

THE MUNICIPAL ASSEMBLY/THE ANCHORAGE SCHOOL BOARD

Anchorage School District Board Room
4600 DeBarr Road
Anchorage, Alaska

Minutes for Joint Meeting of March 18, 2005

1. CALL TO ORDER

The Joint meeting of the Municipal Assembly and the Anchorage School Board was called to order by School Board President Tim Steele at 10:00 a.m. in the School Board Room, Anchorage School District Administration Building, 4600 DeBarr Road, Anchorage, Alaska.

2. ROLL CALL

ASSEMBLY MEMBERS:

PRESENT: Ken Stout, Debbie Ossiander, Pamela Jennings, Brian Whittle, and Janice Shamberg.

ABSENT: Allan Tesche (arrived at 10:10), Dick Tremaine (arrived at 10:15), and Anna Fairclough (arrived at 11:30), Dan Sullivan, Dick Traini, and Dan Coffey.

SCHOOL BOARD MEMBERS:

PRESENT: President Tim Steele, Vice President Mary Marks, Jeff Friedman, Crystal Kennedy, Macon Roberts, and Jake Metcalfe.

ABSENT: John Steiner (arrived at 10:45).

ANCHORAGE SCHOOL DISTRICT MEMBERS and OTHERS PRESENT

PRESENT: Carol Comeau, Mayor Mark Begich (arrived at 10:05), George Vakalis, Mike Price, Marie Laule Barbara Gruenstein, Denis LeBlanc, Mike Abbott, Jeff Sinz, Dick Cattanach, Ann Reed, Robin Siegfried and others.

3. **PLEDGE OF ALLEGIANCE:** School Board President, Tim Steele, led the pledge.

4. **MINUTES OF PREVIOUS JOINT MEETING**

4.A. Minutes of Joint Meeting of December 10, 2004

The Minutes of the Joint Meeting of December 10, 2004 were moved to 7A with no objections.

5. **ADDENDUM TO AGENDA**

Assemblymember, Ken Stout, requested to add, under Items of Business, the discussion of the possibility of dealing with the interchange of information on items that might have repercussions, such as lawsuits involving the District. This was added as Item 6G.

6. **ITEMS OF BUSINESS**

6.A. ASD Financial Plan 2005-2006

Ann Reed is the co-chair of the Education Workforce Advisory Commission (EWAC), which was formerly named the School Board Advisory Commission. Ms. Reed reported that the Commission is recommending this year's proposed budget by the Anchorage School District with comments. The Commission is concerned about the continuing issue with the TRS and PERS retirement systems. The members of the Commission feel that maintenance should not be bonded and that only capital assets, capital expenditures and projects are valid. Normal operating expenses should be a budgeted item.

Mayor Begich arrived at 10:05 am.

Jeff Friedman asked Ms. Reed for a recommendation defining a normal operating maintenance cost and an item that should be bonded. Ms. Reed recommended following the general accepted accounting practices which defines what a capital and operating item is. Because there will be a budgetary gap again next year, the Commission wants to see the District bond for items that are obviously, according to gap principles, not operating expenses. Mr. Cattnach commented that the issue is not as bad in the ASD as it is statewide. As an example, a roof that is replaced in ten years, while it is a capital item, is really deferred maintenance, and someone should be held accountable because a roof is warranted for 20 to 30 years and should last that long if properly maintained.

- Carol Comeau thanked the Commission members for their comments and stated that the District is attempting to fund major maintenance items in the general budget. In fact, the District has increased the amount of ongoing preventative maintenance to \$19 million in the general fund this year because it is a huge community priority. The District tried, even with cuts, to increase the funding because its facilities are aging and we know that by using the money now to keep them in shape we are investing in our infrastructure, as the community wants us to do.

