



Grinnell Hotel and Motel Tax Committee
Tentative Agenda
Tuesday, February 28, 2023
12:05 pm
City Hall Council Chambers and Via Zoom

Join Zoom Meeting

<https://zoom.us/j/98529815681?pwd=QnpybTZSN2hOUW5sSFJ3NEgzNTIHQOT09>

Meeting ID: 985 2981 5681

Passcode: 690832

One tap mobile

+13052241968,,98529815681#,,,,*690832# US

+13092053325,,98529815681#,,,,*690832# US

Dial by your location

+1 305 224 1968 US

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 646 931 3860 US

+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington DC)

+1 253 205 0468 US

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 360 209 5623 US

+1 386 347 5053 US

+1 507 473 4847 US

+1 564 217 2000 US

+1 669 444 9171 US

+1 669 900 6833 US (San Jose)

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Meeting ID: 985 2981 5681

Passcode: 690832

Find your local number: <https://zoom.us/u/aefwTvmOLM>

Roll Call:

Becker (Vice Chair) ___ Manatt ___ Nowasell ___ Smith ___ Spriggs ___ White ___
Wright (Chair) ___

1. Call Meeting to Order

2. Approve Agenda

3. Approve minutes from January 24, 2023.
4. Monthly Budget Report (includes FY 20224 proposed budget)
 - Current Hotel/Motel Tax Fund Balance - \$229,537.37
5. Consider request from The Grinnell School of Music.
6. Inquiries
7. Adjournment



Grinnell Hotel and Motel Tax Committee
Tentative Agenda

Tuesday, January 24, 2023

12:00 pm

City Hall Council Chambers and Via Zoom

Roll Call: Becker, Manatt (via zoom), Nowasell, Smith, White. Absent: Spriggs, Wright.

Also present were Mayor Agnew, Russ Behrens, Monica St. Angelo, Rachael Kinnick (via zoom), Cheryl Neubert, Frank Shults, Russ Crawford, Bill Hammen.

1. Becker called the meeting to order.
2. White made the motion, seconded by Nowasell to approve the agenda. AYES: 5-0. Motion carried.
3. Nowasell made the motion, seconded by Manatt to approve the minutes from November 22, 2022. AYES: 5-0. Motion carried.
4. The monthly budget report was reviewed. No action was taken.
5. The budget for Fiscal Year 2024 was reviewed. No action was taken.
6. Becker made the motion, seconded by White to approve the request to return funds previously committed to the Grinnell Veterans Memorial Building/Prairie Star residency Project. AYES: 5-0 Motion carried.
7. White made the motion, seconded by Smith to commit \$100,000.00 to the Central Park All Inclusive Playground Project. AYES: 5-0. Motion carried.
8. Manatt made the motion, seconded by Smith to approve the financial assistance request from the Grinnell Area Arts Council in the amount of \$5,000.00. AYES: 5-0. Motion carried.
9. White made the motion, seconded by Nowasell to approve the financial request from the Grinnell Historic Preservation Commission to print new brochures in the amount of \$462.65. AYES: 5-0. Motion carried.
10. Frank Shults and Bill Hammen presented on behalf of the Grinnell Historical Museum. No action was taken.
11. There were no inquiries.

12. The meeting adjourned at 1:01 p.m.

Respectfully submitted by:

Alyssa Devig, Acting Secretary for the Committee



Grinnell, IA

Budget Report Account Summary

For Fiscal: 2022-2023 Period Ending: 02/28/2023

		2020-2021	2020-2021	2021-2022	2021-2022	2022-2023	2022-2023	Defined Budgets	
		Total Budget	Total Activity	Total Budget	Total Activity	Total Budget	YTD Activity	2022-2023	2023-2024
								YE	DR
Fund: 145 - HOTEL/MOTEL TAX - SPC REV									
Department: 550 - HOTEL & MOTEL PROMOTION									
Revenue									
145-3.550.2.4400	H/M - FEDERAL GRANT	9,248.00	9,247.50	0.00	0.00	0.00	0.00	0.00	0.00
145-3.550.2.4415	H/M - FEDERAL FEMA GRANT	0.00	0.00	0.00	1,849.50	0.00	0.00	0.00	0.00
145-3.550.2.4780	H/M - OTHER MISC REVENUES	5,579.00	5,578.68	5,000.00	5,944.30	5,000.00	0.00	5,000.00	5,000.00
Budget Detail									
Budget Code	Description			Units	Price	Amount			
DR	SALE OF TREES			1.00	-5,000.00	-5,000.00			
145-3.550.4.4085	H/M - TAX DISTRIBUTION	221,575.00	221,575.13	329,000.00	338,881.15	328,000.00	274,496.31	394,500.00	400,000.00
145-3.550.4.4300	H/M - INTEREST EARNED	1,100.00	1,009.97	1,060.00	1,170.00	1,000.00	1,365.47	1,900.00	1,500.00
	Revenue Total:	237,502.00	237,411.28	335,060.00	347,844.95	334,000.00	275,861.78	401,400.00	406,500.00
Expense									
145-4.550.1.6010	H/M - SALARIES	19,100.00	19,044.84	19,600.00	21,181.51	20,400.00	13,939.67	20,500.00	21,525.00
145-4.550.1.6020	H&M - PART TIME SALARIES	6,350.00	0.00	5,550.00	0.00	7,000.00	710.50	3,000.00	7,000.00
145-4.550.1.6040	H&M - OVERTIME SALARIES	1,060.00	1,133.26	150.00	392.37	210.00	0.00	210.00	210.00
145-4.550.1.6050	H&M - TEMP PAY	18,000.00	9,867.03	20,000.00	10,943.18	20,000.00	11,743.20	20,000.00	20,000.00
Budget Detail									
Budget Code	Description			Units	Price	Amount			
DR	TEMP AGENCY			1.00	20,000.00	20,000.00			
145-4.550.1.6110	H&M - FICA	2,025.00	1,380.53	1,925.00	671.16	2,105.00	0.00	2,105.00	2,220.00
Budget Detail									
Budget Code	Description			Units	Price	Amount			
DR	FT			0.00	0.00	1,650.00			
DR	PT			0.00	0.00	570.00			
145-4.550.1.6130	H&M - IPERS	2,305.00	1,836.82	2,375.00	831.84	2,600.00	0.00	2,600.00	2,732.00
Budget Detail									
Budget Code	Description			Units	Price	Amount			
DR	FT			0.00	0.00	2,031.00			

Budget Report

For Fiscal: 2022-2023 Period Ending: 02/28/2023

		Defined Budgets							
		2020-2021	2020-2021	2021-2022	2021-2022	2022-2023	2022-2023	2022-2023	2023-2024
		Total Budget	Total Activity	Total Budget	Total Activity	Total Budget	YTD Activity	2022-2023	2023-2024
								YE	DR
DR	PT			0.00	0.00	701.00			
145-4.550.1.6210	H&M - DUES, MBRSPS	2,000.00	0.00	2,000.00	2,000.00	2,000.00	0.00	2,000.00	2,000.00
145-4.550.2.6413	H&M - PYMT TO OTHER AGEN	29,823.00	29,822.31	62,877.00	62,876.80	70,000.00	82,068.76	82,068.76	85,000.00
Budget Detail									
Budget Code	Description			Units	Price	Amount			
DR	REBATE TO GRINNELL CTR LLC			1.00	85,000.00	85,000.00			
145-4.550.2.6414	H&M - MUSIC IN THE PARK	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,000.00
145-4.550.2.6508	H&M - POSTAGE AND SHIPPIN	50.00	0.00	50.00	0.00	50.00	0.00	50.00	50.00
145-4.550.2.6513	H&M - MISC SUPP - TREES/FLW	28,074.00	28,303.56	25,000.00	35,144.81	30,000.00	8,394.89	30,000.00	30,000.00
Budget Detail									
Budget Code	Description			Units	Price	Amount			
DR				1.00	0.00	0.00			
DR	TREES/FLOWERS OTHER DWTN			1.00	30,000.00	30,000.00			
145-4.550.2.6524	H&M - RAGBRAI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00
145-4.550.2.6525	H&M - GAAC PROJECTS/DEV	7,500.00	0.00	7,500.00	5,000.00	5,000.00	2,500.00	2,500.00	0.00
145-4.550.2.6526	H&M - PROJ DEV/OTHER EXP	1,500.00	0.00	5,000.00	1,500.00	10,000.00	1,000.00	10,000.00	20,000.00
Budget Detail									
Budget Code	Description			Units	Price	Amount			
DR	CBD RECRUITMENT DWTN ONLY			1.00	15,000.00	15,000.00			
DR	EVENT RECRUITMENT/HOST			1.00	5,000.00	5,000.00			
145-4.550.2.6527	H&M - FEES/OTHER EXP	731.00	978.50	5,000.00	5,559.76	12,000.00	2,366.50	12,000.00	11,300.00
Budget Detail									
Budget Code	Description			Units	Price	Amount			
DR	OTHER PROMOTIONS, MTGS ETC			1.00	2,000.00	2,000.00			
DR	PROJECTS/PROMOTIONS			1.00	9,300.00	9,300.00			
145-4.550.2.6528	H&M - MINI-GRANT AWARDS	0.00	0.00	2,500.00	2,500.00	0.00	1,875.00	1,875.00	2,500.00
145-4.550.2.6529	H&M - GRINNELL FIREWORKS	13,000.00	13,000.00	13,500.00	16,900.00	13,500.00	0.00	18,000.00	20,000.00
145-4.550.3.6727	H&M - PROJECTS	10,000.00	4,782.84	5,000.00	4,837.82	35,000.00	2,822.48	10,000.00	10,000.00
Budget Detail									
Budget Code	Description			Units	Price	Amount			
DR	CENTRAL EVENTS/ENTERTAINMENT			1.00	5,000.00	5,000.00			

