

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

Meeting Minutes - April 22, 2015

MEETING NO. 2015-12: 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 Merrill Sanford.

I. CALL TO ORDER / ROLL CALL

Assembly Present: Mary Becker, Karen Crane, Maria Gladziszewski, Loren Jones, Jesse Kiehl, Jerry Nankervis, Merrill Sanford, Kate Troll and Debbie White.

Assembly Absent: None.

Staff Present: Kim Kiefer, City Manager; Rob Steedle, Deputy City Manager; Amy Mead, Municipal Attorney; Elisabeth Jensen, Budget Analyst; Bob Bartholomew, Finance Director; Laurie Sica, Municipal Clerk; Jean Hodges, Assistant Controller; Sam Muse, Accountant II; Kirk Duncan, Parks and Recreation Director; Robert Barr, Library Director; Carl Uchtyl, Port Director; Mark Miller, JSD Superintendent; David Means, JSD Administrative Manager; Kristin Bartlett, JSD Communications.

II. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

None.

III. AGENDA TOPICS

- A. Determination of Amount to be made available from Local Sources for School Purposes.

CBJ Charter Section 13.6. Budget. (SCHOOL) (b)

“The board shall submit the annual budget for the following school year to the Assembly by April 5 of the current year for approval of the total amount. Within 30 days after receipt of the budget, the Assembly shall determine the amount to be made available from local sources for school purposes, and shall furnish the board with a statement of the sum to be made available. If the Assembly does not, within 30 days, furnish the board with a statement of the sum to be made available, the amount requested in the budget is automatically approved.”

The School District submitted its budget request to the CBJ on Tuesday, March 31, 2015. Thursday, April 30, 2015 is 30 days after March 30th, therefore this action needs to occur prior to April 30, 2015.

The 30-day requirement does not apply to CBJ funding provided outside of the CAP. Attached is a schedule listing the amount of education funding provided when Ordinance 2015-21 was introduced to the Assembly on April 1st and the amount requested by the School District on March 31st.

The Assembly funded Juneau School District \$24,526,900 in FY15. This does not include the outside the CAP funding. If the State of Alaska reduces the State Education Foundation Funding Formula the CBJ will be required to reduce this funding.

The Manager recommends the Assembly provide local funding under the FY15 State Education Foundation Funding Formula at \$24,526,900, until CBJ can assess the impact of final funding amount to be provided by the State of Alaska.

Mr. Nankervis asked how much would be drawn from the fund balance and was that estimate inclusive of the number recommended by the manager.

Mr. Bartholomew said when the budget was introduced on April 1, staff recommended a draw on the fund balance of \$1.9 million. In the attachment in the packet, that included the full school district request, so that would be higher than the amount the manager recommended tonight, as a discussion point to get started. The draw on the fund balance that was included in the budget included the \$24,982,600 that was in the school district request. Mr. Bartholomew said that the \$25,752,600 was total funding under the cap and outside of the cap. The charter requires the Assembly to notify the school district a minimum amount of funding by April 30 and therefore the manager is recommending the same amount provided last year of \$24,526,900, and when more information comes in from the legislative session and other factors, the Assembly could make further decisions.

Ms. Gladyszewski asked if the fund balance draw was determined before the notice was received about funding pending from the Secure Rural Schools program. Mr. Bartholomew said that was correct and he was still determining if there would be one payment or two for that program.

Ms. Troll asked if the manager's recommended amount was approved, it would not prohibit the Assembly from funding ultimately to the cap, and outside of the cap. Mr. Bartholomew said that was correct.

Ms. Gladyszewski asked if the manager's recommended amount related to any of the proposed reductions that the legislature was considering. Mr. Bartholomew said no.

MOTION, by Becker, to approve \$25,752,600, requested by the Juneau School District, to include the amount outside of the cap.

Ms. Becker said this action would give the School District the ability to figure this amount into their budget and not have to lay off 18 teachers and more reductions.

Ms. Crane objected.

Mr. Kiehl asked about charter requirements and if the state funding came through at a low number, would this action put the Assembly in a position to require it to meet the funding amount if approved in this motion. Mr. Bartholomew said if there was a conflict between the charter and state law, the state law would control, and CBJ would not be in violation of the Charter if it adjusted the funding level down. State Law capped what the Assembly could provide to the School District.

Ms. Gladyszewski asked how saying the Assembly would provide more than we are allowed by law helped the school district to plan.

Ms. Becker said the funding outside of the cap would stay in place even if the money under the cap had to be reduced.

Ms. Troll said it was important to have all the pieces in place and she would be more likely to support the motion when all the issues were known. We will finalize the budget in a months time.

Mr. Nankervis said he thought the motion was premature.

Mr. Jones said he would not support the motion mainly due to the funds outside of the cap and the activities discussion - he would like to know that funding outside of the cap will actually go to the intended expenditure.

Ms. Becker said the outside the cap money was at the discretion of the assembly as to what it was spent for. This vote tonight would commit a certain amount outside of the cap and then we would mandate how it would be spent.

Ms. Crane said the school board had the mandate to determine how the funds would be spent. The Assembly gave JSD funds last year with an intent and they chose to not follow that intent and that was their prerogative. She wanted to give as much funding as possible, but wanted all of the facts known first.

Mr. Kiehl said he intended to support the budget process and he was satisfied with the manager's recommendation, and would vote no on this motion.

Ms. Becker asked if the outside the cap money was spent at the assembly's discretion. Mr. Bartholomew said there were items that were acknowledged to be appropriate for funding outside the cap, the Assembly could give guidance, but JSD could make the decision on how to spend it. They could not use the funds for activities "under the cap."

Roll call:

Aye: Becker, White,

Nay: Crane, Jones, Gladziszewski, Kiehl, Troll, Nankervis, Sanford

Motion failed, 2 ayes, 7 nays.

MOTION, by Jones, to provide \$24,526,900 in local funding to the Juneau School District FY16 budget.

Mr. Nankervis maintained his objection that the motion was premature. Ms. Kiefer said that the Assembly had 30 days from the date the JSD budget was submitted to the Assembly to let the district know the floor level of funding. If it was not done tonight, it needed to be voted on by April 30.

Roll call:

Aye: Becker, Crane, Jones, Gladziszewski, Kiehl, Troll, White, Sanford

Nay: Nankervis

Motion passed, 8 ayes, 1 nay.

IV. ASSEMBLY COMMENTS AND QUESTIONS

None.

V. ADJOURNMENT

There being no further business to come before the Assembly, the meeting adjourned at 5:48 p.m.

Signed: _____
Laurie Sica, Municipal Clerk

Signed: _____
Merrill Sanford, Mayor

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