



**DOOR COUNTY TOURISM ZONE COMMISSION
FULL COMMISSION MEETING**

Minutes of Thursday, December 17th, 2020 – 9 AM
Zoom Meeting conducted from Council Chambers
City of Sturgeon Bay – 421 Michigan Street

8 **ACTION ITEMS:**

9 **Seiler moved and Eliot seconded to approve the agenda.** Motion carried.

10 **Nelson moved and Ward seconded to approve the Minutes of November 19th, 2020.** Motion carried.

11 **Nelson moved and Dannhausen seconded to approve reports and payables plus receipts to date.** Mo-
12 **tion carried.**

13 **Eliot moved and Ward seconded motion to approve the Ad Hoc Room Tax Rate/Innkeepers Committee**
14 **current members, additions and finding two (2) new members from Sturgeon Bay and Washington Is-**
15 **land members.** Motion carried

16 **Eliot moved and Seiler seconded motion to name the following members to the Ad Hoc Funding Com-**
17 **mittee: Van Lieshout, Eliot, Seiler, Anderson, Kadanko and Swain.** Motion carried.

18 **Dannhausen moved and Ward seconded to continue engagement with KerberRose.** Motion carried

19 **Ward moved and Dannhausen seconded a motion to approve the 2021 Door County Tourism Zone**
20 **Commission budget as presented.** Motion carried.

21 **By roll call vote consider a motion to move into closed session pursuant to Wisconsin State Statutes, Sec-**
22 **tion 19.85(1)(c) to consider employment, promotion, compensation, or performance evaluation data of**
23 **any public employee over which the governmental body has jurisdiction or exercises responsibility.**

24 **By roll call vote consider a motion to move into Closed Session pursuant to Wisconsin State Statutes,**
25 **Section 19.85(1) (g) to confer with legal counsel for the governmental body who is rendering oral or writ-**
26 **ten advice concerning strategy to be adopted by the body with respect to litigation in which it is or like-**
27 **ly to become involved; to wit: enforcement actions against lodging providers who have failed to obtain**
28 **lodging permits and to timely remit monthly room tax report and tax payments.**

29 **Ward moved and Eliot seconded to reconvene into Open Session.** Roll Call for consent. Motion carried.

30 **Eliot moved to adjourn; Ward seconded.** Motion carried.
31

32 **Committee Members Present by Roll Call:** Fred Anderson, Dave Eliot, Bryan Nelson, Jeff Larson, Myles
33 Dannhausen, Nancy Robillard, Bill Weddig, Elizabeth Le Clair, Cathy Ward, Richard Young, Jeanne Vo-
34 gel, Linda Wait, Beau Bernhoff, Pam Seiler, Josh Van Lieshout and Linda Elmore.

35 **Excused:** Vivian Nienow

36 **Absent:** Mary Boston, Mike Johnson, Ryan Heise, Keith Krist, and Sara Rae Lancaster.

37 **Also in Attendance:** Mary Horton/ **KerberRose, S.C.**, Kim Roberts/**Administrator, DCTZC**, Jenn Taylor/ **Ad-**
38 **ministrative Assistant, DCTZC**, Jack Money Penny/**DDC**, Jon Jarosh/**DDC**, Michelle Rasmussen/**DDC**, Phil
39 Berndt/ **DDC**, Jill Brzeski/**President-Boelter Lincoln**, Julie Wagner/**Boelter Lincoln**, Sally Spannagle/**Boelter**
40 **Lincoln**, Meredith Coulson, Will Craig, Amy Lorona, Brynn Swanson, Karlie Schultz, Kattie Roth, Alisa
41 Landman, James Larson, Chris Schmeltz, Mickie Rasch, Lane Menther, Katie Roth, Brad Laney, Miluzka
42 McCarthy, Andrew Phillips, Solomon Lindenberg, Lisa Tetzloff/**NWTC**, Carley Sarkis, Alyssa Rasmussen and
43 Louise Howson.

44 **Call to Order**

45 Chair Van Lieshout called the meeting to order at 9:00 AM from the public location of the City Council
46 Chambers at the City of Sturgeon Bay.

47 **Approval of the Agenda**

48 **Seiler moved and Eliot seconded to approve the agenda.** Motion carried.

49 **Approval of the Minutes of the November 19th, 2020 Executive Committee Meeting.**

50 **Nelson moved and Ward seconded to approve the Minutes of November 19th, 2020.** Motion carried.

51 **Presentation from Destination Door County (DDC) of the 2021 Strategic Plan.**

52 Money Penny reported that this is year two (2) of the three (3) year marketing plan and that a four(4)
53 page marketing piece for year two (2) is forthcoming. He recapped what has been accomplished in
54 the past year: Move more into destination management, rebrand for Destination Door County, crisis re-
55 sponse to Covid-19 and begin the leave no trace initiative.

56 Jill Brzeski of Boelter Lincoln, reported on travel trends and stated consumers remain optimistic about
57 traveling in 2021; eighty percent (80%) already have at least one (1) trip scheduled. Members of the
58 marketing team described the five (5) initiatives for 2021: Imperative 1, optimize county wide economic
59 impact, Imperative 2, Support and empower Door County's tourism industry, Imperative 3 Strengthen
60 destination image, Imperative 4, enhance the visitor experience, and Imperative 5, provide sufficient re-
61 turns given available resources.

