

# Board of Directors Business Meeting Tuesday, January 28, 2025, 7:00 a.m.

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

[**https://us06web.zoom.us/j/81381728630**](https://us06web.zoom.us/j/81381728630)

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

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

**Agenda**

1. **Action Item** - Call to Order 7:05 AM
2. **Action Item** – Accept Agenda – Spear recommended moving Agenda Item VIII to Agenda Item IV. Warnecke moved to accept the agenda as modified. Carpenter seconded. Motion passed.
3. **Action Item** - Accept the Consent Agenda
   1. Meeting Minutes – Meeting minutes for 12-10-24 were reviewed and approved.
   2. Review of Payables/Financials - Spear presented a payables list totaling $122,054.99. The largest items were the final payment to CKS, basketball floor refinish and retro-commissioning expenses. Spear also reviewed the financial statements and shared that the retained earnings amount now includes the $1,196,598 from Event Center operations. Spear said because there is no revenue offset for the November debt service payment, the November net income amount is incorrect. However, the net income for the entire year is correct. Spear said he would visit with Wipfli for clarification. Spear also indicated the current cash balance listed in the balance sheet for the end of the year was $1,615,149 and is the amount used in the cash projections. Spear provided the final TRT collections for 2024 which totaled $2,929,495. This was 3.43% lower than 2023. Spear said the final 2024 amount did not include the approximate $90,000 of TRT not remitted by two entities in 2024. Gazdik suggested contacting Greater Boise Auditorium District to see if the same entity has not remitted. Spear said he would do that. Casper moved to accept the consent agenda. 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). There were no public comments.
5. **Discussion Item** – Building and liability insurance update and evaluation. Spear presented to the Board a proposal from JD Fulwiler for building insurance, general liability, Director and Operator insurance and Cyber Insurance. Spear presented information on the insurance companies who were contacted and summarized the following insurance coverages:



Spear stated that IFAD has met ICRMP’s 35% premium requirement for the year and that it can cancel the ICRMP policy effective February 1, 2025.

Spear asked Fuller if there were any insurance coverages required by statute. Spear said in his brief review of the statutes, he only found a reference to auditorium districts that they are allowed to procure their own insurance. Fuller did not believe there were any insurance coverages required by statute but agreed to research Idaho Code and report back.

After much discussion, the Board requested a side-by-side comparison that shows the differences between the current ICRMP policy and the JD Fulwiler proposal. Gazdik asked about areas where we might consider self-insuring. Warnecke wanted to know about the premium history for Selective because the initial premium may be low but increase dramatically once we become a customer. Gazdik asked if there are independent consultants that could be an option to help IFAD explore insurance needs, and if the consultant could identify an insurance provider who specializes in event centers. Warnecke and Gazdik suggested that a special meeting be held in two weeks and invite Nancy Rohde of JD Fulwiler to be available to address Board members’ questions. Gazdik specifically asked Spear to get answers about deductibles, self-insurance, and the coverage basis. Gazdik asked Fuller to explore Idaho statute to determine if there are any coverage limits requirements for Auditorium Disticts.

1. **Action Item** - Approve Rudd and Company Letter for 2024 audit. Spear referenced the key part of the engagement letter, “We expect to begin our audit on approximately February 3, 2025, and issue our report no later than April 30, 2025. Our fee for these services will be at our hourly rates plus out-of-pocket costs and are estimated to approximate $28,500.” Spear said this is a 14% increase over last year’s audit. Spear said the timeline for audit completion is to meet the financing reporting requirements that require the audit to be complete within 210 days following the close of the fiscal year. This would be June 28, 2025. Gazdik said the 14% increase is a normal increase in fees, especially given the work will be done during tax season. Gazdik did not think bidding the audit out would result in any cost savings. Warnecke moved to accept Rudd and Company’s engagement letter for the 2024 audit. Carpenter seconded. Motion passed.

