



**OREGON SHORT TERM FUND
BOARD MEETING
DRAFT MEETING MINUTES
Thursday, January 11, 2018**

- OSTF Location:** Oregon State Treasury
16290 SW Upper Boones Ferry Road
Tigard, OR 97005
- Board Attendees:** Douglas Goe
Darren Bond
Laurie Steele
Sharon Wojda
Deanne Woodring (via telephone)
- Attendees (Staff):** Perrin Lim
Tom Lofton
Garrett Cudahey
Angela Schaffers
Aliese Jacobsen
Mark Selfridge
Debra Day
- Other Attendees:** Mark Dunmire – McMinnville Water and Light
Patricia Gray – City of Sweet Home (via telephone)
Debbie Clark – Tillamook County (via telephone)

i. Opening Remarks – Douglas Goe

Doug Goe welcomed all to the Oregon Short Term Fund Board (the “Board”) meeting and roll was taken.

ii. Review and Approval of Meeting Minutes – Doug Goe

a. October 12, 2017

MOTION: Doug Goe asked for approval of the October 12, 2017 Board Meeting Minutes. Darren Bond moved approval of the Meeting Minutes, Sharon Wojda seconded. The Board approved the Minutes unanimously.

iii. **LGIP/OSTF Investment Policy Review**

a) **McMinnville Water and Light**

The McMinnville Water and Light investment policy was submitted by Mark Dunmire and introduced to the Board by Angela Schaffers. This is an updated policy for McMinnville Water and Light, with the original policy being drafted in 1989. The updated policy mirrors the sample policy, and will be managing between \$35-55 million.

Comments from the Board were:

- The Board questioned why comments from Oregon State Treasury (“OST”) were not incorporated into the policy. Mr. Dunmire explained that the policy was originally reviewed by OST several months ago. OST provided comments to Mr. Dunmire which were incorporated into the policy, and then submitted back to OST for a second review. OST had additional comments for McMinnville Water and Light which were received shortly before the OSTF Board Meeting. Mr. Dunmire stated he will review the comments and work to incorporate them into the policy.

Mr. Goe thanked both Ms. Schaffers and Mr. Dunmire for presenting the investment policy to the Board.

b) **City of Sweet Home**

The City of Sweet Home investment policy was submitted by Patricia Gray and introduced to the Board by Angela Schaffers. This is a new policy for the City which follows the OSTF Sample Policy. The City determined the need to diversify from the pool and to maintain a core investment component of their holdings, and will be managing between \$5-10 million under the policy.

Comments from the Board were:

- Pages 8-9, Section 8.2 – The Board advised the City to seek legal counsel in terms of allowable minimum ratings on corporate and municipal securities to ensure compliance with Oregon Revised Statute. Currently the policy notes the City may invest in corporate and municipal securities rated as low as AA-.”
- Page 7, Section 7.4 – Several items under Internal Controls have been omitted from the City’s policy that are listed on the OSTF Sample Policy. Ms. Gray confirmed the reason why several points were omitted was due to the size of the City and stated there are no plans for major investing. It was recommended that the City revisit this section and consider including the omitted items from the Sample Policy as a precaution.
- The Board pointed out that the Broker/Dealer Maintenance annual process for the investment policy was lacking information that was included in the OSTF Sample Policy. It was recommended that the City mirror the Sample Policy in an effort to be clear on what the process entails.

Mr. Goe thanked both Ms. Schaffers and Ms. Gray for presenting the investment policy to the Board.

c) Tillamook County

The Tillamook County investment policy was submitted by Debbie Clark and introduced to the Board by Angela Schaffers. Ms. Schaffers stated this is a new policy for the County which mirrors the sample policy, and has plans to manage between \$5-20 million.

The Board did not have any comments for the County, and agreed unanimously that it is an excellent policy.

Mr. Goe thanked both Ms. Schaffers and Ms. Clark in for presenting the investment policy to the Board.

iv. OSTF Market Overview and Portfolio Update – Garrett Cudahey

Garrett Cudahey presented the OSTF Portfolio update. U.S. Government Rates and credit spreads were discussed and the current difficult investment environment was reviewed.

- U.S. Government Rates
- Barclays 1-3 Year Credit Spreads
- OSTF Portfolio Update

October 12, 2017	
Fund NAV	\$20,543,020,000
Fund NAV/OSTF Balances	\$1.0071
Weighted Average Credit Quality	AA-/Aa2/AA
Book Yield	1.74%
Weighted Average Days to Maturity	182
Rate Paid to Participants	1.70%

- OSTF Sector Breakdown
- OSTF Corporate Industry Breakdown
- OSTF ABS Breakdown
- OSTF Issuer Exposure Breakdown
- OSTF Country of Risk Breakdown
- OSTF Credit Profile Breakdown
- OSTF Coupon Type Breakdown
- OSTF Rates Comparison
- OSTF Performance

v. Closing Remarks/Other Items of Business

- a. Date of next Board meeting – Thursday, April 12, 2018 at the OST Tigard Office.
- b. Meeting adjourned at 11:45 a.m.

Respectfully submitted,

**Aliese Jacobsen
Executive Assistant**