

**Board of Directors Business Meeting**

**Tuesday, April 11, 2023, 7:00 a.m.**

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

[**https://us06web.zoom.us/j/85176384030**](https://us06web.zoom.us/j/85176384030)

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

**Room 2416**

**Participants:** Rob Spear, Terri Gazdik, Bob Nitschke, Steve Vucovich, Mike Carpenter, Ron Warnecke, Mark Fuller, Erik Hudson, Rick Lawrence, Don Potter, Spencer Howell (via Zoom), Ken Wheadon (via Zoom), Rich Reeder (via Zoom), Rebecca Casper (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 – 3-28-23
	2. Review of Payables/Financials – A payables list totaling $56,837.32 was reviewed and approved. Gazdik asked for the insurance payment to be amortized over a twelve-month period instead of being reflected in one month. Spear reviewed the draft financials which included the balance sheet and profit and loss statement. Spear said the donation budget numbers need to be updated to 2023 numbers. Spear provided TRT revenue detail for the first three months of the year and explained there were entities that were not included on the remittance list nor were they on the collections list. Spear is working with the State Tax Commission to resolve the issue. 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 public comments.
5. **Action Item –** Approve Audit Engagement Letter from Rudd and Associates. Gazdik presented the engagement letter and noted there was a $2K increase (to $11K) which is reasonable given where the project is currently at. Nitschke stated this was a large increase. Gazdik said although the increase is 22% due to the number of funds involved, 15% is not unusual. Spear explained per the Information Reporting Agreement, the audit should be completed by March 30 of every year (the correct date is 210 days (June 28th) after the fiscal year). Fuller stated that he reviewed the engagement letter and had no concerns and commended Rudd and Associates for their past work. Gazdik suspects the audit price would be higher if there was an imposed deadline. Warnecke moved to accept the Audit Engagement Letter from Rudd and Associates. Vucovich seconded. Motion passed.
6. **Discussion Item –**Receive a punch list update from Mike Clements/Rick Lawrence Bateman Hall (Ice Builders), Ken Wheadon of CRSA (VBFA) and Spencer Howell of VBFA. Lawrence provided an update on the following items:



Item 1 – Spear reviewed the pricing with the Board for just the roof drain on the northside ticket office and additional pricing for the two other north drains. The cost for just the box office was $9,111 or $25,573 for all drains but the price does not include replacing drywall. Lawrence said Bateman Hall would look at covering the drywall cost since it will be a minimal amount. Spear said that there is budget available in the contingency line item to cover the total cost to heat trace all drains and recommended this approach. Warnecke said the expense to remediate could be a lot more. Gazdik asked about how long the heat trace would last. Lawrence said it will last a long time. Carpenter asked if there was enough power available. Lawrence said there is enough power.

Item 2 – East lot should be cleared out by the end of day 4-11-23.

Item 3 – DePatco is onsite and repairing the low spots in all parking lots

Item 4 – Guardian is onsite installing all the O-Rings. Spear mentioned the O-Rings were supposed to be 18” but are 36”. This requires a different fall arrest (harness system). Guardian is going to supply at least 15 harnesses at their cost. Spear said a system will need to be put in place to ensure these harnesses are not lost or stolen. Training with riggers is scheduled for Wednesday. Warnecke said it is important that whoever performs the inspections on the fall arrest system are trained and certified.

Item 5 – Condenser belt freezing – Spear provided the cost breakdown to the Board totaling $10,588. Spear said there is a larger issue because this cost appears to be something that could have been avoided if correctly installed at the start. Rich Reeder of VBFA then commented and said there's two different issues, the belt freezing and the ice problem. The belt freezing was corrected back in February. So that shouldn't be part of this change order. Reeder said he worked with the contractor and came up with a simple solution. They then put it into operation and proved that it worked real well.

