

MINUTES
BUDGET ADVISORY COMMISSION
November 7th 2012

Members Present

Amy Demboski
Shirley Nelson
Bob Griffin

Andy Clary
Joe Riggs
Al Tamagni

Bill Webb
Jim Bailey
Liz Vazquez

Guests:

MOA: Larry Baker Mayor's CoS

ASD: Kathleen Plunket,
Chad Stiteler, CFO
Mark Foster, OMB

1. Meeting Called to order 9 members present

2. Roll Call 9 members present

Tom Smith Absent

3. Approval of Agenda -- approved no objections

4. Approval of Oct 2012 regular meeting minutes -- approved no objections

5. Reports:

a. ASD, Chad Stiteler ASD CFO, Mark Foster ASD OMB Director and Kathleen Plunkett School Board Member

Introduction of a draft 50 page School Board memo that was presented to the board the previous Monday outlining the budget priorities going forward. School Board scheduled to vote on the memo on November 15 and move to the Assembly for action in March.

The budget will be presented on Jan 10th and the second reading of the budget scheduled for February 24th.

Memo outlined the significant budget challenges but was characterized by Chad as a "positive outlook" in spite of significant cost drivers increasing district cost faster than projected revenues going forward.

The primary strategy to balance the budget is to manage staff reductions with the focus on support function attrition, keeping impact on classroom teaching to the minimum. In most cases the projected increase in employee benefit costs appeared to be the most significant challenge and salient budget growth cost driver.

Mark outlined several best/worst case scenarios and strategic options driving the budget assumptions including the possible effect of federal budget sequestration of approximately 8% of the \$90 million in annual federal funding.

Kathleen reiterated that maintaining classroom student teacher ratios was the primary focus of the School Board and the ASD Administration.

Several BAC members comment were made praising the memorandum and new budget process

Chad pointed out that the new ASD CAFR had been recently released and was available.

6. BAC Report to the Assembly

Two public safety white papers were included in the report. An amendment was proposed by Bob to add a paragraph to explain the difference between budgeted and actual staffing number referenced in the report.

Bob pointed out how public safety had increased from 34% of the Muni budget to 40% over a ten year period with no significant increase in actual public safety staffing.

Lengthy discussion ensued on departments cover in the report:

Community Development provided a very detail responses to the BAC questionnaire. Report approved.

Fire report was presented as an executive summery with answers to BAC question to be posted in an appendix.

Public Safety included a BAC white paper include specific questions from the Assembly. Report approved with minor changes

Health and Human Services report approved as with added recommendation that SAP/Kronos be given a higher priority by the department and that the department look into using an outside vendor for grant administration.

Internal Audit report approved as written.

IT department report focused on SAP/Kronos implementation. As short discussion also included a consolidation of police and fire dispatch systems. Report approved as written.

Library report approved as written with a minor grammatical change.

Municipal Attorney report was with an added recommendation that Internal Audit conduct an analysis of outsourcing more highly specialized legal work.

Port of Anchorage focused on obvious problems with port expansion project. Report approved with minor corrections.

Public Works report approved as written.

Police Department report approved as written.

BAC Public Safety white paper accepted with added paragraph to be written.

Purchasing report approved as written.

7. Member comments

8. Next meeting scheduled for Dec 7th Noon

1:39 PM meeting adjourned