

ASHLAND CONSERVATION COMMISSION

Meeting Agenda

6:00-8:00pm – October 23, 2013

Community Development Building, Siskiyou Room
51 Winburn Way



-
1. 6:00 **Call to Order**

 2. 6:00 **Consent Agenda / Reports**
 - 2.1. Minutes September 25th meeting

 3. 6:05 **Announcements**
 - 3.1. Next Regular Meeting: November 20, 2013
 - 3.2. Upcoming Sub-committee meetings for Nov/Dec
 - 3.3. Other Announcements from Commissioners

 4. 6:15 **Public Forum**

(10 min to be evenly divided by public wishing to speak)

 5. 6:25 **Reports**
 - 5.1. Council - Councilor Rosenthal (5 min)
 - 5.2. City Staff – Hanks (5 min)
 - 5.3. Ashland School Quarterly Report – Hartman
(5 min presentation, 5 min questions)
 - 5.4. City Operations Sustainability Plan Update – Hanks
(20 min including questions)

 6. 7:05 **Old Business**
 - 6.1. Process Update - “Bring Your Own Bag” Policy (Plastic Bag Ban) –
Buck/Silverberg – (20 min with questions)
 - 6.2. City of Ashland Investment Policy /Divestment Issue – Barbara
Christensen, Ashland City Recorder - (15 min including questions)
 - 6.3. Follow Up - Car Washing Best practices / Signage for Anti Idling –
Gould (20 min with questions)

 7. 7:25 **New Business**
 - 7.1. Appointment recommendation of Commission members to Ad-hoc
Recycle Center Committee

 8. 7:50 **Wrap Up**
 - 8.0 November Meeting date change to November 20, 2013
 - 8.1. Review of goal assignments (5 min)
 - 8.2. Items to be added to next agenda (5 min)
 - 8.3. Adjournment (8 PM)

ASHLAND CONSERVATION COMMISSION

Meeting Minutes

September 25, 2013

Community Development Building, Siskiyou Room
51 Winburn Way



1. Call to Order

The meeting was called to order by Commission Chair Weir at 6:00.

2. Consent Agenda / Reports

Weir asked for a motion to approve the meeting minutes of August 28th. Council Liaison Rosenthal requested a correction to the last sentence of section 6 – Old Business, replacing “in alignment with his expectations” with “excellent”.

Commissioner Buck motioned to approve the minutes as amended, second by Beam with unanimous approval for the Commission.

3. Announcements

Weir announced that the next Regular Commission Meeting for October 23, 2013, with upcoming Sustainability sub-committee meetings on Oct 2 and 16 and November 6 and 20.

Commissioner Buck reminded the Commission of the upcoming Plastic Round up and passed out flyers and referenced the Recology and City websites for more information. Commissioner Beam stated that the Bear Creek Salmon Festival will be Oct 5th at 11:00 AM. Hanks reminded Commissioners that the booth set up was required earlier in the AM.

Commissioner Beigel-Coryell noted that the SOU students were beginning to move into the new dorms. Commissioner Koopman added that a recipient of last year’s Conservationist of the Year, Hannah Sohl is starting a new group called Oregon Climate Action Now, which invites and promotes “living room conversations” about climate change.

4. Public Forum

Laurie Hopkinson, manager of the Rogue Valley Growers Market spoke to voice her desire to be aware of the potential impacts of the proposed plastic bag ban on the market operations. She stated support for the concept and offered to be a resource as the regulations are developed into an ordinance.

5. Reports

Council Liaison Report - Councilor Rosenthal

Councilor Rosenthal deferred to later in the agenda

City Staff Report – Hanks

Hanks informed the Commission that the Facilities Energy Audits, a component of the Operational Sustainability Plan was recently completed and delivered to staff for review. Staff will post the final document to the website and provide the Commission with a link. The report provides data on existing energy uses at 18 City buildings and includes energy saving recommendations (EEM's) with estimated costs and energy savings for each building.

Hanks also summarized the status of the Recology Solid Waste Franchise agreement ordinance and associated resolutions, including the option to separate the costs associated with the Recycle Center from the garbage and recycling collection rates to be displayed as a separate fee on the Recology customer bills.

The Commission discussed their concerns with the final ordinance and resolution. Commissioner Koopman pointed out that the proposal does not include specific waste reduction targets. Commissioner Beam felt that the proposal was a step backwards.

Ashland School Quarterly Report – Commissioner Hartman

With the absence of Commissioner Hartman, Chair Weir requested that Commissioner Buck provide a Recology report. Buck provided an update on the China Green Fence issues that are limiting plastic recycling efforts, as well as an update on improvements to the glass recycling program for glass products reuse rather than as road base.

Buck summarized the compost classes for 2013 and noted that the fall leaf bag promotion is underway and the Recycle Center will have free leaf drop off November 17 and December 15. Discounted cost leaf bags are available to residents at Ashland Sanitary. Buck also noted that the Plastic Round Up is scheduled for October 25/26 at the Expo in Central Point.

Sustainability Sub-Committee – Commissioner McGinnis

Commissioner McGinnis summarized the work of the Sustainability sub-committee and provided a handout detailing the efforts. The Sub-committee is interested in pursuing using the ICLEI Star Communities framework for local sustainability and referenced the table that outlines the goals and objectives of the framework.

McGinnis noted that the group felt that the table provided a good organizational tool to give a view of the full spectrum of the plan, but noted that it could be implemented one component at a time or in groups providing flexibility of implementation.

