

**MINUTES OF THE CITY OF COSTA MESA
FINANCE ADVISORY COMMITTEE
SPECIAL MEETING
JANUARY 20, 2015
3:00PM**

CALL TO ORDER

The meeting was called to order by the Mr. Shaw at 3:05 p.m. in Conference Room 2A at Costa Mesa City Hall, 77 Fair Drive, Costa Mesa, California.

ROLL CALL

Members Present: Chair Terry Shaw, Members: Jeff Arthur, Robert Juneman, Tom Pollitt, Richard Riva, Colin Smith, Mayor's Designee Katrina Foley, CEO Tom Hatch (arrived at 3:10pm)

Staff Present: Interim Finance Director Stephen Dunivent, Revenue Supervisor Jennifer King, Executive Secretary Kathy Ulrich

Members Absent: Vice-Chair Jim Fisler, Members: Christopher Graham, Howard Hull

Staff Absent: Assistant Finance Director Colleen O'Donoghue

PUBLIC COMMENTS

There were no public comments.

MEMBER'S REPORTS, COMMENTS, AND SUGGESTIONS

Mr. Arthur informed the committee he has amortization schedules from CalPERS that he will bring to the next meeting; Mr. Pollitt wondered if there is going to be an internal audit of the Police/Councilmen issue and inquired where the funds will come from.

APPROVAL OF MINUTES

1. Meeting of November 18, 2014 –
Moved/Second: Colin Smith/Bob Juneman
The motion carried by the following roll call vote:
Ayes: Terry Shaw, Jeff Arthur, Bob Juneman, Tom Pollitt, Richard Riva, Colin Smith, Tom Hatch
Nays: None
Absent: Jim Fisler, Christopher Graham, Howard Hull
Abstain: Katrina Foley
Motion carried: 7-0-4

OLD BUSINESS -a) **FRANCHISE TAX BOARD DATA SHARING UPDATE**

Ms. King updated the Committee regarding data sharing with the Franchise Tax Board (FTB). Finance will be sending out over 12,000 letters because of unmatched records with the FTB.

b) **FINANCIAL POLICY PART III**

Mr. Dunivent reviewed the updated Budget and Financial Policy. The Committee finished their discussion of the Financial Policy. The Committee recommended revised priorities for the use of any fiscal year end surplus. A motion by Mr. Riva, and a second by Ms. Foley to present the Financial Policies to City Council, with recommendations, passed 8-0.

NEW BUSINESS -a) **FY 2013-2014 CAFR**

The Committee members each received a copy of the 13-14 CAFR and will bring back questions, if any, at the next meeting.

b) **TREASURER'S QUARTERLY REPORT/CHANDLER UPDATE - Cancelled**c) **DRAFT MID-YEAR BUDGET AGENDA REPORT**d) **DRAFT RESERVES STUDY AGENDA REPORT**

The Committee discussed and had a few comments in relation to the existing and recommended reserves. A suggestion was made to modify the amounts for any insurance reimbursement. In addition, the City could review opportunities to refinance the Police Department expansion loan.

OPEN DISCUSSION / FUTURE AGENDA ITEMS

- First look at the 5 Year Plan
- Pension Presentation by Jeff Arthur
- Project Update by Gary Armstrong, Development Services Director

ADJOURNMENT - The meeting was adjourned at 5:08 p.m. to the regular meeting on February 24, 2015 at 3:30 p.m.



Terry Shaw, Chair
Director



Stephen Dunivent, Interim Finance