



Business Improvement District No. 1 Board Agenda

2:00 p.m. Meeting

Thursday, February 7, 2019

2nd Floor Mamura Conference Room -City Hall

25 Center Street

Vermillion, South Dakota 57069

1. **Call to Order**
 - a. Roll Call
2. **Minutes**
 - a. November 29, 2018
3. **Adoption of the Agenda**
4. **Visitors to Be Heard**
5. **Old Business**
6. **New Business**
 - a. Report on 2018 BID receipts
 - b. Report on upcoming events
7. **Adjourn**

Unapproved Minutes
City Of Vermillion
Business Improvement District No. 1 Board
November 29, 2018
Thursday – 2:00 p.m.

The meeting of the City of Vermillion Business Improvement District No. 1 Board was called to order on Thursday, November 29, 2018 at 2:00 p.m. at the City Hall second floor conference room by Chairman David Herbster.

1. Roll Call

Present: Amy Christensen, David Herbster, Greg Huckabee, Bill Marketon, Dan Kenton
Also Present: Nathan Welch, John Prescott, James Purdy, Mike Carlson, Susan Heggstad

2. Minutes

A. Minutes of July 27, 2018

10-18

Bill Marketon moved approval of the July 27, 2018 minutes. Greg Huckabee seconded the motion. Motion carried 5 to 0. Chairman Herbster declared the motion adopted.

3. Adoption of Agenda

11-18

Greg Huckabee moved approval of the agenda. Amy Christensen seconded the motion. Motion carried 5 to 0. Chairman Herbster declared the motion adopted.

4. Visitors to be Heard - None

5. Old Business

Mike Carlson, Finance Officer, reported that there was discussion at last meeting on how to audit the monthly reports. Mike stated that he has drafted a letter asking that, with the November report, the business send along their franchise report or worksheet used to prepare the monthly occupancy and that Bill Marketon has done a quick review to determine if the request is reasonable. Mike stated that the letter will be sent to the motels requesting the support for the November occupancy. Mike noted that this information along with the monthly receipts would be confidential. Discussion followed.

John Prescott, City Manager, reported that, when the Business Improvement District was started, all the motel owners/managers were invited to attend a meeting. As the BID tax has been in place since June 2014, it might be time to invite the motel owners/managers to attend a meeting.

12-18

Greg Huckabee moved to invite the motel owners/managers to the next Business Improvement District meeting with the VCDC providing an update on the coming events. Amy Christensen seconded the motion. Motion carried 5 to 0. Chairman Herbster declared the motion adopted.

6. New Business

A. Report on Upcoming Events

Nate Welch, VCDC Executive Director, reported on upcoming events and activities as well as those completed since last meeting. Nate provided a handout and reviewed the events in the attract, promote and operate section. Nate reviewed other marketing efforts of the VCDC. Discussion followed on the events as well as other events that are upcoming.

Dave Herbster, USD Athletic Director, provided an update on the Dakota Dome renovation project noting that a few events will not be hosted during 2019 but all the USD home football games will be played in the dome. Dave stated that the project will have the west side of the dome under construction for six to nine months.

B. Report on 2018 BID receipts

Mike Carlson, Finance Officer, reported that for the first ten months of 2018 BID receipts were \$50,044 compared to \$46,232 for 2017 thus up \$3,808. Mike stated that the Board policy was to provide 85% of the BID receipts to the VCDC until such time as the BID reserve equals \$30,000 then all the available BID receipts would go the VCDC and that November receipts will most likely bring the reserve to the \$30,000 level. Mike noted that 85% of the receipts was disbursed to the VCDC for promotion and marketing. Mike noted that the packet included monthly detail of receipts for 2017 and 2018 and monthly summary of receipts. Discussion followed on the increase in BID funding.

Other items:

Bill Marketon stated that the motels collect the occupancy tax for the City which is passed along to the VCDC and, as such, Bill asked Nate if there was ever any consideration on a reduced VCDC membership for the motels similar to what the SD Department of Revenue does for sales tax remittances.

John reported that the terms will be ending for Dave Herbster and Amy Christensen and they have both indicated their interest on continuing on the Board. The City Council will take action to fill the two expiring terms on Monday night.

