

CITY OF COSTA MESA
PENSION OVERSIGHT COMMITTEE MEETING
MINUTES
December 18, 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 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. John Stephens, Member (arrived at 4:46)
Mr. Timothy Sesler, Member
Mr. Rick Kapko, Member

Committee Members Absent:

Mr. Gene Hutchins, Member
Mr. Gary Parkin, 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 Absent:

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

**APPROVAL OF
MINUTES**

A motion was made by Mr. Mora and seconded by Mr. Taboada to approve the minutes of December 4, 2013. Upon a voice vote, the motion carried 7-0 with the condition to make a few minor changes.

PUBLIC COMMENTS

Mr. Mooney commented on the Pension Terminology Fast Facts Bulletin. He wanted the discount rate reworded.

**COMMITTEE
MEMBER COMMENT**

Mr. Arthur informed the committee Mr. Dunivent found a presentation by John Bartel from October 2012. He also presented a graph he made of the side fund payments, showing the payments going up over time. He explained the payments are tied to payroll, which also increases over time. Mr. Robertson informed the committee the

County of Orange will be paying off their unfunded liabilities over the next 20 years, but will not be making any payments on the unfunded liabilities for the first 10 of those 20 years. He wants Mr. John Moorlach, on the Board of Supervisors, to come speak about the steps the county has made in their pension obligations. Mr. Robertson also brought up a new type of pension which is part pension and part 401k. Mr. Sesler mentioned the general public needs to be educated in order to change general perspectives.

OLD BUSINESS

The committee talked at length about minor editing to the Fast Facts Bulletins. Mr. Robertson made a motion to approve the Pension Terminology bulletin, seconded by Mr. Mora. Upon a voice vote, the motion carried 7-0. Mr. Robertson made a motion to approve the PEPRA bulletin, seconded by Mr. Stephens. Upon a voice vote, the motion carried 7-0.

Mr. Dunivent delivered to the committee the presentation he plans to submit to the City Council. The committee held a straw vote on 3 of his recommendations:

1. Annual prepayment of Miscellaneous and Police Plan. Voice approval vote of 5-2.
2. Use of prepayment savings toward Fire Side Fund. Voice approval vote of 5-2.
3. Authorize a one-time additional \$1,000,000 payment to the Fire Side Fund. Voice approval vote of 6-1.

NEW BUSINESS

Mr. Arthur found a Fire Captain willing to come speak to the committee about his views of the pension and the liabilities associated with it. Mr. Arthur would like to find an employee from the Police and Miscellaneous Funds as well.

ADJOURNMENT

A motion was made by Mr. Taboada and seconded by Mr. Mora to adjourn the meeting at 6:38 p.m.

Jeff Arthur
Chairperson

Steve Dunivent
Interim Finance Director