

SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM: 3.15  
(ID # 27159)

MEETING DATE:  
Tuesday, February 25, 2025

FROM : EXECUTIVE OFFICE AND HUMAN RESOURCES

SUBJECT: EXECUTIVE OFFICE AND HUMAN RESOURCES: Memorandum of Understanding (MOU) between the County of Riverside and the Superior Court of California, County of Riverside, All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the MOU between the County of Riverside and the Superior Court of California, County of Riverside; and
2. Authorize the Chair of the Board of Supervisors to execute four (4) copies of the MOU on behalf of the County of Riverside.

ACTION:

*Tami Douglas-Schatz*  
Tami Douglas-Schatz, Director of Human Resources

2/7/2025

*Don Kent*  
Don Kent, Chief Finance Officer

2/7/2025

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MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Medina, Spiegel, Washington, Perez and Gutierrez  
Nays: None  
Absent: None  
Date: February 25, 2025  
xc: EO, HR

Kimberly A. Rector  
Clerk of the Board

By: *Kimberly A. Rector*  
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA**

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS: N/A</b>			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b>	2024/25

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

As a result of the Trial Court Employment Protection and Governance Act of 2000, court employees were transferred from the counties to the courts, with both entities responsible for paying their share of pension unfunded actuarial liability (UAL) to CalPERS. Historically, payments were based on a percentage of payroll, however, since fiscal year 2017-18, CalPERS requires a fixed-dollar amount.

The County of Riverside and the Superior Court have been paying the UAL for many years and have agreed to work together by formalizing the process to pay their proportionate share of pension costs. This MOU outlines the coordination of efforts for fulfilling these obligations by paying as a lump sum rather than in 12 monthly payments. A joint methodology has been developed to calculate each party's equitable share of the UAL.

The terms are set forth in Exhibit A of the MOU, shall commence upon Board approval and will remain in full force and effect until terminated.

**Impact on Residents and Businesses**

There is no impact on the residents or businesses of the County.

**ATTACHMENT:**

Memorandum of Understanding by and between the County of Riverside and the Superior Court of California, County of Riverside.

  
Don Kent, Chief Finance Officer

2/11/2025

  
Michael C. Thomas

2/11/2025

  
Aaron Gettis, Chief of Deputy County Counsel

2/11/2025

**MEMORANDUM OF UNDERSTANDING  
BY AND BETWEEN THE COUNTY OF RIVERSIDE  
AND**

**THE SUPERIOR COURT OF CALIFORNIA, COUNTY OF RIVERSIDE**

This Memorandum of Understanding (hereinafter "MOU") is made and entered into this 25th day of February 2025, by and between the County of Riverside, a political subdivision of the state of California, (hereinafter "County"), and the Superior Court of California, County of Riverside (hereinafter "Court").

**WHEREAS**, as a result of the Trial Court Employment Protection and Governance Act of 2000, which mandated the transfer of court employees from the counties to the courts, the County and the Court have a shared obligation to pay CalPERS for Unfunded Actuarial Liability; and

**WHEREAS**, prior to fiscal year 2017–2018, CalPERS provided a percentage of payroll factor that both the County and the Court (each a "Party and, collectively, the "Parties") were able to apply each pay period to all wages subject to CalPERS in order to meet the Parties' mutual Unfunded Actuarial Liability (hereinafter "UAL") obligation for the year; and

**WHEREAS**, beginning fiscal year 2017–2018, CalPERS provided only a flat dollar amount that may be paid in full on July 1, 2017, or may be split into 12 payments; and

**WHEREAS**, the Court wishes to pay its share of the UAL in a single lump sum and no longer utilize the 12 payment option; and

**WHEREAS**, the County wishes to pay its share of the UAL in a single lump sum and not utilize the 12 payment option, and

**WHEREAS**, the Parties have jointly developed a methodology to calculate each party's proportionate share of the UAL; and

**WHEREAS**, both Parties desire to coordinate their efforts regarding the CalPERS UAL payments; and

**WHEREAS**, both Parties acknowledge that nothing herein is intended to modify, alter, change, or impact any and all other pension obligations, including, but not limited to, the debt service for the 2005 and 2020 County of Riverside Pension Obligation Bonds, and contributions to the County's Section 115 Pension Trusts, of which the Court has a proportionate share of the obligations.

