

1  
2 **Anchorage Municipal Assembly and Anchorage School Board**  
3 **Joint Meeting**

4  
5 **Mayor's Conference Room**  
6 **632 West Sixth Avenue**

7  
8 **Minutes for Joint Meeting of June 22, 2007**  
9

10  
11  
12  
13  
14  
15  
16 **1. CALL TO ORDER**

17  
18 The Joint Meeting was convened by Assembly Chair Coffey at 12:10 p.m. in the Mayor's Conference Room on the 8<sup>th</sup>  
19 Floor of City Hall, Room 830, 632 West 6<sup>th</sup> Avenue, in Anchorage, Alaska.

20  
21 **2. ROLL CALL** A Quorum was achieved with Assemblymembers and School Board Members present.

22  
23 **2.A ANCHORAGE ASSEMBLY**

24 PRESENT: Chair Dan Coffey, Vice Chair Debbie Ossiander, Chris Birch, Matt Claman, Jennifer Johnston,  
25 Sheila Selkregg, Bill Starr, Dan Sullivan and Allan Tesche.

26 ABSENT: Paul Bauer and Dick Traini, each excused.  
27

28 **2.B. ANCHORAGE SCHOOL BOARD**

29 PRESENT: President Tim Steele, Vice President Macon Roberts, Chris Tuck, Crystal Kennedy and John  
30 Steiner.

31 ABSENT: Jeff Friedman and Mary Marks, each excused.  
32

33 Also present were Anchorage School District (ASD) Superintendent Carol Comeau, Deputy Municipal Manager  
34 Michael Abbott, ASD Facilities Director Ray Amsden, Municipal Clerk Barbara Gruenstein, ASD Chief Financial Officer  
35 Janet Stokesbary, Deputy Municipal Attorney Rhonda Westover, Chief Fiscal Officer Jeff Sinz and State  
36 Representative Mike Hawker of Anchorage.

37  
38 **3. PLEDGE OF ALLEGIANCE** Assembly Chair Coffey led the pledge.

39  
40 **4. MINUTES OF PREVIOUS JOINT MEETING**

41 4.A. Joint Meeting – March 9, 2007.

42  
43 Ms. Ossiander moved, to approve the Joint Meeting Minutes  
44 Mr. Starr seconded, of March 9, 2007,  
45 and this was passed without objection,  
46 with Mr. Bauer, Mr. Traini, Mr. Friedman and Ms. Marks, each as an excused absence.  
47

48 *(Clerk's Note: Assemblymembers Claman, Selkregg and Johnston abstained because they were not yet elected to the*  
49 *Assembly on that date. ASB Member Kennedy abstained, due to her excused absence on that date.)*  
50

51 **5. ADDENDUM TO AGENDA** There were no additional items.

52  
53 **6. ITEMS OF BUSINESS**

54 **6.A. Repealing Site Selection**  
55

56 Chair Coffey distributed copies of a draft ordinance repealing Anchorage Municipal Code Chapter 25.25 and amending  
57 sections of Chapter 21. Ms. Johnston stated the current site selection process was onerous and had made negotiating  
58 for property one-sided at times. The ordinance intent was to repeal the site selection ordinance completely and not put  
59 anything in its place, but use the site selection process currently used by the rest of the Municipality of Anchorage.  
60

61 To Ms. Ossiander, Chair Coffey responded the draft would be reviewed by the Assembly Education Committee, the  
62 Planning and Zoning Commission and the Heritage Land Bank. Ms. Ossiander stated that it may be premature to  
63 repeal code without further discussing the problems. She requested to see an ASD draft ordinance on the matter.  
64

65 To Mr. Tesche, President Steele responded that ASD wished to participate. Mr. Tesche stated that this was an  
66 important issue and he requested comments from the school district, the school board and the Administration. Ms.  
67 Johnston responded that a number of people had indicated concern and the matter needed to be addressed. Deputy  
68 Municipal Manager Michael Abbott responded that the Administration supported the effort.  
69

