



Investment Advisory Committee Meeting

STAMFORD GOVERNMENT CENTER
888 WASHINGTON BOULEVARD
P.O. BOX 10152
STAMFORD, CONNECTICUT 06904-2152

MINUTES

Regular Meeting

Friday, November 7, 2014: 10:00 AM

Democratic Caucus Room, 4th Floor

Call to Order: Karen Vitale, called the meeting to order at 10:12am

Roll Call

Committee Members Present: Karen Vitale, Jay Fountain, Lou Casolo, Mary Lou Rinaldi, Eric Newman, Vikki Cooper

Members Absent: Lou Casolo

Invited Attendees:

David R. Javaheri, CIMA Executive Director & Senior Portfolio Manager, Morgan Stanley Wealth Management (On Phone)

Additional Attendance: Michael Handler, Director of Administration

Approval of Minutes

VOTE: The motion to approve the minutes.

IN FAVOR: 4

OPPOSED: 0

ABSTAINED: 1

Reports to the Board

- Update from Morgan Stanley Wealth Management
David Javaheri, CIMA Executive Director & Senior Portfolio Manager, Morgan Stanley Wealth Management (on phone) reported that due to volatility in stock market interest rates have declined but not affecting short term rates. The two portfolios he is managing are accruing interest and has not experienced material changes from last month.

MBIA Fund Portfolio:

Allocation: US Agency Bonds 61% and CD's 39%

Average duration is 3.46 years

Average Coupon 1.20%

Average yield to Maturity 1.42%

August / Sept – June 2015 Projected Income \$185,987

12 Month Projected incomes is \$313,302

Average yield to Maturity is different than the Average Coupon is due to the purchase of securities at a discount.

Rainy Day Fund Portfolio:

Allocation: US Agency Bonds 66% and CD's 34%

Average duration is 3.35 years

Average Coupon 1.10%

Average yield to Maturity 1.34%

August / Sept – June 2015 Projected Income \$137,360

12 Month Projected incomes is \$241,216

Average yield to Maturity is different than the Average Coupon is due to the purchase of securities at a discount.

US Agencies are invested in federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corp (FHLMC); Federal Farm Credit Bank; Federal Home Loan Bank

Certificate of Deposits (CD's) are \$250,000 max and all are FDIC Insured up to \$250,000

Strategy is to invest in the CDs then invest in Agency paper.

- Investment Report
 - Reviewed of the investments rates at the various banks
 - Investment manager recommends for 30-60-90 day cash should continue to be invested with JP Morgan Chase at 0.10% which allows the portfolios to be fully collateralized and provide the liquidity. Morgan Stanley money markets are not collateralized and they focus on investing in less liquid investments for higher rate of return.

Old Business

- Review the Investment Policy
 - Reviewed of the new working policy draft for committees will be reviewed at the next meeting
- Discussion of Investing Bond Proceed
 - Investment manager explained that liquidity for 30-60-90 day cash needs should be continued to be invested with JP Morgan Chase which allows the portfolios to be fully collateralized. Morgan Stanley money markets are not collateralized.
 - For longer durations bond proceeds Morgan Stanley would invest the bond proceeds into 10 – 12 banks that are offering 4-6 month cd at rates .15-.35 and remaining proceeds would be used to purchase large blocks of US Treasury and Agency to be lock-in at 12-17 basis points for longer duration.

New Business

- Review any transfer requests to/from Morgan Stanley:
 - Controller's Office proposed transferring and establishment of four new accounts at Morgan Stanley to invest part of the bond proceeds and earn a higher rate of return.

Total amounts proposed to be transferred is \$17,000,000

▪ City of Stamford \$50 million GO Bond 2/24/13	\$5,000,000
▪ City of Stamford \$45 million GO Bond 12/15/11	\$5,000,000
▪ City of Stamford \$35 million GO Bond 2/8/10	\$4,000,000
▪ City of Stamford Capital Non Recurring	\$3,000,000

VOTE: The motion to approve the opening of four new investment accounts at Morgan Stanley and the transfer to Morgan Stanley from JP Morgan Chase the following:

- From JP Morgan Chase account City of Stamford \$50 million GO Bond 2/24/13 account to Morgan Stanley City of Stamford \$50 million GO Bond 2/24/13 account in amount of \$5,000,000;
- From JP Morgan Chase account City of Stamford \$45 million GO Bond 12/15/11 account to Morgan Stanley City of Stamford \$45 million GO bond 12/15/11 account in amount of \$5,000,000;
- From JP Morgan Chase City of Stamford \$35 million GO Bond 2/8/10 account to Morgan Stanley City of Stamford \$35 million GO Bond 2/8/10 account in amount of \$4,000,000;
- From JP Morgan Chase City of Stamford Capital Non Recurring account to Morgan Stanley City of Stamford Capital Non Recurring account in amount of \$3,000,000
- Transfer to be completed on Monday November 10, 2014

IN FAVOR: 5
OPPOSED: 0
ABSTAINED: 0

- Opening a bank account outside of Morgan Stanley
 - Controller's Office proposed opening a new account at JP Morgan Chase for the segregation of the remaining balance of the City of Stamford \$50 million GO Bond Issuance 8/13/2014. Amount remaining is \$22,071,702.56

VOTE: The motion to open a JP Morgan Chase City of Stamford \$50 million GO Bond 8/13/2014 bank account and the transfer of the remaining bond issuance proceeds of \$22,071,702.56

IN FAVOR: 5
OPPOSED: 0
ABSTAINED: 0

Open Board discussion

- None
- Next scheduled meetings:
 - **Friday, December 5, 2014: 10:00 AM Democratic Caucus Room, 4th Floor**
 - **Friday, January 9, 2015: 10:00 AM Democratic Caucus Room, 4th Floor**

ADJOURNMENT

The meeting adjourned at 10:26 AM.

Respectfully submitted,
Eric Newman