

City of Fairbanks
Permanent Fund Review Board
Special Meeting Minutes
August 18, 2021

The Permanent Fund Review Board (PFRB) convened at 2:02 p.m. in the City Council Chambers to conduct a special meeting with the following board members in attendance.

Board Members Present: Council Member Valerie Therrien
Patty Mongold
Bernard Gatewood
Dave Owen
Jennifer Imus

Also Present: Margarita Bell, Chief Financial Officer
Paul Ewers, City Attorney

Bernard Gatewood moved, and Jennifer Imus seconded to approve the minutes from the July 21, 2021 meeting. The PFRB unanimously agreed.

PFRB members discussed Private Equity. Margarita Bell reported that she had provided the City Attorney Paul Ewers with the information about Private Equity to determine if the City could enter a partnership. Paul Ewers stated that it would depend on the language of the partnership agreement. He stated that Council would have to add Private Equity as an asset class. He also stated that the terms of the partnership may involve a pledge of funds that would require approval by 70% of the qualified voters at a regular election (FGC Charter 8.8 b 3).

PFRB members expressed concerns about Private Equity due to its illiquidity, difficulty in retrieving funds, length of investment, and lack of information about the business selected. PFRB members requested additional information from APCM regarding the benefits of having illiquid assets and whether this investment would be considered an asset class or partnership. Paul Ewers stated that the City would seek information about Private Equity from North Slope Borough to determine how their investment is structured.

PFRB members reviewed the Request for Proposal for Investment Services. The RFP for Investment Services will be submitted on August 27, 2021 with a deadline of October 15, 2021.

Margarita Bell reported that the Request for Proposal for Custodial Safekeeping Services was not completed in 2017 and recommended seeking proposals in 2022. PFRB members recommended seeking proposals in March 2022.

Margarita Bell reported that the fund had a balance of over \$158 million as of July 31, 2021.

Dave Owen requested PFRB members to consider proposing to Council a change in the ratio from 40% Fixed Income/60% Equity to 30% Fixed Income/70% Equity. Margarita Bell informed the

committee of the proposed Model 6 by APCM. Ms. Therrien will present the proposed changes to Council members to determine their willingness to change the Code.

The next quarterly meeting will be held on October 13, 2021 in the City Council Chambers.

The meeting adjourned at 2:52 p.m.