

**Board of Directors Business Meeting**

**Tuesday, September 27, 2022, 7:00 a.m.**

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

[**https://us06web.zoom.us/j/87311836573**](https://us06web.zoom.us/j/87311836573)

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

**Participants:** Rob Spear, Bob Nitschke, Steve Vucovich, Ron Warnecke (Zoom), Andy Birch, Kevin Bruder (via Zoom), Mike Clements (via Zoom), Erik Hudson, Mark Fuller, Christian Ashcraft (via Zoom), Bryan Laske, Rebecca Casper (via Zoom), Blake Davis, Kevin Greene, Paul Henderson, Chad Hammond (via Zoom).

**Agenda**

1. **Action Item** - Call to Order 7:00 AM
2. **Action Item** – Accept Agenda. Nitschke moved to accept the agenda. Vucovich seconded. Motion passed.
3. **Action Item** - Accept the Consent Agenda
	1. Meeting Minutes – 9-23-22. There were no comments on the minutes presented.
	2. Review of Payables/Financials. A payables list of $6,237.40 was presented. Nitschke asked about the number of payables (4) to Idaho Falls Utilities. Spear explained these were for the office and the event center. Spear also explained the $2800 payable to Centennial Management and indicated this was for 56% of 1/2 the annual loge box rental from Sun Rock. The other 44%, $2,200, was included in the 9-13-22 payable list to East Idaho Hockey. 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.
5. **Discussion Item –**Receive a construction schedule update from Mike Clements of Bateman Hall and Ken Wheadon of CRSA. Wheadon did not participate in the meeting. Clements briefed the Board starting with the exterior of the building:
	* + East parking lot is being striped.
		+ Landscaping happening on south parking lot.
		+ Keller concrete has completed bollards and sidewalks on the northside and are now getting ready to pour sidewalks and bollards on the eastside.
		+ Paving will start next week on the southside (complete strip) and then on back of house area. The north lot will be paved the following week.
		+ Canopies all framed except for the northside. All panels for entries have been ordered.
		+ Work on getting a consistent color on the tilt panels continues and there could be a paint option. Clements said paint would be under warranty for 10 years and probably would last about 15 years. Spear said he would be concerned about this becoming a significant maintenance expense in the future. Clements said he will have options to present to the Board at a later date.

Inside the building:

* Concessions are the biggest concern. There are 9 tile installers onsite and Clements indicated they are looking for more. It is important to complete the concession flooring in order for other subcontractors to complete their work.
* Some glass delivery dates have extended into late October and November which will require temporary installation of glass in order to complete mechanical system testing and heat the building.
* Clements said to expect some rocky spots prior to turnover.
* South corridor drywall is continuing.
* Fixed and telescopic seat installation is continuing.

Vucovich asked about the status of the exterior accent lighting of the building and the channeling involved in the installation. Spear displayed a picture and said that the installation will occur when the exterior canopies are completed. Clements also pointed out the feature lights that will be installed on the exterior of the building.

Greene asked about the status of the marquee sign. Spear said he is still awaiting a development agreement from Ball Ventures. Clements indicated this was not part of Bateman Hall’s scope. Greene also asked if the marquee sign would be operational by the opening date. Spear said it would not be.

1. **Action Item –** Approve fourth amendment of the Centennial Management contract that amends the contact to incorporate ICRMP language into the agreement. Spear introduced the topic to the Board and stated the issue arose during a conversation with Spencer Monk of the Hartwell Corporation about property insurance. During that conversation Spear learned ICRMP was concerned with the Subrogation and Indemnification language contained in the management agreement between IFAD and Centennial Management. Fuller said he had conversations with Carl Erickson of the ICRMP office in order to completely understand ICRMP’s concerns. Fuller then reviewed the two sections where ICRMP expressed concern. The first was to eliminate the subrogation language because IFAD cannot, by State Constitution, take responsibility for anyone else’s liability. This means IFAD will take responsibility for IFAD’s mistakes and Centennial Management will take responsibility for its mistakes. The other issue was with the indemnification clause. Fuller explained that the changes now reference the Idaho Constitution and Idaho Tort Claims Act. The following wording was added to the first sentence, “Subject to the limitations of Idaho law, including Article VIII § 4 of the Idaho Constitution and the Idaho Tort Claims Act (Title 6 Chapter 9, Idaho Code).” Fuller said the other change to the indemnification clause was to add the following language, “the sole negligence or wrongful conduct of IFAD and/or its officers, officials.” Fuller said these modifications, one to simplify and one to clarify, were reviewed and approved by Centennial’s attorney, Richard Catten and the amendment will be signed by Kevin Bruder. Nitschke moved to approve the amendment. Warnecke seconded. Motion approved.

