

THE MONUMENT

BOARD OF DIRECTORS MEETING MINUTES September 28, 2021

Chair of the Board, Brad Estes, called the meeting to order at 8:16 a.m. with the following Board members present: Charity Doyle, Gary Brown, Tim Johnson, and via tele-conference: Jason Lambert. Staff present include: Executive Director, Craig Baltzer; Deputy Director/Finance, Tracy Heitsch; Deputy Director/Events, Jayne Kraemer; Operations Manager, Rory Hammerbeck; Team and Culture Coordinator, Brittney Huschka; Accounting Clerk, Teresa Dringman; and Stage/Production Manager, David Owen. Others present include: Visit Rapid City, Stacie Granum; Perkins and Will/Project Architect Representative, Joe Dyer; TEGRA/Owner's Representative, Nate Pearson; Mortenson Construction Senior Project Manager, Andrew Corson; and via teleconference, City Councilman, Greg Strommen and Central High School Activities Director, Jason Bauer.

After review of the meeting agenda, motion was made by Doyle and seconded by Brown **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 September 14, 2021, meeting as presented**. Upon vote being taken, the motion carried unanimously.

Bill List

The 2021 Bill List for September 28, 2021, was audited.

A & B BUSINESS SOLUTIONS INC	1,539.46
A&J SCREENING-PARK BENCH APPAREL	2,620.00
ACE HARDWARE-EAST	5.36
ACE HARDWARE-WEST	4.60
ALSCO INC	503.54
AMAZON CAPITAL SERVICES	871.46
BLACK HILLS CHEMICAL AND JANITORIAL CO INC	7.80
BLACK HILLS ORTHOPEDIC & SPINE CENTER PC	60.00
BOCA SYSTEMS INC	4,073.15
BORDER STATES ELECTRIC SUPPLY	1,186.43
BYTESPEED	4,000.00
CARBONHOUSE	600.00
CARQUEST OF RAPID CITY	27.19
CASH-WA DISTRIBUTING COMPANY	4,066.31
CASK & CORK	260.50
CAWLEY COMPANY	1,513.40
CBH COOPERATIVE	124.50
CHRIS SUPPLY COMPANY INC	243.54
CITY OF RAPID CITY	7,305.78
CLIMATE CONTROL SYSTEMS & SERVICE LLC	60.00
COCA-COLA OF THE BLACK HILLS	3,3547.90
COMBINED UTILITIES BOX SYSTEMS INC	267.40
CRESCENT ELECTRIC SUPPLY CO	549.72
DAKOTA EXTINGUISHER & SAFETY	28.00
DENNIS SUPPLY	153.71
DIAMOND VOGEL PAINT CTR	1,883.47
EASTMAN SOUND & MUSIC	55.00
ECOLAB INSTITUTIONAL INC	294.95
ELECTRICAL ENGINEERING & EQUIPMENT CO	600.00
FASTENAL COMPANY	39.35

