

**CITY OF HILLSBORO FINANCE COMMITTEE AGENDA**  
**Tuesday, December 13, 2016**

**5:30 PM**  
**Hillsboro Civic Center Room C207**

**Public Meeting**  
**150 E. Main Street**

\*\*\*\*\*

Assistive Listening Devices (ALD) are available for persons with impaired hearing and can be scheduled for this meeting. The Commission will also endeavor to provide the following services, without cost, if requested at least 72 hours prior to the meeting.

- Qualified sign language interpreters for persons with speech or hearing impairments.
- Qualified bilingual interpreters.

To obtain ALD services, please call 503-681-6100. For TTY services, please call 503-681-6284.

\*\*\*\*\*

***This meeting is digitally recorded.***

**CALL TO ORDER**

**Consider minutes: November 7, 2016**

**1. ITEMS FOR RECOMMENDATION TO CITY COUNCIL:**

- A. Consider forwarding a recommendation to City Council to execute the construction contract with First Cascade Corporation in the amount of \$447,065 for the Hillsboro Community Senior Center Improvement Project. We are also seeking the authority to issue construction change orders against a contingency amount not to exceed \$100,000 for the possible addition of bid alternates and general unforeseen construction issues. Please approve any necessary transfer of appropriations for the project, and authorize an amendment to the Washington County CDBG IGA to recognize receipt of additional revenues. *Staff Report-Toni Plunkett*

- B Consider forwarding a recommendation to City Council to approve and execute the Intergovernmental Agreement between Washington County (County) and City of Hillsboro for the use of public conference room space, auditorium space, audio/video equipment, and locker room/shower facilities at the Hillsboro Civic Center, while the County's respective spaces are temporarily unavailable for County staff/department use during the seismic upgrade project at the Public Services Building. *Staff Report-Toni Plunkett*
  
- C. Consider forwarding a recommendation to City Council to approve three grant contract agreements; two with Oregon Parks and Recreation for the use of Recreational Trail Program Fund (\$45,000) and Land Water Conservation Fund (\$175,000) and one with Metro Regional Government for the use of Nature in Neighborhood Community Grants Program funds (\$100,000). The total of \$320,000 will be used to redevelop the Rood Bridge Park Canoe Launch Next Summer 2017. *Staff Report-Maria Davila Bores*

**2. ITEMS FOR FINANCE COMMITTEE ACTION:**

- A. None.

**3. ADVICE/INFORMATION ITEMS:**

- A. Monthly Investment Report – October 2016. *Staff Report – Suzanne Linneen, Michelle Wareing*

# DRAFT



## FINANCE COMMITTEE MINUTES Monday, November 7, 2016

**5:30 PM**  
**Hillsboro Civic Center Room C207**

**Public Meeting**  
**150 E. Main Street**

### **CALL TO ORDER**

**Present:** Councilors Darell Lumaco, Fred Nachtigal and Kyle Allen

**Staff Present:** Robby Hammond, Rob Dixon, Michael Brown, Aubrey Minear, Scott Magers, Dacia Bakkum, Dan Dias, Tami Cockeram, and Omar Martinez

**Consider Minutes:** October 11, 2016

Motion was made by Nachtigal, seconded by Allen, to approve the October 11, 2016 minutes. The motion passed unanimously with Nachtigal, Allen, and Lumaco voting in favor.

### **1. ITEMS FOR RECOMMENDATION TO CITY COUNCIL:**

- A. Consider forwarding a recommendation to City Council to approve the addition of one new full-time regular 40-hour per week Battalion Chief position at a Pay Range of \$7,538 - \$9,920 per month due to operational needs in the Fire Department, to be made effective immediately and authorize transfer of appropriations. This is a new pay range for Battalion Chief that was negotiated through the IAFF Battalion Chief Contract effective July 1, 2016. *Staff Report – Robby Hammond*

Robby Hammond, Assistant City Manager, gave an oral staff report on the addition of one new full-time regular 40-hour per week Battalion Chief. In response to Councilor Allen's question, he explained any overtime will be distributed between all Battalion Chiefs.

Motion was made by Allen, seconded by Nachtigal, to approve the addition of one new full-time regular 40-hour per week Battalion Chief position. The motion passed unanimously with Nachtigal, Allen, and Lumaco voting in favor.

- B. Consider forwarding a recommendation to the City Council to approve an agreement with Amberglen LLC for Dedication of Land to the City of Hillsboro for Public Parks, Storm Water and Open Space. *Staff Report – Dan Dias*

Dan Dias, Planning Manager, gave an oral staff report on the agreement with Amberglen LLC and provided the Finance Committee with an updated draft of the agreement. In response to questions from the Finance Committee, he confirmed any changes to the agreement would be sent to the Committee members for review.

Motion was made by Nachtigal, seconded by Allen, to approve the agreement with Amberglen LLC for Dedication of Land to the City of Hillsboro for Public Parks, Storm Water and Open Space. The motion passed unanimously with Nachtigal, Allen, and Lumaco voting in favor.

**2. ITEMS FOR FINANCE COMMITTEE ACTION:**

- A. Review Fiscal Year 2016-2017 Community Services Grant Program – Grant Funding Deliberation and Recommendations.

With Councilor Allen removing himself from the Virginia Garcia grant application discussion and Councilor Nachtigal removing himself from the Boys & Girls Aid and Lifeworks NW grant application discussions, the Finance Committee members discussed applications and determined recommended grant awards.

Michael Brown, City Manager, asked the Finance Committee for feedback regarding raising the amount of money allocated to the Community Services Grant Program. In response to Councilor Nachtigal, Dacia Bakkum; Project Specialist, said Beaverton allocates a larger dollar amount.

Motion was made by Nachtigal, seconded by Allen, to forward a recommendation to City Council to approve Community Services Grant awards for Fiscal Year 2016-17 to the following organizations for the listed amounts:

<b>Organization</b>	<b>Proposed Award Amount</b>
Adelante Mujeres	\$5,000
Adventures Without Limits	\$1,000
Albertina Kerr	\$1,000
Assistance League	\$4,000
Bienestar	\$4,500
Big Brothers Big Sisters	\$3,000
Boys & Girls Aid	\$4,500
Boys & Girls Club	\$3,000
CASA For Children	\$3,500
Chess for Success	\$2,000
Community Action	\$6,000
Community Warehouse	\$3,000
CODA	\$2,000

Domestic Violence Resource Center	\$6,000
Elders In Action	\$1,500
Homeless Connect – Sonrise Church	\$3,000
HomePlate Youth Services	\$4,000
Impact NW	\$2,500
LifeWorks NW	\$2,000
Love INC	\$3,500
Meals On Wheels People	\$4,000
My New Red Shoes	\$1,000
Open Door Counseling Center	\$3,000
Oregon Food Bank	\$3,500
Rebuilding Together Washington County	\$3,000
Saving Grace Maternity Home	\$2,000
Sequoia Mental Health	\$2,000
Southwest Community Health Center	\$3,000
The Dougy Center	\$3,000
Virginia Garcia	\$3,500
Youth Contact	\$7,000

**3. ADVICE/INFORMATION ITEMS:**

- A. Monthly Investment Report – September 2016. *Staff Report – Suzanne Linneen, Michelle Wareing*

There being no further business to come before the Finance Committee, the meeting was adjourned at 6:11 PM.



## MEMORANDUM

**To:** Rob Dixon, Assistant City Manager

**From:** Toni Plunkett, Program & Support Manager

**Date:** December 13, 2016

**Subject:** Community Development Block Grant (CDBG), Hillsboro Community Senior Center Improvements, Construction Contract Award

---

### **Requested Finance Committee Action:**

Please consider forwarding a recommendation to City Council to execute the construction contract with First Cascade Corporation in the amount of \$447,065 for the Hillsboro Community Senior Center Improvement Project. We are also seeking the authority to issue construction change orders against a contingency amount not to exceed \$100,000 for the possible addition of bid alternates and general unforeseen construction issues. Please approve any necessary transfer of appropriations for the project, and authorize an amendment to the Washington County CDBG IGA to recognize the receipt of additional grant contingency revenues.

