

1 **DOOR COUNTY TOURISM ZONE COMMISSION**

2 **FINANCIAL COMMITTEE**

3 **MINUTES OF FEBRUARY 22, 2010**

4 **Kerber Rose Offices/Sister Bay**

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6 **ACTION ITEMS:**

7 **Nelson moved and Skare seconded that, subject to Vande Castle’s approval, the Finance Committee**  
8 **recommends Official Payments Corporation’s e-check and credit card additions to Bay Lake’s online**  
9 **filing system.**

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10 **Committee Members Present:** Bob Kufrin, Tom Benzshawel, Andy Coulson, Bryan Nelson, Dick Skare

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12 **Also Present:** Dianne Lensert, Kerber Rose; Kathy Kirkland, Administrative Assistant

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14 **Call to Order**

15 Chair Kufrin called the meeting to order at 2:07 p.m.

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17 **Discussion to Modifications to Commission Accounting Software**

18 *Automatic late billing.* Kufrin asked Lensert about the progress of Bay Lake’s modifications. She said the  
19 automatic billing for “late” pay section will kick in automatically to generate a late fee and interest. The  
20 users will input the current date for ACH. Bay Lake will also build an extra section into the database as a  
21 reporting function to show late payments done as ACH and also allow the office to generate late notices for  
22 those who didn’t file ACH. What happens if someone makes a partial payment? The database will calculate  
23 partials and what’s left to pay.

24  
25 *Passwords.* Kufrin asked about the ability for users to choose their own passwords; Justin said it was more  
26 involved than anticipated and not yet complete. That section has to be taken out of the database; right now,  
27 the passwords are included and available to those other than permit holders.

28  
29 *ACH confirmations.* Kufrin asked about the components about confirmations on ACH filings; Lensert said  
30 that hasn’t been done yet.

31  
32 Benzshawel mentioned the proposal given by Bay Lakes; was it only an estimate or will we be charged  
33 more if it takes longer than they anticipated? Lensert said it was called a “proposal” and they haven’t  
34 indicated they would change any of the fees.

35  
36 *Credit cards.* Official Payments Corporation was suggested by Jay Zahn from the county; he has used them  
37 for property tax. Rolando Navarro, OPC’s rep. had sent modules of credit card, e-check options to use.  
38 Which group do we anticipate using the credit card? Most likely, it will be people who don’t have the cash  
39 on hand. The current ACH group may not use it, but it could be the small owner who is accustomed to using  
40 credit cards. Bay Lake’s site would be the front end, and the payment options would click through to  
41 Official Payments. Coulson stated they’ve had a problem with the Wisconsin bed & breakfast association

1 that had outsourced a gift certificate program that wound up not being able to fulfill. Lensert said Official  
2 Payments is a daily settlement, so problems would be seen immediately and aren't anticipated. Kirkland  
3 said that the up side is that while Bay Lake would charge a high fee for instituting this, Official Payments  
4 sets it up for free; it may take Bay Lake's time to coordinate the switch, but that would be it.

5  
6 Kuftrin stated that it's a two-year deal with Official Payments. It would decrease our involvement. Kirkland  
7 said the fee to the user (not to the Tourism Zone Commission) is a \$2.75 flat fee below \$10,000, \$15 above.  
8 We will have to look at it from Kerber Rose's end. Kuftrin felt Vande Castle should see the agreement. All  
9 agreed; Kirkland will e-mail it to him.

10  
11 Nelson moved and Skare seconded that, subject to Vande Castle's approval, the Finance Committee  
12 recommends both e-check and credit card additions to the online filing system. Coulson asked few should  
13 hold off on E-check. Consensus was that we should not; it won't cost us anything, and the fee again is paid  
14 by the permit holder. There will still be those people who want to file online and send in a check. Nelson  
15 felt that as long as the user has options, they can do it any way they want. Lensert said there are about 40  
16 people who consistently online and then mail in a check; those would still need to be handled by Kerber  
17 Rose. Skare felt that whether, now that all have to pay online for State sales, more will pay online. Kuftrin  
18 felt there are many flying under the radar for State, and Nelson said we should wait for the Department of  
19 Revenue to ask us. Kuftrin noted that once these changes are approved, we need brochures that explain the 1)  
20 credit card, 2) creating one's own password, 3) e-check plus information online and to the municipalities.  
21 Coulson asked if you could use a credit card that gives cash back on charges; probably yes. All ayes.

