

# THE MONUMENT

## BOARD OF DIRECTORS MEETING MINUTES APRIL 27, 2021

Chair of the Board, Brad Estes, called the meeting to order at 8:15 a.m. with the following Board members present: Gary Brown, Tim Johnson, and via teleconference: Charity Doyle and Jason Lambert. Staff present included: Executive Director, Craig Baltzer; Deputy Director/Finance, Tracy Heitsch; Event Services Manager, Tanya Gray; Accounting and Administration Manager, Jarrett Breuninger, Accounting Clerk, Teresa Dringman; and Stage/Production Manager, David Owen. Others present included Visit Rapid City, Julie Jensen. Others present via teleconference included: City Council, Greg Strommen; RC Journal, Kent Bush.

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

### General Public Comment

None

### Minutes

Motion was made by Brown and seconded by Johnson **to approve the minutes of April 13, 2021, meeting as presented.** Upon vote being taken, the motion carried unanimously.

### Bill List

The 2021 Bill List for April 27, 2021 was audited. Heitsch stated items of note are the refinancing of the 2008 bond to complete capital projects and FFE for the ice area which will mature in 2028, Ventrac which is a capital item approved by the Board, sponsorship for SD Pool and Dart Tournament, and business cards with a QR code for the website on the back.

|  |              |
|--|--------------|
| A & B BUSINESS SOLUTIONS INC             | 1,441.99     |
| A&B WELDING SUPPLY CO INC                | 146.02       |
| ADAMS ISC                                | 6.20         |
| ALSCO INC                                | 1,019.99     |
| BATTERIES PLUS BULBS                     | 63.71        |
| BLACK HILLS INSURANCE                    | 6,319.00     |
| BLACK HILLS ORTHOPEDIC & SPINE CENTER PC | 60.00        |
| BORDER STATES ELECTRIC SUPPLY            | 21.89        |
| CAPITAL ONE PUBLIC FUNDING               | 2,625,067.50 |
| CARBONHOUSE                              | 600.00       |
| CASH-WA DISTRIBUTING COMPANY             | 3,457.91     |
| CBH COOPERATIVE                          | 284.20       |
| CHRIS SUPPLY COMPANY INC                 | 98.92        |
| CITY OF RAPID CITY                       | 6,249.80     |
| COCA-COLA OF THE BLACK HILLS             | 5,301.70     |
| CRUM ELECTRIC                            | 122.99       |
| DAKOTA KUSTOM COATINGS                   | 530.00       |
| DALE'S TIRE & RETREADING INC             | 403.60       |
| DENNIS SUPPLY                            | 72.19        |
| DIAMOND VOGEL PAINT CTR                  | 20.78        |
| DOOR SECURITY PRODUCTS INC               | 300.00       |
| EASTMAN SOUND & MUSIC                    | 55.00        |
| ECOLAB INSTITUTIONAL INC                 | 2,596.72     |
| EPIC OUTDOOR ADVERTISING                 | 1,400.00     |
| FISHER BEVERAGE COMPANY INC              | 3,394.15     |
| FULL COMPASS SYSTEMS LTD                 | 66.64        |
| GOLDEN WEST TECHNOLOGIES INC             | 160.00       |
| HAY CAMP BREWING CO                      | 326.00       |
| I SCREAM LLC                             | 267.80       |
| JANTECH LLC                              | 295.00       |

