



Experience Sioux Falls
BID Board of Directors
Minutes
December 8, 2020
Best Western PLUS Ramkota Hotel

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| Presiding: | Tom Morris, Chair | |
| Voting Members Present: | Matt Brunick Jan Grunewaldt Frank Gurnick Paul Hegg Tracy Kolb (Virtually) | Kyle Johnson Lynelle Jorgensen Thea Miller Ryan (Virtually) Tom Morris |
| Voting Members Absent: | Scott Garrett Greg Jamison Sara McMahon | Usha Parmar Cindy Walsh |
| Non-Voting Members Present: | Shawn Pritchett | Teri Schmidt |
| Non-Voting Members Absent: | Janet Brekke | |
| Others Present: | Kathie Puthoff | |

Chair Tom Morris called the meeting to order.

Approval of Agenda

Jan Grunewaldt moved to approve the agenda. Second by Paul Hegg. Unanimous approval.

Approval of Minutes

Jan Grunewaldt moved to approve the September minutes. Second by Paul Hegg. Unanimous.

Financial Report

Teri reported the City of Sioux Falls audited the BID. She referenced the email from Abby Vandelanotte in today's packet. No suggestions were made for our staff. The City will be making changes – see further on in these minutes.

The budget year ended September 30, 2020. Teri reviewed the October 31, 2020 financial report by Line item.

Teri stated that the Pre-Audit for year-end has come in and the BID Budget came in at \$166,000 to the good. Reminder that we had laid off one staff member.

Teri reviewed the STR Report from the last week of November. The 1st Quarter of 2021 looks like it will be rugged. Hopefully by summer we will see some improvement.

Paul Hegg moved to approve the financial report. Second by Jan Grunewaldt. Unanimous approval.

BID Activity

Teri reviewed the following:

- Booked, tentative, and cancelled business; leads, turned assist and lost business.
- Pheasant Fest has cancelled for February 2021 but is looking to come back in 2024. Fortunately, we received a lead for the same dates. A site visit has taken place and the group is signing contracts for 2000 people. The Snocross event held in Deadwood wants to expand to include Sioux Falls. We have room for both, so we are hopeful for that to book as well.
- Sales Managers Anna Derry and Erin DeWitt participated in the Connect Tradeshow with approximately 28 virtual appointments. The appointments went well and they are following up with each planner.
- Tourism Sales Manager Jackie Wentworth will participate in a virtual sales blitz this week.
- The marketing report is in today's packet. Call or email Krista Orsack with any questions.
- The sales team recently participated in a virtual FAM tour which included all markets. They will send out videos as follow-up.
- Jackie Wentworth will host a travel writer December 27-28.
- Jackie hosted two German travel writers in 2018 and yesterday a 1-page article came out in a German publication as a result of that hosting.
- Servicing is down 83 groups compared to last year.
- The Falls Park VIC is down 88,190 sign-ins by visitors.
- Several industry articles are provided in today's packet.
- ESF is currently rotating two staff in the office at a time. We've had 4 people test positive for COVID thus far, plus some of their family members.

BID Board Format Updates/Changes

Shawn Pritchett stated that the BID Ordinance was written 10 years ago and has not been updated since that time. There were not many findings from the audit, however, they did have some Ordinance recommendations which the City has been reviewing. Shawn noted the following:

- BID Tax remittance form is now 1-page.
- There is more consistency and direction regarding complimentary rooms.
- Looking toward an on-line remittance option.
- Updating the Experience Sioux Falls name.
- Modifying BID Tax collection fines and penalties. Recommends change from a fine to a fee.
- Board Membership – proposing the following changes:
 - Allow two full terms plus a partial term (if applicable). No issues were expressed by board.
 - Currently five members must be registered voters in the city. Proposed change would state you do not need to be a registered voter in Sioux Falls, but must have a vested interest in Sioux Falls.
 - Teri noted that if you leave a hotel position, you are no longer eligible to serve as a representative of that hotel.
 - Teri also added that she would like to see a position for immediate past-chair. Most boards are that way. Shawn noted that this would only come in to play if the Chair has termed out. A provision could be added stating that in the event that the chair is term limited, that person could serve as immediate past-chair for a period of 1 year. It would need to be determined whether that position is a voting member or non-voting member.

