



SWEET HOME CITY COUNCIL FEBRUARY 8, 2022 MEETING

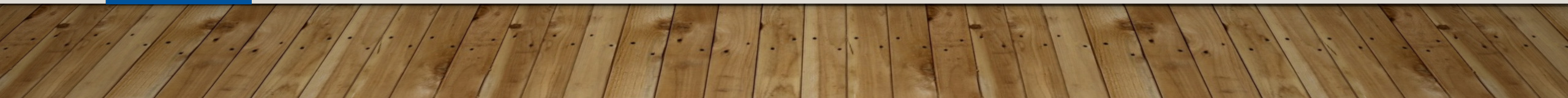
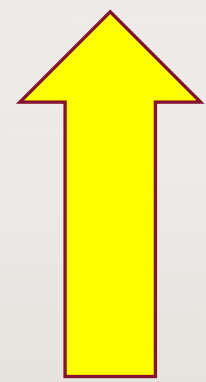
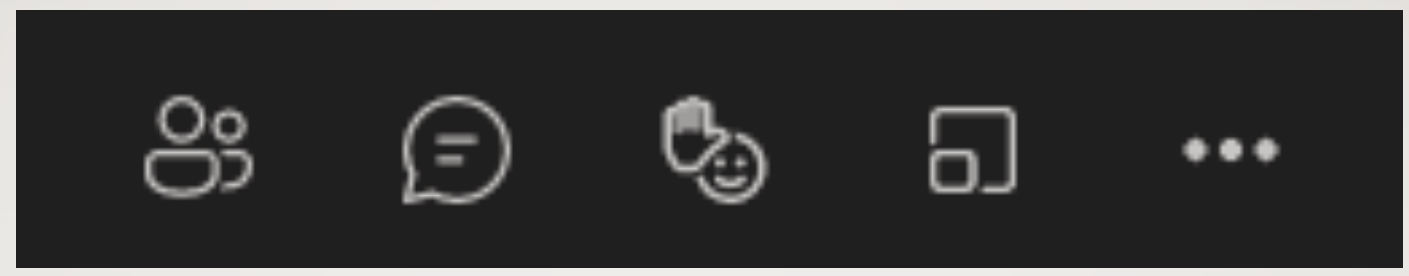
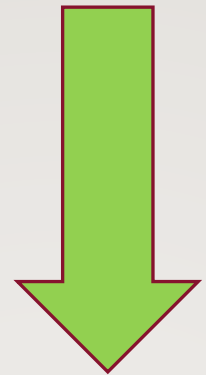
The City Council meeting will begin at 6:30 p.m.
Please take this time to “sign-in” if you wish to
speak by entering your name and address.



AGENDA:

Call to Order &
Pledge of Allegiance

Roll Call





AGENDA:

Consent Agenda:

Approval of Minutes:

- i. 2022-01-25 City Council Minutes - ES (pg. 3)
- ii. 2022-01-25 City Council Minutes - WS (pg. 5)
- iii. 2022-01-25 City Council Minutes (pg. 7)
- iv. 2022-01-25 City Council Minutes - SP (pg. 11)



AGENDA:

Recognition of Visitors & Hearing of Petitions

- a) Government Portfolio Advisors
Investment Presentation



Sweet Home Investment Program Presentation
February 8, 2022

Summer of 2020 Sweet Home Funded a Core Investment Account

- Why Establish The Account?
 - **Optimize** - Invest excess funds not needed for liquidity to seek higher long-term returns over the LGIP and other liquid options
 - **Diversify** – differentiated exposure than the LGIP by adding a longer-term component
 - **Add Resiliency** - creating another account and pool of funds to tap into if needed or if other sources are unavailable
- What Are We Doing In The Account?
 - Buy and hold investment approach
 - Targeting maturities out to 5 years
 - Diversified mix of high-quality Treasury, agency, municipal and corporate securities (all rated AA- or better as per State Statute)
 - Patient approach in building out given rising rate environment

FISCAL YEAR	2020	2021
July	\$11,640,612	\$14,720,220
Aug	\$11,741,460	\$16,008,914
Sep	\$11,377,751	\$15,034,525
Oct	\$11,548,517	
Nov	\$13,469,882	
Dec	\$15,695,912	
Jan	\$15,992,301	
Feb	\$16,006,307	
Mar	\$16,224,592	
Apr	\$15,785,079	
May	\$15,336,864	
Jun	\$14,937,728	

