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Public notice was given to *The Register-Guard* for publication on November 7, 2000.

**LANE TRANSIT DISTRICT  
BOARD OF DIRECTORS  
FINANCE COMMITTEE MEETING**

**November 8, 2000  
7:30 a.m.**

**LTD BOARD ROOM  
3500 E. 17<sup>th</sup> Avenue, Eugene  
(off Glenwood Blvd.)**

**AGENDA**

- I. CALL TO ORDER
- II. ROLL CALL  
Hocken \_\_\_\_\_ Gaydos \_\_\_\_\_ Lauritsen \_\_\_\_\_
- III. ELECTION RESULTS DEBRIEF
- IV. REVIEW/DISCUSS INVESTMENT POLICY (ATTACHMENTS PROVIDED)
- V. DISCUSS CSR COST PROJECTIONS/OPTIONS
- VI. DISCUSS FACILITIES AND RIDESHARING
- VI. ADJOURN

**Alternative formats of printed material (Braille, cassette tapes, or large print) are available upon request. A sign language interpreter will be made available with 48 hours' notice. The facility used for this meeting is wheelchair accessible. For more information, please call 682-6100 (voice) or 1-800-735-2900 (TTY, for persons with hearing impairments).**

## Appendix I.

### Oregon Revised Statutes – Chapter 294

**294.035 Investment of surplus funds of political subdivisions; approved investments.** Subject to ORS 294.040 and 294.135 to 294.155, the custodial officer may, after having obtained a written order from the governing body of the county, municipality, political subdivision or school district, which order shall be spread upon the minutes or journal of the governing body, invest any sinking fund, bond fund or surplus funds in the custody of the custodial officer in the bank accounts, classes of securities at current market prices, insurance contracts and other investments listed in this section. However, the custodial officer of any county shall make no such investment of funds belonging to any municipality, political subdivision or school district, unless and until the custodial officer has received a written order from the governing body of the municipality, political subdivision or school district to which the funds belong, which order authorizes the custodial officer to invest the funds, and which order has been spread upon the minutes or journal of the governing body. This section, however, shall not limit the authority of the custodial officer to invest surplus funds in other investments when the investment is specifically authorized by another statute. Investments authorized by this section are:

- (1) Lawfully issued general obligations of the United States, the agencies and instrumentalities of the United States or enterprises sponsored by the United States government.
- (2) Lawfully issued debt obligations of the agencies and instrumentalities of the State of Oregon and its political subdivisions that have a long-term rating of A or an equivalent rating or better or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization.
- (3) Lawfully issued debt obligations of the States of California, Idaho and Washington and political subdivisions of those states if the obligations have a long-term rating of AA or an equivalent rating or better or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization.
- (4) Time deposit open accounts, certificates of deposit and savings accounts in insured institutions as defined in ORS 706.008 that maintain a head office or a branch in this state.
- (5) Share accounts and savings accounts in credit unions in the name of, or for the benefit of, a member of the credit union pursuant to a plan of deferred compensation.

- (6) Fixed or variable life insurance or annuity contracts as defined by ORS 731.170 and guaranteed investment contracts issued by life insurance companies authorized to do business in this state.
- (7) Trusts in which deferred compensation funds from other public employers are pooled, if:
- (a) The purpose is to establish a deferred compensation plan;
  - (b) The trust is a public instrumentality of such public employers and described in section (2)(b) of the Investment Company Act of 1940, 15 U.S.C. 80a-2(b), as amended, in effect on September 20, 1985, or the trust is a common trust fund described in ORS 709.170;
  - (c) Under the terms of the plan the net income from or gain or loss due to fluctuation in value of the underlying assets of the trust, or other change in such assets, is reflected in an equal increase or decrease in the amount distributable to the employee or the beneficiary thereof and, therefore, does not ultimately result in a net increase or decrease in the worth of the public employer or the state; and
  - (d) The fidelity of the trustees and others with access to such assets, other than a trust company, as defined in ORS 706.008, is insured by a surety bond that is satisfactory to the public employer, issued by a company authorized to do a surety business in this state and in an amount that is not less than 10 percent of the value of such assets.
- (8)(a) Banker's acceptances, if the banker's acceptances are:
- (A) Guaranteed by, and carried on the books of, a qualified financial institution;
  - (B) Eligible for discount by the Federal Reserve System; and
  - (C) 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.
- (b) For the purposes of this subsection, "qualified financial institution" means:
- (A) A financial institution that is located and licensed to do banking business in the State of Oregon; or
  - (B) A financial institution that is wholly owned by a bank holding company that owns a financial institution that is located and licensed to do banking business in the State of Oregon.
  - (c) A custodial officer shall not permit more than 25 percent of the moneys of a local government that are available for investment, as determined on the settlement date, to be invested in banker's acceptances of any qualified financial institution.

