



**Lava Hot Springs Foundation's
January 24, 2020
Board of Director's
Meeting Minutes**

The Board of Directors of the Lava Hot Springs Foundation of the State of Idaho met on Friday January 24, 2020 at the World Famous Hot Springs Administrative Office 430 E. Main Street in Lava Hot Springs Idaho.

Mission Statement

To ensure that the public has access to healthful, clean and inviting facilities for recreation and healing purposes.

Present: In attendance were Vice Chair Jeff Hough, Board Members; Cameron Salt, Shawnae Somsen and Ronald Johnson. Executive Director Devanee Morrison and Management Assistant Bridget Losee. Guests: Shane Tillotson, Kody and Andrea Tillotson.

Governor Brad Little appointed Cameron Salt to the Lava Hot Springs Foundation's Board. His term commenced on May 1, 2019 and will expire on May 1, 2025. Cameron has lived in this area for approximately 10 years. He owns Salt Excavation and the Lava Campground.

Welcome and Introductions

Vice Chair Jeff Hough called the meeting to order and welcomed all in attendance.

Minutes

The October 11, 2019 meeting minutes were emailed to all board members for review; Ronald Johnson made a motion to approve the October 11, 2019 meeting minutes, Shawnae Somsen seconded the motion. The motion carried.

Officers Election

Vice Chair Jeff Hough opened the floor for officer nominations;

- Shawnae Somsen made a motion to nominate Lisa Wood as Chair, Jeff Hough seconded the motion. The motion carried.
- Ronald Johnson made a motion to nominate Jeff Hough as Vice chair, Shawnae Somsen seconded the motion. The motion carried.

KOA Easement-Kody Tillotson

Kody and Andrea Tillotson Lessee's of the KOA campground presented a sewer line easement to the Lava Hot Springs Foundation Board of Directors to install a new sewer line through State of Idaho leased property. The new line will run parallel with the old line that is currently there.

Shawnae Somsen made a motion to approve the sewer line easement that Kody and Andrea Tillotson of K&A Camping (KOA) proposed to the Lava Hot Springs Foundation, Ronald Johnson seconded the motion. The motion carried.

Lava Lockers Lease Revision

Shane Tillotson Lessee proposed a revision to the Lava Lockers Lease to add rental tubes, safety gear rentals, paddle boards, kayaks, etc. The business is not maned at the present time, but Shane would like to hire someone to man the business. The leased area is approximately 1000sq.ft. with a 400sq.ft. building with lockers. The Lava Locker lease expires in 2027.

Ronald Johnson made a motion to decline the request from Lava Lockers to add additional rentals, Shawnae Somsen seconded the motion. The motion carried.

The meeting was called into a break 10:01am and back in session 10:11am.

Hot Springs Village Condo's

Executive Director Devanee Morrison invited Jeri Wellard manager of the Hot Springs Village Condos to attend the meeting but Jeri was unable to attend. The Hot Springs Village Condo's properties are in need of repair. Jeri told Devanee that she doesn't currently have an active Board. Hot Springs Village Condos is the name that they are operating under, but the lease with the State of Idaho the lessee is Lava Properties LTD (Idaho Bank and Trust?). The lease started in 1979 with the current company on the lease agreement. It was agreed by the Board that the Foundation needs to reach out to the State Attorney General's Office to get a working lease in place.

Ronald made a motion for Executive Director Devanee Morrison to contact the Attorney General's office about the Foundation's Board of Directors concerns with the Hot Springs Village Condos Lease agreement and repairs, Cameron Salt seconded the motion. The motion carried.

Budget Update

Requests

- The Foundation is requesting \$500,000.00 in onetime capital outlay from the Lava Hot Springs Capital Improvement Fund to demolish the Tumbling Waters Motel located across Main Street from the Hot Pools facility. Demolition of the motel would begin (October 2020) Kick off with a public relation event in conjunction with the demolish of the Tumbling Water Motel to inform the public of the parking lot project.
- Gift Shop Merchandise- requesting \$40,000 in ongoing operating expenditures from the Lava hot Springs Foundation Fund to purchase additional items for resale.
The Governor recommended adding language to the appropriation bill to grant continuous appropriation in the Lava Hot Springs Foundation Fund for merchandise purchased for resale and other related costs.
- There is a sick leave surplus that will provide cost savings for the personnel budget. Budget approved by the Governor.

