Minutes

Call to Order (John Palewicz)

1. John Palewicz called the meeting to order at 8:32 a.m.
2. Committee members unanimously accepted the proposed agenda.
3. Committee members unanimously accepted the minutes from the October 9, 2018 meeting, with a motion from Steve Goldblatt, which was seconded by Freeman Fong.
4. John Palewicz asked guests to introduce themselves.
5. Roll Call:
   a. Committee Members Present: Sherry Edquid, Jill Geary, John Palewicz, Kyle Wang, Rob Stephenson, Freeman Fong, Warren Johnson, Eden Mack, Duncan Griffin, Dan Williams, Steve Goldblatt
   b. Staff Present: Melissa Coan, Eric Becker, Richard Best, Lucy Morello, Becky Asencio

BEX/BTA Oversight Committee Member Orientation (Richard Best)

1. Richard Best noted that three of the four new committee members were present and that Janet Donelson the fourth new member had advised him that she would not be able to attend this meeting because of a scheduling conflict. He reported that the committee had received 43 applicants. The review process included BEX/BTA Committee Chair John Palewicz and Vice-Chair Steve Goldblatt, with additional reviewers from both the School Board and Capital Projects staff. The reviewers sought a mix of expertise to balance the committee. Richard Best noted that Janet Donelson was on the Oversight Committee for BEX I and returning for BEX V. He acknowledged that the committee was fully staffed with 11 members of the public and two Board members consistent with its charge.
2. The new committee members introduced themselves: Warren Johnson, Kyle Wang, and Sherry Edquid. Janet Donelson was unable to attend this meeting due to a scheduling conflict.
3. John Palewicz provided a brief overview of the Oversight Committee’s purpose and tasks. He reviewed the committee charge.
4. Richard Best reviewed the organizational chart of the Capital Projects and Planning Department and its role for Seattle Public Schools (SPS) district. He highlighted the department’s lead staff and their projects. Melissa Coan described her team’s role as reporting to the SPS Chief Financial Officer (CFO) but managing all aspects of the Capital Projects’ finances. Richard Best explained the roles of construction management consultants Heery and SOJ as well as staff from other departments. He concluded his remarks noting that the BEX IV program remains within budget, projects on schedule and energy consumption (Energy Use Index of SPS schools down into the low 20s) due in part to the active participation of committee members.
Flip Herndon’s Departure / Reorganization (Richard Best)

1. Richard Best explained that former Associate Superintendent Dr. Flip Herndon had accepted a new position as the Interim Superintendent for the Tukwila School District. He continued that the Chief Operation Officer position had been posted and would be filled as soon as possible. Daniel Williams questioned the status of the unfinished business that Flip Herndon had been managing. Richard Best confirmed that efforts were still in progress, for example, working with the City of Seattle on landmarking issues.

Budget Update (Melissa Coan/Richard Best)

1. Melissa Coan presented BEX IV monthly summary. She noted that her team was still closing the books for fiscal year 2017-2018 and that information would be available at the next meeting. She explained that of the $899.4M budget, comprised of funds from the levy and other sources, $626M had been charged to date. She provided projected balances for completed projects. She highlighted as savings are realized they are entered into the completed project underspend reserves which can be used for other program/project needs. Richard Best highlighted that it continues to take considerable time to close out completed projects and that he is working with senior project managers to accelerate this process.

2. Melissa Coan reminded the committee that BTA IV capital levy was added to the charter and proceeded to present the monthly summary for that program. She highlighted that as this program is in its first year there are no projected savings to report at this time. $427M budget, $122M spent to date, expect to spend the full budget.

3. Melissa Coan reviewed the budget transfer log. She noted that the most recent Board approved program contingency transfer was captured at number 50 in the amount of $10M for the renovation/addition of Daniel Bagley.

4. Melissa Coan referred to the underspend log and highlighted changes to the reporting of that log. She noted that there are $9.5M in savings.

5. John Palewicz questioned/Richard Best confirmed that any financial changes greater than $250K go to the Board for approval.

a. Ingraham HS seismic improvements – Richard Best noted to the new BEX/BTA Oversight Committee members that prior to presenting a program contingency transfer to the Board Operations Committee we first review the transfer with the BEX/BTA Oversight Committee. He noted the BEX IV capital program included seismic improvements to Ingraham High School and the BTA IV capital program included the construction of a twenty-classroom addition at Ingraham High School. To minimize construction impacts to school students and staff it was determined to concurrently implement the BEX IV funded seismic improvements to existing buildings with the BTA IV funded classroom addition. For bidding purposes, construction bid alternates were crafted to align the seismic improvements with the available seismic improvements budget.

