



**Sioux Falls Convention & Visitors Bureau**  
**BID Board of Directors**  
**Minutes**  
**March 19, 2014**

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

<b>Presiding:</b>	Chrissy Meyer, Chair	
<b>Voting Members Present:</b>	Sara Bogdanov Reid Christopherson	Karen Masterson Mark Wahlstrom
<b>Voting Members Absent:</b>	Jan Grunewaldt Lee Howell	Mike Miller Shailesh Patel
<b>Non-Voting Members Present:</b>	Jim Entenman Teri Schmidt	
<b>Non-Voting Members Absent:</b>		
<b>Others Present:</b>	Joan Bartling Jonathan Ellis Thea Miller Ryan	Kathie Puthoff Char Roth Tracy Turbak

Chrissy Meyer called the meeting to order.

Teri Schmidt noted that technically the current BID Board Members terms were over in February. New terms take effect 20 days after the new board members have been approved by the City Council and the names are published. That approval took place last night at the City Council meeting so will now be published and new terms will then take effect in 20 days which is April 11, 2014.

**Agenda**

Today's agenda was reviewed. No formal approval could take place due to the terms stated above.

**Minutes**

Chrissy Meyer noted that the minutes from the December 18, 2013 meeting were previously emailed to Board Members and are also in today binders, however, no formal action can take place today. Approval of the December minutes will need to take place at the June meeting.

**Board Membership Update**

Teri Schmidt distributed new Board Member appointments as provided by the Mayor. Teri noted to disregard typos on the names. Julie Wilson has been notified and is making corrections.

Teri noted that Mayor Huether met with herself, Evan Nolte, and Jim Entenman to review new appointments to the BID Board. The current board members that will remain on the board are Mark Wahlstrom, Shailesh Patel and Lee Howell. The following replacements were made by the Mayor:

- James (Scott) Garrett, Holiday Inn City Centre will replace Karen Masterson.
- Jolene Matheson-Godschalk, Fairfield Inn will replace Sara Bogdanov.
- Jean Hoelsing, Ramada Hotel & Suites will replace Jan Grunewaldt.
- Char Roth, Sioux Falls CVB Advisory Council Executive Committee will replace Reid Christopherson.
- Thea Ryan, Sioux Falls CVB Advisory Council Executive Committee will replace Chrissy Meyer.
- Steve Westra, Hegg Companies will replace Mike Miller.

Mayor Huether added he will replace Jim Entenman with a City Council member in May.

Mayor Huether said a letter would be mailed out notifying current members. Tracy was asked if we can assume the new board members were approved at last night's City Council meeting. Tracy Turbak said he was not at the meeting but had not heard anything different. If so, the new board members would be official as of April 11, 2014.

Jim Entenman joined the meeting at this time.

Mark Wahlstrom asked if any mention was made of the staggered terms that the BID Board has suggested? Teri noted that the appointments were made for 3 years.

Teri extended sincere appreciation to the outgoing board members for their three years of time, effort and commitment in getting the BID board established. She presented engraved clocks to outgoing board members as a token of appreciation.

### **Financial Report**

Teri Schmidt noted that Joan Bartling, Accountant for the Chamber, has joined us for today's meeting, per request of the board at the last meeting.

The 1/31/14 financial statement is in today's binders for review. Chrissy recapped Mark Wahlstrom's comments from the December meeting noting that the numbers on the financial statement don't match up with the numbers on the BID Tax Revenue statement, etc., and asked Joan to explain.

Joan stated that the numbers don't match up because on a monthly basis, the revenue is estimated. If we go on actual numbers we would have to wait several months for a report, due to the delay in actual receipt of the revenue. The question from the Board is whether we should change prior numbers that have been submitted when actual numbers are acquired? Joan said that we do not change the numbers on financial reports that have previously been approved and closed out. She added that when amounts come in at a later date, any difference in the estimated revenue vs. the actual collections are reflected in the month in which they came in. The BID Revenue Monthly Comparison chart provided with today's financials reflects the actuals.

