# CITY OF SWEET HOME CITY COUNCIL AGENDA

July 14, 2026, 6:30 PM
Sweet Home City Hall, 3225 Main Street
Sweet Home, OR 97386

WIFI Passcode: guestwifi

PLEASE silence all cell phones – Anyone who wishes to speak, please sign in.

## Mission Statement

The City of Sweet Home will work to build an economically strong community with an efficient and effective local government that will provide infrastructure and essential services to the citizens we serve. As efficient stewards of the valuable assets available, we will be responsive to the community while planning and preparing for the future.

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## I. Meeting Information

This meeting is open to the public in person and virtually. The City of Sweet Home is streaming the meeting via the Microsoft Teams platform and asks the public to consider this option. There will be opportunity for public input via the live stream. To view the meeting live, visit http://live.sweethomeor.gov. If you do not have access to the internet, you can call in to 971-203-2871 and enter the meeting ID followed by the # sign to be logged in to the call. Meeting ID: 882 329 760

This video stream and call in options are allowed under Council Rules, meet the requirements for Oregon Public Meeting Law, and have been approved by the Mayor and Chairperson of the meeting.

## II. Call to Order & Pledge of Allegiance

## III. Roll Call

## III. Consent Agenda

a) Request for Council Action – Resolution No. 14 for 2026 – Adopting the City of Sweet Home Investment Policy

b) Approval of Minutes:

   i) 2026-06-23 City Council Meeting Minutes

## IV. Recognition of Visitors & Hearing of Petitions

## V. New Business

a) Request for Council Action – Naming of 3101 Zelkova Street

b) Request for Council Action – Resolution No. 13 for 2026 – Concerning Street Closures – National Night Out

c) Request for Council Action – Adopting an Intergovernmental Agreement with the Oregon Department of Revenue for Transient Lodging Tax Collection

## VI. Ordinance Bills

a) First Reading of Ordinance Bills (Roll Call Vote Required)

   i) Request for Council Action – Ordinance No. 3 for 2026 – Amending SHMC 2.04.030 Nominations & Declaring the Need for an Expediency Clause

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*The location of the meeting is accessible to the disabled. If you have a disability that requires accommodation, advanced notice is requested by notifying the City Manager's Office at 541-367-8969.*

b) Second Reading of Ordinance Bills (Roll Call Vote Required)

c) Third Reading of Ordinance Bills (Roll Call Vote Required)

i) Request for Council Action – Ordinance No. 2 for 2026 – Ordinance No. 1340 – Repealing SHMC 5.08 Bicycle Dealers & Amending SHMC 5.24 Social Games, SHMC 5.28 Taxicabs & SHMC 5.32 Secondhand Dealers

## VII. Reports of Committees

Administration, Finance & Property Committee – President Pro Tem Thorstad

Community Health Committee – Councilor Bronson

• 2026-06-24 Community Health Committee Meeting Minutes

Library Advisory Board – Councilor Augsburger

• 2026-07-09 Library Board Meeting Minutes

Park & Tree Committee – Councilor Hegge

Planning Commission

Area Commission on Transportation – Councilor Sanchez, Councilor Bronson (alternate)

Chamber of Commerce – Councilor Hegge

Council of Governments – Councilor Bronson, Councilor Sanchez (alternate)

Solid Waste Advisory Council – Councilor Richards

## VIII. Department Reports

Library

• Library Report – June 2026

Planning & Building

Public Works

• Public Works Report – June 2026

Finance

• Finance Department Report – June 2026

Police

City Attorney

## IX. Reports of City Officials

City Manager's Report

Mayor's Report

## X. Council Business for Good of the Order

## XI. Adjournment

# REQUEST FOR COUNCIL ACTION

| | |
|---|---|
| **Title:** | Request for Council Action – Resolution No. 14 for 2026 – Adopting the City of Sweet Home Investment Policy |
| **Preferred Agenda:** | July 14, 2026 |
| **Submitted By:** | Cecily Hope Pretty, Deputy City Manager |
| **Reviewed By:** | Jason Ogden, City Manager |
| **Type of Action:** | Motion ☐ Resolution ☒ Reading ☐ Roll Call ☐ |
| **Relevant Code/Policy:** | ORS 294.135(a) |
| **Towards Council Goal:** | Economic Strength, Effective Government |
| **Attachments:** | Resolution No. 14 for 2026<br>2026 Sweet Home Investment Policy – Redline Draft<br>Oregon Sample Investment Policy for Local Governments<br>2026 Investment Policy Comparison – Sweet Home |

**Purpose of this RCA:**
The purpose of this RCA is to review changes as proposed by the City's investment firm, Government Portfolio Advisors (GPA), and to adopt an updated Investment Policy.

**Background/Context:**
The City of Sweet Home adopted its current investment policy in July 2025 with revisions suggested by GPA to better align the policy with state statutes and the Oregon Short Term Fund Board policy recommendations.

**The Challenge/Problem:**
Cities are required by law to review and adopt their investment strategies annually. There are no significant policy changes from the previous year, but rather significant restructuring of the policy document to align with the most recent recommended policy sample from the Oregon State Treasury released in November 2025.

**Issues and Financial Impacts:**
Investments do not come without risk. However, the City has seen significant returns on investment with its current policy. The draft policy continues to preserve the City's ability to diversify its investments.

**Elements of a Stable Solution:**
A fiscally responsible and flexible strategy to maximize returns on investment and promote positive cashflow with City resources.

**Options:**

1. *Do nothing*: The City could choose not to adopt the policy but would be in violation of ORS 294.135(a).
2. *Move to adopt Resolution No. 14 for 2026 as proposed:* Adoption of the revised policy ensures continuity in the City's investment strategy.
3. *Move to adopt Resolution No. 14 for 2026 with amendments:* The City Council may choose to modify the contents of the policy beyond what is proposed.

**Recommendation:**
Staff recommends option #2: Move to adopt Resolution No. 14 for 2026 as proposed.

**RESOLUTION NO. 14 FOR 2026**

**A RESOLUTION ADOPTING THE 2026 CITY OF SWEET HOME INVESTMENT POLICY**

**WHEREAS**, the City of Sweet Home desires to make prudent investments that provide financial benefit to the City; and

**WHEREAS**, ORS 294.135(a) requires the annual adoption of an investment policy; and

**WHEREAS**, the City has contracted with Government Portfolio Advisors (GPA) to manage its investment portfolio; and

**WHEREAS**, the City last adopted its investment policy in July 2025; and

**WHEREAS**, the Oregon State Treasury and Oregon Short Term Fund Board updated its recommended investment policy guidelines in November 2025 and GPA is recommending changes to the City's policy in alignment with these guidelines;

**NOW, THEREFORE, THE CITY OF SWEET HOME DOES RESOLVE AS FOLLOWS:**

The City of Sweet Home adopts its 2026 Investment Policy, so attached here as Exhibit A.

This Resolution shall be effective immediately upon its passage.

**PASSED** by the Council and approved by the Mayor, this 14th day of July, 2026.

______________________________
Mayor

ATTEST:

______________________________
City Manager - Ex Officio City Recorder

EXHIBIT A

# City of Sweet Home

# INVESTMENT POLICY

## 2026 Final

TABLE OF CONTENTS

## 1. INTRODUCTION

The City of Sweet Home is located in Linn County, between the Cascade Mountain Range and Willamette National forest. The City encompasses approximately 5.75 square miles and has approximately 10,000 residents. The City Manager's Office and Finance Department are responsible for the prudent investment of the City's funds in accordance with this investment policy.

## 2. POLICY STATEMENT

This Investment Policy defines the parameters within which funds are to be invested by the City of Sweet Home. This policy formalizes the framework, pursuant to ORS 294.135, for the City's investment activities to ensure effective and judicious management 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.

## 3. GOVERNING AUTHORITY

The investment program shall be operated in conformance with federal, state, and other legal requirements. 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.

## 4. SCOPE

This policy applies to activities of the City with regard to investing the financial assets of all funds except for funds held in trust for the Pension Portfolio and deferred compensation funds for the employees of the City which have separate rules. In addition, funds held by trustees or fiscal agents are excluded from these rules; however, all funds are subject to regulations established by the State of Oregon. Other than bond proceeds or other unusual situations, the total of all funds ranges from $5,000,000 to $25,000,000. This policy provides direction for the following fund types:

1. General Fund
2. Special Revenue Funds
3. Capital Projects Funds
4. Debt Service Funds
5. Enterprise Funds
6. Internal Service Funds
7. Trust and Agency Funds
8. Other Funds

## 5. OBJECTIVES

The City's principal investment objectives in order of priority are:

### 5.1 Safety

Investments shall be undertaken in a manner that seeks to ensure preservation of capital and protection of investment principal in the overall portfolio. The goal is to mitigate credit risk and interest rate risk.

### 5.2 Liquidity

Maintenance of sufficient liquidity to meet operating requirements that are reasonably anticipated. 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.

### 5.3 Yield – 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.

## 6. INVESTMENT PHILOSOPHY

### 6.1 Investment Strategy

The primary investment philosophy of City is to maintain sufficient liquidity to meet ongoing and anticipated cash flow needs. An understanding of the timing and purpose of cash flows is central to all investment decisions.

Funds that are not required for immediate or daily operating needs may be invested in a manner that preserves liquidity while seeking to enhance returns, consistent with the City's risk and return objectives. To clearly communicate the intended use, time horizon, and objectives of invested funds, such monies may be allocated among defined portfolio components, each reflecting the current purpose of those funds.

### 6.2 Selling of Securities

Securities shall generally be held until maturity, with the following exceptions:

- A security with declining credit below authorized ratings may be sold prior to maturity to minimize loss of principal.
- Liquidity needs of the portfolio require that a security be sold prior to maturity.
- The portfolio duration or maturity buckets should be adjusted to better reflect the structure of the underlying benchmark portfolio.
- A security rebalance or swap would improve the quality, yield, or target duration in the portfolio.

## 7. Standards of Care

### 7.1 Delegation of Authority

- **Governing Body:** The ultimate responsibility and authority for the investment of City funds resides with the City Council.

- **Delegation of Authority:** Authority to manage investments within the scope of this policy and operate the investment program in accordance with written procedures and internal controls is granted to the City Manager, or designee (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.

- **Investment Advisor:** Subject to required procurement procedures, the City may engage the support services of outside professionals in regard to its financial program, so long as it can be demonstrated or anticipated that these services produce a net financial advantage or necessary financial protection of the City's resources. External investment advisors shall be subject to Oregon Revised Statutes and the provisions of this Investment Policy. The Advisor shall provide non-discretionary advisory services, which require prior approval from the Investment Officer on all transactions.

In order to optimize total return through active portfolio management, resources shall be allocated to the cash management program. This commitment of resources shall include financial and staffing considerations.

### 7.2 Prudence:

The standard of prudence to be used, by the Investment Officer, in the context of managing the overall portfolio is the prudent person standard and shall be applied in the context of managing an overall portfolio. The "prudent person" standard 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 City's Investment Officer and staff acting in accordance with this Investment Policy, written procedures 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.

### 7.3 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 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 City. 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.

## 8. TRANSACTION COUNTERPARTIES

### 8.1 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.

- Broker/Dealer firms must meet the following minimum criteria:

  a. Be registered with the Securities and Exchange Commission (SEC);
  b. Be registered with the Financial Industry Regulatory Authority (FINRA).
  c. Provide most recent audited financials.
  d. Provide FINRA Focus Report filings.

- Approved broker/dealer employees who execute transactions with the City must meet the following minimum criteria:

  a. Be a registered representative with the Financial Industry Regulatory Authority (FINRA);
  b. Be licensed by the state of Oregon;
  c. Provide certification (in writing) of having read; understood; and agreed to comply with the most current version of this investment policy.

- Factors to consider during periodic review of all broker/dealers and their respective authorized registered representatives include:

  a. Pending investigations related to fraud of public funds by securities regulators
  b. Significant changes in net capital
  c. Pending customer arbitration cases (if available)
  d. Regulatory enforcement actions

Should the City utilize an investment advisor, the Investment Officer or designee may utilize the investment advisor's approved broker/dealer list in lieu of the City's own approved list. The advisor must submit the approved list to the City annually and provide updates throughout the year as they occur. The advisor must maintain documentation of appropriate licenses and professional credentials of all broker/dealers on the list. The annual advisor broker/dealer review procedures should be similar to the City's.

The advisor may be authorized through the contracted agreement to open accounts on behalf of the City with the broker/dealers on the approved list. The City will receive documentation directly from the brokers for account verification and regulatory requirements.

**8.2 Depositories:**

All financial banks that provide bank deposits, certificates of deposits or any other deposit of the bank to the City must either be fully covered by the FDIC or the bank must be a participant of the Public Funds Collateralization Program (PFCP) program. All financial institutions who desire to become depositories must be qualified Oregon Depositories pursuant to ORS Chapter 295.

**8.3 Direct Issuers:**

Obligations that are permitted for purchase by this policy may be purchased directly from the issuer without being listed as an approved broker/dealer.

**8.4 Investment Advisors:**

A list will be maintained of approved advisors selected by conducting a process of due diligence. The approved advisor must meet the following criteria:

- The investment advisor firm must be registered with the Securities and Exchange Commission (SEC) or licensed by the state of Oregon; (Note: Investment advisor firms with assets under management > $100 million must be registered with the SEC, otherwise the firm must be licensed by the state of Oregon);
- All investment advisor firm representatives conducting investment transactions on behalf of City must be registered representatives with FINRA;
- All investment advisor firm representatives conducting investment transactions on behalf of City must be licensed by the state of Oregon;
- Contract terms will include that the Investment advisor will comply with the City's Investment Policy.

A periodic review of all investment advisors under contract will be conducted by the Investment Officer to determine their continued eligibility within the portfolio guidelines. The Investment Advisor must notify the City immediately if any of the following issues arise while serving under a City Contract:

- Pending customer arbitration cases
- Regulatory enforcement actions
- Significant decline in assets under management

**8.4 Competitive Transactions:**

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.

- In the instance of a security for which there is no readily available competitive bid or offering on the same specific issue, then the Investment Officer shall document quotations for comparable or alternative securities.

- When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities as the same original issue price. However, the Investment Officer is encouraged to document quotations on comparable securities.

- If an investment provides investment management services, the advisor must retain documentation of competitive pricing execution on each transaction and provide upon request.

## 9. CUSTODY AND CONTROLS

### 9.1 Delivery vs. Payment

All trades of marketable securities will be executed on a delivery vs payment (DVP) basis to ensure that securities are deposited in the City of Sweet Home's safekeeping institution prior to the release of funds.

### 9.2 Third Party Safekeeping

Securities will be held by an independent third-party safekeeping institution selected by the City in the City' s segregated account. All securities will be evidenced by safekeeping receipts in the City's name. Upon request, the safekeeping institution shall make available a copy of its Statement on Standards for Attestation Engagements (SSAE) No. 16. The City will have online access through the safekeeping bank for verification of the account holdings and transactions. The City may hold bank deposits or certificates of deposits at banks qualified under ORS 295.

### 9.3 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 City of Sweet Home.

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 Investment Officer shall maintain a system of written internal controls which shall address the following areas of concern:

- Compliance with investment policy constraints and requirements
- Clear delegation of authority
- Segregation of duties and separation of responsibilities for trade execution, accounting, and record keeping
- Written confirmation of transactions and funds transfers
- Timely reconcilement of custodial reports
- Appropriate security for online transactions and access to bank accounts and bank data
- Custodial safekeeping
- Control of collusion
- Review, maintenance and monitoring of security procedures both manual and automated
- Dual authorizations of wire and automated clearing house (ACH) transfers

### 9.4 External Audits

An external auditor shall provide an annual independent audit to assure compliance with Oregon state law and City of Sweet Home policies and procedures.

### 9.5 Accounting Method

The City shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP). 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).

Pooling of Funds: Except for cash in certain restricted and special funds, the City will consolidate balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

## 10. AUTHORIZED AND SUITABLE INVESTMENTS

### 10.1 Authorized Investments

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 294.135 (Investment maturity dates), ORS 294.145 (Prohibited conduct for Investment Officer including not committing to invest funds or sell securities more than 14 business days prior to the anticipated date of settlement), ORS 294.805 to 294.895 (Local Government Investment Pool). Minimum percentages and credit limits apply at the time of purchase (time of purchase language refers to settlement date for the purposes of this policy).

The following lists allowable investment types:

**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 [ORS Section 294.035(3)(a)].

**US Agency Obligations**: Federal agency and instrumentalities of the United States or enterprises sponsored by the United States Government (GSEs) whose payment is guaranteed by the United States, the agencies and instrumentalities of the United States or enterprises sponsored by the United States Government [ORS Section 294.035(3)(a)].

**Municipal Debt:** Lawfully issued debt obligations of the States of Oregon, California, Idaho and Washington and political subdivisions of those states if the obligations have a long-term rating on the settlement date of AA- or better by S&P or Aa3 or better by Moody's or equivalent rating by any nationally recognized statistical rating organization, or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization [ORS Section 294.035(3)(b) and (c)].

**Corporate Indebtedness:** Corporate indebtedness 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. The corporate indebtedness must be issued by a commercial, industrial or utility business enterprise, or by or on behalf of a financial institution, including a holding company owning a majority interest in a qualified financial institution. Corporate indebtedness must be rated on the settlement date AA- or better by S&P or Aa3 or better by Moody's or equivalent rating by any nationally recognized statistical rating organization [ORS Section 294.035(3)(i)].

**Commercial Paper:** Corporate indebtedness 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. The corporate indebtedness must be issued by a commercial, industrial or utility business enterprise, or by or on behalf of a financial institution, including a holding company owning a majority interest in a qualified financial institution. Commercial Paper must be rated A1 by Standard and Poor's or P1 by Moody's or equivalent rating by any nationally recognized statistical rating organization. Issuer constraints for commercial paper combined with corporate notes will be limited by statute to 5% of market value per issuer [ORS Section 294.035(3)(i)].

**Certificates of Deposit:** Certificates of deposit in insured institutions as defined in ORS 706.008, in credit unions as defined in ORS Section 723.006 or in federal credit unions, if the institution or credit union maintains a head office or a branch in this state [ORS Section 294.035(3)(d)].

**Bank Time Deposit/Savings Accounts:** Time deposit open accounts or savings accounts in insured institutions as defined in ORS Section 706.008, in credit unions as defined in ORS Section 723.006 or in federal credit unions, if the institution or credit union maintains a head office or a branch in this state [ORS Section 294.035(3)(d)].

**Bankers' Acceptance:** Banker's acceptances, if the banker's acceptances are: (i) Guaranteed by, and carried on the books of, a qualified financial institution; (ii) Eligible for discount by the Federal Reserve System; and (iii) Issued by a qualified financial institution whose short-term letter of credit rating is rated in the highest category without any refinement or gradation by one or more nationally recognized statistical rating organizations. For the purposes of this paragraph, "qualified financial institution" means: (i) A financial institution that is located and licensed to do banking business in the State of Oregon; or (ii) A financial institution that is wholly owned by a financial holding company or a bank holding company that owns a financial institution that is located and licensed to do banking business in the State of Oregon [ORS Section 294.035(3)(h)].

**Local Government Investment Pool:** State Treasurer's local short-term investment fund up to the statutory limit per ORS Section 294.810.

### 10.2 Bank Collateralization

Time deposit open accounts, Certificates of Deposit and savings accounts shall be collateralized through the collateral pool for any excess over the amount insured by an agency of the United States government in accordance with ORS Chapter 295.. All depositories must be on the State of Oregon's qualified list.

### 10.3 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 the City of Sweet Home City Council.

### 10.4 Prohibited Investments

- The City shall not invest in "144A" private placement securities, this includes commercial paper privately placed under section 4(a)(2) of the Securities Act of 1933
- The City shall not lend securities nor directly participate in a securities lending or reverse repurchase program.
- The City shall not purchase mortgage backed securities.
- The City shall not purchase, per ORS 294.040, any bonds of issuers listed in ORS 294.035(3)(a) to (c) that have a prior default history.
- No commitment to buy or sell securities may be made more than 14 business days prior to the anticipated settlement date.

## 11. INVESTMENT PARAMETERS

### 11.1 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 mitigated by the following guidelines:

- Diversification: It is the policy of the City 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.

- 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. Ratings used to apply the guidelines below should be investment level ratings and not issuer level ratings.

- The minimum weighted average credit rating of the portfolio’s rated investments shall be AA-/Aa3/AA- by Standard & Poor’s, Moody’s Investors Service and Fitch Ratings Service respectively.

- Diversification and Credit Exposure Constraints: The following table limits exposures among investments permitted by this policy.

### Diversification Constraints on Total Holdings

<table>
<tr><th>Issue Type</th><th>Maximum % Holdings</th><th>Maximum % per Issuer</th><th>Ratings S&P, Moody's or Equivalent NRSRO</th><th>Maximum Maturity</th></tr>
<tr><td>US Treasury Obligations</td><td>100%</td><td>None</td><td>N/A</td><td>5.25 Years</td></tr>
<tr><td>US Agency Obligations</td><td>100%</td><td>35%</td><td>N/A</td><td>5.25 Years</td></tr>
<tr><td>Municipal Obligations<br>(OR, CA, ID, WA only)</td><td>25%</td><td>5%</td><td>AA- / Aa3<br>Short Term*</td><td>5.25 Years</td></tr>
<tr><td>Corporate Notes</td><td rowspan="2">35%**</td><td rowspan="2">5%***</td><td>AA- / Aa3</td><td>5.25 Years</td></tr>
<tr><td>Commercial Paper</td><td>A1 / P1</td><td>270 Days</td></tr>
<tr><td>Bank Time Deposits/Savings Accounts</td><td>25%</td><td>15%</td><td>Oregon Public Depository</td><td>N/A</td></tr>
<tr><td>Certificates of Deposit</td><td>10%</td><td>5%</td><td>Oregon Public Depository</td><td>5.25 Years</td></tr>
<tr><td>Banker's Acceptance</td><td>25%</td><td>5%</td><td>A1 / P1</td><td>180 Days</td></tr>
<tr><td>State LGIP</td><td>Maximum allowed per ORS 294.810</td><td>None</td><td>N/A</td><td>N/A</td></tr>
</table>

*Short-Term Ratings: Moody's - P1/MIG1/VMIG1, S&P - A-1/SP-1, Fitch - F1

**35% maximum combined corporate and commercial paper per ORS.

***Issuer constraits apply to the combined issues in corporate and commercial paper holdings

### 11.2 Investment Maturity:

Liquidity risk is the risk that an investment may not be easily marketable or redeemable, as well as a shortfall of operating cash resulting in the need to sell securities and, thus, principal risk. The following strategies will be employed to mitigate liquidity risks:

- Where feasible and prudent, investment maturities should be matched with expected cash outflows to mitigate risk.
- The City will not directly invest in securities with a stated maturity of more than five and a quarter (5.25) years from the date of purchase.

- The maximum weighted maturity of the total portfolio shall not exceed two and a half (2.5) years. This maximum is established to limit the portfolio to excessive price change exposure.
- Liquidity funds will be held in the State Pool or Bank Deposits . The liquidity portfolio shall, at a minimum, represent six month budgeted outflows.
- Core funds will be defined as the funds in excess of liquidity requirements. The investments in this portion of the portfolio will have maturities between 1 day and 5.25 years and will be only invested in higher quality and liquid securities.

- Total Portfolio Maturity Constraints:

| Maturity Constraints | Minimum % of Total Portfolio |
|---|---|
| Under 30 Days | 10% |
| Under 1 Year | 25% |
| Under 5.25 Years | 100% |
| **Maturity Constraints** | **Maximum of Total Portfolio in Years** |
| Weighted Average Maturity | 2.5 Years |
| **Security Structure Constraint** | **Maximum % of Total Portfolio** |
| Callable Agency Securities | 25% |

## 12. INVESTMENT OF PROCEEDS FROM DEBT ISSUANCE

Investments of bond proceeds are restricted under bond covenants that may be more restrictive than the investment parameters included in this policy. The investments will be made in a manner to match cash flow expectations based on managed disbursement schedules.

Liquidity for bond proceeds will be managed through the OSTF Pool or Bank deposit balances.

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 maturities are intended to be matched with expected outflows.

Information will be maintained for arbitrage rebate calculations.

## 13. INVESTMENT OF RESERVE OR CAPITAL IMPROVEMENTS

Pursuant to ORS 294.135(1)(b), reserve or capital Improvement project monies may be invested in securities exceeding 5.25 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, municipality, school district or other political subdivision, the maturity of the investment or investments made with the funds may occur when the funds are expected to be used.

## 14. REPORTING, COMPLIANCE AND PERFORMANCE STANDARDS

### 14.1 Reporting Requirements

The Investment Officer will retain and provide quarterly investment reports to the City Council in a similar manner as outlined in ORS 208.090. The reports also will be available upon request. Securities holdings and cash balances held in the investment portfolio will be provided on the reports.

The minimum quarterly reporting requirements for total portfolio are as follows:

- Earnings Yield
- Holdings Report (including mark to market)
- Transactions Report
- Weighted Average Maturity or Duration
- Compliance Report

### 14.2 Guideline Compliance

- Guideline Measurement:
  Guideline measurements will use market value of investments.

- Guideline Compliance:

  i. 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.

  ii. 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 Finance Committee.

  iii. Due to fluctuations in the aggregate surplus funds balance, maximum or minimum percentages for a particular issuer, investment type or minimum maturity constraint may be surpassed 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.

### 14.3 Performance Measurement:

- The liquidity portfolio yields will be compared to the Oregon Short Term Pool rates.

- The Core investment portfolio will be invested into a predetermined structure that will be measured against a selected benchmark portfolio. The structure will be based upon a chosen minimum and maximum effective duration and will have the objective to achieve market rates of returns over long investment horizons. The purpose of the benchmark is to appropriately manage the risk in the portfolio given interest rate cycles. The core portfolio is expected to provide similar returns to the benchmark over interest rate cycles, but may underperform or out perform in certain periods. The portfolio will be positioned to first protect principal and then achieve market rates of return. The benchmark used will be a 0-3 year or 0-5 year standard market index and comparisons will be calculated monthly and reported quarterly.

- 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.

- The mark to market pricing will be calculated monthly and be provided in a monthly report.

## 15. POLICY MAINTENANCE AND CONSIDERATIONS

### 15.1 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.

### 15.2 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.

### 15.3 Policy Adoption and Amendments

This Investment Policy and any modifications to this policy must be formally approved in writing by the City of Sweet Home's City Council. This policy shall be re-submitted not less than annually to the City Council for approval regardless of whether modifications are being made. This policy must be submitted to the Oregon Short Term Fund (OSTF) Board for review if any material changes have been made since the last review by the OSTF Board.

## GLOSSARY

**Accrued Interest:** The interest accumulated on a security since the issue date or since the last coupon payment. The buyer of the security pays the market price plus accrued interest.

**Agency Securities:** See "Federal Agency Securities."

**Bankers' Acceptance (BA's):** A draft or bill of exchange drawn upon and accepted by a bank. Frequently used to finance shipping of international goods. Used as a short-term credit instrument, bankers' acceptances are traded at a discount from face value as a month market instrument in the secondary market on the basis of the credit quality of the guaranteeing bank.

**Basis Point:** A basis point is a unit of measure used in finance to describe the percentage change in the value or rate of a financial instrument. One basis point is equivalent to 0.01% (1/100$^{th}$ of a percent) or 0.0001 in decimal form. In most cases, it refers to changes in interest rates and bond yields.

**Benchmark:** A market index used as a comparative basis for measuring the performance of an investment portfolio. A performance benchmark should represent a close correlation to investment guidelines, risk tolerance and duration of the actual portfolio's investments.

**Bond:** An interest-bearing security issued by a corporation, government, governmental agency, or other body. It is a form of debt with an interest rate, maturity, and face value, and it is usually secured by specific assets. Most bonds have a maturity of greater than one year and in general, pay interest semiannually.

**Broker/Dealer:** A person or firm transacting securities business with customers. A "broker" acts as an agent between buyers and sellers, and receives a commission for thee services. A "dealer" buys and sells financial assets from its own portfolio. A dealer takes risk by owning an inventory of securities, whereas a broker merely matches up buyers and sellers.

