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

INVESTMENT ADVISORY COMMITTEE
Regular Meeting
July 28, 2010
8:30 a.m.

AMENDED AGENDA

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
   William Underwood, Resident Member
   Bill Mac Aloney, Mayor, City Council Finance Committee
   Rich Ulmer, Mayor Pro Tem, Chair City Council Finance Committee
   Dennis Kuli, City Treasurer

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT

5. DISCUSSION ITEMS

   a) Review of April 2010 Regular Minutes.

   b) Review and discuss current investment activities.

   c) Discuss OCIP rate per request of Vice-Chair Nelson.

   d) Resident Member Underwood to report back on discussion with Wells Fargo Advisors commissions.

e) City Manager Sassoon to report back on the City Treasurer job description.

f) Review and discuss Resident Member Underwood's' "Sustaining Vitality and Fresh Perspectives" top three issues submitted by the Committee.

6. ADJOURNMENT

Next regular meeting date is October 27, 2010 at 8:30 AM.

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

INVESTMENT ADVISORY COMMITTEE
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July 28, 2010
8:30 a.m.

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ORDER OF BUSINESS

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6. ADJOURNMENT

Next regular meeting date is October 27, 2010 at 8:30 AM.

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

INVESTMENT ADVISORY COMMITTEE

Minutes - Regular Meeting
April 28, 2010

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

2. ROLL CALL

   The following members and attendees were present:

   Dan Carlberg, Chair, Investment Advisory Committee
   William Nelson, Vice-Chair, Resident Member
   Joe Hagler, Resident Member
   Mary Jo Chorbagian, Resident Member (Alternate #1)
   William Underwood, Resident Member (Alternate #2)
   Dennis Kuli, City Treasurer
   Bill Mac Aloney, Mayor, City Council Finance Committee
   Rich Ulmer, Mayor Pro Tem, Chair City Council Finance Committee

   Michelle Danaher, Finance Manager
   Lori Sassoon, City Manager

   The following members and attendees were absent:
   None

3. PLEDGE OF ALLEGIANCE
   The Pledge of Allegiance was led by Chair Carlberg.

4. PUBLIC COMMENT
   No public comment

5. DISCUSSION ITEMS
   a) Review of Minutes from January 2010 IAC Regular Meeting.
   Mayor Mac Aloney moved the minutes and Resident Member Hagler seconded them. The minutes were unanimously approved by all members.

   b) Review and discuss current investment activities.
   A discussion was had on the Treasurer's report in order to clarify what "Rate" meant on the report. It was requested that the Finance Manager include the word "Guaranteed" to the Rate column to help explain the percentages shown. The Committee also requested that the Finance Manager include the LAIF PMIA report and the OCIP monthly bank statement with the Treasurer's Report for further clarity on the numbers represented. Lastly a question arose regarding what the commissions on the CD's were and the City Manager recommended the Committee nominate a liaison with Wells Fargo Advisors to research this information. Resident Member (Alternate) Underwood was nominated, and he will

report back to the Committee at the July 28, 2010 meeting with the information he retrieved.

A discussion was also had on the Monthly Cash Analysis as well and the committee requested that the Finance Manager separate the CD's out of the average balance as they are long-term and are not considered liquid cash for all intensive purposes of City business.

c) Review and discuss Resident Member (Alternate) Underwood's' "Sustaining Vitality and Fresh Perspectives" document.

The Committee began a discussion on this document. One question that arose was the job description of the City Treasurer. The City Manager will look into the structure of this job description and report back at the July 28, 2010 Council meeting.

Further discussion ensued and Resident Member (Alternate) Underwood requested that all members report back to him, via email, regarding the top three topics they would like specifically discussed at the July 28, 2010.

6. NEW IDEAS

Vice-Chair Nelson requested that the Committee be expanded to 7 members and eliminate the "alternate" positions. Mayor Pro-Tem Ulmer seconded the motion to be brought to the June 22, 2010 Council meeting for Council's approval.

7. ADJOURNMENT

The meeting was adjourned at 9:43 AM. The next regular date for the IAC is July 28, 2010 at 8:30 AM.

CITY OF VILLA PARK
TREASURER'S REPORT OF CASH ON DEPOSIT AND INVESTED
30-Apr-10

	Purchase Date	Maturity Date	Guaranteed Rate	Admin Fees Paid	Market Value	Yield to Maturity	Par Value	Balance Amount		% of Total Investment
Cash on Deposit										
F&M Checking Account								$ 194,120.74		6%
F&M Parking Citation Account**			0.05%	*** $ -				1,000.00		0%
F&M Money Market Account			0.20%	*** $ -				47,010.49		1%
Petty Cash								400.00		0%
Investments										
State-Local Agency Investment Fund**			0.56%	**	1,822,498.80 +			1,820,124.01	1	58%
Orange County Investment Pool			0.81%	*				588,334.26	2	19%
Certificates of Deposits:										
Associated Bank WI	2/3/2010	8/3/2011	0.85%	^	99,625.00	0.85%	100,000.00	99,625.00	#	3%
Columbus Bank & Trust CO	1/29/2010	7/30/2012	1.55%	^	99,379.00	1.55%	100,000.00	99,379.00	#	3%
American Express Centurion Bank	2/3/2010	2/4/2013	2.00%	^	99,662.00	2.00%	100,000.00	99,662.00	#	3%
Midfirst Bank OK	2/3/2010	2/3/2014	2.25%	^	99,038.00	2.27%	100,000.00	99,038.00	#	3%
American Express Centurion Bank	2/3/2010	2/3/2015	2.80%	^	99,243.00	2.80%	100,000.00	99,243.00	#	3%
Subtotal of Certificates of Deposits							*500,000.00*		3	*16%*
TOTAL CASH ON DEPOSIT & INVESTED								**$ 3,147,936.50**		**100%**

* Monthly Anualized Interest Rate (gross) - bank charges for month: $ 49.97
** Prior Quarters Annualized Interest Rate
*** Monthly Annualized Interest Rate
\+ Market Value Local Agency Investment Fund as of June 2009
^ CD's were purchased through our authorized broker dealer, Wells Fargo Advisors, LLC.
\# Market value at the end of the month.
1 Not to exceed 80% of total investments
2 Not to exceed 33% of total investments
3 Not to exceed 25% 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.