Financial Report

The Board went over the following financial reports;

- **Attendance Report** CY 2019 total attendance was 444,632 for both facilities. Olympic Swimming Complex had record attendance in August due to the 50 year celebration. For CY 2019 the Olympic Swimming Complex attendance was down approximately 6000 and the Hot Pools attendance was up approximately 17,000.
- **Combination Pass Online purchase:** Executive Director Devanee Morrison is proposing a change to the online combination pass purchases. In the past the customer had to go the facility for which they purchased the pass due to it counted attendance for the purchase.
We will make a change so that the customer can redeem the sale at either facility. We will get a(oops)token for the combination pass for this situation.
- **Cash Position Report**

0410-03	\$ 1,649,581.30
0410-04	\$ 3,312,682.91
Total	\$ 4,962,264.21

We have transferred funds from 0410-03 operating fund to 0410-04 capital outlay-saving fund that is earmarked for parking garage project.
- Once the parking garage is completed the Foundation could charge for parking this would be a revenue stream.

- Monthly expenses; The operating fund is in good shape. The personnel budget is concerning, but we have made some shift changes that should fix those concerns. We had an employee retire and another employee having medical issues needing to use sick leave which caused the concerns.
- The Gift shop has been really successful. We are considering doing online gift shop sales.

Directors Report-Strategic Plan Presentation

The Lava Hot Springs Foundation's strategic plan is sent to the Governor's office along with the annual budget.

Agency Summary

The Lava Hot Springs Foundation operates and oversees the use of 178 acres of land that was deeded to the State of Idaho by the Federal Government in 1902. The Foundation is comprised of a world-famous hot pool's facility, Olympic size swimming pool and indoor aquatic center, and public parks and grounds. Tourism is one of the largest industries in the state of Idaho and the Foundation has become the economic driver of tourism in Southeast Idaho.

Vision Statement

To continue growth, development, and maintenance of the Foundation property and to enhance community and visitor experience by providing facilities and activities that align with and fulfill the mission statement of the Lava Hot Springs Foundation.

Short Term Objectives

- Pre-recorded messages to increase customer awareness of rules.
- Repair/Replace Portneuf Kiddie Cove water features and slide.
- Replace first aid and lifeguard training equipment.
- Replace maintenance equipment.
- Credit Card chip readers technology.

Long Term Objectives

- Parking-Garage at Hot Pools, expansion at Swimming pool
 - Phase 1-Remove Tumbling Water Motel.
 - ITD-Relocate roadway into town for additional parking
 - Construction of hot pool garage
- Administration building at Swimming Pool, indoor attractions (flowriders, indoor slides, hot tubs)
 - Additional staffing.
 - Efficiency of patrons flowing into facilities
 - Increase winter attendance
- Hot Pool expansion
 - Additional larger and smaller hot pools
- Outdoor slides
 - Addition of another attraction at the swimming pool
- Lodging
 - In order to aid the community's economy and encourage visitors to stay longer would benefit the City to have more lodging available

Executive Director's accomplishments since hire:

- Customer Service Area Remodel
- Lillypad POS-Electronic waivers and online sales
- Gift Shop Customer Flow
- Lockers outside the HB building
- Security Cameras
- Bathroom Facility-East/West Park: alternate bid to bore the Sewer line under the Portneuf River. The ability to winterize each individual restroom. Keep one

bathroom open during the winter months. Open the entire facility during the Winter Fire and Ice Festival.

- Credit Card readers for the POS system to be able to utilize the chip process on customer credit cards. We have to purchase the equipment from our merchant services company. They will only sale the equipment by an ACH debit to our account. The State of Idaho won't allow our account to be debited.

Executive Session

Ronald Johnson made a motion to go into Executive Session under Idaho Code 74-206(b), Shawnae Somsen seconded the motion.

Roll Call:

Ronald Johnson-Aye

Cameron Salt-Aye

Jeff Hough-Aye

Shawnae Somsen-Aye

The meeting went into Executive Session.

Ronald Johnson made a motion to go out of Executive session, Cameron Salt seconded the motion. The meeting went back into regular session.

Executive Director Devanee Morrison's annual evaluation was performed during Executive Session.

Adjourn

Shawnae Somsen made a motion to adjourn the meeting, Ronald Johnson seconded the motion. The meeting was adjourned at 12:15pm.

Minutes by:

Bridget Losee-Management Assistant

Lava Hot Springs Foundation