Mark Wahlstrom recapped that when we review the monthly financial report, we are looking at actual expenses and estimated income. So we are approving these financials as estimates? Joan said yes, you are knowingly approving them as estimated. Mark stated that he is not sure that he knew that until now.

Joan reviewed how the estimated revenues are figured. Joan explained that we use a two year historical average of the percentage of total annual BID tax collected in each month. This average monthly percentage is applied to the total annual budget approved to get the estimated amount we should be collecting during each

month of the current year. She gave the example that if the average of the amount collected in January of the last two years was 10% of the total amounts collected in those two years, then the estimated receivable/revenue for January of the current year would be 10% of the \$1,600,000 budgeted or \$160,000. The estimate is updated to actual in the month the amount for that month is received, which is approximately three months later.

Chrissy reminded that the financials are also approved by the CVB Advisory Council and the Chamber Board every month. Char Roth asked how many realize it is estimated? Joan added that she reports that at each Chamber Board meeting. Chrissy added that we will need to make it clear at CVB meetings that they are estimates.

Joan responded to Mark's request that a comparison of estimated revenue vs. actual collections can be provided.

Teri reviewed the 1/31/14 financial report line by line noting amount composition.

Teri reminded that we cannot vote to approve financials today due to terms. However expenses are running normal for this time of year, and that this is the "rev up" season in preparation for the tourism season.

### **Audit Update**

Since the last BID Board meeting, the City decided it would be doing an audit of the BID Board. Jim Entenman added that it is an internal audit committee consisting of three auditors. They review books, processes and procedures. They make recommendations based on the findings. The audit has since been completed and the preliminary draft of the auditor's recommendations has been received. The CVB is currently working on implementing procedures to comply with the recommendations.

Teri added that the BID Board will get a final audit report.

### **Review BID Activity**

Teri reported that the BID Board has received one financial request, however, we cannot take a formal vote due to terms. The request is from Jazz Fest for \$5000. Due to the time frame of the event and the next regularly scheduled meeting, we may have to do an email vote. Reid Christopherson expressed some concern at doing an email vote with new Board Members that have not yet been oriented to the board.

Teri reviewed the following:

- Spring leisure campaign is underway.
- The new visitor guide has arrived and is being delivered throughout the community.
- Expanded Sports planner coop with SSDTA.
- Event Center Video submissions. We will take the submissions and compile.
- Teri shared samples of recent advertising in travel and trade publications.
- Digital strategy numbers.
- Recent staff travel and upcoming staff travel. .
- Upcoming hostings.
- Booked, tentative and lost business.
- Upcoming Information Center Welcomes.
- Upcoming FAM tours.

### **Review of BID Collection Process**

Tracy Turbak reminded that the City operates on a calendar year and the Chamber operates on a fiscal year. Tracy noted the following:

- Entertainment tax was up 5.8% from 2012
- Lodging tax was up almost 12% from 2012
- BID tax was up about 7.7% over 2012

Tracy added that the City publishes a report on this info and it is available on the City's website.

### **Event Center Update**

Tracy Turbak reported that construction on the event center is on schedule and on budget. Tours are available for interested persons. Flooring and carpet is currently being installed. Suites are being finished. Furniture is going out for bid. Club seating will be going on sale in the near future. There will be a private club on both the South side and the North side. Exterior building signage is to begin next week.

### **Other Business**

Chrissy Meyer noted the article provided with today's information on an Omaha convention hotel that was built a decade ago to boost Omaha's convention business.

### **Announcements**

Teri Schmidt again extended thank you to the outgoing BID Board members for their time and commitment.

Meeting adjourned. The next meeting is scheduled for June 18, 2014 in the CVB Boardroom.

Respectfully submitted:

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

\_\_\_\_\_  
March 19, 2014  
Date