

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT BOARD OF EDUCATION
AGENDA STATEMENT

No. 6

MEETING OF July 17, 2019

REVIEWED BY:

ITEM TITLE:

Superintendent Report

Superintendent

The Superintendent Report consists of:

- Information on the Houghtaling Elementary Roof Replacement Project
- Business Manager's Report



ARCHITECT'S FIELD OBSERVATION REPORT

Project: KGB Houghtaling Elementary School Roof Replacement

Location: Ketchikan, Alaska

Date/Time: 7.8.19, 8:30 AM

Weather Conditions: Cloudy, Misty, 62 Degrees.

People Present:

1. Nycole Gizinski, Architect, R&M Engineering-Ketchikan, Inc.
 2. 8+ Crewmen
-

Work In Progress:

Demolition:

- Demolition of the asphalt roofing at the east side of the roof up to grid 11 is complete. Crew is currently demolishing the last section of rake between grids 8 & 11.

Abatement:

- Roof drains are being abated in active work areas.

Parapet Walls:

- Crew is currently installing the last section of parapet wall framing between grids 8 & 11. PVC membrane has yet to be installed at the parapet walls at east.

Roofing:

- Roofing, including PVC membrane, has been installed up to grid 11 at the east.
-

PHOTOS



Photo #1 – East side of the main roof (taken from gym roof)

Installation of roofing has been completed up to grid #11 at east. Boots and sleeves are installed at all mechanical penetrations. Water appears to be draining to roof drains, and there is no standing water.



Photo #2 – East side of the main roof (taken from gym roof)

PVC roofing is installed. Parapet walls are currently being protected until PVC membrane is installed and sealed at parapets.



Photo #3 – East main roof looking south along grid #11.

Crew has angled edges at new/existing roofing to allow for proper drainage until roofing installation is complete at east.



Photo #4 – West roof

No new work has been done at west. Water appears to be draining as designed. There is no significant standing water.



Photo #5 – West Roof



Photo #6 – South section of parapet (In front of fan room)

Demolishing of the remaining roof rake/eave and installation of remaining parapet wall framing is underway between grids 8 & 11.



Photo #7 – South section of parapet (In front of fan room)

Demolishing of the remaining roof rake/eave and installation of remaining parapet wall framing is underway between grids 8 & 11.



Photo #8 – East roof (facing west towards gym)

Water appears to be draining as designed at east.



Photo #9 – East roof (facing northeast)

Water appears to be draining as designed at east.



Photo #10 – Parapet at northeast

PVC membrane remains to be installed at parapet walls at east. All walls are being protected until PVC is installed.

Ketchikan Gateway Borough School District

333 Schoenbar Rd. • Ketchikan, Alaska 99901

Ph. (907) 247-2109 Fax: (907) 247-3820

Elizabeth Lougee, Interim Superintendent • Katie Jo Parrott, Business Manager

Rick Rafter, Human Resources • Terri Crofcheck, Special Services • Alonso Escalante, Curriculum



Memo

To: Beth Lougee, Interim Superintendent
From: Katie Jo Parrott, Business Manager
CC: Kerry Watson, Board Clerk
Date: July 12, 2019
RE: Business Report

End of the Year Financial Position

With the cost controls district administration put in place throughout the second half of the school year, we appear to have ended the year on a good note and with enough funds to be able to make an additional contribution into the health insurance reserve as planned and approved by the Board through the FY19 budget revision process, which will help offset the decrease to and reimbursements of health insurance premiums to all employees mid-year as a result of the negotiated agreements. In August, after our July close-out processes have been completed, a comprehensive report will be provided to the Board with forecasts of our financial position moving into this new fiscal year.

FY20 Funding Update

On July 3rd, we received formal notification from DEED Commissioner Johnson that our first foundation funding payment of FY20 will be delayed 7-10 days in order for the Legislature to begin the litigation process over the forward funding appropriations for K-12 education. We alerted Borough Finance of the planned delay in funding, and confirmed that nothing in regulation or code requires the local contribution has to be distributed on a monthly basis. Should the district have an unforeseen cash flow problem, we could make a request from the Borough to distribute funds approved by the Borough as local contribution according to a revised schedule in order to meet the district's needs. However, the district is in a good position (as mentioned above), and will likely not need to make use of any contingency funds during the delay.

Update on Policy Review & Revision process

We have begun the comprehensive review of all series 3000 Business Board Policy and Administrative Regulations, with a few crossover policies in other series. Additionally, we are working on instituting standard operating procedures and business processes throughout the District Office and Business Office that reflect best practices. A weekly work group has been convened to workshop policies, procedures, and workflows to complete the review over the summer. Policy revision recommendations will be forthcoming over the next few months.

Aspects of our review has resulted in cleaning up existing processes and practices as we find inconsistencies or misinterpretations of existing policy and regulation. In advance of changes in

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practice, we have made it a point to communicate with district administrators, directors and leaders to ensure a positive transition to improved compliance and best practices.

