MEETING NO. 2010-02: The Special meeting of the City and Borough of Juneau Assembly, held in the Assembly Chambers of the Municipal Building, was called to order at 6:00 p.m. by Mayor Bruce Botelho.

I. ROLL CALL

Assembly Present: Jonathan Anderson, Bruce Botelho, Jeff Bush, Ruth Danner, Bob Doll, Johan Dybdahl, Merrill Sanford, David Stone and Randy Wanamaker.

Assembly Absent: None.

Staff Present: Rod Swope, City Manager; Kim Kiefer, Deputy City Manager; Laurie Sica, Municipal Clerk; Craig Duncan, Finance Director; Sonia Del Gado, Accountant II.

Juneau School District Board of Education: March Choate, Board President; Andi Story, Board Member; Ed Flanagan, Board Member; Destiny Sargeant, Board Member; Glen Gelbrich, Superintendent; Laury Scandling, Assistant Superintendent; David Means, Director, Administrative Services.

II. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS – None.

III. SPECIAL ORDER OF BUSINESS

A. Joint meeting with the Board of Education for the Juneau School District to discuss the education curriculum and programs.

School Board President Choate introduced the other Board members present and Superintendent Gelbrich. He said Mr. Gelbrich has applied a high level of professional management skills to his work for the district and the board is looking for data driven ways to measure progress. Staff and students are enthused about the programs. Drug testing is taking place, so far, there have been no positive tests, and everyone has a great attitude about the testing program.

He asked how the city and schools can work together to make education work better. He asked to hold small break out sessions following Mr. Gelbrich’s presentation.

Mr. Gelbrich said Juneau has been very welcoming to him and this meeting is no different. The community and city government have been great supporters of education and he would like to keep this momentum going. Juneau School District (JSD) is hovering around 80% of students meeting performance standards of Alaska; however, the standards in Alaska are not as high as many other states. We have work to do. We have many talented teachers, based on his classroom observation and praise received. We are above average, but are not where we want to be. He asked the community three questions – what should I know, what are the strengths and weaknesses of the district, and who should I talk to. He distributed a summary of the themes of comments made to him in his first 100 days. Juneau is proud of its kids and wants them to be successful. There is remarkable support for students here. A key issue is a lack of
systems. There is a lot of entrepreneurial effort from the students who are doing the best they can without a system. We need to leverage that talent. He distributed a strategic plan, which is a collection of nine integrated initiatives intended to take advantage of the talent we have and the systems we do have and leverage them. He said if these initiatives were accomplished, more students would perform better to higher standards. Every student should graduate, and each one should be able to make a choice of direction to take following graduation and be equipped to work, enter college or service, and not be channeled from a young age.

Our standards need to be higher, we need to have assessments to modify instruction in real time, so we recognize students who are struggling and intervene in time so they are not disenchanted. Our graduation rate has increased, and Alaska Native students are contributing significantly to this graduation rate. He credited Laury Scandling for her work in this area. With high quality instruction, the students will not feel pressure from working towards higher standards. We need to invest in each teacher and classroom. We do this through hiring the right people and keeping them trained. All of our principles should be well versed in leadership strategies. The district has hired late in the year, which leaves us hiring from a depleted pool of applicants, so this need to change. We want to invest in our community partnerships and be intentional about the way we work with local businesses. We will build a district office culture, which exists to support what happens in the classroom. This plan will be on line for all to see the action plans and who has primary stewardship to make things happen, the budget, the timeline, and the progress. We should see initial gains in 2011.

We have worked hard to communicate in the district office, we have internal stakeholder groups meeting, and we meet with community groups as well, such as the Chamber, the Bar Association, etc. We have weekly and monthly email communications and “School View”, a subscription based update by email. We are trying to be mindful of the budget process and be more transparent through holding budget review meetings.

When he attended his first Superintendents meeting in Alaska, he was told he did not need to worry about funding, that the CBJ Assembly was known for funding to the cap and its support of education. The District greatly appreciates the support.

Mr. Doll asked how school standards were set in Alaska and how much flexibility there was for individual districts to change those. Mr. Gelbrich said the District could not lower the standards, but could raise them as high as the locality determined. We would do well to raise them to college entrance standards. Nationally normed standards are available. The Mat-Su District has raised its standards by 10%. The Alaska standard is low.

Mr. Doll asked if raising the standards would lower the graduation rate. Mr. Gelbrich said, if the standards are raised and teachers then teach to the standards, we can see success, and in some cases, we will see an increase in the graduation rate.

Mr. Wanamaker said he was pleased to hear that native graduation rates are improving, he was not sure of the basis, or any new initiatives. He has seen initiatives come and go for years and success declared, but nothing really changes. One of the key fundamental problems is what in all of this makes a native student and family feel welcome in the school system.

