

MINUTES OF THE ANCHORAGE SCHOOL BOARD
REGULAR MEETING OF DECEMBER 15, 2008

The Anchorage School Board met in Regular Session on Monday, December 15, 2008, at 6:32 p.m. in the Board Room, at the Anchorage School District Administration Building. President, Jeff Friedman, presided.

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

Board Members Present: Jeff Friedman, Crystal Kennedy, Pat Higgins, Macon Roberts, John Steiner and Chris Tuck. Tim Steele joined the meeting by phone.

Others Present: Carol Comeau, Rhonda Gardner, Ed Graff, Leslie Vandergaw, Mike Henry, Enid Silverstein, Jerry Sjolander, Jane Berglund, Eric Tollefsen, Heather Sawyer, Janet Stokesbary, George Vakalis, Jose DelReal, Ray Amsden, Marie Laule, Chad Stiteler, Robin Siegfried, the press, and other interested people.

B. APPROVAL OF AGENDA

Mr. Friedman noted that there was an addendum for the Personnel Report.

The agenda was approved with the addendum by unanimous consent.

C. AWARDS/RECOGNITIONS/PRESENTATIONS

The Bayshore Elementary School Choir Chimes, under the direction of Debbie Wakefield, performed several numbers for the entertainment of the board and others prior to the start of the meeting.

ASD Memorandum #158 - Recognition of the Fall 2008 Denali Award Recipients

Mr. Higgins read that to Alaskans, Denali means "great one," and the Anchorage School District is proud to have employees that display greatness in the areas of achievement, service and dedication. Twice each year, a committee of ASD employees selects a number of co-workers and

teams of colleagues that demonstrate an outstanding commitment to its mission of educating all students for success in life.

Cindy Petrovich, a social studies teacher at Mears Middle School is the award winner in the certificated category. Petrovich spends hours in preparation for new and innovative instruction and continues to learn cutting-edge techniques for engaging her students. Nominator and school principal Michael Perkins said one of Petrovich's most impressive aspects is her ability to support and inspire other teachers. In a letter of support, fellow teacher Tara Bivins wrote, "I truly admire her love of teaching and the incredible amount of energy she invests each day to help her students learn and grow." Petrovich has spent the majority of her 29 years in the district at Mears and plans to retire at the end of this year.

The classified/support winner is Hyun Shin, BPO at Goldenview Middle School. Shin has worked for ASD for eight years. In school principal Julie Maker's nomination letter, she wrote that one of Shin's greatest gifts is his ability to touch each student as an individual. She said Shin is generous with his time, energy and love. Those sentiments are included throughout the dozens of letters of support submitted by students. Staff members also noted Shin's strong work ethic, eagerness to assist, and his warm smile. Goldenview's Technology Coordinator, Andy Holleman, said Shin is a person who chooses every day to make himself a crucial part of the school's staff. Staff members are also grateful of his gardening skills and his ability to keep the plants in the school alive.

Rebecca Midles, assistant principal at Highland Tech Charter School, won the award in the administrator category. Midles routinely communicates high expectations, strong professionalism and is respected and admired by staff and students. Her nominator, Principal Mark Standley said Midles has "super hero" status among students who presented her with an embroidered cape to show their appreciation for her unyielding efforts to help them succeed in the face of obstacles. Standley went on to say that a number of students received their diplomas as a direct result of Midles care and guidance, along with her vigilance towards their continued progress.

Mr. Tuck read that there were several outstanding teams nominated for the Denali Award this season. Two groups of coworkers have done such outstanding jobs, their exemplary efforts created a tie for top honors. The Fall 2008 Denali team award goes to the Safe and Drug Free Schools staff and Orion Elementary School bus drivers.

The Safe and Drug Free Schools team has been a part of ASD in one form or another since 1986. Since then, the team has provided high-quality staff trainings, personalized assistance on mini-grants, led the annual Assets Fair and mediator rally, implemented the School Climate and Connectedness Surveys, and facilitated a number of other collaborative programs. The SDFS team also leads the Social and Emotional Learning program in the district. Michael Kerosky, supervisor of SDFS, noted the team constantly seeks ways to involve students through peer education and mediation, Change of Heart, and other programs that help this community remember the power and potential of our young people. Scenic Park Elementary Principal Pollard supported the team's nomination and noted SDFS stays on top of current research and has been the driving force in positive change in ASD schools. In Begich Middle School Principal Jeanne Fischer's letter of support, she remarked all of the team's efforts, from the specific classroom interventions and activities to the districtwide initiatives, establish the foundation for a healthy, open and proactive district. The SDFS team is made up of Stan Mayra, Julie Vincek, Ann McKay Bryson, Heather Coulehan, Becky Severson, Vickie Blakeney, Mike Burbridge and Christina Sumey and is supervised by Michael Kerosky.

The other team receiving the Fall 2008 Denali Award is the school bus drivers at Orion Elementary School. Drivers Scott Stubberud, David Bybee and Charlie Grive work for Forsythe Transportation, a contractor to the Anchorage School District. Nominator Ruth Tweto, Orion's principal, said the drivers pleasantly worked through road construction challenges at the school and went out of their way to drop students off at each home when a bear was spotted in the area. The school notes that under these drivers' supervision, complaints have decreased and students' positive attitudes about riding the bus have increased. Nearly 20 students submitted letters of support, each wrote about how the drivers are timely, care for them, keep them safe, and even bring the students books to read while on the bus.

The School Board recognized these Denali Award recipients, and all of the nominees, for the example of excellence that they set for the entire Anchorage School District community.

