
Investment Committee Minutes

Monday, February 27, 2017 3:00 p.m.
3rd Floor Conference Room of 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: Michael Reif, Bert Stedman, Jere Christner
Tristan Guevin (Assembly Liaison)

Meeting began at approximately 3:00 p.m.

I. Roll Call

Present: Michael Reif, Jere Christner

Absent: Bert Stedman (excused)

Staff: Municipal Administrator Mark Gorman, Chief Finance and Administrative Officer (CFAO) Jay Sweeney; Deputy Clerk Melissa Henshaw

II. Approval of the minutes

A. February 14, 2017

M – Christner/S – Reif moved to approve the minutes from February 14, 2017. Motion carried unanimously of the two members present.

III. Persons to be Heard

None.

IV. Reports

None.

V. Unfinished Business

B. Investment Policy

Sweeney asked for a review by members for any changes that need to be made. Discussion took place of Alaska Permanent Capital Management (APCM) recommendations to 4.28.120. Discussion occurred to amend this section of the Code when or if the external management of the Operating Funds would come to fruition, or to do it in two phases.

M – Christner/ S – Reif moved to recommend a revision to Chapter 4.28 Investment Policy to add a section 4.28.025 that would add language to allow professional management for the City and Borough of Sitka finances. Motion carried unanimously of the two members present.

C. Master Working Capital and Debt Service Plan

Sweeney could not find other communities in Alaska that had such a policy with the exception of the City of Homer which was broad. He included five other examples in the packet. He asked the question if Sitka should be the first in the state to write such a policy or wait until another municipality goes forward with one. He told of internal and external challenges, thought to take this in stages and have the commission review the examples first.

Discussion occurred on the State's guidelines that were in the packet material given to the CBS for loaning on water/wastewater, how much debt was too much, putting a structure in

place on how to evaluate debt and how to educate new Assembly members. CBS has developed a comprehensive fiscal management plan for the water, wastewater, electric and harbor funds that include measurements of financial safety and liquidity. It was agreed that a framework was needed.

M – Reif/ S – Christner moved to postpone the Master Working Capital and Debt Service Plan until such time as the Finance Department, as determined by the Administrator, has the time and resources capable to pursue this detailed and complex subject and that it is the desire of the Investment Advisory Committee to pursue this with high priority. Motion carried unanimously of the two members present.

D. Discussion of professional management of operating funds

It was determined that there were three options 1) expand the scope of the current contract with APCM which the Municipal Attorney needed to make a determination, 2) send out a new contract without competitive bid as sole source from SGC Title 3 which the Municipal Attorney needed to make a determination or 3) Send out an RFP.

Gorman reminded that the Assembly didn't necessarily need to approve one of the options, but told that they should be aware of the route that the Committee would proceed with.

M – Christner/ S – Reif moved to ask the Municipal Attorney to explore expanding the scope of services under the existing contract to include the Operating Funds or to look at the option of going to an uncompetitive sole source contract to allow Alaska Permanent Capital Management to manage the Operating Funds. Motion carried unanimously of the two members present.

Sweeney told that the existing contract has no limitation however the title of the contract was specifically for the Permanent Fund.

VI. New Business

Discussion occurred on the alternate voting membership and how to obtain a member for this seat.

VII. Adjourn

The next was tentatively scheduled for Monday, April 24, 2017.

M –Christner moved to adjourn, seeing no objection, the meeting adjourned at 4:19 p.m.

Attest:
Melissa Henshaw, Deputy Clerk