

## CITY OF GRESHAM – SEPTEMBER 2024 - INVESTMENT PURCHASES MATRIX

It is the intent of the City that the list of authorized securities is strictly interpreted. Any deviation from this list must be pre-approved in writing by the City Manager.

Type of Investment	Description	Portfolio Composition	Maturity Limitations	Rating Requirements	Safekeeping & Collateral
<b>US Treasury Obligations</b>	Treasury Bills, Treasury Notes, Treasury Bonds and Treasury Strips	Up to 100 %	Not exceeding 7 years from date of settlement (2,555 days)  See exception listed under Maturity Limitations	N/A – Explicit – Guarantee by the federal government	Security itself provides collateral; third party safekeeping.
<b>Federal Agency and Instrumentality Securities</b>	Mortgage backed securities, debentures, discount notes, step-up securities, callable securities and stripped principal or coupons.	Up to 100%  No more than 25% of the portfolio held in any one agency issuer	Not exceeding 7 years from date of settlement (2,555 days)  See exception listed under Maturity Limitations	Subordinated debt may not be purchased.	Security itself provides collateral; third party safekeeping.
<b>Commercial Paper</b>	Subject to a valid registration statement on file with the SEC or issued under the authority of the SEC. Issued by a commercial, industrial or utility business, or by or on behalf of a financial institution.	Commercial Paper and Corporate Bonds limited to a combined total of 35% of portfolio  No more than 5% in any one issuer, affiliates or subsidiaries.	Not exceeding 270 days from date of settlement	S&P: A-1 Moody's: P-1 Fitch: F1	Security itself provides collateral; third party safekeeping.
<b>Time Deposit Open Accounts, Certificates of Deposit, Savings Accounts</b>	Insured Institutions as defined in ORS 706.008 that maintain an office in Oregon.	Limited to 25% of the portfolio  No more than 10% with any one financial institution at the time of purchase	Shall not exceed 366 days	FDIC insured	Any additional collateral per ORS 295.

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<b>Corporate Bonds</b>	Subject to a valid registration statement on file with the SEC or issued under the authority of the SEC. Issued by a commercial, industrial or utility business, or by or on behalf of a financial institution.	Corporate Bonds and Commercial Paper limited to a combined total of 35% of portfolio  No more than 5% in any one issuer, affiliates or subsidiaries.	Not exceeding 7 years from date of settlement (2,555 days)	S&P: AA-Moody's: Aa3 Fitch: AA-	Security itself provides collateral; third party safekeeping.
<b>Bankers Acceptances</b>	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;  AND  b.) Bankers acceptances shall be eligible for discount by the Federal Reserve System.	Not to exceed 25% of the portfolio  No more than 10% of the portfolio held in any one issuer.	Not to exceed 180 days from date of settlement	Institution issuing letter of credit short term rating:  S&P: A-1+ Moody's: P-1 Fitch: F1+	Security itself provides collateral; third party safekeeping
<b>State of Oregon Local Investment Pool</b>	Organized pursuant to ORS 294.805 through 294.895. The participation limit shall not apply to funds of a governing body which are placed in the investment pool on behalf of another governing unit.	Maximum limit set by ORS 294.810 annually	One-day liquidity open-ended	N/A	Securities held by pool provides collateral; no safekeeping required.

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<b>Repurchase Agreements</b>  <u>NO ACTIVE AGREEMENTS</u>	<p>The purchased securities shall have an original minimum market value including accrued interest of 102 percent of the dollar value of the transaction, as prescribed by the written policy of the Oregon Short Term Fund Board.</p> <p>The Custodial Officer shall maintain a copy of the City's approved Master Repurchase Agreement.</p> <p>Agreements shall be entered into only with dealers who have executed a City approved Master Repurchase Agreement with the City. Broker/Dealers, who have executed a Master Repurchase Agreement with the City, are listed in annex IV of the Investment Policy.</p>	<p>Not to exceed combined total of 25% of the portfolio</p> <p>No more than 10% of the portfolio held in any one institution.</p>	<p>Not to exceed 90 days</p>	<p>City approved depository banks.</p> <p>Primary Dealers approved as counterparties shall have a short-term rating of at least A-1 or the equivalent, and a long term rating of at least A or the equivalent.</p>	<p>The term collateral shall mean purchased securities under the terms of the City approved Master Repurchase Agreement.</p> <p>Collateralized by US Treasury securities with the maturity of the collateral not exceeding three years.</p> <p>Held delivery versus payment (DVP) of collateral with third party safekeeping, marked-to-the-market daily.</p>
<b>Obligations of the States of Oregon, California, Idaho and Washington</b>	<p>Lawfully issued debt obligations of these states and their political subdivisions.</p> <p>No default of payment of either principal or the interest of the obligations of the issuing entity within 5 years preceding investment (ORS 294.040).</p>	<p>Maximum 25% of the portfolio</p> <p>No more than 10% with any one issuer.</p> <p>Maximum of \$15 million may be invested in securities issued by the City of Gresham or its component unit.</p>	<p>Shall not exceed 7 years from date of settlement (2,555 days)</p> <p>Exception for securities issued by the City of Gresham or its component unit- Mature within 10 years</p>	<p>Long term rating of AA or an equivalent rating or better or are rated in the highest category for short-term municipal debt by a nationally recognized rating agency.</p> <p>City of Gresham or its component unit: S&amp;P: A- Moody's: A3 Fitch: A-</p>	<p>Security itself provides collateral; third party safekeeping.</p>

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## MATURITY LIMITS AND LIQUIDITY REQUIREMENTS

The City shall not invest in securities maturing more than five years from the date of settlement. The weighted average final maturity of the City's portfolio shall at no time exceed 3.5 years.

A maximum of 10% of the portfolio may be invested in Treasury, Agency, and/or instrumentality securities that mature between 5 and 10 years.

A maximum of \$15 million may be invested in the City of Gresham or its component unit that mature within 10 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.

At all times, the City of Gresham shall maintain an amount in the portfolio in cash and investments maturing within 1 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.

## OTHER INVESTMENT GUIDELINES

**Competitive Transactions:** At least three competitively transacted and documented - required in order to ensure that the City receives competitive pricing. When purchasing original issue instrumentality 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:** Specifically, the city shall not:

1. Make a commitment to invest funds or sell securities more than 14 business days prior to the 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 therefore.