

Deschutes County Investment Advisory Committee

Semi-Annual Meeting April 17, 2026, 11:30am – 1:00pm, In-Person

Location – Deschutes County Administration Building, 2nd Floor Allen Room

Join Zoom Webinar:

<https://deschutescounty.zoomgov.com/j/1615851744?pwd=r9r7OA3Tlwpaek33kNoLOA8bZ25h6S.1>

Webinar ID: 161 585 1744 | Passcode: 403369

By Telephone: Dial 1-669-254-5252

Committee Purpose: The committee will meet with the County Treasurer at least twice per year and review the investment portfolio with regards to compliance with the adopted investment policy. The committee will make recommendations to policy changes and possible investment procedures.

Members:

Eric Berlin – Director, AJ Gallagher & Co.
Craig Renkert – Retired CFO, Federal Metals Credit Union
James Wood – Accounting Manager, City of Redmond
Richard Ambrose – Principal, Axia Wealth Management

County Staff:

Patti Adair – Deschutes County Commissioner
Nick Lelack – Deschutes County Administrator
Bill Kuhn – Deschutes County Treasurer
Robert Tintle – Deschutes County CFO
Angie Powers – Administrative Assistant

Agenda

1. Call to Order
2. Introductions/Notices
3. Review/Approve minutes from October 14, 2025 meeting
4. Treasurer's Report
5. Investment Policy Discussion
6. Other Considerations – Upcoming open committee position
7. Market Discussion
8. Next Steps/Updates
 - a. Investment Policy Statement – next steps
 - b. Annual review of Investment Broker/Dealer authorization update
9. Other Discussion Items
10. Adjourn



Deschutes County encourages persons with disabilities to participate in all programs and activities. This event/location is accessible to people with disabilities. If you need accommodations to make participation possible, please call (541) 388-6571 or send email to angie.powers@deschutes.org.

Condado de Deschutes alienta a las personas cualificadas con discapacidad a participar en sus programas y actividades. Esta evento/ubicación es accesible para personas con discapacidad. Si necesita hacer arreglos para hacer posible la participación, llame al (541) 388-6571 o envíe un correo electrónico a angie.powers@deschutes.org.



MEMORANDUM

DATE: March 30, 2026
TO: Board of County Commissioners
FROM: Bill Kuhn, Treasurer
SUBJECT: Treasury Report for February 2026

Following is the unaudited monthly treasury report for fiscal year to date (YTD) as of February 28, 2026.

Treasury and Investments

- The portfolio balance at the end of February was \$383.6 million, an increase of \$12.1 million from January and an increase of \$19.2 million from last year (February 2025).
- Net investment income for February was \$1,114.5K, approximately \$117k lower than last month and \$30K greater than February 2025. YTD earnings of \$9,071.4K are \$1,076.6K more than the YTD earnings last year.
- All portfolio category balances are within policy limits.
- The LGIP interest rate dropped to 4.00% during the month. The FIB rate was 3.65%. Benchmark returns for 24-month treasuries were down 10 basis points and 36-month rates were down 15 bps from the prior month.
- The average portfolio yield dipped slightly to 3.92%, which was down 8 bps from last month's average %.
- With recent investment activity, the portfolio weighted average time to maturity was 1.36 years.

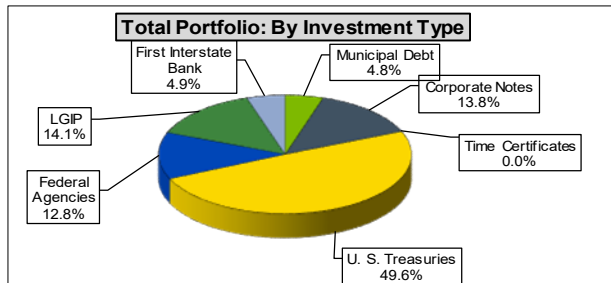
Deschutes County

2/28/2026



Portfolio Breakdown: Par Value by Investment Type		
Municipal Debt	18,575,000	4.8%
Corporate Notes	53,000,000	13.8%
U.S. Treasuries	190,100,000	49.6%
Federal Agencies	49,085,000	12.8%
LGIP	53,972,847	14.1%
First Interstate (Book Balance)	18,831,330	4.9%
Total Investments	\$ 383,564,177	100.0%

Investment Income		
	Feb-26	Y-T-D
Total Investment Income	\$ 1,127,014	\$ 9,171,476
Less Fee: \$12,500 per month	(12,500)	(100,000)
Investment Income - Net	\$ 1,114,514	\$ 9,071,476
Prior Year Comparison	Feb-25	1,083,743 7,994,907

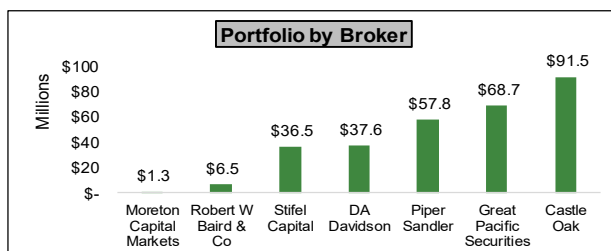


Category Maximums:	
U.S. Treasuries	100%
LGIP (\$63,387,000)	100%
Federal Agencies	100%
Banker's Acceptances	25%
Time Certificates	50%
Municipal Debt	25%
Corporate Debt	25%

Yield Percentages		
	Current Month	Prior Month
LGIP	4.00%	4.10%
Investments	3.96%	3.99%
Average	3.92%	4.00%

Maturity (Years)	
Max	Weighted Average
3.67	1.36

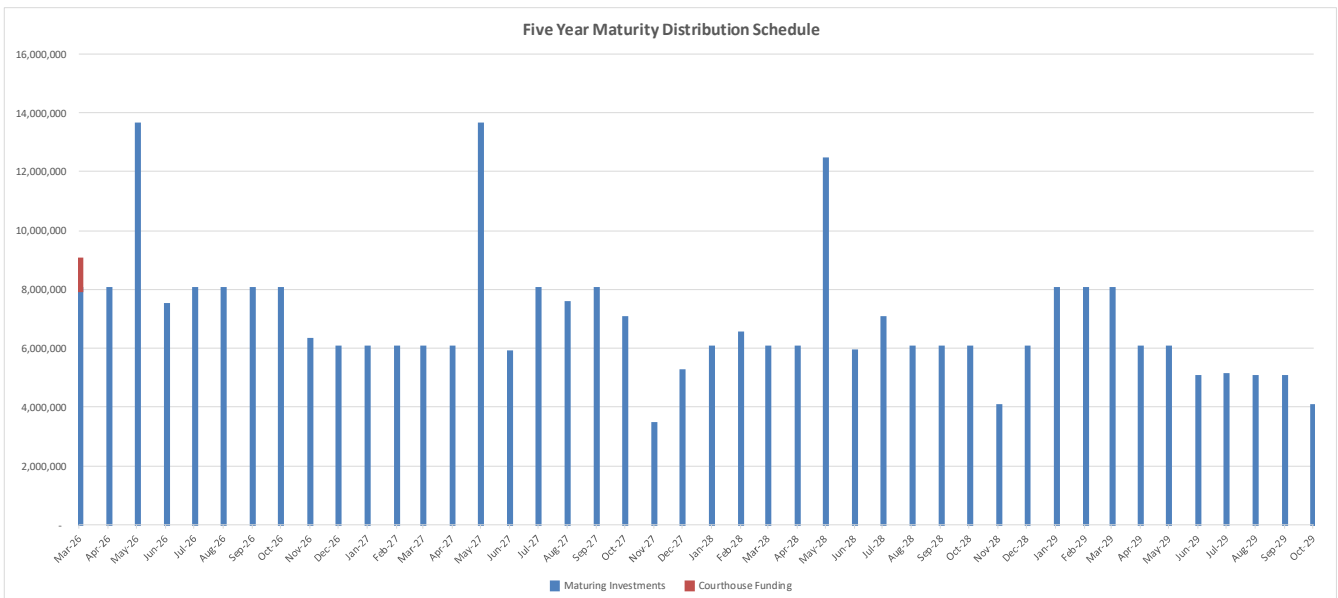
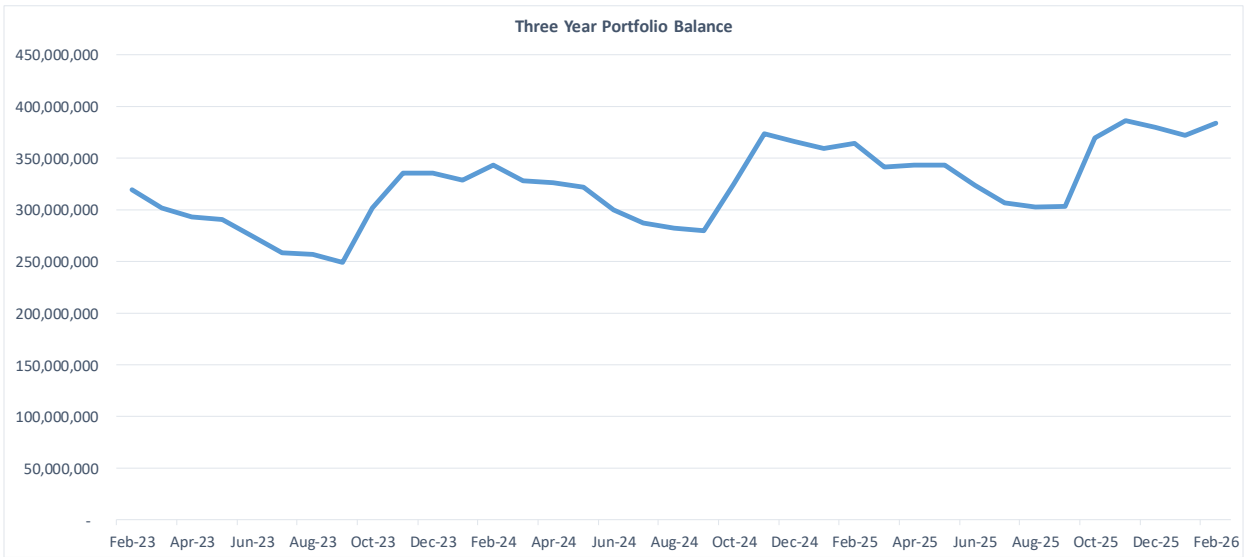
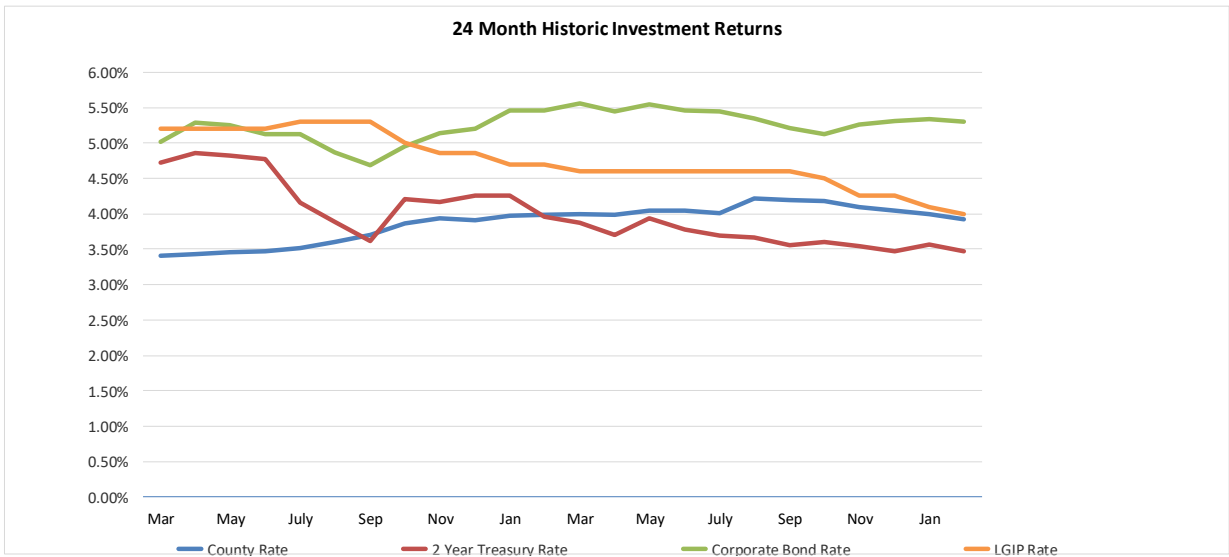
Benchmarks		
	Current Month	Prior Month
24 Month Treasury	3.47%	3.57%
LGIP Rate	4.00%	4.10%
36 Month Treasury	3.49%	3.64%



