

**RUSHMORE PLAZA CIVIC CENTER  
BOARD OF DIRECTORS MEETING MINUTES  
JANUARY 26, 2021**

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 Jason Lambert; via tele-conference: Charity Doyle. Staff present included: Executive Director, Craig Baltzer; Deputy Director/Finance, Tracy Heitsch; Deputy Director/Events, Jayne Kraemer; Accounting Clerk, Pat Koerlin; Director of Operations, Paul Sterling, Stage/Production Manager, David Owen; and via teleconference, Director of Corporate Sales and Marketing, Priscilla Dominguez. Liaisons present via tele-conference include: RC Council, Greg Strommen; Visit RC, Julie Jensen and Olivia Derrek; RC Area Schools, Jared Vasquez and Jordan Bauer. Others present include Sutton Rodeo Representative, Steve Sutton; Central States Fair Representatives, Silvia Christen and Ron Jeffries, and via tele-conference include: Assistant City Attorney, Jess Rogers;

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

**General Public Comment**

Baltzer introduced the Rushmore Plaza Civic Center's new Board Member, Jason Lambert. Lambert mentioned he was encouraged to apply to our Board by Mike Diedrich, and commented how much he respected him and appreciated Dietrich's recommendation. He feels he has big shoes to fill. He serves as the Director of Patient Center Design at Monument Health. Baltzer welcomed him to the Board.

Sutton with Rodeo RC spoke and was reminisced of his family's conversation with the Civic Center 44 years ago when the Sutton's talked the civic center into putting dirt in their brand new building. Thus, the beginning of the current Black Hills Stock Show and Rodeo Rapid City. He is looking forward to year 45. For 2020, Rodeo Rapid City was named RPCA Large Indoor Rodeo of the Year. Sutton reiterated that this award also goes to the City of Rapid City, along with the Civic Center for their hard work and commitment. Sutton said that Rodeo Rapid City is the only rodeo happening right now, in the U.S. and he feels it will be well attended. Every performance will be broadcast nationally live on the Cowboy Channel. He is looking forward to a great event.

Jeffries and Christen with the CSF wanted to thank RPCC for having them back and appreciated being here. The BHSS&R is not only a big event for the Black Hills, but also for all the areas around us. Jeffries feels there is more interest this year from areas further away than ever before. Jeffries handed out the consolidated BHSSR and Rodeo Rapid City pocket schedules. Christen reminded everyone that their office is in Room 101, and if any board member has an interest to know more about the cattle shows, be sure to stop in and they will be happy to show them around the area. They are looking forward to a great event.

Sutton left the meeting at 8:22.

**Minutes**

Motion was made by Estes and seconded by Doyle **to approve the minutes of December 22, 2020, meeting as presented.** Upon vote being taken, the motion carried unanimously.

**Bill List**

The 2021 Bill List for January 26 was audited.

A & B BUSINESS SOLUTIONS INC	1441.99
A TO Z SHREDDING	39.45
ALSCO INC	260.72
AMAZON CAPITAL SERVICES	676.26
AMERICAN TIME & SIGNAL	1358.90
APPETIZE TECHNOLOGIES INC	40616.00
BLACK HILLS STOCK SHOW FOUNDATION	250.00
BORDER STATES ELECTRIC SUPPLY	523.63
CARBONHOUSE	600.00
CASH-WA DISTRIBUTING COMPANY	4615.76

