
Citizens' Taskforce Minutes

Monday, February 22, 2016 6:00PM

Sealing Cove Business Center

Citizens' Taskforce Members: Rob Allen, Maxwell Rule, Lawrence SpottedBird,
Dyan Bessette, Cynthia Gibson, Hugh Bevan, Alene Henning
Tristan Guevin (Assembly Liaison)

I. CALL TO ORDER

Deputy Vice Chair SpottedBird called the meeting to order at approximately 6:01PM.

II. ROLL CALL

Present: Deputy Vice Chair Lawrence SpottedBird, Dyan Bessette, Cynthia Gibson, Hugh Bevan, Alene Henning

Absent: Maxwell Rule (excused), Rob Allen (excused)

Assembly Liaison: Tristan Guevin

Staff: Municipal Administrator Mark Gorman, Deputy Clerk Melissa Henshaw, Chief Finance and Administrative Officer Jay Sweeney, Assessor Wendy Lawrence, Fire Chief David Miller, Centennial Building Manager Don Kluting

III. APPROVAL OF MINUTES

M - Bevan/S - Bessette moved to approve the February 16, 2016 minutes. Motion carried unanimously.

IV. REPORTS

Chair - None.

Members - Bevan requested a report of Alaska Municipal League (AML) from staff. Gibson shared her spreadsheet indicating the difference of raising the property tax by two mills and eliminating the sales tax on groceries with different household scenarios. She stated that additions could be made and gave the example of the electric rate increase.

City Staff - Administrator Gorman attended AML stating that the state thought it was not possible to cut their way out of a half to one billion out of the budget, growing consensus that the Permanent Fund Dividend was being looked at for cuts, did not hear uniformity behind any one solution although it was mentioned of new revenue in the form of taxes, e.g. income, excise, fuel, tobacco, and alcohol. CFAO Sweeney told of growing momentum for shifting costs to municipalities and used PERS/TRS as an example, shared revenue e.g. raw fish tax, and stated cuts would be made to the Alaska Marine Highway system.

Assembly Liaison - None.

Other(s) - None.

V. PERSONS TO BE HEARD/CORRESPONDENCE

Bill Marx told the Taskforce of revenue they missed from exemptions at the last meeting, recommendations should not include review to the Assembly but rather be more definitive, he would be willing to give up the senior exemption and would like for other citizens to share burden.

VI. UNFINISHED BUSINESS

A. Draft Grand Budget Framework

Bevan went over his numbers in the grand budget framework spreadsheet and included he would like to see employee attrition rather than across the board cuts. Bessette thought that the taskforce needed a closer look into the enterprise funds. Guevin stated the critical enterprise funds would be electric and harbor. Gorman let the Taskforce know that a reduction would cause a reduction in services and thought it would be possible over a few years span.

Discussion occurred around a one mill or two mill property tax increase, possible dedication of funds, likelihood of voters passing, dedicating the increase to fund schools, public works, streets, and/or parks.

Deputy Vice Chair SpottedBird stated he was not in favor of removing the senior sales tax exemption, was concerned with not enough focus on land and water sales, and the City needed to reduce their budget. Gorman thought a way to make the system more equitable would be a redistribution of taxes by eliminating the sales tax on groceries and to increase the property tax.

Gibson clarified the revenue cap could also be reduced. Bessette thought to decrease the funding to non-profits. Gorman told of the categories, the reduction from last year, and stated that the Assembly must be involved. He told of ways to reduce the budget by \$700,000 and that 75% of the General Fund was salaries. Bevan thought to bring forward a discussion item to the Assembly from Administration on land sales to generate revenue. Gorman stated that he had discussions with staff to present land information to the Assembly. He told that Alaska Bulk Water Inc. failed to pay and would be recommending the Assembly send out a new RFP. He informed the Taskforce that the Assembly will be looking at the FY17 budget in early April.

When asked by the Deputy Vice Chair SpottedBird, Tim Fulton, Sitka School District Board President stated that a \$200,000 cut would mean two positions and told of their budget process. Bessette mentioned the high cost of technology. Fulton stated that it would be the School Board's decision of where the cuts would be.

Gorman reminded the Taskforce that if the two mill rate increase passed this fall on the ballot, that it would not take place until FY18.

VII. NEW BUSINESS

None.

VIII. PERSONS TO BE HEARD

Bill Marx wondered why there were no new revenue sources being discussed, that he has never seen a mill rate decrease, suggested a sunset clause, and told of a city with a 32 hour work week with reduced services.

Lois Rhodes thanked the Taskforce and was happy to see this starting point.

IX. ADJOURNMENT

A. Agenda items for the next regular meeting of February 29, 2016

Agenda item for the next meeting would include the Draft Grand Bargain with Rule and Chair Allen in attendance. Discussion occurred around a possible discussion item on a two mill increase.

M - Bevan/S - Henning moved to adjourn the meeting. Motion carried unanimously. The meeting adjourned at approximately 7:47PM.

Attest:
Melissa Henshaw, Deputy Clerk