**Call:** An option to buy a specific asset at a certain price within a certain period of time.

**Callable:** A bond or preferred stock that may be redeemed by the issuer before maturity for a call price specified at the time of issuance.

**Call Date:** The date before maturity on which a bond may be redeemed at the option of the issuer.

**Certificate of Deposit (CD):** Bank obligation issued by a financial institution generally offering a fixed rate of return (coupon) for a specified period of time (maturity).

**Collateral:** Securities or other property that a borrower pledges as security for the repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**Commercial Paper:** Short-term, unsecured, negotiable promissory notes issued by a company or financial institution. Issued at a discount and matures at par or face value.

Usually a maximum maturity of 270 days, and given a short-term debt rating by one or more NRSROs.

**Core Fund**: Core funds are defined as operating fund balance which exceeds the City's daily liquidity needs. Core funds are invested out the yield curve to diversify maturity structure in the overall portfolio. Having longer term investments in a portfolio will stabilize the overall portfolio interest earnings over interest rate cycles.

**Corporate Note:** A debt instrument issued by a corporation with a maturity of greater than one year and less than ten years.

**Coupon Rate:** The annual rate of interest that the issuer of a bond promises to pay to the holder of the bond.

**Current Maturity:** The amount of time left until an obligation matures. For example, a one-year bill issued nine months ago has a current maturity of three months.

**Current Yield:** The coupon payments on a security as a percentage of the security's market price. In many instances the price should be gross of accrued interest, particularly on instruments where no coupon is left to be paid until maturity.

**CUSIP:** A CUSIP number identifies securities. CUSIP stands for Committee on Uniform Security Identification Procedures, which was established under the auspices of the American Bankers Association to develop a uniform method of identifying municipal, U.S. government, and corporate securities.

**Delivery Versus Payment (DVP):** Settlement procedure in which securities are delivered versus payment of cash, but only after cash has been received. Most security transactions, including those through the Fed Securities Wire system and DTC, are done DVP as a protection for both the buyer and seller of securities.

**Depository Trust Company (DTC):** A firm through which members can use a computer to arrange for securities to be delivered to other members without physical delivery of certificates. A member of the Federal Reserve System and owned mostly by the New York Stock Exchange, the Depository Trust Company uses computerized debit and credit entries. Most corporate securities, commercial paper, CDs and BAs clear through DTC.

**Discount Notes:** Short term debt obligations issued by Federal Agencies at a discount. Discount notes mature at par and can range in maturity from overnight to one year. Discount Notes typically have very large primary (new issue) and secondary markets.

**Federal Agency Security:** A debt instrument issued by one of the federal agencies. Federal agencies are considered second in credit quality and liquidity only to U.S. Treasuries.

**Federal Agency:** Government sponsored/owned entity created by the U.S. Congress, generally for the purpose of acting as a financial intermediary by borrowing in the marketplace and directing proceeds to specific areas of the economy considered to otherwise have restricted access to credit markets.

**Federal Farm Credit Banks Funding Corporation (FFCB):** A Government Sponsored Enterprise (GSE) system that is a network of cooperatively owned lending institutions that provide credit services to farmers, agricultural cooperatives and rural utilities. The FFCBs act as financial intermediaries that borrow money in the capital markets and use the proceeds to make loans and provide other assistance to farmers and farm-affiliated businesses. FFCB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to is importance to the U.S. Financial system and agricultural industry. Also issues notes under it “designated note” program.

**Federal Home Loan Bank System (FHLB).** A Government Sponsored Enterprise (GSE) system, consisting of wholesale banks (currently twelve district banks) owned by their member banks, which provides correspondent banking services and credit to various financial institutions, financed by the issuance of securities. The principal purpose of the FHLB is to add liquidity to the mortgage markets. Although FHLB does not directly fund mortgages, it provides a stable supply of credit to thrift institutions that make new mortgage loans. FHLB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes and callable agency securities. Also issues notes under its “global note” and “TAP” programs.

**Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac").** One of the large Federal Agencies. A government sponsored public corporation (GSE) that provides stability and assistance to the secondary market for home mortgages by purchasing first mortgages and participation interests financed by the sale of debt and guaranteed mortgage backed securities. FHLMC debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities and MBS. Also issues notes under its “reference note” program.

**Federal National Mortgage Association (FNMA or "Fannie Mae").** One of the large Federal Agencies. A government sponsored public corporation (GSE) that provides liquidity to the residential mortgage market by purchasing mortgage loans from lenders, financed by the issuance of debt securities and MBS (pools of mortgages packaged together as a security). FNMA debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities and MBS. Also issues notes under its “benchmark note” program.

**Federal Reserve Bank.** One of the 12 distinct banks of the Federal Reserve System.

**Federal Reserve System (the Fed).** The independent central bank system of the United States that establishes and conducts the nation's monetary policy. This is accomplished in three major ways: (1) raising or lowering bank reserve requirements, (2) raising or lowering the target Fed Funds Rate and Discount Rate, and (3) in open market operations by buying and selling government securities. The Federal Reserve System is made up of twelve Federal Reserve District Banks, their branches, and many national and state banks throughout the nation. It is headed by the seven member Board of Governors known as the “Federal Reserve Board” and headed by its Chairman.

**General Obligation Bonds (GOs):** Bonds secured by the pledge of the municipal issuer's full faith and credit, which usually includes unlimited taxing power.

**Government Bonds:** Securities issued by the federal government; they are obligations of the U.S. Treasury. Also known as "governments."

**Government Sponsored Enterprise (GSE):** Privately owned entity subject to federal regulation and supervision, created by the U.S. Congress to reduce the cost of capital for certain borrowing sectors of the economy such as students, farmers, and homeowners. GSEs carry the implicit backing of the U.S. Government, but they are not direct obligations of the U.S. Government. For this reason, these securities will offer a yield premium over Treasuries. Some consider GSEs to be stealth recipients of corporate welfare. Examples of GSEs include: FHLB, FHLMC, FNMA and FFCB.

**Interest:** Compensation paid or to be paid for the use of money. The rate of interest is generally expressed as an annual percentage.

**Interest Rate:** The interest payable each year on borrowed funds, expressed as a percentage of the principal.

**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 mitigated 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.

**Investment Advisor:** A company that provides professional advice managing portfolios, investment recommendations and/or research in exchange for a management fee.

**Investment Portfolio:** A collection of securities held by a bank, individual, institution, or government agency for investment purposes.

**Investment Securities:** Securities purchased for an investment portfolio, as opposed to those purchased for resale to customers.

**Liquidity:** The ease at which a security can be bought or sold (converted to cash) in the market. A large number of buyers and sellers and a high volume of trading activity are important components of liquidity.

**Liquidity Component:** A percentage of the total portfolio that is dedicated to providing liquidity needs for the City.

**Mark to Market:** Adjustment of an account or portfolio to reflect actual market price rather than book price, purchase price or some other valuation.

**Municipals:** Securities, usually bonds, issued by a state or its agencies. The interest on "munis" is usually exempt from federal income taxes and state and local income taxes in the state of issuance. Municipal securities may or may not be backed by the issuing agency's taxation powers.

**NRSRO:** A “Nationally Recognized Statistical Rating Organization.” A designated rating organization that the SEC has deemed a strong national presence in the U.S. NRSROs provide credit ratings on corporate and bank debt issues. Only ratings of a NRSRO may be used for the regulatory purposes of rating such as Moody’s, S&P, and Fitch.

**Par Value:** The value of a security expressed as a specific dollar amount marked on the face of the security, or the amount of money due at maturity. Par value should not be confused with market value.

**Prudent Person Standard:** Standard that requires that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee will act with care, skill, prudence, and diligence under the circumstances the prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the entity.

**Rate of Return:** Amount of income received from an investment, expressed as a percentage of the amount invested.

**State of Oregon Local Government Investment Pool (OSTF – Oregon Short Term Fund):** The OSTF is organized pursuant to ORS 294.805 through 294.895. Participation in the Pool will not exceed the maximum limit annually set by ORS 294.810.

**Total Return:** Investment performance measured over a period of time that includes coupon interest, interest on interest, and both realized and unrealized gains or losses. Total return includes, therefore, any market value appreciation/deprecation on investments held at period end.

**Treasury Bill (T-Bill):** An obligation of the U.S. government with a maturity of one year or less. T-bills bear no interest but are sold at a discount.

**Treasury Bonds and Notes:** Obligations of the U.S. government that bear interest. Notes have maturities of one to ten years; bonds have longer maturities.

**Yield:** The annual rate of return on an investment, expressed as a percentage of the investment. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net yield, or yield to maturity, is the current income yield minus any premium above par or plus any discount from par in the purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

**Yield to Maturity:** The average annual yield on a security, assuming it is held to maturity; equals to the rate at which all principal and interest payments would be discounted to produce a present value equal to the purchase price of the bond.

**Ratings Table – Long-Term**

| Tier | S&P | Moody’s | Fitch | Definition |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| | AAA | Aaa | AAA | Highest credit quality |
| | AA+, AA, AA- | Aa1, Aa2, Aa3 | AA+, AA, AA- | Very high credit quality |
| | A+, A, A- | A1, A2, A3 | A+, A, A- | High credit quality |
| | BBB+, BBB, BBB- | Baa1, Baa2, Baa3 | BBB+, BBB, BBB- | Good credit quality |
| | BB+, BB, BB- | Ba1, Ba2, Ba3 | BB+, BB, BB- | Non-investment grade |

**Ratings Table – Short-Term**

| | S&P | Moody's | Fitch | Definition |
|---|---|---|---|---|
| Highest Rating Category | A1+, A1 | P1+, P1 | F1+, F1 | Highest credit quality |
| | **Municipal Commercial Paper** | | | |
| | A-1, A-1+, SP-1+, SP-1 | P1, MIG1, VMIG1 | F1+, F1 | Highest credit quality |

# City of Sweet Home

## INVESTMENT POLICY

**2026~~5~~ Final**

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## 1. INTRODUCTION

**Commented [WM1]:** Updated Introduction with more detailed information about the City of Sweet Home. Removed information about balances and funds since that is covered in Scope already.

~~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 Sweet Home.~~

The City of Sweet Home is located in Linn County, between the Cascade Mountain Range and Willamette National forest. The City encompasses approximately 5.75 square miles and has approximately 10,000 residents. The City Manager's Office and Finance Department are responsible for the prudent investment of the City's funds in accordance with this investment policy.
~~The average monthly balance of funds invested in the City's general portfolio, excluding proceeds from bond issues, is approximately $5-10 million. The highest balances in the portfolio occur in December after property taxes are collected.~~

## 2. POLICY STATEMENT

**Commented [WM2]:** Added per OSTFB Sample Policy recommendation

This Investment Policy defines the parameters within which funds are to be invested by the City of Sweet Home. This policy formalizes the framework, pursuant to ORS 294.135, for the City's investment activities to ensure effective and judicious management 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.

## ~~2.~~3. GOVERNING AUTHORITY

The investment program shall be operated in conformance with federal, state, and other legal requirements. 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.

**Commented [WM3]:** Added language per OSTFB sample policy

~~This Policy has been adopted by the City Council of Sweet Home, Oregon on February 8, 2022 and replaces the City's previous adoption dated February 26, 2019.~~

## ~~3.~~4. SCOPE

This policy applies to activities of the City with regard to investing the financial assets of all funds except for funds held in trust for the Pension Portfolio and deferred compensation funds for the employees of the City which have separate rules. In addition, funds held by trustees or fiscal agents are excluded from these rules; however, all funds are subject to regulations established by the State of Oregon. Other than bond proceeds or other unusual situations, the total of all funds ranges from $5,000,000 to $2~~1~~5,000,000. This policy provides direction for the following fund types:

1. General Fund

2. Special Revenue Funds
3. Capital Projects Funds
4. Debt Service Funds
5. Enterprise Funds
6. Internal Service Funds
7. Trust and Agency Funds
8. Other Funds

## 4~~.~~5. OBJECTIVES

The City's principal investment objectives in order of priority are:

**~~4~~5.1 Safety~~:~~**

Investments shall be undertaken in a manner that seeks to ensure ~~P~~preservation of capital and protection of investment principal in the overall portfolio. The goal is to mitigate credit risk and interest rate risk.~~l.~~

- ~~Diversification to avoid incurring unreasonable risks regarding specific security types or individual financial institutions.~~

**~~4~~5.2 Liquidity~~:~~**

Maintenance of sufficient liquidity to meet operating requirements that are reasonably anticipated. 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.

**~~4~~5.3 Yield – Return~~:~~**

The investment portfolio shall be designed with the objective of ~~A~~attain~~menting~~ing ~~of~~ a market ~~value~~ rate of return throughout budgetary and economic cycles, taking into consideration the safety and liquidity needs of the portfolio.

## 6. INVESTMENT PHILOSOPHY

### 6.1 Investment Strategy

The primary investment philosophy of City is to maintain sufficient liquidity to meet ongoing and anticipated cash flow needs. An understanding of the timing and purpose of cash flows is central to all investment decisions.

**Commented [WM4]:** Added language from OSTFB Sample policy for additional clarity.

**Commented [WM5]:** Added language from OSTFB sample policy for additional clarity.

**Commented [WM6]:** GPA recommended language, aligns to best practice recommendations from GIOA.

Funds that are not required for immediate or daily operating needs may be invested in a manner that preserves liquidity while seeking to enhance returns, consistent with the City's risk and return objectives. To clearly communicate the intended use, time horizon, and objectives of invested funds, such monies may be allocated among defined portfolio components, each reflecting the current purpose of those funds.

**6.2 Selling of Securities**

Securities shall generally be held until maturity, with the following exceptions:

- A security with declining credit below authorized ratings may be sold prior to maturity to minimize loss of principal.
- Liquidity needs of the portfolio require that a security be sold prior to maturity.
- The portfolio duration or maturity buckets should be adjusted to better reflect the structure of the underlying benchmark portfolio.
- A security rebalance or swap would improve the quality, yield, or target duration in the portfolio.

## ~~5.~~7. STANDARDS OF CARE

**~~5~~7.1 Delegation of Authority**

- **Governing Body:** The ultimate responsibility and authority for the investment of City funds resides with the City Council.

- **Delegation of Authority:** Authority to manage investments within the scope of this policy and operate the investment program in accordance with written procedures and internal controls is granted to the City Manager, or designee (hereinafter referred to as Investment Officer), ~~The City hereby designates the Finance Director as the Finance Director for the City's funds. The Finance Director 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.~~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.

  ~~a. Finance Committee: The City Finance Committee will provide additional guidance and oversight in regards to the annual investment policy review and quarterly investment reports.~~

- **Investment Advisor:** Subject to required procurement procedures, the City may engage the support services of outside professionals in regard to its financial program, so long as it can be demonstrated or anticipated that these services produce a net financial advantage or necessary financial protection of the City's resources. External investment

**Commented [WM7]:** Updated to better align to OSTFB sample policy and reflect City's current practices. Adds designee for business continuity purposes - will replace all references of Finance Director to Investment Officer.

advisors shall be subject to Oregon Revised Statutes and the provisions of this Investment Policy. The Advisor shall provide non-discretionary advisory services, which require prior approval from the ~~Finance Director~~Investment Officer on all transactions.

In order to optimize total return through active portfolio management, resources shall be allocated to the cash management program. This commitment of resources shall include financial and staffing considerations.

### ~~5~~7.2 Prudence:

The standard of prudence to be used, by the ~~Finance Director~~Investment Officer, in the context of managing the overall portfolio is the prudent ~~investor~~ person ~~rule~~ standard and shall be applied in the context of managing an overall portfolio. The "prudent person" standard ~~which~~ states:

> "Investments ~~will~~ 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 City's ~~Finance Director~~Investment 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 changes ~~or other loss~~, provided deviations from expectations are reported and appropriate action is taken to control adverse developments within a timely fashion as defined in this policy.

### ~~5~~7.3 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 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 City. 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.

## ~~6.~~8. ~~AUTHORIZED FINANCIAL INSTITUTIONS~~TRANSACTION COUNTERPARTIES

~~The City shall maintain a list of all authorized financial institutions and dealers that are approved for investment purposes. Any firm is eligible to make an application to the Finance Director and upon due consideration and approval, will be added to the list. Additions and deletions to the list will be made at the City's discretion. There should be in place, proof as to all the necessary credentials and licenses held by employees of the brokers/dealers who will have contact with the City of Sweet Home as specified by but not necessarily limited to the Financial Industry Regulatory Authority (FINRA), Securities and Exchange Commission (SEC), etc.~~



**Commented [WM8]:** Updated language to better align to OSTFB sample policy

**Commented [WM9]:** Updated this section to better align to OSTFB sample policy recommendations, includes GPA recommended language.

**~~6~~8.1 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.

- ~~i.~~ Broker/Dealer firms must meet the following minimum criteria:

    a. ~~A.~~ Be registered with the Securities and Exchange Commission (SEC);
    b. ~~B.~~ Be registered with the Financial Industry Regulatory Authority (FINRA).
    c. ~~C.~~ Provide most recent audited financials.
    d. ~~D.~~ Provide FINRA Focus Report filings.

- ~~ii.~~ Approved broker/dealer employees who execute transactions with the City must meet the following minimum criteria:

    a. ~~A.~~ Be a registered representative with the Financial Industry Regulatory Authority (FINRA);
    b. ~~B.~~ Be licensed by the state of Oregon;
    c. ~~C.~~ Provide certification (in writing) of having read; understood; and agreed to comply with the most current version of this investment policy.

- Factors to consider during periodic review of all broker/dealers and their respective authorized registered representatives include:

    a. Pending investigations related to fraud of public funds by securities regulators
    b. Significant changes in net capital
    c. Pending customer arbitration cases (if available)
    d. Regulatory enforcement actions

Should the City utilize an investment advisor, ~~iii. T~~the ~~I~~investment ~~O~~officer or designee may utilize the ~~non-discretionary~~investment advisor's approved broker/dealer list in lieu of the City's ~~internal~~ own approved~~broker~~ list. The advisor must submit the approved list to the City annually and provide updates throughout the year as they occur. ~~provide the City with documentation of an annual review. At a minimum t~~The advisor must maintain documentation of appropriate licenses and professional credentials of all broker/dealers on the list. The annual advisor broker/dealer review procedures should ~~include:~~

~~a. FINRA Certification check~~
~~b. Firm Profile~~
~~c. Firm History~~
~~d. Firm Operations~~
~~e. Disclosures of Arbitration Awards, Disciplinary and Regulatory Events~~
~~f. State Registration Verification~~

~~Financial review of acceptable FINRA capital requirements or letter of credit for clearing settlements.~~be similar to the City's.

The advisor may be authorized through the contracted agreement to open accounts on behalf of the City with the broker/dealers on the approved list. The City will receive documentation directly from the brokers for account verification and regulatory requirements.

~~The advisors must provide the City with any changes to the list prior to transacting on behalf of the City.~~

**~~6~~8.2 ~~Financial Bank Institutions~~Depositories:**

Commented [WM10]: Updated to align with OSTFB sample policy.

All financial banks that provide bank deposits, certificates of deposits or any other deposit of the bank to the City must either be fully covered by the FDIC or the bank must be a participant of the Public Funds Collateralization Program (PFCP) program. All financial institutions who desire to become depositories must be qualified Oregon Depositories pursuant to ORS Chapter 295.
~~ORS Chapter 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Public Funds Collateralization Program. Bank depositories are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts. This provides additional protection for public funds in the event of a bank loss. ORS Chapter 295 sets the specific value of the collateral, as well as the types of collateral that are acceptable. ORS Chapter 295 creates a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected.~~

**8.3 Direct Issuers:**

Obligations that are permitted for purchase by this policy may be purchased directly from the issuer without being listed as an approved broker/dealer.

**~~6~~8.~~3~~ 4 Investment Advisors:**

Commented [WM11]: Updating to better align to OSTFB sample policy

A list will be maintained of approved advisors selected by conducting a process of due diligence. ~~An Investment Advisor may be utilized to manage funds and will be selected through a competitive RFP process.~~ The approved ~~A~~advisor must meet the following criteria:

- The investment advisor firm must be registered with the Securities and Exchange Commission (SEC) or licensed by the state of Oregon; (Note: Investment advisor firms with assets under management > $100 million must be registered with the SEC, otherwise the firm must be licensed by the state of Oregon);
- All investment advisor firm representatives conducting investment transactions on behalf of City must be registered representatives with FINRA;
- All investment advisor firm representatives conducting investment transactions on behalf of City must be licensed by the state of Oregon;
- Contract terms will include that the Investment advisor will comply with the City's Investment Policy.

A periodic ~~(at least annual)~~ review of all investment advisors under contract will be conducted by the ~~Finance Director~~Investment Officer to determine their continued eligibility within the portfolio guidelines. The Investment Advisor must notify the City immediately if any of the following issues arise while serving under a City Contract:

- Pending ~~investigations by securities regulators.~~customer arbitration cases
- ~~Significant changes in net capital.~~Regulatory enforcement actions
- ~~Pending customer arbitration cases.~~Significant decline in assets under management
  ~~Regulatory enforcement actions.~~

**~~6~~8.~~4~~4 Competitive Transactions:**

Commented [WM12]: Updated section to better align to OSTFB sample policy language

The ~~Finance Director~~Investment Officer ~~will~~ shall obtain and document competitive bid information on all investments purchased or sold in the secondary market ~~telephone, faxed or emailed quotes before purchasing or selling an investment~~. 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. ~~The Finance Director will select the quote which best satisfies the investment objectives of the investment portfolio within the parameters of this policy. The Finance Director and/or the Investment Advisor will maintain a written record of each bidding process including the name and prices offered by each participating financial institution.~~

- In the instance of a security for which there is no readily available competitive bid or offering on the same specific issue, then the Investment Officer shall document quotations for comparable or alternative securities.

- When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities as the same original issue price. However, the Investment Officer is encouraged to document quotations on comparable securities.

- If an
- ~~The City's~~ investment ~~advisor that is~~ provid~~ing~~es investment management services, the advisor must ~~provide~~ retain documentation of competitive pricing execution on each transaction and provide upon request.~~. The investment advisor will retain documentation and provide upon request.~~

## ~~7.~~9. ~~SAFEKEEPING AND~~ CUSTODY AND CONTROLS

**9~~7~~.1 Delivery vs. Payment**

Commented [WM13]: Added this section per OSTFB Sample Policy - moved existing language under this header.

All trades of marketable securities will be executed on a delivery vs payment (DVP) basis to ensure that securities are deposited in the City of Sweet Home's safekeeping institution prior to the release of funds.

**9.2 Third Party Safekeeping ~~of Securities and Funds:~~**

Securities will be held by an independent third-party safekeeping institution selected by the City in the City' s segregated account. All securities will be evidenced by safekeeping receipts in the City's name. Upon request, the safekeeping institution shall make available a copy of its Statement on Standards for Attestation Engagements (SSAE) No. 16. The City will have online access through the safekeeping bank for verification of the account holdings and transactions. The City may hold bank deposits or certificates of deposits at banks qualified under ORS 295.

~~All trades of marketable securities will be executed on a delivery vs payment (DVP) basis to ensure that securities are deposited in the City of Sweet Home's safekeeping institution prior to the release of funds.~~

~~**7.2 Bank Deposits and Certificates of Deposit:**~~

**Commented [WM14]:** Covered in above under Depositories

~~The City may hold bank deposits or certificates of deposits at banks qualified under ORS 295.~~

~~**7.3 Accounting Method:**~~

~~The City shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP). 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).~~

**~~7~~9.~~4~~ 3 Internal Controls:**

**Commented [WM15]:** Updated to follow OSTFB sample policy more closely

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 City of Sweet Home.

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 ~~Finance Director~~Investment Officer shall maintain a system of written internal controls which shall address the following areas of concern:

- Compliance with investment policy constraints and requirements
- Clear delegation of authority
- Segregation of duties and separation of responsibilities for trade execution, accounting, and record keeping
- Written confirmation of transactions and funds transfers
- Timely reconcilement of custodial reports
- Appropriate security for online transactions and access to bank accounts and bank data
- Custodial safekeeping
- Control of collusion
- Review, maintenance and monitoring of security procedures both manual and automated
- Dual authorizations of wire and automated clearing house (ACH) transfers

**9.4 External Audits**

An external auditor shall provide an annual independent audit to assure compliance with Oregon state law and City of Sweet Home policies and procedures.

**~~7~~9.~~3~~5 Accounting Method~~:~~**

The City shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP). 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).

Pooling of Funds: Except for cash in certain restricted and special funds, the City will consolidate balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

## ~~8.~~10. AUTHORIZED AND SUITABLE INVESTMENTS

**10.1 ~~8.1~~ Authorized Investments~~:~~**

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 294.135 (Investment maturity dates), ORS 294.145 (Prohibited conduct for ~~Finance Director~~Investment Officer including not committing to invest funds or sell securities more than 14 business days prior to the anticipated date of settlement), ORS 294.805 to 294.895 (Local Government Investment Pool). ~~Any revisions or extensions of these sections of the ORS must be amended to this policy in order to be allowable.~~

**~~Suitable Investments:~~**

~~The City will diversify investments across maturities, security types and institutions to avoid incurring unreasonable risks.~~ Minimum percentages and credit limits apply at the time of purchase (time of purchase language refers to settlement date for the purposes of this policy).

The ~~City has further defined the eligible types of securities and transactions as follows~~following lists allowable investment types:

**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 [ORS Section 294.035(3)(a)].

**US Agency Obligations**: Federal agency and instrumentalities of the United States or enterprises sponsored by the United States Government (GSEs) whose payment is guaranteed by the United States, the agencies and instrumentalities of the United States or enterprises sponsored by the United States Government [ORS Section 294.035(3)(a)].

**Municipal Debt:** Lawfully issued debt obligations of the States of Oregon, California, Idaho and Washington and political subdivisions of those states if the obligations have a long-term rating on the settlement date of AA- or better by S&P or Aa3 or better by Moody's or equivalent rating by any nationally recognized statistical rating organization, or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization [ORS Section 294.035(3)(b) and (c)].

**Corporate Indebtedness:** Corporate indebtedness 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. The corporate indebtedness must be issued by a commercial, industrial or utility business enterprise, or by or on behalf of a financial institution, including a holding company owning a majority interest in a qualified financial institution. Corporate indebtedness must be rated on the settlement date AA- or better by S&P or Aa3 or better by Moody's or equivalent rating by any nationally recognized statistical rating organization [ORS Section 294.035(3)(i)].

**Commented [WM16]:** Updated language to include additional specifics from state statute for Corp and CP definitions

**Commercial Paper:** Corporate indebtedness 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. The corporate indebtedness must be issued by a commercial, industrial or utility business enterprise, or by or on behalf of a financial institution, including a holding company owning a majority interest in a qualified financial institution. Commercial Paper must be rated A1 by Standard and Poor's or P1 by Moody's or equivalent rating by any nationally recognized statistical rating organization. Issuer constraints for commercial paper combined with corporate notes will be limited by statute to 5% of market value per issuer [ORS Section 294.035(3)(i)].

**Certificates of Deposit:** Certificates of deposit in insured institutions as defined in ORS 706.008, in credit unions as defined in ORS Section 723.006 or in federal credit unions, if the institution or credit union maintains a head office or a branch in this state [ORS Section 294.035(3)(d)].

**Bank Time Deposit/Savings Accounts:** Time deposit open accounts or savings accounts in insured institutions as defined in ORS Section 706.008, in credit unions as defined in ORS Section 723.006 or in federal credit unions, if the institution or credit union maintains a head office or a branch in this state [ORS Section 294.035(3)(d)].

**Bankers' Acceptance:** Banker's acceptances, if the banker's acceptances are: (i) Guaranteed by, and carried on the books of, a qualified financial institution~~*~~; (ii) Eligible for discount by the Federal Reserve System; and (iii) Issued by a qualified financial institution whose short-term letter of credit rating is rated in the highest category without any refinement or gradation by one or more nationally recognized statistical rating organizations ~~[ORS Section 294.035(3)(h)]~~. *For the purposes of this paragraph, "qualified financial institution" means: (i) A financial institution that is located and licensed to do banking business in the State of Oregon; or (ii) A financial institution that is wholly owned by a financial holding company or a bank holding company that owns a financial institution that is located and licensed to do banking business in the State of Oregon [ORS Section 294.035(3)(h)].

