CITY OF GROVE CITY, OHIO
COUNCIL MINUTES

December 15, 2021 Finance Committee Meeting

The Finance Committee meeting of Council was called to order by Chair Holt at 5:00 p.m. in the Council Chambers, City Hall, 4035 Broadway.

Roll was called and the following members were present:

Roby Schottke *Aaron Schlabach* *Christine Houk* *Randy Holt* *Ted Berry*

1. Mr. Holt recognized Ms. Amanda Davis, Dir. of Visit Grove City, for a presentation of the information requested by Council.

Ms. Davis reviewed the prepared information, including a budget overview from 2018 to 2021; encumbered cash; plans & programs; short-term issues; and long-term issues. She explained the adjustments made to deal with COVID, such as laying all staff; pushing some contracts out to 2021; cashing in one CD. She said they were not eligible for PPE funding in 2020, but has since gotten the law adjusted and will receive two (2) PPE grants in 2021. She shared the breakdown of the use of funds. She explained their co-op marketing wherein they receive matching dollars from different entities.

Mr. Schottke asked if we work with Columbus to know about sports that are coming to town and get a chance to have people stay here. Ms. Davis said they do have a relationship with the Greater Columbus Sports Commission. She explained that the Sports Commission and Experience Columbus are membership driven. So, they reach out to their members first. If our hotels are not members of Experience Columbus, they may not get the opportunity to bid on the block of rooms for those sports events. She said many of the hotels are, but, pointed out the process. Mayor Stage noted that Visit Grove City does work with Bryan Ross at Experience Columbus and Ms. Davis confirmed that they are part of the Capital Area Tourism Alliance – a group of Executive Directors around Central Ohio. She said they also work with Linda Logan at the Greater Columbus Sports Alliance.

Ms. Houk asked what "encumbered" means in the material and what their contractual liabilities are for 2021/2022. Ms. Davis "encumbered" means those expenses that they have obligated themselves for, such as: Contracts, the Lease, employee salaries, and co-op marketing contracts.

Ms. Davis explained the COVID impact and shared ways that they pivoted to find ways to engage residents, rather than visitors; support local businesses; provided curbside service for the Trek programs; advocated for 501c6 organizations to get PPE funds; continued to drive awareness to Grove City. She shared that the Long Term Issues presenting challenges are: oversaturation of hotels around Central Ohio. Grove City is not the first choice outside downtown Columbus anymore. This means that other drivers need to be created to make Grove City more appealing to stay and visit than other communities. She noted that with better field access, sporting events could be captured.

Mr. Berry commented that we need to answer: What makes Grove City unique; why come here. Tourism has low impact and high return. He said the City could do better to invest in areas to bring people here. He said we need to have a joint message among all the entities to promote this community. He feels the money gets diffused when each entity works alone and there seem to be a disjointed approach. He would like to get everyone around the table to agree on a better approach with everyone leading together and one the same page. He doesn't feel the answer is to give each organization money.

Ms. Houk asked what the vision is for the Visitor's Center. Ms. Davis stated that they stayed open until the end of March, 2020. They are back open now M – F, 10:00 - 4:00. They hope to get open for weekends soon, with seasonal, part-time employees. They did open for the special events in the Town Center this year.

Mayor Stage said he is confused on how much cash Visit Grove City has on hand. After much discussion, it was determined that there is $435,000.00 in the bank. It was also stated that within the encumbered amount, it includes salaries for which there are no contracts with employees. Mayor Stage said he is not used to monies being included in "encumbered" unless there is a contract. Ms. Davis said they do have a contract for bookkeeping.

Council further clarified balances shown on the provided spreadsheet.

2. Mr. Holt thanked Amanda for her presentation, then turned to Council for their comments.

Mr. Schlabach commented that Ms. Davis makes a good point about what they need and may have been thrown a bit of a curveball this year. He said if we return the funding for Visit Grove City to what is usually done, for this year only, there is money on the Community Development Fund to provide for the Chamber of Commerce and Little Theater Off Broadway. This will put Visit Grove City on notice that next year will be handled under the new structure, provided in the ordinance passed this November. Funding the other two groups from Community Development keeps those promises for this year and will also be handled differently next year.

