



FINANCE COMMITTEE MEETING - SPECIAL AGENDA

TUESDAY, DECEMBER 19, 2023 AT 6:15 PM

MUNICIPAL BUILDING COUNCIL CHAMBERS – 106 JONES STREET, WATERTOWN, WI 53094

By Phone or GoToMeeting: Members of the media and the public may attend by calling:

+1 (571) 317-3122 **Access Code:** 153-925-469 or <https://www.gotomeet.me/EMcFarland>

All public participants' phones will be muted during the meeting except during the public comment period.

1. CALL TO ORDER

2. BUSINESS

- [A.](#) Review and take action: approve U.S. Department of Energy grant application
- [B.](#) Review and take action: Driver Policy
- [C.](#) Review and take action: approve agreement for 2024-2026 Tourism Promotion Services
- [D.](#) Review and take action: recommendation of Tourism Commission to raise room tax
- [E.](#) Review and take action: write off uncollectable accounts receivable
- F. Convene into closed session per Wis. Stat. Sec. 19.85(1)(e) to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. (Masonic Temple Easement)
- G. Reconvene into open session

3. ADJOURNMENT

Persons requiring other reasonable accommodations for any of the above meetings, may contact the office of the City Clerk at mdunneisen@watertownwi.gov, phone 920-262-4006

A quorum of any City of Watertown Council, Committee, Board, Commission, or other body, may be present at this meeting for observing and gathering of information only



Water Systems

800 Hoffmann Drive • P.O. Box 477 • Watertown WI 53094-0477
WASTEWATER (920) 262-4085 • WATER (920) 262-4075

To: Mayor McFarland & Members of the Finance Committee
From: Peter Hartz – Water Systems Manager

12/13/2023

Re: Water Systems agenda items for Finance committee meeting 12/19/2023

Dear Mayor McFarland & Committee Members:

Water Systems agenda item:

1. **Review and take action** - approve U.S. Department of Energy grant application.

- The U.S. Department of Energy (DOE), in collaboration with its Partnership Intermediary, ENERGYWERX, has re-opened applications for small and medium-sized manufacturing firms (SMMs) to receive grants of up to \$300,000, at 50% cost share, to implement recommendations made in Industrial Assessment Centers (IAC) assessments and/or DOE Combined Heat and Power Technical Assistance Partnership (CHP TAP) assessments – including what are now called “Onsite Energy TAP” assessments – and, once qualified, other assessments submitted previously for qualification as “IAC-equivalent.” The DOE Industrial Assessment Centers (IAC) Implementation Grant Program (Implementation Grant Program) provides grants funded by section 40521 of the Bipartisan Infrastructure Law, 42 USC 17116, to small and medium-sized manufacturers (SMMs) to implement recommendations made in IAC and Combined Heat and Power Technical Assistance Partnership (CHP TAP) assessments since 2018, and in recommendations made in equivalent assessments since 2021. These grants will bolster the American manufacturing base by supporting projects to improve energy and material efficiency, to increase productivity, and to reduce emissions at SMMs. DOE further intends that these grants will advance the objectives of the Justice40 initiative by improving business performance, and increasing energy affordability.
- The wastewater utility completed the industrial energy assessment with UW-Milwaukee in 2020, with that assessment we did review the use of biogas for energy, as such we are qualified to apply for a grant to help fund a project. The 2024 budget did include working with Mead-Hunt on the biogas utilization and putting forward a project for sludge drying using the biogas as part of the process upgrade. This grant funding would be helpful to see this project through to construction.
- I recommend we work with Mead-Hunt to apply for this grant funding, applying for the funding does not automatically commit the city to doing a project, the specifics of the project will be discussed after we complete the project study with Mead-Hunt.

Sincerely,

Peter Hartz

Watertown Water Systems



Industrial Assessment Centers (IAC) Implementation Grants Program

Since 1976, the Industrial Assessment Centers (IACs) program has helped small- and medium-sized manufacturers (SMMs) save energy, improve productivity, and reduce waste by providing no-cost technical assessments conducted by university-based teams of energy-savvy engineering students and faculty. Currently, the U.S. Department of Energy (DOE) supports IACs at 37 four-year institutions of higher education across the nation.

