

# Board of Directors Business Meeting Tuesday, January 9, 2024, 7:00 a.m.

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

[**https://us06web.zoom.us/j/86597212480**](https://us06web.zoom.us/j/86597212480)

# Event Center Drive, Idaho Falls, Idaho 83402 Room 2416

**Participants:** Rob Spear, Terri Gazdik, Ron Warnecke, Lisa Casper (Zoom), Brian Ziel (Zoom), Mark Fuller, Erik Hudson, Andy Birch, Catherine Smith (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 passed.
3. **Action Item** - Accept the Consent Agenda
	* Meeting Minutes – 12-21-23
	* Review of Payables/Financials – A payables list totaling $36,145.57 was reviewed and approved. Spear provided the Board with a document detailing the owners assessment charges from SRL Master Properties. Spear explained the cost increased 13% over last year to $20,592 and that he asked that the amount be adjusted because many of the charges (landscaping, snow removal, trash removal) are being performed by the operator. No financial statement information for November was available because TRT revenues have not been received. Warnecke moved to accept the consent agenda. 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). There were no public comments.
5. **Action Item** – Approve Wipfli Engagement Letter. Spear provided the new engagement letter for accounting services. Spear indicated the monthly amount is now $2,000 and was reduced by $500. Spear referred to the scope of work and stated that Wipfli does not assist in creating customers’ invoices, recording customer payments, monitoring accounts receivable aging and forecasting cash flows. Spear said he recommends approval of this engagement letter. It was discussed that future payments to Wipfli would be done through ACH debit transactions. Currently $650 is through ACH and $1350 is directly billed. This was because original Wipfli services were $650 and increased because of all the new funds involved. Casper moved to approved the Wipfli Engagement Letter. Warnecke seconded. Motion passed.
6. **Action Item** – Approve IFAD Investment Policy. Spear highlighted the changes form the last draft:
	* Ensure no more than $50K is kept in the account for anticipated expenses.
	* If investing outside the LGIP, IFAD will require the Investment Manager, when or if employed, to maintain a reasonable diversification of investment assets between asset classes and investment categories at all times.
	* Change the Allocation Table for International from 20% to 10% and increase Fixed Income to 35% from 25%.
	* Performance to be evaluated annually instead of 3-5 years.

Warnecke moved to adopt the investment policy. Ziel seconded. Motion passed.

1. **Discussion Item** – Presentation by PJ Holm, Director of Idaho Falls Parks, and Recreation. Holm presented the following highlights:
	* Mission of Parks and Recreation is to “Enrich the Community”
	* Parks and Recreation has responsibility for:
		+ 44 parks
		+ 41 storm retention ponds
		+ 11 snow dumps
		+ 41 Right of Ways
		+ 22 Pavilions
		+ 18 miles of pathways
		+ 38 miles of canal bank
		+ 32 public restrooms
		+ 33 baseball/softball fields
		+ 16 tennis courts (8 are located at high schools)
		+ 6 pickle ball courts and soon to be 12 with additions inside the Tautphaus Park Ice Rink building. That space became available because they are no longer able to host events inside. Cost for a portable pickle ball court range from $8K to $10 depending on number of colors. Ziel asked about replacing the City’s hockey structure in the future. Holm said that is going to be difficult because there is not a revenue stream to support because most usage fees are waived.
		+ 25 soccer/football fields
		+ 1 rodeo grounds
		+ 1 disc golf course
		+ 3 PGA golf courses
		+ 1 aquatics center
		+ 1 ice arena
		+ Idaho Falls Zoo – 25 years
		+ 1 Raceway
		+ 28 playgrounds
		+ 2 fishing ponds
		+ A mountain bike and skills park
		+ 25,000 trees
	* Holm said Parks and Recreation is hesitant to take on additional properties because of resources issues.
	* Holm discussed the following future projects:
		+ Old Butte Soccer Complex – All the existing land was purchased using FFA funding and belongs to the airport. Currently, the City has a short 3-year lease on that property and then must vacate 14 fields. The City does own 40 acres to the west of that property.
		+ West side sports complex – located on 40 acres and purchased in 2014. Originally the land was purchased for softball fields. Plan is to construct 8 adult fields and 10 smaller youth fields of which 2 might be covered with artificial turf. The City only has $800K allocated for the project at the present time. Total cost is estimated to be $11M. The minimum amount to get the fields playable is $5M and does not include any amenities.
		+ Idaho Falls Community Center – Holm said this has been discussed for many years and they are currently discussing a location with private property owners. Holm said he has been discussing with various groups and receiving input on what should or should not be included in the facility (e.g. like a fitness center). In the past, including a fitness center was not well received. Holm said the current recreation center is 87 years old.
		+ Sandy Downs Sports Complex – Holm said this plan has taken a back seat because of the need to improve the soccer fields on the west side. The long-term plan is to create RV parking, soccer fields, skate park, splash pad, pickle ball courts and baseball fields.

