

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

Board of Directors

Meeting Minutes

March 22, 2012

Present: Tim Haas, Ken Jaray, Jack Johns, Marcy Morrison, Jay Rohrer, Dave Symonds, John Webster, Matt Carpenter

Guests: Linda Brink-Iverson, Allen Iverson

Staff: Leslie Lewis, Roger Miller

A regular meeting of the iManitou Board of Directors was held Thursday, March 22, 2012, at Manitou Springs City Hall in City Council Chambers. The meeting was called to order at 8:33 a.m. by Vice-President Dave Symonds.

A. ACTION ITEM: Approval of February Minutes

Having reviewed the February Minutes, Dave Symonds made a motion to approve them as presented. John Webster seconded the motion. The minutes were approved. Marcy Morrison abstained from the vote. She was not present for the February meeting.

B. ACTION ITEM: Approval of February Financials

The revenue in February was low, which is not unusual. A new spreadsheet was handed out that included year to date budget comparison as well as the annual budget. The annual budget was broken into the twelve months equally. It was explained that the revenue and expenses don't break equally by month so the information does not really reflect an accurate picture. For example, the Visitors Guide revenue will come in mainly in March and April and the expense has been fully paid. One heading will be corrected and the Budget by Month will be adjusted to better reflect the actual information we have based on history. This report will be provided to the Board monthly.

John expressed concern regarding the Internet Income and iManitou website revenue. Roger stated the Manitou Card has been created and will help generate revenue to offset some of the budgeted revenue from those two advertising areas. Sales of the cards have started. Roger stated the goal was to make \$10,000 on the card sales. The Board suggested contacting the Pikes Peak Bulletin to get the information to residents. Information has been sent to approximately 90 organizations as a fundraising opportunity for those groups. iManitou receives \$2.00 from each card sold to those organizations.

Roger reported that the iManitou website is almost ready to launch. Leslie will begin proofing and editing the site once it is complete. The biggest issue we have is still finding problems in the manitousprings.org website. We are continuing to work on the problems and will be working on adding key words and meta tags for better search optimization.

Tim agreed with John that there are concerns regarding the Internet Income (both sites) but added concern on the Special Events revenue. He stated that now is the time to be making sales on the internet advertising when we are going into season.

Dave asked about the Regional Grant revenue line. Roger stated that we will be applying for a second grant and expressed frustration that the BAC did not follow through on the submission of the Creative Industries Grant. The Creative Industries Grant had to be filed by a 501(c)3 so iManitou could not complete the process. Marcy asked about the frequency of this grant. Roger explained it was twice a year so the grant application would be submitted for October.

Tim and Dave both expressed concern that iManitou cannot keep using money from savings for operations.

Dave also expressed concern that the Airplane Restaurant is on the Non-renewing member list. He contacted the owner who asked him to have the bills sent and he would pay them. Staff explained the Airplane Restaurant had been receiving bills for the last several months. Dave suggested that anyone who is late on payments should be contacted by phone as well as sending letters and that there should be documentation of contact presented to the Board prior to the business being listed as non-renewing.

C. Discussion Membership Hearing

Officer Zortman was requested to come into the meeting to give the Board information on Manitou Inn & Suites prior to the Membership Hearing regarding their business. Officer Zortman stated that they get calls to Manitou Inn & Suites for medical situations as well as assaults, disagreements between residents and between residents and the management of the establishment. On several occasions, the reporting parties have come to the police station to report problems, instead of calling from the scene of the issue, because they were told if they call the police they will be kicked out. On occasions when the police have responded to Manitou Inn & Suites the police have been asked why they are there. Officer Zortman was asked if it was the owner or manager that had asked. She stated they work together so it doesn't matter. There was an incident in February when the owner actually physically detained someone, who was not a registered guest but a friend of guest who had been told to leave the property. Because there was money owed, the owner was taking possessions of the friend to cover that payment. Neither person pressed charges so there was no police action recorded. Ken Jaray asked if the representatives from Manitou Inn & Suites were in the building they be asked to come into the meeting so they hear what is being said. Jay Rohrer asked if there were other extended stay properties. LaFon is another property that is and does have some of the same issues. Santa Fe Motel is on the City line and offers extended stay. Officer Zortman stated that the three properties all have numerous police calls. Staff requested call numbers on all of the Motel properties in Manitou that are open year round but the police department has not had time to put the report together. LaFon called yesterday and requested their membership also be reinstated. They will be given an opportunity to present their request for reinstatement in April.

With properties that have numerous calls for service, it is difficult for staff and volunteers to feel comfortable sending visitor families to the properties. The question of the perception of safety is a very strong factor. With properties listed in the Visitors Guide and on the website, it is implied that iManitou endorses those properties. iManitou's reputation gets called into question. There is a need for affordable extended stay properties. However, there were questions about Manitou Inn & Suites business model not being in the same line with iManitou's.