City Treasurer

Date Submitted to City Council

U:\Michelle\Treasurer's Report\Treasurers Report 2010Apr 10

Bill Lockyer, State Treasurer

Inside the State Treasurer's Office

Local Agency Investment Fund (LAIF)

PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
4/27/2010	0.54	0.56	206
4/28/2010	0.52	0.59	196
4/29/2010	0.52	0.59	193
4/30/2010	0.52	0.59	190
5/1/2010	0.52	0.59	190
5/2/2010	0.52	0.58	190
5/3/2010	0.53	0.58	195
5/4/2010	0.52	0.61	190
5/5/2010	0.52	0.61	189
5/6/2010	0.52	0.60	191
5/7/2010	0.52	0.60	192
5/8/2010	0.52	0.60	192
5/9/2010	0.52	0.60	192
5/10/2010	0.52	0.60	190

*Daily yield does not reflect capital gains or losses

LAIF Performance Report

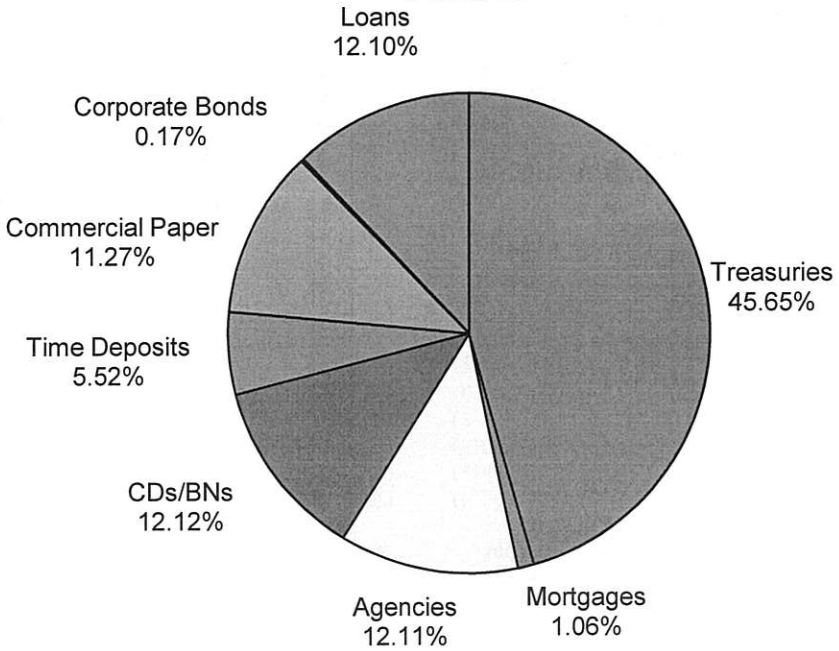
Quarter ending 03/31/2010

Apportionment Rate:	0.56%
Earnings Ratio:	.00001526772794093
Fair Value Factor:	1.001183091
Daily:	0.55%
Quarter To Date:	0.56%
Average Life:	213

PMIA Average Monthly Effective Yields

APR 2010	0.588%
MAR 2010	0.547%
FEB 2010	0.577%

Pooled Money Investment Account
Portfolio Composition
$73.6 Billion
04/30/10



COUNTY OF ORANGE

OFFICE OF THE TREASURER-TAX COLLECTOR

HALL OF FINANCE & RECORDS
12 CIVIC CENTER PLAZA, ROOM G76
P. O. BOX 4515
SANTA ANA, CA 92701

May 7, 2010

STATEMENT OF ACTIVITY
For the Month Ended April 30, 2010

City of Villa Park
Attn: Michelle Danaher
17855 Santiago Blvd.
Villa Park, CA 92861-4187

Cash in Treasury - Fund 9LD

Date / Description	Beginning Balance	Deposits	Withdrawals	Investment Income	Treasury Admin Fee	Ending Balance
	$ 588,384.23					
04/01/10, March Admin Fee					(49.97)	
Total	$ 588,384.23	$ -	$ -	$ -	$ (49.97)	$ 588,334.26

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Accrued Investment Income - Fund 9LD

Date / Description	Beginning Balance	Accrual	Payment	Ending Balance	Apportionment Annualized Yield (Gross)
	$ -				
04/01/10, March 2010, Interest		405.66			
	$ -	$ 405.66	$ -	$ 405.66	0.812% - March

CITY OF VILLA PARK
TREASURER'S REPORT OF CASH ON DEPOSIT AND INVESTED
31-May-10

	Purchase Date	Maturity Date	Guaranteed Rate	Admin Fees Paid	Market Value	Annual Yield to Maturity	Par Value	Balance Amount	% of Total Investment
Cash on Deposit									
F&M Checking Account								$ **90,978.88**	3%
F&M Parking Citation Account**			0.05%	*** $ -				**1,565.00**	0%
F&M Money Market Account			0.25%	*** $ -				**110,833.42**	4%
Petty Cash								**400.00**	0%
Investments									
State-Local Agency Investment Fund**			0.56%	**	1,507,087.81 +			**1,505,124.01** [1]	52%
Orange County Investment Pool			0.76%	*				**688,691.53** [2]	24%
Certificates of Deposits:									
Associated Bank WI	2/3/2010	8/3/2011	0.85%	^	99,487.00	0.85%	100,000.00	**99,487.00** #	3%
Columbus Bank & Trust CO	1/29/2010	7/30/2012	1.55%	^	99,908.00	1.55%	100,000.00	**99,908.00** #	3%
American Express Centurion Bank	2/3/2010	2/4/2013	2.00%	^	100,354.00	1.99%	100,000.00	**100,354.00** #	3%
Midfirst Bank OK	2/3/2010	2/3/2014	2.25%	^	100,009.00	2.79%	100,000.00	**100,009.00** #	3%
American Express Centurion Bank	2/3/2010	2/3/2015	2.80%	^	100,317.00	1.89%	100,000.00	**100,317.00** #	3%
Subtotal of Certificates of Deposits							*500,000.00*	[3]	*17%*
TOTAL CASH ON DEPOSIT & INVESTED								**$ 2,897,667.84**	**100%**

* Monthly Anualized Interest Rate (gross) - bank charges for month: $ 48.39
** Prior Quarters Annualized Interest Rate
*** Monthly Annualized Interest Rate
\+ Market Value Local Agency Investment Fund as of June 2009
^ CD's were purchased through our authorized broker dealer, Wells Fargo Advisors, LLC.
\# Market value at the end of the month.
[1] Not to exceed 80% of total investments
[2] Not to exceed 33% of total investments
[3] Not to exceed 25% 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.
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City Treasurer

Date Submitted to City Council

U:\Michelle\Treasurer's Report\Treasurers Report 2010May 10

Bill Lockyer, State Treasurer

Inside the State Treasurer's Office

Local Agency Investment Fund (LAIF)

PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
6/9/2010	0.54	0.57	196
6/10/2010	0.54	0.57	196
6/11/2010	0.52	0.57	198
6/12/2010	0.52	0.57	198
6/13/2010	0.52	0.57	198
6/14/2010	0.51	0.57	193
6/15/2010	0.51	0.57	192
6/16/2010	0.51	0.57	196
6/17/2010	0.52	0.56	204
6/18/2010	0.52	0.56	204
6/19/2010	0.52	0.56	204
6/20/2010	0.52	0.56	204
6/21/2010	0.52	0.56	209
6/22/2010	0.52	0.56	209

*Daily yield does not reflect capital gains or losses

LAIF Performance Report

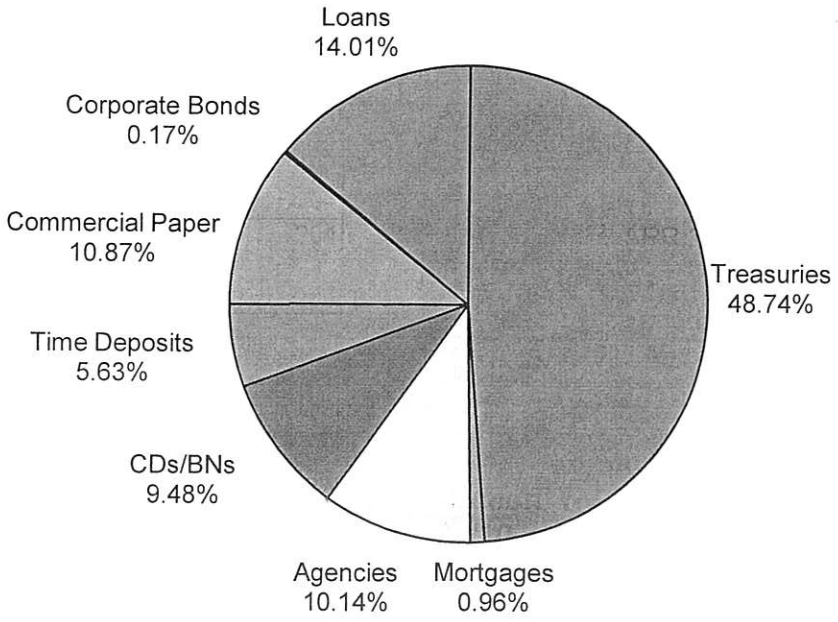
Quarter ending 03/31/2010

Apportionment Rate:	0.56%
Earnings Ratio:	.00001526772794093
Fair Value Factor:	1.001183091
Daily:	0.55%
Quarter To Date:	0.56%
Average Life:	213

PMIA Average Monthly Effective Yields

MAY 2010	0.560%
APR 2010	0.588%
MAR 2010	0.547%

Pooled Money Investment Account
Portfolio Composition
$72.0 Billion
05/31/10



COUNTY OF ORANGE

OFFICE OF THE TREASURER-TAX COLLECTOR

HALL OF FINANCE & RECORDS
12 CIVIC CENTER PLAZA, ROOM G76
P. O. BOX 4515
SANTA ANA, CA 92701

June 14, 2010

STATEMENT OF ACTIVITY
For the Month Ended May 31, 2010

City of Villa Park
Attn: Michelle Danaher
17855 Santiago Blvd.
Villa Park, CA 92861-4187

Cash in Treasury - Fund 9LD

Date / Description	Beginning Balance	Deposits	Withdrawals	Investment Income	Treasury Admin Fee	Ending Balance
05/03/10, Deposit	$ 588,334.26					
05/03/10, April Admin Fee		p3 100,000.00				
05/21/10. March 2010 Interest				405.66	(48.39)	
Total	$ 588,334.26	$ 100,000.00	$ -	$ 405.66	$ (48.39)	$ 688,691.53

p1

Accrued Investment Income - Fund 9LD

Date / Description	Beginning Balance	Accrual	Payment	Ending Balance	Apportionment Annualized Yield (Gross)
05/03/10, April 2010 Interest	$ 405.66				
05/21/10, March 2010 Interest		366.35			
			(405.66)		
	$ 405.66	$ 366.35	$ (405.66)	$ 366.35	0.757% - April

10

CITY OF VILLA PARK
TREASURER'S REPORT OF CASH ON DEPOSIT AND INVESTED
30-Jun-10

	Purchase Date	Maturity Date	Guaranteed Rate	Admin Fees Paid	Market Value	Annual Yield to Maturity	Par Value	Balance Amount		% of Total Investment
Cash on Deposit										
F&M Checking Account								$ 64,709.13		2%
F&M Parking Citation Account**			0.05%	*** $ -				1,799.20		0%
F&M Money Market Account			0.25%	*** $ -				73,814.83		3%
Petty Cash								400.00		0%
Investments										
State-Local Agency Investment Fund**			0.56%	**	1,272,211.81 +			1,270,124.01	1	49%
Orange County Investment Pool			0.76%	*				688,999.91	2	26%
Certificates of Deposits:										
Associated Bank WI	2/3/2010	8/3/2011	0.85%	^	99,945.00	0.85%	100,000.00	99,945.00	#	4%
Columbus Bank & Trust CO	1/29/2010	7/30/2012	1.55%	^	100,367.00	1.54%	100,000.00	100,367.00	#	4%
American Express Centurion Bank	2/3/2010	2/4/2013	2.00%	^	101,052.00	1.97%	100,000.00	101,052.00	#	4%
Midfirst Bank OK	2/3/2010	2/3/2014	2.25%	^	101,026.00	2.22%	100,000.00	101,026.00	#	4%
American Express Centurion Bank	2/3/2010	2/3/2015	2.80%	^	101,988.00	2.74%	100,000.00	101,988.00	#	4%
Subtotal of Certificates of Deposits							*500,000.00*		3	*19%*
TOTAL CASH ON DEPOSIT & INVESTED								**$ 2,604,225.08**		**100%**

* Monthly Anualized Interest Rate (gross) - bank charges for month: $ 57.97
** Prior Quarters Annualized Interest Rate
*** Monthly Annualized Interest Rate
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City Treasurer

Date Submitted to City Council

U:\Michelle\Treasurer's Report\Treasurers Report 2010June 10

Bill Lockyer, State Treasurer

Inside the State Treasurer's Office

Local Agency Investment Fund (LAIF)

PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
7/1/2010	0.52	0.52	205
7/2/2010	0.52	0.52	208
7/3/2010	0.52	0.52	208
7/4/2010	0.52	0.52	208
7/5/2010	0.52	0.52	208
7/6/2010	0.52	0.52	204
7/7/2010	0.52	0.52	203
7/8/2010	0.51	0.52	203
7/9/2010	0.52	0.52	205
7/10/2010	0.52	0.52	205
7/11/2010	0.52	0.52	205
7/12/2010	0.52	0.52	208
7/13/2010	0.52	0.52	208
7/14/2010	0.52	0.52	211

