ROLL CALL AND DETERMINATION OF QUORUM
MEMBERS PRESENT: Charity Doyle, Chairman; Tim Johnson, Vice-Chairman; and via teleconference Patri Acevedo Fuentes, Member; and Jason Lambert, Member.

MEMBERS ABSENT: Gary Brown, Member.

OTHERS PRESENT: Craig Baltzer, Executive Director; Tracy Heitsch, Deputy Director/Finance; Jayne Kraemer, Deputy Director/Events; David Owen, Stage/Production Manager; Paul Sterling, Director of Operations; Nathan Kleinschmit, Operations Manager; Teresa Dringman, Accounting Clerk; Justin Williams, City Attorney; Nicole Sayler-Yuhas, One Heart; and via teleconference Sara Callaway, Ticket Operations Manager; and Kent Bush, Rapid City Journal.

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

APPROVE MINUTES
1) April 26, 2022 – Motion to approve minutes as presented made by Johnson, second by Lambert, motion carried.

GENERAL PUBLIC COMMENT

FINANCIAL ITEMS REQUIRING BOARD ACTION
2) Bill List – Heitsch highlighted items greater than $5,000. The total for the bill list is $134,698.26. About 53% is food and beverage for resale. We have about $10,479 in club commissions. Through the bill list this year, we have paid just over $80,000 to local groups who are fundraising and also supplementing our labor needs. It’s a win-win for both organizations! We are actively recruiting more groups. Prior to COVID it was $100,000 for a whole year. We are looking to see how we can expand this program. Kraemer said we have two other groups helping with events, Cosmos and Officials, who work hockey games and do ticketing at events. They supply about 16 to 20 bodies per event. It also helps costs for our events because we have a flat rate to those group. Lambert said it is a really interesting opportunity that not a lot of other organizations have. Heitsch said Brittney Huschka, Team and Culture Coordinator, is working on expanding this program and finding other groups. Additional items on the bill list include payment to Full Compass Systems for $7,715.33 as part of a capital project approved for the digital sound processing replacement program, and $23,665 to Johnson Controls for a partial payment on the fire alarm panel replacement. The total will be about $40,000 for this fire alarm panel replacement project. Simpsons Printing is on the list for $2,703 for event promotion for window stickers for both WWE and Rush Playoffs. Motion to approve bill list as presented made by Johnson, second by Lambert, motion carried.

3) Capital Update – Heitsch stated no action is needed on the Capital List today. We are just updating the Board on our progress today. We had our 30-foot boom lift delivered this week. The other two scissor lifts should arrive in the next several weeks. Kleinschmit is in the process of looking for contractors for the southside compressor overhaul. There are a couple of local companies in mind, but we just don’t know how interested they will be. We will definitely give them an opportunity. We are working with Justin Williams, City Attorney, on that project. Additionally, we are nearing completion of the fire alarm panel replacement project. We were able to save approximately $9,000 with our in-house electrician working on it. We have not done much with the chamber space remodel. Our in-house electrician is also working on the best way to do the LED conversion for parking lots. The southside theatre project will begin next week. Doyle asked about signage for the Summit, and Baltzer advised that it takes two weeks to complete with no events in the building. That is scheduled to be completed in June. The DSP replacement project will upgrade sound in LaCroix Hall, upper Rushmore Rooms, lower Rushmore, and the Theatre. We are continuing to piece that together. Pneumatics are being evaluated, and crack seal should happen in August. We are currently working on the best approach for...
security cameras, and Operations is evaluating facility doors and how to address them. We will discuss miscellaneous items for the Summit in the summer.

ITEMS NOT REQUIRING BOARD ACTION

ITEMS REQUIRING BOARD ACTION

4) Assistant Operations Manager Position – Heitsch advised we had looked at the organizational chart in depth when we discussed the budget. We had budgeted to add one Assistant Operations Manager position as soon as we possibly could, and the second position is budgeted for 2023. This will be a direct report to Kleinschmit. This is a new position; however, we have four full-time operations positions open and unfilled, therefore the funding is available. As soon as we have quality candidates, we will be filling those positions. Kleinschmit said when we first started talking about this position, we felt that we needed a position that concentrated on training and overall supervisory. In Operations we have so many different changeovers. A lot of those events have been going on at the same time. Even with our union positions we have had some turnover. A lot has been in part-time labor. The work release program has been very helpful, but it has a lot of new faces. Our hope is to have another manager to spread the training out amongst the four of us. It needs to be the point of running more efficiently. We are confident we will find the right person for that. Baltzer said the managers that we have in that department are immensely overworked with the amount of changeovers this year. We had a learning curve with the new building. This really proved that we needed one more manager there. Baltzer is a big advocate to use part-time labor over full-time labor. If you do that really well, it is most efficient. However, part-time labor is not readily available in today’s market. We are at a time that we have to shift the mentality and move to more full-time staff. Due to labor issues, the addition of the new building, and more conversion work which is typically done overnight, we decided to look to add one more manager. If we can streamline the training, and we know everybody is getting consistent training that will save us time and money. Motion to approve the Assistant Operations Manager as presented made by Johnson, second by Acevedo Fuentes. Motion passed.

