

**RESOLUTION NO. 2018-42**

**RESOLUTION ADOPTING STATEMENT OF PENSION INVESTMENT POLICY  
FOR THE CITY OF FOREST GROVE RETIREMENT PLAN  
AND REPEALING RESOLUTION NO. 2013-33**

**WHEREAS**, the City has its own defined benefit pension plan that is administered by the City, and

**WHEREAS**, the City determines the investments for its pension plan based on recommendation of the Plan's Investment Advisor, and

**WHEREAS**, the City Council last revised the Retirement Plan's Statement of Investment Policy in May, 2013, and

**WHEREAS**, City staff and the Investment Advisor recommend revisions to the 2013 Statement of Investment Policy, and

**WHEREAS**, staff is recommending that the City Council adopt the Investment Statement Policy dated April 2018.

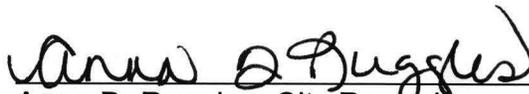
**NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:**

**Section 1.** That the City Council hereby adopts the City of Forest Grove Statement of Investment Policy (Exhibit A) to guide how investment decisions are to be made.

**Section 2.** Resolution No. 2013-33 is hereby repealed upon passage of this resolution.

**Section 3.** This resolution is effective immediately upon its enactment by the City Council.

**PRESENTED AND PASSED** this 9<sup>th</sup> day of April, 2018.

  
\_\_\_\_\_  
Anna D. Ruggles, City Recorder

**APPROVED** by the Mayor this 9<sup>th</sup> day of April, 2018.

  
\_\_\_\_\_  
Peter B. Truax, Mayor

# City of Forest Grove Pension

## Investment Policy Statement

**April 2018**

All employee benefit plans must establish and maintain a plan in writing. It is the review of and adherence to these documents that show a fiduciary can meet obligations and legally defend future actions. The Investment Policy Statement is the foundation upon which investment goals for the plan will be based. It documents the management of the plan's assets and the evaluation and monitoring of such management.

The following Investment Policy Statement serves to:

- Restate the basic fiduciary obligation of the plan sponsor.
- Formalize the cost objectives established.
- Document the investment strategy consistent with the established objectives and risk/reward expectations.
- Communicate the monitoring process and roles and responsibility of the plan sponsor and the investment managers (funds).

The Plan Sponsor reserves the right to revise, modify, delete, or add to any of the policies described in this statement at any time.

## **I. GENERAL PHILOSOPHY**

1. The City of Forest Grove (the Plan Sponsor) has established the Defined Benefit Plan Fiduciary Committee (the Committee) to oversee the policies and procedures of the Plan as stated in this Investment Policy Statement.
2. In establishing this Investment Policy Statement, the Committee has considered the fact that the Retirement Plan is a major retirement vehicle for participants and has acted to manage the Plan solely in the interest of such participants and their beneficiaries.
3. The basic goal underlying the establishment of this Investment Policy is to provide that the assets of the plan shall be invested in a prudent manner. An appropriate investment strategy will be established following concepts driven by modern portfolio theory, including risk, return and correlations among asset classes.
4. This policy documents the methods and procedures for the Committee in effectively supervising, monitoring, and evaluating the investment options held in the plan.
5. Within the specific guidelines presented in this statement, the Committee will exercise discretion with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

## **II. FIDUCIARY COMMITTEE DEFINED**

In this investment policy document, references to the "Fiduciary Committee" mean all City officials empowered to make decisions on behalf of the plan, including, but not limited to, the City Manager and the Director of Administrative Services and Senior Management Analyst, as well as other officials that may from time to time be added to the Fiduciary Committee.

## **III. THE FIDUCIARY COMMITTEE IS RESPONSIBLE FOR THE FOLLOWING:**

1. Select and hire vendors.
2. Establish and periodically review the Trust's policy for participation in and commitment of funds to various asset classes and to investment managers within the Trust.
3. Prepare and recommend investment policy to City Council.
4. Hire, monitor and terminate investment managers according to the studies, evidence and advice provided by the Trust's investment consultant, or other evidence brought to the Fiduciary Committee.
5. Make available to duly elected City officials the following subjects as and when requested:
  - a) fund investment performance summary, including comparisons to benchmarks,
  - b) current and historical asset allocation in the fund,
  - c) progress toward the stated performance objectives in the policy, and
  - d) other pertinent matters.
6. Vote of proxies.
7. The Fiduciary Committee shall communicate all directions in writing and no service provider shall accept oral instructions.
8. Maintain reports from each service provider associated with the Plan (Investment Advisor/Consultant, custodian/corporate trustee, actuary and legal counsel).
9. Review and confirm current regulatory compliance status and initiate any appropriate corrections to ensure compliance.

