



Visit Estes Park
The Destination
Marketing Organization
VisitEstesPark.com

Board of Directors Regular Meeting Minutes

Wednesday, December 20, 2017, 9:00 a.m.
Town Hall Board Room, 170 MacGregor Ave

Board Members Attending: Sean Jurgens, Anne Morris, Adam Shake, Pat Murphy, and Lowell Richardson

Also Attending: Scott Webermeier, Charley Dickey, Deborah Gibson, Suzy Blackhurst, Joanna Darden, Zach Clemens

Wendi Bryson, Operations Manager, Visit Estes Park
Michael Bodman, Finance & Data Analytics Manager, Visit Estes Park
Jonathan Chmil, Lyons Gaddis, Visit Estes Park Attorney
Kathy Asche, C.P.A., Visit Estes Park Accountant

The meeting was called to order by Chair Sean Jurgens at approximately 9:00 am.

Public Comments – Joanna Darden expressed dissatisfaction with the budget, and with the board for giving Elizabeth Fogarty a severance package. Charley Dickey commended the board on the progress it was making and asked how he could best communicate with the board. Scott Webermeier asked about the process for hiring a new CEO and running Visit Estes Park in the meantime, what was the best way to communicate with the Board, and concern from a business owner standpoint over uncertainties concerning the organization's future after having invested heavily in marketing with Visit Estes Park for the coming year.

A. Action Items

1. Approval of Agenda

Shake moved to approve the agenda, and Richardson seconded. Jurgens requested to move the action item to approve the revised public comment policy to just after the approval of the 12/4/2017 Executive Session Minutes. With that change, the board approved the agenda unanimously.

2. Approval of 12/4/2017 Regular Board Meeting Minutes

Shake moved to approve the 12/4/2017 regular meeting minutes, Morris seconded, and the board approved unanimously.

3. Approval of 12/4/2017 Executive Session Minutes

Shake moved to approve the 12/4/2017 executive session minutes, and Morris seconded. John Chmil informed the board that the description for the reason for the session was not complete, though the statutory citations were correct. Chmil recommended that the description be amended to include the explanation for all three citations.

Jurgens moved to approve the 12/4/2017 Executive Session Minutes with the updated description for the reason for the Executive Session, Shake seconded, and the board approved unanimously.

4. Approve Revised Policy 21: Public Comment Rules of Order and Procedures

Shake moved to approve the revised policy, Richardson seconded, and the board approved unanimously.

B. DISCUSSION ITEMS AND REPORTS

1. Detailed DOLA Budget Review

Michael Bodman noted the general timeline for approval and filing of the annual budget, and explained that if the budget is not filed in a timely manner that tax revenue could be withheld by the state. Bodman addressed the negative cash flow questions brought up in the last meeting. Specifically, he stated how the State of Colorado defines a balanced budget, how the VEP budget falls in line with that definition, and he gave examples of how the Town of Estes Park follows the same practice. Visit Estes Park uses the strategic plan to determine what high-value targets to spend excess revenue on, and the breakdown of what the expected excess funds in the fund balance will be used for, to include marketing and research, according to Bodman.

In response to a question from Richardson, Bodman explained the listed revenue accounts and what they involve. Richardson then asked if Bodman could review the supplemental appropriation process. The process that Visit Estes Park uses was inherited from the Town, according to Bodman. The budget is based on the best information available prior to January according to estimated revenue and expenses, stated Bodman.

In August, the finance committee meets to make adjustments to the current year budget, and to create the estimated budget for the coming year for the Operating Plan. By October, the Operating Plan is presented to and voted on by the Town and County. Bodman added that was also the time when the budget adjustment resolution was being developed. Due to state statute, VEP cannot spend or collect more money than what is appropriated. The adjustment resolution ensures that VEP is fully compliant with state statute limitations. Richardson asked if the state allowed 45 days into the upcoming budget year to amend or finalize the budget, and Bodman agreed to research that issue and

follow up after the meeting.

