

**Board of Directors Business Meeting**

**Tuesday, August 10, 2021, 7:00 a.m.**

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

<https://us06web.zoom.us/j/84672039576?pwd=K2t2ZXlid2RLVVQzcHM2NjdJZmtjUT09>

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

**Participants: Terri Gazdik, Bob Nitschke (via Zoom), Steve Vucovich, Mike Carpenter, Ron Warnecke, Mike Clements, Chris Nations, Mark Fuller, Kevin Greene, Kevin Bruder, Blake Davis**

**Agenda**

1. **Action Item** - Call to Order 7:03 AM
2. **Action Item** – Accept Agenda - Spear said item VIII needed to be removed because information was not received. Warnecke moved to accept the revised agenda, Carpenter seconded. Motion approved.
3. **Action Item** - Accept the Consent Agenda
	1. Meeting Minutes – 7-27-21 – Spear reviewed changes recommended by Nitschke.
	2. Review of Payables/Financials. Spear reviewed additions to the Balance Sheet that now includes a separate column for the Construction activity, a column for operations and a column that combines construction and operations. Spear referred to an email from Fred Goodworth that states, “the governmental funds are on a current flow of resources or modified accrual basis of accounting and thus only pledges that will be received within 60 days after year end should be reflected in the funds. Long-term receivables need to be tracked but they are not recorded in the fund financials – they will be booked for the government wide statements once a year (as a reconciling item from the fund financials to the government wide financials). For your information, long-term debt is also treated in a similar manner, that is the debt is not recorded on the fund financial statements but will be reflected on the government wide statements. Debt proceeds are recorded as an “other financing source” on the fund financials.” Gazdik suggested contacting Scott Bond to get his opinion on whether this is acceptable from an audit standpoint.

Spear communicated that June TRT revenues were up 123% over June 2019 receipts, grossing $389K June. Spear said the net amount was $378K and he has been working on finding out why the difference exists. Carpenter asked what this means for the forecast of future TRT revenues. Spear indicated that this was hard to predict because of the uncertainty of the delta variant and the potential for future shutdowns. Warnecke stated that he did not see government travel coming back soon given the testing requirements associated with government travel. Carpenter stated that he has heard that the only travel to/from INL must be mission-critical related and there will be limited executive level travel, and no conferences and discretionary travel. Fuller stated that he was aware of a group of 10 people who wanted to travel to an event to Idaho Falls and they were unable to find rooms.

A payables list totaling $38,558.48 was reviewed and approved.

Carpenter made the motion to approve the consent agenda, Vucovich seconded. Motion approved.

1. **Discussion Item** –Public Comment (Any member of the public is welcome to take three minutes and share concerns or questions with the Board). There were no public comments.
2. **Discussion Item –** Discuss construction timeline and impact on Pre-opening Services and Opening of the Event Center. Spear provided a brief update and stated that biggest issue is the status of the brick. All the brick is manufactured and awaiting waxing. The brick liners are complete and should be shipped the week of August 10. Spear said there is an issue with the midnight black thin brick and the lack of personnel available to snap the brick. The thin brick is manufactured with two bricks being bound together that need to be manually snapped to produce the finished project.

Spear that right now there is a minimum 8-week delay because of the brick delay. Spear also pointed out that suppliers are unwilling to provide delivery dates on items which adds to the uncertainty. Spear said weather is going to become an issue and will most likely double or triple the winterization costs currently budgeted at $145K.

Spear said it was important to have this conversation first because it impacts the pre-opening services date in the Centennial Management contract. This delay also impacts the date that Nuveen required for an agreement to be in place between the operator and hockey team.

Spear asked Clements and Nations to comment. Clements said Spear’s summary of the situation was spot on and added that Interstate (brick supplier) will not wax the brick until all the thin brick are snapped. Interstate only wants to set-up the waxing process once. Clements said the tilt panel installer has kept its 8-week timeline to erect all the tilt panels, however, the risk of bad weather will create inefficiencies. Clements said until a roof is on weather will be an issue. Not having the roof in place will impact the pouring of the first and second level slabs. Clements said that if the Board needs to provide a date to the operator that he would recommend adding 4 more weeks, in addition to the 8-weeks, to the opening date. Clements said they will spend a lot of time dealing with weather over a four-month period.

