

MINUTES OF THE ANCHORAGE SCHOOL BOARD
SPECIAL MEETING OF FEBRUARY 7, 2006

The Anchorage School Board met in Regular Session on Monday, February 7, 2006, at 7:15 p.m. in the Board Room, at the Anchorage School District Administration Building. President, Jeff Friedman, presided.

A. CALL TO ORDER, ROLL CALL, Jeff Friedman Presiding

Board Members Present: John Steiner, Macon Roberts, Crystal Kennedy, Jeff Friedman, Jake Metcalfe, Mary Marks, and Tim Steele.

Others Present: Rhonda Gardner, Leslie Vandergaw, Mike Henry, Patricia McRae, Enid Silverstein, Jerry Sjolander, Jeff Wood, Eric Tollefsen, Michelle Egan, Larry Wiget, Janet Stokesbary, George Vakalis, LTC David Jones, William Johnson, Ray Amsden, Pam Chenier, Stan Syta, Robin Siegfried, the press, and other interested people.

B. ANNOUNCEMENTS

C. WORK SESSION ON TECHNOLOGY

The Board participated in a Work Session on Technology including a discussion on the new student information system.

D. PERSONS TO BE HEARD (30-MINUTE TIME LIMIT)

E. CONSENT AGENDA

ASD Memorandum #208 - Revisions to the 2006 General Obligation Bond Recommendations

It is the Administration's recommendation that the School Board authorize the Superintendent to reduce the Chester Valley Elementary School Addition and Renewal project listed on AO 2006-10 of the School Board approved 2006 General Obligation bond Recommendations (ASD Memorandum #131, 2005-2006) by \$5,670,000 for a revised project amount of \$8,430,000. This action reduces AO 2006-10 to \$25,105,000, which also reduces the total amount of the 2006 General Obligation Bond Recommendation to \$94,195,000.

If the Department of Education and Early Development (DEED) reinstates the Sand Lake Project on the grant fund list, it is recommended that the School Board authorize the Superintendent to reduce the Sand Lake Elementary School Addition and Renewal Project as listed on AO 2006-10 on the School Board approved 2006 General Obligation Bond Recommendations By \$6,185,000. This will result in a revised project amount of \$6,415,000. This action could potentially reduce the total amount of the 2006 general obligation bond recommendation to \$88,010,000.

Contingent upon the reinstatement of the Sand Lake elementary Project to the DEED grant list, it is recommended that the School Board authorize the Superintendent to withdraw the Debt Reimbursement Applications for the Sand Lake Elementary School Addition and Renewal (\$12,600,000) and Emergency Communications Systems for High Schools (\$760,000) projects. This debt reimbursement is to be applied to the Service High School Phase 3 Construction and Phase 5 Design (\$11,800,000) plus the Districtwide Roof Replacement and Repairs (\$1,315,000) projects.

It is further recommended that the School Board authorize the Superintendent to revise the title of the Dimond High School Gym/Pool Code Upgrade and Renewal project listed on AO 2006-111 to "Dimond High School Auxiliary Gym code Upgrade and Renewal."

ACTION:

Moved by: John Steiner
Seconded by: Mary Marks

To authorize the Superintendent to reduce the Chester Valley Elementary School Addition and Renewal project listed on AO 2006-10 of the School Board approved 2006 General Obligation bond Recommendations (ASD Memorandum #131, 2005-2006) by \$5,670,000 for a revised project amount of \$8,430,000. This action reduces AO 2006-10 to \$25,105,000, which also reduces the total amount of the 2006 General Obligation Bond Recommendation to \$94,195,000.

If the Department of Education and Early Development (DEED) reinstates the Sand Lake Project on the grant fund list, the School Board authorizes the Superintendent to reduce the Sand Lake Elementary School

Addition and Renewal Project as listed on AO 2006-10 on the School Board approved 2006 General Obligation Bond Recommendations By \$6,185,000. This will result in a revised project amount of \$6,415,000. This action could potentially reduce the total amount of the 2006 general obligation bond recommendation to \$88,010,000.

Contingent upon the reinstatement of the Sand Lake elementary Project to the DEED grant list, the School Board authorizes the Superintendent to withdraw the Debt Reimbursement Applications for the Sand Lake Elementary School Addition and Renewal (\$12,600,000) and Emergency Communications Systems for High Schools (\$760,000) projects. This debt reimbursement is to be applied to the Service High School Phase 3 Construction and Phase 5 Design (\$11,800,000) plus the Districtwide Roof Replacement and Repairs (\$1,315,000) projects.

