



Minutes  
Committee of the Whole

**The Committee of the Whole met on Wednesday, April 24, 2013 at 8:30 a.m. at City Hall, Council Chambers, 30 West Central Street, Chippewa Falls, WI.**

Council Members present: Mike Hanke, Amy Mason, Chuck Hull, Jane Lardahl, Bill Hicks, and George Adrian. Absent: Brian Flynn.

Others Present: Mayor Greg Hoffman, City Attorney Robert Ferg, Finance Manager/Treasurer Lynne Bauer, Director of Public Works/City Engineer/Utilities Manager Rick Rubenzer, Street & Utility Maintenance Manager Rick Ruf, Water Supervisor Rory Olson, Rusty Volk of the Northern Wisconsin State Fair (NWSF), Chippewa Falls Chamber President Mike Jordan, Chippewa Falls Chamber Board Chair Karen Hebert, and City Clerk Bridget Givens.

Council President, Bill Hicks called the meeting to order at 8:30 a.m.

**Item #1: Discuss the request of the Northern Wisconsin State Fair to use City equipment and/or personnel for fairground projects. Possible recommendation(s) to the Council.**

Councilor Hicks expressed his primary concern is setting a precedent by loaning out City equipment. He then asked for input from each Council Member.

Councilor Hanke stated he believes the City is vested in the success of the fairgrounds; and due to the fact that City funds were invested, the City is part owner in theory. He questioned Director of Public Works Rubenzer what the financial impact would be for the City. Rubenzer said the NWSF would be responsible for any repairs to equipment, but overall, it would be the addition of hours that the equipment is run.

Rusty Volk provided a copy of the NWSF's Strategic Plan and advised of the projects that need to be completed at the fairgrounds. He shared his thoughts that the projects are an investment for the benefit of the community, and he is looking to obtain an ongoing agreement to use City equipment with City-approved personnel, not performing the work on City time.

Mayor Hoffman advised that over the last few years, the City has already helped with projects at the fairgrounds. The difference this year is the NWSF proposed to have volunteers operate the equipment.

Councilor Mason questioned the financial impact from events held at the fairgrounds. Volk stated it was hard to gauge the exact amount of money, but that events such as Spring Fest, the Chi-Hi Booster Club Extravaganza, and Oktoberfest are all held at the grounds. 32 different events were held at the grounds this past year.

Councilor Hull agrees to working with the fair, but Bauer and Rubenzer would have to work out the mechanics regarding insurance and liability to ensure the City is indemnified.

Councilor Lardahl does not think City personnel should be utilized unless they volunteer their time. Street & Utility Maintenance Manager Ruf indicated he does not currently have personnel available for these types of projects. Lardahl was also concerned if we do this for the fair, what if someone else

wants to use the equipment. Hanke rebutted that due to the investment of City dollars at the fair, we are a partner working to secure our investment; that would be how it is justified.

Councilor Adrian advised he has been approached by four different church organizations, and we would not allow them to use City equipment. Adrian does not agree to the NWSF using City equipment or personnel.

Hicks stated we have flip-flopped between City employees and volunteers and that it appears the Committee would not be in favor of City employees operating the equipment on City time. Hicks also expressed concern with liability and what would happen if someone was injured while using the equipment. Attorney Ferg said the City would probably have primary liability of someone was injured.

Mason questioned what the fair's contingency plan is. Volk advised that it would be a financial hardship, and they would have to look to the community for donations.

Hanke questioned if the fair is set up as a non-profit and thought that if the City provided equipment, it would be contingent upon remaining a non-profit organization.

Bauer questioned if a City employee volunteered their time on the weekends and was injured, if it would fall back on our Workers' Compensation insurance. Attorney Ferg was not sure on this, but it could be a possibility.

Hicks advised that the decision of the Committee of the Whole is to send this item back to Council to be addressed at the May 7<sup>th</sup> Council Meeting.

**Item #2: Discuss the City's room tax ordinance and the room tax agreement between the City and Chippewa Falls Chamber of Commerce. Possible recommendation(s) to the Council.**

Hicks asked for Attorney Ferg's interpretation of the contract between the City and the Chamber, and at what circumstance we could mandate renegotiation. Ferg advised if there is a change to statutory requirements, the contract would have to be renegotiated; otherwise, both parties would have to agree to renegotiate.

Lardahl shared if the contract cannot be changed, that perhaps the way the monies are used could be. Her thoughts are the money that is used to pay rent (which is an allowable expense) be spent differently.

