

**SPECIAL ASSEMBLY MEETING
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

Meeting Minutes - April 27, 2016

MEETING NO. 2016-20 The Special Meeting of the City and Borough of Juneau Assembly, held in the Assembly Chambers of the Municipal Building, was called to order at 5:30 p.m. by Mayor Ken Koelsch.

I. CALL TO ORDER / ROLL CALL

Assembly Present: Ken Koelsch, Mary Becker, Jamie Bursell, Maria Gladziszewski, Loren Jones, Jesse Kiehl, Jerry Nankervis, Kate Troll and Debbie White.

Assembly Absent: None.

School Board members present in the audience: Brian Holst, Andi Story, Lisa Worl, Josh Keaton, Sean O'Brien.

Staff Present: Rorie Watt, City Manager; Kim Kiefer, City Manager; Mila Cosgrove, Deputy City Manager; Beth McEwen, Deputy Clerk; Bob Bartholomew, Finance Director; Elisabeth Jensen, Budget Analyst; Jean Hodges, Assistant Controller; Rob Steedle, Community Development Director; Mark Miller, JSD Superintendent; David Means, JSD Director of Administrative Services

II. AGENDA TOPICS

(Clerk's note - due to technical difficulties, the audio for this meeting began recording at 5:34p.m.) Public testimony was opened for each of the below agenda topics but no one from the public chose to testify on any of these items.

- A. Public Hearing: Ordinance 2016-09 An Ordinance Appropriating Funds from the Treasury for FY17 City and Borough Operations

This ordinance appropriates \$342,671,300 for the City and Borough of Juneau's FY17 operating budget, excluding the School District. It is necessary to appropriate all transfers between funds that support operations, debt service and capital projects as well as the associated expenditures within the funds themselves. These transfers account for \$97,015,400 of the FY17 operating budget.

The Charter requires that a public hearing be held on the FY17 operating budget by May 1, 2016, and adoption by June 15, 2016.

The Manager recommends holding the charter required public hearing for this ordinance, followed by referral back to the Assembly Finance Committee for further review.

There being no public testimony on Ordinance 2016-09, Mr. Nankervis moved to refer Ordinance 2016-09 back to the Assembly Finance Committee for further review. *Hearing no objection, the motion carried.*

- B. Public Hearing: Ordinance 2016-10 An Ordinance Appropriating Funds from the Treasury for FY17 School District Operations

This ordinance will appropriate to the School District an FY17 operating budget of \$83,571,400. This is an overall decrease in the budget of \$2,045,100. The School District's operating budget is.

· General Operations	\$69,217,600
· Special Revenue (pupil transportation, food service, etc)	6,611,800
· Other Operations (student activities, grants, etc)	<u>7,742,000</u>
Total Budget	\$83,571,400

The FY17 school budget is supported with a combination of funding sources that includes state, federal and local revenues. Local funding of \$25,833,600 consists of \$24,994,100 for general operations, and \$839,500 for student activities funding outside the State CAP. This activities funding includes: \$654,500 for high school activities, \$50,000 for pupil transportation, \$40,000 for food service and \$95,000 for Community Schools. The \$24,994,100 in general operations support is an increase of \$68,100 over FY16. The \$839,500 for student activities funding is an increase of \$69,500 over FY16.

State Statute requires the Assembly to determine the total amount of local educational funding support to be provided and provide notification of the support to the School Board within 30 days of the School District's budget submission. The district's budget was submitted March 31, 2016. To meet this timing provision, it is necessary for the Assembly to determine the amount of funding and provide notice in the month of April. This amount cannot subsequently be reduced, unless the amount exceeds the State funding CAP, but it can be increased. If the Assembly does not set the amount and furnish the School Board with notice within 30 days, the amount requested by the School District is automatically approved. By Charter, the Assembly is required to appropriate the School District's budget no later than May 31, 2016.

At this meeting, the Assembly needs to state, by motion, the amount of local funding to be provided to the School District. This amount cannot be lower than the minimum required by State law, which is \$13,390,900 but can be as high as the maximum allowed amount, which is \$24,994,100.

The Manager recommends holding the charter required public hearing for this ordinance, followed by a motion to set the amount of local funding to be provided to the School District and then to refer the ordinance back to the Assembly Finance Committee for additional review.

MOTION by Mr. Kiehl to set the minimum amount to contribute to the School District for the coming year at the Manager's proposed amount of \$25,833,600 and that they refer the School District request for an additional \$210,502 to the Assembly's pending list, and he asked for unanimous consent. *Hearing no objection, the motion carried.*

MOTION by Mr. Kiehl to refer Ordinance 2016-10 back to the Assembly for further work. *Hearing no objection, the motion carried.*

C. Public Hearing: Ordinance 2016-08 An Ordinance Establishing the Rate of Levy for Property Taxes

This ordinance establishes the mill rates for property taxes for 2016, which fund a significant portion of the City and Borough of Juneau's FY17 operating budget. The Charter requires the assembly to adopt, by ordinance, the tax levies necessary to fund the budget before June 15.

The mill levies presented in this ordinance support the Manager's FY17 Proposed Budget that is currently being reviewed by the Assembly Finance Committee. As part of the budget review process, the Assembly Finance Committee will review and recommend, to the Assembly the final mill levies.

