

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

Wednesday, August 28, 2019

1

1 The meeting of the Room Tax Commission of the City of Onalaska was called to order at 4:02
2 p.m. on Wednesday, August 28, 2019. 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, Erik Sjolander,
6 Shawn McAlister, Peter Boese

7
8 Also Present: City Administrator Eric Rindfleisch, Financial Services Director/Treasurer Fred
9 Buehler, Parks and Recreation Director Dan Wick, Ald. Diane Wulf, Building Supervisor Lee
10 Johnson, Explore La Crosse Director A.J. Frels

11
12 Excused Absence: Jason Lund

13
14 **Item 2 – Approval of Minutes from the previous meeting**

15
16 Motion by Shawn, second by Erik, to approve the minutes from the previous meeting as printed
17 and on file in the City Clerk’s Office.

18
19 On voice vote, motion carried.

20
21 **Item 3 – Public Input (limited to 3 minutes/individual)**

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

25
26
27 **Consideration and possible action on the following items:**

28
29 **Item 4 – Financials:**

30
31 a. 2019 Financials

32
33 Fred referred to Expense Account No. 650-51900-290 (“Other Contractual Services”) and said
34 the \$132,146.33 in that account represents payment to the LCCVB (\$131,723.83), the audit
35 (\$360), and attorney fees (\$62.50). Fred next addressed Expense Account No. 650-59200-590
36 (“Transfers Out”) and said the \$54,294.22 represents funds sent to the Omni Center (\$47,044.22,
37 or 1 percent of sales) and additional expenditures (\$7,250) in the first half of 2019.

38
39 Fred addressed the Tourism/CDA Room Tax Allocation document (page 4A7), which shows
40 sales for the first and second quarters of 2019, and noted sales totaled \$4,704,422.37. Fred next
41 directed commission members to (page 4A8) and shared the following data:

42

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

Wednesday, August 28, 2019

2

- 43 • First and second quarter sales for 2019 total \$4,704,422.37.
44 • Third quarter sales for 2018 total \$2,966,286, and fourth quarter sales for 2018 total
45 \$2,261,079.
46 • Total sales (first and second quarter 2019, third and fourth quarter 2018) are
47 \$9,931,787.37.
48 • The city budgeted \$10,550,000 for gross sales. Sales are \$618,212.63 are less than
49 anticipated.
50 • A shortage of \$49,457.01 is calculated by multiplying \$618,212.63 by the 8-percent room
51 tax rate the city would have had had it collected the additional sales. The LCCVB will
52 receive \$17,309.95 less from the city (\$618,212.13 multiplied by 2.8 percent), and the
53 Omni Center will receive \$6,182.13 less (1 percent of \$618,212.63).

54
55 Peter inquired about the additional \$7,250 in additional expenditures for the first half of 2019.

56
57 Fred said Tourism has contributed an additional \$15,000 to the Omni Center the last three budget
58 years.

59
60 Peter asked Fred if he can share with the commission what the difference is from budget for the
61 first half of 2019.

62
63 Fred directed commission members to the Second Quarter Taxable Sales graph and noted second
64 quarter taxable sales totaled \$2,625,624.63. Fred next directed commission members to the
65 Second Quarter Revenue graph and said second quarter revenue totaled \$210,049.98.

66
67 A.J. told commission members 2019 has been a difficult year for tourism in Wisconsin due to a
68 cooler-than-normal spring, rain, and a decrease in leisure travel. A.J. also noted there have been
69 fewer groups this year in the Coulee Region.

70
71 Ald. Stevens referred to the Major League Fishing event that was held August 21-25 in the City
72 of Onalaska and asked if the third quarter statistics will be stronger than anticipated so that the
73 city may make up some of the shortfall.

74
75 A.J. said that while he would like to believe “we might get really close to what is budgeted,” he
76 is uncertain that the deficit can be made up, adding that one successful five-day event cannot
77 make up for a shortfall.

78
79 Motion by Peter, second by Erik, to approve the 2019 Financials and place them on file.

