

# Permanent Fund Committee

Regular Meeting  
June 12, 2014  
5:15 p.m.



City Hall  
Cowles Council Chambers  
491 E. Pioneer Avenue  
Homer, Alaska



**NOTICE OF MEETING  
SPECIAL MEETING AGENDA**

1. **CALL TO ORDER**
2. **APPROVAL OF AGENDA**
3. **PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA**
4. **APPROVAL OF MINUTES**
- A. Synopsis of Regular Meeting of February 13, 2014 *Page 5*
5. **VISITORS**
6. **STAFF & COUNCIL REPORT/COMMITTEE REPORTS/BOROUGH REPORTS**
7. **PUBLIC HEARING**
8. **PENDING BUSINESS**
9. **NEW BUSINESS**
- A. Review of Homer City Code 3.12 the Established Investment Policies of the Permanent Fund *Page 9*
- B. Memorandum from City Clerk, Re: Reducing Meetings of the Board, Commissions, and Committees *Page 11*
10. **INFORMATIONAL MATERIALS**
11. **COMMENTS OF THE AUDIENCE (3 MINUTE TIME LIMIT)**
12. **COMMENTS OF THE CITY STAFF**
13. **COMMENTS OF THE COUNCILMEMBER**
14. **COMMENTS OF THE CHAIR**
15. **COMMENTS OF THE COMMISSION**
16. **ADJOURNMENT/NEXT REGULAR MEETING** is scheduled for Thursday, August 14, 2014 at 5:15 p.m. in the Homer City Hall Cowles Council Chambers, 491 E. Pioneer Avenue, Homer, Alaska.



Session 14-01 a Regular Meeting of the Permanent Fund Committee was called to order on February 13, 2014 by Vice Chair Matt North at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

**PRESENT:** COMMITTEE MEMBERS: JO JOHNSON, ZHIYONG (JOHN) LI, MATT NORTH

**ABSENT:** BARBARA HOWARD, FRANCIE ROBERTS

### **APPROVAL OF AGENDA**

JOHNSON/LI – 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 August 8, 2013

JOHNSON/LI – MOVED TO APPROVE THE MINUTES OF AUGUST 8, 2013.

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 December 31, 2013. The committee discussed the administrative costs charged by U.S. Bank in relation to the investment. Administrative expenses for 2013 were \$8,555.72 on the growth account and \$4,551.40 on the income account. This computes to less than 1% fees on the overall market value of the accounts (\$1,963,592.41). Committee Members John Li and Matt North will call U.S. Bank to discuss the handling of the account and report back to the committee at the May 8<sup>th</sup> meeting.

Review of Homer City Code 3.12 will be added to the May 8<sup>th</sup> meeting for discussion.

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

JOHNSON/LI – MOVED TO POSTPONE TO MAY 8<sup>TH</sup>.

A full committee is expected at the May 8<sup>th</sup> meeting to discuss the possibility of reducing the number of committee meetings per year.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

**INFORMATIONAL MATERIALS**

- A. Reappointment of Matt North to the Permanent Fund Committee
- B. Announcement for the City of Homer Citizens Academy

**COMMENTS OF THE AUDIENCE (3 MINUTE TIME LIMIT)**

There was no audience.

**COMMENTS OF THE CITY STAFF**

**COMMENTS OF THE COUNCILMEMBER**

**COMMENTS OF THE CHAIR**

Vice Chair Matt North thanked the committee members for their time and the meeting with John and U.S. Bank.

## **COMMENTS OF THE COMMISSION**

Committee Member John Li will call U.S. Bank to schedule an appointment.

Committee Member Jo Johnson thanked Vice Chair Matt North for the efficient meeting.

## **ADJOURNMENT**

There being no further business to come before the Committee, the meeting was adjourned at 5:28 p.m. The next Regular Meeting is scheduled for Thursday, May 8, 2014 at 5:15 p.m. in the Homer City Hall Cowles Council Chambers, 491 E. Pioneer Avenue, Homer, Alaska.

Submitted by Jo Johnson





## Chapter 3.12 PERMANENT FUND

### Sections:

- [3.12.010](#) Homer permanent fund established.
- [3.12.015](#) Definitions.
- [3.12.020](#) Contributions.
- [3.12.030](#) Allocation to sub-funds.
- [3.12.040](#) Additions to fund.
- [3.12.050](#) Investment of fund.
- [3.12.060](#) Expenditures from income sub-fund.
- [3.12.070](#) *Repealed.*
- [3.12.080](#) Expenditures with voter approval.

### **3.12.010 Homer permanent fund established.**

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There is hereby established the Homer permanent fund. The permanent fund shall be governed by this chapter. [Ord. [05-14\(S\)](#) § 1, 2006].

### **3.12.015 Definitions.**

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As used in this chapter:

“Income” means interest, dividends or coupon discounts derived from investments, and does not include realized or unrealized gains in the market value of investments.

“Permanent fund” means the Homer permanent fund established by HCC [3.12.010](#).

“Windfall monies” means monies received by the City after the effective date of the ordinance codified in this chapter that are not either standard budgeted operating revenues or monies received for a specific purpose, including without limitation bond proceeds, grant funds, and monies recovered through litigation other than the Exxon Valdez litigation as damages compensating or reimbursing the City for previous expenditures. In all cases, the City Council’s identification of monies as wind-fall monies shall be final and conclusive. [Ord. [13-25](#) § 2, 2013].