The Commission discussed the table elements and how the Commission would fit in the planning process.. Chair Weir suggested that the sub-committee research direct costs of the Star Communities system as well as potential consulting or staff costs associated with developing a full plan. Commissioner Silverberg noted that the table

provides a tool for prioritization which is an important component in the plan development.

McGinnis noted that the sub-committee will be working at providing further details, including those mentioned by Commissioners and will bring back a more complete document for review at a future meeting, potentially in December. Issues remaining include who leads the overall project, what other efforts are already underway, how should the various existing projects be connected to the plan, etc.

6. Old Business

“Bring Your Own Bag” Policy (Plastic Bag Ban) – Buck/Silverberg

Commissioners Buck and Silverberg provided a brief overview of the memo in the meeting packet. Hanks noted that the sub-committee has been reviewing and is generally supports the City of Eugene ordinance model. Buck emphasized that the sub-committee feels strongly that the educational component is critical to meeting the longer term objective of the ordinance which is a behavioral shift away from disposables and greater use of reusables overall.

The Commission discussed existing and potential exclusions, appropriate price points for the charge imposed for the use of paper bags, what types of businesses are most impacted, etc. Commissioner Beam noted that he continues to feel that the ban is selective and should be adopted equally. Hanks noted that the core concept of the regulation is the prohibition of one particular product, the single use plastic bag in conjunction with a cost for using a paper bag rather than a true reusable bag.

Buck mentioned that it would be important to also have a definition for and prohibit compostable plastic bags as they currently don't work as intended.

Beigel – Coryell made a motion to accept the memo as the Commission's recommendation to the Council, second by Buck. Motion passed 7-1 (Beam no vote).

Commissioner Buck made a motion to select Chair Weir to present the recommendation to the Council on behalf of the BYOB sub-committee and the full Commission. Commissioner Gould second, passed 7-1 (Beam no vote).

7. New Business

Car Washing Best practices / Signage for Anti Idling – Gould

Commissioner Gould updated the Commission on her work on potential programs for the City to adopt relating to a green car wash program. Gould provided information on alternate car washing programs used by other Cities (Stockton, Santa Monica) to reduce storm drain contamination relating to charity car washes that result in soap into the storm drain.

Hanks noted that the concept could be implemented by the Public Works Dept as they are responsible for storm drain maintenance and compliance and also currently provide the car wash kit. With two car wash units in the City, both under the same ownership,

developing a similar program could be possible. Hanks suggested that Gould and he meet with PW Staff to discuss.

Gould also updated the Commission on her work with the School District regarding the potential installation of signage in school parking lots/student pick up areas to reduce/eliminate idling of parent passenger vehicles. Hanks noted that the District employee fleet and bus areas were provided no idling signs but the school parking lots were somewhat different and might require school by school approval or an administrative approval from the District Superintendent. Gould stated she was working with PTA groups and may schedule a meeting with the Superintendent to discuss opportunities.

The Commission appreciated the updates on both topic and supported continued efforts.

8. Wrap Up

Weir reminded the Commission of the annual goals and requested that Commission members continue to work on those that interest them and ask for agenda spots as needed.

Weir also noted several of the topics scheduled for the October meeting, including a review of the City's investment policy as it relates to the public forum presentation from several months prior regarding divestment, the Ashland Schools quarterly report, updates from Gould on the car wash/idling work, the idea of a Commission retreat to discuss the Commission's current charter (purpose/charge) and potential changes to it, as well as an update from Staff on the City's progress relating to the Operational Sustainability Plan.

The Commission also discussed moving the November meeting due to the Thanksgiving holiday as well as getting started on the awards committee for 2014.

Weir adjourned the meeting at 8:00.

Council Communication

January 15, 2013, Business Meeting

Annual Review of Investment Policy for the City of Ashland

FROM:

Barbara Christensen, City Recorder, christeb@ashland.or.us

SUMMARY

City Council review the current City of Ashland Investment Policy.

BACKGROUND AND POLICY IMPLICATIONS:

This policy was previously reviewed and approved by the City Council in December 2011 to meet current Oregon Revised Statutes pertaining to investment of municipal funds.

There are no suggested changes to the current policy although there is current action taking place in the legislature regarding Oregon credit unions ability to accept and safely hold government funds.

The approval of allowing Oregon credit unions is currently being moved through the process and is set to begin in April 2013. At this time there are five credit unions that are filing to participate, none of which are in our area. This program will be tracked and if appropriate, at the next review of the City Investment Policy, any proposed changes will be submitted at that time.

The policy states that it shall be reviewed on an annual basis by the Investment Officer and the City Council.

FISCAL IMPLICATIONS:

N/A

STAFF RECOMMENDATION AND REQUESTED ACTION:

Approve City of Ashland Investment Policy

SUGGESTED MOTION:

Approve City of Ashland Investment Policy

ATTACHMENTS:

Investment Policy

Press Release – Ted Wheeler, State Treasurer – Oregon Credit Unions



CITY OF ASHLAND, OREGON INVESTMENT POLICY

I. POLICY STATEMENT

It is the policy of the City of Ashland to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all state and local statutes governing the investment of public funds.

II. SCOPE

This investment policy applies to activities of the City of Ashland and Ashland Parks & Recreation in regard to investing the financial assets of all funds except for funds held in trust for deferred compensation funds for the employees of the City of Ashland. In addition, funds held by trustees or fiscal agents are excluded from these rules; however, all funds are subject to regulations established by the State of Oregon. Other than bond proceeds or other unusual situations, the estimated portfolio size ranges from \$15,000,000 to \$24,000,000.

