January – December 2018
President & CEO Report to the Board

Annual Performance Review Memo
Summary

Below is a detailed summary of my accomplishments for 2018. It is important to note that these accomplishments were only possible because of the support of the Executive Committee, Board of Directors and staff – your continued support of me and CHLA are most appreciated.

Accomplishments

Office Sublease

In April the CHLA office was successfully subleased to EdTech, Inc. for the balance of the master lease term. All CHLA staff are now working from home and our mail is going to a box at the Hilton Denver City Center. The sublease will save CHLA more than $60,000 through January of 2020 when our master lease expires.

CHLA University

Our work with the City and County of Denver to offer AH&LA certifications at no cost to our members continued this year. Because of two additional training sessions for East West Hospitality and Stonebridge that were held in November, we will exceed budget for Education by $76,000.

As we move into 2019, CHLA University will take center stage as we begin to offer monthly training and certifications for CHLA member properties at significantly discounted rates. In December, I was able to secure up to $100,000 in funding for CHLA University from the Denver Tourism Improvement District. These funds will ensure that we can formally launch CHLA University in January 2019.
**Emerging Leaders Council**

In July the first members were appointed to join CHLA’s new Emerging Leaders Council. With 10 members from properties throughout the state, the Council wasted no time in getting to work by planning the Stars of the Industry Beer Garden at the Annual Conference. After being given the idea, the Council worked to secure beer donations and provided yard games for the event.

The Council members are incredibly enthusiastic and I’m confident they will do great things for CHLA in the coming years. The Council will meet four times in 2019 in conjunction with the CHLA in-person Board meetings and will also meet by conference call/webinar as necessary throughout the year.

**Financials**

**Financial Review** - At the direction of the Board, I retained Taylor Roth & Company who conducted a review of 2017 financial statements. For the fourth consecutive year, the review resulted in a clean opinion and no significant concerns were raised.

**Monthly Financial Reports** - RubinBrown continues to oversee all accounting and bookkeeping for the Association and generates bi-monthly financial statements for Board review and approval.

**Legislative Readiness Fund** – Through a combination of the mandatory contribution and the overwhelming success of the Readiness Fund Golf Tournament, this fund continued to grow in 2018 and finished the year with a balance of over $200,000. The fund will continue it’s steady growth in 2019 as the mandatory contribution is doubling to $200 and the Golf Tournament is on track for another record-breaking success.
Operating Reserves - Continuing to strengthen the Association’s financial position remained a high priority for me coming into 2018. Through an increased annual contribution to the Operating Reserve of $25,000, we will end 2018 with a year-end balance of $45,000. The 2019 reserve contribution that has been budgeted for 2019 will more than double the balance of the operating reserve account.

Board Scoreboard
Following through on a recommendation from the goal setting that was done in November of 2017, I worked with the Treasurer and Chairman to develop a Scoreboard that is included in every Board book. The scoreboard gives an overview of all relevant financial and membership data for the organization.
**Membership**

**Lodging:** Membership for 2018 was down slightly over 2017 with a decrease in rooms of 1,226. With two notable exceptions The Sheraton Denver Tech Center (262 rooms) and Hyatt Regency Aurora (249 rooms), the average size of the properties we lost was 47 rooms. Lodging membership will grow in 2019 – we already have 1,980 new rooms in membership as of January 7th. Most of these rooms, 1,501 are thanks to the Gaylord Rockies, however, there are three other properties including the Hilton Fort Collins, The Source Hotel and The Origin Hotel who have also joined effective January 1st. With the addition of these rooms in January, we are now at our highest lodging member rate since we reset our membership records in 2014.

**Allied Members:** Allied membership is up slightly year to date over 2017 with 85 basic allied members over 82 in 2017 and 33 allied plus members up from 30 in 2017. Our Business Development Manager Donna Horii did not actively sell basic allied memberships in 2018 and in September the Board voted to eliminate that membership level beginning in January of 2019. While the elimination of the basic allied membership will cause some frustration for some members initially, I strongly believe it is the right direction for the association and will result in less administrative work and will also create more value for our allied plus members.

