



**SPECIAL ASSEMBLY FINANCE COMMITTEE  
JOINT MEETING WITH DOCKS AND HARBORS  
BOARD OF DIRECTORS AND JUNEAU SCHOOL  
DISTRICT BOARD OF EDUCATION MINUTES**

**March 18, 2026, at 5:30 PM**

**Assembly Chambers/Zoom Webinar**

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<https://juneau.zoom.us/j/93917915176> or 1-253-215-8782 Webinar ID: 939 1791 5176

**A. CALL TO ORDER**

The meeting was called to order at 5:33 pm by Mayor Weldon.

**B. ROLL CALL**

Committee Members Present: Mayor Beth Weldon (Chair); Greg Smith; Christine Woll; Nathaniel “Nano” Brooks; Maureen Hall; Neil Steininger; Paul Kelly

Committee Members Present Virtually: Ella Adkison

Committee Members Absent: Alicia Hughes-Skandijs

Staff Members Present: Robert Barr, Deputy City Manager; Angie Flick, Finance Director; Adrien Wendel, Budget Manager; Matthew Creswell, Harbormaster; Frank Hauser, Juneau School District Superintendent; Nicole “Nico” Herbert, Juneau School District Chief Financial Officer

Staff Members Present Virtually: Carl Uchytel, Port Director

Staff Members Absent: Katie Koester, City Manager

Docks and Harbors Board Members Present: Chair Shem Sooter; James Becker; Annette Smith; Nicholas Orr; Matthew Leither; Clayton Hamilton; Tyler Emerson

Docks and Harbors Board Members Present Virtually: Mark Ridgway

Docks and Harbors Members Absent: Robert Horchover

School District Board Members Present: President Britteny Cioni-Haywood; Elizabeth Siddon; Amber Frommherz; Jenny Thomas; Steve Whitney; Melissa Cullum

School District Board Member Absent: David Noon

**C. Approval of Minutes**

**1. February 25, 2026**

The February 25, 2026 minutes were approved as presented.

**D. AGENDA TOPICS**

**1. Joint Meeting with Docks and Harbors Board of Directors**

**a. Introductions**

Introductions were made as per Roll Call above.

## 2. Docks and Harbors Budget Presentation and Joint Assembly and Docks and Harbors Board Discussion

Harbormaster Matthew Creswell explained that Docks and Harbors (D&H) is an Enterprise Department made of two separate enterprises. The Docks Enterprise (Docks) consists of the downtown docks and cruise ship related operations. The Harbors Enterprise (Harbors) consists of small boat harbors, launch ramps, associated uplands, and harbor related operations.

Docks is anticipated to finish up FY26 in a healthy position, operating with a positive net income, and looking at an increase to the fund balance of about \$1,719,000 for FY26 and \$692,000 for FY27, bringing the fund balance total to about \$4,650,000 by the end of FY27 (packet page 16).

Mr. Creswell noted that the FY27 fund balance increase is less than half of the FY26 increase. In FY26, dockage fees were increased by going from square footage to lower berth rate. However, the Assembly provided direction that the increased portion of the fee would be allocated to general government services to supplement services provided to cruise lines and passengers starting in FY27.

In FY27, Docks' expenditures are led by transfers to the General Fund (43%) to supplement services provided to cruise lines and passengers, personnel services (32%), then commodities and services (25%). 98% of Docks' revenues will be from charges for services, and 1% each from interest income and interdepartmental charges (packet page 17). This compiles a \$5,800,000 budget for Docks for FY27. Looking back over the prior decade, other than during COVID, Docks' revenues have exceeded its expenses, and the Docks' fund balance has increased overall (packet page 18). The fund balance fluctuates over time as it is used to pay for specific projects and then replenished again.

In FY26 Docks was provided with \$717,000 in Marine Passenger Fees (MPFs) for restroom maintenance and port security. These costs will now be covered by increased dockage fees instead of Marine Passenger Fees in FY27.

