

MINUTES

CITY OF DELANO PENSION COMMITTEE – SPECIAL MEETING November 19, 2012

CALL TO ORDER

Chairman Warren called the meeting to order at 2:05 p.m. in the City Hall Council Chambers, 1015 – 11th Avenue.

ROLL CALL

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

Committee Members absent: None

OFFICIALS PRESENT

City Manager Reyna, Finance Director Rios, City Clerk Kraft, Ed Bernard from Hanson Bridgett, Recording Secretary Villarreal, Barthus J. Prien and Tiao-Tiao Hsu from Prien Associates

AGENDA ITEM

- 1) Update on AB340 by Marcus Wu (no Committee action required)

Mr. Ed Bernard from Marcus Wu started his presentation, explained about the AB 340. On September 12, 2012 Governor Jerry Brown signed into law AB 340. AB 340 requires covered California public employers to modify existing defined benefit plans to implement new pension requirements for new employees hired on or after January 1, 2013. AB 340 also contains required amendments that apply to all participants.

Some of the applicable changes that will affect current and future participants are as follows:

- No retroactive Benefits Enhancements
- Purchases of Nonqualified Service Credit Prohibited
- Reinstatement of Retired Participants

Some applicable changes that will affect post-2012 participants hired on or after January 1, 2013 are as follows:

- Definition of compensation
- Requires new employees to pay at least 50% of the normal cost of the defined benefit plan.

The amendments to the City of Delano Pension Plan must take effect on January 1, 2013 in order to meet the requirements of AB 340.

There were questions made by the Committee members and also by Mr. Prien and Ms. Hsu from Prien Associates, Inc. Mr. Bernard answered those questions.

At the end Mr. Warren said that this is step 1 in order to bring the City of Delano Pension Plan into compliance with the new law as it is today and in the future could change it. Mr. Bernard agreed with it. Mr. Warren thanked Mr. Bernard for his presentation. Also, Mr. Warren made a public comment; he stated that the Committee members didn't see any draft or the ordinance that is going to the Council.

2) Review and Acceptance of Actuarial Valuation as of June 30, 2012

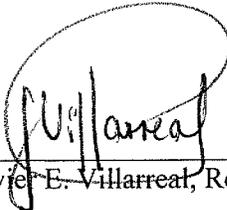
The Actuarial Valuation was presented two weeks ago and it has been back on the Agenda for formal acceptance.

Finance Director Rosa Rios mentioned that the Council approved the rate change (from 7.75% to 7.50%) on the interest assumption on June 2012 and now the contribution rate is 31.64%.

Moved by Committee member Campbell, seconded by Committee member Gruver and *unanimously carried* to accept the Actuarial Valuation as of June 30, 2012.

ADJOURNMENT

Moved by Committee member Gruver, seconded by Committee member Albiar, and unanimously carried to adjourn the meeting at 3:04 p.m.



Javier E. Villarreal, Recording Secretary