

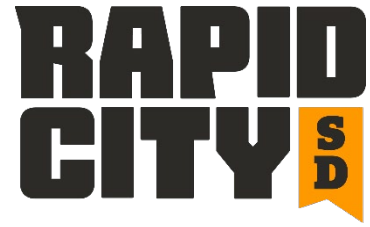
Visit Rapid City
Board of Directors Meeting
Combined with the Hotel BID Board of Directors

The Monument, Room 207

444 N Mt Rushmore Road

Thursday, February 8, 2023

10:30AM – 11:30AM



Call to Order

Robin Zebroski

Consent Agenda

Robin Zebroski

- 1) Meeting Agenda
- 2) December 2023 Meeting Minutes
- 3) Financial Statements
 - a. December 2023

New Business

Brook Kaufman

- 1) Childcare Discussion
- 2) Legislative Update
 - a. HB 1149
 - b. SB 134
 - c. Others
- 3) Visitor Center

Alan Solano

Jasper Daigel

Other Business

Adjourn

Robin Zebroski



MINUTES FOR THE BOARD OF DIRECTORS MEETING

Tuesday, December 14, 2023

9:00 a.m. – 10:00 a.m.

The Monument

Combined with **Hotel BID Board of Directors Meeting**

VRC BOARD OF DIRECTORS

PRESENT

C. Johnson
J. Scheitler
K. Cook
K. Buntrock
M. Derby
R. Zebroski
S. Landguth
T. Johnson
W. Lampert

ABSENT

L. Montague
M. Pawelski
P. Dame
S. Dowling

NON-VOTING MEMBERS

J. Brockelsby
M. Thomson
J. Kraemer

NON-VOTING MEMBERS

L. Lehmann
Mayor Jason Salamun
R. Jeffries
J. Biegler

HOTEL BID BOARD OF DIRECTORS

PRESENT

L. Steffens
S. Hull
W. Lampert

ABSENT

G. Fawbush
L. Montague

NON-VOTING MEMBERS

K. Buntrock
B. Kaufman

NON-VOTING MEMBERS

Mayor Jason Salamun
L. Lehmann

VRC STAFF – Brook Kaufman, Domico Rodriguez, Tyson Steiger, Cody Wiseman, Kelsy Peterson, Shelby Solano, Laurie Sutterer

Call to Order

K. Buntrock called the meeting to order at 9:00 a.m. at The Monument.

Consent Agenda

W. Lampert made a motion to approve the consent agenda including the meeting agenda, October VRC/BID meeting minutes, and October/November 2023 financials. L. Steffens seconded motion. Motion carried.

Board Business

2024 Budget Review and Approval

B. Kaufman reviewed top initiatives of 2023 including HB 1109, stewardship, DMAP accreditation, new brand/website, trolley acquisition, launch of Certified Tourism Ambassador (CTA) program, clean 2020, 2021, 2022 audits, Rapid City Sports Commission (RCSC), record year for meetings business, historic number of visitors served in office, and notable public relations efforts.

Kaufman shared the proposed 2024 budget. The most significant funding sources remain BBB and BID tax revenues. Additional funding includes grant funding, trolley ticket sales, RCSC funding, investments, and marketing fees. Total projected revenue totals \$3,318,480. She reported expenses as a percentage of budget: Admin (12%), Marketing (27%), CTA (6%), RCSC (15%), Sales/Service (23%), Advocacy/PR (9%), Trolley (8%). 31% of total revenue will be allocated to staff salaries, benefits, and taxes. Kaufman explained a one-time funds request of \$275,000 to invest in additional digital media, TripAdvisor digital advertising, and a possible visitor center expansion.

Motion made by T. Johnson, seconded by S. Landguth, to approve the 2024 budget as proposed. Motion carried.

Annual Meeting

Proposed depositories for approval were presented including all financial institutions in Rapid City. Motion made by L. Steffens, seconded by S. Hull, to approve the proposed depositories. Motion carried.

The nominating committee presented the following slate of officers for election to the Visit Rapid City Executive Committee for 2024:

- Robin Zebroski – Chair
- Tim Johnson – Vice Chair
- Scott Landguth – Secretary/Treasurer
- Kelly Buntrock – Past Chair

Motion made by W. Lampert, seconded by K. Cook, to approve the slate of officers as presented to the Visit Rapid City Executive Committee for 2024. Motion carried.

