

**Board of Directors Business Meeting**

**Tuesday, November 8, 2022, 7:00 a.m.**

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

[**https://us06web.zoom.us/j/87845586114**](https://us06web.zoom.us/j/87845586114)

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

**Participants:** Rob Spear, Bob Nitschke, Steve Vucovich, Mike Carpenter (via Zoom), Angie Freer, Jennifer Bjornlie, Brennan Mihalick, Kevin Bruder, Mike Clements (via Zoom), Ken Wheadon (via Zoom), Erik Hudson, Mark Fuller, Rebecca Casper (via Zoom), Chris Hall, Paul Henderson, Christian Ashcraft.

**Agenda**

1. **Action Item** - Call to Order 7:00 AM
2. **Action Item** – Accept Agenda – Spear recommended the tour of the event center be removed from the agenda. Nitschke moved to accept the agenda as modified. Carpenter seconded. Motion passed.
3. **Action Item** - Accept the Consent Agenda
	1. Meeting Minutes – 10-25-22
	2. Review of Payables/Financials. A payables list of $52,999.71 was reviewed and approved. Spear said the reimbursements to him were for VIP parking signs and poles and for tools to install seat plaques. Spear said the tools would be turned over to the center as part of FF&E. Spear highlighted the September financials and pointed out the September TRT revenues were $326,686 which were 4% higher than September 2021. This was positive news and was higher than the $290K budget adjustment. Spear also stated the budget to actual numbers should be updated based on the adopted budget. Spear would contact Wipfli to make the budget adjustments.
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 update from Mike Clements of Bateman Hall and Ken Wheadon of CRSA. Clements briefed the Board:
	* 1. Clements said it is a tight schedule up to the 11-21-22 turnover date. For sure several construction activities will spill over into the following week.
		2. The biggest issue is getting the elevators completed and inspected. There needs to be a checklist of 50 items completed before the inspector will schedule a visit. The primary item is having the fire alarm system operational. In order for the fire alarm system to be installed, the ceiling grid must be installed. Worst case scenario is elevators will not be available until the week of the 28th. Most likely we will need to pay for an operator for each elevator when the facility opens.
		3. Quads 3 & 4 – there is a big push to get them taped, textured, and painted.
		4. Clements said they have started communications with the City on getting a Temporary Certificate of Occupancy (TCO). Clements said the City has a totally new group in place and he is unsure of how inspections will go. Plus there is a lot of backlog.
		5. Windows are scheduled to be shipped on 11-10-22 and hopefully installed over the weekend.
		6. Carpet is being installed on suite level.
		7. Rails are being installed in the mezzanine area.
		8. Clements said there are a number of subcontractors that must be sequenced and coordinated for the first level concourse work.
		9. Fuller asked about the political dynamics with the inspection process and suggested that the Mayor comment since she was on the call. The Mayor did not provide comment. Fuller asked if any calls from the Mayor could influence the completion of the inspection process. Clements explained that the rules for inspections are “hard and fast” when it comes to a TCO. The Mayor/Council could be in position to assist but cautioned, the City Fire Marshall could elect to prohibit having any consumables or combustibles in the building until all the life safety systems are in place.
		10. Spear asked about the “Fire Watch” concept and asked Hudson to comment. Hudson said in his last 2 arena projects they have used Fire Watch to be able to open the facilities to the public. Hudson said you hire individuals to patrol the facility and look for fires in place of having all the life safety systems completed. Hudson said he has visited with the City of Idaho Fire Marshall about using a Fire Watch plan and he was open to discussing further. Clements said this would be a backup plan right now. Nitschke asked if he understood correctly that the elevators could be operated without being inspected as long as an operator was provided. Clements said this answer would need to come from the elevator people and this was a significant expense ($1K per day). Carpenter said all alternative options and backup plans should be considered. Clements said everything is on the table.
		11. Clements said the one thing that will not be completed is the punch list. Those items will not be completed until after Christmas. Clements said Thanksgiving is a 2 1/2-day work week and that is impacting the completion of concession stands 4 & 5. The availability of concession stands 4 & 5 will depend on how fast the equipment can be installed.
		12. Carpenter asked if additional dollars can be expended to get crews to work over Thanksgiving. Clements said that is possible and they are already paid crews to work over the previous two weekends.
		13. Clements said the work is being coordinated daily but the list is shrinking. Nitschke asked why Thanksgiving week is a concern when the turnover date is 11-21-22. Clements said they will not be ready to turn over the facility on 11-21-22. Clements said if there were not events scheduled on 11-28-22 and 11-30-22, he would be requesting two extra weeks.
		14. Clements said the goal for the 11-21-22 turnover date is to get a TCO in order for the operator to occupy the building. Clements said completion of the elevators will go into the next week and could go into the week of the 28th.
		15. Wheadon said the A&E team has been requested to come out the week of the 11-14-22 to begin generating punch list items. Nitschke asked about resolution on the 400 amp direct power. Wheadon said this has been sent into Bateman Hall and they are looking at just reconfiguring the box. (Since the meeting, this cost came back at $13,496, that the Executive Director approved.)

