

**MINUTES OF THE CITY OF COSTA MESA
FINANCE AND PENSION ADVISORY COMMITTEE
November 18, 2020
4:00 PM**

1. CALL TO ORDER

The meeting was called to order by Chair Ralph Taboada at 4:05 PM in Costa Mesa, California.

2. ROLL CALL

Members Present: Chair Ralph Taboada, Vice Chair Wendy Leece, Members, Al Melone, Robert Juneman, Tom Pollitt, Anna Vrska, Tom Arnold, Mayor Pro-Tem John Stephens, Mayor Katrina Foley

Members Absent: Matthew Parlow

Staff Present: Finance Director Carol Molina, Assistant Finance Director Jennifer King, Acting Budget and Purchasing Manager Anna Baca, Executive Secretary Angie Madsen

Staff Absent: None

3. PUBLIC COMMENTS

None.

4. COMMITTEE MEMBER COMMENTS

Member Wendy Leece submitted written questions: update on HDL retail sales for 3 quarters; provide status on the Airway shelter; how City of Newport Beach contributions impact the total shelter budget; are any other cities, like Irvine, considering joining with Newport Beach and Costa Mesa/other grants applied for; any other new temporary cost reduction measure being implemented; can the Finance Department bring a temporary finance consultant to help

Member Tom Pollitt submitted written questions regarding whether or not there will be a discussion of draft year-end results and inquired if the last report on sales tax revenue will be provided

Member Al Melone commented on being in the purple tier and how that will impact South Coast Plaza sales; commented on future meetings focus to the present and future, not the past; commented on the impact CalPERS is having on our cash flow and what is happening now and forward in terms of cash

Member Bob Juneman commented on reconsidering the deadline for submitting member comments; commented on hoping for an update on past fiscal-year results; expressed concern with the October's fiscal year-end presentation

Mayor Katrina Foley spoke in objection to Member Juneman's comment regarding Finance's presentation to City Council

5. NEW BUSINESS

a. Chandler Investment Status Report

Summary: Power Point presentation given by Jayson Schmitt with Chandler Asset Management. A question and answer session ensued between the committee. This was a report only and no committee action was necessary.

6. FINANCE DIRECTOR COMMENTS

Finance Director, Carol Molina, spoke to the following:

HdL Sales Tax reports are posted on the City's website and the Third Quarter. Report will be sent out to the committee shortly. The FY2020/21 First Quarter Financial report won't be available until later November or December

Spoke to the power point presentation given to the City Council on October 20, 2020 with regards to the \$2-million-dollar deficit, indicating that at the time of the presentation it was unknown if the auditors were going to allow the city to post the \$1.4 million received in July from the CARES Act in the year-end financials; provided background on Special Funds/General Funds/and the use of the money in those funds

Commented on the around-the-clock work of the Finance Department to conduct business as usual, with the addition of Cost Recovery efforts for the entire city, with furlough schedules and challenges with the current financial system. Finance is still working very hard on CAFR financials, closing books, as well as working with the auditors

Informed the committee of the recent presentation given to S&P and the achievement of reaffirming our credit rating of AA+, while in a pandemic. Commended Leadership, City Council, staff and FiPAC for their strong leadership

The Finance Department is being remobilized once again, after being put back in the purple tier yesterday. Staff time will continue to be redirected to stay on top of Cost Recovery efforts to mitigate COVID's fiscal impact

7. CHAIR COMMENTS

Chairman Taboada spoke to the following:

Commented on year-end numbers for 2019/20 and the minimal surplus vs. \$2 million deficit; referred to differences in accounting practices and agrees that the proper accounting was done in recording the numbers at year-end, auditors also approve of the way the City handled the recording

Commented on possibly moving the start-time of FiPAC meetings to 3pm to allow sufficient time for Committee Member Comments

Commented on the 115 Trust being in the works prior to COVID and that money was set aside but not officially in the trust yet, would like to revisit the status in January 2021

Commented on Pension Obligation Bonds (POB) to be revisited in February 2021 suggesting that negotiations still needed to be made as POB's are a potential cost-savings for the City, and that FiPAC doesn't intend to use the bonds the way it's assumed they'll be used

Spoke to Huntington Beach's consultant – their POB's got put on hold due to COVID

Commented on Finance working on the CAFR, thanking Jennifer for her hard work

Spoke to Wendy Leece and Tom Pollitt's question regarding the status of the budget and receiving a mid-year review in February

Thanked Mayor Pro Tem John Stephens for his support to FiPAC during his tenure

8. ADJOURNMENT

The meeting was adjourned at 5:30 p.m.



Ralph Taboada, Chair



Carol Molina, Finance Director