Debbie Ossiander stated that one of the proposals in the Title 21 draft was to have the Urban Design Commission (UDC) become more involved and actually granted a fair amount of approval power. The Commission stated concern with the current cost for landscaping requirements. Ms. Ossiander asked Ms. Reed if the EWAC would be willing to look at the involvement of the Urban Design Commission in terms of public facilities as proposed by the Title 2 draft. Ann Reed replied that with the cut in funds there was no longer an emphasis put on maintaining the landscaping that was required by the municipal statute. When bonding, there is two years worth of maintenance inside the bond but after that it is an operating expense. It is being cut because it has nothing to do with the classroom. Then the landscaping around the schools does not look as good as it could. The Commission's concern is that we could possible change this and the school district could be more involved with Urban Design or the Planning

and Zoning, whoever is directing the Title 21 suggestions, in order to see if, for schools, we could do something in landscaping that, according to statute would be more maintainable without cost and that could look good in the summer without putting extra expense into it. Dick Cattanach stated that we ought to be looking at low maintenance landscaping. Ms. Ossiander appreciated the Commission paying more attention to this because it is going to become increasingly more discussed. Carol Comeau added that George Vakalis and his staff are monitoring the Title 21 requirements and is preparing continuing responses and concerns. This has been discussed for years as far as the frustration of trying to hire temporary help with some landscaping and maintenance but it isn't what it should be. After the warranty expires it becomes a prioritization item. We are also challenged with homeland security issues and balancing those kind of security issues on our sites along with the requirements of UDC and Title 21. We will be bringing these issues forward throughout this process.

Mayor Begich commented that the City reexamined all operating and maintenance costs for all bonds that were put forward, such as road bonds, which had not been reviewed in 20 plus years. Mayor Begich suggested that the operations and maintenance should be included in the bonds for the life of the projects. There are maintenance costs through the life of the project that are inside the facility as well as outside the facility. In the past, it was not included and it was difficult for the parks and recreation department to maintain the roads. There was no incremental increase because the bonds never included the operations and maintenance since it was never looked at as part of the roads, yet the standards required it as part of the road. Jeff Dillon was directed to look at the products that the City utilized within the roadways and maintenance levels. A good example is the product used on the middle section along 15th Street. It grows and is hardy and we need to look at using it in more areas. We are about to create a new list for more hardy plants and products. The City has looked at operations and maintenance costs that haven't been changed in 20 years. The school isn't just a concrete building - it's everything around it that makes it work in the neighborhood. Carol Comeau responded that the District has incorporated the ongoing maintenance costs inside the building and a minimum of the other. But the Mayor has a valid point and it is one we need to look at. We need to work together on identifying hardy plants and work with the UDC and the architect community as well as the landscapers.

Jake Metcalfe stated that he appreciated the recommendations on TRS and PERS. It is a huge issue with education funding and the senate tying the changes to TRS/PERS to the state budget. The senate is proposing progressive and radical changes to the retirement system, which will have a major impact on both the city and school district as far as recruiting teachers and public employees. The proposal is to change from a defined benefit to a defined contribution system. We need to look at what has been proposed a lot closer. Mr. Metcalfe asked for a comment from the District on this issue. Ms. Comeau commented that the District is concerned with the tie in increasing educational funding and TRS and PERS. We need to sort it out. We know that something needs to be done with TRS and PERS. We need to find a solution that doesn't hurt the district's and the city's ability to recruit and retain employees, but at the same token recognizing that we don't want to keep draining the ongoing general fund costs right off the top where we have these horrible upfront obligations.

Mr. Nelson commented on the issue of landscaping maintenance, stating that the budget advisory commission looked at the cost of landscaping a few years ago and they found that the actual cost of landscaping maintenance was a very small percentage of the overall maintenance budget. Most of the cost dealt with the facility itself as well as snow storage and the parking lot

maintenance more so than the actual landscape. Mr. Nelson further commented that however there is an opportunity to improve on the landscaping standards for the schools and would welcome the opportunity to work with the advisory commission and school district staff to continue to see how we can improve on the landscaping requirements. Mr. Nelson mentioned that the City has been using a principle called Safescape, when looking at the landscaping requirements. It does look into the issue of how you can best landscape property so that you also create a safe environment. The issue of hardiness and vegetation is another factor. We continue to learn as projects have gone through on what works best. The bottom line is to find out what is an acceptable standard for the community. Tim Steele commented that the District's staff needs to touch base with the City and get the list of various plants that are recommended.

Mr. Tesche arrived at 10:10 and Mr. Tremaine arrived 10:15 am.

