



Visit Estes Park
The Destination
Marketing Organization
VisitEstesPark.com

Board of Directors Regular Meeting Agenda

Wednesday, October 24, 2018, 1:00 p.m.
Town Hall Board Room, 170 MacGregor Ave

Board Members Attending: Sean Jurgens, Deborah Gibson, Lowell Richardson, Stefano Tomasello, Todd Jirsa, Marie Cenac and Pat Murphy

Also Attending: Kyle Patterson, Sandy Evans Hall, Josh Cramer and Zach Clemens

Jonathan Chmil, Lyons Gaddis, Visit Estes Park Attorney
Shannon Davis, Interim CEO, Visit Estes Park
Kevin Benes, CFO, Visit Estes Park
Wendi Bryson, Office Manager, Visit Estes Park
Abi Huebner, Partner Development Manager, Visit Estes Park

The meeting was called to order by Chair Sean Jurgens at approximately 1:00 pm.

PUBLIC COMMENT.

None

CHAIRPERSON'S MESSAGE.

Jurgens gave an overview of the primary actions items on the agenda and asked for a motion to approve. Jirsa asked if the proposed budget adjustment could be moved up to the next item since he was going to have to step out for another engagement, the other members agreed. Jirsa moved to approve the agenda with the change, Jurgens second. With no further comment, the motion passed unanimously.

POLICY DEVELOPMENT.

Jirsa opened the discussion explaining why he felt that a forensic audit was an important step for the organization to regain the trust of the community and restore public opinion. He explained that the Town Board's stance was that they were not going to approve the operating plan unless the budget was altered to allow for a forensic audit. Gibson asked when that decision was made, since she didn't get that from the study session recording. She asked if there were specific concerns that warranted doing a forensic audit. Jirsa stated not that could be shared in open meeting. Jurgens explained that he would be more open to spending the additional funds if there were specific facts or concerns that justified it rather than an emotional decision. Cenac shared that she felt it was too important to officially establish that no fraud occurred during the time period investigated. Gibson shared her reservations for spending that amount of tax funds, and shared that she had reached out to some of her contacts to get their opinion. She went on to explain that her contacts thought it was overkill to do a forensic audit, and suggested doing an investigation with a larger sample size to see if the full forensic audit was warranted before going the final step. Cenac shared that she herself does not believe that fraud occurred, but that a large amount of the public seems to. She continued on to explain that why wouldn't the organization spend the additional money to prove that there wasn't to restore public opinion. Gibson explained that she would just like a better understanding of what suspicions they were referring to before she could justify the additional expense as a responsible use of tax money. Jirsa added that it was shared at one of the quarterly meetings that the financial reports shared with the board had been inaccurate. Benes explained that Blackhurst had found some items that had been book keeping errors by Bodman, but those had been fixed already and discussed with the finance committee. Richardson

asked if they affected the bottom line of the budget or if there was any missing money. Benes stated it did not affect the bottom line and there was not any missing money. Jurgens share that since Benes had started that numerous financial policy changes had been made as well, and Benes agreed. Richardson explained that a specific review of the 2016 and 2017 transactions done by the executive director, the board members and large repetitive transactions had already been done by multiple people, two of which have experience on both sides of a forensic audit. They have not found any evidence that laws were broken. He expressed serious concerns with spending tax funds on a criminal investigation to address political concerns rather than actual evidence that laws were broken. He pointed out that the organization had done everything except a forensic audit, including spending \$12,000 on the expanded comprehensive audit of 2017, and it doesn't make sense to him to spend the additional \$40,000 on top of that. He went on to say that he thinks that the board needs to have an executive session to discuss specific concerns before a decision can be made. Jurgens shared that they had received an email from a stakeholder objecting to the additional expense of a forensic audit. Benes read that statement aloud for the stakeholder. Jirsa shared that the forensic audit was being presented as a requirement for the Operating Plan to move forward with the Town, and with the expected changes to the IGA it would either happen now or later. Cenac questioned if the expense was the board's only objection. Gibson shared that her research showed that it was a highly unusual thing to do without evidence of criminal intent prior to undertaking a forensic audit, and the board had found none. After further discussion the board decided to hold a special meeting to discuss the audit further before making a determination.

REPORTS.

Patterson gave an update on new housing facilities in RMNP and a ribbon cutting from this morning. She explained that the new housing would be available to park employees. She gave an update on the Trail Ridge Road closure and the most recent search and rescue efforts. She finished by sharing that in September there was a 15.2% increase over 2017 and that the park was already over 4 million visitors for the year. Gibson asked how the pile burning was going in the park, and Patterson explained that they have already been able to burn 300 piles already. Richardson asked if there were any updates on the poaching instances, and she explained that they are getting a lot of tips from the public, but the investigations are still ongoing.

