

**CITY OF WASILLA  
ORDINANCE SERIAL NO. 12-40**

**An ordinance of the Wasilla City Council amending Wasilla Municipal Code (WMC) Subsection 5.14.050(C) and (D)(1), Authorized Investments, in the Investment Policy Chapter.**

**Section 1. Classification.** This ordinance is of a general and permanent nature and shall become part of the city code.

**Section 2. Amending WMC 5.14.050(C) and WMC 5.14.050(D)(1)** Authorized investments is hereby amended to read as follows:

**5.14.050 Authorized investments.**

C. The finance director shall contract for the service of an external portfolio manager to complement and supplement the internal portfolio. The external portfolio manager shall report to the finance director and council and shall exercise the judgment and care under the circumstances then prevailing which an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income. The external manager shall not be the same as that of the custodial bank as referenced in WMC 5.14.080.

D. City moneys 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 settlement date of the city's investment transaction:


1. U.S. government obligations, U.S. government agency obligations, and U.S. government instrumentality obligations, which have a liquid market with a readily determinable market value and are insured or guaranteed by, the United States or agencies or instrumentalities of the United States—5 years. Securities in these asset classes with maturities longer than five years would be permitted if they have coupon rates that adjust periodically;

**Section 3. Effective date.** This ordinance shall take effect upon adoption by the Wasilla City Council.

ADOPTED by the Wasilla City Council on December 10, 2012.

  
VERNE E. RUPRIGHT, Mayor

ATTEST:

  
KRISTIE SMITHERS, MMC, City Clerk

[SEAL]

CITY OF  
**WASILLA**  
 ALASKA




Legislation Staff Report

Ordinance Serial No. 12-40: An ordinance of the Wasilla city Council amending Wasilla Municipal Code (WMC) Subsection 5.14.050(C) and (D)(1), Authorized Investments, in the Investment Policy Chapter.

Agenda of: November 26, 2012

Date: November 6, 2012

Originator: Troy Tankersley, Finance Director

| Route to: | Department                   | Signature  | Date     |
|-----------|------------------------------|--|----------|
| X         | Finance Director             |  | 11-4-12  |
| X         | Interim Deputy Administrator |  | 11/06/12 |
| X         | City Clerk                   |  |          |

REVIEWED BY MAYOR VERNE E. RUPRIGHT: 

FISCAL IMPACT:  yes or  no

Funds Available  Yes or  No

Account name/number: N/a

Attachments: Ordinance 12-40 (2 pages)

**SUMMARY STATEMENT:** WMC 5.14 Investment Policy was added in 2011 to provide formal objectives of safety, liquidity and yield with yield being of secondary importance. This policy further expands the City's responsibility in contracting with an external portfolio manager as well as funds invested internally by the Finance Director to maintain cash flow requirements.

The purpose of amending WMC 5.14 Investment Policy is to provide additional investment opportunities that may have maturities longer than 5 years within U.S. government obligations. Many of these instruments will mature in less than 5 years with coupon rates adjusting periodically. Securities within this asset class will continue to provide safety against credit risk and interest rate risk as required within WMC 5.14.

Additionally, this Ordinance provides an added control that an contracted external investment advisor shall not be the same as the contracted custodial bank holding the City's assets.

**STAFF RECOMMENDATION:** Introduce and set for public hearing Ordinance Serial No. 12-40.