

MINUTES OF THE ANCHORAGE SCHOOL BOARD

REGULAR MEETING OF JANUARY 22, 2001

The Anchorage School Board met in Regular session on Monday, January 22, 2001 at 6:30 p.m. in the Board Room, at the Anchorage School District Administration Building. President Peggy Robinson presided.

A. CALL TO ORDER, ROLL CALL, FLAG SALUTE

Board Members Present: Peggy Robinson, Dave Werdal, Rita Holthouse, Tom Anderson, Harriet Drummond and Debbie Ossiander.

Others Present: Carol Comeau, Janet Stokesbary, George Vakalis, Pat McDowell, Jim Taylor, Patricia McRae, Gail Opalinski, Fred Stofflet, Robyn Rehmann, Norm Holthouse, Lee Wilson, Ellen Montague, Steve Kalmes, Ray Amsden, Bob Henry, Marie Laule, Bill Mikawa, Robin Siegfried, the press and other interested people.

The School Board opened the meeting with the Pledge of Allegiance to the Flag.

B. ANNOUNCEMENTS

Peggy Robinson announced the scheduled upcoming meetings.

Debbie Ossiander announced that the topic for discussion at the Policy Sub-Committee is a rewrite of the Section 800 of the policy manual.

Carol Comeau announced that ASD School Board Memorandum #184 (2000-2001) has been withdrawn from the January 22, 2001 Agenda. It will be brought back at a time when the Policy Sub-Committee is done with their work and we have the discussion in concert with the first and second readings of that particular policy.

C. APPROVAL OF AGENDA

The Agenda was approved as modified by unanimous consent.

D. AWARDS/RECOGNITIONS/PRESENTATIONS

None

E. SPECIAL ADVISORY REPORTSStudent Advisory

Hans Bernard announced that the Student Advisory Board plans to present a revision to the harassment policy to the School Board and Policy Sub-Committee.

The project he is working on with the State Association of School Boards will be edited the end of this week. He will be giving the Board copies of a booklet for School Boards across the country on how to implement positive youth representation on the Board.

Military Delegate

No report

M.E.C.C.

Mary Marks, MECC member, stated that the Committee met and discussed the Sub Committee reports on the Disciplinary and Curriculum Committees. She said Carol Comeau expressed her concerns at the meeting that the Committee should find the time to get together so they could find some solid grounds that they could share with the District. They did hear from the Superintendent's report regarding the Budget and additional members to MECC. The Committee also heard from Myrna Clark, coordinator for art, on the Proposal for Art I and Art II; MECC members were enthused about it.

Rev. Greene was out of town but Mary spoke on behalf of the Committee regarding the multicultural specialist position. After Carol Comeau's report, the Committee is willing to allow this position to be put on hold after hearing that the Bilingual teacher positions are being reviewed. The Committee would like to be involved in all decision-makings regarding this issue.

Dave Werdal asked about the Bilingual position that is being reviewed. Carol Comeau stated that the MECC wrote a letter and asked that the Administration and the Board consider adding a full-time multicultural specialist into the Budget. The Administration placed multicultural teachers in the FY 2001-2002 Budget instead of quality assurance specialists currently in the budget. They changed the title and will rework job descriptions to do more outreach in the area of multicultural

education. Peggy Robinson asked if they had a quorum at their meeting. Mary Marks stated that they did not have a quorum at their last meeting.

F. CONSENT AGENDA

1. Approval of Minutes:

- a. Special Meeting - December 11, 2000
- b. Regular Meeting - December 11, 2000
- c. Special Meeting - December 14, 2000

2. ASD Memorandum #191 – A Resolution Honoring National School Nurses’ Day – January 24, 2001

It is the Administration's recommendation that the School Board adopt the attached resolution recognizing January 24, 2001 as National School Nurses' Day.

3. ASD Memorandum #170 – Request To Revise Minority Education Concerns Committee Guidelines (Second Reading)

It is the Administration’s recommendation that the School Board amend Policy 173.3 (Attachment A) to allow an increase in the number of Minority Education Concerns Committee (MECC) positions from the current nine (9) positions to eleven (11) as requested by the MECC members. Terms of office for these two additional positions would expire on June 20, 2002.

4. ASD Memorandum #184 – Approval Of Increase In Facility Rental Fees

It is the Administration’s recommendation that the School Board approve the increase in facility rental fees effective July 1, 2001.

5. ASD Memorandum #134 – Calendar 2001-2006 School Years

It is the Administration’s recommendation that the School Board approve school calendars for the years 2001-2006, Attachments A-E.

6. ASD Memorandum #171 – Professional Services Selection: Year 2000 Bond Mechanical Systems Upgrades Phase 2 Design Services

It is the Administration's recommendation that the School Board approve the selection of CMH Consultants as the designer for Mechanical Upgrades at Bayshore, Gladys Wood, Lake Otis, and North Star Elementary Schools, SAVE 1 High School and Whaley School, and authorize the Superintendent to negotiate and enter into a contract with CMH Consultants for Professional Design Services as addressed in the Request for Proposals dated November 15, 2000.