CBH COOPERATIVE	341.60
CHEXCEL	25.00
CHRIS SUPPLY COMPANY INC	89.10
CITY OF RAPID CITY	2835.49
CLIMATE CONTROL SYSTEMS & SERVICE	2095.00
COCA-COLA OF THE BLACK HILLS	4370.60
COMBINED BUILDING SPECIALTIES	5480.00
CONTRACTOR'S SUPPLY INC	596.88
DAKOTA BATTERY/ELECTRIC	454.81
DAKTRONICS INC.	1755.00
DELL MARKETING LP	1873.22
DENNIS SUPPLY	483.65
DEPOT MUSIC	72.28
DIAMOND VOGEL PAINT CTR	36.09
EASTMAN SOUND & MUSIC	55.00
ECOLAB INSTITUTIONAL INC	294.95
FASTENAL COMPANY	218.90
FISHER BEVERAGE COMPANY INC	3310.45
FULL COMPASS SYSTEMS LTD	280.00
GOLDEN WEST TECHNOLOGIES INC	160.00
HAY CAMP BREWING CO	277.00
HILLS SEPTIC SERVICE	405.00
HILLYARD INC. / SIOUX FALLS	24.66
INTERNATIONAL ASSOCIATION OF VENUE MANAGERS	495.00
IS RESTAURANT DESIGN EQUIPMENT & SUPPLY	2710.90
JANTECH LLC	590.00
JOHNSON CONTROLS INC	729.75
JORGE UCAN	84.58
KIEFFER SANITATION INC	2306.40
KNECHT HOME CENTER	870.37
KT CONNECTIONS INC	1085.00
LICENSED BEVERAGE DEALERS OF SD	100.00
LIGHTING MAINTENANCE CO	28.56
LOWE'S	617.40
M G OIL CO	353.10
MATHESON TRI-GAS INC	110.53
MCDONALD SUPPLY	266.80
MENARDS	1122.26
NORTHWEST PIPE FITTINGS INC	105.01
PACIFIC STEEL & RECYCLING INC	40.53
PARKWAY CAR WASH INC	350.00
PITNEY BOWES	352.92
PIZZA RANCH RAPID CITY	75.00
PRAIRIE AUTO PARTS	18.63
QUALITY BRANDS OF THE BLACK HILLS	13531.19
RAINBOW GAS CO	11960.36
RAPID CITY AREA SCHOOL DIST 51-4	194.87
RAPID CITY JOURNAL - ADVERTISING	757.41
RDO EQUIPMENT CO	1218.27
REPUBLIC NATIONAL DISTRIBUTING COMPANY	1215.40
RUNNINGS SUPPLY INC	51.94
SAFEWAY INC	19.47
SAM'S CLUB	1045.99
SERVALL UNIFORM/LINEN CO INC	116.66
SESAC INC	1139.41
SHI INTERNATIONAL CORP	266.17
SIMPSON'S PRINTING	3296.80
SITE WORK SPECIALISTS INC	1237.71
STAN HOUSTON EQUIP CO INC	105.89
SYSCO MONTANA INC	3760.28

IMOTHY MARKOVETZ	1834.23
ULINE INC	1532.60
UNITED PARCEL SERVICE INC	24.79
US FOODS	11052.70
US FOODS INC	5693.52
VAST BUSINESS	2684.72
VERIZON WIRELESS	1643.70
VISTAR	698.66
WALMART COMMUNITY	517.50
WATERTREE INC	88.76
WESTERN STATES FIRE PROTECTION CO	690.99
WESTERN STATIONERS	163.45
WHISLER BEARING COMPANY	12.60
YOUTH & FAMILY SERVICES	2775.00
ZYMURCRACY BEER COMPANY	190.00
	Total 157,851.17

Motion was made by Johnson and seconded by Estes and carried **to authorize the Finance Officer to issue warrants or treasurers checks, drawn on proper funds, in payment thereof.**

**Miscellaneous** – Brown requested Executive Privilege due to time constraints, moving Miscellaneous Agenda Item #3 – Officer Elections – up on the agenda timeline. Brown indicated he would be stepping down as Chair of the RPCC Board of Directors. Doyle nominated and Johnson seconded for Estes to become the 2021 Chair of the Board. Estes then nominated and Johnson seconded for Doyle to serve as Vice Chair. Congratulations to Estes and Doyle.

### Liaison Reports

#### Visit Rapid City

Jenson welcomed Lambert to this phenomenal Board and public venue staff. Jensen attended the Governor's Tourism Conference last week where 125 industry professionals attended with mask and social distancing rules in place. There were an additional 500 in attendance online. They put together a great speaker lineup and shared how the rest of the country fared during the COVID year for 2020. South Dakota stacked up quite well, especially western South Dakota. Occupancy and tax revenue numbers are doing well. We were down from 2019, but better than most around the country. Some states were down 50% to 60%, where South Dakota was down 19%. VRC was given some of the first stimulus marketing money. Jensen said they are going to try to qualify for the next Care Stimulus Package. The motor coach business continues to be on the decline as most customers of that group are senior citizens. Jensen feels it will be 2-4 years before that segment recovers. VRC is focusing on its sports marketing group with the Summit Arena being near completion.

Jensen said they are putting together a law enforcement panel on February 11 at 2:00 at the Ramkota to discuss the homeless population and how it affects the City. The downtown area has improved with the presence of the Ambassador Program and more law enforcement in place. The rest of the city has not fared as well. Jensen is suggesting someone from the Civic Center attend the event. Jensen also introduced Olivia Derrek, who was attending the Board meeting via teleconference, as a BHSU student who is interning with VRC for a few months.

#### RC Council

Strommen said he had nothing to report. He wanted to thank the Board for working thru this difficult time. He also stated that the people at the Civic Center are amazing to work with.