80
81 On voice vote, motion carried.

82
83 b. Statistics from Omni Center regarding hotel usage

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

Wednesday, August 28, 2019

3

84
85 Dan noted a copy of the hotel room nights document has been included in commission members'
86 packets. A total of 2,254 room nights had been recorded through August, per the statistics Dan
87 submitted. Dan said the statistics do not reflect a couple of events, including the Major League
88 Fishing event and the Grassroots to Champions figure skating program, that were held the week
89 of August 18-24. Dan told commission members both of the aforementioned events were leads
90 brought to the city from the LCCVB. Dan estimated the number of participants in the Grassroots
91 to Champions program to be in the mid-40s, and he said coaches from Chicago rented the Omni
92 Center and stayed overnight in the city's hotels. Dan told commission members the Omni Center
93 was the host site of a high school junior varsity volleyball tournament Tuesday, and it will be the
94 host site for a 20-team high school varsity volleyball tournament, which began Wednesday and
95 will conclude Thursday. Dan said he believes 18 of the 20 teams will be staying in hotels.

96
97 c. Authorization to repair fire pit at Great River Landing not to exceed \$3,000

98
99 Lee told commission members the fire pit, an HPC model, was installed by a West Salem-based
100 company, and he said the igniter failed after approximately 18 months. Lee said he contacted La
101 Crosse Fireplace, which repaired the igniter at a cost of nearly \$200. However, the fire pit failed
102 to ignite again earlier this summer. Lee said he could not ignite it by hand, and that he
103 discovered after contacting La Crosse Fireplace these particular fire pits are not commercial
104 grade. The cost to repair the igniter is now \$800 as the contractor must search for parts because
105 HPC is going in a different direction with its igniters. Lee said the La Crosse Fireplace
106 employee recommended The Outdoor GreatRoom Company, which is based in Minnesota and
107 can construct a burner to any specification. Lee said the La Crosse Fireplace employee told him
108 he can repair the existing pit for \$800; however, the city would need to contact him again within
109 six to 12 months, and he is uncertain if he will be able to obtain the parts at that time. Lee said
110 the La Crosse Fireplace employee told him the most cost-efficient pit he could install is \$1,800,
111 and he then suggested purchasing a fire pit from The Outdoor GreatRoom Company, which he
112 described as being "virtually maintenance-free and waterproof." The pit also has an automatic
113 shut-off feature, and it is custom-built for what already is installed. Lee said the burner will cost
114 approximately \$2,500, and the total cost would be less than \$3,000.

115
116 Dan said the new unit would look the same as the existing one.

117
118 Lee said The Outdoor GreatRoom Company crafted the burner to insert into where the original
119 one currently is.

120
121 Ald. Stevens asked Lee if it is typical to have to replace these units every two years, or if the
122 HPC unit was of poor quality.

123
124 Lee told Ald. Stevens the problems lay within that particular HPC unit.

125

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

Wednesday, August 28, 2019

4

126 Ald. Stevens inquired about the life expectancy of the \$3,000 unit.

127

128 Lee said the La Crosse Fireplace employee told him, “You’re probably never going to call me
129 again.” Lee also noted the fire pit is utilized frequently.

130

131 Ald. Stevens asked if a warranty is included with the \$3,000 cost.

132

133 Lee told Ald. Stevens said he is certain it does and said he will call back La Crosse Fireplace and
134 verify this. Lee also said the La Crosse Fireplace employee had given him the impression The
135 Outdoor GreatRoom Company stands behind its products.

136

137 Dan told commission members this item has been included in the 2020 budget process due to the
138 condition of the current fire pit, and he said, “Knowing we have some funds in the Tourism
139 account that we have not spent. ... It started with one phone call, but now we probably get two or
140 three phone calls in our office [telling us] the fire pit is not working. We’re trying to expedite
141 that process to say, let’s get it fixed right, right now, and then we don’t have to worry about it
142 going forward.”