7. ASD Memorandum #172 - Professional Services Selection: Schedule And Cost Contract Services For The Dimond High Replacement School Project

It is the Administration's recommendation that the School Board approve the selection of HMS, Inc. to provide Schedule and Cost Contract Services for the Dimond High School Replacement project and authorize the Superintendent to negotiate and enter into a contract with HMS, Inc. for the Consultant Services as addressed in the Request for Proposals dated November 13, 2000.

8. ASD Memorandum #189 - Award Of Contract: Chugiak High School Renewal Phase 2 Temporary Kitchen

It is the Administration's recommendation that the School Board approve and authorize the Superintendent to award a contract for the Chugiak High School Renewal Phase 2 - Temporary Kitchen to Arctic Structures, LLC, in the amount of \$184,848.

9. ASD Memorandum #190 - Acceptance Of Grant: Pathway Home Program (Phase 1)

It is the Administration's recommendation that the School Board accept a grant from Southcentral Foundation for Phase I of the Pathway Home Program for the second semester of the 2000-2001 school year.

10. ASD Memorandum #137 - Award Of Contract: Pupil Transportation Service Areas III, IV, V, VI AND VII

It is recommended that the School Board accept the "All or None" Pupil Transportation Proposal and authorized reimbursement for attendant salaries in Service Areas III, IV, V, VI and VII from First Student, Inc. for the daily rates as shown on the attached

Tabulation of Proposals for the five-year period (2001 - 2006) as follows:

Service Area III: West High School Attendance Area

1st year cost \$1,012,921.76

5-year cost \$5,064,608.80

Service Area IV: Bartlett High School Attendance Area

1st year cost \$1,459,706.81

5-year cost \$7,298,534.05

Service Area V: Anchorage Bowl Area

1st year cost \$1,423,754.08

5-year cost \$7,118,770.40

Service Area VI: Dimond High School Attendance Area,
Turnagain Arm and Girdwood

1st year cost \$ 2,560,010.59

5-year cost \$12,800,052.95

Service Area VII: Chugiak/Eagle River Area

1st year cost \$ 2,223,659.00

5-year cost \$11,118,295.00

The first year aggregate cost for all service areas is \$8,680,052.24; five-year cost is \$43,400,261.20 not including any Consumer Price Index for all Urban Consumers (CPI-U) adjustments and any adjustments necessitated by increases or decreases in enrollment. The projected first year reimbursement cost for attendant salaries in all Service Areas is \$834,758. The contract is subject to the approval of the Commissioner of the State Department of Education.

11. ASD Memorandum #198 – Recommendation For Eagle River High School Program

It is the Administration's recommendation that the School Board approve the title change of the proposed Chugiak/Eagle River Secondary School to Eagle River High School, and that the 2001 proposed bond proposition be amended to reflect this name change.

12. ASD Memorandum #173 – Personnel/Travel Report

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

The following items were removed from the Consent Agenda: ASD Memoranda #191, #170, #137, and #173.

ACTION:

Moved by Debbie Ossiander
seconded by Harriet Drummond

to approve the Minutes of the Special Meeting of December 11, 2000 (4:30 p.m.); the Minutes of the Regular Meeting of December 11, 2000 (6:30 p.m.); the Minutes of the Special Meeting of December 14, 2000 (9:30 a.m.);
Memorandum #134;
Memorandum #171;
Memorandum #172;
Memorandum #189;
Memorandum #190; and
Memorandum #198.

VOTE:

Ayes: Drummond, Ossiander, Werdal,
Robinson, Anderson, Holthouse

Nays: None

MOTION PASSED.

Dave Werdal noted that, on the Consent Agenda, the Board passed a calendar for the next five years and they had only approved one year at a time in the past. The major highlight is the fact that school will be starting the day after Labor Day each year. The Board wanted consistency.

ASD Memorandum #191 - A Resolution Honoring National School Nurses' Day - January 24, 2001

It is the Administration's recommendation that the School Board adopt the attached resolution recognizing January 24, 2001 as National School Nurses' Day.

ACTION:

Moved by Rita Holthouse
seconded by Dave Werdal

to approve Memorandum #152

Carol Comeau stated that this is an opportunity to thank the school nurses and health care specialists. They do incredible work each and every day and are vital parts of the Anchorage School District.

Robert Hayes, parent of two intermediate children at Inlet View, apprised the Board of the injury that occurred to his child while on the playground at school. Mr. Hayes was concerned that ice was not applied to his child's injury during the school's nurse's absence. Mr. Hayes would like school nurses to delegate their duties to other staff members so someone is responsible when the nurse is not on duty. Mr. Hayes also stated the school nurses should report abuse and malnutrition.

Peggy Robinson expressed her appreciation for the work school nurses do, which often includes wearing multiple hats for many different roles.

VOTE:

Ayes: Drummond, Ossiander, Werdal,
Robinson, Anderson, Holthouse

Nays: None

MOTION PASSED.

ASD Memorandum #170 – Request To Revise Minority Education Concerns Committee Guidelines (Second Reading)

It is the Administration's recommendation that the School Board amend Policy 173.3 (Attachment A) to allow an increase in the number of Minority Education Concerns Committee (MECC) positions from the current nine (9) positions to eleven (11) as requested by the MECC members. Terms of office for these two additional positions would expire on June 20, 2002.

