

**Board of Directors Business Meeting**

**Tuesday, August 23, 2022, 7:00 a.m.**

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

[**https://us06web.zoom.us/j/83728956112**](https://us06web.zoom.us/j/83728956112)

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

**Participants:** Terri Gazdik, Rob Spear, Bob Nitschke, Mike Carpenter (via Zoom), Steve Vucovich (via Zoom), Kevin Bruder (via Zoom), Mike Clements (via Zoom), Ron Warnecke (via Zoom), Erik Hudson, Angie Freer, Jennifer Bjornlie, Mark Fuller, Ken Wheadon (via Zoom), Bryan Laske, Rebecca Casper (via Zoom), Blake Davis (via Zoom), Kevin Greene (via Zoom), Chris Hall (via Zoom) Chad Hammond (via Zoom).

**Agenda**

1. **Action Item** - Call to Order 7:00 AM
2. **Action Item** – Accept Agenda – Carpenter moved to accept the agenda. Nitschke seconded. Motion passed.
3. **Action Item** - Accept the Consent Agenda
	1. Meeting Minutes – 8-9-22
	2. Review of Payables/Financials. A payables list of $73,032.70 was reviewed. Nitschke asked about the payment to I.E. Productions. Spear said it is for work performed for the Mountain America website and is part of the pre-opening services budget. Nitschke pointed out that the IFAD website needed to be updated and specifically referenced some missing meeting minutes and agenda items. Spear said he would review and get corrections made. Nitschke moved to accept the consent agenda. Vucovich 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 public comments. Board member Nitschke wanted to make Board members aware of Chair Gazdik’s second place award in a recent east Idaho photography contest.
5. **Discussion Item –**Receive a construction schedule update from Mike Clements of Bateman Hall and Ken Wheadon of CRSA. Clements briefed the board and said he would be brief as the Board is touring after the meeting. Clements stated work continues on the southside sidewalks and mentioned the southside parking lot is almost entirely paved. The strips around the south and north sides of the building will be the last areas paved (completion middle of September). The mason should finish with the entryways this week with the storefronts. Completion this week is a point of emphasis. The aluminum panels will be installed on the outside entryways in September. Ice Builders continues to install all the ice building infrastructure with a completion in September. Floor tile continues to be installed with mondo flooring in the locker rooms this week. The banquet room is almost completely carpeted. The entire back of house area has most of the ceiling tiles dropped and in place. ASI has almost completed all the framing on the first floor and have begun mudding and taping. The office areas will be completed by the middle of September. The telescopic seating installations and the insulation for the bowl area are to begin this week.

Clements said the caulker has completed work on all the precast and that the precast repair section should begin this week.

Clements said the biggest area of concern is with the elevators because of some missing pieces and parts. The hope is to start the elevator installs in mid-September. Without elevators the facility cannot open.

Wheadon said things are going well for CRSA and that he would be sending some information to Spear on the donor wall.

1. **Discussion Item –** Hero Arena at Mountain America Center and Blue Cross of Idaho Conference Center Rate Card. Hudson said after four months of operations, he made some adjustment to the rate card based on taking this to market. Hudson explained that he increased the rental amounts for renting Hero Arena (raised to $9,450 from $9,000) which was due to the increased labor costs for conversions. The Blue Cross of Idaho Conference Room increased from $3,000 to $3,150 but the breakout room rate was lowered. The 1/3 rate was reduced to $1,050 from $1,250, and the 1/6 rate was reduced to $525 from $700.

Gazdik asked about the fixed costs and that normally the cost for ½ a space would be more than half of the full cost because of the fixed costs. Hudson explained that this was the case with the original rate card for the Blue Cross of Idaho Conference space. Further evaluation indicated that some customers were pushing back on the $2,000 cost for renting 1/3 of the conference space.

Carpenter asked if the front bar area and office conference area could be revenue generators. Hudson said because the bar area falls under the food and beverage contract, they would be the entity that would rent out that space.

Fuller asked about the statement “A flat cleaning/conversion fee of $1,800 will be added to all ARENA facility agreements”. Hudson said that only applies to converting from ice to concerts and the necessary cleaning.

Nitschke asked if someone could just reserve the bar area. Hudson said he is hesitant to do that since there is space for that in the conference area. Nitschke asked how the rate card fees tie to the pro forma and if the rate card fees are adequate to help generate a positive cash flow for the facility based on the variety of scheduled events. Hudson said the target is too breakeven but is confident of operating in the black. Gazdik asked if the rates support the pro forma. Hudson said the rack rates line up with the pro forma for Hero Arena but the proforma really did not account for the Blue Cross of Idaho Conference Center.

