

I. CALL TO ORDER

The special meeting of the Matanuska-Susitna Borough Assembly was held on June 14, 2011, at the Borough Assembly Chambers, 350 E. Dahlia Avenue, Palmer, Alaska. The special meeting was called to order at 3 p.m. by Mayor Larry DeVilbiss for the purpose of holding a joint Assembly/School Board meeting.

II. ROLL CALL

Assembly members present and establishing a quorum were:

Mr. Warren Keogh, Assembly District No. 1
Mr. Noel Woods, Assembly District No. 2
Mr. Ron Arvin, Assembly District No. 3 (*Deputy Mayor*)
Ms. Cindy Bettine, Assembly District No. 5 (*arrived at 3:11 p.m.*)
Mr. Jim Colver, Assembly District No. 6 (*arrived at 7:04 p.m.*)
Mr. Vern Halter, Assembly District No. 7

Assembly members absent and excused:

Mr. Mark Ewing, Assembly District No. 4

School Board members present and establishing a quorum were:

Mr. Mike Dunleavy, Seat A (*School Board President*)
Ms. Sarah Welton, Seat B
Ms. Susan Pougher, Seat C (*arrived at 3:37 p.m.*)
Mr. Erick Cordero, Seat E
Mr. Neal Lacy, Seat F
Ms. Lynn Gattis, Seat G

School Board members absent and excused:

Mr. Ole Larson, Seat D

Staff in attendance were:

Ms. Cheryl Marino, Deputy Borough Clerk
Ms. Elizabeth Gray, Assistant Borough Manager
Ms. Pamela Graham, Grants and Projects Coordinator
Ms. Tammy Clayton, Finance Director

III. APPROVAL OF AGENDA

Mayor DeVilbiss inquired if there were any changes to the agenda.

GENERAL CONSENT: The agenda was approved as presented without objection.

IV. PLEDGE OF ALLEGIANCE

The pledge of allegiance was led by School Board President Michael Dunleavy.

V. AUDIENCE PARTICIPATION

(There was no one present who wished to testify.)

VI. JOINT ITEMS OF BUSINESS

A. BONDING FOR SCHOOL PROJECTS

School Board President Dunleavy provided a summary of what the School Board would like to discuss at the meeting.

Dr. Kenneth Burnley, School Board Superintendent:

- thanked the Assembly for agreeing to meet on school bonds;
- related that the vision of the School Board is to be a model in excellence to be the best school district in Alaska;
- stated that they want all of the students to be prepared for success;
- spoke to a series of goals that will support that vision;
- related that there are 76 portables in use throughout the School District;
- spoke to poor air quality in portables not being conducive to learning environments due to the way carbon dioxide levels rise; and
- stated that Mr. Forrest would be introducing the surveyor.

Mr. Ken Forrest, School District Superintendent:

- introduced Mr. Marc Hellenthal;
- spoke to the number of years of surveying and research experience that Mr. Hellenthal has within Alaska; and
- noted that the handouts provided were a summary of what Mr. Hellenthal would be speaking to.

Mr. Marc Hellenthal of Hellenthal and Associates Survey and Research:

- stated that an analysis survey was conducted of registered voters likely to vote in the October 4, 2011, regular election;
- related that the survey measured properties of likely voters' demographics, behaviors, and attitudes concerning a proposed bond package;
- stated that this type of research survey typically involves estimating the characteristics of a designated population;
- related that in an order to keep the cost of the survey down, that sample statistics were used to make statistical inferences concerning population parameters;
- stated that 388 interviews were conducted, with 58 being conducted on cellular phones and 330 on landlines;

