

**MINUTES OF THE CITY OF COSTA MESA
FINANCE AND PENSION ADVISORY COMMITTEE
June 13, 2018
4:00 PM**

1. CALL TO ORDER

The meeting was called to order by Chair Ralph Taboada at 4:00 p.m. in Conference Room 1A at Costa Mesa City Hall, 77 Fair Drive, Costa Mesa, California.

2. ROLL CALL

Members Present: Chair Ralph Taboada, Vice-Chair John Hinson, Members Teresa Drain, Bob Juneman, Marwan Khalifa, Wendy Leece, Al Melone, Tom Pollitt, Richard Riva, Anna Vrska

Members Absent: Mayor Sandra Genis, Don Harper

Staff Present: Assistant Finance Director Colleen O'Donoghue, Revenue Supervisor Anna Baca, Management Analyst Ray Hull, Executive Secretary Cassandra Burkart

Staff Absent: City Manager Tom Hatch, Assistant City Manager Tammy Letourneau

3. PUBLIC COMMENTS

- a. Beth Refakes said the City Council does not appear to be interested in FiPAC's suggestions for the FY 2018-19 Preliminary Budget.
- b. Beth Refakes said there needs to be budget reductions, and any surplus should go toward funding an IRS Section 115 Trust, the Self-Insurance Fund, or into reserves.

4. APPROVAL OF MINUTES OF THE MAY 23, 2018 FIPAC MEETING

MOTION/SECOND: John Hinson/Wendy Leece

Ayes: Ralph Taboada, Teresa Drain, John Hinson, Marwan Khalifa, Wendy Leece, Richard Riva, Anna Vrska, Tom Pollitt

Nays: None

Abstain: Al Melone, Bob Juneman

Absent: Don Harper

Motion Carried: 8-0-2-1

5. OLD BUSINESS

None.

6. NEW BUSINESS

- a. Vacancy report update
 - i. Ray Hull presented an employee count by department report.
- b. Chandler Quarterly Economic and Investment Account Review
 - i. Jayson Schmitt (Chandler Asset Management) provided an economic update and portfolio performance report through the period ending April 30, 2018.
- c. Final Review/comment for the FY 2018-19 Preliminary budget

- i. Ralph Taboada provided a draft letter to the City Council presenting a summary of FiPAC's recommendations for the FY 2018-19 Preliminary Budget.
- ii. Wendy Leece asked why FiPAC would question sales tax forecasts by Hinderliter, de Llamas & Associates (HdL) in the letter.
- iii. The letter was approved with edits.

MOTION/SECOND: Bob Juneman/Richard Riva

Ayes: Ralph Taboada, Teresa Drain, John Hinson, Bob Juneman, Marwan Khalifa, Wendy Leece, Tom Pollitt, Richard Riva, Anna Vrska

Nays: None

Abstain: Al Melone

Absent: Don Harper

Motion Carried: 9-0-1-1

d. Unrestricted Net Position – initial discussion

- i. In response to an article from State Senator John Moorlach in the March 14, 2018 *Orange County Register* (citation below), Colleen O'Donoghue discussed the City's unrestricted net position as recorded in the *Comprehensive Annual Financial Report (June 30, 2017)*. FiPAC will continue to review this issue.

Moorlach, J. (2018, March 14). Most Orange County city finances bleed red ink. *Orange County Register*. (https://www.ocregister.com/2018/03/14/most-orange-county-city-finances-bleed-red-ink/#disqus_thread)

7. MEMBERS REPORTS, COMMENTS, AND SUGGESTIONS

None.

8. DISCUSSION REGARDING FUTURE AGENDA ITEMS

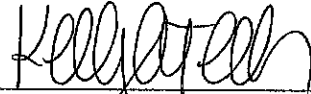
None.

9. ADJOURNMENT

The meeting was adjourned at 6:00 p.m. to the next regular Meeting of the Finance and Pension Advisory Committee on Wednesday, July 11, 2018 at 4:00 p.m.



 Ralph Taboada, Chair



 Kelly A. Telford, Finance Director