These funds are accounted for in the City of Ashland's Comprehensive Annual Financial Report and include:

- General Fund
- Special Revenue Funds
- Capital Projects Funds
- Debt Service Funds
- Enterprise Funds
- Internal Service Funds
- Trust & Agency Funds

Funds of the City will be invested in compliance with the provisions of all applicable Oregon Revised Statutes. Investments of any tax-exempt borrowing proceeds and any related Debt Service funds will comply with the arbitrage restrictions in all applicable Internal Revenue Codes.

III. OBJECTIVES AND STRATEGY

The primary objectives, in priority order, of the City of Ashland's investment activities shall be:

1. **Legality.** This Investment Policy will be in conformance with federal laws, state statutes, local ordinances, and internal policies and procedures.
2. **Liquidity.** The City of Ashland's investment portfolio will remain sufficiently liquid to enable the City of Ashland to meet all operating requirements which might be reasonably anticipated.
3. **Diversification.** Diversification of the portfolio will include diversification by maturity and market sector and will include the use of multiple broker/dealers for diversification and market coverage.
4. **Yield.** The City of Ashland's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, commensurate with the City of Ashland's investment risk constraints and the cash flow characteristics of the portfolio. "Market rate of return" may be defined as the average yield of the current three-

month U.S. Treasury bill or any other index that most closely matches the average maturity of the portfolio.

Effective cash management is recognized as essential to good fiscal management. Cash management is defined as the process of managing monies in order to ensure maximum cash availability. The City shall maintain a comprehensive cash management program that includes collection of accounts receivable, and the management of banking services.

IV. STANDARDS OF CARE

1. **Delegation of Authority.** Authority to manage the City of Ashland's investment program is delegated to the City Recorder/Treasurer and Administrative Services Director who are the designated investment officers of the City and are responsible for investment decisions and activities, under the review of City Council. The day to day administration of the cash management program is handled by the City Recorder/Treasurer or by, the Administrative Services Director in the absence of the City Recorder/Treasurer.

Management responsibility for the investment program is hereby delegated to the City Recorder/Treasurer and Administrative Services Director, who shall establish written procedures for the operation of the investment program consistent with this investment policy and subject to review and adoption by City Council. Procedures should include reference to: safekeeping, PSA repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the City Recorder/Treasurer and Administrative Services Director. The City Recorder/Treasurer and Administrative Services Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

2. **Prudence.** The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. These standards states: "Investments shall 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 probable safety of their capital as well as the probable income to be derived."
3. **Limitation of Personal Liability.** The Investment Officer acting in accordance with written procedures, the investment policy and in accord with the Prudent Person Rule shall not be held personally liable in the management of the portfolio.
4. **Ethics and Conflict of Interest.** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and Investment Officers shall disclose any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the investment portfolio. Employees, officers, and their families shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City, Officers and employees shall, at all times, comply with the State of Oregon, Government Standards and Practices Commission, code of ethics set forth in ORS Chapter 244.

IV. AUTHORIZED AND SUITABLE INVESTMENTS.

1. **Authorized Investments.** All investments of the City shall diversified by type, maturity and issuer. Before any transaction is concluded, to the extent practicable, the Investment Officer shall solicit and document competitive and offers on comparable securities. When not practicable, the reasons should be similarly documented. At all times the Investment Officer will strive for best execution of all transactions. Additionally, if reasonably unanticipated events cause the portfolio limits to be exceeded, the Investment Officer will take the steps necessary to correct the situation as soon as practicable. Investments may be sold at a loss when the Investment Officer deems that such a decision is prudent.

2. **Suitable Investments.**
 - a. U.S. Treasuries
 - b. Agencies and Instrumentalities of the United States.
 - c. Savings and Demand Accounts (Oregon depositories only)
 - d. Time Certificates of Deposit (Oregon depositories only)
 - f. Banker’s Acceptances (Oregon issued)
 - g. Corporate Debt
 - h. Municipal Debt (States of Oregon, California, Idaho and Washington only)
 - i. Oregon Local Government Investment Pool (LGIP)

The specific permitted securities are defined under Oregon Revised Statutes Chapters 294.035, 294.040, 294.046 and 294.810. (See Addendum A) Collateral requirements are bank deposits, time deposits, certificates of deposit and savings accounts are defined in ORS Chapter 295. (See Addendum B)

V. INVESTMENT PARAMETERS

1. **Diversification.** The City will diversify the investment portfolio to avoid incurring unreasonable risks, both credit and interest rate risk, inherent in over investing in specific instruments, individual financial institutions or maturities.

Diversification Constraints on Total Holdings:

<u>ISSUER TYPE</u>	<u>% of portfolio</u>
U.S. Treasury Obligations	Up to 100%
U.S. Government Agency Securities and Instrumentalities of Government Sponsored Corp.	Up to 75% and 25% per issuer
Bankers' Acceptances (BA's)	Up to 25% and 15% per issuer
Certificates of Deposit (CD)	Up to 35% and 5% of deposits per institution
Municipal Debt	Up to 35% and 10% per issuer
Corporate Debt (AA, A1, P1)	Up to 25% and 5% per issuer
State of Oregon Investment Pool Securities	ORS Limit 294.810

The investment officers will routinely monitor the contents of the portfolio comparing the holdings to the markets, relative values of competing instruments, changes in credit quality, and

benchmarks. If there are advantageous transactions, the portfolio may be adjusted accordingly, but not to exceed % as stated.

