



CITY COUNCIL
ATLANTA, GEORGIA

AN ORDINANCE BY

FINANCE/EXECUTIVE COMMITTEE

01-0-1327

AN ORDINANCE TO REPEAL IN ITS ENTIRETY ORDINANCE 95-O-1366 ADOPTED AS AMENDED BY THE COUNCIL FEBRUARY 19-27, 1996 AND APPROVED BY THE MAYOR MARCH 3, 1996 WHICH ESTABLISHED PRACTICES AND PROCEDURES FOR THE INVESTING OF CITY FUNDS; SO AS TO ESTABLISH NEW PRACTICES AND PROCEDURES AND TO SET FORTH REVISED GUIDELINES AND OBJECTIVES NECESSARY FOR THE MANAGEMENT OF A CASH AND INVESTMENT MANAGEMENT PROGRAM; TO REPEAL CONFLICTING ORDINANCES AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta endeavors to clarify and strengthen the investment guidelines to ensure maximum safety and yield while meeting the daily cash flow demands of the City; and

WHEREAS, the City of Atlanta has determined that there is a need to amend existing practices and procedures for the investing of City funds to allow for greater flexibility with current market environment; and

WHEREAS, the City of Atlanta promotes implementation of a procedure to allow for minimization of investment risk and exposure.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA, HEREBY ORDAINS:

- 17.2 Maturity Extension - a positive sloping or "normal" yield curve rewards longer-term investments. All purchase decisions that do not involve the matching of known cash needs shall be based on an analysis of the relative yield benefit to lengthening the maturity.
- 17.3 Determination of an Investment's Relative Value - by following historical spread relationships between different security types and issuers, it is possible to determine the securities that offer the best yield value on any given day. The City will seek to invest funds in the highest yielding investment security within established policy guidelines for safety and liquidity.
- 17.4 Market Opportunities - Although money markets are generally efficient, there are opportunities for yield enhancement by selling securities that become unusually "expensive" or high in price, and purchasing similar securities that are considered "cheap" or low in price. These "swap" opportunities often occur as the spreads between different types of securities narrow or widen.
- 17.5 Anticipating Market Changes - Although it is not possible to consistently predict market trends, an understanding of the factors that affect the market is important when determining an optimal maturity for the portfolio. Trading is not to be made solely on the basis of interest rate forecasts, but specific decisions involving maturity dates should consider short-term market expectations.

18.0 Performance Measurement

The investment performance of the City of Atlanta will be evaluated quarterly by comparison to established benchmarks. The selection of the benchmarks will be based upon the investment strategy and length of the investment portfolio and shall be approved by the Chief Financial Officer and the City Council. The City currently measures performance against the following indices:

- 18.1 Merrill Lynch (1-2.99 year) government index
18.2 3-month constant maturity (CMT) Treasury index
18.3 1-year constant maturity (CMT) Treasury index

19.0 Training

The Investment Officers and the persons authorized to execute investment transactions shall attend at least one investment training session within 12 months after taking office or assuming duties and receive not less than 8 hours of instruction relating to investment responsibilities every two years.

20.0 Investment Policy Adoption

The City's Investment Policy is hereby adopted by ordinance of the Atlanta City Council on _____, __, 2001.

This ordinance shall be codified at Section 7-1024.1 of the City Code. All existing ordinances or parts of ordinances in conflict herein are hereby repealed.

