

**Manitou Springs Chamber of Commerce, Visitors Bureau
& Office of Economic Development**

**Board of Directors
Meeting Minutes**

July 10, 2012

Present: Tim Haas, Ken Jaray, Marcy Morrison, Julie Vance, Dave Symonds,
Matt Carpenter

Absent: John Webster

Staff: Leslie Lewis, Roger Miller

A special meeting of the iManitou Board of Directors was held on Tuesday, July 10, 2012. The meeting was called to order at 8:36 am by President Tim Haas.

The meeting was called to discuss the 2012 budget and be given a realistic idea of the amount of money that will be required from the Reserves at the end of the year. Tim is hoping the meeting will accomplish two things – a clear picture of 2012 and a presentation of two options, by Roger, for 2013. Following the presentation, the Board will go into Executive Session to make decisions.

Ken spoke to the Mayor about a possible job share arrangement and spoke with Dave about the possibility of the Metro District assistance. The Mayor was favorable toward the idea and was going to speak with Jack Benson about the possibility. The Mayor has not gotten back to Ken after speaking with Mr. Benson. With a mid-year Budget amendment coming up, the Mayor thought they might be able to have an arrangement by the end of July. Ken stated that the Mayor thought Jack would be fine with the idea based on prior conversations. Dave clarified that he does not have a vote on the Metro District Board anymore, that he is the Executive Director. He felt the District would be agreeable to help if it would accomplish getting parking managed. Ken understands the City has been looking at other staffing arrangements but the current staff is not getting the job done. This would allow the City to take the Parking responsibilities from staff and allow them to take care of other things. Ken stated by his calculations, the savings would be \$18,750 using a split of salary for the remaining 5 months. Marcy asked if the change would need to be run through two readings of City Council or if it would be an administrative decision.

Roger handed out the 2012 Budget, a summary of prior funding when the Chamber and EDC were separate organizations, and two options for 2013.

The 2012 Budget included an Amended Budget column per the discussion at the June 6 Board meeting which includes reductions based off of information from prior years and commitments. The amended revenue projection is \$482,798. The Event revenue has been reduced to \$73,000 which includes the Coffin Races and the High Altitude Happy Hour. The Craft Lager Festival has recently approached iManitou, and in an effort to help, has asked us to partner with them and

share in the revenue from the event. That event is not included in revenue projection. We are unsure what the revenue sharing would be.

There were also reductions on the Expense side bringing the expenses down to \$527,990, leaving a budget deficit of \$45,192. Roger stated there are still issues that could change and feels the range of the deficit will be between the \$45,192 and \$68,000 due to items beyond staff control. He believes the number will be between the numbers. Fox 21 has offered to do all of the advertising for the High Altitude Happy Hour, free of charge, and plans to purchase 20 seats on the train for the event. Rochelle, the Townhouse Lounge, has spoken with both Coors and Red Bull about sponsoring the Coffin Races. The T-Shirt sales should raise \$10,000 to go to the Recovery fund for iManitou. The Recovery Fund is for marketing and will create revenue that we can use to advertise in August and September to help bring visitors back to Manitou. Roger has been talking with Craig Coffey, who is talking with their producer, about putting together a new video for Manitou Springs. Roger will have Floyd work with Craig on the video.

Matt asked about the decrease in expenses is \$5,000 but the decrease in revenue is \$29,000. He then asked if there is an anticipated increase in staff costs in the second half of the year since the first half was \$6,000 under budget but the end result is only \$3,000 below. Roger explained that Rachel was working at a lower amount than the anticipated budget and Sarah was hired at a higher amount based on her skills.

Marcy asked about the anticipated revenue for Special Events being \$73,000 when the current revenue is at \$53,000. Roger feels that the Special Events revenue can be close to the original revenue projection but has no guarantees on some of the anticipated revenue and only wants to project numbers he can be sure of at the time.

