

**Board of Directors Business Meeting**

**Tuesday, June 28, 2022, 7:00 a.m.**

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

[**https://us06web.zoom.us/j/84094070205**](https://us06web.zoom.us/j/84094070205)

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

**Participants:** Terri Gazdik, Rob Spear, Bob Nitschke, Mike Carpenter, Steve Vucovich, Ron Warnecke (via Zoom), Mike Clements (via Zoom), Erik Hudson, Kelsey Salsbery, Mark Fuller, Ken Wheadon (via Zoom), Bryan Laske (via Zoom), Kevin Greene (via Zoom), Chad Hammond (via Zoom).

**Agenda**

1. **Action Item** - Call to Order 7:01 AM
2. **Action Item** – Accept Agenda. Carpenter moved to accept the agenda. Warnecke seconded. Motion Passed.
3. **Action Item** - Accept the Consent Agenda
	1. Meeting Minutes – 6-14-22
	2. Review of Payables/Financials. A payables list of $19,891.17 was reviewed and approved. Carpenter moved to accept the consent agenda. Nitschke seconded. Motion passed.
4. **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 comments from the general public.
5. **Discussion Item –**Receive a construction schedule update from Mike Clements of Bateman Hall and Ken Wheadon of CRSA. Wheadon briefly addressed the Board and stated that CRSA will have a team travel to the site next week (7-7-22) to observe the construction of the ice rink. Wheadon said they continue to respond to RFI’s and submittal information. Fuller had a question on the completion of the clamshell and the attachment to the high roof. Clements said the clamshell should be completed this week.

Clements said on the exterior the sidewalks are being prepared for pouring and the trench for the bollards has been dug and footings poured on the southwest side of the building. Ice Builders has made a lot of progress and the July 22,2022 pour date for the rink is still on schedule. Back of house work is being completed and framing around the interior of the arena is continuing.

Clements said all the future milestones are on schedule and the Bateman Hall team is focusing on all the finishings throughout the arena. Gazdik asked about a completion date. Clements said they are still confident of the 11-21-22 Certificate of Occupancy date. Clements is working with the City on areas that may be turned over earlier. Those areas have been identified but additional information is required.

Carpenter asked about the status of the fire pump. Clements said the last item for approval is the jockey pump. Once that is determined Preferred Fire will layout the pump room and then the enclosure around it can be determined. Wheadon said those approvals have been received.

The lapendary structure has been finalized along with the fire sprinkler layout. Two letters from engineers have been received to send to the City Fire Marshall in support of the fire pump and sprinkler design.

1. **Action Item** – Approve basketball floor term sheet between IFAD and United Services, Inc. Spear outlined the donation of the basketball floor from United Services, Inc. Spear said the term sheet specifies that R&S Supply (the janitorial supply entity that is part of United Services, Inc.) will provide the janitorial services and supplies for the MAC. Spear said he compared the pricing for janitorial equipment with other vendors and said the comparisons showed R&S supply offered lower prices for most items. Spear said R&S usually has a 40% markup but reduced it to 30% for this agreement. Spear said the basketball stanchions are not included but that United Services has identified two 10’ stanchions that they will refurbish and sell to IFAD. Spear indicated the run-off boards (floor material surrounding basketball floor to create a safe runoff) were not part of the floor and will be another additional expense. Spear said the value of the donation is estimated to be $120K-$150K.

Hudson said R&S will provide the units that hold the various supplies needed for the facility like paper towel dispensers and soap containers without any charge. For the actual supplies, Hudson compared R&S pricing to Unifirst and Cintas and found the R&S pricing to be very competitive. Spear added that R&S agreed to honor any pricing that was found to be cheaper.

Nitschke asked about the connection between R&S and United Services. Spear said both companies were under the umbrella of the Matheson family. One business handles basketball courts and refinishing and the other janitorial supplies and equipment.

Spear said the term sheet also requires that IFAD assume all responsibility for maintaining the floor.

Fuller asked how the floor was assembled. Hudson communicated that the floor was assembled by attaching 4’x8’ sections.

Carpenter moved to adopt the term sheet between IFAD and United Services. Vucovich seconded. Motion passed.