Reeder stated “the change order is about adding the defrost cycle. Now the comment was made that this was put in according to specifications. And that's actually not true. The contractor is using a different sequence of control that does not follow the manufacturer's recommendation and does not follow our stack. Reeder said they didn't really uncover that until these problems started to pop up because the contractor absolutely submitted his control to match VBFA’s specification. So this defrost cycle is in essence a way to make the contractor’s different sequence work for them. So I just want to make that clear.”

Spear asked for clarification and asked if Ice Builders constructed the plant different than the specifications? Reeder responded said they did for the control sequence. The manufacturer and the specifications require that when there are freezing cold temperatures that the spray pump is started first. There is a pump on the evaporative condenser that starts circulating the water and the intent of running the pump first is that water then absorbs all this heat coming from the compressors and all that heat is then returned to sump outside in the evaporative condenser, so the fans are not turned on until there is a big load on the evaporator condenser. And the water alone is not enough to reject that heat. What the Ice Builder sequence is doing is turning on the fans first. In essence what Ice Builder is doing is flushing all the heating out of the evaporative condenser before it has a chance to have any benefit to keeping the evaporative condenser warm. Turning on the fans first is a huge problem because you bring in freezing cold air through the wet basin. The manufacturer essentially spells out that if you're running the fans first, they call it running in dry, the heaters in those basins don't have enough capacity to heat all the air and that is the cause of the ice buildup. Lawrence asked how this line of thought and reasoning was missed when we started discussing this two months ago. Reeder claims as soon they found out the problem, they have been discussing with Ice Builders. Reeder said Ice Builders is one of the better ice rink contractors and VBFA didn’t want to get sideways with them because they often make very, very good recommendations. On this project, they made several major recommendations that we agreed to and they turned out real well. But as we kept discussing the sequencing issue, Ice Builders did not want to switch to the way it was specified and the way the manufacturer specifies it. When the defrost sequence was implemented, it offset the problem that the Ice Builders’ sequence of turning on the fan first was causing.

Reeder suggested Ice Builders pay for the solution to make the sequence work correctly. Lawrence asked that if the current sequence is not changed to the manufacturer’s recommended sequence, will CRSA and VBFA put their reputation and everything else on the line, that not installing the defrost system, will the evaporative condenser not freeze up at any point in time in the future? Reeder acknowledged that the way the manufacturer recommends it and the way VBFA recommends it, is what was in the specifications. But we all know in these freezing conditions, things happen. No one that Reeder talked to has this issue for the way the manufacturer recommends.

Lawrence asked why does the manufacturer have it as a procedure in its operations manual? If you get in these super extreme conditions, it is one more additional way to de-ice the condensers. Reeder thinks it's a good idea and they tested it, and it works really good. But it's trying to correct a problem that Ice Builders sequence has created.

Hudson stated Reeder did not answer Lawrence’s questions and asked why was it not brought to our attention six months ago that the sequence that VBFA agreed to with Ice Builders was not the manufacturer's requested sequence? Why was that not brought up six months ago?

Howell said he needed to make a correction and stated VBFA was made aware of this problem around January 24, 2023. Lawrence asked again why didn't VBFA know six months ago? Reeder responded that the building was not at the point where it could be tested. Lawrence said we are only talking about software and Hudson then asked how about November 28? Reeder said VBFA was not seeing these problems and only first saw them in January. Hudson countered that either VBFA allowed Ice Builders to put a program into place that went against the manufacturer's suggested program and VBFA’s own specifications, or VBFA had no accountability system in place to check to make sure the sequence programmed met manufacturer specifications, which one of those scenarios sounds more accurate?

