

CITY OF COSTA MESA
PENSION OVERSIGHT COMMITTEE MEETING
MINUTES
June 4, 2014

CALL TO ORDER The meeting was called to order at 4:33 p.m. by Mr. Arthur.

ROLL CALL Roll Call was taken. The Pension Oversight Committee is composed of eight (8) voting members. Committee members and staff members present were:

Committee Members Present:

Mr. Jeff Arthur, Chairperson
Mr. Ralph Taboada, Vice Chairperson
Mr. Timothy Sesler, Member (arrived at 4:34)
Mr. Gene Hutchins, Member (arrived at 4:39)
Mr. Gary Parkin, Member
Mr. Kent Mora, Member (arrived at 4:46)
Mr. John Stephens, Member (left at 5:32)
Mr. Ron Robertson, Member

Staff Members Present:

Mr. Steve Dunivent, Interim Finance Director
Mr. John Donlon, Management Analyst

Staff Members Absent:

Mr. Lance Nakamoto, HR Director
Mr. Ryan Thomas, HR Analyst

Council Liaisons Absent:

Mr. Jim Righeimer, Mayor
Mr. Stephen Mensinger, Mayor's Designee

APPROVAL OF MINUTES A motion was made by Mr. Robertson and seconded by Mr. Mora to approve the minutes of May 21, 2014 with a minor edit change. Upon a voice vote, the motion carried 8-0.

PUBLIC COMMENTS None.

COMMITTEE MEMBER COMMENT Mr. Taboada thanked Mr. Dunivent for inviting Mr. Fitzgerald to come speak to the committee. Mr. Dunivent gave an update on the pension portion of the proposed Charter. City Council reviewed the Charter proposal, made some changes and will vote each change in a future Council meeting. Mr. Donlon received a committee e-mail from a solicitor. The committee as a whole agreed to compile a list of all solicitors and they would listen to them when the time is ready. Mr. Hutchins attended the 2nd public hearing (June 3rd) covering the Draft Charter and said the majority speaking were against the Charter with only a total of 5 or 6 in favor. Only 5 Charter Committee members and one POC member spoke. He also informed the committee some cities

requested that GASB delay the start date for Statement 68 accounting changes. However, GASB decided against any delay and all state and local government financial statements for years beginning after June 15, 2014 will be based on Statement 68.

**SUB-COMMITTEE
UPDATES**

CalPERS communication's sub-committee: Mr. Arthur presented some projections of contribution rate and dollar amounts.

Fast Facts Publication sub-committee: Mr. Robertson thanked the committee for their feedback. The committee had a few minor changes on the FAQ's. He will insert a graph and distribute next meeting.

Communications Outreach sub-committee: Mr. Authur informed the committee he was invited by the Costa Mesa Republican Assembly to speak about Pensions. Also Fast Fact Volume 4 is to be sent to the Daily Pilot.

NEW BUSINESS

Changes to Pension Risk Pools: Mr. Dunivent updated the committee with some CalPERS changes:

1. Combine 12 risk pools into 2; Safety and Miscellaneous
2. Minor effects to Fire Safety Pool, but not the Fire Side Fund
3. Changing how Unfunded Liability is paid from a percentage to a flat amount.

Revision of Asset Allocation Strategy: Mr. Dunivent informed the committee CalPERS is changing it's asset allocation policy to a more Global portfolio. The move is an attempt to have more stable long term returns.

ADJOURNMENT

A motion was made by Mr. Parkin and seconded by Mr. Taboada to adjourn the meeting at 6:07 p.m.

Jeff Arthur
Chairperson

Steve Dunivent
Interim Finance Director