

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

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

[**https://us06web.zoom.us/j/85896206776**](https://us06web.zoom.us/j/85896206776)

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

**Participants:** Rob Spear, Terri Gazdik, Ron Warnecke, Mike Carpenter, Brian Ziel, Mark Fuller, Erik Hudson, Rebecca Casper (Zoom), Catherine Smith (Zoom), Kevin Bruder (Zoom), Meghan Wescoat, Paul Henderson, Aaron Metcalfe

**Agenda**

1. **Action Item** - Call to Order 7:00 AM
2. **Action Item** – Accept Agenda - Warnecke moved to accept the agenda. Carpenter seconded. Motion passed.
3. **Action Item** - Accept the Consent Agenda
	1. Meeting Minutes – 3-19-24
	2. Review of Payables/Financials – A payables list totaling $109,008.86 was reviewed and approved. Spear said the February financials were not yet ready but did present November statements that were revised to correctly post a $50K payment as a credit to construction. Gazdik said the recording of the transaction appears to be a debit and not a credit. Spear said he would revisit the recording of the transaction with Wipfli. Carpenter moved to accept the meeting minutes and payables. Warnecke 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). Aaron Metcalfe of Hogan Construction presented the Board with the 1st place award in the public venue construction category from the Idaho Business Review. Metcalfe said that regionally, ENR magazine, awarded the event center as its top regional project.
5. **Discussion Item** – Discuss proposed new Merchandise Area located on first floor concourse. Tour area being proposed. Hudson explained they are no longer pursuing adding a permanent structure to the facility because it compromises the space when we have expo style events that need concourse space. Instead, they are considering installing roller gates, that are on wheels, and can be removed and stored. This would eliminate the Spud Kings from having to remove and store merchandise after games which is a four-hour process and give them a secure area. Hudson explained there are several weeks during the hockey season where hockey games are the only events being held at the event center and leaving the merchandise will increase efficiency.

Spear asked where these roller gates would be stored, the cost and who would pay for them. Hudson said they could be stored in the existing storage area used by the Spud Kings and recommended splitting the cost because these gates could be used for other events. Hudson said he would get a cost estimate and bring it back to the Board. Gazdik asked if the roller gates would be owned by the Spud Kings, the building or IFAD. Hudson said he estimated the cost to be $5K and that he may have this amount in the Capital Improvement budget. Warnecke was interested in seeing cutsheets for the proposed roller gates.

1. **Discussion Item –** Presentation by Diamond Concessions of Non-Profit Organization training and overview of Concession operations. Spear introduced Meghan Wescoat, Food and Beverage Director for Diamond Concessions, and asked Wescoat to provide some additional information on the profitability of Diamond’s operations. Wescoat first addressed the training provided to non-profits. Wescoat said the training is significant and there is one point of contact between Diamond and the non-profits. That person is responsible for communicating to the rest of the membership and discussing the contract and guidelines. The training takes about 30 minutes and covers where to park, how to enter the building, an overview of the stand, preparation responsibilities, operation of the POS system and reviews code of conduct. Warnecke asked about TIPS training and understands the State of Idaho does not require it, but TIPS training is a best practice. Hudson responded that the contract requires the lead operator for each NPO to have TIPS training. Hudson said that much of the responsibility for the NPOs falls on the lead NPO person. The NPOs that have the most success have the most consistent volunteers. Wescoat said the stand managers also play a role in training and assisting these NPOs.

Ziel recommended that a checklist of best practices be placed in the stand to assist workers. Wescoat said they have that and would make sure they go over it with stand volunteers. Ziel also recommended that the name of the volunteer organization and sign describing the mission of the NPO be visible to the patrons so they understand they are volunteers.

Fuller suggested creating a YouTube video that all volunteers must watch. Having only one NPO representative trained is not going to be effective. Wescoat said they would consider implementing this approach and has experience with this type of training. Hudson suggested an IPAD at each stand could have the video queued up.

Spear asked about food and beverage specials that could be offered (e.g., $2 beer night). Wescoat said specials like that are designed to get people to attend an event. So far the facility does not need to implement specials to get people to attend. However, they did run specials during the Showcase and Disney events and have sponsored drink specials.

Spear asked about profitability and results compared to last year. Wescoat responded that she has implemented many changes in including a revamped suite menu and cutting food costs in half through efficient ordering, management practices and utilizing vendor rebates.

Warnecke asked if beer and alcohol distributors could sponsor special events. Wescoat said Idaho laws are very restrictive and beer and alcohol distributors can’t provide product at a reduced cost.

Hudson pointed out that suite holders were awarded one comped event this year.

