

TA BOD Agenda  
Wednesday, September 12, 2018  
Gunnison County Courthouse Conference Room, 2:00 PM  
Call-in: (641) 715-3580; 835905#



**Directors in Attendance:** Kurt Giesselman, Tyler Newman, Scott Clarkson, Gary Pierson, Jennifer Barvitski, Wynn Williams, Kelly Osness

**Staff:** Laurel Runcie, Daniel Kreykes, Jeff Moffett, Andrew Sandstrom, John Norton

**On Phone:** None

**Public:** None

2:02 PM Kurt calls the meeting to order

#### **Roll Call**

We have a quorum. Gary is coming but will be late.

#### **Public Comments**

No public present

#### **Approval of July Meeting Minutes**

Tyler motions to approve. Scott seconds the motion. All approve.

#### **2018 September-December Budget Re-Forecast**

We needed to take another look at the budget post summer season as we prepare to spend our winter budget. Once we work through the reforecast, we will then move on to the 2019. You all should have received this early last week. To start, are there any questions?

Income-

The only big change from the previous version is that the LMD advanced us 50k into the summer, so we reduced revenue in November and December.

We just added 160k to the income with the Mt. CB grant that came through last night.

We have received a 250k payment from CBMR in the last three years. Will it come from Vail?

This is not a signed agreement, it is a written hand shake agreement that shows up in the air command minutes. This has allowed CBMR to not be liable for airline guarantees and in

exchange they have paid 250k (average of 5 years-worth of annual airline guarantees) towards marketing airline service. If not, this could become an interesting conversation with the BOCC and RTA. This is not something that is automatic. All of those documents have been shared with Vail, and is high on the priority for the transition schedule.

Coop programs-

Some blister payments. We have set aside additional funds for the winter grant cycle. 5k to continue the Creative Corridor partnership.

Digital Media-

Big winter air campaign. Will hope to be supported by the Vail marketing 250k we hope to receive.

Travel-

We are likely over budget here, but we have a lot in there to try and go to the TGR films and Bentonville travel etc. We should keep the extra in here in case we have to travel for meetings with Vail etc.

Signage-

The last pieces are coming together now. Everything has to get done this year! Everything will be in this fall. For 2019, we are trying to get into the budget for signal peak signage. Working with Gunnison trails to get this through with some grant funding.

Any questions on the revised 2018 budget? None

### **Other Potential 2018 changes**

Blister-

Blister Gear Review is a gear reviewing company. They have been in Taos for around 7 years. We engaged Jonathan in conversations about moving here instead of Telluride. We have worked a long-term deal with him. 300k per year and all gear reviews and guides will be based and called out as taking place in the Gunnison Valley. We were able to get the advertising value out of the deal and we are also able to get the Economic Development here as well. There are 3 professional jobs and hoping he will grow. TGR has been on it's way out as they have been moving towards IKON pass and not in alignment with Epic. Our media buying agency has vetted Blister's proposal and we found that it was a great value for what we he can deliver. On top of that, the icing on the cake is that he is relocating and building our local economy. Beyond that, there are some great opportunities to collaborate with Western. Jonathan also has landed on trail-running independent of us. Trail running is the largest segment in the outdoor industry. He has a paid and unpaid subscription. He has ideas to grow his subscription that we feel has good potential. His support from the resort is obviously in flux with the vail resorts deal. The resort's support will have to come later with new management. We will begin to make payments for his advertisements prior to the 2019 budget.

#### Arrivalist-

We went to the county and asked to tap the LMD reserve for 100k so that we can purchase Arrivalist. We will be presenting to them on Tuesday. We heard about the opportunity last December because the Colorado Tourism Office was adopting it. It allows us to track individuals based on their devices. We can see if we fed them an advertisement and then when they arrive in our market. Arrivalist 3.0 is cross device, so if you use your email to sign into your phone and computer, we can link those two devices. In the 2.0 version it does not cross devices. They use location services and GPS and not IP address locations. They can tell where you are within 30 feet. We can designate 20 locations within the valley and track when that device comes to those areas. For example, 70% of airport travelers also go to the Center for the Arts. We will be able to look back and see the ads that they have seen. Our goal with this is to launch in October so we can see how our Winter marketing campaigns are going. If not by October, we wouldn't launch until spring. That is why we asked for the extra funds from the county. All of the expenses are in the setup, so that is why we have to ask for it now. We are hoping to get this issued this month. We have connected them with our media buying agency. As for GDPR, they will not be tracking anyone from the EU. We need to consider which zones that we want to do and how many.

#### CBGTrails Compliance-

We went through the GDPR privacy compliance regulations. We did not at the time require Derrick, our CBGTrails creator, to comply right away. We asked him for an estimate on coming into compliance. Colorado also passed a law about privacy, Colorado Consumer Protection Law. Many of these pieces are similar to the GDPR. Total is about 50k to come into compliance. We would like to tap the contingency fund to get it done now. If they start next, they think they can have it done by x-mas. We are confident that they can deliver at this price. Is this a fixed cost? We have had issues with the scope creep in the past with him. If we sign a contract with him, it will be a fixed cost. The contingency fund is only to be tapped to pay for unforeseen expenses that are necessary for our operation. The reserve is only for if we don't get the money from the county and have expenses that we are responsible for. If our budget grows, we need to consider possibly expanding our reserve budget so that we have at least a month. This will be good to have him sign a fixed price contract. We are asking for the board to vote on using the contingency for getting into compliance. We would then refill the contingency out of the 2019 budget. Jennifer moves to pull up to 50k of the contingency to fund bringing CBGTrails into compliance with GDPR and Colorado Consumer Data Protection Law and fully replenish by October 1, 2019 out of the 2019 budget. Wynn seconds. All approve

#### **Intros to Kelly Osness**

Kelly is our newest board member and we would like to introduce her to everyone on the team. Kelly gave a little background on her history in the valley. Grandparents lived here and she started coming when she was 6. Her parents moved here and own The Paperclip. Lot of family

and roots in the valley. Started her store here 20 years ago. Obviously, she has a vested interest in tourism. She depends on tourism, but also is interested in smart growth. She has been a big voice in the downtown Gunnison Vibrancy Initiative. She is very excited to start working with us and learning more.

