

**ASPEN CHAMBER RESORT ASSOCIATION  
BOARD OF DIRECTORS MEETING MINUTES  
September 29th, 2015**

**Call to order:** Warren Klug called the meeting to order at 8:42 a.m.

**Attendance:** Present: Warren Klug, Steve Skadron, Corey Enloe, Heather Steenge-Hart, Maria Morrow, Beth Mobilian, Kenny Smith, Lisa LeMay, Nina Eisenstat, Bill Tomcich, Laura Smith, Charlie Bantis, Cristal Logan, John Sarpa, Tim Perry, Jeanette Darnauer, and Debbie Braun. Staff present: Nicole Heronemus, Erik Klanderud, Dorothy Frommer, Julia Theisen, Jennifer Albright-Carney. Guests Present: Adam Frisch, Mark Hunt, Dwayne Romero and Dusty Diaz, Charles Cunniffe. Absent: Donnie Lee, Adam Fortier, David Perry, Rose Abello, Dan Bonk, Simon Chen, John Maloy, Michael Owsley and Riley Tippet.

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

**Election Update- Maria Morrow:** The Public Affairs committee has been very busy this last month having met 3 times in September. The committee met with some groups regarding issues on the November ballot. Those groups will give short presentations today regarding those issues.

**Election Update Presentation – Base 2, Mark Hunt and Dwayne Romero:**

The idea behind this project is to open up Aspen to a different kind of traveler such as the millennials. The website for the project went live on Monday September 28<sup>th</sup>, [www.Yesonbase2.com](http://www.Yesonbase2.com). The website shows images of what the style of the lodge will be like as well as floorplans for the lodges. An FAQ section shows the typical questions you will hear with factual answers.

The campaign is simple and very straightforward; There are three components: 1) the use – does the town want affordable lodging which is crucial for a resort economy. 2) It's about a fun new lodge for a new generation. 3) Motivating and energizing a piece of the community that is not yet engaged in the political and election process. The Base2 lodge could provide a real opportunity to push occupancy in the shoulder months as it will be more affordable. There were 26 new voters who were registered at the farmer's market last Saturday.

*Q: Warren* - Are your setbacks any different from Carl's or the Jerome?

*A: Mark* - The Jerome has more of a setback with the courtyard, and Carl's does not. We do actually have setbacks on every side of Base 2. The gas station there today does not have setbacks as the canopy is actually over the property line. Base 2 will have the same zoning as the other three corners on that intersection.

*Comment: Maria* - At the PA meetings we surveyed the ACRA staff regarding taking a position on this election issue. The staff gave input as to how taking a stand could affect ACRA's mission. In evaluating it, the PA committee will support yes to the Base 2 lodge. The decision was based mostly on the fact that Base2 would be affordable lodging, it aligns with the economic sustainability report and the City's top ten goals. It will provide for a diversity of visitors and a combined opportunity in lodging. We were also motivated on a very large part because of what the alternative could be. It could be retail, commercial, bank, drug store etc. We think we prefer to have an affordable lodge there. We recommend the board support the measure and provide educational support.

**Motion:** To accept the recommendation of the Public Affairs Committee and draft a resolution of support for Question 2A – Referendum – 232 E. Main Street (Base 2 Lodge). The vote was unanimous.

**Election Update Presentation – Aspen School District, Dusty Diaz:**

Funding for [www.excellence.org](http://www.excellence.org)

Since 2010 the state has not funded education to the tune of almost a billion dollars. The school is looking at roughly a 2.2 million dollar deficient. This current mill levy is important because we do not have the funding coming from the state so we have to try to find the funding ourselves. Voting yes on question 3a allows us to bring about \$990,000 into the Aspen School District. This mill levy will increase the current level of the mill levy that is already applied. It will increase residential about \$30 and about \$110 for commercial per year.

The state allows us to tax up to 25% of the schools budget. We want the school district to keep its quality of education. It brings vibrancy, families, parents and workers into Aspen.

*Q: Debbie* - Have you cut any programing at the school since the recession?

*A: Dusty* - Fortunately we have not had to, but the teachers had pay freezes for four years. We are looking to maintain the same class sizes, recruit and maintain excellent staff and keep programs and other things. The kids coming out of the schools will have a lot more opportunities because of the programs we offer.

*Q: Lisa* – What is the class size you are trying to maintain?