Balances are growing – federal dollars and natural growth



ANNUAL HISTORICAL SUMMARY	2020	2021
Average Balance:	\$14,146,417	\$15,744,896
Maximum Balance:	\$16,224,592	\$16,505,553
Minimum Balance:	\$11,377,751	\$14,720,220
Variance in period Max/Min	\$4,846,842	\$1,785,334

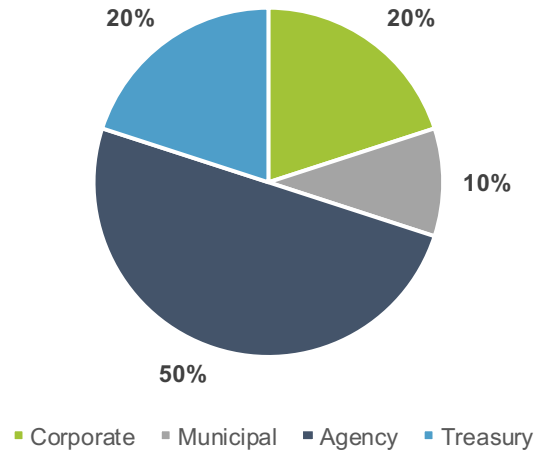
Targeting a minimum liquidity balance of \$10 million to safely meet your low cycle balance



	Current	Recommendation	Recommended Ranges
Liquidity	\$13,136,640	\$10,000,000	\$10,000,000 to \$20,000,000
Core	\$1,900,000	\$7,000,000	\$1,900,000 to \$10,000,000



Strategic Asset Allocation Targets



Market Sector	Strategic Target	Tactical Bands
Agency	50%	25%-75%
Treasury	20%	10%-100%
Corporate	20%	10%-35%
Municipal	10%	0%-10%

Benchmark	Weight	Duration	Last Quarter	Last Year	3 Year	5 Year	10 year
US Treasury 1-5 Year	20%	2.64	-0.684%	-1.098%	7.436%	9.777%	14.260%
US Agency 1-5 Year	50%	2.40	-0.703%	-0.858%	6.342%	9.085%	14.414%
1-5 Year Corp AA-AAA	20%	2.73	-0.642%	-0.705%	9.925%	13.577%	25.530%
1-5 Year Municipals	10%	2.50	0.006%	0.340%	6.867%	10.367%	16.593%
Custom Benchmark	100%	2.52	-0.616%	-0.756%	7.330%	10.250%	16.824%

Benchmark	Weight	Duration	Last Quarter	Last Year	3 Year	5 Year	10 year
Oregon LGIP	20%	0.01	0.112%	0.579%	4.581%	8.378%	11.751%

Over long time periods longer-term core accounts have added significant value when compared to the LGIP and similar liquidity products.

Current State – Total Portfolio

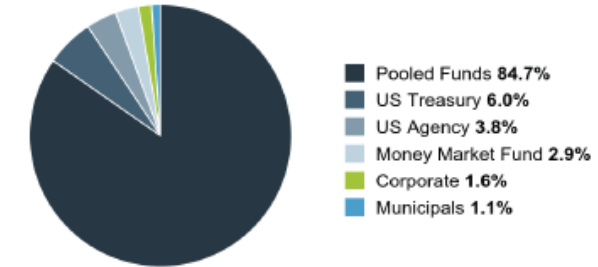
City of Sweet Home | Total Aggregate Portfolio

December 31, 2021

Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	16,073,853.91
Investments	2,283,761.98
Book Yield	0.45%
Market Yield	0.79%
Effective Duration	0.30
Years to Maturity	0.31
Avg Credit Rating	AAA