143

144 Shawn asked how quickly the existing unit can be replaced if the commission approves this item.

145

146 Lee said he can call and order it today, noting the units are manufactured in Eagan, Minnesota.

147

148 Shawn asked if there are events scheduled at the Great River Landing.

149

150 Ald. Stevens said the individuals who utilize the Great River Landing regularly utilize the fire
151 pit. Ald. Stevens asked commission members if they want to find out if a warranty is included
152 before they vote on this item.

153

154 Dan told Ald. Stevens there typically is a one-year warranty for projects such as this one.

155

156 Motion by Peter to authorize repairing the fire pit at the Great River Landing at a cost not to
157 exceed \$3,000.

158

159 Peter asked if there was a warranty on the current unit.

160

161 Lee said there was a warranty, but he called the company in West Salem four times and its
162 employees were not helpful. Lee said he assumes the West Salem-based company was unable to
163 secure the necessary hardware to repair the existing fire pit. By comparison, La Crosse Fireplace
164 was able to find a replacement part, and would have to do so again at a substantially higher cost.

165

166 Motion by Peter, second by Shawn, to approve the purchase of a replacement burner for the fire
167 pit at the Great River Landing at a cost not to exceed \$3,000, and also to require a one-year

Reviewed 8/30/19 by Fred Buehler

168 warranty.

169

170 Fred referred to a handout he had distributed to commission members and suggested that the
171 commission makes sure the replacement burner meets the criteria of usage of Tourism funding.

172

173 Ald. Stevens asked, "If it does not meet the warranty, is this something we want to wait on two
174 months? We might want to be a little more careful with what we ask." Ald. Stevens asked Lee
175 to contact La Crosse Fireplace now.

176

177 Erik asked, "If what we have is under warranty, why aren't we fighting that?"

178

179 Dan said, "It was outside of [the one-year warranty] when the initial failure took place."

180

181 Ald. Stevens asked if funds for this item are coming from unused funds in the previous year's
182 Tourism budget.

183

184 Dan said the funds would come from the 2019 budget.

185

186 Ald. Stevens said the commission will return to this item.

187

188 d. 2020 Tourism Budget

189

190 Fred told commission members that after reviewing the LCCVB's 2020 budget, it appeared as
191 though it showed approximately \$10,000 less coming from the City of Onalaska. Fred said he
192 utilizing the estimated sales for 2020 to be \$10,165,000, and he said Tourism would keep
193 \$26,372.50. The LCCVB would receive \$10,780 less, and the Omni Center would receive
194 \$3,850 less than anticipated. Fred next addressed page 2, which shows the expected income
195 based on the sales of \$10,165,000 as submitted by Dan. Anticipated income for 2020 includes:

196

- 197 • \$696,303 from room tax revenue at 8 percent
- 198 • \$500 from vending machine revenue
- 199 • \$5,000 from bike passes
- 200 • \$6,000 from interest on investments
- 201 • \$1,500 from LCCVB rent
- 202 • \$709,303 total

203

204 Fred next addressed page 3, which shows the personnel justification for 2020:

205

206

<u>Full-Time Personnel</u>			
Pct. Allocated to Dept.	Job Title	2019 Gross	2020 Prop.
207 5	207 City Administrator	207 \$6,546	207 \$6,869

208

**Room Tax Commission
of the City of Onalaska**
Wednesday, August 28, 2019
6

209	9.4	Finance Director	\$8,150	\$8,313
210	--	Sales Manager	--	\$54,265
211		Subtotals	\$14,696	\$69,447
212				
213		<u>Part-Time Personnel</u>		
214	Pct. Allocated to Dept.	Job Title	2019 Gross	2020 Prop.
215	--	Custodian/Groundskeeper	\$17,871	\$20,326
216	20	Mayor	\$3,600	\$3,600
217	20	Mayor's expenses	\$600	\$600
218		Subtotals	\$22,071	\$24,526
219				

220 Dan said staff had examined all the seasonal wages for every position, and he noted all the
221 positions were increased through the budget process.

