

**Board of Directors Business Meeting Minutes**

**Friday December 11, 2020, 7:00 a.m.**

**Location: Idaho Falls Auditorium District Office****/Zoom Videoconference**

<https://zoom.us/j/8694715148>

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

**Attendees: Terri Gazdik, Bob Nitschke, Steve Vucovich, John LoBuono, Rob Spear, Mark Fuller, Rebecca Casper, Trenton Saxton, Spencer Howell, Mack Moulton, Blake Davis, Tom Wills**

**Agenda**

1. **Action Item** - Call to Order 7:03a
2. **Action Item** - Accept the Agenda. LoBuono moved to accept the agenda. Vucovich seconded. Motion passes.
3. **Action Item** - Accept the Consent Agenda
	1. Meeting Minutes
	2. Review of the Payables/Financials. Spear reviewed the updated payables list and October financial statements. Spear indicated IFAD has a strong balance sheet with $10.3M in current assets. Spear said the balance sheet did not reflect the outstanding invoices for Bateman Hall and that would reduce current assets by $362k. Spear indicated that he has not received the details for the October tax collections but thinks this includes the outstanding Airbnb amounts.

LoBuono moved to approve the consent agenda, Vucovich seconded. Motion passed.

1. **Discussion Item** –Public Comment (Any member of the public is welcome to take three minutes and share concerns or questions with the Board). No comments.
2. **Action Item** – Review final HVAC study prepared by Spencer Howell of VBFA and approve additions to the HVAC plan for the Event Center. Gazdik said she appreciated the time spent by all parties reviewing the report and making suggestions for improvement. Howell provided an update on the report and reviewed the recommendations and said they attempted to incorporate and address all comments received in the latest draft. Howell said the greatest impact was being able to modify and add data to the various tables included in the report. Howell proceeded to walk through the report and provide explanations for their recommendations.

Howell said the purpose of the report was to identify mitigation strategies to increase the IAQ and implement these strategies on the front end versus trying to incorporate them on the backend after the facility is constructed. Because ASHRAE does not make a recommendation for or against photohydroionization, it is not recommended to implement this emerging technology. Further, because the PHI technology has not been impleneted at the scale of the Mountain America Center there is no data to support this strategy. The lack of additional data supporting this strategy is just not available.

Howell said while ventilation air is considered to be a primary mitigation strategy, it is the least effective and the most expensive strategy to implement in the Mountain America Center. Because of the high cost and low efficacy, it is not recommended that this strategy be implemented. The only part of the building not meeting 2 air exchanges per hour is the Arena proper and it is only short by a relatively small amount. Howell said there are 1.9 air changes per hour versus 2.

While the unoccupied outdoor air flush does not improve IAQ during occupied hours, it is still recognized by ASHRAE as a strategy to mitigate the spread of airborne pathogens and goes a long way in cleaning up the building. Because incorporating this strategy only requires changes to the building’s sequence of operation, VBFA recommends that this strategy be implemented into the design.

Improved filtration has the highest efficacy to price ratio. No changes to the current design of the air handling units are required and the increased filter costs are offset by the prolonged life of the filter modules. Howell said they would need to coordinate with the manufacturer. For these reasons, we recommend this strategy be implemented into the design.

Howell said that incorporating UVGI into the air handling units results in the highest efficacy, but at a relatively low initial cost. This strategy is currently only found in health care and laboratory systems. This strategy is considered by ASHRAE to be a robust technology and effective at mitigating the spread of airborne pathogens. Because of the efficacy of this strategy and long history of successful implementation, it is recommended that this technology be implemented into the design of the Mountain America Center. These can be entered into the system without a radical redesign but mechanical design changes are required.

Howell said that they added additional information to the report and included references, appendices and tables and other data that are relevant to the report.

Gazdik asked the Board if there are any questions. Spear asked about the UVGI recommendation and the statement that this can be implemented with the highest efficacy at a relatively high initial cost. Howell said this was incorrect and would be updated. Fuller asked about the PHI system and minimal cost, $2,000, to get the Conference space, equipped with PHI. Howell said that PHI technology has historically been confined to smaller rooms and the data when applying it to larger air handling systems and rooms is still lacking data. The 99% efficacy rate listed in the report is the manufacturers number and VBFA is unable to verify because there is no published data. Howell said we could incorporate this into the HVAC structure but when you look at the combination of air filtration and UVGI, the Center and Arena are already at a 99% efficacy rate. Spear asked if the addition of PHI would create the need to increase the air handler units. Moulton said they were unable to get exact numbers, but installation would require the air handler space be increased by 3 to 4 feet. Howell said he would add some additional information to Table 7.