Tim Steele asked Mike Price to explain the District's process when planning the landscape of a school site. Mike Price responded that the District has a landscape designer that has the responsibility to comply with the Title 21 requirements, both in the types of species and locations of the planting. They work with the District staff and the Planning Department and the commissions to finalize the plantings sizes, locations, and configurations, and we ultimately end up with what are actually installed at a specific site. Sometimes it is not necessarily the plants that are selected - it's sometimes the locations that they are being utilized in. We try to work through the process and come out with the best final solution, but we need to keep working on it.

Pamela Jennings asked if automatic sprinkler systems can be amortized over the cost of maintaining the landscaping. Mike Price responded that we are looking for a system that works here long term without an excessive amount of maintenance. We are putting in remote watering hydrants that need to be drained down and winterized. Mayor Begich added that the Municipality is moving more towards that and he has had it in his apartments and for multiple buildings. It is a couple hundred dollars a year to maintain it with a private contractor and it works well. We see huge labor savings. The Mayor stated that in his apartment complex he now owns one hose instead of 500 individual pieces of hose that get destroyed. The Mayor recommends that the District does not design the systems - send it to the private sector for a design/build.

Carol Comeau explained the process for arriving at the projected budget. All of the participants in this meeting have been given a copy of the Budget Basics book. This year the District used community forums and last year's budget review team information as well as work sessions with the Board. Reasons for why the budget is going up include the mandated increases in TRS/PERS retirement funds, local state and federal mandates, and student nutrition. There are also increased utility costs. There is a change in the way that the level three or most intensive needs special education students are funded, which cost \$3.1 million in lost revenue. As the assessed valuation goes up the District gets less state revenue. The loss of students drives fewer funds from the State. The District is counting on the Assembly members' support in going to the tax cap. All of the known increases have been built into this budget.

Mr. Tesche asked if the revenue assumptions from the State in the budget as proposed by the District are keyed to the current projections from the majority in the house as to what we are likely to receive from the State. Mr. Steele responded that right now, the proposal in the Senate that came from the House is an increase of \$70 million. In order for us to break even and be able

to put back the resources we took out in building this budget, it would take a \$93 million investment. The House and Senate's version is \$4,919 per student. The District's budget is built on \$4,880. The House and Senate's version is more than we built our budget on. It adds about \$2.6 million increased revenue, so there is still a \$7 million shortfall to make the budget whole.

Dick Tremaine announced that his wife works for the District and he asked if her contract was currently being negotiated. Ms. Comeau responded that she works for ACE and that contract has been settled. Mr. Tremaine asked if there was any objection to him participating in the discussion. Mr. Tesche replied that usurping the powers of Chairman Traini he would rule for purposes of this meeting Mr. Tremaine may participate and there is no conflict.

Mr. Tesche asked if the District would participate and be able to take advantage of the City's Youth Reception Center. Mr. Tesche has heard reports that the program has done an excellent job of addressing the issue of young people through APD. Ms. Comeau responded that it is not built into this budget, but the increase in revenue comes through, she was hoping to have a work session with the Board, Assembly, and people from APD and the Covenant House to talk about how this is really making a difference for kids who are out of control in our schools and the police have to come and take them away. We have had no discussions to this point and it is not built into this budget at this time since she had to close a \$10 million gap. Mr. Tesche commented that he wished to come forward and speak with the Board members and Superintendent about this program that has been highly successful. It has helped free up APD officers from having to literally drive around with kids who have acted up on the streets and are somehow in their custody and sitting in the back of the patrol car until the officer can figure out what to do with the them short of an addition to McLaughlin, which in many cases won't work because what brings the child into custody may be not serious enough to permit a transfer of custody to the care of McLaughlin. Ms. Comeau responded that this is an important public discussion and a work session will be scheduled on this issue.

Jake Metcalfe commented that the Board passed a resolution requesting a \$5,120 base student allocation. Kenai and Juneau made the same request. The amount that the legislature approved both in the House and Senate is about 200 dollars less than what was asked for.

