

**CITY OF COSTA MESA**  
**PENSION OVERSIGHT COMMITTEE MEETING**  
**\*MINUTES\***  
**MAY 22, 2013**

**CALL TO ORDER**                   The meeting was called to order at 4:36 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, Alternate Chairperson  
Mr. Gene Hutchins, Member  
Mr. Rick Kapko, Member  
Mr. Kent Mora, Member  
Mr. Gary Parkins, Member  
Mr. Timothy Sesler, Member  
Mr. John Stephens, Member

Staff Members present:

Mr. Bobby Young, Finance & I.T. Director  
Mr. Alex Warren, Committee Assistant  
Mr. Ryan Thomas, Human Resources Analyst

Council Liaisons Present:

Mr. Jim Righeimer, Mayor (Arrived at 4:40PM)  
Mr. Stephen Mensinger, Mayor's Designee

Committee Members absent:

Mr. Shawn Dewane, Member

**APPROVAL OF MINUTES**                   A motion was made by Mr. Mora and seconded by Mr. Parkins to approve the minutes of May 15, 2013. Upon a voice vote, the motion carried 8-0.

**PUBLIC COMMENTS**               There was no public comment at the meeting.

**COMMITTEE MEMBER COMMENT**   Committee members discussed pension document distribution and the possible creation of POC binders. Mr. Young informed the committee of the new POC website and the potential scheduling of a PERS actuary to brief the committee in June.

**OLD BUSINESS**                   Mr. Taboada briefed the committee on the revised format of the action log and the use of shading to reflect completion of tasks.

Confirmation was received from Mr. Kapko regarding the June 5<sup>th</sup> bankruptcy review and Mr. Young confirmed that contracts will be distributed to the committee at the May 29<sup>th</sup> meeting.

## **NEW BUSINESS**

Mr. Young gave a presentation to the committee regarding PERS prepayments for each pension plan and the impact on city cash reserves. Discussion focused on budget flexibility, mismatch in timing of revenue and expenditures, differences in projected vs. actual pension payments, required cash balances, and impact of natural disasters on revenue. Mr. Young is seeking clarification from PERS on multiple questions and will report back to the committee prior to adding an item to the city council agenda.

Mr. Hutchins presented the committee documents on retiree medical care before and after changes took effect on January 1, 2004. The prior plan pays a retirees monthly premium up to 500 USD for their lifetime. The plan is closed to new participants and has an unfunded liability of 36 million dollars.

Mr. Arthur gave a presentation regarding the Police 1% supplemental. The plan is only for police retirees and currently has 22 participants. The supplemental was set up to encourage retirement. The plan is closed to new participants and is fully funded.

A discussion was begun regarding retirement contribution rates to PERS and the best way to display contribution rates to the public. The discussion has been carried over to the May 29<sup>th</sup> meeting.

## **OPEN DISCUSSION & FUTURE AGENDA ITEMS**

Mr. Dewane has resigned from the Pension Oversight Committee due to a scheduling conflict. The committee members expressed opinions regarding possible replacement of the member and a recommendation to the city council. Mr. Arthur began a discussion regarding frequency of committee meetings and it was decided to continue on a weekly basis for the time being.

## **ADJOURNMENT**

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

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Jeff Arthur  
Chairperson

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Bobby Young  
Finance & I.T. Director