#### RC Schools -

Vasquez with Stevens High School echoed Strommen's statement and commended the Civic Center on a great job on their attention to safeguards so we can continue to host events. The State Wrestling Tournament will be coming up soon, featuring Class A in the Ice Arena and Class B in the Barnett Arena. We will also be hosting State AA Boys Basketball. Vasquez said they will continue to help fill the Civic Center with events.

Bauer with Central High School welcomed Lambert to the Board. He also reiterated the statements made by Vasquez and Strommen on the great job the Civic Center staff has done working through the pandemic.

### **Financial Information**

Heitsch discussed the working financial papers as of and ending in the month of December 2021 YOY comparison through 2016. She was thankful to be done with 2020! Heitsch said that historically RPCC self generates about 70% of our revenue through facility rentals, reimbursement from shows, box office commissions, corporate sales and food and beverage sales. In 2020 our self-generated revenue was only 45%, mostly in part to the first 45 days of 2020. The BBB tax has been the highlight of the year. In a normal year it's about 1/3 of our revenue, but for 2020, BBB was 55% of our revenue. Due to the diligence of our Senior Department Directors, our expense side has been holding. We experienced savings from our good vendor partner relationships thru the delay of service agreements, cut expenses by furloughing our entire full time staff and layoff of part time staff. These things unfortunately have a big impact on our community as well.

Heitsch said we continue to track our COVID expenses. Before the end of 2020, we did receive COVID money from the City which helped our cash position. Heitsch also commented on the importance of the upcoming BHSS and Rodeo Rapid City. She expects BBB tax receipts to be down for the first quarter of 2021. Our 2021 budgeted revenue is at \$11.8 million and our budgeted expenses for 2021 are estimated at \$11.6 million. The Board accepts this as information.

### **Event Update**

Kraemer recapped the January events to date including the youth basketball tournament. There were a lot of teams from out of town attending. The BH Rapids Soccer group held a number of practice events, plus their winter classic a couple weeks ago. West River Basketball, the SD Youth Hunting Banquet, a speaker event on Human Trafficking, and 8 Rush Hockey games have taken place in January. On Saturday, January 23, the hockey game had a Rodeo night event that brought in NFR contestants, rodeo queens, and a special jersey auction for the BHSS Foundation Youth Scholarship. A pregame party was held in the cowboy bar, with great success. Kraemer said there will be a meeting this afternoon with the Civic Center, Rodeo RC, and CSF to discuss any concerns for the upcoming BHSS and Rodeo Rapid City. We want guests to feel safe.

Kraemer said that February is busy for the Rush. They are on the road at this time, back for the three Hockey games, then on road again for two weeks. There will be the BH Sports Show, another basketball tournament, State HS Wrestling tournament, and West River Pool Tournament. LNI board met last week with expansion in discussions. They have invited eight more teams and they will be running three separate divisions in the Summit Arena, Barnett Arena, and the Ice Arena in December of 2021.

Kraemer stated that they have been without a third person in their department over the last year. They are very busy reactivating their part time staff, which has been quite a process. Trying to hire new staff has been an issue with getting people to show up for interviews, reporting to work once hired, or passing a background check. Events continue to cancel. She was surprised that Dr Simon, with the RCAS, has already cancelled the Strings in Concert, Festival of Bands, and United in Song. Plus prom and graduation ceremonies are questionable. The TIE Conference in April was recently cancelled, along with Kids Fair. We are seeing a lot of events trying to transition to the fall. On the other hand we are also seeing a lot of conference and convention business from different states coming to our facility. Tanya Gray handles most of our conventions, and has had a lot of success. Kraemer stated that we are getting ready for the BHSS&R with large vendors started moving in yesterday, and the rest will start tomorrow. The Arena has dirt and steel set up. There has been some changes in traffic flow. Christen with CSF said she feels good about how things are falling into place.

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

Baltzer thanked Gary Brown for his service to the Civic Center and Rapid City. Brown will be stepping down as our President but has been re-appointed for a second term. At our last meeting discussion was held concerning Board Term Limits. At this time, board members are satisfied with the current limits, but he would be happy to put additional conversation on the agenda if requested. Baltzer also discussed the different stimulus packages and the limited information we have at this time. He has been working diligently with Quasi in Thune's office. By the 2<sup>nd</sup> week in February we should have additional information on how to apply for stimulus that is being offered specifically for shuttered venues. Our venue is different, as we have not been shut down completely. Baltzer has been concerned because our promoters have been without any revenue and he is worried who will remain in business when this is all done.

Baltzer also commented how happy he is that the BHSS and Rodeo RC had decided to move forward, and encourages other events to wait before cancelling their event too soon. Since we do not have state mandates to follow, we have established our own recommendations based on the guidelines provided by the CDC, local medical experts, and industry experts. We are reminding our guests to be safe and courteous to others, we are providing social distancing areas, we will have masks and hand sanitizer at the doors provided by Monument Heath, Suttons, and CSF. We are doing the right things such as having our staff wear masks.

