

MINUTES

CITY OF DELANO PENSION COMMITTEE – REGULAR MEETING August 6, 2012

CALL TO ORDER

Chairman Warren called the meeting to order at 2:09 p.m. in the City Hall Council Chambers, 1015 – 11th Avenue.

ROLL CALL

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

OFFICIALS PRESENT

Finance Director Rios, City Clerk Kraft, Assistant Finance Director Bermudez, Recording Secretary Villarreal, Barthus J. Prien and Tiao-Tiao Hsu from Prien Associates, Inc. H.R. Director Zamudio joined the meeting at 2:21 p.m.

CONSENT AGENDA

- 1) Minutes of Regular Pension Committee meeting of May 7, 2012
- 2) Minutes of Special Pension Committee meeting of June 7, 2012
- 3) Minutes of Special Pension Committee meeting of June 28, 2012

Moved by Committee member Campbell, seconded by Committee member Gruver and *unanimously carried* to accept the Minutes of the Pension Committee meetings of May 7, 2012, and June 7, 2012, and June 28, 2012.

REGULAR AGENDA

- 4) Review of financial transactions for July 1, 2011 through June 30, 2012.

Mr. Prien reviewed the financial transaction from July 1, 2011 through June 30, 2012. He started explained table 1 which shows withdrawals and contributions. The total withdrawals were \$2,454,942.99, and the contributions were \$2,270,555.50 leaving a balance at the end of June 2012 of \$138,253.23. Mr. Prien stated that the average monthly amount of benefit distribution was \$188,838.31. The balance at June 30, 2011 was \$322,620.60. He mentioned the transfer of \$700,000.00 that has been made on September 2011 (\$500,000.00), on March 26, 2012 (\$100,000.00), and another \$100,000.00 on May 18, 2012 from MorganStanley SmithBarney. The transfers were needed in order to pay benefits.

Then he went further explained in detail each different accounts (Great West Life, Farmers & Merchant Bank, Stifel Nicolaus, MorganStanley SmithBarney and Pacific Life Insurance.

He also mentioned the rate of return, stating that the average net investment return over 16 years from 1996 to 2012 has been 4.70%, approximately 2.80 percentage points lower than the long term interest assumption of 7.50% compounded annually for the next 20 to 30 years.

At this point, it was brought up the letter from Prien Associates, Inc., regarding Mr. Salem. There was a brief discussion about it. Ms. Rios told the Committee that this subject it was not on the agenda and it should not be discussed.

After questions made by the Committee members and answered by Prien, a motion was made by Mr. Don Campbell and seconded by Mr. Gerald Gruver to accept the financial report as presented. *Motion passed unanimously.*

- 5) Discussion and any action regarding Request for Proposals for Actuarial Consulting and Administrative Services.

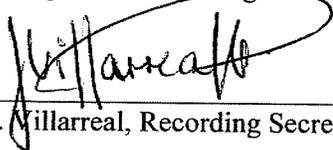
Ms. Rios said that we received two proposals and she needs directions. She asked the Committee if they will appoint another sub-committee to review it or it will be the same as before, Lidia Albiar and Gary Langston were the members of the review committee.

Ms. Kraft mentioned that Mr. Gary Langston term has been expired on June 2012 and he doesn't have any interest in been re-appointed.

The Committee asked Ms. Rios to review the proposals before the Committee decides on it, and to do so, Mr. Warren suggested having a special meeting for the following week. A motion was made by Committee member Gerald Gruver and seconded by Committee member Mr. Don Campbell, to have a Special meeting on Monday August 13, 2012 at 2:00 p.m. *Motion passed unanimously.*

ADJOURNMENT

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



Javier E. Villarreal, Recording Secretary