## **IV. THE INVESTMENT ADVISOR/CONSULTANT IS RESPONSIBLE FOR THE FOLLOWING:**

1. Review, prepare and propose an investment policy statement.
2. Develop and recommend asset classes, investment managers and portfolio asset composition to the Fiduciary Committee. Committee shall have discretion over approval of recommendations.
3. Evaluate investment performance, conduct investment manager searches, and recommend changes to the asset allocation and funds selected by the Fiduciary Committee.
4. Perform quarterly quantitative analysis of the Plan's investments, including comparison to recognized benchmarks, and provide analysis in written reports and in-person meetings to the Fiduciary Committee.
5. Periodically monitor the performance and fees charged by service providers.
6. Provide RFP/Benchmarking scope and services.

7. Provide other interim Fiduciary Committee meetings when so requested.

## **V. INVESTMENT OBJECTIVES**

1. One of the Committee's goals is to ensure reasonable costs. One factor to be considered, in determining whether costs are reasonable, is the potential rate of return associated with the investment alternatives offer by the Plan. Reasonability of cost is typically determined on a case by case basis, but the committee recognizes that it may be reasonable to incur a higher cost in exchange for more skilled management of assets in hopes of attaining a higher rate of return. Returns are by no means guaranteed and all investments carry the possibility of loss. As a result, one objective of the Committee is to strive for a rate of return that justifies the level of costs incurred by the plan.
2. The Committee places a value on benefit security, which is shaped by and must be balanced against more factors than market volatility. While it recognizes that the pension's total rate of return objective (the expected investment return used by the plan actuary to make the annual employer funding recommendation) may be difficult to achieve over every unit of time, it believes that over the long term it represent a reasonable objective. Thus, under normal capital market conditions the Committee does not feel it is necessary or appropriate to adopt highly aggressive investment approaches, which may expose the fund to a severe decrease in asset value during adverse markets.

Severe market declines, risk, cost, asset allocation, accounting rule changes, interest rates, inflation, Federal Reserve behavior, and other factors are interdependent issues affected by a multitude of factors that change over time. The Committee recognizes Milliman's Public Pension Funding Study, which annually explores the funded status of the 100 largest public pension plans, as a reasonable basis for determining comparable and normal behaviors and expectations of the Committee as determined collectively by sophisticated, expert public pension fiduciaries, their actuaries and consultants. The Committee will refer frequently to the Public Pension Funding Study, in addition to other resources, for guidance.

3. The rate of return over a period of at least one full market cycle should reflect that return which is achievable under conditions of prudent asset allocation according to pension industry norms, and should be competitive with returns achieved by similar portfolios and by market averages (benchmarks). Market cycles tend to follow periods of economic expansion and contraction. According to [asymmetryobservations.com](http://asymmetryobservations.com), since 1900 the average U.S. economic expansion lasted 47 months, while the average recession lasted 15 months. Some expansions lasted up to 120 months and some recessions lasted nearly 45 months. A full market cycle is defined as the unknown duration of peak-to-peak experience.

## VI. INVESTMENT GUIDELINES AND RESTRICTIONS

### Rationale

The primary determinant of a portfolio's return variability is asset allocation. Research has shown that between 85% - 95% of total return variability is attributable to the distribution of plan assets among asset classes, with the remaining 5% - 15% due to security selection and market timing. Brinson, Hood, and Beebower 1986.

While diversification across different asset classes allows the portfolio to take advantage of a variety of economic environments, it also acts as a potential risk reducer by dampening the portfolio's volatility of returns. The amount of risk that can be controlled by allocating assets among different asset classes depends both on the risk level of each asset class and the degree of correlation between each asset class, which varies over time.

An asset allocation model that recognizes the risk and return characteristics, as well as the correlation of each asset class, to create an "efficient" asset allocation target will be utilized to develop an asset allocation. Diversification does not eliminate the risk of loss due to a systemic or "undiversifiable" market risk.