Baltzer stated we are continuing to have to evaluate each of our departments. Doyle asked how many part-time versus full-time positions are open. Heitsch stated there are six full-time positions open of the 52 budgeted position and over 200 part-time positions open. We prefer to keep a pool of 500 to 600 part-time positions. Doyle asked what it would take to convert part time to full time with benefits. Heitsch advised once a full-time position is established it is a permanent thing and therefore, the funding commitment is permanent, so the conversion, albeit necessary in many current instances, is expensive. Kraemer and Kleinschmit both stated some of the part timers are not interested in full time. Baltzer said we do seasonal work. We don’t tend to need as much staff in the summer time. In the heat of our moment, we need a lot of staff. When all things are equal, finding the perfect balance between part time and full time is imperative.

DISCUSSION FROM THE CHAIR, BOARD MEMBERS, AND STAFF

5) Event Update – Kraemer presented the Board with the calendar for last week, this week, and next week. Last week we had a super busy week with AP testing, two Academy of Dance shows in the Theatre, a travel rally, a literature swap, Prima rehearsal, Elevate Rapid City Leadership Graduation and dinner, Marshals football, Youth Hunting Banquet, and School of Mines graduation. We had to flip the ice arena from graduation to hockey overnight. We have three Rush hockey games this week. If they win tonight, they will play on Wednesday. Today, we have the Cashwa food show. We have the realtor breakfast on Wednesday and begin the SD Dental convention with move in tomorrow and the convention running Thursday, Friday, and Saturday. We have our biggest concert, Morgan Wallen, on Friday with over 10,000 attendees expected. Saturday Prima has four performances. We will be flipping ice arena from hockey to graduation for WDT’s graduation on Saturday. This is another busy week of conversions. Next week we have some breathing room. Operations is going to clean the carpets in Rushmore Hall. We are going to do some parking lot striping. We have the South Dakota Arts Conference and a Marshals football game. As mentioned before, we have a high profile concert on Friday, the biggest show we have ever had with over 100 stagehands, 70 event staff, 70-80 security, and a couple 100 food and beverage employees. We are going to have so many employees, so we will provide off-site parking and shuttling service for our employees. This will ease the parking lot pressure by removing nearly 400 employee cars from our surrounding lots and opening those for the public. We are asking our usher groups to park off site. We will have shuttles running from 7 a.m. to 2 a.m. for our employees and usher groups.

6) Executive Director’s Update – Baltzer wanted to officially talk about the Rush and entering Round 2 of the playoffs which is further than they have been since he has been here. The crowds are good. They were excellent for the first round and are better than what we expected. There is a lot of buzz and excitement. Unfortunately, the Rush are down 0-3. They need to win tonight in order to move
forward. If they win tonight, they will play tomorrow. Baltzer also wanted to review The Monument winning the Hero Award from Visit Rapid City this year. We did not know that was coming. The award actually mentions Freedom Fest, but when they were describing it, they were discussing all of the events we do. This is a huge thing for us to receive. Our staff and venue deserve it. Additionally, the city is planning on undergoing a nonunion wage study for city positions. The last time they did this, it did not work very well for The Monument. The civic center was not as involved as they could have been. That review was done by an organization that has a specific membership. They were comparing Rapid City to another city in their membership. We match up closer to private industry.

Baltzer made sure the city looked at companies who will do a more global wage study. That would be a really good thing to see how we match up. We need to remain competitive. We have a little bit of a revolving door right now for full-time staff. We just received a 2-week notice from a production team member who will be leaving us for another position. We need to know that we are on the right track being competitive with salaries and benefits. Baltzer wanted to jump in with both feet to be a part of it. He does not want to be compared to east coast and west coast markets because they pay on a different scale, but it is hard to find similar venues in the Midwest that operate like we do. That was part of the problem for comparison on the other wage study, they looked at civic centers as a set of meeting rooms but not a big, professional arena(s). Managing a convention center and our complex are two different things. I think there is more to come once approved. Baltzer then discussed the confusion about the Rapid City Marshals. There has been somewhat of a rumor on Facebook that the Marshals have been sold. Currently, Keith Russ is the primary owner with Tel Koan being the other owner. Baltzer did talk to the current owner’s rep on Friday, but he did not confirm. Baltzer talked with Keith Russ, and he said this is not a done deal. There is a progression of things that need to happen. The media wanted to talk to Baltzer yesterday, and he spoke with Russ, and he advised there are discussions and things are progressing. But, then the team put the new ownership on their Facebook page last night. The guess is this came out a little faster than what they were expecting. The primary owner’s family moved to Texas. The team would stay here. It appears to be real. Our contract does not just transfer from one ownership to another ownership. We vetted the old owners pretty thoroughly. There are steps we would go through before confirming a new contract. It looks like this would not take place until next season but expect a new owner next season. Other than Googling the new owner, I do not know him. He is from Gillette, Wyoming. The way this was released is not how it should work.

