

CITY OF COSTA MESA
PENSION OVERSIGHT COMMITTEE MEETING
MINUTES
August 21, 2013

CALL TO ORDER

The meeting was called to order at 4:34 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. Kent Mora, Member
Mr. Ron Robertson, Member
Mr. Timothy Sesler, Member
Mr. John Stephens, Member
Mr. Gene Hutchins, Member

Committee Members Absent:

Mr. Rick Kapko, Member
Mr. Gary Parkin, Member

Staff Members Present:

Mr. Alex Warren, Committee Assistant
Mr. Bobby Young, Finance & I.T. Director

Staff Members Absent:

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

Council Liaison Present:

Mr. Jim Righeimer, Mayor (Arrived 5:40 PM)

Council Liaison Absent:

Mr. Stephen Mensinger, Mayor's Designee

**APPROVAL OF
MINUTES**

A motion was made by Mr. Taboada and seconded by Mr. Robertson to approve the minutes of August 7, 2013. Upon a voice vote, the motion carried 7-0.

PUBLIC COMMENTS

There was no public comment at the meeting.

**COMMITTEE
MEMBER COMMENT**

Mr. Young and committee members exchanged best wishes as he moves on to a new role in the private sector. Mr. Stephens expressed an interest in having the committee review the contract proposal given to the miscellaneous workers currently in negotiation. Mr. Sesler informed the committee of an article in the New York Times detailing the rise in municipal bond credit risk for Michigan cities in the wake of the Detroit bankruptcy. Mr. Robertson prepared an analysis for the committee calculating the present value of a one hundred thousand dollar pension and how different discount rates materially impact the present value.

OLD BUSINESS

Mr. Young has sent the final version of the expert question list to the city's actuary at CalPERS. Mr. Thomas will be the contact with CalPERS and a visit will likely take place in October.

NEW BUSINESS

Mr. Arthur gave a presentation on potential ways for the city to close the unfunded liabilities in each plan. The two primary inflows to city coffers would come from either a sales tax increase or land parcel tax. The committee discussed potential issues with tax avoidance and the requirements to vote on tax increases. Mr. Sesler proposed a review of city assets that could possibly be sold to fund the gap. Discussions also covered the political feasibility of new taxes on the ballot as well as the impact on households given the anemic state of the US economy.

**OPEN DISCUSSION &
FUTURE AGENDA
ITEMS**

The committee plans to begin discussions on the POC mission statement as well as contribution rates in each pension plan.

ADJOURNMENT

A motion was made by Mr. Taboada and seconded by Mr. Hutchins to adjourn the meeting at 6:02 p.m.

Jeff Arthur
Chairperson

Alex Warren, CFA
Committee Assistant

