



**DOOR COUNTY TOURISM ZONE
COMMISSION and EXECUTIVE COMMITTEE MEETING**

Minutes of June 18, 2020- 9:47 a.m.

**Teleconference Meeting via Zoom held in public meeting chamber at the City of
Sturgeon Bay – 421 Michigan Street, Sturgeon Bay, WI.**

5

6 **ACTION ITEMS:**

7 **Heise moved and Nelson seconded to approve the nominated slate of officers and Executive Committee as**
8 **presented. Motion carried.**

9 **Dannhausen moved and Robillard seconded to approve the slate for officers and Executive Committee as**
10 **presented. Motion carried.**

11 **Nelson moved and Wait seconded to approve the agenda.** Motion carried.

12 **Dannhausen moved and Weddig seconded to approve the minutes of May 21st, 2020 as presented.** Motion
13 **carried.**

14 **Anderson moved and Nelson seconded to approve the Door County Tourism Zone 2019 Audit.** Motion carried.

15 **Nelson moved and Weddig seconded to approve reports and payables plus receipts.** Motion carried.

16 **Weddig moved to adjourn; Dannhausen seconded. Motion carried.**
17

18 **Committee Members Present by Roll Call:** Fred Anderson, Bryan Nelson, Ryan Heise, Jeff Larson, Myles
19 Dannhausen, Nancy Robillard, Bill Weddig, Sara Rae Lancaster, Elizabeth LeClair, Cathy Ward, Richard Young,
20 Jeanne Vogel, Linda Wait, Vivian Nienow, Josh Van Lieshout and Linda Elmore.

21 **Excused:** Keith Krist

22 **Absent:** Mary Boston, Beau Bernhoff and Pam Seiler

23 **Also in Attendance:** Mary Horton/ **KerberRose & Assoc.**, Kim Roberts/**Administrator DCTZC**, Jack
24 Moneypenny/**DDC**, Jon Jarosh/**DDC**, Michelle Rasmussen/**DDC**, **Dave Maccoux/ Clifton Larson Allen, SC**,
25 Representative Joel Kitchens, Senator André Jacque, Pam Bush, Louise Howson, Jerry Connor and Kim Hazen.

26 **Call to Order**

27 Chair Van Lieshout called the meeting to order at 9:40 AM.

28 **Discussion and consideration of nomination for Tourism Zone officers and Executive Committee.**

29 **Nomination for Tourism Zone officers and Executive Committee.**

30 Van Lieshout reviewed the officer slate as follows:

31 Josh Van Lieshout, Chair

32 Dave Eliot, Vice-Chair

33 Elizabeth Le Clair, Secretary

34 Linda Wait, Treasurer

35 Van Lieshout reviewed the Executive Committee slate as follows:

36 Josh Van Lieshout, Chair

37 Dave Eliot, Vice-Chair

38 Elizabeth Le Clair, Secretary

39 Linda Wait, Treasurer

40 Fred Anderson – At-Large

41 Bill Weddig

42 Bryan Nelson

43 **Heise moved and Nelson seconded to approve the nominated slate of officers and Executive Committee as**
44 **presented. Motion carried.**

45 **Vote for Tourism Zone officers and Executive Committee**

46 **Dannhausen moved and Robillard seconded to approve the slate for officers and Executive Committee as**
47 **presented. Motion carried.**

1 **Approval of the Agenda**

2 **Nelson moved and Wait seconded to approve the agenda.** Motion carried.

3 **Approval of the minutes of the May 21st, 2020 Executive Committee Meeting.**

4 **Dannhausen moved and Weddig seconded to approve the minutes of May 21st, 2020 as presented.** Motion
5 carried.

6 **Presentation of the 2019 Audit by Dave Maccoux of Clifton Larson Allen, S.C.**

7 Van Lieshout introduced Dave Maccoux of Clifton, Larson, Allen, S.C.

8 Maccoux reviewed the Independent Auditors Report. He said it is the same report you always receive with the
9 annual audit. It discusses the responsibility of management, the audit, and the results of everything. He went on
10 to review the 2019 Tourism Zone audit opinion and said all the disclosures have been presented and transactions
11 have been recorded with generally accepted accounting principles. He stressed that it was an unmodified
12 report; a clean audit as we always receive.

