

ADMINISTRATIVE ORDER NO. 44-24-05
of the
City Manager of the City of Eugene

**AMENDING THE CITY OF EUGENE INVESTMENT POLICY AND
SUPERSEDING THE INVESTMENT POLICY ADOPTED BY
ADMINISTRATIVE ORDER NO. 44-22-03**

The City Manager of the City of Eugene finds that:

A. Under provisions of the Eugene Charter of 2002, the City Manager is authorized to make all purchases, appoint and remove all employees, act as business agent for the Council, and to perform such other duties as the Council directs.

B. The City of Eugene’s current Investment Policy was adopted on July 6, 2022, by Administrative Order No. 44-22-03.

C. The Oregon Short Term Fund Board (OSTFB) updated its Sample Policy for Local Governments in April 2024. In June 2024, the Investment Advisory Board (IAB) reviewed the OSTFB’s sample policy and adopted a number of minor changes to better align the City’s policy with OSTFB’s recommendations. The most significant changes are noted below; all other changes are shown in the attached updated policy:

1. Add Sections A and B to outline the investment policy’s purpose and governing authority.
2. Add Section I (2.d) prohibiting direct investment in to “144A” securities.

D. In response to public comments calling for a more socially responsible investment program, the IAB considered several options to incorporate Environmental, Social, and Governance (ESG)-Focused strategies into the City’s investment policy and practices. On June 18, 2024, the IAB adopted the following revision into policy:

1. Add Section I (2.c) prohibiting direct investment in Corporate indebtedness that does not carry an ESG Risk Rating of medium or lower according to Sustainalytics, including:
 - a. Commercial Paper
 - b. Corporate Notes
 - c. Any other permitted corporate debt obligations

(Medium or lower equates to less than 30.0 on a 100-point scale, where lower scores indicate less ESG-related risk.)

The integration of ESG factors into the investment decision-making framework

assists in the assessment of near-term and long-term risks associated with our investments, thus providing beneficial impact to performance.

If a currently-owned security falls below the ESG investment parameters set forth herein, the Treasury Officer will notify the Investment Advisory Board promptly, and the City will continue to hold the security until maturity unless the Investment Advisory Board or City Council directs the Treasury Officer to sell it.

Corporate issuers that have not been given an ESG rating by Sustainalytics will not be eligible for direct investment.

On the basis of these findings, I order and direct that:

1. The City of Eugene Investment Policy is amended as reflected in findings C and D above.
2. The City of Eugene Investment Policy attached as Exhibit A, which incorporates the above amendments, is hereby adopted.
3. The Investment Policy attached to Administrative Order No. 44-22-03 is superseded by the Investment Policy attached as Exhibit A to this Administrative Order No. 44-24-05 and any other orders in conflict with the Investment Policy adopted herein are repealed.

Dated and effective this 29th day of July 2024.



Sarah Medary
City Manager

City of Eugene Investment Policy

A. Purpose

This Investment Policy defines the parameters within which funds are to be invested by the City of Eugene. This policy also formalizes the framework, pursuant to ORS 294.135, for the City of Eugene's investment activities to ensure effective and judicious management of funds within the scope of this policy.

These guidelines are intended to be broad enough to allow designated investment staff to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

B. Governing Authority

The City of Eugene's investment program shall be operated in conformance with Oregon Revised Statutes and applicable federal law. Specifically, this investment policy is written in conformance with ORS 294.035; 294.040; 294.052; 294.135; 294.145; and 294.810. All funds within the scope of this policy are subject to laws established by the state of Oregon. Any revisions or extensions of these sections of the ORS shall be assumed to be part of this Investment Policy immediately upon being enacted.

C. Scope and Pooling of Funds

This policy applies to the investment of short-term operating funds and capital funds including bond proceeds and bond reserve funds held by the City of Eugene. Investments of employees' retirement funds, deferred compensation plans, and funds held and invested by trustees, escrow agents or fiscal agents are not covered by this policy. In order to provide a comprehensive way of tracking and evaluating where the City's money is held, this policy also covers bank deposits, except for the City's checking account which maintains a minimal balance.

Except where legally required to hold separate funds, the City will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds at least quarterly based on their respective cash balances.

D. General Objectives

In accordance with the City's Financial Management Goals & Policies, Policy E.3, the primary objectives for the investment policy, in priority order, shall be preservation of capital; maintenance of a liquid position; and maximum yield.

