

**ASPEN CHAMBER RESORT ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
October 30th, 2018**

Call to order: Donnie Lee called the meeting to order at 8:37 a.m.

Attendance: Present: Debbie Braun, Donnie Lee, Charlie Bantis, Dave Ressler, Riley Tippet, John Rigney, Warren Klug, Patti Clapper, Jeanette Darnauer, Nina Eisenstat, Andrew Ernemann, Heather Steenge-Hart, Rob Ittner, Heather Kemp, Lisa LeMay, Maria Morrow, Tim Perry, and Steve Skadron. Absent: Cristal Logan, Rose Abello, Jeff Bay, Simon Chen, Linda Crockett, John Maloy, Laura Smith, and Bill Tomcich.

Staff Present: Erik Klanderud, Jennifer Carney, Susan Bantis, and John Davies.

Approval of prior meeting minutes: Approved

Presentation:

Dave Ressler - Aspen Valley Hospital: Aspen Valley Hospital is itself a district and taxing authority operating under a 1.5 mill levy. This expires in 2020, but it's been reapproved 5 times in the last 25 years. 1.5 mills is approximately \$4.5 million per year, which is 4% of revenue. We have an elected Board and the members serve 4 year terms. Our district is the same as Pitkin County. We are a 25 bed hospital with around 500 employees and we own 67 housing units. We have partnerships throughout the community and support providers of low or no cost health services. 25% of Pitkin County residents are at or below the poverty level. We are a critical access hospital, which is a Medicare designation of a rural hospital with 25 beds or less. Medicare has awarded us with a 5 star rating, which is a perfect score. We've been working on a 4 stage expansion of our facilities and have completed 3 so far. All of this expansion is debt free. In August we consummated a deal with Hospital for Special Surgery in the upper east side of Manhattan, which is the number one hospital in the county for orthopedic services. This is the first partnership of this kind. Orthopedic services make up about 35% of what we do. We are doing a lot in our community to make healthcare accessible and affordable, with our offices up and down the valley to provide services to everyone. We have moved our practices to a new organization so that they do not count as hospital services, instead you will be able to pay your co-pay rather than towards a deductible. We want to be a leader to make Aspen the healthiest city in the nation. Aspen Valley Hospital is no longer just a hospital, but a system of care in the community. Please reach out or go on our website to learn more about all of the ways we are working to make healthcare more accessible to all.

Chair's comments: We are very fortunate to have such a valuable organization that is the Aspen Valley Hospital. If the snow comes then the season will be a good one. Thank you to all of our committees for all of your work in getting things accomplished.

President's comments: In November we are doing the Tourism Outlook Forum in lieu of the Board meeting. We will not be meeting again until January. I just returned from the Adventure Travel World Summit in Tuscany. We get stuck in a bubble here and it was nice to go abroad to get a fresh perspective. We came up with the idea of "better not more" for guests and we are going to take that as a focus for the Destination Marketing department. Our sister city, Florence, is great. I'm glad to be back. The Finance Committee met and we are moving forward with our budgets.

Finance Committee Update: We had a chance to meet and go over the ACRA 2019 budgets. All three departments (Airport, Chamber, and Destination Marketing) are staying pretty flat for 2019. This was based on a difficult winter and summer. Chamber membership is flat, and the 3% increase is based on somewhat lower number of members. There are minor increases throughout. Men's Health sponsorship is gone for this year. There is around a \$12k increase in revenue, which is less than 1%. Salaries have increased 3% to stay competitive. Overall no major changes, it's pretty flat with a small surplus. In Destination Marketing, there are a few small changes in revenue. There are some staff savings in salaries. There are several areas that can be cut if it's another bad winter. Great job managing expenses. This is going to be a research year, so that line item has been increased, but most others are flat. PROMO held the social media, but that is being brought in house, so there are savings. Over time the printing costs have dropped as more goes to digital. The Airport it's continuing to run as usual, no major changes. There was an issue with the rent earlier this summer, but it has

been resolved. Budgets were unanimously approved. The RFP for financial services is going to be issued this week or early next.

Public Affairs Committee Update: The Public Affairs Committee met and discussed the ballot issues. We recommended endorsement of both the Healthy Community Fund and the RFTA measure. Let's all get out there and encourage people to vote. Part of our strategic plan was how we communicate. After this past spring with the Hopkins Avenue project, we sat down and brainstormed how to get input to and from the City in a way that is constructive. A lot of great ideas came out. We're looking at a LISTSERV program to communicate in the future. We look forward to working with the City with this program to better our communications. Thank you to the Finance Committee for approving those funds.

Nominating Committee Update: We have 6 seats up for election for 2-year terms. 1 lodging, 2 service, 1 restaurant, 1 professional, and 1 retail. Jeff Bay has expressed interest in the lodging seat and has returned the signatures needed to run. Jeanette and Nina's seats are up for election and we have not received their petitions yet. Even if seats are not available, please send me anyone who could be possibly interested in committee work.

Old Business: none.

New Business: none.

Director's Comments

Warren Klug: The Aspen Square is looking soft for winter so far, but the snow is coming and will boost reservations. I've been traveling with my wife and it's amazing at how busy other places are. It's a reminder that while we've seen September and October grow, it can grow even more.

Steve Skadron: We're working through our budgets at the City. The City office issue is coming to a close next week after the election. I think option B is better for the community and frees up more space in the core. Get out and vote. Tonight's work session is about an urban forestry management plan. The Castle Creek Bridge project is coming to an end, and we are very excited about it. It fixes the road and improves safety for pedestrians. The City created a new line item in the budget to improve communications and we are restructuring the department. I was recently on Canadian television speaking about our community and legalized marijuana. Thank you to everyone for upholding our community values.

