



**DOOR COUNTY TOURISM ZONE**  
COMMISSION and EXECUTIVE COMMITTEE MEETING  
Minutes of August 16, 2018  
Village of Egg Harbor- 7860 STH 42

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**ACTION ITEMS:**

- Robillard moved and Larson seconded to approve the agenda.** Motion carried.
- Le Clair moved and Maci-Schmidt seconded to approve the minutes of July 19, 2018 Full Commission meeting as presented.** Motion carried.
- Nelson moved and Boston seconded to approve nomination of Jim Nellen to the Executive Committee.** Motion carried.
- Ward moved and Dannhausen seconded to approve reports and payables plus receipts.** Motion carried.
- Consider motion to convene into Closed Session pursuant to Wisconsin State Statutes, Section 19.85(1)(g) to confer with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or likely to become involved; to wit: enforcement actions against lodging providers who have failed to obtain lodging permits and to timely remit monthly room tax reports and tax payments.** Krist moved and Anderson seconded to convene into Closed Session as per statutes named by roll call.

- Nelson moved to reconvene into Open Session; Robillard seconded.** Motion carried.
- Heise moved and Krist seconded for the Administrator to take action as set forth in Closed Session**
- Krist moved to adjourn; Dannhausen seconded.** Motion carried.

**Committee Members Present by Roll Call:** Mary Boston, Kathleen Maci Schmidt, Bryan Nelson, Fred Anderson, Ryan Heise, Jeff Larson, Myles Dannhausen, Keith Krist, Nancy Robillard, Bill Weddig, Elizabeth Le Clair, Cathy Ward, Richard Young, Jim Nellen, Linda Wait, Pam Seiler and Josh Van Lieshout.

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- Excused:** Dick Skare and Hugh Mulliken.
  - Absent:** Andy Stimers, Mike Johnson, Linda Elmore and Nate Bell.
  - Also in Attendance:** Kim Roberts/**Administrator**, Jack Money Penny/**DCVB**, Jon Jarosh/**DCVB**, Michelle Rasmussen/**DCVB**, and Mary Horton/**KerberRose**.

**Call to Order**  
Chair Van Lieshout called the meeting to order at 9:02 AM.

**Approval of the Agenda**  
**Robillard moved and Larson seconded to approve the agenda.** Motion carried.

**Approval of the Minutes of July 19th, 2018 Full Commission meeting as presented.**  
**Le Clair moved and Maci-Schmidt seconded to approve the minutes of July 19, 2018 Full Commission meeting as presented.** Motion carried.

Ward asked Van Lieshout to expand on his comments as noted in the minutes about the movement of room tax to become a state tax.

Van Lieshout said what he was referring to was legislation that we have seen come out of the American Legislative Exchange Council "ALEC" group and that there have been portions that have been passed in other states.

Ward said when you go to the ALEC website and looked at the model legislation part of the goal is to move these municipal room taxes to the state.

1 Van Lieshout noted that we will clarify that in the minutes. He went on to ask Roberts to clarify as  
2 such in the meeting minutes.

3 **Discussion and consideration of the nomination of Jim Nellen to the Tourism Zone Executive**  
4 **Committee.**

5 Van Lieshout explained that he would like to nominate Mr. Nellen to the Executive Committee.  
6 **Nelson moved and Boston seconded to approve nomination of Jim Nellen to the Executive**  
7 **Committee.** Motion carried.

8 Van Lieshout thanked Nellen for his willingness to become part of the Executive Committee.

9 **Report by the Door County Visitor Bureau on Marketing Efforts**

10 Money Penny reported that he and his team are busy at work on the 2019 budget and Strategic Plan.  
11 He went on to say that they will present to the Full Commission at the December meeting.

12 Money Penny discussed the numerous complaints that he has received and the subsequent  
13 conversation at the DCVB executive meeting. He went on to say that the complaints are about  
14 there being too many people in Door County from Door County businesses. They feel that I will single  
15 handedly destroy Door County.

16 Van Lieshout asked Money Penny to repeat what he just said. He asked did you just say that Door  
17 County businesses that are presumably in the tourism industry are complaining about too much  
18 business.

