

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