

**Board of Directors Business Meeting**

**Tuesday, January 10, 2023, 7:00 a.m.**

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

**Mountain America Center**

[**https://us06web.zoom.us/j/83638685296**](https://us06web.zoom.us/j/83638685296)

**1690 Event Center Drive, Idaho Falls, Idaho 83402**

**Room 2416**

**Participants:** Rob Spear, Terri Gazdik, Bob Nitschke, Steve Vucovich, Mike Carpenter, Ron Warnecke, Erik Hudson, Kevin Bruder (via Zoom), Mike Clements (via Zoom), Ken Wheadon (via Zoom), Mark Fuller, Christian Ashcraft (via Zoom), Chris Hall, Kevin Greene, Tracy Scott.

**Agenda**

1. **Action Item** - Call to Order 7:02 AM
2. **Action Item** – Accept Agenda – Spear suggested moving Discussion Item IX to XI in order to cover all IFAD business first. Nitschke moved to adopt the agenda as amended. Warnecke seconded. Motion passed.
3. **Action Item** - Accept the Consent Agenda
	1. Meeting Minutes – 12-13-22
	2. Review of Payables/Financials – Spear provided some additional details for several of the payables.



Spear said the cost for ICRMP insurance only includes an aggregate amount of protection for flood and quake insurance and nothing specifically for IFAD. Nitschke asked how many pavers were purchased and Spear said 600.

Spear highlighted key points from the November financial statements.

* Explained the balance sheet now has additional current assets that reflect the funds involved in the construction and FF&E financing.
* A monthly donation report will now be provided
* Spear explained the construction costs in the profit and loss statement for November and year-to-date. Spear specifically pointed out that TRT revenues for November were $163K and for the year were $2.94M. Spear said this figure is higher than the Hunden study projection of $2.823M.
* Explained that building costs and FF&E costs, although paid from the Certificates of Participation funds, are listed as expenditures and those totals impact net income which is also reflected on the balance sheet.
* Office supplies are significantly higher because computers for Centennial employees were purchased from that budget line item.
* Budget to actual spreadsheet needs updating
* Spear showed a new profit and loss schedule detailed by class. Essentially there are separate columns for construction, debt service, operating, revenue, and an TBD fund. This schedule will tie to the audited financial statements

Gazdik asked why the entire FF&E budget has not been expended through November and why the remaining funds have not been accrued/encumbered. Spear indicated not all of the vendors have been paid and that it might be wise to leave November open until all those expenditures have been paid.

Gazdik suggested in the future that financial statements be reviewed during the second Board meeting of the month. Gazdik asked for a motion to only approve the meeting minutes and payables list and defer approval of the November financials until the next meeting. Carpenter moved to approve the meeting minutes and payables list. Nitschke 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). Nitschke said he observed the Executive Director assisting a patron in finding his seats at a recent hockey game and suggested this is a great example of improving the visitor experience.
2. **Action Item –** Lease purchase of a second ice resurfacer paid by sponsorship funds. Hudson provided the Board with the following information on a lease purchase program through Zamboni:
* A second resurfacer is necessary for more efficiency and is looking for a “net zero” carbon emission ice resurfacer.
* Prices range from $147-$158K for an electric ice resurfacer
* Lease purchase is available for either 5 or 6 years.
* At the end of the term the ice resurfacer can be purchased for $10
* Hudson said the 72-month lease is $2650 per month and a potential sponsorship covers only $1250 per month. Hudson said procuring a propane powered Zamboni could be done for the sponsorship amount
* Battery life is estimated at 20 years with only a 24-month warranty

Spear asked if Hudson was locked into the current sponsorship or if another entity could be identified that might cover the $30K annual cost. Hudson said interest in sponsorship for a Zamboni is high. If an entity could be found, there is that possibility. Carpenter asked if a certain group has been approached to meet its zero-carbon approach. Hudson said they have, along with other groups. All show immediate interest and then the interest wanes. Vucovich asked if sponsorship could be rotated every two years and if other businesses are interested. Greene and Hudson said there is interest. Carpenter asked about the length of time needed to procure a Zamboni. Hudson said the lead time to purchase is about five months and the plan is to get through this year with one Zamboni.

