



**Sioux Falls Convention & Visitors Bureau
 BID Board of Directors
 Minutes
 September 19, 2012
 Sioux Falls Convention & Visitors Bureau Board Room**

Presiding:	Chrissy Spoo, Chair	
Voting Members Present:	Sara Bogdanov Jan Grunewaldt Lee Howell	Karen Masterson Shailesh Patel Mark Wahlstrom
Voting Members Absent:	Reid Christopherson	Mike Miller
Non-Voting Members Present:	Jim Entenman	Teri Schmidt
Non-Voting Members Absent:		
Others Present:	Mike Cooper	Kathie Puthoff

Approval of Regular Agenda

Mark Wahlstrom made a motion to approve the regular agenda. Second by Jan Grunewaldt. Unanimous approval.

Minutes

Jan Grunewaldt made a motion to approve the June 20, 2012 minutes. Second by Lee Howell. Unanimous approval.

Financial Report

Teri Schmidt reported that a BID check was received yesterday for \$155,608. She reviewed year-to-date collections reminding that the City receives 1% of the receipts. July had the highest receipts of the year thus far.

Teri reviewed the 8/31/2012 financial report. Teri noted that we may go over a little on one line item and under in another. The YTD Budget totals compared to YTD Actual are still good.

Regarding the creation of an Airport Visitor Center, you will see that money was budgeted, however, has not been spent. This money will be rolled over into the next year's budget. Chrissy Spoo asked if any of this is due to the advertising contract with the airport. Teri stated that is not necessarily the problem.

Mike Cooper stated that Lodging Tax Revenue for August was \$81,242 which was the highest month for the year thus far.

Teri noted that the Street Banner Beautification Program is not moving as fast as we had thought, thus those funds have not been spent. Mike Cooper said the city is working on the Russell Street redesign, and that should happen next year.

Teri reported that as of August 31st, we have spent \$1.5 million of the \$1.8 million budget. The remaining \$367,000 is rollover money from last year. Without that rollover money, we are right at the 1.5 million budget for next year. Everything will depend on how August and September room tax will come in. Mike Cooper noted that through August, there had been a 5.5% increase YTD over last year's numbers. Teri added that if we have extra money that comes in, we will write a surplus budget, like last year, and come to the board for approval. Shailesh Patel asked if we have a reserve BID budget? Teri said we do not currently have a reserve BID budget, however if the board wants us to establish that, we can do so. We can discuss that when we review the budget.

Teri reported that the South Dakota Tourism Board was hosted in Sioux Falls last week and was given tours of Blood Run, Mary Jo Wagner Arboretum, etc. Jim Entenman said that all of the projects that were visited were creations of business and private partnerships, much different than Rapid City.

Teri reported that Year-To-Date financials look good, but it still depends how BID tax comes in. Teri reminded that the CVB operates on a Chamber year with a year-end of September 30th, so at this point we have a couple weeks left in the fiscal year, however, we also must operate on the City's financial year, and that ends December 31st.

Lee Howell made a motion to approve the financial report. Second by Shailesh Patel. Unanimous approval.

2013 BID Budget

Teri distributed and reviewed the 2012 -2013 BID Budget which is based on \$1.5 million for collections. Teri reminded that we don't have the \$367,000 rollover for this year, like we did last year. However, if we have supplemental budget money, which we won't know until months later, we will write a supplemental budget and will follow the process of approval at that time.

Jim Entenman asked Mike Cooper if we can get monthly financial reports from Tracy Turbak to help let us know where we are sitting.

Lee Howell asked if the CVB has reserve funds. Teri said the CVB has CVB reserves. We've been told to have 1 year of expenses in reserve. Jim Entenman asked if the CVB will use some

of that money for the office remodel? Teri said yes. Lee Howell asked is there a way to replace that money in reserves? Teri said, not now. Shailesh Patel asked how much the CVB gets from the bed tax. Teri said about \$700M - \$800M/year, depending on room night sales.

