

MINUTES OF MEETING

FINANCIAL ADVISORY COMMITTEE

March 1, 2010

The Financial Advisory Committee conducted a regularly scheduled meeting on Monday, March 1, 2010, Council Chambers, Stratford Town Hall, 2725 Main Street, Stratford, CT pursuant to notice duly posted.

I CALL TO ORDER — Acting Chairman Thomas G. Angelo at 6:31 p.m.

Members present: Council Members Jim Connor, Elect for the 8th District and Kim Meuse, Elect for the 7th District; Electorate members Thomas W. Moore, John Fahan, Eric W. Wilkins and Arthur K. Stengel; Alternate member Justin M. Hawthorne;

Member absent: Alternate members Benjamin Barnes and Steven G. Dyer, Ed W. Rodriguez, Chairperson;

Others in attendance: Thomas Molloy, Town Council, George Mulligan and Karen Forrest, Secretary;

Acting Chairman Thomas G. Angelo welcomed the new members and re-approved members.

Acting Chairman Thomas G. Angelo presented Russell Hayden's resignation to the Committee. A MOTION WAS MADE BY ERIC W. WILKINS SECONDED BY THOMAS W. MOORE TO APPROVE THE RESIGNATION OF MR. HAYDEN. ALL IN FAVOR; THE MOTION PASSED UNANIMOUSLY.

Resignation of Russell Hayden is to be referred back to Town Council for acceptance.

II APPROVAL OF MINUTES – Minutes of Regularly scheduled meeting of February 1, 2010. A MOTION WAS MADE BY ERIC W. WILKINS SECONDED BY JOHN FAHAN TO APPROVE THE FOREGOING MINUTES. ALL IN FAVOR; THE MOTION PASSED UNANIMOUSLY.

III BUSINESS

A. TOWN COUNCIL UPDATES/REPORT –

Feedback from prior FAC meetings – Mr. Angelo inquired as to the status of sub-committee being set up with the Pension Board. At the next Council meeting Mr. Connor will present the issue of the sub-committee being set-up on the Pension Board.

There was lengthy discussion regarding the HSA / BOE, i.e., the benefits of this type of insurance. The BOE does not want to deal with health insurance issues; very lengthy and a difficult task per Mr. Molloy.

New requests being proposed - Mr. Angelo recommended that the Council ask the FAC members to review the current budget, the preliminary budget of 2011. The FAC members would assist as an extra set of eyes, i.e., for observation purposes. Mr. Molloy, Mr. Connor and Ms. Meuse will put this request in motion.

B. WORK GROUPS — updates/reports from last meeting

Retirement and Pension Obligations Group. Thomas W. Angelo was able to attend last month's Pension meeting. Mr. Angelo indicated that at the next Pension Board meeting the Investment Advisors will be available for questions. The Town made a 7.4 million payment to the Pension Fund.

Capital Expenditure and Improvements Group. Eric W. Wilkins and Thomas W. Moore met with Mike Bonnar regarding the RFP/RFQ procedures, specifically when and how does the bidding process work. Mr. Wilkins is working on a flowchart to clarify the procedure. It was noted:

- that bids are open monthly or when they are due;
- deadlines depend on the size of the bid or the department issuing the RFP/RFQ.
- there are three (3) different branches (the amount of the RFP/RFQ) which will be clarified in the flowchart;
- Mr. Angelo requested Mr. Wilkins to clarify the contract approval process (at what point does the Council vote or not vote);
- if a bidder owes the Town of Stratford real or personal taxes, the bidder cannot bid until all taxes are paid;

Financial Transparency and Working Capital Group. Arthur K. Stengel reviewed the Summary of Cash Accounts with the board members. He specifically pointed out the Capital Improvement Fund (as he has done in the past). This fund has held substantial monies and the FAC members have repeatedly asked the same questions: "why is this money there; where did it come from; and what is it for". The FAC members feel it is extremely important to find out why this account fluctuates so much. The FAC has not received any response to these inquiries.

The FAC members have asked Mr. Moore to contact Sue Collier, Finance Department, to obtain answers to the following questions:

1. We were told the Capital Improvement Account is acting as a concentration account in order to get a better interest rate. As of January 31, this amounted to approximately \$64 million. What general ledger accounts and amounts are represented by the money in this bank account?

2. Of these funds designated for Capital Improvements, what are the projects or purposes and amounts for each?

3. The amounts in the General Account, Tax Lock Box Account, and the General Account total approximately \$20 million and the report states they are required to avoid penalties. Is this correct? Previously, these accounts had low balances. Did we previously pay fees and penalties?

4. Is it possible to get a copy of the consolidated January Analysis Report from TD Bank (we do not need the analysis report of the individual accounts)?

5. Aren't there other accounts for Proprietary and Permanent Funds that are not included on the monthly cash report?

Tom Molloy feels he could obtain answers to the questions the members of the FAC have regarding the Cash Accounts. Mr. Angelo indicated the members of the FAC would like to give the new Administration a chance to provide the information being requested. The FAC members want to keep a professional and courgel relationship with all.

Mr. Angelo explained what "compensated balances" mean, i.e., keeping a certain balance in an account so that fees are not incurred.

Mr. Stengel further researched interest rates at other local financial institutes for reference purposes and comparison.

Revenue and Revenue Enhancement Group. Nothing to report at this time.

B. NEW BUSINESS/OLD BUSINESS. No new/old business to report. Mr. Angelo thanked Mr. Fahan and Mr. Hawthorne for being a part of this committee.

IV ADJOURNMENT — Hearing no additional information, Acting Chairman Thomas G. Angelo called for a motion to adjourn at 7:40 p.m. A MOTION WAS MADE BY ERIC W. WILKINS SECONDED BY THOMAS W. MOORE TO ADJOURN THE MEETING. ALL IN FAVOR. THE MOTION PASSED UNANIMOUSLY.

Respectfully submitted, Karen Forrest