(9)(a) 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 described in this subsection does not include banker's acceptances. The corporate indebtedness must be issued by a commercial, industrial or utility business enterprise, or by or on behalf of a financial institution, including a holding company owning a majority interest in a qualified financial institution.

(b) Corporate indebtedness must be rated on the settlement date P-1 or Aa or better by Moody's Investors Service or A-1 or AA or better by Standard & Poor's Corporation or equivalent rating by any nationally recognized statistical rating organization.

(c) Notwithstanding paragraph (b) of this subsection, the corporate indebtedness must be rated on the settlement date P-2 or A or better by Moody's Investors Service or A-2 or A or better by Standard & Poor's Corporation or equivalent rating by any nationally recognized statistical rating organization when the corporate indebtedness is:

(A) Issued by a business enterprise that has its headquarters in Oregon, employs more than 50 percent of its permanent workforce in Oregon or has more than 50 percent of its tangible assets in Oregon; or

(B) Issued by a holding company owning not less than a majority interest in a qualified financial institution, as defined in subsection (8) of this section, located and licensed to do banking business in Oregon or by a holding company owning not less than a majority interest in a business enterprise described in subparagraph (A) of this paragraph.

(d) A custodial officer shall not permit more than 35 percent of the moneys of a local government that are available for investment, as determined on the settlement date, to be invested in corporate indebtedness, and shall not permit more than five percent of the moneys of a local government that are available for investment to be invested in corporate indebtedness of any single corporate entity and its affiliates or subsidiaries.

(10) Securities of any open-end or closed-end management investment company or investment trust, if the securities are of the types specified in subsections (1) to (3), (8) and (9) of this section and if the investment does not cause the county, municipality, political subdivision or school district to become a stockholder in a joint company, corporation or association. A trust company or trust department of a national bank while acting as indenture trustee may invest funds held by it as indenture trustee in any open-end or closed-end management investment company or investment trust for which the trust company or trust department of a national bank or an affiliate of the trust company or trust department of a national bank acts as investment adviser or custodian or

provides other services. However, the securities of the investment company or investment trust in which such funds are invested must be of the types specified in subsections (1) to (3), (8) and (9) of this section and the investment must not cause the county, municipality, political subdivision or school district whose funds are invested to become a stockholder in a joint company, corporation or association. For purposes of this subsection, companies are affiliated if they are members of the same affiliated group under section 1504 of the Internal Revenue Code of 1986 (26 U.S.C. 1504).

(11) Repurchase agreements whereby the custodial officer purchases securities from a financial institution or securities dealer subject to an agreement by the seller to repurchase the securities. The repurchase agreement must be in writing and executed in advance of the initial purchase of the securities that are the subject of the repurchase agreement. Only securities described in subsection (1) of this section shall be used in conjunction with a repurchase agreement and such securities shall have a maturity of not longer than three years. The price paid by the custodial officer for such securities may not exceed amounts or percentages prescribed by written policy of the Oregon Investment Council or the Oregon Short Term Fund Board created by ORS 294.885. [Amended by 1957 c.53 s.1; 1957 c.689 s.1; 1965 c.404 s.1; 1973 c.157 s.1; 1973 c.288 s.1; 1974 c.36 s.9; 1975 c.359 s.3; 1977 c.300 s.1; 1981 c.804 s.84; 1981 c.880 s.13; 1983 c.456 s.2; 1985 c.256 s.2; 1985 c.440 s.1; 1985 c.690 s.2; 1987 c.493 s.1; 1991 c.459 s.379; 1993 c.59 s.1; 1993 c.452 s.1; 1993 c.721 s.1; 1995 c.79 s.102; 1995 c.245 s.2; 1997 c.249 s.91; 1997 c.631 s.446; 1999 c.601 s.1]

## FINANCE COMMITTEE AGENDA ITEM SUMMARY

**DATE OF MEETING:** November 8, 2000

**ITEM TITLE:** COMPREHENSIVE SERVICE REDESIGN

**PREPARED BY:** Andy Vobora, Service Planning and Marketing Manager

**ACTION REQUESTED:** None. Staff would like to be sure the Committee is comfortable with the proposal and the Board's direction to pursue the Option 2 CSR package.