- advised that participants were selected on a random digit basis, which means that random numbers were generated for the last two digits of the suffix of each workable land line and cellular prefix within the Borough;
- related that as a result of the way the survey was conducted, that one can be 95 percent sure that the frequencies reported in the general population survey are within +4.97 percent of the true likely voters population proportions;
- noted that the first question put forward in the survey was, realistically speaking if they were absolutely certain, very likely, somewhat likely, or not likely at all to vote in the October election, with the not likely at all responders terminated from further questioning;
- related that a summary of the proposed bond package and various options was shared with the participants;
- noted that if the election were held today, that 27.2 percent are strongly in favor, 30.1 percent are somewhat in favor, 16.9 percent are somewhat opposed, and 24.4 percent strongly opposed the bond package, with neutral results not included;
- related that participants were then asked that if they knew that the State would pay 60 percent of the bond how they would vote;
- further added that as a result of that question, that 27 percent were much more likely, 30.9 percent were somewhat likely, 11.5 percent were somewhat less likely, and 25.8 percent were much less likely to be in favor, with neutral results not included; and
- stated that the conclusion to the questions that were asked were for statistical purposes only, such as what radio station do you listen to the most, or how do you read the newspaper, online or hard copy.

Assemblymember Bettine queried how the media questions were determined.

Mr. Hellenthal:

- stated that with a survey of this magnitude, it is important to know where you stand, what messages will work, and find out how to reach the target group; and
- noted the statistical only questions include the radio data.

School Board President Dunleavy queried if the bond was included on the ballot this year would it pass.

Mr. Hellenthal opined that at this time it would pass without a problem.

Discussion ensued regarding:

- the possibility of negative campaigning against the proposed bond;
- the costs to average home owners as a result of the bond package;
- the need to ensure the bond has the appropriate language;
- concerns with only a fraction of the population being surveyed;
- how sampling surveys are conducted;
- how possible errors could impact survey results;
- how to elicit the best response rate;
- the number of registered voters there are within the valley;
- how the growth of the School District has created the need for bonding; and
- the percentage of likely voters who will vote in the election.

(School Board Member Pougher entered the meeting at 3:37 p.m.)

(Mayor DeVilbiss exited the meeting at 3:45 p.m. and Deputy Mayor Arvin assumed the duties of the Chair.)

Discussion ensued regarding:

- if there was any dialogue with the State as to whether or not they would fund the bond at 60 percent;
- how property taxes being on a ballot motivates voter turn-out;
- the variables that contribute to voter turn-out;
- whether or not historical voter data is valuable in predicting voter turn-out;
- the need to be aware of voter bond fatigue;
- whether or not the State limits the value of a bond in relation to the portion they are responsible for;
- the benefits of three-year bonds versus five-year bonds;
- the Municipality of Anchorage's school bonds;
- the need to ensure that the voters understand that the costs of the bonds would be distributed over the life of the bond and taxes levied only as money is expended;
- problems that could arise with scheduling of projects;
- if there had been any successful bonds of this magnitude that have passed previously;
- how the school bond could impact the road bond the Assembly would like to put before the voters;
- whether or not the issue of multiple bonds was put forward in the survey;
- the importance of number sequencing for bonds on the ballot;
- how the bond package could potentially impact Borough employees and the Borough budget;
- how the timeframe for a possible new Knik-Goose Bay High School/Middle School could be impacted by the proposed bond;
- the addition to the Career and Technical High School that is included in the bond package;
- the potential benefits of requesting large bond values versus prioritizing and presenting smaller bond values;
- overall concerns that the bond will be an additional and unnecessary tax burden to already financially constrained voters;
- what the School District plans to do should the bond fail;
- concerns that despite the survey results that voters will reject the bond;
- concerns that although the voters may be told there will be no additional bonds for five years, that there is no way to guarantee that due to terms of elected officials;
- things that may impact voter's decisions before the October election; and
- the need for the School Board and the Assembly to work collaboratively on school bond packages.

(The special meeting recessed at 4:47 p.m. and reconvened at 5:02 p.m.)

Assemblymember Bettine advised the body that she would have to leave the meeting prior to 7 p.m. as she has another meeting that she needs to attend.

Deputy Mayor Arvin inquired if there was any objection to continuing discussions regarding the school bond package.

There was no objection noted.

School Board President Dunleavy stated that Dr. Burnley, Mr. Forrest, and Mr. Shannon Bingham would be providing an executive summary on demographics.

