

BEFORE THE BOARD OF COUNTY COMMISSIONERS

FOR MULTNOMAH COUNTY, OREGON

ORDINANCE NO. 82

An Ordinance amending Ordinance No. 78 providing for investment of retirement fund money and providing for persons eligible to participate in the retirement fund.

Multnomah County ordains as follows:

Section 1. Purpose and Policy.

The Board of County Commissioners of Multnomah County, Oregon recognizing that the retirement ordinance is in need of periodic revision and amendment to improve the retirement ordinance, and in the interests of public health, safety and general welfare of Multnomah County citizens, does hereby determine the necessity of amending the retirement ordinance as hereinafter more particularly described.

Section 2. Section 3A of Ordinance No. 78 is amended by deleting Section 3A which reads:

"A. All persons in the County service, except those who enter the County service at any time after the first day of the month following his fiftieth (50th) birthday, shall be eligible to participate in the Multnomah County retirement system."

by adding Section 3A to read:

"A. All persons in the County service, except those who enter the County service at any time after the first

day of the month following his fiftieth (50th) birthday, and except those persons included in the sworn law enforcement officers' retirement fund, or any other separate retirement fund of which a person in county service is a member, shall be eligible to participate in the Multnomah County retirement system."

Section 3. Section 15 of Ordinance No. 78 is amended by deleting Section 15 which reads:

"Section 15. Investment of Fund.

"A. The Retirement Board or its duly authorized agent may invest monies in the employees' retirement fund in the following classes of securities:

1. Bonds or evidences of indebtedness that are direct obligations of, or secured by the full faith and credit of, any state of the United States or the District of Columbia.
2. Bonds or evidence of indebtedness that are direct general obligations of any country, incorporated city, incorporated school district or incorporated district in any state of the United States where there exists the power to levy taxes for the prompt payment of principal and interest on such bonds or evidences of indebtedness, provided such issuer has not defaulted in the payment of principal or interest

on any of its bonds or evidences of indebtedness within ten years prior to the time of purchase under authority of this subsection.

3. Corporate bonds, including utility and railroad bonds, issued by an authority within or outside this state and rated at the time of purchase under authority of this subsection in one of the three highest grades by a recognized investment service organization that has been regularly engaged for a period of 10 years or more in rating or grading bonds.
4. Real property mortgages insured or guaranteed by the Federal Government or any agency thereof.
5. Convertible bonds of any company, association or corporation. The selection of these securities will follow the rule for investing as prescribed for the investment of common stocks as hereinafter set forth in subsection 6.
6. Common stocks of any company, association or corporation. In investing and re-investing monies in common stocks and in acquiring, retaining, managing and disposing of the investments of common stocks, there shall be exercised the judgment and care under the circumstances then prevailing, which men of prudence, discretion and intelligence exercise in the management of their

own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital. Within the limitations of the foregoing standard subject to subsection C of this section, there may be acquired, retained, managed and disposed of the investments of the common stock, every kind of investment which men of prudence, discretion and intelligence acquire, retain, manage and dispose of for their own account.

- B. The combined amortized value of the bonds or evidences of indebtedness designated in paragraphs 1, 2 and 3 of subsection A of this section, in which the fund is invested, shall not exceed at any time one-half of the amortized value of all the investments of the fund and of monies in the fund immediately available for investment. Not more than five percent of the amortized value of all the investments of the fund and of monies in the fund immediately available for investment may be invested in the obligations of a single, primary obligor designated in such paragraphs.
- C. Monies of the employees' retirement fund may be invested in the stocks of any companies, association or corporation, and not more than fifty percent (50%) of the total funds of the employees' retirement fund may be invested in common stocks. Also, no more than

ten percent (10%) of the common stocks portion of the portfolio can be invested in one commitment."

by adding Section 15 to read:

"Section 15. Investment of Fund.

"A. The Retirement Board may invest monies in the employees' retirement fund in all of the following classes of securities or obligations except that not more than five percent (5%) of the amortized value of all the investments of the fund and of monies in the fund immediately available for investment may be invested in one commitment or in the obligations of a single primary obligor in those classes of securities enumerated in subsections 2, 3 and 4 of this Section:

1. Bonds or evidences of indebtedness that are direct obligations of, or secured by the full faith and credit of the United States Government.
2. Corporate bonds, including utility and railroad bonds that are rated at time of purchase in one of the three highest grades by a recognized investment service organization that has been regularly engaged for a period of ten (10) years or more in rating or grading bonds.
3. Real property mortgages insured or guaranteed by the federal government or any agency thereof.
4. Not more than fifty percent (50%) of the amortized value of all the investments of the fund and of

monies in the fund immediately available for investment may be invested in common or preferred stocks.

- B. The investing of monies in the above classes of securities or obligations shall be made in accordance with the Prudent Man Rule, that is, investments shall be made in the exercise of judgment and care under the circumstances then prevailing which men of prudence, discretion and intelligence exercise in the management of their own affairs not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital."

Section 4. Adoption.

This ordinance, being necessary for the health, safety and welfare of the people of Multnomah County, shall take effect on the thirtieth day after its adoption, pursuant to Section 5.50 of the Charter of Multnomah County.

ADOPTED this 31st day of October, 1974 being the date of its Second reading before the Board of County Commissioners of Multnomah County, Oregon.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

By

James H. Henson
Chairman