In addition, the School Board authorizes the Superintendent to revise the title of the Dimond High School Gym/Pool Code Upgrade and Renewal project listed on AO 2006-111 to "Dimond High School Auxiliary Gym code Upgrade and Renewal."

Ms. Comeau apologized for the timing of this recommendation. She explained that there had been a somewhat difficult second meeting with members of the Assembly regarding the general obligation bonds. Some members of the Assembly voiced concern with the total cost of the District's projects and with some of the individual projects that were on the bonds. In addition to this, the District discovered that the projects that had already been approved for debt reimbursement had been taken off of the state capital projects list. The District is in the process of trying to appeal that action.

Ms. Comeau explained that this recommendation should not, in any way, demean the need for full funding for the Chester Valley project. The project remains number two on the state's list. This recommendation would do exactly what was done with the Wendler project three years ago when there was a statewide general obligation bond. The District only went to the voters in Anchorage asking for the local part of the Wendler project, the State general obligation bonds paid for the rest. So, it was a fully funded project; part local, part state. That is what is being looked at for this recommendation for Chester Valley. Ms. Comeau voiced her appreciation to the Chester Valley community for being in attendance to hear the discussion, particularly on such short notice.

Mr. Vakalis explained that it became obvious during discussion with the Assembly that they had concerns about the size of the bonds. They queried why we would have a project on two different lists. He clarified that the District did not know at that time of the discussion with the Assembly, what the DEED had done with the grant fund list. He indicated that there would be great discussion and controversy about the proposed bonds if they are presented to the Assembly as first recommended. The Assembly was concerned with the projects on the bonds, the amount of the three individual bonds propositions and the cost of the total bond package. The recommendation to reduce the Chester Valley Elementary School Addition and Renewal project addresses all of those issues. Mr. Vakalis noted that there is a good chance that this project will be covered through the state's grant program.

Addressing the Sand Lake Project, Mr. Amsden explained that the project was on the grant list for funding. The District submitted it to the DEED for debt reimbursement and, as has been noted, it was removed. The amount that the project had been approved for in the State process was \$6,185,000. The recommendation is to remove the portion that was identified by the State for reimbursement, listing only the amount that would be the local contribution for that project.

Mr. Amsden noted that, when the administration brought the recommendation for bonds to the Board, each of the propositions listed a certain number of projects that would be submitted for debt reimbursement. There are a lot of projects that would qualify for debt reimbursement, over and above what was submitted. The administration was careful to maximize the 70% projects over the 60% projects. In addition, efforts were made to get a balance between the bonds and to bring together an appropriate summation of projects to equal the amount available through the program. The administration would like to revisit

that issue by removing the Sand Lake Elementary project and the Emergency Communications Systems for High Schools project and adding the Service High School projects and the Districtwide Roof Replacement and Repairs projects. This would again assure that the District is making the best use of the monies available for debt reimbursement. These changes will only be necessary if the District is successful in getting the Sand Lake project reinstated to the DEED grant funds list.

Mr. Vakalis explained that the proposed change to the title of the Dimond High School Gym/Pool Code Upgrade and Renewal project is recommended to better reflect the structure that the project addresses. The important part of the structure is the gym and the program space above the gym. This program space is desperately needed to help address the overcrowding at Dimond. Changing the title of the project should eliminate any confusion or controversy regarding pools, since the District is not in the business of pools.

Mr. Metcalfe voiced his concern with the last minute nature of this recommendation. He believed that it would be better to have more certainty when making these decisions. He questioned what timeline the District is facing. Ms. Comeau explained that the appeal process for the DEED grant funds list is over. It was a surprise to the superintendent that the projects had been removed from that list. She noted that the District has to have an ordinance to the Assembly no later than noon on Thursday, February 9 in order to get it to the Assembly for public hearing and action next Tuesday, February 14, which is their deadline for putting ballot propositions on the ballot. Ms. Comeau explained that the administration is still trying to get some kind of an informal appeal. If the appeal is not successful the administration will, depending on the action that the Board takes this evening, have an "S" version of the ordinance to present to the Assembly.

Mr. Friedman clarified his understanding that the appeal timeline had expired before the ASD projects were removed from the DEED's grant funds list. Mr. Amsden believed that to be an accurate statement. Ms. Comeau explained that, in the past, the District has submitted requests, gotten notification back about how much debt reimbursement is qualified and the DEED has left those projects on the list. This is the first time, to her knowledge, that projects have been removed in this manner.

