

# Board of Directors Business Meeting Tuesday, May 14, 2024, 7:00 a.m.

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

[**https://us06web.zoom.us/j/82318711735**](https://us06web.zoom.us/j/82318711735)

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

# Participants: Rob Spear, Mike Carpenter, Ron Warnecke, Brian Ziel (Zoom), Mark Fuller, Erik Hudson, Catherine Smith (Zoom).

**Agenda**

1. **Action Item** - Call to Order 7:04 AM
2. **Action Item** – Accept Agenda – Spear indicated April financial statements will not be presented during discussion item A. Warnecke moved to accept the agenda as modified. Carpenter seconded. Motion passed.
3. **Action Item** - Accept the Consent Agenda
	1. Meeting Minutes – Meeting minutes of 4-9-24 were reviewed.
	2. Review of Payables/Financials – A payables list totaling $3,772.68 was reviewed and approved. Carpenter asked about the $370.47 payment to Symtec. Spear indicated it was for work on the secondary admin email account that gets deleted when computer updates are made. Spear reviewed the March financials and said the date needs to be corrected. Spear indicated the biggest concern was March 2024 TRT revenues being 13.78% lower than March 2023. Warnecke moved to accept the consent agenda. Ziel 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). Carpenter thanked IFAD and Centennial Management for supporting the success of the recent Symphony Gala.
5. **Discussion Item** – Review draft of IFAD policies for naming rights and suite and loge box sponsorships. Spear said it was important to formalize policies for building naming rights and suite and loge box licensing rights. Spear said the policies are understood but need to be adopted for future IFAD Board members and Executive Directors. Ziel asked about including the medical room as part of the building inventory. Spear said he would add that and the home team hockey locker room. Ziel asked what happens if other naming opportunities are identified. Spear said those opportunities would become part of building revenue per the Centennial Management contract. Spear said it was important that when suite and loge boxes turnover that business and individuals on the waiting list pay the licensing fee. Warnecke asked what would happen if a suite or loge box license holder decided to forego a suite or loge while still owing on the licensing fee. Spear said a new entity purchasing a suite or loge would be required to pay a new licensing fee and would not be credited with payments made by the previous license holder.

Spear said he would bring back the policies as an action item for approval at the June 11, 2024, Board meeting.

1. **Discussion Item** – Update on IFAD Foundation. Spear said he met with Gazdik and discussed membership. Spear said he is finalizing a list that would contain 9-11 members.

**Report and Updates**

1. **Discussion Item –** Presentation from Erik Hudson
	1. Hero Arena at Mountain America Center on Mountain America Center operations and March and April financial statements. Hudson provided the following update for March operations:
		1. Revenue
			1. Building Rent was $166K and exceeded budget by $83K. Hudson explained building rent varies by event and how the contracts are structured. March was a very good building rent month with Disney on Ice, Fly Tying Expo, RV Show, and a dozen conference center rentals. Hudson said Disney on Ice is coming back in 2026.
			2. Only one revenue line item (reimbursed expenses) did not exceed budgeted amounts. Hudson said this was because several events had the labor costs built into the rental agreement.
			3. Box Office/Ticketing revenue – Hudson announced that 2024 ticket sales have already exceeded the 50K ticket threshold. Online ticket sales year to date have exceeded 112K. The center will earn a bonus on the additional 72K tickets sold. The current bonus amount is already $50K higher than last year.
			4. The interest earned in the money market accounts for the majority of the $17K miscellaneous revenue amount. That will decline once the retained earnings amount is transferred to IFAD.
			5. Overall revenue for March was $477,988 which is $179K over budget
		2. Expenses
			1. Labor – Exceeded budget by $8K because of Hudson annual bonus
			2. Event Staff reimbursable exceeded budget by $34K because there were a number of events that didn’t allow billing of additional labor costs. Those labor costs were already built into the building rent. Thus the 35% markup goal was not reached for March.
			3. Event staffing for hockey exceeded budget because of two extra hockey games. Spudkings paid $10K to Provo for those games. Hudson said he is working on an exhibition series with the new Utah NHL team. The average ticket price for such an event could exceed $150 for that event.
			4. G&A expenses were slightly lower than budget
			5. Utilities $6K higher than budget for March but on budget for the year.
			6. Snow Removal - $8K higher than budget for March and $20K over budget for the year. Hudson explained that when it snows all day that is only considered one snow event and there is no additional cost to clear the lots when multiple plows are involved. Hudson said the snowplow company is planning to fix damaged areas in the parking lot.
			7. Repair and Maintenance higher than budget by $14K due to the need to service kitchen equipment. Hudson said he is awaiting a $5K reimbursement from Innovative Air for the damage caused by the frozen VAV valve that flooded the locker room concourse area.
			8. Overall net revenue for March was $143K. YTD net revenue is $285K.

Hudson estimated that by the end of April, net 2024 revenue should exceed 2023 numbers.

Hudson said there is $4.1M in the cash money market that will be reduced in April because Disney on Ice and PBR shows were paid and settled in April. Accounts Receivable is $162K with majority owed by Diamond Concessions. Accounts Payable settlement was high ($662K) because of Disney on Ice. Hudson said this was not paid in March because of a dispute on ticket fees that has since been resolved. Total capital is now $1.482M.

Hudson explained that the operations crew is busy with spring cleaning and other maintenance items. Hudson said a locker room door that was damaged by an Ogden hockey player is onsite and ready to be installed. Costs will be covered by the Ogden hockey club.

