
County of Riverside

Pension Advisory Review Committee

MINUTES OF MEETING

November 15, 2023

10:00 a.m.

Members Present:

| | |
|---------------|-----------------------------------|
| Don Kent | Chairman, County Executive Office |
| Shondi Miller | Human Resources |
| Matt Jennings | Treasurer-Tax Collector |
| Ben Benoit | Auditor-Controller |

Members Absent:

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| Undersheriff Donald Sharp | Sheriff |
|---------------------------|---------|

Staff and Guests Present:

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| Bianca Lin | Foster and Foster |
| Doug Pryor | Foster and Foster |
| Steven Kilbride | Aon |
| Bradley Au | Aon |
| Erica Xu | Aon |
| Mike Williams | Columbia Capital |
| Jim Prichard | Columbia Capital |
| Keith Stribling | US Bank |
| Kristine Valdez | County Counsel |
| Imelda Delos Santos | Executive Office |
| Jarvyk Punzalan | Executive Office |
| Katie Ponce | Executive Office |
| Paul McDonnell | Fieldman Rolapp |
| Darrylenn Brockington | Flood Control |
| Colleen Cain-Herrback | CalPERS |
| Amy Onopas | Human Resources |
| Jennifer Moquin | Human Resources |
| Sonia Moreno | Human Resources |
| Aileen Yan | Riverside Courts |
| Carol Waterhouse-Tejada | Riverside Courts |
| Giovane Pizano | Treasurer-Tax Collector |
| John Byerly | Treasurer-Tax Collector |
| Steve Faeth | Treasurer-Tax Collector |
| Scott Grimm | US Bank |
| Terra Murphy | US Bank |
| Sandra Green | Waste Resources |
| Paul Robles | Waste Resources |
| Michael Alferez | Parks |

1. Call to Order and Self-introductions:

Chairman Don Kent called the meeting to order at 10:00 a.m. Self-introductions were given by Committee members.

2. Approval of the Minutes for December 15, 2022:

MOTION: Matt Jennings moved to approve the PARC Meeting Minutes from December 15, 2022.

Seconded by Ben Benoit.

The motion passed unanimously.

3. CalPERS Miscellaneous and Safety Plans – Independent Actuarial Report 6/30/2022 Valuation – Preliminary ResultsFoster & Foster

a. CalPERS Miscellaneous Plan Annual Valuation Report as of 6/30/2022

b. CalPERS Safety Plan Annual Valuation Report as of 6/30/2022

Don Kent welcomed everyone and stated to the group that the annual PARC Report is targeted to go to the Board on Tuesday, February 27, 2024. Mr. Kent then introduced Doug Pryor with Foster & Foster to give a review of the CalPERS Independent Actuarial Report. Mr. Pryor shared several highlights from the report.

As of June 2023, there is an investment return of 5.8% per the CalPERS news release issued in July 2023. The \$1.4 billion unfunded liability in 2021 has increased to \$2.6 billion due to investment losses and is expected to increase a bit more to \$2.7 billion in 2023 for the Miscellaneous plan. The projected percentage of payroll peak in the Safety plan is ten years (similar to the Miscellaneous plan) at 57%. The total projected funded status for 6/30/23 on an aggregate basis between the two plans is 75.4% with \$15.6 billion in liabilities, \$11.8 billion in assets and a \$3.8 billion unfunded liability.

The 2005 POBs investment earnings with CalPERS projected through February 15, 2024 is \$493 million. Interest payments will be approximately \$285 million for a net estimated gain of \$205 million. For the 2020 POBs, \$171 million in earnings are projected, with interest payments to be made of approximately \$83 million for a net estimated gain of \$84 million. An additional highlight Mr. Pryor pointed out was the PEPRA members' contributions. For FY 23/24, Safety's contributions will be at 13.5% and for FY 24/25 it stays the same. For Miscellaneous members there will be an additional 50 basis points or 0.5% of payroll paid for FY 24/25.

The report was received and filed.

4. Actuarial Valuation Report – Postretirement Benefits Plan as of 6/30/23

Steven Kilbride with Aon presented the Postretirement Benefits Plan as of 6/30/23. In a comparison of 2022 to 2023 the unfunded accrued liability decreased from \$61.9 million to \$53 million for a total decrease of about \$9 million. There was an improvement to the funded position of 8.2% from 58.2% to 66.4%. The net OPEB liability unfunded amount increased from 2022 at \$171.1 million to \$187 million, an increase of \$16 million. The market value of assets in 2022 was at \$76.4 million and in 2023 was \$96.3 million. Mr. Kent explained that the action item before the Committee is to maintain the contributions of approximately \$16.9 million to continue to drive the funded status, minus implicit subsidy, toward the 80% level, which is the amount stated in Board Policy B-25.

The report was received and filed.

MOTION: Don Kent moved to maintain the contributions of approximately \$16.9 million.

Seconded by Shondi Miller.

The motion passed unanimously.

5. Actuarial Valuation Report – Part-time and Temporary Employees' Retirement Plan as of July 1, 2023

Mr. Kilbride gave an overview of the Part-time and Temporary Employees' Retirement Plan report. In a comparison of 2022 to 2023 the unfunded accrued liability decreased from \$61.9 million to \$53 million, a decrease of about \$9 million. The funded position improved by 8.2%, from 58.2% to 66.4%. The net OPEB liability unfunded amount increased from 2022 at \$171.1 million to \$187 million, an increase of \$16 million. The market value of assets in 2022 was \$76.4 million and in 2023 was \$96.3 million. The departments pay approximately 5.58% of payroll for TAP employees and is only for those that utilize TAP employees. Mr. Kent explained that the action item before the Committee is to maintain the contributions at approximately 5.58% to continue to drive the funded status higher.

The report was received and filed.

MOTION: Ben Benoit moved to maintain the contributions at approximately 5.58%.

Seconded by Shondi Miller.

The motion passed unanimously.

6. Other Business

Don Kent mentioned an RFP for Section 115 Pension and OPEB Trust services is currently being evaluated. Amy Onopas from HR mentioned that there is an RFP for evaluating TAP 401a plan administration services that closed.

7. Public Comment:

No public comment.

9. Next Meeting Date:

Next meeting is scheduled for December 13, 2023 at 10:00 a.m.

10. Adjourn:

With no further business, Don Kent adjourned the Pension Advisory Review Committee Meeting at 11:22 a.m.