

**CITY OF SALEM
CITY MANAGER'S OFFICE
FINANCE DIVISION**

Si necesita ayuda para comprender esta información, por favor llame 503-588-6274

Disability-related modification or accommodation, including auxiliary aids or services, in order to participate in this meeting or event, are available upon request. Sign language and interpreters for languages other than English are also available on request. To request such an accommodation or interpretation, contact the Finance Division at 503-588-6040 at least **two business days** before meeting; or TTD/TTY telephone (503) 588-6439, is also available 24/7.

**CITY OF SALEM
FINANCE COMMITTEE**

Committee Members

Councilor Brad Nanke, Chair
Mayor Chuck Bennett
Councilor Matthew Ausec
Alternate-Councilor Tom Andersen

City Staff

Steve Powers, City Manager
Dan Atchison, City Attorney
Robert Barron, Chief Financial Officer
Tony Turley, Financial Reporting Manager
Kelli Blechschmidt, Administrative Analyst

Next Meeting: October 28, 2019

It is the City of Salem's policy to assure that no person shall be discriminated against on the grounds of race, religion, color, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, gender identity, and source of income, as provided by Salem Revised Code 97. The City also fully complies with Title VI of the Civil Rights Act of 1964, and related statutes and regulations, in all programs and activities.

MEETING AGENDA

October 28, 2019

4:30 PM

PW Traffic Control Room
555 Liberty Street SE, Room 325

1. Call to Order
2. Approval of Minutes
 - a. September 23, 2019
3. Public Comment
(Appearance of persons wishing to address the Committee on any matter other than those which appear on this Agenda.)
4. Action Items
 - a. None
5. Management Update/Information Items
 - a. Investment Reports
 - Account Statement Quarter Ending 9/30/19
 - Account Statement Month Ending 9/30/2019
 - b. Long Term Bonding Strategy
6. Continued Business
 - a. N/A
7. New Business
 - a. None
8. Adjournment

City of Salem Finance Committee Minutes

DATE: September 23, 2019

CHAIRPERSON: Brad Nanke

PLACE: PW Traffic Control Room

STAFF LIAISON:

Robert Barron

503-588-6174

rbarron@cityofsalem.net

Members Present:

Chair Nanke

Mayor Bennett

Member Ausec

Member Andersen-Alternate

Members Absent:

Guests Present:

Staff Present:

Dan Atchison, City Attorney

Robert Barron, Chief Financial Officer

Tony Turley, Financial Reporting Manager

Anja Hill, Treasury Supervisor

Jeremy Morgan, Accounting Supervisor

Josh Eggleston, Fiscal Analyst

Kelli Blechschmidt, Administrative Analyst

1. CALL TO ORDER: 4:32PM/ Quorum
2. APPROVAL OF FINANCE COMMITTEE MINUTES
 - a. June 17, 2019
3. ITEMS REQUIRING ACTION
 - a. N/A
4. MANAGEMENT UPDATE / INFORMATION ITEMS
 - a. Robert Barron presented investment reports for quarter ending 6/30/2019 and month ending 8/31/2019.
 - b. Robert Barron presented a change to the target maturity of the long term investment strategy from 1-3 years to 1-5 years. This change is in compliance with the City's investment policy.
 - c. Members were provided a copy of Moody's Annual Comment on our outstanding debt
 - d. Members were briefed on Conduit Financing for Salem Health
 - e. Dan Atchison provided an update on TPA discussions
5. ADJOURNMENT: 5:23 PM

The next meeting is Monday, October 28, 2019 at 4:30 PM.



CITY OF SALEM

Investment Performance Review For the Quarter Ended September 30, 2019

Client Management Team

PFM Asset Management LLC

Lauren Brant, Managing Director

650 NE Holladay St., Suite 1600

213 Market Street

Robert Cheddar, CFA, Managing Director

Portland, OR 97232

Harrisburg, PA 17101-2141

Luke Schneider, CFA, Director

503-837-8445

717-232-2723

Allison Kaune, Senior Managing Consultant

Market Update

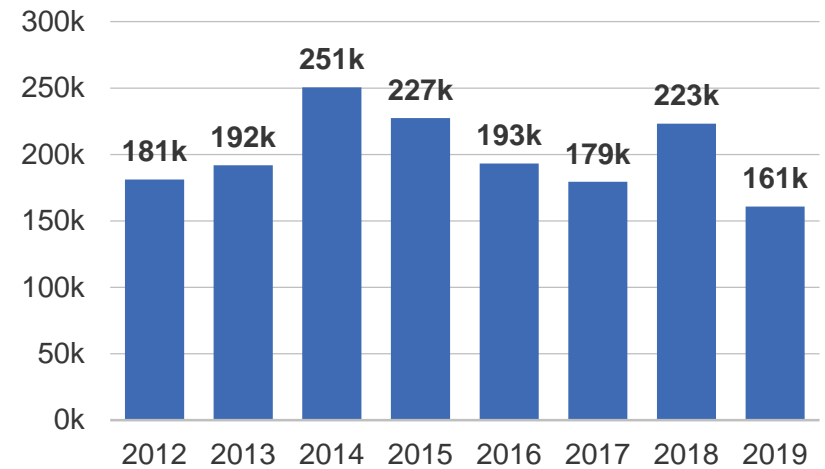
Market Indicators Mixed, but Recession Does Not Appear Imminent

ISM Manufacturing Activity Index

Recession fears growing as manufacturing slows and job growth moderates...



Average Monthly Job Growth

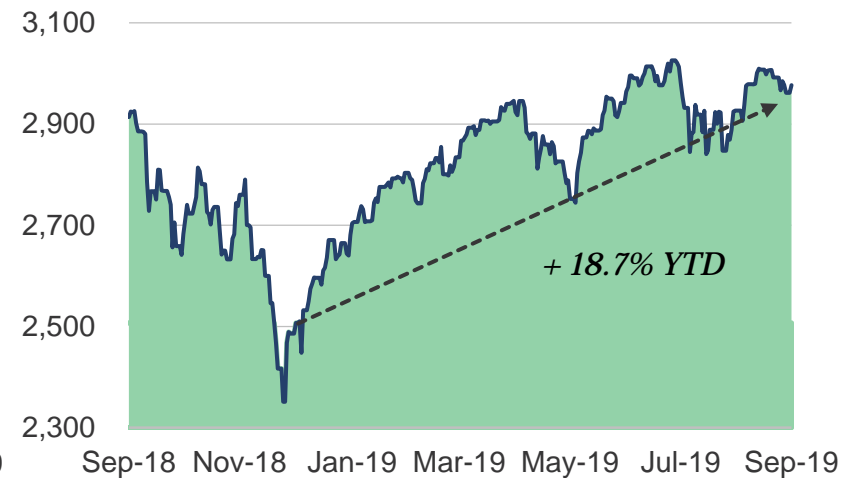


Conference Board Consumer Confidence

...but consumers remain confident and financial markets seem optimistic



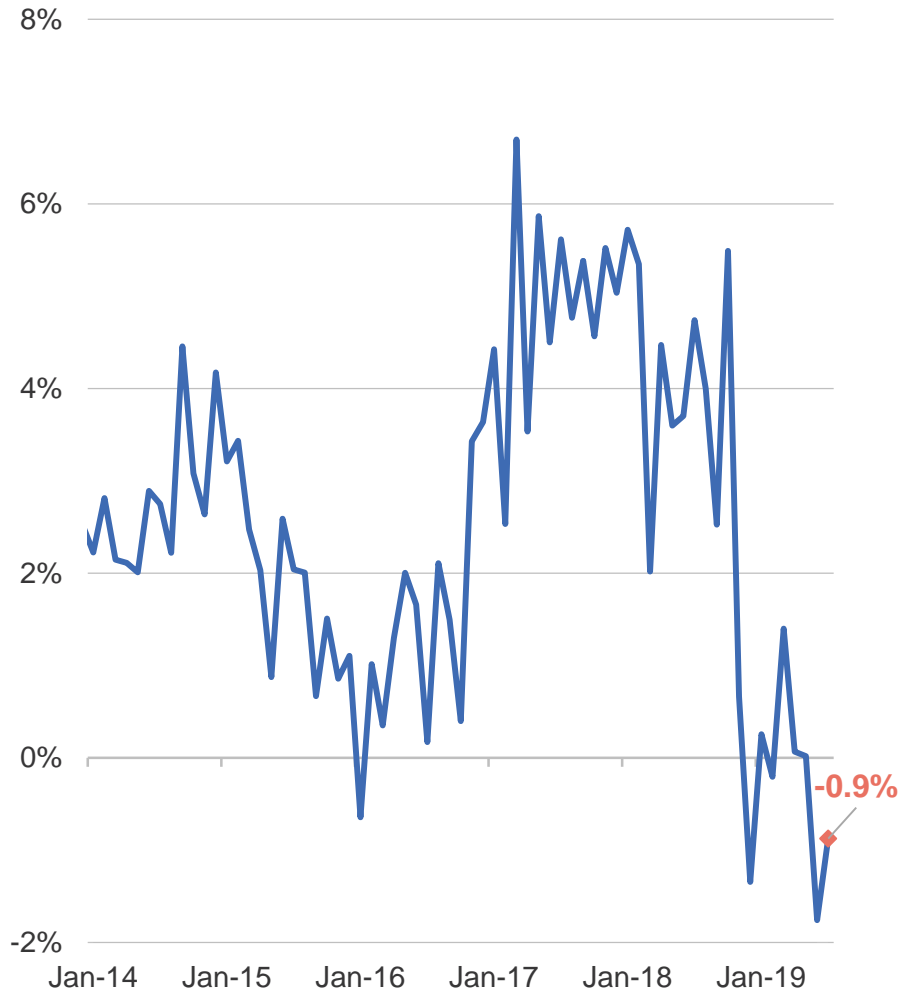
S&P 500 Price Change



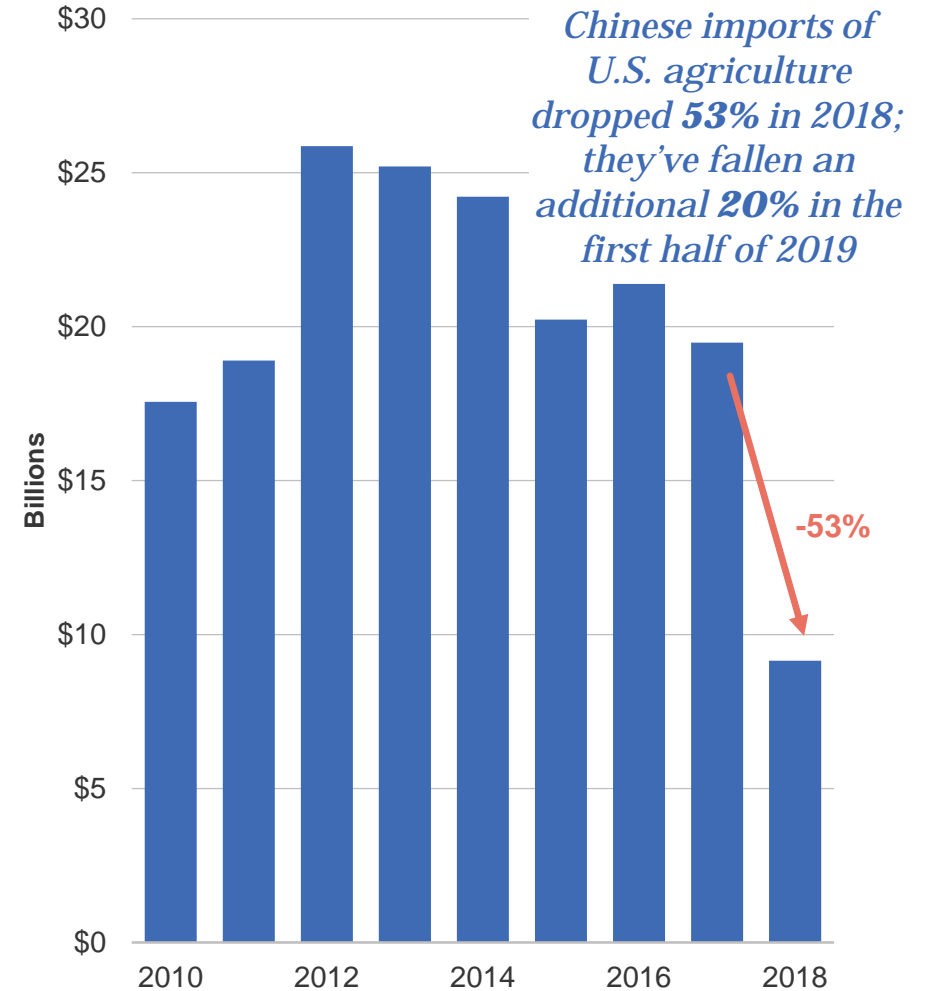
Source: Bloomberg, data available as of 9/30/2019.

Tariffs Take a Toll on Global Trade Volume, Especially U.S. Agriculture

Global Trade Volume YoY



U.S. Agricultural Exports to China



Source: CPB (left); Wall Street Journal & USDA Foreign Agricultural Services (right)

The OECD Follows World Bank & IMF in Lowering Growth Projections

OECD GDP Growth Projections

September 2019

- The world growth outlook was cut to 2.9% for 2019, down from the 3.2% projection from 4 months ago.
- This rate is the slowest pace since the global financial crisis.

“The global economy has become increasingly fragile and uncertain, with growth slowing and downside risks continuing to mount.”

-OECD, 9/19/19

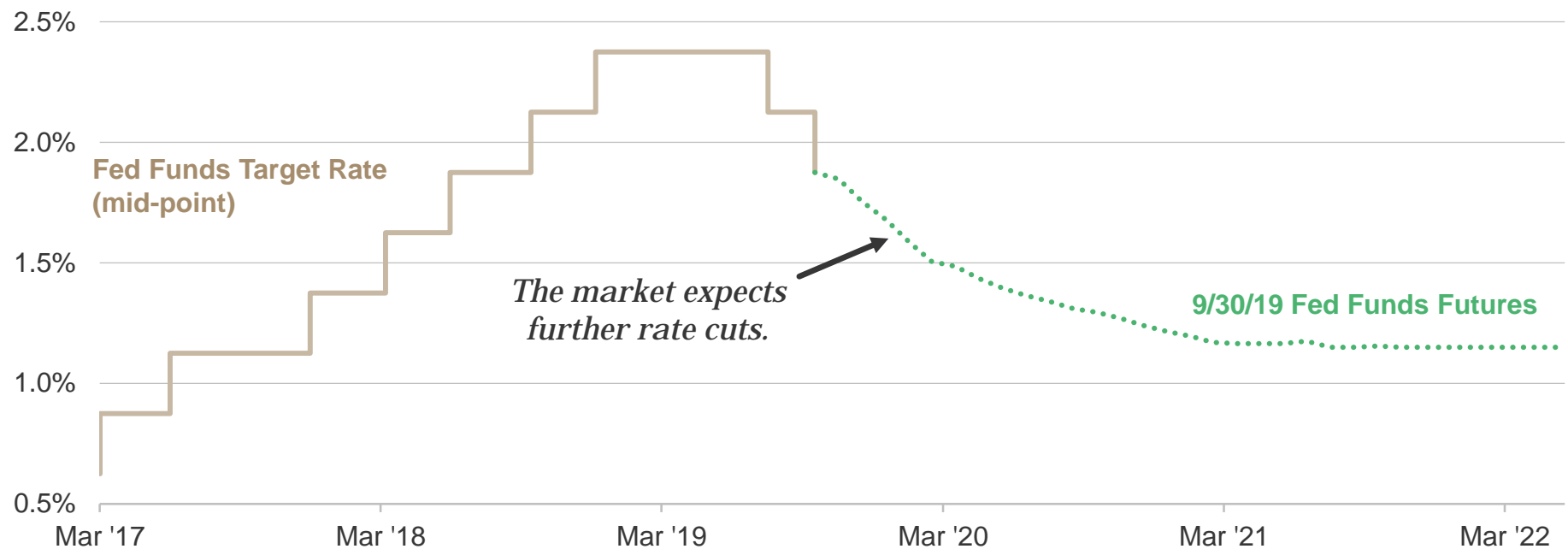
Region	2019	2020
World	2.9% ↓	3.0% ↓
U.S.	2.4% ↓	2.0% ↓
China	6.1% ↓	5.7% ↓
United Kingdom	1.0% ↓	0.9% ↓
Euro Area	1.1% ↓	1.0% ↓
Germany	0.5% ↓	0.6% ↓
France	1.3%	1.2% ↓
Italy	0.0%	0.4% ↓
Japan	1.0% ↑	0.6%
Canada	1.5% ↑	1.6% ↓

Source: The Organization for Economic Co-operation and Development. Arrows indicate change from prior projection.

The Federal Reserve Cut Rates in July and September



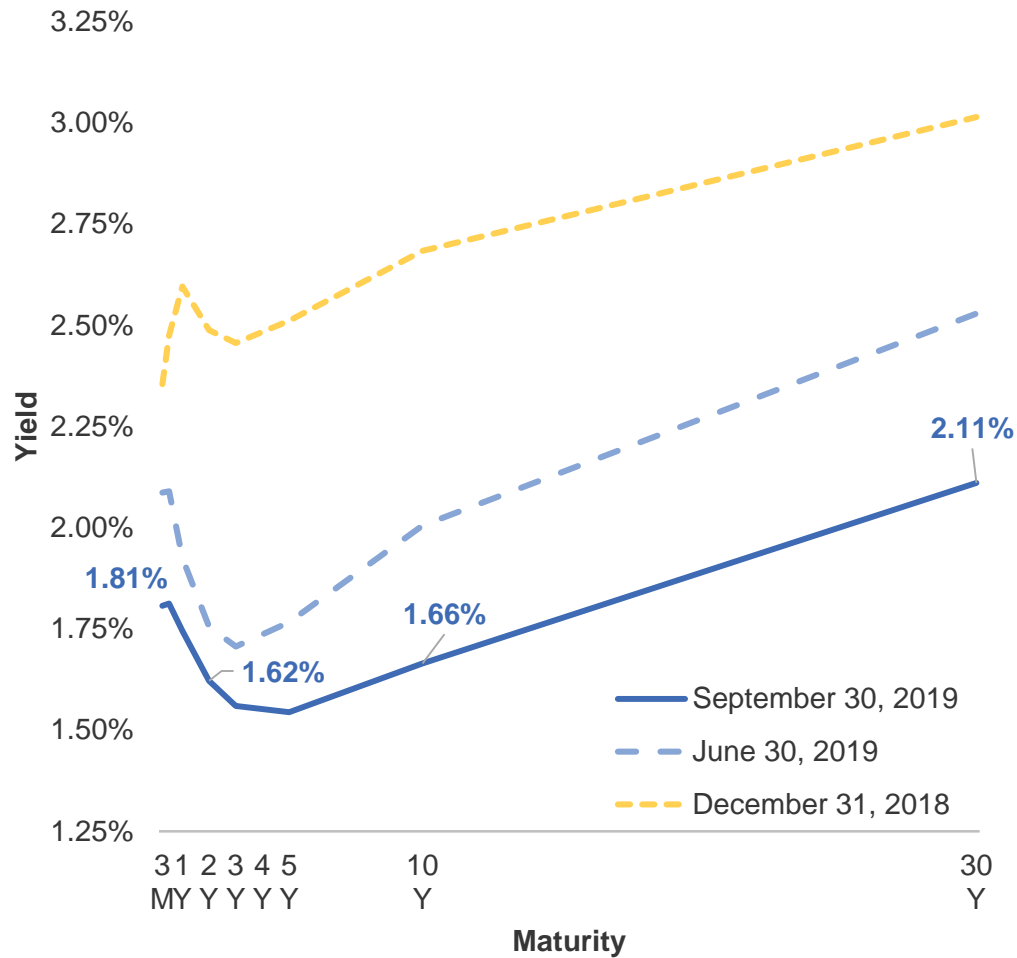
The Fed cited “...weak global growth...trade policy uncertainty...*and* muted inflation...”



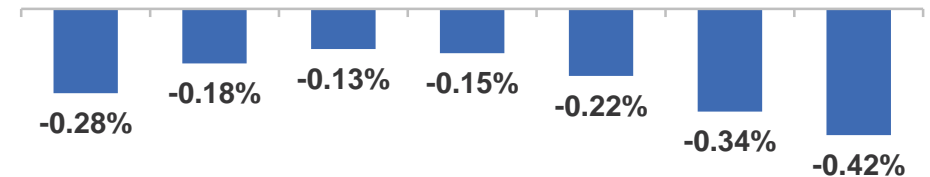
Source: Federal Reserve and Bloomberg.

Yields Continued to Decline in the Third Quarter

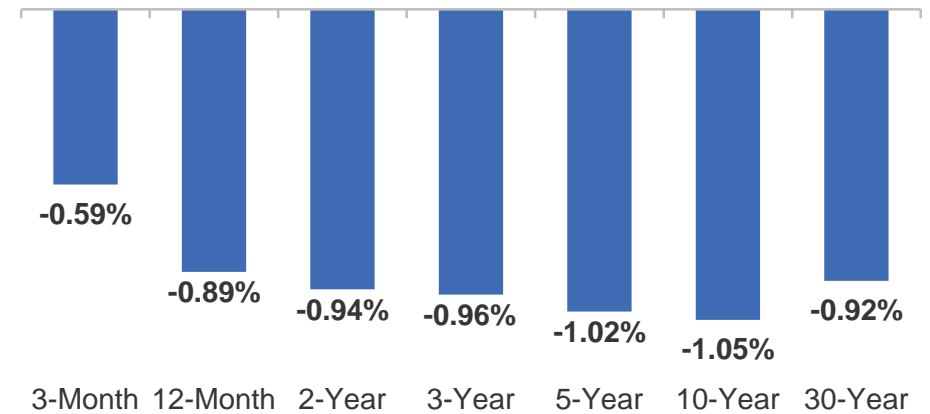
U.S. Treasury Yield Curve



Q3 Change in Yield



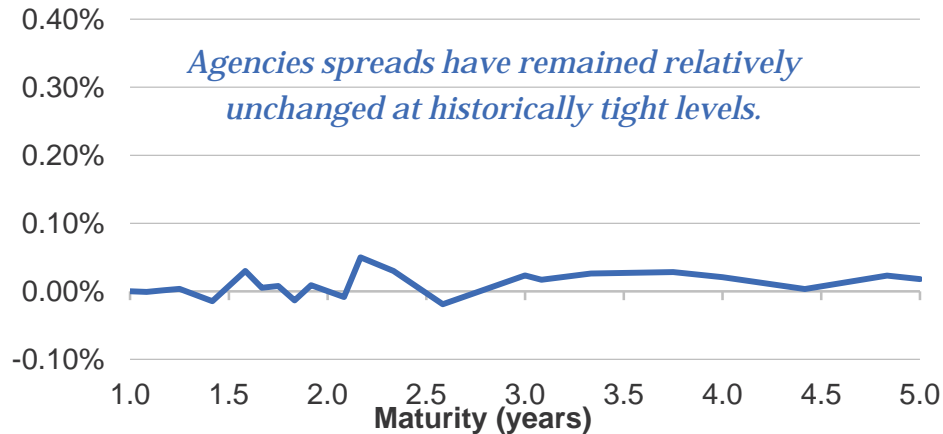
YTD Change in Yield



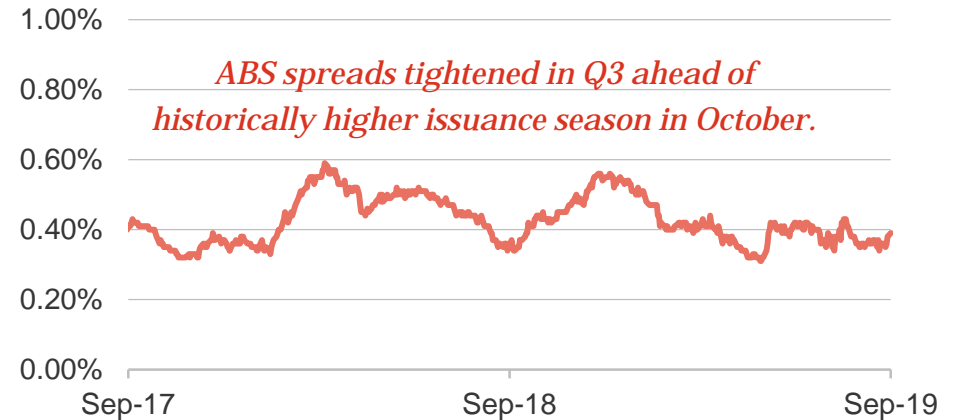
Source: Bloomberg, as of 9/30/19.

Yield Spreads Narrow Across All Spread Sectors

Federal Agency Yield Spreads



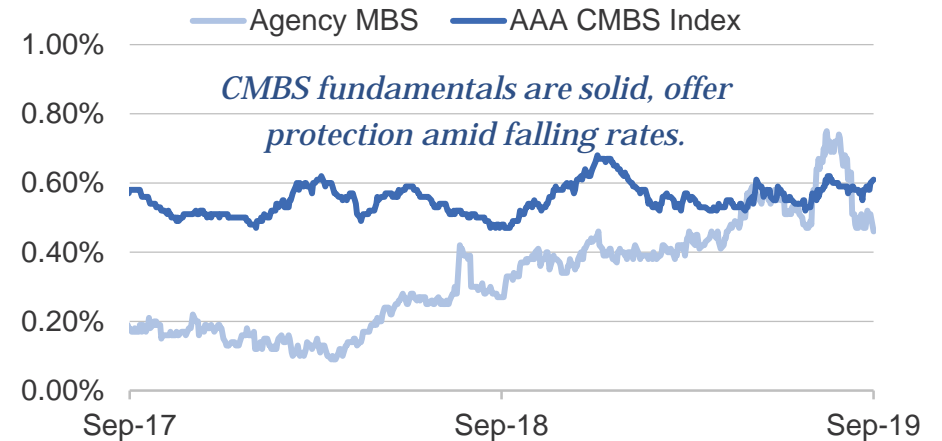
Auto Asset-Backed Securities Yield Spreads



Corporate Notes (1-5 yr A-AAA) Yield Spreads



Mortgage-Backed Securities Yield Spreads

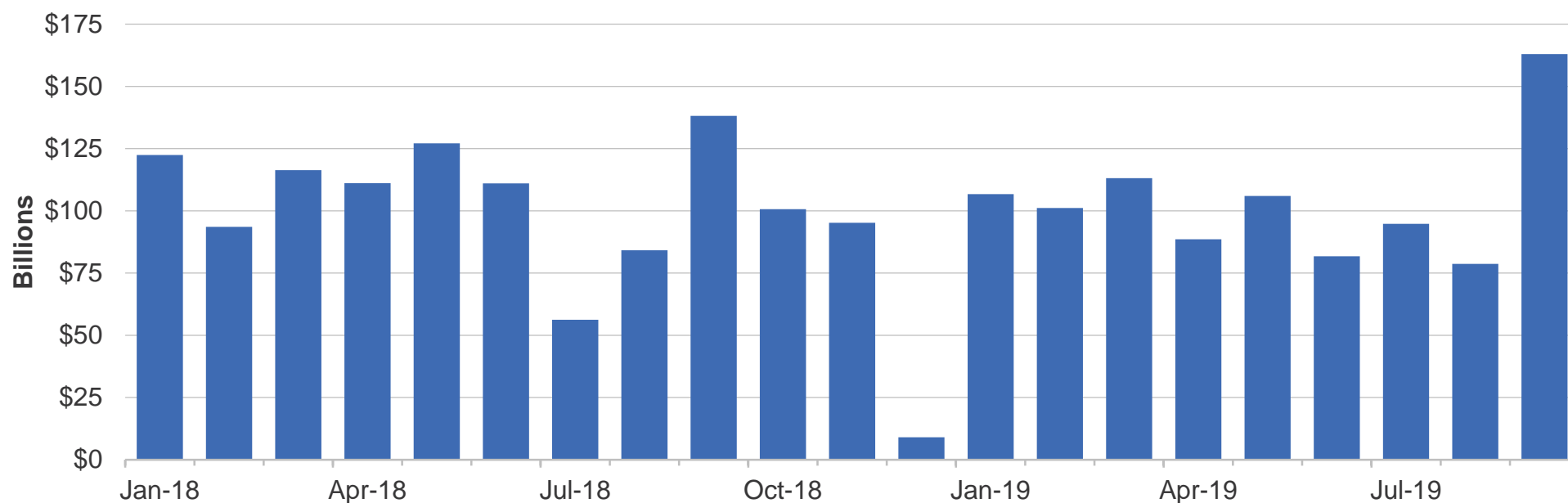


Source: Bloomberg, MarketAxess, and PFM. Spreads on ABS and MBS are option-adjusted spreads of 0-5 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. ICE BofAML 1-5 year Indices. Data as of 9/30/19. CMBS refers to Commercial Mortgage-Backed Securities.

Corporate Issuance Surges in September

- ◆ After a slow start to the quarter, investment grade corporate issuance broke records in September.
 - \$163 billion issued in September.
 - Third busiest month on record.
 - The first week of September was the busiest single week on record.
- ◆ Spreads tightened as demand was high to meet the surge in supply.

