

**MINUTES OF THE CITY OF COSTA MESA
FINANCE AND PENSION ADVISORY COMMITTEE
July 11, 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.

Chair Ralph Taboada introduced Finance Director Kelly Telford to the FiPAC.

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, Mayor Sandra Genis (arrived at 4:07 PM)

Members Absent: Don Harper

Staff Present: City Manager Tom Hatch (arrived at 4:35 PM), Finance Director Kelly Telford, HR Manager Lance Nakamoto, Revenue Supervisor Anna Baca, Management Analyst Ray Hull, Executive Secretary Cassandra Burkart

Staff Absent: Assistant City Manager Tammy Letourneau and Assistant Finance Director Colleen O'Donoghue

3. PUBLIC COMMENTS

None.

4. APPROVAL OF MINUTES OF THE JUNE 13, 2018 FIPAC MEETING

MOTION/SECOND: Bob Juneman/Tom Pollitt (minutes were approved with edits)

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

Nays: None

Abstain: None

Absent: Don Harper

Motion Carried: 10-0-0-1

5. OLD BUSINESS

None.

6. NEW BUSINESS

a. Vacancy report update

i. HR Manager Lance Nakamoto reported that the Vacancy Report was not available for this meeting due to end-of-fiscal year finalization issues.

b. Chairman comments (Taboada)

i. FY 2018-19 Budget was approved by City Council as submitted.

ii. FiPAC minutes are action item minutes and not transcripts of all discussions during its meetings. If a FiPAC member wants his/her comment(s) included in

the minutes, then the member needs to precede his/her comment(s) with “Let the record reflect...”.

- iii. State Senator John Moorlach is scheduled to speak to FiPAC at the October 10, 2018 meeting. Ralph Taboada will send an invitation for City Council members to attend. FiPAC members requested copies of Sen. Moorlach’s Unrestricted Net Position Report and his Senate bills.
- iv. Chair Taboada requested the Open Government reports on the City’s web page include dates to clarify the Year-to-Date titles.
- v. Chair Taboada requested 2017-18 Fiscal Year End data as soon as its available. Kelly Telford said Finance could provide reports labeled as “UNAUDITED” prior to CAFR publication.
- vi. Ralph Taboada requested clarification on the types of services included in the Consulting account (e.g. sub-contract labor vs. consultants provided professional expertise). Kelly Telford said she would research this and provide a response.
- vii. Chair Taboada requested a status on the IRC Section 115 Trust. Kelly Telford reported the City is currently preparing a RFP for a Sec 115 Trust Administrator; with a tentative release date of August 2018.
- viii. Chair Taboada requested a review of Capital Project funding from the General Fund allocation (Capital Asset Need Ordinance). He is seeking a list of open and closed projects.
- ix. Chair Taboada offered the assistance of FiPAC TOT Sub-Committee members in the City’s study of this issue. FiPAC members indicated a concern about the impacts to neighborhoods of short-term rental properties in the City. City Manager Tom Hatch said all assistance is appreciated.
- x. Chair Taboada suggested the City explore consulting a public pension consultant (e.g. John Bartel; Kerry Worgan; Joe Nation) to develop options for managing the City’s pension options.
- xi. Chair Taboada provided a summary of the City’s Self Insurance Fund. He requested City staff provide a report on this fund to FiPAC in a future meeting. Kelly Telford requested FiPAC members send her their questions for inclusion in staff’s report.
- xii. Tom Pollitt requested information on the City’s Technology Plan. Tom Hatch said the City has hired an IT consultant and is currently implementing a plan to assess the City’s current situation and develop an upgrade implementation plan.

c. Subcommittees

- i. Chair Taboada made a motion to establish a FiPAC Capital Sub-Committee. City Manager Hatch said the City Council directed City staff to look at City Capital Projects and report back to Council.

MOTION/SECOND: Ralph Taboada/Wendy Leece

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

Nays: None

Abstain: None

Absent: Don Harper

Motion Carried: 10-0-0-1

- ii. Wendy Leece made a motion to alter the reporting requirements for Chandler Asset Management. City Finance staff will present a quarterly report to FiPAC, while Chandler Asset Management will provide an annual report to FiPAC.

MOTION/SECOND: Wendy Leece/John Hinson

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

Nays: Al Malone

Abstain: None

Absent: Don Harper

Motion Carried: 9-1-0-1

d. Draft Police Labor Contract Letter

- i. Chair Taboada provided a draft letter to City Council containing FiPAC recommendations on the current Costa Mesa Police Association (CMPA) labor MOU negotiations. HR Manager Lance Nakamoto said the COIN analysis containing the current costs of the employees covered under CMPA's MOU is posted on the City's web page; this is the baseline position. Chair Taboada said he will have a final version of this letter available at FiPAC's August 8, 2018 meeting.

e. Future agenda items

- i. Lions Park Library/Fire Station project status report (Taboada)
- ii. Ambulance transportation status report (Taboada)
- iii. Discuss increasing the number of City Council members on FiPAC (Leece)
- iv. Mayor Genis recommended the FiPAC agendas provide a more thorough description of each discussion item.

7. MEMBERS REPORTS, COMMENTS, AND SUGGESTIONS

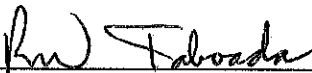
None.

8. DISCUSSION REGARDING FUTURE AGENDA ITEMS

See item 6.e above.

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, August 8, 2018 at 4:00 p.m.



Ralph Taboada, Chair



Kelly A. Telford, Finance Director