 Gazdik asked who owns the green space off of 49th street. Holm said that is owned by the school district and will be available to the public outside of school events. Holm said they have a joint use agreement with the school districts that allows both entities to utilize each other’s facilities. Spear asked if a Sports Commission was established for Eastern Idaho would there be an appetite for a joint use agreement with the Sports Commission. Holm thought there would be interest but the biggest issue is the workforce to maintain fields.

**Report and Updates**

1. **Discussion Item –** Presentation from Erik Hudson on Hero Arena at Mountain America Center on Mountain America Center operations and year-end financial statements. Hudson presented the following highlights from the November year-end financial statements:
	* Total Revenues = $240,753
	* Total Operating Expenses =$266,885
	* The reason expenditures exceeded revenues is because there is a $50K snow removal expense accrued pending settlement of last winters snow removal costs.
	* No management fee because it was paid as part of pre-opening services.
	* Total net income for the year = $1,196,598

Hudson then shared the following highlights (2023 Standing Ovations) for the first year of operations:

Events Hosted

* Total Events Hero Arena = 99
* Total Events Blue Cross of Idaho Conference Center = 71
* Total Events = 170
* 20 concerts
* 34 other live events
* 34 hockey games

Attendance

* Hero Arena finished #172 in the world in concert attendance at 89,536 (does not include suite and loge attendance)
* Blue Cross of Idaho Conference Center saw 28,389 people through the doors
* Total tickets scanned Hero Arena = 200,711
* Total Attendance across Mountain America Center Campus =229,100
* Hero Arena is the highest-ranking arena in the State of Idaho

Community Partnerships

* Operation Warm with Mountain America Credit Union
* Eastern Idaho Down Syndrome Race
* Memberships Idaho Falls Rotary and Greater Idaho Falls Chamber of Commerce
* 25+ non-profit organizations staff concession stands for fundraising efforts

Social Engagement

* 14,272 Facebook followers – increase of 10K followers
* 2,379 Instagram followers
* 2.4M Facebook Impressions
* 180,676 Instagram Impressions
* Fans First subscriber email open rate = 58%

Demographics of Audience

* 50/50 split male and female
* 57% guests are married
* 64% of our guests have children
* 30% of our guests are age 35-44
* 25% of guests are 55+

Spear asked if data was available by State or zip code. Hudson said he would pull the data for zip codes.

Awards and Achievements

* Post Register Reader’s Choice
	+ - Best Event Venue – Winner
		- Best Family Entertainment – Runner Up
		- Best Customer Service - Runner Up
* Best of Greater Idaho Falls
	+ - Best Concert Venue – Winner
		- Best Showroom/Live Venue – Winner
* Idaho Business Review
	+ - CEO of Influence – Rob Spear
		- 2023 Top Project Public Venue
* Pollstar/Venues Now
	+ - 2023 New Concert Venue of the Year Nominee (5,000+ category)
		- Next Gen Impact Award Winner - Erik Hudson
		- Women of Influence Winner-Kelsey Salsbery
		- Distinguished Under 40 Award Winner-Kelsey Salsbery

 Spear mentioned the building also received the Utah ENR Mountain States 2023 Best Projects Award of Merit Sports.

Hudson presented a schematic for a permanent merchandise area. The cost is estimated at $68,000 and the Spud Kings Hockey program is asking to split the cost because it can be used for concerts and other events. Gazdik stated there is a need for such space and asked what costs would be split. Hudson said the cost to construct would be split which would require an addendum to the current Spud Kings contract. Spear said that if the Board elects to partner there should be some Return on Investment like receiving a percentage of merchandise sales. Hudson said he agrees. Ziel asked if the current Spud Kings lease cost would be increased. Hudson said he did not think the hockey program would agree to a lease increase but would be supportive of sharing a percentage of their merchandise sales. If the Spud Kings will utilize the storage space in the rear of proposed location, Spear asked what will happen with the current merchandise area. Hudson said he would hope that space would become available but that needs more discussion. Fuller said the presentation for next Board meeting should include a proposal of how this space would be used in the future. Warnecke asked if this would take the place of the merchandise sales at Melaleuca field. Hudson said it would not. Hudson said the traffic flow would not be impacted and would give the facility a cleaner look. Warnecke asked if the space would be open during non-hockey hours. Hudson said there are discussions of having it open on Wednesdays when the box office is open and possibly having it open during other events. Ziel asked about rolling kiosks for smaller merchandise items. Hudson said he is supportive but the facility must be aware of the impact on space. Again, the proposed new merchandise area does not impact space because that space is being utilized now with portable tables being setup.

Hudson announced that the Breaking Benjamin concert was just announced.

