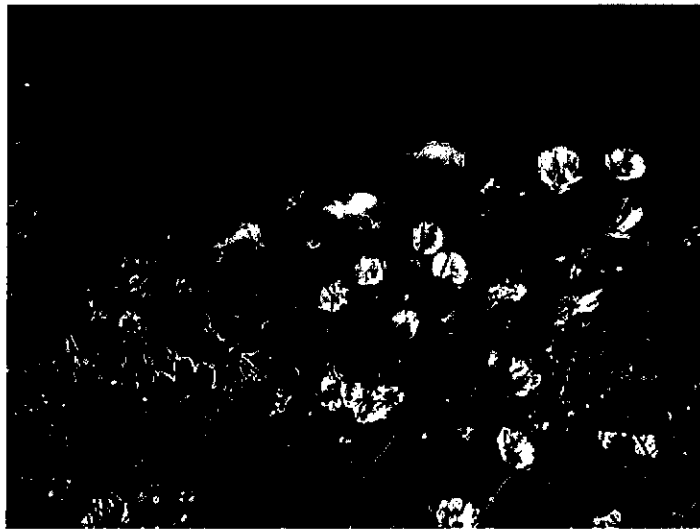


Permanent Fund Committee

Regular Meeting
May 10, 2012
5:15 p.m.



Cowles Council Chambers
491 E. Pioneer Avenue
Homer, Alaska

**NOTICE OF MEETING
REGULAR 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 9, 2012 Page 1
5. **VISITORS**
6. **STAFF & COUNCIL REPORT/COMMITTEE REPORTS/BOROUGH REPORTS**
7. **PUBLIC HEARING**
8. **PENDING BUSINESS**
9. **NEW BUSINESS**
 - A. U.S. Bank Reports for period ending March 31, 2012 Page 5
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 9, 2012 at 5:15 p.m. in the Homer City Hall Cowles Council Chambers, 491 E. Pioneer Avenue, Homer, Alaska.

Session 12-01 a Regular Meeting of the Permanent Fund Committee was called to order on February 9, 2012 at 5:15 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, JO JOHNSON, MATT NORTH, BETH WYTHE

ABSENT: REGINA MAURAS (excused)

APPROVAL OF AGENDA

WYTHE/JOHNSON - MOVED TO APPROVE THE AGENDA.

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 November 10, 2011

WYTHE/NORTH - MOVED TO APPROVE THE MINUTES OF NOVEMBER 10, 2011 AS PRESENTED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

STAFF & COUNCIL REPORT/COMMITTEE REPORTS/BOROUGH REPORTS

Accounting Supervisor Laurie Moore provided a report on the Permanent Fund earnings with U.S. Bank.

PUBLIC HEARING

PENDING BUSINESS

NEW BUSINESS

- A. Review and Recommendations of the Investment Policies of the Permanent Fund Pursuant to HCC 3.10.130(b)(2)

JOHNSON/WYTHE - MOVED TO APPROVE THE POLICIES OF THE PERMANENT FUND AS WRITTEN AND MAKE THAT RECOMMENDATION TO COUNCIL.

Discussion on the 5% for nonprofits ensued with the understanding the earnings only on the 5% will be available for distribution. The committee will work on the language that the 5% be invested in a similar manner. The 5% fund could become self-supporting to nonprofits, with earnings on the 60% available for distribution. A running accounting of the 5% is maintained by Finance. The committee decided to work on the language this year to make the language on the 5% clearer.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. U.S. Bank Reports for period ending December 31, 2011

Accounting Supervisor Laurie Moore reported on the Permanent Fund for 2011:

Beginning balance of income fund - \$560,961.67
Administrative fees - \$4,236.28
Interest and Dividends - \$12,867.36
Unrealized Gain - \$11,102.81
Accrued Interest - \$436.52
Balance as of December 31, 2011 - \$581,132.08

Beginning balance of gross fund - \$971,468.73
Administrative fees - \$7,209.35
Interest and Dividends - \$8,973.22
Recognized Gains and Losses - \$11,538.36
Unrealized Gains/Losses <\$77,510.02>
Balance as of December 31, 2011 - \$907,260.94

Total Balance as of January 1, 2011 - \$1,532,430.34
Ending Balance as of December 31, 2011 - \$1,488,393.02
Loss of fund - <\$44,037.38>

Committee Member North commented this is in line for 2011; the statement will be significantly different for January/February 2012. On fixed income the value of the bonds fluctuates. The recognized shows a gain while the unrealized shows the current market is down.

INFORMATIONAL MATERIALS

COMMENTS OF THE AUDIENCE (3 MINUTE TIME LIMIT)

There were no comments of the audience.

COMMENTS OF THE CITY STAFF

There were no comments from the staff.

COMMENTS OF THE COUNCILMEMBER

Councilmember Wythe had no comment.

COMMENTS OF THE CHAIR

Chair Howard had no comment.

COMMENTS OF THE COMMISSION

Committee members North and Johnson had no comment.

ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 5:32 p.m. The next Regular Meeting is scheduled for Thursday, May 10, 2012 at 5:15 p.m. in the Homer City Hall Cowles Council Chambers, 491 E. Pioneer Avenue, Homer, Alaska.

Submitted by Jo Johnson

PERMANENT FUND - ORDINANCE 05-14(S)

INVESTMENT PORTFOLIO:

U.S. BANK				
Income - 999-1043 / 301 GROWTH - 999-1044 / 302				
	First American Prime Oblig Fund - 19-504340	First American Prime Oblig -19- 504341		
	INCOME - 999- 1043 / 301	GROWTH - 999- 1044 / 302		Total
1/1/2012 Balance	581,132	907,261		1,488,393
Administrative Expenses - 5611	(1,082)	(1,701)		(2,784)
Recognized Gain/Loss				-
Interest Received - 4801	2,501			2,501
01/31/2012 Balance	582,550	905,560		1,488,110
Unrealized Gain/Loss	3,446	58,981		62,427
Accrued Interest (Earned but not paid)	(1,360)			(1,360)
January Market Value	584,636	964,541		1,549,177
Administrative Expenses - 5611				-
Recognized Gain/Loss				-
Interest Received - 4801	682	4,042		4,724
02/28/2012 Balance	585,318	968,583		1,553,901
Unrealized Gain/Loss	919	40,790		41,709
Accrued Interest (Earned but not paid)	457			457
February Market Value	586,695	1,009,372		1,596,067
Administrative Expenses - 5611				-
Recognized Gain/Loss				-
Interest Received - 4801	1,555	948		2,504
03/31/2012 Balance	588,250	1,010,321		1,598,571
Unrealized Gain/Loss	(2,637)	21,458		18,821
Accrued Interest (Earned but not paid)	(395)	313		(83)
March Market Value	585,218	1,032,092		1,617,309
Balance as of 1/1/2012	581,132	907,261		1,488,393
2012 Activity	Income	Growth		Total
Administrative Fees	1,082	1,701	-	2,784
Interest / Dividends Earned	4,738	4,990	-	9,728
Recognized Gains/Losses	-	-	-	-
Unrealized Gain/Losses	1,729	121,229		122,958
Accrued Interest	(1,299)	313		(986)
3/31/2012 Balance	585,218	1,032,092		1,617,309

