

**MINUTES OF THE CITY OF COSTA MESA
FINANCE ADVISORY COMMITTEE
FEBRUARY 23, 2016
3:30PM**

CALL TO ORDER

The meeting was called to order by Mr. Shaw at 3:32 p.m. in Conference Room 1A at Costa Mesa City Hall, 77 Fair Drive, Costa Mesa, California.

ROLL CALL

Members Present: Chair Terry Shaw, Vice-Chair Jim Fisler, Members: Robert Juneman, Tom Pollitt, Richard Riva, CEO Tom Hatch

Staff Present: Interim Finance Director Stephen Dunivent, Assistant Finance Director Colleen O'Donoghue, Revenue Supervisor Jennifer King, Executive Secretary Kathy Ulrich

Members Absent: Members: Jeff Arthur, Howard Hull, Mayor's Designee Katrina Foley

PUBLIC COMMENTS

Mr. Ralph Taboada inquired about the CMPA tentative agreement/negotiation and why it cannot be discussed today. He also asked about the Comprehensive Annual Financial Report (CAFR) fund balances and reserves. In response, Mr. Hatch referred to COIN and the possibility of the Finance Advisory Committee (FAC) or the Pension Oversight Committee (POC) be included in the process. Mr. Dunivent explained the reserves.

MEMBER'S REPORTS, COMMENTS, AND SUGGESTIONS

Mr. Juneman distributed Orange County Register articles and asked if the City had a stress test.

Mr. Riva asked if the City had a financial disaster plan and what was the ambulance budget process.

Mr. Pollitt informed the Committee that Mr. Arthur was in the hospital, asked if COIN on the website is accurate, is pension related to payroll and employees retiring due to pay increase.

Mr. Shaw wanted the Committee to know that he did not reapply for reappointment.

Mr. Fisler thanked Mr. Shaw for his service, thanked the POC for their work, is interested in the CMPD raises and the logic thereof, the reserves and a pension analysis.

APPROVAL OF MINUTES

1. Meeting of January 11, 2016 –
 Moved/Second: Bob Juneman/Tom Pollitt with one spelling edit.
 The motion carried, by the following roll call vote:
Ayes: Terry Shaw, Bob Juneman, Tom Pollitt, Richard Riva, Tom Hatch
Nays: None
Absent: Jeff Arthur, Howard Hull, Katrina Foley
Abstain: Jim Fisler
 Motion carried: 5-0-3-1

OLD BUSINESS -

- a) FILLED AND VACANT POSITIONS UPDATE
 The Committee was given the current filled and vacant information that is updated monthly.
- b) BANKING SERVICES UPDATE
 Ms. King updated the Committee on progress of JP Morgan Chase, the new bank for the City. The contract is being finalized and a meeting to implement is being scheduled.

NEW BUSINESS –

- c) LIBRARY/NEIGHBORHOOD COMMUNITY CENTER (NCC)/PARK OVERVIEW
 Mr. Steven Johnson from Johnson Favaro Architect presented the new plans for the Library, NCC and Park project. Discussion took place between the public and committee members.
- d) COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)
 Ms. King highlighted items from the FY 14-15 CAFR and Mr. Nitin Patel, CPA from White Nelson Diehl Evans LLP briefly explained the new pension liability requirements in the financial statements.
- e) QUARTERLY SALES TAX UPDATE
 This item was deferred to the March 29, 2016 regular meeting

OPEN DISCUSSION / FUTURE AGENDA ITEMS

- Request of the drivers of the 5 Year Plan & 7 Year Capital Improvement Plan
- CMPA agreement & COIN process, and the role for the FAC
- A Motion to schedule a special meeting with the Pension Oversight Committee before March 15, 2016 to discuss the CMPA labor contract and financial impact for a report to City Council -

Moved/Second: Richard Riva/Tom Pollitt

Ayes: Jim Fisler, Bob Juneman, Tom Pollitt, Richard Riva, Tom Hatch

Nays: Terry Shaw

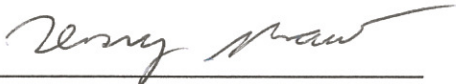
Absent: Jeff Arthur, Howard Hull, Katrina Foley

Abstain: None

Motion carried: 5-1-3-0

- Request to learn how to understand the CAFR
- Ambulance discussion: how did the City acquire (6) emergency vehicles?
- 3rd-4th Quarter major expenditures – any plans for the \$1.5 million?

ADJOURNMENT - The meeting was adjourned at 6:25 p.m. to the regular meeting on Tuesday, March 29, 2016 at 3:30 p.m.



Terry Shaw, Chair



Stephen Dunivent, Interim Finance Director