62 Julie Wagner, Digital Media Buyer for Boelter Lincoln, added that travel is still down when compared to
63 pre-pandemic levels, but things are on an upswing. She added that there are re-emerging audiences
64 which will need to be focused on with marketing dollars as they will be likely to travel. She went on to
65 say that nature and outdoor activities will continue to be popular trends.

66 Sally Spannagle, Media Buyer for Boelter Lincoln, discussed tactics. She discussed the trend that people
67 are spending more time in front of digital media. She added that they will continue to align media with
68 goals and strategies. New for 2021, she said, is NPR podcasts, as they align well with Door County. Digi-
69 tal outdoor and charging stations will also continue into 2021.

70 Wagner discussed the use of Arrivalist which is a location analytics company that measures visitation to
71 a destination via GPS location data. It measures arrivals, travel, time spent, length of stay and the time
72 of year. She added that we will be able to see "day trip" data that we have never been able to cap-
73 ture previously.

74 Money Penny wrapped up saying that what has been presented here today is the brief version of the
75 Strategic Plan, there is a one (1) hour recorded version created for the Destination Door County "DDC"
76 board. He added that he would forward the presentation to Roberts and she can send it out. This plan
77 is done in two (2) different ways. First, there is the word plan, which is the Strategic Plan and number
78 plan which is our budget. They both come together to create what we do during the year. He noted
79 that the budget narrative was sent on its own after the meeting packet went out. He said what this nar-
80 rative does is addresses questions that he feels may come up month to month or year over year. He
81 invited questions regarding DDC budget that the narrative did not answer.

82 Van Lieshout asked if there were specific questions for Money Penny regarding the Destination Door
83 County budget.

84 Money Penny noted that they were recipients of a four hundred ninety-thousand-dollar (\$490,000) grant
85 received in 2020 from the Department of Tourism. He went on to say it was a loss of revenue grant for
86 funds lost during the year due to decreased room tax, lack of media buys in the Visitor Guide and de-
87 creased membership funds. With those grant funds in addition to savings, these revenues will cover the
88 deficits in the 2021 budget.

89 Anderson said he had a couple of questions for Money Penny. He inquired about the new Welcome
90 Center status.

91 Money Penny replied that it is on hold. He added that there is a line item for the new Welcome Center
92 on the budget. There is no movement on it.

93 Anderson said with that being said, in looking at the membership budget, I don't see any line item for
94 the new Welcome Center. He asked if that was an accurate account.

95 Money Penny responded that was an accurate account.

96 Anderson added that the other increase he does not see is an increase in property tax or interest ex-
97 penses for the funding of the new Welcome Center. Anderson asked if Money Penny could help him out
98 there.

99 Money Penny replied that he could. The property tax is rolled together to the existing property tax line
100 item. Because once we bought that property, we had it surveyed and put it into one (1) lot; we got one
101 (1) property tax bill now instead of two (2). We have looked at our budgets and understood that we
102 can carry up to a certain amount each year in payments which include the interest payments on the
103 loan, but once we decide to move forward, we will have to go back to the bank and decide how to
104 move forward and understand. We have not yet taken a loan out, therefore there are no interest
105 payments.

106 Anderson said he understood but asked Money Penny to please understand that on a two million dollar
107 building you are looking at putting down a one hundred sixty thousand a year in interest with the mon-
108 ey where it is today. That is a concern where those dollars are going to come from; I certainly hope that
109 they are not going to come out of the marketing budget. In relation to that, when I asked the real es-
110 tate tax question obviously if you put up a two million dollar building the real estate taxes are going to
111 go up at least five thousand (\$5,000) dollars and I would hope that this expense would not hit the mar-
112 keting budget as well. That concluded my questions, he said.

113 Money Penny replied all along this building has been considered to be a huge marketing tool for our
114 community hence visitors stop here. The expense for the current building already fall under the market-
115 ing budget. The plan was for the new building to fall under the marketing budget for a marketing tool
116 to the communities.

117 Anderson replied ok.

118 Money Penny went on to say as far as looking at the year to year need at the different costs that are
119 going to be associated with the new building as I said everything is on hold, he said. We have not
120 moved forward at all until we get a better grasp on what is going to happen. Are we going to need it,
121 he asked. Right now, I need to make sure that need outweighs the want of a new center, and that the
122 customers will be there to utilize it.

123 Anderson replied thank you.

124 Van Lieshout asked if there were other questions for Money Penny.

125 Wait said I am sure when you budgeted the membership dollars that was a worst-case scenario. She
126 went on to say that it looks it would lose one hundred (100) members from last year. She asked if that
127 was based on financial hardships and is just going to be a one-year event and it looks like you are going
128 to cover the loss with the grant. Considering that the grant is not perpetual, how can we get those
129 memberships back, she asked.

