



DOOR COUNTY TOURISM ZONE
Full Commission
Minutes of October 19th, 2017
Town on Jacksonport – 3365 CTH V

6 **ACTION ITEMS:**

7 **Robillard moved and Heise seconded to approve the agenda.** Motion carried.

8 **Weddig moved and Boston seconded to approve the September 21st, 2017 Executive Committee**
9 **minutes as presented.** Motion carried.

10 **Ward moved and Robillard seconded to approve Kerber Rose Reports, Payables, and Receipts to Date.**
11 Motion carried.

12 **Consider motion to convene into Closed Session pursuant to Wisconsin State Statutes,**
13 **Section 19.85(1)(g) to confer with legal counsel for the governmental body who is rendering**
14 **oral or written advice concerning strategy to be adopted by the body with respect to**
15 **litigation in which it is or likely to become involved; to wit: enforcement actions against**
16 **lodging providers who have failed to obtain lodging permits and to timely remit monthly**
17 **room tax reports and tax payments. Anderson moved to convene into Closed Session as per**
18 **statutes named; Tice seconded. Motion carried.**

19 **Tice moved and Dannhausen seconded to reconvene into Open Session.** Motion carried.

20 **Larson moved and Mulliken seconded to adjourn.** Motion carried.

21 **Committee Members Present by Roll Call:** Mary Boston, Fred Anderson, Ryan Heise, Jeff Larson, Myles
22 Dannhausen, Keith Krist, Nancy Robillard, Bill Weddig, Dick Skare, Elizabeth LeClair, Cathy Ward, Hugh
23 Mulliken, Richard Young, Chuck Tice, Linda Wait, Josh Van Lieshout, and Linda Elmore.

24 **Also in Attendance:** Kim Roberts/**Administrator**, Dianne Lensert/**Kerber Rose**, Kathleen Schmidt, Jack
25 Money Penny/**DCVB**, Jon Jarosh/**DCVB**, and Michelle Rasmussen/**DCVB**.

26 **Excused:** Bryan Nelson

27 **Absent:** Andy Stimers, Mike Johnson, Zeke Jackson, Nate Bell, Bob Starr and Deb Jeanquart.

28 **Call to Order**

29 Van Lieshout called the meeting to order at 9:00 a.m.

30 **Approval of the Agenda**

31 **Robillard moved and Heise seconded to approve the agenda.** Motion carried.

32 **Approval of the minutes of the September 21st, 2017 Executive Committee Meeting.**

33 **Weddig moved and Boston seconded to approve the September 21st, 2017 Executive Committee**
34 **Meeting minutes as corrected.** Motion carried.

35 **Report by the Door County Visitor Bureau on Marketing Efforts and Quarterly Report**

36 Money Penny discussed the 2018 marketing plan and budget and said that they were waiting on
37 insurance costs before finalizing. He went on to say that out of the strategic planning day with the
38 DCVB board they had prioritized goals. One of the high priority goals was to become more involved at
39 the community level. Money Penny went on to say that the discussion ensued about how they could
40 become more involved at the community level and the conversation led to the creation of a new
41 position that could coordinate and organize marketing efforts to streamline the community marketing
42 process. The DCVB board approved the new position, "Community Marketing Manager" with the hopes
43 that the manager would be a resource to help the Community Marketing Managers. He noted that the
44 mission has not changed: Heads in beds. The new position will report to Rasmussen and will be part of
45 the marketing team.

46 Anderson asked what the reaction has been from the communities.

1 Money Penny said that there has been a lot of excitement.

2 Rasmussen said that there has been a lot of “thank you” and those that are looking forward to the
3 opportunity to learn more. It has been well received, she said.

4 Money Penny went on to say that they are carving a spot out in the lobby for the new position; the lobby
5 will be a little shorter.

6 Jarosh said that the seventh (7th) and final press trip for the year had just wrapped up. He added that
7 the fall PR campaign had wrapped up as well with broadcasting in Chicago, Milwaukee, Madison and
8 Minneapolis. He went on to detail some highlights of recent Door County coverage such as the
9 Washington Post “Top Leaf Peeping Destinations in the Midwest”.

10 Jarosh noted that they are hard at work on plans and press trips for the 2018 season. He went on to say
11 that they had partnered with the Wisconsin Department of Tourism and hosted social influencers Scott
12 and Colette Stohr from Roamaroo on an individual press trip September 24-28. They also hosted an
13 Instagram takeover of the Travel WI page in which they featured Door County. Jarosh was excited
14 about the engagement with over 1,700 comments. He went on to say they also did a takeover of the
15 Travel Channel Instagram page which resulted in 288 comments, 32,000 likes and really nice national
16 exposure.

