



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

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TO: Commissioners Simpson, Brown, Helgeson, Manning and Mital
FROM: Sue Fahey, Finance Manager; Susan Eicher, Accounting and Treasury Supervisor
DATE: March 25, 2016
SUBJECT: Use of local banking institutions for treasury or investment purposes
OBJECTIVE: Information only

Issue

EWEB's investment options and ability to use local banking institutions for treasury purposes are subject to Oregon Revised Statutes and other service level considerations. The Board has expressed interest in exploring the option of placing EWEB funds with local financial institutions.

Background

Oregon Statutes govern the deposit and collateralization of Oregon public funds and provide the statutory requirements for the Public Funds Collateralization Program (PFCP), which creates a shared liability structure for participating depositories and better protects public funds. The Oregon State Treasury maintains a roster of qualified depositories including national, regional and local banks, as well as certain credit unions. EWEB is eligible to deposit funds with any of these institutions.

EWEB's investment policy is based on Oregon Statutes and seeks, in order of priority, to preserve invested capital, maintain liquidity of funds sufficient to meet operating requirements and achieve the best possible return on investment. The bulk of EWEB's funds are invested in highly rated U.S Agency securities and the Local Government Investment Pool which is managed by the Oregon State Treasury.

Discussion

Staff are in the process of preparing a request for proposal (RFP) for banking services. In order to be considered responsive, a financial institution must be a qualified depository under the PFCP.

During the banking services RFP process, management will determine which local institutions provide legal and operationally feasible investment options for EWEB funds. Management recommendations on local investment options will be made to the Board at the end of the RFP process.

Recommendation and Requested Board Action

This memo is for Board information purposes only. Accordingly, there is no recommendation or requested action.