



BEX /BTA Oversight Committee

June 10, 2022, 8:30 – 10:30 AM

Zoom Meeting

Minutes

1. Call to Order

- a. Janet Donelson called the meeting to order at 8:32 a.m.
- b. Roll call
 - i. Committee members present: Janet Donelson, Duncan Griffin, Warren Johnson, Steve Tatge, Daniel Williams, Jennifer DuHamel, Michelle Moore, Monty Anderson, Rob Stephenson,
 - ii. Committee members absent: Sherry Edquid,
 - iii. Board Directors present: Lisa Rivera Smith, Vivian Song Maritz
 - iv. Capital Projects Staff present: Richard Best, Melissa Coan, Mike Skutack, Jeanette Imanishi, Vince Gonzales, Jen Lincoln
- c. The meeting agenda: Steve Tatge made a motion to approve the agenda. Jennifer DuHamel seconded. The motion passed unanimously.
- d. The minutes from May 13, 2022: Warren Johnson made a motion to accept the minutes. Duncan Griffin seconded. The motion passed unanimously.

2. Honoring Jeanette Imanishi's Years of Service – Retirement

Richard Best conveyed to the committee that Senior Project Manager Jeanette Imanishi was retiring at the end of June following 15 years of service at Seattle Public Schools (SPS). Mr. Best, Mike Skutack, and Vince Gonzales shared examples of her excellent work on Capital Projects around the district, and described her as a consummate professional, kind person, and deeply valued colleague. Mr. Best thanked Ms. Imanishi for her service to SPS and her exceptional work. Ms. Donelson invited her to apply for membership on the BEX/BTA Oversight Committee.

3. Budget Update

Melissa Coan conveyed that she would be making three financial presentations to the committee, at different levels of specificity, in this meeting.

Ms. Coan reported on the BEX IV Program through April 30, 2022. She highlighted that there was no variation in the underspend. She focused her comments on the program's funding sources. She reported that all the anticipated levy collections had been received. She described the process for estimating the collectible levy funds and how any additional funds were added to the Program Reserve. She clarified the categories of additional revenue sources, such as interest earnings and grants.

Ms. Coan reported on the BTA IV Program through April 30, 2022. She reminded the committee of the difference between BEX and BTA levies, in terms of the types of projects that make up the program. She highlighted several projects that were moved from BTA IV to BEX V for reporting purposes. She conveyed a process change in how the Office of the Superintendent of Public Instruction (OSPI) releases funds when a project is funded by both School Construction Assistance Program (SCAP) and a Distressed Schools Grant.

Ms. Coan reported on the BEX V Program through April 30, 2022. She reminded the committee that this is the youngest program in the Capital Projects portfolio. She reviewed the Major Projects and Distressed Schools Grant projects in terms of their funding, budget increases, and anticipated spending of the Project Contingency. She conveyed that the anticipated levy collections for this program were estimated more conservatively than previous programs. Ms. Coan confirmed for the committee that Capital Projects possesses sufficient funds for every activity planned for the next fiscal year.

4. Project Status Reports

Mr. Best delivered a PowerPoint presentation of photos and project highlights for the active Major Projects. Senior Project Managers provided comments on work in progress.

Mr. Best reported on the BEX IV projects. He reminded the committee that current efforts focus on Seismic Improvement projects around the district. He highlighted several Science Classroom projects planned for Summer 2022 and Summer 2023.

Mr. Best reported on the BTA IV projects. He delivered an overview of the categories of work ranging from building envelope improvements, masonry repairs, exterior doors, and other smaller projects throughout the district.

Mr. Best reported on BEX V projects. He highlighted that cost estimates for the four Major Projects had all come in significantly over budget and that the teams would be meeting to review the cost estimates, budgets, and schedules to bring them back in accordance with planned budgets. He conveyed that he would provide additional details at the July meeting after reviewing with the teams.

The committee discussed the challenges facing Major Projects and current market uncertainty. They requested more in-depth conversations at the next meeting to help SPS address these concerns.

5. Semi-Annual Budget Update

Ms. Coan delivered a high-level overview of the Capital Projects budget for each program at the mid-point in the fiscal year. She referred to the Other Facilities budget and directed the committee to the report, which she provided to them prior to the meeting. She highlighted the granularity on scopes of work conveyed in the report.

6. Capital Projects and Planning Annual Budget 2022-2023

Ms. Coan presented an overview of the Capital Projects budget for fiscal year 2022 – 2023, which runs from September 1, 2022 – August 31, 2023. She described how the annual budget is parsed from total project budgets, which cover multiple years of work. She conveyed that annual budget will be presented to the School Board in July for review and approval.

Ms. Coan highlighted funding sources and the schedule for receipt. She addressed remaining balances in older levies and income from rentals and leases. She compared the forecast for the year to the funds

available on September 1, 2022. She conveyed the anticipated ending fund balance remaining after all expenses for the fiscal year were reported.

Ms. Coan presented the fund allocations for each project category and noted the details available in the report. Mr. Best highlighted the Property Acquisition category and the district's need to locate new warehouse space to replace the existing warehouse space at Memorial Stadium. Ms. Coan clarified that if those funds are not employed for warehouse space, they will be added to the anticipated underspend.

Mr. Best reminded the committee of the Clean Energy Resolution and conveyed that the Capital Planning team is working on long-range facilities plan to help achieve a district free of fossil fuels by 2040 through the upcoming levy programs. He confirmed that BEX V projects in design now are all free of fossil fuels.

Ms. Coan concluded her presentation describing the process by which SPS General Fund costs are charged to Capital Projects, as transfers, as allowed by legislation and accounting rules.

7. Meeting Re-cap

Ms. Donelson conveyed that the July meeting would include an update on the cost estimating for the four Major Projects. She reminded the committee that there will not be a meeting in August and that in-person meetings resume in September 2022.

Ms. Donelson adjourned the meeting at 10:29 a.m.