**NOW, THEREFORE**, the Parties agree as follows:

- 1. Coordination of Efforts:** The Parties shall perform the activities as set forth in Exhibit A, which is incorporated by reference to this MOU.



**2. Term:** This MOU shall commence on February 25, 2025, and remain in full force and effect until terminated.

**3. Modification and Termination:** This MOU may be modified only by a written amendment signed by the Parties. This MOU may be terminated by the County or the Court, at any time, without cause, upon thirty (30) days prior written notice to the other party.

**4. Indemnification:** Each Party shall indemnify, defend and hold harmless the other Party, its Board members, officers, judicial officers, employees, agents and assigns from and against any and all claims, demands, liability, judgments, awards, interest, reasonable attorney's fees, costs, experts' fees and expenses of whatsoever kind or nature, at any time arising out of its negligent performance of this MOU, whether in tort, contract or otherwise. This indemnification obligation shall survive the termination of this MOU as to any acts or omissions occurring during the term of this MOU.

**5. Compliance with Law:** Each Party shall comply with all federal, state and local laws and regulations applicable to its performance, including all confidentiality laws.

**6. Records and Inspection:** Each Party shall maintain full, complete, and accurate records with respect to all matters covered under this MOU. All such records shall be prepared in accordance with generally accepted accounting procedures, shall be clearly identified, and shall be kept readily accessible. Both Parties shall have free access during normal work hours to such records and the right to examine, inspect, copy, or audit them, at no cost. Records shall be retained for the current fiscal year plus seven fiscal years.

**7. Notice:** Any notice necessary to the performance of this MOU shall be given in writing by personal delivery, email, or by prepaid first-class mail addressed as follows:

**County:**

County of Riverside  
County Administrative Center  
4080 Lemon St.  
(4th Floor, Executive Office)  
Riverside, CA 92501  
ATTN: Chief Finance Officer

**Court:**

Superior Court of California,  
County of Riverside  
4050 Main Street  
Riverside, CA 92501  
ATTN: Court Executive Officer

If notice is given by personal delivery, notice is effective as of the date of personal delivery. If notice is given by email, notice is effective as of the date the email was sent. If notice is given by mail, notice is effective as of three days following the date of mailing or the date of delivery reflected upon a return receipt, whichever occurs first.

**8. Entire Agreement:** This MOU, including exhibits as referenced herein, constitutes the entire agreement between the Parties with respect to CalPERS Unfunded Actuarial Liabilities, and there are no inducements, promises, terms, conditions or obligations made or entered into by the County or the Court other than those contained herein.

9. **Authority:** Each signatory to this MOU represents that it is authorized to enter into this MOU and to bind the Party to which its signature represents.

IN WITNESS WHEREOF the Parties have executed this MOU the day and year first written above.

County of Riverside

Superior Court of California,  
County of Riverside

CHAIR, BOARD OF SUPERVISORS  
V. MANUEL PEREZ

By V. M. Perez

By [Signature]

FORM APPROVED COUNTY COUNSEL

BY MCT 11 FEB 25  
MICHAEL C THOMAS DATE

## EXHIBIT A

1. County Human Resources shall calculate each Party's proportionate share of the UAL annually for use by the following method:
  - a. Extract the CalPERS pensionable from the prior fiscal year payroll with the Court's validation and confirmation of the Court's amount<sup>1</sup>,
  - b. Combine the amounts,
  - c. Calculate a *pro rata* share applicable to the UAL as provided by CalPERS for each Party for the fiscal year, and
  - d. Information detailing the calculation of the pro rata share shall be shared with the Court.
2. The County Executive Office shall invoice the Court for the Court's proportionate annual lump sum share, in February. The Court shall pay the invoice on, or prior to July 31, of each fiscal year.
3. The County Executive Office will establish a separate fund with the County Auditor-Controller.
4. Payments received from the Courts will be deposited into the separately established fund with the County Treasurer's Pooled Investment Fund (TPIF). All interest earnings will be for the benefit of the Court.
5. The County Executive Office will make the entire annual lump sum pre-payment of the UAL to CalPERS (combined Court and County shares) on, or prior to July 31, of each fiscal year.

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<sup>1</sup> CalPERS Cognos "Reported Member Summary" by Fiscal Year. For example, if the invoice is generated in Feb. 2025, use June 30, 2024 fiscal year end.