



TUALATIN CITY COUNCIL MEETING

Monday, October 28, 2024

TUALATIN CITY SERVICES
10699 SW HERMAN ROAD
TUALATIN, OR 97062

Mayor Frank Bubenik
Council President Valerie Pratt
Councilor Maria Reyes Councilor Bridget Brooks
Councilor Christen Sacco Councilor Cyndy Hillier
Councilor Octavio Gonzalez

To the extent possible, the public is encouraged to watch the meeting live on local cable channel 28, or on the City's website.

For those wishing to provide comment during the meeting, there is one opportunity on the agenda: Public Comment. Written statements may be sent in advance of the meeting to Deputy City Recorder Nicole Morris up until 4:30 pm on Monday, October 28. These statements will be included in the official meeting record, but not read during the meeting.

For those who would prefer to make verbal comment, there are two ways to do so: either by speaking in person or entering the meeting using the zoom link and writing your name in chat. As always, public comment is limited to three minutes per person.

Phone: +1 669 900 6833

Meeting ID: 861 2129 3664

Password: 18880

Link: <https://us02web.zoom.us/j/86121293664?pwd=SS9XZUZyT3FnMk5rbDVKN2pWbnZ6UT09>

Work Session

- 1. 5:30 p.m. (20 min) – SW 96th Drive Permit Parking Zone Request.** Staff will present the results of the survey of residents on SW 96th Drive regarding a residential parking permit zone.
 - 2. 5:50 p.m. (40 min) – Website Redesign Update and Homepage Wireframe Review.** Staff will give an update on the website redesign project including reviewing key insights from the discovery phase and the draft structure and layout of the homepage.
 - 3. 6:30 p.m. (30 min) – Council Meeting Agenda Review, Communications & Roundtable.** Council will review the agenda for the October 28 City Council meeting and brief the Council on issues of mutual interest.
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7:00 P.M. CITY COUNCIL MEETING

Call to Order

Pledge of Allegiance

Announcements

1. Proclamation Declaring November 2024 as Native American Heritage Month in the City of Tualatin

Public Comment

This section of the agenda allows anyone to address the Council regarding any issue not on the agenda, or to request to have an item removed from the consent agenda. The duration for each individual speaking is limited to 3 minutes. Matters requiring further investigation or detailed answers will be referred to City staff for follow-up and report at a future meeting.

Consent Agenda

The Consent Agenda will be enacted with one vote. The Mayor will ask Councilors if there is anyone who wishes to remove any item from the Consent Agenda for discussion and consideration. If you wish to request an item to be removed from the consent agenda you should do so during the Citizen Comment section of the agenda.

1. Consideration of Approval of the Special Meeting Minutes of September 30, 2024 and the Work Session and Regular Meeting Minutes of October 14, 2024
2. Consideration of **Resolutions No. 5814-24, 5815-24, 5816-24** Accepting Grant Funds for Traffic Safety Enforcement through Oregon Department of Transportation
3. Consideration of **Resolution No. 5817-24** Adopting the City of Tualatin Investment Policy
4. Consideration of **Resolution No. 5818-24** Authorizing the First Amendment to the Agreement Between The City of Tualatin and Randall and Karen Alvstad For Management and Operations of Basalt Creek Parkland.

Special Reports

1. Quarterly Financial Report – 1st Quarter of Fiscal Year 2024/2025

General Business

If you wish to speak on a general business item please fill out a Speaker Request Form and you will be called forward during the appropriate item. The duration for each individual speaking is limited to 3 minutes. Matters requiring further investigation or detailed answers will be referred to City staff for follow-up and report at a future meeting.

1. Consideration of Recommendations from the Council Committee on Advisory Appointments

Items Removed from Consent Agenda

Items removed from the Consent Agenda will be discussed individually at this time. The Mayor may impose a time limit on speakers addressing these issues.

Council Communications

Adjournment

Meeting materials, including agendas, packets, public hearing and public comment guidelines, and Mayor and Councilor bios are available at www.tualatinoregon.gov/citycouncil.

Tualatin City Council meets are broadcast live, and recorded, by Tualatin Valley Community Television (TVCTV) Government Access Programming. For more information, contact TVCTV at 503.629.8534 or visit www.tvctv.org/tualatin.

In compliance with the Americans with Disabilities Act, this meeting location is accessible to persons with disabilities. To request accommodations, please contact the City Manager's Office at 503.691.3011 36 hours in advance of the meeting.



CITY OF TUALATIN

Staff Report

TO: Honorable Mayor and Members of the City Council

THROUGH: Sherilyn Lombos, City Manager

FROM: Greg Pickering, Chief of Police

DATE: October 28, 2024

SUBJECT:

Presentation regarding the Parking permit zone request from the residents on SW 96th Drive.

EXECUTIVE SUMMARY:

At the August 12 City Council Meeting Public Comment, the Council received information from the residents of SW 96th Drive regarding the parking issues from students from the High School. These issues included an influx of parked vehicles on school days, during school hours, illegally parked vehicles, and vehicles parked in a manner that obstructed the flow of traffic. After that meeting, staff was directed to begin the process for a parking permit zone. The survey of the residents has been conducted. 18 surveys were sent to the homes on SW 96th Drive. Of those 18 homes, 12 surveys were returned. The 12 surveys that were returned all were in favor of a permit parking zone. 11 of the 12 indicated they were in support of a permit zone on school days during school hours, 8:00AM – 4:00PM.

ATTACHMENTS:

PowerPoint presentation of survey results.



CITY of
TUALATIN
Police

SW 96th Drive

Parking Permit Survey Results

October 28, 2024

Parking Permit Zones

- **TMC 8-1-252 Residential Parking Zones**
- Established the procedure to request a permit zone
- Requires a survey to residents of the affected area prior to establishing a permit zone.



SW 96th Drive
North of SW Iowa Drive



Pathway to
SW Boones Ferry Rd



What are the issues

- Non-Residents Parking on Public Street in front of homes during school hours.
- Some Parked illegally (in front of hydrants, mailboxes, intersections)
- Some blocking driveways and preventing home owner parking
- Litter and trash being left behind when vehicles leave.
- Street sweeper was unable to clean the street due to parked vehicles







Photos submitted by residents



Survey

- Surveys were sent to the residents on SW 96th Drive
- The survey asks residents if they support a permit parking zone in their neighborhood.
- If they answer yes, they can select one of two options;
 - Parking permit zone 24 hours a day
 - Parking permit zone on school days during school hours (8:00am – 4:00PM)



Survey Results

- **18 Surveys were sent to the residents on SW 96th Drive**
 - 12 residents responded to the survey
- **All 12 responses were in favor of a permit zone**
 - 11 in favor of the School hours zone (8:00am-4:00PM)
 - 1 in favor of either type of parking zone
- **Neighborhood petition submitted prior to the survey, with all 18 residents as signers.**



Recommendation

- Based upon the survey results, the recommendation would be to approve a Permit Parking Zone for SW 96th Drive on School days during School Hours.



Questions & Discussion





CITY OF TUALATIN

Staff Report

TO: Honorable Mayor and Members of the City Council

THROUGH: Sherilyn Lombos, City Manager

FROM: Megan George, Deputy City Manager
Heidi Stanley, Creative Communications and Marketing Program Manager

DATE: October 28, 2024

SUBJECT:
Website Redesign Update and Homepage Wireframe Review

EXECUTIVE SUMMARY:

Over the past three months, Juicebox, our website redesign partner, and the City have held productive discovery sessions with City staff, community members, Advisory committee members, and CIO representatives. The focus group discussions were centered on enhancing the user experience, ensuring that community members can access important information more easily and conveniently. Juicebox has compiled a summary highlighting key findings, valuable insights, and strategic recommendations for our new website.

Based on these conversations, an earlier community survey, and small group briefings held with the City Council in April 2024, Juicebox has prepared a draft wireframe for the City Council's review. A wireframe is a visual representation of the structure and layout of a digital product, in this case the homepage of the City's website.

OUTCOMES OF DECISION:

Juicebox's team will update the wireframe based on the City Council's feedback and use it as a guide to begin the design phase of the project.

ATTACHMENTS:

- Presentation
- City of Tualatin Discovery Findings



Website Redesign Update and Homepage Wireframe Review

October 28, 2024

General Timeline



Community Survey Key Takeaways

- Desire for better search functions, including a historical search, keyword, etc..
- **Finding current City events is difficult, a landing page calendar would be helpful.**
- The interface is not user friendly and needs a more intuitive navigation.
- The structure of the site not intuitive.
- It is difficult to find current projects, especially ones that affect traffic.
- Text sizes and website colors are difficult to read.
- It is difficult to find police info, community resources, and specific codes.
- **Desire to have easier access to bill pay.**
- **Offer a more prominent Language option and more ability to change website font sizes.**
- Desire to have more updated photos and graphics.



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Staff Survey

Key Takeaways

- Current search functions are difficult and staff often use Google instead of our website to find information.
- Desire to have a WYSIWYG (What You See Is What You Get) Editor, so that page edits are viewable in real time.
- Desire to have an easier to use content management system. It is currently difficult to add new pages, embed images, etc...
- Staff finds the current system challenging; “saving” work causes the page to crash.
- Organizing pages is difficult.
- Site organization is not intuitive.
- Sharing limited GIS information with the public would be a huge benefit to the Engineering and Planning Divisions, as well as the Public Works Department.
- **The calendar should be on the landing page.**
- Offer a more prominent Language option and more ability to change website font sizes.
- Desire to have more webpage layout options, higher quality photos and the ability to embed video.