ACTION:

Moved by Debbie Ossiander to approve Memorandum #170
seconded by Dave Werdal

Carol Comeau explained that the reason the MECC made the request to change the number of members to nine or 11 is that they felt when the MECC votes, there should be an odd number of members present to assure there will not be a tie. They discussed the fact that there was not a quorum at their last meeting. Absent members need to be reminded of their commitment to participate actively throughout the year with MECC.

Robert Hayes requested the MECC to pay attention to the High School Graduation Qualifying Exam and the fact that the schools are making it mandatory. He feels it is not fair to minority students who may perform below grade levels for certain reasons beyond their control. He does not believe it should be held against those who can't pass it and that every student should receive some kind of diploma and that special credit should be given to those who pass it.

Mr. Hayes was also concerned about students who may not have legal residency documents being requested by the school to show legal documentation. He feels the schools owe an apology to these students and requests that MECC look into this.

Theresa Obermeyer spoke of her concern of an article written in the Daily News on January 8th. She feels our community is about celebrating our multicultural mix. The Blacks Law Dictionary defines minorities as not being the majority. She was at the MECC meeting and was concerned that they did not have a quorum present that evening.

Rita Holthouse commented that she understood the MECC was asking for an increase of members because they were planning to visit a lot of schools and needed more committee members to do so. Carol Comeau commented that in the discussion at the last MECC meeting, the members were pleased at the reception from the schools they have visited.

VOTE:

Ayes: Drummond, Ossiander, Werdal
Robinson, Anderson, Holthouse

Nays: None

MOTION PASSED.

ASD Memorandum #137 – Award Of Contract: Pupil Transportation Service Areas III, IV, V, VI AND VII

It is recommended that the School Board accept the "All or None" Pupil Transportation Proposal and authorized reimbursement for attendant salaries in Service Areas III, IV, V, VI and VII from First Student, Inc. for the daily rates as shown on the attached Tabulation of Proposals for the five-year period (2001 - 2006) as follows:

Service Area III: West High School Attendance Area	
1st year cost	\$1,012,921.76
5-year cost	\$5,064,608.80

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ACTION:

Moved by Rita Holthouse
seconded by Dave Werdal

to approve Memorandum #137

Carol Comeau stated that the Pupil Transportation Request for Proposal is guided by the State Department of Education regulation, which makes the process different. Bob Henry stated that this was a proposal issued by Purchasing Department and they had followed the DEED guidelines outlined in 4AAC27.085. Using that as a guideline, proposals received must be responsive. All proposers were responsive.

Debbie Ossiander requested a copy of the written policy. Bob Henry passed copies out to the Board and stated that DEED regulation supercedes the School Board policy. The Board took a few minutes to read the regulation.

Saul Friedman, the District's attorney, came forward to explain about a protest of the Board's award. He stated that there is no current protest because there has been no action by the Board to award the contract. He explained that after Request for Proposals (RFP) go out to the prospective proposers, they submit their response to the RFP. It is then determined if the proposers submitted responsive proposals. All of the proposals submitted were determined to be responsive. The District then determines the price offered by each proposer. The award is based on the lowest bid. There is one exception – if another proposer is within 5 percent of the low bid, that proposer can agree to match the low bid. The Board may then choose to accept that proposal if it believes it is in the best interest of the District to do so. Debbie Ossiander wanted to make sure that the Board was not subverting Board Policy by not allowing the opportunity for a bid to be protested prior to the Board taking action. She noted that Board Policy regulates that with every bid above \$100,000 the Board allows the opportunity to grieve it and there are specific guidelines for how that occurs. Mr. Friedman stated that the DEED regulations stipulate the procedure that is to be followed by the School Board. Those regulations under 4AAC27.085 (a) state: All contracts for Pupil Transportation must be based on the competitive proposal process in this section. The section sets up a procedure whereby RFPs go out, there is public notice; responses come in; the District determines if the responses are responsive; then the next question is price.

Debbie Ossiander asked that the Board allow Laidlaw an extended period of time to speak. Peggy Robinson agreed and stated that First Student would be allowed the same privilege.

Steve Kalmes approached the Board and stated that the Administration worked closely with Mat-Su, Fairbanks and DEED to align their contracts on the same time period to try to increase the amount of proposers. The Request For Proposals were drafted by ASD staff and approved by DEED. They were issued in October instead of December. Proposals were received from five proposers. The District staff evaluated for responsiveness and determined Laidlaw was the low bid. On December 5, ASD received a letter from First Student offering to match Laidlaw's proposed daily rate.

The staff had spent the past month and a half evaluating two proposals. Steve Kalmes explained First Student's offer and proposal. He believes they have the ability to provide good service. They are sensitive to air quality concerns as well as traffic issues.

Steve Kalmes then explained Laidlaw's proposal and discussed difficulties and concerns the District has had with Laidlaw. Over the years ASD has had to continually write more restrictive language and have added liquidated damages to try to force the contractor to provide quality service. He spoke of the liquidated damages assessed.

Mr. Kalmes spoke on some of the issues with Laidlaw failing to comply with contract requirements. They did not meet the fleet age required in the contract. Their management is reactive instead of proactive. He spoke about the difficulties with arrival times of buses and routing issues at Romig Middle School. Their drivers were not attending the required safety meetings. Background checks of their drivers were not being completed. Accidents and incidents were not being reported in a timely manner.