70 Dr. Selkregg stated that there were concerns with the process and she would support amending the municipal and the  
71 school district site selection processes, addressing issues of competition and creating a transparent process that  
72 would be in the best public interest. Eliminating the current policy would be expensive in the long run. She would  
73 support amendments.  
74

75 President Steele stated that he would support addressing the matter because the current process had its flaws.  
76

1 Mr. Steiner, ASB Site Selection Committee Chair, summarized the site selection process, which involved identifying  
2 and selecting potential sites and negotiating price. Identifying sites created a poor position for negotiating price. The  
3 committee had not reviewed the draft ordinance or considered eliminating the current process. He questioned the  
4 status of current school sites if the existing process was eliminated. He requested that the committee have the  
5 opportunity to make recommendations before the Assembly took action.

6  
7 Mr. Claman stated the Education Committee and the ASD had discussed the process. Identifying and selecting the  
8 most appropriate sites for future schools needed to occur far enough in advance to accommodate development and be  
9 affordable. The HLB would be taking a significant role in identifying potential future school sites. Improvements were  
10 needed and the ordinance would start the process.

11  
12 Superintendent Comeau stated that the ASD and the Education Committee had agreed that changes were needed.  
13 Mr. Amsden had begun a review of school site selection processes across the nation. A district concern was having a  
14 selected school site's being used for a fire station or other municipal use. Ms. Ossiander responded that in 2006 the  
15 Education Committee had requested an ASD draft ordinance that addressed the process. Mr. Amsden responded that  
16 he had reviewed alternative approaches, but had not responded to the Education Committee.

17  
18 Mr. Starr stated that repealing the current process was an appropriate way to address the topic and would force an  
19 alternative solution. Good planning was proactive and cooperatively done, working with land owners and land  
20 developers. The draft did not support developers' ability to include school site models within master planned  
21 communities. Mr. Starr stated that this was a good start and he would join a committee to address alternative  
22 solutions. He commended Ms. Johnston for bringing this matter forward and he urged moving forward to a solution.

23  
24 Mr. Birch commended Ms. Johnston for working with the ASD and the Administration to bring the draft forward. There  
25 were cases where the city had not acted responsibly selecting, purchasing and selling school sites. The current site  
26 for the new Clark Middle School was too small and an elementary school site had been purchased in his district that  
27 was not in a good location because it was next to a proposed development for 635 active seniors. He supported  
28 addressing and improving the process.

29  
30 Mr. Tesche stated there could be consideration of records associated with plans or studies of future school sites being  
31 kept confidential for a period of time, to eliminate conflicts associated with acquisition. President Steele responded  
32 that often a request was made for a school site in a general location and it was difficult to include those future sites in  
33 the general plan until the land was purchased.

34  
35 Chair Coffey stated the process needed to be started with a committee and he urged that Mr. Steiner be considered for  
36 chairing the (*new*) Site Selection Committee.

37  
38 Dr. Selkregg stated that 95% of cities across the nation did not have a problem with school site selection because  
39 there were impact assessments for large developments and school sites were dedicated. It was a worthwhile  
40 consideration for Anchorage.

41  
42 Mr. Steiner stated that he had discussed the matter with Ms. Johnston and the draft was an appropriate method to  
43 begin addressing the matter. He concurred with Mr. Tesche that it may be worthwhile to investigate the State Public  
44 Records Act which recognized the importance of confidentiality when dealing with economic interests of the city,  
45 including school site selection. He supported the ASD Site Selection Committee reviewing the matter and making  
46 recommendations to both bodies.

47  
48 Superintendent Comeau supported addressing the matter and stated that the ASD wanted to be involved.

49  
50 **6.B. Explaining the current State allocation and how it is affected by the tax cap and assessments.**

51  
52 ASD Chief Financial Officer Janet Stokesbary presented the 2007-2008 State Public School Funding Formula for  
53 Alaska and explained the projected effects on Anchorage. Calculations for state allocations were based on an  
54 estimated average daily membership (*ADM*) with adjustment factors of school size, district costs, special needs,  
55 intensive needs and correspondence education. The ASD projection of 47,800 students was an ADM estimate that  
56 would be finalized in October, when an actual count was conducted over a 20-day count period. The formula  
57 calculated a basic need by multiplying the adjusted ADM by a base student allocation of \$5,380 per student. The  
58 Anchorage basic need was adjusted down by factors of local contributions and federal impact aid and up by factors of  
59 quality school grants to generate state entitlement (*the actual amount received*).