7. Adjourn

13-18

Greg Huckabee moved to adjourn the meeting at 2:41 p.m. Dan Kenton seconded the motion. Motion carried 5 to 0. Chairman Herbster declared the motion adopted.

Dated at Vermillion, South Dakota this 29th day of November, 2018.

City of Vermillion
Business Improvement District Board

David Herbster, Chairman

Attest:

Amy Christensen, Secretary

City of Vermillion
 Business Improvement District Number 1
 Actual For 2014, 2015, 2016, 2017 & 2018 and Budget 2019

	Actual <u>2014</u>	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Year to Dec 31 <u>2018</u>	Proposed Budget <u>2019</u>
Revenues:							
BID #1 Revenues	39,858	59,306	52,328	53,678	65,000	59,044	65,000
Expenses:							
Promotion & Marketing	15,000	50,410	44,482	45,626	56,748	50,911	63,700
Marketing Study	-	-	2,500	-	-		
All Star/Fireball Run promoti	-	-	10,000	10,000 *	-		
Collection	<u>797</u>	<u>1,119</u>	<u>1,114</u>	<u>1,074</u>	<u>1,300</u>	<u>1,181</u>	<u>1,300</u>
Total Expense	<u>15,797</u>	<u>51,529</u>	<u>58,096</u>	<u>56,700</u>	<u>58,048</u>	<u>52,092</u>	<u>65,000</u>
Revenue over Expenses	<u>24,061</u>	<u>7,777</u>	<u>(5,768)</u>	<u>(3,022)</u>	<u>6,952</u>	<u>6,952</u>	<u>-</u>
Projected Reserve Balance							
Year end	<u><u>24,061</u></u>	<u><u>31,838</u></u>	<u><u>26,070</u></u>	<u><u>23,048</u></u>	<u><u>30,000</u></u>	<u><u>30,000</u></u>	<u><u>30,000</u></u>

* Amount recommended for All Star Game/Fireball Run of \$12,500 with City Council funding \$2,500 from BBB leaving balance of \$10,000 from BID.

Promotion & Marketing is 85% of net revenue to VCDC until a balance of \$30,000 is established then the net revenue to VCDC.

City of Vermillion
Business Improvement District Number 1 Receipts
Monthly Summary for 2014, 2015, 2016, 2017 and 2018

Summary 2014

	June	July	August	September	October	November	December	Total
Total Room subject to tax	3,118	3,291	2,936	3,104	3,292	2,429	1,759	19,929
Occupancy tax rate	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Total Occupancy tax for month	\$ 6,236	\$ 6,582	\$ 5,872	\$ 6,208	\$ 6,584	\$ 4,858	\$ 3,518	\$ 39,858
Percentage Occupancy	52.76%	53.89%	48.08%	52.52%	53.91%	41.10%	28.80%	

Summary 2015

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Total Room subject to tax	1,832	1,740	2,378	2,434	2,623	3,109	3,343	2,729	2,689	2,698	2,400	1,678	29,653
Occupancy tax rate	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Total Occupancy tax for month	\$ 3,664	\$ 3,480	\$ 4,756	\$ 4,868	\$ 5,246	\$ 6,218	\$ 6,686	\$ 5,458	\$ 5,378	\$ 5,396	\$ 4,800	\$ 3,356	\$ 59,306
Percentage Occupancy	30.00%	31.54%	38.94%	34.38%	42.95%	52.61%	54.74%	44.69%	45.50%	44.18%	40.61%	27.48%	
The V											renovation	renovation	
Increase (Decrease) over prior year						\$ (18)	\$ 104	\$ (414)	\$ (830)	\$ (1,188)	\$ (58)	\$ (162)	
Percentage Change						-0.29%	1.58%	-7.05%	-13.37%	-18.04%	-1.19%	-4.60%	