Baltzer said he is anxious for the touring shows to hit the road again. With the Board's previous approval, we hired Venue Coalition to help with booking events. We needed to ramp up our booking and this was a cost effective way. We have been pleased with the discussions since they started on January 1<sup>st</sup>. There are names in the works for the opening series of the new building, a family event for this summer, and hoping for a final confirmation on a country act in April. The industry anticipates during the late spring and summer, more outdoor events of mid-level acts, and next fall, a ramp up of touring groups for larger inside venues. They are not expecting the industry full blown by the fall, but do believe that there will be enough acts on tour this fall and early 2022 to get the new building started. The good news is that we are starting to book traveling acts.

Estes left at 9:30 am

Baltzer discussed the Real Ice purchase that was approved by the Board. With the ECHL playing later in to the season, plus Northland Hockey in June, the new system allows us to maintain the ice in warmer weather. We are collecting data on the savings and will have a report in the future. We expect the \$30,000 expenditure to pay for itself. He also talked about Monument Health's public participation for naming the new arena. Baltzer is happy with the decision of the name Summit Arena. There is a history to this name from a very popular venue that was once in Houston TX.

Baltzer provided an update on the construction project. It continues to be on time and things are going well. Jeffries commented how he was impressed with the arrival of materials last week, to avoid the crowds next week. Baltzer said that due to great teamwork with Mortenson Construction, our project is moving much better than other projects around the U.S. Baltzer is also excited about the additional alternates that have been put in place, and will continue to push hard to find the extra money for the remaining add alternates. Kraemer reminded the Board that the 150 workers on the project are using outside parking during the BHSS&R to help with the parking issues. Baltzer also wanted to thank CSF and Suttons for working thru the construction space concerns. Baltzer reminded the Board to call if they would like to be included in the tours of the construction site that happen twice per month.

Lambert asked about the possibilities of outdoor bookings. Baltzer said that a lot of venues have tried events in parking lots. Some have worked, but most have not due to costs to run an event outdoors such as power and stages, etc. Baltzer is open to the possibilities of outdoor shows that do not compete with the downtown Thursday night events.

### Miscellaneous

- 1) Credit Card Processing Fee Implementation – Heitsch said we have been studying the expense of credit cards, and we are looking for approval from the Board to implement a credit card processing fee that would affect all invoices of \$3000 or more that choose to pay by credit card. The client would know in advance and there would be a 3% fee applied. We, of course, accept other forms of payments such as check and ACH. In our analysis in 2019, there was \$10,000 worth of fees that we would have been able to recover with this policy in place. If the Board approves this, we would contact our historical vendors that have a history of charges of this size. This 3% would cover our costs. Motion to **approve the implementation of a 3% credit card processing fee for invoice of \$3,000 or more that choose to pay by credit card, was made by Doyle and seconded by Johnson.** Upon vote being taken, the motion carried unanimously.
- 2) Capital Budget 2021 – As has been discussed for months, the 2021 Capital Budget would be utilized to cover the shortfalls of the new arena FF&E budget. Included in the \$130 million budget was \$5.4 million for FF&E for the new building. We have identified all the items we need to operate the new arena. There is a lot of equipment items for the new arena that are supplementary to the existing arena. Baltzer reiterated that most of the list Heitsch presented are for the entire facility and not specific to the new arena. The total capital budget previously approved by the Board for 2021 was \$700,000. Heitsch presented the proposed 2021 Capital Budget as divided into three sections - Section 1 is items that didn't fit into the project FF&E

budget that are needed to open the new arena and need to be purchased before the arena is opened. Section 2 consisted of two items - the fire alarm panel in Rushmore Hall is failing and needs replacement. We are working with the Fire Marshall on this project. The second item is a revamp of our website to accommodate the new arena and the new name/look/feel. Section 3 is things we would like to do if cash allows – remodel of the empty Chamber office space and the conversion of our parking lot lights to LED. Heitsch explained the process required to approve these sections. If the Board sees fit to approve this plan, the staff will proceed and will bring back the major expenditures to you. Baltzer discussed an idea to provide sidewalk shuttles (large electric multi passenger golf carts) thru the promenade from downtown, since we have lost some of our parking. This would help with parking issues, plus a connection to downtown businesses. Lambert asked if this might be a shared investment with hotels or downtown businesses, where Baltzer said that has been discussed. Doyle commended the team on their diligence through these issues. Motion to **approve the Capital Budget 2021 as presented, was made by Doyle and seconded by Johnson.** Upon vote being taken, the motion carried unanimously.

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 10:03 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