6.B. Update on Calendar Issues

Carol Comeau announced that the calendar committee asked to give consideration to begin the school year mid August and end the school year before Memorial Day. It would give teachers the opportunity to have two weeks more of instruction and also families want to have a real winter break. Ms. Comeau stated that she has presented the options to the Chamber of Commerce and other community groups and will present her recommendation to the School Board in late April or the first meeting of May. Janice Shamberg asked if the holiday conflicts have been resolved. Ms. Comeau responded that the District is working through AASA and is taking it very seriously.

6.C. State of Alaska Budget

Ms. Ossiander requested this item be put on the agenda and stated that her questions have been answered in Item 6A. Tim Steele commented that it is a very worrisome situation. The Senate tied the PERS and TRS retirement effort to the increase in education funding and this has to be worked out. Board members will be going to Juneau soon to talk with the legislators.

6.D. Eagle River High School Drainage & Road Issues

Mayor Begich reported that his staff has prepared a chronology of what has happened since 1984. George Vakalis stated that there are three issues the District is working through: #1 - is the drainage design or construction of the design adequate to take care of the surface flow of water along the asphalt and basically properly discharge it into the retention pond. The District contracted with a third party independent consultant working with the design team, construction team and project management team. The results of the report will be available in two weeks. Based on that report a preliminary design will be completed to be able to fix any problems we may have on drainage on that site and the construction to fix those issues will be complete by August. It is currently unknown if it is a design flaw or construction flaw, or both. It will be resolved by the end of August. #2 - in the fall, December and January, massive flooding occurred. There were speculations that the District caused major erosion of the bluff as to how the water was flowing and if the retention pond was adequate to retain the water and not allow the water to seep and go to the bluff, further eroding the bluff barrier. The District has contracted with a third party consultant to determine if the retention pond was adequate. It found that we had several conditions a couple of times during the fall and winter period that caused a lot of snowmelt as well as some rain and the combination caused a lot of surface water to flow. The study showed that the water was coming from multiple locations. When it went to the subdivision retention pond it overflowed and caused massive flooding within the subdivision. The street maintenance folk responded to take care of the flooding problem. During the results of the pumping the water, they caused erosion to the bluff because the hoses went over to the bluff and the massive amount of water that came down caused erosion. The study also found that the drainage system that was part of the subdivision's drainage program failed. Since that time the District put barriers on the site that are directing surface water into our retention pond. It seems to be working now. #3 - status of Yosemite Road - is it collector or residential. When ASD went forward with its plans and plat requirements all of the District's plans were pre-approved through the platting and building designs and started building the site in the summer of 2003. In September 2003 the streets & highways plan for Eagle River was updated to designate that road as a collector status road. As a result of that and because of various concerns of different parties it was requested that the replat be looked at again. The plat is going to be looked at again on April 6. Historically, in all the schools that the District has built, collector roads have been built by the municipality.

Mayor Begich stated that he and his staff are anxious to see the third party consultant's review. Mayor Begich is concerned that it is done properly but will reserve the city's position until the results of the review are known. Debbie Ossiander commented that she appreciates the ongoing work and will be looking forward to the information yet to come. The main issue to Ms Ossiander at this time is the adequacy of the two different traffic impact analyses. Two studies have been done - the first assumed the full build-out of the school but took no mention of the subdivision there. The second study said the school will remain through 2015, an 800 student school, plus the homes at the end of the road, the subdivision mentioned plus another one will only be 50 homes. There are already significantly more than 50 homes. Ms. Ossiander is hearing concerns about whatever final decision is made if it is on faulty data. It would be logical to assume that what is currently there is relevant and also there will be some growth of some kind in the homes and the school. Ms. Ossiander believes it will be a full size high school by 2015. The traffic impact analysis recommendation was that the only work that needed to be done was an additional turn lane. The community's concern is that it seems that now there are some glaring

holes in the assumptions that were made. John Steiner reported that he shares Ms. Ossiander's concerns and is not fully satisfied that what we have now will handle the traffic. Mr. Steiner is not sure at this time if it is the responsibility of the ASD or the developer. However, the reputation of the school, the District and the City will suffer if we run into a serious problem and the traffic is built up to an intolerable level. Mr. Steiner is very concerned that it be studied adequately instead of pointing fingers. Mr. Tesche asked if the District is bound by the provisions of Title 21. George Vakalis responded that it is bound by the Title 21 provisions on all of its projects. There are other public entities that are not, but the District is. Mr. Tesche appreciated the clarification and had heard that a question had come up on that. Title 21 is controversial as far as other agencies, for instance the Alaska Railroad. Mr. Tesche appreciated the clarification that Title 21 governs activities in the school district like any other builder in Anchorage.