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City Council Small Group Briefings

Key Takeaways

- Desire for better ability to look up Council agendas, codes/ordinances, RFPs, Juanita Pohl Center programs, how to rent facilities, business licenses, land boundaries.
- Desire for better digital wayfinding.
- **Desire for better search bar.**
- Interest in having an AI chat bot.
- Interest in rethinking the site navigation.
- Desire to be able to sign up for specific notifications.
- **Desire to add a “warm touch for the community”.**
- Desire to make it easier to learn about volunteer opportunities.
- Desire to have easier contact info listed for city employees/services.
- Ability to track land use applications.
- Council should be under “Your Government”.
- Site organized by “Services” not “Department”.
- Create a more mobile friendly site.
- **Create a site that is clean and friendly.**



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TUALATIN

Focus Group Priorities



- Enhanced search functionality and navigation
- Creating an intuitive calendar
- Modernizing and streamlining content
- Improving access to information and basic services
- Reflecting the culture and vibrancy of Tualatin
- Event registration and volunteer opportunities
- Accessibility and multilingual support
- Improved employee recruitment tools for Police Department



CITY of
TUALATIN

Community Pride



- Tualatin's parks, trails, and green spaces.
- Recreational opportunities like concerts in the parks, Pumpkin Regatta, and ¡Viva Tualatin!.
- Tualatin Public Library's programs and events.
- **Sense of community, including volunteer opportunities, senior center programs, and overall welcoming atmosphere.**
- Balance between growth and quality of life.
- Dedication to preserving small-town charm.
- Friendliness of staff.
- Blend of nature, culture, and community spirit.



Looking to the Future



- Excitement for growth and potential for new services, but interest in retaining tight-knit community feel.
- **Curiosity about projects, and optimistic about enhancements to existing infrastructure like roads, bike lanes, and public spaces.**
- Transportation hub with quality development and job growth has also impacted traffic and density.
- Desire for improved walkability.
- Housing affordability remains an issue.
- Hope for continued park development, enhanced cultural programming, and more diverse voices influencing decision making.



User personas



Personas represent different visitor types and are designed to capture the diversity of people who use the website.

1. Long-term Residents
2. Young Families
3. Business Owners
4. Commuters
5. Active Aging Community
6. City Employees
7. New Residents
8. Tourists and Visitors
9. Community Advocates and Volunteers
10. Students



Homepage Wireframe



Discussion Questions



- Does the wireframe reflect the themes we heard?
- Does the wireframe address your design (e.g. aesthetic, look, etc.) priorities?
- Does the wireframe address your navigation (e.g. organization, header, etc.) priorities?
- Does the wireframe include the right components (e.g. search, calendar, projects, council, etc.)?





City of Tualatin

DISCOVERY FINDINGS

Overview

The document is meant to provide a summary of findings during our discovery sessions conducted for the City of Tualatin. It is meant to provide a snapshot of our learnings through the discovery process and make sure that we're in sync.

In this comprehensive report, we'll delve into key findings, valuable insights, and strategic recommendations for your new website. Throughout this document, we aim to provide an understanding of our perception of your brand and positioning. We'll address user experience (UX) goals and focus on organizing content with clear hierarchy, creating a strong first impression, and ensuring easy navigation. Additionally, we will define the key target audiences, present user personas that represent their characteristics and needs, and highlight the essential objectives for enhancing the user experience on your new website.

During our discovery process, we engaged with a diverse range of groups, including community members and city staff. These groups featured leaders and representatives from various departments across the city, as well as people who call Tualatin home. Our focus group conversations centered on how we can enhance the website experience for community members by providing better information in a more convenient manner.

About Tualatin

Tualatin, Oregon, is a vibrant suburban city located just south of Portland, spreading across two counties. Known for its strong sense of community, Tualatin offers a great quality of life with wonderful parks, amenities, and recreational opportunities, making it an attractive destination for families and outdoor enthusiasts. The city is also a regional hub for commerce and industry, serving as an intersection for the area with a growing number of businesses and services that cater to both residents and visitors alike.

In addition to its economic and recreational assets, Tualatin is recognized for its commitment to sustainability and environmental stewardship. The city is actively working on enhancing parts of its community to drive economic vitality for the next 30+ years. With easy access to major highways, Tualatin serves as a key commuter town for those working in nearby Portland, while still retaining its unique small-town charm.

Priorities outlined by focus groups

Enhanced Search Functionality and Navigation

A major request was the need for a better search function. Attendees want to see the implementation of different types of micro-searches, such as those focused on news or staff directories, allowing users to more easily find specific content. In addition to improving search, there was significant interest in redesigning the navigation to be more intuitive, enabling faster access to important information. A streamlined navigation would help users get answers without frustration, especially for those seeking specific details related to city services.

Creating an Intuitive Calendar and Library of Documents

Attendees want the new website's calendar to be more prominent, with the ability to filter and search for events easily.

Modernizing and Streamlining Content

Many city employees noted that some content on the current site has become stale and needs to be freshened up. They suggested getting everything current and implementing measures to keep the content updated in the future. There was also a call to streamline content, reducing redundancies, and ensuring that the site remains relevant and organized. A consolidated library of key documents, including the city's master plans would make it easier for community members to access comprehensive information.

Improving Access to Information and Basic Services

Attendees expressed a desire to make information about essential services more readily available. This includes clear access to city codes, particularly those related to development, as well as improved information on construction and public works projects. For example, staff emphasized the need for better information for the community about when a building permit is required and how to apply. There was interest in providing up-to-date information about ongoing or planned projects. Enhancing this information would also allow people to understand public works activities in their areas, such as tree trimming or paving.

Reflecting the Culture and Vibrancy of Tualatin

Attendees expressed the importance of ensuring the new website reflects the city's vibrant culture. They want the website to be visually appealing, incorporating more photos of community members reflective of the community's diversity to bring the site to life. The site should match the terrific culture of Tualatin and represent its community values through improved design and vibrant imagery.

Event Registration and Volunteer Opportunities

Attendees highlighted the need for improvements in event registration functionality. Making it easier for users to sign up for city events or volunteer opportunities would encourage greater participation.

Additionally, making volunteer information more accessible and usable would help Tualatin engage its community more effectively. Volunteerism is an important characteristic of Tualatin residents.

Accessibility and Multilingual Support

Ensuring the new website meets web accessibility standards was a priority for staff, meaning that the site can be easily access by people with varying visual and auditory abilities. Lastly, offering translation support for multiple languages would ensure that the site is accessible to a broader audience,.

Improved Employee Recruitment Tools for Police Department

There was a strong request to improve how the city recruits employees through the website. By enhancing the information available about the benefits of working for the City of Tualatin, the website could become a more effective tool for attracting talent. This is especially important to hte police department, where it has become more difficult to recruit employees.

Community pride

We asked both community members and city staff to share what they find extraordinary about Tualatin.

Comments from community members

We asked community members what things they appreciate most about Tualatin and they had a lot of great things to say. They shared their deep appreciation for Tualatin's parks, trails, and green spaces, emphasizing the city's commitment to maintaining clean, welcoming outdoor areas. Many highlighted the variety of recreational activities, including concerts in the park, the annual Pumpkin Regatta,, and Viva Tualatin events. The city's nature trails, public art installations, and proximity to both urban and rural environments also stood out as beloved features.

Tualatin's vibrant library received widespread praise, with several noting its valuable programs and events. The city's sense of community was also frequently mentioned, with many appreciating the volunteer opportunities, senior center programs, and the overall welcoming atmosphere. Residents spoke highly of the balance between growth and quality of life, the city's dedication to preserving its small-town charm, and the friendliness of city staff. Overall, Tualatin's blend of nature, culture, and community spirit emerged as key elements people cherish.

Insights from city staff

City employees highlighted several key aspects that contribute to Tualatin's sense of community and its appeal as a place to live and work. One of the primary points of pride is the city's ability to maintain its close-knit community through youth sports, activities, and events that bring people together. Staff noted

the community's diversity, and how the city actively fosters inclusivity. Tualatin's police department was praised for building and maintaining strong relationships with residents and diligent efforts at safety and transparency, which has enhanced the community's trust and safety.

Tualatin's size was seen as a perfect fit for balancing growth with the preservation of its unique character. City employees celebrated the range of amenities, the numerous community events, and the pride residents take in enjoying life together. They also highlighted Tualatin's deep connection to its natural history, with the city incorporating Ice Age trails, fossils, and prehistoric discoveries, such as mastodon bones, into public spaces like parks and the Library—something that sets Tualatin apart from neighboring communities.

The city has been strategic in acquiring parks and trails, which have significantly enriched the community. Employees noted Tualatin's position as a regional hub, thanks to the major highways and roads running through the area, making it a convenient place to live and work. Despite being a commuter town, where many residents don't work locally and many workers don't live in Tualatin, the city has managed to maintain its identity as it grows. Employees emphasized the transparency the city maintains with its community, especially when seeking approval for funding bonds for parks, transportation, and other improvements.

Tualatin's long history—incorporated in 1913—has contributed to its stability, culture, and forward-thinking approach. City employees mentioned the creative, unique programs throughout the city and the community's strong support for public works. They also highlighted events like the Pumpkin Regatta and Share the Love in February, which foster a strong sense of togetherness. In addition, Tualatin's proximity to Oregon's wine country and its beautiful parks and scenery were noted as further benefits of living in the area.

Looking to the future

When asked about the challenges and opportunities ahead, both community members and city staff shared a wide range of insights on how Tualatin can grow while maintaining its unique character. People are excited about the city's growth and the potential for new services, while a few wanted to make sure that Tualatin retained its tight-knit community feel as growth continued. Residents are particularly curious about projects, with some hoping they will lead to more walkable commercial opportunities, such as local coffee shops or grocery stores within walking distance of their homes.

As a transportation hub, Tualatin has seen quality development and job growth, but it has also led to increased traffic and density, which some residents feel conflicts with the small-town atmosphere. Residents were optimistic about enhancements to existing infrastructure, particularly future improvements to roads, bike lanes, and public spaces as the city continues to grow. There was also a desire for

improved walkability, better trail connectivity, and easier access to parks, with suggestions for more athletic areas like running tracks and continued improvements to community gathering spaces.

One opportunity lies in the development of the river access park and the potential revitalization of the Commons area with projects like the Veterans Plaza. Enhancing these areas could help create more community gathering places and create a stronger sense of community. Many residents expressed enthusiasm about maintaining and growing the city's green spaces, as well as increasing cultural and city events. They see the potential for Tualatin to become a destination for more big city-style events while preserving its welcoming, small-town charm.

