

**CITY OF GUSTAVUS
Ordinance FY19-14**

**AN ORDINANCE FOR THE CITY OF GUSTAVUS PROVIDING FOR THE
AMENDMENT OF CITY ORDINANCE TITLE 4 CHAPTERS 4.13.060 AND 4.13.070**

BE IT ENACTED BY THE GUSTAVUS CITY COUNCIL AS FOLLOWS:

- Section 1. Classification. This ordinance is of general and permanent nature and shall become a part of the City of Gustavus Municipal Code.
- Section 2. Severability. If any provisions of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and its application to other persons, or circumstances shall not be affected thereby.
- Section 3. Enactment. Now therefore, it is enacted by the Gustavus City Council that Title 4, Chapters 4.13.060 and 4.13.070 be amended as follows:

Section 04.13-060 Asset Allocation and Performance Benchmarks

- a. No more than fifteen (15) percent of the fund portfolio that is managed by an investment manager may be held in the form of cash equivalents for a period longer than thirty (30) days unless extenuating circumstances exist. Such circumstances should be documented in writing by the investment manager.
- b. The portion of the fund managed by an investment manager shall be compared to appropriate benchmarks. Asset allocation of the investment portfolio shall hold securities similar to those held in the appropriate benchmarks.
- c. The council shall annually review and approve an asset allocation plan for investment of the city's fund, as well as evaluating performance measuring benchmarks for managing investment of the fund. The yearly evaluation shall be conducted at the beginning of the fiscal year and shall be amended as necessary by resolution.

Section 04.13-070 Permissible Investments

- a. The City of Gustavus Endowment Fund may be invested in:
- (1) U.S. government treasury, agency, and instrumentality securities;
 - (2) Notes or bonds issued by the State of Alaska or its political subdivisions, or other states of the United States, maturing within two (2) years, with a credit rating of A-/A3 or better from two (2) national rating agencies;
 - (3) Federally insured or fully collateralized certificates of deposit of banks and credit unions, maturing within two (2) years;
 - (4) Repurchase agreements collateralized by U.S. Treasury securities and marked-to-market. If purchase agreements are overnight investments or if securities are collateralized in excess of one hundred two (102) percent, marked-to-market is not necessary;
 - (5) A state investment pool formed within the State of Alaska and comprised of agencies of the state and/or its political subdivisions;

- (6) Money market mutual funds whose portfolios consist entirely of U.S. government securities; or
- (7) Any of the following:
- (A) Mortgage-backed and asset-backed obligations denominated in U.S. dollars with a credit rating of A-/A3 or better from two (2) national ratings agencies;
 - (B) Corporate debt obligations of U.S. domiciled corporations denominated in U.S. dollars with a rating of A-/A3 or better from at least two (2) national ratings agencies;
 - (C) Convertible debt obligations of U.S. domiciled corporations denominated in U.S. dollars with a credit rating of A-/A3 or better from two (2) national ratings agencies; or
 - (D) Domestic equities, which taken as a whole, attempt to mirror the characteristics or replicate the Standard and Poor's 500 Index or another index of similar characteristics, including both mutual funds and exchange traded funds (ETFs).

Domestic equities, which taken as a whole, attempt to replicate the Standard and Poor's 400 Mid-Cap Index or another index of similar characteristics, including both mutual funds and exchange traded funds (ETFs).

Domestic equities, which taken as a whole, attempt to replicate the Standard and Poor's 600 Small-Cap Index or another index of similar characteristics, including both mutual funds and exchange traded funds (ETFs).

International equities, which taken as a whole, attempt to replicate the Financial Times Stock Exchange Developed ex-North America Index or another index of similar characteristics including both mutual funds and exchange traded funds (ETFs).

Equities, which taken as a whole, attempt to replicate the universe of domestic real estate investment trusts as represented by the Standard and Poor's REIT composite index or another index of similar characteristics, including both mutual funds and exchange traded funds (ETFs).

Emerging market equities, which taken as a whole, attempt to replicate the Financial Times Stock Exchange Emerging Index or another index of similar characteristics including both mutual funds and exchange traded funds (ETFs).

[Global infrastructure equities, which taken as a whole, attempt to replicate the STOXX Global Broad Infrastructure Index, or a substantially similar index, including both mutual funds and exchange traded funds \(ETFs\).](#)

(E) Bond funds which taken as a whole, attempt to replicate the Barclays Aggregate Index or another index of similar characteristics, including both mutual funds and exchange traded funds (ETFs).

Bond funds, which taken as a whole, attempt to replicate the Barclays US Treasury Inflation Securities Index or another index of similar characteristics, including both mutual funds and exchange traded funds (ETFs).

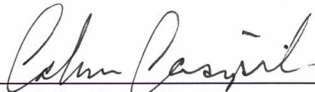
Bond funds, which taken as whole, attempt to replicate the Barclays Capital Global Treasury ex-US Capped Bond Index or another index of similar characteristics, including both mutual funds and exchange traded funds (ETFs).

Section 4. Effective Date. This ordinance becomes effective upon its adoption by the Gustavus City Council.

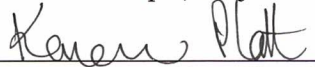
Date Introduced: January 14, 2019

Date of Public Hearing: February 11, 2019

PASSED and **APPROVED** by the Gustavus City Council this 11th day of February, 2019



Calvin Casipit, Mayor



Attest: Karen Platt City Clerk