Ken asked if a Work Plan can be created following today's meeting so the Board has that and understands how the anticipated revenue is coming in. Roger will put a plan in writing and provide it to the board. Ken clarified the large projected revenue streams need to be covered on the plan.

Roger has a spreadsheet that includes committed revenue and potential revenue. The committed revenue through the end of the year, including the City contribution, is \$165,000. The potential is another \$43,000 which is what we normally see from the events, sponsorships and \$12,000 from the School District. Under sponsorships, Roger reported that we had anticipated \$600 for the Ice Cream Social and have gotten \$1,100 committed, anticipated \$6,500 for the Coffin Races and have between \$7,000 and \$8,000 committed, and have \$2,500 committed for the High Altitude Happy Hour. The sponsorship commitments are coming from businesses outside of Manitou Springs.

Roger has a meeting at 10 am today with the Pikes Peak Alliance, a group that wants to give Manitou Springs \$50,000. The Pikes Peak Alliance is a non-profit group, organized approximately 10 years ago, that focuses on Residents and Business. They have been helping at the Disaster Recovery Center. If the money is awarded to iManitou, it can be used in the Recovery fund to help all businesses and would be easier to administer than trying to determine how to split \$50,000 and be only able to assist a handful of businesses. If iManitou receives the

funding, it will be placed into the Marketing fund and offset the \$25,000 reduction in Marketing. The Board agreed the money would be used for Marketing and not used to help balance the iManitou budget. Ken asked if the Board could discuss not reducing the Marketing budget by the \$25,000 shown in the amended 2012 budget even if iManitou doesn't receive the funding. Tim stated that no one wanted to reduce the Marketing budget but that was one option to reduce the budget deficit.

The Board looked at the previous funding of the organizations prior to the consolidation and discussed the changes in funding since 2002.

Option 1 for 2013 shows a reduction in revenue and expenses but projects an additional \$40,000 in funding from the City. It shows a balanced budget at \$524,000. Option 2 for 2013 shows the same funding level of \$250,000 from the City and reduces the Payroll & Benefits expense by \$38,000 to balance the budget. In either option, the difference is approximately \$40,000.

Matt asked if the budget isn't balanced in 2013, with \$483,000 in revenue how it could be balanced at that level in Option 2 for 2013. Roger explained the deficit is still approximately \$40,000.

Tim pointed out that one of the most important functions of iManitou is to market Manitou Springs and in Option 2 the Marketing budget is reduced to \$149,500. That amount may be okay when compared to the amended 2012 budget, however the original funding level was \$173,500. Staff pointed out that the \$102,000 for amended 2012 doesn't include the \$36,000 for the Visitors Guide which is included in the other projected budget amounts. Roger explained that by hiring Sarah Foley, with her skill set, we will reduce the amount of money needed to be spent on the Internet. Sarah is currently working on the iManitou.com site and on populating the data for the new manitousprings.org site. He clarified that the marketing value would be comparable to previous years.

Dave stated he would like to see a proposal that included how to increase the areas of Revenue. He pointed out the 2012 budget was set at \$67,000 in Membership Investment revenue, the amended amount is \$45,000 and the actual amount in 2010 was \$53,000. He asked for a plan that would increase the revenue instead of taking money from Reserves or cutting staff. Dave further stated that the consolidation process was started to wean the organization from dependence on City funding and will now be asking for additional funds.

Julie suggested the Board should look at the membership structure and re-evaluate what was offered. Dave feels Roger should evaluate the membership structure. Roger stated he has already made presentations to the Board, beginning last September, that the membership discount was a \$20,000 hit to the revenue. Some members chose not to renew their membership because they could now have the "free" membership instead. Roger can now go back to the businesses and show the value of membership including all of the efforts to promote members since June. Of the free radio advertising that has been offered, only 22 businesses took advantage of the opportunity. In the projected budget numbers, Roger is trying to be realistic and conservative, but staff will try to exceed all of the projections.

