

**ASPEN CHAMBER RESORT ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
November 25, 2014
The Sky Hotel**

Call to order: Donnie Lee called the meeting to order at 8:43 a.m.

Attendance: Present: Beth Albert, Jeff Bay, Dan Bonk, Debbie Braun, Jeanette Darnauer, Corey Enloe, Adam Fortier, Warren Klug, Donnie Lee, Maria Morrow, David Perry, Tim Perry, Dwayne Romero, John Sarpa, Riley Tippet and Bill Tomcich. Absent: Simon Chen, Nina Eisenstat, Lisa LeMay, Cristal Logan, Doug Kidder, John Maloy, Michael Owsley, Kenny Smith, Steve Skadron and Laura Smith. Staff present: Jennifer Carney, Dorothy Frommer, Erik Klanderud, Kelly Pazar and Julia Theisen.

Approval of prior meeting minutes: The board unanimously approved the October minutes.

Disclosure of Conflict of interest: none

Presentation: City of Aspen Business Navigator – Jim Pomeroy

Jim had previously spoken to the Board about the City's new Business Navigator goals. He has been working with Erik on putting together a new business package for businesses that come to town. Jim distributed the publication that will be added to the Chamber's membership package, which Erik sends to prospective businesses as well. This will help them navigate through the process of what permits they need, who they need to talk to, etc. The City and ACRA can be partners on new businesses coming to town. This is fully launched on their website, and the brochure guides them to the site.

Presentation: City of Aspen NextGen Commission – Skippy Mesirow

Where we came from: The group was a City top 10 goal, with a 2 year goal to become 'official' which they did on Jan 27, 2014. Please visit <http://aspennextgen.com/#!/services-2/2014-strategic-plan> to see their strategic plan.

Their mission is to advance the policy interests of the 18-40 year old demographic who live or work in the Aspen area. Their guiding philosophy: "We believe the continued flourishing of Aspen depends on an active and engaged citizenry of diverse backgrounds, ethnicities, and ages. This diversity has always been the cornerstone of Aspen's distinctive character and vitality. As community members, we feel it is our responsibility to give back, bind together, and actively share Aspen's future for the benefit of us all. It is in this spirit that NextGen has formed and we look forward to serving our demographic, our community, and our City."

They ran a survey to find what are real needs of demographics. What are the main stumbling blocks for young people?

Results can be seen here <http://aspennextgen.com/#!/survey>

They have formed a housing subcommittee and are looking at ways to make housing long-term and family friendly.

Currently college loans and retirement funds are not taken into consideration for the asset/liability structure – they are working on that with council, and have a work session for February.

They are starting a mentorship program – to keep people here instead of seeing them move away and taking their ideas to other cities. They need a director for the mentorship program – spread the word that a Mentorship Director Position is open.

They are on Facebook, Twitter, www.aspennextgen.com, and can be emailed at aspennextgen@gmail.com

Chair's comments: There is no Board meeting in December. We live in one of the best communities. Thanks to the Board for their work here so we can continue to have a great community dialog.

President's comments: The Finance Committee approved up to \$30k to upgrade IT needs. The new server and backup system are now installed in the actual server room instead of in our supply closet. All staff at all locations are working on Windows 7 computers and Office 365. Laptops, iPads and cell phones were re-configured for the new mail server. It is now much easier to access email, calendar and our file server from off-site. We have 4 new computers, 2 new laptops, and 2 monitors. One of the old computers and 2 old monitors were able to be re-used within the organization. The project appears to be coming in a little under budget.

Thank-you to the Board for being part of the organization.
City Council approved the DM budget.

Presentation to outgoing board members: Debbie and Donnie recognized the four outgoing Board members: Beth Albert, Jeff Bay, Dwayne Romero and Doug Kidder. Plaques were presented.

Nominating Committee: Warren Klug reported on the status of the Board election. The following will retain their seats: Donnie Lee, Nina Eisenstat, Jeanette Darnauer and Maria Morrow. The Retail seat is the only seat being decided with an election. Ballots were mailed on 11/20, and are due back by 12/8. The restaurant seat opening saw only one person submit a petition so the seat is hers by acclamation: Beth Mobilian – co-owner of Pinons. There are 2 at-large seats to be appointed. The slate with officers will be brought to the January Board meeting.

