

ORDINANCE #93-27

AN ORDINANCE OF THE CITY OF BETHEL, ALASKA, AMENDING TITLE 4 OF THE BETHEL MUNICIPAL CODE BY ADDING CHAPTER 4.18, PROVIDING FOR A BETHEL ENDOWMENT FUND.

BE IT ENACTED BY THE CITY COUNCIL OF BETHEL, ALASKA, AS FOLLOWS:

Section 1: Title 4 of the Bethel Municipal code is amended by adding a new chapter, 4.18, entitled Bethel Endowment Fund as follows:

4.18.010 Fund established. There is hereby established as a separate fund the Bethel Endowment Fund. The Bethel Endowment Fund consists of money appropriated to the Bethel Endowment Fund by the City Council. Such appropriation may be made by inclusion of the amounts to be appropriated in the annual budget or may be made by separate ordinance.

4.18.020 Purpose of fund. The purpose of the Bethel Endowment Fund is to maximize income for the continuing operations of general government of the City of Bethel. All income from the Bethel Endowment Fund shall be deposited in the general fund upon submission of the annual budget each year.

4.18.030 Investments.

(a) The prudent man rule shall be applied in the management and investment of Bethel Endowment Fund assets. The "prudent man rule" means that in making investments the same judgment and care under the circumstances then prevailing shall be exercised which an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it not in regard to speculation, but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income.

(b) The Bethel Endowment Fund assets shall only be used for income-producing investments.

4.18.040 Accounting for earnings. The net income of the Bethel Endowment Fund shall be computed in accordance with generally accepted accounting principles.

4.18.050 Procedure for repeal.

(a) The principal of the Bethel Endowment Fund shall not be invaded except by ordinance duly adopted by the City Council.

(b) Upon introduction of an ordinance invading the principal of the Bethel Endowment Fund, the City Manager must provide for the maximum practicable public notice of said ordinance. This notice shall include the holding of at least two informational meetings open to the public. At least two such meetings shall be held prior to the public hearing on the proposed ordinance before the City Council.

(c) An ordinance that invades the principal of the Bethel Endowment Fund shall not take effect unless approved by a by a majority of the vote at a general or special election called for that purpose.

4.18.060 Reinvestment proposals.

(a) Simultaneous with the submission of the annual budget the City Manager shall cause to be introduced an ordinance proposing an appropriation to the Bethel Endowment Fund of funds in an amount equal to 30% of the net income of previous year.

(b) The City Manager is directed to annually prepare the annual budget for submission to the City Council assuming appropriation to the Bethel Endowment Fund of the amount calculated under subsection (a) of this section.

(c) The method used by the City Manager to approximate the inflation rate shall be based upon a nationally recognized index for the prior calendar year.

Section 2: If any part or provision of this ordinance is adjudged invalid by a court of competent jurisdiction, such judgment shall be confined in its operation to the part or provision involved in the controversy, and shall not affect or impair the validity of the remainder of this ordinance. The City Council hereby declares that it would have enacted the remainder of this ordinance without such part or provision.

Section 3: This ordinance takes effect upon adoption.

PASSED AND APPROVED THIS 14th DAY OF September, 1993.

James H. Feaster III
James H. Feaster III, Mayor

ATTEST:

Jane Elam
Jane Elam, City Clerk