



FAIRBANKS CITY COUNCIL
AGENDA NO. 2011-14
REGULAR MEETING July 25, 2011
FAIRBANKS CITY COUNCIL CHAMBERS
800 CUSHMAN STREET, FAIRBANKS, ALASKA

REGULAR MEETING

I 7:00 P.M.

1. ROLL CALL

2. INVOCATION

3. FLAG SALUTATION

4. CITIZENS COMMENTS, oral communications to Council on any item not up for Public Hearing. Testimony is limited to five (5) minutes. Any person wishing to speak needs to complete the register located in the hallway. Normal standards of decorum and courtesy should be observed by all speakers. Remarks should be directed to the City Council as a body rather than to any particular Council Member or member of the staff. In consideration of others, kindly silence all cell phone, electronic and messaging devices.

5. APPROVAL OF AGENDA AND CONSENT AGENDA

(Approval of Consent Agenda passes all routine items indicated by an asterisk (*). Consent Agenda items are not considered separately unless a Council Member so requests. In the event of such a request, the item is returned to the General Agenda).

6. APPROVAL OF PREVIOUS MINUTES

7. SPECIAL ORDERS

8. MAYOR'S COMMENTS AND REPORT

9. UNFINISHED BUSINESS
 - a) Ordinance No. 5853 – An Ordinance Amending Chapter 86 Vehicles for Hire. Introduced by Mayor Cleworth and Council Member Stiver. SECOND READING AND PUBLIC HEARING.
 - b) Ordinance No. 5854 – An Ordinance Authorizing Public Sale of Surplus Property Known as the “Chena Building”. Introduced by Mayor Cleworth. SECOND READING AND PUBLIC HEARING.
10. NEW BUSINESS
11. DISCUSSION ITEMS (INFORMATION AND REPORT)
 - a) Committee Reports
12. COMMUNICATIONS TO COUNCIL
 - *a) Public Safety Commission Meeting Minutes of June 14, 2011.
 - *b) Permanent Fund Review Board Meeting Minutes of April 27, 2011.
13. COUNCIL MEMBERS’ COMMENTS
14. CITY ATTORNEY’S REPORT
15. CITY CLERK’S REPORT
16. EXECUTIVE SESSION
 - a) Labor Negotiations – Fairbanks Firefighters Association.
17. ADJOURNMENT

ORDINANCE NO. 5853

AN ORDINANCE AMENDING CHAPTER 86 VEHICLES FOR HIRE

WHEREAS, numerous appeals are made to the Council as a result of the restrictions and requirements placed upon an applicant for a chauffeur's license; and

WHEREAS, the current code provisions do not provide guidance for the Council in considering such appeals; and

WHEREAS, certain restrictions and requirements are needed for protection of the public; and

WHEREAS, the changes proposed in this ordinance will provide guidance and certainty for applicants, for the administration and for the Council; and

WHEREAS, other section of this Chapter needed to be updated and clarified,

NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, as follows:

Section 1. Fairbanks General Code Chapter 86 Vehicles for Hire is amended as follows (new text in **underlined bold** font, deleted text in ~~strikeout~~ font):

Sec. 86-31. Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Commercial passenger transport vehicle (**CPTV**) means any of the following types of vehicles ~~operation~~(s):

- (1) *Taxicab*— **defined as** means any motor vehicle used for the purpose of transporting passengers, upon request, for a fee, over the streets of the city, the routes of which are neither fixed, defined nor regulated by law or municipal directive.
- (2) *Motorbus or van*— **defined as** means any motor vehicle having a seating capacity of five ~~persons~~ or more **passengers**, according to the manufacturer's rating, operating over established and fixed routes, under private charter **or passenger for a fee** agreement, ~~or any other passenger for a fee, whether paid at the time of transport or otherwise, including transportation provided by a hotel or restaurant.~~ School buses, church buses, any transportation service provided at no charge by a nonprofit corporation, **transportation provided at no charge by an employee of a hotel, restaurant, or other business to or from their locations of operation**, and motorbuses owned or operated by the state or a political subdivision of the state shall not be governed by this article.

- (3) *Limousine*— **defined as** ~~means~~ any vehicle used for the purpose of transporting passengers, upon request, for a fee, over the streets of the city, the routes of which are neither fixed, defined nor regulated by law or municipal directive.

Operate shall mean picking up passengers in, delivering passengers to, or transporting passengers through the city.

Sec. 86-51. Required

(a) No person shall operate or cause to be operated upon the streets of the city any commercial passenger transport vehicle business unless the applicant shall first obtain, through application to the city, and thereafter hold, a commercial passenger transport vehicle **permit** license—authorizing the operation of such business upon the streets of the city. No permit shall be issued for a period greater than two years, and an individual vehicle permit shall be required for each vehicle operated under this section. Applications for permit submitted to the city clerk must be accompanied by a current copy of the applicant's State of Alaska and city business license.

(b) After being given notice by the city, any person operating a vehicle or causing a vehicle to be so operated in violation of subsection (a) of this section shall be deemed guilty of a misdemeanor and upon conviction of such offense by a court shall be liable to punishment as prescribed in **FGC S**section 1-15.

(c) License, **permit**, and application fees are set forth in the city's schedule of fees and charges for services.

Sec. 86-52. Proof of insurance.

There shall be submitted with an application for a commercial passenger transport vehicle permit copies of policies of liability or indemnity insurance providing coverage and protection against loss through personal injury or property damage arising from negligence covering all vehicles to be operated by virtue of the permit, such insurance to afford coverage in an amount determined to be satisfactory to the city attorney but not less than \$300,000.00 for all personal injuries sustained in any one accident, coverage in the amount of \$25,000.00 for property damage arising out of any one accident, and \$50,000.00 for all persons injured or who died in any one accident caused by an uninsured motorist. Each policy shall further contain a clause, addendum or endorsement providing that the insurer or his local agent will give written notice of the cancellation, revocation, termination or expiration of that policy, such notice to be submitted to the city clerk not later than five days prior to such eventuality. Any change in the city attorney's determination of what constitutes adequate insurance shall be provided in writing to each commercial passenger transport vehicle business with at least six months advance notice.

Sec. 86-53. Dispatch location; color scheme; written records.

(a) The application for a **CPTV** permit required in this division shall provide:

- (1) The identity of the location of the terminal or dispatch office from which the vehicles are to operate or whether they will be dispatched by cellular phone ~~upon the granting of the permit;~~

- (2) A statement by the applicant that the applicant will establish and maintain a central radio dispatch office or will operate dispatch by cellular phone, **and will** keeping a daily log of all cellular calls and providing cellular phone numbers to the owner company and the city clerk's office;
- (3) The distinctive single color scheme of the company which ~~will the applicant shall apply and which shall~~ be applied to the exterior of each vehicle to be operated under the permit, including the color scheme of any lettering or numbers to appear on the exterior;
- (4) A statement by the applicant that he agrees to maintain a written record of all dispatches of vehicles operated under the permit; a listing, maintained current, of all ~~chauffeurs or~~ drivers of vehicles operated under the foregoing permit, reflecting termination dates of ~~chauffeurs or~~ drivers who withdraw from such positions; and a record of the daily hours of utilization for each vehicle operated under such permit; and
- (5) Such other data as may be from time to time required by the Police Chief ~~director of public safety~~ or City Clerk.

(b) The information required in subsection (a) of this section shall be submitted to the Police Chief ~~director of public safety~~ within five days after the end of the month, except insofar as expressly waived by the Police Chief ~~director of public safety~~. All records of such information shall be preserved by the applicant for not less than two years ~~and to be~~ made available to the Police Chief ~~director of public safety~~ upon request of the latter.

Sec. 86-54. Revocation; suspension.

(a) A permit required in this division may be temporarily suspended or permanently revoked by action of the city clerk for any of the following occurrences:

- (1) Breach of any condition, limitation or modification imposed under this article in approving the application for permit.
- (2) Breach by the holder of the permit of any covenant or agreement undertaken by the holder in making application for such permit.
- (3) Delinquency on the part of the holder of a permit or on the part of the individual ~~chauffeurs or~~ drivers in payment to the city of any taxes or fees imposed on fares collected for the transportation of passengers in vehicles operated under the permit.

(b) Before suspending or revoking any ~~vehicle~~ permit, the city clerk shall set the time and place for a hearing and conduct the hearing.

Sec. 86-55. Transfer; assignment.

No permit or license required in this division shall be transferred or assigned by the holder without the approval of the city clerk. All approved transfers or assignments shall require payment of a fee, set forth in the city's schedule of fees and charges for services except that the city clerk may waive such fee where the real party in interest remains substantially unchanged.

Sec. 86-76. Chauffeur's license required.

(a) No person shall operate a commercial passenger transport vehicle upon the streets of the city until the person has been issued and thereafter holds in effect a chauffeur's license granted by the city.

(b) Any person operating or driving a vehicle in violation of subsection (a) of this section shall be deemed guilty of a misdemeanor **and upon conviction of such offense by a court shall be subject to punishment as prescribed in FGC Section 1-15.**

Sec. 86-77. Application for chauffeur's licenses.

All applications for issuance or renewal of a chauffeur's license shall be made upon forms provided for this purpose by the city clerk, and the applications shall be submitted to the city clerk for review. The applicant shall also submit a current criminal history report obtained from the state department of public safety if a state resident or, if not, a current record obtained from the state of residency, and a current driving record. The requirements to be fulfilled prior to issuance of a chauffeur's license shall be as follows:

- (1) The applicant must be 21 years of age or older, and furnish proof if requested.
- (2) The applicant must be able to read, write and speak the English language.
- (3) The applicant must be in possession of a current Alaska State Driver's License.
- (4) The applicant must not have had a conviction within 24 months of:
 - a. A moving traffic violation which results in suspension or revocation of the applicant's driver's license pursuant to AS 28.15.221 through 28.15.261;
 - b. Reckless or negligent driving;
 - c. Driving while license is limited, suspended or revoked;
- (5) The applicant must not have had his driver's license suspended or revoked within two years prior to the application date.
- (6) Except as otherwise provided in this subsection, the applicant must not have had a felony or misdemeanor conviction within ~~eighteen~~ **eighteen** years of:
 - a. Prostitution or promotion of prostitution;
 - b. Sale, transportation, possession or use of any controlled substance as defined in AS 11.71.140 through 11.71.190;
 - c. Any felony or misdemeanor which includes as an element the use **or** threat of force upon a person;
 - d. Burglary, felony larceny, fraud or embezzlement;

- e. Any sexual offense;
 - f. Any homicide or assault involving operation of a motor vehicle;
 - g. Two separate felony convictions of any type;
 - h. Operation or driving a vehicle while intoxicated (five years);
 - i. Refusal to submit to a chemical test as defined in AS 28.35.032 (five years).
- (7) The applicant must not be addicted to the use of intoxicants or narcotics.
- (8) The applicant must be of good moral character and repute, to be evidenced by two affidavits of respectable citizens who personally know the applicant.
- (9) The applicant must not be a sex offender or child kidnapper subject to the registration requirements of Title 12, Chapter 63, of the Alaska Statutes.**

~~Sec. 86-78. Fingerprinting required.~~

~~An applicant for a chauffeur's license shall consent to fingerprinting. The set of fingerprints will thereupon be forwarded to the Federal Bureau of Investigation, Identification Division, for search and comparison purposes.~~

~~Sec. 86-79. Residency.~~

~~An applicant for a chauffeur's license must have resided within the Fairbanks North Star Borough area for a minimum of 30 days immediately prior to application. This residence requirement may be waived by the city clerk if the applicant has had a Fairbanks chauffeur's license within the last five years.~~

~~Sec. 86-80. Fee.~~

~~—An applicant for a chauffeur's license must pay a license fee of \$25.00 at the time of application which shall not be refundable, and shall submit the fee for the chauffeur's license.~~

~~Sec. 86-81. Chauffeur's training required.~~

~~—Within 12 months of issuance of a city chauffeur's license, each driver shall:~~

- (1) ~~Attend a defensive driving school and furnish a copy of the certificate of completion to the city clerk.~~
- (2) ~~If the city clerk does not receive the certificate described in subsection (1) by the end of the 12-month period, the license shall not be renewed.~~

Sec. 86-82. Issuance of a chauffeur's license; nontransferable; temporary license; fees; refund; expiration.

(a) Upon an applicant's compliance with the requirements of this article, the city clerk shall issue a chauffeur's license to the applicant; said license shall be carried upon that person at all times when operating a vehicle as a licensed chauffeur. No chauffeur's license shall be transferable or assignable. A temporary chauffeur's license valid for 30 days only may be issued to the applicant pending final action on the application. ~~Each chauffeur's license shall expire on the expiration date of his driver's license as issued by the state. The license fee for issuance of an initial chauffeur's license shall be submitted with the application.~~

(b) Chauffeur's license and application fees are set forth in the city's schedule of fees and charges for services. A licensed chauffeur is not required to obtain a city business license under section 14-601~~2~~ if working exclusively (as an employee or on contract) for a licensed commercial passenger transport operator who possesses a valid city business license.

Sec. 86-83. Suspensions or revocations.

The city clerk or his designee may temporarily suspend or permanently revoke a chauffeur's license for any of the following causes:

- (1) False or erroneous material statements contained in the licensee's application ~~and which were conducive to the issuance of the license.~~
- (2) **Conviction for a violation of any section of this chapter** ~~Failure of the licensee to carry the current chauffeur's license upon their person at all times when operating a vehicle as a licensed chauffeur.~~
- ~~(3) Operation within the city of a commercial passenger transport vehicle for which a vehicle permit, as provided in section 86-51, had not been issued, or has been suspended or revoked.~~
- ~~(34)~~ Subsequent conviction of a traffic offense which has resulted in the suspension or revocation of the licensee's state driver's license; or conviction of a traffic offense which places restrictions upon the individual's State of Alaska driver's license.
- ~~(45)~~ Conviction of a felony, or conviction of a misdemeanor involving moral turpitude, or **any conviction relating to prostitution.** ~~trafficking in women or children for immoral purposes.~~
- ~~(6)~~ ~~Soliciting passengers for hire; or cruising the streets of the city for the purpose of obtaining or inviting business; or attracting the attention of members of the public by word of mouth, signal, nod or other demonstration while in motion or parked.~~
- ~~(7)~~ ~~Parking a commercial passenger transport vehicle upon the streets of the city except for purposes of immediately loading or unloading passengers.~~

- (8) ~~Refusing to convey any orderly person upon request and tender of the proper fee unless previously engaged or unable or forbidden to do so by the provisions of this article or the laws of the state.~~
- (9) ~~Operating or remaining in physical control for purposes of operating a commercial passenger transport vehicle for a period in excess of 12 consecutive hours without six hours between shifts.~~
- (10) ~~Transporting or offering to transport in a taxicab additional passengers for a separate fare while the vehicle is occupied by a passenger and without the express permission of the latter.~~

Sec. 86-84. Regional and interstate bus drivers exempt.

Operators of motor buses are exempted from the provisions of this division provided such operators are licensed by the Interstate Commerce Commission.

Sec. 86.85.Posting of chauffeur’s license.

