
Investment Committee Minutes

Thursday, April 29, 2021 2:00 p.m.
Harrigan Centennial Hall/Videoconference

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,
Jere Christner, Max Rule (Alternate)
Thor Christianson (Assembly Liaison)

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

I. Roll Call

Present: Michael Reif, Jere Christner

Absent: Max Rule (unexcused), Bert Stedman (excused)

Staff: Municipal Administrator John Leach, Finance Director Melissa Haley, Deputy Clerk Jessica Earnshaw, Public and Government Relations Director Melissa Henshaw

Assembly Liaison: Thor Christianson

Others: Blake Phillips, Allison Capps, Brandi Niclai with Alaska Permanent Capital Management (APCM)

II. Approval of the minutes

A. January 28, 2021

M - Christner / S - Reif - moved to approve the minutes from January 28, 2021. Motion carried unanimously of the two members present.

III. Persons to be Heard

None.

IV. Reports

B. APCM Portfolio Review

Brandi Niclai with APCM went over the broader financial market. She gave an account summary of both the Permanent Fund and Operating Fund noting that more recent market values were included. She began by looking at the global stock market and told of APCM's assessment at the beginning of 2021 giving key points. She stated that there was a period of interest rates rising then it came to a pause and now have fell a bit primarily due to COVID-19 including overseas. She noted the anticipation that other countries would catch up to the U.S. with the vaccination rate and in containing the virus and felt that interest rates would rise once that took place. She showed a graphic per capital of the COVID-19 vaccine rate. She told of different components of equity returns. APCM noted the preference of stocks over bonds at this time. She went over asset class returns.

Niclai noted the Permanent Fund market value as of March 31, 2021; she showed the strategic benchmark according to Sitka General Code and policy. She showed account performance since inception.

Blake Phillips went over the Operating Fund noting the fund was different with a primary goal

of meeting or exceeding the benchmark. He stated his team worked closely on elements with Haley and the CBS team. He noted the target benchmarks and performance. He showed how the maturities of the bonds were set up with ongoing cash needs of the city. He showed the available investment funds for the city. He told of returns going forward and noted there would likely be a low return environment for a while.

V. Unfinished Business

None.

VI. New Business

C. Change of name and scope of the Investment Committee to Finance Committee

Finance Director Melissa Haley stated that Municipal Attorney Brian Hanson had looked at the code for expanding the scope, membership, and name of the Committee. Discussion surrounded expanding the membership with consensus of a permanent membership of five members with one alternate. Haley stated it would go back to Hanson who would make the changes and it would be presented at the next regular meeting.

D. Propose first element of the fiscal policy to address

Haley told of the recent Norwegian Cruise Line Holdings donation. She thought this could be a good first element of a fiscal policy as there were no rules for accepting donations. It would need to be determined what thresholds and circumstances would the Administrator accept donation and when it needed to go the Assembly for approval.

She stated a second element could be bond refunding as there was several questions surrounding the topic and having a concrete policy would give guidelines and/or guidance for staff. Haley felt extending the length of debt should be Assembly approval. She wondered if there should be a minimum of savings and that rules could surround maturities. Haley stated that other municipalities have them.

Reif agreed to start simple and create guidelines for the Assembly to accept. Christner noted the need for looking into the future and where funds should go when donations were received.

VII. Adjourn

M – Christner / S – Reif - moved to adjourn. Seeing no objection, the meeting adjourned at 2:42 p.m.

Attest:
Melissa Henshaw, Deputy Clerk