1. Safety

Safety of principal is the foremost objective of the investment program. Investment decisions shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

- a. **Credit Risk:** The City will minimize credit risk, the risk of loss due to the financial failure of the security issuer or backer, by:
 - Limiting exposure to poor credits and concentrating the investments in the safest types of securities.

- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.
 - Actively monitoring the investment portfolio holdings for rating changes, changing economic/market conditions, etc.
- b. **Interest Rate Risk:** The City will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:
- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
 - Investing operating funds primarily in shorter-term securities or the Local Government Investment Pool.

2. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands.

Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets.

In addition, a portion of the portfolio should also be placed in the Oregon Local Government Investment Pool or in another vehicle that provides immediately available funds.

3. Yield

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of lesser importance compared to the safety and liquidity objectives described above. The portfolio investments are limited to highly rated/low risk securities in anticipation of earning a fair return relative to the risk being assumed.

Securities shall not be sold prior to maturity with the following exceptions:

- a. A security with declining credit may be sold early to minimize loss of principal.
- b. A security swap would improve the quality, yield, or target duration in the portfolio.
- c. Liquidity needs of the portfolio require that the security be sold.
- d. To liquidate a security purchased in error that violates state law or this policy, if deemed desirable by the Treasury Officer, with notice to the Investment Advisory Board.

E. Standards of Care

1. Prudence

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be

relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported to the Investment Advisory Board in a timely fashion and the liquidity and sale of securities are carried out in accordance with the terms of this policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

2. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. Disclosure shall be made to the governing body. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees, officers and their families shall not undertake personal investment transactions with the same individual with whom business is conducted on behalf of the City.

Officers and employees shall, at all times, comply with the State of Oregon Ethics Commission code of ethics set forth in ORS 244 and the City's gift policy.

3. Delegation of Authority

Authority to manage the investment program is derived from the following: ORS 294.035 to 294.053, 294.125 to 294.145, and 294.810, City Code section 2.530 and official delegation of the City Manager. Responsibility for the operation of the investment program, including the actions of subordinate officials, lies with the Treasury Officer. The Treasury Officer shall act in accordance with established procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include provisions for: security delivery and safekeeping, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements.

No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasury Officer.

4. Investment Advisory Board

The City Manager will appoint and maintain an Investment Advisory Board composed of four members. The Finance Director and the Treasury Officer serve as permanent members on the Board. In addition, two Executive Managers or Division Managers shall serve staggered three-year terms, and may be reappointed. The Board will meet semi-annually or as necessary to review the City's investment policies, performance and plan.

F. Authorized Financial Dealers and Institutions

A list will be maintained of financial institutions authorized to provide investment and safekeeping services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness and other factors considered relevant by the Treasury Officer. The City will limit all security purchases to institutions on the approved lists.

All financial institutions and broker/dealers who desire to become qualified for investment transactions must be registered with the Security and Exchange Commission (SEC) and must supply the following, as appropriate:

- a. Audited financial statements
- b. Proof of Financial Industry Regulatory Authority (FINRA) certification and FINRA Focus Report filings
- c. Proof of state registration
- d. Completed broker/dealer questionnaire
- e. Certification of having read, understood, and agreed to comply with the City's investment policy and ORS 294.035
- f. References from other local government clients

All approved financial institutions and registered broker/dealers are required to provide notification within 30 days of any formal investigations or disciplinary actions initiated by federal or state regulators.

A review of the financial condition and registration of qualified financial institutions and broker/dealers will be conducted by the Treasury Officer bi-annually. Additions and deletions to the list may be made at the discretion of the Treasury Officer.

Review considerations include:

- A. Pending investigations by securities regulators
- B. Significant changes in net capital
- C. Pending customer arbitration cases
- D. Regulatory enforcement actions

Depositories

All financial institutions who desire to become depositories must be qualified Oregon Depositories pursuant to ORS Chapter 295.

G. Internal Controls

The Treasury Officer, in cooperation with the Financial Reporting staff and the external auditor, will establish and maintain an adequate internal control structure designed to reasonably assure that invested funds are invested within the parameters of this Investment policy and are protected from loss, theft or misuse.

