

BEFORE THE BOARD OF COUNTY COMMISSIONERS FOR
MULTNOMAH COUNTY, OREGON
ORDINANCE NO. 120

An Ordinance amending Ordinance 78, as amended; changing investment authority and limitations; and declaring an emergency.

Multnomah County ordains as follows:

Section 1. Section 15 of Ordinance No. 78, as amended by Ordinance No. 82 and Ordinance No. 87, is further amended to read:

"Section 15. Investment of Fund.

- A. The Retirement Board may contract with one or more qualified professional investment managers to invest funds allocated to them in the exercise of their discretion in the choice of investments, subject to the restrictions of this section.
- B. The Board shall contract with a qualified professional custodian for custodial services for the assets of the fund. The custodian shall have no authority or responsibility for investment of any portion of the fund allocated to an investment manager, except as authorized and directed by the manager. The custodian shall have responsibility for investment of funds not allocated to an investment manager to the extent provided in the custodial contract.

- C. The provisions of subsections E and F of this section shall be incorporated in any contract under subsections A and B of this section.
- D. The custodian shall furnish the Retirement Board in time to be considered at each regularly scheduled Board meeting a report on the funds and other assets in its custody evaluated at market as of the last day of the preceding month and shall also furnish each investment manager a similar report with respect to that portion of the fund under the manager's management. Thereafter, and until the next report, no investment manager may invest in a common or preferred stock or a security convertible into common or preferred stock that would bring the total market value of all such classes of investments above fifty percent (50%) of the market value of the funds under its management.
- E. Monies in the Retirement Fund may be invested in the following classes, subject to restrictions stated:
 - 1. Bonds or other evidences of indebtedness that are direct obligations of and are secured by the full faith and credit of the United States or the District of Columbia, without restriction as to amount.
 - 2. Corporate bonds, including utility and railroad bonds, issued within or without this state,

which are rated not less than A by at least two of the investment or rating services commonly known as Standard and Poors', Moody's or Fitch's.

3. Commercial paper rated A1 by Standard and Poors' or P1 by Moody's or, if issued by a corporation incorporated in the state of Oregon and having a principal place of business in the state of Oregon, rated A2 or P2 and specifically approved by the Retirement Board.
 4. Certificates of deposit, bankers' acceptances and repurchase agreements of banks and specifically approved by the Retirement Board.
 5. Shares of any corporation incorporated in the United States, or any corporation issuing American Depository Receipts, including common stock, preferred stock or securities convertible into common stock or preferred stock, so long as the second sentence of subsection D of this section would not be violated by an investment.
- F. No investment may be made in a tax exempt investment, except as provided in subsection E.1. of this section, or be made by means of a private placement; and no investment may be made in any of the classes in paragraphs 2 through 5 of subsection E of this section that would cause the total amount invested in the stock or obligations of one obligor or issuer to exceed 5% of the last reported market value of the Retirement

Fund or exceed 10% of the then current market value of the class of investment outstanding for any single obligor or issuer.

G. In acquiring, retaining, managing and disposing of the investments of the Retirement Fund 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.

H. No investment held by the fund at the date of this amendment shall be deemed to be in violation of this section, and retention or disposition of any such investment shall be subject to the rules stated in the immediately preceding subsection."

Section 2. This Ordinance being necessary for the immediate preservation of the public peace, health and safety by reason of the necessity immediately to improve the investment practices of the Public Employees' Retirement Fund, an emergency is declared to exist, and this ordinance shall take effect immediately upon its passage pursuant to Section 5.50 of the Charter of Multnomah County.

ADOPTED this 30th day of December, 1975, being the date of its first reading before the Board of County Commissioners of

Multnomah County, Oregon.

BOARD OF COUNTY COMMISSIONERS
MULTNOMAH COUNTY, OREGON

By


Chairman

APPROVED AS TO FORM:



GEORGE M. JOSEPH
County Counsel for
Multnomah County, Oregon