



COUNTY OF RIVERSIDE

Western States Institutional Investors Conference

March 25, 2015



1. County Management and Finances
2. Fiscal Discipline and Managing a Dynamic Financial Environment
3. Current Position
4. Near Term Challenges
5. County Opportunities



COUNTY MANAGEMENT AND FINANCES

- ❖ Proven management team: Experienced CEO and staff
 - Close and continuing scrutiny of the County's budget issues
 - Maintain balanced budget as economy recovers
 - Maintain Reserve for Economic Uncertainties
- ❖ Three primary goals for County management
 - Business centric environment – the most business-friendly county in California
 - Healthy community
 - Technology improvements
 - <http://countyofriverside.us/investorrelations/Home.aspx>



COUNTY MANAGEMENT AND FINANCES CONT'D

- ❖ County finances reflect diverse, rebounding economy
- ❖ Reform of pension liabilities and control of OPEB liability
- ❖ Moderate overall debt level
- ❖ General fund cash position enhanced



FISCAL DISCIPLINE AND MANAGING A DYNAMIC FINANCIAL ENVIRONMENT

- ❖ From FY 08-09 to FY 13-14
- ❖ Active financial management practices
- ❖ 3-Pronged Approach



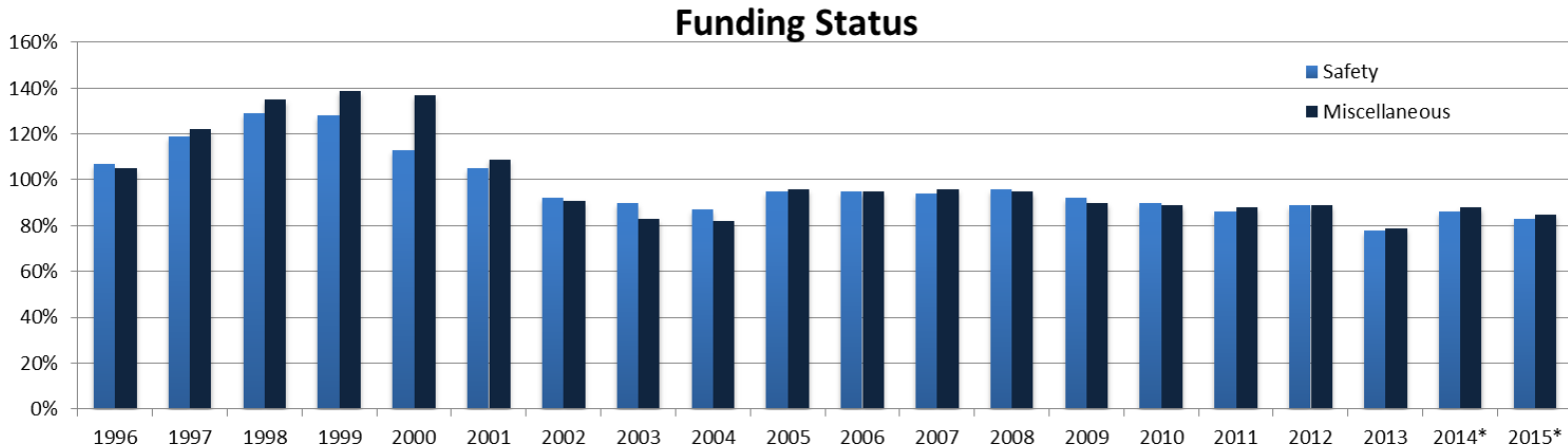
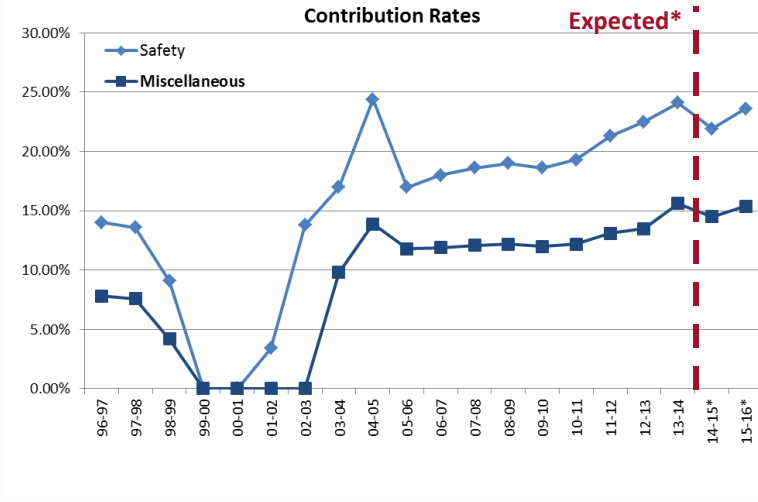
WE ARE IN GOOD SHAPE TODAY

- ❖ Assessed Valuation increased 7.75% in FY 14-15. Discretionary revenues are up by \$46.8 million
 - AV is projected to continue to rise for next 3 FYs
- ❖ The County has 18,323 employees, down from 18,912 in 2008
- ❖ Labor contracts are in place for 2 years
- ❖ Pension funding is above target level (80% Funding)
- ❖ County finances reflect a diverse and rebounding economy



PENSION FUNDING STATUS

- ❖ Estimated June 30, 2014 unfunded actuarial liability (UAL)
 - \$1.085 billion for the Miscellaneous Plan
 - \$471 million for the Safety Plan*
 - 88% of Funding Level (Target of >80% under policy B-25) for the Miscellaneous Plan (estimated)
 - 86% of Funding Level (Target of >80% under policy B-25) for the Safety Plan (estimated)



* As of 2014, assets are at market value.



BENCHMARKS IN PLACE

- ❖ County approves the budget health benchmarks
 - Regularly updated
 - Basis for budgeting since FY 05-06

Riverside County Budget Health Benchmarks

	Target	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15**
Reserve for Economic Uncertainty*	15%	3%	20%	15%	15%	15%	12%	25%	21%	22%	22%	22%
Contingency*	4%	4%	4%	5%	4%	4%	5%	3%	3%	4%	3%	3%
General Obligation Rating												
Moody's		A1	A1	A1	A1	Aa3	Aa3	Aa2	Aa3	Aa3	Aa3	Aa3
S&P		AA-	AA-	AA	AA	AA	AA	AA	AA	AA	AA	AA
Fitch		--	AA	AA	AA	AA	AA	AA	AA-	AA-	AA-	AA-

* Based on discretionary revenue

** Estimate as of the beginning of FY 13-14



NEAR TERM CHALLENGES

- ❖ East County Detention Center
 - Large capital and operating cost obligations
- ❖ Riverside County Regional Medical Center is an enterprise fund
 - Turn around is in process but is complicated by ACA
- ❖ Negotiations and Pension Costs



COUNTY OPPORTUNITIES

- ❖ Significant housing cost advantage compared with coastal California counties: Orange, Los Angeles and San Diego
- ❖ Very modest post retirement medical benefit obligation
- ❖ Underlying GO ratings in the “AA” category



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CONCLUSION