

Date: January 22, 2014

To: Board of Directors

From: Neil McFarlane

Subject: **RESOLUTION 14-01-01 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) ADOPTING A REVISED INVESTMENT POLICY**

1. Issue or Purpose of Item.

The purpose of this item is to request that the TriMet Board of Directors (“Board”) approve a revised Investment Policy.

2. Reason for Board Action.

The current Investment Policy (“Policy), approved by the Board in February 2013, states that the Board will review the Policy on an annual basis, as required by State law. The annual 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.

3. Background.

This Resolution amends and replaces TriMet’s existing Policy adopted in February 2013. Prior to 2013, TriMet’s Policy was originally approved by the Board in May 1988, and revised and approved by the Board in July 1995. 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.

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 Statute and “best practices” with respect to the investment of public funds.

The attached Policy is in accordance with ORS Chapter 294. The changes to the Policy were considered by the OSTF Board, but not deemed substantive, which would require OSTF Board review.

The following summarizes the changes to the Policy:

- 1) The following sections were restated for clarification and to better reflect District practices, including updates for newly implemented accounting standards as issued by the Government Accounting Standards Board (GASB): Sections 1, 3, 7, and 8.
- 2) The following sections were amended in light of revisions to the OSTF Board Sample Policy: Sections 2, 4, 5, and 6. The most significant changes were in Section 6.1.3 to increase maximums for Time Deposits, Certificates of Deposit and Savings Accounts from 15% to 30% and the per issuer maximum from 5% to 10%. Section 6.3.2 was added to reference limitations on advance purchase of investments. Section 6.4 was added to reference compliance with policy and reporting of any violations of investment policy.

4. Options.

The Board may request that staff make changes to the Policy for later review and approval by the Board.

5. Recommendation.

The General Manager recommends adoption of the Resolution.

DA/LMB/pc

RESOLUTION 14-01-01

RESOLUTION OF THE TRI-COUNTY METROPOLITAN 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, approved a revised Investment Policy on July 26, 1995, which 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; and

WHEREAS, this proposed amendment to TriMet’s Policy was reviewed by the Finance and Audit Committee on January 8, 2014;

NOW, THEREFORE, BE IT RESOLVED:

That the TriMet Investment Policy is amended and adopted as set forth in the attached and incorporated Exhibit A.

Dated: January 22, 2014

Presiding Officer

Attest:

Recording Secretary

Approved as to Legal Sufficiency:

Legal Department