17 Money Penny stressed that the communities would have a choice to use the new community marketing
18 manager. He went on to say that there would be a contract of understanding for the position that
19 would detail what they can and can’t do for the communities.

20 Rasmussen discussed how they are continuing to monitor web traffic and the effects Google’s new
21 algorithm is altering traffic to the Doorcounty.com site. The biggest intrusion that they are seeing is in
22 key areas like Stay, Experience, and Events. These are areas Google is now serving up their own results
23 first and organic results second. It is great for the consumer because they can move seamlessly through
24 the planning process, but not great for a destination website that historically dominated in the traffic
25 referral. We can’t compete she said, but we can ensure the content on our site is still viable for search
26 engines. She stressed that Google is prioritizing themselves and that Europe just hit Google with fines.
27 Rasmussen went on to discuss the growth of Facebook and how there has been a shift to direct asking
28 24/7. People are seeking one on one immediate answers on Facebook.

29 Money Penny discussed the metrics that are reported to the Tourism Zone each month and pointed out
30 that the metrics were established ten years ago. A lot has changed and there are new metrics that will
31 show how marketing is being used.

32 **Report from the Administrative Assistant on current activities and issues associated with permitting
33 new members.**

34 Roberts reported that she sent out sixty-one (61) no report letters for the month of July on September
35 15th. She went on to say that she had run August and that there are fifty-one (51) properties that remain
36 to report.

37 Roberts said that the total outstanding due as of October 12th, 2017 was three thousand three hundred
38 forty dollars and fifty-five cents (\$3,340.55) from twelve (12) permit holders. She noted that there was
39 one thousand six hundred seventy-two dollars and fifty one cents (\$1,672.51) in ACH rejects and the
40 majority of the balance due is permit holders with settlement agreements.

41 Roberts reported that she had permitted eleven (11) properties since September reporting; three (3) of
42 which were permitted through compliance channels. She went on to say that she is currently working
43 on eighteen (18) unpermitted properties.

44 Roberts reviewed online rental by owner platforms and the corresponding number of listings and
45 number of un-permitted listings.

46 Roberts reviewed the second permit holder newsletter which resulted in an open rate 41.2% (industry
47 average is 21.3%). She noted that there were multiple comments that permit holders preferred an email

1 newsletter which Roberts agreed with as she could include more information and was more efficient to
2 lay out.

3 She went on to update the Commission that permit holders had also received an email about the
4 legislative changes to short term rentals that were inserted into the budget. She said that the open rate
5 on this email was 44%. She added that municipalities and town board chairs received a written letter
6 with all the information about the legislative changes.

7 **Discussion of Current Comparable Occupancy Numbers**

8 Lensert discussed the comparative reporting and said that August was down -0.3% but with fifty one (51)
9 still to report that number should pull into the positive. Year to date the county is up 4.0% year to date.
10 She added that the ADR remained consistent year over year at \$178.

11 **Consideration of approving reporting and payables plus receipts to date.**

12 **Ward moved and Robillard seconded to approve Kerber Rose Reports, Payables, and Receipts to Date.**
13 Motion carried.

14 **Report from Commissioners on Feedback from Local Boards on Recent Issues**

15 Ward said that the Town of Liberty Grove is taking a wait and see approach to see if there is something
16 that needs to be done with regards to the legislation inserted in to the budget.

17 Tice asked for more information with the month by municipality report so that the property addresses
18 can be identified.

19 Lensert pointed out that there is the permitted properties report that can be used to match up the
20 property names.

21 Van Lieshout noted that the City of Sturgeon Bay is slightly down; there has been no other feedback.

22 Le Clair stressed that municipalities should not sign agreements with lodging marketplaces if they were
23 coming to the municipalities directly.

24 **Consideration of recently introduced legislation affecting the collection of room tax**

25 Van Lieshout said that over the last month they may have seen communication from Roberts or himself
26 regarding the new legislation that was inserted into the Wisconsin State Budget. He wanted to make it
27 clear that the Tourism Zone is very supportive of the state's desire to regulate lodging marketplaces,
28 but our concern comes on the back end in how the tax reporting and distribution will work. And what
29 impact will it have in our long-standing interest in data collection which also is a concern as it helps
30 make the DCVB a more effective marketing entity. These questions and others have been shared in the
31 previously mentioned correspondence and with our Assemblyman and the Wisconsin Department of
32 Revenue. He went on to say that Assemblyman Kitchens said that action was needed but perhaps there
33 is the opportunity for a corrective bill in the future. Van Lieshout said the hope remains to be a part of
34 the rule making process. There has been no returned communication from the WDOR in response to
35 letters, email and requests by Assemblyman Kitchens to follow up with the Tourism Zone.