1. **Action Item –** Approve 2023 Centennial Management operations budget for Hero Arena at the Mountain America Center and Blue Cross of Idaho Conference Center. Spear introduced the topic and stated the handouts from the 10-25-22 meeting remained the same because he did not receive any new input from the Board. Hudson then briefed the Board on the 2023 operating budget. Hudson said he did not have any additional information to provide the Board on the budget. Vucovich asked for an explanation on why payroll costs are higher. Hudson explained that the payroll costs increased because the current budget reflects three additional positions (marketing manager, administrative assistant, and a part-time financial clerk). The filling of these positions will be dependent upon adequate revenues.

Nitschke moved to accept 2023 Centennial Management operations budget. Vucovich seconded. Motion passed.

**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.
2. Hudson said the recent focus is on employee recruitment and training and stated that over 500 people have applied for positions, not including food and beverage positions. Onboarding will take place the week of 11-21-22. Hudson expected to have about 200 part-time employees in the database.
3. Grand opening concert will be announced at 10 am on 11-8-22.
4. FF&E procurement is about finished with only $6K of tools and equipment left to procure. This will leave a surplus of about $11K. The Zamboni is due to arrive this week or early next week. Fuller asked about a backup Zamboni. Bruder said the Maverik Center has a third Zamboni that can serve as the backup until a second Zamboni is acquired.
5. Hudson said they are going to have one event announcement per week until Christmas. The events include a classic rock performance and a dirt bike event. Hudson reminded the Board that any event announcement communicated through the Executive Director report must be kept confidential. If word gets out this could jeopardize the event because the artists want to announce as a brand and the promoter may be hesitant to do business with the center again. Fuller added the Board must know of future events but also must keep them confidential. Fuller asked how soon seat plaques holders will be notified about the opening concert. Hudson said that would happen in conjunction with the 11-8-22 announcement. Spear asked if Haggerton is sending out second notices. Hudson believed he was. Vucovich claimed he has not received any notices.
6. Hudson said Mihalick will be gathering all the equipment manuals and then will determine what maintenance contracts are needed. Vucovich asked about the extra dumpster. Hudson said this is a temporary solution until the trash compactor is delivered in 8-10 weeks.
7. Fuller asked if dignitaries are being invited to the grand opening event. Hudson said the Mayor will be presenting something during the event and that some of the key naming right partners will also have a role. The ribbon cutting will take place at 11 AM on 11-28-22 and will be followed by self-guided tours from noon to 7 PM. VIP’s will have access at noon and the general public will have access at 1 PM. Concessions will be open for people to purchase food.
8. Nitschke asked for an explanation of the $1M in ticket sales and what does that mean. For example, was $1.2M spent to sell $1M? Hudson said he performs a break-even analysis for every event and that all events are doing very well. The $1M tickets sold is a milestone. Nitschke asked for a projection of total tickets sold. Hudson said they have already sold 22,000 tickets and the projection for the year was 50,000. Hudson said he expects 75,000 concert tickets to be sold. Bruder said shows are realizing a 5-7% no-show per event. Bruder said they have not seen any sign of a recession and people seem to be done purchasing goods but want the entertainment experience and suggested that is why there is a spike in ticket sales. Nitschke spoke to an article he shared with Spear about the increase in Airbnb rentals and that inflation does not appear to have slowed people’s travel. Bruder said entertainment sales appear to be strong through 2023 and both Utah and Idaho are bucking national averages.
9. Bruder commended Hudson and his team and emphasized how much work needs to be done over the next few weeks. Bruder said Centennial Management is positioned to help. Bruder is pleased with the current shows that have been announced. Bruder said the conference space is the hidden gem of the complex.
10. Nitschke asked about the recent price reduction for Peppa Pig and if people who purchased earlier at a higher price would get a refund. Hudson said these promotions around the holidays are common and that no refunds would be provided.
11. Fuller asked if Hudson’s crew was going to assist in cleaning the facility. Hudson said he can provide staff if necessary.
12. **Discussion Item** – Update from Kevin Greene on Spudkings Hockey. Greene was not in attendance and a report was provided by Henderson and Hall.
13. Henderson said the hockey team is improving but continues to be a work in progress.
14. Hall said the team played three very competitive games in Utah and won one game. The goal is to have a competitive team once the team starts playing home games. Hall said the improvement is the result of getting new players and improved coaching.
15. Hall said social media views have increased as well as merchandise sales.
16. Nitschke said the website does not appear to be very active and he can’t easily find results. Hall disagreed and said it is much improved. Spear displayed the website and found that not all the links were working. Specifically there was nothing linked to the Spudkings News section that should contain game results and videos. Hall said he would research and have it fixed. Bruder said Instagram does a good job of communicating game action and results. Hall said they have hired a full-time social media manager.
17. Nitschke suggested an agenda item at a future meeting be devoted to explaining how the various social media platforms will be used.
18. **Discussion Item** - Executive Director Report
	1. Fundraising/Cash Flow Update – Spear briefed the board about some confusion that has arisen with a naming rights partner and the use of a suite and ticket purchases. The contract is ambiguous and could impact the revenues for the operator. Fuller suggest treating this entity the same as other suite holders with the exception of the annual cost. Fuller also referenced an internal email, during the negotiation process, that the expectation was that the entity pay for tickets. It is clear that comp tickets would be provided if available. Nitschke said including all tickets over 30+ years was nonsensical and pointed out they are not a disadvantaged business. Spear also referenced an issue with a loge box holder who does not think the annual cost is owed.
	2. State Tax Commission Reports – Referenced and discussed TRT revenues during consent agenda.
	3. Construction Update – Spear informed the Board that the marquee sign will not be completed until spring and that he would notify naming rights partners.
	4. IFAD Foundation – Spear said the IFAD Foundation is now official and all the final paperwork and tax documents have been filed. Spear reminded the IFAD Board that they currently act as the IFAD Foundation Board members and that the bylaws allow up to 15 board members. Spear suggested that the first IFAD Foundation meeting be held after a future Board meeting.

