

CITY OF COSTA MESA
PENSION OVERSIGHT COMMITTEE MEETING
MINUTES
July 10, 2013

CALL TO ORDER

The meeting was called to order at 4:32 p.m. by Mr. Taboada.

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. Ralph Taboada, Vice Chairperson
Mr. Rick Kapko, Member
Mr. Kent Mora, Member
Mr. Ron Robertson, Member
Mr. Gary Parkin, Member
Mr. John Stephens, Member

Committee Members Absent:

Mr. Gene Hutchins, Member
Mr. Jeff Arthur, Chairperson
Mr. Timothy Sesler, Member

Staff Members Present:

Mr. Alex Warren, Committee Assistant
Mr. Lance Nakamoto, HR Director
Mr. Ryan Thomas, HR Analyst

Staff Members Absent:

Mr. Bobby Young, Finance & I.T. Director

Council Liaison Absent:

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

**APPROVAL OF
MINUTES**

A motion was made by Mr. Parkin and seconded by Mr. Mora to approve the minutes of June 26, 2013. Upon a voice vote, the motion carried 6-0.

PUBLIC COMMENTS

Mr. Charles Mooney discussed multiple articles distributed by Mr. Arthur regarding Laguna Hills' plan to prepay their CalPERS contributions. He would like the committee to look into whether the finance department for that city has the same concerns over plan solvency as discussed by the pension oversight committee. Noting a recent actuary presentation before the Irvine City Council, Mr. Mooney also asked the committee to see if the City Attorney would

look into segregation of funds within the plan.

COMMITTEE

MEMBER COMMENT

Mr. Mora and Mr. Taboada discussed the possibility of not reaching the target investment regard of 7.5% if the city were to prepay on CalPERS payments.

OLD BUSINESS

Mr. Taboada moved to have the committee to begin sales and parcel tax reviews at the July 17th meeting as part of the action log discussion. Mr. Mora guided the POC through the latest iteration of the expert question list. The committee was able to cover all finance questions as well as one half the actuarial questions to be directed to CalPERS. Due to the length of the list and detail of the questions involved, Mr. Mora charged the committee to review the remaining questions at home and bring revisions to the July 17th in order to expedite the process.

NEW BUSINESS

Mr. Warren presented a trend analysis of the funding status in all three plans since 1999. The data was gathered from the actuarial reports provided by CalPERS and covered employer contributions, accrued liabilities, funded status, and nuances of the 3% at 50 Fire Risk Pool. The committee has asked for additional information regarding employee contribution rates and funded status based on market value of assets. A revised copy of the analysis will be given to the committee on July 17th as part of old business.

**OPEN DISCUSSION &
FUTURE AGENDA
ITEMS**

The committee will begin discussion of potential increases in sales and parcel taxes in order to close the funding gap. Analysis prepared and news articles collected by Mr. Arthur will be reviewed by the committee.

ADJOURNMENT

A motion was made by Mr. Parkin and seconded by Mr. Stephens to adjourn the meeting at 6:05 p.m.

Jeff Arthur
Chairperson

Bobby Young
Finance & I.T. Director