1. **Action Item –** Approve declaration that there is only one vendor for personal property per 67-2808 of Idaho Statute. Spear introduced the item and reviewed the statute that states, “The governing board of a political subdivision may declare that there is only one (1) vendor for the public works construction, services, or personal property to be acquired.” Spear stated that given the staging package that needed to be purchased, the transaction meets three of the eight situations described in the statute (only 1 needs to be met to justify a sole source acquisition):
* Where the compatibility of equipment, components, accessories, computer software, replacement parts, or service is the paramount consideration. Spear explained the StageRight package is the same system used by the Maverik Center and the ability to share staging creates efficiency. Hudson added that this ensures that liability concerns are addressed because mixing and matching of staging creates a liability. There will be certain contracts that will require additional staging. Hudson said that Voltstar, a local company, can also provide StageRight equipment.
* The purchase of public works construction, services, or personal property for which it is determined there is no functional equivalent. Although there are other staging companies, the equipment would not be compatible with the Maverik Center staging equipment.
* Where competitive solicitation is impractical, disadvantageous, or unreasonable under the circumstances. Spear explained that Hudson prepared an RFP and solicited two staging companies (StageRight and Staging Concepts) and only StageRight responded.

Carpenter asked about the schedule for delivery. Hudson said there is a small window to get the staging here on time. If the package could be purchased before the end of July, StageRight has indicated that it would be delivered by November 1, 2022.

Gazdik asked exactly what the Board is being asked to approve. Spear said the action item is to declare there is only one vendor for staging procurement and said the next step is to publish the notice, one-time for 14 days in a local newspaper. Fuller said by publishing in the newspaper this gives other vendors the right to protest the sole source before contract is awarded. Gazdik asked Fuller what the motion would look like. Fuller said the motion would state, that the Board declares there is only one vendor for the staging package to be acquired.

Nitschke asked why a sole source procurement is being used and why we don’t use a standard procurement process since an RFP was already sent out and only one company responded. Hudson responded that this is a way to ensure we are compliant with State procurement process and said that this procurement is over $100K and requires a sealed bid process unless a sole source declaration is approved. Spear said the total price was unknown when Hudson sent out the RFP and when it came back exceeding $100K, this triggered the State procurement policy that states any procurement over $100K requires two notices in a local newspaper.

Fuller asked Hudson if there is another entity that can provide the staging required. Hudson said no because other products are not compatible with the Maverik Center staging. Fuller said that being the case, a competitive bid does not need to be performed, and a sole source declaration is the correct process, if approved by the Board.

Nitschke said because the MAC does not currently have any staging there is nothing to be compatible with. Nitschke said he has trouble with the word paramount. Nitschke acknowledged that the MAC could benefit from having the same product as the Maverik Center but that does not make it the paramount consideration. Nitschke said he cannot support a sole source declaration based on the compatibility of equipment being the paramount consideration. Fuller commented that one of the reasons Centennial Management was chosen to manage the MAC was the synergy of having another facility so close that would allow staff and equipment sharing. Vucovich said that synergy is supposed to give us cost competitiveness and it is paramount that IFAD doesn’t lose money.

Gazdik asked Hammond to comment. Hammond agreed with Hudson that Brad Higby of Voltstar works across the county and having that synergy to easily acquire staging from them is a huge thing because they are located minutes from the event center. Vucovich pointed out Section 67-2808 (2) (v) states sole source is allowed when there is there is no functional equivalent. Fuller pointed out that the Statue states the sole source justification is not just limited to the eight scenarios listed but the staging equipment meets at least three of the eight examples listed. Fuller explained that the contract still must be reviewed, and IFAD is not obligated to purchase from StageRight. Warnecke asked what a notice drafted for the local paper would say. Fuller said it would provide notice to the public that IFAD has made the declaration that a sole source acquisition is necessary because of compatibility and that there is no functional equivalent. Spear provided examples from the State Purchasing Division for what a notice would look like. Warnecke said this standard process in the federal contracting space. If there is a request for bids and only one response is received, they will just go and publish that there is one response.

Spear recommended that the Board declare that there is only one vendor and then follow the guidelines for the sole source purchase process in Section 67-2808 (2) in order to ensure compliance. Warnecke said there is more risk in not declaring and made the motion for IFAD to declare there is only one vendor. Carpenter seconded. Nitschke said a standard procurement process should be taken instead of the sole source. Spear said that making a declaration is the most efficient process and if the Board elects not to support that, a regular procurement process will be adopted.

