



OREGON SHORT TERM  
FUND BOARD  
350 WINTER STREET NE, SUITE 100  
SALEM, OREGON 97310-0840  
(503) 378-4633  
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## OREGON SHORT TERM FUND BOARD

August 2, 2013

City of Portland City Council  
1221 SW 4<sup>th</sup> Avenue  
Portland, OR 97204

**SUBJECT: City of Portland Investment Policy Review**

Dear City Council,

The City of Portland's investment policy was submitted by Michael Montgomery to the Oregon Short Term Fund ("OSTF") Board (the "Board") for review.

The OSTF Board's statutory obligation is to "review and comment to the governing body" (ORS 294.135(a)) on the written investment policy submitted to the Board. To assist in the policy revision process, the Board developed a model policy laying out the elements that it believes are important in policies. These are also the elements against which submitted policies are reviewed. As part of the local government investment policy review process, resources of the Office of the State Treasurer's staff are provided to assist as needed on policy revisions or development.

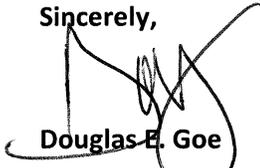
The Oregon Short Term Fund Board reviewed the City of Portland's investment policy at the OSTF Board meeting on July 9, 2013, and the Board is pleased to inform you that the statutory policy review requirement has been satisfied.

During the review, the OSTF Board offered the following comments:

- Page 1 of Revised Policy, Section II. Responsibilities, Standards of Care, Conflicts of Interest and Ethics: It is recommended that the City apply the "Prudent Person" standard in the context of the whole portfolio.
- Pages 6 and 7 of Revised Policy, Section VI. Qualified Financial Institutions and Brokerage Allocation and Section IX. Internal Controls: It is recommended that the City incorporate language from the Sample Policy to strengthen those sections and add more specificity.
- Page 1 of Revised Policy, Section I. Scope and Objectives: The second paragraph states, "Funds held by a Trustee or Fiscal Agents are excluded, if the City does not have explicit investment authority." It was suggested that the word "control" be used in place of "explicit investment authority."

Should any member of the City of Portland's City Council wish to discuss the policy or the Board's comments, please call Tom Lofton at the Office of the State Treasurer. The phone number is (503) 378-4155.

Sincerely,

A handwritten signature in black ink, appearing to read "Douglas E. Goe", written over a printed name.

**Douglas E. Goe**  
**Oregon Short Term Fund Board Chair**  
**(503) 943-4810**

cc: Charlie Hales, Mayor  
Amanda Fritz, Commissioner  
Dan Saltzman, Commissioner  
Nick Fish, Commissioner  
Steve Novick, Commissioner  
Michael Montgomery, Investment Officer  
Tom Lofton, Oregon State Treasury



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**ADDRESS CORRECTION REQUESTED**

Mr. Michael Montgomery  
 Investment Officer  
 City of Portland  
 1120 SW 5th Avenue, Room 1250  
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08/09/2013

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