator of the staff and to carry out the policies of the council.

Functions of the City government are carried out by approximately 2,700 personnel. The City operates and maintains a sewer, water and electrical system. Other City services include diversified recreation programs, police, fire, airport, parks, a museum and libraries.

#### Services and Facilities

**Public Safety and Welfare.** The City provides law enforcement and fire protection services. The Police Department currently employs approximately 430 sworn officers and the Fire Department employs approximately 230 sworn firefighters operating out of over a dozen fire stations. Other services provided by the City include emergency medical aid, traffic safety maintenance and building safety regulation and inspection.

**Public Services.** The City provides electric, water, sewer, refuse and transportation services to City residents through municipal enterprises. The City also owns and operates a general aviation airport.

**Public Works.** Additional services include parkway and median maintenance improvements, refuse management, sewer and storm drain maintenance, zoning and development administration, environmental review, code enforcement and street tree maintenance.

**Leisure and Community Services.** Among the City’s cultural institutions and activities are a convention center, the Riverside Art Museum, the Riverside Metropolitan Museum, the Cheech Marin Center for Chicano Art, a number of libraries, the Municipal Auditorium, the Fox Performing Arts Center, the opera society and the symphony society. There are three major hospitals in the City: Parkview Community, Riverside Community and Kaiser Permanente.

**Population**

The following table offers population figures for the City, the County and the State as of the April 1, 2020 census date and as of January 1 for the years 2021 through 2024.

**Table 1  
POPULATION  
2020-2024**

<i>Area</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
City of Riverside	317,624	313,145	317,821	315,747	316,690
County of Riverside	2,418,185	2,419,165	2,427,832	2,428,580	2,442,378
State of California	39,538,223	39,327,868	39,114,785	39,061,058	39,128,162

Source: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2021-2024, with 2020 Census Benchmark. Sacramento, California, May 2024.

**Accounting Policies and Financial Reporting**

The accounts of the City are organized into separate funds to account for different activities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which the spending activities are controlled. The City’s General Fund and other governmental fund types use the modified accrual basis of accounting. All of the City’s other funds, including proprietary fund types and fiduciary fund types, use the accrual basis of accounting. The basis of accounting for all funds is more fully explained in the “Notes to the Basic Financial Statements” contained in APPENDIX B—“CITY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023.”

The City Council employs, at the conclusion of each fiscal year, an independent certified public accountant who, at such time or times as specified by the City Council, at least annually, and at such other times as he or she will determine, examines the combined financial statements of the City in accordance with generally accepted auditing standards, including such tests of the accounting records and such other auditing procedures as such accountant considers necessary. As soon as practicable after the end of the fiscal year, a final audit and report is submitted by such accountant to the City Council and a copy of the financial statements as of the close of the fiscal year is published.

The City General Fund finances the legally authorized activities of the City not provided for in other restricted funds. General Fund revenues are derived from such sources as taxes; licenses and permits, fines, forfeits and penalties; use of money and property; aid from other governmental agencies; charges for current services; and other revenue. General Fund expenditures are classified by the functions of general government, public safety, highways and streets, culture and recreation and community development.

**City Financial Policies**

The City has adopted several financial policies in order to provide financial stability.

**Debt Policy.** The City’s Debt Policy is intended to ensure issuance and administration of City debt in compliance with the State of California Constitution, City Charter, and other legislative guidelines and be in alignment with the City’s strategic goals, including providing transparency of the City’s debt practices and obligations. The policy was amended to comply with the Senate Bill 1029 Amendment to the California Government Code Section 8855(i), effective on January 1, 2017, and governs all debt undertaken by the City, including debt issued by the City on behalf of third parties. Third-party debt includes assessment districts and community facilities districts, as well as conduit debt.

**Pension Funding Policy.** The City’s Pension Funding Policy was approved by City Council on August 6, 2019 with the goal of mitigating a portion of the City’s long-term PERS liability. The policy established a Pension Stabilization Fund and a Section 115 Pension Trust that is managed by an outside investment advisor. The Pension Stabilization Fund is to be used to pre-pay the City’s annual UAL payment and to hold one-time revenues set aside to make PERS payments in accordance with the policy. The policy also recommends staff set aside a portion of any projected year-end increase in fund balance to offset pension contribution increases. City staff is directed to monitor General Fund debt obligations for savings opportunities per the City’s Debt Management Policy and redirect any savings to the Pension Stabilization Fund. Upon the retirement of any General Fund debt obligation, staff will also present a plan to reallocate all or a portion of prior debt service payments to the Pension Stabilization Fund.

**Multi-Year Capital Planning Fiscal Policy.** The City’s Capital Planning Fiscal Policy was approved by the City Council on March 20, 2018. It identifies the Capital Improvement Program as a multi-year financial plan that lists and describes the capital projects the City will undertake, indicates how the projects will be funded, and projects the effect of the plan on key financial variables. Per the policy the City adopts a multi-year Capital Plan spanning at least five years in conjunction with the biennial budget and five-year financial planning process. The policy identifies an asset or improvement as a capital project if it has a monetary value (cost) of at least \$20,000 and a useful life of at least 10 years.

The City has also adopted a Reserve Policy and an Investment Policy. See “—General Fund Reserves” and “—City Investment Policy and Portfolio,” respectively.

### **City Financial Data**

The following tables provide a five-year history of the City’s General Fund Balance Sheet (Table 2), and General Fund revenues, expenditures, transfers, and ending fund balances (Table 3).

**Table 2**  
**CITY OF RIVERSIDE**  
**GENERAL FUND BALANCE SHEET**  
**(As of June 30)**  
**(Amounts Expressed in Thousands)**

	<i>Fiscal Year 2018-19</i>	<i>Fiscal Year 2019-20</i>	<i>Fiscal Year 2020-21</i>	<i>Fiscal Year 2021-22</i>	<i>Fiscal Year 2022-23</i>
<b>ASSETS:</b>					
Cash and Investments	\$ 120,147	\$ 124,020	\$ 138,975	\$ 192,195	\$ 196,190
Cash and investments at fiscal agent	14	9,384	10,697	30,715	43,967
Receivables (net)					
Interest	346	261	258	401	694
Property taxes	4,113	2,509	2,369	1,544	1,988
Sales taxes	22,680	23,225	30,103	30,395	30,918
Utilities billed	1,295	1,775	2,517	3,350	2,320
Utilities unbilled	--	--	--	--	945
Accounts	5,014	6,002	6,588	7,063	12,693
Intergovernmental	4,782	3,699	4,171	4,444	4,615
Notes	10	--	--	--	10
Leases receivable <sup>(1)</sup>	--	--	--	7,501	9,213
Prepaid items	774	--	1,695	1,912	1,930
Due from other funds	2,438	610	4,432	870	1,666
Land & Improvements held for resale	175	175	175	175	175
<b>Total Assets</b>	<b>\$ 161,791</b>	<b>\$ 172,931</b>	<b>\$ 201,980</b>	<b>\$ 280,565</b>	<b>\$ 307,324</b>
<b>LIABILITIES:</b>					
Accounts Payable	\$ 7,664	\$ 6,266	\$ 4,940	\$ 9,494	\$ 14,250
Accrued payroll	19,261	19,214	22,372	21,433	15,240
Retainage payable	14	20	2	2	6
Intergovernmental	218	143	148	153	139
Unearned revenue	29	32	25	--	--
Deposits	8,813	9,838	11,287	11,459	11,805
<b>Total Liabilities</b>	<b>\$ 35,999</b>	<b>\$ 35,513</b>	<b>\$ 38,774</b>	<b>\$ 42,541</b>	<b>\$ 41,440</b>
<b>DEFERRED INFLOWS OF REVENUE</b>					
Unavailable revenue	\$ 4,625	\$ 3,549	\$ 3,559	\$ 3,082	\$ 3,346
Lease related items <sup>(1)</sup>	--	--	--	7,724	9,161
<b>Total Deferred Inflow of Revenue</b>	<b>\$ 4,625</b>	<b>\$ 3,549</b>	<b>\$ 3,559</b>	<b>\$ 10,806</b>	<b>\$ 12,507</b>
<b>FUND BALANCE:<sup>(2)</sup></b>					
Nonspendable	\$ 949	\$ 1,446	\$ 1,870	\$ 2,087	\$ 2,115
Restricted	3,411	10,699	10,697	30,715	32,695
Committed	65,916	59,280	62,400	82,801	111,301
Assigned	26,984	21,260	24,890	41,707	35,566
Unassigned	23,907	41,184	59,790	69,908	71,700
<b>Total fund balances</b>	<b>\$ 121,167</b>	<b>\$ 133,869</b>	<b>\$ 159,647</b>	<b>\$ 227,218</b>	<b>\$ 253,377</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 161,791</b>	<b>\$ 172,931</b>	<b>\$ 201,980</b>	<b>\$ 280,565</b>	<b>\$ 307,324</b>

<sup>(1)</sup> Beginning in Fiscal Year 2021-22, the City implemented GASB Statement No. 87—Leases, which generally requires recognition of certain leases assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

<sup>(2)</sup> GASB Statement No. 54 modified the fund balance classifications to reflect a hierarchy based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in the General Fund.

Source: City Audited Financial Statements (except as noted).

**Table 3**  
**CITY OF RIVERSIDE**  
**STATEMENT OF GENERAL FUND**  
**REVENUES, EXPENDITURES AND FUND BALANCES (Fiscal Year Ending June 30)**  
**(Amounts Expressed in Thousands)**

	<i>Fiscal Year</i> <i>2018-19</i>	<i>Fiscal Year</i> <i>2019-20</i>	<i>Fiscal Year</i> <i>2020-21</i>	<i>Fiscal Year</i> <i>2021-22</i>	<i>Fiscal Year</i> <i>2022-23</i>
<b>Revenues:</b>					
Taxes	\$ 240,416	\$ 239,904	\$ 265,819	\$ 298,986	\$ 310,520
Licenses and permits	10,357	10,141	10,265	11,304	12,446
Intergovernmental <sup>(1)</sup>	3,466	2,962	3,851	4,463	2,720
Charges for services	16,291	15,267	13,146	15,344	16,393
Fines and forfeitures	2,078	1,887	2,100	2,096	1,131
Special assessments	535	563	626	316	305
Rental and Investment Income	3,389	4,610	3,796	(4,931)	4,632
Miscellaneous	<u>3,287</u>	<u>2,094</u>	<u>769</u>	<u>1,232</u>	<u>4,345</u>
<b>Total Revenues</b>	<b>\$ 279,819</b>	<b>\$ 277,428</b>	<b>\$ 300,372</b>	<b>\$ 329,317</b>	<b>\$ 352,492</b>
<b>Expenditures</b>					
General Government <sup>(2)</sup>	\$ 10,004	\$ 10,739	\$ 4,612	\$ 8,197	\$ 16,703
Public safety <sup>(3)</sup>	186,863	193,769	190,115	193,969	207,820
Highways and streets	20,289	21,536	16,203	17,935	21,274
Culture and recreation	29,806	28,078	26,104	30,882	36,259
Capital Outlay <sup>(4)</sup>	1,815	761	692	3,262	16,815
Debt service; principal	--	--	--	675	2,103
Debt service; interest and fiscal charges	--	98	--	96	228
<b>Total Expenditures</b>	<b>\$ 248,777</b>	<b>\$ 254,981</b>	<b>\$ 237,726</b>	<b>\$ 254,416</b>	<b>\$ 301,202</b>
<b>Revenues over (under) expenditures</b>	<b>\$ 31,042</b>	<b>\$ 22,447</b>	<b>\$ 62,646</b>	<b>\$ 74,901</b>	<b>\$ 51,290</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	\$ 51,763	\$ 46,536	\$ 53,263	\$ 58,586	\$ 67,229
Transfers out	(51,262)	(57,137)	(90,320)	(67,682)	(100,281)
Proceeds from sale of capital assets	--	856	189	53	4,228
Issuance of debt related to leases and subscriptions <sup>(5)</sup>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,713</u>	<u>3,693</u>
<b>Total other financing sources (uses)</b>	<b>\$ 501</b>	<b>\$ (9,745)</b>	<b>\$ (36,868)</b>	<b>\$ (7,330)</b>	<b>\$ (25,131)</b>
Net change in fund balances	<u>31,543</u>	<u>12,702</u>	<u>25,778</u>	<u>67,571</u>	<u>26,159</u>
Fund balances, July 1	<u>89,624</u>	<u>121,167</u>	<u>\$ 133,869</u>	<u>\$ 159,647</u>	<u>\$ 227,218</u>
<b>Fund balances, June 30</b>	<b>\$ 121,167</b>	<b>\$ 133,869</b>	<b>\$ 159,647</b>	<b>\$ 227,218</b>	<b>\$ 253,377</b>

(1) Reflects revenue received from grants and motor vehicle in-lieu fees.

