

Board Special Meeting  
**Work Session: BEX V Planning; Budget**  
September 26, 2018, 4:30pm – 7:30pm  
Auditorium, John Stanford Center  
**2445 – 3<sup>rd</sup> Avenue South, Seattle WA 98134**



## Minutes

### Call to order:

Director Harris called the Work Session to order at 4:33pm. Also, in attendance were: Director's Eden Mack, Rick Burke, Jill Geary, and Betty Patu and Superintendent Juneau. Directors Zachary DeWolf and Scott Pinkham were unable to attend the Work Session. The meeting was staffed by Associate Superintendent Flip Herndon, Director of Capital Projects and Planning Richard Best, K-12 Coordinator Rebecca Asencio, and Chief Information Officer John Krull.

### Welcome/Introductions

Director Mack welcomed attendees to the Work Session. She articulated the goals of the meeting as discussing and developing on the final project list by reviewing the process, Board Policy 6901, the Board adopted guiding principles, community input, the recommendations of the Facilities Master Plan Task Force (FMPTF) and the project scoring. She noted that the facility needs of the district exceed what can be placed before the voters on the February 2019 capital levy.

### Work Session Outcomes

Dr. Herndon identified two intended two outcomes for the meeting:

- 1) reaching consensus on the BEX V Capital Levy project list, and
- 2) reaching consensus of the Operations and BEX V Capital Levy amounts.

He recognized the challenge of these tasks and acknowledged the department's work to support the Board in making the most informed decision possible.

### Process Review/Timeline

Dr. Herndon presented the timeline of meetings and events the led to the evening's Work Session. He reminded the Board of upcoming critical dates in October 2018 and noted the Special Election documents for the levy must be filed not later than December 14, 2018.

Director Mack asked a clarifying question concerning the approval of the Facilities Master Plan. Dr. Herndon confirmed that it would be presented at the October 4, 2018 Operations Committee.

### Review Policy 6901/Guiding Principles

Richard Best reviewed Policy 6901 and its role in guiding levy preparation work by Capital Projects and Planning Department personnel. He reminded the Board that the department completed a thorough facilities condition assessment of all the schools and ranked each school as part of the BTA IV levy process. He noted that as new schools have come on-line they have been added to the assessment. Best highlighted that data developed by a third party was utilized to

rank the schools for educational alignment, facility condition and the backlog of maintenance and repairs. He noted that the final ranking also included assessment by Facilities Department management. Based on this final ranking, the department began conducting master plan studies of the seventeen schools in the worst condition in the Fall 2016. Additional schools were added Fall 2017 based upon Enrollment Planning Department's five-year enrollment projections. These added schools were identified locations where meeting capacity was the most challenging. He also notes that staff had considered the impact of reduced K-3 class sizes in their capacity calculations.

Best presented the BEX V Guiding Principles, which were approved by the Board May 2018. He noted how the Guiding Principles were employed as categories for ranking potential projects. Together, the work initiated through Policy 6901 and the Guiding Principles, provided the framework for identifying the potential projects for the BEX V Levy.

Director Mack noted that while the while the Guiding Principles were articulated a bit late in the process, she was proud of the Board's inclusion of racial equity as the overarching priority and highlighted that this was a first for the School Board.

### **What We Learned**

Best summarized the three types of feedback that the BEX V process sought and the highlights of the feedback.

- 1) Community Feedback
  - Top issues:
    - Application of equity
    - Technology and equitable access to technology
    - Inquiries into project scoring and weighting of scores
- 2) Facilities Master Plan Task Force (Task Force Members)
  - FMPTF convened in July with the following charge:
    - Evaluate enrollment and capacity challenges
    - Review the scoring methodology and ranking of proposed projects
  - Director Mack identified and thanked task force members who were at the Work Session
  - Task force member Tim Collins was invited to share his task force perspectives:
    - Agenda and communications were timely and explicit
    - Meetings were collaborative
    - Equity Tool Kit was actively employed
    - All regions were represented
    - Rainier Beach, Aki Kurose, and Mercer were prioritized in the top five projects
    - Key discussion included
      - Capacity versus building condition
      - Need and significance of a South End secondary transition site
      - The challenge of weighing over capacity in the North end and under capacity in the South end
      - Potential of a downtown school – primary or secondary school
      - Potential of a 12<sup>th</sup> high school
    - The task force understood that it was making recommendations to Board

- Director Mack referred the Board to the FMPTF report
  - She highlighted the task force consensus points for the Board
  - She noted that the scoring for capacity works for existing facilities but noted a gap on understanding of regional capacity, such that the capacity score of one school doesn't include the need in the region

Director Burke asked Collins if the task force had any insight into a more objective system of weighing the proposed projects. Collins explained that participants were transparent about their biases and were still professional. Director Burke continued, asking how the task force responded after the rating system was applied. Director Mack clarified that the task force didn't see the applied scoring for particular projects, their efforts were focused on validating the scoring criteria. They saw an example of the ranking and examined the ranking itself at their final meeting.

