



OREGON SHORT TERM  
FUND BOARD  
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## OREGON SHORT TERM FUND BOARD

November 18, 2014

City of Portland City Council  
1120 SW 5<sup>th</sup> Ave.  
Room 1250  
Portland, OR 97204

SUBJECT: City of Portland Investment Policy Review

Dear Portland 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.

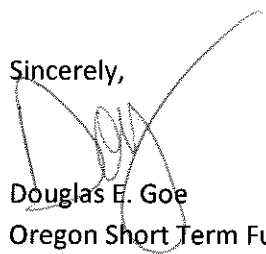
The Oregon Short Term Fund Board reviewed the City of Portland's investment policy at the OSTF Board meeting on October 9, 2014, and the Board is pleased to inform you that the statutory policy review requirement has been satisfied.

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

- It was noted that the footer on the revised version of the investment policy was still dated October 2013 and a change to October 2014 was recommended.
- Page 7 of 27, Section F.2 - Corporate Bonds Ratings: A suggestion was made to clarify that the "AA" rating means "AA-." Also in this section, it was recommended that the following clarifying language be added: "Anytime there is a split rating, the lowest rating will be used to evaluate investment compliance."
- Page 4 of 27, Section I, Paragraph 2: It was proposed that the third sentence be amended to read "Funds held by a Trustee or Fiscal Agents are excluded, if the city does not have *investment* control."
- Page 8 of 27, Section H – Municipal Bonds: It was suggested that consideration be given to adding Conduit Revenue Bonds to this section.

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

Sincerely,



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

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