Affordability of housing remains a pressing issue. As Tualatin becomes more expensive, there is concern that it will become increasingly difficult for young families to find affordable homes. Community members are calling for more options for smaller, single-family homes that are not priced at \$500,000 or more, so that families can start their lives here. This challenge, coupled with the desire for more accessible housing, underscores the need for thoughtful planning as the city grows.

Looking to the future, residents envision a Tualatin with expanded downtown areas, improved river access, and more green spaces. They hope for continued park development, enhanced cultural programming, and more diverse voices influencing decision-making. The next 20 years offer an opportunity for Tualatin to become a more connected, vibrant, and inclusive city while staying true to its roots.

User personas

To better understand these audiences, we created personas representing different visitor types. Here are a few user personas and their anticipated demographic information for the city:

1. Long-term Residents

- Demographics: Ages 40-65, homeowners, often living in Tualatin for over 10 years.
- Needs: Information on local services (trash collection, utilities, etc.), city council updates, community events, and emergency alerts.
- Pain Points: Difficulty navigating outdated websites, need for clear and organized content.
- Technology Use: Primarily desktop users, with some using tablets.

2. Young Families

- Demographics: Ages 25-40, parents of young children, often newer to the city.
- Needs: Access to information on parks, recreational activities, schools, childcare, and family-friendly events.

- Pain Points: Frustration with buried or hard-to-find information, need for mobile-friendly design.
- Technology Use: Heavy mobile users, with some desktop use.

3. Business Owners

- Demographics: Ages 30-55, local entrepreneurs and business managers.
- Needs: Information on business licenses, zoning, economic development programs, and opportunities for local partnerships.
- Pain Points: Complex or hard-to-understand processes, need for timely updates and streamlined communication.
- Technology Use: Desktop and mobile, often needing access while on the go.

4. Large and Medium Businesses & Their Leaders

- This group includes organizations headquartered in Tualatin as well as those headquartered outside of the city (in Oregon or outside of the state or country). This also includes property management companies who who or manage real estate in Tualatin.
- Demographics: Ages 30-55, business leaders.
- Needs: Information on planning and information for the businesses, zoning, economic development programs, opportunities for local partnerships, and volunteerism. It's important to remember that these organizations can also have leaders living outside of the or country.
- Pain Points: Complex or hard-to-understand processes, roadblocks, need for timely updates and streamlined communication.
- Technology Use: Desktop and mobile, often needing access while on the go.

5. Commuters

- Demographics: Ages 25-60, working professionals commuting to and from Tualatin.
- Needs: Traffic updates, parking information, public transit schedules, and commuting options.
- Pain Points: Frustration with inconsistent or outdated transportation information, need for quick access to essential details.
- Technology Use: Primarily mobile users.

6. Active Aging Community

- Demographics: Ages 65+, retirees.
- Needs: Access to healthcare resources, senior services, community activities, and information on city policies that impact them.
- Pain Points: Accessibility issues with complex websites, preference for simple and readable design.
- Technology Use: Primarily desktop users, with some mobile usage.

7. City Employees

- Demographics: Ages 25-65, working in various departments within the city government.
- Needs: Easy access to internal resources, communication tools, and updates on city initiatives.
- Pain Points: Difficulty navigating between internal and public-facing content, need for efficient

tools.

- Technology Use: Desktop users with access to city systems.

8. New Residents

- Demographics: Ages 25-50, recently moved to Tualatin.
- Needs: Information on local services, community events, and ways to get involved in the community.
- Pain Points: Overwhelmed by too much information, need for clear and concise guides.
- Technology Use: Mixed use of desktop and mobile.

9. Tourists and Visitors

- Demographics: All ages, visiting Tualatin for events or attractions.
- Needs: Information on accommodations, restaurants, events, and local attractions.
- Pain Points: Difficulty finding relevant visitor information, need for visually appealing and easy-to-navigate design.
- Technology Use: Heavy mobile users.

10. Community Advocates & Volunteers

- Demographics: Ages 30+, involved in local initiatives and community programs.
- Needs: Access to volunteer opportunities, updates on community projects, and ways to engage with the city.
- Pain Points: Lack of centralized information, need for timely updates on community efforts.
- Technology Use: Desktop and mobile, often engaging on social media.

11. Students

- Demographics: Ages 16-24, high school and college students living or studying in Tualatin.
- Needs: Access to information on educational resources, part-time job opportunities, internships, and recreational activities.
- Pain Points: Frustration with outdated or hard-to-find resources, need for mobile-friendly design.
- Technology Use: Primarily mobile users.

Remember that these personas are representations designed to capture the diversity of people who live and work in the city of Tualatin. The actual demographics and characteristics of visitors may vary.



Proclamation

WHEREAS, the history and culture of our nation has been significantly influenced by Native Americans and indigenous peoples; and

WHEREAS, the City of Tualatin recognizes the unique and enduring relationship that exists between indigenous peoples and their traditional territories, and the area currently known as Washington County, Oregon rests on land that was first inhabited by the Atfalati Kalapuyans, also called the Tualatin people, who flourished here for thousands of years; and

WHEREAS, Oregon is home to nine federally-recognized tribal nations, including the Burns Paiute, the Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians; Confederated Tribes of Grand Ronde; Confederated Tribes of Siletz, Confederated Tribes of Umatilla Reservation, Confederated Tribes of Warm Springs, Cow Creek Band of Umpqua Indians, Coquille Indian Tribe, and the Klamath Tribes; and

WHEREAS, equity is a priority for the City of Tualatin and ensuring that Native Americans are front and center in our efforts to improve opportunities and outcomes for Native American families, communities, and businesses; and

WHEREAS, meaningful engagement centers the lived experiences of Native Americans in Oregon so as to provide equitable access to the City's services, and development, infrastructure, and program investments; and

WHEREAS, the City of Tualatin is committed to engaging with tribal nations and tribal communities to build relationships and address issues affecting their well-being; and

WHEREAS, during the month of November, we honor the Native peoples in this, their ancestral homes, and recognize their continued contribution to all areas of community and family life, arts, and culture.

NOW, THEREFORE, BE IT PROCLAIMED BY THE CITY COUNCIL OF THE CITY OF TUALATIN, Oregon that November 2024 is Native American Heritage Month.

INTRODUCED AND ADOPTED this 28th day of October, 2024.

BY _____
Mayor

ATTEST:

BY _____
City Recorder





CITY OF TUALATIN

Staff Report

TO: Honorable Mayor and Members of the City Council

THROUGH: Sherilyn Lombos, City Manager

FROM: Nicole Morris, Deputy City Recorder

DATE: October 28, 2024

SUBJECT:
Consideration of Approval of the Special Meeting Minutes of September 30, 2024 and the Work Session and Regular Meeting Minutes of October 14, 2024

RECOMMENDATION:
Staff respectfully recommends the Council adopt the attached minutes.

ATTACHMENTS:

- Special Meeting Minutes of September 30, 2024
- City Council Work Session Meeting Minutes of October 14, 2024
- City Council Regular Meeting Minutes of October 14, 2024



TUALATIN CITY COUNCIL

OFFICIAL SPECIAL MEETING MINUTES

FOR SEPTEMBER 30, 2024

PRESENT: Mayor Frank Bubenik, Council President Valerie Pratt, Councilor Bridget Brooks, Councilor Maria Reyes, Councilor Cyndy Hillier, Councilor Christen Sacco, Councilor Octavio Gonzalez

Call to Order

Mayor Bubenik called the meeting to order at 6:00 p.m.

Mayor Bubenik stated the work session is a mandatory requirement due to the city of Tualatin having over 25% of its households considered rent-burdened. The aim was to discuss housing barriers and solutions, focusing on permanently affordable housing to decrease the percentage of household income spent on rent.

Management Analyst Cody Field outlined the session's agenda: an event overview, a panel discussion, a question-answer session, and public comment. Introductions of all committee members and panelists followed.

Senior Planner Erin Engman detailed House Bill 4006 passed in 2018, triggered when a city reaches a threshold of 25% rent-burdened households. In Tualatin, 26.8% of households are classified as severely rent-burdened. Planner Engman provided insights into Tualatin's housing documents and emphasized the median rent has surged by 73% over 7 years, while median incomes have grown by only 45% in 5 years, highlighting a growing disparity. Planner Engman also covered various planning documents such as the 2019 Housing Needs Analysis, which revealed insufficiencies in affordable housing and the necessity for higher housing densities.

PANEL DISCUSSION

Molly Rogers disclosed Washington County's ongoing efforts and accomplishments in stabilizing and expanding housing options. Ms. Rogers highlighted new mission and vision statements centered around affordable housing access, commitment toward preventing homelessness, and serving people needing supportive services. Several priorities were mentioned, including promoting equity, expanding housing options, and bridging affordability gaps. Ms. Rogers emphasized useful tools that cities could adopt to stimulate affordable housing choices and explained how housing bonds and incentive programs could facilitate housing affordability on various income levels.

Patricia Rojas from Metro illustrated their regional approach to coordinating housing issues through collaborative funding measures. She stated the Metro affordable housing bond from 2018 aims to build affordable housing projects, whereas the 2020 supportive housing services measure specifically targets service provision to accompany housing efforts. Ms. Rojas also discussed current project distribution, progress, and plans across the region, emphasizing the need for comprehensive projects that not only address housing but incorporate essential services required for sustainable living.

Rachael Duke discussed CPAH's mission-driven focus on developing and maintaining affordable housing. She underscored the importance of resident services which include youth programs,

eviction prevention, housing stabilization, and community integration initiatives. Ms. Duke shared CPAH's projects, notably the upcoming completion of Plambeck Gardens in Tualatin, which would launch a lottery for housing allocation to maintain fairness and equity in access to this new housing offering.

QUESTIONS AND ANSWER

During the question and response section, council members expressed interest in addressing transportation needs linked to housing projects and proposed further engagement with Clackamas County. They highlighted the regional fragmentation in service provision and resources accessibility, and shared aspirations toward systematic improvements that intertwine home ownership pathways and affordable transit options.