130 Money Penny replied that they were going to be reaching out those members who specifically replied
131 that this was only going to be for this year. He went on to say that members were given the option early
132 on in April to not renew until August not knowing what was going to happen with the pandemic. When
133 we presented this to the Finance Committee, the Finance committee felt most comfortable, not know-
134 ing if they will come back, to utilize the numbers from where we were with memberships in November
135 2019. That is five hundred forty (540) now versus seven hundred (700) members that we have had in the
136 past. Many of those, he said, the silver memberships that gave up their memberships. He added, all we
137 can do is keep an eye on it and the membership team knows that they have to get out there and
138 make sure we try and beef up these numbers. Next fall we will have to see where we are at. You are
139 right we are pretty fortunate to have the grant for both sides: Marketing and Visitor Guide. The Visitor
140 Guide came in thirty-five (\$35,000) thousand dollars under to cover this year's deficit. We are just going

141 to wait and see; we have the money this year and we will start at looking at it in earnest in the summer
142 going into fall and make decisions at that time.

143 Berndt added that the largest amount of membership dues are due in August. Those that were con-
144 tacted in September and October were most concerned about the uncertainty of where things were
145 going and that they stayed whole during the winter. We really have only had four (4) or five (5) mem-
146 bers that have said I don't like what you are doing. Most of them were upset that we promoted wear-
147 ing of masks. We are ok with that; we are looking at the greater good of the community. We are not
148 seeing a push back other than the uncertainty and already we are starting to see it come back with a
149 slight raise in membership numbers. The last thing I want to interject, he said, I have remained very in-
150 volved with the national organizations and my colleagues across the nation, I am not aware of anyone
151 else besides us that are not budgeting 50% loss in membership, we are close to 10% loss he stressed. I
152 am proud of that he said, we work hard to support our members.

153 Nelson said he was curious about Arrivalist. He asked do we get anything more than position and num-
154 bers from their data. He added do we get any demographics.

155 Wagner replied great question. Yes, she said, demographic information is just getting rolled out and we
156 just saw a beta release and it will include things like income and gender.

157 Nelson added that is both scary and amazing.

158 Anderson said he had one (1) more question. He said how about we take the two hundred thousand
159 (\$200,000) that is in the budget for the new Welcome Center and use it to cover Destination Door Coun-
160 ty membership fees for a year and give our business community a welcome break.

161 Moneypenny replied that we are looking at all the options. He went on to say that Inge Bacon, Desti-
162 nation Door County's "DDC" CPA, is researching DDC's 501(c)6 organization status regarding member-
163 ship fee requirements from the financial IRS standpoint. All the indications show that you have to be a
164 membership organization to hold that (c)6 status in which members paid dues. He went on to say that
165 he proposed that if they all paid ten (10) dollars and everything else was à la carte. Bacon felt that she
166 really needed to research this from a financial IRS standpoint. She is going to work on this and get back
167 to me next week with exactly what the parameters are for a (c)6. He added that over the years they
168 have toyed with doing away with the membership model and moving towards a pay-to-play organiza-
169 tion. We have always drawn back from that because of the (c)6 status. He thanked Anderson for the
170 idea, but I need to understand better what the (c)6 allows us to do as an organization before we
171 change the membership policy, we need to understand what the (c)6 status allows us to do as an or-
172 ganization, so we don't have to pay taxes.

173 Berndt encouraged everyone to investigate other destinations that do what is called an inclusive
174 membership. They don't necessarily charge a membership fee, the struggle with these organizations is
175 engagement. They basically become a white page's directory, he said. There is no relationship without
176 the commitment of membership. He stressed to look at the pluses and minuses.

177 **Report from Administrator**

178 Roberts reviewed the number of properties that remain to report for 2020: January-April 2020 there is
179 one (1) property that remains to report. She added that for May 2020 there are two (2) properties to re-
180 port, June 2020 and July 2020 each have three (3) to report, August has seven (7) to report, September
181 has eighteen (18) to report, and October 2020 is down to sixty-seven (67) properties to report.

182 Roberts reports that there were seven (7) new permits issued since the last meeting and there are cur-
183 rently one thousand two hundred sixty-six (1,266) permits. She added that none of those seven (7) per-
184 mits were issued due to compliance.

185 Roberts reviewed the VRBO and Airbnb audit breakdowns and un-permitted properties on each plat-
186 form.

187 The total outstanding due in unpaid taxes, fees and penalties is nine thousand three hundred seven dol-
188 lars and sixty-six cents (\$9,307.66) from fourteen (14) permit holders, and quite a large portion of that is
189 with the attorney, Roberts said.

190 Roberts noted that the 2021 meeting schedule was in her report and noted that meetings would con-
191 tinue via Zoom until such time it is safe to meet in person.

192 She noted that there were draft memos for approval to go to the member municipalities and permit
193 holders at the back of her report.

194 Roberts proposed that undocumented claimed exemptions have a threshold of five hundred (\$500) for
195 a single month or five hundred (\$500) total for a quarter before requesting documentation.

196 Van Lieshout noted that the reason is that the tax generated is small and does not justify the time to do
197 the work and proposed those amounts be added to Policy and Procedures.

