

## **Budget Advisory Commission Meeting January 4, 2018**

### **MINUTES**

**1. Call Meeting to Order:** 12:05 pm by commission chair Al Tamagni.

**2. Roll Call:**

Members:

|                       |               |
|-----------------------|---------------|
| Chair Al Tamagni      | (present)     |
| Lois Epstein          | (present)     |
| Bob Griffin           | (not present) |
| Tasha Hotch           | (not present) |
| Nolan Klouda          | (present)     |
| Carla McConnell       | (present)     |
| Shirley Nelson        | (excused)     |
| Austin Quinn-Davidson | (excused)     |
| Joe Riggs             | (present)     |
| Karl von Lührte       | (not present) |
| Jon Watkins           | (not present) |

Also present:

Andy Ratliff, Anchorage School District  
Starr Marsett, Anchorage School Board  
Lance Wilber, Municipality of Anchorage

**3. Approval of Agenda**

- approved

**4. Approval of Minutes**

- None, no meeting in December 2017

**5. Reports**

**a) Office of Management & Budget: 2017/2018 Budget**

Lance Wilber notified the Commission that the status of the 2017 budget is not yet available due to the implementation of our new financial system. The close for year-end should be in the coming weeks. Lance reported that based on information from the Municipal Treasury department, our revenues are forecasted to be about \$2 million over and expenses are anticipated lower due to all departments curbing their spending.

Since the Commission did not meet in December, Lance reminded the BAC that the Assembly approved the general government, capital, utilities and enterprise services budgets at their last meeting in November. The proposed 2018 bonds were

introduced to the Assembly in December and are up for public hearing next Tuesday, January 9<sup>th</sup>.

Lance reported that the BAC may have heard of the proposed selling ML&P to Chugach Electric which will require a public vote in April. The Assembly must first act to put the matter on the April ballot, which will be on the Assembly agenda on January 23. If the sale moves forward, this will not affect the 2018 budget year.

There could be changes to 2019 MOA budget depending on the timing of subsequent action after April, including review and approval by the Regulatory Commission of Alaska (RCA) and the actual contract for the sale.

Lois Epstein asked if anyone had been in to prepay their property taxes. Lance had not heard anything from the Treasury Department. Lois also asked about the 2019 Legislative Program Capital Projects. Lance stated that there will be an Assembly worksession at 2pm on Thursday and that he was aware of only the Port of Alaska as a capital project ask of the Legislature.

**b) Anchorage Assembly: Chair Traini**

Not in attendance, thus no report.

**c) Anchorage School District: Andy Ratliff**

Andy Ratliff presented documents on the 2018/2019 ProForma Financial Planning for the Anchorage School District (ASD). Andy reminded the BAC that salaries, benefits, and utilities are the major costs to the budget with fuel prices and the need for replacement buses in the coming year(s) as the cause for the increase in expenses for Pupil Transportation. Andy noted that a reduction in enrollment was a cause of decrease in revenues received from the State. A question was asked by a BAC member about the possibility and effect of closing schools? The impact to the school district for closing smaller schools is a reduction in federal and state funding. Smaller schools get a higher percentage of funding than larger schools.

Andy noted that given the current information and projections of enrollment, funding and expenses, the ASD may have to reduce personnel by 130 positions, not all are anticipated to be teachers.

**d) Anchorage School Board: Dave Donely**

Starr Marsett, was present to represent the ASD Board, who made comments about the state of the local economy suggesting there is a 7.2% unemployment rate with 7-10% property vacancy rate which may suggest that families are moving out of state. Chair Al Tamagni raised a concern on the formula used to calculate the funding for schools but Starr suggested that would open a large can of worms.

## **6. Old Business**

### **a) Committee Report Fire Department: Joe Riggs, Chair**

No updates

### **b) Committee Report Cumulative Bonding Debt: Jon Watkins, Chair**

Not in attendance, thus no report

### **c) BAC Strategy Topic Session: Draft Priorities/Action items 2018: To be scheduled.**

Lance has rescheduled this event to next week or the week after due to BAC member conflicts and busy calendars that required the previously scheduled of meeting January 5<sup>th</sup>. Lance noted that he will send out a new Doodle survey. From the members present, it appeared that a morning session would be preferable. Lance will try to get parking slots saved in the City Hall parking lot for the members for future meetings.

Lance commented to the BAC members that he was in attendance of a preliminary presentation of the 2018 Property Assessed Valuation report earlier this week and will ask Bryant Robbins from Property Appraisal to give his presentation on the methodology for exempt properties to the commission at the next meeting.

## **7. New Business**

No Quorum

## **8. Next Meeting: February 1, 2018**

## **9. Adjourn: at 12:56, passed**