Spear asked if hockey could occupy the facility before the facility was complete. Clements said that would not be possible because ice will most likely be the last thing completed. Clements anticipated the back of the house would be complete before the event area. Clements said it is unlikely that hockey will have an event center to compete in the fall of 2022. Nations said that it is important to approach this with the understanding that the facility will not be dried in before winter and that once the brick arrives, a more detailed schedule can be put together.

Gazdik asked about housing the hockey club at another location until the facility is ready. Fuller said that IFAD must certify, to the reasonable satisfaction of Centennial Management, by August 15, 2021, that the Arena shall be Hockey Ready for the 2022-2023 hockey season. Fuller said that Kevin Greene stated the hockey team could play its home games on the road until the facility opens. If the facility does not open until December 2021, this means that the majority of the hockey home games would be played after December and would consume the calendar, prohibiting other events from occurring. Fuller suggested to Richard Catten, Centennial attorney, to delay the hockey determination and pre-opening services until December 1. Spear asked Bruder and Greene to comment on playing hockey at an alternative location. Bruder said the Maverick Center could schedule some games, but this still creates a financial travel burden on the hockey team. Bruder said the Maverick Center did work with some junior teams during COVID. Bruder said the NA3HL season is due to start on September 6 and will conclude on March 6. However, some teams are starting a month later and for every month the center is not open affects 6 home games. Bruder said displacing the team for 3 months would create a challenge, but it is not impossible. Bruder asked if there would be other costs associated with the delay and meeting a December 2022 deadline versus opening the facility at a later date. Greene said it might not be worth starting the season if the facility does not open until December. Gazdik asked about the impact of not having hockey until 2023 and whether Centennial Management is agreeable to waiting another year. Bruder said they absolutely would wait another year and doesn’t think that determination needs to be made today or next week. Bruder said they remain bullish on the project. Bruder said if things change and the facility could open before December, they would be open to a modified hockey home schedule. Greene said the NA3HL will not begin scheduling games for the 2022-23 season until June of 2022.

Clements requested that the Board postpone the August determination until December that would give Bateman Hall a better read on the project schedule. Bruder recommended check-in points before December because Centennial Management must know whether to make lease agreements with the hockey team and determine the league schedule.

Spear said there continues to be many unknowns from tilt panel erection time to weather and that the Board must give Fuller direction to amend the Centennial Management contract. Bruder said he recommends visiting monthly with a hard deadline of December 1. Clements said he would like until the middle of December. Gazdik said she would suggest December 15, 2021, and tasked Fuller with working with Bruder and Catten on amending the date in the management agreement and have this on the agenda for the August 24, 2021 meeting.

1. **Action Item –** Approve $25K cost to split 2 43-person suites into 2 23 -person suites and 2 16-person suites. Spear said the estimated cost to split the 2 suites was $20K but is asking the Board to approve a change order for $25K. Spear said he is bringing this to the full board because this is a design change. Gazdik asked Greene if he was supportive of this change and Greene said he was in full support. Carpenter asked about the flexibility about removing the wall. Spear said future modifications would be accommodated. Greene said a door between the suites should be considered. Clements said it would be about $2K per door. Nitschke said he had the original concern that the ability to accommodate larger groups would be impacted. Nitschke said he was glad the Board was reviewing the design change.

Warnecke moved to approve the construction cost to split the two suites with the addition of a door between each suite up to $25K. Vucovich seconded. Motion approved.

1. **Action Item –** Review and approve CRSA contract amendment for additional WJHW Audio Visual Consultant services. Spear said this was brought to the Board because the original Audio-Visual package prepared by WJHW and approved by CRSA did not produce any bids because the bid package was poorly developed. Spear said this request is for WJHW to prepare a bid package that is more specific and clearer. Spear indicated that while the document was produced by WJWH and sent to CRSA on June 7, it was not delivered to the Chair until August 5. The terms in the document state the terms are only valid for 60 days and Gazdik pointed out the amendment is expired. Spear said while he has discussed that this should be CRSA’s cost, he recommended the Board approve in order to get this package bid. Nations agreed that it was important to get this approved in order to move the project forward.

