

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672

7352

SENATE COMMUNITY & REGIONAL AFFAIRS

P.L. 100-220
Sec. 2202

LAWS OF 100th CONG.—1st SESS.

Dec. 29

and by standardizing types of plastic materials, taking into account trade secrets and protection of public health:

(C) incentives, including deposits on plastic containers, to increase the supply of plastic material for recycling and to decrease the amount of plastic debris, especially in the marine environment;

(D) the effect of existing tax laws on the manufacture and distribution of virgin plastic materials as compared with recycled plastic materials; and

(E) recommendations on incentives and other measures to promote new uses for recycled plastic articles and to encourage or require manufacturers of plastic articles to consider re-use and recycling in product design.

(6) An evaluation of the feasibility of making the articles identified under paragraph (1) from degradable plastics materials, taking into account—

(A) the risk to human health and the environment that may be presented by fragments of degradable plastic articles and the properties of the end-products of the degradation, including biotoxicity, bioaccumulation, persistence, and environmental fate;

(B) the efficiency and variability of degradation due to differing environmental and biological conditions; and

(C) the cost and benefits of using degradable articles, including the duration for which such articles were designed to remain intact.

(c) **CONSULTATION.**—In carrying out the study required by this section, the Administrator shall consult with the heads of other appropriate Federal agencies, representatives of affected industries, consumer and environment interest groups, and the public.

(d) **REPORT.**—Within 18 months after the date of the enactment of this Act, the Administrator of the Environmental Protection Agency shall report to the Congress the results of the study required by this section, including recommendations in connection therewith.

SEC. 2203. EFFECTS OF PLASTIC MATERIALS ON THE MARINE ENVIRONMENT.

Reports.

Not later than September 30, 1988, the Secretary of Commerce shall submit to the Congress a report on the effects of plastic materials on the marine environment. The report shall—

(1) identify and quantify the harmful effects of plastic materials on the marine environment;

(2) assess the specific effects of plastic materials on living marine resources in the marine environment;

(3) identify the types and classes of plastic materials that pose the greatest potential hazard to living marine resources;

(4) analyze, in consultation with the Director of the National Bureau of Standards, plastic materials which are claimed to be capable of reduction to environmentally benign submits under the action of normal environmental forces (including biological decomposition, photodegradation, and hydrolysis); and

(5) recommend legislation which is necessary to prohibit, tax, or regulate sources of plastic materials that enter the marine environment.

42 USC 6981
note

SEC. 2204. PLASTIC POLLUTION PUBLIC EDUCATION PROGRAM.

(a) **OUTREACH PROGRAM.**—

Dec. 29

U.S.-JAPAN FISHERY AGREEMENT

P.L. 100-220

Sec. 2301

(1) **IN GENERAL.**—Not later than April 1, 1988, the Administrator of the National Oceanic and Atmospheric Administration and the Administrator of the Environmental Protection Agency, in consultation with the Secretary of Transportation, shall jointly commence and thereafter conduct for a period of at least 3 years, a public outreach program to educate the public (including recreational boaters, fishermen, and other users of the marine environment) regarding—

- (A) the harmful effects of plastic pollution;
- (B) the need to reduce such pollution;
- (C) the need to recycle plastic materials; and
- (D) the need to reduce the quantity of plastic debris in the marine environment.

(2) **AUTHORIZED ACTIVITIES.**—A public outreach program under paragraph (1) may include—

- (A) workshops with interested groups;
- (B) public service announcements;
- (C) distribution of leaflets and posters; and
- (D) any other means appropriate to educating the public.

(b) **CITIZEN POLLUTION PATROLS.**—The Secretary of Commerce, along with the Administrator of the Environmental Protection Agency and the Secretary of the Department in which the Coast Guard is operating, shall conduct a program to encourage the formation of volunteer groups, to be designated as "Citizen Pollution Patrols", to assist in monitoring, reporting, cleanup, and prevention of ocean and shoreline pollution.

Voluntarism.

Use SWAMC Letterhead

MARINE DEBRIS QUESTIONNAIRE

The Southwest Alaska Municipal Conference (SWAMC) is conducting a study to determine the impact of MARPOL Annex V on various Alaska communities. As part of the study, SWAMC is attempting to determine the amount and type of refuse generated by the fishing industry. We would appreciate your assistance in answering the following questions. Please return the questionnaire to SWAMC at the above address or drop in the marked box located outside of the Council meeting room. All responses will be kept confidential.

Your Name (optional): _____

Company/Vessel Name (optional): _____

Address (optional): _____

Phone Number (optional): _____

.....

1.) Type of vessel:

Factory Trawler ___ Longliner ___ Crabber ___ Catcher/Processor ___
Salmon Gillnet _____ Salmon Seine _____

2.) Size of vessel: Length _____ Width _____

3.) Number of crew: _____

4.) Homeport: _____

5.) Length of typical voyage:

Number of days in transit _____ Number of days fishing _____

6.) Number of voyages each year: _____

7.) If you deliver raw product, do you deliver to: Mothership ___ Port ___

8.) If you deliver to a port, which port(s) and how many times per year do you normally deliver?

Port Name _____ Number of times per year _____

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Port Name _____ Number of times per year _____

Port Name _____ Number of times per year _____

9.) If your vessel is a factory trawler or catcher/processor, where and how many times per year do you deliver?

Where _____ Number of times per year _____

Where _____ Number of times per year _____

Where _____ Number of times per year _____

10.) Please estimate the total amount of refuse generated by your vessel per voyage. This estimate can be in weight, large garbage bags, compactor bags, etc.

11.) Of the refuse generated per voyage, please estimate the percentage that is

Food waste	_____ %
Plastic	_____ %
Non-recycleable metal and glass	_____ %
Recycleable metal (aluminum, etc.) and glass	_____ %
Packing materials	_____ %

12.) Where do you store your refuse on board? _____

13.) What do you currently do with your refuse?

Throw it overboard _____ Deliver it to port _____ Burn it _____

14.) Is storage space for refuse a problem? Yes _____ No _____

15.) Do you have a trash compactor on board? Yes _____ No _____

If "yes", what kind is it? _____

Do you feel that it assists you in storing your refuse? Yes _____ No _____

Why or why not? _____

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If "no", do you feel that the use of one would:

Assist you in storing your refuse _____ Be practical _____

Be beneficial _____ Be cost effective _____

Do you intend to install one? Yes _____ No _____

18.) Do you have an incinerator on board? Yes _____ No _____

If "yes", do you feel that it:

Assists you in disposing of refuse _____ Is practical _____

Is cost effective _____ Is beneficial _____

What kind is it? _____

If "no", do you feel that use of an incinerator on your vessel would:

Assist you in disposing of refuse _____ Be practical _____

Be cost effective _____ Be beneficial _____

Do you intend to install one? Yes _____ No _____

If "no", why not? Too expensive _____ Don't generate enough refuse _____

Other _____

21.) Do you feel that the people you buy your supplies from are in tune with the need to reduce the amount of generated refuse on your vessel? Yes _____ No _____

22.) If the people you buy your supplies from were in tune with the need to reduce the amount of generated refuse, how much of a volume reduction do you think could be accomplished on your vessel? _____

23.) Do you have any suggestions about possible ways to handle refuse?

TABLE 1

AMOUNT OF REFUSE GENERATED BY GEAR GROUP, BY AREA,
IN WESTERN ALASKA SALMON FISHERIES

AREA	GEAR TYPE	NUMBER OF VESSELS ¹	AVERAGE NUMBER OF CREW	DAYS ENGAGED IN FISHING ²	ESTIMATED YARDS OF REFUSE GENERATED ³
Kodiak	Purse Seine	298	4	119	1 482
	Beach Seine	18	3	119	67
	Gillnet	0	0	0	0
	Set Net ⁴	188	N/A	N/A	N/A
	Tenders ⁵	40	4	119	199
	TOTAL	544			1 748
Chignik	Purse Seine	103	4	95	409
	Gillnet	0	0	0	0
	Set Net	0	0	0	0
	Tenders ⁵	27	4	95	107
	TOTAL	130			516
Ak. Penn. / Aleutians Southside	Purse Seine	84	5	95	417
	Gillnet ⁶	100	3	47	147
	Set Net ⁷	62	3	95	185
	Tenders ⁵	20	4	95	79
	TOTAL	266			828
AK Penn / Aleutians Northside	Purse Seine	124	4	95	492
	Gillnet ⁶	100	3	47	147
	Set Net ⁷	35	3	95	104
	Tenders ⁵	20	4	95	79
	TOTAL	279			822
Bristol Bay	Purse Seine	0	0	0	0
	Gillnet	1,822	2	40	1 523
	Set Net	1,013	N/A	N/A	N/A
	Tenders ⁵	100	4	40	167
	TOTAL	2,935			1 690
TOTAL	Purse Seine	609			2 800
	Beach Seine	18			67
	Gillnet	2 022			1 817
	Set Net	1,298			289
	Tenders	207			632
	TOTAL	4,154			5,605

TABLE 2

AMOUNT OF REFUSE GENERATED BY GEAR GROUP, BY AREA,
IN WESTERN ALASKA ROE HERRING FISHERIES

AREA	GEAR TYPE	NUMBER OF VESSELS ¹	AVERAGE NUMBER OF CREW	DAYS ENGAGED IN FISHING ²	ESTIMATED YARDS OF REFUSE GENERATED ³
Kodiak	Purse Seine	29	4	45	55
	Combo	1	N/A	N/A	N/A
	Gillnet	62	2	45	58
	Tenders	15	4	45	28
	TOTAL	107			141
Chignik	Purse Seine	7	4	45	13
	Gillnet	0	0	0	0
	Tenders	1	4	45	2
	TOTAL	8			15
AK. Penn./ Aleutians	Purse Seine ⁴	65	4	25	68
	Gillnet	25	2	25	13
	Tenders	12	4	25	13
	TOTAL	102			94
Bristol Bay	Purse Seine	423	4	21	371
	Gillnet	808	2	21	355
	Tenders	140	4	21	123
	TOTAL	1,371			849
TOTAL	Purse Seine	524			507
	Gillnet	895			426
	Tender	168			105
	TOTAL	1,587			1,038

SOURCE: CFEC, Permit File Statistics By Fishery By Residency, 1989
Chuck Meham & Pete Probasco, ADF&G, Anecdotal Comments

¹ Unless otherwise noted, this includes just those vessels which made deliveries

² Includes total number of days in or about the fishing grounds, whether or not the season was technically open for fishing.

³ Determined by multiplying the number of vessels times the average number of crew times the days engaged in fishing time .07 (the amount of refuse generated per day in thirty gallon bag equivalents per person) divided by 6.7 (to convert to years)

⁴ Although only 27 vessels actually made deliveries, 65 vessels showed up on the grounds for significant periods of time. This is often the case with this particular fishery as vessels that participated in the Bristol Bay herring fishery wait for the herring to show up here before they move on to other commitments.

TABLE 3

TYPE OF GARBAGE GENERATED IN THE SALMON FISHERIES OF WESTERN ALASKA¹

AREA	GEAR TYPE	CUBIC YARDS OF REFUSE GENERATED	CUBIC YARDS OF FOOD WASTE	CUBIC YARDS OF PLASTICS	CUBIC YARDS OF NON-RECYCLEABLE	CUBIC YARDS OF RECYCLEABLE	CUBIC YARDS OF PACKING MATERIAL
Kodiak	Purse Seine	1,482	459	237	237	222	296
	Beach Seine	67	21	11	11	10	13
	Gillnet	0	0	0	0	0	0
	Set Net	0	0	0	0	0	0
	Tenders	199	62	32	32	30	40
	TOTAL	1,748	542	280	280	262	350
Chignik	Purse Seine	409	127	65	65	61	82
	Gillnet	0	0	0	0	0	0
	Set Net	0	0	0	0	0	0
	Tenders	107	33	17	17	16	21
	TOTAL	516	160	83	83	77	103
AK. Penn./ Aleutians Southside	Purse Seine	417	129	67	67	63	83
	Gillnet	147	46	24	24	22	29
	Set Net	185	57	30	30	28	37
	Tenders	79	25	13	13	12	16
	TOTAL	828	257	133	133	124	166
AK. Penn./ Aleutians Northside	Purse Seine	492	153	79	79	74	98
	Gillnet	147	46	24	24	22	29
	Set Net	104	32	17	17	16	21
	Tenders	79	25	13	13	12	16
	TOTAL	823	255	132	132	123	165
Bristol Bay	Purse Seine	0	0	0	0	0	0
	Gillnet	1,523	472	244	244	228	305
	Set Net	0	0	0	0	0	0
	Tenders	167	52	27	27	25	33
	TOTAL	1,690	524	270	270	254	338
TOTAL	Purse Seine	2,800	868	448	448	420	560
	Beach Seine	67	21	11	11	10	13
	Gillnet	1,817	563	291	291	273	363
	Set Net	289	90	46	46	43	58
	Tenders	632	196	101	101	95	126
	TOTAL	5,606	1,738	897	897	841	1,121

¹ The percentage used to determine the amount of each type of garbage is the average percentage identified by the crab harvesting component of the refuse questionnaire

TABLE 4

TYPE OF GARBAGE GENERATED IN THE ROE HERRING FISHERIES OF WESTERN ALASKA¹

AREA	GEAR TYPE	CUBIC YARDS OF REFUSE GENERATED	CUBIC YARDS OF FOOD WASTE	CUBIC YARDS OF PLASTICS	CUBIC YARDS OF NON-RECYCLEABLE	CUBIC YARDS OF RECYCLEABLE	CUBIC YARDS OF PACKING MATERIAL
Kodiak	Purse Seine	55	17	9	9	8	11
	Gillnet	58	18	9	9	9	12
	Tenders	28	9	5	5	4	6
	TOTAL	141	44	23	23	21	28
Chignik	Purse Seine	13	4	2	2	2	3
	Gillnet	0	0	0	0	0	0
	Tenders	2	1	0	0	0	0
	TOTAL	15	5	2	2	2	3
AK. Penn./ Aleutians	Purse Seine*	68	21	11	11	10	14
	Gillnet	13	4	2	2	2	3
	Tenders	13	4	2	2	2	3
	TOTAL	94	29	15	15	14	19
Bristol Bay	Purse Seine	371	115	59	59	56	74
	Gillnet	355	110	57	57	53	71
	Tenders	123	38	20	20	18	25
	TOTAL	849	263	136	136	127	170
TOTAL	Purse Seine	507	157	81	81	76	101
	Gillnet	426	132	68	68	64	85
	Tender	165	51	26	26	25	33
	TOTAL	1,098	340	176	176	165	220

¹ The percentage used to determine the amount of each type of garbage is the average percentage identified by the crab harvesting component of the refuse questionnaire

SOURCE: CFEC, Permit File Statistics By Fishery By Residency, 1989
Chuck Mecham & Pete Probasco, ADF&G, Anecdotal Comments

-
- 1 Includes only those vessels which actually made deliveries.
 - 2 Includes total number of days in or about the fishing grounds, whether or not the season was technically open for fishing.
 - 3 Determined by multiplying the number of vessels times the average number of crew times the days engaged in fishing times .07 (the amount of refuse generated per day in thirty gallon bag equivalents per person) divided by 6.7 (to convert to yards).
 - 4 Refuse is generated on shore; therefore, not included in MARPOL impact calculations.
 - 5 Estimated.
 - 6 There are approximately 200 drift gillnetters who make deliveries on both sides of the Alaska Peninsula. Most of these vessels fish part of the year in the south and the other part of the year in the north. We assume 50% of the vessels fish 50% of the time on the south side, and vice versa for the north side.
 - 7 Refuse is generated at sea; therefore, amount is included in MARPOL impact calculations.

15 Min Per Page
 OMB No. Approved 2115-0543
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APPLICATION FOR A CERTIFICATE OF ADEQUACY

FOR GARBAGE RECEPTION FACILITIES

FORM C

The Act to Prevent Pollution From Ships (33 USC 1901) authorized the Department of Transportation to issue certificates to terminals and ports verifying their adequacy to receive additional garbage from ships. Regulations implementing this program are in 33 Code of Federal Regulations Part 154. To continue to receive ships at a port or terminal, an applicant must hold a Certificate of Adequacy for Garbage if it receives or is on going to receive, or any other occupying ship of 400 gross tons or more, carrying residues and wastes as defined in 33 CFR 154.101, or if it receives or is on going to receive, or any other occupying ship carrying hazardous liquid substances, or if it receives fishing vessels which offload more than 500,000 pounds of commercial fish products during a calendar year. To receive a Certificate of Adequacy for Garbage Reception Facilities application is required on the form.

Definitions:

"Terminal": an on shore facility or an offshore structure located in the navigable waters of the United States or subject to the jurisdiction of the United States and used, or intended to be used, as a port or facility for the transfer or other handling of a harmful substance. The definition of "navigable waters" for the purposes of this section may be found in 33 CFR § 329.23. Garbage is considered a harmful substance under MARPOL 73/78.

"Port": (1) a group of terminals that combines to act as a port and be considered a port for purposes of this part, or (2) a port authority or other organization that chooses to be considered a port for purposes of this part, and (3) a place (a bargeing area) or facility that has been specifically designated as a port by the Captain of the Port.

1 Complete this section if you are applying as a single "Terminal."

A. Terminal Section:

Name of Terminal _____

Street Address _____

City _____ State _____ Zip _____

Name of Terminal Person in charge _____
 ()

Phone number _____ area code _____

Name of reception facility (if subcontracted) _____

Location of reception facility (City, State) _____

2 Check the following boxes if the terminal receives or discharges any of the following commodities from or to ships visiting the terminal:

- | | | |
|--|------------------------------------|----------------------------------|
| <input type="checkbox"/> Oil or petroleum products | <input type="checkbox"/> Discharge | <input type="checkbox"/> Receive |
| <input type="checkbox"/> Bulk dry cargoes | <input type="checkbox"/> Discharge | <input type="checkbox"/> Receive |
| <input type="checkbox"/> Bulk chemicals | <input type="checkbox"/> Discharge | <input type="checkbox"/> Receive |
| <input type="checkbox"/> Fish | <input type="checkbox"/> Discharge | <input type="checkbox"/> Receive |
| <input type="checkbox"/> Liquefied gases | <input type="checkbox"/> Discharge | <input type="checkbox"/> Receive |
| <input type="checkbox"/> General cargo | <input type="checkbox"/> Discharge | <input type="checkbox"/> Receive |
| <input type="checkbox"/> Other _____ | <input type="checkbox"/> Discharge | <input type="checkbox"/> Receive |

3 Check the following boxes if the terminal handles or services any of the following ships:

- | | |
|--|---|
| <input type="checkbox"/> Ships of foreign registry | <input type="checkbox"/> Unmanned barges |
| <input type="checkbox"/> U.S. ships in domestic trade | <input type="checkbox"/> Chemical ships |
| <input type="checkbox"/> U.S. ships in foreign trade | <input type="checkbox"/> Container ships |
| <input type="checkbox"/> Passenger ships | <input type="checkbox"/> Break bulk ships |
| <input type="checkbox"/> Vessels servicing the offshore mineral and oil industry | <input type="checkbox"/> Ferry boats |
| | <input type="checkbox"/> Fishing vessels |

After completing this section go to Section C.

1 Complete this section if you are applying as a "Port."

B. Port Section:

Name of Port _____

Name of Port Person in charge _____

Street Address _____

City _____ State _____ Zip _____

Phone number _____ area code _____

Name of reception facility (if subcontracted) _____

Location of reception facility (City, State) _____

Number of Terminals which will be members of this Port? _____

Section B continues on the next page

B. Port Section: (cont'd)

Ports are to complete the following block entries for each individual terminal which is a member of the Port. If the Port listed in Section B.1. is also one of the terminals which will be using the reception facilities, please complete one of the terminal entries below.

2 Individual Terminal information:
(for terminals who wish to be members of a port)

Name of Terminal _____

Street Address _____

City _____ State _____ Zip _____

Name of Terminal Person in Charge _____
()

Phone Number _____ area code _____

Name of Reception Facility (if subcontracted) _____

Location of Reception Facility (City, State) _____

3 Check the following boxes if the terminal receives or discharges any of the following commodities from ships visiting the terminal:

- | | | |
|--|------------------------------------|----------------------------------|
| <input type="checkbox"/> Oil or petroleum products | <input type="checkbox"/> Discharge | <input type="checkbox"/> Receive |
| <input type="checkbox"/> Bulk dry cargoes | <input type="checkbox"/> Discharge | <input type="checkbox"/> Receive |
| <input type="checkbox"/> Bulk chemicals | <input type="checkbox"/> Discharge | <input type="checkbox"/> Receive |
| <input type="checkbox"/> Fish | <input type="checkbox"/> Discharge | <input type="checkbox"/> Receive |
| <input type="checkbox"/> Liquefied gases | <input type="checkbox"/> Discharge | <input type="checkbox"/> Receive |
| <input type="checkbox"/> General cargo | <input type="checkbox"/> Discharge | <input type="checkbox"/> Receive |
| <input type="checkbox"/> Other _____ | <input type="checkbox"/> Discharge | <input type="checkbox"/> Receive |

4 Check the following boxes if the terminal handles or services any of the following ships:

- | | |
|--|---|
| <input type="checkbox"/> Ships of foreign registry | <input type="checkbox"/> Unmanned barges |
| <input type="checkbox"/> U.S. ships in domestic trade | <input type="checkbox"/> Chemical ships |
| <input type="checkbox"/> U.S. ships in foreign trade | <input type="checkbox"/> Container ships |
| <input type="checkbox"/> Passenger ships | <input type="checkbox"/> Break bulk ships |
| <input type="checkbox"/> Ships servicing the offshore mineral and oil industry | <input type="checkbox"/> Ferry boat ships |
| | <input type="checkbox"/> Fishing ships |

Signature of Person In Charge of Terminal

Signature indicates person in charge of terminal acknowledges and consents to being considered as a member of the port, described in Section B.1.