### 3) 3 x 3 Meetings with Board Directors

- Themes:
  - Suggested BEX V be a replacement levy for BEX IV and not increase property taxes
  - Expressed frustration with current cost of construction, therefore emphasizing systems repair and replacements throughout the District
  - Sought a cooperative view of building and technology together

### **Review Proposed Project Scoring**

Becky Asencio presented background on the scoring, noting that the categories were derived from Policy 6901 and the Guiding Principles. The potential projects were ranked on a scale of one to five, from worst to best. The Equity Score utilizing the current Equity tiering methodology of the Weighted Staffing Standard (WSS).

Director Mack reminded the Board that since the Guiding Principles came late in the process, and the scoring is closely related to the Guiding Principles, only the proposed projects were scored. In the future, the principles and the scoring will already exist and could be applied to every school in the district to help generate the list of potential projects.

Asencio noted that the scoring was only applied to the major projects and not the building systems and repairs or smaller projects.

Director Harris noted how close the scores were. She inquired into the deviation in the scoring between projects. She asked how to represent her district and balance the needs of the entire city at the same time. Director Mack offered a suggestion for the process. She recommended completing the scoring overview of all the projects and then addressing specific adjustments to the list.

Dr. Herndon recognized the considerable challenges of the Board's task. He noted that even focusing on the top fifteen projects would require \$2B and would not allow for additional systems. Herndon explained that, in some cases, addressing more than one system in a building, the City of Seattle will require code improvements for the entire building, which can then exceed

the cost of replacing a building. Dr. Herndon encouraged the Board to address building systems as an investment in a building, to extend its life and eliminate the need for additional significant improvements. Richard Best added that while a building's systems can be addressed incrementally, that process can produce cost inefficiencies. However, as previously stated addressing multiple systems at once can trigger a city building code regarding "substantial alterations" and initiate further work and cost.

Asencio returned to the scoring overview and the weighted scoring criteria. She noted that the scoring included which schools had been considered in past levies. She clarified the difference in the granularity of the different scores, explaining that some scores were averages of multiple factors.

### **Project List Priorities**

Richard Best reminded the Board of the BEX levy history. He noted that the number of projects per levy varied based on the size of the school and construction costs. Therefore, there are fewer projects proposed for this levy, due to high construction costs. Dr. Herndon added that if the construction market turns down, the district could address more projects.

Best presented the project list priorities He focused on the Priority 1 projects and the related options, highlighting which schools were included in each option and why. Richard Best presented several different breakdowns of the Priority 1 budgets, calling out different categories of work and associated costs. Regarding proposed funding by region, he noted that because of the District's capacity crisis the southern region of the city received fewer levy dollars than the northern region in BEX IV and BTA IV.

Director Mack requested a new presentation of the information, to highlight which schools would receive which projects. Herndon agreed that it could be compiled and included with maps.

Director Harris inquired into additional funding considered for Lincoln High School. Best clarified that there is \$3M in the current Lincoln High School budget allocated for technology. The district would also like to make minor improvements to the gymnasium and auditorium with remaining BEX IV and BTA IV funds. He noted that it's a challenge to make these improvements without triggering the city's "substantial alteration" clause, which would mandate full upgrades to all the building's systems.

Director Geary asked for clarification about the funding for items left off Priority 1, such as lunch room tables and maintenance costs. Best explained that if the levy must stay under \$1B, then the department recommends focusing on capacity and condition projects, which would preclude these items.

Director Burke shared his perspective on the current BEX V Levy. He cited a significant maintenance backlog, due to the application of past BTA funds to address capacity issues. He asserted that the district must identify projects throughout the city to maintain the life of the buildings and reduce the list of condition projects for buildings. He noted that he is comfortable exceeding \$1B to blanket the city with projects.

Director Harris asked if we go over \$1B, how far can we get above \$1B without raising our current taxes. Deputy Superintendent Stephen Nielsen replied that people look at their rates more than dollar amounts. He noted that by maintaining the same basic rate we could ask voters to approve up to \$1.4B at approximately the same rate. Director Mack conveyed a text message from Director Pinkham (who was not present) noting that he supported a similar tax rate in the range of \$.90 to \$1.13.