In FY27 Docks will have 19.74 Full Time Equivalent (FTE) staff members handling cruise ship docks and security. This is a 0.01 FTE increase from FY26 related to a reduction of three Part-Time Limited (PTL) Harbor Technician positions and creation of a PTL 7-month benefited Harbor Office position.

Docks is working earnestly on the Cruise Ship Electrification Study. AELP is contracting with engineering firm H3 for the design, which is anticipated to be about 35% complete by this fall. The cost for the dock electrification is estimated to be at least \$60,000,000.

The \$3,000,000 Statter Harbor Phase IIID Project is close to completion. Additionally, Docks will be marshalling the 4<sup>th</sup> of July Fireworks show with an anticipated expenditure of \$100,000 for FY27.

Assemblymember Brooks asked about the investment revenue line. Mr. Creswell answered that this is interest earned on the fund balance.

Assemblymember Smith asked about funding coverage for security and maintenance for CBJ's dock areas, and how that will be handled when Docks no longer receives MPF funding. Mr. Creswell answered that those expenses will be covered out of Docks' budget, specifically from increased dockage fee revenue. They expect to continue operating "in the black," however, this revenue reduction will leave them with less funding to complete big projects and cover other large expenditures.

Assemblymember Woll asked how it works to transfer funds out of Docks and what type of criteria is required to do so. Mr. Creswell answered that although use of these fees is not as stringent as MPFs, they must still be able to demonstrate a nexus to dock operations.

Mr. Creswell stated that Harbors is also financially solvent and strong, with operations getting bigger and better every year. They have continued to search for grant funding and have been able to use available fund balance for grant matching as necessary. He expressed gratitude to the Assembly for the 1% sales tax revenue that has been provided, noting that this funding has allowed Harbors to thrive and complete projects over the last several years.

Overall, Harbors' revenues outpaces their expenditures (packet page 20), however, there are some capital projects that are being funded out of the fund balance in FY26 and FY27. The fund balance will be decreasing by \$1,917,000 in FY26 and \$880,000 in FY27, bringing it down to \$1,204,000 at the end of FY27 primarily due to capital projects contributions. As in the past, the fund balance will be replenished in the future.

Harbors' expenditures (packet page 21) include personnel services (40%), commodities and services (34%), capital project contributions (29%), and debt service (7%) which is from the 2005 Harris Harbor rebuild which will be paid off in the near future. Revenue sources include charges for services (72%), rentals (18%), permits (6%), interest income (4%), adding up to a \$7,700,000 budget for Harbors. Harbors' actual revenues continue to exceed actual expenditures (packet page 22), and Harbors' fund balance fluctuates based on capital investment needs.

FY26 Harbors revenue is expected to remain strong through the end of the fiscal year, in spite of some unbudgeted expenses. These included dealing with the uninsured fishing vessel Julie Anne that sank in Aurora Harbor (\$146,000 which may or not be recoverable through the owner and/or insurance funds) and extraordinary snow removal costs (\$285,000 as of last week and still likely to increase).

Aurora Harbor Phase IV is nearly complete. This project started in 2013, and this is the final phase which is expected to be completed by May 1 of this year. A grant has been received for a new drive-down float at Aurora Harbor. This will be similar, though slightly smaller, than the one located past Alaska Glacier Seafoods. It will benefit users and commercial fisherman in the downtown area for loading gear and unloading catch directly to and from vehicles. Harbors applied for a State Harbor Matching Grant for the cost share on this project and were awarded around \$1,000,000 to \$1,200,000 to decrease their financial burden. An upcoming project is a new Aurora Harbor office

design in FY27 as the old office is deteriorating.

Typically, Harbors phases projects to capitalize on available funding. Their primary source of funding other than revenue is the State Municipal Harbor Matching Grant Program which has a \$5,000,000 maximum grant amount. Harbors is working with the Alaska Association of Harbormasters to try to get that maximum amount increased to \$7,500,000 as the initial limit was set in 2006, and expenses have steadily increased since then. As much as possible, Harbors seeks outside funding such as grants to pay for projects, and Mr. Creswell credits Port Director Carl Uchytel with proactively seeking grants and alternative funding opportunities.