(2) Decreases in Fiscal Years 2020-21 and 2021-22 due to \_\_\_\_\_. Increase in Fiscal Year 2022-23 due to \_\_\_\_\_.

(3) Increase in Fiscal Year 2022-23 due to \_\_\_\_\_.

(4) Increase in Fiscal Year 2022-23 due to \_\_\_\_\_.

(5) Beginning in Fiscal Year 2021-22, the City implemented GASB Statement No. 87—Leases, which generally requires recognition of certain leases assets and liabilities fore leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Source: City Audited Financial Statements (except as noted).

## **Budgetary Process and Administration**

*General.* Consistent with the City Council’s direction, City staff prepared a two-year budget for fiscal years 2024-25 and 2025-26. In addition, the budget has been developed within the context of a five-year plan, which provides a financial framework to guide future policy and programmatic recommendations by management and decisions by the City Council.

The City believes that a two-year budget provides the City Council, departments and the public with greater certainty regarding ongoing funding and staffing for programs and services. The City believes a two-year budget eliminates the time required to produce, review, and approve the budget document every year. At the conclusion of the first year of the two-year budget, the City Council receives a mid-cycle review of year-end financials. The mid-cycle review process provides the mechanism to ensure revenue and expenses forecast at the beginning of the first year remain accurate and, only if necessary, amend the budget to address any significant revenues shortages and/or unknown and unforeseeable expenses.

The City uses the following procedures when establishing the budgetary data reflected in its financial statements: During the period December through February of each fiscal year (now, every other fiscal year), department heads prepare estimates of required appropriations for the following fiscal year. These estimates are compiled into a proposed operating budget that includes a summary of proposed revenue and expenditures and historical data for the two preceding fiscal years. The operating budget is presented by the City Manager to the City Council for review. Public hearings are conducted to obtain citizen comments. The City Council generally adopts the budget during one of its June meetings. The City Manager is legally authorized to transfer budgeted amounts between divisions and accounts within the same department and fund. Transfer of appropriations between departments or funds and increased appropriations must be authorized by the City Council. Expenditures may not legally exceed budgeted appropriations at the departmental level within a fund.

Budgets for the funds are adopted on a basis consistent with generally accepted accounting principles. The budgeted tax revenues in Table 4 and Table 5 exclude Measure Z revenues which are accounted for separately than the General Fund but are available for General Fund expenses. See “—Measure Z” herein.

***Fiscal Year 2022-23 Annual Budget.*** Table 4 summarizes the final budget and audited actual results of the General Fund of the City for Fiscal Year 2022-23.

**Table 4**  
**CITY OF RIVERSIDE**  
**GENERAL FUND FINAL BUDGET VERSUS ACTUALS**  
**(Fiscal Year 2022-23)**  
**(Amounts Expressed in Thousands)**

	<i>2022-23</i> <i>Final Budget</i>	<i>2022-23</i> <i>Actual</i>	<i>Variance</i>
<b>Revenues</b>			
Taxes	\$ 306,954	\$ 310,520	\$ 3,926
Licenses and permits	11,128	12,446	1,318
Intergovernmental	1,441	2,720	1,279
Charges for services	15,104	16,393	1,289
Fines and forfeitures	1,894	1,131	(763)
Special assessments	542	305	(237)
Rental and investment income	2,946	4,632	1,686
Miscellaneous	<u>1,680</u>	<u>4,345</u>	<u>2,665</u>
Total revenues	\$ 341,329	\$ 352,492	\$ 11,163
<b>Expenditures</b>			
General government	\$ 91,173	\$ 70,885	\$ 20,288
Public Safety	230,696	207,820	22,876
Highways and streets	28,840	21,274	7,566
Culture and recreation	41,710	36,259	5,451
Capital Outlay	22,143	16,815	5,328
Debt service: Principal	--	2,103	(2,103)
Debt service: Interest and fiscal charges	<u>--</u>	<u>228</u>	<u>(228)</u>
Total expenditures	\$ 360,436	\$ 301,202	\$ 59,234
<b>Other financing sources (uses)</b>			
Transfers in	\$ 77,964	\$ 67,229	\$ (10,735)
Transfers out	(111,754)	(100,281)	11,473
Proceeds from sale of capital assets	--	4,228	4,228
Issuance of debt related to leases and subscriptions	<u>--</u>	<u>3,693</u>	<u>3,693</u>
Total other financing sources (uses)	<u>(33,790)</u>	<u>(25,131)</u>	<u>8,659</u>
Net change in fund balance	\$ (52,897)	\$ 26,159	\$ 79,056
<b>Fund balance, beginning</b>	<u>227,218</u>	<u>227,218</u>	<u>--</u>
<b>Fund balance, ending</b>	\$ 174,321	\$ 253,377	\$ 79,056

Source: City Audited Financial Statements.

***Fiscal Year 2023-24 Amended Budget.*** The City Council adopted the Fiscal Year 2022-24 biennial budget on June 21, 2022. On June 27, 2023, the City Council approved amendments to the Fiscal Year 2023-24 budget reflecting budget updates through March 31, 2024. Based on the City’s third-quarter financial update and City Council-approved budget adjustments covering the period from July 1, 2023, through March 31, 2024, the amended budget for Fiscal Year 2023-24 projects General Fund revenues of approximately \$372.2 million and General Fund expenditures of approximately \$374.7 million. If the revenue and expenditure forecasts are realized as detailed in Table 5, the General Fund reserve balance would decrease by approximately \$2.5 million at the end of Fiscal Year 2023-24.

The amended budget as of March 31, 2024 presented in the Table 5 reflects encumbrances and carryovers of \$7.1 million carried forward from Fiscal Year 2022-23, \$5.7 million in restricted and discretionary carryovers approved by the City Council in the Fiscal Year 2022-23 fourth quarter report; as well as supplemental appropriations approved by Council through the third quarter. Through the third quarter of

Fiscal Year 2023-24, the City Council approved supplemental appropriations in the General Fund totaling approximately \$24.4 million, with approximately \$15.4 million offset by the use of reserves.

***Fiscal Year 2024-26 Biennial Budget.*** [The City Council adopted the City’s Fiscal Year 2024-26 biennial budget on June 25, 2024, which includes General Fund revenues of approximately \$361.2 million and \$371.8 million for Fiscal Years 2024-25 and 2025-26, respectively, and General Fund expenditures of approximately \$361.2 million and \$371.8 million for Fiscal Years 2024-25 and 2025-26, respectively. The Fiscal Year 2024-26 biennial budget is bolstered by strong performance in property taxes due to recent increases in assessed values, alongside new revenue sources such as the March JPA tax and revenue sharing agreement, and the cannabis tax, enabling General Fund revenues to keep pace with costs.]

The Fiscal Year 2024-26 biennial budget prioritizes the following:

Financial Stability. Ensuring fiscal health and resilience through responsible short- and long-term financial management, setting appropriate cost recovery for city services, identifying new revenue sources, and addressing critical needs sustainably.

Public Safety. Allocating resources to law enforcement, fire protection, and community safety, with investments in crime prevention and response capabilities.

Housing & Homelessness. Investing in affordable housing, supportive services, and homeless prevention programs to provide shelter and pathways to stable housing for vulnerable populations.

City Infrastructure. Investing in the maintenance, improvement, and expansion of transportation, parks, and public facilities, with a focus on repairing aging infrastructure and promoting sustainable development.

Economic Growth. Cultivating economic growth, job creation, and business development to enhance the City's financial prosperity, attract investments, support local businesses, and champion workforce advancement initiatives.

The following table summarizes the Fiscal Year 2024-25 and 2025-26 budgeted projections as stated in the 2024-26 biennial adopted budget, as well as the Fiscal Year 2023-24 amended budget as of March 31, 2024.



**Table 5**  
**CITY OF RIVERSIDE**  
**GENERAL FUND AMENDED BUDGET (FISCAL YEAR 2023-24) AND**  
**ADOPTED BIENNIAL BUDGET (FISCAL YEARS 2024-25 AND 2025-26)**

	<i>Amended Budget</i> 2023-24 <sup>(1)(2)</sup>	<i>Adopted Budget</i> 2024-25	<i>Adopted Budget</i> 2025-26
<b>Revenues</b>			
Sales & Use Taxes	\$ 91,944,765	\$ 92,590,680	\$ 97,220,210
Property Taxes	88,827,442	93,841,056	96,581,194
Utilities Users Tax	32,917,679	34,942,616	37,155,220
Cannabis Business Tax	--	500,000	1,000,000
Charges for Services	18,318,875	20,497,385	20,901,722
Licenses and Permits	11,031,655	11,957,737	12,998,537
Fines and Forfeitures	1,917,827	1,157,400	1,157,800
Franchises	6,594,790	6,906,680	7,212,770
Special Assessments	550,853	8,708,750	8,969,985
Transient Occupancy Tax	8,277,960	377,838	390,900
Intergovernmental Revenues	1,982,025	2,305,757	2,354,498
One-Time Revenues	6,563,698	5,503,554	5,202,113
Transfers In	75,045,869	77,173,685	76,114,726
Use of Reserves	28,199,326	4,764,089	4,546,024
<b>Total Revenues</b>	<b>\$ 372,172,763</b>	<b>\$ 361,227,227</b>	<b>\$ 371,805,699</b>
<b>Expenditures</b>			
City Attorney	\$ 5,944,006	\$ 6,031,935	\$ 6,539,624
City Clerk	2,325,966	2,066,314	2,224,138
City Council	1,638,399	1,696,310	1,798,796
City Manager	6,279,490	4,332,938	4,747,864
Community Development	22,675,738	18,000,696	19,103,476
Finance	9,143,835	9,651,348	10,267,320
Fire	64,009,803	67,046,067	71,335,724
General Services	5,402,555	5,599,489	5,795,088
Housing & Human Service	2,160,826	2,732,858	2,949,050
Human Resources	4,746,873	6,767,306	6,631,414
Innovation & Technology	14,778,836	14,383,984	15,267,830
Library	9,809,394	11,150,480	11,768,284
Marketing & Communications	--	3,000,258	2,337,172
Mayor	955,820	997,229	1,071,518
Museum	2,569,557	2,587,129	2,725,987
Non-Departmental	15,690,778	34,125,137	35,065,677
Parks, Recreation & Community Services	29,008,958	119,236,751	122,981,197
Police	113,928,488	25,721,253	26,494,168
Public Works	22,290,696	13,590,429	13,093,113
Net Allocations	(24,105,039)	(22,175,830)	(22,831,480)
Transfers Out	51,865,789	25,968,134	23,256,539
Contributions to Reserves	13,565,800	8,717,012	9,183,200
<b>Total Expenditures</b>	<b>\$ 374,686,567</b>	<b>\$ 361,227,227</b>	<b>\$ 371,805,699</b>
Revenue over/(under) expenditures	(15,313,130)	0	0
<b>Other financing sources (uses)</b>			
Proceeds from issuance of long-term debt	\$ --	\$ --	\$ --
Payment to escrow for refunding	\$ --	\$ --	\$ --
<b>Other financing sources (uses) cont.</b>			
Measure Z -Transaction & Use Tax	80,840,000	84,515,000	86,997,000
Measure Z – appropriations	<u>136,237,608</u>	<u>104,283,345</u>	<u>101,594,532</u>
Total other financing sources (uses)	(55,397,608)	(19,768,345)	(14,597,532)
Net change in fund balance	\$ (2,513,804)	\$ --	\$ --
<b>Fund balance, beginning</b>	<u>65,500,000</u>	<u>62,986,196</u>	<u>62,986,196</u>
<b>Fund balance, ending</b>	<b>\$ 62,986,196</b>	<b>\$ 62,986,196</b>	<b>\$ 62,986,196</b>

<sup>(1)</sup> Based on the City's Fiscal Year 2023-24 Third Quarter Financial Update and budget adjustments approved by the City Council through March 31, 2024.