19 Money Penny responded that they are complaining about too much business. The businesses are  
20 reporting that they don't have the people nor the infrastructure to handle this many people in the  
21 county at the same time. He stressed as much as he was surprised, he did caution that many of the  
22 points are very valid. There are also concerns about the abundance of alcohol consumed in this  
23 county every weekend and then people are out on the roads. He added it isn't something that as  
24 an organization they can single handedly cure, but he believed that as a greater community we  
25 should discuss and think about the comments. He added some are not pleased with the volume of  
26 visitors and what we are doing. He went on to say that there are always going to be people who are  
27 unhappy, but he has never had so many in such a short time. He said that they are going to keep  
28 their eye on it, have some meetings and welcomed anyone to join the discussion at the meetings.

29 Anderson offered that he would like to be a part of the conversation. He stressed that there needs to  
30 be education about compression and what compression means to innkeepers. When we are this  
31 busy, there is a lot of money being left on the table every day. Anyone that rents space needs to  
32 know that you have the ability to control some of this by allowing for the management and  
33 monitoring compression.

34 Money Penny stressed that they are charged with bringing more people to the area, but they are  
35 taking the concerns very seriously.

36 Young asked what the level was in which we reach our goal; is there a level we want to reach.

37 Money Penny said we have to look at housing and staffing, the workforce; we have to look at the  
38 components of these issues not just goals of increasing tourism. He stressed that we have to ask  
39 ourselves are we sending home ambassadors who have bad will because they were not taken care  
40 of properly. He went on to say that many Destination Marketing Organizations have shifted into  
41 destination management. They work on the infrastructure needs, so that they can help take care of  
42 customers while also taking care of the marketing as well. He went on to say that he envisions them  
43 moving into more of a management role in the future while continuing to take care of the marketing.  
44 We have issues to deal with and we can't just sit here and blindly send people up the road, he said.

45 Young said he hasn't heard anything from the businesses of Nasewaupee but he has heard from  
46 people starting to feel the parking issues, beach crowdedness and Cave Point being too busy.

47 Money Penny explained a story from his childhood about a bumper sticker that said don't talk about  
48 farmers with your mouth full. It is a conversation; don't talk about the tourists when you are going to

1 see a play on Saturday night or that great dinner. We can do all of those great things because of  
2 the quality of life that tourism brings to this peninsula. However, there is still room for conversation he  
3 said. He apologized for getting on his soap box, but felt everyone needed to hear what was going  
4 on in their side of the world.

5 Rasmussen commented that other areas are experiencing the same issues. She said that she had just  
6 returned from the ESTO (Educational Seminar for Tourism Organizations) and it was a common theme  
7 quality of life, housing, visitor centers moving toward that next level of something beyond a  
8 distribution center and workforce development. She noted that the same conversation is happening  
9 across the country where that tipping point where a destination is so full is and the shift to  
10 management after you do the marketing to get them here.

11 Jarosh added that this is a nationwide conversation due to the same challenges. Many Destination  
12 Management Organizations are renaming to Destination Management Marketing Organizations  
13 (DMMO). This is a conversation happening all over the country; tourism is doing great in a lot of  
14 places not just here in Door County. He went on to say that it was interesting to hear the same  
15 conversation with each destinations twist.

16 Rasmussen reported that numbers are great, reach included Chicago and Madison as top drivers  
17 but a new top referral has popped up: New York. She added that the e-news letter list has not been  
18 scrubbed in quite a while and the open rate is the highest they have seen. She went on to say that  
19 Twitter continues to hang on. She spoke about media and that they are in their prime, but the  
20 conversation was happening about shifting from summer to fall, but it is a waiting game. She added  
21 that they are working on the Strategic Plan and the conversations from ESTO may play a part of the  
22 planning.

23 Maci-Schmidt inquired about the decrease in bounce rate and what that means.

24 Rasmussen said that there are better results from searches and users are engaging with the site and  
25 staying longer.

26 Maci-Schmidt asked if when referring to the recent changes on social media if they were referring to  
27 Twitter.

28 Rasmussen said Twitter on the whole is dropping, but Facebook also had changes to their API  
29 (application programming interface).

30 Money Penny noted that the growth has been based on Average Daily Rate (ADR) not occupancy.  
31 Rates have grown, he said. He stressed that they understand this. The concern is that April was  
32 devastating and now we are playing catch up and then all of a sudden we had a big influx of visitors  
33 in the last six weeks. He stressed that they understand that and they are looking at all numbers.