2. **Investment Maturities.** The City will not directly invest in securities maturing more than three (3) years from the date of purchase.
 - a. The maximum weighted maturity of the total portfolio shall not exceed 1.5 years. This maximum is established to limit the portfolio to excessive price change exposure.
 - b. Liquidity funds will be held in the State Pool or in money market instruments maturing six months and shorter. The liquidity portfolio shall, at a minimum, represent six month budgeted outflow.
 - c. Core funds will be defined as the funds in excess of liquidity requirements. The investments in this portion of the portfolio will have maturities between 1 day and 5 years and will be only invested in high quality and liquid securities.

Total Portfolio Maturity Constraints:

Under 30 days	10% minimum
Under 90 days	25% minimum
Under 270 days	50% minimum
Under 1 year	75% minimum
Under 18 months	80% minimum
Under 3 years	100% minimum

Exception to 3 year maturity maximum: Reserve or Capital Improvement Project monies may be invested in securities exceeding three (3) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time subsequent to the purchase of a particular issuer or investment type may be exceeded. Securities do not need to be liquidated to realign the portfolio; however, consideration will be given to this matter when future reinvestments occur.

VII. SAFEKEEPING, CUSTODY AND AUTHORIZED DEALERS

1. **Safekeeping and Custody of Securities.** The laws of the state and prudent treasury management require that all purchased securities be bought on a delivery versus payment basis and be held in safekeeping by the City, or the City's designated depository.

All safekeeping arrangements shall be designated by the Investment Officer and shall list each specific security, rate, description, maturity, and cusip number. Each safekeeping receipt will clearly state that the security is held for the City or pledged to the City. In addition, repurchase requirements including Master Repurchase Agreements shall be in place prior to any business being conducted.

2. **Authorized Financial Dealers.** The Investment Officer shall maintain a list of all authorized brokers/dealers and financial institutions that are approved for investment purposes or investment dealings. Any firm is eligible to make an application to the City of Ashland and upon due consideration and approval will be added to the list. Additions and deletions to the list will be made at the discretion of the Investment Officer. To be eligible, a financial institution must meet at least one of the following three criteria:

- a. **Be a primary dealer of the Federal Reserve Bank of New York; or**
- b. **Report voluntarily to the F.R. B. of New York; or**
- c. **Affirm that it has met the securities dealers' capital adequacy requirements of the F.R. B. of New York continuously for the preceding 12 months.**

At the request of the City of Ashland, the firms performing investment services shall provide their most recent financial statements or Consolidated Report of Conditions for review. Further, there should be in place, proof as to all the necessary credentials and licenses held by employees of the brokers/dealers who will have contact with the City of Ashland as specified by, but not necessarily limited to the Financial Industry Regulatory Authority (FINRA), Securities and Exchange Commission (SEC), etc.

All dealers with whom the City transacts business will be provided a copy of this Investment Policy to ensure that they are familiar with the goals and objectives of the investment program.

If the City hires an investment advisor to provide investment management services, the advisor is authorized to transact with its direct dealer relationships on behalf of the City. A list of approved dealers must be submitted to the Investment Officer prior to transacting business.

3. **Competitive Transactions.** The Investment Officer will obtain telephone, faxed or emailed quotes before purchasing or selling an investment. The Investment Officer will select the quote which best satisfies the investment objectives of the investment portfolio within the parameters of this policy. The Investment Officer will maintain a written record of each bidding process including the name and prices offered by each participating financial institution.

The investment advisor must provide documentation of competitive pricing execution on each transaction. The advisor will retain documentation and provide upon request.

VIII. CONTROLS

1. **Accounting Method.** The City shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP). The accounting principles are those contained in the pronouncements of authoritative bodies including but not necessarily limited to, the Governmental Accounting Standards Board (GASB); the American Institute of Certified Public Accountants (AICPA); and the Financial Accounting Standards Board (FASB).

Pooling of Funds: Except for cash in certain restricted and special funds, the City will consolidate balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

2. **Internal Controls.** The City will maintain a structure of internal controls sufficient to assure the safekeeping and security of all investments.

The Investment Officer shall develop and maintain written administrative procedures for the operation of the investment program that are consistent with this investment policy.

Procedures will include reference to safekeeping, wire transfers; banking services contracts, and other investment related activities.

The Investment Officer shall be responsible for all transactions undertaken.

No officer or designee may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officer and approved by the Council.

3. **External Controls.** The City of Ashland may enter into contracts with external investment management firms on a non-discretionary basis. These services will apply to the investment of the City's short-term operating funds and capital funds including bond proceeds and bond reserve funds.

If an investment advisor is hired, the advisor will comply with all requirements of this Investment Policy. The investment advisor will provide return comparisons of the portfolio to the benchmark on a monthly basis. Exceptions to the Investment Policy must be disclosed and agreed upon in writing by both parties. The Investment Officer remains the person ultimately responsible for the prudent management of the portfolio.

Factors to be considered when hiring an investment advisory firm may include, but are not limited to:

- a. The firm's major business
- b. Ownership and organization of the firm
- c. The background and experience of key members of the firm, including the portfolio manager expected to be responsible for the City's account
- d. The size of the firm's assets base, and the portion of that base which would be made up by the City's portfolio if the firm were hired
- e. Management Fees
- f. Cost Analysis of advisor
- g. Performance of the investment advisory firm, net of all fees, versus the Local Government Investment Pool or other benchmarks over a given period of time

IX. PERFORMANCE EVALUATION AND REPORTING

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

The city's investment strategy is active. Preservation of capital and maintenance of sufficient liquidity will be considered prior to attainment of market return performance. A market benchmark will be determined that is appropriate for longer term investments based on the City's risk and return profile. When comparing the performance of the City's portfolio, all fees and expenses involved with managing the portfolio shall be included in the computation of the portfolio's total rate of return. This would include any in-house management of the funds, as well as outside management.

