

ORDINANCE NO. 6249

AN ORDINANCE AMENDING FAIRBANKS GENERAL CODE SECTION 2-260(c)(2) BY INCREASING THE EXPOSURE LIMIT ON BBB-RATED SECURITIES IN THE CITY PERMANENT FUND INVESTMENT POLICY

WHEREAS, the City Council established the investment policy of the City Permanent Fund by terms codified in Fairbanks General Code Sections 2-260 and 2-261; and

WHEREAS, the City's Permanent Fund Investment Manager, Alaska Permanent Capital Management (APCM), recommends that Section 2-260(c)(2) be amended to increase the exposure limit on BBB-rated securities from 15% to 20% to achieve the Permanent Fund goals of preserving principal and maintaining purchasing power; and

WHEREAS, the Permanent Fund Review Board supports and recommends this increase to allow additional investments in BBB-rated securities when market conditions are conducive.

NOW THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, as follows:

SECTION 1. Fairbanks General Code Section 2-260(c)(2) is hereby amended as follows [new text in **bold/underline** font; deleted text in ~~strikethrough~~ font]:

Sec. 2-260. Permanent fund investment policy, procedure, and governance.

(c) *Limitations.* The following investment practices are prohibited and shall constitute limitations to fund investments:

- (2) Investments in United States dollar denominated obligations of corporations shall be limited to a percentage level as provided for by the city council from time to time. Investment grade to be defined by at least one nationally recognized rating service. The investment in the lowest level of investment grade securities is to be limited to no more than ~~15~~**20** percent of the marketable debt securities;

SECTION 2. That the effective date of this ordinance will be the 1st day of July 2023.



David Pruhs, Mayor

AYES: Marney, Ringstad, Cleworth, Sprinkle, Rogers, Tidwell
NAYS: None
ABSENT: None
ADOPTED: June 26, 2023

ATTEST:

APPROVED AS TO FORM:



D. Danyielle Snider, MMC, City Clerk



Thomas A Chard II, City Attorney