Hudson said his team is big on goal setting and last year the venue hosted 31 touring events in the building and the goal is to increase that by 10%. Currently, there are 24 touring events confirmed for 2024. By doing this, Hudson is hopeful year 2 can be more successful than year 1. Gazdik asked if coordination with the Maverik Center can result in more “A” list acts coming to Idaho Falls. Hudson said there is one A Lister scheduled for this summer. Hudson also stated that when he becomes aware of tours scheduled at the USANA Amphitheatre or Maverik Center they immediately contact the promoter to see if there is interest in performing in Idaho Falls.

Ziel asked about additional sporting events in 2024. Hudson said BSU basketball, Utah Grizzly hockey, NHL exhibition games are all being considered. Hudson said an announcement about events for the Idaho State High School Activities Association will be announced in January. In addition, there is discussion about hosting an indoor soccer tournament that would generate 2400 rooms nights. An indoor turf would need to be purchased or rented.

1. **Discussion Item** - Executive Director Report
	1. Cash Flow Update – Spear did not present an update because November TRT revenues have not been received from the State.
	2. State Tax Commission Reports – No update
	3. Board member access to building – Hudson stated that, Andy Birch, Director of Events Services, was present to discuss building access for IFAD Board members. Hudson said Centennial Management wants the Board to have access whenever it wants. Birch explained that the venue has made changes to better support the Board, such as providing IFAD Board member individual codes that give the Board access to any keypad door, and all IFAD Board member badges will state “all access”. Hudson said it is important the Board decide on the access it wants so it can be put into a policy and standardized. Ziel said he would like to see a definition of what all access means, have autonomy and flexibility to engage with people during events, and give tours during off hours when appropriate.

Gazdik said the Board sometimes acts as the eyes and ears of the community and needs to have appropriate access in order to gather feedback for the Centennial Management team. Gazdik said Spear should be contacted and coordinate all requested tours. Fuller said it is important to construct a policy with future board members in mind because future board members may not be associated with a company that has access to seats, a suite or loge. Fuller said as the landlord of the Mountain America Center, the lease holder cannot dictate when and where the landlord will have access. It just does not work that way. Outside of event days, the IFAD Board should have unfettered access upon proper notice. Hudson agreed that Board should have access.

Spear encouraged the Board to observe event load in day because it would give them another perspective of the coordination and volume of work required. Spear said he would draft a policy and ask Birch to review. Birch said he is conducting training on February 13-14th and would like the Board to attend and also have the policy in place by then. Gazdik said that the Board will vote to approve the policy on February 13, 2024.

Birch said the biggest stress days are days of a show because of the demands placed by the shows. Entering during working hours on a non-event day (8A-5P) is not an issue.

* 1. Action Items
		1. Draft IFAD Board Member Building Access Policy
1. **Discussion Item** - Legal Report – Fuller said he expects to receive a check based on the results of the mediation session soon. Fuller shared a development that is occurring that will ask the legislature to consider a bill during the upcoming session. The bill is intended to address the situation that if a venue does not allow patrons to enter into a facility with a firearm, then the venue will be required to provide an additional level of security. If you are going to create a soft target then you need to have a hard shell. Fuller expects such legislation to pass. Hudson said in the industry, any event is considered a private ticketed event. This being the case, the artists and promoters are the ones wanting the firearms policy to be enforced. Hudson said the State of Utah has already passed similar legislation and the Maverik Center now has to allow people to possess firearms. Hudson said they will be prepared to comply with whatever the bill states. Warnecke asked who would assume the liability in the case someone was injured during an event. Fuller said the bill, if passed, will not allow people to carry firearms but will want venues to provide heightened protection to the patrons. Warnecke wanted to know if the IFAD Board has Director and Officers (D&O) insurance. Spear and Fuller said this is provided through ICRMP.

# Calendar and Announcements

1. **Upcoming IFAD Meeting** – **Next Meeting on February 13, 2024**
2. **Discussion Item** - Announcements and Minor Questions
3. **Discussion Item** - Agenda Items for February 13, 2024, meeting
	* Discussion Item – Creating new merchandise space to be utilized by the Spud Kings and venue for concerts.
	* Action Item – Approve IFAD Board Building Access Policy
	* Discussion Item - Hockey team roster movement. Warnecke mentioned concern about the constant roster turnover and wanted the correct information to be presented. Hudson said it is important to not disclose why players are moved or traded. The goal is to get players playing time and sometimes players are moved to accommodate playing time and sometimes players asked to be traded closer to home. Hudson said it is important to put the best product they can on the ice. Hudson said next year 20 of the 26 current players may be retained. Gazdik suggested a process of celebrating a player when they move. Hudson they do promote players who have been fortunate to earn college scholarships. Hudson said the last time the hockey team posted about a player moving, the post generated much negativity on social media.
	* Gazdik asked about discussing whether there needs to be public comment on future agendas. Fuller said he supports it being on the agenda.

**Meeting Adjourned at 9:12 AM**