

TAPP BOD Budget Meeting  
Monday, September 9th  
8:30am, ICELab



**Directors in Attendance:** Kurt Giesselman, Gary Pierson, Jennifer Barvitski, Morgan Bast, Tyler Newman

**Staff:** Laurel Runcie, Jeff Moffett, Andrew Sandstrom, John Norton, David Assad, Darcie Perkins, Daniel Kreykes

**On Phone:** Wynn Williams

**Public:** None

### **Roll Call**

8:35 AM

Kurt Giesselman calls to order the meeting.

We have a quorum.

### **Breakdown of Budgets**

John overviews the history and timeline of when the BOCC came to us and asked us to spend set percentages for our new areas of focus. A couple days later, John went back to John Messner and explained that we are happy to help in these new areas, but we ask that you not hold us to the percentages. Instead, we would like each dollar to compete with every other dollar. We want to go after the best opportunities, not spend just so that we hit a certain percentage. Kurt also reminded everyone that we are encouraged to NOT have any roll-over funds from the previous year, we are asked to spend it all each year. Don't retain funds.

Messner agreed to letting us take advantage of the best opportunities and then we will report back on what we did and where we spent the money. Spend in each area; ED 488k 19%, STOR 208k 8%, Western \$45K 2%, \$1,812k Tourism and overhead 71% of \$2,553K total spend.

Overhead is under tourism, but they could very easily be sent to another area. For instance, John is using a lot of his time on ED, but the spend is under Tourism. Sources of funding:

ED: State?, Private Partners, County/City of Gunnison, LMD.

STOR: LMD. But getting funding on its own from GOCO and National Forest Foundation.

Western: LMD.

Tourism: LMD, Mt. Crested Butte, State.

Action item; the board would like to see pie charts for our spending in each class.

### **Finance Committee**

Through these meetings, we changed the way we spend money so that we are now asking the BOCC for non-equal payments each month. We had some instances where we would be well into the negative because of the timing of some spends. That being said, we still finished the year in the black, so we just needed to adjust when we are getting funds. Projected net losses for the ICELab for the remainder of this year have changed significantly since our first forecast in April. Laurel and Daniel went through the 2019 budget vs actual and found some money to make up the additional losses out of savings in other areas. Instead of needing to tap our contingency fund, we can cover it without having to do that. We took a black box in taking over the ICELab, there was not great record keeping and we didn't have a handle on expenses or incomes. We now have a better IL expense budget and we are hoping to have a much greater income budget than we currently are forecasting now. We are after state funding and other sources. Coming out of 2020, we should have a much better understanding of an income for IL moving forward. Once we went through this, we had a big negative period from June/July so now we are looking at pulling some of the funding forward starting at the beginning of the year. Where we can, we spread out the spending into other areas. That is how we wrestled things into the black.

### **What are we working on?**

#### **Tourism**

Our main goal is to continue to gain share relative to the DMX set in terms of lodging revenues. We have done this every year. Morgan asked if we are looking for more visitors or just more spend per visitor? Both...Summer more focused on driving yield, and winter and off season driving more visitation. Secondary goal is to drive airline occupancies year-round. More of a focus on Denver than there used to be. Houston is a bigger spend because we have a big increase in the number of seats for summer 2019 and winter 19-20. Dallas is closer to flat this year and tends to do pretty well on its own. We will spend to support it, but not as much as Houston. Although Denver is a focus for the RTA, from a budget perspective, we are not spending as much money on Denver because our hope is that Epic will drive flights through Denver.

1. Trails messaging has been our primary tactic for accomplishing our goals.

-App and mapping \$141k

-Trails digital advertising \$457k (\$20k Outerbike coop)

-PR \$58k

2. Destination Air Marketing

-IAH \$148k

-Dallas \$77k

3. Destination Messaging

-BLISTER \$200k

-Grant Cycle \$95k

-Visitor Centers \$50k

#### 4. Understand effectiveness

- Arrivalist \$98k or less probably \$73k
- Media Agency \$49k

Strategic plan for the brand needs to happen. We are going for a comprehensive branding launch with consistent touch points for all guest interactions. To accomplish this and tie all of our strategies under one umbrella Morgan thinks it would likely take \$175k minimum to accomplish. We could put out an RFP to get this done.

Is this something that we can move funds around to accomplish this year? Morgan feels that the branding \$ is missing. The other piece that Morgan feels is missing is the email marketing. That is something that we as staff have done. We have grown our guest database in recent years but hasn't been a huge priority yet.