The nominating committee presented the following slate of officers for election to the BID Board Executive Committee for 2024:

- Logan Steffens – Chair
- Stacie Hull – Vice Chair
- Wade Lampert – Secretary/Treasurer

Motion made by M. Derby, seconded by K. Cook, to approve the slate of officers as presented to the BID Board Executive Committee for 2024. Motion carried.

Proposed approved signatories were presented including:

- Robin Zebroski – VRC Board Chair
- Tim Johnson – VRC Board Vice Chair
- Logan Steffens – BID Board Chair
- Brook Kaufman – CEO

- Kelly Buntrock – VRC Board Past Chair

Motion made by S. Hull, seconded by T. Johnson, to approve the proposed signatories as presented. Motion carried.

Conflict of Interest Forms

Kaufman shared each board member would receive their conflict of interest form via DocuSign following the board meeting.

Board Member Acknowledgement

Kaufman recognized P. Dame's years of service to the board as his term expires at the end of December 2023. She also recognized K. Buntrock's years of service as the VRC Board Chair for the years 2022 and 2023.

Board Constitution

Kaufman reported Davis Dathe and Katie Houk have both resigned from the BID Board. Potential new board members include Jami Battochio, Chris Bros Hospitality, and Jennifer Seifert-Brenna, Lloyd Companies.

Kaufman shared the board meeting attendance policy will be enforced for 2024. Board members are allowed no more than 3 unexcused meeting absences throughout the calendar year.

Ex-Officio Reports

Black Hills & Badlands Tourism Association

M. Thomson reminded the board of the Visitor Industry Alliance raffle taking place at the SD Tourism Conference in January. She encouraged board members to donate items if interested.

SD Tourism Advisory Board

J. Brockelsby shared tourism award winners have been chosen. Awards will be given at the evening gala during the SD Tourism Conference.

Brockelsby reported the Badlands National Park Conservancy has hired an Executive Director, who will begin January 1, 2024.

Ellsworth Authority

S. Landguth reported construction of facilities and planes is on schedule. The first plane should arrive in Rapid City in 2027.

Legislative Update

M. Derby reported session begins January 9, 2024.

Adjournment

Meeting adjourned at 9:35 a.m.

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

**Visit Rapid City
Balance Sheet
As of December 31, 2023**

	Total
ASSETS	
Current Assets	
Bank Accounts	
1000 VRC Checking	383,495.63
1005 RCSC Checking	7,870.84
1010 VRC Events Checking	19,188.18
1100 VRC Savings	213,147.12
1101 Restricted VRC Savings	625,000.00
1150 Cash Drawer	500.00
Total Cash	1,249,201.77
1600 FIWM Portfolio	1,566,489.29
Total Bank Accounts	2,815,691.06
Accounts Receivable	
1400 Accounts Receivable	410,283.61 *
Total Accounts Receivable	410,283.61
Other Current Assets	
1300 Prepaid Insurance	6,512.65
1700 Merchandise Inventory	1,930.90
Total Other Current Assets	8,443.55
Total Current Assets	3,234,418.22
Fixed Assets	
1500 Furniture and Equipment	139,822.23
1501 Accumulated Depreciation	(74,775.88)
1502 Leasehold Improvements	29,000.00
1503 Right of Use Asset - Finance Lease	26,627.00 *
1504 Accumulated Amortization - Right of Use Asset	(17,041.00) *
1505 Right of Use Asset-Operating Lease	65,723.00 *
Total Fixed Assets	169,355.35
TOTAL ASSETS	3,403,773.57
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	86,111.53
Total Accounts Payable	86,111.53
Credit Cards	
2300 Corporate MasterCard	317.61
2310 Divvy Credit Card	8,620.72
Total Credit Cards	8,938.33
Other Current Liabilities	
2400 Payroll Liabilities	-
2401 Medical	3,433.20
2402 Dental	351.24
2405 Companion Life Vision	131.02
2406 AFLAC Pre-Tax	309.94
2407 AFLAC After Tax	368.16
2408 United Way Jeans Day	527.31
Total 2400 Payroll Liabilities	5,120.87
2450 Officials	19,188.18
25500 Sales Tax Payable	0.99
Total Other Current Liabilities	24,310.04
Total Current Liabilities	119,359.90
Long-Term Liabilities	
2550 Lease Liability - Finance Lease	9,862.00 *
2551 Lease Liability - Operating Lease	73,876.00 *
Total Long-Term Liabilities	83,738.00
Total Liabilities	203,097.90
Equity	
3200 Unrestricted Net Assets	3,017,059.21
Net Income	183,616.46
Total Equity	3,200,675.67
TOTAL LIABILITIES AND EQUITY	3,403,773.57

