



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

INVESTMENT ADVISORY COMMITTEE

Minutes - Regular Meeting

July 28, 2010

1. CALL TO ORDER

The meeting was called to order at 8:27 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 Chorbajian, Resident Member
William Underwood, Resident Member
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 Director
Jarad Hildenbrand, Assistant City Manager*

*The following members and attendees were absent:
Lori Sassoon, City Manager*

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor MacAloney.

4. PUBLIC COMMENT

No public comment

5. DISCUSSION ITEMS

a) Review of Minutes from April 2010 IAC Regular Meeting.

*Resident Member Hagler moved the minutes and Vice-Chair Nelson 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 the "Annual Yield to Maturity" represented on the report. It was requested that the Finance Director include the word "Estimated" to the Yield column to help explain the percentages shown. The Committee also requested that the Finance Director change the wording on the "" footnote to read "Administrative charges" rather than "bank charges" when referring to the money held with OCIP.*

Another topic that was discussed was the definition of what “Loans” meant on the LAIF statement. After a brief discussion, Resident Member Underwood offered to research the definition and email a response to the IAC.

The Monthly Cash Analysis was discussed and Vice-Chair Nelson requested that the title “Less LT CD Investments” be changed to read “Less Laddered CD Investments”. Vice-Chair Nelson also requested that the Annual Liquid Average for Fiscal Year 2009-10 reflect that the laddered investments were purchased in January 2010 not in July 2009. The Finance Director will change the calculation and report it back at the next meeting.

Resident Member Hagler brought up to the IAC that the City Investment Policy states that the City can invest in CD’s as long as each issuer of the CD is not greater than 5% of the City’s total portfolio at the time of purchase. The discussion brought up that the issuer, American Express, was greater than 5% and neither Wells Fargo nor the IAC noticed at the time of purchase. The IAC has asked the Finance Director to contact Wells Fargo to see if this truly was an oversight. During this discussion, Resident Member Hagler noted that he believes that the City can earn more while maintaining liquidity. Resident Member Underwood agreed and the IAC as a whole agreed that the IAC needed to meet again to discuss what direction the IAC should go along with developing procedures and guidelines on how the IAC should run. Vice-Chair Nelson motioned that the IAC have a Special Meeting on September 22, 2010 to discuss the processes and procedures of the IAC. Resident Member Hagler seconded the motion. The Special Meeting was unanimously approved by all members.

Another topic that arose was whether or not the investments in LAIF and OCIP are considered in the calculation of a City’s total portfolio restrictions. A discussion ensued and Vice-Chair Nelson volunteered to research and email the IAC members with a response before the next Regular Meeting, October 27, 2010.

- c) Resident Member Underwood to report back on discussion with Wells Fargo Advisors commissions.
Resident Member Underwood’s email from May 13, 2010 was included for review and briefly discussed.
- d) City Manager Sassoon to report back on the City Treasurer’s job description.
Each member received the job description and a copy of the City Manager’s Investment Responsibility and Goals. A brief discussion ensued that further encouraged the IAC to meet and discuss on September 22, 2010 the roles of both staff, IAC members, and what needs to be accomplished.
- e) Review and discuss Resident Member (Alternate) Underwood’s’ “Sustaining Vitality and Fresh Perspectives” document.
Continued until October 27, 2010 meeting.

6. NEW IDEAS

7. ADJOURNMENT

The meeting was adjourned at 9:50 AM. The next regular date for the IAC is October 27, 2010 at 8:30 AM, and there is a special meeting on September 22, 2010.