Chairman Torry McAlvain called the meeting to order at 9:32 a.m. on Monday, April 12, 2010.

**Board Members Present:**
- Torry McAlvain, Chairman
- John Sheldon, Vice Chairman
- Jerry Peterson
- Lisa Hatch
- Steffani Lippert (Teleconference)
- Alan Smith (Teleconference)

**DBS Staff Present:**
- C. Kelly Pearce, Administrator
- Steve Keys, Deputy Administrator, Operations
- Janice Foster, Deputy Administrator, Administration
- Patrick Grace, Deputy Attorney General
- Kirk Weiskircher, Financial Specialist, Principal
- Jean Frenette, PWCL Bureau Chief
- Heather Carr, Consultation and Outreach Advisor

**Board Members Absent:**
- Renee Bryant, Administrative Assistant 2/Board Secretary
- Ken Worst
- Sharon Chisom, Office Specialist 2

♦ **Open Forum**

**CM License Bond** – Matt Newton, Beniton Construction, suggested construction managers maintain professional liability insurance rather than CM Service bonds. It is his opinion liability insurance would better provide protection for owners. A minimum coverage of one million dollars was recommended to cover errors and omissions.

The Division was asked to gather feedback from owners, i.e., school districts, cities, counties, etc., on where they stand if the bond was eliminated and what opposition, if any, they would have in changing state statute.

**ACTION:** This topic to be added to the July PWCL Board Meeting Agenda. Patrick Grace will write a summary on this issue in order to provide notice to interested members of the industry.

**ACTION:** The Division to contact owners to gauge their support/opposition to the possible change from the current bond requirement to professional liability insurance.

♦ **Approval of the April 12, 2010 Agenda**

**MOTION:** Jerry Peterson made a motion to approve the April 12, 2010 Agenda. John Sheldon seconded. All in favor, motion carried.
Approval of the January 11, 2010 Board Meeting Minutes

*MOTION:* John Sheldon made a motion to approve the January 11, 2010 Meeting Minutes as written. Steffani Lippert seconded. All in favor, motion carried.

Election of Officers

Chairman

*MOTION:* Lisa Hatch made a motion to reelect Torry McAlvain as Chairman. John Sheldon seconded. All in favor, motion carried.

Vice Chairman

*MOTION:* Jerry Peterson made a motion to nominate John Sheldon as Vice Chairman. Lisa Hatch seconded. All in favor, motion carried.

Bureau Chief’s Report

Licenses – Jean Frenette distributed and reviewed documentation pertaining to the Bureau’s licenses and assessments.

The issuance of licenses is down from fiscal year (FY) 2009, but is consistent with FY’s 2007 and 2008 numbers. As of March there have been 45 new “original” licensees compared to 36 last year. Total downgrades for FY 2010 is sixty-eight. Downgrades are normally requested when a person/company cannot meet the financial requirements. There have been 118 upgrades this year compared to 89 last year.

Assessments – For every ten complaints one assessment is issued. The Bureau averages 100 complaints a month with approximately six man-hours dedicated to investigating each complaint.

*ACTION:* The Bureau to post the current 2010 assessments on the Division’s website.

Administrator’s Report

CAS – One primary concern is the inadequacy of the search function for the public. The Division is currently testing an enhancement to the system that allows individuals to pull up a minimum of 300 contractors at a time. Another functionality will be to export the documentation to an excel spreadsheet. It is anticipated the new enhancements will be available by the end of April.

DBS FY2011 JFAC Budget Presentation – Kelly Pearce addressed the Division’s diversity; discussing the Logging Safety Program, School Safety Program, Public Works Contractor Licensing, Plan Review, Plumbing, Elevator and Escalator Safety, Electrical, Building Code, and Rapid Response. Also mentioned were major projects either planned or under construction across the southeastern half of the state.

The Governor’s recommendation for the Agency’s FY 2011 budget was reviewed. There was an 8.9 percent decrease from the 2010 appropriation to the fiscal year 2011 request for appropriation.

Expenditure Reduction – The Agency is currently authorized 152 full-time personnel (FTP). The Governor’s budget proposal was to decrease the Division’s FTP by eleven. As of today, the Division is down 29 FTP’s, for a decrease of 19.1 percent.
Furloughs vs. Layoffs – Kelly Pearce explained why the Division has chosen layoffs as opposed to furloughs.

First In/First Out (FIFO) – FIFO is a financial term and has been used to describe the Agency during the current economic time. The Division’s revenue is generated through the construction industry by the issuance of permits and inspections and is the first state government agency in and out of financial adversity.


F-35 Fighter Jet Project – The State is making a concentrated effort to bring the F-35 Air Force fighter bombers to Mountain Home Air Force Base and Gowen Field. If awarded this project, as many as 3000 employment positions could be provided to the Idaho air base facilities.

Highway Design Build Legislation – Patrick Grace discussed the Idaho Transportation Department’s (ITD) legislative proposal with its Deputy Attorney General to convey the Board’s concerns with their pending legislation.

One concern was a provision that essentially indicated a public works (PW) license was not required until the contractor began work on a project or a project was partially funded by federal funds. The following sentences were added to the final version of the bill, “The design build firm shall obtain any required Idaho Public Works license prior to submitting a proposal unless the project involves federal funds. If the project involves federal funds then the design build shall obtain any required Idaho Public Works prior to contract award.”

The other issue was the “CM at Risk” provisions. The ITD and its Deputy Attorney General are cognizant of the fact that traditionally that is not something that is allowed under state law. The legislation does have a provision that excludes it from those CM licensing statutes.

The final bill has been adopted by the legislature and is pending the Governor’s signature.

♦ New Business

City of Lewiston Lawsuit – Patrick Grace reviewed the circumstances, as cited in Idaho Code Title 67 Chapter 28 categories A and B, surrounding a private lawsuit against the City of Lewiston. The plaintiff has appealed the court’s decision and has asked the Board to submit a brief in support of its appeal.

After much consideration, board members were not inclined to provide a brief, re-stating its intent not to get unnecessarily involved in the litigation or take a position with either party.

ACTION: Patrick Grace to write a letter to the plaintiff’s attorney stating the Board’s desire to decline their request for a supporting statement.
♦ Executive Session
An Executive Session was not required.

**MOTION:** John Sheldon made a motion to adjourn the meeting. Lisa Hatch seconded. All in favor, motion carried. The meeting adjourned at 11:10 a.m.

JOHN SHELDON, ACTING CHAIRMAN
PUBLIC WORKS CONTRACTORS
LICENSE BOARD

C. KELLY PEARCE, ADMINISTRATOR
DIVISION OF BUILDING SAFETY

DATE

DATE