

# Board of Directors Business Meeting Tuesday, March 19, 2024, 7:00 a.m.

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

[**https://us06web.zoom.us/j/89063274229**](https://us06web.zoom.us/j/89063274229)

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

**Participants:** Rob Spear, Terri Gazdik, Ron Warnecke, Lisa Casper (Zoom), Catherine Smith (Zoom)

**Agenda**

1. **Action Item** - Call to Order 7:02 AM
2. **Action Item** – Accept Agenda. Carpenter moved to accept the agenda. Warnecke seconded. Motion passed.
3. **Action Item** - Accept the Consent Agenda
   1. Meeting Minutes – 2-13-24
   2. Review of Payables/Financials – A payables list of $7,6648 was reviewed and approved. Spear explained the two payments ($1,332) to SRL Development were for February and March marquee sign rental costs offset by the power usage. Spear reviewed both December and January financials and indicated TRT revenues have fallen short of budget projections. Spear said TRT revenues are down 16% over 2023 numbers and that 2024 TRT revenues appear to be trending toward 2022 numbers. Spear said hoteliers have stated that business travel is lagging. Carpenter stated the average daily rate may decline and hopefully this could be offset by increased volume. Warnecke asked if legal fees were for December. Spear said they were. Warnecke moved to adopt 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. **Discussion Item** – Discuss proposed new Merchandise Area located on first floor concourse. Since Hudson was not present for the meeting, Spear said this agenda item would need further discussion at the April 9, 2024, IFAD Board meeting. Spear said Hudson expressed a concern that a permanent structure will compromise the concourse space in the building. The concourse space was exploited during the recent craft show and during Disney on Ice. Spear said the center was not built as an expo center but needs to provide that service to the community. Carpenter suggested that this topic needs more discussion because in addition to the lack of merchandise space, the event center is short of storage space. Spear said the Kevin Greene offered to sell a sponsorship for the space to cover the cost. Spear was not in favor of that idea and suggested IFAD needs to be reimbursed for its half and share in the sponsorship revenue. Gazdik said the Board did not want this space branded. Gazdik also wondered if someone that specializes in space management should be considered to study the space to make it as efficient as possible. Carpenter suggested the possibility of constructing a bubble outside the building that could be used for both storage and the merchandise area. Warnecke asked if Hudson could tape off the space being considered for the Board to actually see what is being proposed. Spear suggested tabling this discussion for the next meeting.
6. **Discussion Item** – Follow-up discussion on Concession Stand Volunteer Organizations and liability concerns. Spear shared an email from Hudson that contained the Non-Profit Organization (NPO) Contract. In the email, Hudson stated, “Once again TIPS training is not a state law in Idaho, but having a person in the stand be required to have it is above and beyond, which we want to do in every instance we can. I have spoken with our Food and Beverage team about communication to our NPO groups as well, and the delivery of their messages. I have been assured by Angela, that the stand managers will have a crash course on etiquette and have been told that each stand does in fact have a stand manager on site for every single event.” Casper commented that the NPO that she is affiliated with has elected to forego working concession stands, because of the language in the contract and the changing of the revenue share. Casper did not think any further discussion was warranted unless another NPO expresses concerns. Gazdik suggested sending a survey to non-profits and getting their feedback. Smith said Rotary has participated and understands there is a need for additional training. Overall, they feel good about the opportunity. Warnecke thought it would be a good idea for the Concession Manager to attend a Board meeting and explain the training process for NPO’s.
7. **Discussion Item** – Update on IFAD Foundation. Spear thanked Gazdik and Warnecke for their participation on the committee. Spear then shared the mission statement that was adopted on 3-18-24. It is concise and reflects the mission of the Foundation and ties to the purpose in the Articles of Incorporation. “To maximize the use of the Mountain America Center by developing strategic partnerships and forming a sports commission to promote economic growth and ensure financial sustainability of the center.” Spear said this will allow access into funding areas dedicated to 501c3 organizations. Gazdik shared that it is important to separate IFAD from the Foundation to ensure one or the other is not influenced inappropriately. For example, if there is a decision that requires an IFAD Board vote, and only two IFAD Board members are on the Foundation Board, the other three IFAD Board members could overrule a decision. Carpenter asked whether a discussion took place about having other IFAD Board members attend a Foundation meeting even if they are not formerly on the IFAD Foundation Board. Gazdik said it was not discussed and normally non-profit boards do not involve members of the general public. Gazdik said there will be a discussion about how IFAD could provide some seed money to the Foundation and having more than two IFAD Board members present at the Foundation meeting could inappropriately influence those deliberations. Gazdik said who serves on the Foundation Board is still evolving. Carpenter talked about forming an advisory committee that could support the Foundation. Gazdik said any establishment of an advisory committee would be up to the Foundation board members but the bylaws allow for those sub committees. Carpenter said advisory boards and sub committees can broaden the perspective of the Board. Gazdik said it is important to have a blend of people who are influencers and doers.

