

**College of Eastern Idaho
Board of Trustees**

October 17, 2023

College of Eastern Idaho Campus, Christofferson Building/Building 3, President's Conference Room (310A)
1600 S. 25th E., Idaho Falls, ID 83404 and remotely via Zoom

A Special Meeting of the Board of Trustees of the College of Eastern Idaho was held on October 17, 2023, on the College of Eastern Idaho campus in Idaho Falls, Idaho, and via Zoom. Chairman Park Price presided.

Present:

Park Price, Chair
Cal Ozaki, Vice Chair & Treasurer (via Zoom)
Amy Gardels (via Zoom)
Carrie Scheid (via Zoom)
Ethan Huffman

Guests:

Rick Aman, CEI President
Lori Barber, CEI Vice President for Instruction & Student Affairs
Byron Miles, CEI Vice President of Finance & Administration
Jed Bigelow, CEI Counsel
Trevor Elordi, CEI Executive Director of CEI Workforce Training & Continuing Education (WTCE) (via Zoom)
Emma Getliff, CEI Senior Executive Administrative Assistant & Board Liaison
Amy Brumfield, CEI Executive Director of Institutional Research
Greg Horton, CEI Director of Facilities and Operations
Penny Lyon, CEI Director of Financial Planning and Analytics (via Zoom)
Ann Marie Peters, CEI Director of Strategic Partnerships
Chuck Bohleke, CEI Dean of Career Technical Education (CTE)

CALL TO ORDER

The meeting was called to order at 6:00 PM by Chairman Price.

ACTION ITEMS

APPROVAL OF AGENDA

M/S Huffman/Ozaki to approve the agenda for the October 17, 2023 Special Board Meeting. Motion passes unanimously.

ACTION ITEMS

APPROVAL OF CHANGES TO FUTURE TECH BUILDING PLANS

President Aman initiated the conversation with the Trustees, seeking their guidance on the fate of the Future Tech building project. This undertaking presented three distinct options, each with its own implications.

The first option entailed staying the course and continuing fundraising efforts until the targeted \$49 million was secured. While this approach held the promise of fulfilling the project's vision entirely, it also implied that fundraising activities would need to continue at full throttle, with no guaranteed endpoint in sight as costs continued to escalate.

The second alternative involved a strategic pivot towards core and shell construction for the second floor of the Future Tech building. This maneuver aimed to significantly reduce the project's initial cost, bringing it down to approximately \$44 million. This would delay about \$4 million in costs due to core and shelling. However, to make this option viable, it would necessitate an allocation of an additional \$1 million from the College's reserves. This route allowed for several advantages, such as determining the actual costs through rebidding, showcasing tangible progress, and potentially increasing fundraising momentum.

The third option would be to reduce the building's physical footprint. This design approach, which aimed to bring the cost down to around \$43 million, would entail losing an estimated 25,000 square feet of space from the project. While this could potentially lower the financial burden, it would mean sacrificing a portion of the building's intended functionality.

Chairman Price provided valuable context, noting that the College currently possessed approximately \$44 million in funds earmarked for the project, which included contributions from reserves. To proceed with rebidding at the building's current design, they needed to demonstrate financial readiness for the last estimated bid amount.

Aman, remarked to the Trustees about maintaining a prudent reserve balance, emphasized the need to avoid depleting the reserves below \$3 million, a critical threshold representing about a month and a half of the College's operational expenses. Byron Miles, Vice President of Finance and Administration, counseled that the standard reserve balance should be from four to six months of operating funds, equivalent to a minimum of \$4 million.

Chairman Price proceeded to request the opinions of each Trustee based on the comprehensive information that had been presented concerning the Future Tech project.

Trustee Scheid voiced her support for the core and shell approach. She saw this option as pragmatic and forward-looking, enabling the College to make substantial progress without committing to the full project cost upfront. Importantly, she suggested that the core and shell strategy could invigorate fundraising efforts by demonstrating tangible progress. Scheid also noted the legislative expectation that construction would begin soon to maintain public confidence.

Trustee Huffman expressed concerns about the unpredictability of future bids, indicating a preference for caution. He wasn't entirely convinced that waiting for rebidding would yield significantly different results. However, he did acknowledge that the core and shell approach could be a practical solution.

Trustee Gardels endorsed the core and shell approach, echoing the sentiment that initiating construction was vital to generate community excitement and meet legislative expectations. She favored making significant progress and using it as a catalyst for fundraising activities.

Trustee Ozaki also supported the core and shell option. He recognized the financial constraints but believed that reallocating \$1 million from unallocated fund balance was a feasible approach. Ozaki emphasized the importance of avoiding project delays and maintaining flexibility for future expansion.

Chairman Price summarized the proposed plan, involving the allocation of \$1 million from the unallocated fund balance to the Future Tech project. This would result in an estimated total of \$45 million, which would be adequate to proceed. He assured the group that the administration would collaborate with the Department of Public Works (DPW) to determine the specific requirements for signing the construction contract.

During this conversation, Miles interjected, adopting a cautious stance. He acknowledged his role as a financial steward of the College and his duty to advise the President and Trustees on fiscal matters. He conveyed his long-held reservations about the Future Tech project's funding approach, advocating for external sources instead of tapping into operational budgets and reserves.

Miles outlined his recommendation to reconsider the project's scope, citing inadequate funds, potential strain on reserves, uncertainty regarding state funding, and guidance from the Department of Public Works (DPW) favoring a scaled-down approach. He contrasted this with the benefits of downsizing and redesigning, highlighting reduced financial risks, more resources for other priorities, and continued fundraising efforts. Miles emphasized that the Trustees held the ultimate decision, urging them to seriously consider his advice, given its far-reaching impact. He acknowledged the merit in the arguments presented but stressed the importance of a more conservative financial approach.

Lori Barber, Vice President for Instruction and Student Affairs, conveyed her comfort with advancing the project despite her fiscal conservatism. She emphasized the importance of a robust fundraising strategy due to the project's reliance on State funding and reserves, recognizing the considerable challenge in meeting fundraising targets.

Chairman Price emphasized the importance of embracing diverse opinions within the Trustees' discussions and decisions. He underscored the value of not always seeking unanimous agreement but rather fostering an environment where various viewpoints are considered. He appreciated the diverse conversation and opinions from all the Trustees.

Trustee Huffman expressed a desire to see a strategic plan in place for strengthening the College's reserves. He recognized the significance of concerted efforts aimed at building up these financial resources, ensuring the institution's financial stability.

Aman acknowledged the need for a comprehensive plan to secure additional funding for the Future Tech project as well as building up the College's reserves. He reassured the Trustees that ongoing efforts were already underway, demonstrating the College's commitment to raising the necessary funds. Furthermore, he pledged to provide regular updates on the progress of these fundraising endeavors during the standard trustee meetings.

Aman expressed gratitude for the valuable guidance provided by the Trustees. He recommended transferring \$1 million from the fund balance into the Future Tech account, thereby increasing the available funds to approximately \$45 million. Furthermore, he expressed his intention to collaborate closely with the DPW to ascertain the necessary steps and requirements for signing the essential documents. Additionally, he indicated plans to explore the associated costs of the core and shell option for the second floor, relying on the expertise of our architects and the CEI Facilities and Operations team.

M/S Huffman/Ozaki move that the Board allocates up to \$1 Million from the fund balance for the College to proceed with plan changes for the Future Tech Project to include a core and shell option. *Motion passes unanimously.*

ADJOURNMENT

Seeing no further business, Chairman Price adjourned the meeting at 6:40PM.

Park Price, Chairman

Date