#### **ICELab/ED**

Vision/Mission:

Supporting your ability to work where you want to live.

Creating more high paying jobs in Gunnison County.

Objectives:

- Companies Recruited
- Jobs Created
- Jobs Created >50k
- Revenue \$ increase with companies we work with
- WCU Interns/graduate placements for companies we work with. (Western is more interested in interns because of retention of students. If they are here in the summer on an internship they are less likely to leave. Many students who leave with no experience, they don't have as good of outcomes.)

Strategy:

- Coworking is a foundation that supports the other strategies.\$29k
  - Start ups. \$93k
  - Existing. \$58k
  - Recruiting. \$55k
- Net Expense \$235k

Startups have always been a prime focus. We are adding more spend for companies that are already existing and, in a position to grow. Recruiting is mostly funded by Catapult expense.

Tactics:

- Catapult
- Existing Accelerator
- Startup Incubator
- Coworking events
- Missing specific effect of internships with Western?

We are focused on exporters who are bringing money into the valley from outside of the valley. If someone is trying to expand within the valley, we would direct them to the SBDC.

Morgan would like to see consistency on how we are reporting on Net Expense, overhead etc. Seems that the Tourism and ICELab sides are doing it differently.

### **Western**

We met with Greg Salsbury and it was a great meeting for us to understand the challenges that they are facing. John met with Gary and Sarah with recruitment and retention he asked if they are into the BLISTER speaker series. Both Gary and Sarah have said that this is one of the best things that we are doing for Western and is a terrific recruiting tool for Western. These podcasts and speaker series end up on Western, BLISTER and the company's websites and they get some great exposure. We are doubling down on our spend for Western in this category. Greg also made the point about internships and so we are pursuing opportunities to help with this. Via the ICELab and our work with local companies, we can help to place some of them.

Objectives:

- Grow retention through internships
- Recruit students through enhanced experience

Strategies:

- Drive retention and recruit through broad western exposure
  - BLISTER Speaker Series \$40k or less
  - ICELab
- Recruit Students
  - Guidance Counselor FAM \$5k

John notes that the connections between the categories are worth talking about. From 2003 until about 2015 LMD revenues were flat. Since 2015 they have taken a HUGE jump from just around \$1 million up to around \$2 million. During a similar time frame a few things started to happen. Paul Holden did a big report about how Western was the biggest driver of our local economy. There was also talk in the community that there were too many tourists and we needed to start to steward the public lands. Also, talk of how can we make more high paying jobs in the community? There was then a push in the community for helping Western, STOR fund, and ED office. Matthew made the push to have one entity to pursue this instead of making multiple different entities and having them each do it. For that reason, TAPP was asked to do all of it. When you see all of the crosses between the different categories, everything is entangled where a spend might go to multiple pieces of the tasks in front of us. If you had each of these pieces done separately, it would be less successful than having it all under one roof.

### **STOR**

When we started with STOR it was not funded. We were one of the only entities putting money towards it.

We are now helping with map kiosks \$40k, the app \$141k development, servers \$7k and CBCC \$20k. We also have staff time invested into it.

## **Other**

Morgan has more categorical questions on overhead and admin. TAPP has 8 employees (some part time), do we have enough people to accomplish all of these extremely broad goals. Do we need additional bandwidth or resources to get this done? Kurt thinks that the board should not be asking that question, instead the board would ask that the staff come forward and ask for help if they need it. Do we have any skills gaps? Things like this brand book, do we need some interim help to accomplish this?

We have had great candidates for Laurel's position. We are getting to a place where we are compensating the contractors in line with other similar size DMO's.

Kurt wants to know if anyone has questions or anything else to add?

Laurel questions if there is a need for a meeting tomorrow. If we are meeting what do we need brought to that meeting to answer questions? Or do we ask for an output and then vote on this via email?

Action items were to shift some funding to branding work and also a pie chart breaking things out. Do we make a branding a line item? Daniel will send those shifts and a pie chart that we can vote via email.

Does everyone feel confident that we have done a good job of predicting our potential income? Let's wait for July #'s to come in so we can better predict what the actual income might be. If they come in bad, we can adjust. Call a special meeting and redo. Might be worth it for John and Kurt to meet with the county before we alter anything too much.

After these changes and pie chart are sent to the group, Kurt will call for a vote on the budget as proposed.

**Meeting adjourned: 11:25 AM**