

## IMPACT STATEMENT

**Legislation title:** Adopt City of Portland Investment Policy (Resolution)

**Contact name:** Brigid O'Callaghan. City Treasurer

**Contact phone:** 503-823-3104

**Presenter name:** Brigid O'Callaghan

**Purpose of proposed legislation and background information:**

Oregon law pertaining to the investment of public funds (ORS 294.135) requires the City to adopt an Investment Policy annually since the City makes investments that exceed 18 months in maturity. This annual adoption requirement is included in Section XIX of the Investment Policy itself, which is attached as Exhibit A-2. City Council last adopted the City's Investment Policy on November 4, 2020.

The Investment Policy outlines the framework and criteria for managing the City's investment program.

The changes proposed to the City's current Investment Policy are:

- Minor language revisions were made to the policy document to improve readability, and clarity. These changes are simply housekeeping matters and do not represent material changes to the policy (please see Exhibit A-1 for redline version of the document).
- Section XIII – Permitted Investments and Diversification
  - United States Treasury Securities - Removed Treasury Inflation Protected Securities (TIPS) as an allowable investment.
  - Municipal Obligations - Expanded allowable Municipal Securities definition to include neighboring states of California, Idaho, and Washington, in accordance with Oregon Revised Statutes (ORS).
  - Corporate Indebtedness - Updating policy to include a Prohibited Industrial Classifications approach to Investment Grade Corporate Bonds; removing name specific approach; clarifying credit rating allowance.
- Section XV – Portfolio Maturities - Extending the maximum Weighted Average Maturity (WAM) from two years, to three years.
- APPENDIX “A” – Allowable Corporate Securities Issuers
  - Renamed Appendix “A” – Prohibited Industry Classifications
  - Updating policy to utilize standard Industrial Classifications instead of a list of allowable Corporate Securities issuers by name.

**Financial and budgetary impacts:**

The Investment Policy continues to reflect prudent strategies the City has utilized in the past, which are designed to (1) protect the City's financial assets, (2) provide liquidity to meet the City's cash needs, and (3) enable the City to generate a market rate of return from its investment activities.

**Community impacts and community involvement:**

This is an administrative action taken to facilitate an annual review of the City’s Investment Policy. The City’s Investment Policy describes the framework and criteria for investing the City’s cash assets. There may be an indirect community impact as these investments likely result in increased investment earnings, providing additional money for City Bureaus to fund their services to the community.

The City of Portland maintains an Investment Advisory Committee to provide advice to the City Treasurer in connection with portfolio oversight, investment policies, and investment practices. The committee is made up of at least two public members who are experienced investment professionals.

**100% Renewable Goal:**

Not applicable.

**Budgetary Impact Worksheet**

**Does this action change appropriations?**

- YES:** Please complete the information below.
- NO:** Skip this section

<b>Fund</b>	<b>Fund Center</b>	<b>Commitment Item</b>	<b>Functional Area</b>	<b>Funded Program</b>	<b>Grant</b>	<b>Sponsored Program</b>	<b>Amount</b>