36 Van Lieshout said that he had hoped to influence the administrative process since the bill is done and
37 now law. He went on to say at this point we don't know what the plan is and if any rules will be
38 promulgated.

39 Roberts shared that the only information that has come out regarding how the new legislation will work
40 is a diagram from the WH&LA. There is nothing about how the registration of the lodging marketplaces
41 will occur and how the room tax will be reported and paid to the municipalities. This has yet to be
42 communicated. Roberts hoped that the slow response to the new legislation perhaps meant that there
43 was the realization that the technology was not in place for lodging marketplaces to collect and
44 distribute room tax correctly.

45 Van Lieshout shared what we learned this summer through the process of working with the Airbnb Tax
46 Policy Team to get their programming error fixed. The issue was that their technology for locating
47 properties was done via zip code not by legal municipality. Van Lieshout used the example of 54235

1 which covers multiple municipalities (Town of Nasewaupée, Town of Jacksonport, Town of Sevastopol,
2 Town of Sturgeon Bay and the City of Sturgeon Bay.) He said we don't know what happens next.

3 Roberts shared that both her and Van de Castle shared the same concern in that the new legislation
4 conflicts the §66.0615 which reads that the responsible party is the property owner. However the new
5 legislation puts rentals through the lodging marketplace and the responsible party is the lodging
6 marketplace.

7 Van Lieshout said that is what we know and the current status. His fear is that property owners and
8 lodging providers are going to be put in an awkward position of double reporting and on the
9 reconciliation side it is going to be very complicated to figure out how to apply lodging sales to each
10 permit. We just don't know how this is going to work.

11 Roberts shared that the WH&LA has created a Lodging Use Tax Force and intends to use the online
12 room tax report with the WDOR to find potential improper following of the room tax law. They have
13 also created a legal defense fund to target protection of the legal use of room tax.

14 Van Lieshout said that it appears that the WH&LA is going to target communities that are still not using
15 room tax money correctly. He went on to say that he has no doubt about the way the Tourism Zone
16 operates.

17 Weddig felt that everyone was trying to catch up to the way we do things.

18 Van Lieshout asked if there were any thoughts or different approaches that should be taken.

19 Ward asked if there was any liability to the municipalities.

20 Van Lieshout said no, the individual municipalities established ordinances to impose the room tax under
21 the State Statute. The Intergovernmental Agreement gives the authority to the Tourism Zone to collect
22 and distribute room tax for the municipalities. The Commission has been diligent in collecting and
23 distributing room tax under State Statute. He stressed that the municipalities are well covered and as a
24 City Administrator he has no reservations. Not to mention that the Tourism Zone has assisted each
25 municipality in being in compliance with the new report for room tax with the Wisconsin Department of
26 Revenue that came through with the last budget (Act 55).

27 Van Lieshout said at the end of the day he felt confident that the Tourism Zone has acted appropriately
28 with a course of action via phone calls, letters and thoughtful emails. Assemblyman Kitchens has
29 returned phone calls and has a deeper understanding of what is going on. However, it is an important
30 issue outside of Door County, a bigger issue if you will, and Door County is caught in the middle.

31 Anderson said that the way the Zone is set up and it is a model that everyone is trying to get to. He
32 went on to say that he is no longer a board member of the WH&LA, but there are still bad apples out
33 there that are still not in compliance with the law.

34 Money Penny said with the 2015 budget they added new legislation that required annual room tax
35 reporting by the municipalities. The WDOR doesn't want anything to do with it. The task force knows
36 that there are bad apples and now they are going to pick up the reporting, levy fines and look for a case
37 to take to court to set precedent. He went on to say that the dominos have been set up to lead to this
38 point to take a community to court. This is a way that every community has to get on board. He
39 stressed it was his understanding that the communities don't give up their rights to report. Door
40 County is the anomaly; other communities are not worried about data because they have never had it.
41 We are the only ones concerned about it.

42 **Discussion regarding Commissioner Jackson's request to create a grant program to distribute excess** 43 **funds.**

44 Van Lieshout said that while Jackson's idea was an interesting one, the rules are clear that excess funds
45 are to be sent to the DCVB. It is our opinion that the Commission cannot do anything else.

