

FINANCE COMMITTEE MEETING MINUTES

Galena Country Tourism

Tues., May 7, 2019, 1:30 p.m.

GGMI Admin Office

101 Bouthillier St., Galena IL 61036

Budget proposal for FY 20'.

Attending: Chair Nikki Peebles, Katie Burcham, Colin Sanderson, and CEO Rose Noble

Absent: Birgit Radin

Noble presented the Committee with a budget proposal for FY 20' and reviewed each line item.

REVENUE

1. Lodging Tax – Noble projected a budget of \$1.5 million for lodging tax. She would like to remain conservative with this number but notes that anything above that number will be spent.
2. Co-op Marketing – Noble would like to seek partnerships with larger businesses for additional revenue. Other DMO's such as Travel Dbq have partnership agreements. This would be an additional revenue which could be funneled into a more specific program such as events or public art.
3. Interest – Budgeted \$2,100 for interest, all accounts are interest bearing. Money was shifted in fall 2018 and to gain much more interest than previous years.
4. Other – This used to be gift shop sales, but gift shop sales were eliminated this year due to high credit card machine costs and complications of creating change in the Welcome Center. \$500 is predicted for any sales made at the Welcome Center for FY 20' which would most likely come from history books the organization has agreed to sell from local author. Sanderson questioned FY 17' for \$25k, Noble believes that might have been a refund, but will check into it and report back at the regularly scheduled finance meeting.
5. FY Operations Carryover – This will be brought from FY 19' and carried over to FY 20'. With a conservative budget there will typically be carryover.
6. FY Contingency Carryover – This is the amount that GCT is required to reserve, per the contract with the City of Galena and Jo Daviess County. The requirement is 15-25% of the operating budget. \$25k will be moved into this account at the end of the fiscal year 2019. This account is also interest bearing. Noble has reached out to the County to learn if they are willing to set a cap on the amount rather than a percentage. Specifically as the market continues to grow, monies should be spent on promotions and not put on hold. Sanderson asked if this money can be put into short-term CD's since the money cannot be spent. Noble said she will work on that with Peebles. Sanderson asked if the interest earned can be spent, Peebles said the interest can be pulled at any time without penalty to be spent.

7. Grants - \$185 budgeted, that is what was received for FY 19' and the proposed state budget is about the same as last year's. Noble also noted that a few state grants were resurrected and she plans to apply for them. She has not budgeted for those grants as they will be an added bonus if received.

The total projected budget is \$2,295,285 for FY 20'

Expenses

1. Marketing – Marketing will have a \$1mil expense budget. The Marketing committee will receive a full breakdown of marketing plan in which they will make a recommendation to approve or change and then the full board will vote to approve. Noble will present the marketing plan to the full board at the next board meeting.

2. Sales – Sales has been increased, this ties in with trade shows, travel, equipment for trade shows, and miscellaneous expenses that arise. This also includes sponsorships for shows that GCT does and doesn't attend. Peebles believes this may be low specially when considering sponsorships. Noble will tweak this amount and will continue to keep in mind shows that may not be attended but GCT could be a sponsor for.

3. Salary – The salary line item has increased by \$30k, this includes a 3% raise for the CEO. HR advised that board members do not analyze individual salaries with the exception of the CEO. Noble shared that the Personnel Committee met for her review. The committee recommends to the full board at the next regularly scheduled board meeting, a 3% salary increase for FY'20 and to pay the full FY'19 bonus. The bonus comes from the approved FY'19 budget. The finance committee discussed an increase in pay to Welcome Center employees and agreed to it should be competitive with the state wage and local business. The committee recommended to slightly increase the pay per hour for welcome center employees, including raising the base pay. The committee believes it is necessary to keep the Welcome Center staff happy since they are the front line when tourists are here requesting info. They are all very knowledgeable on the county and surrounding areas. Noble noted that due to changes in some of the current staffs lives she may need to hire new staff members. She has budgeted a couple ghost positions to be sure and reminded the board that the Welcome Center is open 7 days a week. Noble is in favor of increasing the base salary as well. Sanderson also suggested performance bumps to keep staff and happy and working towards higher goals. Peebles also would like her to consider employee perks from possibly local businesses which will also help them promote and direct tourists to business. Sanderson also mentioned possibly providing the Welcome Center staff with business cards. Noble also mentioned last year that they reinstated site visits for the Welcome Center staff and she will continue those. Noble will rework the salary budget to reflect the additional increase suggested by the finance committee. Noble also budgeted for monitoring rental properties and Airbnbs by a GCT employee if the County takes GCT up on its offer to help with monitoring practices. That will be an added bonus for the employee that takes on this task.

4. Salary Benefits - The budget reflects benefits if all five, full-time staff enroll for healthcare and retirement. Currently not all full-time staff are enrolled for healthcare and retirement benefits.

5. Travel, Bus. – This reflects any business-related travel except certain trade shows application fees.

6. Dues & Subscriptions – Budgeted at \$8k which is a \$3k increase from last FY. This includes memberships for ICCVB, Noble noted that GCT's membership cost will increase from last year's due to

new ICCVB membership fee requirements. Noble will also like to become a member with Destinations International, who provide CDME training, and travel and tourism based resources. With this membership comes tools such as an economic impact calculator and discounts on training.

7. Investments – Noble would like to consider a public art project for an investment. She has looked into getting bronze sculptures to place around the building as well as a photo station where tourists can take photos and publish them on social media. Noble also said this could be an opportunity for partnerships with the Casinos in the area. Sanderson and Peebles suggest finding someone locally to create the sculptures.

8. Training and Education – Noble increased the budget by \$5k from FY19'. She believes that continuing education is important and having employees that are confident and know the industry. Additional training will include Google certifications and tourism industry training for certain admin staff members.

9. Professional – Professional is considered legal expenses. Noble added additional funding for legal consults during contract negotiations, also included are any trademarks, copy rights, and audits.

10. Miscellaneous – Includes any odds and ends not else budgeted for. Burcham asked Noble if she factored in the staffing agency costs to the salary budget, reminding the committee that FY'19's staffing cost came from the miscellaneous budget. Going further it was to be worked in under the salary line item. Noble says she will try to avoid using the staffing agency going forward but might consider using them if she cannot fill the open position through other means. Noble said she will add staffing agency costs to the salary budget for FY'20.

11. Office – Noble did not decrease the budget for office, which includes two buildings, utilities and supplies, and a contract with the IT tech service company. This service covers the physical equipment (servers and new wiring) and tech support. Sanderson would like to separate physical equipment from services. Noble will split tech equipment and tech service when breaking out expenses. This budget also includes office maintenance, postage, supplies, and utilities. Noble is confident that the amount budgeted is more than enough, and will likely lower this amount in the coming years.

14. Capital – Capital is budgeted low, since there are no responsibilities for physical buildings. This will cover landscaping and any repairs to admin office. The committee recommended Noble increase this amount slightly.

15. Operating (4 months) – This is the required amount (contingency money) held.

Noble will edit the proposed budget plan with recommendations from finance committee and email the committee members individually to review. An updated version will be given at the next Finance Committee meeting, prior to the next board meeting, for discussion.

Adjourn: Peebles, Burcham 2nd, carried. 2:33 p.m.