

Minutes of the Board of Directors
Visit Fargo-Moorhead
Wednesday, September 16, 2026

Members Present: Doug Peters, Scott Anderson(remote), Clare Hughes, Sean Brandenburg, Emily Nielsen, Kimberly Bush, Casey Sanders-Berglund, Nicole Steen Dutton (remote)

Others Present: Shirley Hughes, Rachel Williams. For Convention Center Conversation Only: Mike Allmendinger

- Chair Doug Peters called the meeting to order.
- A motion was made by Kimberly, seconded by Emily, and passed approving the August Minutes.
- Financial Update:
 - Rachel gave an update on the financials by introducing a new dashboard that shows revenue and expenses YOY for both Operating and Capital budgets. The board reviewed and asked a few questions about where we are at. Rachel explained that while we look down YOY for July – we have not received all of our payments from the hotels as it takes 2 -3 months to receive all funds due to normal reporting and payment cycles. We are though up YOY and currently have a \$200 surplus in operating due to over delivery on lodging tax as we are up YOY according to our STR reports. Some of that coming from demand, some coming from increased ADR – depending up on the week. Also our expenses often don't hit in the months that we forecast – could be earlier or later, or reallocated.
 - We currently have a 10k surplus in Capital. If we end up with a surplus a the end of the year that will go into our reserves and can be used for next year or stay as we need for our overall reserves which are set aside for if needed for under delivery OR if we want to invest – eg people, convention center, or investment in bid fees for new events, etc.
 - Shirley and Rachel presented the 2027 budget, which have forecasted at 1% down YOY for revenue and have presented basically a flat budget to that revenue target. They shared the strategy around that budget build as the growth from 2026 was so large YOY from 2025, it is doubtful that we would have another year with 7% growth again (where we are trending now), thus why we forecasted down.
 - For our 2027 operating the changes are in a few places: we have taken down our investment in a couple of tradeshow across sport and international – to move to a every other year rotation on the expensive ones. Our biggest uptick in expense is people as we will have two new headcount (convention sales and marketing) vs beginning of 2026 AND we have one extra pay period in 2027. We also are spending some additional dollars in marketing for outside

support due to two of our three team members being out on maternity through late spring.

- In Capital we outlined that we have money for needed updates to our building including new entry doors for the front (ours don't work properly especially in winter and locks – which are a safety concern) ADA additions for the bathrooms, reimagination of the space for future growth and potential/anticipated growth of the Board due to the Convention Center thus larger Board room needed.
- After discussion the board called for a motion to approve the budget as presented – Clare made the motion, Kira approved. Was then approved unanimously by all. Shirley shared that they will be presenting to Fargo City staff on Monday as well as the Mayor. In addition, Commissioner Peterson has asked for a detailed walk through which will happen on Tuesday. Shirley will offer to the other commissioners as well.
- Mike Allmendinger joined us from Kilbourne to update the Board on his discussions with the City re the Convention Center. He talked through their process and then there was discussion on the budget for the CC based upon the bonding of the 3% lodging tax that will commence upon a deal being signed. Discussion was also held on if Visit FM raises its hand to operate, his POV on potential terms, deal structure and where the budget for operating subsidy and Cap Ex would come from. Mike also shared that upon an approved TERM Sheet the city will be willing to start collecting the additional 3% tax.
 - Shirley also updated the board in this section of the meeting updates on the team's research into other city models with DMOs who run their CCs. WE spoke to Rochester, MN, Akron, OH and Little Rock, AK
 - Rochester uses a third party – Legends Global for operations. Their building includes the Convention Center and auditorium and a Civic Center and has over 200,000 square feet. The DMO handles all sales and marketing. Their budget is a combination of lodging tax and other sources that they City gives them dollars from. They typically lose about \$1-1.2million a year for their facility, that and the DMO is responsible for coverage of that with their budget. The city has recently asked them to operate another city-owned venue due to the success of their operations of the Mayo Center.
 - Akron – has built the entire team in house, not using a third party. They typically use \$2-2.5 million a year for the facility that is 123,000 square feet. They too run two other city-owned facilities due to the success of the model. Their funding includes multiple sources including a prepared food tax that they get a portion of.
 - Little Rock – has also built the entire team in house and they too also run other city facilities. Their space is about 180,000

square feet. Their sourcing is from lodging tax, a prepared food tax and a couple of other city sources. She did not share what they typically lose in a year, but they absorb all in their budgets.

- The conversation also referenced the HVS study which for a 68k square foot space that assumed a \$500k loss, so this all seems to fall in line with their assumptions as well as what VenueWorks (the proposed third party in Kilbourne's presentation) forecasted. That however was assuming paying the third-party fees and no other commercialization. Shirley mentioned we are building ideas around potential additional commercialization such as: rev share with the City on parking from attendees, naming rights/advertising in building, food cart licenses, out of house catering, rental car tax revenue and more.
 - After a lengthy discussion the Board approved the continue to have conversations with the City for Visit FM to enter into an agreement to operate the center. They were particularly interested in moving this along quickly due to the loss of not yet being able to collect the additional 3% on a year where lodging tax is growing – missing out on potential additional dollars. Shirley will reach out to the City attorneys to set a meeting asap to continue discussions. Mike then left the meeting
- Fargo City Commission Update: Shirley, Clare and Emily then gave an update on all of the conversations happening around the Finance Committee with the city and the meetings that have been had with the City Commissioners to explain how our budgets work, especially the 1% that Commissioner Peterson has mentioned using for other needs (DOME, RedHawks, Convention Center) Shirley and the Exec team have reiterated to the Commissioners the commitment of the Board to invest in the Convention Center and reiterate that if those dollars are reallocated that will affect our ability to have dollars for subsidy for the CC (per conversation above) and/or to be able to sell the space due to lack of dollars for bid fees that are required by some events. Conversations will continue with the City per the earlier conversation, next week.
- Chamber Discovery Session: Shirley gave an update on the Chamber Discovery Session that was held the week prior. Emily and Clare also attended as representatives from the Board. The Chamber had three communities – Spartanburg, SC, Conway, AK and Myrtle Beach present their collective organizational models. In Spartanburg the Chamber exec runs it all. In Conway and Myrtle Beach they all run side by side but under one umbrella. The impression from the meeting from everyone's POV is that the Chamber has a desire to bring us, and the EDC all under one roof, which we are extremely opposed to. There wasn't any insight in the "room" at the event as to "what we are trying to solve", and while there was discussion, there wasn't any clear next steps from the Chamber at least as of

yet. Shirley shared her POV that the EDC and the Chamber's relationship is fractured and we are getting lumped into it a bit. In addition, the community leaders in the room do NOT have an understanding of how Visit FM works, our economic impact and the huge difference in what we do. We work with both the EDC and Chamber on projects, but we need to remain independent – especially in this new era with a Convention Center. Shirley has shared that we are going to be doing more proactive PR re our Corporate Profile as an organization – the region's Tourism experts, our economic impact via data to the larger community, her as the CEO and vast business experience not just in Tourism, our leadership team and Board. She is talking to an agency to help with these efforts, especially with Danni going out on maternity leave. She will report back to the Board what next step are for both PR and if the Chamber has a desire to have more conversations.

- Due to extended discussion on other topics, we did not have time to get an update on the RRVF Capital Grant or Strategic Planning. Shirley will update all via email in the next coming weeks on both
- Emily made a motion to adjourn the meeting, James second.

The next REGULAR Board Meeting will be on October 28, 2026 at the The Loop (new Moorhead Library). There will be a Teams Link, as well.