1. **Action Item** – Review and discuss proposal from Rick Aman to lead future IFAD planning exercises. Spear outlined the new proposal from Aman and summarized that Aman proposes a $2,500 fee for each of the seven futuring exercises. Carpenter stated that IFAD should consider using Aman’s resources when it can but IFAD needs to determine what its needs are first.

Fuller pointed out that at Aman’s hourly rate of $150 per hour, a $2500 fee would cover over 16 hours. Fuller said it doesn’t envision the Board spending 16 hours on this process. Warnecke said he does not see value in some of the areas outlined in the proposal.

Spear then referred to a presentation he made to the Board 18 months ago that suggested a path forward for the Board. These included opportunities when refinancing occurs, finding ways to increase room nights and possibly branding Idaho Falls as the ice hockey capital of Idaho. Spear said he did not think engaging Aman would significantly change this path forward but said that is up for the Board to decide. Warnecke said what Spear outlined is accurate and stated that in his opinion, there is enough talent around the table to develop a strategic plan. Warnecke emphasized setting goals either for the Foundation or IFAD on what we want to accomplish over the next 24 months is critical. This would also include the stakeholders we want to be involved with in the future. Carpenter agreed that constructing another sheet of ice should be a focus moving forward given Hudson’s expertise and the recent announcement of the Dineen Cup coming to Idaho Falls in 2026. Hudson stated there is more than enough expertise around the table to create a strategic path forward. Warnecke said he recently facilitated a planning exercise for a local non-profit that was done in two four-hour sessions.

Gazdik summarized and said that right now Aman’s services are not needed but in the future we may engage his services.

1. **Action Item** - Review and discuss proposal for ongoing support from Cator Ruma. Spear summarized the revised proposal and said the biggest change is the number of site visits was reduced to three. Spear said it is very likely there will be more than three site visits. Spear said most of the HVAC equipment issues have been completed with the exception of one actuator in RTU9. Spear said all the pneumatic tubes running from each RTU have been installed and that appears to have helped the air balance in the building. Spear said the total cost of the proposal is $42K. Spear said Innovative Air and Max Harrington will be on site next week to review work completed. Carpenter moved to approve Cator Ruma services for ongoing support to help implement the facility improvement measures identified in the retro-commissioning report. Warnecke seconded. Motion passed.

**Report and Updates**

1. **Discussion Item –** Presentation from Erik Hudson
   1. Year-end report summarizing successes of 2024. Hudson shared a video of the 2024 successes of the event center that featured the following highlights:

