

**Board of Directors Business Meeting**

**Tuesday, May 9, 2023, 7:00 a.m.**

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

[**https://us06web.zoom.us/j/88092396967**](https://us06web.zoom.us/j/88092396967)

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

**Room 2416**

**Participants:** Rob Spear, Terri Gazdik, Bob Nitschke, Mike Carpenter, Ron Warnecke (via Zoom), Mark Fuller, Erik Hudson, Rick Lawrence, Don Potter, Ken Wheadon (via Zoom), Mike Clements (via Zoom), Blake Davis (via Zoom), Kevin Bruder (via Zoom), Rebecca Casper (via Zoom)

**Agenda**

1. **Action Item** - Call to Order – Meeting called to order at 7:01 AM.
2. **Action Item** – Accept Agenda – Spear requested the Hudson update be moved toward the front of agenda. Nitschke asked why an Executive Session was not on the agenda. Fuller explained he had no new information to report. Nitschke moved to approve. Carpenter seconded. Motion passed.
3. **Action Item** - Accept the Consent Agenda
	1. Meeting Minutes – 4-25-23
	2. Review of Payables/Financials – A payables list of $40,834.82 was reviewed and approved. Nitschke asked about payment to I.E. Productions and the need to update the IFAD website. Spear said the website was modified to include the two IFAD Board candidates and that the website would be further updated after the election. Spear also reviewed the financial statements and said current cash balances are less than indicated because of the large construction expenditures and $400K transfer from the LGIP account. Spear said March TRT revenues came in at $210,335.15 compared to the budget of $183,919.82. Carpenter asked about the entities who have not remitted payment. Spear said the State Tax Commission has indicated another entity has taken over for hotels.com, but the State Tax Commission would not identify the entity. The other entities in question are remitting quarterly. Spear said the $90,856.61 credit to preopening is the payment from Centennial Management for overspending the preopening expenses budget. Spear noted that actual expenses for Accounting Fees and Legal Fees are both exceeding budgeted amounts. Spear said he will revisit accounting fees with Wipfli and explained it was important to wait until the 2022 audit was completed before considering changing accounting firms. Warnecke 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. **Discussion Item –**Receive a punch list update from Mike Clements/Rick Lawrence of Bateman Hall, Ken Wheadon of CRSA and Spencer Howell of VBFA. Lawrence presented the following summary.

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Item 1 – only wall painting remains.

Items 2-4&7 completed

Item 5 – Spear recommended the defrost system be installed. Spear questioned Ken Wheadon of CRSA on why VBFA insisted Ice Builders did not program the sequence according to the specifications and manufacturer recommendations, when in fact, the specifications allowed programing to be fan first or pump first. Wheadon did not know the answer and said he would discuss it with VBFA and was also under the impression that Ice Builders did not follow the specifications. Spear said warranty information was received and it varies by part. Some parts are covered for 5 years and some for 1 year. Both VBFA and Ice Builders responded in writing reiterating their commitment to ensuring we will have a fully functioning ice plant.

Item 6 – Need “stair tower C” sign installed

Item 8 – Mason still needs to complete mortar joints on Sky Deck exterior balcony.

Spear brought up another item that occurred during the INL event that prohibited the user from plugging into an outlet installed in the planter boxes. Spear said there are six planter boxes and none of the outlets are functioning because they were compromised from the snow, ice, and water. Wheadon responded that he would contact Payne Engineering to see if there are any criteria on how the boxes should be placed in the planter boxes, and indicated there should be some criteria for placing them above grade. Spear said the cost to modify is $9,181. This yet another design issue that is costing IFAD money to fix.

1. **Action Item –** Review and Adopt Mountain America Center Mission, Values and Event Scheduling Process. Spear shared three documents; the mission and values for the facility, the event booking process and Hudson’s listing of event bookings he would not schedule. Carpenter suggested the mission and values document should be condensed and not overly prescriptive. Carpenter said the events booking process needs to clarify if the decision of a subcommittee can bind the entire Board. Fuller said the full Board can delegate this authority to a subcommittee but the Board retains the ability to veto decisions of the subcommittee. Carpenter said he is not comfortable with the documents developed and suggested they be simplified.