Fuller stated that he wrote a detailed letter to CRSA’s attorney outlining the performance concerns of CSRA. Fuller said he agreed with Gazdik and that by the time the amendment was sent to IFAD it was expired. Fuller pointed out the amendment also stated, “This fee has been calculated with the understanding that the documentation portion of the project will

be complete by July 31, 2021. If design should extend beyond this date, we reserve the right to negotiate additional fees which may be required for continued project design efforts.” Fuller said the amendment was essentially expired before it was received by IFAD.

Spear said CRSA did agree to cover the construction administration portion for the Audio-Visual services that is estimated to be $18,800 according to Kathy Wheadon’s email.

Gazdik said she would support approving the amendment, but any increased costs should be CRSA’s responsibility. Carpenter said in his observation CRSA continues to have problem after problem and asked what the Board’s approach will be moving forward. Spear said this was discussed during an earlier Board meeting and it was decided that this was CRSA’s problem and CRSA must figure it out.

Carpenter asked if WJHW was the best group to administer construction administration services. Nations said WJHW is the top audio-visual firm in the country for sports facility AV design and their resume spans 300 arenas and 150 stadiums world-wide. Nations said they are working on 5 other projects with them.

Nitschke said he had some concerns and wondered what the original design requirements were for the AV system because now the design requirements were being updated to match budget restrictions and stated this is a backwards way of doing things that could result in an inadequate system.

Nations said the AV was not included in the original design and although it is based around budget, Nations and WJHW would not recommend something that was going to be inadequate for this facility. If it costs more than anticipated the Board will have to evaluate.

Spear said that it was important to marry the video and AV systems together for efficiency. Spear said add alternates have been left in and certain things were excluded like speakers in the restrooms. Spear referred to the document that states, “Fidelity and quality will remain high, though maximum output volume will be reduced.” Spear said he is not concerned with output volume because, in his experience, many of the complaints that will be received, will say the volume is too high. Spear said they were very careful to not impact the customer experience.

Nitschke asked if the operator has any concerns. Greene said he has no concerns and Bruder agreed. Gazdik said if there are concerns these should be addressed through the add alternates.

Gazdik asked if there was a motion to accept the amendment with the understanding that the dates be modified and that any additional costs will be the responsibility of CRSA. Gazdik, Carpenter, Vucovich and Warnecke voted to accept the motion. Nitschke voted against. Motion passed.

1. **Action Item –** Review and approve process for procuring Furniture, Fixture, and Equipment. This item was removed from the agenda.

**Report and Updates**

1. **Discussion Item** - Executive Director Report
	1. Fundraising/Cash Flow Update – Spear provided the Board with an overview of current fundraising success and projected fundraising. Spear said IFAD has secured $5.635M in the last 16 months and that he is confident another $2.5M - $2.8M will be secured. Spear reviewed the recent C-A-L Ranch contribution and the benefits that C-A-L Ranch will receive. Gazdik asked about status of all the suites and Spear provided the Board with an overview of the suites and loge boxes. Spear said all the suites have been sold and 9 of the 12 loge boxes have been sold. Spear said he is currently working with Bonham Wills on naming the mezzanine level.

Spear asked Nations to comment on FF&E financing. Nations indicated that he is working with two other leasing companies and is awaiting proposals from each. Nations expects to have three proposals for next Board meeting.

Nitschke asked about the alcohol naming rights and Spear explained that the malt beverage companies are not interested in any naming rights. The focus on malt beverage company involvement will be on pouring rights.

* 1. State Tax Commission Reports – Spear said there was nothing in addition to the tax revenue update for June.
	2. Construction Update – Spear reviewed the prescribed concrete pours for the first floor and showed the Board that the first floor is designed to have different colors. CRSA has designed the floor to have three different earth tone colors. Clements explained the concrete will be poured in stages with the pour around the concession area being first and will be the break point for the outside pour. Clements said that inside pour will be a finished product and must be protected throughout the remainder of construction. The outside pour will happen later.

Gazdik wanted clarification on the color scheme and who chose the colors. Nations said that CRSA should have briefed the Board on this color scheme and suggested that this be an agenda item for a future meeting so CRSA can brief the Board.

Clements said the first floor is the only floor with the colored concrete because the second floor will have carpet.

