
Investment Committee Minutes

Thursday, March 21, 2024, 3:00 p.m.
Harrigan Centennial 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: Michael Reif, Bert Stedman,
Kenneth Cameron (Alternate)
Thor Christianson (Assembly Liaison)

The Chair called the meeting to order at approximately 4:00 p.m.

I. Roll Call

Present: Michael Reif, Kenneth Cameron, Bert Stedman

Absent: None.

Staff: Municipal Administrator John Leach, Finance Director Melissa Haley,
Deputy Clerk Jessica Earnshaw

Assembly Liaison: Thor Christianson

Others: Blake Phillips with Alaska Permanent Capital Management (APCM)

II. Approval of the minutes

A. August 3, 2023

M – Stedman / S - Reif– moved to approve the minutes from August 3, 2023. Motion carried unanimously by the two members present.

III. Persons to be Heard

None.

IV. Reports

B. APCM Portfolio Review

Brandi Nicali with APCM reviewed current funds' status, origins, contributions, withdrawals, values, long-term outlook, and strategy. She suggested reallocating the permanent fund due to high interest rates. Bill Lierman compared fixed income benchmarks and outlined portfolio sector breakdown. Nicali discussed market trends, stressing maintaining a 4% spending policy amid rate changes. They considered shifting to US Aggregate for the permanent fund, with Lierman leading research. She proposed a longer benchmark for more annual funds. They planned to adjust investments for the Perm fund, focusing on duration. Brandy reported Perm fund's 13.35% return, \$25.88M value. Lierman noted \$99.5M in the operating account. Lierman stated that 4.65% yield, active management success. He predicted 2024 rate cuts would boost returns. Nicali noted US economy's 2023 strength, 2024 outlook, potential Permanent fund gains. She cited Permanent fund changes, inflation-proofing, proposed 4% policy codification, bond adjustments.

Lierman explained the differences between the two fixed income benchmarks and provided an overview of the current sector's breakdown of their investment portfolio. Lastly, Nicali discussed the current market environment and the implications for a long-term investment. Reif and Stedman thanked Alaska Permanent Capital for their work.

V. Unfinished Business

None.

VI. New Business

None.

VII. Adjourn

M - Cameron / S - Stedman - moved to adjourn. Seeing no objection, the meeting adjourned at 4:40 p.m.

Attest:
Jessica Earnshaw, Deputy Municipal Clerk