RUSHMORE PLAZA CIVIC CENTER
BOARD OF DIRECTORS MEETING MINUTES
TUESDAY, APRIL 14, 2020

Chair of the Board, Gary Brown, via tele-conference called the meeting to order at 8:16 a.m. with the following Board members present via tele-conference: Brad Estes, Charity Doyle, Tim Johnson and Mike Diedrich. Staff present include: Executive Director, Craig Ballzer; Deputy Director/Finance, Tracy Heitsch; Deputy Director/Events, Jayne Kraemer; Accounting Clerk, Pat Koerlin; and Stage/Production Manager, David Owen. Others present via tele-conference include: RC Journal, Kent Bush; Assistant City Attorney, Jess Rogers; and KOTA/KEVN Media, Conner Matteson.

After review of the meeting agenda, motion was made by Doyle and seconded Johnson to approve the agenda as presented. Upon vote being taken, the motion carried unanimously.

General Public Comment
None

Minutes
Motion was made by Doyle and seconded by Johnson to approve the minutes of the March 24, 2020, meeting as presented. Upon vote being taken, the motion carried unanimously.

Bill List
The 2020 Bill List for April 14, 2020, was audited.

ACE HARDWARE-WEST 6.04
ACTION MECHANICAL INC 89.76
ALSCO INC 116.39
BATTERIES PLUS BULBS 8.25
BLACK HILLS CHEMICAL AND JANITORIAL CO INC 802.99
BLACK HILLS DANCE COMPANY 1170.00
BORDER STATES ELECTRIC SUPPLY 342.59
BYTESPEED 1090.00
CBH COOPERATIVE 105.00
CHEXCEL 25.00
CHRIS SUPPLY COMPANY INC 244.40
COCA-COLA OF THE BLACK HILLS 683.50
CONRAD'S BIG C SIGNS 1607.74
CRUM ELECTRIC 105.27
DAKOTA BATTERY/ELECTRIC 42.35
DAKOTA SUPPLY GROUP 236.35
DENNIS SUPPLY 554.76
DIAMOND VOGEL PAINT CTR 563.27
ECOLAB INSTITUTIONAL INC 284.95
FASTENAL COMPANY 2.40
FERGUSON ENTERPRISES INC 640.00
FOUR WINDS INTERACTIVE LLC 71.42
FREMONT INDUSTRIES INC 2361.88
FULL COMPASS SYSTEMS LTD 136.94
G & R CONTROLS INC 969.11
G&H DISTRIBUTING INC. 105.53
GOLD PROSPECTORS ASSOCIATION OF AMERICA 750.00
HEARTLAND PAPER CO 1830.95
HERITAGE MAINTENANCE PRODUCTS 982.24
HILLS SEPTIC SERVICE 390.00
HILLYARD INC. / SIoux FALLS 2585.20
J & L FLOORING 850.00
JANTECH LLC 295.00
JENNER EQUIPMENT CO 828.76
Motion was made by Doyle and seconded by Diedrich to authorize the Finance Officer to issue warrants or treasurers checks, drawn on proper funds, in payment thereof. Motion carried unanimously.

Executive Director’s Update
Baltzer began his update with the status of the Civic Center during this Covid-19 crisis. We normally do our summer labor projects with part-time staff. Since they were released mid-March, our full-time staff are working on these tasks. Over 50% of our administrative and management staff are working for home. We are helping other City departments wherever possible. Our Marketing Department is helping the Mayor’s office with a marketing campaign, looking at ways to help the Parks Department take care of Memorial Park grounds, and possibly helping the Airport. There is discussion with the Emergency Operations Center to have access to part of Rushmore Hall to house folks that have nowhere else to go that have Covid-19 symptoms. Our Food & Beverage Department may provide services, while taking care to keep our staff cleared from exposure. Baltzer stated that we are continuing to reschedule events. The calendar has been cleared thru May, and over the next few weeks, there is a possibility of the June calendar clearing also. We are taking things on in two week chunks of time as we move forward and cannot predict when we will be restarting. Our budgets are focused on 9 to 10 months of the year, with July and August normally being our slower months, which is the nature of indoor facilities. We will have more events this summer than normal due to rescheduling, and expect to open as soon as events and crowds are comfortable coming back. Baltzer said we are working hard on operational cuts and
other expenses. Some of our biggest revenue months were lost in March and April, but the good news is that almost 90% of the events have rescheduled for a later date. Our normal events for October and November are coming in, and we expect a very busy fall and winter. As Baltzer mentioned in our last meeting, when disasters hit, venues such as ours are usually the first to be hit, but usually are the first to recover as well. We are seeing signs that this will be true in 2021 with a strong year expected. Brown thanked the Civic Center staff for their detail work and dedication.

