



Board of Directors Business Meeting

Tuesday, June 9, 2020, 7:00 a.m.

Location: Idaho Falls Auditorium District Office/Zoom Videoconference

467 Constitution Way, Idaho Falls, Idaho 83402

Attendees: Terri Gazdik, John LoBuono, Bob Nitschke, Steve Vucovich, Rob Spear, Mark Fuller, Salem Thomas, Kevin Greene, Kevin DeKold, Rebecca Casper, Blake Davis, Mike Clements, Chad Hammond

Minutes:

- I. **Action Item** - Call to Order – at 7:00 a.m.
- II. **Action Item** - Accept the Agenda – Motion to accept the agenda. Seconded. Motion passed. Vucovich moved to accept the consent agenda. LoBuono seconded. Motion passes.
 - A. Meeting Minutes – 5-26-20 – Fuller and Spear both reviewed and updated the minutes and approve of the suggested changes made by Nitschke.
 - B. Review of the Payables/Financials - The payables are listed before the Board. The financials will not be available until the next meeting.
- III. **Discussion Item** –Public Comment (Any member of the public is welcome to take three minutes and share concerns or questions with the Board) - None.
- IV. **Discussion Item** - Centennial Management pro forma discussion about formal responses to IFAD Board questions – Spear shared the document prepared by Centennial Management (CM) that contains the question and answer dialogue between the Board and CM. Spear asked for Kevin Greene’s input as they discuss each of these comments. Greene said he would prefer to not speak for Bruder and volunteered to try to get in touch with him.

Gazdik asked how the discussion surrounding the pro forma happened. Spear said that discussions were held partially over phone and partially over email. LoBuono asked if the Board enters into this contract does it mean the Board is also contracted with the concessionaire and hockey team? Spear explained that it does not. Spear stated the Board has hired CSL: to provide a third-party interpretation of the concessionaire and hockey agreement in order to

affirm if those contracts are of fair market value. The Board previously agreed that the contracts with the subsidiaries be negotiated and approved by CM instead of the Board. Spear continued with the review of the answers provided by CM on the pro forma.

Spear referred to the section addressing the estimated average of 800 paid attendees for hockey games. That attendance figure equates to \$8,000 per game. Because this is more than the \$4,000 rental amount that the hockey team will pay to use the facility, the question was raised about how much money the hockey club is going to make from this arrangement. Spear explained that without the expenditure side from hockey operations, it is difficult to determine how much net income the hockey team would generate. Nitschke pointed out that if more people attend the game, then it is unfair to the Board because the hockey club would receive all the revenue. LoBuono explained that the fixed rental amount per game is still going to be \$4,000. Spear reminded the Board that the CSL study reported the rental cost at \$3,000 per game. CM included a \$4,000 per game amount in the pro forma.

Nitschke said that the Board needs to be careful accepting "industry averages" when the Board doesn't even see how those numbers were calculated. The Board is in a different situation than the other event centers that IFAD is being compared to. LoBuono acknowledged Nitschke's concern, but then said that the basis has to start somewhere, and he is okay with accepting what has been presented as a base for IFAD even though the situations are different. Fuller reminded the Board that with the way the contract is worded right now, the Board receives payment only for the hockey games. They don't receive anything for practice time or concession revenues. Nitschke pointed out that the Board will be receiving a \$1 facility user fee per attendee as well as parking fees, but is still concerned with the part that reads, "they can expect much greater attendance." He says if this is really the case, then the Board isn't getting a fair share. LoBuono pointed out that the Board won't know what it will actually be like until it happens, but 800 attendees is not an unreasonable expectation for attendance in a market like Idaho Falls. Nitschke suggested including an interval payment plan based on the number of attendees rather than choose to accept what has been offered the first time around. Gazdik said she expects that the payments are in line with the assumption that the rental will cover the costs of the hockey team, which IFAD will not be doing. Spear said again that the \$4,000 payment is more than the CSL estimate. Nitschke asked if this item was resolved or if it was still an open item. Spear said he feels the Board needs to receive information from CSL on the fair market value of the hockey and concessionaire contracts before making a final decision.

