

AD HOC COMMITTEE—INVESTMENT POLICY STATEMENT
ROOM 3C, 3RD FLOOR, CITY HALL
23-MAY-2012

Chairperson Warren Levy called the Committee meeting to order at 6:30 pm.

COMMITTEE MEMBERS PRESENT: Warren Levy, Chairman and Jack Knapp

COMMITTEE MEMBERS ABSENT: Ben Chianese.

ALSO PRESENT: Les Pinter, Deputy Corporation Counsel and David St. Hilaire, Director of Finance.

After stating the charge of the committee, Chairman Levy asked Mr. St. Hilaire to review the Investment Policy to be discussed. Mr. St. Hilaire explained that the policy was not currently written in one single source. This would update and consolidate as well as insure that *Best Practices* are being used and that continuity could be easily established. He stated further that the types of investments were mandated by the state, but the City has discretion as to how the funds are invested. The goal of the policy is to minimize risk and maximize earning potential. A discussion including cash deposits, moneys available for investment, and inflation vs. interest rates ensued.

Chairman Levy asked if this policy was required by any bonding agencies or had any effect bond rating. Mr. St. Hilaire stated that some bonding agencies expect that a borrowing municipality used *Best Practices*, but he is not aware of any specific requirement or effect.

Chairman Levy asked if there was an effect on other elected officials such as the City Treasurer. Mr. Pinter stated that the City Treasurer is the individual responsible for administering the policy through the Department of Finance. Further discussion of the administration of the policy took place.

Mr. St. Hilaire wanted to point out section 4.6 which would allow the mayor to appoint an advisory committee or hire a financial advisor. A brief discussion ensued.

Chairman Levy asked for clarification regarding modification made by the Director of Finance. Mr. St. Hilaire stated the policy would only allow modification to the Appendices. Mr. Pinter confirmed that the modifications other than the Appendices require City Council approval.

Mr. Knapp asked if there was anything in the policy that limited that Director of Finance from performing his duties. Mr. St. Hilaire stated that it would not. He and his staff are currently practicing the policy but it is not all written in a single place.

Mr. Knapp asked why this policy was being enacted through a resolution rather than an ordinance. Mr. Pinter stated that the current guidelines state the policy should be adopted by resolution, and it established a timely method for review.

Mr. Knapp made a motion which was seconded by Chairman Levy to recommends that the City Council adopt the resolution to accept the recommendations of the Director of Finance and the Treasurer of the City of Danbury to adopt the Statement of Investment Policies and Guidelines for Cash Management as proposed, together with authority to modify said Statement appendices as permitted by law. Vote, all in favor, motion unanimously approved.

Respectfully Submitted,

Warren Levy, Committee Chairperson

Jack Knapp

Ben Chianese

RESOLUTION

CITY OF DANBURY, STATE OF CONNECTICUT

_____ A.D. 2012



RESOLVED BY THE CITY COUNCIL OF THE CITY OF DANBURY

WHEREAS, pursuant to Connecticut General Statutes Section 7-400 setting forth protocol for the investment of funds by governmental entities, and in accordance with recommendations from financial professionals advising the City of Danbury, the City seeks to adopt a *Statement of Investment Policies and Guidelines for Cash Management*; and

WHEREAS, the Director of Finance of the City of Danbury has reviewed said *Statement* and has proposed its adoption in order to allow for the appropriate strategies for the investment of non-pension and non-endowment funds; and

WHEREAS, the *Statement* would propose to provide for and include specific investment guidelines, defined objectives for investment, establishment of controls and additional oversight of funds; and

WHEREAS, the *Statement* and its policies shall be reviewed at least every two years for needed adjustment and any revised *Statement* will be submitted to the Council for adoption. Any modification to appendices may be made by the Director of Finance.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of Danbury hereby adopts the recommendations of the Director of Finance and the Treasurer of the City of Danbury to adopt the *Statement of Investment Policies and Guidelines for Cash Management* as proposed, together with authority to modify said *Statement* appendices as permitted by law.