Gazdik asked if Diamond was profitable because it is important for the Board to have a partner that is successful long term. Wescoat said they are and that Diamond’s goal is a 15% profit margin. Wescoat said they are not where they want to be but with changes coming next year she is confident Diamond will continue to be successful. Wescoat said Eagle Rock used to be the busiest stand, but now with strategic changes, TopoTato is now the top selling stand.

Ziel asked if the equipment is adequate. Wescoat said it is but there have been some equipment issues. However, these issues are being addressed in a timely manner. Ziel asked about suite orders. Wescoat said the numbers are up because they are executing better and service has been improved. Ziel complemented the implementation of a consistent server being staffed for the suites.

Spear asked about servers wearing Blue Cross of Idaho shirts when working the suite level. Spear thought it is important to have all servers wearing Hero Arena at the Mountain America Center. Hudson explained that this is because they are going through a rebranding and new shirts need to be ordered. This cost will be covered by Mountain America Credit Union.

Wescoat said they are in the final stage of revamping the suite menu and will continue finding ways to improve the conference space dinners. They are exploring purchasing additional equipment in order to prepare full plated dinners.

Spear asked what the Board could do to help Diamond. Wescoat said she wants feedback no matter how insignificant the issue may be. Ziel asked how the feedback should be given to Diamond. Wescoat said she would like it directly and as soon as possible. Hudson offered to receive and disseminate any Board feedback.

Wescoat said monitoring and controlling food costs is key. Entities that don’t do that do not last very long.

Gazdik welcomed Wescoat to attend future Board meetings. Spear recommended inviting Wescoat to update the Board quarterly.

1. **Discussion Item** – Update on IFAD Foundation. Spear quickly provided a proposed list of potential Board members and indicated that another meeting needs to be scheduled once Gazdik’s schedule frees up after tax season. Spear said the State is requiring an updated list of IFAD Foundation Board members so updating the membership list is timely.

**Report and Updates**

1. **Discussion Item –** Presentation from Erik Hudson
	1. Hero Arena at Mountain America Center on Mountain America Center operations, January, and February financial statements, and 2024 look ahead. Since Hudson was not in attendance at the previous Board meeting Hudson briefly reviewed the January income statement:
		1. Total net income $35,927. The month ended better than expected and exceeded January 2023. Revenue highlights showed higher advertising and sponsorship because of Fierce Fighting. Labor was higher because of more calendar days. Spear asked if that is why February labor was lower. Hudson said that was correct. Snow removal is higher than budget. Spear asked Hudson if he was satisfied with snow removal. Hudson said they exceeded his expectations. Spear said he noticed some of the parking spaces were compromised because snow was not totally removed. Carpenter commented that because people park on the streets, is the City emphasizing moving snow from those streets. Hudson said they do a decent job but that is a question for the City.
		2. Total net Revenue for February showed a net loss of ($26,597). This was because there was only one event outside of hockey. Although hockey rental was up and concessions revenue exceeded budget, it is important to note that concession revenue was down from January because the facility does not receive a share of food and beverage revenue from hockey games. Overall, revenue was higher than budget by $42K. Labor was up because of two additional hockey games. G&A expenses are higher because of two professional trips and a 200-person staff training.
		3. Balance sheet. Money market account is significant with over $4M in the account. To date net income for 2024 is $142K. Spear asked about moving the retained earnings amount pf $1.196M into the State of Idaho LGIP. Hudson said that can be done but wants to ensure that money is available if there is a catastrophic event. Gazdik said that is what the money is there for and it would be placed in a separate account within the LGIP and not comingled with IFAD’s investment. Gazdik suggested an automatic process that retained earnings are transferred once every year into the LGIP. The other benefit is a higher interest rate. Currently it is 5.4%. Spear said he would work with Bjornlie to move the funds into the Mountain America account and then Gazdik can move the funds into the LGIP. Gazdik said she will not be available until after April 15, 2024, to complete the transfer. Warnecke asked if an action item was necessary for the next meeting to open an account. Fuller answered no because this was discussed previously and that Gazdik has the authority.
		4. Forecast for remainder of 2024. Hudson said the body of work is not yet complete. The event matrix shows the current shows booked through the year but Hudson said they will continue to look for other events. Hudson explained that when the forecast was put together, February numbers were not actuals and noted February exceeded budgeted expectations. Hudson emphasized the forecasts are conservatively developed. March, April, and May are filled with events with September shaping up to be the best month of the year.

Carpenter asked about the ice for the Ice Racing event since it has been removed. Hudson said the ice will be rebuilt and just flooded as no logos need to be placed.

Spear asked Hudson to comment on why the building rent forecast is less than 2023. Hudson said building rent will fluctuate because building rent varies from event to event. For example, some events are copromoted with no rent. Hudson said conference space rental will continue to grow as that space is rented out. Hudson said he is bullish on the building rent number continuing to grow.

