

**CITY OF GUSTAVUS, ALASKA
RESOLUTION CY15-25**

**A RESOLUTION BY THE CITY OF GUSTAVUS PERTAINING TO THE AUTHORIZED
INVESTMENTS OF, THE INVESTMENT ALLOCATIONS OF, AND ESTABLISHING
APPROPRIATE BENCHMARKS TO MEASURE PERFORMANCE OF THE CITY'S
ENDOWMENT FUNDS**

WHEREAS, pursuant to City of Gustavus Ordinance 04.13.050 (c) the Gustavus City Council shall annually approve an Asset Allocation Plan for investment of the City's Endowment Funds, and;

WHEREAS, pursuant to City of Gustavus Ordinance 04.13.060 (c) permits investment of the Endowment Funds in various asset classes and the Council believes that establishing asset allocation criteria for those various asset classes is in the best interest of the City of Gustavus, and;

WHEREAS, the annually approved Asset Allocation Plan will provide benchmarks to measure investment performance, and;

WHEREAS, the investment manager has recommended no changes to the asset allocation, and;

WHEREAS, the investment manager has recommended updates to the International Equity and Emerging Markets Equity performance benchmarks,

NOW THEREFORE BE IT RESOLVED that the Gustavus City Council adopts the Asset Allocation Plan for the current FY16 and upcoming FY17 as follows;

**ENDOWMENT FUND ASSET ALLOCATION PLAN AND PERFORMANCE MEASUREMENT
TARGETS**

Section 1. The Asset Allocation Plan and Target weighting with range restrictions are as follows:

<u>ASSET CLASS</u>	<u>TARGET WEIGHTING</u>	<u>RANGE</u>
Cash	10%	0-15%
International Fixed Income	5%	0-10%
U.S. TIPS	10%	0-15%
U.S. Fixed Income	35%	20-50%
Real Estate Investment Trust	5%	0-10%
Emerging Market Equity	2%	0-5%
International Equity	8%	0-15%
U.S. Small Cap Equity	1%	0-5%
U.S. Mid Cap Equity	2%	0-5%
U.S. Large Cap Equity	22%	15-50%

SECTION 2. The performance of the Fund and investment managers will be measured as follows:

Performance measurement of the Fixed Income allocation will be measured against the Target Weighting, using the Barclay's Capital Aggregate Bond Index for the Benchmark.

Performance measurement of the International Equity allocations will be measured against the Target weighting, using the MSCI EAFE as the benchmark.

Performance measurement of the Large-Cap Domestic Equity allocation will be measured against the Target Weighting, using Standard & Poor's 500 Index for the benchmark.

Performance measurement of the Mid-Cap Equity allocation will be measured against the Target Weighting, using the Standard & Poor's 400 Mid-Cap Index as the benchmark.

Performance measurement of the Small-Cap Equity allocations will be measured against the Target Weighting, using the Standard & Poor's 600 Small-Cap Index as the benchmark.

Performance measurement of the Emerging Markets allocation will be measured against the Target weighting, using the MSCI Emerging Markets as the benchmark.

Performance measurement of the Real-Estate Equities allocation will be measured against the Target weighting, using the Standard & Poor's US REIT Index as the benchmark.

Performance measurement of the US Treasury Inflation Protected Securities (TIPS) allocation will be measured against the Target weighting, using the Barclays US TIPS 0-5 Year Index.


Performance measurement of the International Fixed Income allocation will be measured against the Target weighting, using the Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index.

Performance Measurement of the Cash allocation will be measured against the Target weighting, using the Citi Group 90 Day T-Bill Index.

PASSED and **APPROVED** by a duly constituted quorum of the Gustavus City Council this 21st day of September, 2015, and effective upon adoption.



Mike Taylor, Mayor



Attest: Lori Ewing, City Clerk