Teri reviewed the BID Budget Summary and then reviewed the BID Budget Detail. The original budget was written for \$2.5 million. If there is rollover money, we will write a supplemental budget and try to put back in some of the things that were cut, including the Airport project.

Teri reviewed items in the budget with zero amounts allocated and noted that some of these items have a budget on the CVB side. That is where the remodel money would be taken from as well. She noted that Continuing Education budget has been cut. Salaries have budgeted for a 2% increase for next year. Karen Masterson asked what makes up the Administrative costs. Teri reviewed the first page of the detail reports explaining those administrative costs. Mark Wahlstrom asked if we are budgeting for \$1.5 million, do we not think or project that the tax might come in higher? Teri said we feel we need to be conservative at this point as we don't have enough history yet.

Teri stated that on October 2nd, she presents this budget to the City Council for approval. The CVB Advisory Council must approve, then the Chamber's Budget and Finance and the Chamber Board must approve, and then the City must approve.

Lee Howell asked who decides to take 75% of Administrative costs from the BID budget? Teri stated that ultimately it was herself, under advice from accountants. Shailesh asked if more of the items could be switched to BID side so administrative costs could come from the CVB budget? Teri said we've looked at that and in the end decided it will all ultimately have the same goal.

Lee Howell asked how much of the CVB reserves will we be using for the remodel project. Teri said that the first floor remodel is primarily cosmetic and the plan is to use CVB reserves. Jim Entenman asked if we are looking at ways to increase reserves in order to build it back up? Teri said yes.

Teri explained the Airport previously partnered with the CVB on convention bags, and they declined to partner this year.

Mark Wahlstrom made a motion to approval the BID budget. Second by Lee Howell. Unanimous approval.

Teri stated if we have a need to call a special meeting once we have all the numbers, we will do that.

Review BID Activity

Teri reviewed BID Activity since our last meeting:

- Teri displayed samples of advertising efforts that have been done since the last meeting.

- Teri reminded that we discussed PowWow at the last meeting. She said the CVB has spent time with Jim Hagen and South Dakota Tourism and they believe we should get involved in PowWow. Jim said South Dakota Tourism is enlarging their space at PowWow and CVB will likely be able to participate.
- Visitor requests are up 9297 over last year. Wisconsin and Ohio are the number one states requesting information. Foreign countries include Canada as #1 and India as #2 for requesting information. Websites requests are the #4 method of requesting visitor guides and over the phone is #2. The #1 advertising sources are Oprah, Midwest Living and AAA.
- Visitor Information Center numbers are up approximately 5000 people over 2011.
- EANGUS was here for a site visit in August and will hold their convention in Sioux Falls next year. They expect to generate 6000 room nights. Additional recent or upcoming site visits include:
 - Aviation
 - National Choral Directors
 - National Fireworks Association
 - Soccer – they now do site visits rather than having us going to a city to do a bid
- Small Market Meetings – October 28 in Jacksonville, FL.
- Appointments have been made for NTA and ABA.
- Travel Professional FAM Tour will be in Sioux Falls October 9-11, 2012.
- Travel Media Showcase (TMS)—thank you goes out to all of our sponsors. We will be coming in just under our budget of \$44,000. Teri reviewed the Clips for Cash promotion that encourages the participants to turn in copies of their articles and stories on Sioux Falls.
- Mall VIC – we are still working with the Mall. There is a meeting tomorrow. The current VIC is definitely coming down, probably next week.
- Reststop Welcomes – we had great attendance this summer.
- Hunters Welcome has been expanded to two full days and will take place October 18 & 19 this year.
- Winter Wonderland at Falls Park will be held November 16th and we are in the process of gearing up for that.

Financial Requests

1st Request

Skyforce submitted the following request. They would like us to put our website on their jerseys at a cost of \$100M/year. The offer would include \$10M worth of tickets/year, a 15 or 30 second commercial, or 2 tickets for NBA all-star game in Houston. Mark Wahlstrom moved to deny this request. Jan Grunewaldt seconded the motion. Unanimous decision to deny this request.