U.S. Corporate Investment Grade Issuance



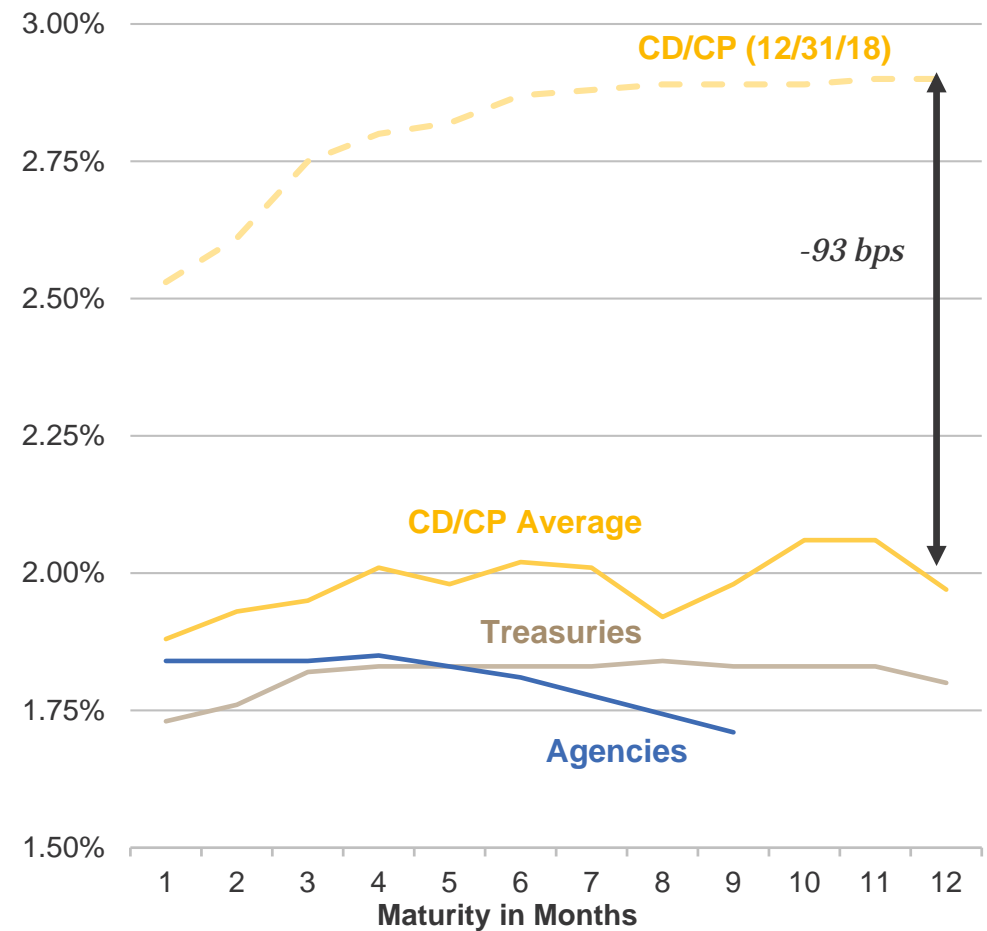
Source: SIFMA, as of September 2019.

Short-Term Credit Spreads Stretch to Near 8-Month Wides

Yield Spread on 6-month Commercial Paper over T-Bill



Money Market Yield Curves



Source (left): Bloomberg, as of 9/30/19. Source (right): PFM Trading Desk, as of 9/30/19. 6-mo CP yield spread based on A1/P1 rated CP index.

Fixed-Income Sector Outlook – October 2019

Sector	Our Investment Preferences	Comments
COMMERCIAL PAPER / CD		<ul style="list-style-type: none"> CP/negotiable CD spreads are near historic tights, though securities appear cheap relative to corporate notes.
TREASURIES		
T-Bill		<ul style="list-style-type: none"> Treasury bill supply is expected to increase by over \$100 billion during the fourth quarter.
T-Note		<ul style="list-style-type: none"> The Treasury yield curve remains inverted, providing little opportunity to benefit from roll-down.
FEDERAL AGENCIES		
Bullets		<ul style="list-style-type: none"> Federal agency spreads remain near historic tights. Treasuries continue to be attractive relative to agencies.
Callables		<ul style="list-style-type: none"> Callables have been underperforming duration-matched bullets as redemption activity has been elevated, especially in short lock-out structures.
SUPRANATIONALS		<ul style="list-style-type: none"> Spreads remain near historical tights; Treasuries have better value. There may be opportunities to sell at single-digit yield spreads before a possible demand-side technical decay into year-end.
CORPORATES		
Financials		<ul style="list-style-type: none"> Tighter credit spreads and a cloudy economic outlook have reduced the attractiveness of the corporate sector.
Industrials		<ul style="list-style-type: none"> Steady demand from foreign investors and a lower interest rate environment, supported by recent FOMC action, are both positives for the sector.
SECURITIZED		
Asset-Backed		<ul style="list-style-type: none"> The AAA-rated ABS sector offers a defensive outlet to credit exposure but has tightened to near multi-year tights.
Agency Mortgage-Backed		<ul style="list-style-type: none"> As interest rates have fallen and supply has increased, MBS spreads have widened significantly to a more historic norm. We view this as a buying opportunity.
Agency CMBS		<ul style="list-style-type: none"> Agency CMBS are an attractive alternative to other government sectors due to their incremental income potential.
MUNICIPALS		<ul style="list-style-type: none"> The low interest rate environment should spur refunding activity and increase taxable municipal supply.

● Current outlook

○ Outlook one month ago

Negative

Slightly
Negative

Neutral

Slightly
Positive

Positive

Investment Strategy & Portfolio Review

The portfolio is in compliance with applicable state statutes and the City's Investment Policy C-7.

Quarter Ended September 30, 2019 – 3Q19

Quarterly Summary

Market Value (MV)	\$320,140,544
Amortized Cost	\$318,558,740
Combined Portfolio Yield on Cost	2.26%
Weighted Average Maturity	0.73 years
Cash Basis Earnings for Quarter ²	\$1,205,934
Accrual Basis Earnings for Quarter ²	\$1,285,070

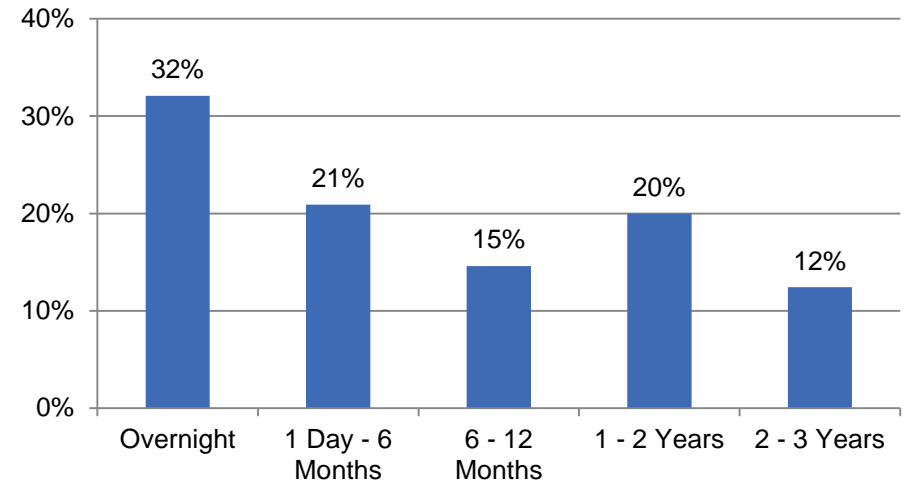
Quarterly Change

Amortized Cost – 3Q19	\$318,558,740
Beginning MV – 3Q19	\$341,493,363
Net Contributions	\$ (22,239,311.86)
Change in Cash	(\$2,553,921)
Change in MV	\$553,839
Ending MV – 3Q19	\$320,140,544

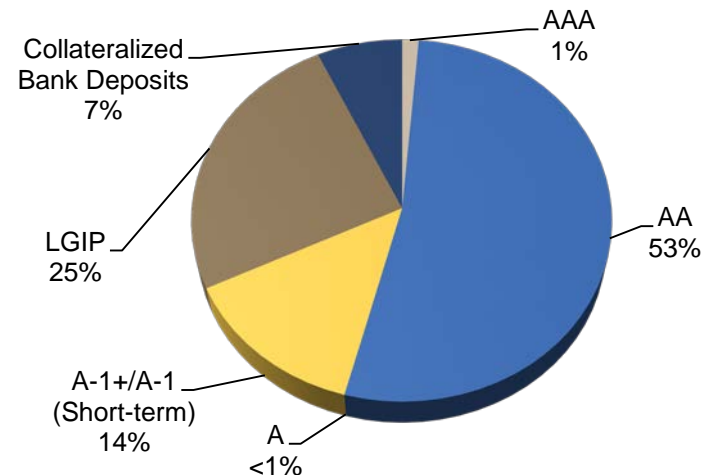
Sector Distribution

Sector	Amortized ¹ Cost	Market ¹ Value	% of Portfolio	Allowed by Policy
U.S. Treasuries	\$148,329,395	\$149,642,634	47%	100%
Federal Agencies	\$28,430,107	\$28,425,262	9%	100%
Municipal Obligations	\$1,500,742	\$1,522,254	<1%	10%
Commercial Paper	\$14,918,890	\$14,922,574	5%	Combined 35% Max.
Corporate Notes	\$22,662,313	\$22,910,528	7%	
LGIP	\$80,318,670	\$80,318,670	25%	ORS limit
Collateralized Deposit Accounts	\$22,398,623	\$22,398,623	7%	100%
Total	\$318,558,740	\$320,140,544	100%	

Combined Portfolio Maturity Distribution⁴



Credit Quality Distribution³



1. Values as of September 30, 2019 including accrued interest.

2. Excludes earnings on LGIP and deposit accounts

3. Ratings by Standard & Poor's (S&P). Securities rated A by S&P are rated AA- or the equivalent or better by at least one nationally recognized statistical rating organization and in compliance with the City's investment policy and Oregon Revised Statutes.

4. Callable securities are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.

Portfolio Recap

- ◆ Our strategy throughout the quarter included the following elements:
 - We continued to rotate out of the federal agency sector as its yield spreads remained unattractive relative to comparable treasuries. Even new issue concessions were less attractive than in prior quarters. While limited supply is partly to blame, insatiable market demand has essentially capped any upside. As a result, we continued to prefer Treasuries over agencies and supranationals, and avoided callable agencies, due to significant early redemptions.
 - Corporate bonds rallied, pushing yield spreads back to near 12-month lows during the quarter as a more accommodative Fed and a temporary lull in the trade war offensive mitigated some of the imminent risk to the economy. As a result, investment-grade (IG) corporates generated attractive excess returns for the third quarter, with lower quality issuers outperforming higher quality ones. A bevy of new-issue corporates in September provided many opportunities, albeit at somewhat modest yield spreads.
 - After narrowing in the first half of 2019, yield spreads on short-term commercial paper gradually increased from multi-year lows. Short-term credit sectors once again offered favorable incremental yield opportunities for ultra-short-term investors.

Investment Strategy Outlook

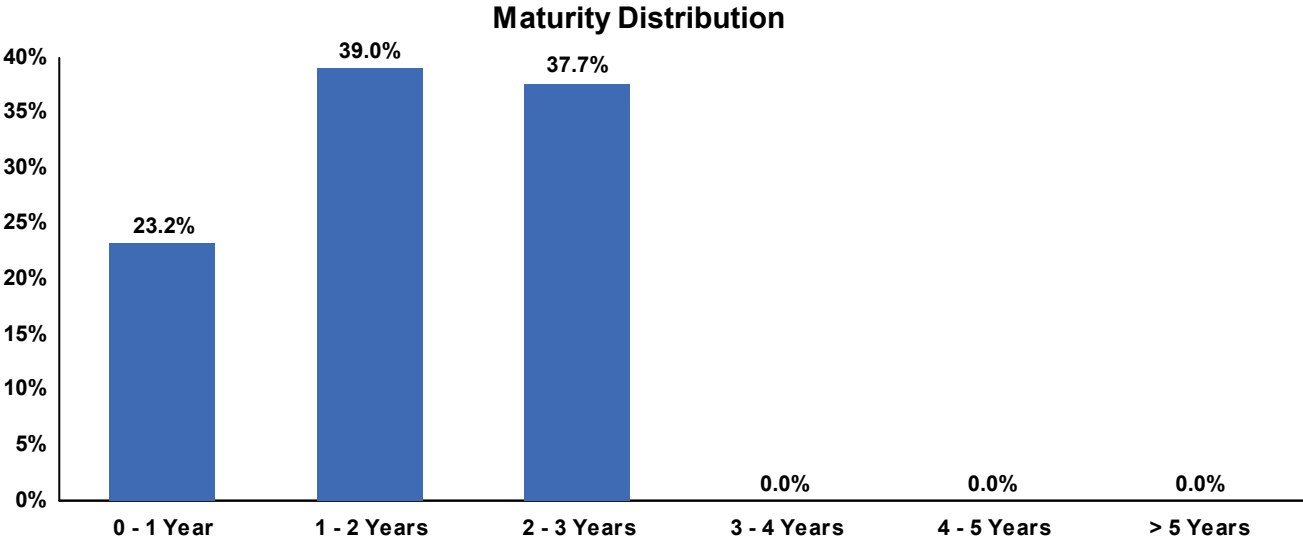
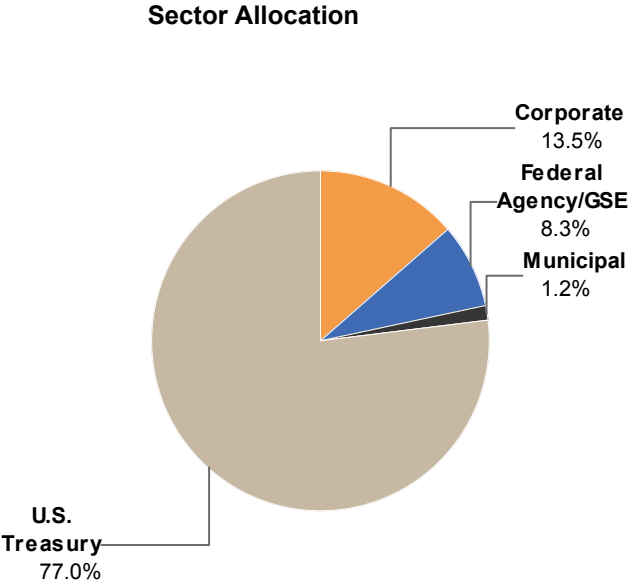
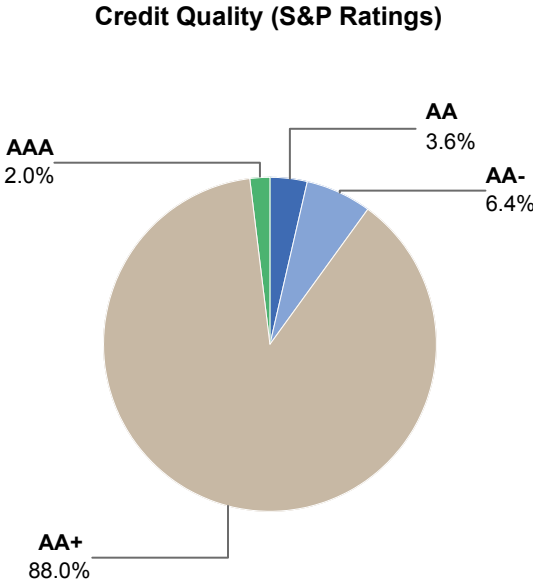
- Our strategy as we enter the final quarter of 2019 is to maintain a well-diversified portfolio as we seek to balance portfolio earnings potential with profit-taking in sectors that appear overly expensive. Issue selection has become increasingly important, regardless of sector, as market cross-currents have created both risks and opportunities.
- Our outlook for the major investment-grade fixed income sectors is as follows:
 - Federal agency yield spreads remain very tight. In some cases, agencies offer yields less than those on Treasuries of similar maturity. The U.S. Treasury Department also released an updated housing reform plan that seeks to reduce the role of the Federal Government, but implementation faces many political and practical difficulties. We continue to favor further reductions in agency holdings because their upside is limited.
 - In the investment-grade (IG) corporate sector, we remain cautiously optimistic. Stable fundamentals, positive earnings growth, and a resilient equity market support the underlying stability of the credit markets; however, in addition to the myriad of geopolitical issues that have yet to be resolved, increased balance sheet leverage translates into somewhat elevated financial risks, especially in light of the narrow spreads currently available. As a result, we plan to reduce “rich” corporate holdings while creating room for new corporate opportunities as they become available.
 - On the heels of two Fed rate cuts in the third quarter, money market investors may see further rate adjustments in the coming months. Short-term credit spreads have widened recently, creating investment opportunities that offset some of the Fed’s lower overnight target rate.



CITY OF SALEM LONG-TERM PORTFOLIO

Investment Performance Review
For the Quarter Ended September 30, 2019

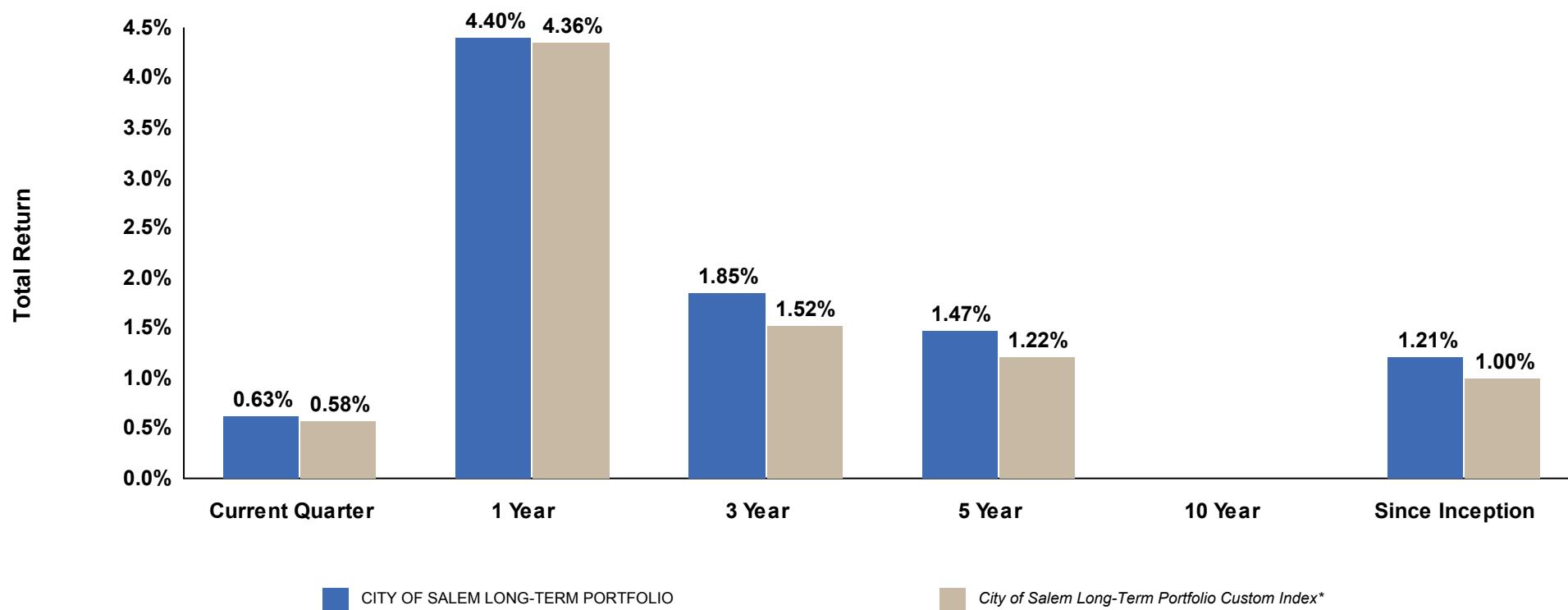
Portfolio Statistics	
As of September 30, 2019	
Par Value:	\$125,940,000
Total Market Value:	\$127,266,209
Security Market Value:	\$126,580,051
Accrued Interest:	\$686,158
Cash:	-
Amortized Cost:	\$125,030,985
Yield at Market:	1.75%
Yield at Cost:	2.42%
Effective Duration:	1.51 Years
Duration to Worst:	1.51 Years
Average Maturity:	1.55 Years
Average Credit: *	AA



* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Current Quarter	1 Year	Annualized Return			
				3 Year	5 Year	10 Year	Since Inception (12/31/12)
CITY OF SALEM LONG-TERM PORTFOLIO	1.51	0.63%	4.40%	1.85%	1.47%	-	1.21%
City of Salem Long-Term Portfolio Custom Index*	1.81	0.58%	4.36%	1.52%	1.22%	-	1.00%
Difference		0.05%	0.04%	0.33%	0.25%	-	0.21%



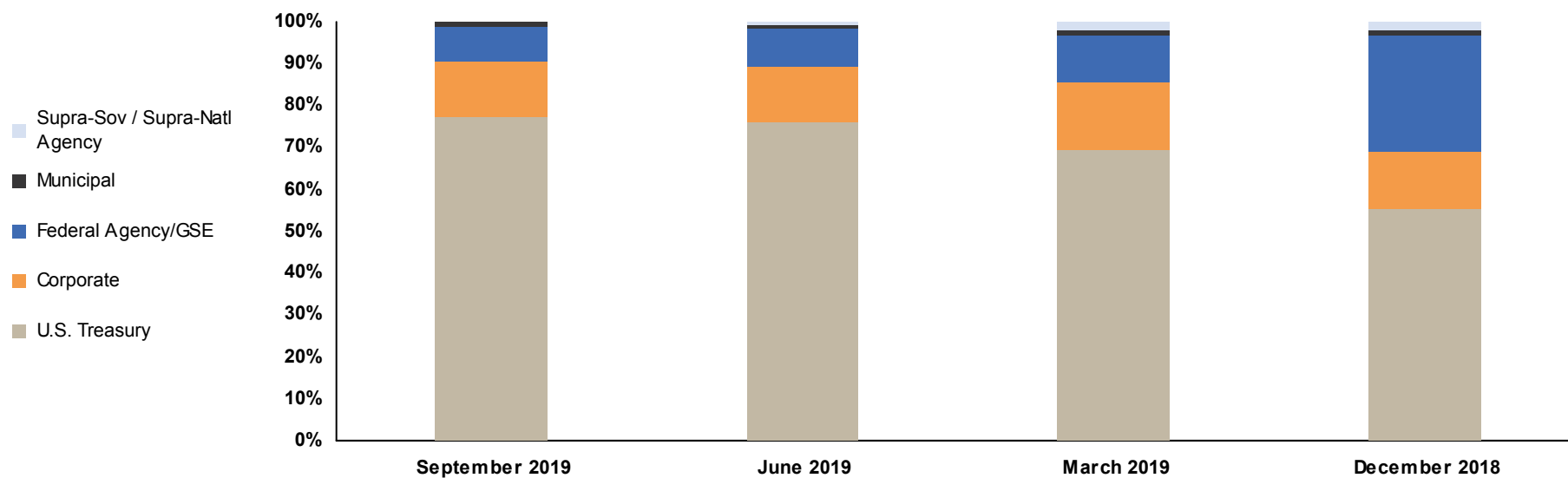
Portfolio performance is gross of fees unless otherwise indicated. *Performance benchmark was the ICE BofAML 0-3 Year U.S. Treasury Index from inception through 6/30/2016 and the ICE BofAML 1-3 Year U.S. Treasury Index beginning 6/30/2016.

Portfolio Earnings**Quarter-Ended September 30, 2019**

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (06/30/2019)	\$127,122,114.19	\$125,612,128.84
Net Purchases/Sales	(\$713,687.50)	(\$713,687.50)
Change in Value	\$171,624.08	\$132,543.74
Ending Value (09/30/2019)	\$126,580,050.77	\$125,030,985.08
Interest Earned	\$623,591.88	\$623,591.88
Portfolio Earnings	\$795,215.96	\$756,135.62

Sector Allocation

Sector	September 30, 2019		June 30, 2019		March 31, 2019		December 31, 2018	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	97.5	77.0%	96.4	75.8%	88.3	69.4%	69.9	55.1%
Corporate	17.1	13.5%	17.1	13.4%	20.3	15.9%	17.7	14.0%
Federal Agency/GSE	10.5	8.3%	11.2	8.8%	14.6	11.4%	35.0	27.6%
Municipal	1.5	1.2%	1.5	1.2%	1.5	1.2%	1.5	1.2%
Supra-Sov / Supra-Natl Agency	0.0	0.0%	1.0	0.8%	2.7	2.1%	2.7	2.1%
Total	\$126.6	100.0%	\$127.1	100.0%	\$127.4	100.0%	\$126.7	100.0%

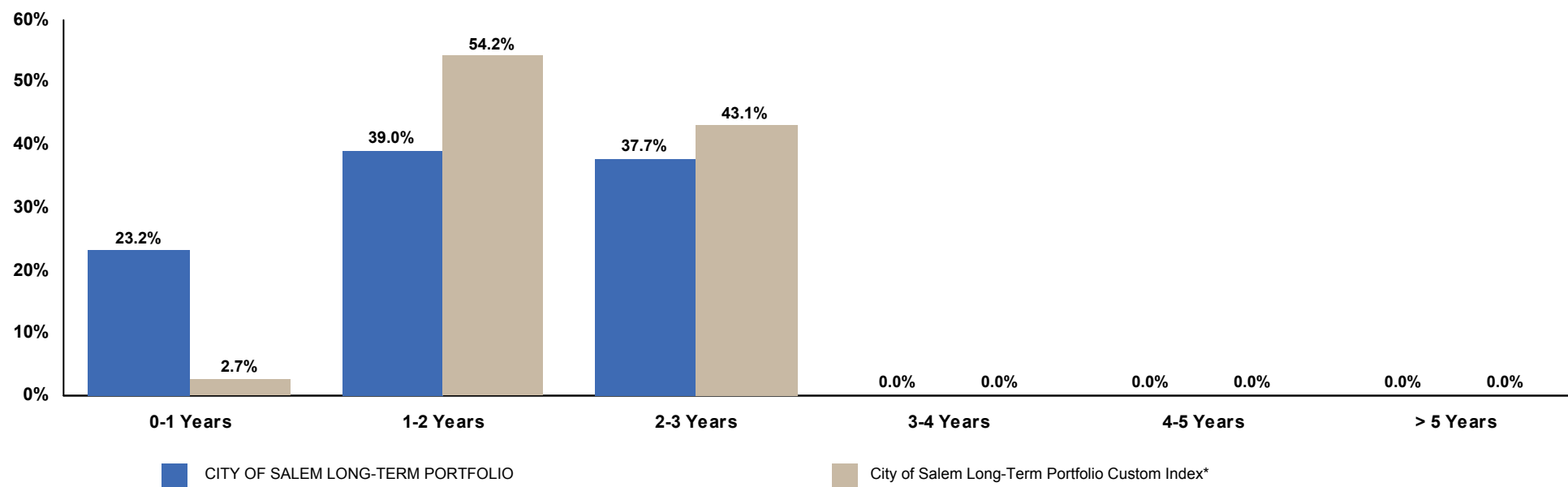


Detail may not add to total due to rounding.

Maturity Distribution

As of September 30, 2019

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
CITY OF SALEM LONG-TERM PORTFOLIO	1.75%	1.55 yrs	23.2%	39.0%	37.7%	0.0%	0.0%	0.0%
City of Salem Long-Term Portfolio Custom Index*	1.68%	1.94 yrs	2.7%	54.2%	43.1%	0.0%	0.0%	0.0%



Portfolio performance is gross of fees unless otherwise indicated. *Performance benchmark was the ICE BofAML 0-3 Year U.S. Treasury Index from inception through 6/30/2016 and the ICE BofAML 1-3 Year U.S. Treasury Index beginning 6/30/2016.

