

**Board of Directors Business Meeting**

**Tuesday, February 25, 2020, 7:00 a.m.**

**Location: Idaho Falls Auditorium District Office**

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

**Attendees: Terri Gazdik, Bob Nitschke, John LoBuono, Steve Vucovich, Rob Spear, Salem Thomas, Mark Fuller, Mike Clements, Chad Hammond, Kevin DeKold (by phone)**

**Minutes:**

1. **Action Item** - Call to Order – at 7:03 a.m.
2. **Action Item** – Gazdik asked for a motion to approve the agenda. Nitschke mentioned that he would like to see the item concerning the Centennial Management contract switched to a discussion item. Spear said he has left it as an action item in hopes that the Board will be able to make a decision soon. Motion to approve the agenda. Seconded. Motion passes. Motion to accept the Consent Agenda. Seconded. Motion passes.
	1. Meeting Minutes – 2/11/2020. Spear said there will have to be a few changes to the meeting minutes as he and Nitschke had just discussed. There will be some slight modifications in wording including removing a sentence or two on the third page and modifying another sentence on the fourth page. Fuller said that from a legal perspective it would not cause any problems to have Nitschke and Spear modify their own comments as presented, even after the minutes have been approved.
	2. Review of the Payables/Financials - There are no financials today. Payables were reviewed with no questions.
3. **Discussion Item** - Public Comment (Any member of the public is welcome to take three minutes and share concerns or questions with the Board) - None.
4. **Action Item –** Discuss and decide on the extension of the Nations Group contract which ends at the end of March 2020 - Spear clarified that Nations’ agreed to modify and extend the work for Phase I in case construction start is delayed. No Action required today.
5. **Action Item** – Review, discuss and approve of the Centennial Management Contract for operating the Event Center - Fuller said there was a meeting with Centennial Management (CM) last week and another call with Gilmore Bell on Monday afternoon. Terri Gazdik explained that the draft agreement was reviewed from the beginning of the document and that both parties were able to clarify why any changes were necessary. Fuller said CM wanted to speak directly with Gilmore Bell to understand the changes recommended by Gilmore Bell.

Fuller explained that parts of the event center, those that will not be used for public use, can be paid from private donations. The IRS will not be tracking the private use areas of the building. The concern is how the Board will use the proceeds from the sale of the Certificates of Participation. Gilmore Bell created a spreadsheet that shows the proposed breakout of good (public use space) and bad (private use space). Some rooms that could be built using donations would not be subject to IRS usage regulations. CM had not seen the document that Gilmore Bell provided and indicated that they had no input into the document. Fuller indicated that CM said they would review the space usage document and share a pro forma soon. The Board said they would like to wait to review the spreadsheet until CM has given their input.

 Spear reminded the Board that they passed a resolution to be able to reimburse themselves with bond proceeds for improvements already made (Event Center Drive, Pioneer Road and building pad). This could allow the Board to free up capital to pay for the private use areas be able to pay for public areas of the building using bond proceeds. Fuller clarified that CM is now acutely aware of the fact that the Board will not approve any contract without a pro forma that has been reviewed and agreed upon.

Spear mentioned that they discussed the West Valley City financials that the Board received from the public records request with CM. CM expressed concern with the documents because they contend they are not accurate. Gazdik stated that they might appear different from actual performance because the city is focused on the entire financial operation of the City versus one entity like the Maverick Center. Fuller told CM that the Board only requested those records because the Board had not received any records from CM themselves. Fuller suggested that CM come and present the pro forma and explain how the Maverik Center has performed to the Board.

Nitschke said he would like to see written documentation of important phone calls like this meeting Spear and Fuller had. He also suggested having the executive director call West Valley City and ask them if the Maverik Center is making money. Fuller said they would likely decline comment and suggest he make a public records request, which has already been done.

1. **Discussion Item** – Review most recent bid results and value engineering items associated with each bid and an update on the GMP. Spear explained that all the bids were discussed with Bateman Hall and the Nations Group. The document that the Board was reviewing had been created by the Nations Group. A number of packages will be sent out for re-bid by Friday, February 28. Right now the project total is at $58 million but Bateman Hall is still working on Value Engineering (VE) .

Spear also visited with the Nations Group and said it is important to get a better idea of what the Furniture, Fixtures, and Equipment (FFE) will actually cost. The final Guaranteed Maximum Price should be ready in two weeks. Spear said he will contact Laura Lewis to move the bond underwriter selection process along. Spear indicated he had reviewed and in his opinion there are two applicants that seem to be the best fit. Spear suggested a Special Board Meeting on March 3, 2020 to approve a bond underwriter so they can start working on the financing plan for the project.

Spear briefed the Board on the need to enter into a Letter of Intent with some of the subcontrators (steel, concrete, underground utilities) in order for shop drawings to be produced and keep the project moving forward. Spear reminded the Board that they approved the early steel package and that has been helpful. Spear shared a preliminary schedule with the Board. Spear is hopeful to have a bond underwriter financial plan by March 18, 2020. Then Bateman-Hall could review it and present a final GMP and a preliminary finance report on March 20, 2020. If acceptable, the Board could use the March 24 Board meeting to potentially approve the final GMP.