<sup>(2)</sup> Includes prior year encumbrances and carryovers of unspent funding.  
Source: City of Riverside

## General Fund Reserves

The following chart illustrates the General Fund reserves of the City for Fiscal Years 2013-14 through 2022-23. The City’s policy is to maintain its General Fund reserves, at a minimum, in an amount equal to 15% of the next fiscal year’s budgeted expenditures, and as often as possible, in an amount equal to 20% of the next fiscal year’s budgeted expenditures; moneys in the fund are available for use at the City Council’s discretion.

**Table 6**  
**CITY OF RIVERSIDE**  
**GENERAL FUND RESERVES**  
**(As of June 30)**  
**(Dollar Amounts Expressed in Thousands)**

<u>Fiscal Year</u>	<u>Ending Reserves</u> <sup>(1)(2)</sup>	<u>Percent Change</u>	<u>% of Following Fiscal Year Expenditures</u> <sup>(2)</sup>	<u>Measure Z</u> <sup>(3)</sup>
2013-14	37,732	(0.1)	15.7	--
2014-15	39,059	3.5	15.2	--
2015-16	29,495	(24.5) <sup>(4)</sup>	11.1	--
2016-17	37,129	25.9 <sup>(5)</sup>	13.7	\$ 2,154
2017-18	53,800	44.9 <sup>(5)</sup>	20.0	7,644
2018-19	59,666	10.9	21.1 <sup>(6)</sup>	25,241
2019-20	69,921	17.2	24.5	30,543
2020-21	80,519	15.2	29.2	41,671
2021-22	89,820	11.6	27.9	46,088
2022-23	90,200	0.4	27.0	52,000

<sup>(1)</sup> In fiscal years 2013-14 through 2015-16, Ending Reserves represents the fund balance classified as Unassigned in the General Fund’s balance sheet. In fiscal year 2016-17, the aggregate of Ending Reserves and Measure Z represents the fund balance classified as Unassigned in the General Fund’s balance sheet. In Fiscal Year 2017-18, Ending Reserves represents the fund balance classified as Committed Contingency, and Measure Z represents the fund balance classified as Unassigned, in the General Fund balance sheet. See Table 2.

<sup>(2)</sup> Measure Z fund balance is excluded from the Ending Reserves and % of Following Fiscal Year Expenditures.

<sup>(3)</sup> Measure Z is a 1.0% Transaction and Use Tax approved on November 8, 2016, that expires in 2036. Funds are accounted for separately, but are available for General Fund obligations. See “—Measure Z.”

<sup>(4)</sup> Decrease in Fiscal Year 2015-16 was due to expenditures for the Riverside Avenue grade separation project (an approximately \$30 million project), which was completed in that fiscal year. A majority of the expenditures was reimbursed to the General Fund from non-General Fund funding sources in Fiscal Year 2016-17.

<sup>(5)</sup> Increase in Fiscal Year 2017-18 was due to increased sales tax revenues from Measure Z and cost saving efforts by departments during that fiscal year.

<sup>(6)</sup> Subsequent to the issuance of the certified audited financial reports for Fiscal Year 2018-19, the City Council committed General Fund reserves in excess of 20% to the City’s Section 115 Pension Trust Fund.

Source: City of Riverside budgets and financial projections.

**Taxes and Other Revenue**

[The General Fund receives the following local taxes and revenue. In the following sections, each of these sources of local tax revenue is described in greater detail.]

**Table 7  
CITY OF RIVERSIDE  
GENERAL FUND TAX REVENUE BY SOURCE  
(Amounts Expressed in Thousands)**

	<i>Fiscal Year</i>				
	<i>2018-19</i>	<i>2019-20</i>	<i>2020-21</i>	<i>2021-22</i>	<i>2022-23</i>
Sales & Use Tax <sup>(1)</sup>	\$130,645	\$128,653	\$150,321	\$173,933	\$177,722
Property Taxes <sup>(2)</sup>	69,343	72,609	71,986	79,790	84,751
Utility Users Tax	28,009	29,044	30,577	32,464	34,963
Other Taxes <sup>(3)</sup>	<u>12,419</u>	<u>11,402</u>	<u>11,328</u>	<u>14,719</u>	<u>15,009</u>
Total Taxes	\$240,416	\$241,708	\$264,212	\$300,906	\$312,445

- (1) Sales & Use Tax includes the sales tax in lieu related to Proposition 57 (the “Triple Flip”) and revenues from Measure Z.
- (2) Property Taxes include Property Transfer Tax and Library Operations Tax as well as the property tax received in lieu of vehicle license fees. Also includes \$19 per year parcel tax levied by the City for library operations until the tax expired on June 30, 2022.
- (3) Other Taxes consists of Transient Occupancy Tax and Franchise Taxes. See “—Other Taxes—Franchise Taxes” herein for a description of these taxes.

Source: City of Riverside Annual Financial Reports.

**Sales Taxes**

Sales and use taxes represent the largest source of General Fund revenue to the City. This section describes the current system for levying, collecting and distributing sales and use tax revenues in the State. For a discussion of Measure Z, which is a 1% transactions and use tax that was approved by the City’s electorate in November 2016 and took effect on April 1, 2017, see “–Measure Z.”

**Sales Tax Rates.** The City’s sales tax revenue represents the City’s share of the sales and use tax imposed on taxable transactions occurring within the City’s boundaries. The sales tax is governed by the Bradley-Burns Uniform Local Sales and Use Tax Law (the “Sales Tax Law”).

Currently, taxable transactions in the City are subject to the following sales and use tax, of which the City’s share is only a portion. The State collects and administers the tax, and makes distributions on taxes collected within the City, as follows:

**Table 8  
CITY OF RIVERSIDE  
Sales Tax Rates  
Effective January 1, 2024**

State General Fund	6.00%
City (Measure Z)	1.00
County	0.25
Special	<u>1.50</u>
Total	8.75%

Source: California Department of Tax and Fee Administration.

Sales and use taxes are complementary taxes; when one applies, the other does not. In general, the Statewide sales tax applies to gross receipts of retailers from the sale of tangible personal property in the State. The use tax is imposed on the purchase, for storage, use or other consumption in the State of tangible personal property from any retailer. The use tax generally applies to purchases of personal property from a retailer outside the State where the use will occur within the State.

Certain transactions are exempt from tax under the Sales Tax Law, including sales of the following products:

- food products for home consumption;
- prescription medicine;
- newspapers and periodicals;
- edible livestock and their feed;
- seed and fertilizer used in raising food for human consumption; and
- gas, electricity and water when delivered to consumers through mains, lines and pipes.

This is not an exhaustive list of exempt transactions. A comprehensive list can be found in the State Board of Equalization's December 2022 Publication No. 61 entitled "Sales and Use Taxes: Exemptions and Exclusions," which can be found on the California Department of Tax and Fee Administration's website at <http://cdtfa.ca.gov/>. Information on this website is not a part of this Official Statement.

***Sales Tax Collection Procedures.*** Collection of the sales and use tax is administered by the California State Board of Equalization. Under the Sales Tax Law, all sales and use taxes collected by the State Board of Equalization under a contract with any local jurisdiction (like the City) are required to be transmitted by the Board of Equalization to such local jurisdiction periodically as promptly as feasible. These transmittals are required to be made at least twice in each calendar quarter. According to the State Board of Equalization, it distributes quarterly tax revenues to local jurisdictions (like the City) using the following method:

Using the prior year's like quarterly tax allocation as a starting point, the State Board of Equalization first eliminates nonrecurring transactions such as fund transfers, audit payments and refunds, and then adjusts for growth, in order to establish the estimated base amount. The State Board of Equalization disburses 90% of the base amount to each local jurisdiction in three monthly installments (advances) prior to the final computation of the quarter's actual receipts. Ten percent is withheld as a reserve against unexpected occurrences that can affect tax collections (such as earthquakes, fire or other natural disaster) or distributions of revenue such as unusually large refunds or negative fund transfers. The first and second advances each represent 30% of the 90% distribution, while the third advance represents the remaining 40%. One advance payment is made each month, and the quarterly reconciliation payment (clean-up) is distributed in conjunction with the first advance for the subsequent quarter. Statements showing total collections, administrative costs, prior advances and the current advance are provided with each quarterly clean-up payment.

The Board of Equalization receives an administrative fee based on the cost of services provided by the Board to the City in administering the City's sales tax, which is deducted from revenue generated by the sales and use tax before it is distributed to the City.

**Taxable Sales by Category.** Taxable sales by category for the past ten calendar years for which data is available is set forth in the following table.

**Table 9  
CITY OF RIVERSIDE  
TAXABLE SALES BY CATEGORY  
For Calendar Years 2013 Through 2022  
(Dollars in thousands)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Apparel Stores	\$178,349	\$ 188,670	\$ 203,001	\$214,852	\$210,158	\$212,036	\$210,439	\$147,176	\$249,034	\$232,964
General Merchandise	463,355	475,147	477,903	478,538	465,490	470,386	465,234	426,500	617,257	460,364
Food Stores	193,368	209,022	217,902	168,854	169,922	184,278	185,859	202,647	208,060	225,764
Eating and Drinking Places	447,841	483,901	533,317	582,262	609,705	639,995	677,763	587,403	788,765	875,980
Building Materials	454,468	514,993	567,790	636,415	666,907	738,178	761,881	813,584	1,010,364	1,265,631
Auto Dealers and Supplies	1,280,633	1,461,217	1,548,385	1,608,231	1,588,854	1,621,311	1,672,475	1,728,498	2,084,828	2,111,240
Service Stations	418,110	413,128	370,257	338,762	360,830	432,991	434,162	327,119	527,973	644,484
Other Retail Stores	550,157	595,305	633,089	692,375	677,850	666,659	636,043	609,428	764,854	743,571
All Other Outlets	1,154,492	1,312,607	1,461,982	1,474,160	1,481,019	1,700,733	1,701,236	1,995,760	2,099,827	2,545,362
<b>Total</b>	<b>\$5,140,773</b>	<b>\$5,653,990</b>	<b>\$6,013,626</b>	<b>\$6,194,449</b>	<b>\$6,230,735</b>	<b>\$6,666,567</b>	<b>\$6,745,092</b>	<b>\$6,838,115</b>	<b>\$8,350,962</b>	<b>\$9,105,360</b>

Source: City of Riverside Annual Financial Reports.

**Measure Z**

Measure Z is a 1% transaction and use tax (similar to the sales tax) approved by the City’s electorate in November 2016. It was placed on the ballot by the Mayor and City Council to help restore as much as possible of the \$11 million in services eliminated by the City in June 2016, as well as to fund, in part, over \$40 million of estimated annual ongoing needs of the City, such as first responder staffing and vehicles, road and tree maintenance and building repair and maintenance. Measure Z took effect on April 1, 2017, raising the combined total sales tax rate in the City from 7.75% to 8.75%, and is scheduled to sunset in 2036. The table below sets forth the history of Measure Z sales tax revenues by the City:

**Table 10  
CITY OF RIVERSIDE  
MEASURE Z SALES TAX REVENUES  
For Fiscal Years 2016-17 Through 2023-24  
(Dollars in thousands)**

<i>Fiscal Year Ended June 30</i>	<i>Measure Z Sales Tax Revenues</i>
2017	12,605
2018	56,202
2019	62,283
2020	62,380
2021	71,999
2022	83,157
2023	84,016
2024 <sup>(1)</sup>	[67,363]

<sup>(1)</sup> [Unaudited as of July 22, 2024.]

Source: The City.

Measure Z’s 1% transaction and use tax is a general tax, meaning the City may use the funds for any governmental purpose. Measure Z funds will be deposited and tracked in a separate fund in the City budget

and will be subject to an annual independent audit. However, Measure Z funds are available for General Fund obligations, including payment of the Bonds.

