

ORDINANCE NO. 040466
0-04-95

An ordinance of the City of Gainesville, Florida, amending section 2-438, relating to the investment of assets of the Retiree Health Insurance Trust Fund and the Employees Disability Plan Trust Fund of the city; providing directions to the codifier; providing a severability clause; providing a repealing clause; and providing an immediate effective date.

WHEREAS, at least 10 days notice has been given once by publication in a newspaper of general circulation notifying the public of this proposed ordinance and of a Public Hearing in the Auditorium of City Hall in the City of Gainesville; and

WHEREAS, a Public Hearing was held pursuant to the published notice described at which hearing the parties in interest and all others had an opportunity to be and were, in fact, heard;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA:

Section 1. Section 2-438 of the City of Gainesville Code of Ordinances, is hereby amended to read as follows:

Sec. 2-438. Investment of funds of the city.

Except as provided in subsection 12, any funds of the city may be invested in one or more of the following investment instruments:

- (1) Any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of any of the federal agencies set forth in subsection (3) below to the extent

1 unconditionally guaranteed by the United States of America and any certificates or any other
2 evidences of an ownership interest in obligations or in specified portions thereof (which may
3 consist of specified portions of the interest thereon) of the character described in this subsection;

4 (2) Any bonds or other obligations of any state of the United States of America or of any
5 agency, instrumentality or local governmental unit of any such state which:

6 a. Are not callable prior to maturity, or as to which irrevocable instructions have
7 been given to the trustee of such bonds or other obligations by the obligor to give due notice of
8 redemption and to call such bonds for redemption on the date or dates specified in such
9 instructions;

10 b. Which are secured as to principal and interest and redemption premium, if any, by
11 a fund consisting only of cash or bonds or other obligations of the character described in
12 subsection (1), which fund may be applied only to the payment of such principal of and interest
13 and redemption premium, if any, on such bonds or other obligations on the maturity date or dates
14 thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as
15 appropriate; and

16 c. As to which the principal of and interest on the bonds and obligations of the
17 character described in subsection (1) which have been deposited in such fund along with any
18 cash on deposit in such fund are sufficient to pay principal of and interest and redemption
19 premium, if any, on the bonds or other obligations described in this subsection on the maturity
20 date or dates thereof or on the redemption date or dates specified in the irrevocable instructions
21 referred to in subsection (2)a., as appropriate, and any certificates or any other evidences of an
22 ownership interest in obligations or specified portions thereof (which may consist of specified
23 portions of the interest thereon) of the character described in this subsection;

1 (3) Bonds, debentures or other evidences of indebtedness issued or guaranteed by any
2 agency or corporation which has been or may hereafter be created pursuant to an Act of Congress
3 as an agency or instrumentality of the United States of America;

4 (4) New Housing Authority Bonds issued by public agencies or municipalities and fully
5 secured as to the payment of both principal and interest by a pledge of annual contributions under
6 an annual contributions contract or contracts with the United States of America; or project notes
7 issued by public agencies or municipalities and fully secured as to the payment of both principal
8 and interest by a requisition or payment agreement with the United States of America;

9 (5) Direct and general obligations of any state of the United States of America, to the
10 payment of the principal of and interest on which the full faith and credit of such state is pledged,
11 provided that at the time of their purchase under the resolution such obligations are rated by a
12 nationally recognized bond rating agency in either of its two highest rating categories;

13 (6) Certificates of deposit, whether negotiable or nonnegotiable, issued by any bank or trust
14 company organized under the laws of any state of the United States or any national banking
15 association which is a member of the Federal Deposit Insurance Corporation, savings and loan
16 associations which are members of the Federal Savings and Loan Insurance Corporation and
17 credit unions which are members of the National Credit Union Administration Insurance Fund,
18 provided that the aggregate principal amount of all certificates of deposit issued by any such
19 bank, trust company, national banking association, savings and loan association or credit union
20 which are purchased with moneys of the city are fully insured by the Federal Deposit Insurance
21 Corporation, the Federal Savings and Loan Insurance Corporation or the National Credit Union
22 Administration Insurance Fund; or secured to the extent not insured by the Federal Deposit
23 Insurance Corporation, the Federal Savings and Loan Insurance Corporation or the National

CODE: Words ~~strieken~~ are deletions; words underlined are additions.