PUBLIC COMMENT

Several individuals shared personal testimonies illustrating challenges in accessing housing assistance. Comments indicated a pronounced need for improved communication, emergency resources, and organizational responsiveness.

Community advocates and seniors highlighted deficiencies in mobility, increased living costs affecting fixed incomes, hunger, and children needing a stable learning environment while couch surfing. The conversation illuminated where public systems fell short and the heightened human impact deriving from insufficient infrastructure and support.

Council members expressed gratitude toward participating residents for sharing their stories. It reaffirmed a unified commitment to improving housing security, relieving rent burdens, adjusting inequities, and ensuring no resident is left unaided amid Tualatin's unfolding housing processes and policies.

Adjournment

Mayor Bubenik adjourned the meeting at 7:42 p.m.

Sherilyn Lombos, City Manager

_____ / Nicole Morris, Recording Secretary

_____ / Frank Bubenik, Mayor



TUALATIN CITY COUNCIL

OFFICIAL WORK SESSION MEETING MINUTES

FOR OCTOBER 14, 2024

PRESENT: Council President Valerie Pratt, Councilor Bridget Brooks, Councilor Maria Reyes, Councilor Cyndy Hillier, Councilor Christen Sacco, Councilor Octavio Gonzalez (joined at 5:17 p.m.)

ABSENT: Mayor Frank Bubenik

Council President Pratt called the meeting to order at 5:05 p.m.

1. *Water Management & Conservation Plan*

Public Works Management Intern Jake Hush and Management Analyst Lindsay Marshall presented the Water Management and Conservation Plan (WMCP). Intern Hush explained that the WMCP is an integrated resource management plan required for water suppliers. It describes the city's water system, identifies its current and future needs, outlines water sources, and provides a framework for management and conservation efforts. The plan is part of the city's contract with the Portland Water Bureau and establishes a strategic framework for the efficient and sustainable use of Tualatin's water resources.

Intern Hush explained that each section of the WMCP includes an overview of past and current water conservation measures, as well as descriptions of conservation benchmarks for the next five years. He outlined the basic requirements of the plan, which include conducting annual water audits, maintaining system-wide metering, ensuring meter testing and maintenance, implementing a rate structure that charges customers based on water usage, maintaining a leak detection program, and providing public education about water conservation.

Management Analyst Lindsay Marshall presented possible enhanced measures for the plan, which could include offering technical and financial assistance programs to customers, replacing inefficient water fixtures, adopting a rate structure focused on conservation, and exploring opportunities for water reuse, recycling, and non-potable water usage.

Intern Hush requested feedback from the Council on the proposed plan.

Councilor Brooks mentioned that the Tualatin Water Conservation District and the Bee City Society have valuable resources, and she would like to see those incorporated into the city's plan. She expressed support for exploring the expansion of the purple pipeline, which could enhance water reuse efforts.

Councilor Sacco voiced her approval of drought-resistant landscaping and inquired about the water loss percentage and how it occurs. Analyst Marshall explained that the loss percentage relates to leaking or unauthorized water usage, noting that the system allows for up to 10% loss.

Councilor Hillier emphasized the importance of incorporating water conservation education in elementary schools to foster awareness from a young age.

Councilor Brooks asked where industrial water usage fits into the plan, as it currently focuses on residential use. Analyst Marshall responded that staff is working on setting goals for industrial usage, which they hope to include in the next iteration of the plan.

Councilor Brooks asked about potential incentives with current contract rates. Intern Hush explained that the current contract incentivizes reduced water usage by averaging reductions over five years, which will influence the determination of future contract rates.

Councilor Gonzalez expressed his encouragement about the city's implementation of the plan. He suggested further exploring updates to the development code to include tools like watering controllers, sprinklers that promote conservation, and specific planting practices.

Council President Pratt echoed the interest in code changes aimed at promoting more sustainable planting practices.

2. Parks Projects Update

Parks Planning and Development Manager Rich Mueller and Project Manager Kira Hein provided an update on the parks and trails bond. Manager Mueller gave a brief overview of the bond projects, while Manager Hein detailed a list of completed projects. These include the Tualatin River Greenway Trail extension, playground upgrades, and the addition of field lights at the Tualatin Community Park Athletic fields.

Manager Hein shared several projects currently in progress. These include the Nyberg Creek Trail connection, new river access, athletic field improvements, and upgrades to the Tualatin Veteran's Plaza. She further shared information on recent utility fee projects such as the rehabilitation of the Ki-a-Kuts bridge, the completion of the Parks and Recreation Facility Assessment, shelter post replacement at the Tualatin Community Park Picnic Shelter, replacement of stairs at the Victoria Woods Trail, and trail renovations at Little Woodrose. Manager Hein also provided updates on projects funded by the American Rescue Plan Act, which include the Las Casitas Park and the Basalt Creek Flagpole lot.

Councilor Brooks expressed excitement about the projects underway and the investments being made in the city. She asked about the possibility of involving the community in the signage process for Las Casitas Park. Manager Mueller responded that the signage design is still being worked on, and they could explore a community process for its development.

Councilor Sacco inquired if there are plans to put up signage at Veteran's Plaza during the Pumpkin Regatta to inform people that the site is still under construction. Manager Hein confirmed that there will be "under construction" signs during the event.

Councilor Gonzalez asked if this update will be shared with the Community Involvement Organizations (CIOs). Manager Hein said they would be happy to share the update if the CIOs are interested.

Council President Pratt inquired about the completion date for Veteran's Plaza. Manager Hein stated that the project is expected to be completed by May 2025.

3. Opioid Settlements Update

Assistant City Manager/Finance Director Don Hudson and Police Chief Greg Pickering provided an update on the opioid settlement. Manager Hudson reported on the current status of the settlement, stating that there are eight ongoing settlements with payments received so far totaling \$156,107.95. The funding stream is expected to continue until 2038, with a total projected amount of \$350,133.47.

Chief Pickering discussed strategies and approved uses for the funds. He explained that the settlement outlines core strategies, focusing on treatment, prevention, and local-level initiatives, including education and training. Manager Hudson mentioned potential uses for the settlement funds, such as accruing the funds for future use and highlighting proposed expenditures during the annual budget process. He acknowledged that there are many unknowns regionally, with “moving parts” in the funding structure that create uncertainties. He added that potential programs in Tualatin could include a Deflection Program, the provision of Narcan for first responders, and additional funding or expansion of the current Outside Agency Grants.

Councilor Brooks asked what the future of services will look like in Tualatin, including potential changes at the local hospital and their service adjustments. She inquired if there is room for enhanced services within the police department and better access to liaisons so people can get treatment when needed. She emphasized the importance of the city exploring all options as they move forward.

Councilor Reyes inquired if there were any available funds to support local law enforcement in coping with the stress of the opioid crisis. Chief Pickering responded that while the settlement allows for the support of officers, the city does not currently have any specific plans for that.

Councilor Gonzalez asked if the funds could be used to assist or bolster existing organizations instead of creating new programs. Manager Hudson confirmed that this would be part of the analysis when it comes time to allocate the funds.

Councilor Hillier asked what data had been collected regarding the use of Narcan in the city. Chief Pickering noted that Narcan deployments across the county are high.

Councilor Hillier also asked which programs the city is currently considering. Manager Hudson stated they are in the early stages of program evaluation and will be relying on county data to inform decisions.

Councilor Hillier encouraged collaboration with regional partners to amplify the impact of the funds, suggesting that Tualatin take the lead in making a meaningful impact.

Council President Pratt asked for more information on the Deflection Program. Chief Pickering explained that it is being piloted through the county, where a responder is dispatched to the scene to help individuals through the treatment and recovery process.

Councilor Hillier suggested exploring the option of hiring a consultant to evaluate program opportunities. Manager Hudson stated that staff could investigate this further and look into partnerships with neighboring cities and organizations.

The Council reached consensus to proceed with exploring consultant options to evaluate program opportunities.

4. Council Meeting Agenda Review, Communications & Roundtable

Councilor Sacco stated she attended the Willamette River Water Coalition meeting.

Councilor Hillier stated she attended the TVF&R Community Academy and the Architectural Review Board meeting.

Councilor Gonzalez stated he attended the Washington County Coordinating Committee meeting.

Councilor Brooks stated she attended the Barriers and Solutions to Housing Forum, the Regional Water Consortiums meeting, the Policy Advisory Board meeting, and the Tualatin Riverkeepers Awards Benefit.

Council President Pratt stated she attended the Greater Portland Inc. Summit, the Joint Committee on Transportation Roundtable, the C4 meeting, the Region One ACT meeting, the Community Advisory Committee for the Transportation Plan, and the Martinazzi Woods CIO meeting.

Adjournment

Council President Pratt adjourned the meeting at 6:44 p.m.

Sherilyn Lombos, City Manager

_____ / Nicole Morris, Recording Secretary

_____ / Frank Bubenik, Mayor



TUALATIN CITY COUNCIL

OFFICIAL MEETING MINUTES
FOR OCTOBER 14, 2024

PRESENT: Council President Valerie Pratt, Councilor Bridget Brooks, Councilor Maria Reyes, Councilor Cyndy Hillier, Councilor Christen Sacco, Councilor Octavio Gonzalez

ABSENT: Mayor Frank Bubenik

Call to Order

Council President Pratt called the meeting to order at 7:02 p.m.

Pledge of Allegiance

Announcements

1. Proclamation Declaring October 23-31, 2024 as Red Ribbon Week in the City of Tualatin

Tualatin High School Leadership Education and Advocacy Prevention (LEAP) Youth Alliance members shared background information on Red Ribbon Week.

Councilor Hillier read the proclamation declaring October 23-31, 2024 as Red Ribbon Week in the City of Tualatin.

2. Proclamation Declaring the Month of October as Domestic Violence Awareness Month

Family Justice Center of Washington County Executive Director Rachel Schutz shared information regarding Domestic Violence Awareness month.