Roger has checked into how other Chambers and CVBs handle situations similar to this. Most bylaws leave wording regarding membership vague. Roger emailed wording from one Chamber to the Board. Tim pointed out that the Board needs to work within what is currently stated in iManitou's bylaws. Ken stated that unless we are going through all of this information again, he is uncomfortable with the representatives of the business not being included in the conversation. Roger stated he is going to invite those representatives into the meeting and ask them to present why they want to be reinstated in the membership and present any information they have on changes that have been made. He wanted the board to have some background on concerns so that they could ask questions.

Manitou Inn & Suites handed out information to the Board that explains who they are. Roger explained this meeting is a formal hearing for reinstatement of Manitou Inn & Suites to the membership and asked them to explain why they would like to have the property reinstated and talk about the changes to the property. The representative stated there were two purposes for requesting a hearing with the Board – one was an application by Children's Art Houses of America, Inc for membership and to provide a letter of support by Children's Art Houses for Park Row Lodge, Inc (dba Manitou Inn & Suites) to be reinstated in the membership. Children's Art Houses of America, Inc (CAHA) does have a management contract for Manitou Inn & Suites. Ken asked how the application would normally be handled because he was not aware we would be discussing a new application. Staff was not aware they would be requesting membership for CAHA. Staff asked the representatives to introduce themselves to the Board. Allen and Linda Iverson were the representatives present. Allen has been involved in the lodging industry for many years. They met Paul Tropp, the owner, and became involved in the management of Manitou Inn & Suites late last summer. They run an average of 96.5% full. They have repositioned the property as an affordable, 2 star, limited services, extended stay lodging establishment that provides short term stays for relocating and transitioning key workers on Main Street. With summer approaching, Manitou Inn & Suites would like to have the west wing for the visitors who come and have the east wing for extended stay residents. There are no permanent stay rooms on the property. People are encouraged to find employment and more permanent housing. The property will be sponsoring the first Children's Art House in the United States. Children's Art Houses, Inc was started in New Zealand in 1996 by Linda. It is not a for profit business, it provides profit sharing with the property getting a portion of student fees. Allen talked about their plans to buy the house next door, which is on the property, to become the Art House location. Allen was going to have Linda speak more about the Art House and her vision when Dave pointed out that the Art House was not the reason for the hearing and asked that they return to the matter for the hearing. While they have plans for improvement, Dave asked them to discuss specifically what they have done to this point to improve the number of police

calls to the property and give a more secure feeling about referring guests to Manitou Inn & Suites. Jay asked if the Iverson's are buying the motel. Mr. Iverson stated they have a management buyout agreement in place but it has not closed. There is not a closing date scheduled as they are raising the funds for purchase. Jay asked what procedures have been put in place to create improvements from iManitou's perspective. A copy of the new extended stay agreement has been provided to the I Manitou office. Once a person has been there a week, they are asked what their plans are and if they will be staying longer. If someone creates a problem, they are asked to leave the property. They are watching the caliber of the guests but can't stop people from calling the police. They try to reduce the reasons why people would want to call 911 and don't feel there have been any major problems. Jay asked how they measure the improvement. They responded that the comments they receive from guests are superb. Ken asked if the Iverson's have data, month by month, for police calls that the board could consider, including the types of calls. Mr. Iverson said they keep a maintenance log but some calls are made without staff being aware. The question was asked if all of the doors are unlocked so that police and fire can respond to the property without going by the front desk and was told no, only the front door is open. The doors on the ends of the building are for fire exit only. They only have the front open to stop the undesirable element from coming in at all hours. Ken asked about the language in the agreement that says if there is a disturbance the management has the right to ask someone to leave. Mr. Iverson offered to send a copy of the agreement to the Board for review. People have been asked to leave using that clause in the agreement. Ken asked if the Iversons have sat down with the police to discuss the property and the police concerns. The Iversons sent a letter to the police three weeks ago and have received a response from the Interim Police Chief. They are willing to implement any suggestions the police have.

When the membership was revoked, iManitou used police records that indicated there were 33 calls for service from January 1, 2011 – May 3, 2011. We recently requested statistics for the time frame of August 1, 2011 through January, 2012 and found there were 16 calls for service and received information that there were 8 calls in February. The Iversons did not feel there had been that many calls in February.

A couple of specific incidences were discussed. Officer Zortman was asked if the situation at Manitou Inn & Suites had improved in the last couple of months and responded in some ways it had gotten better; however in others it is the same. Ken asked if there had been specific arrests for drugs at the property and was told that Officer Zortman was not aware of specific arrests on the property in the last 3 – 6 months.

The Iversons thanked the board for their time and said they would continue to improve the property, work toward the management buyout agreement, and launch the Children's Art Houses and hoped that would be in Manitou Springs. Roger asked that the Iversons keep iManitou informed about the Children's Art House project.

The Board discussed whether the Manitou Inn & Suites potentially damages the reputation of iManitou and many answered "yes". The board discussed the need to determine what the bar

would be for the business to be approved to have their membership reinstated. After discussion, Marcy made a motion to deny the application for reinstatement in the membership of Manitou Inn & Suites. Dave seconded the motion. Following additional discussion, Marcy amended the motion to deny the application for membership and Manitou Inn & Suites could re-apply for membership in one year. Jack seconded the amended motion. The motion passed unanimously. Staff will send a letter to Manitou Inn & Suites with the Board decision.

