

Permanent Fund Committee

Regular Meeting
February 13, 2014
5:15 p.m.



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

PERMANENT FUND COMMITTEE
491 E. PIONEER AVENUE
HOMER, ALASKA

FEBRUARY 13, 2014
THURSDAY, 5:15 P.M.
COWLES COUNCIL CHAMBERS

**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 August 8, 2013 Page 1
- 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 5
 - B. Memorandum from City Clerk, Re: Reducing Meetings of the Board, Commissions, and Committees Page 7
- 10. INFORMATIONAL MATERIALS**
 - A. Reappointment of Matt North to the Permanent Fund Committee Page 9
 - B. Announcement for the City of Homer Citizens Academy Page 13
- 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, May 8, 2014 at 5:15 p.m. in the Homer City Hall Cowles Council Chambers, 491 E. Pioneer Avenue, Homer, Alaska.

Session 13-06 a Regular Meeting of the Permanent Fund Committee was called to order on August 8, 2013 at 5:16 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,
ZHIYONG (JOHN) LI, FRANCIE ROBERTS

APPROVAL OF AGENDA

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

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 Special Meeting of July 11, 2013

ROBERTS/JOHNSON – MOVED TO APPROVE THE MINUTES OF THE SPECIAL MEETING OF JULY 11, 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

A. **Ordinance 13-25**, An Ordinance of the Homer City Council, Amending HCC 3.10.130, Governance of Homer Permanent Fund Assets, HCC 3.12.020, Contributions, HCC

3.12.030 Allocation to Sub-Funds, HCC 3.12.060 Expenditures of Income and HCC 3.12.080, Expenditure of Principal; Enacting HCC 3.12.015, Definitions; and Repealing HCC 3.12.070, Loans from Income Sub-Fund; Regarding the Homer Permanent Fund. City Clerk/Permanent Fund Committee.

Memorandum 13-098 from Permanent Fund Committee as backup.

Ordinance 13-25 is scheduled for public hearing before Council on August 12th. At the July 22nd Council Worksession there were some questions, which were answered to the Council's satisfaction.

- B. **Ordinance 13-26**, An Ordinance of the Homer City Council, Appropriating \$67,310.08 from the Homer Permanent Fund to the Homer Foundation City of Homer Endowment Fund. City Clerk/Permanent Fund Committee.

Ordinance 13-26 is scheduled for public hearing before Council on August 12th.

The five percent to be allocated to The Homer Foundation from the \$181,000 (Ordinance 13-20) windfall will need to go before Council on August 26th.

NEW BUSINESS

- A. **Memorandum PFC 13-05** from City Clerk, Re: Recruitment of a New Committee Member.

Chair Howard asked to think of a person with the skill sets for the committee. The committee's quarterly meeting schedule is less obtrusive. A person in the finance field, including the non-profit organizations, may be helpful to the committee. Chair Howard will call Walter Partridge to see if he is interested in the committee. Appointments are for two years.

INFORMATIONAL MATERIALS

COMMENTS OF THE AUDIENCE (3 MINUTE TIME LIMIT)

There was no audience.

COMMENTS OF THE CITY STAFF

COMMENTS OF THE COUNCILMEMBER

Councilmember Roberts provided an update to Council's contributions to The Homer Foundation. She would like to see regular reports of the growth, income, and the City's Endowment Fund at The Homer Foundation. She feels the committee did a great job with the ordinances.

COMMENTS OF THE CHAIR

Chair Barbara Howard commented since the Permanent Fund will be rebalanced Council will have a say in the available funds. It will be yet another year before any allocations can be made from the fund. It is exciting that this fund may be the way to fund non-profits without using taxpayers' dollars.

COMMENTS OF THE COMMISSION

Committee Member Jo Johnson commented the committee has done a great job thoroughly vetting the ordinances.

Committee Member John Li commented on the \$200,000 to \$300,000 in The Homer Foundation City of Homer Endowment Fund.

The next meeting was rescheduled from November 14th to November 7th.

ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 5:37 p.m. A Special Meeting is scheduled for Thursday, November 7, 2013 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.

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.

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.

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.

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].



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

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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

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

City of Homer

Homer, Alaska

Mayor's Certificate of Appointment

Greetings

Be It Known That

Matt North

Has been reappointed to

serve as

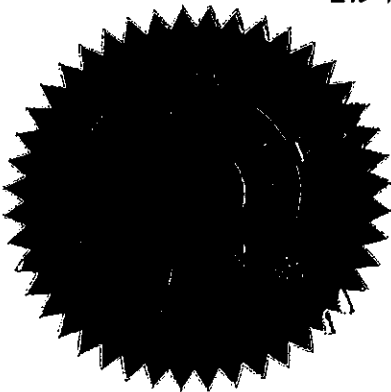
"Committee Member"

on the

"Permanent Fund Committee"

This appointment is made because of your dedication to the cause of good government, your contributions to your community and your willingness to serve your fellow man.