### ***Ad Valorem Property Taxes***

This section describes property tax levy and collection procedures and certain information regarding historical assessed values and major property tax payers in the City.

***General.*** In California, property which is subject to *ad valorem* taxes is classified as “secured” or “unsecured.” Secured and unsecured property are entered on separate parts of the assessment roll maintained by the county assessor. The secured classification includes property on which any property tax levied by the County becomes a lien on that property sufficient, in the opinion of the County assessor, to secure payment of the taxes. Every tax which becomes a lien on secured property has priority over other liens (except certain federal claims) on the secured property, regardless of the time of the creation of other liens. A tax levied on unsecured property does not become a lien against the taxes on unsecured property, but may become a lien on certain other property owned by the taxpayer.

Property taxes on the secured roll are due in two installments, on November 1 and March 1. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. If such taxes remain unpaid as of June 30 of the fiscal year in which the taxes are levied, the property securing the taxes may only be redeemed by a payment of the delinquent taxes and the delinquency penalty, plus costs and a redemption penalty of 1-1/2% per month from the original June 30th date to the time of redemption. If taxes are unpaid for a period of five years or more, the tax-defaulted properties are thereafter subject to sale by the county tax collector as provided by law.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent if unpaid by August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1-1/2% per month begins to accrue on November 1. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing of a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the county recorder’s office in order to obtain a lien on certain property of the taxpayer; and (4) secure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

***Assessed Value and Estimated Actual Value.*** Assessed value and estimated actual value of taxable property for the past ten calendar years for which data is available is set forth in the following table.

**Table 11**  
**CITY OF RIVERSIDE**  
**ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY**  
**For Fiscal Years Ended June 30, 2015 Through June 30, 2024**  
**(Dollars in thousands)**

<i>Fiscal Year Ended June 30</i>	<i>Secured</i>	<i>Unsecured</i>	<i>Less: Exemptions</i>	<i>Taxable Assessed Value</i>
2015	\$24,482,621	\$1,329,391	\$(7,945,000)	\$17,867,012
2016	25,710,122	1,225,375	(8,432,984)	18,502,513
2017	26,927,989	1,311,356	(9,029,817)	19,209,528
2018	28,373,517	1,354,934	(9,791,810)	19,936,641
2019	30,196,815	1,420,597	(10,818,883)	20,798,529
2020	31,856,912	1,466,408	(10,946,897)	22,376,423
2021	33,717,485	1,482,535	(11,915,468)	23,284,552
2022	35,353,418	1,736,131	(12,881,213)	24,208,336
2023	38,044,185	1,874,928	(14,108,558)	25,810,555

Source: City of Riverside Annual Financial Reports; City of Riverside.

**Principal Property Taxpayers.** Principal property taxpayers for Fiscal Year 2022-23 is set forth in the following table.

**Table 12**  
**CITY OF RIVERSIDE**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**Fiscal Year 2022-2023**  
**(Dollars in thousands)**

<i>Property Owner</i>	<i>Type of Business</i>	<i>Taxable Assessed Value</i>	<i>Rank</i>	<i>Percentage of Total Taxable Assessed Value</i>
Riverside Healthcare System	Health Care	\$ 317,875	1	0.83%
Tyler Mall LP	Retail Sales	235,091	2	0.61
Nordstrom Inc.	Retail Sales	201,115	3	0.53
CPT Riverside Plaza, LLC	Retail Sales	162,354	4	0.45
Rohr Inc	Manufacturing	150,551	5	0.39
La Sierra University	Student Housing	141,373	6	0.37
TA Lance Drive LLC	Industrial	135,715	7	0.35
Corona Pointe Resort LLC	Real Estate	129,700	8	0.34
490 Columbia	Retail Fulfillment Center	127,533	9	0.33
Smith's Food and Drug Centers Inc.	Retail Sales	108,392	10	0.28
Totals		\$1,718,008		4.49%

Source: Riverside County Assessor.

**Property Tax Levies and Collections.** Property tax levies and collections for the past ten calendar years for which data is available is set forth in the following table.

**Table 13  
CITY OF RIVERSIDE  
PROPERTY TAX LEVIES AND COLLECTIONS  
For Fiscal Years 2015 through 2023  
(Dollars in thousands)**

<i>Fiscal Year Ended June 30</i>	<i>Taxes Levied for Fiscal Year</i>	<i>Collected within the Fiscal Year of the Levy</i>		<i>Collection in Subsequent Years</i>	<i>Total Collections to Date</i>	
		<i>Amount</i>	<i>Percentage of Levy</i>		<i>Amount</i>	<i>Percentage of Levy</i>
2015	\$48,846	\$48,427	99.14%	\$419	\$48,846	100.00%
2016	50,023	49,585	99.12	-	50,023	100.00
2017	53,655	53,252	99.25	-	53,655	100.00
2018	57,567	57,173	99.32	-	57,567	100.00
2019	63,003	62,557	99.29	-	63,003	100.00
2020	66,295	65,729	99.15	-	66,295	100.00
2021	68,363	67,968	99.42	-	68,363	100.00
2022	71,892	71,573	99.56	-	71,892	100.00
2023	78,685	78,228	99.42	-	78,228	99.42

Source: City of Riverside Annual Financial Reports; City of Riverside.

**Teeter Plan.** In 1949, the California Legislature enacted an alternative method for the distribution of property taxes to local agencies. This method, known as the “Teeter Plan,” is found in Sections 4701-4717 of the California Revenue and Taxation Code. Upon adoption and implementation of this method by a county board of supervisors, local agencies for which the county collects property taxes and certain other public agencies and taxing areas located in the county receive annually 100% of their shares of property taxes and other levies collected on the secured roll. While the county bears the risk of loss on unpaid delinquent taxes, it retains the penalties associated with delinquent taxes when they are paid. In turn, the Teeter Plan provides participating local agencies with stable cash flow and the elimination of collection risk.

Once adopted, a county’s Teeter Plan will remain in effect in perpetuity unless the Board of Supervisors orders its discontinuance or unless, prior to the commencement of a fiscal year, a petition for discontinuance is received and joined in by resolutions of the governing bodies of not less than two-thirds of the participating districts in the county. An electing county may, however, decide to discontinue the Teeter Plan with respect to any levying agency in the county if the board of supervisors, by action taken not later than July 15 of a Fiscal Year, elects to discontinue the procedure with respect to such levying agency and the rate of secured tax delinquencies in that agency in any year exceeds 3% of the total of all taxes levied on the secured roll by that agency.

The Board of Supervisors of the County has adopted the Teeter Plan, and the City elected to be included within the County’s Teeter Plan, effective for Fiscal Year 2013-14. To the extent that the County’s Teeter Plan continues in existence and is carried out as adopted with respect to the City, the City will receive 100% of its share of secured property tax levies.

### Utility Users Taxes

Utility Users taxes represent the third largest source of General Fund revenue to the City. The City levies a tax equal to 6.5% of utility bills, which is collected by the companies providing the services and remitted monthly to the City. This tax was adopted by the City Council on July 7, 1970, and the approving



ordinance has no sunset provision. A five year history showing revenues collected from this tax is shown in Table 7 above.

### **Other Taxes**

**Franchise Taxes.** The City levies a franchise tax on its cable television, trash collection, and ambulance service. For Fiscal Year 2022-23, these taxes produced \$6,422,000 of General Fund revenues.

**Business License Taxes.** The City levies a business license tax based principally on gross receipts and on number of employees. For Fiscal Year 2022-23, these taxes produced \$9,557,000 of General Fund revenues.

**Transient Occupancy Taxes.** The City levies a 13% transient occupancy tax on hotel and motel bills. For Fiscal Year 2022-23, these taxes produced \$8,587,000 of General Fund revenues.

**Property Transfer Taxes.** A documentary stamp tax is assessed for recordation of real property transfers. For Fiscal Year 2018-19, these taxes produced \$2,638,224 of General Fund revenues.

### **Utility Payments and Transfers to General Fund**

See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS—Articles XIII C and XIII D of the State Constitution” and “—Revenue Transfers from Water Utility and Electric Utility” for a description of certain transfers to the General Fund from the City’s water utility (in the amount of approximately \$\_\_\_\_\_ in Fiscal Year 2023-24) and the City’s electric utility (in the amount of approximately \$44.6 million in Fiscal Year 2023-24).

### **Special Assessments**

On an annual basis, the City deposits into the General Fund approximately \$3.5 million of assessments levied and collected in Street Lighting District No. 1. Street Lighting District No. 1 was formed in 1988 for installation, construction, maintenance and operation of public lighting and related facilities. The City uses the assessments to pay for a portion of the costs incurred by the City for the authorized public lighting and related facilities.

### **Short-Term Obligations**

The City did not enter into any short-term obligations for Fiscal Year 2023-24 and does not expect to enter into any such obligations for Fiscal Year 2024-25.

### **Long-Term Obligations**

Set forth below is a summary of the City’s outstanding General Fund obligations.

**Pension Obligation Bonds.** In Fiscal Year 2016-17, the City issued the City of Riverside Taxable Pension Obligation Refunding Bonds, 2017 Series A (the “2017 Bonds”) in the initial aggregate amount of \$31,960,000 to refund a portion of the unfunded actuarial accrued liability for Miscellaneous employees, and proceeds from the bonds were used to repay the latest in a series of pension obligation notes and bonds, the proceeds of the first series of which were deposited with PERS. As of June 30, 2023, the City had \$13,715,000 principal amount of 2017 Bonds outstanding.

In Fiscal Year 2019-20, the City issued the City of Riverside Taxable Pension Obligation Bonds, 2020 Series A (the “2020 Bonds”) in the initial aggregate amount of \$432,165,000 to refund a portion of the

unfunded actuarial accrued liability for Miscellaneous and Safety employees. As of June 30, 2023, the City had \$411,560,000 principal amount of 2020 Bonds outstanding.

**Certificates of Participation & Lease Revenue Bonds.** The City has made use of various lease arrangements to finance capital projects through the execution and delivery of certificates of participation and issuance of lease revenue bonds. As of June 30, 2023, the outstanding certificate of participation and lease revenue bond obligations and their outstanding principal balance were as set forth in the following table:

**Table 13  
CITY OF RIVERSIDE  
SUMMARY OF LONG-TERM GENERAL FUND COP AND LRB OBLIGATIONS**

	<i>Original Issue</i>	<i>Outstanding Principal<sup>(1)</sup></i>	<i>Final Maturity Date</i>
2006 Certificates of Participation	\$ 19,945,000	\$ 5,000	September 1, 2036
2008 Certificates of Participation <sup>(2)</sup>	128,300,000	81,300,000	March 1, 2037
2012 Lease Revenue Bonds <sup>(3)</sup>	41,240,000	25,700,000	November 1, 2033
2013 Certificates of Participation	35,235,000	23,225,000	June 1, 2033
2019A Lease Revenue Refunding Bonds	15,980,000	13,225,000	November 1, 2036
2019B Lease Revenue Bonds	<u>33,505,000</u>	<u>27,475,000</u>	November 1, 2036
Subtotal	\$ 274,205,000	\$ 138,372,000	

<sup>(1)</sup> As of June 30, 2023.

<sup>(2)</sup> The City employed an interest rate swap with respect to the 2008 Certificates of Participation. See Note 7 (Derivative Instruments) to the City’s Fiscal Year 2022-23 audited financial statements. The City entered into a Direct Pay Letter of Credit with Bank of America, N.A., in connection with the 2008 Certificates of Participation that expires on March 31, 2026. See Note 8 (Letters of Credit) to the City’s Fiscal Year 2022-23 audited financial statements.

<sup>(3)</sup> The 2012 Bonds are expected to be refunded with a portion of the proceeds of the Series 2024A Bonds.

**Bank Loan Financings.** The City entered into a loan with Compass Mortgage Company, which subsequently became BBVA/Compass Mortgage, in 2011 to finance the construction of the Fox Entertainment Plaza, a mixed-use project adjacent to the Fox Performing Arts Center in downtown Riverside that contains a parking garage, museum exhibit space, restaurant/retail space, and a small black box theater. While the debt is recorded in the City’s Parking Fund (an enterprise fund) and the debt is to be primarily serviced by Parking Fund revenues, the debt is payable from the General Fund. Annual payments on this bank loan are approximately \$1,747,000 and the loan matures in Fiscal Year 2031-32. As of June 30, 2023, the total amount outstanding was \$12,560,000.