FOUR WINDS INTERACTIVE LLC	72.28
FRONTIER AUTO GLASS	268.39
FULL COMPASS SYSTEMS LTD	298.80
G&H DISTRIBUTING INC.	31.67
GOLDEN WEST TECHNOLOGIES INC	160.00
HARVEYS LOCK SHOP INC	314.16
HAY CAMP BREWING CO	129.40
HERITAGE MAINTENANCE PRODUCTS	159.96
HILLS SEPTIC SERVICE	200.00
INNOVATIVE DISPENSE SOLUTIONS	1,590.00
IRWIN SEATING COMPANY	3,645.41
JOAN'S PLANT SERVICE	350.00
JOHNSON BROTHERS OF SD	275.25
KIEFFER SANITATION INC	2,268.92
KNECHT HOME CENTER	289.50
KONE	4,925.94
LEIGHTON OLSON	1,100.00
LIGHTING MAINTENANCE CO	41.43
M G OIL CO	294.30
MATHESON TRI-GAS INC	110.53
MENARDS	815.49
MIDCONTINENT COMMUNICATIONS	499.80
MOUNTAIN STATES SECURITY INC	92.94
NORTH CENTRAL SUPPLY INC	27.00
PIZZA RANCH RAPID CITY	922.90
PURCHASE POWER/PITNEY BOWES	20.57
QUALITY BRANDS OF THE BLACK HILLS	1,850.90
RAPID CITY JOURNAL - ADVERTISING	157.08
RIEKES EQUIPMENT COMPANY	1,175.88
SAFEWAY INC	150.09
SERVALL UNIFORM/LINEN CO INC	257.22
SHI INTERNATIONAL CORP	532.34
SIMPSON'S PRINTING	5,592.14
STAN HOUSTON EQUIP CO INC	495.98
SUMMIT SIGNS & SUPPLY INC	235.20
SYSCO MONTANA INC	14,509.96
TK ELEVATOR CORPORATION	360.96
TRUNORTH DYNAMICS	1,144.00
ULINE INC	1,923.89
UNITED PARCEL SERVICE INC	34.04
US FOODS	4,792.05
US FOODS INC	6,450.15
VAST BUSINESS	2,676.71
VERIZON WIRELESS	3,040.47
WESTERN STATES FIRE PROTECTION CO	3,990.00
WESTERN STATIONERS	42.51
WW GRAINGER INC	12.10
ZYMURCRACY BEER COMPANY	294.00
Total	135,114.83

Motion was made by Doyle 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 – Stacie Granum announced that Julie Jensen has decided to retire effective October 1. They are sad to see her go as she has been wonderful for our industry. Granum is the interim president and CEO. She is excited for the next chapter. She advised everyone to call her at any time. She also stated their board of directors is working on getting VRC up to full staff.

Fall is looking good. She talked to several hotels and businesses, and they are anticipating outpacing 2019. Marketing promotions go through November. They had some big events this last weekend. The Pumpkin Festival was a huge success. Sales efforts are strong as well, bringing in events and conventions. The Amazing Rush Season 5 campaign is going on. It is a year-long digital campaign. There is a 2-day race to key locations that help attract people to the area. The race will be October 7 and 8. It is going to be a fun event. The finale will be October 8 from 5 p.m. to 7 p.m. in the Summit Arena with appetizers and beverages. All are invited to celebrate the campaign. VRC is already planning for 2022. This is going to be a great chapter for the team.

RC Council – Strommen stated there is nothing to report.

RC Schools – Bauer stated they are excited to get inside the new arena. They are looking forward to the upcoming wrestling tournament in December and are planning for 14 wrestling mats in the Summit Arena. There will be up to 45 teams from 6 different states. It should be a great event. They are trying to decide if they will do part in the Barnett Fieldhouse and the main tournament in the Summit Arena. The SDHSAA were hoping to come out this week or next week to look at the arena as well. We will have all three classes in November for State Volleyball. There is also All-State Chorus in October. Rapid City schools are looking forward to the partnership with The Monument.

Financial Information – Heitsch introduced Brittney Huschka as the new Team and Culture Coordinator. This is her second week in the position and she is part of the administration department. Huschka stated she is excited to be here. She hopes to lighten the load for the team and the managers.

