



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

INVESTMENT ADVISORY COMMITTEE

Minutes - Regular Meeting January 27, 2010

1. CALL TO ORDER

The meeting was called to order at 8:30 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 Chorbaganian, Resident Member (Alternate #1)

William Underwood, Resident Member (Alternate #2)

Rich Ulmer, Mayor Pro Tem, Chair City Council Finance Committee

Michelle Danaher, Finance Manager

Sandra Wheeler, Wells Fargo Advisors

The following members and attendees were absent:

Lori Sassoon, City Manager

Bill Mac Aloney, Mayor, City Council Finance Committee

Dennis Kuli, City Treasurer

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 October 2009 IAC Regular Meeting.

Vice-Chair Nelson requested a minor wording change, and moved the minutes with the specified change. Minutes were seconded by Resident Member Alternate Chorbaganian and were unanimously approved with revisions. Resident Member Alternate Chorbaganian was eligible to vote on this motion as Resident Member Hagler was not in attendance yet.

b) Review and discuss current investment activities and options.

- 1. Sandra Wheeler, Wells Fargo Advisors, presented two separate five year laddering options that would give the City diversification as well as alleviate the City from trying to play the interest game, all along earning more interest than the City is currently earning.*

One option had multiple investments including CD's and government agencies, however it was discussed that they have a better yield on paper, but if they are called early, the return will not be as great.

The second option was purely CD's with a guaranteed yield if held to term. Vice Chair Nelson, Mayor Pro Tem Ulmer and Resident Member Alternate Underwood all liked the idea of basic CD's for the City's first investment with Wells Fargo Advisors. In the CD option, Sandra was asked to replace the American Express Centurion CD maturing on 8/3/11 with another like CD, because this proposal included three \$100,000 CD investments with American Express and the IAC wanted to insure that if the market collapsed and the City had to go to the FDIC, we would still be under the insured threshold to guarantee the return of our investment.

After this brief discussion Vice Chair Nelson recommended the City invest with the Wells Fargo option 2 with a replacement of the American Express Centurion CD with a similar CD. Resident Member Chorbajian seconded the motion with the revision and the motion was approved unanimously. Resident Member Alternate Chorbajian was eligible to vote on this motion as Resident Member Hagler was not in attendance yet.

- 2. Per the request of the IAC, the Finance Manager researched the definition of the Government Codes' "cash average" and the timing of it and conferred her findings with the City's independent audit firm, Mayer Hoffman McCann, P.C. The Finance Manager then explained to the IAC that the timing of this determination was at the **date of purchase.***

6. NEW IDEAS

Resident Member Alternate Underwood presented "Sustaining Vitality and Fresh Perspectives" document that he requested to be discussed at the next IAC meeting on April 28, 2010.

7. ADJOURNMENT

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