

1. 4:00 P.M. CTC Special Meeting Agenda

Documents:

[4.4.17 SPECIAL MEETING AGENDA.PDF](#)

2. 4:00 P.M. Minutes

Documents:

[4.4.17 MINUTES - SPECIAL MEETING.PDF](#)

CTC Advisory Board
Special Meeting- Bed Tax Rate Increase Proposal
Tuesday, April 4th 2017 at City Hall
4:00 pm

- I. Welcome
- II. Introduction of Topic: Bed Tax Increase Proposal
 - a. Explanation of How CVB Budget Works
 - b. Current Rate
 - c. History of Rate Increases
 - d. Bed Tax Comparisons for Surrounding Cities/Counties
 - e. Potential for Earned Revenues from Increasing Rates
- III. Increasing Train Depot Rental Fees
 - a. Explanation of Current Fees and Expenses
 - b. Current Rates
 - c. History of Rate Increases
 - d. Potential for Earned Revenues from Increasing Rates
- IV. Open Discussion
 - a. Other Potential Revenue Generating Ideas
- V. Recommendation for Increase or to Sustain at Current Rate:
 - a. Bed Tax- _____
 - b. Train Depot- _____
- VI. Adjourn

CTC Advisory Meeting – Special Meeting - Minutes
April 4th, 2017
4:00 p.m.
City Hall

Members Present:

Wendy Wilkinson
Randy Just
Jean Plummer
Andrea VanAuken
Matt Guthrie
Natalie Donges

Members Absent:

Kaytlan Berry
Tyler Burt
Steve Reynolds

Others Present:

Commissioner Kendra Wilkinson
Kim Smith
David Dillner
Tammy Schaffer
Tabitha Sharp
Jennifer Cook
Molly Denton

Transient Guest Tax

Currently, the El Dorado Convention and Visitors Bureau budget is funded by the transient guest tax (bed tax). The bed tax rate is at 5% and has been at this rate since 1993. Compared to other similar communities, the El Dorado bed tax rate is average or slightly below average. Many other cities have a rate of 6% or more.

See the table below showing the potential for earned revenue from increasing rates.

Transient Guest Tax Comparisons									
Year	Tax Rate	Actual Transient Guest Tax Revenue	Tax Rate	Projected Transient Guest Tax	Tax Rate	Projected Transient Guest Tax	Tax Rate	Projected Transient Guest Tax	
2014	5%	\$ 172,342.95	6%	\$ 206,811.54	7%	\$ 241,208.13	8%	\$ 275,748.72	
2015	5%	\$ 206,668.79	6%	\$ 248,002.55	7%	\$ 289,336.31	8%	\$ 330,670.06	
2016	5%	\$ 166,630.07	6%	\$ 199,956.08	7%	\$ 233,282.10	8%	\$ 266,608.11	
2017	5%	No reported revenues currently	6%	No reported revenues currently	7%	No reported revenues currently	8%	No reported revenues currently	

Discussion

The proposed rate increase is to raise the transient guest tax by 1%. This increase would only affect those staying at an El Dorado Hotel/Motel. The residents of El Dorado would not pay or notice this extra tax.

Matt Guthrie would like to know how this raise would benefit the CVB. Jen Cook stated, "this extra revenue would allow us to grow our department and be able to do more, stop asking businesses for sponsorships for our events and have enough money to pay the contracts for these events (some contract prices increase each year)".

Kim Smith with Holiday Inn stated, "customers are watching every dollar".

It was also noted that after 29 days, the customer is not required to pay the bed tax.

A copy of the Tourism and Tax fund budget was given to each member.

The Civic Center is losing the income from the Army Reserve rental at the Civic Center starting this year. This will be a loss of about \$60,000 per year. Part of the revenue from the bed tax increase would go towards covering Civic Center and Depot expenses.

Wendy Wilkinson is concerned with how draining the facilities are to the CVB budget. She would like to see these be moved to a different department so they don't put such a strain on the budget.