Term	Minimum	Actual
0 to 30 Days	10%	21.3%
Under 1 Year	25%	44.1%
Under 5 Years	100%	100.0%

Other	Policy	Actual
Corp Issuer	5%	2.9%
Callable	25%	13.1%
Weighted Ave.	AA2	AA1

Investment Activity	
Purchases in Month	\$ 8,000,000
Sales/Redemptions in Month	\$ 9,500,000



Deschutes County Investments
 Portfolio Management
 Portfolio Details - Investments
 February 28, 2026

Inv #	Inv Type	CUSIP	Security	Broker	Purchase Date	Maturity Date	Days To Maturity	Moody's	S&P/Fitch	Coupon Rate	YTM 365	Par Value	Market Value	Book Value	Call Date
11106	FAC	3130ALFS8	Federal Home Loan Bank	PS	6/11/2025	3/10/2026	9	AA1	AA+	0.8	4.23	\$ 1,000,000	\$ 999,344	\$ 999,164	-
10972	FAC	3130AXB31	Federal Home Loan Bank	R W B	11/17/2023	3/13/2026	12	AA1	AA+	4.875	4.78	\$ 2,000,000	\$ 2,000,664	\$ 2,000,058	-
11005	FAC	3130ALSW5	Federal Home Loan Bank	R W B	12/19/2023	3/13/2026	12	AA1	AA+	0.875	4.39	\$ 2,000,000	\$ 1,998,246	\$ 1,997,792	-
10971	FAC	3133EPR0	Federal Farm Credit Bank	GPAC	11/17/2023	4/10/2026	40	AA1	AA+	4.625	4.77	\$ 2,000,000	\$ 2,001,597	\$ 1,999,700	-
10975	FAC	3133EPR0	Federal Farm Credit Bank	GPAC	11/22/2023	4/10/2026	40	AA1	AA+	4.625	4.81	\$ 2,000,000	\$ 2,001,597	\$ 1,999,619	-
10976	FAC	3130ALAJ3	Federal Home Loan Bank	PS	11/22/2023	8/25/2026	177	AA1	AA+	0.7	4.97	\$ 2,000,000	\$ 1,971,424	\$ 1,961,906	5/25/2026
10987	FAC	3133EHWV1	Federal Farm Credit Bank	PS	12/12/2023	9/15/2026	184	AA1	AA+	2.4	4.59	\$ 2,000,000	\$ 1,986,438	\$ 1,979,628	-
11054	FAC	3134GW6C5	Federal Home Loan Mfg Corp	PS	11/15/2024	10/28/2026	241	AA1	AA+	0.8	4.31	\$ 2,000,000	\$ 1,963,375	\$ 1,956,174	4/28/2026
11062	FAC	3130ALZK1	Federal Home Loan Bank	DA DAV	11/22/2024	2/17/2027	363	AA1	AA+	0.85	4.35	\$ 2,000,000	\$ 1,946,007	\$ 1,936,534	5/17/2026
11023	FAC	3130AL5A8	Federal Home Loan Bank	STIFEL	3/21/2024	2/26/2027	362	AA1	AA+	0.9	4.57	\$ 2,000,000	\$ 1,948,274	\$ 1,932,937	5/26/2026
11025	FAC	3130AVBC5	Federal Home Loan Bank	PS	4/29/2024	3/12/2027	376	AA1	AA+	4.5	4.87	\$ 2,000,000	\$ 2,019,595	\$ 1,992,846	-
11024	FAC	31424WHG0	Federal Agriculture Mfg Corp	PS	4/29/2024	4/16/2027	411	AA1	AA+	4.8	4.88	\$ 2,000,000	\$ 2,027,165	\$ 1,998,239	-
11033	FAC	3134GYVY8	Federal Home Loan Mfg Corp	DA DAV	10/25/2024	10/22/2027	600	AA1	AA+	3.75	4.16	\$ 1,000,000	\$ 999,246	\$ 993,689	-
11173	FAC	3133ETA98	Federal Farm Credit Bank	GPAC	10/4/2024	11/26/2027	635	AA1	AA+	1	3.65	\$ 1,000,000	\$ 958,413	\$ 956,592	5/26/2026
11095	FAC	3133ERT84	Federal Farm Credit Bank	PS	2/19/2026	1/3/2028	673	AA1	AA+	3.5	3.47	\$ 1,000,000	\$ 1,001,308	\$ 1,000,521	-
11115	FAC	3133ETMC8	Federal Farm Credit Bank	GPAC	1/17/2025	1/14/2028	684	AA1	AA+	4.25	4.31	\$ 2,000,000	\$ 2,024,822	\$ 1,998,075	-
11094	FAC	3133ETNU7	Federal Farm Credit Bank	GPAC	8/20/2025	4/20/2028	781	Aaa	AA+	3.875	3.71	\$ 3,000,000	\$ 3,028,757	\$ 3,009,733	-
11110	FAC	3133ETNU7	Federal Farm Credit Bank	DA DAV	7/23/2025	4/28/2028	789	AA1	AA+	1.4	4.39	\$ 1,000,000	\$ 957,968	\$ 949,485	-
11111	FAC	3133ETNU7	Federal Farm Credit Bank	CASTLE	8/20/2025	7/3/2028	855	AA1	AA+	3.75	3.77	\$ 2,000,000	\$ 2,015,149	\$ 1,990,094	-
11151	FAC	3133ER6E6	Federal Farm Credit Bank	GPAC	12/8/2025	12/7/2028	1012	AA1	AA+	3.75	3.73	\$ 3,000,000	\$ 3,022,723	\$ 3,001,560	-
11144	FAC	3130A0FR6	Federal Home Loan Bank	PS	11/24/2025	12/8/2028	1013	AA1	AA+	4	3.58	\$ 2,000,000	\$ 2,030,312	\$ 2,021,840	-
11165	FAC	3133EMVB5	Federal Farm Credit Bank	STIFEL	12/22/2025	4/5/2029	1131	AA1	AA+	1.73	3.59	\$ 2,000,000	\$ 1,899,405	\$ 1,892,122	-
11156	FAC	3133EMMY2	Federal Farm Credit Bank	CASTLE	12/22/2025	5/11/2029	1167	AA1	AA+	1.6	3.74	\$ 2,000,000	\$ 1,888,298	\$ 1,881,113	-
11167	FAC	3130AGKX0	Federal Home Loan Bank	DA DAV	1/21/2026	7/27/2029	1244	AA1	AA+	2	3.54	\$ 1,085,000	\$ 1,033,433	\$ 1,025,267	4/27/2026
11166	FAC	3133ERSP7	Federal Farm Credit Bank	CASTLE	1/21/2026	9/10/2029	1289	AA1	AA+	3.5	3.73	\$ 1,000,000	\$ 1,000,760	\$ 992,555	-
10978	TRC	91282CGR6	U.S. Treasury	CASTLE	11/22/2023	3/15/2026	14	AA1		4.625	4.71	\$ 2,000,000	\$ 2,000,591	\$ 1,999,935	-
10999	TRC	91282CGV7	U.S. Treasury	CASTLE	12/19/2023	4/15/2026	45	AA1		3.75	4.29	\$ 2,000,000	\$ 2,000,043	\$ 1,998,748	-
11101	TRC	91282CGV7	U.S. Treasury	CASTLE	3/20/2025	4/15/2026	45	AA1		3.75	4.14	\$ 2,000,000	\$ 2,000,043	\$ 1,999,074	-
10969	TRC	91282CHB0	U.S. Treasury	PS	11/17/2023	5/15/2026	75	AA1		3.625	4.66	\$ 2,000,000	\$ 1,999,586	\$ 1,996,021	-
10974	TRC	91282CHB0	U.S. Treasury	GPAC	11/22/2023	5/15/2026	75	AA1		3.625	4.67	\$ 2,000,000	\$ 1,999,586	\$ 1,995,986	-
10998	TRC	91282R36	U.S. Treasury	CASTLE	12/19/2023	5/15/2026	75	AA1		1.625	4.26	\$ 2,000,000	\$ 1,991,597	\$ 1,989,796	-
11120	TRC	91282CHB0	U.S. Treasury	CASTLE	3/20/2025	5/15/2026	75	AA1		3.625	4.13	\$ 2,000,000	\$ 1,999,586	\$ 1,997,968	-
11120	TRC	91282CHB0	U.S. Treasury	PS	11/12/2025	5/15/2026	75	AA1		3.625	3.70	\$ 2,000,000	\$ 1,999,586	\$ 1,999,682	-
10963	TRC	91282CHM6	U.S. Treasury	STIFEL	9/29/2023	7/15/2026	136	AA1		4.5	4.88	\$ 3,000,000	\$ 3,009,234	\$ 2,996,040	-
11044	TRC	91282CCP4	U.S. Treasury	GPAC	11/6/2024	7/31/2026	152	AA1		0.625	4.23	\$ 2,000,000	\$ 1,975,365	\$ 1,971,308	-
11051	TRC	91282CCP4	U.S. Treasury	CASTLE	11/14/2024	7/31/2026	152	AA1		0.625	4.29	\$ 2,000,000	\$ 1,975,365	\$ 1,970,826	-
11055	TRC	91282CCP4	U.S. Treasury	DA DAV	11/15/2024	7/31/2026	152	AA1		0.625	4.26	\$ 1,000,000	\$ 987,682	\$ 985,525	-
10970	TRC	91282CHU8	U.S. Treasury	GPAC	11/17/2023	8/15/2026	167	AA1		4.375	4.63	\$ 2,000,000	\$ 2,006,367	\$ 1,997,799	-
11050	TRC	91282CLH2	U.S. Treasury	CASTLE	11/14/2024	8/31/2026	183	AA1		3.75	4.30	\$ 2,000,000	\$ 2,000,766	\$ 1,994,740	-
11060	TRC	91282CLH2	U.S. Treasury	CASTLE	11/22/2024	8/31/2026	183	AA1		3.75	4.35	\$ 2,000,000	\$ 2,000,766	\$ 1,994,277	-
11049	TRC	91282CLP4	U.S. Treasury	CASTLE	11/14/2024	9/30/2026	213	AA1		3.5	4.29	\$ 2,000,000	\$ 1,998,319	\$ 1,991,230	-
10973	TRC	91282CJ6	U.S. Treasury	STIFEL	11/17/2023	10/15/2026	228	AA1		4.625	4.59	\$ 2,000,000	\$ 2,012,047	\$ 2,000,376	-
10996	TRC	91282CJ6	U.S. Treasury	STIFEL	12/12/2023	10/15/2026	228	AA1		4.625	4.46	\$ 2,000,000	\$ 2,012,047	\$ 2,001,914	-
11066	TRC	91282CJ6	U.S. Treasury	PS	11/22/2024	11/15/2026	228	AA1		4.625	4.32	\$ 2,000,000	\$ 2,012,047	\$ 2,003,594	-
10997	TRC	91282CJ6	U.S. Treasury	STIFEL	12/12/2023	11/15/2026	259	AA1		4.625	4.45	\$ 2,000,000	\$ 2,013,938	\$ 2,002,274	-
11058	TRC	91282CJ6	U.S. Treasury	CASTLE	11/22/2024	11/15/2026	259	AA1		4.625	4.31	\$ 2,000,000	\$ 2,013,938	\$ 2,004,226	-
11069	TRC	91282CJ6	U.S. Treasury	GPAC	11/25/2024	11/15/2026	259	AA1		4.625	4.34	\$ 2,000,000	\$ 2,013,938	\$ 2,003,822	-
11022	TRC	91282CJP7	U.S. Treasury	CASTLE	3/21/2024	12/15/2026	289	AA1		4.375	4.50	\$ 2,000,000	\$ 2,012,500	\$ 1,998,102	-
11068	TRC	91282CJP7	U.S. Treasury	DA DAV	11/25/2024	12/15/2026	289	AA1		4.375	4.33	\$ 2,000,000	\$ 2,012,500	\$ 2,000,655	-
11021	TRC	91282CJT9	U.S. Treasury	CASTLE	3/21/2024	1/15/2027	320	AA1		4	4.49	\$ 2,000,000	\$ 2,007,930	\$ 1,994,039	-
11061	TRC	91282CJT9	U.S. Treasury	CASTLE	11/22/2024	1/15/2027	320	AA1		4	4.31	\$ 2,000,000	\$ 2,007,930	\$ 1,994,802	-
11070	TRC	91282CJT9	U.S. Treasury	GPAC	11/25/2024	1/15/2027	320	AA1		4	4.32	\$ 2,000,000	\$ 2,007,930	\$ 1,994,654	-
11178	TRC	91282Z78	U.S. Treasury	STIFEL	2/19/2026	1/31/2027	336	AA1		1.5	3.54	\$ 1,000,000	\$ 981,719	\$ 981,712	-
11077	TRC	91282CKA8	U.S. Treasury	PS	11/25/2024	2/15/2027	351	AA1		4.125	4.32	\$ 2,000,000	\$ 2,011,063	\$ 1,996,352	-
11171	TRC	91282B9V8	U.S. Treasury	PS	2/19/2026	2/15/2027	351	AA1		2.25	3.51	\$ 1,000,000	\$ 988,076	\$ 988,235	-
11063	TRC	91282CKE0	U.S. Treasury	DA DAV	11/22/2024	3/15/2027	379	AA1		4.25	4.28	\$ 2,000,000	\$ 2,015,137	\$ 1,999,344	-
11075	TRC	91282CKE0	U.S. Treasury	CASTLE	11/25/2024	3/15/2027	379	AA1		4.25	4.32	\$ 2,000,000	\$ 2,015,137	\$ 1,998,520	-
11059	TRC	91282CKJ9	U.S. Treasury	CASTLE	11/22/2024	4/15/2027	410	AA1		4.5	4.30	\$ 2,000,000	\$ 2,022,109	\$ 2,004,251	-