Ms. Houk commented that the most positive part about all this is that we have engaged in conversation and hopes it continues. She said the budget is a 365 day process. Changing the rules of the game at the 11th hour is difficult. She agreed with Mr. Berry about a collaboration. She said she has suggested ideas about a grant program; an annual summit with our non-profit partners. She said everyone has a different mission and needs that need to be brought to the table and work collaboratively. That is a challenge that can be accomplished in some way. She also concurred that there are monies available in the Community Development Fund to take care of any promises made to other entities and should be funded from that fund this year.

Mr. Schottke said there is a branding initiative in the budget and feels this consultant could be used to work on a common marketing plan for all entities. He noted that Town Center, Inc. is in the budget twice and feels they should be removed from Section 5 and that money allocated to Visit Grove City, along with LTOB & the Chamber. He suggested that Council allocate one month of expenses to each group and in that month, require the groups to get together to work on the common marketing plan. Money will be allocated each month until the plan is in place, then the rest of the money would be provided.

Mayor Stage pointed out that the numbers for Visit Grove City were not made in a vacuum. He stated that if you take the $435,000 in their bank and add the $275,000 from this budget, there will be a shortfall of $277,000. If you take the $277,000 from their cash, they still have $157,295. He said there is no rule that the VCB is supposed to have any reserve/carryover. He said there was not intent to cripple Visit Grove City. The Administration knew there was money in reserves that would keep them in a positive position.

Mr. Holt stated that this did force everyone to have better understanding and communication between the VCB, Administration and Council. It is positive to know that other entities provide similar efforts for the City. He said he is also concerned over the disjointed marketing efforts and supports some method to join them together to have a single message. He said he also came to the same conclusion with the budget amounts for Visit Grove City that this is not a crisis, albeit not planned for on their part. Given the 2022 proforma, this would not put them out of business and they could handle this change and still be healthy. He said he is concerned that Phase II of their Study is not underway already. He said it should be because it seems to be part of the answer. He wondered about Air B&B's and vacation rental by owner paying the bed tax, as this could also be a revenue generator. He said in general, he is fairly pleased with what was shared today and where we are going.

Mr. Berry said he wants to see all the players in a room and define what the roles are; what the attributes are; what they want to be doing in the future; what they are charged with doing and he is willing to help. He said a consultant could then be brought in. He said it is not all about money. He suggested two people from each group to sit and talk and he offered this help. Mr. Walters, Information Dir., commented that the groups are not completely operating in silos. He said there is collaboration with the City and we do support all the organizations. Mr. Berry said the rest of Council do not see all that and believes that there needs to be more of a joint message; joint branding; joint marketing efforts.

3. Chair Holt stated that now is the time to bring forward any adjustments to the budget or agree to do a committee. He said he wants to bring closure to this because after this meeting, they are done with the Budget. He said we can discuss items in 2022 and make other adjustments, if needed.

Mr. Schlabach moved to amend Section 5 of the ordinance to strike out Town Center, Inc., the Chamber of Commerce, and Little Theater Off Broadway and allocate those dollars to Visit Grove City and Amend the Community Development Fund (pg. 95) to include $100,000.00 for the Chamber of Commerce and $10,000.00 for Little Theater Off Broadway; seconded by Mr. Berry.

Mr. Boso, City Admin., said that what they are estimating is the same amount as 2019. This motion will take the Community Development Fund down to -0-. If those projections are not met, there would have to cuts in programs or an allocation from the General Fund to make up for it.

Mr. Schottke confirmed with the Clerk of Council that proper public notice was provided to be able to conduct this type business.

Mr. Holt suggested creating a marketing committee that reports to Council. It was determined that it would be better to bring a separate piece of legislation to create a committee.