The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

The City shall establish a process for an annual independent review by an external auditor to assure adequate internal controls, as well as compliance with policies and procedures. In addition, the internal controls may be tested by an external auditor upon any extraordinary event, such as turnover of key personnel.

H. Delivery, Safekeeping and Collateral

1. Delivery & Safekeeping

Prior to sending funds to a broker/dealer for an investment purchase, the City will require a trade ticket listing the details of the transaction.

All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Marketable securities will be held by an independent third-party safekeeping agent as evidenced by safekeeping receipts in the City's name. Upon request, the safekeeping institution shall make available a copy of its Statement on Standards for Attestation Engagements (SSAE) No. 16.

2. Collateral

Cash management tools, defined as bank deposits, time deposits, certificates of deposit, and savings accounts, shall be held in qualified depositories in accordance with ORS Chapter 295. ORS 294.035(11) requires repurchase agreement collateral to be limited in maturity to three years and priced according to percentages prescribed by written policy of the Oregon Investment Council or the Oregon Short-Term Fund Board. On March 12, 1996, the OSTF Board adopted the following margins:

- US Treasury securities: 102%
- US Agency discount and coupon securities: 102%
- Mortgage backed and other described in ORS 294.035(1): 103%

I. Authorized Investments and Restrictions

1. The following investments will be permitted by this policy and are authorized for investment under ORS 294.035 and 294.810:

- a. US Treasury securities and other lawfully issued general obligations of the United States, including general obligations of agencies and instrumentalities of the United States or enterprises sponsored by the United States government and obligations whose payment is guaranteed by the United States, the agencies and instrumentalities of the United States or enterprises sponsored by the United States Government
- b. Debt of the agencies and instrumentalities of the states of Oregon, California, Idaho and Washington and their political subdivisions
- c. Time deposit open accounts, certificates of deposit and savings accounts, including governmental money market bank deposit accounts
- d. Bankers acceptances
- e. Corporate indebtedness
- f. Repurchase agreements
- g. Oregon Short-Term Fund ("OSTF") (also known as the Local Government Investment Pool – "LGIP")

2. Direct investment in the following investments will be prohibited by this policy:

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- a. The top 200 fossil fuel companies by carbon reserves as reported by Fossil Free Indexes or a comparable index
- b. Cryptocurrencies or bonds backed by cryptocurrency revenues or interest earnings.
- c. Corporate indebtedness that does not carry an ESG Risk Rating of medium or lower according to Sustainalytics, including:
 - 1. Commercial Paper
 - 2. Corporate Notes
 - 3. Any other permitted corporate debt obligations

(Medium or lower equates to less than 30.0 on a 100-point scale, where lower scores indicate less ESG-related risk.)

The integration of ESG factors into the investment decision-making framework assists in the assessment of near-term and long-term risks associated with our investments, thus providing beneficial impact to performance.

If a currently-owned security falls below the ESG investment parameters set forth herein, the Treasury Officer will notify the Investment Advisory Board promptly, and the City will continue to hold the security until maturity unless the Investment Advisory Board or City Council directs the Treasury Officer to sell it.

Corporate Issuers that have not been given an ESG rating by Sustainalytics will not be eligible for direct investment.

- d. Private placement or “144A” securities are not allowed. For purposes of the policy, SEC Rule 144A securities are defined to include commercial paper privately placed under section 4(a)(2) of the Securities Act of 1933.
- e. Exemptions: Any investment held prior to the adoption of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested as provided by this policy.

J. Investment Parameters

1. Diversification

The investments shall be diversified by:

- a. Limiting investments to avoid over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities);
- b. Limiting investment in securities that have high credit risks;
- c. Limiting investments with high interest rate risk, such as variable rate securities;
- d. Investing in securities with varying maturities; and

- e. Continuously investing a portion of the portfolio in readily available funds such as the Oregon Short-Term Fund (or LGIP).

2. Maximum Maturities and Percentage of Investments by Type

The maximum percentages for direct investments of surplus funds are as shown in the chart below. Any investments that the City makes in these types of securities through deposits to the LGIP do not count against these limits. The maximum maturity is measured from the settlement date of the investment transaction.