Gazdik said we want a certain type of staging, based on Hudson’s recommendation, and does not see the need to conduct a sealed bid process. Hudson said there is only one vendor who can supply what is needed. Nitschke said IFAD is a public entity and we can’t show favoritism to certain brands. Nitschke said there should be certain requirements developed that would allow multiple vendors to bid. Gazdik said it is different in this circumstance because we have a management contract with the Maverik Center that has the staging needed to be able to create a bigger stage when necessary. If IFAD does not go that route, it won’t have the ability to expand the staging efficiently. Nitschke countered that number one it needs to be decided how often additional staging is needed and two evaluate pricing. Nitschke said he has not seen the financial comparisons to justify going in this direction and recommends following standard procurement rules. Gazdik said the purpose of making the declaration is to follow the law. Warnecke asked Nitschke what the downside of supporting the declaration is. Nitschke said there should have been specifications with requirements developed and the sole source justification is inappropriate. Spear said Hudson developed these and posted them to the IFAD website for over six weeks. Hudson also sent the proposals to StageRight and Staging Concepts. Hudson reiterated that there is a 14-day window for other vendors to protest the sole source. Carpenter said it is important to rely on the expertise of Hudson to select the appropriate staging company.

Gazdik called for the motion. Gazdik, Warnecke, Carpenter and Vucovich voted in favor. Nitschke voted no. Motion passed. Fuller was directed to prepare and publish the notice of declaration required by Idaho Code Section 67-2808 (2) (b).

**Report and Updates**

1. **Discussion Item –** Update from Erik Hudson and Kevin Bruder on Mountain America Center Operations. Hudson provided the group with an update on personnel searches. The box office manager is down to two candidates. He is also vetting candidates for the financial controller position and has one more interview to conduct. The main candidate for the Director of Operations is scheduled to fly into Idaho Falls and interview on July 6. This person has extensive experience with over 20 years of experience in facility management. The candidate also really understands ice building and maintenance. Nitschke asked if the focus was on just hockey. Hudson said no, and that it is important for the Director of Operations to keep the entire building in tip top shape.

Hudson said he has over 100 events booked, and he continues to work with community partners for events and national touring acts. Hudson said he just confirmed one of the grand opening celebration acts.

Hudson said Salsbery has spent the last two weeks meeting with media partners and radio stations on sales and media buys for events and focusing on creating good working relationships. Salsbery said it has been a positive couple of weeks, a lot of meetings and also a lot of excitement about the facility.

Hudson said the MAC will have a voice in this community much greater than just live entertainment and it is important to give back. Hudson said he and Salsbery met with Champs Heart a group that offers Equestrian Therapy and will continue to explore partnerships with other non-profits because it is important to give back to the community.

Nitschke asked about the distribution of events, for instance, how many sports events versus how many community events and suggested that the discussion could be a topic for a future Board meeting. Hudson said the music industry, kind of self-police’s itself and makes sure certain music genres do not overwhelm the market. Plus it does not make business sense to flood the market with certain events. Typically, you like to have a 30-day window on either side of an event before a similar event is scheduled.

Carpenter said Idaho Falls has a huge Hispanic population and there is potential to accommodate cultural events.

Hudson then reviewed the draft brand guide for the MAC developed by Salsbery that details the various logos, logo guidelines and standards for each logo. Salsbery said she is working with IE Productions to revise the MAC website and make it more streamlined so people can find exactly what they need, including upcoming events. Hudson explained that when an event is promoted, it is important any advertising and promotion meets the requirements of the brand guide.

Hudson said he and Spear continue to work on FF&E lease purchasing and estimated approximately 70% of the FF&E items have been lease purchased. Nitschke asked why the additional chairs were acquired and wanted to know why the correct amount was not identified up front. Spear explained the initial seating for the floor was estimated at 1500. When Hudson arrived, he had Rob Pierce, a consultant used by Centennial Management, configure the maximum seating that each event can hold. This exercise revealed that 2196 floor seats could be placed for a full concert. Spear also explained that until a General Manager was on board it was important to not over procure. Nitschke expressed his concern with whoever originally estimated the 1552 number and the assurance that the increased number of seats for an event would meet life safety requirements. Hudson explained fire codes state you need five square feet per person. Hudson said the 2196 is conservative and they erred on the side of caution. Realistically you could probably place over 2500 people on the floor. But for safety reasons they backed the number down to the 2196 number. Before an event, Hudson stated they will always seek City Fire Marshall approval for floor seating capacity. Spear emphasized that Hudson understands the additional chair costs must be covered within the $4.6M FF&E budget.

