

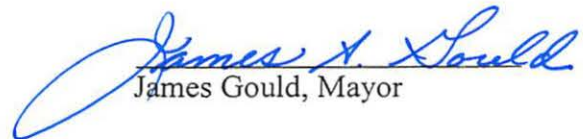
CITY OF THORNE BAY
ORDINANCE 08-12-16-01

AN ORDINANCE OF THE CITY COUNCIL FOR THE CITY OF THORNE BAY,
ALASKA, ADDING TITLE 3-REVENUE AND FINANCE, CHAPTER 3.15-SHORT
TERM INVESTMENT POLICY TO THE THORNE BAY MUNICIPAL CODE

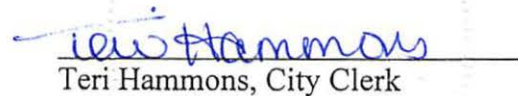
BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF THORNE BAY
ALASKA;

- Section 1. Classification. This ordinance is of a general and permanent nature, the chapter and section hereby adopted shall be added to the Thorne Bay Municipal Code.
- Section 2. Severability. If any provisions of this ordinance or any application thereof to any person or circumstances is held invalid, the circumstances shall not be affected thereby.
- Section 3. Amendment of Section. The title and chapter of Title 3- Revenue and Finance, Chapter 3.15-Short Term Investment Policy is hereby added to the Thorne Bay Municipal Code.
- Section 4. Effective Date. This ordinance shall become effective upon adoption.

PASSED AND APPROVED on December 16, 2008


James Gould, Mayor

ATTEST:


Teri Hammons, City Clerk

[Introduction: December 2, 2008]
[Public Hearing: December 16, 2008]

**TITLE 3
REVENUE AND FINANCE
CHAPTER 3.15
SHORT TERM INVESTMENT POLICY**

INVESTMENT OF OPERATING FUNDS

Section 3.15.010- Investment of Operating Funds

1. Objective.

There are opportunities from time to time for the city to invest surplus operating funds. Such funds are generally short-term in nature and are often restricted as to their use. Safety of principal is the foremost investment objective of the City of Thorne Bay. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they are from securities defaults or erosion of market value. The City of Thorne Bay seeks to attain market rates of return on its investments, consistent with constraints imposed by its safety objectives and cash flow considerations that restrict placement of public funds. All participants in the investment process shall seek to act responsibly as custodians of the public trust. Investment officials shall avoid any transaction that might impair public confidence in the City of Thorne Bay

Section 3.15.020-Treasury management.

The responsibility for conducting investment transactions resides with the mayor and city administrator. The mayor and the city administrator shall not deposit funds in any depository that is not a member of the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA) or the Securities Investor Protection Corporation (SIPC). Investments shall be made with judgment and care – under circumstances then prevailing – which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Section 3.15.030-Permissible investments.

A. Operating funds of the City of Thorne Bay may be invested in:

1. Federally insured or fully collateralized certificates of deposit of banks and credit unions maturing within two years;
2. U.S. Government Treasury, agency and instrumentality securities;
3. Notes or bonds issued by the state of Alaska or its political subdivisions or other states of the United States, maturing within two years, with a credit rating of A-/A3 or better from two national ratings agencies, maturing within two years;
4. Repurchase agreements collateralized by U.S. Treasury securities and marked to market. If repurchase agreements are overnight investments or if securities are collateralized in excess of 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.