Finance Committee: Adam Fortier reported that the Finance Committee meets quarterly. Members are Donnie, Debbie, Adam (chair), Cari Kuhlman, Warren Klug and ACRA bookkeeper Fred Soyka. They focus on revenue, expenses compared to budget, capital expenditures, while considering the vision of chamber and how to add value to community. This year they also focused on creating a written comprehensive financial Policies & Procedures. Best practices had existed, but now it has been put into a written package. The 2015 Budget has been approved by the Finance Committee and will need to be approved by Membership in January at the Winterskol dinner. Our books are on an accrual basis, we follow generally accepted accounting principles (GAAP) and use due diligence. We will need board approval to accept the Policies & Procedures. Adam complimented Debbie and her team for the work.

MOTION: Warren Klug moved that the Board pass the Financial Policies & Procedures drafted and presented by the Finance Committee. Corey Enloe seconded the motion which passed unanimously.

Adam reported on the 3rd quarter financials saying that we are doing very well, then presented the 2015 Chamber and Airport budgets for approval.

Chamber dues are on track with income. Will end the year in the black. Very strong cash balances. We have deposits with all member banks and maintain FDIC insurance on our deposits. We have an Alpine bank repurchase agreement which provides a higher interest rate and our 2 accounts are linked. For the Chamber, the goal is to keep 3-4 months in reserve. Right now we actually have 6 months reserve.

The Destination Marketing goal is to finish with no money in bank account. In April, whatever is left in the balance of lodging tax fund is given to us through a supplemental request. This money is not represented in the reports. We have a reserve of \$150K which will be used - we're not trying to build reserves. The City approves the DM budget, and the finance committee keeps eyes on it all year for checks and balances.

The Airport is running on a deficit budget which was approved last year. Pitkin County funds the budget. We will be surplus spending in 2015. The county contract ends 2015 and we have had a higher rent for the additional guest service space. Additional renegotiation will be done this year for the new contract, due to salary increases, technology, and management.

Budgets:

Chamber budget: There will be a 3% increase for membership dues, as there was last year, but there was not an increase for 4 years prior to that. Other chambers have tiered memberships. We're getting back to pre-recession membership numbers. 2014 is expected to finish very strong. Expenses are trending up 3%, so dues need to be increased. Line items increasing a significant amount are 401k, travel, events, and health insurance. There will be additional membership, and the Ski Co partnership is increasing. For Events, Jennifer reported that the Fat Cycle Challenge is moving to Rio Grande park, we are looking for Aspen to be the winter destination for this. Jackson Hole is hosting a fat cycle summit this year which she is attending. She is hoping we can host it in '16 or '17. It is the 3rd weekend in January. This is a great demographic to come here: land managers, parks, demos, dealers.

Airport budget: will be surplus spending in 2015, which is how county and city want to see it.

MOTION: Warren Klug made a motion that the Board approve the Chamber and Airport budgets as presented. Riley Tippet seconded the motion which passed unanimously.

Public Affairs Committee: Maria Morrow reported that signs of an economic recovery are apparent. There are a few opportunities to renovate lodges, 3 projects right now. Sky will be in front of city council 12/1, 12/8, 1/12. Hotel Jerome.

Molly Gibson also, 12/9. Jerome HPC 12/10, Molly Gibson 12/3. When hearing presentations, the committee is thinking about 2020 and how the projects meet the guidelines of economic sustainability report.

There is a lot of excitability against projects. There is a movement to take power away from City Council in code variance approval. Lodging has been on the City's top ten goals for 2 administrations. We are trending toward higher priced nice rooms and dilapidated rooms. We need to make incremental policy changes.

Member Services Committee: Riley Tippet reported that the business of the year applications are going out right now. They will be reviewed and finalized by 12/18. Thanks to Erik and Stephanie for their hard work with changing over to the new database, which will allow them to do work more efficiently. They are actively keeping in touch with new members and existing members. There is a guest services program 12/2 and 12/3. Very important to show guests our excellent service so they want to come back. The speaker Holly Stiel is world-renowned.

Old Business: none

New Business: none

Directors' Comments

Adam Fortier: no report (see Finance Committee above)

Beth Albert: Thanks for having her fill in. Rose Abello will join the Board in January. She is happy to serve on marketing committee. Snowmass Village is offering a guest service program on 12/10, please rsvp by the 8th. It will be a fabulous kick off. October was slow but November has been great. Excited to start off season on Thursday. Thanksjibbing on Friday, with the Leftover Challenge.