Fuller reminded Hudson that the pre-opening services section of the management contract requires Centennial to “Not later than fifteen (15) days prior to the beginning of each fiscal quarter during the twelve (12) month period preceding the anticipated Arena Opening Date, Manager shall submit to IFAD its budget (the "Pre-Opening Quarterly Budget") for Pre-Opening Expenses for the coming fiscal quarter, which shall be generally consistent with the Pre-Opening Budget. Each Pre­Opening Quarterly Budget shall contain a summary of projected Pre-Opening Expenses for each month.” Fuller also said the pre-opening contract states, “Within twenty (20) days after the end of each quarter during the Pre- Opening Phase, Manager shall submit to IFAD a statement (the "Pre-Opening Quarterly Statement") showing the Pre-Opening Expenses for such quarter.” Fuller said the due date is July 22, 2022. Hudson said he would review and provide this information.

Nitschke asked about the meeting with GIFT (Greater Idaho Falls Transit) and what partnership opportunities were discussed. Hudson explained GIFT is in their early stages of development and the MAC will promote GIFT, but GIFT needs to increase its van capacity.

1. **Discussion Item** - Executive Director Report
	1. Fundraising/Cash Flow Update – Spear updated the Board on the process for individual seat sales and explained the big push will come in August when Centennial starts announcing events. Spear said he has developed a one-page sheet that explains some of the other details that people wanted to know. These details include the location of the plaque, the number of characters, the right of first refusal to purchase tickets for all future events before ticket sales are offered to the general public and there will be a $250 transfer fee if family members want to transfer the seats.

Spear said he is visiting with Kevin Greene to find out the best way to approach hockey season ticket holders who have not purchased a seat plaque. Gazdik said that this creates additional inventory and if a person only purchases hockey tickets, they don’t have right of first refusal to other events. Greene said they have a complete list of all hockey season tickets holders and expected that once they are contacted there will be the opportunity to sell a lot of seat plaques. Gazdik said an inventory list must be placed online. Hudson said once they go live with their ticketing platform, the ability to display a seat map is possible.

Gazdik said there is not enough information on the website that provides people with all the information. Spear said he will work with Hammond to add additional information. Gazdik said the right of first refusal to other events is a huge incentive and suggested people receive a certificate acknowledging the seat purchase.

Spear informed the Board the contract with Bonham Wills was terminated, and BW agreed to not charge IFAD the June retainer.

* 1. State Tax Commission Reports – No report
	2. Construction Update/Change Orders – Spear briefed the Board on some of the supply chain issues with the Audio-Visual system. Despite the supply chain issues, Poll Sound will offer temporary solutions. Spear said he met with Clements on the final costs of the project, allowance numbers and overall contingency dollar needs and is confident the contingency being held by IFAD is sufficient. Spear updated the Board and said he and Hudson have decided to create additional office spaces in the large open office area. Spear said the cost to do this should not be significant as there will be a credit for not having the workstations and tables in that open office area.

Nitschke asked why the number of staff and space needs weren’t identified earlier. Spear said at the time of the initial design the number of Centennial staff/office requirements was not known. Spear reminded the Board that there have been other areas, video board, AV system, IPTV where changes were made from the original design.

Nitschke asked about Alex Ortiz leaving Nations Group and who is going to succeed him. Nitschke wanted to know if IFAD would continue getting the same value from the owner’s representative contract. Spear said Brian Laske and Jon Rawlins will provide owner’s representative services.

* 1. Action Items
		1. Continue with FF&E procurement
		2. Update IFAD website on donations
1. **Discussion Item** - Legal Report
2. **Tour –** Board members will tour the Mountain America Center

 C**alendar and Announcements**

1. Upcoming IFAD Meeting – **Next Meeting on July 12, 2022**
2. **Discussion Item** - Announcements and Minor Questions
3. **Discussion Item** - Agenda Items for July 12, 2022, meeting
	1. Discussion of types of events to be held at the MAC
	2. 2021 Audit report from Scott Bond

Meeting adjourned after building site tour at 10:10 AM