The Investment Officer shall prepare monthly and quarterly compliance summary reports that provide details of the investment portfolio, as well as transaction details for the reporting period. Details shall be sufficient to document conformity with the provisions of the statutes and this

investment policy and shall include a listing of individual securities held at the end of the period. All investments owned will be marked-to-market monthly by the City's third-party custodian.

The performance (total return) of the City's portfolio will be measured against the performance of the Local Government Investment Pool (LGIP) and the yield of the 91-day U.S. Treasury Bill.

X. INVESTMENT POLICY ADOPTION BY GOVERNING BODY

This investment policy will be formally adopted by the City Council. The policy shall be reviewed on an annual basis by the Investment Officer and the City Council. Material revisions to this policy will require a review by the Oregon Short Term Fund Board, pursuant to current Oregon Revised Statutes.

Oregon State Treasury

Ted Wheeler

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Treasurer Ted Wheeler

State Treasurer

FOR IMMEDIATE RELEASE

10/03/2012

Oregon credit unions submit groundbreaking paperwork to accept and safely hold government funds

New collateral protection will allow credit unions to become public depositories on April

SALEM – Five Oregon credit unions have submitted the required notice and paperwork with the Oregon State Treasury to allow them to accept and safely hold large government fund deposits.

Then the Oregon Credit Union Public Funds Collateralization Program begins, pegged for April 1, 2013, it will give Oregon government entities additional options for deciding where to keep funds.

Today in Oregon, only qualified banks can accept substantial public deposits beyond the Federal Deposit Insurance Corporation insured limit, which is now \$250,000 per depositor.

Banks protect public funds deposits above the insured threshold through a program that pools collateral posted by participating institutions. In the event of a bank failure, the state can recover public funds by selling this collateral. The Public Funds Collateralization Program for banks is administered by the State Treasury.

Credit union deposits are currently limited to \$250,000, the insured limit established by the National Credit Union Administration. Until now, unlike banks, they did not have an option to hold public funds beyond that level. Legislation passed in 2010 and clarified in 2011 allows the State Treasury to establish a collateralization program to protect public deposits at credit unions.

To trigger creation of that program, the law requires a minimum of five credit unions to file materials, including written commitments from government entities to actually make sufficiently large deposits that would exceed the insurance protection level.

The submitted pledge letters are from the cities of Portland, Beaverton, Corvallis, Independence, and Klamath Falls.

"I want to thank community leaders, legislators and credit unions who have worked long and hard to create this new avenue for state and local deposits," said State Treasurer Ted Wheeler. "Oregon governments of all sizes now will have the ability to deposit public money in many of our fine community credit unions with the appropriate safeguards."

The five initial participating credit unions are Unitus, Pacific Crest, OSU Federal Credit Union, OnPoint, and Advantis.

The Northwest Credit Union Association says an additional five will participate when the program is operational next year. Those are MAPS CU, Northwest Community, Old West, Wauna Federal Credit Union, and Oregon Community. Seven other credit unions helped supply startup funding (Mid Oregon, Valley, Northwest Preferred, Clackamas, Rogue, Rivermark, and Oregonians).

"Credit unions are safe and sound harbors for government deposits. They are local and committed to their communities," said Troy Stang, President and CEO, Northwest Credit Union Association. "We wish to thank our credit unions and the Oregon Treasurer's office for working with the Northwest Credit Union Association to make it possible for public entities to have a choice to deposit their funds in local member-owned financial cooperatives."

The amount of required collateral from each credit union will hinge on how much money each institution has in total deposits and outstanding loans. The minimum collateral requirement can range from 10 to 110 percent of uninsured public funds deposits, depending on the capitalization level of the credit union and the number of participating credit unions in the program.

As of June 30, there were 37 banks qualified as public fund depositories in Oregon and 29 of those held public funds, which totaled almost \$1.4 billion. The funds are deposited by the gamut of governments, from state agencies to school districts to cities to water districts.

The Oregon State Treasury protects public assets and saves Oregonians money through its investment, banking, and debt management functions. State investment policies are overseen by the Oregon Investment Council. The State Treasury also promotes public outreach and education to help Oregonians learn strategies to save money, invest for college and make smart financial choices. You can track Treasury-related news on Twitter at @OregonTreasury.

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CITY OF
ASHLAND
OPERATIONAL SUSTAINABILITY PLAN
Framework, Plan Format & Process Outline

Introduction

The Conservation Commission has long been interested in assisting the City in the development of a formal cross-departmental sustainability planning effort to ensure coordination across City operational functions. This planning effort can function as an internal communication and tracking tool to develop prioritized actions to meet a variety of long term goals and objectives as well as provide a location to report on existing efforts relating to operational sustainability and efficiency.

Objective

In addition to the functions described above, an operational sustainability plan is a tool to increase the efficiency of the organization in their resource consumption. Efficiency in this case is defined as a reduction in consumption, an avoidance of use, re-use of resource or process by-product with decision making based on analysis of all inputs and outputs of a given process or product used. The resulting decision and action should lead the organization to increased resource efficiency with a related, defined cost savings over a given period of time.

