Shailesh Patel called the meeting to order and allowed time for self introductions. Teri Schmidt noted that we just received a message that Jolene Matheson can’t be here today. Steve Westra is out of town, Mark Wahlstrom had a work commitment come up and Lee Howell called and won’t be able to attend. Enclosures for today’s meeting are provided on the back counter for public review.

**Agenda**

Char Roth moved to approve the agenda. Second by Jean Hoesing. Unanimous. Motion passed.

Shailesh introduced Mayor Mike Huether who has requested to address the group today, and will speak early due to his time schedule.

Mayor Huether thanked the board members for their stewardship and being part of this board. He recognized both the new members and previous members in attendance today. He noted that this is an evolving group. He said when this board was set-up 4 years ago, the funding was for approximately $1 million and now it is nearly $2 million and that the power of how those funds are utilized lies in your hands (board members), along with City Council who must also approve and make any changes they deem...
necessary. The Mayor stated that “flexibility” is the word that comes to his mind, and that the board has
the flexibility to utilize those dollars to increase heads in beds, butts in booths. He encouraged the board
to discuss this now and in future meetings. The Mayor expressed disappointment that 4 of the board
members are missing today because this is a very important meeting. Because 4 board members are
missing, he would like to attend a future meeting so that he can address the entire group. He noted that
flexibility is written into the bylaws. The Mayor said a good job has been done in branding the city. He
encouraged the board to think outside the box... What can we do to get PheasantFest or some of those
other groups and conventions? The Mayor noted he is not talking about buildings and infrastructure, but
rather just thinking out of the box. One of the things the Mayor said he discussed with each of the board
members was thinking out of the box and that is why he appointed these members here to this board.
Shailesh stated that the board has been and does look at things out of the box and reviews items that are
brought to the table. Shailesh thanked the Mayor for attending. Mayor Huether left the meeting.

**Proposed 2014-2015 Budget**

Teri Schmidt noted that the BID Budget Summary and the BID Budget Detail are in the binders.

Teri distributed two handouts she found late yesterday regarding websites and social media and the
importance of them in sales and marketing today.

Teri noted that in reviewing the detail of the budget, she will not review every line item, but urged the
board to ask questions. When putting the budget together we have worked to take sales and marketing
to a higher more competitive level.

- We are “guess-timating” that we will bring in $1.7 million in revenue next year. This might be a
  little conservative. For this current budget year we expect to end at $1.712 million.
- BID Allocation—as we had agreed to in the past, this amount is 75%. Rex Rolfeing noted that the
total administrative costs must total approximately $1 then. Tracy Turbak asked Teri to explain
how the remaining 25% is funded. Teri explained about the room tax which is expected to total
$771,000 this year, and covers the 25%.
- Teri noted that all the line items that are blank are the expenses that are budgeted in the CVB
budget.
- Digital Strategy—Teri reviewed by line item. She reminded that at the last meeting the board
requested we contact two other companies for bids for the website redesign, which we will
discuss later, but for now we have Click Rain listed in this section for reference. Teri reviewed
additional digital strategy line items.

Discussion then went back to Website. Teri again reviewed the board’s request to get RFP’s from Blend
Interactive and 441 (Interactive). The CVB contacted these companies and they each declined to submit
a proposal, indicating that Click Rain is the expert in this area and/or that the timeline was not workable.

Teri explained that the CVB website is 3 years old now and by the time we implement a new one, it will be
3 ½ years old. There is much more we can do on websites now. We want the site to be more
responsive, more imagery, more video, more story capabilities. Instagram will be added, as well as a
booking widget. The money for the booking widget does not go to Click Rain but rather to the booking
widget company directly. This booking ability would be at no cost to the hotels.
Jean Hoesing asked if this is the total cost or ½ total cost of the web redesign. Teri stated this is ½ total cost. We are proposing that this 2014-2015 budget pay for ½ cost of website and that we use the current budget to pay for ½ cost start-up retainer fee due based on the $1.712 million expected revenue.