Allocation by Asset Class



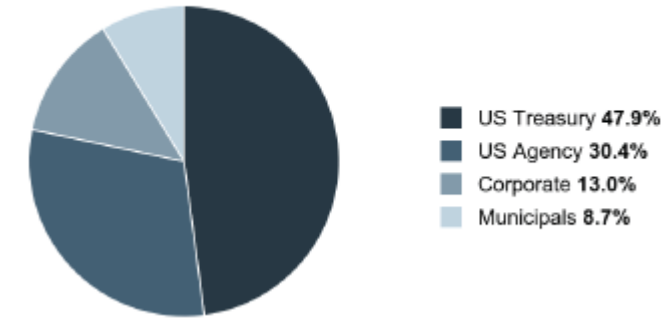
Strategic Structure

Account	Par Amount	Book Value	Original Cost	Market Value	Net Unrealized Gain (Loss)	Accrued	Yield at Cost	Effective Duration	Benchmark Duration	Benchmark
SWHOME-Investment Core	2,300,000.00	2,299,414.90	2,300,716.54	2,280,942.61	(18,472.29)	2,819.37	0.52%	2.34	2.18	ICE BofA 0-5 Year US Treasury Index
SWHOME-Liquidity	16,073,853.91	16,073,853.91	16,073,853.91	16,073,853.91	0.00	0.00	0.44%	0.01	0.08	ICE BofA US 1-Month Treasury Bill Index
Total	18,373,853.91	18,373,268.81	18,374,570.45	18,354,796.52	(18,472.29)	2,819.37	0.45%	0.30	0.35	

Current State – Core Portfolio

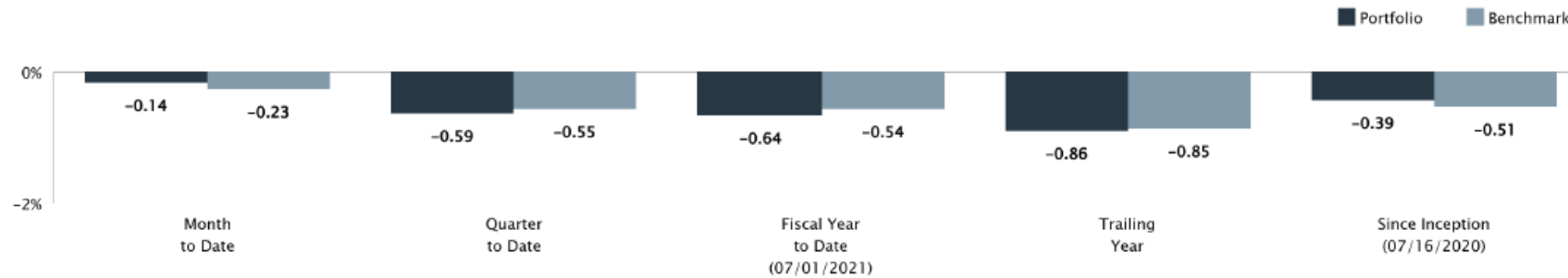
Allocation by Asset Class

Risk Metric	Portfolio	Index	Difference
Duration	2.342	2.185	0.157
Yield	0.785	0.730	0.055
Years to Effective Maturity	2.429	2.239	0.190
Years to Final Maturity	2.429	2.239	0.190
Average Credit Rating	AAA	AAA	---