60  
61 The Institute of Social and Economic Research (*ISER*) recommended that the State Legislature appropriate one-time  
62 state money of approximately \$50 million for fiscal year 2008, in addition to the standard funding formula, to fund 50%  
63 of (*ISER's calculated*) "district cost factors." Anchorage was used as the calculation base and none of the \$50 million  
64 would be available to the ASD.

65  
66 The 20% special needs factor increase acknowledged additional costs needed for bilingual services, special  
67 education, gifted students and vocational education. Intensive needs students were allocated five times the base  
68 allocation. The ASD was predicting 680 intensive needs students next year. Multiplying the projected adjusted ADM  
69 with the base allocation per student equaled the total, but Anchorage received considerably less because of  
70 deductions for required local contribution and federal impact aid.

71  
72 The state funding formula also included the maximum amount of local contribution allowed. The amount approved by  
73 the Assembly for the 2007-2008 budget was approximately \$2.4 million less than allowed under the state formula. Ms.  
74 Stokesbary stated there was a variance of nearly \$3 billion between the city and state assessed value of real and  
75 personal property for 2006. In developing the full and true assessed value, the state adjusted the city's assessed  
76 value for annual sales ratio (*variance between actual market value and city assessed value*), municipal exemptions  
77 and other factors. The city assessed value was used for calculating mill levies used for property tax collection and the  
78 state assessed value was used for calculating the required local contribution in the state funding formula.

1 Superintendent Comeau responded that the district felt that city contributions should qualify Anchorage for a larger  
2 state allocation.

3  
4 To Chair Coffey, Representative Hawker responded that he was attending the meeting to understand better how the  
5 funding formula was impacting Anchorage.

6  
7 To Mr. Birch, Superintendent Comeau responded that for the past few years the ASD student enrollment had been  
8 declining about 120 students per year and the number of higher needs students was increasing. She responded that  
9 students in the Copper River Charter School, Family Partnership of the Frontier and home-schooled were counted in  
10 the Statewide Correspondence Charter Schools. President Steele responded the declining enrollment factors were  
11 because of very large graduating classes currently coming through the high schools. Kindergarten classes were not  
12 dropping and the ASD was not projecting big declines in the future.

13  
14 Ms. Ossiander stated there had always been much discussion about the differences between the State Assessor and  
15 the Municipal Assessor, with the city not taxing up to the state tax limitation figure. Chief Fiscal Officer Jeff Sinz  
16 responded the Assembly had full authority to redistribute the total tax dollars between the school district and the  
17 municipality within the local tax cap. Ms. Ossiander requested a tax cap analysis and a review of the district cost  
18 analysis. To Ms. Ossiander, Representative Hawker responded that the State Legislative Budget and Audit  
19 Committee had engaged ISER to research and make recommendations on the funding formula. The Legislature had  
20 different opinions on appropriateness of the ISER analysis

21  
22 To Ms. Johnston, Superintendent Comeau responded that special need programs (gifted, bilingual and special  
23 education) received funding at 20% above base, which was not enough to meet the needs of those students.  
24 Intensive needs students received funding at 5 times the base, projected at \$26,000/student. ASD worked with  
25 Representative Meyer's staff, Representative Hawker and others to calculate the true cost of the 68 intensive needs  
26 students, approximately \$74,000/student per year, with actual costs up to \$250,000/student for one year. Many  
27 students with intensive medical and emotional needs were moving from rural Alaska to come to school in Anchorage,  
28 because the medical and social service facilities were here. Many military families with intensive needs students  
29 requested Alaska as an assignment. Anchorage had a disproportionately huge number of Alaska's intensive needs  
30 students, which were included in the ASD audit. The district was concerned that intensive needs students who enter  
31 the district after the count date in October, did not generate additional state funding. Representative Hawker noted  
32 that this impacted all students. President Steele responded that providing education and services to special needs  
33 students was federally required and the ASD did what was necessary to pay for those costs, including using money  
34 from the ASD general instruction fund. The tax cap debate needed to be resolved.

