

**MINUTES OF THE ADJOURNED MEETING/SPECIAL STUDY SESSION OF THE
COSTA MESA CITY COUNCIL AGENCY**

February 26, 2013

CALL TO ORDER

The meeting was called to order by the Mayor at 6:00 p.m. in the Council Chambers at Costa Mesa City Hall, 77 Fair Drive, Costa Mesa, California.

ROLL CALL

Present: Mayor Righeimer, Mayor Pro Tem Mensinger, Council Member Genis, and Council Member Leece
Absent: Council Member Monahan

Officials Present: Chief Executive Officer Thomas R. Hatch, City Attorney Thomas Duarte, Assistant CEO Rick Francis, Finance and I.T. Director Bobby Young, and City Clerk Brenda Green.

PUBLIC COMMENTS (00:00:46)

Jeff Arthur, Costa Mesa, presented an article from the Wall Street Journal regarding pensions. (00:00:55)

Perry Valentine, Costa Mesa, spoke about the pension report, and expressed concern that a PERS representative was not at the meeting. (00:02:08)

REVIEW OF UNFUNDED PUBLIC PENSION AND RETIREE HEALTH CARE LIABILITIES BY JOE NATION. (00:04:34)

Council Member Leece requested concerns be addressed regarding the absence of Kerry Worgan, CalPERS actuary, from the meeting. (00:04:39)

CEO Hatch noted Mr. Worgan's presentation to the Association of California Cities is on the City's website; indicated that Mr. Worgan was unable to attend; and provided background information on Professor Joe Nation. (00:05:54)

Introduction by Finance and I.T. Director Bobby Young. (00:11:14)

Presentation by Professor Joe Nation, Stanford Institute for Economic Policy Research. (00:25:28)

Discussion ensued regarding the pension model for the City of San Jose; counties and cities working together; reducing service levels and prepayment to CalPERS; funded ratios and market value; comparing private sector to public sector pension systems;

retiree medical benefits; parcel tax; life expectancy; survivorship rights; and sustainability of the pension system. (01:39:11)

City Council recessed for a break at 8:30 p.m.
City Council reconvened the meeting at 8:40 p.m.

**PRESENTATION ON FISCAL EFFECT OF 2.5%@55 PERS ENHANCEMENT
(02:28:31)**

Staff report by Finance and I.T. Director Bobby Young. (02:28:36)

Discussion ensued regarding net impact of the change in the unfunded liability; inflated pension; retirement incentives; past negotiations; a second tier retirement plan; and the retirement process. (02:37:44)

COUNCIL MEMBERS' REPORTS, COMMENTS, AND SUGGESTIONS - NONE

The Mayor adjourned the meeting at 8:58 p.m.



Stephen M. Mensinger, Mayor



Brenda Green, City Clerk