Fuller asked about the increase in the hourly rate to $250 for ice time and how that would impact private/public usage. Hudson explained that for community groups (youth hockey teams, etc.) the rate would remain at $215 but for any “one offs” the rate would be $250 per hour. Hudson said community users would rent ice time at a higher volume.

Although the entire Mountain America Center campus is yet to be rented, Hudson said the rate increased from $11,000 to $12,600. Hudson there were no other changes to the rate card.

Fuller asked about the lowered parking fee. Hudson said it was lowered $1 because the $3 fee was just too steep, and the new number aligns better with the pro forma. Vucovich asked if the parking lot rental fee included cleanup costs. Hudson said the parking lot would be setup with garbage cans to help reduce litter and that there would be small labor charges ($22 per hour) assessed based on the rate card. Vucovich asked about hours of operation and if a midnight skate could be accommodated. Hudson said they will be a 7 AM to 11:59 PM facility but he has had requests for post prom activities, but the rates would not change for these types of activities. Spear asked if the parking lots could be rented separately. Hudson said that has not been discussed but could see a circumstance where some entity would only want one parking lot and the rate would be adjusted accordingly.

Nitschke asked about the bike rack rate? Hudson said that is a term used to describe barricades that are used for security. Nitschke asked about the Spudkings rate of $4,000 per game which is $5,450 less than the rate card which means the event center is subsidizing the Spudkings operation by over $130,000 over an entire year. Greene commented that the Spudkings also pay $1 for every ticket sold and this could result in another $4,000 dollars. Greene said at this point he really doubts whether the Board wants to start renegotiating contracts. Gazdik said this was only an inquiry as to whether this makes market sense compared to the rate card. Nitschke said this is a topic that the Board should consider discussing because if the center is expecting to breakeven, allowing an entity to rent the facility less than the rate card doesn’t seem right. Gazdik said assuming the total payment will be in the $7K-$8K range and hockey is a consistent tenant it is reasonable to have the rent less than the rate card. Nitschke responded the topic warrants further discussion. Bruder said having an anchor tenant was extremely important for the start of operations and that Centennial Management will have discussions with other potential sport tenants. Overall Bruder said this is a fair rental charge for hockey given the other ancillary revenues that hockey will generate. Bruder said the rate card will continue to evolve and negotiations will take place with other events that will evaluate the amount of ancillary revenues that can be generated. Bruder said in the future they may consider adopting some variable pricing (e.g. summer activities) similar to other industries but pointed out the first quarter of the event center is booked every weekend.

**Report and Updates**

1. **Discussion Item –** Update from Erik Hudson and Kevin Bruder on Hero Arena at the Mountain America Center operations and pre-opening activity. Hudson reported on the current calendar of events and said in December the only weekend that is not booked is Christmas weekend. There are three Christmas parties booked; two utilize the entire arena floor and one uses the entire conference space. There will be three other live events on top of the Christmas parties and hockey games. Moving into January there is not one weekend open. Hudson said in February he has booked a sporting event which completes the booking for all weekends in February. Hudson said a youth state hockey tournament will be held the last weekend in February that will bring in a number of teams from across the state. Hudson said rounding out Q1 will be a rock band show and several outdoor expos.

Hudson said he is $130K ahead in the pre-opening budget but cautioned some of that is a timing issue.

Hudson said at the end of September (date TBD) they will schedule a grand opening announcement event schedule and also said in September there will be three separate events announced and placed on sale. Hudson also said there will be one community partnership and one national partnership announced soon. Sales for Mannheim Steamroller ticket sales have been strong and only single seat tickets are available. Hudson said there is the possibility of adding another show.

Hudson said the seat plaque rollout is going well with Salsbery and Cody Haggerton doing an effective job. Hudson said they are working through one technical issue with the ticketing platform on the Chase Bank payment tech portal. Hudson said Ticketmaster is working on this and once this is resolved, the box office will be able to process payments.

Hudson said Andy Birch has been hired as the Events Services Manager and will begin at the end of September. This will complete the core administrative team for Centennial Management. Hudson stated that his team will be involved in the Dash for Down Syndrome event on August 27, 2022.

Nitschke said Mannheim has played at the Civic Auditorium before and asked if the Arts Council was made aware of the Mannheim event and if there were any concerns. Hudson said he and his team have coordinated with the Arts Council and the Symphony and he will attempt to not schedule on top of their events. Hudson said there will be times when an event is better suited for the Civic Auditorium.