35  
36 Mr. Claman stated the numbers of students were going down, but the ADM was going up. Ms. Stokesbary responded  
37 that numbers of intensive needs students were increasing in lower grades. Superintendent Comeau responded the  
38 funding formula for intensive needs students was 5 times base, and should be up 11 times to 13 times base to cover  
39 the true cost of those students. Mr. Claman stated that there was criticism from the Legislature about Anchorage not  
40 taxing to the cap. Superintendent Comeau and Mr. Steiner responded that the gap was closing.

41  
42 Mr. Steiner stated that any additional funding received for intensive needs students would be repaid into the general  
43 education fund, which had previously paid for those services. Superintendent Comeau responded that all services and  
44 activities for intensive needs students were federally required from age 3 to 21 and had to be covered by the ASD.  
45 Chair Coffey responded the services involved students with mental or physical disabilities and provided students with  
46 education, nursing, extended care and being able to participate with all general school activities and field trips. Dr.  
47 Selkregg recommended calculating an average cost for those children. Mr. Hawker responded that the state was  
48 discussing all options to address compensation to schools for the higher costs of intensive needs students. Mr.  
49 Steiner stated that if the total amount of state [allocated] "appropriated" funds changed [ø] "and" if allocations to rural  
50 districts were increased, Anchorage would be affected. Many rural students and military students were moving to  
51 Anchorage and the ASD had not been given an appropriate formula adjustment.

52  
53 To Ms. Ossiander, Representative Hawker responded that the ten-student minimum for schools was included in the  
54 school size adjustment factors. Ms. Ossiander recommended consideration of a twelve-student minimum.

### 55 56 **6.C. Forming the ASD Committee**

57  
58 Ms. Johnston stated that an Assembly Committee on ASD had been formed to review school site selection, but more  
59 issues needed to be addressed. She recommended that the Assembly work in tandem with the district on all other  
60 issues, including the budget. The ASD budget was now over one-half of the entire municipal budget and was a topic  
61 of discussion from her constituents. Chair Coffey responded that more issues needed to be addressed.

62  
63 Ms. Kennedy stated that the school board welcomed a combined effort to address other things, including public safety  
64 and boundary issues. Assemblymembers needed to be kept informed. President Steele responded that there were  
65 also concerns on the timing of the budget, which was currently worked on from October to June.

66  
67 President Steele stated there were already many district committees and he questioned creating one more to address  
68 the budget. The Assembly's role was to watch ASD spending and he invited Assemblymembers to attend the ASD  
69 Budget Hearings to hear public testimony and be involved with the existing process.

70  
71 Superintendent Comeau supported educating Assemblymembers and stated the public needed to see the Assembly  
72 involved. Ms. Johnston responded that it was important to be proactive, having the ASD and the Assembly work  
73 together to be accountable and address public safety, site selection and the budget. She did not necessarily want  
74 more meetings, but all issues needed to be addressed.

75  
76 Mr. Claman stated that as one of three Assemblymembers on the Education Committee, he recommended that three  
77 ASB members join them to create a committee of six, to discuss and make recommendations on site selections. He  
78 questioned whether the Budget Committee needed to be involved with other items or if the Committee needed to

1 discuss the budget. Chair Coffey responded the ASD was responsible for their budget, which was approved by the  
2 Assembly. The Assembly needed to be informed and be able to discuss all ASD matters. Mr. Claman concurred.

3  
4 President Steele again questioned forming a new committee to address ASD matters and he invited  
5 Assemblymembers to all ASD meetings, public hearings and worksessions.

6  
7 Mr. Tesche stated that the district would decide how to improve the district's process. He did not support forming a  
8 new committee, but supported two or three Assemblymembers becoming actively involved with the current ASD  
9 process, to allow the Assembly to be informed about the issues. Additional members of the Assembly, the ASB, the  
10 ASD and the Administration could also attend. The Assembly and the ASD needed to work together. Chair Coffey  
11 responded that many Assemblymembers were not well informed about the district's budget and it was important for the  
12 Assembly to be involved, to better understand the process. Dr. Selkregg concurred and stated that assigning  
13 Assemblymembers to be involved with the ASD would bridge the gap and allow the Assembly to become informed.