Miscellaneous
Kraemer said that she emailed a copy of the IATSE Contract to all Board Members. She mentioned that the group of herself, David Owen, Jess Rogers, and Craig Baltzer met with members of the union three times to discuss the contract. The Civic Center protected our rights and granted a little on both sides where we saw need for change. There were some definitions that needed clarified, and added levels in the job descriptions to be more definitive and more easily defined for payroll purposes. Rogers stated that negotiations went well with both sides coming together and there were only a few tweaks needed. IATSE wanted some clarification in positions. There were also discussions about COLA increases in July 2021 and 2022 and increased minimums for small shows. Concerns were addressed. A three year contract was negotiated due to the timing of the new building. Doyle stated that there was discussion from the Mayor about taking cuts in the city and there were other union negotiations going on. Rogers stated that IATSE is relatively simple since they are not full-time employees, therefore, no guarantee of work is in the contract. Motion to approve the IATSE Contract was made by Doyle and seconded by Johnson. Upon vote being taken, the motion carried unanimously.

Heitsch discussed the Proposed 2021 Budget. The budget is a year round exercise, along with the daily financial process. The 2021 Budget planning had been in the works for 10 weeks prior to Covid-19 outbreak. The challenges of the 2021 Budget ramped up at that time. Over the past week, Heitsch stated that they have come to the conclusion that we needed to present the Proposed 2021 Budget as had been planned and prepared, noting that depending on how COVID 19 truly played out, the team may come back to the Board to request changes at a later date if needed. We hope to lead into a positive 2021 as a jump start for the community, and have built the budget on those beliefs. Based on preparation for the opening of the new arena in the fall of 2021, the 2020 budget has $0 in Capital Funding. Heitsch reminded the Board that we learned a lot when we opened the Ice Arena in 2008. We have to be more prepared in operations, staffing, and training as we open up a much larger arena in 2021. With the presentation of the proposed 2021 Budget today, the Board will have the next couple weeks to review, ask questions, and make changes. Today is informational and we will address concerns over the next couple weeks.

Heitsch reviewed a power point presentation on the Budget, outlining the historical budget trends as well as the projected numbers for 2021. Slides displayed projections of revenues and history, with a pie graph of expected revenues. Revenue is comprised of three main areas; 1/3 Food & Beverage Sales, 1/3 BBB Tax, and 1/3 Rental/Sponsorships. The Naming Rights will kick off in the summer of 2021 which will establish new sponsorships, new digital assets, and much more. We budgeted an increase based on the new events in the new arena. The Board support has been instrumental over the last two years of budgets by allowing us to spend the funds to implement a new POS system, new menu boards, new event booking software, and additional personnel thereby preparing well in advance for the opening of the new arena. Overall the revenues of $11,796,000 is 8.6% higher than the 2020 budget. Discussion followed with Doyle asking how these numbers compared to the 2019 actuals.

Brown left the meeting at 8:55 with Vice-chairman Brad Estes present and presiding over the remainder of the meeting.

Heitsch discussed the expense side for 2021. Historically, the 2018 figures were higher due to the $1.1 million expense of the remodel of Rushmore Hall, which was taken out of our cash on hand. Increases were budgeted for supplies and materials, subscriptions, salaries, and new uniforms based on the opening of the new arena. Computer replacements were also budgeted since most of the current equipment is 6-8 years old and with new requirements from the Windows platform. The proposed 2021 Budget includes $700,000 in capital projects. These projects are not currently defined due to the impending FFE budget for the new arena. The staff is studying and value engineering the FFE budget for the new arena as the budget is very tight. We know there will be a number of items that will not fit into the FFE budget for the new arena, however they are imperative to the opening of a successful arena, therefore, they may fall to our 2021 Capital Budget. More info will be forthcoming on the 2021 Capital Budget. The proposed 2021 overall expenses are at $11.6 million which is 8.1% higher than the 2020 budget and 12.9% higher than the 2019 actual expenses.
Diedrich left the meeting at 9:02 am

Baltzer said the COVID 19 virus impact will be a question we continue to talk about and there ultimately will be effects on our operation. It is difficult to project how the BBB tax will be affected, and we will have to continue to evaluate. It will be a big impact on how we recover, but we will continue to work with the City and the Board. We have pushed back hiring and any purchasing outside of the absolute necessities.

There being no further business, motion was made by Doyle and seconded by Johnson to adjourn the meeting. Upon vote being taken, the motion carried unanimously. The meeting adjourned at 9:16 a.m.

I certify a true and accurate accounting of the minutes of the meeting.

Pat Koertin, Accounting Clerk

4-29-20

Date