

January 13, 2022, Finance Committee Item IV.A Comments

These comments on an item on the Newport Beach [Finance Committee agenda](#) are submitted by: Jim Mosher (jimmosher@yahoo.com), 2210 Private Road, Newport Beach 92660 (949-548-6229)

Item IV.A. MINUTES OF NOVEMBER 4, 2021

Changes to the [draft minutes](#) passages shown in *italics* are suggested in **strikeout underline** format.

Page 2 (agenda packet page 6), last paragraph, sentence 1: “Committee Member ~~Collopy’s~~ **Collopy** inquired if any of the TOT is allocated for meetings and conventions.”

Page 3 (agenda packet page 7), paragraph 3, sentence 2: “Ms. Snavelly explained that as long as she has been a hotel **employee**, no one has ever commented regarding TOT or TBID amounts.”

Page 4 (agenda packet page 8), paragraph 5, sentence 2: “Mr. Sherwin explained every guest pays 3% to **the** TBID in their room rate.”

Page 6 (agenda packet page 10), paragraph 4, sentence 1: “Mr. Sherwin explained Visit Newport Beach has a leisure side which is TOT and then there is **the** TBID to focus on meetings and conventions. Committee Member Blom noted it is important to remember **the** TBID is voluntary.”

Page 6 (agenda packet page 10), paragraph 5, sentence 2: “~~Mr.~~ **Ms.** Snavelly explained if a visitor was staying at the Resort at Pelican Hill, they would pay 10%, not 13% since they do not participate in **the** TBID.”

Page 8 (agenda packet page 12), Item B, paragraph 1, sentences 2 and 3: “He advised that is a huge jump in one year but is reflective of that 21.3% return CalPERS got this year, which is the best that they have done in quite a while. He advised CalPERS received a 36% return on their **public** stock investments versus 43% on private equity.”


[Aren't “private equities” also stock investments, but in a private (“non-public”) company or in a public company by a non-traded means? CalPERS uses the terms “public equity” and “private equity” in their [press release](#).]


Page 8 (agenda packet page 12), Item B, paragraph 2: “Committee Member Collopy inquired if CalPERS was ~~underwater~~ **underwater** on private equity.”

[note: Was this actually the term used? I do not understand how the 43% return mentioned in the previous sentence could be described as “underwater.” It might be **below expectations**, but if so, the expectations for the year must have been very high. Or was the question about CalPERS' [return since inception](#), assuming the recent gains were insufficient to offset losses in prior years? (something that doesn't seem to be the case, for [according to the Sacramento Bee](#), private equities have been CalPERS' best-performing asset short- and long-term)]

Summary of Comments on 4A2_CORRESPONDENCE_DRAFT MINUTES 11042021.pdf

Page: 1

 Number: 1 Author: SCatlett Subject: Sticky Note Date: 01/12/2022 5:00:43 PM
I think what I probably said was "stock market investments" rather than "public stock investments".

 Number: 2 Author: SCatlett Subject: Sticky Note Date: 01/12/2022 5:01:20 PM
He was referring to versus the benchmark I believe, so this is correct as written.

Page 9 (agenda packet page 13), paragraph 2: “Committee Member Stapleton inquired if the City’s CalPERS funds are split 70% equities and 30% fixed income, including private equity and public securities. Finance Director/Treasurer Catlett clarified it is about 50% public equities with the balance of the 70% including private equity and real estate assets.”


[note: I can’t reconcile these two sentences. 50% and 70% don’t add to 100%. Was the second sentence intended to read: “Finance Director/Treasurer Catlett clarified ~~it~~ the 70% is about 50% public equities with the balance ~~of the 70%~~ including private equity and real estate assets”?]

Page 12 (agenda packet page 16), paragraph 3: “At 4:53 p.m., Committee Member Avery left the Finance Committee meeting.”

[note: The roll call on page 1 indicates Mr. Avery “arrived at 3:22 p.m.” but there is no comparable line to this indicating where in the minutes that occurred.]

Page 12 (agenda packet page 16), paragraph 4, last sentence: “He advised expenses are tracking higher than the revised budget because of the offset to those recreation classes, which has revenue associated, as well as some expenditure that ~~are~~ is being reimbursed by those intergovernmental revenues.”

Page 13 (agenda packet page 17), Item F, paragraph 2, sentence 1: “In response to Committee Member Collopy’s inquiry, Chair O’Neill reported the Tideland Funds discussion will take the place of one of the department deep dives.”

 Number: 1 Author: SCatlett Subject: Sticky Note Date: 01/12/2022 5:02:22 PM

This was correct as written. I was referring to 50% of the total, which is within the 70% of the total. The balance being 20% of the total. We were always speaking about the composition of the 70%.

 Number: 2 Author: SCatlett Subject: Sticky Note Date: 01/12/2022 5:02:49 PM

Should be "some expenditureS that are". The S was missing