

Meeting Agenda | Finance Committee

Wednesday, August 19, 2020
7:00 p.m.
Zoom Meeting
[Access Information](#)

1. Convene meeting and roll call of participants	5 min
2. Public comment	5 min
3. Minutes of May 20 and July 15, 2020	5 min
4. Election of Chair	10 min
5. Election Law Reminder	10 min
6. Investment Policy Review	10 min
7. Council Workplan, Budget & Other Project updates	45 min
8. Committee Business	10 min
9. Good of the order	1 min

How to participate

In conformance with the governor’s limitations on public gatherings, the meeting will be conducted electronically using Zoom, an online meeting platform. The meeting structure is consistent with the governor’s Executive Order No. 20-16.

Please note: Instructions for citizens wishing to testify during this Finance Committee meeting are as follows:

- Written testimony: Please send your written testimony to Budget and Finance Director, Sharron Monohon at Sharron.Monohon@GreshamOregon.gov no later than 24 hours before the meeting to allow the testimony to be forwarded to the Finance Committee.
- Oral testimony: Please register your name, email address, phone number and subject matter to Budget and Finance Director, Sharron Monohon at Sharron.Monohon@GreshamOregon.gov no later than 24 hours before the meeting.
- Persons who are unable to access the meeting via Zoom are encouraged to notify the City by calling 503-618-2890, 24 hours in advance of the meeting so that the City can provide alternate arrangements.

Meeting log-in or call-in information to access the meeting:

- Click the link to join:
<https://greshamoregon.zoom.us/j/94956077589?pwd=NDIRTWhFeFdHbjVybINYZ0xTbEVldz09>
Password: OUErpG
- Or dial in options:
 - iPhone one-tap:
 - US: +16699006833,,94956077589#,,,,,0#,,758903# or +12532158782,,94956077589#,,,,,0#,,758903#
 - Telephone:
 - US: +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799 or +1 408 638 0968 or +1 301 715 8592 or +1 312 626 6799 or +1 646 876 9923
- Webinar ID: 949 5607 7589
Passcode: 758903

City of Gresham
Finance Committee
Wednesday, August 19, 2020
Executive Summary

4. Election of Chair

The Chair position is elected in July, or the next meeting thereafter, of even-numbered calendar years. The position is currently held by Jared Koga.

Requested Action: Election of Chair

5. Election Law Reminder

Presented by Sharron Monohon, Budget & Finance Director

Ms. Monohon will review information provided by the City Attorney's Office regarding election law and how it applies to committee members.

Requested Action: Committee Information Only

6. Investment Policy Review

Presented by Susan Brown, Finance & Accounting Services Manager

The City annually reviews and updates its Investment Policy. Ms. Brown will present the changes to the Finance Committee. Staff will then request the Finance Committee's approval of the changes prior to the policy being considered by Council in September. A mark-up version of the policy is included in this packet.

Requested Action: Recommendation to Council

7. Council Workplan, Budget & Other Project Updates

Presented by Sharron Monohon, Budget & Finance Director and Susan Brown, Finance & Accounting Services Manager

Ms. Monohon and Ms. Brown will provide information on the status of Council Workplan projects and other key initiatives that are underway currently.

Requested Action: Committee Discussion and Information

**City of Gresham Finance Committee
Wednesday, May 20, 2020 7:00 p.m.
Via Online Zoom Meeting
Minutes**

Finance Committee Members Present:

Rusty Allen
Jan Baker
David Dyk, Vice-Chair
Jared Koga, Chair
Sue O'Halloran
Theresa Tschirky

Kris Leibrand (Recording Secretary)

Finance Committee Members Absent:

Mike Ash

Council Liaisons in Attendance:

Janine Gladfelter, Council President

Staff Members in Attendance:

Sharron Monohon, Budget and Finance Director
Susan Brown, Finance & Accounting Services Manager
Tanner Warner, Treasury Analyst

1. Convene Meeting and Roll Call of Participants

Chair Koga convened the meeting of the Gresham Finance Committee at 7:00 p.m. Because the meeting was conducted via Zoom, Chair Koga called the roll to ensure everyone was present for the meeting and their audio was working.

2. Review of Public Comment

Ms. Monohon reported that she received no public comment to present at the meeting.

3. Minutes of January 15 and February 19, 2020

A motion was made by Mr. Dyk and seconded by Ms. Tschirky to:

“Approve the minutes as presented for the January 15, 2020 and February 19, 2020 Finance Committee meetings.”

MOTION CARRIED UNANIMOUSLY

4. Investment performance report

Ms. Brown introduced Mary Donovan from Insight Investment, the City's financial advisor.

Ms. Donovan reviewed the information in the Investment Management Program Review booklet provided to Committee Members prior to the meeting via email. A copy of this document is attached to these minutes as Attachment A.

Ms. Brown announced that this is our last meeting with Ms. Donovan as the City is transitioning to a new investment advisory company in July 2021. The Committee members thanked Ms. Donovan for her years of service to the City of Gresham.

5. Modifications of Line of Credit

Ms. Brown provided information to the Committee about the line of credit increase. She said the agenda item for the line of credit increase is going to Council on June 16, 2020. She reminded the Committee members that over the last year there have been discussions about refunding some of what is on the line of credit by going out for a public issuance. She said in light of what is happening with the economy, we have decided to delay that and increase the line of credit with Washington Federal Bank.

Ms. Brown provided a presentation that is attached to these minutes as Attachment B. The presentation outlined the line of credit background, including purpose, strategy, history and usage status. Next, she discussed the planned projects and anticipated uses moving forward. Finally, she asked the Committee to provide a recommendation to Council to approve an amendment to increase the line of credit from \$30 million to \$50 million.

Finance Committee members asked clarifying questions that were answered by staff.

Ms. Brown asked for a recommendation to Council that they approve the increase on the line of credit.

A motion was made by Ms. O'Halloran and seconded by Ms. Tschirky to:

"Recommend to the Gresham City Council an increase of the line of credit with Washington Federal to \$50 million."

