

Door County Tourism Zone Commission

Annual Meeting
May 27, 2008



Why are we here?

- DCTZ Commission
 - Explain mission
 - Review 2007 performance
 - Discuss 2008 issues
 - Door County Visitor Bureau
 - Review 2007 trends
 - Review current marketing initiatives
 - Answer questions
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Commission background...

- April 2007, ten communities form a tourism zone according to Wisconsin statutes;
Washington Island joins August 1, 2007, Gardner joins May 1, 2008

Sister Bay	Ephraim	Gibraltar
Bailey's Harbor	Village of Egg Harbor	Town of Egg Harbor
Jacksonport	Sevastopol	Nasewaupee
Liberty Grove	Town of Washington	Gardner 2008

Seven communities are not members of the Zone nor represented by the Commission

Purpose of the room tax governed by WI State Statute

66.0615(1)(fm)

(fm) **"Tourism promotion and development"** means any of the following that are significantly used by transient tourists and reasonably likely to generate paid overnight stays at more than one establishment on which a tax under [sub. \(1m\) \(a\)](#) may be imposed, that are owned by different persons and located within a municipality in which a tax under this section is in effect; or, if the municipality has only one such establishment, **reasonably likely to generate paid overnight stays in that establishment:**

66.0615(1)(fm)1.

1. Marketing projects, including advertising media buys, creation and distribution of printed or electronic promotional tourist materials, or efforts to recruit conventions, sporting events, or motorcoach groups.

66.0615(1)(fm)2.

2. Transient tourist informational services.

66.0615(1)(fm)3.

3. Tangible municipal development, including a convention center.

WI Statutes govern creation of a “zone” and a “commission”

- 66.0615(1m)(b)2.
2. If 2 or more municipalities in a zone impose a room tax under [par. \(a\)](#), the municipalities shall enter into a contract under [s. 66.0301](#) to create a commission under [par. \(c\)](#). If no tourism entity exists in any of the municipalities in the zone that have formed a commission, the commission shall contract with another organization in the zone to perform the functions of the tourism entity. Each municipality in a single zone that imposes a room tax shall levy the same percentage of tax . If the municipalities are unable to agree on the percentage of tax for the zone, the commission shall set the percentage.

 - 66.0615(1m)(b)3.
3. **A commission shall monitor the collection of room taxes from each municipality in a zone that has a room tax.**

 - 66.0615(1m)(b)4.
4. **A commission shall contract with one tourism entity from the municipalities in the zone to obtain staff, support services and assistance in developing and implementing programs to promote the zone to visitors.**
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Commission Mission Statement

- The mission of the Door County Tourism Zone Commission is to:
 - Collect the room tax on behalf of its member municipalities in a fair and efficient manner.
 - Work in partnership with the Door County Visitor Bureau to support its marketing efforts in tourism promotion and development for the Tourism Zone as a single destination for transient tourists which are reasonably likely to generate paid overnight stays.
 - Keep all parties and businesses associated with the Tourism Zone and the Room Tax informed on the Commissions activities.
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The Commission's tasks

- Collect the tax
 - Contract with a tourism marketing agency
 - Disburse the funds
 - Review and monitor marketing plans and results
 - Enforce the tax ordinance
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Visitor Bureau purpose

- Develop annual marketing plan and budget
 - Evaluate and hire vendors
 - Execute the plan
 - Evaluate results
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And now a word about the tax...

- ❑ All municipalities are at 5.5%
 - ❑ 30% of collections go to municipalities for any purpose
 - ❑ 66% goes to DCVB for marketing
 - ❑ 4% remains with Commission for expenses
 - All Commission members are volunteer
 - No staff
 - No office
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Commission year in review-2007

- Hired vendors and developed processes to make May collections deadline
 - Kerber Rose Accounting in Sister Bay
 - Associated Bank
 - Pinkert Law Firm/William VandeCastle attorneys
 - While not perfect, we succeeded in making May collections deadline
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Show me the money...

Statement of Revenues, Expenses, And Changes in Net Assets			
Operating Revenues	12/31/2007	Percent Allocations	Notes
Room tax collected	\$2,362,655.00		
Operating Expenses			
Administration	\$ 56,610.00	2.4%	Under spent by \$37,896
Payments to DCVB	\$ 679,828.00	28.8%	
Distribution to Municipalities	\$ 706,057.00	29.9%	
Total Operating Expense	\$1,442,495.00	61.1%	
Funds due to DCVB	\$ 920,160.00	38.9%	
Interest earned	\$ 4,950.00	Will be allocated 96%/4%	
Total Net Assets 12/31/2007	\$ 925,110.00		
Restricted for DCVB payments	\$ 878,447.00		
Unrestricted funds	\$ 46,663.00		\$38K due to admin underspend, \$5k due to interest