No owner of a CPTV business may allow any driver ~~to~~ may operate a commercial passenger transport vehicle unless evidence, including his full name, that the operator is a licensed chauffeur is posted in the interior of the vehicle in a manner specified by the chief of police. ~~Failure to do so will result in a citation and a fine of \$25.00.~~

Sec. 86-86. Maximum number of hours per day.

No licensed chauffeur driver may operate nor may the owner of a CPTV allow a driver to operate a commercial passenger transport vehicle in excess of 12 consecutive hours nor perform any combination of chauffeuring and other gainful occupation, ~~whether chauffeuring or otherwise~~, for more than 12 hours in any 24-hour period.

Sec. 86-87. Duty to serve public.

No driver of a commercial passenger transport vehicle may refuse or neglect to convey any orderly person upon request if the proper fee is tendered by such person, unless the driver is then engaged or would violate this chapter by conveying such person.

Sec. 86-88. Alcoholic beverages and controlled substances.

No driver of a commercial passenger transport vehicle may drink alcoholic beverages or be under the influence of a depressant, hallucinogenic, stimulant or narcotic drug, or any controlled substance as defined by AS 28.335.1903~~0~~ while on duty or for five hours prior to operating a taxicab.

Sec. 86-89. Most direct route.

Every driver of a commercial passenger transport vehicle shall follow the most direct route to the passenger's destination unless otherwise directed by the passenger.

Sec. 86-90. Exclusive use of taxicab.

A driver of a taxicab shall allow no more than one passenger or one group of passengers, except driver trainees, at any one time without the express consent of that passenger or group of passengers.

Sec. 86-91. Fares and receipts.

On request of any passenger paying a fare, a driver of a commercial passenger transport vehicle or other for-hire vehicle shall provide a receipt indicating the fare received, the date, permit number, dispatch company, and driver's legibly printed name.

Sec. 86-92. Records.

(a) At all times, a driver shall carry in the commercial passenger transport vehicle those documents commonly known as trip sheets. For each fare charged, a driver shall record on a trip sheet the following information:

- (1) Driver's full name, vehicle number, taximeter number and date of report.
- (2) Times between which the driver operates the taxicab on the day the trip sheet is prepared.
- (3) For each request for service, the time and place of passenger pickup and delivery, the number of passengers and the amount of the fare received.

Sec. 86-93. Posting of insurance, fares and complaint procedure.

The ~~Police Chief~~ ~~director of public safety~~ shall designate a place in the interior of all commercial passenger transport vehicles for the posting of a notice stating the name of the insurance carrier, applicability, fares charged for service and procedures for making complaints to the ~~police~~ department of public safety. No person may provide service with a vehicle unless such notice is visible to passengers.

Sec. 86-94. Transporting alcohol without passengers.

It shall be unlawful for any driver of a commercial passenger transport vehicle to purchase, transport or deliver alcohol at the request of any individual. Any transportation of alcohol in a commercial passenger transport vehicle must be by a passenger who is actually riding in the vehicle.

Sec. 86-95. Appeals.

(a) The city council may consider appeals of an applicant whose application for a chauffeur's license has been denied by the city clerk. The city council will not consider an appeal if the reason for the denial is a conviction for a sexual offense, for a drug offense, for driving while intoxicated, or for refusal.

(b) In considering whether to grant an appeal, the council may consider whether the applicant:

- (1) Has made significant efforts at rehabilitation, including successful completion of any court-ordered treatment program;**

(2) Has successfully completed any period of probation;

(3) Has made positive contributions to society in general.

Sec. 86-96. Penalties.

(a) Violation of the following sections of this chapter are misdemeanors subject to the penalties set out in FGC Sec. 1-15: Sec. 86-51, 86-55, 86-76, 86-82, 86-88, and 86-94.

(b) Violation of the following sections of this chapter are infraction subject to a maximum fine of \$300.00 and a mandatory minimum fine of \$100.00: Sec. 86-85, 86-86, 86-87, 86-89, 86-90, 86-91, 86-92, and 86-93.

SECTION 2. That the effective date of this Ordinance shall be the ___ day of August 2011.

Jerry Cleworth, City Mayor

AYES:
NAYS:
ABSENT:
ADOPTED:

ATTEST:

APPROVED AS TO FORM:

Janey Hovenden, CMC, City Clerk

Paul J. Ewers, City Attorney

Introduced By: Mayor Jerry Cleworth
Date: July 18, 2011

ORDINANCE NO. 5854

**AN ORDINANCE AUTHORIZING PUBLIC SALE OF SURPLUS
PROPERTY KNOWN AS THE "CHENA BUILDING"**

WHEREAS, the City is vested with title to that certain building located at 510 Second Avenue, commonly known as the "Chena Building", including lots 21 and 22, Block 13, Fairbanks Townsite, as shown on attached "Exhibit A,"; and

WHEREAS, the City administration has reviewed said property and determined that same is no longer needed for municipal purposes and should be sold; and

WHEREAS, the City administration has estimated the market value of the property at \$450,000, and recommends same as the asking price; and

**NOW THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE
CITY OF FAIRBANKS, ALASKA**, as follows:

SECTION 1. DETERMINATION: That said property is excess to the present and future needs of the City, and should be sold as herein provided.

SECTION 2 PERMISSIVE REFERENDUM: Any conveyance of real property is subject to the right of the voters, within thirty-days of sale, to reject a sale by permissive referendum under F.G.C. 70-42, and the City Charter.

SECTION 3. METHOD OF SALE: That the provisions of F.G.C. Sections 70-52 through 70-54 shall be complied with in this sale. Offers shall be presented in writing to the Clerk for consideration by the City Council.

SECTION 4. TERMS OF SALE: That said property is for sale on a sealed bid, cash basis, as-is, where is, for any bids received by the published date of sale. If unsold after the published date of sale, the City Council may entertain negotiated offers, including "owner financing".

SECTION 5. MAYORS AUTHORIZATION: That the Mayor is hereby authorized and empowered to execute a deed and such instruments as necessary to complete sale of said property after Council approval.

SECTION 6: That the effective date of this ordinance shall be the 30th day of July, 2011.

JERRY CLEWORTH, Mayor

AYES:
NAYS:
ABSTAIN:
ABSENT:
ADOPTED:

ATTEST:

APPROVED AS TO FORM:

JANEY HOVENDEN, CMC City Clerk

PAUL EWERS, City Attorney

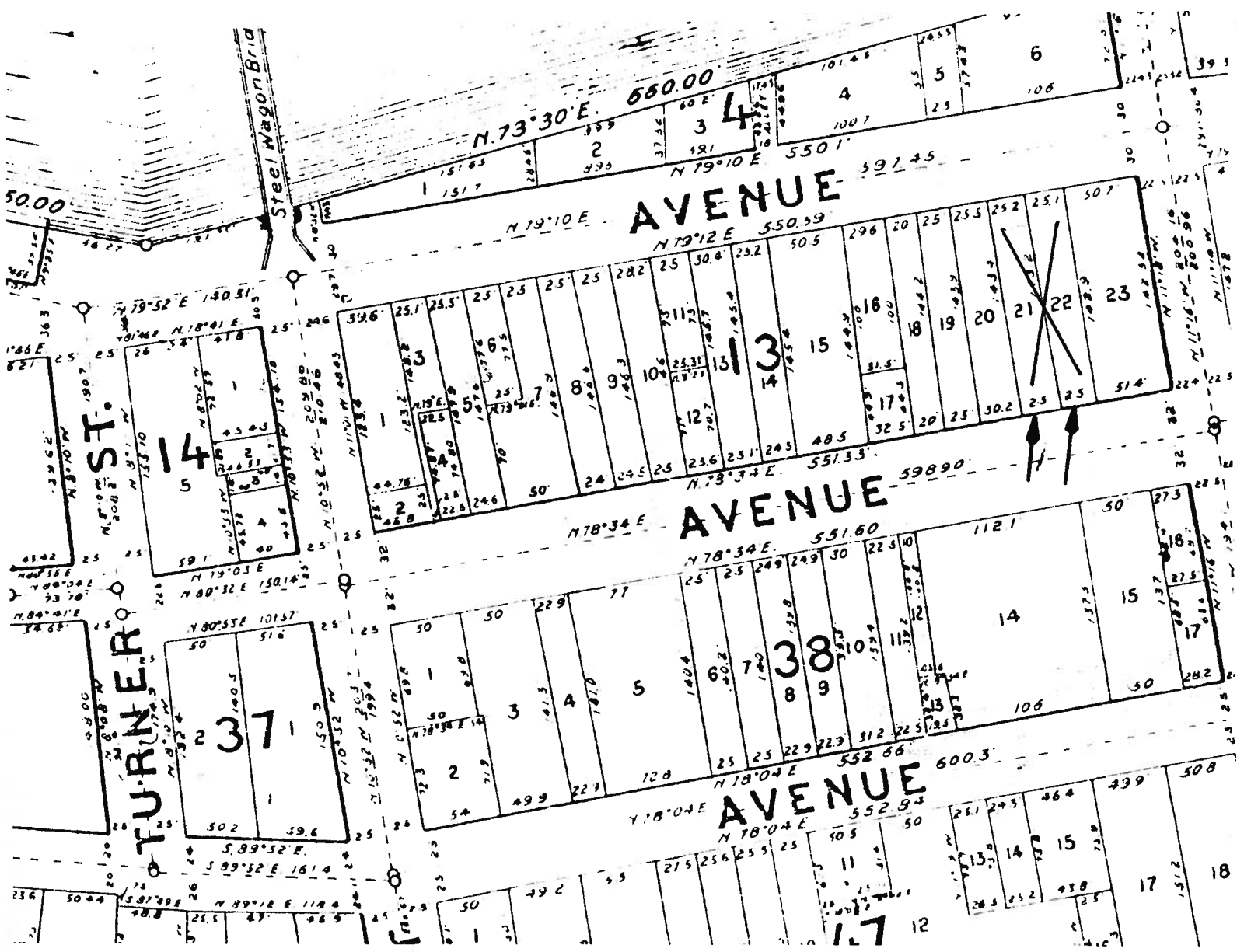


EXHIBIT "A"
ORDINANCE No. 5854

PUBLIC SAFETY COMMISSION

June 14, 2011
11:30 AM
Fairbanks Police Department

PSC Members:	Peter Stern (Seat C - 2013)	Buzzy Chiu (Seat D - 2011)
	Frank Eagle (Seat E - 2012)	Josh Lambert (FPD Designee)
	John Eberhart (Seat A - 2011)	Greg Taylor (FFD Appointee)
	Bill Satterberg (Seat B - 2012)	

Meeting Minutes

CALLED TO ORDER: 11:40 am

ATTENDANCE:

PSC Members: Peter Stern, Frank Eagle, John Eberhart, Josh Lambert

PSC Members Absent: Bill Satterberg, Buzzy Chiu, & Greg Taylor

Others in attendance: Laren Zager, Warren Cummings, Mayor Cleworth, Dave Burglin, Justin Peterson-Johnson, Stephanie Johnson, Ernie Misewicz, & Debra Davis

ADOPT AGENDA: Agenda adopted without change.

PUBLIC COMMENT:

No public in attendance.

OLD BUSINESS:

Minutes: Minutes of the May 10, 2011 meeting were approved as submitted.

Request for Executive Session

Mr. Stern – No word from the City Council regarding the request for Executive Session. Bill Satterberg is out this meeting, no reason to go on with it until his return

Mayor Cleworth – Review of personal businesses is not appropriate for Executive Session. There was no second to the motion at the City Council meeting, so Executive Session was turned down.

Role of the Public Safety Commission

Mr. Stern – As Mr. Satterberg and Ms. Chiu are not present there cannot be a final decision made.

General Discussion:

May need a new mission

We hear what the public may or may not want to bring to City Council

Perhaps Ad Hoc Advisory Board for specific topics

Focus on 1-2 topics at a time

More task oriented

Ex: Police Pursuit Policy, upon review was a good policy

Look at merging SCP & Parking Authority

Review Policies/Procedures before City Council

Approved (7/12/11)

Page 1 of 3

Recommendations are helpful to the City Council

Ex: SRO

Red Light Cameras

Inebriate Concerns

The general consensus was not to disband but that possibly changes to the mission and the ordinance itself needs to be updated.

There was some discussion of expanding the commission to include Public Works; what effect it would have on the mission and the number of board members.

Mr. Stern – Officially postponed until the next meeting.

NEW BUSINESS:

FPD Report

Josh Lambert went over his report. Although he was unable to break down some of the fields such as Simple Assault vs. DV Assault, however the end result is the same.

- Traffic citations are down, possibly due to a Traffic Officer being out on Leave
- DUI about the same, Substance Abuse arrests were down
- Arrests overall stayed consistent
- Still looking at 5.5 to 6.5 manning shortage

There was discussion regarding staffing for the peak hours and Chief Zager is considering a 12x12/8x8 plan where the 8hr shift Officers would be on at peak hours. How long calls are “stacked” waiting for an officer to be available to respond and how many officers can respond to the dispatched calls. Are stacked call stats reviewed to help determine peak staffing needs? Quite often two officer calls are responded to by only one officer as no others available.

FFD REPORT Chief Cummings reviewed the May 2011 FFD statistics, more Mutual Aid given again in May than received.

- HLS Grant Activities: paperwork to be processed in the next couple of weeks
- AFG Grant \$123,000 for Turnouts
- Highway Safety Grant \$260,000
- There will be an area wide Study Design Plan for conventional radio use if the ALMR is too expensive
- Fire and Ambulance runs are up
- We are currently down six positions for various reasons

FECC REPORT

- Director Johnson reports that the Dispatch Business Plan is being released at a meeting on June 15, and she will have that report for the next PSC meeting.
- She also reports that the Back-up Dispatch Center Project is still in the works however UAF has concerns; so she may have to come up with a contingency plan.
- The call volume was significantly higher on May 20 because of the two fires, Moose Mtn and S. Cushman, the call volume was over 300.
- GPS Readout Phase Two is complete, the further out, the less reliable. GPS can be mapped in CAD from all carriers.

CLOSING COMMENTS:

Chief Cummings – Presented a pictorial slideshow of the Sunset Strip and 23rd St fires

NEXT MEETING: July 12, 2011 – Hosted by Fairbanks Fire Department @ 1101 Cushman Street

MEETING ADJOURNED at 1:08 PM

Respectfully submitted,
Debra Davis, FFD

**PUBLIC SAFETY
COMMISSION**

**June 14, 2011
11:30 AM
Fairbanks Police Department**

AGENDA

PSC Members: Peter Stern (Seat C - 2013) Buzzy Chiu (Seat D - 2011)
Frank Eagle (Seat E - 2012) Josh Lambert (FPD Designee)
John Eberhart (Seat A - 2011) Greg Taylor (FFD Appointee)
Bill Satterberg (Seat B - 2012)

Agenda

ADOPT AGENDA

PUBLIC COMMENT

OLD BUSINESS

Approve Minutes of May 10, 2011
Role of the Public Safety Commission- Discussion Postponed in May

NEW BUSINESS:

FPD Report Chief Laren Zager
FFD Report Chief Warren Cummings
FECC Report Director Stephanie Johnson

Additional Agenda Items:

Next Meeting July 12, 2011 (Fairbanks Fire Department)

Submitted by: Lisa Howard

City of Fairbanks
Permanent Fund Review Board
(Quarterly Meeting Minutes)
April 27, 2011

The Permanent Fund Review Board (PFRB) convened at 1:30 p.m. on the above date, to conduct a quarterly meeting with the following review board members in attendance.

