

130890

**City of Merrill
Committee of the Whole/Tourism Commission
(joint meeting)
Tuesday, July 9, 2013 at 5:30 P.M.
City Hall Common Council Chambers
1004 East First Street**

Committee of the Whole members present (9 of 9): Mayor Bill Bialecki, Alderman Chris Malm (First District), Alderman Steve Hass (Second District), Alderman Ryan Schwartzman (Third District), Alderwoman Kandy Peterson (Fourth District), Alderman John Burgener (Fifth District), Alderman Dave Sukow (Sixth District), Alderman Rob Norton (Seventh District) and Alderwoman Anne Caylor (Eighth District).

Tourism Commission members present: Parks & Recreation Director Dan Wendorf, Jim Arndt, Russ Grefe and Laureen O'Day.

Other attendees: City Administrator Dave Johnson, City Attorney Tom Hayden, Finance Director/Treasurer/Comptroller/RDA Secretary Kathy Unertl, Collin Lueck (Foto-News), Debbie Kinsey, Cheryl Skoug, Duane Pfister and City Clerk Bill Heideman. A student was in attendance to videotape the meeting for the Cable Access Channel.

Call to order

Mayor Bialecki called the meeting to order at 5:30 P.M.

Discuss referral from Common Council re: Room tax increase

Information was in the meeting packet.

At a meeting on May 28th, 2013, the Personnel and Finance Committee recommended an increase in the lodging room tax from 4% to 8%. At a meeting on June 11th, 2013, the Common Council referred that recommendation to a joint meeting of the Committee of the Whole and Tourism Commission.

Russ Grefe had submitted information that was included in the meeting packet. He questioned the suggestion from City staff that the City portion of the potential increased revenue generated by a room tax rate increase could be used to purchase additional directional signs. He also raised concerns related to the City staff position on room tax rates in neighboring locales. In his opinion, it appears that many of the neighboring municipalities that are comparable in size to Merrill currently have a rate of 4%.

Mayor Bialecki reported that the concept to increase the room tax percentage originated at a recent forum held at the Eagles Club.

Russ Grefe stated that, in his opinion, room tax revenue should be used to increase the number of overnight visits. He does not think increased signage would do that.

City Administrator Johnson inquired as to the present uses of the room tax revenue. Russ Grefe reviewed the current uses for the revenue (Barley Fest, Fair, Rodeo, etc.).

Alderman Malm asked what the increase in revenue would be if the rate were increased from 4% to 8%. Russ Grefe estimated that the increase would be approximately \$4 per visit for each night.

A possible compromise to increase the room tax rate to 6% was suggested and discussed.

Mayor Bialecki reported that the Chamber of Commerce has sought more and better directional signage in the City, to assist visitors in finding their way around town. He suggested that increasing the room tax would result in more revenue, which could be used to enhance signage.

Alderman Malm speculated that, if a room tax increase would result in a decrease in overnight stays, it would hurt the local businesses. Russ Grefe stated that much of business at the lodging establishment that he manages is generated by local businesses (Church Mutual, Weinbrenner, Russ Davis Wholesale, etc.).

Debbie Kinsey stated that, as the owner of a lodging establishment, she would not have a problem with an increase. However, based on her involvement with the Tourism Commission, she is more hesitant to favor an increase. She is definitely not in favor of increasing it to 8%, but suggested that it could be increased to 6%, followed by an evaluation of the effect of that compromise increase. Lauren O'Day stated that she was not in favor of an increase at this time.

Alderwoman Caylor stated that she had previously requested that, before any increase is considered, a plan for the increased revenue should be prepared and presented for consideration. To date she has not seen such a plan. Alderman Hass agreed with this. Alderman Sukow also concurred, stating that a plan, including potential direction signage, should be prepared and considered before any increase is considered.

Alderman Hass suggested that consideration of changing the room tax rate could be part of the 2014 budget process, along with consideration of the use(s) for the City's portion of any increased revenue potentially realized as a result of changing the rate. Until that time, he recommended that the rate remain at 4%.

No action taken at this time.

Public Comment

None.

Adjournment

Motion (Hass/Caylor) to adjourn. Carried. Adjourned at 6:20 P.M.

Minutes prepared and submitted by:

William N. Heideman, CMC, WCMC
City Clerk