14  
15 Mr. Birch stated the Charter required the Assembly to review and approve the ASD budget annually. He had  
16 requested an opinion from the Municipal Attorney about the Assembly's involvement and authority to modify the ASD  
17 budget. Deputy Municipal Attorney Rhonda Westover responded that she would check to see if Municipal Attorney  
18 Jim Reeves had released an opinion. Mr. Birch asked to receive that opinion before the Assembly became involved.  
19 The requests of the ASD and the ASB were advisory to the Assembly and would involve an Assembly Public Hearing.  
20 Mr. Birch stated that he had already addressed efficiencies that could occur by contracting maintenance. The city and  
21 the district could collaborate to review other opportunities that would lead to efficiencies. The public needed to be  
22 assured that the Assembly, as elected community leaders, was doing their best to provide cost-effective education.  
23 Currently the ASD's budget had gone above 50% of the local budget in the face of a declining enrollment. The district  
24 was doing a fine job, but opportunities were needed to address cost efficiencies.

25  
26 Mr. Steiner endorsed broadening the Assembly ASD Committee on process beyond site selection, for the board to  
27 partner with the Assembly to share a better understanding of the issues. Assemblymembers involved with the process  
28 would be responsible to inform the Assembly on the matters.

29  
30 Superintendent Comeau stated the ASD was always open to communicating to anyone, anytime. She felt strongly that  
31 the ASD and the Assembly needed to work together and participate in healthy discussion, with educating kids  
32 remaining the focus. The Assembly needed to be comfortable with the budget and become advocates for the ASD.  
33 She and her staff were committed to being available.

34  
35 Mr. Roberts supported collaborating on issues between the ASD and the Assembly. He recommended support for a  
36 six-year plan to have a clear overall view and to have all questions answered, including questions on the district's  
37 budget.

38  
39 Ms. Johnston stated the agenda had been created to promote interchange between the Assembly and the ASD.  
40 Continued communication, including exchanging emails and phone calls, would be a win-win for everyone.

41  
42 President Steele stated that there was a huge need to discuss all district matters. There was an open invitation to  
43 attend all ASD meetings and worksessions. He was leery of creating a budget process that was a responsibility of the  
44 committee and he was concerned it would divide the Assembly. The district always followed a formula and the budget  
45 needed to be examined. He stated when the MOA Administration had released statistics of the ASD budget being  
46 52% of the general municipal budget, he had calculated it to be 47%.

47  
48 Chair Coffey urged continued involvement of Assemblymembers with the school district, to create better  
49 communication and a higher level of trust.

50  
51 **7. COMMENTS** There were none.

52  
53 **8. SCHEDULING OF UPCOMING JOINT MEETING(S)**

54  
55 Chair Coffey announced that notification would be sent out when dates were finalized for the next Joint Meeting.

56  
57 **9. ADJOURNMENT** Chair Coffey adjourned the meeting at 2:10 p.m.

58  
59  
60  
61  
62  
63 *See Archived Document for Signatures*

*See Archived Document for Signatures*

64  
65  
66 \_\_\_\_\_  
67 DAN COFFEY, Assembly Chair

\_\_\_\_\_   
TIM STEELE, Anchorage School Board President

68 ATTEST:

69  
70  
71  
72 *See Archived Document for Signatures*

73  
74 \_\_\_\_\_  
75 BARBARA GRUENSTEIN, Municipal Clerk

76 Date Minutes Amended, Page 3, Line 49 and Approved: September 7, 2007.

77 MC/BG

78 *(Approved Meeting Minutes are available in the Municipal Clerk's Office, 632 West 6<sup>th</sup> Avenue, Suite 250, Anchorage, Alaska;*  
79 *telephone (907)343-4311 or on the Municipal Website, [muni.org](http://muni.org) ~ Assembly/Clerk ~ Assembly Meeting Minutes ~ year ~ date.)*