

DOWNTOWN GRAND JUNCTION BUSINESS IMPROVEMENT DISTRICT
BOARD MINUTES
THURSDAY, OCTOBER 2, 2014
248 SOUTH 4TH STREET
7:45 A.M.

PRESENT: Les Miller, Chair; Jason Farrington, Vice-Chair; Shane Allerheiligen, Marty Chazen, PJ McGovern, Kevin Reimer, Stephan Schweissing

ABSENT: Jodi Coleman-Niernberg, Kirk Granum

STAFF: Diane Keliher, Harry Weiss, Aaron Hoffman

GUESTS: John Shaver

CALL TO ORDER: Les called the regular meeting to order at 7:45 a.m.

APPROVAL OF MINUTES: Marty made a motion to approve the minutes of the September 25th meeting; Jason seconded; minutes were approved.

THIRD QUARTER FINANCIAL REVIEW: Harry distributed the third quarter financial performance summary along with the Budget Performance Report generated from the City's accounting software. The summary correlates BID functional expenditures with the City's chart of account designations. PJ requested the preparation of a profit and loss analysis of each event the BID produces in order to better understand how each event performs and to guide Board decisions on event programming. We have taken in most of the revenue for this year. There will be event expenses for the holidays in the fourth quarter. Jason asked if there is another \$30,000 coming in from events as the budget indicates. Harry feels that it is unlikely.

Marty stated that it looks like the BID is losing about \$25,000 a year that is driven by special events. We can do this for two more years and then the reserves are gone. How are we going to fix this problem? Harry explained that since 2011 the BID budget has drawn against the BID fund balance, in part to bring the balance down as we approached the BID renewal decision, and also in response to the recession and the resultant decline in revenues, especially in the area of sponsorship. PJ feels that special event losses are taking away from the marketing budget. Stephan suggested discontinuing events that are unprofitable. There was discussion of events policies and management issues.

Marty is concerned that the BID's operating plan is not financially sustainable. He feels we would have more support from Council if BID operations were profitable. The Special Assessment only funds the marketing function. Harry noted that the BID is not financially self-sufficient. Currently it receives direct PILT payments from the DDA and the City totaling \$40,000, its executive and administration labor expense is significantly subsidized by the DDA, and fixed operating expenses such as rent and utilities is completely funded by the DDA.

Kevin said we might take a look at the VCB for downtown event funding. Marty asked if that is the best use of VCB money. Kevin feels it's marketing the Grand Valley and foot traffic for Downtown merchants. Marty feels the VCB's money should be used for community events such as Epic Rides. Shane added that bus tours are great for Downtown.

Marty asked when the budget and operating plan needs to be submitted to Council. John stated that statutorily, it is due by September 30 with the expectation that Council will act or ask for supplemental documentation within 30 days, but Council must act no later than December 5.

PJ feels that since the DDA has invested money in Colorado Avenue, some events should move some there. Harry would like to have merchants track sales during events. Kevin feels that is not a good idea for retail establishments since a lot of merchandise sales are made the day after the event. PJ said vendor revenue and beer sales could be looked at as a sales tax driver. Les suggested not having any events and see what kind of feedback we get. PJ stated that seeing the event financials will tell the story. Harry will submit a draft budget and operating plan and Council can revise the draft. We will discuss it further at the next BID meeting on the 23rd.

Stephan left at 8:30 a.m.

Shane asked about the City's Event Policies sub-committee. Harry has been meeting with City staff to draft recommendations which will be widely circulated for comment.

Kevin mentioned that the welcome banner looks nice at 2nd and Main. It creates a sense of arrival to Downtown.

There will be a ribbon cutting and open house at the new office (437 Colorado Ave.) tomorrow night at 5:00. The CMU gallery will be open from 12-6 Monday through Saturday.

Marty asked about the mural on White Hall. Harry has not received a proposal yet from CMU. Shane noticed that there was a board missing when he was performing maintenance at the building site.

ADJOURN: Marty made a motion to adjourn; Jason seconded; the board adjourned at 8:35 a.m.