

**RUSHMORE PLAZA CIVIC CENTER
BOARD OF DIRECTORS MEETING MINUTES
Tuesday, July 11, 2017**

Vice-Chair of the Board, Jennifer Landguth called the meeting to order at 8:20 a.m. with the following Board members present: Jeff Bailie, Mike Diedrich, and Dan Kline. Staff present include: Executive Director, Craig Baltzer; Deputy Director, Jayne Kraemer, Deputy Director, Tracy Heitsch; Director of Food Services, Ryan Knutson; Director of Operations, Paul Sterling. Liaisons present include: City Council; Chad Lewis. City Attorney, Joel Landeen and Lester Hospitality representative, Luke Lester entered later in the meeting.

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

General Public Comment

Board welcomed Lewis. Lewis stated he is 100% supportive of the Civic Center. Lewis explained his grandfather helped make sure the Civic Center was built. Diedrich wore his "Yes" convention and hotel pin from way back.

Landeen entered the meeting.

Minutes

Motion was made by Bailie and seconded by Kline **to approve the minutes of the June 27, 2017 meeting as presented.** Upon vote being taken, the motion carried unanimously.

Bill List

The 2017 Bill List for July 11 was audited.

28TH FORCE SUPPORT SQUADRON BOOSTER CLUB	455.46
ALSCO INC	496.91
BEST BUY BUSINESS ADVANTAGE ACCOUNT	249.99
BH SERVICES INC	189.00
BROWN'S SMALL ENGINE REPAIR	28.84
CARQUEST AUTO PARTS	101.32
CBH COOPERATIVE	131.60
CHRIS SUPPLY COMPANY INC	115.13
CLIMATE CONTROL SYSTEMS & SERVICE	4439.99
COCA-COLA OF THE BLACK HILLS	170.00
CONVERGINT TECHNOLOGIES LLC	127.55
CRESCENT ELECTRIC SUPPLY CO	147.59
CRUM ELECTRIC	2311.30
E & J SPECIALTIES INC	94.00
ELECTRICAL ENGINEERING & EQUIPMENT CO	600.00
FMG INC.	14080.90
FOOD SERVICES OF AMERICA	1826.13
FREMONT INDUSTRIES INC	1767.97
FRH FIELD SERVICE	407.35
FULL COMPASS SYSTEMS LTD	61.00
GREAT PLAINS DISTRIBUTION	414.50
HILLS MATERIALS CO	5000.00
HILLYARD INC. / SIOUX FALLS	254.64
JENNER EQUIPMENT CO	39.04
JOLLY LANE GREENHOUSE	213.55
KNECHT HOME CENTER	197.47
KONE INC	1062.22
NORTHWEST PIPE FITTINGS INC	211.95
PRAIRIE BERRY WINERY	699.00
PROUD PROFESSIONALS	429.42
R & R SPECIALTIES INC	1627.00
RAPID CITY SHRINE CLUB	401.25

SAFEWAY INC	22.42
SAM'S CLUB	1557.74
SEQUENT ENERGY MANAGEMENT LP	700.55
SERVALL UNIFORM/LINEN CO INC	135.68
STATE OF SOUTH DAKOTA	250.00
SYSCO MONTANA INC	65.32
US FOOD SERVICE	2351.21
WALMART COMMUNITY	1865.17
WARNE CHEMICAL & EQUIP.	48.90
WESTERN STATIONERS	41.66
Total	45,390.72

Motion was made by Bailie and seconded by Diedrich and carried **to authorize the Finance Officer to issue warrants or treasurers checks, drawn on proper funds, in payment thereof.**

Lester entered the meeting.

Executive Director's Update

Baltzer explained the IATSE union sent a termination letter then met to discuss further. Baltzer feels it may suite both groups to end contract sooner versus later; waiting to hear back from them. Baltzer stated he will begin to work on a transition plan.

Miscellaneous:

1) Lester Hospitality Lease Agreement

Diedrich explained he had visited with the Lester's Attorney after the last Board meeting. Bailie then requested to move into Executive Session; Landeen said only specific contractual items can be discussed in Executive Session and this items did not qualify. Landeen stated he visited with the Lester's Attorney, Kurt Solay also. Lester explained background interest in purchase of ground versus lease extension but pursuing the lease extension at this time. Landeen stated he reached out to a banker, also explained the lease is with the City so this will need to go to City Council. Lester is asking for the Board to approve the lease extension and is open to a 3rd party to look at numbers for the 1% as specified in the lease. Bailie indicated to the 1% was his concern and the audit of numbers for the 1%. Lester indicated he could have their CPA firm write a page summary as to how the numbers are derived by February 15 of each year with payment made by March 15 of each year. Discussion followed. Landeen stated this business decision is proprietary info and not open to public display but that his concern is the term to secure the investment (90 years) or what is the right term for both parties. Lester explained about being able to upgrade, financing abilities, and options based on leasing terms. Diedrich feels the Board needs to think about what is in the best interest of the Civic Center along with being good stewards with the hotelier; our duty is to move this forward. Motion was made by Bailie and seconded by Diedrich **to approve and send to City Council with caveat to adjust verbiage relating to the 1% payment in excess of revenue of \$5 million, more specifically, the 1% payment accompanied by CPA certification based on excess revenue of \$5 million; if city requests an audit then a 3rd party will be at city expense and if there is a discrepancy then lessee will pay.** Upon vote being taken, the motion carried unanimously.

Lester left the meeting.

2) RFP for 3rd Party Sandwich Vendor

Knutson explained that Subway's contract is up and an RFP would be the next step to see if other sandwich vendors or any other type of vendors are interested. Baltzer explained two things are looked for in vendors; 1) brand value brought to the Civic Center and 2) product requiring specialized equipment. Motion was made by Bailie and seconded by Kline **to move forward with advertising the RFP for Food Court and Portable Food Vendor.** Upon vote being taken, the motion carried unanimously.

3) Trades Positions

Baltzer gave background information regarding the Trades department. Sterling explained the history of employment within the Maintenance and Trades department. Sterling stated after both long term Trades employees retired, Tradesperson Brown was put into a lead position but had not received a pay increase, therefore would like to implement an increase now. Sterling then explained Tradesperson Archer has demonstrated valuable skills and job performance, therefore would like to promote Archer to a Tradesperson II. Diedrich commented that the Board had seen the replacement plan which is what is being activated here. Motion was made by Diedrich and seconded by Bailie **to approve the pay increase for Tradesperson Brown and promotion for Tradesperson Archer.** Upon vote being taken, the motion carried unanimously.

4) Executive Session

Landguth asked for a motion to go into executive session; hearing none, it was not held.

There being no further business, motion was made by Kline and seconded by Bailie **to adjourn the meeting**. Upon vote being taken, the motion carried unanimously. The meeting adjourned at 9:35 a.m.

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

Tracy Heitsch, Deputy Director

Date