### **Background:**

The City of Hillsboro's FY 2015-16 and FY 2016-17 Community Development Block Grant has been dedicated toward the much needed Hillsboro Community Senior Center Improvements project. The total grant funding awarded for the Senior Center Improvements is \$667,214.93. The grant funding has been allocated and planned accordingly toward the various categories as follows:

Legal & Public Notices	\$ 2,000.00
Professional Services	\$ 100,000.00
Construction Contracts	\$ 440,214.93
Other - Permits	\$ 50,000.00
Audio Visual System	\$ 75,000.00
	\$ 667,214.93

The construction Invitation to Bid opening was November 17, 2016. We received only three (3) bids and unfortunately, due to current market conditions, the bids came in much higher than the Engineer's Estimates. The base bid from First Cascade Corporation came in at \$447,065, which is \$6,850.07 over the amount we had allocated for the construction contract. The base bid provides many improvements to the Senior Center that will enhance the function and longevity of the facility. The kitchen will be expanded in order to accommodate an enlarged food prep area, a storage/sorting area for donated food, a new cold storage room and a new kitchen office area.

Much of the kitchen equipment will be upgraded and the sink/drainage system will be brought up to code. We will rearrange functional spaces to provide room for the kitchen expansion, install a new room divider in the dining room, replace the public address system and install a new audio visual system. The gift shop will be relocated with a fresh, open and inviting store front. New carpet and display furnishings will be installed to enhance retail appeal.

We also requested three bid alternates for additional enhancements. These alternates are as follows:

Alternate No. 1 Lobby/Hallway area: remove and replace existing Vinyl Composite Tile flooring, paint walls. Cost \$21,779.

Alternate No. 2 Reception area and Aide Room: demolish existing and remodel, remove and replace existing flooring and ceilings, paint walls, add new case work and lighting, modifications to existing heating, ventilation, and air conditioning ductwork. Cost \$34,921.

Alternate No. 3 Administration area: remove and replace existing flooring, paint walls. Cost 11,476.

These alternates would bring added rejuvenation, safety, security, and customer service to this extremely busy senior center.

**Cost:**

The base bid is \$447,065, the three bid alternates total \$68,176; bringing the full construction cost to \$515,241. As noted in the matrix above, we have allocated \$440,214 for construction, thus we are short funded by \$75,000 for construction costs. We are currently seeking additional grant contingency funding from the Washington County CDBG Policy Advisory Board. The City of Hillsboro is required to commit to funding 50% of the amount requested per the grant contingency rules. The City Manager has authorized our commitment of \$37,500, and a transfer will be made from the Facilities Management Fund to the project upon Council's approval for the appropriation request. We are hopeful that the Policy Advisory Board will match our \$37,500. or at minimum fund a portion of the request. The additional City funding is proposed to be allocated from the Facilities Management fund, and if needed, the Parks & Recreation General Fund. We are asking for approval to enter into a contract with First Cascade Corporation in the amount of \$447,065, with authority for a \$100,000 contingency to be issued against construction change orders for the three bid alternates, as well as possible unforeseen conditions.

**CDBG - Hillsboro Community Senior Center Invitation To Bid (ITB)**

**Bid Due Date & Time: November 17, 2016 2PM**

**First Tier Subcontractor list due at 4:00 PM**

	<b>Contractor</b>	<b>Base Bid Total \$</b>	<b>Bid Alt #1</b>	<b>Bid Alt #2</b>	<b>Bid Alt #3</b>	<b>Total bid with Alt #1-3</b>
1	First Cascade Corp.	\$ 447,065.00	\$ 21,779.00	\$ 34,921.00	\$ 11,476.00	\$ 515,241.00
2	Cedar Mill Construction	\$ 577,964.00	\$ 23,300.00	\$ 42,100.00	\$ 14,800.00	\$ 658,164.00
3	Ross Builders Northwest	\$ 516,562.00	\$ 20,064.00	\$ 37,646.00	\$ 6,093.00	\$ 580,365.00
4						\$ -
5						\$ -



## MEMORANDUM

**To:** Rob Dixon, Assistant City Manager

**From:** Toni Plunkett, Program & Support Manager

**Date:** December 13, 2016

**Subject:** Intergovernmental Agreement (IGA) between Washington County and City of Hillsboro for the use of the Civic Center conference room space, audio/video equipment and locker rooms.

---

### **Requested Finance Committee Action:**

Please consider forwarding a recommendation to City Council to approve and execute the IGA between Washington County (County) and City of Hillsboro (City) for the use of the Civic Center conference room space, audio/video equipment and locker room/shower facilities while the County's respective spaces are temporarily unavailable for County staff use during the seismic upgrade project at the Public Services Building (PSB).

### **Background:**

Beginning in January 2017, the Washington County PSB is undergoing an extensive seismic upgrade project that will displace their auditorium, conference rooms and staff locker rooms and showers. In the spirit of helping our neighboring agency, the City is accommodating their need for these spaces by sharing the use of our public conference room space, auditorium space, audio/video (AV) equipment, and staff locker room/shower facilities at the Civic Center. The initial term of the agreement is one (1) year, January 1, 2017 through December 31, 2017. We have allowed an option for extending the term in three-month increments upon three months advance notice and mutual agreement.

### **Cost:**

The majority of associated costs will be in-kind. However, as City facility events staffing will be required for afterhours meetings, County will be charged \$25/hour which will be billed monthly. Additionally, the City will invoice the County for other agreed upon charges as set forth in the IGA.



## MEMORANDUM

**To:** Robby Hammond, Assistant City Manager

**From:** Maria Rosa Davila Bores, Parks Project Specialist

**Date:** December 13, 2016

**Subject:** Rood Bridge Park Canoe Launch- Recreational Trails Program Agreement

---

### **Requested Finance Committee Action:**

Please consider forwarding a recommendation to City Council to execute the contract agreement with Oregon Parks and Recreation Department for the use of Recreational Trails Program Funds in a total of \$45,000 for the redevelopment of the Rood Bridge Park Canoe Launch.

### **Background:**

The Tualatin River's calm flow makes it one of Oregon's most family friendly rivers. Popular and scenic Rood Bridge Park provides multiple amenities and is a destination used by people from throughout Washington County. Rood Bridge is the only Hillsboro Park with river frontage; however, the existing launch site is unusable and unsafe. The paved ramp does not extend to normal water levels, leaving a steep, muddy slope and drop off to the river. It can not be extended in its current configuration and must be realigned to ensure it maintains the appropriate grade and reaches normal water levels. Rood Bridge Park access to the river (RM 38.4) will be the uppermost developed access site of the Tualatin River water trail .

The ramp will be paved, so it is a consistent grade and slope compliant with Oregon Marine Board Guidelines and current engineering standards. In addition, the project will include installation of a seasonal floating dock that will further facilitate access for those of varying abilities and make river access easy for novices and experienced boaters alike. The improved ramp will also facilitate easy emergency responder accesses to the river. Construction is scheduled for Summer 2017. The projected construction cost is \$350,000. In addition to the RTP funds, we are also receiving grant funds from Metro Regional Government Nature in Neighborhoods Grants Program (\$100,000) and Oregon Parks and Recreation Department Land Water Conservation Fund (\$175,000). Tualatin River Keepers, Metro, Bienestar, Western Farm Workers Association, Washington County Visitors Association, Adventure without Limits and Tualatin River Water Sheds Council support this project and support this project.

### **Cost:**

Total project cost \$350,000



## MEMORANDUM

**To:** Robby Hammond, Assistant City Manager

**From:** Maria Rosa Davila Bores, Parks Project Specialist

**Date:** December 13, 2016

**Subject:** Rood Bridge Park Canoe Launch- Land Water Conservation Fund Agreement

---

### **Requested Finance Committee Action:**

Please consider forwarding a recommendation to City Council to execute the contract agreement with Oregon Parks and Recreation Department for the use of Land Water Conservation Fund grant in a total of \$175,000 for the redevelopment of the Rood Bridge Park Canoe Launch.

### **Background:**

The Tualatin River's calm flow makes it one of Oregon's most family friendly rivers. Popular and scenic Rood Bridge Park provides multiple amenities and is a destination used by people from throughout Washington County. Rood Bridge is the only Hillsboro Park with riverfrontage; however, the existing launch site is unusable and unsafe. The paved ramp does not extend to normal water levels, leaving a steep, muddy slope and drop off to the river. It can not be extended in its current configuration and must be realigned to ensure it maintains the appropriate grade and reaches normal water levels. Rood Bridge Park access to the river (RM 38.4) will be the uppermost developed access site of the Tualatin River water trail .

