

RESOLUTION NO. 3-1990

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON
ADOPTING AN INVESTMENT POLICY.

WHEREAS, ORS 294.035 and ORS 294.810(1) state that no local
government may invest money unless its governing body has
authorized the investment, and

WHEREAS, the authorization must take the form of a written order,
approved by the governing body, and made part of its public
records.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of
Milwaukie that:

Section 1. Exhibit A of this resolution is the investment policy
of the City.

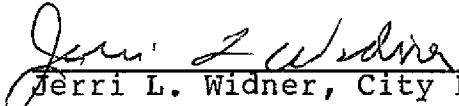
Section 2. Direct staff to submit this policy to the Oregon
Short Term Fund Board for review.

Introduced and adopted by the City Council on February 6, 1990.



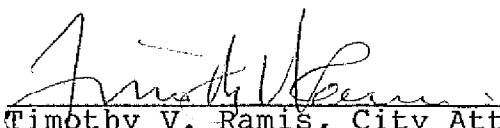
Roger A. Hall, Mayor

ATTEST:



Jerri L. Widner, City Recorder

Approved as to Form:



Timothy V. Ramis, City Attorney

EXHIBIT A

CITY OF MILWAUKIE

INVESTMENT POLICY

I. Scope. This investment policy applies to all activities of the City of Milwaukie with regard to investing the financial assets of all funds. Funds will be invested in compliance with the provisions of ORS Chapter 294, this policy and written administrative procedures.

II. Objectives. Investment objectives are safety (preservation of capital), liquidity (availability of funds), and rate of return (yield), in that order.

III. Delegation of Authority. The Finance Director is designated as investment officer and the Supervising Accountant is designated as deputy investment officer of the City.

IV. Investment Standard Prudence. Investments shall be made under the prudent investor's rule, which states, "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."

V. Internal Controls. The investment officer shall maintain a system of written internal controls, which will be reviewed annually by the independent auditor.

VI. Cash Flow Model. The deputy investment officer shall maintain a historical cash flow record, and a cash flow projection which extends for at least twelve months into the future. The cash flow projection shall be reviewed at least quarterly. No fixed maturity securities shall be purchased unless the cash flow projection indicates that the money so invested will not be required until the maturity date of the investment.

VII. Permitted Investments. The investment and/or deputy investment officer shall invest the money of the City only in the following:

1. demand deposits with approved institutions;
2. deposits in the Oregon Local Government Investment Pool;
3. direct obligations of the United States and obligations guaranteed by the United States; and
4. certificates of deposit with Oregon banks.

VIII. Diversification. The City will diversify the portfolio to avoid incurring unreasonable risks.

Instrument Diversification:

State Pool	100%
Certificates of Deposit	50%

Institution Diversification:

Demand Deposits (checking accounts) and
Certificates of Deposit shall not exceed more than
33 percent with any one institution.

Investment Maturity Diversification:

Investment maturities shall be scheduled to coincide
with projected cash flow needs. The majority of the
portfolio will mature in less than 90 days; no
investments shall be made for a period to exceed 18
months. For purposes of these guidelines, the state
pool shall be considered to have one day liquidity.

IX. Competitive Selection of Investment Instruments. Before investing funds, the City shall request quotes from reputable brokers and financial institutions, and select the bid which provides the highest rate of return within the parameters of these policies.

X. Qualified Institutions. The City shall maintain a list of all authorized banks, mutual savings banks and savings and loan associations which are approved for investment purposes. A financial analysis will be conducted before a bank is placed on the approved list. If the City is unable to analyze an institution's creditworthiness to some degree, then deposits in that institution shall be limited to the amount which is covered by FDIC or FSLIC insurance (\$100,000).

XI. Collateralization of Deposits. Certificates of deposit and demand deposits with qualified institutions will be collateralized through the state collateral pool as required by Oregon law. (Oregon statutes provide for a collateral pool which protects ONLY UP TO 25% of public deposits.)

XII. Method of Accounting. The City shall comply with Governmental Accounting, Auditing and Financial Reporting requirements and with Governmental Accounting Standards Board requirements.

XIII. Reporting Requirements. The deputy investment officer shall generate reports wherever there is any activity in the portfolio, as well as monthly and annually. All reports shall be filed with the investment officer.