

**Room Tax Commission  
of the City of Onalaska**

Wednesday, August 26, 2020

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1 The meeting of the Room Tax Commission of the City of Onalaska was called to order at 4:04  
2 p.m. on Wednesday, August 26, 2020. It was noted that the meeting had been announced and a  
3 notice posted at City Hall.

4  
5 Roll call was taken, with the following members present: Ald. Dan Stevens, Peg Binash, Jason  
6 Lund, Valerie Erickson

7  
8 Also Present: City Administrator Eric Rindfleisch, Mayor Kim Smith, Ald. Diane Wulf,  
9 Financial Services Director/Treasurer Fred Buehler, Parks and Recreation Director Dan Wick,  
10 Omni Center Event Coordinator Justin Swartling, Explore La Crosse Director A.J. Frels

11  
12 **Item 2 – Approval of Minutes from the previous meeting**

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14 Motion by Jason, second by Ald. Stevens, to approve the minutes from the previous meeting as  
15 printed and on file in the City Clerk’s Office.

16  
17 On voice vote, motion carried.

18  
19 **Item 3 – Public Input (limited to 3 minutes/individual)**

20  
21 Ald. Stevens called three times for anyone wishing to provide public input and closed that  
22 portion of the meeting.

23  
24 **Consideration and possible action on the following items:**

25  
26 **Item 4 – Election of:**

27  
28 A. Chair

29  
30 Motion by Jason, second by Valerie, to nominate and elect Ald. Dan Stevens as Chair of the  
31 Room Tax Commission.

32  
33 On voice vote, motion carried, 3-0, with one abstention (Ald. Stevens).

34  
35 B. Vice Chair

36  
37 Motion by Ald. Stevens, second by Peg, to nominate and elect Jason Lund as Vice Chair of the  
38 Room Tax Commission.

39  
40 On voice vote, motion carried, 3-0, with one abstention (Jason).

41  
42 **Item 5 – Financials:**

Reviewed 09/01/2020 by Fred Buehler

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A. 2020 Financials

Fred’s report included the following information:

- Room tax revenue through the second quarter totaled \$175,603.32.
- Expenditures under “Other Contractual Services” totaled \$72,189.95 through July. The LCCVB received \$71,779.49; \$392 was utilized for an audit; and \$18.48 was utilized for a fire extinguisher inspection at the Great River Landing.
- \$32,885.52 was transferred out of the Tourism account (\$25,635.52 for first and second quarter room tax, and \$7,250 in additional funds for the first and second quarters).
- Taxable sales for the first quarter of 2019 totaled \$2,078,797.74; however, taxable sales for the first quarter of 2020 totaled \$1,627,742.33. First quarter revenue for 2019 totaled \$166,303.82; however, taxable sales for the first quarter of 2020 totaled \$130,219.38.

Ald. Stevens asked Fred if it would be safe to assume that the COVID-19 pandemic did not start to impact first-quarter sales (January, February, March) until partway through the quarter.

Fred said the impact started to be seen approximately March 1, noting that most of the room tax had literally shut down.

- Taxable sales for the second quarter of 2020 totaled \$935,809.80, and second quarter revenue totaled \$74,864.76. By comparison, taxable sales for the second quarter of 2019 totaled \$2,625,624.63, and second quarter revenue totaled \$210,049.98.
- Sales through the first and second quarters of 2020 totaled \$2,563,552.13. The Omni Center received \$25,635.52 (1 percent of sales). The room tax fund received \$175,603.32. The City of Onalaska’s Fund No. 100-41210 received \$9,728.68, and the city’s Special Project Fund received \$19,752.17. Fred reiterated the LCCVB received \$71,779.49.

Ald. Stevens asked how the funds in Fund No. 100-41210 are utilized.

Fred said it is in the General Fund as anticipated revenue.

- Fred told committee members the methodology the city utilizes was created due to laws passed in the State of Wisconsin and the City of Onalaska. Fred noted the City of Onalaska’s Code of Ordinances state the Omni Center receives 1 percent of the sales.
- The LCCVB had received \$131,723.83 for the first and second quarters of 2019, compared to \$71,779.49 for the first and second quarters of 2020. This is a difference of \$59,944.34.

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84 Motion by Jason, second by Peg, to approve the 2020 Financials.