**BACKGROUND:** The Board's discussion on October 18, 2000 led to several questions regarding the cost of implementing the various options of the CSR plan. The chart below summarizes the estimated annual cost of implementing Options 1 and 2. The following assumptions were used to calculate the service hours and cost estimates:

Base service hours for fiscal year 2000/2001: 314,375  
 Direct variable cost by platform hour: \$41.39

FY 01/02	Option 1	Option 2
Percent Increase in service hours	14%	5%
Annual service hours added	44,012	15,719
Annual cost of added service	\$1,821,657	\$650,609

**ATTACHMENTS:** None.

**PROPOSED MOTION:** None.

**LANE TRANSIT DISTRICT  
INVESTMENT POLICY**  
(Adopted 1/85, revised 3/95)

**I. INVESTMENT OBJECTIVES**

The Lane Transit District operates under the policy that all surplus funds for which it is practicable to do so will be invested. The investment of surplus funds shall be scheduled in a manner to allow sufficient cash for District expenditures. Maximization of earnings to the District shall be a secondary goal to safeguarding principal and providing adequate liquidity of funds. Investments shall be tied to actual or projected cash needs; speculative investment practices shall not be engaged in.

The Finance Manager [formerly called the Accountant and Finance Administrator] shall be the portfolio manager. The portfolio manager will be held harmless in the event of loss for responsible investment transactions undertaken in accordance with the investment policy.

**II. DIVERSIFICATION OF INVESTMENTS**

The portfolio manager shall obtain a minimum of two quotes prior to investing surplus funds. Portfolio structure is limited as follows:

U. S. TREASURY BILLS AND NOTES	90%
TIME CERTIFICATES OF DEPOSIT	90%
REPURCHASE AGREEMENTS	25%
LOCAL GOVERNMENT INVESTMENT POOL	100%

NO SINGLE INVESTMENT MAY BE GREATER THAN \$1,000,000 EXCEPT FOR THE LOCAL GOVERNMENT INVESTMENT POOL.

**III. INVESTMENT MATURITY**

Investments shall be scheduled to coincide with payroll and/or capital disbursement dates.

#### **IV. CRITERIA FOR INVESTMENTS**

##### **U. S. TREASURY NOTES AND BILLS**

These instruments are guaranteed by the full faith and credit of the U. S. Government and are considered to be the most secure investment instrument. No further restrictions are placed on their use.

##### **TIME CERTIFICATES OF DEPOSIT**

TCDs at any one financial institution will not exceed the amount covered by the Federal Deposit Insurance Corporation (FDIC) insurance limit, which is currently \$100,000.

##### **REPURCHASE AGREEMENTS**

Repurchase Agreements shall be limited to those fully collateralized by U. S. Treasury Bill and Notes.

#### **V. REPORTING REQUIREMENTS**

The portfolio manager will provide an investment summary to the Board of Directors on a regular basis.



**Lane Transit District  
Proposed Investment Policy (Draft #2)**

**November 8, 2000**

**Purpose**

It is the purpose of this policy to establish and provide guidelines for the safe and efficient management of Lane Transit District funds and the purchase and sale of investment instruments. The goal is to minimize risk and ensure the availability of cash to meet expenditures, while minimizing the occurrence of idle funds.

**Objectives**

LTD's investment objectives are:

- (1) Preservation of capital and the protection of investment principal.
- (2) Conformance with all federal and state statutes and this investment policy.
- (3) Maintenance of sufficient liquidity to meet operating requirements.
- (4) Diversification to avoid unreasonable risks.
- (5) Attainment of an investment return appropriate for the portfolio. (The State of Oregon Local Government Investment Pool [LGIP] shall be the performance yardstick.)

**Authority**

The authority for investing LTD funds is vested with the Finance Manager, who, in turn, may delegate some or all of the day-to-day operations of the investment portfolio to appropriate Finance Department staff.

The standard to be used in managing the portfolio is the prudent investor rule:

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 probably safety of their capital as well as the probably income to be derived.

Staff acting in accordance with this policy and exercising due diligence will not be held personally responsible for a specific security's credit risk or market price change. When changes in market conditions or credit ratings occur, appropriate action must be taken to control adverse developments.

### **Authorized Financial Institutions and Dealers**

The LTD Finance Department will maintain a list of all authorized dealers and financial institutions that may be used for investment purposes. Security purchases will be limited to this list of service providers. The Finance Manager will establish procedures and criteria for selection of financial institutions. Financial institutions must have a branch in Oregon in order to be considered. In order to be approved, financial institutions and service providers must provide the most recent financial statements or Consolidated Report of Condition and a summary of qualifications of the individuals with whom LTD would transact. The list of approved service providers will be reviewed at least once per year with the Finance Committee of the Board of Directors, or more frequently if Committee members so request.

### **Selection of Investments**

The LTD portfolio manager will obtain telephone or written quotes before purchasing or selling an investment. The manager will select the investment that provides the highest rate of return within the parameters of this policy.

