



**OREGON SHORT TERM FUND
BOARD MEETING
Tuesday, January 8, 2015
MINUTES**

OSTF Location: Orrick, Herrington & Sutcliffe, LLP
1120 NW Couch Street, Suite 200
Portland, Oregon

Board Attendees: Douglas Goe
Darren Bond
Pat Clancy (via phone)
Laurie Steele (via phone)
Michael Schofield
Deanne Woodring

Attendees (Staff): Perrin Lim
Tom Lofton
Garrett Cudahey
Norma Harvey (via phone)

Other Attendees: Calvin Smith, Metro
Brian Kennedy, Metro
Lauren Brandt, PFM Asset Management (via phone)

- i. **Opening Remarks – Douglas Goe**
Douglas Goe welcomed all to the Oregon Short Term Fund (OSTF) Board meeting and roll was taken.
- ii. **Review and Approval of Meeting Minutes**
 - a. **October 9, 2014**
MOTION: Pat Clancy moved approval of the October 9, 2014 OSTF Board Meeting Minutes, the motion was seconded by Deanne Woodring, and passed unanimously by the Board.
- iii. **LGP/OSTF Investment Policy Reviews**
 - a. **Metro**
 - Garrett Cudahey presented Metro's Investment Policy to the Board and noted that he had worked with Calvin Smith on the policy update. The Metro Council has been working to improve their investment policy over the past two years and have

submitted their policy to the OSTF Board for review at both the July 2013 and July 2014 meetings. Recently, Metro engaged The PFM Group to assist them in finalizing their investment policy.

Calvin Smith and Brian Kennedy addressed the Board and outlined their investment objectives.

Comments from the Board were:

- Board members agreed that Metro's policy is well written.
- It was recommended that compliance references in the policy be outlined in one "Compliance Section."
- Page 5 of 42, 7.03.010 Scope: In the third paragraph, the recommendation was made to insert the word "Chapter" between ORS and 294.
- Page 14 of 42, 6): A suggestion was made that in the first sentence of both the 1st and 2nd paragraphs, the word "and" be changed to "or," i.e., i) State of Oregon *or* its political subdivisions, and ii) States of California, Idaho *or* Washington and their political subdivisions.

Mr. Goe thanked Mr. Smith, Mr. Kennedy and Lauren Brandt for their efforts in bringing the policy update to the Board.

iv. OSTFB Sample Policy Revision

Garrett Cudahey presented proposed revisions to the Oregon Sample Investment Policy for Local Governments. Key changes were discussed and Board input was encouraged.

Discussion followed regarding streamlining the existing Short Form version of the Sample Investment Policy for smaller entities. Staff was directed to include a review of the Short Form policy during the next OSTF Board Meeting.

Members of the Board pointed out several minor corrections in the Sample Policy and discussed possible revisions during the next review.

Staff was directed to update policy information, especially regarding instrumentalities and statutes, which is not current on the Treasury website.

A recommendation was given to Staff to insert a cautionary, conservative recommendation at the beginning of investment options within the policy.

At the conclusion of the policy discussion it was recommended and agreed upon, to have an annual review of the sample policy during the meeting prior to the Oregon Municipal Finance Officers Association (OMFOA) Annual Spring Conference and make all revisions during that time.

v. Market Overview and Portfolio Update - Garrett Cudahey

Garrett Cudahey presented the OSTF Portfolio update. US Government Rates and credit spreads were discussed and the current difficult investment environment was reviewed.

- US Government Rates
- US Money Market Rates
- Barclays 1-3 Year Credit Spreads

- OSTF Portfolio Update

December 31, 2014	
Fund Market Value	\$14,509,774,572
Unit Value	1.00141
Weighted Average Credit Quality	AA
Book Yield	0.548%
Weighted Average Days to Maturity	186.44
Rate Paid to Participants	0.50%

- OSTF Net Asset Value History
- Deposit Mix Update
- OSTF Allowance Update
- Holdings by Security Type
- OSTF Diversification
- OSTF Credit Profile
- OSTF Fixed/Floating Rate Allocation
- OSTF Maturity Profile
- OSTF Rates Comparison
- OSTF Performance

A suggestion was made to add a slide for “Weighted Average Life” to the Market Overview.

Deanna Woodring confirmed the time and date for the OSTF presentation at the OMFOA Spring Conference in March. Presentations of the OSTF Market Overview and Portfolio Update and sample policy updates are scheduled.

The Board agreed to coordinate the Fall OSTF Board Meeting with the OMFOA Fall Conference this year.

vi. Closing Remarks/Other Items of Business

- a. The next OSTF Board Meeting is scheduled for April 15, 2015 in Portland, Oregon.
- b. The meeting adjourned at 11:09 pm.

Respectfully Submitted by,



Norma Harvey
Investment Analyst