John BeGasse, First Student's Western Area Business Development Manager, approached the Board and spoke about the company and their commitment to the Anchorage School District. They have met with State inspectors to make sure buses are within the guidelines. They intend to be good environmental neighbors and will match or exceed wages to employees and will be proactive to attract new drivers and maintain existing drivers. They intend to use all new buses, which will be the larger 84-passenger buses to allow growth for the District at no additional cost. Auto chains will be on all buses.

Lawrence McDonald, Vice President of Labor Relations with First Student spoke to the Board about the seven contracts they have successfully negotiated in last six months. He commented on the issues brought forth in a letter that was handed out to the public at this meeting by Laidlaw.

Bruce Lyskawa President of First Student highlighted new buses, higher capacity, flexibility, and communication as the benefits of awarding the contract to First Student.

Debbie Ossiander mentioned that there were several bills in the Legislature regarding increasing the minimum wage that may increase school bus drivers' wages and wondered how the increase would impact the company. Bruce Lyskawa stated that First Student had considered it and brought it into the equation.

Dave Werdal said he assumed that the five-year contract is what will allow First Student to buy new buses and come out financially stable.

Bruce Lyskawa said that First Student will bring new buses in to the northern climates and ease out the ones in the southern area of the country. At Mr. Werdal's request, Bruce Lyskawa explained the techniques they have developed to hire new employees. It was also explained that they would not pay the drivers while they are in training. The drivers also pay for their CDL.

Rita Holhouse asked if the company was connected with Ryder. Bruce Lyskawa explained that a British company, First Group, approached Ryder a year and half ago about buying Ryder Public Transportation Group; they then became First Student.

Debbie Ossiander asked if they have scouted out locations for their sites. Bruce Lyskawa said that they hired a realtor in September. He assured the Board that they would acquire good environmentally sound locations.

Tom Anderson asked if First Student would exchange buses with Matanuska-Susitna Borough. Bruce Lyskawa said that there would be very little exchange of equipment, but may need to use drivers from the Mat-Su if there is a driver shortage in Anchorage.

Rita Holhouse stated that he mentioned he would match salaries with three percent across the board, but then he mentioned that things like that would depend if First Student was negotiating with the union. Bruce clarified that statement by saying that if they were negotiating with the union in good faith, that's a bargaining issue, but they have put in the proposal raises for the drivers. What actually happens in the negotiations may be different.

The first speaker for Laidlaw was Kevin Mest, Chief Operating Officer for the northwest area. He expressed his appreciation to the Board for the extra time to speak. He felt that this is a very significant contract and Laidlaw was interested in keeping the business and thinks that Laidlaw should be awarded the contract because they had the low bid. He stated his concern that he received a copy of the Administration's recommendation after 5:00 pm on Friday, January 19, 2001. He mentioned that Laidlaw was not the low bidder on the Mat-Su contract by 1.2 percent. The Mat Su School Board talked with Laidlaw on performance issues and about comparing proposals and the conclusion of the Mat-Su School Board was to take the lowest bid and not exercise any decision that was counter to the low bid process. He feels that to not take the low bid would be sending the wrong message for competition. He does not feel that the

School District staff has made their case that it is in the best interest of the District to award the contract to First Student.

On the financial side – the low bid was \$8.7 million by Laidlaw. First Student’s bid was \$8.9 million. Mr. Mest was concerned that First Student had lowered its bid but did not explain what activity they would cut in order to come up with the lower bid.

He agreed that Laidlaw did have some service problems but they have made changes. He reassured the Board that their company is financially secure. In general, regarding his relationship with ASD, he feels Laidlaw has lived up to its commitments and he met with Steve Kalmes regularly. He did not recall receiving negative feedback from the Board or Administration regarding contract compliance or poor performance.

Rita Holthouse stated that she remembers the Board receiving negative feedback during the contract negotiations either two or three years ago and has heard of the problems Steve Kalmes talked about.

Dave Werdal asked if he was aware that the proposal can be given to the lowest bidder within 5 percent. Since First Student has done that, we have an equal amount. Kevin Mest said yes, but he is still concerned about what First Student will not do since they lowered their bid.

Tom Anderson questioned that if he (Kevin Mest) is familiar with the procedure, why did Laidlaw have their attorney send the letter to the Board and also wait so long before notifying their intent to speak to the Board on this subject. Kevin Mest said that he had very little time to respond to the recommendation. They noticed that the award of contract was on the agenda today and their concern was that this would be passed without Laidlaw having an opportunity to address the Board. He said they received first notice that ASD was going to take action Thursday afternoon, January 18, 2001. They assembled their management group and arrived a little after 6:00 pm this evening and made their speakers known to the Board.

Stan Cass, Branch Manager at Laidlaw, addressed the issue of 84-passenger buses. Laidlaw uses 72-passenger buses. The majority of Laidlaw routes are running at 50 percent capacity of the 72-passenger buses. When this happens, policy is to identify the route to an ASD router and work with them to change the route or do whatever is required to reduce the number of students on that particular bus. Many roads and corners are difficult to manage with a 72-passenger bus. It would be more

difficult with larger buses. He feels it would be unrealistic. Also, a majority of routes are time constrained.