The ramp will be paved, so it is a consistent grade and slope compliant with Oregon Marine Board Guidelines and current engineering standards. In addition, the project will include installation of a seasonal floating dock that will further facilitate access for those of varying abilities and make river access easy for novices and experienced boaters alike. The improved ramp will also facilitate easy emergency responder accesses to the river. Construction is scheduled for Summer 2017. The projected construction cost is \$350,000. In addition to the Land Water Conservation Fund, we are also receiving grant funds from Metro Regional Government Nature in Neighborhoods Grants Program (\$100,000) and Oregon Parks and Recreation Department Recreational Trails Program (\$45,000). Tualatin River Keepers, Metro, Bienestar, Western Farm Workers Association, Washington County Visitors Association, Adventure without Limits and Tualatin River Water Sheds Council support this project and support this project.

### **Cost:**

Total project cost \$350,000

**MEMORANDUM**

**To:** Robby Hammond, Assistant City Manager

**From:** Maria Rosa Davila Bores, Parks Project Specialist

**Date:** December 13, 2016

**Subject:** Rood Bridge Park Canoe Launch- Nature in Neighborhoods Community Grant Program Agreement

---

**Requested Finance Committee Action:**

Please consider forwarding a recommendation to City Council to execute the contract agreement with Metro Regional Government for the use of the Nature in Neighborhoods Community Grants Program Funds in a total of \$100,000 for the redevelopment of the Rood Bridge Park Canoe Launch.

**Background:**

The Tualatin River's calm flow makes it one of Oregon's most family friendly rivers. Popular and scenic Rood Bridge Park provides multiple amenities and is a destination used by people from throughout Washington County. Rood Bridge is the only Hillsboro Park with river frontage; however, the existing launch site is unusable and unsafe. The paved ramp does not extend to normal water levels, leaving a steep, muddy slope and drop off to the river. It can not be extended in its current configuration and must be realigned to ensure it maintains the appropriate grade and reaches normal water levels. Rood Bridge Park access to the river (RM 38.4) will be the uppermost developed access site of the Tualatin River water trail .

The ramp will be paved, so it is a consistent grade and slope compliant with Oregon Marine Board Guidelines and current engineering standards. In addition, the project will include installation of a seasonal floating dock that will further facilitate access for those of varying abilities and make river access easy for novices and experienced boaters alike. The improved ramp will also facilitate easy emergency responder accesses to the river. Construction is scheduled for Summer 2017. The projected construction cost is \$350,000. In addition to the Nature in Neighborhoods Grant, we are also receiving grant funds from Oregon Parks and Recreation Department Recreational Trails Program (\$45,000) and Land Water Conservation Fund (\$175,000). Tualatin River Keepers, Metro, Bienestar, Western Farm Workers Association, Washington County Visitors Association, Adventure without Limits and Tualatin River Water Sheds Council support this project and support this project.

**Cost:**

Total project cost \$350,000

**MEMORANDUM**

**To:** Finance Committee

**From:** Suzanne Linneen, Finance Director  
Michelle Wareing, Assistant Finance Director

**Date:** December 13, 2016

**Subject:** October Investment Report

---

The October Investment Report has been included in your packet. The majority of the City's cash is invested by Government Portfolio Advisors (GPA) with approval from Suzanne Linneen and the investments are held by a third-party, US Bank. Per the October Investment Report, the City currently has about \$170 million invested in a variety of investment instruments which is about a \$5 million decrease from September. The earnings yield is 0.97%, which is the a .03% increase from September.

In addition to the investment portfolio, the City also had about \$20.9 million invested in the State Local Government Investment Pool (LGIP) at the end of October, which is about the same as September. The City also has \$251,000 in a CD with Premier Community Bank as part of the City's program to invest locally.

The majority of the City's property taxes were received in November. The City also received its annual SIP payment, which was just over \$10 million. As planned, the City has increased its pool balance in November and invested amounts above the pool limit.



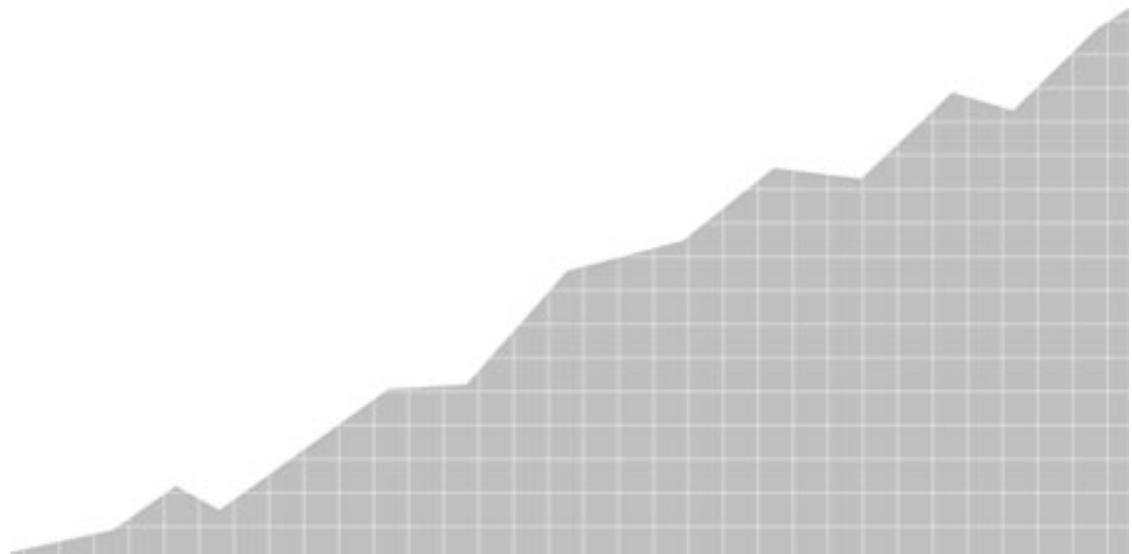
# GOVERNMENT PORTFOLIO ADVISORS

## Monthly Report

Account

10/31/2016

City of Hillsboro - Core Investment Fund





---

## Table of Contents

Market Commentary.....	1
Account Summary.....	2
Portfolio Summary .....	3
Accrual Earnings and Activity Report .....	4
Total Return .....	5
Period Performance .....	6
Maturity & Duration Distribution.....	7
Ratings Distribution.....	8
Cash Flow Projection .....	9
Transaction Summary.....	10
Core Portfolio Holdings .....	12
Core and CD Combined Holdings .....	14
Disclaimer .....	16

## MONTH END COMMENTARY –OCTOBER 2016

Strong economic data and higher global interest rates contributed to higher U.S. Treasury yields in October. The Treasury yield curve steepened with shorter maturities lagging the increase in longer rates. The divisive election year continues to confound the financial markets also. The two-year Treasury note increased 8 basis points from .76% at the end of September to .84% at the end of October. Five year U.S. Treasury prices also fell with the yield increasing from 1.15% at the end of September to 1.31% in October. The 10-year Treasury note increased from 1.60% to 1.83%.

**FOMC:** September’s FOMC meeting minutes were released on 10/12/16. Three of the FOMC’s 10 voting members opposed the final statement, which noted that FOMC members still felt it prudent to keep its interest rate target at .25% to .50%. The three dissenters wanted to hike rates a quarter point. Current projections are for two rate hikes in 2017 and one in December 2016. Overall, there were no surprises in the minutes. The current Fed Funds futures market is currently pricing in a 78% probability of a rate hike in December. These projections are barring any kind of shock to the market, through the election or economic data.

Philadelphia Fed President Patrick Harker’s comments summed up the situation for the Fed, “While there are risks of ‘hanging around zero’ for too long, ‘it may be prudent’ to wait for election uncertainty to fade, in case the Fed finds it necessary to ‘respond to’ policies that would have distortive effects.” Also commenting on the Fed, Morgan Stanley investment manager, Jim Caron said, “With growth chugging along at around 2% a year, I believe the U.S. economy is neither too hot nor too cold but just right for bond investors. If the Fed continues raising rates at a slow pace, which is the market consensus, then bonds are unlikely to move drastically in one direction or the other.”