7) **March Financial Summary** – Heitsch stated we received the treasury report a few days ago. March was a humongous month for us. Our March and April revenues explain why we have been so busy. The numbers are historic. One of the things we are tracking are self-generated revenues. Without BBB, we would not be where we are, however, a majority of our revenues are self-generated. Self-generated revenues are the strongest in our 45-year history. We are up 37%. Every category of revenues exceeds previous years except for corporate sales but contracts are set up with renewal in the fall. The BBB continues to stay very strong for the first eight payments in 2022. We are up over the previous years but not as much as we have been historically. We are talking about gas prices and impacts. With the budget, we were conservative in our approach. Perhaps we are starting to see the impact of higher gas prices. Through the first eight payments we are up 5% over last year. If we compare to 2018 and 2019, we are still up double-digit percentages. Baltzer talked about tourism and the crazy growth we’ve had. The problem is planning. Baltzer asked Johnson what his industry is predicting. Johnson thinks it is going to be a good year but not a repeat of 2021. He thinks it will be like 2019. People in the industry are thinking things are amazing. Inquiries are up. Bookings are up. Johnson doesn’t think hotels will be the same price and that people will be more cautious. Restaurants will likely be going down a little. Baltzer said it has been strong the last couple of years, but the predictions had great percentage leaps. Johnson is saying it will be a great year but might step back from last year. You don’t have more products that have been introduced. We haven’t really grown in that area. Baltzer had been talking to Brook Kaufman from Visit Rapid City to pinpoint the economic impact that The Monument contributes. She has a lot of background in that work. It would be good to know what the impact is on an annual basis. Johnson does not think people realize the huge contributing factor that The Monument has. Kraemer say this weekend is going to be huge with the concert and the dental convention. That grows the occupancy tax and creates a domino effect.

Baltzer said people are coming from a long distance away. Hopefully we will start seeing analytics on economic impact. Baltzer said we struggle with general public because not all events are marketed to general public. We are often having an event, but the public does not know about it, as many events we host are not open to the public. We have been hosting more and more tournaments and general sporting events. To actually put a number to all that is a direction we need to go. Johnson said we need those numbers for people to understand. Heitsch stated a big number for us is concessions. It is substantially higher than previous. The Summit was built to sell food and beverage. Morgan Wallen will be a big test for that facility. Our food and beverage team have contacted other facilities who hosted this show. We are always monitoring our cost of sales and trying to manage the costs the best.
we can, stocking up when we have an increase looming. Expenses are up as well. Total expenses are highest we have had with insurances way up. We added some debt service for the center hung and ribbon board. We increased our average part-time wage by 35% on average. Again the cost to buy product to sell is up as well as chemical costs. We buy trash bags by the pallet to save money. We buy as wisely as we can. We have stayed competitive as we can with wages. The volume of the hours that we need has gone up as well. In the past we would need 100,000 – 120,000 total part time labor hours per year, and now it is up to 175,000 to 180,000 hours. With that said, through the first 90 days of the year, we are hanging in there with the budget. Interdepartmental charges were budgeted at $456,000, but it looks like they will be $532,000. In discussions with Pauline Sumption, City Finance, we do not expect them to go up. PILT was budgeted at $162,000. Our cash position is solid. We have a capital reserve account that we are conscientious of. We want to go through a whole capital plan looking forward. We have been concentrating on Summit Arena. We want to reconvene all the departments and bring forward a comprehensive capital plan looking forward for the entire building. As we look ahead to April, it was another solid month. Those self-generating revenues are almost 50% higher for the month of April. Our events continue this summer as well. We have a lot of activity happening this summer. Johnson asked how Heitsch feels with comparison to budget. She indicated that at this juncture, she expects the total revenues for the year to fall short of the projected budget, thus adjustments were made for the 2023 budget.

ADJOURNMENT
Doyle adjourned the meeting at 9:12 a.m.

Respectfully submitted,

Teresa Dringman
Accounting Clerk
The Monument