Spear indicated that CM is not willing to share the pro formas for the hockey team and concessionaire because they believe this is proprietary information. Bruder has previously explained that West Valley City has never seen the

contracts between CM and the hockey team or the concessionaire. Greene said that he didn't know what industry practice was on this, but in his 23 years with minor league baseball in Idaho Falls, the city has never asked to see that information either. He has never had to provide the City a budget even though he has been renting the field from the City. Fuller disagreed with Greene and said that the examples he shared are different from the nature of IFAD. The Board will have to review budgets because they have to remain the owners of the building. The language in the contract doesn't preclude CM from showing a pro forma for the hockey team that doesn't yet exist. CM just doesn't want to provide that information. Fuller said that if the Board allows this to pass without receiving pro formas on the hockey club and the concessionaire now, then this Board should stop asking for the pro formas because they will never receive them later on.

Gazdik reminded the Board that the Board should only be concerned with the amount of revenue they are receiving from hockey and concessions. Both companies will be paying a rental fee and percentage of sales. If CSL completes their study and says these amounts are at fair market value, then she doesn't see why the Board would need the pro formas. Nitschke said the Board needs to make sure the hockey club is viable, so CM doesn't need to continually supplement hockey operations from other incomes. Gazdik pointed out that it has always been clear that hockey has not made money at the Maverick Center. That is why the triangle of companies is necessary because the concessions piece supports the hockey club. Greene agreed and said that it is possible to make money on hockey clubs, but it wouldn't likely be substantial. Hockey has an operating expense of around \$600k so profit would be minimal. LoBuono asked if those expenses are mostly for traveling and paying the working staff. Greene affirmed. By joining the NA3HL the hockey club will be traveling to many of the same cities as the Chukars normally do which is about a \$38k yearly expense. Administrative staff and rental of the facility make up most of the budget. The arena rental will likely be over \$100k which makes up 15% of the budget. Nitschke said this is why the Board wants to see the pro forma so they know how all the numbers add up. The Board is still responsible for the overall performance. LoBuono said he thinks it is okay to have the base numbers because the contract says the numbers can be changed when they have actual numbers after they are open for a year. Also, the Board is waiting on the CSL information, so he feels the Board should just proceed and discuss it again down the road.

Fuller said LoBuono was a little mistaken in that the information the Board is seeking would be in a pro forma and it is apparent that Greene has the kind of numbers that would be in the pro forma. Fuller feels that if the Board doesn't insist upon getting a pro forma right now then they will never receive one. He said if the Board is okay with relying on the information CSL brings concerning industry standard then they need to decide to not persist in trying

to get pro formas from CM, but Fuller thinks the pro formas are a necessary piece for moving forward. The Board needs to decide which is most important. Nitschke said he is bothered by CM's unwillingness to share information. LoBuono said he doesn't think it is necessary to continue to pursue pro formas when CM isn't willing to share them, and it would still just be an estimate anyway. It wouldn't be any more conclusive than the CSL reports. Gazdik suggested continuing this discussion under the CSL action item later in the meeting.

Vucovich said he would like to see as much information from CM as possible because the Board has to rely on the hotel revenues and has no other way to support any deficiency. He could be satisfied with what CSL comes up with, but he does recognize that the Board has a different way of being funded than any other event center. He would be interested to see if any of the event centers CSL utilizes are funded with a Transient Room Tax. LoBuono pointed out that CM is a business that wants to make money on this venture so they wouldn't accept this work if they thought it was going to be operated at a loss. Also, CSL told the Board the first time that there would be a loss of \$200k-\$800k per year. LoBuono just hopes it is closer to the \$200k.

