

**Board of Directors Business Meeting**

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

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

[**https://us06web.zoom.us/j/88199806516**](https://us06web.zoom.us/j/88199806516)

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

**Room 2416**

**Participants:** Rob Spear, Terri Gazdik, Lisa Casper, Ron Warnecke (via Zoom), Brian Ziel, Mark Fuller (via phone), Paul Baker, Erik Hudson, Rebecca Casper (via Zoom), Catherine Smith (via Zoom), Kevin Bruder (via Zoom)

**Agenda**

1. **Action Item** - Call to Order 7:02 AM
2. **Action Item** – Accept Agenda – Spear recommended Agenda Item VI be removed from the agenda. Gazdik suggested the Tolling Agreement approval be added to the agenda and replace Agenda Item VI. Warnecke moved to accept the agenda as modified. Casper seconded. Agenda approved as modified.
3. **Action Item** - Accept the Consent Agenda
	1. Meeting Minutes – 6-27-23
	2. Review of Payables/Financials – A payables list of $227,170.68 was reviewed and approved. Gazdik asked for clarification on the payments to Bateman Hall. Spear indicated the payments to Bateman Hall were for previously approved change orders (defrost system for ice plant, planter box outlets, heat trace for roof) and for partial payment of the final construction invoice. Spear indicated Bateman Hall is still owed $100K but that will not be paid until all the HVAC issues are resolved. Spear stated the payment to Revel Media was for sales tax that was not previously calculated.

Spear presented the May financials and stated that May was a low expenditure month. TRT Revenues for May were received and included April payments from the three hoteliers who did not remit in May. Spear said that overall TRT revenues are 9.67% ahead of 2022 numbers. The other revenue item that is significantly higher than expected is interest earnings.

Ziel moved to accept the consent agenda. Casper seconded. Motion passed.

