

# THE MONUMENT

## BOARD OF DIRECTORS MEETING MINUTES July 27, 2021

Vice-Chair of the Board, Charity Doyle, called the meeting to order at 8:18 a.m. with the following Board members present: Gary Brown, Tim Johnson, and via teleconference: Jason Lambert. Staff present include: Executive Director, Craig Baltzer; Deputy Director/Finance, Tracy Heitsch; Accounting and Administration Manager, Jarrett Breuninger; Director of Corporate Sales and Marketing, Priscilla Dominguez; Stage/Production Manager, David Owen; Accounting Clerk, Teresa Dringman; and via teleconference: Deputy Director/Events, Jayne Kraemer. Others present include RC City Council, Greg Strommen; Visit Rapid City, Stacie Granum; Mortenson, Andrew Corson; and via teleconference: 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 July 13, 2021, meeting as presented.** Upon vote being taken, the motion carried unanimously.

### Bill List

The 2021 Bill List for July 27, 2021 was audited.

A & B BUSINESS SOLUTIONS INC	1,441.99
ACE HARDWARE-WEST	38.82
ALSCO INC	164.63
APPETIZE TECHNOLOGIES INC	3,746.50
BORDER STATES ELECTRIC SUPPLY	385.69
CASH-WA DISTRIBUTING COMPANY	6,632.22
CBH COOPERATIVE	88.20
CHRIS SUPPLY COMPANY INC	163.85
CITY OF RAPID CITY	8,512.56
COCA-COLA OF THE BLACK HILLS	2,659.55
CRESCENT ELECTRIC SUPPLY CO	116.20
DAKOTA BATTERY/ELECTRIC	188.61
DENNIS SUPPLY	539.52
DIAMOND VOGEL PAINT CTR	55.83
DIMOCK DAIRY INC	412.65
ECOLAB INSTITUTIONAL INC	294.95
FASTENAL COMPANY	81.47
GOLDEN WEST TECHNOLOGIES INC	160.00
GRIMM'S PUMP SERVICE INC	244.37
HARVEYS LOCK SHOP INC	86.35
JANTECH LLC	295.00
JOAN'S PLANT SERVICE	415.00
JOHNSON BROTHERS OF SD	3,852.70
KERESTES-MARTIN ASSOCIATES INC	1,499.50
KIEFFER SANITATION INC	2,324.10
KNECHT HOME CENTER	176.53
KURITA AMERICA INC	1,915.95
MATHESON TRI-GAS INC	107.35
MENARDS	820.58
MUTH ELECTRIC INC.	2,131.16
NORTHWEST PIPE FITTINGS INC	213.30

OLSON TOWING	110.00
QUALITY BRANDS OF THE BLACK HILLS	1,424.86
RAPID CITY AREA SCHOOL DIST 51-4	194.48
RAPID CITY JOURNAL - ADVERTISING	206.21
REPUBLIC NATIONAL DISTRIBUTING COMPANY	461.30
SAFEWAY INC	356.81
SERVALL UNIFORM/LINEN CO INC	128.61
SHERWIN-WILLIAMS COMPANY	21.99
SKYLINE SIGNS & LIGHTING	5,700.00
STATE OF SOUTH DAKOTA	277.00
SYSCO MONTANA INC	12,387.57
ULINE INC	83.01
US FOODS	4,787.39
US FOODS INC	5,039.32
VAST BUSINESS	2,669.21
VERIZON WIRELESS	3,021.06
WALCRO LLC	28.95
WATERTREE INC	69.00
WESTERN STATIONERS	560.94
Total	77,292.84

Motion was made by Johnson and seconded by Brown 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** – Stacie Granum stated we have great dashboard numbers with conventions, meetings, sporting events and tourism visitors. We started comparing our numbers to 2019, and our BBB tax numbers are up 10.45%. FreedomFest attendance was 2,750 which well surpassed their normal Las Vegas attendance. They have had nothing but great things to say. We are hoping they will come back. Baltzer stated they are already booked elsewhere for next year. On an election year they are not going to be coming here. There is a possibility in 2023 or 2025. Granum stated the marketing peak season campaign is still going and running in key markets including Chicago, Minneapolis, Omaha, and Dallas. Beyond that, VRC is preparing their 2022 marketing and sales efforts. VRC is working with Accessible Black Hills to identify businesses that are handicap accessible.