Hudson said a fire inspection was completed two weeks ago and identified 25 items. The most significant were the identification of code issues with the sport lights in the facility and the vomitory canned lighting. In both cases the Fire Department said they were not wired appropriately. Hudson said this does not pose any immediate issues for the event center and they continue to gather information on the code issues. It appears the fix is simple but the question arises on how this passed inspection. Warnecke said there should be an inspection report available. Fuller said this is not a warranty issue and the subcontractor will need to come and fix the issue.

Hudson said in April the event center hosted two playoff hockey games, a youth wrestling tournament, sold out Breaking Benjamin concert, Home and Garden Show, Women’s Council, and another ice racing event.

Hudson indicated the venue is up for the best music venue in Idaho.

* 1. Spud Kings Update – Carpenter asked about Provo moving to Casper Wyoming. Hudson said this is good for the league and indicated one of the reasons for the move was the City of Provo would not allow the hockey team to sell advertising in the building.

Hudson said the SpudKings participated in a draft on 5-13-24 and selected 9 players in the first phase which consists of underaged developmental (birthdates 2007 & 2008) players. The SpudKings selected the maximum of four players allowed during the second phase of the draft. The second phase consists of players 18-20 years of age. The main camp for the Spudkings is in Hammond, Indiana in two weeks.

Hudson they have moved the SpudKings training camp to Idaho Falls from Park City. This should add hotel nights over a 7–14-day period.

Press conference for Idaho State High School Activities Association was conducted and planning is underway. Volleyball stanchion bid was received and forwarded to Hero Meat Snacks which will pay for one of the stanchions.

A second Theo Vaughn show was added.

Hudson said planning for Q1 of 2025 is underway and he hopes to land Dr. Jordan Peterson a motivational speaker.

Carpenter asked about hosting neutral site basketball games. Hudson said planning is underway for next mid-December. Hudson said the goal is for this to be an annual event.

Spear asked if the ice will be installed earlier to accommodate hockey training camp. Hudson said camp starts September 8, 2024, and that the plant will only be turned on one day early, September 1, 2024.

Carpenter asked about the second Zamboni. Hudson explained that it is supposed to be delivered in July. The current second Zamboni will be moved to offsite storage and will be kept for parts and another backup. Hudson did say that selling it was still an option if he can sell it for more than he paid for it. Hudson said the new Zamboni will be branded with Idaho Falls Fiber logos. Warnecke asked if the now third (older) Zamboni could be leased to the City. Hudson said the City has two Zamboni’s now and the plan is to rotate the Zamboni purchased by Idaho Falls Power/Fiber every five years to the City. So, every five years Idaho Falls Power/Fiber will purchase a new Zamboni for the Event Center and rotate the old one to the City.

Spear asked about the location of offsite storage. Hudson said they are looking at the new storage facilities located near Teton Toyota on Pioneer Road. Hudson stated all the plywood currently stacked in the back of house lot will be moved. Half of the plywood is owned by the event center and half by Enduro Cross.

1. **Discussion Item** - Executive Director Report
	1. Executive Director Report Summary – No summary was made
	2. Building Update – No update
	3. Cash Flow Update – Spear first presented a historical view of TRT revenues since 2019 to present. The current year data shows a 13.78% decrease in 2024 revenues compared to 2023. This is also 15.47% less than budgeted TRT’s for 2024. Spear said the 2024 TRT numbers are trending toward 2022 numbers. Spear then presented an updated 2024-2028 cash flow summary and indicated the fund balance in 2028 is getting smaller and smaller due to the decline in TRT revenues. Spear said he has adjusted the forecast to include the positive or negative impact of monthly revenues moving forward. Spear specifically pointed to FY 2027 and the negative number that exists because with the current 2024 TRT numbers. Spear said the impact means there will not be any excess TRT revenue after the required 60% of next debt payment is held in the lock box for 2027.

Spear also stated that the Executive Director salary has been significantly adjusted downward in 2025 and 2026 in order to position IFAD to make the 2028 target date for refinancing. Spear also suggested it may be time to bring all accounting activities in-house that would save $24K per year. Spear suggested an Executive Session to discuss the Executive Director duties and pay moving forward.

Carpenter asked if IFAD is keeping abreast of all the new Airbnb’s coming online. Spear said that is difficult and there is currently no way to track. Spear said if these short-term rentals are being advertised by Airbnb and VRBO then he is confident the remittances are being received. However, Airbnb will not ever submit any detailed information and a lump sum is received by the state every month. Spear did say March 2024 Airbnb TRT of $15K is higher than March 2023 TRT of $12K. So that seems to reflect the perceived increase in short-term rentals in the area.

* 1. State Tax Commission Reports – Spear presented a 2024 summary of all remitters and comparison of March 2024 remittances to March 2023. Spear pointed out two entities did not remit in March of 2024 that remitted in 2023. Two other entities remitted in 2024 that did not remit in 2023. The net result is that March 2024 TRT revenues appear to be understated by about $15K.
	2. Action Items
		1. Adjust naming rights policies
1. **Discussion Item** - Legal Report – Fuller did not have a legal report.

# Calendar and Announcements

1. **Upcoming IFAD Meeting** – **Next Meeting on June 11, 2024**
2. **Discussion Item** - Announcements and Minor Questions – Carpenter stated he will not be in attendance for the June 11, 2024, meeting.
3. **Discussion Item** - Agenda Items for June 11, 2024, meeting

**Meeting Adjourned at 7:54 AM**