Budget Report

For Fiscal: 2022-2023 Period Ending: 02/28/2023

		Defined Budgets							
		2020-2021	2020-2021	2021-2022	2021-2022	2022-2023	2022-2023	2022-2023	2023-2024
		Total Budget	Total Activity	Total Budget	Total Activity	Total Budget	YTD Activity	YE	DR
DR	HOLIDAY LGTS (CENTRAL PARK)			1.00	5,000.00	5,000.00			
Expense Total:		141,518.00	110,149.69	178,027.00	170,339.25	229,865.00	127,421.00	216,908.76	249,537.00
Department: 550 - HOTEL & MOTEL PROMOTION Surplus (Deficit):		95,984.00	127,261.59	157,033.00	177,505.70	104,135.00	148,440.78	184,491.24	156,963.00

Budget Report

For Fiscal: 2022-2023 Period Ending: 02/28/2023

		2020-2021		2021-2022		2022-2023		Defined Budgets	
		Total Budget	Total Activity	Total Budget	Total Activity	Total Budget	YTD Activity	2022-2023 YE	2023-2024 DR
Department: 910 - TRANSFERS									
Revenue									
145-3.910.4.4830	H/M - TRANS IN	0.00	0.00	50,204.59	50,204.59	0.00	0.00	25,000.00	0.00
Revenue Total:		0.00	0.00	50,204.59	50,204.59	0.00	0.00	25,000.00	0.00
Expense									
145-4.910.5.6911	H&M - TRANSFER	112,500.00	112,500.00	127,500.00	127,500.00	137,500.00	102,500.00	102,500.00	202,500.00
Budget Detail									
Budget Code	Description			Units	Price	Amount			
DR	CENTRAL PARK PLAYGROUND - 001			0.00	0.00	100,000.00			
DR	COMMUNITY DEVELOP SVCS - 105			0.00	0.00	30,000.00			
DR	EMS - 001			0.00	0.00	25,000.00			
DR	GEN FUND TRANS			0.00	0.00	37,500.00			
DR	SPORTS AUTHORITY - 009			0.00	0.00	10,000.00			
Expense Total:		112,500.00	112,500.00	127,500.00	127,500.00	137,500.00	102,500.00	102,500.00	202,500.00
Department: 910 - TRANSFERS Surplus (Deficit):		-112,500.00	-112,500.00	-77,295.41	-77,295.41	-137,500.00	-102,500.00	-77,500.00	-202,500.00
Fund: 145 - HOTEL/MOTEL TAX - SPC REV Surplus (Deficit):		-16,516.00	14,761.59	79,737.59	100,210.29	-33,365.00	45,940.78	106,991.24	-45,537.00
Report Surplus (Deficit):		-16,516.00	14,761.59	79,737.59	100,210.29	-33,365.00	45,940.78	106,991.24	-45,537.00

