

GRAND JUNCTION VISITOR & CONVENTION BUREAU
MINUTES OF THE
BOARD OF DIRECTORS MEETING
JANUARY 9, 2007
CORRECTED

PRESIDING: Eric Feely, Chair

MEMBERS PRESENT: Bill Hill, Deborah Hoefler, Brunella Gualerzi, Lynne Sorlye, Brian Barry, Rick Martindale, Paul Petersen

MEMBERS ABSENT: Steve Meyer

STAFF PRESENT: Debbie Kovalik, Barbara Bowman, Jennifer Grossheim-Harris, Erin Chapman, Irene Carlow

GUESTS: David Varley, Linda Hill, Anna Maria Arizzi, Donna Horii

The meeting was called to order at 3:00 pm.

The Chair introduced and welcomed new members Brian Barry, Rick Martindale and Paul Petersen.

MINUTES OF DECEMBER 12, 2006: Bill Hill moved the minutes be approved as written, Deb Hoefler seconded, passed unanimously.

TABOR BALLOT ISSUE: David Varley, City Manager, explained the TABOR (Taxpayer Bill of Rights) Amendment and discussed the ballot issue Council is considering. Voters would be asked to allow the City to retain excess TABOR revenues to make early payments toward the Riverside Parkway bonds. The authority to retain excess revenues would not be open-ended but would expire when the bonds are paid off. Revenue sources that have seen significant increases include severance tax (from the energy industry), sales tax (15-16%) and lodging tax (15%). Under the TABOR formula, the City will be able to retain approximately 6 ½% of the total increases.

If the ballot issue fails, the City would have to refund approximately \$8 million. City residents would not receive a refund check but would receive tax “credits”, possibly in the form of a sales-tax free day. (Implementing that type of refund would have to be studied in detail to insure that retail businesses are not subjected to an undue burden of record-keeping and reporting.) In the past, when the excess was much smaller, the City provided a refund by decreasing the property tax mill levy. Property tax collections represent only 5% of the City’s total revenue and the top 10 property owners are large corporations; therefore, Council would want to study other refund mechanisms to insure that the process is fair to City residents.

Council will set the title of the ballot issue January 17. After that date, Council members can only respond to questions about the subject and no City funds can be spent to promote passage of the issue.

BOARD DISCUSSION ITEMS: All members present signed the Job Description and Acceptance form which was adopted at the September 12, 2006 meeting.

Committee Reports:

By laws: Council asked the Board to review and revise the section that requires a majority of the seats represent tourism-related businesses; Lynne Sorlye has requested additional direction from the Mayor. The committee will present recommendations at the February 6 meeting and the revised by laws will be forwarded to Council for approval.

Special Events: The revised policy was approved June 13, 2006. The committee will reconvene to finalize implementation procedures. Brunella Gualerzi and Deb Hoefler will continue on the committee; Brian Barry will replace Eric Feely.

Community Awareness: Deb Hoefler and Steve Meyer will continue on the committee; Lynne Sorlye will replace former Board member Denise Henning.

Annual Retreat: The consensus is for a 1 ½ day session, out of town, possibly departing Grand Junction a little earlier than in previous years. A more precise, focused agenda was suggested with less time spent on decision-making styles and personalities. A decision on having a facilitator was not made, but staff is directed to check Jasper Welch's availability. Staff will check rates/availability at Gateway, Powderhorn and Hotel Colorado in Glenwood Springs. It was agreed that the retreat should be held after the City's April 3 election so the Board can discuss what, if any, impact the election results may have on the VCB. The proposed dates are:

April 9-10
April 10-11
April 30-May 1
May 1-2

PROMOTIONS/MARKETING: The Holiday Shopping promotion was very successful. The number of welcome packets distributed increased by over 100 and Mesa Mall reported a 13% coupon redemption rate. Select lodging properties have been asked to participate in a quarterly survey during 2007 that will gauge the percent of business generated by the energy industry.

HILL & COMPANY: Linda Hill and Anna Maria Arizzi discussed the agency-VCB relationship and the services provided to the VCB. VCB staff has reviewed a draft of the media plan and the plan will be included in the 2007 Marketing Plan, which will be distributed in February. The CTO co-op media plan should be final later this week.

The 3rd Quarter ADR/Occupancy study was distributed. Occupancy continues to show month-to-month growth; the energy industry survey that staff previously discussed should give insight into that market segment's impact on the lodging community. In 1991, Grand Junction's average

daily rate (ADR) was the lowest in the state at \$25. The local ADR is not growing as rapidly as Grand Junction's competitive set, but the competition's rates are nearly topped out, given the products. Grand Junction's product is still growing and improving which means there is room for rates to increase. We may ask participating properties if they would be willing to report REVPAR (Revenue per Available Room) which is a better indicator than just average daily rate.

STAFF ITEMS: Building Remodel Project The addition should be framed and roofed by the first of February, and then work will begin in the existing part of the building.

Biennial Budget: All City departments will prepare their 2008-2009 budgets this year. Staff will present their preliminary recommendations to the Board in July and approval of the final budget will be on the August agenda. The Director would like to schedule meetings with the new Board members to familiarize them with the City's budget process.

Sales: Barb Bowman reviewed and discussed the monthly sales report and Donna Horii discussed the Front Range sales efforts.

OTHER BUSINESS: The February 6 monthly meeting will be held at Redlands Mesa Golf Club and the March 13 meeting will be at The Residence Inn by Marriott.

The meeting was adjourned at 5:00 p.m. on motion of Deb Hoefler and second of Brunella Gualerzi.