Dr. Kenneth Burnley, Mr. Kenneth Forrest, and Mr. Shannon Bingham jointly spoke regarding:

- that the School District has had a sustained growth over the last three decades of averaging 4,000 new students every 10 years;
- how growth results in overcrowding and necessitates the use of over 76 portables to relieve overcrowding;
- the District anticipating 440 new students for the next school year, which according to the State funding formula, would dictate at least one new school;
- how schools with more than 1,300 students cost the District approximately \$4,500,000 million annually;
- the current needs for new facilities, renovations, life safety improvements, facility/site upgrades, and major maintenance exceeding \$740,000,000;
- that only immediate needs over the next five years have been addressed in the bond package;
- that the percentages are 70 percent for new schools and major construction, 20 percent for life safety issues, and 10 percent for facility/site upgrades;
- how funds would be phased over the life of the projects, resulting in phased taxation over the next five years;
- the estimated cost per \$100,000 of assessed value is a maximum of \$90 per year;
- the maximum total cost to the local taxpayer is estimated to be \$111,200,000 of the \$278,000,000 with the state of Alaska paying the remainder of the cost, which is \$166,800,000;
- how bond elections result in more community benefit than their initial amount, as the money is re-spent several times in various sectors of the economy;
- that for every \$1 the local taxpayer invests, that approximately \$9 is returned to the valley;
- that over the years, the District has continually identified investments that were needed in school facilities;
- how over the last 10 years, over 330 capital projects were submitted to the Borough, the voters, and the legislature, of which only 8.01 percent have been funded; and
- that voters have approved \$130,900,000 of those requests, the legislature funded \$11,100,000, and the Borough funded \$5,800,000.

(Deputy Mayor Arvin exited the meeting at 5:11 p.m. and Assemblymember Bettine assumed the duties of the chair.)

(Deputy Mayor Arvin re-entered the meeting at 5:15 p.m. and resumed the duties of the Chair.)

Deputy Mayor Arvin queried if there were any comments or questions.

Assemblymember Bettine:

- commented that it sounded as though there would be a more detailed presentation at the School Site Selection Committee meeting;
- stated that it is scheduled for June 16, at 4 p.m.; and
- invited the body to attend.

School Board Member Gattis:

- spoke to concerns that someone had previously stated that there would be Borough road bonds on the ballot;
- commented that road bonds and school bonds belong to the community as a whole, not just the Borough; and
- stated that she is happy that the bodies are making an effort to work jointly on this issue.

Deputy Mayor Arvin:

- stated that it is important to have good salesmanship in order to get the bond passed;
- urged the School Board to consider the value in breaking the bond into smaller values;
- opined that voters may recognize the urgency of projects if given a choice;
- stated that should the School Board decide against breaking the bond into smaller values at the Assembly's request, that he does not want to be forced to prioritize School District projects; and
- further added that he has no problem should he be forced into that situation.

School Board President Dunleavy queried how the Assembly would view a decision should the School Board decide that the \$278,000,000 value of the bond is a worthy proposition.

Assemblymember Halter:

- admitted that he was irked when he had to read about the bond package and the proposed value in the newspaper;
- opined that this has been a very well thought-out bond;
- spoke to the benefits of the bond should it be passed by the voters;
- opined that should the School Board be split in its decision on the bond, that it will fail at the polls; and
- reiterated that he is pleased the way it is put together.

Assemblymember Keogh:

- stated that if the School Board is of the opinion that the bond will be passed by the voters and are united in their decision, that he could support that;
- noted that he too was shocked to hear the value of the proposed bond through media reports;
- spoke to the need to educate the public on exactly what this bond will provide, so that they are absolutely certain on the benefits they would receive;
- related that District 1 and District 7 are the largest, most rural districts in the Borough; and
- opined that if the intent is to have a successful bond package to put before the voters that additional projects should be considered in those districts.

Assemblymember Bettine:

- spoke to being on the Assembly when school bonds were brought before the body and were cut down quite a bit;
- noted that is not something that she likes to do, but that she would like to see some sort of prioritization that provides the Assembly some options;
- opined that voters will question the need to replace Iditarod Elementary as they have during Borough Schools Site Selection Committee meetings.