*A: Dusty* - 18-20 students.

*Comment: Charlie* - Could be as high as mid 20's in the high school.

*Dusty* - There has been a question "What about marijuana tax?" Basically it goes towards capital improvements and it's only 17 million for the STATE. It doesn't help since it's just for capital improvements not programming.

*Comment: Maria* - The committee recommends that the Board supports yes on Question 3A and provides educational support. This does not affect our visitors and destination reputation however it does affect our community. We think communities are judged by their education and we want to live the brand "Defy Ordinary". We don't want to be behind other communities as far as this issue. We are convinced it will help avoid teacher layoffs and increasing class sizes and could help attract high quality teachers.

**Motion:** To accept the recommendation of the Public Affairs Committee and draft a resolution of support for Question 3A. The vote was unanimous.

**Presentation: City Hall – Jeanette Darnauer:**

Armory Hall was used as a community gathering space until 1957 when City Hall moved in to use it for offices. Bruce Etkin formed the committee for this issue last year. Our committee's role is purely educational. We believe this could be very valuable in the long term for the community.

It was a community space for 65 years and City Hall for 58 years. City council has voted to pick an option for new City Hall to be under one roof at the Galena Plaza. Looking for the Chamber to support the notion of repurposing City Hall.

*Q: Warren*- What is the square footage?

*A: Charles*- It's roughly 9,000 square feet.

*Q: Warren* -Where does the City stand?

*A: Steve* – The City wants to build 50,000 square feet at the Galena Plaza. This would free up the armory. It's happening because it's good business for the City. Right now the City operates in 5-7 different buildings and we need to consolidate its services under one roof. The other option instead of the Galena Plaza would include 2 other smaller buildings built because the City needs a total of 50,000 square feet either way.

*Q: Warren* – The issue of the 50,000 square feet building, will it go to vote?

*A: Steve* – We are not sure yet.

*Comment: Charles* – One question is regarding where ACRA would be located. We would create a civic plaza at the Rio Grande location. City Hall only accounts for what ACRA currently has, no new space for growth. In the armory plan however, the ACRA could be accommodated there and it will be in the core of town. This could benefit the Chamber.

*Comment: Maria* - The PA committee perceived that there could be a conflict of interest at this point. We agreed to continue to explore the concept and learn more before making a recommendation.

*Q: Warren* – Maria, can we ask the PA committee to talk about this a bit more and get more information out to the board. We can then ask for a formal vote from the board.

**Presentation – AVH – John Sarpa:**

Hospital mill levy of 1.5 million translates to around \$11 dollars per year. This money is allocated for our operations. We've been reserving money to build the hospital and going into our cash reserves which are about to be much depleted. This tax helps us keep our cost down. We are lucky to have a low population, most hospitals have 50% of their population on Medicare. We're at about 10% on Medicare which helps us keep our costs down. The average costs for a patient's stay is lower than other ski resorts in Colorado. AVH works really hard to decrease their costs.

*Comment: Warren* – Please include this issue in the next PA meeting.

**Chair's comments:** None.

**President's comments:** None.

**Finance Committee:** Memberships were down as of July, however the staff is making progress in picking up late payments. Debbie and the staff are monitoring expenses. DM looks wildly profitable, they just haven't spent yet because of timing issues. The City has approached us and wants to send ACRA what they collect each month vs. monthly

invoices, however this creates about a 2 month funding gap in January and February. We have reserves and we also have heavy spending in those months. 2016 can become a transition year and in 2017 we'll be back on track.

*Comment: Debbie* - A lot of times the overages are based on the budget number so we have to wait for April.

*Comment: Charlie* - The real issue is the 60 day period at the beginning of 2016.

**Old Business:** none

**New Business:** none

### **Directors' Comments**

**Bill Tomcich:** There has been a huge explosion of last minute bookings that have really helped fill things in. We were pacing behind a month out and those bookings really helped. Labor Day weekend bookings in Snowmass and Aspen reached 93%. The last two weekends have been very good due to the balloon festival, Tough Mudder and many weddings. The new software will allow hotels to book same day reservations whereas the old system could not. We are still learning all of the new reporting but the early indications are encouraging.

The St. Regis requires connections from South Florida next summer which the airport does not currently provide. Have put together a report to United Airlines and they have put nonstop flights from Houston and Chicago on the schedule for next year. Wish our friends at RFTA could be as creative and flexible with their schedule like the airlines. Their off season bus schedule has created standing room only since they have one bus an hour on the weekends.