The Bipartisan Infrastructure Law (BIL) invests \$550 million to expand the IAC Program in support of the Biden Administration's goals of reducing industrial emissions, creating pathways to high-quality jobs, a skilled manufacturing workforce, and enhancing U.S. manufacturing competitiveness in a net-zero economy.

Grant Awards Overview

The IAC Implementation Grants Program will provide **up to \$400 million in grants**, funded by section 40521 of BIL, to SMMs to implement recommendations made in IAC or Combined Heat & Power Technical Assistance Partnership (CHP TAP) – including what are now called “Onsite Energy TAP” assessments. The program is also qualifying assessments from third-party assessors as “IAC-equivalent” so that recipients of those assessments can be eligible for implementation grants (see below).

Grant awards are up to \$300,000 per manufacturer (covering one or multiple projects), at a 50% cost share (i.e. if a project costs \$50,000, an implementation grant can cover up to \$25,000).

IAC Implementation Grants Program Process



*DOE cannot guarantee that third-party assessments will be free

Eligibility

To be eligible, SMMs must have had an energy assessment completed by:

- An Industrial Assessment Center (IAC),
- A CHP TAP (now called Onsite Energy TAPs), or
- A third-party assessor that provides an assessment equivalent to an IAC or CHP TAP assessment (as qualified by DOE).

An SMM is defined as a manufacturer, including water and wastewater treatment facilities, with the following characteristics either in either the most recently completed fiscal year OR in the year the assessment was conducted (if different):

- Gross annual sales less than \$100,000,000;
- Under 500 employees at the facility site; and
- Annual energy bills of more than \$100,000 but less than \$3,500,000.

An applicant is defined as a distinct entity for purposes of this program if it pays taxes independently in the U.S., even if it is a wholly owned subsidiary of a larger corporation. Covered projects include improvements to site energy and/or material efficiency, cybersecurity infrastructure, productivity and/or reductions to site waste generation and greenhouse gas emissions and/or non-greenhouse gas pollution.

Read More About the Implementation Grants



Apply for an IAC Assessment





Map of the 37 IAC centers (and their satellite partner centers) at four-year institutes of higher education. For contact details, see <https://www.energy.gov/mesc/locations-industrial-assessment-centers>

Qualified Third-Party Assessors

In addition to the IACs (as displayed in the above map) and CHP TAPs/Onsite Energy TAPs, these third-party assessors have been qualified as IAC-equivalent by DOE:*

- Alternative Energy Systems Consulting, Inc.
- Cascade Energy
- CLEARResult
- eSai LLC
- Go Sustainable Energy, LLC
- Michaels Energy
- New York State Energy Research and Development Authority – FlexTech Program
- North Carolina Advanced Energy Corporation
- Pennsylvania Technical Assistance Program (PennTAP)
- Utah DEU StepWise Program

SMMs clients of any of the above entities may be eligible for IAC grant funding. **Other assessors that conduct comprehensive facility energy assessments can also apply through the IAC grant program to be deemed**

*Pending final Memorandum of Understanding (MOUs)

IAC-equivalent so that their assessment project recommendations are eligible for grant funding.

When to Apply

The IAC grant program operates on a rolling basis.

Applications may be submitted at any time throughout the year as funds are available and will be reviewed quarterly after the following deadlines:

- December 31, 2023
- March 31, 2024
- June 30, 2024
- September 30, 2024

How to Apply

In contrast to traditional DOE funding opportunities, the IAC grant programs works through a Partnership Intermediary Agreement, called ENERGYWERX, resulting in a **very simple and straightforward application form and process** via Submittable.

Applications from manufacturers for implementation grant funding simply require general information about the applicant entity and facility of interest, an uploaded eligible energy assessment report, and a few paragraphs of answers to questions about the project details. Applications from assessors seeking to be qualified as IAC-equivalent need only provide general information, a short project narrative, and example assessment reports. Qualified assessors also will need to agree to a memorandum of understanding with terms of the qualification (e.g., commitments to being vendor-agnostic in recommendations and gathering client implementation data).