### 22 23 **Discussion of occupancy reports and 2010 budget**

24 Lensert was asked if there were any issues with the reports presented at last week's meeting. When Sand  
25 Bay's lates come in, will that end up with no drop in 2009? No, she said, because these figures are firm;  
26 plus, Sand Bay was late last year, too. Lensert still needs to confirm with auditors on how to place late fees.  
27 Kuftrin noted that he sent a letter to the Village to Egg Harbor about coming in with less than \$300,000  
28 needed for two commissioners. They understood the need to drop one sitting commissioner and will let us  
29 know who will be the commissioner going forward.

### 30 31 **Discussion on Current Investments**

32 Julian Lemue called Nelson last week as to whether he should meet with Finance. Nelson asked if anything  
33 had changed in our accounting; no, not really. Initially, Associated had talked about meeting once or twice a  
34 year; Kuftrin noted the last meeting was May last year. Associated didn't turn on a sweep into a different  
35 account because we had no big balances over summer; Lensert noted that there were just had a couple  
36 months in the fall but not enough to justify a sweep. Kuftrin asked about an assessment in the summer from  
37 member municipalities. Nelson didn't feel his town board would agree. Benzshawel said it's not uncommon  
38 to ask vendors to do late billing. Lensert said the excess from the first year was paid to the DCVB, and they  
39 carry the excess now. It was the difference between the budgeted amount and collections, the difference  
40 between reimbursing and disbursing. Kuftrin said the DCVB's accounting was nonexistent at the start of the  
41 Tourism Zone, and we needed a higher confidence level and chose reimbursement rather than automatic  
42 disbursement. Lensert said the DCVB is still holding it out as a deferred liability. It was hundreds of  
43 thousands of dollars. Benzshawel asked if we can use it for cash flow. Yes, Lensert said. Nelson said the  
44 DCVB has been a willing partner, and Moneypenny is fine with us holding back money. Nelson asked if the  
45 DCVB is on its third audit; Kuftrin said they had first audit for fiscal 2007, and they changed fiscal years, so

1 we didn't see the audit until the first part of 2009. Benzshawel said we should find out how that deferred  
2 liability money is being handled; Lensert said it has to be budgeted and approved by the Commission, so  
3 they can't be spent without taking those steps. Kufrin meets with Money Penny the Monday before each  
4 month's TZC meeting. Nelson asked Kufrin to find out how that money is being accounted for.

5  
6 All agreed there is no urgency to have Associated meet; is there any value in talking to others about banking  
7 services? Kirkland mentioned the Bank of Luxembourg in Brussels as having a very high interest account  
8 for municipalities; not sure if they do it for government entities. Coulson is not interested in competitive  
9 bids, but we have a responsibility to shop around. Kufrin said even though Bay Lake had been the bank for  
10 Sister Bay for a long time, but he sent out solicitations to Bay Lake, Associated, and North Shore;  
11 ultimately, there wasn't a strong enough reason to change. Coulson said Bay Lake offered an improved deal  
12 only once they knew he was looking around. Benzshawel felt we should write an request for proposal and  
13 send it out. Kufrin said we have three years detailed history; Skare asked if three years is enough.  
14 Benzshawel agreed that we have a responsibility to check annually, but is a new bank going to have us pay  
15 for transition costs, onsite deposit machine, and so on? Lensert said the first six months, Associated waived  
16 fees except for the machine. Kufrin has the RFP from three year ago, and Sister Bay's was based on the  
17 TZC's model. Benzshawel felt we should send out the RFP to all banks, including Associated. It's not  
18 important to have a nearby bank, Lensert said, but only if we have an onsite deposit machine. Skare said we  
19 can keep the account at Associated but sweep to another bank. Fees per month are about \$200 from  
20 Associated. Benzshawel felt we should write into the Finance policies that we send out an RFP every X-  
21 years. Kufrin noted that the Schenck audit for three years was appropriate; banking is more of a commodity,  
22 and if we can save \$50 a month, it adds up. Kufrin will pull out the Village of Sister Bay's information, and  
23 Lensert will find the RFP. They will send it to Bank of Luxembourg in Brussels as well.

