

**Board of Directors Business Meeting**

**Tuesday, October 8, 2019, 7:00 a.m.**

**Location: Idaho Falls Auditorium District Office**

**467 Constitution Way, Idaho Falls, Idaho 83402**

**Attendees: Terri Gazdik, John LoBuono, Bob Nitschke, Rob Spear, Mark Fuller, Salem Thomas, Mike Clements, Kevin Greene, Chad Hammond, Kevin DeKold (by phone)**

**Minutes**

1. Call to Order – at 7:03 a.m.

1. **Action Item** - Accept the Consent Agenda – Motion to accept the agenda. Seconded. Motion passed. Thomas has not received all the expected changes to the minutes so they will be removed from the consent agenda. Nitschke asked about a few of the items on the payables list. Gazdik explained that Pathway Associates is now under new ownership and they have changed their name to Nonprofit Consulting Services. Nitschke recommended a description column become part of the payables. Motion to accept the payables and financials. Seconded. Motion passes.
	1. Payables/Financials

1. **Discussion Item** - Public Comment – None.

1. **Action Item –** Bateman Hall/Hogan Pioneer Road Contract – There is a proposed amendment to the Bateman Hall/Hogan contract that includes the detail for the Pioneer Road. Gazdik asked if Fuller had reviewed it. He had not. Mike Clements explained that this amendment is Exhibit A to the original contract and details how Bateman Hall/Hogan refined the scope for this early work. Clements said he needs this contract approved to move forward with the bonds. Spear recommended that the Board approve it with the final changes pending Mark Fuller’s review. Fuller suggested this item be delayed until later in the meeting so he could review it right now.

Fuller later agreed with the proposed amendment to the contract. There was no further objection. Motion to approve the amended contract. Seconded. Motion passes.

1. **Action Item –** Horrocks Engineering Costs – Pioneer Road – Everyone on the board was presented a copy of this agreement. This was part of the overall contract for Pioneer Road that was approved at a previous meeting with the understanding that there would be civil engineering costs added later. Mike Clements said that a great deal of the administrative costs listed have already been expended in order to get the bids for Pioneer Road out on time. Spear said that they went through these costs with Mike Clements and they were able to save around $2,000 in project management costs. Nitschke said he was concerned with the expense for the management being more than the cost for the actual work being performed. Clements explained that generally contracts with variable work have a ‘not to exceed’ statement. There isn’t a known rock quantity so the cost is variable. Clements explained that one of the reasons the cost was so high was because any survey team costs around $2,000 per day. Spear suggested approving the original amount and then approving the cost for the rock blasting after the land has been surveyed and a cost has been determined. Motion to approve phases A-D of the contract. Seconded. Motion passes.
2. **Action Item –** Knife River Contract Amendment – Rock Removal – Spear explained that this is a contract amendment between Bateman Hall/Hogan and Knife River. Knife River requested a change to the contract with this language:

Increase of More Than 15 Percent:

If the total bid item quantity exceeds 115 percent of the quantity shown on the Bid, the unit price for the excess quantity will be adjusted as follows:

* + 1. The adjustment is the difference between the unit price and the unit cost of the total item pay quantity.
		2. In determining the unit cost, the total actual cost +10% MU will be divided by the total quantity completed, to derive a revised unit cost.
		3. The revised unit price will then be applied to the quantity over 115 percent of the item total in the Bid.

Decrease of More than 15 Percent:

If the total bid item quantity is less than 85 percent of the quantity shown on the Bid, the unit price for the decreased quantity will be adjusted as follows:

* + - 1. The adjustment is the difference between the unit price and the unit cost of the total pay quantity.
			2. In determining the unit cost, the total actual cost +10% MU will be divided by the actual quantity completed, to derive a revised unit cost.
			3. The revised unit price will be applied to the quantity completed, although the total payment will not exceed 85% of the item total in the bid.