34 Dannhausen said you talk about management and asked if there was a monthly report that shows  
35 the types of lodging versus what we are getting now. He said that we are not getting the trends and  
36 one had to think that the influx is coming from the use of second homes and we need to know that.  
37 He felt that these reports should come out monthly.

38 Rasmussen said it would be a nice reference.

39 If you don't know what the property type is you don't know what is going in.

40 Roberts stressed that she does the report monthly and sends it to Money Penny. She went on to say  
41 that she has to wait for reconciliation to be completed and the database backed up to run the  
42 report. It is typically not able to be done in time for meeting packets but Roberts stressed that she is  
43 doing this report and sending it to the DCVB, we just haven't distributed it.

44 Van Lieshout noted that we produce this information and are willing to distribute it.

45 Jarosh reported that they had hit the twenty one million (\$21 million) dollar mark in ad value  
46 equivalency. He stressed that some reporters visit and write a story right away and some take more  
47 time to develop over a longer period of time. He added that the July press trip was cherry themed.

1 Lakeland boating, Chicago Tribune and Where to Retire magazine were among the articles that  
2 featured Door County.

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

5 Roberts reported that all properties for January, February and March 2018 have reported. She  
6 added that for April as of August 8th, 2018 the number of properties to report is down to two (2). For  
7 May she said, there are nine (9) properties to report. June, Roberts said, has sixty three (63)  
8 properties to report.

9 The total outstanding due in unpaid taxes, fees and penalties is nine hundred eighty one dollars and  
10 fifty six cents (\$981.56) from five (5) permit holders as of August 15<sup>th</sup>, 2018.

11 Roberts reported that she had permitted fourteen (14) new properties since the meeting in July;  
12 seven (7) of which were a result of compliance efforts. She remarked that during the same period in  
13 2017 she had permitted twelve (12) properties. She added that she was working on permitting  
14 nineteen (19) properties.

15 Roberts reviewed the online rental sites and the status of permitted listings versus unpermitted listings.

16 Roberts updated the Commission on issues related to Premier Resort Area Tax.

17 **Discussion of Policy and Procedure for Suspected Under-Reporting of Door County Room Tax**

18 Van Lieshout said one of our objectives is to collect room tax from everyone that is providing lodging  
19 in Door County. From time to time, he said, we have found out in the past people try and game the  
20 system, if you will, by under-reporting. He stressed that it can be very difficult to identify when it does  
21 happen. He stressed that we have had success most recently in the Town of Gibraltar. He went on  
22 to say that we would like to establish a policy and procedure for suspected under-reporting. This is a  
23 sensitive issue, he said, when you suspect someone of under-reporting the Commission does have  
24 audit/ subpoena powers and can go in and look at someone's books and dig into their financial  
25 matters. We don't want to proceed willy-nilly; we feel that it is important that the Commission  
26 establish some guidelines to help our Administrator and our attorney with the enforcement process.

27 Van Lieshout asked Roberts to review the policy and procedure.

28 Roberts explained that she used previous compliance and enforcement cases to help her outline the  
29 process. She went on to say that the first step is always to allow the permit holder to research the  
30 filing and see if an entry error was made. She explained that she felt this was an important step in  
31 ensuring that the hammer doesn't come down right away and that a lot of times issues can be  
32 worked out with good communication. Roberts reviewed triggers that could prompt an inquiry  
33 about reporting. Roberts went on to review the proposed steps for procedures.

34 Van Lieshout asked if there were specific questions for Roberts about the specific need for the policy  
35 or if there were specific questions in the draft itself we will delve into that, he said.

36 Krist asked what exemptions are.

37 Roberts explained exempt sales included: Thirty days or more consecutively to the same lodger, non-  
38 profits or government employees. The latter two would need to furnish a Certificate of Exempt Status  
39 for the lodging to be tax exempt. (As outlined in Publication 219- WI DOR)

40 Nelson asked if this draft was ready for passage or if she was looking for basic approval.

41 Roberts replied that she felt that she still needed to add a few details and she said that she wanted  
42 board feedback about changes year over year in reporting. She went on to give an example.