LaFon will be scheduled for a hearing as part of the April board meeting.

B. Action Item: Approval of February Financials (continued)

The Board returned to the Financial discussion. Jay asked about the Event Sponsorship and asked where sponsorship was for the Wine Festival with that being the largest event for sponsorship. Roger stated that we anticipate \$15,000 in sponsorship for the Wine Festival and those funds have not yet been received so they are not included in this report. Staff reported that some of the Wine Festival sponsorship will continue to trickle in as some sponsors don't pay until the event. We also anticipate quite a few additional sponsors for the Coffin Races in 2012.

Dues – From budget, the dues are down \$3,000 for the projection. The dues budget was broken into the 12 months, however, the majority of dues are paid in September and reported as income in January. The money is placed in a protected income account until the first of the year. Tim pointed out the difficulty in projecting is the reason we haven't broken the budget down by month previously. With the dues, staff reported that iManitou needs to recruit additional members outside of Manitou Springs for higher revenue generation. Businesses in Manitou receive the \$100 credit on dues if they remit sales tax. Roger is speaking with the 56 Manitou businesses that receive only the basic membership about increasing their membership level which will increase the dues amount as well.

Jay asked about the internet income and where staff really thought that would be. Roger stated we will have a large push on selling banner ads in the near future with the changes to the website. The banner ad pricing is being adjusted and will be sent to the membership. Tim suggested the April meeting really focus on the financials and where the budget may need to be adjusted.

Being four months into the year and having so many issues with the website has created several issues with being able to sell banner ads. Roger is requesting bids from a couple of companies to fix the problems. One issue has been the problem of not being able to pull the statistical data for the banner ads. There are funds in the budget for the internet. They are currently included in the Marketing budget. Staff will look at the breakdown of the Marketing budget to determine the budget for the internet. To have the problems corrected may require an increase in the internet budget. The proposals for the site need to include a timeline of completion. The company that is selected for the changes needs to be able to work on the site as soon as possible. Roger will keep the board informed on the progress of the internet issues.

Dave made a motion to accept the Financials as presented. Jack seconded the motion and it was approved.

D. Action Item: Approval of New & Renewing Members

Roger asked for Board members to assist with talking with businesses they know regarding sponsorship of events as well as recruiting additional businesses for the membership. The list of businesses only receiving basic level membership will be updated and given to the Board. Dave made a motion to approval the New and Renewing Members lists only. Jack seconded the motion. Staff will again contact the businesses on the Non-renewing list to see if they can all be changed to renewing. Dave has contacted The Airplane Restaurant.

E. City Report

There is not yet a report on if a decision was made regarding the Chief of Police position. When a new Chief is hired, it was suggested that he be invited to a meeting with the Board of Directors.

The Soda Springs Task Force has been meeting every other week. A couple of Police Officers attended the most recent meeting. Roger feels the group is gaining a better understanding of each other's position through the dialogue. The next meeting is to set the strategies. Some of the group is now working on self-policing. Matt will be bringing forth new ordinances to help with some of the concerns in the Park. Roger feels through the meetings and relationship building, there is better compromise between the police department and the group.

F. COO Report

Roger's report has been covered through several items already presented in the Meeting.

G. Building Update & Budget

Roger is waiting on estimates from Chuck Murphy and Steve Lewis. The flooring estimate is \$6,400 with an option of using less expensive carpet in the back that would reduce the cost to \$5,100. The front of the building will have carpet tiles and the bathrooms will have ceramic tiles. Roger still feels all of the work can be done for \$10,000. Roger is looking for volunteers that can assist with pulling carpet and removing the wall in the back office. Chuck England is submitting the drawings with the concrete pillar to support the load bearing wall in the front area. The foundation has some areas that are in bad shape. It was suggested that the outside of the building also needs to be repainted. Dave made a motion to approve the remodel costs, doing the work as inexpensively as possible, with the funds to come out of retained earnings up to a total of \$10,000. Marcy seconded the motion and it was approved.

H. Unscheduled Appearances

Dave announced that he will no longer be president of the Metro District as of May. Because his LLC pays the taxes on his property, he is no longer eligible to be on that board. Members of the Metro District Board will be Bud Ford, Larry Fox, Joe Pasteur, and Randy Hodges. If any Board members know of business owners within the Metro District boundaries that would be interested, please have them contact Dave.

The City is looking at leasing the Tajine Alami property for parking during the summer. The Mayor suggested that Roger and Jack should negotiate the lease with Mohammed Alami and that possibly iManitou share in the cost of the lease.

Jerry Trent provided an opinion that the land and building (354 Manitou Avenue) had an estimated value of \$174,900, with the land value at approximately \$104,900 and the building at \$69,900. Mayor Snyder requested the professional opinion of the value of the property prior to the renewal of the lease for the land. Jerry Trent is a commercial realtor with a lot of experience but is not a licensed appraiser. The City and iManitou shared the cost of the opinion. The Board requested the information from Jerry Trent be sent to each of them.

Having no additional business before the board, the meeting adjourned at 11:02 a.m.