



City Council Meeting – June 2, 2025

Council Questions & Staff Responses

Before each City Council meeting, questions posed by the City Council relating to the agenda for that evening will be posted to the City's website. Below are the responses to this week's questions.

Agenda Item 10. Presentation of Ordinances and Resolutions

b. Consider Resolution No. 2025-60 Authorizing the City to Expend Funds from the Municipal Hotel Operators' Occupation Tax to Be a Presenting Sponsor for the Geneva Chamber of Commerce's City-Recognized Festivals in the Total Aggregate Amount of \$50,000 for Calendar Year 2025.

Q: Does providing funding as "presenting sponsor" of the Chamber Festivals satisfy the legal requirements for the use of the Hotel Operators' Occupation Tax revenue?

A: As a non-home rule community, tax revenues collected from the municipal hotel operators' occupation tax are to be expended solely to 1) promote tourism and conventions; or 2) attract non-resident overnight visitors. If the City Council finds that the festivals meet either condition above; then it meets the legal requirement.

Q: Why did it take years to arrive at what seems to be a simple solution?

*A: The original agreement between the City and the Chamber of Commerce executed in 1994 outlined that services that the Chamber was to provide **to and for** the City's benefit. When conversations were first initiated with the Chamber in 2020, the City was looking to work with the Chamber leadership to reimagine the relationship in a way that would complement each organization's strengths and advance mutually beneficial strategic goals. As such, the City asked the chamber – "What do you need from the City to be the best Chamber you can be?" In addition, the City asked for an accounting of all the funds the Chamber had received since 2019 as there was approximately \$100,000 in funding that was not accounted for in their reporting to the City. It wasn't until the City presented a draft grant program in October 2024, that the Chamber provided a request for funding. That request, however, did not answer the question. A second request was proffered in March, 2025 in which funding for Festivals was requested. It was also during this time that a review of all bank account statements was concluded and the unreported funding was resolved to the satisfaction of the City. The original grant program presented by the City was developed in concert with the City's legal team and was modeled after state grant programs.*

The Chamber sent an email blast on May 12, 2025 seeking a presenting sponsor for Swedish Days. It was at this time the City recognized an opportunity to move forward in the role of sponsor to the benefit of both organizations.

Q: Is this only for Calendar Year 2025 as stated in the Resolution for consideration?

A: Yes. The City Council may determine whether future funding is provided during the annual budget process.

Q: Is the Chamber required to report on how the \$50,000 in sponsorship funding is used during calendar year 2025?

A: No. The City is able to meet its legal requirement as a "presenting sponsor" on all festivals provided the City Council determines that the festivals 1) promote tourism and conventions; or 2) attract non-resident overnight visitors.

Q: Is there any accounting of in-kind services the City provides for these Festivals?

A: The City does its best to track all in-kind services provided; however, other than overtime pay it is difficult to fully track lost production time when employees are providing services for the festivals during their regular work day.

Q: Could you provide a break out of the Hotel/Motel revenue Geneva received for calendar years 2022, 2023 and 2024 and outline how those funds were dispersed by the city in our FY 2023, FY 2024 and FY 2025?

A: All information regarding the hotel operators' occupation tax may be found in the City's annual [budget document](#).

Q: Can revenues from the hotel operators' occupation tax (apart from the \$50,000) be used in some manner as a grant to the chamber to address maintaining an acceptable level of business for those impacted by the rebuilding of East State Street corridor from 2025-2027?

A: No. Such expenditure would not meet statutory requirements for the use of these funds and Chamber services cannot be provided equitably for all Geneva businesses as currently less than 10% of the East State Street corridor businesses are members of the Geneva Chamber of Commerce.