

**Building Excellence Levy II Oversight Committee
Meeting Notes, November 18, 2004
(Meeting Rescheduled from November 12, 2004)
Stanford Center, Room 2778, 7:30a - 9:30a**

ATTENDANCE:

Members Present

David Hudd
Ron Jelaco
Mark Melroy
Karin Nyrop
Ed Peters, Chair

District Staff

Mark Green
Ron English
Don Gillmore
Julie Krick
Nan Stavshoj

Heery International Staff

Brian Berard
Charlie Demming
Bruce Herr
Roxann Robinson
Ralph Rohwer

Members Absent

Joey Ing
Jay Keiper
Jim Travis

Board Member

Mary Bass
Jan Kumasaka
Sally Soriano

Tony Matiatos, Bassetti Arch.

Visitor

Chris Jackins

APPROVAL OF SEPTEMBER 10, 2004 AND OCTOBER 8, 2004 MEETING NOTES

- Approval of notes from September 10 and October 8 meetings was delayed because of the lack of a quorum.

INTRODUCTION OF MARK GREEN

- Ed introduced Mark Green, Chief Operating Officer.
- Mark reviewed the recent termination of John Vacchieri, executive director, Facilities, Planning, and Enrollment.
- Mark briefly outlined some areas of concern in the BEX II capital program such as Roosevelt parking options, and materials escalation and resulting budget overruns. A new Roosevelt parking option being considered by the Board has not yet been seen by the Committee.
- Mark explained that staff would like the Committee's input on a draft PowerPoint presentation that will be presented to the Board on Monday, November 22.

CAPITAL WORK SESSION DRAFT PRESENTATION (based on handout of PowerPoint presentation)

DISCUSSION POINTS/CLARIFICATIONS:

- BEX II revenue projections were made in 1999 by the CFO (chief financial officer) with the Facilities director. Facilities and Finance together made a recommendation to the Board for its approval. In hindsight the projections were overly aggressive.
- The Facilities director and the CFO will jointly build the budget for the next levy program and allocate the budget across the projects. The superintendent and Board will be involved in the process early in the program.
- The Committee recommends developing a process for budget evaluation every six months or at least annually to readjust the forecast. In the last several months escalation has risen to 12%.
- BEX I Closeout: Two projects, Coe and West Seattle, are technically open. They need to be closed before the program budget is finalized. The decision then will be how to allocate the shortfall. BTA funds may be used.
- There is not yet a clear picture of the decisions that led to the \$1.7M revenue shortfall (slide 10) in the program budget. Corrective action will be taken based on these findings.
- Any shortfall in BEX I will affect capital and BEX II. It would be possible to defer one project and use those funds to help all the remaining projects. There is an equity issue and the discussion needs to occur with the Board as to the value of each project and the affect to students.

Beacon Hill (slide 12)

- Two similar projects are Maple and Dearborn Park. The decisions made about Beacon Hill will reflect on Maple and Dearborn Park.

Roosevelt (slide 13)

- The track is an important part of the school program. There was never an intention to have track meets; it was planned as a practice track.
- Option 2 would require shoring up of the retaining wall. The buffer planned in the original scheme bermed up the retaining wall. The City of Seattle has not reviewed Option 2 and might possibly move the track which would eliminate two lanes on the straightaway. The Board recommendation is to go with Option 2, thereby saving some of the \$5M site acquisition funds.
- Hoffman (GCCM) has been involved in the discussions about parking options for the last six months but has not incorporated any revisions into their agreement. There might be potential schedule changes that would need to be negotiated.
- One of the main challenges at Roosevelt will be the 68th Street neighbors who thought they were getting a 35' buffer, which Option 2 will eliminate. This was a negotiated agreement with these neighbors.
- There is a potential for regulatory delay because the City may require a new MUP. A normal MUP takes four - six months.
- A risk is by changing the parking and track arrangement it may cost a significant amount which would affect the goal of saving up to \$5M.
- Clarify that additional costs for option 2 comes out of the \$5M budgeted for site acquisition and that this doesn't affect the program criteria. The balance of the site acquisition fund could be reallocated to other projects.

Cleveland (slide 14)

- The board has asked for a discussion on small schools and /or physically separate academies on the same site.
- Negotiations with Absher have to be concluded by January. Staff thinks this is the optimal design that we should move forward with. The design is flexible enough for future changes in the instructional program. The areas of concern from the contractor's point of view are very minimal and would not affect the GMP (guaranteed maximum price).
- Board comment: It is paramount for the board to understand what is driving the design – is it academics or architecture?

Garfield (slide 15)

- If escalation levels off the project is about \$5M over budget and could go up to \$10M if escalation continues at this rate.
- Alternates not affecting the instructional program have already been value engineered out. There is no more capacity to take anything out without reducing program. Value engineering has involved the SDT (school design team) and Lease Crutcher (GCCM) plus the architect and a VE consultant.
- The GMP agreement will be signed with Lease in mid-2005. They won't bid until spring 2006 so they have risk of escalation.
- The assumption is that the \$7M - \$10M extra will be found otherwise the project will have to be redesigned. The Board has indicated that programs should be similar among grade levels.

9:30A, NORMAL ADJOURNMENT - At the normal adjournment time of the meeting, Ron and David had to leave. Ed, Karin, and Mark stayed to continue reviewing the BEX II portion of the work session presentation.

Lincoln/Hamilton (slide 16)

- Still investigating the rationale of budgeting the project at \$25.3M.

Committee comment: Ed recommended that the Board seriously consider setting aside money in BEX II to prepare for BEX III. By fronting design money for the next levy it may be possible to identify some of the unforeseens before the levy package is put together.

Committee comment: Available revenue will need to be identified elsewhere in the district.

OTHER

- Julie will send a reminder to the Committee about Board work session on November 22, 6:00p - 8:00p.

The meeting adjourned at 9:50a.

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