

Date: March 22, 2023

To: Board of Directors

From: Sam Desue, Jr.

Subject: RESOLUTION NO. 23-03-10 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) ADOPTING A REVISED INVESTMENT POLICY

1. **Purpose of Item**

This Resolution requests that the TriMet Board of Directors (Board) approve a revised Investment Policy.

2. **Type of Agenda Item**

- Initial Contract
- Contract Modification
- Other: Revised Investment Policy

3. **Reason for Board Action**

The current Investment Policy (Policy), approved by the Board in February 2022, states that the Board will review the Policy on an annual basis, as required by State law. This review is required because the Board has ultimate responsibility and authority for the investment of District funds. The Policy establishes the rules and guidelines under which TriMet’s funds can be invested and establishes a framework for accountability, oversight and reporting with respect to District investments.

4. **Type of Action**

- Resolution
- Ordinance 1st Reading
- Ordinance 2nd Reading
- Other _____

5. **Background**

Investment of public funds is controlled by Oregon statute, primarily Oregon Revised Statutes (ORS) Chapter 294. The Oregon Short Term Fund (OSTF) Board provides guidance and makes recommendations to public entities within the state with respect to their investment policies, with a focus on compliance with Oregon statutes and “best practices” with respect to the investment of public funds.

TriMet’s Policy is revised on an annual basis by Finance & Administrative Services. Ordinarily, if the Policy incorporates significant changes from one year to the next, it is submitted to the OSTF Board, part of the Oregon State Treasurer’s office, for review and approval. However, the changes in this Policy revision were not substantial enough to require OSTF review.

This Resolution amends and replaces TriMet's existing Policy, adopted by Resolution No. 22-04-04, in February 2022. The current Policy is found at: [TriMet-Investment-Policy.pdf](#), and a copy of the proposed, revised Policy is attached hereto as Exhibit A, pp. 1-18. A copy of the proposed Policy showing redlined changes is attached hereto as Exhibit B, pp. 1-19.

Changes to the current Policy are further explained in the attached Exhibit C, pp. 1-3, and are summarized below:

- 1) **Section 5.0, STANDARDS OF CARE.** Subsection 5.1.4, p. 6, includes new language to allow TriMet staff the ability to seek and retain an investment advisor. This provision will allow Finance and Administrative Services staff to partner with a qualified investment firm to design, build and maintain a robust and prudent strategic cash management program.
 - 2) **Section 7.0, AUTHORIZED AND SUITABLE INVESTMENTS.** In Subsection 7.2, p. 11, Suitable Investments and Cash Management Tools, clarifying language is included to address investment purchases that fall out of compliance with the portfolio parameters subsequent to the initial investment, so that they may be brought back into compliance.
 - 3) **Section 8.0, INVESTMENT PARAMETERS.** In Subsection 8.4, p. 13, Competitive Transactions, paragraph 8.4.1 is revised to improve competitive trade execution and enhance the competitive selection of an investment consultant, and the redundant language of paragraph 8.4.3 is eliminated. This will allow Financial Services staff the flexibility to efficiently maintain a prudent cash management portfolio with a qualified approved investment manager.
6. **Financial/Budget Impact**
There is no direct financial impact to adopting the revised Policy, but the revisions are intended to enhance TriMet's ability to efficiently manage its investments.
7. **Impact if Not Approved**
If the revisions to the Policy are not adopted, TriMet will continue to follow the existing Investment Policy, but will be out of compliance with its own guidelines to update the Policy annually.

RESOLUTION NO. 23-03-10

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TRANSPORTATION DISTRICT OF OREGON (TRIMET) ADOPTING A
REVISED INVESTMENT POLICY**

WHEREAS, the TriMet Board of Directors (Board) originally approved a Working Capital Investment Policy and Guidelines (Policy) on May 25, 1988, and approved a revised Policy on July 26, 1995; and

WHEREAS, the Policy was updated by the Finance and Audit Committee in October 2003, and has been revised and approved by the Board on an annual basis thereafter; and

WHEREAS, the Policy is periodically amended as financial and statutory requirements change;

NOW, THEREFORE, BE IT RESOLVED:

That the revised TriMet Investment Policy is hereby adopted as set forth in the attached Exhibit A.

Dated: March 22, 2023



Presiding Officer

Attest:



Recording Secretary

Approved as to Legal Sufficiency:



Legal Department