The appropriation resolution only specifies the general fund, operational expenses, and TABOR, according to Bodman. The additional detail on budgetary line items is for informational purposes but does not get appropriated by the board, added Bodman.

Richardson asked if and how VEP is restricted on spending money. Bodman confirmed that there are spending restrictions but deferred to VEP attorney Chmil on the specific statutory limitations. Chmil explained that this was something that Lyons Gaddis had been looking into specifically in relation to destination product development. The current interpretation of the statute was that spending non-tax revenue on either capital expenses or those not directly specified in the statute would require specific evidence and research to show that the expense would relieve a significant amount of the marketing burden, according to Chmil. For clarification, Richardson asked if that meant that non-tax revenue is restricted, and Chmil agreed that it was.

In reply to a further question from Richardson, Chmil clarified that VEP does not inappropriately “co-mingle” funds, and that both tax and non-tax revenues could be spent on what is authorized by the statute. Richardson stated that the new board needed to address the spending policy going forward, and asked the staff if any funds had been earmarked for capital expenses. Bodman said that last year there was a line item in the budget for destination product development (DPD), which includes capital expenses, as a placeholder in case it was found that VEP could make that investment. In 2018, the DPD line item was there as well, but it had no funds allocated to it since the latest legal interpretation was that it was not allowed, according to Bodman. Richardson expressed concern about having destination product development as a line item. Chmil pointed out that the reason it was in the 2017 budget was as a placeholder. It was not a guarantee that the funds would be spent, but was there should it be determined that it was allowed, according to Chmil. Richardson stated he understood the thought process, but that an amendment could be made mid-year if something unexpected came up. Chmil answered that there are specific limitations that go along with amending a budget mid-year. That is why Lyons Gaddis recommends to their clients that they have contingency line items in case something unexpected comes up.

Morris asked if the Town was contributing funds to the Visit Estes Park budget. Bodman explained that in the past the Town had contributed some funding. Morris stated that while there may have been some start-up funding in years past, it did not look like the town had contributed funds in 2016 or 2017, and she asked if VEP expected to receive funds from the town in 2018. Bodman said no, Visit Estes Park does not receive any funding from the town or county.

In response to a further question from Morris, Bodman stated that the Operating Plan, which includes a proposed summary budget, is presented to the town and county boards 30 days prior to those boards voting on it. Morris added that such a timeframe is an opportunity for the VEP board to answer any questions or concerns that the town or county boards might have. Richardson stated he was

at the town board meeting that was being referred to and that it was represented fairly accurately during public comment.

2. Future Meeting Schedule

Jurgens asked to confirm that previously the meetings were the first and third Tuesdays of every month. Shake confirmed that was the schedule previously, but it was changed to once-a-month meetings, to allow the board to focus on being a more high-level strategic planning board. Jurgens asked if going back to the first and third Tuesday would work for everyone and more specifically January 2nd. Wendi Bryson mentioned that the Visit Estes Park office was closed January 1st and that she was out of the office the week before that, but that the staff could have everything ready ahead of time. Jurgens stated that the schedule would be the first and third Tuesdays of the month going forward starting January 2nd. Bryson confirmed that the meetings would remain the same 1pm to 4pm time slot if the board room was available at those times, and the board agreed.

3. CEO Hiring Committee

Jurgens explained that Wendi Bryson was stepping in as the acting CEO until the board could find an interim CEO. A committee would be assembled with Jurgens, Richardson and three community members along with a representative from Mountain States. Shake clarified that the interim CEO would be hired basically from the first of the year until a permanent fulltime replacement could be hired. Richardson clarified that the interim CEO hiring process would be handled by the board and not Mountain States. Shake asked if the interim position would hold the CEO title. Jurgens and Richardson said yes. Morris asked what the time frame would be for the interim CEO. Richardson stated typically you don't go beyond 6 months. Shake asked to clarify if private citizens would be on the hiring committee. Richardson said that they needed to talk to Mountain States first, but would like to do things that way.