**Non-farm Payrolls/Unemployment:** Total nonfarm payroll employment increased by 156,000 jobs in September below the expected increase of 170M but with a revision to the prior month from 151M to 167M. The third quarter average was an increase in nonfarm payrolls of 192M, better than the quarter two average of 177M. Hourly earnings and weekly hours worked showed improvement from prior months. The unemployment rate increased slightly from 4.9% to 5.0%. The labor force participation rate increased slightly from 62.85% to 62.9%.

**Personal Income:** Personal income increased \$46.7 billion (.3%). Disposable personal income increased \$37.0 billion (.3%) and personal consumption expenditure increased \$61.0 billion (.5%).

**GDP:** Real GDP increased at an annual rate of 2.9% in the third quarter of 2016, according to the “advance” estimate. In the second quarter, real GDP increased 1.4%. The third quarter advance estimate is based on source data that is subject to further revision. The “second” estimate will be released on November 29, 2016. The increase in real GDP reflected positive increases from personal consumption expenditures, exports, private inventory investment and federal government spending.

### Treasury Yield Curve Total Returns over the last 12 months:\*

3month bill	.31
1 year note	.685
2 year note	.77
3 year note	1.31
5 year note	2.42

\*Source: Bloomberg

### TREASURY BENCHMARK TOTAL RETURNS IN MONTH

Benchmark	Period Return	Duration
BAML 0-3 Year Treasury	-.03%	1.45
BAML 0-5 Year Treasury	-.14%	2.25
BAML 1-3 Year Treasury	-.07%	1.85
BAML 1-5 Year Treasury	-.20%	2.65

### Changes in the Treasury Market (absolute yield levels):\*

	10/31/15	09/30/16	10/31/16	Change in October	Change from Prior Year
3 month bill	.07	.28	.30	+.02	+.23
6 month bill	.23	.43	.50	+.07	+.27
2 year note	.73	.76	.84	+.08	+.11
3 year note	1.02	.88	.99	+.11	-.03
5 year note	1.52	1.15	1.31	+.16	-.21
10 year	2.14	1.60	1.83	+.23	-.31

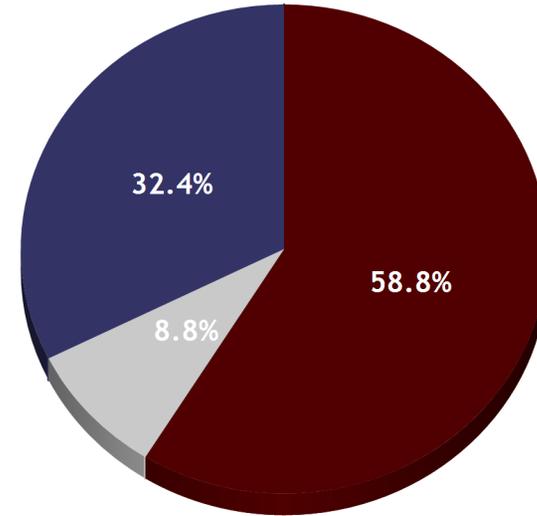
\*Source: Bloomberg



### Weighted Averages

Book Yield	0.97
Maturity	1.25
Coupon	1.00
Moody	Aa1
S&P	AA

### Fixed Income Allocation



### Fixed Income Totals

Par Value	170,010,000
Market Value	170,329,870.00
Amortized Book Value	170,026,786.99
Unrealized Gain/Loss	303,083.01
Estimated Annual Cash Flow	1,695,015.00

Security Type	Market Value	% Assets
US Agency (USD)	100,205,280.00	58.8
Corporate (USD)	14,976,055.00	8.8
US Treasury (USD)	55,138,535.00	32.4
Bank or Cash Deposit (USD)	10,000.00	0.0
<b>Fixed Income Total</b>	<b>170,329,870.00</b>	<b>100.0</b>

# Portfolio Summary

October 31, 2016

Portfolio Name	Par Amount	Total Original Cost	Total Adjusted Cost	Market Value	Unrealized Gain/Loss	Yield At Cost	Mod Dur	Eff Dur	Bench Dur	Benchmark
City of Hillsboro - Core Investment Fund	170,010,000	170,158,739.08	170,026,786.99	170,329,870.00	303,083.01	0.97	1.23	1.18	1.45	BofA Merrill 0-3 Treasury
<b>TOTAL PORTFOLIO</b>	<b>170,010,000</b>	<b>170,158,739.08</b>	<b>170,026,786.99</b>	<b>170,329,870.00</b>	<b>303,083.01</b>	<b>0.97</b>	<b>1.23</b>	<b>1.18</b>	<b>1.45</b>	



## Cost Basis Summary

	Month End Ending 10/31/2016	Fiscal Year-to-Date 6/30/2016
Beginning Amortized Cost	175,031,399.49	200,064,801.24
Investment Purchases	0.00	10,012,800.00
Investment Maturities/Sells/Calls	(5,000,000.00)	(40,016,934.38)
Amortization	(4,612.50)	(46,928.93)
Change in Cash Equivalents	0.00	0.00
Realized Gains / Losses	0.00	13,049.05
<b>Ending Amortized Costs</b>	<b>170,026,786.99</b>	<b>170,026,786.99</b>

## Accrual Earnings Summary

	Month End Ending 10/31/2016	Fiscal Year-to-Date 6/30/2016
Amortization/Accretion	(4,612.50)	(46,928.93)
Interest Earned	149,498.87	621,619.74
Realized Gain (Loss)	0.00	13,049.05
Total Income	144,886.37	587,739.86
Average Portfolio Balance	175,604,229.28	183,079,583.60
<b>Earnings Yield</b>	<b>0.97%</b>	<b>0.95%</b>

## Market Value Summary

	As of 10/31/2016
Ending Market Value	170,329,870.00
Unrealized Gain/Loss	303,083.01

## Interest Earnings Summary

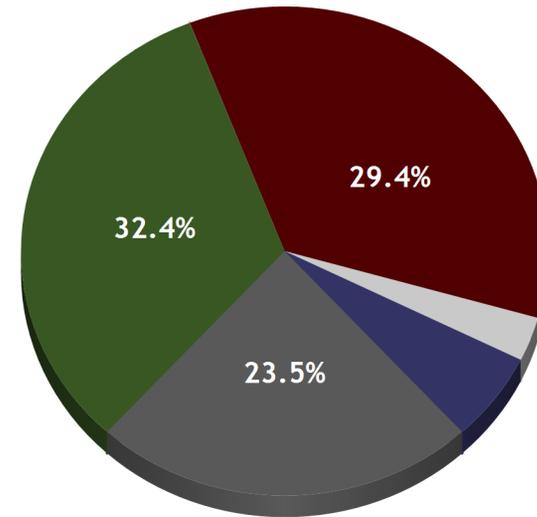
	Month End Ending 10/31/2016	Fiscal Year-to-Date 6/30/2016
Beginning Accrued Interest	350,621.00	546,328.74
Coupons Paid	93,750.00	586,805.56
Purchased Accrued Interest	0.00	(5,305.55)
Sold Accrued Interest	25,000.00	205,078.60
Ending Accrued Interest	381,369.87	381,369.87
<b>Interest Earned</b>	<b>149,498.87</b>	<b>621,619.74</b>



## Total Return For Period

	Since 9/30/2016
<b>Beginning Principal Value</b>	<b>175,450,240.00</b>
Beginning Accrued Interest	350,621.00
Net Contributions/Withdrawals	-5,118,750.00
Market Value Change	-120,370.00
Interest Earnings	149,498.87
<b>Ending Principal Value</b>	<b>170,329,870.00</b>
Accrued Interest	381,369.87
<b>Total Return</b>	<b>29,128.87</b>
Advisory Fees for Period	-2,875.00
<b>Net Total Return</b>	<b>26,253.87</b>

