

ORDINANCE SERIAL NO. 19-07

AN ORDINANCE OF THE ALEUTIANS EAST BOROUGH AMENDING TITLE 6, CHAPTER 6.04, SECTION 6.04.041, SUBSECTION (E)(2) OF THE ALEUTIANS EAST BOROUGH CODE OF ORDINANCES

WHEREAS, the legislative power of the Aleutians East Borough (“Borough”) is vested in its Borough Assembly under Alaska State Statute Sec. 29.20.050; and

WHEREAS, the Borough’s Permanent Fund was created by the Borough Assembly in 1990; and

WHEREAS, Sec. 6.08.010 of the Code of the Aleutians East Borough of Alaska sets forth the investment policy and objectives for Borough monies; and

WHEREAS, under Sec. 6.08.010(C) of the Code, all Borough “investments shall be diversified to minimize the risk of loss”; and

WHEREAS, Sec. 6.04.041(E)(2) currently says the asset allocation targets and ranges are as follows:

Asset Class	Target % Weighting	Range %
Domestic Equity	24	18-30
Mid Cap. Equity	7	2-12
Small Cap Equity	3	0-6
International Equity	10	5-15
Emerging Markets	5	0-10
Real Estate Equity	5	0-10
Infrastructure	5	0-10
Commodities	5	0-10
US Fixed Income	19	10-30
TIPS	10	0-15
Cash	5	0-10

WHEREAS, pursuant to Sec. 6.04.041(E) “[n]otwithstanding the objectives of the Borough policy for the investment of its operating and other funds set out in Code Section 6.08.010(C), the investment of permanent fund assets shall be made to maintain safety of principle while maximizing total return”; and

WHEREAS, this amendment to Sec. 6.04.041(E) is consistent with Sec. 6.08.010(C) and Sec. 06.04.041(E) and is intended to ensure Borough permanent fund account investments be made to maintain safety of principle while maximizing total return.

NOW THEREFORE, BE IT ENACTED AS FOLLOWS:

Section 1. That Section 6.04.041 (E)(2) of the Borough Municipal Code is hereby amended to read as follows:

- (2) Permanent Fund asset allocation plan and performance measurement targets.

The asset allocation targets and ranges are as follows:

Asset Class	Target % Weighting	Range %
Domestic Equity	24	18-30
Mid Cap. Equity	7	2-12
Small Cap Equity	3	0-6
International Equity	12	6-18
Emerging Markets	5	0-10
Real Estate Equity	5	0-10
Infrastructure	5	0-10
Commodities	5	0-10
US Fixed Income	19	10-30
TIPS	10	0-15
Cash	5	0-10

Section 2. **Classification.** This ordinance is of a general and permanent nature and shall become part of the Borough Code.

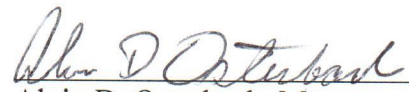
Section 3. **Severability.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 4. **Effectiveness.** This ordinance shall become effective upon adoption.

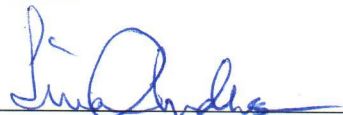
Section 5. **Adoption of Sections.** Code Section 6.04.041(E)(2) is hereby repealed and Code Section 6.04.041(E)(2) as annexed hereto as part of this ordinance is hereby adopted as Code Section 6.04.041(E)(2) of the Code of Ordinances of the Aleutians East Borough

INTRODUCED: March 14, 2019

ADOPTED: April 11, 2019


Alvin D. Osterback, Mayor

ATTEST:


Tina Anderson, Borough Clerk

(SEAL)