Nitschke asked if there is potential to partner with the Yellowstone Teton Clean Cities group. Spear said there is more interest in converting a gas-powered Zamboni to electric, rather than procuring a new electric Zamboni.

Vucovich asked if Idaho Falls Power might be a source. Spear said he would reach out to see if there was any interest.

Hudson said the purpose of the agenda item was to bring this to the Board for discussion. No action was taken by the Board.

1. **Discussion Item –**Receive a punch list update from Mike Clements of Bateman Hall and Ken Wheadon of CRSA. Clements briefed the Board on the following:
* Clements thought the punch list work would be done this week but anticipates it will spill over into the following week. CKS (kitchen equipment/beer system), Gaches (flooring contractor), Cannon (toilet partitions), Bingham (extending vent pipes), and Yesco (interior signs) are the main entities that need to complete work.
* Clements estimated they were 85% complete with the punch list

Fuller asked about the concrete in drainpipes. Clements said the concrete in the pipe near the ice rink was repaired. Spear asked about the floor drain issues in the restrooms. Clements said he was unaware of this issue. Hudson claimed that floor drains in the restrooms and kitchen appear to have concrete in them and said a piece of concrete and other construction materials were removed from one of the drains. Hudson said 4 to 5 drains have been water tested and are slow draining. Clements said he would follow up. (It was determined the slow drain issue is a result of a rubber gasket that is in place to keep gases from coming up the drain. This is not a problem if water is kept in the drain trap. It is recommended those gaskets be removed).

Clements said he is close to being able to provide the operation and maintenance manuals to Hudson so maintenance contracts can be negotiated. Ice Builders is the main entity that is behind in providing the O&M materials. Spear mentioned that the replacement filters for the HVAC on the east end are not accessible from the catwalk because of the design. The west side can be accessed.

Spear also said the key situation needs to be resolved. Office space keys still need to be provided and storefront doors still need to have new cores installed (still have contractor cores). Hudson said he has ordered office keys and Clements said NuVu needs still complete their work and other punch list items. Locks for the conference door that go into the hockey offices are still not completed.

Wheadon said CRSA has provided its punch list item to Clements and acknowledged he did not submit to IFAD. Hudson asked about the negative air pressure solution in the office area and the need to change the engineering design. Wheadon claims the addition of the three-offices reduced the capability of the return air plenum volume and contributed to the problem (a claim that Clements later disputed). Wheadon said the issue actually started down below and stated that the air that goes through the mechanical shaft on the ground level required openings to relieve the air pressure. Wheadon said CRSA has provided a solution. Hudson also asked about the issue of the grilling/concession smell getting into the main bowl because the exhaust for the grill hoods is too close to the air handling units. Wheadon said he is still looking for the controls report from Lewis Mechanical. This report is needed to determine the air flow and to determine if the controls are set correctly. Wheadon said VBFA still needs to come on site for its final review. Clements asked Wheadon to let him know when VBFA is going to be on site. Clements had thought that this was resolved. Hudson said the issue with the boiler room exhaust was addressed by extending the exhaust pipes but the issue with the grilling smell in the arena has not.

1. **Discussion Item –** Presentation from Tracy Scott on constructing a wall cabinet that displays the 50 plus years of Idaho Falls Hockey history. Scott commended the Board for bringing this facility to Idaho Falls and said he is representing the “old” hockey guys in the community. The goal is to find an area in the arena to construct a historical wall cabinet that displays the hockey artifacts from the past. Scott said he wants the Board to approve the size, location, and the types of artifacts to be displayed. Scott said his group would cover the cost of building and installing the cabinet. Scott said it will take some time to get the cabinet designed, approved and the money raised.

Carpenter asked about the scale of the project. Scott said the cabinet would be about 10 feet long and extend out 12 inches. Hudson asked about the size of the cabinet installed at the Marmo/Lehto ice rink. Scott said only important artifacts would be moved like Marmo’s Michigan State awards, jerseys, and photos. Scott estimated this will take a year to complete and said he just needs the specifications and location from the Board to get started.

