

## MINUTES

### CITY OF DELANO PENSION COMMITTEE – SPECIAL MEETING February 23, 2015

#### CALL TO ORDER

Chairman Warren called the meeting to order at 2:01 p.m. in the City Hall Council Chambers, 1015 – 11<sup>th</sup> Avenue.

#### ROLL CALL

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

#### OFFICIALS PRESENT

Finance Director Lara Rios, Assistant Finance Director Bermudez, City Clerk Kraft, Recording Secretary Villarreal, and Barthus J. Prien and Tiao-Tiao Hsu from Prien Associates.

#### CONSENT AGENDA

- 1) Minutes of Regular Pension Committee meeting of February 2, 2015.

Moved by Committee member Campbell, seconded by Committee member Gruver and *unanimously carried* to accept the Minutes of the Pension Committee meeting of February 2, 2015.

#### REGULAR AGENDA

- 1) Presentation of portfolio performance of MorganStanley SmithBarney; discussion and any action regarding this portfolio

Mr. Gregorio started his presentation at 2:05 p.m. He explained the performance of the portfolio for the calendar year 2014. He also explained the performance through today.

He explained about the alternatives Program Model Portfolios.

After few questions and answers, Mr. Gregorio finished his presentation at 2:44 p.m.

Mr. Warren thanked Mr. Gregorio for his presentation and he leave this item open to decide later, after item #2 and item #3.

- 2) Review of the Investment guidelines.
- 3) Formal written Investment Policy.

Mr. Warren asked why this item on the Agenda and Mrs. Rosa Rios Lara said that it is because on the last meeting, the auditor suggested that the pension plan should have a formal Investment policy. Mrs. Rosa Rios Lara said that she went to the CSFMO conference and she find out that CalPERS is working on a risky assessment guidelines; so as soon as they have in place something we can see if it works for us.

Mr. Warren asked if Kern County have an investment policy and if we can look into it.

After a brief discussion, Mr. Warren said that it looks that they are not taking any action on items 2 and 3. Mrs. Rosa Rios Lara said that at this point she doesn't have any formal investment policy; she mentioned again that there is discussion at CalPERS and also she will look into Kern County Retirement Plan, and she will compare with the City Investment Policy and see if it can fit into the Pension Plan.

A motion was made by Committee member Gruver to defer items 2 and 3 to the next regular meeting, it was seconded by Committee member Albiar. *Motion carried unanimously.*

Chairman Warren then returned to Item #1.

Mr. Campbell mentioned that if we continue with the same kind of investment with MorganStanley, we will have the same return as we have now. He also mention that he doesn't think that we should be invest on international funds.

Mr. Warren suggested to take the 2.4 million from MorganStanley to Stifel Nicolaus. He asked the board, how they think about it. Mr. Campbell suggested to ask Mr. Robert Abraham for a written recommendation to invest the \$2.4 million from MorganStanley. He also asked how long will it take to have a recommendation from Bob Abraham and if he can include mutual fund in his recommendation.

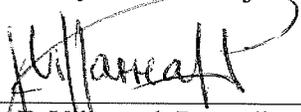
Mrs. Rosa Rios Lara said that we should consult with the City Manager. Mr. Campbell asked her how she feels about it and Mrs. Rosa Lara Rios said that her only concern is that everything will be in one basket and it won't be diversified.

Mr. Campbell said that the Committee should meet with the City Manager and discuss all the possibilities before making any decision.

At this point, Mr. Don Campbell made a motion to ask for a written proposal from Mr. Bob Abraham, a 2 year MorganStanley–Stifel Nicolaus comparison analysis, consult with the City Manager and to have a special meeting on March 9, 2015 at 2:00 p.m.; it was seconded by Mrs. Lidia Albiar. *Motion passed unanimously.*

#### ADJOURNMENT

Moved by Committee member Don Campbell, seconded by Committee member Gerald Gruver, and unanimously carried to adjourn the meeting at 3:26 p.m.

  
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Javier E. Villarreal, Recording Secretary