

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-24

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING CHAPTER 4.28  
"INVESTMENT POLICY" BY REPLACING SECTION 4.28.120 "ASSETS MIX POLICY FOR THE  
PERMANENT FUND", WITH 4.28.120 "ASSETS MIX POLICY"

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.

2. **SEVERABILITY.** If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstances shall not be affected.

3. **PURPOSE.** The purpose of this ordinance is to revise the assets mix policy of the Sitka General Fund.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that Section 4.28.120 of the Sitka General Code replaced in its entirety by the following (new language underlined, deleted language stricken):

**Chapter 4.28  
INVESTMENT POLICY**

Sections:

- 4.28.010 Scope.
- 4.28.020 Standards of care.
- 4.28.030 Safekeeping and custody.
- 4.28.040 Reporting.
- 4.28.050 General objectives—Pooled investments.
- 4.28.060 Suitable and authorized investments for pooled investments.
- 4.28.070 Investment parameters.
- 4.28.100 General objectives—Permanent fund.
- 4.28.110 Suitable and authorized investments for the permanent fund.
- 4.28.120 Assets mix policy ~~for the permanent fund.~~
- 4.28.130 Policy considerations.

\* \* \*

**~~4.28.120 Assets mix policy for the permanent fund.~~**

~~Investment of the permanent fund assets shall be made in accordance with the minimum and maximum range for each assets category as indicated below:~~

<b>Asset Category</b>	<b>Minimum %</b>	<b>Target %</b>	<b>Maximum %</b>
Cash equivalents*	0	5	25
Fixed income	25	35	45
Equities:			
Growth	20	25	30
Value	20	25	30
Foreign	0	10	15

\*Cash equivalents are defined as less than one-year maturities. Fixed income investments can be invested in cash equivalents as necessary.

**4.28.120 Assets Mix Policy.** The management of the Sitka Permanent Fund shall employ a total return investment strategy in its choice of investments for the Permanent Fund and shall have discretion to change the asset mix and composition of the Portfolio to maximize return, subject to the following broad restrictions:

A. The overall benchmark percentage of equities contained in mutual funds, or exchange traded funds, owned by the Permanent Fund shall be 65% of the total market value of the Fund and shall fall within a range of 55% to 75% of the total market value of the Fund.

B. The overall benchmark percentage of debt and cash equivalent investments owned by the Permanent Fund shall be 35% of the total market value of the Fund and shall fall within a range of 25% to 45% of the total market value of the Fund.

C. Sub-allocations within asset classes shall be determined by the Investment Committee, as necessary and appropriate, and shall be recommended to the Assembly for adoption by Resolution.

D. No prohibited investments as defined and set forth in Section 4.28.110 of the Sitka General Code shall be made.


\*\*\*

5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its passage.

**PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska this 26th day of July, 2016.

  
Matthew Hunter, Deputy Mayor

**ATTEST:**

  
Sara Peterson, CMC  
Municipal Clerk

1<sup>st</sup> reading 7/12/16  
2<sup>nd</sup> reading 7/26/16