

**PUBLIC HEARING**

**CITY COUNCIL  
April 23, 2002**

To: Mayor and City Council  
From: George J. Rodericks, City Manager  
Originated By: Nancy Desai, City Accountant

**SUBJECT: CONSIDERATION OF APPROVAL OF THE STATEMENT OF INVESTMENT POLICY AND FINANCE POLICY AND PROCEDURES MANUAL**

**BACKGROUND**

At the January 22, 2002 City Council meeting, the City Council directed staff to make several revisions to the Statement of Investment Policy and Finance Policy and Procedures Manual. These changes included a revision to the number of members on the Investment Advisory Committee; elimination of term reconfirmations, and a change in the City's banking institution

A Public Hearing is required prior to the City Council's adoption of revisions to the Statement of Investment Policy.

**FINDINGS**

The revisions to the Statement of Investment Policy are all within Section 2.42 of the Policy and relate to the organization of the Investment Advisory Committee. These changes set the size of the Investment Advisory Committee at five members; two City Councilmembers (the City Council Finance Committee) and three individuals from the City of Villa Park as nominated and accepted by the City Council. A chairman and vice-chairman shall be elected from the three individuals appointed by the City Council annually in January.

The changes also modify the appointment process such that any member of the City Council may make a nomination for appointment; however, all appointments must be approved by the entire City Council. A written resume of the qualifications of each resident candidate shall be submitted to the City Council before the appointment to the committee is made. The term of appointment run for a period of two years, beginning January 1 and ending December 31. The reconfirmation process is eliminated.

The City's Finance Policy and Procedures Manual specifies the City's banking institution by referencing the account numbers for bank account reconciliation. A change in the City's banking institution necessitates a change to the Finance Policy and Procedures Manual. Modifications to the Manual require approval by the City Council. In January 2002, the City Council authorized a change in the City's banking institution to Farmers

and Merchants Bank. While incorporating the change of banks into the Manual, staff took the opportunity to update the forms, exhibits, and procedures to the City's current usage. A copy of the existing Manual is included in your packet for comparison. The changes do not modify or revise current practices or policies. The changes merely revise and update the manual in relation to the change of banking institution and current forms.

**FISCAL IMPACT**

None.

**RECOMMENDATION**

It is recommended that the City Council conduct a Public Hearing and if appropriate adopt the Statement of Investment Policy and receive and file the Finance Policy and Procedures Manual.