### Portfolio Diversification

The Plan's investment strategy will utilize several different asset classes with varying risk/return characteristics. The returns of the asset classes are not expected to move in unison, which should allow the plan to take part in different parts of the global economic cycle that may or may not move in tandem.

The Committee has established the following guidelines to investing the plan assets:

	<u>Allocation Range</u>
<b>EQUITY</b>	
U.S. Equity	15%-60%
International Equity	0%-50%
<b>FIXED INCOME</b>	
U.S. Bonds	20%-60%
Foreign Bonds (hedged & unhedged)	0%-30%
Real assets: commodities	0%-10%
Real assets: real estate	0%-10%
Real assets: precious metals	0%-10%
Cash Equivalents	0%-20%

**Prohibited Transactions:** Investment activity in the following is prohibited without the Committee's prior written permission, unless said investment represents a tangential, or minimal, percentage of a diversified investment vehicle.

- a) Municipal or Tax exempt Securities
- b) Short Sales
- c) Commodities
- d) Securities of the Trustee of Investment Manager, its parents or subsidiaries
- e) Unregistered or Restricted Stock



## VII. MONITORING PROCESS

**Review of Investments:** The performance of the funds shall be reviewed periodically by the Committee. Reviews will include monitoring investment style, performance objectives, modern portfolio statistics, and peer-group rankings or scores (if applicable).

For each fund and/or investment manager (where applicable) a “score card” will be maintained and documented (see addendum) in order to substantiate acceptable levels of manager performance and appropriate style characteristics. Based upon objective criteria, derived from Modern Portfolio Theory concepts, each fund will receive a score reflecting its overall performance.

If a fund fails to meet the criteria standards, as determined by its score, it will be placed on a “watch list.” (In the event a fund receives a score that is below that of “watch list” status, or experiences extraordinary circumstances that may render it inappropriate to maintain, it may be considered for removal.) If this fund continues to remain on “watch list” for the following three quarters, or four of the following seven quarters, the fund will be considered for possible elimination.

Alternative or other investments will be reviewed as appropriate.

**Review of Investment Policy:** It is the Committee’s intention to review this document periodically and if guidelines are changed in any way, the above will be so revised. By acceptance of this Investment Policy the Committee concurs with the provisions of this document.

The Committee shall appoint a Secretary who shall maintain written records of the meetings of the Committee. These records shall include a list of the subjects discussed, a summary of the discussions, and the decisions reached at the meetings of the Committee. The records shall be maintained in a permanent file.

## VIII. MANAGER REMOVAL

An investment manager (i.e., fund) may be removed when the Committee has lost confidence in the fund’s ability to:

- Achieve performance, style, allocation, and/or risk objectives.
- Maintain acceptable qualitative standards (e.g., stable organization, compliance guidelines).

If the investment manager has failed to adhere to and/or remedy one or both of the above conditions, the fund should be considered for removal from the plan.

Any decision by the Committee to remove such a fund will be made on an individual basis, and will be made based on all the known facts and circumstances, including, but not limited to:

- The objective analysis (described above)
- Administrative impact on the plan
- Timing
- Employee communication issues
- The availability of other (potential replacement) managers
- Underwriting and plan provider limitations
- Financial considerations (hard and soft dollar fees)
- Professional or client turnover

- A material change in the investment process
- Other relevant factors

Considerable judgment should be exercised in the manager removal decision-making process apart from the score card. A manager should be removed using one of the following approaches:

- Remove and replace (map assets) with an alternative manager.
- Freeze the assets managed by the removed manager and direct new assets to an alternative manager.
- Phase out the manager over a specific time period.
- Remove the manager and do not provide a replacement manager.