On July 19, 2012, the City entered into a Lease and Option to Purchase Agreement with Compass Mortgage Corporation for the purpose of financing expansion and renovation of the City’s Convention Center. The Lease and Option to Purchase Agreement establishes a variable rate interest component. A concurrent interest rate swap transaction with Compass Bank produces a long-term “synthetic fixed” interest rate.

The Lease and Option to Purchase Agreement establishes a LIBOR-based variable rate interest rate. During the 21-month construction period, the City paid interest-only payments from proceeds of the lease financing. At the end of the 21-month construction period, an interest rate swap agreement with Compass Bank commenced and the variable interest rate under the Lease and Option to Purchase Agreement was “swapped” to fixed for the remaining 20-year amortization, resulting in equal payments each year of approximately \$2,850,000. The total approved loan amount is \$41,650,000; however under the terms of the loan agreement the City was only required to pay interest on the portion of the proceeds spent as of each monthly interest payment date.

On February 25, 2014, the City Council approved an increase in the loan amount of \$3,000,000, increasing the total amount of the loan to \$44,650,000. The additional funding is not included in the interest

rate swap and will remain subject to the variable interest rate. All other terms of the additional financing are comparable to the original transaction including the term and interest rate. The additional principal will amortize proportionally to the amortization schedule of the original loan.

In order to enter into the swap transaction, the City waived certain of its Master Swap Policies relating to the requirements for ratings-based termination events and a credit support annex. The City mitigated the risks associated with this waiver by negotiating protections for the City if a credit event by Compass Bank were to occur, including the ability to offset swap payments due to it from Compass Bank pursuant to the swap agreement against current and future lease payments required to be made by the City to Compass Mortgage Corporation under the Lease and Option to Purchase Agreement.

Annual payments on this bank loan are approximately \$2,036,000 and the loan matures in Fiscal Year 2035-36. Payment of the loan commenced on May 1, 2014, and as of June 30, 2023, the total amount outstanding was approximately \$27,410,000.

**Capital Lease Obligations.** The City leases various equipment through capital leasing arrangements. The minimum lease obligations payable by the City as of June 30, 2023 are identified in Note 6 to the City's Fiscal Year 2022-23 audited financial statements. See Appendix B.

Since June 30, 2023, the City entered into an initial capital lease with JPMorgan Chase Bank, N.A., in the amount of \$4,814,000 and maturing on July 25, 2031.

## **Pension Plans**

*This caption contains certain information relating to PERS. The information is primarily derived from information produced by PERS, its independent accountants and actuaries. The City has not independently verified the information provided by PERS and neither makes any representations nor expresses any opinion as to the accuracy of the information provided by PERS.*

*The comprehensive annual financial reports of PERS are available on its Internet website at [www.calpers.ca.gov](http://www.calpers.ca.gov). The PERS website also contains PERS most recent actuarial valuation reports and other information concerning benefits and other matters. Such information is not incorporated by reference herein. The City cannot guarantee the accuracy of such information. Actuarial assessments are forward-looking statements that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.*

**Plan Description.** The City contributes to PERS, an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State, including the City. Benefit provisions and all other requirements are established pursuant to State statute and City ordinance. Copies of PERS' annual financial report may be obtained from its executive office located at 400 Q Street, Sacramento, California 95811, or via <http://www.calpers.ca.gov>. The information on such website is not incorporated herein.

The City participates in a Miscellaneous Plan with three tiers within such plan: (i) a 2.5% at 55 Plan for employees hired prior to May 1, 2012; (ii) a 2.0% at 60 Plan for employees hired between May 1, 2012 and December 31, 2012; and (iii) a 2.0% at 62 Plan for employees hired after December 31, 2012. Participants in the 2.5% at 55 Plan are required to contribute 8% of their annual covered salary; participants in the 2.0% at 60 Plan are required to contribute 7.00% of their annual covered salary; and participants in the 2.0% at 62 Plan are required to contribute 7.75% of their annual covered salary.

The City also participates in a Safety Plan with three tiers within such plan: (i) a 3.0% at 55 Plan for employees hired prior to October 16, 2012; (ii) a 2.0% at 50 Plan for employees hired between October 16, 2012 and December 31, 2012, which is part of a larger risk pool containing other public agencies, and (iii) a 2.7% at 57 Plan for employees hired on or after December 31, 2012, which is part of a larger risk pool containing other public agencies. Participants in the 3.0% at 55 Plan and 2.0% at 50 Plan are required to contribute 9% of their annual covered salary and participants in the 2.7% at 57 Plan are required to contribute 12.75% of their annual covered salary.

**Funding Policy.** City employees' contribution rates in pension tiers 1 and 2 are 9% for Safety employees and 8% for Miscellaneous employees, calculated as a percentage of their monthly earnings. The City pays a portion of the employees' contribution to PERS for both Miscellaneous and Safety employees in pension tier 1 hired before specific dates as outlined in the following table. For any employee hired on or after those dates, the employee pays their full share of the employee contribution. This second tier of pension benefits also included a change in the number of years' salary utilized to compute the retirement benefit and, for certain bargaining units, a change to the formula used to calculate the benefit amount. For tier 3 employees, their contribution is set at 50% of the normal cost, not to exceed 8% of covered pay for Miscellaneous employees and 12% of covered pay for Safety employees, as required by PEPRA.

The following table details the three pension tiers applicable to the City's active employees.

**Table 14  
CITY OF RIVERSIDE  
PENSION TIERS FOR CITY EMPLOYEES**

<i>Pension Plan</i>	<i>Pension Formula</i>	<i>Benefit Calculation<sup>(3)</sup></i>	<i>Effective Date – Formula and Benefit Calculation</i>	<i>Effective Date – Employees Paying Employee Share of Contribution</i>
Safety – Fire	Tier 1: 3.0% @ 50	Tier 1: 1 Year	--	January 1, 2019 <sup>(4)</sup>
	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
Safety – Police <sup>(1)</sup>	Tier 1: 3.0% @ 50	Tier 1: 1 Year	--	January 1, 2018 <sup>(5)</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
Miscellaneous	Tier 1: 2.7% @ 55	Tier 1: 1 Year	--	January 1, 2019 <sup>(6)</sup>
	Tier 2: 2.7% @ 55	Tier 2: 3 Years	December 16, 2011	October 19, 2011
	Tier 3: 2.5% @ 62 <sup>(2)</sup>	Tier 3: 3 Years	January 1, 2013	January 1, 2013

<sup>(1)</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) negotiated separately at a subsequent date, but are now also subject to the provisions of the second tier.

<sup>(2)</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>(3)</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>(4)</sup> Tier 1 employees currently pay annually 8.0% of covered pay towards PERS normal cost.

<sup>(5)</sup> Tier 1 employees currently pay annually 5.0% of covered pay towards PERS normal cost.

<sup>(6)</sup> SEIU and SEIU Refuse employees, IBEW, and unrepresented employees currently pay annually 8.0% of covered pay towards PERS normal cost.

Source: City of Riverside.

[Approximately 68.8% of the payments made to the Miscellaneous Plan are made from the General Fund. All payments made to the Safety Plan are made from the General Fund.]

The contribution requirements of plan members and the City are established and may be amended by PERS.

**Funding Status.** As of June 30, 2022, the date of the most recent PERS valuation report, the market value of assets in the Safety Plan was approximately \$1,175,328,746 and the accrued liability was approximately \$1,359,932,481. The Safety Plan was approximately 86.4% funded on a market value of assets as of June 30, 2022, with an unfunded accrued liability of approximately \$184,603,735. As of June 30, 2022, the date of the most recent actuarial valuation report, the market value of assets in the Miscellaneous Plan was approximately \$1,473,674,465, and the accrued liability was approximately \$1,639,823,585. The Miscellaneous Plan was approximately 89.9% funded on a market value of assets basis as of June 30, 2022, with an unfunded accrued liability of approximately \$166,149,120.

The following tables, for the Safety Plan and the Miscellaneous Plan respectively, set forth the market value of the plans' assets and funded status as of the valuation dates from June 30, 2014 through June 30, 2018 and the total employer contributions made by the City for such fiscal years. The two tables are based on PERS Actuarial Reports for those years:

**Table 15**  
**CITY OF RIVERSIDE**  
**HISTORICAL FUNDING STATUS**  
**(Miscellaneous Plan)**

<i>Valuation Date June 30</i>	<i>Accrued Liability</i>	<i>Market Value of Assets (MVA)</i>	<i>Unfunded Accrued Liability (UAL)</i>	<i>MVA Funded Status</i>	<i>Affects City Contribution Rate for Fiscal Year</i>	<i>Annual Covered Payroll</i>	<i>City Contribution Amount<sup>(1)</sup></i>	<i>UAL as a Percentage of Payroll</i>
2018	\$1,401,014,728	\$1,090,728,598	\$310,286,130	77.9%	2020-21	\$119,987,924	\$41,352,127	258.6%
2019	1,462,992,745	1,138,310,022	324,682,723	77.8	2021-22	126,381,375	28,649,719	256.9
2020	1,520,527,010	1,368,575,052	151,951,959	90.0	2022-23	129,401,884	29,351,027	117.4
2021	1,570,873,013	1,638,143,404	(67,270,391)	104.30	2023-24	128,059,046	18,864,674	(52.5)
2022	1,639,823,585	1,473,674,465	166,149,120	89.9	2024-25	129,289,938	23,609,334	128.5

<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 has multiple pension tiers, with new employees paying their own contribution to the plan.

Source: PERS Actuarial Reports for June 30, 2018 through June 30, 2022.

**Table 16**  
**CITY OF RIVERSIDE**  
**HISTORICAL FUNDING STATUS**  
**(Safety Plan)**

<i>Valuation Date June 30</i>	<i>Accrued Liability</i>	<i>Market Value of Assets (MVA)</i>	<i>Unfunded Liability</i>	<i>MVA Funded Status</i>	<i>Affects City Contribution Rate for Fiscal Year</i>	<i>Annual Covered Payroll</i>	<i>City Contribution Amount<sup>(1)</sup></i>	<i>UAL as a Percentage of Payroll</i>
2018	\$1,111,845,886	\$794,903,449	\$316,942,437	71.5%	2020-21	\$67,797,235	\$38,262,332	467.5%
2019	1,170,505,908	830,071,258	340,434,650	70.9	2021-22	71,871,876	28,099,309	473.7
2020	1,224,489,686	1,083,863,652	140,626,652	88.5	2022-23	75,287,749	30,181,642	186.8
2021	1,306,957,978	1,031,859,055	5,098,923	99.6	2023-24	76,460,803	29,728,865	6.7
2022	1,359,932,481	1,175,328,746	184,603,735	86.4	2024-25	74,608,310	29,569,881	247.4

<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 has multiple pension tiers, with new employees paying their own contribution to the plan.

Source: PERS Actuarial Reports for June 30, 2018 through June 30, 2022.

Assuming a fixed annual return of 6.80% on future employer contributions for Fiscal Year 2022-23 and beyond, the following tables show the employer contribution for Fiscal Year 2024-25 and the projected future employer contributions for the Miscellaneous and Safety plans for the next five fiscal years:

**Table 17**  
**CITY OF RIVERSIDE**  
**PRESENT AND FUTURE EMPLOYER CONTRIBUTIONS**  
**(Miscellaneous Plan)**

<i>Fiscal Year</i>	<i>2024-25</i>	<i>2025-26</i>	<i>2026-27</i>	<i>2027-28</i>	<i>2028-29</i>	<i>2029-30</i>
Normal Cost %	13.30%	13.0%	12.7%	12.4%	12.1%	11.8%
UAL Payment	\$4,928,524	\$8,428,000	\$11,928,000	\$15,428,000	\$18,927,000	\$18,927,000
Total as a % of Payroll	16.81%	18.8%	20.7%	22.5%	24.1%	23.5%
Projected Payroll	\$140,457,221	\$144,390,024	\$148,432,944	\$152,589,066	\$156,861,560	\$161,253,684
<b>Total Employer Contribution<sup>(1)</sup></b>	<b>\$23,609,334</b>	<b>\$27,198,703</b>	<b>\$30,778,984</b>	<b>\$34,349,044</b>	<b>\$37,907,249</b>	<b>\$37,954,935</b>

<sup>(1)</sup> Equal to the Normal Cost % multiplied by the Projected Payroll, and added to the UAL Payment.  
Source: PERS Actuarial Report for June 30, 2022.