Goal

In May of 2012, the Commission recommended that Council amend a previous Council goal relating to City operational efficiency. Council approved the recommendation which resulted in the following Council goal:

“Develop a concise sustainability plan for the community and for City operations, beginning with development of a plan framework, suggested plan format, timeline and resource requirements for City Operations that can be used as a model for a community plan to follow”

With the understanding that the content and priority of specific actions will need to be developed by City Staff, matched with budget planning and other existing planning documents and plans, the Commission focused its efforts on the listed Council goal elements of:

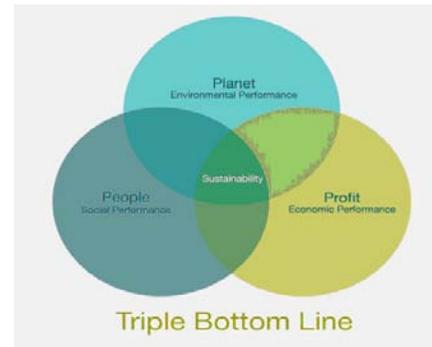
- | | |
|-------------------|--------------------------|
| 1) Plan framework | 3) Process & Timeline |
| 2) Plan format | 4) Resource requirements |

Plan Framework

While the City has undertaken many different actions and programs within its departments and divisions that have led to increased operational efficiency and outcomes that are more sustainable, there has been no formal guiding statement or accompanying principles to help embed sustainability into daily decision making in internal City operations.

The Commission and its Sustainability sub-committee spent considerable time reviewing both community and operational sustainability plans, with a particular focus on the different types of decision making frameworks utilized.

Most, if not all, plans recognize and pay homage to the concept of triple bottom line (TBL) thinking, which recognizes the connections between the three core areas of impact; planet (environment), people (social) and profit (financial) and the need for all three components to be considered in every decision.



ICLEI – Local Governments for Sustainability

Because ICLEI specifically exists to serve local governments in their efforts towards sustainability, the Commission recommends that the operational plan be developed using ICLEI framework, tools and resources. This will provide City staff with a solid, understandable framework and process to follow as the full plan is developed.

How does ICLEI define sustainability?

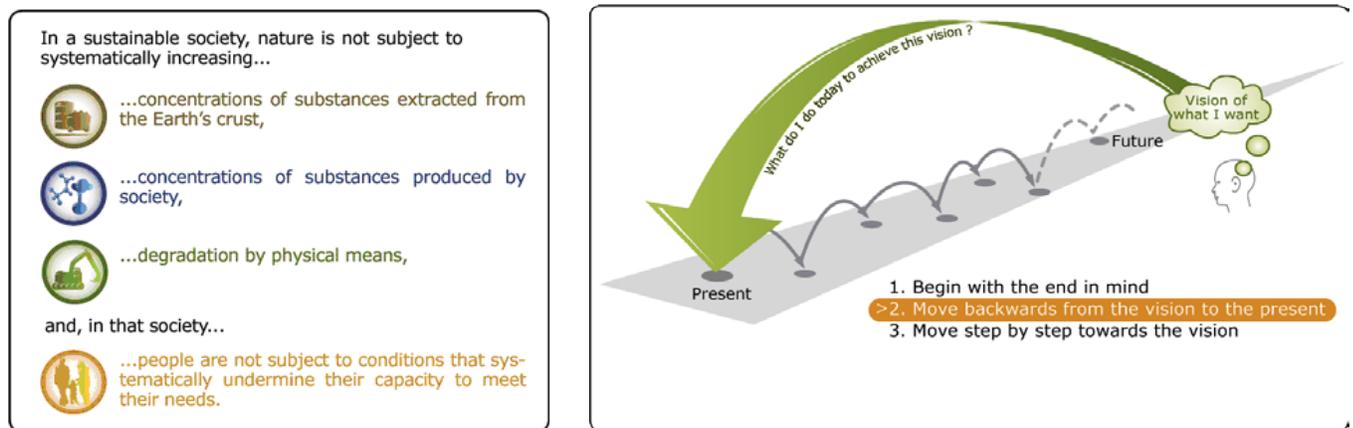
- **Affordability & Social Equity** (affordable and workforce housing, poverty, human services and race and social equity)
 - **Children, Health & Safety** (community health and wellness, access to health care, and public safety)
 - **Education, Arts & Community** (education excellence, arts and culture, and civic engagement and vitality)
-
- **Natural Systems** (ecosystems and habitat, water and stormwater, air quality, waste, and resource conservation)
 - **Planning & Design** (land use, transportation and mobility, and parks, open space and recreation)
 - **Energy & Climate** (energy, greenhouse gas emissions and other air pollutants, renewable energy, and green building)

- **Economic Development** (clean technologies and green jobs, local commerce, tourism, and local food system)
 - **Employment & Workforce Training** (green job training, employment and workforce wages, and youth skills)

Additionally, as a member of ICLEI, the City has access to a variety of Sustainability planning and implementation resources, most notably the Sustainability Planning Toolkit (<http://www.icleiusa.org/sustainabilitytoolkit>).

The Natural Step

The Natural Step is a comprehensive framework guided by basic principles summarized by four system conditions shown below. The framework requires the recognition that strategic planning and decision making must be made within the constraints of the system conditions and uses a process called “backcasting” to set a target or vision of success followed by the development of steps or actions needed to achieve that target.



The Commission recognizes that there are distinct differences between an operational plan and a community-wide plan and while the Commission recommends the ICLEI framework and protocol for the City’s operational sustainability plan, that may or may not be the best fit for the community plan that the Commission is interested in initiating after the operational plan is up and running.

Having the opportunity to test the ICLEI framework for the internal operational plan will be valuable for both City staff and the Commission in providing an assessment and recommendation to Council on a framework for the larger community sustainability plan in the near future.

Plan Format

The plan will need to contain a consistent template to use to set and measure targets across all resource elements based on existing data sets, or benchmarks.