Performance Returns Gross of Fees

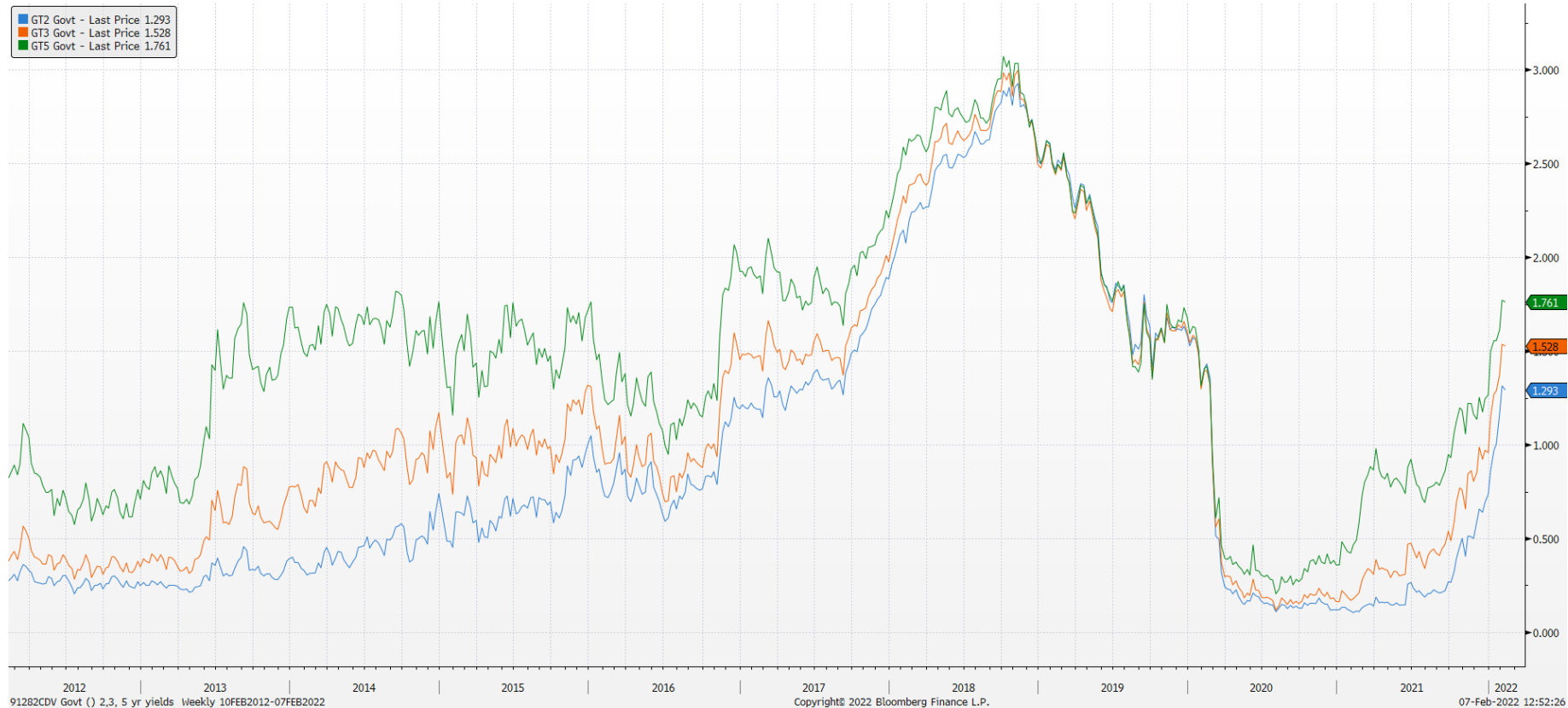
Periodic for performance less than one year. Annualized for performance greater than one year.