Mason questioned if the location of the roundabout could be moved. The Mayor advised it is a State Highway and they determine where it will be located. Mason further shared she found it surprising there is not a Council Representative on the Chamber Board. Hanke agreed.

Adrian thought the issue of the room tax could be addressed when the contract is up.

Karen Hebert then addressed the Council stating that at this point, the room tax monies are needed to make ends meet as this is a stretch for them. If things come together with the rentals, it may be possible to explore changes to how the room tax monies are expended. Jordan thought it would be too difficult to absorb the room tax for at least three years. Mason questioned the feasibility of the project without the rental of the second floor as she was concerned with Hebert's statement that it would be a stretch. Hebert believes it is achievable based upon the feedback received from the business community.

Lardahl expressed concern that the City is not more adequately represented through distributed literature, and feels the Chamber just focuses on Chamber members. Being that the room tax dollars also pay for literature, she feels the tourism literature is not as inclusive of the whole City as it should be. Jordan advised the Visitor's Center promotes the region and they may need to promote outside the city limits to get people here (lakes, etc.). Jordan stated the Chamber is funded by the members.

Hanke thought that if the Chamber started advertising for entities that are not members of the Chamber, it would impact their membership as they are not receiving any benefit.

Hicks stated that nothing was pending on this item, it was just an opportunity for open discussion.

**Item #3: Adjournment**

**Motion by Adrian/Hanke to adjourn at 9:30 a.m. All present voting aye, motion carried.**

**Minutes submitted by:  
Bill Hicks, Council President**

**3.13 - HOTEL/MOTEL ROOM TAX. (Cr. #97-43)**

(1)

**DEFINITIONS.**

(a)

The terms "hotel" and "motel" and "transient" have the same meaning as defined in §77.52(2)(a)(1), Wis. Stats.

(b)

The term "gross receipts" has the same meaning as defined in §77.51(4)(a), (b) and (c), Wis. Stats., insofar as applicable.

(2)

**ROOM TAX ESTABLISHED; TAXATION RATE. (Am. #2010-24)**

(a)

Pursuant to §66.75, Wis. Stats., a tax is hereby imposed on the privilege and service of furnishing at retail of rooms or lodging to transients by hotel and motel operations within the City.

(b)

Such tax shall be at the rate of 6 percent of the gross receipts from such retail furnishing of rooms or lodging. Such tax shall not be subject to the selective sales tax imposed by §77.52(2)(a)(1), Wis. Stats.

(c)

The proceeds of such tax collected shall be apportioned 5 percent to the hotel or motel operator as a deduction from gross receipts due; 7.6 percent will be retained by the City of Chippewa Falls; 87.4 percent will be forwarded to the Chippewa Falls Area Chamber of Commerce and out of the said 87.4 percent amount the Chippewa Falls Area Chamber of Commerce must spend at least 80.1 percent (70 percent of the total tax collected) on tourism promotion and development as required by §66.0615, Wis. Stats. The City may enter into a contract with the Chippewa Falls Area Chamber of Commerce for tourism promotion and development and other matters concerning the allocation of proceeds to the Chippewa Falls Area Chamber of Commerce.

(d)

The City of Chippewa Falls shall have membership on the Chippewa Falls Area Chamber of Commerce Tourism Committee. The City of Chippewa Common Council shall be provided with a minimum of quarterly reports from the Chippewa Falls Area Chamber of Commerce Tourism Committee on tourism promotion and development.

**PAYMENT.**

(a)

The tax imposed is due and payable within 30 days of the end of each calendar quarter. A return shall be filed with the City Clerk by those furnishing at retail such rooms and lodging within the City on or before the same date on which such tax is due and payable, upon a form prescribed by the City Clerk.

(b)

Every person required to file such quarterly returns shall file an annual calendar year return upon a form prescribed by the City Clerk. Such return shall be filed within 30 days of the close of the calendar year. The annual return shall summarize the quarterly returns, reconcile and adjust for errors in the quarterly returns, and shall contain copies of the last annual sales tax return and any additional information as the City Clerk requires.

(c)

The City Clerk may, for good cause, extend the time for filing any return, but in no event longer than 30 days from the filing date.

