

# MINUTES OF MEETING

## **FINANCIAL ADVISORY COMMITTEE**

February 2, 2009

The Financial Advisory Committee conducted a meeting on Monday, February 2, 2009 in Stratford Town Hall, 2725 Main Street, Room 213, Stratford, CT pursuant to notice duly posted.

### I CALL TO ORDER

Chairman Ed Rodriguez called the meeting to order at 6:00 p.m.

Members present: Ed Rodriguez, Arthur Stengel, Russell Hayden, George Mulligan, and Thomas Angelo;

Others present: Council member Amy Wanamaker and Secretary Karen Forrest;

II APPROVAL OF MINUTES – Revised Minutes of the January 5, 2009 - Upon a Motion by George Mulligan and Seconded by Russell Hayden, the foregoing revised Minutes were unanimously approved. All in favor - Motion carries.

III TOWN COUNCIL Updates/Report – Upon a Motion by George Mulligan and Seconded by Russell Hayden, Town Council Updates/Report was taken out of order. All in favor – motion carries.

Councilwoman Wanamaker noted the following:

- Budget time is approaching;
- People are talking about the pension situation;
- She would like to see that the FAC members receive a copy of the Mayor's proposed budget for review and comments;
- Councilwoman Wanamaker will follow up regarding the property tax collection status, e.g., what measures has the Town taken to secure funds over \$100 Million; She did indicate that Stratford has 98% collection rate; Amy further noted that property assessments are low;
- Councilwoman Wanamaker and Councilman Moore are preparing to post a letter regarding the FAC member vacancies;

IV DISCUSSION OF WORK PLAN — The following reports were presented by the subgroups:

### Update/Report from RETIREMENT & PENSION OBLIGATIONS GROUP:

Mr. Angelo attended the Pension Board meeting last month. His findings were as follows:

- The investment managers for the Advisory Research Fund appear very well in tune with the economic situation. This fund performed the best of all the equity funds (losing the least percentage of value) within the Stratford Pension. They believe this economic (recession) situation will last over a year.
- John Norko stated he directed Dahab to invest the town's January pension contribution in Northern Trust after payment of January pensions. As he mentioned at the meeting this lowers the exposure in equities. So the message seems to be getting home.
- The actuary is now on record that if the pension fund does not turn around, you should expect to see over a \$1.5 million increase in the pension contribution requirement on top of the \$1.6 million increase already reflected in this report, for a projected total of \$9.5 million. They also stated that this \$1.5 million annual increase will be permanent.
- In the new actuary report, the town's contribution to the pension fund will increase from FY 2010 to FY 2019 by over \$24 million. Now with the possible adjustment for the market decline, the actuary will add another \$14 million over this same period. All this is before the town will see any benefit from the retirement of the pension bonds.

### Update/Report from FINANCIAL TRANSPARENCY AND WORKING CAPITAL GROUP:

- Mr. Hayden prepared and distributed the revised/updated Healthcare Program Analysis Report (which is still a draft and is for the FAC Committee members' acceptance and approval at this time).
- Questions were presented by the committee members to Mr. Hayden regarding his additional information/updates and answers were provided by Mr. Hayden to the committee members.
- Mr. Hayden will again update his report with additional revisions, per the committee members, for the final draft.
- Mr. Hayden will forward (via email) the final report to the FAC members for review and approval. The final report will be represented at the March, 2009 FAC meeting for approval.

- Mr. Rodriguez and Mr. Hayden will draft a cover letter to accompany the final report to the Town Council.
- The FAC would like to have the report available for the March, 2009 Town Council meeting. Mr. Hayden will attend the March, 2009 Town Council meeting.

Upon a Motion by Thomas Angelo and Seconded by Arthur Stengel, the foregoing reported was tabled until revisions are made per recommendations and discussions of the FAC. The revised report is to be put on the agenda for the March 2, 2009 FAC meeting. It was unanimously approved. All in favor - Motion carries.

Update/Report from CAPITAL EXPENDITURE AND IMPROVEMENT GROUP:

Nothing to be reported at this time.

Update/Report from the REVENUE & REVENUE ENHANCEMENTS SUBGROUP:

Mr. Stengel reported that he still does not have the answers to the following:

- What action is being taken to protect the moneys deposited over 100 million dollars;
- Is the Town diversifying its investments;
- What decision investments will be made regarding the certificates of deposit that come due in 90 days;

Upon a Motion by George Mulligan and Seconded by Russell Hayden, the foregoing reported was accepted. It was unanimously approved. All in favor - Motion carries.

V New Business / Old Business

Mr. Mulligan requested permission from the FAC members to research additional financial transparency opportunities. Mr. Rodriguez explained to Mr. Mulligan that the committee serves at the pleasure of the Town Council and takes its leads from the Town Council therefore unless requested by the Town Council, additional research would not be necessary. George Mulligan understood and agreed.

VI ADJOURNMENT

Hearing no additional information, Mr. Rodriguez called for a motion to adjourn at 7:35 p.m. A MOTION WAS MADE BY RUSSELL HAYDEN SECONDED BY ARTHUR STENDEL TO ADJOURN THE MEETING. THE MOTION PASSED UNANIMOUSLY.

Respectfully submitted, Karen Forrest