DOE will hold monthly Office Hour webinars to provide short overviews of the program and answer questions.

To learn more about the IAC Implementation Grant program – including FAQs – and to apply, visit:
<https://www.energywerx.org/opportunities/iac-round-2>

If you have any questions about the application process, please email: info@energywerx.org

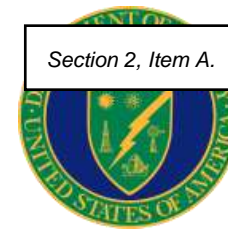
Read More About the Implementation Grants



Apply for an IAC Assessment



CITY OF WATERTOWN WATER UTILITY (WATERTOWN, WI) UTILITY DATA ANALYSIS



Industrial Assessment Visit 01/15/2020

DOE Industrial Assessment Center (IAC)



In Partnership with:



IAC Staff:

Abdel Rahman Salem (Safety)
Ahmad Abdelhadi
Mohamed Abousabae
Mohamed Maache
Mohammad Qandil (Lead Student)
Saif Elhamad

Lead faculty:

Wilkistar A Otieno, Ph.D.

PRESENTATION OUTLINE

- ❑ **Overview of Industrial Assessment Center Program**
- ❑ **Utility Data Analysis**
 - Utility Usage Overview
 - Electricity Usage
 - Gas Usage
- ❑ **Better Buildings Initiative of the US DOE**
 - Better Plants
 - 50001 Ready Program
 - 50001 Ready Navigator

INDUSTRIAL ASSESSMENT CENTER



- ❑ **Industrial Assessment Center (IAC)**
 - ❑ Funded by US Department of Energy
 - ❑ Support small and medium-sized manufacturers nationwide through teams of university-based faculty and student engineers.
 - ❑ The professional support is **NO Cost** to participating companies

- ❑ **IAC focus**
 - ❑ Improve energy efficiency
 - ❑ Reduce wastes and prevent pollution
 - ❑ Improve manufacturing productivity

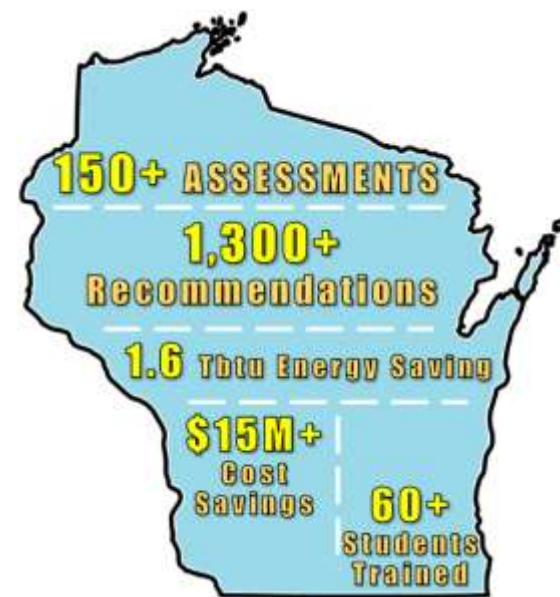


Sustainable
Manufacturing

UWM - Industrial Assessment Center

- UWM IAC: One of the 31 IAC centers in the US and the only center in Wisconsin.