**Local Government Investment Pool:** State Treasurer's local short-term investment fund up to the statutory limit per ORS Section 294.810.

~~*For the purposes of this paragraph, "qualified financial institution" means: (i) A financial institution that is located and licensed to do banking business in the State of Oregon; or (ii) A financial institution that is wholly owned by a financial holding company or a bank holding company that owns a financial institution that is located and licensed to do banking business in the State of Oregon [ORS Section 294.035(3)(h)].~~

**~~8~~10.~~2~~3 Bank Collateralization~~:~~**

Time deposit open accounts, Certificates of Deposit and savings accounts shall be collateralized through the collateral pool for any excess over the amount insured by an agency of the United States government in accordance with ORS Chapter 295.~~015 and ORS 295.018~~. All depositories must be on the State of Oregon's qualified list.

**10.3 Approval of Permitted Investments**

Commented [WM17]: Added per OSTFB sample policy

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 the City of Sweet Home City Council.

**~~9~~10.~~3~~4 Prohibited Investments~~:~~**

- The City shall not invest in "144A" private placement securities, this includes commercial paper privately placed under section 4(a)(2) of the Securities Act of 1933~~.~~
- The City shall not lend securities nor directly participate in a securities lending or reverse repurchase program.
- The City shall not purchase mortgage backed securities.
- The City ~~will~~shall not purchase, per ORS 294.040, any bonds of issuers listed in ORS 294.035(3)(a) to (c) that have a prior default history.
- No commitment to buy or sell securities may be made more than 14 business days prior to the anticipated settlement date.

## ~~9.~~11. INVESTMENT PARAMETERS

**~~9~~11.1 ~~Diversification~~Credit Risk~~:~~**

Commented [WM18]: Added per OSTFB sample policy recommendation

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 mitigated by the following guidelines:

- Diversification: It is the policy of the City 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.

- 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. Ratings used to apply the guidelines below should be investment level ratings and not issuer level ratings.

- The minimum weighted average credit rating of the portfolio's rated investments shall be AA-/Aa3/AA- by Standard & Poor's, Moody's Investors Service and Fitch Ratings Service respectively.

- Diversification and Credit Exposure Constraints: The following table limits exposures among investments permitted by this policy.

~~The City will diversify the investment portfolio to avoid incurring unreasonable risks, both credit and interest rate risk, inherent in over investing in specific instruments, individual financial institutions or maturities.~~

~~***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.~~

~~***Liquidity risk***: is the risk that an investment may not be easily marketable or redeemable.~~

~~***Interest rate risk***: longer term investments have the potential to achieve higher returns but are also likely to exhibit higher market value price volatility due to the changes in the general level of interest rates.~~

**Diversification Constraints on Total Holdings** ~~**– Liquidity and Core Funds**~~

| Issue Type | Maximum % Holdings | Maximum % per Issuer | Ratings S&P, Moody's or Equivalent NRSRO | Maximum Maturity |
|---|---|---|---|---|
| US Treasury Obligations | 100% | None | N/A | 5.25 Years |
| US Agency Obligations | 100% | 35% | N/A | 5.25 Years |
| Municipal Obligations (OR, CA, ID, WA only) | 25% | 5% | AA- / Aa3 Short Term* | 5.25 Years |
| Corporate Notes | 35%** | 5%*** | AA- / Aa3 | 5.25 Years |
| Commercial Paper | | | A1 / P1 | 270 Days |
| Bank Time Deposits/Savings Accounts | 25% | 15% | Oregon Public Depository | N/A |
| Certificates of Deposit | 10% | 5% | Oregon Public Depository | 5.25 Years |
| Banker's Acceptance | 25% | 5% | A1 / P1 | 180 Days |
| State LGIP | Maximum allowed per ORS 294.810 | None | N/A | N/A |

*Short-Term Ratings: Moody's - P1/MIG1/VMIG1, S&P - A-1/SP-1, Fitch - F1

**35% maximum combined corporate and commercial paper per ORS.

***Issuer constraits apply to the combined issues in corporate and commercial paper holdings

**~~9~~11.2 Investment Maturity:**

Liquidity risk is the risk that an investment may not be easily marketable or redeemable, as well as a shortfall of operating cash resulting in the need to sell securities and, thus, principal risk. The following strategies will be employed to mitigate liquidity risks:

- Where feasible and prudent, investment maturities should be matched with expected cash outflows to mitigate risk.
- The City will not directly invest in securities with a stated maturity of more than five and a quarter (5.25) years from the date of purchase.

- The maximum weighted maturity of the total portfolio shall not exceed two and a half (2.5) years. This maximum is established to limit the portfolio to excessive price change exposure.
- Liquidity funds will be held in the State Pool or~~,~~ Bank Deposits ~~or in money market instruments maturing six months and shorter~~. The liquidity portfolio shall, at a minimum, represent six month budgeted outflows.
- Core funds will be ~~the~~ defined as the funds in excess of liquidity requirements. The investments in this portion of the portfolio will have maturities between 1 day and 5.25 years and will be only invested ~~based on the diversification parameters listed in 9.1 of this policy.~~ in higher quality and liquid securities.
- Total Portfolio Maturity Constraints:

| Maturity Constraints | Minimum % of Total Portfolio |
|---|---|
| Under 30 Days | 10% |
| Under 1 Year | 25% |
| Under 5.25 Years | 100% |
| **Maturity Constraints** | **Maximum of Total Portfolio in Years** |
| Weighted Average Maturity | 2.5 Years |
| **Security Structure Constraint** | **Maximum % of Total Portfolio** |
| Callable Agency Securities | 25% |

~~**9.3 Prohibited Investments:**~~

- ~~The City shall not invest in “144A” private placement securities.~~

- ~~The City shall not lend securities nor directly participate in a securities lending or reverse repurchase program.~~
- ~~The City shall not purchase mortgage backed securities.~~
- ~~The City will not purchase, per ORS 294.040, any bonds of issuers listed in ORS 294.035(3)(a) to (c) that have a prior default history.~~

## ~~10.~~12. INVESTMENT OF PROCEEDS FROM DEBT ISSUANCE

Investments of bond proceeds are restricted under bond covenants that may be more restrictive than the investment parameters included in this policy. ~~are restricted further and will not include corporate bonds in the dedicated bond proceed portfolio. All other allowable investments including: US Treasury, US Agency and Commercial Paper may be utilized.~~ The investments will be made in a manner to match cash flow expectations based on managed disbursement schedules.

Liquidity for bond proceeds will be managed through the OSTF Pool or Bank deposit balances.

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 maturities are intended to be matched with expected outflows.

Information will be maintained for arbitrage rebate calculations.

## ~~11.~~13. INVESTMENT OF RESERVE OR CAPITAL IMPROVEMENTS

Pursuant to ORS 294.135(1)(b), reserve or capital Improvement project monies may be invested in securities exceeding 5.25 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, municipality, school district or other political subdivision, the maturity of the investment or investments made with the funds may occur when the funds are expected to be used.

## ~~12.~~14. ~~POLICY~~ REPORTING, COMPLIANCE AND PERFORMANCE STANDARDS

### 1~~2~~4.1 Reporting Requirements

Commented [WM19]: Added per OSTFB sample policy recommendation - confirm this can be adhered to

The ~~Finance Director~~Investment Officer will retain and provide quarterly investment reports to the City Council in a similar manner as outlined in ORS 208.090. The reports also will be available upon request. Securities holdings and cash balances held in the investment portfolio will be provided on the reports.

The minimum quarterly reporting requirements for total portfolio are as follows:

- Earnings Yield
- Holdings Report (including mark to market)
- Transactions Report
- Weighted Average Maturity or Duration
- Compliance Report

**14.2 Guideline Compliance ~~Measurement and Procedures:~~**

- ~~Compliance Report: A compliance report documenting the portfolio versus the investment policy shall be maintained quarterly.~~
- ~~Compliance~~ Guideline Measurement:
  Guideline measurements will use market value of investments.

- Guideline Compliance ~~Procedures~~:
  i. 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.

  ii. 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 Finance Committee.

  iii. Due to fluctuations in the aggregate surplus funds balance, maximum or minimum percentages for a particular issuer, ~~or~~ investment type or minimum maturity constraint may be ~~exceeded~~ surpassed 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.

  ~~iv. As determined on any date that the security is held within the portfolio. If the credit rating of a security is subsequently downgraded below the minimum rating level for a new investment of that security, the Finance Director shall evaluate the downgrade on a case-by-case basis in order to determine if the security should be held or sold. The Finance Director will apply the general objectives of Safety, Liquidity, Yield and Legality to make the decision.~~ ~~*If the City has hired the services of an Investor Advisor, the Finance Director will act on the recommendation of the Advisor.*~~

Commented [WM20]: Updated to follow OSTFB sample policy recommendation more closely - removed redundant language (moved to address in Philosophy section of Policy)

**1~~4~~2.~~3~~2 Performance Measurement:**

- The ~~City~~ liquidity portfolio yields will be compared to the ~~OST~~ Oregon Short Term Pool rates.

- The Core investment portfolio will be invested into a predetermined structure that will be measured against a selected benchmark portfolio. The structure will be based upon a chosen minimum and maximum effective duration and will have the objective to achieve market rates of returns over long investment horizons. The purpose of the benchmark is to appropriately manage the risk in the portfolio given interest rate cycles. The core portfolio is expected to provide similar returns to the benchmark over interest rate cycles, but may underperform or out perform in certain periods. The portfolio will be positioned to first protect principal and then achieve market rates of return. The benchmark used will be a 0-3 year or 0-5 year standard market index and comparisons will be calculated monthly and reported quarterly.

- 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.

- The mark to market pricing will be calculated monthly and be provided in a monthly report.

## ~~13. Reporting Requirements~~

~~The Finance Director will retain and provide quarterly investment reports to the City Council in a similar manner as outlined in ORS 208.090. The reports also will be available upon request. Securities holdings and cash balances held in the investment portfolio will be provided on the reports.~~

~~The minimum quarterly reporting requirements for total portfolio are as follows:~~

- ~~Earnings Yield~~
- ~~Holdings Report (including mark to market)~~
- ~~Transactions Report~~
- ~~Weighted Average Maturity or Duration~~
- ~~Compliance Report~~

## ~~14.~~15. ~~Investment~~ Policy Maintenance and Considerations~~Adoption~~

Commented [WM21]: Updated this section to align to OSTFB sample policy.

**15.1 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.

**15.2 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.

**15.3 Policy Adoption and Amendments**

This Investment Policy and any modifications to this policy must be formally approved in writing by the City of Sweet Home's City Council. This policy shall be re-submitted not less than annually to the City Council for approval regardless of whether modifications are being made. This policy must be submitted to the Oregon Short Term Fund (OSTF) Board for review if any material changes have been made since the last review by the OSTF Board.

~~This Investment Policy shall be reviewed by the City's Finance Committee and adopted by City Council annually in accordance with ORS 294.135(a). Any significant changes to the policy must be reviewed by the Oregon Short Term Fund Board prior to submitting to City Council for adoption.~~

## GLOSSARY

**Accrued Interest:** The interest accumulated on a security since the issue date or since the last coupon payment. The buyer of the security pays the market price plus accrued interest.

**Agency Securities:** See “Federal Agency Securities.”

**Bankers’ Acceptance (BA’s):** A draft or bill of exchange drawn upon and accepted by a bank. Frequently used to finance shipping of international goods. Used as a short-term credit instrument, bankers’ acceptances are traded at a discount from face value as a month market instrument in the secondary market on the basis of the credit quality of the guaranteeing bank.

**Basis Point:** A basis point is a unit of measure used in finance to describe the percentage change in the value or rate of a financial instrument. One basis point is equivalent to 0.01% (1/100$^{th}$ of a percent) or 0.0001 in decimal form. In most cases, it refers to changes in interest rates and bond yields.

**Benchmark:** A market index used as a comparative basis for measuring the performance of an investment portfolio. A performance benchmark should represent a close correlation to investment guidelines, risk tolerance and duration of the actual portfolio’s investments.

**Bond:** An interest-bearing security issued by a corporation, government, governmental agency, or other body. It is a form of debt with an interest rate, maturity, and face value, and it is usually secured by specific assets. Most bonds have a maturity of greater than one year and in general, pay interest semiannually.

**Broker/Dealer:** A person or firm transacting securities business with customers. A “broker” acts as an agent between buyers and sellers, and receives a commission for thee services. A “dealer” buys and sells financial assets from its own portfolio. A dealer takes risk by owning an inventory of securities, whereas a broker merely matches up buyers and sellers.

**Call:** An option to buy a specific asset at a certain price within a certain period of time.

**Callable:** A bond or preferred stock that may be redeemed by the issuer before maturity for a call price specified at the time of issuance.

**Call Date:** The date before maturity on which a bond may be redeemed at the option of the issuer.

**Certificate of Deposit (CD):** Bank obligation issued by a financial institution generally offering a fixed rate of return (coupon) for a specified period of time (maturity).

**Collateral:** Securities or other property that a borrower pledges as security for the repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**Commercial Paper:** Short-term, unsecured, negotiable promissory notes issued by a company or financial institution. Issued at a discount and matures at par or face value. Usually a maximum maturity of 270 days, and given a short-term debt rating by one or more NRSROs.

**Core Fund**: Core funds are defined as operating fund balance which exceeds the City's daily liquidity needs.  Core funds are invested out the yield curve to diversify maturity structure in the overall portfolio. Having longer term investments in a portfolio will stabilize the overall portfolio interest earnings over interest rate cycles.

**Corporate Note:** A debt instrument issued by a corporation with a maturity of greater than one year and less than ten years.

**Coupon Rate:** The annual rate of interest that the issuer of a bond promises to pay to the holder of the bond.

**Current Maturity:** The amount of time left until an obligation matures. For example, a one-year bill issued nine months ago has a current maturity of three months.

**Current Yield:** The coupon payments on a security as a percentage of the security's market price. In many instances the price should be gross of accrued interest, particularly on instruments where no coupon is left to be paid until maturity.

**CUSIP:** A CUSIP number identifies securities. CUSIP stands for Committee on Uniform Security Identification Procedures, which was established under the auspices of the American Bankers Association to develop a uniform method of identifying municipal, U.S. government, and corporate securities.

**Delivery Versus Payment (DVP):** Settlement procedure in which securities are delivered versus payment of cash, but only after cash has been received. Most security transactions, including those through the Fed Securities Wire system and DTC, are done DVP as a protection for both the buyer and seller of securities.

**Depository Trust Company (DTC):** A firm through which members can use a computer to arrange for securities to be delivered to other members without physical delivery of certificates. A member of the Federal Reserve System and owned mostly by the New York Stock Exchange, the Depository Trust Company uses computerized debit and credit entries. Most corporate securities, commercial paper, CDs and BAs clear through DTC.

**Discount Notes:** Short term debt obligations issued by Federal Agencies at a discount. Discount notes mature at par and can range in maturity from overnight to one year. Discount Notes typically have very large primary (new issue) and secondary markets.

**Federal Agency Security:** A debt instrument issued by one of the federal agencies. Federal agencies are considered second in credit quality and liquidity only to U.S. Treasuries.

**Federal Agency:** Government sponsored/owned entity created by the U.S. Congress, generally for the purpose of acting as a financial intermediary by borrowing in the marketplace and directing proceeds to specific areas of the economy considered to otherwise have restricted access to credit markets.

**Federal Farm Credit Banks Funding Corporation (FFCB):** A Government Sponsored Enterprise (GSE) system that is a network of cooperatively owned lending institutions that provide credit services to farmers, agricultural cooperatives and rural utilities. The FFCBs act as financial intermediaries that borrow money in the capital markets and use the proceeds to make loans and provide other assistance to farmers and farm-affiliated businesses. FFCB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to is importance to the U.S. Financial system and agricultural industry. Also issues notes under it “designated note” program.

**Federal Home Loan Bank System (FHLB).** A Government Sponsored Enterprise (GSE) system, consisting of wholesale banks (currently twelve district banks) owned by their member banks, which provides correspondent banking services and credit to various financial institutions, financed by the issuance of securities. The principal purpose of the FHLB is to add liquidity to the mortgage markets. Although FHLB does not directly fund mortgages, it provides a stable supply of credit to thrift institutions that make new mortgage loans. FHLB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes and callable agency securities. Also issues notes under its “global note” and “TAP” programs.

**Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac").** One of the large Federal Agencies. A government sponsored public corporation (GSE) that provides stability and assistance to the secondary market for home mortgages by purchasing first mortgages and participation interests financed by the sale of debt and guaranteed mortgage backed securities. FHLMC debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities and MBS. Also issues notes under its “reference note” program.

**Federal National Mortgage Association (FNMA or "Fannie Mae").** One of the large Federal Agencies. A government sponsored public corporation (GSE) that provides liquidity to the residential mortgage market by purchasing mortgage loans from lenders, financed by the issuance of debt securities and MBS (pools of mortgages packaged together as a security). FNMA debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities and MBS. Also issues notes under its “benchmark note” program.

**Federal Reserve Bank.** One of the 12 distinct banks of the Federal Reserve System.

**Federal Reserve System (the Fed).** The independent central bank system of the United States that establishes and conducts the nation's monetary policy. This is accomplished in three major ways: (1) raising or lowering bank reserve requirements, (2) raising or lowering the target Fed Funds Rate and Discount Rate, and (3) in open market operations by buying and selling government securities. The Federal Reserve System is made up of twelve Federal Reserve District Banks, their branches, and many national and state banks throughout the nation. It is headed by the seven member Board of Governors known as the “Federal Reserve Board” and headed by its Chairman.

~~**Finance Committee:** A group consisting of the City Manager, Finance Director and Mayor, or his/her appointee from Council with positions reviewed by the Mayor on an annual basis.~~

**General Obligation Bonds (GOs):** Bonds secured by the pledge of the municipal issuer’s full faith and credit, which usually includes unlimited taxing power.

**Government Bonds:** Securities issued by the federal government; they are obligations of the U.S. Treasury. Also known as "governments."

**Government Sponsored Enterprise (GSE):** Privately owned entity subject to federal regulation and supervision, created by the U.S. Congress to reduce the cost of capital for certain borrowing sectors of the economy such as students, farmers, and homeowners. GSEs carry the implicit backing of the U.S. Government, but they are not direct obligations of the U.S. Government. For this reason, these securities will offer a yield premium over Treasuries. Some consider GSEs to be stealth recipients of corporate welfare. Examples of GSEs include: FHLB, FHLMC, FNMA and FFCB.

**Interest:** Compensation paid or to be paid for the use of money. The rate of interest is generally expressed as an annual percentage.

**Interest Rate:** The interest payable each year on borrowed funds, expressed as a percentage of the principal.

**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 mitigated 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.

**Commented [WM22]:** Added per OSTFB recommendation

**Investment Advisor:** A company that provides professional advice managing portfolios, investment recommendations and/or research in exchange for a management fee.

**Investment Portfolio:** A collection of securities held by a bank, individual, institution, or government agency for investment purposes.

**Investment Securities:** Securities purchased for an investment portfolio, as opposed to those purchased for resale to customers.

**Liquidity:** The ease at which a security can be bought or sold (converted to cash) in the market. A large number of buyers and sellers and a high volume of trading activity are important components of liquidity.

**Liquidity Component:** A percentage of the total portfolio that is dedicated to providing liquidity needs for the City.

**Mark to Market:** Adjustment of an account or portfolio to reflect actual market price rather than book price, purchase price or some other valuation.

**Municipals:** Securities, usually bonds, issued by a state or its agencies. The interest on "munis" is usually exempt from federal income taxes and state and local income taxes in the state of issuance. Municipal securities may or may not be backed by the issuing agency's taxation powers.

**NRSRO:** A "Nationally Recognized Statistical Rating Organization." A designated rating organization that the SEC has deemed a strong national presence in the U.S. NRSROs provide credit ratings on corporate and bank debt issues. Only ratings of a NRSRO may be used for the regulatory purposes of rating such as Moody's, S&P, and Fitch ~~and Duff & Phelps~~.

**Par Value:** The value of a security expressed as a specific dollar amount marked on the face of the security, or the amount of money due at maturity. Par value should not be confused with market value.

**Prudent Person Standard:** Standard that requires that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee will act with care, skill, prudence, and diligence under the circumstances the prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the entity.

**Rate of Return:** Amount of income received from an investment, expressed as a percentage of the amount invested.

**State of Oregon Local Government Investment Pool (OSTF – Oregon Short Term Fund):** The OSTF is organized pursuant to ORS 294.805 through 294.895. Participation in the Pool will not exceed the maximum limit annually set by ORS 294.810.

**Total Return:** Investment performance measured over a period of time that includes coupon interest, interest on interest, and both realized and unrealized gains or losses. Total return includes, therefore, any market value appreciation/deprecation on investments held at period end.

**Treasury Bill (T-Bill):** An obligation of the U.S. government with a maturity of one year or less. T-bills bear no interest but are sold at a discount.

**Treasury Bonds and Notes:** Obligations of the U.S. government that bear interest. Notes have maturities of one to ten years; bonds have longer maturities.

**Yield:** The annual rate of return on an investment, expressed as a percentage of the investment. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net yield, or yield to maturity, is the current income yield minus any premium above par or plus any discount from par in the purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

**Yield to Maturity:** The average annual yield on a security, assuming it is held to maturity; equals to the rate at which all principal and interest payments would be discounted to produce a present value equal to the purchase price of the bond.

**Ratings Table – Long-Term**

**Commented [WM23]:** Added for reference

| | **S&P** | **Moody's** | **Fitch** | **Definition** |
|---|---|---|---|---|
| Three Highest Rating Categories | AAA | Aaa | AAA | Highest credit quality |
| | AA+, AA, AA- | Aa1, Aa2, Aa3 | AA+, AA, AA- | Very high credit quality |
| | A+, A, A- | A1, A2, A3 | A+, A, A- | High credit quality |
| | BBB+, BBB, BBB- | Baa1, Baa2, Baa3 | BBB+, BBB, BBB- | Good credit quality |
| | BB+, BB, BB- | Ba1, Ba2, Ba3 | BB+, BB, BB- | Non-investment grade |

**Ratings Table – Short-Term**

| | S&P | Moody's | Fitch | Definition |
|---|---|---|---|---|
| Highest Rating Category | A1+, A1 | P1+, P1 | F1+, F1 | Highest credit quality |
| | **Municipal Commercial Paper** | | | |
| | A-1, A-1+, SP-1+, SP-1 | P1, MIG1, VMIG1 | F1+, F1 | Highest credit quality |

# Oregon Short Term Fund Board Sample Policy For Local Governments

**This Sample Investment Policy is a template from which Local Governments may draw in formulating a comprehensive investment policy. The investment parameters in this Policy are generally more restrictive than Oregon Law and may not represent the full range of legally allowable investments for local governments in the state of Oregon. It is recommended that local governments adjust this template policy to conform to unique investment needs and consult legal counsel when creating or altering their investment policy to ensure compliance with applicable Oregon Law.**

**Key Elements of an Investment Policy should consist of the following:**

- **Purpose:** Outlines the purpose for the policy document
- **Authority:** Identifies the authoritative guidance under which investing takes place
- **Scope**: Identifies funds under the authority of the policy
- **Objectives**: (Prioritized)
    - Safety
    - Liquidity
    - Return
- **Standards of Care**:
    - Prudence (Prudent Person Standard)
    - Ethics and Conflicts of Interest
    - Indemnification for investment decisions
    - Delegation of Authority
    - Internal controls
        - Separation of Investment decisions and recordkeeping
- **Safekeeping & Custody:**
    - Delivery vs. Payment protocol
    - Safekeeping/Custody by 3rd Party
- **Authorized investments:** Specific authorized investment types should be listed
- **Risk Parameters:**
    - Credit Risk:
        - Ratings requirements
        - Exposure limitations
    - Interest Rate Risk:
        - Maximum investment maturity
        - Maximum average maturity
    - Concentration Risk:
        - Diversification requirements
    - Liquidity Risk:
        - Minimum liquidity guidance
        - Maturity buckets
- **Transaction Counterparties:**
    - Minimum requirements to approve broker/dealers
    - Minimum requirements to approve Investment advisers
- **Policy Compliance:**
    - Reporting requirements:
        - Required data
        - Periodicity of reporting
        - Recipients of reports
    - Guideline violation resolution
- **Policy Maintenance:**
    - Periodic Policy Review

## Sample Investment Policy for Local Governments

### I. Purpose

This Investment Policy defines the parameters within which funds are to be invested by [Local Government]. The [Local Government] is a [Type of Local Government] whose purpose is to [Function of Local Government]. This policy also formalizes the framework, pursuant to ORS 294.135, for the [Local Government]'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.

### II. Governing Authority

[Local Government]'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.

### III. Scope

This policy applies to activities of [Local Government] with regard to investing the financial assets of [operating funds/capital funds/bond proceeds/bond reserve funds]. Funds managed by [Local Government] that are governed by other investment policies are excluded from this policy; however, all funds are subject to Oregon Law. The amount of funds falling within the scope of this policy over the next three years is expected to range between $[xxx] million and $[xxx] million.

### IV. 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 mitigate 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.

## V. 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:

> "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 [Local Government]. 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

#### i. Governing Body

The [Designated Oversight Body or Position] 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.

#### ii. 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 [Designated Position], 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.

**iii. Investment Committee**
The [Designated Oversight Body or Position] may seek to establish an investment committee to provide guidance to the Investment Officer(s) and monitor investment policy compliance.

**iv. Investment Adviser**
The [Designated Oversight Body or Position] may engage the services of one or more external investment managers to assist in the management of the entity'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 [Local Government] hires an investment adviser to provide investment management services, the adviser is authorized to transact with its direct dealer relationships on behalf of [Local Government].

> Note: Oregon Revised Statues (ORS) do not restrict hiring investment advisers on a discretionary basis. However, the OSTF Board cautions against hiring investment advisers on a fully discretionary basis. Therefore, this sample policy only allows for non-discretionary investment advisers.

## VI. 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.

**i.** Broker/Dealer firms must meet the following minimum criteria:
- **A.** Be registered with the Securities and Exchange Commission (SEC)
- **B.** Be registered with the Financial Industry Regulatory Authority (FINRA)
- **C.** Provide most recent audited financials
- **D.** Provide FINRA Focus Report filings

**ii.** Approved broker/dealer employees who execute transactions with [Local Government] must meet the following minimum criteria:
- **A.** Be a registered representative with the Financial Industry Regulatory Authority (FINRA);
- **B.** Be licensed by the state of Oregon;
- **C.** Provide certification (in writing) of having read; understood; and agreed to comply with the most current version of this investment policy.

**iii.** The Investment Officer may want to establish policy for engaging broker/dealer firms and registered representatives that are more restrictive than stated in this policy. Additional requisites or due diligence items may include:

   **A.** Positive references from at least three other local government clients.
   **B.** As part of the periodic due diligence review, inquiries with other local government clients with regard to their recent experiences with broker/dealer firms or registered representatives and any change in relationship status.
   **C.** Requirement that approved registered representatives provide notification within 30 days of any formal or pending investigations or disciplinary actions related to fraud or public funds and initiated by federal or state regulators.
   **D.** Requirement that prospective registered representatives have an established history of advising local governments with similar amounts of assets under management.

**iv.** 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:

   **A.** Pending investigations related to fraud or public funds by securities regulators
   **B.** Significant changes in net capital
   **C.** Pending customer arbitration cases
   **D.** Regulatory enforcement actions

> Professional conduct; regulatory filing history; and registration status for any registered broker/dealer firm or for an individual registered representative can be researched at the FINRA website using the FINRA BrokerCheck© service.
>
> - https://brokercheck.finra.org/
>
> Additional information (including state issued Enforcement Orders) on brokers and registered representatives licensed by the state of Oregon may also be obtained from the Oregon Department of Consumer and Business Services Division of Finance and Corporate Securities.
>
> - https://dfr.oregon.gov/Pages/index.aspx

**2. Direct Issuers**

Obligations that are permitted for purchase by this policy may be purchased directly from the issuer.

3. **Investment Advisers**
A list will be maintained of approved advisers selected by conducting a process of due diligence.