198 All agreed that the exemption thresholds should be added the Payment Policy and Procedure.

199 Roberts said that the Bi-Annual Reports were in the meeting packet along with notes in her report: Per-
200 mitted Report, Removed Report and the By-Unit report.

201 **Discussion on the current comparable occupancy numbers.**

202 Horton reviewed October reporting. She said, collections through December 7th, 2020 came to six hun-
203 dred fourteen thousand five hundred eighty-one dollars (\$614,581); of this, four hundred eighty thou-
204 sand five hundred eighty dollars (\$480,580) were paid to Tourism Zone directly by permit holders and
205 one hundred thirty-four thousand (\$134,000) reported by permit holders for marketplace collections.

206 Lates collected during the month of November were seventy-two thousand eight hundred twenty-five
207 (\$72,825); of this thirty-four thousand four hundred thirty-seven (\$34,437) was paid directly by permit
208 holders, and thirty-eight thousand three hundred eighty-eight (\$38,388) of the lates were marketplace
209 collections as reported by permit holders. Two hundred six thousand eight hundred forty-seven dollars
210 (\$206,847) will be paid to municipalities for these collections and four hundred fifty-three thousand six
211 hundred eight-eight dollars (\$453,688) will be paid to Destination Door County. Late collections for this
212 month included over ten thousand dollars (\$10,000) for the month of August and twenty-two thousand
213 (\$22,000) additional dollars for the month of September. We also collected one hundred sixty dollars
214 (\$160) for 2019 and two hundred dollars (\$200) for 2018.

215 At this point, October collections through December 7th were down -6.9%. but we expect to receive
216 more October reporting for the report month. September collections through November 30th are now
217 showing a 7.5% increase. For 2020 year-to-date collections are down -8.9% when compared to 2019.

218 **Consideration of approving reports and payables and receipts to date.**

219 **Nelson moved and Dannhausen seconded to approve reports and payables.** Motion carried.

220 **Discussion and consideration of proposal brought forth by Town of Baileys Harbor to increase the room**
221 **tax rate, update the room tax ordinances and change the funding mechanism of the DCTZC.**

222 Van Lieshout noted that Eliot is on our Commission and is the Town Board Chair of the Town of Baileys
223 Harbor and is the principal driver here. He asked Elliot to give a brief two (2) minute synopsis of this issue.

224 Eliot reported that the Town of Baileys Harbor has approved a letter of intent to raise room tax to 8%,
225 with a 70/30 split, 70% going to Destination Door County and 30% going back to the municipalities. He
226 added that in order to cover the cost of operations for the Tourism Zone, we put in a line that the Tour-
227 ism Zone would establish an Annual Permit Fee that would be passed on to each lodging provider.

228 Eliot went on to say, with that, the Town of Baileys Harbor is accompanying that letter of intent with a let-
229 ter to the Tourism Zone requesting that the Tourism Zone and Destination Door County "DDC" work out a
230 way that our municipal marketing arms can be funded through DDC. We are also asking that DDC fig-
231 ure out a way to allow for free membership for lodging entities as well as free membership in their local
232 community associations. He added that is where we are at with the Town of Baileys Harbor.

233 Eliot continued by saying, the Village of Egg Harbor also agreed to sign a letter of intent and to send a
234 similar letter on to the Tourism Zone about Destination Door County and their marketing dollars. The
235 Town of Liberty Grove met last night to consider this and voted to move forward with a letter of intent.
236 The Town of Washington Island was considering it, I spoke with them last night as well. There was talk of
237 pulling out of the Tourism Zone entirely and debates regarding the benefits of Destination Door County
238 and the Tourism Zone. The benefits of it all was debated. It came down to the municipalities were look-
239 ing for additional funds because they have a lot of visitors that come and use the island but in order to
240 upkeep all the free things, they offer it is a growing expense and they look to cover the costs.

241 Eliot went on to say, Liberty Grove is in a similar boat in terms of trying to cover the cost of visitors visiting
242 and taking care of their local marketing agencies. I also presented to the Town of Jacksonport as an in-
243 formational meeting on Tuesday and they will be considering it in January. It goes in front of the board
244 of the Town of Egg Harbor next week. I presented to Sister Bay Advancement and Destination Sturgeon
245 Bay Board. I met with the Destination Door County "DDC" board a couple months ago and am meet-
246 ing with DDC next week.

247 The Town of Gibraltar, Eliot said, has put it on its January meeting agenda as well as the Village of Sister
248 Bay. I presented to the Village of Ephraim as informational and will be on their agenda in January as
249 well. The Mayor is putting it on to the Finance Committee agenda to discuss for potential consideration
250 at the January City Council meeting. At this point I have contacted roughly eleven (11) municipalities.
251 The Town of Sevastopol would be willing to consider it, but they have a lot of other things to sort through
252 regarding their short-term rental ordinance.

253 Van Lieshout thanked Eliot for the nice synopsis of where things are at with the local municipalities and
254 opened the floor for further comments and questions.

255 Elmore reported that after Eliot's presentation last night for Washington Island it was brought to the floor
256 and the vote was postponed pending more details. There was not enough definite information and
257 work needs to be done to present details before a decision could be made.