MOTION CARRIED UNANIMOUSLY

6. Council Workplan Project Updates

Ms. Monohon provided an update on the following:

- Ms. Monohon thanked the Committee for their participation in the budget committee meeting. She said that once the report of attendees was reviewed and any City staff and staff from other jurisdictions were removed from the list, there was a total of 8 members of the public attending the meeting.
- Ms. Monohon reported that Mr. Seeger's last day with the City was in early April. The Parks division oversight has moved to Environmental Services under Andrew Degner. Fleet and Facilities functions have moved to Community Development under Eric Schmidt. The Accounting and Financial Operations have moved under Ms. Monohon.
- Most employees who are able have been work remotely for the past 2 months. Police and Fire staff are on site and crews from Operations are continuing their work as well. In order to allow for distancing, the Operations crews have been deployed into 14 smaller crews working out of different locations throughout the city. It has been an interesting experience to transition the majority of the staff to remote work. Folks come in when their job requires them to be on site, but we are keeping that limited.
- Emergency Operations group operating since this all started ensuring resources and supplies for each area are available.
- Small business program grant program provided about \$900,000 of funds to support our local businesses. Gresham was one of the first jurisdictions to get cash out the door to our businesses.
- The City has put extensive efforts in to redeploying staff whose job functions dealt with public coming in the door to area that need resources.
- Ms. Monohon said we are closely watching income areas that we expect to see declines in revenue, such as business income tax, gas tax, and transient lodging taxes. She said we expect to see more delinquencies in property taxes towards the end of the year and in to 2021.
- The Federal and State reimbursement funding is still playing out. We aren't sure how much we will get. Staff is working with the State of Oregon, Multnomah County and the City of Portland to get our portion of funding.
- The first CARES Act funding has some challenging rules that we are working through.
- We have been successful in getting some small allocations for CDBG funding and for Police and Fire grants. Staff is actively pursuing every avenue to find more funds.
- Development activity remains relatively strong. Oregon did not shut down construction.

7. Committee Business

Ms. Baker complimented the Mayor on his positive messaging during the COVID crisis. Ms. O'Halloran noted that Gresham does shine.

Ms. Tschirky mentioned that the City of Vancouver is going through their bi-annual process of reviewing the salaries for their elected officials. She said she virtually attended a couple of their

meetings and has some good information to share with the Committee. She said she would like to bring this as a future topic to the Committee.

8. Good of the Order

None.

9. Meeting Adjournment

Chair Koga adjourned the meeting at 8:43 p.m.

The next regular Finance Committee meeting will be June 20, 2020 at 7:00 p.m. via online Zoom platform.

Jared Koga, Chair

Kris Leibrand, Administrative Assistant

**City of Gresham Finance Committee
Wednesday, July 15, 2020 7:00 p.m.
Via Online Zoom Meeting
Minutes**

Finance Committee Members Present:

Rusty Allen
Mike Ash
Jan Baker
David Dyk, Vice-Chair
Jared Koga, Chair
Sue O'Halloran
Theresa Tschirky

Kris Leibrand (Recording Secretary)

Council Liaisons in Attendance:

Jerry Hinton, Council Liaison

Staff Members in Attendance:

Sharron Monohon, Budget and Finance Director
Elizabeth McCann, Senior Financial Analyst

1. Convene Meeting and Roll Call of Participants

Chair Koga convened the meeting of the Gresham Finance Committee at 7:00 p.m. and did a roll call of the attending members.

2. Committee Business

Ms. Monohon reviewed the committee membership and terms. There are 5 members whose terms expired June 30, 2020. Mr. Dyk, Mr. Allen, Ms. Baker, Ms. Tschirky, and Mr. Ash. Ms. Monohon explained that recent code changes regarding the selection and appointment of committee members contain the following key points:

- Members may continue to serve until a reappointment or replacement appointment is completed. This allows business to continue if necessary.
- Members who have completed two full consecutive terms must reapply through the normal public process. Of the five members whose terms are expiring, this only applies to Ms. Baker
- Applications were accepted through Monday, July 13. Staff is currently reviewing and plans to hold interviews in the near future.

- Given the changes, Ms. Monohon opted to defer the selection of chair until the August meeting.

Mr. Ash has chosen not to seek reappointment. Ms. Monohon thanked Mr. Ash for serving on the Committee.

3. Review of Public Comment

Ms. Monohon reported that she received one written public comment from Carol Rulla. This information was shared with Committee members prior to the meeting in an email. These are Ms. Rulla's written comments received via email on 7/14/20:

Thank you for this opportunity to provide public comments for your July meeting. Now that the City Council is allowing oral testimony at their meetings, I would ask that the Finance Committee allow oral testimony at your meetings as well. I also urge your advocacy for an opportunity for oral testimony at any city meetings concerning the budget and for broad public outreach to allow public participation in discussions about upcoming budget changes. I very much appreciate the committee's past advocacy that helped get the council compensation schedule posted on the city's Elections webpage.

**Thanks again,
Carol Rulla**

Ms. Monohon explained that because of the logistics required to allow for oral testimony for this meeting, she chose to only allow written testimony. She said staff will be looking at ways to allow for oral testimony and additional avenues for public comment at future meetings

4. Update on COVID-19 Impacts

Ms. Monohon provided an update on the following items:

- City programs and outreach activities
 - State of emergency was declared on March 12 and is still in effect. It has been renewed several times. The declaration includes:
 - Emergency action to ban residential landlords from evicting tenants during the state of emergency.
 - Commercial tenant protection.
 - Small business emergency grants (57 restaurants for \$380,000 and 237 independent contractors and small businesses for \$496,000).
 - Small business technical assistance.
 - Operation Gresham Connected.
 - Deferral of any utility shut-offs.

- Internal operations
 - Staff is working remotely where possible. Specific functions, such as Fire, Police, DES operations, payroll, cash processing, etc. have had staff on site as needed.
 - DES operations staff have spread out over multiple sites to limit interaction and increase space.
 - A reopening team has been working through the logistics of having staff on site and reopening the building to the public.
 - We are looking at opportunities to schedule appointments where there are needs for more in-person interaction with the public and staff, such as permits and planning. Passports will likely not open anytime soon, both because of the interaction involved in the process and because the State Department has limited passport processing since March.

