



Visit Estes Park
The Destination
Marketing Organization
VisitEstesPark.com

Board of Directors Regular Meeting December 20, 2016 Minutes

Board Members Attending: Steve Kruger, Morgan Mulch, Jon Nicholas, Lindsay Lamson (by telephone), Adam Shake, Scott Webermeier, and Bob Holcomb (Town Trustee)

Board Members Absent: Karen Ericson and Cody Walker (Town Trustee Liaison)

Also Attending: Kent Smith, Carrie and Ken Arnold, Art Messal, Michelle Hiland, Charley Dickey, and Dan West

Elizabeth Fogarty, Visit Estes Park, President & CEO
Michael Bodman, Visit Estes Park, Finance & Administration Manager

The meeting was called to order by Chair Scott Webermeier at 2:00 p.m.

Public Comments. (Please state your name and address.)

Carrie Arnold: 750 South Lane, Estes Park, CO. Arnold said that she's known many VEP Board members and the CEO for a long time, and they have deep roots in the community. They are all invested in destination marketing, represent the entire community fairly, they are well qualified, and they would never do anything to harm the community. Michelle Hiland: 1767 Wildfire, Estes Park, CO. Hiland said that she never said that the VEP Board would harm Estes Park. She added that she does not necessarily agree with everything that Art Messal says. Ken Arnold: 750 South Lane, Estes Park, CO. Arnold asked what the Board thinks that VEP is getting from its investment in the Estes Park Economic Development Corporation (EDC). Art Messal: 1767 Wildfire, Estes Park, CO. Messal asked the following: What is the Estes Park brand? What does VEP spend money on? How do you know VEP is effective? If your business spent \$2 million on marketing, what would you expect? How is VEP serving the town and the county, and not just the lodging industry? Messal added that the Board appears to be out of touch with what the organization is doing and the Board operates at such a high level without operational details. Kent Smith. 661 Bighorn Drive. Smith commented that the EDC is a worthy investment that benefits the whole community. He added that \$20,000 is rather small for an investment in the EDC.

Board Comments.

Jon Nicholas stated that this would be his last regular Board meeting. One of the highlights of his tenure on the Board was the Colorado House bill that changed lodging tax disbursements from quarterly to monthly. Nicholas added that he was glad that he could contribute. He wished VEP and the Board all the best.

A. Action Items

1. Approval of Agenda.

Scott Webermeier said he would like to delete the executive session until the 29th of December when more people can attend the meeting. With this change to the agenda, Nicholas moved to approve the agenda, Mulch seconded, and the Board approved unanimously.

2. Approval of 12/06/2016 Board Meeting Minutes.

Nicholas moved to approve the minutes, Mulch seconded, and the Board approved unanimously.

3. Approve Resolution 06-16 Adjusting Appropriations to the Funds for the Fiscal Year beginning January 1, 2016 and ending December 31, 2016.

Shake moved to approve the resolution, Mulch seconded, and the Board approved unanimously.

4. Approve Resolution 07-16 Combined Resolution Concerning (1) the Adoption of a Budget for Fiscal Year 2017 and (2) Appropriation of Funds for Fiscal Year 2017.

Nicholas and Shake recused themselves from the discussion and the vote on the 2017 budget since a contribution to the EDC was part of the budget. Nicholas and Shake left the room.

Kruger moved to approve the combined resolution adopting a 2017 budget and appropriating funds for fiscal year 2017, Lamson seconded, and then a discussion took place.

Lamson asked to clarify if the Board has the flexibility to adjust the budget as the year 2017 unfolds. Webermeier confirmed that adjustments could be made as needed.

Mulch stated that some of the line items in the detailed budget are strategic and not discretionary. He said that he'd like to have a more thorough discussion on certain line items. He added that the detailed budget was presented to the Board only two weeks ago, and that's not enough time. He would have preferred a month. Mulch indicated that some of the line items should get voted on by the Board: new website, destination product development (DPD), agency planning & management, and research.

Lamson and Kruger replied that the 2017 budget needs to be approved so that there's money available in the first place for the Board to discuss any greater detail. Fogarty noted that her CEO updates include and will continue to include consultations on major expenditures, such as a new website. Lamson added that there's a difference between private and public accounting. For example, in public accounting, large one-time expenses like a new website cannot be amortized over a number of years.

