

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



**ITEM: 16.1**  
(ID # 29208)

**MEETING DATE:**

**FROM :** Regional Parks and Open Space District

Tuesday, November 04, 2025

**SUBJECT:** PUBLIC HEARING – Conduct a Public Hearing to Receive and Disclose Actuarial Analysis Regarding Riverside County Regional Park and Open Space District’s Other Postemployment Benefits (OPEB) Plan – District Contribution Benefit Increase Analysis and Setting of Public Hearing for the Adoption of Riverside County Regional Park and Open Space District Resolution No. 2025-012 and Resolution No. 2025-013, Fixing the Employer Contribution Under the Public Employees’ Medical and Hospital Care Act at an Equal Amount for Employees and Annuitants with respect to a Recognized Employee Organization; All Districts. [\$0] (Set for Public Hearing on November 18, 2025 at 9:30 A.M.) (Companion Item to MT 29205)

**RECOMMENDED MOTION:** That the Board of Directors:

1. Conduct a public hearing on November 4, 2025 to receive and disclose the Actuarial Analysis regarding Riverside County Regional Park and Open Space District’s Other Postemployment Benefits (OPEB) Plan – District Contribution Benefit Increase Analysis, pursuant to California Government Code Section 7507; and
2. Direct the Clerk of the Board to set a public hearing for November 18, 2025 to adopt Resolution No. 2025-012 and Resolution No. 2025-013 Fixing the Employer Contribution Under the Public Employees’ Medical and Hospital Care Act at an Equal Amount for Employees and Annuitants with respect to a Recognized Employee Organization for Riverside County Regional Park and Open Space District Management Unrepresented; and Service Employees International Union (SEIU) Local 721.

**ACTION: Set for Hearing**

  
Kyla R. Brown, General Manager

10/24/2025

  
Tami Douglas-Schatz, Director of Human Resources


10/24/2025

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**MINUTES OF THE BOARD OF DIRECTORS**

On motion of Director Washington, seconded by Director Gutierrez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended and is set for public hearing on Tuesday, November 18, 2025, at 9:30 a.m. or as soon as possible thereafter.

Ayes: Medina, Spiegel, Washington, Perez and Gutierrez  
Nays: None  
Absent: None  
Date: November 4, 2025  
xc: HR, Parks, COB/NS

Kimberly A. Rector  
Clerk of the Board  
By:   
Deputy

(Companion Item 21.1)

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<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: Department Budgets</b>			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b>	25/26

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

**BACKGROUND:**

**Summary**

In 2024, the County of Riverside Board of Supervisors approved a series of actions related to an increase in employer contribution for retiree medical by \$25 a month for eligible retirees, effective January 1, 2026:

- April 2, 2024 (Item No. 3.20): 2024 – 2027 Tentative Agreement between Service Employees International Union, Local 721 (SEIU) and the County of Riverside.
- April 30, 2024 (Item No. 3.37): Resolution No. 2024-077 for Exempt Management, Management, Confidential and Other Represented Employees (“Management Resolution”).

The Riverside County Regional Park and Open-Space District (“District”) adheres to the above actions approved by the County of Riverside Board of Supervisors for employees within SEIU, Exempt Management, Management, Confidential and Other Represented Employees.

The District, which contracts with CalPERS, is required to file a resolution (specifically, Resolution No. 2025-012 and Resolution No. 2025-013) to change the amount it contributes monthly for retiree health benefits. The referenced resolution(s) becomes effective on the first day of the second month in which the resolution is filed and received by CalPERS. Prior to adopting the resolution(s), the District must comply with applicable provisions of the California Government Code Section 7507 (“Section 7507”). Section 7507 ensures transparency and consideration of the financial impact of any changes to other postemployment benefits (OPEB) including retiree health benefits.

The District is required under Section 7507 to obtain a statement of actuarial impact on future annual costs, including normal cost and any additional accrued liability, for the proposed benefit changes (“Actuarial Analysis”). The actuary’s determination must be made public at a public meeting at least two weeks prior to the adoption of such benefit changes. Accordingly, staff requests the District’s Board to conduct this public hearing to receive and disclose the Actuarial Analysis prepared by Aon Consulting, Inc., as detailed in Attachment A. The actuary will be present to provide information as needed. This public hearing serves as a two-week public notice under Section 7507 before adopting benefit changes.

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To summarize the results of the Actuarial Analysis, the District OPEB plan's projected long-term obligation is expected to increase by \$83,100 due to the change in the retiree medical contribution that will affect both retirees and employees still working, based on the service they have already earned. The yearly cost of benefits is expected to increase by \$2,400; however, this increase applies only to employees still working, which reflects the additional benefits they will keep earning each year going forward. The overall value of future benefits is even higher at \$101,600, since it includes both what employees and retirees have already earned and what employees will earn in the future. For the affected bargaining units, raising the current District contribution by a flat \$25 per month leads to an estimated 5% to 7% increase in the overall cost of retiree health benefit contribution.