Bond Issue Preliminary Survey Results - Dittman Research and Communications

Ms. Comeau introduced Mr. David Dittman of Dittman Research. The district contracted with Dittman Research this year to do some surveying

prior to making any recommendations regarding bond propositions. Ms. Comeau explained that no recommendations have been made at this point and, therefore, the board will not be taking any action relative to bonding at this time. A bond recommendation proposal will be brought forward to the board in January. This presentation is an opportunity for the board to receive an update on the survey results, ask questions, hear public testimony and have discussion on this topic.

Mr. Dittman reviewed the survey questions and the survey results. The questions were first presented as two separate bonds, one for \$71 million providing mainly for construction and renewal and one for \$27 million providing mainly for maintenance and future school site acquisition. The question was then put together presenting one bond issue for \$98 million. The same questions were then presented along with the possibility of debt reimbursement which would greatly reduce the amount of annual property tax increases. The survey results indicated that the bonds are much more likely to pass with the debt reimbursement from the legislature. The most convincing argument in support of the bonds is that nearly 60 percent of the cost of the bonds is eligible for reimbursement. It is clear that the legislative debt reimbursement is critical to getting any bond issue passed.

Mr. Higgins asked if there is any anticipated shift over time that can be identified through the survey process. Mr. Dittman explained that historically results are less supportive on bond issues on Election Day than they were during the polling period prior to an election. Much of it will really depend on the additional information that is available to voters over time.

Mr. Steiner wondered if Mr. Dittman had any insight as to the viability of the two bonds separately as opposed to one larger bond. Mr. Dittman offered his opinion that the smaller bond related mostly to maintenance and site acquisition would pass as a separate measure but that the larger bond related to construction and renewal would be more difficult. Mr. Friedman noted that it would be very helpful to have a recommendation as to whether the proposal should include two separate bonds or one combined bond.

D. ANNOUNCEMENTS

E. SPECIAL ADVISORY REPORTS

1. Student Advisory Board

Mr. Jose DelReal was not able to attend the meeting.

2. Military Delegate

Lt. Col. Luu reported that this would be his final meeting as Military Delegate to the Anchorage School Board. Col. Luu introduced Col. Shutt who will be taking on part of the responsibility as Military Delegate along with a representative from Elemendorf Air Force Base. Col. Luu also introduced Col. Joe Pedone, Pacific Command, Dr. Jean Silvernail, Chief of Education for Pacific Command, Ms. Ruth Davis, Army Pacific, and Ms. Teri Clark, Air Force Pacific. Col. Luu indicated that these individuals were here as the military community begins to look at a number of new initiatives that will impact the education of military dependents. One of those initiatives, The Interstate Military Compact, will provide an opportunity for the military to engage with local and state education officials to discuss how to help military dependents as they transition from location to location through their parent's military career. This Interstate Compact will help foster a new way to recognize the many challenges these students face. There are currently eleven states that are participating in this Compact. Alaska is considering participation at this time.

Ms. Comeau noted how much the district has appreciated Lt. Col. Luu's committed service, not only to the Anchorage School District but also to the state as he serves on the State Board of Education. Mr. Friedman presented Col. Luu a Goldpan as a token of the district's appreciation. He noted that the district's partnership with the military has been very rewarding.

3. M.E.C.A.C.

Mr. LaBelle reported that the MECAC has been working on their guidelines and they look forward to bringing them forward to the board in the near future.

Mr. LeBelle introduced Mr. James Beverly and Ms. Lori Picket, two new members of the MECAC whose appointment is on the Consent Agenda this evening. Ms. Gardner noted that the committee is in the process of setting up interviews for two additional seats.

F. PERSONS TO BE HEARD NON-AGENDA ITEMS

Mr. Friedman noted that there are a number of people to speak on one of the items from the Superintendent's Report on the topic of the Preliminary 2009 General Obligation Bond Discussion. He offered those individuals the opportunity to speak at this time rather than later in the meeting. Mr. Steiner requested that the discussion on that item be moved so as to be held immediately following the public testimony so that the public could hear the discussion. With no objection, discussion on the 2009 General Obligation Bond was moved to precede the Consent Agenda.

Ms. Chelsea Marlow, Service High School Student Body President, spoke in support of the Service High School Addition and Renewal on the preliminary bond recommendation. She described conditions at Service and how the bond money would impact the students. Ms. Marlow urged support for this bond recommendation.

Mr. Lou Theiss noted that he was encouraged by the bond survey results. He reported that the School Bonds Yes! organization will continue to be supportive of the passage process and the school renewal process. He explained that, when trying to balance the good will and future support of the electorate with the need for renewed educational space it is important to remember that facilities matter. Facility renewal helps re-evaluate entire programs and helps keep them effective. The 60 percent legislative reimbursement is one of the best deals nationwide and we should continue to take advantage of it. At the same time Anchorage municipal taxpayers have arguably the lowest cumulative tax burden of any city in the nation. Mr. Theiss emphasized the importance of community participation in the process.

Mr. Steve Pifer spoke in support of bonding for the Service High School Addition and Renewal. He noted the difference that attending school in a clean, modern facility can make in the lives of our students. Mr. Pifer explained that School Bonds Yes! has developed a website that they intend to use to help get information regarding the bonds out to voters. An educated and informed voter will make the right decisions. He explained that now is the time to come together to meet the needs at Service High School. Mr. Pifer explained that with the tax reimbursement in place there really is no better time or way to invest than now when taxpayers are able to get a dollar of value for every 40 cents that they invest. That is a good return on investment even in these tough economic times. Mr. Pifer

recommended that the two suggested bond issues not be combined. There is something to be said for giving the voters a choice rather than trying to garner support for one bond that would be pushing \$100 million and would likely draw a great deal of criticism.