- Strong partnerships with:
 - 1) Wisconsin Office of Energy Innovation (OEI)
 - 2) Focus on Energy (FoE)
 - 3) ecoCity of Milwaukee (Environmental Collaboration Office)
 - 4) We Energies
 - 5) Franklin Energy



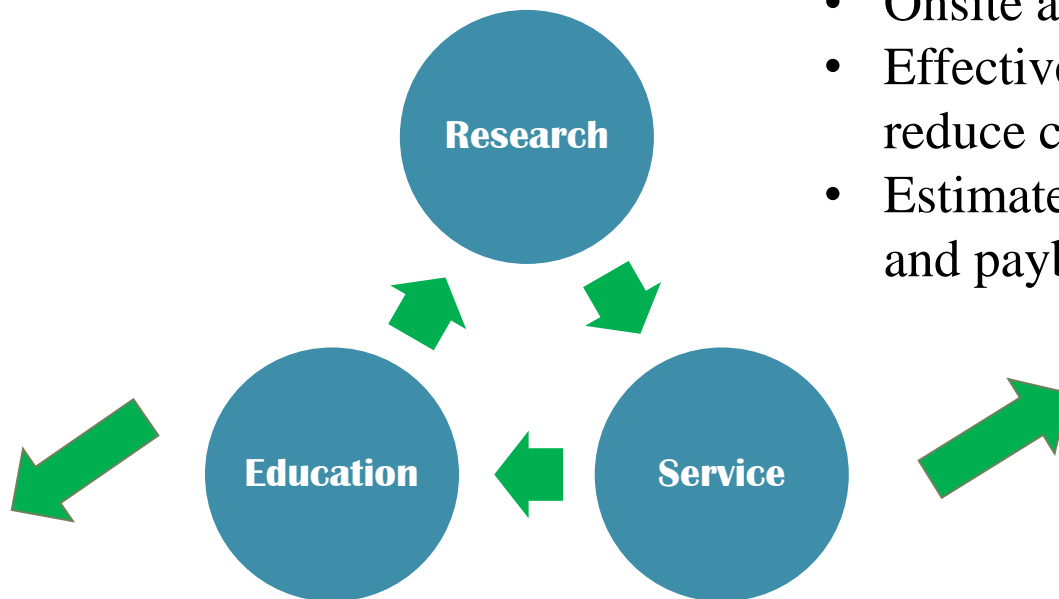
*Data of the period 2011 - 2019



Values of the IAC

Industrial Assessment

- Onsite assessment
- Effective recommendations to reduce costs
- Estimate of costs, performance and payback periods



Develop Workforce

- Energy efficiency
- Sustainable manufacturing

Deliverables

- ❑ Assessment of energy, waste, and productivity
- ❑ Detailed Assessment Report (60 days after assessment):
 - 1- Utility bills analysis
 - 2- Energy usage calculations
 - 3- Energy and cost savings recommendations
 - 4- Labor and implementation costs
 - 5- Applicable rebates and incentives.
- ❑ Provide needed follow-up clarifications of recommendations

Support Needed from Plant

- ❑ Relevant utility bills
 - ❑ Electricity, Gas, Water, Waste, Recycling, Scrap, etc.
- ❑ A contact person to answer follow-up questions
 - ❑ Preferably in a timely manner
- ❑ Complete implementation survey and phone interview
 - ❑ Within 6 to 9 months after assessment date
- ❑ Provide feedback to national IAC field management
 - ❑ Approximately 10 months after assessment date

Assessment Agenda

| Tasks | Starting Time |
|---|---------------|
| Arrival to Plant | 9:00 AM |
| Utility data analysis presentation | 9:10 AM |
| Plant personnel gives brief process description | 9:40 AM |
| Discussion with plant personnel before the walk through | 10:00 AM |
| Walk through | 10:30 AM |
| Working lunch and brainstorming session | 12:00 PM |
| Collecting necessary data | 1:00 PM |
| Final meeting with plant personnel | 3:00 PM |
| Departure from plant | 4:00 PM |

