

**RUSHMORE PLAZA CIVIC CENTER  
BOARD OF DIRECTORS MEETING MINUTES  
DECEMBER 22, 2020**

Chair of the Board, Gary Brown, called the meeting to order at 8:15 a.m. with the following Board members present: Brad Estes, Tim Johnson and via tele-conference: Charity Doyle and Mike Diedrich. Staff present include: Executive Director, Craig Baltzer; Deputy Director/Finance, Tracy Heitsch; Deputy Director/Events, Jayne Kraemer; Accounting Clerk, Pat Koerlin; Director of Corporate Sales and Marketing, Priscilla Dominguez; and Stage/Production Manager, David Owen. Liaisons present via tele-conference include: RC Council, Greg Strommen; and Visit RC, Julie Jensen. Others present include Mortenson Construction, David Richardson, and via tele-conference include: RC Journal, Kent Bush; Senior Vice President of Collier International, Thomas Grimmond; and Assistant City Attorney, Jess Rogers;

After review of the meeting agenda, motion was made by Estes and seconded by Doyle **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 December 8, 2020, meeting as presented**. Upon vote being taken, the motion carried unanimously.

**Bill List**

The 2020 Bill List for December 22 was audited.

A & B BUSINESS SOLUTIONS INC	1441.99
ALSCO INC	429.47
AMAZON CAPITAL SERVICES	220.08
ASHLEY HUNTER	332.50
BHE INDUSTRIES INC	325.00
BLUE SKY TREE CO	200.00
BORDER STATES ELECTRIC SUPPLY	228.29
CARBONHOUSE	600.00
CASH-WA DISTRIBUTING COMPANY	1695.19
CBH COOPERATIVE	206.50
CHRIS SUPPLY COMPANY INC	40.20
CITY OF RAPID CITY	2107.57
CLIMATE CONTROL SYSTEMS & SERVICE	13063.56
COCA-COLA OF THE BLACK HILLS	8341.90
CREATIVE REALITIES INC	8000.00
CYPRESS LTD	28350.00
DAKOTA PARTY	71.91
DAKOTA SUPPLY GROUP	346.87
DENNIS SUPPLY	771.43
DEPOT MUSIC	3092.58
ECOLAB INSTITUTIONAL INC	294.95
EVERGREEN OFFICE PRODUCTS INC	19.99
FASTENAL COMPANY	49.80
FOUR WINDS INTERACTIVE LLC	142.84
GOLDEN WEST TECHNOLOGIES INC	160.00
10802 HAUGO BROADCASTING INC	238.00
HAY CAMP BREWING CO	67.00
HERITAGE MAINTENANCE PRODUCTS	385.20
HILLYARD INC. / SIOUX FALLS	312.30
JOHNSON BROTHERS OF SD	6511.50
KATOM RESTAURANT SUPPLY	245.30
KEVN	1350.00

KIEFFER SANITATION INC	2337.35
KNECHT HOME CENTER	268.70
KONE	4734.21
KOTA-TV	600.00
MATHESON TRI-GAS INC	107.35
MENARDS	1678.93
MIKE WOLFORTH PHOTOGRAPHY	147.50
NORTH CENTRAL SUPPLY INC	24.00
NORTHWEST PIPE FITTINGS INC	257.36
PARTS TOWN LLC	219.75
PIZZA RANCH RAPID CITY	63.00
PURCHASE POWER/PITNEY BOWES	113.04
RED WING SHOE STORE	123.24
REPUBLIC NATIONAL DISTRIBUTING COMPANY	5980.85
RUNNINGS SUPPLY INC	22.28
SAFEWAY INC	191.85
SIGN EXPRESS	154.33
SIMPSON'S PRINTING	1867.50
SUMMIT SIGNS & SUPPLY INC	504.00
SYSCO MONTANA INC	4399.69
TOSSWARE	1633.92
TRUEIT	175.00
ULINE INC	753.58
UNITED PARCEL SERVICE INC	30.38
US FOODS	3734.92
US FOODS INC	1919.32
VAST BUSINESS	2628.90
VERIZON WIRELESS	1639.76
VICTORIA'S GARDEN	600.00
WARNE CHEMICAL & EQUIP.	130.50
WATERTREE INC	88.76
WESTERN STATIONERS	72.37
WICKED PETES GOURMET SNACKS	47.80
1ZYMURCRACY BEER COMPANY	620.00
	Total 117,512.06

