



**Sioux Falls Convention & Visitors Bureau
 BID Board of Directors
 Minutes
 April 21, 2015
 Sioux Falls Convention & Visitors Bureau Board Room**

Presiding:	Thea Miller Ryan, Vice-Chair	
Voting Members Present:	Jean Housing Randy Huber Char Roth	Mark Wahlstrom Steve Westra
Voting Members Absent:	Scott Garrett Jolene Matheson	Shailesh Patel
Non-Voting Members Present:	Rex Roling Teri Schmidt	
Non-Voting Members Absent:		
Others Present:	Kenny Anderson, Jr. Tracy Turbak	Kathie Puthoff

Vice-Chair Thea Miller Ryan called the meeting to order at 7:30 am. Teri Schmidt noted that a set of today's enclosures are provided on the front counter and are available for review.

Agenda

Mark Wahlstrom moved to approve the regular agenda. Second by Steve Westra. Unanimous approval. Motion passed.

Minutes

Steve Westra motioned to approve the December 17, 2014 minutes. Second by Jean Hoelsing. Unanimous approval. Motion passed.

Financial Report

Teri noted that the 2014 Year End financials are being provided today. YTD revenue was \$1,805,044. Budgeted Revenue was \$1.6 million. Revenue over expenses left \$136,522 overage. Mark Wahlstrom motioned to approve this portion of the financial report. Second by Steve Westra. Unanimous approval. Motion passed.

Teri added that when we write the budget for this next year, we plan to write a supplemental budget to plan ahead for any overages, just in case. All agreed this was a good idea.

Teri reviewed the 3/31/15 financial report noting that BID revenue continues to come in at a good pace. February 2015 Revenue was over \$24,000 ahead of February 2014. March 2015 will come in strong as well.

Char Roth joined the meeting.

Teri reviewed expenses by line items. Teri noted we will continue to go after PheasantFest. Sioux Falls was promised a site visit by the person in charge, however, now that person is retiring, so we will need to start over with a new person in charge. Teri reported that the Sales Development – Bidding/Incentives/Promo/ Sponsorships amount of \$19,277 could cover sponsorships for NSIC, PBR Bullriders, and the Cattleman’s Gala, which were sponsorships previously approved by the board. She added that the Miscellaneous category under Sales Development- Bidding is where the BID Opportunity budget amount is located. Tourism – Promotion & Advertising/New Opportunities—the YTD Actual is \$59,946 and the budgeted amount is \$25,000.

Teri noted that since we last met, the momentum in sales opportunities has skyrocketed. We would have had to call you nearly every day to keep up with all of our opportunities and gain board approval. Teri showed examples of the sports facilities insert brochure and a meeting and convention insert brochure showing what Sioux Falls has to offer. Teri distributed examples of national publications showing the inserts with strong positioning in the publications. This advertising was accompanied by significant digital advertising as well. Teri added that January had multiple opportunities so she made the decision to invest in things that put us over budget in certain areas. We moved fast and about \$88,000 has been spent to move forward. Part of this money could be approved to use from the \$136,000 overage from the 2014 year. Teri showed a spreadsheet of items that the money was spent on, noting that there are approximately an additional \$50,000 in advertising opportunities. Teri gave these additional options:

- We can wait and see how far over budget we go.
- We can wait until year end to see where we are sitting.
- We can stop and not spend any more.

Teri asked does the board want the \$88,000 that has been spent to come out of the \$136,000 overage from 2014 budget? Or we can roll it and see how it comes out at the end of the year?

Do you want the line items on the budget to come in over budget? Or have it come out of the \$136,000 as the items do meet the goals of the BID?

Mark Wahlstrom said he would rather we go ahead with the current budget and approve a supplemental budget at a later date.

