

MINUTES
BUDGET ADVISORY COMMISSION
MARCH 7, 2012

Members Present:

Andy Clary
Amy Demboski
Shirley Nelson
Tom Smith

Bob Griffin
Greg Gursey
Liz Vasquez

Guests:

MOA: Cheryl Frasca, OMB

ASD: Chad Stietler, CFO
Marie Laule, Budget Director

1. Meeting called to order by Chair Clary

2. Roll Call: 7 members present

Jim Bailey – Excused

Bill Webb – Absent

3. Approval of Agenda – passed unanimously

4. Approval of February 1, 2011 regular meeting minutes – Approved with minor grammatical changes.

5. Reports:

a. Assembly – No report given.

b. OMB – Cheryl – The city is about to start 1st quarter budget amendments. Unspent funds can be applied to this year's budget (ie next winters snow removal budget) There likely will be amendments introduced 1st or second meeting in April. New budget document available online which includes the capital budget. Feedback is welcome; OMB will print off a copy if members would like.

Education summit: there were 7 communication dialogs that took place. The findings have been tabulated and the information will be presented soon. The next summit will be in June; it will be a 2 day gathering of a selection of people from the community dialogues and it will include the

original 100 that participated in the summit. A lot of the presentations and information is available at muni.org. They are working on interim steps between now and June.

c. ASD – Chad – School board is presenting their documents to the assembly. The completed and final document was given to BAC members. Specific changes are attached to the ordinance. The budget reading will be March 13th, and the assembly will likely act on March 27th. The final printed version of the budget will be after assembly action; it will likely be available around June. Juneau legislation may change the budget. Some specific changes they are anticipating now include: bsa, transportation over \$2 million, constitutional amendment for private schools, hb 313, student attrition bill in house finance.

ASD presented the budget to the municipal clerk; the budget resolution will be before the assembly. A week ago the school board passed fiscal policy.

Energy conservation program is in its 3rd year within ASD. The offset the utility costs have been used to fund a position to engage the schools in energy usage. They have realized a savings of over \$400K; the position with benefits is less than \$100K. The program covers electrical and heat usage. Liz discussed possible private sector partnerships and the benefits of those relationships.

Amy asked about the decision the school board made to take \$923,972 out of the High School Unallocated Fund to fund career guides and graduation coaches and the impact that would have if they didn't receive additional money to backfill that fund or if the assembly didn't raise the upper limit. Chad reiterated that there would definitely be an impact if the money isn't restored in the High School Unallocated budget, but the school boards current budget is balanced.

Amy also asked how the ASD "fiscal policy" aligns with the Assembly resolution that required that ASD produce a six year fiscal plan concurrently with the ASD Budget. Chad responded that the school board did what they were required to by city charter and what the board felt was appropriate. So when asked again if the school board complied with the municipal ordinance, the answer was no.

Lastly, Amy asked for clarification about comments Mr. Friedman made about the attrition & benefit estimation being wrong and the willingness of the school board to "take the risk." Chad commented that the correction they have made to this is more in line with reality.

7. ASD Budget Process- Bob and Andy met with Chad to discuss the budget process. ASD discussed the effect the spring elections have had on the budget process and claim the elections have pushed the adoption of the budget up from April to March. Chair asked Bob, Shirley, Greg and possibly Jim to develop an ASD budget work calendar.

Amy commented that the current budget process is inadequate. The current process only gives the school board about two weeks to review and vet the budget before it is voted on and passed

to the assembly; this isn't practical and in reality the process puts the elected body (the school board) at a disadvantage and makes them dependent on an unelected administrator to vet an \$800 million dollar budget. The citizens of Anchorage expect those they elect to have the opportunity to adequately review the spending of public money and the current process doesn't do that.

8. BAC member comments

9. Upcoming meeting dates

- **April 4, 2012 at City Hall**