2 Individual Terminal information:
(for terminals who wish to be members of a port)

Name of Terminal _____

Street Address _____

City _____ State _____ Zip _____

Name of Terminal Person in charge _____
()

Phone Number _____ area code _____

Name of Reception Facility (if subcontracted) _____

Location of Reception Facility (City, State) _____

3 Check the following boxes if the terminal receives or discharges any of the following commodities from ships visiting the terminal:

- | | | |
|--|------------------------------------|----------------------------------|
| <input type="checkbox"/> Oil or petroleum products | <input type="checkbox"/> Discharge | <input type="checkbox"/> Receive |
| <input type="checkbox"/> Bulk dry cargoes | <input type="checkbox"/> Discharge | <input type="checkbox"/> Receive |
| <input type="checkbox"/> Bulk chemicals | <input type="checkbox"/> Discharge | <input type="checkbox"/> Receive |
| <input type="checkbox"/> Fish | <input type="checkbox"/> Discharge | <input type="checkbox"/> Receive |
| <input type="checkbox"/> Liquefied gases | <input type="checkbox"/> Discharge | <input type="checkbox"/> Receive |
| <input type="checkbox"/> General cargo | <input type="checkbox"/> Discharge | <input type="checkbox"/> Receive |
| <input type="checkbox"/> Other _____ | <input type="checkbox"/> Discharge | <input type="checkbox"/> Receive |

3 Check the following boxes if the terminal handles or services any of the following ships:

- | | |
|--|---|
| <input type="checkbox"/> Ships of foreign registry | <input type="checkbox"/> Unmanned barges |
| <input type="checkbox"/> U.S. ships in domestic trade | <input type="checkbox"/> Chemical ships |
| <input type="checkbox"/> U.S. ships in foreign trade | <input type="checkbox"/> Container ships |
| <input type="checkbox"/> Passenger ships | <input type="checkbox"/> Break bulk ships |
| <input type="checkbox"/> Ships servicing the offshore mineral and oil industry | <input type="checkbox"/> Ferry boat ships |
| | <input type="checkbox"/> Fishing ships |

Signature of Person In Charge of Terminal

Signature indicates person in charge of terminal acknowledges and consents to being considered as a member of the port, described in Section B.1.

After completing this section go to Section C.

This page may be locally reproduced to accommodate larger Ports

Section C: Circle the location of the USCG Captain of the Port Office which has authority in your area.

Commanding Officer USCG Marine Safety Office	1 Portland, ME
Commanding Officer USCG Marine Safety Office	2 Boston, MA
Commanding Officer USCG Marine Safety Office	3 Providence, RI
Captain of the Port, Long Island Sound	4 Long Island Sound, New Haven, CT
Captain of the Port, New York	5 New York, NY
Commanding Officer USCG Marine Safety Office	6 St. Louis, MO
Commanding Officer USCG Marine Safety Office	7 Huntington, WV
Commanding Officer USCG Marine Safety Office	8 Louisville, KY
Commanding Officer USCG Marine Safety Office	9 Memphis, TN
Commanding Officer USCG Marine Safety Office	10 Paducah, KY
Commanding Officer USCG Marine Safety Office	11 Pittsburgh, PA
Commanding Officer USCG Marine Safety Office	12 Baltimore, MD
Commanding Officer USCG Marine Safety Office	13 Hampton Roads, VA
Commanding Officer USCG Marine Safety Office	14 Philadelphia, PA
Commanding Officer USCG Marine Safety Office	15 Wilmington, NC
Commanding Officer USCG Marine Safety Office	16 Charleston, SC
Commanding Officer USCG Marine Safety Office	17 Jacksonville, FL
Commanding Officer USCG Marine Safety Office	18 San Juan, PR
Commanding Officer USCG Marine Safety Office	19 Savannah, GA
Commanding Officer USCG Marine Safety Office	20 Tampa, FL
Commanding Officer USCG Marine Safety Office	21 Miami, FL
Commanding Officer USCG Marine Safety Office	22 Mobile, AL
Commanding Officer USCG Marine Safety Office	23 Morgan City, LA
Commanding Officer USCG Marine Safety Office	24 New Orleans, LA
Captain of the Port, Houston	25 Houston, TX
Commanding Officer USCG Marine Safety Office	26 Galveston, TX
Commanding Officer USCG Marine Safety Office	27 Port Arthur, TX
Commanding Officer USCG Marine Safety Office	28 Corpus Christi, TX
Commanding Officer USCG Marine Safety Office	29 Chicago, IL
Commanding Officer USCG Marine Safety Office	30 Buffalo, NY
Commanding Officer USCG Marine Safety Office	31 Cleveland, OH
Commanding Officer USCG Marine Safety Office	32 Detroit, MI
Captain of the Port, Grand Haven	33 Grand Haven, MI
Captain of the Port, Sault Ste. Marie	34 Sault Ste. Marie, MI
Commanding Officer USCG Marine Safety Office	35 Duluth, MN
Commanding Officer USCG Marine Safety Office	36 Milwaukee, WI
Commanding Officer USCG Marine Safety Office	37 Toledo, OH
Commanding Officer USCG Marine Safety Office	38 Long Beach, CA
Commanding Officer USCG Marine Safety Office	39 San Diego, CA
Commanding Officer USCG Marine Safety Office	40 San Francisco, CA
Commanding Officer USCG Marine Safety Office	41 Portland, OR
Commanding Officer USCG Marine Safety Office	42 Puget Sound, WA
Commanding Officer USCG Marine Safety Office	43 Anchorage, AK
Commanding Officer USCG Marine Safety Office	44 Juneau, AK
Commanding Officer USCG Marine Safety Office	45 Valdez, AK
Commanding Officer USCG Marine Safety Office	46 Honolulu, HI
Commanding Officer USCG Marine Safety Office	47 Guam

After completing this section go to Section D.

Section D:

1. Does the terminal or port receive visits from ships arriving from foreign ports (except Canada).

Yes No *If the answer is "NO" go to question number 4.*

2. Does the terminal or port have facilities, either onboard or on contract, approved by the Administrator, Animal and Plant Health Inspection Service (APHIS), U.S. Department of Agriculture, for the disposal of garbage from foreign ports (except Canada) in accordance with 7 CFR 330.400 and 9 CFR 94.5.

Yes No *(If the answer is "No" you may attach a waiver request in accordance with 33 CFR 158 on a separate attached sheet.)*

NAME OF APHIS APPROVED DISPOSAL FACILITY

TYPE (INCINERATOR, STERILIZER, AUTOCLAVE, ETC.)

()

CITY

STATE

PHONE NUMBER

AREA CODE

3. For those terminal(s)/port(s) requiring the services of an Animal and Plant Health Inspection Service approved facility, is the terminal or port capable of receiving all garbage from these ships visiting the terminal/port within 24 hours of vessel after notification of need for such services is given?

Yes No *(If the answer is "No" you may attach a waiver request in accordance with 33 CFR 158 on a separate attached sheet.)*

4. Is the terminal or port able to receive all garbage as defined in 33 CFR 158.120 which the master or person in charge of a ship desires to discharge, except:

- (1) large quantities of spoiled or damaged cargoes not usually discharged by a ship; or
- (2) garbage from ships not having commercial transactions with that terminal or port?

Yes No *(If the answer is "No" you may attach a waiver request in accordance with 33 CFR 158 on a separate attached sheet.)*

The terminal/port person in charge identified in the Application shall notify the U.S. Coast Guard Captain of the Port (COTP) in writing 30 days after any of the terminal/port information identified under 33 CFR 158.165(b)(3) changes.

Civil Penalties. A person who, after notice and an opportunity for a hearing, is found:

- a. to have made a false, fictitious or fraudulent statement or representation in any matter in which a statement or representation is required to be made under the Act to Prevent Pollution from Ships, or the regulations thereunder, shall be liable to the United States for a civil penalty, not to exceed \$5,000 for each statement or representation; or
- b. to have violated the Act to Prevent Pollution from Ships, or the regulations issued thereunder, shall be liable to the United States for a civil penalty, not to exceed \$25,000, for each violation. Each day of a continuing violation constitutes a separate

CERTIFICATION

I HEREBY CERTIFY THAT THE INFORMATION PROVIDED IN THIS APPLICATION FOR A GARBAGE RECEPTION FACILITY CERTIFICATE OF ADEQUACY FOR GARBAGE RECEPTION FACILITIES IS COMPLETE, TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

SIGNATURE OF TERMINAL/PORT PERSON IN CHARGE _____

PRINTED OR TYPED NAME OF PERSON IN CHARGE _____

DATE SIGNED _____

ON OR BEFORE AUGUST 27, 1989 MAIL APPLICATION TO
 COMMANDANT (G-MPS-1), U.S. COAST GUARD HEADQUARTERS
 2100 SECOND STREET SW
 WASHINGTON, D.C. 20543-0001
 ATTENTION: RECEPTION FACILITY DESK

AFTER AUGUST 27, 1989 MAIL APPLICATION TO
 THE LOCAL U.S. COAST GUARD CAPTAIN OF THE PORT (COTP) OFFICE
 (SEE PAGE 3 FOR THE LIST OF COTP OFFICES)

COMPLIANCE AGREEMENT

A. Regulated Garbage Handling Procedures

- (1) Garbage removed from foreign arriving aircraft will be: (Check appropriate box).
- () Incinerated;
 - () Steam sterilized and contracted for landfill burial without diversion;
 - () Transported by an approved garbage hauler for incineration or sterilization.

Scraping residue and runoff will be ground into an approved sewage system as defined in 7 CFR 300.400 or 4 CFR 94.5 03 and 04.

- (2) The caterer will meet aircraft originating from a foreign location, (foreign flight), on arrival for the purpose of decatering the aircraft. The caterer will immediately notify local Plant Protection and Quarantine (PPQ) if unable to meet a flight on arrival, in which case the caterer will provide control over regulated garbage through assigned caterer or airline personnel in a manner acceptable to PPQ.
- (3) Garbage removed from the ^{vessel} aircraft will be continually maintained in enclosed receptacles with no leakage, exposed garbage, or holes in plastic bags until disposed of in an approved manner.
- (4) The caterer is responsible for all regulated garbage including food waste, loose trays of food and unused meals, and will not allow its unauthorized diversion, removal, or use.
- (5) The dock area and the area around garbage sterilizers, compactors and/or dumpsters shall be kept clean and free of loose garbage. Compactor and dumpster leakage shall be contained in a manner acceptable by PPQ.
- (6) Caterers handling both foreign garbage and domestic garbage at the same catering kitchen will either handle both types of garbage as foreign garbage, or will:
- (a) Identify foreign flight galley equipment before its association with domestic flight equipment and/or garbage;
 - (b) Keep regulated garbage segregated from domestic garbage until incinerated, sterilized, or removed by an approved cartage firm;

- (c) Use easily identifiable containers for foreign garbage. Rigid containers shall be lettered with the words "REGULATED GARBAGE" or a similar acceptable phrase in English and any appropriate foreign language. Lettering shall be at least 2 inches high on indoor containers and at least 4 inches high on outdoor containers. Containers used for regulated garbage shall not be used for domestic garbage; nor shall containers used for domestic garbage be used for regulated garbage; and
- (d) Conspicuously post regulated handling procedures in the work area in English and other appropriate languages.

B. Equipment

(1) If a sterilizer is used:

- (a) It will be capable of heating garbage to a minimum internal temperature of 212 °F, and maintaining it at that temperature for at least 30 minutes. To achieve this the sterilizer will be calibrated for the following time/temperature setting.

Temperature setting _____ PSI _____ Minimum cooking cycle _____

A maximum load of _____ bags of garbage per cooking cycle is allowed.

- (b) A thermocouple probe will be used initially and twice each year to recalibrate the temperature recording device and adjust the sterilization cycle to assure that the garbage is heated to a minimum internal temperature of 212 °F for at least 30 minutes. The test load shall be at the maximum capacity of the sterilizer and of typical composition for the location. The tests will be supervised by an employee of PPQ, Animal and Plant Health Inspection Service (APHIS), U.S. Department of Agriculture (USDA). The adjusted sterilization cycle will be followed.
- (c) The time and temperature record of each batch of foreign garbage shall be dated and initialed by the sterilizer operator and signed by the supervisor. It will be retained at the establishment for at least 6 months and be available for review by PPQ representatives.
- (d) The bottom, rear drain of the sterilizer unit will be cleared between each cycle to assure proper steam circulation and drainage. This is accomplished by removing and cleaning the strainer inside the drain and then flushing the drain with a water hose to dislodge any foreign debris, or by cleaning the strainer and flushing the drain with another system acceptable to PPQ.

- (2) If an incinerator is used, it must reduce all regulated garbage to ash.

C. Training

- (1) The establishment shall present a training program to employees before they are permitted to handle or supervise the handling of regulated foreign arrival flight materials. This training program should be at least 1 hour in duration. Previously trained employees shall be provided review training annually. (This training may be given in more than one session.)
- (2) The training package must be approved by the local PPQ Officer in Charge, and may include both formal classroom training and on-the-job training. It must:
 - (a) Define regulated garbage;
 - (b) Explain the regulations and the purpose of the regulations;
 - (c) Include film, slides, or other training aids on foreign animal and plant diseases and pests;
 - (d) Specifically outline, by demonstration, illustration, or picture, proper regulated garbage handling procedures for the facility, step-by-step from stripping of aircraft to disposal; and
 - (e) Be presented in English and other appropriate languages.
- (3) Proof of training administered to employees shall be made available to PPQ personnel upon request.

D. Backup System

In the event the primary garbage disposal system is inoperable, the local PPQ-APHIS-USDA office must be notified in advance as to use of the following prearranged approved backup system: (Check one)

- Incinerator located at _____
- Sterilizer located at _____
- Other (explain) _____

E. Notice

This agreement may be immediately cancelled or revoked for non-compliance. Violation of these Federal regulations can result in a criminal penalty of up to a \$5,000 fine, a year in jail, or both, or a civil penalty and a fine of up to \$1,000 per violation.

**DEPARTMENT OF ENVIRONMENTAL CONSERVATION
DIV. FACILITY CONSTRUCTION & OPERATION
COMMUNITY REQUESTS FOR VILLAGE SAFE WATER GRANT FUNDING
3/8/91**

<u>Community</u>	<u>Project Title</u>	<u>Grant Request</u>	<u>Cumulative</u>
Alakanuk	Honey Bucket Haul	\$305,000	\$305,000
Koyuk	Piped Water and Sewer Systems	\$1,200,000	\$1,505,000
Stebbins	Honey Bucket Access Road	\$38,000	\$1,543,000
Dccring	Water/Sewer Phase I	\$1,998,427	\$3,541,427
Tuluksak	Water, Sewer & Solid Waste Study	\$50,000	\$3,591,427
Nikolai	Water and Sewer Improvement Project	\$500,000	\$4,091,427
Chevak	Sewer upgrade	\$300,000	\$4,391,427
Tyonek	Water & Sewer Phase III	\$742,000	\$5,133,427
Huslia	Sanitation Improvements	\$500,000	\$5,633,427
Kotlik	Honey Bucket Cleanup	\$50,000	\$5,683,427
Statewide	Village clinic water/sewer upgrade	\$500,000	\$6,183,427
White Mountain	Water and Sewer	\$617,000	\$6,800,427
Thorne Bay	Sewer Project	\$1,100,000	\$7,900,427
Ketchikan Gateway Bor.	Mt. Point Water & Sewer Project	\$2,524,000	\$10,424,427
Anderson	Septage Disposal Facility	\$300,000	\$10,724,427
Glennallen	Sewer System	\$1,200,000	\$11,924,427
Anchor Point	Watering Point Facility	\$68,000	\$11,992,427
Klukwan	Lagoon	\$389,000	\$12,381,427
kotna	Rehab of Sanitation Facilities	\$225,000	\$12,606,427
Noorvik	Water & Sewer Upgrade	\$400,000	\$13,006,427
Selawik	Storage/Washeteria	\$800,000	\$13,806,427
Mekoryuk	Flush Tank and Haul Demonstration Project	\$180,000	\$13,986,427
Unalakleet	Solid Waste	\$1,414,000	\$15,400,427
Nelchina/Mendeltna Corporation	Waste Transfer Station & Well	\$42,600	\$15,443,027
Matanuska-Susitna Borough	Talkeetna East Side Sewer and Water Construction	\$3,100,000	\$18,543,027
Chefomak	Water & Sewer System	\$2,147,499	\$20,690,526
Kokhonak	Water & Sewer Improvements	\$100,000	\$20,790,526
New Stuyahok	Water Sewer & Solid Waste	\$477,000	\$21,267,526
Togiak	Togiak Water & Sewer Const.	\$257,000	\$21,524,526
Gambell	Water & Sewer Phase III	\$2,800,000	\$24,324,526
Bethel	Wastewater Treatment System Improvements	\$623,000	\$24,947,526
Lower Kalskag	Solid Waste Improvements	\$175,000	\$25,122,526
Golovin	Water and Sewer Progressive Improvements Plan Ph. 2.	\$427,280	\$25,549,806
Nulato	Water & Sewer System Phase III	\$2,382,000	\$27,931,806
Emmonak	Sewer and Water Expansion	\$1,000,000	\$28,931,806
Kotzebue	Sewer Main Rehab	\$1,370,000	\$30,301,806
Kiana	Sewage Treatment Renovation	\$968,000	\$31,269,806
Ruby	Sanitary Landfill	\$60,000	\$31,329,806
Elim	Sewer Ocean Outfall Line Rehab	\$431,000	\$31,760,806
Hooper Bay	Water & Sewer Upgrade	\$990,000	\$32,750,806
Shageluk	Washeteria/Water Treatment Plant Renovation	\$300,000	\$33,050,806
Kaltag	Water and Sewer Extension	\$217,380	\$33,268,186
Manokotak	Water System Improvements	\$300,000	\$33,568,186
rt Lions	Water & Sewer	\$250,000	\$33,818,186

<u>Community</u>	<u>Project Title</u>	<u>Grant Request</u>	<u>Cumulative</u>
Offman Cove	Water and Sewer Construction	\$800,000	\$34,618,186
savoonga	Solid Waste	\$750,000	\$35,368,186
Chignik	Sewer Upgrade/Drainfield Replacement	\$200,000	\$35,568,186
Various Statewide Communities	Engineering Feasibility Studies	\$100,000	\$35,668,186
Kotzebue	Sewage Lagoon Upgrade	\$480,000	\$36,148,186
Chistochina	Chistochina Safewater	\$25,000	\$36,173,186
Port Graham	Engr Design/Study	\$75,000	\$36,248,186
St. Michael	Water tanker/fire truck/ appurtenances	\$300,000	\$36,548,186
Northway	Sanitation facility upgrade	\$260,000	\$36,808,186
Kivalina	Water Tank Upgrade	\$900,000	\$37,708,186
South Naknek	Septic Tank Project	\$581,000	\$38,289,186
Clarks Point	Extension of Water and Sewer	\$280,000	\$38,569,186
Healy Lake Village	Water/Sewer Project	\$92,000	\$38,661,186
Tanacross	Water & Sewer Expansion & Repair	\$200,000	\$38,861,186
Atka	Engr Evaluation Water/Sewer	\$100,000	\$38,961,186
Grayling	Gallery Pump Project	\$100,000	\$39,061,186
Birch Creek	Solid Waste Removal & Relocation	\$10,000	\$39,071,186
Minto	Solid Waste Site	\$150,000	\$39,221,186
Larsen Bay	Water Improvements	\$530,000	\$39,751,186
Noatak	Solid Waste Site	\$300,000	\$40,051,186
Kotzebue	Sanitary Landfill Study	\$150,000	\$40,201,186
Chenegua Bay	Solid Waste Disposal	\$383,891	\$40,585,077
Chevak	Laundry & Sewer Disposal Lines	\$37,000	\$40,622,077
Shungnak	Solid Waste Improvements	\$120,000	\$40,742,077
Point Baker	Engineering Feasibility Study	\$25,000	\$40,767,077
Ek	Feasibility Study-Water Well Drilling	\$22,500	\$40,789,577
St. Michael	Phase II Washeteria	\$474,200	\$41,263,777
Kasaan	Water Supply Improvements- Phase I	\$306,000	\$41,569,777
Toksook Bay	Water Supply Improvements Project	\$550,000	\$42,119,777
Stevens Village	Washeteria Upgrade	\$400,000	\$42,519,777
Brevig Mission	Water and Sewer Design	\$150,000	\$42,669,777
Ouzinkie	Safewater Relocation	\$200,000	\$42,869,777
Gulkana	Water & Sewer		\$42,869,777
Birch Creek	Tank Rehabilitation	\$150,000	\$43,019,777
Kobuk	Water, Sewer & Solid Waste	\$1,500,000	\$44,519,777
Scammon Bay	Village Safe Water	\$150,000	\$44,669,777
Metlakatla	Water Tank & Feeder Lines Replacement	\$584,200	\$45,253,977
Teller	Safe Water/Sewer/Solid Waste	\$200,000	\$45,453,977
Eagle Village	Washeteria, Lagoon & Water Project	\$1,600,000	\$47,053,977
Ambler	Water and Sewer Lines	\$150,000	\$47,203,977
Venetie	Washeteria Rehab	\$1,470,000	\$48,673,977
False Pass	Water Supply for New Community Dev. Proj.	\$280,250	\$48,954,227
Eek	Washeteria Upgrade	\$8,122	\$48,962,349
Chignik Lake	Solid Waste Study	\$25,000	\$48,987,349

S B

182

★ Fairbanks North Star Borough

809 Pioneer Road

P.O. Box 1267

Fairbanks, Alaska 99707

907/452-4761

May 3, 1991

Ben A. Barrera
Vice President, Corporation Relations
National Bank of Alaska
P. O. Box 100600
Anchorage, Alaska 99510-0600

Dear Mr. Barrera:

It was a pleasure to have the opportunity to meet you last week at the Municipal Finance Officers Association meeting. Since I've had a long term association with NBA, I felt that it was important for you hear my thoughts on an important matter. A copy of my comments to Senator Steve Frank regarding SB 182 is attached.