- Teri explained the difference between BID Incentives & BID Requirements.
- BID Opportunity Fund, $50,000—this is the fund that former City Councilman Jim Entenman requested and that the previous BID board voted to add as a line item to the budget for opportunities that may come up throughout the year that we would not otherwise be able to do.

If we don’t use the BID Opportunity $50,000 this year, do we want it to roll into next year? Scott Garrett asked is this really a reserve then? Joan Bartling said you can call it whatever you want. Tracy Turbak stated that if it is in the budget in a line item, then it is accessible funds. If it is included in reserves, it is more difficult to access. Tracy added that $50,000 is a very small amount of the $1.7 million budget, so we could easily increase that amount. Teri reminded that we won’t really know where we are sitting until January when all of the BID tax for the year is collected and the year-end financials are completed. It was unanimous agreement that the $50,000 was a very small amount of the annual budget. Rex Rolfing suggested that we put a small amount each year into that line item. Jean Hoesing proposed we take $10,000-$15,000 out now, and whatever the budget excess we have, we can add to it and work up to $100,000. Shailesh asked about the $10,000 from the SD-Advertising—New Ops line item—can we use that too? Teri Schmidt asked if we could take $5,000 from that line item?

Jean Hoesing noted the $107,000 increase in the advertising category from last year and wondered if we can take $5000 from advertising.

Scott Garrett made a motion that we take $5000 from Trade Pubs and $5000 from Miscellaneous New Opportunities and add that total of $10,000 to the BID Opportunity Fund, thus changing that line item from $50,000 to $60,000. Char Roth seconded the motion.

Teri Schmidt clarified that if we have an opportunity that comes up during the year, we go to that $60,000 and can use those monies. Thea Miller Ryan asked if we don’t spend the $50,000 in the BID Opportunity fund, can we carry it over? Also, will next year’s budget begin with $50,000 or $100,000? Teri Schmidt stated that we have a motion on the floor, which, if approved, the budget would begin with $60,000. Jean Housing asked if we would still vote on how the BID Opportunity money would be spent at the time the money was needed. Teri restated that we would call a special meeting to spend the $60,000? All were in agreement.

Thea Miller Ryan noted that she would hate to pull funds from advertising and questioned if we can designate any extra revenue at the end of the year to the BID Opportunity Fund? Jan Grunewaldt asked if that gives viewers of the budget a perception that the BID Opportunity Fund line item is a “slush fund” as opposed to earmarked money? Teri reminded that this board has to approve the use of money in the BID Opportunity Fund line item. Jan reminded that many sales opportunities are so short notice, which is different from the past. Money has to be readily available today.

Shailesh stated the motion is on the table. The motion includes if there is remaining money in the budget at the end of the year, it will be moved to the BID Opportunity Fund. This motion had unanimous approval. Motion carried.

Teri continued review of the budget:
• Trade Shows—some have been cut. We are looking closely at ROI to determine those remaining in the budget.

Shailesh Patel asked if we can get a copy of last year's detailed budget so we can compare last year to this year. Perhaps both projections and year-end too would be good. Teri and Joan Bartling said yes we can provide those.

Thea Miller Ryan made a motion to approve the budget with the changes discussed today. Scott Garrett seconded the motion. Unanimous approval. Motion carried.

**Other Business**

Teri added that earlier today she gave the update on the website companies as requested and it's necessary for us to now determine if we can move forward. Jean Hoesing asked if the money there. Teri said that we are projecting it as so. Scott Garrett said he thinks due diligence has been done by soliciting 2 agencies. Scott Garrett moved that we approve Click Rain as the agency for the website redesign. Thea Miller Ryan seconded the motion. Unanimous. Motion carried.

Teri Schmidt noted that the next scheduled meeting is September 17, 2014. Teri will be traveling that week for business (Sept 15-22) and requested to move the meeting date. Rex Rolfing stated he is out after Sept 6th for the rest of the month. It was decided that the next meeting will be rescheduled for September 9, 2014 at 7:30am.

There being no further business, the meeting was adjourned.

The next regular meeting is scheduled for September 9, 2014, 7:30 am in the CVB Boardroom.

Respectfully submitted:

_________________  ____________
Name                Date

Kathie Puthoff      July 31, 2014