Carpenter asked how Spear would envision this moving forward. Spear said the Board must decide if this is something it supports. Hudson recommended the back hallway near the locker rooms might be the best location and having the walls wrapped (detailing the history) might be better than a cabinet because of space limitations. Memorabilia could be on a few shelves. Scott estimated there would only be about 20 items. Hudson said he wanted to visit with Kelsey Salsbery and then get back to Scott. Gazdik said if something can work within the current facility design, she would be interested in showcasing the history of Idaho Falls hockey.

1. **Discussion Item –** FY2022 TRT Revenue breakdown. Spear provided the Board an update of the last four years of TRT revenues and an itemized breakdown by remitter for 2021 and 2022. Spear also provided details and summary of third-party remitters (e.g. Airbnb). Nitschke commented that it is a little unnerving that TRT revenues were down during the three biggest months from 2021. Spear indicated the Yellowstone Park road washouts were a big issue during the summer months.
2. **Discussion Item –** Next steps for the IFAD Foundation and formation of Board of Directors. This agenda item was deferred to the next IFAD Board meeting on 1-24-23.
3. **Discussion Item –** Event selection. How are events selected for Hero Arena at the Mountain America Center? Spear provided the Board with information from the Management Agreement that pertains to event selection.Spear said the most relevant piece to the event selection is section 4.14 that states, “The Manager shall comply with the Applicable Standard in advertising and promoting events at the Arena, and in all other aspects of its management and operation of the Arena pursuant to this Management Agreement. The Manager agrees that events booked at the Arena shall be of a quality that comparable managers would be willing book at other arenas meeting the Applicable Standard and shall reflect community values. IFAD may provide the Manager with a policy regarding contemporary community values of the Idaho Falls region. If the Applicable Standard and the contemporary community values conflict with each other, the contemporary community values shall prevail.” Spear said IFAD does not currently have a policy and that an Applicable Standard was never identified.

Nitschke saidhe wants to discuss roles and responsibilities the Board has in scheduling events and what are the mechanisms the Board would use to fulfill those responsibilities. And if the Board does not have any roles and responsibilities, should it? Nitschke said there was an initiating event that triggered his interest in this topic. Nitschke said every event and activity held at the center is the responsibility of the Board. Nitschke said the contract language is not clear on how much input the Board has nor the mechanisms to provide that input. Warnecke asked if Nitschke was asking if the Board should be involved in the selection of events? Nitschke said the Board should have awareness of events that are taking place and be able to provide some advice and consent prior to the events happening. The Board should be in a prevention mode not a damage control mode. Nitschke said knowledge of events should be extended to the Executive Director and he should alert the Board of potential issues. This oversight should also be extended to the activities and users of the conference space as well.

Carpenter said he could not envision a scenario where the General Manager would ever consider bringing in a politically sensitive group to the event center. But asked the Board how it would proceed if this situation arose and asked Hudson to comment. Nitschke said although Hudson is respected by the Board, he stated this should be a Board discussion only.

Fuller said the contract gives the Board the right to establish community values. It also balances the two standards (Applicable Standard and Community Standards) against one another. The question has always been how we calculate that Applicable Standard for other arenas. The Board now needs to decide what the applicable standard is in the industry and the Board also needs to define the community standards.

Nitschke said there does not appear to be a mechanism in place to check the box on what is an acceptable event and would like to hear from all Board members. Fuller emphasized the contract states the Board may provide the manager with a community standards policy. If the Board does not adopt such a policy, the Applicable Standard in the industry would control. Gazdik pointed out the contract states, “the Manager agrees that events booked at the Arena shall be of a quality that comparable managers would be willing book at other arenas.” So there is control, but the question is does the Board wish to develop the community standards policy? Warnecke expressed that it is too early to consider such guidelines because the facility has only been open 45 days. Warnecke does think the Board needs to provide consent on the bookings. Gazdik said there is control built in the system because Hudson reports to Spear on a weekly basis the events that are being considered. Spear then reviewed with the Board a sample of Hudson’s weekly emails that include proposed and secured events. Spear then showed a weekly Executive Director report that includes Hudson’s information. Spear said in the future he will emphasize the potential events in his introductory email and encourage Board members to object if there is an event that is considered questionable.