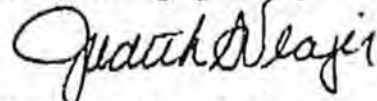
It is my understanding that Jan Siebert and a banking lobbyist are attempting to derail the Municipal Investment Pool legislation, SB 182. NBA officials have been attending our meetings twice-a-year and have not ever said a word of advise about the pooling concept. I met with Al Stockman last fall and discussed it with him. We have never heard any negative feedback from the bank until now, when the SB 182 is moving through the Senate.

NBA would have had quite an advantage in being part of the pool management due to its statewide exposure and being able to offer statewide coverage for cash to flow into and out of investments. This would have been a major marketing and operations plus to the pool management. NBA has all sorts of affiliations for services with outside firms and even has a relationship with an outside Alaska investment firm for some of its managed accounts. The Steering Committee put in an "Alaska preference" to encourage Alaska firms to assess the potential, hoping they would respond to this need. I do not understand why NBA choose not to develop this market, either separately or with affiliates.

NBA's posture in not responding to the management RFP does not diminish the "advantages" of the pooling concept and should not give NBA the cause nor the excuse to work to derail the legislation.

Thank you for hearing me out.

Sincerely yours,



Judith A. Slajer
Chief Financial Officer

Attachment (1)

cc: Scott Burgess, Alaska Municipal League

MAIL	TO: Scott Burgess AML	FROM: Judi Slajer FNSB	DATE: 5/3/91
	FAX #: 463-5480	FAX #: 459-1330 PHONE #: 459-1370	NO. PAGE INCLUDING THIS PAGE 1

National Bank of Alaska



Corporate Headquarters P.O. Box 100600 Anch

TELECOPIER HEAD

*Important!
Read it!
Kendall Sr*

TO: Bruce Kendall
NAME

State - Governor's Office
COMPANY

465 - 347
RECIPIENT'S TELECOPIER NUMBER

We are transmitting 3 pages, including this header sheet.

The information contained in this facsimile transmittal is confidential, may be subject to the Bank-client privilege and is intended only for the use of the recipient named above. If the reader of this information is not the intended recipient, or the employee or agent responsible for delivery of this information to the intended recipient, you are hereby notified that this is not a waiver of privilege and any dissemination, distribution or copying of this information is strictly prohibited. If you have received this information in error, please notify the sender immediately by telephone and return the original information to the sender, by U.S. mail, at the above address.

FROM: Tom Sieberts
NAME

Telephone: (907) 265-2991

Telecopier: (907) 263-2582

*Bruce, In regard to SB182 - Municipal Pooling
Someone should understand that Deloitte + Touche is
handling the pooling for the Alaska Municipal
League. They are the same folks who got
SBS into executive life. This is a dangerous
bill*



EMPIRE

Capital City

WAN'S FAX NO 263-2582



SBS: What went wrong?

State lawyers look for cause of retirement fund debacle

By RALPH THOMAS
THE JUNEAU SIMPS

Alaska officials may have someone other than themselves to blame for letting \$132 million from a state employee retirement fund fall into the clutches of a crumbling insurance company.

Someone to blame means someone to sue.

State attorneys are considering lawsuits against consulting firms that helped oversee the fund's investments.

Between 1987 and 1990, the state invested millions of dollars from the Supplemental Benefits System with Executive Life Insurance Co. of California, and in exchange received four so-called "guaranteed investment contracts" - promises of high interest rates backed by signatures from corporate executives, but no collateral.

The retirement fund was started in 1980 after state workers opted out of the federal Social Security program. Since then, the fund has grown to \$820 million, including the faulty Executive Life contracts.

Now the state - and the SBS fund - stand to get burned. Executive Life's sweet tooth for high-yield, high-risk junk bonds caught up with

the company about two weeks ago when California insurance regulators seized the firm and its assets.

As more and more Executive Life creditors - including the Internal Revenue Service - come calling, Alaska's chances of getting anything for its unsecured investments is growing more grim.

Who's to blame?

One state official who was in charge of investing the SBS money apparently knew about Executive Life's junk-bond woes in 1987, not long after the first investment contract was signed. But that man - Mike Halverson - says he got repeated advice from the state's SBS consultant to stick with Executive Life.

Halverson, who resigned less than a month ago from his post at the state Division of Retirement and Benefits, admitted in a recent interview with an Anchorage reporter that he was in over his head with the SBS investment job. So he frequently turned to the state's consultant, Bob Richardson of William M. Mercer Cos., a subsidiary of Marsh & McLennan, an nationwide insurance brokerage.

As the state's consultant, Mercer
Please turn to 5B, Page 5



■ JUNEAU EMPIRE, TUESDAY, APRIL 30, 1991

Military hospital may move to Alaska

THE ASSOCIATED PRESS

ANCHORAGE — Bush negotiations between the United States and the Philippine government could result in the transfer of a large military hospital to Alaska, officials say.

The U.S. Air Force is preparing for a possible transfer of medical personnel from Clark Air Base in the Philippines to the Elmendorf Air Force Base hospital, several Alaska legislators and congressional sources said.

An announcement from the Air Force could come within days,

source said. Such a move is contingent on military base lease talks between the U.S. and Philippine governments. The sixth and final round of the talks began Monday.

An Air Force spokesman said he could not comment on the transfer reports.

"At this time there has been no public announcement of a change in the hospital's status," Lt. Col. Mike Conlay said.

Several members of the state House Special Committee on Military and Veterans Affairs said they

learned in a briefing conducted by Lt. Gen. Thomas McInerney that the Elmendorf hospital will profit from Clark Air Base's losses. McInerney is commander of the 11th Air Force.

The briefing came during a three-day tour of Alaska military installations last month.

"My understanding was that some of the hospital units stationed in the Philippines are coming to Elmendorf," said Rep. Cliff Davidson, D-Kodiak. "It seemed to me he said it would be in the next year to year and a half."

SBS...

Continued from Page 1
cer's Seattle office oversaw the bidding process for the first three contracts won by Executive Life.

In the summer of 1989, the state switched to a new SBS consultant — DeLoitte & Touche of Minneapolis, Minn. That firm handled the bidding for the last contract won by Executive Life.

Not long after Executive Life landed its first SBS contract, an official who worked one floor above Halverson in the State Office Building began getting anonymous mailings that warned of the company's junk-bond troubles.

Mike DeBerry, a contract officer in the Division of General Services, said last week he thought the anonymous mailings might have come from insurance companies that lost to Executive Life in the SBS contract bidding battle.

The mailings included articles from insurance and investment publications and the Wall Street Journal. Most of the articles mention that almost half of Executive Life's assets were in junk bonds.

DeBerry said he gave the articles to Halverson.

But, according to Halverson, Richardson assured him that Executive Life would survive long enough for the state to get its money back with interest.

That advice may amount to negligence, especially in light of Executive Life's widely known junk-bond woes, said James Baldwin, an assistant attorney general who is reviewing the issue.

"The contract that we had with Mercer provided an indemnification to the state for their negligence," Baldwin said Monday. He said he assumes the contract with DeLoitte & Touche had the same clause.

No written evidence of Richardson's bad advice was found in Halverson's files by the Empire, but Baldwin said he had seen some docu-

mentation. "There are some things that are in writing," Baldwin said.

If the state takes Mercer to court, it will have to rely heavily on Halverson as a "key witness," Baldwin said.

Neither Richardson nor Halverson could be reached for comment. Richardson is reportedly on a sailing trip around the world, and a person who answered the phone at Halverson's home in Juneau said he has left the state for more than a month.

Brian McQue, the Mercer consultant who oversaw bidding for the third contract won by Executive Life, did not return a call from the Empire this morning.

It may be easier for the state to prove DeLoitte & Touche was negligent, but there's much less at stake.

Not long after DeLoitte & Touche helped the state negotiate a \$65 million SBS investment with Executive Life in 1989, administration officials began to worry about the company's junk-bond problems.

Former Department of Administration Commissioner Frank Baxter then went to Los Angeles and worked out a deal with Executive Life — a deal that cut the \$65 million contract down to about \$1.4 million. In return for getting most of its money back from the contract, the state agreed it would not try to get out of the first three contracts.

Though the remaining \$1.4 million is just 1 percent of what SBS stands to lose with Executive Life, the state may sue DeLoitte & Touche, Baldwin said.

At the same time that DeLoitte & Touche was working with the state on the SBS contract, auditors with the firm were reporting that Executive Life was in good financial shape. But, within a year after the first Executive Life-SBS contract was signed, the first of five DeLoitte & Touche employees who worked on the audit were hired by Executive Life.

William Sanders, who was in charge of the audit for DeLoitte &

Touche, got a contract from Executive Life that promised at least \$500,000 in pay for 1991, according to a story last week in the Los Angeles Times.

Sanders and another former DeLoitte & Touche auditor, Mark Furlong, were fired from Executive Life last week by the California regulators.

California insurance regulators are looking into the DeLoitte & Touche audit.

Alaska officials will be watching the probe closely.

"I think they (DeLoitte & Touche) have significant exposure with that audit," Baldwin said.

DeLoitte & Touche's Pat Pechacek, who handled the last Executive Life contract for the state, did not return calls to the Empire Monday or today.

Baldwin said state officials and attorneys have a lot of investigating of their own to do before they can take either of the consultants to court.

He speculated that, in the end, it may appear that state officials and their advisors all were at fault.

Sally Smith, former director of the Division of Retirement and Benefits, said she never knew of Executive Life's junk bond troubles until last year. She said today she never saw the articles that DeBerry gave to Halverson.

"All this talk of everybody knowing in 1987 of Executive Life being in trouble is simply not true," she said in an interview last week.

Smith said it was true, however, that her division had no business handling such huge investments as the SBS program. But she said her boss, Frank Baxter, didn't agree.

"I really wanted (the investment responsibility) to go to the Department of Revenue," Smith said. "Baxter didn't want anything to do with that ... he wanted to keep it in-house."

The Empire was unable to contact Baxter last week or Monday.

March 18, 1991

Mr. Benjamin A. Barrera, Vice-Pres.
National Bank of Alaska
P.O. Box 100600
Anchorage, AK 99510-0600

Dear Mr. Barrera:

The Alaska Municipal League (AML) is in the process of selecting a Program Manager for a new short-term investment program for Alaska government jurisdictions. We have engaged the firm of Deloitte & Touche to assist us with the selection process. Draft legislation authorizing this program is currently being considered by the Alaska Legislature.

We are seeking a comprehensive proposal which incorporates administrative, custodial and investment management capabilities. Dates and times for the mandated pre-proposal bidder's conference and for delivering proposals are contained in Section I-2 of the enclosed Request for Proposals.

We appreciate your interest and invite your firm to submit a proposal. All further contact and questions regarding this RFP should be directed to:

Mr. Jack Kiley
Deloitte & Touche
1111 Third Avenue, Suite 2900
Seattle, WA 98101
(206) 233-7737

~~Very truly yours,~~
~~Scott A. Burgess~~

Very truly yours,

Scott A. Burgess

Scott A. Burgess
Executive Director

Enclosure

*Pete - These are
some people involved
in SPS + Executive Life*

...management capabilities.
DATES AND TIMES for the mandated pre-proposal bidder's conference and for delivering proposals are contained in Section I-2 of the enclosed Request for Proposals.

We appreciate your interest and invite your firm to submit a proposal. All further contact and questions regarding this RFP should be directed to:

Mr. Jack Kiley
Deloitte & Touche
1111 Third Avenue, Suite 2900
Seattle, WA 98101
(206)233-7737

~~V. J. Kiley~~
~~Executive Director~~

Very truly yours,

[Handwritten signature]

Scott A. Burgess
Executive Director

Enclosure

←
Pete - These are
some people involved
in SPS + Executive Life

★ Fairbanks North Star Borough

809 Pioneer Road

P.O. Box 1267

Fairbanks, Alaska 99707

907/452-4761

M E M O R A N D U M

TO: Senator Steve Frank

FROM: Judith A. Slajer, Chief Financial Officer

DATE: May 3, 1991

SUBJECT: CS SB 182, Municipal Investment Pool

I understand this bill will be up on for Senate consideration today. There are a couple of points I'd like to stress.

This legislation provides that cities and boroughs may authorize participation in a jointly controlled investment pool. Each local government will have to determine whether to participate by passage of legislation by the council or assembly. The investments allowed by the Pool will have to be consistent with the investments permitted in the local government's investment ordinance.

The investment pool concept certainly has some advantages for the Fairbanks North Star Borough. Due to our staffing limitations, we have not been able to diversify our investment portfolio. Therefore, we purchase only U.S. Treasuries. We would like to invest in Certificates of Deposit and Repurchase Agreements with Alaska banks as these types of investments can be safe and are likely to give us a greater interest return than do the Treasuries. Also, these types of investments diversify our portfolio and enable funds to flow into the Alaska economy. In order to be in both the CD and Repo markets, it is very labor intensive. Considerable on-going work is involved in qualifying financial institutions, maintaining a credit watch of the qualified institutions, maintaining a valuation watch on the investments, keeping all the contracts and agreements current with the financial institutions, buying and selling at the correct time, etc. The Investment Pool will be able to offer these services. This will benefit the Alaska financial institutions when the demand for funds in the local economy is present.

There has been two issues raised by National Bank of Alaska which needs to be addressed. One is that the State may be liable for the Pool. There is no question that the State would not be legally liable. In my opinion, the issue of the State needing to bale out the Pool is a scare tactic. If anything, the pool, which will be hiring a professional investment manager with expertise which is not available to us now. On the whole, the funds management will be more professional than 99% of the local governments can currently afford. The State did not bale the local governments out which in past years lost funds invested in Alaska's financial institutions which failed.

The second issue raised by NBA is that the funds will go outside the State, and that it will take outside firms to run the Pool. The funds will go where the market is. If anything, the Pool will be able to set up the mechanics for investing in CD's and Repurchase Agreements with Alaska financial institutions and maintain the proper documents needed to be able to invest in these instruments at much less of a cost that we incur currently. If the demand is present, funds will flow to the local banks in much greater quantities that it does currently. NBA is correct that they cannot manage the Pool without outside Alaska affiliations. Currently, the FNSB would not allow NBA to manage the Borough's funds without custodial services, therefore, we engage (at NBA's recommendation) Security Pacific Bank in California to provide custodial services. The Pool, due to its size, will be in a much better position to negotiate more favorable terms for custodial services, which services are not available in-State currently. These types of affiliations are common in the industry in order to provide a broad level of services to the clients.

In closing, I'd like to say that the investigation which has gone into evaluating the "pooling" concept has been extremely thorough. The information we have collected indicates that some, if not the majority, of the smaller local governments and school districts do not have the investment expertise to protect their funds as is now recommended by the Government Finance Officers Association (GFOA), and as such are vulnerable to the whims of the financial institutions. Nor, do they have the investment expertise and volume of funds which can ensure a reasonable return. The pooling concept addresses these issues.

As an local government finance professional, and as a Member of the GFOA Standing Committee on Cash Management, I highly recommend passage of CS SB 182.

I hope that you have an opportunity to share some of my comments with your colleagues.



May 2, 1991

In Defense of CS SB 182 (Finance)

- o The bill was introduced at the request of the Alaska Municipal League
- o The authorizing legislation "clarifies" that "public entities" can do jointly, what they can do individually, specifically invest their funds; investment pools exist in at least 29 states either through the state treasury or as separate entities as authorized in the legislation.
- o There is no legal liability on the state created by the legislation nor from any pool formed under the legislation.
 - addresses the investment of local funds
 - zero fiscal note because the state is not involved
 - probably can be done under existing statute AS 29.35.010 (13). Cook memo attached.
- o The legislation is needed because even though AS 29.35.010 (13) says, "All municipalities have the following general powers, subject to other provisions of law:...(13) to enter into an agreement, including an agreement for cooperative or joint administration of any function or power with a municipality, the state, or the United States;..."
 - this statute has been in effect since statehood but has not been used; the time of a multi-million dollar operation is not the time to test the efficacy of a statute;
 - the statute does not speak to "organizations composed of public entities" such as the AML;
 - clear statutory authority will assist the pooling entity receive a favorable IRS ruling.

SB 182 - Investment Pool

May 2, 1991

Page 2

- o AML intends to form an investment pool and is in the process of evaluating proposals from professional investment firms and financial institutions to provide administrative, custodial and investment management services, subject to the legislation passing.
- o Participation in the investment pool will be voluntary and first require a municipality or school district to pass an ordinance or resolution authorizing the use of the pool as an investment option and to sign a cooperative agreement which lays out the bylaws, conditions, and investment policies.
- o The pool will be created to invest short-term, idle funds, e.g. until necessary to meet payroll or other obligations, to improve interest earnings.
- o The pool's improved return on investment will come from investing larger amounts of money in secure and liquid investments, e.g. government securities, NOT by investing in higher risk instruments.
- o The pool will provide security, liquidity, competitive rate of return, diversification, investment advice, convenience, accounting, and professional management.

sab6:just.sb182

P.S. Response to Bankers: Authorizing legislation only; AML had competitive bid process with Alaska preference and \$1 billion assets under management threshold (but also need administrative and custodial services; pool will not provide banking services, just investment; money still in the bank and pool could buy bank CD's; participation in the pool is voluntary, if the bank is competitive then presumably they would get the investment; NBA contracts with an outside fund to handle its investments, too; no liability to the state.

participant in the fund. (1977 c.491 §5; 1981 c.3 §1; 1983 c.53 §2; 1989 c.135 §3)

294.740 Refund of account balances; payment of deficits; erroneous benefit payments. (1) The Employment Division shall refund to a political subdivision electing to cancel its request as provided by ORS 657.513 any account balance remaining after the division has made all payments to the Unemployment Compensation Trust Fund required to be made on behalf of the political subdivision.

(2) A political subdivision canceling a request having a negative account balance shall make such additional payments into the fund as necessary to maintain a zero account balance.

(3) Erroneous benefit payments determined after June 30, 1978, and attributable to wages paid by a political subdivision making payments under ORS 294.735 shall be excluded from the account balance determination and the determination of the benefit cost rate of that political subdivision. (1977 c.491 §6, 7; 1989 c.135 §4)

294.745 Analysis of fund receipts and expenditures; report to Legislative Assembly. The Employment Division shall investigate the experience of political subdivision participation in operations of the fund, including the relationship of fund receipts to fund expenditures and report the results of the investigation to the legislature at least 30 days prior to the date a regular session of the legislature is scheduled to convene. The report shall include any recommended changes in the provisions of ORS 293.701, 294.725 to 294.755 and 657.513. (1977 c.491 §8; 1989 c.135 §5)

294.750 Experience and liability of successor political subdivisions; unpaid assessment. (1) The experience and liabilities of a political subdivision that has ceased to exist shall be acquired by the successor political subdivision.

(2) Notwithstanding subsection (1) of this section, all units of government who are parties to an agreement to form a political subdivision shall be liable for any unpaid assessments of that political subdivision and for such amounts as necessary to maintain the account balance of the political subdivision, if no longer in existence, at zero dollars. (1977 c.491 §9)

294.755 Payment on quarterly basis; remedies for collection. Political subdivisions electing to participate in the Local Government Employer Benefit Trust Fund shall pay into the fund on a quarterly basis and are subject to all remedies for the collection of delinquent taxes provided in ORS chapter 657. (1977 c.491 §10)

LOCAL GOVERNMENT INVESTMENT POOL

294.805 Definitions for ORS 294.805 to 294.895. As used in ORS 294.805 to 294.895:

(1) "Board" means the Oregon Short Term Fund Board.

(2) "Council" means the Oregon Investment Council created under ORS 293.706.

(3) "Funds" means funds under the control or in the custody of any local government official by virtue of office that are not required to meet current demands.

(4) "Investment officer" means the State Treasurer in capacity as investment officer for the council and the investment pool.