Harbors is anticipating a revenue increase of \$287,000 due to the Huna Totem tidelands land lease.

Assemblymember Kelly asked about the funding revenue line for State shared revenue. Mr. Creswell explained that this is commonly called the "raw fish tax," and it is a tax on any value-added seafood that is processed within the Borough. This is a State tax, and historically, the state has returned this revenue to CBJ, who has in turn passed these funds to Harbors. However, upon the discovery that these funds are eligible for general government uses, the Manager's Proposed Budget reallocates these funds from Harbors to the General Fund.

Mayor Weldon asked about Harbors service rates. Mr. Creswell stated that their rates are appropriate for where they should be, and that they were raised about three and a half years ago. The biggest increase was an 8.8% adjustment to the monthly moorage rate which has been eased in on a phased basis with three yearly increases of 3%, 3%, and 2.8%.

Now that the rates have been set appropriately, they are also adjusted by the Consumer Price Index (CPI) annually so that the increases are in line with the cost of goods and services overall.

A new fee structure has been created for uninsured vessels, as there has been an issue with uninsured, abandoned, and derelict vessels sinking, and associated cleanup costs being borne by Harbors. This is a surcharge of \$1 to \$3 per foot for uninsured vessels. Harbors expects to collect over \$100,000 this year from this new fee which will be used to pay for removal and clean up from sunken boats.

Assemblymember Woll asked if the additional Huna Totem lease revenue is already built into the FY27 budget. Mr. Uchytel responded that these funds were included in the FY27 budget. The agreement has not yet been signed by Huna Totem and the Manager's Office, but it is expected to be signed soon.

Mr. Creswell referenced the D&H's fees paid to other CBJ Departments (packet page 24) for central services like Payroll, Human Resources, etc., noting that D&H's insurance rates were fairly stable from FY13 through FY22, then started increasing, and have since almost tripled from around \$258,000 to \$757,000. These high insurance rates have been a substantial hit to the D&H's budget in recent years.

In review of D&H's Capital Improvement Projects (CIPs, packet page 25), Aurora Harbor Phase IV is expected to be completed this spring with a ribbon cutting in May 2026. They anticipate establishing a CIP for the Aurora Harbor Office in FY27 and are looking at a \$14,000,000 project cost to bid in fall 2026 for the Aurora Harbor drive down float.

Downtown Waterfront improvements include the Cruise Ship Berth Electrification project, and AELP has the contract for design. There's a potential FY27 project for new bathrooms and amenities. They are planning to have a contractor evaluate the old timber piling under the Alaska Steamship Wharf. With last year's MPFs, they want to add a new, comprehensive camera security system on the cruise ship docks.

They are working with the Army Corps of Engineers on a feasibility cost study for the Statter Harbor breakwater for wave attenuation, and that project is progressing. Docks and Harbors is responsible for part of the match for this project, at minimum \$1,500,000. The Army Corps said that a full geotechnical investigation will not be required, and that is good news as it will save a great deal of money. They are currently about halfway through this study with about another 18 months to go to completion.

Statter Harbor Phase IIID for paving, lighting, landscaping, and the Baywalk just needs some final touches which will be completed when the snow melts and they are anticipating a ribbon cutting in May 2026.

D&H plans to apply for a Pittman-Robertson Hunter Access Grant to put a boarding float in Echo Cove.

They hope to be able to build a new launch ramp facility where the current North Douglas launch ramp is located. This is a very small facility that is being more heavily used and is difficult to maintain in its current condition.

Grant funding was received to replace the approach floats at Taku Harbor, and construction is expected to start within the next few weeks.

Docks and Harbors will be adding a secured, fenced, and lighted storage area at Little Rock Dump. This facility will be for use by commercial maritime users, and completion is anticipated for July 2026.

Upcoming significant expenditures (packet page 26) after expected grant opportunities total around \$135,000,000 and revenue diversions from D&H starting in FY27 add up to \$3,677,000.

