

**VISIT COLORADO SPRINGS (VCOS)
BOARD OF DIRECTORS MEETING
Tuesday, January 17, 2023**

Minutes

Board Members in Attendance:

Pepper Dombroski, Chair

Brooke Mikulas

Megan Leatham

Becky Leinweber, Secretary

Gus Krimm

Kristina Coggins Heck

Tom Strand

Susan Davies, Past Chair

Lisa Neener

Greg Phillips

Herman Crawford(via phone)

Andy Doyle(via phone)

Board Members Absent:

Crystal LaTier

Wendy McHenry

Andrew Stegen

Scott Marble

Jenny Sherman

Dave Harris, Treasurer

VCOS Staff:

Doug Price

Peggy Manter

Jason Cutshaw

Amy Long

Kathy Reak

Meeting called to order at 8:15 am

CHAIR'S WELCOME – Pepper Dombroski

- Pepper welcomed everyone and requested a motion to approve the minutes from the December 6 meeting. Motion was made by *Kristina Coggins and seconded by Gus Krimm, and the motion was approved unanimously to accept the December 6, 2022, board minutes as presented.*
- Doug recommended that due to our late start, we should move to the items requiring a board vote and then return to the agenda.

Chief Financial Officer Update – Presented by Jason Cutshaw, Chief Financial Officer

- Jason reviewed the documents sent in the packet and he told the board that we were on track with all items and that the new systems were a great improvement. His report on the Finance Committee meeting will be part of this update. He was happy to report that both the opportunity and the operational funds are in the positive for December. The operational fund is less risky with money markets and bonds and the net gain was \$12,127.37. The opportunity fund is 20% stocks. It too has bounced back with a net gain of \$3,235.14. He also mentioned the aging report and pointed out that payments are slow during the holiday season. He told the board we are following the state recommendations on the newly implemented FAML I plan and are splitting the cost with our team members and the payroll system now includes the mandatory deductions. Greg asked if we could opt

out of the program and Jason explained only government entities have that option. We can opt to go with a private plan but we have not gotten any available options at this point.

- Jason supplied a summary page to review for the 2023 budget request providing the revenue and expenses on the budget breakdown sheet, noting that on the right side you will see the expenses for each department including operations (that is a cost-share allocation) using a single and double step-down methodology as you will see in detail on the OPS detail page. In the past Jim provided rollover funding from the year before to have upfront funding and contingency funds. Now, much of that funding is in the investment and opportunity accounts, so including the contingency as part of the budget, we have a little cash on hand if it is needed. He also had detailed budget pages reviewed by the finance committee prior to the presentation to the board.

- Jason also mentioned that he had applied to El Paso County for a grant a \$30,000 that is project specific and he hopes to hear if we got it or not soon. If we get it, we will use it to expand the Kiosk program.

- The finance committee requested some comparative data that breaks down the costs of marketing, programs, sales departments, staff and administrative expenses and how we compare to an industry standard across DMOs. We are beating industry standards in how much of our money goes to marketing and programs and below standards for administrative and staff expenses.

- Pepper then added comments from our treasurer, Dave Harris. He was unable to attend but wanted to reassure the board that the Finance committee had done its due diligence on the 2023 budget and the committee all voted to send it to the full board for approval. Pepper then asked for amotion to accept the proposed 2023 budget. Motion was made by **Becky Leinweber and seconded by Susan Davies, and the motion was approved unanimously to approve the 2023 budget as presented.**

- Jason then moved to contracts and Pepper suggested we do them one at a time for approval. First up was the 5-year city contract. The city will for the first time make all payments the same equal amounts rather than basing them on actual month to month collections. The contract includes a 5% increase each year with the option to revisit the terms if a LART tax increase is approved by voters during the contract term. Motion was made by **Brooke Mikulas and seconded by Kristina Coggins, and the motion was approved unanimously to approve the 5-Year city contract.**

- The next contract discussed was the Senior open funding. The total cost is \$150,000.00 over 3 years to support the 2025 Sr. Open at the Broadmoor. Doug pointed out that they have agreed to use our B roll and that we have done this in the past with positive results. **Motion was made by Gus Krimm and seconded by Megan Leatham, and the motion was approved unanimously to approve the Senior Open contract.** Pepper Dombroski abstained from the vote.

- Next up was the contract with the auditing firm of Biggs-Kofford for the 2022 audit at a cost of \$15,000.00. We have been happy with the job they have been doing and it was pointed out that they rotate staff every year to continually refresh the audit. **Motion was made by Susan Davies and seconded by Kristina Coggins to approve the contract with Bigg-Kofford for the 2023 Audit.**

- The final item requiring a vote was the SOW with Orange 142 and an authorization for a contract not to exceed \$1.75 million. If, for any reason, that would be exceeded then we will come back to the board for further approval. **Motion was made by Brooke Mikulas and seconded by Becky Leinweber to approve the not to exceed statement of work for Orange 142.**

- Pepper then asked all board members to review and sign the Conflict of Interest they were given and to return it to Peggy as soon as possible. Chair's Welcome resumed – Pepper Dombroski