Board Members Present: Jeff Johnson
Tom Freeman
Council Member Bernard Gatewood
Patty Mongold

Board Members Absent: Darren Franz

Also Present: Mayor Jerry Cleworth
Paul Ewers, City Attorney
Jim Soileau, Chief Financial Officer
Bert Wagon, Senior Vice President, Investments - APCM
Brandy Niclai, Senior Investment Analyst - APCM

The Board approved the minutes from the February 3, 2011 meeting.

Jim Soileau provided the account performance through March 31, 2011. The balance of the Permanent Fund portfolio at March 31, 2011 as reported by Key Trust was \$103,300,788. During the first quarter 2011, the City deposited \$396,900 in lease payments and \$7,468 in payments on notes receivables. The dividend and interest earnings through March 2011 were \$691,413. Permanent Fund expenses through March 2011 were \$45,514. The account's earnings through March 31, 2011 were \$2,879,422 net of expenses.

Jim Soileau reviewed the proposed 2011 drawdown schedule. Jim will delay withdrawal for as long as cash flow demands allow, but advised the board and fund managers the first draw may be required on June 30, 2011. (See attachment – Permanent Fund draw down schedule)

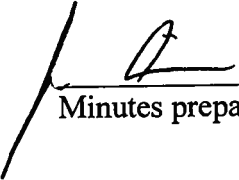
Bert Wagon reviewed asset allocations as of March 31, 2011 including the current percentage, current targets and ranges. For the first quarter, the account returned 2.94% versus a blended benchmark return of 2.71%. For the past twelve months, the account returned 11.28% versus a blended benchmark return of 10.51%. The 50 bps hurdle on an annual basis was 11.01%. (See attached – APCM Investment Review for the period ending March 31, 2011)

Brandy Niclai presented the allocation and selection effects on the portfolio and Bert Wagnon followed up with a review of the compliance reports. (See attached – APCM Investment Review for the period ending March 31, 2011)

The Board set the next quarterly meeting for Wednesday July 20, 2011 at 1:30 P.M.

The meeting adjourned at approximately 2:15 P.M.

Minutes approved July 20, 2011.


Minutes prepared by Jim Soileau

	A	B	C	D	E	F	G
1	City of Fairbanks - Permanent Fund History						
2	2011 Permanent Fund Appropriation Calculation						
3							
4	January 19, 2011						
5							
6							
7							
8		Audited	Audited	Audited	Audited	UnAudited	
9		2006	2007	2008	2009	2010	Average
10	Marketable securities						
11	Cash and investments	\$ 678,213	\$ 1,890,926	\$ 774,607	\$ 559,720	\$ 1,225,492	\$ 1,025,792
12	Fixed income securities	44,589,188	47,311,194	41,247,119	59,807,621	50,535,399	48,698,104
13	Equity securities	60,898,389	59,906,336	43,181,888	31,107,843	47,837,719	48,586,435
14	Due from general fund	-	383,892	-	-	-	76,778
15	Due from enterprise fund	-	-	-	-	-	-
16	Interest receivable	339,981	388,359	364,888	463,600	425,369	396,439
17	Other receivables	-	-	-	-	-	-
18							
19	Total marketable securities	\$ 106,505,771	\$ 109,880,707	\$ 85,568,502	\$ 91,938,784	\$ 100,023,979	\$ 98,783,548
20							
21	Nonmarketable securities						
22	Tract G-3, Replat of Tract G, ASLS 80-64	\$ 168,315	\$ 163,998	\$ 158,793	\$ 153,319	\$ 147,353	\$ 158,356
23	Tract G-2A South Davis Park Subdivision	149,079	144,964	140,334	135,464	130,157	140,000
24	Weeks Field - Note Receivable	-	-	-	781,500	781,500	312,600
25	Weeks Field - Interest Receivable	-	-	-	19,734	69,152	17,777
26	ACS - Note Receivable	429,930	220,380	-	-	-	130,062
27	Gavora - Note Receivable	163,789	-	-	-	-	32,758
28							
29		\$ 911,113	\$ 529,342	\$ 299,127	\$ 1,090,017	\$ 1,128,162	\$ 791,553
30							
31	Liabilities	21,532	19,002	15,486	16,265	17,472	\$ 17,951
32							
33	Total Permanent Fund Value	\$ 107,395,352	\$ 110,391,047	\$ 85,852,143	\$ 93,012,536	\$ 101,134,669	\$ 99,557,150
34							
35							
36	2011 PILOT Replacement to General Fund (four percent of five-year average)						\$ 3,982,286
37							
38	2011 Transfer from Permanent Fund for Capital (one half of one percent of five-year average)						\$ 497,786
39							
40						2011 Total	4,480,072
41	2011 Drawdown Schedule						
42	Date	Operating Draw	Capital Draw	Total			
43	30-Jun	1,991,143	248,893	2,240,036			
44	30-Nov	1,991,143	248,893	2,240,036			
45							
46							
47	Total	3,982,286	497,786	4,480,072			
48							
49							
50							
51							
52							
53							
54							
55				2011 BUDGET	GF	3,924,985	
56					Capital	490,623	
57						4,415,608	
58							
59				Budget Amendment	GF	57,301	
60					Capital	7,163	
61						64,464	
62							
63							
64	U:\Permanent Fund\Appropriation Calculations\2011 Permfund Actual Appropriation.xlsx\2011 Actual						

INVESTMENT REVIEW

FAIRBANKS PERMANENT FUND

for period ending March 31, 2011



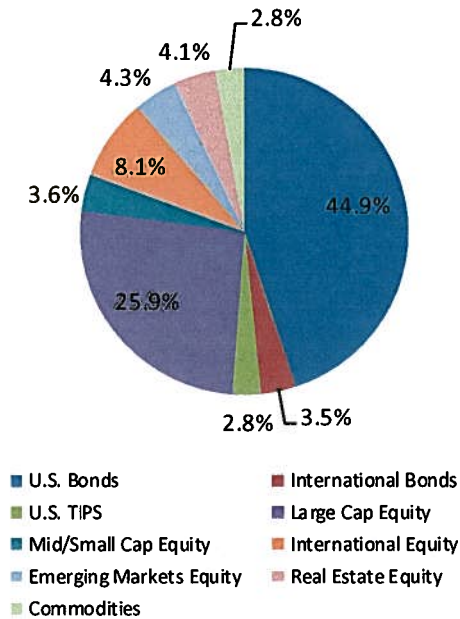
Agenda

- Portfolio Review & Performance
- Compliance Report
- Appendix
 - Portfolio Appraisal
 - Economy & Financial Markets



Portfolio Review

Asset Allocation for Fairbanks Permanent Fund as of March 31, 2011

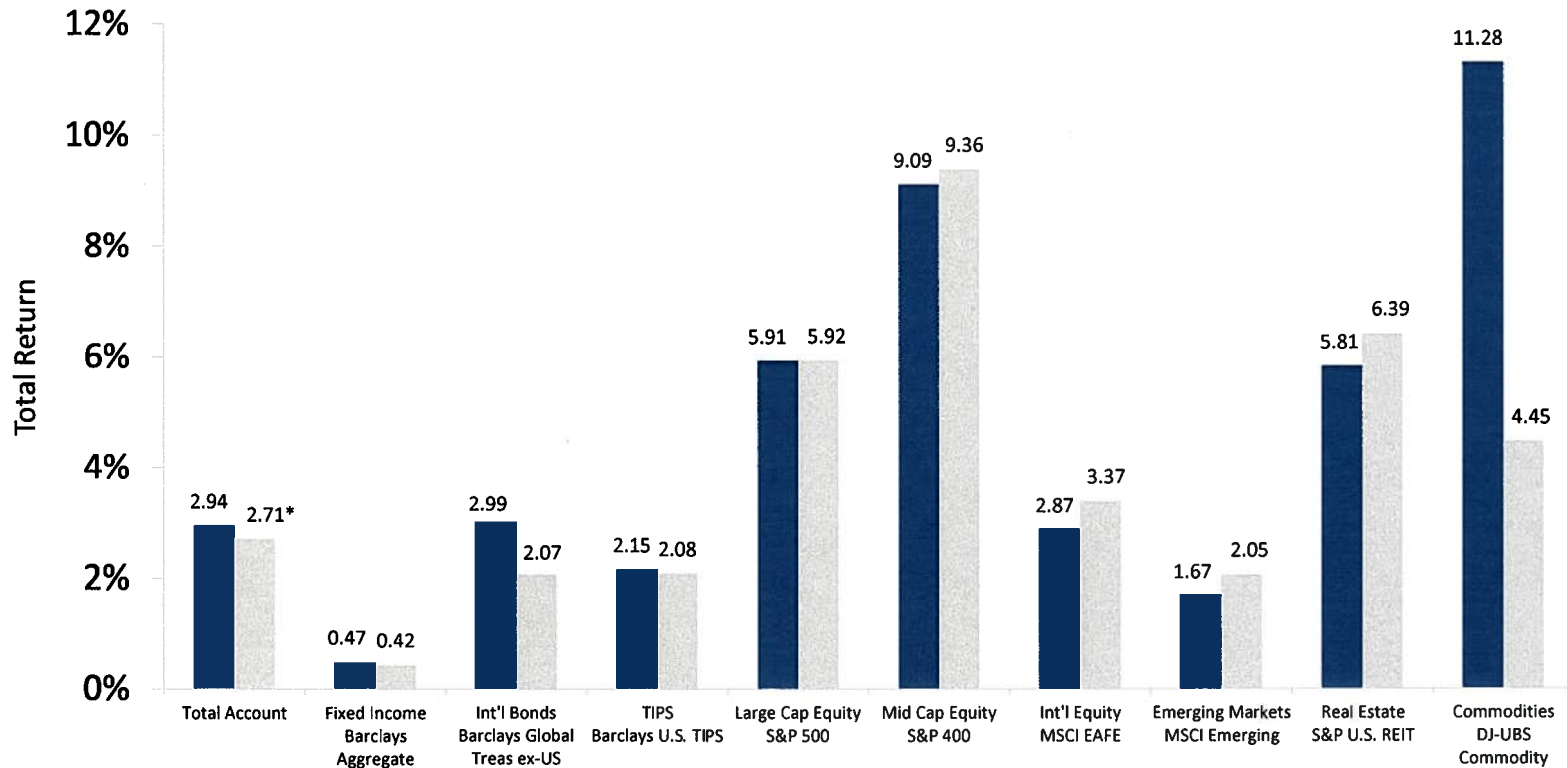


Investment Category	Percentage	Target	Range	Assets
Fixed Income	51.2%	60%	50-70%	\$52,904,879
U.S. Bonds	44.9%	45	40-70	\$46,431,037
International Bonds	3.5%	5	0-10	\$3,575,800
U.S. TIPS	2.8%	10	0-15	\$2,898,042
Equities	46.0%	40	30-50	\$47,482,760
Large Cap Equity	25.9%	22	20-50	\$26,735,486
Mid/Small Cap Equity	3.6%	3	0-10	\$3,738,937
International Equity	8.1%	8	0-15	\$8,325,838
Emerging Markets Equity	4.3%	2	0-5	\$4,429,975
Real Estate Equity	4.1%	5	0-10	\$4,252,523
Commodities	2.8%	0	0-10	\$2,912,880
Total				\$103,300,519



Portfolio Review

Account Performance First Quarter 2011



* 50 bps Hurdle 2.83%



Portfolio Review

- Q1 portfolio return of **+2.94%** vs. blended benchmark return of **+2.71%**. Outperformance primarily due to an overweight in equity which had good returns for the quarter, and an underweight in TIPS. Commodities were a positive contributor.
- Actively managed fixed income Q1 return of **+0.47%** vs. Barclays Aggregate return of **+0.42%**. Outperformance attributable to overweight positions in CMBS and corporates relative to the Barclays Aggregate Index.

Portfolio Review

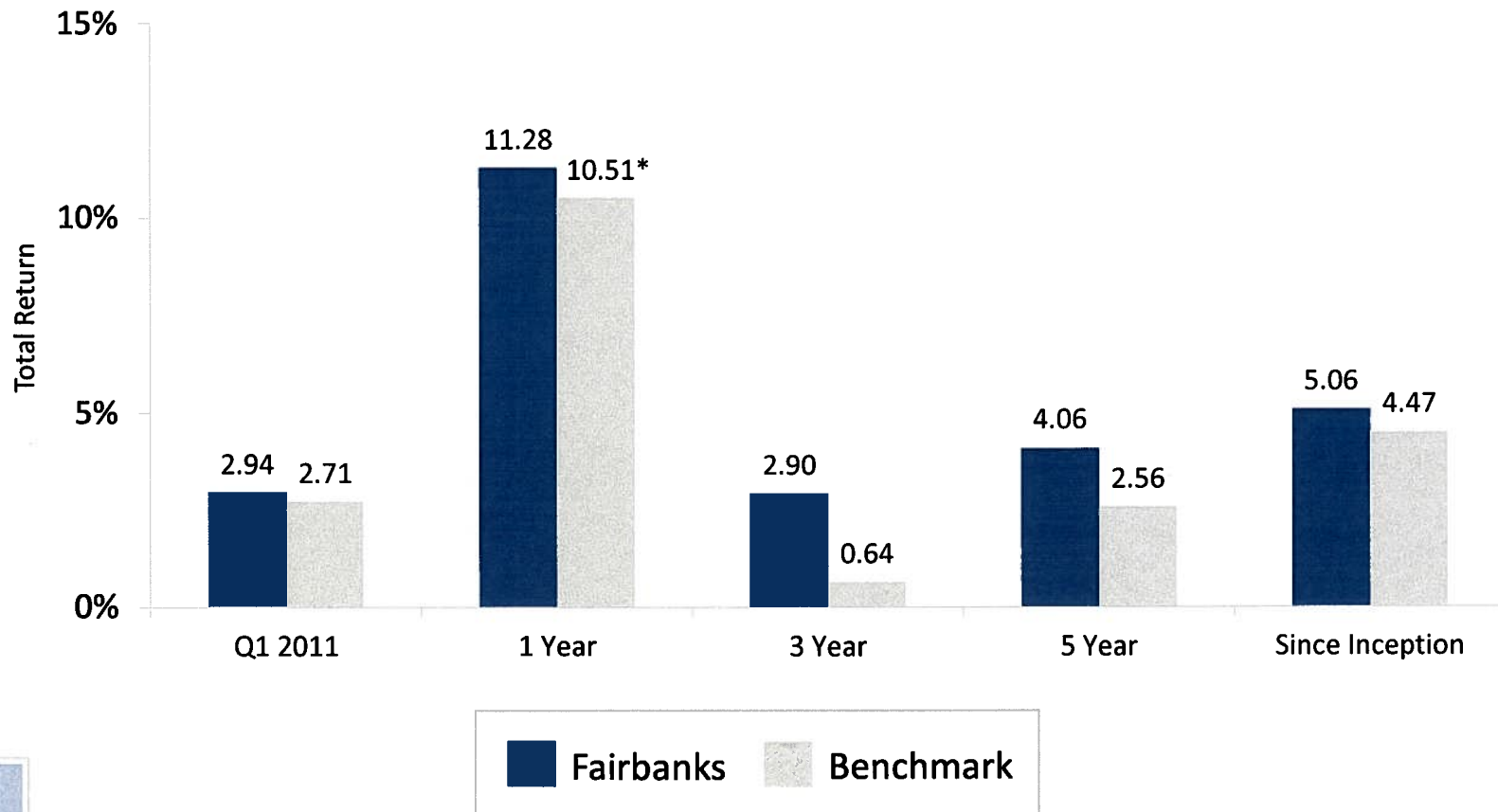
	January 11	February 11	March 11	Q1 2011
Allocation Effect				
Aggregate Bonds	-0.024	-0.038	-0.001	-0.063
Domestic Large Cap	0.046	0.062	-0.003	0.104
Domestic Mid Cap	0.005	0.013	0.013	0.031
Domestic Small Cap	0.000	0.000	0.000	0.000
International Equity	0.028	0.028	-0.007	0.049
Emerging Market Equity	-0.087	-0.054	0.119	-0.022
Real Estate	-0.005	-0.009	0.013	-0.001
TIPS	0.070	0.069	-0.081	0.058
International Bonds	0.011	0.012	-0.013	0.010
Commodities	0.000	-0.002	0.054	0.052
Total	0.044	0.081	0.092	0.217
Selection Effect				
Aggregate Bonds	0.002	0.059	-0.039	0.022
Domestic Large Cap	0.000	-0.003	0.000	-0.003
Domestic Mid Cap	-0.007	-0.003	0.001	-0.009
Domestic Small Cap	0.000	0.000	0.000	0.000
International Equity	-0.020	-0.002	-0.022	-0.043
Emerging Market Equity	-0.032	0.031	-0.017	-0.017
Real Estate	0.001	-0.021	-0.006	-0.026
TIPS	0.007	-0.005	-0.002	0.000
International Bonds	0.042	-0.006	-0.005	0.032
Commodities	0.000	0.046	-0.001	0.045
Total	-0.005	0.098	-0.091	0.001
Total Attribution	0.04	0.18	0.00	
Bench Return	0.96	1.61	0.12	
Account Return	1.00	1.79	0.13	
Difference	0.04	0.18	0.00	



