

CITY OF COSTA MESA
PENSION OVERSIGHT COMMITTEE MEETING
MINUTES
June 19, 2013

CALL TO ORDER

The meeting was called to order at 4:32 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. Gene Hutchins, Member (Arrived at 5:03PM)
Mr. Rick Kapko, Member
Mr. Gary Parkin, Member
Mr. Timothy Sesler, Member
Mr. John Stephens, Member
Mr. Kent Mora, Member

Staff Members Present:

Mr. Bobby Young, Finance & I.T. Director
Mr. Alex Warren, Committee Assistant
Mr. Lance Nakamoto, HR Director
Mr. Ryan Thomas, HR Analyst

Council Liaisons Present:

Mr. Stephen Mensinger, Mayor's Designee

Council Liaison Absent:

Mr. Jim Righeimer, Mayor

**APPROVAL OF
MINUTES**

A motion was made by Mr. Sesler and seconded by Mr. Parkin to approve the minutes of June 12, 2013. Upon a voice vote, the motion carried 7-0.

PUBLIC COMMENTS

Mr. Scott Williams thanked the Pension Oversight Committee for looking into solutions to the unfunded pension liabilities.

**COMMITTEE
MEMBER COMMENT**

The committee has decided to cancel the July 3, 2013 meeting due to the 4th of July holiday. Mr. Arthur informed the committee of actuarial data collection by city staff and how it may be applicable to the expert question list. Mr. Ronald Robertson has been selected by the City Council to be the ninth member of the Pension Oversight Committee and will be joining the group at the June 26, 2013

meeting. The committee discussed Wall Street Journal articles distributed by Mr. Arthur regarding the debt default by Detroit and potential plans by Chicago to dump retiree health obligations on the Illinois health exchange.

OLD BUSINESS

The committee discussed the most recent action log and the completion of most items addressed thus far. Mr. Young informed the committee there is currently no update on the PERS prepayment input from the city's dedicated actuary at CalPERS. The committee discussed comments at the City Council to pay down the fire side fund and the size of the side fund versus the rest of the participants in the 3% at 50 risk pool.

NEW BUSINESS

Mr. Kapko began part one of a two part presentation on municipal bankruptcy. This session focused on bankruptcy language, eligibility, parties involved, intent of filing, and mediation. An important point of the presentation was to inform the committee of the differences of municipal bankruptcy vs. corporate with regard to forms of insolvency and the voluntary nature of municipal filings. Committee discussion focused on state law AB 506 and how legally required mediation has exacerbated an already difficult process. Part two of the presentation will be given on June 26th and will focus on bondholder treatment, impact of filing for municipal bankruptcy, and developments in CalPERS priority claims in Stockton and San Bernardino.

**OPEN DISCUSSION &
FUTURE AGENDA
ITEMS**

Mr. Mora and Mr. Sesler provided a brief update regarding their work on the expert question list. Mr. Scott Williams spoke to the committee regarding an article titled "Sleepless in Stockton." Mr. Warren will scan and distribute the article to the committee via email. The committee was informed that Mr. Young and Mr. Warren will reach out to Mr. Robertson and work with him to get up to speed on the work of the POC.

ADJOURNMENT

A motion was made by Mr. Taboada and seconded by Mr. Sesler to adjourn the meeting at 5:52 p.m.

Jeff Arthur
Chairperson

Bobby Young
Finance & I.T. Director