Warnecke asked what is driving the need to establish an additional layer and form a subcommittee if the Board can overturn a decision. Nitschke said the intent is to expedite the process and not have to wait for a scheduled Board meeting. Gazdik said a subcommittee can review and make decisions and is not subject to the public meeting notice of a full Board meeting.

Fuller said he keeps pulling the Board back to the Centennial Management contract which states the Board may provide Centennial a contemporary community values policy. Fuller said the intent of this language is for the Board to provide Centennial Management with a list of community values and not have an ad hoc committee established to review event bookings on a case-by-case basis. Fuller added a community values policy would prevail in the event there were questions regarding event bookings. Fuller said the Centennial Management contract is designed to be a government of laws and the community values policy, if developed, would require the General Manager to follow. Fuller said the current document follows the government of men and would allow three individuals to make a decision. Fuller said he would recommend that if the Board wants to adopt the current values, he suggests the motion state the Board is adopting these as community values. Fuller said he wants the Board to comply with the Centennial Management contract. Failure to adopt as community values does not give the Board any contractual rights. Nitschke said he suggested the name change because of the difficulty of establishing community values for everyone. Nitschke was in favor of adopting the current facility values as community values but still likes calling them facility values that the General Manager must adhere to when booking events.

Carpenter referenced Idaho State Statute 67-4901 that states, “It is hereby declared that the organization of auditorium or community center districts, having the purposes and powers provided in this act, will serve the public need and use and will promote the prosperity, security and general welfare of the inhabitants of said districts.” Carpenter suggested this is sufficient guidance and should be the basis of any mission or values. Fuller said this is much different than the mission statement contained in the document, the mission of the Mountain America Center of “enhancing the quality of life for the citizenry of Idaho Falls and Eastern Idaho.”

Fuller said terminology like generosity and compassion are great words but he would not want to be arguing the intent of those words before a judge. These do not provide the guidance the General Manager needs nor a level of predictability when booking events. Nitschke said the intent was to provide clarity on how the center would contribute to the general welfare of people in the district. Nitschke said just saying you value people is not enough. It must be stated that valuing people means respect, kindness, civility, decency, etc... Nitschke said each of the values was expanded upon. For example, Artistic Expression is how the transformative power of art enriches lives, deepens understanding and inspires new possibilities. The intent was to provide guidance to the Board and General Manager so activities can be scheduled to align with our facility values.

Carpenter said he does not find anything wrong in what has been developed. It does create some complexity in how you manage booking events, especially if someone is offended. The less said is better. Gazdik asked if the mission statement should be modified to adhere to the language in the State Statute. Carpenter said it should be included. Nitschke said he would support that change and said IFAD has a resource (in the event center) and a mechanism with the mission and values to promote the general welfare of the community. Gazdik appreciated that the facility values were put on paper and agreed most of the facility values are important to the Board and that the Board would uphold them. Gazdik did question whether these needed to be in writing because most of the facility values seem like common sense. Nitschke countered that if the Board does not put these in writing, then contractually, we have nothing. Gazdik said if that is the case, there needs to be something in the document that ties it to the Centennial Management contract. Nitschke agreed. Gazdik asked Hudson to comment. Hudson said the contract is important because that is the letter of the law. Hudson believes the conversation is trending in the right direction and does not have any issues with what is contained in the current document. Hudson said you are discussing something that may happen one time over the course of many years. Hudson said he would agree with whatever the Board decides and agreed many of the values were common sense.

Gazdik said she would like to see the document modified to support the contract. Gazdik said the one value that does not fit the document is the Zero Tolerance value for hate and violence. All the other values are positive, and this value needs to be reworded. Warnecke said he has an issue with zero tolerance and asked if a fight broke out at a hockey game, would we throw out the hockey team? Fuller asked how the Fierce Fighting Championship would be viewed. Nitschke said he is not in favor of such an event, but this would be up to the subcommittee to review.

