



Business Improvement District No. 1 Board Agenda

4:00 p.m. Meeting

Thursday, February 18, 2021

Large Conference Room

Vermillion, South Dakota 57069

Virtual Meeting Available (see instructions below)

For virtual meeting:

1. Go to www.zoom.com
2. Click 'Join a Meeting' on upper right hand of Zoom screen
3. Enter meeting ID: 812 5856 5111
4. Enter passcode: 847138

1. **Call to Order**

- a. Roll Call

2. **Minutes**

- a. July 29, 2020

3. **Adoption of the Agenda**

4. **Visitors to Be Heard**

5. **Old Business**

6. **New Business**

- a. Report on 2020 BID receipts.
- b. Report on upcoming events.

7. **Adjourn**

Unapproved Minutes
City of Vermillion
Business Improvement District No. 1 Board
July 29, 2020
Wednesday – 4:00 p.m.

The meeting of the City of Vermillion Business Improvement District No. 1 Board was called to order on Wednesday, July 29, 2020 at 4:00 p.m. by Chairman David Herbster as a teleconference.

1. Roll Call

Present: Amy Christensen (teleconference), David Herbster (teleconference), Greg Huckabee, Bill Marketon

Absent: Dan Kenton

Also Present: Nathan Welch, John Prescott, Mike Carlson

2. Minutes

A. Minutes of May 8, 2020

8-20

Greg Huckabee moved approval of the May 8, 2020 minutes. Amy Christensen seconded the motion. A roll call vote was as follows: Christensen – Y, Huckabee – Y, Marketon – Y, Chairman Herbster – Y. Chairman Herbster declared the motion adopted.

3. Adoption of Agenda

9-20

Greg Huckabee moved approval of the agenda. Bill Marketon seconded the motion. A roll call vote was as follows: Christensen – Y, Huckabee – Y, Marketon – Y, Chairman Herbster – Y. Chairman Herbster declared the motion adopted.

4. Visitors to be Heard - None

5. Old Business - None

6. New Business

A. Report on 2019 BID receipts

Mike Carlson, Finance Officer, reported that BID receipts for 2020 are down for the first two quarters by \$10,090 compared to 2019. Mike reported that based upon the BID Board recommendation as approved by the City Council payments to the VCDC for marketing for the

first two quarters included using reserves to bring the quarterly marketing payment to the five-year quarterly average. Mike noted that \$1,468 of reserves were used for the first quarter and \$4,601 of reserves were used for the second quarter for the marketing payment to the VCDC to bring the marketing payment up to the five-year average. Mike reviewed the monthly occupancy percentages that were below 2019 noting that June BID receipts were about 60% of 2019. Discussion followed on the occupancy with Bill Marketon stated his occupancy is down compared to last year and that he is marketing to construction and other areas with discounts to fill rooms. Discussion followed on the occupancy

B. Report on upcoming events

David Herbster reported on Summit League push back of fall sports start and that more information will be available in the next few weeks. David reported student move in is August 14-15-16. Nate Welch, Executive Director of the VCDC, reported the Ribs, Rods & Rock n Roll will be holding the competition only with the competitors and judges without spectators this year, the Thursday's on the Platz events are being held with lower turnouts, the Octoberfest event has been cancelled, the golf Pro Am well be next week at the Bluffs and at present have not heard about the status of the Dakota Wine Festival. Discussion followed on area events including USD move in, Dakota Days and other events.

C. VCDC utilization of BID # 1 reserve funds.

Mike Carlson reported that at the May meeting the BID Board recommended that the City Council use BID reserves to bring the quarterly marketing payments to the VCDC to the five-year average of funding. Mike noted that for the first quarter this was \$1,468 and second quarter \$4,601 so \$6,069 of the reserve has been used. Mike noted that if room occupancy would range from 65% in July to 85% in December to continue the use of reserves in third and fourth quarters is estimated to use \$4,600 of the reserve. Mike noted that if the occupancy was less the reserves used would be higher. Nate Welch, Executive Director of the VCDC, thanked the BID Board for the additional funding and requested it be continued for the third and fourth quarters of this year. Nate noted the funding has allowed the marketing to continue and evolve with smaller events that promote the community and the continued marketing to stay ahead of the curve. Nate noted that there has been a pull back on events but video promotions and web site have increased. Discussion followed with Bill asking if there could be a cap on the amount to know how long the reserve will last.

