

TOWN OF WISCASSET
Wiscasset Financial Investment ad-hoc Committee
July 27, 2009

The meeting was called to order at 7:00 PM at the Wiscasset Municipal Building by pro tem chair Larry Gordon.

Committee members in attendance: Frank Barnako, Phil DiVece, Pamela Dunning, Larry Gordon, Ed Polewarczyk and Greg Shea. Members absent was Larry Lomison and Jim George.

Mr. Gordon started the meeting by asking for a nomination for committee chair. Pamela Dunning nominated Phil DiVece for chair. Motion was seconded by Greg Shea. Motion passed 5-0-1.

Larry Gordon moved Pamela Dunning be named committee clerk. Motion was seconded by Greg Shea. Motion passed 5-0-1.

Phil DiVece discussed some of the town's history with Edward Jones. He stated that the Board of Selectmen has been waiting for a meeting with Edward Jones representatives since last fall.

Larry Gordon gave a history of the reserve account and the intent behind forming the account. The account was started in order to save some excess funds for future use in case Maine Yankee should close and the town would find itself in need of assistance. It was not intended to fund capital improvements or be considered designated funds for any one department. Wiscasset's use is a long way from the original intent. These funds were supposed to stay in no or low risk and Wiscasset was to use interest only. Greg Shea pointed out that the definition of "principle" may be open to interpretation.

There was a discussion on if the committee wanted to ask for RFPs from other financial companies. The focus points in this discussion were the possibility of finding a company that is more local so access to personnel is easier, the need for account managers who will come when asked and explain the accounts, the possibility of having a financial advisor that decided how to invest and a different company to handle the buying and selling.

There was a discussion about the concerns of some committee members as to the number of trades in the accounts in the last two years. There was over 100% turnover in 2008. There was over \$7,000,000 in trades through May this year. There is grave concern that Edward Jones may not be serving our needs.

There was a discussion about how to keep track of the amounts in the accounts and how they are reconciled to different subaccounts. Specifically mentioned

Phil DiVece asked who is responsible for the managing of the accounts. The Board of Selectmen used to be the persons responsible. With the addition of a town manager, it is possible that the town manager is now the responsible party as he is also known as the Chief Financial Officer. It is also possible that the selectmen and the town manager share

equally in that role. It was suggested that the Maine Municipal Association be asked for an opinion.

Ed Polewarczyk asked what is the objective, mission or purpose of the committee. It was suggested that committee members think about what they saw as the purpose of the committee and that a set of goals be established. Short terms goals were set at setting a date for Edward Jones to appear for a meeting in Wiscasset, assemble a list of prospective companies who may be asked for an RFP for taking over the accounts, review the work of the current custodians, and to start thinking about the possible language of an Investment Plan to be presented to the Board of Selectmen. The long term mission was to name 3 to 5 people who would serve on the board in an ongoing capacity to study and oversee the account activity each quarter. Moving forward with these items the committee set the week of August 3 through September 4 for dates that Edward Jones will be offered as a good time for them to appear to the committee. Frank Barnako was delegated to assemble the list of prospective financial advisors. Phil DiVece was designated as the person to talk to MMA about account management responsibility.

The next meeting of the committee was set for Monday, August 3, 2009 7:00 Pm at the Municipal Building.

Pamela Dunning moved to adjourn. Motion was seconded by Greg Shea. Having no further business, the meeting adjourned at 8:45 PM.

Respectfully submitted by Pamela Dunning, Clerk