



# CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS  
330 Harbor Drive  
Sitka, AK  
(907)747-1811

## Minutes - Final

### City and Borough Assembly

*Mayor Matthew Hunter*  
*Deputy Mayor Bob Potrzuski*  
*Vice-Deputy Mayor Steven Eisenbeisz*  
*Tristan Guevin, Kevin Knox*  
*Aaron Bean, and Aaron Swanson*

*Municipal Administrator: Mark Gorman*  
*Municipal Attorney: Brian Hanson*  
*Municipal Clerk: Sara Peterson*

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Thursday, March 2, 2017

6:00 PM

Assembly Chambers

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#### SPECIAL MEETING

#### I. CALL TO ORDER

#### II. FLAG SALUTE

#### III. ROLL CALL

**Present:** 3 - Eisenbeisz, Hunter, and Knox

**Absent:** 3 - Swanson, Guevin, and Bean

**Telephonic:** 1 - Potrzuski

#### IV. CORRESPONDENCE/AGENDA CHANGES

None.

#### V. PERSONS TO BE HEARD

None.

#### VI. NEW BUSINESS:

- A [17-028](#) Discussion/Direction of local support of public education to the Sitka School District contained in the proposed FY2018 General Fund and other issues pertaining to financial support of educational related activities  
(*Assembly action may be taken*)

Mary Wegner, Sitka School District Superintendent, told of staff and students of the Sitka School District (SSD), gave statistics of an alumni survey, historical perspective of the operating budget and budget timeline.

Hunter wondered about the uncertainty with state funding. Wegner had concerns with

insurance premium increases, retirees and hiring, and stated that benefits were a big cost factor. Jennifer McNichol, Vice President of the Sitka School Board, told of conversations with legislatures recently and had concerns with cost shifting of PERS and TRS. Wegner told of Senator Murkowski's advocating efforts to secure Secure Rural Funding.

Eisenbeisz asked of the SSD reserves. Cassee Olin, Business Manager gave details of the fund, balances, liabilities, HB278 and stated that \$43,000 remained after this year minus the funds that must remain in there.

Administrator Gorman commented that the state budget is a moving target and showed the decrement proposal with a \$648,742 deficit.

Wegner confirmed that the SSD budget would be submitted by April 30, 2017 and mentioned that April 18th was the final budget meeting for the Sitka School Board.

McNichol answered Knox that the state had flat funding. Knox wondered how to plan for a cut to the Base Student Allocation (BSA), if that were to take place. Eric Van Cise, School Board Member, told of new budget process by using data. Gorman stated that if there was a cut, together the city and SSD would come up with a solution at that time, but preferred not to budget for worse case scenario. Wegner stated that the next budget work session would be on March 28th. McNichol, Pook and Wegner would be going to Juneau to lobby and were watching the state closely and gathering information on a daily basis. McNichol informed that teacher contracts were signed by the end of the school year and positions could not be cut once they were signed.

Knox would appreciate SSD sharing information with Assembly throughout the budget cycle. Van Cise stated that communication was critical, that it was going to be a difficult process, was constantly reminding the public of their obligations rather than wants and told of serious efforts to look at every aspect of their budget.

Hunter stated that the Board and Assembly would deal with what came from the state when known and thanked the Board for their work.

Wegner stated they understood the situation that both were facing, cared about providing a quality school, would like to partner with the city and appreciated the commitment to the students.

## **VII. PERSONS TO BE HEARD:**

Jay Sweeney, Chief Finance and Administrative Officer, spoke of the school bond debt reimbursement with regards to the city budget, specifically the General Fund and asked SSD to put in equal advocating for school bond debt reimbursement.

## **VIII. EXECUTIVE SESSION**

None.

## **IX. ADJOURNMENT**

A motion was made by Knox to ADJOURN. Hearing no objections, the meeting ADJOURNED at 6:36 p.m.

ATTEST: \_\_\_\_\_  
Melissa Henshaw, CMC  
Acting Municipal Clerk