Mr. Metcalfe wondered whether the Assembly will have an opportunity to make their own changes if ASD submits the bond proposals as originally agreed upon. Ms. Comeau noted that to be correct.

Mr. Steele questioned to whom the appeal was being directed. Ms. Comeau noted that the appeal will be directed to Mr. Jeans and will be copied to the Governor and the Commissioner. The original ordinance is in and scheduled for public hearing and there will be plenty of people there to testify. If the Board does not approve the recommendation before them tonight then there will not be an "S" version submitted by the District. The Assembly has the ability to make modifications.

Mr. Bill Wielochowski, a Northeast Community Council board member testifying on his own behalf, indicated that there is a lot of concern in the community. He asked that the Board consider the high population density in the northeast community. If the community is going to put a high density of population in one area they need to support the infrastructure and the schools that will provide for the needs of that area. He asked that the Board leave the Chester Valley project in the ordinance and, if the appeal is granted in the next week, the Assembly can remove it. He believed that if it is taken out now it will be lost.

Ms. Sharon Mitchell, principal at Chester Valley, thanked the Board and the Administration. She noted that Chester Valley is overdue for renovation. The main concern is whether there is any assurance that the school will, indeed, be renovated if the bond recommendation is reduced by \$5.67 million. She commended the maintenance department for their efforts at the school. They do have a new roof, thanks in large part to the parents making their voices heard. She informed the Board that the pre-school program at Chester Valley is growing and has needs that the building is not properly equipped to handle.

Mr. Steiner clarified his understanding that the District had not requested debt reimbursement for Chester Valley and, therefore, it was not stricken from the state list and that the appeal has nothing to do with Chester Valley at all. The situation with Chester Valley is that it is #2 on the list for the entire state, so there is a high likelihood that the project will get funding from the state. Mr. Wielochowski indicated that if community members actually had any degree of confidence that the legislature would fund the project they probably wouldn't be at this meeting.

Mr. Metcalfe asked whether the legislative representatives, both local and state, have been contacted and if they were able to provide any indication of the likelihood of this project being funded. Ms. Mitchell reviewed some conversations she has had with local officials. Mr. Stout had indicated his intention to support the project but Mr. Bauer had voiced his concern over the high cost. Ms. Comeau indicated that she can't imagine that Senator

Guess or Representative Anderson wouldn't be advocates for the project but it is well known what a time consuming process it is to get final action on the capital budget. Mr. Metcalfe would like to have some advice from those individuals about whether to include the full amount for Chester Valley project. Ms. Comeau indicated that she could call Juneau to get their advice on how the Board should proceed.

Given that there will likely not be a firm commitment from the legislature, Mr. Steiner asked for direction from the speakers as to whether they would rather rely on the legislature to act or the Anchorage community to support the bond. Mr. Wielochowski indicated his concern with the size of the bond package. He believed that this project is one of the most needed projects in Anchorage so he doesn't believe that the Board should start cutting at this project.

Ms. Comeau noted that the District will be polling this week to get another read on support for the bonds. There is no dispute on the need for the project.

Mr. Steele thanked the speakers for their help on the previous bond proposals and indicated that the District would need their support on these packages as well. Ms. Marks asked whether Mr. Bauer had elaborated on who else had indicated to him that they believe the bonds are too high. Ms. Comeau noted that those comments have come both from other assemblymen and from people that they are hearing from in the community. They have been very clear with the District that the school bond package, plus what the city has put on the ballot, equates to a total debt load that makes many community members uncomfortable. Ms. Marks is surprised that the Board has not heard any of these remarks directly from community members.

Mr. Bob Roses, current president of the Northeast Community Council testifying on his own behalf, noted that the council has not had an opportunity to take a vote on this issue. He requested copies of the appeal letter Ms. Comeau is preparing so that he can share it with the people scheduled to attend a leadership dinner tomorrow. He is not happy to see this cut but agrees with the strategy from an economic standpoint. His concern is the possibility that the passing the bond with only \$8.4 million for this project will result in a partially funded project if the legislative funding doesn't come through. He wondered about the possibility of setting this up as a phased project as has been done with the high schools. By phasing the project there would be an opportunity to go back to the voters for funds to finish it at a later date. He also would like to see an opportunity for the Board to get together with the Northeast Community

Council and the Chester Valley PTA to build a very strong strategic plan on how to lobby the legislature to get the grant funding and how to build support for the bonds. He believed that it is very important to proceed as a joint effort.

