



Sioux Falls Convention & Visitors Bureau
BID Board of Directors
Minutes
March 20, 2013
Sioux Falls Convention & Visitors Bureau Board Room

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

Approval of Regular Agenda

Mark Wahlstrom moved to approve the regular agenda. Second by Reid Christopherson. Unanimous approval.

Minutes

Lee Howell moved to approve the December 19, 2012 minutes. Second by Shailesh Patel. Unanimous approval.

Financial Report

Teri Schmidt reviewed the Chamber Audit Report completed by McGladrey noting that the end of 2011 the BID budget showed an additional \$367,021 in income that rolled into the 2012 budget. Therefore, in 2012 we intentionally spent over budget by \$255,554, thus investing a portion of that additional income, leaving a remaining balance of \$111,000. We have written a supplemental budget to itemize spending of the \$111,000. Jim Entenman suggested we create a reserve, especially with the new Events Center, that there may be needs that arise. Teri noted that those needs may also be for convention bidding. Reid Christopherson agreed with

Jim in the need for a "reserve". Lee Howell asked if we want to put \$20,000 a year in reserve and just let that accrue? Shailesh Patel agreed with that. Teri asked how much of a reserve do we want that to be? Shailesh suggested \$100,000 and if we deplete any of that supply, we add to it to build it back up again. Jim Entenman agreed.

Teri asked if she might review the Supplemental 2012 Budget Detail that has been prepared per our process. Teri reviewed the budget line by line, noting that some of the items have previously been agreed to by the board. The \$25,000 for the Street Banner Program has already been paid to the City. The budget allows for \$25,000 for the Airport Visitor Information Center, however, Teri added that the implementation of that process is moving very slowly.

Teri detailed the remaining items on the Supplemental 2012 Budget and asked if the board would prefer we put these things on hold and put the extra income in the reserve being discussed? Jim Entenman suggested we put \$50,000 in the reserve, thus cutting the Supplemental 2012 Budget in half. Teri asked if the board was comfortable with putting \$50,000 in the reserve and having the CVB reprioritize the remaining funds of the supplemental budget. Mark Wahlstrom asked Tracy Turbak if there might be anything in the bylaws that requires us to spend the complete funding immediately? Tracy said there is nothing that says we have to spend the funds in the current year. Shailesh Patel motioned to put \$50,000 of the overage income into a Bidding Opportunity Fund. Lee Howell seconded the motion. Unanimous approval. Teri will add a line item to the budget titled Bidding Opportunity Fund.

Teri reported that BID revenue continues to come in at a good pace. Teri provided the Financial Report covering October 1, 2012 through February 28, 2013. Jim Entenman suggested we add Tracy Turbak to the BID Board Agenda each month to give a financial report on behalf of the City, regarding sales tax collections, etc. Tracy agreed and beginning next meeting he will be added to the meeting agenda.

Teri stated expenses are running at a normal pace, noting that a large portion of expenses are seasonal. Teri reviewed the financial report by line item, concluding that the bottom line shows we are \$63,000 over budget at this point, however, that is due to the flow of income and expenses.

Teri reviewed the BID Tax Collection report which details the amounts collected by the City. Teri asked Tracy if the City has a process for tracking the hotel's payments. Tracy said they can't tell if the hotel is paying the correct amount, however, they can tell if they haven't paid at all. Tracy asked if we as a board, want to have a late fee implemented? Tracy said the City could go back over the past year and see which hotels and how many are regularly late with payments, and by how much. He said he didn't think there has been a problem, but we can review. Lee Howell suggested that the Remit Payment form should include due date info and perhaps the form should be emailed out regularly. Jim Entenman said we can set-up a procedure to follow up if a hotel is 30 or 60 days delinquent. Mark Wahlstrom made a motion that we set-up a procedure to follow up if a hotel is 30 or 60 days delinquent. Sara Bogdanov seconded the motion. Unanimous approval.

Jim Entenman suggested we should send a thank you note from the BID Board to hotels letting them know what has been accomplished as a result of the BID. Teri said we can send a thank you note now, and later in May send another thank you with a copy of the CVB Annual Report. Reid Christopherson suggested we send it to owners as well as general managers.

Teri asked Tracy how a new hotel gets incorporated into the BID. Tracy said he is not sure, but will check. Teri said that she has heard from various hotels and has received positive feedback as a result of the BID.