222
223 Fred said there is an anticipated 10-percent increase in health insurance.

224
225 Page 4 shows the following wage expenses:

- 226
- 227 • \$69,447 for salaries – regular
- 228 • \$24,526 for wages – permanent part-time
- 229 • \$7,189 for FICA
- 230 • \$6,303 for retirement
- 231 • \$21,216 for health insurance
- 232 • \$1,298 for dental insurance
- 233 • \$21 for life insurance
- 234 • \$130,000 total
- 235

236 Pages 5 and 6 show the following expenses:

- 237
- 238 • \$1,938 for water/sewer/storm water
- 239 • \$6,000 for electric and gas
- 240 • \$1,900 for phone/internet
- 241 • \$400 for software maintenance contractual
- 242 • \$285,535 for other contractual services (\$284,620 for LCCVB, \$400 for audit, \$240 for
- 243 attorney, \$275 for cameras, etc.)
- 244 • \$200 for transcription contractual
- 245 • \$10 for sales tax
- 246 • \$50 for office supplies
- 247 • \$25 for postage
- 248 • \$100 for copy usage and paper
- 249 • \$250 for subscriptions and dues

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

Wednesday, August 28, 2019

7

- 250 • \$50 for recruitment
- 251 • \$3,000 for operating supplies
- 252 • \$1,200 for cleaning and sanitary supplies
- 253 • \$2,500 for building and grounds maintenance and repair
- 254 • \$100 for vehicle and maintenance repair
- 255 • \$360 for regular fuel
- 256 • \$250 for insurance – workers comp
- 257 • \$300 for insurance – fire, comp/coll, boiler
- 258 • \$50 for insurance – vehicles
- 259 • \$118,200 for depreciation – general equipment/building
- 260 • \$42,917 for interest on a \$400,000 loan (Omni Center payment)
- 261 • \$650 for other debt service-paying agent fees
- 262 • \$116,150 for transfers out (\$101,650 for the Omni Center, per city ordinance, \$14,500
- 263 additional transfer request)
- 264 • \$582,135 total

265

266 Fred noted the following from the budget recap on page 7:

267

- 268 • Total revenue is \$709,303
- 269 • \$130,000 for total wage/benefit
- 270 • \$284,620 for the LCCVB
- 271 • \$96,521 for total principal on the debt
- 272 • \$42,917 for total interest on the debt
- 273 • \$116,150 for total transfers out
- 274 • \$20,248 for other expenses
- 275 • \$22,500 for capital outlay
- 276 • \$118,200 for building depreciation
- 277 • Subtotal is \$831,156
- 278 • Tourism shortfall is \$121,853

279

280 Dan told board members the docks that were installed in 2018 at the Great River Landing have
281 been a success, noting he has seen people fishing and utilizing the kayak launch. Dan said the
282 next part of the development for this area is to create a trail system running from Irvin Street to
283 the spillway. Dan noted individuals are crossing the railroad tracks at various locations and said
284 he believes it would be prudent to install a trail system. Dan said his request is to utilize Tourism
285 funds (\$20,000) to hire a consultant to design a trail/boardwalk either up to or near the spillway.
286 The consultant would be hired in 2020, and development and construction of the trail system
287 would occur in 2021. Dan referred to the document Fred had distributed and said, “Transient
288 population is also part of people coming here and utilizing it. That space down there has a lot of
289 people from bikers to the fishermen who are coming in from outside the area. To give them a

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

Wednesday, August 28, 2019

8

290 safe access point up to [the spillway], and I think more users utilizing that, I think it will really
291 enhance that entire area.”

292

293 Peter asked Dan if he can estimate the cost of the project.

294

295 Dan told Peter he cannot at this time and said, “I think the situation is how close we can work
296 with the railroad. We’ve had initial conversations with them. Can we come off of the rock bed
297 that they have? How can we construct it? Yes, if we have to come in with some type of a
298 boardwalk, it’s going to be very expensive. But if we can be creative and get these partners
299 together and work with a consultant, we can say, ‘Here is what we’re looking at.’ We have some
300 initial plans that were done as part of the whole Great River Landing area. But those plans were
301 only done at probably 25 percent. It’s all schematic drawings that say, ‘Here it is.’ We actually
302 need to get a consultant to say ... what do we have to try to do it. I really don’t have an estimate
303 with what that would be.”