Mulch stated that he would agree to approve the budget but not before the Board votes to freeze spending pending further Board discussion and greater detail from the CEO on a new website, DPD, agency planning & management, and research. Mulch emphasized that there needs to be further discussion and greater detail before these line items are approved.

Fogarty stated that VEP's social media would come to a halt without an immediate vote on agency planning and management included with the budget vote. She added that VEP has a balanced budget, despite negative cash flow forecast for 2017, due to carryover funds of \$1,451,479 from 2016. Fogarty explained the difference between private versus public accounting, including the

need for a nonprofit like VEP to invest excess funds back into the organization rather than carrying a substantial reserve, thus producing a balanced budget. Fogarty also shared that the board agreed to maintain an \$800,000 ending fund balance, and thus all additional funds available beyond that \$800,000 need to be invested in marketing. Mulch agreed to compromise on a freeze pending further discussion and greater detail for three line items: new website, destination product development, and research.

With a motion to adopt the 2017 budget and appropriate funds already on the table, the Board voted to approve 3-1 with Mulch opposed.

Subsequently, Nicholas and Shake re-entered the room and received an update on the discussion and the vote that took place. Lamson and Kruger asked Fogarty if the proposed motion to freeze certain 2017 line items would adversely impact her ability to conduct day-to-day operations. Fogarty replied that it would not be a problem, and emphasized that she constantly and thoroughly keeps the board abreast of such information on a continual basis.

Dickey asked to interject a public comment and Webermeier allowed it, with other board members agreeing. Dickey stated that the motion regarding freezing certain line items was not on the agenda, so how could he give public comment? He added that public comments should be allowed on action items. Finally, he stated that once the Board votes on the 2017 budget, the Board owns the budget, not the CEO.

Mulch moved to freeze 2017 budgetary spending pending further discussion and greater detail for three line items: new website, DPD, and research, Nicholas seconded, and the Board approved unanimously.

B. DISCUSSION ITEMS AND REPORTS

1. Bob Holcomb, Town of Estes Park Trustee

Holcomb stated that the Accessory Dwelling Unit proposal was defeated. A cap was placed on vacation rentals: 588 total, and an occupancy limit was imposed on vacation rentals as well. There will be no town funding for the Estes Park High School band.

2. Finance Report

Fogarty shared current bank account balances and gave an update on lodging tax receipts, which were flat in October when adjusted for late payments.

3. KPI Report

Board agreed not to review since they all had the report, and time was limited.

4. CEO Report

Fogarty stated that January 23 is Tourism Day at the Capitol and the TIAC reception, of which VEP is a sponsor. She asked that the board consider attending. She was asked to consider being on the Tourism Industry Association of Colorado (TIAC) Board, but suggested other CEO considerations, including Denver, Colorado Springs and Boulder, due to time constraints, especially with having to begin a national search for a new VEP marketing director. Visit Estes

Park was approved for the NPS Loop Grant from the Colorado Tourism Office in 2017, which has been a two year effort on the part of VEP and partners. Due to the fact that the stakeholder eNewsletter continues to be too long due to all that VEP is accomplishing and sharing on a monthly basis, the staff has decided to split the newsletter into two: marketing and PR partnerships. Fogarty then shared pictures of the Winter Marketing Campaign pop-ups that were in Denver the day after Thanksgiving and Boulder two days after Thanksgiving. She shared the feedback received from the crowds, many who shared how appreciative and impressed they were of Estes Park's event and they planned to visit Estes soon because of it.

C. EXECUTIVE SESSION

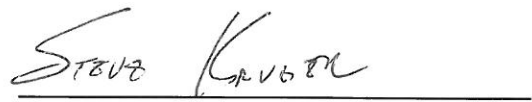
N/A

D. ADJOURN

Shake moved to adjourn at 4:30 p.m., Kruger seconded, and the Board approved unanimously.


Michael Bodman, Recording Secretary

Date: 1-3-17


Scott Webermeier, Chair
Steve Kruger

Date: 1-3-17