**i.** The following items are required for all approved Investment Advisers:

**A.** 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).*
**B.** All investment adviser firm representatives conducting investment transactions on behalf of [Local Government] must be registered representatives with FINRA.
**C.** All investment adviser firm representatives conducting investment transactions on behalf of [Local Government] must be licensed by the state of Oregon.
**D.** Certification, by all of the adviser representatives conducting investment transactions on behalf of this entity, of having read, understood and agreed to comply with this investment policy.

**ii.** A periodic (at least annual) review of all investment advisers under contract will be conducted by the Investment Officer to determine their continued eligibility within the portfolio guidelines. Factors to consider would be:
**A.** Pending customer arbitration cases
**B.** Regulatory enforcement actions
**C.** Significant decline in assets under management

Professional conduct and regulatory filing history for any registered investment adviser or for individual adviser representatives can be researched on the Securities and Exchange Commission's (SEC) Investment Adviser Public Disclosure website.

The SEC's Investment Adviser Public Disclosure website provides access to the registration form ("Form ADV") that the adviser filed. Form ADV contains information about an investment adviser and its business operations. Additionally, it contains disclosure about certain disciplinary events involving the adviser and its key personnel.

The website also allows users to search for an individual investment adviser representative and view that individual's professional background and conduct, including current registrations, employment history, and disclosures about certain disciplinary events involving the individual.

- https://adviserinfo.sec.gov/

**iii.** The Investment Officer may want to establish guidelines or policy for engaging investment advisers' services that are more restrictive than stated in this policy. Additional requisites or due diligence items may include:

**A.** Positive references from at least three other local government clients of a prospective investment adviser firm.
**B.** As part of the periodic due diligence review, inquiries with other local government clients of approved investment advisers with regard to their recent experiences with the adviser and any change in the relationship status.
**C.** Requirement that approved investment advisers provide notification within 30 days of a relationship termination by an Oregon based local government.

**D.** Requirement that approved investment adviser provide notification within 30 days of any formal investigations or disciplinary actions initiated by federal or state regulators.
**E.** Requirement that prospective investment advisers have an established history of advising local governments with similar amounts of assets under management.

4. **Depositories**
All financial institutions who desire to become depositories must be qualified Oregon Depositories pursuant to ORS Chapter 295.

5. **Competitive Transactions**

**i.** 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.

**ii.** In the instance of a security for which there is no readily available competitive bid or offering on the same specific issue, then the Investment Officer shall document quotations for comparable or alternative securities.

**iii.** When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities as the same original issue price. However, the Investment Officer is encouraged to document quotations on comparable securities.

**iv.** If an investment adviser provides investment management services, the adviser must retain documentation of competitive pricing execution on each transaction and provide upon request.

## VII. 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 [Local Government]'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 [Local Government]. All securities will be evidenced by safekeeping receipts in the [Local Government] 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 and [Designated Oversight Body or Position] are jointly 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 [Designated Oversight Body or Position].

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:

**i.** Compliance with Investment Policy
**ii.** Control of collusion
**iii.** Separation of transaction authority from accounting and record keeping
**iv.** Custodial safekeeping
**v.** Avoidance of physical delivery of securities whenever possible and address control requirements for physical delivery where necessary
**vi.** Clear delegation of authority to subordinate staff members
**vii.** Confirmation of transactions for investments and wire transfers in written or digitally verifiable electronic form
**viii.** Dual authorizations of wire and automated clearing house (ACH) transfers
**ix.** Staff training
**x.** Review, maintenance and monitoring of security procedures both manual and automated

4. An external auditor shall provide an annual independent review to assure compliance with Oregon state law and [Local Government] policies and procedures.

## VIII. 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).*

- *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.*
- *US Agency Obligations: Senior debenture obligations of US federal agencies and instrumentalities or U.S. government sponsored enterprises (GSE).*
- *Oregon Short Term Fund*
- *Corporate Indebtedness*
    1. *Commercial Paper issued under the authority of section 3(a)2 or 3(a)3 of the Securities Act of 1933.*
    2. *Corporate Bonds*
- *Repurchase Agreements*
- *Municipal Debt*
- *Bankers Acceptances*
- *Qualified Institution Time Deposits/Savings Accounts/Certificates of Deposit*

A list of Investments allowed under ORS 294.035, 294.040 and 294.810 may be found on the Oregon State Treasury website at the following link:
https://www.oregon.gov/treasury/public-financial-services/Documents/Public-Financial-Services-Local-Government-Resources/US-Gov-and-Agy-Securities-for-LGs.pdf

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 [Local Government].

3. **Prohibited Investments**
   i. **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.

   ii. **US Agency Mortgage-backed Securities**
   US agency mortgage-backed securities such as those securities issued by FNMA and FHLMC are not allowed.

   iii. **Securities Lending**
   The [Local Government] shall not lend securities nor directly participate in a securities lending program.

4. **Demand Deposits and Time Deposits**
   i. 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.
   ii. 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.

5. **Repurchase Agreements**
   i. ORS 294.035 (3)(j) requires repurchase agreement collateral to be limited in maturity to three years and priced according to percentages prescribed by written policy of the Oregon Investment Council or the Oregon Short Term Fund Board.
   ii. ORS 294.135 (2) limits the maximum term of any repurchase agreement to 90 days.
   iii. The OSTF Board has adopted the following margins:
      A. US Treasury Securities: 102%
      B. US Agency Discount and Coupon Securities: 102%
      C. Mortgage Backed and Other*: 103%
      *Limited to those securities described in ORS 294.035(1)

## IX. 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 mitigated by the following guidelines:

**i. Diversification**
It is the policy of [Local Government] 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.

**ii. Recognized Credit Ratings**
Investments must have a rating from at least [one/two] 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. Ratings used to apply the guidelines below should be investment level ratings and not issuer level ratings.

**iii. Portfolio Average Credit Rating**
The minimum weighted average credit rating of the portfolio's rated investments shall be Aa/AA/AA by Moody's Investors Service; Standard & Poor's; and Fitch Ratings Service, respectively.

**iv. Exposure Constraints and Minimum Investment Credit Ratings**

The following table limits exposures among investments permitted by this policy.

*(This table contains sample restraints. Local Governments should also consult applicable State Statutes and legal guidelines):*

| Issue Type | Maximum % Holdings | Maximum % Holdings Per Agency/Issuer/ Institution | Minimum Security-Level Ratings Moody's/S&P/Fitch |
|---|---|---|---|
| US Treasury Obligations | 100% | - | None |
| US Agency Securities (Senior Obligations Only) | 100% | 40% | - |
| Oregon Short Term Fund | Maximum allowed per ORS 294.810 | - | - |
| Bankers' Acceptances | 25%(1) | 5% | P1/A1+/ F1+ |
| Time Deposits/Savings Accounts/Certificates of Deposit(2) | 50% | 25% | - |
| Repurchase Agreements | 5% | - | - |
| Corporate Debt (Total) | 25%(3) | 5%(4) | - |
| Corporate Commercial Paper | 25%(3) | 5%(4) | P1/A1/F1 |
| Corporate Bonds | 25%(3) | 5%(4) | Aa/AA/AA |
| Municipal Debt (Total) | 25% | 5% | - |
| Municipal Commercial Paper | 25% | 5% | P1/A1/F1 |
| Municipal Bonds | 25% | 5% | Aa/AA/AA |

(1) 25% Maximum per ORS 294.035(D)
(2) As authorized by ORS 294.035(3)(d)
(3) 35% Maximum per ORS 294.035(D)
(4) 5% Maximum per ORS 294.035(D)

**v. Determining a Security's Rating**
A single rating will be determined for each investment by utilizing the lowest security level rating available for the security from Standard and Poor's, Moody's Investor Services and Fitch Ratings, respectively. Corporate indebtedness must be rated on the settlement date by at least one of the three nationally statistical rating organizations (NRSROs), i.e., Moody's, S&P or Fitch, respectively, as follows: If short-term commercial paper, P-1, A-1 or F1; if corporate bonds, Aa3, AA- or AA-.

**vi. 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, as well as a shortfall of operating cash resulting in the need to sell securities and, thus, principal risk. The following strategies will be employed to mitigate liquidity risks:

**i.** The value of at least 25% of funds available for investing or [three/six/twelve] 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 [30/60/90] days to provide sufficient liquidity for expected disbursements.

**ii.** 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 [30/60/90] days | 25% or [three/six/twelve] months Estimated Operating Expenditures |
| Under 1 year | 50% |
| Under [3.25/5.25] years | 100% |

**iii.** Reserve or Capital Improvement Project monies 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.

**iv.** 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.

**v.** 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 (Total) | - |
| Corporate Commercial Paper | 100% |
| Corporate Bonds | 25% |
| Municipal Bonds | 25% |

*The par amount issued under a single CUSIP.

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 mitigated 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 mitigate adverse changes in the market value of the portfolio due to changes in interest rates:

   **i.** Where feasible and prudent, investment maturities should be matched with expected cash outflows to mitigate market risk.
   **ii.** To the extent feasible, investment maturities not matched with cash outflows, including liquidity investments under one year, should be staggered to mitigate re-investment risk.
   **iii.** No commitments to buy or sell securities may be made more than 14 days prior to the anticipated settlement date, or receive a fee other than interest for future deliveries.
   **iv.** The maximum percent of callable securities in the portfolio shall be [xx]%;
   **v.** The maximum stated final maturity of individual securities in the portfolio shall be [3.25/5.25] years from its settlement date, except as otherwise stated in this policy.
   **vi.** The maximum portfolio average maturity (measured with stated final maturity) shall be [1.5 years (if maximum stated final maturity is 3.25 years)/2.5 years (if maximum stated final maturity is 5.25 years)].

4. **Environmental, Social, and Governance Policy Options**
****** **Choose 1, 2 or 3** ******

   1. No ESG Policy
   2. The integration of ESG factors into the investment decision-making framework assists in the assessment of near-term and long-term risks associated with our investments, thus providing beneficial impact to performance.
   3. The integration of ESG factors into the investment decision-making framework assists in the assessment of near-term and long-term risks associated with our investments, thus providing beneficial impact to performance. To the extent consistent with our fiduciary responsibility, we also seek to understand what effects our investments may have and identify ways we can enhance the positive impact of our investments and help mitigate the negative impact.

## X. 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, funds within the scope of ORS 294.052 are not subject to this policy's liquidity risk constraints within section IX (2).

## XI. Investment of Reserve or Capital Improvement Funds

1. Pursuant to ORS 294.135(1)(b), reserve or capital Improvement project monies 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, municipality, school district or other political subdivision, the maturity of the investment or investments made with the funds may occur when the funds are expected to be used.

## XII. Guideline Measurement and Adherence

1. **Guideline Measurement**
   Guideline measurements will use [par/market] value of investments.

2. **Guideline Compliance**
   - **i.** 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.

   - **ii.** 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 [Designated Oversight Body or Position].

   - **iii.** 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.

## XIII. Reporting and Disclosure

### 1. Compliance

The Investment Officer shall prepare a report at least [monthly/quarterly] that allows the [Designated Oversight Body or Position] to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the investment oversight body. The report will include, at a minimum, the following:

- **i.** 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).
- **ii.** Average maturity of the portfolio at period-end
- **iii.** Maturity distribution of the portfolio at period-end
- **iv.** Average portfolio credit quality of the portfolio at period-end
- **v.** Average weighted yield to maturity (yield to worst if callable investments are allowed) of the portfolio
- **vi.** Distribution by type of investment
- **vii.** Transactions since last report
- **viii.** Distribution of transactions among financial counterparties such as broker/dealers
- **ix.** 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 bond indices with a similar risk profile (e.g., Bond indexes comprised 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/quarterly] and a statement of the market value of the portfolio shall be issued at least [monthly/quarterly].

### 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.

## XIV. 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 [Designated Oversight Body or Position] of [Local Government].

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

**i.** 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 [Designated Oversight Body or Position], the maximum maturity date matches the anticipated use of the funds (ORS 294.135(1)(b)).

And either:

**A.** This policy has never been submitted to the OSTF Board for comment;

Or

**B.** 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 [Designated Oversight Body or Position] for approval.

## XV. List of Documents Used in Conjunction with this Policy

*(The following is a list of suggested documents that may be used in conjunction with this policy)*

- Listing of authorized personnel
- Relevant investment statutes and ordinances
- Description of benchmark(s)
- Master repurchase agreements and tri-party agreements
- Listing of authorized broker/dealers and financial institutions
- Credit studies for securities purchased and financial institutions used
- Safekeeping agreements
- Wire transfer agreements
- Sample investment reports
- Methodology for calculating rate of return
- Broker confirmations and safekeeping receipts

## City of Sweet Home
### Investment Policy Mapping - Current Policy to Updated Policy

| Section | Items Covered | OSTFB Note: Converted Roman Numerals | Current Policy Section | Updated Policy Section | Notes |
|---|---|---|---|---|---|
| **Table of Contents** | | | TOC | - | |
| **Introduction** | Background of Organization | | 1. Introduction | | Updated language |
| **Policy Statement** | Policy is to establish parameters, comply with statute, law, etc. | OSTFB - I. | *not included* | 2. Policy Statement | Added new section |
| **Governing Authority** | Conformance to Statute, Federal, State legal requirements. Governing B | OSTFB - 2 | 2. Governing Authority | 3. Governing Authority | Updated language to better align to OSTFB sample policy |
| **Scope** | Specific Funds covered under Policy and $ Range | OSTFB - 3. | 3. Scope | 4. Scope | Updated range of funds |
| **Investment Objectives** | | OSTFB - 4. | 4. Objectives | 5. Objectives | Updated language to better align to OSTFB sample policy |
| | Safety | OSTFB - 4.1 | 4.1 | | |
| | Liquidity | OSTFB - 4.2 | 4.2 | | |
| | Return | OSTFB - 4..3 | 4.3 | | |
| | Responsibility - ESG (optional) | OSTFB 9.4 | *not included* | | |
| **Investment Philosophy** | | | not included | 6. Investment Philosophy | Added new section |
| | Match investment maturities with expected outflows | OSTFB - 4.3 | | | |
| | Identify Strategy by Portfolio Components (optional) | - | | | |
| | Procedures around sales, downgrades | OSTFB 10 & 11 | | | |
| **Standards of Care** | | | 5. Standards of Care | 7. Standards of Care | Updated language to better align to OSTFB sample policy |
| | Delegation of Authority and Responsibilities | | 5.1 | | |
| | Governing Body (ultimate fiduciary responsibility) | OSTFB 5.3.i | 5.1 a | | City Council |
| | Delegation of Authority (authority to named position/investment officer | OSTFB 5.3.ii | included in 5.1 a | | Separated from Governing Body, include "designee" |
| | Investment Committee (if applicable) | OSTFB 5 3.iii | 5.1 b | | Need to remove - no longer functioning for budget/investments |
| | Investment Advisors | OSTFB 5.3.iv | 5.1 c | | |
| | Prudence | OSTFB 5.1 | 5.2 | | |
| | Ethics and Conflicts of Interest | OSTFB 5.2 | 5.3 | | |
| **Transaction Counterparties** | | | 6. Authorized Financial Institutions | 8. Transaction Counterparties | Updated language to better align to OSTFB sample policy |
| | Broker/Dealers | OSTFB 6.1 | 6.1 | | |
| | Investment Advisors / Consultants | OSTFB 6.3 | 6.3 | | |
| | Depositories / Financial Bank Institutions | OSTFB 6. 4 | 6.2 and 7.2 | | |
| | Competitive Transactions | OSTFB 6.5 | 6.4 | | |
| **Custody and Controls** | | | 7. Safekeeping and Custody | 9. Safekeeping, Custody and Controls | Updated language to better align to OSTFB sample policy |
| | Delivery vs. Payment | OSTFB 7. 1 | 7.1 | | |
| | Third-Party Safekeeping | OSTFB 7. 2 | 7.1 | | |
| | Internal Controls | OSTFB 7.3 | 7.4 | | |
| | External Audits | OSTFB 7. 4 | 7.4 | | |
| | Accounting Method (Allocation of Interest/pooling, GAAP, GASB etc) | OSTFB 7.4 & 13.4 | 7.3 | | |
| **Authorized Investments** | | | 8. Authorized and Suitable Investments | 10. Authorized and Suitable Investments | Updated language to better align to OSTFB sample policy |
| | Allowable Investments (reference to statute, detailed description of each | OSTFB 8 | 8.1 and 8.2 | | |
| | Collateralization | | 8.3 | | |
| | Prohibited Investments | OSTFB 8 | 9.3 | | |
| **Investment Parameters** | | | 9. Investment Parameters | 11. Investment Parameters | Updated language to better align to OSTFB sample policy |
| | Diversification (by asset class, issuer, maturity - include table) | OSTFB 9.1 | 9.1 | | |
| | Investment Maturity (max single maturity, WAM - include table) | OSTFB 9.2 | 9.2 | | |
| | Investment of Bond Proceeds, Reserve or Capital Improvements | OSTFB 10 & 11 | 10 and 11 | | |
| **Reporting, Compliance and Performance** | | | 12. Policy Compliance and Performance Standards | 14. Reporting, Compliance and Performance Standards | Updated language to better align to OSTFB sample policy |
| | Reporting Requirements (frequency, transparency, specific items-compl | OSTFB 13.1, 13.3, 13.4 | 13 | | |
| | Compliance measurement and adherence (method of measurement, fre | OSTFB 12 | 12.1 | | |
| | Performance Standards (specify benchmarks, frequency) | OSTFB 13.2 | 12.2 | | |
| **Policy Adoption** | Review Frequency and Requirements for Adoption/re-adoption | OSTFB 14 | 14. Investment Policy Adoption | 15. Policy Maintenance and Considerations | Updated language to better align to OSTFB sample policy |

# CITY OF SWEET HOME
# CITY COUNCIL
# MEETING MINUTES

June 23, 2026, 6:30 PM
Sweet Home City Hall, 3225 Main Street
Sweet Home, OR 97386



**Mission Statement**

The City of Sweet Home will work to build an economically strong community with an efficient and effective local government that will provide infrastructure and essential services to the citizens we serve. As efficient stewards of the valuable assets available, we will be responsive to the community while planning and preparing for the future.

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**Call to Order & Pledge of Allegiance**

The meeting was called to order at 6:30 PM.

**Roll Call**

PRESENT
Mayor Susan Coleman
Council President Thorstad
Councilor Aaron Hegge (virtual)
Councilor Dylan Richards
Councilor Angelita Sanchez

ABSENT
Councilor Chelsea Augsburger
Councilor Ken Bronson

STAFF
Jason Ogden, City Manager / Police Chief
Cecily Hope Pretty, Deputy City Manager
Blair Larsen, City Attorney
Angela Clegg, Planning & Building Manager
Megan Dazey, Library Services Director
Adam Leisinger, Special Projects Manager
Greg Springman, Public Works Advisor

MEDIA
Sarah Brown, The New Era

GUESTS
Lynn Coon, Junction City, OR 97448
Karen Norton, 235 Owasso Drive, Eugene, OR 97404
Les Poole, Sweet Home, OR 97386

**Consent Agenda**

a) Request for Council Action – Approving the Renewal of CIS Insurance Policies

b) Approval of Minutes:

2026-06-09 City Council Executive Session Minutes

2026-06-09 City Council Work Session Minutes

2026-06-09 City Council Meeting Minutes

Councilor Richards moved to approve the Consent Agenda. Council President Thorstad seconded the motion. The motion carried by the following vote:

AYE: Coleman, Thorstad, Hegge, Richards, Sanchez
NAY: None
ABSENT: Augsburger, Bronson

**Recognition of Visitors & Hearing of Petitions**

Lynn Coon spoke of the value of the Lions of Oregon and expressed his interest in bringing a Lions Club to Sweet Home.

Karen Norton spoke of the value of service through the Lions of Oregon and expressed her interest in a new Lions Club in Sweet Home.

Les Poole expressed support for the Lions Club. He noted that he was impressed with the turnout in Linn County against the proposed gas tax. He expressed concern with how social media was used by elected officials when speaking about political candidates.

**New Business**

a) Request for Council Action – Authorizing the Purchase of 1211 Long Street

City Manager Ogden stated that the property in question was the former Garden Center and the purchase was proposed for $85,000. He noted that the location was in a strategic location downtown and would primarily be used for library programming, as well as complementing the City's proposed Festival Street.

Councilor Sanchez asked of the source of the funding. Director Dazey stated that the funds were received as a donation to the library and there was no taxpayer money needed for the purchase.

Council President Thorstad moved to approve the purchase as proposed. Councilor Sanchez seconded the motion. The motion carried by the following vote:

AYE: Coleman, Thorstad, Hegge, Richards, Sanchez
NAY: None
ABSENT: Augsburger, Bronson

**Ordinance Bills**

Request for Council Action & First Reading of Ordinance Bills

a) Request for Council Action – Ordinance No. 2 for 2026 – Repealing SHMC 5.08 Bicycle Dealers & Amending SHMC 5.24 Social Games, SHMC 5.28 Taxicabs & SHMC 5.32 Secondhand Dealers

City Manager Ogden stated that the proposal was to modernize existing Municipal Code and remove sections that were no longer relevant or needed. He provided a summary of the changes. He stated that the intent was to remove regulations and administrative burden while preserving public safety.

Councilor Sanchez asked if the proposed changes would affect businesses with lottery or gambling services. Deputy City Manager Pretty replied that they would not.

Council President Thorstad asked of the relationship between secondhand dealers and law enforcement in terms of recordkeeping. City Manager Ogden replied that businesses provide logs to law enforcement regarding their inventory for any related investigations.

Councilor President Thorstad moved to conduct a first reading of Ordinance No. 2 for 2026. Councilor Richards seconded the motion. The motion carried by the following vote:

AYE: Coleman, Thorstad, Hegge, Richards, Sanchez
NAY: None
ABSENT: Augsburger, Bronson A reading of Ordinance No. 2 for 2026 was completed.

A reading of Ordinance No. 2 for 2026 was completed.

Second Reading of Ordinance Bills

Councilor Sanchez moved to conduct a second reading of Ordinance No. 2 for 2026 by title only. Councilor Richards seconded the motion. The motion carried by the following vote:

AYE: Coleman, Thorstad, Hegge, Richards, Sanchez
NAY: None
ABSENT: Augsburger, Bronson

A reading of Ordinance No. 2 for 2026 by title only was completed.

Councilor Richards moved to conduct a third reading of Ordinance No. 2 for 2026 by title only at the following City Council meeting. Council President Thorstad seconded the motion. The motion carried by the following vote:

AYE: Coleman, Thorstad, Hegge, Richards, Sanchez
NAY: None
ABSENT: Augsburger, Bronson

**Reports of Committees**

Administration, Finance & Property Committee – President Pro Tem Thorstad

Community Health Committee – Councilor Bronson

Library Advisory Board – Councilor Augsburger

Park & Tree Committee – Councilor Hegge

- 2026-05-19 Park & Tree Committee Meeting Minutes

Planning Commission

- 2026-05-21 Planning Commission Meeting Minutes

Area Commission on Transportation – Councilor Sanchez, Councilor Bronson (alternate)

Chamber of Commerce – Councilor Hegge

Council of Governments – Councilor Bronson, Councilor Sanchez (alternate)

Solid Waste Advisory Council – Councilor Richards

There were no reports to be heard. Mayor Coleman thanked Councilors for attending their respective Committee meetings and the Planning Commission for their work.

**Department Reports**

Library

- Library Report – May 2026

Planning & Building

- Planning & Building Report – May 2026

Public Works

Finance

Police

- Police Department Report – May 2026

City Attorney

City Manager Ogden stated that traffic enforcement had increased with the return of a dedicated Traffic Enforcement Officer. He highlighted decreases across several crime categories over the previous year and an increase in crimes cleared.

Director Dazey stated that 75 people participated in the last event with the University of Oregon Museum of Natural and Cultural History and invited the public to the next event at Sankey Park at 10 AM on Friday.

**Reports of City Officials**

a) City Manager's Report

City Manager Ogden thanked all involved in the Safety Fair. He recognized everyone who attended the ribbon-cutting for the new mural on 13th Avenue and who provided financial support for the project. He stated that Dumpster Days with free dumpster service were underway through the end of the week.

b) Mayor's Report

Mayor Coleman thanked staff for their organization of the Safety Fair and for the return of Dumpster Days.

**Council Business for Good of the Order**

Councilor Sanchez expressed her gratitude to live in the United States and recognized its 250th anniversary.

**Adjournment**

There being no further discussion, the meeting was adjourned at 7:07 PM.

________________________________________
Mayor

ATTEST:

________________________________________
City Manager – Ex Officio City Recorder

## City of Sweet Home
## Application for Naming Publicly Owned Facilities

*The Sweet Home City Council has sole responsibility for establishing formal legal names for City-owned facilities. The policy for naming Publicly Owned Facilities is attached. Please complete the following form. Return the completed form and the appropriate fees to City Hall for consideration.*

| Publicly Owned Facilities or Property Considered for Naming: | |
|---|---|
| 3101 Zelkova Street | |
| Current Name: none | Proposed Name: Quarry Park |

| | | | |
|---|---|---|---|
| Applicants Name: | Cecily Hope Pretty | | |
| Organization: | City of Sweet Home | | |
| Contact Info: | Address: 3225 Main Street | | |
| | City: Sweet Home | State: OR | Zip: 97386 |
| | Email: cpretty@sweethomeor.gov | Phone: 541-367-8969 | |

*Please provide and explanation of why the City should take this action:*

This area has been unofficially called Quarry Park for several years. With upcoming improvements such as a disc golf park, we feel it is important to formalize a name for the area. In the event of a future partnership or donation, the City is open to a name change.

| **For Official Use Only** | | | |
|---|---|---|---|
| Date: | Received By: | Fee Paid: | Receipt #: |

| Application Review: | Date: | Recommendations (Approve, Approve with Conditions, Deny): |
|---|---|---|
| ( ) Park & Tree Committee | | |
| ( ) City Council | | |
| ( ) | | |

# RESOLUTION 32 for 2016

## A RESOLUTION OF THE SWEET HOME CITY COUNCIL ESTABLISHING A POLICY FOR NAMING PUBLICLY OWNED PROPERTIES OR FACILITIES

**WHEREAS,** the City Council of the City of Sweet Home recognizes the need to establish a policy for naming parks, buildings and other city owned properties or facilities; and

**WHEREAS,** the City Council recognizes that there are City-owned properties and facilities which already have names commonly known throughout the community; and

**WHEREAS,** the City Council wishes to establish a procedure for recognizing and honoring persons by naming publically owned facilities after them; and

**NOW THEREFORE, THE SWEET HOME CITY COUNCIL HEREBY RESOLVES AS FOLLOWS:**

**Section 1.** The City of Sweet Home adopts the following Public Facility Naming Policy:

I. PURPOSE: To establish a uniform policy which will provide direction regarding naming or renaming city owned land, facilities, parks, and buildings, which are compatible with the community interest and which will enhance the values and heritage of the City of Sweet Home.

II. GENERAL:

a. This policy establishes the guidelines, criteria and process for naming or renaming of city-owned property.

b. The City Council shall have the final authority to name and rename any or all City-owned property or portion thereof. This shall include the authority to revoke the name of a City-owned property. Names which would be detrimental to the mission or image of the City of Sweet Home will not be used to identify City-owned property.

c. The donation of land, facilities, or funds for the acquisition, renovation or maintenance of City-owned property shall not constitute an obligation or establish a right to name any land or facilities granted to the City.

d. It is the intent of the City Council to keep the name of any existing park, City-owned facility or other City-owned property unless there are compelling reasons to consider a name change.

e. Official street names and addresses shall be established by the City of Sweet Home in accordance with the policies and procedures already outlined in City policy and Ordinance; the naming of streets and creation of addresses do not fall under this policy.

f. All costs including staff time, labor and materials associated with the installation of plaques, monuments, and signs will be borne by the individual, group or organization sponsoring the request.

