

**MINUTES OF THE CITY OF COSTA MESA
FINANCE ADVISORY COMMITTEE
SEPTEMBER 27, 2016
3:30PM**

CALL TO ORDER

The meeting was called to order by Mr. Fisler at 3:34 p.m. in Conference Room 1A at Costa Mesa City Hall, 77 Fair Drive, Costa Mesa, California.

ROLL CALL

Members Present: Members: Chair Jim Fisler, Vice Chair Richard Riva, Howard Hull, Ralph Taboada, Steve Young and CEO Tom Hatch

Staff Present: Interim Finance Director Stephen Dunivent, Assistant Finance Director Colleen O'Donoghue, Revenue Supervisor Jennifer King, Executive Secretary Kathy Ulrich

Members Absent: Members Jeff Arthur, Robert Juneman, Tom Pollitt, Susan Tuchler, Mayor's Designee TBD/Mayor's Designee Alternate Sandra Genis

PUBLIC COMMENTS

There were no public comments.

MEMBER'S REPORTS, COMMENTS, AND SUGGESTIONS

Mr. Riva commented on the email regarding the surplus and how it was a nice update.

APPROVAL OF MINUTES

1. Meeting of August 30, 2016 –
Moved/Second: Howard Hull/Jim Fisler
Ayes: Jim Fisler, Howard Hull, Richard Riva, Ralph Taboada, Steve Young, CEO Tom Hatch,
Nays: None
Absent: Jeff Arthur, Bob Juneman, Tom Pollitt, Susan Tuchler, Mayor's Designee/Mayor's Alternate Designee Sandra Genis
Abstain: None
Motion passed: 6-0-5-0

OLD BUSINESS -

a) FILLED AND VACANT POSITIONS UPDATE

Mr. Hatch updated the Committee regarding the current filled and vacant position information.

NEW BUSINESS –

a) MOODY'S CREDIT RATING UPGRADE

Mr. Dunivent briefly explained the process that put the City from the current A1 rating to the Aa3, for the 2003 and 2007 Certificates of Participation (COPS).

b) ESTIMATED FY 15-16 GENERAL FUND SURPLUS

c) DISCUSSION OF THE INCREASE IN LIONS PARK PROJECT COSTS & UPDATED FUNDING PLANS

Mr. Dunivent updated the Committee on the surplus the City recently announced, citing property tax, sales tax, transient occupancy tax, parking citations and investment market value adjustments as some of the primary reasons for the surplus. He then discussed the Lions Park Projects, the timing and funding, and the recommendations Staff has for the surplus. Discussion followed, with alternate recommendations by the Committee. The majority of the Committee would like the \$4,000,000.00 amount to be specifically allocated to Fire Station #1.

A motion was made by Mr. Taboada, and a second by Mr. Riva recommending to City Council the following allocation regarding the surplus: (Net of the amount needed for carryover items.)

General Fund Reserves	\$ 1,500,000.00
Self Insurance Fund Reserves	1,000,000.00
IT Replacement Fund/Permits Plus	888,989.00
Debt Reduction (Fire Side Fund)	1,700,000.00
Fire Station #1	4,000,000.00

Ayes: Jim Fidler, Howard Hull, Richard Riva, Ralph Taboada, Steve Young, CEO Tom Hatch

Nays: None

Absent: Jeff Arthur, Bob Juneman, Tom Pollitt, Susan Tuchler, Mayor's Designee/Mayor's Alternate Designee Sandra Genis

Abstain: None

Motion passed: 6-0-5-0

PUBLIC COMMENTS

Ms. Beth Refakes agreed with the Committee about paying down debt and the \$4,000,000.00 should go towards Fire Station #1 due to public safety being a priority.

- d) INFORMATION ON THE AUGUST 2016 CALPERS VALUATION REPORTS
Mr. Dunivent presented a summary of the FY 17-18 CalPERS Rates and Payments. Discussion followed.

OPEN DISCUSSION / FUTURE AGENDA ITEMS

- There was discussion regarding the timing of the surplus calculation information
- Possible Capital Projects presentation by Public Services
- Reschedule/Cancel December meeting
- Southern California Economic Development Symposium on Nov. 17

ADJOURNMENT - The meeting was adjourned at 5:05 p.m. to the regular meeting on Tuesday, October 25, 2016 at 3:30 p.m.



Jim Fisler, Chair



Stephen Dunivent, Interim Finance Director