Reeder responded and explained the process. The contractor provides submittals that shows how they are going to program the sequence. This was done a long time ago; this was submittal number 11. VFBA reviewed that very closely to make sure it matched what we specified. Or if there are differences then we discuss it in a submittal stage and decide whether to accept or not accept it. The submittal mimicked VBFA’s specification, which is based upon the manufacturer's recommendations. When these systems are put into place, no one goes through the code line by line to see what's happened. What we do is called functional testing. We run the equipment and see that it operates the way it was intended. The problem is a weather-dependent kind of situation. It really came to a head last January and that is when VBFA started asking Ice Builders what is going on because nobody has really ever seen this problem. As Reeder dug into it, this is the first project (Reeder claims he has connections everywhere) where the contractor used this sequence instead of what the manufacturer recommends. And now we have this big problem. Hudson asked Reeder then why are we talking about this change order? Hudson said he has been in rinks in Wilcox, Saskatchewan, at negative 40-degree temperature, and they never had a single issue with the ice plant like this. So how can we discuss a change order that's going to cost the IFAD board a ton of money, when the sequence that was put into place has now been found to be the cause of the ice buildup. Reeder said Ice Builders did the bump sequence, they just took care of it. Then Ice Builders comes back with a change order for the defrost system that just showed up a while ago. Reeder said they asked for a breakdown and after evaluating, VBFA feels it is about 30% high for the work.

Warnecke responded that it sounds like this is for CRSA and Ice Builders to resolve. It should not be IFAD’s responsibility or cost. Carpenter agreed and said CRSA and Ice Builders need to own it. Hudson summarized and said it is clear that Ice Builders went against the manufacturer’s required specifications for programming, and nobody checked it to make sure it was working, and the event center suffered the consequences for it. Hudson pointed out that Reeder has never seen this happen before but now he has, and now we know the reason. Reeder agreed that he knows why the issue occurred and said there are reasons the manufacturer does not recommend running the system the way Ice Builders programmed it to run.

Warnecke commented that Ice Builders didn't follow the specifications and that the integrated functional tests should have caught the sequence issue. Reeder said to be fair this issue is weather dependent. Hudson disagreed and said the issue happened when the outside temperature was 14 degrees, and the manufacturers specifications say it's supposed to be rated for negative 20 degrees. Reeder claimed that this was a cold weather test and that is exactly the way you can flesh out these tests. Reeder said there will be certain functional testing that will need to be conducted during the summer when the temperature is 100 degrees outside to see if certain things are working correctly.

Spear asked if anyone has researched whether the AMPs for the heaters are sufficient? Reeder wanted to comment and stated that everyone knows the original heaters had a problem and failed. When Howell was on site last January the heaters were not working and then miraculously the next day they were working. However, a few days later, the overflow of the evaporative condensers started happening and presented a real unique problem and Reeder had to check with all of his contacts to find a solution. The only solution Reeder found that had a similar situation with a heater (many of the facilities use a pump first protocol) was when the systems were off. The heater is what keeps that water warm when the compressor are off. The person in charge of the entity that experienced this problem, said it was the heater. The person said not to rely on just looking at the light that says the heaters are on, you must have an electrician to measure the amperage. What they found was the 1 or 2 amps needed to turn on the light was nowhere near the current kw needed by the heater. So they had to replace the heater. Reeder said he is concerned that VBFA brought this up in January, but no one is forthcoming whether the heaters have been tested and fixed. Reeder expressed concern that this type of question gets shuffled aside. Reeder does not think the heaters have been tested because he has not seen the results.

Gazdik suggested taking this issue offline and to get all the people involved in finding a solution. Nitschke asked if we are ultimately just talking about who's paying for the fix. It sounds like there is a solution if the system were operated according to the manufacturer's recommendations and make sure that the pieces of equipment are really functional. Lawrence said counter to that, if we revert to what the manufacturer says when it's minus 30 or 20 or 10 next year; is this going to happen again to us because we haven’t put the defrost system in place? And that's why I'm asking VBFA if they are willing to stick their neck out on the line and say if we revert back to their specifications, that Reeder is referencing and that we should be following to the letter and choose not to implement the defrost system; will it be guaranteed there will be no freezing problems next year, or loss of event, or loss of ice. So if VBFA wants that, it is all yours and we will revert back and implement the original specifications. Reeder said it is not possible to give guarantees, but recommends that we go back to the manufacturer's recommendation. Reeder also recommends we add the defrost system as “belts and suspenders” because we have seen in Idaho Falls temperatures on the way extreme side. Reeder said engineers can’t design and would be severely criticized, if we designed for minus 100 degrees or minus 50 degrees in Idaho Falls.

