

**RUSHMORE PLAZA CIVIC CENTER
BOARD OF DIRECTORS MEETING MINUTES
NOVEMBER 24, 2020**

Chair of the Board, Gary Brown, called the meeting to order at 8:15 a.m. via tele-conference, with the following Board members present via tele-conference: Charity Doyle, Tim Johnson and Brad Estes. Staff present include: Executive Director, Craig Baltzer; Deputy Director/Finance, Tracy Heitsch; Deputy Director/Events, Jayne Kraemer; Director of Operations, Paul Sterling; Engineering Manager, Nathan Kleinschmit; Accounting Clerk, Pat Koerlin; and Stage/Production Manager, David Owen. Liaisons present via tele-conference include: RC Council, Greg Strommen; and Visit RC, Julie Jensen. Others present via tele-conference include: RC Journal, Kent Bush; 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 November 10, 2020, meeting as presented.** Upon vote being taken, the motion carried unanimously.

Bill List

The 2020 Bill List for November 24, 2020, was audited.

A & B BUSINESS SOLUTIONS INC	1441.99
ALSCO INC	69.91
APPETIZE TECHNOLOGIES INC	7992.00
BORDER STATES ELECTRIC SUPPLY	438.41
BROWN'S SMALL ENGINE REPAIR	45.04
CARBONHOUSE	600.00
CHEXCEL	25.00
CHRIS SUPPLY COMPANY INC	37.02
CITY OF RAPID CITY	5619.61
CRUM ELECTRIC	140.50
DAKOTA BATTERY/ELECTRIC	188.52
DAKOTA SUPPLY GROUP	1750.00
DENNIS SUPPLY	214.18
DEPOT MUSIC	679.98
FOUR WINDS INTERACTIVE LLC	71.42
GOLDEN WEST TECHNOLOGIES INC	160.00
HAGEN GLASS CO	598.15
JENNER EQUIPMENT CO	203.04
KIEFFER SANITATION INC	1341.50
KNECHT HOME CENTER	24.90
KONE	289.00
M G OIL CO	22.46
MATHESON TRI-GAS INC	110.53
MENARDS	190.51
NORTHWEST PIPE FITTINGS INC	40.74
PERFORMING ARTS CENTER OF RAPID CITY INC	100.00
RAPID CITY AREA SCHOOL DIST 51-4	800.00
RAPID CITY WICKED SOFTBALL TEAM	1034.22
RED WING SHOE STORE	267.73
RUNNINGS SUPPLY INC	139.99
THYSSENKRUPP ELEVATOR CORP	1850.03
VERIZON WIRELESS	1655.33
WICKED SOFTBALL	530.44
ZYMURCRACY BEER COMPANY	108.00

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 reported how proud she is of Rapid City's handling of COVID. Our restaurants, hotels and attractions are being safe. The VRC team did an amazing job laying out the recent campaign. It is important to note how national meetings and events will also be thinking about us in the future due to the campaign. VRC is also doing many local campaigns for the Holiday. Jensen said they feel honored that the State choose them to spend the funds on marketing campaigns. She did a video presentation showing many of their ad campaigns that have been broadcast locally, nationally, and on YouTube with many of them created by VRC staff. Baltzer commented how much RPCC appreciates our relationship with VRC and how they helped in doing a lot of front end work to get conventions and meetings to our venue. Doyle asked who VRC's main target market is. Jensen stated that they are focusing mainly on the regional drive market. They feel this is the right decision at this time as the drive market covers all the surrounding states. Doyle asked if the increase in Covid numbers has affected the campaign. Jensen replied that there are a few nasty comments, but the positive definitely outweigh the negative. They are keeping a close eye on the responses to keep South Dakota positive. Doing Big Things.

RC Council

None

RC Schools -

None

Financial Information

Heitsch discussed the working financial papers as of and ending in the month of October 2020 YOY comparison through 2016. Heitsch reported that usually over the first 10 months of our year we have achieved 80% of our revenues. At this time we have achieved 55% of our revenue and expended 58% of our budget. As we look at numbers, we know how impactful the first quarter of the year is to our financial picture. The BBB tax continues to be what keeps us afloat this year. Heitsch asked the Board members what they have been experiencing for hotel occupancy, etc. Board members said that November totals have declined, and without LNI, they expected December to be down also. Heitsch thanked them for their valued perspective.

Heitsch reminded the Board that with the 60 day delay in the BBB payments, we won't see the negative impact of a lower November and December occupancy until first quarter 2021. Our staff will continue to work diligently in not spending unless necessary, as has always been our mantra. Our cash position is lower than it has been historically, but the positive side is that it isn't as bad as feared back in March when COVID hit. As we look into next year, events are still cancelling. Hopefully the vaccine will create positivity. BHSS & Rodeo Rapid City is moving forward with more limited events than in the past. We would expect foot traffic to be down, which impacts us greatly.

Heitsch stated that the expense side is reflective of lesser events. Heitsch said she and Baltzer recently had a productive conversation with Pauline Sumption discussing Covid Reimbursement, our cash position, interdepartmental charges, and PILT. As of November 17 we had \$36,947 in Covid related expenses that were submitted to Sumption for State COVID reimbursement. So far these expenses have been rejected, therefore, are in the process of being reformatted. The State is saying that if it doesn't fall into the PPE, supplies, or cleaning equipment, it doesn't qualify. We also have Covid related expenses as part of the new arena construction. Doyle asked if the Appetize system mobile ordering qualifies for COVID reimbursement, where Heitsch said it has been submitted as part of the equipment needed for social distancing. Baltzer said the dollars that came to the City for Covid have a lot more strings attached than originally understood. Heitsch said we are working thru the process.

