

MARCH 12, 2018, FINANCE COMMITTEE MEETING MINUTES

5:15 p.m. Council Chamber. Members present: A. Hraban, R. Moore, M. Platteter. Others present: A. Christianson, K. Gorsegner, A. Kenyon, B. Lecheler (Chamber rep), M. Reynolds, T. Verdegan.

Call to Order:

Chair R. Moore called the meeting to order and presided.

Room Taxes:

Mr. Moore gave the floor to Mayor Reynolds who prefaced his comments by stating that they are based on conversations he has had with Claire Silverman; legal counsel for the League on Municipalities. The Mayor then advised those present that while Council adoption of Ordinance #2016-12 amended the municipal code of ordinances to create a Tourism Commission, it did not specifically enumerate what portion of City collected room tax under the Commission's control. It is believed that number is 70%.

Mayor Reynolds went on to say that, while this transfer of control to the Commission was effective January 1, 2017, the Commission is not contesting how these monies were applied in calendar 2017. The Commission does, however, expect to allocate 70% of 2018 receipts, possibly to the following:

- A new rodeo being planned by Johanne Williams.
- New Gravel Grinder bike race, being planned (for Sept. 8) by John Van de Velde and others.
- Additional fireworks for Northland Mardi Gras.
- Additional holiday decorations.

The Commission and Mayor Reynolds believe the amount that will be available to them for these purposes will approximate \$40,000 for 2018.

Mayor Reynolds also cited the seeming unfairness of the City being the only municipality in Rusk County collecting a room tax while tourism promotion efforts being undertaken by Rusk County Tourism/ Ladysmith Area Chamber of Commerce seem to benefit rooms offered throughout the County; such as at lakeside resorts.

Comptroller Verdegan indicated that only \$19,800 (\$18,000[to visitor center]+\$1,800 [to administration of the tax]) of room tax revenue was allocated in the City's 2018 budget. She went on to say that the balance of the amount received, up to a cap of 55%, is currently set up to be "passed through" to the Chamber of Commerce.

It is understood, however, that the Chamber of Commerce and Rusk County Tourism likely believe that the City budget allocated similar (\$30-40,000) amounts as previous years to their organization(s). That being the case, the City will need to advise them that these amounts are, in fact, not available or, alternately, identify a different source of and provide the anticipated monies; at least for 2018.