**John Malloy:** Absent

**Rose Abello:** Absent

**David Perry:** Absent

**Tim Perry:** None.

**Cristal Logan:** Julia and I had a great non-profit marketing meeting, thank you Julia and the Art Aspen on the beautiful new website. We can't assume everyone knows how deep our roots are when it comes to arts and culture in Aspen. The community forum was really successful. It's a really valuable methodology to engage the community and find solutions.

**Maria Morrow:** Thank you for all of your work you will be doing in the next few weeks! One of the reasons we want to be sure people get out and vote is because we have a lot of issues coming up even after this election and we want to build connections now and be a step ahead.

**Nina Eisenstat:** There is speculation that it (Base2 location) could be a Wal-Mart or a Walgreens. People might be ok with that idea because of lower costs than Carl's. Thank you to Sarah Reynolds for the numbers of weddings in Aspen this summer.

**Jeanette Darnauer:** The additional details I gave today were not meant to confuse, if I did please email me and I will clarify. I will send out the packets of information to everyone as well as the permission form to use your name on any campaign materials. Another confusing issue we need to be aware of are the changes at the airport. We can't underestimate the number of people that don't care if we have air service. Please keep that on the radar to discuss at a later time.

**Corey Enloe:** None

**Kenny Smith:** None

**Beth Mobilian:** Closed on Saturday the 26<sup>th</sup> for the off season.

**John Sarpa:** None

**Steve Skadron:** Our sister city of Abetone will be here next week. Whistler is also coming in October. Got a call from the Mayor of Vail, they also want to come visit. Every request from sister cities puts a burden on the Aspen City. It's so easy to listen to the negative of the town, the fact is that Aspen has never been better. I have gotten an invitation from the Mayor of Paris to attend the Climate Action Forum in December. There is a chance I will be attending. Paris closed their city to car traffic for a whole day and one of Aspen's goals is to deal with transportation. Thank you to Cristal and John for reintroducing the possibility for the Aspen Institute to take the lead in debating local issues with a neutral forum. Ballots for this election come out in two weeks so it's important to get our messages out there.

**Laura Smith:** None

**Warren Klug:** It's been a great summer and amazing fall for the hotels. Our winter is up a little bit so far and we are going in the right direction. A bit concerned about the international guests going to Australia.

**Adam Fortier:** Absent

**Charlie Bantis:** None

**Dan Bonk:** Absent

**Simon Chen:** Absent. Emailed addendum:

1. Regarding K2's presentation. Jeanette asked what are we doing differently in the UK market. Here at the Nell, we have been heavily targeting this market for the past two years and have seen the market grow by 100% year over year. It has become our 3rd biggest International market up from #8. We have been doing our own sales missions to the UK and have seen the rewards from continuing to nurture the market. We are forecasting that we will have another record year from this market.

2. Regarding Maria Morrow's comments regarding the Bike Race. Firstly let me say that I am a huge supporter of this event. Events such as this contribute to what makes our community the envy of every ski resort in the country. Other ski towns would kill for what a strong tourism economy Aspen has. The reason the bike race returns year after year to Aspen, is due to how easy our community is to work with and how we welcome these events with open arms. Not all of our competing resorts do this. You may have heard that we run our own high end cycling camp over this time period. We developed it and marketed it ourselves to capitalize on this amazing event. While the first year was a little painful it broke even. We persevered and this year our demand exceeded available spaces by 50%. Due to overwhelming demand, we are adding two additional camps next year. My point being that, while it seems like the event scares people away or we may see lower revenues in our businesses over these days, the event is what we all make of it as a community. We should be reviewing all of our events and saying to ourselves how can we do it better? What can we do to improve the event so that Aspen is the only choice when it comes to year round events?

**Lisa LeMay:** The building is going to be built for Base 2 no matter what. Do you want a pharmacy, which will put Carl's out of business or a bank, which we have one on every block in town. We need to push lodging. We want something to bring vitality to the community. What matters is bringing in more lodging tax to the community.

**Michael Owsley:** Absent

**Heather Steenge-Hart:** Thank you Maria for your work with the PA committee. We are pacing ahead for the holidays. Our property is closing October 19th- November 19th.

**Riley Tippet:** Absent

**Adjournment:** 10:42 a.m.