10-20

Greg Huckabee moved to recommended to the City Council to continue to use BID reserve funds to make the quarterly marketing payments to the VCDC for the third and fourth quarters at the five-year average as was done for the first and second quarters. Amy Christensen seconded the motion. Bill Marketon stated he would not approve as he would like to see a cap on the amount. Christensen – Y, Huckabee – Y, Marketon – N, Chairman Herbster – Y. Chairman Herbster declared the motion adopted. John Prescott, City Manager, reported the recommendation would be presented to the City Council at the August 17 meeting.

D. Review of Budget for 2021

Mike Carlson, Finance Officer, reported that the budgeted revenues for 2021 were estimated at the high of \$60,000 which is somewhat of an unknown at this time. Mike stated as to the payment to the VCDC two options were put together one providing 98% to the VCDC and the second providing 85% to the VCDC with 13% going to rebuild the reserve as was done in the past to build the reserve to \$30,000. Discussion followed on the continuing the 98% to the VCDC for 2021 and look to rebuild the reserve in 2022. Nate noted that the VCDC wants to continue to market the community and would be willing to provide quarterly updates. Nate noted they would need to continue to change with who we market too.

11-20

Greg Huckabee moved to recommend to the City Council a budget for 2021 of revenues of \$60,000 and expenses of 98% to the VCDC for marketing and 2% to the city for collecting. Amy Christensen seconded the motion. Christensen – Y, Huckabee – Y, Marketon – Y, Chairman Herbster – Y. Chairman Herbster declared the motion adopted

7. Adjourn

12-20

Greg Huckabee moved to adjourn the meeting at 4:53 p.m. Bill Marketon seconded the motion. Christensen – Y, Huckabee – Y, Marketon – Y, Chairman Herbster – Y. Chairman Herbster declared the motion adopted.

Dated at Vermillion, South Dakota this 29th day of July, 2020.

City of Vermillion
Business Improvement District Board

David Herbster, Chairman

Attest:

Amy Christensen, Secretary

City of Vermillion
Business Improvement District Number 1 Receipts
Monthly Summary for 2016 to 2020

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%	36.02%
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%	41.67%
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%	21.79%
Increase (Decrease) over prior year	\$ (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%	44.76%
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%	54.55%
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%	20.12%
Increase (Decrease) over prior year	\$ 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%	41.03%
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%	48.55%
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%	22.12%
Increase (Decrease) over prior year	\$ 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%

Summary 2019

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Total Room subject to tax	1,873	1,806	2,181	2,293	2,223	3,049	3,404	2,874	2,800	2,922	2,231	1,597	29,253
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	\$ 3,746	\$ 3,612	\$ 4,362	\$ 4,586	\$ 4,446	\$ 6,098	\$ 6,808	\$ 5,748	\$ 5,600	\$ 5,844	\$ 4,462	\$ 3,194	\$ 58,506
Percentage Occupancy	30.67%	32.74%	35.71%	38.80%	36.40%	51.59%	55.74%	47.06%	47.38%	47.85%	37.75%	26.15%	40.65%
Large Three Occupancy	39.65%	43.74%	45.87%	48.04%	43.35%	64.52%	67.90%	56.28%	59.20%	61.11%	47.75%	33.88%	50.94%
Small Three Occupancy	8.06%	5.04%	10.14%	15.54%	18.89%	19.05%	25.12%	23.85%	17.62%	14.46%	12.56%	6.68%	14.75%
Increase (Decrease) over prior year	\$ (90)	\$ 412	\$ 940	\$ 460	\$ (896)	\$ 630	\$ 494	\$ (472)	\$ (592)	\$ (912)	\$ (688)	\$ 176	\$ (538)
Percentage Change	-2.35%	12.88%	27.47%	11.15%	-16.77%	11.52%	7.82%	-7.59%	-9.56%	-13.50%	-13.36%	5.83%	-0.91%