Chair's Welcome Resumed

- Pepper then returned and let the board know that she was very happy and humbled to be the new chair and that she is looking forward to the Board Symposium that she and Doug will attend at the end of the month. She then let the board know that the VCOS committees are all open for their membership. She told them 2 committees need chairs, both Marketing and Partnership. Amy then told the board that the marketing Committee meets six times per year and deals with budget allocations and high-level deals. The Partnership committee meets three to four times per year and includes representation from Fremont and Teller Counties. The partnership committee deals with dues structure, pandemic relief, annual partner survey and ideas for events and educational programs for partners. Pepper asked anyone interested in joining a committee to reach out to her directly. Susan pointed out that both of these committees are fun to serve on.

President/CEO Update – Doug Price, President/CEO

- Doug started with a non-agenda item and pointed out that our board picture is still not in its spot in the meeting room. He reassured the board that as soon as the USOPM appoints a CEO, we will get the frame completed and hung.
- He then moved on to the changes in the LART Committee. He told the board that after more than 10 years he was leaving the committee and that Cheryl McCullough will be joining. She has worked for VCOS for over 25 years. The committee is also making strategic changes to the entire review process for funding requests. All requests will be online which is a welcome change to the enormous binders used for the hard copies in the past. The city contracts with the Sports Corp, VCOS, the Chamber and the Cultural Office and, as contracted entities, they are the first to review all applications. As a group the contracted entities worked together to create a rubric with a more consistent scoring system. VCOS will continue to run the economic impact calculations for all requests which include room nights. And he also noted that 2022 YTD the LART revenue is up 9.7% over 2021 and November 2022 was up 16.6% over November 2021.
- Tom Strand left early to attend to Council business but let the group know that ballots will be sent in mid-March and includes the TOPS extension. No added tax, just an extension of the current policy. It is vitally important and he believes it will pass. Other ballot items include zoning changes designed to increase flexibility in new areas and a water ordinance. The water ordinance will require developers to have 130% of projected water needs for any annexation. He told the Board the last council meeting ran for 16 hours and that the Amphitheater project has been completely approved.
- Doug then told the members about the Travel Pulse report issued by MMGY. Clayton Reid of MMGY is highly regarded and all his information is thoroughly researched. He has made 5 predictions for 2023 travel trends.
 - **Travel will grow beyond forecast;** relative demand is strong, Asia is awakened, strong business travel, travelers are more concerned with cost than safety, US travelers will travel within US, and there will be more travel by under-represented communities.
 - **Industry Consolidation;** airline acquisition due to pilots, distribution and slots, hotel brand deals, rental car aggregation and booking consolidation(to compete with social influencer engines) will streamline travel packages.
 - **The marketplace becomes more fragmented and harder to measure:** TikTok still #1 travel influencer, Airbnb will still dominate, Transactional bots(check-ins, amenity curation) will flourish, Artificial intelligence will allow travel promotion in virtual spaces, Revenue attribution will be more difficult, Travel agents & human customer service will see more volume in 2023.
 - **Blockchain and the Metaverse:** Peer to peer ticket sharing by a major airline, Destinations will appear in video games, Destinations will appear in the metaverse, immersive environments are progressing and could reduce travel in the next decade.

- **Alignment in staffing levels:** As unemployment rises and wages decline, travel will be a sector of choice again -- older Americans who need or want to work may be a new labor pool sector, Immigration is loosening as are work visa approvals, Training delays are ending along with Covid restrictions, creating more capacity, GenZ workers are entering the workforce in record numbers.
- The evolution of travel post-Covid has pushed DMOs and economic development agencies into a crucial role. Officials must be part of the conversation across communities speaking out on the policy benefits of travel and tying tourism to better health and a higher quality of life. Greg said he sees continued recovery, and increased alignment across carriers. He also mentioned airlines are looking to be more creative about ways to travel. Frontier is considering a yearly flying pass, Hawaiian and Alaska Air might merge along with Spirit and Jet Blue. Susan pointed out that we are marketing packages with hotels and attractions with package rates. An international travel bump is still expected. Becky, Pepper, Gus and Brooke all pointed out that remote check in and other automations are great but a personal touch is still an important part of traveler satisfaction.

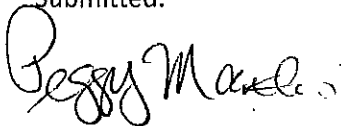
Website Update – Amy Long, Chief Innovation Officer

- Amy told the board the website traffic is improving and VCOS and Google are consistently trading between number one and two for searches. She said the “Things to do” section is currently being fixed and believes tht will make a big difference.

Wrap Up – Pepper Dombroski

- Pepper asked each Board member to give a quick update on their organization.
- Doug encouraged everyone to support the TOPS extension and will have a resolution of support for the Board in February.
- Pepper adjourned the meeting at 9:42am. The next meeting is February 21, 2023.

Submitted:



Peggy Manter
Executive Assistant

Verified:



Becky Leinweber
Board Secretary