

**Building Excellence II Levy Oversight Committee
Meeting Notes, May 13, 2005
Stanford Center, Room 2765, 7:30a - 9:30a**

ATTENDANCE:

Members Present

Ron Jelaco
Mark Melroy
Karin Nyrop
Ed Peters
Jim Travis

District Staff

Gary Baldasari
Ron English
Don Gillmore
Julie Krick
Fred Stephens

Heery International Staff

Mike Finnegan
Roxann Robinson

Members Absent

David Hudd
Joey Ing

School Board Directors

Sally Soriano

APPROVAL OF APRIL 8, 2005 MEETING NOTES

- Meeting notes for the April 8 meeting were approved.

UPDATE ON CAPITAL BUDGET WORK SESSION

A draft memo from Mark Green to the Board and Superintendent on capital budget reconciliation options was distributed. Listed in the memo are items that will make up the shortfall of \$34M.

Discussion comments:

- A new item is the sale of the former Queen Anne High School. In 1984, the Queen Anne contract was negotiated with a provision that gives the lessee the right to convert the building to condos at any time and the district gets 12% of gross.
- Comment by Ed: The Queen Anne contract is a “poster-child” for unintended consequences. The school was closed and the contract let on the basis that there would never be high school kids again on Queen Anne. Decisions about property and future use of the buildings must be made very carefully.
- Comment by Karin: Funds from the sale of Queen Anne would not appropriately be used for a BEX II shortfall. The funds should be used for something non-capital. Staff: Sale funds do go into the capital budget. It is proposed to set aside \$4M from the sale to replace lost income from the lease and take \$1M to defer BEX II shortfall. The general fund owes the BEX II budget \$4M. The \$1M from Queen Anne could be found by deferring some of the BTA II projects. The district now views BEX II and BTA II funds as a total capital budget.
- At this point there is not a plan to pay back the \$4M borrowed by the general fund which is why the shortfall plan includes it.

- If the shortfall is less than \$35M, a first priority for the funds would be the BTA II project deferrals. There may also be major maintenance not scheduled in BTA II that could be done.
- If the shortfall is more, the Lincoln/Hamilton funds would be used. Part of Lincoln/Hamilton would be completed now in BEX II, and some work would be deferred to BEX III. The SDT process for Hamilton will begin this fall so design decisions would be made then.
- World School siting has not been changed. Under the preliminary recommendations for closure, it would move to Minor. A recommendation for possible work needed at Minor is currently being estimated, along with other buildings affected by closure.

- If closure passes, some funding would be reallocated again. For example, \$14M allocated for World School is far more than would be needed to prepare Minor for the World School. Three elementaries would be converted to K-8s and Heery is estimating the costs now. If J. Marshall moves to Wilson-Pacific then there would be costs associated with that move.
- The \$11M decrease at Hamilton is possible because part of the work has already been done and the remaining work is less than the original \$25M budget. The original estimate for Hamilton in BEX 1 was never updated for BEX II.
- There is \$.5M funded in BEX II for BEX III planning.
- Comment by Karin: Until the World School is designed the funding should not be allocated to other projects. Staff: No planning can be done until closure decisions are made. Also, any changes in projects have to be discussed with the community.

FINALIZATION OF COMMITTEE CHARGE

Suggested changes:

- A preliminary statement: “The BEX II Levy Oversight Committee should review and evaluate district practices and make recommendations (to the School Board) in the following areas”.
- BEX II expenditures: Insert “that meet district educational goals”.
- BEX II revenues: Insert: “all capital”.

Discussion comments:

- Added capital issues would be lease sales, property sales, and BTA II. The original intent of the BEX oversight committees was clearly focused on BEX. The Committee should weigh in on competing priorities for capital funds.
- Comment from Ed: Most of the current issues have been capital fund issues rather than just BEX issues. Capital fund issues affect BEX and also affect BEX III planning. However, the Committee shouldn’t look at details of every BTA II project.
- Comment from Jim: The charge doesn’t have to be perfect right now. This is just a guideline.
- Comment from Karin: The primary charge should be BEX II. The Committee can take input from other areas that affect BEX II.
- Comment from Ron J: The Committee should focus on the BEXII levy. The membership was selected for construction-oriented people. This Committee is not now constituted to oversight a levy or capital funds. Maybe this Committee needs to be changed or a new committee needs to form to review capital.
- Comment from Mark: The Committee should focus on BEX II.
- Comment from Jim: This may be the time to find members for BEX III and determine how long current members would serve. Institutional memory is important and there should be members from BEX II continuing into BEX III.
- Staff: Capital is now being managed as more than BEX. This is the first time that the capital budget has been looked at as a whole.
- Comment from Sally: The Board would appreciate advice on how BTA affects BEX. The Board appreciates help in overseeing capital.
- Comment from Fred: Fred would like to keep the focus of the Committee on construction.
- A revised charge will be circulated for e-mail discussion.

NEXT AGENDA

- Continue discussion of role to next meeting with e-mail conversation.
- Future agenda topic: Karin would like a report on how a construction program ensures that buildings are built in a way that reduces operating costs. This would include a discussion of the issues and how the decisions are made.

EXECUTIVE SESSION

An executive session was held.

Meeting adjourned 9:45a

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