Discussion ensued regarding:

- the possibility of putting forward maintenance type bonds, such as what Anchorage has done in the past;
- that the School District is operating at a much lower level than Anchorage;
- Anchorage growth being at a slower rate than the Borough;
- how Anchorage maintains school district buildings;
- the possibility of passing an operating levy, which would allow taxes to be raised by voters;
- that typically it is only fiscally independent school districts that pass operating levies;
- concerns about how the revenue cap could impact ability of the Assembly fund future schools; and
- the feasibility of the School District putting maintenance bonds before the voters.

(The special meeting recessed at 6:03 p.m. and reconvened at 6:28 p.m.)

Deputy Mayor Arvin queried if the body would like to continue discussions regarding the proposed school bonds.

School Board Member Lacy:

- noted that the Assembly has been very clear as to their expectations;
- opined that the School Board has additional work to do; and
- stated that he feels no more discussion is required.

School Board President Dunleavy:

- stated that he disagrees; and
- requested the School Board provide comments.

School Board Member Welton:

- noted that the way schools are constructed is due to Borough code;
- stated that LEED certified buildings are more costly;
- related that the School District has been diligent in maintaining schools; and
- opined that if the body engages in talk all the time that action will never occur.

Discussion ensued regarding:

- the possibility of reducing the value of the bond package;
- the need to consider several options;
- how to convey to the public the immediate needs of the District;
- whether or not the State floats bonds or uses direct appropriations and how it would impact the cost of bonds in the future versus now;

- the recent boundary study impacting the need for new schools;
- how to meet the needs of the District should the bond not pass;
- how to determine what can be done without at this time;
- the need to provide choices to the voters so that the bond does not fail;
- how LEED certification impacts the cost of new school construction;
- the possibility of building energy efficient schools without them being LEED certified;
- the possibility of prototyping schools in order to get more value per dollar;
- how standardization could impact the cost of building and maintaining future schools;
- how education specifications and design criteria impact how schools are constructed;
- the way technology changes over time, which impacts the standardization of schools;
- the need to prevent change orders in construction projects;
- how to assure the taxpayers that frivolous spending is not the desire of the body;
- how the economy will affect the bond package;
- the fact that all school bonds failed at the polls in 2005; and
- how the quality of schools affect the attitudes of students and teachers.

(Assemblymember Bettine exited the meeting at 6:55 p.m.)

(The School Board exited the meeting at 6:59 p.m.)

(The special meeting recessed at 6:59 p.m. and reconvened at 7:04 p.m.)

(Assemblymember Colver entered the meeting telephonically at 7:04 p.m.)

VII. ASSEMBLY ITEMS OF BUSINESS

A. STATE REDISTRICTING PLAN

Mr. Spiropoulos:

- advised that the redistricting plan was put out yesterday;
- stated that there was a proclamation put forward by the Redistricting Board;
- spoke to the maps that reflect the plan adopted by the Board and what was proposed by the Assembly; and
- related that what is being proposed is substantially the same as what exists.

Discussion ensued regarding:

- the proposed redistricting maps of the Alaska State Redistricting Board;
- opinions of other Boroughs regarding redistricting;
- the deviation percentages in the changes proposed by the State Redistricting Board;
- the deadline for the Assembly to file a lawsuit, should that be something they decide to do;
- the need to discuss what the Assembly would like to do in executive session;
- new plans that have occurred in conjunction with the last four censuses; and
- the need for the Assembly to remain engaged in the redistricting process.

VIII. EXECUTIVE SESSION *(for matters, the immediate public knowledge of which would clearly have an adverse effect upon the finances of the Borough and matters which by law, municipal charter, or ordinance are required to be confidential and matters involving consideration of government records that by law are not subject to public disclosure.)*

A. STATE REDISTRICTING PLAN *(Possible litigation and discussion of attorney work product)*

(The executive session was not conducted.)

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

Assemblymember Colver stated that it was a very long discussion with the School Board.

X. ADJOURNMENT

The special meeting adjourned at 7:32 p.m.


LARRY DeVILBISS, Borough Mayor

ATTEST:


LONNIE R. McKECHNIE, CMC, Borough Clerk

Minutes approved: 07/19/11