Budget Report

For Fiscal: 2022-2023 Period Ending: 02/28/2023

Group Summary

Account Type	2020-2021		2021-2022		2022-2023		Defined Budgets	
	Total Budget	Total Activity	Total Budget	Total Activity	Total Budget	YTD Activity	2022-2023 YE	2023-2024 DR
Fund: 145 - HOTEL/MOTEL TAX - SPC REV								
Department: 550 - HOTEL & MOTEL PROMOTION								
Revenue	237,502.00	237,411.28	335,060.00	347,844.95	334,000.00	275,861.78	401,400.00	406,500.00
Expense	141,518.00	110,149.69	178,027.00	170,339.25	229,865.00	127,421.00	216,908.76	249,537.00
Department: 550 - HOTEL & MOTEL PROMOTION Surplus (Deficit):	95,984.00	127,261.59	157,033.00	177,505.70	104,135.00	148,440.78	184,491.24	156,963.00

Budget Report

For Fiscal: 2022-2023 Period Ending: 02/28/2023

Account Type	2020-2021		2021-2022		2022-2023		Defined Budgets	
	Total Budget	Total Activity	Total Budget	Total Activity	Total Budget	YTD Activity	2022-2023 YE	2023-2024 DR
Department: 910 - TRANSFERS								
Revenue	0.00	0.00	50,204.59	50,204.59	0.00	0.00	25,000.00	0.00
Expense	112,500.00	112,500.00	127,500.00	127,500.00	137,500.00	102,500.00	102,500.00	202,500.00
Department: 910 - TRANSFERS Surplus (Deficit):	-112,500.00	-112,500.00	-77,295.41	-77,295.41	-137,500.00	-102,500.00	-77,500.00	-202,500.00
Fund: 145 - HOTEL/MOTEL TAX - SPC REV Surplus (Deficit):	-16,516.00	14,761.59	79,737.59	100,210.29	-33,365.00	45,940.78	106,991.24	-45,537.00
Report Surplus (Deficit):	-16,516.00	14,761.59	79,737.59	100,210.29	-33,365.00	45,940.78	106,991.24	-45,537.00

Fund Summary

Fund	2020-2021		2021-2022		2022-2023		Defined Budgets		2023-2024
	Total Budget	Total Activity	Total Budget	Total Activity	Total Budget	YTD Activity	2022-2023 YE	DR	
145 - HOTEL/MOTEL TAX - SPC REV	-16,516.00	14,761.59	79,737.59	100,210.29	-33,365.00	45,940.78	106,991.24	-45,537.00	
Report Surplus (Deficit):	-16,516.00	14,761.59	79,737.59	100,210.29	-33,365.00	45,940.78	106,991.24	-45,537.00	

The Grinnell School of Music will be a vibrant community music school where children and adults access professional music instruction. With an emphasis on participatory, community music-making in addition to excellence in performance, the school will provide music education and opportunities for recreational, competitive, and professional musicians alike, equipping students to become lifelong practitioners and performers.

Mission and Goals

The Grinnell School of Music will:

- Foster excellence in performance alongside joyful, lifelong recreational music-making.
- Offer private and group lessons, classes, workshops, summer programs, and more, for all ages and skill levels, in a variety of styles and instruments.
- Secure scholarship funding to ensure that no student – child, youth, or adult – is excluded.
- Foster an inclusive, welcoming, and accessible space and culture.
- Ensure that professional musicians and arts administrators are fairly compensated.
- Contribute to the local economy by encouraging pedestrian traffic, commercial activity, and engagement with other community organizations.

The Need

Residents of Grinnell and surrounding areas have significant barriers to accessing high-quality music instruction. Many do not know where or how to connect to professional instructors locally. There are a few piano teachers running at-home studios; however, availability is limited, and it is hard to find information about qualifications or openings. Advanced students, those with interest in other instruments and styles, and those whose families have the means to do so, may drive 50+ miles to Des Moines or Iowa City to access instruction. In addition, professional musicians do not see Grinnell as a viable place to live.