1 Credit Union Administration Insurance Fund by such securities as are described in subsections
2 (1) through (5), inclusive, having a market value (exclusive of accrued interest, other than
3 accrued interest paid in connection with the purchase of such securities) at least equal to the
4 principal amount of such certificates of deposit (or portion thereof not insured by the Federal
5 Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation or the
6 National Credit Union Administration Insurance Fund) which shall be lodged with the city, or a
7 depository, as custodian, by such bank, trust company, national banking association, savings and
8 loan association or credit union, and such bank, trust company, national banking association,
9 savings and loan association or credit union shall furnish the city or the depository, if any, with
10 an undertaking satisfactory to it that the aggregate market value of all such obligations securing
11 such certificates of deposit will at all times be an amount which meets the requirements of this
12 subsection and the city or the depository, if any, shall be entitled to rely on each such
13 undertaking;

14 (7) Bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by
15 any corporation which are, at the time of purchase, rated by a nationally recognized rating agency
16 in its highest rating category, and by at least one other nationally recognized rating agency in
17 either of its two highest rating category, for comparable types of debt obligations;

18 (8) Any repurchase agreement with any bank or trust company organized under the laws of
19 any state of the United States or any national banking association or government bond dealer
20 reporting to, trading with and recognized as a primary dealer by the Federal Reserve Bank of
21 New York, which agreement is secured by any one or more of the securities described in
22 subsections (1), (2), (3) or (4); and

23 (9) Bankers Acceptances which are issued by institutions which are, at the time of

1 purchase, rated by a nationally recognized rating agency in its highest rating category, and by at
2 least one other nationally recognized rating agency in either of its two highest rating categories.

3 (10) No more than ten percent of city funds, at cost, may be invested in domestic equity
4 mutual funds and no more than 20 percent of city funds, at cost, may be invested in investment
5 trusts or fixed income mutual funds. Mutual fund investments are limited to those funds rated
6 four stars or higher by Morningstar, Inc. and investment trusts are limited to those trusts rated
7 AAA. Use of mutual funds and investment trusts shall be limited to those city funds with
8 compatible liquidity and maturity concerns, and the mutual fund and investment trusts selected
9 shall be restricted to those with stated investment styles consistent with the above-stated
10 concerns. Reasonable and prudent diversification among investment types and styles should be
11 consistently maintained, and the percentage of city funds invested in mutual funds or investment
12 trusts will conform to projected cash flow requirements of the respective city funds.

13 (11) For purposes of this section, the phrase highest rating category or categories, is to be
14 interpreted as representing those instruments which are rated investment grade or better.

15 (12) Assets of the Retiree Health Insurance Trust Fund and the City of Gainesville
16 Employees Disability Plan Trust Fund may be invested in instruments of all kinds except as
17 specifically otherwise provided by statute.

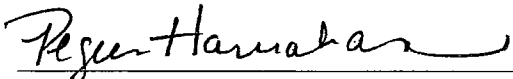
18 **Section 2.** If any section, sentence, clause or phrase of this ordinance is held to be invalid or
19 unconstitutional by any court of competent jurisdiction, then said holding shall in no way affect
20 the validity of the remaining portions of this ordinance.

21 **Section 3.** All ordinances or parts of ordinances in conflict herewith are to the extent of such
22 conflict hereby repealed.

23 **Section 5.** This ordinance shall become effective immediately upon adoption.


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PASSED AND ADOPTED this 8 day of November, 2004.




PEGEEN HANRAHAN,
MAYOR

ATTEST:



KURT M. LANNON
CLERK OF THE COMMISSION

Approved as to form and legality


MARION L. RADSON, CITY ATTORNEY
NOV - 9 2004

This Ordinance passed on first reading this 25th day of October, 2004.

This Ordinance passed on second reading this 8th day of November, 2004.

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