### **3.12.020 Contributions.**

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a. If monies from the distribution of the Exxon Valdez settlement or other forms of windfall monies become available to the City, not less than 95 percent of such funds shall be placed in the permanent fund.

b. The City Council shall appropriate all of the Exxon Valdez settlement funds and other windfall monies that remain after the contribution to the permanent fund required by subsection (a) of this section to the Homer Foundation City of Homer Endowment Fund or other local nonprofit organizations for the benefit of the community. [Ord. [13-25](#) § 3, 2013; Ord. [05-14\(S\)](#), 2006].

### **3.12.030 Allocation to sub-funds.**

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a. Each contribution to the permanent fund shall be allocated to two sub-funds as follows:

1. Forty percent of each contribution shall be allocated to an income sub-fund.
2. Sixty percent of each contribution shall be allocated to a growth sub-fund.

b. Annually at the beginning of the fourth quarter the City shall transfer money from the growth sub-fund to the income sub-fund to the extent necessary to cause the amount in the income sub-fund, plus the outstanding principal of all loans from the income sub-fund under HCC [3.12.060\(b\)](#), to be equal to 40 percent of the total amount in the permanent fund. [Ord. [13-25](#) § 4, 2013; Ord. [05-14\(S\)](#) § 1, 2006].

### **3.12.040 Additions to fund.**

The City Council may elect to contribute monies to the permanent fund. Unless otherwise allocated by the Council, such contributions shall be allocated to sub-funds pursuant to HCC [3.12.030](#). [Ord. [05-14\(S\)](#) § 1, 2006].

### **3.12.050 Investment of fund.**

The sub-funds of permanent fund shall be invested and managed in accordance with HCC [3.10.130](#). [Ord. [05-14\(S\)](#) § 1, 2006].

### **3.12.060 Expenditures from income sub-fund.**

Expenditures from the income sub-fund may be made only as authorized in this section.

a. The income from the income sub-fund may be appropriated by the City Council and be expended for general governmental purposes, including but not limited to ordinary operating expenses.

b. The principal of the income sub-fund may be used as a source of loan funds for City capital projects, and not as a grant. To be eligible for such a loan the project must receive a majority of its funding from other sources. Such loans shall be on terms approved by resolution of the City Council, which must provide for the repayment of the loan over a reasonable period of time. [Ord. [13-25](#) § 5, 2013; Ord. [05-14\(S\)](#) § 1, 2006].

### **3.12.070 Loans from income sub-fund.**

*Repealed by Ord. [13-25](#). [Ord. [05-14\(S\)](#) § 1, 2006].*

### **3.12.080 Expenditures with voter approval.**

a. Except as provided in HCC [3.12.060](#), no expenditure may be made from the permanent fund without the approval of 60 percent of City voters voting on the question at a regular or special election.

b. Prior to submitting to the voters the question of whether to approve an expenditure from the permanent fund, the City Council shall find that all reasonable options for borrowing have been exhausted, including the option of borrowing from the permanent fund pursuant to HCC [3.12.060\(b\)](#). [Ord. [13-25](#) § 7, 2013; Ord. [05-14\(S\)](#) § 1, 2006].

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**The Homer City Code is current through Ordinance 14-22(A),  
passed May 27, 2014.**

Disclaimer: The City Clerk's Office has the official version of the Homer City Code. Users should contact the City Clerk's Office for ordinances passed subsequent to the ordinance cited above.



# City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

Office of the City Clerk

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## Memorandum

TO: ADVISORY BODIES

FROM: JO JOHNSON, CITY CLERK

THROUGH: WALT WREDE, CITY MANAGER

DATE: JANUARY 29, 2014

SUBJECT: REDUCING MEETINGS OF THE BOARD, COMMISSIONS, AND COMMITTEES

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At a recent council meeting City Council discussed their intention of reducing staff time spent preparing for and attending meetings. Council asked that the board and each commission and committee review their meeting schedule and explore options of reducing the number of meetings held.

Initial discussion among City staff indicates that some of the Advisory Boards and Commissions could function as effectively with revised schedules that could be organized seasonally and the duties of other standing and special committees could be eliminated or absorbed by another group. Some of the initial suggestions are listed below for your review.

An example for a seasonal schedule is that the Parks and Recreation Advisory Commission could forego November – March meetings and complete business in the other seven months. Alternately, summer meetings could be canceled since this is the busiest time for parks staff.

Other groups who participate in department development of policies and budget or don't have larger issues presently at hand could reduce to quarterly meetings, like the Library Advisory Board. The Board was established to assist with the fundraising, budget process, and policy making for the library.

Advisory bodies that don't have specific tasks defined and/or budgets to accomplish them could convene on an as needed basis at the request of the City Council, like the Economic Development Advisory Commission.

Council directed that the Transportation Advisory Committee be dissolved and the duties of addressing road standards when needed be transferred to the Advisory Planning Commission.

They also directed that the make-up of the Lease Committee return to administrative staff, the way it used to be.

The Karen Hornaday Park Committee is primarily comprised of Parks and Recreation Advisory Commissioners and their business could be conducted as needed in a Worksession prior to the Commission's meeting.

Council also directed commissions to form no new committees, subcommittees, or task forces without Council approval. They also recommended that advisory bodies' bylaws be amended to state that NO special meetings of boards, commissions, committees, or task forces can be scheduled without Council approval (with the exception of the Advisory Planning Commission due to time constraints within the code). This would encourage participation in the regularly scheduled meetings and alleviate a significant amount of staff time. Often we have a commission or committee that does not have a quorum for a regularly scheduled meeting so they schedule a special meeting. This results in added staff time notifying all parties to reach a consensus on meeting dates, increased advertising costs, and preparation of duplicate packets.

**RECOMMENDATION:** At the February meetings discuss reducing the number of meetings and make recommendations to Council by memorandum.

Fiscal Note: N/A