



MINUTES FOR THE BOARD OF DIRECTORS MEETING

THURSDAY, April 28, 2022

10:00 a.m. – 11:30 a.m.

The Rushmore Hotel

Combined with Hotel BID Board of Directors Meeting

PRESENT

VOTING MEMBERS

C. Johnson
D. Tribby
D. Rodriguez
G. Wathen
J. Scheitler
K. Cook
K. Buntrock
L. Montague
M. Pawelski
M. Derby
P. Dame
R. Zebroski
T. Johnson

NON-VOTING LIASONS

EX-OFFICIO

C. Baltzer
J. Biegler
M. Thomson

ABSENT

VOTING MEMBERS

W. Lampert
S. Landguth
S. Dowling

NON-VOTING LIASONS

D. Drew

EX-OFFICIO

Mayor Allender
J. Brockelsby
R. Jeffries

VRC STAFF – Brook Kaufman, Carol Bancroft, Stacie Granum, Ally Formanek, Dani Benne, Tyson Steiger, Shelby Solano, Parker Oleson, Laurie Sutterer

Call to Order

K. Buntrock called the meeting to order at 10:14 a.m. at the Rushmore Hotel.

Approval of Agenda

D. Dathe made a motion to approve the agenda as submitted. G. Wathen seconded motion. Motion carried.

Approval of Minutes

D. Dathe made a motion to approve the February 2022 meeting minutes. S. Hull seconded motion. Motion carried.

Finance Report

C. Bancroft reported on revenue, including BBB Sales Tax, BID Occupancy Tax, and transfers from VRC's savings account to checking account. BBB Tax receipts are slightly under budget by \$22,081 while BID Occupancy Tax receipts are over budget by \$119,252. \$175,000 has been transferred from VRC's savings account to its checking account YTD. Bancroft shared the City of Rapid City has seen drastic turnover in their Finance Department, which is impacting the timeline VRC receives its tax revenue payments.

Carol explained outlier expenses within the Admin, Agency Marketing, In-House Sales, and In-House Marketing budgets. Admin expenses are currently under budget at 78%, however, with the addition of Brook Kaufman, President/CEO, expenses are expected to become closer to the budgeted amount. Agency marketing expenses are over budget by \$66,632, mainly due to invoice timing. In-house sales and marketing efforts are under budget by \$15,441 and \$30,608 respectively. Total expenses remain under budget by \$24,793 while total revenue is under budget by \$227,829.

Bancroft reported balances of VRC's checking and savings accounts as \$280,428 and \$2,416,831 respectively. \$200,000 of the total within the savings account is Board Restricted Reserves. She shared, as of today, the Finance Committee approved the transfer of \$800,000 from Unrestricted Reserves to Restricted Reserves bringing the Restricted Reserves total to \$1,000,000.

Bancroft shared the Dashboard, which compares the year 2022 to 2021. BBB income saw an increase of 10.09% (\$16,306) through the month of February. The BID income saw a decrease of -0.08% (-\$141) through the month of February. Bancroft explained the drivers behind the incoming tax revenues including the beginning of winter shoulder marketing in January, BHSS/Rodeo Rapid City, Black Hills Rapids Winter Classic, SDHSAA One Acts Festival, and SD State Dart Tournament. She shared STR data showing Rapid City occupancy YOY through March saw an increase of 1.5% while demand saw an increase of 3.2%. A multi segment report has been purchased through STR, comparing the Rapid City market to similar demographic markets such as Deadwood, State of SD, Casper, WY, Billings, MT, and Fort Collins, CO.

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

Audit/Agreed Upon Procedures

Diedre Budahl, CPA with Casey Peterson, Ltd shared the differences between an audit, review, compilation, and agreed upon procedures. She suggested not performing an audit if not required by an outside agency. Agreed upon procedures provides in-depth feedback and review on specific topics, such as payroll.

R. Zebroski shared the Finance Committee voted to conduct agreed upon procedures on VRC's internal control processes, fraud risk, and financial baseline setting in 2022.

Board Business

N/A

President's Report

National Travel & Tourism Week

S. Solano shared events taking place during National Travel and Tourism Week, May 1-7, including VRC Street Team efforts, Travel Rally Day Breakfast, Hospitality Training, Parks & Attractions Meeting, and Literature Swap. She encouraged all Board members and their Staff to attend the Travel Rally Day Breakfast, as well as the Hospitality Training on Tuesday, May 3 beginning at 7:30am at The Monument.

Short-Term Initiatives & Next Steps

B. Kaufman shared her expectations of herself, as well as the VRC team moving forward including transparency, remaining neutral as an agency, timely, open communication, solving toughest challenges first, and keeping professional and personal growth a top priority. She encouraged Board members to communicate if they feel underutilized or dissatisfied at any time.

Kaufman shared her top initial initiatives for Visit Rapid City including the creation of a sports commission, development of an area sustainability plan, Destination Management Accreditation Program (DMAP), expanding the

Business Improvement District (BID), Frontline Customer Service Training Program (CTA), building more strategic relationships with Elevate Rapid City and Destination Rapid City, contracting with a new PR agency, potential organization chart changes, launching a resident vertical, and becoming a more data-driven organization.

Sports Commission

Kaufman reported the Finance Committee agreed to provide financing for the creation of a sports commission through Visit Rapid City. The non-profit organization will be a 501(c)3. The mission will be to bring more youth sports and events to Rapid City in the fall and winter months.

Sub Committees

Kaufman reported sub committees will be formed with focuses on marketing, BID, grants, and critical issues. A survey will be sent to Board members to gauge interest in committee involvement and meeting frequency.

Meeting Frequency

Kaufman proposed the VRC and BID Boards meet combined on a monthly basis until the end of the year. At that time, need and frequency will be reviewed.

P. Dame made a motion to approve the meeting of the VRC Board of Directors and Hotel BID Board of Directors combined on a monthly basis. S. Hull seconded motion. Motion carried.

City of Rapid City Report

J. Salamun shared events taking place in June in coordination with 50th anniversary of the Rapid City Flood.

A discussion began regarding the growth of Rapid City. Estimated population growth of 30,000 – 40,000 is expected within the coming years. Salamun shared an industrial park will be built along Highway 79 near the landfill.

Ex-Officio Reports

Black Hills & Badlands Tourism Association

M. Thomson reported the Black Hills maps, along with the motorcycle maps and tasting maps, are being delivered to area businesses. The BH&B Vacation Guide is currently being printed and will be delivered prior to Memorial Day.

Rapid City Parks and Recreation

J. Biegler shared Parks and Recreation is currently hiring seasonal/temporary workers, including pool lifeguards. Biegler highlighted the Dinosaur Park upgrade project, as well as the Sioux Park Tennis Court renovations, that will begin construction this fall/winter.

The Monument

C. Baltzer reported The Monument had its strongest months of February and March on record due to the new Summit Arena. The labor shortage continues to impact the hiring of part-time staff.

Other Business

D. Tribby provided a recap of a community meeting regarding racial prejudice within the community.

Adjournment

There being no further business to come before the Board, W. Lampert moved to adjourn at 11:23 a.m. M. Pawelski seconded the motion. Motion carried.

Respectfully submitted,
Ally Formanek, Director of Operations

Visit Rapid City