Subject to the Board's adoption of Resolution No. 2025-012 and Resolution No. 2025-013, the following summarizes the increase in employer monthly contribution for retiree health benefits for impacted bargaining units, effective January 1, 2026:

<b>Bargaining Unit</b>	<b>2026 Monthly Contribution</b>	<b>Approved Increase</b>	<b>New 2026 Monthly Contribution</b>
Management Unrepresented	\$256	\$25	\$281
SEIU	\$162*	\$25	\$187

\*The Public Employees' Medical and Hospital Care Act (PEMHCA) rate is set annually by CalPERS. The \$162 PEMHCA rate will be reflected on the July 1, 2025, actuarial valuation report, which is pending the Pension Advisory Review Committee (PARC) approval. The actuarial analysis is using the PEMHCA rate of \$157 based on the July 1, 2024, actuarial valuation report.

At a public hearing set for November 18, 2025, staff will present Resolution No. 2025-012 and Resolution No. 2025-013 to the Board for adoption of the foregoing benefit change. The actuary will be present to provide information as needed. Upon adoption, the County Executive Officer, as the person with responsibilities of a chief executive officer of the District, is required to acknowledge in writing that he or she understands the current and future costs of the benefit as determined by the actuary (refer to Attachment B for Acknowledgment of Actuarial Analysis).

**Impact on Residents and Businesses**

While there is no immediate impact on residents and businesses, offering cost-effective benefits is a key strategy for recruiting and retaining a strong workforce to ensure quality service for our constituents.

**Additional Fiscal Information**

This public disclosure of the Actuarial Analysis is intended to update the public on the projected expenses associated with the benefit increase. The funded status of the District's OPEB plan is projected to decrease by 7.1% from 107.1% to 100.0%. Given that the funding level remains above 100%, the District is well-positioned to absorb the added cost.

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**Contract History and Price Reasonableness**

This is an amendment to the District's health program contract with CalPERS. The CalPERS Health Program contract has been in effect since 1990. This change is to increase the Employer Contribution by \$25 a month for eligible retirees under the Management Resolution and SEIU effective January 1, 2026 under the CalPERS Health Program.

**ATTACHMENTS:**

- A. Regional Park and Open-Space District's Other Postemployment Benefits (OPEB) Plan – District Contribution Benefit Increase Analysis
- B. Acknowledgement of Actuarial Analysis Pursuant to California Government Code Section 7507 (Informational Purposes Only)

  
\_\_\_\_\_  
Douglas Cardonez Jr. 10/29/2025

  
\_\_\_\_\_  
Aaron Gettis, Chief of Deputy County Counsel 10/27/2025



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October 21, 2025

Ms. Tami Douglas-Schatz  
Director of Human Resources  
County of Riverside  
4080 Lemon Street  
Riverside, CA 92502

Subject: Regional Park and Open-Space District's Other Post-Employment Benefits (OPEB) Plan – District Contribution Benefit Increase Analysis

Dear Tami,

As requested, we analyzed the impact of increasing the District's contributions for eligible retirees enrolled in the Regional Park and Open-Space District's OPEB Plan, as required under California Government Code Section 7507 (GC 7507).

#### **Background - District Contributions**

The District makes contributions to eligible retirees for their medical plan premiums when the retiree enrolls in a District-sponsored health plan.

CalPERS Health Benefits program retirees are eligible for the greater of the stated Public Employees' Medical and Hospital Care Act (PEMHCA) amounts and the bargaining unit's negotiated amount. The PEMHCA monthly amounts are \$157 and \$158 in 2024 and 2025, respectively, and increase annually thereafter by Medical CPI. The negotiated benefit amounts are not currently inflation-indexed.

#### **Analysis Provided**

This summary provides the following information intended to satisfy GC 7507:

- Annual cost, or Actuarially Determined Contribution (ADC), of proposed benefit changes
- Increase in liability, or unfunded liability
- Actuarial assumptions used

In particular, the District requested analysis on the impact due to a one-time \$25 increase in the monthly negotiated contribution amounts to the following bargaining units:

- Management Unrepresented (MPU, UNR)
- SEIU (SE2, SPG, SPS)

For the purpose of this analysis, the \$25 increase has been valued effective 1/1/2026 and applied to the current monthly negotiated contribution amount for each bargaining unit affected. The \$25 increase is also applied to the current PEMHCA rate and future projected rates (i.e., PEMHCA + \$25).