Gazdik asked if Vucovich had any questions on the report. Vucovich referred to page 15 of the report and facility cost calculations and asked about the range in temperature. Howell explained that 75 degrees was cooling economizer limit and 68 degrees was the heat economizer limit. Vucovich asked about the number of sections that could be sectioned off in the convention space and whether it was all on one system. Howell said there are six meeting spaces all served by the same air handler.

Gazdik noted that Nitschke had provided input on the first draft and asked if he had any comments. Nitschke stated that he has not had time to look at the changes that were made. Nitschke said he will most likely still have comments, but those comments shouldn’t impact the mitigation strategies and equipment the Board may adopt. Nitschke said he is a big fan of ventilation and said he is much more supportive of a preventative strategy versus a mitigative strategy. Nitschke asked why the air changes were limited to 2. Howell said increased ventilation is being accomplished by the dilution approach by recirculating indoor air to make it more like outside air. Howell said there is not good data or guidance from ASHRAE. So VBFA decided to use hospital data even though Arena space does not correlate very well with hospital space. VBFA looked what hospitals require for outside air and found that they have 30% outside air to most rooms. The 30% is based on 2 outdoor air changes per hour. Howell said that if 2 air changes per hour are good for hospital spaces, then it seems like it would be acceptable for transient space like the Arena and Convention Center. Howell also said increasing ventilation air is the single largest cost of the technologies reviewed by VBFA and they don’t believe it is worth the cost. Nitschke asked that if we did 2 air changes would we need to do anything else since the Event Center meets hospital standards. Howell answered, no, because hospitals do more than that. Howell said the cost to implement 100% of outside air into 120,000 cfm would be jaw dropping.

Vucovich asked about PHI and whether or not data exists for large volume spaces. Howell said that RGF provides a lot of studies but none that have been peer reviewed. Gazdik asked Vucovich to share what has been done with his facility. Vucovich said they have 20 different air handler units for 60,000 sq ft. So, each air handling unit handles a much smaller area. The system that was recently installed also acts as a surface area disinfectant. He said he is satisfied with the system he recently installed but understands that without data for larger spaces that PHI can’t be considered. Vucovich said he is satisfied with the recommendations made by VBFA.

Spear stated that there needs to be an operational strategy adopted to disinfect the surface areas in the arena before and after events.

Gazdik asked for a motion. LoBuono moved to accept the report and adopt the redesign recommendations in the report for outside air flush, increased filtration, and implementation of UVGI lights. Vucovich seconded. Motion passed unanimously.

DeKold asked about when they could receive formal notice to proceed with the re-design of the HVAC system. Gazdik asked for DeKold to coordinate with Spear to move the proposal forward and approve redesign cost increases.

1. **Action Item –** Review proposal from Tom Wills of Bonham Wills for determining naming right valuations and assistance in a national sales campaign. Gazdik asked Spear to introduce Tom Wills.

Spear introduced Tom and stated that BWA is respected in the industry and has sold over $3 billion in naming rights sales over the history of their company. Spear said Wills has a unique educational background and said that BWA has a number of contacts and how they can assist in providing proper valuations, and assist us with the sales campaign.

Wills stated he has a diverse background and studied neuroscience, before entering into the sponsorship world. Wills explained BWA has been in the marketplace since the late 80s. Wills said his partner is the former President of the Denver Nuggets, Dean Bonham. Wills said BWA provides guidance in the valuation strategic space and they help properties understand how they should set their sponsorships and partnerships, from beverages all the way up the line. Wills said they represented Mountain America in valuing all of their sponsorships and helping them understand where they're succeeding and missing the mark. Wills said BWA sits on both sides of the table. BWA specializes in valuation, helping companies understand the best fits for their products and maximizing their sponsorship revenue.

Gazdik asked Wills where he is located. Wills explained BWA is headquartered in Vancouver with an office in Las Vegas. Wills said he is currently in his office in Halifax Nova Scotia, which manages UK and European sponsorships. Gazdik stated that on BWA’s website, the areas where BWA has had the most experience, are metropolitan areas. Gazdik asked if BWA had experience in areas that are close to Idaho Falls’ population size. Wills responded that BWA works in all kinds of markets. Although BWA does work in the Metropolitan space, those areas have a lot of competition for sponsorship. Wills said they will need to understand the Idaho Falls market, but they do have a lot of experience in working in varying sizes of markets.

