

MINUTES

CITY OF DELANO PENSION COMMITTEE – REGULAR MEETING November 2, 2015

CALL TO ORDER

Chairman Lennon called the meeting to order at 2:07 p.m. in the City Hall Council Chambers, 1015 – 11th Avenue.

ROLL CALL

Committee Members present: Carlton Lennon, Abel Moreno, Don Campbell, and Gerald Gruver.
Committee Member absent: Gary Langston

OFFICIALS PRESENT

City Manager Reyna, Finance Director Lara Rios, Assistant Finance Director Bermudez, City Clerk Kraft, City attorney Garcia, Recording Secretary Villarreal.

Others Present: Barthus J. Prien and Tiao-Tiao Hsu from Prien Associates; Robert Abraham from Stifel Nicolaus; Jeremy Shumaker and David Ivarie from Morgan Stanley.

CONSENT AGENDA

1) Minutes of Regular Pension Committee meeting of August 17, 2015.
Moved by Committee member Gruver, seconded by Committee member Moreno and *unanimously carried* by all those present to accept the Minutes of the Pension Committee meeting of August 17, 2015.

REGULAR AGENDA

- 2) Presentation Pension 101 by Bonifacio “Bonny” Garcia, City attorney.
Mr. Garcia started his presentation at 2:11 p.m. and ended at 2:52 p.m.
He explained about the Committee members, the trustees and their duties and responsibilities.
- 3) Status of a request made to Prien Associates by the pension plan trustees on behalf of the City of Delano Employee Pension Committee.

Mrs. Rosa Lara Rios said that the City didn’t receive any response from Prien Associates.

Mrs. Hsu said that in order to have an answer they need to know exactly what the Committee members or the trustees need.

Mr. Moreno said that what they need is something where the members of the Pension Plan can go online and find out information.

Mr. Campbell said that it isn’t that easy. Also he thought that the information was for staff or trustees and not for the plan participants. He also mentioned that if it’s done, it would require a huge security.

Mrs. Rios asked if Prien has a software in order to generate the actuarial reports. Mrs. Hsu said that they have their own software and Mrs. Rios asked if they can have an access to that; Mrs. Hsu answered what is the purpose to have access to it because if someone made a mistake it won’t work. At this point, Mr. Moreno asked if we can have access “read only”, so the data can’t be change.

There was a discussion about what it can be provide and how it can be provide.

Mrs. Reyna said that what staff is asking to get is an on-line data base, where the employees can go and plug some numbers and find out the amount they will get when they retire and not wait until they get their annual statement. She would like to know if it can be done and if it can, she would like to know when it could be done.

After a brief discussion, and moved by Committee member Gruver, seconded by Committee member Moreno and *unanimously carried* by all those present to have a special meeting in order to discuss this item and get the specifics so Prien can work base on that request.

- 4) MorganStanley representatives, Mr. David Ivarie and Jeremy Shumaker request authorization to analyze the Pension holdings.

Mr. Shumaker gave a brief explanation. Mr. Don Campbell made a motion to tabled this item until the Committee approves the Investment Policy; it was seconded by Mr. Gerald Gruver. *Motion passed unanimously* by all those present.

Moved by Committee member Gruver, seconded by Committee chairman Carlton and *unanimously carried* by all those present to move item 7 before item 5.

- 7) Review, Discussion and any action of the Investment Policy.

Committee members Gruver, Moreno and Campbell said that they like the way the Investment Policy has been written. It is simple and understandable.

Chairman Carlton said that the asset allocation should be design to meet the interest assumption from the Actuarial Valuation, which is 7.5%. He questioned if the asset allocation in the Investment Policy is targeting the 7.5% or not.

Mr. Gerald Gruver left the meeting at 3:58 p.m.

After a long discussion, in which some of the members were in favor to approve it and others against it, the committee decide to vote in this item. Chairman Lennon ask the committee members who is in favor to approve the Investment Policy as presented. *Motion died, because the vote was as follows:*

AYES – Abel Moreno and Don Campbell

NOES - Carlton Lennon.

ABSENT – Gerald Gruver and Gary Langston.

This item needs to be back for the next special meeting.

- 5) Actuarial Valuation Report as of June 30, 2015.

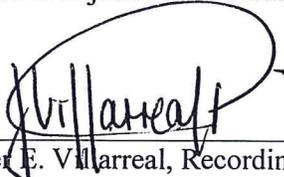
Mr. Abel Moreno made a motion to tabled this item until Prien Associates answer the questions made by the auditors, in order to comply with GASB 67 and GASB 68; it was seconded by Mr. Carlton Lennon. *Motion passed unanimously* by all those present.

- 6) Review of financial transactions for the period July 1, 2015 through September 30, 2015

This item has not been discussed because of lack of time.

ADJOURNMENT

Moved by Committee member Lennon, seconded by Committee member Campbell, and unanimously carried to adjourn the meeting at 4:23 p.m. *Motion passed unanimously.*



Javier E. Villarreal, Recording Secretary