

Room Tax Commission of the City of Manitowoc

Meeting Minutes

May 4, 2016, 5:30 p.m., City Hall, Council Chambers

1. Call Meeting to Order

Mayor Nickels called the meeting to order at 5:30 p.m.

2. Election of Chair and Vice-Chair

Mayor Nickels called for nominations for Chair. Ald. Brey nominated Mayor Nickels as Chair. There were no other nominations. A motion was made by Ald. Brey and seconded by Ald. Sitkiewitz to cast a unanimous ballot for Mayor Nickels as Chair. The motion carried unanimously.

Mayor Nickels called for nominations for Vice-Chair. Ald. Brey nominated Ald. Sitkiewitz as Vice-Chair. There were no other nominations. A motion was made by Ald. McMeans and seconded by Ald. Brey to cast a unanimous ballot for Ald. Sitkiewitz as Vice-Chair. The motion carried unanimously.

3. 2016 Room Tax Budget Overview

Mayor Nickels reviewed the City portion of the 2016 room tax budget. The Commissioners reviewed the budget, and Ald. Kummer asked if the bridgetender's building on 10th Street and the railings on the bridge can be painted to improve their appearance. This should be reviewed with the Wisconsin Department of Transportation for future consideration.

4. Discussion and Possible Action on Agreement Between the City of Manitowoc and the Manitowoc Area Visitor and Convention Bureau

Mayor Nickels asked if any Commissioners had comments or feedback on the Tourism Services Agreement and provided a document with his suggested changes. The Commission discussed the document. Mayor Nickels noted that the City needs to give notice to the Manitowoc Area Visitor and Convention Bureau (MAVCB) and the City of Two Rivers that changes to the Agreement are being proposed, no matter how minor they may be.

A motion was made by Ald. Sitkiewitz and seconded by Ald. McMeans that the City Attorney be directed to draft a notice per the Tourism Services Agreement to inform the MAVCB and the City of Two Rivers that proposed changes to the Agreement are forthcoming. The motion carried unanimously.

Discussion continued on the suggested changes. N. Sparacio stated that the Services Provided section on page 6 of the Agreement seems outdated and too narrow. For example, an 800 number is no longer relevant, but there should be an emphasis on web and social media tools moving forward. Attorney McDaniel also noted that operation of

the Visitor Information Center (VIC) was missing from this section. N. Sparacio also noted that the Reporting section on page 8 could be clarified to establish specific metrics and expectations for reporting. It was also noted that Data Processing should be updated in Article 1, Section 6. The MAVCB is already paying for its own Information Technology services.

Discussion ensued regarding the Board of Directors composition as shown in Article 1, Section 10 of the Agreement. There appear to be some missing changes to the MAVCB Board by-laws to reflect the current Board size of 13 voting members. The Agreement states that the Board size is to be 11 members. Ald. Kummer stated that the by-laws must be consistent with the Agreement. There was a consensus to modify the Agreement to reflect a board size of 13 directors rather than 11, and that J. Ring must follow up on repairing any inconsistencies within the by-laws.

It was discussed whether the composition should be modified to more closely reflect the ratio of room tax dollars generated by each community. A ratio of 3:1 was suggested, and the dollars generated by Manitowoc versus Two Rivers is closer to 5:1. Currently, the at-large tourism business representation includes four from Manitowoc and three from Two Rivers. J. Ring explained that the current process for selecting the at-large Board members is screening by the Executive Board and President. Ald. McMeans noted that the MAVCB by-laws should be modified to reflect these changes and establish criteria for the selection of the tourism business members. Ald. Sitkiewitz stated that the by-laws should also be amended to specify that the Executive Committee does not have power to make decisions without a vote of full Board.

Discussion continued on whether to include the two lodging establishments generating the largest amounts of room tax dollars. There was a consensus that it should be changed to the largest plus one more of any size generating room tax.

Mayor Nickels asked whether the Cities should have more direct oversight of the MAVCB President in terms of goal setting and performance evaluation. He clarified that this is not day-to-day oversight, but has to do with overall accountability. The Commission discussed that the Cities should, and do already, offer support services to some extent including limited legal and human resources assistance.

