

**MINUTES OF THE CITY OF COSTA MESA  
FINANCE AND PENSION ADVISORY COMMITTEE  
JANUARY 10, 2024  
4:00 PM**

**1. CALL TO ORDER**

The meeting was called to order by Chair Tom Arnold at 4:00 PM in Costa Mesa, California.

**2. ROLL CALL**

Members Present: Chair Tom Arnold, Vice Chair Lisa Buchanan, Members: Ralph Taboada, Altaf Wahid, Felice Shiroma, and Jennifer Tanaka

Members Absent: Gary Craig

Council Liaisons Present: None

Council Liaisons Absent: Mayor John Stephens Councilmember Don Harper and Councilmember Andrea Marr

Staff Present: Finance Director Carol Molina, Revenue Supervisor Anna Baca, and Executive Assistant Dina Wild

Staff Absent: None

Also present: Karl Meng, Portfolio Strategist, Chandler Asset Management and Bill Dennehy, Co-Chief Investment Officer, Chandler Asset Management.

**3. PUBLIC COMMENTS**

None

**4. NEW BUSINESS**

- a. Investment Policy and Economic Update presented by Chandler.

Director Molina introduced Chandler to present the City Investment Policy and Calendar Year End Results.

Chandler representative Karl Meng presented recommended revisions to the City Policy related to the California Government Code and Chandler Asset Management Best Practices. Mr. Meng provided three proposed revisions to the policy that have no impact: (1) Prohibit Purchase of a security with a forward settlement date exceeding 45 days (Section XI, A. 8); (2) Update definition of Maturity (Glossary); and (3) Referenced SEC Rule 15c-3-1 for Authorized Financial Institutions and Broker/Dealers (Glossary).

**MOTION/SECOND:** Wahid / Tanaka

**MOTION:** To approve the proposed Investment Policy revisions made by Chandler Asset Management

**Motion Carried:** 5-0-0-1

Ayes: Chair Tom Arnold, Vice Chair Lisa Buchanan, Members: Ralph Taboada, Altaf Wahid, Jennifer Tanaka and Felice Shiroma

Nays: None

Abstain: None

Absent: and Gary Craig

Chandler representative Bill Dennehy provided a presentation on the Calendar Year End Results.

A discussion followed.

b. 2024 Work Plan/Status Report

Chair Arnold presented the proposed 2024 Work Program report for the committee to review and comment.

Member Altaf commented on the 2024 Goals and Objectives: Perform semi-annual reviews of the City's investment portfolio. He requested that the reviews be provided quarterly. Member Felice Shiroma requested it remain semi-annual.

Member Felice Shiroma added that one subcommittee met with Chandler.

(Mayor Stephens joined the meeting)

**MOTION/SECOND:** Wahid / Shiroma

**MOTION:** To approve the 2024 Work Program with recommended changes

**Motion Carried:** 5-0-0-1

Ayes: Chair Tom Arnold, Vice Chair Lisa Buchanan, Members: Ralph Taboada, Altaf Wahid, Jennifer Tanaka and Felice Shiroma

Nays: None

Abstain: None

Absent: and Gary Craig

**5. COMMITTEE MEMBER COMMENTS**

Vice Chair Buchanan had no comments.

Member Wahid had no comments.

Member Shiroma commented on Chandlers presentation and performance results.

Member Taboada gave kudos to Finance staff for including a 5-year forecast in the budget book and expressed interest in receiving a report of year-to-date through mid-year performance on revenue and expenses, by account.

Vice Chair Buchanan had no comments.

**6. CHAIR COMMENTS**

Chair Arnold thanked the Committee for their diligence and for attending.

**7. DIRECTOR UPDATES**

Director Molina spoke to the question regarding the 5-year forecast in the budget book.

Finally, Director Molina responded to the sales tax and mid-year reports; accruals process and other accounting adjustments that are made.

Director Molina communicated that this is the time of year that we close the year end books. The Annual Comprehensive Financial Report (ACFR) is currently being printed and will be distributed in the next few weeks; the final ACFR will be presented by the auditor presented to the City Council for their review of the year end audit; Finance is in full Budget season; all departments are working on next year's budget. We are working on next year's budget and tracking this year's budget.

**8. STAFF/LIAISON COMMENTS**

Mayor Stephens thanked the committee for the work they are doing; recognized Member Shiroma for her comment on investments and stated that this is what the members should continue doing; thanked Member Taboada for his comment to staff; and appreciated the comments regarding the 5-year forecast.

**9. ADJOURNMENT**

The meeting adjourned at 5:31 PM.

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Tom Arnold, Chair

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Carol Molina, Finance Director