



Board of Directors – Regular Business Meeting
425 N. Capital Ave., Idaho Falls, ID 83402
Wednesday, March 30, 2016, 7:00 a.m.

Minutes:

In Attendance: Board Members Terri Gazdik, Mike Lehto, Ryan Meikle, Cindy Ozaki, and Allan Woolley. IFAD Legal Counsel Mark Fuller, Executive Director Dave Lane, Administrative Coordinator Jennie Weitzel. Dana Briggs, City of Idaho Falls, Kevin Bruder, GM of Centennial Management Group and The Maverik Center, Mayor Rebecca Casper, City of Idaho Falls, Kevin DeKold, CRSA, Kevin Greene, Idaho Falls Chukars, Eric Isom, Development Director Ball Ventures, Stacey Lewis, Rudd & Co., and Emil Marzullo, Centennial.

I. Call to Order:

Conducted by Chairman Ozaki, the meeting was called to order at 7:00 am.

II. Adoption of the Agenda:

Action: Mr. Lehto moved to adopt the Agenda.

Action: Mr. Meikle seconded the motion.

Result: All present voted in the affirmative.

III. Approval of 3/09/16 Business Meeting Minutes:

Action: Mr. Meikle moved to approve the 3/09/16 Minutes as presented.

Action: Mr. Woolley seconded the motion.

Result: All present voted in the affirmative.

IV. Approval of IFAD Payables:

Action: Mr. Woolley moved to approve the payables.

Action: Mr. Lehto seconded the motion.

Result: All present voted in the affirmative.

V. Audit Report: Ms. Stacey Lewis from Rudd & Company introduced herself and distributed the financial statements, auditor opinion and letter to board members. Rudd & Co. provided an unmodified, or clean, opinion on the financial statements again this year. Ms. Lewis noted further that the budget was not exceeded, collections exceeded expenditures, and no control issues were found. Mr. Lehto asked Ms. Weitzel to forward Ms. Lewis' contact information.

Chairman Ozaki took a moment before moving on to introduce everyone in attendance.

VI. Reports and Updates:

A. Financial Report: Ms. Gazdik distributed financial documents for February and noted the District's tax receivables are down significantly and may be due to unsubmitted revenue



from a few hotels. Total cash reserves are at \$5.6 million.

B. Executive Director Report: Mr. Lane forwarded his report prior to the meeting. There were no questions or comments.

C. Administrative Report: Ms. Weitzel confirmed that four hotels were late in submitting payments. Two submitted documentation with no payment and two others had not submitted documentation or payment. Ms. Weitzel noted contact has been made and she will work with Mr. Lane and Mr. Fuller to remedy.

In addition, Ms. Weitzel revisited promotional items and the possibility of adding to the District's reorder. The cost of the additional items amount would exceed the amount that was previously approved by the board which is why staff was presenting this issue for the board for consideration. Mr. Lehto suggested delaying discussion.

D. Other Reports: none given.

VII. Calendar and Announcements.

A. Upcoming IFAD Meetings/Events: The next IFAD meeting is scheduled for April 13, 2016.

B. Announcements and Questions: none given.

VIII. Discussion with Centennial Management Group: Chairman Ozaki thanked Mr. Kevin Bruder, General Manager of the Maverik Center and Centennial Management Group, for attending. He noted that on behalf of Elmore Sports Group, Centennial Management Group, and Diamond Creations, he is very pleased to be in attendance. Mr. Bruder also noted that he has been working with the District for a long time and glad to have the opportunity to meet and brief the new board members. He proceeded to his Power Point presentation and answered questions as addressed.

Mr. Bruder reiterated that Centennial is a fully integrated, one-stop shop team approach which includes facility management, concessions, and team ownership. Centennial prides itself on customizing to meet the client's needs. In this case, he reminded members that Centennial has been a part of the design phase with Mr. DeKold, has already purchased some used equipment, and is therefore able to pass the cost savings directly to the District. Discussion on Elmore Sports Group allowed Mr. Bruder to briefly turn his presentation over to Mr. Kevin Greene, GM of the Idaho Falls Chukars. Mr. Greene briefly spoke to the success of the Chukars and noted that the Tier 3/ Junior A hockey team with which the Elmore Group has secured a relationship, is now part of the NA3HL, previously AWHL. He briefly discussed ticket prices and seating. Mr. Bruder resumed discussion with Centennial's excellent food and beverage service and their willingness to work with local palettes for success. Mr. Bruder concluded his presentation by asking for questions.

Mr. Lehto asked what a next step would look like to update an out dated management agreement/draft lease agreement. Chairman Ozaki noted that, according to Laura Lewis, the agreement that is finalized will make a difference based on the types of financing the District chooses to pursue. The question was asked 'Does the District want a formal Memorandum of Understanding (MOU) in place before then?' Mr. Lehto and Mr. Bruder agreed that having an MOU in place would be beneficial. Mr. Bruder indicated he will send a draft to the board by early next week.

Mr. Meikle suggested that the MOU retain the flexibility that Ms. Lewis feels is needed for financing. In addition, Mr. Woolley feels the District needs to understand their contractual obligations in terms of maintenance, capital reserve, etc.

Discussion on event center sizing ensued. Mr. Bruder noted that for the best financial success, the convention center should be added to the project as soon as possible. Related functions typically don't provide a lot of revenue but do provide a great deal of food and beverage income which is critical to the success of the overall operation.

IX. Public Comment: Mayor Casper asked if the previous study done by ERA should be updated. Mr. Bruder agreed an updated study could be useful. Mr. Lehto noted there have been studies done since the late 90's and doesn't feel another feasibility study needs done. Ms. Ozaki reminded the board that they decided at a previous meeting that the facility is feasible and instead, a study on income potential would be beneficial. Mr. Bruder noted that Centennial partnered again with Joyce Julius to do an evaluation study for naming rights, sizing, and the overall market.

Emil Marzullo spoke to sizing, suggesting that (the District) should design for both community needs and, to some extent, wants. He added that if a facility is designed to fit available funds, it will be obsolete the day it opens. He also noted that while a hockey game or concert may not create new business for hotel/ motels, youth sports competitions typically do as they run over the course of multiple days. In addition, he noted that the event center would help to complement the busy summer season with winter events.

Mr. Fuller asked Mr. Greene if there have been any studies conducted indicating how the Chukars games impact the local hotel market. Mr. Greene noted that prior to the building of Melaleuca field, he worked with Mr. Hicks from the local economic development council. At that time, Mr. Hicks believed that the economic impact of the Chukars baseball team, with a multiplier, was around six million dollars per year. In addition, he noted that between local and visiting teams, \$150,000 is spent annually at local hotels.

Mr. Bruder, indicated that an event center is likely to support growth in the local hotel industry and cited that fact that there were, 180 hotel rooms in the vicinity of the Maverik Center prior to its opening in 1996, there were 300 rooms when construction had been completed in 1997, and today the area around the Maverik Center provides over 800 rooms.

X. Adjournment:

Action: Mr. Lehto motioned to adjourn the meeting.

Action: Mr. Woolley seconded the motion.

Result: The vote was unanimous in the affirmative. Meeting was adjourned at 8:26 am.