Anna Fairclough joined the meeting at 11:30 am.

6.E. Status of New Charter Schools

Carol Comeau stated that the State Board of Education approved the application of a new charter school -- Winterberry Charter School, which will be housed at the Shiloh Baptist Church in Anchorage for 180 K-6 students. Eagle Academy Charter School is opening up in Eagle River for 175 K-6 students and is leasing space in the Automax facility. Village Charter School was closed in late December. The vast majority of students have gone to Aquarian or other public schools. Mary Marks shared that the District had a work session with the charter schools to hear their issues. The Board members brought the issue of housing to the legislators in Juneau. Carol Comeau commented that this is the number one issue and is causing inequities. The District will be doing some upgrades to the Charter School Center, former Northern Lights School, because Aquarian is thriving as a charter school in that facility. The inequity is that they are not paying any rent while the other charter schools have to lease space. A recommendation will be brought to the Board in the next couple of months to see how we are going to proceed with this issue. Debbie Ossiander asked about bonding. Ms. Comeau responded that we do not know yet, but are discussing this possibility with the legislators. John Steiner mentioned that federal grant money is available for the states if the State agrees to apply for it. We are talking about the concept to the extent that charter schools are a creature of state law that's similar to schools of the unorganized borough and maybe there is some state responsibility to see that they are housed. If there's a match from the federal government they could do so at much less cost of the unorganized borough schools. So, perhaps they could provide some funding just as they already do for matching of school bonds. Tim Steele commented that the School Board has been committed to try to deal with this issue.

6.F. Playground Surface Materials

Dick Tremaine stated that he is concerned with the combustibility of the shredded rubber material. George Vakalis responded that the District has studied this for months and looked at all materials out there. The materials typically used are sand, pea gravel, bark, shredded rubber, rubber mats or tiles and poured-in-place molded rubber.

The problem facing the District is preventing playground injuries and ADA requirements. Sand and pea gravel and bark do not make ADA requirements. Shredded rubber is easy to maintain and install and it is cheaper than the other two rubber items. It is ADA accessible. It is not

flammable or combustible. The Code of Federal Regulations determined flammability, combustibility and extremely flammable. They burn but are not in those three categories. They are categorized by the rate in which they burn and the temperature of which they can be ignited. The rubber products in question do not fall in those categories. All of the three mentioned products do burn. The tiles are expensive and do not give a cushion effect as much as the shredded rubber. The water gets in the seams of the tiles and they freeze and separate. A contractor needs to replace it instead of district maintenance personnel. The poured in place molded rubber needs to be monitored everyday because it needs to be cleaned off. The average playground is 18,000 sq ft. Shredded rubber costs \$200,000. The same playground covered with molded rubber would cost \$900,000.

Ms. Shamberg asked Mr. Vakalis if there have been any comparisons done as to the cost of maintenance. Mr. Vakalis responded that comparisons have not been done but students do make holes in the molded rubber material and in order to fix it they have to bring someone in to cut it out and mold it only during certain times of the year because the temperature gradient has to be a certain level before they can do any molding and pouring. Mr. Tesche asked how many of the burned playgrounds involved shredded rubber material. Mr. Vakalis replied that there were two - one that had to do with gasoline poured on to cloths on slides and lit with fire. When the slides burned, the flames transferred to the shredded rubber on the ground and ignited. In the second case the person took a book of matches and in a concentrated area was able to generate enough heat to get the fire started and it burned. Mr. Tesche asked if we are under any ADA obligations to do snow removal on the surface of the playgrounds to make them usable during the winter. Carol Comeau replied that children in wheelchairs must have full access to playgrounds year round. Those schools that have children in wheelchairs shovel the snow each day to make it accessible for them. Mayor Begich asked for the cost of the Alpenglow playground fire. George Vakalis replied that the cost is \$226,000. Mayor Begich commented that he has listened to talk radio and seen misinformation on this, and when kids have a can of gasoline they can burn concrete if they figure out how to do it. The goal should be to continue to push the legislators and others to assist us in going after the people who do this. Some restitution that is made is stuck in the Department of Law in the State of Alaska and hasn't been paid to the District. If there is anything we can do from a city perspective, we need to do that.