No CPA Provides Any Assurance on These Statements
Substantially All Disclosures Have Been Omitted

*This balance has not been updated for activity in this period

**Visit Rapid City
Profit and Loss
December 2023**

	Total
Income	
4000 Revenue	
4100 BBB-Sales Tax Receipts	116,382.09
4200 BID Occupancy Tax	154,081.62
4300 Marketing Serv Fees-Partnership	4,450.00
4400 Investments	2,151.01
4500 Miscellaneous Revenue	262.09
4560 Sports Commission	25,000.00
4700 Merchandise Revenue	15.97
Total 4000 Revenue	302,342.78
Total Income	302,342.78
Gross Profit	302,342.78
Expenses	
5000 Office/Adminstrative	
5210 Rent	3,100.33
5215 Storage	213.61
5220 Utilities	1,795.02
5230 Equipment Lease and Purchase	18,124.33
5240 Equipment Maintenance	2,885.26
5250 Insurance	1,011.22
5270 Depreciation	2,765.30
5305 Office Supplies	4,120.42
5329 Technology Support	1,832.75
5360 Service Charges/Bank Fees	62.47
5390 Membership Dues	8,880.00
5400 Professional Fees	109,037.33
5600 Board - Travel and Expenses	582.35
Total 5000 Office/Adminstrative	154,410.39
5100 Employee Compensation & Benefit	
5150 Salaries	91,608.10
5175 Employee Benefits	(335.65)
5189 Payroll Taxes	5,999.99
5340 Training and Education	1,423.00
5350 Employee Relations	322.08
Total 5100 Employee Compensation & Benefit	99,017.52

Visit Rapid City
Profit and Loss
December 2023

	Total
8100 Sales	
8101 Tradeshows	5,920.76
8102 FAMs/Site Visit	249.65
8103 BID Fees/Business Development	14,740.00
8107 Sponsorships	3,000.00
Total 8100 Sales	23,910.41
8109 Marketing	
8110 Banners, Displays, Signage	2,668.50
8111 Print Advertising	3,170.33
8113 Billboard/OOH	9,891.27
8114 Research/Planning	38,000.00
8115 Promo Items	4,698.90
8116 Digital	130,436.04
8117 Content Production	9,115.83
8118 Website	70.63
8119 Visitor Materials	53,491.86
8120 Public Relations/Retainer/Agenc	4,600.00
8121 Community Relations	6,981.51
8125 Printing and Copying	223.65
8126 Postage/Info Distribution	831.68
8127 Subscriptions	29,344.58
8128 Staff Travel	1,182.72
8129 Social	882.60
Total 8109 Marketing	295,590.10
Total Expenses	572,928.42
Net Operating Income	(270,585.64)
Other Income	
9100 Unrealized Gain/Loss on Investm	7,814.47
9101 Investment Interest/Dividends	853.64
Total Other Income	8,668.11
Other Expenses	
9200 Investment Fees	655.96
Total Other Expenses	655.96
Net Other Income	8,012.15
Net Income	(262,573.49)

Visit Rapid City
Statement of Revenue and Expenses, Budgetary Basis
January - December 2023