Assemblymember Woll asked about the Fisherman Terminal Property and the possibility of being able to purchase it. Mr. Creswell answered that D&H would love to be able to purchase that property for its location between their two largest downtown harbors, its boatyard, and its crane dock. Currently, this property is not for sale, and the amount of \$30,000,000 is a placeholder in case discussions lead to an option to purchase it.

Assemblymember Smith asked about the \$20,000,000 cost of the wave attenuator at Statter Harbor. Mr. Uchtyl answered that their hope is to convince the legislature to increase the maximum municipal harbor grant to \$7,500,000, as floating breakwaters are

an eligible expense under that program. Then they hope to advance this project for the 1% sales tax initiative in 2027. They also think this will be an eligible passenger fee expenditure because it supports the whale watching fleet. Thus, funding could be crafted with State DOT, Municipal Harbor Grant, passenger fees, and Docks' funds plus the 1% CBJ sales tax revenue.

Assemblymember Kelly asked about the increase in insurance rates. Mr. Creswell explained that to his understanding, their insurance rates are determined by the national market, and that insurance risk has increased due to some large natural disasters. D&H holds a great deal of infrastructure by value, which means their exposure is high, and this has led to the increase of insurance rates.

*The Committee continued to ask questions and discuss the topic.*

### **3. Joint Meeting with Juneau School District Board of Education**

#### **a. Introductions**

Introductions were made as per Roll Call above.

#### **b. Juneau School District Budget Presentation and Joint Assembly and Board of Education Discussion**

Juneau School District (JSD) Superintendent Frank Hauser presented the FY27 Budget Overview for JSD. The budget process (packet page 28) was started with a Preliminary Budget based on rolling over and maintaining current programs and services. This was adjusted for Average Daily Membership (ADM) and Pupil Teacher Ratio (PTR) that required staffing adjustments, only included the Operating Fund, and was unbalanced.

The Preliminary Budget was transitioned into the Juneau Board of Education's (BOE's) Proposed Budget. This is a balanced budget advised by public input as well as adjustments for State and CBJ Funding based on known information. This Proposed Budget requires BOE approval and is being presented to the Assembly by the April 1 deadline.

This process in turn will lead to the Adopted Budget, which will be balanced, include all funds, be approved by the BOE, and will go before the State Board of Education to be approved by the State by July 15, 2026. Since January 2026, JSD has held multiple meetings and public input sessions as part of their budget development process (packet pages 29 and 30).

Enrollment numbers (packet page 31) for JSD have been declining and are expected to continue to decline by about 1.5 to 2% per year. Anticipated enrollment for FY27 is 3,767 students between traditional, charter, and correspondence schools.

JSD revenue is based on CBJ, State, and Federal funds. State funding per Adjusted Average Daily Membership (AADM, packet page 32) has been relatively flat since 2025. The Base Student Allocation (BSA) from the State for FY26 was \$6,660 and it looks like this will be the same for FY27. This is the amount being used to build the FY27 budget.

JSD Chief Financial Officer Nicole “Nico” Herbert discussed proposed FY27 revenue (packet pages 33 and 34), which will be about \$76,000,000 if they receive the maximum contribution from CBJ. This includes the step down in the State hold harmless provision which have helped JSD bridge the decrease in enrollment for 3 years. FY27 will be the third and final year of the step down. Enrollment numbers are the cause of most of the decrease in State Foundation Funding with a 2% decline in enrollment. Ms. Herbert noted that it is important to consider that the hold-harmless revenue from the State will no longer be received in FY28. In FY27, CBJ’s funding will make up 47% and the State is about 52% of JSD’s FY27 budget revenue. Other local revenue, tuition, and Medicaid reimbursements make up the balance of the revenue. JSD is predicting that they will be using about \$5,700,000 of their fund balance to balance this budget.

Mr. Hauser described the historic and projected pupil-to-teacher ratios (PTRs, packet page 35). The FY27 Projected Budget maintains the PTRs from FY26 at all grade levels. For kindergarten through third grade, the PTR will be 26 to 1, from 4<sup>th</sup> through 6<sup>th</sup> grade, the PTR will be 28 to 1, and for secondary schools, 7<sup>th</sup> through 12<sup>th</sup> grades, the PTR is 30 to 1. It is important to note that this is a budgeting tool, that there will be variations in classes. Some will be a little bit higher; some will be a little bit lower. However, from a budgeting perspective, this amounts to maintaining the PTRs.