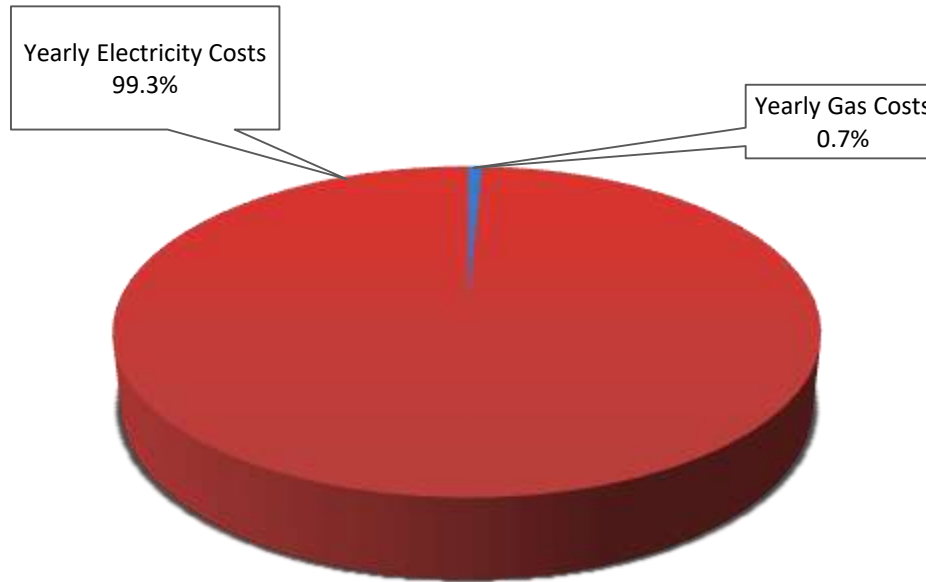
Cost Savings

- ❑ Savings Example
- ❑ (Currently **\$167,103/year** in utility costs):
 - Suppose we save you 15% in utility costs
 - This is equivalent to **\$25,000/year** cost savings

Utility Data Analysis

Section 2, Item A.

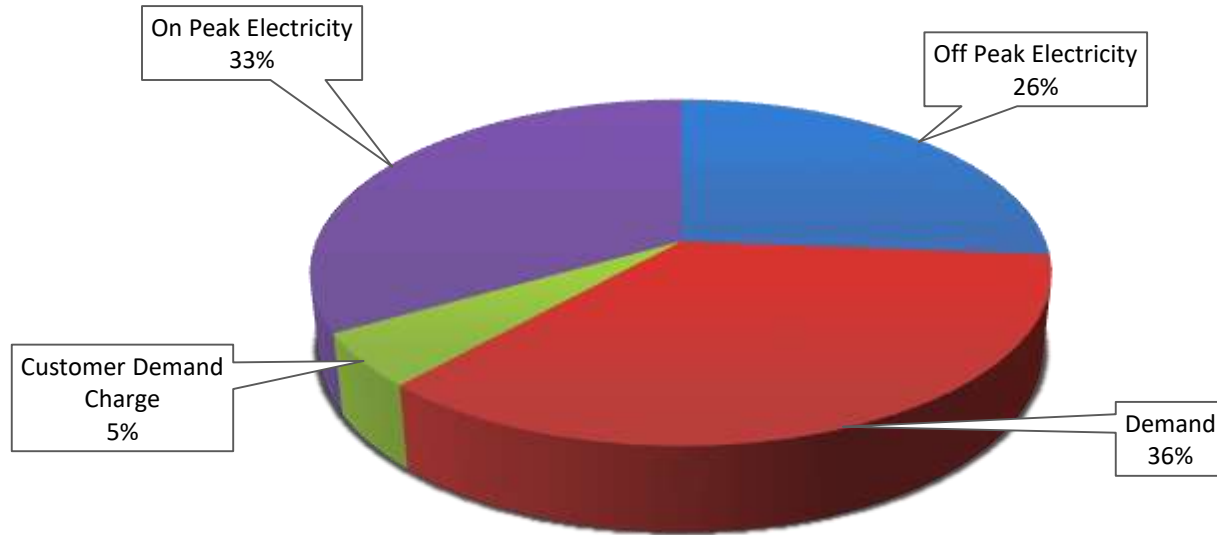
Annual Utility Costs



| Category | Annual Usage | Total Costs |
|-------------|---------------|-------------|
| Electricity | 2,081,065 kWh | \$165,851 |
| Gas | 1,786 therms | \$1,252 |
| Total | | \$167,103 |

Electricity Bill Breakdown

Section 2, Item A.