	YTD Total		
	Actual	Budget	% of Budget
Income			
4000 Revenue	-	-	
4100 BBB-Sales Tax Receipts	1,429,655.62 *	1,241,500.00	115.16%
4200 BID Occupancy Tax	1,629,306.36 *	1,458,500.00	111.71%
4300 Marketing Serv Fees-Partnership	48,400.00	51,898.00	93.26%
4400 Investments	25,269.99	17,000.00	148.65%
4500 Miscellaneous Revenue	2,714.26	-	
4560 Sports Commission	39,500.00	-	
4600 Trolley Revenue	19,825.96	-	
4700 Merchandise Revenue	484.52	-	
4810 SD Department of Tourism	250,000.00	-	
Total 4000 Revenue	3,445,156.71	2,768,898.00	124.42%
Total Income	3,445,156.71	2,768,898.00	124.42%
Cost of Goods Sold			
50000 Cost of Goods Sold	-	-	
5700 Merchandise Cost of Goods Sold	363.84	-	
Total 50000 Cost of Goods Sold	363.84	-	
Total Cost of Goods Sold	363.84	-	
Gross Profit	3,444,792.87	2,768,898.00	124.41%
Expenses			
5000 Office/Adminstrative	-	-	
5210 Rent	29,507.54	25,060.00	117.75%
5215 Storage	3,294.27	4,200.00	78.44%
5220 Utilities	29,154.21	25,301.00	115.23%
5230 Equipment Lease and Purchase	31,994.75	13,673.00	234.00%
5240 Equipment Maintenance	9,935.88	2,450.00	405.55%
5250 Insurance	17,922.06	10,759.00	166.58%
5270 Depreciation	31,429.05	-	
5305 Office Supplies	10,144.53	4,025.00	252.04%
5329 Technology Support	21,812.25	21,987.00	99.21%
5335 Auto Expense	10,180.03	12,173.00	83.63%
5360 Service Charges/Bank Fees	2,871.97	1,204.00	238.54%
5390 Membership Dues	22,717.98	24,766.00	91.73%
5400 Professional Fees	250,176.85	108,008.00	231.63%
5450 Facility Services	3,744.00	5,215.00	71.79%
5600 Board - Travel and Expenses	12,931.64	3,730.00	346.69%
Total 5000 Office/Adminstrative	487,817.01	262,551.00	185.80%
5100 Employee Compensation & Benefit	-	-	
5150 Salaries	915,198.64	919,840.00	99.50%
5175 Employee Benefits	126,788.16	125,000.00	101.43%
5189 Payroll Taxes	66,456.57	65,000.00	102.24%
5340 Training and Education	32,273.14	35,546.00	90.79%
5350 Employee Relations	6,373.98	2,502.00	254.76%
5380 Contractors	(50.00)	7,500.00	-0.67%
Total 5100 Employee Compensation & Benefit	1,147,040.49	1,155,388.00	99.28%

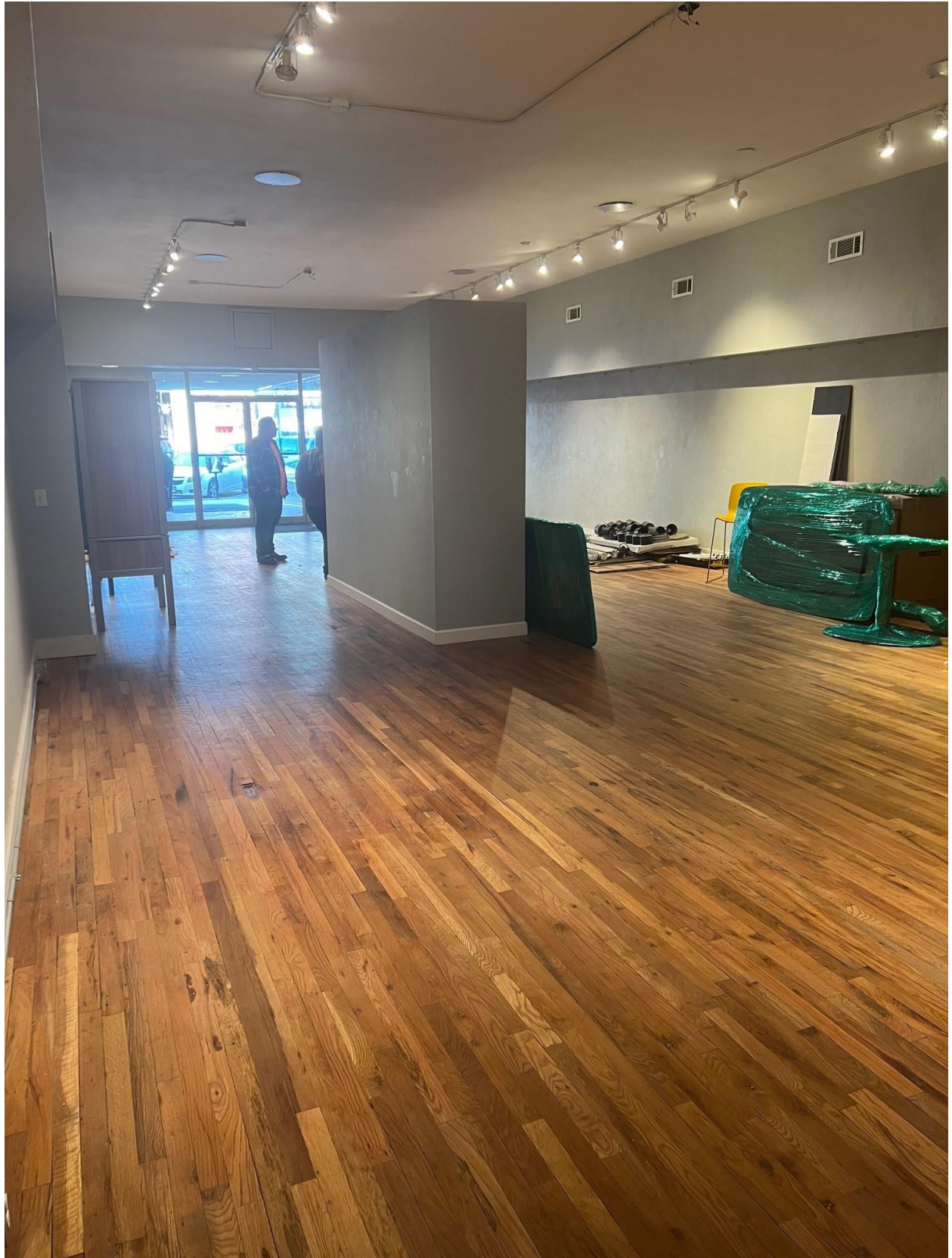
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Visit Rapid City
Statement of Revenue and Expenses, Budgetary Basis
January - December 2023

