

MATANUSKA-SUSITNA BOROUGH SPECIAL MEETING
ASSEMBLY MARCH 8, 2001

I. CALL TO ORDER

The special meeting of the Matanuska-Susitna Borough Assembly was held on March 8, 2001, at the Matanuska-Susitna Borough Assembly Chambers, Palmer, Alaska. The meeting was called to order at 6 p.m. by Mayor Timothy L. Anderson. The purpose of the special meeting was a joint assembly/school board meeting.

II. ROLL CALL

Assembly members present and establishing a quorum were:

Mr. Larry DeVilbiss, Assembly District No. 1 (exited the meeting at 7:30 p.m.) Mr. Talis J. Colberg, Assembly District No. 3

Mr. Dan Kelly, Assembly District No. 4

Ms. Jody Simpson, Assembly District No. 5

Mr. Jim Colver, Assembly District No. 6

Ms. Kelly Lankford Ladere, Assembly District No. 7

Assembly member absent and excused:

Ms. Sara Jansen, Assembly District No. 2 (Deputy Mayor)

School Board members present and establishing a quorum were:

Mr. Rob Wells, Seat A

Mr. Carl Gatto, Seat B

Mr. Bob Johnson, Seat D, Chair

Mr. Mike Chmielewski, Seat E

Ms. Helene Antel Brooks, Seat F

Mr. Daniel Contini, Seat G

School Board member absent and excused:

Ms. Linda Menard, Seat C

Borough staff participating:

Ms. Sandra Dillon, Borough Clerk

Mr. John Duffy, Borough Manager

Mr. Michael Gatti, Borough Attorney

Ms. Elizabeth Manfred, Borough Deputy Clerk

Ms. Tammy Clayton, Finance Director

School staff participating:

Mr. Bob Doyle, Assistant Superintendent for Business and Finance

Mr. George Troxell, Assistant Superintendent of Education

III. APPROVAL OF AGENDA

There was no objection to the agenda as presented.

IV. PLEDGE OF ALLEGIANCE

The pledge of allegiance was led by Eowyn LeMay Ivey, Frontiersman Reporter

V. NEW BUSINESS

A. Annual Budget (MSB 2.12.075)

School Board Chair Johnson:

- spoke to the status of the school district budget;
- remarked that the school district requires a budget of \$119 million to maintain the current level of services;
- said that the current borough funding formula allows \$111million; and
- commented that the requested budget is based on receiving full state transportation funding.

Mr. Doyle presented a proposed school budget based on DCED assessment values of a 9 percent increase which are higher than current borough valuations of 6 percent.

Discussion followed concerning:

- exit exams;
- sources of school funding;
- retirement incentive program (RIP)funding;
- projected shortfall of funding; and
- pupil/teacher ratio.

Mr. Doyle:

- explained state requirements for funding;
- commented that 72 percent of the budget is dedicated to classrooms; and
- stated that 89 percent of the budget funds salaries and benefits.

School Board Chair Johnson:

- advised that the school district has approximately 13,000 students of which 212 are enrolled in charter schools; and
- requested that the assembly revisit the borough school funding formula.

Assemblymember DeVilbiss:

- voiced concern that the fund balance was used to pay RIP payments two years prior to due date; and
- questioned why the district was surprised at the cost of opening new schools.

Mr. Doyle:

- commented that the district lost funds due to increased borough assessed valuations; and
- stated that the state is in the position to fully fund schools and should be encouraged to do so.

Mayor Anderson:

- summarized that the borough may be looking at a tax cap while maintaining the level of current funding; and
- opined that the assembly supports education funding.

B. School District Fund Balances

Mayor Anderson:

- questioned the current borough policy regarding school fund balances.

Discussion followed concerning:

- the school district becoming responsible for total funding including setting the mil rate;
- the logic of saving money only to return half of it;
- the annual public audit process of budget when answering to the voters;
- the school board was elected to spend money on education;
- the assembly was elected to raise money and guard the mil rate;
- the fund balances creating a burden on tax payers;
- the concept of multi-year funding;
- the amount of lapsed funds being one percent of the total budget;
- the private land taxation traditionally funding schools;
- the recent negative vote on a tax cap did not indicate approval to increase taxes;
- the differences between basic education and social services programs; and

- SB36 not fulfilling all promises for funds to open new schools.

Mayor Anderson stated:

- that allowing the school district to retain lapsed funds promotes the school district to spend wisely;
- that traditionally the lapsed funds are returned to the school district;
- that the amount of lapsed funds may affect following year budget requests;
- that requiring the return of lapsed funds limits an amount the school district may have as savings for emergency situations.