304

305 Ald. Stevens addressed the \$118,000 in building depreciation, noting the city is taking it as an
306 expense but not writing a check for that amount and asking Fred if that makes the balance sheet
307 reconcile for GAP accounting.

308

309 Fred said yes.

310

311 Ald. Stevens asked Fred to discuss the additional transfer request; specifically, the source of the
312 \$14,500.

313

314 Fred said the \$14,500 is room tax funding.

315

316 Dan said the Omni Center historically received \$120,000 (1 percent of sales) and explained, “As
317 that has dropped down, we were trying to stay whole at \$120,000 coming to the Omni Center.
318 As you can see, with the projections coming in less, that’s where we’re at. I look at that as a
319 challenge. I think with the addition of our Sales Manager and being more aggressive with
320 bringing [events] in, I think it’s going to have a benefit to our community. And we probably will
321 increase the sales overall. We have some plans in place. That was the reason about three or four
322 years ago we went with that additional funding: to try to keep the Omni Center whole at
323 \$120,000.”

324

325 Ald. Stevens said the \$14,500 comes from the room tax, but is not part of the 1 percent.

326

327 Dan told Ald. Stevens he is correct.

328

329 Dan told commission members he is seeking \$20,000 and not \$22,500 as the fire pit is being
330 addressed. Dan also told commission members Lee had told him there is a lifetime warranty on
331 the burner, and a one-year warranty on all the electronics on the unit.

Reviewed 8/30/19 by Fred Buehler

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

Wednesday, August 28, 2019

9

332
333 Motion by Peter, second by Shawn, to approve the 2020 Tourism Budget.

334
335 Erik noted he will abstain from voting as he has a relative who is part of this budget and said he
336 supports the budget, as stated.

337
338 On voice vote, motion carried, 3-0, with one abstention [Erik].

339
340 Ald. Stevens asked that the commission return to Item 4c (Authorization to repair fire pit at
341 Great River Landing not to exceed \$30,000).

342
343 Motion by Peter, second by Shawn, to authorize repairing the fire pit at the Great River Landing
344 at a cost not to exceed \$30,000, as long as funds comply with the room tax usage rules.

345
346 A.J. noted LCCVB staffs sees between 500 and 800 visitors at the Great River Landing welcome
347 center on a monthly basis.

348
349 On voice vote, motion carried.

350
351 **Item 5 – La Crosse County Convention and Visitors Bureau – A.J. Frels**

352
353 Ald. Stevens noted he had attended the Major League Fishing event held last week at the Omni
354 Center, and he also noted the event drew individuals from all over the United States. Ald.
355 Stevens thanked A.J. for the LCCVB’s assistance in helping bring the event to the city.

356
357 A.J. told commission members the Omni Center “had lent itself extremely well to the event,” and
358 he complimented Onalaska’s citizens for being welcoming, and also Dan and his staff for their
359 work. A.J. reported the following:

- 360
- 361 • Amtrak is looking into bringing a second train into this area.
 - 362 • Seven “Explore La Crosse” videos are playing for free on 10 different monitors in Union
363 Station in downtown Chicago. Approximately 100,000 people go through Union Station
364 on a daily basis.
 - 365 • The City of La Crescent has joined the LCCVB, which will begin to see room tax dollars
366 from the Best Western in October.
 - 367 • Twenty-two buses and nearly 1,200 people went to Miller Park on June 27 for “La Crosse
368 Area Day” when the Milwaukee Brewers faced the Seattle Mariners. The La Crosse area
369 has the largest and longest-running area day with Miller Park.
 - 370 • Scott Neumeister (City of La Crosse), Troy Sargent (Duluth Trading), Billy Bergen, Pat
371 Barlow (Village of Holmen), and Ald. Stevens are new LCCVB board members.
 - 372 • The LCCVB has sent out a bid for the Governor’s Conference on Tourism, which will be

