



**Sioux Falls Convention & Visitors Bureau
 BID Board of Directors – Special Meeting
 and
 Convention & Visitors Bureau Executive Committee – Special Meeting
 Minutes
 July 21, 2017
 Sioux Falls Convention & Visitors Bureau Board Room**

Presiding:	Thea Miller Ryan
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Voting Members Present:	Scott Garrett Sara McMahon Tom Morris	Paul Schiller Jennier Seifert-Brenna
Voting Members Absent:	Jean Hoelsing Tracy Kolb	Usha Parmar
Non-Voting Members Present:	Daren Ketchum Rex Rolfing	Teri Schmidt
Non-Voting Members Absent:		
Others Present:	Matt Brunick Frank Gurnick (via phone) Paul Hegg Ted Hilleson	Krista Orsack Kathie Puthoff Dan Radigan Steve Westra

Chair Thea Miller Ryan called the meeting to order.

Approval of Agenda

Sara McMahon moved to approve the regular agenda. Second by Jennifer Seifert-Brenna. Unanimous approval.

A copy of today’s agenda and meeting enclosures are provided on the back counter.

Proposed 2017--2018 Budget

Teri Schmidt reviewed the proposed 2017-2018 BID Budget.

Rex Rolfing asked if budget included a housing bureau for conventions and sporting events. Teri said it was not budgeted and explained it was not cost effective. Discussion followed and all agreed there was no need to proceed with housing.

Teri reviewed the line item “Bidding Investments” noting that the funding listed for individual groups was previously committed to and we should honor those commitments. All agreed. Teri reminded the line item for BID Opportunity Fund is not included, per the board’s vote at the last BID Board meeting. (If the upcoming strategic planning process directs otherwise, discussion will be held.)

Teri stated we are seeking approval from the BID Board on the proposed BID Budget. She added that the budget must also be approved by the following:

- CVB Executive Committee
- Chamber Executive Committee
- Chamber Board of Directors
- City Council

Daren Ketchum asked if reserves are budgeted in the 2017-18 budget. Teri said no, and discussion followed regarding the need for reserves. Teri added that revenue is currently \$45,000 under budget as of June 30; expenses are \$54,000 net. We don't have July income yet, and won't know year end numbers until possibly December when all revenue has been received.

Scott Garrett mentioned that Rapid City had a BID meeting yesterday. Jim Hagen was present. They discussed the idea of a percentage-based BID tax instead of \$2. Scott reminded that with the BID tax as it is, there is no inflation built in. Steve Westra added that although Rapid City is looking at the possibility of a percentage, there are three BIDs in that area including Box Elder. Airbnb is a big factor in Rapid City and in the Hills.

Paul Schiller asked the process of changing to a percentage tax. Steve stated it would take a change in legislation. He added that downtown Sioux Falls already has a 14% tax on hotels—one of the most expensive anywhere for hospitality.

Scott Garrett requested we do a survey on taxes of competitive cities and have that information available for the next meeting.

Daren Ketchum asked about the window for the strategic planning process. Teri stated it would kick-off in December.

Teri added that she has been told Rapid City is moving forward to again try to pass legislation changing BIDs to a percentage basis. Daren stated that maybe we need to get in touch with Jim David. Teri stated that the first step would be to get as many hotel owners together as possible in order to determine whether or not there's support to go to a percentage rather than the flat \$2 fee. Steve added that we don't want to outprice ourselves...from a tax standpoint.

Thea recapped that Teri will work on gathering the information Scott requested regarding taxes of competitive cities. Secondly we will look at building up the reserves.

Sara McMahon moved to approve the budget as written. Second by Tom Morris. Unanimous approval.

New Business

There was no new business.

Adjournment

Paul Schiller moved to adjourn the meeting. Second by Jennifer Seifert-Brenna. Unanimous.

Meeting was adjourned.

Respectfully submitted:

Kathie Puthoff
Name

July 21, 2017
Date