46 **Consideration of permit holder survey results, feedback and recommendations**

47 **Roberts reviewed the 2017 survey results with the Commission:**

- 1 • The survey was sent on August 23 and closed on September 6, 2017.
- 2 • 959 permit holders received the survey. 254 completed the survey.
- 3 • 38% of respondents were ages 65 and older.
- 4 • 65.98% of respondents managed 1-2 unit properties.
- 5 • 80.21% of respondents manage their properties themselves.
- 6 • 85.98% of respondents who completed the survey were the owner of the property.
- 7 • 37% of respondents had been in the lodging business 0-5 years.
- 8 • The perception of the Tourism Zone was rated a 7 out of 10. Last year the average was a 6. The
- 9 second highest rating for 2017 was 10. Favorable responses were 78 and unfavorable responses
- 10 were 45. Unfavorable responses decreased year over year by 41.56%.
 - 11 ○ Among the unfavorable trends were credit card processing fees, tax rate, the lack of
 - 12 understanding of what room tax does (or the role or value of the Tourism Zone) and
 - 13 how room tax benefits smaller properties.
 - 14 ○ Among the favorable trends in responses were service is friendly, patient and helpful.
 - 15 Increase in occupancy since implemented, don't have the time to market independently
 - 16 so appreciate the work, simple and efficient, advertising is working bookings increasing
 - 17 year over year
- 18 • 93 respondents answered what their biggest obstacles to filing on-time were:
 - 19 ○ 38 respondents said they had no obstacles.
 - 20 ○ 11 respondents said it was their issue to remember to file.
 - 21 ○ 10 respondents said that the reminder emails were very helpful in remembering to file.
 - 22 ○ 9 respondents said they would prefer quarterly and or seasonal reporting.
 - 23 ○ 8 respondents said they were too busy which caused them to forget to file.
 - 24 ○ 4 respondents said they would like a reminder email.
 - 25 ○ 3 respondents said the Tourism Zone website was challenging.
 - 26 ○ 2 respondents said that their obstacle was the reporting.
 - 27 ○ 2 respondents said that they would prefer seasonal reporting.
 - 28 ○ 1 respondent said the reporting was illegal.
 - 29 ○ 1 respondent said they didn't like reporting.
- 30 • Door County Tourism Zone Job Descriptors- 172 respondents answered:
 - 31 ○ Provides data and information that is useful to lodging establishments allowing for
 - 32 transparency – rating 5 – 35.50% were not familiar enough to have an opinion.
 - 33 ○ Employee demonstrates professionalism in interactions and provides excellent
 - 34 customer support – rating 5- 35.50% said performing exceptionally well.
 - 35 ○ Ensures tax compliance of all lodging units – rating 5- 30.18% said performing
 - 36 exceptionally well.
 - 37 ○ Is open to lodging providers ideas and involvement in order to work in their best interest
 - 38 rating 6- 47.95% were not familiar enough to have an opinion.
 - 39 ○ Has easy to use online reporting – rating 5 – 30.41% said performing exceptionally well
 - 40 with 28.65% saying they were not familiar enough to have an opinion.
 - 41 ○ Has a reasonable reporting cycle – rating 4 – 30.23% said performing exceptionally well
 - 42 and 16.86% felt performing adequately.
 - 43 ○ Contracting with and oversight of the DCVB for tourism promotion – rating 6- 45.03%
 - 44 were not familiar enough to have an opinion.

- 1 ○ Supporting the local municipality by giving them 30% of the room tax collected within
- 2 their municipality – rating 5- 27.65% said performing exceptionally well.
- 3 ○ Provides value to lodging establishments – rating 5 -29.49% were not familiar enough to
- 4 have an opinion.
- 5 ○ Maintains a website that is user friendly – rating 5 – 28.07% were not familiar enough to
- 6 have an opinion.
- 7 ● When asked how respondents reported their room tax last month 65.82% said that they had
- 8 reported online.
- 9 ● When asked on a scale of 1 (very difficult) to 10 (very easy) how respondent felt about the ease
- 10 in which room tax is reported. Average rating was an 8 and the most common rating was a 10.
- 11 In 2016 the average rating was a 7.
- 12 ● When asked if respondents would be able to comply with online filing only 79.75% said yes, but
- 13 overwhelmingly 158 respondents felt they would still like the choice to file online or by mail.
- 14 Many cited security concerns, lack of internet and or computers or it was just their preference to
- 15 file by mail.
- 16 ○ Some of the comments included: Get a cell phone app, I appreciate the reminders, we
- 17 don't have Wi-Fi, do quarterly filing, and it's easy.
- 18 ● When asked if respondents paid dues to the Door County Visitor Bureau 42.67% of respondents
- 19 said yes. In 2016 37% said yes.
- 20 ● When asked if respondents knew the difference between the Door County Tourism Zone
- 21 Commission and the Door County Visitor Bureau 58.82% said yes which is an improvement over
- 22 39% in 2016.
- 23 ● When asked how well the Tourism Zone is providing oversight to the Door County Visitor Bureau
- 24 respondents gave an average rating of 6 which was an improvement over last 2016's rating of 5.
- 25 ● When asked what projects the Tourism Zone should consider in the next five years, respondents
- 26 ranked educational outreach first, the creation of an easier online filing system second, and
- 27 finally a new website last.
- 28 ● When asked if respondents would have questions of staff or board members 58.78% said no.
- 29 ○ Roberts said that she had included all of the questions in the PowerPoint presentation
- 30 so that board members could review the wide range of questions, lack of understanding
- 31 of how room tax works, and how and where the money is distributed.
- 32 ● When asked if respondents have received the follow up emails from 2016's survey and if they
- 33 had found them beneficial 43.62% said yes.
- 34 ● When asked if the informational newsletters were beneficial 42.28% of the respondents said yes.