Knife River realized that its unit price bid for excess rock removal was possibly low based on the uncertainty of how much rock needed to be removed. Nitschke asked what the contract says about significant differences to the bid quantity. Clements said that there isn’t anything on changed quantities stated in the contract right now, but that this language is requested to have a possibility to reassess the cost based on the actual quantity of rock removed and is very common with road work. If there is more rock per cubic yards than the contract stated, the cost will go down per cubic yard. If there is less rock than planned for then the cost per cubic yard will go up to cover the fixed cost. LoBuono asked about the process for removing the rock. Clements said they will be drilling and blasting. Fuller gave a comparison using the contract with CRSA. He explained that wanting to make the event center smaller would cause CRSA to do more work to revise the existing the plans, so the Board would pay CRSA more to make a smaller building. Gazdik explained it a different way, stating that it just depends on how you arrange your fixed costs vs. your variable costs. Determination was made to delay consideration of this request until October 22 meeting.

1. **Action Item** – Chris Nations Contract for Owner’s Rep – Spear summarized that at the last meeting the Board approved for Spear to move forward with requesting a contract from the Nations Group. Fuller has not had a chance to review this contract either. Spear asked the Board to view the last page of the contract to review some of the deliverables and scope. Fuller said he was comfortable with the Board approving the contract subject to Fuller’s review. Gazdik said this was the first she has seen it as well, and is concerned that Nation’s stated that because he was not part of the 60% review phase that he isn’t sure how much he will be able to save on the project. Nitschke said that it may have been better to have an owner’s rep earlier in the project, but it would be better to hire one now than to not hire one at all. Spear shared his fear that the fundraising may not be accomplished by the end of the year as is the goal, the project will have to be postponed, and the money for an owner’s rep would be a waste. Nitschke continued that an owner’s rep insight and extra set of eyes can help with peace of mind and assurance that things are moving forward correctly. Gazdik shared that it is just a cost issue for her. Spear pointed out that the Board originally decided to go with the CM/GC approach because the CM portion performs some of the owner’s rep responsibilities. LoBuono pointed out again that after the first six months, the Board could choose to not write another contract. Fuller pointed out the terms listed in the contract that explain how difficult it would be to end the contract, if the Board finds itself in that position.

Gazdik said that she would like some clearer deliverables in the contract so that the Board isn’t just paying the owner’s rep to be part of the team for six months. Clements shared that John with Perkins and Will is already doing things that an owner’s rep would be doing. Spear suggested he would go back and talk with Nations Group to discuss a more deliverable focused contract for the phase one section and modification of the termination language.

1. **Action Item** – Firearms/magnetometer and State Statutes – Fuller said that he did some research and found that it is against the law to restrict firearm possession in event centers and entertainment facilities. Kevin DeKold shared that other event centers in Utah run into similar issues with having magnetometers can be perceived as a violation of constitutional rights. However, instead of discriminating against people who have firearms, event center staff are allowed to ask people who are acting strangely to leave whether they hold firearms or not. If the person acting strangely resists the request for them to not enter the building, it then becomes a trespass issue which can be enforced by event center staff. The magnetometers would simply be a way to identify who is carrying firearms, not as a means to discriminate against them. Fuller explained Idaho Code 18-3315 B1 which addresses the individuals serving on this Board. Fuller stated that if the Auditorium Board wishes to restrict weapons in the event center, it must get the legislature to enact appropriate legislation, comparable to that granted to public school boards. Enforcing regulations on weapons, without authorization, exposes the District to potential liability.

Nitschke entertained the idea to ask Fuller to draft a proposed ordinance to suggest to the state that Auditorium District Event Centers should be included in the public-school board section of the existing statute. Fuller said he could draft the legislative language and would talk with a current legislator to sponsor the ordinance. Chad Hammond shared that he wished there were magnetometers at the fair. Spear said that the Maverik Center is currently using wands instead of magnetometers but that the Maverick Center wished they had magnetometers. It was decided to move forward with including magnetometers in the design, but delay the decision on whether to install during construction.

1. **Action Item** – Video Board/Ribbon Board – Spear provided the Board with a number of proposals for video and ribbon board configurations from Yesco. They gave back four different estimates for the amounts of video board and ribbon board configurations. David Lee at Yesco said that with the size of the event center, 2 feet and 2 inches in height would be satisfactory for the ribbon board.

The reason Spear felt it important to make this an action item was to decide if the Board wanted to take advantage of the low cost for 10MM boards that had an interior faceplate placed on them, as the result of a manufacturing error.