Resource Elements

Each resource element and subcomponents will contain an introductory narrative describing its general use and need within the organization, its total annual consumption, current consumption/utilization rates (could be calculated and displayed several ways), reduction/conservation/utilization target and prioritized actions to meet the target.

Resource Elements Initial Inventory

Energy	Waste	Transportation/Fleet
Electric	Avoided	Fuel Consumption
Natural Gas	Re-purposed/Sold	Miles traveled
Renewables	Recycled	# of vehicles
Back-up Power (diesel)	Disposed	Vehicle Fuel type
Water	Haz Mat	Purchasing/Policies *
Production/Processes	Avoided	RFP Criteria
Irrigation/Landscape	Replaced	Purchasing Criteria
General Use (office/restroom/etc)	Disposed	Construction Standards (LEED)
		Life cycle cost analysis

*This section will describe all administrative polices, acquisition/purchasing policies, project standards or requirements that relate to any and all resource elements detailed in the operational sustainability plan and function as a key tool in utilizing the decision making framework to meet the targets for each resource element

Benchmarks

For City Staff to set and track targets, it is essential to have accurate baseline benchmark data. Based on discussion with Staff, the Commission recommends using 2010 data as the initial baseline benchmark to measure progress on meeting the targets set for each resource element. Where 2010 data isn't available or does not exist for the proposed action, new benchmark data may be created to track progress.

Targets

Specific targets will be established for each resource element with some being set at the sub-component level. For example, the energy resource element contains subcomponents with different target types. Targets at the sub-component level could be structured similar to this:

- Electric Target – 15% reduction in total electric consumption
- Renewables Target – Minimum of 5% of total electric consumption from local renewable generation

Targets will be set for the initial 2015 milestone, as well as longer range targets in five year increments, with the intent of pushing the organization to evaluate both short and long term resource and revenue return on investments.

Sample Subcomponent Data Table

Electric				
Primary Uses Facilities Heating/Cooling/Lighting Pumping-Water/Wastewater Departmental Operations – IT Network, Fleet/Shop operations, etc				
Consumption/Use Data	2010 Benchmark	2015 Target	2030 Target	Notes/Comments
Total Annual Consumption				
Consumption per sq/ft of building				
Water System consumption				
Wastewater System Consumption				

Proposed Actions

Each resource element will share a similar template table. Following the table of proposed actions within each resource element, each proposed action will have a narrative explaining detailed project costs, cost effectiveness calculations (ROI, life cycle costing, etc), connection of project to meeting specific resource target, funding options, staffing requirements, responsible department, organizational and/or employee benefits, community benefits and other pertinent information.

Sample Action Plan Table *

*Data for display purposes only, not project specific

ENERGY					
Electric		Target = 15% kWh reduction			
Proposed Action	Cost	Total Savings (kWh/Yr)	% of Target	Completion Date	Notes/Comments
Installation of Variable Speed Pumps at Wastewater Treatment Plant (12 pumps)	\$15,750	272,000	15%	6/30/13	
Replace HVAC System at Water Treatment Plant	\$30,000	54,300	3%	12/31/13	
Installation of lighting occupancy sensors at City Hall	\$7,500	9,000	.5%	9/1/13	
Renewables		Target = 10% kWh renewable			
Conduct solar assessment for all City facilities	\$15,000	N/A		12/31/13	
Install solar panels at 90 N Mountain Service Center	\$275,000		10%	6/30/14	Approximate 50k kWh generation/yr

Performance Tracking

A consistent tracking system will be developed and implemented for all resource elements and will contain the following metrics:

Source data ID	(where it comes from)
Collection responsibility	(who is collecting it)
Collection location	(where it is collected/entered)
Frequency of collection	(when it is collected)
Analysis or calculations required	(what needs to be done with it)
Frequency of review/reporting	(how often does it get distributed/reviewed)
Review responsibility	(who does the data/report go to)

The creation of a strong and consistent tracking system will provide continuity of the plan over time and allow transition of responsibility among different staff members with no loss of data, accuracy or consistency in calculations or analysis.

Reporting

To adequately integrate the plan into City operations and daily decision making, the Commission feels strongly that an annual report should be prepared and presented to the City Council to acknowledge successes and progress towards the targets, discuss areas of needed focus, provide suggested modifications to targets, etc.

Internally, quarterly updates to the City Administrator with a copy to the Commission would be recommended to work through initial implementation issues and identify potential changes in plan format, targets, reporting details, etc. The Commission could function as a reviewer of adjustments and provide recommendations and support for small operational modifications of the plan.

A comprehensive review and update of the plan should occur on or near each of the five year milestones, beginning with the 2015 initial milestone. This review provides an opportunity to step back and evaluate emerging trends, changes in technology, major alterations to various business practices, regulatory changes, etc. as well as the ability to include additional resource elements, tracking procedures and other updates to better meet future targets

Process & Timeline

Because many of the potential actions require financial resources to accomplish, the Commission is hopeful that the initial draft operational plan can be developed parallel to the City's annual budget preparations. Upon Council approval of the plan framework, format, timeline and resource requirements provided by the Commission, City staff could begin drafting the full document in January of 2013 and have a completed final draft for review and approval in May of 2013.

The Commission is anticipating being a resource to staff as the plan is developed and would welcome several in-process updates as the plan is put together to offer guidance, evaluate and recommend targets and generally support the plan development process.

Implementation of elements of the plan could begin in July of 2013 which presents a clean starting date for funding requirements as well as for tracking and benchmarking purposes.