85

86 On voice vote, motion carried.

87

88 B. 2021 Tourism Budget

89

90 Fred told commission members he had spoken with Dan regarding what the LCCVB was  
91 anticipating as revenue from the City of Onalaska in 2021. Sales for 2021 are estimated to be  
92 \$6,185,000, which when multiplied by 0.028 percent, means the LCCVB will receive \$173,180.  
93 Fred told commission members \$10,550,000 in sales was anticipated in 2019. That sum was  
94 reduced to \$10,165,000 in 2020 due to an increase in hotels in the area, as well as the fact some  
95 of the individuals who had stayed in the city's hotels (e.g. railroad employees) no longer were  
96 doing so. The difference between 2019 and 2020 is \$385,000. The difference between 2020 and  
97 anticipated 2021 sales is \$3,980,000. Fred said he believes people still are reluctant to stay in  
98 hotels due to the COVID-19 pandemic.

99

100 A.J. said he supports Fred's statements, noting that his financial figures align with Fred's. A.J.  
101 noted he had spoken with several hotel operators, and he said they had told him they also agree  
102 with the projected financial figures. A.J. said, "Reality is reality, unfortunately. I hope it's better  
103 than that, but I think we have to be prepared for these numbers."

104

105 Fred said the projected sales figure of \$6,185,000 will be utilized going forward. Fred told  
106 commission members, "[The] LCCVB, if 2020 would have been reality ... If we would have  
107 gotten \$10,165,000 for 2020, using the scenario to 2021, LCCVB will get \$111,400. I think we  
108 all know it's going to be \$111,400, plus whatever's going to be short for 2020." Fred noted the  
109 Omni Center will receive \$39,800 less, which is 1 percent of the difference between \$10,165,000  
110 and \$6,185,000. The Special Projects Fund will receive \$30,665.90 less, and the City of  
111 Onalaska's portion will be \$15,104.10 less.

112

113 Ald. Stevens asked Fred if it would be fair to say each allocation should expect an approximately  
114 40-percent decrease in funds allocated to it.

115

116 Fred said yes. However, Fred also said, "If things turn more positive, we will win by default."

117

118 Page 21 showed what is budgeted for revenues:

119

- 120 • **Room tax revenue, at 8 percent (projected Tourism portion):** \$423,673
- 121 • **Vending machine revenue:** \$500
- 122 • **Bike passes:** \$3,000
- 123 • **Lapel pin income:** \$0
- 124 • **Advertising income:** \$0

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- 125 • **Contribution from DNR:** \$0
- 126 • **Miscellaneous income (books t-shirts, etc.):** \$0
- 127 • **Interest on investments:** \$1,600
- 128 • **Rent/support payments (rent from LCCVB):** \$1,500
- 129 • **Total:** \$430,273

130

131 Dan addressed the bike passes for the Great River State Trail, which are sold as part of the city's  
132 partnership with the Wisconsin Department of Natural Resources. Dan noted \$5,000 was  
133 budgeted for 2020, and the city has collected \$3,100 to date. Dan told commission members he  
134 has reduced the amount to \$3,000 to go in line with what has been done historically.

135

136 Fred directed commission members' attention to page 17 and noted the budgeted amount for  
137 interest income will decrease from \$6,000 in 2020 to \$1,600 in 2021 due to a steep decline in  
138 interest rates, which are now at approximately 0.12 percent. Fred noted \$2,693.65 in interest  
139 income has been collected to date. Fred also noted \$74,301 was budgeted for salaries (regular)  
140 in 2021 (\$69,617 was budgeted in 2020, and \$41,966.53 has been spent to date).

141

142 Dan noted \$4,131 has been budgeted for wages (regular) in 2021. Dan told commission  
143 members he has taken 10 percent of Administrative Assistant Louann Keane's wages out of  
144 Tourism due to the work she is doing with the Great River Landing. Dan noted Louann handles  
145 all the bike passes and works with the Wisconsin DNR.

146

147 The personnel justification for 2021 is as follows:

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149

<u>Full-Time Personnel</u>				
<b>Pct. Allocated to Dept.</b>	<b>Job Title</b>	<b>2020 Gross</b>	<b>2021 Prop.</b>	
5	City Administrator	\$6,546	\$7,073	
9.4	Finance Director	\$8,150	\$8,333	
--	Sales Manager	\$54,398	\$55,895	
10	Adm. Assistant	--	\$4,131	
	<b>Subtotals</b>	<b>\$69,094</b>	<b>\$78,433</b>	

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157

<u>Part-Time Personnel</u>				
<b>Pct. Allocated to Dept.</b>	<b>Job Title</b>	<b>2020 Gross</b>	<b>2021 Prop.</b>	
--	Custodian/Groundskeeper	\$19,942	\$20,326	
20	Mayor	\$3,800	\$3,600	
20	Mayor's expenses	\$600	\$600	
	<b>Subtotals</b>	<b>\$24,342</b>	<b>\$24,526</b>	

