

**Board of Directors Business Meeting**

**Tuesday, June 13, 2023, 7:00 a.m.**

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

[**https://us06web.zoom.us/j/82361230962**](https://us06web.zoom.us/j/82361230962)

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

**Room 2416**

**Participants:** Rob Spear, Terri Gazdik (via Zoom), Mike Carpenter, Ron Warnecke (via Zoom), Lisa Casper, Brian Ziel, Mark Fuller, Erik Hudson, Rebecca Casper (via Zoom), Catherine Smith, Kevin Bruder (via Zoom), Bob Nitschke (via Zoom)

**Agenda**

1. **Action Item** - Call to Order 7:00 AM
2. **Action Item** – Accept Agenda – Warnecke moved to accept the agenda. Ziel seconded. Motion approved.
3. **Action Item** - Accept the Consent Agenda
	1. Meeting Minutes – 5-23-23
	2. Review of Payables/Financials – A payables list totaling $8,368.28 was reviewed and approved. Spear provided a summary of the April financial statements.
		1. Actual cash balance equals $2.016M and is consistent with the cash projections for the month of April. Spear says he reconciles with the cash listed in the balance sheet with the cash projection spreadsheet on a monthly basis. Spear explained TRT revenues for April equaled $192K which is significantly less than the $227K budgeted due to 4 entities not remitting taxes for the month of April. Spear said he discussed the situation with the State Tax Commission and explained that if an entity does not remit TRT’s, they should appear on a collection report. Spear anticipates these entities will remit twice in May. Spear explained the large $550K payment to Bateman Hall was the reason the month of April showed a negative net income of 497K. Spear reviewed budget to actual and pointed out overall TRT revenues YTD are $50K higher than the budgeted amount. Spear said legal fees are higher than budgeted and that the Board should expect additional legal fees. Carpenter moved to accept the consent agenda (meeting minutes and payables). Casper 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). Nitschke had some questions regarding ticket purchases for TOOL. Nitschke understood that plaque holders would not be given right of first refusal to purchase tickets and indicated when he got in the queue to purchase tickets there were already 2,000+ people ahead of him. Nitschke said after 15-20 minutes he was able to purchase 2 tickets but was concerned that the citizens of Idaho Falls may be getting left out. Gazdik suggested Hudson inform the Board about this during his report.

Mayor Casper wanted to ensure that the Board knew Catherine Smith is the new Economic Development Director for the City of Idaho Falls. Mayor Casper said the City now has someone to answer any questions the Board may have. Mayor Casper commented that the Idaho Falls Auditorium District and the event center have become an important feature and asset for the City of Idaho Falls.

1. **Action Item -** Elect IFAD Officers, Board Chair, Vice-Chair, Secretary and Treasurer. Gazdik asked if IFAD has elected a secretary and treasurer in the past. Fuller indicated the Executive Director was elected to fill both positions in the past. Gazdik then nominated Spear for Secretary and Treasurer and Carpenter for Vice Chair. Carpenter accepted the nomination and then nominated Gazdik to continue as Board Chair. Gazdik said she accepts the nomination to be Board Chair for the next year but stated her term expires in May of 2025. Gazdik said she would like someone else to assume Chair responsibilities next year. Gazdik called for a motion to elect Gazdik as IFAD Board Chair, Carpenter as Vice Chair and Spear as Secretary and Treasurer. Warnecke moved to elect the nominees to the offices. Ziel seconded. Election was approved by unanimous consent.

1. **Discussion Item –**Receive a punch list update from Rob Spear. Spear provided the following updates:
* Ceiling leak Sky Deck – has been supposedly fixed at least 5 times. Appears issue is water is coming under the door from the lower roof access door.
* HVAC unit went down due to a short in the motor.
* Kitchen Equipment – Piece of equipment was tripping breaker because it was double wired. This has now been corrected.
* Hot water went out due to hard water build up. The solution is to increase the frequency and amount of soft water treatment.
* Issues with the closing of exterior doors. ABS supposed to be onsite to correct.
* NuVu to fix glass at main entry way.
* Lawn mowing – outside boulevard grass is not being maintained by Snake River Landing. Spear suggested the boulevard grass maintenance be taken in house.