Mr. Gelbrich said the District is not done, as we have so far to go. The Alternative High School was started before his time and many native students enrolled and got their credits for
We still have more students who do not feel welcome and supported in school. This is not easy work; we have to work on it everyday.

Mayor Botelho asked to have a more informal discussion with small groups. Mr. Choate said the board held many meetings and has been working on its budget. They are working to use funds more effectively. He would like the Assembly to discuss with them how the city can encourage bringing up good citizens. The board would like to see students involved and participating in the community, perhaps doing job shadowing.

Assemblymembers, School Board members, staff, and public present broke into three small discussion groups for approximately 15 minutes.

Upon returning to the meeting, Mayor Botelho said he understood that this portion of the meeting only scratched the surface and asked for feedback or observations.

Mr. Doll said his group discussed why people do stay in school. One reason was students’ relationship with someone at school they attach themselves to, and he suggested that breadth is more important than depth, so the more ways people can attach themselves to the school is better. He discussed the importance of extracurricular activities for this attachment.

Mr. Bush said Mr. Doll has hit on this as a member of a group analyzing activities in the schools and this point is being brought out. Not how we can come up with more activities for the same kids, but what new activities can we create to bring in new kids. We are looking for variety.

Mr. Wanamaker said that part of the reason kids stay in school is that they have peers they care about and they will stay if they have friends they want to stay with. He is hopeful the success is sustained and real. He has heard good things about the intramural activities and sports and that kids like being involved with those.

Mr. Dybdahl said he found that the next generation of smaller academies also had helped with the retention of native students in addition to the alternative school. He asked if this translated into more teachers. Mr. Gelbrich said not necessarily into teachers, but it did have overhead costs such as administration and building costs. The academies are an organizational shift rather than an add-on.

Ms. Danner said that she was happy to hear the drug testing was adding a sense of mutual respect and self-respect among the students and having more of the community involved in getting kids to stay clean and sober is a good thing.

Mayor Botelho thanked the Assembly and School Board for its participation on this holiday and for their focus on a good education for all.

Ms. Story discussed coordinating after school activities in particular with Parks and Recreation, Community Schools, United Way, and volunteers since the closure of Big Brothers/Big Sisters.

Ms. Story encouraged the Assembly to pass on comments about the school to the board.

The School Board and staff left the meeting.
Mr. Swope gave a staff report. He said he realized that Mr. Sutch had communicated his concerns to the Assembly and Mr. Swope arranged a meeting with Chief Browning, Mr. Sutch, and himself this Wednesday.

Mr. Swope said there have been a number of meetings regarding the budget situation. He has tried to be forthcoming and up front. He laid out major impacts and attempts to balance the budget to minimize impact on services provided to the citizens. He has been consistent in saying CBJ will have layoffs unless we can get concessions from the unions. Since the union voted not to accept management’s request to defer the 3% increase for one year, we will begin moving forward with layoffs. Those notices will be issued soon.

Mr. Sanford asked how many positions were considered. Mr. Swope said 8 – 10 positions.

Mr. Doll said this issue is a moving target and the situation is different from the time we started discussing it, and it will continue to shift until we adopt the budget in June. We have not made any other hard choices. We have not dipped into the school budget, we have not discussed the operation of the valley pool, and this choice to layoff people has not been compared with anything else we can do and this is an odd situation to him. It is incongruous to add the expense to operate the pool while we make layoffs.

Mr. Anderson sympathized with Mr. Doll’s concerns and that the Assembly has not discussed how we will address the budget before layoffs begin. Layoffs almost makes that moot. We have not addressed the whole budget. He understood the situation this puts the Manager in, but the Assembly should have a chance to look at the budget to see what areas can be trimmed. He asked about the mandatory furlough issue. He understood the emotional piece, but if there are to be layoffs, this fiscal year is still funded and the next fiscal year is where the shortfall is. He wanted the Assembly to take more of the responsibility than the Manager for making this call.

Ms. Danner said the article in the Empire criticized the city for extending the benefits negotiated by the union to all the unrepresented employees. She asked if the budget included the 3% increase to all employees. Mr. Swope said yes. Ms. Danner asked if the Assembly was obligated to provide the 3% increase to non-represented employees, and if so, how much would it amount to? Mr. Swope said the city was not obligated to extend that benefit to non-represented employees; however, it has always been done to treat employees who work side by side in the same manner, as they all represent the city. He did not know which individual employees are union represented – they are all city employees to him. It would be a $600,000 savings if we were not to extend that offer. Mr. Swope said he has asked for this direction and was taking this course with the Assembly’s agreement and support, as this is a difficult situation. Layoffs are always the last resort.