Gazdik asked if the question is whether the Board wants to assume liability for providing the concessions and managing the hockey team as opposed to subcontracting this out to another company? Because if that is the case then she understands why the Board is so concerned with getting the information from CM. If it is the intent of the Board to subcontract these out for a fee and CSL tells IFAD that the fee is fair according to the market, then why would the Board need all of CM's operating expenses and margins. Nitschke said he understands it a little differently. The overarching purpose of this document is to provide the confidence that the Center can operate without significant losses if it is built. Right now, the margin is thin, and the information provided to date shows there is no way to run the facility profitably. So even if the presented fees match the industry standard, it may be too much for IFAD to stay above water. That is why Nitschke is so determined to see the actual numbers from the management. If tourism goes down in one year there may not be enough revenue to cover the expenses. He feels it is unethical to raise the money to build the facility if there won't be enough money to operate it.

Gazdik questioned how CM's information would cause a change in the plan. If they find out that concessions make a 20% profit, would the Board up the fee being charged to above market because the Board wants to share in those profits? This is a discussion about hiring a company for their expertise in running concessions. She only sees this as necessary if the Board is going to consider providing concessions and not subcontract it out. Nitschke said that the market fee may be insufficient for IFAD to break even. If that is the case then the Board may need to take it over, or they may need to change

the fee. He pointed out that The Maverik Center is making money, but West Valley City isn't. He doesn't want to be put in a situation like that because there is no other option for supplementing the IFAD's income.

Gazdik pointed out that IFAD has the pro forma for the operations of the facility, but the pro formas for their subcontracts are not necessary. Based on what Gazdik knows, IFAD will collect \$4,000/game from the hockey team and 35% of gross sales from concessions per non-hockey event. IFAD is building their pro forma from these assumptions and can determine if sustaining the event center is feasible or not based on them. Fuller pointed out that the reason there is a CSL review is to support Gilmore Bell. They were hired to negotiate the challenges to maintain the tax-exempt status of the certificates of participation. Gilmore Bell said unless CSL provides information that the agreements fall within the requirements for tax exemption, the Board would need to negotiate the contracts with concessions and hockey. If the CSL review indicates that the contracts are at fair market value and that IRS tax exempt requirements are satisfied, then Gilmore Bell will tell the Board that they feel comfortable with the situation. CSL has not been hired to tell the Board that their relationship with CM is fair. The pro formas IFAD is seeking from CM have little to do with the study CSL is conducting.

Spear shared the scope of work he received from Bill Kruger. He pointed out that the third point offers some clarification. It reads:

Prepare a written document outlining research findings and unqualified opinions related to the fair market value of compensation under the Arena License Agreement and Concessionaire Agreement and conformity of terms to industry best practices. Key areas of focus relative to the three (3) aforementioned proposed agreements will include, but not be limited to:

- o Key terms of the proposed agreements will be assessed focusing on the relationship of Centennial as Manager of the Arena under the Arena Management Agreement and its related entities.
- o Revenue/cost sharing terms and provisions, and transparency of reporting and revenue accounting associated with the Arena License Agreement and Concessionaire Agreement.
- o Determination of whether the revenue splits between operator and owner are in line with industry standards.
- o Conclusion of whether the potential revenue to be earned by the operator is reasonable and not excessive relative to industry standards.

Fuller said this comes back to Gazdik's question about subcontracting. If CSL comes back and indicates that the proposed contracts are not market rate, then Gilmore Bell will not issue an opinions letter authorizing the Board to issue tax exempt bonds. If that is the case, then the Board is back to the

drawing board and IFAD will have to contract directly with the hockey club and the concessionaire. Nitschke said he is still concerned that following industry standard may not be sufficient for this facility because of the way the Board is funded. Management is only going to care about the hockey team because that is the most likely place to lose money.

Spear said he would like to contact some NA3HL hockey teams so he can better understand how they operate. He said he would bring that information back to the Board. LoBuono said he thinks that is reasonable.

Spear said the next question on the document was about changing the year length back from 15 months to 12 months. CM indicated that will not be difficult to do.

