

**MINUTES OF THE CITY OF COSTA MESA  
FINANCE AND PENSION ADVISORY COMMITTEE  
August 8, 2018  
4:00 PM**

**1. CALL TO ORDER**

The meeting was called to order by Chair Ralph Taboada at 4:00 p.m. in Conference Room 1A at Costa Mesa City Hall, 77 Fair Drive, Costa Mesa, California.

Kelly Telford introduced Assistant Finance Director Jennifer King to the FiPAC Committee.

**2. ROLL CALL**

Members Present: Chair Ralph Taboada, Vice-Chair John Hinson, Members Teresa Drain, Bob Juneman, Marwan Khalifa, Wendy Leece (arrived at 4:14 PM), Al Melone, Tom Pollitt (arrived at 4:20 PM), Richard Riva, Anna Vrska, Mayor Sandra Genis

Members Absent: Don Harper

Staff Present: Finance Director Kelly Telford, Assistant Finance Director Jennifer King, Fire Captain Chief Dan Stefano (arrived at 5 PM), Executive Assistant Cassandra Burkart

Staff Absent: Assistant City Manager Tammy Letourneau, City Manager Tom Hatch

**3. PUBLIC COMMENTS**

Beth Refakes has concerns about the self-insurance funds being depleted. Also concerns over timeline of projects such as the Library Project and the Fire Station #1 Project.

**4. APPROVAL OF MINUTES OF THE JUNE 13, 2018 FIPAC MEETING**

**MOTION/SECOND:** John Hinson/ Bob Juneman (minutes were approved with edits)

Ayes: Ralph Taboada, Teresa Drain, Marwan Khalifa, Wendy Leece, Al Melone, Richard Riva, Anna Vrska, Tom Pollitt

Nays: None

Abstain: None

Absent: Don Harper

Motion Carried: 10-0-0-1

**5. OLD BUSINESS**

None.

**6. NEW BUSINESS**

a. Vacancy report update

i. Finance Director Kelly Telford presents the June Vacancy Report to Committee members. The July Vacancy Report is currently in process; Kelly informs members that there will be a significant decrease in number of vacancies in the

July report. Committee requested June 30<sup>th</sup> vacancy numbers so they have final year numbers.

b. Treasurer's Report

- i. Kelly presented the preliminary June 30, 2018 investment report. Kelly informs members that this is not the quarterly report, this is the monthly report but the quarterly report will be available shortly.
- ii. Kelly informs members that she spoke to Bill and Ted from Chandler Investment, Chandler has not changed investment strategy.

**7. MEMBERS REPORTS, COMMENTS, AND SUGGESTIONS**

- a. Al Melone voices concern over CalPERS rate of return. He finds it concerning that the rate of return was so small during a time period where the stock market was booming.
- b. Tom Pollitt would like to know where we are at in the 115 Trust. Kelly advises we already have a draft RFP in progress, but still adding additional scope items to it.
- c. Wendy Leece suggests to put in a request to increase the number of council members in the FIPAC committee.

**8. CITY STAFF REPORTS**

a. Library Project Update

- i. Mayor Sandra Genis asks if this project is still on schedule and on budget. Kelly advises that we are currently on track both time and budget wise. Total project budget is approximately \$36 million. As of August 8<sup>th</sup>, we have spent over \$11.9 million. Continuing to pay progress payments on various project contracts. When all procurements are complete we will know total price, but so far the project is within budget expectations.
- ii. Sandra Genis wants to know what is the status of fire station number 1. Is the project on track and on budget? Kelly informs members that she will look into the Fire Department project and have a status update on that matter for the next FIPAC meeting.

b. IT Strategic Planning Update

- i. Kelly Telford informs the committee that we hired a third party consultant who is currently meeting with all departments; going through key processes to improve the efficiency of the city. There are 43 sessions in total, with four sessions just for Finance and two Enterprise sessions for Budget and Purchasing.
- ii. When consultants are finished with the process, they will complete a report for findings and recommendations, analyzing the needs of each department. Finance will be giving recommendations of how to fund major potential IT projects, which we will then present these recommendations to the FIPAC Committee.
- iii. Kelly advises that the IT Strategic Planning recommendations are intended to be presented to City Council in November or December.

c. Ambulance Transport Update

- i. Fire Chief Dan Stefano presents a brief update on the ambulance transport contract.
  - ii. Teresa Drain asks Chief Stefano if the transport will improve timeliness in returning Firefighters back in the field, to which Chief Stefano replies yes it will.
  - iii. Tom Pollitt asks if the billing will change due to the transport. Chief Stefano advises the billing will be done through a third party called Wittman, it will be similar to all insurance related services. Fee structure is set by the Orange County Board of Supervisors, not separate specifically for the city. Hardship justifications are heard if requested, but failure to pay will result in collections.
- d. CalPERS Update
- i. Finance Director Kelly Telford informs the committee that we saw a return rate of 8.6% for the fiscal year ended June 30<sup>th</sup>, 2018.
  - ii. Marwhan Khalifa inquires on the unfunded liability report. Kelly informs members the Finance department is currently looking at numbers on the liability and pension costs. Kelly will report on the next FiPAC meeting.

**9. DISCUSSION REGARDING FUTURE AGENDA ITEMS**

- a. Anna Vrska wants a list of business licenses for the OC Fair grounds; it will include promoters but not individual contractors or vendor names. Mayor Sandra Genis adds that we may need to close some loops in the City Ordinance due to this matter.

**10. ADJOURNMENT**

The meeting was adjourned at 6:00 p.m. to the next regular Meeting of the Finance and Pension Advisory Committee on Wednesday, September 12th, 2018 at 4:00 p.m.

  
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Ralph Taboada, Chair

  
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Kelly A. Telford, Finance Director