Mr. Doll said we have all thought of ways we can get to the target but we have not debated or discussed the budget, and this is an evolving discussion. If the Assembly asked Mr. Swope to change direction, he hoped that it would not be a problem for the Manager personally.

Mr. Bush said he understood that positions have been left vacant, and how will this work; will they be filled with people who have been laid off?

Mr. Swope said that if a job comes open that someone who has been laid off is qualified for they are eligible for that position.
Ms. Danner said Mr. Swope spoke with employee groups and found $4.3 million. Did all the ideas come from staff on how to come to that conclusion? Mr. Swope said that when he was gone, Ms. Kiefer reached out to all departments for 5%, 10% and 15% cuts and revenue enhancements. He has talked with 300+ employees. There were ideas, criticism of excess spending, and disagreements with the projects currently underway. Some of the suggestions that were good and easy have already been put into place.

Mr. Wanamaker expressed his appreciation for the difficult work that the City Manager is doing and he understands Mr. Swope’s decision-making. Mr. Swope told us what he planned to do, the Assembly accepted the recommendation, and Mr. Swope is carrying out his management decision.

Mr. Anderson said he has been a critic of the “above the cap” funding for the school, which is $750,000, and at $80,000 an employee, that is $720,000 – this is a decision and a trade off.

Ms. Danner said she made her point clear two months ago – layoffs are always a bad choice. She was dismayed at the decision of the union members that 80% were not willing to say that layoffs were the last possible choice. Therefore, if that is the case, she would stand by the Manager’s decision.

Mr. Doll said he did not want to characterize the union member’s decision, but thought it represented only about 200 employees.

Mr. Anderson said with layoffs happening within the week, he could not let this go by without the Assembly acting.

**MOTION, by Anderson, to direct the Manager to delay layoffs until the Assembly meets to review the budget.**

Mr. Doll supported the motion. This is no more important than the many budget decisions we will be making.

Mr. Wanamaker asked Mr. Anderson to withdraw his motion – it will throw the budget into disarray for further planning. He has heard that former employees will have preference for re-employment. This will only complicate our planning and budget process.

Mr. Dybdahl said he agreed that cutting employees had other costs, including severance, rehire, and training if the same people are no longer around. We all agreed in the beginning to take a much earlier look at the budget but we did not accelerate it, we have not gotten into the meat of the budget and we have until June 15 to approve the budget. He did not know if all these positions are funded for this fiscal year, or if the goal was to see savings in FY10. He did not like to second-guess the Manager.

Mr. Sanford said he was willing to go down this path with the City Manager as the Assembly chose to do two months ago. If we get tough in the decision-making and are able to redress the people layed off, then we will give direction to the Manager, if the positions are needed, to bring them back on.
Mr. Stone said he was torn. We did go down this path and gave the Manager support, and we do not want to micromanage. We started this budget process earlier than ever. There should be priority for rehire to those layed off. His concern is that when we waffle, it puts the Manager in a precarious position.

Mr. Bush said he was struggling with this issue. Not because he does not agree with the Manager’s decision based on the direction he was given and the union decision. There was some confusion about the treatment of the unrepresented employees. I think layoffs may be the inevitable answer. Are we required to make this decision today? I understand your reasoning, but could these be part of the overall budget adoption, and what is the financial impact now and in the future. Eight to ten positions over the next two years must be what is needed to balance the budget – so what is the effect for the next few months?

Mr. Swope said he understood this situation. He cannot rely on the Assembly to make decisions to balance the budget, the only thing he came to the Assembly for was the approval of use of the sales tax budget reserve, but not how much, so he was not taking this personally. He told the Assembly his approach and asked for feedback. The concession requested of the union would realize savings from January forward, and I feel we have cut as deep into the departments without cutting services, which result in layoffs. He estimated the savings would be $100,000 a month for every month we delay the decision.

Mr. Dybdahl said this is the most difficult time of the year for employees to obtain another job, so delaying the layoff will give those employees a better opportunity to find alternative employment.

Mayor Botelho said the earliest decision on the budget was May 1 and that was a record. He restated the motion.

Mr. Doll asked for equity, and said that the layoffs were based on a small group of employees and did not take into consideration the enterprise funds and all the difficult budget decisions.

The roll call on the motion to delay layoffs until the Assembly has met to review the budget passed 5 aye, 4 nay.

IV. ASSEMBLY COMMENTS AND QUESTIONS

V. ADJOURNMENT – 7:31 p.m.

Signed:___________________________  Signed:_______________________________
Laurie Sica, Municipal Clerk       Bruce Botelho, Mayor