

# MINUTES OF THE CITY OF COSTA MESA PENSION OVERSIGHT COMMITTEE SEPTEMBER 9, 2015

## CALL TO ORDER

The meeting was called to order by the Mr. Arthur at 4:55 p.m. in Conference Room 1A at Costa Mesa City Hall, 77 Fair Drive, Costa Mesa, California.

## ROLL CALL

Members Present: Chair Jeff Arthur, Vice-Chair Ralph Taboada, Members: Robert Juneman, Gary Parkin, Timothy Sesler, George Turner

Staff Present: HR Manager Lance Nakamoto, Management Analyst Ray Hull, HR Analyst Ryan Thomas

Members Absent: Member: Al Melone, Richard Riva

Staff Absent: Interim Finance Director Steve Dunivent

Council Members Absent: Mayor Stephen Mensinger, Mayor pro Tem Jim Righeimer

## PUBLIC COMMENTS

There were no public comments.

## MEMBER'S REPORTS, COMMENTS, AND SUGGESTIONS

- Chairman Jeff Arthur provided two articles reporting the City of San Bernardino will disband its city fire department to cut city costs. Fire services will be provided by the County of San Bernardino.
- Member Robert Juneman provided four articles from the *OC Register* reporting public pension issues:
  - Pension reform measure: savings, labor upheaval (August 18, 2015)
  - Pension double-cross (August 24, 2015)
  - Stock plunge also shook California's public pensions (August 30, 2015)
  - The game is up on the Reed and DeMaio plan (August 30, 2015)
- Vice-Chair Ralph Taboada stated that the California State Teachers Retirement System (CalSTRS) is adjusting its investment portfolio to lower risk, but this could also lower earnings.

## **APPROVAL OF MINUTES**

Meeting of August 12, 2015

Moved / Second: Bob Juneman / Gary Parkin

The motion carried by the following roll call vote:

*Ayes:* Jeff Arthur, Ralph Taboada, Members: Robert Juneman, Gary Parkin, Timothy Sesler, George Turner

*Nays:* None

*Abstained:* None

*Absent:* Richard Riva, Al Melone

Motion carried: 6-0-0-2

## **SUB-COMMITTEE UPDATE**

- Jeff Arthur reported CalPERS Fresh Start amortization procedures explained by CalPERS actuary Kerry Worgan.
- Jeff Arthur said he had a conversation with City Interim Finance Director Steve Dunivent where Steve indicated CalPERS is in discussions to drop its discount rate to match its investments.

## **OLD BUSINESS**

Sustainable Pension Parameters (Committee Study) – Discussed as part of New Business (below).

## **NEW BUSINESS**

- Chairman Jeff Arthur provided an updated Quick Reference Guide: Pensions, Retiree Medical and Comprehensive Annual Financial Report. Mr. Arthur also provided an amortization schedule diagramming financing costs of scheduled payments over 30 years.
- The committee viewed and discussed a draft presentation to the City Council on POC pension liability analysis and recommendations. The committee's suggestions and edits on the draft presentation will be incorporated into a draft update for the October 14, 2015 POC meeting.

## **OPEN DISCUSSION / FUTURE AGENDA ITEMS**

The regularly scheduled November 11, 2015 POC meeting will fall on a City holiday (Veterans Day). The November 2015 meeting will be held on November 12 instead. Ray Hull will take care of the public notifications for this date change.

**ADJOURNMENT** - The meeting was adjourned at 6:20 p.m. to the Regular Meeting on October 14, 2015 at 4:45 p.m.



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Jeff Arthur, Chair



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Ray Hull, Management Analyst