



**Sioux Falls Convention & Visitors Bureau  
 BID Board of Directors**

**Minutes**

**June 18, 2014**

**Sioux Falls Convention & Visitors Bureau Board Room**

<b>Presiding:</b>	Lee Howell, Vice-Chair	
<b>Voting Members Present:</b>	Steve Garrett Jean Housing Jolene Matheson Char Roth	Thea Miller Ryan Mark Wahlstrom Steve Westra
<b>Voting Members Absent:</b>	Shailesh Patel	
<b>Non-Voting Members Present:</b>	Teri Schmidt	
<b>Non-Voting Members Absent:</b>	Rex Roling	
<b>Others Present:</b>	Tracy Turbak	Kathie Puthoff

Vice-Chair Lee Howell called the meeting to order. Lee noted that a set of today's enclosures are provided on the back table. Teri Schmidt explained that because the BID Board is one of the City's Boards, she recently attended a session put on by the City regarding proper procedures for the board meetings. One of the requirements is that a set of attachments or enclosures must be available at each meeting for review.

**Agenda**

Char Roth moved to approve the regular agenda. Second by Thea Miller Ryan. Unanimous. Motion passed. Teri Schmidt requested we move the funding request portion of today's meeting up on the agenda since Steve Westra must leave for a meeting with the Governor today at 8:00am. Char Roth motioned that we move the financial requests and election of officers up on the agenda from item #6 to item #3. Thea Miller Ryan seconded the motion. Unanimous. Motion passed.

**Minutes**

Teri Schmidt explained that most BID Board Members were not at the March 18, 2014 meeting, however, due to the change in Board Members, the December 18, 2013 minutes could not be approved at that meeting. Today's board member attendees have all received copies of both the December 18, 2013 and March 18, 2014 minutes via email and also in today's binders, and as the current board, minutes will need to be approved. Thea Miller Ryan stated that she was at the last meeting (as a CVB Council Executive Committee member) and motioned to approve both the December 18, 2013 minutes and the March 18, 2014 minutes. Steve Westra seconded the motion. Unanimous approval. Motion passed.

## Funding Requests

Teri Schmidt reported that four funding requests have been received.

1. The first request was submitted by Rex Rolfig. Rex is our new City Liaison to the CVB BID Board, however he is out of town today. This funding request was received from Rex and Mark Glissendorf in their roles as soccer representatives and is being requested for the Midwest Region II Soccer Tournament. Teri gave parameters of tournament and explained that the request is for \$30,000 which is the fee to bid for this tournament. If Sioux Falls is chosen, this amount would be dedicated as the hosting fee for the year 2017. If this funding request is approved, it would be written into the 2017 budget. If Sioux Falls is not awarded the bid, there would be no expenditure.

At this time, Lee Howell instructed the room to do self introductions.

Lee Howell added that these are the type of funding requests that were endorsed last year. No brick and mortar type of requests are approved, but rather requests related to marketing and buying of business. Thea Miller Ryan moved to approve the soccer funding request for \$30,000. Jean Housing seconded the motion. Unanimous approval. Motion carried.

2. The second request was received from the Sioux Falls Jazz & Blues Society in the amount of \$5,000-\$7500 for the 23<sup>rd</sup> year of Jazz Fest. Teri gave an overview of the event. Scott Garrett made a motion to approve the \$5,000 request. Seconded by Steve Westra. Unanimous. Motion passed.
3. The third request was received from Downtown Sioux Falls to help pay for the Trolley. Downtown Sioux Falls has agreed to work with Steller Limo to run the Trolley through September 1, 2014. They are asking for \$10,000 to help run the trolley until September 1<sup>st</sup>. Teri noted that the funding request form asks for the total number of hotel rooms that will be generated for the event, and the form was filled in with "Not Applicable". Steve Westra asked how does the trolley fit with the goals of the BID board. Discussion followed and it was agreed that it doesn't fit. It operates solely in downtown Sioux Falls with the exception if a private group wants to rent it. Jean Hoelsing noted that we should not get in to operational expenses. Steve Westra motioned to deny the request. Jean Hoelsing seconded the motion. Unanimous approval. Motion passed. Teri stated that the CVB has always and will continue to promote the trolley.
4. The fourth request is an internal CVB request. Sioux Falls has the opportunity to host the Rocky Mountain international (RMI). This conference consists of 65 planners, region suppliers and overseas vendors. We would have to pay \$51,000 to host this event. Jim Hagen believes we can get approximately \$17,000 in sponsors which leaves about \$32,000. We would need 400 rooms. Additional expenses include FAM tour transportation, host a dinner, main banquet, entertainment. This is an opportunity to further work the international market. It has previously been hosted in Rapid City and Missoula, Montana.

Steve Westra departed from the meeting at 7:52 am.

Thea Miller Ryan made a motion to approve \$32,000 to host RMI. Jean Housing seconded the motion. Unanimous approval. Motion passed.

Teri noted that this completes the funding request section of BID Activity.

### **Election of Officers**

Teri explained Lee Howell was/is Vice-Chair, Chrissy Meyer was the Chair, and Sara Bogdanov was the Secretary.

Lee Howell explained that due to upcoming business commitments he would prefer not to hold an officer position. Jolene Matheson explained she was in the same situation.

- Jolene Matheson nominated Shailesh Patel for the Chair. Char Roth seconded the nomination. Unanimous. Nomination passed.
- Char Roth nominated Thea Miller Ryan for Vice-Chair. Second by Scott Garrett. Unanimous. Nomination passed.
- Jean Hoelsing nominated Char Roth for Secretary. Second by Jolene Matheson. Unanimous. Nomination passed.

