



# SOUTHEAST ISLAND SCHOOL DISTRICT

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## Board Report August 1, 2018

### Wood Boiler in Hydaburg

We had agreed long ago to use our expert team to install the wood-fired boilers in Hydaburg using their grant money from Alaska Energy Authority. It has gotten complicated with liability and job duties. Both districts are represented by the same legal firm and could not work on the document due to conflict of interest. As a result, we had to find another attorney to write a final document. Hydaburg City School District will also have to approve it, but we are ready to proceed on our end. **I recommend approval.**

### Purchasing a House in Port Alexander

This is very complicated and clearly a matter for the Board to determine. I would like Molly to address the issues for the Board before you make a decision. Housing has been a perpetual issue in Port Alexander. There are dozens of homes sitting empty for the school year, but most owners are reluctant to rent. The risk of damage to or loss of a home due to a lack of skills with generators, wood heat, fuel and heating units is a real concern and insurance is difficult to acquire. One hurdle is that there is no fire protection in Port Alexander. We have constantly scrambled to find housing for teachers.

We do not own the school. We do not need the extra wing and it could be a housing unit. Due to the cost of the remodel, electrical work and the like, we could put \$100,000 into the wing to convert it to housing. The school is not particularly stable into the future. If we close the school, the building belongs to the community.

We spent much of the summer trying to work out a lease on a house. As we were working to finalize, the owner brought up an issue regarding fuel storage on a neighbor's adjoining property and wanted the District to resolve the issue as part of the lease agreement. This is not a District issue and not something that we would get involved in. Our options for housing are very limited. It is too late now to convert the school's extra wing into a housing unit, as we have a teacher due to arrive at any moment with six children.

Our only viable option if we wish to keep the school open **and** receive funding for it is to buy the home. Lucienne suggests we will may not have the finances to rebuild the housing in Kasaan if we buy a house in Port Alexander. If we pull the teacher with six children to another site, the Port Alexander School would have only eight students for the count period this year. **Lucienne can explain the financial consequence of keeping the school open with eight students.**

We can purchase the home for \$285,000. It will need other work and we can presume we will spend another \$10,000 over the year to get systems working. Lucienne

recommends a three-year payment plan to ease the financial burden. The house has been for sale for some time and, if we tried to sell it in the future, we could expect the same problem unless we sold it at a loss.

We do not currently have a compelling need for the secondary teacher elsewhere and the salary costs would be a burden. The elementary teacher could remain and handle the school just fine and her housing is secured. The school would have eight students and much reduced funding.

Based on what we have seen historically, if we close the school for the year it may not ever recover.

- We can buy the housing unit and hope student count maintains in the coming years.
- We can relocate the second teacher to a site where we have housing.
- We can leave one teacher in Port Alexander to keep the school operational without full funding and hope for improved attendance the following year.
- We can close the school and move both teachers. We have sites that could use extra support. We are obligated to their contract for the year.

Sincerely,



Lauren Burch  
Superintendent