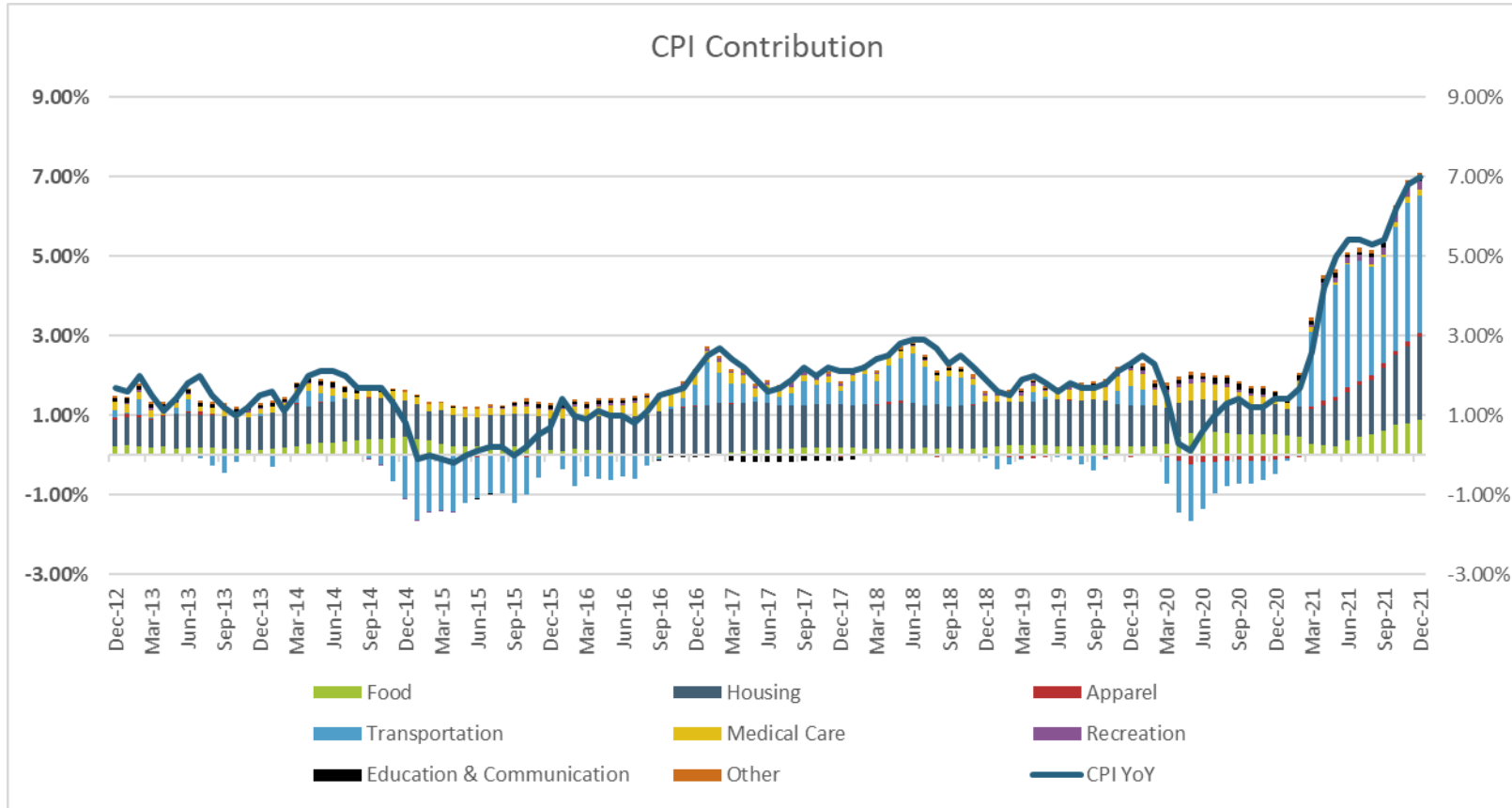
Historical Returns

Period	Month to Date	Quarter to Date	Fiscal Year to Date (07/01/2021)	Trailing Year	Trailing 3 Years	Trailing 5 Years	Since Inception (07/16/2020)
Return (Net of Fees)	(0.137%)	(0.587%)	(0.637%)	(0.862%)			(0.387%)
Return (Gross of Fees)	(0.137%)	(0.587%)	(0.637%)	(0.862%)			(0.387%)
ICE BofA 0-5 Year US Treasury Index	(0.228%)	(0.546%)	(0.541%)	(0.848%)			(0.505%)