4. Town Board Liaison Update

Trustee Holcomb stated that the meeting last week had to do with work force housing and the meeting next week was cancelled due to the closeness of the holidays. Trustee Holcomb gave an update on the October sales tax results that were up about 10%, but half of that was the result of late filings, so it ended up closer to 5% with the lodging tax up roughly 2%.

5. Finance Report, KPI Report, CEO Report

Bodman started with the October finance report. He explained the bank balance changes when compared to last year at this time and what comprises those funds. The total lodging tax received in the month of October was 14.89% higher than last year. When adjusted for late and missing payments, the difference is estimated to be 8.87% higher than last year. The total received

year-to-date (YTD) through October 2017 is up 10.35% compared to the same ten-month YTD period last year. Adjusting for late and missing payments, the YTD change is estimated to be up about 9.69%. For the summer season, defined as June through August, lodging taxes were up 4.2% compared to the same season last year. Adjusting for late and missing payments, the summer season is estimated to be up 12.83%. Bodman mentioned that the trends on the KPI report had not changed much from the previous month and the same was true for the profit and loss statement, but if the board had any questions to please let him know.

Bryson shared that the 2018 visitor guide went to print the previous week. She shared some information on major differences between the 2018 and the 2017 guide. Bryson went on to share an update on the board email addresses, and the status of getting the public email web page up and running. Shake asked about how many visitor guides go out every year and where they go outside of Estes Park. Bryson replied that last year Visit Estes Park sent out 66,000 individual guides to households globally, and that does not include bulk shipments. In 2017, guides were shipped to all of the Colorado Welcome centers, AAA clubs nationwide, and the Colorado Tourism Office (CTO) for the media familiarization trips that they host. Bryson added that of the 195,000 guides printed in 2017, VEP will have an estimated 20,000 guides left over at the end of the year. Bryson said that those guides are not destroyed, but sent out to fourth grade classrooms in the front range as part of the Every Kid in a Park promotion done by Visit Estes Park. Shake mentioned that last year he remembered the little backpacks for the kids as part of that program. Bryson stated that this year VEP is printing 205,000 guides, which is 10,000 more than last year. She explained that we expected another increase in demand in 2018 for the printed guides based on the last three years.

C. Action Items

1. Approve Resolution 06-17 Adjusting Appropriations to the Funds for the Fiscal Year beginning January 1, 2017 and ending December 31, 2017.

Jurgens opened a public hearing regarding the approval of Resolution 06-17, and opened the floor for public comment. Since there was no comment, Jurgens closed the public hearing. Shake moved to approve Resolution 06-17, Morris seconded, and the board approved unanimously.

2. Approve Resolution 07-17 Combined Resolution Concerning (1) the Adoption of a Budget for Fiscal Year 2018 and (2) Appropriation of Funds for Fiscal Year 2018.

Jurgens opened a public hearing regarding the approval of Resolution 07-17. Charley Dickey mentioned that last year there were three stipulations added to the budget specifically requiring board approval for spending on product development, the website, and one other. Dickey asked if that had carried over to the coming year. Bodman replied that last year there was a stipulation for

board approval on spending for research, destination product development, and a new website. He explained that this year the discussion was different. The only discussion that was similar was Mr. Richardson's suggestion of striking the line item for destination product development, according to Bodman.

Richardson replied that after hearing everyone's input that his concern was the capital expenditure issue, but that he knows that the line item involves more than that now and does not want that to get lost. Shake stated that last year was situationally specific, and he does not necessarily think it applies to this year's budget. Bodman agreed with Shake, and explained that research is an extremely high priority this year. Jurgens closed the public hearing when no other public comment was offered.

Richardson motioned to approve Resolution 07-17 with the stipulation that there be no acquisition of capital items for the 2018 year, Morris seconded, and the board approved unanimously.