Ken pointed out there are fewer people working to assist the organization than in previous years and that the functions seem more focused on staff to be accomplished. The committee structures seem to be gone. He would like to see those come back with more engagement of the community to help the organization move forward. The staff should convene groups and identify champions and then manage or direct the groups for projects to be accomplished. Tim felt part of the change was a result of the division in the City when the Chamber and EDC were separate organizations and one of the goals of the consolidation was to unify the business community.

What Roger accomplished with artist community needs to happen with the other revenue generators. iManitou needs a membership committee that Roger can direct. We need to look at the resources available (retired business people for example) to help promote and boost the organization. Dave felt that offering businesses the \$100 discount was good but people were given too many benefits as part of the basic membership. Roger reminded the board that the Strategic Plan presented in October talked about taking parts of the market sectors and bringing them together to make them self-sufficient and then create a Strategic or Marketing Plan for each group.

There was concern expressed that there are businesses that may not survive the economic impact created by the Waldo Canyon Fire. Sallie Clark has led Tim to believe the likelihood of assistance from the State or Federal Government may be very small. Roger stated there may be a private bank from Arizona offering \$5,000 loans for 6 months with no interest to help with some of the immediate needs of small businesses. The other banks are working on the term sheets that will cover how to handle the larger GAP financing options. Randy Scott and Tammy Fields are working on Grant Funding and are hoping to have a report for a 2 pm meeting today. Businesses will have to submit paperwork to qualify for the grants from the State. According to the most recent spreadsheet of business losses, Manitou Springs businesses have reached approximately 2.2 million dollars in projected losses.

Roger will put together the Revenue Work Plan for the Board later this week.

Prior to the meeting adjourning for the Board to go into Executive Session, Ken asked Roger for his thoughts on how a job sharing option might work. There is a Parking Authority Board meeting set for Friday to go over the Nelson Nyguard Residential Parking Plan. Matt stated he had received an email that said there was not enough information in to go over this week so that discussion would be on the August agenda. Roger felt to get the Parking Management up and running would require 30 – 40% of his time but after that it would not require as much time to manage. He questioned how the roles and responsibilities of the position would be defined. Roger has been spending more time downtown and this would further increase his visibility. He further stated that with committees to work on increasing membership and assist in with recruiting sponsors and with events, the job share would be workable.

Matt recapped that in comparing the Revenue from 2009 through 2012 and the projections for 2013 with an increase in revenue coming from web sites and banner sales. On the expense side, the expenses are the same in the Visitor Information, the Operating Expenses, Marketing is reduced (which isn't good), Program expenses are roughly the same so only the Payroll and

Benefits expenses have increased significantly. He further stated that the City contribution has gone up and wondered about what expenses came from the EDC other than payroll. Tim stated that was the majority of the EDC expense when they were a separate organization. Julie then clarified that iManitou has the expense of the EDC but not really the revenue benefit of it.

Roger encouraged the Board to attend the Air National Guard Band concert this evening at 7 pm in Soda Springs Park. He stated he would email information from the meetings today to the Board as soon as there was something to report.

The Board adjourned the Special Meeting to go into Executive Session at 9:44 a.m.

The following motions were made and approved in the Executive Session:

Motion was made by Dave and seconded by Ken that the Board accept the amended budget as presented in the July 10, 2012 meeting and allow up to \$45,192 to be transferred from reserves to be used for the general operating expenses for the remainder of 2012. Additionally, the motion stated that no reduction in staff may be made without Board approval. The motion passed unanimously.

A motion was made by Ken and seconded by Dave that iManitou pursue a job-sharing arrangement expeditiously with the City of Manitou Springs in which a 50/50 salary split be implemented in such a way that the current COO's role is changed to include duties related to Parking Administrator for the City of Manitou Springs. Reporting responsibilities and details are to be worked out in the future. The motion passed unanimously.

A motion was made by Ken and seconded to create a Revenue and Operating Task Force and Marcy Morrison be appointed chair of this committee. The motion passed unanimously.