*Daily yield does not reflect capital gains or losses

LAIF Performance Report

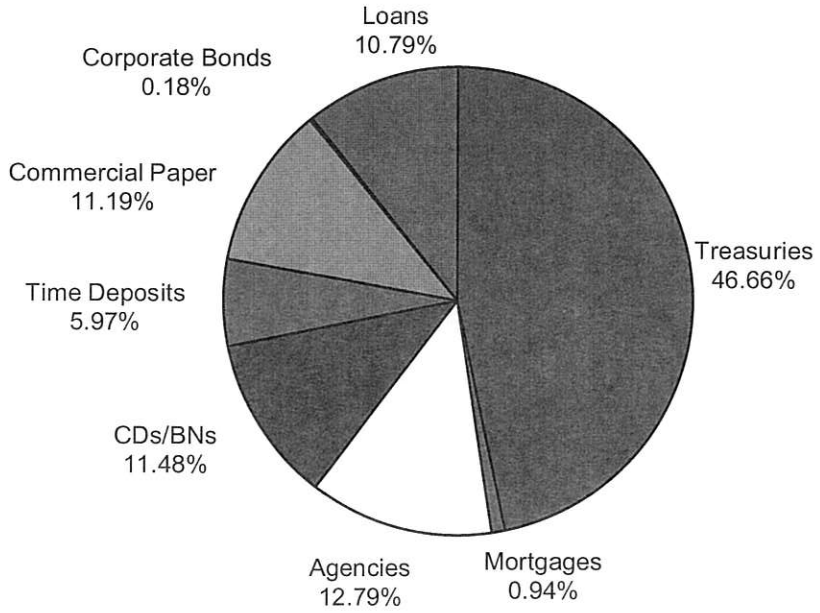
Quarter ending 6/30/2010

Apportionment Rate:	0.56%
Earnings Ratio:	.00001523807623153
Fair Value Factor:	1.001643776
Daily:	0.51%
Quarter To Date:	0.56%
Average Life:	203

PMIA Average Monthly Effective Yields

JUN 2010	**0.528%**
MAY 2010	0.560%
APR 2010	0.588%

Pooled Money Investment Account
Portfolio Composition
$69.4 Billion
06/30/10



COUNTY OF ORANGE

OFFICE OF THE TREASURER-TAX COLLECTOR

HALL OF FINANCE & RECORDS
12 CIVIC CENTER PLAZA, ROOM G76
P. O. BOX 4515
SANTA ANA, CA 92701

July 11, 2010

STATEMENT OF ACTIVITY
For the Month Ended June 30, 2010

City of Villa Park
Attn: Michelle Danaher
17855 Santiago Blvd.
Villa Park, CA 92861-4187

13

Cash in Treasury - Fund 9LD

Date / Description	Beginning Balance	Deposits	Withdrawals	Investment Income	Treasury Admin Fee	Ending Balance
	$ 688,691.53					
06/01/10, May Admin Fee					(57.97)	
06/17/10, April 2010 Interest				366.35		
Total	$ 688,691.53	$ -	$ -	$ 366.35	$ (57.97)	$ 688,999.91

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Accrued Investment Income - Fund 9LD

Date / Description	Beginning Balance	Accrual	Payment	Ending Balance	Apportionment Annualized Yield (Gross)
	$ 366.35				
06/01/10, May 2010 Interest		754.06			
06/17/10, April 2010 Interest			(366.35)		
	$ 366.35	$ 754.06	$ (366.35)	$ 754.06	1.301% - May

Monthly Cash Analysis
As of 6/30/10

Month	Fiscal Year 2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	Annual Cash Average
July	2,157,716.16	2,066,970.84	2,057,247.60	2,155,842.54	1,834,829.93	1,629,419.01	2,330,513.12	2,325,293.53	3,029,682.15	2,176,390.54
August	1,789,702.12	1,963,852.54	1,715,538.57	2,062,312.44	1,661,497.43	1,688,323.60	2,006,854.03	2,137,123.97	2,810,920.66	1,981,791.71
September	1,726,004.42	2,000,760.90	1,671,443.20	1,633,703.01	1,524,362.96	1,552,077.91	2,112,212.18	2,069,801.14	2,483,578.08	1,863,771.53
October	1,665,536.14	1,951,824.08	1,645,881.58	1,510,718.71	1,425,308.42	1,553,442.48	1,860,605.69	1,881,990.85	2,237,848.70	1,748,128.52
November	1,605,378.32	1,959,449.01	1,724,770.06	1,574,593.88	1,352,085.37	1,667,959.78	1,781,284.82	1,904,807.90	2,253,193.98	1,758,169.24
December	1,794,755.57	2,067,899.84	1,953,559.39	2,160,088.34	1,526,656.42	2,082,728.18	2,410,563.28	2,547,409.95	2,758,043.85	2,144,633.87
January	1,833,622.67	1,988,237.92	1,879,742.42	2,068,537.90	1,773,732.82	2,499,839.82	2,613,254.94	2,875,714.27	2,923,242.01	2,272,880.53
February	1,812,473.77	1,932,571.30	1,846,165.53	1,945,588.33	1,553,595.44	2,474,449.42	2,231,402.31	2,435,405.46	2,681,111.97	2,101,418.17
March	1,800,572.01	1,918,799.59	1,986,797.00	1,910,141.61	1,413,897.33	1,979,322.37	2,318,919.12	2,322,817.69	2,567,271.14	2,024,281.98
April	1,975,386.57	2,124,014.56	2,215,507.89	2,113,797.70	1,630,189.95	2,509,767.67	2,863,404.74	2,968,242.86	3,150,989.50	2,394,589.05
May	2,125,479.55	2,175,875.11	2,249,427.87	2,299,469.08	1,922,273.76	2,641,566.75	2,959,817.97	2,879,334.88	2,897,592.84	2,461,204.20
June	2,011,636.71	2,110,937.88	2,179,797.00	2,228,027.43	1,760,053.86	2,434,198.80	2,636,786.88	2,800,449.29	2,599,847.08	2,306,859.44
Annual Average	1,858,188.67	2,021,766.13	1,927,156.51	1,971,901.75	1,614,873.64	2,059,424.65	2,343,801.59	2,429,032.65	2,699,443.50	2,102,843.23
Less LT CD investments									(500,000.00)	(500,000.00)
Annual Liquid Average	1,858,188.67	2,021,766.13	1,927,156.51	1,971,901.75	1,614,873.64	2,059,424.65	2,343,801.59	2,429,032.65	2,199,443.50	1,602,843.23

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Michelle Danaher

From: uwood42 @dslextreme.com [uwood42@dslextreme.com]

Sent: Thursday, May 13, 2010 2:13 PM

To: Daniel J. Carlberg; Bill Nelson; Joe Hagler; Mary Jo Chorbagian; Bill Macaloney; Rich Ulmer; Dennis & Jill Kuli; Dennis Kuli

Cc: Michelle Danaher; lsassoon@villapark.org

Subject: VP IAC followup

As requested by you as a member of the VP IAC and after my 2 week East Coast trip, I called Sandra Wheeler of Wells Fargo Advisors in San Luis Obispo this week to address our issues for her and got the following answers.