43 Nelson felt that it was important to have this policy in place. In this current political climate we would  
44 like to inoculate ourselves against capricious or targeted accusations and this would go a long way  
45 in doing that. We need to do this, he stressed.

1 Maci-Schmidt agreed with Nelson. She said as someone who participates in lodging with an Airbnb  
2 property, she felt it made sense. She used her example of not being open this May and did operate  
3 in May the year before. It came down to communicating the change and there is no reason  
4 someone should be upset if asked.

5 Dannhausen asked if we were talking about reporting all exempt stays.

6 Roberts said yes, you are supposed to. She went on to say that she spot checks all the exempt  
7 claims.

8 Dannhausen said that the state doesn't require that you submit exemption information.

9 Roberts replied that the WI DOR says that you have to keep the information on file.

10 Dannhausen replied that if someone has an incidental exempt stay he didn't feel that they should  
11 have to submit the documentation.

12 Roberts asked why.

13 Le Clair said that she keeps all the information on file.

14 Dannhausen said that there should be a threshold for checking exemptions.

15 Weddig commented that with online travel agents "OTA" everything has become very price driven.  
16 He added that at times with the lower competitive pricing with OTA's you find people visiting that get  
17 the cheapest rooms and then are out priced when they go out to dinner. But the smaller less  
18 expensive rooms are getting more rentals because of that, which tends to drive the average daily  
19 rate down.

20 Nelson said he felt that we weren't going to have trouble with traditional lodging. He suggested that  
21 maybe there are a couple of different standards depending on the type of lodging.

22 Anderson said in traditional lodging the biggest swing he has seen in owning his property is less than  
23 ten percent (one way or another 10%). He felt quarterly analysis would be more appropriate for  
24 traditional lodging because the number of weekends in a month can have an impact month over  
25 month, year over year.

26 The consensus was that quarterly was the best method in reviewing traditional lodging.

27 Roberts stressed that she wants to see a policy adapted that works for all types of properties and  
28 keeps her moving forward with her work.

29 Van Lieshout wanted to comment on Dannhausen's exempt questions. He went on to say that for  
30 some communities there are very few exemption claims, but in Sturgeon Bay there are a lot of  
31 exempt stays. It has a substantial impact on the amount of lodging tax that gets collected. In  
32 looking into this, Roberts discovered that a number of properties didn't have the CES#'s on file.  
33 Whether intentionally or unintentionally due to a training issue with the person taking reservations, but  
34 it is a head scratcher and is something we need to be concerned about. Hence the need for the  
35 continued requirements that this information be checked and we do try and parallel WI DOR Sales  
36 tax collection rules. Obviously this is a little bit different for everyone, but this is an issue for at least  
37 one of our communities in our zone.

38 The consensus was Roberts should make the necessary edits and adjustments and bring the policy  
39 and procedure back for approval for the October Full Commission meeting.

#### 40 **Discussion on Current Comparable Occupancy numbers**

41 Van Lieshout explained that he jumped the gun last week in his excitement that the City of Sturgeon  
42 Bay was recovering. Jim Schuessler of the Door County Economic Council was sending out a  
43 newsletter and he decided to share the numbers for inclusion in their newsletter. He stressed that he  
44 owned that one, and if anyone is offended, he apologized.

1 Moneypenny thanked Van Lieshout. He said that he is always so concerned about these numbers  
2 that they don't even go to his board until they have been approved by the Tourism Zone.

3 Van Lieshout shared that year to date collections are up 3.8% and June was up 5.2%. May also re-  
4 bounded nicely with late collections coming in. His expectation is that we will recover from a very  
5 hard April.

6 Moneypenny said that there was a silver lining in that those who did visit in April paid one dollar more  
7 (\$1) than they did the previous year.

8 Roberts noted that the Pulse had asked for thoughts on why the Town of Egg Harbor saw such a large  
9 increase.

10 The consensus was the increase in the Town of Egg Harbor was a result of increased rates, brilliant  
11 marketing, the renovation of a large resort, more units available and increased amenities as well as  
12 activities in the Village that the surrounding areas enjoy.

13 Horton reminded everyone that numbers through July will be re-run and brought current next month.  
14 She explained that all of the entries that have been late will now be in the proper line for each  
15 municipality.