Councilor Sacco read the proclamation declaring the month of October 2024 as Domestic Violence Awareness Month in the City of Tualatin.

3. New Employee Introductions- Library Assistants Linda Garrison and Tera Stefanek

Tualatin Library Director Jerianne Thompson introduced Library Assistants Linda Garrison and Tera Stefanek. The Council welcomed them.

Public Comment

Ben Richardson announced the Veteran's Recognition Breakfast to be held on November 8th at the Juanita Pohl Center. He stated pre-registration is required through the Juanita Pohl Center.

Consent Agenda

Motion to adopt the consent agenda made by Councilor Brooks, Seconded by Councilor Sacco.
Voting Yea: Council President Pratt, Councilor Brooks, Councilor Reyes, Councilor Hillier, Councilor

Sacco, Councilor Gonzalez

MOTION PASSED

1. Consideration of Approval of the Work Session and Regular Meeting Minutes of September 23, 2024
2. Consideration of Approval of a New Liquor License Application for Little Burro PDX, LLC
3. Consideration of **Resolution No. 5813-24** Authorizing the City Manager to Enter into an Intergovernmental Agreement (IGA) with the Oregon Department of Land Conservation and Development (DLCD) to Provide the City with Consultant Assistance for Walkable Design Standards Code Amendments

Special Reports

1. Consideration of Tualatin Police Department Updates

Police Chief Greg Pickering provided an update on the Police Department. He shared that the department currently consists of 39 sworn personnel and eight non-sworn personnel, with two active vacancies for a police officer position and one sergeant position. Chief Pickering announced the launch of the department's drone program, stating that they will have four certified drone pilots. He stated the department has acquired another K-9 named Boone, who will begin patrol school at the end of October.

Chief Pickering reviewed department activity numbers for the past year, highlighting that the department responded to 23,415 calls for service and conducted 4,963 violation stops. He provided a breakdown of the various report types written, ranging from incident reports to arrest reports. Chief Pickering also shared Use of Force statistics, reporting a total of 34 incidents year-to-date in 2024.

Councilor Brooks and Hillier inquired about the role of the behavioral health professionals, emphasizing their effect on reducing force incidents. Chief Pickering affirmed the positive impact of having a master's level clinician collaborate on behavioral health calls, facilitating quicker access to care and influencing lower recidivism rates.

Councilor Sacco asked about the drone program and potential uses. Chief Pickering stated their utilization would enhance public safety and provide strategic advantages in certain situations.

Council President Pratt asked for a comparison to other communities regarding the Use of Force stats. Chief Pickering stated he only has his departments numbers at this time.

General Business

1. Consideration of **Resolution No. 5812-24** Amending the City of Tualatin Council Rules

City Attorney Kevin McConnell presented the revisions to the Council Rules as previously discussed by the Council.

Council President Pratt inquired about the required education training for the Councilors and when it would take place. Attorney McConnell responded that the city will coordinate with the Council to schedule the necessary trainings.

Motion to adopt Resolution No. 5812-24 amending the City of Tualatin Council Rules made by Councilor Brooks, Seconded by Councilor Sacco.

Voting Yea: Council President Pratt, Councilor Brooks, Councilor Reyes, Councilor Hillier, Councilor Sacco, Councilor Gonzalez

MOTION PASSED

2. Consideration of the 2024-2026 Climate Action Plan Work Plan

City Manager Sherilyn Lombos presented the development of the Climate Action Plan (CAP) work plan, providing a recap of the CAP's adoption and noting the allocation of \$125,000 in the FY 24-25 budget for two key actions: hiring a firm to facilitate a five-year implementation plan and hiring a firm to analyze and provide a strategic option for future actions. Manager Lombos explained that to advance the CAP, she convened an interdepartmental work group tasked with familiarizing themselves with the plan, understanding ongoing actions, and discussing realistic steps to take until additional capacity is secured.

Manager Lombos stated the goal is to make progress by focusing on high-impact, opportunistic actions that can meaningfully contribute to the plan's goals. The work group ultimately recommended a shorter-term "kick-start" work plan for the next two years. In this initial phase, the focus will be on straightforward and impactful actions that align with existing projects or those that have already secured funding, such as the recent \$15 million Charging and Fueling Infrastructure (CFI) grant. She stated the CFI grant is allocated to enhance charging and fueling infrastructure within Tualatin and its regional partners. Manager Lombos emphasized that the grant aligns with the plan's critical actions, specifically promoting electric vehicle use and expanding charging facilities at strategic locations like affordable housing complexes and public rights-of-way, which are essential for achieving the plan's emission reduction goals.

Manager Lombos detailed the anticipated timeline, with backend funding efforts expected to start after securing a sustainable funding source and hiring essential personnel by July 2025. This timeline would allow the city to build internal capacity and hire a full-time staff member to oversee the CAP's implementation. She underscored that this dedicated staffing would support the city's long-term strategic planning, particularly in crafting a five-year roadmap that leverages expert insights and community engagement.

Councilor Brooks expressed gratitude to everyone involved in developing the Climate Action Plan and its work plan. Councilor Brooks emphasized the plan's strategic nature, highlighting the need for baselines and clear measures. She discussed the importance of concrete outcome measures linked to initiatives like tracking carbon reduction and assessing public transportation improvements. Councilor Brooks stated that the intended uses of the allocated budget per her understanding was for external support from Good Company to organize the city's efforts into a structured spreadsheet, enabling assessment of environmental impacts and outlining goals. She stated this long-term perspective is vital for evaluating progress, identifying successes, and adapting to innovations. Councilor Brooks further elaborated that she believes having expert input would strengthen the plan's strategic focus, ensuring it's more than just a set of tasks, even for a two-year period.

Councilor Hillier expressed her support for prioritizing tasks based on staff capacity, citing her experience with large grants that heavily impact staffing. She emphasized that managing these

tasks effectively requires understanding internal capacity and workload and stressed the importance of timing in executing projects.

City Manager Lombos acknowledged Councilor Brooks concern, emphasizing the constraints on internal capacity. She explained that if additional staff were hired by next July or August, creating a strategic plan would be a top priority for them, working alongside a consultant. Councilor Brooks clarified that her intent wasn't to change the plan, but to ensure experts are providing a rationale for the plan's outcomes.

Councilor Gonzalez supported taking a deliberate, step-by-step approach. He highlighted low-cost, impactful actions like enhancing tree coverage and smart irrigation, noting these steps could have significant environmental benefits. Councilor Gonzalez advocated focusing on immediate, feasible actions rather than rushing to hire a consultant.

Councilor Reyes supported hiring a consultant if it would provide valuable insights and best practices. She acknowledged the extensive work required in managing consultants and backed staff's recommendation to secure additional help.

City Manager Lombos reiterated that the city is not delaying progress but is planning a two-year "kickstarter" to gain capacity for larger projects. She assured that actions are already in motion, with key projects identified and reviewed, even if not yet within a formal prioritization matrix.

Council President Pratt shared her commitment to establishing clear outcome measures and timelines, proposing that Good Company assist in refining the plan without necessitating major redesigns. She spoke to the need for defined metrics to align with the CFI grant and suggested periodic feedback from Good Company to monitor progress.

Councilor Brooks highlighted the importance of integrating scientific methods and collaborative insights into the city's strategic planning, urging the council to trust the perspectives of those actively engaged in climate action efforts.

Councilor Sacco began by acknowledging concerns over the scope of work, especially in balancing a five-year plan with the current two-year work plan. She questioned if additional involvement from Good Company would create extra costs or demands on staff time.

Councilor Brooks spoke to the need for prioritization through a matrix developed with experts. She proposed that Good Company conduct a review to ensure the city's actions have scientific measurables and provide additional suggestions. She acknowledged organizational limitations, but emphasized the importance of leveraging Good Company's expertise, even suggesting a compromise to limit their involvement to a review role.

Councilor Sacco expressed concerns that having Good Company review both the two-year and five-year plans might create additional costs and delays. She emphasized the value of having measurables but was cautious about adding extra steps that might affect the budget and momentum.

Councilor Brooks countered by explaining that the \$50,000 allocated for Eco Northwest could be utilized, stressing that additional input from Good Company would help maintain the plan's momentum and ensure the city doesn't miss out on future grant opportunities.

Councilor Hillier asked if hiring Eco Northwest for sustainable funding would cover prioritization efforts, highlighting concerns over separating expertise between Eco Northwest and Good Company. City Manager Lombos clarified that these are distinct scopes of work.

Councilor Reyes expressed confusion about the budgeting and roles, questioning whether including Good Company was adding a step or using funds effectively. Councilor Brooks reiterated that the city budgeted \$125,000 for this purpose, emphasizing that delays, limited staff capacity, and past frustrations had complicated progress. She underscored that the city's original direction was to have evidence-based outcomes.

City Manager Lombos acknowledged Councilor Brooks concern but maintained that the current plan is a "kickstarter" accommodating the CFI grant. She expressed reservations about the necessity of having Good Company back-check the plan, believing the current approach still reflects progress.

Councilor Gonzalez sought clarification on the progress of the Climate Action Plan asking if projects were still moving forward and if approximately 33% would be completed in the next two years. City Manager Lombos confirmed the plan's progress and highlighted that the work aligns with the city's capacity and budget.

Councilor Sacco raised concerns about the additional costs associated with implementing measurable outcomes, noting that it might stretch the already budgeted \$50,000.

Councilor Brooks expressed concerns about potential delays in implementing the actions, highlighting that without a tracking system, results might be difficult to evaluate post-implementation.

Councilor Hillier sought clarification on why the climate action plan lacked a prioritized list, suggesting that the absence of this framework made the plan feel incomplete. City Manager Lombos explained that the climate action plan was always intended as a comprehensive document rather than a prioritized list, with many actions needing to be scoped into individual projects.

Councilor Sacco motion to approve the two-year work plan as presented and direct staff to scope the work of Good Company providing measures, outcomes, timelines, and advice on the two-year plan.

Motion made by Councilor Sacco, Seconded by Councilor Brooks.