Reeder agreed that VBFA would get with Ice Builders and discuss the situation with them because if they are going to insist on using their sequence in spite of the manufacturer's recommendations, VBFA must discuss what they have to do to make that usable. Lawrence said we will let you have the discussion now that should have been done three months ago. Reeder claims he has been talking to Ice Builders since January.

Spear said the Board will wait to hear back from CRSA and VBFA on their discussions with Ice Builders.

Item 6 – Yesco still needs to install some evacuation maps and name plates once they are delivered.

Item 7 – Ladder for ice plant is being fabricated and will be installed for $3,400.

1. **Discussion Item -** Community Values Policy/Guidelines based on HB265 legislative outcome. Fuller said HB265 did not make it out of the Senate and has been replaced by HB1214 as a trailer bill. This bill also did not make it out of the Senate. Fuller said he expects the next session will consider HB1214 and does not think this issue will go away. The issue for the Board is whether or not to develop a community standards. Fuller recommended an IFAD subcommittee be appointed to address this issue. Gazdik suggested bringing this back to the Board as an action item for next meeting. Nitschke reiterated he thought the Board should develop the values and standards that would apply to the activities of the event center rather than defer it to a subcommittee. He also recommended avoiding the term “community values” because terms like that are fraught with problems that would make implementation very difficult. Nitschke suggested Fuller work to change the wording in the contract to say the Board would develop a set of values and standard that would apply specifically to the events at the Mountain America Center. Gazdik said this would be problematic. Nitschke said his opinion is it’s the Board’s responsibility to develop the values that would guide the type of events brought to the event center, not the contractor. He cited two specific examples of the types of events that he felt should not be allowed: those that encourage “Violence and Hatred.” Gazdik asked Hudson if he has guidance he follows when booking events? Hudson said they do a booking procedure but there is zero documentation in the industry, and event scheduling is based on the moral compass of the person scheduling events. Hudson said in his past experience if there was ever a questionable event (e.g. booking Snoop Dog) he would bring it back to the owner of the facility, in writing, to decide if the event should be booked. Gazdik asked Hudson if he would write down the things that he would object to bringing to the event center. Hudson said he would provide this to the Board for the next meeting. Warnecke said the three current documents outline a good process and if there is a questionable event, the Board has a mechanism to address and take the pressure off Hudson. Hudson said if he books a questionable event, his name will be the one roasted. Nitschke said it is the Board’s obligation to prevent undesirable events because the Board is accountable to the community. Vucovich asked if there was an age requirement for a show like Snoop Dog. Hudson said it was 17+. Fuller asked how this would be enforced. Hudson said it is a multi-dimensional approach, but it is very similar to buying alcohol at a store. The tour also may have protocols. Carpenter asked Hudson how Idaho Falls ranks as far as conservatism compared to Cedar Rapids, Iowa? Hudson said both cities are very similar and have a similar demographic. The only difference is Idaho Falls has large LDS influence in the artists that they want to see (e.g. Lindsey Sterling). Hudson again agreed to develop a document listing things that would not be suitable for the event center and would provide this to the Board for the next meeting. Warnecke said this document could supplement the current documents already developed. Hudson asked Fuller to research whether there were any restrictions for public facilities for renting the building to private entities when questionable activities may take place. Fuller reminded everyone the house bills do not prohibit events, they are minor protection bills.

1. **Discussion Item –** Update on IFAD Foundation and Next Steps. Spear provided the bylaws for the IFAD Foundation and indicated the IFAD Foundation meeting scheduled for 4-11-23 needs to be cancelled. Spear asked the Board to review the bylaws before the next meeting.

