City of Villa Park
17855 Santiago Boulevard
Villa Park, California 92861
(714) 998-1500

INVESTMENT ADVISORY COMMITTEE

Regular Meeting
July 25, 2007
8:30 a.m.

The Investment Advisory Committee of the City of Villa Park welcomes you to this meeting. We encourage your participation. This agenda contains a brief description of each item to be considered.

If you wish to speak on an item contained on the agenda, please approach the podium at the time the item is being considered. Upon recognition by the Chair, state your name and address for the record prior to providing your comments. Speakers will be limited to a time period set by the presiding officer.

All supporting information is available for public review in the City Hall offices.

Please Note: In compliance with the Americans with Disabilities Act, the City of Villa Park will make every reasonable attempt to accommodate attendees or participants at this meeting who need special assistance beyond what is normally provided. Please contact the City Hall at (714) 998-1500 at least 48 hours prior to this meeting to inform us of particular needs and to determine if accommodation is feasible, Please advise us at the time of your call if special assistance is required to attend or participate in meetings on a regular basis.

ORDER OF BUSINESS

1. CALL TO ORDER

2. ROLL CALL

   Dan Carlberg, Chair, Investment Advisory Committee
   William Nelson, Vice-Chair, Resident Member
   Joe Hagler, Resident Member
   Mary Jo Chorbagian, Resident Member (Alternate)
   Jim Rheins, Council Member, Chair City Council Finance Committee
   Brad Reese, Council Member, City Council Finance Committee
   Dennis Kuli, City Treasurer

   Introduction of Michelle Danaher, Finance Manager.

3. PUBLIC COMMENT

4. CONSENT AGENDA

   All matters listed under the "Consent Agenda" are considered to be routine and are enacted by one motion approving the Recommendation listed on the Agenda. Any member of the Committee may request an item be removed from the Consent Agenda for discussion or further explanation. Unless otherwise specified in the request to remove an item from the Consent Agenda, all items

removed shall be considered immediately following action on the remaining items on the Consent Agenda.

Consideration of Minutes – April 26, 2007

5. DISCUSSION ITEMS

   a) Fiscal Year 2007-08 Budget

   b) Review and Discuss the City's current investment activities

   c) City Treasurer Position Job Description

6. PUBLIC AND MEMBER COMMENT

7. ADJOURNMENT

Next meeting date October 24, 2007 at 8:30 AM.

City of Villa Park
17855 Santiago Boulevard
Villa Park, California 92861
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INVESTMENT ADVISORY COMMITTEE
April 26, 2007 Minutes

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ORDER OF BUSINESS

1. CALL TO ORDER
   Chair Carlberg called the meeting to order at 8:35 AM

2. ROLL CALL
   The following members were present
   Dan Carlberg, Chair, Investment Advisory Committee
   William Nelson, Vice-Chair, Resident Member
   Joe Hagler, Resident Member
   Mary Jo Chorbagian, Resident Member (Alternate)
   Jim Rheins, Council Member, Chair City Council Finance Committee
   Brad Reese, Council Member, City Council Finance Committee (8:45 AM)

   City staff present
   Dennis Kuli, City Treasurer
   Ken Domer, City Manager

Chair Carlberg welcomed and introduced new Alternate Resident Member, Mary Jo Chorbagian. Member Chorbagian expressed thanks and looked forward to participating.

3. PUBLIC COMMENT
   There were no members of the public present. No public comment.

4. CONSENT AGENDA
   A review of the minutes showed that there were a few misspellings and a change needed in the nomination of the vice chair position. The changes were noted. Vice-Chair Nelson moved and Member Hagler seconded the approval of the minutes. The minutes, with changes noted, were approved unanimously.

5. ACTION ITEMS
   There were no items of action.

6. DISCUSSION ITEMS

   a) Budget Overview/Financial Forms Review
      1. 2005-06 Financial Statements

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Chair Carlberg introduced the item and City Manager Domer gave an overview of the issue to include that forms produced by the City's financial software were passed out at last meeting for review and comment by the members. Chair Carlberg stated that he would like to see comparisons in data, including year to date and with prior years. There was general consensus that such comparisons were beneficial. Vice-Chair Nelson stated that it was not necessary to compare too many years. Council Member Rheins agreed on the presentation of material and comparisons.

City Manager Domer discussed the external audit Financial Statements and distributed copies to each member. A general review of the management letter was held to overview those internal controls that were suggested could be strengthened. Overall, the external audit found no material weakness or items of concern.

b) Review and Discuss the City's current investment activities

A general discussion of the current investment activities to include City Manger Domer reporting that within the last week the City transferred $315,000 to the Local Agency Investment Fund and $400,000 to the Orange County Investment Pool. A discussion on the money market rates at F&M Bank ensued and whether the City should review other institutions for better rates and other services. It was agreed that Committee Members could look for information on other institutions to assist in the review of banking needs.

c) Review and Discuss General Fund Reserve Policy

General discussion held after City Manager Domer presented a revised draft version of the General Fund Reserve Policy. The revised version, in light with what the City Council discussed at a past Council Meeting, is simpler in that it sets an amount and then increases it by 5% each year. The goal is to keep a comfortable level of reserves, have restrictions on the use of funds, and ensure that money is available for the reserve given the cyclical nature of the City's actual cash reserves. Member Hagler discussed the concept of a catch up provision if the City was not able to increase the reserve by 5% in one year, the additional could be caught up the following year.