- Revenue impacts
 - Significant impacts started in the middle of March 2020. The third quarter for FY 19/20 ended March 31 and fourth quarter payments are not due until August.
 - Many of the payments that are likely to be impacted are made on a quarterly basis. For the General Fund these include:
 - Business income taxes (deferred due dates, reduced collections expected).
 - Transient lodging taxes. We will have better data when payments for the fourth quarter 19/20 start to come in.
 - Property taxes (deferred payments, greater delinquencies in 20/21 expected). Impacts to property tax assessments would likely not be seen until 21/22.
 For the Transportation Fund these include:
 - Gas taxes are being affected by changes in consumer behavior. Preliminary forecast from the State of Oregon indicated a \$600,000 decrease in payments to us.
 For Utilities:
 - Seeing deferred payments.
 - Haven't seen a lot of lost revenue in most areas, except in the Fats Oils and Grease (FOG) program. Typically, revenues are around \$20,000-\$30,000 a month.
 -

- By mid-May we estimated we incurred around \$1.3 million of additional expenses, the majority of which was for the small business grants. Expenditure impacts include:
 - Small business grants.
 - Special leave requirements established through the federal leave acts (some unfunded mandates).
 - Expenses for employees dedicated to COVID response including:

- Quarantine and/or admin leave as needed.
 - Additional cleaning and disinfecting.
 - Additional personal protection equipment supplies
 - Remote work needs.
 - Building and space modifications.
- For future expenditures, we expect to have additional special leave, cleaning and building modification expenses.
 - Likely to see a special assistance program created to help citizens pay their utility bills.
 - Because of the need to defer the Fire Academy, we will expect to see additional overtime from Fire.

Ms. Tschirky asked if there are major expense reduction strategies planned. Ms. Monohon explained that we have been looking at the areas we think are most impacted, such as the General Fund and Transportation for ways to reduce expenses.

Ms. Monohon said it is still unknown what funding will be available to offset these charges. She said there have been a mix of actions taken at the Federal level and some are tied to areas we can tap in to. There was special Community Development Block Grant funding of about \$640,000 that we received. City Council is discussing how to allocate that funding. We have also received a Police grant for \$136,000. Potential for reimbursement from FEMA and EMPG is available, but they have specific and unique rules for what the funds can be used for.

At the Federal level, they allocated funding (CARES program) but the allocation method hasn't worked in our favor. They allocated mostly to states and then to cities and counties over 500,000. State of Oregon received \$1.6 billion, of that Washington County received \$104 million, the City of Portland received \$114 million and Multnomah County received \$28 million. But because Portland received a direct allocation, Multnomah County didn't receive nearly the amount that Washington County received. Everything else went to the state. The state made about \$200 million available for cities to use, but because the City of Portland already received an allocation, cities in Multnomah County and Washington are not eligible to receive any of those funds. None of these funds can be used for revenue replacement.

We are having conversations with the City of Portland about them sharing about \$5 million with the East County cities. The Portland City Council will vote on it next week. Until that is officially adopted it is still tentative and the funds still have restrictions.

Ms. Tschirky summarized that it is premature to be doing any dramatic expense reduction initiatives. She mentioned that when she attended the City of Vancouver's elected official compensation committee meetings, Vancouver was already planning an across the board pay

cut for employees. That committee questioned if they should be doing a similar cut to their elected officials.

Ms. Monohon agreed and said the functions that we are doing as a city aren't going away. Ms. McCann said that we have asked departments to delay making large purchases and all employees not under a collective bargaining contract are not receiving a COLA this year. The City is taking some actions as interim steps while we figure out where we stand, and a more comprehensive plan will be developed.

Vice-Chair Dyk asked if the funding from CDBG for the small business grants has been received. Ms. Monohon said the preferred allocation for the small business grants would be the money from the City of Portland (CARES Act funds).

Ms. Baker asked if there has been discussion about defunding the police. Ms. Monohon replied that the City has focused on strengthening outreach programs and community connections, such as the homeless liaisons.

Councilor Hinton shared that the City Manager Pro Tem has asked all the department directors to look to see where there can be cuts in expenditures and staffing. That information will be brought back to the Council and will determine what priorities the City needs to maintain so we have some options. He said personally he believes the paramount purpose of government is to keep its citizens safe. He doesn't believe there will be any wholesale defunding of the police department.

5. City Budget Update

Ms. Monohon referred to a chart on the PowerPoint presentation that provides a look at the General Fund. She explained that the FY 19/20 adopted budget for the General Fund showed a beginning balance of \$13.8 million and an ending balance of \$1.05 million. She noted that this was obviously not an acceptable path and also was not in compliance with our policies.

We ended FY 18/19 with an ending balance of \$17.2 million due to a late increase in business income tax received and also due to expenditure savings late in the year. Together with significant efforts during the FY19/20 year, we reduced expenditures by \$6 million, increased revenue forecast for business income tax and we anticipate we will end FY 19/20 with approximately \$10.6 million – a significant improvement from the \$1.05 million shown in the budget. (Note: All numbers identified in this paragraph reflected pre-COVID revenue estimates.)

As adopted, the FY 20/21 budget shows a beginning balance of \$10.6 million. We arrived at this ending balance due to additional revenues related to utility license fees and transient lodging tax revenue and continued expenditure reductions, including elimination of numerous positions

to reach an ending balance of \$4.9 million. This meets policy requirements, but shows we have work remaining to get to a sustainable place. We then have to lay the COVID impacts over that.

Ms. McCann told the Committee that based on the best estimates available now over FY 19/20 and FY 20/21 there will likely be a \$5 million impact to General Fund revenues. Those models are all predicting a substantial recovery by the end of the calendar year, which means they may need revision depending on how long the current situation lasts. It includes a 2-4-year recovery period after that. This assumes the majority of the business income tax revenues are lost revenue rather than delayed payments.

Ms. Monohon said we really won't know the ending balance to the General Fund until mid-September because of the year-end close-out process. She said the budget leadership team is working on the path forward. They are looking at budget reduction options and service delivery options. They are gathering information to determine the path forward.

6. Council Workplan Project Updates

Ms. Monohon provided an update on the following:

- Line of credit expansion was approved by Council and has been put in place.
- Earlier in the year we were awarded \$2 million from a state lottery bond to be used for the Sports Park. Those bonds were anticipated to be sold in spring 2021, but the State is not intending to issue those bonds now. They are on hold as their revenues are not adequate at this time to support the issuance.
- Earlier this year the County raised the business income tax rate. The way the IGA was written with the East County cities, we only received a percentage of the first portion. When the tax rate was raised, Multnomah County received the entire benefit from the increase. They also increased some of the exemptions that went along with it. We have amended the agreement for 1 year to provide us with additional revenues. We will be working over the next year to put in a new agreement.
- The HR and payroll portion of the ERP replacement project will go live the last week of July and go through the first payroll processed in the system on August 15. In October, the community services portion is scheduled to go live.

