

MINUTES
CITY OF DELANO
PENSION COMMITTEE – SPECIAL MEETING
February 6, 2012

CALL TO ORDER

Chairman Warren called the meeting to order at 2:04 p.m. in the City Hall Council Chambers, 1015 – 11th. Ave.

ROLL CALL

Committee members present: Lidia Albiar, Gerald Gruver, Don Campbell, Ed Warren.

Committee members absent: Gary Langston

OFFICIALS PRESENT

Finance Director Rios, Assistant Finance Director Bermudez, Acting H.R. Director Zamudio, City Attorney Peake, City Clerk Kraft, Recording Secretary Villarreal, Prien and Tiao-Tiao Hsu of Prien Associates, Inc.

CONSENT AGENDA ITEM

- 1) Minutes of regular Pension Committee meeting of October 17, 2011
- 2) Minutes of special Pension Committee meeting of October 24, 2011
- 3) Minutes of special Pension Committee meeting of December 15, 2011
- 4) Minutes of regular Pension Committee meeting of January 17, 2012

Moved by Committee member Lidia Albiar, seconded by Committee member Don Campbell and unanimously carried to accept the Minutes of the Pension Committee meetings of October 17, 2011 and, October 24, 2011 and, December 15, 2011 and January 17, 2012.

REGULAR AGENDA ITEM

- 5) Presentation and discussion of pension fund investments by Mr. Bob Abraham of Stifel Nicolaus.

Mr. Abraham started his presentation at 2:12 and after explained how the different managers were performing he made the following recommendation:

1. Shift \$200,000 from Atalanta Sosnoff Large Cap Equity portfolio to Wedgewood Partners Large Cap Growth portfolio.
2. Invest \$350,000 in Good Harbor U.S. Tactical Core Portfolio for a 3% weighting. Take the funds from Columbus Circle Large Cap Growth portfolio which will reduce its weighting from 18.6% to 15.6%.

Mr. Warren suggested that the Committee would decide on the recommendation after MorganStanley SmithBarney presentation. Motion accepted.

- 6) Presentation and discussion of pension fund investments by Mr. David Couch of Buena Vista Group of Morgan Stanley Smith Barney.

Mr. Couch started his presentation at 3:00 p.m. He explained briefly how the accounts were doing and he answer different questions from the Committee members and at the end he proposed to have another portfolio little bit more aggressive, focusing more on capitalization (tactical base on capitalization versus tactical base on industries). The proposal will be send to the Finance Director. His presentation ended at 3:25 p.m.

Five minutes break.

- 7) Review of financial transaction from July 1, 2011 through December 31, 2011

Mr. Prien reviewed the financial transaction from July 1, 2011 through December 31, 2011. He started explained table 1 and he noted that the total withdrawals were \$1,562,558.84, and the contributions were \$1,305,664.05 leaving a balance at the end of December 2011 of \$65,739.04. The balance at June 30, 2011 was \$322,620.60. Then he went further explained in detail each different account.

Mr. Warren asked to Mr. Prien if he can provide the amount that was paid-off for the CCF, and he said that it was around \$600,000.

At this time, a motion was made by Mr. Don Campbell and seconded by Mr. Gerald Gruver to accept the financial report as presented. *Motion passed unanimously.*

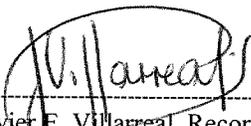
8) Discussion and any action regarding adoption of a resolution to change meeting dates.

Mr. Villarreal explained that the regular meeting dates need to be change because of the necessity of having more time in order to get all the investment financial statements.

Moved by Committee member Albiar, seconded by Committee member Campbell and *unanimously carried* to approve the Resolution for the Committee of the City of Delano Employee Pension Plan changing meeting dates.

The Committee went back to item 5, which is the Bob Abraham's recommendation and after a brief discussion the Committee decided to accept recommendation #1 and table recommendation #2 for a further discussion and compare with the MorganStanley proposal. Motion has been made by Committee member Albiar, seconded by Committee member Campbell and *unanimously carried.*

Moved by Committee member Gruver, seconded by Committee member Albiar, and unanimously carried to proceed on to closed session.



Javier E. Villarreal, Recording Secretary