**Summary of Results**

The +\$25 increase to the District’s contribution is expected to increase the District’s total projected liability (i.e., Present Value of Benefits, discussed below) by \$101,600, of which:

1. \$83,100 is attributable to service accrued to date (i.e., an increase to the Accrued Liability), plus
2. \$18,500 attributable to future accruals (i.e., a higher Normal Cost of approximately \$2,400 a year).

The following tables summarize the results of our analysis, which are based on the most recent July 1, 2024 actuarial valuation report. The analysis assumes the PEMHCA rate increases 4% annually while the additional \$25 remains unchanged. The projected date when the PEMHCA plus \$25 amount is expected to surpass the \$281 bargained amount is 2036.

**Liability / Unfunded Liability Impact (as of 7/1/2024)**

The Present Value of Benefits (PVB) represents the actuarial present value of all future benefits expected to be paid to current participants. The Actuarial Accrued Liability (AAL) is the portion of the PVB attributable to past service and the Normal Cost is the portion of the PVB that is allocated to the current plan year for active employees. The full cost of the \$25 increase is reflected in the PVB impact, where a portion is reflected immediately in the AAL impact and the remaining will be reflected annually through the Normal Cost.

The following summarizes the impact of the \$25 increase on the PVB, AAL, and Normal Cost, based on a 7.00% discount rate.

		(\$thousands)					
	Bargaining Unit	Current Monthly Rate	Projected Monthly Rate +\$25 (Eff. 1/1/2026)	Participant Count (actives & retirees)	PVB	AAL	Normal Cost
<b>Total Plan</b>	All (current)				\$1,615.8	\$1,164.0	\$54.0
<b>Impact</b>	Management Unrepresented	\$256	\$281	14	\$18.1	\$15.8	\$0.2
	SEIU	\$157	\$193	107	83.5	67.3	2.2
					\$101.6	\$83.1	\$2.4
<b>Total Plan</b>	All (after impact)				\$1,717.4	\$1,247.1	\$56.4

Currently, Management Unrepresented are above the PEMHCA amount while SEIU is at the PEMHCA amount.

Increasing the current District contribution amount by a flat \$25 per month results in approximately \$101,600 increase (~6%) in the PVB, \$83,100 increase (~7%) in the AAL, and \$2,400 increase (~5%) in the normal cost. To be clear, the AAL Impact is equal to the unfunded liability impact.

For the impacted bargaining units listed above, increasing the current District contribution amount by a flat \$25 per month results in an approximate increase of 5% to 7% of their respective bargaining unit costs.

**Funded Status Impact**

The following summarizes the impact of the \$25 increase on the funded status of the plan under the funding policy basis as of 7/1/2024 and projected to 7/1/2025.

	7/1/2024		Projected to 7/1/2025	
	Baseline	+\$25	Baseline	+\$25
Funded Status	105.0%	98.0%	107.1%	100.0%

The projected funded status as of 7/1/2025 decreases by 7.1% from 107.1% to 100.0%.

**Actuarially Determined Contribution (ADC) Impact (for FYE 2026)**

The smoothed value of assets is projected to exceed the plan obligations in both the baseline scenario and reflecting the \$25 increase. The surplus is larger than the cost of benefits accruing next year, therefore, the funding contribution policy amount is projected to be \$0 for FYE 2026 with or without the \$25 increase.

**Methods and Assumptions**

Except for those stated in this letter, all other methods and assumptions are consistent with those shown in the 2024 “Postretirement Benefits Plan” actuarial valuation report dated April 16, 2025.

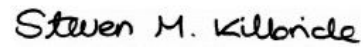
The undersigned is familiar with the near-term and long-term aspects of OPEB valuations, meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein, and qualifies as an actuary as defined in California Government Code §7504. The information provided in this report is dependent upon various factors as documented in the July 1, 2024 valuation report unless noted otherwise.

We would be happy to discuss any questions you have.

Regards,



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Gabby Gallardo, Aon  
Shannon Hui, Aon

**ACKNOWLEDGMENT OF ACTUARIAL ANALYSIS  
PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 7507  
(RIVERSIDE COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT)**

I, Jeff Van Wagenen, County Executive Officer of Riverside County Regional Park and Open Space District, hereby acknowledge, pursuant to California Government Code Section 7507, that I have reviewed and understand the current and future costs of the increase of other post-employment benefits of the Riverside County Regional Park and Open Space District's medical contribution for eligible retirees, as determined by the actuary. This is set forth in the actuarial analysis titled "Regional Park and Open-Space District's Other Post-Employment (OPEB) Plan – District Contribution Benefit Increase Analysis," prepared by Aon Consulting, Inc., on October 21, 2025. The actuary analysis has been made public at a public hearing at least two weeks prior to the Riverside County Regional Park and Open Space District Board's adoption of Resolution No. 2025-012 and Resolution No. 2025-013.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Jeff Van Wagenen

County Executive Officer

Riverside County Regional Park and Open Space District