**RC Council** – Greg Strommen stated the Council is gearing up to get the budget completed in the next couple of months.

### **Financial Information**

Breuninger discussed the working financial papers as of and ending in the month of July 2021 YOY comparison through 2017. The BBB is performing very well. Events are coming back. We are still going to see revenue from Council of State Governments convention and FreedomFest as well as sponsorship revenue coming in. We are approximately at 44% of our annual budget for revenue and 48% for expenses. Normally, we would have hockey start in October and have half the hockey games done by the beginning of the year. However, this year hockey only had 2 games in 2020 and the rest of the games 2021 impacting the budgets for Operations and Food and Beverage. The Board accepts this as information.

### **Event Update**

Baltzer stated Kraemer attended the funeral of Julie Sutton last night, so she was unable to attend the meeting in person. Conventions have been strong this year culminating with FreedomFest. We have a good partnership with VRC on conventions. The governor's office has helped as well. All of them have gone off great. There are still things we are learning. Labor continues to be a big issue for us especially in the summer time because a lot of labor goes to tourism. Full-time office staff helped out through FreedomFest. We need to figure out this labor issue. This week is slowing down. We have the Synchrony Networking event, the United Way luncheon, the Mayors Early Childhood Education meeting, LNI Board meetings, an estate sale, wrestling, and the David Lust Memorial Service. The following week, we have the Shen Yun performance on Tuesday night.

### Executive Director's Update

Baltzer talked about COVID becoming more prevalent again. We are seeing cancellations in parts of the country and some effect in sports. We need to keep an eye on it.

Bookings are healthy except touring shows. There is planning by national organizations for touring in 2022, but 2021 has been very difficult to book for touring shows. We announced for King and Country in the Summit Arena. We are happy to get that. We do have others we will announce. We hope to gain momentum in 2022. Our 2022 calendar has many holds. We are hopeful.

Regarding everything else, we are booked up. We will probably make up the difference with conventions. The Summit is getting booked up pretty strongly, but we are trying to save room for touring shows. You are going to see the normal events and some additional events. Baltzer is in discussions with college basketball for an exhibition game. There is more to come but just cannot announce anything yet.

Labor has been difficult. As we gear up, we are going to be starting off in September and building back up in October with hockey and all of our business. The biggest concern is labor. Marketing is putting together a campaign and will be pushing that out as soon as possible.

Next year is the 50<sup>th</sup> anniversary of the flood. There are some efforts between the city and a committee working together. We are going to be a part of that. There are probably going to be multiple commemorate days going on.

Brown asked if we are able to get the new equipment for the Summit due to manufacturing problems. Baltzer stated we were pretty advanced before the trouble hit. Mortenson did a great job, knowing the shipping and manufacturing issues. There are some areas i.e. video cable for broadcasting that may be an issue, but we have a certain amount coming. The connector was an add alternate that we planned to work with Mortenson to fit into budget. We feel a lot more comfortable so we are now starting to order for it and running into some difficulties. That might not be ready by October 2021. Heitsch stated we are still waiting on fire alarm panel parts. We have 60% to 65% of the parts because they are having production issues. Andrew Corson said most of the delays are in raw materials to make products and chemicals related to paint, steel, or cabling. We are fighting through the little things.

### Miscellaneous

- 1) **Approve Request for SAB Loan** – Baltzer stated we are asking the board to approve up to a \$1,056,260 low-interest loan from the city to upgrade the scoreboard from end zone to center hung board and a ribbon board. This will help make a difference in acquiring the tournaments we are looking for. The loan can be paid back by sponsorship money and acquiring tournaments. Baltzer talked with Pauline Sumption at City Finance. We are requesting board approval for the loan. We will then go through committee and then city council on August 17.

