

MINUTES

CITY OF DELANO PENSION COMMITTEE – SPECIAL MEETING June 24, 2016

CALL TO ORDER

Chairman Carlton Lennon called the meeting to order at 8:02 a.m. in the City Hall Council Chambers, 1015 – 11th Avenue.

ROLL CALL

Committee Members present: Gerald Gruver, Don Campbell, Gregory Funk, Carlton Lennon and Abel Moreno.

Committee Member absent: None.

OFFICIALS PRESENT

Finance Director Ms. Rosa Lara Rios, Recording Secretary Villarreal.

SPECIAL AGENDA

- 1) Discussion and any action regarding the Recommendation of Ad hoc Committee to award Investment Managers.

Ms. Rosa Lara Rios made a recapitulation of the RFP for Investment Managers. April 11, the committee had a meeting, where an ad-hoc committee had formed, the members in the Ad hoc committee are: Committee member Abel Moreno, Committee member Carlton Lennon and City Manager Maribel Reyna. The ad hoc committee reviewed and graded the proposals and interviewed the top 6 firms. The ad hoc committee is proposing to award as Investment managers to: Wells Fargo Institutional Asset Advisors, PFM Asset Management LLC. and to Lazard Asset Management LLC.

Committee member Abel Moreno started his explanation of how the ad hoc committee performed their evaluations. He mentioned that the current fees that we are paying are double than what these firms are charging.

Chairman Carlton Lennon added that we are going to change investment managers in order to improve, not only on return but understanding the risk and our expectations. Wells Fargo, Chase, PFM and Bank of America can offer multiple services at a low prices. He mentioned that the ad hoc committee decided to give \$10 million to PFM Management LLC, another \$10 million to Wells Fargo Institutional Asset Advisors & \$2 million to Lazard Asset Management LLC. There is another manager that the ad hoc committee choose but in this meeting it won't be discuss because in order to talk about it, the Investment Policy needs to be change, in another meeting. There are some funds that right now are not been transferred.

Lazard representative addressed little bit of where it will be invest the fund.

A motion was made by Chairman Lennon, and seconded by Committee member Greg Funk to make changes in the pension and no longer work with Stifel and MorganStanley; liquidate the assets that they held and move \$10 million to Wells Fargo, \$10 million to PFM and \$2 million to Lazard, which is the Ad hoc Committee recommendation. *Motion passed* by the following vote:

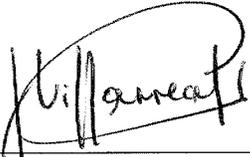
AYES: Committee members Gregory Funk, Carlton Lennon, and Abel Moreno.

NOES: Committee member Gerald Gruver.

ABSTAIN: Committee member Don Campbell.

ADJOURNMENT

Chairman Lennon said that this is the only item of this meeting, so he moved to adjourn the meeting at 8:29 a.m. *Motion passed unanimously.*

A handwritten signature in black ink, appearing to read "J. Villarreal", written over a horizontal line.

Javier E. Villarreal, Recording Secretary