



MINUTES
COMMITTEE #1
REVENUES, DISBURSEMENTS, WATER AND WASTEWATER
APRIL 19, 2016

Committee #1 - Revenues, Disbursements, Water and Wastewater met on Tuesday, April 19, 2016 at 9:00 AM in the Council Chambers, City Hall, 30 West Central Street, Chippewa Falls, WI.

Committee Members present: Rob Kiefer, John Monarski, Brent Ford.

Mayor/Other Council Members present: Paul Nadreau.

Others present: Finance Manager/Treasurer Lynne Bauer, Public Works Director/City Engineer/Public Utilities Manager Rick Rubenzer, Parks & Recreation Director Dick Hebert, Mike Jordan, Jamie Liebrandt, Jackie Boos, Kevin Erickson, LaCrosse Sign Co.

Call to Order: 9:00 AM

- 1. Continued discussions regarding current room tax ordinance, current contract for services with the Chippewa Falls Area Chamber of Commerce, and recent legislative changes. Possible recommendations to the Council.**

Chippewa Falls Chamber Director Mike Jordan provided an update regarding recent room tax legislative changes. Since the last meeting, the State has amended the definition of a tourism entity to include an organization that was incorporated before January 1, 2015 and spends 100% of the room tax revenue on tourism promotion and development. The Chamber now fits that definition and therefore earlier discussed changes would not be necessary. Mr. Jordan presented a draft contract for review. The Committee will consider this agreement at their next meeting on May 2.

No action taken.

- 2. Discuss funding for Forestry Tree Inventory and EAB Response Plan (Grant Match). Possible recommendations to the Council.**

Finance Manager/Treasurer Lynne Bauer presented two options for funding the City's match of \$16,650. There might be monies left from 2015 in the Parks & Recreation wage and benefit accounts however the amount will not be known until the 2015 audit is complete. There is 2016 money in the land sale account to cover the match. If the audit is favorable, land sale revenue could be replaced with the leftover 2015 funds.

Motion by Ford/Monarski to recommend the Council approve funding of \$16,650 for the City's grant match for the Forestry Tree Inventory and EAB Response Plan from land sale revenues. All present voted aye. Motion carried.

3. Discuss funding for Inspection Office carpeting and City Hall Sign. Possible recommendations to the Council.

The Committee revisited the issue of funding for flooring in the Inspection Office and a new City Hall sign. The Committee would like updated quotes for wood flooring, carpeting, and vinyl flooring. Sign options include repairing the current sign and moving it closer to the flag pole or purchasing a new sign. Costs range from \$3,500 to over \$25,000. There are limited land sale revenues that could be used for funding these items. The Committee would like updated quotes and agreed they did not want to spend more than \$5,000 on a sign. Discussion also included whether or not the School District or CVTC would build a sign as part of a class project. The Committee will discuss at their next meeting on May 2.

No action taken.

4. Adjournment.

Motion by Ford/Monarski to adjourn at 9:34 AM. All present voted aye. Motion carried.

**Minutes submitted by,
Lynne Bauer, Finance Manager/Treasurer**



**WISCONSIN LEGISLATIVE COUNCIL
ACT MEMO**

**2015 Wisconsin Act 301
[2015 Assembly Bill 714]**

**Tourism Entities Under the
Municipal Room Tax**

BACKGROUND

A municipality may impose a tax on short-term lodging (a "room tax") on entities such as hotels, motels, and other establishments that rent lodging for periods of less than one month. Two or more municipalities may impose a room tax in a "zone," defined as "an area made up of 2 or more municipalities that, those municipalities agree, is a single destination as perceived by the traveling public." [s. 66.0615 (1) (h), Stats.] Certain percentages of room tax revenue must be spent on tourism promotion and tourism development. A municipality that collects a room tax may not directly spend the required amount of room tax revenue on tourism promotion and tourism development. Rather, a municipality must forward the required amount of room tax revenue to a commission, if one exists, or to a tourism entity to be spent for those purposes.