There were questions about the impact of the coronavirus. The response is that they don't predict it will affect the attendance of events in 2022. No one knows the future of the epidemic. Nitschke said the Board should have the expectations that there will be reduced attendance and it will cost more to have additional custodial staff and cleaning supplies. That is risk management. Because the Board is unsure of their ability to fund the operation of the facility, they need to prepare for a worst-case scenario. He has sent research to Spear recognizing that the world has changed and that everyone will be adjusting to it for the next few years. LoBuono pointed out that the facility will not be open for two years, so the Board doesn't know any of those answers. He thinks there will be a vaccine within a year. Spear asked Vucovich what kind of a financial impact there has been on the Apple Athletic Club. Vucovich said it is an additional \$1,500 to \$2,000 per month. That is just for hand sanitizer, sweat rags, face masks for the staff, etc. He thinks this will affect the event center because he doesn't think COVID-19 is going to just disappear. He, as a Board member, doesn't want to have to be involved with hiring a hockey team or run concessions and said that CM is the best option they have to do this. His biggest concern is covering a yearly deficit and would like to see a plan to cover that deficit whether it is a greater percentage from concessions to the Board, IFAD waiting a few years until they have an extra \$5 million in the bank, or creating a smaller building design for a smaller mortgage. He said if there is going to be bad news, he would like to receive it before they begin selling certificates of participation.

Spear said that the last item on the agenda is concerning the redesign of the facility. He said when they get to that point, he would like to show four different hotel tax revenue scenarios. Annual hotel tax revenues will determine what kind a facility can be built. Spear pointed out that the scenarios do not budget for any operational shortfalls from the operations of the facility. Spear did not include any potential shortfalls because the information the Board has been given indicates that CM will operate the event center at break even.

Nitschke said the appropriate way to treat “unknowns” of the future is to account for them instead of ignore them. Assumptions should be made for extra costs. LoBuono said the Board won’t be selling certificates of participation until the Board feels comfortable with being able to obtain the money.

The next response is concerning the impact of COVID-19 on the economy. Nitschke pointed out that the Congressional Budget Office predicted the economy of the United States would not fully recover until 2029. Economic impacts from COVID-19 need to be included in the pro forma.

There was also a question about the impact on CM’s involvement with the event center if the Chukar’s team no longer exists in Idaho Falls. Greene indicated that there will be minor league baseball in Idaho Falls. The only thing changing will be how they find their players; they won’t be coming from the Kansas City Royals anymore. The Elmore’s are fully committed to minor league baseball and have owned the team since 1986. They will not be going anywhere. Nitschke said that there will be repercussions due to the lack of baseball in 2020 which may affect not only 2021, but also the years after. He just wants to see the numbers showing how the team has been affected and how they are going to compensate in following years and respond to similar events. Nitschke indicated that CM has said that they will be successful because of the synergies that will be available with the Chukars team. Greene responded that it isn’t a cause and effect thing. Having Chukars close by is advantageous but the relationship is not dependent on event center operations. There will be operational savings to have them so close together, but the event center will be able to stand alone. Nitschke said that delta in savings is what he is interested in. Losing that may make the pro forma less attractive. Greene said the pro forma already has the administrative salary base included but offered to find that difference for Nitschke. Gazdik asked Greene to provide that salary number.

Spear said the next response is that CM has indicated that it is difficult to monetize the experience CM has with the local market in regard to both the Maverik Center and the Chukars Baseball team. Spear said the he talked with Bruder about this and Bruder feels that they will do a better job than a national operator because the national company doesn’t know the local market as well. Nitschke said that CM has indicated that they have completed research on this market, and he wants to see the information they have found. He isn’t concerned with the leaders of the company; he just wants to see the information they claim to have. Their information may be different than what CSL finds and he wants to see it.

