



IDAHO FALLS
AUDITORIUM DISTRICT

Board of Directors — Regular Business Meeting

425 N. Capital Ave., Idaho Falls, ID 83402

Tuesday, 11, September 2018, 7:00 a.m.

Location: The large conference room in Offices of Fuller & Beck

410 Memorial Drive

Suite 201, Idaho Falls, Idaho 83402

Attendees: Terri Gazdik, John LoBuono, Bob Nitschke, Mark Fuller, Chip Scott, Blake Davis (Hogan Construction), Mike Clements, Steve Vucovich, Chad Hammond.

Minutes

- I. Call to Order at 7:00 a.m.
- II. Action Item - Adoption of the Consent Agenda
 - A. Fuller asked to change Agenda Item #4 State Tax Commission MOU from an Action Item to Discussion item. Gazdik asked that the item for the 8/31/2018 meeting minutes be removed since they have not yet been prepared.
 1. Motion to accept the amended agenda by LoBuono. Seconded by Nitschke. Motion passed.
 - B. Approval of IFAD Payables
 1. Motion to approve payables by LoBuono. Seconded by Nitschke.
- III. Public Comment – None
- IV. Discussion Item – State Tax Commission MOU – Mark Fuller
 - A. If the Board accepts their services beginning July 1, 2019, there will be a minimum of a \$10,000 initial payment with a \$5,000 yearly fee estimate. "They will determine what the actual cost is for administering the tax and if it is less than the \$5,000 they will pay back the difference," Fuller said. If their services exceed that payment, they will request that the Board review the services and increase the payment as requested. "At a minimum, the fee should be reviewed and mutually agreed every three years," said Fuller. As Fuller has gone through the document, he realized that if the Board agrees to this

MOU, the Board is essentially turning over the responsibility and the rights. The state will only provide such reports as they deem necessary. Right now the Board has access to all the information they desire, but the state may choose to limit the information given to the Board. Another concern is the state will not offer as direct of personal service as the Board. Fuller shared his personal feeling that thus far, the relationship between taxpayers and the board has been gracious and personal. If the state tax commission takes over, the Board loses the ability to be forgiving and have personal relationships. Fuller feels that it would be much more expensive to have the state run it than it would be to have the Board continue as they have been, but isn't sure. Fuller requested permission to contact WIPFLI and see what their expense has been on this respect. Nitschke stated that he doesn't see a need to know intimate details of the taxation and wants to turn the chore over to the state. LoBuono made the case that the State would be better at collecting from the short-term rentals. Gazdik stated she thought the State costs were reasonable. Gazdik requested that Fuller find out if the board can continue to audit if they turn the responsibility over to the state. A public comment agreed that the tax shouldn't have to be the Board's responsibility. Fuller said that the contract can be terminated within 90 days by either party. The state wants to get the contract resolved and signed by the end of October. (Note: The Board has already decided to have the State Tax Commission collect the hotel and short-term rental taxes. What is happening now is finalizing the agreement.)

- V. Discussion Item – Business Plan Update – Chip Scott
 - A. Chip wanted to make sure all the numbers in the Business Plan were solid, so he asked Fred Goodworth from WIPFLI to look at it all. He will review all the content and make corrections as needed. Scott promised to get the document out by the end of this week, September 14th.
- VI. Discussion Item – Fundraising Campaign Update – Chip Scott
 - A. Pathway requested that we hold off on doing a kick off event until we can get a couple of large donations; potentially \$1 million in order to have something significant to announce. Blake Davis from Hogan suggested that they may be hoping to find some big names to give big donations in order to have good advertisement. Nitschke expressed concern that the Board hasn't told Pathway to move forward and they seem to be anyway. He reminded the executive director that the board has suspended the Pathway contract and the board would need to lift that suspension before Pathway could proceed. He feels that we are not at the point that the board can go out and request money until we

have figured out how to cover the predicted monthly deficit. Davis explained that donors typically give a letter of intent to donate, rather than money, until they have some sort of headway. Scott explained that the way he understands it, the Board needs to raise \$10 million more before they can go to Laura Lewis so it is time to try to raise it. LoBuono doesn't want to continue delaying Pathway. The Board still owes Pathway \$5,000 of the \$20,000. At the upcoming meeting on the 9/17/18, Pathway will be agreeing on roles and creating a plan to move forward. The new contract was sent to Fuller to be reviewed and will be presented to the Board at the next meeting by Scott. Chad Hammond brought in a few draft fundraising documents.

VII. Report and Updates

A. Executive Director's Report – Centennial Agreement Progress Update, CSL Update

1. Scott, Fuller, Bruder, Greene, Richard Catton (CM Attorney), had a good initial meeting where they walked through the 10 main concerns. Fuller and Catton made some assignments to follow up with, and plan to meet again 9/18. Some time was spent talking about the 15 year term agreement. The majority of the discussion was over the loss fund and control of the facilities. Centennial will require a loss fund. If the bonds sold are tax free bonds, then some responsibility will remain with the board. Fuller stated that the bonds had to be tax free in order to raise the necessary funds to build the event center. The benefit of tax free bonds are that the rates are lower. Fuller explained that if the Board does that, then the government entity itself will be responsible for both profits and losses. If the Board doesn't want to manage the building, the bonds may have to be taxable. If Centennial Management manages the building, they bear the profits and losses. The Maverik Center is owned by the city and CM is paid a management fee. Fuller mentioned that the liquor permit that was to be owned by Diamond Concessions under CM might be an issue because it is unclear if the Board can even obtain a liquor permit. They discussed legalities concerning naming the building and what products would be allowed despite the name (ie selling Miller even if it is called the Budweiser Center). Fuller corrected wording of the contract ensuring that the Board would have continual access to the event center. Concerning content of the events, CM would have complete control over who and what was presented in the event center. However, the Board will be able to give input concerning community values.

2. Scott said CSL promised that before this week concludes the Board will have the final report.

B. Legal Report - Mark Fuller

1. Current with all of the collections.

VIII. Discussion Item - Calendar and Announcements

- A. Upcoming IFAD Meeting/Events – **Next Meeting on September 25, 2018**

IX. Announcements and Minor Questions - none

- X. Agenda Items for September 25, meeting - Business plan, Update on Tax Commission, Final on CSL, Contract Review and Approval for Pathway, Review agreement from Ball Ventures. Nitschke requested the definition of a project document, and all of the project documents be placed in the shared Google Drive.

- XI. Adjournment. LoBuono motioned to adjourn. Nitschke seconded. Motion passed.