Director Geary expressed concern that, while she understood the scoring, she was concerned that her district wasn't reflected in the projects. She shared Director Burke's position about smaller projects and supporting a levy of \$1.4B, if it meant that Eckstein would be allocated a new HVAC system.

Director Mack shared a list of items conveying her perspective and concerns:

- 1) Agreed to the \$.90 per thousand and the larger levy dollar amount to meet more needs throughout the district by addressing more of the smaller projects.
- 2) Concerned about safety and security measures in all the district's buildings therefore advocated for small projects to address that in every building.
- 3) Concerned about additions that don't focus on the safety, security of the buildings, West Seattle, an addition that doesn't address condition of the building, and Muir.
- 4) Proposed swapping schools on the list to respond to public feedback about actual capacity, in addition to condition and equity – such as Aki Kurose instead of Muir, or possibly West Seattle
- 5) Listed several schools in poor condition where improvements might also support increased capacity – including Rainier Beach High School, Northgate, John Rogers and Alki Elementary Schools.
- 6) Proposed increasing the levy dollar amount to allocate funds to replace old portables with new healthier portables.
- 7) Concerned about not having minimum seismic upgrades at Lincoln High School for the gymnasium and the auditorium.

Best noted that while it may not have been articulated, all of building additions include safety and security.

Director Harris shared her perspective on four schools:

- West Seattle addition may be misplaced based on actual enrollment.
- Sanislo Elementary School is under enrolled, so she suggested that changing boundaries with might be a less expensive alternative to address capacity issues than building additions.
- Boren K-8 was an interim school which had become permanent and needs several small projects, including HVAC.
- Lafayette might be helped with a boundary change and asserted the need for “out of the box” thinking to leverage that site.

Director Harris also agreed to seeking funding beyond \$1B if it can be done without raising taxes. She echoed the need for maintenance of the schools.

Best highlighted that Lafayette, North Beach, and Rainier Beach are all potential landmark sites with the city.

Director Patu expressed her satisfaction with seeing Rainier Beach on the proposed project list.

Herndon highlighted that while major preventative maintenance is significant, the ongoing daily maintenance also impacts building life and those funds are drawn from the operations budget, not the levy.

Director Mack confirmed that the Board was in consensus on maintaining the levy at \$.90 and \$1.2 to \$1.4B

Director Mack asked for feedback from the Board on swapping projects and requested other proposed changes to the list.

Best reminded the Board that staff need clear direction to draft the transition plan, so it can be in the Facilities Master Plan to go to the Operations Committee on October 4, 2018.

Burke shared his overall perspective and specific concerns: –

- Supported the larger levy amount, maintaining the current tax rate, with attention to maintenance.
- Requested that staff identify the safety and security spec, including ADA requirements, and bring every school to that code.
- Agreed to the replacement of old portables.
- Requested analysis of swapping Aki Kurose and Muir on the project list.
- Echoed concern for West Seattle Elementary.
- Echoed Director Geary regarding the scarcity of proposed projects for his district and concern for sites in his area that haven't seen smaller projects.
- Advocated for replacing the asphalt at Sacajawea.
- Recognized that North Beach won't likely receive a major project but wanted assurance of scope and funding to address upcoming problems.
- Indicated that Whitman ranks too low based on capacity and asserted that it will be needed as a relief valve. Requested that staff reexamine Whitman's ranking.
- Suggested braided funding to extend the reach of capital dollars, such as Skill Center funding.
- Requested a ten-year plan for Skill Center.
- Supported Lincoln auditorium updates, such as technology.
- Advocated for BF Day - \$1.7M exterior cladding and \$1.5M on windows at BF Day because it's the oldest operating school in the district. Requested investments at that school to extend its life.
- Expressed concern that the district is behind on deploying technology while aligning the technology plan. Suggested a shift in deployment to apply the underspend and stretch them a little thinner.

Director Harris cited the challenges of the Open Plan schools. She requested minor projects at those sites to assist in teaching and learning by reducing the noise. Herndon agreed that those

schools presented a challenging situation. The buildings should be replaced, based on how they're laid out, in the meantime the department will investigate mitigating the problems.

Director Mack raised the issue of plumbing at Memorial Stadium.

Director Geary shared her overall perspective that greater attention should be brought to Middle Schools and prioritizing their construction and utilization as flexible spaces. She identified Middle Schools as a set of sites in the district that may be designed to flex for different grades (K-5 or 9-12) and programs as enrollment fluctuates.

Superintendent Juneau echoed concerns about the Open Plan schools and suggested the possibility of a creative solution by partnering with Cornish interior architecture to help us rethink and redesign the spaces.