7. Good of the Order

Ms. O'Halloran reported that the Center for the Arts received money from the City for Music Mondays. Since they can't hold them in person, they are working with Metro East to broadcast every Monday evening in July and August on Facebook\GCFTA.

8. Meeting Adjournment

Chair Koga adjourned the meeting at 8:25 p.m.

The next regular Finance Committee meeting will be August 19, 2020 at 7:00 p.m. via online Zoom platform.

Jared Koga, Chair

Kris Leibrand, Administrative Assistant

CITY OF GRESHAM

INVESTMENT POLICY

September ~~2019~~2020

City of Gresham Investment Policy

September 20~~19~~²⁰¹⁹

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RESOLUTION ~~3385~~xxxx

RESOLUTION NO. 3385

A RESOLUTION ADOPTING AN INVESTMENT POLICY FOR THE CITY OF GRESHAM AND REPEALING RESOLUTION NO. 3333

The City of Gresham Finds:

- A. On September 4, 2018, the City Council passed Resolution No. 3333 that adopted an Investment Policy.
- B. In order to make investments having a maturity longer than 18 months, the City is required by ORS 294.135(a) to readopt the Investment Policy not less than annually.
- C. It is desirable to update the Investment Policy.
- D. This resolution is the written order of the Gresham City Council required by ORS 294.035 and ORS 294.125 authorizing the custodial officer to invest City funds.

THE CITY OF GRESHAM RESOLVES:

- 1. The City adopts the Investment Policy attached as Exhibit A and authorizes the investment of city funds by the custodial officer in accordance with the provisions of the Investment Policy.
- 2. Resolution No. 3333 is hereby repealed.

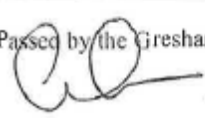
Yes: Bemis, Echols, Gladfelter, Hinton, Palmero, Widmark

No: None

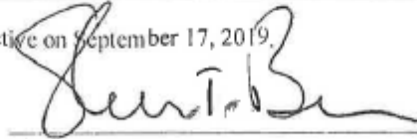
Absent: Morale

Abstain: None

Passed by the Gresham City Council and effective on September 17, 2019.



Erik Kvarsten
City Manager



Shane T. Bemis
Mayor

Approved as to Form:



Kevin McConnell
Interim City Attorney

City of Gresham Investment Policy

The City of Gresham, Oregon (hereinafter referred to as the City) was incorporated in 1905, and is a home rule city operating under a city charter adopted in 1978. The government of the City is vested in an elected, seven-member city council, which includes the mayor. The city council appoints the city manager, who is responsible for the day-to-day management of the City. Gresham has a population of 110,505 and is located 17 miles east of downtown Portland, Oregon.

The purpose of this Investment Policy is to establish the investment objectives, delegation of authority, standards of prudence, eligible investments and transactions, internal controls, reporting requirements, and safekeeping and custodial procedures necessary for the prudent management and investment of the funds of the City of Gresham.

No officer or designee may engage in an investment transaction except as provided under the terms of this policy. All participants in the investment process shall seek to act responsibly as custodians of public trust.

This Policy has been adopted by Resolution No. ~~3385-xxxx~~ of the City Council of Gresham, Oregon, on September ~~17xx~~, ~~2019-2020~~ and replaces the City's previous Investment Policy, dated September ~~417~~, ~~2018~~2019.

SCOPE

The provisions of this Investment Policy shall apply to all investable funds of the City of Gresham and its component unit, except for deferred compensation fund assets, pension fund assets, and assets of restricted trust and escrow funds. Included under the provisions of this Policy are financial assets of general operating funds, enterprise funds, special revenue funds, and any other funds not specifically excluded which are recognized in the City's Comprehensive Annual Financial Report. The fiscal year ~~2018-2019~~ average balance of funds invested in the City's general portfolio was \$~~235-235~~ million.

Except for restricted and excluded funds and special accounts, all excess cash shall be pooled into one account for investment purposes. The net investment income derived from the pooled investment account shall be allocated pro-rata to the contributing funds based upon their average daily cash balances and in accordance with generally accepted accounting principles.

OBJECTIVES

The City's funds shall be invested in accordance with all applicable City, State and Federal regulations, and in a manner designed to accomplish the following objectives, in priority order:

1. Preservation of capital and protection of investment principal.
2. Maintenance of sufficient liquidity to meet all operating requirements that are reasonably anticipated.
3. Diversification to avoid incurring unreasonable risks regarding specific security types or individual financial institutions.

4. Maximize risk-optimized portfolio return throughout economic and fiscal cycles (within the constraints of this Investment Policy). This policy discourages active trading and turnover of investments.

PRUDENCE AND INDEMNIFICATION

The standard of prudence to be used for managing the City's assets is the "prudent person" 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."

The overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that no investment is totally risk-free and that the investment activities of the City are a matter of public record. Accordingly, the City recognizes that within a diversified portfolio, losses sometimes occur, and such losses shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security before maturity may be in the best long-term interest of the City.

The City's Custodial Officer (ORS 294.004 (2)) and staff acting in accordance with this Investment Policy, written procedures, and Oregon Revised Statutes 294.035 and 294.040 and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price change or other loss in accordance with ORS 294.047, provided that these deviations and realized losses are reported as soon as practical to the City Manager and action is taken to control adverse developments. Realized losses in the City's portfolio shall be charged against current or future investment earnings.

ETHICS AND CONFLICTS OF INTEREST

City investment staff involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or create the appearance of an impairment of their ability to make impartial investment decisions. City investment staff involved in the investment process and investment officials shall disclose in writing to the City Manager any financial interests they have in financial institutions that conduct business with the City and they shall subordinate their personal investment transactions to those of the City.

Employees shall comply with ORS 244.040 (Code of Ethics), ORS 244.120 (Methods of Handling Conflicts), GARS Article 3.15 (Standards of Conduct), any amendments to these provisions, and any Code of Ethics applicable to employees that the City may adopt in the future.

