# MINUTES OF THE CITY OF COSTA MESA
# PENSION OVERSIGHT COMMITTEE
# AUGUST 10, 2016

## CALL TO ORDER

The meeting was called to order by Vice-Chair Ralph Taboada at 4:46 p.m. in Conference Room 1A at Costa Mesa City Hall, 77 Fair Drive, Costa Mesa, California.

## ROLL CALL

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| Members Present: | Vice-Chair Ralph Taboada, Members: Bob Juneman, Al Melone, Lee Ramos, Richard Riva, Timothy Sesler (arrived at 4:54pm), George Turner |
| City Staff Present: | Interim Finance Director Stephen Dunivent, HR Manager Lance Nakamoto, HR Analyst Itzia Carvajal, Acting Purchasing Supervisor Ray Hull, Executive Secretary Kathy Ulrich |
| Members Absent: | Chair Jeff Arthur, Member Gary Parkin |
| Council Members Absent: | Mayor Stephen Mensinger, Mayor Pro Tem Jim Righeimer |

## PUBLIC COMMENTS

Mr. Tom Arnold inquired about the advantages of paying unfunded liability early and why are we not? Mr. Dunivent responded that the City made $1 million in additional payments towards the unfunded liability in FY 15-16 and has budgeted an additional $0.5 million for FY 16-17.

## MEMBER'S REPORTS, COMMENTS, AND SUGGESTIONS

- Mr. Riva commented on Defined Contribution and Defined Contribution Benefit Plans.
- Mr. Taboada referenced an East Coast state having issues with their hedge fund manager and terminating them.

## APPROVAL OF MINUTES

Meeting of July 13, 2016

Motion / Second: Bob Juneman / Lee Ramos

The motion carried by the following vote:

*Ayes:* Bob Juneman, Al Melone, Lee Ramos, Richard Riva, Tim Sesler, Ralph Taboada, George Turner

*Nays:* None

*Absent:* Jeff Arthur, Gary Parkin

Motion carried: 7-0-2

**SUB-COMMITTEE UPDATE**

None.

**NEW BUSINESS** (Order of business changed by request)

1. Mr. Hull reviewed the Defined Benefit vs the Defined Contribution Plan in the California Public Sectors presentation with the Committee. Discussion followed.

**OLD BUSINESS**

1. Revisit POC Meeting Schedule – Mr. Taboada revisited the current meeting schedule of the Committee. The Committee wanted to discuss the POC Council Agenda Report (OB #2) first before deciding. After that discussion, Mr. Turner motioned to change the meeting schedule to every other month, effective immediately, with a second from Mr. Riva. Motion carried 7-0. The next meeting will be held on October 12, 2016.

2. City Council Agenda Report for POC – Mr. Dunivent distributed a draft Council Agenda Report for a possible September council meeting. Discussion ensued. A motion by Mr. Taboada, seconded by Mr. Turner to revise #3 on List B to read: "Review existing and tentative labor contracts as they relate to pension and compensation packages, including any impact to the Unfunded Pension Liability." Motion carried 6-1, Mr. Melone voting No, fully supporting Staff's preferred language.

3. Discuss Committee recommendations for GovInvest – This item was deferred to the October 12th meeting.

**OPEN DISCUSSION / FUTURE AGENDA ITEMS**

**ADJOURNMENT** - The meeting was adjourned at 6:10 p.m. to the Regular Meeting on October 12, 2016 at 4:45 p.m.

Ralph Taboada, Vice-Chair

Kathy Ulrich, Executive Secretary