1. **Discussion Item -** Receive a Preopening budget report update and a Preopening Fourth Quarter budget report from Erik Hudson. Hudson presented a Q2 look back and a Q4 look ahead. Focusing on July, August and September, Hudson indicated that Centennial is well under budget in the staffing area. There are some costs that have not been included yet like the insurance costs. Hudson said they stopped posting job announcements because of the number of applications received through social media channels. Hudson said through September the actual expenses totaled $192,268 which is $165,295 under budget. Trending into the last two months, the payroll expenses will include numbers that reflect the payroll expenses that will be posted in December. Hudson said it would be December before the payroll numbers are “trued up” and the actual payroll is one month behind. Hudson said the October G&A expenses are inflated to $25K because those include the purchase of barricades, nine magnetometers and ten handheld wands from the Maverik Center. The Maverik Center acquired these from an LDS Church group. Spear reminded the Board that $540K was allocated for preopening services and because Hudson has done a good job of controlling preopening expenses, it seems appropriate to allow him use excess preopening service funds to purchase some of these additional FF&E items and not have them become an FF&E obligation for IFAD.

Fuller asked if the magnetometers were used. Hudson said they were very gently used by an LDS church in Salt Lake and are the same models used at the Maverik Center. Hudson introduced Andy Birch as the new Director of Events Services. Birch said he is from Eastern Idaho and has over two decades of experience working in events management. Recently Birch was the events manager and director of security for the Ford Center in Nampa, Idaho. Birch said the metal detectors are vital to the customer experience. One person is able to wand about 200 people per hour and this would require a number of additional personnel to minimize wait time, while a metal detector can screen 800-1000 people per hour.

Hudson said the advertising expense is larger than budgeted because the grand opening expense is now estimated at $11,500. Hudson said costs for the job fair, training materials and training are also inflated. Despite not having a job fair, Hudson said they have received over 50 applications for part-time operation positions and 75-100 for front of house positions although they have only advertised through Facebook.

The corporate travel number for October ($2500) is for Hudson’s travel to attend a Venues Now Conference in Austin Texas. In November, the corporate travel ($1000) is for Maverik Center staff to travel and support the grand opening. The amount for uniforms is $8500 and is for staff shirts.

Website hosting ($6000) is for the transition from I.E. Productions to the Mountain America Center.

Overall, Hudson said they are over $114,000 under budget and are banking that to cover any surprises.

Spear asked about the $18K annual expense for Venue Coalition that he understood was forthcoming but did not see in the budget. Hudson said Venue Coalition is a networking group of over 150 event centers that are not associated with the big management groups (e.g. ASM Global). Hudson said they partner and discuss booking of events, tours, marketing, security, etc.. Hudson participates in a call every Thursday and Salsbery once a month. Hudson said this network was instrumental in booking three events for 2023. Hudson said he is still awaiting information from Venues Coalition before he includes it in either the preopening budget or in the operating budget.

**Report and Updates**

1. **Discussion Item –** Update from Erik Hudson and Kevin Bruder on Hero Arena at the Mountain America Center operations and preopening activity. Hudson mentioned the press conference was a success and credited Salsbery for orchestrating the event. Hudson said the focus has been on completing his staff and then planning for two upcoming career fairs. Hudson indicated he has added 13 new events to the calendar. In the next five weeks, five more shows will go on sale. Lindsey Stirling is trending toward a sellout and the Mannheim Steamroller matinee is approaching 2,000 tickets sold. He is also working on scoreboard templates for sporting events and with the Spudkings on in-game promotions. Booking of the conference center continues at a solid pace.
2. Discussion Item – Update from Kevin Greene on Spudkings Hockey. Greene briefed the Board on the following areas:
	* The Spudkings will hire a production team to support the game day production efforts. Greene said they are partnering with the Shelley school district which offers a production class. The class supervisor is a hockey fan and has 13 students signed up and ready to work game day productions.
	* Makenzie Cooper has been hired as the controller for the hockey team.
	* Emily Sellers has been hired as the Director of Finance for Diamond Concessions
	* Website has been turned over to the Spudkings
	* New merchandise has arrived.
	* The hockey team added five new players and said the team did not fare very well in its opening games. The new players are older (18,19,20) and will bring much needed maturity to the team. Initially the Spudkings only rostered 19 players and will get to the target of 24 to 25 players. Greene said the league allows teams to roster up to 30 players until October and then the roster size drops to 28.
	* Marty Quarters has been hired as the Director of Hockey Operations with the primary goal of recruiting players. Quarters is an experienced former Junior A hockey coach with 30 years of experience and is based in Bozeman. Greene and Hudson said it is important to start building now for the transition into the NCDC league in 2023.
	* A scouting staff is also being formed to assist in the identification of U.S. and international players.

