

ORDINANCE

WHEREAS, The City of Chicago (the "City") is a home rule municipality as defined in Article VII, Section 6 of the Illinois Constitution; and

WHEREAS, Pursuant to its home rule power, the City may exercise any power and perform any function relating to its government and affairs including the power to regulate for the protection of the public health, safety, morals, and welfare; and

WHEREAS, One of the main functions of the Office of the City Treasurer is to invest the City's portfolio to get the best rate of return while protecting the principal; and

WHEREAS, The City's investment policy along with the internal policy of the Office of the City Treasurer sets forth the types of investments that the Office of the City Treasurer can make with the City's portfolio funds; and

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. Section 2-32-520 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

2-32-520 Authorized investments.

The Comptroller and Treasurer jointly shall have authority to use any and all funds in the City treasury which are set aside for use for particular purposes and not immediately necessary for such purposes, for the purchase of the following classes of investments:

(Omitted text is unaffected by this ordinance)

(b) United States treasury bills and other ~~non-interest~~ non-interest bearing general obligations of the United States or United States government agencies when offered for sale at a price below the face value of same, so as to afford the City a return on such investment in lieu of interest;

(Omitted text is unaffected by this ordinance)

(f) Certificates of deposit of banks or savings and loan associations designated as municipal depositories which are insured by federal deposit insurance or demand deposits in banks or savings and loan associations designated as municipal depositories which are insured by federal deposit insurance; provided that any amount of the deposit in excess of the federal deposit insurance shall be either: (1) fully collateralized at least 100 percent by: (i) marketable United States government securities marked to market at least monthly; (ii) bonds, notes, or other securities constituting the direct and general obligation of any agency or instrumentality of the United States; or (iii) bonds, notes or other securities constituting a direct and general obligation of any county, township, city, village, incorporated town, municipal

corporation, or school district; of the State of Illinois; or of any other state, or of any political subdivision or agency of the State of Illinois or of any other state which are rated in either the AAA or AA rating categories by at least two

accredited ratings agencies and maintaining such rating during the term of such investment; or (2) secured by a corporate surety bond issued by an insurance company licensed to do business in Illinois and having a claims-paying rating in the top rating category as rated by a nationally recognized statistical rating organization and maintaining such rating during the term of such investment; or (3) fully collateralized at least +02- 100 percent by an irrevocable letter of credit issued in favor of the City of Chicago by the Federal Home Loan Bank, provided that the Federal Home Loan Bank's short-term debt obligations are rated in the highest rating category by at least one accredited ratings agency throughout the term of the certificate of deposit or deposit;

(Omitted text is unaffected by this ordinance)

(k) Except where otherwise restricted or prohibited, a non-interest-bearing savings account, ~~non-interest bearing~~ non-interest-bearing checking account or other non-interest bearing demand account established in a national or state bank, or a federal or state savings and loan association, when, in the determination of the Treasurer, the placement of such funds in the non-interest bearing account is used as compensating balances to offset fees associated with that account that will result in cost savings to the City;

(1) (1) Bonds of companies ~~organized in the United States~~ with assets exceeding \$1,000,000,000 \$500,000,000 that, at the time of purchase, are rated ~~not less than two ratings above investment grade, or equivalent rating,~~ by at least two accredited ratings agencies. Investments authorized by this subsection (1) shall, at the time of purchase, not exceed 35 percent of the total holdings across all funds (with no more than 35 percent of the total portfolio authorized by this subsection (1)(1) invested in any one market sector, out of a total market sector pool consisting of finance, energy, technology, consumer products, manufacturing, healthcare and transportation) and the maturity shall not exceed 30 years;

(Omitted text is unaffected by this ordinance)

(n) United States dollar denominated debt instruments of foreign sovereignties that, at the time of purchase, are rated within 4 intermediate credit ratings of the United States sovereign credit rating by at least two accredited ratings agencies, but not less than an ~~A-rating~~ A- rating or equivalent rating. The investments authorized by this subsection (n) shall, at the time of purchase, not exceed 5 J_0 percent of the total holdings across all funds, and the maturity shall not exceed 30 years;

(Omitted text is unaffected by this ordinance)

(p) Bonds registered and regulated by the Securities and Exchange Commission and for which the full faith and credit of the State of Israel is pledged for payment: provided that the bonds have an ~~A-rating~~ A- rating or above or equivalent rating by at least two accredited ratings agencies. The bonds authorized by this subsection (p) shall, at the time of purchase, not exceed 1 percent of the total holdings across all funds, and the maturity shall not exceed 30 years;

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(q) Bonds, notes, debentures, or other similar obligations of agencies of the United States ~~rated, at the time of purchase, no less than AAA by at least two accredited rating agencies;~~

(Omitted text is unaffected by this ordinance)

SECTION 2. Section 2-32-525 of the Municipal Code of Chicago is hereby amended by deleting the

language stricken through and by inserting the language underscored, as follows:

2-32-525 Minimum credit quality.

Exclusive of investments made pursuant to Section 2-32-520(r), the total holdings across all funds held by the Treasurer shall have no less than an overall average rating of Aa ~~on a quarterly basis, as rated by two accredited rating agencies~~ Aa or equivalent rating without regard to any refinement or gradation of rating category by numerical modifier or otherwise on a quarterly basis.

SECTION 3. This ordinance shall take full force and effect upon its passage and publication.