There being no additional discussion, the vote was called on the motion:

Mr. Schottke	No
Mr. Schlabach	Yes
Ms. Houk	Yes
Mr. Holt	Yes
Mr. Berry	Yes

4. After closing comments, a motion to adjourn was approved by unanimous consent.

5. Council adjourned at 6:53 p.m.

Tami K. Kelly

Tami K. Kelly, MMC
Clerk of Council

Randy L. Holt

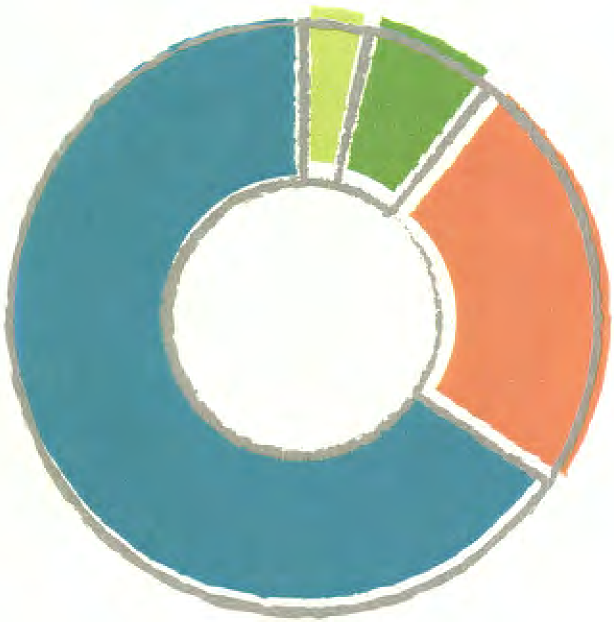
Randy Holt
Finance Chair

Budget Overview

$552,745

Mission

Visit Grove City, the Grove City Area Convention and Visitors Bureau, promotes and develops the Grove City area as a great place to stay, play, live, and work. We take great pride in our role and are excited to be at the forefront of marketing our amazing city to potential visitors.



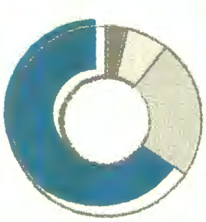
Facilities
(Office Space + Visitor's Center)
$59,464 (10.76%)

Budget Categories

The Visit Grove City budget is divided into four main and essential categories, bringing total projected expenses for 2022 to $552,745. The Office Space and Visitor's Center can be combined to represent "Facilities" for a total of $59,464.

Office Space
$19,623 (3.55%)

Visitor's Center
$39,841 (7.21%)



Marketing
$399,934 (72.35%)

Administration
$93,347 (16.89%)

$373,334 Encumbered Cash

Administrative

$93,347

25.00% of encumbered cash

16.89% of total projected budget

Insurance, annual audits, legal fees, bookkeeping, accounting costs, social security, unemployment, worker's compensation, and more.

Co-Op Marketing

$27,716

7.42% of encumbered cash

5.01% of total projected budget

Visit Grove City partipates in numerous co-op programming including TourismOhio/Ohio. Find It Here.'s co-op advertising program that offers dollar-for-dollar matching investments in paid social, digital, paid search, content creation and more. Visit Grove City also participates in co-op programming offered by Experience Columbus to lower costs of ads in state-wide tourism publications. Finally, Visit Grove City runs a co-op program to feature Grove City as a destination in Ohio Grape Industries Committee's publication SIP Magazine, in conjunction with the Heart of Grove City Inc.'s Wine and Arts Festival and Plum Run Winery/Grove City Brewing Company.

Marketing Staff

$150,522

40.32% of encumbered cash

27.23% of total projected budget

This includes benefits and wages, payroll services, fees, and taxes for our highly accomplished marketing team.