Spear asked Greene to update the Board on the hockey team. Greene said he met with Hudson on 8-22-22 to discuss hockey operations and said they would be introducing the new assistant coach, Justin Biel today 8-23-22. Greene said Biel and head coach Josh Hoff are traveling to Salt Lake for a tryout camp this weekend. Currently there are 15 individuals signed up plus the 15 contracted players. The next scheduled announcement will be the jersey reveal on September 15, 2022. Jerseys for sale will arrive on September 8th. Greene said they have sold season tickets for 186 club level seats and 1,680 lower bowl seats. The plan is to cap season tickets at 2,000.

Nitschke said he viewed the Spudkings website and commented that it was in a world of hurt and some simple things are missing, links don’t work, and players are not listed. Nitschke asked when it will be updated. Greene said the success of his business model is the relationships they have formed in the community over the last 30 years and not how functional the website is. Greene asked Chris Hall and Chad Hammond to comment. Hall said yesterday in the meeting with the coaching staff the website was identified as a huge priority and he sent six pages of content and edits to I.E. Productions.

Spear asked if the Spudkings were going to take video of the building and include that on the website to help in recruiting. Hall said they would and also would utilize the footage for the social media platform.

Gazdik asked if there we any issues with recruiting right now. Hudson said the head coach is contacting many players and this is a critical week. Hudson said Salsbery has prepared marketing materials for the coach and that he expressed his concern that the website was not complete enough to direct prospective players to. Hudson said this is a critical week as higher-level teams are releasing players, and this is an opportunity to get some of these players. Nitschke said from day one, people were saying how important the anchor tenant is and the Spudkings are the anchor tenant, and we want a good performance. Nitschke asked about the roster size and Hudson responded the roster was 25-30. Hudson said Hero Arena at the Mountain America Center, in his opinion, is the best facility in the country for this level of hockey, even if you move up several levels. Spear asked about how that message is going to get communicated out. Hudson said the website needs to be done to aid in recruiting which is the key to having a winning team. Hudson said he communicated this several times to the hockey team. Greene said the first year will have challenges because they will play on road for almost the first half of the season and is hoping to have a .500 record or better once the team returns home.

Carpenter said he is hoping there is a deadline for the completion of the Spudkings website just like there was for the Mountain America site and IFAD site. Greene said he understood that I.E. Productions has been busy with the State Fair but were committed to getting this website complete. Hammond said I.E. Productions is just waiting on content and has two people ready to dedicate time to the website. Spear asked if Spudkings would consider hiring someone to work on the website and update it. Greene said the plan is to get the framework of the website completed and then the Spudkings staff would update. Spear asked if someone is identified to make those updates. Greene said they have interns and Chris Hall but realize they have to hire more staff. Hall said he would visit with I.E. Productions to learn how to update content as soon as the website is finalized. This will be important as the team plays the first half of the season on the road.

Spear said that it is important to keep content updated and referenced the Chukars website not being consistently updated. Spear said everyone needs to be pulling the rope in the same direction moving forward because IFAD, Centennial Management and the Spudkings are all dependent on one another. Greene said that is the intent of the Spudkings.

1. **Discussion Item** - Executive Director Report
	1. Fundraising/Cash Flow Update – Spear briefed the Board on how seat plaque holders would be recognized with a certificate. The certificate also gives us an opportunity to verify the names and spelling. Spear also provided two samples of seat plaque engraving. Nitschke stated the seat plaque deal has the opportunity to really give patrons a chance to feel ownership and thinks this could be one of the better decisions the Board made. Spear also provided a paver sample and mentioned that only 25 have been sold and a marketing campaign is forthcoming. Gazdik said a marketing piece should emphasize that the bricks cost $250 if purchased by a certain date and would increase after that. However, it was important to continue offering people the opportunity to purchase bricks. Nitschke asked about where the bricks would be located. Spear showed the site plan and indicated the placement would be between the two plantar boxes located in the front of the building.
	2. State Tax Commission Reports – No update
	3. Construction Update/Change Orders – Covered under Agenda V.
	4. Action Items

None identified

1. **Discussion Item** - Legal Report – Fuller did not have anything to report on
2. Tour the Mountain America Center – The Board toured the facility.

 **Calendar and Announcements**

1. Upcoming IFAD Meeting – **Next Meeting on September 13, 2022**
2. **Discussion Item** - Announcements and Minor Questions
3. **Discussion Item** - Agenda Items for September 13, 2022, meeting

Meeting adjourned from the Mountain America Center at 10:00 AM