(5) "Investment pool" means the aggregate of all funds from local government officials that are placed in the custody of the investment officer for investment and reinvestment as provided under ORS 294.805 to 294.895.

(6) "Local government official" means each officer or employee of any agency, political subdivision or public corporation of this state, including the Oregon State Bar, who by law is made the custodian of or has control of any funds. (1973 c.748 §1; 1981 c.880 §14; 1987 c.381 §1)

294.810 Local governments authorized to place limited funds in pool. (1) With the consent of the governing body, a local government official may place in the aggregate up to \$10 million of its funds in the investment pool, or, if the assets of the investment pool have been transferred pursuant to ORS 294.882, in the state investment fund established pursuant to ORS 293.721, for investment and reinvestment by the investment officer as provided under ORS 294.805 to 294.895, or 293.701 to 293.776, as the case may be. The \$10 million limitation stated in this section shall not apply to funds of a governing body which are placed in the investment pool on a pass-through basis. Local governments must remove pass-through funds which result in an account balance in the pool in excess of \$10 million within 10 business days. County governments must remove such excess funds within 20 business days. The investment officer shall promptly report each instance of noncompliance with, or apparent abuse of, the limitations of this section to the Secretary of State and to the governing body of the local government involved.

(2) The \$10 million limitation contained in subsection (1) of this section shall not apply to a local government whose governing body, by ordinance or resolution, authorizes their officials to place not more than \$20

million in the investment pool. The additional amount, not exceeding \$10 million, must be placed in an account which has been assigned a separate participant account number within the investment pool. This separate account shall not be used to receive or disburse pass-through funds, and shall be subject to such deposit and withdrawal procedures, requirements and restrictions as are deemed appropriate by the investment officer, including, but not limited to an advance notice requirement for withdrawal. [1979 c.748 §2; 1981 c.880 §15; 1987 c.381 §2]

294.815 Period of investments; withdrawal of funds. Subject to the right of the unit of local government to specify the period in which its funds may be held in the investment pool for investment and reinvestment, the investment officer by rule shall prescribe the time periods for investments in the investment pool and the procedure for withdrawal of funds. [1973 c.748 §3]

294.820 Separate long-term investments limited. With the consent of the governing body, a local government official of a city or municipal corporation may, before July 1, 1979, deposit funds with the State Treasurer for long-term investments of the funds by the State Treasurer separate from investments of the investment pool. [1973 c.748 §4; 1979 c.808 §1]

294.825 State Treasurer as investment officer; bond; employment of personnel; rules. (1) The State Treasurer is the investment officer for the council and the investment pool, and shall perform functions in that capacity as authorized or required by law and, consistent with law, by the council.

(2) The bond of the State Treasurer required from the State Treasurer by law shall be deemed to extend to the faithful performance of all functions of the office of investment officer under ORS 294.805 to 294.896.

(3) The investment officer may:

(a) Subject to any applicable provision of the State Personnel Relations Law, employ, prescribe the functions and fix the compensation of personnel necessary to facilitate and assist in carrying out the functions of the council, investment officer and investment pool.

(b) Require a fidelity bond of any person employed by the investment officer who has charge of, handles or has access to any of the moneys in the investment pool. The amounts of the bonds shall be fixed by the investment officer, except as otherwise provided by law, and the sureties shall be approved by the investment officer. The premiums on the bonds shall be an expense of the State Treasurer.

(4) Subject to review by the board, the investment officer may, pursuant to ORS 183.310 to 183.550, make reasonable rules necessary for the administration of ORS 294.805 to 294.895. [1973 c.748 §5, 18]

294.830 [1973 c.748 §7; repealed by 1979 c.808 §2 (294.831 enacted in lieu of 294.830)]

294.831 Investment objective; limit on maturity dates. (1) The local government investment pool shall seek to obtain a competitive return on investments subject to the standards set forth in ORS 294.835 and consistent with the liquidity requirements demanded by the short term nature of local government deposits in the pool.

(2) The investment officer shall at all times hold investments which mature in three years or less, in an amount not less than an amount equal to the aggregate of all funds placed with the investment officer by local governments under ORS 294.805 to 294.896, which investments shall be from the funds defined in ORS 293.701 (2)(r).

(3) Notwithstanding subsection (2) of this section, the investment officer may purchase legally issued general obligations of the United States and of the agencies and instrumentalities of the United States if the seller thereof has agreed to repurchase the obligations within 90 days following the date on which the investment officer makes the investment therein. If the maturity of the security exceeds 18 months, the price paid by the investment officer for such security may not exceed 98 percent of the current market value.

(4) Investments and commitments of the investment pool which do not conform to the quality or maturity requirements set forth in ORS 294.805 to 294.895 shall be liquidated by the investment officer once the market value of such investments and commitments reaches book value, or as soon as is practicable thereafter. [1979 c.808 §3 (enacted in lieu of 294.830); 1981 c.880 §16; 1987 c.381 §3]

294.835 Standard of care; investment in certain stocks prohibited. (1) In investing and reinvesting moneys in the investment pool and in acquiring, retaining, managing and disposing of investments of the investment pool there shall be exercised the judgment and care under the circumstances then prevailing, which individuals of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital. Within the limitations of the foregoing standard and subject to subsections (2) and (3) of this section, there may be acquired, retained, managed and disposed of as investments of the

State to manage Fund

Fidelity Bond for Investment Officer

Prudent man Rule

investment pool every kind of investment which individuals of prudence, discretion and intelligence acquire, retain, manage and dispose of for their own account.

(2) Notwithstanding subsection (1) of this section, moneys in the investment pool may not be invested in the stock of any company, association or corporation.

(3) Notwithstanding subsection (1) of this section, no moneys in the investment pool shall be invested, after June 30, 1979, in any securities originating outside the United States. [1073 c.748 §8; 1979 c.008 §4]

294.840 Investment policies; review; separate policies for individual local government units. Subject to the objective set forth in ORS 294.831 and the standards set forth in ORS 294.835, the council shall formulate policies for the investment and reinvestment of moneys in the investment pool and the acquisition, retention, management and disposition of investments of the investment pool. The council, from time to time, shall review those policies and make changes therein as it considers necessary or desirable. The council may formulate separate policies for any funds from any single governmental unit included in the investment pool. [1073 c.748 §9]

294.845 Investment officer to invest, reinvest pool funds. In amounts available for investment purposes and subject to the policies formulated by the council, the investment officer shall invest and reinvest moneys in the investment pool and acquire, retain, manage, including exercise of any voting rights, and dispose of investments of the investment pool. [1073 c.748 §10]

294.847 Prohibited conduct for investment officer. In making investments pursuant to ORS 294.805 to 294.808, the investment officer shall not:

(1) Make a commitment to invest funds or sell securities more than 14 business days prior to the anticipated date of settlement of the purchase or sale transaction;

(2) Enter into any agreement to invest funds or sell securities for future delivery for a fee other than interest;

(3) Lend securities to any person or institution, except on a fully collateralized basis;

(4) Pay for any securities purchased by the investment officer until the investment officer has received physical possession thereof. However, the investment officer may instruct any custodian bank, defined in ORS 295.005 (2), to accept securities on the investment officer's behalf against payment therefor previously deposited with the institution by the investment officer; or

(5) Deliver securities to the purchaser thereof upon sale prior to receiving payment in full therefor. However, the investment officer may deliver the securities to any custodian bank, defined in ORS 295.005 (2), upon instructions to hold the same pending receipt by the institution of full payment therefor. [1981 c.880 §11]

294.850 Contracts with persons to perform investment functions; compensation; bond. The council may enter into contracts with one or more persons whom the council determines to be qualified, whereby the persons undertake, in lieu of the investment officer, to perform the functions specified in ORS 294.845 to the extent provided in the contract. Performance of functions under contract so entered into shall be paid for out of the gross interest or other income of the investments with respect to which the functions are performed, and the net interest or other income of the investments after that payment shall be considered income of the investment pool. The council may require a person contracted with to give to the state a fidelity bond in a penal sum as may be fixed by law or, if not so fixed, as may be fixed by the council, with corporate surety authorized to do business in this state. Contracts so entered into and functions performed thereunder are not subject to the State Personnel Relations Law or ORS 279.710 to 279.746. [1978 c.748 §11]

294.855 Legal opinions; investment counseling services; mortgage services. (1) In the acquisition or disposition of bonds with which approving legal opinions ordinarily are furnished, the investment officer may require an original or certified copy of the written opinion of a reputable bond attorney or attorneys, or the written opinion of the Attorney General, certifying to the legality of the bonds.

(2) The council may arrange for the furnishing to the investment officer of investment counseling services. The furnishing and acquisition of those services are not subject to the State Personnel Relations Law or ORS 279.710 to 279.746.

(3) The investment officer, with the approval of the council, may arrange for services with respect to mortgages in which moneys in the investment pool are invested. Those services shall be paid for out of the gross interest of the mortgages with respect to which the services are furnished, and the net interest of the mortgages after that payment shall be considered income of the investment pool. The furnishing and acquisition of those services are not subject to the State Personnel Relations Law or ORS 279.710 to 279.746. [1973 c.748 §12]

294.860 Custody of investment documents; collection of income; distribution to local governments; calculation and allocation of profit and loss; defaulted payments of principal and interest, collection, compromise. (1) Except as provided in ORS 294.860 and this subsection, all instruments of title of all investments of the investment pool shall remain in the custody of the investment officer. The investment officer may deposit with a well-known and responsible bank or trust company in the City and State of New York or with one or more banks in Portland, Oregon, or both, with the consent of the banks or trust company, those instruments of title the investment officer considers advisable, to be held in safekeeping by the banks or trust company for collection of the principal and interest or other income, or of the proceeds of sale.

(2) Except as provided in ORS 294.860 and 294.865 (3) and subsections (1) and (3) of this section, the investment officer shall collect the principal and interest or other income of investments of the investment pool, instruments of title of which are in the investment officer's custody, when due and payable, and shall pay to the appropriate local government official the principal and interest or other income, within 30 days after the last day of the calendar quarter in which the principal and interest or other income accrues. Not less often than quarterly, the investment officer shall compute the amount by which the current fair market value exceeds or is less than the net purchase price of all investments in the investment pool maturing more than 270 days from the date computation is made. The investment officer shall compute the fair market value of such investments based upon the mean value of the bid and ask price of such investments as of the date of computation, based upon quotations from reputable dealers or financial institutions dealing in such investments. If the amount so computed by the investment officer totals more than one percent of the balance of the pool, either in terms of a gain or loss, the investment officer shall allocate the amount to all pool participants. Any addition to or deduction from amounts to be distributed shall be allocated among the municipalities participating in the pool at any time during the month in proportion to their average daily balances of funds invested through the pool. Investments maturing 270 days or less from the date of computation shall not be subject to the foregoing computation, but for other purposes shall be valued at book value or original purchase price.

(3) In the event of default in the payment of principal or interest or other income of

any investment of the investment pool, the investment officer, with the approval of the council, may:

(a) Institute the proper proceedings to collect the matured principal or interest or other income.

(b) Accept for exchange purposes refunding bonds or other evidences of indebtedness at interest rates to be agreed upon by the investment officer and obligor.

(c) Make compromises, adjustments or disposition of the matured principal or interest or other income as the investment officer considers advisable for the purpose of protecting the moneys invested.

(d) Make compromises or adjustments as to future payments of principal or interest or other income as the investment officer considers advisable for the purposes of protecting the moneys invested. [1973 c.748 §13; 1979 c.475 §2; 1987 c.381 §4]

294.865 Quarterly deductions from income received for reimbursement of expenses, repayment of initial appropriation. (1) The State Treasurer may deduct quarterly a maximum of one percent of the amount of income received from the earnings of the investment pool during the preceding quarter. Amounts so deducted:

(a) Shall reimburse the State Treasurer for expenses the State Treasurer incurs as investment officer and to the extent they are so used shall be deposited in the Miscellaneous Receipts Account established in the General Fund for the State Treasurer, and are appropriated for payment of the expenses of the office of State Treasurer, incurred as investment officer; and

(b) In excess of expenses incurred by the State Treasurer during the preceding quarter, shall be used to return to the General Fund the appropriation made to initially cover the costs of administering the investment pool.

(2) Once enough moneys have been deducted from the earnings of the investment pool and returned to the General Fund to repay the initial appropriation, the State Treasurer may deduct, up to one percent of the income, only such amounts as are needed to reimburse the State Treasurer for the actual expenses the State Treasurer incurs as investment officer of the investment pool. [1973 c.748 §6; 1975 c.740 §9; 1977 c.268 §11]

294.870 Separate accounts for local governments; reports on investment changes and monthly financial statements required. (1) The investment officer shall keep, for each governmental unit with funds in the investment pool, a separate account, which shall record the individual

amounts and the totals of all investments of its moneys in the investment pool.

(2) The investment officer shall report monthly to the local government official of a governmental unit with funds in the investment pool the changes in its account made during the preceding month for the investment pool. The investment officer shall also furnish a financial report monthly to each participating governmental unit investor in the local government investment pool. The financial report shall include, but not be limited to, such comparative data for the preceding six months operation of the investment pool as will provide a basis for analyzing trends and comparing operating results and financial position. A monthly statement shall be distributed within 30 days after the end of that month. (1973 c.748 §14, 15; 1979 c.608 §5; 1980 c.889 §4)

294.875 Monthly report of investments of pool funds; distribution. Not later than 15 days after the last day of each month, the investment officer shall submit to the council and the board a report of the investments made during the preceding month. The report shall include a detailed summary of investment, reinvestment, purchase, sale and exchange transactions, setting forth, among other matters, the investments bought, sold and exchanged, the dates thereof, the prices paid and obtained, the names of the dealers involved and a statement of the accounts referred to in ORS 294.870 (1). The reports shall include a description of every investment in the portfolio of assets in the investment pool showing issuer, coupon, purchase date, maturity date, yield to maturity, book value, market value as of the end of the month for which the report is rendered and the method used to value pool investments; a computation of the average life of the portfolio of assets in the investment pool weighted according to the market value of each investment that matures more than 270 days from the report date as of the end of the month for which the report is rendered; and a computation of the annualized rate of return of the investment pool portfolio, net of expense. A copy of the reports shall be made available to each county, municipality, school district and other political subdivision the funds of which are then being invested by the investment officer. The investment officer may send copies of the report to investment bankers and brokers recommended by the council. (1973 c.748 §16; 1981 c.880 §17; 1987 c.381 §5)

294.880 Program examination and audit; report; distribution. An examination and audit of the investment pool shall be made separately from the audit of the treasurer for submission to the council, local

governmental units which are investors in the pool, the Legislative Assembly and the board at least once a year and at other times as the council may require. An audit report shall be submitted to the individuals and units specified within 60 days after the end of the fiscal year or as soon as practical. The report shall include a statement prepared by the State Treasurer of the investment rules governing investments authorized by the council. (1978 c.748 §17; 1979 c.608 §6)

294.882 Merger or subsequent separation of local government investment pool and state investment fund; preconditions. It is recognized that a time might come when the interest of local governments diminishes to the extent that participation in the local government investment pool no longer warrants its operation as a separate fund. If the local government investment pool decreases to a level below \$125 million, the State Treasurer may transfer the assets of the pool to the state investment fund established pursuant to ORS 293.701 (2)(q). In that event, the local government investment pool participant accounts will be treated as are other state funds and accounts in receiving a proportionate share of the earnings of that investment fund. The State Treasurer, at the discretion of the treasurer may reestablish the local government investment pool as a separate fund, if the participant accounts increase to over \$125 million and in the State Treasurer's judgment, sufficient interest by local government exists to insure the local government investment pool will remain over \$125 million. Prior to reestablishing the pool as a separate fund, the State Treasurer shall first present a plan for operation, including the reasons for such action, to the Oregon Investment Council at a regularly scheduled meeting for its review and comment. The State Treasurer shall publish notice in the Secretary of State's administrative rules bulletin of the treasurer's intent to reestablish the pool as a separate fund at least 30 days prior to the meeting at which the Oregon Investment Council shall review the proposal, and notice of the meeting time and location of the Oregon Investment Council at which the proposal will be discussed. (1979 c.609 §9; 1980 c.10 §7; 1983 c.450 §3)

294.885 Oregon Short Term Fund Board; members; appointment; term; vacancies. (1) There is created the Oregon Short Term Fund Board consisting of seven members.

(2) One member shall be the State Treasurer or the treasurer's designated representative. Three members who are qualified by training and experience in the field of investment or finance and who do not hold any other public office or employment, shall be

Monthly
report of
changes
in portfolio
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appointed by the State Treasurer. Three members, who are treasurers, finance or fiscal officers or business managers of any county, city or school district, shall be appointed by the Governor. In making the appointment, the Governor may consider persons recommended by:

- (a) The Association of Oregon Counties.
- (b) The League of Oregon Cities.
- (c) The Oregon School Boards Association.

(3) The term of office of each appointed member of the board is four years, but each appointed member serves at the pleasure of the appointing authority. A vacancy in the appointed membership occurring other than by expiration of term shall be filled in the same manner as the original appointment, but for the unexpired term only. [1973 c.748 §19; 1979 c.608 §7; 1981 c.880 §18; 1989 c.1006 §2]

294.890 Board members serve without compensation; selection of chairman. (1) A member of the board shall serve without compensation.

(2) The board shall select one of its members as chairman, for a term and with the powers and duties necessary for the performance of the functions of the office as the board shall determine. [1973 c.748 §20]

294.895 Board duties, generally. The board shall:

(1) Advise the council and the investment officer in the management of the investment pool and in the investment of all funds defined in ORS 293.701 (2)(r) and invested pursuant to ORS 293.721.

(2) Review the rules promulgated by the investment officer as authorized under ORS 294.825 (4).

(3) Consult with the council and the investment officer on any matter relating to the investment and reinvestment of funds in the investment pool and on any matter relating to the investment or reinvestment of funds defined in ORS 293.701 (2)(r) and invested pursuant to ORS 293.721. [1973 c.748 §21; 1981 c.880 §19]

COUNCILS OF GOVERNMENTS

294.900 "Council of governments" defined. As used in ORS 294.900 to 294.930, "council of governments" means an entity organized by units of local government under an intergovernmental agreement under ORS 190.003 to 190.110, which does not act under the direction and control of any single member government and does provide services directly to individuals. [1987 c.888 §1]

Note: 294.900 to 294.930 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapter 294 or any series therein by leg-

islative action. See Preface to Oregon Revised Statutes for further explanation.

294.905 Budget committee; membership; term; vacancies; officers; meetings to be public. (1) A council of governments shall establish a budget committee in accordance with the provisions of this section.

(2) The budget committee shall consist of the members of the governing body of the council of governments and an equal number of representatives of the services provided by the council of governments. If there are fewer representatives of the services than the number of members of the governing body of the council, the governing body and the representatives willing to serve shall be the budget committee. If there are no representatives willing to serve, the governing body shall be the budget committee.

(3) The members of the budget committee shall receive no compensation for their services as members of such committee.

(4) Appointive members of the budget committee shall not be officers, agents or employees of the council of governments or providers of the services.

(5) The appointive members of the budget committee shall be appointed for terms of three years. The terms shall be staggered so that one-third or approximately one-third of the terms of the appointive members end each year.

(6) If any appointive member is unable to serve the term for which the member was appointed, or an appointive member resigns prior to completion of the term for which the member was appointed, the governing body of the council of governments shall fill the vacancy by appointment for the unexpired term.

(7) The budget committee, at its first meeting after its appointment, shall elect a chairperson and a secretary from among its members.

(8) Meetings of the budget committee shall comply with the requirements of ORS 192.610 to 192.710. [1987 c.888 §2]

Note: See note under 294.900.

294.910 Estimates of expenditures; organization and format; matters to be included. (1) Each council of governments shall prepare estimates of expenditures for the ensuing year.

(2) The estimates required by subsection (1) of this section shall be prepared by organizational unit or by program.

(3) Estimates required by subsection (1) of this section and prepared by organizational unit shall be detailed under separate object classifications of personal services, materials and services and capital outlay.

295.005 Definitions for ORS 295.015 and 295.025 to 295.165. As used in this section, ORS 295.015 and 295.025 to 295.165, unless the context requires otherwise:

(1) "Certificate of participation" or "certificate" means a nonnegotiable document issued by a pool manager to a public official.

(2) "Custodian bank" or "custodian" means the following institutions designated by the depository bank for its own account:

(a) The Portland Branch of the Federal Reserve Bank of San Francisco;

(b) The Federal Home Loan Bank of Seattle;

(c) Any bank or trust company, mutual savings bank or savings and loan association doing business in this state. With the approval of the State Treasurer, a depository bank may be a custodian bank with respect to its own securities;

(d) Any bank or trust company not located in this state but authorized to act as trustee in this state; and

(e) The fiscal agency of the State of Oregon in the City and State of New York, duly appointed and acting as such agency pursuant to ORS 288.010 to 288.110.

(3) "Custodian's receipt" or "receipt" means a document issued by a custodian bank to a pool manager describing the securities deposited with it by a depository bank to secure public fund deposits.

(4) "Depository bank" or "depository" means any bank or trust company, mutual savings bank or savings and loan association which maintains a head office or a branch in this state in the capacity of a bank or trust company, mutual savings bank or savings and loan association.

