

Session 14-02 a Special Meeting of the Permanent Fund Committee was called to order on June 12, 2014 AT 5:17 p.m. by Chair Barbara Howard at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMITTEE MEMBERS: BARBARA HOWARD, FRANCIE ROBERTS, JO JOHNSON, ZHIYONG (JOHN) LI
ABSENT: MATT NORTH

APPROVAL OF AGENDA

ROBERTS/JOHNSON – MOVED TO APPROVE THE AGENDA AS PRESENTED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA

There were no public comments.

APPROVAL OF MINUTES

A. Synopsis of Regular Meeting of February 13, 2014

JOHNSON/LI – MOVED TO APPROVE THE MINUTES OF February 13, 2014.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

STAFF & COUNCIL REPORT/COMMITTEE REPORTS/BOROUGH REPORTS

PUBLIC HEARING

PENDING BUSINESS

NEW BUSINESS

- A. Review of Homer City Code 3.12 the Established Investment Policies of the Permanent Fund

Committee Member John Li provided a statement of the income and growth accounts from U.S. Bank for the period ending May 31, 2014. Administrative expenses for 2014 to date were \$5,016.18 on the growth account and \$2,366.74 on the income account. The overall market value of both accounts is \$2,001,479.11.

The committee discussed the administrative costs charged by U.S. Bank in relation to the investment. Committee Member John Li spoke with the investment manager at U.S. Bank about the high fees and they reduced the fee from 1% to .75% of the holdings.

The consensus of the committee is that U.S. Bank is passively managing account activities, just once or twice a year. The City is being charged a large fee for very little gain. It may be more lucrative to invest the funds in CDs than the current investment plan, or take a slightly higher risk for higher yield.

The committee postponed discussion on this matter to August 14th to review the investment policies in addition to Homer City Code 3.12.

- B. Memorandum from City Clerk, Re: Reducing Meetings of the Board, Commissions, and Committees

The committee holds meetings in February, May, August, and November. In light of the work the committee has before them it was decided no reduction of meetings was needed. If there is no business to conduct, a meeting will be cancelled.

INFORMATIONAL MATERIALS

COMMENTS OF THE AUDIENCE (3 MINUTE TIME LIMIT)

There was no audience.

COMMENTS OF THE CITY STAFF

COMMENTS OF THE COUNCILMEMBER

Committee Member Roberts had no comment.

COMMENTS OF THE CHAIR

Chair Barbara Howard commented on the short committee meeting of February 13th with both councilmembers absent. She thanked Matt North for requesting reappointment to the committee.

COMMENTS OF THE COMMISSION

Committee Members Li and Johnson had no comment.

ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 5:47 p.m. The next Regular Meeting is scheduled for Thursday, August 11, 2014 at 5:15 p.m. in the Homer City Hall Cowles Council Chambers, 491 E. Pioneer Avenue, Homer, Alaska.

Submitted by Jo Johnson