Jean Hoelsing noted that \$88,000 over is pretty far without talking about it. Teri agreed, however, time was a factor. Char Roth addressed Tracy Turbak asking is it ever an issue if the media finds we are running \$88,000 over budget in some line items. Tracy says at this point we are not over budget...still within budget. But at some point we will want to add back in to the budget. Jean stated she still thinks \$88,000 is a long way to be outside of what we have agreed upon. Teri noted that as Tracy said we are not over budget yet. And even with the overage, we don't expect to go over budget. Jean said going over \$88,000 overnite is a lot. Teri reminded

that the opportunities did come overnite...in January. We can certainly contact the board each time if necessary. Teri said we do track ROI...through VG requests and MPG requests, etc. Mark Wahlstrom suggested we start to put together a supplemental budget to approve at the June meeting for the \$136,000 but do not include the \$88,000 in the \$136,000 since it's already spent. Thea reminded that we still have the \$60,000 BID Opportunity remaining, and Teri noted we have not spent any of that.

Mark noted that for next year's budget we may need to up the numbers, for example in Trade & Travel Show.

Mark Wahlstrom motioned to approve the financials. Second by Char Roth. Unanimous approval. Motion passed.

Mark Wahlstrom made a motion to have Teri and staff create a supplemental budget to be presented for approval at the June meeting for the overage from 2014 budget. Char Roth seconded. Unanimous approval. Motion passed.

Thea noted that it was great that Teri took the initiative to take advantage of the opportunities. Teri added that it would have been irresponsible not to take advantage of the opportunities. We learn from the shows we attend, we need to have goals and focus to measure the ROI so we can target the markets that are relevant to Sioux Falls.

Mark Wahlstrom asked if the new Aerostay be on board to be included in the BID when the property is completed. Tracy Turbak said Aerostay doesn't have an option...as long as they meet the 40+ rooms, they will be included in the BID.

BID Activity

Teri Schmidt reminded of the CVB Visitor Industry Luncheon to be held May 12, 2015 at the Sioux Falls Convention Center featuring Roger Dow, United States Travel Association (USTA) President & CEO.

Teri reviewed Sales Activity noting 32 pieces of business have been booked and 12 pieces were lost. She also reviewed recent sales travel, bids, site visits and upcoming travel. She reminded that the board previously approved \$32,000 for expenditures for RMI. That convention took place last week and included 9 foreign countries, 200 people, and 60 actual tour operators. They loved the Falls, EROS, Blood Run, downtown, the eating, the drinking. We now have to get together with members of our region to plan 20-day loop tours for these interested operators. Some of these are on 5-year out or 3-year out rotations.

Steve Westra asked why we lost 12 pieces of business. Teri stated some just wanted to go elsewhere; location; politics; 2 of them consolidated events and are now too large for us to host; not enough space; too expensive; size of our hotels; more comfortable in another city.

Steve asked why we go after groups if we cannot attain them. Teri said because we do have space, it's a matter of competition, and we have to go after them, some win and some we lose. Steve asked if we sell ourselves short by not going after some groups? For example the Bullriders...it was a big event, very impressive...why not go after more of that caliber? Why not just go for the big stuff and disregard the small events? Teri noted that in some places...we have to have the basis of who we are, lay the groundwork. Jean added that we have to have

some of the soft stuff and fill in with the big stuff. Mark noted that we must remember 5 years ago, things like PBR wouldn't have happened here.

Jean asked if we know the ROI for the Midco ads during the Summit League? Teri recapped the Midco advertising and impressions and the #roadtosioxford campaign noting that over 110 videos have been posted thus far.

Teri also noted the following activity:

- The new Visitor Guides are out.
- Several industry articles were distributed for review.
- Teri distributed several advertising samples currently being run.
- Visitor Guide requests for Jan, Feb, and Mar are up 4566 over last year.