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|--|--------------|
| JOAN'S PLANT SERVICE                   | 450.00       |
| KIEFFER SANITATION INC                 | 4,060.33     |
| KNECHT HOME CENTER                     | 206.25       |
| LIGHTING MAINTENANCE CO                | 17.60        |
| MATHESON TRI-GAS INC                   | 110.53       |
| MENARDS                                | 126.84       |
| MOUNTAIN STATES SECURITY INC           | 108.43       |
| NORTHWEST PIPE FITTINGS INC            | 330.80       |
| PFEIFER IMPLEMENT CO INC               | 52,478.40    |
| PIZZA RANCH RAPID CITY                 | 97.94        |
| PURCHASE POWER/PITNEY BOWES            | 48.13        |
| QUALITY BRANDS OF THE BLACK HILLS      | 11,992.65    |
| R & R SPECIALITIES INC                 | 399.30       |
| RAINBOW GAS CO                         | 6,347.29     |
| RAPID CITY AREA SCHOOL DIST 51-4       | 175.23       |
| RAPID CITY JOURNAL - ADVERTISING       | 232.48       |
| RAPID CITY SHRINE CLUB                 | 295.29       |
| RED WING SHOE STORE                    | 288.98       |
| REPUBLIC NATIONAL DISTRIBUTING COMPANY | 1,075.25     |
| RUNNINGS SUPPLY INC                    | 203.86       |
| SERVALL UNIFORM/LINEN CO INC           | 122.49       |
| SHERWIN-WILLIAMS COMPANY               | 220.84       |
| SIMPSON'S PRINTING                     | 288.00       |
| SOUTH DAKOTA POOL AND DART CORPORATION | 12,500.00    |
| STURDEVANT'S AUTO PARTS                | 50.59        |
| SYSCO MONTANA INC                      | 7,384.05     |
| TOUT ADVERTISING                       | 1,100.00     |
| US FOODS INC                           | 7,456.93     |
| VAN HOLTEN'S                           | 1,554.00     |
| VAST BUSINESS                          | 2,707.90     |
| VERIZON WIRELESS                       | 1,482.35     |
| WATERTREE INC                          | 69.00        |
| WESTERN STATIONERS                     | 10.50        |
| WINSUPPLY OF RAPID CITY                | 205.37       |
| WW GRAINGER INC                        | 243.30       |
| ZYMURCRACY BEER COMPANY                | 550.00       |
| Total                                  | 2,775,140.60 |

Motion was made by Johnson 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 gave out handouts showing numbers for 2020 and into 2021. Jensen stated it has been remarkable considering the pandemic and how well the area and Rapid City have done. She stated we are comparing ourselves to 2019 because it wouldn't be feasible to compare after March 2020. We have some numbers for March 2021, and we are doing amazing. People see what the Black Hills outdoors have to offer. They also see that we didn't close down as a state or a city. The impact for travel and tourism is mostly restaurants, hotels, and attractions at first, but then we look at the economic status and who it effects. We have survived the pandemic better as measured by occupancy, average daily rate, and demand.

We will kick off national travel and tourism week next week in LaCroix C & D. The mayor will attend and present a proclamation. We will present the Black Hills Hero, Extra Mile, and Front Line Worker awards. We will then have a customer service seminar, interagency exchange of info, and swap. In recent years this was typically done in the afternoon and outdoors, but it was decided to move inside. Visit Rapid City is thrilled the Black Hills Powwow is coming back in October—bigger than ever. This should be one of the first events in the new arena. Jensen says they are working closely to market it with having a dancer promoting the powwow on the cover of 2021 visitor guide. The goal is to become the #1 Powwow in the country. There is excitement with the number of visitor guide requests and hits on website, but there are challenges with the lack of employees. The industry is trying to provide incentives. The concern is regarding the visitor experience if the severe lack of employees in the area continues thru the visitor

season – which is expected at this time. Car rental fleet numbers are down 50% nationwide, and cars are booked solid. Johnson says it is going to be tough. Jensen's concern is that we don't want visitors leaving with a bad taste in their mouths due to lack of adequate staffing and lack of rental cars.

We are doing great in the meeting and convention world. Freedom Fest is bringing a lot of people in July. We have rooms, but getting car rentals is a problem. If we do a great job, they will look at us every other year or every year. Gray stated preregistration has doubled from initial estimates. Johnson stated a concern of not enough rooms. Gray stated Freedom Fest is a great organization to work with. Baltzer is hoping we could secure for future years. They love our location and building. Ultimately, it is the hospitality on the hotel end and transportation that will be the important factors for retention. If we can make it work, this is a large convention we could get every year. Jensen stated we have worked hard with this group. Tyson Steiger, with VRC, has done well. There are so many other groups coming to include FFA at Central States Fairground this year. They say they will come here every other year. Baltzer stated COVID has helped us with conventions. We should be able to secure these for years to come. Jensen is looking forward to the summer. Brown said Jensen and Jim Hagen did a great presentation at the Black Hills Press and Forum Club. They talked about 2020 and what 2021 is going to look like. The key is to get locals to understand the importance of the visitor dollar.

RC Council – Greg Strommen stated they have proposals to the council leadership for the Cares Money. He is still waiting to see what is going to happen with that. Baltzer stated we are presenting some items on May 10 to the City Council at a special meeting.