Nitschke said there needs to be a deadline date for the pro forma and the fundraising. Both of these items impact the project as much as the final GMP and financing. The Board must have assurance that the facility will be operated within the financial capability of the board. Spear agreed.

DeKold said he can see how hard everyone is working and thinks that all of the information being gathered will give the Board the information needed to move the project forward. Spear reviewed the VE areas and pointed out there is potential for another $900k in VE that is not currently reflected in the GMP.

Nitschke asked if all the value engineering suggestions are being scrutinized to be sure they are what will be best for the event center; not just to make sure the cost is less, but also that the changes don’t impact the quality of construction and user experience. (Sentence Removed) DeKold responded that they work with each subcontractor and evaluate each VE item to make sure they are appropriate. DeKold said CRSA always has the final say for all VE items and they take this responsibility seriously because their reputation and license are on the line if they do things incorrectly.

Clements is working on making sure five of the packages are ready to be re-bid. He said the architects are working hard on evaluating all of the VE changes and verifying if the changes can be adopted. Spear mentioned that some of those redesigns will require extra fees. DeKold said some landscaping redesign will be around $4000. DeKold also explained that per CRSA’s contract, under Owner’s Responsibilities of Owner Architect Agreement, CRSA and the Owner had negotiated 5% of bid protection for the Owner’s original $48,536,161 budget. Since the Preliminary GMP has exceeded the 5% buffer it is proper for CRSA to request additional fees. Spear pointed out that the Board has already expended $1.8 million to CRSA and that amount needs to be removed from the current GMP.

That also means that Spear can remove the $1.8 million from the rest of the planned expenses.

1. **Discussion Item** – Review of Bond Underwriter proposals for the issuance of lease revenue bonds. Spear said the next step is to talk with Laura Lewis. He said the goal of the underwriters is to identify how much can be financed from the sale of the certificates of participation. Any additional financing above the current estimated amount, reduces fundraising requirements.

Spear said he will work with Laura Lewis to select the top three proposals before submitting to the Board. Fuller suggested meeting every Tuesday this month in order to move the project forward. Nitschke said he would like to make sure the necessary information is available before planning on having a meeting.

Gazdik said she thinks the best presentation from Laura Lewis would be a matrix of how Lewis is evaluating the proposals and an explanation of how each proposal meets the evaluation. Spear shared the criteria Lewis had given him with the Board. He said it will be based on weighted averages including experience, capitalization, sales force, pricing indication, and marketing. Spear said he would be filling in the evaluation himself.

1. **Discussion Item** – Discuss the alternatives the Building Committee provide concerning if there is delayed construction. The Building Committee has not had time to discuss alternatives because of the emphasis on fundraising. Nitschke commented that if the fundraising goes well then there would not be a need for a plan B.

**Report and Updates**

1. **Discussion Item** - Executive Director Report
	1. Fundraising Campaign and status of prospects - There was a Business Advisory Committee meeting yesterday. Many people are optimistic about the opportunities presenting themselves. A committee member will be reaching out to another agricultural company this week. A local medical facility is looking promising as a donor.

Spear mentioned that the Post Register reached out last week wanting to do an article on the event center. Spear explained that he would rather do an article in a couple of weeks when the GMP is final so there is something to talk about. Chad Hammond reminded the Board that they said previously that they would hold another press conference in the middle of March.

* 1. Pioneer Road Construction progress report - Nothing has been done recently.
	2. Event Center Phase I progress report - A check was signed for the power poles to be removed and the underground utilities to go in. Knife River is to have the actual rock removal amount to Bateman-Hall by the end of the week. Spear was surprised that pressure testing wasn’t required by the City for storm system, so he made the decision to do the testing anyway. The preliminary information from Horrocks concerning the pad verification number looks acceptable. It is in the thresholds established by Horrocks. The storm system is in. The light poles are going to be round and 26” in diameter and designed to meet Snake River Landing’s requirements. Clements said that the last three things are the light pole bases, the bridge structure, and the snow leaving.
1. **Discussion Item** - Legal Report
	1. Transient Room Tax Update - Fuller said that the last two entities that haven’t paid completely for 2019 taxes have now paid half their outstanding amount. Fuller has not heard anything from the State Tax Commission and is assuming they are doing their job.

 C**alendar and Announcements**

1. Upcoming IFAD Meeting – **Next Meeting on March 10, 2020**
2. **Discussion Item** - Announcements and Minor Questions – There may be a meeting on March 3, 2020.
3. **Discussion Item** - Agenda Items for March 10, 2020 meeting
4. **Action Item** - Adjournment from Public Session

**Action Items**

Spear call West Valley City to determine the fiscal performance of the Maverik Center

Spear call Laura Lewis about selecting a bond underwriter