Municipal impact

Room Tax Revenue by Municipality		Share	Returned to Municipality
Gibraltar	\$ 416,330	17.6%	124,416
Sister Bay	\$ 395,093	16.7%	118,070
Ephraim	\$ 387,429	16.4%	115,779
Village of Egg Harbor	\$ 279,129	11.8%	83,415
Town of Egg Harbor	\$ 215,141	9.1%	64,293
Bailey's Harbor	\$ 195,360	8.3%	58,381
Liberty Grove	\$ 191,606	8.1%	57,260
Sevastopol	\$ 182,612	7.7%	54,572
Jacksonport	\$ 41,268	1.7%	12,333
Nasewaupee	\$ 35,150	1.5%	10,504
Washington Island	\$ 23,537	1.0%	7,034
Total	\$ 2,362,655	100.0%	706,057

Process and Administration

- ❑ Developed paper based collection and reporting system by May deadline
 - ❑ Contracted and implemented custom database reporting Feb 2008
 - ❑ Implemented online collections reporting for lodging properties Feb 2008
 - ❑ Completed annual audit May 2008
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Next steps 2008

- Hire part-time administrative assistant
 - Complete By-laws and revise Intergovernmental Agreement
 - Focus on enforcement
 - Hire investigative agency
 - Non-reporting properties
 - Audit suspicious under-reporting properties
 - File charges in Door County Circuit Court
 - Evaluate success of marketing programs
 - Develop year over year reporting of baseline occupancy statistics
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Jack Moneyppenny

Door County Visitor Bureau

- Metrics and preliminary results
 - Marketing Plans & Initiatives
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Visitor Bureau Metrics

Primary Results

Aug 2007-April 2008

Wisconsin Tourism Market Share		
2006 Benchmark	2007 Goal	2007 Actual
3.27%	3.70%	3.16%

Occupancy		
2006-2007 Benchmark	2007-2008 Goal	2007-2008 YTD Actual
37.07%	38.92%	41.95%

Visitor Bureau Metrics

Secondary Results

Aug 2007-April 2008

Annual Traveler Expenditures		
2006 Bench-mark	2007 Goal	2007 Actual
\$420,558,457	\$474,545,346	\$404,200,000

RevPar – Revenue Per Available Room		
2006-2007 Bench-mark	2007-2008 Goal	2007-2008 YTD Actual
N/A	N/A	\$60.92

ADR – Average Daily Rate		
2006-2007 Bench-mark	2007-2008 Goal	2007-2008 YTD Actual
Est. \$80 - \$130	N/A	\$132

Length of Stay		
2006-2007 Bench-mark	2007-2008 Goal	2007-2008 Average
3.59 days	N/A	7 days *

* - Average day stay result of survey taken by 4,168 opt in web users Jan-Feb 2008.

Visitor Bureau Metrics

Activity Results

Aug 2007-April 2008

Public Relations - Number of Media Contacts			
2006-2007 Benchmark	07-08 Goal	07-08 YTD Goal	07-08 YTD Actual
46	150	125	126

Media Coverage – Clips			
2006-2007 Benchmark	07-08 Goal	07-08 YTD Goal	07-08 YTD Actual
296	400	333	247

Media Coverage – Impressions			
2006-2007 Benchmark	07-08 Goal	07-08 YTD Goal	07-08 YTD Actual
32,357,408	50,000,000	37,500,000	33,328,015

Media Coverage – AVE (Ad Value Equivalency)			
2006-2007 Benchmark	07-08 Goal	07-08 YTD Goal	07-08 YTD Actual
\$1,593,907	\$2,900,000	\$2,175,000	\$1,346,054

Visitor Bureau Metrics

Activity Results

Aug 2007-April 2008

Web Site Visits			
2006-2007 Benchmark	07-08 Goal	07-08 YTD Goal	07-08 YTD Actual
1,519,795	2,000,000	1,666,667	1,814,445
E-Newsletter Subscribers			
2006-2007 Benchmark	07-08 Goal	07-08 YTD Goal	07-08 YTD Actual
16,673	100,000	83,333	88,722
E-Newsletter Open Rate			
2006-2007 Benchmark	07-08 Goal	07-08 YTD Goal	07-08 YTD Actual
40.01%	45%	45%	47%

People Entering Welcome Center			
2006-2007 Benchmark	07-08 Goal	07-08 YTD Goal	07-08 YTD Actual
37,518	45,000	37,500	21,548*

•- no data available for January 2008

Marketing Initiatives

- **eBrains Web Marketing**
 - Largest single marketing expenditure
 - Driven web site visits to all-time high
 - Captured 88,000 opt-in users subscribing to e-newsletter
 - Maximized search engine optimization
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Marketing Initiatives

- **Geiger & Associates**
 - Recruits and delivers qualified travel writers to Door County
 - Writers get first-hand experience of Door County for the articles
 - Many writers write for several publications
 - Has delivered 58 articles viewed by more than 5.7 million readers
 - Equivalent value of \$388,000 for ROI of 107%
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Marketing Initiatives

