

Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items

(Deliver original to City Budget Office. Retain copy.)

1. Name of Initiator Jennifer Cooperman, City Treasurer		2. Telephone No. 3-6851	3. Bureau/Office/Dept. OMF-Public Finance and Treasury
4a. To be filed (hearing date): October 30, 2014 (November 12, 2014)	4b. Calendar (Check One) <div style="display: flex; justify-content: space-around;"> Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/> </div>		5. Date Submitted to Commissioner's office and CBO Budget Analyst: October 30, 2014
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

Adopt City of Portland Investment Policy (Resolution)

2) Purpose of the Proposed Legislation:

Oregon law pertaining to the investment of public funds requires the adoption of an Investment Policy. Exhibit A is the City's Investment Policy as developed by the Public Finance and Treasury Division of OMF. It is presented to council for adoption annually. Material changes to the City's current Investment Policy are: increase the weighted average maturity of the portfolio from 18 months to 24 months; increase maximum maturity for municipal bond obligations from three years to five years; add Supranational issuers to the Corporate Indebtedness investment type; add reference to Do-Not-Buy lists of corporate securities as may be approved by City Council; and, additional updates for bureau re-organization and housekeeping items. The Oregon State Treasury's Short Term Fund Board and the City's Investment Advisory Committee have each reviewed and approved these policy adjustments and other clarifications. The Investment Policy continues to reflect prudent strategies the City has utilized in the past, which are to protect the City's financial assets, provide liquidity to meet the City's cash needs, and enable the City to generate a market rate of return from its investment activities.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|---|------------------------------------|------------------------------------|--------------------------------|
| <input type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

The proposed changes to the City's Investment Policy will increase its flexibility to respond to investment opportunities available in the marketplace. These changes will contribute to the City's ability to provide a high level of stewardship over the investment portfolio.

No revenue impact. Investment Policy changes may have a positive financial impact to interest earnings for the City's portfolio.

5) Expense: What are the costs to the City as a result of this legislation? What is the source of funding for the expense? *(Please include costs in the current fiscal year as well as costs in future year, including Operations & Maintenance (O&M) costs, if known, and estimates, if not known. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the level of confidence.)*

No expense impact.

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*
No.
- **Will positions be created or eliminated in future years as a result of this legislation?**
No.

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

☒ YES: Please proceed to Question #9.

☐ NO: Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

No direct community impact from this item.

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

The Oregon State Treasury's Short Term Fund Board provided a review of the submitted Investment Policy. The City's Investment Advisory Committee provided a review of the submitted Investment Policy. Both entities have approved the policy content.

c) How did public involvement shape the outcome of this Council item?

Comments from both of the groups listed above were incorporated into the policy.

d) Who designed and implemented the public involvement related to this Council item?

Public Finance and Treasury Division of the Office of Management and Finance.

e) Primary contact for more information on this public involvement process (name, title, phone, email):

Jennifer Cooperman, City Treasurer, 503-823-6851

Jennifer.cooperman@portlandoregon.gov

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

Yes. The Investment Policy is reviewed annually by the City's Investment Advisory Committee. Any future changes require review by the Oregon Short Term Fund Board.



APPROPRIATION UNIT HEAD (Typed name and signature) Fred Miller, CAO




37094

CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE

Charlie Hales, Mayor
Fred Miller, Chief Administrative Officer

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DATE: October 29, 2014
TO: Mayor Charlie Hales
FROM: Jennifer Cooperman, City Treasurer 
RE: Adopt City of Portland Investment Policy (Resolution)

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison _____

1. **INTENDED THURSDAY FILING DATE:** October 30, 2014
2. **REQUESTED COUNCIL AGENDA DATE:** November 12, 2014
3. **CONTACT NAME & NUMBER:** Jennifer Cooperman, City Treasurer, x3-6851
4. **PLACE ON:** **CONSENT** ☒ **REGULAR**
5. **FINANCIAL IMPACT/PUBLIC INVOLVMENT STATEMENT ATTACHED:**
☒ **Yes** ☐ **No** ☐ **N/A**
6. **(3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED:** ☐ **Yes** ☒ **No** ☐ **N/A**

7. **BACKGROUND/ANALYSIS**

Introduction and History – Oregon law pertaining to the investment of public funds requires the adoption of an Investment Policy. Exhibit A to the Resolution is the City's Investment Policy as developed by the Public Finance and Treasury Division of OMF. It is presented to council for adoption annually. Material changes to the City's current Investment Policy are: increase the weighted average maturity of the portfolio from 18 months to 24 months; increase maximum maturity for municipal bond obligations from three years to five years; add Supranational issuers to the Corporate Indebtedness investment type; add reference to Do-Not-Buy lists of corporate securities as may be approved by City Council; and, additional updates for bureau re-organization and housekeeping items. Attachment A to this memorandum summarizes key changes to the Investment Policy.

The Oregon State Treasury's Short Term Fund Board and the City's Investment Advisory Committee have each reviewed and approved these policy adjustments and other clarifications. The Investment Policy continues to reflect prudent strategies the City has utilized in the past, which are to protect the City's financial assets, provide liquidity to meet the City's cash needs, and enable the City to generate a market rate of return from its investment activities.

Legal Issues – None.

Link to Current City Policies – If adopted, this Investment Policy will replace the City's current Investment Policy (FIN 2.14).

Controversial Issues – None.

Citizen Participation – Not Applicable

Other Government Participation – None.

8. FINANCIAL IMPACT

The proposed changes to the City's Investment Policy will increase flexibility to respond to investment opportunities available in the marketplace. These changes will contribute to the City's ability to provide a high level of stewardship over the investment portfolio.

No revenue impact. Investment Policy changes may have a positive financial impact to interest earnings for the City's portfolio.

9. RECOMMENDATION/ACTION REQUESTED

It is recommended that the City Council adopt the Investment Policy Resolution.