

INVESTMENT ADVISORY BOARD
Meeting
March 14, 2007

I CALL TO ORDER

Regular meeting of the La Quinta Investment Advisory Board was called to order at the hour of 5:30 P.M. by Chairperson Deniel, followed by the Pledge of Allegiance.

PRESENT: Board Members Moulin, Olander, Deniel, Rassi and Egbert

ABSENT: None

OTHERS PRESENT: John Falconer, Finance Director and Vianka Orrantia, Secretary

II PUBLIC COMMENTS – None.

III CONFIRMATION OF AGENDA – (This is the time set aside for public comment on any matter not scheduled on the agenda.)

Board Member Olander requested that the article from The Wall Street Journal be added to Board Member items for discussion.

IV CONSENT CALENDAR

Approval of Minutes of Meeting on February 14, 2007 for the Investment Advisory Board.

In response to Board Member Olander, Mr. Falconer clarified that Council Member Osborne suggested that a local CPA sit on the RFP Audit Committee and volunteered his audit partner with Council approval. Mr. Falconer also clarified that there would only be a conflict if Councilmember Osborne's firm responded to the RFP.

MOTION - It was moved by Board Members Moulin/Olander to approve the minutes of February 14, 2007. Motion carried unanimously.

V BUSINESS SESSION

A. Transmittal of Treasury Report for January 2007

Mr. Falconer presented the Staff report and advised that page two reflects a significant cash increase and page three clarifies the increase which was due to the receipt of the first installment of property taxes from the County, this includes redevelopment tax increment and lighting and landscape district monies. At the end of January the City also

received from the county the sales and motor vehicle in-lieu tax which totaled \$2.67 million. All monies were immediately invested; \$2 million in commercial paper and \$2.6 million in LAIF.

General discussion ensued about the Federal government possibly lowering interest rates. Also discussed was the current performance of the portfolio and the City's benchmark.

MOTION - It was moved by Board Members Olander/Moulin to approve, receive and file the Treasury Report for January 2007. Motion carried unanimously.

B. Continued Consideration of the Fiscal Year 2007/08 Work Plan – Review of Investment Policy

The Board reviewed the changes made to the policy from the previous meeting.

General discussion ensued regarding the CDAR's program and it was the consensus of the Board not to include the program in the 2007/08 investment policy.

Board Member Egbert advised that on page 18; first paragraph, second sentence, the words "or advisor" should be deleted, in order to stay consistent with the rest of the policy.

Page 34: General discussion ensued with regard to the estimated amount to be managed by a portfolio management firm. The Board agreed to make a change to the first paragraph, third sentence, which should now read:

"The portfolio to be managed of the invested assets ~~is estimated to be \$10 million~~ will be approximately 10% of the City's investment portfolio net of bond proceeds."

And the dollar amount to be managed would be determined prior to the release of the RFP.

Page 36: Chairperson Deniel suggested that the last two columns be deleted from the table, to leave Governmental with the last two columns, and all others would be listed as non-applicable.

MOTION - It was moved by Board Members Moulin/Egbert to continue the discussion of the Fiscal Year 2007/08 Work Plan Investment Policy to the April meeting. Motion carried unanimously.

C. Investment Advisory Board Meeting Time

As suggested at the previous meeting and with the information provided by Staff with regard to other City Board/Commission scheduled times, it was the consensus of the Board to change the meeting time from 5:30 p.m. to 4:30 p.m. beginning the month of April.

MOTION - It was moved by Board Members Olander/Rassi to change the meeting time of the Investment Advisory Board from 5:30 p.m. to 4:30 p.m. Motion carried unanimously.

VI CORRESPONDENCE AND WRITTEN MATERIAL

A . Month End Cash Report and other selected Financial Data – February 2007

Noted and Filed

B. Pooled Money Investment Board Report

Noted and Filed

VII BOARD MEMBER ITEMS

General discussion ensued among the Board regarding The Wall Street Journal article, provided by Board Member Olander in reference to Fannie Mae.

VIII Adjournment

MOTION - It was moved by Board Members Egbert/Olander to adjourn the meeting at 6:25 p.m. Motion carried unanimously.

Submitted by,

**Vianka Orrantia,
Secretary**