Spear said the current document is not written as a policy and is only identifying facility values. Spear said if there were problems in the future, the document could be made into a policy. Fuller said as currently stated in the Centennial Management contract, the General Manager would not have any guidelines if this document were adopted in its current form. Without a policy, the Board cannot hold the General Manager responsible for booking events that may violate community/facility values.

Nitschke suggested revising the document in four ways: modify the zero-tolerance value; tie the document to Centennial Management contract; tie the document to the legislative intent; and add words to make it a policy. Gazdik took this as a motion and asked for a second. Carpenter seconded. Warnecke wanted clarification on the motion. Spear then summarized stating the motion is to modify the zero-tolerance value, tie the current document to Centennial Management contract, tie the current document to the legislative intent, and add words to the document to make it a policy. Nitschke said these changes would move the document forward for the next review and it is not ready for approval. Carpenter then rescinded his second on the motion. Fuller said the revised document will need “Whereas” language. Whereas the contract states this and whereas the Statute states this. Spear said he would modify the document and forward to Fuller for review and would present the document at the 5-23-23 Board meeting.

Fuller said the new Board members will be sworn in at the next meeting and once sworn in they will immediately take office. Fuller suggested sending this document to them ahead of time. Gazdik asked if current Board members are Board members through the meeting. Fuller said once the new Board members are sworn in, they immediately begin their terms. Fuller said he would research if members could be sworn in at the beginning or at the end of the meeting.

**Report and Updates**

* 1. **Discussion Item –** Update from Erik Hudson on Hero Arena at Mountain America Center operations and March financials. Hudson provided the following updates:
		1. Currently 13 events are on sale, and all are performing well
		2. INL Plated dinner. This was the second plated dinner offered by the Conference Center. Carpenter asked about the extension cords that needed to be hung on walls. Hudson explained the lighting brought in by the event coordinator tripped the breaker when plugged into the ceiling outlets.
		3. Jeff Dunham 4400 people attended
		4. ZZ Top 3400 people attended. Hudson said they want to come back next year
		5. Reptile Expo held in conference center had over 4000 people attend. Next year they want to utilize the arena space.
		6. Rotary now meeting in the conference space every week
		7. CEI Graduation is on 5-9-23
		8. Aaron Lewis is sold out for 5-10-23
		9. Graduations for Districts 91,93 and Shelley High School scheduled in May and June
		10. Symphony Gala scheduled for 5-12-23
		11. Idaho Transportation Department Training scheduled for next week
		12. Hudson presented the Idaho High School Activities Association proposal and package which included a challenge coin that is given to people who have impacted the building.
		13. Reviewing costs for landscaping maintenance. Lawn mowing to be done by operations staff
		14. Hudson said he would present April financials and projections for the remainder of the year at the 5-23-23 Board meeting
1. **Discussion Item** - Executive Director Report
	1. Cash Flow Update – Spear provided an update of cash flow projections based on the March receipt of TRT revenues. Spear indicated the debt service amount decreased because TRT revenues have been more than budget and the $17K in interest earned on TRT deposits in the lock box. Spear indicated that as long as TRT revenues stay strong, IFAD will remain in good financial shape. Gazdik asked how long the FF&E term is. Spear said it is a 10-year Certificate of Participation.
	2. State Tax Commission Reports – Covered under consent agenda.
	3. Action Items
		1. Revise Facility Values Document
		2. Fuller to review swearing in procedures for new Board members
2. **Discussion Item** - Legal Report – Fuller indicated he is in contact with the attorney for CRSA and with Bateman Hall regarding some issues. Nitschke stated the recent planter box issue is another example of a cost IFAD is absorbing and we are letting CRSA off the hook. Fuller said CRSA is not being let off the hook. Nitschke said regarding the ice plant, CRSA must give us a functioning system that is designed correctly, installed correctly, and tested correctly. IFAD has received none of that.

**Calendar and Announcements**

1. **Upcoming IFAD Meeting** – **Next Meeting on May 23, 2023**
2. **Discussion Item** - Announcements and Minor Questions
3. **Discussion Item** - Agenda Items for May 23, 2023, meeting
	1. Discuss and Approve Facility/Community Values
	2. Swearing in of new Board members
	3. Executive Session

Meeting adjourned at 8:31 AM