**Table 18**  
**CITY OF RIVERSIDE**  
**PRESENT AND FUTURE EMPLOYER CONTRIBUTIONS**  
**(Safety Plan)**

<i>Fiscal Year</i>	<i>2024-25</i>	<i>2025-26</i>	<i>2026-27</i>	<i>2027-28</i>	<i>2028-29</i>	<i>2029-30</i>
Normal Cost %	22.91%	22.2%	21.6%	20.9%	20.3%	19.7%
UAL Payment	\$11,000,747	\$14,735,000	\$16,242,000	\$17,782,000	\$22,648,000	\$22,955,000
Total as a % of Payroll	36.48%	39.9%	40.5%	41.1%	45.3%	44.4%
Projected Payroll	\$81,052,525	\$83,321,996	\$85,655,012	\$88,053,352	\$90,518,846	\$93,053,373
<b>Total Employer Contribution<sup>(1)</sup></b>	<b>\$29,569,8801</b>	<b>\$33,232,483</b>	<b>\$34,743,483</b>	<b>\$36,185,151</b>	<b>\$41,023,326</b>	<b>\$41,286,514</b>

<sup>(1)</sup> Equal to the Normal Cost % multiplied by the Projected Payroll, and added to the UAL Payment.  
Source: PERS Actuarial Report for June 30, 2022.

**Benefits Provided.** PERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 Survivor Benefit Level III, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

**Employees Covered.** At June 30, 2022, the following employees were covered by the benefit terms of each Plan: Inactive employees or beneficiaries currently receiving benefits are 2,418 and 851 for the Miscellaneous and Safety Plans, respectively. Inactive employees entitled to but not yet receiving benefits are 1,475 and 205 for Miscellaneous and Safety Plans, respectively. Active employees were 1,527 and 564 for Miscellaneous and Safety Plans, respectively.

**Contributions.** Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by PERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an

additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

**Net Pension Liability.** The City’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

	<i>Miscellaneous</i>	<i>Safety</i>
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Projected Salary Increase	Depending on age, service, and type of employment.	
Mortality Rate Table <sup>(1)</sup>	Derived using PERS membership data for all funds.	
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.	

<sup>(1)</sup> The mortality table used was developed based on PERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the PERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the PERS website.

Discount Rate – The discount rate used to measure the total pension liability as of June 20, 2022 was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds’ asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

Changes of Assumptions – Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation



rate assumption were changed in accordance with the 2021 PERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

**Changes in the Net Pension Liability.** The changes in the Net Pension Liability for each Plan were as follows:

<u>Miscellaneous</u>	<u>Increase (Decrease)*</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability/(Asset)</u>
Balance at June 30, 2021	\$ 1,549,563	\$ 1,638,246	\$ (88,683)
Changes recognized for the measurement period:			
Service Cost	27,830	--	27,830
Interest on total pension liability	105,283	--	105,283
Changes of Assumptions	19,686	--	19,686
Differences between expected and actual experience	(17,684)	--	(17,684)
Contributions - employer	--	27,329	(27,329)
Contributions - employees	--	10,788	(10,788)
Net investment income	--	(122,366)	122,366
Benefit payments, including refunds of employee contributions	(79,265)	(79,265)	--
Administrative expenses	--	(1,020)	1,020
Net Changes	<u>55,850</u>	<u>(164,534)</u>	<u>220,384</u>
Balance at June 30, 2022	<u>\$ 1,605,413</u>	<u>\$ 1,473,712</u>	<u>\$ 131,701</u>
<u>Safety</u>	<u>Liability</u>	<u>Net Position</u>	<u>Liability/(Asset)</u>
Balance at June 30, 2021	\$ 1,250,329	\$ 1,301,939	\$ (51,610)
Changes recognized for the measurement period:			
Service Cost	25,734	--	25,734
Interest on total pension liability	87,761	--	87,761
Changes of Assumptions	43,994	--	43,994
Differences between expected and actual experience	(3,506)	--	(3,506)
Contributions - employer	--	24,810	(24,810)
Contributions - employees	--	10,557	(10,557)
Net investment income	--	(97,579)	97,579
Benefit payments, including refunds of employee contributions	(63,558)	(63,558)	--
Administrative expenses	--	(812)	812
Net Changes	<u>90,425</u>	<u>(126,582)</u>	<u>217,007</u>
Balance at June 30, 2022	<u>\$ 1,340,754</u>	<u>\$ 1,175,357</u>	<u>\$ 165,397</u>

\* Stated in thousands.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** – The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate:

	<i>Discount Rate</i>	<i>Current Discount Rate</i>	<i>Discount Rate</i>
<i>Miscellaneous</i>	<i>-1% (5.90%)</i>	<i>(6.90%)</i>	<i>+1% (7.90%)</i>
Plan's Net Pension Liability/(Asset)	\$350,680	\$131,701	\$(48,111)

	<i>Discount Rate</i>	<i>Current Discount Rate</i>	<i>Discount Rate</i>
<i>Safety</i>	<i>-1% (5.90%)</i>	<i>(6.90%)</i>	<i>+1% (7.90%)</i>
Plan's Net Pension Liability/(Asset)	\$349,445	\$165,397	\$14,687

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued PERS financial reports.

***Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions.*** For the year ended June 30, 2023, the City recognized pension expense/(credit) of \$(4,303) to the Miscellaneous Plan and \$12,821 to the Safety Plan, for a total of \$8,518. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<i>Miscellaneous</i>	<i>Deferred Outflows of Resources*</i>	<i>Deferred Inflows of Resources*</i>
Pension contributions subsequent to measurement date, net	\$ 29,144	\$ --
Changes of assumptions	13,534	--
Differences between expected and actual experience	893	(12,158)
Net differences between projected and actual earnings on plan investments	<u>75,156</u>	<u>--</u>
Total	<u>\$ 118,727</u>	<u>\$ (12,158)</u>

<i>Safety</i>	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Pension contributions subsequent to measurement date, net	\$ 26,195	\$ --
Changes of assumptions	33,763	--
Differences between expected and actual experience	7,320	(2,691)
Net differences between projected and actual earnings on plan investments	<u>60,326</u>	<u>--</u>
Total	<u>\$ 127,604</u>	<u>\$ (2,691)</u>

\* Stated in thousands.

Approximately \$55,339 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period.

The remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<i>Fiscal Year</i>	<i>Miscellaneous*</i>	<i>Safety*</i>
2024	\$ 13,763	\$ 24,201
2025	11,797	20,530
2026	5,097	13,884
2027	<u>46,768</u>	<u>40,103</u>
Total	<u>\$ 77,425</u>	<u>\$ 98,718</u>

\* Stated in thousands.

For additional information relating to the City's PERS Plans, see Note 16 to the City's financial statements set forth in Appendix B.

***AB 340, Public Employee Pension Reform Act of 2013 (PEPRA).*** On September 12, 2012, the California Governor signed Assembly Bill 340 ("AB 340"), which implements pension reform in California. Effective January 1, 2013, AB 340: (i) requires public retirement systems and their participating employers to share equally with employees the normal cost rate for such retirement systems; (ii) prohibits employers from paying employer-paid member contributions to such retirement systems for employees hired after January 1, 2013; (iii) establishes a compulsory maximum non-safety benefit formula of 2.5% at age 67; (iv) defines final compensation as the highest average annual pensionable compensation earned during a 36-month period; and (v) caps pensionable income at \$110,100 (\$132,120 for employees not enrolled in Social Security) subject to Consumer Price Index increases. Other provisions reduce the risk of the City incurring additional unfunded liabilities, including prohibiting retroactive benefits increases, generally prohibiting contribution holidays, and prohibiting purchases of additional non-qualified service credit.

Pursuant to AB 340, the City established a new pension tiers 2.0% at 62 for Miscellaneous and 2.7% at 57 for Safety) for employees hired on or after January 1, 2013 who were not previously PERS members. The City has established these additional tiers as described above.

***PERS Plan Actuarial Methods.*** The staff actuaries at PERS prepare annually an actuarial valuation which is typically delivered in the time period from July through October of each year (thus, the actuarial valuation dated July 2023 (the most recent valuation provided to the City) covered PERS' Fiscal Year ended June 30, 2022). The actuarial valuations express the City's required contribution which the City must contribute in the Fiscal Year immediately following the Fiscal Year in which the actuarial valuation is prepared (thus, the City's contribution requirement derived from the actuarial valuation as of June 30, 2022 affects the City's Fiscal Year 2024-25 required contribution). PERS rules require the City to implement the actuary's recommended rates.

The annual actuarially required contribution rates consist of two components: the normal cost and the unfunded accrued liability ("UAL"). The normal cost represents the actuarial present value of benefits that PERS will fund under the PERS plans that are attributed to the current year, and the accrued liability (the "AAL") represents the actuarial present value of benefits that PERS will fund that are attributed to past years. The UAL represents an estimate of the actuarial shortfall between actuarial value of assets on deposit at PERS and the present value of the benefits that PERS will pay under the PERS plans to retirees and active employees upon their retirement. The UAL is based on several assumptions such as, among others, the expected rate of investment return, average life expectancy, average age of retirement, inflation, salary increases and occurrences of disabilities. In addition, the UAL includes certain actuarial adjustments such as, among others, the actuarial practice of smoothing losses and gains over multiple years (which is described in more detail below). As a result, the UAL may be considered an estimate of the unfunded actuarial present value of the benefits that PERS will pay under the PERS plans to retirees and active employees upon their retirement and not as a fixed expression of the liability the City owes to PERS under its PERS plans.

The PERS Chief Actuary considers various factors in determining the assumptions to be used in preparing the actuarial report. Demographic assumptions are based on a study of the actual history of retirement, rates of termination/separation of employment, years of life expectancy after retirement, disability, and other factors. This experience study is generally done once every four years. The most recent experience study was completed in 2021 in connection with the preparation of actuarial recommendations by the PERS Chief Actuary as described below.

Beginning in Fiscal Year 2017-18, PERS began collecting employer contributions toward a pension plan's UAL as dollar amounts instead of the prior method of a percentage of payroll. According to PERS, this change was intended to address potential funding issues that could arise from a declining payroll or a reduction in the number of active members in the plan. Funding the UAL as a percentage of payroll could lead to

underfunding of pension plans. Due to stakeholder feedback regarding internal needs for total contributions expressed as an estimated percentage of payroll, the PERS reports include such results in the contribution projection for informational purposes only. Contributions toward a pension plan’s UAL will continue to be collected as set dollar amounts.

The PERS Board of Administration has adjusted and may in the future further adjust certain assumptions used in the PERS actuarial valuations, which adjustments may increase the City’s required contributions to PERS in future years. Accordingly, the City cannot provide any assurances that the City’s required contributions to PERS in future years will not significantly increase (or otherwise vary) from any past or current projected levels of contributions. . CalPERS earnings reports for Fiscal Years 2012-13 through 2022-23 report investment gains (and losses) of approximately 13.2%, 18.4%, 2.4%, 0.6%, 11.2%, 8.6%, 6.7%, 4.7%, 21.3%, (6.1%), and 6.1%, respectively. Future earnings performance may increase or decrease future contribution rates for plan participants, including the City.

CalPERS’ discount rate was lowered from 7.00% to 6.80% in fall 2021. Lowering the discount rate means that employers that contract with CalPERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013 who were not previously CalPERS members will also see their contribution rates rise under AB 340.

On June 25, 2012, the Governmental Accounting Standards Board approved GASB Statement No. 68 (“GASB 68”) with respect to pension accounting and financial reporting standards for state and local governments and pension plans. GASB 68 states that, for pensions within the scope of the statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. While the new accounting standards change financial statement reporting requirements, they do not impact funding policies of the pension systems.