**IX. INVESTMENT INFORMATION AND ADMINISTRATIVE SUPPORT**

The Committee should require the investment (i.e., fund) manager and/or custodian to offer the following administrative information and support:

1. Daily valuation of all investments;
2. Daily access to account information via toll-free number and Internet access;
3. The ability to make investment transfers on a daily basis (non-business days and holidays excluded). Certain trading practices may be limited to comply with market timing, excess trading, liquidity driven and/or related policies and procedures of the service provider and/or specific investment options;
4. Client account reports produced no less frequently than quarterly, with similar information available via the Internet at least quarterly; and quarterly investment performance updates available for client review.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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Signature – Jesse VanderZanden, City Manager Date

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Signature – Paul Downey, Administrative Services Director Date

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Signature – Bryce Baker, Senior Management Analyst Date

**ADDENDUM TO PART VII: MONITORING PROCESS**

## **Scorecard System Methodology™**

The **Scorecard System Methodology** incorporates both quantitative and qualitative factors in evaluating fund managers and their investment strategies. The **Scorecard System** is built around pass/fail criteria, on a scale of 0 to 10 (with 10 being the best) and has the ability to measure Active, Passive and Asset Allocation investing strategies. Active and Asset Allocation strategies are evaluated over a five year time period, and Passive strategies are evaluated over a three year time period.

Eighty percent of the fund's score is quantitative (made up of eight unique factors), incorporating modern portfolio theory statistics, quadratic optimization analysis, and peer group rankings (among a few of the quantitative factors). The other twenty percent of the score is qualitative, taking into account things such as manager tenure, the fund's expense ratio relative to the average fund expense ratio in that asset class category, and the fund's strength of statistics (statistical significance). Other criteria that may be considered in the qualitative score includes the viability of the firm managing the assets, management or personnel issues at the firm, and/or whether there has been a change in direction of the fund's stated investment strategy. The following pages detail the specific factors for each type of investing strategies.

Combined, these factors are a way of measuring the relative performance, characteristics, behavior and overall appropriateness of a fund for inclusion into a plan as an investment option. General fund guidelines are shown in the "Scorecard Point System" table below. The Scorecard Point System is meant to be used in conjunction with our sample Investment Policy Statement, in order to help identify what strategies need to be discussed as a "watch-list" or removal candidate; what strategies continue to meet some minimum standards and continue to be appropriate; and/or identify new top-ranked strategies for inclusion into a plan.

<b><i>Scorecard Point System</i></b>	
<b>Good:</b>	<b>9-10 Points</b>
<b>Acceptable:</b>	<b>7-8 Points</b>
<b>Watch List:</b>	<b>5-6 Points</b>
<b>Poor:</b>	<b>0-4 Points</b>

# Scorecard System Methodology™

## Active Strategies

**Active strategies** are investment strategies where the fund manager is trying to add value and out-perform the market averages (for that style of investing). Typically, these investment strategies have higher associated costs due to the active involvement in the portfolio management process by the fund manager(s). For this type of investment strategy, the **Scorecard System** is trying to identify those managers who can add value on a consistent basis within their own style of investing.

Weightings	Active Strategies	Maximum Points
Style Factors 30%	<b>Style Analysis:</b> Returns-based analysis to determine the style characteristics of a fund over a period of time. Fund passes if it reflects the appropriate style characteristics. Style analysis helps ensure proper diversification in the plan.	1
	<b>Style Drift:</b> Returns-based analysis to determine the behavior of the fund/manager over multiple (rolling) time periods. Fund passes if the fund exhibits a consistent style pattern. Style consistency is desired so that funds can be effectively monitored within their designated asset class.	1
	<b>R-Squared:</b> Measures the percentage of a fund's returns that are explained by the benchmark. Fund passes with an R-squared greater than 80%. This statistic measures whether the benchmark used in the analysis is appropriate.	1
Risk/Return Factors 30%	<b>Risk/Return:</b> Fund passes if its risk is less than the benchmark or its return is greater than the benchmark. Favorable risk/return characteristics are desired.	1
	<b>Up/Down Capture Analysis:</b> Measures the behavior of a fund in up and down markets. Fund passes with an up capture greater than its down capture. This analysis measures the relative value by the manager in up and down markets.	1
	<b>Information Ratio:</b> Measures a fund's relative risk and return. Fund passes if ratio is greater than 0. This statistic measures the value added above the benchmark, adjusted for risk.	1
Peer Group Rankings 20%	<b>Returns Peer Group Ranking:</b> Fund passes if its median rank is above the 50 <sup>th</sup> percentile.	1
	<b>Information Ratio Peer Group Ranking:</b> Fund passes if its median rank is above the 50 <sup>th</sup> percentile. This ranking ranks risk adjusted excess return.	1
Qualitative Factors 20%	Two points may be awarded based on qualitative characteristics of the fund. Primary considerations are given to manager tenure, fund expenses and strength of statistics, however, other significant factors may be considered. It is important to take into account non-quantitative factors, which may impact future performance.	2
<b>Total</b>		<b>10</b>