Voting Yea: Council President Pratt, Councilor Brooks, Councilor Hillier, Councilor Sacco

Voting Nay: Councilor Gonzalez

Voting Abstaining: Councilor Reyes

MOTION PASSED

Council Communications

Councilor Brooks stated she attended an Integrated Pest Management class.

Adjournment

Council President Pratt adjourned the meeting at 9:48 p.m.

Sherilyn Lombos, City Manager

_____ / Nicole Morris, Recording Secretary

_____ / Frank Bubenik, Mayor



CITY OF TUALATIN

Staff Report

TO: Honorable Mayor and Members of the City Council

THROUGH: Sherilyn Lombos, City Manager

FROM: Greg Pickering, Chief of Police

DATE: October 28, 2024

SUBJECT:

Resolutions Accepting Grant Funds for Traffic Safety Enforcement through Oregon Department of Transportation.

EXECUTIVE SUMMARY:

The attached are resolutions to accept grant funds from Oregon Department of Transportation for the purpose of traffic safety enforcement in several areas.

- Oregon Department of Transportation awarded the City of Tualatin \$15,000.00 in grant funds for Distracted Driving Enforcement.
- Oregon Department of Transportation awarded the City of Tualatin \$25,000.00 in grant funds for Speed Enforcement.
- Oregon Department of Transportation awarded the City of Tualatin \$15,000.00 in grant funds for Motor Vehicle Safety Restraint Enforcement.

The Police Department has partnered with the Oregon Department of Transportation for many years through grant funding to pay for additional enforcement efforts to keep the motoring public safe.

ATTACHMENTS:

- Resolution 5814-24 – Distracted Driving Enforcement
- Resolution 5815-24 – Speed Enforcement
- Resolution 5816-24 – Seat Belt Enforcement

RESOLUTION NO. 5814-24

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A GRANT AGREEMENT WITH OREGON DEPARTMENT OF TRANSPORTATION FOR DISTRACTED DRIVING ENFORCEMENT

WHEREAS, Oregon Impact awarded the City of Tualatin \$15,000.00 in grant funds for Distracted Driving Enforcement;

WHEREAS, the City will receive \$15,000.00 in specific purpose revenues from Oregon Department of Transportation to be used for Distracted Driving Enforcement throughout the year, and especially during the month of April 2025 in coordination with National Distracted Driving Awareness Month statewide with other Oregon agencies; and

WHEREAS, the City of Tualatin desires to participate in this grant program to provide a safe community.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TUALATIN, OREGON, that:

Section 1. The City Manager, or designee, is authorized to execute the grant agreement with Oregon Department of Transportation for Distracted Driving Enforcement, and make amendments, as needed. The City Manager, or designee, is further authorized to create and implement programmatic policies as needed or required to implement the intent of the grant agreement.

Section 2. This resolution is effective upon adoption.

Adopted by the City Council this 28th day of October, 2024.

CITY OF TUALATIN, OREGON

BY _____
Mayor

ATTEST:

BY _____
City Recorder

APPROVED AS TO FORM

BY _____
City Attorney

RESOLUTION NO. 5815-24

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A GRANT AGREEMENT WITH OREGON DEPARTMENT OF TRANSPORTATION FOR SPEED ENFORCEMENT HIGH VISIBILITY EVENTS

WHEREAS, Oregon Impact awarded the City of Tualatin \$25,000.00 in grant funds for Speed Enforcement;

WHEREAS, the City will receive \$25,000.00 in specific purpose revenues from Oregon Department of Transportation to be used for speed enforcement throughout the year and especially during the months of March 2025 and September 2025 in coordination with other Oregon agencies; and

WHEREAS, the City of Tualatin desires to participate in this grant program to provide a safe community.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TUALATIN, OREGON, that:

Section 1. The City Manager, or designee, is authorized to execute the grant agreement with Oregon Department of Transportation for Speed Enforcement, and make amendments, as needed. The City Manager, or designee, is further authorized to create and implement programmatic policies as needed or required to implement the intent of the grant agreement.

Section 2. This resolution is effective upon adoption.

Adopted by the City Council this 28th day of October, 2024.

CITY OF TUALATIN, OREGON

BY _____
Mayor

ATTEST:

BY _____
City Recorder

APPROVED AS TO FORM

BY _____
City Attorney

RESOLUTION NO. 5816-24

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A GRANT AGREEMENT WITH OREGON DEPARTMENT OF TRANSPORTATION FOR MOTOR VEHICLE SAFETY RESTRAINT ENFORCEMENT

WHEREAS, Oregon Impact awarded the City of Tualatin \$15,000.00 in grant funds for Motor Vehicle Safety Restraint Enforcement;

WHEREAS, the City will receive \$15,000.00 in specific purpose revenues from Oregon Department of Transportation to be used for motor vehicle safety restraint enforcement and education throughout the year; and

WHEREAS, the City of Tualatin desires to participate in this grant program to provide a safe community.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TUALATIN, OREGON, that:

Section 1. The City Manager, or designee, is authorized to execute the grant agreement with Oregon Department of Transportation Motor Vehicle Safety Restraint Enforcement, and make amendments, as needed. The City Manager, or designee, is further authorized to create and implement programmatic policies as needed or required to implement the intent of the grant agreement.

Section 2. This resolution is effective upon adoption.

Adopted by the City Council this 28th day of October, 2024.

CITY OF TUALATIN, OREGON

BY _____
Mayor

ATTEST:

BY _____
City Recorder

APPROVED AS TO FORM

BY _____
City Attorney



CITY OF TUALATIN

Staff Report

TO: Honorable Mayor and Members of the City Council

THROUGH: Sherilyn Lombos, City Manager

FROM: Don Hudson, Assistant City Manager/Finance Director

DATE: October 28, 2024

SUBJECT:
Consideration of Resolution No. 5817-24 to Adopt the City of Tualatin Investment Policy.

RECOMMENDATION:
Staff Recommends that the City Council adopt the attached Investment Policy.

EXECUTIVE SUMMARY:
Oregon Revised Statutes (ORS) 294.135(1)(a) requires local governments investing in securities with maturities longer than 18 months to annually adopt their investment policies. The City previously submitted the City of Tualatin Investment Policy to the Oregon Short Term Fund Board for review and comment, as required by law. The City Council adopted the current policy on November 13, 2023.

Attached is a redline version of the Investment Policy, as well as the recommended changes memo from our investment advisor, Government Portfolio Advisors. The memo explains the proposed changes to our currently adopted investment policy. There were no changes made to the policy in 2023, so the redline version begins with the policy adopted in October 2022.

OUTCOMES OF DECISION:
Adoption of the City's investment portfolio under State Statute.

ALTERNATIVES TO RECOMMENDATION:
Choose not to approve the Investment Policy and not comply with ORS 294.135

ATTACHMENTS:

- Resolution No. 5817-24
- Exhibit A, Investment Policy
- Memo from Government Portfolio Advisors
- Redline version of Investment Policy

RESOLUTION NO. 5817-24

A RESOLUTION ADOPTING THE CITY OF TUALATIN INVESTMENT POLICY

WHEREAS, Oregon Revised Statutes (ORS) 294.135(1)(a) requires local governments investing in securities with maturities longer than 18 months to annually adopt their investment policies;

WHEREAS, the City invests in securities with maturities longer than 18 months;

WHEREAS, the City previously submitted the City of Tualatin Investment Policy to the Oregon Short Term Fund Board for review and comment;

WHEREAS, the City Council previously adopted the City of Tualatin Investment Policy on November 13, 2023 (Resolution 5733-23); and

WHEREAS, the City wishes to annually adopt the City of Tualatin Investment Policy in compliance with ORS 294.135(1)(a).

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TUALATIN, OREGON, that:

Section 1. The Council adopts the City of Tualatin Investment Policy, which is attached as Exhibit A and incorporated by reference.

Section 2. This resolution is effective upon adoption.

INTRODUCED AND ADOPTED this 28th day of October, 2024.

CITY OF TUALATIN, OREGON

BY _____
Mayor

APPROVED AS TO FORM:

ATTEST:

BY _____
City Attorney

BY _____
City Recorder

EXHIBIT A
RESOLUTION NO. 5817-24



INVESTMENT POLICY
2024

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1. INTRODUCTION

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 Tualatin.

2. 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 regulations 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.

This Policy has been adopted by Resolution No. 5817-24 by the City Council of Tualatin, Oregon on October 28, 2024.

3. SCOPE

This policy applies to activities of the City with regards 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. Other than bond proceeds or other unusual situations, the total of all funds ranges from \$70,000,000 to \$110,000,000. 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. OBJECTIVES

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

4.1 Safety:

- Preservation of capital and protection of investment principal.
- Diversification to avoid incurring unreasonable risks regarding specific security types or individual financial institutions.

4.2 Liquidity:

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

4.3 Yield – Return:

- Attainment of a market value rate of return throughout budgetary and economic cycles.

5. STANDARDS OF CARE

5.1 Delegation of Authority

- a. **Governing Body:** The ultimate fiduciary responsibility and authority for the investment of City funds resides with the City Council. The City hereby designates the Finance Director as the Investment Officer 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.
- b. **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 Finance Director 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.

5.2 Prudence:

The standard of prudence to be used, by the Finance Director, in the context of managing the overall portfolio is the prudent person rule which states:

"Investments will 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 (ORS 294.004 (2)) and staff acting in accordance with this Investment Policy, written procedures, and Oregon Revised Statutes 294.035 and 294.040 and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price change or other loss, provided deviations from expectations are reported and appropriate action is taken to control adverse developments within a timely fashion as defined in this policy.

5.3 Ethics:

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. AUTHORIZED FINANCIAL INSTITUTIONS

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 Tualatin as specified by but not necessarily limited to the Financial Industry Regulatory Authority (FINRA), Securities and Exchange Commission (SEC), etc.

6.1 Broker/Dealers:

The Investment Officer shall determine which broker/dealer firms and registered representatives are authorized for the purposes of investing funds within the scope of this investment policy. A list will be maintained of approved broker/dealer firms and affiliated registered representatives. The following minimum criteria must be met prior to authorizing investment transactions. The Investment Officer may impose more stringent criteria.

