



Investment Advisory Committee Meeting

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

MINUTES

Regular Meeting

Friday, September 12, 2014: 8:00 AM

Purchasing Conference Room, 10th Floor

Committee Members: Karen Vitale, Assistant Controller; Jay Fountain Board of Reps; Louis Casolo, City Engineer; Vikki Cooper, Deputy Corporation Counsel; Mary Lou Rinaldi, Board of Finance

Additional Attendance: Eric Newman, Accountant, Wareeya Sripa, Engineering Administrative Officer

Call to Order: Karen Vitale, called the meeting to order at 8:00AM

Committee Members Present: Karen Vitale, Jay Fountain, Louis Casolo, Mary Lou Rinaldi

Members Absent: Vikki Cooper

Reports to the Board:

Provided board members a package that included Summary of \$43 million of Assets Under Management Summary and August Investment Statement,

Current City of Stamford Investment Policy, GFOA Best Practices of creating an investment policy, GFOA Best Practice of Diversifying the Investment Portfolio, and Samples of other municipal investment policies.

Email from David Javaheri, Morgan Stanley, recommending the changing the duration policy from 3 year max to a 5 year max maturity.

Jay Fountain recommended Summary of Assets Under Management by Pools include Yield to Maturity and Maturity Duration Analysis at 6 Month intervals. Future report will include other long term investments funds invested at other banks.

Karen Vitale provided history of the MBIA Fund. This was a pool of reserves funds managed by MBIA Asset Manager. These funds are for long term liabilities, workman comp, health insurance, risk management and other needs. Name of the account will be changed to reflect operating use of the reserve.

Old Business:

None.

New Business:

Review our Investment Policy

- Jay Fountain, motion to increase the 3 year max maturity to 5 year max maturity.
Seconded Mary Lou Rinaldi

Discussion: Louis Casolo, City Engineer expressed concerns that this would restrict and delay his department and operations ability to move projects forward if the funds are being restricted in longer term durations. It was clarified the intention is to gain higher investment returns on funds idle in short term money markets accounts that are not expected to be used for several years. If a project needs funding in shorter time frame the investments can be liquidated and Finance department intends to have shorter duration investments to cover near term projects. Investment income earned on the capital project funds will go to the capital project fund. All the investments are marketable securities and funds will be liquidated to meet the project funding needs.

Lou Casolo asked if the meetings are to be recorded/videotaped. He has not seen a policy around this and is inquiring based on what is taking place at other public meetings.

VOTE: The motion to increase the 3 year max maturity to 5 year max maturity.

- IN FAVOR: 4 Karen Vitale, Jay Fountain, Louis Casolo, Mary Lou Rinaldi
- OPPOSED: 0
- ABSTAINED: 0

Investing Bond Proceed with Morgan Stanley

Board discussed investing bond proceeds with Morgan Stanley.

Current policy is to invest bond proceeds in money market accounts for several years until funds are expended. Policy change would allow non-current bond proceeds to be invested in long duration investments that will generate cash flows that match to Engineering and Operations timing of outer years capital spending needs of the bonds. Current policy is bond proceeds are raised for the entire project fund is invested in short term money market accounts.

Separate investment accounts would be created to segregate the various bond proceeds by bond issuance at Morgan Stanley. Lou Casolo recommended recommend using the OPM Capital Quarterly Reports to project cash out the door needs. Engineering also asked if the forecasts are to reflect encumbered funds or only funds out the door. Managing the City Cash Flow needs will be based on expected timing of cash outflows not on a encumbered funds or committed funds.

OPM Capital Quarterly Reports would be reviewed at next meeting to determine a future allocation for investing and to match duration to the expected project spending periods.

Establish a General Fund Investment Pool at Morgan Stanley

- Committee was informed that general fund invests the in money markets and Finance wants to transfer excess funds into Morgan Stanley to achieve higher rate of returns. Based on projected cash needs, it was recommended that an initial \$5 million be transferred from the general fund money market accounts to Morgan Stanley.

VOTE: The motion to transfer \$5 million from the general fund money market accounts to Morgan Stanley

- IN FAVOR: 4 Karen Vitale, Jay Fountain, Louis Casolo, Mary Lou Rinaldi
- OPPOSED: 0
- ABSTAINED: 0

Future Meetings

- Friday October 10, 2014 at 10 am; 10th Floor Conference Room

ADJOURNMENT

The meeting adjourned at 8:59 AM.

Respectfully submitted,
Eric Newman