163

164 Pages 18 and 19 show what is budgeted for the following items:

165

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- 166 • \$7,876 for FICA
- 167 • \$6,666 for retirement
- 168 • \$4,752 for health insurance (a 10-percent increase is being forecasted)
- 169 • \$1,495 for dental insurance
- 170 • \$59 for life insurance
- 171 • \$2,797 for water/sewer/storm water
- 172 • \$6,000 for electric and gas
- 173 • \$2,100 for phone/internet/cable
- 174 • \$400 for software maintenance contractual
- 175 • \$173,850 for other contractual services (\$173,180 for LCCVB, \$420 for audit, \$250 for
- 176 miscellaneous)
- 177 • \$200 for transcription contractual
- 178 • \$25 for sales tax
- 179 • \$50 for office supplies
- 180 • \$25 for postage
- 181 • \$100 for copy usage and paper
- 182 • \$250 for subscriptions and dues
- 183 • \$50 for recruitment
- 184 • \$1,000 for operating supplies
- 185 • \$1,200 for cleaning and sanitary supplies
- 186 • \$2,500 for building and grounds maintenance and repair
- 187 • \$100 for vehicle and maintenance repair
- 188 • \$360 for regular fuel
- 189 • \$300 for insurance – workers comp
- 190 • \$300 for insurance – fire, comp/coll., boiler
- 191 • \$50 for insurance – vehicles
- 192 • \$119,109 for depreciation (Great River Landing)
- 193 • \$40,954 for interest on a \$400,000 loan (Omni payment)
- 194 • \$475 for other debt service-paying agent fees
- 195 • \$76,350 for transfers out (\$61,850 for the Omni Center, per city ordinance; \$14,500
- 196 additional transfer request)
- 197 • \$552,351 total

198

199 Ald. Stevens asked Fred if he is expecting a 10-percent increase in health insurance premiums.

200

201 City Administrator Rindfleisch told Ald. Stevens the answer to his question will not be known  
202 for at least one more month, and he said that is the number city staff has utilized as a placeholder  
203 the last several years so that the budgets may be prepared. City Administrator Rindfleisch  
204 added, “We haven’t been wrong yet. It’s been 10 percent each year the last several years.”

205

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206 Fred noted the following from the budget recap on page 26:

207

- 208 • Total revenue is -\$430,273
- 209 • \$123,806 for total wage/benefit
- 210 • \$173,180 for the LCCVB
- 211 • \$101,731 for total principal on the debt
- 212 • \$40,954 for total interest on the debt
- 213 • \$76,350 for total transfers out
- 214 • \$18,952 for other expenses
- 215 • \$13,000 for capital outlay
- 216 • \$119,109 for building depreciation
- 217 • Subtotal is \$667,082 (includes total wage/benefit, LCCVC, total interest on the debt, total
- 218 transfers out, other expenses, building depreciation)
- 219 • Total is \$236,809

220

221 Fred said the \$667,082 consists of both the total principal on the debt and building depreciation,  
222 but approximately \$552,000 (\$552,351) will be coming out of Tourism's cash flow. Fred also  
223 told commission members this is the first year there are more expenditures, and he said, "This  
224 will be going into your fund equity. Fund equity will be going down by about \$100,000 because  
225 you don't have the income coming in like you did in the past."

226

227 Dan noted Parks and Recreation Department staff members maintain the Great River Landing  
228 during the winter, and he said it is a delicate area in which to maneuver due to the different trails.  
229 Dan said he and the Public Works Department are working together to purchase a Bobcat  
230 articulated loader, with attachments. One third of the \$39,000 cost, meaning \$13,000, would be  
231 taken from the Tourism budget, and the other two-thirds of the cost (\$26,000) would be taken  
232 from the Public Works budget and other General Fund accounts. Dan said the Bobcat would be  
233 utilized for snow removal and landscaping at the Great River Landing.

234

235 Ald. Stevens asked how snow removal and landscaping are currently being addressed.

236

237 Dan said staff utilizes a John Deere front mount that does not have the maneuverability, and  
238 "we've been going through some gear boxes as the snow freezes and thaws, especially right next  
239 to the road." Dan told Ald. Stevens the Bobcat is hydraulic-driven, and he said he hopes the  
240 Bobcat would provide a better condition for staff.

241

242 Ald. Stevens inquired about the status of the Bobcat if the Room Tax Commission approves it,  
243 but the Board of Public Works deletes the item from the 2021 Capital Improvements Budget.