Director Mack returned to the idea of swapping schools on the list. She asked if there was agreement on taking Muir off and replacing it with Aki Kurose. She also revisited Lafayette and whether West Seattle need an addition on this levy.

Director Burke indicated that he was fine with considering it but required additional analysis before he could agree to the changes. Director Harris requested a paper highlighting the pros and cons for the potential projects. Further, she wanted a decision tree, highlight the relationships between options. She was not ready to make changes at this time and expressed concern about unintended consequences.

Herndon replied that staff will review the feedback and notes and identify the impacts of shifting more funds into building systems. Then, staff will issue another version of the proposal. Herndon highlighted that while some time does remain for analysis and discussion, the decision is constrained by the levy process timeline.

### **Transition Plan**

Herndon noted that the transition plan would wait until the projects had been settled.

### **Levy Rates**

The levy rates were addressed in the earlier conversations.

### **Next Steps/Meeting Wrap-up**

Herndon reviewed critical dates for the Board. He highlighted the staff's role to listen and incorporate the Board's changes into the final documents.

At 6:34pm this portion of the Work Session ended.

## **Budget Work Session**

This meeting was called to order at 6:48pm. Mack, Harris, Patu, Geary and Burke were present. This meeting was staffed by Assistant Superintendent for Business & Finance JoLynn Berge.

Assistant Superintendent of Business & Finance JoLynn Berge summarized the agenda and reviewed the outcomes. Ms. Berge spoke about the Parent Teacher Associations (PTA) grant funding.

Director Harris asked if Parent Teacher Organizations (PTO) and Parent Teacher Student Associations (PTSA) flowing through the District books. Ms. Berge explained some donations can go directly to the schools. She added the booster club revenue does not flow through the District.

Director Mack asked if the PTA and PTO are affiliated with foundational organizations or is this only the parent lead organizations. Ms. Berge explained it would include both. Ms. Berge will retitle this slide to limit confusion.

Ms. Berge spoke about the International Baccalaureate (IB) program spoke about the recommendations of the three high schools they reviewed. She explained Chief Sealth, Ingraham and Rainier Beach High Schools were the schools reviewed and spoke about how the Budget Office conducted the reviews. She explained the basic program costs for the IB programs.

Director Harris asked if we have taken into account for the books used. Ms. Berge confirmed that was included in the costs.

Director Mack asked if every student is provided with curriculum books needed. Ms. Berge explained that we did not hear any concerns in this area. She reviewed the questions the Board members specifically requested to be asked to each IB program during the review.

Ms. Berge spoke about the enrollment headcount. She explained based on data we currently have, it shows the District is slightly below 2016-17 enrollment. She explained the monthly head count is available on the Office of Superintendent of Public Instruction (OSPI) website. She added the principals at all schools have been given detailed notes of the counts.

Director Harris would like waitlist from August 31<sup>st</sup> from Ashley Davies in Enrollment Department.

Ms. Berge spoke about the actual enrollment annual average full time. Based on what the region is experiencing the enrollment is expected to continue with this trend.

Director Burke asked if the root cause for a decline is the same each year. Ms. Berge explained our projections look at a combination of factors, including a historical trend. And looking at the peers in the area, housing affordability seems to be a cause. She references the presentation from Enrollment Planning last year.

Director Harris asked if other cities have a similar decline. Ms. Berge spoke about which cities have had this similar decline. She explained the District is working with the City of Seattle to look at things like birth rates to get an idea of how many students could be joining the District in the years to come.

Ms. Berge explained the District poverty rate and she explained it was not only Seattle facing this lower enrollment. She spoke about how the needs of our students are different than they were 20 years ago. She reviewed the budget outlook summary for 2018-19 and up to 2021-2022.

Ms. Berge reviewed the 2019-20 budget development calendar. She spoke specifically to dates that the directors will need to make decisions by. She explained the State funding compared to allocations. Ms. Berge spoke about how the District can serve our students and what we need to make a priority during a tighter budget. She reviewed the lowest funded elementary, middle and high schools.

Director Harris asked if this included the Nesholm grant. Ms. Berge confirmed that did include grants.

Ms. Berge explained she will be working on enrollment trends overtime. And spoke about how we are serving the students we have well and we can see that based on our test scores.

Director Mack asked if the State is still reimbursing us for transportation. Ms. Berge explained that currently they have been. But a lot of funding is being lost and we are unable to claim some expenditures. She explained some ideas are middle schools being given orca cards, option schools transportation and athletic transportation. All these are being discussed by Assistant Superintendent of Transportation, Pegi McEvoy. She explained in order to receive full funding in 2019-20 we have to be at capacity, and she is looking for options to talk with legislature about how to receive full funding.

**Adjourned** at 7:45pm