ROLL CALL AND DETERMINATION OF QUORUM
MEMBERS PRESENT: Brad Estes, Chair; Gary Brown, Member; and via tele-conference: Jason Lambert, Member.

MEMBERS ABSENT: Charity Doyle, Vice-Chair and Tim Johnson, Member.

OTHERS PRESENT: Craig Baltzer, Executive Director; Tracy Heitsch, Deputy Director/Finance; Jayne Kraemer, Deputy Director/Events; David Owen, Stage/Production Manager; Teresa Dringman, Accounting Clerk; Greg Strommen, City Councilman; and Joel Landeen, City Attorney.

ADOPTION OF AGENDA
Motion to approve agenda was made by Brown, and second by Lambert, motion carried.

APPROVE MINUTES
1) TM20211214-01-01 November 23, 2021 – Motion to approve minutes as presented made by Brown, second by Lambert, motion carried.

GENERAL PUBLIC COMMENT
None

FINANCIAL ITEMS REQUIRING BOARD ACTION
2) TM20211214-02 Bill List – Heitsch highlighted items greater than $5,000. Motion to approve bill list as presented made by Brown, second by Lambert, motion carried.

3) TM20211214-03 Capital Update — Heitsch said no action is required today. We have received most of the items on the capital list to include the water barricade. We are continuing slowly on the chamber space remodel. We will have one more bill list related to capital, but for the most part capital is pretty much complete. We have a listing for 2022 that we will bring forth in 2022. Brown asked if Heitsch expected anything big financially. Heitsch stated we have $700,000 budgeted. The first thing is the compressors in the ice arena. That is probably the largest item on the list. Lambert asked about the promenade shuttles. Strommen said it was not on the City Council or Vision Committee agenda. Baltzer reminded everyone there was some desire by Main Street Square to invest with us into the shuttles, but he thought their attempt was to work within a vision fund side. We can determine if we want to start on obtaining those with our money. We need to have discussion internally on that.

ITEMS NOT REQUIRING BOARD ACTION
Strommen stated all 16 Vision Committee priorities at the City Council meeting were discussed. There is another meeting scheduled for January 10 to figure out a plan to move forward. Last night was a listening session to outline the committee’s selected items for recommendation. Landeen stated Main Street Square did not get their full request.

DISCUSSION FROM THE PRESIDENT, BOARD MEMBERS, AND STAFF
4) TM20211214-04 Event Update – Kraemer stated we had a busy week last week with the city employee luncheon, two other Christmas parties, three hockey games, the Rapid City Invitational for wrestling with 40 to 41 teams and 800 wrestlers in attendance, two nights of Cirque Dreams Story, and Holiday Marketplace Popup. LNI is this week. We also have the Elevate Rapid City annual meeting in the theater, and right after that we will go to Elevate Mixer in Rushmore Hall. I believe it is sold out. It is dueling pianos. We have our red carpet welcome for LNI teams this weekend. Teams will be arriving at 11 a.m. We will do a red carpet welcome and go into Rushmore Hall for a pasta feed. Basketball games start tomorrow morning at 8 a.m. We will play games from 8 a.m. to 10 p.m. all 4 days. We have language bowl, knowledge bowl, e-sport gaming, wrestling, poetry, archery, art, and hand games. They take up pretty much the whole building. School of Mines will have graduation in the theatre this weekend. Staffing is tight for all departments especially during the day. For Thursday
morning you received a Meet and Greet invitation in the ice arena. If you can make it, I encourage you to attend breakfast.

5) **Executive Director’s Update** – Baltzer stated most of you have seen this, but Rodeo Rapid City has won the large indoor rodeo for two years in a row. We are up against Arlington, Nampa, San Antonio, and San Angelo. That is without the new building. We are hoping for three years. That is outstanding.

Regarding the cost of food. Prices are going up. We have had some price adjustments. There are some people in the public who are noticing. We don’t think our price is going up more than anyone else. We generally set ourselves to be competitive if not slightly less compared to other arenas, movie theatres, and restaurants. Costs continue to go up. We used to adjust once a year. Now we are looking at it once every other month. Kraemer stated we have to remind guests that we are not a high school gymnasium. This is an entertainment facility. Strommen said the quality of food is good. Baltzer said we offer premium food, steak tips, and carved meat sandwiches. We believe we are priced right, but it has adjusted up. We put a lot of design thought in the new Summit Arena. The per capita during wrestling were way up. Part is adjustment in pricing, but we did about three times more in sales. The food and beverage offerings and setup allow us to sell more comfortably.

Regarding the building, we are supposed to have the connector completed by tomorrow. They are still saying they are on target. We wanted the connector in place by LNI. We hope to have it but doubt it.

