TOURISM/COMMUNITY BETTERMENT COMMITTEE
Meeting Minutes for October 17, 2016

1. Meeting Called to Order:
5:00pm by Jeffrey Hughes, Chairman of the Tourism/Community Betterment Committee

2. Members Present:
Chairperson Hughes, Members Adair, Brady, Grgich, Merry, Rogers
Kevin Meyers emailed he would be late; arrived 5:30pm
Excused: Ciurro

3. **Approval of Minutes**: A correction to the minutes of the July 12, 2016 meeting need to be made to show Brady was excused; not absent.

With the correction of the minutes to show Brady excused, Rogers moved to approve the July 12, 2016 minutes; Meyer seconded; the motion carried.

4. New Business:

1. **Village Attorney Sajdak** spoke to the committee on Revised Room Tax and Tourism Statutes and Requirements
    a. Revisions from the state to the method by which room taxes are handled.
    b. The change results in using more room tax for tourism promotion and tourism development; to bring more business back into the hotels
    c. Biggest changed for the Village was in April 2016 the adopted ordinance to amend the organizing ordinance of this body from committee to commission which gives this body rather than the Village Board authority to spend the room tax dollars.
    d. Dollars will be kept in a separate account within the Village accounts.
    e. Other change to limits: previously over a certain amount the request needed approval by the Village Board. No longer any limits.
    f. Makeup of the commission will be looked at closely to follow our statutes/ordinance.
    g. The size of the commission will be pared down from 8 to 6.
    h. A chairperson is no longer appointed by the Village Board.
    i. Bookkeeping and record keeping will need to be followed closely. Finance Director Rath will help set up this system.
    j. There is a tiered system going back to 2010 to determine any room tax amount that can be retained.
    k. These changes won't alter our process much. After January, the Village will help in organizing the commission.
    l. It is anticipated there will be more requests for these funds once they are taken out of municipalities' control.
    m. Ideas from the tourism industry as to where these dollars can be used are available.
    n. What types of things to spend dollars on include for purposes of tourism promotion and tourism development
        i. Marketing projects: see handout Local Room Tax (sec.66.0615,

Wis. Stats.) included with these minutes
ii. Transient tourist informational services iii.
Tangible municipal development, including a convention center with the intention of generating overnight hotel stays.

o. Limited by amount of dollars that come in.
p. Review request as to how reasonably likely it will generate a hotel stay. Use room tax dollars that will help bring business to the hotels.
q. Requests can come from for-profit as well as non-profit sources for marketing an event. If there are a number of requests, the commission may rank/prioritize requests.
r. An example of a request was for planting flowers in the boulevards to make the Village look more attractive to visitors. It is possible it could be considered a municipal development if it were more specific such as a German-themed garden.
s. Help foster hotel stays, creating more of a need for hotel facilities in general. Locality becomes a destination.
t. Not aware of any resource for guidelines at this time.
u. The Commission will report to:
    i. the Village for accounting of funds
    ii. Members of the commission to the public and hotel industry
    iii. The Village President will appoint members of the commission.
v. Can consider putting money in a kitty to grow toward a larger project i.e. 1% or a certain dollar amount each year
w. The Commission can hire someone to do accounting.

2. Request for Funds:

1. Germantown Historical Society Request for $2,500

a. A representative was not in attendance to present this request. Adair moved to postpone this request; Meyer seconded. Motion carried.

Note: it looks like this request was already approved at the July 20, 2016 Tourism Committee Meeting.

2. Kiwanis Club Request for $360 presented by Lynn Grgich

- This is the second request for the 4th of July event; the first request focused on the expenses associated with the activities at Firemen's Park.
- This request covers expenses for "entertainment" units that participated in the 4th of July parade.
- A comment was made the corvette unit was not worth whatever we paid for it; mostly newer vehicles.

Rogers moved to approve the $360 to the Kiwanis Club for parade entry expenses; Adair seconded; Grgich abstained. Motion carried.

3. Germantown Chamber of Commerce Request for $1,000 presented by Lynn Grgich

- This request is to cover the minimum fee for timing the 5k Candy Cane Run/Walk.
- The registrations for this event do show participants from surrounding communities. It was noted this information is appreciated for these tourism funding requests.
- The race timing company also cross promotes all their events, attracting runners from other communities to our event.

Brady moved to approve $1,000 to the Germantown Chamber of Commerce for the race timing expense; Merry seconded; Grgich abstained, motion carried.

4. Germantown Chamber of Commerce Request for $2,500 presented by Lynn Grgich

- This request is for advertising connected with the Annual Village Christmas Parade and Tree Lighting
- Digital advertising, a special event tabloid, and other ads are placed starting in September for this event.

Meyer moved to approve $2,500 to the Germantown Chamber of Commerce for the Christmas Parade and Tree Lighting advertising; Brady seconded; Grgich abstained. Motion carried.

5. Kiwanis Club Request for $1,800 presented by Jami Sickler

- This request is for the Breakfast with Santa event to cover the live reindeer.
- Last year's event drew over 700 attendees not only from Germantown but many surrounding communities. Reaching attendance of 1,000 isn't farfetched for this year.
- It brought many folks to Florian Park Conference & Event Center for the first time.
- Reindeer Games has indicated this venue is the best photo op for their business. These photos will be used in many instances.