	YTD Total		
	Actual	Budget	% of Budget
8100 Sales	-	-	
8101 Tradeshows	25,177.12	18,150.00	138.72%
8102 FAMs/Site Visit	54,889.91	46,500.00	118.04%
8103 BID Fees/Business Development	20,757.28	49,000.00	42.36%
8104 Partner Travel	2,805.47	1,500.00	187.03%
8106 Servicing	5,266.02	1,500.00	351.07%
8107 Sponsorships	80,400.55	156,000.00	51.54%
Total 8100 Sales	189,296.35	272,650.00	69.43%
8109 Marketing	-	-	
8110 Banners, Displays, Signage	17,151.63	7,510.00	228.38%
8111 Print Advertising	46,714.93	32,541.00	143.56%
8112 Broadcast	300.00	82,000.00	0.37%
8113 Billboard/OOH	47,262.28	36,675.00	128.87%
8114 Research/Planning	180,119.24	128,500.00	140.17%
8115 Promo Items	24,783.85	28,000.00	88.51%
8116 Digital	449,602.96	306,546.00	146.67%
8117 Content Production	183,364.44	55,720.00	329.08%
8118 Website	67,231.52	135,000.00	49.80%
8119 Visitor Materials	85,031.46	75,000.00	113.38%
8120 Public Relations/Retainer/Agenc	85,224.37	80,000.00	106.53%
8121 Community Relations	13,566.36	36,500.00	37.17%
8123 Mascot Maintenance	268.99	2,000.00	13.45%
8124 Events	26,000.51	36,000.00	72.22%
8125 Printing and Copying	11,935.66	18,370.00	64.97%
8126 Postage/Info Distribution	29,149.58	10,648.00	273.76%
8127 Subscriptions	152,698.20	150,934.00	101.17%
8128 Staff Travel	62,949.79	51,775.00	121.58%
8129 Trolleys	11,380.99	45,000.00	25.29%
Total 8109 Marketing	1,494,736.76	1,318,719.00	113.35%
Total Expenses	3,318,890.61	3,009,308.00	110.29%
Net Operating Income	125,902.26	(240,410.00)	-52.37%
Other Income			
9100 Unrealized Gain/Loss on Investm	44,382.68	-	
9101 Investment Interest/Dividends	20,321.27	-	
Total Other Income	64,703.95	-	-
Other Expenses			
9200 Investment Fees	6,943.97	-	
9201 Interest Expense	45.78	-	
Total Other Expenses	6,989.75	-	-
Net Other Income	57,714.20	-	-
Net Income	183,616.46	(240,410.00)	-76.38%