Ray Bays, Operations Supervisor with Laidlaw, deals with late buses. He met with the principal at Romig Middle School and solved half the problems by rerouting the buses. The buses are still late because of routing. He has problems getting hold of ASD staff. They have ongoing problems with times on routes, but they are working them out.

Peggy Robinson requested information regarding the Eagle River situation last week. Ray Bays explained that due to bad weather they had seven buses off road and three out of seven were late.

Peggy Robinson asked at what time they started to try to contact transportation. Ray Bays said it was at 7:15 am. Stan Cass explained the problems with several of the buses that same morning.

Clint Rooks, Maintenance Manager with Laidlaw since 1993, explained the improvements in their maintenance branch in Anchorage. Buses are inspected twice per year. During the past five years, inspections have improved. Laidlaw has set-up an internal policy for an A Certified inspection every 40 days or 3,000 miles. They are also requiring a B Certified brake inspection every 12 months or 15,000 miles. No buses have been out of compliance in two years.

Jim Trombley, Driver Development and Safety Supervisor commented on safety procedures. Laidlaw now has monthly meetings and improvements have and continue to be made. He feels field supervisors are doing good job.

Sean Halloran, Attorney for Laidlaw stated that the price of both bids has not been matched. He feels that no information has been brought forth by First Student to prove that awarding them the contract is in the best interest of ASD. He feels that Laidlaw is doing more than what is required by the District. He argued the claims made by First Student regarding safety, wages, and recruiting.

Tom Hyatt stated that Laidlaw's performance has been improved, as directed by Debbie Ossiander three years ago. Mr. Hyatt does not agree with the way that Laidlaw was evaluated by ASD. Since ASD has its own Transportation Department, he feels that ASD is a competitor. He doesn't feel it is fair to be evaluated by a competitor. He requested the Board to take into consideration First Student's problems they have had in

Providence, Rhode Island. He mentioned that 84-passenger buses are not needed because the buses are not running at capacity. The routes are very time constrained and doesn't allow the drivers time to pick up more students. Laidlaw is working on the area of liquidated damages. He does not feel that there was a fair evaluation of the proposal and that ASD should make a more thorough evaluation before awarding the contract.

Steve Mitchell, bus driver, discussed routing issues, poor road conditions, and lack of communication. He stated that training is needed for oversized buses.

Debbie Ossiander asked Steve Mitchell where he drives. He mentioned West, Central and Inlet View. Debbie Ossiander thanked him for his service. He questions how First Student will fulfill their promises with the budget they proposed.

Dave Mitchell from the Teamsters Union expressed concerns for the bus drivers. He stated that the primary concern is transporting children safely. In order to do that, you need to take care of the dignity of those people who are transporting the children. He asked the Board to select a company to provide the dignity and respect for the drivers.

The Board recessed at 8:50 and returned at 9:05.

Dave Werdall requested more information regarding the issue of response time when Laidlaw was informed of the results. Bob Henry said that the Purchasing Department generated a Letter of Intent to Award and faxed it to all of the proposers on Thursday, January 18, 2001. Friday was the delivery date of the Board Memo. Dave Werdal asked if the financial stability of Laidlaw was a concern. He noticed it wasn't in the Board memo, but the concern was mentioned at tonight's meeting. Steve Kalmes stated that the Administration was concerned and Laidlaw did offer to provide \$1 million cash retainage as a way of reassuring that they can fulfill the requirements of the contract. That offer was made after the fact and could not be considered part of the proposal. Mr. Kalmes said the parent company is having the financial difficulties. Dave Werdal stated that he has not received a complaint about Laidlaw in the last two years. Steve Kalmes agreed that Laidlaw's service has improved. However, during the first year of the contract, the Laidlaw's South Anchorage terminal was not ready when school started, as promised by Laidlaw. They did not put in the facility they promised in their proposal, however, facilities are better this year.

Dave Werdal asked if Steve Kalmes was concerned that First Student would not be able to do what is necessary to fulfill their contract since they lowered their price. Mr. Kalmes said he feels First Student can fulfill the duties necessary in the contract. Mr. Werdal asked about the larger capacity buses and the fact that they can not add more students because of the time constraint. Mr. Kalmes mentioned the difficulty they had at Romig and credited Ray Bays for making some changes and improvements on those routes.

Dave Werdal assumed that Steve Kalmes had checked out both companies since they both operate in the lower 48. Steve Kalmes said he talked with several districts including Seattle. The Administrator in Seattle was pleased with First Student and said they treated their employees well and solved problems better than Laidlaw. He also talked to Districts in Charleston, South Carolina and they were impressed with the expertise and the staff that First Student brought in. He also talked with the Administrators at a District in Minneapolis where they had some problems with First Student. Mr. Kalmes said you can find issues from one District to the next. A lot of it is based on the management team assigned to do the job. Dave Werdal complemented ASD's departments on getting multiple bids.

