

**CITY OF HOMER
HOMER, ALASKA**

City Manager/Finance Director

ORDINANCE 18-01

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING HOMER CITY CODE 3.10.040(A) AUTHORIZED
INVESTMENTS AND REPEALING 3.10.130 GOVERNANCE OF
HOMER PERMANENT FUND ASSETS.

WHEREAS, The investment policy for the City of Homer has not been substantially modified since 1993. Over this period of time, industry norms have changed and our policies need to reflect this change; and

WHEREAS, It has been identified that one of the greatest weaknesses in our investment policy is our term of maturity. The industry standard for maturity length is now 5 years; and

WHEREAS, Chapter 3.12 Permanent Fund was repealed in Ordinance 17-23.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. HCC 3.10.040(a) is amended to read as follows:

a. City monies shall be invested only in the following instruments. All securities purchased by the City, and all other City investments, must mature not later than the time indicated below, measured from the date of the City's investment transaction:

1. U.S. Treasury securities – five years;

2. Other obligations by the U.S. Government, its agencies and instrumentalities – five years;

3. Repurchase agreements of acceptable securities listed in subsections (a)(1) and (2) of this section which meet a margin requirement of 102 percent; provided, however, the maturity limitations specified in those subsections do not apply if the securities in the repurchase agreement are marked to market daily;

4. Units of the Alaska Municipal League Investment Pool in accordance with an executed common investment agreement and in conformance with AS 37.23.010 through 37.23.900;

5. Certificates of deposit and other deposits at banks and savings and loan associations collateralized as provided in HCC 3.10.070 – five years;

6. Uncollateralized deposits at banks and savings and loan associations, to the extent that the deposits are insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation - five years;

7. Taxable bonds or notes which are issued by any state or political subdivision thereof, and which are graded AA or higher by Moody's Investor's Service, Inc., or Standard and Poor's Corporation - five years;

8. Commercial paper graded A1 or higher by Moody's Investor's Service, Inc., or P1 or higher by Standard and Poor's Corporation - 270 days;

9. Bankers' acceptances offered by banks rated at least "AA" by Moody's or Standard and Poor's;

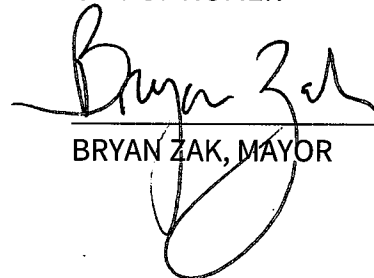
10. Money market mutual funds whose portfolios consist entirely of instruments specified in subsections (a)(1), (2) and (3) of this section - with net asset value of \$1.00.

Section 2. Section 3.10.130 Governance of Homer permanent fund assets is hereby repealed.

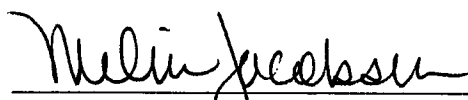
Section 3. This ordinance is of a permanent and general character and shall be included in City Code.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, by the Homer City Council this 22nd day of January, 2018.

CITY OF HOMER


BRYAN ZAK, MAYOR

ATTEST:

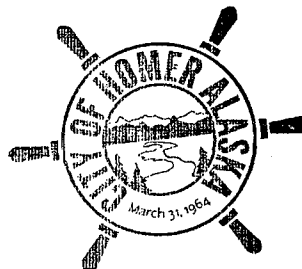

MELISSA JACOBSEN, MMC, CITY CLERK

YES: 6

NO: 0

ABSTAIN: 0

ABSENT: 0



86 First Reading: 01.08.18
87 Public Hearing: 01.22.18
88 Second Reading: 01.22.18
89 Effective Date: 01.23.18
90

91 Reviewed and approved as to form:

92 Mary K. Koester
93
94 Mary K. Koester, City Manager
95

96 Date: 1.20.18

Holly Wells
Holly Wells, City Attorney

Date: 2.12.18