# Scorecard System Methodology™

## Passive Strategies

**Passive strategies** are investment strategies where the fund manager is trying to track or replicate some area of the market. These types of strategies may be broad-based in nature (e.g., the fund manager is trying to track/replicate the entire U.S. equity market like the S&P 500) or may be more specific to a particular area of the market (e.g., the fund manager may be trying to track/replicate the technology sector). These investment strategies typically have lower costs than active investment strategies due to their passive nature of investing and are commonly referred to as index funds. For this type of investment strategy, the **Scorecard System** is focused on how well these managers track and/or replicate a particular area of the market with an emphasis on how they compare against their peers.

Weightings	Passive Strategies	Maximum Points
Style & Tracking Factors 40%	<b>Style Analysis:</b> Returns-based analysis to determine the style characteristics of a fund over a period of time. Fund passes if it reflects the appropriate style characteristics. Style analysis helps ensure proper diversification in the plan.	1
	<b>Style Drift:</b> Returns-based analysis to determine the behavior of the fund/manager over multiple (rolling) time periods. Fund passes if the fund exhibits a consistent style pattern. Style consistency is desired so that funds can be effectively monitored within their designated asset class.	1
	<b>R-Squared:</b> Measures the percentage of a fund's returns that are explained by the benchmark. Fund passes with an R-squared greater than 95%. This statistic measures whether the benchmark used in the analysis is appropriate.	1
	<b>Tracking Error:</b> Measures the percentage of a fund's excess return volatility relative to the benchmark. Fund passes with a tracking error less than 4. This statistic measures how well the fund tracks the benchmark.	1
Peer Group Rankings 40%	<b>Tracking Error Peer Group Ranking:</b> Fund passes if its median rank is above the 75 <sup>th</sup> percentile.	1
	<b>Expense Ratio Peer Group Ranking:</b> Fund passes if its median rank is above the 75 <sup>th</sup> percentile.	1
	<b>Returns Peer Group Ranking:</b> Fund passes if its median rank is above the 75 <sup>th</sup> percentile.	1
	<b>Sharpe Ratio Peer Group Ranking:</b> Fund passes if its median rank is above the 75 <sup>th</sup> percentile.	1
Qualitative Factors 20%	Two points may be awarded based on qualitative characteristics of the fund. Primary considerations are given to fund expenses and strength of statistics, however, other significant factors may be considered. It is important to take into account non-quantitative factors, which may impact future performance.	2

## Manager Research Methodology

### *Beyond the Scorecard*

The **Scorecard System™** uses an institutional approach which is comprehensive, independent, and utilizes a process and methodology that creates successful outcomes for plan sponsors and participants. The **Scorecard** helps direct the additional research the Investment Team conducts with fund managers throughout the year. Three of the primary factors that go into the fund manager research are people, process and philosophy.

#### PEOPLE

Key Factors:

- Fund manager and team experience
- Deep institutional expertise
- Organizational structure
- Ability to drive the process and performance

#### PROCESS

Key Factors:

- Clearly defined
- Consistent application
- Sound and established
- Clearly communicated
- Successfully executed process

#### PHILOSOPHY

Key Factors:

- Research and ideas must be coherent and persuasive
- Strong rationale
- Logical and compelling
- Focus on identifying skillful managers

# Scorecard System Disclosures

Investment objectives and strategies vary among fund, and may not be similar for funds included in the same asset class.

All definitions are typical category representations. The specific share classes or accounts identified above may not be available or chosen by the plan. Share class and account availability is unique to the client's specific circumstances. There may be multiple share classes or accounts available to the client from which to choose. All recommendations are subject to vendor/provider approval before implementation into the plan. The performance data quoted may not reflect the deduction of additional fees, if applicable. If reflected, additional fees would reduce the performance quoted.

Performance data is subject to change without prior notice.

Performance of indexes reflects the unmanaged result for the market segment the selected stocks represent. Indexes are unmanaged and not available for direct investment.

The information used in the analysis has been taken from sources deemed to be reliable, including, third-party providers such as *Markov Processes International*, *Morningstar*, firms who manage the investments, and/or the retirement plan providers who offer the funds.