There should also be a provision to be respective of other rules, i.e. when the past-chair is with the same company as an in-coming board member. No concerns were expressed. Shawn noted that this ordinance will not be effective until possibly June 2021. It will affect future boards, but not this current board.

- o Shawn added that the challenge with filling seats all at one time, when you limit 1 seat per ownership group, it limits the possibilities and is especially difficult in the smaller hotels. Jan Grunewaldt and Tom Morris both questioned why we would limit those people that are engaged, when some ownership groups own multiple properties. Shawn said possibly it could be changed from no ownership group can hold more than one seat and change it to no more than 2 seats. Kyle Johnson stated there might be some issue with that change, but can't think of anybody in particular that would have issue. Paul Hegg asked how many board member applications are we receiving now in the small category? Shawn stated that we have to solicit for those applications. Paul said he'd rather see it open to everybody to get quality board members that want to be engaged. Teri added that sometimes owners make the decisions and General Managers don't have an option. Shawn added that if we make the change to 2 positions per ownership group, that might solve the problem.
- Tom Morris proposed to change the small and medium categories into one category with 40-99 rooms and have that category made up of 3 people. Paul Hegg expressed concerns that persons in the smaller hotel category may feel they are not being recognized. Perhaps the stipulation be made that if no responses are received in the smaller category, then open it up to the next tier. Tom Morris agreed. Shawn expressed his concerns regarding the number of properties in each categories. With the number of those smaller hotels, if they chose to disperse the bid, they would have the numbers to do so. Board members agreed that the info should be changed to read one property group could hold not more than two board member positions.
- Shawn will make the changes and bring back the info to the March meeting to be sure we are all satisfied before we bring the proposed changes before the City Council. Then the Council will be briefed. See process on page 4 of his handouts.

Election of Officers

Shawn reminded that Tom Morris will not stay on the board as Past-Chair as that position is not effective in the ordinance yet. He can stay on and be listed on board list, but in a non-voting capacity.

Teri explained that new BID Board members Frank Gurnick and Cindy Walsh are appointed to the board since they serve on the ESF Advisory Council Executive Committee. Greg Jamison serves in the At-Large position. Shawn Pritchett will be added to the board listing as Staff Liaison.

Tom Morris opened nominations for Chair. Jan Grunewaldt nominated Frank Gurnick for the Chair position. Second by Matt Brunick. Matt Brunick motioned that nominations cease. Second by Paul Hegg. Unanimous approval for Frank Gurnick as Chair.

Paul Hegg nominated Jan Grunewaldt for Vice-Chair. Second by Matt Brunick. Paul Hegg motioned that nominations cease. Second by Lynelle Jorgensen. Unanimous approval of Jan Grunewaldt for Vice-Chair.

Paul Hegg nominated Matt Brunick for Secretary. Second by Kyle Johnson. Paul Hegg motioned that nominations cease. Second by Lynelle Jorgensen. Unanimous approval of Matt Brunick as Secretary.

Tom Morris passed the gavel to new Chair-Elect Frank Gurnick.

Recognition of Outgoing Board Members

Teri Schmidt stated that Sara McMahon and Thea Miller Ryan have termed out. We have a parting gift for them and will get it to them. Teri extended thank you to Thea Miller Ryan who is attending virtually

today. Scott Garrett has also termed out. He resides in Arizona so we will send a gift to him as well. Teri presented Tom Morris with an award and appreciation for his time served on the board.

Other Business

There was no Other Business.

Public Comments

There were no public comments.

Adjournment

Paul Hegg motioned to adjourn the meeting. Second by Matt Brunick. Unanimous. Meeting adjourned.

Shawn Pritchett suggested that we write in a disqualification clause that if you miss more than two consecutive meetings, by vote of the BID Board, you can be removed from the board. (Barring any medical issues that would be considered).

It was agreed that we would continue to hold meetings at 11:30 am as we tend to get a better attendance.

The next regularly scheduled meeting is March 23, 2021.

Respectfully submitted:

Kathie Puthoff
Name

December 8, 2020
Date