- a. Broker/Dealer firms must meet the following minimum criteria:
 - i. Be registered with the Securities and Exchange Commission (SEC);
 - ii. Be registered with the Financial Industry Regulatory Authority (FINRA).
 - iii. Provide most recent audited financials.
 - iv. Provide FINRA Focus Report filings.
- b. Approved broker/dealer employees who execute transactions with the City must meet the following minimum criteria:
 - i. Be a registered representative with the Financial Industry Regulatory Authority (FINRA);
 - ii. Be licensed by the state of Oregon;
 - iii. Provide certification (in writing) of having read; understood; and agreed to comply with the most current version of this investment policy.
- c. If the City's investment advisor is contracted to provide securities transactions on behalf of the City, the advisor's broker/dealer list must be provided to the Investment Officer for approval. The Investment Officer can assign the responsibility of

broker/dealer due diligence process to the Advisor, and all licensing information on the counterparties will be maintained by the Advisor and available upon request.

The advisor broker/dealer review should include:

- i. FINRA Certification check
- ii. Firm Profile
- iii. Firm History
- iv. Firm Operations
- v. Disclosures of Arbitration Awards, Disciplinary and Regulatory Events
- vi. State Registration Verification
- vii. Financial review of acceptable FINRA capital requirements or letter of credit for clearing settlements.

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

6.2 Financial Bank Institutions:

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. 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.

6.3 Investment Advisors:

An Investment Advisor may be utilized to manage funds and will be selected through a competitive RFP process. The Advisor must meet the following criteria:

- a. 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);
- b. All investment advisor firm representatives conducting investment transactions on behalf of City must be registered representatives with FINRA;
- c. All investment advisor firm representatives conducting investment transactions on behalf of City must be licensed by the state of Oregon;
- d. Contract terms will include that the Investment advisor will comply with the City's Investment Policy.

A periodic (at least annual) review of all authorized investment advisors under contract will be conducted by the Finance director 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:

- a. Pending investigations by securities regulators.
- b. Significant changes in net capital.
- c. Pending customer arbitration cases.
- d. Regulatory enforcement actions.

6.4 Competitive Transactions:

The Finance Director will obtain telephone, faxed or emailed quotes before purchasing or selling an investment. 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, the Investment Officer shall document quotations for comparable or alternative securities.

The City's investment advisor that is providing investment management services must provide documentation of competitive pricing execution on each transaction. The investment advisor will retain documentation and provide upon request.

7. SAFEKEEPING AND CUSTODY

7.1 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. Upon request, the safekeeping institution shall make available a copy of its Statement on Standards for Attestation Engagements (SSAE) No. 16.

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 Tualatin's safekeeping institution prior to the release of funds. The City will have online access through the safekeeping bank for verification of the account holdings and transactions.

7.2 Bank Deposits and Certificates of Deposit:

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).

7.4 Internal Controls:

The Finance Director 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 reconciliation 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
- Avoidance of physical delivery of securities wherever possible and address control requirements for physical delivery where necessary

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

8. AUTHORIZED AND SUITABLE INVESTMENTS

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 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. 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 City Council. Minimum credit ratings and percentage limitations apply to the time of purchase.

8.2 Suitable Investments:

The City is empowered to invest in the following types of securities:

US Treasury Obligations: US 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: Senior debenture obligations of US federal agencies and instrumentalities or U.S. government sponsored enterprises (GSE) whose payment is guaranteed by the United States [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)(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. 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. 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 by one or more nationally recognized statistical rating organizations [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)].

8.3 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 295.015 and ORS 295.018.

9. INVESTMENT PARAMETERS

9.1 Diversification:

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	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)	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%	10%	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
Oregon Short Term Fund	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 constraints apply to the combined issues in corporate and commercial paper holdings.

9.2 Investment Maturity:

The City will not directly invest in securities with a stated maturity of more than 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, 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 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.
- 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	Total Portfolio Maximum
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, 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 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 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.

10. INVESTMENT OF PROCEEDS FROM DEBT ISSUANCE

Investments of bond proceeds 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 maturity matched with expected outflows.

Information will be maintained for arbitrage rebate calculations.

11. 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. POLICY COMPLIANCE AND PERFORMANCE STANDARDS

12.1 Compliance Measurement and Procedures:

- a. Compliance Report: A compliance report documenting the portfolio versus the investment policy shall be maintained quarterly.
- b. Compliance Measurement: Guideline measurements will use market value of investments.
- c. 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 City Council.
 - iii. Due to fluctuations in the aggregate surplus funds balance, minimum or maximum percentages for a particular issuer, investment type or 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.
 - 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.

12.2 Performance Measurement:

- a. The City yields will be compared to the OST Pool rates.
- b. The 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.
- c. 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.
- d. 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. INVESTMENT POLICY ADOPTION

This Investment Policy shall be 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.

15. 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% (1/100th 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 these 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 Bank (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 its importance

to the U.S. Financial system and agricultural industry. Also issues notes under its “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 “governmentals.”

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.

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, 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/depreciation 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.

MEMO

To: Don Hudson and Matt Warner – City of Tualatin
 From: Deanne Woodring and Whitney Maher - GPA
 Date: October 10, 2024
 Re: Investment Policy Review/Update 2024

ORS 294.135(1)(a) requires local governments investing in securities with maturities longer than 18 months to annually adopt their investment policies. The City last reviewed and re-adopted the policy in November 2023. After reviewing the City’s policy this year, it is being presented for re-adoption for 2024 to the City Council with the following recommended change(s):

- Weighted Average Maturity – GPA recommends moving the WAM from 2.0 years to 2.5 years to better align to the current core fund investment strategy (0-5 year all treasury benchmark).

Current:

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	2.00
Security Structure Constraint	Maximum % of Total Portfolio
Callable Agency Securities	25%

Recommended:

Maturity Constraints	Minimum % of Total Portfolio
Under 30 days	10%
Under 1 year	25%
Under 5.25 years	100%
Maturity Constraints	Total Portfolio Maximum
Weighted Average Maturity	2.5 years
Security Structure Constraint	Maximum % of Total Portfolio
Callable Agency Securities	25%

Additional non-material updates include:

- New City of Tualatin Logo
- Update range of balances in Scope
- Included time of purchase language to Authorized Investments for added clarity
- Updated Diversification Table – added Maturity Constraints for ease of reference
- Updated language regarding fluctuating balances for added clarity

EXHIBIT A
RESOLUTION NO. 5652-225817-
24

~~CITY OF TUALATIN~~



City of Tualatin



CITY of
TUALATIN

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~~INVESTMENT POLICY~~ INVESTMENT POLICY

2024

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1. INTRODUCTION

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 Tualatin.

2. 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 regulations 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.

This Policy has been adopted by Resolution [No. 5817-24#5652-22](#) by the City Council of Tualatin, Oregon on October 28⁴, 2024².

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3. SCOPE

This policy applies to activities of the City with regards 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. Other than bond proceeds or other unusual situations, the total of all funds ranges from \$4070,000,000 to \$1190,000,000. This policy provides direction for the following fund types:

Commented [WM1]: Updated balances

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. OBJECTIVES

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

4.1 Safety:

- Preservation of capital and protection of investment principal.
- Diversification to avoid incurring unreasonable risks regarding specific security types or individual financial institutions.

4.2 Liquidity:

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

4.3 Yield – Return:

- Attainment of a market value rate of return throughout budgetary and economic cycles.

5. STANDARDS OF CARE

5.1 Delegation of Authority

- a. **Governing Body:** The ultimate fiduciary responsibility and authority for the investment of City funds resides with the City Council. The City hereby designates the Finance Director as the Investment Officer 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.
- b. **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 Finance Director 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.

5.2 Prudence:

The standard of prudence to be used, by the Finance Director, in the context of managing the overall portfolio is the prudent person rule which states:

"Investments will 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 (ORS 294.004 (2)) and staff acting in accordance with this Investment Policy, written procedures, and Oregon Revised Statutes 294.035 and 294.040 and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price change or other loss, provided deviations from expectations are reported and appropriate action is taken to control adverse developments within a timely fashion as defined in this policy.

5.3 Ethics:

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. AUTHORIZED FINANCIAL INSTITUTIONS

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 Tualatin as specified by but not necessarily limited to the Financial Industry Regulatory Authority (FINRA), Securities and Exchange Commission (SEC), etc.

6.1 Broker/Dealers:

The Investment Officer shall determine which broker/dealer firms and registered representatives are authorized for the purposes of investing funds within the scope of this investment policy. A list will be maintained of approved broker/dealer firms and affiliated registered representatives. The following minimum criteria must be met prior to authorizing investment transactions. The Investment Officer may impose more stringent criteria.

- a. Broker/Dealer firms must meet the following minimum criteria:
 - i. Be registered with the Securities and Exchange Commission (SEC);
 - ii. Be registered with the Financial Industry Regulatory Authority (FINRA).
 - iii. Provide most recent audited financials.
 - iv. Provide FINRA Focus Report filings.

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

- c. If the City's investment advisor is contracted to provide securities transactions on behalf of the City, the advisor's broker/dealer list must be provided to the Investment Officer for approval. The Investment Officer can assign the responsibility of

broker/dealer due diligence process to the Advisor, and all licensing information on the counterparties will be maintained by the Advisor and available upon request.

The advisor broker/dealer review should include:

- i. FINRA Certification check
- ii. Firm Profile
- iii. Firm History
- iv. Firm Operations
- v. Disclosures of Arbitration Awards, Disciplinary and Regulatory Events
- vi. State Registration Verification
- vii. Financial review of acceptable FINRA capital requirements or letter of credit for clearing settlements.

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

6.2 Financial Bank Institutions:

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. 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.

