Sioux Falls Convention & Visitors Bureau
BID Board of Directors
Minutes
June 19, 2018
Sioux Falls Convention & Visitors Bureau Board Room

Presiding: Thea Miller Ryan, Chair

Voting Members Present: Scott Garrett
Jean Hoesing
Tracy Kolb
Sara McMahon
Paul Schiller

Voting Members Absent: Tom Morris
Usha Parmar

Non-Voting Members Present: T.J. Nelson
Teri Schmidt

Non-Voting Members Absent:

Others Present: Jason Ball
Janet Brekke
Ted Hilleson
Alex LeBlanc
Krista Orsack
Kathie Puthoff

Chair Thea Miller Ryan called the meeting to order.

Approval of Agenda
Sara McMahon moved to approve the agenda. Second by Jean Hoesing. Unanimous approval.

As is required in the bylaws, there is a copy of today’s handouts available on the back counter.

Teri extended welcome to T.J. Nelson, new City Liaison to the board and Janet Brekke, new City Council representative appointed to the board.

Approval of Minutes
Jean Hoesing motioned to approve the December 17, 2017 minutes and the March 20, 2018 minutes. Second by Scott Garrett. Unanimous approval.

Financial Report
Teri Schmidt reviewed the BID tax collection report noting that YTD BID tax revenue is down $11,133. Room tax continues to be down as well. This is a common situation regionally, with the exception of Rochester, Minnesota. We are uncertain as to why revenues are down. Possible scenarios include online shopping, lagging ag economy, a tough cold winter, etc. Visitor numbers at Falls Park picked up in June, but we have no way of knowing if this will translate into room nights.
Teri reviewed the process that bid tax and room tax collections go through before they arrive to the CVB, thus explaining how the lag time makes accurate budgeting difficult.

Teri also reported on an issue recently discovered by the Department of Revenue in which several restaurants erroneously reported their tax as room tax and had been doing so since 2015. Approximately $224,000 was given to the CVB in error, and now they are stating that it must be repaid by June 18, 2018. We’ve asked for a payment plan, and at this point still owe approximately $150,000. They are withholding our current room tax revenues until this has been paid. Teri reminded that this money does not come from the BID side of the budget, so it doesn’t affect this board, but wanted to make everyone aware of the situation.

Paul Schiller asked what the Department of Tourism is saying regarding tourism. Teri noted that tourism says things are looking good, and that goes for Sioux Falls as well, but uncertain how that, again, translates to room nights.

Teri reviewed the May financial report by line item. She noted that we currently have over $776,000 remaining and left to spend this budget year. We are projecting it will be spent, but are also somewhat holding back to see how the summer goes regarding revenues.

Scott Garrett added that unless we get our revenues based on something scaled, we are going to see revenues go down. Teri explained that it’s a matter of whether we go to a percentage on the hotel rooms rather than a flat $2 per room per night. Rapid City tried to get a percentage-based fee passed through legislature this past January, however it didn’t pass. Scott reminded that when we did the survey of other markets, we saw that many of those markets had percentages rather than a flat fee. Teri said that she would speak to Julie Jensen in Rapid City and see if they are planning to make a push again regarding the change to percentage-based tax. Janet Brekke stated that if we let the legislature know it’s not an increase in tax, but rather a reconfiguration to make us more competitive, they may be more open to it.

Thea Miller Ryan noted that perhaps the gubernatorial candidates need to know about the Department of Revenue issue as well.

Sara McMahon motioned to approve the financial report. Second by Paul Schiller. Unanimous approval.

2019 Meeting Dates
Sara McMahon moved to change the meeting dates in 2019 from the 3rd Tuesday of the month to the 4th Tuesday of the month to allow for a complete financial report to be available for the meetings. Second by Tracy Kolb. Unanimous approval. The approved 2019 meeting dates will be:

- March 26, 2019
- June 25, 2019
- September 24, 2019
- December 10, 2019

BID Activity
Teri distributed a copy of Mayor TenHaken’s Resolution regarding newly appointed board members. Steve Westra, Hegg Companies, will complete the vacated seat of Jennifer Seifert-Brenna. New City Councilwoman Janet Brekke will replace Rex Rolfing on the board. These appointments become effective July 6, 2018.

Teri also distributed an updated BID Board Members sheet which included the new appointments.
Teri reported on the following:

- The CVB is currently in the process of writing next year’s budget. When complete we will meet with the Bid Board to seek approval.
- Teri introduced Alex LeBlanc, new CVB Director of Sales.
- Paul Schiller asked about the challenges with receiving revenues from the government in a timely manner and asked if it was a statewide issue. Teri noted we have tried for changes in the past but weren’t successful. Paul suggested it might be time to talk to the incoming Governor to make sure they are conscious of it.
- Visitor Guide requests YTD are up by over 10,000 requests.
- Online visitor guide views are up 9700 YTD.
- Falls Park visitor numbers through May are down by 10,454. However, June is looking strong.
- Summer rest stop welcomes: Valley Springs – July 20; Sturgis Bikers Welcome at Valley Springs – August 3.
- We are moving forward on a booking policy discussion with the Sioux Falls Convention Center and are hopeful that citywide business will take priority to garner the most citywide room night sales. We are also working with them on a booking calendar so we can see available dates when trying to book business.
- Teri reviewed new, booked, tentative and lost business since our last meeting.
- Teri also reviewed recent CVB site visits, FAMS, travel writer hostings, trade and travel show activity.
- Teri recognized Thea Miller Ryan for writing an article for Delta Sky Magazine on behalf of Sioux Falls.
- Teri reviewed servicing numbers since we last met.
- The strategic plan is progressing. When complete we have an entire roll-out plan.

Krista Orsack reviewed overall marketing activities including an overview of all campaigns, metrics, etc.

Paul Schiller spoke on arts in the community and future happenings.

**Other Business**

There was no other business.

**Public Comments**

There were no public comments.

**Adjournment**

Sara McMahon moved to adjourn the meeting. Second by Tracy Kolb. Meeting Adjourned.

Respectfully submitted:

[Signature]

Kathie Puthoff

June 19, 2018

Name

Date