





42 investment of funds considering the probable safety of capital as well as probable income, in  
43 accordance with the stated objectives of the permanent fund.

44 b. In order to ensure sound investment strategy, the City Council will take action in the  
45 following manner:

46 1. The City Council shall establish written investment policies by resolution  
47 which shall be adhered to without exception;

48 2. The City Council shall review the investment policies of the permanent fund  
49 at least once each year during the first quarter and shall, by resolution, re-adopt or  
50 modify said policies;

51 3. The City Council shall establish, by resolution, a plan for the allocation of  
52 investment assets each year that provides for the following:

53 a. That earnings available for annual appropriation and distribution  
54 shall be confined to the interest, dividends or coupon discounts derived from  
55 the investments of the fund. Realized or unrealized gains to the portfolio value  
56 are not considered earnings.

57 b. The portfolio of the growth sub-fund will be invested primarily in  
58 equities, and is exempt from HCC 3.10.040.

59 c. The portfolio of the income sub-fund will be invested primarily in  
60 bonds and the other fixed rate securities authorized by HCC 3.10.040.

61 d. The income sub-fund may be used as a revolving loan fund for  
62 various City capital projects as provided in Chapter 3.12 HCC.

63 e. That states portfolio duration, performance benchmarks, and the  
64 estimated percentage or amount of that year's earnings that would be  
65 necessary to retain to inflation-proof the fund principal;

66 4. The City administration shall maintain on file within the offices of the  
67 Finance Department monthly reports which indicate transactions affecting the  
68 investment account, to include, at a minimum, transfers of cash into and out of the  
69 account, and interest or dividends received by the account;

70 5. The City administration shall order an objective performance evaluation of  
71 the investment program every year;

72 6. The City administration shall retain one or more bank custodians to hold all  
73 investment cash and fixed income securities of the permanent fund and require that  
74 the custodians shall render monthly reports to the administration regarding assets  
75 held at both book and market values, and individual transactions which have taken  
76 place, that the banks shall have adequate fidelity insurance, and that written  
77 contracts be entered into between the City and the custodian banks;

78  
79 Section 2. The City Council hereby disbands the Permanent Fund Committee that was  
80 created by Ordinance 05-14(S).

81  
82 Section 3. Section 1 of this Ordinance is of a permanent and general character and  
83 shall be included in the City Code. Section 2 of this Ordinance is temporary in nature and



84 shall not be codified.

85 ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this 25<sup>th</sup> day of  
86 January, 2016.

87  
88



CITY OF HOMER

*Mary E. Wythe*  
MARY E. WYTHE, MAYOR

89  
90

91  
92

93  
94

ATTEST:

95  
96

*Jo Johnson*  
JO JOHNSON, MMC, CITY CLERK

97  
98

99  
100

101  
102

AYES: 6  
NOES: 0  
ABSTAIN: 0  
ABSENT: 0

103  
104

105  
106

107  
108

First Reading: 11/23/15  
Public Reading: 12/07/15 & 1/25/16  
Second Reading: 1/25/16  
Effective Date: 1/26/16

109  
110

111  
112

113  
114

Reviewed and approved as to form:

115  
116

*Mary K. Koester*  
Mary K. Koester, City Manager

117  
118

119

Date: 1.28.16

*Thomas F. Klinkner*  
Thomas F. Klinkner, City Attorney

Date: 2-2-16

