

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF CONFIRMING THE
APPOINTMENT OF HERBERT S. PLEP AND
ERIC JOHANSEN TO THE INVESTMENT
ADVISORY BOARD

) RESOLUTION NO. 98-2722
)
) Introduced by Mike Burton
) Executive Officer

WHEREAS, The Metro Code, Section 2.06.030, provides that the Council confirms members to the Investment Advisory Board; and,

WHEREAS, Herbert S. Plep and Eric Johansen come highly recommended by their background and experience; and,

WHEREAS, The Council finds that Herbert S. Plep and Eric Johansen are exceptionally qualified to perform these duties, now, therefore,

BE IT RESOLVED,

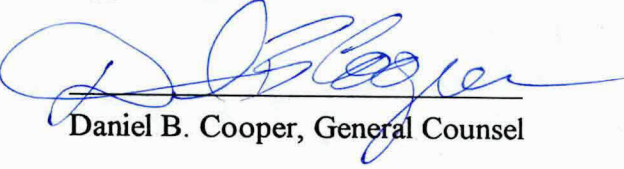
That Herbert S. Plep and Eric Johansen are confirmed as members of the Investment Advisory Board for terms ending October 31, 1999 and October 31, 2001 respectively.

ADOPTED by the Metro Council this 10th day of DECEMBER, 1998.



Jon Kvistad, Presiding Officer

Approved as to Form:



Daniel B. Cooper, General Counsel

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 98-2722 CONFIRMING THE APPOINTMENT OF HERBERT S. PLEP AND ERIC JOHANSEN TO THE INVESTMENT ADVISORY BOARD.

Date: October 15, 1998

Presented by: Howard Hansen

FACTUAL BACKGROUND AND ANALYSIS

Metro Code, Section 2.06.030, includes the creation of the Investment Advisory Board. One provision of this Code requires the Investment Officer to recommend to the Council for confirmation those persons who shall serve on the Board to discuss and advise on investment strategies, banking relationships, the legality and probity of investment activities, and the establishment of written procedures for the investment operation.

On April 14, 1994, Jeff S. Stewart was appointed to the Investment Advisory Board for the term ending October 31, 1999. His employment has evolved to the point where he is unable to complete his term. We propose Mr. Herbert S. Plep as a candidate for the remaining term of Jeff S. Stewart.

Mr. Plep is Assistant Treasurer of Esco Corporation where he has been for twenty eight years. His resume (Attachment A) reports a wide exposure to banking relationships, cash management, and review of investment management performance.

David Smith has served on the Investment Advisory Board since April 14, 1994. He does not plan to continue full time employment after the end of the calendar year, and therefore is unable to serve beyond his present term which expires October 31, 1998. Mr. Smith has proposed, and staff recommends the appoint of Mr. Eric Johansen for a new three year term to end October 31, 2001.

Mr. Johansen has an extensive background in investments and public finance. His resume (Attachment B) recaps a five year employment with the City of Portland, a five year employment with Public Financial Management, plus five years as an investment banker with Shearson Lehman Brothers. Staff also recognizes the value of appointing an individual from the public sector based on their familiarity with the regulatory restrictions controlling the investment of public funds. Mr. Johansen is well qualified to serve in this capacity.

The Executive Officer, acting as the Investment Officer, recommends appointment of Herbert S. Plep for a term ending October 31, 1999 and Eric Johansen for a three year terms ending October 31, 2001.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 98-2722

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ATTACHMENT A

Herbert S. Plep

Summary of Qualifications

28 years diverse work experience in accounting, finance and human resource management
Worked with investment managers and actuaries for 15+ years
Implemented 401(k) program

Professional Experience - ESCO Corporation

Junior Accountant - 1970
Various accounting positions
Corporate Finance Manager - approx. 1985
Assistant Treasurer - 1991

Responsibilities:

Global banking relationships
Global cash management
Performance of 3 pension investment managers, (2 for defined benefits plans and 1 for defined contribution plan)
Structure of subsidiary investment and pension programs
Outside actuarial work
Global risk management - casualty and property
U.S. payroll and U.S. accounts payable
Had managed employee benefit department for 3 years, implementing major changes in retirement program
Had assisted with internal 401(k) educational program

Education

Bachelor of Science, Accounting - Univ. of Oregon, 1965
Graduate courses in finance - Univ. of Oregon, 1966
" " " " - Portland State Univ., 1971

ATTACHMENT B

Biographic Information for Eric Johansen

Eric Johansen has been with the City of Portland since November 1993 and has served as Debt Manager since September 1997. He is responsible for the City's debt management program, including new debt issuance, management of over \$1 billion in outstanding debt, arbitrage rebate compliance, continuing disclosure and debt systems management. Most recently he has worked to implement electronic bidding for the City's competitive bond sales. In April 1998, the City became the second issuer in the country to sell its bonds via the Internet with a \$29 million sale of limited tax revenue bonds. In September the City sold \$160 million of sewer revenue bonds via the Internet.

Before joining the City of Portland, he worked as a financial advisor for five years with Public Financial Management (1988-1993) where he specialized in utility revenue finance, advance refundings, arbitrage rebate compliance and quantitative analysis. Prior to that, he worked as an investment banker with Shearson Lehman Brothers (1983-1988).

Mr. Johansen is currently a member of the City of Beaverton Planning Commission, past member and chair of the Beaverton Traffic Commission and past member and chair of the Tri-Met Citizens Advisory Committee on the Budget.

Mr. Johansen graduated with honors from the University of Oregon in 1981 where he was elected to Phi Beta Kappa.