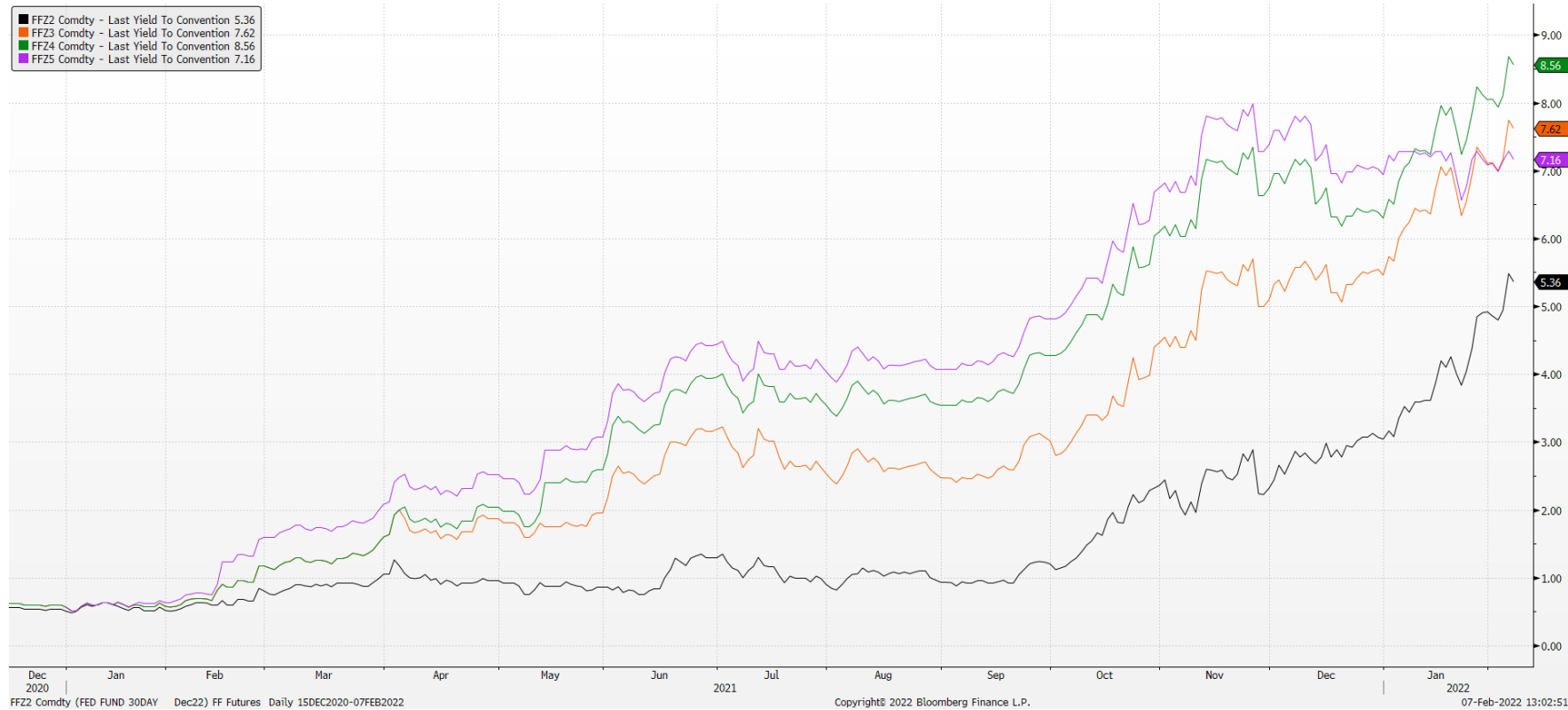
Interest Rates



Interest rates rebounded sharply from historically low levels as economic reopening, stimulus and inflation pressures shifted the Federal Reserve into action.



Inflation is up strongly driven by surging energy prices, auto prices and a rise in housing costs. Inflation is expected to moderate in coming months.



With inflation high and labor markets strong, the Fed is set to embark on a rate hiking cycle with markets pricing in as much as 5 rate hikes in 2022.

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AGENDA:

Recognition of Visitors & Hearing of Petitions

1



AGENDA:

New Business:

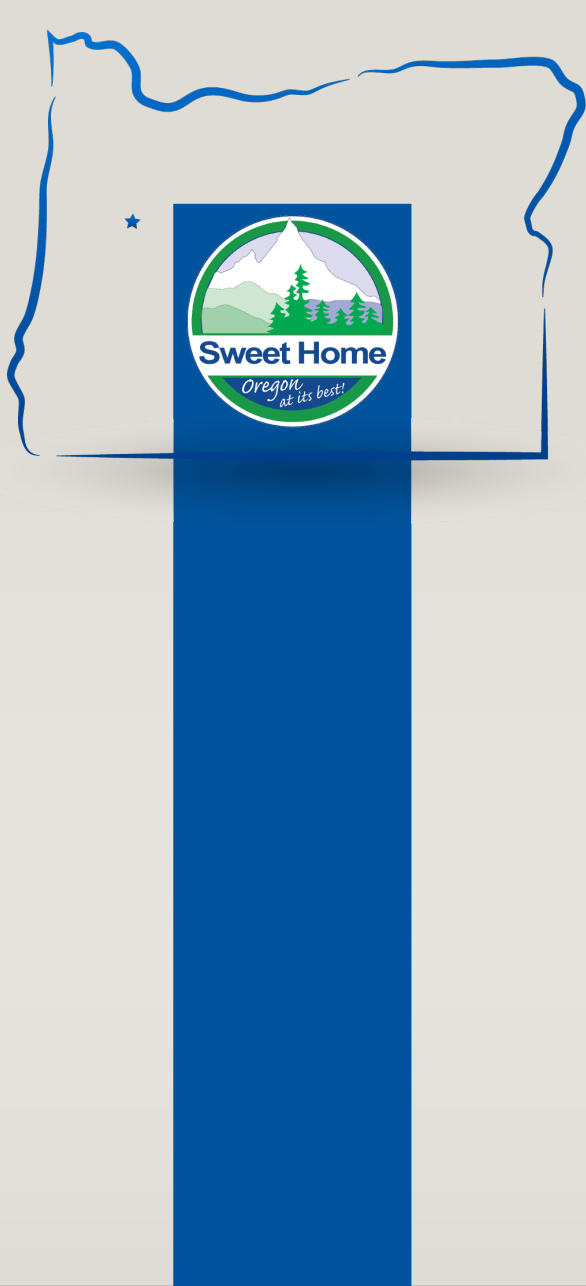
- a) Request for Council Action -
Appointment of Manager Pro Tem (pg. 14)
- b) Request for Council Action -
Annual Adoption of City Investment Policy (pg. 17)