Several Girdwood students including Samuel Doepken, Natalie Sword, and Hannah Lukes spoke in support of bonding for the Girdwood School Design. They highlighted many problems that are at issue at Girdwood including classroom size, lack of computer and science labs, the size of the gymnasium and too few classrooms which limits academic opportunities. They encouraged the board to support the Girdwood School Design on the bond recommendation.

Ms. Chris Malecha, a parent of two Girdwood students, spoke on the need to improve the facility at Girdwood School. She explained how the inadequate classroom space at Girdwood impacts the ability to offer the necessary differentiated instruction that students need. She encouraged the board to support the bond recommendation in order to move forward on the Girdwood School Design.

Ms. Kathy Recken, Girdwood School principal, asked the board to keep the needs of Girdwood in the forefront of their minds as they make decisions regarding the bond recommendations.

Several parents, students and teachers from Service High School including Mr. John Bulkow, Mr. Conner Mamikunian, Mr. Chad Sant, and Mr. Mark Kroloff spoke in support of including the Service High School Addition and Renewal on the bond recommendation. Mr. Bulkow noted how tragic it would be to fail to take advantage of the reimbursement being offered by the legislature to complete the necessary work at Service. Mr. Mamikunian reviewed a number of shortcomings that he perceives at Service compared to other district high schools including the inadequate weight room, the small auditorium, the lack of an indoor track facility, and the poor conditions found in the auxiliary gymnasium. Mr. Kroloff pointed out several long-run benefits of moving forward on the Service project including the reduced operating costs for the school, energy conservation and fundamentally lengthening the useful life of the entire facility.

Ms. Cheryl Childers spoke on the topic of social justice. She noted that a recent email was circulated through the district encouraging schools to join with WalMart as a business partner. Ms. Childers felt that she needed to raise some awareness regarding WalMart's reputation as a business

that violates worker's rights. Partnering with such a business does not appear to support the vision of the School Business Partnership program. She strongly urged the board to do their own research into the business practices of this corporation and to carefully scrutinize all businesses to be sure that the district is linked with organizations that have the highest ethical and human rights standards possible.

Discussion moved to Item #2 of the Superintendent's Report, ASD Memorandum #192, Preliminary 2009 General Obligation Bond Discussion.

Ms. Comeau voiced her appreciation to all of the students, parents and staff that came to speak this evening in support of the bonds. One of the reasons that a recommendation was not on the agenda this evening is that the administration really wanted to hear from the board on any questions that may have come to light in response to the presentation on the Bond Survey. The recommendations developed by the district's Capital Request Advisory Committee as delineated in this memorandum are for two bond propositions totaling \$98,625,000. The administration will bring a recommendation forward to the board for approval at their January 12, 2009 meeting. Any bond recommendation approved by the board will be presented to the Assembly on February 3, 2009.

Mr. Tuck asked about the development of site-specific educational specifications and a master plan which had been funded through previous voter-approved bonds. Mr. Amsden explained that the district currently has funding that is designed to develop a master plan which has just been initiated in the last couple of weeks. There is an RFP out to select a consultant to do that master plan work. Ms. Comeau noted that a meeting was held with members of the Girdwood community at the beginning of December to discuss issues related to the school. The community, staff and students will certainly be involved as this process proceeds.

Mr. Steiner noted that the Whaley School Design had also been proposed for this year on the Long-Range Capital Improvement Recommendations. He asked whether the district can stand to push that design back. Ms. Comeau explained that Whaley School is in the process of restructuring their instructional program. She noted that the administration believes that they need to have some considerable discussion with the parents of that student population and the agencies that help support those students. The administration does not believe that it is ready to bring forth a recommendation at this point.

Mr. Steiner asked Mr. Amsden to explain how the money indicated in the Service High School Addition and Renewal would be used. Mr. Amsden explained that, with current project conditions, the \$79 million originally projected for the Service project had grown to an estimated \$93 million. That amount was felt to be an unsupportable figure. Mr. Amsden explained that he and staff from the Facilities Department had worked with the architects to look at ways to come close to the Master Plan to achieve those desirable results in terms of delivering programs and renewing the building within a workable budget. The proposed revised plan does almost everything that was in the Master Plan with some minor compromises. Mr. Amsden briefly reviewed several of the suggested compromises.

Mr. Steiner asked for an explanation of the process that the district will go through to get to the final approval of the concept for this project and the degree of confidence in this price tag in light of the fact that the full concept design has not yet been approved. Mr. Amsden explained the steps that have already been taken in this process and steps still needed including approval by both the School Board and the Assembly. He indicated that he felt fairly confident on the cost of the project. Mr. Amsden noted that he expects that they will be seeking approval for a General Contractor/Construction Manager delivery such as was used at Eagle River High School and Clark Middle School. With that model the contractor will be involved early in the design process. The project will still be faced with phased delivery of construction but it will be able to be sequenced to minimize cost, time and other related impacts to the school. It is felt that this delivery process should save a year in time. It will also offer the advantage of setting a guaranteed maximum price early so that there are no surprises on bid day. Mr. Steiner wondered if the district has used this contracting model for a renovation on an existing school. Mr. Amsden indicated that the district is currently using this exact model at Sand Lake Elementary.

Mr. Steele voiced his concern about the size of the bond package. He believed that, although the proposal is sound, there should still be some additional discussion regarding splitting the bond proposals. Mr. Steele also voiced his concern with going from a Six-Year CIP to a Ten-Year CIP. He indicated that he was fairly confident that he was supportive of going forward with the size of bond package being proposed.