### 24 25 **Compliance Policy**

26 Kufrin noted that so far, we have not reconstituted the Compliance Committee; Boston asked about what to  
27 do with the policy. For now, the policy has been tabled. Should we wait for prosecutions to see how they  
28 turn out? Kirkland noted that we haven't taken anyone to small claims court yet; the letters from Vande  
29 Castle seem to be getting results. Nelson wants to see if small claims and other systems work just as well.  
30 Coulson said we're not the first to have a room tax; what do others do? Nelson said Vande Castle said at the  
31 January meeting that we're the first body to prosecute; there is no case history. Kufrin said we don't have a  
32 liquor license to pull or similar leverage; we do have a permit to operate, and we could take them to court to  
33 remove their permit and shut them down. Benzshawel had tried to get the City of Sturgeon Bay to take  
34 punitive measures such as liquor license. Kirkland felt a Compliance Committee might be good for people  
35 wanting to appear and discuss being behind and work out settlement terms; that part of the meeting would  
36 be in closed session, so people could not compare others' terms. Kufrin we could agree on a settlement  
37 arrangement within a certain period of time. Benzshawel agreed there is value to have the Committee but he  
38 does agree to wait to see how it's going to work.

39  
40 Nelson feels we should amend the Bylaws to create a standing Compliance Commission to review and settle  
41 noncompliance issues. Kufrin wants to wait until summer; Kirkland noted a few housekeeping  
42 inconsistencies in the Bylaws regarding the date checks go out to municipalities and penalties. Kufrin said  
43 they should be updated yearly; municipalities won't have a problem with it.

1 **Consider Motion to Adjourn into Closed Session pursuant to Wisconsin State Statutes Section**  
2 **19.85(1)(c) to Discuss Personnel.**

3 No business for closed session.  
4

5 Kuftrin said that Sister Bay is going to remove the five-year sunset on their agreement for the room tax.  
6 Sister Bay felt everyone will have come around if they start this now, and that five-year deadline won't be a  
7 traumatic event. Skare appreciates that the Village has done so. Nelson hopes all municipalities will do the  
8 same as Sister Bay within a year; he felt that Sturgeon Bay is going to be unique. He Nelson felt we would  
9 propose the next agreement that doesn't have as sunset, even though people can opt out. The original  
10 agreement says it expires after five years; after it renews, any member may withdraw without penalty with  
11 six months' notice. Upon withdrawal, the municipality must still convey 70% of room tax to the  
12 Commission for that next six months because the DCVB and TZC have budgeted and allocated money that  
13 far ahead. It was noted that a municipality can still collect a room tax if it has all the criteria for a tourism  
14 zone; for example, an ongoing entity for marketing. Kirkland found one community that went straight to an  
15 ad agency that takes care of marketing, website, etc. Benzshawel feels the DCVB understands the county  
16 well.  
17

18 Benzshawel said the City of Sturgeon Bay still has some aldermen who don't agree with room tax; it boils  
19 down to how much they feel tourism is part of the local economy. Tourism has to be factored in, but some  
20 say they don't care about tourism. Nelson asked if any of the commissioners could talk to the aldermen,  
21 they'd be glad to do officially or unofficially. Benzshawel said they have a meeting with DCVB at the  
22 Council. Coulson was surprised that Sturgeon Bay may really want to go back. Benzshawel said the driving  
23 force was that innkeepers needed to be on the DCVB website. Kuftrin talked to Moneypenny about  
24 encouraging Commissioners to show up at local Board meetings. Benzshawel felt it helps more for  
25 Moneypenny to speak on behalf of The Zone more than it would for him to speak. Financing for the  
26 Sturgeon Bay Visitor Center is a critical talking point because the money is down. Kirkland mentioned the  
27 Premier Resort Tax; Sister Bay, Ephraim and Gibraltar are eligible for it. It's a 0.5% state sales tax on all  
28 business, not just lodging; it's a formula based on the amount of tourism. Dennis Stotz was pushing it,  
29 Nelson said, instead of using room tax, although an area can have both (11.5% if passed).  
30

31 **Adjournment**

32 Nelson moved to adjourn; Benzshawel seconded. All ayes. The meeting adjourned at 3:47 p.m.  
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34 Respectfully submitted,  
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38 Kathy Kirkland  
39 Administrative Assistant  
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