<i>Security</i>	<i>Maximum % of Total Portfolio</i>	<i>Maximum Maturity</i>
US Treasury Bills, Notes and Bonds, and Obligations Secured by the US Treasury	100%	3 years; may be longer to defease debt
US Government Agencies and Instrumentalities, including Government Sponsored Enterprises	100% (25% per issuer)	3 years
State and Local Government Securities	50%	3 years
Time Certificates of Deposit	50%	3 years
Repurchase Agreements	25%	30 days
Banker’s Acceptances	25%	6 months
Corporate Indebtedness (commercial paper and bonds)	35% (5% per issuer)	18 months
OSTF - Local Government Investment Pool	Statutory Limit	N/A
Time Deposit Open Accounts and Savings Accounts, including Governmental Money Market Bank Deposit Accounts	10%	N/A

In order to achieve issuer diversification, this policy sets limits on the maximum holdings by issuer for certain investment types. There shall be a limit of 10% for the combination of Certificates of Deposit, bankers’ acceptances and corporate indebtedness issued by a single institution so as to avoid over-concentration in any one institution.

Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time subsequent to the purchase of a particular security. Securities need not be liquidated to realign the portfolio, but consideration should be given to this matter when future liquidations are made or when reinvestment occurs. Portfolio percentage limits are in place to ensure diversification in the City’s investment portfolio; a small, temporary imbalance will not significantly impair that strategy.

3. Liquidity of Funds

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds, such as the Local Government Investment Pool or overnight repurchase agreements, or held in bank balances to ensure that appropriate liquidity is maintained to meet on-going obligations.

The following maturity limits are designed to ensure liquidity in the portfolio:

<i>Length of Maturity</i>	<i>Minimum % of Total Portfolio</i>
Under 90 Days	15%
Under 1 Year	50%
Under 18 Months	75%

The Board shall set a target for the weighted average days to maturity for the portfolio and review the appropriate target level periodically.

If the maturity limits are inadvertently exceeded at the time of a specific investment, the purchase does not need to be liquidated. Future investments must not be made to longer maturity dates until the limits will be met, however.

4. Credit Ratings

a. Minimum Credit Rating Levels

The minimum credit rating levels for the permissible investments are set out in ORS 294.035. These credit rating levels apply to the security at the transaction settlement date. If the credit rating of a security is subsequently downgraded below the minimum rating level for a new investment of that security, the Treasury Officer shall evaluate the downgrade on a case-by-case basis in order to determine if the security should be held or sold. The Treasury Officer will notify the Investment Advisory Board about the credit rating downgrade and whether the decision was made to sell or hold the security.

b. Restriction on Issuers With Prior Default History

Per ORS 294.040, the bonds of issuers listed in ORS 294.035 (3)(a) to (c) may be purchased only if there has been no default in payment of either the principal of or the interest on the obligations of the issuing county, port, school district or city, for a period of five years next preceding the date of the investment.

5. Securities Lending and Reverse Repurchase Agreements

The City of Eugene shall not lend securities nor directly participate in a securities lending or reverse repurchase program.

6. Competitively Priced Securities

Before any security purchase or sale is initiated, the Treasury Officer shall gather information about current market interest rate levels from various sources, including investment dealers, internet financial web sites, financial publications, and so on.

Each security purchase shall be made at competitive market interest rate levels. The Treasury Officer shall use their discretion in determining whether to seek competitive bids or offers. The decision to purchase a security without soliciting competitive bids or offers should be documented.

K. Reporting

1. Methods

The Treasury Officer shall prepare an investment report at least monthly including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last month. The report will be submitted to the Finance Director for review. This management summary will be prepared in a manner which will allow the Finance Director to ascertain whether investment activities during the reporting period have conformed to the investment policy.

In addition, the Treasury Officer will prepare a report for the Investment Advisory Board at least semi-annually. At a minimum, the report will include the following:

- Listing of individual securities held at the end of the reporting period.
- Average weighted yield to maturity of portfolio on investments as compared to applicable benchmark(s).
- Listing of investments by maturity date and call date.
- Percentage of the total portfolio that each type of investment represents along with the percentages authorized in this policy.
- Performance of the portfolio relative to benchmark(s).
- Compliance report comparing portfolio to policy constraints.

2. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. An appropriate benchmark(s) shall be established by the Investment Advisory Board that is reflective of the types and maturities of investment allowed under this policy. Portfolio performance shall be compared to the benchmark(s) on a regular basis. It is anticipated the portfolio should attain a benchmark average rate of return over time. Factors influencing performance deviations will be described by the Treasury Officer in semi-annual reports to the Investment Advisory Board.