Discussion continued as to the process of building a trust between school board and assembly and working together to support borough education needs.

The special joint assembly/school board meeting recessed at 8 p.m. and reconvened at 8:15 p.m.

C. Legislative Priorities

Mr. Duffy:

- spoke to education priorities listed in Resolution Serial No. 00-087(AM), approving state legislative priorities, and Resolution Serial No. 00-090, approving federal legislative priorities; and
- discussed a proposed trip to Washington D.C. to promote borough priorities.

Mayor Anderson:

- commented that there will be an opportunity to promote borough priorities at the AML conference in Juneau; and
- questioned President Bush's plan to increase funding for education.

School Board Member Chmielewski:

- clarified that President Bush released a proposal and not a plan ready for implementation; and
- opined that there is strong federal support for the manner money flows nationally to the states.

School Board Member Wells:

- requested funding targeted to reduced class sizes in elementary schools; and
- expressed support for requesting funding of federal and state mandates.

D. Academy Charter School—Update on Site Location

Mr. Duffy:

- explained that the site selection committee chose the current borough maintenance site;
- stated that this site would require moving parks and recreation and borough maintenance employees;
- revealed that funds were previously appropriated to upgrade the borough public works maintenance facility; and
- stated that competitive bids will be required for all work necessary.

Assemblymember Colver:

- clarified that the borough maintenance and school portable moves would be concurrent;
- spoke to the lease agreement with the school district for the borough maintenance site;
- discussed infrastructure issues of the site proposed; and
- commented regarding sewer design work.

Superintendent Chesbro:

- confirmed that the school district will pay for moving portables and installing a septic system.

School Board Member Chmielewski:

- spoke to the omission of funding for charter school facilities;
- remarked that current legislation does not fund capital improvement for charter schools;
- restated the site selection process for charter schools; and
- expressed concerns regarding completion of the charter school relocation.

Discussion continued regarding:

- the Palmer Fire Department's contribution to the charter school for three years;
- the charter school request for the site relocation is \$150,000 and school contractual commitment is \$40,000;
- the Representative Dyson proposed legislation to increase charter schools allowed as an unfunded mandate;
- the demolition of existing buildings on selected site;
- the volunteer efforts for charter school maintenance;
- the comparative funding for charter school students versus regular school students; and
- the lack of facility funding for charter schools.

VI. SCHOOL BOARD, MAYOR, ASSEMBLY, AND STAFF COMMENTS

School Board Member Chmielewski expressed appreciation for the direction of the meeting.

Assemblymember Kelly:

- commented that to treat all children equally and fairly is his goal;
- remarked that good education produces good citizens;
- deemed that the reduction of class size should be a school district goal; and
- suggested that the school district prepare a budget based on adequate classroom sizes.

School Board Member Brooks:

- thanked the assembly for an opportunity to engage in honest and candid discussions.

Assemblymember Simpson:

- talked about the difficult choices elected officials face.

Assemblymember Colberg:

- voiced his appreciation for the borough schools; and
- stated his support for school funding.

School Board Member Wells:

- reported that school enrollment is increasing;
- suggested that the assembly address the need to increase the mil rate to fund education to the state cap;
- remarked that public comments will support a mil rate increase to fund education; and
- stated that approximately 13,000 students are enrolled in the borough schools.

School Board Member Gatto:

- discussed the need to address both education and social issues in the schools; and
- addressed the rural versus urban school pupil funding.

School Board Member Contini:

- stated that the majority of school social services are funded with grant funds;
- suggested that a sales tax identified for school funding would be supported; and
- requested that the assembly adopt a calendar year for budgeting.

Superintendent Chesbro:

- expressed appreciation for the evening's collegial discussion.

School Board Chair Johnson:

- challenged the assembly to take the initiative in addressing the needs of funding education;
- recommended the borough oppose any state legislation that may pit the rural districts against the urban; and
- asked that the borough support legislation to increase per student funding.

Mayor Anderson:

- supported the open process for discussion between the assembly and the school board;
- spoke to the tough decisions facing the school board and appreciated their efforts;

- expressed a desire to maintain a good relationship with the district; and
- voiced support for the accomplishments of the joint assembly/school board committee on school issues.

VII. ADJOURNMENT

The special joint assembly/school board meeting adjourned at 9:25 p.m.

TIMOTHY L. ANDERSON, Borough Mayor

ATTEST:

SANDRA A. DILLON, Borough Clerk

Minutes approved: March 20, 2001