244

245 Dan said the item would not be purchased.

246

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247 Fred said he is seeking a motion to approve the 2021 budget and move it on.

248

249 Ald. Stevens asked if the 2021 budget includes the Bobcat.

250

251 Fred said yes, noting it is a fixed asset because it is an Enterprise Fund. Fred also noted it would  
252 increase both the asset value and the debt obligation.

253

254 Motion by Ald. Stevens, second by Jason, to approve the 2021 Tourism budget.

255

256 Valerie said, "Coming from the hospitality and tourism industry, obviously we've all taken a hit  
257 in wages. I know that our budget covers some wages. Were there any wage ...?"

258

259 Fred told Valerie the budget contains no COLA (Cost of Living Adjustments) that is being  
260 issued by the City of Onalaska.

261

262 Valerie also asked if any consideration was given to decreasing expenses such as wages given  
263 the COVID-19 pandemic.

264

265 City Administrator Rindfleisch said both tax dollars and utility dollars are being affected, noting  
266 the City of Onalaska has less personnel as there are unfilled positions the city did not fill in  
267 absence of layoffs. City Administrator Rindfleisch said city staff is examining all positions, and  
268 he noted some positions have been modified. City Administrator Rindfleisch also said, "There is  
269 only one wallet, and we have revenue limits and expenditure restraints that we have to follow.  
270 We have no choice in the matter but to match the budget, and 80 percent of what we do is  
271 personnel. Whatever personnel change we have to make, we'll make in our budget."

272

273 Ald. Stevens asked if it is accurate to say there have not been any decreases in existing wages,  
274 but existing positions have not been filled to generate more available funds in the budget, and  
275 going forward in the future there will not be a COLA increase.

276

277 Fred told Valerie one of the consequences is Dan, who normally receives \$101,000, will not be  
278 receiving that amount, and he said, "Somebody is going to have to help, which is going to be  
279 looking at the city to figure out where – either out of Special Projects or somewhere [else] to  
280 assist him. If he normally gets \$67,000 from the Special Projects Fund each year, and in this  
281 budget you can see he's only going to get \$47,000, somebody has to pick up that difference. The  
282 City of Onalaska is going to be paying quite a bit of dollars to assist the Omni Center to keep  
283 afloat. From an obligation point of view, that is where it is going to cost the city. Not only  
284 there, but what we have to look at is also the fact Dan expected \$101,000 coming from Tourism,  
285 and they're only going to get \$61,000. That's roughly \$40,000 less coming from room tax. Dan  
286 has got to survive up there because he anticipated this: pretty much stationary, same amount of  
287 revenue over the years. But because of the pandemic, somewhere the city is going to have to  
288 figure out how we keep him solvent."

Reviewed 09/01/2020 by Fred Buehler

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289  
290 Valerie stated she understands and noted her hotel finds itself in the same situation as she  
291 expected a certain amount of revenue and took a significant cut. Valerie said the hotel is saving  
292 on expenses is decreasing salaries and limiting hours, and she also said, “I’m wondering if that  
293 was in the package for the city, and specifically our budget. Will we see reduced expenses and  
294 salaries?”

295  
296 Ald. Stevens pointed out that limiting hours by not filling positions is part of the package.

297  
298 Ald. Wulf asked under which department in Public Works the Bobcat is listed.

299  
300 Dan told Ald. Wulf he had spoken to City Engineer Jarrod Holter, who had told him he would  
301 take care of it.

302  
303 Fred noted Ald. Wulf had been examining the 2021 Capital Projects on the September 1 Board  
304 of Public Works meeting agenda, and the Bobcat has been included in the 2021 Capital  
305 Improvements Budget. However, Fred also noted that the item will not necessarily be approved  
306 even though it is listed at this time. Fred referred to the proposed 2021 CIB, which is included in  
307 the September 1 Board of Public Works meeting agenda, and noted the Bobcat is Project No. 17  
308 under the Public Works Department. The proposed budget lists the cost breakdown as follows:  
309 \$13,000 under Sanitary Sewer; \$8,666 under Water; \$8,666 under Tourism; and \$8,668 under  
310 General.

311  
312 On voice vote, motion carried.

313  
314 **Item 6 – Omni Center Sales Manager**

315  
316 A. Statistics from Omni Center regarding hotel usage

317  
318 Dan reported that eight room nights had been generated through the second quarter. This was  
319 due to the “Market in the Park.”

320  
321 B. Update on events

322  
323 Justin reported that the last “Market in the Park” for 2020 is scheduled for September 26. There  
324 also is a gun show is scheduled for October.