(4)

#### PERMIT REQUIREMENT.

(a)

Every person furnishing rooms or lodging under subsection (2) shall annually file with the City Clerk an application for a permit for each place of business within the City. Every application for a permit shall be made upon a form prescribed by the City Clerk. At the time of making an application the applicant shall pay a fee of \$20 for each permit. (Am. #09-21)

(b)

After compliance with subsection (4)(a) and (9) of this section by the applicant, the City Clerk shall grant and issue to each applicant a separate permit for each place of business within the City. Such permit is not assignable and is valid only for the person in whose name it is issued and for the transaction of business at the place designated therein. It shall at all times be conspicuously displayed at the place for which issued.

(5)

#### PERMIT REVOCATION.

(a)

When any person fails to comply with this section, the City Clerk may, upon 10 days' notification, and after affording such person the opportunity to show cause why his permit shall not be revoked, suspend or revoke any or all of the permits held by such person under this section.

(b)

The City Clerk shall give to such person written notice of the suspension or revocation of any of his permits. The City Clerk shall not issue a new permit

after the revocation of a permit until said person complies with the provisions of this section. A fee of \$5 shall be imposed for the renewal or issuance of a permit which has been previously suspended or revoked.

(6)

**SUCCESSORS LIABLE FOR UNPAID TAX.** If any person liable for any amount of tax under this section sells out his business or stock of goods or quits the business, his successors or assigns shall be responsible for any unpaid tax due under this section.

(7)

**INSPECTION AND AUDIT.** Whenever the City has probable cause to believe that the correct amount of room tax has not been assessed or that the room tax return is not correct, the City Clerk may, by office or field audit determine the tax to be paid to the City or the refund due to any person under this section, and may require the financial records be produced pursuant to §66.75(2)(a), Wis. Stats. This determination may be made upon the basis of the facts contained in the return being audited, or on the basis of any other information within the City Clerk's possession.

(8)

**UNPAID AND DELINQUENT TAXES.**

(a)

If any person fails to file a return as required by this section, the City Clerk shall make an estimate of the amount of the gross receipts under subsection (2). Such estimate shall be made for the period for which such person failed to make a return, and shall be based upon the State sales tax records and memoranda as stated in subsection (7). On the basis of this estimate, the City Clerk shall compute and determine the amount required to be paid to the City as and for the room tax.

(b)

All unpaid taxes under this section shall bear interest at the rate of one percent per month from the due date of the return until paid.

(9)

**RECORDS.** Every person liable for the tax imposed by this section shall keep or cause to be kept such records, receipts, invoices and other pertinent papers in such form as the City Clerk requires.

(10)

**CONFIDENTIALITY OF RECORDS.** All tax returns, schedules, exhibits, writing or audit reports relating to such returns, on file with the City Clerk are deemed to be confidential, except the City Clerk may divulge their contents to the following, and no others: The person who filed the return, persons who may use the information in the discharge of their duties imposed by law or of the duties of their office or by order of the court.

(11)

PENALTIES.

(a)

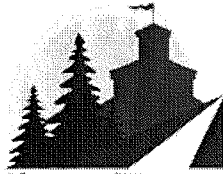
Any person who fails to pay the room tax required to be paid pursuant to subsections (3) or (8) shall be subject to a forfeiture of \$5,000 or 25 percent of the tax due, whichever is less, exclusive of any interest or other penalties.

(b)

Any person who violates the provisions of subsection (7) shall be subject to a forfeiture of 5 percent of the room tax required to be paid pursuant to subsections (3) or (8).

(c)

Any person who violates the provisions of subsection (10) shall be subject to a forfeiture of no less than \$100 nor more than \$500.



NORTHERN WISCONSIN  
STATE FAIRGROUNDS

331 Jefferson Ave  
P.O. Box 48  
Chippewa Falls, WI 54729  
January 20, 2009

## **Strategic Plan**

### **Mission:**

**Our Mission is to provide up-to-date grounds and facilities that promote events and attractions enhancing the economic viability of our community.**

### **Vision:**

#### **Community:**

**The Northern Wisconsin State Fairgrounds will create, promote, support and welcome events which reflect our communities' lifestyles while maintaining financial independence, community ownership and pride in a safe gathering place.**

#### **Associates/Volunteers:**

**Associates and Volunteers will provide positive guidance to improve the grounds and events, promote ownership and pride, while building goodwill among all area communities.**

#### **Board Members:**

**The Northern Wisconsin State Fair board members will be community leaders who are visionary and open minded, fiscally responsible and committed to working collaboratively in protecting and preserving the Fairgrounds for future generations.**

### **Values:**

**The Northern Wisconsin State Fairgrounds will provide diverse family-oriented activities that preserve and create traditions, encourage community-wide involvement while upholding high standards of integrity and honesty.**