

RESOLUTION 540

A RESOLUTION ADOPTING AN INVESTMENT POLICY FOR THE CITY OF WILSONVILLE.

WHEREAS, the city staff has prepared a report on the above captioned subject which is attached hereto as Exhibit "A"; and

WHEREAS, the City Council has duly considered the subject and the recommendation(s) contained in the staff report; and

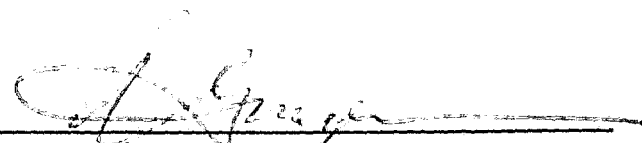
WHEREAS, interested parties, if any, have had an opportunity to be heard on the subject.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Wilsonville does hereby adopt the staff report attached hereto as Exhibit "A", with the recommendation(s) contained therein and further instructs that action appropriate to the recommendation(s) be taken.

ADOPTED by the City Council of the City of Wilsonville at a regular meeting thereof this 18th day of February, 1986, and filed with the Wilsonville City Recorder this same date.

ATTEST:

  
DEANNA J. THOM, CITY RECORDER

  
A. G. Meyer, Mayor

RESOLUTION NO 540  
CB-R-198-86

CITY OF

EXHIBIT "A"

Wilsonville

FINANCE  
DEPARTMENT

**TO:** Mayor and City Council

**DATE:** February 12, 1986

**SUBJECT:** City Investment Policy

**MEETING DATE:** February 18, 1986

**ACTION REQUIRED:** Consideration of City Investment Policy

The attached Investment Policy for the City is submitted for your approval. Also attached is correspondence from the City's legal counsel showing his comments.

This policy was compiled using criteria from investment policies in effect at the City of Eugene, City of Albany and the Oak Lodge Fire Protection District.

Guidelines furnished by First Interstate Bank were also incorporated into this policy.

**RECOMMENDATION:**

Approve adoption of this investment policy as submitted.

RS:nd

CITY OF WILSONVILLE, OREGON

INVESTMENT POLICY

INVESTMENT OBJECTIVES:

The primary objective of the City of Wilsonville's investment activities is the preservation of capital.

In investing public funds, the City will not assume unreasonable investment risk to obtain current investment income, and will be specifically limited to those investments authorized by ORS 294.035.

INVESTMENT LIQUIDITY:

The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated, while maintaining the highest interest rate possible, consistent with this goal.

INVESTMENT DIVERSIFICATION:

The City will diversify it's investments to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. With the exception of U.S. Treasury issues, investments will be restricted as to type and institution.

INVESTMENT MATURITIES:

To the extent possible, the City will attempt to match its investments to anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing in more than one year.

INVESTMENT LIMITATIONS:

Specific investment types shall not exceed the percentages of the total investment portfolio indicated below. These specific types shall be the only allowable investment for the City.

U.S. Treasury Bills, notes and bonds	100% maximum
U.S. Government Agencies	100% maximum
Time Certificates of Deposit	75% maximum
Repurchase Agreements (overnight)	50% maximum
Repurchase Agreements up to 30 days	25% maximum
Bankers Acceptances	50% maximum
Local Government Investment Pool	100% maximum

## INVESTMENT REPORT

The Accounting Director shall prepare a monthly report of investments for submittal to the City Council. The report shall summarize information regarding the type and amount of City investments as of the final day of each month.

## TIME CERTIFICATES OF DEPOSIT

The City will not invest in time certificates of deposit of a single institution any amount in excess of 10% of the total deposits of the institution. As required by ORS Chapter 29, the City Investment Officer is responsible to insure that collateral pool certificates have been issued by the institution sufficient to cover deposits exceeding the FDIC and the FSLIC insurance limitations.

## REPURCHASE AGREEMENTS WITH DEALERS AND BROKERS

All repurchase agreements will be collateralized at 110% of market value in U.S. Treasury and U.S. Government Agency obligations. The dealer or broker must have a current net worth in excess of \$2,500,000.00 and must provide the City with a signed repurchase agreement and current audited financial statement. Repurchase agreements must equal not more than 2% of the firm's liabilities. Collateral must be held by the City or by a third party for the City. Generally, the City will limit repurchase agreements to overnight or week-end, and will use its prime bank of account as the investment source.

## BANKERS ACCEPTANCES

All bankers acceptances will be purchased from Oregon Institutions and must be eligible for discount by the Federal Reserve system.

## LOCAL GOVERNMENT INVESTMENT POOL

The local government investment pool will be used for pass-through funds and short term investments.

## AUTHORIZED DEALER AND FINANCIAL INSTITUTIONS

The City Investment Officer will maintain a list of financial institutions and primary securities dealers designated by the Federal Reserve Bank of New York as authorized to provide investment services. The City will limit all investment and banking activities to this list.

Deletions from this list may be made for a consistent lack of competitiveness in bids or for perceived financial distress. Additions to the list may be made with approval of the City Council.

#### INVESTMENT ADVISORY BOARD

The City will appoint and maintain an Investment Advisory Board composed of the Accounting Director, City Administrator, and the City Treasurer. The board shall meet quarterly, to review the City's investment performance and investment plan.

#### AUTHORITY AND CONTROL

The Investment Officer will act only upon such authority as may be delegated by the City Administrator. Any investment activities outside such authority must have prior written approval of the City Administrator.

#### INDEMNITY CLAUSE

The City shall indemnify staff from liability for losses that may occur in the administration of this investment policy, save and except for malfeasance or fraud. The Investment Officer shall be bonded in an amount deemed sufficient by the City Administrator.

#### INVESTMENT POLICY ADOPTION

The City's Investment policy will be formally adopted by the City Council of Wilsonville and will be reviewed for appropriate modification on an annual basis. Any amendments to this policy must be approved by the Council after consultation with the Accounting Director, City Treasurer and City Administrator.

LAW OFFICES OF  
MICHAEL E. KOHLHOFF & ASSOCIATES

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OF COUNSEL  
HUGH R. McDONALD  
OF COUNSEL

MEMO TO : Ray Shorten  
FROM : Michael E. Kohlhoff  
DATE : February 13, 1986  
RE : Investment Policy

Dear Ray:

You requested that I look over the attached investment policy and comment. In review of the investment policy, I make the following comments for your consideration.

On page 2, Investment Report, as written, requires only the listing of investment funds outstanding at the month's end. It should include a summary of income derived during the month as well as the sources preferably of such income. The present paragraph makes no provision for showing short term transactions within the month (i.e., activity and repurchase agreements overnight with allowable investment percentage of 50 percent. Additionally, the paragraph calls for a balance sheet without profit and loss statement. It should be reconsidered in light of the above.

I note on page 3, with regard to the advisory board, you may want to consider some authority for them to employ outside consultant(s) to aid in their review based on some sort of standard if they find necessary. Also, in the indemnity clause, I think from the City's point of view, there should be a clause after the word "policy" in the first sentence which would add, "save and except for malfeasance or fraud".

MEK:ljg