Mayor Nickels asked whether direct advertising of the Cities in the Visitor Guide should be at a cost to the Cities? J. Ring noted that this has changed over the years to the point where they now have substantial private advertising that pays the bulk of the Visitor Guide production cost. It was noted that this is not part of the Agreement, so the Cities can just change how this is handled at budget time. There was as consensus that the front page photo of the Visitor Guide should alternate between Manitowoc and Two Rivers every year, and that if back cover is not sold to a private advertiser, it should be

equally split between the participating municipalities. This does not have to be in the Agreement.

Mayor Nickels asked whether Mishicot will be added to the agreement. Ald. McMeans recommended that the Commission wait on considering the addition of Mishicot until after Manitowoc, Two Rivers, and the MAVCB have a new agreement in place. J. Ring will give a presentation to the Cities on the possible inclusion of Mishicot at some point.

Mayor Nickels stated that the rental rate of the building and the insurance coverage should be evaluated. Ald. Brey stated that he thinks the rental rate can stay at \$1 per year now that the changes to the room tax statute have settled down, and we know what we have to work with. Ald. Sitkiewitz noted that the building is very restricted as to what uses can go there based on an agreement with the Wisconsin Department of Transportation. There was a consensus that the current rate should stay the same.

Attorney McDaniel asked whether the threshold of MAVCB responsibility for “minor repairs” is still adequate at \$2500? Similar agreements that are more recent have a threshold at \$5000. The Agreement also states that the MAVCB negotiate with the City of Manitowoc on the cost share for “major repairs”. Ald. McMeans asked whether the cost of major repairs is being equitably shared. J. Ring stated that many minor repairs have been needed and have added up over the years. It was suggested that this be changed in the Agreement to allow for a 50/50 split, since this is consistently what the City has done.

Attorney McDaniel noted that the insurance language needs to be updated. The self-funded retention rate is a potential issue. It was noted that the VIC building was originally built by the City of Manitowoc, but it now belongs to the MAVCB and serves both Manitowoc and Two Rivers. J. Ring noted that much of the original furniture and equipment has been replaced after 25 years. Mayor Nickels asked whether Two Rivers could start sharing in the cost of insuring the personal property in the VIC building? The Commission directed Attorney McDaniel to revise the Agreement to include a one-third cost share for each of the City of Manitowoc, City of Two Rivers, and MAVCB. Ald. Kummer inquired on how Two Rivers provides its local equivalent of VIC. J. Ring explained the use of Washington House and Two Rivers volunteers. MAVCB funding does not go directly into the Two Rivers center, but training is provided by MAVCB staff.

Mayor Nickels asked whether the Agreement should be revised to a five year term. Ald. McMeans stated that a five year term adds risk, but allowing for the Agreement to be open for review after three years provides a safety net.

Mayor Nickels asked what percentage of room tax dollars should go to the MAVCB. Can the percentage be clarified? It was noted that 52.19% is the current allocation.

Discussion ensued, and there was a consensus to keep it the same as there are reasons behind the calculations as they stand today.

Mayor Nickels asked whether there should be changes to how the City makes payments on the allocation. The current system is monthly. J. Ring stated that he prefers monthly but could also adapt to other arrangements. The Commission discussed options of changing payments to quarterly, bi-annually, and annually. It was noted that monthly data on room tax generation can still be provided to the MAVCB regardless of when the payments are made. The Commission will consult with the City Finance Department before recommending any changes to the payment schedule.

Attorney McDaniel noted that there are some Open Meetings Law compliance concerns regarding availability of agendas for Board meetings. It was recommended that the MAVCB use its website to allow for broader community awareness of their meetings and agendas.

The Commission directed Attorney McDaniel to redraft the Agreement with all the changes discussed. A revised draft will be reviewed at the next meeting.

5. Schedule Next Meeting

The next meeting was set for Wednesday, June 1st at 5:30 p.m.

6. Adjourn

A motion was made by Ald. Sitkiewitz and seconded by Ald. McMeans to adjourn the meeting. The motion carried, and the meeting was adjourned at 7:20 p.m.

Attendance: Mayor Nickels
Alder Scott McMeans
Alder Jim Brey
Alder Eric Sitkiewitz
Alder Lee Kummer
Jason Ring, MAVCB President
Nic Sparacio, Community Development Director
Kathleen McDaniel, City Attorney