325  
326 **Item 7 – La Crosse County Convention and Visitors Bureau – A.J. Frels**

327  
328 A.J. reported the following:

- 329  
330
- The LCCVB cut its budget by 60 percent. There is a 40-percent reduction for 2021. The

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- 331 percentages are reduced from the 2019 numbers. A.J. noted that 2019 had been a record-  
332 setting year for direct visitor spending in La Crosse County (\$281 million). There had  
333 been a 15-percent increase in the three years leading up to 2020. Leisure travel is slowly  
334 increasing.
- 335 • The paddle boats will not be coming this year, and the trolley did not operate. The trolley  
336 must be slightly more than 70 percent full to reach the break-even point.
  - 337 • There were significant reductions to marketing and advertising.
  - 338 • The beer, wine and cheese event was cancelled, as was the Driftless Outdoor Show that  
339 was scheduled for the Omni Center.
  - 340 • Membership continues to be strong, as there was a year-to-date increase through July.  
341 Data was adjusted as part of the “post COVID-19 budget.”
  - 342 • The LCCVB renewed its lease at Riverside Park through July 31, 2021. The lease  
343 committee will meet September 1 as the LCCVB must renew six months out at its current  
344 location.
  - 345 • The LCCVB’s new website went live earlier in August, and it is more user-friendly.  
346 Seventy-three percent of all users that visit the LCCVB’s go to the calendar of events.
  - 347 • The 2020 grant for the Driftless Outdoor Show has been transferred, and it still will be  
348 available in 2021, provided the show occurs.
  - 349 • A.J. was reelected to the Governor’s Council on Tourism for another year. A.J. also was  
350 reelected as Vice Chair, and he also serves as Chair of the Meetings Mean Business  
351 Committee. The committee oversees, reviews, and approves grants for meetings, and it  
352 also advises the Department of Tourism.
  - 353 • The Vikings Cruise Line has announced the City of La Crosse will serve as a port. The  
354 cruise line is taking reservations for 2022.
  - 355 • Both welcome centers are now open.
  - 356 • The LCCVB now only staffs the Great River Landing on Fridays, Saturdays, and  
357 Sundays as interaction with the public was slow on weekdays.
  - 358 • The “Freedom Awaits,” “Staycation,” and “Gramping” campaigns still are being  
359 promoted.
  - 360 • According to a survey the LCCVB conducted in conjunction with UW-La Crosse, as well  
361 as data gathered from other studies, activity on the water is the number-one activity  
362 people seek. A record number of fishing licenses have been sold both in Wisconsin and  
363 Minnesota this year.
  - 364 • The Bike Share Committee will launch its program either in April or May of 2021. A.J.  
365 said he wants to have a future discussion about involving the City of Onalaska and the  
366 Great River Landing, as he believes it is a natural fit. A.J. also suggested that perhaps  
367 Marvin Wanders, who developed the Great River Residences, might wish to become  
368 involved if an agreement cannot be reached with the city.
  - 369 • MOSES (Midwest Organic and Sustainable Education Service) will return to the area in  
370 2022.
  - 371 • The sales team is working hard to re-book events so that they do not leave this area. A.J.

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372 said based on the events booked for 2021, there is the potential to rival both 2004 and  
373 2006, both of which were successful years. The sales team also is booking events and  
374 locking in contracts for 2022, 2023, 2024, and 2025.

- 375 • The fishing tournaments have been beneficial. Participants may register virtually or via  
376 drive-throughs. Participants also have been able to social distance during weigh-ins.
- 377 • The STAR Report, which measures hotel occupancy and average daily rate, shows that  
378 year-to-date for 2020, in comparison to 2019, many of the markets against which La  
379 Crosse County competes are in the 40-percent bracket for lost occupancy. La Crosse  
380 County sits at 37 percent. La Crosse County has seen a 15-percent decrease in the  
381 average daily rate. La Crosse County's competing markets are in 18- to 23-percent  
382 range. La Crosse County's year-to-date decrease in revenue from 2019 to 2020 is 47  
383 percent. There has been more than \$13 million in lost revenue.

384

385 **Item 8 – Set future meeting date**

386

387 Motion by Ald. Stevens, second by Jason, to hold the next Room Tax Commission meeting at 4  
388 p.m. on Wednesday, January 6, 2021.

389

390 On voice vote, motion carried.

391

392 **Adjournment**

393

394 Motion by Jason, second by Peg, to adjourn at 5:06 p.m.

395

396 On voice vote, motion carried.

397

398

399 Recorded by:

400

401 Kirk Bey