Health Insurance Reserve Fund position

We continue to watch the health insurance reserve fund closely and monitor the trends in expenditures and claims. The last three months of the year showed somewhat of a slow down in claims, and were the first months of the year for contributions to exceed expenditures. This is preliminary observations, and could change with the influx of lagging claims, but it appears to be a positive. We will know in August how the fund performed for the year, and will provide that information to the Board. The Health Insurance Task force is being kept informed about the current and historical performance of the insurance reserve, and the Business Office intends to establish contribution levels at a minimum of 100% of expected claims in the new year under our existing plan. Should claims improve, the excess contributions will go toward the deficit liability in the fund.

Increase to FY20 Property & General Liability insurance rates

As with our health insurance rates, rates for our property and general liability insurances have significantly increased in our FY20 renewal. As reported by Borough Finance:

“General Liability and Property Insurance for both the Borough and School District have increased more than 60% for 2019. The Borough’s GL has from \$87,186 for FY 2019 to \$146,570 for FY 2020, and the School District’s has gone from \$111,066 to \$180,623. Part of the increase is due to worldwide market conditions, part of the increase due to poor performance of the APEI pool.

Property insurance also increased. The Borough’s property insurance has gone from \$71,804 to \$90,288, an increase of approximately 25%. The District’s property insurance has gone from \$118,051 to \$209,670, and increase of 77%. In both cases, the primary cost driver is reappraisal of the buildings. After switching to APEI I July 2018, an appraisal for every building valued over \$500,000 was conducted. The appraisals came back quite a bit higher than the previous listed values. Assessment carefully reviewed the new appraised values, and determined that they were very reasonable values for *replacement cost* of the buildings. The previous values were much closer to depreciated values, and the buildings have probably been underinsured. A few examples of the previous and appraised values follow:

Building	Previous Value	2019 Appraised Value
Houghtaling Elementary School	\$10,888,467	\$25,594,800
Ketchikan High School	\$37,000,000	\$70,610,300
Schoenbar Elementary School	\$14,975,069	\$24,588,900
White Cliff Building	\$11,500,000	\$13,426,800
Gateway Recreation and Aquatic Center	\$30,345,408	\$34,252,000

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Additionally, while the worker's compensation rates have decreased, the estimate of our total payroll has increased which will effect rates but should balance each other out. The Borough pays for property insurance on behalf of the district, as an in-kind contribution, but the increase of approximately \$70,000 for our general liability insurance is paid by the district. This additional expense will require a revision of the FY20 budget, which will be forthcoming in August or September.

Attachments:

Letter from DEED Commissioner Johnson

Sale of Technology Memo



THE STATE
of **ALASKA**
GOVERNOR MICHAEL J. DUNLEAVY

Department of Education &
Early Development

OFFICE OF THE COMMISSIONER

801 West Tenth Street, Suite 200
P.O. Box 110500
Juneau, Alaska 99811-0500
Main: 907.465.2800
TTY/TDD: 907.465.2815
Fax: 907.465.4156

June 24, 2019

Dear Superintendents:

Under normal circumstances, the first Fiscal Year (FY) 2020 State Aid Foundation payment would be scheduled for July 15, 2019. Due to the Legislature's unusual funding of education for FY 2020, this year's payment will be delayed for 7-10 days, depending on the Legislature's timeline for filing a lawsuit related to funding FY 2020 without an appropriation.


The delay is due to a constitutional question regarding the annual budgeting process mandated by the Alaska Constitution. Specifically, the question seeks to establish the difference between an actual appropriation of funds versus the future dedication of funds.

The Administration repeatedly urged the Legislature to include funding in the budget this year to avoid any uncertainty or delays. They chose not to do so. The Department of Law is trying to convince the Legislature to file its lawsuit prior to July 15 so that an agreed upon Court order can be put in place prior to that date, enabling the timely release of funds. However, if the Legislature will not agree to file its lawsuit until after July 15 the July payment will be delayed.

While this issue moves towards judicial review, it is my intention to disburse all FY 2020 monthly payments on or before the 15th of each month (AS 14.17.610), except the initial July 2019 disbursement. The Department of Education and Early Development staff will work to transfer funds as quickly as possible after the Legislature files a lawsuit. If you have any questions, please contact Elwin Blackwell, School Finance Manager, at (907) 465-8665.

Thank you for all you do toward an excellent education for every student every day.

Sincerely,


Dr. Michael Johnson
Commissioner

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Memo

To: Beth Lougee, Superintendent
From: Katie Jo Parrott, Business Manager
Date: July 3, 2019
RE: Sale of Technology

Per Board Policy 3270 and AR 3270, the following items were sold and are required to be reported to the Superintendent and School Board. The proceeds from these sales were credited to the accounts from which the items were originally purchased. Please contact the business office if you have any questions regarding the sale of these items.

FY19 Fixed Assets Sold							
Acquired Date	Years in Service	Description	Sold To	Amount of Sale	Paid Via	Account Credited	Tag Number
01/25/12	7.5	Mac Airbook	Tiffany Cook	\$25.00	Cash	1.130.100.457	20643
10/05/12	7	Mac Airbook	Krystina Lotz	\$25.00	Check	1.191.100.457	30044
10/05/12	7	Mac Airbook	Krystina Lotz	\$25.00	Check	1.191.100.457	30045