Mr. Hauser added that not all school districts across the State have been able to maintain their PTRs. He credits the hard work of the BOE and CBJ’s support for enabling JSD to maintain their PTRs.

JSD launched Balancing Act (packet pages 36 and 37), an interactive online budget simulation tool which gave the public the opportunity to experience being “hands-on” with the School District’s budget and to play with different possible scenarios. He noted that Balancing Act budgets had to balance for people to be able to submit them. Mr. Hauser thought that this was a helpful, important tool for the public to experience some of the budget process and learn how funds can be allocated with budgeting.

Ms. Herbert spoke of JSD’s expenditures by “function” and by “object” (packet pages 38 and 39). Looking at spending by function, over 75% goes directly to instructing students. Instructional support makes up over 18%, and non-instructional support makes up the other 6%. Tracking expenses by object, 86% of expenses go to salaries and benefits. Purchased services, which include utilities, are next at almost 9%, supplies and other expenses are over 4%, and transfers to other funds are over 0.7%. These are transfers from the Operating Fund to support deficits in programs such as Nutrition Services Special Revenue Fund, and Transportation Special Revenue Fund.

Additional information provided to increase JSD’s Budget transparency (packet page 40) include an All Funds Report with added descriptions of each fund identifying its specific purpose, detailed information for individual departments and school facility budgets, and amounts anticipated for FY27 compared to FY26.

Mr. Hauser addressed JSD’s funding request to CBJ (packet page 41). He stated that the Assembly has been generous in past years to provide additional funding for non-

instructional support, with FY26 funding totaling \$2,115,000. For FY27, they are requesting a reduced amount of \$2,109,000 for non-instructional programs including student activities, student transportation, food services, community schools, and the Learn to Swim program. For FY27, they are requesting that the Assembly fund general school operations at \$35,801,900, which is the maximum amount permitted according to the State Foundation funding formula. This is an increase of \$797,188 over the FY26 originally approved budget.

The FY27 budget reflects transparency, effective and efficient use of resources, and fiscal responsibility (packet page 42). In November 2025, JSD received a clean external audit with all funds "in the black." The FY27 budget represents JSD's best efforts to accurately anticipate or request funding resources and to work within these limits while providing a comprehensive yet sustainable level of services for students of the community.

On behalf of the Juneau School District and the Board of Education, Mr. Hauser thanked the Assembly and CBJ for their continued support of the Juneau School District.

Mayor Weldon asked about enrollment levels and if JSD expects continued decreases or hopes for a plateau. Mr. Hauser responded that at this time, they are seeing 1.5-2% enrollment decreases each year due to out-migration and birthrate reductions. There is hope that they will see some stabilization within the next 3 to 5 years due to the Coast Guard icebreaker coming to Juneau. In the meantime, another enrollment decrease is expected in FY28.

Assemblymember Smith asked about fund balance restrictions. Mr. Hauser stated that there is a State statute that districts cannot maintain more than 10% of the prior year's expenses as a fund balance, thus setting a cap on the amount that can be carried forward year after year. Additionally, BOE has a policy that requires at least 1.5% of the fund balance be held in reserve. Therefore, the two main guardrails are a cap based on prior year expenses and a bottom level at 1.5%.

Mayor Weldon asked about the FY27 fund balance amount that will be left after the budgeted use of some of it (bottom of packet page 34). Ms. Herbert answered that the fund balance will be around \$1,700,000.

Assemblymember Woll asked for more details about JSD's non-instructional funding request to CBJ (packet page 41) and what percentage of these programs are covered by CBJ funds. Mr. Hauser answered that the lion's share of these programs is covered by CBJ with additional funding by donations, fundraising, and staff-support. The funds requested for student transportation and food services are to address the deficit between anticipated support from State and Federal funding and what will be needed at the end of the year to cover the difference.