III. <u>NAMING CRITERA:</u>

a. The size, wording and materials of any memorial or sign associated with the name of a City-owned property shall be reviewed by City staff for compliance with the City's Sign Code. Content of such shall be reviewed by staff and approved by the City Council prior to production.

b. Whenever possible, naming shall begin early in the development and/or acquisition of City-owned property.

c. Names shall be appropriate to the park, building or other City-owned facility and are encouraged to reflect the following:

   i. history, flora, fauna, geographic area, or natural geologic features related to the City of Sweet Home;

   ii. significant historical events, cultural attributes, local landmarks, or a historical figure; or

   iii. City's ethnic and cultural diversity.

d. Signs shall be written using the English alphabet.

e. The City Council may consider the following when making a determination regarding names which honor individuals or families:

   i. Have they made a lasting and significant contribution to the protection of natural, cultural, or historic resources of the City of Sweet Home; or

   ii. Have they made significant contribution to the betterment of a specific City-owned property; or

   iii. Have they made a substantial contribution to the advancement of recreational opportunities within the City of Sweet Home; or

iv. Are they associated with an economic development or redevelopment activity the City is undertaking; or

v. Have they had a positive impact on the lives of Sweet Home residents; or

vi. Have they volunteered or worked for the city for ten (10) years or more; or

vii. Have they distinguished themselves through military service; or

viii. Are they a current or past resident of Sweet Home who has distinguished themselves?

f. The City Council may name city-owned property after an individual who has served as a city official or was an employee of the City of Sweet Home provided that:

i. They no longer work for the city: and,

ii. They made a contribution over and above the normal duties required by their position; or

iii. They had a positive impact on the past and future development of programs, projects or facilities within the City of Sweet Home; or

iv. They have made significant volunteer contributions to the community outside the scope of their job; or

v. The have had exceptionally long tenure with the City of Sweet Home (at least ten (10) years); or

vi. There is significant public support for a memorial to the city official or city employee on the occasion of their death or retirement.

IV. PROCEDURE:

a. A request to name or rename City-owned property shall be made on an application specifically designed for this purpose (Exhibit A).

b. Fees associated with administrative and hard costs may be assessed and are the responsibility of the applicant. The administrative and processing fees shall be established by the Sweet Home City Council and shall be reflected on the City's fee schedule.

The fees shown below are intended as a guideline to the applicant. Fees will be assessed on actual costs and will be due throughout the process at the time when expenditures are to be made or prior to staff review. An applicant may choose to submit fees in a lump sum at the beginning of the process; any unused fees will be returned at the completion of the project.

The City Council has to right to adjust fees at their discretion upon application and consideration at a regularly scheduled City Council meeting.

| Action | Fee |
|---|---|
| Notification of Public Hearing - legal notice includes staff time to process | $ 400 |
| Packaging, Mailing & Posting | $ Actual Cost |
| | |
| Cost of Dedication Ceremony | $ Actual Cost |

c. The applicant shall supply clear evidence that the proposed name meets the naming requirements outlined in this policy (See Naming Criteria).

d. The application will be reviewed by the Sweet Home City Council at a regular City Council meeting. All requests will be given the same consideration without regard to the source of the nomination. Upon a motion by the Council, the application may be sent to committee for further review.

e. The City Council may return the application to the applicant for further clarification if they so desire.

f. After City Council review of the application a notice of intent to name a City-owned property shall be posted in public places and published at least once in the City's paper of record for a thirty (30) day review process prior to City Council decision.

g. After the thirty (30) day review period is completed a public hearing shall be placed on the agenda of the next regular meeting of the City Council.

h. City Council will make a decision regarding the proposed name at the same City Council meeting.

If the City Council rejects an application the applicant must wait a minimum of six (6) months before resubmitting the name for consideration.

**Section 2.** This policy shall take effect on the date of its adoption by the Sweet Home City Council.

ADOPTED this 13th day of December 2016, by the City Council of the City of Sweet Home.

APPROVED BY:

Mayor

ATTEST:

City Manager– Ex-Officio Recorder

# REQUEST FOR COUNCIL ACTION

| | |
|---|---|
| **Title:** | Request for Council Action – Naming of 3101 Zelkova Street |
| **Preferred Agenda:** | July 14, 2026 |
| **Submitted By:** | Cecily Hope Pretty, Deputy City Manager |
| **Reviewed By:** | Jason Ogden, City Manager / Police Chief |
| **Type of Action:** | Resolution ☐ Motion ☐ Roll Call ☐ Other ☒ |
| **Relevant Code/Policy:** | Resolution No. 32 for 2016 |
| **Towards Council Goal:** | Economic Strength, Image Building |
| **Attachments:** | Application for Naming Publicly Owned Facilities – 3101 Zelkova Street<br>Resolution No. 32 for 2016 |

**Purpose of this RCA:**
To seek City Council direction regarding a formal name for the natural area located at 3101 Zelkova Street.

**Background/Context:**
Since the City's acquisition of 3101 Zelkova Street from Linn County in 2018, the 233-acre site has been informally known as "Quarry Park." In order to support future development and marketing, staff is proposing formal adoption of a park name.

**The Challenge/Problem:**
Resolution No. 32 for 2016 establishes the process for naming of publicly owned facilities. Staff is seeking Council consensus to move forward with this process with the proposed name of Quarry Park, suggestions for a different name or process, or a motion to send the naming proposal to the Park & Tree Committee first for review. A final decision on the naming will return to Council at a later date for a vote if staff is directed to proceed.

**Issues and Financial Impacts:**
Resolution No. 32 requires a 30-day public notice period of the naming proposal, which requires a small advertising fee. No other financial impacts are anticipated at this time; adoption of a formal name will necessitate signage in the future, with those costs to be determined at that time.

**Elements of a Stable Solution:**
Direction that supports the City's parks and recreation goals.

**Options:**

1. *Provide general consensus on the proposed name:* No formal vote is needed for this option. Staff will begin the required public notice and schedule the name adoption for a future City Council meeting.
2. *Move to send the proposal to the Park & Tree Committee for review*: Staff will place the application on a future Committee agenda and return to City Council with the Committee's recommendation.
3. *Provide other guidance to staff:* Suggest a different name, a process for determining the appropriate name, or that formal naming of the property should not move forward at this time.

**Recommendation:**

Staff recommends Option 1: Provide general consensus on the proposed name. NO VOTE IS REQUIRED.

# REQUEST FOR COUNCIL ACTION

| | |
|---|---|
| **Title:** | Request for Council Action – Resolution No. 13 for 2026 – Concerning Street Closures – National Night Out |
| **Preferred Agenda:** | July 14, 2026 |
| **Submitted By:** | Angela Clegg, Planning & Building Manager |
| **Reviewed By:** | Jason Ogden, City Manager / Police Chief |
| **Type of Action:** | Motion ☐ Resolution ☒ Reading ☐ |
| **Relevant Code/Policy:** | SHMC 10.04.030 |
| **Towards Council Goal:** | Economic Strength, Desirable Community |
| **Attachments:** | Resolution No. 13 for 2026<br>2026 NNO Special Event Application |

**Purpose of this RCA:**

The purpose of this RCA is to request City Council approval of the attached Resolution authorizing a temporary street closure during the National Night Out Celebration on August 4, 2026. The closure is intended to enhance safety by reducing interactions between pedestrians and vehicles during the event.

**Background/Context:**

National Night Out is an annual community-building event that strengthens relationships between residents and local law enforcement. Through neighborhood activities, live music, food vendors, and informational booths, the event promotes public safety, crime-prevention awareness, and positive community engagement.

To safely accommodate the event, City staff request authorization for the following closures on Tuesday, August 4, 2026:

- Parking closures beginning at 2:00 PM:
  - All parking along the festival section of 13th Avenue and Long Street
  - Parking on the section of 13th Avenue adjacent to the Garden Center

- Street closures beginning at 2:00 PM:
  - 13th Avenue from Main Street to Long Street

- Street closures beginning at 5:00 PM:
  - 13th Avenue from Long Street to the parking lot entrance of Mr. Lucky's Deli
  - Long Street between the two sections of 13th Avenue

If approved, City staff will notify all affected businesses at least two weeks prior to the event and will place parking and street-closure signage one day in advance. This approach mirrors the successful coordination with businesses during the 2025 event.

**<u>The Challenge/Problem:</u>**
To ensure the safety of all participants during the National Night Out event, temporary street closures are required. This includes closing 13th Avenue from Main Street to the Garden Center, as well as the portion of Long Street located between the two sections of the 13th Avenue festival area. All nearby businesses will be notified in advance of these closures.

**<u>Issues and Financial Impacts:</u>**
City staff coordinated with neighboring businesses in 2025 to determine the most suitable time for the street closure. If approved, flyers will be distributed to businesses one week before the event to help inform their customers. The street closure will not result in any additional costs for the event. The Police and Fire Departments will be notified in advance to address any potential traffic concerns. City staff will assist with event setup, including delivering and later removing signage and equipment, as well as helping with event teardown.

**<u>Elements of a Stable Solution:</u>**
Ensure attendee safety while minimizing disruption to nearby businesses.

**<u>Options:</u>**

1. *<u>Move to deny Resolution No. 13 for 2026</u>:* The City will not be able to close the street and will look at other locations to host, or cancel the event.
2. *<u>Move to approve Resolution No. 13 for 2026 as proposed</u>:* Adopt the Resolution with no modifications.
3. *<u>Move to approve Resolution No. 13 for 2026 with amendments</u>:* Staff would work with the Sweet Home Police Department and the Public Works Department to revise the traffic control plan.

**<u>Recommendation:</u>**
Staff recommends option #2: <u>Move to approve Resolution No. 13 for 2026 as proposed.</u>

**RESOLUTION NO. 13 FOR 2026**

**A RESOLUTION CONCERNING STREET CLOSURES AND RESTRICTIONS – NATIONAL NIGHT OUT**

**WHEREAS**, traffic patterns and parking issues need to be addressed to safely accommodate the National Night Out event; and

**WHEREAS**, Sweet Home Municipal Code 10.04.030 provides that the City Council may, by resolution, establish or alter traffic and parking control;

**NOW, THEREFORE, THE CITY OF SWEET HOME DOES RESOLVE AS FOLLOWS:**

Section 1. From 2:00 PM to approximately 10:00 PM on August 4, 2026, 13th Avenue, between Main Street and Long Street, shall be closed to vehicular traffic as directed by the City Manager or their designated representative.

Section 2. From 2:00 PM to 5:00 PM on August 4, 2026, parking shall be prohibited on:
13th Avenue from Main Street to the south boundary of 1211 13th Avenue, and
Long Street from the edge of the building at 1314 Long Street to the crosswalk on the west side of the intersection of 13th Avenue and Long Street.

Section 3. From 5:00 PM to approximately 10:00 PM on August 4, 2026, the following areas shall be closed to vehicular traffic at the direction of the City Manager or their designated representative:

13th Avenue from Long Street to the south boundary of 1211 13th Avenue, and
Long Street from the edge of the building at 1314 Long Street to the crosswalk on the west side of the intersection of 13th Avenue and Long Street.

Section 4. City staff will install appropriate signs, barricades, and other traffic-control devices to safely implement this resolution. These measures will take effect immediately upon installation.

Section 5. Effective Date. This Resolution shall be in full force and effect from and after its passage.

**PASSED** by the Council and approved by the Mayor this 14th day of July, 2026.

________________________________
Mayor

ATTEST:

________________________________
City Manager - Ex Officio City Recorder

## SPECIAL EVENT AND PARK RENTAL PERMIT APPLICATION

1. **Name of Event:** National Night Out **Date(s) of Event** August 4, 2026
2. **Setup Start Time/Date:** 2:00 PM **Event Start Time:** 6:00 PM
3. **Event End Time:** 8:00 PM **Clean Up End Time/Date:** 10:00 PM
4. **Sponsoring Organization:** Sweet Home Police Dept
5. **Event Coordinator/Primary Contact:** Angela Clegg
6. **Mailing Address:** 3225 Main Street, Sweet Home, OR 97386
7. **Day Time Phone:** 541-818-8029 **Cell Phone:** 541-405-9633
8. **Email:** aclegg@sweethomeor.gov **Fax:** ______
9. **Secondary Contact:** Sean Morgan **Phone:** 541-367-6139
10. **Is Alcohol Being Served?** ◯ Yes ✔ No **If YES include a copy of the State Liquor Permit.**
11. **Do you wish to utilize any City property, such as a park?** ✔ Yes ◯ No
    **If YES, which one(s)?** 13th Avenue and Long Street
12. **Will this event include Food Vendors of any type?** ✔ Yes ◯ No
    **If YES, all vendors must apply for a Temporary Restaurant License with the Linn County Health Department 541.967.3821, (ORS 624.025). The Vendors must apply three weeks before the start of the event. A list of vendors is required to be submitted with this application.**
13. **Anticipated Number of Attendees?** 200+

**THE PRIMARY CONTACT MUST LIST A DAY OF EVENT PHONE NUMBER IF NOT LISTED ABOVE.**

| **FOR OFFICE USE ONLY:** | | | |
|---|---|---|---|
| **Planning Manager** | | **Police Chief** | |
| **City Manager/Deputy** | | **Public Works Director** | |
| **Fire Chief** | | | |
| **STAFF – INITIAL AND DATE UPON APPROVAL OR ATTACH MEMORANDUM WITH CONDITIONS** | | | |

PAYMENT AMOUNT: ______ CASH CC CHECK # ______

RECEIVED BY: ______ DATE: ______

**PERMIT APPROVED:** ◯ **Yes** ◯ **No** ☐ Entered on Events Calendar

**Authorized City Signature:** ______ **Date:** ______

# HOLD HARMLESS AGREEMENT

**IN CONSIDERATION OF BEING PERMITTED TO PRODUCE THIS SPECIAL EVENT OR ACTIVITY OR USE OF ANY CITY PROPERTY OR FACILITIES IN CONNECTION WITH THIS ACTIVITY, THE UNDERSIGNED APPLICANT ("INDEMNITOR") AGREES TO THE FOLLOWING:**

1. THE INDEMNITOR HEREBY AGREES TO RELEASE, INDEMNIFY AND HOLD HARMLESS the City of Sweet Home from any and all liability, claims, demands, causes of action, charges, expenses, and attorney fees (including attorney fees to establish the City's right to indemnity or incurred on appeal) resulting from involvement in this event whether caused by any negligent act or omission of the City or otherwise. This agreement shall not apply to any liability resulting from the sole negligence of the City.

2. The INDEMNITOR agrees to reimburse the City for any loss, theft of, or damage to City property, equipment and/or facilities.

3. The INDEMNITOR agrees to comply with all applicable laws, statutes, ordinances, rules and requirements including, but not limited to, not admitting more attendees than designated by Fire Department as safe for the particular event or facility.

4. The INDEMNITOR expressly agrees that this release and hold harmless agreement is intended to be as broad and inclusive as permitted by Oregon law and that if any portion thereof is held invalid, notwithstanding, the balance shall continue in full legal force and effect.

5. Falsification and/or misrepresentation in completing this application may result in rate adjustment or event cancellation. I UNDERSTAND THAT CHANGES TO THE ABOVE DETAILED PROGRAM REQUIRE IMMEDIATE NOTIFICATION TO THE CITY.
   I, the undersigned representative, have read the Special Events and Park Rental Application and the Policies and Procedures contained herein, and I am duly authorized by the event organization/business to submit this application on its behalf. The information herein is complete and accurate.

APPLICANT: Angela Clegg The City of Sweet Home

**PRINT NAME** **AUTHORIZED AGENT FOR**

SIGNATURE OF APPLICANT: Angela Clegg 07.02.26

SIGN NAME DATE

APPROVAL, DENIAL OR INCLUSION OF RESTRICTIONS OR SPECIAL CONDITIONS OF USE PERMIT IS AT THE SOLE DISCRETION OF THE CITY PUSUANT TO Sweet Home Code of Ordinances 17.80 Conditional Uses. All applications must be reviewed and approved before a permit can be issued.

## Event and Equipment Rental Fees N/A

| Description | Fees: Non-Refundable | Fees: Refundable | Total Hours | Total Owed | Total Paid | Date Paid |
|---|---|---|---|---|---|---|
| Bandstand | $15.00/hour | $100.00 | | | | |
| Outdoor Event Center | $15.00/hour | $100.00 | | | | |
| Gazebo | $15.00/hour | $100.00 | | | | |
| Sankey Hut | $15.00/hour | $100.00 | | | | |
| Weddle Bridge | $15.00/hour | $100.00 | | | | |

**Total Equipment Items not to exceed a $400.00 replacement costs. Items described below are subject to availability. A 24-hour notice is required before pick-up. Two-day maximum rental.**

| Description | Fees: Non-Refundable | Fees: Refundable | Replacement Costs | Total Owed | Total Paid | Date Paid |
|---|---|---|---|---|---|---|
| Tables | $5.00/table | $100.00 | $60.00 | | | |
| Chairs | $1.00/chair | $100.00 | $60.00 | | | |
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## SANKEY HUT RENTAL N/A

**Pass Code:_______________** (given by staff upon payment of fees)

**Please read and initial each line below:**

__ I agree to not share my pass code with anyone else.
   - Pass codes will be distributed by authorized City employees only.

__ I agree to report any problems or damage to the Community Development Department immediately. During regular business hours (7am-4pm), call **541-367-8113**. At other times call the police non-emergency number, **541-367-5181**.

__ I agree to set up and remove all equipment, structures, and materials for the reserved hut activity within the block of time specified in the park permit.

__ I agree to pick up and properly dispose of all trash, litter, and food from the reserved hut activity.

__ I agree to properly dispose of garbage that exceeds the capacity of the garbage receptacles at the hut facility. You can rent a dumpster through a private vendor or haul off your bagged garbage and recyclables yourself. Excess garbage left at the rental facility will be removed at your expense. A fee for service will be deducted from your security deposit.

__ I agree to remove all signs or markings associated with the reserved hut activity. Paint is not permitted for marking pavement or structures. Chalk is acceptable but must be removed immediately after the event.

I agree to obtain an underground utility locate and permission from the Community Development Department if sign posts, stakes, or spikes will be driven into the ground.

__ I agree to accept the hut facilities, including the premises and equipment, in their present condition.

__ I agree to reimburse the City for all damages to the premises or property resulting from their use, other than ordinary wear and depreciation, as determined by the City.

__ I agree to conform to all rules and regulations of the City.

__ I agree to provide adequate supervision and be responsible for any improper conduct of the attendees, both individually and collectively, while on the City premises or utilizing facilities.

__ I agree that the use of the facilities and this permit is revocable by the City at any time at the City's option.

__ I agree to hold the city harmless and indemnify the city from any and all liability for injury to persons or property occurring as a result of the activity sponsored by the permittee.

__ I agree that the permittee and any other person who allows or causes damage to hut facilities, park areas, and any other property owned by the city shall be liable to the city for the damage caused.

I agree to abide by all Federal, State, and municipal equal opportunity laws and regulations prohibiting discrimination.

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**Staff Use Only:**

Clean up verified by Staff ___________________, ___________________________________
Date signature of staff

Deposit Returned ___________________, ___________________________________
Date signature of staff

## FACT SHEET

National Night Out is an annual community building event that strengthens relationships between residents and local law enforcement. Through neighborhood activities, live music, food vendors, and informational booths, the event promotes public safety, crime prevention awareness, and positive community engagement.

## Community and Economic Development Department

# SPECIAL EVENT PARK RENTAL TASK LIST / TIME LINE

| DATE | TIME | EVENT TASK | RESPONSIBLE PARTY |
|---|---|---|---|
| *e.g.* *06/20/18* | *e.g.* *9:00 am* | *e.g.* *All Scheduled Streets Closed* | *e.g.* *City of Sweet Home* |
| | | | |
| 7.23.26 | 10:00 am | give flyer's to all surrounding businesses to help inform their customers | City Staff |
| | | | |
| 8.3.26 | 8:00 am | set up no parking and road closure warning signs for August 4th | City Staff |
| | | | |
| 8.4.26 | 2:00 pm | put cones/signs in all parking stalls along the festival areas of 13th Avenue & Lone St | City Staff |
| | 2:00 pm | close 13th Ave between Main St & Long St | City Staff |
| | 2:00-5:00 pm | move in vendors, food carts, band | City Staff |
| | 5:00 pm | close all festival roads, put up 'event in progress' and 'no through traffic' signs | City Staff |
| | | | |
| | 6:00 pm | Event begins | |
| | 8:00 pm | Event ends | |
| | | | |
| | 8:00 pm | Open Long St (after clearing pedestrians) | City Staff |
| | 8:00 pm | Take down & clean up | City Staff |
| | | | |
| | 9:00/10:00 pm | Open both sections of 13th Avenue (once everyone is cleared) | City Staff |
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## LIST OF VENDORS

| NAME OF VENDOR | APP? | CONTACT | EMAIL | PHONE NUMBER |
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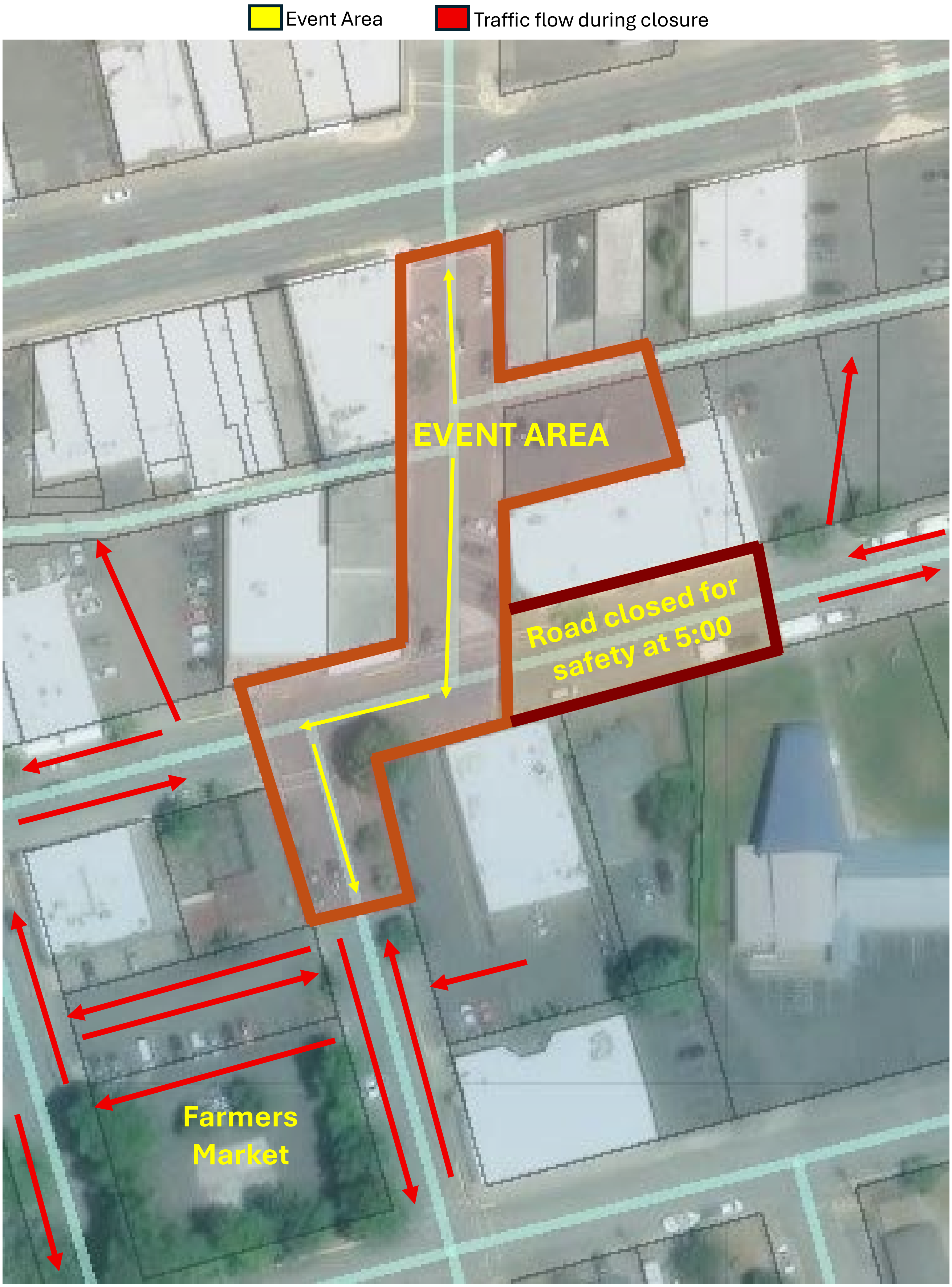
**Insert Event Overview Map**

