

Room Tax Commission
October 17, 2023
Meeting Minutes

1. Call to order at 9:31 am
2. Roll call – Sue Saxhaug, Ron Van Dusen, Crystal Loppnow, Robin Ginner, Justin Behling, Diane Marquardt and Kim Emerson. Guests include: Jim Eagen, Bill Hassey, Bill Marshall, Becky Bolte, Shelly Sauvola and Peter Anderson. Introductions were made for those not normally in attendance.
3. **Motion/Second, Sue Saxhaug/Justin Behling, to approve the meeting minutes from the June 2023 Room Tax Commission special session meeting. Motion passed.**
4. Discussion and possible action on the following agenda items
 - a. Treasurer’s Report – Receipts \$143,793.44 (ER \$20,470.77, Lincoln \$49,407.09, Washington \$73,754.61, dividends from Ripco \$123.54 and 37.43). Disbursements of \$192,629.24, plus an additional \$57,625 paid in grant awards were made for a total of \$250,254.24. Balance as of September 30, 2023: \$50,486.47 in Grants, and \$310,437.90 in Operating. For clarification, the receipts noted by the Commission do not include the 10% kept by the municipalities.
 - **Motion/Second, Ron Van Dusen/Crystal Loppnow to accept the June Treasurer’s report. Motion passed.**
 - Review and approval of bills for June, July, August and September 2023. **Motion/Second, Behling/Van Dusen , to approve payment of the Second Quarter vouchers in the amount of \$201,418.57. Motion passed. Motion amended to the correct balance. Motion passed.**
5. Tourism and Promotion Grant Committee Recommendations
 - a. The grant committee received four applications for the September deadline – Trees For Tomorrow, SnoEagles, Eagle River Historical Society and the Town of Lincoln. After review, committee recommends - \$1,500 for Trees For Tomorrow to support promotions for Forest Fest, and \$24,000 to the SnoEagles for new drag for their groomer. The other two grants were not approved. Historical Society requested matching funds for their museum fundraising, but the grant committee felt this was already funded with the last grant allocation made to them. The Town of Lincoln asked for \$35,000 to repair and resurface snowmobile crossings, which is a maintenance issue, not new development capital, and as such was turned down. **Motion/Second, Van Dusen/Loppnow, to approve grant requests for Trees For Tomorrow and SnoEagles. Motion passed.**
6. Changes to Room Tax Commission agreement presented by representatives from the City of Eagle River and Towns of Washington and Lincoln.
 - a. Jim Eagan, Bill Hassey and Bill Marshall were in attendance to represent the Towns of Washington and Lincoln. Hassey reviewed the reports from past meetings. Tourism is up and has grown significantly. There are infrastructure costs related to the increased tourism – emergency services, roads, airport, library, etc. Towns are absorbing extra costs, which have increased significantly, especially ambulance.

The Towns want to be on par with the other towns in Vilas. All are at the 70/30 split allowed by the latest legislation. The existing 10% split doesn't pay for our infrastructure costs. The towns can't keep absorbing the expense. Raising the room tax is not fair for the people running hotels and rentals. The Towns would rather work with the percentage we are charging. Eagan added that they just want to equalize so it's fair to the Towns. For the Clerk/Treasurer the short term rental administration is substantial. Roads, wages, insurance. The towns need additional dollars. Kim Emerson noted that the percentage charged as room tax could be raised with the additional funds disbursed on the new 70/30 split. Bill Marshall added that they felt it's unsustainable for the towns to support the increase. Towns can't be good partners at 10%. Justin Behling noted that it is not up to the commission and committees to determine the legality of the changes. But should there be a decrease in tourism, the funds would be needed to draw people back.

Table to review legislation, Ginner will reach out to the DOR for an opinion on if we can rescind the commission and reestablish at the higher percentage split, and will request an updated opinion from Steve Garbowicz, City Attorney.

7. **Motion/Second, Loppnow/Saxhaug, to adjourn at 10:28. Motion passed.**

Next meeting is scheduled for December 13, 2023 at 9:30 am.