* Mountain America Center 2024 attendance: 264,269
* Blue Cross of Idaho Conference Center 2024 attendance: 8,495
* Total 2024 attendance across Mountain America Center campus: 272,764
* 52% of ticket purchasers are female
* 59% are married
* 71% have a child present alongside them at an event
* 30% of ticket purchasers are ages 35-44
* 67.88% are graduated/attending high school or less
* 2024 Total Events at the Mountain America Center:115
* Total Events in Blue Cross of Idaho Conference Center:46
* Total Events Days: 161 (an event every 2 days)
* Sold Out Shows
* Luke Bryan
* Theo Von
* 2 Nights of Idaho Falls PBR
* 7 Performances of Disney on Ice
* Breaking Benjamin
* Events with Over 85% Tickets Sold
* Derek Hough Symphony of Dance (95%)
* Parker McCollum (94%)
* Cole Swindell (94%)
* Enduro Cross (Night One 90% & Night Two 98%)
* Donny Osmond (94%)
* IFYHA Guns & Hoses Fundraiser Game (91%)
* Lindsey Stirling (87%)
* Boise State Men’s Basketball (86%)
* Ticket Redemption Rate
* Our average ticket redemption was 90% and is higher than the industry average
  + Spud Kings sold out all but 8 of 33 total games from 12/16/23 - 11/23/24
  + The average ticket redemption rate for the Spud Kings season was 80%
* Revenue Generated 2024
  + Tickets Sold: 241,863
  + Highest Grossing Event: Luke Bryan, $590,190.75
  + Net revenue for FY24: $1.043 million
* Community Partnerships
  + Partnered with Eastern Idaho Down Syndrome Family Connect and their Dash for Down Syndrome race in August 2024
  + Member of Idaho Falls Rotary and Greater Idaho Falls Chamber of Commerce (Erik Hudson serves as a board member for both)
  + 25+ non-profit organizations utilize Mountain America Center concession stands to aid in fundraising efforts: $100,000+ raised for local NPO’s with this program
  + Donated over 100 event tickets to various non-profit organizations and fundraisers within Eastern Idaho
  + Partnered with Hillcrest High School’s Choir to sing on stage with Foreigner for their farewell performance
  + Helped 3 dogs get adopted from the Snake River Animal Shelter by setting up “Puppy Playtime” for tour crews and artists during their load-in event days
  + Waived 3 complimentary room event rental fees for local non-profits to host their fundraiser under our roof (Heroes Defense, Toys for Tots, and Champs Heart)
  + Donated to the Idaho Falls downtown beautification mural project spearheaded by Bardoza’s Taphouse
  + Partnered with Rich Broadcasting to present their Tickets For Troops program, brought over 40 vets and their families to various events at the venue over the year
  + Zamboni Boys with Teton Toyota
* Awards
  + Eastern Idaho:
    - Winner 2024 Best of Greater Idaho Falls – Concert Venue
    - Winner 2024 Best of Greater Idaho Falls - Showroom/Live Venue
    - Winner 2024 Post Register’s Readers’ Choice – Best Event Venue (Large/Convention/Sporting)
    - Runner Up 2024 Post Register’s Readers’ Choice – Best Photographer, Josh Petersen
  + Idaho:
    - Finalist 2024 Idaho’s Best Music Venue
    - National: Ranked #178 tickets sold in the world by Pollstar2024
    - Social Media
      * Face Book = 18,817 Followers and reached 3.8M people
      * Social Media Engagement Demographics
  + 70% Women & 30% Men
  + 31% of our guests’ age range is between 31-44
  + 24% of our guests’ age range is between 45-54
  1. Mountain America Center operations, November, and December financial statement overview. Hudson presented final November data which showed the venue earned a $1,043,322 in net profit for 2024. This will be moved into IFAD’s retained earnings at the end of April and then transferred to the LGIP fund for long-term capital improvements.

Hudson said that in November, the venue spent some CIP funds like purchasing the stanchions and nets for volleyball that resulted in a loss of $19,075 for the month.

December was a good month with income of $454K and expenses of $333K. Net profit for the month was $121,297. Hudson said this is $9K less than December 2023 net profit. Hudson said that expenses have now normalized because the event center has two years of operational history. Hudson said the only unpredictable expense is the event staff reimbursable expenses that vary by show.

Hudson said for 2025 they are 19 shows currently on sale and there are 25 more that are expected to be confirmed and announced.

* 1. Spud Kings Update – Hudson said the team is in first place and that five Spud Kings players participated in the all-star game.

1. **Discussion Item** - Executive Director Report
   1. Executive Director Report Summary – Spear did not cover information submitted in his weekly report.
   2. Building Update – Spear noted that the HVAC has improved and the beer system is functioning as intended.
   3. Cash Flow Update – Spear presented an updated 2025 budget that included moving some revenues and expenses originally budgeted in 2024 to 2025. Spear said the new MACU signage for the building will cost $46K which is $21K higher than what was estimated. Spear also presented a cash flow projection through 2032.
   4. State Tax Commission Reports – these were discussed as part of the consent agenda. Spear shared final 2024 TRT revenues with the Board.
   5. Action Items
      1. Contact Nancy Rohde of JD Fulwiler to get an updated quote package and to see her availability for a special board meeting.
2. **Discussion Item** - Legal Report – there was no legal report presented

# Calendar and Announcements

1. **Upcoming IFAD Meeting** – **Next Meeting on February 25, 2025**
2. **Discussion Item** - Announcements and Minor Questions
3. **Discussion Item** - Agenda Items for February 25, 2025, meeting
   1. Action Item for special meeting to approve review and approve a new insurance plan.

**Meeting adjourned at 9:14 AM**