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Visitor Center Cost Scenarios	
	Main Street
Rent	\$ 30,000.00
Utilities	\$ 12,000.00
Salaries, Taxes, Benefits	\$ 45,084.00
Equipment Lease/Purchase	\$ 50,000.00
Equipment Maintenance	\$ 1,000.00
Merchandise Inventory	\$ 15,000.00
Insurance	\$ 1,000.00
Office Supplies	\$ 500.00
Bank Fees	\$ 750.00
Professional Fees (cleaning, other)	\$ 9,600.00
Banners/Display/Signage (interior/exterior and wayfinding)	\$ 15,000.00
Promo Items	\$ 7,500.00
Visitor Materials	
Events	\$ 3,000.00
Printing/Copying	\$ 1,500.00
Marketing	\$ 7,500.00
	\$ 199,434.00
Minus 1x expenses	\$ 65,000.00
Minus PT Employee Cost	\$ 22,500.00
Total Annual Cost	\$ 111,934.00

Hours (9am - 7pm) May - October
 10am - 4pm Feb 1- April 30 Tues - Sat
 Closed Nov, Dec, January

10 HOURS/DAY, 70 HOURS/WEEK
 6 HOURS/DAY, 36 HOURS/WEEK

Full time - 40, PT - 100 hours/week * 6 months
 Full time - 40 Hours

1 full time, 100 hours of PT @ \$17.34/hour



Tourism Market Indicators

December 2023

Hotels in Rapid City sold 65K rooms in December, down -3.6% YOY. ADR was \$89, a historical record for December and 9.5% ahead of December 2022 rates, pushing RevPAR to \$38 and total revenue to \$5.8M for the month despite the softness in demand. Relative to the state, Rapid City hotels saw slightly higher occupancy at a lower rate resulting in equivalent RevPAR.

In 2023, Rapid City hotel demand just outpaced 2022 performance, gaining 0.1% to reach 1.06M rooms sold. Occupancy was 58.8% for the year while the average rate was \$114. Hotel revenue eclipsed \$120M in 2023 for just the second year, reaching its highest level since that peak in 2021. RevPAR finished at \$67.

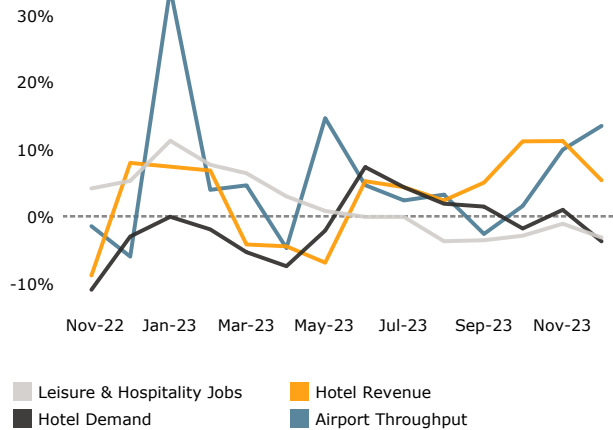
In the month of December and the year altogether, TSA throughput at RAP outpaced prior year while remaining behind pre-pandemic 2019 levels. For the month, throughput gained 13.6% YOY but lags December 2019 performance by -5.5%. For 2023, throughput was up 5.6% from 2022 and nearly back in line with 2019 but still down -0.5%.

US hotel demand for 2023 was supported by growth in Upper Upscale (+6.7%), Luxury (+4.5%), Upscale (+3.5%) and Upper Midscale (+1.4%) compared to 2022. Economy room demand fell 5.2% vs. 2022, followed by Midscale at -1.9% (Source: STR, December preliminary results), in step with declining leisure travel plans for low-income earners (Source: MMGY).

The US unemployment rate continues to record historically low results, reporting at 3.7% for December. Leisure and hospitality jobs remained 1% behind their pre-pandemic February 2020 level, given slowed job growth in 2023 (averaging 39K jobs/month) compared to job growth in 2022 (averaging 88K jobs/month).