Gazdik stated that until maybe five years ago Eastern Idaho was just not on the radar for most companies and wondered if BWA gets questions from potential national sponsors about opportunities in Eastern Idaho. Wills explained that they always perform market research and talk to marketing executives to understand where they're moving, and where they're trying to grow their businesses. Wills said BWA has a database that provides them with that information, and they will use that database to see what interest Eastern Idaho is to the corporate world. Wills said it is hard for him say that Eastern Idaho is an area companies are looking to expand. BWA will certainly look at companies expanding that area. BWA will speak to people with boots on the ground like Jason Smith to ensure they understand who the movers and shakers are and what companies are trying to expand to Eastern Idaho.

Nitschke asked what other firms within the region is BWA looking at. Are you looking nationally or regionally? IFAD has been trying to raise funds for probably three years and started with another company out of Utah that had connections in the area. What's going to be different from what they did and the doors that they've knocked on? You'd like to think all the low hanging fruit has already been touched, whether successfully or not. What's your sense of how you're going to make this happen? Wills explained that many times over the years BWA has been brought into a situation where a property has been to market and the majority of the doors have been knocked on. BWA will conduct a full analysis and identify who has been contacted and identify new prospects. BWA will start nationally but they are also going to have to look at regional companies as well. Wills stated that they have two-tiered commission basis. And the reason for that is, a lot of times we will partner with someone regionally that has a connection to the local community. We're more than happy to split our commission with anyone.

Nitschke stated that IFAD has a pretty ambitious schedule, and it sounds like you are going back to square one, conducting valuations, etc. How many and how long does that take? It doesn't seem like there is time to do that. Wills responded said it won’t take long and that from day one BWA will be in sales mode. What BWA must do is to build out a categorical report to understand what industries make sense to target. Wills said they do five of these a week for different clients so it's not going to take a lot of time. Wills said he is not worried about the timeline. Everything is going to be done in real time and BWA will meet your schedule. BWA wouldn't put its name forward if they didn't feel they could meet the timeline.

Gazdik asked LoBuono if he had any questions. LoBuono said he didn’t but thinks we're at a stage where our former fundraising partner took us to a certain point and then was unproductive. So, a whole different approach with a different firm makes sense. LoBuono said he is glad that we have a different opportunity.

Gazdik asked Vucovich if he had questions. Vucovich thinks it is a good idea to determine the value of each one of the naming areas and believes Bonham Wills will provide better data. Wills said it is too common in our industry that people sell on a needs basis. What you will see from BWA is they will use a value basis. BWA is not looking at this in terms of philanthropic donations, they will go out and build a business case for all prospects. BWA is going to understand exactly what their executives, want to see in a partnership. And BWA will build out a platform through Idaho Falls that gives them what they want to see. BWA will make sure that we are providing value from the get-go.

Nitschke stated that in his experience with regard to valuations, you're only going to get what somebody else is willing to pay for. If no one wants to pay for what the evaluation says, then the valuation isn't necessarily any good. Wills said he agrees because he has seen many valuations that don't take into consideration specifics of the particular market or a particular aspects of the market. Wills said BWA will need to do their due diligence and understand what assets are available and determine what the market is like.

Gazdik asked Fuller if he would address his concerns with the agreement. Fuller said he has three concerns. First, the monthly retainer language that requires first and last month payment. Fuller recommended that section be modified where IFAD pays the first month's retainer and then an invoice is sent each month and we pay as we go. Rather than pay for June, now. Wills said although that is industry standard, he can agree to that change.

Fuller also had a question about the retainer fees being paid back over the first three years of the naming rights agreement in equal annual payments, which will be directly debited out of the success fees commission. Fuller asked why the Board would allow BWA to keep the retainer fees and pay us back over three years? Wills said this can be modified and BWA will pay back the monthly retainer.

Fuller said his only other question is in the second paragraph, second sentence of the paragraph. In the event there's a termination and if BWA is in violation of the agreement, IFAD would still pay BWA the commission. Fuller said it doesn’t make sense that IFAD would pay when BWA is in violation of the agreement. Wills said that if BWA was in violation they wouldn’t expect payment and asked Fuller to make a modification to that section. Fuller said he would get a replacement sentence to the Board and if there is agreement on that sentence Fuller would recommend the board accept this proposal.