Teri explained that the CVB ran a Housing Bureau some time ago. Lately groups have been using HBC, a national housing bureau, to do the housing for their sports/events, however, the local soccer and softball people want the CVB to start up the housing bureau again. Lutheran Women's Missionary League have requested we do housing as part of the bid. Softball-2016. Soccer-2017. LWML-2023. Teri thinks we should reinstate the housing bureau, but put in place for events using 500+ rooms. Teri reviewed the housing process and noted we would run the housing bureau through our IDSS program. It would cost us \$3 per transaction. The organizations see that as a perk from the City. Or the hotels pay, or the group...but we strongly suggest we don't ask the group. For example: Softball would cost us \$6000 but EEI \$7+ million.

We would get the software.....cost involved...and the transaction fee. We previously lost soccer and softball tournament bids due to hotel rates, so we must be cognizant of that. Steve Westra noted that we should think of this as a tool going forward. Teri added that we would only talk housing with groups that meet the 500+ rooms. Jean added that when there is a housing bureau...it helps the hotels. Thea Miller Ryan motioned that the CVB provide housing for groups that utilize over 500 rooms on peak night and minimum of 3 hotels. Jean Hoelsing seconded the motion. Unanimous approval. Motion passed.

Funding Requests

Teri Schmidt distributed documentation on the following funding requests:

1. Sioux Falls Jazz & Blues Society
Event: JazzFest
Requested amount: \$5000
Dates: July 16-18, 2015

Steve Westra motioned to approve \$5000 for JazzFest. Second by Randy Huber. Unanimous approval. Motion passed.

2. LifeLight Communications, Inc.
Event: LifeLight Festival
Requested amount: \$4000 to pay for t-shirts for volunteers
Dates: Sept 4-6, 2015

8:56 Tracy Turbak has left the meeting.

Jean Hoelsing said she gets more rooms from LifeLight. Steve Westra agreed and said it's something you can measure. Jean Hoelsing motioned to approve \$4000. Steve Westra seconded the motion. Unanimous approval. Motion passed.

3. Sioux Falls Firefighters Association

Event: Step Up for Heroes – Firefighter Memorial Stair Climb

Requested amount: \$10,000

Dates: September 19, 2015

Info: Estimating 100 rooms for 1 night

Discussion followed realizing this sounds like a wonderful event but does not fulfill our calling and is more of a city event. Teri added that they are holding a conference here and we are giving them tremendous support, however, the convention is at a different time. They are saying the funds will be used for marketing purposes. Mark Wahlstrom motioned to deny the funding request. To put marketing dollars toward this event won't benefit the BID. Let's wait to see if this event grows into something different in years ahead. Steve Westra added that we know the history of Jazzfest and LifeLight and they are requesting 50% less than the Firefighters. All agreed with Mark and Steve's comments. Thea Miller Ryan seconded the motion. Unanimous approval to deny the funding request.

Teri announced that the Great Race is back. They did a site visit on Friday. They expect to utilize 200 rooms and are requesting \$5000 to feed 400 people. They are hoping to get a sponsor. They met with the Parks and Recreation and the Police Department. They did not yet get approval but were told they would come back with two options. Dates for the event are June 26, 2016 at 5:00 pm. P & R suggested 5:30 pm would be better and they were OK with that. Teri added that because planning for this is part of the bid process, we don't have to motion for a funding request, we can just do the \$5000 as part of bid process if need be. The board agreed.

City Tax Collections Monthly Report

Tracy Turbak had to leave the meeting earlier so there is no report today.

Other Business

Teri noted that the next meeting is scheduled for June 17 and that she will be in Washington, DC for the sales blitz that entire week. Discussion followed and all in attendance were ok with changing the date to June 10th at 7:30 am.

Adjournment

Thea Miller Ryan motioned to adjourn the meeting. Second by Randy Huber. Unanimous. Motioned passed.

The next regular meeting is scheduled for June 10, 2015 at 7:30 am in the CVB Boardroom.

Respectfully submitted:

_____ Kathie Puthoff

Name

_____ April 21, 2015

Date