

CITY OF COSTA MESA
PENSION OVERSIGHT COMMITTEE MEETING
MINUTES
February 5, 2014

CALL TO ORDER The meeting was called to order at 4:35 p.m. by Mr. Arthur.

ROLL CALL Roll Call was taken. The Pension Oversight Committee is composed of nine (9) voting members. Committee members and staff members present were:

Committee Members Present:

Mr. Jeff Arthur, Chairperson
Mr. Ralph Taboada, Vice Chairperson
Mr. John Stephens, Member
Mr. Timothy Sesler, Member
Mr. Gene Hutchins, Member
Mr. Gary Parkin, Member
Mr. Kent Mora, Member

Committee Members Absent:

Mr. Rick Kapko, Member
Mr. Ron Robertson, Member

Staff Member Present:

Mr. Steve Dunivent, Interim Finance Director
Mr. John Donlon, Committee Assistant
Mr. Lance Nakamoto, HR Director
Mr. Ryan Thomas, HR Analyst

Council Liaison Absent:

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

APPROVAL OF MINUTES A motion was made by Mr. Taboada and seconded by Mr. Parkin to approve the minutes of January 15, 2013. Upon a voice vote, the motion carried 7-0.

PUBLIC COMMENTS Mr. Mooney congratulated the committee and told Mr. Arthur he did a good job with his City Council Presentation. He'd like the committee to show the Mayor how it benefits the city to pay down the Side Fund. He also commented on a timing issue, if the city decided to pay more to the Side Fund, then CalPERS could release their evaluation and increase the contribution rates.

COMMITTEE MEMBER COMMENT Mr. Arthur started off by saying the City Council meeting went well and he's happy with the results. He's ready to start working on Phase 2 of the committee. He brought a Calsters Communication article in and said the state governor is suggesting further payments should be made to pensions. Mr. Parkin said Mr. Arthur and Mr. Dunivent did a good job with their

presentation and he's concerned some of the Council didn't fully understand the 20 year plan. Mr. Mora enjoyed the Council presentation. He said Mr. Arthur and Mr. Dunivent turned a complex issue to sound not so complex. He's also afraid Ms. Leece didn't fully understand the prepayment doesn't affect the unfunded liability. Mr. Stephens said Mr. Dunivent and Mr. Arthur did a good job and it's a positive for the committee. He'd like to bring in employee representatives to get their perspective. Mr. Taboada complimented Mr. Dunivent, Mr. Arthur and Mr. Donlon. He mentioned the motion was changed but it might be for the better. He also made reference one of the council members saying smart decisions need to be made now so our children don't have to foot the bill. Mr. Taboada also referenced the meeting with the staff regarding the website and also brought up the idea the committee should meet with employee representatives. Mr. Nakamoto commended the committee to come together and did a good job. Mr. Dunivent appreciated the work the committee put in and realized a lot was done over the holidays. He also appreciated the Councils decision. Mr. Hutchins gave applause for Mr. Arthur and Mr. Taboada for attending the Charter Committee meeting. Mr. Hutchins also made mention to a Charter provision and to provide comments before next Tuesday.

OLD BUSINESS

Mr. Donlon delivered the committee's e-mail address, PensionOversightCommittee@CostaMesaCA.gov. Mr. Donlon will post the address on the committee website.

Mr. Dunivent gave a recap of the approved City Council Agenda Report.

1. Fast Facts were approved and can now be published
2. Prepayment of the annual employer contribution for the Misc. group of employees
3. Use the savings from Misc. Prepayment towards Fire Side Fund
4. Authorize CEO to annual review prepayment conditions
5. Apply \$1,000,000 towards Fire Side Fund
6. Gave approval of \$500,000 annual budgeted amount towards pensions.

NEW BUSINESS

Mr. Arthur reviewed some handouts from prior council meetings and CalPERS information. Mr. Arthur has follow-up questions for Kerry Worgan.

Mr. Stephens made a motion to form a sub-committee with Mr. Arthur, Mr. Taboada and City Staff to communicate with CalPERS and answer some follow-up questions. Mr. Parkin seconded the motion. Upon a voice vote, the motion carried 7-0.

ADJOURNMENT

A motion was made by Mr. Mora and seconded by Mr. Hutchins to adjourn the meeting at 6:12 p.m.

Jeff Arthur
Chairperson

Steve Dunivent
Interim Finance Director