(5) "Pool manager" means:

(a) The State Treasurer;

(b) Any trust company, bank or mutual savings bank legally engaged in the business of a trust company, as that term is defined in ORS 706.005 (25) at an office in this state; but a depository bank shall not be a pool manager with respect to securities that it deposits with its custodian as collateral for the security of public fund deposits; or

(c) The Federal Reserve Bank of San Francisco or any branch thereof.

(6) "Public funds" or "funds" means the funds under the control or in the custody of a public official by virtue of office, other than those which, pursuant to law other than this section, ORS 295.015 and 295.025 to 295.165, are invested in authorized investments or are deposited for the purpose of meeting the payment of principal or interest on bonds or like obligations.

(7) "Security" or "securities" means:

(a) Obligations of the United States, including those of its agencies and instrumentalities;

(b) Obligations of the International Bank for Reconstruction and Development;

(c) Bonds of any state of the United States (A) that are rated in one of the four highest grades by a recognized investment service organization that has been engaged regularly and continuously for a period of not less than 10 years in rating state and municipal bonds or, (B) having once been so rated are ruled, pursuant to ORS 295.095, to be eligible securities for the purposes of this section, ORS 295.015 and 295.025 to 295.165, notwithstanding the loss of such rating;

(d) Bonds of any county, city, school district, port district or other public body in the United States payable from ad valorem taxes levied generally on substantially all property within the issuing body and that meet the rating requirement or are ruled to be eligible securities as provided in paragraph (c) of this subsection;

(e) Bonds of any county, city, school district, port district or other public body issued pursuant to the Constitution or statutes of the State of Oregon or the charter or ordinances of any county or city within the State of Oregon, if the issuing body has not been in default with respect to the payment of principal or interest on any of its bonds within the preceding 10 years or during the period of its existence if that is less than 10 years;

(f) Notes issued by a municipality under ORS 287.526 and bond anticipation notes issued, sold or assumed by an authority under ORS 441.560;

(g) One-family to four-family housing mortgage loan notes related to property situated in the State of Oregon, which are owned by a depository bank, no payment on which is more than 90 days past due, and which are eligible collateral for loans from the Federal Reserve Bank of San Francisco under section 10(b) of the Federal Reserve Act and regulations thereunder;

(h) Bonds, notes, letters of credit or other securities or evidence of indebtedness constituting the direct and general obligation of a federal home loan bank or Federal Reserve bank;

(i) Debt obligations of domestic corporations that are rated in one of the three highest grades by a recognized investment service organization that has been engaged regularly and continuously for a period of not less than 10 years in rating corporate debt obligations;

(j) Collateralized mortgage obligations and real estate mortgage investment conduits that are rated in one of the two highest grades by a recognized investment service organization that has been engaged regularly and continuously for a period of not less than 10 years in rating corporate debt obligations; and

(k) One-family to four-family housing mortgages that have been secured by means of a guarantee as to full repayment of principal and interest by an agency of the United States Government, including the Government National Mortgage Association, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(8) "Public official" means each officer or employee of this state or any agency, political subdivision or public corporation thereof who by law is made the custodian of or has control of any public funds.

(9) "Value" means the value of securities at the most recent valuation date, as provided in ORS 295.095, or, if issued thereafter, market value at the date of issue. [1967 c.451 §1; 1973 c.157 §4; 1973 c.288 §2; 1973 c.378 §1; 1973 c.787 §420; 1975 c.515 §6; 1981 c.440 §2; 1983 c.104 §3; 1983 c.456 §4; 1985 c.430 §1; 1985 c.505 §51; 1987 c.524 §1; 1989 c.536 §1]

295.010 [Amended by 1953 c.352 §3; 1957 c.172 §1; 1965 c.169 §1; repealed by 1967 c.451 §32]

295.015 Maintenance of securities by depository required. Except as provided in ORS 295.018:

(1) Each depository throughout the period of its possession of public fund deposits shall maintain on deposit with its custodians, at its own expense, securities having a value not less than 25 percent of the certificates of participation issued by its pool manager.

(2) The depository may deposit other eligible securities with its custodian and withdraw from deposit securities theretofore pledged to secure deposits of public funds, if the remaining securities have a value not less than 25 percent of outstanding certificates of participation of the pool manager. The pool manager shall execute such releases and surrender such custodian's receipts as are appropriate to effect substitutions and withdrawals of excess pledged securities. [1967 c.451 §2; 1973 c.515 §3]

295.018 Increase in required collateral of depository; notification; effect of failure to increase collateral. (1) The State Treasurer may require any depository bank during any period when it has in its possession public fund deposits to maintain on deposit with its custodians securities having a value not less than 110 percent of the certificates of participation issued by its pool

manager. The increase in collateral shall be ordered upon the advice of the Director of the Department of Insurance and Finance. If the depository bank is a federally chartered savings and loan association, in giving its advice to the State Treasurer the Director of the Department of Insurance and Finance may rely exclusively on information provided to the director by federal regulatory agencies and by the association on forms prescribed by the director; as a condition of being analyzed and reviewed by the director, a federal association shall agree and consent to provide the director with accurate, pertinent and timely information.

(2) Failure of the Director of the Department of Insurance and Finance to inform the State Treasurer of the condition of any depository does not give any public depository any right or impose any liability on the director. The State Treasurer shall not be liable to any public depository or to any depository bank for increasing or not increasing the collateral requirement as authorized in subsection (1) of this section.

(3) Any depository bank notified by the State Treasurer of the increased collateral requirement shall comply with the order within 10 business days by increasing the collateral in the same manner as required for the initial deposit of collateral in ORS 295.015. The bank shall notify the State Treasurer and the pool manager of its compliance by supplying copies of the custodian's receipts for the increased collateral.

(4) If any depository bank notified by the State Treasurer of an increased collateral requirement fails to notify the State Treasurer of compliance therewith within 10 business days, the State Treasurer shall immediately notify the Director of the Department of Insurance and Finance of the failure and shall send notice to the pool manager and all public depositors served by that depository bank of its failure to comply.

(5) A depository bank described in subsection (4) of this section shall accept no further public deposits. [1975 c.515 §2; 1981 c.440 §1; 1985 c.782 §182; 1987 c.373 §229a, 28b; 1987 c.554 §1; 1989 c.171 §11]

295.020 [Repealed by 1967 c.451 §32]

295.022 Collateral not required for deferred compensation funds. Notwithstanding any other provision of this chapter, when a bank, mutual savings bank or savings and loan association receives funds from the state for deposit or investment under the deferred compensation program established under ORS 243.400 to 243.495, the institution shall not have to maintain the collateral required under this chapter for those deferred compensation program funds. [1977 c.721 §15]

295.025 Retention of cash working fund by public official; deposit of remaining public funds. (1) Any public official may retain undeposited such reasonable cash working fund as is fixed by the governing body of the political subdivision or public corporation for which the public official acts. Except to the extent of such cash working fund, each public official shall deposit public funds in the custody or control of the public official in one or more depositories currently qualified pursuant to ORS 295.005, 295.015 and 295.025 to 295.165. The public official shall not have on deposit in any one depository bank and its branches a sum in excess of the amount insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, without procuring certificates of participation issued by the pool manager of the depository in an amount equal to the excess deposit. Compliance with ORS 295.005, 295.015 and 295.025 to 295.165 relieves the public official of personal liability on account of the loss of the public funds in the custody or control of the public official.

(2) Whenever a public official holds a certificate of participation issued by a pool manager in an amount exceeding the amount required by subsection (1) of this section, upon the written request of the depository bank the public official shall surrender it to the pool manager or direct the pool manager in writing to cancel it in whole or in a designated part. [1967 c.451 §3; 1973 c.288 §3]

295.030 [Repealed by 1967 c.451 §32]

295.035 Issuance of custodian's receipt for securities. Upon receipt of securities from the depository bank, the custodian bank shall issue to the pool manager designated by the depository a custodian's receipt describing the securities. [1967 c.451 §4]

295.040 [Amended by 1959 c.330 §1; 1963 c.128 §1; 1955 c.829 §1; repealed by 1967 c.451 §32]

295.045 Designation of pool managers; procedure for changing managers. Each depository bank shall designate one or more pool managers as provided in ORS 295.005, 295.015 and 295.025 to 295.165; but it shall designate only one pool manager to function with respect to the public fund deposits and the security therefor of a single public official. If the depository elects to change pool managers, the public official shall surrender certificates of participation issued by the former pool manager in exchange for certificates of like amount issued by the successor pool manager, and the former pool manager shall cause the custodian to deliver to the successor pool manager custodian's receipts for security no longer required to support its outstanding certificates of participation. Such transactions may be arranged by

escrows or otherwise, as the parties agree. [1967 c.451 §5]

295.050 [Repealed by 1967 c.451 §32]

295.055 Depository bank to inform State Treasurer of its custodian banks and pool managers. Each depository bank shall keep on file with the State Treasurer the names and addresses of each of its custodian banks and pool managers. [1967 c.451 §6]

295.060 [Repealed by 1967 c.451 §32]

295.065 Duties of pool manager. Each pool manager shall:

(1) Maintain an accurate inventory of the securities of each depository bank described in the custodian's receipts transmitted to it from custodian banks, and adjust the inventory to reflect withdrawals and substitutions of securities previously inventoried.

(2) Appraise the value of the securities added to and withdrawn from the inventory of the depository bank, and appraise the value of the entire inventory of the depository on October 1 of each year and at such other times as it is directed to do so by the State Treasurer.

(3) Issue certificates of participation to public officials in amounts designated by the depository bank and, upon the direction of the depository bank and the written consent of the public official to whom it is issued, reduce, modify or cancel a certificate.

(4) Notify in writing holders of certificates of participation in the collateral of a depository bank whenever, after 10 days' notice to the depository bank, the value of the securities continues to be less than 25 percent of outstanding certificates.

(5) Notify the State Treasurer of the occurrence whenever a bond in the inventory of a depository bank loses its rating requirement provided in ORS 295.005 (7)(c) and (d). [1967 c.451 §7; 1973 c.378 §2; 1975 c.515 §4]

295.070 [Repealed by 1967 c.451 §32]

295.075 [1965 c.520 §3; repealed by 1967 c.451 §32]

295.080 [Amended by 1959 c.330 §2; 1963 c.520 §2; 1967 c.335 §33; repealed by 1967 c.451 §32]

295.085 Requiring special certification of collateral value. If, in the opinion of the State Treasurer, market conditions so indicate, the State Treasurer may require certification of collateral value in accordance with ORS 295.065 at other times throughout the year. The decision to request a special certification shall be solely at the discretion of the State Treasurer. [1967 c.451 §8]

295.090 [Amended by 1959 c.330 §3; repealed by 1967 c.451 §32]

295.095 Valuation committee; appointment; duties; compensation and expenses; report to govern appraisal of securities

by pool managers. (1) Not later than January 15 of each year, the State Treasurer shall appoint a committee of not less than three nor more than five individuals to serve without compensation as a valuation committee. Within 15 days after September 30 of each year and within 15 days after any date specified by the State Treasurer, which dates shall be known as valuation dates, the committee shall establish means for the determination of the value of eligible securities based on quality, coupon rate, maturity and yields on similarly rated securities or on bonds of similar quality. Each member of the committee must be a resident of this state and have experience in bond market transactions or analysis. The membership of the committee must include one or more officers of banks or trust companies. Whenever the number of the members of the committee is less than five, the State Treasurer may appoint an additional member for a term expiring on the following January 15. Members are entitled to compensation and expenses as provided in ORS 292.495.

(2) Each report of the committee shall include its determination with respect to the continued eligibility as collateral of all bonds reported to the State Treasurer pursuant to ORS 295.065 (5) since the publication of the committee's last preceding report and appropriate criteria for use in the valuation of such of those bonds as are determined to be eligible.

(3) Pool managers shall appraise securities in accordance with the report of the committee currently in effect. Provided, however, that the committee shall value securities of the type described in ORS 295.006 (7)(g) as provided under ORS 295.185.

(4) The findings of the committee shall be published or otherwise made available from time to time as the State Treasurer determines to be appropriate and necessary for the purpose of advising depository banks and pool managers. [1967 c.451 §9; 1969 c.314 §20; 1973 c.374 §9; 1983 c.486 §7]

295.100 [Repealed by 1907 c.451 §32]

295.105 Effect of deposit of securities; procedure in case of default of depository bank. (1) The deposit of securities by a depository bank with its custodian pursuant to ORS 295.005, 295.015 and 295.025 to 295.165 constitutes consent by the depository to the disposition of the securities in accordance with this section.

(2) When a depository is closed by order of the Director of the Department of Insurance and Finance or the Comptroller of the Currency, the State Treasurer shall:

(a) Demand and receive from the pool manager the custodian's receipts; and

(b) Demand and receive from the custodian the securities pledged to secure deposits of public funds and, with the advice and counsel of the valuation committee, liquidate in an orderly manner the securities or such thereof as the State Treasurer may determine advisable at public or private sale and distribute the proceeds as provided in this section.

(3) Each public official shall advise the State Treasurer of the amount of the public official's deposits in the defaulted depository bank, and the State Treasurer shall proceed to determine the total amount of the claims payable out of the collateral of the depository. The claim of a public official for purposes of this section shall be the lesser of:

(a) The amount of the public official's deposits plus interest to the date the funds are distributed to the public official at the rate the depository agreed to pay on the funds reduced by the portion thereof that is insured by the Federal Deposit Insurance Corporation; or

(b) The amount of the public official's certificates of participation plus interest on the public official's deposits to the date the funds are distributed to the public official at the rate the depository agreed to pay on the funds.

(4) The State Treasurer shall distribute the net proceeds of the collateral, to the extent that they do not exceed the total claims, among the public officials entitled thereto in proportion to their respective claims. The State Treasurer shall remit to the depository bank any of its collateral or the proceeds thereof in excess of the amount so distributable to public officials.

(5) If the net proceeds of the collateral are inadequate, after all other available sources are applied, to meet the total claims of the public officials entitled thereto, the public officials may make claims against the depository bank as general creditors.

(6) The State Treasurer, in accordance with ORS 183.310 to 183.550, shall adopt rules to carry out this section. [1967 c.451 §10; 1973 c.438 §1; 1975 c.515 §6; 1983 c.206 §10; 1985 c.762 §183]

295.110 [Amended by 1953 c.352 §3; repealed by 1907 c.451 §32]

295.115 Time deposits. (1) Any depository may offer in writing to accept from the State Treasurer time deposits without limitation in amount or in an aggregate amount therein stated and to pay interest on the time deposits at rates specified in the offer. The offer shall be a continuing offer until it is modified or withdrawn by notice in writing delivered or mailed by registered or certified mail to the State Treasurer. While the offer

continues in effect, the depository is bound to accept upon the terms therein specified time deposits tendered by the State Treasurer.

(2) Any funds deposited by the State Treasurer on a time basis shall be deposited at the highest rate of interest available for the amount and term of the deposit.

(3) The State Treasurer shall establish time deposits so as to make the deposited moneys as productive as possible, and shall exercise the judgment and care which persons of prudence, discretion and intelligence exercise in the management of their own affairs, considering the probable income and the probable safety of the moneys deposited, including the distribution of the deposits among depositories so as to minimize the possibility of loss of moneys. [1967 c.451 §11; 1980 c.319 §1]

295.120 (Amended by 1953 c.352 §3; repealed by 1967 c.451 §32)

295.125 Deposits for terms not exceeding two years; interest; retention of sum by State Treasurer to pay current obligations. (1)(a) The State Treasurer may deposit moneys not required to meet current demands for a term not to exceed two years at such interest rates and upon such conditions as to withdrawals of such moneys as may be agreed upon between the State Treasurer and any depository bank or banks in the state.

(b) All interest received on deposits of moneys under this subsection shall accrue to and become a part of the General Fund as required by ORS 293.140.

(2)(a) The State Treasurer may deposit moneys of any of the funds mentioned in ORS 293.701 (2), except moneys deposited under subsection (1) of this section, at such interest rates and upon such conditions as to withdrawals of such moneys as may be agreed upon between the State Treasurer and any depository bank or banks in the state.

(b) Notwithstanding ORS 293.140, all interest received on deposits of moneys under this subsection shall accrue to and become a part of the fund the moneys of which were deposited.

(3) The State Treasurer may retain on hand in the state vault or in a depository, the sum the treasurer considers necessary as a reserve for the purpose of paying the current obligations and appropriations of the state. [1967 c.451 §12b; 1981 c.189 §1; 1989 c.319 §2]

295.130 (Amended by 1953 c.352 §3; repealed by 1967 c.451 §32)

295.135 Designation of depository; collection for claims due state. (1) The State Treasurer may designate such banks as are necessary within this state as depositories

for the collection of drafts, checks, certificates of deposit and coupons received by the State Treasurer on account of any claim due the state.

(2) The State Treasurer, on receipt of any draft, check or certificate of deposit, on account of a claim due the state, may place it in a depository for collection. The depository shall collect it without delay, without charge for its services for the collection or for exchange, and shall notify the State Treasurer when collected. The compensation to be paid by the depository shall be fixed by the State Treasurer upon the best terms obtainable for the state. [1967 c.451 §13; 1981 c.189 §2]

295.140 (Repealed by 1953 c.352 §3)

295.145 Division of State Lands to invest proceeds from sales of public lands. Nothing in ORS 295.005, 295.015 and 295.025 to 295.165 deprives the Division of State Lands of the power to invest or dispose of the funds derived from the sale of public lands as provided by law. [1967 c.451 §14]

295.150 (Repealed by 1967 c.451 §32)

295.155 Preference in selecting depositories for political subdivisions; apportioning funds; interest. (1) In selecting banks or trust companies to act as depositories, public officials are not limited to the appointment of banks or trust companies in any particular locality; but if banks or trust companies are engaged in business at an office or offices within the corporate limits of the political subdivision or public corporation and qualify to receive the funds, such depositories shall be given preference. If there is more than one such local qualifying depository, the depositing public official shall apportion the funds in the hands of the public official to such depositories in a manner that is equitable and in the best interests of the political subdivision or public corporation.

(2) The depositories shall be required to pay to the political subdivision or public corporation upon deposits evidenced by certificates of deposit or deposits which by agreement may not be withdrawn on less than 30 days' notice, interest at such rate or rates as shall be agreed upon between the governing body of the political subdivision or public corporation and the depository.

(3) All interest received on deposits of moneys under this section shall accrue to and become a part of the fund the moneys of which were deposited.

(4) This section does not apply to the State Treasurer. [1967 c.451 §15]

295.160 (Repealed by 1967 c.451 §32)

295.165 Depositing moneys with treasurer of political subdivision. Any public

official may deposit moneys coming into the hands of the public official in connection with official duties with the treasurer of the political subdivision or public corporation concerned and obtain a receipt therefor. [1967 c.451 §16]

295.170 [Repealed by 1967 c.451 §32]

295.176 Expenses of State Treasurer as pool manager. The expense of the State Treasurer in acting as a pool manager shall be paid to the State Treasurer by the depository bank using the services as pool manager. The State Treasurer, under rules and regulations to be adopted by the State Treasurer pursuant to ORS 183.310 to 183.550, shall deposit funds so received and may require advance deposits to be made by any depository bank. The moneys credited pursuant to this section are continuously appropriated for the payment of expenses incurred in the administration of ORS 295.005, 295.015 and 295.025 to 295.165. [1967 c.451 §30; 1989 c.509 §5]

295.180 [Repealed by 1967 c.451 §32]

295.185 Maintenance of certain securities as collateral at rate set by State Treasurer. Notwithstanding the provisions of ORS 295.015 to 295.165, securities described in ORS 295.005 (7)(g) shall be maintained as collateral for public deposits at the value determined by the State Treasurer. [1983 c.448 §6]

295.190 [Repealed by 1967 c.451 §32]

295.195 When deposit in foreign country authorized; effect on collateral. (1) Notwithstanding any other provision of ORS chapter 295, the Department of Higher Education, with the approval of the State Treasurer, may deposit funds in a financial institution in a foreign country, if the circumstances under which the funds are to be used render it impracticable to keep the funds in a domestic financial institution or if the terms of a grant, gift or contract require that the funds be kept in a foreign country.

(2) Notwithstanding any other provision of this chapter, to the extent estimated to be necessary to fund operations or activities for one biennium of the State of Oregon in a foreign country, the State Treasurer may deposit funds in a financial institution in a foreign country.

(3) When funds are deposited in a financial institution in a foreign country pursuant to subsection (1) or (2) of this section, the institution shall not be required to maintain collateral as provided in ORS 295.015. Reasonable and prudent measures to protect the public funds from loss shall be exercised to the extent permitted under the laws of the foreign country.