Mayor Weldon asked about the cost for high school activities and asked why it has been the same every year even though the high schools were consolidated into one building. Mr. Hauser answered that this is due to having more students in the one high school, so the need for coaches, instructors, and equipment hasn't changed much. When the school consolidation was done, the commitment was made to be able to allow all students to

participate and not have to turn anyone away from school activities.

Assemblymember Kelly asked about the line item for energy on the expenditures by object (packet page 39). Mr. Hauser answered that with support from CBJ, JSD has been able to take advantage of the Renewing America's Schools Grant. There was some uncertainty if that grant funding would come through. A part of the grant was allocated to upgrading some of the HVAC systems with a focus on becoming more energy efficient.

Assemblymember Brooks asked about the difference between energy and utility services lines. Ms. Herbert explained that the State requires the school districts to distinguish certain energy and utility expenses in different categories. Utility services primarily consist of heating oil and energy includes electricity and water.

Assemblymember Brooks asked about the operation and maintenance category on the expenditure by function chart (packet page 38). Ms. Herbert responded that operation maintenance is the general description that the State requires the districts to track. This includes all custodial services, the maintenance department, plus all utilities for heating and electricity.

Mayor Weldon asked what the transfers to other funds represent (packet page 39). Ms. Herbert explained that these transfers are general operating funds that are transferred to support transportation and the Nutrition Services Special Revenue Fund. In addition, the BOE also elected to continue universal free breakfast at a cost of about \$230,000.

Assemblymember Hall asked about prospective revenues (packet page 34), if Medicaid reimbursements fall in the "other" category, and are they only billing Medicaid for students enrolled in special education services. Mr. Hauser stated that to his knowledge they are only billing for students enrolled in special education services and he will get confirmation if that is correct. Assemblymember Hall stated that nursing services could also potentially be covered for students both in and outside of special education, which could be a potential source of additional revenue. She did recognize that there may be instability with this Federally funded source with the current administration. Mr. Hauser added that in their budget, there is support for health services and nurses, and these are some of the revenue sources that the lead nurse will be pursuing.

Assemblymember Hall asked what costs have shifted over to CBJ due to the reduced BSA funding. Mayor Weldon responded that some of these shifts have included student transportation and high school activities. Ms. Herbert added that it is important to note that funding for student transportation is based on enrollment. However, typically, even when enrollment goes down, in a place like Juneau, it is still necessary to cover the same geographical area, which causes an imbalance between funding and expenses.

Assemblymember Brooks asked if there has been conversation about consolidating JSD's maintenance services with those of CBJ's. Mr. Hauser stated that this was discussed during the school consolidation. One of the issues is that when they need maintenance/custodial needs, it typically needs to happen immediately, and it is important for the schools to have access to maintenance staff on site as needed. It was also determined at that time that consolidating with CBJ would likely cause the costs to

increase, not decrease, removing the primary motivation to pursue this as an option.

*The Committee continued to ask questions and discuss the topic.*

**c. Joint Assembly and Board of Education Discussion**

Assemblymember Brooks referenced the Dzantik'I Heeni Playground project design process and how the design was redone three times with a CBJ design cost that inflated to well over \$100,000. Assemblymember Smith stated that he believed the issue may have been the lack of a clearly stated price cap for the project from the onset. When the project design came in with an estimated project price above what the Assembly wanted, the design had to go back for reworking, and this drove the design costs up.

School Board of Education (BOE) Member Dr. Elizabeth Siddon stated that she was the Chair of the Facilities Committee through most of the development of that project, and leaving the budget piece aside, she hopes that in the future, the Joint Facilities Committee can hash out a better process for any joint projects.

BOE President Britteny Cioni-Haywood agreed with Dr. Siddon and added that it was a rough process, and it would be much appreciated to develop a better understanding of the flow and process to improve things for future projects.

BOE Member Jenny Thomas noted that with getting new boilers for schools, she sees a similar scenario where plans are changing and the design costs are increasing. She suggested a cap or an agreement as to how all of CBJ/BOE funds serve all of the community. She said it does not make sense to her for the School District to pay CBJ to do the design of a boiler installation to go into a building that CBJ essentially owns.