13 On page 4, Maccoux reviewed the statement of net position. He went on to say that there were consistent results
14 for 2019 and no significant changes. He added that the WI Retirement System reporting requires certain standards
15 and a statement of the share of the retirement system at the state level. He added that we have fulfilled the
16 requirements for the WI Retirement system.

17 On page 5, Maccoux reviewed the operating revenues. He added that there was a slight operating loss this
18 year due to increased professional fees. He stressed that there were no concerns and the Tourism Zone is in a
19 strong net position.

20 Maccoux reviewed the remainder of the audit and stressed that the audit went well, and he had no concerns,
21 there is nothing unusual to address.

22 **Discussion and consideration of the Door County Tourism Zone Commission 2019 Audit**

23 **Anderson moved and Nelson seconded to approve the Door County Tourism Zone 2019 Audit.** Motion carried.

24 **Report by Destination Door County**

25 Moneypenny reported that they have masks available at the Welcome Center and for those who do not want
26 to wear a mask, they have a welcome bag with information for guests. He noted that there has been a significant
27 decline in Visitor Center traffic.

28 Moneypenny addressed staffing by saying that the Administrative staff is still working remotely to assist with social
29 distancing. He went on to say that they are taking care of all inbound calls in the Visitor Center and if needed
30 the phones roll over to staff working remotely to handle additional calls.

31 Moneypenny said that he received his first email from a member stating that they can't take care of guests and
32 requested that marketing be stopped. The member said that without J1 students the situation is hard and there
33 are too many people in the county.

34 Rasmussen discussed marketing efforts. She noted that visitor profiles have shifted. She said that there has been
35 an increase in 25-34 age group and the types of things visitors are looking at on the website. She added that the
36 e-newsletter had a nice increase in open rate to 33%.

37 Jarosh discussed PR and said that statewide media has had a lot of interest in Door County and how we are
38 handling the reopening. He went on to say that they are starting to get back to normal PR requests. He added
39 that it is a great opportunity to share what we are doing. He went on to say that everyone has proved to be very
40 resilient and that makes the Door County community special.

41 Jarosh gave an update on the long-term recovery task force with Door County Medical Center and Door County
42 Public Health. He added that window decals are in. Four (4) zoom meetings have been held. He pointed out
43 that the meetings can be watched on doorcounty.com/open.

44 The media marketing program with Geiger and Associates is moving forward, Jarosh said. The May and June
45 press trips were cancelled and postponed until October. It is still day to day with travel and they are evaluating
46 the July trip for travel conditions. He went on to say that individual press trips are commencing next week.

47 Jarosh noted that traffic counters for STH 42 and STH 57 will be added to the monthly reporting.

48 **Report from Administrative Assistant on current activities, projects and issues associated with permitting new**
49 **members.**

1 Roberts reviewed the number of properties that remain to report for 2020: January 2020 there is one (1) property
2 that remains to report, February 2020 there are three (3) properties that remain to report and for March 2020
3 there are seven (7) properties to report. For April 2020, she said, the number to report is down to thirty-seven (37).

4 The total outstanding due in unpaid taxes, fees and penalties is seven thousand one hundred fifty-two dollars
5 and thirty-nine cents (\$7,152.39) from eleven (11) permit holders.

6 Roberts reported that she had permitted fourteen (14) new properties. Three (3) were issued because of
7 compliance efforts. Twenty-two (22) permits were issued during the same period last year. She added that there
8 are currently one thousand two hundred seventy-five (1,275) permits.

9 Roberts reviewed current listings on lodging platforms.

10 Roberts reviewed Biannual reporting and properties on hold for the 2020 season due to COVID19.

11 Roberts reviewed the March 2020 "By Property Report".

12 There were no questions for Roberts from the Commission.

13 Discussion on Current Comparable Occupancy numbers

14 Horton reviewed bill payments and the financial statement. She noted on the financial statement that
15 Marketplace Collections that were unable to be allocated to municipalities was up over twenty-four thousand
16 dollars and continues to grow. She also noted that for the P&L, April was lower than budgeted, which was to be
17 expected.

18 Horton reviewed the Comparative Collections report, which she noted was dismal, with April being 91% lower
19 than 2019. She pointed out that January and February are above 2019 while March and April are much lower
20 than the prior year.