Hudson commented that the knife law (HB620a) has passed and is sitting on the Governor’s desk (it was signed into law on 3-28-24). Hudson said recent changes to the bill dictate private ticketed events are not impacted by this bill. Events where there is no ticket, knives will be allowed in the building. An example is the Fly-Tying event. Hudson does not expect this to be a big thing for the venue but they will adjust procedures accordingly. Hudson said purchasing a ticket is essentially a contract and the ticketholder must abide by the rules and regulations of the venue. Mayor Casper provided a phone number to call the Governor’s Office to encourage vetoing this bill.

There is a full rebranding taking place because of the new MACU logo. MACU will pay for all the changes.

Hudson announced that Ian Munsick will be performing October 1, 2024.

Hudson said they continue to evaluate HVAC maintenance contracts from TRANE and Innovative Air. One is much cheaper but there are some services not included. Hudson said they are evaluating what can be done in-house. Hudson said Scott Beseris has been designated as the in-house point person for HVAC maintenance. Fuller asked if Innovative Air has provided the requested training. Hudson said that training is forthcoming. Spear said he did not have confidence in the Innovative Air person programming the system. It appears the mechanical expertise from Innovative Air is meeting expectations.

* 1. Spud Kings Update – Hudson said they have hired a new coach, Anthony Bohn, who previously coached in the ECHL and NAHL. Carpenter asked if the new coach will result in better recruiting and retention of players. Hudson said next year the roster will not need to be built from scratch because there are 15 returning players. Spear sent a message to the Spud Kings staff that the Board expects them to take care of our naming rights sponsors because the Spud Kings are responsible for selling sponsorships. Specifically, fulfill sponsorship requirements and make requested changes in a timely manner. Henderson said he was aware of the issues and that these have been resolved and naming rights holders are a priority. Henderson said he is the point person for addressing any issues that the Board may hear about. Spear said it is important the Spud Kings be proactive and make timely changes requested by naming rights holders.
	2. Diamond Concessions Staffing Update – Spear asked Hudson to elaborate on the recent departure of the Controller position. Hudson said those duties are being absorbed by a person at the Maverik Center in West Valley Utah. Spear commented that he thought it was important to have a person onsite because of the amount of human interaction that takes place. Hudson said he would share the concerns with Joe Hudson who oversees Diamond Concessions.
1. **Discussion Item** - Executive Director Report
	1. Executive Director Report Summary – Spear did not provide a summary.
	2. Building Update – Remaining Punchlist Items – Spear said now that cooling season is approaching, there have been error messages. Innovative Air will be onsite this week to research. Spear said he had no confidence in IA’s programmer to correct issues. Spear also reported that the beer coolers continue to be a concern. The issue seems to be with the Canadian Beverage Systems installation of the beer lines and the inability to split lines coming out of a keg. Originally, the beer lines were supposed to be supplied by Perlick but for some unknown reason they could not deliver before the facility was opened.
	3. Cash Flow Update – Spear presented a cash flow through 2029 and indicated IFAD was still showing positive cash flows into 2028. However, if TRT revenues don’t rebound that could change.
	4. State Tax Commission Reports – Spear expressed concern with the first three months of TRT revenues. For the year, revenues are down almost 13% and Spear stated revenue budget projections will not be met as TRT revenues are trending toward 2022 numbers. Spear said getting the Foundation up and running is crucial as well as finding ways to promote the area. Spear said he contacted James West of InnTrusted who provided the following insights:
		1. Business travel down significantly especially INL
		2. Airlines have cut flights. Normally they see 5-8 crews staying overnight and that is down to 3-4
		3. Historically travel is down during election years
		4. April looking strong but May is behind

Spear provided a comparison of February 2023 with February 2024. The data did not reveal any unusual events. Revenues are down across the all remitters.

Warnecke asked if room night prices are lower. Spear said he did not know that answer but would follow up.

* 1. Action Items
		1. Spear to follow up with James West on room night costs
		2. Spear and Hudson to meet with CKS President
		3. Hudson to provide estimated roller gate costs
1. **Discussion Item** - Legal Report – Fuller did not have a legal report.

# Calendar and Announcements

1. **Upcoming IFAD Meeting** – **Next Meeting on May 14, 2024**
2. **Discussion Item** - Announcements and Minor Questions – Gazdik said she will not be present for the May 14, 2024, meeting and asked Carpenter to run the meeting. There was discussion that the May 14, 2024, meeting may need to be moved based on availability of board members.
3. **Discussion Item** - Agenda Items for May 14, 2024, meeting

# Meeting adjourned at 8:42 AM