

BEFORE THE METRO COUNCIL

AN ORDINANCE READOPTING METRO  
CODE 2.06 (INVESTMENT POLICY); AND  
DECLARING AN EMERGENCY

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ORDINANCE NO. 94-555

Introduced by Rena Cusma,  
Executive Officer

WHEREAS, The Metro Code, Section 2.06, contains the investment policy which applies to all cash-related assets held directly by Metro; and

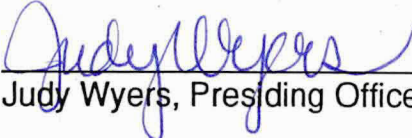
WHEREAS, The Metro Code, Section 2.06.160 provides that the policy be reviewed and readopted annually; and

WHEREAS, The Investment Advisory Board has received and discussed Quarterly Reports; now, therefore,

THE METRO COUNCIL HEREBY ORDAINS:

1. That Metro Code Chapter 2.06 is readopted.
2. This Ordinance being necessary for the immediate preservation of the public health, safety and welfare, in order to meet obligations and comply with Oregon Budget Law, an emergency is declared to exist, and this Ordinance takes effect upon passage.

ADOPTED by the Metro Council this 14th day of July, 1994.

  
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Judy Wyers, Presiding Officer

ATTEST:

  
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Clerk of the Council

## FINANCE COMMITTEE REPORT

ORDINANCE NO. 94-555 READOPTING METRO CODE 2.06 (INVESTMENT POLICY) , AND DECLARING AN EMERGENCY

Date: July 1, 1994

Presented By: Councilor Van Bergen

**COMMITTEE RECOMMENDATION:** At its June 22, 1994 meeting the Committee voted unanimously to recommend Council adoption of Ordinance No. 94-555. Committee members present and voting were Councilors devlin, Kvistad, Monroe and Van Bergen. Councilors Buchanan, Gardner and McLain were absent.

**COMMITTEE DISCUSSION/ISSUES:** Howard Hansen, Associate Financial Analyst, presented the Staff Report. He pointed out that Section 2.06.160 of the Metro Code provides that Metro's investment policy be reviewed and readopted annually by the Council. Mr. Hansen reviewed the major provisions of the policy which are:

1. The major objectives are the safety, liquidity, yield and legality of investments for the District's cash assets with the safety of capital and availability of funds being the overriding objectives;
2. The Executive Officer is the Investment Officer, who designates staff to manage the day-to-day operations of the portfolio;
3. An Investment Advisory Board (IAB) is established to advise the Investment Officer on investment policies and practices; the IAB meets on a quarterly basis; and
4. Quarterly investment reports have been prepared and discussed with the IAB and the reports have been provided to the Executive Officer and Council.

Mr. Hansen stated that based on the review of the policy with the IAB and the performance of the portfolio that the staff recommends readoption of Metro Code 2.06 without amendment.

Councilor Van Bergen stated that at some point in the future the Council should review the need for the Investment Advisory Board. He pointed out that Metro is much better equipped to handle its cash management then when he first became a councilor and he questions whether or not it is necessary now to have an advisory board.

## STAFF REPORT

### CONSIDERATION OF ORDINANCE NO. 94-555 CONFIRMING THE ANNUAL READOPTION OF METRO CODE CHAPTER 2.06 (INVESTMENT POLICY)

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Date: May 31, 1994

Presented by: Howard Hansen

#### FACTUAL BACKGROUND AND ANALYSIS

Metro Code, Section 2.06, contains the investment policy which applies to all cash-related assets held directly by Metro. The major objectives of the policy are safety, liquidity, yield, and legality, with safety of capital and availability of funds as the overriding objectives.

Section 2.06.160 of the Code provides that the policy be reviewed and readopted annually by the Metro Council.

The Executive Officer is the Investment Officer, who designates staff to manage the day-to-day operations of the portfolio.

An Investment Advisory Board (IAB) is recommended by the Investment Officer for confirmation by the Council. They meet at least quarterly to serve as a forum for discussion and act in an advisory capacity.

The policy was last readopted June 10, 1993. Since that date, the policy was amended on April 14, 1994 by Ordinance 94-538 to increase the membership of the IAB from three to five.

Operations since that time have followed policy with quarterly reports made to, and discussions held with, the IAB. Copies of the quarterly report have been provided to the Executive Officer and the Metro Council.

The portfolio has experienced no loss of principal or interest. Performance of the portfolio compared to 90-day Treasury Bills and the Local Government Investment Pool is displayed as Attachment 1.

Based on the evaluation above, review with and recommendation by the Investment Advisory Board, and in consideration of the existing economy, staff recommends readoption of Metro Code 2.06 without further amendment.

#### EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends readoption of Metro Code 2.06 by Ordinance No. 94-555.

## Attachment 1 Performance of the Portfolio