Mr. Steiner asked when the district could expect to have enough of a design to get to a Guaranteed Maximum Price should the bonds pass in April. Mr. Price noted that while it is too soon to know what the actual

components and implementation of this project will be the district has done a Fit Analysis to see how the major components could interrelate. As that relates to the GMP issue he explained that if the decision is made to go forward and some of the design efforts could be started early we could be looking at schematic design completion perhaps as early as the end of July 2009. This is such a large project that waiting for all of the design to be completed before seeking a GMP would slow down the delivery of the process. Mr. Price felt that this project will need to be seriously looked at to see if we would want to generate GMPs incrementally on major components. With partial GMPs the project could be done sequentially which would save a great deal of time in the process. Construction could begin in late 2009 or early 2010. Mr. Steiner explained that he was trying to determine whether it was necessary to include the full dollar amount for the construction on this project on the upcoming bond. Mr. Amsden explained that there is value to fully-funding the project so that the best, most economical decisions can be made knowing that there are enough funds to finish the project. Ms. Comeau also pointed out the voters have indicated that they do not like to vote on different phases of the same project. This information came out through an extensive voter survey after the bonds failed three years ago.

Ms. Kennedy wondered whether the district can secure a good contract if the companies bidding know in advance how much money is available for the project. Mr. Amsden explained how well the process has worked at both Eagle River High School and at Clark Middle School. Mr. Price explained how the checks and balances within this process work. It is a very straight forward, open book process. Ms. Kennedy wondered why the district is not using the same process with Girdwood Elementary School. Mr. Amsden explained that it is their belief that, depending on the type of project, the traditional low-bid process still fits. The Girdwood project doesn't have the same magnitude or complexity as the larger project at Service High School.

Mr. Higgins indicated his support for the bonds and believed that keeping them separate is a good idea. He urged the administration to go forward with the bond recommendations.

Ms. Kennedy asked about the timeframe for completion of the entire project. Ms. Price explained that by going forward with the alternative delivery method and starting the design a little bit early the project would be completed by the end of 2012. A traditional design, bid, build process would add at least a year to that timeline.

Ms. Kennedy noted that none of her comments should be a reflection on the need for these particular projects. She has no doubt about the value of the projects. That being said she raised some concern regarding the economic situation and the impact that will have on the budget. She was also concerned about increasing the district's bonded indebtedness. Ms. Kennedy referenced the governor's press release on her budget proposal and noted that, on first glance, it actually looked pretty encouraging. She was concerned, however, with whether the district's projects would be covered by the legislature's debt reimbursement program. Ms. Kennedy was also concerned that the governor was basing her budget on \$71 a barrel oil prices which have not been seen in several weeks.

Ms. Kennedy asked where the district is on the Facility Assessment. Mr. Amsden noted that the Facility Assessment is important but that the administration is looking at ways to fund it without having to go to bond to pay for it.

Ms. Comeau noted that recent discussions she has had with Mr. Eddie Jeans and a couple of legislators leads her to believe that this legislature clearly understands that in order to give capital project money to rural Alaska they have to support the larger communities who have to bond to get their projects built. She believed that a strong case can be made to our legislative leaders that debt reimbursement is absolutely critical.

Ms. Kennedy asked about the districtwide site acquisition in relation to a site in Eagle River. She recognized the there is an ongoing effort to keep watching that population numbers and what property is available in that community. She understood that when the district bonds for site acquisition those funds do not go to purchase a specific piece of property but rather they go into a pool for overall site acquisition. However this bond looks as though the funds are specifically targeted to Eagle River. She noted that if the funds are truly for an Eagle River site she would like to have a discussion about the real need in that community. Ms. Kennedy felt that if the numbers for the Eagle River do not support a targeted site acquisition in that area it would be wiser to wait to bond for the site given the economic climate.

Ms. Comeau noted that the district committed to that community when most of the money available was used to purchase the site for Begich Middle School. There is a slight amount left at this time and the only remaining site selection project is long range planning for Chugiak/Eagle River. There is growth in that area. Mr. Vakalis added that the supply of available land is dwindling even in the Eagle River area. There are

currently two possible sites that are large enough to accommodate the district's needs. The cost of this land will not get any cheaper in the future. If the item is not on the bond and the money is not available when a window of opportunity exists the district will really lose out.

Mr. Steiner voiced his belief that it was beneficial to have this item on the bond package as a districtwide site acquisition. This will allow the district to shift direction and focus as timing and need dictate which has been beneficial to do in the past. While there is no current need to build a school in Eagle River it is an area that will need a school at some point in the future. Mr. Steiner noted that this is an ideal economic time to acquire property as land will be much more expensive as land development in the area continues.

Mr. Roberts voiced his support for the bond packages. He indicated that this board has prioritized the education of our students and the safety of our facilities. He felt that it was very important to take action to assure that Service High School not fall into the same condition as other recently renovated or rebuilt schools such as Clark Middle School, Sand Lake Elementary or Chester Valley Elementary.

Ms. Kennedy requested some clarification on the Eagle River High School Water & Sewer Line Extension. Mr. Amsden explained that the district is under legal obligation to extend both water and sewer down the length of the property. That is a standard development AWWU requirement. When the school was constructed it was the view of the utility that the need to do that was way out in the future so they suggested that the district defer that full extension because of the cost. There is a nearby developer that recently provided notice to the utility company that they would like to have those utilities available to them and they plan to begin the development of their property in 2010. This improvement must be in place by fall of 2009 making it an emergent, urgent need.

Mr. Friedman noted that having the bond packages equal to the amount that the district had paid off had always been a convincing argument to him and to most of the public officials he has spoken to and yet it has not historically been very convincing to the general public. He believed that the district should aim to do that whenever possible because it is fiscally sound. He noted that he was generally supportive of moving forward with the bonds as presented.

Ms. Comeau voiced her appreciation for the conversation this evening. She believed that it would be helpful in making a decision on what should be brought forward to the board for action on January 12, 2009.

Mr. Friedman noted that discussion on the Evaluation of the 2007-2008 Six-Year Instructional Plan will be postponed until the next meeting due to the length of this meeting.