Application Attachment A

## Insert Vendor Site Map

Application Attachments B & C

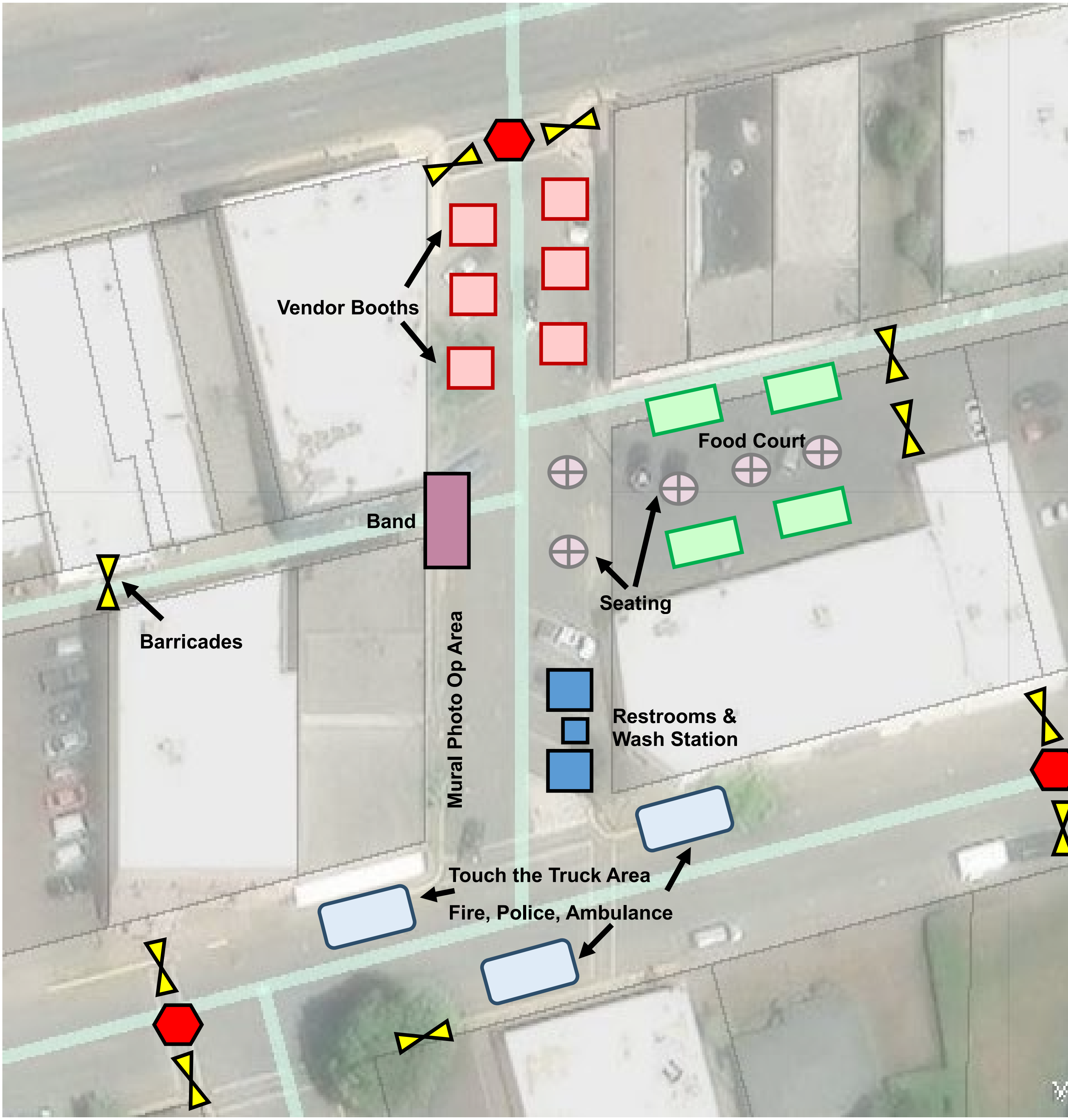
# 2026 NNO Event Overview Map




Application Attachment A

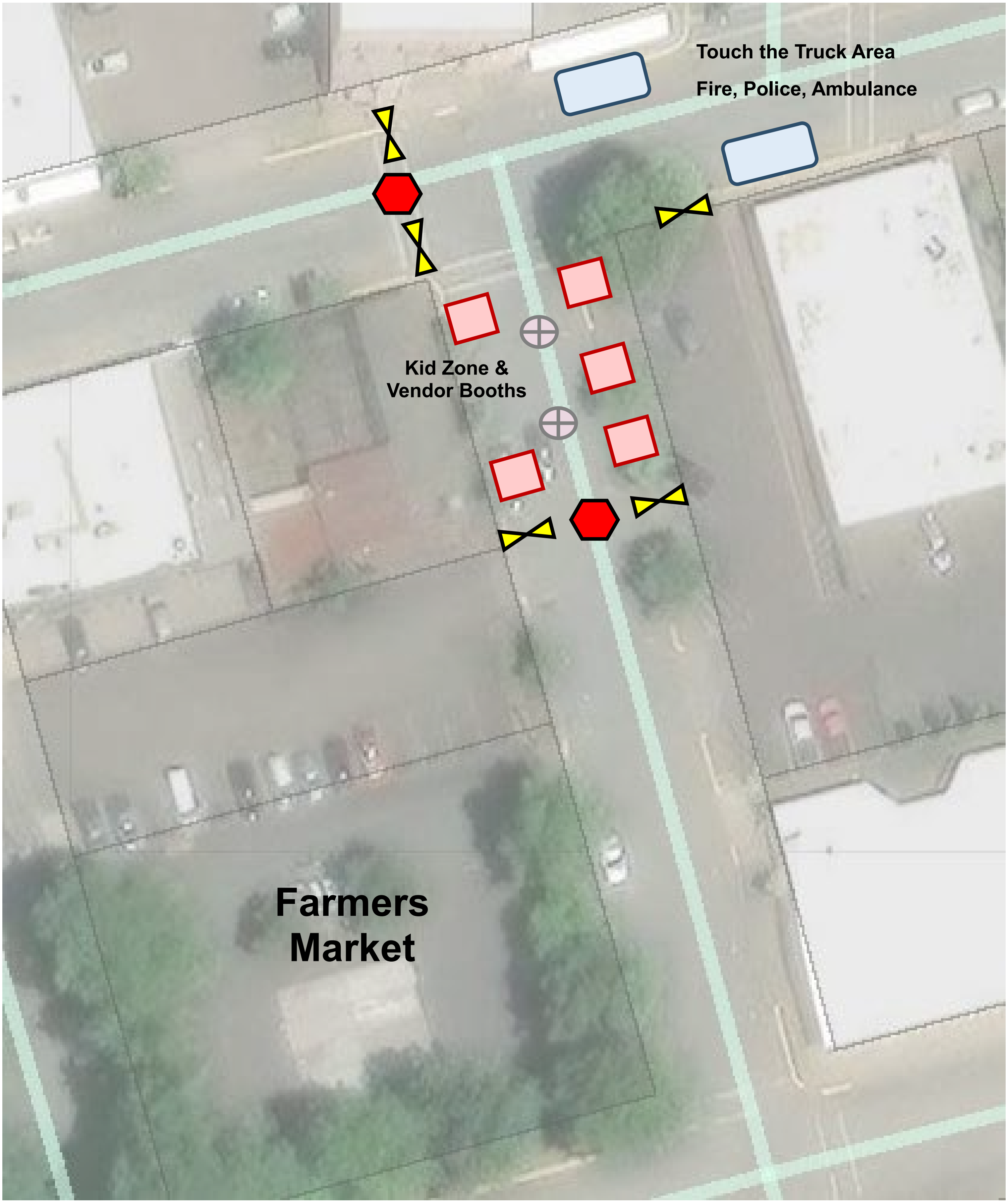
# Vendor Site Map - Draft

# Upper 13th Avenue



# Vendor Site Map – Draft

## Lower 13th Avenue



# REQUEST FOR COUNCIL ACTION

| | |
|---|---|
| **Title:** | Request for Council Action – Adopting an Intergovernmental Agreement with the Oregon Department of Revenue for Transient Lodging Tax Collection |
| **Preferred Agenda:** | July 14, 2026 |
| **Submitted By:** | Cecily Hope Pretty, Deputy City Manager |
| **Reviewed By:** | Jason Ogden, City Manager |
| **Type of Action:** | Motion ☐ Resolution ☒ Reading ☐ Roll Call ☐ |
| **Relevant Code/Policy:** | SHMC Chapter 3.24 |
| **Towards Council Goal:** | Efficient Government, Economic Strength |
| **Attachments:** | Transient Lodging Tax Intergovernmental Agreement |

**Purpose of this RCA:**
The purpose of this RCA is to request City Council approval of an intergovernmental agreement (IGA) with the Oregon Department of Revenue (DOR) to collect Transient Lodging Taxes (TLT) on behalf of the City of Sweet Home.

**Background/Context:**
The City of Sweet Home has collected a 6% TLT since 1990, most of which is utilized to support tourism in Sweet Home.

In June 2025, the City Council adopted changes to Sweet Home Municipal Code (SHMC) that would allow it to pursue an IGA with the DOR for TLT collection. Following that adoption, staff conducted additional due diligence before returning to City Council with a recommendation on the IGA.

**The Challenge/Problem:**
Historically, the City has struggled to collect TLT from short-term rental companies (such as Airbnb) as hosts are not required to register with the City directly and are often unaware of the requirement, and the companies are not required by law to ensure everyone registered on their sites are compliant with local TLT regulations.

After investigating the potential administrative charges that would be collected by the DOR and speaking with other municipalities who have a similar arrangement with the DOR, staff has determined that the IGA is likely to bring more revenue to the City while reducing administrative burden. Entering into this IGA will simplify the reporting process for operators and the State will distribute funds owed to the City of Sweet Home similar to the way marijuana funds are distributed.

**Issues and Financial Impacts:**
This IGA will create efficiency for staff and likely provide greater revenue opportunities for the City through State-run collection of TLT. While the State will require that its own administrative costs are covered, it is anticipated that the improved revenue collection will offset the costs. In the event that the administrative fees charged up front exceed revenues, the City will receive a refund. While it is not possible to estimate the additional revenue resulting from the IGA, last year the TLT collected totaled approximately $40,000 and it will be simple for staff to assess the impacts of entering into the IGA based on future revenues.

The City has historically collected Linn County's TLT on their behalf; staff contacted the Linn County Treasurer and there is no issue foreseen with ending that arrangement. Collection by the DOR for the City of Sweet Home would begin on October 1, 2026 and the City would also end its collection for Linn County on that date.

**Elements of a Stable Solution:**
Compliance with regulations that maximizes the City's financial benefit while reducing administrative cost and burden.

**Options:**

1. *Move to deny the agreement*: The City could choose not to adopt the IGA and current collection practices will remain in place.
2. *Move to adopt the agreement as proposed:* Adoption of the IGA will trigger a process to begin DOR collection effective October 1, 2026.
3. *Move to adopt the agreement with amendments:* Staff will need specific direction from Council on proposed amendments and will need to renegotiate with the DOR and return to Council for adoption of those amendments.

**Recommendation:**
Staff recommends option #2: Move to adopt the agreement as proposed.

**TRANSIENT LODGING TAX COLLECTION INTERGOVERNMENTAL AGREEMENT**

This Transient Lodging Tax Agreement ("Agreement") is entered into between the State of Oregon, acting by and through its Department of Revenue (the "Department") and the ("City"), under the authority of ORS 305.620.

In consideration of the conditions and promises hereinafter contained, it is mutually agreed by the parties that the Department shall supervise and administer, according to the terms and conditions set forth in this Agreement, the Local Tax on transient lodging by transient lodging providers authorized under ORS 320.365 and approved by the voters of City.

**(1) Definitions**. As used in this Agreement the following terms have the meanings ascribed to them:

(a) "Confidential Information" means the information on Local Tax returns administered pursuant to ORS 305.620, any information in the reports required under Sections 8 and 9 of this Agreement from which information about a particular Local Taxpayer is discernable from the report due to a small number of Local Taxpayers in City or similar factors, and any other information exchanged between the Department and City related to this Agreement, which is confidential under ORS 314.835.

(b) "Fees" means collectively the Administrative Services Fee, Business Fee and any additional fees described in Section 5 of this Agreement.

(c) "Local Government" means a city or county that has entered into a form of this agreement with the Department under the authority of ORS 305.620 for the Department to collect Local Taxes authorized under ORS 320.365.

(d) "Local Tax" or "Local Taxes" means the Local Transient Lodging Tax imposed by City, together with any additional interest or penalties provided for by state statute or the Department's rules; it does not include any additional penalties or fees that City may assess against its Local Taxpayers.

(e) "Local Taxpayer" means a Transient Lodging Provider, or a Transient Lodging Intermediary, with a lodging facility located in the taxing jurisdiction of City.

(f) "Ordinance" means the ordinance imposing a Local Tax adopted by the governing body of the City that is attached hereto as **Exhibit B** and by this reference incorporated herein.

(g) "Taxpayer" means a Transient Lodging Provider or Transient Lodging Intermediary with a lodging facility located in a taxing jurisdiction which has opted to have the Department of Revenue administer their local transient lodging tax program throughout Oregon.

(h) "Transient Lodging" has the meaning given in ORS 320.300(11)

(i) "Transient Lodging Intermediary" has the meaning given in ORS 320.300(12)

(j) "Transient Lodging Provider" has the meaning given in ORS 320.300(13).

**(2) General Administration**. The Department shall be responsible for all aspects of Local Tax administration, including, but not limited to, adopting administrative rules; auditing returns; assessing deficiencies and collecting the Local Tax and penalties and interest under applicable statutes, including but not limited to ORS 305.265, ORS 305.220, and ORS 314.400; making refunds; holding conferences with Local Taxpayers; handling appeals to the Oregon Tax Court; issuing warrants for the collection of unpaid taxes; determining the minimum amount of Local Tax economically collectible; and taking any other action necessary to administer and collect the Local Taxes. The Department has adopted rules related to the taxation of Transient Lodging under ORS chapter 320. City understands and agrees that such rules will be applied in administering the Local Tax.

**(3) Level of Service**. In performing its duties, the Department may in its sole discretion determine what action shall be taken to enforce provisions of the law and to collect the Local Tax. In exercising its discretion, the Department shall provide a level of services that are comparable to the level of services it provides in the administration of the State of Oregon transient lodging tax laws and the collection of such taxes owed to the State of Oregon. If the Department deems it necessary to vary substantially from this standard, the Department shall first notify City of the need and obtain City's consent. The Department shall provide all forms necessary for implementation of the Local Tax, including forms for transient lodging tax returns, exemptions and refunds.

**(4) Transfer of Taxes to City**. Beginning at the end of the first full quarter after execution of this Agreement, the Department shall remit to City the amount of Local Taxes collected in the preceding quarter less amounts withheld to pay the Department's Fees and other costs as described in this Agreement within 60 days of the return due date for the quarter. The Department shall notify City if, because of inability to move funds electronically or otherwise through the banking system, a force majeure event described in Section 26 of this Agreement or other exigent circumstance, the Department is unable to transfer the Local Tax collected to City as provided in this Section. In that event, the Department shall provide an estimate, if possible, of when it expects to be able to transfer the Local Taxes collected to City. The Department may enter into an agreement with another state government agency to fulfill the requirements of this Section 4, provided that said government agency can comply with the requirements of this section.

**(5) Fees**. In order to recover its costs to collect and transfer the Local Tax as provided in this Agreement the Department shall be paid the following three fees:

(a) "Administrative Services Fee": Pays for the establishment and maintenance of financial systems needed to administer and distribute Local Taxes. The fee shall be calculated annually as a percentage of the equivalent of 60 hours of work conducted for the Department of Revenue by the Department of Administrative Services, divided among the Local Governments in proportion to the number of Taxpayers in each Local Government. This fee shall be charged only if the Department of Administrative Services provides transfer services as described in section (4).

(b) "Business Fee": Pays for the Local Tax administration activities set forth in this Agreement. The fee shall be calculated as a percentage of the Department's Business Division annual expenses for the administration of all lodging taxes, with the total fee increasing in direct proportion to the number of Local Taxpayers. The total amount per Local Taxpayer billed to City under the Business Fee shall not exceed 0.035 percent of the Department's Business Division expenses for the administration of all lodging taxes;

FOR EXAMPLE, in a hypothetical with the following assumptions:

1,000 Taxpayers

50 Local Taxpayers in the City of Mainville

2 Local Taxpayers in the City of Middletown

Business Division's Lodging Tax Expenses: $500,000 per year

Hourly DAS rate: $99/hour

The fees would be calculated as follows:

Administrative Services Fee = ($99/hour * 60 hours) / 1,000 Taxpayers = $5.94 per Local Taxpayer per year

Business Fee = $500,000 in lodging tax expenses per year * 0.035% = $175 per Local Taxpayer per year

City of Mainville: ($5.94 Administrative Services Fee + $175 Business Fee) * 50 Local Taxpayers = $9,047.00 in fees

City of Middletown: ($5.76 Administrative Services Fee + $175 Business Fee) * 2 Local Taxpayers = $361.52 in fees

(c) In addition to the Fees described above, the Department may withhold or otherwise recover from City the Department's costs for additional services not described in this Agreement related to the Local Tax; such additional costs may include, without limitation, requests for audits from City that exceed the scope of the Department's normal audit procedures, requests for research or advice from the Department or the Oregon Department of Justice attorneys, or specially appointed counsel, regarding the Local Tax.

(d) If the Department determines that its costs cannot be covered by the maximum fees outlined in this Section 5, the Department will notify City of the amount by which the Department has determined the Fees must increase. If the Department and City do not agree upon a Fee increase and related amendment to this Agreement, then this Agreement may be terminated by either party in accordance with Section 16 of this Agreement.

(e) The Department may recover its costs to administer the Local Tax, per ORS 305.620(5). The above formula is intended to produce the Department's best estimate of its costs to administer the Local Tax.

**(6) <u>Withholding for Fees and Rebate</u>**. The Department may withhold from the Local Taxes collected and each transfer to City an amount equal to four percent (4%) of the Local Taxes collected. In the first quarter of each calendar year, the Department will reconcile the amounts withheld in the previous year with the total Fees assessed and provide a reconciliation in the Department's annual report described in Section 9 of this Agreement. If the amount withheld in a calendar year exceeds the amount of the Department's Fees, the Department will rebate the balance of the Local Taxes withheld to City by the end of the first quarter following the year of withholding. If the amount withheld does not cover the Department's Fees for the preceding year, the amount of the shortfall will be withheld from subsequent transfers of Local Taxes collected until the Department's Fees are fully paid, or in its discretion the Department may invoice City for the unpaid amount of the Department's Fees.

**(7) <u>Recovery of Overpayments</u>**. If the amount of Local Taxes paid to City under this Agreement exceeds the amount to which City is entitled, the Department may, after notifying City in writing, withhold from later payments due City under this Agreement such amounts, over such periods of time, as are necessary to recover the amount of the overpayment.

**(8) <u>Department Quarterly Reports</u>**. Beginning with the first full calendar quarter after the execution of this Agreement and continuing each calendar quarter thereafter, within sixty (60) days after the due date for quarterly Local Tax returns, the Department shall provide City with a report indicating the amount of Local Taxes collected, the Department's Fees incurred, the amount withheld under Section 6 of this Agreement and the cumulative amount of delinquent Local Taxes for each lodging provider in City's jurisdiction. The information in this report must be treated as potentially revealing Confidential Information and shall be protected as described in Section 15. City shall adopt procedures to prevent Confidential Information from being disclosed, except as consistent with this Agreement. The Department and City may disclose any non-confidential information from a report when required to do so by law, including the Oregon Public Records Law, ORS 192.311 to 192.478.

**(9) <u>Department Annual Reports</u>**. In the first calendar quarter of each year, the Department shall provide a written annual report of the preceding calendar year to City showing the total amount of Local Taxes collected, refunds paid, the expenses of administering and collecting the Local Tax, and other pertinent information. The report shall show the total amount withheld by the Department under Section 6 of this Agreement and shall show the Department's Fees, charged by category. In the report, the Department shall also make recommendations concerning changes in Local Tax Ordinances, procedures, policies, Local Tax administration and related matters, as the Department deems necessary and appropriate. The information in this report must be treated as potentially Confidential Information and shall be protected as described in Section 15. City shall adopt procedures to prevent Confidential Information from being disclosed, except as consistent with this Agreement. The Department and City may disclose any non-confidential information in the report when required to do so by law, including the Oregon Public Records Law, ORS 192.311 to 192.478.

**(10) <u>City Reports</u>**. Within sixty (60) days of the effective date of this Agreement, City shall provide the Department with a list of zip code areas that are within its jurisdiction for purposes of imposing the Local Tax. City shall review all reports and reconciliations provided to it by the Department and shall promptly notify the Department of any perceived errors or omissions in such reports.

**(11) <u>Records Maintenance and Access</u>.** Each party shall maintain its records relevant to this Agreement, the Local Taxes and Local Taxpayers for the period of time specified and in the manner required under the document retention and archiving requirements applicable to it that are established under ORS 192.005 to 192.170. Upon written request, each party may examine the records of the other party at a time and location that is convenient and without extra cost to the holder to the records; provided, however, any requests for records made in connection with litigation or other efforts to collect the Local Tax shall be immediately provided in the time and manner requested.

**(12) <u>Ordinance and Notification of Changes</u>**. Contemporaneous with the execution of this Agreement, City shall provide a copy of the Ordinance to Department for incorporation into this Agreement as Exhibit B. In order to insure consistency in administration of the Local Tax, each party shall notify the other of any change in applicable law, including changes to the Ordinance and any state or local regulations or rulings interpreting the Local Tax or the Ordinance, any changes in rates or changes in the City's boundary at least ninety (90) days prior to the effective change, unless it is not legally possible to provide ninety (90) days' notice or both parties mutually agree to effect such changes in less than ninety (90) days. Each party shall notify the other of any change in administration of the Local Tax under this Agreement. The parties shall cooperate in amending the Ordinance or in seeking any amendments to ORS 320.365 or ORS 305.620 they deem necessary.

**(13) <u>Information</u>**. The parties will cooperate in the exchange of information and making public announcements to facilitate effective administration of the Local Tax and maintain consistency in public announcements and information. Policy announcements, announcement of changes to the Ordinance, and all public relations related to the Local Tax will be handled by City. The Department shall promptly notify City of any issue arising in the administration of the Local Tax that would require any legislative change or affect City's policy, including any policy that relates to the amount of Local Tax collected. Nothing in this section shall prohibit the Department from conducting its own outreach activities to increase awareness and knowledge of Local Tax obligations.

**(14) <u>Limits and Conditions</u>**. To the extent limited by applicable provisions of Article XI of the Oregon Constitution or other governing law, and within the limits of the Oregon Tort Claims Act applicable respectively to the Department and City, each party shall indemnify the other for damage to life or property arising from their respective duties and obligations under this

Agreement, provided neither party shall be required to indemnify the other for any such liability arising out of a party's own negligent or wrongful acts.

**(15) <u>Confidentiality</u>**.

(a) Confidential Information may be disclosed to City by the Department, at the discretion of the Department, only for purposes of carrying out the administration of the Local Tax . Requests for Confidential Information may be made by City by giving not less than ten (10) days' notice to the Department, stating the information desired, the purposes of the request, and the use to be made of such information. If the compilation of the requested information is not reasonably feasible, the Department shall so advise City and may decline to provide the requested information.

(b) ORS 314.840(3) requires that employees and representatives of City who receive Confidential Information must be advised in writing of the provisions of ORS 314.835 and 314.991(3), relating to the penalties for unlawful disclosure. Prior to being given access to Confidential Information, all City employees involved in the performance of this Agreement must review the DOR Secrecy Clause and sign the DOR Secrecy Laws Certificate (substantially in the form of Exhibit A, attached hereto and by this reference incorporated herein) certifying the employee understands the confidentiality laws and the penalties for violating them. Annually thereafter, (on or before a date specified by the Department), or upon request by the Department, such City employees must review and sign the latest versions of the Secrecy Clause and the Secrecy Laws Certificate. All signed Secrecy Laws Certificates must be immediately emailed to the designated Department Authorized Representative (indicated below). When the employee terminates employment with City, City will forward the certificate to the Department's Authorized Representative indicating the employee is no longer employed by City. A listing of every person employed by City that is authorized to request and receive Confidential Information identified in this Agreement must be sent by City to the following designated representative:

Aaron Bishop

Title: OSBP Policy and Systems Manager

Contact Email: Aaron.bishop@dor.oregon.gov

(c) Upon request and pursuant to the instructions of the Department, City shall return or destroy all copies of Confidential Information provided by the Department to City, and City shall certify in writing the return or destruction of all such Confidential Information.

(d) The administrative rules implementing ORS 314.835 and ORS 314.840 as amended from time to time during the term of this Agreement, shall apply to Confidential Information under this Agreement.

(e) City shall comply with the requirements of ORS 646A.600 to 646A.628 in the event of a breach of security or disclosure of confidential information.

**(16) <u>Term</u>.** The term of this Agreement shall be from the date it is executed by all parties and until it is terminated by operation of law or by either party, at its discretion upon at least ninety (90) days prior written notice. Prior to the termination date specified in written notice provided under this section or Section 17 below, City and the Department will continue to perform their respective duties and obligations of under this Agreement. After the termination date, the Department will cease all collection and other activities under this Agreement, unless prior to the termination date the Department and City agree in writing that the Department may continue actions that are pending before the Oregon Tax Court or the Oregon Supreme Court, or are being collected after judgment or stipulation. In addition, after the termination date the Department will continue to remit to City any Local Taxes received by the Department, after deduction of the Department's actual costs, until all matters pending on the date of termination have been resolved or collected. The Department shall administer the Local Tax for City beginning with the calendar quarter commencing after this Agreement is executed, However, if this Agreement is fully executed on or before the 15th day of the calendar quarter, the Department shall begin administering the Local Tax for the quarter in which this Agreement is executed.

**(17) Default and Remedies**. A party shall be in default under this Agreement if it fails to perform any of its duties and obligations under this Agreement, and fails to cure such nonperformance within ninety (90) days after the other party provides written notice specifying the nature of the nonperformance. If the nonperforming party does not cure its nonperformance, or provide a satisfactory explanation to the other party of its performance under this Agreement, the other party may terminate this Agreement immediately or at a later date specified in written notice provided to the nonperforming party. In addition to termination of this Agreement, in the event of default by a nonperforming party, the other party may pursue any remedies available in law or equity, including an action for specific performance.

**(18) Notices.** All notices, documents, and information shall be sent as follows:

Oregon Department of Revenue
Transient Lodging Tax
Salem, OR 97309

**(19) Amendments.** The provisions of this Agreement shall not be waived, altered, modified, supplemented, or amended, in any manner whatsoever, except by written instrument signed by both parties.

**(20) Successors and Assigns.** This Agreement shall be binding and inure to the benefit of the parties, their assigns, and successors.

**(21) Severability.** If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**(22) Representations.** Each party represents to the other that the making and performance of this Agreement: (a) have been duly authorized by its governing body or official, (b) does not and will not violate any provision of any applicable law, rule, regulation, or order of any court, regulatory commission, board or other administrative agency or any provision of any applicable local charter or other organizational document, and (c) do not and will not result in the breach of, or constitute a default or require any consent under any other agreement or instrument to which the party is bound.

**(23)** **<u>Governing Law, Consent to Jurisdiction</u>.** This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively "Claim") between the Department and City regarding the enforcement or interpretation of this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Marion County for the State of Oregon. The parties understand and agree that any action brought to determine the amount of Local Tax owed by a Local Taxpayer, whether brought solely by the Department or in conjunction with City shall be brought solely in the Oregon Tax Court.

**(24)** **<u>Nonappropriation</u>.** The obligation of each party to perform its duties under this Agreement is conditioned upon the party receiving funding, appropriations, limitation, allotment, or other expenditure authority sufficient to allow the party, in the exercise of its reasonable administrative discretion, to meet its obligations under this Agreement. Nothing in this Agreement may be construed as permitting any violation of Article XI, sections 7 or 10 of the Oregon Constitution or any other law limiting the activities, liabilities or monetary obligations of each party.

**(25)** **<u>Survival</u>.** All rights and obligations of the parties under this Agreement will cease upon termination of the Agreement, other than the rights and obligations arising under Sections 14, 16 and 17, and those rights and obligations that by their express terms survive termination of this Agreement; provided, however, that termination of this Agreement will not prejudice any rights or obligations accruing to a party prior to termination.

**(26)** **<u>Force Majeure</u>.** Neither party is responsible for any failure to perform or any delay in performance of an obligation under this Agreement caused by fire, civil unrest, labor unrest, natural causes, or war, which is beyond that party's reasonable control. Each party shall, however, make all reasonable efforts to remove or eliminate such cause of failure to perform or delay in performance and shall, upon the cessation of the cause, diligently pursue performance of its obligation under this Agreement.

**(27)** **<u>Counterparts.</u>** This Agreement may be executed in counterparts, all of which when taken together shall constitute one agreement, notwithstanding that all parties are not signatories to the same counterpart. Each copy of this Agreement so executed constitutes an original.

**(28)** **<u>Merger</u>.** This Agreement and any exhibits constitute the entire agreement between the parties on the subject matter hereof. There are no understandings, agreements or presentations, oral or written, not specified herein regarding this Agreement.

Each party represents that this Agreement, when fully executed and delivered will constitute a legal, valid and binding obligation of the party in accordance with its terms, and that the person signing below is the authorized representative of the party with full power and authority to bind his/her principal to this Agreement.

| Oregon Department of Revenue | City: |
|---|---|
| Name/Title: | Name/Title: |
| Signature: | Signature: |
| Date signed: | Date signed: |

# REQUEST FOR COUNCIL ACTION

| | |
|---|---|
| **Title:** | Request for Council Action – Ordinance No. 3 for 2026 – Amending SHMC 2.04.030 Nominations & Declaring the Need for an Expediency Clause |
| **Preferred Agenda:** | July 14, 2026 |
| **Submitted By:** | Cecily Hope Pretty, Deputy City Manager |
| **Reviewed By:** | Jason Ogden, City Manager / Police Chief |
| **Type of Action:** | Motion ☒ Resolution ☐ Reading ☒ |
| **Relevant Code/Policy:** | House Bill 4024 (2024), SHMC 2.04.030 |
| **Towards Council Goal:** | Effective & Efficient Government |
| **Attachments:** | Ord. No. 3 for 2026<br>SHMC 2.04.030 – Redline Version |

**Purpose of this RCA:**
The purpose of this RCA is to amend section 2.04.030 of Sweet Home Municipal Code (SHMC) to bring it into compliance with changes to Oregon candidate filing regulations made effective in 2024 through House Bill 4024.

**Background/Context:**
The Oregon State Legislature made changes to several portions of election-related code in its 2024 session, including a requirement that incumbent candidates shall now have a filing deadline seven (7) days sooner than non-incumbent candidates. The City's current code related to the timing of candidate filing was last updated in 1986 through Ordinance 949.

**The Challenge/Problem:**
House Bill 4024 has created a conflict with SHMC 2.04.030 which needs to be resolved in order for the City's Code to be compliant with the new regulations. The proposed amendment separates the Code section into two parts to distinguish between the requirements for non-incumbent vs. incumbent candidates.

**Issues and Financial Impacts:**
There is no fiscal impact as a result of these changes. The City does not have the authority to override this regulation so in the event the conflict remains in SHMC 2.04.030, staff will still enforce the provisions of HB 4024.

**Elements of a Stable Solution:**
Approval of changes that will align the City's code with State requirements and to resolve the conflict prior to the closure of the candidate filing period for the November 2026 City Council election.

**Options:**

1. *Move to deny Ordinance No. 3 for 2026*: The Code section will stay as it currently is with no changes and will remain in conflict with State requirements.
2. *Move to conduct a first reading of Ordinance No. 3 for 2026 as proposed:* If the first reading is unanimously approved, a second reading may be conducted by title only.
3. *Move to conduct a first reading of Ordinance No. 3 for 2026 with amendments:* City Council may propose revisions to the Ordinance.

**Recommendation:**

Staff recommends option #2: Move to conduct a first reading of Ordinance No. 3 for 2026 as proposed.