We are working on a lot of warranty issues. We are having an abnormal amount of cup holders on the seats breaking off. That is a warranty item with the seat company. It is a special kind of cupholder for that front row seat. There are a couple of other things that are more of a design issue. The telescopic seats are pushed in and pulled out, and the conversion is quite heavy. We did not intend to be removing the rail between the fixed seats and telescopic seats. You cannot put the top seats up without removing the rail. We would typically leave that rail in. Now we cannot get the last row to lock into place, and so we have to remove the rail. That is about a 3-hour call for four to six men. We have to fix it.

The blowers on the east end of the building are designed to push air around the building. We need to turn them off separate from the arena, but right now we do not have the ability. They blow towards the stage. We need to be able to adjust that where we have control separate from the rest of the units in the room. Overall, the building is operating really well for our events. Kraemer and the event staff are figuring out how to get people in and out quickly. Operations is figuring it out. It seems to be working well.

The labor issue continues to be a running topic. We are spending a lot of time hiring people. Our Team and Culture Coordinator has been thrown into trying to recruit and hire people. We are getting people in but also have a revolving door. I would say we are slightly better than a few months ago. We have a long way to go. Kraemer is worried about the daytime shifts during the workday. There are some departments struggling more than others, but everybody is struggling. We have good teams. The core groups that we count on have been asked to step up a lot. We had part-time staff in every day last week, and it was the same people. Baltzer came in late afternoon and knew some of the staff had been there all day long. Spirits were up, and the staff were happy. I was surprised with the good attitudes. We have a really great core group here.

Baltzer said we have raised labor costs. Due to the increased cost for a part-time employee serving food, it is no wonder why our prices are where they are. Estes asked who watches input costs. Baltzer stated Ryan Knutson, Director of Food Services, is who we hold accountable for prices but Heitsch and Baltzer follow up. The questions are always comparables. Knutson does research before we meet. He is usually the first one who sees what is happening and knows what the costs are doing. Kraemer said beef and chicken have gone up double digits. Estes stated he was down at the national finals and heard Steve Sutton’s comments. They were very moving. Baltzer said he talked to Sutton since then. He gave props to us and our building. I thought it was great saying something about new building.

6) **Financial Summary** – Heitsch said it is unusual to have the financial summary at this first meeting of the month, but we are off because of the delay in receiving the treasury report from City Finance. Financials for October are as expected. We had three payrolls and the incentive program which totaled about $750,000. We expected that. We are getting applications. For most people this is a second job. We have definitely seen the increase in quality of applicants for our operations department, due to the increase in the starting wage. They have been able to secure
some employees. Payroll remains to be within our budgeted parameters. We have pretty much expended our interdepartmental charges. There was a City IT fund created. It is a replacement program for our computers. This fund guarantees our computers are replaced every 5 years. The plan is that we will contribute to it on an annual basis. Additionally, utilities continue to be higher than historical averages. The historical monthly total for first 10 months has averaged $600,000, and this year, for the first 10 months, we’re at $830,000. We also had the $848,000 for the center hung scoreboard and ribbon board for the Summit hit our capital expenditure in October. We expected that financial hit in October. The supplemental appropriation (the $1,056,250 loan from the City for the center hung/ribbon board) is expected to come in November. We will be making payments of $110,000 every March, for the next 10 years. Our cash position is pretty low at $438,000 but we have $3.4 million in capital reserve. Our existing bond that we took out in 2008 will finalize in 2028. Total debt service is $450,000 a year. Hopefully, we will be able to pay this off sooner.

Regarding revenues, the BBB continues to be very strong, up 33% from last year. Kraemer stated we had a lot of events in November. December is very solid. Our expectations are to end the year in a solid position.

Baltzer stated the City Council will be reviewing what city employee raises will be in the future. We need to remain competitive. What makes it tougher for the Civic Center is off hours with nights and weekends. Within their 40 hours or more to include overtime, they are giving up a lot to work here. I put forth a plan to adjust salaries, the board approved it, but we are still not in that program. I want to look at some real salary adjustments. It is imperative for us to remain competitive in the market. We just lost another employee to the City Street Department due to better work hours. We run ridiculous hours certain times of the year. The compensation to the union employees has been implemented; now the nonunion is kind of a stark issue. That is something that we need to plan for going forward in our budgets. We may need to work closer with City Council. Heitsch stated we have had the food and beverage manager position open for a couple of months. We are hoping that we can hire someone soon. It is a challenge when it comes to salary positions.

**ADJOURNMENT**
Estes adjourned the meeting at 9 a.m.

Respectfully submitted,

Teresa Dringman
Accounting Clerk
The Monument