DELEGATION OF AUTHORITY

The ultimate responsibility and authority for the investment of City funds resides with the City Council. The City hereby designates the Budget & Finance & Management Services-Department Director as the Custodial Officer for the City's funds. The Custodial Officer shall invest City funds in accordance with ORS Chapter 294, Public Financial Administration, and with this Investment Policy. This Policy shall constitute a "written order" from City Council per ORS 294.035. The Custodial Officer, with the consent of the City Manager, may further delegate the authority to invest City funds to additional City Finance personnel. Persons authorized to transact investment business on behalf of the City are listed in Annex I of this Policy.

In order to manage the portfolio, resources shall be allocated to the cash management program. This commitment of resources shall include financial and staffing considerations.

INVESTMENT ADVISORY SERVICES

Subject to required procurement procedures, the City may engage the support services of outside professionals in regard to its investment program, so long as it can be demonstrated or anticipated that these services produce a net financial advantage and necessary financial protection of the City's resources. External service providers shall be licensed with the State of Oregon Division of Financial Regulation (DFR), subject to Oregon Revised Statutes, and the provisions of this Investment Policy.

The investment advisory service firm will function in a non-discretionary role and provide technical market research to help in implementing investment strategies. Non-discretionary management requires that the City maintain control of investments by requiring the firm to obtain approval for all investment transactions.

The investment advisory firm must be registered with the Securities and Exchange Commission and licensed by the State of Oregon. All investment advisory firm representatives conducting investment transactions for the City must provide certification in writing of having read, understood and agreed to comply with this investment policy.

INTERNAL CONTROLS AND COMPLIANCE

The Custodial Officer is responsible for establishing and maintaining an adequate internal control structure designed to reasonably assure that invested funds are invested within the parameters of this investment policy and, protected from loss, theft, or misuse. Specifics for the internal controls shall be documented in writing. The established control structure shall be reviewed and updated periodically by the investment officer.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management. The internal controls shall address the following points:

- Separation of transaction authority from accounting and record keeping
- Custodial safekeeping
- Avoidance of physical delivery of securities whenever possible, but control requirements for physical delivery should be addressed when necessary
- Clear delegation of authority to subordinate staff members
- Confirmation of transactions for investments and wire transfers
- Compliance with and oversight of Investment Policy
- Review, maintenance, and monitoring of security procedures

An external auditor shall provide an annual independent review to assure compliance with Oregon state law and the City's policies and procedures.

ACCOUNTING METHOD

The City shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP) relating to investment accounting. The accounting principles are those contained in the pronouncements of authoritative bodies including but not necessarily limited to, the Governmental Accounting Standards Board (GASB); the American Institute of Certified Public Accountants (AICPA); and the Financial Accounting Standards Board (FASB).

SAFEKEEPING AND CUSTODY

Custodian banks shall be selected on the basis of their ability to provide services for the City's account and the competitive pricing of their safekeeping related services. The City shall execute a written Safekeeping Agreement with each custodian bank prior to utilizing that bank's safekeeping services. Financial institutions approved to provide safekeeping services for the City of Gresham are listed in Annex II.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis in accordance with ORS 294.145 (4) and (5). It is the intent of the City that all purchased securities be perfected in the name of the City. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities purchased by the City, and all purchased securities under the terms of a City approved Master Repurchase Agreement, shall be delivered by book entry and shall be held in third-party safekeeping by a City approved custodian bank or the Depository Trust Company (DTC).

All fed-wire book entry securities shall be held in the Federal Reserve System in a customer account or trust account at the custodian bank which names the City as the customer. DTC eligible securities shall be held in the custodian bank's participant account at the DTC.

COLLATERALIZATION

All bank deposits, time deposits, certificates of deposit, and savings accounts held in bank depositories, which exceed the amounts insured by one or more agencies of the United States Government shall be collateralized in accordance with the provisions of ORS Chapter 295.

Per Oregon Revised Statutes Chapter 295, it is the responsibility of the State Treasurer to ensure that public funds are collateralized appropriately by the public depositories holding the deposits.

Collateral for repurchase agreements shall be limited in maturity and priced in compliance with ORS 294.035 (3)(j). See item 8 of the Suitable and Authorized Securities and Transactions section of this policy.

SELECTION OF BROKER/DEALERS AND FINANCIAL INSTITUTIONS ACTING AS BROKER/DEALERS

Broker/dealers and other financial institutions shall be selected by the Custodial Officer on the basis of their expertise in public cash management and their ability to provide service for the City's account. It shall be the policy of the City to purchase securities only from approved institutions and firms. Approved Broker/Dealers are provided in Annex III.

To be eligible, a firm must meet at least one of the following criteria:

1. Be recognized as a Primary Dealer by the Federal Reserve Bank of New York or have a Primary Dealer within its holding company structure; or
2. Report voluntarily to the Federal Reserve Bank of New York; or
3. Qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule.)

Approved broker/dealers and the firms they represent shall be licensed to do business in the State of Oregon and, as such, are subject to the provisions of the Oregon Revised Statutes. Approved broker/dealers shall submit proof of registration in the State of Oregon, both for the firm and for the designated representative. Further, the broker/dealer representative shall submit evidence of holding the Financial Industry Regulatory Authority (FINRA) Series 6 or Series 7 license, and either the Series 63 or Series 66 license. License requirements are per the Oregon Division of Finance and Corporate Securities.

Periodic review of all authorized broker/dealers and their respective authorized registered representatives will be conducted by the Custodial Officer. Factors to consider would be:

- Pending investigations of the customer representatives by securities regulators
- Significant changes in net capital
- Pending arbitration cases of customer representatives
- Regulatory enforcement actions against registered representatives

The City may engage the services of investment advisory firms to assist in the management of the portfolio and investment advisors may utilize their own list of approved Broker/Dealers. Such Broker/Dealers will comply with the selection criteria above and the list of approved firms shall be provided to the City on an annual basis or upon request.

The City may purchase Commercial Paper from direct issuers even though they are not on the approved broker/dealer list as long as they meet the criteria outlined in item 3 of the Suitable and Authorized Securities and Transactions section of this Policy.