## Portfolio Allocation as of 10/31/2016



Issuer	Market Value	% Assets	Yield
FEDERAL NATL MTG ASSN	50,086,520.00	29.4	0.9
BERKSHIRE HATHAWAY	4,989,265.00	2.9	1.2
FEDERAL HOME LOAN BANKS	10,057,090.00	5.9	1.1
FEDERAL HOME LN MTG CORP	40,061,670.00	23.5	1.0
UNITED STATES TREAS NTS	55,138,535.00	32.4	1.0
US BANK	10,000.00	0.0	0.2
APPLE INC.	9,986,790.00	5.9	1.0
<b>Total</b>	<b>170,329,870.00</b>	<b>100.0</b>	<b>1.0</b>

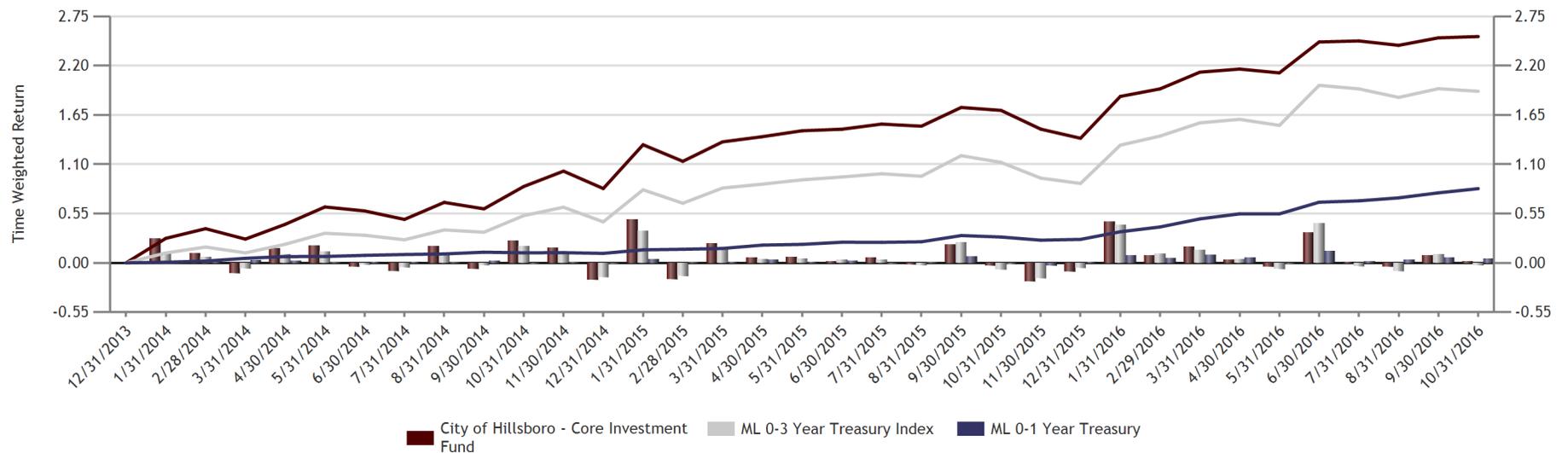


## Performance History

Portfolio Account	Month To Date	Quarter To Date	Fiscal Year To Date	Annualized Inception To Date
	0.01	0.01	0.06	0.88

Index	Month To Date	Quarter To Date	Fiscal Year To Date	Annualized Inception To Date
ML 0-3 Year Treasury Index	-0.03	-0.03	-0.07	0.67
ML 0-1 Year Treasury	0.05	0.05	0.15	0.29

## Time Weighted Return Inception (12/31/2013) to Date

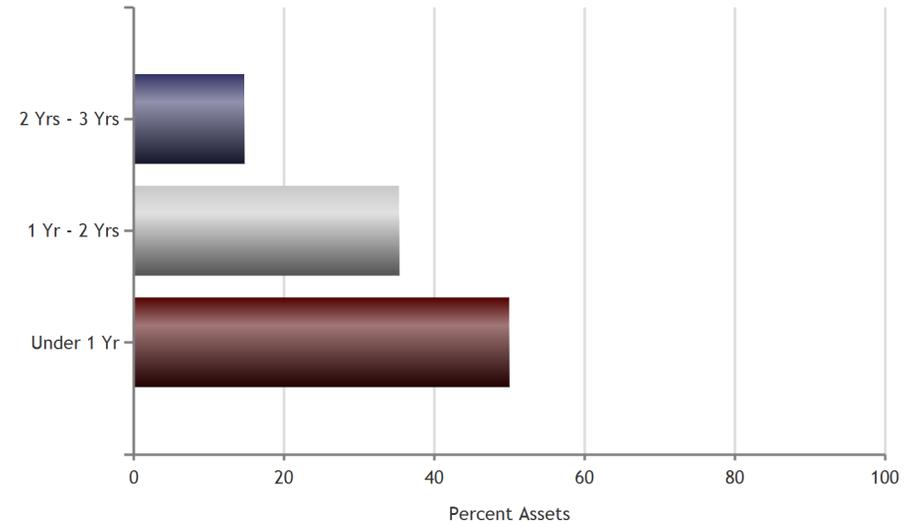




## Distribution by Maturity

Maturity	Number	Market Value	% FI Holdings	Average Curr. Yld	Average Coupon	Average Duration
Under 1 Yr	9	85,175,190.00	50.0	0.9	0.919%	0.6
1 Yr - 2 Yrs	7	60,117,905.00	35.3	1.0	1.040%	1.6
2 Yrs - 3 Yrs	4	25,036,775.00	14.7	1.2	1.160%	2.5

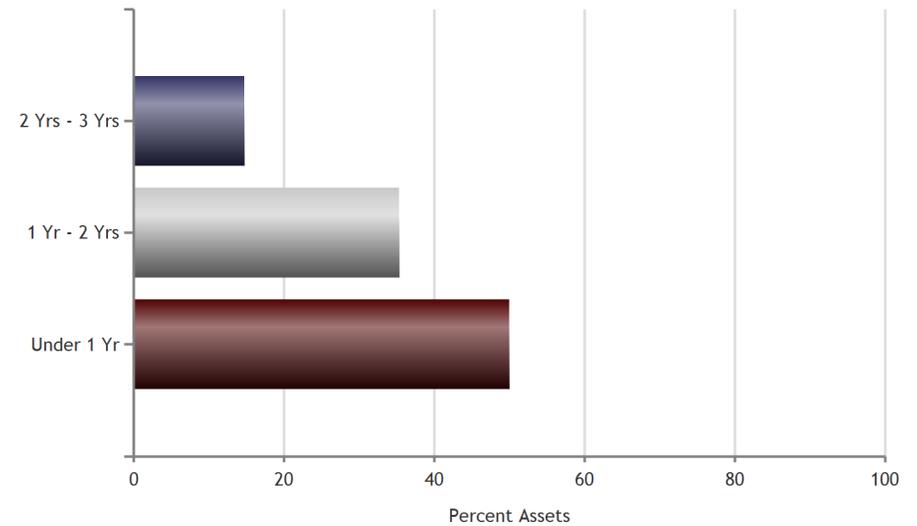
## Distribution by Maturity



## Distribution by Duration

Duration	Number	Market Value	% FI Holdings	Average Curr. Yld	Average Coupon	Average Duration
Under 1 Yr	9	85,175,190.00	50.0	0.9	0.919%	0.6
1 Yr - 2 Yrs	7	60,117,905.00	35.3	1.0	1.040%	1.6
2 Yrs - 3 Yrs	4	25,036,775.00	14.7	1.2	1.160%	2.5

