

**CITY OF CRAIG
ORDINANCE NO. 579**

AMENDING CHAPTER 3.15 OF THE CRAIG MUNICIPAL CODE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CRAIG


Section 1. Classification. This ordinance is of a general and permanent nature and the code sections adopted here shall become a part of the code of the City of Craig, Alaska.

Section 2. Severability. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Effective Date. This ordinance shall become effective immediately upon adoption.


Section 4. Action. This ordinance modifies Section 3.15 of the Craig Municipal Code by adding wording shown underlined and deleting wording shown struck through.

Passed and approved on March 15, 2007



Mayor Dennis Watson

Attest



Tina Habib, Clerk Pro Temp



Section 3.15.050.A is amended to read:

3.15.050 Permissible Investments.

7.

~~d. Common and preferred stock of U.S. domiciled corporations listed on a national exchange or NASDAQ with a minimum market capitalization of five hundred million dollars, or a mutual fund that invest in these stocks.~~

8. Domestic equities, which taken as a whole, attempt to replicate the Standard and Poor's 500 Index, including both mutual funds and exchange traded funds (ETFs).

9. International equities, which taken as a whole, attempt to replicate the Morgan Stanley Europe, Australiasia, Far East (EAFE) Index, including both mutual funds and exchange traded funds.

10. Equities, which taken as a whole, attempt to replicate the universe of domestic real estate investment trusts as represented by the S&P REIT Index or a similar national index, including both mutual funds and exchange traded funds.

11. Domestic equities, which taken as a whole, attempt to replicate the Standard and Poor's 400 MidCap Index, including both mutual funds and exchange traded funds.

Section 3.15 is amended by adding a new section to read:

3.15.055 Asset Allocation and Performance

A. Endowment Fund Asset Allocation and Performance

1. The Fund's asset allocation targets and ranges shall be set by the city council by resolution.

2. Performance of the Craig Endowment Fund's investment advisors will be measured as follows:

a. Performance measurement for the domestic equity allocation will be measured against the target weighting, using the Standard & Poor's 500 Index as the benchmark.

b. Performance measurement for the Mid. Cap. equity allocation will be measured against the target weighting, using the Standard and Poor's 400 Mid. Cap. Index as the benchmark.

c. Performance measurement for the international equity allocation will be measured against the target weighting, using the Morgan Stanley Europe, Australiasia, Far East (EAFE) Index for the benchmark.

d. Performance measurement for the real estate allocation will be measured against the target weighting using the Standard and Poor's REIT Index or a similar national index for the benchmark.

e. Performance measurement for the fixed income allocation will be measured against the target weighting using the Lehman Intermediate Gov/Credit Index for the benchmark. The duration of the fixed income

allocation should be maintained between 80 percent and 120 percent of the duration of the benchmark.

Section 3.15.070 is amended to read:

3.15.070 Diversification. A. It is the policy of the City to diversify its investment portfolio. Diversification strategies shall be determined and revised periodically by the city treasurer and city administrator, and presented to the city council for approval.

~~B. The following duration and maturity limitations shall apply to the fixed income portfolio:~~

~~1. Duration: The Endowment Fund shall maintain a duration of between 1.25 and 3.5 years.~~

~~2. Maturity: No single investment may have a maturity date in excess of ten years.~~

~~C. Diversification strategies shall be determined and revised periodically by the city treasurer.~~

Section 3.15.100 is amended to read:

~~A. As part of the annual budget approval process, the city council may appropriate up to 100 percent of the fund's adjusted net earnings for use in city operations.~~

~~B. Appropriations for projects using adjusted net earnings are subject to individual approval by the council.~~

~~C. Any adjusted net earnings available but not appropriated by the end of the fiscal year shall lapse to the principal of the fund and will not be available as earnings for distribution in subsequent years.~~

A. The city council may appropriate from the endowment fund in any one fiscal year an amount not to exceed four percent (4%) of the five year average fund market value, to be computed using the market value of the five (5) prior calendar years.

CITY OF CRAIG
ORDINANCE No. 578

AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE WITH COMMUNITIES ORGANIZED FOR HEALTH OPTIONS (COHO) THE TERMS OF A NON-PROFIT LEASE OF CITY-OWNED PROPERTY AT TRACT P, USS 2327.

Section 1. Classification. This is a non-code ordinance.

Section 2. Severability. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Effective Date. This ordinance shall be effective immediately upon adoption.

Section 4. Action. This ordinance authorizes the City Administrator to negotiate a below market value lease of city-owned property to COHO for the purpose of a operating community mental health and substance abuse counseling. The property considered for the lease is limited to a portion of Tract P, USS 2327, containing an area of no more than 15,000 square feet. Final terms of said lease are subject to the approval of the Craig city council.

The City Administrator is under no obligation to negotiate for the lease the portion of Tract P, USS 2327, and the City Council is under no obligation to approve any lease negotiated by the City Administrator with COHO.

Passed and approved on February 15, 2007.

Don Pierce
Acting Mayor Don Pierce

Attest Vicki Hamilton
Vicki Hamilton, City Clerk