Heitsch discussed the working financial papers as of and ending in the month of August 2021 YOY comparison through 2017. She stated the report today is labeled preliminary because City Finance has not yet completed the August Treasury Report. There may be some adjustments. Categorically, things may change. In a perfect budget we would have achieved 67% of revenues and expenses. Currently, they are both low. We will start to see sponsorship revenues coming in. The BBB continues to be strong and is up 30%. Business was strong and solid through the summer. Philadelphia Church of God is currently here with us and was here last year for the first time because of COVID. We have had things like wrestling, National Guard events, conventions, Shen Yun, etc., which are reasons for rental revenues being strong. Concessions continue to be strong versus the last several years. Receivables are strong primarily due to conventions. Overall, year-to-date we are as strong as we have been in the last 4 years. Losing the Pow Wow was a big disappointment, but we are looking forward to additional revenues. Doyle asked if we had received the Shuttered Venues Grant money. Heitsch stated yes, and it was put in our capital reserve account. We received the funds in the month of August which are only to be expended on payroll and utilities, which is being reported on a quarterly basis. We will have no problem utilizing the funds in the allocated time. Baltzer stated in order to stop ourselves from being in deep trouble, we had to take from our capital to fund our operations over the last 18 months due to COVID. We furloughed staff and cut back on expenses. We dug deep in capital, which was going to put us in a bad position. The grant helped us relevel that. We did all the right things. We were able to operate where a lot of venues have not. What we did was very responsible. The Save Our Stages Grant did help us get back to where we would have been which allows us to move forward. Utilities and salaries are where it will be spent. Heitsch stated kudos to Jarrett Breuninger for spearheading the detailed and arduous application process that paved the way for being awarded the SVOG. He is a great asset.

Expenses are going to show substantially higher compared to 2020. Wages are up compared to last year because of the furlough, but they are still down over previous years. This is due to our inability to hire enough people. Insurance is up, and we expect a higher jump in the last quarter of the year with the new building. Supplies are up as well. Utilities are higher, but we had sizeable impacts with the construction of the new arena. We expect to see the utilities level off. Interdepartmental charges continue to be a story. Our cash position is solid. We are happy to be where we are. The Board accepts this as information.

Event Update – Kraemer stated we had a busy weekend with the Will Graham event in the Barnett. They moved in on Thursday and had four celebrations. Philadelphia Church of God was here for 10 days. The Rush had Fan Fest at the ice arena. This week, we started making ice yesterday for hockey season and will be having a lot of smaller events this week. The LNI Volleyball Tournament will be in Barnett all day Friday and Saturday. Masks will be required for staff, workers, and teams inside the Barnett. Guests are not required to wear masks. This is the last event for using seating in the balcony. Afterwards, we will just use the main floor. Production will be hanging curtains to make for a more intimate feel in the Barnett Fieldhouse. This weekend the Rapid City Concert Association will be in the Theatre with Myra and the Moonshiners. Black Hills Speedway Hall of Fame is new and will be here on Saturday. The Price is Right is on Sunday. The Young Life Banquet is on Monday with Louis CK on Wednesday, and Cats on

Thursday and Friday. We have a large convention, Tusweca Tiospaye, next weekend. The Amazing Rush is in the Summit Arena next Friday. We are starting school events next week as well.

Executive Director's Update

Baltzer stated we are starting our busy season. As you know, the Pow Wow, for their reasons, had to cancel. We are sad but understand. Most of our business is back. The Concert Association and Broadway shows look to be coming back. Hockey is about ready to start with a normal full season. We are booking concerts and announcing shows. We are getting some good response out of that. The industry is healthier than it was 6 months ago. This is all going to be good for our business. We increased our convention business. COVID helped. Business is looking strong.

Regarding the new building, you are going to see signage and wayfinding going up inside and outside. We are trying to get better wayfinding. Exterior signage and branding is happening with Monument Health. They are also working on the socializing area. There are several things that we are finishing up.

The Team Appreciation Incentive passed a few weeks ago. Some of that will be starting on the next paycheck. The city is now working on an additional program. That is separate from ours.

In late October or early November, I want to bring the arena football ownership to meet the Board. They are excited about that.

On October 13 there is going to be a Summit Arena ribbon cutting at 4 p.m. More details will follow.

Miscellaneous

- 1) **Substantial Completion Update** – Baltzer introduced Nate Pearson with Tegra. He is the owner's representative on the construction project and is contracted by the City. They have been outstanding. Joe Dyer represents the architect, Perkins + Will, designers of the building. Andrew Corson is with Mortenson. The partnership with these organizations has been outstanding. They have worked well with us. We are bringing them in to explain where we are in the process.