258 Larson said that he hears a lot of cost shifting just moving it around. You are talking about a fee to lodg-
259 ing that will cover free memberships and cover the costs of running the Commission. How big a fee is
260 that he asked I do not see detail here because there are a lot of numbers missing.

261 Eliot replied the fee will be established annually based on the needs of the Tourism Zone. So, depending
262 on the size of the budget, that fee would be passed on to the individual lodging providers. We have
263 later on in the agenda an Ad Hoc Finance Committee was formed to determine operational needs. If
264 you review the budget, the Tourism Zone is in need of more funds to cover the cost of bringing in an As-
265 sistant and cover our growing costs. He calculates the annual permit fee will be approximately two
266 hundred (\$200) to two hundred and fifty (\$250), based on the operational budget and the current
267 number of permit holders.

268 Ward said she wanted to make a few comments about what she is thinking and what came out of the
269 Liberty Grove meeting last night. I came at this differently than some of my fellow board members she
270 said. My question is and some of this is answered in the Vander Castle letter regarding the fee, she
271 said. I would like to feel him out on the current method of funding administrative cost for the commis-
272 sion. Are we really that out of line taking the 4%, she asked. Is that a huge legal departure issue from the
273 30/70 split, she asked. I have a hard time thinking that is egregiously against the law that nothing has
274 been said about that over the years. I am really reluctant to charge a fee to lodging owners. I was
275 very sensitive to Le Clair's remarks last month about the somewhat lack of lodging owner representation
276 on the Commission. My vote was extremely reluctant last night. I would like to see a more flushed out
277 plan. And I am very concerned that our tourism entity, Door County North and the person who adminis-
278 trates the organization not just now but, in the future, being more accountable to Destination Door
279 County at large than to our membership and our municipality. I am not comfortable at all with my view
280 now on how that will work right now. I was very reluctant, I felt like I was taking a vote on an item that
281 impacts over four hundred (400) lodging providers in Liberty Grove and I have not had a lot of input

282 from them even though I have approached them. I have not had much response, yet this impacts
283 them so much as well as Door County North.

284 Weddig added that he has made his views on this made known in the past. He stressed that he does
285 not understand why the lodging owners should now be responsible for paying fees to administer this
286 municipalities taxes. Everyone in the county benefits from the room rate tax and the promotion of the
287 county. If we want to collect these costs through some sort of permit fee, then I believe all businesses
288 and municipalities should pay a fee. The burden of collecting these fees should and could be done by
289 municipalities. He asked why the tax commission should be responsible for collecting a fee to join these
290 organizations. He added that he does not understand it or why we should be burdened with it. The
291 lodging providers already pay credit card fees on the taxes which is a sizeable amount of money. This is
292 not a burden the lodging providers should have to pay. He went on to say that it will be time consum-
293 ing to issue permits and collect fees. This is not what we should be doing here. He asked, why should this
294 be borne by the lodging people. This is a municipal tax. It should be just as it is. All other municipalities in
295 the state their clerks and office collect the tax and the cost is absorbed as a daily activity and that is
296 how it is. For us to now put this responsibility on the lodging people, I feel, is totally out of line and I can-
297 not accept it in any way.

298 Van Lieshout asked for other similar comments and questions.

299 Larson added in terms of rolling in the administrative local marketing people into Destination Door
300 County that he felt that it seems like you have sixteen (16) issues here and you are throwing them all in a
301 bundle. He went on to say that in order to properly promote the local communities you need local
302 marketing representation. I do not see that, he said

303 Eliot interjected that Larson was completely misrepresenting and that was not what he was suggesting.

304 Van Lieshout asked Eliot to hold on that Dannhausen had been raising his hand.

305 Dannhausen commented that with the number of properties that have gone off of their hotel environ-
306 ments and are renting themselves independently, the cost to administer the room tax collections within
307 the Town of Egg Harbor would bust our budget because we have a very small operation. My under-
308 standing is, in the case of the Landmark their fee would be the same as the fee as those who have opt-
309 ed out of the Landmark management of their property. He added that levels the playing field because
310 the cost of collection from these individual properties is what is driving the cost of operating the com-
311 mission.

312 Eliot replied and said two (2) things, Ward and Larson both said that the proposal states that Destination
313 Door County take over the local individual marketing arms within your communities. He stressed that is
314 not what he is suggesting. I am asking Destination Door County "DDC" to cover the costs that the mu-
315 nicipalities contribute to those organization. For example, in the Village of Egg Harbor, the Village con-
316 tributes thirty-five thousand (\$35,000) dollars to the Egg Harbor Business Association. I am saying that
317 DDC because they receive an additional \$1.8 million dollars could compensate to take over that re-
318 sponsibility. I am not saying that changes who oversees them, I am not saying it changes anything.