Violations of portfolio guidelines as a result of transactions; actions to bring the portfolio back into compliance and; reasoning for actions taken to bring the portfolio back into compliance shall be documented and reported to the Investment Advisory Board.

3. Marking to Market

The market value of the portfolio shall be calculated and reported to the Investment Advisory Board at least quarterly and a statement of the market value of the portfolio shall be issued at fiscal year end.

L. Policy Adoption and Re-Adoption

This policy was originally authorized by the City Council in 1985, as described in the attachment, History of Investment Policy Adoption and Changes. This policy shall be reviewed by the Investment Advisory Board on an annual basis. Oregon Short-term Fund Board review shall be requested if any material changes have been made since the last review by the OSTF Board.

Attachment

History of Investment Policy Adoption and Changes

Attachment

History of Investment Policy Adoption and Changes

Eugene City Code Section 2.530 was adopted by Ordinance 18067 on July 12, 1977 and it says that the finance officer may invest surplus money of the city in securities specified in ORS 294.035 through 294.046 and with the local government investment pool under ORS 294.805 through 294.895.

Resolution 3933, adopted by the City Council on July 17, 1985 acknowledges that the City Manager has the authority under the charter to administratively adopt an investment policy for the City, to establish an Investment Advisory Board, and to authorize investments with a maturity of up to 18 months. The Council authorized the City Manager to invest in instruments maturing in more than 18 months but not exceeding 3 years to match a specific cash flow or to match a particular capital project.

On December 27, 1985, the Oregon Short-Term Fund Board reviewed the policies without comment or suggestions.

On July 27, 1987, the City Manager signed an Administrative Order authorizing investment in commercial paper as provided in ORS 294.035.

Resolution 4178, adopted by the City Council on May 14, 1990, authorizes investment in US government securities with a final maturity of longer than three years in order to defease bonds. On May 29, 1990, the City Manager signed an administrative order revising the investment policies.

On June 19, 1992, the City Manager signed an Administrative Order revising the Investment Policy to incorporate the Cash Management policy.

On January 7, 1994, the City Manager signed Administrative Order 44-94-01 revising this policy to allow investment in "corporate indebtedness" rather than just commercial paper, increase the maximum length of those maturities to 18 months, and increase the amount in national corporations to 35%. (These are changes made in SB690/460 signed by the Governor on August 26, 1993.) Deleted statement that Investment Officer is bonded.

On September 12, 1994, the City Manager signed Administrative Order 44-94-09 revising the policy to state that when 5% of the portfolio maturities exceed one year, the Administrative Services Director will review all investment purchase recommendations that exceed 180 days in length of maturity.

On October 27, 1995, the City Manager signed Administrative Order 44-95-04 revising this policy to conform to changes made in SB199 signed by the Governor on June 2, 1995 with an effective date of September 9, 1995. The bill clarified and streamlined the investments statutes. In addition, it expanded BA's to California, Washington, and Idaho and increased the LGIP limit to \$30 million, indexed to CPI.

In February 1998, this policy was reformatted for easier readability with a few minor changes in content. Guidelines issued by the Oregon Short-Term Fund Board and National Municipal Treasurers' Association were used as the model. The Investment Advisory Board reviewed and approved the revised policy at its meeting on February 23, 1998. In April, 1998 the policy was submitted to the Short Term Fund Board for comment. The minor edits suggested by Jim Yasutome, Senior Investment Officer, LGIP and staff to the Short-Term Fund Board in May were incorporated in the policy. The Oregon Short Term Fund Board officially reviewed the policy on June 17, 1998. The City Manager signed Administrative Order 44-98-03 on June 25, 1998 adopting the new policy.

On May 8, 2000, the Investment Advisory Board readopted the policies without change.

On April 16, 2001, the Investment Advisory Board recommended the following changes to the policy: (i) delegation of authority for investments to the Investment Officer shall be amended to include the Assistant City Manager and the Finance Officer, as well as to conform titles to recent organizational changes; (ii) the composition of the Investment Advisory Board shall be amended to include the Finance and Court Services Executive Manager, the Financial Services Director and one Executive Manager or Division Manager outside of the Finance Division and to allow the Assistant City Manager to fill any vacancies on an interim basis; and (iii) to allow up to 25% of the portfolio to be invested in securities maturing in more than one year without further approval from the Finance and Court Services Executive Manager.