(4) The State Treasurer shall report to the Legislative Assembly biennially on the amounts of deposits in foreign countries, and the operation and activities funded by such deposits. The report shall be submitted to the offices of the President of the Senate and the Speaker of the House of Representatives and shall be referred by each of them to appropriate standing committees other than committees concerned with budgets of the State Treasurer or the activity or operation so funded. [1983 c.374 §1, 2; 1989 c.389 §1]

295.200 [Repealed by 1967 c.451 §32]

295.210 [Repealed by 1967 c.451 §32]

295.220 [Repealed by 1967 c.451 §32]

295.230 [Repealed by 1967 c.451 §32]

295.240 [Repealed by 1967 c.451 §32]

295.250 [Repealed by 1967 c.451 §32]

295.260 [Repealed by 1967 c.451 §32]

295.270 [Repealed by 1967 c.451 §32]

295.280 [Amended by 1957 c.171 §1; 1965 c.160 §2; repealed by 1967 c.451 §32]

295.290 [Repealed by 1967 c.451 §32]

295.300 [Repealed by 1967 c.451 §32]

295.310 [Repealed by 1967 c.451 §32]

295.320 [Repealed by 1967 c.451 §32]

295.330 [Repealed by 1967 c.451 §32]

295.340 [Amended by 1963 c.502 §5; repealed by 1967 c.451 §32]

295.350 [Repealed by 1967 c.451 §32]

295.360 [Repealed by 1967 c.451 §32]

295.370 [Repealed by 1967 c.451 §32]

295.380 [Repealed by 1967 c.451 §32]

295.390 [Repealed by 1967 c.451 §32]

295.400 [Repealed by 1967 c.451 §32]

295.991 [1967 c.451 §16; repealed by 1971 c.743 §432]

CHAPTER 296

[Reserved for expansion]

National Bank of Alaska



Corporate Headquarters P.O. Box 100600 Anchorage, Alaska 99510-0600 (907) 276-1132

April 17, 1991

Scott A. Burgess
Executive Director
Alaska Municipal League
217 Second Street, Suite 200
Juneau, Alaska 99801

Dear Mr. Burgess:

We have reviewed your RFP for providing a local government pooled investment Fund for AML members.

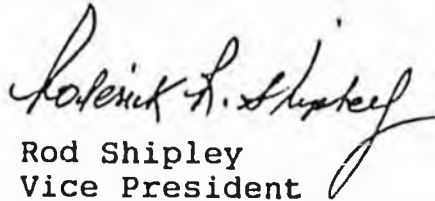
After careful examination, and based on the criteria outlined in the RFP (paragraph 3A, page 5 "Scope of Services Required"), we have determined that NBA is not qualified to make a proposal unless we joint venture with an out-of-state money manager. While we have the ability to enter into a joint venture, we feel it would not be in the best interest of either the bank or League members.

We are disappointed our Bank is unable to qualify and the municipal funds will undoubtedly have to leave the state. As you know, NBA is a strong believer in investing in our communities and the state. For the past 75 years, we've serviced Alaskan communities with sound investments and we feel our products still compare favorably against out-of-state money managers.

Scott, if you were to consider the fact that NBA has offices in 30 Alaska communities, employs over 1150 Alaskans with an annual payroll over \$37 million, paid over \$880,000 in real estate and personal property taxes to League communities and the State, and makes sizable contributions to the State's economy in a variety of ways, then maybe the additional value your members might receive from an outside money manager would be better compared.

Again, we thank you for including us in the process and I hope you will accept this letter as an expression of our disappointment in not being able to participate in this program.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rod Shipley".

Rod Shipley
Vice President
Trust Administrator

cc: Alaska Municipal League Board Members

caj



217 Second Street, Suite 200 • Juneau, Alaska 99801 • Tel (907) 586-1325, Fax (907) 463-5480

March 28, 1991

Senator Arliss Sturgulewski
Alaska State Senate
Post Office Box V
Juneau, Alaska 99801

RE: SB 182 - Investment Pools for Public Entities

Dear Senator:

In response to your request during the recent Senate Community and Regional Affairs Committee meeting on SB 182, I am providing some additional information regarding legislative authority for local government investment pools from other states.

I have enclosed copies of statutes from Colorado, Minnesota and Iowa which run separate entity (non-state), local government investment pools. I mentioned in my testimony before the C&RA Committee, other states have established their local government investment (and insurance) pools under "joint powers" acts which allows two or more entities to enter into agreements. Separate (non-state) local government investment pools were formed in Iowa and Minnesota under "joint powers" statutes (copies enclosed).

Let me again briefly review the AML's goals for the legislation, and for the program. The AML is seeking legislation (SB 182/HB 199) to clarify the authority of municipalities and school districts to do jointly (in our case through the AML) what they can do individually - invest public funds in a pool to provide security and liquidity while providing a higher rate of return, and provide investment advice, convenience, diversification, accounting and professional management. While our attorneys said creating such a pool may be possible under existing statutes, the AML Investment Pool Committee decided to pursue legislation to facilitate the creation of an investment pool and avoid any legal questions in the future.

There would be no cost or fiduciary responsibility on the state created by SB 182. Alaska law does not limit to any great degree instruments in which municipalities and school districts can invest. To insure security and liquidity, the pool will limit the types of investments beyond the options available to the entities individually. The increased rate of return does not come with higher risk investments but through the pooling of funds.

Public entities will voluntarily participate in the pool only after reviewing bylaws and investment policies, passing a local resolution or ordinance authorizing participation, and signing a cooperative participation agreement. Then they will actually invest their funds, and keep their funds invested in the pool, only if the pool provides competitive rates. The AML

Senator Sturgulewski
March 28, 1991
Page 2

Board intends to establish a pool run by professional management firm and with oversight of representatives of participating entities, including finance officers. We have a request for proposal for firms "on the street". The committee is working on bylaws, cooperative agreements, and resolutions.

While the legislation would allow others to form an investment pool, the AML intends to create a pool for the benefit of our members and others if it proves feasible. If it is not feasible we may look to the state treasury but, at least at this point, municipal finance officers and other officials we are working with have encouraged us to develop a program in which they have more control of their money. The AML got legislation passed in 1986 to allow it to create a pool for insurance and that program, now in its third year, has been very successful.

If you have any other questions, please feel free to call. Thank you for your interest and your support.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott A. Burgess", written over a horizontal line.

Scott A. Burgess
Executive Director

Enclosures

c: Senator Steve Frank

§ 24-75-605

GOVERNMENT—STATE

(2) Investments under this section shall be limited in their acquisition and retention in the above classes of securities so that the aggregate of all investments in each separate fund at any time shall be as follows:

(a) Classes 1, 2, and 3, or any combination thereof, up to any amount but not less than seventy percent;

(b) Class 4. In any amount not to exceed thirty percent;

(c) Class 5. 1.) any amount which is fully insured by the federal savings and loan insurance corporation or the federal deposit insurance corporation.

(3) The legal investments in this section authorized for cities having a population of twenty-five thousand or more shall be in addition to those investments otherwise by law authorized for said cities.

(4) Notwithstanding the provisions of subsection (2) of this section, investments of firemen's pension funds shall be limited in their acquisition and retention in the classes of securities set forth in subsection (1) of this section so that the aggregate of all investments in each separate fund at any time shall be as follows:

(a) Classes 1, 2, and 3, or any combination thereof, up to any amount but not less than fifty percent;

(b) Class 4. In any amount not to exceed fifty percent, but not more than fifty percent of such class 4 aggregate may be invested in class 4 notes, bonds, or debentures which are convertible into shares of common stock or in common stocks of such class 4;

(c) Class 6. In any amount not to exceed fifty percent;

(d) As a further limitation thereon, in any amount not to exceed seven percent or one hundred thousand dollars, whichever is the greater, of any one issue valued at the time of purchase;

(e) In no event shall any investment be made in the common or preferred stock, or both, of any single corporation in an amount in excess of five percent of the then book value of the assets of the retirement fund.

(Law 1963, S.B. 69, § 1; Law 1969, H.D. 1140, § 1.)

Prior Compilations: C.R.S. 1953, § 83-1-5; C.R.S. 1963, § 83-1-5.

Library References

Municipal Corporations 884.
WESTLAW Topic No. 268.
C.J.C. Municipal Corporations § 1891.

COLORADO

PART 7

INVESTMENT FUNDS—LOCAL GOVERNMENT POOLING

§ 24-75-701. Local governments—authority to pool surplus funds

In accordance with the provisions of this part 7, it is lawful for any county, city and county, city, town, school district, special district, or other political subdivision of the state, or any department, agency, or instrumentality there-

constituting the trust fund shall be subject to payment at any time from moneys in the trust fund;

(j) Distribution of the income from earnings of the trust fund to participating entities on a pro rata basis;

(k) Maintenance of separate accounts for each participating entity. Individual transactions and totals of all investments, or the share belonging to each participant, shall be recorded in the accounts.

(l) Periodic audits of trust fund management;

(m) Periodic reports to each participating entity showing changes in investments and earnings thereon;

(n) Semiannual financial reporting of the details of the operations of the trust fund;

(o) Purchase of surety and other bonds necessary to protect the fund.

(2) By separate resolution similarly adopted, the governing body of each participating local government entity shall authorize investment of any moneys in its treasury, which are not immediately required to be disbursed, in a local government surplus funds trust fund established pursuant to this section. The resolution shall name the local government official, who may be the treasurer or other official empowered to invest local funds, responsible for deposit and withdrawal of such funds and shall state the approximate cash flow requirements of the local government for the surplus funds invested. In making such deposits and withdrawals, such official shall use prudence and care to preserve the principal and to secure the maximum rate of interest consistent with safety and liquidity. The resolution shall be filed with the trustee of the trust fund.

(3) The investments made with trust fund moneys shall be limited to those instruments which all participating local government entities may individually invest in by law. The trust fund shall not be used to circumvent limitations on the investment authority of participating local government entities.

(4) The trustee of any trust fund moneys authorized by this section shall invest in compliance with the requirements of this section and with that degree of 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 and need for liquidity as well as the probable income to be derived.

(Laws 1983, H.B.1097, § 1.)

Notes of Decisions

Construction and application 1

§§ 24-75-701 and 24-75-702. AG FILE No. DLS8703970/AQC June 29, 1997.

1. Construction and application
Colorado local governmental units may pool funds for investment only in accordance with

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

§ 24-75-605

GOVERNMENT—STATE

(2) Investments under this section shall be limited in their acquisition and retention in the above classes of securities so that the aggregate of all investments in each separate fund at any time shall be as follows:

(a) Classes 1, 2, and 3, or any combination thereof, up to any amount but not less than seventy percent;

(b) Class 4. In any amount not to exceed thirty percent;

(c) Class 5. In any amount which is fully insured by the federal savings and loan insurance corporation or the federal deposit insurance corporation.

(3) The legal investments in this section authorized for cities having a population of twenty-five thousand or more shall be in addition to those investments otherwise by law authorized for said cities.

(4) Notwithstanding the provisions of subsection (2) of this section, investments of firemen's pension funds shall be limited in their acquisition and retention in the classes of securities set forth in subsection (1) of this section so that the aggregate of all investments in each separate fund at any time shall be as follows:

(a) Classes 1, 2, and 3, or any combination thereof, up to any amount but not less than fifty percent;

(b) Class 4. In any amount not to exceed fifty percent, but not more than fifty percent of such class 4 aggregate may be invested in class 4 notes, bonds, or debentures which are convertible into shares of common stock or in common stocks of such class 4;

(c) Class 6. In any amount not to exceed fifty percent;

(d) As a further limitation thereon, in any amount not to exceed seven percent or one hundred thousand dollars, whichever is the greater, of any one issue valued at the time of purchase;

(e) In no event shall any investment be made in the common or preferred stock, or both, of any single corporation in an amount in excess of five percent of the then book value of the assets of the retirement fund.

(Laws 1963, S.D.69, § 1; Laws 1969, H.D.1140, § 1.)

Prior Compilations: C.R.S.1953, § 83-1-5; C.R.S.1963, § 83-1-5.

Library References

Municipal Corporations ⇐884.

WESTLAW Topic No. 268.

C.J.C. Municipal Corporations § 1851.

COLORADO

PART 7

INVESTMENT FUNDS—LOCAL GOVERNMENT POOLING

§ 24-75-701. Local governments—authority to pool surplus funds

In accordance with the provisions of this part 7, it is lawful for any county, city and county, city, town, school district, special district, or other political subdivision of the state, or any department, agency, or instrumentality there-

of, or any political or public corporation of the state to pool any moneys in its treasury, which are not immediately required to be disbursed, with the same such moneys in the treasury of any other county, city and county, city, town, school district, special district, or other political subdivision of the state, or any department, agency, or instrumentality thereof, or any political or public corporation of the state in order to take advantage of short-term investments and maximize net interest earnings.

(Laws 1983, H.B.1097, § 1; Laws 1986, H.B.1279, § 1.)

Library References

Municipal Corporations §884.
WESTLAW Topic No. 268.
C.J.S. Municipal Corporations § 1881.

Notes of Decisions

Construction and application 1

§§ 24-75-701 and 24-75-702. AG FILE No.
DLS8703970/AQC June 29, 1987.

1. Construction and application

Colorado local governmental units may pool funds for investment only in accordance with

§ 24-75-702. Local government investment pooling—trust method

(1) The governing body of each local government entity that desires to participate in pooling shall cooperate in drafting a uniform resolution to be adopted by a majority vote of the governing body of each participating entity. The resolution shall provide for, but need not be limited to, the following:

- (a) Establishment of a local government surplus funds trust fund;
- (b) Supervision of the trust fund by a board composed of the treasurers or other local officials empowered to invest local funds of each of the participating entities;
- (c) Administration of the trust fund by an investment officer and the manner of his appointment as trustee;
- (d) An appropriation from each participating entity to finance the establishment of the trust fund and the repayment of the appropriations from the earnings of the trust fund;
- (e) Payment of the expenses of administration from the income received from the earnings of the trust fund;
- (f) Limitations, if any, on the aggregate amount of moneys which any participating local entity may have on deposit in the trust fund at one time;
- (g) Limitations, if any, on the period of time that the funds of any participating entity may be held in trust;
- (h) Maximum maturity dates of instruments purchased with trust fund moneys;
- (i) Penalties upon participating entities for early withdrawal of funds and procedures for resolving other contingencies which may jeopardize the earning potential of the trust fund, but the principal of each and every account

constituting the trust fund shall be subject to payment at any time from moneys in the trust fund;

(j) Distribution of the income from earnings of the trust fund to participating entities on a pro rata basis;

(k) Maintenance of separate accounts for each participating entity. Individual transactions and totals of all investments, or the share belonging to each participant, shall be recorded in the accounts.

(l) Periodic audits of trust fund management;

(m) Periodic reports to each participating entity showing changes in investments and earnings thereon;

(n) Semiannual financial reporting of the details of the operations of the trust fund;

(o) Purchase of surety and other bonds necessary to protect the fund.

(2) By separate resolution similarly adopted, the governing body of each participating local government entity shall authorize investment of any moneys in its treasury, which are not immediately required to be disbursed, in a local government surplus funds trust fund established pursuant to this section. The resolution shall name the local government official, who may be the treasurer or other official empowered to invest local funds, responsible for deposit and withdrawal of such funds and shall state the approximate cash flow requirements of the local government for the surplus funds invested. In making such deposits and withdrawals, such official shall use prudence and care to preserve the principal and to secure the maximum rate of interest consistent with safety and liquidity. The resolution shall be filed with the trustee of the trust fund.

(3) The investments made with trust fund moneys shall be limited to those instruments which all participating local government entities may individually invest in by law. The trust fund shall not be used to circumvent limitations on the investment authority of participating local government entities.

(4) The trustee of any trust fund moneys authorized by this section shall invest in compliance with the requirements of this section and with that degree of 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 and need for liquidity as well as the probable income to be derived.

(Laws 1983, H.B.1097, § 1.)

Notes of Decisions

Construction and application 1

§§ 24-75-701 and 24-75-702. AG FILE No. DLS4703970/AQC June 29, 1997.

1. Construction and application

Colorado local governmental units may pool funds for investment only in accordance with

471.58 RANGE ASSOCIATION OF MUNICIPALITIES AND SCHOOLS; MEMBERSHIP.

For the purpose of providing an areawide approach to problems which demand coordinated and cooperative actions and which are common to those areas of northeast Minnesota affected by operations involved in mining iron ore and taconite and producing concentrate therefrom, and for the purpose of promoting the general welfare and economic development of the cities, towns and school districts within the iron ranges area of northeast Minnesota, any city, town or school district in which the net tax capacity consists in part of iron ore, or lands containing taconite or semitaconite or which is located in whole or part in the tax relief area defined by section 273.134, may pay annual dues in the range association of municipalities and schools. The association may sue, be sued, intervene and act in a civil action in which the outcome of the action will have an effect upon the interest of any of its members.

History: 1943 c 517 s 1; 1965 c 309 s 1; 1973 c 123 art 5 s 7; 1978 c 575 s 1; 1979 c 124 s 1; 1983 c 64 s 1; 1988 c 719 art 5 s 84; 1989 c 329 art 13 s 20

471.59 JOINT EXERCISE OF POWERS.

Subdivision 1. Agreement. Two or more governmental units, by agreement entered into through action of their governing bodies, may jointly or cooperatively exercise any power common to the contracting parties or any similar powers, including those which are the same except for the territorial limits within which they may be exercised. The agreement may provide for the exercise of such powers by one or more of the participating governmental units on behalf of the other participating units. The term "governmental unit" as used in this section includes every city, county, town, school district, other political subdivision of this or another state, another state, and any agency of the state of Minnesota or the United States, and includes any instrumentality of a governmental unit. For the purpose of this section, an instrumentality of a governmental unit means an instrumentality having independent policy making and appropriating authority.

Subd. 2. Agreement to state purpose. Such agreement shall state the purpose of the agreement or the power to be exercised and it shall provide for the method by which the purpose sought shall be accomplished or the manner in which the power shall be exercised. When the agreement provides for use of a joint board, the board shall be representative of the parties to the agreement. Irrespective of the number, composition, terms, or qualifications of its members, such board is deemed to comply with statutory or charter provisions for a board for the exercise by any one of the parties of the power which is the subject of the agreement.

Subd. 3. Disbursement of funds. The parties to such agreement may provide for disbursements from public funds to carry out the purposes of the agreement. Funds may be paid to and disbursed by such agency as may be agreed upon, but the method of disbursement shall agree as far as practicable with the method provided by law for the disbursement of funds by the parties to the agreement. Contracts let and purchases made under the agreement shall conform to the requirements applicable to contracts and purchases of any one of the parties, as specified in the agreement. Strict accountability of all funds and report of all receipts and disbursements shall be provided for.

Subd. 4. Termination of agreement. Such agreement may be continued for a definite term or until rescinded or terminated in accordance with its terms.

Subd. 5. Shall provide for distribution of property. Such agreement shall provide for the disposition of any property acquired as the result of such joint or cooperative exercise of powers, and the return of any surplus moneys in proportion to contributions of the several contracting parties after the purpose of the agreement has been completed.

Subd. 6. Residence requirement. Residence requirements for holding office in any governmental unit shall not apply to any officer appointed to carry out any such agreement.

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Subd. 7. Not to affect other acts. This section does not dispense with procedural requirements of any other act providing for the joint or cooperative exercise of any governmental power.

Subd. 8. Services performed by county, commonality of powers. Notwithstanding the provisions of subdivision 1 requiring commonality of powers between parties to any agreement the board of county commissioners of any county may by resolution enter into agreements with any other governmental unit as defined in subdivision 1 to perform on behalf of that unit any service or function which that unit would be authorized to provide for itself.

Subd. 9. Exercise of power. For the purposes of the development, coordination, presentation and evaluation of training programs for local government officials, governmental units may exercise their powers under this section in conjunction with organizations representing governmental units and local government officials.

Subd. 10. Services performed by governmental units; commonality of powers. Notwithstanding the provisions of subdivision 1 requiring commonality of powers between parties to any agreement, the governing body of any governmental unit as defined in subdivision 1 may enter into agreements with any other governmental unit to perform on behalf of that unit any service or function which the governmental unit providing the service or function is authorized to provide for itself.

Subd. 11. Joint powers board. Two or more governmental units, through action of their governing bodies, by adoption of a joint powers agreement that complies with the provisions of subdivisions 1 to 5, may establish a joint board to issue bonds or obligations pursuant to any law by which any of the governmental units establishing the joint board may independently issue bonds or obligations and may use the proceeds of the bonds or obligations to carry out the purposes of the law under which the bonds or obligations are issued. A joint board created pursuant to this section may issue obligations and other forms of indebtedness only pursuant to express authority granted by the action of the governing bodies of the governmental units which established the joint board. The joint board established pursuant to this subdivision shall be composed solely of members of the governing bodies of the governmental unit which established the joint board, and the joint board may not pledge the full faith and credit or taxing power of any of the governmental units which established the joint board. The obligations or other forms of indebtedness shall be obligations of the joint board issued on behalf of the governmental units creating the joint board. The obligations or other forms of indebtedness shall be issued in the same manner and subject to the same conditions and limitations which would apply if the obligations were issued or indebtedness incurred by one of the governmental units which established the joint board provided that any reference to a governmental unit in the statute, law, or charter provision authorizing the issuance of the bonds or the incurring of the indebtedness shall be considered a reference to the joint board.

Subd. 12. Joint exercise of police power. In the event that an agreement authorizes the exercise of peace officer or police powers by an officer appointed by one of the governmental units within the jurisdiction of the other governmental unit, an officer acting pursuant to that agreement has the full and complete authority of a peace officer as though appointed by both governmental units and licensed by the state of Minnesota, provided that:

(1) the peace officer has successfully completed professionally recognized peace officer preemployment education which the Minnesota board of peace officer standards and training has found comparable to Minnesota peace officer preemployment education; and

(2) the officer is duly licensed or certified by the peace officer licensing or certification authority of the state in which the officer's appointing authority is located.

