

City Council Meeting
Education Committee
November 7, 2006

City Council members present: Committee Chair Cynthia Lee Almond, Mayor Walt Maddox, Lee Garrison, Harrison Taylor, [two others? I am not sure who they were]

Education Leadership: Supt. Joyce Levey, Facilities Director Jeff Johnson, Finance Officer/CPA Patrick Conner, Curriculum Director Margaret O'Neal

School Board: Chair Dan Meissner; Dr. Sandra Dockery, Tulane Duke, Earnestine Tucker, Virginia Powell; (absent: Ginney Capps, James Minyard)

Handouts: A copy of the City Council agreement to fund the building projects for the board; Powerpoint presented by Patrick Conner on the use of the 1 cent sales tax and future building projections; charts provided in packet indicating fiscal status of the city school system

The committee chair, Ms. Cynthia Almond, welcomed each person as they entered. A recording secretary then wrote down each person's name. The meeting began shortly after 5:30 p.m., with Ms. Almond explaining that at most, the meeting would take one hour.

Ms. Almond explained that the meeting was being held by the City Council's *revised* Education Committee. When the school board had been an appointed board, they used to meet on a regular basis with the city council members in this committee. After the board became an elected board, this practice had been discontinued. I believe someone said the education committee had not met for about 18 months. City Council members did not believe that having an elected board precluded them from continuing to meet with the Board and central office workers. Actually, they preferred to continue this type of meeting to keep informed. Lee Garrison pointed out that in fact, for all the city councilmen, education is the top concern of their constituents, or at least one of the top 2 or 3 concerns. They continually hear concerns expressed to them by their constituents—even about specific schools. Garrison also pointed out the need to look at a complicated agreement they had made with the board in 2004. I believe he was referring to the bond they had obtain for the school board to be able to fund the building of Central High School

Dr. Levey thanked the city council for the generous funding they have faithfully provided for the school system, and mentioned a recent approval of a pre-paid program. She introduced the various central office workers present and then explained that Patrick Conner would give an overview of how they have spent/plan to spend the 1 cent sales tax and what their fiscal condition was as far as expenses, debt, and repayment plans to the city council. The power point would also include the capital outlay plans—including repairs, additions, and future buildings.

For about the next 50 minutes, Mr. Conner went through the projected 31 million dollars that the board would receive from the sale tax. To date, the board has received about 1/3 of it—the tax is in place until September 30, 2009. Thankfully, the tax is actually generating more funds than had been expected. Mr. Conner then explained the sources of funding and what they were allocated for to indicate the extent to which the board had the freedom or not to use each type of fund. The mills were broken down into specific categories, such as capital outlay and operating expenses. One source of money the board received was the *Qualified Zone Academy Bond*. This money could only be used for capital improvement in a poverty area. It allows a school system to borrow money from the bank, but they only pay back part of it. The bank then receives tax credits from the federal government. Our school board applied for and received \$2 million dollars, but only had to pay back \$1.4 million. They have this money in reserve and will use it for the new Westlawn Middle School, given the restrictions on its usage. There were many other explanations of the different types of funds--what they can be used for and what the board has done with them in recent years. For details, a copy of the powerpoint packet would be needed, as these were included as chart forms.

One big achievement the board has made is they have worked to set aside money for emergency funding. The state has imposed the goal of having at least one month of operating costs, and even more desirable, a two-month reserve. For the city system this means \$6 million. Several years back, the city system only had a reserve of \$600,000. They worked hard to set aside money, finally completing the one month reserve. They recently were able to set aside more money to complete \$10 million. Thus--they are very close to having the \$12 million in a 2-month reserve. Mr. Conner said that since 1950 Alabama has had pro-ration 13 times, so it is not a question of *if* it will happen again—but *when*. He explained that when pro-ration hits and they have to fund an extra \$4 or 5 million, the system will be in a good position to maintain the programs during a year while refiguring the next year's budget. He said that even with so many restrictions on how money is spent they are finally able to “move” money for the first time in five years. Mr. Garrison asked several questions about this—to what extent did the board have any leeway in moving money for things they needed. He also asked how it was that they had excesses in funds to save. One thing both Mr. Conner and Dr. Levey pointed out was that there were many teacher positions that they had not been able to fill, so that resulted in an excess of funds. They noted that this was a “double edged sword” in this respect—needing teachers, but then having extra money when they didn't get them!