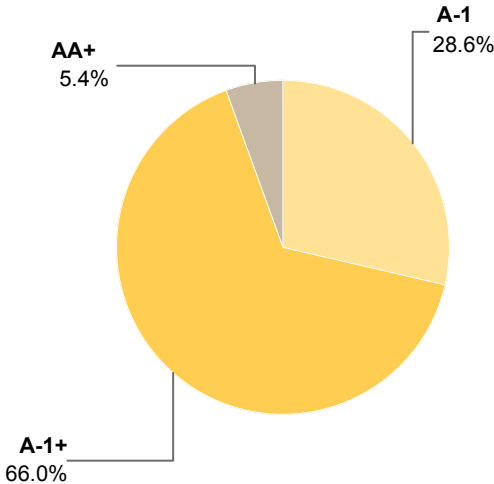


CITY OF SALEM SHORT TERM PORTFOLIO

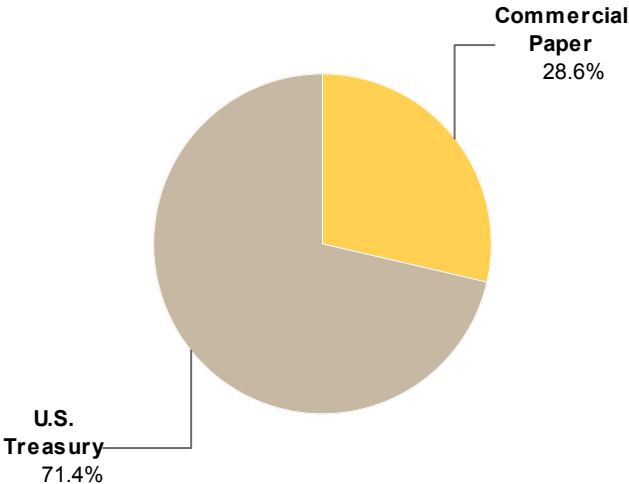
Investment Performance Review
For the Quarter Ended September 30, 2019

Portfolio Statistics	
As of September 30, 2019	
Par Value:	\$32,250,000
Total Market Value:	\$32,154,197
Security Market Value:	\$32,142,076
Accrued Interest:	\$12,121
Cash:	-
Amortized Cost:	\$32,119,271
Yield at Market:	1.80%
Yield at Cost:	2.34%
Effective Duration:	0.20 Years
Duration to Worst:	0.20 Years
Average Maturity:	0.20 Years
Average Credit: *	AA

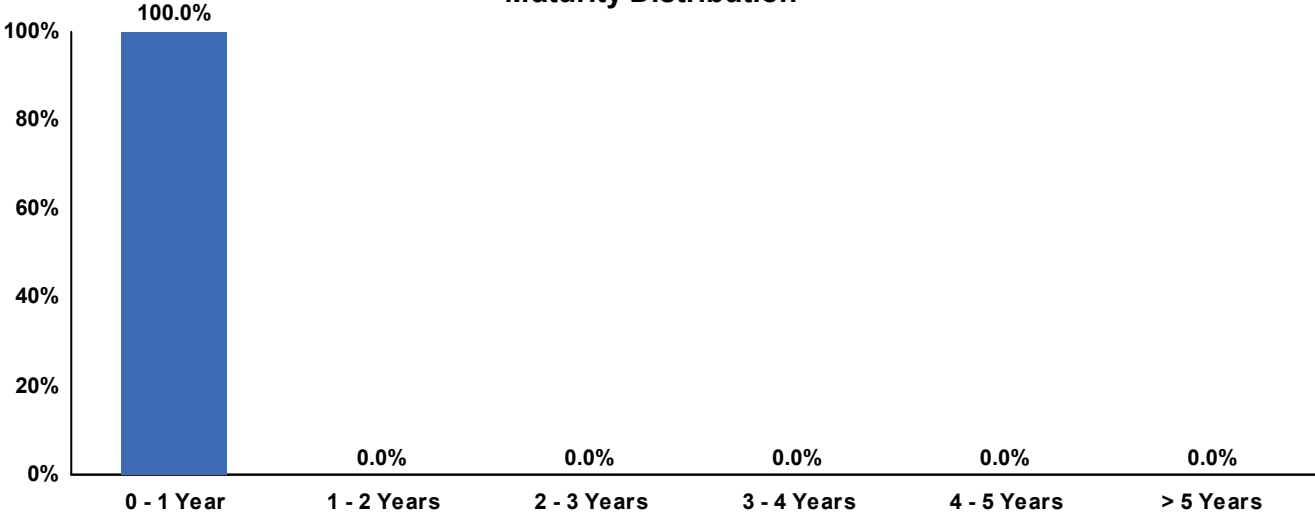
Credit Quality (S&P Ratings)



Sector Allocation



Maturity Distribution



* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

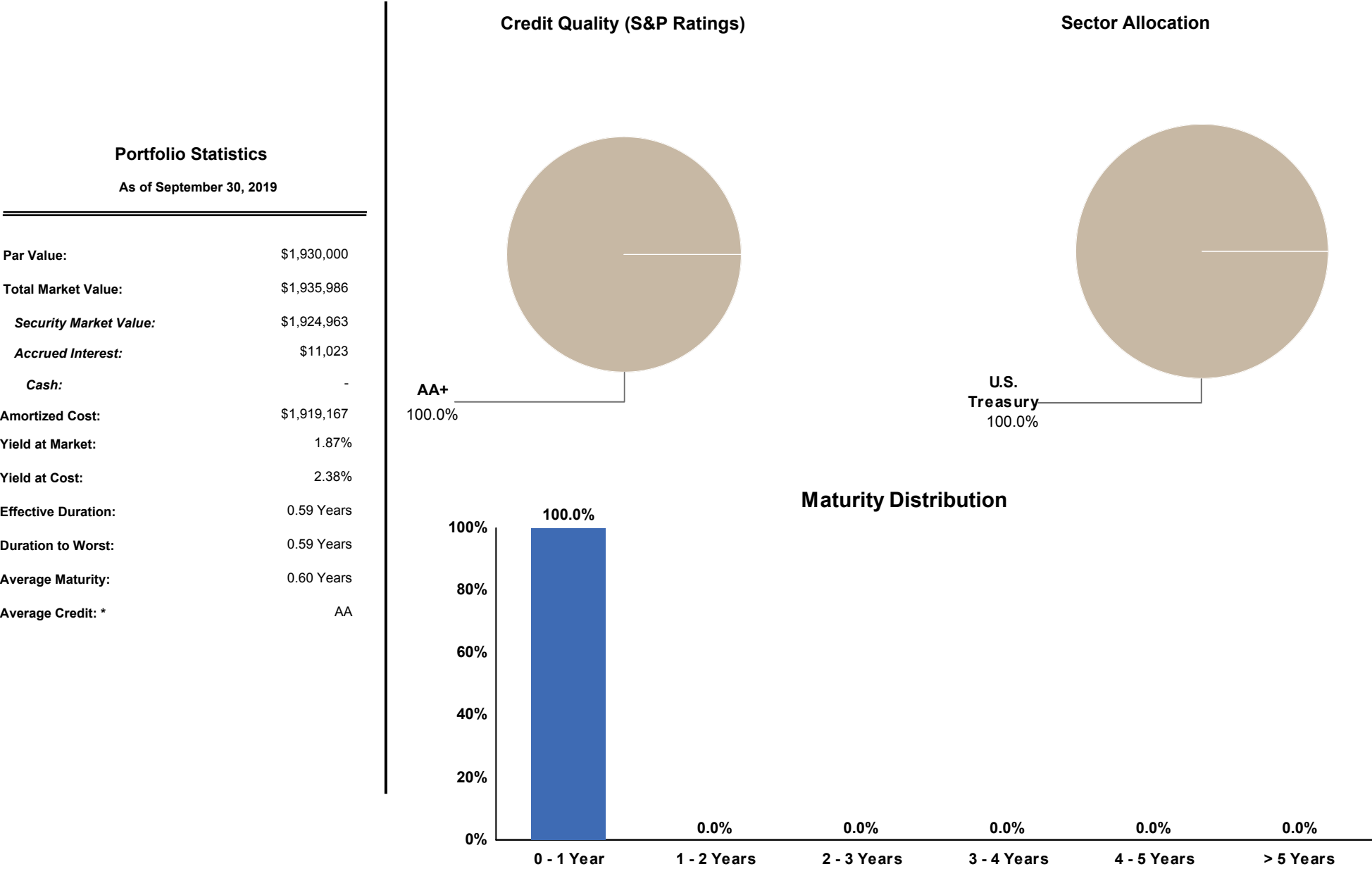
Portfolio Earnings**Quarter-Ended September 30, 2019**

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (06/30/2019)	\$50,947,189.00	\$50,906,913.49
Net Purchases/Sales	(\$19,036,095.78)	(\$19,036,095.78)
Change in Value	\$230,982.53	\$248,452.89
Ending Value (09/30/2019)	\$32,142,075.75	\$32,119,270.60
Interest Earned	\$6,598.36	\$6,598.36
Portfolio Earnings	\$237,580.89	\$255,051.25



CITY OF SALEM STREETS & BRIDGES GO BONDS

Investment Performance Review
For the Quarter Ended September 30, 2019



* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

Portfolio Earnings**Quarter-Ended September 30, 2019**

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (06/30/2019)	\$1,920,621.98	\$1,914,693.31
Net Purchases/Sales	\$0.00	\$0.00
Change in Value	\$4,340.64	\$4,474.14
Ending Value (09/30/2019)	\$1,924,962.62	\$1,919,167.45
Interest Earned	\$6,925.00	\$6,925.00
Portfolio Earnings	\$11,265.64	\$11,399.14

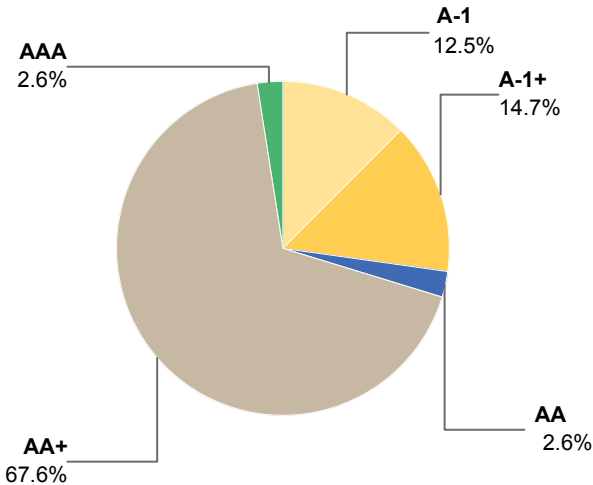


CITY OF SALEM POLICE FACILITY BONDS 2017

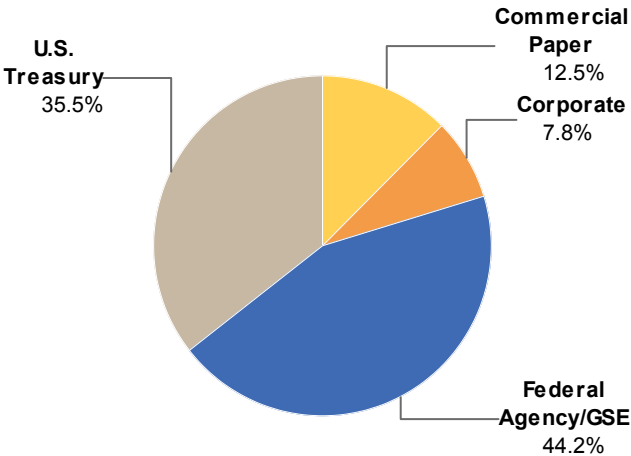
Investment Performance Review
For the Quarter Ended September 30, 2019

Portfolio Statistics	
As of September 30, 2019	
Par Value:	\$40,385,000
Total Market Value:	\$40,413,802
Security Market Value:	\$40,292,793
Accrued Interest:	\$121,009
Cash:	-
Amortized Cost:	\$40,346,691
Yield at Market:	1.89%
Yield at Cost:	1.65%
Effective Duration:	0.41 Years
Duration to Worst:	0.40 Years
Average Maturity:	0.41 Years
Average Credit: *	AA

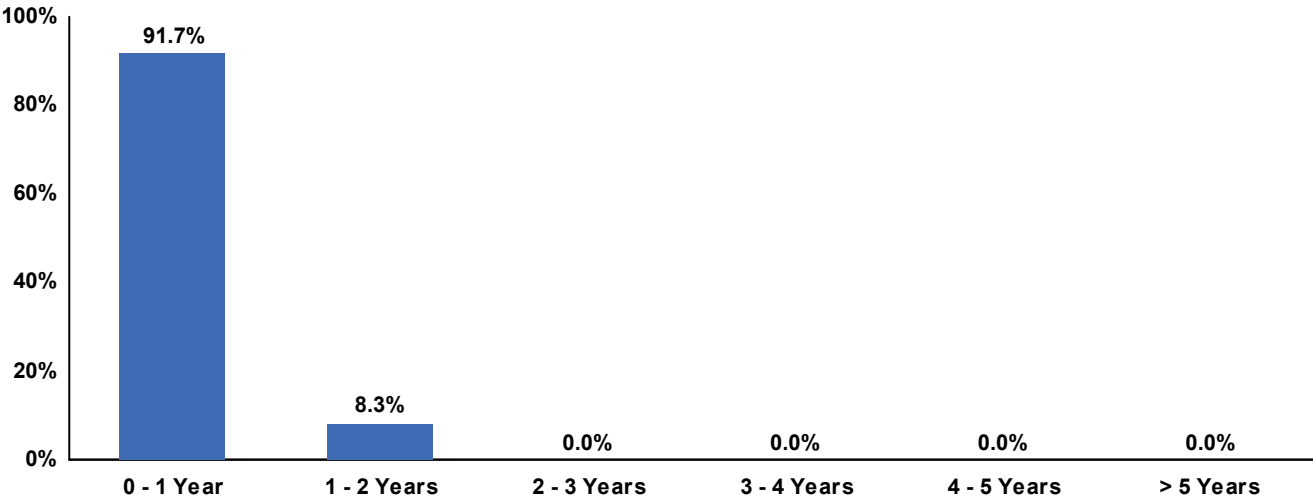
Credit Quality (S&P Ratings)



Sector Allocation



Maturity Distribution



* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

Portfolio Earnings**Quarter-Ended September 30, 2019**

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (06/30/2019)	\$41,443,549.09	\$41,567,559.14
Net Purchases/Sales	(\$1,264,297.10)	(\$1,264,297.10)
Change in Value	\$113,541.03	\$43,428.78
Ending Value (09/30/2019)	\$40,292,793.02	\$40,346,690.82
Interest Earned	\$124,082.00	\$124,082.00
Portfolio Earnings	\$237,623.03	\$167,510.78

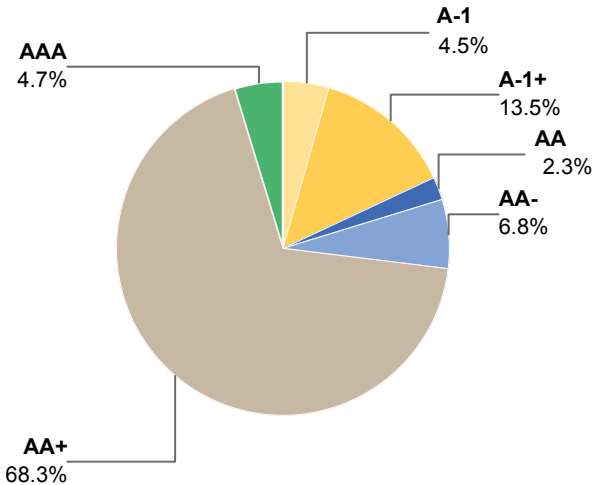


CITY OF SALEM LIBRARY PROJ GO BONDS 2018

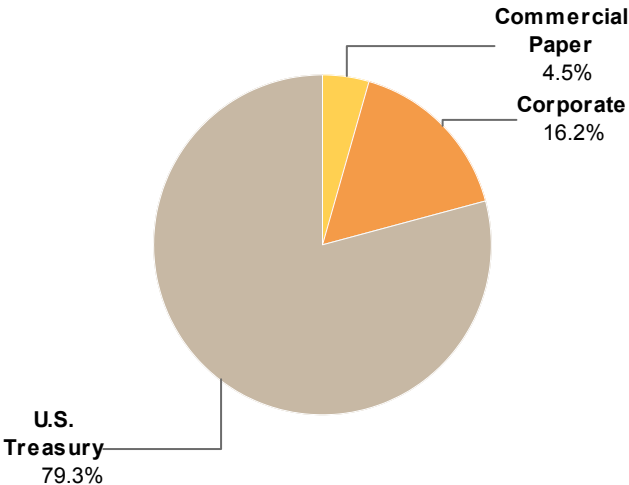
**Investment Performance Review
For the Quarter Ended June 30, 2019**

Portfolio Statistics	
As of September 30, 2019	
Par Value:	\$15,615,000
Total Market Value:	\$15,653,058
Security Market Value:	\$15,599,325
Accrued Interest:	\$53,733
Cash:	-
Amortized Cost:	\$15,541,289
Yield at Market:	1.84%
Yield at Cost:	2.36%
Effective Duration:	0.74 Years
Duration to Worst:	0.74 Years
Average Maturity:	0.76 Years
Average Credit: *	AA

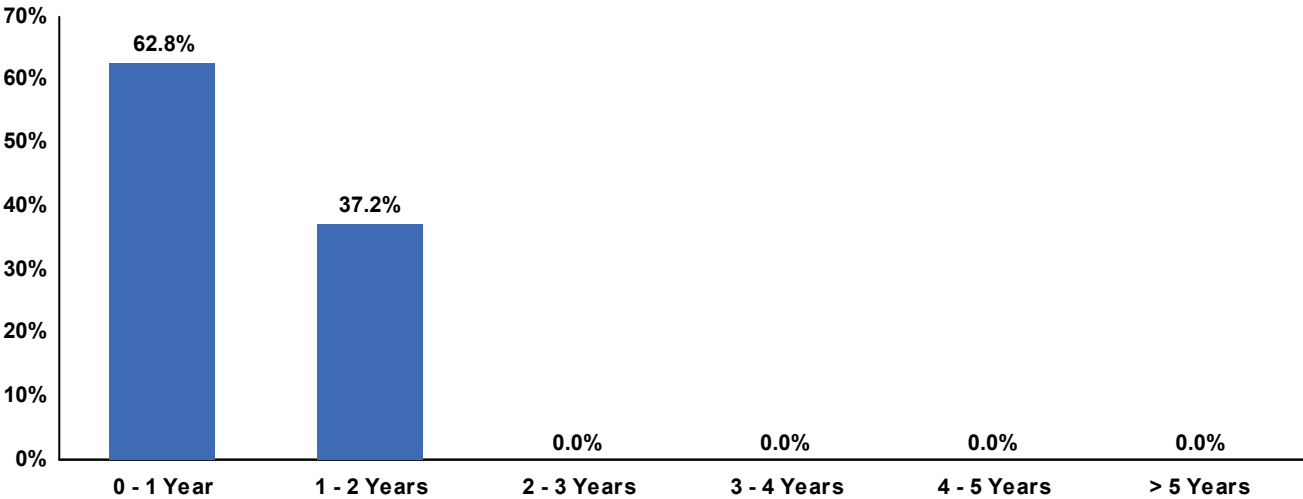
Credit Quality (S&P Ratings)



Sector Allocation



Maturity Distribution



* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

Portfolio Earnings**Quarter-Ended September 30, 2019**

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (06/30/2019)	\$16,088,947.75	\$16,025,179.24
Net Purchases/Sales	(\$522,973.05)	(\$522,973.05)
Change in Value	\$33,350.67	\$39,082.93
Ending Value (09/30/2019)	\$15,599,325.37	\$15,541,289.12
Interest Earned	\$55,895.54	\$55,895.54
Portfolio Earnings	\$89,246.21	\$94,978.47

Portfolio Transactions

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
9/19/19	9/20/19	960,000	912828XR6	US TREASURY NOTES	1.75%	5/31/22	966,453.48	1.70%	
Total BUY		960,000					966,453.48		
INTEREST									
7/11/19	7/11/19	2,750,000	89236TDP7	TOYOTA MOTOR CREDIT CORP BONDS	2.60%	1/11/22	35,750.00		
7/15/19	7/15/19	2,000,000	084664BQ3	BERKSHIRE HATHAWAY FINANCE CORP NOTES	4.25%	1/15/21	42,500.00		
7/15/19	7/15/19	8,100,000	9128285V8	US TREASURY NOTES	2.50%	1/15/22	101,250.00		
7/31/19	7/31/19	5,000,000	912828N89	US TREASURY NOTES	1.37%	1/31/21	34,375.00		
8/5/19	8/5/19	700,000	3130A8Y72	FHLB GLOBAL NOTE	0.87%	8/5/19	3,062.50		
8/7/19	8/7/19	2,500,000	88579YQA4	3M COMPANY CORP NOTES	2.00%	8/7/20	25,000.00		
8/28/19	8/28/19	6,000,000	3135G0T29	FNMA NOTES	1.50%	2/28/20	45,000.00		
8/28/19	8/28/19	1,250,000	17275RBD3	CISCO SYSTEMS INC CORP NOTES	2.20%	2/28/21	13,750.00		
8/31/19	8/31/19	7,440,000	9128286D7	US TREASURY N/B	2.50%	2/28/21	93,000.00		
8/31/19	8/31/19	2,500,000	912828W55	US TREASURY N/B NOTES	1.87%	2/28/22	23,437.50		
9/3/19	9/3/19	2,500,000	478160CD4	JOHNSON & JOHNSON CORP NOTES	2.25%	3/3/22	28,125.00		
9/20/19	9/20/19	975,000	00828EBQ1	AFRICAN DEVELOPMENT BANK NOTE	1.12%	9/20/19	5,489.25		
9/28/19	9/28/19	1,400,000	3130ACE26	FHLB NOTES	1.37%	9/28/20	9,625.00		
9/30/19	9/30/19	7,125,000	912828T34	US TREASURY NOTES	1.12%	9/30/21	40,078.13		
9/30/19	9/30/19	2,930,000	912828UV0	US TREASURY NOTES	1.12%	3/31/20	16,481.25		
9/30/19	9/30/19	1,250,000	912828T34	US TREASURY NOTES	1.12%	9/30/21	7,031.25		
Total INTEREST		54,420,000					523,954.88		

CITY OF SALEM LONG-TERM PORTFOLIO

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
MATURITY									
8/5/19	8/5/19	700,000	3130A8Y72	FHLB GLOBAL NOTE	0.87%	8/5/19	700,000.00		0.00
9/20/19	9/20/19	975,000	00828EBQ1	AFRICAN DEVELOPMENT BANK NOTE	1.12%	9/20/19	975,000.00		0.00
Total MATURITY		1,675,000					1,675,000.00		0.00

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
7/17/19	7/18/19	4,000,000	09659CZG6	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	12/16/19	3,963,592.22	2.19%	
8/22/19	8/23/19	1,500,000	62479MYM9	MUFG BANK LTD/NY COMM PAPER	0.00%	11/21/19	1,492,050.00	2.13%	
Total BUY		5,500,000					5,455,642.22		
MATURITY									
7/18/19	7/18/19	7,000,000	912796QR3	UNITED STATES TREASURY BILL	0.00%	7/18/19	7,000,000.00		0.00
8/15/19	8/15/19	6,000,000	912796QV4	UNITED STATES TREASURY BILL	0.00%	8/15/19	6,000,000.00		0.00
8/15/19	8/15/19	5,000,000	912796QV4	UNITED STATES TREASURY BILL	0.00%	8/15/19	5,000,000.00		0.00
9/12/19	9/12/19	5,000,000	912796RA9	UNITED STATES TREASURY BILL	0.00%	9/12/19	5,000,000.00		0.00
Total MATURITY		23,000,000					23,000,000.00		0.00
TRANSFER OUT									
8/24/19	8/24/19	1,500,000	62479MYM9	MUFG BANK LTD/NY COMM PAPER	0.00%	11/21/19	1,491,738.00	2.24%	0.00
Total TRANSFER OUT		1,500,000					1,491,738.00		0.00

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
7/17/19	7/19/19	3,000,000	912796SN0	UNITED STATES TREASURY BILL	0.00%	10/17/19	2,984,313.75	2.10%	
8/14/19	8/15/19	940,000	912796TF6	US TREASURY BILL	0.00%	2/13/20	931,160.87	1.88%	
8/14/19	8/15/19	1,000,000	22533UYF4	CREDIT AGRICOLE CIB NY COMM PAPER	0.00%	11/15/19	994,607.78	2.12%	
9/19/19	9/20/19	1,050,000	62479LCJ2	MUFG BANK LTD/NY COMM PAPER	0.00%	3/18/20	1,039,132.50	2.09%	
9/26/19	9/27/19	1,525,000	09659BCR9	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	3/25/20	1,509,750.00	2.02%	
Total BUY		7,515,000					7,458,964.90		
INTEREST									
7/17/19	7/17/19	6,270,000	3137EAE5	FREDDIE MAC NOTES	1.50%	1/17/20	47,025.00		
7/19/19	7/19/19	2,525,000	3137EAEB1	FHLMC REFERENCE NOTE	0.87%	7/19/19	11,046.88		
7/30/19	7/30/19	2,480,000	3135G0T60	FNMA NOTES	1.50%	7/30/20	18,600.00		
8/9/19	8/9/19	1,050,000	037833AX8	APPLE INC BONDS	1.55%	2/7/20	8,137.50		
8/12/19	8/12/19	1,050,000	594918AY0	MICROSOFT CORP (CALLABLE) NOTE	1.85%	2/12/20	9,712.50		
8/15/19	8/15/19	1,940,000	3137EAEH8	FREDDIE MAC NOTES	1.37%	8/15/19	13,337.50		
8/28/19	8/28/19	625,000	3135G0P49	FNMA NOTES	1.00%	8/28/19	3,125.00		
9/20/19	9/20/19	1,050,000	17275RBG6	CISCO SYSTEMS INC CORP NOTES	1.40%	9/20/19	7,350.00		
9/26/19	9/26/19	1,525,000	3130A9EP2	FHLB GLOBAL NOTES	1.00%	9/26/19	7,625.00		
9/30/19	9/30/19	1,295,000	912828L65	US TREASURY NOTES	1.37%	9/30/20	8,903.13		
Total INTEREST		19,810,000					134,862.51		
MATURITY									
7/19/19	7/19/19	2,525,000	3137EAEB1	FHLMC REFERENCE NOTE	0.87%	7/19/19	2,525,000.00		0.00

CITY OF SALEM POLICE FACILITY BONDS 2017

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
8/15/19	8/15/19	1,940,000	3137EAEH8	FREDDIE MAC NOTES	1.37%	8/15/19	1,940,000.00		0.00
8/22/19	8/22/19	1,500,000	62479MVN0	MUFG BANK LTD/NY COMM PAPER	0.00%	8/22/19	1,500,000.00		0.00
8/28/19	8/28/19	625,000	3135G0P49	FNMA NOTES	1.00%	8/28/19	625,000.00		0.00
8/29/19	8/29/19	1,050,000	912796SF7	UNITED STATES TREASURY BILL	0.00%	8/29/19	1,050,000.00		0.00
9/20/19	9/20/19	1,050,000	17275RBG6	CISCO SYSTEMS INC CORP NOTES	1.40%	9/20/19	1,050,000.00		0.00
9/26/19	9/26/19	1,525,000	3130A9EP2	FHLB GLOBAL NOTES	1.00%	9/26/19	1,525,000.00		0.00
Total MATURITY		10,215,000					10,215,000.00		0.00
TRANSFER IN									
8/24/19	8/24/19	1,500,000	62479MYM9	MUFG BANK LTD/NY COMM PAPER	0.00%	11/21/19	1,491,738.00	2.24%	0.00
Total TRANSFER IN		1,500,000					1,491,738.00		0.00

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
9/25/19	9/30/19	645,000	912828L65	US TREASURY NOTES	1.37%	9/30/20	642,026.95	1.84%	
Total BUY		645,000					642,026.95		
INTEREST									
7/8/19	7/8/19	360,000	931142CU5	WAL MART STORES INC. CORP NOTES	3.62%	7/8/20	6,525.00		
7/31/19	7/31/19	310,000	912828N89	US TREASURY NOTES	1.37%	1/31/21	2,131.25		
7/31/19	7/31/19	1,265,000	912828XM7	US TREASURY NOTES	1.62%	7/31/20	10,278.13		
8/31/19	8/31/19	1,625,000	912828L32	US TREASURY NOTES	1.37%	8/31/20	11,171.88		
9/1/19	9/1/19	365,000	478160AW4	JOHNSON & JOHNSON GLOBAL NOTES	2.95%	9/1/20	5,383.75		
9/30/19	9/30/19	1,260,000	912828L65	US TREASURY NOTES	1.37%	9/30/20	8,662.50		
9/30/19	9/30/19	645,000	912828X7	US TREASURY N/B NOTES	1.37%	9/30/19	4,434.38		
Total INTEREST		5,830,000					48,586.89		
MATURITY									
9/12/19	9/12/19	520,000	912796RA9	UNITED STATES TREASURY BILL	0.00%	9/12/19	520,000.00		0.00
9/30/19	9/30/19	645,000	912828X7	US TREASURY N/B NOTES	1.37%	9/30/19	645,000.00		0.00
Total MATURITY		1,165,000					1,165,000.00		0.00

Portfolio Holdings

CITY OF SALEM LONG-TERM PORTFOLIO

Portfolio Holdings

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 04/01/2013 1.125% 03/31/2020	912828UV0	2,930,000.00	AA+	Aaa	3/15/2017	3/17/2017	2,879,526.17	1.71	90.06	2,921,560.96	2,919,241.04
US TREASURY NOTES DTD 04/30/2013 1.125% 04/30/2020	912828VA5	2,500,000.00	AA+	Aaa	4/26/2017	4/27/2017	2,473,242.19	1.49	11,769.70	2,494,736.38	2,489,355.00
US TREASURY NOTES DTD 04/30/2015 1.375% 04/30/2020	912828K58	2,500,000.00	AA+	Aaa	9/19/2018	9/20/2018	2,444,921.88	2.78	14,385.19	2,479,863.90	2,492,675.00
US TREASURY N/B NOTES DTD 05/31/2018 2.500% 05/31/2020	9128284Q0	4,000,000.00	AA+	Aaa	6/14/2018	6/18/2018	3,994,531.25	2.57	33,606.56	3,998,119.88	4,016,092.00
US TREASURY NOTES DTD 06/30/2015 1.625% 06/30/2020	912828XH8	1,100,000.00	AA+	Aaa	6/27/2017	6/28/2017	1,103,093.75	1.53	4,517.32	1,100,782.10	1,098,066.20
US TREASURY NOTES DTD 06/30/2015 1.625% 06/30/2020	912828XH8	4,000,000.00	AA+	Aaa	6/14/2018	6/18/2018	3,924,531.25	2.58	16,426.63	3,971,837.52	3,992,968.00
US TREASURY NOTES DTD 10/31/2015 1.375% 10/31/2020	912828L99	6,500,000.00	AA+	Aaa	2/1/2017	2/7/2017	6,416,718.75	1.73	37,401.49	6,475,297.21	6,470,041.50
US TREASURY NOTES DTD 11/30/2015 1.625% 11/30/2020	912828M98	5,350,000.00	AA+	Aaa	1/8/2018	1/10/2018	5,284,169.92	2.07	29,216.70	5,323,021.07	5,339,134.15
US TREASURY NOTES DTD 01/31/2016 1.375% 01/31/2021	912828N89	5,000,000.00	AA+	Aaa	1/8/2018	1/10/2018	4,893,945.31	2.09	11,582.88	4,953,004.05	4,973,830.00
US TREASURY N/B DTD 02/28/2019 2.500% 02/28/2021	9128286D7	7,440,000.00	AA+	Aaa	3/7/2019	3/11/2019	7,443,778.13	2.47	15,840.66	7,442,754.06	7,516,140.96
US TREASURY NOTES DTD 05/15/2018 2.625% 05/15/2021	9128284P2	1,015,000.00	AA+	Aaa	5/24/2018	5/29/2018	1,014,286.33	2.65	10,063.81	1,014,605.80	1,029,630.21
US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WN6	2,500,000.00	AA+	Aaa	6/5/2018	6/7/2018	2,456,542.97	2.61	16,803.28	2,475,342.35	2,511,620.00
US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WN6	5,200,000.00	AA+	Aaa	6/14/2018	6/18/2018	5,098,640.63	2.69	34,950.82	5,141,905.91	5,224,169.60
US TREASURY N/B DTD 06/30/2016 1.125% 06/30/2021	912828S27	5,000,000.00	AA+	Aaa	6/14/2018	6/18/2018	4,771,679.69	2.70	14,215.35	4,866,277.35	4,950,390.00
US TREASURY NOTES DTD 09/30/2016 1.125% 09/30/2021	912828T34	7,125,000.00	AA+	Aaa	9/11/2018	9/12/2018	6,774,873.05	2.82	219.01	6,892,319.16	7,052,082.75

