

**Board of Directors Business Meeting**

**Tuesday, October 22, 2019, 7:00 a.m.**

**Location: Idaho Falls Auditorium District Office**

**467 Constitution Way, Idaho Falls, Idaho 83402**

**Attendees:**

**Terri Gazdik (by phone), Bob Nitschke, Steve Vucovich, Rob Spear, Mark Fuller, Salem Thomas, Mike Clements, Kevin Greene**

**Agenda**

1. Call to Order – at 7:14 a.m. The Board discussed the agenda items until a quorum was present.

Mike Clements shared an update on the construction site. HK is on track for a July 2020 opening date for Pioneer Road. He said that Knife River has been blasting rock this week and the Event Center pad should be completed by the end of this week. There is more rock blasting to do, but most has been completed.

Clements approached Knife River about the contract amendment for the unit rock price variability. Knife River is willing to accept the unit price change at 25% above or below. Clements will prepare a contract amendment for Board consideration.

Clements talked about both Idaho Falls Power and Rocky Mountain Power companies having utilities surrounding the site. Originally, Bateman-Hall thought they could save some money on power pole removal, but now they think it will take the full $250,000.  Based on estimates SRL and Rocky Mountain Power actual should be $175k. to complete all the work required to get the power up and running. Clements explained that the underground utility structure needs to be put in place before the old poles can be removed.

Bateman-Hall tasked Knife River with removing the tree on the canal. There are powerlines close to it so they will have to proceed with caution. They will have to make sure the tree is gone by March 3, 2020 because there will be water in the canal again.

1. **Action Item** - Accept the Consent Agenda
	1. Meeting Minutes – 9/24/19, 10/8/19, 10/14/19
	2. Payables/Financials

After Gazdik called in, there was a motion to approve the payables and the minutes. Seconded. Motion passes.

1. **Discussion Item** - Public Comment – None.

1. **Action Item** – Approval of Chris Nations Contract for Owner’s Rep – Before Gazdik called in, Spear shared that the building committee was briefed about the contract at the meeting on Monday. Fuller has reviewed the contract and all the changes that were requested by the Board have been made. Fuller said that the language has been changed to clearly indicate that the Nations Group will not move forward with phase II until the Board specifically asks them to proceed with the next phase.

The Board decided to move forward with the approval of the Nations Contract. Motion to approve the contract. Seconded. Motion passes.

1. **Action Item** – Approval of Letter of Intent for KeyBanc Analysis – Spear shared with the Board that KeyBanc wants to provide financing scenarios for the Board. Spear indicated that additional information from KeyBanc can be an asset to the Board. KeyBanc is willing to develop financial scenarios for selling the certificates of participation as long as the Board agrees to provide a disclosure letter. Fuller read the original letter KeyBanc sent Spear, discussed a few changes with them, and shared a letter with the Board that allows KeyBanc to accomplish the same goal as before without binding the Board to contract with KeyBanc.

Fuller further explained that the Board would not be contracting with KeyBanc. Motion to approve letter of intent for KeyBanc. Seconded. Motion Passes.

**Discussion Item** – CSL Review Letter – Spear said that they had received the CSL review letter. Spear said that he reviewed it with the building committee and that legal counsel has the document for review. Spear summarized the IRS changes included in the report. One of the changes is that owners can now enter into longer management contracts. Spear explained that the proposed contract terms with Centennial need to be reviewed. Currently there is a 15-year term with the option of two five-year extensions. Spear indicated that the longer the life of the contract, the more burden and risk to the Board.

Previous to the new IRS changes, the incentive fee couldn’t be larger than the management fee. The CSL report provided some examples of management fees and incentive fees. For incentive fees, the CSL study recommended both qualitative and quantitative metrics be established to calculate the incentive fee. These metrics will be decided by the Board. Spear said that the CSL study suggested the Board is the likely entity to determine event types. The CSL study suggested the contract clearly define the difference between routine maintenance and capital improvements.

Fuller said he would be sending the CSL Review Letter to Gilmore Bell who has been supporting the negotiation of the contract. Fuller pointed out the reference to the suggested 25-year economic life. Vucovich commented that suggested 25-year economic life reference is too short. His experience has shown that even a 30-year-old building, if properly maintained, can be as structurally sound as new. Nitschke clarified that this was only an example of how a term length would be calculated.

1. **Discussion Item** – Renting Parking Spaces – Spear said that a neighboring attorney’s office approached IFAD about the possibility of subleasing several parking spots. Fuller shared that there will be an updated system to track the parking spaces on the streets of downtown Idaho Falls. A machine will now track how long each car has been parked at each on-street location and will issue citations as needed. This upgrade has made the value of each off-street parking spot increase. Vucovich suggested a $100/month cost per space. Fuller said he would review the building lease and let the Board know if subleasing was an option. Spear said he would contact the interested people if the sublease is within the bounds of the contract and approved by the landlord.
2. **Discussion Item** – Fundraising Update – Spear and Dave Jones scheduled a visit with an entity that has interest in the non-alcoholic pouring rights for the arena. Spear and Kevin Greene met with another entity that is involved in the refurbishing and refinishing of basketball courts. They also have a subsidiary entity that supplies items such as paper towel dispensers for public facilities. Greene stated that their involvement could provide support for the Event Center. Any donation would probably be in-kind. Spear indicated that he had another meeting on Wednesday with another group to gather information about its level of interest. Pathways continues to follow up on leads provided by Mountain America and they have a visit scheduled this week.
3. **Discussion Item** – CRSA Update - No Report

Report and Updates

1. **Discussion Item** - Executive Director Report– Spear covered these areas in the agenda items.

1. **Discussion Item** - Legal Report – Fuller did not have any additional items.

1. Calendar and Announcements
	1. Upcoming IFAD Meeting – **Next Meeting on November 12, 2019 Discussion Item** - Announcements and Minor Questions
	2. **Discussion Item** - Agenda Items for November 12, meeting

1. **Action Item** - Adjournment from Public Session - Motion to adjourn. Seconded. Motion passes. Meeting adjourned at 8:15 a.m.