Spear the bylaws were modified for clarity and approved. Spear said the next step is to identify individuals for IFAD Foundation membership and encouraged Board members to provide him names.

**Report and Updates**

1. **Discussion Item –** Presentation from Erik Hudson on Hero Arena at Mountain America Center on Mountain America Center operations and January financial statements. Since Hudson was not present, Spear provided a brief overview and reviewed the January balance sheet and income statement. Spear said Disney on Ice was a rousing success with over 14,500 people attending shows prior to the two shows on Sunday. Spear said Hudson is looking at another Disney themed event in the near future. Gazdik said she was very emotional when watching the show on Sunday because of all the hard work that went into bringing the event center by the IFAD organization.

Spear pointed out there is a large cash money market balance of $3,378,153. Gazdik commented that the retained earnings amount, $1,196,598, should be deposited into the LGIP Fund. Not only will the LGIP fund earn more interest, it is safer. Carpenter asked once the funds are transferred into the LGIP, if the funds are readily available. Gazdik said within 24 hours the funds can be transferred. Gazdik said a separate account should be established to account for funds generated by operations.

Spear shared the income statement and said net income for the period was $35,927. Concessions revenue and reimbursed expenses were higher than normal. For the period there was a slight increase in snow removal costs, $49,147 vs. $30,000 budget.

Spear then provided the first look forward for 2024. Net income is projected to be over $300K for the year. Spear said building rent is down from budget projections. Gazdik asked Spear to get an explanation from Hudson. Spear then provided the projected profit and loss by month.

1. **Discussion Item** - Executive Director Report
   1. Executive Director Report Summary – Spear highlighted some of the ongoing building issues.
      1. Appears most of the HVAC issues have been resolved. However, programming is still causing concern.
      2. Carbon filters are being installed as a measure to reduce smells in the building.
      3. IPTV – Revel Media was on site on 3-18-24 and said the system is functioning well. Now it is up to operations to take full advantage of the system.
      4. Ice Plant functioning well. The defrost system has worked as intended. Gazdik asked what the mitigation plan would be when temperatures are expected to be significantly below zero. Spear said operations can manually turn on the defrost system and also can conduct observations of any outside ice buildup on the condensing unit.
      5. Beer coolers – Spear said he contacted CKS last week about the next steps for getting all the taps functioning in all the concessions as there are only 4 taps working in just three of the five concession stands. Spear said he has not heard anything back.
      6. Ball Ventures – Spear said he met with Cortney Liddiard about the property across the street. Liddiard said they would not grant right of first refusal to IFAD.
   2. Building Update – Remaining Punchlist Items – covered under Executive Director summary.
   3. Cash Flow Update – Spear provided the Board with updated projections through 2028 that take into consideration the TRT shortfalls for December and January. Spear also adjusted the payroll numbers to remain at the current rate until the end of the year. Starting in 2025 these will be reduced. Spear said he has underestimated interest earnings because Wipfli calculates interest earnings on debt service funds. Spear said he accounts for those outside the operations budget. Gazdik stated the LGIP interest rate is now at 5.5%. Spear said projections still show IFAD having sufficient funds until the 2028 refinancing period. Carpenter asked if Spear had any further discussions with Laura Lewis. Spear said Lewis was going to work with Stephanie Bonney to identify all the current investors through JP Morgan. Once those investors are identified, Lewis will contact them to see if they are willing to relieve IFAD of the stringent requirements currently in place. Spear said he was not hopeful that anything would be done because there is no incentive on the investors part to renegotiate these items.
   4. State Tax Commission Reports – Spear shared the detail TRT details for December and January and a comparison of January 2024 TRT revenues to January 2023 TRT revenues. Spear also shared a document that shows the other activities that are subject to the 5% TRT tax; banquet room charges, cleaning fees, cribs, damage fees guest room, lodging, food as part of lodging, in room refrigerator fees, late departure, meeting room rental, no show charges, pet charges, reservation change fee, roll away bed, in room safe, service fees meeting room rent. Gazdik stated that her company rented space at a local hotel and said they were invoiced appropriately for the banquet space. Gazdik said IFAD has the ability to conduct an audit. Spear said he would like the State to undertake an audit. Gazdik said the State has gone to a lot of self-reporting and did not think they are staffed to do a compliance audit.
   5. Action Items
      1. Work with Hudson and Bjornlie on transferring retained earnings to LGIP.
      2. Identify names for IFAD Foundation membership.
      3. Follow-up with Hudson on why building rent is under budgeted amounts
      4. Work with Hudson to tape of proposed merchandise area space.
      5. Consult with Diamond Concessions on conducting a survey for non-profit groups working concession stands.
2. **Discussion Item** - Legal Report – There was not a legal report provided.

# Calendar and Announcements

1. **Upcoming IFAD Meeting** – **Next Meeting on April 9, 2024**
2. **Discussion Item** - Announcements and Minor Questions
3. **Discussion Item** - Agenda Items for April 9, 2024, meeting
   1. Presentation by Diamond Concessions Manager on NPO training.

**Meeting Adjourned 8:03 AM**