



Approved

Haines Borough
Borough Assembly/School Board Meeting
February 4, 2004

MINUTES

1. **CALL TO ORDER/PLEDGE TO FLAG:** 6:30 p.m.

2. **ROLL CALL**

Assembly Members Present: Mayor Mike **CASE** and Assembly Members, Stephanie **SCOTT**, Lucy **HARRELL**, Debra **SCHNABEL**, Jerry **LAPP** and Douglas **OLERUD**.

School Board Members Present: Carol **KELLY**/Chair, Sarah **SWINTON**, Stacie **TURNER**, Brian **CLAY** (at 6:50pm), Gary **STIGEN**, Judy **EREKSON**, and Heather **LENDE**.

Staff Present: **HANSEN**/Administrative Assistant, Bob **KLING**/Borough CFO, and Woody **WILSON**/School District Superintendent.

Visitors Present: Patty **BROWN**, Tod **SEBENS**/KHNS, Karin **BAGLEY**, and others.

3. **APPROVAL OF AGENDA & CONSENT AGENDA:**

M/S **OLERUD/SCOTT** Motion to approve the Consent Agenda, amended to show the following:

"7E - School Board Compensation."

The motion to approve the consent agenda, as amended, carried unanimously.

4. **MINUTES OF PREVIOUS MEETINGS:** NONE

5. **OPENING COMMENTS:**

KELLY commented that she was happy to discuss items of concern with the assembly. **CASE** agreed saying that this was a "ground-breaking" meeting and that it could be flexible in how much time a person may talk on an issue. He did not want to turn it into a debate.

6. **NEW BUSINESS:**

A. **FY04 - School District's Request for Additional Funds**

KELLY said that this item was on the agenda because in the past the borough has funded the school at the maximum allowable rate and with the change in per-student allocation that the legislature passed last spring, there was an

additional approximately \$60K that the borough could legally contribute. **LENDE** said that this money was being requested because the staff brought the issue forward and she felt that if the borough was asked for the additional funding the worst thing they could say was no. She did add that she appreciated the "extra" money that the borough puts into the school and realizes that it is over and above the \$60K that is being requested. **SCOTT** said that with the recent \$40K requested for the survey of the buildings, it whittles that \$60K down to \$20K. **SCHNABEL** asked what the definition of instructional is. (It's the money used to educate students.) She also wondered what the facilities/equipment line was for. (It's used for large ticket items, leases, etc. Not for fixing ceiling tiles and painting walls.)

Mayor **CASE** opened and closed the meeting to public comment; there was none.

B. FY05 - School Funding

KELLY reported that the FY05 budget is estimated with the previous year's budgeted contribution from the borough. Within this budget, medical, insurance, retirement, and other areas have higher premiums or contributions necessary to continue participation. There is an inadequate financial reserve. There is limited staff for handling discipline. Teacher compensation is too low. The school board doesn't want to lose personnel. **LAPP** said that the borough budget is down \$400K from last year. **LENDE** said that the school board should be the main borough priority and then other services follow. **OLERUD** asked what type of long-term planning anticipates a drop in enrollment. **KELLY** said that 91% of the budget is fixed costs, so pretty much the only workable option is personnel reduction if more funding is not made available. However, as recent news shows, reducing personnel has its restrictions as well. **SCHNABEL** asked if the problem is common statewide (yes) and noted the high number of buildings relative to student population. She posed the idea of combined building uses to split costs. **WILSON** said that those costs have been investigated and would only amount to a small savings. **LENDE** said that the school board wants to maintain a high level of education. Although the school board could still minimize the education level, since other municipalities are suffering, the State may increase funding and allow Haines' present education levels to continue.

Mayor **CASE** asked the school board for specific suggestions regarding maintaining the same level of services with a smaller budget. **KELLY** suggested lobbying the state for more education funding. **LENDE** suggested sharing government and school infrastructure, such as cleaning and maintenance. **SCHNABEL** said that the charter places responsibility on the school board for facilities. She also suggested user fees. **LENDE** said that user fees are difficult on parents. **STIGEN** said that other schools have much nicer facilities and programs. **KELLY** noted that in Alaska, education must be "free and appropriate" which means that the school board cannot charge for the basic instruction. She noted that the school board is reluctant to reduce staff but will have to decide by March 15. **LAPP** suggested that a lobbyist could lobby that REAs might fund their own schools instead of relying completely on state funding. **KELLY** said that three school board members have shown willingness to do just that.