Jen emphasized that raising the transient guest tax is a long term plan and not a short term fix to the budget. This increase will allow the CVB budget to grow and give more to work with when bidding on large events and the contracts that follow, traveling to conferences to learn new ideas for events, paying for memberships and hopefully one day expand the department (i.e. fund new salaries).

Matt Guthrie applauded the work done so far, especially in the short time the department has been under the city. However, he would like to see this work stay consistent over the next few years before raising the tax.

Randy Just commented that in order to have a successful tourism department you need to have it all; such as events and facilities. He stated that a 1% increase is not much more money to the consumer and this will help support events and facility expenses.

Randy Just moves to raise the Transient Guest Tax from 5% to 6%.

Jean Plummer seconds the motion. Natalie Donges, vote yes.

Wendy Wilkinson, Matt Guthrie and Andrea VanAuken, vote no.

Motion is tied.

The discussion and vote will continue at the next scheduled CTC meeting on May 25th at 4:00 p.m. at the Walnut River Brewing Co. (111 W. Locust).

Train Depot Rental Fees

The current Train Depot rental fees are as follows: West side \$35/day and the East side \$25/day. A debit/credit card copy is kept on file in case of any incidentals. The West side is almost always rented every weekend and on many week days too. The East side is also rented most weekends. The rental fee for both sides has been increased (by a small amount) in the past 5 years.

See the tables below showing the potential for earned revenue from increasing the rental fees on each side.

West Train Depot Rental Fee Comparisons							
Year	West Side	Current Fee	Total West Revenue	Increased Rate-West	Projected West Revenue	Increased Rate-West	Projected West Revenue
2014	89	\$ 35.00	\$ 3,115.00	\$ 40.00	\$ 3,560.00	\$ 45.00	\$ 4,005.00
2015	139	\$ 35.00	\$ 4,865.00	\$ 40.00	\$ 5,560.00	\$ 45.00	\$ 6,255.00
2016	159	\$ 35.00	\$ 5,565.00	\$ 40.00	\$ 6,360.00	\$ 45.00	\$ 7,155.00
2017	40	\$ 35.00	\$ 1,400.00	\$ 40.00	\$ 1,600.00	\$ 45.00	\$ 1,800.00

East Train Depot Rental Fee Comparisons							
Year	East Side	Current Fee	Total East Revenue	Increased Rate-East	Projected East Revenue	Increased Rate-East	Projected East Revenue
2014	21	\$ 25.00	\$ 525.00	\$ 30.00	\$ 630.00	\$ 35.00	\$ 735.00
2015	93	\$ 25.00	\$ 2,325.00	\$ 30.00	\$ 2,790.00	\$ 35.00	\$ 3,255.00
2016	95	\$ 25.00	\$ 2,375.00	\$ 30.00	\$ 2,850.00	\$ 35.00	\$ 3,325.00
2017	20	\$ 25.00	\$ 500.00	\$ 30.00	\$ 600.00	\$ 35.00	\$ 700.00

Discussion

The size of the West side is comparable to the Deer Grove RV Park's meeting space as well as the Holiday Inn's conference space. Natalie Donges and Andrea VanAuken spoke to this, stating that having the Depot fees so low it is unfair to the other businesses that have to charge more for a similar sized space. Natalie stated, "she has to pay commercial property taxes on her building and the public is helping fund the Depot through sales tax. It is an injustice for charging so little when other businesses cannot afford to compete." Natalie would like the Depot rental fee to be raised to \$125 so it is the same price as Deer Grove RV Park's meeting space.

Jean Plummer would like the increased fee to still be reasonable for customers.

Andrea VanAuken moves to raise the Train Depot rental fees:

West Train Depot rental fee from \$35 to \$75

East Train Depot rental fee from \$25 to \$50

Entire Train Depot (West & East together) raise it from \$50 to \$100.

Randy Just seconds the motion.

Wendy Wilkinson and Matt Guthrie, vote yes.

Natalie Donges and Jean Plummer, vote no.

Motion carried.

Minutes submitted by Molly Denton.