

**Building Excellence II Levy Oversight Committee
Meeting Notes, May 12, 2006
Stanford Center, Room 2765, 7:30a - 9:30a**

ATTENDANCE:

Members Present

Joey Ing
Ron Jelaco
Karin Nyrop

District Staff

Peter Daniels
Kathy Johnson
Julie Krick
Fred Stephens

Heery International Staff

Roxann Robinson
Ralph Rohwer

Visitor

Chris Jackins

Members Absent

Mark Melroy
Ed Peters

School Board Directors

Mary Bass
Sally Soriano

APPROVAL OF MINUTES

- Minutes of the April 14 meeting were approved.

BEX III LEVY PLANNING UPDATE, KATHY JOHNSON AND PETER DANIELS

BEX III Levy Plan Update, Kathy Johnson

- Handouts: Update to 2010 Facilities Master Plan, BEX III Timeline, BEX III cash flow proposal A (6- year BTA supplemental), BEX III cash flow proposal B (3-year BTA supplemental)
- SchoolsFirst recommendation is \$460M – \$490M for the BEX III levy. A 97% percent collection rate brings the amount collected to \$475.3M on \$490M. Projects will be scoped to \$490M.
- Polls show that the capital levy is supported by 58% of all voters and by 62% to 63% of likely voters. Likely voters are those that voted in the last election.
- The Board will be given a menu of projects to select from. There are some projects that are committed; Hamilton, \$75M, and New School, \$55M. There is rising discussion about building a new building for the New School when buildings are being closed. This may be resolved during the closure process.
- Director Soriano: Don't confuse voters with too many details and acronyms about different levies. Be clear about the district plan and how the levies fit in.
- The building condition survey is complete.
- The cost of projects has gone up, there is sports field maintenance, and the debt service for the Stanford Center moved from the general fund to capital.
- Sports fields: synthetic turf has to be replaced every year starting in 2009. This is \$15M over six years. This replacement maintenance will have to be funded by levies.
- State match is only eligible on new construction so it will probably be only \$5M in BEXIII. State match is for new construction for unhoused students, new construction to replace worn out buildings, and modernization in lieu of new construction. The Committee would like the state match definition clarified.
- Investment opportunities are less in BEXIII because funds will be used right away. However, loss of investment earnings may be offset by reduced construction inflation. Committee requests clarification on how negative interest will be paid for later on in program.
- There is \$14M in overhead.
- Five percent (5%) contingency was not enough in BEX II. It should be between 8% – 10% in BEX III. The program contingency handles catastrophic issues; earthquake, fire, double-digit inflation, etc. Each project has its own contingency. If there weren't a program contingency then each project contingency would be increased. If all contingency is attached to a project it makes the project more accountable.

Communication Plan for BEX III and E, P & O Levies, Peter Daniels

- Handout: BEX III Communications Plan, and Communications Planning for BEX III and EP&O Levies
- Communication on the BEX III levy will begin in August after the July 26 Board vote on closure.
- Director Soriano wonders what districts should do in this environment of construction inflation? Is it best to hold back and minimize projects or to stay on track? Staff: There are many factors to consider: the forecast of the construction market for the next several years, the urgency of the work being done, and the source of funding. Whether or not the funding is available in the future is an important factor.
- Director Bass: The public needs to understand what the District's plan is for dealing with these situations. Public communicators need to have a thorough background so they can answer the tough questions. This will be particularly important for the closure impacts on BEX III levy planning.
- Mr. Daniels will ensure that the communications plan addresses culpability and oversight issues.
- Communication to staff is critical. Staff should be informed before the media if at all possible.
- Mr. Daniels and Ms. Johnson will continue the levy planning update at the June 9 oversight committee meeting.

EXECUTIVE SESSION

- Chris Jackins, visitor, asked for clarification as to the subject matter of the executive session. He also asked when the Garfield bid awards were going to be discussed in public.
- Staff response: The bid results are public knowledge but they have not yet been awarded. The negotiations on unawarded bids are the subject of the executive session. Mr. Jackins asked that it be stated in writing that the executive session is contract negotiation.
- Ms. Krick will check on posting the oversight committee agenda on the web so it is accessible to the public.
- An executive session was held on contract negotiation.

FUTURE AGENDA ITEMS

June 9 – Continued update on BEX III levy planning.