Motion was made by Estes and seconded by Johnson 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 that Visit Rapid City continues to Do Big Things. They have spent the past month developing a marketing campaign with the grant received from the SD Department of Tourism with emphasis on "Come When You Are Ready and Feel Comfortable." They have received amazing feedback from visitors. The outreach has been thru local activities and a big outreach within the Midwest drive market. It has gone well. Jensen also reported that they have approved their 2021 budget and are very optimistic. She said that many groups are already rebooking because of the great work our city and facilities have done for them. VRC's PR firm in NY has done a great job of making Rapid City relevant. Our new arena and Pow Wow were mentioned in a recent national publication. Jensen commented on the controversial issue that was brought up at the City Council meeting that was unintentional. This summer VRC was asked many times which businesses required masks. They felt it was informative to publish this information, but unfortunately, it was seen as a political issue, which was not their intention. They have since removed that listing. Doyle thanked Jensen for her fortitude and apologized for what happened. Strommen reported that it was unfortunate that VRC was looked on unfairly.

City Council

No other business to report.

RC Schools -

None

### **Financial Information**

Heitsch discussed the working financial papers as of and ending in the month of November 2020 YOY comparison through 2016. It has been a challenge balancing cash flow during a pandemic. In a normal year RPCC would have achieved 90% of their budgeted revenue by now, and thru November we are at 60%. On the expense side, we have expended 64% of our budget. Currently expenditures exceed revenue by \$135,000. Wages are down \$840,000 compared to a normal year. Of that savings, \$300,000 was saved thru the furlough of our entire full time staff during the summer. The additional \$500,000 in savings was attributed to savings from not employing part time staff due to lack of events. This has a direct impact to our community. All of our employees (full time and part time) are vital to our organization. At this time, the majority of our part time employees are not comfortable in coming back to work due to the pandemic. We will be doing a marketing campaign to hire additional part time employees for the Civic Center.

Heitsch reported that we are expecting one more BBB payment in the month of December. Prior to that payment, the BBB receipts are down 12% for the year. If we receive the final payment, we expect our YTD numbers to be down 8% overall. The BBB has been a savior and a huge value to our community, proving that tourism remained strong throughout the year. As we've been discussing throughout the last several months, we know we are going to use our 2021 capital budget to supplement the FFE budget for the new arena, as the overall construction budget is very tight. We plan to bring you a full listing of 2021 capital budget items by the 2<sup>nd</sup> meeting in January. Heitsch is concerned about first quarter 2021 as we expect attendance at events to be down. The Stock Show is moving forward and she expects attendance to be affected, plus we expect to see an impact from the decrease in BBB tax in the first quarter, due to an uptick in the COVID numbers in the late fall of this year, coupled with fewer large events in our community. Doyle asked if we can tell if people are being more generous in spending. Heitsch said we did not see a major difference in the first couple hockey games. As we move forward to more ticketed events, we will see how much it is affected. Baltzer said it is typical in the beginning of the season to see per caps figures up. Estes asked if social distancing is being practiced. Heitsch said specific social distancing sections are offered in Hockey and at the Stock Show as well. The Board accepts this as information.

### **Event Update**

Kraemer said that since the last meeting we opened the Hockey season with games Friday and Saturday night. There was a pregame party on December 11 with a lot of excitement and we were happy with the crowd size. There were a surprising number of people wearing masks as they came in the door. She felt people were happy and excited to be out and have some normalcy. It was fun for people to see each other and for our staff to see folks back in the building. The Hockey team is on the road at this time. At home games, the ticket holders are given the option to change to different seats in the four sections that are available for more social distancing. Kraemer also discussed the high school wrestling tournament from a couple weeks ago. There are usually 35 teams from multiple surrounding states. Many were unable to attend due to COVID. This year the setup was different to allow the matches to be more spread out in the Barnett Arena and Rushmore Hall, with a limited number of wrestlers per bracket. Each wrestler was given two wristbands for guests, thus limiting the number of spectators. People were happy to get to see their kids participating. The BH Rapids Soccer have been renting space for practices. Last Saturday there was a theatre show by a local group where approximately 500 seats were sold. The Fire Department is having a graduation ceremony on New Year's Eve. We are gearing up for a strong January. There has been several good conversations with the Central States Fair and Sutton Rodeo regarding traffic flow and such during the Stock Show. We are concerned about staffing during the stock show. With a marketing push to hire additional part time personnel we will do the best we can do.