Memberships

$6045

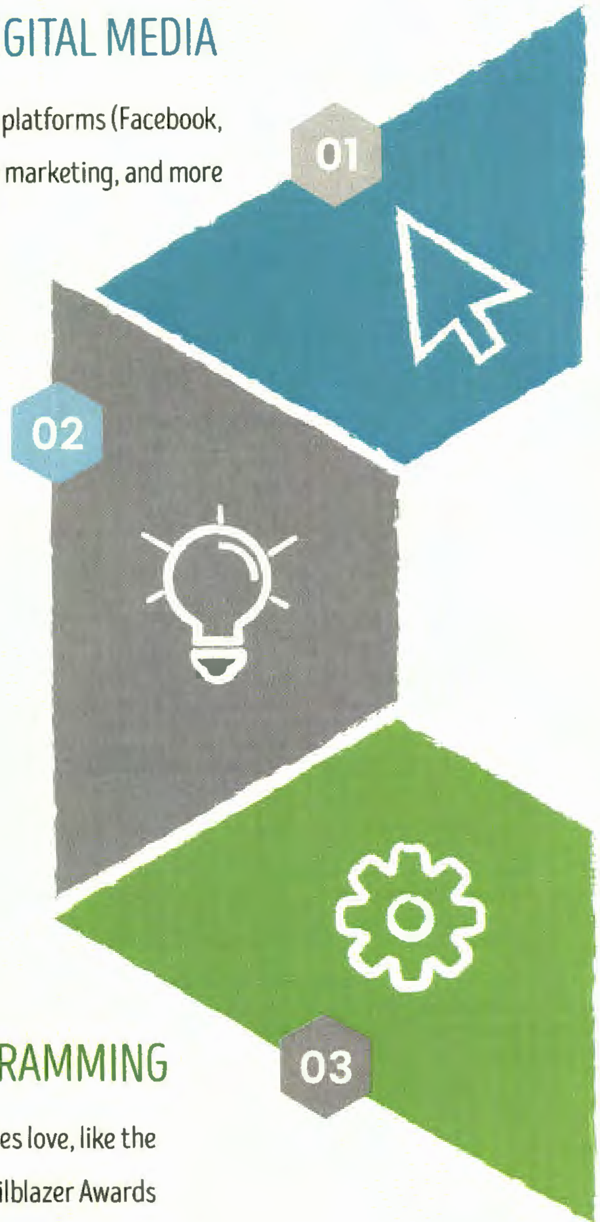
1.62% of encumbered cash

1.09% of total projected budget

Visit Grove City pays membership fees to the Grove City Area Chamber of Commerce, Heart of Grove City, Inc./ Grove City Town Center, and Southwest Franklin County Historical Society, and works tirelessly to promote their products. Membership fees are also paid to industry-standard organizations such as Experience Columbus, Ohio Association of Convention and Visitors Bureaus (OACVB), Ohio Travel Association (OTA), Destinations International, and more.

Marketing

Over half the Visit Grove City budget is allocated to marketing expenses, whether that be attending a trade show for group tour operators, engaging in continuing education about the newest digital marketing technology and techniques, membership fees for industry-standard organizational peers, offering collaborative programming for local businesses to opt-into, or purchasing ad space in magazines, marketing is always the common denominator.



DIGITAL MEDIA

Marketed ads and sponsored content on social media platforms (Facebook, Instagram, etc.), to display ads, search engine marketing, and more

