



City of Villa Park  
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## INVESTMENT ADVISORY COMMITTEE

### Summary Minutes

July 20, 2016

1. CALL TO ORDER

The meeting was called to order at 8:01 a.m. by Chair Underwood.

2. ROLL CALL

*The following members and attendees were present:*

Bill Underwood, Chair, Investment Advisory Committee (IAC)  
James Rheins, Vice-Chair IAC  
Bill Nelson, Chair, City Council Finance Committee  
Dan Carlberg, Member  
Brad Reese, Member  
Lynne Doti, Member  
Michelle Danaher, Finance Director  
Dennis Kuli, City Treasurer

*The following members and attendees were absent:*

Diana Fascenelli, Councilmember, City Council Finance Committee  
Jarad Hildenbrand, City Manager  
Joe McCarthy, Member

*The following representatives were present:*

None

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT

*None.*

5. DISCUSSION ITEMS

**A. Opening Remarks.**

1. Status of Applicants to fill Open Seat on IAC.
  - a) Council Chair Nelson informed the IAC that the Budget and Finance Committee members interviewed Harold Hewitt for the open position. The Budget and Finance Committee will recommend his appointment at the July 26, 2016 council meeting.
2. Review & Approval of April minutes.
  - a) Council Chair Nelson moved the minutes for approval, seconded by Member Rheins. Motion carried.
3. Status of Form 700 filing requirement.

- a) Finance Director Danaher clarified that per City minutes that IAC members do not need to complete a Form 700; however, at their discretion, they may complete one.

**B. Investment Portfolio.**

1. Portfolio Balance, Activity Transactions.
  - a) Finance Director Danaher presented the overview of the investments. The major change was one matured investment in June and a new investment purchased to replace it.
2. Investment Performance, City Treasurer.
  - a) City Treasurer Kuli, presented the update on the investment interest return for the last six months. The current investment strategy has earned the City an additional \$95,000 plus since inception.
3. Cash Flow Overview FY 2016-17.
  - a) Finance Director Danaher, presented an additional handout, a cash flow document for FY 2015-2016 for the Committees reference.

**C. Section 115 Trust Discussion.**

1. Chair Underwood brought an additional handout presented a thorough briefing on the original PARS presentation. Chair Underwood further explained the pros and cons and asked for input from the IAC on whether the Section 115 Trust Subcommittee should move forward with investigating this prefunding option. Discussion ensued and the Committee unanimously recommended that the Subcommittee pursue knowledge on PARS and report back with an action plan to the IAC.
2. The Subcommittee will provide a status report to the IAC.

**D. Larger Investment Instruments**

1. Status and Plan for time phased plan to make insured instruments larger & more efficient (\$150,000 - \$250,000) as approved in a 2015 meeting.
  - a) Finance Director Danaher presented a planning document that will serve as an overview of the estimated investments to be purchased.
2. Status and Plan to restore a more balanced ladder to the portfolio.
  - a) Finance Director Danaher presented summary of the estimated investment purchases and their estimated maturity dates as a reference point for the IAC.

**E. Open Forum for New Ideas.-CONTINUED TO OCTOBER 19, 2016**

1. Suggestions for IAC to investigate and put on future agendas to discuss Status and Plan to restore a more balanced ladder to the portfolio.

**F. Items to be Addressed if we have time this meeting or at the next meeting.-  
CONTINUED TO OCTOBER 19, 2016**

1. Discuss Best Practices investment observations or experience of newer VPIAC members from their experienced service in other organizations from which City of VP might learn and investigate. (No idea is a bad idea)
  - a) Lynne Doti – Cities of Anaheim & Orange, Chapman Academics and Economics Literature & Conferences.

- b) Joe McCarthy - Private Industry investing practices that could be adapted to City Government investing.
2. Discuss any needed current update to % balance of different investment sources and their match the need for short (1 year), medium (2-4 years) & long term (5 years) investable funds.
3. Discuss timing of the future communication to the City Council (and/or to VP Citizens) of reporting in summary easy to read fashion, the results of VP's new, improved proactive, fiscally conservative investment strategy over the last 6 years and future plans.
4. Discuss any new investment vehicles or investment organizations that we need to consider and investigate.

6. ADJOURNMENT

The meeting was adjourned at 9:12 am. The next regular meeting of the IAC will be held on Wednesday, October 19, 2016 at 8:00 a.m.

DRAFT