
County of Riverside Pension Advisory Review Committee

MINUTES OF MEETING

November 13, 2024
9:00 a.m.

Members Present:

Don Kent	Chairman, County Executive Office
Ben Benoit	Auditor-Controller
Tami Douglas-Schatz	Human Resources
Assistant Sheriff Lelevier	Sheriff (alternate)
Matt Jennings	Treasurer-Tax Collector

Members Absent: None

Staff and Guests Present:

Bradley Au	Aon
Chris Behrns	Aon
Joe Romanies	Aon
Phil Kivarkis	Aon
Steven Kilbride	Aon
Michael Williams	Columbia Capital
Raymond Mistica	County Counsel
Imelda Delos Santos	Executive Office
Jen Kammerer	Executive Office
Jonathon Guitierrez	Executive Office
Trina Head	Executive Office
Anna Sarabian	Fieldman, Rolapp & Associates
Chelsea Redmon	Fieldman, Rolapp & Associates
Paul McDonnell	Fieldman, Rolapp & Associates
Darrylenn Brockington	Flood Control
Doug Pryor	Foster and Foster
Amy Onopas	Human Resources
Jennifer Moquin	Human Resources
Shondi Miller	Human Resources
Sonia Moreno	Human Resources

1. Call to Order and Self-introductions

Chairman Don Kent called the meeting to order at 9:00 a.m. Self-introductions were given by Committee members and guests. Quorum met.

2. Approval of the Meeting Minutes of December 13, 2023

MOTION: Don Kent moved to approve the Pension Advisory Review Committee minutes from December 13, 2023.

Seconded by Ben Benoit.

Motion approved unanimously

3. CalPERS Miscellaneous and Safety Plans - Independent Actuarial Report - 6/30/23 Valuation

Chairman Don Kent introduced Doug Pryor from Foster and Foster to give a review of the CalPERS Independent Actuarial Report. Doug Pryor provided historical information on investment returns, discount rates, and risk mitigation. Mr. Pryor noted some key points regarding the funded status, the county's projected assets and the Section 115 Pension Trusts as of June 2024.

In addition, a preliminary investment return of 9.3% per CalPERS was reported for the period ended June 2024. The \$3.9 billion unfunded liability in 2023 is projected to have a slight decline. The total market value of assets (MVA) for June 30, 2023 is \$11.8 billion with \$3.9 billion in unfunded actuarial accrued liability (UAAL). The total projected funded status for June 30, 2024 between the two plans is 77.1% with \$16.7 billion in liabilities, \$12.8 billion in assets, and a \$3.8 billion unfunded liability.

The 2005 Pension Obligation Bonds' (POBs) investment earnings with CalPERS projected through February 15, 2025, is \$530.3 million. For the 2020 POBs, \$230.1 million in earnings is projected with total interest payments made of approximately \$102.8 million; net estimated gain is \$123 million. An additional highlight Mr. Pryor pointed out was the PEPRAs members' contribution remained unchanged.

Paul McDonnell from Fieldman Rolapp asked how we present to our various constituents, the Board, members, or employees how we are doing in a negative trend environment. Mr. Pryor responded because CalPERS provides their data publicly, they report quickly and accurately.

The report was received and filed.

4. Actuarial Valuation Report - Postretirement Benefits Plan as of June 30, 2024

Steven Kilbride with Aon presented the Postretirement Benefits Plan as of June 30, 2024. In comparison, 2023 to 2024 the unfunded accrued liability decreased from \$52.9 million to \$34.4

million for a total decrease of about \$18.6 million. There was a 12.4% increase of funded status from 66% in 2023 to 78.8% (excluding implicit subsidy) in 2024. On a GASB accounting basis, the net OPEB liability unfunded amount decreased from 2023, \$187 million to \$169.4 million, for a decrease of \$17.6 million. The market value of assets increased in 2024 to \$135.1 million. Mr. Kent explained that the action item before the Committee is to maintain the contribution amount of approximately \$16.9 million to drive funded status higher to 80% or better, per Board Policy B-25.

The report was received and filed.

MOTION: Don Kent moved to approve the recommendation.

Seconded by Ben Benoit

Motion approved unanimously

5. Actuarial Valuation Report – Part-time and Temporary Employees’ Retirement Plan as of July 1, 2024

Mr. Kilbride gave an overview of the Part-time and Temporary Employees’ Retirement Plan report. In comparison of 2023 to 2024, the unfunded accrued liability decreased from \$12.6 million to \$11.4 million, a decrease of about \$1.2 million. The funded position improved by 2.6%, from 82.9% to 85.6%. The net OPEB liability unfunded amount decreased from 2023 from \$8.7 million to -\$4.4 million in 2024, a decrease of \$13.1 million. The market value of assets in 2023 was \$59.2 million and in 2024 was \$69.5 million. The County targets maintaining an 80% or better funded status for this Plan. Mr. Kent explained that the action item before the Committee is to maintain the contributions at approximately 5.58% of payroll to continue to drive the funded status higher.

The report was received and filed.

MOTION: Don Kent moved to approve the recommendation.

Seconded by Matt Jennings

Motion approved unanimously

6. Asset Liability Study - Part-time and Temporary Employees’ Retirement Plan Action Item

Chris Behrns with Aon provided an overview of the Asset Liability Study. As of June 30, 2024, the estimated funded ratio is 89.8%. 6.88% is the 30-year expected return on assets with the assumption rate of 6% for this plan. The data shows that the assets are expected to grow approximately 5.5% faster than the liabilities every year. The goal is to be fully funded by 2030. Contributions are 5.58% of pay for the County and 3.75% for employees. The objective is to lower the County’s contribution over time, potentially matching the employee contribution level.

Matt Jennings suggested a phased approach and meeting again in a couple of quarters instead of waiting a year. The Committee agreed to another review in the summer.

The report was received and filed.

MOTION: Don Kent moved to approve the Constrained Model 1.

Seconded by Matt Jennings

Motion approved unanimously

8. Other Business

None.

9. Public Comment:

None.

10. Future Meeting Date:

Next meeting is scheduled for December 04, 2024, at 9:00 a.m.

11. Adjourn:

With no further business, Don Kent adjourned the Pension Advisory Review Committee meeting at 11:09 a.m.