The board went into recess at 9:12 p.m. and was called back into session at 9:20 p.m. by Mr. Friedman.

H. CONSENT AGENDA

Consent Agenda is attached. **All attachments referred to in memoranda Recommendations are on file in the Superintendent's office.**

1. Approval of Minutes

- a. Regular Meeting - October 13, 2008
- b. Special Meeting - December 1, 2008
- c. Special Meeting - December 4, 2008

2. ASD Memorandum #140 - Superintendent Evaluation and Contract

It is recommended that the School Board approve the attached contract with Superintendent Carol Comeau for a three-year period beginning January 1, 2009 and ending on December 31, 2011 with an annual salary of \$165,000.

3. ASD Memorandum #139 - 2009 Legislative Priorities

The legislative subcommittee of the Anchorage School Board recommends the board approve and adopt the 2009 Anchorage School District Legislative Priorities (Attachment A). The subcommittee further recommends that the board ask the superintendent to prepare a list of specific initiatives relating to each of the board's legislative priorities to enhance our advocacy to the legislature.

4. ASD Memorandum #164 - Request for Additional Staffing for Enrollment and Program Need

It is the Administration's recommendation that the School Board authorize the Superintendent to increase the budgeted number of

teachers, teacher assistants, and tutors to meet the need due to increased enrollment and to provide services for the FY 2008-2009 school year as described in the Pertinent Facts. It is estimated that the prorated cost for teachers is \$399,100, for teacher assistants is \$107,834, and for tutors is \$112,000 for a total of \$618,934.

5. ASD Memorandum #163 - Approval of 403(b) Plan Document

It is the Administration's recommendation that the School Board approve the attached Resolution Adopting Anchorage School District 403(b) Defined Contribution Plan and, thereby, approve the attached written plan document for the Plan; and suspend the second sentence of Board Policy 536.3.

6. ASD Memorandum #154 - Appointment of Minority Education Concerns Advisory Committee Members

It is the Administration's recommendation that the School Board appoint James Beverly (Attachment A) and Lori Pickett (Attachment B) to the Minority Education Concerns Advisory Committee (MECAC).

7. ASD Memorandum #124 - Amendment to the ASD Education Center Lease

It is the Administration's recommendation that the School Board approve and authorize the superintendent to amend the existing lease with Boniface Center, LLC, adjusting the current space occupied by the District Administration known as the ASD Education Center to the net rentable square feet of approximately 122,672 in accordance with Building Owners and Managers Association (BOMA) standards; adding the existing Highland Tech space of approximately 21,890 net rentable square feet effective upon the expiration or earlier termination of Highland Tech's lease; exercising the second renewal option for the five-year period commencing July 1, 2015; providing for a \$100,000 allowance from the District's lessor; and adding a requirement that the lessor provide an on-site property manager for the space leased by the District, on a half-time basis.

8. ASD Memorandum #149 - Acceptance of Continuing Sub-Recipient Grant Award: US Skills, Inc.

It is the Administration's recommendation that the School Board approve and authorize the Superintendent to accept grant funds from

US Skills, Inc. in the amount of \$75,000 for the period of January 1, 2009 to December 31, 2009.

9. ASD Memorandum #153 - Acceptance of Grant Award: Alaska Railroad Summer 2009 Youth Employment Program

It is the Administration's recommendation that the School Board approve and authorize the Superintendent to accept grant funds from the Alaska Railroad Corporation for an ongoing program described in a current Memorandum of Agreement. This award for \$34,000 supports supervised summer employment for youth from the Martin Luther King, Jr., Career Center.

10. ASD Memorandum #155 - Acceptance of Grant Award: National Council on Economic Education for Eagle River Elementary School

It is the Administration's recommendation that the School Board approve and authorize the Superintendent to accept a grant for \$9,918 from the National Council on Economic Education. Funds will be used to support MicroSociety at Eagle River Elementary School.

11. ASD Memorandum #157 - Acceptance of Grant Award: Rilke Schule German Charter School of Arts and Sciences

It is the Administration's recommendation that the School Board approve and authorize the Superintendent to accept a grant for Rilke Schule German Charter School of Arts and Sciences, from the Federal Republic of Germany, in the amount of \$21,371.

12. ASD Memorandum #160 - Acceptance of Sub-Recipient Grant Award: southeast Regional Resource Center, Inc. for Alaska Parent Information and Resource Center

It is the Administration's recommendation that the School Board approve and authorize the Superintendent to accept a sub-recipient grant from the U.S. Department of Education through a contract with the Southeast Regional Resource Center (SERRC) in the amount of \$148,084 for the Alaska Parent Information and Resource Center.

13. ASD Memorandum #162 - Acceptance of Contract Agreement: Cook Inlet Tribal Council Second Order Prevention Project

It is the Administration's recommendation that the School Board approve and authorize the Superintendent to accept a contract agreement with the Cook Inlet Tribal Council in the amount of \$275,000.

14. ASD Memorandum #165 - Approval of Site Acquisition for the Southwest Anchorage Middle School

It is the Administration's recommendation that the School Board approve the acquisition of Site M-1A for a middle school as identified in the Southwest Anchorage Elementary and Middle School Site Selection Evaluation Amendment #1 Tract 9A Westpark Subdivision School Addition dated July 7, 2008 in the amount of \$6,250,000 plus applicable closing costs.

It is further recommended that the School Board approve and authorize the use of Capital Project Funds interest earnings in the total amount of \$930,560 to fully fund the site purchase.

15. ASD Memorandum # 143 - Personnel Report

It is the Administration's recommendation that the School Board approve the attached Personnel Report.

Mr. Steiner requested that Memorandum #164, Request for Additional Staffing for Enrollment and Program Need, and Memorandum #124, Amendment to the ASD Education Center Lease, be pulled for discussion.

