

GCT Finance Committee Meeting
Tue., April 26, 3pm
Digital

- I. Call to order - 3:01pm
- II. Roll call - Nikki Rhodes, Colin Sanderson, Merri Sevey, Raechelle Ahmed, and Rose Noble
- III. Citizen Comments – none
- IV. Old Business/Director concerns –

Sevey asked Rhodes how much FDIC insurance cover? Rhodes says \$250,000. Sevey says she is concerned because we have a lot more than that in the bank. Rhodes explains it is common practice to have more and the bank is HTLF (Heartland Financial) which one can check online to see if there are any financial issues with the bank. Rhodes explains there is a process the bank has to sweep funds overnight to keep funds secure. Like a sweep account.

Rhodes asks Nobel about the investment policy. Noble says she is working on having a policy in place by fiscal year FY23. She reminded Sevey that our organizational audit will look into this for us and provide some best practices for us to consider. The committee agreed they look forward to the audit and recommendations on the investment policy. Rhodes agrees we need an investment policy. Noble says the goal is to have a policy by beginning of FY23, with the board fully vetting any policy proposal in June 2022.
- V. New business
 - a. March financials - The committee reviewed the financials. GCT has \$1.2 million in savings which also includes reserve monies we don't touch, \$482K in checking, \$107K in grant account. Sanderson asked if we sold the furniture we wanted to sell due to new employee space and Noble reported that they did and were able to recuperate \$650. Noble noted that next year's spends will reflect new furniture and equipment buys for new employees. With no further questions the committee moved onto the next agenda item.
 - b. FY'23 budget numbers - Noble presented the proposed FY23 budget for the committee. The committee reviewed each line item in detail.

Budget Considerations

Fiscal Year '23

Overview of revenue predictions

Lodging tax – increase

Fiscal year 2023 lodging tax collected is estimated to be another upside year in Galena Country. We are predicting \$2.2 million for lodging tax collections in FY'23, which aligns closer to the collections of FY'22. This prediction is based off our Lodging Revenue Forecast conducted by Tourism Economics during our Tourism Master Plan process. Tourism Economics is predicting FY'23 to be similar to FY'22 with an increase in FY'24 closer to pre-pandemic ear-over-year increases.

If more than \$2.2M is collected in FY'23, we put into reserve for marketing considerations in FY'24 that align with our Tourism Master Plan. If less than \$2.2M is collected, we will adjust the marketing line item to accommodate, with no need to dip into our reserves.

Coop marketing – no increase

We expect no revenue from this as we are not running a pay-to-play campaign in FY'23.

Interest – increase

This past fall, money was shifted from our checking account into our savings account to gain much more interest than previous years. This number is a total of the projected interest gained off money held in the bank and aligns with the numbers collected in FY'22.

Other - decrease

We expect no revenue from this as we are not actively pursuing. However, we plan to put some items for sale at cost, to earn back what was put into the cost of production. These items would include but are not limited to Galena Country merchandise such as apparel, drinkware, totes, cards, and sticker and stationery packs.

FY Operations Carryover - decrease

Money not spent in FY'22 that will be carried over to be spent in FY'23.

FY Contingency Carryover/Reserve – no increase

This is the amount that GCT has designated for reserve based on a reserve policy (4 months operating costs) put in place during FY'20. This account is also interest bearing. Interest gained can be pulled at any time without penalty to be spent. This account is also interest bearing. Interest gained can be pulled at any time without penalty to be spent.

Grants – no increase

\$207,026 budgeted is what was received for FY'22 and the proposed state budget is the same for FY'23. There is talk of a few additional state grants being resurrected for FY'23 and we plan to apply for them. Additional grant money is not budgeted as they will be an added bonus if received.

Donated Facilities – no increase

This amount is for our audit and reflects what we would be paying in rent to the City if not donated.

Overview of expense predictions

Marketing - increase

Marketing will have a \$1.75 million expense budget. A full breakdown of marketing plan will be presented to the Marketing Committee prior to the full board. The entire plan will be presented at the 05.24.22 Board of directors meeting. *Noble noted that it is the Marketing committee that will review the proposed marketing plan and eventually recommend the board approve. Then, full board will see and approve marketing plan at board meeting.*

Sales – no increase

Budget for this line item is equal to the Jan. 2022 amended approved budget and will be spent on trade shows, travel, equipment for trade shows, event partnership, and miscellaneous expenses that arise. This also includes premiere sponsorship opportunities for shows that GCT does and doesn't attend. *Noble noted that full board will see sales plan after marketing committee recommends to approve.*

Salary – increase

Budget includes two new full-time positions, which were approved in Jan. 2022. Budget also includes slight increases for staff pre-existing Jan. 2022 and CEO per contract requirements. If an additional employee or staffing services are not needed that money will be added to the carryover for FY'24.

Projected full-time salaries are based on performance.

a.) All admin staff have performed exceptionally well, despite the many challenges, new team members, updating technology and implementing a new goals and strategies. Their work and dedication warrant additional compensation.

Salary Benefits - increase

Budget includes health insurance, retirement and payroll taxes for 7 full-time employees. Not all 7 are contributing to retirement. Not all 7 are opting in for healthcare. The increase is stemming from industry average as well as from moving from 5 to 7 employees.

Travel, Bus. – no increase

This reflects any business-related travel except certain trade shows application fees.

Dues & Subscriptions - increase

Budgeted at \$15k which is a \$6k increase from FY22. This includes memberships and subscriptions for specific associations and vendors. With the addition of two team members comes an increase in subscriptions for tools like Office 365 and Adobe Creative Suite. The increase this year will cover our new pricing. CEO is estimating the increase is high but wants to be conservative with predictions.

Investments – no increase

→ The committee agreed this fund should remain empty and the Tourism Master Plan dollars should remain in the Marketing – opportunistic line item ←

Training and Education – no increase

Continuing education is important and having employees that are confident and know the industry is key. Additional training will include Destinations International certifications and tourism industry training for certain admin staff members. This also includes attendance at summits and conferences.

Professional – no increase

This considers possible legal expenses including additional funding for legal consults during contract negotiations, additional trademarks, copy rights, and audits.

Miscellaneous – no increase

Includes any odds and ends that don't specifically fit another line item.

Office – no increase

Budget for this line item is equal to the Jan. 2022 amended approved budget and will be spent on utilities and supplies for both the Admin Office and Visitor Center. This also includes a contract with the IT tech service company which covers the physical equipment (servers and new wiring) and tech support. This budget also includes office subscriptions/dues, maintenance, and postage.

Capital – no increase

There are no responsibilities for this line item in FY'23. As a reminder, physical buildings, landscaping and any repairs to admin office are taken out of the 700-Office line item.

Operating (4 months)

This is the amount that GCT has designated for reserve based on a reserve policy (4 months operating costs) put in place during FY'20. We note this as an expense to balance our budget.

Sanderson motions to recommend the FY23 budget with at least \$250,000 being put towards Tourism Master Planning items. Ahmed seconds. Rhodes and Sevey agree.

The committee agreed to recommend the board approve the FY23 budget with no less than \$250,000 being committed to Tourism Master Plan initiatives and this money coming from the Marketing -opportunistic line item. The committee agreed the Marketing Committee will need to approve this request when agreeing to recommend the board approve the FY23 marketing plan.

Sanderson says he will reflect what the Finance Committee discussed in the marketing committee meeting.

VI. Adjourn – With no further discussion, 3:50pm.