



Office of the City Clerk

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Legislation Text

File #: O2012-7187, **Version:** 1

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL MAYOR

October 31, 2012

TO THE HONORABLE, THE CITY COUNCIL OF THE
CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Treasurer, I transmit herewith an ordinance amending Section 2-32-520 of the Municipal Code regarding asset diversification.

Your favorable consideration of this ordinance will be appreciated.

Mayor

Very truly yours,

X.

ORDINANCE

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

SECTION 1. Chapter 2-32 of the Municipal Code of Chicago is hereby amended by adding the language underscored and by deleting the language struck through, as follows:

2-32-520 Authorized classes of securities.

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 securities:

(Omitted text is unaffected by this ordinance)

(l) Bonds of companies organized in the United States with assets exceeding \$500,000,000 that, at the time of purchase, are rated in either the ~~AAA or AA rating categories~~ within 4 intermediate credit ratings of the United States's sovereign credit rating by at least two accredited ratings agencies, but not less than an A-rating, or equivalent rating. Investments authorized by this subsection (l) shall, at the time of purchase, not exceed 5 15 percent of the total holdings across all the funds, including principal and interest, and the maturity shall not exceed 10 years;

(m) Debt instruments of international financial institutions, including but not limited to the World Bank and the International Monetary Fund, that, at the time of purchase, are rated in either the ~~AAA or AA rating categories~~ within 4 intermediate credit ratings of the United States's sovereign credit rating by at least two accredited ratings agencies, but not less than an A-rating or equivalent rating. Investments authorized by this subsection (m) shall, at the time of purchase, not exceed 10 percent of the total holdings across all the funds, including principal and interest, and the maturity shall not exceed 10 years. For purposes of this subsection (m), an "international financial institution" means a financial institution that has been established or chartered by more than one country and the owners or shareholders are generally national governments or other international institutions such as the United Nations;

(n) United States dollar denominated debt instruments of foreign sovereignties that, at the time of purchase, are rated in either the ~~AAA or AA rating categories~~ within 4 intermediate credit ratings of the United States's sovereign credit rating by at least two accredited ratings agencies, but not less than an A-rating or equivalent rating. The investments authorized by this subsection (n) shall, at the time of purchase, not exceed 5 percent of the total holdings across all funds, including principal and interest and the maturity shall not exceed 10 years;

(p) Interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, of any other state, or of any political subdivision or agency of the State of Illinois or of any other state, whether the interest earned thereon is taxable or tax-exempt under federal law. The bonds shall be registered in the name of the city or held under a custodial agreement at a bank. The bonds shall be rated, at the time of purchase, within the five highest rating categories- 4 intermediate credit ratings of the United States's sovereign credit rating by at least two accredited rating agencies with nationally recognized expertise in rating bonds of states and their political subdivisions, but not less than

an A-rating or equivalent rating. The maturity of the bonds authorized by this subsection (o) shall, at the time of purchase, not exceed 10 years; provided that a longer maturity is authorized if the city has a put option to tender the bonds within 10 years from the date of purchase.

(p) Bonds registered and regulated by Security Exchange Commission and for which the full faith and credit of the State of Israel is pledged for payment of principal and interest: provided that the bonds have an 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, including principal and interest, and the maturity shall not exceed 10 years.

(Omitted text is unaffected by this ordinance)

This ordinance shall be in full force and effect after its passage and