319 Eliot said at this point when you go to the Village of Egg Harbor for funding you have to lay out why you
320 should get the funding, but most of the time it is a carte blanche. For the Village of Ephraim, for exam-
321 ple, the relationship between the Village and the Ephraim Business Council "EBC" is that 50% of the
322 room tax revenue goes back to the EBC. I am just saying that the number in 2019 for Ephraim was nine-
323 ty-three thousand dollars (\$93,000) and that Destination Door County "DDC" cuts a check in that
324 amount to the EBC. The EBC is still subservient to its members and municipality, it is not giving any over-
325 sight to DDC. He stressed to Ward that he was trying to say this as many different ways as he could. He
326 added that it takes the burden off the municipality, it would be a part of the agreement that is estab-
327 lished when the room tax is increased. He has asked DDC for input early in the process and has re-
328 ceived very little feedback from them so I have marched forward with what I think can work. The \$1.8
329 million additional into their revenue is a considerable amount especially when Money Penny has stated
330 that they are in no need or pursuing additional revenues, publicly both to their membership as well as in

331 my newspaper. That is the quote. To me therefore the money is available. It is a definite marketing
332 expense and a burden that our municipalities have been taking on. All I am trying to do is take that bur-
333 den off our municipalities. I am saying there are no strings attached to the money because it is definite-
334 ly a marketing expense, ok. So, I do not know if that calms any of the fears about the management of
335 the individual communities, but to me that is a clear-cut line, he stressed. In term of the fees, look, he
336 said, the other option here is, if within your municipality you do not believe that your lodging should pay
337 that fee, ask your individual municipality to cover the fee for you. Say the municipality covers the fees,
338 to your point, if you do not want to pay the fees, lobby your municipality. Say to the municipality you
339 are getting more room tax revenue; can you pay everyone's fees for the municipality. In the history of
340 the Tourism Zone, it has come up before, Van Lieshout proposed a fee, but it got pushed back because
341 it was opposed by the lodging providers. The challenge is we are spending more money than we are
342 bringing in and we have a reserve, so we are lucky. But at some point, it goes away, we need to build a
343 sustainable model that allows us to ebb and flow with the increase in costs that when we go from five
344 hundred (500) permit holders to one thousand two hundred seventy (1270) that cost must be born out
345 of the somewhere. The increase that we are getting out of the 4% is not keeping up with the cost of our
346 operations.

347 Van Lieshout said he did not want to belabor this. He felt that Eliot has heard some of the concerns. He
348 notes that we have formed two (2) Ad Hoc Committees to address these issues. He requested that Bai-
349 leys Harbor digest these points and submit a one-page cover to address both the concerns as well as a
350 practical response and have a solution to address this.

351 Eliot adds that the impetus is to not just raise taxes and grab more money from people. The impetus is in
352 the Town of Baileys Harbor, for example, the town's share is not enough to keep up with the local mar-
353 keting and increased upkeep. He added that any municipality that says they do not need money is ly-
354 ing to you in order to protect their integrity; we are all at that point. He noted that when he went to
355 talk to the Village of Ephraim board members stated that we manage our money better here in Ephra-
356 im than you do in Baileys Harbor and state we do not need more money. Eliot said he responded by
357 addressing the three (3) line items on their agenda that all are all calling for RFP's that were not in your
358 previous original budget. All these challenges are coming at you and by the way are you going to vote
359 against Premier Resort Area Tax "PRAT". If you do not need more money you are going to vote to pass
360 PRAT, correct. The response was no, we need money. Ok, so we all must admit it, we all need money.
361 Costs keep going up, locals want broadband services, locals keep leaning on communities for help with
362 affordable housing, sidewalks, and outdated playground equipment. These requests keep pouring in
363 everyday and that is a price that goes up and up.

364 Eliot review back in 2005 and 2006 there were a few of us that went around to each municipality and
365 said our tourism industry is dying we have hit a wall. We need your help and asked that room tax be put
366 in so that there is enough money to engage and give a shot in the arm to the tourism industry. The mu-
367 nicipalities stepped up and said yes. Destination Door County went from having a membership budget
368 to market the area of two hundred and fifty thousand dollars (\$250,000) to the budget we see today.
369 On top of that, we campaigned hard when we sought to establish room tax that each municipality
370 would contribute a portion of their room tax revenues, their 30%, back to their individual local marketing
371 organizations. What has happened as tourism has increased is the municipal share is not enough to
372 keep up with it. I understand the objections to the fees, but I am coming back to Destination Door
373 County "DDC" and asking them to step up and give lodging and innkeepers free membership to DDC
374 in exchange for the payment of the permit fee. To me, there is a cost savings there, it is a win. And DDC
375 is getting \$1.8 million more in revenue, can you also reimburse the community organizations so that the
376 members can obtain free membership in their local marketing organizations. It all works, I have done
377 the math it functions, it works. I have it all it written down, if I could engage DDC in a conversation that
378 would be great. There is meeting next Tuesday it has taken a long time to get there and I continue to
379 meet with municipalities. I don't mean to sound frustrated, but you have to understand this is my sixth
380 (6th) meeting on room tax in four (4) days and I am getting the same questions. I would encourage you
381 all, he said, to attend the meetings. I will say, he said, that DDC is under a lot of fire in these meetings
382 and I would like to better represent them if I knew what their intentions are. That is where I am at.

383 Van Lieshout noted that if anyone has further questions for the Chairman of the Town of Baileys Harbor,
384 they can take a look at the Town website and obtain his phone number to give him a call.

