

## MINUTES

### CITY OF DELANO PENSION COMMITTEE – REGULAR MEETING May 6, 2013

#### CALL TO ORDER

Chairman Warren called the meeting to order at 2:02 p.m. in the City Hall Council Chambers, 1015 – 11<sup>th</sup> Avenue.

#### ROLL CALL

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

#### OFFICIALS PRESENT

Assistant Finance Director Bermudez, Recording Secretary Villarreal, Barthus J. Prien and Tiao-Tiao Hsu from Prien Associates, and Mr. Ben Reyes from Mayer Hoffman McCann P.C.

#### CONSENT AGENDA

- 1) Minutes of Regular Pension Committee meeting of February 4, 2013.

Moved by Committee member Campbell, seconded by Committee member Albiar and *unanimously carried* to accept the Minutes of the Pension Committee meeting of February 4, 2013.

#### REGULAR AGENDA

- 2) Presentation and acceptance of City of Delano's Employee Pension Plan Financial Statements Audit by Mayer Hoffman McCann P.C., an Independent CPA firm.

Mr. Ben Reyes from Mayer Hoffman McCann P.C. presented the City of Delano's Employee Pension Plan Financial Statements Audit. There were some questions, regarding the Financial Statements Audit for the Fiscal Year ended June 30, 2012, from Mr. Prien and also from the Committee members, which were answered by Mr. Reyes.

Mr. Ed Warren thanked Mr. Ben Reyes for the presentation. At this point, a motion was made by Committee member Ms. Lidia Albiar and seconded by Committee member Mr. Don Campbell to accept the audit. *Motion passed unanimously.*

- 3) Review of financial transactions for July 1, 2012 through March 31, 2013.

Mr. Prien reviewed the financial transaction from July 1, 2012 through March 31, 2013. He started explained table 1 which shows withdrawals and contributions. The total withdrawals were \$1,476,747.44, and the contributions were \$1,407,487.19, which includes \$100,000 that has been transferred from MorganStanley BarneySmith, leaving a balance at the end of March 2013 of \$69,008.55. He also said that beginning December 2012; the City increased the contributions because of the change on the interest assumption from 7.75% to 7.50%.

Then he mentioned that the annualized net return for investments for the 9 months period it was equal to 14.83%, which is good; then he mentioned that on page 20, there is a table where it shows the 16-year average investment return as only 4.70%.

Mr. Prien mentioned that the City's pension account balance is negative (cash negative balance). At this point Mrs. Hsu said that the Finance Director will talk about this later on, because it is on the agenda. Mrs. Sylvia Bermudez said that Mrs. Rosa Rios had an emergency and she could not be able to attend this meeting and that she asks to move this agenda item to a special meeting or for the next regular meeting. After a brief discussion, Mr. Don Campbell made a motion to accept the financial transactions for July 1, 2012 through March 31, 2013; it was seconded by Ms. Lidia Albiar. *Motion passed unanimously.*

- 4) Presentation and discussion about City of Delano's Employee Pension Plan expenses and contributions by Mrs. Rosa Rios, City of Delano Finance Director.

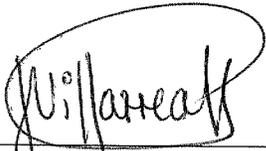
As it was mentioned before, Mrs. Rosa Rios had a personal emergency and she couldn't be in the meeting. Mrs. Sylvia Bermudez in behalf of Mrs. Rios asked to reschedule this agenda item, for a special meeting or for a regular meeting. Mr. Ed Warren said that this item should be deferred to the next regular meeting.

Mrs. Hsu mentioned that they reviewed the statements for Stifel Nicolaus and they found out that there was a mistake on the fees that had been charged, and they will refund the \$500.00 next month. Also, she stated that they didn't review the Morgan Stanley fees because the contract doesn't have a fee schedule; she asked Mr. Rupert Gregorio for a copy of it, and as soon as they receive it they will review it.

She also mentioned about the new accounting requirements that will take in effect next year (GASB 67 and 68). Mr. Ed Warren said that he is not familiar with these new requirements, and he suggested that Mrs. Rosa Rios could explain about GASB 67 and GASB 68, on the next meeting.

#### **ADJOURNMENT**

Moved by Committee member Campbell, seconded by Committee member Albiar, and unanimously carried to adjourn the meeting at 3:02 p.m.



Javier E. Villarreal, Recording Secretary