Teri added that Tommy Smith called yesterday and asked for any support possible for Skyforce. Teri noted that the Skyforce hasn't participated with the CVB on anything in the past and haven't so much as done a \$200 listing in the Visitor Guide in the past. Tommy said any kind of sponsorship, along the lines of a \$5M would be great. Teri stated that it's tough to recommend partnerships when no room nights are involved.

2nd request

Bank Travel is a tradeshow we attend every year. It is run by the same people that do Small Market Meetings which is the group that we are hosting next year. They have come to us asking if we would want to host Bank Travel in 2015. The costs would be approximately \$105M. This is a convention and trade show for Group Tour Operators and would involve 2500 people in the month of February. It is a group of 150 decision makers and 150 banks are represented. They would be looking for the money as follows: \$25M over next 2-3 years, and \$78M in 2015.

3rd Request

Nursing Organizations Alliance is a summit for 250 Nursing organizations. We need \$50M to bid this group. It included meals, receptions, and offsite receptions. We asked both hospitals if they would be interested in partnering. Avera said yes to \$5000 to host a dinner. Sanford said not interested, however if the group actually comes here, perhaps we can get them to change their mind. This group meets in November.

4th request

Health Professionals Network is a group of healthcare decision makers that meet in March, April or May. The group consists of 40 people and the cost would be \$15,000. We would again go to the hospitals for partners. They are bidding out for the years 2014 or 2015.

Teri noted that all of these are the initial commitments we would need to go forward. If necessary, we can go out and find partners.

Chrissy Spoo expressed concern with Bank Travel since the people are arriving in February. Would people be interested in coming to Sioux Falls at that time of year? Teri said yes they do. Shailesh Patel asked if Forward Sioux Falls would put money into some of these requests? Teri said she didn't know.

Lee Howell made a motion to deny the Bank Travel request for \$105M. Shailesh seconded the motion to deny. Unanimous. Request denied.

Sara Bogdanov made a motion to approve the request by the Health Professionals Network for \$15,000 for the years 2014 or 2015. Shailesh Patel seconded the motion to approve. Unanimous. Request approved.

Lee Howell made a motion to approve the request by the Nursing Organization Alliance for \$50,000 for the year 2015. Jan Grunewaldt seconded the motion to approve. Unanimous. Request approved.

Election of Officers

Teri stated that per the bylaws, election of officers is suppose to take place in July, however, since we don't meet in July it is appropriate to elect officers today. The following are currently serving a 1-year commitment: Chrissy Spoo/Chair; Lee Howell/Vice-Chair; and Sara Bogdanov/Secretary.

Lee Howell nominated Chrissy Spoo to serve as Chair for another term. Sara Bogdanov seconded the motion. Chrissy reminded she will serve as CVB Council Chair this year as well. No concerns were expressed in regards to this. Mark Wahlstrom made a motion that nominations cease. Second by Lee Howell. Unanimous approval that Chrissy Spoo will serve as Chair.

Nominations for Vice-Chair were opened. Shailesh Patel nominated Lee Howell. Sara Bogdanov seconded the motion. Mark Wahlstrom made a motion that nominations cease. Jan Grunwaldt seconded the motion. Unanimous approval that Lee Howell will serve as Vice-Chair.

Nominations for Secretary were opened. Lee Howell nominated Sara Bogdanov. Shailesh Patel seconded the motion. Mark Wahlstrom made a motion that nominations cease. Jan Grunewaldt seconded the motion. Unanimous approval that Sara Bogdanov will serve as Secretary.

Future Meetings

Teri Schmidt reminded that our next meeting is December 19, 2012. We need to set our meetings for next year. We typically have met the 3rd Wednesday of the month. 2013 meeting dates were set as follows:

- o March 20,2013
- o June 19, 2013
- o September 18, 2013
- o December 18, 2013

There being no new business, Lee Howell motioned that the meeting be adjourned. Second by Sara Bogdanov. Meeting adjourned.

Respectfully submitted:

_____Kathie Puthoff_____

_____September 19, 2012_____

Name

Date