Assemblymember Woll stated that the Dzantik'I Heeni Playground project was indicative of a larger issue that she has observed since joining the Assembly. She said that there seems to be a lack of clear communication between the Assembly and the BOE. She added that she is not blaming anyone there, but that each group has authority in its own sphere, and when they try to talk or do projects jointly, there have been challenges, even when they have shared values and goals. She felt that with the BOE participating in this meeting with the Committee, it would be helpful for all of them to hear from BOE Members about what they need from the Assembly and how communications can be improved.

BOE Member Steve Whitney stated that he was not on the Board when the Dzantik'I Heeni Playground project first started, however, he became the Chair of the Facilities Committee when Dr. Siddon stepped down, and there are certain things that he feels are important. For the two schools that ended up at Dzantik'I Heeni, this was a dramatic change as they were uprooted to move there, leading to intense feelings and frustration. In the Lemon Creek community, kids were split up into different schools when they lost the school in their neighborhood.

BOE Member Melissa Cullum commented that as a new board member, the bidding process and the way it was explained to her as she was onboarding was very unclear, to the extent that it seemed no one knew if it was a CBJ project or a School District project.

She spoke to some of CBJ's project managers who tried to explain the process. Having done construction for years, this bidding process seemed odd to her. She did not recall that the BOE had a say in the playground equipment. She suggested that in the future, there needs to be communication between the City and the Board so that it is clear how the process will go, who will be responsible for what, and who will be making decisions.

Mayor Weldon noted that the Assembly also did not choose the playground. Ms. Cioni-Haywood clarified that there was a design company that brought options to the school community to gather feedback on the equipment, so there was input at that time from the schools that were in that building.

BOE Member Amber Frommherz stated that a lesson to be learned is the challenge of using a third-party vendor for a project for their expertise, while determining how much trust you put into that vendor. There will be more projects and vendors in the future, and providing specific plans, requests, and budget limitations at the start of the project could help them avoid a repeat of this scenario down the line.

Ms. Cioni-Haywood stated that they have had conversations recently about having an updated facilities assessment done. Ms. Thomas explained that at some point in the past, they had an assessment to look at all their facilities, efficiencies, capacities, safety systems, and how they could best be used for JSD. Mr. Whitney stated the assessment was requested by a joint Assembly-JSD Committee in 2017. His recollection is that the contractor was Jensen Yorba Lott, and they brought in subcontractors who were experts in education. Much of this information from this assessment is now stale, such as finance and maintenance costs.

Ms. Cioni-Haywood asked about flood mitigation and what the JSD's responsibilities are for Mendenhall River Community School (MRCS). Robert Barr, Deputy City Manager, responded that during flood response, CBJ is quick to contact the superintendent's office if they need to access school property as part of the response or to protect the property. He added that last year there was protective work done in culverts either on or very close to MRCS to keep water off school property. He stated that flood protection of public property is prioritized during an emergency response.

Dr. Siddon stated that back in September or October the Facilities Committee was briefed on flood mitigation, fencing, bank stabilization, and the driveway into MRCS and told that JSD would be responsible for these expenses out of their maintenance budget. She asked then and has still not received a clear answer as to why these expenses are not under the umbrella of the city flood mitigation response.

Mayor Weldon asked what the flood impacts were to MRCS. Mr. Whitney answered that the biggest impact was bank stabilization needed to keep the school's entry driveway from collapsing into the river, as well as some tree cutting. He agreed with Dr. Siddon that roles and responsibilities were unclear. Mayor Weldon agreed that that this needs to be clarified.

Assemblymember Brooks asked if there was any consideration to reestablishing the school's old entrance on the other side of the property.

Dr. Siddon added that it is almost \$1,000,000 for the total project costs for flood mitigation at MRCS including the bank stabilization.

Mr. Whitney said that the Army Corps of Engineers recommended the bank stabilization, however, whose responsibility it would be and where the funding would originate were areas of confusion.