Rita Holthouse stated that in regards to the DEED regulations, it isn't enough to say First Student can do it or can provide the service. It has to be in the best interest of the District to give them the contract. She asked Steve Kalmes if he can assure it is in the best interest of the District (which is the students) to award the contract to First Student. Steve Kalmes stated that the Administration believes it is in the best interest of the District. First Student is a good employer, people oriented, and will work with employees. New equipment will be a significant benefit down the line to the District. The commitment the company has given the District and all elements in the proposal show awarding the contract to First Student is in the best interest of the District. Former employees of Laidlaw who went to work for ASD complained of the treatment they received when they were employed by Laidlaw.

Tom Anderson stated to Steve Kalmes that he assumes the issues of newer buses and bigger capacity are the things that bring First Student above Laidlaw. Mr. Kalmes said that is correct.

Debbie Ossiander asked Steve Kalmes if there was a readily accessible way to contact ASD in the early mornings. Steve Kalmes assured her that the managers have his home, cell, and pager numbers.

Debbie Ossiander also was concerned with the use of 84-passenger buses because not all routes can accommodate 84-passenger buses. Steve Kalmes assured her that they would take that in consideration. She also stated that she has received complaints of service by Laidlaw.

Harriet Drummond was also concerned about 84-passenger buses and asked Steve Kalmes to elaborate on the use of the larger buses. Mr. Kalmes stated that Pupil Transportation has been purchasing them for the last four to five years. The schools request the larger buses for field trips. Students are spread out, which eliminates many discipline problems.

Steve Kalmes mentioned that the four to seven percent increase Laidlaw mentioned they would offer their employees was not in their proposal. The proposal stated no increase at the bottom of the salary schedule and 3 percent at the top with some additional steps. Safety meetings and changes were made but they were after the District insisted they do so. Carol Comeau assured the Board that the Administration had several meetings regarding this contract and the recommendation to the Board was a difficult decision. She felt that Laidlaw has done a good job but their improvement is still a continuing process. The District has a good chance with a new vendor if it is the choice of the Board, and it is an opportunity to establish new relationships.

Debbie Ossiander pointed out that it is by no means guaranteed that the District is going to get 100 percent reimbursement. They are in serious discussion with legislators. She commended ASD staff on getting multiple bidders at only a 3 percent increase.

Tom Anderson appreciated Laidlaw members for being at the Board meeting. He said that voting for First Student wasn't meant as a vote of no confidence. The bottom line is the safety of the students and fair treatment of the employees and after looking at those issues he is inclined to go with the Administration's recommendation.

Peggy Robinson stated that with living in the Bartlett attendance area, which is one with a very high density, the students will look forward to the higher capacity buses.

VOTE:

Ayes: Drummond, Ossiander, Werdal,
Robinson, Anderson, Holthouse

Carol Comeau stated that this memorandum was brought forward because the Board wanted information on the Chugiak High School sewer issue and the Girdwood water issue.

Debbie Ossiander stated when she read the memorandum, she appreciated the information, but felt that there was still a lot unsaid in terms of specific problems that have been brought to her attention. She believes it is important to delineate what those specific problems are because the Administration needs to plan ahead and work now to transition to stronger public infrastructure at both sites.

Debbie Ossiander stated that the fire chief in the Girdwood area is concerned because his trucks only have water capability for three minutes. Also, the DEED is rating the well as highly vulnerable in a number of areas, particularly volatile organics and heavy metals. She appreciates the additional carbon filters and the work that was done to enclose the well, but she hopes that the Facilities Department would agree that it is not a long-term solution and that they will continue to work cooperatively with the Girdwood Board of Supervisors and AWWU to find a more permanent solution. George Vakalis agreed.

Peggy Robinson said that the memorandum is stating that AWWU is looking at purchasing land for locating a tank. If they do, and it is on the District's property there, it will cost the District \$500,000 to tie in. George Vakalis stated that AWWU will need to have a tank and it has to be on that side of the creek. The District offered them land with ample room for the tank to go there and if it does go there, the distance is less for the District. The District could use that money to offset the cost of tying into the line. A tank will cost about \$500,000 to build. Ray Amsden said the estimate in the memorandum is conditioned on locating the tank on the ASD site. It includes the tie-in to the main line and also improvements, such as hydrants and sprinkler trees. It does require property owners to carry some of the cost.

Peggy Robinson asked if the fair market value for the land comes anywhere close to \$500,000. Ray Amsden said AWWU has "pegged" that cost at about \$120,000. Peggy Robinson considered using the \$575,000 extra from the Bond Proposition, since the cost of this project would be under that amount. George Vakalis said there is still a shortfall of about \$1 million for the project, not including the District's cost to tie in to the trunk line.

Debbie Ossiander commented on the problems with the two septic systems at Chugiak High School. The more recent septic system has a leach field under the students' practice field. DEC has concerns about that system and wants reassurance that the pumps and lift stations are working. Ray Amsden said they are working to their full operational condition. Ms. Ossiander asked if the monitoring of the waste water and nitrate monitoring has occurred, per DEC's request. Ray Amsden stated that the District is complying with the requirements of that system in that area and submitted a proposal to the ongoing issues of the field under the relocatables. Ms. Ossiander shared the results of a report done by an independent engineering firm that mentioned reoccurring problems with clogging, odors, and pump problems that have evolved since the system was installed. Ray Amsden said there were some control issues that have been revamped.

