

CITY OF VERONA
MINUTES
TOURISM COMMISSION
March 20, 2019
Verona City Hall

1. **Call to Order:** Jason Hunt called the meeting to order at 2:07 p.m.
2. **Roll Call:** Charlie Eggen, Jason Hunt, Charlotte Jerney, and Pat Wehrley were present. Also present: Adam Sayre, Interim City Administrator and Director of Planning and Development; Dayna Sarver, Economic Development Manager; Brian Lamers, Finance Director; Ellen Clark, City Clerk; and Le Jordan, Executive Director of the Verona Area Chamber of Commerce (VACC); and Halley Jones, Interim Tourism Coordinator for VACC.
3. **Minutes:** Motion by Jerney, seconded by Eggen, to approve the December 18, 2018 Tourism Commission minutes, with the requested correction to the spelling of Charlie Eggen's name. Motion carried 4-0.

4. **Discussion and Possible Action Re: 4th Quarter Room Tax Collections**

Sayre explained that room tax revenues for the 4th quarter of 2018 were \$144,000, which is up nearly \$5,000 over the same period in 2017. Of that amount, \$70,000 per quarter is committed to the Verona Area Chamber of Commerce (Chamber), and 16% is committed to Destination Madison. The excess is retained by the Tourism Commission. The Commission should more clearly define its priorities and long-term plans for the excess room tax dollars, and establish expectations as to how much excess will be retained by the Commission.

Eggen stated that an increase in inventory in the market and decrease in Epic traffic is indicative of the slower fourth quarter growth. The first quarter for 2019, however, looks positive due to three extra trainings at Epic and the speed skating competition.

Jerney questioned whether more inventory should be added to the market if it is becoming an issue. Eggen stated that as a hotel developer, building a hotel in the market now is a defensive position for the future market.

Sayre stated that if the use is permitted on the site, the City cannot deny hotel developments from occurring.

Discussion followed regarding possible devices for increasing the number of hotel room rentals in the City. Suggestions included the addition of a convention center, marketing hiking/biking trails, and assisting the Performing Arts Center (PAC) with marketing and setting up blocks of hotel rooms for larger events.

Hunt asked about the expected growth in hotel room tax dollars for 2019. Eggen stated that he expected growth to plateau with the opening of new hotels.

5. Discussion and Possible Action Re: Excess room tax dollars to be retained by the Tourism Commission

Sayre stated the intent of the Commission has been to pay \$70,000 of the quarterly room tax dollars to the Chamber each quarter. At the same time, the Commission wants some retainage to cover the payment to the Chamber in the event of a downturn in revenues. The Commission must have a discussion regarding the retainage amount it wants on hand, and what will or may be done with that money. This should not be a hard policy, but should be a goal, so that everyone knows the parameters.

Lamers stated it would be advantageous to set a target amount below which you do not want the retainage account to fall, and possibly keep building it up from there.

Discussion followed regarding the target amount to be kept, and a policy for how the money will be spent.

Sayre stated we want to keep this as flexible as possible, so we can go below the target amount in the event of a shortfall, or if we come across a deserving project.

The consensus of the Committee was to set the target retainage amount at \$100,000, which is approximately 25% of six quarterly payments to the Chamber. This is a comfortable amount to cover the quarterly payment to the Chamber in the event of an extended economic downturn. The remaining funds could be put toward development and assistance in marketing large events.

City staff will work on developing parameters regarding how the retainage money should be spent and will bring their ideas back to the Commission.

6. Reports and Comments from Staff

Sayre asked what the Commission members would like to see on future agendas.

Eggen replied that he would like to see updates from the Chamber's Tourism Director.

The next Tourism Commission meeting will be held at 2 p.m. on Tuesday, April 16th.

7. Reports and Comments from Commission Members

None

8. Adjournment

Motion by Jerney, seconded by Hunt, to adjourn at 3:26 p.m. Motion carried 4-0.