CITY OF SALEM LONG-TERM PORTFOLIO

Portfolio Holdings

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 09/30/2016 1.125% 09/30/2021	912828T34	1,250,000.00	AA+	Aaa	3/6/2018	3/7/2018	1,190,283.20	2.53	38.42	1,215,896.59	1,237,207.50
UNITED STATES TREASURY NOTES DTD 10/15/2018 2.875% 10/15/2021	9128285F3	9,965,000.00	AA+	Aaa	11/9/2018	11/13/2018	9,932,691.60	2.99	132,288.10	9,942,260.07	10,208,285.51
US TREASURY NOTES DTD 11/30/2016 1.750% 11/30/2021	912828U65	5,000,000.00	AA+	Aaa	12/4/2018	12/7/2018	4,850,390.63	2.80	29,405.74	4,890,207.75	5,011,135.00
US TREASURY NOTES DTD 01/15/2019 2.500% 01/15/2022	9128285V8	8,100,000.00	AA+	Aaa	1/30/2019	1/31/2019	8,085,761.72	2.56	42,921.20	8,088,929.41	8,256,937.50
US TREASURY N/B NOTES DTD 02/28/2017 1.875% 02/28/2022	912828W55	2,500,000.00	AA+	Aaa	2/26/2019	2/27/2019	2,458,203.13	2.46	3,992.10	2,466,153.90	2,514,647.50
US TREASURY N/B NOTES DTD 04/30/2015 1.750% 04/30/2022	912828WZ9	1,750,000.00	AA+	Aaa	5/8/2019	5/13/2019	1,726,074.22	2.23	12,815.90	1,729,085.23	1,756,699.00
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	5,400,000.00	AA+	Aaa	5/10/2019	5/16/2019	5,348,531.25	2.21	42,370.92	5,354,896.88	5,436,493.20
US TREASURY NOTES DTD 05/31/2017 1.750% 05/31/2022	912828XR6	960,000.00	AA+	Aaa	9/19/2019	9/20/2019	961,312.50	1.70	5,645.90	961,299.38	963,600.00
Security Type Sub-Total		97,085,000.00					95,527,729.52	2.45	520,567.74	96,200,156.91	97,460,441.62
Municipal Bond / Note											
CA ST TXBL GO BONDS DTD 04/25/2018 2.800% 04/01/2021	13063DGA0	1,480,000.00	AA-	Aa3	4/18/2018	4/25/2018	1,480,059.20	2.80	20,720.00	1,480,022.29	1,501,534.00
Security Type Sub-Total		1,480,000.00					1,480,059.20	2.80	20,720.00	1,480,022.29	1,501,534.00
Federal Agency Bond / Note											
FNMA NOTES DTD 02/28/2017 1.500% 02/28/2020	3135G0T29	6,000,000.00	AA+	Aaa	2/27/2017	2/28/2017	5,991,000.00	1.55	8,250.00	5,998,751.22	5,989,776.00
FHLB NOTES DTD 09/08/2017 1.375% 09/28/2020	3130ACE26	1,400,000.00	AA+	Aaa	9/7/2017	9/8/2017	1,395,506.00	1.48	160.42	1,398,518.09	1,393,621.60

CITY OF SALEM LONG-TERM PORTFOLIO

Portfolio Holdings

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FANNIE MAE NOTES DTD 04/13/2018 2.500% 04/13/2021	3135G0U27	3,100,000.00	AA+	Aaa	4/12/2018	4/13/2018	3,095,381.00	2.55	36,166.67	3,097,595.61	3,136,930.30
Security Type Sub-Total		10,500,000.00					10,481,887.00	1.84	44,577.09	10,494,864.92	10,520,327.90
Corporate Note											
APPLE INC CORP NOTE DTD 05/13/2015 2.000% 05/06/2020	037833BD1	2,500,000.00	AA+	Aa1	6/27/2017	6/28/2017	2,515,225.00	1.78	19,166.67	2,503,250.98	2,501,287.50
3M COMPANY CORP NOTES DTD 08/07/2015 2.000% 08/07/2020	88579YAQ4	2,500,000.00	AA-	A1	8/2/2017	8/7/2017	2,522,500.00	1.69	7,500.00	2,506,487.48	2,502,117.50
BERKSHIRE HATHAWAY FINANCE CORP NOTES DTD 01/11/2011 4.250% 01/15/2021	084664BQ3	2,000,000.00	AA	Aa2	5/15/2018	5/17/2018	2,065,600.00	2.96	17,944.44	2,032,424.68	2,059,714.00
CISCO SYSTEMS INC CORP NOTES DTD 02/29/2016 2.200% 02/28/2021	17275RBD3	1,250,000.00	AA-	A1	3/6/2018	3/7/2018	1,226,487.50	2.86	2,520.83	1,238,647.75	1,256,471.25
ALPHABET INC CORP NOTE DTD 04/27/2016 3.625% 05/19/2021	02079KAA5	875,000.00	AA+	Aa2	5/16/2018	5/17/2018	893,357.50	2.89	11,630.21	885,168.80	898,850.75
WAL-MART STORES INC CORP NOTES DTD 06/27/2018 3.125% 06/23/2021	931142EJ8	2,500,000.00	AA	Aa2	6/20/2018	6/27/2018	2,499,875.00	3.13	21,267.36	2,499,922.55	2,556,427.50
TOYOTA MOTOR CREDIT CORP BONDS DTD 01/09/2017 2.600% 01/11/2022	89236TDP7	2,750,000.00	AA-	Aa3	1/8/2019	1/10/2019	2,705,972.50	3.16	15,888.89	2,716,240.89	2,793,518.75
JOHNSON & JOHNSON CORP NOTES DTD 03/03/2017 2.250% 03/03/2022	478160CD4	2,500,000.00	AAA	Aaa	3/5/2019	3/7/2019	2,467,900.00	2.70	4,375.00	2,473,797.83	2,529,360.00
Security Type Sub-Total		16,875,000.00					16,896,917.50	2.61	100,293.40	16,855,940.96	17,097,747.25
Managed Account Sub Total		125,940,000.00					124,386,593.22	2.42	686,158.23	125,030,985.08	126,580,050.77

CITY OF SALEM LONG-TERM PORTFOLIO

Portfolio Holdings

Securities Sub-Total	\$125,940,000.00			\$124,386,593.22	2.42%	\$686,158.23	\$125,030,985.08	\$126,580,050.77
Accrued Interest								\$686,158.23
Total Investments								\$127,266,209.00

Bolded items are forward settling trades.

CITY OF SALEM SHORT TERM PORTFOLIO

Portfolio Holdings

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY N/B NOTES DTD 04/17/2017 1.500% 04/15/2020	912828X21	1,750,000.00	AA+	Aaa	4/26/2019	4/29/2019	1,735,166.02	2.40	12,120.90	1,741,661.78	1,746,514.00
Security Type Sub-Total		1,750,000.00					1,735,166.02	2.40	12,120.90	1,741,661.78	1,746,514.00
U.S. Treasury Bill											
UNITED STATES TREASURY BILL DTD 11/08/2018 0.000% 11/07/2019	912796RM3	5,250,000.00	A-1+	P-1	5/8/2019	5/9/2019	5,186,963.54	2.40	0.00	5,237,184.91	5,240,718.00
UNITED STATES TREASURY BILL DTD 11/08/2018 0.000% 11/07/2019	912796RM3	13,500,000.00	A-1+	P-1	5/10/2019	5/16/2019	13,344,403.13	2.40	0.00	13,467,102.39	13,476,132.00
UNITED STATES TREASURY BILL DTD 11/08/2018 0.000% 11/07/2019	912796RM3	2,500,000.00	A-1+	P-1	5/2/2019	5/6/2019	2,470,117.36	2.35	0.00	2,494,023.48	2,495,580.00
Security Type Sub-Total		21,250,000.00					21,001,484.03	2.39	0.00	21,198,310.78	21,212,430.00
Commercial Paper											
BNP PARIBAS NY BRANCH COMM PAPER DTD 07/15/2019 0.000% 12/16/2019	09659CZG6	4,000,000.00	A-1	P-1	7/17/2019	7/18/2019	3,963,592.22	2.19	0.00	3,981,675.56	3,982,340.00
MUFG BANK LTD/NY COMM PAPER DTD 06/17/2019 0.000% 03/13/2020	62479LCD5	5,250,000.00	A-1	P-1	6/19/2019	6/20/2019	5,164,726.88	2.23	0.00	5,197,622.48	5,200,791.75
Security Type Sub-Total		9,250,000.00					9,128,319.10	2.21	0.00	9,179,298.04	9,183,131.75
Managed Account Sub Total		32,250,000.00					31,864,969.15	2.34	12,120.90	32,119,270.60	32,142,075.75
Securities Sub-Total		\$32,250,000.00					\$31,864,969.15	2.34%	\$12,120.90	\$32,119,270.60	\$32,142,075.75
Accrued Interest											\$12,120.90
Total Investments											\$32,154,196.65

Bolded items are forward settling trades.

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 04/30/2015 1.375% 04/30/2020	912828K58	1,000,000.00	AA+	Aaa	4/10/2019	4/11/2019	989,335.94	2.41	5,754.08	994,080.96	997,070.00
US TREASURY N/B NOTES DTD 05/15/2017 1.500% 05/15/2020	912828X96	930,000.00	AA+	Aaa	5/10/2019	5/16/2019	922,153.13	2.36	5,269.16	925,086.49	927,892.62
Security Type Sub-Total		1,930,000.00					1,911,489.07	2.38	11,023.24	1,919,167.45	1,924,962.62
Managed Account Sub Total		1,930,000.00					1,911,489.07	2.38	11,023.24	1,919,167.45	1,924,962.62
Securities Sub-Total		\$1,930,000.00					\$1,911,489.07	2.38%	\$11,023.24	\$1,919,167.45	\$1,924,962.62
Accrued Interest											\$11,023.24
Total Investments											\$1,935,985.86

Bolded items are forward settling trades.

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 12/31/2014 1.625% 12/31/2019	912828G95	2,550,000.00	AA+	Aaa	9/1/2017	9/7/2017	2,564,044.92	1.38	10,471.98	2,551,522.48	2,547,809.55
US TREASURY NOTES DTD 06/01/2015 1.500% 05/31/2020	912828XE5	2,500,000.00	AA+	Aaa	9/1/2017	9/7/2017	2,504,589.84	1.43	12,602.46	2,501,136.38	2,493,847.50
US TREASURY NOTES DTD 09/30/2015 1.375% 09/30/2020	912828L65	1,295,000.00	AA+	Aaa	9/1/2017	9/7/2017	1,291,003.71	1.48	48.65	1,293,680.16	1,289,334.38
US TREASURY NOTES DTD 12/31/2015 1.750% 12/31/2020	912828N48	2,060,000.00	AA+	Aaa	9/1/2017	9/7/2017	2,074,484.38	1.53	9,110.46	2,065,544.06	2,058,632.16
Security Type Sub-Total		8,405,000.00					8,434,122.85	1.45	32,233.55	8,411,883.08	8,389,623.59
U.S. Treasury Bill											
UNITED STATES TREASURY BILL DTD 04/18/2019 0.000% 10/17/2019	912796SN0	3,000,000.00	A-1+	P-1	7/17/2019	7/19/2019	2,984,313.75	2.10	0.00	2,997,211.32	2,997,636.00
UNITED STATES TREASURY BILL DTD 11/08/2018 0.000% 11/07/2019	912796RM3	2,000,000.00	A-1+	P-1	5/2/2019	5/6/2019	1,976,129.86	2.35	0.00	1,995,225.98	1,996,464.00
US TREASURY BILL DTD 08/15/2019 0.000% 02/13/2020	912796TF6	940,000.00	A-1+	P-1	8/14/2019	8/15/2019	931,160.87	1.88	0.00	933,443.50	933,743.36
Security Type Sub-Total		5,940,000.00					5,891,604.48	2.15	0.00	5,925,880.80	5,927,843.36
Federal Agency Bond / Note											
FREDDIE MAC GLOBAL NOTES DTD 10/02/2012 1.250% 10/02/2019	3137EADM8	2,570,000.00	AA+	Aaa	9/1/2017	9/7/2017	2,560,696.60	1.43	15,973.26	2,569,987.38	2,569,922.90
FHLB NOTES DTD 11/17/2016 1.375% 11/15/2019	3130AA3R7	1,515,000.00	AA+	Aaa	9/1/2017	9/7/2017	1,513,303.20	1.43	7,869.58	1,514,904.60	1,513,971.32
FREDDIE MAC NOTES DTD 01/17/2017 1.500% 01/17/2020	3137EAE5	6,270,000.00	AA+	Aaa	9/1/2017	9/7/2017	6,277,398.60	1.45	19,332.50	6,270,939.37	6,262,338.06
FHLMC AGENCY NOTES DTD 04/20/2017 1.375% 04/20/2020	3137EAEF2	2,500,000.00	AA+	Aaa	9/1/2017	9/7/2017	2,494,225.00	1.47	15,373.26	2,498,765.68	2,492,712.50

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FNMA BENCHMARK NOTES DTD 04/27/2015 1.500% 06/22/2020	3135G0D75	2,480,000.00	AA+	Aaa	9/1/2017	9/7/2017	2,483,521.60	1.45	10,230.00	2,480,931.96	2,473,088.24
FNMA NOTES DTD 08/01/2017 1.500% 07/30/2020	3135G0T60	2,480,000.00	AA+	Aaa	9/1/2017	9/7/2017	2,480,173.60	1.50	6,303.33	2,480,053.62	2,473,242.00
Security Type Sub-Total		17,815,000.00					17,809,318.60	1.45	75,081.93	17,815,582.61	17,785,275.02
Corporate Note											
CHEVRON CORP (CALLABLE) NOTE DTD 11/18/2014 2.193% 11/15/2019	166764AN0	1,050,000.00	AA	Aa2	9/1/2017	9/7/2017	1,062,358.50	1.64	8,698.90	1,050,231.62	1,050,063.00
APPLE INC BONDS DTD 02/09/2015 1.550% 02/07/2020	037833AX8	1,050,000.00	AA+	Aa1	9/1/2017	9/7/2017	1,047,637.50	1.65	2,350.83	1,049,653.02	1,048,452.30
MICROSOFT CORP (CALLABLE) NOTE DTD 02/12/2015 1.850% 02/12/2020	594918AY0	1,050,000.00	AAA	Aaa	9/1/2017	9/7/2017	1,055,901.00	1.61	2,643.96	1,050,716.66	1,049,122.20
Security Type Sub-Total		3,150,000.00					3,165,897.00	1.63	13,693.69	3,150,601.30	3,147,637.50
Commercial Paper											
CREDIT AGRICOLE CIB NY COMM PAPER DTD 08/12/2019 0.000% 11/15/2019	22533UYF4	1,000,000.00	A-1	P-1	8/14/2019	8/15/2019	994,607.78	2.12	0.00	997,362.50	997,368.00
MUFG BANK LTD/NY COMM PAPER DTD 07/12/2019 0.000% 11/21/2019	62479MYM9	1,500,000.00	A-1	P-1	8/22/2019	8/23/2019	1,492,050.00	2.13	0.00	1,495,495.01	1,495,456.50
MUFG BANK LTD/NY COMM PAPER DTD 09/20/2019 0.000% 03/18/2020	62479LCJ2	1,050,000.00	A-1	P-1	9/19/2019	9/20/2019	1,039,132.50	2.09	0.00	1,039,796.63	1,039,900.05
BNP PARIBAS NY BRANCH COMM PAPER DTD 09/26/2019 0.000% 03/25/2020	09659BCR9	1,525,000.00	A-1	P-1	9/26/2019	9/27/2019	1,509,750.00	2.02	0.00	1,510,088.89	1,509,689.00
Security Type Sub-Total		5,075,000.00					5,035,540.28	2.09	0.00	5,042,743.03	5,042,413.55

Managed Account Detail of Securities Held

Security Type/Description			S&P	Moody's	Trade	Settle	Original	YTM	Accrued	Amortized	Market
Dated Date/Coupon/Maturity	CUSIP	Par	Rating	Rating	Date	Date	Cost	at Cost	Interest	Cost	Value
Managed Account Sub Total		40,385,000.00					40,336,483.21	1.65	121,009.17	40,346,690.82	40,292,793.02
Securities Sub-Total		\$40,385,000.00					\$40,336,483.21	1.65%	\$121,009.17	\$40,346,690.82	\$40,292,793.02
Accrued Interest											\$121,009.17
Total Investments											\$40,413,802.19

Bolded items are forward settling trades.

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 04/30/2015 1.375% 04/30/2020	912828K58	530,000.00	AA+	Aaa	3/27/2018	3/29/2018	519,917.58	2.31	3,049.66	527,146.47	528,447.10
US TREASURY NOTES DTD 06/01/2015 1.500% 05/31/2020	912828XE5	525,000.00	AA+	Aaa	3/27/2018	3/29/2018	515,956.05	2.32	2,646.52	522,192.90	523,707.98
US TREASURY NOTES DTD 06/30/2015 1.625% 06/30/2020	912828XH8	900,000.00	AA+	Aaa	3/27/2018	3/29/2018	886,394.53	2.32	3,695.99	895,424.50	898,417.80
US TREASURY NOTES DTD 07/31/2015 1.625% 07/31/2020	912828XM7	1,265,000.00	AA+	Aaa	3/27/2018	3/29/2018	1,244,888.48	2.33	3,463.28	1,257,746.27	1,262,578.79
US TREASURY NOTES DTD 08/31/2015 1.375% 08/31/2020	912828L32	1,625,000.00	AA+	Aaa	3/27/2018	3/29/2018	1,588,183.59	2.34	1,902.90	1,610,854.18	1,618,017.38
US TREASURY NOTES DTD 09/30/2015 1.375% 09/30/2020	912828L65	1,260,000.00	AA+	Aaa	3/27/2018	3/29/2018	1,230,468.75	2.34	47.34	1,248,039.08	1,254,487.50
US TREASURY NOTES DTD 09/30/2015 1.375% 09/30/2020	912828L65	645,000.00	AA+	Aaa	9/25/2019	9/30/2019	642,026.95	1.84	24.23	642,035.04	642,178.13
US TREASURY NOTES DTD 10/31/2015 1.375% 10/31/2020	912828L99	840,000.00	AA+	Aaa	3/27/2018	3/29/2018	819,360.94	2.36	4,833.42	831,228.97	836,128.44
US TREASURY NOTES DTD 11/30/2015 1.625% 11/30/2020	912828M98	1,200,000.00	AA+	Aaa	3/27/2018	3/29/2018	1,177,312.50	2.36	6,553.28	1,189,957.44	1,197,562.80
US TREASURY NOTES DTD 12/31/2013 2.375% 12/31/2020	912828A83	1,195,000.00	AA+	Aaa	3/27/2018	3/29/2018	1,195,513.48	2.36	7,172.44	1,195,245.85	1,203,448.65
US TREASURY NOTES DTD 01/31/2016 1.375% 01/31/2021	912828N89	310,000.00	AA+	Aaa	3/27/2018	3/29/2018	301,499.22	2.38	718.14	305,950.12	308,377.46
Security Type Sub-Total		10,295,000.00					10,121,522.07	2.31	34,107.20	10,225,820.82	10,273,352.03
U.S. Treasury Bill											
UNITED STATES TREASURY BILL DTD 04/18/2019 0.000% 10/17/2019	912796SN0	1,150,000.00	A-1+	P-1	4/22/2019	4/23/2019	1,136,458.27	2.42	0.00	1,148,775.89	1,149,093.80
UNITED STATES TREASURY BILL DTD 11/08/2018 0.000% 11/07/2019	912796RM3	950,000.00	A-1+	P-1	5/10/2019	5/16/2019	939,050.59	2.40	0.00	947,684.98	948,320.40

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Security Type Sub-Total		2,100,000.00					2,075,508.86	2.41	0.00	2,096,460.87	2,097,414.20
Corporate Note											
THE PROCTER & GAMBLE CO CORP NOTES DTD 10/25/2017 1.750% 10/25/2019	742718EZ8	370,000.00	AA-	Aa3	3/27/2018	3/29/2018	366,522.00	2.36	2,805.83	369,850.76	369,904.17
PFIZER INC CORP NOTE DTD 11/21/2016 1.700% 12/15/2019	717081EB5	320,000.00	AA-	A1	3/27/2018	3/29/2018	316,089.60	2.43	1,601.78	319,523.84	319,738.24
TOYOTA MOTOR CREDIT CORP DTD 04/17/2017 1.950% 04/17/2020	89236TDU6	370,000.00	AA-	Aa3	3/27/2018	3/29/2018	363,991.20	2.77	3,286.83	368,372.40	370,028.12
APPLE INC BONDS DTD 05/11/2017 1.800% 05/11/2020	037833CS7	375,000.00	AA+	Aa1	3/27/2018	3/29/2018	369,191.25	2.56	2,625.00	373,293.40	374,752.13
WAL MART STORES INC. CORP NOTES DTD 07/08/2010 3.625% 07/08/2020	931142CU5	360,000.00	AA	Aa2	3/27/2018	3/29/2018	368,956.80	2.49	3,008.75	363,086.37	364,578.48
JOHNSON & JOHNSON GLOBAL NOTES DTD 08/17/2010 2.950% 09/01/2020	478160AW4	365,000.00	AAA	Aaa	3/27/2018	3/29/2018	369,142.75	2.46	897.29	366,597.69	368,449.98
MICROSOFT CORP NOTES DTD 09/27/2010 3.000% 10/01/2020	594918AH7	360,000.00	AAA	Aaa	3/27/2018	3/29/2018	363,524.40	2.59	5,400.00	361,434.14	364,079.52
Security Type Sub-Total		2,520,000.00					2,517,418.00	2.53	19,625.48	2,522,158.60	2,531,530.64
Commercial Paper											
BNP PARIBAS NY BRANCH COMM PAPER DTD 03/20/2019 0.000% 12/13/2019	09659CZD3	700,000.00	A-1	P-1	6/13/2019	6/14/2019	692,143.67	2.25	0.00	696,848.83	697,028.50
Security Type Sub-Total		700,000.00					692,143.67	2.25	0.00	696,848.83	697,028.50
Managed Account Sub Total		15,615,000.00					15,406,592.60	2.36	53,732.68	15,541,289.12	15,599,325.37

CITY OF SALEM LIBRARY PROJ GO BONDS 2018

Portfolio Holdings

Securities Sub-Total	\$15,615,000.00	\$15,406,592.60	2.36%	\$53,732.68	\$15,541,289.12	\$15,599,325.37
Accrued Interest						\$53,732.68
Total Investments						\$15,653,058.05

Bolded items are forward settling trades.

IMPORTANT DISCLOSURES

This material is based on information obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some, but not all of which, are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

GLOSSARY

- **ACCRUED INTEREST:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.
- **AMORTIZED COST:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **BANKERS' ACCEPTANCE:** A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **DURATION TO WORST:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years, computed from cash flows to the maturity date or to the put date, whichever results in the highest yield to the investor.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount and expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.

GLOSSARY

- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.
- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **TRADE DATE:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **UNSETTLED TRADE:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. TREASURY:** The department of the U.S. government that issues Treasury securities.
- **YIELD:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM AT COST:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM AT MARKET:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.



Customer Service
PO Box 11813
Harrisburg, PA 17108-1813

ACCOUNT STATEMENT

CITY OF SALEM, OR

For the Month Ending
September 30, 2019

Client Management Team

Lauren Brant

Managing Director
650 NE Holladay St., Suite 1600
Portland, OR 97232
503-837-8445
brantl@pfm.com

Allison Kaune

Senior Managing Consultant
650 NE Holladay Street, Suite 1600
Portland, OR 97232
503-837-8445
kaunea@pfm.com

Robert Cheddar, CFA

Managing Director
213 Market Street
Harrisburg, PA 17101-2141
717-232-2723
cheddarr@pfm.com

Contents

Cover/Disclosures
Summary Statement
Individual Accounts

Accounts included in Statement

76950000	CITY OF SALEM LONG-TERM PORTFOLIO
76950002	CITY OF SALEM STREETS & BRIDGES GO BONDS
76950003	CITY OF SALEM SHORT TERM PORTFOLIO
76950004	CITY OF SALEM POLICE FACILITY BONDS 2017
76950005	CITY OF SALEM LIBRARY PROJ GO BONDS 2018

CITY OF SALEM, OR
ANJA HILL
555 LIBERTY ST. SE- ROOM 230
SALEM, OR 97301

Online Access www.pfm.com

Customer Service 1-717-232-2723



Account Statement

For the Month Ending **September 30, 2019**

Important Disclosures

Important Disclosures

This statement is for general information purposes only and is not intended to provide specific advice or recommendations. PFM Asset Management LLC ("PFM") is an investment advisor registered with the Securities and Exchange Commission, and is required to maintain a written disclosure statement of our background and business experience. If you would like to receive a copy of our current disclosure statement, please contact Service Operations at the address below.

Proxy Voting PFM does not normally receive proxies to vote on behalf of its clients. However, it does on occasion receive consent requests. In the event a consent request is received the portfolio manager contacts the client and then proceeds according to their instructions. PFM's Proxy Voting Policy is available upon request by contacting Service Operations at the address below.

Questions About an Account PFM's monthly statement is intended to detail our investment advisory activity as well as the activity of any accounts held by clients in pools that are managed by PFM. The custodian bank maintains the control of assets and executes (i.e., settles) all investment transactions. The custodian statement is the official record of security and cash holdings and transactions. PFM recognizes that clients may use these reports to facilitate record keeping and that the custodian bank statement and the PFM statement should be reconciled and differences resolved. Many custodians use a settlement date basis which may result in the need to reconcile due to a timing difference.

Account Control PFM does not have the authority to withdraw funds from or deposit funds to the custodian. Our clients retain responsibility for their internal accounting policies; implementing and enforcing internal controls and generating ledger entries or otherwise recording transactions.

Market Value Generally, PFM's market prices are derived from closing bid prices as of the last business day of the month as supplied by ICE Data Services or Bloomberg. Where prices are not available from generally recognized sources the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated. Non-negotiable FDIC-insured bank certificates of deposit are priced at par. Although PFM believes the prices to be reliable, the values of the securities do not always represent the prices at which the securities could have been bought or sold. Explanation of the valuation methods for money market and TERM funds is contained in the appropriate fund information statement.

Amortized Cost The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short term securities (those with less than one year to maturity at time of issuance) is amortized on a straightline basis. Such discount or premium with respect to longer term securities is amortized using the constant yield basis.

Tax Reporting Cost data and realized gains / losses are provided for informational purposes only. Please review for accuracy and consult your tax advisor to determine the tax consequences of your security transactions. PFM does not report such information to the IRS or other taxing authorities and is not responsible for the accuracy of such information that may be required to be reported to federal, state or other taxing authorities.

Financial Situation In order to better serve you, PFM should be promptly notified of any material change in your investment objective or financial situation.

Callable Securities Securities subject to redemption prior to maturity may be redeemed in whole or in part before maturity, which could affect the yield represented.

Portfolio The securities in this portfolio, including shares of mutual funds, are not guaranteed or otherwise protected by PFM, the FDIC (except for certain non-negotiable certificates of deposit) or any government agency. Investment in securities involves risks, including the possible loss of the amount invested. Actual settlement values, accrued interest, and amortized cost amounts may vary for securities subject to an adjustable interest rate or subject to principal paydowns. Any changes to the values shown may be reflected within the next monthly statement's beginning values.

Rating Information provided for ratings is based upon a good faith inquiry of selected sources, but its accuracy and completeness cannot be guaranteed. Shares of some money market and TERM funds are marketed through representatives of PFM's wholly owned subsidiary, PFM Fund Distributors, Inc. PFM Fund Distributors, Inc. is registered with the SEC as a broker/dealer and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Municipal Securities Rulemaking Board ("MSRB"). You may reach the FINRA by calling the FINRA Regulator Public Disclosure Hotline at 1-888-289-9999 or at the FINRA Regulation Internet website address www.nasd.com. A brochure describing the FINRA Regulation Public Disclosure Program is also available from the FINRA upon request.

Key Terms and Definitions

Dividends on money market funds consist of interest earned, plus any discount ratably amortized to the date of maturity, plus all realized gains and losses on the sale of securities prior to maturity, less ratably amortization of any premium and all accrued expenses to the fund. Dividends are accrued daily and may be paid either monthly or quarterly. The monthly earnings on this statement represent the estimated dividend accrued for the month for any program that distributes earnings on a quarterly basis. There is no guarantee that the estimated amount will be paid on the actual distribution date.