PROMOTIONS

Sales, trade shows, mailings, literature distribution, Visitor's Guide, and more

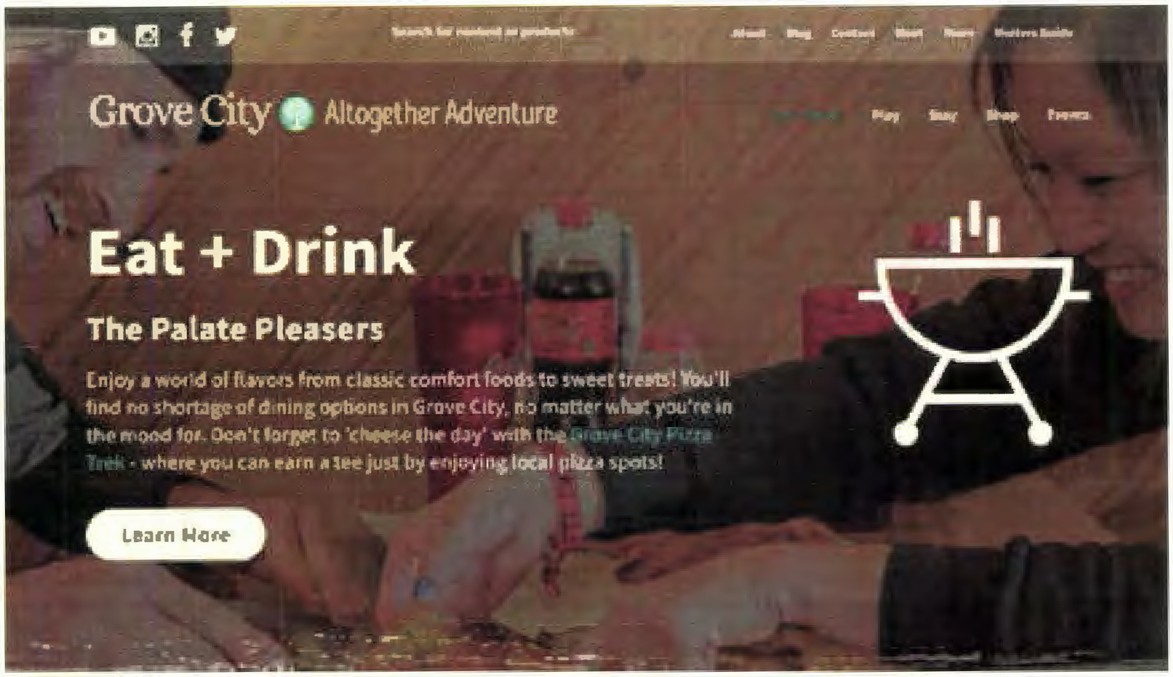
PARTNERSHIP PROGRAMMING

Special high-quality programming that audiences love, like the award-winning Grove City Pumpkin Trek and the Trailblazer Awards

Website Results

Visit Grove City's website (visitgrovecityoh.com) provides a comprehensive list of local restaurants, attractions, retailers, events, and more at no cost to businesses and community organizations, no membership is required.

84K Website Visits in 2021



New Website Launched

Plan Your Adventure option that includes multiple business/attraction suggestions based on visitor interest

Updated modern design

Improved mobile experience

Ecommerce store (coming soon) to sell G+G products online

Short-Term Issues

COVID-19 IMPACT

COVID-19 severely impacted the travel and tourism industry causing occupancy to drop 48% from 2019 to 2020 in Grove City.

It was not cost-effective to spend as much money towards marketing and ad production with travel and convention sales so low. Money was saved in the interest of making a bigger impact when travel returned to normal levels.

We pivoted and supported local residents and businesses by creating our "Adventures in Solitude" landing page. Here, a list of open restaurants and retailers, plus make and take kits, outdoor escapes, virtual fitness, and educational opportunities were listed. We won the coveted "Spirit of Community" Award from the Ohio Travel Association (judged by an independent panel of marketing experts).

Immediate Response

Closed down Visitor's Center (offered curbside service)

Adventures in Solitude campaign/web section

Advocated for adding 501c6 organizations to Federal PPP Loans

Contract negotiations

Marketing to assist local businesses and potential events

Major staff layoffs

Stopped scholarships + long-term programs

Long-Term Issues

Lack of Large Draw

Lack of Large Draw - Grove City has a myriad of assets, yet we lack a large draw to leverage for group room sales. Our team sells available meeting spaces, group tours, SMERF, and leisure travel. With a large-scale attraction, such as a sports complex or convention center, we could book consistent and continuous group business to support area restaurants, retail, lodging, and more through all seasons. Phase 2 of our market analysis is needed to explore how to fill the void.

Area Market Oversaturation

Visit Grove City is the only organization with the experience and industry knowledge to address the threat of market over-saturation.

We have invested nearly $20k in a phase one market analysis. This issue is a high priority as we need to ensure the future of Grove City's hospitality industry, and by proxy, community wellness.

Next steps are crucial to protecting this important industry and tax base.

Minimum investment: $20K for next steps

Lodging Tax

CVBs were born to serve as a marketing arm, leveraging bed tax to promote travel generating visitation and revenue for their respective cities. Communities around Ohio and beyond have successfully modeled use of lodging tax beyond the CVB budget to grant funds to community organizations, event organizers, and experience makers. Our team wishes to create a community committee to discuss this issue and find ways to work together to tackle this issue.

Retaining Talent

Visit Grove City had a strategic issue with attrition until benchmarking salary and benefits in 2018. Benchmarking showed salaries and benefits in the lowest range of CVBs when compared to Ohio CVBs within the same budget category. At that time, the board voted to increase base salaries and add a QSEHRA benefit for full-time staff. As a destination marketing organization, the core focus of our staff is advertising and marketing; a skilled marketing production team to design and execute the print, digital and promotional work is essential and more cost effective than outsourcing to an agency.