1. Concerning the City of Villa Park Treasurer's Report on Cash on Deposit and Invested -

She had not and has not seen the report, but we discussed the economic meanings of the nomenclature.
Her firm, Wells Fargo Advisors, produces a City of Villa Park Investment Account monthly report for us, which she shared that clarified as well as her descriptive answers.

a. The Rate and the Yield to Maturity columns on Michelle's report are the same rate calculation and is the annual Interest Rate generated on the $100,000 bond at par.

The CD yields are respectively 0.85%, 1.55%, 2.00%, 2.25% and 2.80%, which will provide us a combined annual yield of 1.9% with $9,450 of CD annual interest income.

That wiill remain in place until we rollover the 1 year CD 0.85% rate/yield to maturity from Associated Bank in Wisconsin on August 3, 2011 for a 5 year CD at a 5 year rate, thereby increasing our annual combined yield and annual income.

b. The difference in rates and yield to maturities between the Jan, Feb and Mar reports are a report math error, and the CD rates & yields to maturity on both columns on all 3 monthly reports should be the static numbers of 0.85%, 1.55%, 2.00%, 2.25% & 2.80% and not 0.85%, 1.55%, 2.00%, 2.26% & 2.81%,
and not 0.85%, 1.56%, 2.00%, 2.27% & 2.81%.

c. The market value should be inmaterial to us and only of passing interest to us, as we are planning to hold to maturity when we will get the full $100,000 back, It is a "mark to market' value for those who plan to trade bonds and not hold to maturity, as we plan to do.

2. Concerning whether she is an advisor or broker -

Sandra is acting as a broker for Villa Park, as she and her firm are paid upon transactions by us.
She functions in both roles, depending upon how she/they are paid by the client.
She is a financial advisor when she is paid on a % of assets on a managed account, which we are

not.

What are she/they paid?
There is a mark-up or what Wells calls a credit that varies by each bond transacation, set by the issuing bank that we don't see.

For our account, she detailed in a Feb 1st email the following -

100m Associated Bank Wisconsin .85% Mty 08/03/2011 (credit $3.00/bond)
100m Columbus Bank & Trust 1.55% Mty 07/30/2012 (credit $4.00/bond)
100m American Express Bank 2.00% Mty 02/04/2013 (credit $6.00/bond)
100m MidFirst Bank 2.25% Mty 02/03/2014 (credit $8.00/bond)
100m American Express Bank 2.80% Mty 02/03/2015 (credit $10.00/bond)

The mark up/credit is built into the price and yield of the bond/CD, it is not an additional fee.
Wells Fargo receives the credit and then Sandra is paid a percentage, approximately 35% on the credit dollar.
Credits vary on all issues as well as her payout.

3. Concerning performance reporting for our portfolio to show comparative incomes and yields -

She suggested using the Wells Fargo Client Account Statement details for monthly perfromance

She forwarded the LAIF 1 page quarterly report for the Pooled Mondy Investment Account (PMIA), wghich is attached to this email for your review. It shows the Current PIMA
Average Montlhly Effective Yields for the and the Current Quarter to date yields, if interested and a PMIA portfolio composition pie chart.

I believe Bill Nelson gets a 1 page OCIP monthly report with Current yields too, which might help in our reporting, but I did not explore this and I know that it was the basis of a lot of discussion between the Treasurer and the IAC Vice Chair. For more OCIP molnthly investment rate calculaton details, see Michelle's email that forwarded Mellissa Dobbins email from the OC Treasurer Department.

OK, hope that clarifies a bit and doesn't obfusicate more.

It would appear, from the 50,000 foot level -

That we are getting:
- a combined CD yield of 1.9% through August, 2011 on $500K of our $800K reserve funds, which is almost 20% of our investment funds
- a LAIF PMIA yield of 0.6% on $1.4-$1.6M, which is about 55% of our investment funds,
- a OCIP yield of 0.7% on $600K, which is about 22% of our investment funds, and
- a F&M money market yield of 0.3% on $50-75K, which is about 2-3% of our investment funds.

See you next meeting when we can discuss this, if needed.

I assume our next meeting is Wednesday, July 28th, since I have not heard otherwise.

If, as promised for next meeting, you would email me your list of top 5 issues for ongoing Committee discussions,
then we could laser beam focus and apportion our time on the new ideas to discuss next time that are of the most importance to you.

I have attached the 6 INTERNAL challenges matrix and the 7 EXTERNAL challenges from the handouts from last meeting for your reference, if needed. I have not yet make any of the corrections of fact that were correctly pointed out on these copies, but intend to do so.

You may just force rank the issues/challenges or just list in priority order by number to make it easier for you.

I will then compile them in combined priority order, and send to Dan and Michelle for their consideration in developing the agenda for next meeting with a copy to you so we can prepare our thoughts for them, and we will address them under the "Sustaining Vitality and Fresh Perspectives" Discussion topic item in the time we have available.

Thanks.

Bill
714-264-8137

City of Villa Park

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(714) 998-1500 • Fax: (714) 998-1508

MEMORANDUM

TO: Investment Advisory Committee

FROM: Lori Sassoon, City Manager

SUBJECT: **City Treasurer Job Description**

DATE: July 13, 2010

At the April IAC meeting, there was some discussion about the role of the City Treasurer, and questions about the job description. I was asked to bring some information back to the Committee at the July meeting regarding this subject.

The current Treasurer job description (Attachment 1) was approved by the City Council in July 2007. It appears to me that the job description is consistent with the Treasurer's current role, the City's Investment Policy, and the minimal California Government Code provisions regarding the role of the Treasurer (Attachment 2).

In California, there are many different models for how the treasury function is organized. In larger cities, some Treasurers are elected officials; in other cases they are employees. In speaking with staff with the California Municipal Treasurers Association, I was told that with reductions in City staffing levels it is becoming more common for the Finance Director to also be the City Treasurer. Here in Villa Park, I would characterize our system as a hybrid system, with the Treasurer holding all the traditional functions except the issuance of payments. Payments and payroll are the Finance Director's responsibility under our Municipal Code (Attachment 3).

I briefly surveyed other small cities in southern California, where information was readily available online, and found the following regarding their City Treasurers.

Laguna Woods: City Treasurer appointed by the City Manager. City Manager has appointed the Finance Manager to fill that role.

