

VISITOR & CONVENTION BUREAU
MINUTES OF THE
BOARD OF DIRECTORS MEETING
FEBRUARY 9, 1993

PRESIDING: Frank Bering, Jr.

MEMBERS PRESENT: Linda Afman, Paul Nelson, Steve Hilliard, Karen Berryman, Lon Carpenter, Cindy George

STAFF PRESENT: Debbie Kovalik, Irene Carlow, Judy Manning

GUESTS: Linda Hill, Cindy Sherrill, Jann Ertl, Steve Stanley

MINUTES OF JANUARY 12, 1993: Linda Afman moved for approval; Paul Nelson seconded; approved unanimously.

The Chairman welcomed Karen Berryman and Lon Carpenter to the Board.

VISITOR CENTER: Bids for construction of a new Visitor Center were opened at 2:00 o'clock this afternoon. Francis Constructors submitted the low bid of \$581,989, which is \$200,000 higher than estimates provided by Dillon-Hunt. The bid amount does not include furnishings or land. Ken Hunt will meet with Francis Constructors to learn the details of their bid, what components of the project were substantially higher than originally estimated, and to begin negotiations. The Chairman called Mike Saelens and advised him of the bid amounts. The Board asked about other additional costs not included in the bid. The Director stated that the VCB will not have to widen the extension of the access road; utility extensions and Ute water tap fee will cost an estimated \$25,000; an estimate for extending the sewer line has not yet been received, but is expected to be costly.

Steve Hilliard noted that we have a contract with Dillon-Hunt and a full set of plans at the architect's estimated cost. If the project goes back to the drawing board, at what point does the VCB begin incurring additional architect's fees? The Director contacted both the City Manager and the City Attorney after bid openings. The City Attorney's quick interpretation of the contract is that the VCB will not pay for work not performed, i.e., construction supervision. However, much of the work covered by the contract has been done, with the negotiating process just beginning. The City Manager noted that the Board had relied on professional opinions and information presented to the Board. Paul Nelson suggested that Dillon-Hunt be given a chance to look at the specifics of Francis' bid and convey those details to the Board. A Board work session will be scheduled when additional information is available for review.

BOARD RETREAT: The retreat will be held Wednesday, March 24 at the Holiday Inn from 8:30 a.m. - 5:00 p.m. Topics staff would like to have on the retreat agenda include: team building, two-year budget, policies, marketing, reaction to Amendments 1 and 2, target markets, research, products. Steve would also like to address the off-season/athletic teams, noting that school budget uncertainties may have a real impact on our business, e.g., teams staying in private homes or at school facilities. Paul suggested that issues be identified and priorities set; then, focus on one issue at each Board meeting during the coming year. Staff suggested a facilitator be brought in for the retreat because of the many important issues that need to be addressed and the limited time available. Staff will contact Eileen Kamsler at the Colorado Hotel/Motel Association for names of possible facilitators; Linda Hill will also provide suggestions.

DIRECTOR'S REPORT: Lodging tax receipts are up 8%; visits to the Information Center are up 25%; brochure mailings and 800 calls are down slightly. Our national ads have hit and calls to the 800 line are increasing daily. We will interview for our part-time seasonal clerical position late this month.

A report was distributed showing the number of 800 calls received from each state; it was surprising that some of the less densely populated states (e.g., Iowa and Kansas) were so well represented. Staff was directed to request a program update that will identify specific cities that calls are coming from. The cost per inquiry for our 1992 ad placement was reviewed. Because of the high costs per inquiry, advertising has been dropped from KOOL-FM (Radio 2) and the Denver Visitor Guide. In accordance with budget plans formulated in July of 1992, JUCO advertising will decrease from \$15,000 to \$10,000. The Director met with Sam Suplizio and discussed the cutback in the VCB's investment and the fact that 1992's responses dropped dramatically from 1991. Sam would like to retain City ownership of the games rather than selling time to commercial sponsors. He will talk to PSN concerning which markets the games were sold to in 1992.

The Director discussed legislative efforts to continue the CTB and efforts to place the tourism tax on the ballot at the earliest opportunity. By September of this year, the CTB will have some type of plan for 1994. It was noted that restaurants pay 60% of the CTB tax.

Sales leads are ahead of last year. We are seeing subtle signs that Amendment 2 will affect regional business. Meeting decision makers (e.g., for 1994-95-96) simply don't consider Denver/Colorado Springs to avoid the controversy; this is a bigger concern than cancelled business. The in-state business Grand Junction focuses on may become more of a market to the Front Range, translating to more competition for us. Denver has lost \$22 million in booked and cancelled business. This is a convention crisis and may have a significant impact on Front Range travel business.

The Director discussed the City's two-year budget process and reminded the Board that this year we will prepare a detailed budget for 1994 and 1995.

TASHIRO: Linda Hill presented the Hospitality Sales & Marketing Association International bronze award for the VCB's direct mail campaign which featured Enstrom's toffee. There were over 5,000 entries in this awards campaign program; some of the cities we competed with are: Sacramento, San Francisco, Los Angeles and Santa Fe. The Director will take the framed award to show to Enstrom's. The Board was advised that Enstrom's is very supportive of the VCB's efforts and donates substantial quantities of candy for staff to take to trade shows.

A synopsis of 1993's media schedule and run dates was distributed. Ads will showcase other activities along with the Monument. Tashiro is working on a postcard campaign for mailing to groups just before the VCB attends a trade show.

1993 research plans include updating the conversion study and a year-round research program utilizing hotels' reservation cards of actual visitors who didn't necessarily contact the VCB prior to their visit.

Paul Nelson moved the meeting adjourn; Cindy George seconded. There being no further business, the meeting was adjourned.