Ms. Michelle Mandel, a Chester Valley parent and PTA member, reminded the Board that Chester Valley was built in 1964 and has never been renovated. The plans for renovating the school were approved in 2001. She reported that she had spoken with Ms. Guess who stated that the general feeling in the legislature is that state money is better served in a reimbursement program and that a bush school was more likely to get a grant because Anchorage voters could support this project. The whole goal over the last year was to get the project on the ballot and let the voters decide. She recommended that the District should keep the project funding together and at least try to get voter approval for the entire amount.

Mr. Randy Hughes, Chester Valley PTA co-president, voiced his concern with the recommended cut. He indicated his belief that the project has a better chance with Anchorage voters than with state legislators. He recommended that the Board keep the full package for Chester Valley on the bond.

Ms. Jan Davis, a District parent, reminded the Board that Chester Valley was on the Governor's line item to be funded last year but had been removed. The apprehension that the school community has with this recommendation is understandable. She asked the Board to consider phasing the project so that, if the grant funding does not come through from the state the project would be able to complete the first phase. That way the voters would be able to anticipate funding requests for future phases.

Mr. Michael Hanzig, co-president of the Chester Valley PTA, reported that he has a petition to present to the Assembly members in support of the renovation of Chester Valley Elementary. The community wants to know when the renovations will be done. He indicated that those community members will be at the Assembly meeting next week. He thanked the superintendent for what she has done for the school.

Ms. Marie Smith, a Chester Valley parent, testified that she started working to support the Chester Valley renovations at least five years ago. She noted that the District has done a good job on maintenance of the building but felt that there are still safety issues at the school. She

reported that she had emailed a couple of legislators and, in light of their responses, feels that there is much more support for debt reimbursement than for grant funding. She believed that if the bonding amount for this project is reduced there will not be enough money to finish the project. She wondered which part of the project will get done at the school if only part of the funding is received. The risk is that safety issues will not be addressed while additions are built or that safety issues will be taken care of resulting in having the renovation project taken off of any funding lists.

Ms. Comeau noted that the administration will support whichever way the Board feels most comfortable with pursuing these projects. The administration is solidly behind the recommendation that was brought to the Board in December. This new recommendation is not something that is willingly being brought to the Board. She indicated her frustration with what has happened and felt that it was important to give this one more look based on the Assembly discussions.

Mr. Metcalfe indicated that the District has gone through a very public process to decide which projects are needed. The Board's obligation is to listen to the community and the administration and base their decisions on that information. He is comfortable with the Board's initial decision on the bonds projects. If the Assembly doesn't like the recommendation, they can change it. That is the process. In this manner the Board has represented their constituency as to what is best for the District. His desire is to continue with what has already been approved. If the Assembly is not satisfied with that, they can make changes. In the meantime there is another week to get a commitment from the legislature that debt reimbursement will be there for these projects. He believed that a commitment is needed from legislators and assemblymen to campaign for these projects whatever they turn out to be. It needs to be a united effort to get these projects passed. The Board has a commitment and obligation to do what is best for the District. He believed that what is best for the District and for the public is to know what it is going to cost to do what is needed and then have the Assembly decide what ultimately goes onto the ballot. He will not be supporting the recommendation.

Ms. Kennedy asked whether there was any sense as to whether the Chester Valley project could be phased. Mr. Amsden does not know whether that is an option. The project has only been approached as a whole project. No investigation on phasing has been done. It is a decision that can be made in the future. If the project was broken into phases, the subsequent phases would certainly cost more. There are a lot of different issues to be looked at before making any recommendations regarding

phasing. Ms. Kennedy asked what the anticipated timeframe is for the project if the entire amount is bonded for. Mr. Amsden reviewed the timeline and concluded that completion could be anticipated for the start of the 2008 -2009 school year.

Ms. Kennedy had an overall sense that there is an element of doubt in the public mind regarding these bonds based on reports of the concerns raised by the Assembly. Her experience is that bonds have failed when doubt is raised in the mind of the public. Based on that, she is concerned about letting the proposal go forward as it now stand risks without addressing any of the issues that have caused the doubt to grow. She appreciated the superintendent's efforts to develop an alternative recommendation in light of questions already being questioned. The Assembly gave the District some good information on the bond capacity, which was not available when the initial proposals were approved. That information would have been very valuable to have had at an earlier point. She felt that the Assembly is looking for the Board's assistance in putting bonds on the ballot that can get the support of the public. She believed that going forward with the superintendent's recommendation is giving the Assembly something that they can then use to show that they are really trying to be as conscientious as possible about what kind of bonded indebtedness the community has. She indicated her intent to support the recommendation. In addition, she fully intends to encourage legislators to make sure that the funding on the grant list is taken care of. Ms. Kennedy also had some serious concerns about how the District was treated in terms of the grant funding list.