## Distribution by Duration

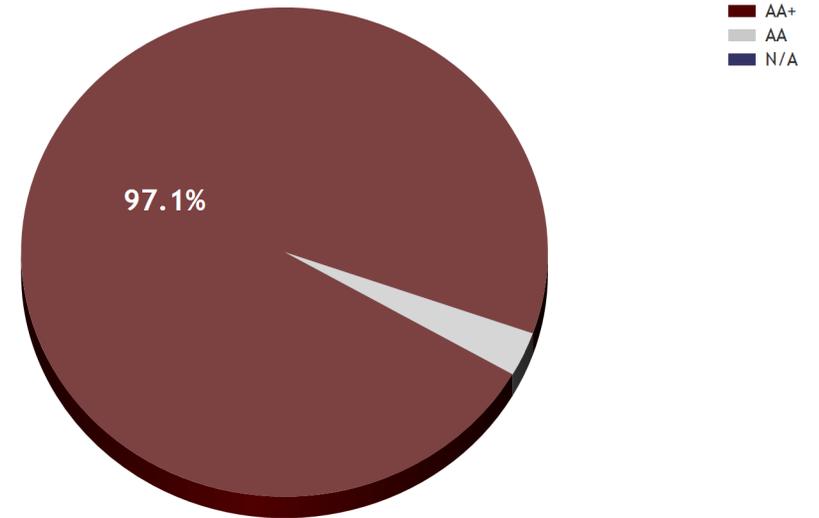




Distribution by S&P Rating

S&P Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
AA+	18	165,330,605.00	97.1	0.7	0.988%	1.2
AA	1	4,989,265.00	2.9	1.4	1.300%	2.7
N/A	1	10,000.00	0.0	0.2	0.150%	0.1

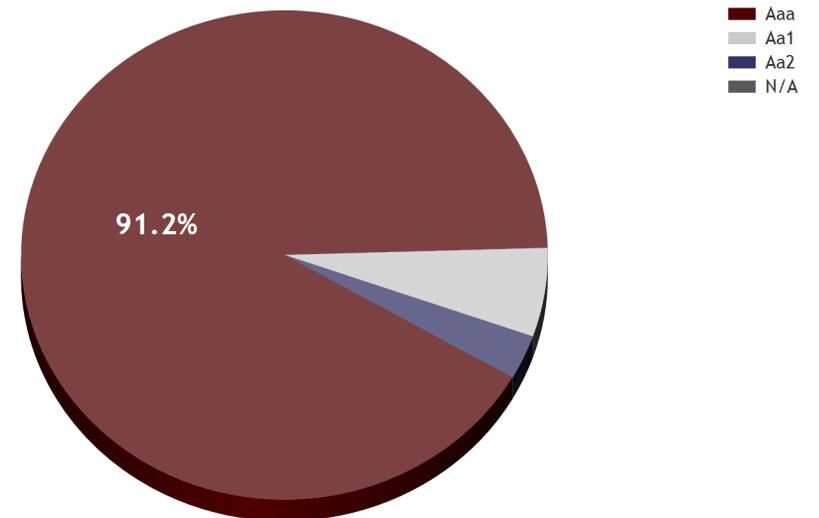
Distribution by S&P Rating



Distribution by Moody Rating

Moody Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Aaa	17	155,343,815.00	91.2	0.7	0.987%	1.2
Aa1	1	9,986,790.00	5.9	1.1	1.000%	1.5
Aa2	1	4,989,265.00	2.9	1.4	1.300%	2.7
N/A	1	10,000.00	0.0	0.2	0.150%	0.1

Distribution by Moody Rating

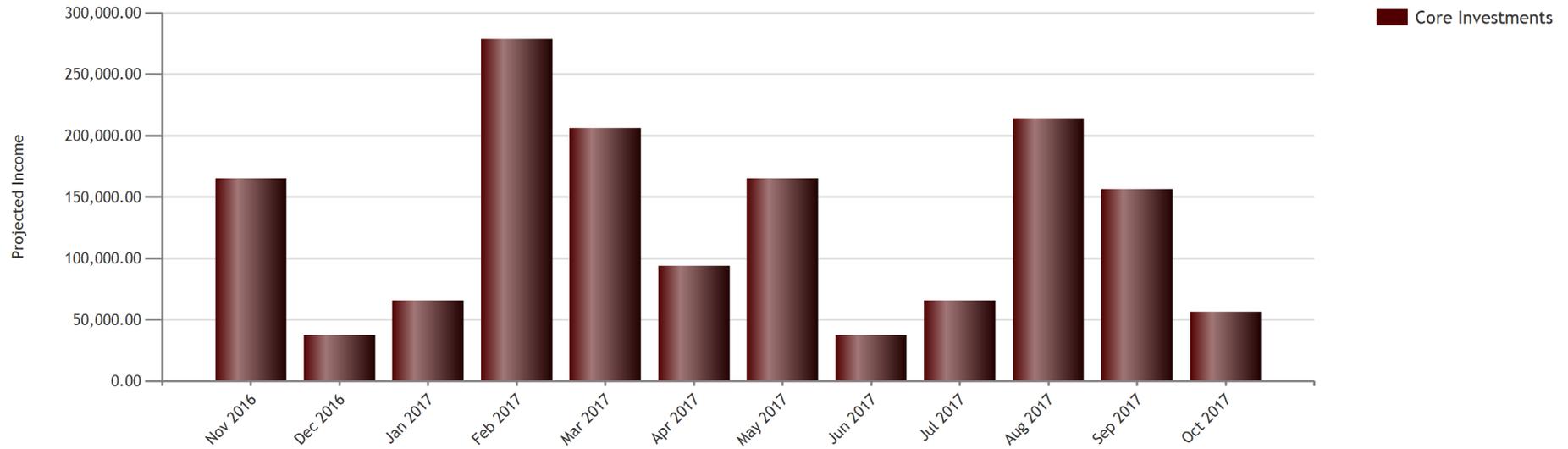




# Coupon Cash Flow Projection

City of Hillsboro - Core Investment Fund

11/1/2016 - 10/31/2017



	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017	Aug 2017	Sep 2017	Oct 2017
Core Investments	165,000.00	37,500.00	65,625.00	278,819.44	206,250.00	93,750.00	165,000.00	37,500.00	65,625.00	213,750.00	156,250.00	56,250.00
US Agency (USD)	115,000.00	0.00	0.00	93,194.44	206,250.00	93,750.00	115,000.00	0.00	0.00	93,750.00	156,250.00	56,250.00
Corporate (USD)	50,000.00	0.00	0.00	32,500.00	0.00	0.00	50,000.00	0.00	0.00	32,500.00	0.00	0.00
US Treasury (USD)	0.00	37,500.00	65,625.00	153,125.00	0.00	0.00	0.00	37,500.00	65,625.00	87,500.00	0.00	0.00
<b>Total</b>	<b>165,000.00</b>	<b>37,500.00</b>	<b>65,625.00</b>	<b>278,819.44</b>	<b>206,250.00</b>	<b>93,750.00</b>	<b>165,000.00</b>	<b>37,500.00</b>	<b>65,625.00</b>	<b>213,750.00</b>	<b>156,250.00</b>	<b>56,250.00</b>
<b>Grand Total</b>	<b>1,541,319.44</b>											



### Interest

Trade Date	Settle Date	Symbol	Security	Amount
10/7/2016	10/7/2016	000000USB	US BANK MMF 0.150% Due 11-29-16	0
10/19/2016	10/19/2016	3135G0E58	FEDERAL NATL MTG ASSN 1.125% Due 10-19-18	56,250
10/19/2016	10/19/2016	000000USB	US BANK MMF 0.150% Due 11-29-16	0
10/20/2016	10/20/2016	3135G0ZB2	FEDERAL NATL MTG ASSN 0.750% Due 04-20-17	37,500
10/31/2016	10/31/2016	912828RM4	UNITED STATES TREAS NTS 1.000% Due 10-31-16	25,000
<b>Total Interest</b>				<b>118,750</b>

### Maturities

Trade Date	Settle Date	Quantity	Symbol	Security	Adj Unit Cost	Adjusted Total Cost	Amort. or Accretion	Unit Price	Proceeds	Gain/Loss
10/31/2016	10/31/2016	5,000,000	912828RM4	UNITED STATES TREAS NTS 1.000% Due 10-31-16	100.79	5,039,453	-39,453	100.00	5,000,000	0
<b>Total Maturities</b>						<b>5,039,453</b>	<b>-39,453</b>		<b>5,000,000</b>	<b>0</b>

### Expenses

Trade Date	Settle Date	Symbol	Security	Amount
10/26/2016	10/26/2016	custfee	EXUSCUSTFEE	292
10/31/2016	10/31/2016	manfee	Management Fee	2,875
<b>Total Expenses</b>				<b>3,167</b>

### Contributions

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
10/7/2016	10/7/2016	8,625	000000USB	US BANK MMF 0.150% Due 11-29-16	100.00	8,625
<b>Total Contributions</b>						<b>8,625</b>



