

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

**April 26, 2011**

The City Council of the City of Costa Mesa, California met in a special study session session on April 26, 2011, at 4:30 p.m., in the Council Chambers of City Hall, 77 Fair Drive, Costa Mesa. The meeting was called to order by the Mayor Pro Tem.

**ROLL CALL**

Council Members Present: Mayor Pro Tem James Righeimer  
Council Member Eric R. Bever  
Council Member Wendy Leece  
Council Member Stephen Mensinger

Council Members Absent: Mayor Gary Monahan

Officials Present: Chief Executive Officer Thomas Hatch  
City Attorney Thomas Duarte  
Interim Finance Director Larry Hurst  
Assistant Finance Director Colleen O'Donohue  
Budget and Research Officer Bobby Young  
City Clerk Julie Folcik

**I PUBLIC COMMENT**

Judi Berry, Costa Mesa, inquired if the PERS rates included funding of the unfunded liability.

**II ITEMS FOR DISCUSSION**

1. Update on Current Budget and the Budget Development Process

City Chief Executive Officer Thomas Hatch presented the update that included a Fiscal Year 2010-2011 revenues and expenditures analysis, and the budget development strategies moving forward into Fiscal Year 2011-2012. He responded to questions from the City Council and the following members of the public: Mike Berry, Costa Mesa; Katrina Foley, Costa Mesa; Sandra Genis, Costa Mesa; Eleanor Egan, Costa Mesa; Greg Proctor, Costa Mesa; Beth Refakes, Costa Mesa; and Greg Ridge, Costa Mesa.

The Council did not take action on this item.

2. Status and Update on City CalPERS Rates and Unfunded Liability

Rick Santos, Senior Actuary, California Public Employees System

(CalPERS). He presented information regarding CalPERS and the rate changes, pension cost options and what the financial implications might be. He responded to questions from the City Council and from members of the public.

The following members of the public asked questions: Bob Nabb, Costa Mesa; Jay Humphrey, Costa Mesa; Sandra Genis, Costa Mesa; Sue Lester, Costa Mesa; Lisa Reedy, Costa Mesa; Katrina Foley, Costa Mesa; and Tom Egan, Costa Mesa.

John Bartel, Bartel Associates, Actuarial Consultant and CalPERS expert recently retained by the city to analyze and make recommendations as to it's current and future retirement obligations was introduced. He provided a brief scope of work and responded to questions from the City Council.

No action was taken.

3. Overview and Update on City Fund Balance

Interim Finance Director Larry Hurst explained Fund Balance, gave a brief history and explained the types of funds, noting those that are and are not available. He, along with Budget and Research Officer Bobby Young, Assistant Finance Director Colleen O'Donohue and City CEO Thomas Hatch responded to questions from the City Council and the following members of the public: Tom Arnold, (no city provided); Eleanor Egan, Costa Mesa; and Sandra Genis, Costa Mesa.

**III COUNCIL MEMBERS REPORTS, COMMENTS, AND SUGGESTIONS**

There were no reports given.

Mayor Pro Tem Righeimer adjourned the meeting at 8:10 p.m.

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Mayor of the City of Costa Mesa

ATTEST:

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City Clerk of the City of Costa Mesa