Review BID Activity

Teri reviewed BID Activity since the last meeting:

- Teri reported that Visitor Guide requests YTD are up 582 requests from this time last year. She reviewed the top states requesting guides and noted that Canada is the top foreign country for requests.
- Samples of advertising pieces were displayed.
- Teri showed the Be Our VIP program insert that has been inserted in nationwide publications directed at meeting planners.
- Teri explained the Winter Coop program that directed advertising toward leisure travel.
- Teri reviewed the Hunters promotion.
- Teri reviewed staff travel to trade and travel shows since the board's last meeting in December. These shows have generated 27 solid leads and 4 RFP's. In addition, staff recently traveled to PheasantFest where we continue to pursue the Fest booking in Sioux Falls.
- Social media continues to skyrocket. We have invested resources with Click Rain to handle the social media and it is a successful venture.
- India is the top in requests for information in the international market.
- The CVB has several upcoming site visits. The National Fireworks are currently in town for a site visit. This is a Ramkota lead, and they are bringing 1100 people to Sioux Falls in early September. Small Market Meetings will be arriving in October and EANGUS in August.
- Teri reviewed upcoming travel shows and April's Washington, DC Sales Blitz.
- The Midwest Shrine is booked in Sioux Falls for 2014.
- The National Transplant Games is a group of 3400 people and a lead CVB obtained at TEAMS. The bid fee for this group is \$20,000. The CVB is talking to Sanford, Avera and the Sports Authority to see about working together to attain this piece of business. Shailesh asked if we can get state funding for this and Teri agreed this should be pursued.
- Teri reviewed Booked Business, Lost Business and Pending Business.
- Teri reported that since the BID started, 240 pieces of business have been booked. Of this, 98 pieces were new business. Jim Entenman said maybe we should include this info in the thank you letter sent to the hotels. This would be good info when addressing the City Council as well.
- Teri noted one group the CVB is looking at is United Pentecostal for 2016. This is for 8000 people and 4538 rooms.
- The Falls VIC will be open from 9am to 9pm beginning April 1st.
- Teri reported on a site visit we had with travel writers from American Airlines.
- CVB's Annual Luncheon invites have been mailed out. The speaker is economist Dr. Elliot Eisenberg. Avera McKennan has offered to sponsor a customer service training that morning as well featuring a Southwest Airlines Customer Service VIP. The CVB BID Board will have a table at the luncheon.
- The new 2013 – 2014 Visitor Guide arrived last week and is currently being delivered to 187 locations in town this week.
- Inner City FAM tours will be offered May 8 & 9.
- Rest stop welcomes are already being planned for July 19 and August 2nd.
- The Sound and Light Show is no longer operating at Falls Park.
- The Overlook Café will be re-opening at Falls Park.

Other Business

Jim Entenman asked for an update on the office move:

Teri reported the Chamber of Commerce will be moving upstairs to second floor in the next couple weeks. At that time the CVB will move temporarily to third floor for approximately six weeks while the first floor undergoes

renovations. No BID money will be used for the renovations. Jim Entenman asked if the CVB will still have its own identity. Teri said yes and noted that there is a meeting later this morning regarding the outside building signage. The board strongly supports the CVB's signage remain on the building as is.

Jim Entenman said it is important to understand what our responsibilities are regarding the BID tax dollars. Tracy Turbak will be working with Joan and Teri in the future to show how the numbers are reported. At an upcoming BID meeting, Jim would like a BID Board "overview". He will have Doug Hajek present. We will re-identify how tax is collected from hotels. We will look at why the CVB comes to the City Council with two different budgets. Teri reminded that although the CVB is a division of the Chamber of Commerce, it is not funded by Chamber Member Dues and is funded solely by room tax and BID tax. The CVB pays rent and all expenses. However, for accounting and budgeting, the CVB is under the Chamber's processes.

Jim Entenman noted the handout in today's packet regarding the sequestration in regards to the State parks.

Teri reminded of the Good Earth meeting tomorrow. Formerly Blood Run, Good Earth is moving forward and is going to be positive for Sioux Falls.

Teri stated that Grand Falls Casino is becoming a factor in the business we deal with. They are offering great deals to groups, including free meeting space, and allowing groups to bring in their own food.

Mark Wahlstrom moved that the meeting be adjourned. Second by Shailesh Patel. Meeting adjourned.

Respectfully submitted:

Kathie Puthoff
Name

March 20, 2013
Date