When the Guaranteed Maximum Price (GMP) was formally established on May 30, 2018, the District accepted the base bid seismic scope plus additive Bid Alternate #3 for additional seismic scope, collectively totaling a value exceeding the established BEX IV seismic improvements
budget of $4,227,416, but within the total allowable contracted GMP. Additive Bid Alternate #2, not selected at that time of contract award, provides additional seismic improvements to Building 100. For this purpose, a transfer of funds from the BEX IV program contingency is needed to fund the additional seismic improvements in the amount of $1,500,000. This budget transfer amount will cover the added costs associated with construction change order #2 with Cornerstone General Contracting.

John Palewicz noted that the seismic improvements are important as they are a levy commitment and the timing with the construction project matters. Mr. Palewicz noted that the transfer sounds appropriate. Melissa Coan noted that once the program contingency transfer is Board approved it will appear on this report. Best confirmed that these are upgrades to the existing building.

**BEX V Capital Levy Update (Richard Best/Becky Asencio)**

1. Richard Best and Becky Asencio reviewed the BEX V Capital Levy with the BEX/BTA Oversight Committee and noted that this levy will be placed before the voters on February 12, 2019 with the District’s Enrichment and Operations levy. Mr. Best noted that the BEX V Capital Levy will address capital needs throughout the District and the Enrichment and Operations levy will provide needed funding for annual operating expenses. He reviewed the major projects and noted that BEXV will begin design efforts for Sacajawea Elementary School and Aki Kurose Middle School. He indicated that he anticipates that Aki Kurose will be landmarked. He also noted that a 30-classroom addition is planned for Original Van Asselt to allow it to be utilized as an interim site for Southeast Seattle, like Marshall in the North, Schmitz Park in West Seattle. He noted that an interim site is required in Southeast Seattle to implement the replacement of Mercer Middle School. Becky Asencio described the scoring process – condition, capacity, safety and health, educational, and equity lens utilized to prioritize the 28 schools the District had evaluated. She noted that the scoring criteria was developed from the Board’s BEX V Guiding Principles established May 2018.

Richard Best noted that funds had also been included for property acquisition, system repairs and replacements, one-off projects, district-wide projects like equipment for Food Services, Maintenance, Grounds and Custodial Departments and security including fencing, ai-phones, card readers and cameras. Steve Goldblatt questioned the difference now between the BEX and BTA now that they both have major and minor projects? Lucy Morello noted that there was a clear division in earlier levies, with BTA III we started seeing larger projects be addressed do to capacity needs, opening closed schools. Richard Best further added that BTA IV included approximately $100M for capacity projects and the postponement of needed systems improvements is being addressed with BEX V. He agreed with the philosophical approach to prior BEX and BTA levies, however with BTA IV it was clear that if we didn’t address capacity issues, we wouldn’t have seats for some students. Those smaller projects that didn’t get on that levy are now being addressed by BEX V.
Duncan Griffin noted that with BEX IV there was significant conversation about reducing the number of portables. He noted that we have not really accomplished that objective and questioned if there is a way to systemically solve that problem in the Educational Specifications developed for schools. He asked if this might be a future agenda item. Richard Best noted that with the proposed projects in BEX V we will be removing 76 portables and developing a comprehensive portable management plan. He noted that there was considerable discussion concerning this subject matter with the Facilities Master Plan Task Force (FMPTF). He also noted that the FMPTF suggested establishing an expiration date for all portables. Daniel William noted that schools must be strategically planned and designed to take additional headcount, or we’re stuck with portables. John Palewicz committed this to be a future agenda item.

Mr. Best concluded remarks noting that the District has taken a low-key approach concerning communication about both levies up to now to prevent creating confusion for the voter surrounding the City of Seattle Family & Education Levy. He concluded stating that Schools First will now be leading a campaign about the two levies.

Meeting Re-Cap and Next Meetings Agenda Items (John Palewicz)

1. The next meeting will be on Friday, December 14, 2018
   a. The Board has requested that all Board committees have educational racial equity training, and this has been scheduled for the December 2018 meeting. Director Geary noted that Board policy 0030 requires the application of an equity lens to all district work and decisions, to keep top of mind
   b. 90 minutes has been allowed for the equity training.

Adjournment

John Palewicz adjourned the meeting at 10:30 a.m.