385 **Report from the Ad Hoc Room Tax Rate/Innkeepers Committee.**

386 Van Lieshout reviewed that the Ad Hoc Committee was formed with the purpose to examine the im-
387 pact of making a room tax rate change from 5.5% to 8.0%. He requested that Nelson give the board
388 an update.

389 Nelson noted that at last month's meeting the Executive Committee formed this Ad Hoc committee.
390 Besides myself, he said, we have Meredith Coulson of the White Gull Inn, Rachel Willhems of Bay Breeze
391 Resort, and Fred Anderson.

392 Nelson added that our mission is also to give voice to the lodging community to weigh in on the wisdom
393 of raising the room tax and, if so, by how much.

394 Nelson went on today that the four (4) of us met on December 2, 2020. In preparation of our December
395 2nd meeting, I was able to be in touch with Dr. Kashian, the Director of UW-Whitewater's Fiscal and Eco-
396 nomic Research Center, who helps non-profit and governmental agencies do economic analysis.

397 We asked Dr. Kashian and his team to conduct a survey and provide some data as to price elasticity in
398 our demand regarding a room tax increase. That is a fancy way of saying if we raise room tax do we
399 lose guests and/or price them out of Door County. Dr. Kashian said that he would be happy to provide
400 that, but they do not believe they need to do any new research as the research is already out there.
401 What they can do for us is to mine existing research and provide us with some data and a report. This
402 body gave this new Ad Hoc committee a budget of up to five thousand (\$5,000) dollars. The proposal
403 from Dr. Kasian arrived Thursday with a price tag of two thousand (\$2,000) dollars. The Ad-Hoc Commit-
404 tee will discuss the proposal at the next meeting which will take place between Christmas and New
405 Year's.

406 Nelson reported that the Ad Hoc Committee is trying to round out the number and representation of
407 the committee to no more than nine (9) members. The committee will exist for maybe only 45-60 days
408 and might meet four (4) or five (5) times. They will deliver findings to the Board in ninety (90) days.

409 The Committee has signed on three (3) additional members: Andrew Torcivia, owner and manager of
410 Lundquist Realty and Vacation Rentals; Nancy Bertz, general manager of Stone Harbor Resort, who will
411 provide Sturgeon Bay and large property representation, and Greg Anderson, a Sevastopol lodging
412 provider with three (3) short-term rentals. We would love to find a couple more members, especially to
413 represent southern Door and Washington Island.

414 Nelson requested clarification of this board for the approval necessary to adopt new members.

415 Van Lieshout encouraged Nelson's group to move forward and adding members from Southern Door
416 and Washington Island would be wise as this issue impacts the entire county. He recommended that a
417 motion be made to approve Ad Hoc Committee current members, additions and finding two (2) new
418 members from Sturgeon Bay and Washington Island.

419 **Eliot moved and Ward seconded motion to approve the Ad Hoc Room Tax Rate/Innkeepers Committee**
420 **current members, additions and finding two (2) new members from Sturgeon Bay and Washington Is-**
421 **land members.** Motion carried

422 Eliot questioned Nelson if there had been a knee-jerk reaction to the increase in room tax.

423 Nelson replied that he was not going to say.

424 Eliot replied that it was a public meeting.

425 Nelson said we have not rounded out the committee yet and only four (4) of us have heard the initial
426 reaction, but Dr. Kashinan quickly backed off and said he'd let the data speak for itself in the report.

427 **Discussion and consideration of the nomination and approval of three (3) board members to the Ad**
428 **Hoc Funding Committee to join Chairman Van Lieshout and Vice Chair Eliot thereby creating a Commit-**
429 **tee of five (5) members.**

430 Van Lieshout noted that the purpose of the Ad Hoc Funding Committee is to review the Tourism Zone
431 Commission's operations and budget.

432 Eliot comments they had discussed a fourth (4th) as well.

433 Van Lieshout said what we are looking at is in addition to Van Lieshout and Eliot is, Pam Seiler, Fred An-
434 derson, Chad Kadanko and Greg Swain.

435 **Eliot moved and Seiler seconded motion to name the following members to the Ad Hoc Funding Com-**
436 **mittee: Van Lieshout, Eliot, Seiler, Anderson, Kadanko and Swain.** Motion carried

437 **Consideration and discussion of the 2021 KerberRose Engagement Letter**

438 Van Lieshout pointed out to the membership that KerberRose has been engaged since the inception of
439 the Commission, providing much of the needed separation of duties of the Commission and it was his
440 recommends continuing this relationship noting that fees for 2021 charged by KerberRose will remain
441 flat.

442 Roberts restated KerberRose provides a separation of duties for our organization as well as payroll, pre-
443 pare monthly financial statements, and file all necessary tax payments. Addition work outside scope
444 will be billed hourly less 20%.

445 **Dannhausen moved and Ward seconded to continue engagement with KerberRose.** Motion carried

446 **Consideration and discussion of the 2021 DCTZC budget.**

447 Van Lieshout noted that this item came before the Executive Committee and was passed unanimously.
448 He added that Roberts prepared a memo to go along with the budget. He said that the matter is now
449 on the floor and asked if there was a motion to approve the budget.