Indicator Growth

% change relative to same month of previous year



42.3%

Hotel Occupancy
▼ -3.6% YOY



\$5.8M

Hotel Revenue
▲ 5.5% YOY



28.2K

Airport Throughput
▲ 13.6% YOY, ▼ -5.5% vs. 2019



9.5K

Leisure and Hospitality Jobs
▼ -3.1% YOY, ▲ 5.6% vs. 2019

Powered by: **SYMPHONY** TOURISM ECONOMICS

Data Sources: STR, TSA, Bureau of Labor Statistics

Rapid City Lodging Summary

December 2023

Aggregated Lodging Summary

Source: STR & KeyData

	Occupancy	ADR	RevPAR
Dec 2023	38.3%	\$94.94	\$36.32
% Change vs. Dec 2022	-3.8%	11.5%	180.5%
% Change vs. Nov 2023	-3.4%	12.3%	8.5%
CYTD 2023	54.2%	\$119.78	\$64.87
% Change vs. CYTD 2022	-1.0%	3.6%	2.6%

Hotel Performance

Source: STR

	Occupancy	ADR	RevPAR
Dec 2023	42.3%	\$89.39	\$37.83
% Change vs. Dec 2022	-3.6%	9.5%	5.5%
% Change vs. Nov 2023	-3.1%	14.3%	10.8%
CYTD 2023	58.8%	\$113.62	\$66.80
% Change vs. CYTD 2022	0.6%	3.5%	4.1%

Short Term Lodging

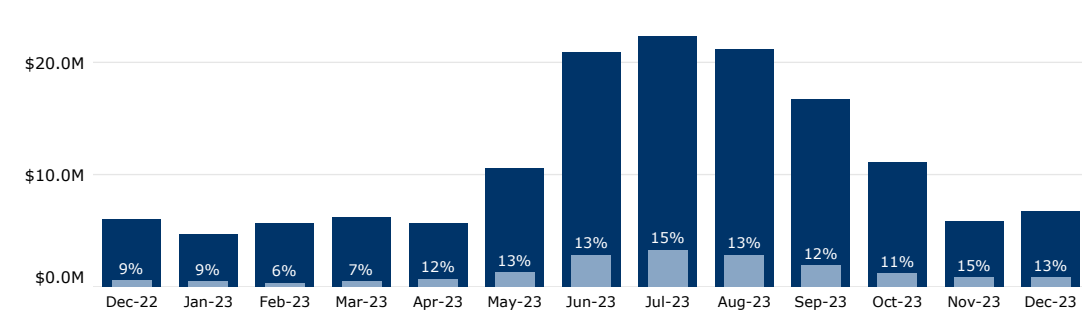
Source: KeyData

	Occupancy	ADR	RevPAR
Dec 2023	17.1%	\$166.79	\$28.47
% Change vs. Dec 2022	19.4%	10.6%	32.1%
% Change vs. Nov 2023	-9.2%	4.5%	-5.1%
CYTD 2023	27.6%	\$194.69	\$53.79
% Change vs. CYTD 2022	-3.3%	-1.5%	-4.7%