SUITABLE AND AUTHORIZED SECURITIES AND TRANSACTIONS

All investments of the City shall be made in accordance with Oregon Revised Statutes: ORS 294.035 (Investment of surplus funds of political subdivisions; approved investments), ORS 294.040 (Restriction on investments under ORS 294.035), ORS 294.052 (Definitions; investment by municipality of proceeds of bonds), ORS 294.135 (Investment maturity dates), ORS 294.145 (Prohibited conduct for custodial officer), ORS 294.805 to 294.895 (Local Government Investment Pool). Any revisions or extensions of these sections of the ORS shall be assumed to be part of this Investment Policy immediately upon being enacted.

The City will diversify investments across maturities, security types and issuers to avoid incurring unreasonable risks. The City has further defined the eligible types of securities and transactions as follows:

1. **U.S. Treasury Obligations:** Treasury Bills, Treasury Notes, Treasury Bonds and Treasury Strips with maturities not exceeding five years from the date of settlement. See exception in 3a. The maximum ownership of U.S. Treasury Obligations is 100%.
2. **Federal Agency Obligations:** Mortgage-backed securities with maturities not exceeding five years from the date of trade settlement. See exception in 3a. The maximum ownership of Federal Agency Obligations is 100% with no more than 25% of the portfolio held in any one agency issuer.
3. **Federal Instrumentality Securities:** Debentures, discount notes, step-up securities, callable securities and stripped principal or coupons with final maturities not exceeding five years from the date of settlement. See exception in 3a. Subordinated debt may not be purchased. The maximum ownership of Federal Instrumentality Securities is 100% with no more than 25% of the portfolio held in any one instrumentality issuer.

3a. Exception for securities purchased in 1, 2 and 3 above: A maximum of 10% of the City's portfolio may be invested in Treasury, Agency, and/or Instrumentality securities that mature between 5 and 10 years.

4. Commercial Paper subject to a valid registration statement on file with the Securities and Exchange Commission or issued under the authority of section 3(a)(2) or 3(a)(3) of the Securities Act of 1933, as amended. Such debt shall be issued by a commercial, industrial or utility business or issued by or on behalf of a financial institution with maturities not exceeding 270 days from the date of settlement. Commercial paper must be rated at least A-1 by Standard and Poor's, P-1 by Moody's, or F1 by Fitch at the time of purchase by each service which rates the commercial paper. If the commercial paper issuer has senior debt outstanding, the senior debt must be rated at least A by Standard and Poor's, A2 by Moody's, or A by Fitch at the time of purchase. Ownership of commercial paper and corporate bonds shall be limited to a combined total of 35% of the portfolio, with no more than 5% of the portfolio held in any one issuer or its affiliates or subsidiaries.
5. Corporate Bonds subject to a valid registration statement on file with the Securities and Exchange Commission or issued under the authority of section 3(a)(2) or 3(a)(3) of the Securities Act of 1933, as amended. Such bonds shall be issued by a commercial, industrial or utility business or issued by or on behalf of a financial institution with final maturities not exceeding five years from the date of settlement.

The debt must be rated at least AA- by Standard and Poor's, or Aa3 by Moody's, or AA- by Fitch at the time of purchase. Split ratings are acceptable to no less than A. Ownership of corporate bonds and commercial paper shall be limited to a combined total of 35% of the portfolio, with no more than 5% of the portfolio held in any one issuer or its affiliates or subsidiaries.

A rating exception may be made if the bond issuer meets the criteria of ORS 294.035(3)(i)(C). The minimum corporate bond credit quality may be lowered to at least A by Standard and Poor's, A2 by Moody's, or A by Fitch on the date of settlement.

6. Bankers Acceptances which are (a) guaranteed by and carried on the books of a financial institution located and licensed to do banking business in the State of Oregon; or a financial institution located in the States of California, Idaho or Washington that is wholly owned by a bank holding company that owns a financial institution that is located and licensed to do banking business in the State of Oregon; (b) Banker's acceptances shall be eligible for discount by the Federal Reserve System; and (c) the issuing institution's short-term letter of credit rating shall be in the highest category by Standard and Poor's or Moody's or Fitch. Maturities shall be limited to 180 days from the date of settlement and ownership of bankers' acceptances shall not exceed 25% of the portfolio, with no more than 10% of the portfolio held in any one issuer.
7. State of Oregon Local Government Investment Pool organized pursuant to ORS 294.805 through 294.895. Participation in the Pool shall not exceed the maximum limit semi-annually set by ORS 294.810, or the exceptions listed therein. Details of the maximum limit are provided in Annex IV.
8. Time Deposit Open Accounts, Certificates of Deposit, and Savings Accounts in insured institutions as defined in ORS 706.008 that maintains an office in Oregon.

All deposits, including time deposit open accounts, Certificates of Deposit, and savings accounts that are purchased by the City shall be FDIC insured or collateralized in accordance with the provisions of ORS Chapter 295. Ownership of time certificates of deposit shall be limited to 25% of the portfolio, with no more than 10% with any one financial institution at the time of purchase, and maturities shall not exceed 366 days.

9. Repurchase Agreements with maturities of 90 days or less collateralized by U.S. Treasury securities with the maturity of the collateral not exceeding three years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of the City approved Master Repurchase Agreement. The purchased securities shall have an original minimum market value including accrued interest of 102% of the dollar value of the transaction, as prescribed by written policy of the Oregon Short-Term Fund Board. Collateral shall be held delivery-versus-payment in the City's custodian bank as safekeeping agent, and the market value of the collateral securities shall be marked-to-the-market daily. Broker/dealers and Financial Institutions must have an executed Master Repurchase Agreement with the City. Ownership of repurchase agreements shall be limited to a combined total of 25% of the portfolio, with no more than 10% of the portfolio held in any one institution.

Repurchase Agreements shall be entered into only with City approved Primary Dealers reporting to the Federal Reserve Bank of New York or firms that have a Primary Dealer within their holding company structure. The Custodial Officer shall maintain a copy of the City's approved Master Repurchase Agreement.

10. Obligations of the State of Oregon and its Political Subdivisions: Lawfully issued debt obligations of the agencies and instrumentalities of the state and its political subdivisions. Such debt must have a long-term rating of at least A- or the equivalent or be rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating agency (NRSRO). As defined in ORS 294.040, such obligations are authorized only if there has been no default in payment of either the principal or the interest of obligations of the issuing entity within five years preceding investment. Ownership of such obligations shall be limited to 25% of the portfolio, with no more than 10% of the portfolio held in any one issuer. Maturities for these obligations shall not exceed five years from the date of settlement.