Resource Requirements

The Commission has also been supportive of the City dedicating staff specifically for the development and implementation of both the Operational Sustainability Plan and ultimately a community sustainability plan. The opportunity to start with the drafting of the operational plan with the guidance outlined in this Commission recommendation allows City staff and Council to determine whether dedicated staffing is needed initially or if a coordinated core inter-departmental team charged with plan development and implementation is effective.

If Council and City Administration determine that current staffing availability does not exist to assist City staff on the plan development, a number of consultants locally, regional and statewide provide specific services in this area and could be selected through a request for proposals process. Depending on the desired or available level of involvement from City staff, the Commission has found a range of cost from similar projects in other cities to be from \$15,000 to \$40,000. Where this plan fits within this range is dependent upon the scope of work for the consultant vs. internal City staff.

Whether the plan is developed and coordinated internally or contracted to a consultant, significant staff resources will be required to provide the raw data, existing lists of projects and potential projects, actions and activities to be evaluated, prioritized and recommended for inclusion in the plan.

As the decision making framework is fully integrated into administrative policies and actions are implemented and successful, overall coordination and “next level” projects, such as complex treatment systems equipment at the City’s water or wastewater treatment plants, may require more specialization and focus than an inter-departmental team has the ability to accomplish or manage alongside their regular job duties within the organization.

The Commission recognizes that there are multiple ways staffing resources and consultant services could be deployed to effectively meet the targets set and bring an increased level of sustainability planning and awareness to the organization and the Commission will continue to be available to City staff and Council as those types of issues arise through the duration of the development and implementation process.

Additionally, the Commission feels strongly that the further integration of sustainability principles and practices into the organization will lead to significant cost savings across many Departments and Divisions of the City and those financial savings will be tracked and accounted for along with the various resource savings achieved. The result should validate that sustainable operations is financially prudent as well as environmentally and socially necessary.

Council Communication

November 6, 2012, Business Meeting

Acceptance of Operational Sustainability Plan Framework

FROM:

Lee Tuneberg, Administrative Services Director, tunberl@ashland.or.us

SUMMARY

The attached document is presented to Council by the Conservation Commission as part of completing the Council goal of developing a sustainability plan for City operations. The document provides a recommended plan framework, suggested plan format, project timeline and resource requirements that can be used by City staff to develop and implement a complete and comprehensive Operational Sustainability Plan.

BACKGROUND AND POLICY IMPLICATIONS:

The Conservation Commission has for a number of years been researching and discussing how they could assist Council and City staff in the integration of sustainability principles and practices both within City operations and community wide.

In April of 2012, the Commission presented a recommended outline of a plan and process to move towards achieving the sustainability planning goal. In May of 2012, the Council approved an amendment to the original goal based on the recommendation of the Commission to first develop a decision making framework, a plan format and a timeline for the development of a City Operational Sustainability Plan and use that experience as a pilot project in the subsequent development of a broad community Sustainability Plan. The complete amended Council goal is as follows:

“Develop a concise sustainability plan for the community and for City operations, beginning with development of a plan framework, suggested plan format, timeline and resource requirements for City Operations that can be used as a model for a community plan to follow”

It is the intent of the Commission to function as a resource to City staff as the complete plan is developed and assist in the review and recommendation of various plan elements such as the establishment of milestone targets for specific resource reduction, replacement, avoidance, etc or prioritization of implementing actions to meet the established targets.

As the plan is developed, a myriad of existing internal administrative policies would be reviewed and potentially recommended for modification to better align and promote sustainable operations within the organization. In conjunction with the development of the plan, both available staffing and project funding resources will be reviewed and utilized to assist in the initial prioritization of implementing actions and will be used as part of each individual action’s life cycle costing/return on investment. It is anticipated that future departmental operational and capital budget proposals will incorporate elements of the adopted sustainability plan.



FISCAL IMPLICATIONS:

As described in the framework document, initial resource requirements for the development of the plan may vary depending on the assigned level of involvement and/or coordination of existing City staff. If an internal team is assigned and charged with the development of the plan, direct expenditures would be minimized, but it is recognized that the scope of the plan is beyond current staff workload. A responsible party (existing or added staff) with sufficient time, skills and authority to manage the program would need to be identified. In order for the plan to succeed, both in development and on a longer term basis, staff time will be needed from most departments to meet plan requirements.

An alternative is contracting the plan development to a consultant to reduce, but not eliminate, staff time associated with the project. The amount of this option would be determined through a bid process but estimates range from \$15,000 to \$40,000 depending on the desired level of involvement by City staff. This does not address the ongoing staff commitments needed for the program in that a key element of the plan after establishment is data collection and tracking. Some of this is currently being done internally but a change in focus (scope) and additional performance goals would require more staff resources or supplanting existing work assignments.

As the complete plan is developed, additional resources or reallocations from other programs for sustainability efforts would need to be considered by the city administrator and addressed along with other programs needs in the budget process.

A key objective of the operational sustainability plan is cost savings across departments and divisions of the City over time. It is premature to estimate total annual cost savings as that is dependent on the implementing actions completed each year and their calculated return on investment, but cost recovery of the plan development is an important and easily tracked performance measure.

STAFF RECOMMENDATION AND REQUESTED ACTION:

The Commission recommends that Council accept the plan framework, format and timeline and direct City staff to begin developing the complete Operational Sustainability Plan.

SUGGESTED MOTION:

I move to accept the attached Operational Sustainability Plan Framework document as drafted and presented by the Conservation Commission and City staff.

ATTACHMENTS:

City of Ashland Operational Sustainability Plan Framework, Format and Process Outline

