



Petersburg Borough

12 South Nordic Drive
Petersburg AK, 99833

Meeting Minutes Borough Assembly

Tuesday, April 1, 2014

8:00 AM

Assembly Chambers

FY 2014/15 Budget Prep

1. Call To Order/Roll Call

Vice Mayor Lagoudakis called the Special Meeting to order at 8:00 a.m. for the purpose of reviewing preliminary departmental budgets; receiving comments or concerns from the public and department heads regarding the FY 2014/2015 preliminary budget; and to give administration direction in finalizing the budget prior to ordinance preparation.

Present: 5 - Assembly Member John Havrilek, Assembly Member Cindi Lagoudakis, Assembly Member Nancy Strand, Assembly Member Bob Lynn and Assembly Member Jeigh Stanton Gregor

Absent: 2 - Mayor Mark Jensen and Assembly Member Kurt Wohlihueter

2. Voluntary Pledge

The Pledge was recited.

3. Assembly Discussion Items

The assembly reviewed preliminary budgets for various utility funds, motor pool and Mt. View Manor.

4. Visitors' Views Related to Proposed Budget

Prior to receiving visitor comments, a recess was called at 8:47 a.m.

The meeting was reconvened at 8:54 a.m.

Rob Thomason, District School Superintendent, provided an overview on the history of local, state and federal funding for the district. He informed the income to the schools has remained flat. Very little of the school's income is discretionary. 95% of expenses go to salaries and other operating expenses, leaving only 5% to be used toward sports, the arts and technology. He believed the district has lived within its means while continuing excellent education. He urged the assembly to retain local school funding at 1.8 million (1.2 from local means, .6 from Secure Rural Schools Funding). He estimated the district will experience a \$300 to \$350 thousand dollar decrease in revenues from the State in FY 2014/15 and has made cuts in personnel to address the shortfall.

Sue McCallum, Museum Director, informed of the activities and services provided to the community. Costs per person visiting the museum have increased from \$22.63 in 2011 to \$25.84 in 2013. She urged the assembly to retain the \$42,000 proposed in the preliminary budget. The grant pays toward maintenance of the facility as well as

payroll. It is the museum's goal to make the gift shop the main source of income in the future. She added the museum has also made constant use of volunteers to ease the costs of operation.

Susan Ohmer, Director, Petersburg Mental Health, informed the agency has received local funding for over 20 years. She reported that the agency is non-profit, subject to auditing by numerous factions. The \$85,000 in the proposed budget will enable the agency to retain a clinician. The amount provided locally is near the \$92,000 annual write-off amount of non-paid services. She provided the number of clients served in the past year; types of services provided; and what could be expected should the borough withdraw local funding. She urged the assembly to retain the requested \$85,000 funding as State funding will be scaled back this year for substance abuse. Without the local funding, she believed people will be turned away from service.

Marlene Cushing, resident, spoke in favor of the assembly retaining all community services budgets. The programs are all important in making the community a good place to live.

Sally Dwyer, representing Mt. View Food Service, informed that local public funds have been received for senior meals for 30 plus years. She informed of the Service's commitment of being fiscally frugal this past year enabling them to lower the grant request from \$15,000 to \$12,000. She also informed of benefits the service provides over and above meals (parties, wellness checks, etc).

Tom Abbott, Manager of KFSK radio, urged retention of the proposed \$8,000 grant for public radio. He provided several examples of how the radio benefits the community at very little expense. Removal of the funding could jeopardize the reporting of the morning news or reduce coverage of community events and meetings.

Liz Woodyard, CEO of the Medical Center, informed the hospital has no money allocated in the proposed budget, however, she supported all the other community requests made. She believed the community grant program contributed to a healthy community. She urged the assembly to consider a tobacco tax next year to be dedicated to hospital expenses/operations. She related the borough owned buildings are very old and need improvements. Cuts made in medicare and medicaid will make it difficult to continue an efficient 24/7 operation.

5. Assembly Direction on Budget

Assembly members offered various motions on how to reduce the proposed budget. All motions failed to receive the required four affirmative votes. Motions included: making a 2% cut to all budgets, excluding the community service budget; making a 1% cut across the board, including all budgets; to make a 1% overall cut to the budget and reduce school funding to 1.6 million and remove funding to mental health; and to accept the preliminary budget, as submitted.

6. Adjourn

The meeting adjourned at 10:01 a.m.