Bill Tomcich: There has been a momentum surge in bookings after election and snowfall. United is fine-tuning their schedule to meet our demands. Early non-stop flights from other hubs beginning 2 weeks earlier than in the past. Will have 2 flights a day from Dallas beginning 12/18. Delta returns on 12/20. Great line-up of commercial flights. Ticket prices are going down. We are pacing ahead of last year on all but one night. Early Escape package has been producing. Highlands training facility is being taken advantage of. World Cup this weekend and NorAm's next week. Early February will see the US Masters national. Largest number of races we've had here since 2004. Abetone bringing a delegation to compete for the week. Nastar nationals will be in March in SMV. March is a little slow to book right now. Regarding flight cancellations, recent discussion involved all 3 airlines and numerous community groups, and we lit a fire to airlines to improve bussing, as well as asking for more resources from Denver to Aspen if cancellations, to provide better service during irregular operations.

Corey Enloe: Thanks for support of the Sky redevelopment project. They have been receptive to feedback. Thankful on all of the projects that we have people willing to invest in the community. Expecting strong bookings through January and March. Though right now they are showing a small dip on the week of 12/20.

Cristal Logan: absent

Dan Bonk: no report

David Perry: Thanks to Maria for leading Public Affairs committee, she has been very articulate in her explanation of what is going on. If people ask what can they do? Ask them to lend their voice to the debate. Can we get a fact sheet out on lodging? Papers have letters that are filled with things that are not true. We need to calm the waters and have a real discussion around the facts. Ski Co was happy to be able to open early to jump start the economy. Snowmass opening Thursday. World cup this weekend. 7 days prior to the race home team can practice on the course (FIS rules). Lucky Find is a new gladed terrain area off of Deep Temerity. The Hideout at Buttermilk will be done soon with an open house on 12/13. The Burnt Mountain egress is completed. Lift ticket pricing...our destination guests generally buy advance multiday tickets. \$99/day is same as it was a year ago, and saves \$30/day compared to walk-up rate. Vail/Beaver Creek is the highest. We are amongst premium resorts but not the highest priced.

Doug Kidder: absent

Dwayne Romero: There are 429 condo and hotel rooms proposed and approved, for 720 new beds in SMV. Taster's Pizza will have to move as of 4/1/15, the city is proposing to take over that whole building. He's been getting a lot of email to keep Taster's there.

Jeanette Darnauer: There have been good efforts by Jon Peacock and consultants to keep community apprised of airport changes. Public is starting to learn what's going on. This Board needs to stay informed. The Air service study goes back to county commissioners on 12/16. Please show up or send letter of support. Today from 2-5 p.m. AVSC is hosting at Highlands a public celebration of the Alpine Training Center. This is a big deal for the community. It's the best local course in the country.

Jeff Bay: Bookings are good looking fantastic for holiday season. Thanks for the opportunity to serve on the board. Molly Gibson going to 2nd HPC meeting, then to our PA committee. Judging of projects should on individual merits. The NextGen commission is a great way for our younger people to be heard.

John Maloy: absent

John Sarpa: Thank you for support of the Sky redevelopment project. 12/1 and 12/8 goes before council. Real estate has softened a bit but there is a lot going under contract. Average sale price is up. Strong trends in real estate. SMV is doing well. Reporting on AVH, it received an excellent HCAP score. The overall rating of AVH is in 98th percentile, meaning it is performing extremely well as reported from the people who are served there.

Kenny Smith: absent

Laura Smith: absent

Lisa LeMay: absent

Maria Morrow: no comments (see Public Affairs committee above)

Michael Owsley: absent

Nina Eisenstat: absent

Riley Tippet: On a recent trip to Telluride he saw they are facing housing issues. 40 people/employees have nowhere to live. We must continue to ask city council to work with NextGen Commission and hear what that demographic is saying. We will continue to live with current decisions.

Simon Chen: absent

Steve Skadron: absent

Tim Perry: Construction/plans is slowing down for winter. Once business starts up again after the recession, people start to go out into business on their own. He has seen a 10 to 15% increase in sales which is indicator a lot of optimism for winter season.

Warren Klug: Aspen Square is still looking for staff, and they have housing. Excited about World Cup. 12/6 is the Summit for Life. 400 people are participating. For the Holly Stiel event, he suggests to get your staff there no matter what the business. Good service makes a difference in your business.

Adjournment: 10:53 a.m.