**ORDINANCE BILL NO. 3 FOR 2026**

**ORDINANCE NO. __**

**AN ORDINANCE AMENDING SWEET HOME MUNICIPAL CODE (SHMC) 2.04.030 NOMINATIONS & DECLARING THE NEED FOR AN EXPEDIENCY CLAUSE**

**WHEREAS**, current procedures for filing for elective office are detailed in the SHMC; and

**WHEREAS**, existing filing deadlines were established by Ordinance 949; and

**WHEREAS**, recent changes to State law under House Bill (HB) 4024 establishing an earlier filing deadline for incumbent candidates contradict existing Municipal Code; and

**WHEREAS**, this is the first Sweet Home City Council election to be affected by HB 4024;

**NOW, THEREFORE, THE CITY OF SWEET HOME DOES ORDAIN AS FOLLOWS:**

Section 1. SHMC Chapter 2.040.030 Nominations is hereby amended as follows:

**2.04.030 NOMINATIONS**
Only a qualified elector under State law who has resided in the City at least one year immediately before the election may be nominated for the Council by one of the following methods.

A. For Non-Incumbent Candidates:
    1. A petition to make such a nomination shall be signed by not less than ten, nor more than 20, electors. No elector shall sign more than one such petition and, should an elector do so, their signature shall be void as to the petition or petitions last filed. The petitions shall be filed not earlier than 100 days, nor later than 64 days, before the election date. Each candidate shall have the signatures of the electors on their petition verified by the County Elections Officer, prior to filing the petition with the City Elections Officer.
    2. A declaration of candidacy shall be signed and a fee set by Council Resolution shall be paid to the City at the time of filing. The declaration of candidacy shall be filed not earlier than 100 days, nor later than 64 days, before the election date.
    3. A write-in vote at the time of the election as allowed by State law.

B. For Incumbent Candidates:
    1. A petition to make such a nomination shall be signed by not less than ten, nor more than 20, electors. No elector shall sign more than one such petition and, should an elector do so, their signature shall be void as to the petition or petitions last filed. The petitions shall be filed not earlier than 100 days, nor later than 71 days, before the election date. Each candidate shall have the signatures of the electors on their petition verified by the County Elections Officer, prior to filing the petition with the City Elections Officer.

2. A declaration of candidacy shall be signed and a fee set by Council Resolution shall be paid to the City at the time of filing. The declaration of candidacy shall be filed not earlier than 100 days, nor later than 71 days, before the election date.
3. A write-in vote at the time of the election as allowed by State law.

Section 2. Expediency Clause. Whereas the statutory changes resulting from passage of HB 4024 are already in effect, it is hereby adjudged and declare than an emergency exists and existing conditions are such that this Ordinance is needed to be immediately enforced upon its passage. Therefore, this Ordinance shall take effect and be in full force and effect from and after its passage and approval.

**PASSED** by the Council and approved by the Mayor this ___ day of ______, 2026.

______________________________
Mayor

ATTEST:

______________________________
City Manager – Ex Officio City Recorder

**2.04.030 NOMINATIONS**
Only a qualified elector under State law who has resided in the City at least one year immediately before the election may be nominated for the Council by one of the following methods.

A. For Non-Incumbent Candidates:
   1. A petition to make such a nomination shall be signed by not less than ten, nor more than 20, electors. No elector shall sign more than one such petition and, should an elector do so, their signature shall be void as to the petition or petitions last filed. The petitions shall be filed not earlier than 100 days, nor later than 64 days, before the election date. Each candidate shall have the signatures of the electors on their petition verified by the County Elections Officer, prior to filing the petition with the City Elections Officer.
   2. A declaration of candidacy shall be signed and a fee set by Council Resolution shall be paid to the City at the time of filing. The declaration of candidacy shall be filed not earlier than 100 days, nor later than 64 days, before the election date.
   3. A write-in vote at the time of the election as allowed by State law.

B. For Incumbent Candidates:
   1. A petition to make such a nomination shall be signed by not less than ten, nor more than 20, electors. No elector shall sign more than one such petition and, should an elector do so, their signature shall be void as to the petition or petitions last filed. The petitions shall be filed not earlier than 100 days, nor later than 71 days, before the election date. Each candidate shall have the signatures of the electors on their petition verified by the County Elections Officer, prior to filing the petition with the City Elections Officer.
   2. A declaration of candidacy shall be signed and a fee set by Council Resolution shall be paid to the City at the time of filing. The declaration of candidacy shall be filed not earlier than 100 days, nor later than 71 days, before the election date.
   3. A write-in vote at the time of the election as allowed by State law.

# REQUEST FOR COUNCIL ACTION

| | |
|---|---|
| **Title:** | Request for Council Action – Ordinance No. 2 for 2026 – Ordinance No. 1340 – Repealing SHMC 5.08 Bicycle Dealers & Amending SHMC 5.24 Social Games, SHMC 5.28 Taxicabs & SHMC 5.32 Secondhand Dealers |
| **Preferred Agenda:** | July 14, 2026 |
| **Submitted By:** | Cecily Hope Pretty, Deputy City Manager |
| **Reviewed By:** | Jason Ogden, City Manager / Police Chief<br>Blair Larsen, City Attorney |
| **Type of Action:** | Motion ☒ Resolution ☐ Reading ☐ |
| **Relevant Code/Policy:** | SHMC 5.08, SHMC 5.24, SHMC 5.28, SHMC 5.32 |
| **Towards Council Goal:** | Essential Services, Effective & Efficient Government |
| **Attachments:** | Ord. No. 2 for 2026<br>Exhibit A – Redline Version of Amendments |

**Purpose of this RCA:**
The purpose of this RCA is to repeal and amend sections 5.08, 5.24, 5.28, and 5.32 of Sweet Home Municipal Code (SHMC) to deregulate and modernize these sections.

**Background/Context:**
There are several sections of SHMC that staff have determined to be unnecessary and/or outdated. A first and second reading of the Ordinance were conducted at the June 23, 2026 City Council meeting.

**The Challenge/Problem:**
There are existing regulations in SHMC that are either not feasible for enforcement, not necessary for public safety purposes, or outdated in what they attempt to regulate. A summary of the changes to each section are as follows:

- SHMC 5.08 Bicycle Dealers: Repealed in its entirety
- SHMC 5.24 Social Games: Modernized and less prescriptive in terms of what games are allowed and how they are regulated
- SHMC 5.28 Taxicabs: Modernized to capture “For-Hire Transportation” (ex. rideshare companies) and removes licensing requirements; states that the City cannot regulate fares or pricing
- SHMC 5.32 Secondhand Dealers: Removes licensing requirement and simplifies regulation while preserving what is needed for potential law enforcement reasons

**Issues and Financial Impacts:**
There is no fiscal impact as a result of these changes. The changes preserve requirements deemed necessary for law enforcement purposes but otherwise lessen regulations for local businesses and citizens.

**Elements of a Stable Solution:**
Approval of changes that support public safety and appropriate regulation in accordance with the desired vision of the City Council and in support of local businesses and citizens.

**Options:**

1. *Move to deny Ordinance No. 2 for 2026*: The Code sections will stay as they currently are with no changes.
2. *Move to conduct a first reading of Ordinance No. 2 for 2026 as proposed:* If the first reading is unanimously approved, a second reading may be conducted by title only.
3. *Move to conduct a first reading of Ordinance No. 2 for 2026 with amendments:* City Council may propose revisions to the Ordinance.

**Recommendation:**
Staff recommends option #2: Move to conduct a first reading of Ordinance No. 2 for 2026 as proposed.

**ORDINANCE BILL NO. 2 FOR 2026**

**ORDINANCE NO. 1340**

**AN ORDINANCE REPEALING SWEET HOME MUNICIPAL CODE (SHMC) 5.08 BICYCLE DEALERS & AMENDING SHMC 5.24 SOCIAL GAMES, SHMC 5.28 TAXICABS & SHMC 5.32 SECONDHAND DEALERS**

**WHEREAS**, the City of Sweet Home desires to reduce regulations and provide timely guidance through its Municipal Code where possible; and

**WHEREAS**, the City staff determined that there are existing code provisions that are no longer necessary or require changes due to current local, state, and national conditions;

**NOW, THEREFORE, THE CITY OF SWEET HOME DOES ORDAIN AS FOLLOWS:**

Section 1. SHMC Chapter 5.08 Bicycle Dealers is hereby repealed in its entirety.

Section 2. SHMC Chapter 5.24 Social Games is hereby amended as follows:

**<u>CHAPTER 5.24 SOCIAL GAMES</u>**

5.24.010 PURPOSE
5.24.020 AUTHORIZATION
5.24.030 PROHIBITED CONDUCT
5.24.040 ADMINISTRATIVE PERMIT
5.24.050 ENFORCEMENT

**5.24.010 PURPOSE**

The purpose of this Chapter is to allow lawful social games consistent with Oregon law.

**5.24.020 AUTHORIZATION**

Social games may be conducted within the City in accordance with state law, as currently enacted or hereafter amended.

**5.24.030 PROHIBITED CONDUCT**

No person shall conduct or allow a social game that includes:

A. A house player, house bank, or house odds;
B. A house income, fee, percentage, or other profit from operations of the game; or
C. Participation by any person under 18 years of age.

**5.24.040 ADMINISTRATIVE PERMIT**

The City Manager or designee may require an administrative permit for organized or recurring social gaming events in a private business, private club, or place of public accommodation. The permit process, if used, shall be limited to information reasonably necessary to determine compliance with this chapter and Oregon law.

**5.24.050 ENFORCEMENT**

Violation of this Chapter constitutes a civil violation and may be enforced under Chapter 9.36. Any permit issued under this Chapter may be suspended or revoked administratively for noncompliance, subject to appeal to the City Council.

Section 3. SHMC Chapter 5.28 Taxicabs is hereby renamed For-Hire Transportation and amended as follows:

**<u>CHAPTER 5.28 FOR-HIRE TRANSPORTATION SERVICES</u>**



**5.28.010 PURPOSE**

The purpose of this chapter is to establish minimal standards to protect public health and safety while allowing flexible and efficient operation of for-hire transportation services within the City.

**5.28.020 DEFINITIONS**

“For-hire transportation service” means the transportation of passengers for compensation within the City, including taxicabs, limousines, shuttle services, and transportation network companies.

“Transportation network company” or “TNC” means a company that uses a digital platform to connect passengers with drivers who provide transportation services.

**5.28.030 APPLICABILITY**

This chapter applies to all for-hire transportation services operating within the City, except where preempted by state or federal law.

### 5.28.040 COMPLIANCE WITH STATE LAW

Operators shall comply with all applicable provisions of Oregon law related to insurance, driver eligibility, and vehicle safety.

### 5.28.050 LOCAL LICENSING

No City-issued license or permit shall be required to operate a for-hire transportation service within the City, unless otherwise required by state or federal law.

### 5.28.060 INSURANCE

Operators shall maintain insurance coverage consistent with applicable Oregon law. Proof of insurance shall be provided upon reasonable request related to an investigation or enforcement action.

### 5.28.070 PROHIBITED CONDUCT

Operators shall not:

A. Refuse service in violation of applicable nondiscrimination laws;
B. Operate unsafe vehicles; or
C. Engage in conduct that endangers public safety.

### 5.28.080 ENFORCEMENT

This Chapter shall be enforced on a complaint basis or in response to observed violations affecting public safety, with an emphasis on voluntary compliance.

### 5.28.090 RATES

The City shall not regulate fares or pricing for for-hire transportation services.

### 5.28.100 SEVERABILITY

If any provision of this chapter is held invalid, such invalidity shall not affect the remaining provisions.

Section 4. SHMC 5.32 Secondhand Dealers is hereby amended as follows:

**CHAPTER 5.32 SECONDHAND DEALERS**



**5.32.010 PURPOSE**

The purpose of this Chapter is to deter the sale of stolen property and support law enforcement investigations.

**5.32.020 DEFINITIONS**

“Secondhand dealer” means any person or business engaged in purchasing or receiving previously owned property for resale in the ordinary course of business.

“Regulated property” means used goods commonly associated with theft or resale markets, including tools and power equipment, electronics, precious metals and jewelry, firearms to the extent not preempted by state or federal law, and bicycles. The City may further define regulated property by Resolution.

**5.32.030 APPLICABILITY**

This Chapter applies only to secondhand dealers engaged in the purchase of regulated property within the City.

This Chapter does not apply to charitable organizations primarily engaged in donation-based resale, occasional, or incidental sales by individuals not engaged in the business of resale, or businesses that accept goods solely on consignment and do not take ownership.

**5.32.040 COMPLIANCE WITH STATE LAW**

Secondhand dealers shall comply with all applicable provisions of Oregon law, including requirements related to seller identification, transaction records, and law enforcement access. Nothing in this chapter is intended to duplicate or conflict with state law.

**5.32.050 TRANSACTION RECORDS**

Secondhand dealers shall maintain a record of transactions involving regulated property that includes a description of the item, date of transaction, and seller identification information consistent with state law. Records may be maintained electronically and must be retained for a minimum period consistent with Oregon law.

**5.32.060 HOLDING PERIOD**

Secondhand dealers shall not resell regulated property for a period of seven (7) days following acquisition, unless otherwise authorized by law enforcement.

**5.32.070 INSPECTION BY LAW ENFORCEMENT**

Upon reasonable request, secondhand dealers shall make transaction records available to law enforcement for inspection in connection with an investigation. Inspection shall occur during normal business hours or at another mutually agreed time.

**5.32.080 PROHIBITED CONDUCT AND REQUIRED RECORDS**

A secondhand dealer shall not:

A. Knowingly purchase or receive stolen property;
B. Purchase regulated property from a person under 18 years of age without consent of a parent or guardian;
C. Falsify or fail to maintain required records; or
D. Engage in conduct that obstructs a lawful investigation.

Every secondhand dealer shall keep a record of each purchase and/or acceptance transaction of secondhand goods, which is initiated, conducted or concluded at the secondhand dealer’s place of business. Each such transaction shall record:

1. The date of the transaction;

2. The serial number, if applicable, of the property purchased, sold or taken as a pledge;

3. Name and address of the seller, pledgor and if the sale or pledge is made by a person acting as agent for a disclosed principal, the name and address of principal and agent;

4. A detailed identifying description of the article or articles purchased, pledged or held; and

5. The amount of the purchase or pledge loan.

All records of purchase shall be made legible in the English language and shall be open to the inspection of any public official, police officer, or any other person who is duly authorized or empowered by the laws of the state, county or city to make the inspection.

Every secondhand dealer shall maintain an alphabetical file from which can be determined the total sales or obligations of any one seller or pledgor.

All records shall be preserved and available for at least two years after making the final entry of any sale or pledge loan recorded therein.

**5.32.090 LICENSING**

No City-issued license specific to secondhand dealers is required under this chapter. Secondhand dealers remain subject to any generally applicable business registration requirements of the City.

**5.32.100 ENFORCEMENT**

This chapter shall be enforced on a complaint basis or in connection with law enforcement investigations. The City shall prioritize education and voluntary compliance.

**5.32.110 SEVERABILITY**

If any provision of this chapter is held invalid, such invalidity shall not affect the remaining provisions.

**5.32.160 VIOLATION--PENALTY**

A violation, or participation in the violation, of this chapter by any secondhand dealer or any director, agent, member, officer, or employee thereof, or any other person is punishable, upon conviction by a fine of not more than $500 or by imprisonment in jail of not more than six months, or both.

**PASSED** by the Council and approved by the Mayor this 14th day of July, 2026; and effective the 13th day of August, 2026.

________________________________

Mayor

ATTEST:

________________________________

City Manager – Ex Officio City Recorder

# EXHIBIT A

## TITLE 5 BUSINESS LICENSES AND REGULATIONS



## CHAPTER 5.24 SOCIAL GAMES



### 5.24.010 PURPOSE

The purpose of this Chapter is to allow lawful social games consistent with Oregon law.

**5.24.020 AUTHORIZATION**Social games may be conducted within the City in accordance with state law, as currently enacted or hereafter amended.

### 5.24.030 PROHIBITED CONDUCT

No person shall conduct or allow a social game that includes:

A. A house player, house bank, or house odds;
B. A house income, fee, percentage, or other profit from operations of the game; or
C. Participation by any person under 18 years of age.

1. **5.24.040 ADMINISTRATIVE PERMIT** The City Manager or designee may require an administrative permit for organized or recurring social gaming events in a private business, private club, or place of public accommodation. The permit process, if used, shall be limited to information reasonably necessary to determine compliance with this chapter and Oregon law.**5.24.050 ENFORCEMENT** Violation of this Chapter constitutes a civil violation and may be enforced under Chapter 9.36. Any permit issued under this Chapter may be suspended or revoked administratively for noncompliance, subject to appeal to the City Council.

## CHAPTER 5.28 FOR-HIRE TRANSPORTATION SERVICES

**5.28.010 PURPOSE**

The purpose of this chapter is to establish minimal standards to protect public health and safety while allowing flexible and efficient operation of for-hire transportation services within the City.

**5.28.020 DEFINITIONS**

"For-hire transportation service" means the transportation of passengers for compensation within the City, including taxicabs, limousines, shuttle services, and transportation network companies.
"Transportation network company" or "TNC" means a company that uses a digital platform to connect passengers with drivers who provide transportation services.

**5.28.030 APPLICABILITY**

This chapter applies to all for-hire transportation services operating within the City, except where preempted by state or federal law.

**5.28.040 —COMPLIANCE WITH STATE LAW**

Operators shall comply with all applicable provisions of Oregon law related to insurance, driver eligibility, and vehicle safety.

**5.28.050 —LOCAL LICENSING**

No City-issued license or permit shall be required to operate a for-hire transportation service within the City, unless otherwise required by state or federal law.

**5.28.060 INSURANCE**

Operators shall maintain insurance coverage consistent with applicable Oregon law. Proof of insurance shall be provided upon reasonable request related to an investigation or enforcement action.

**5.28.070 PROHIBITED CONDUCT**

Operators shall not:

A. Refuse service in violation of applicable nondiscrimination laws;
B. Operate unsafe vehicles; or
C. Engage in conduct that endangers public safety.

**5.28.080 ENFORCEMENT**

This chapter shall be enforced on a complaint basis or in response to observed violations affecting public safety, with an emphasis on voluntary compliance.

**5.28.090 RATES**

The City shall not regulate fares or pricing for for-hire transportation services.

**5.28.100 SEVERABILITY**

If any provision of this chapter is held invalid, such invalidity shall not affect the remaining provisions.

**CHAPTER 5.32 SECONDHAND DEALERS**



**5.32.010 PURPOSE**

The purpose of this Chapter is to deter the sale of stolen property and support law enforcement investigations.

**5.32.020 DEFINITIONS**

"Secondhand dealer" means any person or business engaged in purchasing or receiving previously owned property for resale in the ordinary course of business. "Regulated property" means used goods commonly associated with theft or resale markets, including tools and power equipment, electronics, precious metals and jewelry, firearms to the extent not preempted by state or federal law, and bicycles. The City may further define regulated property by Resolution.

**5.32.030 APPLICABILITY**

This Chapter applies only to secondhand dealers engaged in the purchase of regulated property within the City.

This Chapter does not apply to charitable organizations primarily engaged in donation-based resale, occasional, or incidental sales by individuals not engaged in the business of resale, or businesses that accept goods solely on consignment and do not take ownership.

**5.32.040 —COMPLIANCE WITH STATE LAW**

Secondhand dealers shall comply with all applicable provisions of Oregon law, including requirements related to seller identification, transaction records, and law enforcement access. Nothing in this chapter is intended to duplicate or conflict with state law.

**5.32.050 TRANSACTION RECORDS**

Secondhand dealers shall maintain a record of transactions involving regulated property that includes a description of the item, date of transaction, and seller identification information consistent with state law. Records may be maintained electronically and must be retained for a minimum period consistent with Oregon law.

**5.32.060 —HOLDING PERIOD**

Secondhand dealers shall not resell regulated property for a period of seven (7) days following acquisition, unless otherwise authorized by law enforcement.

5.32.070 **—INSPECTION BY LAW ENFORCEMENT**

Upon reasonable request, secondhand dealers shall make transaction records available to law enforcement for inspection in connection with an investigation. Inspection shall occur during normal business hours or at another mutually agreed time.

5.32.080 **—**PROH**IBITED CONDUCT AND REQUIRED RECORDS**

A secondhand dealer shall not:

A. Knowingly purchase or receive stolen property;
B. Purchase regulated property from a person under 18 years of age without consent of a parent or guardian;
C. Falsify or fail to maintain required records; or
D. Engage in conduct that obstructs a lawful investigation.

Every secondhand dealer shall keep a record of each purchase and/or acceptance transaction of secondhand goods, which is initiated, conducted or concluded at the secondhand dealer's place of business. Each such transaction shall record:

1. The date of the transaction;

2. The serial number, if applicable, of the property purchased, sold or taken as a pledge;

3. Name and address of the seller, pledgor and if the sale or pledge is made by a person acting as agent for a disclosed principal, the name and address of principal and agent;

4. A detailed identifying description of the article or articles purchased, pledged or held; and

5. The amount of the purchase or pledge loan.

All records of purchase shall be made legible in the English language and shall be open to the inspection of any public official, police officer or any other person who is duly authorized or empowered by the laws of the state, county or city to make the inspection.

Every secondhand dealer shall maintain an alphabetical file from which can be determined the total sales or obligations of any one seller or pledgor.

All records shall be preserved and available for at least two years after making the final entry of any sale or pledge loan recorded therein.

**5.32.090 LICENSING**

No City-issued license specific to secondhand dealers is required under this chapter. Secondhand dealers remain subject to any generally applicable business registration requirements of the City.

**5.32.100 ENFORCEMENT**

This chapter shall be enforced on a complaint basis or in connection with law enforcement investigations. The City shall prioritize education and voluntary compliance.

**5.32.110 SEVERABILITY**

If any provision of this chapter is held invalid, such invalidity shall not affect the remaining provisions.

**5.32.160 VIOLATION--PENALTY**

A violation, or participation in the violation, of this chapter by any secondhand dealer or any director, agent, member, officer or employee thereof, or any other person is punishable, upon conviction by a fine of not more than $500 or by imprisonment in jail of not more than six months, or both.

# CITY OF SWEET HOME COMMUNITY HEALTH COMMITTEE MEETING MINUTES

June 24, 2026, 4:00 PM
Sweet Home City Hall, 3225 Main Street
Sweet Home, OR 97386

**Mission Statement**

The City of Sweet Home will work to build an economically strong community with an efficient and effective local government that will provide infrastructure and essential services to the citizens we serve. As efficient stewards of the valuable assets available, we will be responsive to the community while planning and preparing for the future.

---

## Call to Order & Pledge of Allegiance

The meeting was called to order at 4:00 PM.

## Roll Call

PRESENT
Chair Kelsey Ann Wray
Vice Chair Bob Dalton
Committee Member Dr. Larry Horton
Committee Member Dick Knowles
Committee Member Shirley Schumacher
Committee Member Wanda Jones

ABSENT
Committee Member Michael Grenz

STAFF
Cecily Hope Pretty, Deputy City Manager
Jennifer Gaspard, Community Services Officer
Adam Leisinger, Special Projects Manager
Sean Morgan, Community Services Officer

## Approval of Minutes

a) 2026-05-27 Community Health Committee Meeting Minutes

Committee Member Jones moved to approve the minutes of the May 27, 2026 Community Health Committee meeting. Committee Member Knowles seconded the motion. The motion carried by the following vote:

AYE: Wray, Dalton, Horton, Jones, Knowles, Schumacher
NAY: None
ABSENT: Grenz

## Recognition of Visitors / Public Comment

There were no visitors to be heard.

## Old Business

a) Health Fair Update

Vice Chair Dalton stated he had received back one third of the applications he had sent out with 20 tables reserved. He noted that reminders would be sent to the outstanding invitees.

No action was required for this item.

**New Business**

a) Micro-Grant Announcement

Deputy City Manager Pretty announced that the City received a $2,500 microgrant for disaster and emergency preparedness through the AARP Community Challenge Grant program. She noted that the focus was on seniors but could be extended to anyone and requested the support of the Committee as staff developed events and supplies. She added that Sweet Home was the only recipient in Oregon in this grant category.

No action was required for this item.

b) National Night Out

Officer Morgan stated that the event was in the planning stages currently for August 4th and would be hosted again on 13th Avenue. Deputy City Manager Pretty invited the Committee to host a table and promote the Community Health Fair.

No action was required for this item.

**Community Partner Presentations**

a) Sean Morgan, Community Services Officer

Officer Morgan introduced Officer Gaspard and stated she was brought on to assist with community services and events, including National Night Out. He highlighted her assistance with the homeless community and absorbing the code enforcement program.

Officer Morgan reviewed the positive impact of the Family Assistance and Resource Center (FAC) in the community. He stated that the 2025 point-in-time count in Sweet Home totaled 20 individuals and the 2026 count totaled 27. He noted that these numbers were down significantly from 2024, which were over 40. He stated that when FAC beds were available, the Police Department was no longer available as a place to sleep. He noted that this had led to an increase in tent camping on private property and the Police Department was working on mitigating it. He added that many of the people who did not go to FAC often did not want to go to a site with rules or requirements. He stated that the Police Department did still allow people to sleep in their vehicles overnight in the parking lot. He noted that many of the car campers exhibited good behavior and did not have substance use issues but did not have enough resources to get housed. He stated that there were challenges to incentivizing those who exhibited anti-social behaviors.

Vice Chair Dalton thanked Officer Morgan and all those involved for their work with the homeless population. He asked what Officer Morgan's biggest need or want was that would make the most difference. Officer Morgan replied that there were already resources available, but the challenge was getting people to accept the resources. Vice Chair Dalton asked what could help the population living in their vehicles if they were just down on their luck. Officer Morgan replied that there were still challenges to getting them to take actions that would change their situation and follow through but that he and FAC were available to assist.

Chair Wray asked if the department was able to make referrals to Community Court even if individuals were not in legal trouble. Officer Morgan replied that they already did. He added that sometimes assistance requires physically helping people in their households in order to avoid eviction.

Vice Chair Dalton asked if it was possible to provide a package of resources and create an action plan tailored to each individual person. Officer Morgan replied that they were in contact with all the available service providers but the challenge was getting someone from homelessness to housed and it was critical to establish a trusting relationship in order to convince many people to accept assistance and navigate the bureaucracy involved to receive services. Officer Gaspard added that many homeless were challenged with coping skills and needed high levels of assistance to complete necessary tasks. Officer Morgan stated that the County organized a Situation Table where he could bring his cases to a group of providers and tailor resources more directly to individuals. Vice Chair Dalton asked if there were any policy changes needed to improve the provision of services. Officer Morgan replied that he was not sure what would assist with the resistant population who was not willing to make lifestyle changes. Officer Gaspard added that changes in the judicial system made it more challenging to intercede, particularly in mental health cases.

Chair Wray asked if there was any specialized training the officers were taking. The officers replied that they both had extensive training. Chair Wray asked if all police officers received the same training. Officer Morgan replied that the department was working in batches to send officers to CIT training.

Vice Chair Dalton asked where someone goes when they are excluded from FAC. Officer Morgan stated that they typically attempt to camp elsewhere in Sweet Home and the Police Department worked to stop them and encourage them to seek resources elsewhere since they were no longer eligible for FAC's services. He added that clarification from the State on "reasonable shelter" and accounting for the unreasonable behavior of individuals would be helpful.

Committee Member Knowles asked of the officers' interaction with Linn County's mental health van. Officer Morgan replied that they typically came weekly but he had not seen the drug and alcohol van. Committee Member Knowles noted that the point-in-time count was tied to funding and that the timing likely made the count inaccurate and affected Sweet Home's funding. He commended the officers for building a good relationship with the homeless community despite the typical stigma associated with police departments.

Chair Wray asked of the best way to connect Committee Members' unhoused clients to services. Officer Morgan stated that he was available to assist but ultimately people would likely be referred to FAC. He added that individuals were typically more successful if they went to FAC sooner rather than waiting and remaining unhoused long-term.

Committee Member Horton thanked the officers for their work and commended the Police Department for their demeanor towards the homeless population.

No action was required for this item.

**Committee Business for the Good of the Order**

Committee Member Knowles stated that National Alliance on Mental Illness started a new Connection Support Group at the River of Life Church to provide community support.