Current Yield is the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical fund account with a balance of one share over the seven-day base period including the statement date, expressed as a percentage of the value of one share (normally \$1.00 per share) at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by

365 and dividing the result by 7. The yields quoted should not be considered a representation of the yield of the fund in the future, since the yield is not fixed.

Average maturity represents the average maturity of all securities and investments of a portfolio, determined by multiplying the par or principal value of each security or investment by its maturity (days or years), summing the products, and dividing the sum by the total principal value of the portfolio. The stated maturity date of mortgage backed or callable securities are used in this statement. However the actual maturity of these securities could vary depending on the level or prepayments on the underlying mortgages or whether a callable security has or is still able to be called.

Monthly distribution yield represents the net change in the value of one share (normally \$1.00 per share) resulting from all dividends declared during the month by a fund expressed as a percentage of the value of one share at the beginning of the month. This resulting net change is then annualized by multiplying it by 365 and dividing it by the number of calendar days in the month.

YTM at Cost The yield to maturity at cost is the expected rate of return, based on the original cost, the annual interest receipts, maturity value and the time period from purchase date to maturity, stated as a percentage, on an annualized basis.

YTM at Market The yield to maturity at market is the rate of return, based on the current market value, the annual interest receipts, maturity value and the time period remaining until maturity, stated as a percentage, on an annualized basis.

Managed Account A portfolio of investments managed discretely by PFM according to the client's specific investment policy and requirements. The investments are directly owned by the client and held by the client's custodian.

Unsettled Trade A trade which has been executed however the final consummation of the security transaction and payment has not yet taken place.

Please review the detail pages of this statement carefully. If you think your statement is wrong, missing account information, or if you need more information about a transaction, please contact PFM within 60 days of receipt. If you have other concerns or questions regarding your account you should contact a member of your client management team or PFM Service Operations at the address below.

PFM Asset Management LLC
Attn: Service Operations
213 Market Street
Harrisburg, PA 17101



Consolidated Summary Statement

Account Statement

For the Month Ending **September 30, 2019**

CITY OF SALEM, OR

Portfolio Summary

Portfolio Holdings	Cash Dividends and Income	Closing Market Value
PFM Managed Account	277,884.59	216,539,207.53
LGIP- CITY	0.00	49,532,723.49
LGIP-URA	0.00	30,785,946.45
US Bank	0.00	22,398,622.67
Total	\$277,884.59	\$319,256,500.14

Maturity Distribution (Fixed Income Holdings)

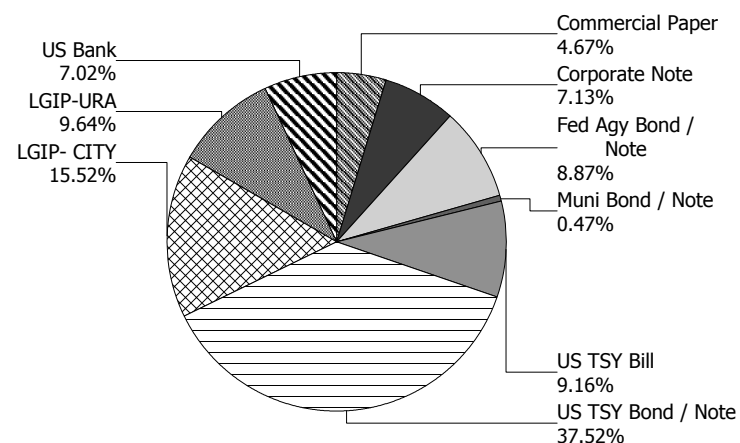
Portfolio Holdings	Closing Market Value	Percent
Under 30 days	109,803,849.48	34.39
31 to 60 days	29,214,073.22	9.15
61 to 90 days	4,999,106.74	1.57
91 to 180 days	25,581,622.27	8.01
181 days to 1 year	43,318,768.46	13.57
1 to 2 years	58,579,113.26	18.35
2 to 3 years	47,759,966.71	14.96
3 to 4 years	0.00	0.00
4 to 5 years	0.00	0.00
Over 5 years	0.00	0.00
Total	\$319,256,500.14	100.00%

Weighted Average Days to Maturity **266**

Investment Allocation

Investment Type	Closing Market Value	Percent
Commercial Paper	14,922,573.80	4.67
Corporate Note	22,776,915.39	7.13
Federal Agency Bond / Note	28,305,602.92	8.87
Municipal Bond / Note	1,501,534.00	0.47
U.S. Treasury Bill	29,237,687.56	9.16
U.S. Treasury Bond / Note	119,794,893.86	37.52
LGIP- CITY	49,532,723.49	15.52
LGIP-URA	30,785,946.45	9.64
US Bank	22,398,622.67	7.02
Total	\$319,256,500.14	100.00%

Sector Allocation



**Account Statement**For the Month Ending **September 30, 2019****Consolidated Summary Statement**

CITY OF SALEM, OR

Account Number	Account Name	Opening Market Value	Purchases / Deposits	Redemptions / Sales/ Maturities	Unsettled Trades	Change in Value	Closing Market Value	Cash Dividends and Income
76950000	CITY OF SALEM LONG-TERM PORTFOLIO	126,826,223.44	961,312.50	(975,000.00)	0.00	(232,485.17)	126,580,050.77	102,722.40
76950002	CITY OF SALEM STREETS & BRIDGES GO BONDS	1,924,511.00	0.00	0.00	0.00	451.62	1,924,962.62	0.00
76950003	CITY OF SALEM SHORT TERM PORTFOLIO	37,086,754.00	0.00	(5,000,000.00)	0.00	55,321.75	32,142,075.75	101,295.06
76950004	CITY OF SALEM POLICE FACILITY BONDS 2017	40,297,940.31	2,548,882.50	(2,575,000.00)	0.00	20,970.21	40,292,793.02	40,992.38
76950005	CITY OF SALEM LIBRARY PROJ GO BONDS 2018	16,122,397.45	642,026.95	(1,165,000.00)	0.00	(99.03)	15,599,325.37	32,874.75
Total		\$222,257,826.20	\$4,152,221.95	(\$9,715,000.00)	\$0.00	(\$155,840.62)	\$216,539,207.53	\$277,884.59



Managed Account Summary Statement

For the Month Ending **September 30, 2019**

CITY OF SALEM LONG-TERM PORTFOLIO - 76950000

Transaction Summary - Managed Account

Opening Market Value	\$126,826,223.44
Maturities/Calls	(975,000.00)
Principal Dispositions	0.00
Principal Acquisitions	961,312.50
Unsettled Trades	0.00
Change in Current Value	(232,485.17)
Closing Market Value	\$126,580,050.77

Cash Transactions Summary - Managed Account

Maturities/Calls	975,000.00
Sale Proceeds	0.00
Coupon/Interest/Dividend Income	106,829.88
Principal Payments	0.00
Security Purchases	(966,453.48)
Net Cash Contribution	(115,376.40)
Reconciling Transactions	0.00

Earnings Reconciliation (Cash Basis) - Managed Account

Interest/Dividends/Coupons Received	106,829.88
Less Purchased Interest Related to Interest/Coupons	(5,140.98)
Plus Net Realized Gains/Losses	1,033.50
Total Cash Basis Earnings	\$102,722.40

Cash Balance

Closing Cash Balance **\$0.00**

Earnings Reconciliation (Accrual Basis)

	Total
Ending Amortized Value of Securities	125,030,985.08
Ending Accrued Interest	686,158.23
Plus Proceeds from Sales	0.00
Plus Proceeds of Maturities/Calls/Principal Payments	975,000.00
Plus Coupons/Dividends Received	106,829.88
Less Cost of New Purchases	(966,453.48)
Less Beginning Amortized Value of Securities	(125,001,466.87)
Less Beginning Accrued Interest	(583,257.86)
Total Accrual Basis Earnings	\$247,794.98



Portfolio Summary and Statistics

For the Month Ending **September 30, 2019**

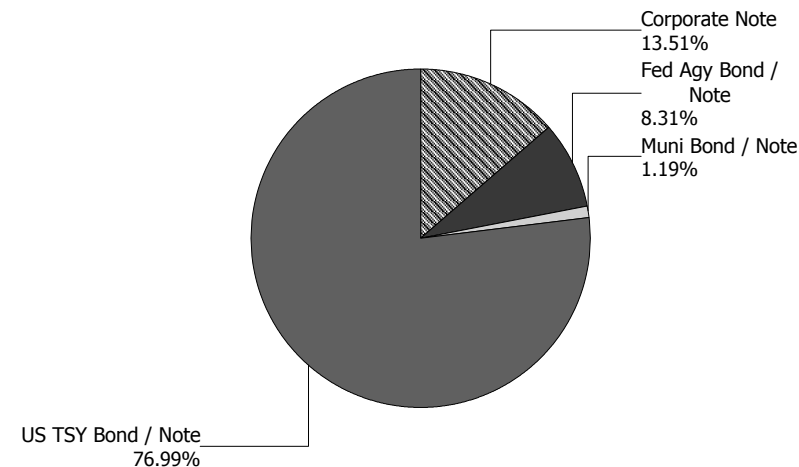
CITY OF SALEM LONG-TERM PORTFOLIO - 76950000

Account Summary

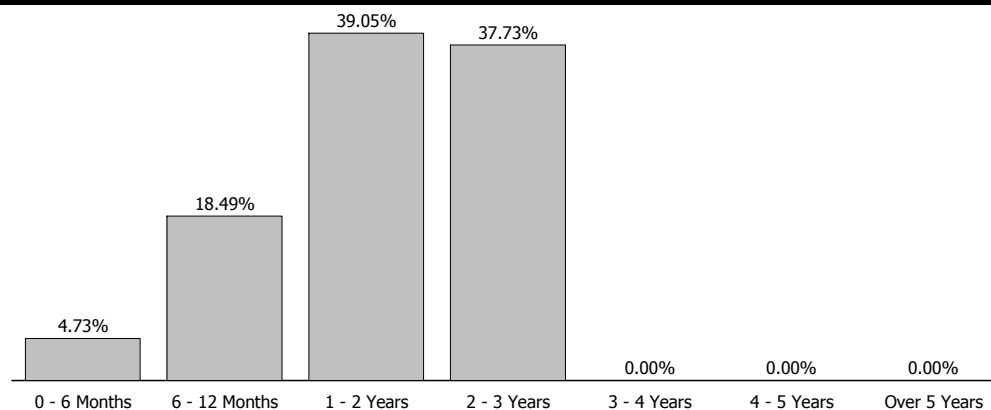
Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	97,085,000.00	97,460,441.62	76.99
Municipal Bond / Note	1,480,000.00	1,501,534.00	1.19
Federal Agency Bond / Note	10,500,000.00	10,520,327.90	8.31
Corporate Note	16,875,000.00	17,097,747.25	13.51
Managed Account Sub-Total	125,940,000.00	126,580,050.77	100.00%
Accrued Interest		686,158.23	
Total Portfolio	125,940,000.00	127,266,209.00	

Unsettled Trades **0.00** **0.00**

Sector Allocation



Maturity Distribution



Characteristics

Yield to Maturity at Cost	2.42%
Yield to Maturity at Market	1.75%
Duration to Worst	1.51
Weighted Average Days to Maturity	567



Managed Account Issuer Summary

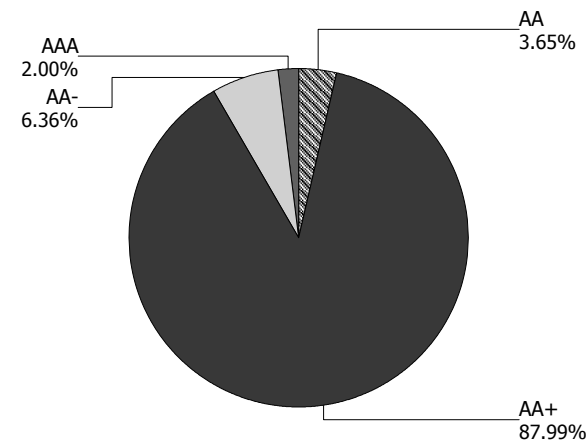
For the Month Ending **September 30, 2019**

CITY OF SALEM LONG-TERM PORTFOLIO - 76950000

Issuer Summary

Issuer	Market Value of Holdings	Percent
3M COMPANY	2,502,117.50	1.98
APPLE INC	2,501,287.50	1.98
BERKSHIRE HATHAWAY INC	2,059,714.00	1.63
CALIFORNIA ST	1,501,534.00	1.19
CISCO SYSTEMS INC	1,256,471.25	0.99
FANNIE MAE	9,126,706.30	7.20
FEDERAL HOME LOAN BANKS	1,393,621.60	1.10
GOOGLE INC	898,850.75	0.71
JOHNSON & JOHNSON	2,529,360.00	2.00
TOYOTA MOTOR CORP	2,793,518.75	2.21
UNITED STATES TREASURY	97,460,441.62	76.99
WAL-MART STORES INC	2,556,427.50	2.02
Total	\$126,580,050.77	100.00%

Credit Quality (S&P Ratings)





Managed Account Detail of Securities Held

For the Month Ending **September 30, 2019**

CITY OF SALEM LONG-TERM PORTFOLIO - 76950000

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 04/01/2013 1.125% 03/31/2020	912828UV0	2,930,000.00	AA+	Aaa	03/15/17	03/17/17	2,879,526.17	1.71	90.06	2,921,560.96	2,919,241.04
US TREASURY NOTES DTD 04/30/2013 1.125% 04/30/2020	912828VA5	2,500,000.00	AA+	Aaa	04/26/17	04/27/17	2,473,242.19	1.49	11,769.70	2,494,736.38	2,489,355.00
US TREASURY NOTES DTD 04/30/2015 1.375% 04/30/2020	912828K58	2,500,000.00	AA+	Aaa	09/19/18	09/20/18	2,444,921.88	2.78	14,385.19	2,479,863.90	2,492,675.00
US TREASURY N/B NOTES DTD 05/31/2018 2.500% 05/31/2020	9128284Q0	4,000,000.00	AA+	Aaa	06/14/18	06/18/18	3,994,531.25	2.57	33,606.56	3,998,119.88	4,016,092.00
US TREASURY NOTES DTD 06/30/2015 1.625% 06/30/2020	912828XH8	1,100,000.00	AA+	Aaa	06/27/17	06/28/17	1,103,093.75	1.53	4,517.32	1,100,782.10	1,098,066.20
US TREASURY NOTES DTD 06/30/2015 1.625% 06/30/2020	912828XH8	4,000,000.00	AA+	Aaa	06/14/18	06/18/18	3,924,531.25	2.58	16,426.63	3,971,837.52	3,992,968.00
US TREASURY NOTES DTD 10/31/2015 1.375% 10/31/2020	912828L99	6,500,000.00	AA+	Aaa	02/01/17	02/07/17	6,416,718.75	1.73	37,401.49	6,475,297.21	6,470,041.50
US TREASURY NOTES DTD 11/30/2015 1.625% 11/30/2020	912828M98	5,350,000.00	AA+	Aaa	01/08/18	01/10/18	5,284,169.92	2.07	29,216.70	5,323,021.07	5,339,134.15
US TREASURY NOTES DTD 01/31/2016 1.375% 01/31/2021	912828N89	5,000,000.00	AA+	Aaa	01/08/18	01/10/18	4,893,945.31	2.09	11,582.88	4,953,004.05	4,973,830.00
US TREASURY N/B DTD 02/28/2019 2.500% 02/28/2021	9128286D7	7,440,000.00	AA+	Aaa	03/07/19	03/11/19	7,443,778.13	2.47	15,840.66	7,442,754.06	7,516,140.96
US TREASURY NOTES DTD 05/15/2018 2.625% 05/15/2021	9128284P2	1,015,000.00	AA+	Aaa	05/24/18	05/29/18	1,014,286.33	2.65	10,063.81	1,014,605.80	1,029,630.21
US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WN6	2,500,000.00	AA+	Aaa	06/05/18	06/07/18	2,456,542.97	2.61	16,803.28	2,475,342.35	2,511,620.00
US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WN6	5,200,000.00	AA+	Aaa	06/14/18	06/18/18	5,098,640.63	2.69	34,950.82	5,141,905.91	5,224,169.60
US TREASURY N/B DTD 06/30/2016 1.125% 06/30/2021	912828S27	5,000,000.00	AA+	Aaa	06/14/18	06/18/18	4,771,679.69	2.70	14,215.35	4,866,277.35	4,950,390.00



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2019**

CITY OF SALEM LONG-TERM PORTFOLIO - 76950000

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 09/30/2016 1.125% 09/30/2021	912828T34	1,250,000.00	AA+	Aaa	03/06/18	03/07/18	1,190,283.20	2.53	38.42	1,215,896.59	1,237,207.50
US TREASURY NOTES DTD 09/30/2016 1.125% 09/30/2021	912828T34	7,125,000.00	AA+	Aaa	09/11/18	09/12/18	6,774,873.05	2.82	219.01	6,892,319.16	7,052,082.75
UNITED STATES TREASURY NOTES DTD 10/15/2018 2.875% 10/15/2021	9128285F3	9,965,000.00	AA+	Aaa	11/09/18	11/13/18	9,932,691.60	2.99	132,288.10	9,942,260.07	10,208,285.51
US TREASURY NOTES DTD 11/30/2016 1.750% 11/30/2021	912828U65	5,000,000.00	AA+	Aaa	12/04/18	12/07/18	4,850,390.63	2.80	29,405.74	4,890,207.75	5,011,135.00
US TREASURY NOTES DTD 01/15/2019 2.500% 01/15/2022	9128285V8	8,100,000.00	AA+	Aaa	01/30/19	01/31/19	8,085,761.72	2.56	42,921.20	8,088,929.41	8,256,937.50
US TREASURY N/B NOTES DTD 02/28/2017 1.875% 02/28/2022	912828W55	2,500,000.00	AA+	Aaa	02/26/19	02/27/19	2,458,203.13	2.46	3,992.10	2,466,153.90	2,514,647.50
US TREASURY N/B NOTES DTD 04/30/2015 1.750% 04/30/2022	912828WZ9	1,750,000.00	AA+	Aaa	05/08/19	05/13/19	1,726,074.22	2.23	12,815.90	1,729,085.23	1,756,699.00
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	5,400,000.00	AA+	Aaa	05/10/19	05/16/19	5,348,531.25	2.21	42,370.92	5,354,896.88	5,436,493.20
US TREASURY NOTES DTD 05/31/2017 1.750% 05/31/2022	912828XR6	960,000.00	AA+	Aaa	09/19/19	09/20/19	961,312.50	1.70	5,645.90	961,299.38	963,600.00
Security Type Sub-Total		97,085,000.00					95,527,729.52	2.45	520,567.74	96,200,156.91	97,460,441.62
Municipal Bond / Note											
CA ST TXBL GO BONDS DTD 04/25/2018 2.800% 04/01/2021	13063DGA0	1,480,000.00	AA-	Aa3	04/18/18	04/25/18	1,480,059.20	2.80	20,720.00	1,480,022.29	1,501,534.00
Security Type Sub-Total		1,480,000.00					1,480,059.20	2.80	20,720.00	1,480,022.29	1,501,534.00
Federal Agency Bond / Note											
FNMA NOTES DTD 02/28/2017 1.500% 02/28/2020	3135G0T29	6,000,000.00	AA+	Aaa	02/27/17	02/28/17	5,991,000.00	1.55	8,250.00	5,998,751.22	5,989,776.00



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2019**

CITY OF SALEM LONG-TERM PORTFOLIO - 76950000

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FHLB NOTES DTD 09/08/2017 1.375% 09/28/2020	3130ACE26	1,400,000.00	AA+	Aaa	09/07/17	09/08/17	1,395,506.00	1.48	160.42	1,398,518.09	1,393,621.60
FANNIE MAE NOTES DTD 04/13/2018 2.500% 04/13/2021	3135G0U27	3,100,000.00	AA+	Aaa	04/12/18	04/13/18	3,095,381.00	2.55	36,166.67	3,097,595.61	3,136,930.30
Security Type Sub-Total		10,500,000.00					10,481,887.00	1.84	44,577.09	10,494,864.92	10,520,327.90
Corporate Note											
APPLE INC CORP NOTE DTD 05/13/2015 2.000% 05/06/2020	037833BD1	2,500,000.00	AA+	Aa1	06/27/17	06/28/17	2,515,225.00	1.78	19,166.67	2,503,250.98	2,501,287.50
3M COMPANY CORP NOTES DTD 08/07/2015 2.000% 08/07/2020	88579YQA4	2,500,000.00	AA-	A1	08/02/17	08/07/17	2,522,500.00	1.69	7,500.00	2,506,487.48	2,502,117.50
BERKSHIRE HATHAWAY FINANCE CORP NOTES DTD 01/11/2011 4.250% 01/15/2021	084664BO3	2,000,000.00	AA	Aa2	05/15/18	05/17/18	2,065,600.00	2.96	17,944.44	2,032,424.68	2,059,714.00
CISCO SYSTEMS INC CORP NOTES DTD 02/29/2016 2.200% 02/28/2021	17275RBD3	1,250,000.00	AA-	A1	03/06/18	03/07/18	1,226,487.50	2.86	2,520.83	1,238,647.75	1,256,471.25
ALPHABET INC CORP NOTE DTD 04/27/2016 3.625% 05/19/2021	02079KAA5	875,000.00	AA+	Aa2	05/16/18	05/17/18	893,357.50	2.89	11,630.21	885,168.80	898,850.75
WAL-MART STORES INC CORP NOTES DTD 06/27/2018 3.125% 06/23/2021	931142EJ8	2,500,000.00	AA	Aa2	06/20/18	06/27/18	2,499,875.00	3.13	21,267.36	2,499,922.55	2,556,427.50
TOYOTA MOTOR CREDIT CORP BONDS DTD 01/09/2017 2.600% 01/11/2022	89236TDP7	2,750,000.00	AA-	Aa3	01/08/19	01/10/19	2,705,972.50	3.16	15,888.89	2,716,240.89	2,793,518.75
JOHNSON & JOHNSON CORP NOTES DTD 03/03/2017 2.250% 03/03/2022	478160CD4	2,500,000.00	AAA	Aaa	03/05/19	03/07/19	2,467,900.00	2.70	4,375.00	2,473,797.83	2,529,360.00
Security Type Sub-Total		16,875,000.00					16,896,917.50	2.61	100,293.40	16,855,940.96	17,097,747.25
Managed Account Sub-Total		125,940,000.00					124,386,593.22	2.42	686,158.23	125,030,985.08	126,580,050.77



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2019**

CITY OF SALEM LONG-TERM PORTFOLIO - 76950000						
Securities Sub-Total	\$125,940,000.00	\$124,386,593.22	2.42%	\$686,158.23	\$125,030,985.08	\$126,580,050.77
Accrued Interest						\$686,158.23
Total Investments						\$127,266,209.00



Managed Account Fair Market Value & Analytics

For the Month Ending **September 30, 2019**

CITY OF SALEM LONG-TERM PORTFOLIO - 76950000

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst at Mkt	YTM
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 04/01/2013 1.125% 03/31/2020	912828UV0	2,930,000.00	MORGAN_S		99.63	2,919,241.04	39,714.87	(2,319.92)	0.50	0.50	1.87
US TREASURY NOTES DTD 04/30/2013 1.125% 04/30/2020	912828VA5	2,500,000.00	BNP_PARI		99.57	2,489,355.00	16,112.81	(5,381.38)	0.58	0.58	1.86
US TREASURY NOTES DTD 04/30/2015 1.375% 04/30/2020	912828K58	2,500,000.00	BARCLAYS		99.71	2,492,675.00	47,753.12	12,811.10	0.58	0.58	1.88
US TREASURY N/B NOTES DTD 05/31/2018 2.500% 05/31/2020	9128284Q0	4,000,000.00	BARCLAYS		100.40	4,016,092.00	21,560.75	17,972.12	0.65	0.65	1.89
US TREASURY NOTES DTD 06/30/2015 1.625% 06/30/2020	912828XH8	1,100,000.00	MERRILL		99.82	1,098,066.20	(5,027.55)	(2,715.90)	0.74	0.74	1.86
US TREASURY NOTES DTD 06/30/2015 1.625% 06/30/2020	912828XH8	4,000,000.00	BNP_PARI		99.82	3,992,968.00	68,436.75	21,130.48	0.74	0.74	1.86
US TREASURY NOTES DTD 10/31/2015 1.375% 10/31/2020	912828L99	6,500,000.00	MERRILL		99.54	6,470,041.50	53,322.75	(5,255.71)	1.06	1.06	1.81
US TREASURY NOTES DTD 11/30/2015 1.625% 11/30/2020	912828M98	5,350,000.00	BARCLAYS		99.80	5,339,134.15	54,964.23	16,113.08	1.14	1.14	1.80
US TREASURY NOTES DTD 01/31/2016 1.375% 01/31/2021	912828N89	5,000,000.00	MERRILL		99.48	4,973,830.00	79,884.69	20,825.95	1.31	1.31	1.77
US TREASURY N/B DTD 02/28/2019 2.500% 02/28/2021	9128286D7	7,440,000.00	MERRILL		101.02	7,516,140.96	72,362.83	73,386.90	1.39	1.39	1.77
US TREASURY NOTES DTD 05/15/2018 2.625% 05/15/2021	9128284P2	1,015,000.00	MORGAN_S		101.44	1,029,630.21	15,343.88	15,024.41	1.57	1.57	1.72
US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WN6	2,500,000.00	BNP_PARI		100.46	2,511,620.00	55,077.03	36,277.65	1.62	1.62	1.72
US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WN6	5,200,000.00	MERRILL		100.46	5,224,169.60	125,528.97	82,263.69	1.62	1.62	1.72
US TREASURY N/B DTD 06/30/2016 1.125% 06/30/2021	912828S27	5,000,000.00	BNP_PARI		99.01	4,950,390.00	178,710.31	84,112.65	1.72	1.72	1.70
US TREASURY NOTES DTD 09/30/2016 1.125% 09/30/2021	912828T34	1,250,000.00	MERRILL		98.98	1,237,207.50	46,924.30	21,310.91	1.97	1.97	1.65
US TREASURY NOTES DTD 09/30/2016 1.125% 09/30/2021	912828T34	7,125,000.00	MORGAN_S		98.98	7,052,082.75	277,209.70	159,763.59	1.97	1.97	1.65
UNITED STATES TREASURY NOTES DTD 10/15/2018 2.875% 10/15/2021	9128285F3	9,965,000.00	BARCLAYS		102.44	10,208,285.51	275,593.91	266,025.44	1.96	1.96	1.65



Managed Account Fair Market Value & Analytics

For the Month Ending **September 30, 2019**

CITY OF SALEM LONG-TERM PORTFOLIO - 76950000

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst	YTM at Mkt
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 11/30/2016 1.750% 11/30/2021	912828U65	5,000,000.00	MERRILL		100.22	5,011,135.00	160,744.37	120,927.25	2.11	2.11	1.64
US TREASURY NOTES DTD 01/15/2019 2.500% 01/15/2022	9128285V8	8,100,000.00	MERRILL		101.94	8,256,937.50	171,175.78	168,008.09	2.21	2.21	1.63
US TREASURY N/B NOTES DTD 02/28/2017 1.875% 02/28/2022	912828W55	2,500,000.00	BARCLAYS		100.59	2,514,647.50	56,444.37	48,493.60	2.35	2.35	1.63
US TREASURY N/B NOTES DTD 04/30/2015 1.750% 04/30/2022	912828WZ9	1,750,000.00	BNP_PARI		100.38	1,756,699.00	30,624.78	27,613.77	2.50	2.50	1.60
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	5,400,000.00	BARCLAYS		100.68	5,436,493.20	87,961.95	81,596.32	2.50	2.50	1.61
US TREASURY NOTES DTD 05/31/2017 1.750% 05/31/2022	912828XR6	960,000.00	BNP_PARI		100.38	963,600.00	2,287.50	2,300.62	2.58	2.58	1.61
Security Type Sub-Total		97,085,000.00				97,460,441.62	1,932,712.10	1,260,284.71	1.59	1.59	1.73
Municipal Bond / Note											
CA ST TXBL GO BONDS DTD 04/25/2018 2.800% 04/01/2021	13063DGA0	1,480,000.00	JPM_CHAS		101.46	1,501,534.00	21,474.80	21,511.71	1.45	1.45	1.81
Security Type Sub-Total		1,480,000.00				1,501,534.00	21,474.80	21,511.71	1.45	1.45	1.81
Federal Agency Bond / Note											
FNMA NOTES DTD 02/28/2017 1.500% 02/28/2020	3135G0T29	6,000,000.00	GOLDMAN		99.83	5,989,776.00	(1,224.00)	(8,975.22)	0.41	0.41	1.92
FHLB NOTES DTD 09/08/2017 1.375% 09/28/2020	3130ACE26	1,400,000.00	BARCLAYS		99.54	1,393,621.60	(1,884.40)	(4,896.49)	0.98	0.98	1.84
FANNIE MAE NOTES DTD 04/13/2018 2.500% 04/13/2021	3135G0U27	3,100,000.00	NOMURA		101.19	3,136,930.30	41,549.30	39,334.69	1.49	1.49	1.71
Security Type Sub-Total		10,500,000.00				10,520,327.90	38,440.90	25,462.98	0.81	0.81	1.84
Corporate Note											
APPLE INC CORP NOTE DTD 05/13/2015 2.000% 05/06/2020	037833BD1	2,500,000.00	GOLDMAN		100.05	2,501,287.50	(13,937.50)	(1,963.48)	0.59	0.59	1.91



