



MINUTES FOR THE BOARD OF DIRECTORS MEETING

THURSDAY, August 10, 2023

10:30 a.m. – 11:30 a.m.

The Monument

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

VRC BOARD OF DIRECTORS

PRESENT

C. Johnson
K. Cook
K. Buntrock
M. Pawelski
M. Derby
P. Dame
T. Johnson
W. Lampert

ABSENT

J. Scheitler
L. Montague
R. Zebroski
S. Landguth
S. Dowling

NON-VOTING MEMBERS

L. Lehmann
J. Brockelsby
R. Jeffries
M. Thomson
C. Baltzer

NON-VOTING MEMBERS

Mayor Jason Salamun
J. Biegler

HOTEL BID BOARD OF DIRECTORS

PRESENT

K. Houk
L. Steffens
S. Hull
W. Lampert

ABSENT

D. Dathe
G. Fawbush
L. Montague

NON-VOTING MEMBERS

L. Lehmann
K. Buntrock
B. Kaufman

NON-VOTING MEMBERS

Mayor Jason Salamun

VRC STAFF – Brook Kaufman, Domico Rodriguez, Stacie Granum, Ally Formanek, Dani Benne, Kelsy Peterson, Shelby Solano, Laurie Sutterer

Call to Order

K. Buntrock called the meeting to order at 10:30 a.m. at The Monument.

Consent Agenda

L. Steffens made a motion to approve the consent agenda including the meeting agenda, April & June VRC/BID meeting minutes, and March/April/May/June 2023 financials. C. Johnson seconded motion. Motion carried.

Board Business

2022 Audit Presentation

Jeff Yennie, of Ketel Thorstenson, LLP, presented reports and financial statements from VRC's 2022 audit. The Independent Auditor's Report gave an unmodified opinion meaning the financial statements as a whole are free from material misstatement. He reported the organization is on an accrual basis of accounting as of 2022. Asset line items on the Statement of Financial Position due to now using the accrual accounting method, such as Unconditional Promises to Give and Operating/Financing Lease Right to Use Asset, were explained. Yennie reported a loss (change in net assets) of \$529,666 in 2022, which was planned by the Board of Directors to implement initiatives such as the Rapid City Sports Commission and the development of the Rapid City stewardship plan. The governance letter communicated a clean audit.

T. Johnson made a motion to approve the 2022 audit as presented. P. Dame seconded motion. Motion carried.

B. Kaufman introduced Lance Lehmann as the VRC & BID Board's newly-appointed City Council liaison.

Policy Review & Approval

Kaufman reported on suggested changes to the Bylaws, Reserve and Investment Policy, and the Accounting and Financial Policies. Proposed changes are outlined below.

- Bylaws
 - Section 3.1 - Composition
 - Currently reads "The Board shall consist of not less than 11, nor more than 21, individuals, including liaisons."
 - Replace language above with "The Board shall consist of up to 11 Board members, excluding liaisons."
 - Section 6.4 - Finance Committee
 - Remove reference to a CFO as the position no longer exists.
- Reserve and Investment Policy
 - Based on feedback from Casey Peterson, the policy has been expanded. New content includes the introduction, procedures including the annual review, the delegation of authority, a more expanded section for the RFP process, the removal of reference to a sweeps account, changing restricted reserve from \$1M to \$750,000, and a guideline for 120 days of operating expenses on hand to meet financial obligations.
- Accounting and Financial Policies
 - With the guidance of Casey Peterson, the policy was rewritten entirely.

L. Steffens made a motion to approve the proposed changes outlined above to the Bylaws, Reserve and Investment Policy, and Accounting and Financial Policies. M. Pawelski seconded motion. Motion carried.

Stewardship Plan & Presentation

S. Granum introduced Tina Valdecanas, a consultant with Clarity of Place, who presented the Destination Stewardship Plan on how VRC can ensure tourism continues to contribute to Rapid City's vitality. She shared the mindset of tourism's value within the community needs to evolve in order to have care of place. In order to be stewards of the destination, residents and non-tourism businesses need to be involved.

Valdecanas explained how the plan was built including assessing the current state of the destination, gaining insights from stakeholders, and identifying areas of impact and roles for VRC. VRC plan imperatives include:

- Balance and distribute tourism impacts - focus tourism promotion & visitor services efforts on balancing visitor flow and mitigating negative impacts
- Provide tools & resources - serve as a resource and ensure VRC has the skills and tools to balance the economic, environmental, and social/cultural impacts of tourism and their effect on the community's long-term vibrancy
- Champion the need for stewardship - champion the value of and role of tourism to catalyze and empower environmental and social stewardship that creates a path toward the visitor economy contributing to the long-term vitality of Rapid City and its community
- Engage the community & residents - encourage all community members to engage and be involved in efforts to build a shared vision for leveraging the visitor economy
- Measure and adapt - measure and track the complete impact of the city's visitor economy and make - or advocate for - adjustments to programs as needed to preserve, restore, and augment Rapid City as a destination

A discussion began regarding the plan and next steps. Granum shared the full plan is available for download on the industry resources page of VRC's website.

Other Business

Upcoming Dates

N/A

Adjournment

Motion made by T. Johnson, seconded by C. Johnson, to adjourn the meeting at 11:37 a.m. Motion carried.

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