Inv #	Inv Type	CUSIP	Security	Broker	Purchase Date	Maturity Date	Days To Maturity	Ratings	S&P/Fitch	Coupon Rate	YTM 365	Par Value	Market Value	Book Value	Call Date
11071	TRC	91282CKJ9	U.S. Treasury	GPAC	11/25/2024	4/15/2027	410	AA1		4.5	4.31	\$ 2,000,000	\$ 2,022,109	\$ 2,003,972	-
11172	TRC	91282CKJ9	U.S. Treasury	PS	2/19/2026	4/15/2027	410	AA1		4.5	3.49	\$ 1,000,000	\$ 1,011,055	\$ 1,010,963	-
11057	TRC	91282CKR1	U.S. Treasury	CASTLE	11/22/2024	5/15/2027	440	AA1		4.5	4.29	\$ 2,000,000	\$ 2,023,672	\$ 2,004,753	-
11119	TRC	912828X88	U.S. Treasury	STIFEL	9/12/2025	5/15/2027	440	AA1		2.375	3.53	\$ 2,000,000	\$ 1,973,124	\$ 1,973,124	-
11121	TRC	912828X88	U.S. Treasury	PS	11/12/2025	5/15/2027	440	AA1		2.375	3.61	\$ 2,000,000	\$ 1,973,906	\$ 1,971,196	-
11131	TRC	91282CKR1	U.S. Treasury	DA DAV	11/18/2025	5/15/2027	440	AA1		4.5	3.63	\$ 2,000,000	\$ 2,023,672	\$ 2,020,258	-
11137	TRC	91282CKR1	U.S. Treasury	CASTLE	11/24/2025	5/15/2027	440	AA1		4.5	3.56	\$ 1,600,000	\$ 1,618,938	\$ 1,617,616	-
11086	TRC	91282CKV2	U.S. Treasury	GPAC	12/6/2024	6/15/2027	471	AA1		4.625	4.13	\$ 1,500,000	\$ 1,521,797	\$ 1,509,080	-
11177	TRC	91282CKV2	U.S. Treasury	CASTLE	2/19/2026	6/15/2027	471	AA1		4.625	3.48	\$ 1,000,000	\$ 1,014,531	\$ 1,014,229	-
11038	TRC	912828ZV5	U.S. Treasury	GPAC	10/25/2024	6/30/2027	486	AA1		0.5	3.98	\$ 1,000,000	\$ 961,953	\$ 956,421	-
11031	TRC	91282CFB2	U.S. Treasury	CASTLE	10/4/2024	7/31/2027	517	AA1		2.75	3.62	\$ 1,000,000	\$ 990,469	\$ 988,393	-
11040	TRC	91282CFB2	U.S. Treasury	CASTLE	10/25/2024	7/31/2027	517	AA1		2.75	4.00	\$ 2,000,000	\$ 990,469	\$ 983,427	-
11052	TRC	91282CFB2	U.S. Treasury	STIFEL	11/14/2024	7/31/2027	517	AA1		2.75	4.24	\$ 2,000,000	\$ 1,980,938	\$ 1,960,470	-
11072	TRC	91282CFB2	U.S. Treasury	GPAC	11/25/2024	7/31/2027	517	AA1		2.75	4.30	\$ 2,000,000	\$ 1,980,938	\$ 1,958,866	-
11085	TRC	91282CFB2	U.S. Treasury	STIFEL	12/6/2024	7/31/2027	517	AA1		2.75	4.13	\$ 1,500,000	\$ 1,485,703	\$ 1,472,443	-
11032	TRC	912828ZR0	U.S. Treasury	CASTLE	10/4/2024	8/15/2027	532	AA1		2.25	3.61	\$ 1,000,000	\$ 983,203	\$ 981,247	-
11048	TRC	91282CLG4	U.S. Treasury	CASTLE	11/14/2024	8/15/2027	532	AA1		3.75	4.25	\$ 2,000,000	\$ 2,008,984	\$ 1,986,256	-
11067	TRC	91282CFH9	U.S. Treasury	DA DAV	11/25/2024	8/31/2027	548	AA1		3.125	4.30	\$ 2,000,000	\$ 1,990,938	\$ 1,971,883	-
11084	TRC	91282CFH9	U.S. Treasury	STIFEL	12/6/2024	8/31/2027	548	AA1		3.125	4.12	\$ 2,000,000	\$ 1,990,938	\$ 1,971,883	-
11080	TRC	91282CLL3	U.S. Treasury	PS	12/6/2024	9/15/2027	563	AA1		3.375	4.12	\$ 2,000,000	\$ 1,998,359	\$ 1,978,551	-
11053	TRC	91282CAL5	U.S. Treasury	GPAC	11/14/2024	9/30/2027	578	AA1		0.375	4.25	\$ 2,000,000	\$ 1,907,500	\$ 1,885,647	-
11074	TRC	91282CAL5	U.S. Treasury	CASTLE	11/25/2024	9/30/2027	578	AA1		0.375	4.30	\$ 2,000,000	\$ 953,750	\$ 942,023	-
11076	TRC	91282CLQ2	U.S. Treasury	CASTLE	11/25/2024	10/15/2027	593	AA1		3.875	4.30	\$ 2,000,000	\$ 2,014,219	\$ 1,987,077	-
11122	TRC	91282CLQ2	U.S. Treasury	PS	11/12/2025	10/15/2027	593	AA1		3.875	3.58	\$ 2,000,000	\$ 2,014,219	\$ 2,009,039	-
11046	TRC	91282CFU0	U.S. Treasury	CASTLE	11/6/2024	10/31/2027	609	AA1		4.125	4.16	\$ 2,000,000	\$ 2,022,734	\$ 1,998,777	-
11087	TRC	9128283F5	U.S. Treasury	GPAC	12/6/2024	11/15/2027	624	AA1		2.25	4.12	\$ 2,000,000	\$ 1,961,875	\$ 1,940,356	-
11081	TRC	91282CBB9	U.S. Treasury	DA DAV	12/6/2024	12/31/2027	670	AA1		3.875	4.10	\$ 2,000,000	\$ 2,016,719	\$ 1,992,283	-
11090	TRC	91282CBB9	U.S. Treasury	CASTLE	1/8/2025	12/31/2027	670	AA1		0.625	4.34	\$ 2,000,000	\$ 1,902,578	\$ 1,873,450	-
11093	TRC	91282CMF5	U.S. Treasury	DA DAV	1/15/2025	1/15/2028	685	AA1		4.25	4.33	\$ 2,000,000	\$ 2,030,625	\$ 1,997,172	-
11083	TRC	91282CBJ9	U.S. Treasury	STIFEL	12/6/2024	1/31/2028	701	AA1		0.75	4.12	\$ 2,000,000	\$ 1,903,203	\$ 1,879,701	-
11089	TRC	9128283W8	U.S. Treasury	CASTLE	1/8/2025	2/15/2028	716	AA1		2.75	4.36	\$ 2,500,000	\$ 2,470,410	\$ 2,427,054	-
11096	TRC	9128283W8	U.S. Treasury	PS	1/17/2025	2/15/2028	716	AA1		2.75	4.29	\$ 2,000,000	\$ 1,976,328	\$ 1,943,943	-