The next question concerns the 800-attendance number. CM had indicated that they believe that 800 people per hockey game is necessary in order for the team to be viable. CM is confident they can achieve that number because

most NA3HL hockey team play in facilities with much smaller seating capabilities. With the size of this event center, more attendees are likely. Nitschke said that the original question was not just the number, but he wanted an explanation of what the conservatisms were in the pro forma. He wants to see all of them. Spear reminded the Board that Bruder has stated that he developed this pro forma by taking a conservative stance. Nitschke said that saying that is vague and he wants to know the specific things that make it conservative. When they say they use the industry average that indicates that their approach is not conservative. Nitschke said that Spear had researched previously and found that another NA3HL hockey team's average ticket price is \$8, so having the pro forma say that their planned \$10 ticket fee is conservative doesn't seem correct. He wants to see how CM came up with the numbers and why they chose it and whether they think it is conservative or realistic. Greene asked if Nitschke just wanted them to say it was an average pro forma. Nitschke said he would like to see the numbers.

Spear said the next point also covers the same concerns. Many of the items that appear on the pro forma are prorated based on the fact that the Mountain America Center is half the size of the Maverik Center. Nitschke said that some things should be prorated based on the size of the event center and some things should be prorated based on attendance so he wants to see the actual arithmetic they used to identify which numbers should be prorated and how. He will also take the time to go through them.

The question requested that the provenance of the numbers should be provided. The response from CM is that they had conversations with Idaho Falls power to estimate the utility numbers. Utilities were based on an average year. Nitschke pointed out that an average year is not conservative. If there is a harshly warm or cool year it could swing profitability. LoBuono said that all the Board can do is look at the pro forma realistically, which he feels the Board has done, and then review it in a couple years when there are factual numbers to review. LoBuono said he feels these numbers are relatively conservative in nature. Spear said that one of the line items that he compared with the CSL study is utility costs. Utility costs in the CSL study were actually lower than what is in the pro forma from CM.

The question asks what the plan is for future years. CM responded that they plan to continue to operate using numbers consistent with the pro forma as shown. Once baseline is established one to two years after opening, the types and events will be adjusted to what the market demands. For example, the Maverik Center found a niche for gymnastics competitions. Spear said he feels once the event center is operational it will become evident which events the public will support.

The next question was about the value of novelty revenue. \$20k sounds high but the Maverik Center's records show it is conservative. Nitschke said that

didn't seem right. Greene said that part of the \$20k is the amount of commission the event center would receive on a performer's merchandise sales.

The next question was about how much ice time the hockey team will use. The team will practice for 60 to 90 minutes per day, excluding game days, between 9a -11a. This is a time when the arena is not heavily used by the public. Greene said that if there was a day when the team had to find a different location to practice, they would pay the City and use the Tautphaus Park arena for the day.

The next question revolved around the revenue sharing percentages coming from the West Valley contract and whether the same percentages should be used in the pro forma. Nitschke said, It is the same concern I have, it still may be insufficient for what we need and for what's appropriate. Spear stated that the CSL study should be able to determine if the market values are correct for this area.

The next question was what makes up the miscellaneous revenue. CM responded that having a miscellaneous income is standard in the industry. Nitschke said he wants to see the numbers associated with where the miscellaneous revenue comes from.

The next question was about how much money CM is going to make per year. Spear said this has already been discussed. Gazdik asked to move on instead.

The next question was how much community ice time will be available. It is listed that 10 hours/month will be available, but Spear thinks this is very conservative and that there will be plenty of ice time for the community. Nitschke asked what the community expectations are since we have strongly suggested there would be time available for public use. Nitschke doesn't think this is enough and asked Spear's opinion. Spear said that he thinks there could be up to 10 hours available to the public per week as opposed to 10 hours per month. Nitschke asked if he thinks 10 hours per week will meet the community's expectations. Spear said he didn't know because he doesn't know the public's expectations, but believes 10 hours per week, especially since the center will be open from 6a to 10p, will allow enough time to meet the public's expectations.

Spear said he will reach out to NA3HL managers and get some information from them, as well as reach out to Kevin Bruder to get additional clarification on how CM reached their conservative numbers in the pro forma. Gazdik said that there should be a monthly cost added to the pro forma for cleaning costs. Nitschke said he would really like to know how CM reached their conservative numbers. Fuller pointed out that if Vucovich's expenses for cleaning are standard, then the \$2,000 per month necessary to clean the

event center will take up all of the net profit set forth in the pro forma. Gazdik pointed out that event center will be used in a different manner than the Apple Athletic Club but agreed that some cost amount will need to be added.