In May 2001, the City Manager signed Administrative Order 44-01-01 revising the policy to reflect the recommendations of the Investment Advisory Board. The Administrative Order also repealed all previous Administrative Orders related to the investment policy.

On June 21, 2002, the Investment Advisory Board readopted the policies without change.

In March 2003, the Investment Advisory Board voted to add a new category of investments to the policy. ORS 294.035(4) allows time deposit open accounts and savings accounts in insured institutions as defined in ORS 706.008 that maintain a head office or a branch in this state. This addition is meant to include investment in a money market account for governmental entities.

In June 2003, the Investment Advisory Board had the annual review of the investment policies and voted to readopt the policies with the change to add the new category of investments approved in March 2003.

On June 20, 2003, the City Manager signed Administrative Order 44-03-01 revising the policy to reflect the recommendations of the Investment Advisory Board to add investment in time deposit open accounts and savings accounts. The new Administrative Order also repealed Administrative Order 44-01-01.

On June 9, 2004, the Investment Advisory Board completed an annual review and re-write of the investment policies. The revised policies were approved by the Board by an e-mail confirmation completed on June 30, 2004.

On September 29, 2004, the Oregon Short-term Fund Board reviewed the policy and made several comments: (i) lower the percentage of time certificates of deposit; (ii) specify maximum exposure per entity; (iii) include the benchmark to be used; and (iv) mark to market quarterly.

On October 22, 2004, the Investment Advisory Board met for a final review of the policy and consideration of the OSTF Board comments. The IAB decided to accept the first two comments and reject the last two. It was determined that the benchmark might change from time to time, and it would be unwieldy to have the City Manager issue an administrative order each time that occurred. The current method for marking to market is cumbersome and staff thought it was not worthwhile to mark to market more frequently than annually. If a third-party safekeeping relationship is developed in the near future, it might be possible to update more frequently.

On November 3, 2004, the City Manager issued Administrative Order 44-04-07 revising the policy to reflect the recommendations of the Investment Advisory Board and repeal Administrative Order 44-03-01.

On June 13, 2005, the Investment Advisory Board completed the annual review of the investment policies and voted to readopt the policies without change.

On June 15, 2006, the Investment Advisory Board completed the annual review of the investment policies and modified the policy to require delivery vs. payment and third-party safekeeping on all investment transactions, and to recognize the CDARS program as an allowable investment.

On June 21, 2006, the City Manager issued Administrative Order 44-06-05 revising the policy to reflect the recommendations of the Investment Advisory Board and to repeal Administrative Order 44-04-07.

On June 26, 2007, the Investment Advisory Board completed the annual review of the investment policies and voted to readopt the policies without change.

On June 2 and September 17, 2008, the Investment Advisory Board reviewed the investment policies and voted to make several changes. The most significant changes are (1) increase the maximum percentage invested in time certificates of deposit to 75%, due to the change in collateral statutes for public funds deposits; (2) reduce the requirement for percentage of the portfolio to be invested in securities maturing within 90 days from 25% to 15%; and (3) increase the maximum maturities for US Government Agencies and Instrumentalities, state and local government securities, and time certificates of deposits to 3 years from the current 2 year limitation.

On October 1, 2008, the Oregon Short-term Fund Board reviewed the policy and provided comments on the percentage of time certificates of deposit (keep at 50%), the percentage of bankers' acceptances (reduce to 25%), and the mark to market practices (quarterly, reported to the IAB). The Investment Advisory Board accepted all of the suggested changes.

On October 23, 2008, the City Manager issued Administrative Order 44-08-08 revising the policy to reflect the changes and to repeal Administrative Order 44-06-05.

On June 18, 2010 the Investment Advisory Board reviewed the investment policy and voted to make two changes: (1) Change the language of the collateral section to more broadly reference ORS 295 and (2) Add the Temporary Liquidity Guarantee Program (TLGP) to the list of authorized investments with a maximum % of the total portfolio at 25% (5% limit per bank name) and a maximum maturity of June 30, 2012 (unless federal guarantee date is otherwise changed).

On June 24, 2010, the City Manager issued Administrative Order 44-10-06 revising the policy to reflect the changes and to repeal Administrative Order 44-08-08.

