

RESOLUTION NO.619

A RESOLUTION REPEALING RESOLUTION NO. 540 AND ADOPTING A REVISED 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 15th day of June, 1987, and filed with the Wilsonville City Recorder this same date.



WILLIAM E. STARK, Mayor

ATTEST:

Vera A. Rojas
VERA A. ROJAS, City Recorder

SUMMARY of Votes:

Mayor Stark	<u>Aye</u>
Councilor Gardiner	<u>Aye</u>
Councilor Braymen	<u>Aye</u>
Councilor Clarke	<u>Aye</u>
Councilor Edwards	<u>Aye</u>

EXHIBIT "A"

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: RAY SHORTEN, FINANCE DIRECTOR *RS*
RE: REVISION OF THE CITY'S INVESTMENT POLICY

The City's investment policy, which was adopted February 18, 1986 by Resolution #540, is to be modified on an annual basis as needed. There appears to be two areas that need to be modified at this time.

The first modification needed is included under the heading "Authorized Dealer and Financial Institutions". The current policy reads as follows:

"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."

I have been unable to obtain a listing of these institutions which are approved by the Federal Reserve Bank of New York. The City's investments are consistently made with local banks and the Local Government Pool. In order to comply with the Investment Policy, I am proposing the wording to be changed to read:

The City Investment Officer will maintain a list of Financial Institutions designated by the Wilsonville City Council under ORS 294.035 as authorized to provide investment services. The City will limit all investment and banking activities to this list.

The other necessary modifications are to change the job titles of City staff to correspond with the job titles as assigned in the revised City Charter.

"City Administrator" to read "City Manager"
"Accounting Director" to read "Finance Director"
"City Treasurer" to read "Administrative Assistant"

I have incorporated the previously mentioned modifications into the existing policy and am submitting the revised Investment Policy (attached) for your approval. Also attached is a listing of investment institutions for your approval as stated in the Investment Policy.

RECOMMENDATION:

1. Repeal Resolution #540, which originally set up the Investment Policy and adopt the revised Investment Policy.
2. Formally approve a listing of authorized investment institutions.

CITY

OF

Wilsonville

30000 S.W. Town Center Loop E, • P.O. Box 220 • 503-682-1011

Wilsonville, Oregon 97070

INVESTMENT POLICY

JUNE 15, 1987

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 its 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 Finance Director shall prepare a monthly report of investments for submittal to the City Manager. 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 Finance Director is designated as the City Investment Officer and shall maintain a list of financial institutions and primary securities dealers designated by the Wilsonville City Council 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 Finance Director, City Manager, and the Administrative Assistant. The board shall meet quarterly, to review the City's investment performance and investment plan.

AUTHORITY AND CONTROL

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

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 Manager.

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 Investment Advisory Board.

AUTHORIZED INVESTMENT INSTITUTIONS

**FIRST INTERSTATE BANK OF OREGON
U.S. NATIONAL BANK
FAR WEST FEDERAL BANK
THE OREGON BANK
KEY BANK OF OREGON
STATE OF OREGON - LOCAL GOVERNMENT POOL**