- v. **Action Item** – Update, discussion, and approval of CSL scope of work for the evaluation of the fair market value of affiliate contracts for hockey and food and beverage service contracts – CSL sent a one-page response. Gazdik said that in a previous meeting the Board had discussed whether other projects have been making changes to their design in response to COVID-19. In an earlier email, DeKold stated that there are no major changes being made to designs.

Spear said the building committee has reviewed the scope of work with Bill Krueger and that the scope of work reflects those discussions. The Building Committee agreed to allow Krueger 4 weeks to put the information together. Spear is unsure if that meets Gilmore Bell's timeline. It will provide the information to make the determination of the fair market value of those contracts. Gazdik asked if June 30 is realistic even though this isn't being approved until June 9. Spear said he had approved Krueger to start gathering information last week and thinks June 30th is realistic.

Nitschke said that some of his comments made both written and over the phone to Bill Krueger had not yet been addressed. One was that the Board and Gilmore Bell be given two weeks to review the first draft and make revisions. Then the final draft would be presented two weeks after the revisions were submitted. CSL would provide a revised report as well as a response to all questions and comments. He also asked that CSL would specifically list which attributes they use to compare their information. He doesn't think the amateur team that will likely come to Idaho Falls should be compared to semi-professional teams as is listed in the agreement.

Spear said he would provide Nitschke with the current scope of work and asked him to provide comments. Spear pointed out that Krueger indicated he will be pulling information from some event centers and contracts that don't appear similar, but that Krueger would explain why the comparisons are relevant. Nitschke indicated that is why he wants to see which attributes he is using to determine how comparable they are.

Gazdik clarified that she doesn't see that this needs to be an action item. Fuller said that his recommendation is to accept a set fee for the scope of work as is being proposed by CSL. Right now, the Board is paying CSL an hourly fee. Gazdik said that regardless of how much time it takes, they would be completing the project for the proposed \$15,000 payment. Fuller said he

also recommends including Nitschke's schedule proposal of having time for review and updates.

Nitschke moved to approve this scope of work subject to the changes he will submit to the executive director. Vucovich seconded. Motion passes.

VI. Discussion Item – Review CRSA rendering of revised exterior design – Spear shared the first red brick rendering, and the two new renderings showing the light and contrasted gray color schemes. The first gray option shows intermediate level renderings with the Mountain America graphics. This option of gray may be too monotone. CRSA adjustments to second gray option: the louvers, doors, band lighting, and windows, were accented with a bronze color. Kevin DeKold explained a stain could be added to the concrete that creates more of a contrast. CRSA said there are still a few changes they are planning on making, but these are the colors they are proposing. LoBuono asked if the bronze and gray are equal in price. DeKold said as long as these are standard colors in the accents then there would be no upcharge. If the concrete cures to the desired color, then there is no added charge. If there are changes in the color of the cured concrete, the brick between the panels could conceal the color variation.

Gazdik asked if the colors of brick had been approved by Snake River Landing. DeKold said their response was that gray would be all right, but they reserve the right to approve the final rendering. LoBuono said he likes the bronze metal version. Vucovich agreed as well. Gazdik said she was looking for something that was more contemporary or sleek. She was anticipating the monotone color and was trying to eliminate some of the patchwork effect that it has. LoBuono said his preference is still the red brick.

DeKold said when the Board requests gray it makes him feel like it may be better to switch materials. To him, gray and sleek means metal. He hasn't reviewed the Snake River Landing requirements to see how much metal is allowed. DeKold said that during the preliminary design in 2010, the Board was trying to connect to downtown Idaho Falls in aesthetics. That has been the goal until recently. CRSA is willing to do whatever the Board wants, but that has been the goal originally. Gazdik pointed out that the red brick originally desired matched what the original design was, and now the design has changed enough that Gazdik thinks a different outside design may be better. DeKold said that Gazdik is right that red brick does make people think of warehouse or mercantile things because that is what is in downtown Idaho Falls.