6.3 Investment Advisors:

An Investment Advisor may be utilized to manage funds and will be selected through a competitive RFP process. The Advisor must meet the following criteria:

- a. 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);
- b. All investment advisor firm representatives conducting investment transactions on behalf of City must be registered representatives with FINRA;
- c. All investment advisor firm representatives conducting investment transactions on behalf of City must be licensed by the state of Oregon;
- d. Contract terms will include that the Investment advisor will comply with the City's Investment Policy.

A periodic (at least annual) review of all authorized investment advisors under contract will be conducted by the Finance director 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:

- a. Pending investigations by securities regulators.
- b. Significant changes in net capital.
- c. Pending customer arbitration cases.
- d. Regulatory enforcement actions.

6.4 Competitive Transactions:

The Finance Director will obtain telephone, faxed or emailed quotes before purchasing or selling an investment. 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, the Investment Officer shall document quotations for comparable or alternative securities.

The City's investment advisor that is providing investment management services must provide documentation of competitive pricing execution on each transaction. The investment advisor will retain documentation and provide upon request.

7. SAFEKEEPING AND CUSTODY

7.1 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. Upon request, the safekeeping institution shall make available a copy of its Statement on Standards for Attestation Engagements (SSAE) No. 16.

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 Tualatin's safekeeping institution prior to the release of funds. The City will have online access through the safekeeping bank for verification of the account holdings and transactions.

7.2 Bank Deposits and Certificates of Deposit:

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).

7.4 Internal Controls:

The Finance Director 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 reconciliation 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
- Avoidance of physical delivery of securities wherever possible and address control requirements for physical delivery where necessary

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

8. AUTHORIZED AND SUITABLE INVESTMENTS

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 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.

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 City Council. Minimum credit ratings and percentage limitations apply to the time of purchase.

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8.2 Suitable Investments:

The City is empowered to invest in the following types of securities:

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: Senior debenture obligations of US federal agencies and instrumentalities or U.S. government sponsored enterprises (GSE) whose payment is guaranteed by the United States [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)(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. 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. 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 by one or more nationally recognized statistical rating organizations [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)].

8.3 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 295.015 and ORS 295.018.

9. INVESTMENT PARAMETERS

9.1 Diversification:

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	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)	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%	10%	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
Oregon Short Term Fund	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 constraints apply to the combined issues in corporate and commercial paper holdings.

Commented [WM3]: Added new diversification table to include Maximum Maturity for ease of reference

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9.2 Investment Maturity:

The City will not directly invest in securities with a stated maturity of more than 5.25 years from the date of purchase.

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- 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, 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 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.
- Total Portfolio Maturity Constraints:

Commented [WM4]: GPA recommends moving WAM from 2.0 years to 2.5 years to align to 0-5 year benchmark strategy for Investment Core Fund

Commented [WM5]: Updated table with 2.5 year WAM

Maturity Constraints	Minimum % of Total Portfolio
Under 30 days	10%
Under 1 year	25%
Under 5.25 years	100%
Maturity Constraints	Total Portfolio Maximum
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, 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 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.
- 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.

10. INVESTMENT OF PROCEEDS FROM DEBT ISSUANCE

Investments of bond proceeds 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 maturity matched with expected outflows.

Information will be maintained for arbitrage rebate calculations.

11. 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. POLICY COMPLIANCE AND PERFORMANCE STANDARDS

12.1 Compliance Measurement and Procedures:

- a. Compliance Report: A compliance report documenting the portfolio versus the investment policy shall be maintained quarterly.
- b. Compliance Measurement: Guideline measurements will use market value of investments.
- c. 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 City Council.
 - iii. ~~Due to fluctuations in the aggregate surplus funds balance, minimum or maximum percentages for a particular issuer, ~~or~~ investment type or 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

Commented [WM6]: Updated language to include maturity constraints

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.

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12.2 Performance Measurement:

- a. The City yields will be compared to the OST Pool rates.
- b. The 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.
- c. 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.
- d. 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. INVESTMENT POLICY ADOPTION

This Investment Policy shall be 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.

15. 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% (1/100th 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 these 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 Bank (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 its importance

to the U.S. Financial system and agricultural industry. Also issues notes under its "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 "government bonds."

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.

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, 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/depreciation 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.



CITY OF TUALATIN

Staff Report

TO: Honorable Mayor and Members of the City Council

THROUGH: Sherilyn Lombos, City Manager

FROM: Ross Hoover, Parks and Recreation Director
Rich Mueller, Parks Planning and Development Manager

DATE: October 28, 2024

SUBJECT:

Consideration of **Resolution No. 5818-24** Authorizing the First Amendment to the Agreement Between The City of Tualatin and Randall and Karen Alvstad For Management and Operations of Basalt Creek Parkland.

EXECUTIVE SUMMARY:

In 2022 the City authorized the attached Management and Operations Agreement (Original Agreement) for a 7.69 acre park property with house and out buildings located at 23515 SW Boones Ferry Road in Tualatin. This First Amendment extends the current Management and Operations Agreement for an additional year ending December 31, 2025. Similar management and operations agreements are in use at other City parkland to reduce costs, provide security/safety and maintain the existing condition of the property structures in order to preserve the property value.

FINANCIAL IMPLICATIONS:

This Management and Operations Agreement Amendment is expected to save City funds on a short-term basis by having the Alvstad's maintain the structures and property, while Autumn Sunrise and Plambeck Gardens become occupied in order for the City to begin park site planning. The building structures and land are in good condition, although the City may incur costs due to major system issue.

ATTACHMENTS:

Original Agreement - Alvstad
Resolution No. 5818-24

RESOLUTION NO. 5818-24

RESOLUTION AUTHORIZING THE FIRST AMENDMENT TO THE AGREEMENT BETWEEN THE CITY OF TUALATIN AND RANDALL AND KAREN ALVSTAD FOR MANAGEMENT AND OPERATIONS OF BASALT CREEK PARKLAND, 23515 SW 515 BOONES FERRY ROAD

WHEREAS, on or about October 10, 2022, City Council authorized a Management and Operations Agreement (Original Agreement) for Basalt Creek park property located at 23515 SW Boones Ferry Road, Tualatin OR 97062;

WHEREAS, the City and Randall/Karen Alvstad wish to amend the Original Agreement for one additional year, extending the term of the Original Agreement to December 31, 2025;

WHEREAS, it is in the best interest of the City to continue the Original Agreement for an additional year and receive public benefit to maintain, secure and enhance safety to the property and building structures.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TUALATIN, OREGON, that:

Section 1. The City Manager is authorized to execute the First Amendment to the Management and Operations Agreement for Basalt Creek property located at 23515 SW Boones Ferry Road, Tualatin OR 97062, which is attached and incorporated herein as Exhibit 1.

Section 2. This resolution is effective upon adoption.

INTRODUCED AND ADOPTED this 28th day of October, 2024.

CITY OF TUALATIN, OREGON

BY _____
Mayor

APPROVED AS TO FORM

ATTEST:

BY _____
City Attorney

BY _____
City Recorder

FIRST AMENDMENT TO CITY OF TUALATIN MANAGEMENT AND OPERATIONS AGREEMENT for Basalt Creek Park Property (23515 SW Boones Ferry Road, Tualatin OR 97062)

WHEREAS, on or about September 29, 2022, the City of Tualatin, Oregon ("City") and Randall and Karen Alvstad ("Provider"), entered into a Management and Operations Agreement ("Original Agreement") for the property located at 23515 SW Boones Ferry Road, Tualatin OR 97062 ("Premises"); and

WHEREAS, the Premises shall constitute a portion of the future City Basalt Creek Park; and

WHEREAS, the Original Agreement set out terms and conditions Provider agreed to in order to maintain the condition and useful value of the Premises consistent with the terms of the 2022 IGA between the City and Metro as well as all applicable City laws and policies; and

WHEREAS, pursuant to Section 2 of the Original Agreement, the Agreement Term ends on December 31, 2024; and

WHEREAS, City and Provider wish to amend the Original Agreement one additional year, extending the term of the Agreement to December 31, 2025.

THE PARTIES AGREE AS FOLLOWS:

Section 1. Extension. Section 2 of the Original Agreement is amended to allow Provider to use the Premises for the purposes outlined in the Agreement until December 31, 2025.

Section 2. Controlling Documents. Except as modified by this First Amendment, the terms of the Original Agreement remain in full force and effect.

Section 3. Effective Date. This First Amendment is effective upon the date of the last signature affixed below.

APPROVED AND ENTERED INTO this ____ day of _____, 2024.

PROVIDER

CITY OF TUALATIN, OREGON

By _____
Randall Alvstad

By _____
Sherilyn Lombos,
City Manager

By _____
Karen Alvstad



CITY OF TUALATIN

Staff Report

TO: Honorable Mayor and Members of the City Council

THROUGH: Sherilyn Lombos, City Manager

FROM: Don Hudson, Assistant City Manager/Finance Director

DATE: October 28, 2024

SUBJECT:
Quarterly Financial Report – 1st Quarter of Fiscal Year 2024/2025

EXECUTIVE SUMMARY:
Staff will provide the City Council with an update on revenues and expenditures to date, the annual audit process, and include the quarterly investment report. An update of projects and spending for American Rescue Plan Act (ARPA) funds will also be presented.



CITY OF TUALATIN

Staff Report

TO: Honorable Mayor and Members of the City Council
THROUGH: Sherilyn Lombos, City Manager
FROM: Nicole Morris, Deputy City Recorder
DATE: October 28, 2024

SUBJECT:
Consideration of Recommendations from the Council Committee on Advisory Appointments

RECOMMENDATION:
Staff recommends the City Council approve the recommendations from the Council Committee on Advisory Appointments (CCAA)

EXECUTIVE SUMMARY:
In accordance with Council Rule 7E(1), the CCAA met and interviewed community members interested in participating on City advisory committees. The Committee recommends appointment of the following individuals:

Individuals	Board	Term
Rachel Elliot	Library Advisory Committee	Term Expiring 10/31/27
Nestor Sanchez	Library Advisory Committee- Student	Term Expiring 10/31/25
Sunni Caise-Armstrong	IDEA Advisory Committee	Term Expiring 11/1/26