1. **Action Item –** Review and Adopt Declaration of Official Facility/Community Values Policy for the Operation of a Multi-Purpose Event Center and process for Event Scheduling. Spear said the document was updated to add another “Whereas” clause that the manager will abide by the Event Booking Process and to add the wording, “to include but not limited to” the last paragraph in the document. Fuller suggested that the Contemporary Community Values Committee be a standing committee with members identified and in place. Carpenter asked how the committee would convene and make a timely decision if current members are not available. Fuller stated that on some boards committee members could identify a proxy, but the policy states the Board Chair will appoint committee members. Spear asked Hudson to comment on the document. Hudson said he recently attended a venues management conference and the topic of community standards came up. Hudson informed attendees that the IFAD Board has developed a comprehensive community values policy and combined with the already adopted communication guidelines, puts the Mountain America Center in a strong position. It allows for autonomy and discussion if an issue arises but Hudson does not anticipate ever scheduling an event that would violate the contemporary committee values policy. Gazdik commented it is good that this policy puts the event center on the leading edge for this topic. Gazdik called for a motion. Carpenter said he will make a motion as long as the General Manager and legal counsel are comfortable with the document. Carpenter then moved to adopt the Contemporary Community Values policy. Casper seconded. Motion passed. The Chair will act to appoint committee members.

**Report and Updates**

1. **Discussion Item –** Update from Erik Hudson on Hero Arena at Mountain America Center operations and May financials. Hudson indicated the May financial statements will be presented at the June 27th Board meeting. Hudson then provided the following update:
* Last week Hudson traveled to Tampa Florida to attend the International Venues Management School. Hudson said the announcement of TOOL created some buzz around the school. Hudson said he scored at the top of his class on the final exam and was elected the class representative for year 2. Hudson said his goal is to achieve a scholarship for the international version of the Venues Management School in Australia.
* Hudson said they have taken a week off from announcing shows. But will announce Skillet and Theory of a Deadman today (6-13-23). Both are Christian bands.
* Car show will be held this weekend
* Latino band being announced next week
* Several other announcements will be made next week
* Professional Bull Riding (PBR) will announce next week
* Christmas show announcing in July
* TOOL on sale was sold out in one hour. There are only 179 VIP tickets left. Hudson said strategies are taken to mitigate bots and scalpers. For this event there are no resale platforms allowed, tickets are only delivered electronically, and the barcode changes every 15 minutes. Hudson said tickets were also limited to four per party. 4,077 people purchased tickets from 641 different zip codes with 76% being within a 100-mile radius. Less than 10% of the tickets were purchased outside the four-state area (Idaho, Montana, Wyoming and Utah). Ziel stated a big part of IFAD’s mission is to drive tourism and would like to see a community concert series developed. Ziel commended Hudson on booking TOOL and Hudson responded by saying this shows the facility is capable of hosting concerts like TOOL.
* Hudson said he travelled to Kalispell to visit with PBR representatives and is extremely excited to host a 2-day PBR event in April of 2024. Hudson said this as a three-year commitment.
* Hudson said they continue to move maintenance items in-house and recently purchased a riding lawn mower.
* The hockey schedule will be announced next week. Hudson also displayed one of two new alternate jerseys that the Spud Kings will wear next season.
* A marketing and graphic designer was hired to monitor and improve the Spud Kings website.
* 26 rostered players have been signed by the Spud Kings for next season
* Hudson said there is now a USPHL Premier League in the east along with one in the west. Winners of each division will compete for a national championship. Location will rotate every year between the east and the west (this upcoming year in the east) and Hudson is confident the series could be hosted at the event center in the future.
* Spear displayed a photo of a person who wrote a disparaging remark on the outside of the southwest box office window. Hudson this has been turned over to the police and the individual’s picture will be posted in the box office and he will not be allowed in the facility.
* Fuller asked about the use of the parking lot on the 4th of July. Hudson said the parking lots will be utilized by Snake River Landing and that Snake River Landing has also agreed to contract with the center’s event services for staffing. 85 temporary staff members will be involved. Hudson said the Mountain America Center will be closed. Gazdik asked if the Silver Star Sky Deck would be open. Hudson said it will not be open.