Gazdik stated that this color scheme may have been associated with the older design and asked what if the Board chose to have just the regular concrete color. Clements said there would be cost savings.

Carpenter said the earth tones could present other issues such as staining. Spear asked Nations to comment on whether colored concrete is the standard in other arenas. Nations said it is common and that CRSA should present examples of concrete from other arenas and explain why this color scheme was chosen. Nations said colored concrete has more constructability than a polished concrete.

Nitschke asked about the issue with the ice melt pit. Spear said it has been somewhat complex, but the fix is easy, if the architect and the contractor can agree on it. Spear said the drawings probably weren't clear enough and one of the walls was poured 8 inches short. This compromised the volume of the ice melt pit. To increase the volume, it has been suggested the vertical walls be extended, the curb raised and either a solid wall or gate placed on the front wall. The operator prefers a gate.

Clements said they are zeroing in on a fix and even though the wall was short 8 inches off the back wall, Clements said they are still at capacity. It really comes down whether the front wall will be block or concrete.

Clements said there were a number of different details on the plans for this pit that created a lot of confusion. Clements said it is good that this is being revisited as the original design probably wasn't going to work for the operator and a change needed to be made on the bumper wall or the gate at the front of the pit.

Clements said there were multiple details on the drawings that helped create the confusion. There is a column that sits really close to the wall, and the subcontractor pulled the dimension off of the column, instead of the wall, resulting in the 8-inch discrepancy. This reduced the capacity of the ice melt pit by 15%. Clements said if they put a wall in front of the ice melt pit, at least ½ of the 15% could be recovered. Clements said at the bottom of the pit there is hot water that melts everything down and when it reaches a certain level, the water goes out the drain. Clements said you really have to work pretty hard to ever get to the full capacity of the ice melt pit with two machines coming off the ice. Clements said this it is good that this is being revisited as the original design probably wasn’t going to work for the operator and a change needed to be made on the bumper wall or gate at the front of the pit.

Warnecke asked if they were planning to make up the eight inches with cinder block. Clements said they are looking at raising the bumper wall, originally designed as a curb, to increase capacity and then place the bumpers up higher so when the Zamboni dumps ice it has the bumper for stopping.

Nitschke said that in his view it goes back to the original design for the pit volume. Typically for spill prevention you take one and a half times the capacity or whatever. What was the original design capacity for the ice melt pit? Spear thought the volume was 125 cu/f but was not sure how to answer Nitschke’s question. Nitschke said that answer makes a difference on how much energy you put into trying to modify that volume. Clements, in discussions with Ice Builders, Ice Builders recommends 300 cu/f and with the change the pit should be at 318 cu/f. So, by raising of the front wall, it will be easily within 5-7% of the original designed capacity of 325 cu/f but will exceed what Ice Builders is recommending.

Nitschke asked about the operational ramifications of this change. Nations said the curb will be fixed and capacity will not be an issue. Bruder said that there should be enough space. When they get in a crunch at the Maverick Center, they simply run hot water over the ice to melt it. Bruder felt there is enough time between periods for the ice to melt if it ever reached capacity. The only time it could become an issue is when the rink is in maintenance mode and more ice is being shaved. Clements said there is hot water plumbed into the bottom of this pit to melt the ice and then the water drains out.

Clements is surprised on how much back and forth has taken place on this issue with the architect.

Carpenter suggested with the delays we should be less specific on the opening date when talking with the public..

* 1. Action Items
		1. Fuller to work with Catten and Bruder on modifying the management agreement.
		2. Contact Fred Goodworth and Scott Bond on the recognition of sponsorships/donations as receivables.
		3. FFE Financing
1. **Discussion Item** - Legal Report. Fuller did not have a legal report.

 C**alendar and Announcements –** Nitschke acknowledged the recent recognitions of Steve Vucovich, Silver Star Award and Terri Gazdik for a second-place award in the nature wildlife photo contest held by the Idaho Falls Magazine.

1. Upcoming IFAD Meeting – **Next Meeting on August 24, 2021**
2. **Discussion Item** - Announcements and Minor Questions
3. **Discussion Item** - Agenda Items for August 24, 2021, meeting
* FF&E Financing
* Construction Schedule
* Marketing/Communications Plan

Meeting adjourned 8:53 AM