PRESIDENT & CEO.

Davis gave an update on the organization's PR efforts and website performance. He explained how the organization was going to adjust the marketing efforts to counteract some of the changes in the website performance. He gave some updates on the fall social media campaigns and some upcoming marketing campaign highlights. The press conference with Senator Gardner has been rescheduled for November 8th. He then gave an update on the Operating Plan approval, and requests he had received from the Town for more information before final approval would be decided.

CFO.

Benes briefly mentioned that the proposed changes from today's meeting were not presented as offsets to next years budget, so that was something the board needed to keep in mind. He continued on to go over the financial reports and the what to expect going into the fourth quarter. He briefly went over the Town's sales tax report, the audit final determination and shared that the governance committee was working on reviewing all the policies.

PROGRAM REVIEW.

1. Cramer gave a presentation on bringing the website listings in house. Benes shared the financials involved with the website listings, and how that breaks down. Cramer went over the different pieces involved in the actual listing creation process and shared one of the things that could be greatly improved was eliminating all the repetitive language in the listings. He gave recommendations on additional platforms that could be used to handle things like listing approvals and project management software. He gave an overview of additional staff positions/responsibilities to handle the additional responsibility involved with bringing the listings in house. He covered the risks and rewards to the organization and stakeholders of making the changes needed. Richardson asked if it was

unusual to bring something like this in house. Cramer explained it makes sense to outsource it if you can't afford the diversity of staff required to pull it off well, but at the scale you are operating at it makes complete sense to bring it in house. Gibson shared that as a stakeholder she has very little interaction with DTN and she sees this as an opportunity to provide more outreach to the stakeholder moving forward. She went on to question why it was contracted out to begin with. Benes shared that it made financial sense at first, but that it has grown so much it no longer makes financial sense to outsource it. Gibson went on to explain that she was all for it, and Jurgens agreed that the benefit and added service to the stakeholders was exciting. Benes explained that they brought Cramer in to analyze the technology side to make sure there wasn't anything that the staff was missing, and the financial impact for the first year if the change to the Visit Estes Park services was approved. Huebner went over her experiences with stakeholders and how it will help them, and Davis went over the guest perspective in relation to website listings. He continued on to explain what the proposed staff changes would look like, and the benefit/services that would be passed on to stakeholders at no cost to them. How it would affect existing staff moving forward, office space, equipment and budget. Richardson asked to clarify what the revenue generation for the first year. Benes explained that the revenue projection was based on everyone just renewing what they already have, but the feedback that we have been getting from stakeholders is that they are not thrilled to work with the out of state company. He expects that the projected revenue may in fact increase rather than stay flat by having local contacts for stakeholders to work with. Jurgens moved to approve the proposed budget adjustments for 2019 to move forward with the inhouse listings and sales, Gibson seconded. With no further comment, the motion passed unanimously.

2. Benes talked about the background for the organization's reserves and what was allowed for investments. He explained his thoughts and how the changes would affect the organization. Richardson asked what happened if there was a catastrophic event and how that would work. Benes clarified that he was proposing quarterly investments into 12-month CDs that were set to auto renew. Also, the bank has offered to waive any early withdrawal fees as long as it's for a board declared state of emergency. Richardson questioned if Benes was looking at using a different bank and keeping funds in the Estes Park community. Benes said he was not saying all the funds should be pulled from Bank of Estes Park, but that he would like to move the operating fund at the very least. The bank of Estes Park policies makes it so that he is not able to monitor the bank balance, and he's never truly sure what it is until he gets the bank statement. Benes asked if the board would like a presentation from Bank of Colorado, but the board did not think it was necessary.

POLICY DEVELOPMENT.

1. Benes explained that due to the privacy requirements of the State that this particular policy was not lawful. Gibson moved to nullify policy 20, Cenac seconded. With no further comment, the motion passed unanimously.
2. Jurgens gave some of the history of the policy and the reason for the changes in order to perform their duties. Jurgens moved to approve the amendment to policy 23, Gibson seconded. With no further comment, the motion passed unanimously.

CONSENT AGENDA.

Gibson moved to approve the minutes, Jurgens seconded. With no further comment, the motion passed unanimously.

BOARD COMMENTS.

Jirsa explained that after talking to Chmil about the policy that they agreed that both Cenac and him needed to be sworn in. Jurgens asked Chmil if it had to be during a public meeting. Chmil clarified that it does not have to be in a public meeting, but if it isn't it would have to be done with a notary. Bryson pulled up the Oath of Office document and Jurgens swore in both Jirsa and Cenac.