Nitschke asked if Wipfli has been notified about being timelier in its preparation of Board materials (at least providing two days in advance). Spear said he received the TRT revenues late Friday and forwarded to Wipfli with the expectation that the financials be provided Monday morning. Spear did say the State did not provide the spreadsheet that Wipfli normally uses to prepare the financials. Nitschke asked about the IFAD plaque design. Spear said he would have something for the Board to review at the next board meeting.

* 1. Action Items
		1. Research IFAD plaque for MAC.
1. **Discussion Item** - Legal Report. Fuller said the framework for future IFAD Foundation Board meetings needs to be established and it appears that having Foundation Board meetings following IFAD Board meetings makes sense. Fuller also suggested that the Foundation could add Board members who don’t live in the District (e.g. previous board members who now live outside the district) and others who are good fundraisers.

Vucovich asked Hudson to clarify the clear bag policy. Hudson said this is a common practice across the country. Vucovich asked how people acquire a bag. Hudson said they will be giving away 1000 bags and that the Spudkings will sell bags. Salsbery is producing a series a videos that will explain and educate the public.

1. **Board Tour of Event Center –** There was no tour.

 C**alendar and Announcements**

1. Upcoming IFAD Meeting – **Next Meeting on November 22, 2022**
2. **Discussion Item** - Announcements and Minor Questions
3. **Discussion Item** - Agenda Items for November 22, 2022, meeting
4. Centennial Management presentation on Grand Opening logistics
5. Review IFAD Plaque Design for center
6. Tour of Event Center – Board meeting may be held at the Event Center (TBD).

Meeting Adjourned at 8:22 AM