

Executive Committee Meeting Minutes

Galena Country Tourism

Tue., Nov. 23, 2021, 2:50 p.m.

DIGITAL CONFERENCE:

- I. Call to order - 2:55pm
- II. Roll call - Colin Sanderson, Raechelle Ahmed, Merri Sevey, and Rose Noble. Absent: Nikki Peebles/Rhodes
- III. Citizen Comments
- IV. Old business/Director Concerns - Sanderson asked about the Council vote decision on the IOT grant. Noble said the Council vote yes, it was sent in, and now we wait! "Awesome" said Sanderson.
- V. New business
 - a. Legal use for contract negotiations - Noble showed the committee the current contract GCT has with Galena/Jo Daviess County. She said she has been in contact with the Village of Elizabeth about them collecting their lodging tax, within their city limits. She said they are interested in contracting with GCT. Noble spoke to legal (Terry Kurt) to get contract worked up and legal recommended Noble have a discussion with the committee to confirm they are okay with using him, as he is the lawyer for the Village of Elizabeth and East Dubuque, who is also considering a contract with GCT. Kurt wanted full transparency, just to note.

Sanderson asked Noble to remind why again we would seek to contracts with the Village and East Dubuque. Noble said one it builds trust, all money collected needs to be spent a certain way, which allows the Village to know we are spending correctly. And that we are spending it to promote them and getting our full support. Second, it is an additional revenue stream, although not much, its always good to diversify revenue streams. Third, and we hope this doesn't happen, is should the County ever break off a contract with us, or not renew in 8 years, if we have all the other Villages working with us and confident in our work, they would advocate to collect more tax and maybe absorb the areas the County currently collects, such as Eagle Ridge and Chestnut areas. She reiterated, she hopes this doesn't happen, and that is not the plan. The plan is to build additional revenue stream build trust. And because there are legal ways to spend, we can't just say we will do it, we need to have it in a contract to hold each party accountable.

There was no object to use Terry Kurt's service. Noble said she would reach out to him and full board would see anything before it was signed. Sanderson and Sevey would be co-signers.

b. County electronic tax collection software - Noble ran through a software report from Granicus, regarding electronic software collection and much more! Sanderson asked if the people using the system would be able to use with ease. Noble said there would be a training system provided by the company. Noble ran through what it would cost the County to use this software - around \$40,000 a year. Sanderson asked how this service would benefit GCT. Noble said we would have better reporting, such as a CV file with certain columns restricted and others available. That alone would be huge. The other thing that would benefit us is a higher return on properties paying their taxes. Noble said it would benefit the County in multiple ways, basically revamping their system and eliminating human error. It would streamline their system significantly. Sanderson asked if Noble thinks the County would be able to collect more tax using this system. Noble said she thinks this system would streamline their process so much, that it would allow them more time to on-board properties and monitor properties, resulting in more tax collection. It would also eliminate human error. She gave the example of a current property not paying taxes for three years, but no one in the County able to answer her questions on why, or when this property will be collected from. She believes the County's report is so complicated that it is natural to overlook these errors that end up costing thousands of dollars. She said an error like that could be misinterpreted as something shady going on, but doubts that is the case. But either one is not a good scenario.

Sanderson said, what if GCT pays for the software from our funds, and instead of giving them their full 8%, we take a little out over the next 5 years. Like an advance. Suggesting 7.5% over 5 years or something like that. Ahmed asked about the renewal of the software. Noble confirmed it isn't a one time buy. Noble said, year-to-date, the County's 8% that they withhold, totals \$35,000. Saying the County has already nearly made the entire cost of the software in about half the fiscal year. She said GCT needs to know where this 8% is going towards. What is it paying for. Noble also reminded the committee that the County is also sitting on \$300,000 tourism promotion fund that they refused to give GCT. Noble says her professional opinion is that the software expense is a perfect expense to spend the 8% withholding on. She told the Committee that the County budgeted \$155,000 in withholdings next year. They could pay for this software next year and still have \$115,000 left. She said knowing what the County pays in salaries, \$155,000 is almost 2 full salaries plus this software, in one year. Ahmed noted that they would only need 1-2 people to run this software.

Noble sent this software information to Scott Toot, County Administrator, and was receptive to the idea. However, the County Treasurer doesn't believe they should have to pay for the entire cost and would GCT would pay for half. Noble said if the County really wants grow, they need to invest in something like this. Noble believes it would be a huge benefit for the County and in-turn us, lodging properties and residents. Noble asked the committee if they feel comfortable with the notion of paying \$20,000 of this cost. Ahmed said no, because we are already going up 8% of the collection, that should be going toward these kind of efforts. Sevey said she agrees 100% with Noble and wants to see the accounting of what the County is doing with the 8% withholdings. She said she doesn't think the County board is going to approve paying \$20,000 let alone \$40,000. She said she would be shocked. Sevey said it would definitely have to show it

is saving them money somehow. Noble said, we can approach how Colin is saying “You actually aren't paying for it, we are. Adjust your budget line from \$155,00 to \$115,000.”

Sanderson and Sevey said try to show them the software will increase their revenue, to make up for any payment. Show the software is a return on investment with less error and more revenue. Noble said she can reach out to the rep of the company and see if they have any case studies on whether the revenues increased and error went down. Noble said she will also reach out to Toot and ask for a breakdown of the 8% withholdings, and how its being spent so we can make a decision. Noble said it is frustrating that she sent this software information to the County over the summer and they just now looking at it, while their budget is happening. Meaning, it won't happen this year.

Noble wants the committee to be sure they understand that when they ask for specific reporting, she might have to say “I don't know” because the Government bodies required to collect tax, aren't asking for these kind of figures. Sevey said Noble should also tell Toot that. Noble will do that and keep it positive. Sanderson suggested we set a timeline on our ideal install. Noble said December 2022, to align with the County budget. Sanderson agrees.

Sanderson asked if a little PR about this would be good. Sanderson said we could spin it positively and excite others. Ahmed agrees and said we could spin the labor shortage discussion too. Noble likes that.

VI. Adjourn – Sanderson, Sevey 2nd. 3:26pm