## Withdrawals

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
10/19/2016	10/19/2016	8,625	000000USB	US BANK MMF 0.150% Due 11-29-16	100.00	8,625
10/20/2016	10/20/2016		cash	CASH ACCOUNT		37,500
10/31/2016	10/31/2016		cash	CASH ACCOUNT		5,024,708
<b>Total Withdrawals</b>						<b>5,070,833</b>

# Portfolio Holdings

## City of Hillsboro - Core Investment Fund

October 31, 2016

Cusip	Quantity	Security	Call Date	Trade Date	Amor Price	Book Yield	Market Price	Market Yield	Market Value	Accrued Interest	Total Value	Unrealized Gain/Loss	Pct. Assets	Dur Mat	Eff Dur
<b>US Treasury</b>															
912828SJ0	15,000,000	UNITED STATES TREAS NTS 0.875% Due 02-28-17		05-02-14	100.02	0.82	100.1788	0.33	15,026,820.00	22,116.71	15,048,936.71	24,240.84	8.8	0.33	0.32
912828TB6	10,000,000	UNITED STATES TREAS NTS 0.750% Due 06-30-17		12-08-14	99.87	0.95	100.0820	0.63	10,008,200.00	25,067.93	10,033,267.93	21,167.37	5.9	0.66	0.65
912828WT3	10,000,000	UNITED STATES TREAS NTS 0.875% Due 07-15-17		12-03-15	99.98	0.91	100.1719	0.63	10,017,190.00	25,679.35	10,042,869.35	19,403.56	5.9	0.70	0.69
912828XK1	5,000,000	UNITED STATES TREAS NTS 0.875% Due 07-15-18		10-23-15	99.98	0.89	100.0703	0.83	5,003,515.00	12,839.67	5,016,354.67	4,738.37	2.9	1.69	1.68
912828K82	10,000,000	UNITED STATES TREAS NTS 1.000% Due 08-15-18		11-19-15	99.72	1.16	100.2539	0.86	10,025,390.00	20,923.91	10,046,313.91	53,585.68	5.9	1.77	1.76
912828RE2	5,000,000	UNITED STATES TREAS NTS 1.500% Due 08-31-18		04-30-15	100.74	1.08	101.1484	0.87	5,057,420.00	12,638.12	5,070,058.12	20,252.85	3.0	1.80	1.80
	55,000,000					0.95		0.63	55,138,535.00	119,265.70	55,257,800.70	143,388.67	32.4	0.98	0.97
<b>US Agency Bullet</b>															
3137EADC0	10,000,000	FEDERAL HOME LN MTG CORP 1.000% Due 03-08-17		12-17-13	100.06	0.82	100.2003	0.43	10,020,030.00	14,722.22	10,034,752.22	13,691.53	5.9	0.36	0.34
3135G0ZB2	10,000,000	FEDERAL NATL MTG ASSN 0.750% Due 04-20-17		02-02-15	100.07	0.60	100.1057	0.52	10,010,570.00	2,291.67	10,012,861.67	3,647.16	5.9	0.47	0.46
3137EADF3	10,000,000	FEDERAL HOME LN MTG CORP 1.250% Due 05-12-17		12-04-13	100.19	0.89	100.3536	0.58	10,035,360.00	58,680.56	10,094,040.56	16,580.05	5.9	0.53	0.52
3135G0MZ3	10,000,000	FEDERAL NATL MTG ASSN 0.875% Due 08-28-17		09-06-12	100.02	0.84	100.2062	0.62	10,020,620.00	15,312.50	10,035,932.50	18,180.74	5.9	0.82	0.81
3135G0ZL0	10,000,000	FEDERAL NATL MTG ASSN 1.000% Due 09-27-17		11-18-14	100.01	0.99	100.2640	0.70	10,026,400.00	9,444.44	10,035,844.44	25,122.59	5.9	0.90	0.89
3137EADP1	10,000,000	FEDERAL HOME LN MTG CORP 0.875% Due 03-07-18		11-18-14	99.57	1.20	100.0590	0.83	10,005,900.00	13,125.00	10,019,025.00	48,492.08	5.9	1.34	1.33

# Portfolio Holdings

## City of Hillsboro - Core Investment Fund

October 31, 2016

Cusip	Quantity	Security	Call Date	Trade Date	Amor Price	Book Yield	Market Price	Market Yield	Market Value	Accrued Interest	Total Value	Unrealized Gain/Loss	Pct. Assets	Dur Mat	Eff Dur
3135G0E58	10,000,000	FEDERAL NATL MTG ASSN 1.125% Due 10-19-18		11-19-15	99.72	1.27	100.3851	0.93	10,038,510.00	3,750.00	10,042,260.00	66,485.17	5.9	1.94	1.93
3135G0J53	5,000,000	FEDERAL NATL MTG ASSN 1.000% Due 02-26-19		03-28-16	99.82	1.08	100.0389	0.98	5,001,945.00	9,027.78	5,010,972.78	11,103.06	2.9	2.29	2.28
3130A7L37	10,000,000	FEDERAL HOME LOAN BANKS 1.250% Due 03-15-19		04-28-16	100.46	1.05	100.5709	1.00	10,057,090.00	15,972.22	10,073,062.22	11,043.73	5.9	2.33	2.32
3135G0P49	5,000,000	FEDERAL NATL MTG ASSN 1.000% Due 08-28-19		09-07-16	100.05	0.98	99.7695	1.08	4,988,475.00	8,194.44	4,996,669.44	-14,188.00	2.9	2.78	2.77
	90,000,000					0.97		0.74	90,204,900.00	150,520.83	90,355,420.83	200,158.12	53.0	1.25	1.24
<b>US Agency Callable</b>															
3134G43V8	10,000,000	FEDERAL HOME LN MTG CORP 1.050% Due 05-15-18	11-15-16	05-09-13	100.02	1.04	100.0038	1.05	10,000,380.00	48,416.67	10,048,796.67	-1,546.55	5.9	1.52	0.75
<b>Money Market Fund</b>															
000000USB	10,000	US BANK MMF 0.150% Due 11-29-16		11-30-14	100.00	0.15	100.0000	0.15	10,000.00	0.00	10,000.00	0.00	0.0	0.08	0.05
<b>Corporate</b>															
037833AJ9	10,000,000	APPLE INC 1.000% Due 05-03-18		10-19-15	100.05	0.96	99.8679	1.09	9,986,790.00	49,444.44	10,036,234.44	-18,677.34	5.9	1.49	1.47
084664CK5	5,000,000	BERKSHIRE HATHAWAY FINANCIAL 1.300% Due 08-15-19		09-07-16	100.19	1.23	99.7853	1.38	4,989,265.00	13,722.22	5,002,987.22	-20,239.89	2.9	2.72	2.71
	15,000,000					1.05		1.18	14,976,055.00	63,166.67	15,039,221.67	-38,917.23	8.8	1.90	1.88
<b>TOTAL</b>	<b>170,010,000</b>					<b>0.97</b>		<b>0.76</b>	<b>170,329,870.00</b>	<b>381,369.87</b>	<b>170,711,239.87</b>	<b>303,083.01</b>	<b>100.0</b>	<b>1.23</b>	<b>1.18</b>

