

City of Sacramento
Ann Land/Bertha Henschel Memorial Fund Commission
Commission Meeting: February 21, 2007
Location: City Hall – 5th Floor - Conference Room 5207

Call to order: Vice Chairperson Vuckovich called the meeting to order at 9:10 a.m. Chairperson Lynch arrived shortly afterwards and assumed the chairperson duties (Ms. Lynch was attending another meeting and requested Mr. Vuckovich chair the meeting until her arrival).

Commissioners Present: **Chair:** Bernadette Lynch, **Secretary:** Carol Ann Purin, Debra Lynn Finch, Ronald Byrd, Alexander Vuckovich and Jim Sobolewski

Commissioners Absent: Leonard Williams, Acting Commissioner.

City Staff Present: Kathy Trapp and Patti Bisharat from City Manager's Office; John Colville, Lydia Abreu, and Tom Friary from City Treasurer's Office.

I: Review & Accept Minutes: A motion was made by Mr. Byrd and seconded by Ms. Finch to accept the minutes of November 15, 2006 with the following corrections:
Section II: Highlights of City Treasurer's Report: change "doe" to "do", and change "percent" to "basis points".

II: Highlights of City Treasurer's Report: Mr. Colville and Ms. Abreu reported the AL/BH Portfolio continues to do very well. The AL/BH PTMF returned just under 19% for 2006 (combined portfolio). The objective of the fund is income, and since income funds delivered high returns last year, the AL/BH PTMF met its fund objective: \$118,000 was earned last year. Projected income for 2007 remains at approximately \$118,000. Cash operating balance as of February is \$83,000.

A document was introduced by Mr. Colville that uses graphics to more easily view financial activity such as combined, equity, and fixed portfolio information along with other "bird's eye" views of relevant fund information. This new format was welcomed by Commissioners. Mr. Colville states he will include this new graphic format with future AL/BH Commission Reports.

Mr. Friary gave a brief history of the AL/BH PTMF. Total activity since inception is around \$4 million; distributions totaled \$3,958 million. Historically, distributions began at \$60K per year and have increased to approximately \$100K.

In response to a concern raised by Mr. Byrd about the 65% annual turnover of the fund, Mr. Friary stated this was done to take advantage of sector opportunities (a successful strategy based on results) and, to a lesser degree, for rebalancing. Mr. Friary stated the City Treasurer has an agreement with the managing broker for AL/BH PTMF, to execute trades at no cost, so the cost of high turnover is not an issue.

Mr. Byrd raised a question concerning feasibility of "smoothing" withdrawal amounts so as to minimize the negative changes in available funds from year-to-year as happened in the early 2000 years. Having to cut amounts granted to our client agencies can place an undue hardship on these agencies. All 3 members from City Treasurers Office agreed the current portfolio will produce a consistent return, and do not anticipate a change in level of income produced over the years:

"We have income focus and should maintain a constant balance for distribution of approximately \$100K/yr.

Alternate methods to secure holding monies in reserve were discussed; no action taken.

Ms. Trapp will compose a letter stating our satisfaction with the city Treasurer's Office, and how their work benefits the AL/BH PTMF. She will send the letter to the Commissioners via email for review. Mr. Vuckovich will sign the letter. The letter will be sent to Mr. Friary at the City Treasurer's Office with a cc to the City Council.

III: Quarterly Report Remarks: No significant concerns were voiced over agency reports.

IV: Commission Calendar: The 2007 meeting dates were reviewed with no changes.

V: Chair Nominations: Nominations for Chairperson, Vice Chair, and Secretary were made as follows:

Chairperson: Mr. Vuckovich nominated by Mr. Sobolewski; seconded by Ms. Finch

Vice Chair: Ms. Finch nominated by Mr. Sobolewski; seconded by Mr. Byrd

Secretary: Mr. Byrd nominated by Ms. Purin; seconded by Mr. Sobolewski

Ms. Purin made a motion proposing new officers be accepted as nominated. Motion was seconded by Mr. Byrd. All nominees accepted their positions; new officers will assume their posts at the May 2007 meeting.

VI: Discussion of Ways and Means of Improving Effectiveness of the Commission:

Mr. Byrd suggested we might want to review our funding requirements/procedures to see if we can increase our efficiency in serving our agencies. Much discussion occurred, and Commissioners agreed a review would serve the Commission and our agencies well.

An ad-hoc committee was formed to review the existing procedures and bring ideas/suggestions to AL/BH Commission. The ad-hoc committee will meet before the May meeting and consists of Mr. Byrd, Ms. Lynch, Mr. Sobolewski, and Ms. Bisharat.

VII: Other Business: Commissioners were disappointed that Mr. Williams was not recognized for his many years of service to AL/BH at the City Council meeting on Nov. 28th as anticipated. Commissioners would like to acknowledge Mr. Williams for his

many years of dedicated service. Ms. Bisharat will follow up with different options for honoring Mr. Williams with a resolution at the May meeting. Ms. Trapp will call Mr., Williams to confirm he will be attending the May meeting.

Commission members expressed great appreciation for all the work Ms. Ilee Muller performs for the commission meetings. Her efficiency, organization and co-ordination are exemplary.

A new member will be joining the Commission at the May meeting.

The current AL/BH brochure was discussed. It was decided to add a tax deductibility statement to the brochure and delete the reference to staff. Ms. Bisharat thinks the AL/BH donations would be tax deductible because it is an entity of the city. She will follow up to confirm this before changes are made to the brochure.

Options for publicizing AL/BH were discussed. Options discussed included a video, and putting a link on the City of Sacramento website. Ms. Bisharat will follow-up on the website.

VIII: Next Meeting: May 16, 2007 from 9 a.m. – 1 p.m.

Guests at May 16 meeting: Ms. Bisharat will contact key city and county persons knowledgeable in both human services and agencies receiving government funding to join us at the May 16 meeting.

Agenda for May meeting to include:

- Discussion regarding destitute population: i.e., how many destitute are in the city, how are destitute served, where are existing gaps, clarity on “double dipping” with other government funds, etc...
- Review of AL/BH objectives and funding procedures
- Confirmation of tax deduction for AL/BH PTMF contributions
- Status of internet link between city and AL/BH Commission

The meeting was adjourned at approximately 11 a.m.

Respectfully submitted,

Carol A. Purin, Secretary