
Investment Committee Minutes

Friday, February 13, 2015 3:30 PM
City Hall

Goal: To make recommendations for and oversee the Investment Policy of the City and Borough of Sitka enacted as Chapter 4.28.

Investment Committee Members: Bert Stedman, Jere Christner
Michael Reif and Michelle Putz (Assembly Liaison)

Meeting began at 3:30 PM.

Present: Michael Reif, Jere Christner
Secretary: Melissa Henshaw, Assistant Clerk
Staff: Municipal Administrator Mark Gorman, CFAO Jay Sweeney
Assembly Liaison: Michelle Putz
Members of the Public: None

1. Approval of the minutes from September 25, 2014

M - Reif/S - Christner moved to approve the minutes from September 25, 2014. Motion carried unanimously.

2. Election of Officers

**M - Christner/S - Reif moved to nominate Reif as Chair. Motion carried unanimously.
M - Reif/S - Christner moved to nominate Christner as Vice Chair. Seeing no opposition the motion passed.**

3. Review of portfolio composition and performance (Jay)

Sweeney stated that the portfolio has very much remained the same since the last meeting in September. He went over each line. It included the excess capital that the Assembly voted on and rise in equity portion. There may be a need to rebalance again like in June of last year. Permanent Fund must remit back to the General Fund 6%. General Fund is prohibited from owning equities. He explained the mechanics of allocating money and purchasing. Permanent Fund remains healthy. Sweeney showed a fixed income investment ladder and average fixed income portfolio yield from October to December.

4. Review of current treasury yield curve (Jay)

Sweeney showed the current treasury yield curve and correlated our eight year investment with about 2%.

5. Review of purchases made since last meeting (Jay)

Sweeney showed the investments made since the last meeting of September 25, 2014.

6. Discussion of Permanent Fund external management

Sweeney told the committee that the Permanent Fund is designed to be managed. It has met the Charter requirement of 6% to the General Fund, however it has not kept its value on growth or terms of inflation over time. It is suitable to have an external management.

a. Executive summary of status of RFP (ready to be issued)

Draft RFP's were distributed. The Committee will look it over and comment back to Sweeney.

i. Discussion of investment style desired in Permanent Fund management

Sweeney talked of strategic asset allocation and the investment advisor must be registered with the Securities and Exchange Commission.

ii. Discussion of manner in which proposers are to present

Discussion occurred on an in person presentation vs. video conferencing. Gorman suggested valuating that after the proposals come in.

b. Discussion of Committee review and evaluation of RFP proposals

The Committee will work with Sweeney on recommending to the Assembly a selection.

7. Discussion of Charter change language for fall election

The general consensus was to remove the mandate based on a range from the Administrator. Sweeney will craft language for this and to move forward to the Assembly.

a. Timeline for approval and submission to Assembly

It will need to be introduced no later than the second Assembly meeting in July.

8. Discussion/Action on revising they yearly take out percentage and transfer from the Sitka Permanent Fund to the General Fund

Sweeney will send out language.

9. Discussion of preliminary infusion of land sales from the Gary Paxton Industrial Park into the Sitka Permanent Fund

Sweeney mentioned that the General Fund put out the Benchlands cost and that the sale must yield a profit for money to go into the Permanent Fund.

10. Adjourn

The meeting ended at approximately 5:12 PM.

Attest:

Melissa Henshaw, Assistant Clerk
Secretary