Finance Committee Notes

October 25, 2010

The Finance Committee met at 11:30 am via teleconference on October 25, 2010 with John Klosterman, Treasurer and Finance Committee chair; Debbie Kitchin, Board Secretary; Dan Enloe, Board member; Sue Sample, CFO attending. John Reynolds and Margie Harris were not able to attend.

Investment Policy Review

The committee members reviewed the current investment policy and compared it with those provided by Umpqua Bank. While the policy provides for a broader range of investments, the Committee is currently not comfortable with the potential risk involved in participating in the corporate bond markets, regardless of the ratings. The unsettled economic climate, the public turmoil regarding the ratings and rating agencies, and the small potential gain were all contributing factors to this uneasiness. The Committee has chosen to retain the current policy for the flexibility it provides, but implement only its more conservative aspects for the near future.

The one exception to this might be a bond issued by a public entity to support the development of a major project falling within the Energy Trust mission. An example could be a Port bond to establish solar capacity. This investment would still need to meet all the criteria contained in the current policy.

The committee will re-evaluate its position mid-year 2011 or when they have confidence things have settled down somewhat.

The meeting adjourned at 11:50 am.

Next Meeting

The Finance Committee's next regularly scheduled meeting is on December 6th at 3 pm.