RUSHMORE PLAZA CIVIC CENTER
BOARD OF DIRECTORS MEETING MINUTES
APRIL 28, 2020

Chair of the Board, Gary Brown, called the meeting to order at 8:16 a.m. via tele-conference, with the following Board members present, also via tele-conference: Brad Estes, Charity Doyle, Tim Johnson and Mike Diedrich. Staff present include: Executive Director, Craig Baltzer; Deputy Director/Finance, Tracy Heitsch; Deputy Director/Events, Jayne Kraemer; Accounting Clerk, Pat Koerlin; and Stage/Production Manager, David Owen. Liaisons present via tele-conference include: RC Council, Chad Lewis; Visit RC, Julie Jensen; RC Area Schools, Jared Vasquez and Jordan Bauer. Others present via tele-conference include: RC Journal, Nathan Thompson; and Assistant City Attorney, Jess Rogers.

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

General Public Comment
None

Minutes
Motion was made by Estes and seconded by Doyle to approve the minutes of April 14, 2020, meeting as presented. Upon vote being taken, the motion carried unanimously.

Bill List
The 2020 Bill List for April 28, 2020, was audited.

A & B BUSINESS SOLUTIONS INC 1353.38
ALSCO INC 18.92
BLACK HILLS CHEMICAL AND JANITORIAL CO INC 775.66
BLACK HILLS INSURANCE 5911.00
BROWN'S SMALL ENGINE REPAIR 106.18
CITY OF RAPID CITY 6504.60
CRUM ELECTRIC 946.94
DAKOTA BATTERY/ELECTRIC 165.49
DAKOTA SUPPLY GROUP 61.98
DENNIS SUPPLY 418.53
DIAMOND VOGEL PAINT CTR 33.75
DOOR SECURITY PRODUCTS INC 300.00
E & J SPECIALTIES INC 61.50
G&H DISTRIBUTING INC. 256.72
GOLDEN WEST TECHNOLOGIES INC 160.00
GRIMM'S PUMP SERVICE INC 210.70
HEARTLAND PAPER CO 88.11
HILLYARD INC. / SIOUX FALLS 650.54
HOBART SERVICE 590.59
JOAN'S PLANT SERVICE 175.00
JOHNSON BROTHERS OF SD 296.00
KIEFFER SANITATION INC 2754.81
KNECHT HOME CENTER 33.37
MATHESON TRI-GAS INC 110.53
MENARDS 52.43
NORTHWEST PIPE FITTINGS INC 21.60
PRAIRIE AUTO PARTS 117.97
RAINBOW GAS CO 2879.65
STATE OF SOUTH DAKOTA 187.00
SUMMIT SIGNS & SUPPLY INC 252.00
UNITED PARCEL SERVICE INC 60.02
VAST BUSINESS 2725.91
VERIZON WIRELESS 1752.77
WATERTREE INC 78.69
Motion was made by Estes and seconded by Doyle and carried to authorize the Finance Officer to issue warrants or treasurers checks, drawn on proper funds, in payment thereof.

Liaison Reports

Visit Rapid City
Julie Jensen stated their entire staff is mainly working remotely and are getting a lot done in spite of the crisis. The nation is celebrating National Tourism week beginning May 3rd. Visit the Tourism Works for Rapid City or Visit Rapid City sites to see all the inspirational things their staff is working on. They have produced 10 mascot videos, and had their first official dance challenge yesterday at Main Street Square. Jensen said they are working with Craig and David Owen at the Civic Center and in cooperation with the State and Mayor’s Office to do a night called Let It Shine, to honor the workers in the health care field. The whole state is lighting up important landmarks, such as Mt Rushmore and one of the dinosaurs at Dinosaur Park, between 8:30 pm and 9:00 pm Mountain Time zone Friday May 1st. SDSM&T is participating also. Spread the word. Jensen also mentioned that over the past couple weeks it has been amazing working with multiple meeting planners and they are booking many events for 2021. The bad news is that most of the motor coach business has cancelled for the 2020 summer. With most of their customers being senior citizens, there is not a lot of business for the motor coach industry. VRC is also developing a recovery plan with the Department of Tourism, which involves being smart and safe. Jensen said they will be starting their 2021 budget in August, where they will have a better idea of what they need to do.

RC Council
Chad Lewis discussed last evening’s City Council meeting. A vote was taken and approved to re-open businesses that have been closed due to the Covid-19 pandemic. There will be many restrictions in place, which will now affect all businesses in Rapid City. Lewis stated we will know quickly if changes to the plan are needed. The main idea is to prevent the health care system from being overrun. There will need to be a lot of preparation for when the tourists start coming. The city is not hiring seasonal staff at this time. He also wanted to thank the Civic Center for what they are doing in setting up the temporary homeless shelter.

RC Schools - Jared Vasquez said there was not a lot to report from the school system as they are following the government and CDC restrictions. Jordan Bauer agreed the Civic Center was doing a great service by offering the temporary shelter to support the City’s homeless.

