



CITY OF DAHLONEGA
WORK SESSION MEETING MINUTES
AUGUST 13, 2018 4:30 P.M.

Mayor Norton called the Work Session to order at 4:30 p.m.

Members Present

Mayor Sam Norton and Councilmembers Bruce Hoffman, Ron Larson, JoAnne Taylor and Mitchell Ridley and Helen Hardman were present.

Staff Present

City Manager Bill Schmid and City Clerk Mary Csukas were present.

Discussion of Contracted Tourism Promotion Convention and Tourism Trade Show Service

Mayor Norton explained that the purpose of this meeting is to discuss our Hotel/Motel Excise Tax and our funding of the Chamber of Commerce. The general information will be our historic hotel/motel excise tax dollars, how much we have funded to the Chamber and what direction we are going to give City Manager Schmid in writing our contract renewal with Lumpkin County Chamber this Fall.

Council Member Hardman expressed her concern with Dahlonega's falling tourism numbers when it pertains to our amount of tourism expenditures, we are 10th in our Region of 17 Districts, this is a fall from being in 4th place in recent years. Council Member Hardman attributes this lower ranking in part due to a lack of new attractions in the City. Council Member Hardman stressed that the City of Dahlonega is missing a whole division of the Hotel Motel Tax that pertains to Group tours and Business, as currently we are only trying to attack the Leisure business.

Council Member Larson asked what percentage of the 8% Hotel/Motel Tax is restricted. Non-restricted is 3% with Restricted at 5% - TCT 3.5% & TPD 1.5%.

Council Member Hardman asked Chamber President Robb Nichols if it would be possible to have a full time Sales person on staff as opposed to current levels of all part time staff. Chamber President Nichols stated that in the end that a full-time person would be costlier than the current level of increments that are allocated from Chamber staff to these tourism hours.

Chamber President Robb Nichols explained the hours for David Zucker and Laura Lathem generally fall under total tourism dollars but occasionally have hours under chamber time, and we have a

software program that separates the hours into these different categories. Mr. Nichols continued that the Chamber will be allocating \$50,000 to these tourism hours from the Chamber budget.

City Manager Schmid asked Mr. Nichols if the labor hours for Chamber functions are being paid by the Chamber. Mr. Nichols explained that within his 18-month period at the Chamber he has recognized the need to make changes in how the excise tax money was being allocated within the Chamber and he has adjusted be fair to the City. Mr. Nichols would like to remind the Council that 60% of the Chamber building is used for Tourism and the allocation of the money reflects this need for use of the building.

Mr. Schmid distributed a chart showing tourism comparable data on a tax per capita basis collected in certain Georgia regions and how these dollars are being reinvested in the community. Mr. Schmid continued that this data has us placed in a unique situation of allocating all hotel-motel tax dollars to the Chamber, which is an anomaly in the Georgia. Mr. Schmid had brought this observation to the attention of Council and Mayor for direction of the future allocation of these funds, as this is a policy decision by the Council.

Council Member Hoffman understood that currently the City invests the \$274,000 of hotel-motel tax dollars with the Chamber and the new direction would be to keep a percentage and reinvest into a different entity, his question is why this is being asked at this time.

City Manager Schmid stated that the question is “are we getting the best bang for our buck” as we have invested all the tax dollars with Chamber and we are not seeing increased heads on beds. To answer your questions should we diversity our portfolio.

Mayor Norton asked Bill the current funds that have been allocated to the Chamber over the last five years, Mr. Schmid informed Council and Mayor that the average was roughly \$220,000 each year.

Council Member Taylor stated that Council needs to layout exact goals in the new contract agreement with the Chamber and in the first year set a bench mark for the performance of the Chamber, since in the past these goals were only hinted at or implied to the Chamber with no follow-up. The Mayor, City Manager Schmid, and other Council Members agreed for a need to make changes to the upcoming contract agreement with the Chamber to ensure that the Hotel-Motel funds are used in a goal orientated fashion and the agreement states clearly the expectation of the City and the Chamber. The final need is to make the decision if the funds will be allocated to the Chamber at 100% or do we find other entities to assist with our tourism.

Mayor Norton asked City Manager Schmid to put together recommendations for our Contract with the Chamber of Commerce. City Manager Schmid stated that he will draft an outline for the Council and Mayor to review and changes as needed.

Adjournment