*In Witness whereof I hereunto set my hand
this 30th day of October, 2013.*



Mary E. Wythe
Mary E. Wythe, Mayor

Attest:

Jo Johnson
Jo Johnson, MMC, City Clerk



City of Homer

www.cityofhomer-ak.gov

Office of the Mayor

491 East Pioneer Avenue
Homer, Alaska 99603

mayor@ci.homer.ak.us

(p) 907-235-3130

(f) 907-235-3143

October 30, 2013

Matt North
PO Box 3652
Homer, AK 99603

Dear Matt,

Congratulations! Council confirmed/approved your reappointment to the Permanent Fund Committee during their Regular Meeting of October 28, 2013 via Memorandum 13-148.

Thank you for your willingness to serve the City of Homer on the Permanent Fund Committee. There certainly are exciting times ahead.

Your term will expire October 31, 2015.

Cordially,

Mary E. Wythe, Mayor

Enc: Memorandum 13-148
Certificate of Reappointment
Cc: Permanent Fund Committee



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Office of the Mayor

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Memorandum 13-148

TO: HOMER CITY COUNCIL

FROM: MARY E. WYTHE, MAYOR

DATE: OCTOBER 21, 2013

SUBJECT: APPOINTMENT OF CORBIN ARNO TO THE ECONOMIC DEVELOPMENT ADVISORY COMMISSION, REAPPOINTMENT OF COUNCILMEMBER BRYAN ZAK TO THE ECONOMIC DEVELOPMENT ADVISORY COMMISSION AS CONSULTING MEMBER, AND REAPPOINTMENT OF MATT NORTH TO THE PERMANENT FUND COMMITTEE.

Corbin Arno is appointed to the Economic Development Advisory Commission to replace outgoing member Nicholas Schmitt. His term will expire April 1, 2016.

Councilmember Bryan Zak is reappointed to the Economic Development Advisory Commission as consulting member. His appointment will expire with office.

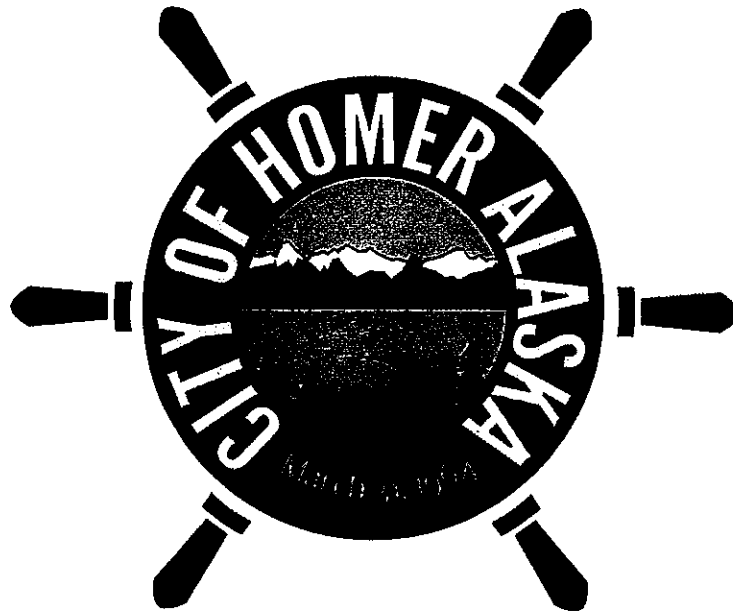
Matt North is reappointed to the Permanent Fund Committee. His appointment will expire October 31, 2015.

RECOMMENDATION:

Confirm the appointment of Corbin Arno to the Economic Development Advisory Commission, the reappointment of Bryan Zak to the Economic Development Advisory Commission as consulting member, and the reappointment of Matt North to the Permanent Fund Committee.

Fiscal Note: N/A

1. The first part of the document is a list of the names of the members of the committee, which is headed by the Chairman, Mr. J. H. ...
 2. The second part is a list of the names of the members of the committee, which is headed by the Chairman, Mr. J. H. ...
 3. The third part is a list of the names of the members of the committee, which is headed by the Chairman, Mr. J. H. ...



City of Homer Citizens Academy

A behind the scenes look at how the City of Homer operates

Thursday Evenings

5:30pm-8:00pm

February 20 - March 27th

Certification Ceremony April 14th

Space is limited. Spots will be held on a first come first serve basis.

Registration closes Monday, February 17th at 5:00pm.

For more info, including online registration, visit:

www.cityofhomer-ak.gov