Portfolio Return = Allocation Effect + Selection Effect
 $(\text{Weight}_{\text{Port Sector}} - \text{Weight}_{\text{Bench}}) (\text{Return}_{\text{Sector Bench}} - \text{Return}_{\text{Port Bench}}) + (\text{Weight}_{\text{Port Sector}}) (\text{Return}_{\text{Port Sector}} - \text{Return}_{\text{Sector Bench}})$

Portfolio Review

Account Performance *as of March 31, 2011*



*50 bps Hurdle 11.01%

Performance is annualized for periods greater than one year. Inception Performance begins January 31, 1998.

Compliance Report



April 21, 2010

To: Permanent Fund Review Board

From: City of Fairbanks, Finance Department and APCM

Subject: Compliance

During this year's audit of the Permanent Fund the question was raised as to exactly how does the Finance Department know the Fund was in compliance with the various restrictions contained in the authorizing ordinances and resolutions. While the auditor's questions were answered it became apparent that a more formalized compliance system would make this question mute.

Nine specific compliance questions have been identified and it is recommended that a compliance appendix be included at each quarterly meeting illustrating that the Fund meets all of the respective criteria. The identified nine items are as follows:

1. Equity and Fixed-income limitations as well as range limitations within the two categories.
2. Corporate debt limitation of 30% of total portfolio market value.
3. Limitation on the purchase of any bond in excess of 600 basis points above a comparable duration US treasury.
4. Limitation on the purchase of any CMBS after January 1, 2009.
5. Ratings and downgrade limitations on corporate securities.
6. Five percent limitation on any one security (total portfolio).
7. Ten percent limitation on Baa rated securities (fixed income portfolio).
8. Duration constraint of between 80-120 percent of the Barclays Aggregate.
9. Twenty-Five percent industry limitation (total portfolio).

In the attached packet each of the nine limitations are addressed by either a specific report or calculation based upon an enclosed report to illustrate compliance. Should the Board approve of the format, the Compliance Report will become a regular appendix presented at each quarterly meeting.

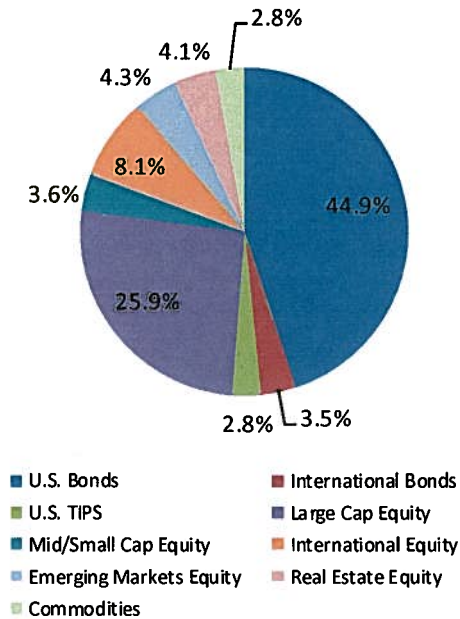


Compliance Report

- Equity and fixed-income limitations as well as range limitations within the two categories
 - Copy of quarterly chart illustrating targets and ranges versus actual
 - Portfolio Appraisal report (Appendix)

Portfolio Review

Asset Allocation for Fairbanks Permanent Fund as of March 31, 2011



Investment Category	Percentage	Target	Range	Assets
Fixed Income	51.2%	60%	50-70%	\$52,904,879
U.S. Bonds	44.9%	45	40-70	\$46,431,037
International Bonds	3.5%	5	0-10	\$3,575,800
U.S. TIPS	2.8%	10	0-15	\$2,898,042
Equities	46.0%	40	30-50	\$47,482,760
Large Cap Equity	25.9%	22	20-50	\$26,735,486
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International Equity	8.1%	8	0-15	\$8,325,838
Emerging Markets Equity	4.3%	2	0-5	\$4,429,975
Real Estate Equity	4.1%	5	0-10	\$4,252,523
Commodities	2.8%	0	0-10	\$2,912,880
Total				\$103,300,519



Compliance Report

- Corporate debt limitations of 30% of the total portfolio market value
 - See attached Portfolio Appraisal report

Portfolio Appraisal – as of March 31, 2011

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
CORPORATE BONDS									
500,000	METROPOLITAN LIFE GLOBAL FDG I RESTR 5.125% Due 11-09-11	99.87	499,370	102.67	513,345	0.50	25,625	10,108	0.70
500,000	BERKSHIRE HATHAWAY FIN. 4.750% Due 05-15-12	107.40	537,025	104.31	521,555	0.50	23,750	8,972	0.88
500,000	JOHNSON & JOHNSON 5.150% Due 08-15-12	109.41	547,045	106.14	530,710	0.51	25,750	3,290	0.65
725,000	ASTRAZENECA PLC 5.400% Due 09-15-12	99.81	723,615	106.55	772,524	0.75	39,150	1,740	0.86
500,000	JOHN DEERE CAPITAL CORP 5.250% Due 10-01-12	99.75	498,750	106.29	531,445	0.51	26,250	13,125	1.01
500,000	UNITED PARCEL SVC INC 4.500% Due 01-15-13	100.22	501,110	106.24	531,210	0.51	22,500	4,750	0.97
500,000	CARGILL INC MEDIUM TERM NTS RESTR 5.200% Due 01-22-13	99.92	499,585	106.81	534,055	0.52	26,000	4,983	1.37
500,000	BARCLAYS BANK PLC 2.500% Due 01-23-13	99.87	499,335	101.75	508,755	0.49	12,500	2,361	1.51
500,000	AMERICAN INTL GROUP INC SENIOR NT 4.250% Due 05-15-13	95.12	475,580	103.31	516,570	0.50	21,250	8,028	2.63
500,000	ONTARIO PROV CDA 3.500% Due 07-15-13	99.68	498,425	105.14	525,700	0.51	17,500	3,694	1.21
500,000	BARRICK GOLD FINANCE CO. 6.125% Due 09-15-13	99.98	499,890	110.90	554,510	0.54	30,625	1,361	1.58
250,000	BP CAPITAL MARKETS PLC 5.250% Due 11-07-13	108.02	270,039	108.15	270,365	0.26	13,125	5,250	2.02
500,000	CREDIT SUISSE NEW YORK 5.500% Due 05-01-14	99.90	499,485	109.61	548,055	0.53	27,500	11,458	2.25
500,000	BANK OF NY MELLON 4.300% Due 05-15-14	100.91	504,550	107.23	536,160	0.52	21,500	8,122	1.90
450,000	US BANCORP 4.200% Due 05-15-14	104.98	472,396	106.46	479,052	0.46	18,900	7,140	2.05
500,000	CITIGROUP INC 5.500% Due 10-15-14	100.17	500,870	107.86	539,300	0.52	27,500	12,681	3.13
500,000	DOMINION RESOURCES INC. 5.000% Due 12-01-14	106.38	531,910	109.37	546,855	0.53	25,000	8,333	2.32



Portfolio Appraisal – as of March 31, 2011

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
500,000	JP MORGAN CHASE & CO 4.750% Due 03-01-15	98.36	491,795	106.62	533,115	0.52	23,750	1,979	2.94
500,000	MORGAN STANLEY 6.000% Due 04-28-15	99.88	499,380	108.91	544,555	0.53	30,000	12,750	3.62
500,000	BANK OF MONTREAL 2.850% Due 06-09-15	100.59	502,930	100.86	504,295	0.49	14,250	4,433	2.63
500,000	BANK AMER CORP 5.625% Due 10-14-16	99.93	499,670	106.70	533,515	0.52	28,125	13,047	4.25
500,000	CONOCOPHILLIPS CDA FDG FDG CO 5.625% Due 10-15-16	100.09	500,475	112.94	564,705	0.55	28,125	12,969	3.06
500,000	INTERNATIONAL BUSINESS MACHS 5.700% Due 09-14-17	106.27	531,328	113.18	565,920	0.55	28,500	1,346	3.40
500,000	EXELON GENERATION CO LLC 6.200% Due 10-01-17	100.83	504,145	110.77	553,860	0.54	31,000	15,500	4.28
500,000	WELLS FARGO & CO 5.625% Due 12-11-17	99.58	497,920	109.22	546,110	0.53	28,125	8,594	4.04
500,000	WACHOVIA CORP GLOBAL MEDIUM 5.750% Due 02-01-18	99.57	497,860	110.16	550,825	0.53	28,750	4,792	4.03
500,000	MCDONALDS CORP M/T/N 5.350% Due 03-01-18	105.75	528,740	112.01	560,070	0.54	26,750	2,229	3.38
500,000	GENERAL ELECTRIC CAP CORP. 5.625% Due 05-01-18	89.86	449,305	108.11	540,560	0.52	28,125	11,719	4.28
500,000	GLAXOSMITHKLINE CAP INC 5.650% Due 05-15-18	104.59	522,950	112.38	561,925	0.54	28,250	10,672	3.66
500,000	CATERPILLAR FINANCIAL 7.150% Due 02-15-19	99.16	495,805	122.40	612,010	0.59	35,750	4,568	3.82
500,000	GOLDMAN SACHS GROUP INC. 7.500% Due 02-15-19	99.78	498,905	116.16	580,790	0.56	37,500	4,792	4.99
500,000	PROCTER & GAMBLE CO. 4.700% Due 02-15-19	99.82	499,120	108.42	542,090	0.52	23,500	3,003	3.47
500,000	MICROSOFT CORP 4.200% Due 06-01-19	99.73	498,650	103.84	519,225	0.50	21,000	7,000	3.65
500,000	BELLSOUTH CORP 6.000% Due 11-15-34	97.52	487,595	97.92	489,585	0.47	30,000	11,333	6.17
500,000	NEWS AMER INC 6.200% Due 12-15-34	95.28	476,420	100.57	502,860	0.49	31,000	9,128	6.15
500,000	SOUTHERN CAL EDISON CORP BOND 5.950% Due 02-01-38	99.54	497,700	107.47	537,345	0.52	29,750	4,958	5.42
	Accrued Interest				260,209	0.25			
			18,039,674		19,563,735	18.94		260,209	



Compliance Report

- Limitation on the purchase of any bond in excess of 600 basis points above a comparable duration U.S. Treasury

- Limitation on the purchase of any CMBS after January 1, 2009
 - See attached Purchase and Sale report

Purchase and Sale – from 12/31/2010 to 03/31/2011

Portfolio Name	Trade Date	Settle Date	Quantity	Security	Unit Price	Amount	Yield On Cost	Spread Over TSY	Sector	Sec Type Code
PURCHASES										
FAIRBANKS PERMANENT	01-10-11	01-11-11	500,000	US TREASURY NOTES 2.625% Due 11-15-20	94.32	471,582.03	3.31		US Treasury Notes	tnus
FAIRBANKS PERMANENT	01-10-11	01-11-11	500,000	US Treasury Note 3.500% Due 02-15-39	84.17	420,839.84	4.50		US Treasury Notes	tnus
FAIRBANKS PERMANENT	01-10-11	01-19-11	500,000.00	FNMA TBA 4.00% 4.000% Due 01-01-24	103.15	515,742.19	?		FNMA & FHMLC Mortgage	mfus
FAIRBANKS PERMANENT	02-02-11	02-15-11	750,000.00	FNCI TBA 4.00% 4.000% Due 02-01-24	102.73	770,508.05	?	46	FNMA & FHMLC Mortgage	mfus
FAIRBANKS PERMANENT	02-23-11	02-28-11	56,726.0000	IPATH DOW JONES- AIG COMMO	49.37	2,800,562.62	?		Commodities	ceus
FAIRBANKS PERMANENT	03-30-11	03-31-11	983,127.75	US TREASURY INFLATION PRO 2.000% Due 01-15-14	108.98	1,071,378.83	?		TIPS	tius
FAIRBANKS PERMANENT	03-30-11	03-31-11	945,936.00	US TREASURY INFLATION PRO 1.750% Due 01-15-28	101.78	962,785.49	?		TIPS	tius
FAIRBANKS PERMANENT	03-31-11	03-31-11	968.3040	VANGUARD INSTL S&P500 IN	121.50	117,648.88	?		Domestic Large Cap E	mfus
						7,131,047.93	0.60			
							0.60			
SALES										
FAIRBANKS PERMANENT	01-14-11	01-18-11	250,000	US TREASURY NOTES 0.875% Due 04-30-11	100.20	250,488.28	0.18		US Treasury Notes	tnus
FAIRBANKS PERMANENT	02-23-11	02-28-11	13,900.0000	VANGUARD REIT ETF	57.49	799,083.15	?		Real Estate Equity	rsus
FAIRBANKS PERMANENT	02-23-11	02-28-11	53,600.0000	VANGUARD MSCI EAFE ETF	37.30	1,999,327.37	?		International Equity	ifus
FAIRBANKS PERMANENT	03-29-11	03-30-11	2,200,000	US TREASURY NOTES 2.625% Due 11-15-20	92.98	2,045,656.25	3.49		US Treasury Notes	tnus
						5,094,555.05	1.45			
							1.45			