 Nitschke asked how new players can be added now when the roster size appears to be at the maximum. Greene said it may be necessary to release players to accommodate better talent. Nitschke asked if Greene wanted to adjust his projection of having an 50/50-win loss record when the team finally plays at home. Greene said his goal is to have the team playing competitive hockey when the team returns home.

Nitschke wanted more explanation on the involvement of the high school kids in hockey game productions and whether they were capable of providing a professional error free production. Nitschke added that IFAD has expended a lot of money on experienced and qualified consultants and now the venue is relying on high school kids. Greene said the high school group has an experienced person overseeing the production and it is a formal class. Greene said this group was recommended by a local supervising principal for vocational programs. Greene said in his opinion, high school students are more tech savvy than we will ever be. Nitschke said depending on high school kids for hockey games seems risky. Greene emphasized that there is supervision.

Nitschke referenced the Spudkings website and commented that a visitor to the site wouldn’t even know the season has started because there are no articles or mention of games that have occurred or the results. Greene said the website was turned over to them last week and Chris Hall would be responsible for updating the content with the website having his complete focus. Hall is also overseeing all of the merchandising for the Spudkings.

Vucovich asked if the website has the capability for displaying video highlights. Greene said it does but those may not appear until home games start. Nitschke again emphasized the importance of communicating results and updates to the community and said he will continue to ask until that information is available on the website. Greene said that hockey games are streamed on Hockey.TV. Vucovich asked about the number of cameras. Greene said production varies by team and expects the Spudkings to have a quality production. Spear said Daktronics is installing three cameras. Hudson said two cameras are mobile and one is fixed.

1. **Discussion Item** - Executive Director Report
	* Fundraising/Cash Flow Update – Spear did not have an update and said the Board will need to approve the 2022 & 2023 budgets and approve the intent to renew for both the construction and FF&E per the annual appropriation lease agreement at the next Board meeting.
	* State Tax Commission Reports – No update
	* Construction Update/Change Orders – Spear cautioned the Board that a significant change order is forthcoming if the Board wants to paint all the grey tilt-up panels. Spear said he has contacted Season’s West about the cost for installing bricks and said the cost for the bricks will be about $900 and the cost for engraving is $40 to $50 per brick. Spear said he wants to work with the Chamber of Commerce getting this information out.

Fuller asked if the catering menu was going to be discussed. Spear said this is not something the Board needs to approve, and the distribution of the catering menu was an informational item only. Hudson briefly explained the catering menu (breakfast, lunch, dinner, and a la carte) and credited Rob Martin and Terri Jones with putting the menu together. Hudson stated the menu is diverse and there will be an opportunity for customers to customize a menu. Hudson said that Freer will set up a conference and turn over the menu choices to the Executive Chef.

* + Action Items
		- 1. Continuing selling seat plaques
			2. Initiate brick selling campaign.

1. **Discussion Item** - Legal Report. Fuller said there is another insurance issue the Board may need to review and explained the current management agreement requires the operator to have liability insurance for the arena and convention space, and those were expected to be covered by the same policy. With the diversity of the events, it may be wise and cost effective to break the insurance into two different policies. The risks involved with the arena are much different than the risks associated with the conference center. Hudson said event holders are required to provide a certificate of accord listing IFAD and Centennial Management as insurers. The coverage limits required and stated in the event contracts are $5M, $5M and $1M ($5M for injuries, including death, sustained by one person, $5M for injuries, including death, sustained by two or more persons from a single occurrence, $1M for property damage). Those are difficult for some events to afford. A monster truck show is much different than a fly-tying conference.

Vucovich asked if the hockey team has insurance. Greene said the hockey team maintains its own liability insurance. Spear said Catten was asking if it was possible for Centennial to be part of the ICRMP policy. Spear did not think this is possible. Fuller agreed and cited the reasons that Amendment 4 was just approved by the Board. Bruder commented that Centennial is concerned some user groups will be priced out if the insurance limits are maintained. Bruder said general liability costs have skyrocketed in recent years. Bruder said they will continue to investigate insurance costs.

1. **Tour of Hero Arena at Mountain America Center.** Nitschke, Vucovich, and Fuller toured the event center. Christian Ashcraft, City of Idaho Falls Economic Development Director, also participated in the tour.

 **Calendar and Announcements**

1. Upcoming IFAD Meeting – **Next Meeting on October 11, 2022**
2. **Discussion Item** - Announcements and Minor Questions. Nitschke asked for a current Centennial Management employee list.
3. **Discussion Item** - Agenda Items for October 11, 2022, meeting
	1. Approval of 2022 and 2023 operating budgets.
	2. Resolution for Intent to Renew.

Meeting adjourned at 8:20 AM to the construction site.