Jeff Friedman stated that this issue will come to the Board as a recommendation for approval. No decision will be made until it goes to the Board. That will be the time to get into a lot of details about this. John Steiner commented that he understands that the District is going forward with a bid and the recommendation will be who to buy it from, not whether to buy this material. George Vakalis responded that when a contract comes before the Board and the item is debated and found to be not satisfactory to your needs you don't have to approve it. All of our awards are contingent upon approval of the School Board. Mr. Steiner asked Mr. Vakalis if the District Administration has concluded that the alternatives, other than rubber of some sort, pea gravel, bark and sand, are unavailable to us basically because of ADA situations and we cannot use any of it. Mr. Vakalis replied that they do not meet the ADA requirements. We have tried to come up with something that we can afford where we can do the most good throughout all of our playgrounds to meet that requirement and still protect the kids from falling. Mr. Steiner asked if any of the ground rubber products can be treated with nontoxic materials that make them fire retardant. George Vakalis replied that the shredded rubber can be treated but he cannot attest to the toxicity of it. Mr. Steiner requested that information when it comes before the Board. Tim Steele commented that in his mind the trade-off is how many broken arms and legs and necks is it

worth to have to protective it from burning? Mr. Steele stated that he remembered that you have to elevate it to 450 degrees to burn. It is not a combustible item as it has been portrayed. The Board will discuss this thoroughly and make their decision.

6.G. Transfer of Information

Ken Stout stated the he feels it would be appropriate in a work session to discuss the matter of oversight on how many law suits might have been filed and costs that are incurred and have a change of information so the Assembly has some idea of the magnitude. Carol Comeau responded that the District could provide a response to Mr. Stout's request if he would specify the information he is requesting.

7. MINUTES OF PREVIOUS JOINT MEETING

7.A. Approval of Minutes of the Joint Meeting of the Anchorage Assembly and School Board.

Moved by: Jeff Friedman to approve the Minutes of the Joint Meeting of
seconded by: Alan Tesche December 10, 2004.

The Minutes of the Joint Meeting of December 10, 2004 were unanimously approved.

8. COMMENTS

Carol Comeau assured the Assemblymembers and Mayor that the District's Administration is taking all of these lawsuits, public notoriety and incidents very seriously. We have a number of very troubled young people with serious issues and everyone has been investigated from APD and the Office of Children Services. The Administration has also been in contact with STAR, Alaska Cares and the Crimes Against Children Unit and has a call into the Office of Children's Services trying to put a meeting together in the next week or so to work through issues to see if there is some other way that OCS can share information earlier with the District when children who have difficulties come to schools. Ms. Comeau stated that she is truly trying to send a message that we care and our schools are safe and if people have information she would appreciate a phone call. It is very difficult to respond when the media gets the information before we do. We are taking all of this very seriously. Anna Fairclough stated that as the executive director of STAR, ASD has been working with STAR for over three years and a curriculum has been offered. ASD is doing all it can to address this issue. Mayor Begich offered his offices' assistance with the matter with OCS and the District sharing of information.

Ms. Ossiander wished to clarify that after further discussion with ASD personnel she recollected that the second traffic impact analysis was correct.

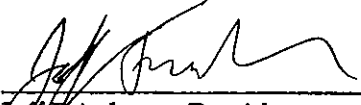
Debbie Ossiander moved to adjourn the meeting. Alan Tesche seconded the motion.

8. SCHEDULE OF UPCOMING JOINT MEETINGS

8.A. Quarterly Meeting - May 13 from 10 a.m. to 12 noon at City Hall

9. ADJOURNMENT

The Joint Meeting of the Anchorage Assembly and School Board unanimously adjourned at 12:00 noon.



Jeff Friedman, President



Anna Fairclough, Chairperson

ATTEST


Robin Siegfried, Recording Secretary

May 13, 2005

Date Minutes Approved