Ms. Thomas stated that whether the entrance is moved or not, they must repair the bank and the fallen fence due to safety concerns.

Ms. Cioni-Haywood asked about the partnership in after-school childcare and what is happening with that program. Mayor Weldon said that there is a private company working on this for three schools. The last thing that she knew, they were looking for a sponsor, and she asked if anyone on the Assembly knew if they had found a sponsor. Assemblymember Smith stated that he has been speaking to members who have been advocating for funding for after-school and summer school-aged care. There was concern that an Assembly Community Grant as part of the FY27 budget process would take too long, and they were evaluating the possibility of putting forth an ordinance. Mayor Weldon said that in her estimation this does not rise to the level of an ordinance, and the people seeking funding were told to find an Assembly sponsor for a Community Grant. Mr. Hauser added that if funding were available, he feels confident that JSD could find space to locate childcare in a school or schools as soon as this summer.

Mayor Weldon asked, if an ordinance were to come forward, would JSD be looking for CBJ to fully fund school-related childcare. Ms. Thomas stated that because they do not have funds in their budget, and they eliminated Rally due to lack of available staff, that yes, they would be looking to CBJ to provide all of this funding.

*The Committee and Board continued to discuss the topics.*

Assemblymember Steininger asked about looking forward at sustainability of the operating budget considering the JSD fund balance, anticipated declining enrollments, and associated declining revenues. Ms. Herbert responded that they have been discussing how to make sure they are fiscally responsible while not making unnecessary cuts. She noted that the vacancy gap tends to provide cost savings even with hiring substitutes or contracting with third parties. They discussed whether to project a vacancy rate for FY27 as they have in past years with the Board of Education. They decided to budget for a 100% fill rate. In the beginning of the school year, they will evaluate the initial vacancies, monitor them, and will develop a better estimate for the FY27 vacancy rate and what additional funding this will create for the next budget cycle. Another factor they considered is health insurance. In the past, JSD budgeted for 100% of employees to participate in health insurance. For FY27 they decided to strategically use a 10% health insurance waiver rate. Like the vacancy factor, they will have a better idea of the reality in September and October 2026. Leftover funds from position vacancies and unneeded health insurance will potentially increase the fund balance going into FY28.

Ms. Cioni-Haywood remarked that balancing a budget from prior year fund balance has risks. If there are lower vacancies, higher insurance participation, and other factors that

impact these numbers, using the fund balance could become problematic. However, they have opted to use one and not both for the upcoming FY27 budget to alleviate some of this risk.

Assemblymember Kelly stated that he is inspired by the conversation about improving communication between their groups. He does not want to add additional meetings to either group's calendars or add more topics to the liaison role for the BOE's one-hour long lunchtime meetings. He speculated that perhaps there is a way for the liaison role to be used differently than that of primarily an observation role. He added that BOE members are welcome to reach out to him or any other Assembly member.

Ms. Cullum noted that in terms of potential changes to BSA, there is legislation that is discussing charter schools. If it goes through, JSD would receive additional funding for correspondence students.

*The Committee and Board continued to discuss the topics.*

**Motion: by Assemblymember Woll to direct CBJ staff to work with JSD staff on a proposed process for both bodies to better communicate and make decisions about JSD facility joint projects.**

**Amendment: by Assemblymember Brooks to have members of each of CBJ, JSD, and Staff get together and work on updates for rules of procedures and updates on subcommittee bodies.**

**Objections to Amendment: by Mayor Weldon and Assemblymember Hall.**

**Roll Call Vote on Amendment to the Motion**

**Ayes:** Brooks

**Nays:** Smith, Kelly, Hall, Adkison, Steininger, Woll, Mayor Weldon

**Amendment failed. One (1) Aye, Seven (7) Nays.**

**Original motion passed by unanimous consent.**

**Motion: by Dr. Siddon to move the previous motion on behalf of the School Board of Education.**

**Second: by Ms. Frommherz**

**Motion passed by unanimous consent.**

**4. Information Only: Updated AFC Budget**

**E. ADJOURNMENT**

*The meeting was adjourned at 9:04 pm*