Managed Account Fair Market Value & Analytics

For the Month Ending **September 30, 2019**

CITY OF SALEM LONG-TERM PORTFOLIO - 76950000

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst at Mkt	YTM
Corporate Note											
3M COMPANY CORP NOTES DTD 08/07/2015 2.000% 08/07/2020	88579YAO4	2,500,000.00	LOOP		100.08	2,502,117.50	(20,382.50)	(4,369.98)	0.84	0.84	1.90
BERKSHIRE HATHAWAY FINANCE CORP NOTES DTD 01/11/2011 4.250% 01/15/2021	084664BQ3	2,000,000.00	WELLS_FA		102.99	2,059,714.00	(5,886.00)	27,289.32	1.25	1.25	1.90
CISCO SYSTEMS INC CORP NOTES DTD 02/29/2016 2.200% 02/28/2021	17275RBD3	1,250,000.00	GOLDMAN		100.52	1,256,471.25	29,983.75	17,823.50	1.38	1.38	1.83
ALPHABET INC CORP NOTE DTD 04/27/2016 3.625% 05/19/2021	02079KAA5	875,000.00	US_BANCO		102.73	898,850.75	5,493.25	13,681.95	1.57	1.57	1.92
WAL-MART STORES INC CORP NOTES DTD 06/27/2018 3.125% 06/23/2021	931142EJ8	2,500,000.00	CITIGRP		102.26	2,556,427.50	56,552.50	56,504.95	1.67	1.67	1.79
TOYOTA MOTOR CREDIT CORP BONDS DTD 01/09/2017 2.600% 01/11/2022	89236TDP7	2,750,000.00	MKTX		101.58	2,793,518.75	87,546.25	77,277.86	2.20	2.20	1.89
JOHNSON & JOHNSON CORP NOTES DTD 03/03/2017 2.250% 03/03/2022	478160CD4	2,500,000.00	GOLDMAN		101.17	2,529,360.00	61,460.00	55,562.17	2.35	2.35	1.75
Security Type Sub-Total		16,875,000.00				17,097,747.25	200,829.75	241,806.29	1.50	1.50	1.86
Managed Account Sub-Total		125,940,000.00				126,580,050.77	2,193,457.55	1,549,065.69	1.51	1.51	1.75
Securities Sub-Total		\$125,940,000.00				\$126,580,050.77	\$2,193,457.55	\$1,549,065.69	1.51	1.51	1.75%
Accrued Interest						\$686,158.23					
Total Investments						\$127,266,209.00					



Managed Account Security Transactions & Interest

For the Month Ending **September 30, 2019**

CITY OF SALEM LONG-TERM PORTFOLIO - 76950000

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
BUY										
09/19/19	09/20/19	US TREASURY NOTES DTD 05/31/2017 1.750% 05/31/2022	912828XR6	960,000.00	(961,312.50)	(5,140.98)	(966,453.48)			
Transaction Type Sub-Total				960,000.00	(961,312.50)	(5,140.98)	(966,453.48)			
INTEREST										
09/03/19	09/03/19	JOHNSON & JOHNSON CORP NOTES DTD 03/03/2017 2.250% 03/03/2022	478160CD4	2,500,000.00	0.00	28,125.00	28,125.00			
09/20/19	09/20/19	AFRICAN DEVELOPMENT BANK NOTE DTD 09/20/2016 1.125% 09/20/2019	00828EBQ1	975,000.00	0.00	5,489.25	5,489.25			
09/28/19	09/28/19	FHLB NOTES DTD 09/08/2017 1.375% 09/28/2020	3130ACE26	1,400,000.00	0.00	9,625.00	9,625.00			
09/30/19	09/30/19	US TREASURY NOTES DTD 09/30/2016 1.125% 09/30/2021	912828T34	1,250,000.00	0.00	7,031.25	7,031.25			
09/30/19	09/30/19	US TREASURY NOTES DTD 04/01/2013 1.125% 03/31/2020	912828UV0	2,930,000.00	0.00	16,481.25	16,481.25			
09/30/19	09/30/19	US TREASURY NOTES DTD 09/30/2016 1.125% 09/30/2021	912828T34	7,125,000.00	0.00	40,078.13	40,078.13			
Transaction Type Sub-Total				16,180,000.00	0.00	106,829.88	106,829.88			
MATURITY										
09/20/19	09/20/19	AFRICAN DEVELOPMENT BANK NOTE DTD 09/20/2016 1.125% 09/20/2019	00828EBQ1	975,000.00	975,000.00	0.00	975,000.00	1,033.50	0.00	
Transaction Type Sub-Total				975,000.00	975,000.00	0.00	975,000.00	1,033.50	0.00	
Managed Account Sub-Total					13,687.50	101,688.90	115,376.40	1,033.50	0.00	
Total Security Transactions						\$13,687.50	\$101,688.90	\$115,376.40	\$1,033.50	\$0.00



Managed Account Summary Statement

For the Month Ending **September 30, 2019**

CITY OF SALEM STREETS & BRIDGES GO BONDS - 76950002

Transaction Summary - Managed Account

Opening Market Value	\$1,924,511.00
Maturities/Calls	0.00
Principal Dispositions	0.00
Principal Acquisitions	0.00
Unsettled Trades	0.00
Change in Current Value	451.62
Closing Market Value	\$1,924,962.62

Cash Transactions Summary - Managed Account

Maturities/Calls	0.00
Sale Proceeds	0.00
Coupon/Interest/Dividend Income	0.00
Principal Payments	0.00
Security Purchases	0.00
Net Cash Contribution	0.00
Reconciling Transactions	0.00

Earnings Reconciliation (Cash Basis) - Managed Account

Interest/Dividends/Coupons Received	0.00
Less Purchased Interest Related to Interest/Coupons	0.00
Plus Net Realized Gains/Losses	0.00
Total Cash Basis Earnings	\$0.00

Cash Balance

Closing Cash Balance	\$0.00
-----------------------------	---------------

Earnings Reconciliation (Accrual Basis)

	Total
Ending Amortized Value of Securities	1,919,167.45
Ending Accrued Interest	11,023.24
Plus Proceeds from Sales	0.00
Plus Proceeds of Maturities/Calls/Principal Payments	0.00
Plus Coupons/Dividends Received	0.00
Less Cost of New Purchases	0.00
Less Beginning Amortized Value of Securities	(1,917,708.49)
Less Beginning Accrued Interest	(8,765.08)
Total Accrual Basis Earnings	\$3,717.12



Portfolio Summary and Statistics

For the Month Ending **September 30, 2019**

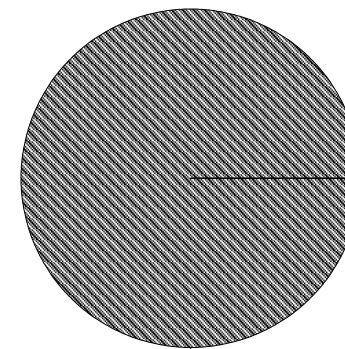
CITY OF SALEM STREETS & BRIDGES GO BONDS - 76950002

Account Summary

Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	1,930,000.00	1,924,962.62	100.00
Managed Account Sub-Total	1,930,000.00	1,924,962.62	100.00%
Accrued Interest		11,023.24	
Total Portfolio	1,930,000.00	1,935,985.86	

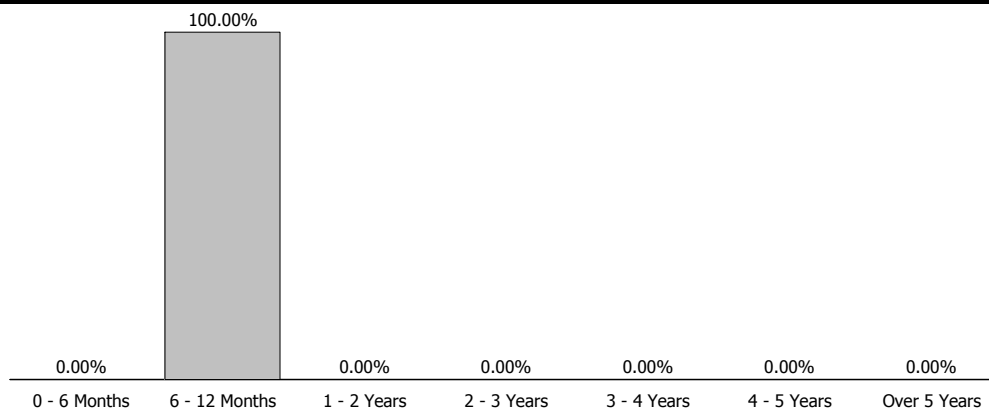
Unsettled Trades	0.00	0.00
-------------------------	-------------	-------------

Sector Allocation



US TSY Bond / Note_

Maturity Distribution



Characteristics

Yield to Maturity at Cost	2.38%
Yield to Maturity at Market	1.87%
Duration to Worst	0.59
Weighted Average Days to Maturity	220



Managed Account Issuer Summary

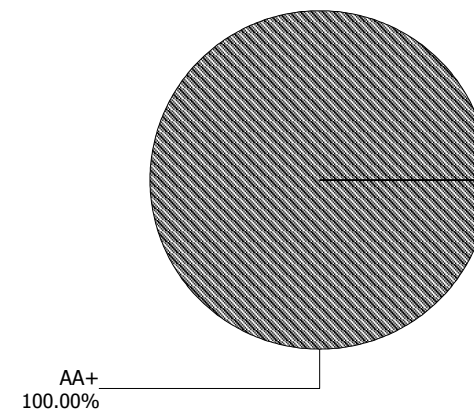
For the Month Ending **September 30, 2019**

CITY OF SALEM STREETS & BRIDGES GO BONDS - 76950002

Issuer Summary

Issuer	Market Value of Holdings	Percent
UNITED STATES TREASURY	1,924,962.62	100.00
Total	\$1,924,962.62	100.00%

Credit Quality (S&P Ratings)





Managed Account Detail of Securities Held

For the Month Ending **September 30, 2019**

CITY OF SALEM STREETS & BRIDGES GO BONDS - 76950002

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 04/30/2015 1.375% 04/30/2020	912828K58	1,000,000.00	AA+	Aaa	04/10/19	04/11/19	989,335.94	2.41	5,754.08	994,080.96	997,070.00
US TREASURY N/B NOTES DTD 05/15/2017 1.500% 05/15/2020	912828X96	930,000.00	AA+	Aaa	05/10/19	05/16/19	922,153.13	2.36	5,269.16	925,086.49	927,892.62
Security Type Sub-Total		1,930,000.00					1,911,489.07	2.38	11,023.24	1,919,167.45	1,924,962.62
Managed Account Sub-Total		1,930,000.00					1,911,489.07	2.38	11,023.24	1,919,167.45	1,924,962.62
Securities Sub-Total		\$1,930,000.00					\$1,911,489.07	2.38%	\$11,023.24	\$1,919,167.45	\$1,924,962.62
Accrued Interest											\$11,023.24
Total Investments											\$1,935,985.86



Managed Account Fair Market Value & Analytics

For the Month Ending **September 30, 2019**

CITY OF SALEM STREETS & BRIDGES GO BONDS - 76950002

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst at Mkt	YTM
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 04/30/2015 1.375% 04/30/2020	912828K58	1,000,000.00	MORGAN_S		99.71	997,070.00	7,734.06	2,989.04	0.58	0.58	1.88
US TREASURY N/B NOTES DTD 05/15/2017 1.500% 05/15/2020	912828X96	930,000.00	NOMURA		99.77	927,892.62	5,739.49	2,806.13	0.62	0.62	1.87
Security Type Sub-Total		1,930,000.00				1,924,962.62	13,473.55	5,795.17	0.59	0.59	1.87
Managed Account Sub-Total		1,930,000.00				1,924,962.62	13,473.55	5,795.17	0.59	0.59	1.87
Securities Sub-Total		\$1,930,000.00				\$1,924,962.62	\$13,473.55	\$5,795.17	0.59	0.59	1.87%
Accrued Interest						\$11,023.24					
Total Investments						\$1,935,985.86					



Managed Account Summary Statement

For the Month Ending **September 30, 2019**

CITY OF SALEM SHORT TERM PORTFOLIO - 76950003

Transaction Summary - Managed Account

Opening Market Value	\$37,086,754.00
Maturities/Calls	(5,000,000.00)
Principal Dispositions	0.00
Principal Acquisitions	0.00
Unsettled Trades	0.00
Change in Current Value	55,321.75
Closing Market Value	\$32,142,075.75

Cash Transactions Summary - Managed Account

Maturities/Calls	5,000,000.00
Sale Proceeds	0.00
Coupon/Interest/Dividend Income	0.00
Principal Payments	0.00
Security Purchases	0.00
Net Cash Contribution	(5,000,000.00)
Reconciling Transactions	0.00

Earnings Reconciliation (Cash Basis) - Managed Account

Interest/Dividends/Coupons Received	0.00
Less Purchased Interest Related to Interest/Coupons	0.00
Plus Net Realized Gains/Losses	101,295.06
Total Cash Basis Earnings	\$101,295.06

Cash Balance

Closing Cash Balance **\$0.00**

Earnings Reconciliation (Accrual Basis)

	Total
Ending Amortized Value of Securities	32,119,270.60
Ending Accrued Interest	12,120.90
Plus Proceeds from Sales	0.00
Plus Proceeds of Maturities/Calls/Principal Payments	5,000,000.00
Plus Coupons/Dividends Received	0.00
Less Cost of New Purchases	0.00
Less Beginning Amortized Value of Securities	(37,055,406.00)
Less Beginning Accrued Interest	(9,969.26)
Total Accrual Basis Earnings	\$66,016.24



Portfolio Summary and Statistics

For the Month Ending **September 30, 2019**

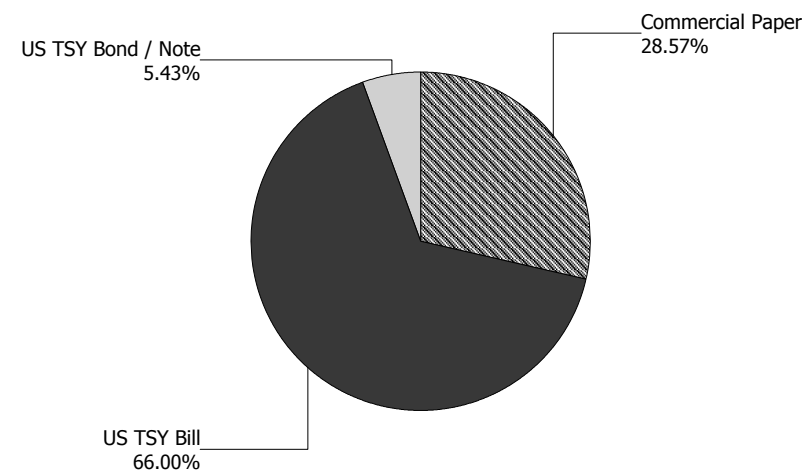
CITY OF SALEM SHORT TERM PORTFOLIO - 76950003

Account Summary

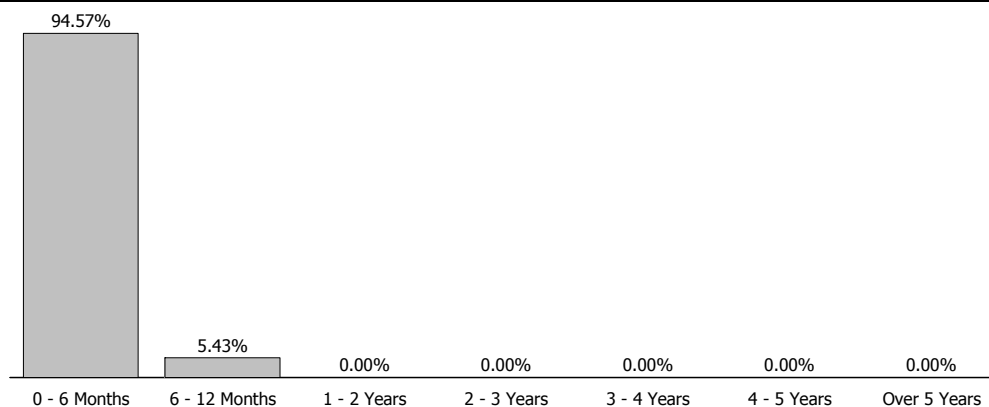
Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	1,750,000.00	1,746,514.00	5.43
U.S. Treasury Bill	21,250,000.00	21,212,430.00	66.00
Commercial Paper	9,250,000.00	9,183,131.75	28.57
Managed Account Sub-Total	32,250,000.00	32,142,075.75	100.00%
Accrued Interest		12,120.90	
Total Portfolio	32,250,000.00	32,154,196.65	

Unsettled Trades **0.00** **0.00**

Sector Allocation



Maturity Distribution



Characteristics

Yield to Maturity at Cost	2.34%
Yield to Maturity at Market	1.80%
Duration to Worst	0.20
Weighted Average Days to Maturity	72



Managed Account Issuer Summary

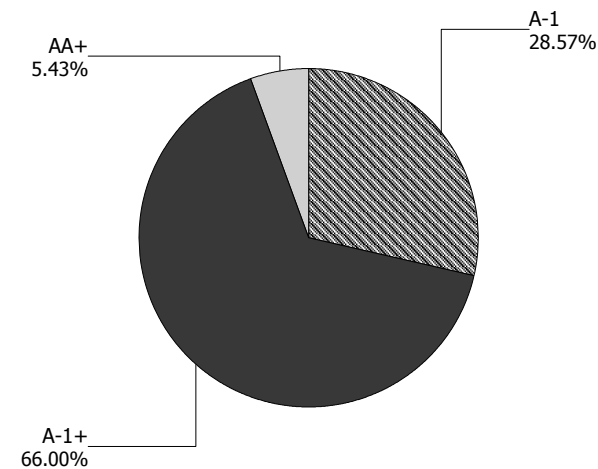
For the Month Ending **September 30, 2019**

CITY OF SALEM SHORT TERM PORTFOLIO - 76950003

Issuer Summary

Issuer	Market Value of Holdings	Percent
BNP PARIBAS	3,982,340.00	12.39
MITSUBISHI UFJ FINANCIAL GROUP INC	5,200,791.75	16.18
UNITED STATES TREASURY	22,958,944.00	71.43
Total	\$32,142,075.75	100.00%

Credit Quality (S&P Ratings)





Managed Account Detail of Securities Held

For the Month Ending **September 30, 2019**

CITY OF SALEM SHORT TERM PORTFOLIO - 76950003

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY N/B NOTES DTD 04/17/2017 1.500% 04/15/2020	912828X21	1,750,000.00	AA+	Aaa	04/26/19	04/29/19	1,735,166.02	2.40	12,120.90	1,741,661.78	1,746,514.00
Security Type Sub-Total		1,750,000.00					1,735,166.02	2.40	12,120.90	1,741,661.78	1,746,514.00
U.S. Treasury Bill											
UNITED STATES TREASURY BILL DTD 11/08/2018 0.000% 11/07/2019	912796RM3	2,500,000.00	A-1+	P-1	05/02/19	05/06/19	2,470,117.36	2.35	0.00	2,494,023.48	2,495,580.00
UNITED STATES TREASURY BILL DTD 11/08/2018 0.000% 11/07/2019	912796RM3	5,250,000.00	A-1+	P-1	05/08/19	05/09/19	5,186,963.54	2.40	0.00	5,237,184.91	5,240,718.00
UNITED STATES TREASURY BILL DTD 11/08/2018 0.000% 11/07/2019	912796RM3	13,500,000.00	A-1+	P-1	05/10/19	05/16/19	13,344,403.13	2.40	0.00	13,467,102.39	13,476,132.00
Security Type Sub-Total		21,250,000.00					21,001,484.03	2.39	0.00	21,198,310.78	21,212,430.00
Commercial Paper											
BNP PARIBAS NY BRANCH COMM PAPER DTD 07/15/2019 0.000% 12/16/2019	09659CZG6	4,000,000.00	A-1	P-1	07/17/19	07/18/19	3,963,592.22	2.19	0.00	3,981,675.56	3,982,340.00
MUFG BANK LTD/NY COMM PAPER DTD 06/17/2019 0.000% 03/13/2020	62479LCD5	5,250,000.00	A-1	P-1	06/19/19	06/20/19	5,164,726.88	2.23	0.00	5,197,622.48	5,200,791.75
Security Type Sub-Total		9,250,000.00					9,128,319.10	2.21	0.00	9,179,298.04	9,183,131.75
Managed Account Sub-Total		32,250,000.00					31,864,969.15	2.34	12,120.90	32,119,270.60	32,142,075.75
Securities Sub-Total		\$32,250,000.00					\$31,864,969.15	2.34%	\$12,120.90	\$32,119,270.60	\$32,142,075.75
Accrued Interest											\$12,120.90
Total Investments											\$32,154,196.65



Managed Account Fair Market Value & Analytics

For the Month Ending **September 30, 2019**

CITY OF SALEM SHORT TERM PORTFOLIO - 76950003

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst	YTM at Mkt
U.S. Treasury Bond / Note											
US TREASURY N/B NOTES DTD 04/17/2017 1.500% 04/15/2020	912828X21	1,750,000.00	JPM_CHAS		99.80	1,746,514.00	11,347.98	4,852.22	0.53	0.53	1.87
Security Type Sub-Total		1,750,000.00				1,746,514.00	11,347.98	4,852.22	0.53	0.53	1.87
U.S. Treasury Bill											
UNITED STATES TREASURY BILL DTD 11/08/2018 0.000% 11/07/2019	912796RM3	2,500,000.00	MORGAN_S		99.82	2,495,580.00	25,462.64	1,556.52	0.10	0.10	1.68
UNITED STATES TREASURY BILL DTD 11/08/2018 0.000% 11/07/2019	912796RM3	5,250,000.00	BNP_PARI		99.82	5,240,718.00	53,754.46	3,533.09	0.10	0.10	1.68
UNITED STATES TREASURY BILL DTD 11/08/2018 0.000% 11/07/2019	912796RM3	13,500,000.00	HSBC		99.82	13,476,132.00	131,728.87	9,029.61	0.10	0.10	1.68
Security Type Sub-Total		21,250,000.00				21,212,430.00	210,945.97	14,119.22	0.10	0.10	1.68
Commercial Paper											
BNP PARIBAS NY BRANCH COMM PAPER DTD 07/15/2019 0.000% 12/16/2019	09659CZG6	4,000,000.00	BNP_PARI		99.56	3,982,340.00	18,747.78	664.44	0.21	0.21	2.07
MUFG BANK LTD/NY COMM PAPER DTD 06/17/2019 0.000% 03/13/2020	62479LCD5	5,250,000.00	MITSU		99.06	5,200,791.75	36,064.87	3,169.27	0.45	0.45	2.06
Security Type Sub-Total		9,250,000.00				9,183,131.75	54,812.65	3,833.71	0.34	0.34	2.07
Managed Account Sub-Total		32,250,000.00				32,142,075.75	277,106.60	22,805.15	0.20	0.20	1.80
Securities Sub-Total		\$32,250,000.00				\$32,142,075.75	\$277,106.60	\$22,805.15	0.20	0.20	1.80%
Accrued Interest						\$12,120.90					
Total Investments						\$32,154,196.65					



Managed Account Security Transactions & Interest

For the Month Ending **September 30, 2019**

CITY OF SALEM SHORT TERM PORTFOLIO - 76950003

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
MATURITY										
09/12/19	09/12/19	UNITED STATES TREASURY BILL DTD 09/13/2018 0.000% 09/12/2019	912796RA9	5,000,000.00	5,000,000.00	0.00	5,000,000.00	101,295.06	0.00	
Transaction Type Sub-Total				5,000,000.00	5,000,000.00	0.00	5,000,000.00	101,295.06	0.00	
Managed Account Sub-Total					5,000,000.00	0.00	5,000,000.00	101,295.06	0.00	
Total Security Transactions					\$5,000,000.00	\$0.00	\$5,000,000.00	\$101,295.06	\$0.00	



Managed Account Summary Statement

For the Month Ending **September 30, 2019**

CITY OF SALEM POLICE FACILITY BONDS 2017 - 76950004

Transaction Summary - Managed Account

Opening Market Value	\$40,297,940.31
Maturities/Calls	(2,575,000.00)
Principal Dispositions	0.00
Principal Acquisitions	2,548,882.50
Unsettled Trades	0.00
Change in Current Value	20,970.21
Closing Market Value	\$40,292,793.02

Cash Transactions Summary - Managed Account

Maturities/Calls	2,575,000.00
Sale Proceeds	0.00
Coupon/Interest/Dividend Income	23,878.13
Principal Payments	0.00
Security Purchases	(2,548,882.50)
Net Cash Contribution	(49,995.63)
Reconciling Transactions	0.00

Earnings Reconciliation (Cash Basis) - Managed Account

Interest/Dividends/Coupons Received	23,878.13
Less Purchased Interest Related to Interest/Coupons	0.00
Plus Net Realized Gains/Losses	17,114.25

Total Cash Basis Earnings **\$40,992.38**

Cash Balance

Closing Cash Balance **\$0.00**

Earnings Reconciliation (Accrual Basis)

	Total
Ending Amortized Value of Securities	40,346,690.82
Ending Accrued Interest	121,009.17
Plus Proceeds from Sales	0.00
Plus Proceeds of Maturities/Calls/Principal Payments	2,575,000.00
Plus Coupons/Dividends Received	23,878.13
Less Cost of New Purchases	(2,548,882.50)
Less Beginning Amortized Value of Securities	(40,357,559.70)
Less Beginning Accrued Interest	(105,993.26)

Total Accrual Basis Earnings **\$54,142.66**



Portfolio Summary and Statistics

For the Month Ending **September 30, 2019**

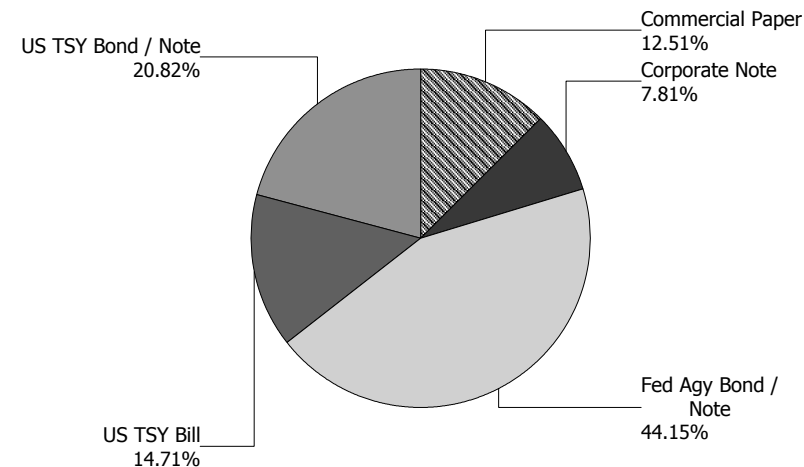
CITY OF SALEM POLICE FACILITY BONDS 2017 - 76950004

Account Summary

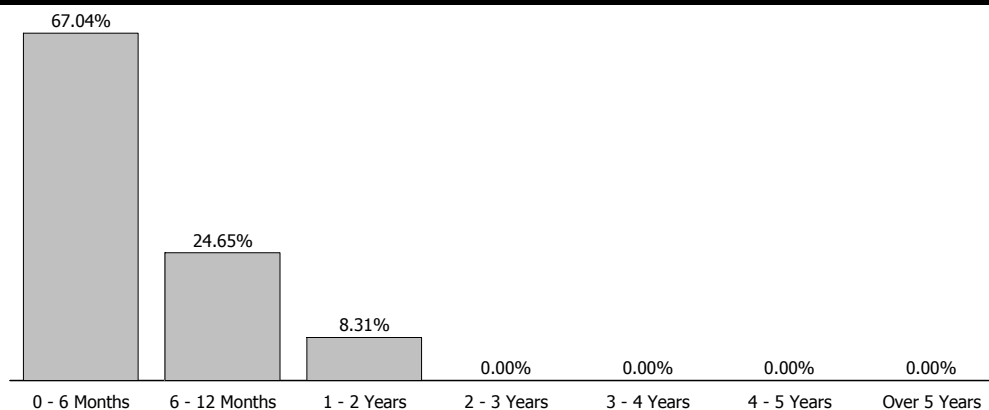
Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	8,405,000.00	8,389,623.59	20.82
U.S. Treasury Bill	5,940,000.00	5,927,843.36	14.71
Federal Agency Bond / Note	17,815,000.00	17,785,275.02	44.15
Corporate Note	3,150,000.00	3,147,637.50	7.81
Commercial Paper	5,075,000.00	5,042,413.55	12.51
Managed Account Sub-Total	40,385,000.00	40,292,793.02	100.00%
Accrued Interest		121,009.17	
Total Portfolio	40,385,000.00	40,413,802.19	

Unsettled Trades **0.00** **0.00**

Sector Allocation



Maturity Distribution



Characteristics

Yield to Maturity at Cost	1.65%
Yield to Maturity at Market	1.89%
Duration to Worst	0.40
Weighted Average Days to Maturity	151



Managed Account Issuer Summary

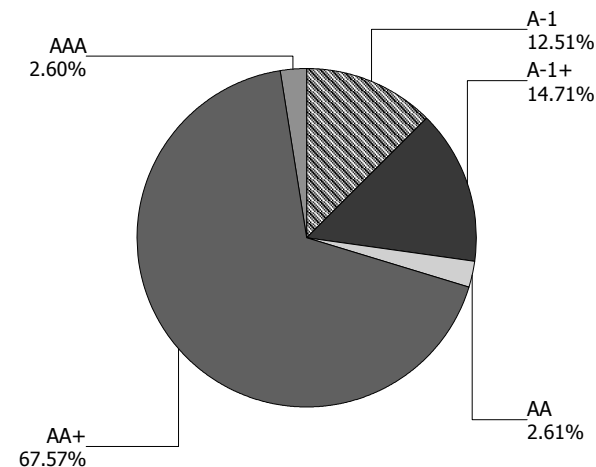
For the Month Ending **September 30, 2019**