Thea Miller Ryan and Char Roth accepted their nominations. Teri Schmidt will check with Shailesh Patel to see if he accepts. (Note: Teri did check with Shailesh Patel and he did accept the nomination to the Chair position.)

### **Financial Report**

Teri Schmidt reviewed BID binders for the new board members.

Teri noted, as Lee said earlier, there is a set of enclosures provided in back of room.

Teri reviewed how/why/what she reports. If anybody at any time wants to review any of the materials Teri has on hand, they are welcome to do so.

Lee Howell said there is a line item for funding requests in the budget, etc. Teri noted there is also \$50,000 available in budget for those "extras". Char Roth asked how many funding requests the board typically receives. Teri reviewed past request examples.

Teri explained that the CVB is a division of the Sioux Falls Area Chamber of Commerce and under their umbrella, and also under their accounting system so we operate on the Chamber's fiscal year of October 1 to October 1. The City of Sioux Falls operates on a calendar year of January 1 to January 1.

Annual Budget Process: Each year the CVB puts together a budget and brings it to the BID Board to either approve or deny as proposed.

Teri reviewed the 5/31/14 financial statement noting that we will primarily look at the “YTD Actual” column. Teri added that today she will be reporting on expenditures back to the last BID Board meeting. BID Revenue continues to come in at good pace and is ahead of last year at this time. We receive revenue numbers a couple months after they have been collected. The City receives 1% of receipts for their handling of the BID tax. Teri reviewed expenses by line item on the financial report. The final line shows that we are currently running at a \$49,000 net expense. We are expecting to end the year at budget. If there would be a surplus, the CVB would write a plan for a supplemental budget and bring to the board to request approval at the September meeting. Also the new 2014-2015 budget will require approval at the September meeting. Scott Garrett asked if the budget has a reserve. Lee Howell explained we are expected to spend this money. Lee noted Teri has places to pull back from if necessary. Some CVB’s do have a reserve. Lee asked if Tracy Turbak had any City ideas. Tracy said he would encourage a reserve noting that 50% is extreme, but 25% or something along that line would be a good idea. Teri added that the goal is to spend the money within that year, unless this board directs otherwise. In the past we have rolled over funds for a specific purpose. Lee Howell suggested we put a reserve line item in the budget. Teri said she will request our accountant do this.

Lee Howell asked what line item the previous funding requests will come from. Teri reviewed.

- Jazz Fest—Bidding Incentives
- Soccer—Bidding Sports

Char Roth made a motion to approve the financials for 5/31/14 statement. Jolene Matheson seconded the motion. Unanimous. Motion passed.

Teri reported that the City audited the BID 2013 and overall results were good. The CVB is currently working on implementing procedures to comply with the recommendations.

### **City Tax Collections Monthly Report**

Tracy Turbak reminded that the City operates on a calendar year so when he reports, it’s on that budget year. Tracy noted the following:

- 2013 Sales Tax Revenue generated growth just under 8%
- Entertainment Tax (BBB) – increasing at 3.6%
- Lodging Tax was up 14% over last year.

### **Event Center Update**

Tracy Turbak reported that construction on the event center is on schedule and within budget...the project is going incredibly well. They are starting on the exterior work, i.e. parking lots, signage and marquee signs are scheduled to begin soon. Sponsorships and naming rights have gone incredibly well. There is over \$37 million in revenue on contract. All of that revenue goes back into the operations budget. Opening acts have been announced for October 3<sup>rd</sup>.

### **Other Business**

Teri asked Tracy if collections of the BID tax from the hotels are coming in as expected. Tracy said yes.

Lee Howell reviewed future meeting dates. Lee noted that in the past we have met quarterly, 7:30 am meetings at the CVB office. Tracy Turbak reminded that the budget also has to be approved by City before it comes effective on October 1<sup>st</sup>. So we may need to call a special meeting to approve the budget. Everyone agreed to do a special meeting to approve budget rather than change the existing dates.

Teri noted that three years ago the CVB hired Click Rain to create a new CVB website. We have requested a quote from Click Rain to update the current website and they projected costs would be between \$90,500 and \$98,550. Teri added that as we look at the current budget, she recommends we invest ½ of the cost now and ½ of the cost in the coming year's budget. Expected completion date is on or before January 31, 2015 based on approval by August. Jolene Matheson asked if we need to have money set aside for tweaking the website each year. Teri said yes. Lee Howell asked if there are other companies we should get quotes from. Teri said last time, the hotels suggested Click Rain because they understand the business and are so experienced. Scott Garrett added that he would like us to put out for RFP's with a list of comparables, so we have information to make the selection, even if just for comparison. Teri reviewed highlights of items included in the Click Rain proposal. Thea Miller Ryan commented that if you try starting with another company, you'd be starting from square one. Scott Garrett would still like to see at least one, even just for comparison. Jean Hoelsing agreed. Everyone agreed to keep the business in Sioux Falls. The board directed Teri to get bids from Blend Interactive and 44i (Interactive). Lee Howell said we should plug it into the budget. Teri said it is acceptable to email info to the BID Board via email, however we cannot vote on the issue by email. Jean Hoelsing said she was OK with a special meeting, as were other board members.

**Announcements**

Char Roth motioned to adjourn the meeting. Second by Thea Miller Ryan. Adjourned.

The next regular meeting is scheduled for September 17, 2014 in the CVB Boardroom.

Respectfully submitted:

\_\_\_\_\_ Kathie Puthoff \_\_\_\_\_  
Name

\_\_\_\_\_ June 18, 2014 \_\_\_\_\_  
Date