Motion to **approve to move forward with applying for an SAB loan up to \$1,056,260 was made by Brown and seconded by Johnson.** Upon vote being taken, the motion carried unanimously.

- 2) **Approve the Amount for Federal Shuttered Venues Operators Grant if Awarded** – Baltzer stated we applied for SVOG grant for shuttered stages due to COVID. We did not fit into top tiers but were impacted by COVID. Breuninger worked very hard on this. We did fit into the third tier lower end. We applied for \$2.25 million and received notification we are going to be awarded \$2.245 million. This is not 100% done as there is some final paperwork. The money needs to be spent by July 2022 for personnel for wages to make up for losses during that time and for utilities. We need to be able to accept the amount as a board both from a city standpoint and federal government standpoint.

Motion to **approve to move forward with accepting the full amount awarded for the SVOG was made by Johnson and seconded by Brown.** Upon vote being taken, the motion carried unanimously.

- 3) **Marketing and Corporate Sales Update** – Dominguez discussed the progress Corporate Sales and Marketing have made with sponsor and partner sales. Selling strategies have evolved over time. We have several Founding Partnerships. The Sports Package was purchased by Coca Cola. You will see the impact in the next financial statement. Pending Founding Partnerships include Theater Box naming rights. We have been pitching but not firm with anyone. It starts at

\$150,000 annually. Loft naming rights are sold. We will be announcing next month. This is our community room in the upper premium level. Private Club naming right—interested party but not ready to sign yet. Box Office naming rights are pending. They are going through rebranding but 80% confident. Then, we have our Exclusive Venue Partnerships. The West End Bar is in the contracting step. Market Place is a great piece. We have pitched to a lot of different business. The Public Club sold to a national partner. It has the nod to the Air Force. They have the contract in their hands. The Hall of Fame, Cowboy Bar and parking lots have no contracts yet. Doyle stated that is a tremendous amount to gain from last year. Baltzer stated 5 to 6 years ago we did not have a Corporate Sales and Marketing Department. The team has done a great job. We had a general concept but they put it into practice. Vision funds built the building. Sponsorship is the key to ongoing operations. Dominguez said these are annual investments but half of the sponsors have opted into the 10-year range.

- 4) **Givex Update** – Breuninger showed the Givex gift cards. This is a project we have been working on for years but finally have the opportunity to make it happen. They are currently for sale on the website and are good for purchasing tickets and food and beverage but not for merchandise. We have not done marketing but will put together a campaign. As we get closer to the holidays, we will be advertising.
- 5) **Mortenson Update** – Andrew Corson said we are 64 days away from turning over the building. We are tracking on schedule to hit the date. Mortenson is working diligently with Baltzer, Kraemer, and Heitsch to make sure it is a clean transition. We finalized the schedule and reviewed it yesterday to look at move in. In August we will have a little move in, but full bore in September with concessions, FFE, etc. We are closing up the main entrances and vestibules. On the north side plants and mulch beds are in. Inside the arena, the fixed seating is complete. They are putting in retractable seating. The main commissary is pretty much complete. The north side of the event level and some of the locker rooms are getting flooring down this week. We will do the final coat of paint next week. Baffles and curtaining start going in next week. We have a lot of main spaces in final finishes. The ribbon board is going to be turned on next week. Baltzer stated we need to remember all the add alternates we have already put into the project. Mortenson has helped us all the way.

Corson stated Baltzer mentioned concerns with labor. Mortenson is fighting through the same things. We have been able to work through that. On the material side, the supply chain has been effected pretty severely with COVID.

Baltzer stated we would love to have the board tour the Summit Arena again. We are hosting a chamber mixer on September 14. The best case scenario would be to have it on the Summit Arena floor. It would be nice for our business leaders. Doyle stated board members could give tours during the mixer.

There being no further business, motion was made by Brown and seconded by Johnson **to adjourn the meeting**. Upon vote being taken, the motion carried unanimously. The meeting adjourned at 9:34 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

August 10, 2021

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Date