Gazdik still thinks of a school when she sees the red brick. DeKold said that the gray does seem to portray movement more than the red. It is more obviously a sports arena. Gazdik asked for Spear's preference. He had none.

Vucovich said there aren't many downtown buildings he wants to emulate so he prefers the gray over the red.

DeKold suggested reaching out to respectable people in the community who have a vision for the future of Idaho Falls. Gazdik agreed that is a good idea and asked the Board to show people they are close to the gray and red renderings and see if they can get some comments.

VII. Discussion Item – Review and discussion of revenue scenarios and the impact on Event Center - Spear explained the debt service spreadsheet he created using a baseline of \$2.5 million in revenue. The spreadsheet showed the amount the Board could finance, and the value of a project based on 60%, 80%, 100% and 110% of the \$2.5M revenue baseline. Spear provided the following summary:

%	Revenues	IFAD Operations	Capital Replacement	Debt Service	Project Amount
60%	\$ 1,500,000	\$ 200,000	\$ 100,000	\$ 1,200,000	\$31M
80%	\$ 2,000,000	\$ 200,000	\$ 100,000	\$ 1,700,000	\$41M
100%	\$ 2,500,000	\$ 200,000	\$ 100,000	\$ 2,200,000	\$52M
110%	\$ 2,750,000	\$ 200,000	\$ 100,000	\$ 2,450,000	\$56M

LoBuono asked how Spear is counting what has already been completed. Spear said none of Pioneer Road expenditures or building pad are included in this projection sheet. Gazdik asked if he could add a column to show the project amount so it is all summarized on one table.

Fuller asked if there has to be a 2021 principle payment. Spear said he did not calculate it that way, but it is reasonable to have an interest only payment in year one. Gazdik clarified that Spear made this a static reference sheet so it doesn't calculate in any growth. Spear said that the 110% reflects basically where the Board was pre-COVID. Gazdik said this tool is useful in identifying the variances as the Board sees what happens with the revenue collections.

VIII. Report and Updates

A. Discussion Item - Executive Director Report

- a. Fundraising Campaign and status of prospects - Spear spoke with Jaime Neill of Mike Simpson's office in DC. He said he would help identify grants or stimulus packages the Board can apply for. Once the state opens up Spear will reach out to prospective donors again. Spear clarified that the revenue/financing projection schedule does not reflect any additional donations.
- b. Pioneer Road Construction progress report – Sidewalks and curbs are in and are awaiting landscaping and paving. The City acknowledged that paving does not have to be completed by July 4, 2020. The

additional soft spot removal is going to be about \$17,000 and will be covered from allowances.

- c. Event Center Phase I progress report - This is on hold waiting for the unsuitable soils to dry out.
 - d. Update on Audit - Gazdik said she would talk with Scott Bond about the audit and see if he would be willing to present at the next meeting. Spear provided Bond a lot of information regarding bank statements and other necessary information.
- B. Discussion Item** - Legal Report - Fuller had nothing further to report.

Calendar and Announcements

- A. Upcoming IFAD Meeting – **Next Meeting on June 23, 2020**
- B. Discussion Item** - Announcements and Minor Questions – Spear announced that Salem Thomas has accepted a full-time position with a different company. Gazdik said the Board wished Thomas the best in her new job and asked that she stay in touch and be present when this building is completed.
- C. Discussion Item** - Agenda Items for June 23, 2020 meeting - Motion to adjourn. Seconded. Meeting adjourned at 9:14 a.m.

Action Items

Board show friends the renderings and gather comments made on color
Gazdik speak with Bond about the audit and have him present at the next meeting
Greene provide salary numbers for the Chukars staff
Nitschke send his suggested changes for the CSL scope of work to Spear
Add a column to the revenue projection table showing total project cost
Appropriateness of the revenue sharing percentages
Pro formas for hockey club and concessionaire
Spear to gather operational information for NA3HL hockey teams
Additional information on the conservatisms in the pro forma
Increased cleaning costs to be added to the pro forma