Mayor **CASE** opened the meeting to public comment. **SEBENS** said that when families are faced with a budget shortfall, they give up things they prefer to have. Although it is an unpopular thought locally, the pool is a service that could be omitted, a direct result of the tax cap initiative. **BROWN** said that the school board should invest in teachers. Public comment closed.

C. School Facilities

WILSON said that up to \$40K has been slated to hire the Southeast Regional Resource Center to assess the existing facilities and expose potential problems and possible solutions. They will consider renovating the primary/kindergarten building, renovating the high school, building new K-8 and K-12 buildings (for reference), estimating a pool renovation, and contracting a pool in the school facility. **LAPP** said that the high school was built with additions in mind. **ERICKSEN** suggested building a new school with bonds and having the old school converted into a recreation center. **STIGEN** said that Craig has an excellent new facility, and Haines deserves better than the existing facilities. **KELLY** noted that if a bond is passed, the borough voters would pay 40% of the full amount, and the state would pay 60%. One student spoke up and said that the school should be redone - classrooms are cold, and the pool should be retained. **LENDE** said that a new school would mean that people would stay in Haines, which would be an economic boost. **SCHNABEL** said the tax cap initiative shows that the people

want government to have less money. Perhaps it's best to do with less. **SCOTT** said that a bond requires money to make plans - there must be meaningful scenario for people to consider the option. She said that the bonding might deny other projects from being funded. **HARRELL** described the small boat harbor project. Its study shows a potential beginning of 2006. The harbor is a huge asset potential with nearly guaranteed long-term local financial and business benefits at a time when 40% of the economy of Haines is from outside the community. Haines can grow - would Haines regret not having that economic stability? **KELLY** said that the school buildings are not ADA compliant. **ERICKSEN** said that if the demographics continue to show an older population, there could be less ability to pass future school bonds. **SCHNABEL** said that Haines should have an economy. Perhaps it might be constructive to lobby to remove the senior citizen tax exemption, or look at the permanent fund in a different way. "It's a tool, not a sacred cow."

Mayor **CASE** opened the meeting to public comment. **BROWN** suggested moving the pool to a borough facility and having a parks and recreation department formed to manage it. Others agreed. **ERICKSEN** suggested a teen center in the old administration offices, right next to the police station. Public comment closed.

D. Swimming Pool

WILSON said that the pool has an annual cost of \$150K, but maintenance costs are unknown. It has a limited life which could be extended with major renovations. **KELLY** said that there is \$18,000 lacking in the budget for pool operation and the school board is asking the borough to cover that amount for the year. If the pool is closed, the public impact would be high and much attention would come to the assembly. **SCOTT** said that the pool is used for academic instruction. **SCHNABEL** suggested using money from other local grant awards or programs. If other entities could share costs of the buildings, there might be a way to share funds. **LENDE** said that there would be public outcry if the pool was cut - we're stuck with the pool. **OLERUD** mentioned that the shortfall is \$113K, not \$18K to retain the pool. **ERICKSEN** said that whenever the community wants something, they're willing to pay for it.

Mayor **CASE** opened the meeting to public comment. **BAGLEY** said that the community should know about the potential pool closure. Public comment closed.

E. School Board Compensation

SCOTT asked if the assembly should budget school board compensation, or should the school board compensate itself from its own budget. **CLAY** noted that consolidation separated the school board and the assembly and that separation should remain. **SCHNABEL** noted that the assembly should consider this question in its next budget discussion.

Mayor **CASE** opened the meeting to public comment. One individual said that the meeting had been very positive. Public comment closed.

7. SCHOOL BOARD AND ASSEMBLY MEMBER COMMENTS:

Assembly and school board members reflected on the meeting. **SCOTT** said that she hopes that the school board will attend the assembly's strategic planning session. **HARRELL** said that the public also needs to come. **CASE** agreed, noting the small number of public participants at this meeting and the high level of public contact used to promote the tax cap.

8. ADJOURNMENT:

M/S **SWINTON/CASE** to adjourn.

The motion passed.

The meeting adjourned at 8:15 p.m.

Scott Hansen, Admin Asst, recorded the minutes in the absence of the Clerk. Julie Cozzi, Borough Clerk, formatted, edited and amended them (per the assembly).

Mike Case, Borough Mayor

ATTEST:

Julie Cozzi, Borough Clerk