Los Alamitos: City Treasurer is appointed by the City Council. Director of Administrative Services is designated as the City Treasurer.

La Palma: City Manager is designated as City Treasurer.

Laguna Niguel: City Treasurer is appointed by the City Council.

Rancho Palos Verdes: Finance Director is designated at City Treasurer.

Del Mar: City Manager is designated as City Treasurer.

Big Bear Lake: City Council appoints City Treasurer. Director of Administrative Services is also the appointed Treasurer.

W. BILL MAC ALONEY, Mayor • W. RICHARD ULMER, Mayor Pro Tem
DEBORAH PAULY, Councilmember • BRAD REESE, Councilmember • JIM RHEINS, Councilmember

It appears to me that the Treasurer's role here in Villa Park is working well and is appropriate for our modest size and limited complexity. If the Council wanted to have the City Treasurer also review and sign checks, I do not see why that would be a problem. As it stands, volunteer City Councilmembers now have that function, and that works well. I am not aware of any issues related to bonding that would prohibit the Treasurer from signing checks.

I hope this information is helpful to you.

City of Villa Park

Attachment 1

City Treasurer (Appointed Volunteer Position)
Position Description

JOB DESCRIPTION:

The City Treasurer for the City of Villa Park is an at will City Council appointed position that serves with no compensation. The term of office is two years.

The State of California, Government Code Section 41001 states the City Treasurer shall receive and safely keep all money coming into his hands as treasurer. § 41002 states he shall comply with all laws governing the deposit and securing of public funds and the handling of trust funds in his possession. § 41004 states the Treasurer shall at least once a month, submit to the City Clerk a written report and accounting of all receipts, disbursements, and fund balances. The report will be filed with the City Council.

ESSENTIAL FUNCTION:

The essential function of the City Treasurer is to monitor and safeguard the City's cash and investments through oversight of City processes, reporting, and practices. The Treasurer ensures the City's financial viability and that proper financial records and procedures are maintained in a clear, concise, and understandable manner.

TYPICAL DUTIES PERFORMED: (These examples do not include all the duties which may be conducted by the City Treasurer)

The City Treasurer:

- Shall reconcile the City's Bank Statements on a monthly basis, and prepare a monthly 'Bank Reconciliation Report' for distribution to the City Council.
- Shall review the *Treasurer's Report of Cash on Deposit and Invested*, prepared by the Finance Manager.
- Shall certify that total cash on deposit and invested as is reported on the *Treasurer's Report of Cash on Deposit and Invest*ed.
- Shall make appropriate adjustments to the *Treasurer's Report of Cash on Deposit and Invested* and shall verify and sign the report.
- Attest, in the *Treasurer's Report of Cash on Deposit and Invested,* that the City has cash on hand for six months.
- Shall attend quarterly Investment Advisory Committee, City Council, Finance Committee and/or other meetings when required to provide information on treasury or investment matters.
- Shall understand and follow the City's Statement of Investment Policy in his/her review.
- Works with the City Manager and Finance Manager on appropriate review of financial and investment matters, to include City Council Agenda Items.
- Recommends appropriate investment or financial matters when warranted to the City Manager and/or City Council.
- Works with the Finance Manager on presentation of financial information to ensure that material is clear, concise, and easily understandable for Council and residents in their review.

EDUCATION AND EXPERIENCE

Graduation from four year college and post-graduate work in accounting, financial or management processes preferred. Experience in an administrative position involving finance, investments, budgeting, or similar financial matters may be substituted. Combination of training and experience that provides the knowledge, skills, and abilities required to provide sounds advice, recommendations, and conduct appropriate reviews of City financial records. Ability to learn, understand, interpret and apply applicable federal, state and local laws and regulations pertaining to investments, finance and treasury items.

Approved: July 24, 2007 Revised:

GOVERNMENT CODE
SECTION 41001-41007

41001. The city treasurer shall receive and safely keep all money coming into his hands as treasurer.

41002. He shall comply with all laws governing the deposit and securing of public funds and the handling of trust funds in his possession.

41003. He shall pay out money only on warrants signed by legally designated persons.

41004. Regularly, at least once each month, the city treasurer shall submit to the city clerk a written report and accounting of all receipts, disbursements, and fund balances. He shall file a copy with the legislative body.

41005. The city treasurer shall perform such duties relative to the collection of city taxes and license fees as are prescribed by ordinance.

41006. The city treasurer may appoint deputies for whose acts he and his bondsmen are responsible.

41007. The deputies shall hold office at the pleasure of the city treasurer and receive such compensation as is provided by the legislative body.

Attachment 2

ARTICLE 4-1. - DIRECTOR OF FINANCE

Sec. 4-1.1. - Office Established.
Sec. 4-1.2. - Appointment, Removal or Suspension.
Sec. 4-1.3. - Powers and Duties.
Sec. 4-1.4. - City Manager to Perform Duties.

Sec. 4-1.1. - Office Established.

There is hereby established the office of the Director of Finance of the City.

(Ord. #82-323, § 47)

Sec. 4-1.2. - Appointment, Removal or Suspension.

The Director of Finance shall be appointed, removed or suspended by the City Manager with the approval of the City Council.

(Ord. #82-323, § 48)

Sec. 4-1.3. - Powers and Duties.

The Director of Finance shall have the following powers and duties:

a. To have charge of the administration of the financial affairs of the City under the direction of the City Manager and to be head of the Finance Department of the City.
b. Compile budget expense and income estimate for the City Manager.
c. Supervise and be responsible for the maintenance of a general accounting system for the City government and each of its offices, departments, and agencies.
d. To supervise and be responsible for the disbursement of all money and have control of all expenditures, to insure that budget appropriations are not exceeded; to audit all purchase orders before issuance; to audit and approve before payment all bills, invoices, payrolls, demands or charges against the City government; and, with the advice of the City Attorney when necessary, to determine the regularity, legality and correctness of such claims, demands or charges.
e. Submit to the City Council, through the City Manager, a monthly statement of all receipts and disbursements, in sufficient detail to show the financial condition of the City, and, as of the end of each fiscal year, submit a complete financial statement and report. The audit report of the City shall satisfy the requirement as to financial statement.
f. Perform all the financial and accounting duties heretofore imposed upon the City Clerk, and the City Clerk shall be relieved of such duties imposed by Article I of Chapter 4, Part 2, Division 3, and by Section 40802 and Sections 53891 through 53892.2, inclusive, and Sections 37200 through 37210, inclusive, of the Government Code of the State.
g. See that all taxes, assessments, license fees and other revenues of the City or for whose collection the City is responsible, and all other money receivable by the City from the County, State or Federal government or from any court, office, department, or agency of the City, are collected.
h. To supervise the keeping of current inventories of all property of the City by all City departments, offices and agencies.
i. Perform such other physical and related duties as may be required by the City Manager, by resolution of the City Council or any other ordinance of the City.