Merry moved to approve $1,800 to the Kiwanis Club for the reindeer for their Breakfast with Santa; Meyer seconded. Motion Carried.

Adjournment:

The meeting was adjourned by Chairman Hughes. At 6:15pm

Respectfully Submitted by:
Lynn Grgich

Local Room Tax

(sec. 66.0615, Wis. Stats.)

Wisconsin Department of Revenue

2015 Wisconsin Act 55

Within the 2015-2017 budget (2015 Wisconsin Act 55), the state modified sec. 66.0615, Wis. Stats.

Summary of Changes

- *"Tourism promotion and development"* is replaced with *"tourism promotion and tourism development"*
- Effective with taxes collected and expenditures made on January 1, 2017:
  - » A municipality must forward to a tourism entity or commission, any room tax revenue exceeding the amount the municipality may retain. This room tax revenue must be spent on tourism promotion and tourism development. It cannot be spent directly by the municipality.
  - » A municipality that collected room tax on May 13, 1994 and retained more than 30% for purposes other than tourism promotion and development, may continue to retain the greater of either 30% of its current year room tax revenues, ***or:***

For Fiscal Year	Room Tax Amount Retained in Fiscal Year
FY2017	FY2014
FY2018	FY2013
FY2019	FY2012
FY2020	FY2011
FY2021 and forward	FY2010

- A tourism entity's governing body must include at least one owner or operator of a lodging facility that collects room tax and is located within the municipality

Definitions

- **Tourism Entity** – a nonprofit organization that came into existence before January 1, 1992, spends at least 51% of its revenues on tourism promotion and tourism development, and provides destination marketing staff and services for the tourism industry in a municipality. **Exception:** If no such organization exists in a municipality on January 1, 2016, a municipality may contract with such an organization if one is created in the municipality.
- **Commission** – an entity created by one municipality (or by two or more municipalities in a zone) to coordinate tourism promotion and tourism development for the zone
- **Tourism Promotion and Tourism Development** – any of the items listed below that are significantly used by transient tourists and reasonably likely to generate paid overnight stays at more than one establishment where a tax may be imposed, that are owned by different persons and located within the municipality where a tax is in effect. Note: If the municipality has only one such establishment, it must be reasonably likely to generate paid overnight stays in that establishment.

  Tourism promotion and tourism development includes:
  - » Marketing projects, including: advertising media buys; creation and distribution of printed or electronic promotional tourist materials; or efforts to recruit conventions, sporting events, or motor coach groups
  - » Transient tourist informational services –
  - » Tangible municipal development, including a convention center – w/the intention of generating overnight hotel stays.

ie sports tournaments

Local Room Tax – 2015 Wisconsin Act 55 (sec. 66.0615, Wis. Stats.)

New Reporting Requirements in 2017

Starting in 2017, every municipality that imposes room tax must file an annual report with the Wisconsin Department of Revenue (DOR). The form reporting 2016 activity is due May 1, 2017.

The following information from the previous year (2016) must be reported:

- Amount of room tax collected
- Room tax rate imposed
- Detailed accounting of:
  - » Amounts forwarded to a tourism entity or commission
  - » Expenditures of $1,000 or more made by the tourism entity or commission
- For each tourism entity or commission that received room tax revenues in the previous year, a list of the commission's or tourism entity's governing body members, and the name of the business entity each member owns, operates, or is employed by (if any)
- For 2017 only, if a municipality collected room tax on May 13, 1994, the municipality must also attach:
  - » The room tax ordinance that was in effect on May 13, 1994
  - » A copy of the municipality's financial statement that was completed nearest to May 13, 1994 showing the percentage of room tax revenues the municipality retained for purposes other than tourism promotion and development

Common Questions

1. **What is local room tax?**

   A municipality (town, village, or city) may impose room tax on the privilege of furnishing at retail (except sales for resale), rooms or lodging to transients by hotelkeepers, motel operators and other persons furnishing accommodations that are available to the public. The tax may not exceed 8%, unless exempt under sec. 66.0615(1m)(am), Wis. Stats.

2. **How does a municipality submit its annual room tax report?**

   DOR will provide an electronic form with instructions including how to complete and submit the annual room tax report.

3. **Will annual room tax reports be available to the public?**

   Yes. Annual room tax reports will be available on the DOR website.

4. **What does a municipality do if it cannot provide the room tax ordinance in effect on May 13, 1994?**

   The municipality should still complete and submit the annual room tax report. The municipality should still attach the financial statement that was completed nearest in time to May 13, 1994, which shows the percentage of room tax revenues retained by the municipality for purposes other than tourism promotion and development.

5. **The annual room tax report requires a municipality to detail expenditures made by a tourism commission or tourism entity of $1,000 or more. How should "Payroll" expenditures be recorded in the annual room tax report?**

   On the DOR e-file form, a municipality will be allowed to report 'Payroll' as one expenditure.

6. **What happens if a municipality does not file the required annual room tax report?**

   If a municipality does not file the required annual report, DOR may impose a penalty of up to $3,000.