11174	TRC	9128283W8	U.S. Treasury	PS	2/19/2026	2/15/2028	716	AA1		2.75	3.45	\$ 1,000,000	\$ 988,164	\$ 986,873	-
11082	TRC	91282CGP0	U.S. Treasury	STIFEL	12/6/2024	2/29/2028	730	AA1		4	4.12	\$ 2,000,000	\$ 2,023,438	\$ 1,995,561	-
11175	TRC	91282CMS7	U.S. Treasury	PS	2/19/2026	3/15/2028	745	AA1		3.875	3.44	\$ 1,000,000	\$ 1,009,888	\$ 1,008,526	-
11079	TRC	91282CBB9	U.S. Treasury	PS	12/6/2024	3/31/2028	761	AA1		1.25	4.12	\$ 2,000,000	\$ 1,915,156	\$ 1,889,342	-
11091	TRC	91282CGT2	U.S. Treasury	PS	1/8/2025	3/31/2028	761	AA1		3.625	4.35	\$ 2,000,000	\$ 2,009,609	\$ 1,971,989	-
11098	TRC	91282CGT2	U.S. Treasury	CASTLE	1/17/2025	3/31/2028	761	AA1		3.625	4.32	\$ 2,000,000	\$ 2,009,609	\$ 1,973,147	-
11078	TRC	91282CHA2	U.S. Treasury	PS	12/6/2024	4/30/2028	791	AA1		3.5	4.12	\$ 2,000,000	\$ 2,004,766	\$ 1,975,301	-
11109	TRC	91282CND9	U.S. Treasury	CASTLE	7/23/2025	5/15/2028	806	AA1		3.75	3.76	\$ 2,000,000	\$ 2,015,469	\$ 1,999,326	-
11112	TRC	9128284N7	U.S. Treasury	CASTLE	8/20/2025	5/15/2028	806	AA1		2.875	3.71	\$ 3,000,000	\$ 2,967,891	\$ 2,947,999	-
11116	TRC	9128284N7	U.S. Treasury	CASTLE	9/18/2025	5/15/2028	806	AA1		2.875	3.48	\$ 2,000,000	\$ 1,978,594	\$ 1,974,838	-
11129	TRC	9128284N7	U.S. Treasury	CASTLE	11/18/2025	5/15/2028	806	AA1		2.875	3.60	\$ 2,000,000	\$ 1,978,594	\$ 1,969,797	-
11136	TRC	91282CND9	U.S. Treasury	CASTLE	11/24/2025	5/15/2028	806	AA1		3.75	3.50	\$ 2,400,000	\$ 2,418,563	\$ 2,412,552	-
11097	TRC	91282CCE9	U.S. Treasury	STIFEL	1/17/2025	5/31/2028	822	AA1		1.25	4.32	\$ 1,000,000	\$ 954,297	\$ 936,238	-
11113	TRC	91282CCE2	U.S. Treasury	STIFEL	8/20/2025	6/30/2028	852	AA1		1.25	3.71	\$ 3,000,000	\$ 2,858,203	\$ 2,838,339	-
11123	TRC	91282CNM9	U.S. Treasury	PS	11/12/2025	7/15/2028	867	AA1		3.875	3.59	\$ 2,000,000	\$ 2,022,266	\$ 2,012,774	-
11125	TRC	91282CPC9	U.S. Treasury	CASTLE	11/12/2025	10/15/2028	959			3.5	3.58	\$ 4,000,000	\$ 2,005,859	\$ 1,996,072	-
11130	TRC	91282CPC9	U.S. Treasury	CASTLE	11/18/2025	10/15/2028	959			3.5	3.61	\$ 4,000,000	\$ 4,011,719	\$ 3,988,995	-
11124	TRC	9128285M8	U.S. Treasury	PS	11/12/2025	11/15/2028	990	AA1		3.125	3.59	\$ 2,000,000	\$ 1,986,797	\$ 1,976,363	-
11134	TRC	91282CJR3	U.S. Treasury	PS	11/18/2025	12/31/2028	1036	Aaa		3.75	3.61	\$ 2,000,000	\$ 2,019,766	\$ 2,007,913	-
11135	TRC	91282CDW8	U.S. Treasury	PS	11/18/2025	1/31/2029	1067	AA1		1.75	3.60	\$ 2,000,000	\$ 1,909,688	\$ 1,898,042	-
11157	TRC	91282CDW8	U.S. Treasury	CASTLE	12/22/2025	1/31/2029	1067	AA1		1.75	3.54	\$ 2,000,000	\$ 1,909,688	\$ 1,901,671	-
11128	TRC	9128286B1	U.S. Treasury	CASTLE	11/18/2025	2/15/2029	1082	AA1		2.625	3.62	\$ 2,000,000	\$ 1,957,188	\$ 1,944,859	-
11145	TRC	9128286B1	U.S. Treasury	STIFEL	11/24/2025	2/15/2029	1082	AA1		2.625	3.51	\$ 2,000,000	\$ 1,957,188	\$ 1,950,707	-
11146	TRC	9128286B1	U.S. Treasury	CASTLE	12/8/2025	2/15/2029	1082	AA1		2.625	3.59	\$ 2,000,000	\$ 1,957,188	\$ 1,946,379	-
11158	TRC	9128286B1	U.S. Treasury	CASTLE	12/22/2025	2/15/2029	1082	AA1		2.625	3.54	\$ 2,000,000	\$ 1,957,188	\$ 1,949,178	-
11143	TRC	91282CEE7	U.S. Treasury	PS	11/24/2025	3/31/2029	1126	AA1		2.375	3.50	\$ 2,000,000	\$ 1,940,703	\$ 1,934,963	-
11149	TRC	91282CEE7	U.S. Treasury	DA DAV	12/8/2025	3/31/2029	1126	AA1		2.375	3.59	\$ 2,000,000	\$ 1,940,703	\$ 1,930,149	-
11138	TRC	9128286T2	U.S. Treasury	CASTLE	11/24/2025	5/15/2029	1171	AA1		2.375	3.54	\$ 2,000,000	\$ 1,937,969	\$ 1,930,160	-
11147	TRC	9128286T2	U.S. Treasury	CASTLE	12/8/2025	5/15/2029	1171	AA1		2.375	3.60	\$ 2,000,000	\$ 1,937,969	\$ 1,926,462	-
11148	TRC	912828YB0	U.S. Treasury	CASTLE	12/8/2025	8/15/2029	1263	Aaa		1.625	3.59	\$ 2,000,000	\$ 1,885,078	\$ 1,873,765	-
11169	TRC	91282CLK5	U.S. Treasury	PS	1/21/2026	8/31/2029	1279	AA1		3.625	3.72	\$ 1,000,000	\$ 1,006,406	\$ 996,982	-
11155	TRC	91282CLN9	U.S. Treasury	PS	12/8/2025	9/30/2029	1309	AA1		3.5	3.62	\$ 2,000,000	\$ 2,004,531	\$ 1,991,950	-
11161	TRC	91282CLN9	U.S. Treasury	DA DAV	12/22/2025	9/30/2029	1309	AA1		3.5	3.59	\$ 2,000,000	\$ 2,004,531	\$ 1,993,939	-