1. **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.
2. **Discussion Item –**Receive a punch list update from Rob Spear. Spear presented the following punch list items:

~~~~

Spear said the biggest issue continues to be the programming of the HVAC system and the identification and replacement of the failed module in RTU 3. Innovative Air still has not completed all of its required training. Spear indicated a meeting is being held on 7-14-23 with Bateman Hall, Innovative Air, AAON, Lewis Mechanical and VBFA to discuss and resolve all of the HVAC issues.

1. **~~Action Item –~~** ~~Approve the Ball Ventures Development Agreement for the marquee sign.~~ This item was removed from the agenda.
2. **Action Item-** Approve Tolling Agreement. Fuller introduced the topic and said this agreement will delay the commencement of litigation to enable CRSA and IFAD time to engage in discussions, mediation, or possible negotiation/resolution/compromise without fear of rights, demands, claims, and defenses being lost by reason of the passage of time, including but not limited to Statute of Limitations and any potential laches defenses.

1. **Discussion Item –** Presentation by Paul Baker Greater Idaho Falls Chamber of Commerce on Chamber direction and partnerships. Baker presented the following information:
	* 1. Baker highlighted his past experiences that included time spent as an early entrepreneur with a paper route, time spent as a social worker, UPS consultant, resort developer and now Chamber CEO.
		2. Baker presented the following vision for the Greater Idaho Falls Chamber:
			1. Create a Club Membership where there are special benefits for members.
			2. Create a Convention and Visitors Bureau (CVB) that will pursue conferences and events for the Idaho Falls community. The goal is to bring everyone together and target the 4–6-hour travel radius and have advertising in the airports of towns within this radius. Baker would like IFAD, the City of Idaho Falls, the Airport all to be part of the CVB.
			3. Create a Sports Commission to attract tournaments and construct Sports Facilities.
			4. Working with hoteliers, identify a room package program that will be available for travelers to the area.
		3. In Baker’s opinion, Idaho Falls has an identity crisis and it needs to promote itself as a destination area. Baker intends to modify the wording on the Visitors Center door from “where destinations begin” to where destinations begin and end.” Baker’s goal is to redefine what the Chamber is and how the Chamber engages with people.
		4. Baker showed a “What If” video that he created that highlights Idaho Falls as an area that you could visit and stay and experience the following:
			1. Museum
			2. Golf
			3. Arts
			4. Events at Mountain America Center
			5. Outdoor Activities
			6. Proximity to National Park day trips
			7. Symphony/Theatre
			8. Mountain Bike riding and hiking
		5. The goal of the “What If” theme is to create and promote connectivity in the area and focus on the way people move. As part of this theme, Baker wants to create a digital passport to assist people during their stay. This identifies how people move around the City and also identifies any pinch points that restrict access. Push notifications will also be part of this digital passport.

Gazdik asked Baker where the resorts he currently owns are located. Baker said he has one in Wales and one currently under development near St. George in Utah and is in the preliminary planning stages for one in Idaho.

Ziel asked what the first steps for IFAD would be to be for involvement in the Chamber’s new efforts. Baker said he would like IFAD to be part of the CVB and Sports Commission. Baker said he does not want the Chamber to be the sole owner of CVB and Sports Commission but rather to facilitate and get the correct people involved. Ziel also asked if the City of Idaho Falls has been approached. Baker said he has had discussions with the Mayor and with Catherine Smith, the new Economic Development Director. Ziel asked how the Chamber is assisting with relocation of people moving to Idaho Falls. Baker said they do provide information to individuals and families considering relocation to Idaho Falls. Baker said it is important that Idaho Falls engages in smart growth.

Baker commended the Board on getting the Mountain America Center built.

**Report and Updates**

1. **Discussion Item –** Update from Erik Hudson on Hero Arena at Mountain America Center operations and background on event forecasting and reconciliation. Hudson provided the following summary:
* There is a sense of urgency to correct and get the HVAC system functioning properly because of the hot weather coming our way and the number of concerts scheduled and the need to have the building cool.
* Building currently is under six days of deep cleaning to get the building back to its original condition because over the next six months there are no breaks.
* July events include:
	+ Billy Currington
	+ Volbeat
	+ Falling in Reverse
	+ Koe Wetzel
	+ Safety Conference
	+ Teton Auto
	+ District 91
* 2024 budget process is under development including a capital replacement plan that will be presented to the Board in September.
* Looking at booking events for QIV of 2023, and Q1 and Q2 of next year. Currently pursuing 14 artists for quarter IV. Hudson said if half of these are booked, he expects another successful year.
* PBR on sale for April 2024 (a three-year contract). Response has been tremendous.
* Gentri announced and on 12-2-23
* Several sporting events with one hopefully being nationally televised.
* Hockey team will be presenting a permanent merchandise stand on the northeast corner of the main concourse. Kevin Greene is putting a proposal together. This space could also be used for other non-hockey events.
* 36 out of 40 roster spots for hockey are filled. 4 spots are being held for players who may get released from Tier 1 leagues.
* Hockey website is going through a complete makeover.
* Salsbery is working on community outreach events and has recently contacted United Way about partnering with the ALICE (Asset Limited Income Constrained). The arena floor could be utilized for a food packing center. Ziel said he is on the United Way board and said this exposure would be positive for the center.

Hudson then outlined his booking process:

* First thing is to review the calendar and ensure the market is not saturated with a specific genre. His goal is to not place two like genres within three weeks of one another.
* Once a quarter Hudson will review routing reports of various artists to see if there is an opportunity for Idaho Falls. He is also in constant contact with five to six different promoters.
* Hudson uses a 7-page Excel spreadsheet to perform a risk assessment on shows.
* Utilizes a national database produced by Pollstar to find historical information that includes per cap amounts (amount spent per person on food and beverage amounts), attendance, average ticket price.
* Ticket prices are set based on this history and scaling.
* Expenses are then evaluated. Hudson said he over inflates expenses and under inflates revenues.
* A breakeven point is then calculated
* Hudson showed risk assessment for Volbeat & Hailstorm.
* Hudson explained the pricing for food and beverage costs and said it is industry standard and said the profit margin is 20% over cost of goods sold and that determines price. The cost of goods sold at the event center is a lot higher than at Melaleuca Field.
* Hudson said a risk assessment is completed for every show or event.
* Hudson said the event center is 162nd in the world for ticket sales. There are over 2000 event centers and many are a lot larger.
1. **Discussion Item** - Executive Director Report
	1. Cash Flow Update – Spear presented the 2023 YTD TRT details of revenue received by remitter. Spear then presented an updated cash flow update that includes the impact that Exhibit E, from the Trust Indenture, will have on TRT revenues due to come back to IFAD. Spear explained that Exhibit E of the Trust Indenture was never included in the original document. After receiving a copy of Exhibit E, Spear updated the cash flow projections because Exhibit E impacts how much TRT revenue IFAD can request back on each November 20th. Exhibit E requires 50% to 60% (50% for 2024 and 2025 and 60% thereafter) of the next debt payment be kept in the Revenue Fund. Spear explained that IFAD will only be able to request TRT revenues in 2024, 2026 and 2028 because two years of revenues will need to be collected before there is enough TRT revenue to request back. Spear did say that the calculations do not include interest. Spear said on a positive note IFAD can request interest back from the Debt Service Reserve Fund for any balance exceeding the required $4.178M. Because of current interest rates, the Debt Service Reserve Fund is estimated to increase $209K per year. Spear said IFAD should consider requesting these funds back in 2026. Spear said as long as TRT revenues remain strong IFAD should have enough cash flow to get to 2028. 2028 is when the transaction can be refinanced at par. Although IFAD never budgets for any revenue from operations, Gazdik added that IFAD can utilize any extra revenues from event center operations to cover any gap. Spear said he has not heard back from Laura Lewis about the issue with Exhibit E.

* 1. State Tax Commission Reports – Spear presented any update of TRT revenues through May of 2023 by remitter.
	2. Action Items
		1. Spear to follow up on HVAC issues
		2. Spear to contact Laura Lewis
1. **Discussion Item** - Legal Report. Fuller did not present a legal report.

**Calendar and Announcements**

1. **Upcoming IFAD Meeting** – **Next Meeting on August 8, 2023**
2. **Discussion Item** - Announcements and Minor Questions
3. **Discussion Item** - Agenda Items for August 8, 2023, meeting
	1. Ball Ventures Development Agreement
	2. Executive Session
	3. Tour of Building
	4. June Financials

Meeting adjourned at 8:41 AM