Deputy City Manager Pretty shared that Linn County Health would host a free mobile health clinic and free produce market monthly on the last Wednesday of the month at the Church of the Nazarene through October.

**Adjournment**

There being no further discussion, the meeting was adjourned at 5:06 PM.

______________________________________

Chair

ATTEST:

______________________________________

City Manager – Ex Officio City Recorder

**City of Sweet Home**
Sweet Home Public Library
1101 13th Avenue
Sweet Home, OR  97386
541-367-5007

Sweet Home Public Library

## *Statistics*

| **June 2026** | This month June 2026 | Last month May 2026 | Previous year 2025 | Year to date 2026 |
|---|---|---|---|---|
| **Patron Activity** | | | | |
| Door count | 5174 | 4701 | 45,306 | 26,737 |
| Program participants (all ages) | 459 | 237 | 4,414 | 1,541 |
| Total programs (all ages) | 23 | 22 | 322 | 129 |
| **Circulation and Renewals** | | | | |
| Checkouts & renewals | 5886 | 5281 | 73,684 | 34,486 |
| E-audio & E-book checkouts | 866 | 894 | 9,233 | 5,246 |
| Total items checked out | 6752 | 6,175 | 82,920 | 39,732 |
| **Public Computers** | | | | |
| Logins | 280 | 257 | 2,932 | 1,652 |
| **Resource Sharing Savings** | | | | |
| Cost savings | $4,863.04 | $4981.13 | $64,434.93 | $29,380.49 |
| Items borrowed by consortium libraries | 358 | 338 | 4,616 | 2,152 |
| Items borrowed from consortium libraries | 409 | 419 | 5,662 | 2.471 |
| **Volunteer Hours** | | | | |
| Hours worked by volunteers | 20.25 | 26.5 | 401 | 236.5 |
| **New Library Patrons** | | | | |
| New patron cards issued | 66 | 46 | 449 | 251 |

***Events this month:*** Summer Reading has started!  We have over 70 kids for our first event of the summer.Kids, teens and adults all have programs they can participate in to win prizes!
***Building updates:*** We have completed our ALA Accessibility grant.  A few accessibility purchases will need to arrive and be installed, including a height adjustable desk.

# MEMORANDUM

TO: City Council
FROM: Dominic Valloni, Public Works Operations Manager
Greg Springman, Public Works Advisor
DATE: July 2, 2026
SUBJECT: PW Monthly Report – July 2026

This memorandum provides a brief periodic update of specific projects, Water Treatment Plant (WTP) and Wastewater Treatment Plant (WWTP) operations and maintenance (O&M), and other activities performed by the Public Works Department.

**WWTP Activities - Mahler Water Reclamation Facility**

June 2026:

- 32.27 million gallons (MG) of wastewater treated this month
- 1.475 MG max daily flow discharged
- 1.076 MG average daily flow discharged

Compliance:

- The WWTP process has had zero process violations for the last 23 months.

O&M Projects:

- Repaired W3 water line which goes to the clarifiers and carries chlorine.
- Drained and inspected 2 of the 3 clarifiers, 3rd slated for early July.
- Continue to clean up around the facility.

**WTP Activities - Sweet Home Water Treatment Plant**

June 2026:

- 40.332 MG finish water treated this month
- 1.83 MG max daily demand
- 0.89 MG average daily demand

Compliance:

- No process violations for June 2026.

Raw Turbidity NTUs:

- NTUs are currently less than 10 (normal).

O&M Projects:

- Staff got parking area for fireworks cleaned and cleared up.
- Staff continue cleaning up facility and landscaping around the plant.
- Began process to drain and clean out the sediment ponds.

**Engineering Projects**

- Ongoing ROW inspections throughout the community.
- Ongoing plan reviews for various construction projects.
- Contacted contractors to get quotes for the slab going at City Hall for the fitness park.
- Worked with contractor at Sankey on the Phase III project.
- Ongoing support to staff with GIS questions.

**Public Works Field Activities**

Water Division

- Staff continued with water distribution system leak detection citywide. Found and repaired 6 large/medium water leaks. Continue to get water loss down.
- Staff continue to locate all City owned utilities for contractors throughout the service area.
- Staff installed 4 new water services this month.

Collections System Division

- Staff continued to inspect sewer system for blockages.
- Staff started to inspect the sewer mains with CCTV inspections.
- Collections staff helped at WWTP with some of their projects.

Streets Division

- Staff did various vegetation management along the roadways and sidewalks which included mowing and trimming.
- Staff started the cracksealing where it was left off last year at 10th and Elm and continued east.
- Staff used Linn County's old drag box to do 2 grind and inlays so far along with other small asphalt patches for water repairs and potholes.
- Staff started downtown painting to get that area done before Sportsman's Parade.

Parks & Facilities Division

- Staff continue mowing and spring maintenance of parks and lawns.
- Staff maintained City parks, cleaned restrooms, and collected garbage from public trash cans.
- Staff continue to monitor all the irrigation in parks and facilities.
- Construct and deploy 6 EAB traps which are distributed throughout town to monitor for EAB.

Stormwater Division

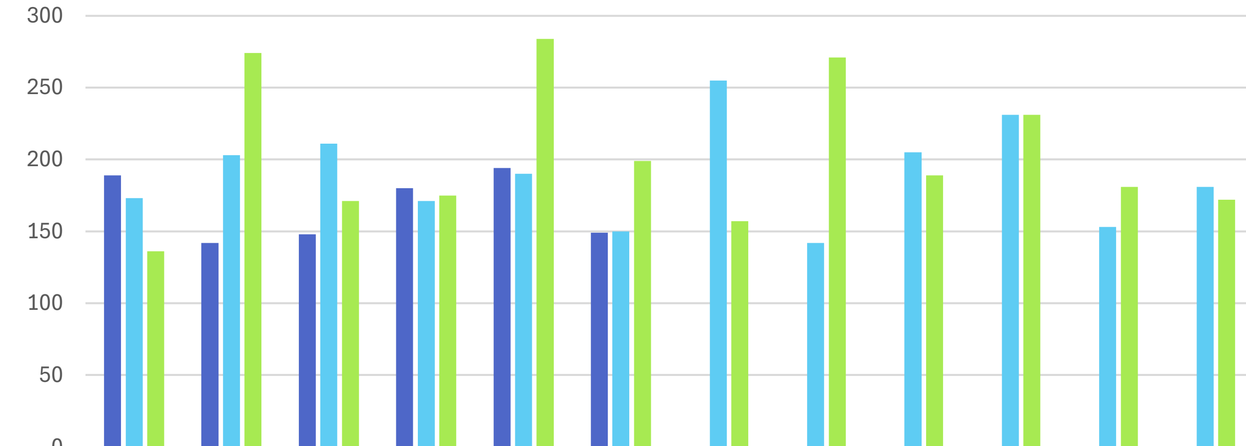
- Staff are cleaning storm drain lines as needed.
- Staff are cleaning storm ditches along street easements as time allows.

# Finance Department
# June 2026

## Finance Activities

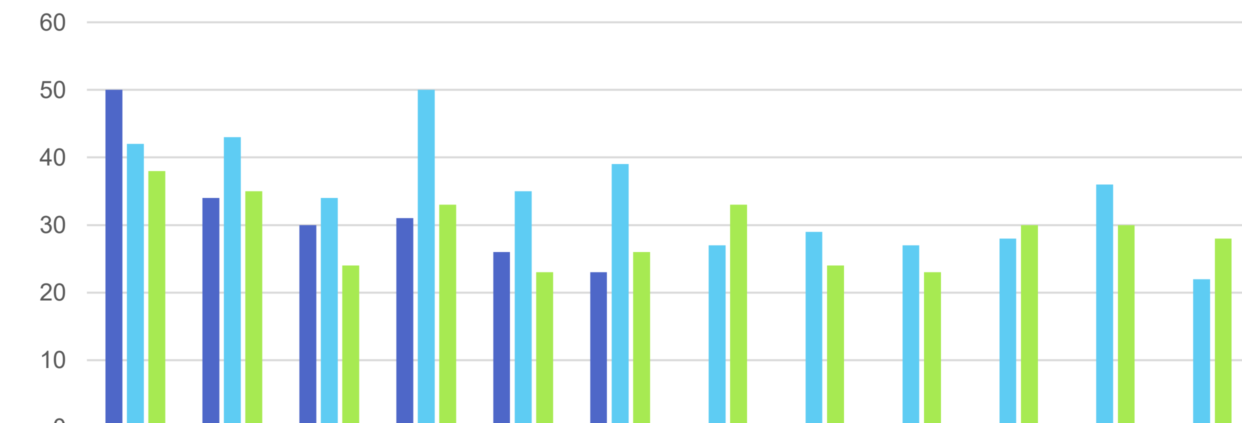
Payroll was processed for 78 employees.

**Accounts Payable Payments Processed**



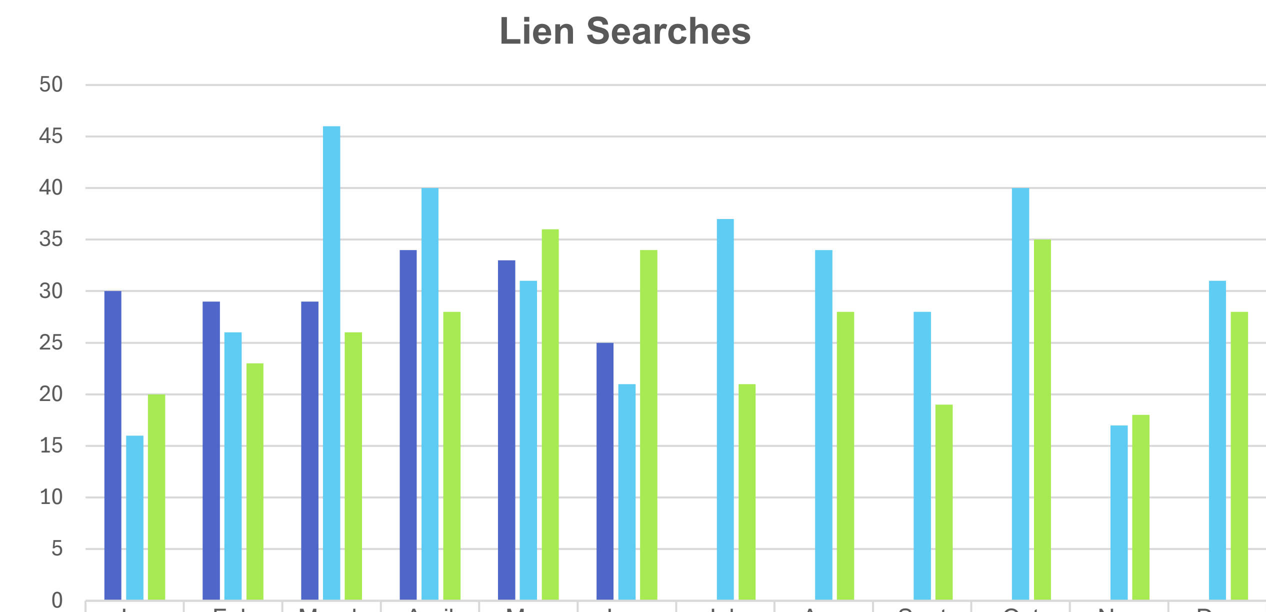

| | Jan | Feb | March | April | May | June | July | Aug | Sept | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2026 | 189 | 142 | 148 | 180 | 194 | 149 | | | | | | |
| 2025 | 173 | 203 | 211 | 171 | 190 | 150 | 255 | 142 | 205 | 231 | 153 | 181 |
| 2024 | 136 | 274 | 171 | 175 | 284 | 199 | 157 | 271 | 189 | 231 | 181 | 172 |

**Passports Processed**




| | Jan | Feb | March | April | May | June | July | Aug | Sept | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2026 | 50 | 34 | 30 | 31 | 26 | 23 | | | | | | |
| 2025 | 42 | 43 | 34 | 50 | 35 | 39 | 27 | 29 | 27 | 28 | 36 | 22 |
| 2024 | 38 | 35 | 24 | 33 | 23 | 26 | 33 | 24 | 23 | 30 | 30 | 28 |

# Finance Department
# June 2026

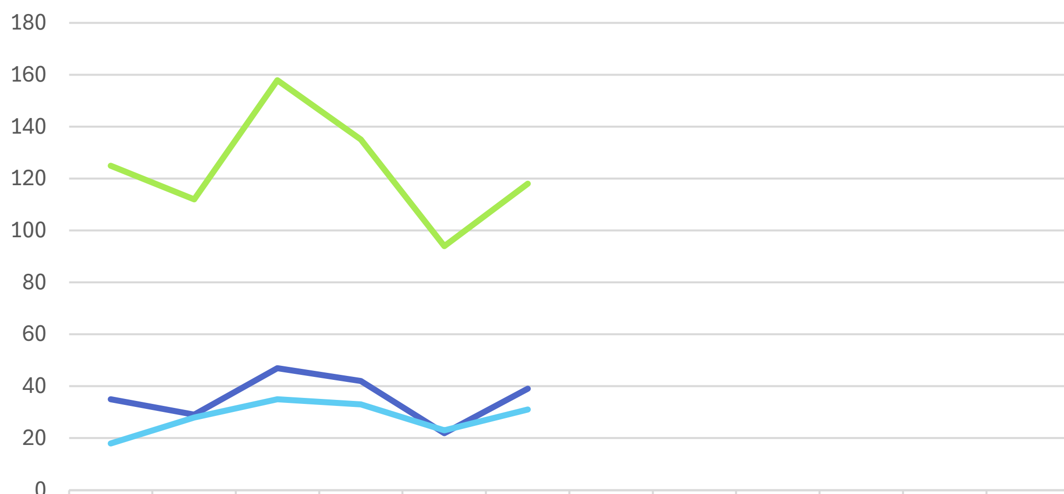



| | Jan | Feb | March | April | May | June | July | Aug | Sept | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2026 | 30 | 29 | 29 | 34 | 33 | 25 | | | | | | |
| 2025 | 16 | 26 | 46 | 40 | 31 | 21 | 37 | 34 | 28 | 40 | 17 | 31 |
| 2024 | 20 | 23 | 26 | 28 | 36 | 34 | 21 | 28 | 19 | 35 | 18 | 28 |

# Finance Department
# June 2026

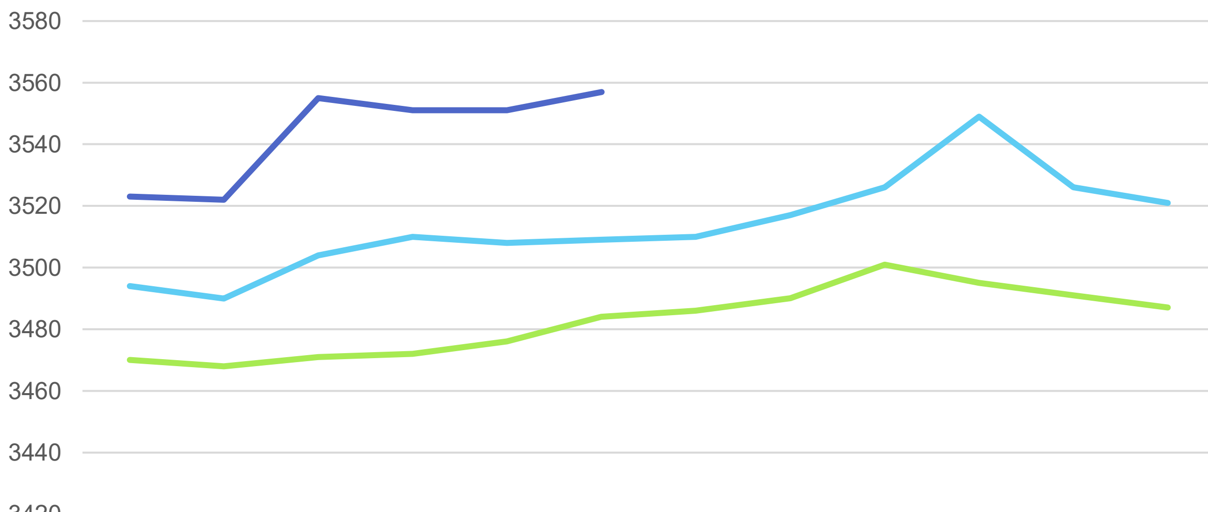
## Utility Billing Activities

### 2025 Service Requests



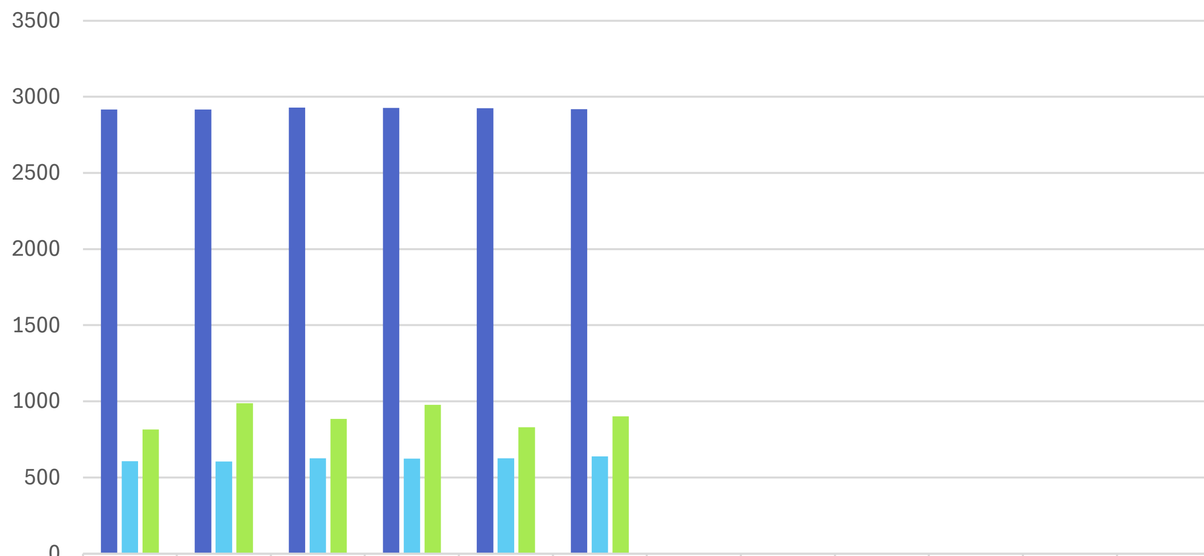

| | Jan | Feb | March | April | May | June | July | Aug | Sept | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Open Account | 35 | 29 | 47 | 42 | 22 | 39 | | | | | | |
| Close Account | 18 | 28 | 35 | 33 | 23 | 31 | | | | | | |
| Service Requests | 125 | 112 | 158 | 135 | 94 | 118 | | | | | | |

### Billing Statements Created



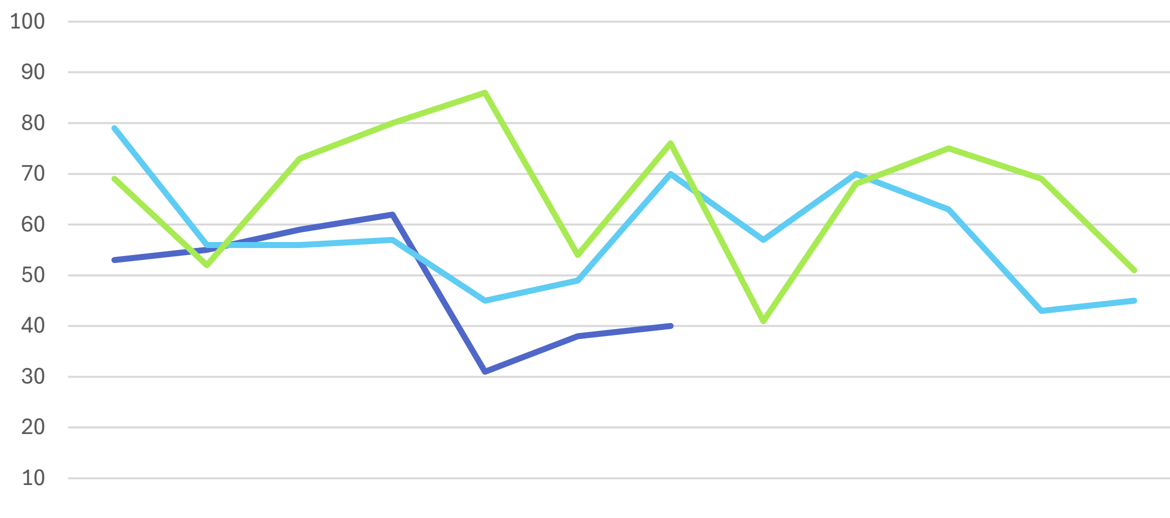

| | Jan | Feb | March | April | May | June | July | Aug | Sept | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2026 | 3523 | 3522 | 3555 | 3551 | 3551 | 3557 | | | | | | |
| 2025 | 3494 | 3490 | 3504 | 3510 | 3508 | 3509 | 3510 | 3517 | 3526 | 3549 | 3526 | 3521 |
| 2024 | 3470 | 3468 | 3471 | 3472 | 3476 | 3484 | 3486 | 3490 | 3501 | 3495 | 3491 | 3487 |

## Statements Mailed

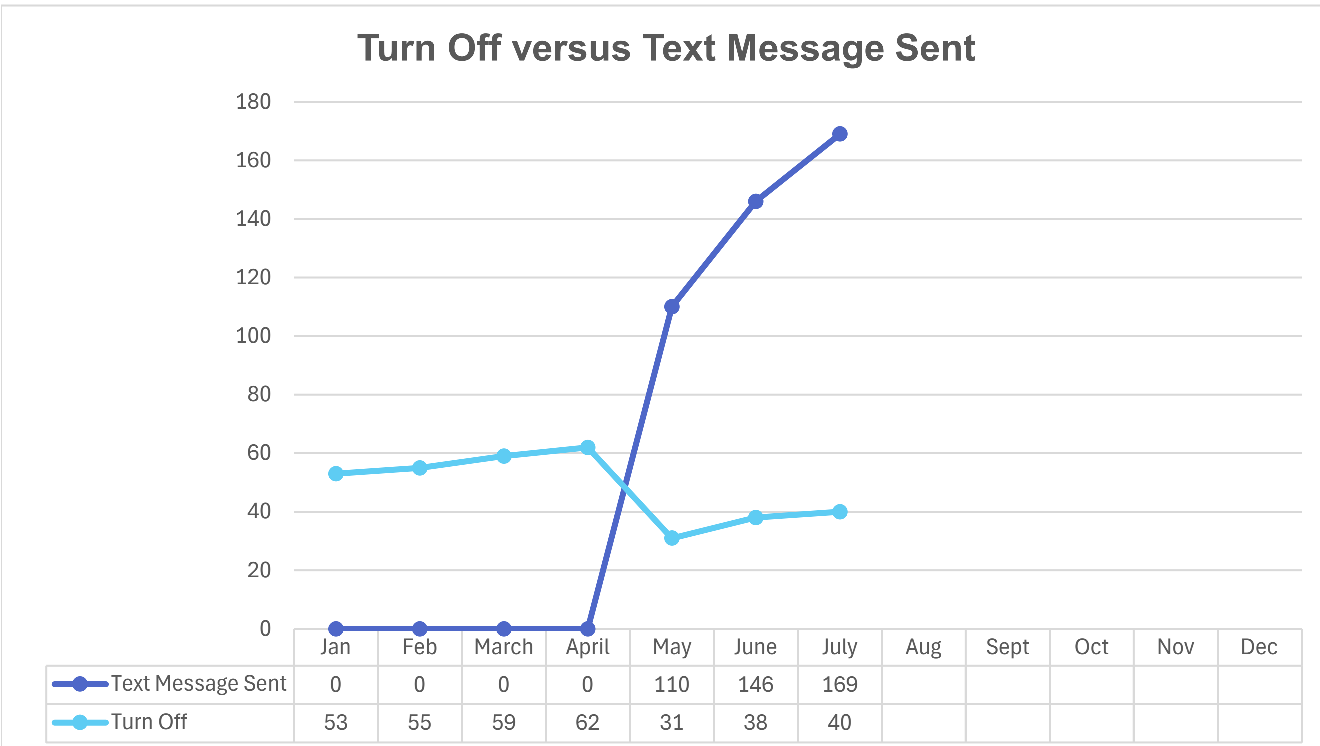


| | Jan | Feb | March | April | May | June | July | Aug | Sept | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mailed | 2916 | 2917 | 2930 | 2927 | 2926 | 2918 | | | | | | |
| Emailed | 607 | 605 | 625 | 624 | 625 | 639 | | | | | | |
| Past Due | 815 | 988 | 885 | 977 | 829 | 902 | | | | | | |

## Turn Off History



| | Jan | Feb | March | April | May | June | July | Aug | Sept | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2026 | 53 | 55 | 59 | 62 | 31 | 38 | 40 | | | | | |
| 2025 | 79 | 56 | 56 | 57 | 45 | 49 | 70 | 57 | 70 | 63 | 43 | 45 |
| 2024 | 69 | 52 | 73 | 80 | 86 | 54 | 76 | 41 | 68 | 75 | 69 | 51 |




| | Jan | Feb | March | April | May | June | July | Aug | Sept | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Text Message Sent | 0 | 0 | 0 | 0 | 110 | 146 | 169 | | | | | |
| Turn Off | 53 | 55 | 59 | 62 | 31 | 38 | 40 | | | | | |

Submitted by:

Cindi Robeck
Financial Operations Manager
crobeck@sweethomeor.gov

# NEWSLETTER

## CITY OF SWEET HOME

July 2026

## COUNCIL CORNER

Reflecting back on the previous fiscal year (7/1/25-6/30/26), it was a busy and productive one! Here are some highlights of the past year's Council actions:

- Approved a contract for asset management that will save the City money long-term and provide better tracking and transparency for work orders
- Approved street closures on Festival Street (13th Street) to support the return of National Night Out
- Adopted a new multi-jurisdictional Natural Hazards Mitigation Plan to ensure the City stays eligible for hazard mitigation grants
- Approved an intergovernmental agreement for better coordination between local governments for shared equipment and services
- Approved action plans for the FY23 and FY24 audits, getting us closer to current with audit reports
- Approved a contract with ODOT for engineering of multi-use paths on Mountain View Road

Thank you to City Council for moving our City forward!

## EASY CONTACT METHODS

Did you know that we have rolled out two new public portals in the past year where you can report issues related to code enforcement and infrastructure? Visit:

https://www.sweethomeor.gov/executive/page/general-inquiry-form

From there, you can find links to the code enforcement portal, the Public Works portal, or send a general message straight to the City Manager's office. We want to hear from you!

## CITY GOALS

As you may recall from our April edition of the newsletter, each year the City Council approves a set of goals. But did you know we also provide a way for you to check the status of the goals? On our website, visit:

https://www.sweethomeor.gov/executive/page/citywide-goals-dashboard

From there, you can find links to current and past goals and the latest information about their progress. Some goals take multiple years to complete and roll over; many others are accomplished the year they are set. Have an idea for a goal you'd like to see? Contact your City Councilors to make a suggestion for next year!

## CITY MANAGER'S MESSAGE

As we welcome July and the start of a new fiscal year, I want to thank our City Council, staff, and community for the partnership that made the past year so successful. Together, we've made meaningful progress on infrastructure, financial stewardship, and long-term planning that will continue to benefit Sweet Home for years to come. As we begin this new budget year, our focus remains on delivering reliable public services, investing wisely in our community, and advancing the goals that matter most to our residents. I hope you and your family have a safe and enjoyable Independence Day, and I encourage you to take part in the many community events that make summer in Sweet Home such a special time. Thank you for your continued support as we work together to build an even stronger Sweet Home. **Yours in Service, Jason Ogden**



## UPCOMING MEETINGS

- 7/2, 6:30 PM: Planning Commission Meeting
- 7/9, 4:30 PM: Library Board Meeting
- 7/14, 6:00 PM: City Council Executive Session
- 7/14, 6:30 PM: City Council Meeting
- 7/21, 4:00 PM: Park & Tree Committee Meeting
- 7/29, 4:00 PM: Community Health Committee Meeting

Check out our agendas and minutes on our website for more information about what's going on with City Council and our citizen groups!

https://www.sweethomeor.gov/meetings