(Ord. #82-323, § 49)

Sec. 4-1.4. - City Manager to Perform Duties.

Pending the appointment by the City Manager of a Director of Finance with approval of the City Council, the duties of the Director of Finance shall be performed and assumed by the City Manager.

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Attachment 3

(Ord. #82-323, § 50)

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Article V. - Director of Finance.

Sec. 2-29. - Office of director of finance—Creation.
Sec. 2-30. - Same—Appointment, powers, duties and responsibilities.
Sec. 2-31. - Same—Financial reports.
Sec. 2-32. - Right to contract for special services.

Sec. 2-29. - Office of director of finance—Creation.

In accordance with title 4, division 3, part 3, chapter 2, article 1, section 40805.5 of the Government Code of the state of California, and in order to establish a uniform method for the processing and development of fiscal accounting and budgetary functions within the city government, there is hereby established the office of the director of finance.

(Ord. No. 82-15, § 1(part).)

Sec. 2-30. - Same—Appointment, powers, duties and responsibilities.

The city manager shall be the director of finance. The city manager may delegate any of the powers and duties conferred upon him as director of finance under this article to any other officer or employee of the city, or may recommend that such powers or duties be performed under contract as provided in section 2-32 of this article. The director of finance shall:

(a) Plan, organize, direct and supervise the accounting auditing, budget preparation, cost accounting, licensing and computer service activities, functions and systems of the city.
(b) Maintain and operate the general accounting system of the city, and prescribe the appropriate accounting and bookkeeping procedures that may or hereafter be established or in operation in any department.
(c) Invest inactive or surplus available public funds in accordance with state laws and maintain appropriate investment records.
(d) Perform such accounting functions and duties in accordance with the latest and most modern accounting methods as the science of accounting progresses.
(e) Assist in the preparation of the annual operating budget and in the administration thereof; prepare instructions and forms for securing budget estimates and projections to effect a balanced budget; supervise the preparation of copies of the budget and its distribution.
(f) Assume and perform all municipal functions and duties relating to the preparation, preauditing, presenting and disbursement of claims, warrants and demands against the city, including payrolls, to insure that budget appropriations are not exceeded; audit all expenditures as to budget or council authorization; audit and approve for payment all bills, invoices, payrolls, and demands; prepare and submit to the city council periodically a register of audited demands in conformance with state law; supervise and be responsible for the disbursement of all moneys.
(g) Assist on special city-wide finance programs; such as insurance and long-term capital budget programs.
(h) Review revenue and expenditure reports in comparison with the approved budget and initiate the controls necessary to keep budget in balance.
(i) Cooperate in the purchase of all services, supplies, goods, wares, merchandise, equipment and material which may be required by the city; give general direction for the purchasing function of the city, and audit and approve all purchase orders for payment.
(j) Supervise the city treasurer's functions in cooperation with the appointed city treasurer.
(k) Supervise the water division financial accounting and the computer services functions.
(l) Plan and direct the implementation of appropriate policies, operating methods and operating results of the program of business licensing, sales tax, cashiering and insurance services, including the preparation of regular and special reports covering the revision, improvement or adjustment of these programs and related services, fees or expenditures.
(m) Perform all of the financial and accounting duties imposed upon the city clerk by state statute, and the city clerk shall be relieved of such duties imposed upon the city clerk by article 1 of chapter 4, part 2, division 3, title 4 and by section 40802 through and including section 40805 of the Government Code of the state of California.

(Ord. No. 82-15, § 1(part).)

Sec. 2-31. - Same—Financial reports.

The director of finance shall prepare the following reports in sufficient detail as to show the exact financial condition of the city:

(a) Quarterly, or more frequently, cumulative statements of all receipts disbursements and cash balances by fund as of the reporting date.
(b) Such other financial and activity reports as may be required by the city council.
(c) Compulsory reports for state and private agencies.

(Ord. No. 82-15, § 1(part).)

Sec. 2-32. - Right to contract for special services.

The director of finance shall consider and prepare recommendations regarding the extent to which the city should contract for the performance of technical services in connection with the operation of the financial system. The city council may contract with any qualified person or public or private agency for the performance of any of the duties and responsibilities imposed by this article.

(Ord. No. 82-15 § 1(part).)

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CHAPTER 2.10. - CITY TREASURER*

State law reference—City treasurer, Government Code § 41000 et seq.

Sec. 2.10.010. - Authority and appointment of office.
Sec. 2.10.020. - Reserved.
Sec. 2.10.030. - Functions.

Sec. 2.10.010. - Authority and appointment of office.

The office of the City Treasurer is established pursuant to Government Code § 36501. The City Treasurer shall be appointed by, and report to, the City Manager. The City Manager may serve as, or appoint, an "Acting City Treasurer" at any time during the absence of a permanent City Treasurer. Such Acting City Treasurer shall have all the powers and duties prescribed by this chapter.

(Ord. No. 99-02, § 1(2.15.010), 3-24-1999; Ord. No. 09-05, § 1(b), 9-16-2009)

Sec. 2.10.020. - Reserved.

Editor's note—

Ord. No. 09-05, § 1(c), adopted Sept. 16, 2009, repealed § 2.10.020, which pertained to compensation and derived from Ord. No. 99-02, § 1(2.10.020), 3-24-1999.

Sec. 2.10.030. - Functions.

The City Treasurer shall perform such duties as are prescribed by Government Code Title 4, Division 3, Part 3, Chapter 3 (Government Code § 41000 et seq.) and by any other provisions of law applicable to deposit, investment, and safekeeping of public funds of the City.

(Ord. No. 99-02, § 1(2.10.030), 3-24-1999)

State law reference—Investment of public funds, Government Code § 53600 et seq.; deposit of public funds, Government Code § 53630 et seq.

