



**Board of Directors – Business Meeting
Business Development Center, 420 Memorial Drive
Idaho Falls, ID 83402
9 January 2013**

Minutes:

In Attendance: Board Members Bob Everhart, Terri Gazdik, Kris Meek, and Cindy Ozaki. Also present were IFAD Legal Counsel Mark Fuller and Dan Beck, IFAD Consultant Rebecca Casper, and CRSA Architect Kevin DeKold. Mr. Chiles was excused dues to travel.

I. Call to Order.

Conducted by Chairman Ozaki, the meeting was called to order at 7:47 a.m.

II. Adoption of the Agenda.

Action: Mr. Everhart moved to approve the agenda.

Action: Mr. Meek seconded the motion.

Result: All members present voted in the affirmative.

III. Approval of Minutes from Previous Meeting.

Action: Ms. Gazdik moved to approve the minutes from the 12/18 Business Meeting and Executive Session.

Action: Mr. Everhart seconded the motion.

Result: All members present voted in the affirmative.

IV. Approval of IFAD Payables.

A. \$2,980.00 to Fuller and Beck for December legal services.

B. \$90.00 to Moore, Smith, Buxton & Turke for additional legal services.

C. \$15,095.00 to CRSA for September 2012 services.

D. \$35.98 to Cindy Ozaki for reimbursement of purchase of supplies for the Open House.

Action: Mr. Meek moved to pay IFAD obligations in the amounts listed above.

Action: Mr. Everhart seconded the motion.

Result: All members present voted in the affirmative.

V. Reports and Updates.

A. Budget and Finance Report. Prior to the meeting, Ms. Gazdik had circulated to all Board Members a District operating budget for consideration.

B. Accounting/Audit Report. Ms. Gazdik reported that all of the necessary information has been turned over to the auditor, Mr. Bond of Rudd and Company. He indicated to Ms. Gazdik that an audit report should be ready for review in February.

C. Architect's Report. Mr. DeKold had nothing new to report.

D. Administrative Updates.

1. **Personnel.** Board Members discussed a proposed administrative assistant job description for the district as prepared by Mr. Everhart and Mr. Chiles. The description was modified based on the discussion. Ms. Casper agreed to update the job description and re-circulate it with the intent of approving it at the next meeting.
2. **Committee Assignments/Leadership.** Ms. Ozaki presented the District's leadership roster. Board members discussed the structure of the various committee assignments and opted to consider committee service informal for now.
Action: Mr. Everhart moved to nominate Board Member Terri Gazdik as the Secretary Treasurer for the Board.
Action: Mr. Meek seconded the motion.
Result: All members present voted in the affirmative.

E. Other Reports. None were made.

VI. 2013 Budget Adoption and Process.

Members discussed the budget as presented by the Budget and Audit committee. Projections contained in the budget are based on informed estimates made from actual 2011-2012 expenses. Board Members discussed how to handle construction costs as they come in throughout the year as they currently are not addressed in the budget. The Board consensus was to amend the budget and projections as more information comes in throughout the year. Additionally, Mr. Fuller informed the Board of his research in the Idaho Statutes wherein he did not find any requirements for newspaper publication of the budget as is required of municipalities. A simple budget adoption in this meeting was deemed to be sufficient.

Action: Mr. Meek moved to adopt the IFAD 2012-2013 budget as presented by Ms. Gazdik.

Action: Mr. Everhart seconded the motion.

Result: All members present voted in the affirmative.

VII. Contractor and Financing Options Discussion.

Ms. Ozaki led off the discussion by reiterating the desirability of selecting a construction contractor early so as to allow the contractor to be a part of as much of the design phase as possible so as to be able to inform and improve the original design and thereby reduce costs. Mr. DeKold explained that there are several ways to structure the relationship between the contractor, the Board, and the other parties (i.e. design and management) involved in the Event center construction. By the same token there are several ways to ensure the qualifications of the contractor. 1) One is to bid the job outright where the final decision would be based primarily on price/cost criteria. 2) Another method is to go through a pre-qualification process using the A & B procurement standards provisions set forth in state statute and case-law. Certain standards and qualifications can be required with each method, but the latter makes the screening of qualifications an additional, separate step. This separate step—taken prior the bidding process-- makes it possible to screen contractors who do not have the requisite experience or qualifications from the bidding phase altogether.

Mr. DeKold pointed out that some construction firms in Idaho are now using another method altogether for the construction of schools. 3) This is called the Construction Manager (CM) Multiple Prime. It is essentially a third option he is currently researching. It involves using a Construction Manager—typically a construction firm—to manage all of the subcontractors for, or on the behalf of, the IFAD Board. The advantage of this method is that it complies with state statute. Some disadvantages are that it increases administrative costs and it also requires that the IFAD Board carry the necessary insurance to cover the subcontractors including such things as workman's compensation, etc. This is of course obtainable, but it comes with a degree of liability. In theory the overall project costs are not increased, they are just shuffled somewhat from what they would be under a CMGC model. Mr. DeKold has asked a colleague in SLC to send more information about these kinds of contracts as well as information on CMGC for Mr. Fuller to review for legality. Mr. Everhart mentioned how the CM Multiple Prime process was the exact

model that the Board has used to select the Location, the Architect and the Operator. Mr. DeKold has said that this would still take more time and that there likely could be legal challenges from those who do not survive the pre-screening phase. Mr. Everhart countered that is by saying a lot of ambiguity could be avoided by making certain that the list of required qualifications was carefully constructed and contained professionally valid and non-subjective criteria. Such a list should also be prepared under the supervision of legal counsel.

Yet a fourth option 4) is CMGC (Construction Manager/General Contractor). The consensus is that this model is preferred because it is viewed as the most collaborative model—i.e. one that would facilitate the smoothest (and least costly) communication between the various design, operations, administration, and construction teams. Mr. DeKold suggested that it might be worthwhile to wait and see if the CMGC model is approved for use for public construction projects by the legislature in the current session. Ms. Casper was tasked with learning more about any such legislation—if it does exist and what its chances are for passage in this legislative session.

Ms. Ozaki pointed out that financing is contingent upon the schematic design process being complete to go forward with financing. But in fact, schematic design is on hold until a budget is finalized. She also pointed out that the property transfer process must also be well on the way to completion to obtain financing. Mr. DeKold also pointed out that construction-related bidding processes must be based on a design that is “permissible” which is to say that is more advanced than a simple schematic design. Members readily agreed that a more complete design is needed in order to move forward at this time. A report from Lewis Young Robertson & Burningham, Inc. was not forthcoming before the meeting. It is expected later in the week and should become an item on a future meeting agenda.

VIII. Calendar and Announcements.

A. Upcoming IFAD Meetings/Events.

1/23/13 Scheduled Business Meeting. (Both Mr. Chiles and Mr. Everhart have indicated they will be absent from this meeting. Mr. DeKold will be available by conference call early in the morning.)

B. Announcements and Minor Questions. Ms. Casper asked for clarification on a pending board audit policy.

IX. Public Comment.

Meeting time was made available for public commentary, but no members of the public provided comment.

X. Adjournment.

Action: Mr. Everhart moved to adjourn.

Action: Mr. Meek seconded the motion.

Result: The vote was unanimous in the affirmative. The meeting was adjourned at 9:18 a.m.