Proof of Concept

Grinnell School of Music will take over the programs and assets of Studio E Grinnell LLC, its predecessor organization which has proven that there is demand for a music school serving Grinnell and surrounding communities. Studio E has been operating as the voice teaching studio of founder/director Erin Bustin since 2019, and in 2021 moved to a downtown storefront to accommodate associate teachers in different instruments. The Studio has more than 60 active students and families (including class participation and private lessons), ranging from infants to seniors. They come from Grinnell, Brooklyn, Newton, Tama, Kellogg, Searsboro, Montezuma, Lynnville-Sully, and Pella. In addition to voice lessons, local professional musicians teach piano, guitar, ukulele, and saxophone. With virtually no start-up investment, the Studio is solvent and turns a small monthly profit. The Studio is at full capacity during after-school hours, increasingly busy during non-peak hours (daytime and weekends), and has a waitlist of over 25

students. The Studio has never invested in advertising but receives an average of three new student inquiries per month – a demand that we are currently unable to meet.

Studio E is proving that our community needs and can support a non-profit music school. The Grinnell School of Music will assume all activities of Studio E Grinnell, meeting existing demand and enabling substantial future growth.

The Space

Grinnell School of Music requires a purpose-built space which meets, at minimum, the following criteria:

- Unattached to residential, rental, or other commercial properties for whose occupants sound bleed would be disruptive, especially during weekend and evening activities
- Downtown, pedestrian-accessible, with nearby street parking and a safe student drop-off area
- A minimum of three private, soundproof teaching studios (~75-100 square feet each)
- A large, modular main classroom that can be adapted for various workshops, classes, rehearsals, and lessons
- Accessible and barrier-free
- Two separate entrances, one for private lessons and one for classes and workshops
- Equipped with adequate waiting areas, meeting space, and customized storage

The Grinnell School of Music took possession of 720 5th Avenue, the former Michael's Restaurant, on August 1, 2022. The building meets all the above criteria, has already been gutted (meaning there will be no added demolition costs), and has a new roof. It is adjacent to a one-way alley which provides an ideal drop-off location for students. Having considered other options, the availability of downtown commercial properties, and the unique needs of a music school, any other space would exponentially increase the cost, timeline, or both. We are leasing the building with an option to purchase contract valid through July 2024. The Grinnell School of Music will revitalize this downtown building and bring another dynamic community organization to our commercial center.

720 5th Avenue includes a second, smaller unit, recently vacated by Marv's Barbershop. The building's current owner is finding a new tenant for this space. Our current plans for construction do not include this space; however, we anticipate using it to accommodate future growth – for example, as an additional teaching studio or small group classroom, recording space, meeting room, or administrative/office space. We may choose to occupy this space immediately upon purchase of the building, or to continue to rent it as a source of additional revenue.

Services and Programs

The Grinnell School of Music's core programs will be private and small group music lessons, workshops, classes, and performance opportunities.

A membership model will allow local musicians, bands, podcasters, or other performers to access the Grinnell School of Music's space and resources when it is not being used for teaching.

In addition, we will pursue collaborative partnerships with other community organizations to address specific areas of need or opportunities as they arise. These may include, for example,

- intergenerational music programs at the Mayflower and other local retirement communities
- early childhood music programs and/or professional development for staff at local preschools and childcare centers
- partnerships with after-school and summer childcare programs to provide music programs
- music and technology partnerships with the Grinnell Newburg School District, teaching students to use their school-issued iPads and core software components such as Garage Band

Audience & Marketing

Studio E Grinnell is already at capacity in its current location and has never invested in advertising beyond a few sponsored Facebook advertisements.

The Grinnell School of Music will serve residents of ages who live in Grinnell and surrounding communities and regional areas, including Brooklyn, Montezuma, Kellogg, Lynnville/Sully, New Sharon, Pella, Newton, Marshalltown, and Tama/Toledo. Already, Studio E has served families from many of these communities.