RC Schools –  
None

### **Financial Information**

Heitsch stated it has been a good quarter comparing quarter 1 with last year quarter 1. We have not had quite as many events, especially concerts and banquets. Our rentals were down 6%. The BBB has been strong. To compare with timeframe of January through March 2020, the numbers are up and good. We are pleased with food and beverage numbers. Most events have been very well attended, and people are very happy to be out and about. Regarding expenses, we are analyzing insurances and getting info from city hall. We worked with vendors to delay payment in quarter 3 and quarter 4 in 2020 in hopes our revenues would rebound. Subscriptions for POS, HVAC controls, and expansion of our services agreements with Venue Coalition are the reasons for the increases over previous years. We do see increases in interdepartmental and PILT charges of 9%; these will be right at \$550,000 compared to \$434,000 in 2020. Wages are down because of lack of staff and keeping full time positions open as long as possible in an effort to save money, however, we will have to fill those positions very soon, before opening the Summit Arena. Our cash position is solid. We are where we would expect based on COVID. The Board accepts this as information.

### **Event Update**

Gray stated COVID has allowed diversity with different events from other areas and getting exposure for our area. Hopefully we can come back in their rotation. We have opportunities to do new events and replace revenue on lost events. The first event is the Fight Laugh Feast Rally, a cross politic event. Their attendance is higher than expected; currently at 648. Staffing is bare bones, but everyone is working hard. Rush Hockey will be here this weekend. We have Prima Dance through May 8. Academy of Dance is coming back also. Next week we have the Lit Swap and hospitality training, Elevate RC, and SDSMT graduation. WDT graduation is coming back with 5 different graduations. We are happy to accommodate. Dakota Territory Gun Collectable show will be May 15-16.

Heitsch stated in looking ahead, we have very few open weeks in the facility. She said the summers with 60 open days no longer exist. Gray stated this summer we have hockey tournaments, wrestling, several conventions, quilt shows, Council of State Government convention, and Freedom Fest. The July calendar is pretty full. We are happy to have these events, but staffing will create a long summer. Northland Hockey will be the first two weekends in June. Baltzer stated the Real Ice equipment was purchased to help us maintain ice on a hot summer day. Gray stated the Rush Hockey team is currently sitting in a playoff spot. Without playoffs the last game will be the last weekend in May. If we go to playoffs, it would go into June. Jensen said Visit Rapid City has given sponsorship money that goes to Northland Hockey and Freedom Fest. The money given has to be spent in Rapid City. Gray stated those two groups are going to be worth the investment. Northland Hockey has done a good job to build it up.

### Executive Director's Update

Baltzer stated our success through COVID is hard to project; we are still losing events. Some events that we do annually we have been told they will not be coming this fall. We are grateful we can be open. The reason we are being successful is because people can do things here. Other venues are at 25% max capacity or not at all. It is good for us and negative for everyone else. There are literally very few shining stars performing at this level. Some events are overproducing and bringing bigger crowds but others are bringing in less. The dance studio events this week had to move to 4 performances rather than 2. We are benefiting from this. The year is looking normal or better in a lot of cases. Other buildings are suffering. There are Save our Stages grants. We are going to apply for grant money. Logically, we will be the last on the list. Other venues are looking at getting millions from that. We are lucky to be in Rapid City, South Dakota. The negative part is the labor issue here and around town. We have gotten extremely creative with recruitment and have raised starting wages significantly. We are trying to entice more groups. The biggest is the part-time labor which should be a pool of 700. Peak this year was 203 during stock show. We are overworking our staff. There are discussions about backing off on booking because we can't make the conversion. We pride booking over 1000 event days in a year. We have major problems we have to solve. This is country-wide as Jensen pointed out. All we can do is get creative and entice people to work. Our industry is unique. It's about being part of something different, about live entertainment and events. We need to share that with potential part-time workers.

Construction is going well. We had weather events in March and April. Roofing is being finalized and should be finished in May. The lower stadia is completely in. The framing of all rooms and spaces are underway, working east to west. We will need to bring Mortensen in next month for an update.

Regarding hockey, this may be the first time hockey makes playoffs in a long time. They began being competitive about midseason. They have gone from bottom of the league to a potential playoff position. If they continue, they will be higher in the standings. They will make our summer busier, but it is a good problem.