Summary 2020

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Total Room subject to tax	1,312	1,728	995	1,396	1,105	1,845	2,214	2,678	2,286	2,302	1,783	1,303	20,947
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	\$ 2,624	\$ 3,456	\$ 1,990	\$ 2,792	\$ 2,210	\$ 3,690	\$ 4,428	\$ 5,356	\$ 4,572	\$ 4,604	\$ 3,566	\$ 2,606	\$ 41,894
Percentage Occupancy	21.48%	31.33%	16.29%	23.62%	18.08%	31.22%	36.25%	43.85%	38.68%	37.69%	30.17%	21.34%	29.17%
Large Three Occupancy	28.28%	39.64%	21.57%	29.86%	20.84%	37.12%	43.03%	50.42%	44.87%	42.85%	35.92%	28.07%	35.21%
Small Three Occupancy	4.38%	10.40%	3.00%	7.92%	11.12%	16.37%	19.18%	27.30%	23.10%	24.71%	15.71%	4.38%	13.97%
Increase (Decrease) over prior year	\$ (1,122)	\$ (156)	\$ (2,372)	\$ (1,794)	\$ (2,236)	\$ (2,408)	\$ (2,380)	\$ (392)	\$ (1,028)	\$ (1,240)	\$ (896)	\$ (588)	\$ (16,612)
Percentage Change	-29.95%	-4.32%	-54.38%	-39.12%	-50.29%	-39.49%	-34.96%	-6.82%	-18.36%	-21.22%	-20.08%	-18.41%	-28.39%

City of Vermillion
 BID #1 Payments to VCDC by Quarter
 For 2015-2019
 BID Board proposal to use BID #1 reserve
 to make up shortfall in payments to
 VCDC for First and Second Quarter 2020

	<u>First Q</u>	<u>Second Q</u>	<u>Third Q</u>	<u>Fourth Q</u>	<u>Total</u>
2015	10,115	13,882	14,894	11,519	50,410
2016	8,274	11,830	13,394	10,980	44,478
2017	8,806	12,434	13,807	10,579	45,626
2018	8,206	12,611	15,966	14,128	50,911
2019	<u>11,486</u>	<u>14,827</u>	<u>17,793</u>	<u>13,230</u>	<u>57,336</u>
5 yr average	9,377	13,117	15,171	12,087	49,752
2020 BID 98% paid to VCDC	7,909	8,518	14,069	10,560	41,056
BID #1 Reserve funds to VCDC	1,468	4,599	1,102	1,527	8,696

The BID Board recommended and the City Council approved that 85% of the BID receipts would be provided to the VCDC for Tourism and Marketing until the BID reserve reached \$30,000 at which time the VCDC would received 98% of the BID receipts as the City is allocated 2% for accounting. The \$30,000 reserve was reached in the third quarter 2018. The BID reserve funds were to be allocated to special needs as recommended by the BID Board with the approval of the City Council.

The BID Boards recommendation at the May 2020 meeting was to use reserve funds to make up the difference between the average of the prior five year quarterly payments thus the reserve used for first quarter was \$1,468 and second quarter will be \$4,599. The BID Boards recommendation at the July 2020 meeting was to continue to use the reserve funds for the third and fourth quarters to make the payments to the VCDC based on the five year average.

City of Vermillion
 Business Improvement District Number 1
 Actual For 2018, 2019, 2020 and Budget 2021

	<u>Actual</u> <u>2018</u>	<u>Actual</u> <u>2019</u>	<u>Revised</u> <u>Budget</u> <u>2020</u>	<u>Actual</u> <u>2020</u>	<u>Budget</u> <u>2021</u>
Revenues:					
BID #1 Revenues	59,044	58,506	40,000	41,894	60,000
Expenses:					
Promotion & Marketing	50,911	57,336	39,200	41,056	58,800
Reserve Funds to VCDC			10,552	8,695	-
Collection	<u>1,181</u>	<u>1,170</u>	<u>800</u>	<u>838</u>	<u>1,200</u>
Total Expense	<u>52,092</u>	<u>58,506</u>	<u>50,552</u>	<u>50,589</u>	<u>60,000</u>
Revenue over Expenses	<u>6,952</u>	<u>-</u>	<u>(10,552)</u>	<u>(8,695)</u>	<u>-</u>
Projected Reserve Balance					
Year end	<u>30,000</u>	<u>30,000</u>	<u>19,448</u>	<u>21,305</u>	<u>21,305</u>