Inv #	Inv Type	CUSIP	Security	Broker	Purchase Date	Maturity Date	Days To Maturity	Ratings	Coupon Rate	YTM 365	Par Value	Market Value	Book Value	Call Date
11170	TRC	91282CFT3	U.S. Treasury	STIFEL	1/21/2026	10/31/2029	1,340	AA1	4.00	3.74	\$ 2,000,000	\$ 2,038,281	\$ 2,017,466	-
11099	MC1	478160BY9	Johnson & Johnson	GPAC	3/20/2025	3/1/2026	0	Aaa	2.45	4.20	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	-
10865	MC1	037833DN7	Apple Inc	GPAC	11/18/2021	9/11/2026	194	AA+	2.05	1.46	\$ 2,000,000	\$ 1,981,865	\$ 2,006,041	7/11/2026
11064	MC1	037833DN7	Apple Inc	GPAC	11/22/2024	9/11/2026	194	Aaa	2.05	4.41	\$ 2,000,000	\$ 1,981,865	\$ 1,976,287	7/11/2026
11065	MC1	48125LUR8	JPMorgan Chase - Corporate N	GPAC	11/22/2024	12/8/2026	282	AA2	5.11	4.52	\$ 2,000,000	\$ 2,018,222	\$ 2,008,536	11/8/2026
11176	MC1	742718FG9	Procter & Gamble	GPAC	2/19/2026	3/25/2027	389	AA2	2.80	3.51	\$ 1,000,000	\$ 991,899	\$ 992,611	-
11118	MC1	22160KAM7	COSTCO WHOLESALE CORP	GPAC	9/12/2025	5/18/2027	443	AA3	3.00	3.61	\$ 2,000,000	\$ 1,987,053	\$ 1,985,794	2/18/2027
11039	MC1	037833DB3	Apple Inc	GPAC	10/25/2024	9/12/2027	560	Aaa	2.90	4.10	\$ 2,000,000	\$ 990,329	\$ 982,827	6/12/2027
11045	MC1	037833DB3	Apple Inc	GPAC	11/6/2024	9/12/2027	560	Aaa	2.90	4.26	\$ 2,000,000	\$ 1,980,658	\$ 1,961,011	6/12/2027
11108	MC1	037833EH9	Apple Inc	GPAC	7/23/2025	8/5/2028	888	Aaa	1.40	3.71	\$ 2,000,000	\$ 1,902,559	\$ 1,885,868	6/5/2028
11126	MC1	037833EH9	Apple Inc	DA DAV	11/12/2025	8/5/2028	888	AA2	1.40	3.93	\$ 2,000,000	\$ 1,902,559	\$ 1,894,231	6/5/2028
11114	MC1	166756BH8	Chevron Corp	PS	8/20/2025	8/13/2028	896	AA2	1.50	3.93	\$ 2,000,000	\$ 2,020,752	\$ 2,005,310	7/13/2028
11127	MC1	931142ES8	WALMART	DA DAV	11/12/2025	9/22/2028	936	AA2	4.05	3.65	\$ 2,000,000	\$ 1,896,921	\$ 1,896,633	7/22/2028
11132	MC1	931142ES8	WALMART	GPAC	11/18/2025	9/22/2028	936	AA2	1.50	3.71	\$ 4,000,000	\$ 3,805,842	\$ 3,787,180	7/22/2028
11140	MC1	02079KAV9	ALPHABET INC	DA DAV	11/24/2025	11/15/2028	990	AA2	3.68	3.67	\$ 2,000,000	\$ 2,014,988	\$ 2,011,623	10/15/2028
11152	MC1	89236TFT7	Toyota Mir Cred - Corp N	GPAC	12/8/2025	1/8/2029	1,044	A1	3.40	3.95	\$ 2,000,000	\$ 1,997,830	\$ 1,982,920	-
11142	MC1	24422EXH7	JOHN DEERE CAPITAL CORP	GPAC	11/24/2025	1/16/2029	1,052	A1	4.50	3.84	\$ 2,000,000	\$ 2,043,900	\$ 2,035,347	-
11133	MC1	58933YAX3	Merck & Co. Inc.	GPAC	11/18/2025	3/17/2029	1,102	AA3	3.40	4.01	\$ 2,000,000	\$ 1,982,031	\$ 1,966,052	-
11162	MC1	58933YBW4	Merck & Co. Inc.	GPAC	12/22/2025	3/15/2029	1,110	AA3	3.85	3.67	\$ 2,000,000	\$ 2,008,708	\$ 2,010,065	2/15/2029
11139	MC1	023135CG9	AMAZON	DA DAV	11/24/2025	4/13/2029	1,139	A1	3.45	3.85	\$ 2,000,000	\$ 1,985,547	\$ 1,976,768	-
11153	MC1	24422EW65	JOHN DEERE CAPITAL CORP	GPAC	12/8/2025	4/18/2029	1,144	A1	2.95	3.93	\$ 2,000,000	\$ 1,973,686	\$ 1,966,469	-
11154	MC1	437076BY7	HOME DEPOT INC	PS	12/22/2025	6/1/2029	1,188	AA1	3.91	3.91	\$ 2,000,000	\$ 1,949,916	\$ 1,942,397	3/1/2029
11168	MC1	437076BY7	HOME DEPOT INC	GPAC	12/8/2025	6/15/2029	1,202	A2	2.95	3.92	\$ 2,000,000	\$ 1,950,354	\$ 1,940,921	3/15/2029
11150	MC1	931142EN9	WALMART	GPAC	12/1/2026	6/15/2029	1,202	A2	2.95	3.94	\$ 2,000,000	\$ 975,177	\$ 969,781	3/15/2029
11159	MC1	931142EN9	WALMART	DA DAV	12/8/2025	7/8/2029	1,225	AA2	3.25	3.74	\$ 2,000,000	\$ 1,982,740	\$ 1,969,423	4/8/2029
11163	MC1	532457CQ9	Elil Lilly & Co.	DA DAV	12/22/2025	7/8/2029	1,225	AA2	3.25	3.69	\$ 2,000,000	\$ 1,982,740	\$ 1,972,549	4/8/2029
11160	MC1	166756AS5	Chevron Corp	DA DAV	12/22/2025	8/14/2029	1,262	AA3	4.20	3.85	\$ 2,000,000	\$ 2,022,454	\$ 2,022,454	7/14/2029
10871	MUN	250325UL9	DESCHUTES CTY SCH DIST #1	R W B	12/7/2021	6/15/2026	106	Aa1	1.40	1.23	\$ 2,000,000	\$ 1,970,805	\$ 1,959,199	7/15/2029
10870	MUN	569280EX4	Salem-Keizer School District	PS	12/7/2021	6/15/2026	106	Aa1	1.44	1.29	\$ 2,000,000	\$ 1,986,707	\$ 2,000,828	-
10845	MUN	736688MF6	Portland Community College	MORETN	7/23/2021	6/15/2026	106	Aa1	0.90	0.80	\$ 1,250,000	\$ 1,240,101	\$ 1,250,350	-
11042	MUN	569203MG4	Salem-Keizer School District	PS	11/6/2024	6/30/2026	121	Aa2	3.22	4.36	\$ 1,750,000	\$ 1,747,496	\$ 1,743,679	-
10875	MUN	68587FAW4	OR EDU DIST'S FF&C PENSION OBLI	R W B	12/8/2021	6/30/2026	121	AA2	1.10	1.39	\$ 250,000	\$ 247,229	\$ 249,775	-
10863	MUN	68583RCV2	OR ST COMMUNITY COLLEGE DIST	GPAC	11/18/2021	6/30/2026	121	Aa1	5.68	1.40	\$ 210,000	\$ 211,364	\$ 212,867	-
10876	MUN	68607DVC6	ODOT HWY USER TAX REV	R W B	12/8/2021	11/15/2026	259	Aa1	0.93	1.37	\$ 260,000	\$ 255,267	\$ 259,236	-
11036	MUN	68609TWF1	Oregon State Lottery	STIFEL	10/23/2024	5/1/2027	426	AA+	1.32	4.05	\$ 1,000,000	\$ 974,305	\$ 969,952	-
11029	MUN	91412HGF4	UNIV OF CALIFORNIA CA REVENUES	STIFEL	9/25/2024	5/15/2027	440	AA2	1.32	3.70	\$ 1,000,000	\$ 974,062	\$ 972,850	-
11056	MUN	473448EZ7	JEFFERSON COUNTY SCHOOL DIST	STIFEL	11/15/2024	6/15/2027	471	AA1	1.79	4.32	\$ 1,580,000	\$ 1,546,895	\$ 1,531,598	-
11037	MUN	515390PX4	Lane County School District	PS	10/9/2024	6/15/2027	471	Aa1	1.10	4.01	\$ 500,000	\$ 484,586	\$ 482,413	-
11027	MUN	685869FR5	OR EDU DIST'S FF&C PENSION OBLI	GPAC	10/24/2024	6/30/2027	486	AA2	1.36	4.09	\$ 1,260,000	\$ 1,223,749	\$ 1,217,052	-
11028	MUN	68608USZ0	Oregon State Lottery	GPAC	9/25/2024	7/1/2027	487	Aa3	2.60	3.60	\$ 505,000	\$ 498,174	\$ 498,388	-
11035	MUN	68609TWF1	Oregon State Lottery	STIFEL	9/24/2024	8/1/2027	518	AA+	3.23	3.64	\$ 515,000	\$ 512,978	\$ 512,156	-
11073	MUN	079365X8	City of Bellevue WA	STIFEL	10/23/2024	11/1/2027	610	AA+	2.10	4.11	\$ 400,000	\$ 390,625	\$ 387,493	-
11092	MUN	473448FA1	JEFFERSON COUNTY SCHOOL DIST	STIFEL	11/25/2024	12/1/2027	640	AAA	1.12	4.35	\$ 1,200,000	\$ 1,152,011	\$ 1,137,049	-
11088	MUN	68587FAV0	OR EDU DIST'S FF&C PENSION OBLI	PS	1/8/2025	6/15/2028	837	AA1	1.87	4.49	\$ 1,920,000	\$ 1,853,757	\$ 1,814,332	-
10078	RRP	SYS10078	Local Govt Investment Pool	STIFEL	12/6/2024	6/30/2028	852	AA2	1.53	4.21	\$ 975,000	\$ 931,042	\$ 919,051	-
10084	RR2	SYS10084	First Interstate Bank	STIFEL	7/1/2006	-	1	-	4.00	4.00	\$ 53,972,847	\$ 53,972,847	\$ 53,972,847	-
10085	RR2	SYS10085	First Interstate Bank	STIFEL	7/1/2006	-	1	-	2.18	2.18	\$ 9,000,000	\$ 9,000,000	\$ 9,000,000	-
11117	AFD	313385WV4	FED HOME LOAN BANK OF DES MOIN	DA DAV	10/13/2023	-	1	-	3.65	3.65	\$ 9,831,330	\$ 9,831,330	\$ 9,831,330	-
11141	ATD	912797SV0	U.S. Treasury	DA DAV	9/12/2025	5/15/2026	75	-	3.61	3.79	\$ 2,000,000	\$ 1,984,793	\$ 1,984,958	-
					11/24/2025	5/21/2026	81	-	3.61	3.78	\$ 1,600,000	\$ 1,587,253	\$ 1,587,004	-
											\$ 383,564,177	\$381,008,116	\$379,237,440	