Compliance Report

- Ratings and downgrade limitations on corporate securities
 - See attached Portfolio Holdings (Expanded) report

Portfolio Holdings (Expanded)

Portfolio: Fairbanks Perm (All)
Representative:

Pricing Date: 03/31/11
Currency: USD

Par (000)	Identifier	Ticker	Issuer	Sect	Industry	Mdys	S&P	Coup	Maturity	Curr	Price	Mkt Val (000)	% of Port	YTM/C	Mod Dur	Eff Dur	Conv
966	000000CM	CASH	CASH & EQUIVALENTS	CASH		AAA	AAA	0.170	04/30/11	USD	100.000	966	1.96	0.170	0.08	0.08	0.00
750	912828KL	TSY	UNITED STATES TREAS NTS	TSY	TSY	TSY	TSY	0.875	04/30/11	USD	100.059	753	1.53	0.162	0.08	0.08	0.00
500	59217EBD	MET	METROPOLITAN LIFE GLBL 144A	FIN	Insr-Life	AA3	AA-	5.125	11/09/11	USD	102.669	523	1.06	0.699	0.59	0.60	0.00
500	084670AS	BRKA	BERKSHIRE HATHAWAY INC DEL	FIN	Insr-P&C	AA2	AA+	4.750	05/15/12	USD	104.311	531	1.08	0.880	1.09	1.09	0.01
500	478160AP	JNJ	JOHNSON & JOHNSON	IND	Pharmctls	AAA	AAA	5.150	08/15/12	USD	106.142	534	1.08	0.646	1.33	1.34	0.01
725	046353AC	AZN	ASTRAZENECA PLC	IND	Pharmctls	A1	AA-	5.400	09/15/12	USD	106.555	774	1.57	0.858	1.41	1.42	0.01
500	24422EQW	DE	DEERE JOHN CAP CORP MTNS BE	IND	ConstMach	A2	A	5.250	10/01/12	USD	106.289	545	1.10	1.015	1.42	1.43	0.01
1,000	31364FGL	FNM	FEDERAL NATL MTG ASSN MTN	AGY	AGY	AGY	AGY	6.410	11/13/12	USD	108.968	1,114	2.26	0.814	1.53	1.53	0.02
500	911312AG	UPS	UNITED PARCEL SERVICE INC	IND	Tran Srvc	AA3	AA-	4.500	01/15/13	USD	106.242	536	1.09	0.971	1.72	1.72	0.02
500	141784DG	CARGIL	CARGILL INC MTN BE 144A	IND	Food Proc	A2	A	5.200	01/22/13	USD	106.811	539	1.09	1.373	1.73	1.73	0.02
500	06739FGP	BARC	BARCLAYS BK PLC	FIN	Bank	AA3	AA-	2.500	01/23/13	USD	101.751	511	1.04	1.516	1.76	1.77	0.02
500	026874AT	AIG	AMERICAN INTL GROUP INC	FIN	Insr-Life	BAA1	A-	4.250	05/15/13	USD	103.314	525	1.06	2.633	2.00	2.00	0.03
500	683234ZR	ONTPV	ONTARIO PROV CDA	OGVT	LocalAuth	AA1	AA-	3.500	07/15/13	USD	105.140	529	1.07	1.216	2.20	2.20	0.03
500	06849TAA	ABX	BARRICK GOLD FINANCECO LLC	IND	Metl/Mine	BAA1	A-	6.125	09/15/13	USD	110.902	556	1.13	1.581	2.30	2.32	0.03
500	3133XSAE	FHLB	FEDERAL HOME LOAN BANKS	AGY	AGY	AGY	AGY	3.625	10/18/13	USD	105.933	538	1.09	1.251	2.41	2.42	0.04
250	05565QBF	BP	BP CAP MKTS P L C	IND	Enrg-Intg	A2	A	5.250	11/07/13	USD	108.146	276	0.56	2.017	2.40	2.42	0.04
983	912828BW	TSY	UNITED STATES TREAS NTS /L	TSY	InfI Indx	TSY	TSY	2.000	01/15/14	USD	108.969	1,075	2.18	0.613	2.70	1.81	0.02
500	31398AVZ	FNM	FEDERAL NATL MTG ASSN	AGY	AGY	AGY	AGY	2.750	03/13/14	USD	103.938	520	1.05	1.383	2.84	2.86	0.05
500	22546QAA	CSGN	CREDIT SUISSE NEW YORK BRANC	FIN	Bank	AA1	A+	5.500	05/01/14	USD	109.611	560	1.13	2.255	2.80	2.82	0.05
500	06406HBL	BK	BANK NEW YORK MTN BK	FIN	Bank	AA2	AA-	4.300	05/15/14	USD	107.232	544	1.10	1.903	2.89	2.92	0.06
450	91159HGR	USB	U S BANCORP MTNS BK ENT	FIN	Bank	AA3	A+	4.200	05/15/14	USD	106.456	486	0.98	2.054	2.89	2.92	0.06
500	3133XLJP	FHLB	FEDERAL HOME LN BKS	AGY	AGY	AGY	AGY	5.500	08/13/14	USD	113.107	569	1.15	1.493	3.10	3.13	0.06
500	172967EZ	C	CITIGROUP INC	FIN	Bank	A3	A	5.500	10/15/14	USD	107.860	552	1.12	3.136	3.15	3.19	0.07
1,250	31398AZV	FNM	FEDERAL NATL MTG ASSN	AGY	AGY	AGY	AGY	2.625	11/20/14	USD	103.143	1,301	2.64	1.729	3.44	3.48	0.07
500	209615CA	D	CONSOLIDATED NAT GAS CO	UTIL	Electric	BAA2	A-	5.000	12/01/14	USD	109.371	555	1.13	2.318	3.32	3.36	0.07
500	46625HCE	JPM	JP MORGAN CHASE & CO	FIN	Bank	AA3	A+	4.750	03/01/15	USD	106.623	535	1.08	2.947	3.57	3.61	0.08
500	61747YCE	MS	MORGAN STANLEY	FIN	Bank	A2	A	6.000	04/28/15	USD	108.911	557	1.13	3.627	3.55	3.59	0.08
500	063679BV	BMO	BANK OF MONTREAL 144A	FIN	Bank	AAA	AAA	2.850	06/09/15	USD	100.859	509	1.03	2.632	3.90	3.95	0.09



Portfolio Holdings (Expanded)

Portfolio: Fairbanks Perm (All)
 Representative:

Pricing Date: 03/31/11
 Currency: USD

Par (000)	Identifier	Ticker	Issuer	Sect	Industry	Mdys	S&P	Coup	Maturity	Curr	Price	Mkt Val (000)	% of Port	YTM/C	Mod Dur	Eff Dur	Conv
1,000	36159JBM		GE_CAP_CC_TALF_2009-2- A	ABS	CARD	AAA	N/A	3.690	07/15/15	USD	103.545	1,037	2.10	0.922	1.26	1.26	0.01
500	060505CS	BAC	BANK OF AMERICA CORPORATION	FIN	Bank	A2	A	5.625	10/14/16	USD	106.703	547	1.11	4.253	4.65	4.74	0.14
500	20825TAA	COP	CONOCOPHILLIPS CDA FDG CO I	IND	Enrg-Intg	A1	A	5.625	10/15/16	USD	112.941	578	1.17	3.066	4.71	4.80	0.14
138	31371KKG		FNMA POOL - 254195	PASS	AGY	AGY	AGY	5.500	02/01/17	USD	108.833	151	0.30	1.415	2.19	1.88	-0.11
125	31294KHM		FHLMC GOLD POOL - E01136	PASS	AGY	AGY	AGY	5.500	03/01/17	USD	108.512	136	0.28	1.621	2.19	1.88	-0.11
500	459200GJ	IBM	INTERNATIONAL BUSINESS MACHE	IND	Electrncls	AA3	A+	5.700	09/14/17	USD	113.184	567	1.15	3.406	5.45	5.59	0.18
500	30161MAE	EXC	EXELON GENERATION CO LLC	UTIL	Electric	A3	BBB	6.200	10/01/17	USD	110.772	569	1.15	4.284	5.25	5.38	0.18
500	3137EABA	FRE	FEDERAL HOME LN MTG CORP	AGY	AGY	AGY	AGY	5.125	11/17/17	USD	112.648	573	1.16	3.005	5.59	5.74	0.20
500	949746NX	WFC	WELLS FARGO & CO	FIN	Bank	A1	AA-	5.625	12/11/17	USD	109.222	555	1.12	4.038	5.53	5.67	0.19
788	912828HN	TSY	UNITED STATES TREAS NTS I/L	TSY	InfI Indx	TSY	TSY	1.625	01/15/18	USD	108.125	855	1.73	2.035	6.39	4.28	0.10
500	92976WBH	WFC	WACHOVIA CORP GLOBAL MTN	FIN	Bank	A1	AA-	5.750	02/01/18	USD	110.165	556	1.13	4.032	5.65	5.80	0.20
500	58013MEE	MCD	MCDONALDS CORP MED TERM NT	IND	Restrnts	A2	A	5.350	03/01/18	USD	112.014	562	1.14	3.387	5.82	5.98	0.21
500	36962G3U	GE	GENERAL ELEC CAP CORP MTN BE	FIN	Fin-Divfd	AA2	AA+	5.625	05/01/18	USD	108.112	552	1.12	4.284	5.74	5.90	0.21
500	377372AD	GSK	GLAXOSMITHKLINE CAP INC	IND	Pharmctls	A1	A+	5.650	05/15/18	USD	112.385	573	1.16	3.658	5.82	5.98	0.22
500	14912L4E	CAT	CATERPILLAR FINL SVCS MTNS B	IND	ConstMach	A2	A	7.150	02/15/19	USD	122.402	617	1.25	3.826	6.18	6.37	0.25
500	38141EA2	GS	GOLDMAN SACHS GRP INC MTN BI	FIN	Bank	A1	A	7.500	02/15/19	USD	116.158	586	1.19	4.991	6.04	6.21	0.24
500	742718DN	PG	PROCTER & GAMBLE CO	IND	Consumer	AA3	AA-	4.700	02/15/19	USD	108.418	545	1.11	3.468	6.58	6.80	0.27
1,075	912828KD	TSY	UNITED STATES TREAS NTS	TSY	TSY	TSY	TSY	2.750	02/15/19	USD	97.711	1,054	2.14	3.079	7.00	7.25	0.30
500	594918AC	MSFT	MICROSOFT CORP	IND	Info Tech	AAA	AAA	4.200	06/01/19	USD	103.845	526	1.07	3.651	6.81	7.05	0.29
415	312970E4		FHLMC GOLD POOL - B17355	PASS	AGY	AGY	AGY	5.000	12/01/19	USD	107.059	446	0.91	2.255	2.58	1.94	-0.43
536	3129702P		FHLMC GOLD POOL - B17982	PASS	AGY	AGY	AGY	4.000	03/01/20	USD	105.178	565	1.15	2.159	2.83	2.47	-0.41
316	31406MWJ		FNMA POOL - 814349	PASS	AGY	AGY	AGY	4.500	03/01/20	USD	105.752	335	0.68	2.295	2.68	2.22	-0.41
277	31406T4F		FNMA POOL - 819922	PASS	AGY	AGY	AGY	5.500	04/01/20	USD	108.519	301	0.61	2.128	2.57	1.76	-0.43
370	31406T4H		FNMA POOL - 819924	PASS	AGY	AGY	AGY	4.500	04/01/20	USD	105.850	393	0.80	2.295	2.72	2.23	-0.44
453	31410F5H		FNMA POOL - 888348	PASS	AGY	AGY	AGY	5.000	05/01/22	USD	106.884	486	0.99	2.198	2.53	1.63	-0.66
738	31418PSV		FNMA POOL - AD2331	PASS	AGY	AGY	AGY	4.000	03/01/25	USD	103.175	764	1.55	3.127	3.79	3.66	-0.62
485	31418U2F		FNMA POOL - AD7073	PASS	AGY	AGY	AGY	4.000	06/01/25	USD	102.944	501	1.02	3.207	3.88	3.88	-0.58
946	912810PV	TSY	UNITED STATES TREAS BDS I/L	TSY	InfI Indx	TSY	TSY	1.750	01/15/28	USD	101.922	968	1.96	3.253	14.36	9.62	0.52



Portfolio Holdings (Expanded)

Portfolio: Fairbanks Perm (All)
Representative:

Pricing Date: 03/31/11
Currency: USD

Par (000)	Identifier	Ticker	Issuer	Sect	Industry	Mdys	S&P	Coup	Maturity	Curr	Price	Mkt Val (000)	% of Port	YTM/C	Mod Dur	Eff Dur	Conv
53	36202CZ4		GNMA POOL - 002563	PASS	AGY	AGY	AGY	6.500	03/20/28	USD	113.550	61	0.12	2.181	3.13	2.00	-0.50
1,375	912810FG	TSY	UNITED STATES TREAS BDS	TSY	TSY	TSY	TSY	5.250	02/15/29	USD	112.625	1,557	3.16	4.236	11.88	12.55	1.01
75	36201MFQ		GNMA POOL - 587075	PASS	AGY	AGY	AGY	6.500	05/15/32	USD	113.793	86	0.17	2.676	3.59	2.29	-0.74
500	3134A4KX	FRE	FEDERAL HOME LN MTG CORP	AGY	AGY	AGY	AGY	6.250	07/15/32	USD	121.730	615	1.25	4.633	12.52	13.14	1.19
67	31292HRY		FHLMC GOLD POOL - C01403	PASS	AGY	AGY	AGY	6.000	09/01/32	USD	110.630	75	0.15	3.564	4.31	3.30	-0.89
146	31296RKB		FHLMC GOLD POOL - A16590	PASS	AGY	AGY	AGY	6.000	12/01/33	USD	110.010	161	0.33	3.649	4.21	3.37	-0.88
500	079860AK	T	BELLSOUTH CORP	IND	Wireline	A2	A-	6.000	11/15/34	USD	97.917	501	1.01	6.168	12.14	12.62	1.18
500	652482BJ	NWS	NEWS AMER INC	IND	Media-Oth	BAA1	BBB+	6.200	12/15/34	USD	100.572	512	1.04	6.153	12.15	12.61	1.18
115	31406UU8		FNMA POOL - 820607	PASS	ARM	AGY	AGY	2.106	03/01/35	USD	104.307	120	0.24	0.299	2.60	0.29	-0.03
537	31407BXT		FNMA POOL - 826090	PASS	ARM	AGY	AGY	4.631	07/01/35	USD	105.275	568	1.15	0.929	2.38	-0.90	-0.19
421	31297SNU		FHLMC GOLD POOL - A36703	PASS	AGY	AGY	AGY	4.500	08/01/35	USD	102.343	433	0.88	3.984	4.52	4.60	-1.14
344	31407RKE		FNMA POOL - 838293	PASS	ARM	AGY	AGY	2.771	08/01/35	USD	105.158	363	0.74	0.302	2.56	0.12	-0.10
549	31407MAZ		FNMA POOL - 835240	PASS	ARM	AGY	AGY	4.968	09/01/35	USD	105.949	584	1.18	0.774	2.03	-1.05	0.01
86	31403DH5		FNMA POOL - 745552	PASS	ARM	AGY	AGY	2.749	02/01/36	USD	103.962	89	0.18	0.390	2.08	0.18	-0.20
621	36290TSC		GNMA POOL - 617115	PASS	AGY	AGY	AGY	5.500	06/15/36	USD	107.736	672	1.36	2.933	3.04	2.02	-1.30
168	3128JRS5		FHLMC POOL - 847740	PASS	ARM	AGY	AGY	5.470	04/01/37	USD	106.714	180	0.36	1.266	1.89	-0.15	0.01
475	225458RR		CSFB_2005-C2- A3	CMBS	CMBS	AAA	AAA	4.691	04/15/37	USD	101.154	482	0.98	3.472	1.06	1.06	0.01
485	3128QSLD		Federal Home Loan Mortgage C	PASS	ARM	AGY	AGY	6.050	08/01/37	USD	109.750	534	1.08	2.508	3.06	2.64	-0.47
246	31413EE3		FNMA POOL - 943054	PASS	ARM	AGY	AGY	3.397	08/01/37	USD	105.127	260	0.53	-0.269	1.87	-0.08	-0.17
500	842400FH	EIX	SOUTHERN CALIF EDISON CO	UTIL	Electric	A1	A	5.950	02/01/38	USD	107.469	542	1.10	5.418	13.67	14.22	1.49
637	3128MJJJ		FHLMC GOLD POOL - G08264	PASS	AGY	AGY	AGY	6.000	04/01/38	USD	110.590	708	1.43	3.099	3.65	2.43	-1.05
576	36295KJQ		GNMA POOL - 672671	PASS	AGY	AGY	AGY	4.500	04/15/38	USD	103.430	598	1.21	3.706	4.32	4.39	-1.24
700	50180CAB		LB_UBS_CMBS_2006-C7- A2	CMBS	CMBS	N/A	AAA	5.300	11/15/38	USD	101.410	712	1.44	2.583	0.53	0.53	0.00
1,400	912810QA	TSY	UNITED STATES TREAS BDS	TSY	TSY	TSY	TSY	3.500	02/15/39	USD	83.844	1,180	2.39	4.525	16.56	17.51	2.09
500	07383F7W		BEAR_STEARNS_05-PWR8- A4	CMBS	CMBS	AAA	N/A	4.674	06/11/41	USD	105.071	527	1.07	3.227	3.42	3.42	0.07
500	07388LAC		BEAR_STEARNS_06-PWR13- A3	CMBS	CMBS	N/A	AAA	5.518	09/11/41	USD	104.056	523	1.06	3.231	1.77	1.77	0.03
127	929766F3		WACHOVIA_2005-C18- A2	CMBS	CMBS	AAA	AAA	4.657	04/15/42	USD	101.665	130	0.26	2.609	0.88	0.88	0.01
1,000	12513EAG		CD_MTG_2005-CD1 A4	CMBS	CMBS	AAA	AAA	5.222	07/15/44	USD	107.494	1,079	2.19	3.320	3.81	3.82	0.09



Portfolio Holdings (Expanded)

Portfolio: Fairbanks Perm (All)
 Representative:

Pricing Date: 03/31/11
 Currency: USD

Par (000)	Identifier	Ticker	Issuer	Sect	Industry	Mdys	S&P	Coup	Maturity	Curr	Price	Mkt Val (000)	% of Port	YTM/C	Mod Dur	Eff Dur	Conv
486	20047EBG		COMM_CMBS_2006-C08- A2B	CMBS	CMBS	AAA	N/A	5.248	12/10/46	USD	101.860	497	1.01	2.684	0.77	0.77	0.01
500	46630VAD		JP_MORGN_2007-CIBC19- A4	CMBS	CMBS	AA2	A+	5.738	02/12/49	USD	107.092	538	1.09	4.382	5.00	5.03	0.16
496	05952CAB		BA_MTG_CMBS_2007-05- A2	CMBS	CMBS	N/A	AAA	5.434	02/10/51	USD	102.614	511	1.04	3.288	1.24	1.24	0.01
500	46632HAD		JPMRGN_CMBS_2007-LDP12 A4	CMBS	CMBS	AAA	A-	5.882	02/15/51	USD	107.061	538	1.09	4.567	5.11	5.11	0.16
46,222						AA1	AA+	4.543	5.85		106.204	49,346	100.01	2.621	4.46	4.22	0.10

Annual Income (USD 000): 2,100
 Accrued Income (USD): 414,862
 Number of Issues: 88
 Average Life (Years): 5.86
 Mkt Wtd Avg Coupon (%): 4.591
 Average Current Yield: 4.295
 Composite Quality Rating: AA1



Compliance Report

- Five percent limitations on any one security within the entire portfolio
 - See Portfolio Appraisal report (Appendix)

Compliance Report

- Ten percent limitation on Baa rated securities within the fixed income portfolio
- Duration constraint between 80-120 percent of the Barclays Aggregate Index
 - See attached Duration-Weighted Distribution by Quality report

Duration-Weighted Distribution by Quality

Portfolio: Fairbanks Perm (All)
 Benchmark: BC AGGREGATE INDEX
 Base Currency: USD

Portfolio Pricing Date: 03/31/11
 Benchmark Pricing Date: 03/31/11

Quality	Portfolio					Benchmark			
	Mkt Val (000)	% Held	Para (Eff) Dur	Cont. to Dur	% Total Dur	% Held	Para (Eff) Dur	Cont. to Dur	% Total Dur
CASH	966	2.0	0.08	0.00	0.04	0.0	4.72	0.00	0.00
TSY	7,442	15.1	8.44	1.27	30.15	33.4	5.32	1.77	35.83
AGY	14,800	30.0	2.82	0.85	20.06	39.1	3.81	1.49	30.16
Aaa/AAA	7,605	15.4	2.55	0.39	9.29	4.2	3.83	0.16	3.24
Aa/AA	7,737	15.7	3.21	0.50	11.92	4.6	6.11	0.28	5.67
A	8,078	16.4	5.66	0.93	21.96	10.0	6.47	0.65	13.16
Baa/BBB	2,717	5.5	5.05	0.28	6.59	8.7	6.76	0.59	11.94
Ba/BB	0	0.0	0.00	0.00	0.00	0.0	0.00	0.00	0.00
B	0	0.0	0.00	0.00	0.00	0.0	0.00	0.00	0.00
Caa/CCC	0	0.0	0.00	0.00	0.00	0.0	0.00	0.00	0.00
Ca/CC	0	0.0	0.00	0.00	0.00	0.0	0.00	0.00	0.00
C	0	0.0	0.00	0.00	0.00	0.0	0.00	0.00	0.00
/D	0	0.0	0.00	0.00	0.00	0.0	0.00	0.00	0.00
NR	0	0.0	0.00	0.00	0.00	0.0	0.00	0.00	0.00
OTHER	0	0.0	0.00	0.00	0.00	0.0	0.00	0.00	0.00
	49,346			4.22				4.94	

Portfolio Duration as a % of Benchmark

85%



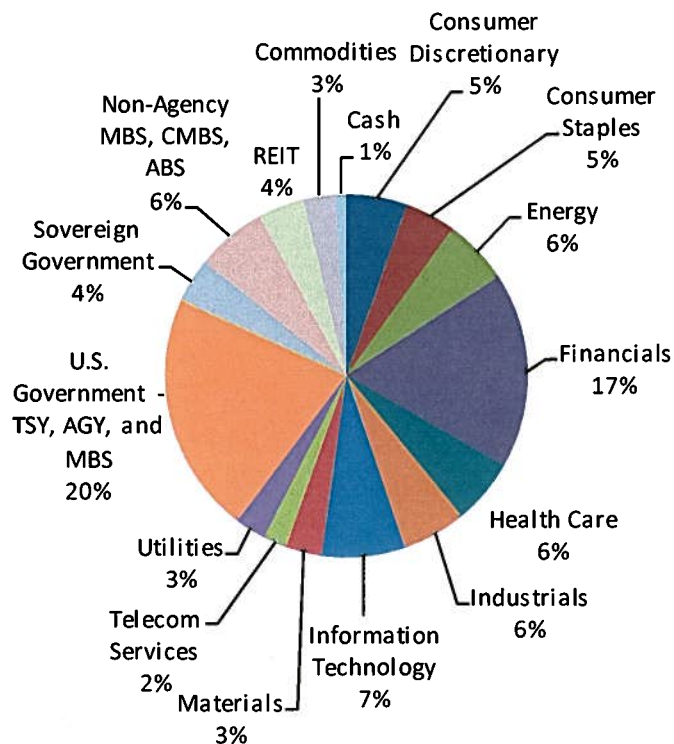
Duration gauges price sensitivity of fixed income securities and represents the expected change in market value when interest rates change by 1%.

Compliance Report

- Twenty-five percent industry limitation within the entire portfolio
 - See attached GICS Sector Concentration report

GICS Sector Concentration

GICS* Sector Concentration for Fairbanks Permanent Fund as of March 31, 2010



Sector	Market Value	% of Portfolio
Consumer Discretionary	5,623,341	5%
Consumer Staples	4,672,204	5%
Energy	6,102,643	6%
Financials	17,977,664	17%
Health Care	5,960,131	6%
Industrials	5,953,622	6%
Information Technology	7,629,824	7%
Materials	3,336,193	3%
Telecommunication Services	2,198,852	2%
Utilities	2,810,102	3%
U.S. Government - Treasury/Agency/Agency MBS	22,216,271	22%
Sovereign Government	4,105,194	4%
Non-Agency MBS, CMBS, ABS	6,573,441	6%
REIT	4,252,523	4%
Commodities	2,912,880	3%
Cash	975,633	1%
Total Portfolio	103,300,518	100%



Includes Individual Bond and ETF Holdings

* As defined by the Global Industry Classification Standard (GICS) provided by Standard & Poor's/MSCI Barra

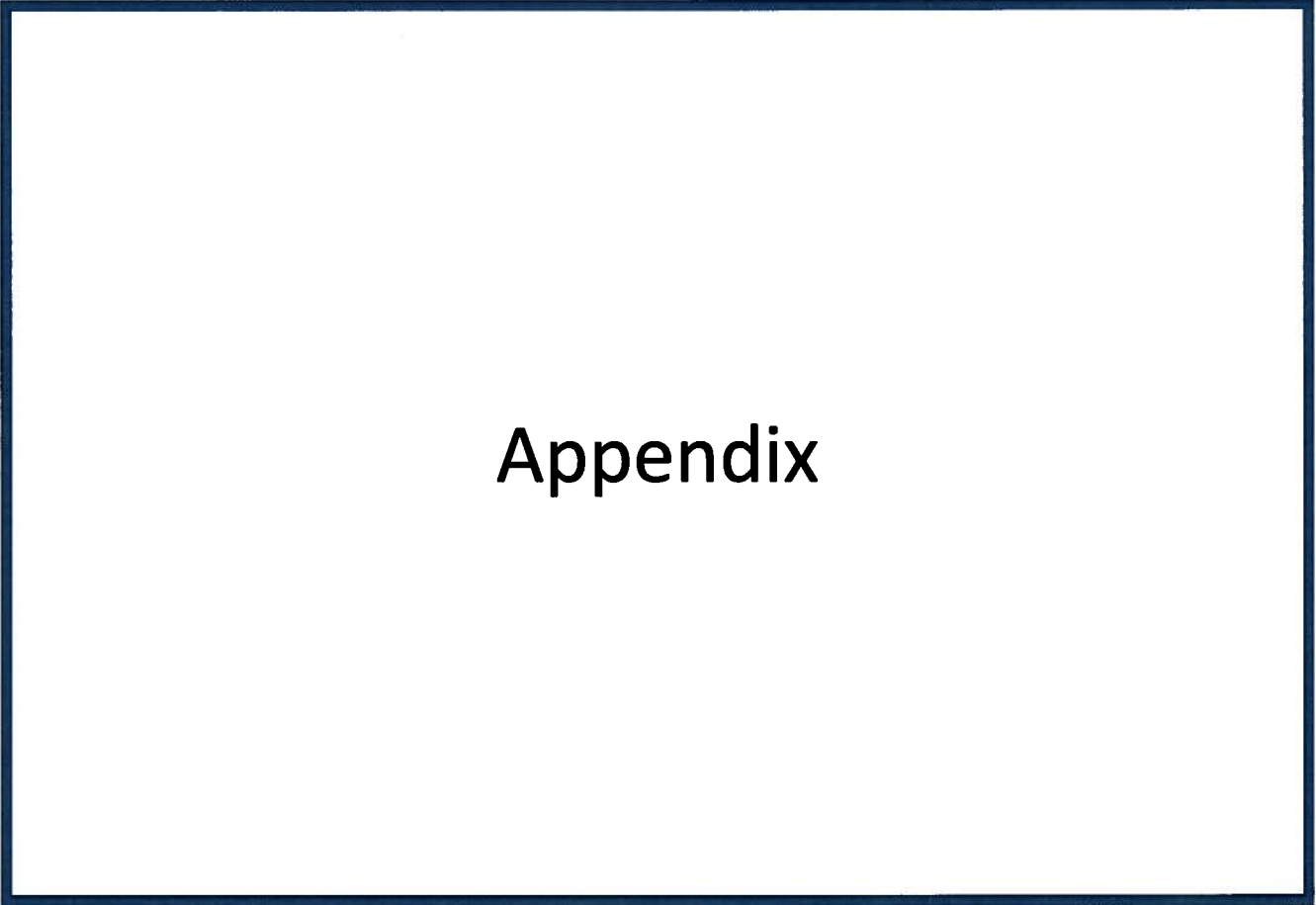
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PERMANENT
CAPITAL MANAGEMENT COMPANY

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A LONG-TERM PARTNER WITH ITS CLIENTS