Corson stated the contractual substantial completion date is tomorrow. Substantial completion means the building is ready for its intended use, meaning to host events and hold concerts. As of tomorrow, the building will be ready for its intended purpose. We are going through inspections and testing in order to receive the coveted Certificate of Occupancy from the City. Tomorrow, Mortenson will turn over the keys to Baltzer and his staff. Mortenson no longer has possession of the building, but will still be working in the building.

We have been going through lots of inspections—commissioning agents, city inspectors, and fire marshals. The city has mechanical, electrical, and civil engineers reviewing the building. Everyone has signed off with exception of fire marshal because there is testing today. The building inspector will go through one more time today. We have cleaners going through. It is quite a process.

When Mortenson hands over the keys, Mortenson will still maintain a presence here. There is some work to do with phase two of the connector for the next couple of months. This will not affect operations. They will be painting rails, etc. The intention is all those things are done before the first event. Mortenson will have a presence through the first few events and have people here, ready to address things for the first events. Mortenson will maintain presence until everything is working like it is supposed to.

Dyer stated from an architect's perspective, we are walking every room and making sure it is up to standards. We are looking for minor things, misalignment and creating a list. Corson stated after we walk with the building inspector at 10 a.m., we will then ask for a Certificate of Occupancy from City at that point. Kurt Bechtel will get that document handed over from the City to Mortenson.

Pearson with Tegra stated the Barnett connector was not part of the original scope. Of the \$130 million budget, Mortenson controls most of it. On the owner side, we have technology and FFE. By October 11, we will have final sign off on technology and FFE. Baltzer stated that in theory we could have an event this Friday. In reality we will just get the building tomorrow. We need to get

our stuff in and get our people trained. The Pow Wow cancellation gave us breathing room although sad to lose it. Pitbull is the first large event on October 16.

Baltzer stated from the very beginning we have had a great relationship. We got the add alternates mostly through savings on the construction. They owned this building as much as we did. Corson stated from the contractor's side, this is the most cohesive team he's worked with to include the customer, owner's representative, architect, and contractor. It is amazing what you can accomplish when you don't care who gets the credit. We had to take some things that were important and break them out as alternates, but we were able to get them back in. Tomorrow is a culmination of the 2+ years. It will be a huge day for our team and the rest of the city.

The last add alternate was the second phase of the connector. That will continue to be worked on and finished in 2021. We added finished locker rooms, finished the loft (Altitude), widened the loading dock ramp, added the second escalator, connector, curtaining system, ribbon board, and center hung scoreboard. We got all of it. They deserve our thanks for that.

- 2) **Capital Update** – Heitsch stated there is nothing to approve. At the last board meeting you allowed us to move forward with the water barrier purchase which, unfortunately, we could not fully procure do to GSA issues with the supplier with a name change, etc. We think our best bet will be to go out to bid. It will be an open bid process. There were questions about the use of the water barriers. Hammerbeck and Baltzer advised these barriers are used in arena football and will be able to control/hold the dirt for rodeos and monster trucks. Hammerbeck stated they have potential to slide, but their weight when filled is approximate 1,400 pounds making it less likely to happen.

Secondly, the only real update on the capital is we are continuing to work on the remodel of the chamber space office area and board room. The carpet is more expensive than planned. Material pricing is higher. We don't have a final number. We are going to have to come back to the Board and address when full costs are known. The Ice Arena compressors project is being held off until after the season.

- 3) **Water Barrier Bid** – Heitsch asked if the board would approve staff to go out to bid for the Water Barriers. Motion to **approve to move forward with the water barrier going out to bid was made by Doyle and seconded by Brown.** Upon vote being taken, the motion carried unanimously.

There being no further business, motion was made by Brown and seconded by Doyle **to adjourn the meeting.** Upon vote being taken, the motion carried unanimously. The meeting adjourned at 9:11 a.m.

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

Teresa Dringman

Teresa Dringman, Accounting Clerk

September 28, 2021

Date