- **Corporate/group sales coordinator**
 - Contract/non-employee basis
 - Worked with over 50 planners YTD
 - Creates room compression & develops shoulder seasons

 - **Midwest Living Insert**
 - End of April distribution
 - 950,000 in Midwest Living
 - 100,000 inserts in key papers in core market
 - Milwaukee
 - Madison
 - St. Paul
 - Chicago
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Marketing Initiatives

- **Harley-Davidson 105th Anniversary Riders Guide**
 - 5 page spread
 - On line with H-D, 150,000 copies distributed Labor Day Weekend
 - Features Door County to 350,000 bikers as pre- or post-anniversary trip
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Marketing Initiatives

- **Feeder Market multi-media campaign**
 - June 4 until Labor Day
 - \$60,000 investment
 - Banner ad program and insert program with the Chicago Tribune, Milwaukee Journal Sentinel, Madison Capital Times and the Minneapolis Star Tribune
 - 500,000 inserts geared to Door County as a destination
 - Wisconsin Public Radio
 - TV campaign in the Fox Valley on Channel 11
 - 30 second spots that members within the tourism zone can sponsor at a reasonable price
 - We currently have 80+ spots sold of the 140
 - Spots will run in the morning during Good Day Wisconsin
 - **Smaller ad buys**
 - Aimed at niche markets and travelers
 - Mix of short-term exposure and long-term brand building
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Commission Contacts

Door County Tourism Zone Commission

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INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Commissioners
Door County Tourism Zone Commission
Sister Bay, Wisconsin

We have audited the accompanying financial statements of the Door County Tourism Zone Commission, ("the Commission") as of December 31, 2007 and for the period April 12, 2007 to December 31, 2007, as listed in the table of contents. These financial statements are the responsibility of the Door County Tourism Zone Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Door County Tourism Zone Commission as of December 31, 2007, and the results of its operations and cash flows, for the period April 12, 2007 to December 31, 2007 in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2008, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Door County Tourism Zone Commission has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's financial statements. The financial information listed in the table of contents as supplemental information, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Schauck SC

Certified Public Accountants
Green Bay, Wisconsin
April 21, 2008

DOOR COUNTY TOURISM ZONE COMMISSION

Statement of Net Assets

December 31, 2007

	2007
ASSETS	
Cash and cash equivalents	\$ 907,070
Accounts receivable	56,195
Total Assets	<u>963,265</u>
LIABILITIES	
Accounts payable	37,633
Deposits and deferred revenues	522
Total Liabilities	<u>38,155</u>
NET ASSETS	
Restricted for agreement with contracted tourism entity	878,164
Unrestricted	46,946
TOTAL NET ASSETS	<u>\$ 925,110</u>

The notes to the basic financial statements are an integral part of this statement.

DOOR COUNTY TOURISM ZONE COMMISSION
Statement of Revenues, Expenses and Changes in Net Assets
April 12, 2007 to December 31, 2007

	2007
Operating Revenues	
Room tax	\$ 2,362,655
Operating Expenses	
Administration	
Professional fees	41,179
Legal	6,106
Office	4,724
Insurance	2,950
Advertising	709
Miscellaneous	942
Total Administration	56,610
Payments to Door County Visitor Bureau	679,828
Distributions to municipalities	706,057
Total Operating Expenses	1,442,495
Operating Income	920,160
Nonoperating Revenues	
Interest income	4,950
Change in Net Assets	925,110
Net Assets - April 12	-
Net Assets - December 31	\$ 925,110

The notes to the basic financial statements are an integral part of this statement.

DOOR COUNTY TOURISM ZONE COMMISSION

Statement of Cash Flows

April 12, 2007 to December 31, 2007

	2007
Cash Flows From Operating Activities	
Cash received from room tax	\$ 2,306,982
Cash distributed for operating expenses	(52,049)
Cash distributed to contracted tourism entity	(679,828)
Cash distributed to municipalities	(672,985)
Net Cash Provided by Operating Activities	<u>902,120</u>
Cash Flows From Investing Activities	
Interest revenue	<u>4,950</u>
Change in Cash and Cash Equivalents	907,070
Cash and Cash Equivalents - April 12	<u>-</u>
Cash and Cash Equivalents - December 31	<u><u>\$ 907,070</u></u>
Reconciliation of Operating Income to Net Cash Provided	
by Operating Activities:	
Operating income	\$ 920,160
Adjustments to reconcile operating income to	
net cash provided by operating activities:	
Changes in operating assets and liabilities	
Accounts receivable	(56,195)
Accounts payable	37,633
Deposits	522
Net Cash Provided by Operating Activities	<u><u>\$ 902,120</u></u>

The notes to the basic financial statements are an integral part of this statement.