

CITY OF COSTA MESA
PENSION OVERSIGHT COMMITTEE MEETING
MINUTES
MAY 29, 2013

CALL TO ORDER

The meeting was called to order at 4:35 p.m. by Mr. Arthur.

ROLL CALL

Roll Call was taken. The Pension Oversight Committee is composed of nine (9) voting members. Committee members and staff members present were:

Committee Members present:

Mr. Jeff Arthur, Chairperson
Mr. Ralph Taboada, Alternate Chairperson
Mr. Gene Hutchins, Member (Arrived 4:40PM)
Mr. Rick Kapko, Member
Mr. Kent Mora, Member
Mr. Gary Parkin, Member
Mr. Timothy Sesler, Member
Mr. John Stephens, Member

Staff Members present:

Mr. Bobby Young, Finance & I.T. Director
Mr. Alex Warren, Committee Assistant
Mr. Ryan Thomas, Human Resources Analyst
Mr. Lance Nakamoto, HR Director

Council Liaisons Present:

Mr. Jim Righeimer, Mayor (Arrived at 4:38PM)
Mr. Stephen Mensinger, Mayor's Designee (Arrived at 4:42PM)

APPROVAL OF MINUTES

A motion was made by Mr. Parkins and seconded by Mr. Sesler to approve the minutes of May 22, 2013. Upon a voice vote, the motion carried 8-0.

PUBLIC COMMENTS

There was no public comment at the meeting.

COMMITTEE MEMBER COMMENT

Mr. Taboada informed the committee of the updated fire side fund presentation. Mr. Taboada also discussed the funded status of a parent's pension and the carryover of market and interest rate themes between that pension and those of Costa Mesa.

OLD BUSINESS

The revised format of the action log was reviewed by the committee. A review of municipal bankruptcy was confirmed with Mr. Kapko for June 19th. Mr. Young and Mr. Thomas picked up the discussion of retirement contribution percentages paid by the city and employees. Discussion focused primarily on rates between different tier of employees, payment of rates by both parties, tax implications of contributions, and impact of contribution formula on final compensation figure at retirement.

NEW BUSINESS

Mr. Taboada gave a presentation to the committee regarding the Public Employee Pension Reform Act (PEPRA). The act went into law on January 1, 2013 and is applicable to all new hires on or after that date. The law was designed to reduce benefit formulas, cap final compensation, prohibit employer paid member contributions, and require higher employee contributions for retirement from classic employees by 2018. Mr. Young informed the committee that the city’s law group would be able to provide an overview of the plan in June.

OPEN DISCUSSION & FUTURE AGENDA ITEMS

Mr. Arthur began discussion of solutions to the unfunded liability in each Costa Mesa pension fund. As a part of the idea generation process, Mr. Arthur has charged each member of the committee to generate and distribute any questions they may have for actuarial or legal expertise brought before the committee. Mr. Warren is in charge of organizing and consolidating the questions by close of business June 3rd. The bulk of discussion revolved around how to present the current status of the funds to the public. Mr. Young has proposed a frequently asked question section be added to the POC website and Mr. Warren will begin development.

ADJOURNMENT

A motion was made by Mr. Taboada and seconded by Mr. Parkins to adjourn the meeting at 5:54 p.m.

Jeff Arthur
Chairperson

Bobby Young
Finance & I.T. Director