Sources: STR and KeyData

Rapid City Lodging Revenue & Contribution

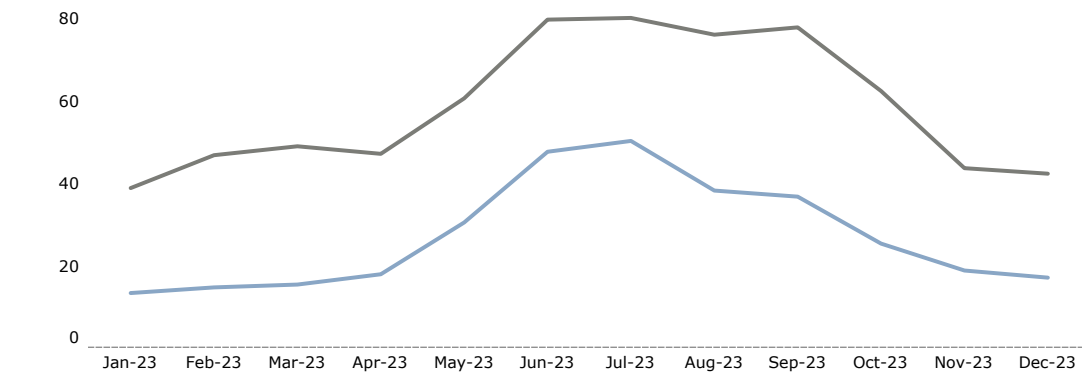
Aggregate Revenue KeyData



Occupancy

Last 12 Months

STR KeyData



Visitor Summary

December 2023

Month
December, 2023

Report Type
Month

Compare to
Previous Year

Cluster
Rapid City SD

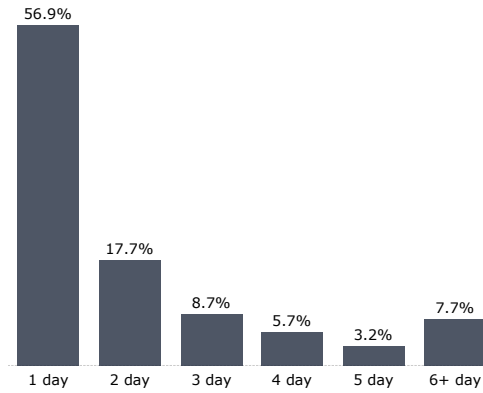
302,778
Total Trips

⬆️ **+60.6%**
vs Previous Year

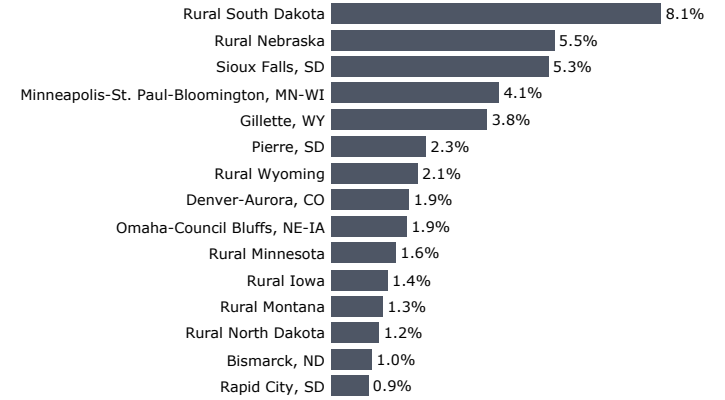
2.81 days
Average Trip Duration

⬆️ **+6.4%**
vs Previous Year

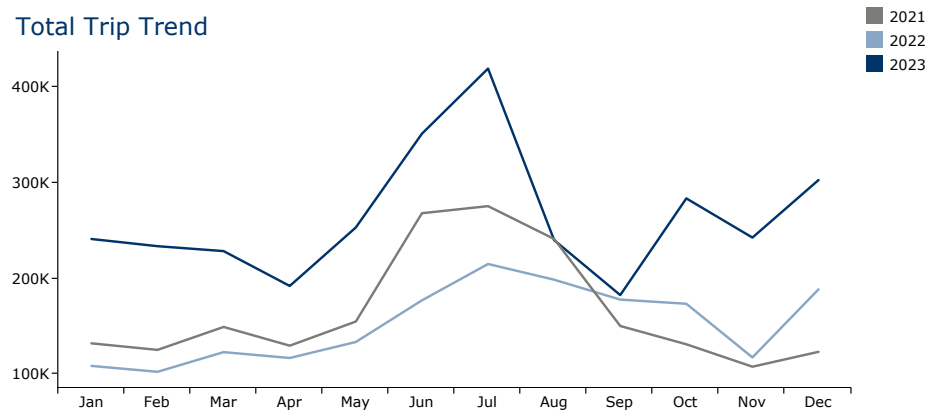
Trip Breakdown



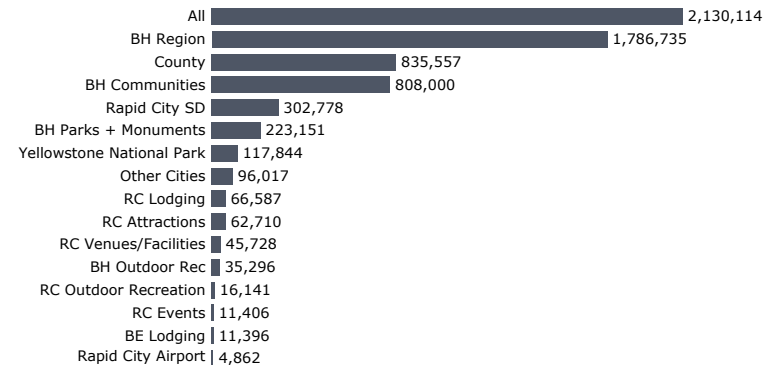
Top Origin MSAs*



Total Trip Trend



Top Clusters



Source: Datafy

*Click on MSAs to filter data