**Retirement Programs and Other Post-Employment Benefits**

**Plan description.** The City’s defined benefit OPEB plan, Retiree Health Plan, provides continuation of medical (including prescription drugs) and dental coverage benefits to retirees and surviving spouses in the form of an implied rate subsidy. The Retiree Health Benefits plan is a single employer defined benefit OPEB plan administered by the City. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**Benefits provided.** Eligibility for continuation of coverage requires retirement from the City and PERS with at least 5 years of City service. The retiree is responsible for 100% of the premium cost for coverage, which is based on the blended experience of both the active and retired employees. The City is not required by law or contractual agreement to provide funding other than the pay-as-you-go amount necessary to provide current benefits to eligible retirees and beneficiaries. Retiree and spousal coverage terminates when the retirees becomes covered under another employer health plan, or when the retiree reaches Medicare eligibility age, which is currently age 65. However, retiree benefit continues to the surviving spouse if the retiree elects the PERS survivor annuity.

Employees covered by benefit terms – At June 30, 2022, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	206
Active plan members	<u>2,014</u>
Total	<u>2,220</u>

**Significant Actuarial Assumptions Used in Calculating the Total OPEB Liability.** The total OPEB liability was determined by actuarial valuation as of June 30, 2018 using the following actuarial assumptions:

Valuation Date:	June 30, 2021
Measurement Date:	June 30, 2022
Funding Policy:	Pay-as-you-go for implicit rate subsidy
Discount Rate:	3.54% per year net of expenses. This is based on the Bond Buyer 20 Bond Index.
Inflation Rate:	2.50% per annum
Salary Inflation:	2.75% per annum
Salary Increases	Since benefits do not depend on salary (as they do for pensions), this assumption is only used to determine the accrual pattern of the Actuarial Present Value of Projected Benefit Payments
Mortality	Based on the CalPERS 2017 Experience Study

**Sensitivity analysis of total OPEB liability for healthcare cost trend rates.** The following presents the total net OPEB liability, calculating using the healthcare cost trend rate of 4.00%, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (3.00%) or 1-percentage-point higher (5.00%) than the current rate:

	<i>1% Decrease</i>	<i>Current healthcare cost trend rates</i>	<i>1% Increase</i>
Total Net OPEB liability (in thousands)	\$39,878	\$45,471	\$51,830

**Sensitivity analysis of total net OPEB liability for discount rates.** The following presents the total net OPEB liability, calculating using the discount rate of 3.54%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.55%) than the current rate:

	<i>1% Decrease</i>	<i>Current discount rate</i>	<i>1% Increase</i>
Total Net OPEB liability (in thousands)	\$49,839	\$45,471	\$42,384

**Change in total OPEB liability.** For fiscal year 2022-23, the City recognized total OPEB expense of approximately \$2,285,000. The following table shows the change in the total OPEB liability for the year ended June 30, 2023:

	<b>2023</b>
Beginning total OPEB liability	\$ 48,770
Service cost	3,184
Interest	1,070
Changes of assumptions	(5,926)
Benefit of implied subsidy payments	<u>(1,627)</u>
Net changes	<u>(3,299)</u>
Ending total OPEB liability	<u>\$ 45,471</u>

The following table shows the City’s Employer Contributions for Fiscal Years 2017-18 and 2018-19, and its projected employer contributions through Fiscal Year 2026-27:

<i>Fiscal Year</i>	<i>Employer Contribution</i>
2017-18	\$ 1,844,990
2018-19	2,003,432
2019-20	2,180,897 <sup>(1)</sup>
2020-21	2,342,639 <sup>(1)</sup>
2021-22	2,435,705 <sup>(1)</sup>
2022-23	2,551,261 <sup>(1)</sup>
2023-24	2,686,254 <sup>(1)</sup>
2024-25	2,892,503 <sup>(1)</sup>
2025-26	2,952,926 <sup>(1)</sup>
2026-27	3,071,803 <sup>(1)</sup>

<sup>(1)</sup> Projected.

Source: OPEB Actuarial Report for June 30, 2018.

[Approximately 62.8% of the payments made to the OPEB Plan are made from the General Fund.]

The City established a Section 115 Pension Trust to help fund its OPEB Plan contributions on August 6, 2019. As of June 30, 2024, there was \$65,000,000 million on deposit in the Section 115 Pension Trust.

For additional information relating to the City’s OPEB Plan, see Note 15 to the City’s financial statements set forth in Appendix B.

### **Employee Relations and Collective Bargaining**

City employees are represented by nine labor union associations, the principal one being the Service Employees International Union, which represents approximately 35% of City full-time employees. The total number of full-time City employees as of August 15, 2024. Currently approximately 71% of all full-time City employees are covered by negotiated agreements, which have the following expiration dates:

**Table 19**  
**CITY OF RIVERSIDE**  
**NEGOTIATED EMPLOYEE AGREEMENTS**  
**(As of August 15, 2024)**

<i>Bargaining Unit</i>	<i>Contract Expiration Date</i>	<i>Number of Employees</i>
Service Employees International Union (SEIU) – General	6/30/2025	804
Riverside Police Officers Association	12/31/2024	283
Riverside Police Officers Association – Supervisory	12/31/2024	47
Riverside Police Administrators’ Association	12/31/2024	22
International Brotherhood of Electrical Workers	12/31/2024	187
International Brotherhood of Electrical Workers - Supervisory	12/31/2024	26
Riverside City Firefighters Association	12/31/2025	206
Riverside City Fire Management	12/31/2025	11
Service Employees International Union (SEIU) – Refuse	6/30/2025	30

Source: City of Riverside.

Since 1979 the City has not had an employee work stoppage. The total number of full-time employees that are unrepresented by a labor union association as of August 15, 2024 is 657.

**Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Property insurance coverage has a limit of \$1,000,000,000, with a deductible of \$100,000. Earthquake and flood insurance coverage has a limit of \$25,000,000, with a deductible of 5% (subject to \$100,000 minimum for earthquake and \$100,000 for flood). Workers’ compensation insurance coverage has a limit of \$25,000,000, with a self-insured retention of \$3,000,000. The City has three General Liability policies; a primary and two excess General Liability policy. The primary General Liability policy coverage has a limit of \$5,000,000 and the Excess General Liability policy provides an additional \$20,000,000 of coverage, with a self-insured retention of \$4,000,000. Both the primary and excess General liability policies cover general and auto liability claims including but not limited to Law Enforcement Liability and Public Officials errors and omissions. There has been one claim that has settled in the last three fiscal years that exceed the City’s self-insured retention. Internal service funds have been established to account for and finance the uninsured risks of loss.

All funds of the City participate in the risk management program and make payments to the internal service funds based on actuarial estimates of the amounts needed to fund prior and current year claims and incidents that have been incurred but not reported. Interfund premiums are accounted for as quasi-external transactions and are therefore recorded as revenues of the internal service funds in the fund financial statements.

The following tables summarize the working capital and cash balances in the Self-Insurance Fund for Fiscal Years 2018-19 through 2022-23. The decline in the cumulative balance in the Self-Insurance Fund in recent years was due to actual versus budgeted claims. In response, in Fiscal Year 2012-13 the City began contributing \$500,000 per year more than what was anticipated to fund claims for the fiscal year in an effort to begin to increase the cash balance on hand to pre-recession levels over a reasonable period of time. Unfortunately, significant and sustained negative claims experienced in that fiscal year and after resulted in a continued decline in the balance. In Fiscal Year 2014-15, the \$500,000 contribution was increased to \$2,800,000. This adjustment reversed the trend and resulted in an increase in the cash balance by the end of fiscal year 2014-15 to approximately \$12,630,000. The additional funding contributions have been maintained annually since Fiscal Year 2014-15. Additionally, the City Council approved the Self-Insurance Trust Funds

Reserve Policy on November 28, 2017, which establishes minimum cash balances for the City’s Self Insurance Trust Funds, which consist of the Workers’ Compensation and General Liability Funds. Due to the long-term nature of the majority of the liabilities of these funds, there is no expectation that cash would ever need to equal the total booked liabilities of the funds. The City does not carry insurance against cybersecurity attacks.

**Table 20**  
**CITY OF RIVERSIDE**  
**SELF-INSURANCE FUND**  
**(in thousands)**

<i>Fund</i>	<i>2018-19</i>	<i>2019-20</i>	<i>2020-21</i>	<i>2021-22</i>	<i>2022-23</i>
Self-Insurance Fund Balance <sup>(1)</sup>	\$(24,436)	\$(24,840)	\$(32,395)	\$(34,578)	\$(24,729)
Self-Insurance Fund Cash <sup>(2)</sup>	25,749	30,827	45,591	45,591	29,386

<sup>(1)</sup> Reflects the consolidated obligations of the Liability Workers Compensation, and Unemployment Liability trust funds, less current resources available to pay those obligations shown as “Self-Insurance Fund Cash” in the table.

<sup>(2)</sup> Reflects the consolidated cash balances for the liability, workers’ compensation, and unemployment insurance trust funds, including interfund advances receivable, which are considered liquid by the City due to their ability to be moved to other funds when cash is needed for other purposes.

Source: City of Riverside.

### **City Investment Policy and Portfolio**

The City administers a pooled investment program, except for those funds that are managed separately by trustees appointed under bond indentures. This program enables the City to combine available cash from all funds and to invest cash that exceeds current needs. The City’s investment policy is reviewed at least annually with the Investment Committee to ensure its consistency with the overall objectives of preservation of principal, liquidity, and yield as well as its relevance to current law and financial and economic trends. Any amendments to the policy are forwarded to City Council for approval. The amended investment policy can be readopted by resolution of the City Council as needed. The most recently revised Investment Policy for the City was adopted on April 21, 2020 by the City Council.

In accordance with the Government Code, the City requires certain collateralization for public deposits in banks and savings and loans and has long-established safekeeping and custody procedures. The City Treasurer submits a monthly report to the City Council that contains a statement that the City’s portfolio is invested in conformance with state law and the Investment Policy, and that there is sufficient liquidity to meet estimated expenditures.



The City’s pooled investment portfolio as of March 31, 2024, had a market value of \$1.366 billion. The following table illustrates the investments as of March 31, 2024.

**Table 21**  
**CITY OF RIVERSIDE**  
**INVESTMENT PORTFOLIO**  
**(As of March 31, 2024)**

<i>Type</i>	<i>Amortized Cost</i>	<i>Market Value</i>
<b>POOLED INVESTMENT PORTFOLIO</b>		
Deposit Accounts	\$ 51,877,988.01	\$ 1,877,988.01
Joint Powers Authority Pool	126,289,752.67	126,289,752.67
Medium Term Notes	207,134,662.28	201,925,782.13
U.S. Government Mortgage-Backed Securities	32,632,908.13	31,711,926.89
Asset Back Securities	79,667,082.07	79,384,044.76
Supranational Securities	69,913,517.55	68,453,699.93
U.S. Government Agency Securities	112,263,680.60	108,230,701.43
U.S. Government Treasury Securities	<u>341,537,505.76</u>	<u>337,093,614.36</u>
<b>TOTAL POOLED INVESTMENT PORTFOLIO</b>	<b>\$ 1,021,317,097.07</b>	<b>\$ 1,004,967,510.18</b>
Investments Held by Fiscal Agent (Section 115 Pension Trust Fund)	48,472,943.11	52,463,631.05
Other Investments Held by Fiscal Agent	305,492,363.44	<u>304,175,023.51</u>
Other Miscellaneous Cash	<u>4,890,600.45</u>	<u>4,890,600.45</u>
<b>TOTAL CASH &amp; INVESTMENTS</b>	<b><u>\$ 1,380,173,004.07</u></b>	<b><u>\$ 1,366,496,765.19</u></b>

Source: City of Riverside.

As of March 31, 2024, the weighted average maturity of the City’s investment portfolio was 1.85 years.

**Personal Income**

Personal Income is the income that is received by all persons from all sources. It is calculated as the sum of wage and salary disbursements, supplements to wages and salaries, proprietors’ income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance.