## **2019 Budget**

We already know that we will have to change the budget to refund the contingency. We can approve these as a draft today, but won't vote on the final until it is revised and we will do an electronic vote.

As a preface to the conversation, this, more than any other year, is our best guess. Vail changes our world and we don't know exactly what will happen. Vail has asked that we try and have a singular brand out there as opposed to the two that we have had in the past. Vail seems to be moving towards an extreme skiing and boutique town vision like the TA's. Historically, our winters are subpar when compared to our competitive set. With Vail, the winter guest, a bigger spending guest, could bring occupancy and rates up. If we align more with our competitors, we will see winter rates higher than summer. We may get to a situation where we aren't having to spend as much on winter. At the same time the pot grows because of increased winter. This is our best guess against what looks like a bright and dynamic future. There will definitely be a reforecast.

### Variance Document

In this draft version of the budget, we have requested a 12% increase. After new tax collection data has come in, we can see that the LMD fund is tracking up 15%. The board feels that we should ask for the 15% increase in our budget.

We have to knock down our winter Mt. CB grant at 160k instead of the 200k ask. We are anticipating around 25k in Mt. CB grant funding for summer of next year.

### Buydown

There isn't enthusiasm for buydown money this year, so we don't plan on doing that this year.

### Contract Labor

We are getting caught up to what comparable organizations are paying. Currently we are about to the level that our comp set was 3 years ago.

### Economic Development Class

60k budgeted in contract services because we are exploring working more closely with ICELab and supporting more of their efforts.

### COOP Programs

Some Blister money and grants and STOR. Last year we gave 20k to CB Conservation Corps and 0 to Mountain Manners. Our financial commitment to STOR might be going away. There are

some big pieces in motion with NFS foundation and GOCO that could negate the need for us to put up financially for STOR.

#### Digital Media

In this budget version, it is set to be down by 40k. We don't plan on spending less, it is just how the spending is going to be moved around. Within the Marketing class we have 280k and we are anticipating that this will give us enough to kick off a trail running campaign next summer.

#### Events

We are going to withdraw our leadership financial support from the Blue Mesa SUP event. This has been expensive and it just hasn't been successful. We have tried now for 4 summers and we aren't getting anywhere at Blue Mesa. We are going to take a step back and reevaluate how we can move forward on Blue Mesa. If someone wants to take it on in 2019 they can apply for funds through the summer grant cycle. We have also discussed that we are not event planners and this turns into a time suck on staff.

#### FAMS

Getting some extra FAM Budget to bring in more because of the good ROI of PR.

#### Fulfillment

We are spending a lot less than we used to on sending out vacation guides. We can't kill it, but we are reducing it.

#### Market Research

We would like to purchase data from Strava from the time of the old TA to now. They are using this data in Bentonville to target mountain bikers. They can track usage etc to see the effect. We have counters, and most of them have shown we are seeing increases. We can only see on 7 trails. Strava would allow us to see all sales. 25k is expected. It could be more it could be less.

#### Media Planning

We slightly overbudgeted in 2018. This will definitely flex depending on where we put our spends next year.

#### Photo/Video/Creative Production

This is tracking down because our TGR partnership is ending.

#### Print Media

Same...in holding pattern.

#### Professional Development

With increased budgets we think it would be good for each staff member to do something.

#### Promo Items

In holding pattern for now.

### Reservation Fees

Gone because GCBR is gone. Plan is to replace this with direction to the lodging partners site. We are going back to allowing properties to post a package or discount.

### Signage

Tariffs are raising the costs on signage. We anticipate this will cover river signage and Signal Peak for the new trail system. The current CPW grant is slated to finish in fall of 2018. Dave Ochs says he will trudge through snow to get the signs up this fall. Moving forward Gunnison Trails and CBMBA will be managing this and we will fund it.

### Social Media

Increased summer, currently reduction in winter to see what happens with Vail.

### Supplies

Probably overbudgeting to get a really nice tent set-up for events. Our current setup isn't functional for outdoor events and doesn't look particularly pro.

### Travel

Expect to have a reduction without the TGR partnership. We did budget 8k for ED related travel.

### Vacation Guide

We moved toward a more evergreen piece. However, the current one has GCBR phone numbers and also references Cottonwood being closed so we need a new one. Likely will put out an RFP in January.

### Web Design and Development

We are trying to overbudget for app-related development. This is a rough number that will come into focus after we get an estimate from Derrick's team in the next few weeks. Our goal is to get to 30k app downloads. We currently have about 10k.

### **Adoption of 2018 revised budget.**

Tyler moves to adopt the 2018 revised budget. Gary Seconds. All approve.

### **Adoption of 2019 draft budget.**

Tyler moves to adopt the 2019 draft budget. Gary seconds. We will vote for a final electronically.

### **Other Business**

Everyone saw the change of the October meeting to October 4<sup>th</sup>.

Gary asks about airline ticket purchase for potential students at Western. The board agrees that we should put it back into Western's court. What would they do with a promotion? Our ideas last year didn't work.

Scott moves to adjourn. Tyler seconds.

**Meeting adjourned 4:41 PM**