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

Wednesday, August 28, 2019

10

- 373 held March 12-14, 2023.
- 374 • The robotics group has been booked for the La Crosse Center April 1-4, 2020.
- 375 • Dana Ecker, LCCVB Director of Convention Sales, is working on a Governor’s
- 376 Conference for Emergency Management. Dana also is working with the statewide
- 377 Department of Corrections to hold its meeting in this area, and she also is working on
- 378 attempting to book a nationwide manure conference.
- 379 • Ben Morgan, LCCVB Director of Group Sales & Sports Services, is working on a beard
- 380 and mustache competition
- 381 • The Association of Great Lakes Outdoor Writers Conference will be held in this area
- 382 September 16-19. An estimated 200 to 220 travel writers are expected to attend and be in
- 383 the area for a week. The writers spend half a day in classes or sessions, and they spend
- 384 the other half experiencing what this area has to offer. The goal is to receive two years’
- 385 worth of publicity from this conference.
- 386 • Stoney Creek was the host site for the Wisconsin Association of Convention and Visitors
- 387 Bureau’s Board of Directors July 18-19.
- 388 • The LCCVB is working with Fort McCoy to bring a “Tough Mudder” event to the area.
- 389 A.J. said Tough Mudder representatives were in Wisconsin and had planned to go to Fort
- 390 McCoy, but were called away due to an emergency. A.J. said he had instructed LCCVB
- 391 Director of Sports Sales and Events Jeremiah Burish to contact the representatives and
- 392 offer to cover their air fare if they return to Wisconsin.
- 393 • A.J. said he and Jeremiah attended the Forrest Wood Cup – what A.J. described as the
- 394 “Super Bowl of fishing tournaments” – August 8-12 in Hot Springs, Arkansas. A.J. said
- 395 this tournament would bring approximately 60,000 people to this area for a week, and
- 396 there would be approximately 9,000 room nights. A.J. said the bid to obtain the Forrest
- 397 Wood Cup is “fairly high,” and the State of Wisconsin also would have to give its
- 398 approval. A.J. said he also would seek assistance from the State of Minnesota.
- 399 • The LCCVB is working with the Onalaska Parks and Recreation Department on the 2020
- 400 Driftless Outdoors Show.
- 401 • “Ride Across Wisconsin,” which normally begins in Dubuque, started in La Crosse
- 402 County August 17. A.J. said event organizers plan to return to the area in 2020. There
- 403 were more than 900 bicycle riders in this area, and approximately 1,600 people overall.
- 404 A.J. said local developer Marvin Wanders played a key role in bringing the group to this
- 405 area.
- 406 • The potential new Executive Director for MOSES (Midwest Organic & Sustainable
- 407 Education Service) said she will sign an agreement to hold the group’s Organic Farming
- 408 Conference in 2020 and 2021 at the La Crosse Center if it is guaranteed to have the space
- 409 it requires and the City of La Crosse will not move it to other spaces.
- 410 • A.J. said he was reappointed to the Governor’s Council on Tourism in July and will serve
- 411 another three-year term. A.J. said he also has expressed an interest in serving on the
- 412 newly formed Outdoor Recreation Committee.
- 413 • A.J. expressed his gratitude for the telephone that was installed at the Great River

414 Landing welcome center.

415

416 **Item 6 – Set future meeting date – November 20th or November 27th**

417

418 Motion by Erik, second by Peter, to schedule the next Room Tax Commission meeting for
419 Wednesday, November 20, 2019.

420

421 On voice vote, motion carried.

422

423 **Adjournment**

424

425 Motion by Peter, second by Shawn, to adjourn at 4:50 p.m.

426

427 On voice vote, motion carried.

428

429

430 Recorded by:

431

432 Kirk Bey