

# Board of Directors Business Meeting Tuesday, August 13, 2024, 7:00 a.m.

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

[**https://us06web.zoom.us/j/81279198712**](https://us06web.zoom.us/j/81279198712)

1690 Event Center Drive, Idaho Falls, Idaho 83402 Room 2416

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

**Agenda**

1. **Action Item** - Call to Order 7:00 AM
2. **Action Item** – Accept Agenda. Spear said Agenda Item VII would not be an action item and that July Centennial financials are not available. Carpenter moved to accept the agenda as modified. Warnecke seconded. Motion passed.
3. **Action Item** - Accept the Consent Agenda
   1. Meeting Minutes – reviewed and approved.
   2. Review of Payables/Financials – Spear presented a payables list totaling $13,628.48 with Rudd and Company accounting for $11,500 of the total. Gazdik asked if that was the final payment. Spear said it was the final payment and that the audit costs came in under budget. Spear briefly reviewed June financials and indicated June TRT revenues were $362,649 which is 1% higher than 2023. Spear said Travelscape did remit for June but that they are still in arrears for the prior three months. Spear has asked the State Tax Commission why this entity is not appearing on a collection report. Fuller said that he can approach a member of the State Tax Commission who was formerly on IFAD’s Board, to create a sense of urgency. Spear said if nothing is resolved in the next 30-60 days he would let Fuller know. Spear said the transfer of $1.1M from Centennial operations is now corrected and not showing as miscellaneous income. 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). Hudson communicated that the new Head Spud Kings coach would be joining the meeting at 8a.
5. **Discussion Item** – Discuss ICRMP insurance increase and other alternatives. Spencer Monk from Hartwell and Associates presented information on the 30% increase in ICRMP premiums that will increase IFAD’s insurance from $108K to $141K. This is the second year in a row that ICRMP has raised premiums 30% and that all agencies in the ICRMP pool are seeing these increases. Monk stated there are two primary reasons for the increase, rising claims and reinsurance costs. The largest component of the premium is the building insurance and bidding this out separately is not possible because ICRMP has stated it is “all or none.” Meaning that it is not possible to bid portions of IFAD’s insurance needs to other carriers. Monk explained there are other carriers interested in the building insurance but none of them are interested in the liability side. Monk stated the various events conducted at the arena present liability issues. Monk said ICRMP still represents the best financial option for IFAD.

Hudson explained that the operator maintains a hefty liability policy that holds IFAD harmless and that all promoters and artists also carry liability insurance. IFAD is essentially double covered before any liability gets to the IFAD policy. Monk said that this risk transfer is acknowledged and recognized but if something happened, IFAD would get dragged into the issue. Thus, this risk does not provide any reward to IFAD for finding coverage or lowering the premium. Hudson asked if educating these carriers about the various levels of coverage provided by the operator would help. Monk responded that unfortunately an insurance carrier is not going to change their opinion.

Warnecke asked if ICRMP recognizes the different operational structures of the various entities it insures or if it is a peanut butter approach and they just spread the costs. Monk said there are 1200 entities that are part of ICRMP and ICRMP gathers all the costs and spreads them out among the membership.

Carpenter asked about future escalations because another 30% increase this year was not expected. Monk said they were shocked to see this level of increase again. Monk recommended budgeting another 20-25% cost increase for FY25.

Gazdik asked if there are companies who understand the business model of auditorium districts and focus just on event center type operations. Monk stated that entities that leave ICRMP move to a company like Glatfelter who is ICMRP’s number one competition. Monk said Glatfelter is an entity that IFAD should look into. Gazdik asked if there were companies who focused on the entertainment industry because she would like to see IFAD not grouped with school districts and police departments. Monk said he would research to see if there is such a pool focused on entertainment entities.

Monk asked Hudson how the Maverik Center is insured. Hudson said it is a city owned property and insured under that municipal umbrella. Hudson said he is having the Maverik Center research other insurance options.

Carpenter stated that IFAD should evaluate its own risk and get away from a policy that has a pool of higher risk entities such as police stations.

Monk said he would review other options and get back to Spear. Fuller said there is no consideration given to an entity, such as IFAD, which has no claims history. Monk said Idaho is a very profitable State for insurance companies.

Spear said he understands the value of ICRMP because of all the other included insurance coverages like Director and Operator, aggregate earthquake and flood insurance and active shooter insurance.

Monk said he would contact Glatfelter and report back to the board. Gazdik said as a public entity, it is important that IFAD research and find the best possible plan.

Warnecke stated that Hartwell is limited to the insurance carriers they represent and asked if Hudson could get some information from other arenas. Hudson said he would visit with Kevin Bruder and others to get some information.

1. **Action Item –**Approve budget amendment for staff uniform purchase. Gazdik asked for a motion to move this to an action item. Carpenter moved to make this an action item. Warnecke seconded. Motion passed. Hudson presented the details for a $60,835 request for IFAD to pay for the uniforms and other miscellaneous items that need to be changed because of the branding changes. Hudson asked if this was going to be a reimbursement from IFAD or was it going to be an operational budget increase. Spear said it would be like a preopening services cost where IFAD would reimburse Centennial Management. Hudson said the most critical need is uniforms for staff. Below is the breakdown of all items:



Hudson said the rebranding of the basketball court is not included.