10a. Exception for securities purchased in 10 above: A maximum of \$15 million may be invested in securities issued by the City of Gresham or a component unit of the City of Gresham that mature within 10 years.

11. Obligations of the States of California, Idaho, and Washington and its Political Subdivisions: Lawfully issued debt obligations of these states and their political subdivisions. Such debt must have a long-term rating of at least AA- or the equivalent or be rated on the settlement date in the highest category for short-term municipal debt by a NRSRO. As defined in ORS 294.040, such obligations are authorized only if there has been no default in payment of either the principal or the interest of obligations of the issuing entity within five years preceding investment. Ownership of such obligations shall be limited to 25% of the portfolio, with no more than 10% of the portfolio held in any one issuer. Maturities for these obligations shall not exceed five years from the date of settlement.

**Summary Table
Suitable and Authorized Securities and Transactions**

Security Type	Maximum Portfolio %	Maximum Issuer %	Maturity Restrictions	Rating Restrictions (S&P, Moody's, Fitch)
U.S. Treasury Obligations	100%	100%	5 years*	N/A
Federal Agency Obligations	100%	25%	5 years*	N/A
Federal Instrumentality Securities	100%	25%	5 years*	N/A
Commercial Paper	35% combined with corporate bonds	5% combined with corporate bonds	270 Days	A-1, P-1, or F1 A, A2, or A (Senior Debt)
Corporate Bonds	35% combined with commercial paper	5% combined with commercial paper	5 years	AA-, Aa3, or AA-
Corporate Bonds of Oregon Issuers	35% combined with commercial paper	5% combined with commercial paper	5 Years	A, A2, or A (Long-term) A-2, P-2, or F2 (Short-term)
Banker's Acceptance	25%	10%	180 Days	Highest Rating for Letter of Credit
Oregon LGIP	ORS 294.810 balance limitation	ORS 294.810 balance limitation	N/A	N/A
Certificates of Deposit	25%	10%	366 Days	N/A
Repurchase Agreements	25%	10%	90 Days	N/A
Municipal Obligations of Oregon Issuers	25%	10%	5 years	A-, A3, or A- (Long-term) A-1, P-1, or F1 (Short-term)
Municipal Obligations of California, Washington, or Idaho Issuers	25%	10%	5 years	AA-, Aa3, or AA- (Long-term) A-1, P-1, or F1 (Short-term)
Municipal Obligations of the City of Gresham	\$15,000,000	\$15,000,000	10 Years	A- A3 A-

*According to section 3a, a maximum of 10% of the portfolio may be invested in U.S. Treasury Obligations, Federal Agency Obligations and Federal Instrumentality Obligations that mature between 5 and 10 years.

In case of conflict between this summary table and the preceding text narrative, the text narrative controls.

The weighted average credit quality of the portfolio shall not be greater than a value of three (3) using the table immediately below and the lowest rating provided.

Value	Moody's Ratings		S&P Ratings		Fitch Ratings	
	Long Term	Short-Term	Long Term	Short-Term	Long Term	Short-Term
1	U.S. Treasury		U.S. Treasury		U.S. Treasury	
1	Federal Instrumentality		Federal Instrumentality		Federal Instrumentality	
1	Aaa	P-1	AAA	A-1	AAA	F1
2	Aa1		AA+		AA+	
3	Aa2		AA		AA	
4	Aa3		AA-		AA-	
5	A1		A+		A+	
6	A2		A		A	
7	A3		A-		A-	
8	Baa1		BBB+		BBB+	
9	Baa2		BBB		BBB	
10	Baa3		BBB-		BBB-	

Securities that have been downgraded to below the minimum ratings will be sold or held at the custodial officer's discretion. The custodial officer is responsible for bringing the portfolio back into compliance as soon as practicable.

As of the date of this Policy, all of the above securities, deposits and transactions have been approved by the State Treasurer pursuant to ORS 294.046. Any amendments to ORS 294.046 or the State Treasurer's statement of permitted investments for governmental entities shall be assumed to be a part of this Investment Policy immediately upon being enacted. It is the intent of the City that the foregoing list of authorized securities is strictly interpreted. All diversification requirements shall be calculated based on the cost value of the holdings at the time of purchase. Specific diversification requirements shall be applied to the aggregate holdings of an institution at the time of purchase. Any deviation from this list must be pre-approved in writing by the City Manager.

MATURITY LIMITS AND LIQUIDITY REQUIREMENTS

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. Unless matched to a specific cash flow requirement, the City shall not invest in securities maturing more than five years from the date of settlement. However, a maximum of 10% of the portfolio may be invested in Treasury, Agency, and/or Instrumentality securities that mature between 5 and 10 years. The City also reserves the right to purchase a maximum of \$15 million of securities issued by the City of Gresham or a component unit of the City of Gresham that mature within 10 years. The weighted average final maturity of the City's portfolio shall at no time exceed 3.5 years.

At all times, the City of Gresham shall maintain an amount in the portfolio in cash and investments maturing within 30 days equal to at least two times the highest month's negative change in the portfolio balance from the previous calendar year, adjusted for any anomalies or extraordinary items. The City shall maintain an amount in the portfolio in cash and investments maturing within one year equal to at least two times the change in the portfolio balance between January and October of the previous calendar year, adjusted for any anomalies or extraordinary items. The City will calculate these liquidity requirements upon the adoption of this policy and in January each year thereafter and will report the requirements in monthly compliance calculations.

OTHER INVESTMENT GUIDELINES

Competitive Transactions

Each investment transaction shall be competitively transacted with broker/dealers who have been authorized by the City. At least three broker/dealers shall be contacted for each transaction and their bid and offering prices shall be recorded. A record shall be maintained by the City of all bids and offerings for security transactions in order to ensure that the City receives competitive pricing.