Regarding searching for employees Jensen stated to let hospitality workers know that is just the entry level. They can grow in the industry to better paying jobs. Typically, the visitor industry is just minimum wage jobs. Baltzer stated it is different from full-time to part-time positions. There is a pathway for advancement in our industry. For the past year and a few months, people have been trained not to spend their money at restaurants and travel; therefore, there is no need for people to have a part-time job. Johnson asked how we educate people. If you stay under 20 hours a week, you don't lose extra cash. So, they could get both benefits. Johnson stated when he has jobs that look fun, he promotes them on social media and gets the most return. Baltzer stated we need to spend a little money on a marketing campaign on that level.

### Miscellaneous

- 1) **Capital Update** – Heitsch stated there is not a lot of change from the last update. The main item we need to purchase is the Rushmore Hall fire alarm panel. The panel is in constant fault. We have had meetings with the fire marshal. We have multiple systems within the building and plan to begin with the new arena and use that platform to back fill into the existing spaces to bring all fire alarm systems into one combined system, versus multiple. SimplexGrennill is what we have in the ice arena. The old Edwards system in the Theatre has to be revamped. We need it to be digital. The final pricing is \$49,199.12. This includes replacing the panel in Rushmore Hall mezzanine, the electrical work, and \$3,000 to begin networking to make key components of the rest of the building to tie together. We aren't going to get it any cheaper. Motion to **approve to move forward with the Rushmore Hall fire alarm panel was made by Brown and seconded by Johnson**. Upon vote being taken, the motion carried unanimously.
- 2) **Approval to Pursue Shuttered Venues Operators Grant (SVOG)**—Breuninger stated this grant offers \$2 billion for venues with 50 employees or more. Based on qualifications, we would fit in priority 3 for this grant. Priority 3 is for venues that suffered 25% or greater revenue loss in any quarter. There are other items that qualify. We are far from guaranteed. The money may be gone by priority 3, but it is worth our time to apply. Estes stated the government has given buckets of money in the 25% area in hospitality. Estes advised to go full speed ahead. Baltzer stated we are missing revenue and expenses because we are not paid in full for PPE costs from last year. This is an opportunity to look at it. Most venues are in a priority 1. Almost all major venues are at priority 1. Quasi Al-Haj from Thune's office has been in contact weekly about this. If money stretches, we believe we will qualify. Motion to **approve pursuance of Shuttered Venues**

**Operators Grant was made by Johnson and seconded by Brown.** Upon vote being taken, the motion carried unanimously.

- 3) **Consideration of Proposed 2022 Budget** – Heitsch reviewed the proposed 2022 budget reminding the Board it is aggressive but relative. We approached it from a full slate of events and live entertainment in 2022. If those don't come back in, revenues and expenses will be down. The biggest revenue increase in the budget is food and beverage. We have more points of sale in the new arena than the rest of the facility combined. This is the first of our venues designed to sell food and beverage with diversified offerings and premium product. Expectations are high. Expenses are higher and mostly due to part time and full time wages. We have budgeted for 200,000 part-time wage hours. We are looking for opportunities in the community. We will be campaigning for service groups to earn money. This is the first budget with the full impact of increase of both part time and full time staff. We haven't brought people on board from last year's approval but should be full in 2022. Subscriptions are another expense with point of sales systems, event booking, and maintenance software that has to be paid every year. We have budgeted \$250,000 for 2022, but this will increase with the new arena. We are excited about the great potential.

Estes asked if there were any questions. Brown stated that tourism needs to push the story to the citizens as to the importance of tourism and its impact on the taxes our citizens would pay if it weren't for tourism. Jensen stated if it weren't for tourism, citizens would pay \$780 more a year in property taxes. It brings in more than it collects. Baltzer stated our business is to create economic impact which is important to the city. People do not realize what the civic center generates with visitors to Rapid City. It is the biggest engine that Rapid City has. Jensen stated people take the visitor industry for granted. Motion to **approve the 2022 Budget as presented was made by Brown and seconded by Johnson.** Upon vote being taken, the motion carried unanimously.

There being no further business, motion was made by Johnson and seconded by Brown **to adjourn the meeting.** Upon vote being taken, the motion carried unanimously. The meeting adjourned at 9:20 a.m.

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

*Teresa Dringman*

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Teresa Dringman, Accounting Clerk

May 11, 2021

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Date