1. **Discussion Item** - Executive Director Report
	1. Cash Flow Update – Spear provided the Board with a breakdown comparing the April 2022 TRT revenues with April 2023 TRT revenues. Spear indicated four entities did not remit in April of 2023 which reduced April TRT revenues by approximately $40K. Spear has yet to receive an answer from the State Tax Commission but is confident that those entities will remit in May. Spear did report that hotel.com revenues and hotwire TRT’s are now being remitted by Travelscape. Carpenter stated that the State Commission needs to have more pressure on them to provide timely information. Spear said if it is not resolved he will make a trip to Boise. Gazdik said IFAD is paying the State Tax Commission and should expect better service. Fuller commented that one of the reasons IFAD contracted with the State Tax Commission was the State had already contracted the third-party marketplace entities (e.g., Airbnb). Fuller said the disadvantage is IFAD is a very small piece of overall tax activity. Spear said he updated the report to show the common name as well as how often the entity is supposed to remit. Only one entity is remitting quarterly. Carpenter asked if IFAD is making any headway with the city on identifying short-term rentals. Spear said he had made progress up until Brad Cramer left City. Spear said he would follow up with Wade Sanner who has replaced Cramer.

Spear then provided the budget detail for FY2023. Spear indicated that he moved the final Bateman Hall payment to June and indicated the budget was updated to include the actual April TRT’s. Spear then provided an update on the IFAD cash flow through 2029 also using April actuals. Overall, IFAD should easily get to a refinancing period without any issues as long as TRT revenues remain strong. Ziel asked why there was a difference in salary amounts in the salary line between 2023 and future years. Spear said in his opinion the salary for the Executive Director should be decreased because the responsibilities will potentially change. Gazdik said this will be discussed when the 2024 budget is developed.

Spear reported that he has email addresses established for new Board members. Fuller explained it was good practice to have separate emails for IFAD Board members. Fuller said if there was any future litigation having these separate emails would protect a Board member from having to disclose any personal information.

* 1. State Tax Commission Reports – Covered under consent agenda as part of financial statement overview.
	2. Action Items
		1. Conduct new Board Orientation
		2. Develop Long-Range Plan for the Board
		3. Continue monitoring punch list items
		4. Follow up with the City on short-term rentals
1. **Discussion Item** - Legal Report – Fuller did not have a report for the public portion of the meeting.

**Calendar and Announcements**

1. **Upcoming IFAD Meeting** – **Next Meeting on June 27, 2023**
2. **Discussion Item** - Announcements and Minor Questions
3. **Discussion Item** - Agenda Items for June 27, 2023, meeting
	1. Presentation on future IFAD Board opportunities and direction.
4. **Action Item** - Adjournment to Executive Session - At 8:10AM, Gazdik read a motion to move into Executive Session. Casper, Ziel, Carpenter, Warnecke, and Gazdik all voted in the affirmative.
5. **Executive Session -** Idaho Code Section 74-206 (1) (f) To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated.
6. **Adjournment from Executive Session –** 8:51 AM
7. **Action Item –**Action taken on Section 74-206 (1) (f) matter discussed in Executive Session. Board moved to approve the terms of engagement with Hahn Law Office to assist with mediation and possible litigation.
8. **Action Item -** Adjournment from Public Session 8:52 AM