

Tourism Commission Meeting Minutes June 26, 2015

Attendance: Dan Wendorf, Debbe Kinsey, Chris Malm, Russ Grefe, Dave Johnson, Lauree O'Day

Missing: Jim Arndt, Steve Wendland

Public: Gary Schwartz, Jim Kreger

Meeting was called to order at 12:04pm by Dan Wendorf.

Public Comment: none at this time

Review of April's meeting minute: A motion to approve the minutes as written from the April 24, 2015 meeting was made by Russ Grefe, seconded by Lauree O'Day, voted and carried.

Discussion of Room Tax increase: At the last City Council meeting it was brought up to increase the room tax from 4% to 8%. The mayor brought it forward to the agenda. A comparison of the current room tax in the surrounding areas was provided in the commission packet. Discussed/reviewed how the room tax money is used by the Chamber/Commission. Does the City use their portion to help bring people to Merrill? It was brought up that many of the local Merrill businesses bring people to Merrill to stay, and cover the cost of the hotel rooms. Would an increase of 4% hurt our businesses? Would they cut back on the number of rooms that they book? Many of the businesses that use the hotels also supported the city taking over the grounds, so paying slightly more per room would likely be seen as another way to support the fairgrounds. Another item that was brought to the table was keeping the total price under \$100 per night. People have a harder time spending over the \$100 for a room but are ok to spend \$95 a night. Plus, a room under \$100 would help keep the people here in Merrill. An 8% increase would put the total price over the \$100 mark. To increase the room tax, could help make the grounds a destination location with the correct venue that would be built. The City would need to establish a dedicated user group that would manage the grounds. Is there a long range plan? Things would be a lot better if the County would have maintained the grounds. The City listened to the public and now will need to get a plan of action together. How would our prices with an increase compare to Wausau? Having a hotel room at \$109 in Merrill is comparing it to the Hampton Inn in Wausau or many of the other middle priced hotels. Howard Johnson's, Super 8, and other budget hotels are under that price. Some counties have a higher than 8% rate. These counties have a special tax added, such as Brown County is at 10% room tax, where 2% goes to the Green Bay Packers. Why would people stay in Merrill, when 20 miles down the road they can stay in Wausau that has a lot more to offer? The goal is to be able to offer more here in Merrill with the new amenities like the Aquatic Center, the River Bend Trail, downtown redevelopment and a fairground venue that is utilized for many more events. No one was opposed to raising the room tax, just concern about how much it could or should be raised initially.

Motion: Chris Malm made the motion to recommend raising the room tax from the current 4% to 6% and establishing a reporting mechanism for reporting to the city council and community at large. The reporting mechanism shall be reviewed in 12 months to see if it is working to everyone's satisfaction. And as part of the transparency, the city shall also report on how tourism dollars are being spent on their portion." Chris volunteered to work with Tom Hayden to work out what the reporting mechanism shall be. The motion was seconded by Lauree O'Day. Motion carried.

Discussion: Why isn't tourism on a calendar year? Currently Tourism calendar year is from May 1 to April 30. So, when reporting on Tourism, it is hard to calculate correct numbers due to having to combine quarters and portions from different years due to the overlap. It is done accurately, but it is cumbersome to calculate. Grants are paid out in when we receive the room tax from the quarter in which the event took place. This means that most times the funds are reimbursed 6 months after the event. It's important that the grantees understand that the grant is 'reimbursed' due to the delay. The current cycle also has two heavy marketing cycles which means that the chamber must pay some contracted bills and then waits for the next room tax check to be reimbursed on the current tourism cycle from May 1 to Apr 30. A calendar year cycle may ease this a bit. The commission will look into switching the calendar year to January 1 to December 31.

Public Comment: Gary Schwartz would like to see the Commission get on the same calendar year as the City. The comparisons tools do not match up to the actual period. Why doesn't the city report the full room tax collected to the state like other communities?

Next date and time for meeting will be done with an email at a later date.

A motion to adjourn at 1:12pm was made by Chris Malm, seconded by Lauree O'Day, voted and carried.