
Investment Committee Minutes

Wednesday, June 25, 2025 2:00 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,
Steven Eisenbeisz (Assembly Liaison)

The Chair called the meeting to order at approximately 2:00 p.m.

I. Roll Call

Present: Michael Reif, and Bert Stedman

Absent: None.

Staff: Municipal Administrator John Leach, Finance Director Brooke Volschenk,
Municipal Clerk Sara Peterson, Deputy Municipal Clerk Holley Baye

Assembly Liaison: Steven Eisenbeisz

Others: Blake Phillips with Alaska Permanent Capital Management (APCM), Brandy Niclai (APCM) via Zoom

II. Approval of the minutes

A. November 20, 2024

**M – Stedman / S - Reif- moved to approve the minutes from November 20, 2024.
Motion carried unanimously by the two members present.**

III. Persons to be Heard

None.

IV. Reports

B. APCM Portfolio Review

Phillips and Niclai provided an account overview as of May 31, 2025 showing the Sitka Permanent Fund is performing well, with diversification contributing positively across market cycles. Long-term goals—growth, income, and safety—remain intact. A historical review highlighted the power of consistent earnings over time, supported by a 10-year record of positive returns and performance data showing returns since 2015 have stayed within expected ranges. Q1 2025 was marked by volatility due to U.S. tariffs, but international diversification helped stabilize the portfolio, which has been performing well to-date.

Detailed asset allocation was reviewed. While global conflicts and trade uncertainty have impacted commodity prices, economic growth has not declined, reinforcing the importance of diversification. The current allocation meets CBS's 4% net distribution goal, and potential enhancements through expanded diversification and peer comparisons were discussed.

Forward-looking projections estimate a 6.7% gross return with the existing allocation, and a 10-year forecast for the fund was presented. The review emphasized transparency, liquidity,

expense control, fiduciary duty, and conflict avoidance, with no changes recommended. APCM's 2025 market outlook suggests stable economic growth with moderate inflation pressures, and a reminder was given to remain adaptive in a shifting environment. Additional discussions touched on inflation-proofing the fund, evaluating 3- and 5-year averages, and general satisfaction with the current asset classes.

V. Unfinished Business

None.

VI. New Business

None.

VII. Adjourn

M – Reif / S –Stedman- moved to adjourn. Seeing no objection, the meeting adjourned at 3:34 p.m.

Attest:
Holley Bayne, Deputy Municipal Clerk