

CITY OF COSTA MESA
PENSION OVERSIGHT COMMITTEE MEETING
MINUTES
December 4, 2013

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. Kent Mora, Member
Mr. Ron Robertson, Member
Mr. Gary Parkin, Member
Mr. John Stephens, Member (arrived at 4:38)
Mr. Timothy Sesler, Member
Mr. Gene Hutchins, Member

Committee Members Absent:

Mr. Rick Kapko, 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 Present:

Mr. Jim Righeimer, Mayor

Council Liaison Absent:

Mr. Stephen Mensinger, Mayor's Designee

**APPROVAL OF
MINUTES**

A motion was made by Mr. Taboada and seconded by Mr. Mora to approve the minutes of December 20, 2013. Upon a voice vote, the motion carried 8-0.

PUBLIC COMMENTS

None.

**COMMITTEE
MEMBER COMMENT**

Mr. Sesler stated that Kerry Worgan of CalPERS defended the 7.5% rate. Mr. Worgan acknowledged that the experts they consult predicted a less than 7.5% return in the next decade. Mr. Hutchins and Mr. Parkin want Mr. Robertson's question about what happened to unfunded liability over the last few years answered. Mr. Mora commented Costa Mesa pays employees on the high end, referencing an article written by Dieter Dammeier. Mr. Nakamoto informed the

committee the police are no longer the highest paid, and the city pays based on neighboring cities pay scales. Mr. Taboada provided the committee with a list of recommendations. Mr. Arthur has intentions of updating the website. Mr. Righeimer commented CalPERS changes the unfunded liability often and it's difficult to determine what is owed. He also disagrees with the current method the city uses to pay its employees.

OLD BUSINESS

The committee talked at length regarding the side fund and additional payment, as suggested by Kerry Worgan. The committee agreed they need, in writing, assurances the additional payments will be used to pay down the debt and it won't increase over time.

Mr. Robertson proposed a motion to approve the first article of the fast facts. Mr. Parkin second the motion. A voice vote approved the publication of the first article with two minor changes.

Mr. Robertson proposed a motion to approve the second fast facts article. Mr. Sesler second the motion. A voice vote approved the second article by a vote of 6 – 2.

Mr. Robertson proposed a motion to publish the second fast facts article. Mr. Hutchins second the motion. A voice vote of 4 – 4 was made. The article will not be published.

NEW BUSINESS

Payroll subcommittee updated the POC committee with ownership of accounts and how they balance. Mr. Arthur assured the committee Anna Dolewski knows exactly what she is doing and isn't spiking Costa Mesa payroll.

ADJOURNMENT

A motion was made by Mr. Arthur and seconded by Mr. Sesler to adjourn the meeting at 6:48 p.m.

Jeff Arthur
Chairperson

Steve Dunivent
Interim Finance Director