CITY OF SALEM POLICE FACILITY BONDS 2017 - 76950004

Issuer Summary

Issuer	Market Value of Holdings	Percent
APPLE INC	1,048,452.30	2.60
BNP PARIBAS	1,509,689.00	3.75
CHEVRON CORPORATION	1,050,063.00	2.61
CREDIT AGRICOLE SA	997,368.00	2.48
FANNIE MAE	4,946,330.24	12.28
FEDERAL HOME LOAN BANKS	1,513,971.32	3.76
FREDDIE MAC	11,324,973.46	28.11
MICROSOFT CORP	1,049,122.20	2.60
MITSUBISHI UFJ FINANCIAL GROUP INC	2,535,356.55	6.29
UNITED STATES TREASURY	14,317,466.95	35.52
Total	\$40,292,793.02	100.00%

Credit Quality (S&P Ratings)





Managed Account Detail of Securities Held

For the Month Ending **September 30, 2019**

CITY OF SALEM POLICE FACILITY BONDS 2017 - 76950004

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 12/31/2014 1.625% 12/31/2019	912828G95	2,550,000.00	AA+	Aaa	09/01/17	09/07/17	2,564,044.92	1.38	10,471.98	2,551,522.48	2,547,809.55
US TREASURY NOTES DTD 06/01/2015 1.500% 05/31/2020	912828XE5	2,500,000.00	AA+	Aaa	09/01/17	09/07/17	2,504,589.84	1.43	12,602.46	2,501,136.38	2,493,847.50
US TREASURY NOTES DTD 09/30/2015 1.375% 09/30/2020	912828L65	1,295,000.00	AA+	Aaa	09/01/17	09/07/17	1,291,003.71	1.48	48.65	1,293,680.16	1,289,334.38
US TREASURY NOTES DTD 12/31/2015 1.750% 12/31/2020	912828N48	2,060,000.00	AA+	Aaa	09/01/17	09/07/17	2,074,484.38	1.53	9,110.46	2,065,544.06	2,058,632.16

Security Type Sub-Total		8,405,000.00					8,434,122.85	1.45	32,233.55	8,411,883.08	8,389,623.59
--------------------------------	--	---------------------	--	--	--	--	---------------------	-------------	------------------	---------------------	---------------------

U.S. Treasury Bill											
UNITED STATES TREASURY BILL DTD 04/18/2019 0.000% 10/17/2019	912796SN0	3,000,000.00	A-1+	P-1	07/17/19	07/19/19	2,984,313.75	2.10	0.00	2,997,211.32	2,997,636.00
UNITED STATES TREASURY BILL DTD 11/08/2018 0.000% 11/07/2019	912796RM3	2,000,000.00	A-1+	P-1	05/02/19	05/06/19	1,976,129.86	2.35	0.00	1,995,225.98	1,996,464.00
US TREASURY BILL DTD 08/15/2019 0.000% 02/13/2020	912796TF6	940,000.00	A-1+	P-1	08/14/19	08/15/19	931,160.87	1.88	0.00	933,443.50	933,743.36

Security Type Sub-Total		5,940,000.00					5,891,604.48	2.15	0.00	5,925,880.80	5,927,843.36
--------------------------------	--	---------------------	--	--	--	--	---------------------	-------------	-------------	---------------------	---------------------

Federal Agency Bond / Note											
FREDDIE MAC GLOBAL NOTES DTD 10/02/2012 1.250% 10/02/2019	3137EADM8	2,570,000.00	AA+	Aaa	09/01/17	09/07/17	2,560,696.60	1.43	15,973.26	2,569,987.38	2,569,922.90
FHLB NOTES DTD 11/17/2016 1.375% 11/15/2019	3130AA3R7	1,515,000.00	AA+	Aaa	09/01/17	09/07/17	1,513,303.20	1.43	7,869.58	1,514,904.60	1,513,971.32
FREDDIE MAC NOTES DTD 01/17/2017 1.500% 01/17/2020	3137EAEES	6,270,000.00	AA+	Aaa	09/01/17	09/07/17	6,277,398.60	1.45	19,332.50	6,270,939.37	6,262,338.06
FHLMC AGENCY NOTES DTD 04/20/2017 1.375% 04/20/2020	3137EAEF2	2,500,000.00	AA+	Aaa	09/01/17	09/07/17	2,494,225.00	1.47	15,373.26	2,498,765.68	2,492,712.50



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2019**

CITY OF SALEM POLICE FACILITY BONDS 2017 - 76950004

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FNMA BENCHMARK NOTES DTD 04/27/2015 1.500% 06/22/2020	3135G0D75	2,480,000.00	AA+	Aaa	09/01/17	09/07/17	2,483,521.60	1.45	10,230.00	2,480,931.96	2,473,088.24
FNMA NOTES DTD 08/01/2017 1.500% 07/30/2020	3135G0T60	2,480,000.00	AA+	Aaa	09/01/17	09/07/17	2,480,173.60	1.50	6,303.33	2,480,053.62	2,473,242.00
Security Type Sub-Total		17,815,000.00					17,809,318.60	1.45	75,081.93	17,815,582.61	17,785,275.02
Corporate Note											
CHEVRON CORP (CALLABLE) NOTE DTD 11/18/2014 2.193% 11/15/2019	166764AN0	1,050,000.00	AA	Aa2	09/01/17	09/07/17	1,062,358.50	1.64	8,698.90	1,050,231.62	1,050,063.00
APPLE INC BONDS DTD 02/09/2015 1.550% 02/07/2020	037833AX8	1,050,000.00	AA+	Aa1	09/01/17	09/07/17	1,047,637.50	1.65	2,350.83	1,049,653.02	1,048,452.30
MICROSOFT CORP (CALLABLE) NOTE DTD 02/12/2015 1.850% 02/12/2020	594918AY0	1,050,000.00	AAA	Aaa	09/01/17	09/07/17	1,055,901.00	1.61	2,643.96	1,050,716.66	1,049,122.20
Security Type Sub-Total		3,150,000.00					3,165,897.00	1.63	13,693.69	3,150,601.30	3,147,637.50
Commercial Paper											
CREDIT AGRICOLE CIB NY COMM PAPER DTD 08/12/2019 0.000% 11/15/2019	22533UYF4	1,000,000.00	A-1	P-1	08/14/19	08/15/19	994,607.78	2.12	0.00	997,362.50	997,368.00
MUFG BANK LTD/NY COMM PAPER DTD 07/12/2019 0.000% 11/21/2019	62479MYM9	1,500,000.00	A-1	P-1	08/22/19	08/23/19	1,492,050.00	2.13	0.00	1,495,495.01	1,495,456.50
MUFG BANK LTD/NY COMM PAPER DTD 09/20/2019 0.000% 03/18/2020	62479LCJ2	1,050,000.00	A-1	P-1	09/19/19	09/20/19	1,039,132.50	2.09	0.00	1,039,796.63	1,039,900.05
BNP PARIBAS NY BRANCH COMM PAPER DTD 09/26/2019 0.000% 03/25/2020	09659BCR9	1,525,000.00	A-1	P-1	09/26/19	09/27/19	1,509,750.00	2.02	0.00	1,510,088.89	1,509,689.00
Security Type Sub-Total		5,075,000.00					5,035,540.28	2.09	0.00	5,042,743.03	5,042,413.55
Managed Account Sub-Total		40,385,000.00					40,336,483.21	1.65	121,009.17	40,346,690.82	40,292,793.02



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2019**

CITY OF SALEM POLICE FACILITY BONDS 2017 - 76950004

Securities Sub-Total	\$40,385,000.00	\$40,336,483.21	1.65%	\$121,009.17	\$40,346,690.82	\$40,292,793.02
Accrued Interest						\$121,009.17
Total Investments						\$40,413,802.19



Managed Account Fair Market Value & Analytics

For the Month Ending **September 30, 2019**

CITY OF SALEM POLICE FACILITY BONDS 2017 - 76950004

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst at Mkt	YTM
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 12/31/2014 1.625% 12/31/2019	912828G95	2,550,000.00	HSBC		99.91	2,547,809.55	(16,235.37)	(3,712.93)	0.25	0.25	1.96
US TREASURY NOTES DTD 06/01/2015 1.500% 05/31/2020	912828XE5	2,500,000.00	HSBC		99.75	2,493,847.50	(10,742.34)	(7,288.88)	0.66	0.66	1.87
US TREASURY NOTES DTD 09/30/2015 1.375% 09/30/2020	912828L65	1,295,000.00	CITIGRP		99.56	1,289,334.38	(1,669.33)	(4,345.78)	0.99	0.99	1.82
US TREASURY NOTES DTD 12/31/2015 1.750% 12/31/2020	912828N48	2,060,000.00	BARCLAYS		99.93	2,058,632.16	(15,852.22)	(6,911.90)	1.23	1.23	1.80
Security Type Sub-Total		8,405,000.00				8,389,623.59	(44,499.26)	(22,259.49)	0.72	0.72	1.87
U.S. Treasury Bill											
UNITED STATES TREASURY BILL DTD 04/18/2019 0.000% 10/17/2019	912796SN0	3,000,000.00	MERRILL		99.92	2,997,636.00	13,322.25	424.68	0.05	0.05	1.67
UNITED STATES TREASURY BILL DTD 11/08/2018 0.000% 11/07/2019	912796RM3	2,000,000.00	CITIGRP		99.82	1,996,464.00	20,334.14	1,238.02	0.10	0.10	1.68
US TREASURY BILL DTD 08/15/2019 0.000% 02/13/2020	912796TF6	940,000.00	BNP_PARI		99.33	933,743.36	2,582.49	299.86	0.37	0.37	1.77
Security Type Sub-Total		5,940,000.00				5,927,843.36	36,238.88	1,962.56	0.12	0.12	1.69
Federal Agency Bond / Note											
FREDDIE MAC GLOBAL NOTES DTD 10/02/2012 1.250% 10/02/2019	3137EADM8	2,570,000.00	WELLS_FA		100.00	2,569,922.90	9,226.30	(64.48)	0.01	0.01	1.78
FHLB NOTES DTD 11/17/2016 1.375% 11/15/2019	3130AA3R7	1,515,000.00	KEYBANC		99.93	1,513,971.32	668.12	(933.28)	0.12	0.12	1.91
FREDDIE MAC NOTES DTD 01/17/2017 1.500% 01/17/2020	3137EAE5	6,270,000.00	NOMURA		99.88	6,262,338.06	(15,060.54)	(8,601.31)	0.30	0.30	1.91
FHLMC AGENCY NOTES DTD 04/20/2017 1.375% 04/20/2020	3137EAEF2	2,500,000.00	GOLDMAN		99.71	2,492,712.50	(1,512.50)	(6,053.18)	0.55	0.55	1.90
FNMA BENCHMARK NOTES DTD 04/27/2015 1.500% 06/22/2020	3135G0D75	2,480,000.00	BARCLAYS		99.72	2,473,088.24	(10,433.36)	(7,843.72)	0.72	0.72	1.89
FNMA NOTES DTD 08/01/2017 1.500% 07/30/2020	3135G0T60	2,480,000.00	JEFFERIE		99.73	2,473,242.00	(6,931.60)	(6,811.62)	0.82	0.82	1.83



Managed Account Fair Market Value & Analytics

For the Month Ending **September 30, 2019**

CITY OF SALEM POLICE FACILITY BONDS 2017 - 76950004

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst at Mkt	YTM
Security Type Sub-Total		17,815,000.00				17,785,275.02	(24,043.58)	(30,307.59)	0.41	0.41	1.88
Corporate Note											
CHEVRON CORP (CALLABLE) NOTE DTD 11/18/2014 2.193% 11/15/2019	166764AN0	1,050,000.00	GOLDMAN	10/15/19	100.01	1,050,063.00	(12,295.50)	(168.62)	0.09	0.04	2.13
APPLE INC BONDS DTD 02/09/2015 1.550% 02/07/2020	037833AX8	1,050,000.00	GOLDMAN		99.85	1,048,452.30	814.80	(1,200.72)	0.35	0.35	1.97
MICROSOFT CORP (CALLABLE) NOTE DTD 02/12/2015 1.850% 02/12/2020	594918AY0	1,050,000.00	GOLDMAN	01/12/20	99.92	1,049,122.20	(6,778.80)	(1,594.46)	0.34	0.36	2.07
Security Type Sub-Total		3,150,000.00				3,147,637.50	(18,259.50)	(2,963.80)	0.26	0.25	2.06
Commercial Paper											
CREDIT AGRICOLE CIB NY COMM PAPER DTD 08/12/2019 0.000% 11/15/2019	22533UYF4	1,000,000.00	CREDAG		99.74	997,368.00	2,760.22	5.50	0.12	0.12	2.07
MUFG BANK LTD/NY COMM PAPER DTD 07/12/2019 0.000% 11/21/2019	62479MYM9	1,500,000.00	MITSU		99.70	1,495,456.50	3,406.50	(38.51)	0.14	0.14	2.10
MUFG BANK LTD/NY COMM PAPER DTD 09/20/2019 0.000% 03/18/2020	62479LCJ2	1,050,000.00	MITSU		99.04	1,039,900.05	767.55	103.42	0.46	0.46	2.06
BNP PARIBAS NY BRANCH COMM PAPER DTD 09/26/2019 0.000% 03/25/2020	09659BCR9	1,525,000.00	BNP_PARI		99.00	1,509,689.00	(61.00)	(399.89)	0.48	0.48	2.06
Security Type Sub-Total		5,075,000.00				5,042,413.55	6,873.27	(329.48)	0.31	0.31	2.07
Managed Account Sub-Total		40,385,000.00				40,292,793.02	(43,690.19)	(53,897.80)	0.41	0.40	1.89
Securities Sub-Total		\$40,385,000.00				\$40,292,793.02	(\$43,690.19)	(\$53,897.80)	0.41	0.40	1.89%
Accrued Interest						\$121,009.17					
Total Investments						\$40,413,802.19					



Managed Account Security Transactions & Interest

For the Month Ending **September 30, 2019**

CITY OF SALEM POLICE FACILITY BONDS 2017 - 76950004

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
BUY										
09/19/19	09/20/19	MUFG BANK LTD/NY COMM PAPER DTD 09/20/2019 0.000% 03/18/2020	62479LCJ2	1,050,000.00	(1,039,132.50)	0.00	(1,039,132.50)			
09/26/19	09/27/19	BNP PARIBAS NY BRANCH COMM PAPER DTD 09/26/2019 0.000% 03/25/2020	09659BCR9	1,525,000.00	(1,509,750.00)	0.00	(1,509,750.00)			
Transaction Type Sub-Total				2,575,000.00	(2,548,882.50)	0.00	(2,548,882.50)			
INTEREST										
09/20/19	09/20/19	CISCO SYSTEMS INC CORP NOTES DTD 09/20/2016 1.400% 09/20/2019	17275RBG6	1,050,000.00	0.00	7,350.00	7,350.00			
09/26/19	09/26/19	FHLB GLOBAL NOTES DTD 09/09/2016 1.000% 09/26/2019	3130A9EP2	1,525,000.00	0.00	7,625.00	7,625.00			
09/30/19	09/30/19	US TREASURY NOTES DTD 09/30/2015 1.375% 09/30/2020	912828L65	1,295,000.00	0.00	8,903.13	8,903.13			
Transaction Type Sub-Total				3,870,000.00	0.00	23,878.13	23,878.13			
MATURITY										
09/20/19	09/20/19	CISCO SYSTEMS INC CORP NOTES DTD 09/20/2016 1.400% 09/20/2019	17275RBG6	1,050,000.00	1,050,000.00	0.00	1,050,000.00	4,441.50	0.00	
09/26/19	09/26/19	FHLB GLOBAL NOTES DTD 09/09/2016 1.000% 09/26/2019	3130A9EP2	1,525,000.00	1,525,000.00	0.00	1,525,000.00	12,672.75	0.00	
Transaction Type Sub-Total				2,575,000.00	2,575,000.00	0.00	2,575,000.00	17,114.25	0.00	
Managed Account Sub-Total					26,117.50	23,878.13	49,995.63	17,114.25	0.00	
Total Security Transactions					\$26,117.50	\$23,878.13	\$49,995.63	\$17,114.25	\$0.00	



Managed Account Summary Statement

For the Month Ending **September 30, 2019**

CITY OF SALEM LIBRARY PROJ GO BONDS 2018 - 76950005

Transaction Summary - Managed Account

Opening Market Value	\$16,122,397.45
Maturities/Calls	(1,165,000.00)
Principal Dispositions	0.00
Principal Acquisitions	642,026.95
Unsettled Trades	0.00
Change in Current Value	(99.03)
Closing Market Value	\$15,599,325.37

Cash Transactions Summary - Managed Account

Maturities/Calls	1,165,000.00
Sale Proceeds	0.00
Coupon/Interest/Dividend Income	18,480.63
Principal Payments	0.00
Security Purchases	(642,026.95)
Net Cash Contribution	(541,453.68)
Reconciling Transactions	0.00

Earnings Reconciliation (Cash Basis) - Managed Account

Interest/Dividends/Coupons Received	18,480.63
Less Purchased Interest Related to Interest/Coupons	0.00
Plus Net Realized Gains/Losses	14,394.12

Total Cash Basis Earnings **\$32,874.75**

Cash Balance

Closing Cash Balance **\$0.00**

Earnings Reconciliation (Accrual Basis)

	Total
Ending Amortized Value of Securities	15,541,289.12
Ending Accrued Interest	53,732.68
Plus Proceeds from Sales	0.00
Plus Proceeds of Maturities/Calls/Principal Payments	1,165,000.00
Plus Coupons/Dividends Received	18,480.63
Less Cost of New Purchases	(642,026.95)
Less Beginning Amortized Value of Securities	(16,051,954.19)
Less Beginning Accrued Interest	(53,874.56)

Total Accrual Basis Earnings **\$30,646.73**



Portfolio Summary and Statistics

For the Month Ending **September 30, 2019**

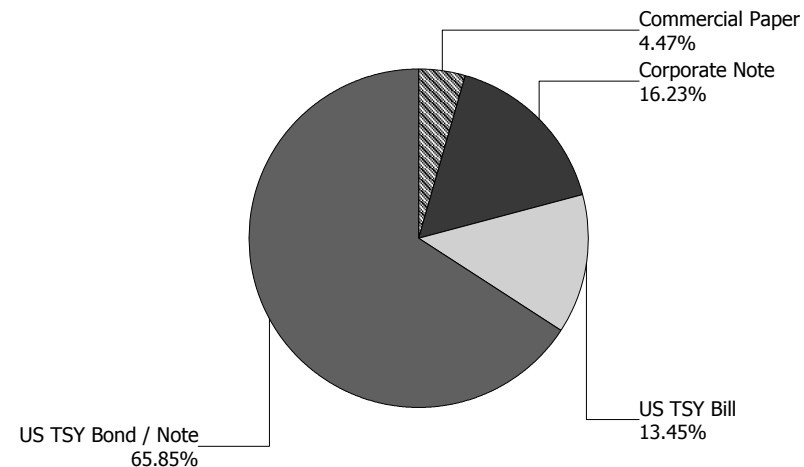
CITY OF SALEM LIBRARY PROJ GO BONDS 2018 - 76950005

Account Summary

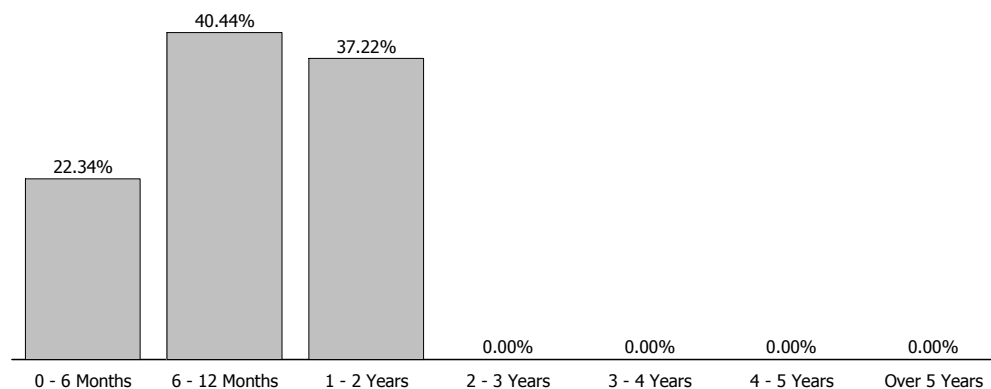
Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	10,295,000.00	10,273,352.03	65.85
U.S. Treasury Bill	2,100,000.00	2,097,414.20	13.45
Corporate Note	2,520,000.00	2,531,530.64	16.23
Commercial Paper	700,000.00	697,028.50	4.47
Managed Account Sub-Total	15,615,000.00	15,599,325.37	100.00%
Accrued Interest		53,732.68	
Total Portfolio	15,615,000.00	15,653,058.05	

Unsettled Trades **0.00** **0.00**

Sector Allocation



Maturity Distribution



Characteristics

Yield to Maturity at Cost	2.36%
Yield to Maturity at Market	1.84%
Duration to Worst	0.74
Weighted Average Days to Maturity	277



Managed Account Issuer Summary

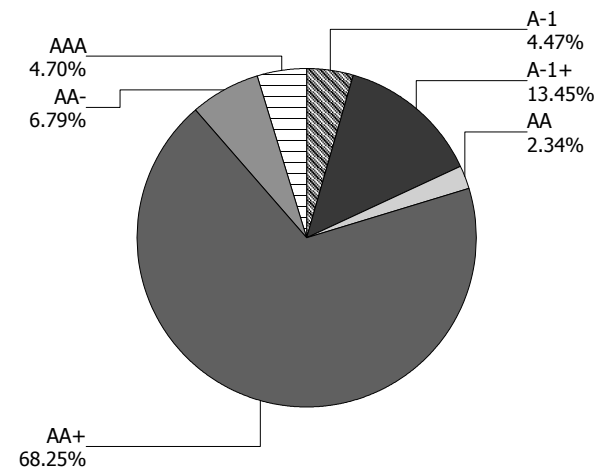
For the Month Ending **September 30, 2019**

CITY OF SALEM LIBRARY PROJ GO BONDS 2018 - 76950005

Issuer Summary

Issuer	Market Value of Holdings	Percent
APPLE INC	374,752.13	2.40
BNP PARIBAS	697,028.50	4.47
JOHNSON & JOHNSON	368,449.98	2.36
MICROSOFT CORP	364,079.52	2.33
PFIZER INC	319,738.24	2.05
PROCTER & GAMBLE CO	369,904.17	2.37
TOYOTA MOTOR CORP	370,028.12	2.37
UNITED STATES TREASURY	12,370,766.23	79.31
WAL-MART STORES INC	364,578.48	2.34
Total	\$15,599,325.37	100.00%

Credit Quality (S&P Ratings)





Managed Account Detail of Securities Held

For the Month Ending **September 30, 2019**

CITY OF SALEM LIBRARY PROJ GO BONDS 2018 - 76950005

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 04/30/2015 1.375% 04/30/2020	912828K58	530,000.00	AA+	Aaa	03/27/18	03/29/18	519,917.58	2.31	3,049.66	527,146.47	528,447.10
US TREASURY NOTES DTD 06/01/2015 1.500% 05/31/2020	912828XE5	525,000.00	AA+	Aaa	03/27/18	03/29/18	515,956.05	2.32	2,646.52	522,192.90	523,707.98
US TREASURY NOTES DTD 06/30/2015 1.625% 06/30/2020	912828XH8	900,000.00	AA+	Aaa	03/27/18	03/29/18	886,394.53	2.32	3,695.99	895,424.50	898,417.80
US TREASURY NOTES DTD 07/31/2015 1.625% 07/31/2020	912828XM7	1,265,000.00	AA+	Aaa	03/27/18	03/29/18	1,244,888.48	2.33	3,463.28	1,257,746.27	1,262,578.79
US TREASURY NOTES DTD 08/31/2015 1.375% 08/31/2020	912828L32	1,625,000.00	AA+	Aaa	03/27/18	03/29/18	1,588,183.59	2.34	1,902.90	1,610,854.18	1,618,017.38
US TREASURY NOTES DTD 09/30/2015 1.375% 09/30/2020	912828L65	645,000.00	AA+	Aaa	09/25/19	09/30/19	642,026.95	1.84	24.23	642,035.04	642,178.13
US TREASURY NOTES DTD 09/30/2015 1.375% 09/30/2020	912828L65	1,260,000.00	AA+	Aaa	03/27/18	03/29/18	1,230,468.75	2.34	47.34	1,248,039.08	1,254,487.50
US TREASURY NOTES DTD 10/31/2015 1.375% 10/31/2020	912828L99	840,000.00	AA+	Aaa	03/27/18	03/29/18	819,360.94	2.36	4,833.42	831,228.97	836,128.44
US TREASURY NOTES DTD 11/30/2015 1.625% 11/30/2020	912828M98	1,200,000.00	AA+	Aaa	03/27/18	03/29/18	1,177,312.50	2.36	6,553.28	1,189,957.44	1,197,562.80
US TREASURY NOTES DTD 12/31/2013 2.375% 12/31/2020	912828A83	1,195,000.00	AA+	Aaa	03/27/18	03/29/18	1,195,513.48	2.36	7,172.44	1,195,245.85	1,203,448.65
US TREASURY NOTES DTD 01/31/2016 1.375% 01/31/2021	912828N89	310,000.00	AA+	Aaa	03/27/18	03/29/18	301,499.22	2.38	718.14	305,950.12	308,377.46
Security Type Sub-Total		10,295,000.00					10,121,522.07	2.31	34,107.20	10,225,820.82	10,273,352.03
U.S. Treasury Bill											
UNITED STATES TREASURY BILL DTD 04/18/2019 0.000% 10/17/2019	912796SN0	1,150,000.00	A-1+	P-1	04/22/19	04/23/19	1,136,458.27	2.42	0.00	1,148,775.89	1,149,093.80
UNITED STATES TREASURY BILL DTD 11/08/2018 0.000% 11/07/2019	912796RM3	950,000.00	A-1+	P-1	05/10/19	05/16/19	939,050.59	2.40	0.00	947,684.98	948,320.40



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2019**

CITY OF SALEM LIBRARY PROJ GO BONDS 2018 - 76950005

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bill											
Security Type Sub-Total		2,100,000.00					2,075,508.86	2.41	0.00	2,096,460.87	2,097,414.20
Corporate Note											
THE PROCTER & GAMBLE CO CORP NOTES DTD 10/25/2017 1.750% 10/25/2019	742718EZ8	370,000.00	AA-	Aa3	03/27/18	03/29/18	366,522.00	2.36	2,805.83	369,850.76	369,904.17
PFIZER INC CORP NOTE DTD 11/21/2016 1.700% 12/15/2019	717081EB5	320,000.00	AA-	A1	03/27/18	03/29/18	316,089.60	2.43	1,601.78	319,523.84	319,738.24
TOYOTA MOTOR CREDIT CORP DTD 04/17/2017 1.950% 04/17/2020	89236TDU6	370,000.00	AA-	Aa3	03/27/18	03/29/18	363,991.20	2.77	3,286.83	368,372.40	370,028.12
APPLE INC BONDS DTD 05/11/2017 1.800% 05/11/2020	037833CS7	375,000.00	AA+	Aa1	03/27/18	03/29/18	369,191.25	2.56	2,625.00	373,293.40	374,752.13
WAL MART STORES INC. CORP NOTES DTD 07/08/2010 3.625% 07/08/2020	931142CU5	360,000.00	AA	Aa2	03/27/18	03/29/18	368,956.80	2.49	3,008.75	363,086.37	364,578.48
JOHNSON & JOHNSON GLOBAL NOTES DTD 08/17/2010 2.950% 09/01/2020	478160AW4	365,000.00	AAA	Aaa	03/27/18	03/29/18	369,142.75	2.46	897.29	366,597.69	368,449.98
MICROSOFT CORP NOTES DTD 09/27/2010 3.000% 10/01/2020	594918AH7	360,000.00	AAA	Aaa	03/27/18	03/29/18	363,524.40	2.59	5,400.00	361,434.14	364,079.52
Security Type Sub-Total		2,520,000.00					2,517,418.00	2.53	19,625.48	2,522,158.60	2,531,530.64
Commercial Paper											
BNP PARIBAS NY BRANCH COMM PAPER DTD 03/20/2019 0.000% 12/13/2019	09659CZD3	700,000.00	A-1	P-1	06/13/19	06/14/19	692,143.67	2.25	0.00	696,848.83	697,028.50
Security Type Sub-Total		700,000.00					692,143.67	2.25	0.00	696,848.83	697,028.50
Managed Account Sub-Total		15,615,000.00					15,406,592.60	2.36	53,732.68	15,541,289.12	15,599,325.37



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2019**

CITY OF SALEM LIBRARY PROJ GO BONDS 2018 - 76950005						
Securities Sub-Total	\$15,615,000.00	\$15,406,592.60	2.36%	\$53,732.68	\$15,541,289.12	\$15,599,325.37
Accrued Interest						\$53,732.68
Total Investments						\$15,653,058.05