Ms. Kennedy requested that Memorandum # 163, Approval of 403(b) Plan Documentation, be pulled for discussion.

ACTION:

Moved by: John Steiner
Seconded by: Pat Higgins

To approve the Minutes of the Regular Meeting of October 13, 2008 and the minutes of the Special Meetings of December 1, 2008 and December 4, 2008 and Memoranda #140, #139, #154, #149, #153, #155, #157, #160, #162, #165 and #143.

Mr. Roberts requested that the record reflect that he was not in attendance at the December 1, 2008 meeting and he, therefore, would be abstaining from the vote to approve those minutes. Mr. Friedman noted that it would be acceptable for Mr. Roberts to vote on that item as part of the Consent Agenda.

Mr. Steiner noted that his daughter was recently approved as a substitute teacher for the district and to the extent that some of the grants allow for substitutes he has a possible technical conflict. While his daughter is currently out of state and he was unsure whether she would actually be doing any additional substitute work for the district Mr. Steiner wanted that information reflected on the record. The chair ruled that there was no conflict.

VOTE:

Ayes: Friedman, Kennedy,
Higgins, Roberts,
Steele, Steiner, Tuck

Nays: None

MOTION PASSED

ASD Memorandum #164 - Request for Additional Staffing for Enrollment and Program Need

It is the Administration's recommendation that the School Board authorize the Superintendent to increase the budgeted number of teachers, teacher assistants, and tutors to meet the need due to increased enrollment and to provide services for the FY 2008-2009 school year as described in the Pertinent Facts. It is estimated that the prorated cost for teachers is \$399,100, for teacher assistants is \$107,834, and for tutors is \$112,000 for a total of \$618,934.

ACTION:

Moved by: John Steiner
Seconded by: Chris Tuck

To increase the budgeted number of teachers, teacher assistants, and tutors to meet the need due to increased enrollment and to provide services for the FY 2008-2009 school year as described in the Pertinent Facts. It is estimated that the prorated cost for teachers is \$399,100, for teacher assistants is \$107,834, and for tutors is \$112,000 for a total of \$618,934.

Ms. Comeau recalled that the administration had come forward in September to request additional staffing due to the increase of enrollment

over projections. She had noted at that time that the district was continuing to receive students. That trend has continued throughout the first semester, particularly at the elementary level. Ms. Comeau noted that this request will not cause the district to exceed the approved upper limit of the budget. She urged the board to support this recommendation so that staff can be hired to support these students.

Mr. Steiner noted that he had pulled this memorandum in order to highlight the specific areas that will be supported with the additional staffing including English Language Learner program, the Indian Education program, and the Gifted program. He noted that the dollar amount that is stated in the memorandum is only for half of a year. He is supportive of this recommendation and is particularly hopeful that the additional staffing in the Indian Education program will help address some of the issues that may be holding those students back.

Mr. Steiner noted his understanding that the increased enrollment that necessitated these additional positions will result in additional state funding. Given that the cost of the additional staff does not exceed the upper limit spending authorization he wondered whether those additional funds would result in a revenue surplus at the end of the year. Ms. Stokesbary explained that the OASIS count has not been finalized yet so we do not know how exactly how much funding to expect. If the district was to receive the exact amount of the original request it would result in an additional \$2 million. The district generally loses some funds through the OASIS due to duplication with other districts. In response to the second part of the question Ms. Stokesbary explained that, due to current market conditions the district's interest earnings will likely not materialize. The additional funds in the base student allocation may well be lost in lower than projected interest earnings.

Ms. Kennedy asked about the high school program in the memorandum that is to start spring semester. She wondered when that program is scheduled to begin and whether there is any funding for transportation included in the program. Ms. Comeau noted that this program is still in the development stage. The goal is for the program to begin some time second semester but there is not a specific start-up date has not yet been established. The program will not provide transportation services. In response to further concern voiced by Mr. Higgins it was explained that the program will be run in conjunction with the Juvenile Justice System. The district has been working in partnership with various community agencies through the School Engagement Work Group Intervention Subcommittee of the Anti-Gang & Youth Violence Policy Team to develop

this program. The district is only committing to provide one teacher and some administrative help from the principal at McLaughlin. The rest of the staff is coming from other agencies.

Mr. Tuck asked how many additional Indian Education students have enrolled than were forecasted for this year. Ms. Doreen Brown noted that there were about 500 more students in the Indian Education program at the beginning of the year than were expected. There are now about 740 students in the program so there has been an increase of about 240 more since the beginning of the year. There are now a total of 8,711 students in the Indian Education program.

VOTE:

Ayes: Friedman, Kennedy,
Higgins, Roberts,
Steele, Steiner, Tuck

Nays: None

MOTION PASSED

ASD Memorandum #163 – Approval of 403(b) Plan Document

It is the Administration's recommendation that the School Board approve the attached Resolution Adopting Anchorage School District 403(b) Defined Contribution Plan and, thereby, approve the attached written plan document for the Plan; and suspend the second sentence of Board Policy 536.3.

ACTION:

Moved by: Crystal Kennedy
Seconded by: Chris Tuck

It is the Administration's recommendation that the School Board approve the attached Resolution Adopting Anchorage School District 403(b) Defined Contribution Plan and, thereby, approve the attached written plan document for the Plan; and suspend the second sentence of Board Policy 536.3.

Mr. Friedman noted that the last clause which would suspend the second sentence of Board Policy 536.3 requires five (5) votes in the affirmative.

Ms. Kennedy requested some clarification on the purpose of the resolution as opposed to simply adopting the plan. In addition, she asked for clarification as to what the Board's responsibility is and what kind of oversight the Board will have with respect to the 403(b) Defined Contribution Plan.

