

Chapter 30

INVESTMENT OF CITY FUNDS*

* **Cross References:** Administration, ch. 2.

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Sec. 30-1. Authorized investments for funds other than pension funds.

The city finance director shall have authority to purchase and invest prudently in:

- (1) Obligations of the United States government, and its agencies and instrumentalities.
- (2) Certificates of deposit and other evidences of deposit at banks, credit unions, and savings and loan associations with offices in the state.
- (3) Bankers' acceptances of banks with offices in the state.
- (4) Commercial paper of banks with offices in the state.
- (5) Repurchase agreements whose underlying collateral consists of U.S. government agency securities and U.S. government sponsored corporations, plus the above, and which are offered by banks with offices in the state.
- (6) Money-market funds whose portfolios consist of the above instruments, and any other investments specifically approved by the city council.
- (7) No-load, open-end, diversified management investment companies incorporated under Rhode Island General Laws designed exclusively for all state government entities, agencies and instrumentalities.

(Code 1971, § 2-100)

Sec. 30-2. Standard for investment of funds other than pension funds.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived. Investments shall be made in accordance with written policies adopted by the city finance director in accordance with section 30-1. Such investments shall address liquidity, diversification, safety of principal,

yield, maturity, quality and capability of investment management, with primary emphasis on safety and liquidity.

(Code 1971, § 2-101)

Sec. 30-3. Designation of investment company for handling of pension funds.

(a) The mayor shall have the authority to designate an investment company to purchase and invest prudently in equities and fixed income securities, using funds from police pensions I and II and the fire pension fund.

(b) The municipal retirement board shall have the authority to designate an investment company to purchase and invest prudently in insurance contracts, equities and fixed income securities, using funds from the municipal retirement system.

(Code 1971, § 2-102)

Sec. 30-4. Standard for investment of pension funds.

Investments by investment companies pursuant to section 30-3 shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, considering the probable safety of their capital as well as the probable income to be derived. Investments of pension funds by the designated investment company shall be made in accordance with written policies as adopted by the city finance director for funds invested pursuant to section 30-3(a) and as adopted by the municipal retirement board for funds invested pursuant to section 30-3(b). Such investment policies shall address liquidity, diversification, safety of principal, yield, maturity and quality and capability of investment management.

(Code 1971, § 2-103)

Sec. 30-5. Fiscal notes--Accompaniment to ordinances and resolutions.

At the request of the mayor or any member of the city council, an ordinance or resolution having an effect on the revenues, expenditures, or fiscal liability of the city shall be accompanied by a brief explanatory statement or note prepared by the finance department which sets forth the estimated dollar effect thereof. Such statements or notes shall be known as fiscal notes and, when requested as above, shall accompany an ordinance or resolution prior to consideration by the city council.

(Code 1971, § 2-104; Ord. No. O-97-2, §§ I, II, 2-10-97; Ord. No. O-04-25, § I, 11-16-04)

Sec. 30-6. Same--Content.

Fiscal notes shall, wherever possible, cite effect in dollar amounts for the current fiscal year and estimates for the next two succeeding fiscal years. In the event that the fiscal effect commences or increases after this period, comments on such additional costs shall be required. No comment or opinion relative to the merits of the bill shall be included, excepting, however, that technical or mechanical defects may be noted.

(Ord. No. O-97-2, § I, 2-10-97)

Sec. 30-7. Same--Return.

Fiscal notes shall be returned to the finance committee of the city council seven days before the ordinance or resolution is to be considered by the city council.
(Ord. No. O-97-2, § I, 2-10-97)