

Idaho Falls Auditorium District

Board of Directors — Business Meeting
Shared Conference Room, 901 Pier View Drive, Idaho Falls, ID 83402
26 September 2012
7:30 a.m.

Minutes

In Attendance: Board Members: Robb Chiles, Bob Everhart, Kris Meek and Cindy Ozaki. Board Member Jeff Sayer was excused. Also present were: IFAD Legal Counsel Mark Fuller; IFAD Consultant Rebecca Casper; and Architect Kevin DeKold. Mr. Dan Beck, also joined the meeting late as Mr. Fuller had to leave early.

I. Call to Order.

Conducted by Chairman Ozaki, the meeting was called to order at 7:41 a.m.

II. Adoption of the Agenda.

Action: Mr. Meek moved to approve the agenda.

Action: Mr. Everhart seconded the motion.

Result: All members present voted in the affirmative.

III. Approval of Minutes from Previous Meeting.

Action: Mr. Meek moved to approve the minutes from the September 12th meeting.

Action: Mr. Chiles seconded the motion.

Result: All members present voted in the affirmative.

IV. Approval of IFAD Payables.

A. CRSA \$78,925.00 (contractual payment—in line with the schedule of payments).

B. Cindy Ozaki \$288.67 (travel reimbursement).

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

Action: Mr. Chiles seconded the motion.

Result: All members present voted in the affirmative.

V. Reports and Updates.

A. Accounting Report. Ms. Ozaki has been working with Galusha Higgins & Galusha on converting the books to support an accrual method of accounting. An updated report should be available by the October 10th meeting. Preparation of a budget will follow. An issue has arise with respect o the Rudd and Company Accountants (contracted to the perform Audits of the IFAD). Given that the IFAD fiscal year ends on November 30th and that November tax receipts are not due until the following month, it will not be possible to complete any internal audits in December. (This may disqualify the IFAD from obtaining a discount offered by Rudd and Company if work can be completed by December 30th.) But so long as the audits begin in December and conclude in February, the IFAD will be fully compliant. Both Mr. Fuller and Ms. Ozaki spoke with Mr. Goodworth about submitting the first three quarters of financial information for each fiscal year to Rudd and Co. as soon as possible and then submitting the final quarter when the fiscal year actually ends. Board members also discussed the desirability of having all outstanding November expenses submitted by

November 30th so that the year-end accounting can proceed without delay. As a side note, Mr. Fuller pointed out that an audit would not be required for the District's first Fiscal year ending November 2011 because the legal income threshold was not met in that single month. He recommends that this first audit include 13 months—November 2011 through November 2012. Finally, Board members also determined that the audit process should include an understanding of the 30-day exception to the payment of the tax. The consensus was that starting the audit process with hotels that appear to have been fully compliant and which have few claimed exemptions would be most instructive for all concerned.

- B. Operator Update.** Ms. Ozaki travelled to SLC and Denver with CMG to tour the Broomfield facility (in many ways similar to the planned IF facility) and to meet with AEG—the operator of the Broomfield facility. Broomfield stopped supporting hockey after two years of operation and began operating exclusively as a concert center. Now the city of Broomfield is selling off their zambonis, dasher boards, glass, etc. as a package which may represent a good opportunity for the IFAD to obtain a good deal if they can bid on the package (considered part of FF&E). This opportunity was pulled together by CMG in an effort to assist with obtaining a good but cost-effective outcome for the IFAD.

The Board members expressed appreciation for the operator's extra-mile efforts to help ensure IFAD success. Ms. Ozaki shared CMG's strong preference for a "Scheme A"—full bowl design. Mr. Everhart observed that this was useful input to the Board, but that the final design decision would be based on affordability. This prompted Ms. Ozaki to discuss CMG's recommendation to seek an additional, independent cost estimate that could possibly produce more favorable numbers. A conference call with the architects was held and the architects agreed to proceed with obtaining the independent cost estimates early because the information might also help with financing.

While in Denver, the tour group also met with Sink Combs and Dethlefs (the Broomfield Center's architects). They were able to point out what a narrow concourse (the result of low seats numbers and a full bowl) looks like. She took pictures and will download and share with the Board. Additional insights from Ms. Ozaki include; 1) Broomfield has many concourse windows which let in light that has to be blocked out for concerts—the lesson learned is that there is no sense in paying for windows only to pay to cover them later; and 2) Broomfield—which seats up to 6,000 has 3,000 dedicated parking spaces and Broomfield's management feels they are fully utilized (proportionally more than what the current Idaho Falls design includes.)

- C. Architectural Report.** Mr. DeKold sought consensus from the Board regarding the using Payne Engineering of Pocatello to a greater extent than was specified in the original contract. Mr. Fuller observed that this contractor already had pre-approval and that this variation should be easily. Mr. DeKold explained that delays have placed the overall schematic design schedule about 1 month behind. He also explained that the professional cost estimates typically occurring at the end of the schematic design process are being done now to aid the IFAD in making decisions regarding final building scope before he architects can finish schematics. Mr. DeKold was hopeful that progress on the estimates could be available by the IFAD's October 10th meeting. Finally, Mr. DeKold expressed a desire to be informed when architectural discussions are held with his associates at SCD. Ms. Ozaki agreed and noted that the meeting with SCD in Denver was spontaneous.

- D. IFAD Logo Update.** Board members reviewed the cost estimate from i.e. Productions for the design and printing of the IFAD Stationery and Business Cards. The proposal was deemed reasonable and Board members expressed a desire to move forward with an official address after a lease is signed.

Action: Mr. Meek moved to accept the proposal pending the insertion of a physical address and fax number.

Action: Mr. Everhart seconded the motion.

Result: All members present voted in the affirmative.

VI. Consideration and Review of Lease for IFAD Office Space.

Discussion: Due to an email difficulty, not all board members received copies of lease information. Therefore, Mr. Fuller advised the Board members against voting on the lease in this meeting. Board members discussed the terms of the lease in broad terms—length of contract, rental cost, and additional costs. They also took time to ask Mr. Chiles questions about the nature of the shared space—other tenants, etc. Because Mr. Chiles, acting as landlord, needs closure on all tenants, the Board determined to notice and call for a Business meeting in five days—October 1st for the purpose of voting on the lease. In addition, Board members discussed the prospect of both Mr. Chiles and Mr. Everhart having conflicts of interest regarding the lease agreement.

VII. Consideration of Records Retention Draft Policy.

A draft policy was considered briefly and members determined to discuss it further at a future meeting. Additional input is needed to create a complete policy.

VIII. Calendar and Announcements.

- A. Upcoming IFAD Meetings.** The Board will call a meeting for October 1st to consider the lease. Beyond that, the meeting IFAD schedule will follow the 7:30 a.m., second and Fourth Wednesdays schedule for the month of October.
- B. Announcements and Minor Questions.** No discussion.

IX. Public Comment.

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

X. Adjournment.

Action: Mr. Meek moved to adjourn.

Action: Mr. Chiles seconded the motion.

Result: The vote was unanimous in the affirmative. The meeting was adjourned at 9:12 a.m.