Mr. Mark Melchert, attorney with JDO, explained that the reason for a separate resolution is to have a separate document adopting a plan that the district can provide as evidence of the formal adoption of the plan by the Board. The district is working with a vendor, Great West, who requires evidence of who within the district has authority to sign plan amendments and make decisions with respect to the plan. That is the reason for the specific designation of responsibility within the resolution. Mr. Melchert indicated that the most likely amendments to the plan would be amendments to insure compliance with the Tax Code and Internal Revenue Service requirements. The plan does need to be adopted by the Board but there is no anticipation that technical amendments will be brought back before the Board. The written plan document basically established the essential attributes of the plan and was provided by the vendor. The plan is very similar to a model plan that was published by the IRS. Great West will then be a service provider with respect to administrative and recordkeeping services for the plan and will also provide investment options. This plan document is different than the contract between ASD and Great West.

Mr. Tollefsen explained that the Board does not really have a role in terms of oversight once the plan document is adopted. One of the reasons the district hired a consultant to assist the district is to help reduce any fiduciary liability. Mr. Tollefsen noted that performance results can be provided on a routine basis if board members would like that information. Mr. Friedman indicated his belief that it would be beneficial to have some information about how this plan is working be presented as part of a Human Resources report on a regular schedule. Mr. Steele voiced his concern that the Board is taking on some responsibility and some liability by adopting the plan. His understanding was that the contractor has been hired to implement the plan based upon the guidance given in the plan.

Mr. Higgins noted that he was surprised by the fact that the resolution identifies and authorizes both the Superintendent and the Executive Director of Human Resources to act on the Board's behalf. In his experience there is normally only one plan administrator. Mr. Melchert explained that the Anchorage School District is actually named as the plan administrator in the plan document. The purpose of the resolution is to

designate and delegate authority to someone in the administration. During discussion concern was raised with regard to the wording of the resolution and the designation of two entities that would be required for action with respect to the plan. Mr. Melchert noted that that was not the intention. Mr. Steiner proposed both a modification to the resolution and an amendment to the modification. Mr. Melchert suggested that it would be better that the line of authority and delegation of authority is clear as opposed to the language offered in the amendments. He believed that it would be better just to designate the Superintendent with ultimate authority and she could then delegate functions as necessary. In light of that direction and with no objections voiced by other board members, Mr. Steiner withdrew both his original motion to amend and the amendment to that motion.

AMENDMENT:

Moved by: John Steiner
Seconded by: Crystal Kennedy

To delete “and the Executive Director of Human Resources” form the last paragraph of the resolution.

The amendment passed by unanimous consent.

The discussion returned to the Main Motion as amended which was approval of 403(b) plan document along with the resolution that has been amended and the suspension of the second sentence of Board Policy 536.3.

Mr. Steiner asked whether a legal review has been done to the point that there is confidence that this document is compliant with IRS regulations. Mr. Melchert reported that that review has been done and that there is nothing materially different than the model plan published by the IRS. There are some provisions in this document that are different than the model because additional provisions were put into place by the IRS after their model had been published. Those provisions are in this document.

Mr. Steiner explained that, when the Great West contract was approved, it had been his understanding that the new IRS requirements required approval of a single provider. He has since learned that that was not correct and that there are provisions for other vendors to participate. He requested some information as to the reasons for the district selecting only one vendor. He also wondered whether the adoption of this plan further locks in the notion that there can be only one vendor or if that decision could be revisited in the future. Mr. Tollefsen reviewed the reasons for selected only one vendor including pricing and recordkeeping. Having

more than one vendor would require an additional management contract to coordinate recordkeeping between vendors if more than one were being utilized. That decision, however, could be revisited in the future if necessary.

VOTE on MOTION as AMENDED:

Ayes: Friedman, Kennedy,
Higgins, Roberts,
Steiner, Tuck

Nays: Steele

MOTION PASSED

ASD Memorandum #124 - Amendment to the ASD Education Center Lease

It is the Administration's recommendation that the School Board approve and authorize the superintendent to amend the existing lease with Boniface Center, LLC, adjusting the current space occupied by the District Administration known as the ASD Education Center to the net rentable square feet of approximately 122,672 in accordance with Building Owners and Managers Association (BOMA) standards; adding the existing Highland Tech space of approximately 21,890 net rentable square feet effective upon the expiration or earlier termination of Highland Tech's lease; exercising the second renewal option for the five-year period commencing July 1, 2015; providing for a \$100,000 allowance from the District's lessor; and adding a requirement that the lessor provide an on-site property manager for the space leased by the District, on a half-time basis.

ACTION:

Moved by: John Steiner
Seconded by: Chris Tuck

To approve and authorize the superintendent to amend the existing lease with Boniface Center, LLC, adjusting the current space occupied by the District Administration known as the ASD Education Center to the net rentable square feet of approximately 122,672 in accordance with Building Owners and Managers Association (BOMA) standards; adding the existing Highland Tech

space of approximately 21,890 net rentable square feet effective upon the expiration or earlier termination of Highland Tech's lease; exercising the second renewal option for the five-year period commencing July 1, 2015; providing for a \$100,000 allowance from the District's lessor; and adding a requirement that the lessor provide an on-site property manager for the space leased by the District, on a half-time basis.

Ms. Comeau explained that the administration believes this to be a good investment for the district for the future. The district's needs have been successfully met in this facility.

Mr. Steiner explained that he had pulled the recommendation because he was struggling with the concept of exercising an option today that the district has a right to exercise at any time between now and 2015. Taking that action provides \$100,000 toward moving or other expenses. Mr. Steiner was not confident that the future value of \$100,000 is worth making a decision that locks the district in today. He felt that the action was too speculative. Mr. Higgins shared the concerns raised by Mr. Steiner. He wondered what makes this a time-sensitive issue to the district.

