

**Board of Directors Special Meeting**

**Tuesday, July 30, 2024, 7:00 a.m.**

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

[**https://us06web.zoom.us/j/84083428889**](https://us06web.zoom.us/j/84083428889)

**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 - Meeting called to order at 7 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 7-9-24
	2. Review of Payables/Financials – A payables list totaling $6,303.63 was reviewed and approved. Spear reviewed the financials and pointed out that TRT revenues were lower and attributed that to two entities who failed to remit and two entities who remitted twice in May of 2023 that skewed the data. Spear stated the most concerning issue is that Travelscape did not remit for the last three months. Spear presented a summary of TRT Revenues and a comparison of May 2024 collections versus May 2023 collections. Gazdik suggested that Spear contact the Boise and Pocatello Auditorium Districts to see it Travelscape is remitting to those districts. Gazdik asked why the revenue transfer from Centennial Management was recorded as miscellaneous income instead of an increase to equity. Gazdik said this is not income for this period because it was for the prior fiscal year and that is why only an equity adjustment should be made. A debit to cash and a credit equity. Spear said he would visit with Wipfli about how that was recorded.

Hudson provided a brief overview of June financials and indicated that June was light on events and rentals because June is a maintenance month. Some of the maintenance items completed were interior and exterior window cleaning, drywall repair, grout cleaning for tile in the building and kitchen cleaning. The addition of Theo Vaughn event helped make the month profitable. Only half of the YTT grant revenue was accrued in June. The YTT mural is now installed. Part-time staff for the month was higher because of the maintenance items.

Hudson said all shows in July were profitable. Hudson said his staff has been good about adjusting staffing to control expenses.

Warnecke moved to approve the consent agenda. Ziel seconded. Motion passed.

1. **Discussion Item** - Public Comment. There were no public comments.
2. **Action Item** – Naming Rights Approval – Spear provided the following update to the Board about the Mountain America Credit Union proposal for taking over the name of the arena.
3. **Terms of the new assets:**In perpetuity for the life of the building beginning on August 1, 2024. This is 27 years.
4. **Additional investment:**$1,900,000 in perpetuity for the life of the building.
5. **Payment schedule:**

|  |  |  |
| --- | --- | --- |
| **Year** | **Date** | **Payment Amount** |
| Year 1 | September 1, 2024 | $         150,000.00 |
| Year 2 | January 15, 2025 | $     1,000,000.00 |
| Year 2 | September 1, 2025 | $         125,000.00 |
| Year 3 | September 1, 2026 | $         125,000.00 |
| Year 4 | September 1, 2027 | $         125,000.00 |
| Year 5 | September 1, 2028 | $         125,000.00 |
| Year 6 | September 1, 2029 | $         125,000.00 |
| Year 7 | September 1, 2030 | $         125,000.00 |
| **Total** |  | **$     1,900,000.00** |

Spear then provided an updated financial projection that includes the MACU payment structure and Western Smokehouse payment. Spear said he used the following assumptions in preparing the projections; 2% TRT growth, added additional suite sale, interest income is based on fund balance by year, increased ICRMP insurance 30% for 2025 and 5% for 2026-2029, reduced Executive Director salary, increased audit cost, added signage cost of $25K. Hudson asked if the Board would consider picking up the costs for the uniform rebrand. Spear said he thought the board could pick up some of this cost. Hudson said all part-time employees get 2 shirts and that amounts to 500 embroidered shirts. Gazdik said this should be an agenda item for the 8-13-24 meeting.

1. **New assets**:
	1. Prominent signage above entrance doors at Entry 1
	2. Prominent signage along the side exterior walls at Entry 1
	3. Prominent signage above entrance doors at Entry 2
	4. Prominent signage along the exterior west wall at Entry 2
	5. Prominent signage along the building between Entry 5 and the Blue Cross Conference Center
	6. Mountain America Center logo on all event wristbands
	7. Mountain America Center logo on the basketball court for all basketball games played at the Mountain America Center. Spear said because the volleyball extensions have been difficult to find and expensive to fabricate United Services is going to provide a new floor.
	8. Entry door glass sticker decals
	9. In-arena floor signage (portal entrances)
	10. Additional marquee time – replace HERO time
	11. In-arena exit portal signage at all portals
	12. Suite with 13 tickets for all events outside of the Idaho Spud Kings games. Mountain America must notify operator 30 days in advance if the suite will not be used for a certain event. Gazdik asked about subsidizing the ticket cost. Hudson explained that MACU is already getting Spud Kings tickets and that all the mezzanine level seats are not part of the ticket manifest to the artists. So, there is no cost to the operator when these are comped.
	13. IFAD/Mountain America Center to cover the initial costs of signage noted above

                   **i.**      Mountain America to pay the difference if they wish to have backlit signage

1. **Additional exclusivities:**
	1. No other financial institution to sponsor regional events that come to the Mountain America Center. Spear explained that this agreement will be done as an amendment to the additional contract in order to maintain the definitions of the original contract. For example, the original contract defines financial institutions.
	2. Outside of the existing naming rights (Blue Cross, Teton Auto, Silver Star, Bingham Healthcare, Mountain View Hospital) no other areas or secondary naming rights will be permitted on the building or inside the arena without the approval of Mountain America Credit Union. Board members expressed some concern on how restrictive this clause may become. Hudson suggested adding “not to be unreasonably denied” language to the clause. Gazdik explained a similar situation may arise if another one of our naming partners were to sell and the acquiring company did not want the naming right asset. Carpenter said IFAD must have the ability to sell these assets in the future. Fuller suggested MACU be given the right of first refusal to pick up the financial responsibility for the referenced naming rights. Hudson suggested removing the language entirely. Fuller said this language prohibits IFAD from naming something else. Spear stated there are no other naming right opportunities unless a unique space is created such as a merchandise area. Spear expressed confidence that MACU would not unreasonably withhold a naming opportunity because they understand the need to operate the arena in a fiscally sound manner. Hudson suggested the clause state no additional naming rights outside of current naming rights inventory. Spear said he would visit with MACU about incorporating this language in the agreement. Ziel wanted to know if someone could sponsor a video board in the future. Spear said those conversations would need to be conducted with MACU.
2. **Banking relationship:**
	1. Exploring moving over DACA – Spear said MACU now has the ability to be a trustee and when future refinancing happens MACU wants the opportunity to fill this role.

Gazdik stated the overall agreement is solid. Warnecke moved to allow Gazdik and Spear to continue negotiations with MACU. Ziel seconded. Motion passed.

1. Calendar and Announcements
	1. **Upcoming IFAD Meeting** – Next Meeting on August 13, 2024
	2. **Discussion Item** - Announcements and Minor Questions
	3. **Discussion Item** - Agenda Items for August 13, 2024
		1. Uniform budget amendment
		2. ICRMP insurance
		3. Approval of MACU naming rights addendum

Meeting adjourned 8:19 AM