Nitschke said he is comfortable that the Board is at least being made aware of events that are being scheduled. He did state the event that triggered this discussion was the MMA event and just because it is allowed in other arenas, it does not necessarily make it suitable for our arena especially when there are many less harmful and wholesome entertainment opportunities available.

Gazdik said the problem with setting a standard is everyone has a different view of what the standard should be, and the public is diverse in what they consider entertainment. In the past the Board defaulted to the criteria that an acceptable event is what comparable managers would be willing book at other arenas. Nitschke suggested developing classes of activities the Board could agree on. While there may not be an agreement on what entertainment is there could be agreement that violence is not a good idea. These classes of activities could be supplied to Centennial Management. Vucovich said if violence was a criteria, then hockey games shouldn’t be held. Nitschke said this is not a good comparison because one sport intends to inflict harm while in hockey fighting is incidental.

Carpenter said section 4.14 of the management contract is the mechanism at this point in time and is sufficient enough to provide direction and he is against providing Centennial Management with preconditions on who they should be talking too.

Nitschke still thinks it is in the best interest of the Board to develop some guidelines and it is not acceptable to just host an event because everyone else does it and because an event will make money.

Gazdik suggested the Board provide a list of events that they do not feel are acceptable to Spear and Hudson. Vucovich asked if some events were subject to an age requirement. Hudson said there are such events. Vucovich then stated this gives the community and parents with the ability to self-regulate the events that they attend.

Bruder commented that as a public venue, the first thing they need to be sensitive to is the 1st Amendment, but the ultimate goal is to provide a safe and secure environment. Bruder said community standards are based upon opinions. The pieces that come under most scrutiny as it relates to certain shows are the obscenity and pornographic laws. Basically, you know it when you see it. No action was taken by the Board.

1. **Discussion Item –** Patron parking for events and process for addressing problems. Spear pointed out there is no 15.2 parking management plan included in the management contract. Nitschke said this discussion emanates from the City’s interpretation that the event center did not have adequate parking for the size of the facility. The City said the event center should have 2554 stalls and there are only 1461 stalls which will present major problems for future full-house events. Hudson said his team recognized this problem immediately and then provided the board with an updated parking plan. The plan includes:
* There are 1496 parking spaces in the three lots
* 35 parking spots are ADA
* 72 are VIP parking stalls
* There have been no parking issues when attendance is under 3500
* After the Manheim Steamroller concert Hudson’s team did the following:
	+ Confirmed with the City that parking could occur on both sides of Event Center Drive. This provides 196 extra spaces
	+ Approached Ball Ventures to get approval to provide 300 spaces in the Ball Ventures parking lot.
	+ The current location of the construction trailers will be graveled and that can provide an extra 200 spaces.
	+ Finally the farm across the road was purchased by Ball Ventures and possibly will be used for parking. This could provide 350 more spaces.
	+ Hudson said additional signs have been purchased to provide the patron with more information on parking
	+ Social media channels have been used to communicate parking to patrons
	+ Removable “No parking” signs will be placed on Pioneer Road.
	+ Staffing for events will be finalized two weeks prior to an event. Additional staffing needs will be contracted out
	+ Shuttle service will be considered for large events
	+ Ride sharing pickups and drop offs are being developed and they are working with GIFT to supply rides.
	+ The Old Dominion concert will be a huge test
	+ Snow removal company is currently using parking spaces to store equipment but are providing a 20% discount for snow removal

Spear presented the variance that was prepared by Horrocks’ Engineering and approved by Snake River Landing that identifies the additional spaces needed for large events.

Gazdik asked if parking maps are posted on the website or social media channels. Hudson shared the “Know before you Go” communications that include parking maps.

Gazdik pointed out future developments will include parking, and since most events are at night, parking spaces at those future developments could possibly be used.

