Finance/Administration Committee
September 10, 2018
Philomath City Council Chambers

The meeting was called to order by Chair David Low at 6:00 pm.

1. ROLL CALL:

Committee: David Low, Candy Koetz, and Charla Koeppe
Staff: Finance Director Joan Swanson, City Manager Chris Workman and Police Department Volunteer Reserve Marcia Gilson

2. APPROVAL OF MINUTES:

Councilor Koeppe moved to approve the minutes of April 17, 2018 as presented. Councilor Low seconded. Motion approved 3-0.

3. PRESENTATION

Ms Swanson introduced Don Leek, Financial Advisor with Lone Pine Advisory Services. Mr. Leek has worked in the financial services for over twenty years and recently opened his own company. Mr. Leek is currently working with several cities in Oregon. He explained several different investment strategies that some of the cities are using and the biggest limiting factor for a city's investments is their investment policy. These policies usually limit with whom a city can invest and what they can invest in.

Mr. Leek shared the investment portfolio that he is currently helping manage for the city of Milton-Freewater. Mr. Leek stated that he would recommend the investments to purchase. Depending on the investment policy they would generally be high quality corporate and government bonds. The investments would be held in an account in the City's name at Fidelity Investments. Mr. Leek recommended that we start out with a portion of our cash invested with the state pool. We could then monitor the performance of the funds he had invested for us compared to the performance of the state pool. Councilor Low asked how Mr. Leek is compensated for managing an account. Mr. Leek said his payment is fee based on 15-16 basis points per $1 million of the invested portfolio. As part of his services he communicates regularly with the City's Finance Director or City Manager.

Councilor Low asked since the Investment pool rates seem to be trending upward should we just ride it out with the investment pool. Mr. Leek said that if there was a change in the investment policy and the City could increase their duration on investment then they should see a larger investment gain then the Local Government Investment Pool.

4. NEW BUSINESS

Ms. Swanson shared with the Committee that the City's current Investment Policy needs to be updated whether the Finance Committee recommends going with Lone Pine Advisory Services or not. The process would be to have the Finance Committee update the policy and then send it to the Oregon Short Term Board for their approval. The policy must be submitted 4 weeks prior to their quarterly meeting in January. The committee felt it was reasonable to get a new policy completed so that it could be submitted to the Oregon Short Term Board for their January review.

All committee members agreed that the Investment Policy needed reviewing. Ms. Swanson shared with the committee two policies that other cities currently have in place. Those were for Hermiston and Milton-Freewater. She feels they could utilize these policies as a start to reviewing the City's current

policy. Ms. Swanson told the Committee that we need to evaluate what the city would like to consider for an investment strategy. She felt 18 months was too short and 5 years may be too long. City Manager Workman mentioned to the Committee that they might want to keep some of those longer options as part of the policy but did not have to utilize them. Mr. Leek volunteered that he would be happy to try and find answers for any questions they may have.

Chair Low adjourned the meeting at 6:48 pm
Minutes recorded by Marcia Gilson