Mr. Friedman noted that the district has the right to lock in at the same price over time if prices go up. If prices go down the district will have the ability to renegotiate the contract. However, he believed that the \$100,000 is greater than the risk that rental costs will go down substantially over that period of time. He voiced his support for the lease extension.

Mr. Tuck voiced his support for the recommendation. He pointed out the benefits and advantages that the district has experienced with the current landlord.

Mr. Roberts asked about the provision regarding the part of the building currently being leased by Highland Tech. That lease will expire on June 30, 2013. Ms. Comeau explained that Highland Tech has been given notice that the district has a need for that additional space and they have begun looking for other space for the future. Mr. Roberts could not imagine a scenario were the cost of leased space would decline.

Mr. Steiner did not feel that it was appropriate to make a decision now for the board that will be in place in 2013 unless he was extremely confident that they would be adversely affected if the decision had not been made. However, the board will continue to have the very same option at that time that is available today. He indicated that he would not be able to support the recommendation. During ongoing discussion Mr. Higgins and Ms. Kennedy voiced their concerns with supporting this recommendation. They agreed with Mr. Steiner that taking action at this time eliminates options for action in the future.

Mr. Vakalis clarified that, should this recommendation fail, the district would probably need permission to administratively correct the square footages to that, effective January 1, 2009, the new square footage would be in place. He also added that there is nothing in the community that is equivalent to this facility and there is none anticipated in the future. When the administration went out to do due diligence on this recommendation they also communicated with the business community to find out what is on the horizon for facilities of this nature and to determine their best guess as to future lease rates. The business community does not foresee any situation where the rates would be less than what is indicated in the information provided today.

AMENDMENT:

Moved by: John Steiner
Seconded by: Pat Higgins

To delete the second half of the recommendation such that the motion would read "To approve and authorize the superintendent to amend the existing lease with Boniface Center, LLC, adjusting the current space occupied by the District Administration known as the ASD Education Center to the net rentable square feet of approximately 122,672 in accordance with Building Owners and Managers Association (BOMA) standards."

Mr. Steiner reiterated that in his view to extend this far in advance would be an extraordinary measure which would only be appropriate if the deal that was being offered was so great that one would not feel comfortable

not doing it. Other than that it would not be appropriate to do. He did not feel that the offer is so extraordinary that it would be inappropriate not to do it.

Mr. Roberts asked whether the contract is retained if the landlord chooses to sell the property. Mr. Vakalis explained that the lease will stay in force should ownership of the property change hands.

VOTE on MOTION to AMEND:

Ayes: Kennedy, Higgins,
Steiner
Nays: Roberts, Friedman,
Steele, Tuck

MOTION FAILED

With no further discussion, Mr. Friedman called for the vote on the Main Motion as originally presented.

VOTE:

Ayes: Friedman, Roberts,
Steele, Tuck
Nays: Kennedy, Higgins,
Steiner

MOTION PASSED

I. SUPERINTENDENT'S REPORT

1. ASD Memorandum #140 - Project Status Report

This is a report of activities and project status changes in Major Capital Projects during the period of November 20, 2008 through December 4, 2008.

2. ASD Memorandum #192 - Preliminary 2009 General Obligation Bond Discussion

Information provided in this memorandum with attachments should assist the School Board in making decisions about items that should be included in the next bond election. Major decisions facing the School Board are the total cost of the bond propositions, the projects to be

included, and the packaging of the bond projects for the April 7, 2009 Municipal Ballots.

3. ASD Memorandum #146 - Monthly Update Student Information System

The project timeline indicates that all major benchmarks are on schedule.

4. ASD Memorandum #127 - Evaluation of the 2007-2008 Six-Year Instructional Plan

Discussion of this memorandum was postponed to the January 12, 2009 meeting in consideration of time constraints experienced at this meeting.

5. ASD Memorandum #138 - Class Size Report

This report for the 2008-2009 school year is divided into the following categories: Elementary Education, Middle School Education, High School Education, Special Education, Bilingual Education, and Charter Schools. In addition, the administration has compiled information on class sizes in the alternative programs and the student-to-counselor ratio at the eight major high schools.

6. ASD Memorandum #150 - Facility Contract Modification Report and Completed Project for the Month of November 2008

The monthly Facility Contract Modification Report for the month of November 2008 is attached. There are no exceptions to report this month.

7. ASD Memorandum #136 - Operating Budget Transfers - October Monthly Report FY 2008-2009

The attached report of budget transfers for the time period of October 2008 that were processed in the Integrated Financial Accounting System (IFAS) includes the following:

Attachment A: Report of Budget Transfers Over \$5,000, Report for individual transfers of more than \$5,000, which includes summarized justifications.

The schedule of monthly budget transfers processed for the month of October 2008 and related information are available in the Budget Department office for review by the School Board and members of the public.

8. ASD Memorandum #137 - Treasurer's Report/Financial Recap: October 31, 2008

The attached report consists of two parts: the Treasurer's Report and the Financial Recap. The Treasurer's Report and Financial Recap are presented monthly. Both sections include year-to-date information as of October 31, 2008 below.

J. PERSONS TO BE HEARD ON NON-AGENDA ITEMS

K. COMMUNICATIONS & SCHOOL BOARD COMMENTS

L. EXECUTIVE SESSION - PERSONNEL/FINANCE/NEGOTIATIONS LITIGATION

M. ADJOURNMENT

The Regular Meeting of December 15, 2008, was adjourned by unanimous consent at 10:35 p.m.

Jeff Friedman, President

Crystal Kennedy, Clerk

Johanna Lee, Recording Secretary

Date Minutes Approve