ADJOURN.

Jurgens adjourned the meeting at approximately 2:30pm.



Wendi Bryson, Recording Secretary

DATE:

11/28/18



Sean Jurgens, Chair

DATE:

11/28/18



Visit Estes Park
The Destination
Marketing Organization
VisitEstesPark.com

Kevin Benes <kbenes@visitestepark.com>

To VEP Board and Kevin Benes, regarding Mayor proposed VEP special Forensic Audit

3 messages

Info at Deer Crest Resort <info@deercrestresort.com>

Tue, Oct 23, 2018 at 1:12 PM

Reply-To: info@deercrestresort.com

To: sjurgens@visitestepark.com, lrichardson@visitestepark.com, dgibson@visitestepark.com, stomasello@visitestepark.com, pmurphy@visitestepark.com, kbenes@visitestepark.com

October 23, 2018

Letter to the Visit Estes Park Board and Kevin Benes of VEP Staff,

I am writing concerning the special Forensic audit being proposed by Mayor Jirsa.

1) The \$40,000 VEP funds that Mayor Jirsa has proposed to be used for a forensic audit is not and never has been designated for any purpose other than the marketing of Visit Estes Park. As a lodge owner and stakeholder of Visit Estes Park, who has collected lodging tax as well as paid VEP for additional advertising purchases, for a combined yearly total of tens of thousands of dollars that are earmarked explicitly for marketing of Visit Estes Park, I am adamantly opposed to the use of VEP funds for any other purpose, especially any purpose that is as widely divergent from the marketing of Visit Estes Park as a 3 year financial/administrative forensic audit. (2015, 2016, 2017). Outside Auditors have given clean audits for all those years. As a well as Kathy Asche, CPA for Visit Estes Park.

2) It is not at all clear that the justification for this proposed audit has been provided to the community, not even to the stakeholders of Visit Estes Park. Having already stated that Visit Estes Park should in no way be funding such an audit, I insist that the community and stakeholders are entitled to be privy to the justification, in detail, for the audit that the city would pay for, if anyone does. Transparency demands a detailed justification.

Of course, should the audit be funded by individual persons who wish the audit to occur enough to pay for it, then the justification and transparency needs are different.

3) In summary, the proposed audit is at present unjustified, and even if it were justified to the community, Visit Estes Park should not under any circumstances fund such an audit. For Visit Estes Park to fund this audit, justified or unjustified, would be a misappropriation of earmarked marketing funds and to the detriment of those stakeholders that have provided those funds.

Respectfully,

Carrie Arnold

Lodging stakeholder of VEP/LMD

Since the inception of the Visit Estes Park - Local Marketing District

Deborah Gibson <dgibson@rhvresort.com>

Tue, Oct 23, 2018 at 1:22 PM

To: "info@deercrestresort.com" <info@deercrestresort.com>, "sjurgens@visitestespark.com" <sjurgens@visitestespark.com>, "lrichardson@visitestespark.com" <lrichardson@visitestespark.com>, "dgibson@visitestespark.com" <dgibson@visitestespark.com>, "stomasello@visitestespark.com" <stomasello@visitestespark.com>, "pmurphy@visitestespark.com" <pmurphy@visitestespark.com>, "kbenes@visitestespark.com" <kbenes@visitestespark.com>
Cc: Deborah Gibson <dgibson@rhvresort.com>

Thank you Carrie. I understand your position. Hope you're feeling better. Deb

Sent via the Samsung Galaxy S6 edge+, an AT&T 4G LTE smartphone
[Quoted text hidden]

Kevin Benes <kbenes@visitestespark.com>

Tue, Oct 23, 2018 at 2:01 PM

To: info@deercrestresort.com
Cc: Sean Jurgens <sjurgens@visitestespark.com>, Lowell Richardson <lrichardson@visitestespark.com>, Deborah Gibson <dgibson@visitestespark.com>, Stefano Tomasello <stomasello@visitestespark.com>, Pat Murphy <pmurphy@visitestespark.com>

Carrie,

· Thank you for your email. I noticed that you did copy the board on this, I wanted to make sure you are aware that before each agenda item is voted on that there is public comment available. The forensic audit you mentioned will be discussed as an agenda item at the Visit Estes Park board meeting beginning tomorrow, Wednesday Oct 24th at 1pm in the Town Board room.

Thank you,

Kevin Benes

Finance officer

Visit Estes Park | The Destination Marketing Organization

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