

MINUTES
BUDGET ADVISORY COMMISSION
NOVEMBER 2, 2011

Members Present:

Andy Clary
Amy Demboski
Shirley Nelson
Bill Webb

Liz Vasquez
Jim Bailey

Guests:

MOA: Marilyn Banzhaf, OMB

ASD: Don Smith, School Board
Kathleen Plunket, School Board
Chad Stietler, CFO

Guest: Mark Johnson has been recommended for appointment. Lived in AK since 64. He is an auditor, has worked with the Feds, AK RR, and with the auditing of public utilities. He is the COO for AK USA.

1. Meeting called to order by Chair Clary

2. Roll Call: 6 members present

Bob Griffin and Greg Gursy are excused.

Steve Hartung also absent.

Tam Agosti-Giesler's term has expired.

3. Approval of Agenda – approved, no objections

4. Approval of October 5, 2011 regular meeting minutes - approved, no objections

5. Reports:

a. Assembly – No report given

b. OMB – Marilyn Banzhaf

Assembly will have a work session on Capital budget, utilities operating and capital this Friday.

c. ASD – Chad Stietler gave the ASD report.

Brought board memo; 1st formal step in ASD budget process, it lines out revenue projections. The budget does increase; but the only increase is directly related to TERS liability... almost \$20 million. General, Food, and Debt service funds have all dropped. \$9.5 million reduction in spending from 2010-2011 to 2012-2013 budgets. FY 2012-2013 budget is projected to be \$842,579,332.

This current year \$5.2 million is anticipated to use in fund balance \$; however, they expect federal aid to be \$4 million more than expected; thus, only about \$1.2 will likely be used. Next year fund balance usage is expected to be \$7 million. Fund balance likes to keep fund balance at (unassigned) industry standard is 3-5%. Next years level is 3.7%. Last week assembly approved 1% interest rate increase in school districts taxable ability; thus, the school board will likely adjust their budget to reflect this increase in spending allowance.

Liz V. asked what the federal mandates will equate to in dollars. Chad referred the board to page 1 of the ASD attachment. Liz requested the ASD provide a line by line assessment of federal mandates, so the budget allocations can be reviewed and specifically the mandates that are associated with them. There are a number of “federal mandates” so it is difficult to speak to all of them. Chad spoke about title 1; there are a number of federal requirements, but ASD only engages in programs that they feel are worth it. The question posed by Liz: who makes the decision and what information do they use to make the decision.

Don Smith spoke of homeless children transportation costs; the federal government provides \$35K and the municipality has to kick in ½ a million to fulfill this mandate.

Discussion about special education, and other federal mandates were discussed, and the discussion revolved around transparency and what it costs to adhere to federally mandated programs, and optional federal programs. Chad discussed some students have special needs and whether the mandates are there or not the school district will embark upon some of those programs regardless.

Page 4—what comparisons of ASD versus other districts around Alaska have been made? Per Chad, there is a state formula and it does impact the budget; by school and ultimately by district. There is information that can be ascertained via the web, that shows the breakdown.

6. Department Assignments:

Steve—finance, omb

Internat audit—Liz, by next week

Employee Relations—Bill

Equal Rights—they meet next Thursday.

Public transit —Bob and Andy by next Monday; they will meet on Friday

AWWU— this weekend

Merrill field—Bob and Jim , met bob is writing up

Mun attorney, & manager.— Liz next week

Solid waste—Andy will check with Steve

Real estate—Shirley will pick that one up

Commission members had an open forum discussing departments, looming contracts, multiple departments staffing issues with getting applicants through employee relations. Fire dept education benefit was discussed, municipal employee PIP discussed, and the “fleet” manager issue was discussed. The discussion also recommended next year the commission have someone review this department specifically.

7. ASD Budget Subcommittee:

Members not present

8. BAC Member Comments:

9. Upcoming meeting dates

- **December 7, 2011**

JANUARY – MARCH BAC MEETINGS WILL BE HELD AT THE ASD FACILITY.