Ms. Ossiander mentioned the fact that the other system overflowed earlier this year and said the system didn't have regular maintenance and pumping until manholes were adjusted. Ray Amsden stated that Facilities prepared a letter to DEC and established a proposal to them. Facilities proposed not only installation of the monitoring tubes, but a data collection schedule.

Debbie Ossiander commented that as the high school needs increase, DEC is concerned that they will be at design capacity. She asked if there is some regular monitoring and conversation about that potentiality. Ray Amsden stated that the monitoring is a daily monitoring initially, then weekly and then monthly, to be re-accessed by DEC. A waste stream was also a concern. Debbie Ossiander stated that it is important to make sure that the system will not be "maxed-out" after the renovation. Mr. Amsden stated that if the system does demonstrate that it is over capacity, it would show up in the monitoring of the tubes. At this point and time, the system does not have that problem, but the District will continue monitoring.

Ms. Ossiander stated that DEC asked the District to locate where the hazardous chemicals, such as the glazes from the artists' pottery area, are going. Ray Amsden informed the Board that EHS Alaska, Inc. is reviewing these issues.

Debbie Ossiander urged the Board to be pro-active on this issue. The current system is operating, but with problems. There is some federal money, but it came with a requirement that there be a local match. She urges the District to come up with a local match on a bond rather than

later on from the operating budget. She stressed the need to plan ahead, and she doesn't want the District to put in the systems.

Rita Holthouse asked how much money in the local match is missing. George Vakalis stated that the project was initially \$8.9 million and AWWU put in a match. They received \$6.85 million and the project is being estimated at about a \$10 million dollar project.

Debbie Ossiander clarified that the \$10 million is for the whole project, which goes beyond hooking up to the school. George Vakalis said the District's portion would be over \$2 million. He explained that with the money AWWU has, they can either go directly to the high school area, or they can go to the Scimitar Subdivision. If AWWU chooses to use the route to the school, there would be some money left over for the Scimitar project. Rita Holthouse asked who would make the decision. George Vakalis stated that after community input, he believes it has to go to the Assembly for final approval. Peggy Robinson asked if there was a timeframe for when AWWU is planning on going through a community hearing. Ray Amsden said they indicated they would like to complete the public process this fall and then come up with a recommendation. George Vakalis said that at least a recommendation, if not a decision, would be made by the time of the next bond proposition. Carol Comeau asked if this project is appropriate, or could be considered, in the CIP next year. Ray Amsden said he didn't know if that sort of project has been considered in the past but one element that does need to be considered is that this whole issue with AWWU only brings us to a lift station on the corner of the site. The District will still have the cost associated with trying to develop a lateral line to the school and running across the property to pick up Birchwood Elementary School. Debbie Ossiander asked the Board to consider sending a letter to AWWU stating that it is the Board's recommendation that this be the highest priority for the federal funds, and that the District would like the school hooked up as expeditiously as possible.

Regarding the Girdwood issue, Debbie Ossiander asked if it would be possible to include the Girdwood tank on the bond, since there is a \$500,000 reduction. Rita Holthouse felt that it seems nebulous to do so since we don't know how much money it will take since AWWU has not yet agreed to purchase the site ASD has offered. Ms. Ossiander asked Ray Amsden if he agreed and he said he did agree with Ms. Holthouse at this time.

Ms. Ossiander urged the Board and the Administration, as a way of improving communication, to list the infrastructure needs of the schools in the CIP. She feels it will send a good message to the community and the Assembly, in terms of planning, if we show the foresight to have the infrastructures listed in the CIP when we have the project built at the same time. Carol Comeau agreed and suggested that there could be a section or table that notes that these are items we can't lose sight of.

ASD Memorandum #174 – Facility Project Report And Change Order Report For The Month of December 2000

The monthly Facility Project Report Update and Change Order Report for the month of December 2000 is attached. There are no exceptions to report this month.

Rita Holthouse questioned the large change order regarding Girdwood electrical and was concerned that there was no more money in that account. Ray Amsden assured her that the electrical part of that project is done.

ASD Memorandum #175 – Operating Budget Transfers – December Monthly Report FY 2000-2001

The attached report of budget transfers for December 2000 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.

Attachment B: Schedule of monthly budget transfers processed for the month of December 2000. Abbreviations in titles represent how data is stored in IFAS; continuity in the abbreviations within IFAS is an on-going process.

The budget transfer forms and related information for all of the transfers are available in the Budgeting Department office for review by the School Board and members of the public.

ASD Memorandum #176 – End-Of-Month Membership Summary For December 2000

The end-of-month membership report for December 15, 2000 is attached. The total active enrollment at the end of December was 49,190, a gain of 515 students from the December 21, 1999 total of 48,675. Table 1 compares the membership on December 15, 2000 with the totals from December 21, 1999.

Carol Comeau reminded the Board that they were given page one of this report separately.

Rita Holthouse noticed that the growth of the elementary schools has gone up and asked if this was normal compared to other years. Ms. Comeau stated that the elementary is starting to see growth again after the first of the year and it is a little unusual. Norm Holthouse noted that growth in the elementary is usually associated with increase in enrollment in the following fall. The elementary has gone down the last few years so the increase says we have had some in migration in the municipality. Dr. Holthouse stated that it has increased every month since September.