For FY17 both the operating and debt service mill rates are being reduced. The operating mill rate is proposed to be 9.11 mills (decrease of .15 mills, (-1.6%)) and the debt service mill rate is proposed to be 1.40 mills (decrease of .10 mills, (-6.7%)). The total reduction in the mill rate is 0.25 mills (-2.3%). This ordinance proposes a total mill levy of 10.51, the components of which are:

<u>Operation Mill Rate by Service Area</u>	Millage
Roaded Service Area	2.30
Fire Service Area	0.36
Areawide	<u>6.45</u>
Operating Total	9.11
Debt Service	1.40
Total	10.51

The Manager recommends holding the charter required public hearing for this ordinance, followed by referral back to the Assembly Finance Committee for further review.

There being no public testimony on Ordinance 2016-08, Mr. Nankervis moved to refer Ordinance 2016-08 back to the Assembly Finance Committee for further review and asked for unanimous consent.

Ms. Troll asked for clarification regarding the mill levy rate. She said the proposed mill levy in this ordinance is currently set a total of 10.51 and she wanted to make sure that although that is the amount currently being considered, it could potentially change or remain the same as it currently is based on recommendations from the Assembly Finance Committee following the remainder of its work. Mayor Koelsch said that was his understanding of the process as well.

Hearing no objection, the motion carried.

- D. Public Hearing: Resolution 2742: A Resolution Adopting the City and Borough Capital Improvement Program for Fiscal Years 2017 Through 2022, and Establishing the Capital Improvement Project Priorities for Fiscal Year 2017.

This resolution would adopt the Capital Improvement Program (CIP) for Fiscal Years 2017 through 2022, as required by Charter Section 9.4, and lists the capital projects that will be undertaken in FY 2017.

The Public Works and Facilities Committee (PWFC) reviewed the CIP at its meeting on February 22, 2016 and forwarded the plan to the Assembly. The Finance Committee reviewed the CIP list at its meeting on April 13, 2016.

The Manager recommends holding the charter required public hearing for this resolution, followed by referral back to the Assembly Finance Committee for further review.

There being no public testimony on Resolution 2742, Mr. Nankervis moved to refer Resolution 2742 back to the Assembly Finance Committee for further review and asked for unanimous consent. *Hearing no objection, the motion carried.*

III. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

There was no public participation on non-agenda items.

RECONSIDERATION OF ORDINANCE 2016-10 MOTIONS

Mr. Jones apologized for not mentioning this earlier but asked if this would be an appropriate time to request reconsideration of Mr. Kiehl's motion setting the amount to be provided to the School District. He said he understands the reason Mr. Kiehl gave the amounts as he did but he questioned if it was a proper motion. He said the motion didn't split out the maximum allowed under the cap, which was \$24,994,100, from the additional funding request, of \$839,500 outside the cap from the School District for a total amount of \$25,833,600.

Finance Director Bob Bartholomew explained that it may have been best for Mr. Kiehl to split his motion and recommend those funds subject to the cap separate from how much they would provide to the School District outside the cap. He said both those amounts could be set tonight by motion. He said that by splitting the question, it would help clarify Mr. Jones' question of making sure we are not setting a funding limit for operations above the cap.

Mr. Jones said in light of Mr. Bartholomew's explanation, he would ask for immediate reconsideration of the motions relating to Ordinance 2016-10.

Mayor Koelsch said in his memory, the motion for reconsideration is not a debatable motion. Ms. McEwen concurred and explained that since this is a request for immediate reconsideration, the rules require a minimum of six affirmative votes in order to reconsider the previous question at the same meeting.

Roll Call Vote on Motion to Reconsider the previous motions relating to Ordinance 2016-10.

Aye: Bursell, Jones, Gladziszewski, Kiehl, Nankervis, Troll, Koelsch

Nay: Becker, White

Motion passed, 7 ayes, 2 nays

Mr. Kiehl asked to rescind his previous motions in order to make the following motions.

MOTION by Mr. Kiehl to recommend the Assembly set the minimum funding amount that CBJ will provide the School District for FY17 at the cap of \$24,994,100 and that the remaining School District requested amount of \$1,050,002 be moved to the pending list.

Mr. Nankervis asked Mr. Kiehl where the \$1,050,002 figure came from.

Mr. Kiehl explained that the JSD full request included \$925,102 of funding outside the cap. It also included a request that the Assembly cover some indirect costs using General Funds rather than School District funds in the amount of \$124,900 and adding those two amounts came to \$1,050,002.

Mayor Koelsch asked Mr. Bartholomew to confirm if that was correct and Mr. Bartholomew responded in the affirmative.

Hearing no objection, the motion carried.

MOTION by Mr. Kiehl to refer Ordinance 2016-10 back to the Assembly Finance Committee for additional work.

Hearing no objection, the motion carried.

IV. ADJOURNMENT

There being no further business to come before the Assembly, Mayor Koelsch adjourned the meeting at 5:49 p.m.

Signed: _____
Elizabeth J. McEwen, Deputy Clerk

Signed: _____
Kendell D. Koelsch, Mayor