

TOWN OF WISCASSSET

Investments and Services ad-hoc Committee

November 6, 2009

Attendees: Greg Shea, Ed Polewarczyk, Frank Barnako (by speakerphone), Jim George

Review of Minutes: 10/19/2009-Date of next meeting should state 11/6/2009, not 11/5/2009. Minutes accepted as modified. Minutes of 10/26/2009 accepted as written.

Comments on Evaluation Criteria: Depth of Experience-What do we mean by that? Greg thought the experience referred collectively to the firm, not the individuals within the firm. For example a firm in business for 30 years would have a greater depth of experience than a firm in business for 2 years.

Criteria of direct access to the markets-Greg would like to add 2 items under direct access.

1. Shopping for the best price: a clear advantage to the Town.
2. Fiduciary level: operating as prudent man(stock broker) or as in best interest of customer(trust company)

Would direct access limit the companies that are on our list? Consensus was that the Town should not reduce its options by eliminating companies without direct access. Larry Lomison's list should be things to keep in mind, but it should not be used to filter companies out of the selection criteria.

How do we evaluate the RFPs?

-Interview-Learn, compare and contrast without being rigid.

-What is the total cost versus the relative return.

-In comparing returns, should we create an index to compare to all firms and what time frame should the index include? Ed feels we should judge each firm's performance to an index.

-A set of questions specific to the firms should be created after getting the RFP's back.

1. Ask each firm how they would modify the current portfolio.
2. Ask each firm for a critique on how Edward Jones has handled the account.
3. Philosophy of investing-risk versus reward.

The RFP's are due on December 8, 2009 at 7pm. Selectmen will be asked to open the bids and then give them to the Investment Committee. Some confidentiality is needed concerning the bids until a firm is selected.

Date of next meetings: November 16, 2009 at 6:30 pm and November 30, 2009 at 6:30 pm in Selectmen's office. Room has been reserved with Lisa. She will also check on phone system using it for a conference call.

Respectfully submitted,

Jim George