Spear asked if MACU was going to pay for some of the uniform costs. Hudson explained that MACU was going to pay for emergency uniforms only and that would only be $1,000.

Gazdik suggested approving this request pending a signed amendment from MACU. Hudson said that will work.

Spear asked about servers wearing Blue Cross of Idaho logos when working in the arena. Hudson said in the future, the uniforms will only say Mountain America Center.

Hudson said all the Hero signs have been removed from the building.

Gazdik asked for a motion approving the expenditure conditioned upon finalizing the MACU amendment. Warnecke moved to approve the motion, Ziel seconded. Motion passed.

1. **Action Item –** Approve Naming Rights Agreement**.** Spear updated the board on recent correspondence with MACU about new assets and replacing old signage. Spear indicated the amendment was not completed and that MACU had some additional questions about the basketball floor and wanted proofs of all new assets. Spear said that he would prepare a document that outlined new assets and all locations and provide it to MACU. Spear said he would also visit about staging the replacement of the old signs. Gazdik suggested traveling to Utah to discuss in person.

**Report and Updates**

1. **Discussion Item –** Presentation from Erik Hudson – Luke Bryan concert was the highest attended event this year. Hudson said that Salsbery was able to get Bryan to wear a Spud Kings jersey. Hudson explained the gift for Donny Osmond was a jean jacket that had various meaningful patches sewn onto the jacket.

Hudson explained that there is a person who is willing to donate a significant guitar collection (70-85 guitars), all signed by the artist, to the venue. This individual has pictures of every guitar being signed. Carpenter asked where the guitars would be displayed. Hudson said maybe suites, Silver Star Sky Deck, or second floor conference room.

Hudson stated that there were only 300 tickets left for Donny Osmond and that Ice Nine Kills and Lindsey Sterling are at 75% tickets sold. Confirmed a country show, Warren Zeiders, for next September.

Next week 8-19-24 ice installation begins. Recommissioning of HVAC is being planned.

Hudson will present the 2025 operating budget at the September Board meeting.

* 1. Mountain America Center operations and July financial statements. This was not discussed.
  2. Spud Kings Update – Hudson introduced the new head coach of the Spud Kings, Anthony Bohn, who is coming from Chicago where he recently coached a AAA U18 team. Bohn has also coached in the ECHL and in the North American Hockey league which is the competitor league of the NCDC. Bohn briefed the Board and said he was excited to join the Spud Kings and is aware of how popular the team is in the community. Bohn said he is originally from Tampa Florida and said the situation in Idaho Falls is unique. Bohn explained his coaching tree and said that allowed him to know the former coach John Becanic. Gazdik asked what excites him about the new team. Bohn said they are younger but there is more talent and it is important to be patient as they develop. Bohn said he prides himself on being able to mold a team and bring them together.

1. **Discussion Item** - Executive Director Report
   1. Executive Director Report Summary – Not covered
   2. Building Update – Spear said the beer situation may be resolved. However, it is difficult to know because patrons are not accustomed to buying draft beer at the concession stands. Gazdik suggested offering $2 beers if purchased at a concession stand. Hudson said they are already planning this for an event. Hudson said they placed foam insulation on the floor of one cooler and that seems to have stabilized the temperature in that cooler.

Spear alerted the Board to the continued problems with the HVAC controls. Spear said he visited with Collin Mabe of ATS and Max Harrington of Cator/Ruma. Both said a recommissioning of the system should be completed in order to fully understand all the issues. Spear said this cost would be $30K-$40K. Spear communicated some recent questionable work performed by Innovative Air including correspondence that software updates do not need to be completed unless a server is replaced. Spear said that is unacceptable and not updating the software could create issues with an RTU unit. Replacing an RTU unit would be costly. Warnecke agreed that the failure to update the software could create issues. Spear explained the contract with Innovative Air is through Lewis Mechanical, while IFAD’s contract is with Bateman Hall who has a contract with Lewis Mechanical. Spear said he would visit with Waylin Lewis to determine the next steps. Spear said a special board meeting would need to be scheduled because he does not have the authority to execute these agreements.

* 1. Cash Flow Update – Spear provided a cash flow update and said assuming the MACU naming right agreement is finalized, IFAD should be in a solid financial position moving forward.
  2. State Tax Commission Reports – Spear provided the Board with a TRT summary for 2024 and comparison of June 23 versus June 24. Spear said Travelscape did remit in June but are still in arrears for March, April, and May. Spear will continue to work with State Tax Commission to resolve this problem. For the year, TRT revenues are down 8% over 2023 and down 10% compared to budget.
  3. Action Items
     1. Follow up with MACU on arena naming

1. **Discussion Item** - Legal Report – Fuller did not present a legal report.

# Calendar and Announcements

1. **Upcoming IFAD Meeting** – **Next Meeting on September 10, 2024**
2. **Discussion Item** - Announcements and Minor Questions
3. **Discussion Item** - Agenda Items for September 10, 2024, meeting
4. Building Insurance update
5. MACU Amendment
6. HVAC follow-up

**Meeting adjourned at 8:45 AM**