Managed Account Fair Market Value & Analytics

For the Month Ending **September 30, 2019**

CITY OF SALEM LIBRARY PROJ GO BONDS 2018 - 76950005

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst at Mkt	YTM
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 04/30/2015 1.375% 04/30/2020	912828K58	530,000.00	HSBC		99.71	528,447.10	8,529.52	1,300.63	0.58	0.58	1.88
US TREASURY NOTES DTD 06/01/2015 1.500% 05/31/2020	912828XE5	525,000.00	MORGAN_S		99.75	523,707.98	7,751.93	1,515.08	0.66	0.66	1.87
US TREASURY NOTES DTD 06/30/2015 1.625% 06/30/2020	912828XH8	900,000.00	MERRILL		99.82	898,417.80	12,023.27	2,993.30	0.74	0.74	1.86
US TREASURY NOTES DTD 07/31/2015 1.625% 07/31/2020	912828XM7	1,265,000.00	BNP_PARI		99.81	1,262,578.79	17,690.31	4,832.52	0.82	0.82	1.86
US TREASURY NOTES DTD 08/31/2015 1.375% 08/31/2020	912828L32	1,625,000.00	BNP_PARI		99.57	1,618,017.38	29,833.79	7,163.20	0.91	0.91	1.85
US TREASURY NOTES DTD 09/30/2015 1.375% 09/30/2020	912828L65	645,000.00	CITIGRP		99.56	642,178.13	151.18	143.09	0.99	0.99	1.82
US TREASURY NOTES DTD 09/30/2015 1.375% 09/30/2020	912828L65	1,260,000.00	MORGAN_S		99.56	1,254,487.50	24,018.75	6,448.42	0.99	0.99	1.82
US TREASURY NOTES DTD 10/31/2015 1.375% 10/31/2020	912828L99	840,000.00	BNP_PARI		99.54	836,128.44	16,767.50	4,899.47	1.06	1.06	1.81
US TREASURY NOTES DTD 11/30/2015 1.625% 11/30/2020	912828M98	1,200,000.00	BNP_PARI		99.80	1,197,562.80	20,250.30	7,605.36	1.14	1.14	1.80
US TREASURY NOTES DTD 12/31/2013 2.375% 12/31/2020	912828A83	1,195,000.00	MORGAN_S		100.71	1,203,448.65	7,935.17	8,202.80	1.22	1.22	1.80
US TREASURY NOTES DTD 01/31/2016 1.375% 01/31/2021	912828N89	310,000.00	MERRILL		99.48	308,377.46	6,878.24	2,427.34	1.31	1.31	1.77
Security Type Sub-Total		10,295,000.00				10,273,352.03	151,829.96	47,531.21	0.96	0.96	1.83
U.S. Treasury Bill											
UNITED STATES TREASURY BILL DTD 04/18/2019 0.000% 10/17/2019	912796SN0	1,150,000.00	JPM_CHAS		99.92	1,149,093.80	12,635.53	317.91	0.05	0.05	1.67
UNITED STATES TREASURY BILL DTD 11/08/2018 0.000% 11/07/2019	912796RM3	950,000.00	HSBC		99.82	948,320.40	9,269.81	635.42	0.10	0.10	1.68
Security Type Sub-Total		2,100,000.00				2,097,414.20	21,905.34	953.33	0.07	0.07	1.67
Corporate Note											



Managed Account Fair Market Value & Analytics

For the Month Ending **September 30, 2019**

CITY OF SALEM LIBRARY PROJ GO BONDS 2018 - 76950005

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst at Mkt	YTM
Corporate Note											
THE PROCTER & GAMBLE CO CORP NOTES DTD 10/25/2017 1.750% 10/25/2019	742718EZ8	370,000.00	BNP_PARI		99.97	369,904.17	3,382.17	53.41	0.07	0.07	2.11
PFIZER INC CORP NOTE DTD 11/21/2016 1.700% 12/15/2019	717081EB5	320,000.00	MORGAN_S		99.92	319,738.24	3,648.64	214.40	0.21	0.21	2.08
TOYOTA MOTOR CREDIT CORP DTD 04/17/2017 1.950% 04/17/2020	89236TDU6	370,000.00	CREDAG		100.01	370,028.12	6,036.92	1,655.72	0.54	0.54	1.94
APPLE INC BONDS DTD 05/11/2017 1.800% 05/11/2020	037833CS7	375,000.00	MORGAN_S		99.93	374,752.13	5,560.88	1,458.73	0.60	0.60	1.91
WAL MART STORES INC. CORP NOTES DTD 07/08/2010 3.625% 07/08/2020	931142CU5	360,000.00	BNP_PARI		101.27	364,578.48	(4,378.32)	1,492.11	0.76	0.76	1.95
JOHNSON & JOHNSON GLOBAL NOTES DTD 08/17/2010 2.950% 09/01/2020	478160AW4	365,000.00	MITSU		100.95	368,449.98	(692.77)	1,852.29	0.90	0.90	1.91
MICROSOFT CORP NOTES DTD 09/27/2010 3.000% 10/01/2020	594918AH7	360,000.00	CITIGRP		101.13	364,079.52	555.12	2,645.38	0.97	0.97	1.85
Security Type Sub-Total		2,520,000.00				2,531,530.64	14,112.64	9,372.04	0.58	0.58	1.96
Commercial Paper											
BNP PARIBAS NY BRANCH COMM PAPER DTD 03/20/2019 0.000% 12/13/2019	09659CZD3	700,000.00	BNP_PARI		99.58	697,028.50	4,884.83	179.67	0.20	0.20	2.07
Security Type Sub-Total		700,000.00				697,028.50	4,884.83	179.67	0.20	0.20	2.07
Managed Account Sub-Total		15,615,000.00				15,599,325.37	192,732.77	58,036.25	0.74	0.74	1.84
Securities Sub-Total		\$15,615,000.00				\$15,599,325.37	\$192,732.77	\$58,036.25	0.74	0.74	1.84%
Accrued Interest						\$53,732.68					
Total Investments						\$15,653,058.05					



Managed Account Security Transactions & Interest

For the Month Ending **September 30, 2019**

CITY OF SALEM LIBRARY PROJ GO BONDS 2018 - 76950005

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
BUY										
09/25/19	09/30/19	US TREASURY NOTES DTD 09/30/2015 1.375% 09/30/2020	912828L65	645,000.00	(642,026.95)	0.00	(642,026.95)			
Transaction Type Sub-Total				645,000.00	(642,026.95)	0.00	(642,026.95)			
INTEREST										
09/01/19	09/01/19	JOHNSON & JOHNSON GLOBAL NOTES DTD 08/17/2010 2.950% 09/01/2020	478160AW4	365,000.00	0.00	5,383.75	5,383.75			
09/30/19	09/30/19	US TREASURY NOTES DTD 09/30/2015 1.375% 09/30/2020	912828L65	1,260,000.00	0.00	8,662.50	8,662.50			
09/30/19	09/30/19	US TREASURY N/B NOTES DTD 10/02/2017 1.375% 09/30/2019	9128282X7	645,000.00	0.00	4,434.38	4,434.38			
Transaction Type Sub-Total				2,270,000.00	0.00	18,480.63	18,480.63			
MATURITY										
09/12/19	09/12/19	UNITED STATES TREASURY BILL DTD 09/13/2018 0.000% 09/12/2019	912796RA9	520,000.00	520,000.00	0.00	520,000.00	6,306.42	0.00	
09/30/19	09/30/19	US TREASURY N/B NOTES DTD 10/02/2017 1.375% 09/30/2019	9128282X7	645,000.00	645,000.00	0.00	645,000.00	8,087.70	0.00	
Transaction Type Sub-Total				1,165,000.00	1,165,000.00	0.00	1,165,000.00	14,394.12	0.00	
Managed Account Sub-Total					522,973.05	18,480.63	541,453.68	14,394.12	0.00	
Total Security Transactions					\$522,973.05	\$18,480.63	\$541,453.68	\$14,394.12	\$0.00	

City of Salem, Oregon
BONDING STRATEGY DISCUSSION
10/28/2019 Finance Committee Meeting

Having well maintained infrastructure is crucial for efficiently providing critical services to, and for ensuring the economic vitality of, the Salem community. The City of Salem owns and operates diverse infrastructure systems valued in the billions of dollars. (See Table 1 for examples of City-owned infrastructure.) The equipment and properties of these systems are in constant need of major maintenance, repair, upgrade, replacement, and expansion, which collectively in this paper are called “improvements.”

Routine maintenance and repair of infrastructure is typically funded through annual operating budgets. Additionally, some types of infrastructure—such as the City’s water, wastewater, and stormwater utilities—have dedicated and recurring funding available for improvements. Other types of infrastructure, such as the municipal airport, have access to specific funding sources external to City resources. However, for many types of City-owned infrastructure, the only way to fund major repairs or improvements is through periodic general obligation bonding.

The need for improvements to City-owned infrastructure will always out-pace the ability to obtain funding. The City has long-established policies on capital debt issuance and maximum indebtedness. The City also has a strong, time-tested methodology for identifying capital projects to address those needs. However, what is missing is a policy for how to prioritize funding for capital projects among competing needs of the City’s diverse infrastructure systems. And, owing to the competing needs across multiple lines of business, also needed is a strategy for scheduling general obligation bond fund elections. A policy for prioritizing capital projects and a strategy for scheduling elections will form the core of a *capital funding priorities plan*.

To assist in developing a debt-funded capital projects policy and its associated capital funding priorities plan, this report provides background information on the relationships between debt funding and various laws, statutes, policies, and plans. The following questions are considered:

1. Should the current Council Debt Policy be affirmed or revised?
2. Should a prioritized list of debt-funded projects be adopted by Council?
3. Should public review of the capital projects prioritization list be undertaken?
4. How should general obligation bond fund elections be scheduled?
5. Should a policy to address failure at the ballot box be adopted?

This report concludes with a recommendation to: (1) maintain the current debt policy; (2) develop a Capital Projects Priorities Plan that uses an asset management-based methodology; (3) establish a schedule for general obligation bond fund elections that is based on large, infrequent elections; and (4) create a criteria-based policy for how to proceed in the event of an election failure.

Table 1
Examples of City of Salem Capital Infrastructure

LOCATION	INFRASTRUCTURE EXAMPLES	
Airport*	Buildings Runways	Taxiways
City-Owned Properties	Bare land	Houses
Facilities	295 Church Street Center 50+ Civic Center: City Hall; Fire Station 1; Library Fire Stations 2 through 11	Furnishings (at all facilities) Police Station Shops Complex West Salem Library Fire Training Facility
Fire	Fire trucks and specialized response vehicles and equipment	
Garages	Chemeketa Parkade Marion Parkade	Pringle Parkade
Historic Properties	AC Gilbert Bush House	Deepwood
IT	Enterprise applications (software) Department Specific Applications Community Centric Applications City Technology Infrastructure	Fiber Optic Network Systems: Storage; Security; Connectivity; Telecommunications; Disaster Recovery Equipment: Computers; Servers; Mobile
Parks	Ball fields Buildings Restrooms Shelters Courts Fences Parking lots	Paths and trails Playgrounds Spray fountains Trees and turf Boat ramp Boat docks
Police (includes Willamette Valley Communications Center)	Radio System	Building Equipment
Stormwater*	Mains Dams	Fish ladders Detention basins
Surface Transportation	Bridges Pavement Pedestrian and bicycle paths 12 th Street Walkway Courtney Minto Island Bridge Union Street Bridge	Signs, signals, and appurtenances Sidewalks and curbs Street trees and medians Streetlights*
Wastewater*	Mains Pump stations	Willow Lake Water Pollution Control Facility River Road Wet Weather Treatment Facility
Water*	Mains Pump Stations In-town reservoirs	Aquifer Storage and Recovery Wells Geren Island Water Treatment Facility Upper and Lower Bennett Dams

*City-owned infrastructure with recurring or special funding not subject to the Debt-Funded Capital Projects Policy.

BACKGROUND

Relationship of Debt Funding to the *Salem Strategic Plan and Council Policy Agendas*

Developing a debt-funded capital projects policy and a capital funding priorities plan is consistent with the Council-adopted *2017 Salem Strategic Plan*. In undertaking the strategic planning process, the following two findings related to the City's infrastructure were included in the comprehensive Situation Assessment prepared in support of the *2017 Salem Strategic Plan*:

Finding 12: The City has deferred maintenance on critical infrastructure; and

Finding 13: Big capital projects will continue to be a challenge.

Guided by these findings, the Council-adopted *2017 Salem Strategic Plan* includes a critical infrastructure goal and action:

Goal: Simplify and streamline the City's infrastructure and master planning to better align City Council and community goals for the development and maintenance of a robust infrastructure system.

Action: Develop a general obligation bonding strategy that includes public involvement in its development.

The 2018 *Council Policy Agenda* discusses the critical infrastructure goal and action stating, "the City does not have the budget to complete the backlog of current infrastructure repairs and maintenance ... [nor does the City have the] ... existing or planned capacity to serve new residents and businesses." The 2018 *Council Policy Agenda* called for the Finance Committee to examine the following policy issues:

1. Condition assessments and criteria to prioritize infrastructure maintenance needs;
2. How to identify maintenance needs within the budget; and
3. A general obligation bonding strategy, developed with community engagement.

The 2019 *Council Policy Agenda* restated the critical infrastructure goals and actions and incorporated seven projects for the Finance Committee of the Council to consider, which are listed below without implying an order of priority:

1. Fire equipment, including fire apparatus and related equipment, and response related infrastructure;
2. Transportation infrastructure, including sidewalks;

3. Water/sewer infrastructure;
4. Civic Center deferred maintenance;
5. Park improvements;
6. City Shops Complex; and
7. Affordable housing.

Relationship of Debt Funding to the Master Plans and the Capital Improvement Plan

Council Policy C-9, *Capital Improvement Program Policy*, defines a capital improvement—or capital project—as a planned activity that: creates, improves, maintains, repairs or replaces a fixed asset; results in a permanent addition to the City’s asset inventory valued at \$50,000 or greater; and, has a useful life of more than five years. Capital improvements usually involve one of the following actions:

- Acquisition of property, equipment, or debt-financed assets;
- Construction of new facilities; and/or
- Rehabilitation, reconstruction, renovation, or upgrade of an existing asset to a condition that extends its useful life and/or increases its capacity.

The capital needs of the City’s infrastructure are typically identified in one of two ways: (1) Through a facility asset management assessment process (see Figure 1); or (2) through the infrastructure system master planning process (see Figure 2). In either case, once capital projects are identified, they are preserved on issues or project lists awaiting funding.

Once funding is identified, capital projects are placed in the City’s Capital Improvement Plan (CIP). The CIP is a five-year plan that identifies the City’s prioritized investments in capital assets and corresponding financial plans. The CIP indicates when, during the plan’s five-year period, a project will proceed to the Capital Construction Budget for actual delivery. The flow of capital projects through the CIP and into the adopted capital construction budget is illustrated in Figure 3.

Figure 1: Facility Asset Assessment Process

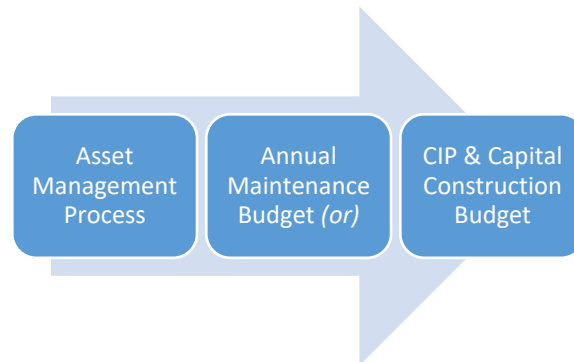


Figure 2: Infrastructure System Master Planning Process

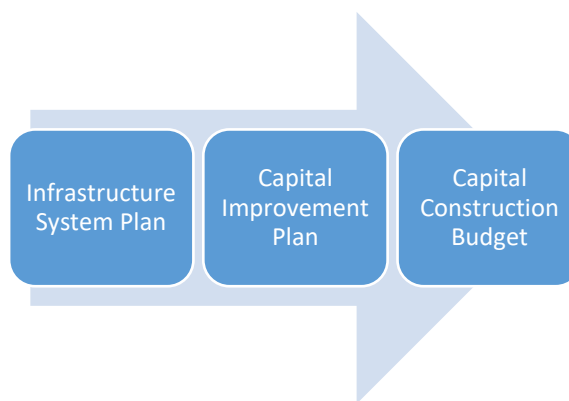
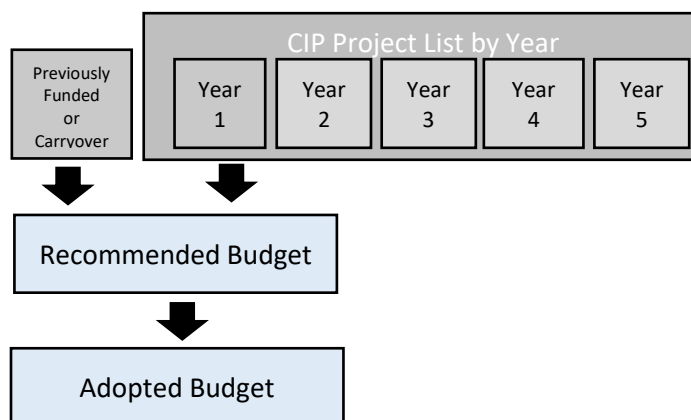


Figure 3: Capital Improvement Plan Process Flow



While this is the established process, the community, Council, and staff have identified several shortcomings:

- Inconsistent asset management strategies are used throughout the organization;
- Lack of consistent/recurring funding available for maintenance, especially for General Fund departments;
- New issues are arising that do not align with identified infrastructure system master plan projects;
- Relevance—or community desires—of planned projects may be misaligned due to the age of infrastructure system master plans;
- Lack of capital project selection transparency, either actual or perceived, can occur although public input is sought at the master planning, CIP, and capital budgeting phases;
- Limited funding sources, such as federal transportation funding, grants, and urban renewal funds, are not transparent to the general public; and
- Community desires for projects are often immediate and transient, and generally do not match up with current funding availability. (For example, an adopted infrastructure master plan does immediately come with funding to implement its recommendations.)

Relationship of Debt Funding to State Statutes, City Authorizations, and Council Policy

Issuance and use of debt to fund capital projects is governed by *Oregon Revised Statutes*, Chapter 287A, which allows cities to issue debt for municipal purposes. The authorization granted to Salem by ORS 287A is further refined and limited by the *Salem City Charter*, which authorizes the City Council to issue bonds and notes of indebtedness.

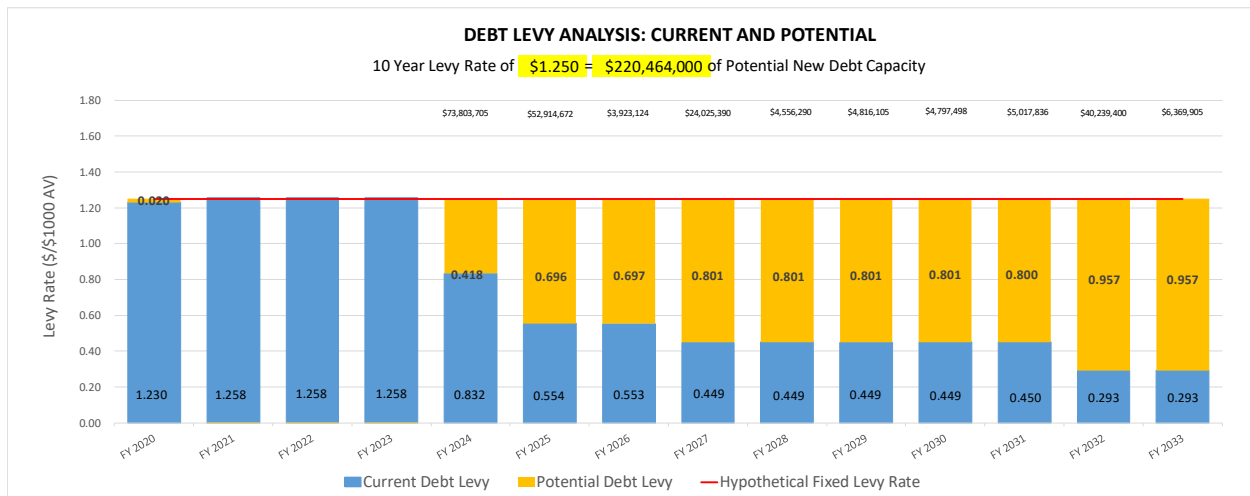
Salem City Council Policy C-2, Debt Management Policy, further refines and limits Salem's debt issuance. The policy establishes rules for managing and issuing the City's debt obligations, retaining or improving the City's bond rating, and maintaining the City's ability to incur debt. Policy C-2 limits the purpose of debt issuances to construction of capital improvements, acquisition of equipment, and making major renovations to existing infrastructure. Exceptions to this rule may be considered on a case-by-case basis. Policy C-2 requires the City to issue debt only if the benefits outweigh the costs of the debt. Further, Policy C-2 requires the City to use a "pay-as-you-go" and replacement programs whenever feasible.

Salem City Council Policy C-2 restricts general obligation debt to a maximum of 1.5 percent of the City's real market value (RMV).¹ The Figure 4 illustrates the City's current and future

¹ ORS 287A.050 limits general obligation debt to a maximum of 3 percent of the City's real market value.

potential general obligation levy rate. Currently, the City has an available borrowing capacity of \$151.6 million, based on a FY 2020 RMV of \$18.7 billion and an outstanding general obligation debt load of \$128.9 million. Figure 4 illustrates a \$220.5M potential new debt capacity with a fixed current levy rate of \$1.25 for a 10-year period beginning in FY 2024.

Figure 4: City of Salem General Obligation Levy: \$220.5M Potential New Debt



Currently Identified Capital Needs

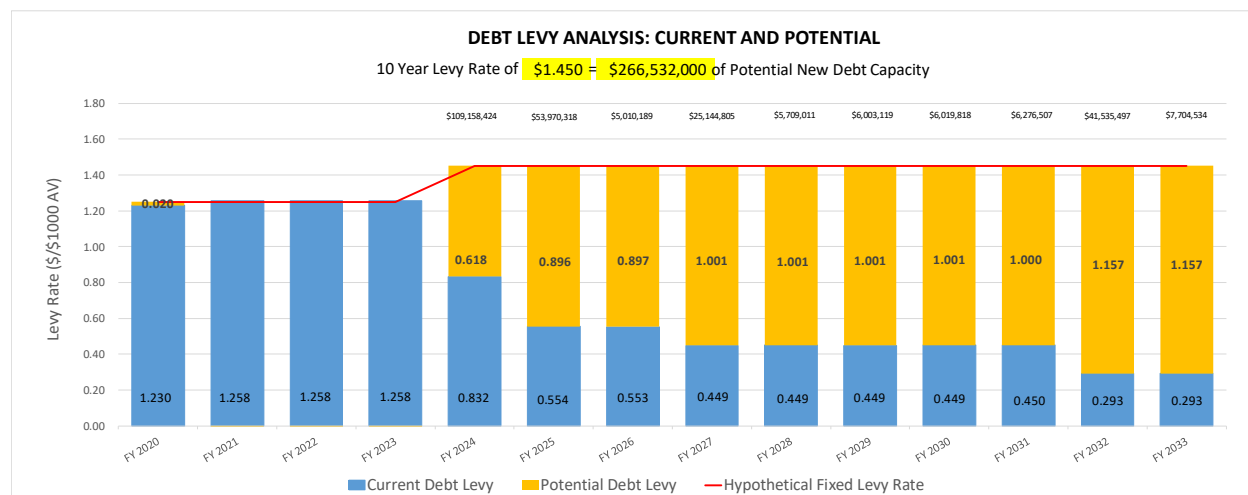
Table 2 was developed by staff as a starting place for discussion on the City's capital needs for a proposed 10-year bond plan beginning in FY 2024.

Table 2: Capital Projects for Potential Bond Funding

Community Need	Fiscal Year	FY 2018-19 Amount (In Millions)	Amount with 2.5% Inflation Escalator	Term (Years)
Fire Apparatus	FY 2021	22.32	23.45	12
Fire Stations	FY 2025	14.31	16.60	20
IT Infrastructure	FY 2025	8.62	10.00	5
Civic Center	FY 2025	29.20	33.86	20
Streets & Bridges	FY 2027	50.00	60.92	15
Parks	FY 2028	33.10	41.34	15
WVCC	FY 2029	11.50	14.72	20
Streets & Bridges 2	FY 2030	50.00	65.60	15
Total			266.50	

The associated tax levy rate to support a \$266.5M bond plan would be \$1.45 as shown in figure 5.

Figure 5: City of Salem General Obligation Levy: \$266.5M Potential New Debt



POLICY ANALYSIS AND RECOMMENDATIONS

1. Should the current Council Debt Policy be affirmed or revised?

The current Council debt policy establishes a maximum indebtedness of 1.5 percent of the City’s RMV. This is one-half the allowable level of indebtedness allowed by state statute. This conservative level has served the City well throughout a range of economic circumstances. The lower level is also a positive factor when the City’s bond rating is determined.

However, the City’s backlog of capital needs is substantial, on-going, and anticipated to increase. Furthermore, both the City and other taxing districts in the area—such as the Salem-Keizer School District—have successfully levied substantial debt instruments with the full support of the community. At issue are the risks of increasing the maximum indebtedness in relation to the potential benefits to the City’s infrastructure.

Recommendation: Staff recommends affirming the current debt policy limitations. While acknowledging that increasing the maximum indebtedness would enable more capital projects be completed, this benefit does not outweigh the risks inherent in assuming a larger debt.

2 Should a prioritized list of debt-funded projects be adopted by Council?

The City has many identified capital needs. Project priority lists included in infrastructure master plans and other asset management project lists are adopted by Council. The City’s CIP process, for example, uses an asset management methodology to score and prioritize capital projects. However, there is no current City policy for setting a priority list for debt-funded projects.

Recommendation: Develop a methodology based on asset management principles for scoring and prioritizing all debt-funded projects. Using this methodology, rank the projects and present the results to Council for consideration. Starting with the initial ranking, Council should adopt a capital funding plan that will list projects in priority funding order. The capital funding priorities plan can be incorporated into the annual CIP process and updated periodically—perhaps on a quadrennial basis—to assure that the latest Council priorities are addressed by the plan.

3 Should a public review of the capital projects prioritization list should be undertaken?

The opportunity for public review and comment of capital infrastructure projects can be provided at various points in the drafting and approval process. However, capital projects that are not generated from an infrastructure system master plan do not receive the same level of public review. These projects include major facility renovations, fire apparatus replacement, and major software purchases and upgrades, none of which are currently subject to public review and comment. Current practice is to not engage the public in review of projects until the projects are proposed for general obligation bond funding.

Recommendation: As part of the development and adoption process for a capital funding priorities plan, a rigorous public involvement process should be implemented that allows residents to provide input into the asset management ranking system and the project priorities list.

4. How should general obligation bond fund elections be scheduled?

In the past, scheduling general obligation bond elections has been an *ad hoc* process driven by immediate capital project needs and heavily influenced by external forces related to partner governments' bond elections, the community's economic environment, and public perception and input in advance of a coordinated City public information and outreach effort. Further, the absence of an adopted general obligation bond fund schedule creates uncertainty in short and intermediate-term capital improvement planning. (For example, not knowing when a building is going to be replaced, for example, will complicate a decision regarding when to perform major HVAC improvements.)

There are many options regarding scheduling general obligation bond fund elections, but all generally fall within two broad categories:

- (1) Conduct a series of general obligation bond fund elections with identified City-owned infrastructure as the recipient of funds for each election, with the expectation by the electorate that every few years a new election for different infrastructure would be presented for consideration.

For example, the series could begin with a bond to fund new fire infrastructure, followed two years later by bond for major IT upgrades, followed two years later by a park improvement bond, followed two years later by a streets and bridges bond, followed two years later by a water/wastewater/stormwater infrastructure bond, followed two years later by a public facilities improvement bond.

The two key advantages to this approach, which is the City's current practice: (a) Messaging can be focused on a single (or small set) of infrastructure that will benefit from the funding and (b) In case of failure, the City can move to the infrastructure next scheduled for consideration.

The primary disadvantage of this strategy is the risk of bonding fatigue by the voting public, who may perceive a years-long series of bond elections as an indication of poor planning, bad execution, and inadequate leadership.

- (2) Conduct a single general obligation bond fund election that encompasses a large set of City-owned infrastructure with an expectation by the electorate that a once passed, no further elections will be conducted for long period of time.

For example, hold a general obligation bond fund election that comprises an entire collection of infrastructure needs spanning multiple lines of business (e.g., Fire, IT, Streets/Bridges, Parks, Utilities, Facilities). Once approved, the City will focus on implementing the improvements through its Capital Improvement Plan.

Among the advantages of this strategy: (a) The City and the voting public can focus on a single election; (b) Once passed, certainty of funding is provided, enabling the City to plan major capital improvement projects well into the future; and (c) The risks of bonding fatigue are reduced.

There are two significant disadvantages to this strategy: (a) The flexibility to respond to emergent priority needs with a new election is reduced; and (b) The consequences of failure are greatly enhanced.

Recommendation: Conduct a single general obligation bond fund election. Despite the inherent risks of this strategy, the advantages—particularly regarding long-term planning and implementation—are compelling. Further supporting this recommendation is the fact that the Salem-Keizer School District has successfully conducted a \$619.7 million bond election in 2018, demonstrating the willingness of the public to support large, long-term bonding.

5. Should a policy to address failure at the ballot box be adopted?

The outcome of a general obligation bond election is subject to the will of the electorate. Even with a well-thought out planning and cohesive outreach effort, there is the possibility that an election will not be successful. When election failure occurs, the question faced by staff and Council is whether to put the same bond measure before the voters again, advance a moderately revised measure, or abandon the effort and move on to completely different set of infrastructure projects. Past City practice has been to move on to another infrastructure priority if the bond election fails. However, the recent police facility bond election shows that projects, with relatively minor revisions, can be placed on the ballot a second time and passed by the voters.

Recommendation: Because the cause(s) of bond election failure can vary, no definitive if/then direction can be specified. However, a general policy and list of key criteria can be compiled to inform and guide the ultimate recommendation by staff and decision by Council. Such a policy and criteria should be developed as a tool for decision making.