Baltzer reiterated how we are much better off than originally projected in March when COVID hit. He commended VRC and Kraemer's department on their hard work. Most events require long meetings with us to present their event in a safe manner and how to move forward. The Board accepts this as information.

Event Update

Kraemer reported on this past weekend events, plus the next two weeks event calendar. She stated that the SD Farm Bureau convention last weekend was a big success with roughly 150 in attendance. Our food & beverage department served three meals a day, with the operations team doing multiple changeovers. We were pleased to hear from them Monday to rebook their convention with us in 2022. Once we get an event, we take care of them and they want to come back. This week is quiet due to the Holiday. The Rush is planning an intersquad scrimmage next Friday and will distribute tickets to the Season Ticket Holders at that time. Dec 11 and 12 will be their opening season games.

Next week will feature BH Soccer doing their league games again Monday and Tuesday, meetings being held for Monument Health and Realtors, and Gun Show is the weekend of December 5th. Today at 9:30 am the SD High School Activities Association is having their Board Meeting to vote on a decision to delay winter sporting events or allow them to proceed as currently planned. Their decision will have a direct effect on the Civic Center, therefore, we are eager to hear.

Executive Director's Update

Baltzer said there was not a lot to report on the arena construction project. Panels and steel continue to go up, and Kraemer stated that another long span beam is being installed today. Our weather has been great so things are going as planned. Baltzer said we are still on time and on budget. We continue to work on add alternates. Heitsch is heading up the FF&E purchases, where we are trying to get the most bang for our buck on a very thin budget.

Baltzer reported on the conversation last week which involved hiring Venue Coalition as a booking agent for the Civic Center. Baltzer and Kraemer have had multiple meetings and it appears this is coming together. This will be an expensive relationship, but much more cost effective than hiring our own booking person. We need to kick off the new arena correctly and we will need national help with that. Venue Coalition is offering the services now and have increased the size of their company to make this a reality. We expect to have something ready for the Board to review in December. We will invite the VP of Venue Coalition to one of our zoom meetings. This relationship will give us an inside track to shows that we might not hear about otherwise. Due to Covid, we feel we have to go with this connection sooner than later. Doyle asked if we would be the only focus of this representative. Baltzer explained there would be one person assigned to our building that would be our rep/liaison. Part of our contract would be based on incentives, so they are encouraged to book larger and more events here. Agencies and promoters have representatives that control a region. They are not working only for RPCC, but Venue Coalition will have a rep for RPCC only.

Doyle asked if we used TicketMaster for our ticketing. Baltzer replied that we do not use them because they do not offer the services in congruence with the way we operate. Our ticket company is our own, where TicketMaster is a service, and they tend to keep all their additional service fees. We lease our software from Paciolan. Doyle heard a report is out that TicketMaster may require a proof of vaccine before purchasing a ticket. Baltzer said he had heard that also, but he would not be sure that is potentially viable. We are keeping an eye on that news.

Baltzer mentioned there will be a second City Council meeting next week regarding a mask mandate. He is expecting this to have a spirited discussion. Not sure how this will affect us. If this were to pass, we would enforce thru signage and staff reminders. There will have to be defined rules set on those that refuse, which will make this more difficult. As a City facility, we will do what we can to enforce the mandate if it goes thru. We do not have all the answers at this time. Hockey will begin in December, and unsure how that might be handled. Doyle asked if this signage could be submitted as Covid related. Heitsch said that past signage has been rejected thru the State, but those have been resubmitted as of now. Strommen said he does not anticipate this ordinance will pass, but something different might be considered.

Miscellaneous

- 1) REALice Discussion – Baltzer reminded the Board of the discussion at the last meeting. We have been doing our due diligence in researching this potential project. Baltzer believes the information Sterling and Kleinschmidt have been researching will extend the ice life (meaning into the summer months) and give us more confidence in the ice. According to many testimonials, the system will pay for itself in a few years from the cost savings of energy to chill the ice and maintenance. Baltzer would like to prepare to go forward. This will give us the confidence in the ice during warmer weather in June & July, plus the hot days that sometimes occur during the winter. Kleinschmidt stated there will be time in January to install. This would be a \$28,000 investment. Doyle asked if we will be conducting energy comparisons. Kleinschmidt said they would, plus they have asked about a rebate for energy savings. Heitsch had reached out to her contact at BHE and said even though the rebate program is suspended, this is a unique situation and they will give it serious consideration. Heitsch said that the current ice system was designed

to sustain ice from late Oct thru April, not the warmer months of May thru September. Research was previously done to connect to the Energy Plan, but the cost would be \$250,000. This \$28,000 option is a fraction of that cost. Baltzer said the project needs to be completed for the future needs also.

Motion to **approve to move forward with the REALice at a cost NTE \$28,000 plus shipping and handling was made by Estes and seconded by Doyle.** Upon vote being taken, the motion carried unanimously.

There being no further business, motion was made by Estes and seconded by Doyle **to adjourn the meeting.** Upon vote being taken, the motion carried unanimously. The meeting adjourned at 9:27a.m.

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

Pat Koerlin, Accounting Clerk

Date