16 Nelson asked if this was a twice a year process.

17 Horton replied yes.

18 **Consideration of approving reports and payables plus receipts**

19 **Ward moved and Dannhausen seconded to approve reports and payables plus receipts.** Motion  
20 carried.

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

22 Van Lieshout reported that there has been concern about the City of Sturgeon Bay numbers and  
23 performance. We have been hoping for a turnaround in the later months and in the fall, he said.

24 Seiler agreed and said that May and June was a nice upswing. She said she felt it had to do with the  
25 negativity as a whole. She added until we see something moving forward, changing and a reason  
26 to come, a reason to play and stay we are not providing that right now. She stressed that this was  
27 the bigger thirty thousand foot view.

28 Nellen reported that as a new member he wanted to reach out to the innkeepers in his municipality.  
29 He was happy to report that none of them had any issues with room tax and all felt that the program  
30 benefits them. They did communicate concerns from room guests regarding long waits and how  
31 busy the area is, which he suggested that the innkeepers contact Moneypenny. He asked are we  
32 hitting the point where the service to our visitors is not meeting their expectations. He went on to say  
33 that it may be worthwhile to reach out and touch base with visitors and find out if we did meet their  
34 expectations. They might have very insightful comments and information to offer. He added that a  
35 recent stay survey would be able to provide if complaints are isolated or more widespread. He felt  
36 the comments were insightful which is why he directed them to speak with Moneypenny. He went  
37 on to say that the DCVB has a marketing prowess and would be able to execute this.

38 Moneypenny cited specific comments from guests. He agreed with Nellen, and felt a random poll of  
39 reservations out of the database and send a recent stay survey so they can tell us honestly about  
40 their stay. This could give us a barometer to find out if the comments are isolated or more of a  
41 common theme.

42 Weddig noted that he felt that it was the lack of employees causing issues for a lot of the restaurants.  
43 In Fish Creek, businesses have worked together to determine who is doing breakfast and who is doing  
44 dinner and then sharing employees. That has caused there to be fewer places to visit which in turn  
45 creates longer waits. He said the big issue is that there is a lack of skilled help.

46 **Consider motion to convene into Closed Session pursuant to Wisconsin State Statutes, Section**  
47 **19.85(1)(g) to confer with legal counsel for the governmental body who is rendering oral or written**

1 advice concerning strategy to be adopted by the body with respect to litigation in which it is or likely  
2 to become involved; to wit: enforcement actions against lodging providers who have failed to obtain  
3 lodging permits and to timely remit monthly room tax reports and tax payments. Krist moved and  
4 Anderson seconded to convene into Closed Session as per statutes named by roll call.

5 Nelson moved to reconvene into Open Session; Robillard seconded. Motion carried.

6 Heise moved and Krist seconded for the Administrator to take action as set forth in Closed Session.  
7 Motion carried.

8 **Adjournment**

9 Krist moved to adjourn; Dannhausen seconded. Motion carried.

10 Respectfully submitted,



11 Kim Roberts  
12 Administrator  
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1 **DOOR COUNTY TOURISM ZONE**  
2 COMMISSION and EXECUTIVE COMMITTEE MEETING  
3 August 2016, 2018  
4 Village of Egg Harbor- 7860 STH 42

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6 The closed session of the Tourism Zone Full Commission was convened by Chairperson Van Lieshout  
7 at the Village of Egg Harbor.

8 **Committee Members Present by Roll Call:** Mary Boston, Kathleen Maci Schmidt, Bryan Nelson, Fred  
9 Anderson, Ryan Heise, Jeff Larson, Myles Dannhausen, Keith Krist, Nancy Robillard, Bill Weddig,  
10 Elizabeth Le Clair, Cathy Ward, Richard Young, Jim Nellen, Linda Wait, Pam Seiler and Josh Van  
11 Lieshout.

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12 **Excused:** Dick Skare and Hugh Mulliken.

13 **Absent:** Andy Stimers, Mike Johnson, Linda Elmore and Nate Bell.

14 **Also in Attendance:** Kim Roberts/**Administrator**, and **Mary Horton/ KerberRose**

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

21 **CLOSED SESSION**

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

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

24 **Nelson moved to reconvene into Open Session; Skare seconded.** Motion carried.

25 The meeting reconvened in open session.

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26 Respectfully submitted,



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28 Kim Roberts  
29 Administrator

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