

**Building Excellence II Levy Oversight Committee
Meeting Notes, August 11, 2006
Stanford Center, Room 2765, 7:30a - 9:30a**

ATTENDANCE:

Members Present

Karin Nyrop
Joey Ing
Mark Melroy

District Staff

Fred Stephens
Don Gillmore
Kathy Johnson

Heery International Staff

Mike Finnegan
Roxann Robinson

Members Absent

Ed Peters

School Board Directors

Visitor

Laurie Ames, City Liaison

MINUTES APPROVAL FOR JUNE 9, 2006 MEETING

- Minutes of the June 9 meeting were approved.

RECRUITMENT OF NEW MEMBERS

- A copy of the School Board Motion with the committee charge attachment was handed out. Fred reported that Ron has begun writing a process to solicit new members and will give an update when he returns from vacation. Submit any nominations to Fred.

BEX III LEVY PLANNING UPDATE

- Kathy Johnson gave an update on the status of the BEX III Levy Planning. An addendum to the original EIS was decided. The report was distributed to the Department of Ecology on August 14. There is a fourteen-day comment period, which expires on 8/28. Though not required, Ron is going to publish a draft for public comment.
- Heery is preparing estimates for the projects on the list. It will be presented to the Operations Committee on September 19 and introduced to the School Board on October 4, with a public hearing to be held on the following week. The School Board will vote on October 18. Ninety (90) days advance submittal to the County is required to make it on the ballot February 7 so can't move past this Board meeting date.
- It is now apparent that the historic renovations are costing more and are more difficult to bid than new construction. Don explained the reasons for the difficulty with historic renovation projects: essentially the known, versus the unknown. Mark Melroy would like to see an analysis of how much more historic renovation costs than new construction. There was a discussion on how to do this, as it is difficult to break it down because of the multitude of variables. Mark stated that it is in the public's best interest for them to understand how much more it costs for historic preservation.
- Kathy explained how the estimated cost savings of school closures is calculated and why the savings number has gone down. The savings quoted has gone down because the number of schools has been reduced to six. You don't get the economies of scale until the number is increased to 10.
- Kathy explained the building survey criteria for developing the list of candidates for the BEX III levy and went through the evaluation of schools that were rated the worst. There are six sites that are prime candidates for complete tear down and replacement. Many of the schools have mechanical and other systems that are failing.
- It was noted that the buildings are nominated for landmarking early on in the process to avoid the chance of this coming up in the middle of the SEPA process.
- The challenge is what we can buy for current levy dollars, because of escalation. A discussion took place of the merits of continuing to patch up failing buildings versus new buildings.

- The BEX III levy will be a \$490M renewal; \$42M technology, \$48M program costs, and costs for planning the next levy (BEX IV), leaves approximately \$390M to build projects.
- A discussion took place of the merits of K-8 versus 6-8 versus 6-12.
- Karin Nyrop stated that the District should make sure to do a thorough job of documenting the reasoning behind the decisions made at this point in time so that information can be found in the future.

COST OF A CAPITAL PROGRAM

- Brian Schenck reported he is working on getting input from other Districts but is not happy with the lack of detailed information he has gotten to this point. Program costs consist of building operation controls studies, staff & admin costs, 5% program contingency, reserve, and construction management costs. Don explained the differences between the different contingency types, and that program contingency is more overhead and catastrophic issues.
- Brian reported that additional research is being done on how to plan now to avoid some of the problems in BEX I and II, such as extra unexpected charges for AP's (Assistant Principals), HUB's (historically underutilized businesses), etc. that are charged to the program later. Karin asked why AP's are funded through BEX. Don explained that it was decided before he was involved that the capital budget would fund this. Fred stated that there is a discussion that this be changed, as its function does seem to fall more into operations than to capital programs.
- Karin asked for a briefing on what Staff and Admin costs consist of, what services are covered, and more information on how the decision was made to use outside an CM and not an inside CM. Fred explained the reason is based on the District's current salary structure, which makes it difficult to attract individuals with this expertise and therefore unlikely they would be able to bring CM services in house, as well as other factors such as personnel changes, benefits, etc. Kathy also noted that the resources that an outside firm such as Heery brings are invaluable, especially when it comes to industry research.

BEX II PROGRAM BUDGET UPDATE

- Mike Finnegan gave a brief overview of the financial status of BEX II and illustrated that as of today there is \$1,118,359 left in reserve.

PROJECT UPDATES

- Garfield: A question was asked about the status of the Garfield buyout. It was reported that 10% of the subbids were still outstanding and it is not yet known if the goal of \$2M in savings will be attained.
- Roosevelt is due to be completed August 15th. A global settlement was reached so there should be no more costs. The flooring issue has been resolved, it was agreed to replace the non-adhering areas only. Part of the problem was that the existing concrete conditions were not consistent throughout.
- Cleveland is going great; the E&O is around 1%. A management meeting is held once a month. The bedrock is the only cost issue at this time.

EXECUTIVE SESSION

- None

Meeting adjourned at 9:30 a.m.