

RAPID CITY HOTEL
BUSINESS IMPROVEMENT DISTRICT

MINUTES FOR THE BOARD OF DIRECTORS MEETING

THURSDAY, February 17, 2022

11:00 a.m. – 12:00 p.m.

The Journey Museum & Learning Center

PRESENT

VOTING MEMBERS

D. Dathe
G. Fawbush
K. Houk
L. Steffens
L. Montague
W. Lampert

NON-VOTING LIAISONS

S. Granum
J. Salamun

ABSENT

VOTING MEMBERS

S. Hull

NON-VOTING LIAISONS

Mayor Allender
K. Buntrock

VRC STAFF: Carol Bancroft, Ally Formanek, Dani Benne, Tyson Steiger

Call to Order

W. Lampert called the BID Board meeting to order at 11:00 a.m. at The Journey Museum & Learning Center.

Approval of Agenda

L. Montague made a motion to approve the agenda as submitted. D. Dathe seconded motion. Motion carried.

Approval of Minutes

D. Dathe made a motion to approve the October minutes as submitted. G. Fawbush seconded the motion. Motion carried.

G. Fawbush made a motion to approve the December minutes as submitted. D. Dathe seconded the motion. Motion carried.

Finance Report

C. Bancroft shared the Cash Memo indicating the cash position as of January 31, 2022, was \$411,495. The VRC Checking Account balance was \$365,664, the SBA/COVID Checking Account balance was \$5,009, the VRC Events Checking Account balance was \$40,822 of which \$22,420 was VRC funds and \$18,402 was Officials funds. Board Restricted Reserves remain constant at \$200,000. Board Unrestricted Reserves total \$2,391,761 with \$500,000 allocated to FY22 Budget and \$600,000 to incremental expenses as approved by the VRC Finance Committee. Bancroft reminded the Board of VRC's strategy of keeping approximately 50% of annual revenue in Unrestricted Reserves to continue sales and marketing efforts in the case of another black swan event.

Bancroft reported on the Profit and Loss Report as of the end of December 2021, VRC income was over budget at 163% (\$1,328,452), which includes PPP funding. VRC expenses were over budget at 130% (\$618,988) by design in order to draw down funds from the Board Unrestricted Reserves. The \$618,988 is comprised of expenditures made through the incremental operating budget.

Bancroft reported on the Profit and Loss Report as of the end of January 2022, VRC income was over budget at 120% (\$33,169). VRC expenses were under budget at 92% (-\$26,027). Bancroft shared incurred costs associated with the President/CEO search thus far in 2022 total \$16,195. The cost of the President/CEO's salary and benefits are not included as the position is still vacant. Agency marketing is over budget by 39% (\$46,070) due to the timing of incoming invoices. In-house sales and marketing efforts are under budget by \$63,625 also due to the timing of incoming invoices.

Bancroft shared the Dashboard, which compares the year 2021 to January-February 2020 (pre-pandemic) and March-December 2019. BBB income saw an increase of 21.58% (\$221,144) through the month of November. The BID income also saw an increase of 12.70% (\$197,514) through the month of December. Bancroft explained the drivers behind the increase in Occupancy, ADR, and Demand were the hosting of large meetings/conventions & sporting events such as the LNI Basketball Tournament, Lakota Nation Educational Conference, and SD Cattleman's Association.

G. Fawbush made a motion to approve the Finance Report as submitted. D. Dathe seconded motion. Motion carried.

Board Business

Winner Partners Search Update

Lampert reported Winner Partners received 159 applications for the President/CEO position, which has been narrowed down to 2 final candidates. The final candidates recently took part in community presentations and stakeholder meetings. An official announcement as to who VRC's next President/CEO will be will take place within the next 2 weeks.

President's Report

Legislation Update

S. Granum provided an update on bills before the House and Senate including the addition of the Custer State Park campground, new Rapid City shooting range, Mickelson Trail connection to Mt. Rushmore, and electric vehicle charging infrastructure. Granum reported the Custer State Park campground bill has officially died and will not move forward. She shared the funding for electric vehicle charging infrastructure will be allocated by the State's Department of Transportation.

Ellsworth Air Show

Granum shared VRC is working closely with Ellsworth Air Force Base and SD Department of Tourism to promote the Air Show taking place on May 14-15. Staff will be present at the event gathering content.

Sports Authority

Granum shared meetings have taken place involving Dave Dolan and Domico Rodriguez regarding the creation of a sports authority organization for Rapid City. Future vision funding may be applied for.

Admin & SMarketing Presentations

A. Formanek provided an Admin recap of 2021 as well as strategic plan for 2022. Formanek provided an overview of the roles within the Admin department including CFO/COO and Director of Operations. In 2021, the team saw growth with the addition of 3 employees, 2 promotions, and the expansion of roles. Formanek reported through November 2021, BBB and BID revenue saw increases over the record year 2019 of 21.58% and 12.36% respectively. VRC's partnership program

generated over \$30,000 in additional revenue and \$363,000 was received in PPP loans, which were converted to grants. In-house operations shifted with the creation and continuation of policies regarding business travel bookings, the Crisis Management Team, and talent development program. Objectives and measurable goals for 2022 include consistent documentation of procedures across all roles, implementation of merchandise sales, onboarding of the new President/CEO, office space lease negotiations, regional compensation and benefits survey, and employee retention.

D. Benne provided an overview of the roles within the Marketing department including Director of Marketing, Marketing Manager, Social Media & Content Manager, and Marketing Specialist. 2021's leisure campaign saw over 44 million impressions with a CPE (cost per engagement) of \$0.06. 2021 public relations efforts resulted in mentions in publications such as USA Today and PopSugar. Benne reported on statistics in relating to social media, email marketing, the VisitRapidCity.com website. She shared VRC's leisure and groups campaigns were launched in January vs March 2022 to expand visitation to off-season months. Visitors will be targeted nationally, as well as when they arrive in the Black Hills. Amazing Rush Season 6 will take place in November 2022. Benne shared upcoming partnerships, content projects, and initiatives.

T. Steiger provided an overview of the roles within the Sales Department including Director of Sales, Sales Manager, Destination Manager, and Destination Specialist. Steiger reported over \$14 million was generated in economic impact for Rapid City in 2021 through hosted meetings and conventions, while sports and events generated slightly under \$5 million. He shared the economic impact figure relating to sports and events did not include Rapid City's annual events, such as Black Hills Powwow. 104 groups were serviced in 2021, which was higher than 2019. Steiger shared 2022 goals and initiatives for the Sales team including booked business, tradeshow, site visits, and education opportunities. Booked group business for 2022 includes Solution Mining Research Institute, National Speleological Society, Commercial Vehicle Safety Alliance, etc.

City of Rapid City Report

J. Salamun reported on projects receiving vision funds including Sioux Park tennis courts, Dinosaur Park, Central States Fairgrounds, and Main Street Square.

A discussion began regarding the growth of Rapid City, including the development of Block 5.

Other Business

N/A

Adjournment

There being no further business to come before the Board, L. Steffens moved to adjourn at 12:05 p.m. L. Montague seconded the motion. Motion carried. Meeting adjourned.

Respectfully submitted,
Ally Formanek, Director of Operations
Visit Rapid City