If the City is offered a security for which there is no other readily available competitive offering, then the Custodial Officer shall document quotations for comparable or alternative securities. When purchasing original issue securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

Prohibited Conduct

Oregon State Statutes have addressed several areas of prohibited conduct for the Custodial Officer when making investments, ORS 294.145. Specifically, the custodial officer shall not:

1. Make a commitment to invest funds or sell securities more than 14 business days prior to the anticipated date of settlement of the purchase or sale transaction; or
2. Enter into any agreement to invest funds or sell securities for future delivery for a fee other than interest; or
3. Lend securities to any person or institution, except on a fully collateralized basis, and except when such lending is specifically permitted under an investment policy adopted pursuant to ORS 294.135 (1)(a); or
4. Pay for any securities purchased by the Custodial Officer until the officer has received sufficient evidence of title thereof. Evidence of title shall be consistent with modern investment, banking and commercial practices and may include physical possession, book entry and automated recordation of such title. However, the Custodial Officer may instruct one or more custodian banks, as defined in ORS 295.001, to accept or release securities as the Custodial Officer considers advisable to be held in safekeeping for collection of principal and interest or other income; or
5. Deliver securities to the purchaser upon sale prior to receiving payment in full. However, the Custodial Officer may deliver the securities to any custodian bank, defined in ORS 295.001 upon instructions to hold the same pending receipt by the institution of full payment therefor.

Investing Bond Proceeds

The City recognizes that bond proceeds may be subject to the provisions of the Internal Revenue Code, Federal Arbitrage Regulations, as amended.

REPORTING REQUIREMENTS

Designated City Finance personnel shall compile and submit a monthly report to the Custodial Officer or designee listing the cost, current fair value, credit ratings, benchmarking, compliance and duration of investments held by the City, in accordance with GASB Statements 31 and 40. The report shall include a summary of investment earnings and performance results for the period.

The Custodial Officer shall submit semi-annual reports unless otherwise requested to the City's Finance Committee and City Council, which includes benchmarking, compliance and a summary of investment earnings and performance results during the period.

PERFORMANCE EVALUATION

The Custodial Officer shall periodically establish a benchmark yield for the City's investments. Considerations for establishing the benchmark yield shall include a broker index that closely aligns to the City's portfolio duration and the average yield on the US Treasury rates ranging from 3 months to 5 years. When comparing the performance of the City's portfolio, all fees and expenses involved with managing the portfolio shall be included in the computation of the portfolio's rate of return.

POLICY REVISIONS

This Investment Policy shall be reviewed by the City's Finance Committee and if necessary, the Oregon Short-Term Fund Board prior to being submitted to the City Council for adoption on an annual basis in accordance with ORS 294.135(a). The data contained in the Annexes to this document may be updated by the Custodial Officer as necessary, provided the changes in no way affect the substance or intent of this Policy.

ANNEX I: Authorized Personnel

Persons authorized to transact investment business on behalf of the City of Gresham are as follows:

- ~~Bernard Seeger~~ Sharron Monohon, Budget & Finance ~~& Management Services~~ Department Director
- Custodial Officer
 - Tanner Warner, Treasury Analyst
 - Susan Brown, Finance & Accounting Services Manager

ANNEX II: Approved Custodians

The following safekeeping and custodian institution has been approved by the City of Gresham:

U.S. Bank National Association

ANNEX III: Approved Broker/Dealers

The following broker/dealers have been approved by the City of Gresham:

Bank of America Merrill
Bank of NYC Mellon Cap Markets
Scotia Capital USA Inc. (Bank of Nova Scotia)
Barclays Capital Inc.
BNP Paribas Securities Corp.
Cantor Fitzgerald
Castle Oak Securities
CIBC Global Markets Inc.
Citigroup Global Markets Inc.
Credit Suisse Securities USA LLC
D.A. Davidson
Deutsche Bank Securities Inc.
Daiwa Capital Markets
Fifth Third Bank
FHN Financial
Goldman Sachs & Co.
Great Pacific Securities
Hartfield, Titus & Donnelly LLC
Incapital LLC
Intl FCStone Partners LP
JP Morgan Securities Inc.
KeyBanc Capital Markets
Loop Capital Markets
MarketAxess
Mizuho Securities USA LLC
Morgan Stanley
Multi-Bank Securities
MUFG Securities Americas Inc.
Nomura
Piper Sandler & Co.
Raymond James
RBC Capital Markets
SG Americas Securities LLC
Stifel Nicolaus
SMBC Nikko Securities America Inc.
Suntrust Robinson
TD Securities (USA) LLC
UBS Securities LLC
US Bancorp Investments Inc.
Vining Sparks
Wells Fargo Securities
~~ANZ Securities~~
~~Amherst Pierpont~~
~~Barclays Capital~~
~~BB&T Securities~~
~~Blaylock Beal Van~~
~~BMO Capital Markets~~
~~BNP Paribas Securities~~
~~BofA Securities~~

~~Cantor Fitzgerald
Citigroup Global Markets
Credit Agricole Securities (USA)
Credit Suisse Securities (USA)
Daiwa Capital Markets
Deutsche Bank Securities
FHN Financial Securities
Goldman Sachs
HSBC Securities (USA)
Incapital
INTL FCStone Financial
Jefferies
JP Morgan Securities
Keybank Capital Markets
Mizuho Securities
Morgan Stanley & Co.
MUFG Securities Americas
NAB Securities
NatWest Markets Securities
Nomura Securities International
Oppenheimer & Co.
Piper Jaffray & Co.
Raymond James & Associates
RBC Capital Markets
Robert W. Baird & Co.
Samuel A. Ramirez & Co.
Scotia Capital (USA)
SMBC Nikko Securities America
Stifel Nicolaus & Co.
Sun Trust Robinson Humphrey
TD Securities (USA)
UBS Securities
U.S. Bancorp Investments
Vining Sparks
Wells Fargo Securities~~

ANNEX IV: Limits of Participation in State of Oregon Local Government Investment Pool

Participation in the pool shall not exceed the maximum limit annually set by ORS 294.810. The limitation stated in this section shall not apply to funds of a governing body which are placed in the investment pool on behalf of another governing unit.

C.P.I. adjustments for Local Government Balance Limitation

Period Start	Period End	U.S. City Average CPI	Annual Change	LGIP Deposit Limitation
9/1/12	8/31/13	232.018	1.024%	\$ 46,073,407
9/1/13	8/31/14	235.685	1.580%	\$ 46,801,588
9/1/14	8/31/15	236.749	0.451%	\$ 47,012,858
9/1/15	8/31/17	238.653	0.804%	\$ 47,390,998
9/1/17	8/31/18	243.392	1.987%	\$ 48,333,000
9/1/18	8/31/19	249.280	2.414%	\$ 49,500,000
9/1/19	<u>8/31/20</u>	254.016	1.820%	\$ 50,400,000