450 **Ward moved and Dannhausen seconded a motion to adopt budget as presented.** Motion carried.

451 Van Lieshout asked Roberts to give a brief review of the 2021 budget.

452 Roberts said this is a conservative budget with the unknowns that we face for 2021. She added that the
453 budget is planned flat for 2021 not knowing how much tourism will rebound. Roberts reviewed the 2021
454 budget and pointed out there was a new comparison created by Taylor that compares 2020 budget,
455 2020 actual and 2021 budget.

456 **By roll call vote consider a motion to move into closed session pursuant to Wisconsin State Statutes, Sec-**
457 **tion 19.85(1)(c) to consider employment, promotion, compensation, or performance evaluation data of**
458 **any public employee over which the governmental body has jurisdiction or exercises responsibility.**

459 **Roll Call**

460 **Closed Session**

461 **By roll call vote consider a motion to move into Closed Session pursuant to Wisconsin State Statutes,**
462 **Section 19.85(1) (g) to confer with legal counsel for the governmental body who is rendering oral or writ-**
463 **ten advice concerning strategy to be adopted by the body with respect to litigation in which it is or like-**
464 **ly to become involved; to wit: enforcement actions against lodging providers who have failed to obtain**
465 **lodging permits and to timely remit monthly room tax report and tax payments.**

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

467 **Ward moved and Eliot seconded to reconvene into Open Session.** Motion carried.

468 **Report from Commissioners on feedback from local boards on recent issues.**

469 Wait asked what the status of the draft memos to the municipalities and permit holders. She asked if
470 these items were going to be brought back for discussion.

471 Van Lieshout stated that these two (2) letters will be going to the permit holders and municipalities with
472 the intent to inform these constituents from the Commission's perspective.

473 Wait asked if we were going to weigh in on the content.

474 Van Lieshout said his objective was to pull people along and inform from the Commissions perspective.
475 It is included in the packet for your information. If there is something you object to, he encouraged Wait
476 to give him a call this afternoon to have that conversation.

477 Wait said thank you.

478 **Report from Commissioners on feedback from local boards on recent issues.**

479 There were none.

480 **Discussion regarding matters to be placed on a future agenda or referred to a committee, official or**
481 **employee.**

482 Van Lieshout noted that Ward would be interested in having a legal opinion as to 30/70 split and pulling
483 anything out for the administration costs.

484 **Adjournment**

485 **Eliot moved to adjourn; Ward seconded.** Motion carried.

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**DOOR COUNTY TOURISM ZONE COMMISSION
FULL COMMISSION MEETING**

Minutes of Thursday, December 17th, 2020 – 9 AM
Zoom Meeting conducted from Council Chambers
City of Sturgeon Bay – 421 Michigan Street

526

527 The closed session of the Tourism Zone Full Commission was convened by Chairperson Van Lieshout at
528 the City of Sturgeon Bay.

529 **Committee Members Present by Roll Call:** Fred Anderson, Dave Eliot, Bryan Nelson, Jeff Larson, Myles
530 Dannhausen, Nancy Robillard, Bill Weddig, Elizabeth Le Clair, Cathy Ward, Richard Young, Jeanne Vo-
531 gel, Linda Wait, Beau Bernhoff, Pam Seiler, Josh Van Lieshout and Linda Elmore.

532 **Excused:** Vivian Nienow

533 **Absent:** Mary Boston, Mike Johnson, Ryan Heise, Keith Krist, and Sara Rae Lancaster.

534 **Also in Attendance:** Mary Horton/ **KerberRose, S.C.**, Kim Roberts/**Administrator DCTZC**, and Jenn Taylor/
535 **Administrative Assistant/DCTZC**

536 **Consider a motion to convene into closed session pursuant to Wisconsin State Statutes, Section**
537 **19.85(1)(c) to consider employment, promotion, compensation, or performance evaluation data of any**
538 **public employee over which the governmental body has jurisdiction or exercises responsibility.**

539 **CLOSED SESSION**

540 Discussion took place regarding employee compensation as related to the 2021 budget.

541 Respectfully submitted,

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543 Kim Roberts
544 Administrator

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583 **Also in Attendance:** Mary Horton/ **KerberRose, S.C.**, Kim Roberts/**Administrator DCTZC**, and Jenn Taylor/
584 **Administrative Assistant/DCTZC**

585 **Motion by roll call vote to convene in to Closed Session pursuant to Wisconsin State Statutes, Section**
586 **19.85(1)(a)(f) or (g) to confer with legal counsel for the governmental body who is rendering oral or writ-**
587 **ten advice concerning strategy to be adopted by the body with respect to litigation in which it is or like-**
588 **ly to become involved; to wit: enforcement actions against lodging providers who have failed to obtain**
589 **lodging permits and to timely remit monthly room tax reports and tax payments. The commission**
590 **moved into Closed Session by roll call vote as per statutes named. Motion carried.**

591 **CLOSED SESSION**

592 Discussion took place regarding compliance and enforcement issues.

593 Respectfully submitted,

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595 Kim Roberts
596 Administrator
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