On June 13, 2011, the Investment Advisory Board reviewed the investment policy. The Board voted to update the maximum maturity date stated in Section H (2) for TLGP securities to December 31, 2012 to reflect the change from the previous maturity date of June 30, 2012 per the FDIC. As this update is to align the policy with current maturity lengths as stated in the footnote to Section H (2), the update is not considered a change to the policy per se and does not require a new Administrative Order to be issued.

On June 25, 2012, the Investment Advisory Board reviewed the investment policy. The Board voted to change the frequency of reports to the Investment Advisory Board from at least quarterly to at least semi-annually in Section I (Reporting).

On July 3, 2012, the City Manager issued Administrative Order 44-12-01 revising the policy to reflect the changes and to repeal Administrative order 44-10-06.

On June 19, 2013, the Investment Advisory Board reviewed the investment policy. The Board voted to delete any reference to the Temporary Liquidity Guarantee Program (TLGP) in Section H (Investment Parameters).

On August 2, 2013, the City Manager issued Administrative Order 44-13-01 revising the policy to reflect the changes and to repeal Administrative Order 44-12-01.

On June 16, 2014 the Investment Advisory Board reviewed the investment policy. The Board voted to delete the language requiring brokers to have an office in Oregon, updated FINRA as the organization that certifies brokers and adds ORS 294.035 to the certification that brokers must sign as having read and understood in Section D, Authorized Financial Dealers and Institutions.

On June 23, 2014 the City Manager issued Administrative order No. 44-14-04 revising the policy to reflect the changes and to repeal Administrative Order 44-13-01.

On July 16, 2014 the City Council adopted Resolution 5109 establishing as the policy of the City of Eugene to not directly invest in fossil fuel companies. Section G (Authorized Investments) of the investment policy was amended to prohibit direct investment in the top 200 fossil fuel companies as reported by Fossil Free Indexes or a comparable index.

On July 31, 2014 the City Manager issued Administrative Order 44-14-06 revising the policy to reflect the changes and to repeal Administrative Order 44-14-04.

On June 17, 2015, the Investment Advisory Board completed the annual review of the investment policies and voted to readopt the policies without change.

On June 24, 2016, the Investment Advisory Board completed the annual review of the investment policies and voted to readopt the policies without change.

On June 19, 2017, the Investment Advisory Board completed the annual review of the investment policies and voted to readopt the policies without change.

On June 8, 2018, the Investment Advisory Board completed the annual review of the investment policies and voted to readopt the policies without change.

On June 17, 2019, the Investment Advisory Board completed the annual review of the investment policies and voted to readopt the policies without change.

On June 9, 2020, the Investment Advisory Board completed the annual review of the investment policies and voted to readopt the policies without change.

On June 24, 2021, the Investment Advisory Board completed the annual review of the investment policies and voted to readopt the policies without change.

On June 15, 2022, the Investment Advisory Board completed the annual review of the investment policies and voted to incorporate into the policy of the City of Eugene a restriction regarding direct investment in cryptocurrencies. Section G (Authorized Investments) of the investment policy was amended to align with the Government Financial Officers Association (GFOA) advisory as of March 4, 2022, against participating in cryptocurrencies.

On July 6, 2022, the City Manager issued Administrative Order 44-22-03 revising the policy to reflect the changes passed by the Investment Advisory Board on June 15, 2022, and repealing Administrative Order 44-14-06.

On June 21, 2023, the Investment Advisory Board completed the annual review of the investment policies and voted to readopt the policies without change.

On May 22, 2024, the Investment Advisory Board met to review ESG-focused investment strategies and voted to approve the addition of ESG Risk Rating parameters on direct investment in corporate indebtedness into policy.

On June 18, 2024, the Investment Advisory Board completed the annual review of the investment policies and voted to modify language in various sections of the policy to more closely align with the Oregon Short Term Fund Board's Sample Policy for Local Governments. The most significant changes include the addition of Sections A and B that specify the investment policy's purpose and governing authority; and Section I (2.d) which prohibits direct investment in "144A" securities.

On July 29, 2024, the City Manager issued Administrative Order 44-24-05 revising the policy to reflect the changes passed by the Investment Advisory Board on June 18, 2024, and repealing Administrative Order 44-22-03.