

RETIREMENT COMMITTEE MINUTES

SPECIAL MEETING OF SEPTEMBER 13, 2011

Chairman Warren called the meeting to order at 2:00 p.m. in the Council Chambers.

ROLL CALL

Chairman Edwin Warren: present
Don Campbell: present
Gary Langston: absent
Lidia Albiar: present

OTHERS PRESENT

Maribel Reyna, City Manager, Trustee
Phyllis A. Kraft, City Clerk, Trustee
Richard Kirkwood, Human Resources Director
Sylvia Bermudez, Assistant Finance Director
Javier E. Villarreal, Recording Secretary

Chairman Ed Warren opened the meeting at 2:00 p.m. welcoming and thanking the staff for been at the meeting.

Mr. Warren refers to the only item on the Agenda, which is, discussion and action regarding funding of withdrawals to cover pension payouts (an unusually large amount of funds is necessary due to the closure of the Community Correctional Facility and staff lay-offs).

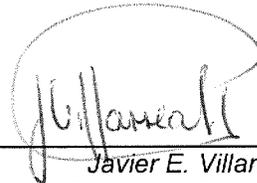
Mr. Warren said that base on the letter the Committee members received from Prien Associates and also by a phone conversation with them, Prien Associates will need \$500,000 in order to cover the payments for October 1, 2011. Mr. Ed Warren also stated that base on the financial transaction through June 30, 2011 that has been prepared by Prien Associates, Morgan Stanley has a Money Market account with around \$600,000. He also mentioned that the average investment return for Morgan Stanley was 15% or 16%, and Stifel Nicolaus has an average investment return of 24%.

Mr. Don Campbell stated that base on the latest information provide by Mr. Javier Villarreal through August 31, 2011, Morgan Stanley has little over \$800,000 on Money Market, but at the same time Stifel Nicolaus has over \$700,000 in cash, but taking in consideration the history of both, he suggested that the money should be taken from Morgan Stanley.

There were no questions or comments and a motion was made by Mr. Don Campbell and seconded by Ms. Lidia Albiar, to cash \$500,000 from the Money Market Fund from Morgan Stanley. *Motion carried unanimously.*

ADJOURNMENT

There being no further business, by motion passed the meeting was adjourned at 2.10 p.m.



Javier E. Villarreal,
Recording Secretary