

MEMORANDUM OF UNDERSTANDING  
September 17, 2003

This understanding is not intended to be a binding legal document, but rather a formalized record of agreement seeking ways for greater cooperation among the entities involved. This understanding builds on the Memorandum of Understanding that was originally signed February 22, 1988 between Rapid City, the Rapid City Hospitality Association and the Rapid City Area Chamber of Commerce. The past fifteen years have been notable for the cooperation between all organizations to promote and enhance tourism opportunities throughout Rapid City and the Black Hills.

This understanding builds on the good faith and personal trust that has been the hallmark of previous agreements.

The Convention and Visitors Bureau as a Division of the Chamber of Commerce is made a party of this agreement. This agreement can be modified with the agreement of all parties to the agreement.

Rapid City Area Chamber of Commerce/Convention and Visitors Bureau

- 1) The Chambers' CVB Board of Directors will plan and implement the CVB program, develop the budget, maintain a checking account and accounting system open for CVB and Chamber Board review at any time.
- 2) The Chairman and other officers of the CVB Board will be elected from and by the members of the CVB Board.
- 3) 75% of the CVB Board will be made up of Chamber members collecting the 1-cent BBB tax and/or Chamber member attractions, transportation services or campgrounds.
- 4) 25% of the CVB Board will be from the balance of the Chamber roster.
- 5) The CVB Board Nominating Committee will be comprised of the task force chairs, the President of the Hospitality Association, CVB Chairman, CVB Vice Chairman and CVB Past Chairman. They shall submit the names of qualified people for each position open for vote by members of the CVB Board of Directors.
- 6) The CVB Executive Director will report to the President of the Chamber. The President will obtain input from the CVB Board of Directors regarding the CVB Executive Director's performance, employment, discharge, and compensation package. This will normally occur during the annual review and hiring of the Executive Director. The CVB Executive Director will be responsible for all personnel matters relating to the CVB staff.

- 7) The Chamber will allocate not less than 20% of collected membership dues, based on the previous year collection rate, to the CVB Division budget and paid monthly.
- 8) The common administration pro rata expenses charged to the CVB Division shall be evaluated and approved yearly by the CVB Board as part of the budget process. If agreement is not reached with the Chamber Board of Directors the matter will be subject to negotiations of a committee comprised of two members each of the Chamber Board, the CVB Board, and a 5<sup>th</sup> member to be appointed by the Mayor of Rapid City.

#### City of Rapid City

- 1) The Mayor agrees to fund the Chamber's CVB Division by at least 25% of the 1-cent BBB tax, contingent upon Council approval.
- 2) The City authorizes a non-voting CVB "membership" on the Civic Center Board.

#### Rapid City Hospitality Association

- 1) The Association will actively encourage its members to join the Rapid City Chamber and to participate in the CVB task force groups and Board of Directors.

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Pete Cappa, Chairman  
Rapid City Area Chamber of Commerce  
Board of Directors

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Dan Warren, Chairman  
Rapid City Convention and Visitors Bureau  
Board of Directors

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Jim Shaw, Mayor  
City of Rapid City

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Marty Engel, President  
Rapid City Hospitality Association