Summary 2016

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Total Room subject to tax	1,766	1,360	1,741	2,111	2,373	2,475	2,954	2,713	2,212	2,649	2,229	1,581	26,164
Occupancy tax rate	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Total Occupancy tax for month	\$ 3,532	\$ 2,720	\$ 3,482	\$ 4,222	\$ 4,746	\$ 4,950	\$ 5,908	\$ 5,426	\$ 4,424	\$ 5,298	\$ 4,458	\$ 3,162	\$ 52,328
Percentage Occupancy	28.92%	22.27%	28.51%	34.57%	38.86%	41.88%	41.88%	44.42%	37.43%	43.38%	37.72%	25.89%	
The V	renovation	renovation	renovation	renovation									
Large Three Occupancy	30.95%	24.75%	33.04%	40.65%	46.24%	48.23%	54.11%	50.26%	43.66%	51.77%	44.33%	32.01%	
Small Three Occupancy	23.79%	16.01%	17.11%	19.24%	20.28%	25.89%	33.93%	29.72%	21.73%	22.24%	21.07%	10.48%	
Increase (Decrease) over prior ye	\$ (132)	\$ (760)	\$ (1,274)	\$ (646)	\$ (500)	\$ (1,268)	\$ (778)	\$ (32)	\$ (954)	\$ (98)	\$ (342)	\$ (194)	\$ (6,978)
Percentage Change	-3.60%	-21.84%	-26.79%	-13.27%	-9.53%	-20.39%	-11.64%	-0.59%	-17.74%	-1.82%	-7.13%	-5.78%	-11.77%

Summary 2017

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Total Room subject to tax	1,862	1,596	1,722	2,117	2,224	2,973	3,040	2,432	2,650	2,502	2,092	1,629	26,839
Occupancy tax rate	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Total Occupancy tax for month	\$ 3,724	\$ 3,192	\$ 3,444	\$ 4,234	\$ 4,448	\$ 5,946	\$ 6,080	\$ 4,864	\$ 5,300	\$ 5,004	\$ 4,184	\$ 3,258	\$ 53,678
Percentage Occupancy	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	49.78%	39.82%	44.84%	40.97%	35.40%	26.67%	
Large Three Occupancy	38.66%	36.52%	34.45%	43.31%	43.35%	62.46%	61.06%	39.82%	52.32%	48.57%	44.16%	32.62%	
Small Three Occupancy	9.91%	9.82%	12.44%	16.96%	18.95%	19.70%	21.37%	19.18%	26.01%	21.83%	13.33%	11.69%	
Increase (Decrease) over prior ye	\$ 192	\$ 472	\$ (38)	\$ 12	\$ (298)	\$ 996	\$ 172	\$ (562)	\$ 876	\$ (294)	\$ (274)	\$ 96	\$ 1,350
Percentage Change	5.44%	17.35%	-1.09%	0.28%	-6.28%	20.12%	2.91%	-10.36%	19.80%	-5.55%	-6.15%	3.04%	2.58%

Summary 2018

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Total Room subject to tax	1,918	1,600	1,711	2,063	2,671	2,734	3,157	3,110	3,096	3,378	2,575	1,509	29,522
Occupancy tax rate	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Total Occupancy tax for month	\$ 3,836	\$ 3,200	\$ 3,422	\$ 4,126	\$ 5,342	\$ 5,468	\$ 6,314	\$ 6,220	\$ 6,192	\$ 6,756	\$ 5,150	\$ 3,018	\$ 59,044
Percentage Occupancy	31.41%	29.01%	28.02%	34.91%	43.74%	46.26%	51.69%	50.93%	52.39%	55.31%	43.57%	24.71%	
Large Three Occupancy	40.24%	37.82%	35.96%	43.12%	52.53%	54.63%	59.41%	57.26%	59.88%	61.91%	48.61%	30.52%	
Small Three Occupancy	9.16%	6.82%	8.01%	14.23%	21.60%	25.18%	32.26%	34.97%	33.51%	38.71%	30.89%	10.08%	
Increase (Decrease) over prior ye	\$ 112	\$ 8	\$ (22)	\$ (108)	\$ 894	\$ (478)	\$ 234	\$ 1,356	\$ 892	\$ 1,752	\$ 966	\$ (240)	\$ 5,366
Percentage Change	3.01%	0.25%	-0.64%	-2.55%	20.10%	-8.04%	3.85%	27.88%	16.83%	35.01%	23.09%	-7.37%	10.00%