**Legislative/Political Accomplishments**

Throughout the 2018 legislative session, I actively engaged with stakeholders from the business and tourism industries and legislators to influence the outcome of legislation. Click here to view our [2018 Legislative Bill Report](#). Of particular note:

**HB18-1084 Concerning County Lodging Tax Revenue Allowable Uses** – HB18-1084 would have eliminated the requirement that the lodging tax collected by a county be used for “advertising and marketing local tourism.” This bill was brought forward by Colorado Counties Inc because several counties wanted to begin using lodging tax as a mechanism to fund workforce housing. While CHLA strongly supports efforts to build/fund workforce housing, the idea of using lodging tax as the sole source of revenue for this purpose and at the same time diverting those dollars from destination marketing brought us into strong opposition of the bill. After a significant lobbying effort, the bill was killed in the House. It should be noted that while HB-1084 died this year, the issue of funding workforce housing hasn’t gone away, and we should expect to continue to see these kinds of bills going into the 2019 legislative session.
Transportation Funding – CHLA actively supported SB18-001 which requires specified amounts to be transferred from the general fund to the state highway fund, the highway users tax fund, and a new multimodal transportation options fund during state fiscal years 2018-19 and 2019-20 for the purpose of funding transportation projects and to the state highway fund during any state fiscal year from 2019-20 through 2038-39 for state highway purposes and to repay any transportation revenue anticipation notes that may be issued as specified in the bill. SB18-001 passed and was signed into law by the Governor.

In addition, CHLA actively supported Proposition 110 during, which appeared on the November General Election Ballot. Proposition 110 would have authorized $6 billion in bonds to fund transportation projects, establish the Transportation Revenue Anticipation Notes Citizen Oversight Committee, and raise the state sales tax rate by 0.62 percent from 2.9 percent (2018) to 3.52 percent for 20 years starting on January 1, 2019, through January 1, 2039. Unfortunately, Proposition 110 failed with 59.31% of voters voting no.

An additional requirement of SB-001 stated that in the event that a transportation funding initiative did not pass in November of 2018, the Secretary of State must submit a ballot question to the voters of the state at the November 2019 statewide election, which, if approved, would require the state, with no increase in any taxes, to issue additional transportation revenue anticipation notes for the purpose of addressing critical priority transportation needs in the state by funding transportation projects; would exclude note proceeds and investment earnings on note proceeds from state fiscal year spending limits; and would reduce the amount of lease-purchase agreements required by current law to be issued for the purpose of funding transportation projects. CHLA will continue to actively monitor this initiative as it moves toward the November 2019 ballot.

Events

Annual Conference - The 2018 Conference received a net promoter score of 70, which is a 9 point improvement over 2018 and is considered to be “Excellent.”
In 2019, the Annual Conference schedule will shift a bit when the annual Readiness Fund Golf Tournament becomes part of the Conference. We’ve had tremendous feedback on combining the Tournament with the Conference and I look forward to working with the Executive Committee to create a Conference program that will create interest from our membership.

**Legislative Readiness Fund Golf Tournament** – Hosted by the Broadmoor each year, this tournament has amazing potential to raise a lot of money for the Readiness Fund and after several years of disappointing results, the 2018 tournament was a record-breaking success! Thanks to the hard work of the Golf Committee chaired by Tony Dunn, this year’s tournament raised over $98,000, nearly five times more than 2017.

![Legislative Readiness Fund Golf Tournament - Net Income](image)

**Marketing & Communications**

**Lodging Matters** – Our e-newsletter was sent each month throughout the year to all members. Readership rates for this email increased a bit for the year at an average of 29.89%, which is significantly higher than the industry (non-profit) average open rate of 19.75%.

**Membership Directory** – The 2018/2019 Membership Directory was published in September and mailed to all current members. Again, this year, the publication was published entirely in four color and served as a member benefit for hoteliers and allied members and provided a print platform to deliver ads for our allied plus members.
Social Media – At the direction of the Executive Committee, we hired a contractor to oversee social media accounts for the Association. Throughout 2018, we maintained a presence on LinkedIn, Twitter and Facebook.

**Lobbying Firm**

We continued to retain Michael Best Strategies (MBS), with Jeff Thormanodsgaard as our lead lobbyist, this year and just signed a renewal contract for 2019. MBS and Jeff Thormanodsgaard have been a tremendous asset to the organization and have done a lot to elevate CHLA’s position at the Capitol and with legislators and other elected officials.

**Partner Organizations**

Throughout 2018, I continued to actively engage with the following partner organizations:

**VISIT DENVER** – I continued serving on the VISIT DENVER Board of Directors as well as their the Government Affairs Committee. In addition, I attend all meetings of the Denver Tourism Improvement District Board of Directors.

**Colorado Restaurant Association** – Throughout 2018, I continued serving as an Exchange Director on the CRA Board of Directors and the CRA Education Foundation.

**Colorado Tourism Office** – Over the past two years, I have served on the Leadership Committee for the CTO. At the request of Lieutenant Governor, Donna Lynne, the Leadership Committee designed and implemented the CTO’s Leadership Journey, which is now in its second year. In addition, this year I spoke on a panel regarding tourism funding at the Governor’s Tourism Conference.