City Treasurer Kuli discussed the long term nature of a policy in light of the needs of the City to have a reserve in proportion to its financial size. Chair Carlberg stated that he would like to eliminate the $1,000,000 limit because he felt it was too much given our size. There was consensus on the matter. Treasurer Kuli questioned whether we should have an increase in the % or just go with the flat amount of $675,000 and have it reviewed annually for adequacy. Member Hagler stated that the budget

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committee or process could increase the amount, but not decrease, so that once a new amount is set, that is the floor of the reserve. The group discussed that concept and generally agreed.

d) F&M Money Market Account (Sweep Concept) Overview
A brief overview of the issue and a report back from City Manager Domer that after reviewing and discussing the concept with Bob Schoefler of F&M Bank, the City's investment policy prohibits the repurchase portion of the overnight sweep account. In addition, the rate of return would not be over that currently gained by the City in its current investment scheme.

e) FEMA Reimbursement Status
City Manager Domer gave a brief update on the funds and stated that the City would be receiving approximately 75 to 80% back but he did not expect it this fiscal year.

7. PUBLIC COMMENT
There was no public comment.

8. ADJOURNMENT

The meeting was adjourned at 9:35 AM to the next meeting date of Wednesday July 25, 2007 at 8:30 AM.

CITY OF VILLA PARK
TREASURER'S REPORT OF CASH ON DEPOSIT AND INVESTED
May 31, 2007

	Date Purchased	Rate	Maturity Date	Principal Plus Accrued Interest at Purchase	Market Value	Yield to Maturity	Par Value	Balance Amount	% of Total Investment
Cash on Deposit									
F&M Checking Account								19,129.77	1%
F&M Parking Citation Account**		0.550 **						2,612.04	0%
F&M Money Market Account		1.210 *						169,951.70	7%
Petty Cash								400.00	0%
Investments									
State-Local Agency Investment Fund**		5.248 ***			1,729,551.42 +			1,730,040.19 [1]	65%
Orange County Investment Pool		5.319 *						719,433.06 [2]	27%
TOTAL CASH ON DEPOSIT & INVESTED								**2,641,566.76**	**100%**

* Monthly Interest Rate
** Quarterly Interest Rate
*** PMIA Average Monthly Effective Yield May 2007
\+ Market Value Local Agency Investment Fund as of May, 2007 (Fair Value-Amortized Cost)
[1] Not to exceed 75% of total investments
[2] Not to exceed 33% of total investments

I hereby certify that this report accurately reflects all the City of Villa Park Investments and complies with the investment policy of the City of Villa Park as approved by the City Council.
I hereby certify that sufficient investment liquidity and anticipated revenues are available to meet the City's budgeted expenditure requirements for the next six months.

Dennis Kuli, City Treasurer

18 June 07
Dated

26 June 2007
Date Submitted to City Council

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CITY OF VILLA PARK
TREASURER'S REPORT OF CASH ON DEPOSIT AND INVESTED
June 30, 2007

	Date Purchased	Rate	Maturity Date	Principal Plus Accrued Interest at Purchase	Market Value	Yield to Maturity	Par Value	Balance Amount	% of Total Investment
Cash on Deposit									
F&M Checking Account								16,168.24	1%
F&M Parking Citation Account**		0.550 **						2,890.04	0%
F&M Money Market Account		1.260 *						61,870.58	4%
Petty Cash								400.00	0%
Investments									
State-Local Agency Investment Fund**		5.250 ***			1,629,579.67 +			1,630,040.19 [1]	67%
Orange County Investment Pool		5.233 *						722,829.76 [2]	30%
TOTAL CASH ON DEPOSIT & INVESTED								**2,434,198.81**	**100%**

* Monthly Interest Rate
** Quarterly Interest Rate
*** PMIA Average Monthly Effective Yield June 2007
\+ Market Value Local Agency Investment Fund as of May, 2007 (Fair Value-Amortized Cost, used May as June was unavailable)
[1] Not to exceed 75% of total investments
[2] Not to exceed 33% of total investments

I hereby certify that this report accurately reflects all the City of Villa Park Investments and complies with the investment policy of the City of Villa Park as approved by the City Council.
I hereby certify that sufficient investment liquidity and anticipated revenues are available to meet the City's budgeted expenditure requirements for the next six months.

Dennis Kuli, City Treasurer

18 Jul 07
Dated

24 JULY 2007
Date Submitted to City Council

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CITY OF VILLA PARK
TREASURER'S REPORT OF CASH ON DEPOSIT AND INVESTED
June 30, 2007

	Date Purchased	Rate	Maturity Date	Principal Plus Accrued Interest at Purchase	Market Value	Yield to Maturity	Par Value	Balance Amount	% of Total Investment
Cash on Deposit									
F&M Checking Account								16,168.24	1%
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Dennis Kuli, City Treasurer

18/Jul/07
Dated

24 JULY 2007
Date Submitted to City Council

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