### **Executive Director's Update**

Baltzer mentioned the meeting two weeks ago where we brought in Todd Hunt with Venue Coalition. We will be solidifying that expanded relationship beginning January 1<sup>st</sup>. The contract is ready to sign and Baltzer wanted to give the Board an opportunity to ask any additional questions. There were no additional questions from the Board.

Baltzer also wanted to point out that Mike Diedrich's Board term expires in January 2021. We wanted to thank him for his service to RPCC. Diedrich had mentioned to Baltzer how disappointed he is for the end of his term. In a conversation Baltzer had with the Mayor, it was pointed out that it is the Board's decision to change the terms lengths and limits if desired. Currently we are on 3 year terms, and a 2 term limit. With a one year wait period to rejoin. Baltzer asked the Board if they were interested in making any adjustments to the current terms. Estes mentioned he would be in favor of increasing the number of terms, but not necessarily the term length. Doyle does not see any problem with the Civic Center Board,

but has seen an extension become a problem with other Boards. Doyle indicated at times Boards can become status quo, and she would like some time to think about it. Baltzer said in the 6 years he has been here, it has never been discussed. Brown asked what the date would be for the new Board member decision. Baltzer said the Mayor will be announcing his selective very shortly. Typically it is the 2<sup>nd</sup> meeting in January when the new Board member attends his/her first meeting (or after the City Council has approved the Mayor's selection). Heitsch mentioned that we usually forego the first Civic Center Board Meeting in January since there is no Bill List, unless business warrants a meeting. We will announce that decision after the first of the year, but if no meeting is needed, our first Board meeting in January would be January 26<sup>th</sup>. Johnson asked if the funds from the newly implemented federal relief might trickle down to the Civic Center. Baltzer said we were told we need to go through the City or State and we are working on how to handle. Our industry has lobbyists working thru this, but every state is different. Since we are government and not privately owned, it may be different for us.

Baltzer said the Civic Center staff would be working from home on Christmas Eve and will be available by phone.

### Miscellaneous

- 1) Mortenson Update – David Richardson with Mortenson Construction provided an update. He stated that construction has been going on over a year now and a lot has happened. He wanted to take a moment to mention the craft workers. As of today they have spent 191,000 man hours working on the project. There has been pretty significant construction changes since the last update. The primary focus is on the superstructure and the precast and rough in. Currently, there are four out of five trusses installed which is a significant accomplishment. They are on schedule from what was published over a year ago, and have surpassed some challenges. There will be structural steel the end of January, and the progression on the North side where they are installing windows, and driving towards the date where they can concentrate on in the interior buildout. A lot of the mechanical is being put in place in preparation for the final build out of the walls. Another milestone is the installation of the heating and cooling units which are set to be received in the next couple weeks. The supply chain has been managed well so as to not disrupt construction or the Civic Center event schedule. The installation of the escalator is on schedule and will be dropping soon. There is one active elevator at this time, with a total of four in the project. Richardson said the plan will be to give the ramp and the area to the North back to the Civic Center in the next two weeks. He also said they are actively pursuing the project alternates and there is constant discussion on how to get them into the project. There will be a beam signing event for the Board and those involved in the project when the time is right. Richardson also wanted to give a shout out to BH Energy for how instrumental they have been in this project. Baltzer wanted to say that Richardson and his team have done a terrific job in planning for any issues that may come up. Work with the sub-contractors and local crews have been outstanding. They run a very efficient job site with being on budget and on schedule.
- 2) Existing Bond Refinance Option – Heitsch discussed the bond from 2008 which RPCC acquired to build a parking lot in conjunction with the construction of the Ice Arena, along with solving HVAC, roof, security, and ADA issues throughout the facility. Now is a good time to refinance that bond based on current interest rates. Tom Grimmond was introduced to discuss the refinancing options. He showed a debt service comparison and discussion followed. There would be a savings annually from \$12,000 to \$15,000, with an overall savings thru maturity of \$102,000. The Board expressed their comfort with the refinance option and asked Heitsch to put together a Letter of Support, addressed to Pauline Sumption and the City Council. Ultimately, this is a City Council decision as the bond is in the City's name with Civic Center operational funds making the payments.

There being no further business, motion was made by Estes and seconded by Johnson **to adjourn the meeting**. Upon vote being taken, the motion carried unanimously. The meeting adjourned at 9:21 a.m.

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

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Pat Koerlin, Accounting Clerk

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Date