Heather Steenge-Hart: Nothing to add.

John Rigney: Summer was very exciting in Snowmass with the Lost Forest. The Limelight Snowmass has a set date to open. We are hiring and prepping for the season. We are pushing out images of the snowfall hoping to build up business for winter. I hope everyone gets out to vote.

Nina Eisenstat: I had an interesting meeting with COSIGN Travel's large team of travel agents. They were very excited about Aspen. I wasn't sure how to best connect them with ACRA, but would like to make that connection. I agree with the "better not more" approach. I've been shocked at how busy it has been on Smuggler Trail and how many people are coming this time of year.

Jeanette Darnauer: Thank you Dave for the great presentation. We are very fortunate to have Aspen Valley Hospital in our community. Thank you to the Public Affairs Committee and this Board for supporting the RFTA ballot measure 7A. We've done extensive outreach up and down the Valley, and received a lot of feedback and support. It is a large amount of money, but we have to think of the future and the impacts if this doesn't pass. We have an endorsement from the Aspen Daily News. I've had a few conversations and it seems like the building community has been busy, but there is thinking of a possible slowdown in the industry. There have been more projects, but not many are long term or large projects.

Riley Tippet: Dave, thank you for the presentation and for the willingness to speak up regarding the health industry. People are still just hovering and waiting for snow. It's off season, but people are still busy. We love the downtime, but

it's getting shorter and shorter, which is good for recruiting talent. The "better not more" conversation is one I have with a lot of people. It usually goes to the further into the 1% you get, who can really afford to be here? It's a good conversation that needs to be had, to try and figure out what is the right guest for town. As a small business owner it's been great to be a part of the conversations this Board has, including the budgets. I've appreciated the learning opportunities this has presented me with.

Lisa LeMay: To piggy back on Riley's comments, I'm very excited that the shoulder season is shrinking and we have employees that can work through it. This ties into the RFTA ballot measure. Our employees are continuing to ride the bus full time so we need to do everything we can to get money into RFTA to keep them operating at full strength. I encourage everyone to get out and support RFTA.

Dave Ressler: Great job of writing up 1A and 7A, the Healthy Community Fund and RFTA's Destination 2040 Initiative. In my presentation I talked of affordable healthcare and we really can't use that term. It's not affordable, but we need to make it accessible.

Andrew Ernemann: I agree that having a great hospital helps the real estate market. Despite that, the market is down about 30% compared to last year, through October. We are about 30% ahead of last year for properties under contract, so we should see a bit of a comeback there. Looking at the percentage of the market under contract, Snowmass Village is around 15%, which is double what they typically see. With the Limelight Hotel and all of the activity going on there, it's sparking interest in Snowmass Village. We have more people coming to look at properties in off season, as it's not as busy compared to July.

Patti Clapper: Thank you to Dave Ressler not only for the presentation, but also for all of the partnerships. On November 11th, we are doing the Grand Opening of Veterans Park. There is a full schedule that day of speakers, and everyone is welcome. Our building will be open for tours as well. The election is a week away. Proposition 109 "Fix Our Damn Roads" takes money away from healthcare and education, so I urge everyone to support 110 instead as it's a sales tax increase for road projects. RFTA's 7A and the Healthy Community Fund 1A are so important for our community. I agree with the "better not more" idea. We are going to be starting rounds of public process for the airport expansion, so please get in touch if you're interested in participating. We have a long way to go, and we want to do what the community wants out there.

Heather Kemp: Gave a sales tax update. Retail sales are up 6% for the year. We have less people in town due to last winter's poor snowfall, the Lake Christine Fire, and the Castle Creek Bridge construction. A big change coming in December is that Colorado changed how items are taxed based on where they're being delivered to. We need to figure out a way to get information about those changes to everyone.

Maria Morrow: The sales tax reports are not accurate reflections of how local businesses are doing. I'd like to see a task force put together with retailers and restaurants to meet with the new finance director for the City.

Rob Ittner: I'd like to be on a committee, because there needs to be a better indicator on the levels of success of local businesses as the sales tax report does not work. We had two big restaurant openings this summer (Clark's Oyster Bar and 7908) but the report doesn't break it down to show how everyone is really doing. I spoke with Bill Tomcich about the lodging reports and how it shows an increase of 4%, but that increase is due to room rates not increased occupancy. It's quiet right now with restaurants and businesses, but it's a good time to reflect on what a complex community this is. To the people fighting for either extreme of some of the ballot issues, you need to fight for a balance between the two for the community. Rustique is under contract. We have two community events planned at The Cooking School of Aspen. On November 9th the "Proofless" dinner that is alcohol free to raise money for people in the industry with alcohol or drug issues. On November 24th we are having a benefit for the Susan G Komen Foundation and it costs \$50 per person. Please call Rustique for more information. (970) 920-2555.

Tim Perry: It's amazing to see all of the rhetoric saying that a lot of the ballot issues and things that support businesses and locals, don't support the locals. Even though some of these people don't use or benefit from the issues, they all know people that do.

Charlie Bantis: Thank you Dave for presenting. With 25% of Pitkin County residents living at 200% or less of the poverty level, it's astounding that it doesn't get more discussion. The shoulder seasons are getting shorter and the effect that has on families is positive with more income. Tying in with the "better not more" idea, it may not translate into better lives for employees or residents if there aren't more visitors. It takes a balance of running a business and a resort. We need to think of employees who need people to be here.

Adjournment: Meeting was adjourned at 10:45 a.m.