



BEX /BTA Oversight Committee

January 10, 2025, 8:30 – 10:30 AM

JSCEE Room 2750

Minutes

1. Call to Order

- a. Janet Donelson called the meeting to order at 8:31 AM
- b. Roll call:
 - i. Committee members present: Janet Donelson, Duncan Griffin, Lavina Sadhwani, Warren Johnson, Luis Adan, Michael Fink, Sherry Edquid, Steve Tatge, Jennifer DuHamel, Michelle Moore
 - ii. Committee members absent: Monty Anderson
 - iii. Capital Projects Staff present: Richard Best, Becky Asencio, Melissa Coan, Vince Gonzales, Mike Skutack, Tom Gut, Jen Lincoln
- c. The meeting agenda: Warren Johnson made a motion to approve the agenda. Duncan Griffin seconded. The motion passed unanimously.
- d. Meeting minutes from December 13, 2024: Lavina Sadhwani made a motion to approve the minute. Steve Tatge seconded. The motion passed unanimously.

Richard Best introduced Dr. Kurt Buttleman, Assistant Superintendent of Finance.

2. Capital Fund Loan

Dr. Buttleman presented an overview of the Capital Fund loan, which was made to the Operating Fund to address budget destabilization for Fiscal Year 2024 related to the Covid pandemic. He confirmed that Washington state legislation permitted the loan and could extend the payback date. He clarified that the district's \$94M Operating budget deficit includes repaying the loan to the Capital Fund.

Mr. Fink asked about the impact of the loan on current BEX V projects. Staff clarified that the funds were lent from the BEX IV and Capital Eligible Program (CEP) funds, which do not fund the current BEX V or BTA V implementation plan. Staff highlighted that the terms of the loan included a commitment not to impact planned projects.

Ms. Sadhwani asked about the potential for impact on the BEX IV projects planned for summer 2025. Ms. Coan explained that the loan came from BEX IV underspend and projects that are not in progress. Ms. Coan provided more detail about the CEP fund. Mr. Best highlighted that CEP is

not a levy fund but a discretionary fund for Facilities emergencies or funding for School Board member priorities.

Mr. Griffin suggested the creation of an account for operational savings to be applied to energy savings projects, in the future when the Operating budget is stabilized. Mr. Best highlighted the separateness of the Operating fund, which pays utilities and might see the savings with energy improvement projects financed by the Capital fund.

Mr. Griffin asked if the Inflation Reduction Act (IRA) would return to the Capital fund. Dr. Buttleman conveyed that the district is clarifying that with the Office of the Superintendent of Public Instruction (OSPI). He suggested that the funds might be applicable for the loan repayment to the Operating budget and then transferred to the Capital Fund.

Ms. Donelson and Mr. Fink highlighted that the IRA funds were budgeted into the completion of BEX V projects.

Ms. Edquid asked how the district planned to avoid borrowing from the Capital fund in the future. Dr. Buttleman listed areas for potential changes in the district that could reduce the Operating budget, going forward, as well as lobbying for changes to legislative investments to better fund public education.

Mr. Griffin requested future discussion exploring the potential for partnering with other community needs and organizations in the use and operation of school sites. Ms. Sadhwani asked where the work was happening and how to participate. Mr. Best proposed that discussion of this topic continue at a future committee meeting with Dr. Buttleman.

3. BEX V & BTA V Project Financial Updates

Ms. Coan reported on the BEX V Capital Levy through November 30, 2024. She conveyed that the program was 73% spent to date with most of the expenditures coming from the Major Projects. She reminded the committee that while the Program Reserve was low, it was expected to grow when additional project savings were realized with the Final Acceptance of several Major Projects.

Ms. Coan reported on the BTA V Capital Levy through November 30, 2024. She conveyed that the program is 21% spent to date. She confirmed that expenditures and revenue were as expected. Mr. Best highlighted the line item for Technology and reminded the committee that the district now provides student devices at a 1:1 ratio, which was needed during the Covid pandemic. The committee requested more information about the Technology portion of the levy and access to the Information Technology Advisory Committee (ITAC) meeting minutes and agendas.

4. BEX V & BTA V Project Updates

Mr. Best and Senior Project Managers Mike Skutack and Vince Gonzales reported on the projects under construction. Mr. Best highlighted that four of these Major Projects were scheduled to open in Summer 2025. Staff conveyed that construction of two projects, Aki Kurose Middle School and Sacajawea Elementary School were dependent on the passage of the BEX VI Levy.

The committee requested additional details be reported about the projects. They suggested that project risks and how they are tracked be added to the project updates. They also asked to hear about the carbon balance of new projects in terms of carbon sequestered versus carbon emitted.

Ms. Asencio updated the committee on the Memorial Stadium project. She conveyed that negotiations are expected to conclude in the next month with the agreements due to the School Board in March. She confirmed that construction was planned to begin July 2025, following high school graduation ceremonies.

5. BEX V RBHS Building Settlement

Mr. Best conveyed that a report on the building settlement was due to him later today. He committed to sharing the report with the members of the committee who agreed to review and discuss the matter and then schedule a discussion for that group.

6. Capital Projects & Planning Fiscal Year 2023-2024 Closeout

Ms. Coan presented an overview of Fiscal Year 2023-2024, which ran from September 1, 2023, through August 31, 2024. She reported on each of the funds, covering each of the levy programs and CEP. She defined the transfers of Capital Eligible expenses from the General Fund to the Capital Fund for expenses such as the John Stanford Center's bond, student transportation for sites under construction, and eligible maintenance costs. Ms. Coan highlighted outstanding projects and corresponding funds in the BEX IV and BTA IV capital levy programs. She confirmed that those funds remain fenced for identified projects.

7. BEX VI Capital Levy Update

Ms. Asencio reported on the BEX VI Levy and Educational Program and Operations Levy (EP&O), which will be presented to the voters on the February 11, 2025, ballot. She provided a brief overview of how the levies work. She highlighted the categories of work that would be funded by the BEX VI Levy, including: Safety & Security, HVAC & Energy, Technology, and Replacements, Renovations, & Repairs. She conveyed the next steps for implementation if the levy passes.

8. Adjourn

Ms. Donelson adjourned the meeting at 10:35 a.m.