	2019	2020	2021 through 12/1	2021 Projected	2022	2022 Encumbered	Details
Bed Tax Income	$460,306	$309,828	$422,094	$422,094	$450,000	$450,000	
Other Income (Retail/CD Interest/Sponsorships)*	$7,534	$3,747	$1,018	$1,200	$102,745	$102,745	*2022 budget includes $100k supplement from checking to invest in the year of "the great travel migration"
Total Income	$467,840	$313,575	$423,112	$423,294	$552,745	$552,745	
Reduction Percent	24%	-49.20%	-10.57%	-10.52%			
Programs							Most contracts held until 2022 funding secured
Digital Media Marketing	$29,923	$18,243	$41,685	$75,896	$90,000	$15,690	Primarily TourismOhio fund matching co-op investment
Memberships	$5,635	$2,935	$3,205	$4,990	$6,045	$6,045	Primarily travel association, but includes GC Chamber, Historical Society, Heart of Grove City
Print Media	$28,042	$20,607	$22,630	$21,636	$50,317	$12,026	Contracts signed months ago for Ohio Travel Guide + Experience Columbus
Promotions	$62,824	$17,771	$36,418	$62,053	$57,520	$31,210	Includes visitor's guide + distribution, tradeshow costs
Market Research & Consulting	$1,100	$19,770	$550	$1,600	$20,000		
Travel & Meetings	$4,092	$1,192	$1,344	$1,609	$6,000	$2,500	Travel costs associated with Heartland Travel Showcase
Broadcast (TV, CTV, Radio, Streaming)	$5,000	$4,200	$0	$0	$4,000		
Website/Video	$17,778	$5,334	$1,843	$2,500	$12,000	$2,000	Hosting + contracted website project
Signage/Displays	$3,560	$418	$0	$100	$1,000		
Retail Store Costs (Sales Tax, CC Fees)	$428	$365	-$51	$200	$450	$450	
Scholarship Program	$1,403	$204		$825	$2,530	$2,530	
Insurance	$2,789	$1,175	$1,793	$1,793	$1,900	$1,900	
Software licenses	$1,692	$1,850	$2,400	$2,800	$3,000	$3,000	
Marketing payroll/taxes/benefits/payroll service fees **	$143,826	$93,344	$88,164	$92,392	$150,522	$150,522	Budgeted to re-add part-time/weekend visitor's center staff
Administrative Payroll/taxes/benefits/payroll service fees **	$61,640	$40,005	$37,784	$39,896	$64,510	$64,510	Budgeted to re-add part-time/weekend visitor's center staff
Depreciation		$758					
Phone & Internet	$6,170	$3,760	$4,140	$4,290	$6,200	$6,200	
Rent -Marketable Space (Gallery, Guide+Gear, etc) & Utilities***	$33,929	$24,908	$40,107	$40,107	$39,841	$39,841	67% of our square footage is devoted to marketable activities
Rent - Administrative Space (Offices, Kitchen) & Utilities***	$16,711	$12,268	$19,754	$19,754	$19,623	$19,623	***$3,743 of the rent paid in 2021 was deferred from 2020
Deferred Rent Repayment (13 Remaining Payments)				$4,054			
CPA & Audits	$3,961	$1,921	$1,226	$6,226	$11,367	$11,367	Contracted bookkeeping firm after our office mgr retired
Janitorial & Misc Maint	$3,935	$2,177	$3,343	$3,935	$3,920	$3,920	
Office Supplies & Water	$1,586	$628	$165	$300	$2,000		
**2020 We started off 2020 with 5 employees and ended the year with one							
** Note We had five employees in 2019							
Total Expenses	$436,023	$273,833	$306,500	$386,956	$552,745	$373,334	
Net Profit	$33,550	$39,742	$116,612	$36,338	$0		
PPP Loans	0	0	$80,384	$80,384	$80,384		Our PPP loans are not yet forgiven
CASH ON HAND INCLUDES THE $80,384 OF PPE MONEY	$90,896	$136,883	$310,700	$230,244	$93,115		
CD Balance	$122,601	$124,973	$125,616	$125,616	$160,000		Mirror City of Grove City 4 month reserves

NOTE WE WOULD NOT HAVE THE $310,700 WITHOUT THE PPP LOAN
WE WOULD NOT HAVE THE $310,700 WITHOUT LAYING OFF OUR ENTIRE STAFF