Financial Information
Tracy Heitsch discussed the working financial papers as of and ending in the month of March 2020 YOY comparison through 2016. She stated that based on the March information provided, we were not seeing a lot of impact from the Covid-19 pandemic, yet. Events started cancelling on March 12th, but the first 11 days of March were very productive and generated more revenue in the first half of March compared to the whole month of March 2019. By the end of March 2020 we hoped to receive 25% of our revenue for the year, and we were at 30%. The 2nd half of March is when things went south and the true impact of the COVID 19 will be felt in late March, thru April and beyond until we can return to “normal” operations. Heitsch wanted to remind the Board of some immediate changes that were implemented due to the cancelling of our events and thus our revenue streams. We released most of our part time staff which saved $90,000 a month, delayed and ended any service contracts that were possible which saved $5,000 per month, F&B returned any product they could which saved $31,000, and all other items were donated to local charities. Sales & Marketing items were suspended which saved $4,500 per month. Plus a hiring freeze is saving us $20,000 per month. Interdepartmental charges and PILT are just under $40,000 per month, and bond payments are still expected on a monthly basis. We are continuing to save where we can. Our senior staff is looking at every expenditure and keeping in mind that we need to be ready to react when we reopen. We are working with our service providers, such as elevator, escalator, and HVAC controls, etc, to be prepared to open quickly. Heitsch stated we are projecting the BBB tax off by 75%, but are hoping for a strong 2nd half of the summer. Brown thanked the Civic Center staff for staying on top of these issues. The Board accepts this as information.
**Executive Director's Update**

Craig Baltzer discussed the Homeless Shelter Health Screening that will be taking place here at the Civic Center, which will probably start later this week or next. They are waiting for the funding to clear. We are ready to go in every other facet. Work was done in Rushmore Hall to suit the needs. We created a situation that is safest for all on our premises. Screening will be limited to Rushmore Hall only. There will be a separate entrance, and the group will be completely self-sufficient. Admitting will take place in tents in Memorial Park. There are different programs in place around the City, and the admitting process will see what program is best suited for the individual. Some people will be assigned to the Civic Center. Our staff's only contact will be passing a food cart three times a day. After the cart is returned, it be go thru a disinfecting stage. The area will be completely safe for our staff, Rush Hockey staff, the construction group, and the Elevate office.

Baltzer said he wanted to lead some discussion today, but it was going to be difficult on teleconference. He is encouraging everyone to speak up. In March, April and May some of our events cancelled on their own, and we received a Mayor declaration that cancelled the remaining events in May. Now we are looking at June. With the new ordinance passed last night by City Council, we need to get a better understanding of what that means for our facility. However, in June there are several events that are still pending. One event, Northland Hockey, is put on by an organization out of Minneapolis. There are 41 teams registered, many outside of SD, and from ND, MN, IA, NE and WI. This is the most teams they have ever had. They have been bringing this hockey tournament to Rapid City for the last 3 or 4 years. There will probably be only 200 in the crowd for fans, and we could maintain the social distancing requirements. We would have to add staff for extra disinfecting, bathroom monitors, and food service would be totally reevaluated with prepackaged items, etc. The problem would be the players. Social distancing is not possible. Baltzer stated we are at a crossroads if we should plan on opening for this event. If we go by the government and CDC guidelines, we cannot. The PR on the national level is also a concern. Baltzer is still on several industry conference calls weekly with hundreds of facilities that have cleared their calendars thru July. There would be additional costs that are not normally seen, and they would not be made up from rents or F&B due to the numbers of spectators being limited, leaving this event as a possible financial loss. The Northland Hockey event, and many others, are something we do to bring economic impact to the City. The event is not until June, and a lot can happen before then. Baltzer said he needs to have more discussion with the Mayor, and would like the thoughts of the Board and VRC. Brad Estes said ordinance changes would be needed as the ordinance requires keeping the participants 6ft apart and that isn’t possible in hockey. Baltzer discussed another event scheduled in June which is a wrestling tournament which brings in many people from other states. This event would also have social distancing issues for the participants. We are holding dates and are prepared to move the wrestling tournament if needed. The Home Show and Circus are scheduled in July. Jensen commented how the hockey and wrestling events have heavily involved VRC staff. These are good economic impact events that grow each year, but Jensen feels the ramifications for hosting these events are too immense. Our City virus numbers are low because the City acted quickly. But moving forward with these events may be unsafe. Jensen said that VRC would not be happy to have to lose these events, but are in agreement that it would not be smart to hold them. Lewis agrees with Jensen that it would not be good for Rapid City. Baltzer agreed. Baltzer stated that since the Board is in consensus, he will take that recommendation and contact the June events. A partial opening could cost us more money than staying closed. Costs would go up, and revenue will go down. An example would be a theatre event where we could only sell 1 out of 3 seats. Neither we nor our events could live off revenue being cut 2/3rd.

**Miscellaneous**

1) David Richardson with Mortenson Construction gave an update on the arena project. They have started a lot of the foundation work, walls, and footers. Pile driving activity has concluded. They have poured 13,000 cubic yards of concrete including the foundation walls on the north side of the arena, and they have started precast preparation. Everything is going as planned. Due to the pandemic, they have been able to get ahead of some of the back of house items such as the revised loading dock and expansion, excavating and starting the retaining wall activity, and also started the ramp which will access the northeast corner. They are leading up to the start of steel work the beginning of May. They are tracking on schedule at this time.

2) Transportation Natural Gas Bid – Heitsch stated on March 24 the board approved going out for bids. On April 17 we only received one bid in advance of the deadline, which was from Rainbow Gas. The 2nd bid was from Sequent Energy which was received after the deadline, therefore, the sealed bid was not opened. Motion to approve and move forward with the low bid of
Rainbow Gas at $.31 center per Dk was made by Johnson and seconded by Doyle. Upon vote being taken, the motion carried unanimously.

3) Consideration of Proposed 2021 Budget – Heitsch said she spoke extensively at the last board meeting about the 2021 budget. As stated, most of the preparation was completed prior to the Covid-19 pandemic. We have a long way to go to see how Covid-19 will affect the budget. We feel comfortable to date and hope to see a normal 2021. We expect we will need to return to the Board this fall and make some adjustments to the 2021 budget. Discussion followed. Motion to approve the Proposed 2021 Budget was made by Johnson and seconded by Doyle. Upon vote being taken, the motion carried unanimously.

There being no further business, motion was made by Johnson and seconded by Doyle 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.

[Signature]
Pat Koerlin, Accounting Clerk

5-12-20
Date