

MINUTES

CITY OF DELANO PENSION COMMITTEE – REGULAR MEETING May 7, 2012

CALL TO ORDER

Chairman Warren called the meeting to order at 2.06 p.m. in the City Hall Council Chambers, 1015 – 11th Avenue Delano, CA 93215

ROLL CALL

Committee Members present: Don Campbell, Gerald Gruver, Gary Langston, Ed Warren
Committee Members absent: Lidia Albiar

OFFICIALS PRESENT

Finance Director Rios, Assistant Finance Director Bermudez, City Attorney Peake, City Clerk Kraft, H.R. Acting Director Zamudio, Recording Secretary Villarreal, Barthus J. Prien and Tiao-Tiao Hsu from Prien Associates, Inc. and Mr. Phil Newhouse.

CONSENT AGENDA

- 1) Minutes of Special Pension Committee meeting of February 6, 2012.
- 2) Minutes of Special Pension Committee meeting of April 23, 2012

Moved by Committee member Langston, seconded by Committee member Campbell and *unanimously carried* to accept the Minutes of the Pension Committee meetings of February 6, 2012 and April 23, 2012.

REGULAR AGENDA

- 3) Review of financial transactions for July 1, 2011 through March 31, 2012

Mr. Prien reviewed the financial transaction from July 1, 2011 through March 31, 2012. He started explained table 1 and he noted that the total withdrawals were \$1,804,891.44, and the contributions were \$1,682,222.81 leaving a balance at the end of March 2012 of \$199,968.24. Mr. Prien stated that the average monthly amount of benefit distribution was \$200,541.83. The balance at June 30, 2011 was \$322,620.60. He mentioned the transfer that has been made on September 2011 for \$500,000.00 from MorganStanley SmithBarney, and this happens because of the CCF laid offs. Then he went further explained in detail each different account.

On table 3, he started explain the composition of the Retirement fund assets and when he mentioned the City's account with a negative amount, it was questioned by Mr. Warren what it means the negative amount. Ms. Rios stated that the Pension fund owns the City around 345,000.00 and has to do with expenses paid by the City. The Pension fund needs to pay back to the City.

After a brief discussion, there was a motion by Mr. Langston to decrease the interest assumption from 7.75 to 7.50 and use this increase in order to pay back, monthly, to the City. The motion did not pass. There was a discussion about this topic and a motion was introduced by Mr. Campbell to transfer \$345,000.00 from Stifel Nicolaus account NWQ International Value in order to pay back to the City and

at the same time lower the interest assumption from 7.75% to 7.50% and seconded by Mr. Langston. *Motion passed unanimously.*

4) Phil Newhouse request.

Mr. Phil Newhouse received the information about the cost of buying 2 years of services. After analyzed it Mr. Newhouse withdrew his request.

A motion was introduced by Mr. Campbell, to recommend the City to allow Mr. Newhouse to purchase two years of service credit, and seconded by Mr. Langston. *Motion passed unanimously.*

ADJOURNMENT

Moved by Board Member Gruver, seconded by Board Member Campbell, and unanimously carried to adjourn the meeting at 3:18 p.m.



Javier E. Villarreal, Recording Secretary