Deschutes County Administrative Policy No. F-10

Effective Date: January 7, 2008 Revised Date: March 20, 2019
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Revised Date: December 15, 2014 Revised Date: March 20, 2023
Revised Date: December 17, 2015 Revised Date: April 24, 2024
Revised Date: December 27, 2017

INVESTMENT POLICY GUIDELINES

PURPOSE

This Investment Policy defines the parameters within which funds are to be invested by Deschutes County. Deschutes County's purpose is to provide County Level Services for a large portion of Central Oregon. This policy also formalizes the framework, pursuant to ORS 294.135, for Deschutes County's investment activities to ensure effective and judicious management of funds within the scope of this policy.

These guidelines are intended to be broad enough to allow designated investment staff to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

GOVERNING AUTHORITY

Deschutes County's investment program shall be operated in conformance with Oregon Revised Statutes and applicable Federal Law. Specifically, this investment policy is written in conformance with ORS 294.035; 294.040; 294.052; 294.135; 294.145; and 294.810. All funds within the scope of this policy are subject to Laws established by the State of Oregon. Any revisions or extensions of these sections of the ORS shall be assumed to be part of this Investment Policy immediately upon being enacted.

SCOPE

This policy applies to activities of Deschutes County with regard to investing the financial assets of all County funds including County Service Districts and Trust Funds. Investments of employees' retirement funds, deferred compensation plans, and other funds are not covered by this policy. The amount of funds falling within the scope of this policy over the next three years is expected to range between \$~~160~~250 million and \$~~230~~440 million.

GENERAL OBJECTIVES

The primary objectives, in priority order, of investment activities shall be:

1. **Preservation of Invested Capital.** Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The goal is to manage credit risk and interest rate risk.
2. **Liquidity.** The investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated operating requirements. Furthermore, the portfolio should consist largely of securities with active secondary or resale markets. A portion of the portfolio also may be placed in the Oregon

Short Term Fund which offers next-day liquidity. Where possible and prudent, the portfolio should be structured so that investments mature concurrent with anticipated demands.

3. **Return.** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration the safety and liquidity needs of the portfolio. Although return consists of both principal return (gains and losses due to market value fluctuations) and income return (yield), this policy discourages active trading and turnover of investments. Investments should generally be held to maturity.

STANDARDS OF CARE

1. **Prudence.** The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy, and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported and appropriate action is taken to control adverse developments within a timely fashion as defined in this policy.

The "prudent person" standard states that *"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."*

2. **Ethics and Conflicts of Interest.** Officers and employees involved in the investment process shall refrain from personal activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. Disclosure shall be made to the governing body. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the County. Officers and employees shall, at all times, comply with the State of Oregon Government Standards and Practices code of ethics set forth in ORS Chapter 244.