35 Roberts completed the review of the survey by making the following recommendations: Continue with
 36 communication from the Tourism Zone office via emails, legislative updates, reminder emails and
 37 newsletters. She went on to say that there should be information about room tax and how it works on
 38 the DCVB website. She asked that it be considered that a notation be included that room tax revenues
 39 support advertising, "paid for by Door County Room tax". She felt that if people saw the connection it
 40 may help to further the understanding of the benefits of room tax in Door County. Roberts requested
 41 that the Commission continue to allow paper reporting as internet access in Door County is still
 42 inconsistent.

43 **Consider motion to convene into Closed Session pursuant to Wisconsin State Statutes,**
 44 **Section 19.85(1)(g) to confer with legal counsel for the governmental body who is rendering**
 45 **oral or written advice concerning strategy to be adopted by the body with respect to**

1 litigation in which it is or likely to become involved; to wit: enforcement actions against
2 lodging providers who have failed to obtain lodging permits and to timely remit monthly
3 room tax reports and tax payments. Anderson moved to convene into Closed Session as per
4 statutes named; Tice seconded. Motion carried.

5 Tice moved and Dannhausen seconded to reconvene into Open Session. Motion carried.

6 Larson moved and Mulliken seconded to adjourn. Motion carried.

7

8 Respectfully submitted,



9

10 Kim Roberts
11 Administrator

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44

45

46

47

48

1 DOOR COUNTY TOURISM ZONE
2 FULL COMMISSION
3 CLOSED SESSION
4 Minutes of October 19th, 2017
5 Town of Jacksonport

6 The closed session of the Tourism Zone Full Commission was convened by Chairperson Van
7 Lieshout at the Town of Jacksonport.

8 **Committee Members Present by Roll Call:** Mary Boston, Fred Anderson, Ryan Heise, Jeff Larson, Myles
9 Dannhausen, Keith Krist, Nancy Robillard, Bill Weddig, Dick Skare, Elizabeth LeClair, Cathy Ward, Hugh
10 Mulliken, Richard Young, Chuck Tice, Linda Wait, Josh Van Lieshout, and Linda Elmore.

11 **Also in Attendance:** Kim Roberts/**Administrator and** Dianne Lensert/Kerber Rose.

12 **Excused:** Bryan Nelson

13 **Absent:** Andy Stimers, Mike Johnson, Zeke Jackson, Nate Bell, Bob Starr and Deb Jeanquart.

14 **Consider motion to convene into Closed Session pursuant to Wisconsin State Statutes,**
15 **Section 19.85(1)(a)(f) or (g) to confer with legal counsel for the governmental body who is**
16 **rendering oral or written advice concerning strategy to be adopted by the body with respect**
17 **to litigation in which it is or likely to become involved; to wit: enforcement actions against**
18 **lodging providers who have failed to obtain lodging permits and to timely remit monthly**
19 **room tax reports and tax payments. Anderson moved to convene into Closed Session as per**
20 **statutes named; Tice seconded. Motion carried.**

21 **Tice moved and Dannhausen seconded to reconvene into Open Session.** Motion carried.

22 **CLOSED SESSION**

23 Discussion took place in regard to non-compliant properties.

24 **Consider a motion to reconvene into Open Session.**

25 **Tice moved and Dannhausen seconded to reconvene into Open Session.** Motion carried.

26 The meeting reconvened in open session.

27 Respectfully submitted,



28

29 Kim Roberts

30 Administrator

31

32