**Tourism Industry Association of Colorado** – I continue to serve on the TIAC Board of Directors and was appointed as the 2018 Secretary/Treasurer. I also continued to serve as the Chair of the TIAC Policy Committee. Beginning in 2019, I will serve as the Chair Elect for TIAC.

**AH&LA** - CHLA continued as a State Partner Association in 2018. In September myself along with four members traveled to Washington DC to participate in the Legislative Action Summit in September. As part of the LAS, we met with Congressman Coffman and staffers for Senator Bennet, Senator Gardner, Congresswoman DeGette, Congressman Lamborn, and Congressman Tipton. In addition, I continued to participate in AH&LA’s monthly PSA calls and pushed information on issues of interest and concern from AH&LA to the CHLA membership through our Lodging Matters e-newsletter.
**International Society of Hotel Association** – I attended the ISHA Winter Conference in Denver December 3rd-5th. CHLA received the ISHAE Award of Excellence for Government Affairs Programs for our work to pass the Denver Tourism Improvement District.

**Metro Denver Lodging Council**

The Metro Denver Lodging Council had a busy year lobbying on issues of concern in Denver. Lobbying activities included:

**Tourism Improvement District** – The Denver Tourism Improvement District began collecting the tax that was passed in 2017 on January 1, 2018. Tax collections exceeded expectations with a total of $9.3 million collected in 2018, which was $600,000 over budget. The certificates of participation for the Convention Center renovation were finalized and saved the TID over $340,000 annually over what was scheduled to be paid to the City – through a negotiation with the City, those funds will go to the TID marketing fund. The City Council approved the TID’s 2019 Annual Plan in October.

**Green Roofs Ordinance:** I was appointed by Mayor Hancock to the Task Force that was established to make recommendations on how to improve the Green Roofs Ordinance that was passed by Denver voters in 2017. The Green Roof Review Task Force’s mission was to recommend modifications, clarifications, and improvements to the Green Roof Initiative through a collaborative, consensus-based process that honored the vote and the benefits that the ordinance would have achieved. The Green Roofs Review Task Force met nine times from January 19, 2018 through June 7, 2018. We reached consensus in our final meeting on a proposal they we believe takes the ordinance in the right direction for Denver.

Following the recommendation of the Task Force, in October, the Denver City Council passed a green buildings ordinance. The new law was carefully designed to honor the will of the voters who called for more sustainable development in Denver, while fixing the legal and practical challenges of the original ordinance. Under the new ordinance, both new and existing buildings will be able to find viable, flexible options for contributing to Denver’s climate goals - at a cost to implement of 20% - 90% less than the previous green roofs initiative.
Right to Survive Initiative: Denver Homeless Out Loud’s Right to Survive ballot initiative has been certified for the May, 2019 municipal election ballot. While we want to believe that the proponents intentions are good, the implications of this initiative if passed would be devastating to Denver. If passed, the initiative will:

1. overturn the urban camping ban
2. overturn the sit and lie ordinance
3. repeal all park curfews
4. allow for car/truck/motorhome camping on all public streets for indefinite periods of time
5. create a civil liability for anyone who asks someone to move from a public area where they are camping

In November, I began serving on the campaign's steering committee and was also asked to serve on the Finance Committee. This issue is the top priority for MDLC through the May election.

Golf Tournament: In addition to lobbying work above, the MDLC hosted a scholarship golf tournament in that, thanks to Tony Dunn and the Golf Committee, raised a record breaking $112,000.

Media Coverage
Below are the news articles from this year that include reference to the Colorado Hotel and Lodging Association:

International Society of Hotel Associations presents 2018 Awards of Excellence – Hotel News Source, 12/8/18

Greeley business owners, city leaders assess impact of downtown hotel and convention center – Greeley Tribune, 12/7/18

Aspen lodges fare well in September – Aspen Times, 10/22/18
In Closing...

It’s hard to believe that I’ve been with CHLA for four and half years – in many ways it seems like just yesterday that I was new in this role. After many years of organizational restructuring, 2018 was another successful future building year for CHLA. I believe that over the course the past year we put in place many programs and initiatives that will serve the organization well for years to come and I look forward to continuing to work with the Executive Committee and Board of Directors to grow CHLA!

Thank you all for your dedication, help and friendship – you make this job fun and rewarding, and I appreciate all you do. As always, if there is any further information I can provide or questions I can answer, please don’t hesitate to contact me.