The personal income of an area is the income that is received by, or on behalf of, all the individuals who live in the area; therefore, the estimates of personal income are presented by the place of residence of the income recipients.

Total personal income in Riverside County increased by 67.21% between 2013 and 2022. The following tables summarize personal income for Riverside County for 2013 through 2022.

**PERSONAL INCOME**  
**Riverside County**  
**2013-2022**  
**(Dollars in Thousands)**

<i>Year</i>	<i>Riverside County</i>	<i>Annual Percent Change</i>
2013	\$76,069,949	N/A
2014	79,630,223	4.68%
2015	84,597,340	6.24
2016	88,997,439	5.20
2017	92,451,456	3.88
2018	96,994,918	4.91
2019	103,614,307	6.82
2020	116,939,915	12.86
2021	126,261,006	7.97
2022	127,195,983	0.74

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The following table summarizes per capita personal income for Riverside County, California and the United States for 2013-2022. This measure of income is calculated as the personal income of the residents of the area divided by the resident population of the area.

**PER CAPITA PERSONAL INCOME**  
**Riverside County, State of California and the United States**  
**2013-2022**

<i>Year</i>	<i>Riverside County</i>	<i>California</i>	<i>United States</i>
2013	\$33,565	\$48,076	\$44,401
2014	34,786	50,619	46,287
2015	36,590	53,817	48,060
2016	38,050	55,863	48,971
2017	39,060	58,214	51,004
2018	40,582	60,984	53,309
2019	43,073	64,174	55,547
2020	48,265	70,061	59,153
2021	51,468	76,991	64,430
2022	51,415	77,036	65,470

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

**Education**

The City is included within the boundaries of the Riverside Unified School District and the Alvord Unified School District, which also serves the County area southwest of the City. These two districts include 65 elementary and middle schools and high schools. There are also about 48 private or parochial schools for kindergarten through twelfth grade. Higher education is available at four institutions: Riverside Community College, University of California, Riverside, California Baptist University and La Sierra University at Riverside. Also located in the City are California School for the Deaf and Sherman Indian High School, a federally-run school for Native Americans.

## Employment

The City is included in the Riverside-San Bernardino Primary Metropolitan Statistical Area (the “PMSA”). The following table shows the average annual estimated numbers of wage and salary workers by industry for the PMSA. The table does not include proprietors, the self-employed, unpaid volunteers or family workers, domestic workers in households, and persons in labor management disputes.

### RIVERSIDE-SAN BERNARDINO PRIMARY MSA CIVILIAN LABOR FORCE EMPLOYMENT AND UNEMPLOYMENT (ANNUAL AVERAGES) (For Calendar Years 2019 Through 2023)

	2019	2020	2021	2022	2023
Civilian Labor Force	2,071,600	2,091,700	2,120,600	2,148,700	2,171,500
Civilian Employment	1,987,500	1,885,400	1,964,300	2,058,400	2,068,800
Civilian Unemployment	84,000	206,200	156,300	90,200	102,700
Civilian Unemployment Rate	4.1%	9.9%	7.4%	4.2%	4.7%
Total Farm	15,400	14,100	13,700	13,800	13,100
Total Nonfarm	1,552,700	1,495,800	1,575,100	1,659,800	1,679,800
Total Private	1,291,500	1,247,800	1,333,100	1,409,800	1,418,900
Goods Producing	209,700	202,200	207,700	216,300	216,100
Mining and Logging	1,200	1,300	1,400	1,500	1,500
Construction	107,200	104,900	110,100	114,700	115,700
Manufacturing	101,300	96,000	96,100	100,000	98,900
Service Providing	1,343,000	1,293,700	1,367,400	1,443,500	1,463,700
Trade, Transportation and Utilities	395,100	406,900	443,200	464,900	456,500
Wholesale Trade	67,700	65,600	67,400	69,500	68,700
Retail Trade	180,700	168,800	177,000	181,000	182,700
Transportation, Warehousing and Utilities	146,600	172,500	198,800	214,400	205,100
Information	14,100	12,400	12,500	13,000	13,300
Financial Activities	45,000	44,100	45,200	46,000	44,900
Professional and Business Services	155,300	152,100	166,600	173,900	164,800
Educational and Health Services	250,300	248,800	254,300	267,500	287,500
Leisure and Hospitality	175,900	141,300	160,200	180,900	186,500
Other Services	46,200	40,200	43,600	47,400	49,300
Government	<u>261,200</u>	<u>248,000</u>	<u>242,000</u>	<u>250,000</u>	<u>260,900</u>
Total, All Industries	1,568,100	1,509,900	1,588,800	1,673,500	1,692,900

Note: Does not include proprietors, self-employed, unpaid volunteers or family workers, domestic workers in households and persons involved in labor-management trade disputes. Employment reported by place of work. Items may not add to total due to independent rounding. The “Total, All Industries” data is not directly comparable to the employment data found in this Appendix E.

Source: State of California, Employment Development Department, March 2023 Benchmark.

The following tables show the largest employers in the City and in the County.

**CITY OF RIVERSIDE – TEN LARGEST EMPLOYERS  
As of June 30, 2023**

<i>Employer Name</i>	<i>Number of Employees</i>	<i>% of Total City-wide Employment</i>
County of Riverside	24,399	17.7%
March Air Force Reserve Base	9,750	7.1
University of California, Riverside	8,831	6.4
Kaiser Permanente	7,610	5.5
Riverside Unified School District	4,505	3.3
Riverside Community Hospital	2,993	2.2
City of Riverside	2,457	1.8
Riverside Community College District	1,900	1.4
Alvord Unified School District	1,824	1.3
California Baptist University	<u>1,355</u>	<u>1.0</u>
Total	65,624	47.7%

Source: City of Riverside (as presented in the City’s Fiscal Year 2023 audited financial statements).

**COUNTY OF RIVERSIDE – LARGEST EMPLOYERS  
(LISTED ALPHABETICALLY)  
As of December 2023**

<i>Employer Name</i>	<i>Location</i>	<i>Industry</i>
1882 Cantina	Temecula	Restaurants
Abbott Vascular Inc	Temecula	Hospital Equipment & Supplies-Mfrs
Abbott Vascular Inc	Temecula	Hospital Equipment & Supplies-Mfrs
Amazon Fulfillment Ctr	Moreno Valley	Mail Order Fulfillment Service
Citrus Club	La Quinta	Clubs
Coachella Valley Unified SCH	Thermal	School Districts
Collins Aerospace	Riverside	Aircraft Components-Manufacturers
Corona City Hall	Corona	City Hall
Corona Regional Medical Ctr	Corona	Hospitals
Department-Corrections-Rehab	Norco	Government Offices-State
Desert Regional Medical Ctr	Palm Springs	Hospitals
Eisenhower Health	Rancho Mirage	Hospitals
Fantasy Springs Resort Casino	Indio	Casinos
Jurupa School District Supt	Riverside	School Districts
KSL Development Corp	La Quinta	Golf Courses
Riverside Community Hospital	Riverside	Hospitals
Riverside County Admin Ctr	Riverside	Government Offices-County
Riverside County Office of Edu	Riverside	Schools
Riverside County Public Health	Riverside	Government Offices-County
Riverside University Health	Moreno Valley	Hospitals
Southwest Healthcare System	Temecula	Health Care Management
Starcrest of California	Perris	Online Retailers & Marketplaces
Starcrest Products	Perris	Online Retailers & Marketplaces
Sun World Intl LLC	Coachella	Fruits & Vegetables-Wholesale
Universal Protection Svc	Palm Desert	Security Control Equip & Systems-Mfrs

Source: California Employment Development Dept., America’s Labor Market Information System (ALMIS) Employer Database, 2023 2nd Edition.

## Construction Activity

The following tables provide a summary of residential building permit valuations and nonresidential building permit valuations, and the total number of all building permit valuations in the City and the County during the past five years for which information is available.

### CITY OF RIVERSIDE BUILDING PERMIT ACTIVITY For Calendar Years 2018 Through 2022 (Valuation in Thousands of Dollars)

	2018	2019	2020	2021	2022
<u>Permit Valuation</u>					
New Single-family	\$ 42,412	\$ 35,621	\$ 76,746	\$ 81,057	\$ 148,281
New Multi-family	57,047	61,488	20,059	37,332	16,242
Res. Alterations/Additions	<u>10,426</u>	<u>8,154</u>	<u>6,182</u>	<u>4,411</u>	<u>18,212</u>
Total Residential	\$ 109,885	\$ 105,264	\$ 102,988	\$ 122,800	\$ 182,736
New Commercial/Industrial	\$ 96,668	\$ 53,083	\$ 4,612	\$ 0	\$ 62,533
New Other	13,055	4,323	17,103	6,537	24,510
Com. Alterations/Additions	<u>63,581</u>	<u>74,407</u>	<u>50,537</u>	<u>3,585</u>	<u>58,343</u>
Total Nonresidential	\$ 173,304	\$ 131,813	\$ 72,251	\$ 10,022	\$ 145,387
<u>New Dwelling Units</u>					
Single Family	171	163	271	290	579
Multiple Family	<u>504</u>	<u>328</u>	<u>214</u>	<u>367</u>	<u>153</u>
TOTAL	675	491	485	707	732

Source: City of Riverside Community Development Department.

### COUNTY OF RIVERSIDE BUILDING PERMIT ACTIVITY For Calendar Years 2018 Through 2022 (Valuation in Thousands of Dollars)

	2018	2019	2020	2021	2022
<u>Permit Valuation</u>					
New Single-family	\$ 2,200,021	\$ 1,834,822	\$ 2,315,365	\$ 2,013,159	\$ 2,429,329
New Multi-family	232,707	282,465	93,149	149,081	339,474
Res. Alterations/Additions	<u>125,353</u>	<u>158,118</u>	<u>110,789</u>	<u>100,402</u>	<u>152,309</u>
Total Residential	\$ 2,558,081	\$ 2,275,405	\$ 2,519,303	\$ 2,262,642	\$ 2,921,113
New Commercial/Industrial	\$ 1,233,304	\$ 805,908	\$ 539,130	\$ 792,812	\$ 727,504
New Other	410,606	179,861	233,710	460,224	449,357
Com. Alterations/Additions	<u>315,771</u>	<u>300,087</u>	<u>380,938</u>	<u>290,962</u>	<u>524,757</u>
Total Nonresidential	\$ 1,959,681	\$ 1,285,856	\$ 1,153,778	\$ 1,543,998	\$ 1,701,618
<u>New Dwelling Units</u>					
Single Family	7,540	6,563	8,443	7,360	8,863
Multiple Family	<u>1,628</u>	<u>1,798</u>	<u>723</u>	<u>1,126</u>	<u>2,861</u>
TOTAL	9,168	8,361	9,166	8,486	11,724

Source: Construction Industry Research Board, Building Permit Summary.

## **Transportation**

The City is served by a variety of land and air transportation facilities. Light rail commuter service is provided by Metrolink to Los Angeles and Orange Counties. Interstate bus service is available via Greyhound, and local bus service is provided by the Riverside Transit Agency. Most major trucking firms serve the City in addition to numerous local carriers. Overnight delivery can be scheduled to San Francisco, Los Angeles, San Diego and Sacramento.

Freight rail service to the City is provided by two major transcontinental railroads: the Santa Fe and Union Pacific. Amtrak-operated passenger train service is available at San Bernardino, approximately 15 miles north of the City.

Scheduled air transportation is available from the Ontario International Airport, approximately 18 miles to the west. The City-operated Riverside Municipal Airport is a general aviation facility.

The City is served by the Riverside Freeway (State Route 91), which provides access to Orange County; Interstate 215, which connects the City to San Diego, San Bernardino and points beyond; and the Pomona Freeway (U.S. Highway 60), an east-west route.

To support transportation improvements, in November 1988, County voters approved Measure A, a one-half cent sales tax increase. Measure A was to expire in 2009, but in 2002, County voters approved extending Measure A until 2039. Measure A is expected to generate \$4.6 billion between 2009 and 2039. In 1990, voters of the adjacent San Bernardino County approved a similar program, and that sales tax was similarly increased by a vote of the electorate in November 2003.