Programs: Mr. Conner gave a run down of the regular operating expenses with salaries, coaches, extra police the school paid for, the technology they purchased—*Destiny*—which is the envy of the state, as not even Mt. Brook or Hoover have that software. Someone asked about textbooks, but Mr. Conner said they were not included in this.

Mr. Conner went over the plans for capital improvements: build 3 new schools and renovate 14 buildings. Renovations included such things as HVAC replacement, drainage, playground upgrades, a bus turn around, and carpet and tiling replacements. The projections also included building expansions—adding rooms to Northington (an all

purpose room like the other schools have had) Alberta (4 classrooms); TMS (6 classrooms); Bryant High (10 classrooms); Eastwood Middle School (6 classrooms). In addition, there would be one new building for each cluster. These are ideas right now, which are based on the preliminary findings presented by Kelley Carrey in his demographic study of the population growth. A question from city council members came up about the all-purpose room for Northington—I noted concern/questioning in their voices about this. Patrick Conner reassured them that this decision would depend on the final demographic report. Mr. Carrey is still meeting with the school system's attorney, but will provide a final report to board members within 1 to 3 weeks and then formally at a board meeting.

Both Mr. Conner and Mr. Garrison commented on the extent to which they have still kept projections conservative so as not to be caught if a downturn in the economy should take place with these revenues. Mr. Garrison asked how the board considered the capital projects if it was impossible to add any more debt to their budget. Mr. Conner explained that the state bond for K-12 will probably be way in excess of what they had projected, and that each school system would get some of that. The Tuscaloosa city system would probably get \$7 million. He said they then at times need to fight with the commissioner to extend their bonds [? I was not sure about this part].

Mr. Garrison also asked more questions about the costs of the elementary schools and the number of students they would house. The powerpoint had \$13.1 million and \$14 million as expected costs for the new elementary schools. Mr. Conner gave the example that an Alberta Elementary school (housing 600 students) that cost \$7 million to build in 2003 now costs closer to \$14 million with increases in construction costs. Several times it was mentioned that there was no location for the new elementary schools, as the board was waiting for the final demographic report in order to better analyze this question. Mr. Conner affirmed that no land has even been purchased yet.

As the charts on the power points indicated, budgeted estimates for buildings eighteen months ago are much lower than what constructions costs actually are after Katrina. Mr. Garrison noted similarities the city council is encountering with their projects—even with the cost of demolitions. There seemed to be urgency in getting bids out quickly because of the cost factor, and he asked Mr. Johnson about progress on the Westlawn project. Mr. Johnson assured him that they had taken this into consideration and had already secured the demolition months ago at a lower price.

Towards the end of the meeting, city council members and the mayor expressed gratitude toward the school board and central office workers for their commitment and for meeting with them. There was a mutual sense of appreciation and gratitude. Mr. Garrison pointed out that they really preferred to know more about the educational needs and projections, as they would like to be able to consider building an elementary school as opposed to a new fire station when they are weighing where to direct resources.

Earnestine Tucker thanked the mayor for his commitment to Pre-school education, and then asked him when that plan would be ready. The mayor, in turn thanked her for her

commitment to that area, and said that we would soon be receiving that information. The city council expressed a commitment to education, with the mayor saying that quite frankly education was the key to Tuscaloosa's future—growth and progress. He also stated that they had every intention of growing the city, and that the city council's next plan was to change the water and sewer regulations—making them much easier--in order to make that happen. He said, "We're going to grow the city for you". Dr. Levey pointed out that when she gave her presentation at the Leadership Meeting the previous Friday it turned out that Tuscaloosa was the only place in the state where the city council supported the school board (including extra funding) and where the board and the city council actually worked together. Apparently many people in the room went away inspired to make the same thing happen in their school districts/systems. But she stated this to affirm the appreciation she, the central office staff, and the school board have for the city council's continued support and for the fact that they actually do work together. It was obvious that both the Mayor and Lee Garrison were humbled at such a compliment and immediately gave credit to the people who came before them as the ones who had put that into place. The mutual decision at the end of the meeting was that they would continue to meet on a regular basis. The city council was most interested in meeting about the demographic study, and Dr. Levey promised they would meet as soon as they could when they had that information.