3. Approve Revised Policy 23: Official Media Spokesperson for Visit Estes Park

Jurgens read the revised policy aloud, and opened the floor to public comment. Dickey asked if he could get some clarification on who the stakeholders should communicate with and if it would fall under this policy. Jurgens explained that yes it would, and any board member would respond to questions. Joanna Darden asked if the EDC makes a decision and whether Visit Estes Park is involved if the EDC spokesperson is speaking on behalf of Visit Estes Park. Shake replied no, the EDC spokesperson would be speaking on behalf of the EDC. Shake moved to approve revision to policy 23, and Murphy seconded.

Morris stated that she had proposed a revision from an institutional standpoint that VEP wants to be transparent. Morris added that she thought that the board didn't want to be sending out information that was working at cross purposes. Morris further stated that she didn't want to silence anyone, but that everyone should be on the same page when speaking to the media. Morris went on to explain that after the very first board meeting, she was getting requests for comment, and didn't want to respond while she was learning. Jurgens pointed out that under the previous version the only person allowed to respond was the CEO, but that the new version would open that up. Richardson suggested that what they were looking at was just a policy statement, but that maybe they needed to address drafting procedures related to the policy quickly. Richardson suggested that the staff could work on the procedure for the policy.

The board approved unanimously.

4. Interim Custodian of Records

Richardson motioned to name Wendi Bryson as the Custodian of Records until the Interim CEO is hired, and Morris seconded.

Shake stated that Bryson was the natural choice, and had been working in an

operations capacity for over a year.

The board approved unanimously.

Board Comments

Morris reported on the EDC meeting she attended. The EDC is focusing on establishing its operating plan objectives and focus areas like broadband and work force housing, according to Morris. She mentioned that they were very interested in working with Visit Estes Park going forward, and recommended that an official appointee from Visit Estes Park be put on the agenda when possible. Shake asked if the board had addressed all of Scott Webermeier's questions from public comment. Morris said that she had who is in charge of operations now, and that is Wendi Bryson until the interim CEO is hired; the hiring process was covered; was there transition built in to the departure of Elizabeth Fogarty, and she would probably say no. Richardson said that he already cited his references as to why Visit Estes Park would be "dead in the water," and suggested that people research them. Morris continued with the question that was asked regarding communication and expressed that this was addressed with the policy. Richardson mentioned Webermeier's statement that they worked for the stakeholders and not the town or county, and Richardson suggested he look at the statute for who decides the fate of Visit Estes Park. Morris mentioned that in the oath of office, that board members take the oath to the organization, and that board members are advocates of Visit Estes Park. Morris stated that she would still like to sit down and get clear direction from the Town and County of what is expected of the VEP board and if there is a significant change that they get that out and discuss it.

Richardson stated that it should probably be the board chair who reaches out to those elected bodies to see if they are willing to provide that information, ideally in writing. Morris agreed that would be extremely helpful. Richardson suggested that he thought that the VEP board should listen to what has been mentioned by the two governing boards in the past about Visit Estes Park. Richardson explained that if either of those two governing bodies doesn't want to support Visit Estes Park that the organization would be finished. Morris explained that she understands that they can make this organization go away, but that would be hurting the businesses and employees in this community. Morris stated that she just wanted bullet points from both governing bodies, stating what they needed to see in a clear defined manner. Morris stated that she had watched the videos and read the minutes, and it still was not clear to her. Dickey suggested that Morris check the July quarterly meeting minutes for specifics on what was discussed. Dickey further suggested that the next quarterly meeting was coming up shortly and that would be a good time to be specific. Morris agreed that would be a perfect opportunity.

Shake stated that this was his last meeting as a board member, and congratulated the board members on their new roles. Jurgens thanked Shake for all his help when he was a new member.

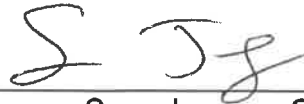
Adjournment – Richardson moved to adjourn at approximately 10:30am, Shake seconded, and the board approved unanimously.



Wendi Bryson, Recording Secretary

DATE:

1/10/18



Sean Jurgens, Chair

DATE:

1/10/18