3. Delegation of Authority and Responsibilities

- a. **Governing Body.** The Board of County Commissioners will retain ultimate fiduciary responsibility for invested funds. The governing body will receive reports, pursuant to, and with sufficient detail to comply with ORS 294.155.
- b. **Delegation of Authority.** Authority to manage investments within the scope of this policy and operate the investment program in accordance with established written procedures and internal controls is granted to the Treasurer and/or Chief Financial Officer, hereinafter referred to as Investment Officer, and derived from the following: ORS 294.035 to 294.053, 294.125 to 294.145, and 294.810.

No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officer. The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

All participants in the investment process shall seek to act responsibly as custodians of the public

trust. No officer or designee may engage in an investment transaction except as provided under the terms of this policy and supporting procedures.

- c. **Investment Committee.** The Deschutes County Board of County Commissioners established an investment advisory committee on April 19, 1995 by resolution 95-12520 to provide guidance to the Investment Officer and monitor investment policy compliance.
- d. **Investment Adviser.** The Investment Officer may engage the services of one or more external investment managers to assist in the management of the County's investment portfolio in a manner consistent with this investment policy. Investment advisers may be hired on a non-discretionary basis. All investment transactions by approved investment advisers must be pre-approved in writing by the Investment Officer and compliant with this Investment Policy. If the Investment Officer hires an investment adviser to provide investment management services, the adviser is authorized to transact with its direct dealer relationships on behalf of Deschutes County.

TRANSACTION COUNTERPARTIES, INVESTMENT ADVISERS AND DEPOSITORIES

- 1. **Broker/Dealers.** The Investment Officer shall determine which broker/dealer firms and registered representatives are authorized for the purposes of investing funds within the scope of this investment policy. A list will be maintained of approved broker/dealer firms and affiliated registered representatives.

The following minimum criteria must be met prior to authorizing investment transactions. The Investment Officer may impose more stringent criteria.

- a. Broker/Dealer firms must meet the following minimum criteria:
 - i. Be registered with the Securities and Exchange Commission (SEC);
 - ii. Be registered with the Financial Industry Regulatory Authority (FINRA).
 - iii. Provide most recent audited financials.
 - iv. Provide FINRA Focus Report filings.
 - b. Approved broker/dealer employees who execute transactions with Deschutes County must meet the following minimum criteria:
 - i. Be a registered representative with the Financial Industry Regulatory Authority (FINRA);
 - ii. Be licensed by the state of Oregon;
 - iii. Provide certification (in writing) of having read; understood; and agreed to comply with the most current version of this investment policy.
 - c. Periodic (at least annual) review of all authorized broker/dealers and their respective authorized registered representatives will be conducted by the Investment Officer. Factors to consider would be:
 - i. Pending investigations by securities regulators.
 - ii. Significant changes in net capital.
 - iii. Pending customer arbitration cases.
 - iv. Regulatory enforcement actions.
- 2. **Investment Advisers.** A list will be maintained of approved advisers selected by conducting a process of due diligence.
 - a. The following items are required for all approved Investment Advisers:

- i. The investment adviser firm must be registered with the Securities and Exchange Commission (SEC) or licensed by the state of Oregon; (Note: Investment adviser firms with assets under management > \$100 million must be registered with the SEC, otherwise the firm must be licensed by the state of Oregon)
 - ii. All investment adviser firm representatives conducting investment transactions on behalf of Deschutes County must be registered representatives with FINRA;
 - iii. All investment adviser firm representatives conducting investment transactions on behalf of Deschutes County must be licensed by the state of Oregon;
 - iv. Certification, by all of the adviser representatives conducting investment transactions on behalf of Deschutes County, of having read, understood and agreed to comply with this investment policy.
 - b. A periodic (at least annual) review of all authorized investment advisers will be conducted by the Investment Officer to determine their continued eligibility within the portfolio guidelines. Factors to consider would be:
 - i. Pending investigations by securities regulators.
 - ii. Significant changes in net capital.
 - iii. Pending customer arbitration cases.
 - iv. Regulatory enforcement actions.
3. **Depositories.** All financial institutions who desire to become depositories must be qualified Oregon Depositories pursuant to ORS Chapter 295.
4. **Competitive Transactions**
- a. The Investment Officer shall obtain and document competitive bid information on all investments purchased or sold in the secondary market. Competitive bids or offers should be obtained, when possible, from at least three separate brokers/financial institutions or through the use of a nationally recognized trading platform.
 - b. In the instance of a security for which there is no readily available competitive bid or offering on the same specific issue, the Investment Officer shall document quotations for comparable or alternative securities.
 - c. 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. However, the Investment Officer is encouraged to document quotations on comparable securities.
 - d. If an investment adviser provides investment management services, the adviser must retain documentation of competitive pricing execution on each transaction and provide upon request.

ADMINISTRATION AND OPERATIONS

1. **Delivery vs. Payment.** All trades of marketable securities will be executed (cleared and settled) by delivery vs. payment (DVP) to ensure that securities are deposited in the County's safekeeping institution prior to the release of funds.
2. **Third-Party Safekeeping.** Securities will be held by an independent third-party safekeeping institution selected by the County. All securities will be evidenced by safekeeping receipts in the County's name. Upon request, the safekeeping institution shall make available a copy of its Statement on Standards for Attestation Engagements (SSAE) No. 16.

3. **Internal Controls.** The investment 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 at a minimum:

- a. Compliance with Investment Policy.
 - b. Control of collusion.
 - c. Separation of transaction authority from accounting and record keeping.
 - d. Custodial safekeeping.
 - e. Avoidance of physical delivery of securities whenever possible and address control requirements for physical delivery where necessary.
 - f. Clear delegation of authority to subordinate staff members.
 - g. Confirmation of transactions for investments and wire transfers in written or digitally verifiable electronic form.
 - h. Dual authorizations of wire and automated clearing house (ACH) transfers.
 - i. Staff training.
 - j. Review, maintenance and monitoring of security procedures both manual and automated.
4. An external auditor in conjunction with the annual County audit shall review compliance with Oregon state law and Deschutes County policies and procedures.

SUITABLE AND AUTHORIZED INVESTMENTS

1. **Permitted Investments.** The following investments are permitted pursuant to ORS 294.035, 294.040, and ORS 294.810. (Note: Permitted investments may be more restrictive than ORS 294.035 and 294.810).
 - a. US Treasury Obligations. U.S. Treasury and other government obligations that carry the full faith and credit guarantee of the United States for the timely payment of principal and interest.
 - b. US Agency Obligations. Senior debenture obligations of US federal agencies and instrumentalities or U.S. government sponsored enterprises (GSE).
 - c. Oregon Short Term Fund.

- d. Corporate Indebtedness.
 - e. Commercial Paper issued under the authority of section 3(a)2 or 3(a)3 of the Securities Act of 1933.
 - f. Corporate Bonds.
 - g. Municipal Debt.
 - h. Bankers Acceptances.
 - i. Qualified Institution Time Deposits/Savings Accounts/Certificates of Deposit.
2. **Approval of Permitted Investments.** If additional types of securities are considered for investment, per Oregon state statute they will not be eligible for investment until this Policy has been amended and the amended version adopted by Deschutes County.
3. **Prohibited Investments**
- a. Private Placement or “144A” Securities. Private placement or “144A” securities are not allowed. For purposes of the policy, SEC Rule 144A securities are defined to include commercial paper privately placed under section 4(a)(2) of the Securities Act of 1933.
 - b. US Agency Mortgage-backed Securities. US agency mortgage-backed securities such as those securities issued by FNMA and FHLMC are not allowed.
 - c. Securities Lending. The County shall not lend securities nor directly participate in a securities lending program.
4. **Demand Deposits and Time Deposits**
- a. All demand deposits and time deposits (Examples of time deposits are: certificates of deposit and savings accounts) shall be held in qualified Oregon depositories in accordance with ORS Chapter 295.
 - b. Demand deposits in qualified depository institutions are considered cash vehicles and not investments and are therefore outside the scope and restrictions of this policy. Pursuant to ORS 294.035(3)(d), time deposits, certificates of deposit and savings accounts are considered investments and within the scope of this policy.

INVESTMENT PARAMETERS

1. **Credit Risk.** Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. Credit risk will be managed by the following guidelines:
- a. **Diversification.** It is the policy of Deschutes County to diversify its investments. Where appropriate, exposures will be limited by security type; maturity; issuance, issuer, and security type. Allowed security types and Investment exposure limitations are detailed in the table below.
 - b. **Recognized Credit Ratings.** Investments must have a rating from at least one of the following nationally recognized statistical ratings organizations (NRSRO): Moody’s Investors Service;

Standard & Poor's; and Fitch Ratings Service as detailed in the table below. At least one such rating must meet the minimum rating requirements shown in the table below. Ratings used to apply the guidelines below should be investment level ratings and not issuer level ratings.