2015 WISCONSIN ACT 301

Wisconsin Act 301 expands the definition of tourism entity, permits municipalities to contract with a wider range of organizations if a tourism entity does not exist, and expands the required membership of a tourism entity's governing body.

Definition of Tourism Entity

Under prior law, a tourism entity was an organization that: (1) was a nonprofit organization; (2) came into existence before January 1, 1992; (3) spent at least 51% of its revenue on tourism promotion and tourism development; and (4) provided destination marketing staff and services for the tourism industry in a municipality.

If an organization satisfying the definition did not exist on January 1, 2016, then a municipality could contract with a nonprofit organization that: (1) was created within the municipality; (2) spent at least 51% of its revenue on tourism promotion and tourism

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.wisconsin.gov>.

development; and (3) provided destination marketing staff and services for the tourism industry in the municipality.

Act 301 expands the definition of tourism entity to mean an organization that satisfies the conditions above except that it must have come into existence prior to January 1, 2015, instead of January 1, 1992.

Under Act 301, if an organization satisfying the modified definition of tourism entity does not exist, then a municipality may contract with a nonprofit organization that either: (1) spends at least **51% of its revenue** on tourism promotion and tourism development; or (2) was incorporated before January 1, 2015, and spends **100% of the room tax revenue it receives** from a municipality on tourism promotion and tourism development.

Tourism Entity Governing Bodies

Under prior law, the governing body of a tourism entity was required to include at least one owner or operator of a lodging facility that collected room tax and was located within the municipality for which the room tax was collected.

Act 301 expands the required membership of a tourism entity's governing body to include either: (1) at least one owner or operator of a lodging facility that collects room tax for the municipality within which it is located; or (2) at least four owners or operators of lodging facilities that collect room taxes and that are located in the zone for which the room tax is collected.

Effective date: April 1, 2016

Prepared by: Rachel E. Snyder, Staff Attorney

April 4, 2016

RES:mcm;ksm

CONTRACT FOR SERVICES

THIS CONTRACT, entered into this th day of April, 2016 by and between the City of Chippewa Falls (hereinafter City) and the Chippewa Falls Area Chamber of Commerce, (hereinafter Chamber), as follows:

WITNESSETH:

1. This contract relates to promoting tourism for the Chippewa Falls area by use of a room tax pursuant to state statute 66.75 Wis. Stats.
2. In consideration of the services provided by the Chamber, the City shall make quarterly payments to the Chamber as these funds are collected, equal to the appropriations. Such funds are to be derived from the room tax imposed by the city under state statute 66.75, Wis. Stats or successor" room tax" statutes, subject to the provisions of paragraph 3.
3. The Chamber shall be charged with administering ^{87.40}87.40% of the room tax funds after the Innkeepers retain 5% of room tax collections for administrative purposes and the City retains 7.60% of collections, all pursuant to §3.13(2) of the City Code.
4. This contract for services shall be effective for the period beginning January 1, 2016 and ceasing December 31, 2020, unless terminated as provided herein. The City, at its discretion, may retain up to 15% of room tax collections after January 1, 2018.
5. The Chamber shall provide an annual operating budget for City Council review. This budget shall list projected income and expenditures for the coming year. The Chamber of Commerce must spend 100% of the funds they receive on tourism promotion and tourism development as required by §66.0615, Wis. Stats., and §3.12(2) of the City Code.
6. The Chamber shall provide an annual audit of the Tourism Division to the City. This audit shall be conducted by an independent certified public accountant.
7. The Chamber shall indemnify, defend and save harmless the City from and against any loss, damage, cost, or expense which the City may become liable as a result of injury, including death to the agents, servants, employees, permittees, invitees, or contractors of the Chamber, or damage to the property of any of them, arising from negligence or other fault of the Chamber during the term of this contract.
8. This contract shall be subject to termination:
 - A. By the Chamber: If the City fails to perform each and every one of its obligations hereunder. Prior to termination, notice of breach shall be given, in writing, from the Chamber to the City, setting forth the nature of the breach, and a reasonable period of time within which to correct the breach. In the event the City fails to correct the breach within the time period specified, the Chamber may terminate this contract.