Every reasonable effort has been made to ensure completeness and accuracy; however, the final accuracy of the numbers and information is the responsibility of the investment manager(s) of each fund and/or the retirement plan providers offering these funds. Discrepancies between the figures reported in this analysis, and those reported by the actual investment managers and/or retirement plan providers, may be caused by a variety of factors, including: Inaccurate reporting by the manager/provider; Changes in reporting by the manager/provider from the time this report was prepared to a subsequent retro-active audit and corrected reporting; Differences in fees and share-classes impacting net investment return; and, Scriveners error by your advisor in preparing this report.

The enclosed Investment Due Diligence report, including the **Scorecard System**, is intended for plan sponsor and/or institutional use only. The materials are not intended for participant use.

The purpose of this report is to assist fiduciaries in selecting and monitoring investment options. A fund's score is meant to be used by the plan sponsor and/or fiduciaries as a tool for selecting the most appropriate fund.

Fund scores will change as the performance of the funds change and as certain factors measured in the qualitative category change (e.g., manager tenure). Fund scores are not expected to change dramatically from each measured period, however, there is no guarantee this will be the case. Scores will change depending on the changes in the underlying pre-specified Scorecard™ factors.

Neither past performance nor statistics calculated using past performance are guarantees of a fund's future performance. Likewise, a fund's score using the **Scorecard System**™ does not guarantee the future performance or style consistency of a fund.

This report was prepared with the belief that this information is relevant to the plan sponsor as the plan sponsor makes investment selections.

Fund selection is at the discretion of the investment fiduciaries, which are either the plan sponsor or the committee appointed to perform that function.

Cash Equivalents (e.g., money market fund) and some specialty funds are not scored by the **Scorecard System**.

The enclosed Investment Due Diligence report and Scorecard™ is not an offer to sell mutual funds. An offer to sell may be made only after the client has received and read the appropriate prospectus.

For the most current month-end performance, please contact your advisor.

The Strategy Review notes section is for informational purposes only. The views expressed here are those of your advisor and do not constitute an offer to sell an investment. An offer to sell may be made only after the client has received and read the appropriate prospectus.

**Carefully consider the investment objectives, risk factors and charges and expenses of the investment company before investing. This and other information can be found in the fund's prospectus, which may be obtained by contacting your Investment Advisor/Consultant or Vendor/Provider. Read the prospectus carefully before investing. For a copy of the most recent prospectus, please contact your Investment Advisor/Consultant or Vendor/Provider.**  
ACR#175171 03/16



*A place where families and businesses thrive.*

CITY RECORDER USE ONLY:	
AGENDA ITEM #:	9
MEETING DATE:	4/9/18
FINAL ACTION:	Repeal 2018-42

**CITY COUNCIL STAFF REPORT**

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TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

MEETING DATE: *April 9, 2018*

PROJECT TEAM: *Paul Downey, Director of Administrative Services*

SUBJECT TITLE: *Adoption of Retirement Plan Statement of Investment Policy*

ACTION REQUESTED: 

<input type="checkbox"/>	Ordinance	<input type="checkbox"/>	Order	<input checked="" type="checkbox"/>	X	Resolution	<input type="checkbox"/>	Motion	<input type="checkbox"/>	Informational
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*X all that apply*

**ISSUE STATEMENT:** The City has adopted investment policies that govern its defined benefit retirement plan’s portfolio. The staff and the City’s independent investment advisor are recommending revisions to the adopted investment policy for the City’s defined benefit retirement plan.

**BACKGROUND:** The City manages its own defined benefit retirement plan (the Plan). The City invests the funds to earn income as part of the funding mechanism for the Plan. The City last updated the investment policies in May 2013.

The proposed changes to the policies were discussed with City Council at a presentation on March 19, 2018. The principal changes were describing the duties of the Fiduciary Committee, the duties of the various consultants hired to assist with the investments, and a method for evaluating the investments. The allowed mix of investments is not proposed to be changed.

**FISCAL IMPACT:** There is no direct fiscal impact to changing the policies. The fiscal impact comes from the actual return on investments made as a result of implementing this policy.

**STAFF RECOMMENDATION:**

Staff recommends the City Council approve the attached resolution adopting the Plan’s revised Investment Policy Statement.

**ATTACHMENT(s):**

Resolution Adopting the Revised Investment Policies  
City of Forest Grove Pension Investment Policy Statement