

# Minutes: Scenic Foothills Community Council

December 4, 2014

The meeting was called to order at 7:15 p.m. by Roger Shaw. The November 6 meeting minutes were approved as written.

## **Alaska Legislative Report**

Representative Lance Pruitt was unable to attend. His aide, Jenna Crouse, said he will be going to Juneau January 20 and will be on Finance Committee. They will be getting the Capital Budget list for the Municipality. Get your CIP requests in as soon as possible.

State Senator Cathy Giessel was not present.

## **Municipality of Anchorage Report:**

**Pete Petersen and Paul Honeman, Anchorage Assembly:** Thanks to those who testified for the East Anchorage District Plan. It passed unanimously. Getting close to dedicating all 29 acres of the Greenhouse property as park land. Also, the Assembly passed next year's municipal budget. They stayed under the tax cap.

## **Alaska Economic Forecast:**

**Presenter: Gunnar Knapp, Professor of Economics, UAA and Director of the Institute of Social and Economic Research. He has been an economist in Alaska for 34 years.**

This is a very complex issue. The simplest way to explain our economic problem is that the State is spending a budget for \$6 billion. Revenue we're taking in is \$4 billion or maybe even \$3 billion. We are paying this deficit from our savings in the Constitutional Budget Reserve account (\$12 billion).

There is going to have to be a huge adjustment to our spending. This is going to cause a huge political fight. The things that are going to be cut are things we all care about. We don't want to pay taxes or give up the Permanent Fund dividends.

Two sources of money include:

- Constitutional Budget Reserve (\$12 billion)
- Permanent fund – can only spend the interest of the fund

There are three kinds of funds:

- Unrestricted funds (92%) – like oil money
- Restricted funds – like from the federal government
- Sort of restricted funds – investment revenue on the permanent fund

Oil funds are a roller coaster. It depends on oil prices, oil production, production costs, and tax policies.

Oil prices are dropping because the supply has exceeded the demand. Right now, it's \$68 a barrel versus our projection of \$105. Production is one-fourth of what it was 25 years ago. The oil fields are being squeezed and are not producing like they were. The oil that's left is more expensive to find and produce than it was before.

Revenues will decline because of declining oil prices and production. Our spending went up when our state was rich. The past few years, we have been spending about the revenue. Demands for spending will grow.

We could run out of our savings within 10 years.

### **Anchorage School Board Report:**

**Kathleen Plunkett, School Board member:** Anchorage School District has a funding surplus of \$13 million in savings. For 2014-15 budget year there could be up to \$21 million unspent, mostly due to unfilled positions and teachers with higher salaries leaving the profession. Superintendent Graff has a plan to use \$4 million of the surplus to raise pay for substitutes and bring in more teachers as substitutes to lower class size. We are going to have a deficit in the next budget year and will spend some of the reserve to help cover that.

### **Reports by SFCC Council Board:**

Next meeting will be January 8 because our regular meeting date would be New Year's Day. Discussion of the [draft bylaws](#) has been postponed until the January 8 meeting.

Mark Hill has a flyer with information on the neighborhood social media page called [Nextdoor](#), which gives residents ways to meet and communicate about issues in our own neighborhood and [Nixle](#), an app for getting public safety updates.

### **Public Comments and Neighborhood Concerns**

A neighbor had a concern about possible drug activity behind Totem Theatre and wants to possibly start a community patrol. His daughter works at the theater and saw bags with needles laying out by the dumpster. Paul Honeman suggested Joe contact him for ideas for patrolling that area. Mark Hill said that police data shows only one drug incident there in the past year. There will be further discussion to press Totem Theatre to secure their dumpsters.

Meeting adjourned at 8:15 p.m. with a social gathering afterwards.