Amendment Incorporated by tcp 9-26-01

A true copy,

Municipal Clerk, CMC

ADOPTED as amended by the Council
APPROVED by the Mayor

SEP 17, 2001
SEP 25, 2001

RCS# 3100
9/17/01
3:05 PM

Atlanta City Council

Regular Session

CONSENT

Pages 1 through 11

ADOPT

YEAS: 15
NAYS: 0
ABSTENTIONS: 0
NOT VOTING: 1
EXCUSED: 0
ABSENT 0

Unanimous
SEE ATTACHED LISTING OF
ITEMS ADOPTED/ADVERSED
ON CONSENT AGENDA

Y McCarty	Y Dorsey	Y Moore	Y Thomas
Y Starnes	Y Woolard	Y Martin	Y Emmons
Y Bond	Y Morris	Y Maddox	Y Alexander
Y Winslow	Y Muller	Y Boazman	NV Pitts

ITEM (S) REMOVED FROM
CONSENT AGENDA
01-O-1458

CONSENT

09/17/01 Council Meeting

ITEMS ADOPTED ON CONSENT AGENDA

1. 01-O-1231
2. 01-O-1453
3. 01-O-1449
4. 01-O-1475
5. 01-O-1476
6. 01-O-1477
7. 01-O-0976
8. 01-O-1327
9. 01-O-0591
10. 01-O-1457
11. 01-R-1431
12. 01-R-1432
13. 01-R-1306
14. 01-R-1443
15. 01-R-1455
16. 01-R-1353
17. 01-R-1486
18. 01-R-1330
19. 01-R-1331
20. 01-R-1332
21. 01-R-1333
22. 01-R-1427
23. 01-R-1450
24. 01-R-1474

01-0-1327

(Do Not Write Above This Line)

AN ORDINANCE BY

FINANCE/EXECUTIVE COMMITTEE

AN ORDINANCE TO REPEAL IN ITS ENTIRETY ORDINANCE 95-0-1366 ADOPTED AS AMENDED BY THE COUNCIL FEBRUARY 19-27, 1996 AND APPROVED BY THE MAYOR MARCH 3, 1996 WHICH ESTABLISHED PRACTICES AND PROCEDURES FOR THE INVESTING OF CITY FUNDS; SO AS TO ESTABLISH NEW PRACTICES AND PROCEDURES AND TO SET FORTH REVISED GUIDELINES AND OBJECTIVES NECESSARY FOR THE MANAGEMENT OF A CASH AND INVESTMENT MANAGEMENT PROGRAM; TO REPEAL CONFLICTING ORDINANCES AND FOR OTHER PURPOSES.

ADOPTED BY

SEP 17 2001

COUNCIL

As Amended

- CONSENT REFER
- REGULAR REPORT REFER
- ADVERTISE & REFER
- 1st ADOPT 2nd READ & REFER
- PERSONAL PAPER REFER

Date Referred 9/4/01

Referred To: Finance/Executive

Date Referred

Referred To:

Date Referred

Referred To:

Committee Finance/Executive Com
 Date 8-15-01
 Chair [Signature]
 Referred to FIN EXECUTIVE

Committee Finance/Executive
 Date 9/13/01
 Chair [Signature]
 Action: Fav, Adv, Hold (see rev. side)
 Other: AS AMENDED
 Members [Signature]
 Refer To [Signature]

Committee _____
 Date _____
 Chair _____
 Action: _____
 Other: _____
 Members _____
 Refer To _____

Committee Finance/Executive Com
 Date _____
 Chair _____
 Referred to _____

Committee _____
 Date _____
 Chair _____
 Action: _____
 Other: _____
 Members _____
 Refer To _____

Committee _____
 Date _____
 Chair _____
 Action: _____
 Other: _____
 Members _____
 Refer To _____

FINAL COUNCIL ACTION
 2nd 1st & 2nd 3rd
 Readings
 Consent V Vote RC Vote

CERTIFIED

CERTIFIED
 SEP 17 2001
 ATLANTA CITY COUNCIL PRESIDENT
[Signature]

CERTIFIED
 SEP 17 2001
[Signature]
 MUNICIPAL CLERK

APPROVED

SEP 25 2001
[Signature]

LARGE ATTACHMENT:

DOCUMENT(S),

MANUAL(S)

OR

MAP(S)

NOT COPIED,

PULL ORIGINAL

FOR COPY OR TO VIEW