History: 1943 c 557; 1949 c 448 s 1-3; 1961 c 662 s 1,2; 1965 c 744 s 1-3; 1973 c 123 art 5 s 7; 1973 c 541 s 1; 1975 c 134 s 1,2; 1980 c 532 s 2; 1982 c 507 s 27; 1983 c 342 art 8 s 15; 1984 c 495 s 1; 1986 c 465 art 2 s 15; 1990 c 572 s 14

CHAPTER 28E

JOINT EXERCISE OF GOVERNMENTAL POWERS

28E.1	Purpose.	28E.18	Shared use of facilities.
28E.2	Definitions.	28E.19	Joint county indigent defense fund.
28E.3	Joint exercise of powers.	28E.20	Joint purchases of equipment.
28E.4	Agreement with other agencies.		UNIFIED LAW ENFORCEMENT
28E.5	Specifications.	28E.21	Definition.
28E.6	Additional provisions.	28E.22	Referendum for tax.
28E.7	Obligations not excused.	28E.23	Budget.
28E.8	Filing and recording.	28E.24	Revenue and tax levies.
28E.9	Status of interstate agreement.	28E.25	Expansion of district.
28E.10	Approval of statutory officer.	28E.26	City civil service and retirement.
28E.11	Agency to furnish aid.	28E.27	Duration of agreements for law enforcement purposes.
28E.12	Contract with other agencies.	28E.28	Public safety commission.
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28E.14	No limitation on contract.	28E.29	Amara — additional law enforcement.
28E.15	District agency.	28E.30	Agreement for law enforcement administrative services.
28E.16	Election for bonds.		
28E.17	Transit policy — joint agreement — city debt.		

28E.1 Purpose.

The purpose of this chapter is to permit state and local governments in Iowa to make efficient use of their powers by enabling them to provide joint services and facilities with other agencies and to cooperate in other ways of mutual advantage. This chapter shall be liberally construed to that end.

[C66, 71, 73, 76, 77, 79, 81, §28E.1]

28E.2 Definitions.

For the purposes of this chapter, the term "public agency" shall mean any political subdivision of this state; any agency of the state government or of the United States; and any political subdivision of another state. The term "state" shall mean a state of the United States and the District of Columbia. The term "private agency" shall mean an individual and any form of business organization authorized under the laws of this or any other state.

[C66, 71, 73, 75, 77, 79, 81, §28E.2]

See also §28E.2

28E.3 Joint exercise of powers.

Any power or powers, privileges or authority exercised or capable of exercise by a public agency of this state may be exercised and enjoyed jointly with any other public agency of this state having such power or powers, privilege or authority, and jointly with any public agency of any other state or of the United States to the extent that laws of such other state or of the United States permit such joint exercise or enjoyment. Any agency of the state government when acting jointly with any public agency may exercise and enjoy all of the powers, privileges and authority conferred by this chapter upon a public agency.

[C66, 71, 73, 75, 77, 79, 81, §28E.3]

28E.4 Agreement with other agencies.

Any public agency of this state may enter into an agreement with one or more public or private agencies for joint or co-operative action pursuant to the provisions of this chapter, including the creation of a separate entity to carry out the purpose of the agreement. Appropriate action by ordinance, resolution or otherwise pursuant to law of the governing bodies involved shall be necessary before any such agreement may enter into force.

[C68, 71, 73, 75, 77, 79, 81, §28E.4]

28E.5 Specifications.

Any such agreement shall specify the following:

1. Its duration.
2. The precise organization, composition and nature of any separate legal or administrative entity created thereby together with the powers delegated thereto, provided such entity may be legally created.
3. Its purpose or purposes.
4. The manner of financing the joint or co-operative undertaking and of establishing and maintaining a budget therefor.
5. The permissible method or methods to be employed in accomplishing the partial or complete termination of the agreement and for disposing of property upon such partial or complete termination.
6. Any other necessary and proper matters.

[C68, 71, 73, 75, 77, 79, 81, §28E.5]

28E.6 Additional provisions.

If the agreement does not establish a separate legal entity to conduct the joint or co-operative undertaking, the agreement shall also include:

1. Provision for an administrator or a joint board responsible for administering the joint or co-

the warrant book. The original warrant shall be preserved for at least two years. The treasurer shall make monthly reports to show for each warrant the number, date, drawee's name, when paid, to whom paid, original amount, and interest.

5. a. When a warrant legally drawn on the county treasury is presented for payment and not paid because of a deficiency, the treasurer shall carry out duties relating to the endorsement and payment of interest on the amount of deficiency as provided in chapter 74.

b. In lieu of the requirements and procedures specified in sections 74.1, 74.2, and 74.3, when warrants other than anticipatory warrants are presented for payment and not paid for want of funds or are only partially paid, the treasurer may issue a warrant order for an amount equal to the unpaid warrants drawn on a fund. The warrant order shall be dated and include the fund name, amount, and the rate of interest established under section 74A.6. The warrant order shall be endorsed by the treasurer, "not paid for want of funds", and include the treasurer's signature. The treasurer shall keep a list of all warrants comprising a warrant order and shall submit a duplicate copy of the warrant order to the auditor. The procedures of sections 74.4 to 74.7 apply to warrant orders.

6. The amount of a check outstanding for more than two years shall be paid to the treasurer and credited as unclaimed fees and trusts. The treasurer shall provide a list of the checks to the auditor who shall maintain a record of the unclaimed fees and trusts. A person may claim an unclaimed fee or trust within five years after the money is credited upon proper proof of ownership.

7. A warrant outstanding for more than two years shall be canceled by the auditor and the amount of the warrant shall be credited to the fund upon which the warrant was drawn. A person may file a claim with the auditor for the amount of the canceled warrant within five years of the date of the cancellation, and upon showing of proper proof that the claim is true and unpaid, the auditor shall issue a warrant drawn upon the fund from which the original canceled warrant was drawn. This subsection does not apply to warrants issued upon drainage or levee district funds or any fund upon which the county treasurer has issued a warrant order or stamped a warrant for want of funds.

1. (R60, §2187; C73, §567; C97, §597; C24, 27, 31, 35, 39, §5168; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §334.3; S81, §331.554(1); 81 Acts, ch 117, §553)

2. (C51, §154, 490; R60, §362, 755; C73, §329; C97, §485; C24, 27, 31, 35, 39, §5162; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §334.5; S81, §331.554(2); 81 Acts, ch 117, §553)

3. (C51, §155; R60, §363; C73, §330; C97, §486; C24, 27, 31, 35, 39, §5189; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §334.6; S81, §331.554(3); 81 Acts, ch 117, §553)

4. (C51, §159, 160; R60, §365, 368; C73, §332, 333; C97, §488; C24, 27, 31, 35, 39, §5184; C46, 50,

54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §334.7; S81, §331.554(4); 81 Acts, ch 117, §553)

5. (S81, §331.554(5); 81 Acts, ch 117, §553; 82 Acts, ch 1048, §1)

6. (C97, §466; C24, 27, 31, 35, 39, §5169; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §334.12; S91, §331.554(6); 81 Acts, ch 117, §553)

83 Acts, ch 65, §1, 2; 83 Acts, ch 129, §147, 209

331.555 Fund management.

1. During each term of office, the treasurer shall keep a separate account of the taxes levied for state, county, school, highway, or other purposes and of all other funds created by law whether of regular, special, or temporary nature. The treasurer shall not pay out or use the money in a fund for any purpose except as specifically authorized by law. The treasurer shall be charged with the amount of tax or other funds collected or received by the treasurer and shall be credited with the amount of taxes or other funds disbursed from each account as authorized by law.

2. Except as provided in section 321.163, on or before the fifteenth day of each month, the treasurer shall prepare sworn statements of the amount of money held by the treasurer on the last day of the preceding month belonging to the state treasury and mail a copy of the statement and the remittance to the treasurer of state. Another copy of the statement shall be mailed to the director of revenue and finance. However, in lieu of mailing the remittance to the treasurer of state, the treasurer may deposit the remittance to the credit of the treasurer of state in an interest-bearing account in a bank in the county as designated by the treasurer of state.

3. If a treasurer fails to comply with the requirements of subsection 2, the treasurer shall forfeit for each failure a sum of not less than one hundred dollars nor more than five hundred dollars to be recovered in an action against the treasurer's bond brought in the name of the director of revenue and finance or the treasurer of state.

4. The treasurer shall make a complete settlement with the county semiannually and when the treasurer leaves office as provided in sections 452.6 and 452.7.

5. The treasurer shall maintain custody of all public moneys in the treasurer's possession and deposit or invest the moneys as provided in section 452.10 and chapter 453.

6. The treasurer shall keep all funds invested to the extent practicable and may invest the funds jointly with one or more counties, judicial district departments of correctional services, cities, or city utilities pursuant to a joint investment agreement.

(C51, §156, 161; R60, §364, 367, 799; C73, §331, 334, 914; C97, §487, 489, 1459; C24, 27, 31, 35, 39, §5165, 5166, 5168; C46, 50, 54, §334.8, 334.9-334.11; C58, 62, 66, 71, 73, 75, 77, 79, 81, §334.8, 334.9, 334.11, 981, §331.555, 81 Acts, ch 117, §554) 87 Acts, ch 105, §1; 88 Acts, ch 1084, §1

331.556 Loss of funds — replacement.
Repealed by 88 Acts, ch 1108, §4

be as shown in the adopted city budget and as certified by the clerk, subject to any changes made after a protest hearing, and any additional tax rates approved at a city election. A city levy is not valid until proof of publication or posting of notice of a budget hearing is filed with the county auditor.

[C24, 27, 31, 35, 39, §370, 385; C46, 50, 54, 58, 62, 66, 71, 73, §24.10, 24.19; C75, 77, 79, 81, §384.17]

384.18 Budget amendment.

A city budget as finally adopted for the following fiscal year becomes effective July 1 and constitutes the city appropriation for each program and purpose specified therein until amended as provided in this section. A city budget for the current fiscal year may be amended for any of the following purposes:

1. To permit the appropriation and expenditure of unexpended, unencumbered cash balances on hand at the end of the preceding fiscal year which had not been anticipated in the budget.
2. To permit the appropriation and expenditure of amounts anticipated to be available from sources other than property taxation, and which had not been anticipated in the budget.
3. To permit transfers from the debt service fund, the capital improvements reserve fund, the emergency fund, or other funds established by state law, to any other city fund, unless specifically prohibited by state law.
4. To permit transfers between programs within the general fund.

A budget amendment must be prepared and adopted in the same manner as the original budget, as provided in section 384.16, and is subject to protest as provided in section 384.19, except that the committee may by rule provide that amendments of certain types or up to certain amounts may be made without public hearing and without being subject to protest. A city budget shall be amended by May 31 of the current fiscal year to allow time for a protest hearing to be held and a decision rendered before June 30. The amendment of a budget after May 31, which is properly appealed but without adequate time for hearing and decision before June 30 is void.

[C24, 27, 31, 35, 39, §375; C46, 50, 54, 58, 62, 66, 71, 73, §24.9; C75, 77, 79, 81, §384.18; 82 Acts, ch 1079, §6]

384.19 Written protest.

Within a period of ten days after the final date that a budget or amended budget may be certified to the county auditor, persons affected by the budget may file a written protest with the county auditor, specifying their objections to the budget or any part of it. A protest must be signed by qualified electors equal in number to one-fourth of one percent of the votes cast for governor in the last preceding general election in the city, but the number shall not be less than ten persons and the number need not be more than one hundred persons.

Upon the filing of any such protest, the county auditor shall immediately prepare a true and complete copy of the written protest, together with the budget to which the objections are made, and shall

transmit the same forthwith to the state appeal board, and shall also send a copy of the protest to the council.

The state appeal board shall proceed to consider the protest in accordance with the same provisions that protests to budgets of municipalities are considered under chapter 24. The state appeal board shall certify its decision with respect to the protest to the county auditor and to the parties to the appeal as provided by rule, and the decision shall be final.

The county auditor shall make up the records in accordance with the decision and the levying board shall make its levy in accordance with the decision. Upon receipt of the decision the council shall correct its records accordingly, if necessary.

[C39, §300.2, 300.7; C46, 50, 54, §24.26, 24.31; C58, 62, 66, 71, 73, §24.27, 24.32; C75, 77, 79, 81, §384.19; 82 Acts, ch 1079, §7]

384.20 Separate accounts.

A city shall keep separate accounts corresponding to the programs and items in its adopted or amended budget, as recommended by the committee.

A city shall keep accounts which show an accurate and detailed statement of all public funds collected, received, or expended for any city purpose, by any city officer, employee, or other person, and which show the receipt, use, and disposition of all city property. Public monies may not be expended or encumbered except under an annual or continuing appropriation.

[§13, §741-a, 741-b; C24, 27, 31, 35, 39, §5675, 5676; C46, 50, §363.49, 363.50; C54, 58, 62, 66, 71, 73, §368A.5, 368A.6; C75, 77, 79, 81, §384.20]

384.21 Joint investment of funds.

A city or a city utility board shall keep all funds invested to the extent practicable and may invest the funds jointly with one or more cities, utility boards, judicial district departments of correctional services, or counties pursuant to a joint investment agreement.
87 Acts, ch 105, §2; 88 Acts, ch 1084, §2

384.22 Annual report.

Not later than October 1 of each year, a city shall publish an annual report as provided in section 862.3 containing a summary for the preceding fiscal year of all collections and receipts, all accounts due the city, and all expenditures, the current public debt of the city, and the legal debt limit of the city for the current fiscal year. A copy of this report must be furnished to the auditor of state.

[§13, §741-c, 1056-a7, 1056-a9, 1056-a33; C24, 27, 31, 35, 39, §5677, 5678, 5680, 5681; C46, 50, §363.54, 363.56, 363.57, 416.103; C54, 58, 62, 66, 71, 73, §368A.9, 368A.11, 368A.12; C75, 77, 79, 81, §384.22]

DIVISION III

GENERAL OBLIGATION BONDS

384.23 Construction of words "and" and "or."
As used in divisions III to VI of this chapter, the

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

P.O. Box Y, Juneau, Alaska 99811
(907) 465-3867 or 465-2450
FAX (907) 465-2029

Deliveries to: 240 Main Street
Court Plaza, Room 500
Mail Stop 3101

MEMORANDUM

April 25, 1991

same as SB182

SUBJECT: Investment Pools for Public Entities (CSHB 199(CRA))

TO: Representative Mike Navarre, Co-chair
House Finance Committee

FROM: Tamara Brandt Cook
Director *TBC*

CSHB 199(CRA) permits municipalities and school districts to form investment pools under which the funds of the public entities are administered and invested jointly. You have asked what the implications are regarding the state's financial responsibility in the event that an investment pool suffers financial losses.

As a matter of law, losses experienced by an investment pool would not create any particular liability on the part of the state. However, as a practical matter the state is hardly likely to stand by and allow a municipality to sink into financial ruin. With respect to school districts, of course, there exists the additional constitutional responsibility placed on the legislature to maintain a system of public education. (Article VII, sec. 1, Constitution of the State of Alaska) These considerations exist completely aside from the investment pool issue, although, to the extent that an investment pool provides an opportunity for larger losses simply because the pool will involve larger amounts of money, I suppose, the cause for concern may increase. This would have to be looked into by someone with financial expertise.

Note, however, that with respect to municipalities CSHB 199(CRA) may not substantially change existing law. AS 29.35.010(13) already grants every municipality the authority ". . . to enter into an agreement, including an agreement for cooperative or joint administration of any function or power with a municipality, the state, or the United States. . ." Since it is quite possible that municipalities could form investment pools right now under this provision of law, it is hard to argue that CSHB 199(CRA) substantially changes the state's potential responsibility in situations involving investment losses of municipal funds.

TBC:gc
91-236.glc

**TABLE 2
STATUTORY LOCAL GOVERNMENT INVESTMENT AUTHORITY**

State	U.S. Treasury Obligations	U.S. Agency Obligations	Federal Instrumentalities	Repurchase Agreements (Explicit)	Commercial Bank CDs	Savings & Loan Deposits	Bankers' Acceptances	Commercial Paper	Money Market Funds	State Investment Pool
Alabama	Yes	Yes	No	Yes	Yes	Yes	No	No	Yes	No
Alaska	HOME RULE									
Arizona	Yes	Yes	No	Yes	Yes	Yes	No	No	No	No
Arkansas	Yes	Some	No	Yes	Yes	Yes	No	No	No	No
California	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Colorado	Yes	Some	Yes	Yes	Yes	Yes	Prpsd.	No	Prpsd.	Private
Connecticut	Yes	Yes	Some	Yes	Yes	Yes	Yes	Yes	No	Yes
Delaware	HOME RULE									
Florida	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes
Georgia	Yes	Some	No	Yes	Yes	Yes	No	No	No	Yes
Hawaii	Yes	Some	Some	Yes	Yes	Yes	No	No	No	No
Idaho	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Illinois	Yes	Yes	Some	Yes	Yes	Yes	No	Lmtd.	Yes	Yes
Indiana	Yes	No	Yes	Yes	Yes	Yes	No	No	No	No
Iowa	Yes	Yes	Yes	Lmtd.	Yes	Yes	Yes	Yes	Yes	No
Kansas	Yes	Some	Some	Lmtd.	Yes	Lmtd.	No	No	No	No
Kentucky	Yes	Yes	Some	Yes	Yes	Yes	No	No	No	Yes
Louisiana	Yes	Some	Some	No	Yes	Yes	No	No	No	No
Maine	Yes	No	No	Lmtd.	Yes	Yes	No	Lmtd.	Some	No
Maryland	Yes	Yes	Some	Yes	Yes	Yes	Yes	No	Yes	Private
Massachusetts	Lmtd.	No	No	Lmtd.	Lmtd.	Lmtd.	No	No	No	Yes
Michigan	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Lmtd.	Yes	No
Minnesota	Yes	Yes	Yes	Lmtd.	Lmtd.	Lmtd.	Lmtd.	Lmtd.	Yes	No
Mississippi	Yes	No	No	No	Yes	Yes	No	No	No	No
Missouri	Lmtd.	Yes	Yes	Yes	Yes	Yes	No	No	No	No
Montana	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Yes
Nebraska	Yes	Yes	Some	No	Yes	No	No	No	No	No
Nevada	Yes	Some	Some	No	Yes	Yes	No	No	No	Yes
New Hampshire	Yes	Lmtd.	Lmtd.	Lmtd.	Yes	Yes	Lmtd.	Lmtd.	No	No
New Jersey	Lmtd.	Some	Some	Yes	Yes	Yes	No	No	No	Yes
New Mexico	Yes	No	No	No	Yes	Yes	No	No	No	No
New York	Yes	No	Lmtd.	No	Yes	Yes	No	No	No	No
North Carolina	Yes	Some	Some	Yes	Yes	Yes	Some	Lmtd.	Lmtd.	Yes
North Dakota	Yes	No	Some	No	No	No	No	No	No	No
Ohio	Yes	Yes	Some	Yes	Yes	Yes	No	No	No	Yes
Oklahoma	Yes	Some	Some	No	Yes	No	No	No	No	No
Oregon	Yes	Yes	Yes	No	Yes	Yes	Yes	No	No	Yes
Pennsylvania	Yes	Some	Some	No	Yes	Yes	No	Lmtd.	Yes	Trust
Rhode Island	No	No	No	No	Yes	Yes	No	No	Yes	Private
South Carolina	Yes	Some	Some	Yes	Yes	Yes	No	No	No	Yes
South Dakota	Yes	Lmtd.	Yes	No	Yes	Yes	Lmtd.	No	No	No
Tennessee	Yes	Some	Some	Lmtd.	Yes	Yes	No	No	Lmtd.	Yes
Texas (cities)	Yes	Yes	Some	No	Lmtd.	Yes	No	No	No	No
Utah	Yes	Yes	Some	Yes	Yes	Yes	Yes	No	No	Yes
Vermont	HOME RULE									
Virginia	Yes	Yes	Yes	Yes	Lmtd.	Lmtd.	Lmtd.	Yes	Yes	Yes
Washington	Yes	Yes	Yes	No	Yes	Yes	Yes	No	Yes	No
West Virginia	Yes	Some	Some	No	Yes	Yes	No	No	No	Yes
Wisconsin	Yes	Yes	Yes	Yes	Yes	Yes	Lmtd.	Lmtd.	No	Yes
Wyoming	Yes	Some	Some	No	Yes	Yes	No	No	No	No

This information may require correction due to changing state laws and conflicting provisions.

(Updated: November 1988)

The State of Alaska will not endorse a specific investment pool, nor will it indemnify a political subdivision against losses sustained from using an investment pool. This statute neither relieves a political subdivision from its fiduciary obligation to prudently invest public funds, or conform to its local investment policy restrictions.