21 Money Penny asked about the twenty-four thousand dollars unallocated from marketplace providers. He asked
22 Horton if she was talking about the gross number. Is that one hundred percent of the funds that have not been
23 distributed, he asked. If this is undistributed Door County room tax, why isn't Destination Door County getting 66%
24 of this money, he asked. No matter where that money goes, 66% of it should be distributed to Destination Door
25 County.

26 Roberts stressed it may not be our money.

27 Horton agreed. Exactly, she said, it may not be our money. We are allocating 66% of all the room tax that has
28 been reported to us by the taxpayers to Destination Door County. What comes from the lodging marketplace
29 companies has no record of what municipality it belongs to and whether it is our tax. There is nothing that comes
30 with this money, it is just a check. We have not established a policy of how we are going to deal with that and
31 we also don't know if we will be asked to return that money if a reconciliation is done at year end. She again
32 stressed there is no proof that the overage is our room tax money and if you look at January and February
33 numbers, more room tax has been collected and distributed than in prior years. If the distributions were down or
34 skewed to Destination Door County it would indicate that we are collecting and distributing less because of this
35 change with the marketplace provider remittance, but it is not. It's hard to tell with March and April because
36 you have Covid decreasing collections, she said.

37 Money Penny said ok, thank you.

38 Consideration of approving reports and payables plus receipts

39 **Nelson moved and Weddig seconded to approve reports and payables plus receipts.** Motion carried.

**40 Discussion and consideration of status, updates and/or impact of the COVID-19 pandemic to the tourism and
41 lodging industry of Door County.**

42 Van Lieshout shared that being down 30% countywide is alarming but he was encouraged by the news from
43 Destination Door County in visitor interest. Regarding the Commission, he said, as the audit shows we have
44 sufficient funds to operate. He went to say that the strategy will be to hold that position and make no
45 disbursements until we see things recover. He went on to say that meetings would continue via Zoom.

46 Report from Commissioners on feedback from local Boards on recent issues.

47 **There were no reports from local boards.**

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

1 Dannhausen asked if it was time to consider obtaining legal counsel to determine how to move ahead on
2 disbursing the money that is undisbursed from marketplace providers through providing an amendment to the
3 agreement to allow for a change in policy that allows us to put that issue behind us.

4 Van Lieshout replied that his approach today is that he is inclined to hold those funds because it could turn out
5 that we need to return those funds to the online marketplace providers. He went on to say that he wants to
6 make sure that we aren't left having to use fund balances in the future to do that. He asked Horton to weigh in
7 on those funds or excess revenues that are treated as a liability on the books.

8 Horton said that is correct. Right now, they are sitting on our balance sheet. She recommended discussing the
9 issue with the auditors to see if they have any experience in dealing with a similar situation and what they
10 recommend. She added that Van Lieshout was correct, these funds are treated as a liability just like something
11 that was payable to the municipalities or Destination Door County, they also would be treated as a liability. It is
12 not going to be taken in as income at this time by the Tourism Zone Commission, it will remain on the balance
13 sheet.

14 Van Lieshout recommends that we have that conversation with our auditors and determine the best course of
15 action. He reminded everyone that we knew going into this, that this could happen; there were two scenarios
16 discussed, one was that we would have too little and the second was we would end up with too much remitted
17 by marketplace providers. He added that the benchmark, of course, was the reporting from permit holders. Too
18 much money is a problem and so is too little. He assured Dannhausen we would have the conversation so that
19 we can get this cleared up on our books. Obviously, with numbers as down as, they are we understand that
20 everyone is looking for every source of revenue that is available, the City of Sturgeon Bay and Destination Door
21 County are no exception. He asked Roberts to set up a meeting with Horton, Maccoux of Clifton Larson Allen
22 and himself.

23 Weddig asked if any of those funds could be state sales tax.

24 Van Lieshout replied that he did not have any idea but imagined the Department of Revenue is having just as
25 hard of time with accounting for these receipts. With the online marketplace demands for privacy, it precludes
26 the Commission from having a solution to distribute the funds.

27
28 **Adjournment**

29 **Weddig moved to adjourn; Dannhausen seconded. Motion carried.**

30 Van Lieshout thanked Assembly Kitchens and Senator Jacque for attending along with all the commissioners and
31 guests for staying with us through the meeting.

32 Respectfully submitted,

33 

34 Kim Roberts
35 Administrator