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Appointed Treasurer Survey Data

(CSMFO members responses to Gary Nordquist's 3 questions...June 3-5 2008)

Line #	City or Agency	(1) Who Appoints the Treasurer?	(2) Treasurer Reports To?	(3) Independent Financial Oversight Committee?	Comments
1	Anahiem	City Council	City Council	No ?	Investment Advisory Committee (5 non staff members) quarterly review of investments only and annual approval of investment policy.
2	Brentwood	City Manager	City Manager	No	Finance Director is the Treasurer
3	Brisbane	City Manager	City Manager	No	
4	Burlingame	City Manager	City Manager	No	Finance Director is the Treasurer
5	Calistoga	City Manager	City Manager	No	City Council confirms City Managers appointment.
6	El Cajon	City Manager	City Manager	No	
7	Elk Grove	City Manager	City Manager	No	Finance Director is the Treasurer
8	Foster City	City Council	City Council	No	City Manager is also the Treasurer. Audit Committee includes staff.
9	Grand Terrace	City Council	City Council	No	The City Manager is the Treasurer and the Finance Director is the Deputy City Treasurer
10	Hughson	City Council	City Council	No	Finance Committee is Staff and Two Council members
11	La Habra Heights	City Council	City Manager	No	Treasurer is a Volunteer.
12	La Quinta	City Manager	City Manager	No	Investment Advisory Board with limited review
13	La Verne	City Council	City Council	No	
14	Lake Forest	City Manager	City Manager	No	Investment Oversight Reviewer is not a committee.
15	Lodi	City Council	City Manager	Finance and Budget Committee	
16	Long Beach	City Manager	Finance Director	Yes, Council Sub Committee	Also has and elected City Auditor.
17	Moraga	Town Manager	Town Manager	Yes	Treasurer is a volunteer position who also chairs the Audit and Finance Committee.
18	Moreno Valley	City Council	City Manager	No	
19	Morro Bay	City Manager	City Manager	No	Finance Director is the Treasurer
20	Palm Desert	City Manager	City Manager	Yes,	Finance Director is the Treasurer. Committee includes residents, council and staff.
21	Palo Alto	City Manager	City Manager	Yes, Council Sub Committee	Admin Serv Director is the Treasurer.
22	Pomona	City Council	City Manager	No	Investment Committee's quarterly reviews limited to investments. Revenue Manager is the Treasurer
23	Ridgecrest	City Manager	City Manager	No	By Mun. Code, Admin Services Director is the Treasurer (City Manager selects the ASD).
24	Riverside	City Council	City Manager	No	Part of the CFO's function, Confirmed annually by the Council. Finance Review committee includes staff.
25	Rolling Hills	City Council	City Manager	Yes, Council Sub Committee	
26	Roseville	City Manager	City Manager	No	
27	San Jose	City Manager	City Manager	Yes, Finance Committee	
28	San Luis Obispo	City Council	City Manager	No	by City Charter appointed officials duties can be combined with other positions...Finance Director is also the Treasurer.
29	San Rafael	City Manager	City Manager	Yes	Committee reviews Tax Measure and uses in the General Fund.
30	Santa Barbara	City Council	City Council	Yes, Finance Committee	City Manager is the Treasurer assisted daily, by the Finance Director
31	Tustin	City Council	City Council	No	Audit Committee limited to reviewing Audit Process.
32	Twentynine Palms	City Council	City Council	No	
33	Villa Park	City Council	City Council	No	Treasurer works with City Manager but reports to City Council.
34	Westlake Village	City Manager	City Manager	Yes, Administrative Committee	Appointment confirmed by City Council
35	Whittier	City Council	City Manager	No	Council appoints Treasurer based on City Manager recommendation.
Other Agencies or Special Districts					
1	Dublin San Ramon Services District	Board of Directors	Board of Directors	Yes, Finance Committee	
2	Port of San Diego	Executive Director	Executive Director	Yes, Audit Advisory Committee	Appointment Must be Confrimed by the Board of Port Commissioners
3	Sacramento Public Library Authority	Board of Directors	Board of Directors	No	
Other Responses not meeting the Survey Selection Criteria					
1	Beverly Hills	Elected Treasurer	Citizens	No Response	
2	Coachella	Elected Treasurer	Citizens	No	
3	Fontana	Elected Treasurer	Citizens	No	
4	Hawthorne	Elected	Citizens	No	
5	Ontario	Elected Treasurer	Citizens	No	
6	Redondo Beach	Elected Treasurer	Citizens	Yes, Budget and Finance Commission	

Villa Park Investment Advisory Committee
Sustaining Vitality and Fresh Perspectives
Internal Challenges Discussion Matrix – April 28, 2010

A. Challenges - Internal	***B. Committee Views* - Issue/Non Issue? Related questions/issues?**	***C. Committee Views* - Alternative Solutions to consider, if appropriate**	**D. *Committee Views* - Action Steps Suggested. Assigned Tasks and Relative Priority-A/B/C**
1. How to sustain the Committee's expertise, while resisting calcification and the "we always done it that way" syndrome?			
2. Part-time city contract staff has limited time to handle investment matters that are not routinized.			
3. Pool of citizen expertise in this upscale professional community willing to lend financial expertise is currently unknown.			
4. New volunteers for Committee with considerable financial backgrounds relegated			

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Villa Park Investment Advisory Committee
Sustaining Vitality and Fresh Perspectives
Internal Challenges Discussion Matrix – April 28, 2010

to unlimited apprentice periods as alternates with no voting or motioning rights.			
5. New volunteers for Treasurer with considerable professional financial backgrounds can apply but must challenge incumbent, dedicated treasurer with 10 years of experience in position in order to serve and end up being turned down.			
6. City Treasurer currently not permitted to sign checks or manage funds, due to bonding issues for a citizen volunteer.			

Villa Park Investment Advisory Committee
Sustaining Vitality and Fresh Perspectives
Internal Challenges Discussion Matrix – April 28, 2010

Villa Park Investment Advisory Committee
Sustaining Vitality and Fresh Perspectives
External Challenges Discussion Matrix – April 28, 2010

A. Challenges - External	***B. Committee Views* - Issue/Non Issue? Related questions/issues?**	***C. Committee Views* - Alternative Solutions to consider, if appropriate**	**D. *Committee Views* - Action Steps Suggested. Assigned Tasks and Relative Priority-A/B/C**
1. Financial environments posed by state and county government situation is not always stable. National and global financial environments have undergone shockwaves.			
2. Villa Park has avoided severe financial losses in these volatile financial times, but has lost financial revenue opportunities for years by neglecting to match long-term funds to safe longer-term investment opportunities.			
3. A proven public funds investment advisor/ broker was recently hired after a year of			

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Villa Park Investment Advisory Committee
Sustaining Vitality and Fresh Perspectives
External Challenges Discussion Matrix – April 28, 2010

discussion to address this area.			
4. State and County government treasurers provide quick, easy liquidity investment pool opportunities for City and other governmental entities.			
5. City just adopted a very big city robust investment policy that provides for a myriad of options that comply with state statues.			
6. City carries $2 million base of cash for last 10 years that is seldom is ever used below that level, on a monthly basis.			
7. City Council has now specified that a reserve level of funds be set at about $800,000 (?) that will not be touched			

Villa Park Investment Advisory Committee
Sustaining Vitality and Fresh Perspectives
External Challenges Discussion Matrix – April 28, 2010

without approval of 4 out of 5 City Council members.			