

Session 13-02 a Special Meeting of the Permanent Fund Committee was called to order on April 11, 2013 at 5:19 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, FRANCIE ROBERTS

APPROVAL OF AGENDA

JOHNSON/NORTH - 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 14, 2013

ROBERTS/NORTH - MOVED TO APPROVE THE MINUTES OF FEBRUARY 14TH.

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 and Ordinance 13-06, Investment Policies of the Permanent Fund

City Council referred Ordinance 13-06 back to the Committee to clarify the language of the five percent distribution to non-profits.

The five percent fund was never established by the City. There were to be three accounts established in 2006. Five percent of the total of the Permanent Fund was to be distributed; the remaining amount was to be split 40/60 in accounts.

Acting Finance Director Laurie Moore reported the five percent (\$56,000 approximately) of the Fund was not split since it earns more interest being with the 40/60 funds.

The \$3,500 recently allocated to Green Dot was taken from earnings on the growth and income accounts. Earnings on five percent of the Fund was only \$750.

The current ordinance (Ordinance 05-14(S)) does not contain language about the City maintaining five percent of the earnings for non-profits. It states that five percent of funds are to be appropriated by City Council for grants to The Homer Foundation or other local non-profit organizations for the benefit of the community.

Committee Member North recalled when the fund was formed in 2006 five percent was to go to The Homer Foundation who was to allocate the earnings off that five percent to whom they saw fit. The 95% was to be put in the Permanent Fund and split out in the 40/60 accounts. He thought the five percent was initially sent to The Homer Foundation.

The initial five percent of the Permanent Fund has not yet been appropriated to The Homer Foundation. Five percent of the initial Permanent Fund has been comingled.

The Permanent Fund was to be set up as the growth account where the interest is always reinvested. Whatever earnings were generated off the income account could be used in the general fund if necessary. The remaining five percent was to go directly to The Homer Foundation.

Currently other wind-fall monies can be appropriated by Council to The Homer Foundation or other local non-profit organizations.

U.S. Bank has the City's investment policy and knew how the monies were to be distributed. It was suggested a conference call be made with U.S. Bank to verify how they are investing the funds.

ROBERTS/NORTH – MOVE TO KEEP THE ORDINANCE AS WRITTEN, EXCEPT TO ADD A SENTENCE ON LINE 56: IF THE FIVE PERCENT IS NOT ALLOCATED TO THE HOMER FOUNDATION OR ANOTHER LOCAL NON-PROFIT, THEN FIVE PERCENT OF THE INTEREST FROM THE INCOME AND FIXED FUNDS IS ALLOCATED BY THE COUNCIL TO NON-PROFITS.

Nowhere in the current code is there language for five percent of the earnings to non-profits.

NORTH/ROBERTS – MOVED TO AMEND TO ADD: ON A YEARLY BASIS.

ROBERTS/NORTH – MOVED TO WITHDRAW THE MOTION AND AMENDMENT.

There was no additional discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

The Committee plans to request that Council postpone Ordinance 13-06 to May 13. Laurie Moore and Matt North will call U.S. Bank next week and talk with them. Laurie Moore will invite U.S. Bank to the Committee's next meeting on May 9th to clarify the funds.

Chair Howard asked that the selection of Chair and Vice Chair be scheduled for the May 9th meeting.

INFORMATIONAL MATERIALS

COMMENTS OF THE AUDIENCE (3 MINUTE TIME LIMIT)

Larry Slone, city resident, thanked the Committee for their diligence and concern in the Permanent Fund account.

COMMENTS OF THE CITY STAFF

There were no comments from the staff.

COMMENTS OF THE COUNCILMEMBER

There were no comments from Councilmember Roberts.

COMMENTS OF THE CHAIR

Chair Howard commented it proves when you think you have everything nailed down in writing, years later it is vague.

COMMENTS OF THE COMMISSION

Jo Johnson commented it is good the Committee is sorting it out.

ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 6:12 p.m. The next Regular Meeting is scheduled for Thursday, May 9, 2013 at 5:15 p.m. in the Homer City Hall Cowles Council Chambers, 491 E. Pioneer Avenue, Homer, Alaska.

Submitted by Jo Johnson