INTERIM ACTION:

Moved by: John Steiner To divide the question to deal with the
Seconded by: Crystal Kennedy final paragraph independently.

Seeing no objections to dividing the question, Mr. Friedman stated that the question was divided. Mr. Friedman called for a vote on the divided question.

The final paragraph of the recommendation revising the title of the Dimond High School Gym/Pool Code Upgrade and Renewal project listed on AO 2006-11 to "Dimond High School Auxiliary Gym Code Upgrade and Renewal" was approved by unanimous consent.

Mr. Steiner has concern that there are conflicting issues to balance. On one hand there is the question of how Anchorage voters will look at the circumstance where the District had the possibility of getting grant funding for a project from the state and gave that up. On the other hand there is in no indication of how the situation will be looked upon by the legislators and the rest of the state if the District has the capacity to put a project on the bond and doesn't. This makes the situation very difficult. He asked if the District would be in much the same position whether the decision to support the recommended reductions was made by the Board tonight or whether the Assembly makes the reductions following this same template next week. Ms. Comeau noted that the outstanding question on the appeal is what makes this very difficult. The appeal could take months. If the Board rejects this recommendation the District will wait to see what the Assembly does and live with their actions.

Mr. Steiner noted his agreement with Mr. Metcalfe that taking this action quickly gives the Board less ability to assess the likelihood that legislators will support grant funding for the Chester Valley project if it is reduced by the noted amount.

Mr. Friedman voiced his appreciation for the fact that a fall-back plan was created within 24 hours. He didn't believe that it was a bad plan but he did not intend to support it for many of the same reasons already discussed.

Mr. Metcalfe noted that this body is the not the Assembly and it is the Assembly's responsibility to figure out what the bond package should be. He believed that the Board has a good public process to figure out what the community wants and it was clear through that process that Chester Valley was one of the top priorities. He did not think it was appropriate for the Board to change their mind after a full public process. He believed that the Board's job has been done. If information becomes available within the next week it can be presented to the Assembly but Mr. Metcalfe believed that the Board should stay with what was originally approved because that is what this District needs.

Ms. Comeau noted that, at the beginning of the public process, the District started out with about \$160 million worth of bond needs. The Capital Request Committee pared that down to \$105 million and then the administration pared it down to below \$100 million. The bond proposal presented to and approved by the Board are the District's most basic needs. She felt that this option needed to be brought to the Board based on new information.

In response to a question from Mr. Roberts, it was explained that the package that is about to go to the Assembly is the full funding of the Chester Valley project. The question tonight is whether to reduce that figure down to the amount that would be the local share, counting on the good will of the legislature and governors' office to honor the grant list.

Mr. Friedman clarified that the motion now before the Board is whether to reduce the Chester Valley portion of the bond to the local contribution amount and whether to contingently reduce the Sand Lake Elementary portion of the bond.

Ms. Marks indicated that she would not be supporting this recommendation because the Board has followed the appropriate process and now it is up to the Assembly to make any adjustments.

Ms. Kennedy reiterated that the Board is not arguing the validity of the projects. She noted that the last time bonds were sent to the Assembly they did remove the projects that were in question. She believed that it was up to the School Board to send up the most prudent bond package, having thought through all the pros and cons. Mr. Steiner agreed that the Board should prepare the package and not leave it up to the Assembly.

VOTE:

Ayes: Kennedy, Steele,
Nays: Friedman, Metcalfe,
Marks, Steele,
Steiner

MOTION FAILS

Ms. Comeau clarified that that the Board has rejected the recommendation other than the Dimond Auxiliary Gym. So, there will be an "S" version of the bonds going to the Assembly but it will strictly deal with the Dimond Auxiliary Gym.

F. SCHOOL BOARD COMMENTS

G. ADJOURNMENT

The Special Meeting of February 7, 2006, was adjourned by unanimous consent at 8:55 p.m.

Jeff Friedman, President

John Steiner, Clerk

Johanna Lee, Recording Secretary

Date Minutes Approved