- c. **Portfolio Average Credit Rating.** The minimum weighted average credit rating of the portfolio's rated investments shall be Aa2/AA/AA by Moody's Investors Service; Standard & Poor's; and Fitch Ratings Service respectively. For purposes of evaluating the average credit rating for the portfolio, the County will use the single rating for those securities that only have one rating, the lower of two ratings for those securities that have two ratings and the middle rating for those securities that have three ratings.
- d. **Exposure Constraints and Minimum Investment Credit Ratings.** The following table limits exposures among investments permitted by this policy.

Issue Type	Maximum % Holdings	Minimum Ratings Moody's/S&P/Fitch	Oregon Revised Statute Reference
US Treasury Obligations	100%	N/A	
US Agency Securities	100%		
Per Agency (Senior Obligations Only)	33%		
Oregon Short Term Fund	Maximum allowed per ORS 294.810		
Bankers' Acceptances	25%	A1+/P1/F1+	25% maximum holding per ORS 294.035(3)(h)(C).
Time Deposits, Savings Accounts, Certificates of Deposit	50%		Authorized by ORS 294.035(3)(d).
Per Institution	25%		
Corporate Debt (Total)	25%		35% maximum holding per ORS 294.035(3)(h)(D).
Corporate Commercial Paper per Issuer	5%	A1/P1/F1	5% maximum holding per ORS 294.035(3)(h)(D).
Corporate Bonds			
Per Oregon Issuer	5%	A2/A/A	5% max holding per ORS 294.035(3)(h)(D), A- min rating per ORS 294.035(3)(b).
All Other Issuers	5%	Aa3/AA-/AA-	5% max holding per ORS 294.035(3)(h)(D), AA- min rating for CA, WA & ID per ORS 294.035(3)(b).
Municipal Debt	25%		
Municipal Bonds		Aa3/AA-/AA-	

- e. **Restriction on Issuers with Prior Default History.** Per ORS 294.040, the bonds of issuers listed in ORS 294.035 (3)(a) to (c) may be purchased only if there has been no default in payment of either the principal of or the interest on the obligations of the issuing county, port, school district or city, for a period of five years next preceding the date of the investment.

2. **Liquidity Risk.** Liquidity risk is the risk that an investment may not be easily marketable or redeemable. The following strategies will be employed to manage liquidity risks:

- a. The value of at least 10% of funds available for investing or three months of budgeted operating expenditures will be invested in the Oregon Short Term Fund, with a qualified depository institution, or investments maturing in less than 30 days to provide sufficient liquidity for expected disbursements.
- b. Funds in excess of liquidity requirements are allowed for investments maturing in greater than one year. However, longer-term investments tend to be less liquid than shorter term investments.

Portfolio investment maturities will be limited as follows:

Total Portfolio Maturity Constraints:

Maturity Constraints	Minimum % of Total Portfolio
Under 30 days	10% or three months est. operating expenditures
Under 1 year	25%
Under 5 years	100%
Weighted Average Maturity of Portfolio	2.0 years

- c. Reserve or Capital Improvement Project funds may be invested in securities exceeding the maximum term if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.
- d. Larger issuance sizes enhance liquidity as there are likely to be a greater number of investors. Issuance sizes above a minimum amount qualify a corporate or municipal debt bond issuance for index eligibility. Index eligible bonds have a significantly larger investor base which improves liquidity.
- e. Limiting investment in a specific debt issuance improves secondary market liquidity by assuring there are other owners of the issuance.

Issue Type	Maximum % of Issuance (Par)
US Agency Securities	50%
Corporate Debt	
Corporate Commercial Paper	25%
Corporate Bonds	25%
Municipal Bonds	25%

3. **Interest Rate Risk.** Longer-term investments have the potential to achieve higher returns but are also likely to exhibit higher market value volatility due to the changes in the general level of interest rates over the life of the investment(s). Interest rate risk will be managed by providing adequate liquidity for short term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes. Certain types of securities, including variable rate securities, securities with principal pay-downs prior to maturity, and securities with embedded options, will affect the interest rate risk profile of the portfolio differently in different interest rate environments. The following strategies will be employed to control and manage adverse changes in the market value of the portfolio due to changes in interest rates:

- a. Where feasible and prudent, investment maturities should be matched with expected cash outflows to manage market risk.
- b. To the extent feasible, investment maturities not matched with cash outflows, including liquidity investments under one year, should be staggered to manage re-investment risk.
- c. No commitments to buy or sell securities may be made more than 14 business days prior to the anticipated settlement date or receive a fee other than interest for future deliveries.

- d. The maximum percent of callable securities in the portfolio shall be 25%;
- e. The maximum stated final maturity of individual securities in the portfolio shall be five years, except as otherwise stated in this policy.
- f. The maximum portfolio average maturity (measured with stated final maturity) shall be 2.0 years.

INVESTMENT OF PROCEEDS FROM DEBT ISSUANCE

- 1. Investments of bond proceeds are restricted under bond covenants that may be more restrictive than the investment parameters included in this policy. Bond proceeds shall be invested in accordance with the parameters of this policy and the applicable bond covenants and tax laws.
- 2. Funds from bond proceeds and amounts held in a bond payment reserve or proceeds fund may be invested pursuant to ORS 294.052. Investments of bond proceeds are typically not invested for resale and are maturity matched with outflows. Consequently, surplus funds within the scope of ORS 294.052 are not subject to this policy's liquidity risk constraints within section IX (2).

INVESTMENT OF RESERVE OR CAPITAL IMPROVEMENT FUNDS

Pursuant to ORS 294.135(1)(b), reserve or capital Improvement project funds may be invested in securities exceeding three years when the funds in question are being accumulated for an anticipated use that will occur more than 18 months after the funds are invested, then, upon the approval of the governing body of the county, the maturity of the investment or investments made with the funds may occur when the funds are expected to be used.

GUIDELINE MEASUREMENT AND ADHERENCE

- 1. **Guideline Measurement.** Guideline measurements will use par value of investments.
- 2. **Guideline Compliance.**
 - a. If the portfolio falls outside of compliance with adopted investment policy guidelines or is being managed inconsistently with this policy, the Investment Officer shall bring the portfolio back into compliance in a prudent manner and as soon as prudently feasible.
 - b. Violations of portfolio guidelines as a result of transactions; actions to bring the portfolio back into compliance and; reasoning for actions taken to bring the portfolio back into compliance shall be documented and reported to the Board of County Commissioners.
 - c. Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

REPORTING AND DISCLOSURE

- 1. **Compliance.** The Investment Officer shall prepare a report at least monthly that allows the Board of County Commissioners to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will also be available online on the public website which will provide access for the investment advisory committee. The report will include, at a

minimum, the following:

- a. A listing of all investments held during the reporting period showing: par/face value; accounting book value; market value; type of investment; issuer; credit ratings; and yield to maturity (yield to worst if callable).
 - b. Average maturity of the portfolio at period-end.
 - c. Maturity distribution of the portfolio at period-end.
 - d. Average portfolio credit quality of the portfolio at period-end.
 - e. Average weighted yield to maturity (yield to worst if callable investments are allowed) of the portfolio.
 - f. Distribution by type of investment.
 - g. Transactions since last report.
 - h. Distribution of transactions among financial counterparties such as broker/dealers.
 - i. Violations of portfolio guidelines or non-compliance issues that occurred during the prior period or that are outstanding. This report should also note actions (taken or planned) to bring the portfolio back into compliance.
2. **Performance Standards/ Evaluation.** At least annually, the Investment Officer shall report comparisons of investment returns to relevant alternative investments and comparative Bond Indexes. The performance of the portfolio should be compared to the performance of alternative investments such as available certificates of deposit; the Oregon Short Term Fund; US Treasury rates; or against one or more bond indices with a similar risk profile (e.g., Bond indexes comprised of high grade investments and maximum maturities of three years).

When comparing performance, all fees and expenses involved with managing the portfolio shall be included in the computation of the portfolio's rate of return.

3. **Marking to Market.** The market value of the portfolio shall be calculated at least monthly and a statement of the market value of the portfolio shall be included in the monthly report.
4. **Audits.** Management shall establish an annual process of independent review by the external auditor to assure compliance with internal controls. Such audit will include tests deemed appropriate by the auditor.

POLICY MAINTENANCE AND CONSIDERATIONS

1. **Review.** The investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends.

The annual report should also serve as a venue to suggest policies and improvements to the investment program, and shall include an investment plan for the coming year.

2. **Exemptions.** Any investment held prior to the adoption of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested as provided by this policy.
3. **Policy Adoption and Amendments.** This investment policy and any modifications to this policy must be formally approved in writing by the Board of County Commissioners.

This policy must be submitted to the Oregon Short Term Fund (OSTF) Board for review if:

- a. This policy allows maturities beyond 18 months unless the funds are being accumulated for a specific purpose, including future construction projects, and upon approval of the Board of County Commissioners, the maximum maturity date matches the anticipated use of the funds (ORS 294.135(1)(b) and 294.135(3)).
- b. And either:
 - i. This policy has never been submitted to the OSTF Board for comment; or
 - ii. Material changes have been made since the last review by the OSTF Board.

Regardless of whether this policy is submitted to the OSTF Board for comment, this policy shall be re-submitted not less than annually to the Board of County Commissioners for approval.

Approved by the Board of Commissioners _____.

Nick Lelack
County Administrator