

# State Board of Finance

## Minutes

Tuesday, November 21, 2017  
2:00 p.m.

Governor's Large Conference Room  
Capitol Building

**Board members present:** Tony Venhuizen, Office of the Governor; Teresa Bray, Office of the Secretary of State; Ann Holzhauser, Office of the Attorney General; Jason Lutz, Deputy State Auditor; Rich Sattgast, State Treasurer; Ryan Brunner, Commissioner of School and Public Lands; Leah Svendsen, Bureau of Administration; and Colin Keeler, Bureau of Finance and Management. Guests included Dennis Keith, Office of the State Auditor; Bob Mercer, Newspaper; Rich Murray, South Dakota Inn Keepers; John Ponselet, Governors Inn; Anthony Galbraith, The Lodge at Deadwood; Michele Birch, South Dakota Hotel & Lodging Association; and Kayla Dowling, Office of the Secretary of State.

**Call to order:** Tony Venhuizen called the meeting to order at 2:01 p.m.

**Agenda:** Rich Sattgast moved and Ryan Brunner seconded to approve the agenda as presented. A voice vote was taken. Motion carried.

**Minutes:** Jason Lutz moved and Colin Keeler seconded to approve the minutes from the meeting on October 17, 2017. A voice vote was taken. Motion carried.

**State Transfers:** Ryan Brunner moved and Rich Sattgast seconded to approve the following State Transfers. A roll call vote was taken and the motion carried unanimously.

- South Dakota Highway Patrol
  - D. Myron Norman
- South Dakota State University Extension
  - Sara Berg

**Professional Recruitment:** Colin Keeler moved and Rich Sattgast seconded to approve the following Professional Recruitments. A roll call vote was taken and the motion carried unanimously.

- Board of Regents
  - Edward Glenn Kerins
- Bureau of Information and Telecommunications
  - Jialun Jiao
- Department of Game, Fish, & Parks
  - Kody Conlon
  - Garret Mooney
  - Colton Taylor
- Department of Health
  - Judith Sengstock
- South Dakota State University
  - Cody W Caldwell
  - Amber Erickson
  - Rong Fan
  - Wyeth Lynch
  - Nicole Rosemary Peschong
  - Carson Petersheim
  - Morgan Sederburg
- University of South Dakota
  - Sarah Militz-Frielink

**State Hosting Reimbursement Request – SDCL 3-9-2.1:** A motion was made by Jason Lutz and seconded by Rich Sattgast to reject the following State Hosting Reimbursement request due to it not meeting the statutory requirements. A roll call vote was taken and the motion carried unanimously.

- Department of Game, Fish, and Parks
  - Calley Worth

NOTE: *This meeting is being held in a physically accessible place. Individuals needing assistance, pursuant to the Americans with Disabilities Act, should contact the Secretary of State's Office at (605) 773.3537 in advance of the meeting to make any necessary arrangements.*

A motion was made by Jason Lutz and seconded by Leah Svendsen to approve the following State Hosting Reimbursement requests. A roll call vote was taken and the motion carried unanimously.

- Governor's Office of Economic Development
  - Eric Fosheim
  - Steve Watson
- Department of Tourism
  - Wanda Goodman
  - Katlyn Richter (3 Requests)

**Home Station Per Diem Reimbursement Request – SDCL 3-9-2.2:** A motion was made by Ryan Brunner and seconded by Colin Keeler to approve the following Home Station Per Diem Reimbursement requests. A roll call vote was taken and the motion carried unanimously.

- Bureau of Finance & Management
  - Quarterly Governor's Council of Economic Advisors meeting held on October 24, 2017 in Pierre.
- Department of Agriculture
  - Department support staff meeting held on September 15, 2017 in Fort Pierre.
- Department of Game, Fish, and Parks
  - Request for Evan Meyers who attended the Wildlife Training during the month of August 2017.
  - Request for Chris Kuntz who attended the Wildlife Training during the month of September 2017.
- Department of Health
  - Board of Certified Professional Midwives held on October 12, 2017 in Sioux Falls.
  - Annual Board of Executive Directors meeting held on October 17, 2017 in Pierre.
- Department of Labor & Regulation
  - Unemployment Insurance Division Conference meeting held September 26-28, 2017 in Aberdeen.
  - Workforce Development Council meeting held on November 1, 2017 in Pierre.

**Action Items:**

A discussion was held regarding state lodging rates. Michele Birch, South Dakota Hotel & Lodging Association, requested that the Board reconsider tying the state lodging rate to the current federal lodging rate. A summary of Lodging Rate as a Percentage of Federal Lodging Rates was provided to the Board (a copy of which accompanies these minutes). She pointed out that the last rate increase occurred in 2014, which created two different rates based on the season. Rich Murray, John Ponselet, and Anthony Galbraith emphasized on how the current operating expenses for maintaining the hotels in South Dakota based on their specific needs have increased. They also mentioned how the labor costs to retain quality employees have also increased.

Ryan Brunner suggested that a rate possibly be increased, but only one rate for the entire year not based on the season. Rich Sattgast asked if there were rooms set aside for state employees, because it is difficult to get a state rate any time during the year. Rich Murray answered that if there is between 70% and 80% occupancy then a hotel will not offer state rates. Hotels also base the state rate availability on the events taking place in that specific city. Colin Keeler raised the question when are the federal rates posted for the upcoming federal fiscal year. Michele said they are posted the August prior to the new federal fiscal year beginning October 1<sup>st</sup>. Colin Keeler requested a history of the federal lodging rates for the past ten years. Michele stated she would provide this information to the Board. Colin stated he would provide cost projections for the next meeting if there was a rate increase in the new fiscal year.

The second action item was a discussion regarding possible legislative changes to clarify that the Board could accept electronic and facsimile signatures. Further research will be completed and presented at the next meeting.

**Debt Write Offs:** A motion was made by Colin Keeler and seconded by Ryan Brunner to approve the following debt write offs. A roll call vote was taken and the motion carried unanimously.

- Department of Corrections submitted 126 debt write offs totaling \$239,924.45.
- Department of Human Services submitted 1 debt write off totaling \$710.94.

**Adjournment:** Jason Lutz moved and seconded by Rich Sattgast to adjourn the meeting. The meeting was adjourned at 2:41 p.m.