The Grinnell School of Music has engaged Double You Marketing (Katy Wells) to create a storytelling strategy which will help us communicate the transition from Studio E Grinnell to the Grinnell School of Music, generate awareness and gifts to the capital campaign, and increase public awareness among potential students and organizational partners so that we can meet our capacity potential when we open in the new space in August 2024.

The Campaign

A community-supported capital campaign to raise \$620,000 will culminate with a sustainable, fully operational new non-profit organization, housed in an intentionally renovated, accessible space in downtown Grinnell.

We anticipate the total amount of the campaign pledged by August 2024 with pledges being

Item	Cost	Notes
Buildout	\$ 200,000.00	renovation of 720 5 th Avenue
Executive Director Salary - first two years	\$ 96,000.00	full time salary of \$48,000/year
Building lease	\$ 36,000.00	24 months x \$1500. \$600/month goes towards down payment
equipment/furnishing of space	\$ 55,000.00	upon completion of buildout
purchase of building	\$ 130,600.00	full purchase price (no mortgage) minus accumulated capital from lease payments and option to purchase contract
Endowment	\$ 100,000.00	
	\$ 617,600.00	

realized through 2028.

Annual Operations

Studio E Grinnell has proven that core programs and services are sustainable with earned revenue generated through tuition for private lessons, group lessons, and classes.

Support from private donors, foundations, and granting agencies will assist with sustaining and growing the organization to its full potential, including the ownership and maintenance costs for the larger space, a full-time employee, and the costs associated with expanded programs.

2023-2024

Anticipated April 1, 2023, the Grinnell School of Music will assume all activities of Studio E and file with the state to legally operate under the name Studio E for the duration of the renovation project. During that time, operating expenses will remain the same for Studio E's current activities which includes contract teacher fees and the lease of 819 Broad Street – an annual operating budget of approximately \$60,000 per year.

The lease, renovation, and project management costs of the construction of 720 5th Avenue are accounted for in the capital campaign budget.

August 2024 and beyond

Beginning with the 2024-25 fiscal year, we anticipate the annual operating budget to increase to approximately \$125,000 and by 2025-26 we anticipate the budget to be stable at around \$150,000. This accounts for an exponential increase in earned revenue potential from private and small group lesson tuition, collaborative and community projects supported by various local, state, and other grant programs, and an annual giving campaign.

The largest increase on the expense side comes with the implementation of a full-time salaried position at \$48,000 per year (the Executive Director). This salary is included in the capital campaign budget through December 2024, and it is anticipated that the uptick in program revenue will offset the salary once the new facility is fully operational. Monthly operating expenses – such as lease, utilities, and program supplies – are anticipated to increase only slightly at the new building (from Studio E's current operating costs at 819 Broad Street).

Organizational Structure

As a non-profit organization, the Grinnell School of Music will be governed by a volunteer Board of Directors who may appoint an Executive Director and other staff, as appropriate, to manage organizational operations.

Staffing

The Grinnell School of Music recognizes that artists and management staff must be paid fair market wages for the organization to be sustainable. Furthermore, paying employees and freelance instructors fairly will generate both economic activity and cultural vitality in our community.

Erin Bustin has been engaged as the Executive Director of the Grinnell School of Music. The capital campaign includes salary costs and these costs have been accounted for in annual operating projections, as well. At this point, the Executive Director is the only salaried employee of the Grinnell School of Music and we do not anticipate engaging additional salaried employees within the first few years of our operations.

Music instructors will be engaged on contract. For private lessons, instructors are paid 70% of tuition revenue generated by the lessons they teach. For group lessons, workshops, and other programs, contract fees will be determined based on fair market analysis and generated by a combination of earned revenue (tuition or participation fees), annual giving, and program-specific grants and donations. Professional and staffing costs will be carefully accounted for in all regular and special program plans.

Incorporation and Governance

The Grinnell School of Music was incorporated in July 2022 as an Iowa non-profit organization. We submitted our application for charitable exempt (501c3) status in October 2022 and anticipate achieving that designation no later than April 1, 2023.

Board of Directors

Jon Edwards
Roger Henderson
Stephanie Latimer
Brad Lindberg
Skip Lowe
PJ Mahaffey
Taylor Marsho
John Rommereim
Lesley Wright