Fuller reminded the Board that industry standard is currently 30 inches, so this proposed 26 inches is 4 inches less than industry standard. Nitschke said he wants to know what the height needs to be for people to read the sign comfortably for any seat in the arena. Gazdik suggested contacting event centers in Boise to ask what size they have and then decide if the height is sufficient. There was no action taken.

1. **Discussion Item** – Fundraising Update – There was a BAC meeting on Monday 10-7-19. Members discussed companies for Pathway to continue to pursue. Jason Smith has helped Pathways find a number of contacts through Mountain America Credit Union. Pathways are working hard with those contacts. Spear said that he and Kevin Greene will soon start finding local donors at a lower range to contribute to construction funds by leveraging suite sales. Gazdik added that there are two more national companies that want to establish a presence in Idaho Falls who are interested in naming rights. Pathways is also working with those companies. One company has already requested a suite with the understanding that they would contribute $400,000 to the project. Nitschke asked if Spear was planning on selling the rights to the ribbon board. Spear clarified that it is possible but given some potential exclusivity requirements this could impact operations revenues.
2. **Discussion Item** – CRSA Update – Exterior Design – Spear indicated to the Board that he participated in a conference call about exterior elevations. The call was to determine if costs could be lowered by removing some of the brick. Depending on how much brick was removed the cost reduction could approach $350K. DeKold explained that there are a few places where they can cut back on costs that doesn’t compromise the safety of the building. Brick is one of the ways they can cut back on costs. DeKold suggested removing the brick that was planned to create the river and use colored or painted concrete instead. This would likely be a large cost reduction. Snake River guidelines require some rock or brick. It will be a change in aesthetic so they will need approval from Snake River Landing’s Architectural Control Committee before they move forward. CRSA wouldn’t charge extra at this point to explore this first option. LoBuono asked what percentage of the three walls of the building are brick. DeKold said 100%. Nitschke said he would like to see two different renderings to determine what would be lost in the aesthetic changes. Clements suggested adding this to the construction alternates list so that it can be compared to the other options available for cutting costs. DeKold said he would put together a design with less brick in the river on the sides of the building.

Reports and Updates

1. **Discussion Item** - Executive Director Report – the weekly construction meeting included discussions about access to Event Center Drive. Knife River would like access to Event Center Drive, but Ball Ventures has not turned this over to the City.

Spear worked with Rocky Mountain Power to change the work order number for Pioneer Road to IFAD. Powerlines can’t be removed until the conduit and trenching are complete.

Spear asked the Board if they feel comfortable having him signing the construction permits or if they prefer him to bring them back to the Board or talk with Gazdik before having them signed. LoBuono said that if there is not prohibitive cost that Spear can handle it.

Spear had a conference call about card readers. He shared that the facility will be equipped with card readers. There will be areas that are restricted by card access including the security area. The Maverik Center is currently adding some card readers but they are primarily key access only. The Maverick Center does have the capability to change the cores of the locks.

Spear found the family of the road-side memorial on Pioneer Road. The family came and removed it.

Spear talked with Kurt Jenkins who had a farm hand living on the IFAD property. Jenkins was very responsive and removed his farm equipment, trailer and bees that were on the property. There is an issue with an old well that will result in a change order. Denning Drilling will be taking care of it.

Nitschke asked what was happening with the email conversion. Spear explained that it should be resolved later this week after the Microsoft personnel reach out to them.

Nitschke asked when CSL would be delivering their report on the draft contract with Centennial Management. Fuller said they are trying to have it ready a week before the October 22 meeting.

1. **Discussion Item** - Legal Report – Nothing to discuss that hasn’t already been talked about.

1. Calendar and Announcements
	1. Upcoming IFAD Meeting – **Next Meeting on October 22, 2019 Discussion Item** - Announcements and Minor Questions – Fuller asked if there was going to be a road opening ceremony for Event Center Drive. Hammond said that after talking with all the stakeholders it would be better to wait on the celebration because Ball Ventures doesn’t want to open the road up for public use yet.
	2. **Discussion Item** - Agenda Items for October 22nd meeting

1. **Action Item** - Adjournment from Public Session – at 9:39 a.m.

**Action Item List**

Spear create description column for payables

Spear talk with Nations Group to determine a more deliverable based contract.