Dave Werdal commented on the wait list at Northern Lights ABC, which is 564. He asked if the Administration doubted that a new ABC school would be full. Carol Comeau stated that the Administration needs to discuss this issue with the Board well before the Capital Projects group meets and determine if the answer would be to build another school. She believes that taking over another existing school would be difficult and has not been as successful in the past.

Dave Werdal stated that in the budget, a third class was added to a grade level one year at a time. A 6th grade class will be added next year. However, they have recruited many new 7th graders and it appears that they will be short a teacher. Carol Comeau said that if the students do enroll, Northern Lights ABC would get the extra teaching position in their budget.

Dave Werdal asked what are they doing for a foreign language teacher this year. Patricia McRae will find out and respond in the Weekly Report.

Dave Werdal commented on the growth in the Sand Lake and Kincaid area. Carol Comeau said the Administration does need to look at it over the next few years. If there doesn't seem to be enough population in the area to justify a new school, they would need to consider adding rooms to the current school. Patricia McRae said that she is meeting with the principals in that area to address the problem of over-crowding. Ms.

Holthouse asked if the overcrowding was due to the Japanese Immersion program. Ms. McRae said she thinks it is due to new construction. Many of the students in the Japanese Immersion program are neighborhood students. Rita Holthouse stated that we may have to go beyond the 26 classrooms because of the program. Carol Comeau agreed and said there needs to be more discussion about the solution.

Peggy Robinson stated that if another ABC school was built at this time, the District would not be eligible for State reimbursement. It would have to be 100 percent locally funded. Ms. Comeau said that is correct and there is interest in the community for another ABC school.

Peggy Robinson asked about the new houses that were soon to be built in the Old Seward and 68th area. Norm Holthouse stated that he checked on the issue and there will be 118 duplexes built. It would mean somewhere between 15 to 20 more students.

Ms. Comeau asked Dr. Holthouse to look into the new Phase 2 Housing complex advertised as soon to be built across from Hanshew.

ASD Memorandum #177 – Treasurer’s Report/Financial Recap: December 31, 2000

The attached report consists of three parts: the Graphic Overview, the Treasurer’s Report, and the Financial Recap. The Graphic Overview is presented on a quarterly basis and the Treasurer’s Report and the Financial Recap are presented on a monthly basis. The Graphic Overview is for the quarter ending December 31, 2000 and the Treasurer’s Report and Financial Recap are year-to-date, as of December 31, 2000.

ASD Memorandum #178 – Out-Of-District Travel – Second Quarter Report FY 2000-2001

The attached Travel Report summarizes the travel taken by District employees and School Board members during the second quarter of FY 2000-2001 for both in-state and out-of-state travel. This report complies with the travel procedures established with the revision to School Board Policy Sections 156, Board Member Travel, and 526, Staff Travel.

There were 136 District employees who traveled in the second quarter of FY 2000-2001 on 161 trips for a total cost to the District of \$101,861.36. The Anchorage Principals’ Association and the Superintendent confer annually regarding topics or issues that shall be the focus for training and development activities. This travel is reflected in the Association Benefits

account 097. District travel costs were funded primarily from prior year funds and through budget transfers from departmental operating funds.

ASD Memorandum #179 – Conflict Of Interest – Second Quarter Report FY 2000-2001

The attached listing of employee Conflict of Interest Waiver and Disclosure actions is forwarded in accordance with School Board Policy Section 725.44. This information is provided as the second quarter report for the FY 2000-2001 school year.

Attachment A lists, by employee, Requests for Waiver received between October 1, 2000 and December 31, 2000. Attachment B lists employees who submitted Disclosure statements between October 1, 2000 and December 31, 2000. All current, Disclosure statements and Requests for Waiver expire on June 30, 2001.

ASD Memorandum #180 – Status Report: Submission Of Discretionary Grants, Second Quarter

The purpose of this report is to inform the School Board on a quarterly basis of new grants that have been submitted for funding.

ASD Memorandum #181 – Semi-Annual Report On Professional/Consultant Services On Contracts Over \$10,000

In accordance with the newly revised School Board Policy Section 725.132, the semi-annual report for Professional/Consultant Services on Contracts over \$10,000 for the period July 1, 2000 through December 31, 2000, is attached.

H. PERSONS TO BE HEARD ON NON-AGENDA ITEMS

I. COMMUNICATIONS & SCHOOL BOARD COMMENTS

There is a high school competency test statewide teleconference Saturday, January 27 from 9:00 to noon the Legislative information office.

Carol Comeau stated that the High School Department will have some people testifying. She feels there needs to be an emphasis on what is already being done to make young people successful. Ms. Comeau feels

that the focus is more important for the people in the schools to share what's going on because there's some really good things going on at the schools that are addressing the issues.

Debbie Ossiander said that she spent an afternoon at the Talking Book Room with the governor's group who is looking at funding.

Peggy Robinson commented that Debbie Ossiander wrote a good letter to the editor of the Alaska Star about the High School Graduation Qualifying Exam.

J. EXECUTIVE SESSION –
(PERSONNEL/FINANCE/NEGOTIATIONS/LITIGATION)

K. ADJOURNMENT

The Board adjourned at 10:30

Peggy Robinson, President

Debbie Ossiander, Clerk

Date Minutes Approved