**Report and Updates**

* 1. **Discussion Item –** Update from Erik Hudson on Hero Arena at Mountain America Center operations. Hudson provided the following updates:
		1. April is a slow month for ticketed events, but the time is being used to clean the facility inside and outside.
		2. Seats, concourse, and bowl were pressure washed after the monster truck show.
		3. More barstool seats were added to the mezzanine.
		4. Jeff Dunham (April 30, 2023) has the potential to be the highest attended ticketed event this year.
		5. Idaho Youth State Wrestling event was held in the facility. 1200 wrestlers and over 3000 spectators attended.
		6. A successful District 91 Career Fair was held.
		7. May 2 is ZZ TOP.
		8. Aaron Lewis sold out.
		9. Symphony Gala scheduled.
		10. 4 Graduation ceremonies scheduled: District 91 & 93, Shelley School District and College of Eastern Idaho.
		11. Several new show announcements are forthcoming including a hard rock concert and two Christmas shows.
		12. Huge Latino show in September or October – Hudson said this is a hybrid show that will have four artists, dance floor and food vendors. It is more of a festival.
		13. Fierce Fighting is coming in June.
		14. The gas utility issue seems to be resolved but there are still issues with Innovative Air and programming.
		15. Building is up for several awards through the Post Register. Hudson encouraged everyone to vote for the best Event Venue, Best Family Entertainment, Best Place To Work, Best Customer Service.
		16. Hudson is preparing a proposal for Idaho High School Activities Association for three years (2026-2029) and four activity types.
		17. Hockey update
			1. Team will participate in a draft next week
			2. Hosting a camp in Detroit for prospects
			3. Team will be formed by mid-August
			4. Meeting with hockey club and personnel to identify areas for improvement, especially the level of service in the club level was discussed.
		18. A change was made with the Food and Beverage Director and now McKenzie Cooper is in charge.
		19. Mountain America Center rebrand. The new brand includes a new eagle logo and fonts. Hudson said a packet has been submitted to MACU on what the rebrand would cost. Hudson stated there are over 350 logos in the building plus all the apparel, and digital platform logos.
		20. A bid packet is being prepared to host the NCDC showcase where 100 colleges would come to recruit players from six teams. This is the first of its kind in the west and would be a ticketed event.
		21. The back parking lot where construction trailers were located will be graded soon and will help with some overflow parking.

1. **Discussion Item** - Executive Director Report
	1. Cash Flow Update – Spear said this will be updated for the next meeting.
	2. State Tax Commission Reports – Spear said February TRT revenues were received and were ~$6K over budget. Spear also provided a report by remitter and stated there were several entities who did not remit. Spear said he is following up with the State Tax Commission because if an entity has not remitted tax, they should be on the collections report.
	3. Action Items
		1. Follow up with State Tax Commission
		2. Meet with Rudd and Associates on Audit
2. **Discussion Item** - Legal Report – Fuller said Board elections are coming on May 16th. Lisa Casper is the lone candidate for Seat 2. For seat 1 there are two candidates: Don Potter and Brian Ziel. Mr. Nitschke has withdrawn. Newly elected Board members will be sworn in at the May 23, 2023, meeting. Fuller said newly elected and outgoing board members should attend to ensure a quorum.

Fuller briefed the Board on several cost and change order issues regarding parking lot light pole relocation, wrapping and fireproofing columns, and the condenser tower/icemaking equipment issues. Fuller said he followed up with the provider of those services in early March, again two weeks later and yet again last week. Fuller said he finally received a response late on the evening of 4-10-23 and provided the board with that reply. Fuller said an Executive Session should be scheduled for the 4-25-23 Board meeting to discuss the response.

**Calendar and Announcements**

1. **Upcoming IFAD Meeting** – **Next Meeting on April 25, 2023**
2. **Discussion Item** - Announcements and Minor Questions
3. **Discussion Item** - Agenda Items for April 25, 2023, meeting
	1. Receive an update from Rich Reeder and CRSA on meeting with Ice Builders
	2. Discuss and take action on community standards document
	3. Executive Session

Meeting adjourned 8:40 AM