AGENDA:

Old Business:

- a) Request for Council Action -
Lease Agreement with FAC for
Managed Outreach and Community
Resource Facility *(pg. 56)*



AGENDA:

Ordinance Bills:

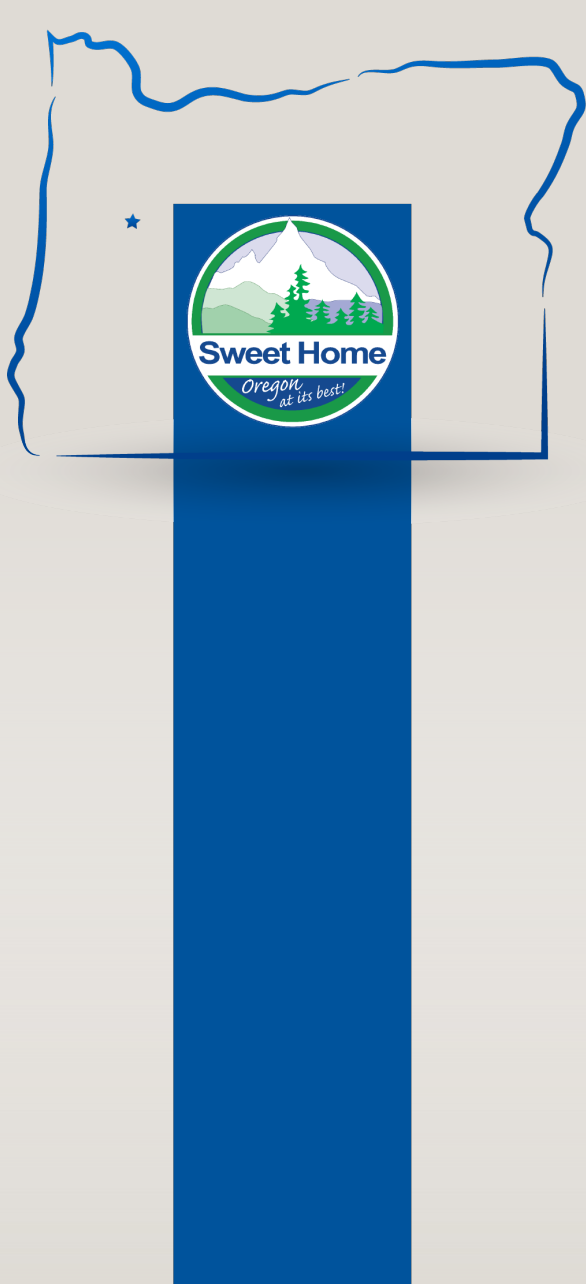
- a) Request for Council Action and First Reading of Ordinance Bills
 - i. Request for Council Action —
Lumen (formally Centurylink) Franchise Agreement (pg. 66)



AGENDA:

Ordinance Bills:

- b) Second Reading of Ordinance Bills
- c) Third Reading of Ordinance Bills
 - i. Ordinance Bill No. 1 for 2022 –
Sweet Home Ordinance Amending Certain Sections of SHMC Chapter 15.01 Administration and Enforcement - Building Code and SHMC Chapter 15.03 Various Codes with Expediency Clause (pg. 80)



REPORTS OF COMMITTEES:

Ad Hoc Committee on Health

Administrative and Finance/Property

Area Commission on Transportation

Chamber of Commerce

Charter Review Committee

Council of Governments

Legislative Committee

Library Advisory

Park & Tree Committee

Solid Waste Advisory Council

i. Opportunity to Recycle Report (pg. 82)

Youth Advisory Council



REPORTS OF CITY OFFICIALS:

Mayor's Report

City Manager's Report

Department Director's Reports

- Library Services Director
 - i. Library Services Director Report January 2022 (pg. 94)
- Community and Economic Development Director
 - a) CEDD Monthly Report January 2022 (pg. 96)
- Public Works Director
 - a) Public Works Monthly Report January 2022 (pg. 100)
- City Attorney



AGENDA:

Council Business for Good
of the Order

Adjournment