

GRAND JUNCTION VISITOR & CONVENTION BUREAU  
BOARD OF DIRECTORS BUDGET WORKSHOP SUMMARY

August 9, 2016

Ute Water  
2190 H ¼ Road  
Grand Junction, CO 81505

PRESIDING: Brad Taylor, Chair

MEMBERS PRESENT: Don Bramer, Susie Kiger

MEMBERS ABSENT: Jamie Lummis, Josh Niernberg, Kevin Reimer, Billie Witham, Sharon Woelfle, Julie Shafer

STAFF PRESENT: Debbie Kovalik, Barbara Bowman, Mistalynn Meyeraan, Kim Machado

The meeting convened at 2:20 p.m.

Debbie Kovalik explained to the board the City's budget process and direction for 2017. The requested 2017 budget that the GJVCB staff is proposing today may not be the final budget that the Grand Junction City Council approves and adopts.

Barbara Bowman reviewed the 2017 requested budget. The GJVCB is projecting a 5% increase in lodging tax collections for 2017 based on where collections are projected to end for 2016. National indicators are forecasting a 4.3% increase in average daily rate (ADR) with occupancy (OCC) expected to increase to 66.1% nationally. Gas prices are expected to remain low throughout 2017 which is an incentive for leisure road travelers. The Vendor's Fee is expected to decrease for 2017 based on the decrease in current year sales tax collections. The total requested revenue budget for 2017 is \$2,194,926.

Staff is recommending a 2.7% increase (\$55,958) in 2017 operating expenses for a total of \$2,104,104. Labor is expected to increase by 2% and IT and general government services costs are expected to increase 7%. The advertising, public relations, and website marketing contractors are not requesting an increase for 2017.

At this time, it is unknown what the GJVCB's participation will be with the Two Rivers Convention Center (TRCC) subsidy for 2017 and beyond. The GJVCB's fund balance is expected to reach zero once the 2016 budget is closed out.

Staff presented two scenarios for the 2017 requested budget. Scenario one included the staff's recommended operating budget increase without consideration of the TRCC subsidy. With this scenario, the ending fund balance is projected to be between \$90,000 - \$100,000. Scenario two included a flat operating budget with a base subsidy amount for TRCC of \$150,000. With this scenario, the fund balance would end at a slight deficit.

The board agreed with the staff's 2017 requested budget (Scenario 1). Don Bramer suggested that staff determine the return on investment on spent marketing and group sales efforts, then compare it with other competing destinations. Staff will work on this.

At the September regular board meeting, staff will share with the board any updates or changes to the 2017 requested budget.

The meeting adjourned at 3:00 p.m.