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Appendix



Portfolio Appraisal – as of March 31, 2011

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
750,000	US TREASURY NOTES 0.875% Due 04-30-11	100.40	753,018	100.06	750,442	0.73	6,562	2,756	0.16
1,075,000	US TREASURY NOTES 2.750% Due 02-15-19	97.19	1,044,807	97.71	1,050,393	1.02	29,562	3,675	3.08
1,375,000	U S TREASURY NOTES 5.250% Due 02-15-29	110.42	1,518,207	112.62	1,548,594	1.50	72,187	8,974	4.24
1,400,000	US Treasury Note 3.500% Due 02-15-39	84.56	1,183,907	83.84	1,173,816	1.14	49,000	6,091	4.53
	Accrued Interest				21,495	0.02			
			4,499,938		4,544,741	4.40		21,495	
U.S. TREASURY INFLATION									
983,128	US TREASURY INFLATION PROTECTED SECURITIES 2.000% Due 01-15-14	108.98	1,071,379	108.97	1,071,304	1.04	19,663	4,128	NA
788,280	US TREASURY INFLATION PROTECTED SECURITIES 1.625% Due 01-15-18	104.35	822,572	108.12	852,328	0.83	12,810	2,689	NA
945,936	US TREASURY INFLATION PROTECTED SECURITIES 1.750% Due 01-15-28	101.78	962,785	101.92	964,117	0.93	16,554	3,475	NA
	Accrued Interest				10,293	0.01			
			2,856,736		2,898,042	2.81		10,293	
AGENCIES									
1,000,000	FANNIE MAE MED TERM NT 6.410% Due 11-13-12	104.98	1,049,760	108.97	1,089,680	1.05	64,100	24,572	0.81
500,000	FHLB 3.625% Due 10-18-13	104.20	520,981	105.93	529,665	0.51	18,125	8,207	1.25
500,000	FNMA 2.750% Due 03-13-14	101.05	505,261	103.94	519,690	0.50	13,750	687	1.38
500,000	FHLB 5.500% Due 08-13-14	113.46	567,284	113.11	565,535	0.55	27,500	3,667	1.49
1,250,000	FNMA 2.625% Due 11-20-14	100.66	1,258,272	103.14	1,289,287	1.25	32,812	11,940	1.73
500,000	FHLMC 5.125% Due 11-17-17	111.91	559,567	112.65	563,240	0.55	25,625	9,538	3.00
500,000	FEDERAL HOME LOAN MORTGAGE CORP 6.250% Due 07-15-32	120.42	602,104	121.73	608,650	0.59	31,250	6,597	4.63
	Accrued Interest				65,208	0.06			
			5,063,229		5,230,955	5.06		65,208	



Portfolio Appraisal – as of March 31, 2011

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
FNMA & FHLMC									
137,751	FNMA POOL # 254195 5.500% Due 02-01-17	99.33	136,825	108.46	149,408	0.14	7,576	631	0.79
124,688	FGLMC POOL E01136 5.500% Due 03-01-17	99.55	124,123	108.17	134,872	0.13	6,858	571	1.16
415,323	FGLMC POOL B17355 5.000% Due 12-01-19	101.34	420,888	107.14	444,965	0.43	20,766	1,731	1.92
535,870	FGLMC POOL B17982 4.000% Due 03-01-20	97.59	522,975	104.39	559,400	0.54	21,435	1,786	2.38
315,690	FNMA POOL 814349 4.500% Due 03-01-20	98.62	311,336	105.57	333,289	0.32	14,206	1,184	2.27
276,634	FNMA POOL 819922 5.500% Due 04-01-20	102.41	283,312	108.53	300,220	0.29	15,215	1,268	1.98
370,010	FNMA POOL 819924 4.500% Due 04-01-20	99.55	368,363	105.57	390,638	0.38	16,650	1,388	2.27
453,381	FNCI 5.00% POOL 888348 5.000% Due 05-01-22	103.55	469,462	106.41	482,456	0.47	22,669	1,889	2.56
737,924	FNMA 4.00% POOL AD2331 4.000% Due 03-01-25	103.33	76,260	102.95	759,715	0.74	29,517	2,460	3.07
485,738	FNCI 4% POOL AD7073 4.000% Due 06-01-25	103.15	501,031	102.95	500,082	0.48	19,430	1,619	3.07
53,763	GNMA POOL 2563 6.500% Due 03-20-28	100.44	53,999	112.70	60,590	0.06	3,495	291	1.88
67,709	FGLMC POOL C01403 6.000% Due 09-01-32	101.81	68,936	110.01	74,489	0.07	4,063	339	1.95
145,359	FGLMC POOL A16590 6.000% Due 12-01-33	103.27	150,106	110.01	159,915	0.15	8,722	727	1.98
114,736	FRN - FNMA POOL 820607 2.106% Due 03-01-35	100.53	115,349	104.31	119,677	0.12	2,416	201	1.01
537,260	FNMA POOL 826090 4.737% Due 07-01-35	99.47	534,406	105.27	565,600	0.55	25,450	2,121	1.56
421,267	FHLMC # A36703 4.500% Due 08-01-35	95.69	403,099	102.36	431,217	0.42	18,957	1,580	3.89
344,305	FRN - FNMA POOL # 838293 2.771% Due 08-01-35	99.67	343,162	105.16	362,064	0.35	9,541	795	1.17
549,627	FRN - FNMA POOL 835240 4.968% Due 09-01-35	99.54	547,094	105.95	582,325	0.56	27,305	2,275	1.88
85,635	FNMA ARM POOL 745552 4.740% Due 02-01-36	99.27	85,006	103.96	89,028	0.09	4,059	338	1.37
167,757	FRN - FHLMC # 847740 5.470% Due 04-01-37	98.88	165,883	106.71	179,020	0.17	9,176	765	2.47



Portfolio Appraisal – as of March 31, 2011

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
484,222	FRN - FHLMC # 1G2124 5.956% Due 08-01-37	99.81	483,314	107.68	521,401	0.50	28,840	2,403	3.12
246,438	FRN - FNMA POOL 943054 3.397% Due 08-01-37	100.94	248,748	105.13	259,073	0.25	8,372	698	1.34
636,963	FHLMC # G08264 6.000% Due 04-01-38 Accrued Interest	100.76	641,790	108.76	692,786	0.67	38,218	3,185	2.51
					30,245	0.03			
			7,055,468		8,182,477	7.92		30,245	
GNMA									
75,229	GOV'T NAT'L MTG ASSN POOL# 587075 6.500% Due 05-15-32	101.25	76,169	113.25	85,197	0.08	4,890	407	2.00
620,655	GOV'T NAT'L MTGE ASSN POOL # 617115 5.500% Due 06-15-36	97.77	606,787	108.57	673,864	0.65	34,136	2,845	2.18
575,932	GOV'T NAT'L MTGE ASSN POOL # 672671 4.500% Due 04-15-38 Accrued Interest	97.12	559,374	103.41	595,583	0.58	25,917	2,160	3.66
					5,412	0.01			
			1,242,331		1,360,056	1.32		5,412	
ASSET-BACKED SECURITIES									
1,000,000	GE CAPITAL CREDIT CARD MASTER NOTE TRUST 3.690% Due 07-15-15 Accrued Interest	103.37	1,033,750	103.54	1,035,352	1.00	36,900	1,640	0.93
					1,640	0.00			
			1,033,750		1,036,992	1.00		1,640	
COMMERCIAL MORTGAGE-BACKED SECURITIES									
473,856	CREDIT SUISSE FIRST BOSTON MTG 4.691% Due 04-01-37	100.48	476,133	101.15	479,325	0.46	22,229	1,852	4.31
700,000	LB-UBS COML MTG TR 2006-C7 5.300% Due 11-11-38	100.35	702,460	101.41	709,868	0.69	37,100	2,061	2.70
500,000	BEAR STEARNS COML MTG SECS INC 4.674% Due 06-11-41	100.54	502,723	105.07	525,356	0.51	23,370	1,947	3.30
500,000	FRN - BEAR STEARNS COML MTG SECS TR 5.518% Due 09-11-41	100.55	502,726	104.06	520,280	0.50	27,590	2,299	3.37
127,197	WACHOVIA BK COML MTG TR 4.657% Due 04-01-42	99.93	127,109	101.67	129,316	0.13	5,924	494	2.30
1,000,000	FRN - CD 2005-C1 COMMERCIAL MTG TR 5.222% Due 07-15-44	100.09	1,000,856	107.49	1,074,941	1.04	52,224	4,352	3.40
486,357	COMM 2006-C8 MTG TR 5.248% Due 12-10-46	100.50	488,783	101.86	495,404	0.48	25,524	2,127	3.32
500,000	FRN - J P MORGAN CHASE COML MTG SECS	100.21	501,049	107.09	535,460	0.52	28,689	2,391	4.46



Portfolio Appraisal – as of March 31, 2011

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
496,008	FRN - BANC AMER COML MTG TR 2007-5 5.434% Due 02-10-51	100.55	498,718	102.61	508,973	0.49	26,953	2,246	3.34
500,000	J P MORGAN CHASE COML MTG SECS 5.882% Due 02-15-51	100.50	502,481	107.06	535,306	0.52	29,410	2,451	4.57
	Accrued Interest				22,220	0.02			
			5,303,038		5,536,449	5.36		22,220	
CORPORATE BONDS									
500,000	METROPOLITAN LIFE GLOBAL FDG I RESTR 5.125% Due 11-09-11	99.87	499,370	102.67	513,345	0.50	25,625	10,108	0.70
500,000	BERKSHIRE HATHAWAY FIN. 4.750% Due 05-15-12	107.40	537,025	104.31	521,555	0.50	23,750	8,972	0.88
500,000	JOHNSON & JOHNSON 5.150% Due 08-15-12	109.41	547,045	106.14	530,710	0.51	25,750	3,290	0.65
725,000	ASTRAZENECA PLC 5.400% Due 09-15-12	99.81	723,615	106.55	772,524	0.75	39,150	1,740	0.86
500,000	JOHN DEERE CAPITAL CORP 5.250% Due 10-01-12	99.75	498,750	106.29	531,445	0.51	26,250	13,125	1.01
500,000	UNITED PARCEL SVC INC 4.500% Due 01-15-13	100.22	501,110	106.24	531,210	0.51	22,500	4,750	0.97
500,000	CARGILL INC MEDIUM TERM NTS RESTR 5.200% Due 01-22-13	99.92	499,585	106.81	534,055	0.52	26,000	4,983	1.37
500,000	BARCLAYS BANK PLC 2.500% Due 01-23-13	99.87	499,335	101.75	508,755	0.49	12,500	2,361	1.51
500,000	AMERICAN INTL GROUP INC SENIOR NT 4.250% Due 05-15-13	95.12	475,580	103.31	516,570	0.50	21,250	8,028	2.63
500,000	ONTARIO PROV CDA 3.500% Due 07-15-13	99.68	498,425	105.14	525,700	0.51	17,500	3,694	1.21
500,000	BARRICK GOLD FINANCE CO. 6.125% Due 09-15-13	99.98	499,890	110.90	554,510	0.54	30,625	1,361	1.58
250,000	BP CAPITAL MARKETS PLC 5.250% Due 11-07-13	108.02	270,039	108.15	270,365	0.26	13,125	5,250	2.02
500,000	CREDIT SUISSE NEW YORK 5.500% Due 05-01-14	99.90	499,485	109.61	548,055	0.53	27,500	11,458	2.25
500,000	BANK OF NY MELLON 4.300% Due 05-15-14	100.91	504,550	107.23	536,160	0.52	21,500	8,122	1.90
450,000	US BANCORP 4.200% Due 05-15-14	104.98	472,396	106.46	479,052	0.46	18,900	7,140	2.05
500,000	CITIGROUP INC 5.500% Due 10-15-14	100.17	500,870	107.86	539,300	0.52	27,500	12,681	3.13
500,000	DOMINION RESOURCES INC. 5.000% Due 12-01-14	106.38	531,910	109.37	546,855	0.53	25,000	8,333	2.32



Portfolio Appraisal – as of March 31, 2011

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
500,000	JP MORGAN CHASE & CO 4.750% Due 03-01-15	98.36	491,795	106.62	533,115	0.52	23,750	1,979	2.94
500,000	MORGAN STANLEY 6.000% Due 04-28-15	99.88	499,380	108.91	544,555	0.53	30,000	12,750	3.62
500,000	BANK OF MONTREAL 2.850% Due 06-09-15	100.59	502,930	100.86	504,295	0.49	14,250	4,433	2.63
500,000	BANK AMER CORP 5.625% Due 10-14-16	99.93	499,670	106.70	533,515	0.52	28,125	13,047	4.25
500,000	CONOCOPHILLIPS CDA FDG FDG CO 5.625% Due 10-15-16	100.09	500,475	112.94	564,705	0.55	28,125	12,969	3.06
500,000	INTERNATIONAL BUSINESS MACHS 5.700% Due 09-14-17	106.27	531,328	113.18	565,920	0.55	28,500	1,346	3.40
500,000	EXELON GENERATION CO LLC 6.200% Due 10-01-17	100.83	504,145	110.77	553,860	0.54	31,000	15,500	4.28
500,000	WELLS FARGO & CO 5.625% Due 12-11-17	99.58	497,920	109.22	546,110	0.53	28,125	8,594	4.04
500,000	WACHOVIA CORP GLOBAL MEDIUM 5.750% Due 02-01-18	99.57	497,860	110.16	550,825	0.53	28,750	4,792	4.03
500,000	MCDONALDS CORP M/T/N 5.350% Due 03-01-18	105.75	528,740	112.01	560,070	0.54	26,750	2,229	3.38
500,000	GENERAL ELECTRIC CAP CORP. 5.625% Due 05-01-18	89.86	449,305	108.11	540,560	0.52	28,125	11,719	4.28
500,000	GLAXOSMITHKLINE CAP INC 5.650% Due 05-15-18	104.59	522,950	112.38	561,925	0.54	28,250	10,672	3.66
500,000	CATERPILLAR FINANCIAL 7.150% Due 02-15-19	99.16	495,805	122.40	612,010	0.59	35,750	4,568	3.82
500,000	GOLDMAN SACHS GROUP INC. 7.500% Due 02-15-19	99.78	498,905	116.16	580,790	0.56	37,500	4,792	4.99
500,000	PROCTER & GAMBLE CO. 4.700% Due 02-15-19	99.82	499,120	108.42	542,090	0.52	23,500	3,003	3.47
500,000	MICROSOFT CORP 4.200% Due 06-01-19	99.73	498,650	103.84	519,225	0.50	21,000	7,000	3.65
500,000	BELLSOUTH CORP 6.000% Due 11-15-34	97.52	487,595	97.92	489,585	0.47	30,000	11,333	6.17
500,000	NEWS AMER INC 6.200% Due 12-15-34	95.28	476,420	100.57	502,860	0.49	31,000	9,128	6.15
500,000	SOUTHERN CAL EDISON CORP BOND 5.950% Due 02-01-38	99.54	497,700	107.47	537,345	0.52	29,750	4,958	5.42
	Accrued Interest				260,209	0.25			
			18,039,674		19,563,735	18.94		260,209	



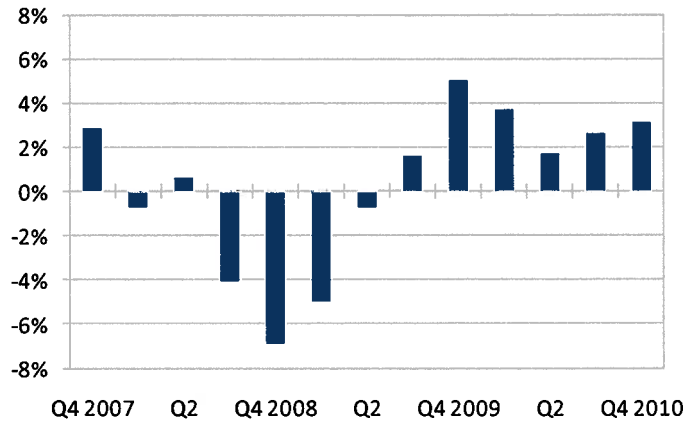
Portfolio Appraisal – as of March 31, 2011