Gazdik asked if there were any other questions. Nitschke asked how do sponsorship sales by BWA impact what Centennial Management thinks they're going to do? Fuller explained that there was a specific exhibit attached to the Centennial Management contract that identified the specific naming rights and areas, that are reserved to the board, and Fuller’s recommendation would be for that exhibit to be attached as an exhibit to the BWA document to provide guidance to BWA. Nitschke said that that sounds good, but it almost raises the issue that maybe BWA should be doing this for Centennial so that we’re consistent and not reinventing the wheel. Spear said he would share that exhibit with BWA.

Nitschke asked what is BWA’s experience with and effectiveness with using Zoom as opposed to in person? Wills said 2020 It's been a challenge. Ideally you want to meet in person, but BWA is definitely noticing that the industry is starting to rebound, and corporations are itching to get back into it. Zoom meetings, they're not ideal. It's a lot better to be able to shake hands and break bread in person, especially when meeting with a large level sponsor. Wills said they just need to be dynamic and adapt.

Gazdik said she appreciated Spear bringing this opportunity to the board and asked for a motion accepting this contract with the modifications that Fuller has noted. LoBuono moved to accept the contract with modifications suggested by Fuller. Gazdik seconded.

Nitschke had some other questions. Some are process and some are historical. Nitschke said it bothers him that there was not a competitive bid. Are there other competitors that we should be considering? The fact that BWA’s corporate office is in Canada and we have always prided ourselves on securing help locally or regionally and now we're going internationally. Nitschke said he is not saying it's not the right thing to do, but this was brought forward based on the recommendation of one person. Those are the concerns of mine. Gazdik asked Spear to discuss how he came in contact with BWA. Gazdik also stated that the Board went through the process of finding Pathways years ago and a number of companies were solicited to get input on what they would propose for us. Spear said that BWA is recognized in the industry as the premier sponsorship and naming rights sales machine, and valuation developer. As far as doing a competitive bid, Spear said that in his professional opinion, IFAD will not bring anybody more qualified to the table. Spear said Wills explained how BWA can adapt to certain market areas because of their wealth of knowledge, experience, and the databases that they have in place. Spear said it would be very difficult to find somebody that could provide the level of service that BWA can provide and stated that IFAD is very fortunate that BWA is interested in assisting us with this property.

Gazdik said that she realizes that Spear has put a lot of time and effort in bringing this to the board and she doesn’t take that lightly and understands that contracting with BWA is his recommendation to the Board. Spear said that he engaged with BWA a while ago but wanted to give our internal efforts every opportunity to be successful. Now is the time to engage BWA to allow IFAD to look at every opportunity. Nitschke said what swayed him was BWA’s business approach versus the philanthropic approach that has been taken in the past. Because we are doing something different, Nitschke said he is comfortable supporting this contract with BWA.

Spear said one of the strengths of BWA is that they do such a good job of representing both parties and bringing value to both parties. They understand from the company's perspective what they want and will make sure that the value is there for that company. Sometimes you only get one opportunity to be in front of somebody and it is important to be prepared and not waste that opportunity.

Vucovich liked the idea that BWA is going to take a much more aggressive course and utilize their existing national contacts.

Gazdik called for the vote. Motion passed unanimously.

**Report and Updates**

1. **Discussion Items** - Executive Director Report
	1. Fundraising and Budget Update – No update
	2. State Tax Commission Collections Update - Spear said he has been in communication with the State Tax Commission in regard to reconciling receipts to actual deposits. The State Tax Commission admitted they have some kind of error in their software system that is creating this issue. Spear said he would send the October detailed reports, once he receives them.
	3. Action Items
		1. Get approval to CRSA for HVAC redesign
2. **Discussion Item** - Legal Report. Fuller did not have anything to report.

 C**alendar and Announcements**

1. Upcoming IFAD Meeting – **Next Meeting on January 12, 2021** – Gazdik mentioned that the Board may need to call a special meeting to discuss CRSA’s charges for the HVAC redesign.
2. **Discussion Item** - Announcements and Minor Questions
3. **Discussion Item** - Agenda Items for January 12, 2021 meeting

Meeting adjourned at 8:41a