### **Safekeeping and Collateralization**

- (1) Investment securities purchased by LTD will be delivered either by book entry or physical delivery and held in a segregated account for LTD's benefit by the financial institution designated as custodian. LTD may use a third-party financial institution for safekeeping and custody as deemed appropriate.
- (2) All repurchase agreements require a master repurchase agreement.
- (3) Certificates of deposit shall be collateralized through the state collateral pool as required by ORS for any amount exceeding FDIC or FSLIC coverage. Other investments shall be collateralized by the actual security held in safekeeping by the primary agent.

- (4) The Finance Manager shall maintain a system of written internal controls, which shall be reviewed by the independent auditor. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation, or imprudent actions. The internal controls will be updated as system changes necessitate.

### **Investment Limitations and Diversification**

The portfolio manager shall obtain a minimum of two quotes prior to investing surplus funds in any investment other than the Local Government Investment Pool (LGIP). Portfolio structure is limited as follows:

- (1) Investment options and portfolio structure limits by instrument are as specified by ORS 294. (See Appendix I.)
- (2) A minimum of \$1,000,000 will be invested in one or more instruments authorized by ORS 294 other than the LGIP. These instruments will be selected by safety, liquidity, and net return (priority indicated by order).
- (3) No more than \$1,000,000 will be invested in repurchase agreements at any given time.
- (4) The maximum maturity of any investment is 18 months, unless the investment is for the purpose of debt defeasance or set-aside of funds for a Board-designated capital project or projects, in which cases maturities may be extended to three years.

### **Reporting Requirements**

The portfolio manager will provide a written investment report to the Finance Committee of the Board of Directors on a quarterly basis. This report will be mailed. In addition, investments will be reviewed annually as part of the independent audit (as always has been required) and summarized in the Comprehensive Annual Financial Report.

## FINANCE COMMITTEE AGENDA ITEM SUMMARY

**DATE OF MEETING:** November 8, 2000

**ITEM TITLE:** LANE TRANSIT DISTRICT INVESTMENT POLICY

**PREPARED BY:** Diane Hellekson, Finance Manager

**ACTION REQUESTED:** Recommendation/Staff Direction.

**BACKGROUND:** At the October 4, 2000 Finance Committee meeting, existing LTD investment policy was reviewed with Committee members, and changes were proposed to allow for better risk management and the potential for enhanced returns on investment. After discussion, the Committee requested that staff provide examples of other public organizations' investment policies and that language be modified in the proposed new policy to provide clearer direction for collateralization of investments.

Attached to this agenda item summary is a revised draft of the proposed new LTD investment policy, for which attempt was made to incorporate the requested changes. Also attached are investment policies for the Cities of Eugene, Springfield, Salem and Corvallis, as well as LTD's existing policy. A copy of Tri-Met's policy has been requested, but had not been received as of November 1.

**ATTACHMENTS:**

1. Current LTD Investment Policy
2. Proposed LTD Investment Policy (Draft #2)
3. City of Eugene Investment Policy
4. City of Springfield Investment Policy
5. City of Salem Investment Policy
6. City of Corvallis Investment Policy

**PROPOSED MOTION:** None. Following Committee discussion, if there is consensus, staff will prepare either an information or action item for the November Board agenda. If additional information or work is required, it will be prepared for a future Finance Committee meeting and/or Board meeting.

# Legal Notice



## **Lane Transit District**

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**Date:** May 11, 2020

**To:** Debbie Buzalsky, Legal Publications  
*The Register-Guard*; Fax: 683-7622

**From:** Susan Hekimoglu, Administrative Office Supervisor  
Lane Transit District; Phone: 682-6108

**RE:** Notice of Board Committee Meeting  
LTD Purchase Order #7585

**Please publish the following legal publication on Tuesday,  
November 7, 2000:**

### **NOTICE OF LTD BOARD COMMITTEE MEETING**

A meeting of the Finance Committee of the Board of Directors of Lane Transit District will be held on Wednesday, November 8, 2000, at 7:30 a.m., in the LTD Board Room at 3500 East 17<sup>th</sup> Avenue, Eugene (in Glenwood). Items for discussion include a debrief of election results, a review of the District Investment Policy, and a discussion of the cost projections and options for the Comprehensive Service Redesign.

Alternative formats of printed materials (Braille, cassette tapes, or large print) are available upon request. A sign language interpreter will be made available with 48 hours' notice. The facility used for this meeting is wheelchair accessible. For more information, call 682-6100 (voice) or 1-800-735-2900 (TTY, through Oregon Relay, for persons with hearing impairments).