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
INTERNATIONAL FIXED INCOME FUNDS/ETF									
59,766	SPDR BARCLAYS CAPITAL INTL D	56.06	3,350,670	59.83	3,575,800	3.46	NA		
DOMESTIC LARGE CAP EQUITY FUNDS/ETF									
220,462	VANGUARD INSTL S&P500 INDEX FUND	92.60	20,415,622	121.27	26,735,486	25.88	NA		
DOMESTIC MID CAP EQUITY FUNDS/ETF									
37,878	ISHARES S&P MIDCAP 400	63.58	2,408,435	98.71	3,738,937	3.62	NA		
INTERNATIONAL FUNDS/ETF									
223,153	VANGUARD MSCI EAFE ETF	33.97	7,580,251	37.31	8,325,838	8.06	NA		
EMERGING MARKET FUNDS/ETF									
90,500	VANGUARD EMERGING MARKET ETF	43.27	3,915,893	48.95	4,429,975	4.29	NA		
REAL ESTATE									
72,730	VANGUARD REIT ETF	48.08	3,496,952	58.47	4,252,523	4.12	NA		
COMMODITIES									
56,726	IPATH DOW JONES-AIG COMMODITY INDEX	49.37	2,800,563	51.35	2,912,880	2.82	NA		
CASH AND EQUIVALENTS									
	ALASKA MUNICIPAL LEAGUE INVESTMENT POOL		966,306		966,306	0.94			
	CASH RECEIVABLE		9,327		9,327	0.01	NA		
			975,633		975,633	0.94			
TOTAL PORTFOLIO			90,038,183		103,300,519	100	2,099,966	416,722	



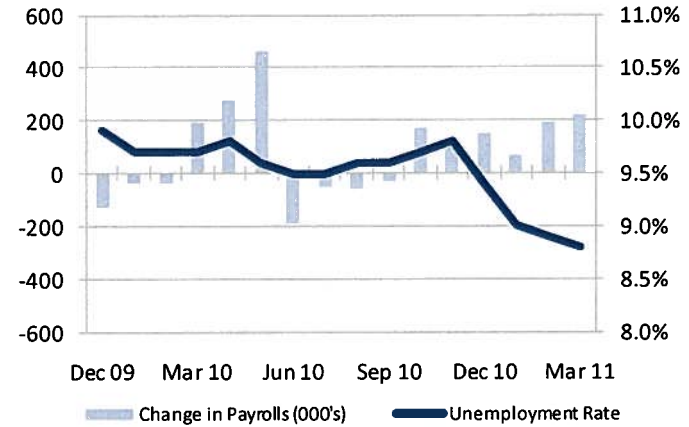
Economy & Financial Markets

Gross Domestic Product



Bureau of Economic Analysis

Job Growth and Unemployment Rate



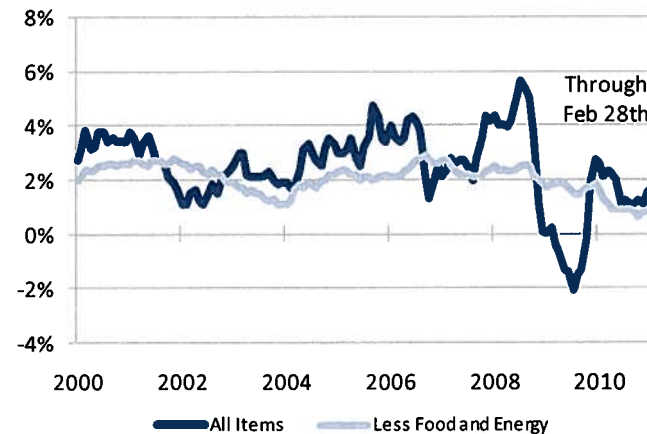
Bureau of Labor Statistics

Oil Price - West Texas Intermediate



Bloomberg

Consumer Price Index (YoY)



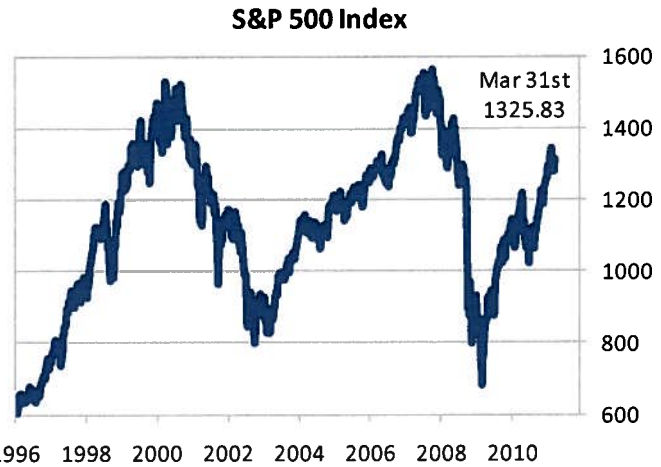
Bureau of Labor Statistics



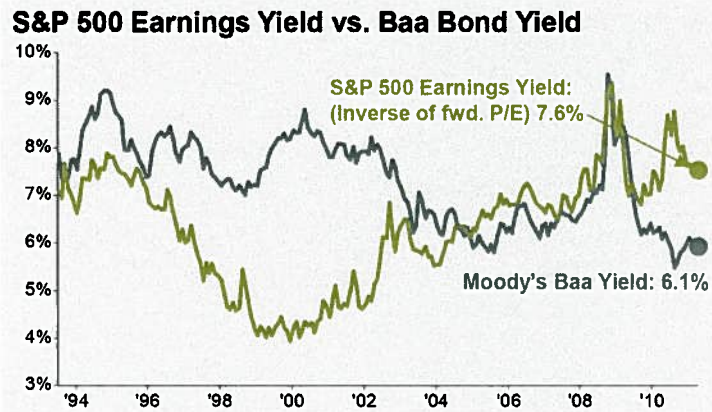
Economy & Financial Markets

Total Return (%) as of March 31, 2011				
	Q1 2011	1 Year	3 Years	5 Years
Domestic Equities				
Large Cap S&P 500	5.9	15.7	2.4	2.6
Mid Cap S&P 400	9.4	27.0	10.0	6.1
Small Cap S&P 600	7.7	25.3	8.4	3.7
International Equities				
Developed MSCI EAFE	3.4	10.4	-3.0	1.3
Emerging MSCI Emerging Markets	2.1	18.5	4.3	10.7
Other				
Commercial Property S&P U.S. REIT	6.4	24.2	2.1	1.3
Commodities DJ-UBS Commodity	4.5	28.5	-5.2	2.6
Fixed Income				
Total Bond Market Barclays Aggregate	0.4	5.1	5.3	6.0
1-3 Yr U.S. Treasury/Agency Barclays 1-3 Gov	0.1	1.7	2.5	4.2
Int'l Treasury Barclays Global Tsy ex-US	0.2	10.7	4.4	8.3

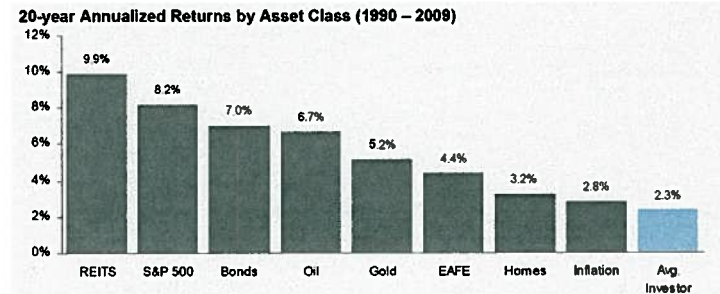
Returns are annualized for periods greater than one year



Bloomberg



Sources: Standard & Poor's, Moody's, J.P. Morgan Asset Management

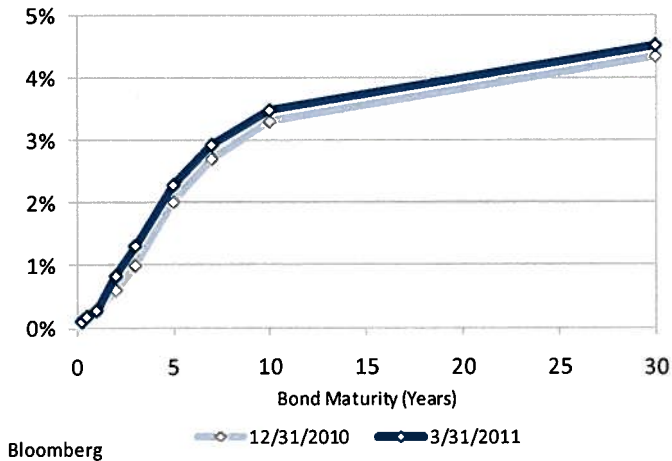


Source: J.P. Morgan Asset Management

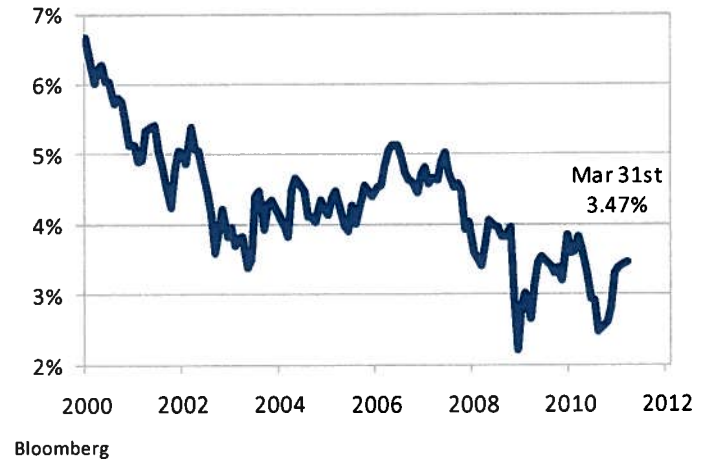
Average asset allocation investor return is based on an analysis by Dalbar Inc. All returns are annualized (and total return where applicable) and represent the 20-year period ending 12/31/09 to match Dalbar's most recent analysis.

Economy & Financial Markets

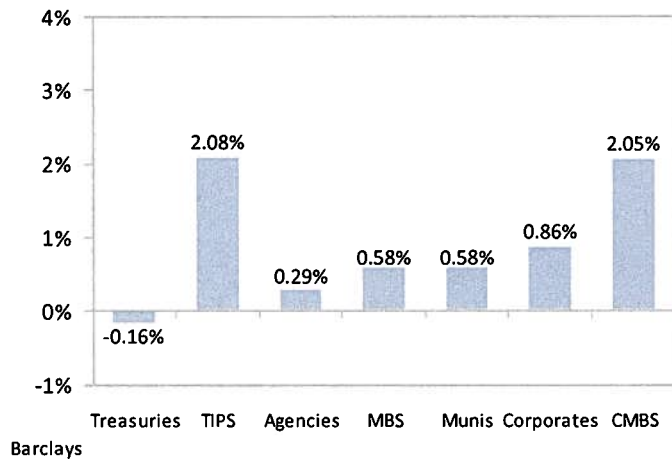
Yield Curve Comparison



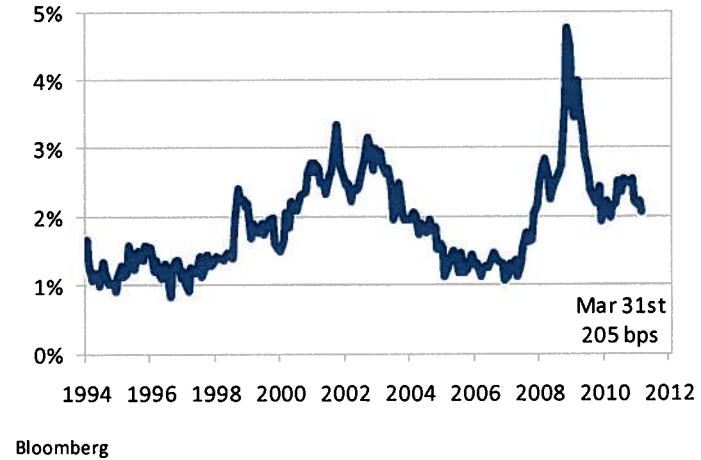
10 Year Treasury Note Yield



Q1 2011 Bond Total Return



Corporate A Spread/10 Year Treasury



Current Outlook

Economic Outlook

The U.S. economy is expanding modestly, but still faces major headwinds from the ongoing deleveraging of consumer and financial balance sheets. The unemployment rate fell to 8.8% last month. Job gains are slowly improving. Manufacturing activity is picking up; however both the residential and commercial property markets remain sluggish. Third quarter GDP growth was +2.6% and the fourth quarter was +3.1%. **Most economists expect 3-3.5% growth in 2011.**

Worldwide GDP declined -0.6% in 2009. Growth of +5.0% is estimated for 2010. The IMF forecasts (January 2011) world growth of +4.4% this year. This growth will likely be led by the emerging markets – many of which have had economies that continued to grow throughout the financial crisis. **Recent turmoil in the Middle East and now Libya is a wildcard in the outlook.**

Inflation Outlook

Inflation is up +2.1% year-over-year and the “core” rate is +1.1%. **Inflationary pressures are likely to remain muted given substantial unused capacity in the labor and product markets. However, climbing oil and commodity prices are a threat to the inflation outlook.** And Wal-Mart’s CEO is warning of “significant” inflationary pressures. Alaska North Slope crude rose during the month and ended March near \$117 per barrel.

Policy Actions

The Federal Reserve is maintaining a ZIRP (zero interest rate policy) with the federal funds rate pinned close to zero for a “considerable period.” **The Fed is engaging in another round of quantitative easing dubbed “QE2”** where they are buying \$600 billion of Treasury bonds through June 2011. Some worry about the inflationary implications of this action. **A QE3 program is unlikely.**

Republican gains in the US midterm elections suggested gridlock and an end to stimulus spending. However, the tax compromise by the President and Republicans at year end will improve growth in 2011, but add to the federal budget deficit. We can’t continue to kick the can down the road. **Wrangling over the deficit and debt ceiling will continue for months.**

Overseas, Europe continues to grapple with a financial system that was more levered than the U.S. The ECB and IMF have taken significant steps to shore up confidence and provide liquidity to EU governments struggling with deficit/debt problems. Greece, Ireland and now Portugal have accepted bailouts. Many countries have undertaken “austerity” measures to close their budget gaps.

Bond Outlook

Quantitative easing was designed to keep interest rates low for a considerable period, though rates have backed up over the last few months. Corporate spread product and CMBS securities have performed well and that should continue. **We remain underweight Treasuries and Agency securities. We believe that interest rates are likely to rise over the next few years.**

Equity Outlook

The domestic equity markets continued to rally in March. **Corporate earnings have been strong and companies are beating expectations. We generally like domestic large company stocks over smaller names. Globally we favor emerging markets over developed international (EAFE). REITs have performed well, but they are overvalued in our judgment.** Very low interest rates and reasonable valuations offset uncertainties in the Middle East, Europe, and budget pressures in the US.