YOUR PRUDENT PERSON LANGUAGE WOULD MOST APPROPRIATELY FIT ON
PAGE ONE, LINE 12 AFTER THE WORD "POOL"

Adams
Am #1

"THE PRUDENT PERSON RULE SHALL BE APPLIED TO INVESTMENTS MADE UNDER THIS SECTION. THE PRUDENT PERSON RULE MEANS THAT THE INVESTORS SHALL EXERCISE THE JUDGEMENT AND CARE UNDER THE CIRCUMSTANCES THEN PREVAILING THAT AN INSTITUTIONAL INVESTOR OF ORDINARY PRUDENCE, DISCRETION AND INTELLIGENCE EXERCISES IN THE MANAGEMENT OF LARGE INVESTMENTS ENTRUSTED TO IT NOT IN REGARDS TO SPECULATION BUT IN REGARD TO THE PERMANENT DISPOSITION OF FUNDS, CONSIDERING THE PROBABLE SAFETY OF CAPITAL AS WELL AS PROBABLE INCOME."

SENATE FINANCE COMMITTEE REPORT

FRANK

DATE: 3/22/91

FURTHER:

DATE TURNED INTO OFFICE: 4/9/91

The Finance Committee considered SENATE BILL NO. 182

"An Act relating to investment pools for public entities; and providing for an effective date."

and recommended:

- replace with _____ CS SB 182 (kin) same title
- or adopt _____ CS _____ new title
- attached amendment(s) technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S): Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

appropriation-no fiscal note

APPROVES PREVIOUS:

fiscal note(s) Dept/Date: _____

zero fiscal note(s) _____
DOR 2/2/91
CRA 2/2/91

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

[Handwritten signatures]

1. *[Signature]* 2. *[Signature]*
Co-Chairs: Signatures and Recommendations

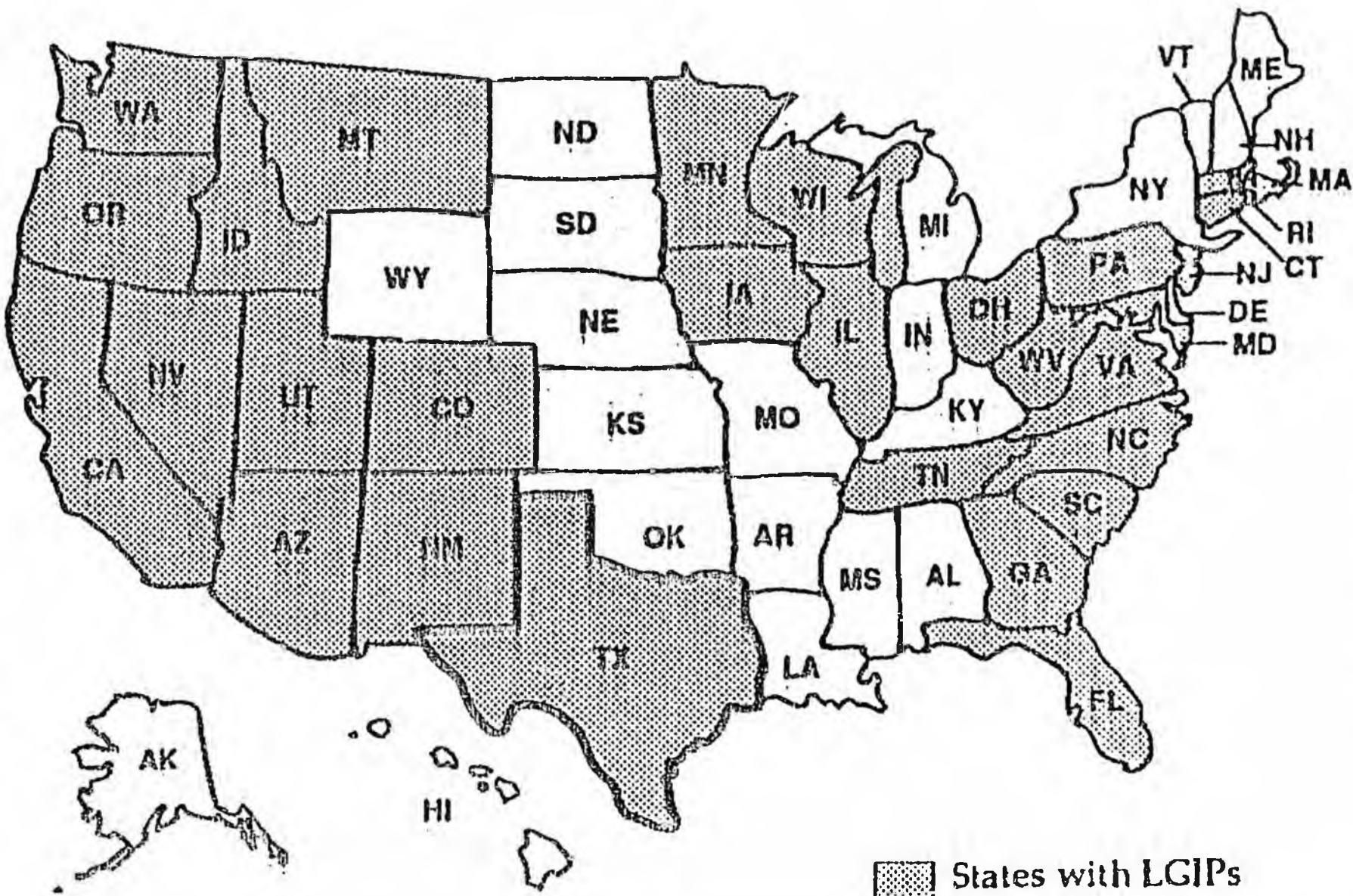
Short term money

Kerttula - less risky investments, not
long term

Adams - property is not short term

Sen Frank

States With Local Government Investment Pools



States with LGIPs
States without LGIPs

THE MUNICIPAL TREASURES ASSOCIATION
OF UNITED STATES AND CANADA
1420 16TH STREET NW SUITE 401 WASHINGTON DC 20036

REPRINTED FROM TREASURY NOTES: JANUARY 1991

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. HB 199, SB 182

Revision Date: March 20, 1991

Department Affected: Revenue

Title: Investment pools for public entities.

BRU: Treasury

Component: _____

Sponsor: Senate and House Community & Regional Affairs

Component Serial No. _____

Requestor: _____

	1	2	1
--	---	---	---

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: See attached analysis.

Prepared by: Brian C. Andrews *BCA*

Phone: 465-2350

Division: Treasury

Date: March 20, 1991

Approved by Commissioner: *[Signature]*

Agency: Revenue

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Amendments proposed:

Section 37.25.050 (b) of Senate Bill 182 and House Bill 199 should be modified to include within the definition of "public entity" the State of Alaska as well as a subdivision of the State, including a municipality, school district, regional educational attendance area or service area within the unorganized borough; or an organization composed of public entities. The expanded definitions would allow the General Investment Fund of the State to be a participant in the investment pool.

The Department of Revenue believes that the formation of an investment pool for money market securities within the Division of Treasury would offer the following benefits.

1. Use of Treasury's expertise in investment and cash management matters.
2. Treasury's existing arrangements for custodial services can accommodate a participant investment pool.
3. Treasury has already established cash concentration procedures within banks located in Alaska which could be used by public entities to transfer funds to the investment pool.
4. Use of Treasury's existing ACH electronic funds transfer capabilities which accomodates movement of deposits and withdrawals to and from the bank accounts of the participants.
5. Inclusion of the General Investment Fund as a participant would assure the investment pool's objectives of enhanced yields, liquidity and preservation and safety of capital.
6. Probable overall lower cost benefits to all participants.

Treasury would anticipate the following annual costs if it was charged with the responsibility of establishing and managing an investment pool of an assumed size of \$500 million.

Personal	1 FTP Cash mgt position	\$ 50,000
	1/2 FTP Investment officer	40,000
	1 FTP Accountant	50,000
Contractual	Custodial fees @ 5 bps ¹	250,000

¹"bps", or "basis points", is the standard of measurements of less than one per cent. One bps equals one percent of one percent.

	External audit	25,000
Equipment/ Supplies	Communications, computer software and equipment enhancements	<u>75,000</u>
Total		\$490,000

\$490,000 represents a cost of 0.00098 (9.8 bps) of the \$500 million pool total. For example, an 8.0 per cent gross investment return will net to 7.9 per cent after Treasury's total expenses. The only variable cost is custodial fees which would increase slightly by additional asset amounts to the investment pool. Because of scales of economy, the impact of Treasury's expenses on gross earnings would be reduced further by investment pools greater than \$500 million.



February 1991

Alaska Municipal League
Investment Pool Legislation and Program Justification

The Alaska Municipal League (AML) urges the passage of legislation to authorize the formation of investment pools under Title 29. The AML wishes to form an investment pool to improve the efficiency and effectiveness of municipalities and other local public entities statewide in the investment of their short-term, "idle," public funds. The objectives of the pool's investments, in order of priority, will be 1) security, 2) liquidity, and 3) return. In the absence of an Alaska "joint powers act," the AML is seeking legislation to authorize a public entity or a nonprofit corporation to form and enter into agreements for the purpose of investing funds.

Many AML member municipalities and school districts do not have banks in their communities much less investment options. In certain cases, municipalities lost funds when several banks folded in the 1980's because their funds were not collateralized. As federal and state financial assistance to municipalities have declined, making the most of local funds through interest revenues continues to be important.

The AML membership of over 125 municipalities passed a resolution in November 1989 directing the AML Board of Directors to investigate the feasibility of a municipal investment pool. The AML formed a committee of municipal officials to investigate the need and feasibility of a pool. The committee surveyed municipalities and school districts in June 1990 to gather information on local investment practices and interest in participating in a pool. Over 50 responses were received indicating:

- o Idle funds may be sufficient to form a pool . .
- o A significant number of respondents do not have written investment policies
- o Few municipalities and school districts employ investment professionals
- o Few do not collateralize their investments
- o Most respondents invest in a broad variety of investment instruments
- o Some respondents indicated that they had investments of over 2 years in terms which may not be prudent for these public funds
- o An investment pool would broaden the investment options available to even the most sophisticated, investor municipalities/school districts
- o The less sophisticated municipalities/school districts would benefit from safekeeping, yield of a pool, and professional advice.

The committee reviewed investment pools operating in 13 states. These pools are operated within the state treasurer's office or a independent non-profit corporations. The committee is leaning toward using a money market fund limited to very secure types of investments. The return on investments would be improved by increasing volume and term through pooling rather than on increasing risk.

In September 1990, the AML Board authorized the committee to proceed with establishing an investment pool by introducing legislation and distributing a request for proposal for a firm(s) to assist the AML with managing pool and investing the funds on behalf of entities who choose to participate in the pool.

A request for proposal from firms wishing to bid on providing administration, custodial and investment services has been finalized and will be distributed in March. AML is also working with a law firm to develop the necessary legal documents. If the legislation passes this session as planned, it is the intent of the AML to establish the pool and accept funds as of July 1, 1991.

The legislation would have a zero fiscal note and would not affect the State of Alaska. Participation in the pool by eligible public entities would be optional. The AML Board of Directors urges the Legislature to pass the investment pool legislation in the First Session of the 17th Alaska State Legislature to enable the AML to immediately begin to improve the efficiency and effectiveness of participants in the investments of their public funds.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

No. 1

Bill Version: SB 182

(S) Publish Date: 3/22/91

Revision Date: March 20, 1991

Department /

Title: Investment pools for public entities.

BRU: Treasury

Component: _____

Sponsor: Senate and House Community & Regional Affairs

Component Serial No.

Requestor: _____

1	2	1
---	---	---

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

Changes in CS SB182 (CRA)
have no fiscal impact. This
fiscal note is appropriate.

ANALYSIS: See attached analysis.

3/21/91 Wt. Rick Solie
date Comte Aide (initial)

Prepared by: Brian C. Andrews *BCA*

Phone: 465-2350

Division: Treasury

Date: March 20, 1991

Approved by Commissioner: _____ *[Signature]*

Agency: Revenue

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Amendments proposed:

Section 37.25.050 (b) of Senate Bill 182 and House Bill 199 should be modified to include within the definition of "public entity" the State of Alaska as well as a subdivision of the State, including a municipality, school district, regional educational attendance area or service area within the unorganized borough; or an organization composed of public entities. The expanded definitions would allow the General Investment Fund of the State to be a participant in the investment pool.

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Treasury would anticipate the following annual costs if it was charged with the responsibility of establishing and managing an investment pool of an assumed size of \$500 million.

Personal	1 FTP Cash mgt position	\$ 50,000
	1/2 FTP Investment officer	40,000
	1 FTP Accountant	50,000
Contractual	Custodial fees @ 5 bps ¹	250,000

¹"bps", or "basis points", is the standard of measurements of less than one per cent. One bps equals one percent of one percent.

FISCAL NOTE

No. 2
 Bill Version: SB 182
 (S) Publish Date: 3/22/91

STATE OF ALASKA
 1991 LEGISLATIVE SESSION

Revision Date: _____ Department Affected: Community & Regional Affairs
 Title: "An Act relating to investment pools for public entities.." BRU: _____
 Sponsor: Senate CRA Committee Component: _____
 Requestor: _____ COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)	Changes in <u>CS SB 182 (CRA)</u> • have no fiscal impact. This fiscal note is appropriate. <u>3/21/91</u> <u>Rick Solie</u> date Comte Aidé (initial)
--	---

Prepared By: Richard Anderson, Director Phone: 465-4708
 Division: Administrative Services Date: 3/19/91
 Approved by Commissioner: [Signature] 3/20/91
 Agency: Community & Regional Affairs Date: 3/19/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Amendments proposed:

Section 37.25.050 (b) of Senate Bill 182 and House Bill 199 should be modified to include within the definition of "public entity" the State of Alaska as well as a subdivision of the State, including a municipality, school district, regional educational attendance area or service area within the unorganized borough; or an organization composed of public entities. The expanded definitions would allow the General Investment Fund of the State to be a participant in the investment pool.

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Contractual	Custodial fees @ 5 bps ¹	250,000

¹"bps", or "basis points", is the standard of measurements of less than one per cent. One bps equals one percent of one percent.

	External audit	25,000
Equipment/ Supplies	Communications, computer software and equipment enhancements	<u>75,000</u>
Total		\$490,000

\$490,000 represents a cost of 0.00098 (9.8 bps) of the \$500 million pool total. For example, an 8.0 per cent gross investment return will net to 7.9 per cent after Treasury's total expenses. The only variable cost is custodial fees which would increase slightly by additional asset amounts to the investment pool. Because of scales of economy, the impact of Treasury's expenses on gross earnings would be reduced further by investment pools greater than \$500 million.

FISCAL NOTE

No. 2
 Bill Version: SB 182
 (S) Publish Date: 3/22/91

STATE OF ALASKA
 1991 LEGISLATIVE SESSION

Revision Date: _____ Department Affected: Community & Regional Affairs
 Title: "An Act relating to investment pools for public entities.." BRU: _____
 Sponsor: Senate C&RA Committee Component: _____
 Requestor: _____ COMPONENT SERIAL NO.

--	--	--	--

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS. (Attach a separate page if necessary.)	Changes in <u>CS SB 182 (CRA)</u> have no fiscal impact. This fiscal note is appropriate. Date: <u>3/21/91</u> Comte Aide (initial): <u>Rick Solie</u>
--	---

Prepared By: Leonard Henderson, Director Phone: 465-4708
 Division: Administrative Services Date: 3/19/91
 Approved by Commissioner: [Signature] 3/20/91
 Agency: Community & Regional Affairs Date: 3/19/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).



**STATE OF ALASKA
OFFICE OF THE GOVERNOR
BILL ANALYSIS**

DEPARTMENT DCRA	DIVISION MRAD	BILL NUMBER SB 182	SPONSOR Senate C&RA Committee
SHORT TITLE OF BILL Act relating to investment pools for public entities			
DEPARTMENT POSITION Support			
PREPARED BY MKG <i>W. KELLY</i> Vern Hurst	DATE 3/19/91	COMMISSIONER'S SIGNATURE <i>[Signature]</i>	DATE 3/20/91

SUMMARY

OTHER AGENCIES AFFECTED BY BILL None	CONSTITUENT GROUP(S) AFFECTED BY BILL Municipal governments, school districts, and Regional Education Attendance Areas.
ORGANIZATIONAL SUPPORT FOR BILL Alaska Municipal League	ORGANIZATIONAL OPPOSITION TO BILL None known

FISCAL IMPACT: NONE FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT

The purpose of the bill is to provide public entities the ability to maximize return on local moneys, many of which are presently lying idle.

ANALYSIS OF BILL/PROGRAM EFFECTS

The bill would allow local public entities to work together and form investment pools for public moneys, thereby enabling them to receive the greatest return on their invested funds.

AMENDMENTS PROPOSED

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB 182

Revision Date: _____ Department Affected: Community & Regional Affairs
 Title: "An Act relating to investment pools for public entities.." BRU: _____
 Sponsor: Senate C&RA Committee Component: _____
 Requestor: _____ COMPONENT SERIAL NO.

--	--	--	--

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Remond Henderson, Director Phone: 465-4708
 Division: Administrative Services Date: 3/19/91
 Approved by Commissioner: *[Signature]* 3/20/91
 Agency: Community & Regional Affairs Date: 3/19/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & impacted Agency(ies).

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

- P.O. BOX B
JUNEAU, ALASKA 99811-2100
PHONE: (907) 465-4700
- 949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508-4302
PHONE: (907) 563-1073

March 20, 1991

POSITION PAPER

RE: Senate Bill 182

SPONSOR: Senate Community and Regional Affairs Committee

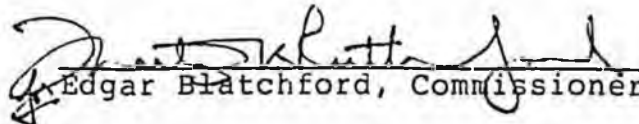
Departmental Position: Support

Program Effects

The bill would provide for certain public entities to form and operate investment pools for public funds which might otherwise lie idle.

Comments

This concept would provide a much needed tool for public entities to use in maximizing available revenues to offset the cost of services provided within their boundaries. In these times of declining state revenues, it is extremely important that we focus on discovering new sources of revenues for local jurisdictions, and methods whereby existing fiscal activities at the local level can be enhanced to maximize their efficiency. Senate Bill 182 directly addresses that concept, and the Department strongly supports its passage.


Edgar Blatchford, Commissioner

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 3/8/91

FURTHER: Finance

Date of 5-Day Notice: 3/14/91
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 3-21-91

C&RA Committee considered SB 182

Investment pools for public entities; efd.

and recommended:

- replace with CS SB 182 (C+RA) same title
- attached amendment(s) new title
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) _____

zero fiscal note(s) _____
Revenue
C+RA

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

[Signature]
[Signature]
[Signature]
[Signature]

[Signature]

[Signature]

Chair: Signature and Recommendation

TELECONFERENCE PARTICIPATION

SPONSOR _____

DATE/TIME _____

SUBJECT _____

LIO'S

(moderator)

	TESTIFY	OBSERVE	TESTIFY	OBSERVE
ANCHORAGE ()	<i>Ellen Braden SB 182 (Municipality of Juneau)</i>		PETERSBURG * ()	
BARROW * ()			SITKA ()	
BETHEL ()			SOLDOTNA ()	
DELTA JUNCTION * ()			VALDEZ * ()	
DILLINGHAM * ()			LTC'S	
FAIRBANKS ()	<i>Judith Flajole SB 182 (No Star Borough)</i>		HOMER	
GLENNALLEN * ()			WRANGELL	
JUNEAU ()			OFFNETS	
KETCHIKAN ()			OFF1	
KODIAK ()			OFF2	
KOTZEBUE ()			OFF3	
MAT-SU ()			OFF4	
NONE ()			OFF5	
			OFF6	

269-5954

VTS'S ON BACK

* SESSION ONLY

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Center

Homer
Wrangell

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Akiok	Mosquito Lake
Ambler	Naknek
Anderson	Nenana
Angoon	Newhalen
Cantwell	Nikiski
Chiniak	North Pole
Chignik	Northway
Chignik Lake	Ouzinkie
Chistochina	Pelican
Chitina	Point Hope
Copper Center	Port Licns
Cordova	Saint Paul
Craig	Savoonga
Dot Lake	Selawik
Eagle	Seward
Fort Yukon	Shishmaref
Gakona	Skagway
Galena	Slana
Gambell	Togiak
Haines	Tok
Healy	Unalakleet
Hoonah	Unalaska
Hooper Bay	Wainwright
Hydaburg	Yakutat
Hyder	
Kake	
Kaktovik	
Kafluk	
Kenny Lake	
Klawock	
Larson Bay	
Mentasta Lake	
Mentasta Lodge	
Metlakatla	

*Session Only

DRAFT 1/17/91

Introduced: 1/ /91
Referred: _____

IN THE HOUSE [SENATE]

BY _____

HOUSE[SENATE] BILL NO. _____

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE FIRST SESSION

A BILL

For an Act entitled: "An Act authorizing public entity investment pools; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*Section 1. AS 29.35 is amended by adding a new section to read:

Sec. 29.35.015 INVESTMENT POOLS. (a) A public entity may form, or become a member of, a nonprofit corporation or designate an existing political subdivision and enter into agreements with it and one or more other public entities, which, if involving a nonprofit corporation, are members, for the purpose of investing any funds in its treasury with funds from the treasuries of those other public entities. Any nonprofit corporation so created or political subdivision so designated has the authority to employ personnel and do or perform all other acts or things necessary to execute the terms of such agreements.

(b) For purposes of this section 15, "public entity" means a municipality, school district, service area within the unorganized borough, regional school board operating