**Report and Updates**

* **Discussion Item –** Update from Erik Hudson and Kevin Bruder on Hero Arena at the Mountain America Center operations. Hudson first shared a recognition Centennial Management received from a Veterans Affairs group for supporting veterans.Hudson said they are also developing an employee recognition program for several groups of employees. Hudson also shared the following information:
* Hosted 13 hockey games
* Hosted 5 concerts
* Has a very full calendar for 2023
* 6 events outside of hockey are currently on sale with another event to be announced on 1-10-23
* Ice maintenance training has been completed and 10 staff were trained
* Next board meeting Hudson will present a financial report for the first month

Nitschke asked about the Silver Star Wi-Fi infrastructure that is not functioning properly. Hudson said Silver Star’s VP for Operations was at the facility on 1-7-23 and they tested every space and determined there are not enough access points or they need to modify the algorithm to increase the number of devices that can access the Wi-Fi. Hudson said Silver Star continues to monitor the building. Nitschke also asked how much jerky is being sold. Hudson said he would find out and provide an answer (in a follow-up meeting with Hero it was announced they sold 91 bags of jerky and 180 beef sticks through December).

* 1. **Discussion Item** – Update from Kevin Greene on Spudkings Hockey. Greene provided the following update:
* 13 home games have been played and the team has won 6 and lost 7 after starting the season with 14 straight losses.
* 7 more home games are scheduled for January
* 10 of the 13 games have been sold out
* Season ticket sales will continue to be capped at 2,000
* Hall said there have been over 500,000 social media impressions which is 10 times what the data says the Spudkings should be doing
* Eric Moon from Channel 8 will provide a wrap-up video that can be posted on the website and coaches will use that footage for recruiting purposes
* USPHL stated that player George Goodwin is third in the league in goal scoring despite joining team six weeks into the season
* Goal is to get SpudKing players out into the community

Carpenter asked about merchandise sales and Greene said sales are strong and they are having difficulty restocking.

Nitschke said the merchandise link on the Spudkings website is still not accessible. Greene said they intentionally shut it down because they could not fulfill the online merchandise demand and also meet the merchandise demand at games.

* **Discussion Item** - Executive Director Report
	1. Fundraising – Spear said IFAD continues to sell an average of 6-8 seat plaques per week and said there are only about 190 left to sell. Spear said one thing impacting seat plaque sales is the number of people who have hockey season tickets and his inability to offer hockey season tickets with the seat plaque. Spear said he wanted to get a list from Greene of hockey season ticketholders who may be good candidates to purchase a plaque. Hall offered to place an announcement in the Spudkings newsletter. Hudson added that correspondence is forthcoming regarding seat plaque holders right to purchase tickets early. Spear asked about the number of seat plaque holders who have purchased tickets. Hudson said he would provide that information. After the fact Hudson provided the following detail
* Big and Rich – 48 holders, 196 tickets
* Peppa Pig – 4 holders, 17 tickets
* Mannheim 7pm – 39 holders, 146 tickets
* Lindsey Stirling – 32 holders, 109 tickets
* Brian Regan – 30 holders, 128 tickets
* Xtreme Ice Racing – 33 holders, 134 tickets
* Old Dominion – 54 holders, 186 tickets
* REO Speedwagon - 58 holders, 229 tickets
	1. State Tax Commission Reports – discussed as part of the consent agenda
	2. IFAD Naming Plaque – Spear said he had not received a sample to provide the Board.
	3. Action Items
		1. Follow-up on punch list items
		2. Sell seat plaques
		3. Work with Hudson on building operations
		4. Set up a meeting with Idaho Falls Power
* **Discussion Item** - Legal Report – Fuller said there are two Board seats coming up for reelection and the filing date is March 17, 2023, by 5 PM. Fuller said if Board members elect not run again, they should let the public know to encourage others to serve.

 C**alendar and Announcements**

1. Upcoming IFAD Meeting – **Next Meeting on January 24, 2023**
2. **Discussion Item** - Announcements and Minor Questions
3. **Discussion Item** - Agenda Items for January 24, 2023, meeting
* Centennial Management First month of operations financial presentation
* IFAD Foundation and formation of Board of Directors

Meeting adjourned at 9:31 AM