# Portfolio Holdings

City of Hillsboro Core and CD Fund  
October 31, 2016

Cusip	Quantity	Security	Call Date	Trade Date	Amor Price	Book Yield	Market Price	Market Yield	Market Value	Accrued Interest	Total Value	Unrealized Gain/Loss	Pct. Assets	Dur Mat	Eff Dur
<b>US Treasury</b>															
912828SJ0	15,000,000	UNITED STATES TREAS NTS 0.875% Due 02-28-17		05-02-14	100.02	0.82	100.1788	0.33	15,026,820.00	22,116.71	15,048,936.71	24,240.84	8.8	0.33	0.32
912828TB6	10,000,000	UNITED STATES TREAS NTS 0.750% Due 06-30-17		12-08-14	99.87	0.95	100.0820	0.63	10,008,200.00	25,067.93	10,033,267.93	21,167.37	5.9	0.66	0.65
912828WT3	10,000,000	UNITED STATES TREAS NTS 0.875% Due 07-15-17		12-03-15	99.98	0.91	100.1719	0.63	10,017,190.00	25,679.35	10,042,869.35	19,403.56	5.9	0.70	0.69
912828XK1	5,000,000	UNITED STATES TREAS NTS 0.875% Due 07-15-18		10-23-15	99.98	0.89	100.0703	0.83	5,003,515.00	12,839.67	5,016,354.67	4,738.37	2.9	1.69	1.68
912828K82	10,000,000	UNITED STATES TREAS NTS 1.000% Due 08-15-18		11-19-15	99.72	1.16	100.2539	0.86	10,025,390.00	20,923.91	10,046,313.91	53,585.68	5.9	1.77	1.76
912828RE2	5,000,000	UNITED STATES TREAS NTS 1.500% Due 08-31-18		04-30-15	100.74	1.08	101.1484	0.87	5,057,420.00	12,638.12	5,070,058.12	20,252.85	3.0	1.80	1.80
	55,000,000					0.95		0.63	55,138,535.00	119,265.70	55,257,800.70	143,388.67	32.3	0.98	0.97
<b>US Agency Bullet</b>															
3137EADC0	10,000,000	FEDERAL HOME LN MTG CORP 1.000% Due 03-08-17		12-17-13	100.06	0.82	100.2003	0.43	10,020,030.00	14,722.22	10,034,752.22	13,691.53	5.9	0.36	0.34
3135G0ZB2	10,000,000	FEDERAL NATL MTG ASSN 0.750% Due 04-20-17		02-02-15	100.07	0.60	100.1057	0.52	10,010,570.00	2,291.67	10,012,861.67	3,647.16	5.9	0.47	0.46
3137EADF3	10,000,000	FEDERAL HOME LN MTG CORP 1.250% Due 05-12-17		12-04-13	100.19	0.89	100.3536	0.58	10,035,360.00	58,680.56	10,094,040.56	16,580.05	5.9	0.53	0.52
3135G0MZ3	10,000,000	FEDERAL NATL MTG ASSN 0.875% Due 08-28-17		09-06-12	100.02	0.84	100.2062	0.62	10,020,620.00	15,312.50	10,035,932.50	18,180.74	5.9	0.82	0.81
3135G0ZL0	10,000,000	FEDERAL NATL MTG ASSN 1.000% Due 09-27-17		11-18-14	100.01	0.99	100.2640	0.70	10,026,400.00	9,444.44	10,035,844.44	25,122.59	5.9	0.90	0.89
3137EADP1	10,000,000	FEDERAL HOME LN MTG CORP 0.875% Due 03-07-18		11-18-14	99.57	1.20	100.0590	0.83	10,005,900.00	13,125.00	10,019,025.00	48,492.08	5.9	1.34	1.33

# Portfolio Holdings

City of Hillsboro Core and CD Fund  
October 31, 2016

Cusip	Quantity	Security	Call Date	Trade Date	Amor Price	Book Yield	Market Price	Market Yield	Market Value	Accrued Interest	Total Value	Unrealized Gain/Loss	Pct. Assets	Dur Mat	Eff Dur
3135G0E58	10,000,000	FEDERAL NATL MTG ASSN 1.125% Due 10-19-18		11-19-15	99.72	1.27	100.3851	0.93	10,038,510.00	3,750.00	10,042,260.00	66,485.17	5.9	1.94	1.93
3135G0J53	5,000,000	FEDERAL NATL MTG ASSN 1.000% Due 02-26-19		03-28-16	99.82	1.08	100.0389	0.98	5,001,945.00	9,027.78	5,010,972.78	11,103.06	2.9	2.29	2.28
3130A7L37	10,000,000	FEDERAL HOME LOAN BANKS 1.250% Due 03-15-19		04-28-16	100.46	1.05	100.5709	1.00	10,057,090.00	15,972.22	10,073,062.22	11,043.73	5.9	2.33	2.32
3135G0P49	5,000,000	FEDERAL NATL MTG ASSN 1.000% Due 08-28-19		09-07-16	100.05	0.98	99.7695	1.08	4,988,475.00	8,194.44	4,996,669.44	-14,188.00	2.9	2.78	2.77
	90,000,000					0.97		0.74	90,204,900.00	150,520.83	90,355,420.83	200,158.12	52.9	1.25	1.24
<b>US Agency Callable</b>															
3134G43V8	10,000,000	FEDERAL HOME LN MTG CORP 1.050% Due 05-15-18	11-15-16	05-09-13	100.02	1.04	100.0038	1.05	10,000,380.00	48,416.67	10,048,796.67	-1,546.55	5.9	1.52	0.75
<b>Certificate of Deposit</b>															
OCOLUMBCD	251,985	PREMIER COMMUNITY BANK CD 0.350% Due 02-17-17		02-17-16	100.00	0.35	100.0000	0.35	251,985.34	619.29	252,604.63	0.00	0.1	0.30	0.30
<b>Money Market Fund</b>															
000000USB	10,000	US BANK MMF 0.150% Due 11-29-16		11-30-14	100.00	0.15	100.0000	0.15	10,000.00	0.00	10,000.00	0.00	0.0	0.08	0.05
<b>Corporate</b>															
037833AJ9	10,000,000	APPLE INC 1.000% Due 05-03-18		10-19-15	100.05	0.96	99.8679	1.09	9,986,790.00	49,444.44	10,036,234.44	-18,677.34	5.9	1.49	1.47
084664CK5	5,000,000	BERKSHIRE HATHAWAY FINANCIAL 1.300% Due 08-15-19		09-07-16	100.19	1.23	99.7853	1.38	4,989,265.00	13,722.22	5,002,987.22	-20,239.89	2.9	2.72	2.71
	15,000,000					1.05		1.18	14,976,055.00	63,166.67	15,039,221.67	-38,917.23	8.8	1.90	1.88
<b>TOTAL</b>	<b>170,261,985</b>					<b>0.97</b>		<b>0.76</b>	<b>170,581,855.34</b>	<b>381,989.16</b>	<b>170,963,844.50</b>	<b>303,083.01</b>	<b>100.0</b>	<b>1.23</b>	<b>1.18</b>



This report is for general informational purposes only and is not intended to provide specific advice or recommendations. Government Portfolio Advisors (GPA) 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.

**Questions About an Account:** GPA's monthly & quarterly reports are intended to detail the investment advisory activity managed by GPA. The custodian bank maintains the control of assets and executes (ie. Settles) all investment transactions. The custodian statement is the official record of security and cash holdings and transactions. GPA recognizes that clients may use these reports to facilitate record keeping and that the custodian bank statement and the GPA report 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.

GPA relies on the information provided by the clients when reporting pool balances, bank balances and other assets that are not held at the clients custodial bank.

#### Account Control:

GPA does not have the authority to withdraw funds from or deposit funds to the custodian. Our clients retain responsibility for their 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, market prices in GPA's reports are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data 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 GPA 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.

#### 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 premiums 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 a straight-line basis.

#### Financial Situation:

In order to better serve you, GPA 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. Certain call dates may not show up on the report if the call date has passed and it is continuously callable. Bonds purchased at a premium will be amortized to call date versus all others will be amortized to maturity.

#### Duration:

The duration listed on the reports is duration to maturity and duration to call. Effective duration is calculated on Bloomberg and imported into these reports and reflects the OAS duration which incorporates the probability of the bond being called. Effective duration is what GPA compares to the benchmark to reflect current market risk.

#### Benchmark Duration:

The benchmark duration is the historical weighted average of the benchmark duration over monthly periods. GPA is reporting this number as a static amount period over period.

#### Portfolio:

The securities in this portfolio are not guaranteed or otherwise protected by GPA, the FDIC (except for non-negotiable certificates of deposit) or any government agency. Investment in securities involves risks, including the possible loss of the amount invested.

#### Rating:

Information provided for ratings is based upon a good faith inquiry of selected sources, but its accuracy and completeness cannot be guaranteed.

#### Coupon Payments and Maturities on Weekends:

Oftentimes, coupon payments and maturities will occur on a weekend or holiday. GPA will track these payments on an accrual basis, while the custodian bank may track on a cash basis. The accrual basis allocates the earnings in the period earned.