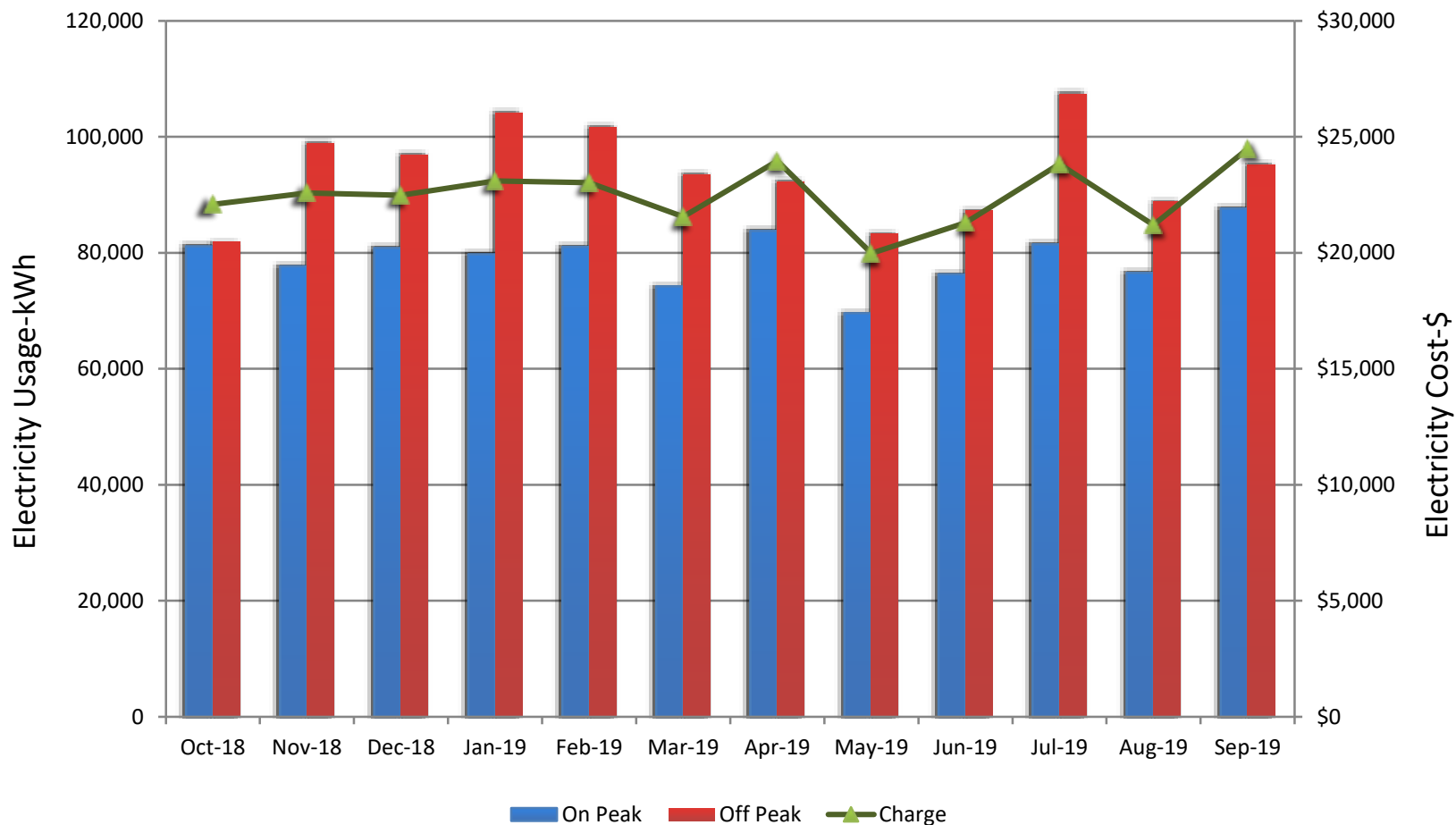


Based on electricity bills (Oct. 2018 – Sep. 2019)

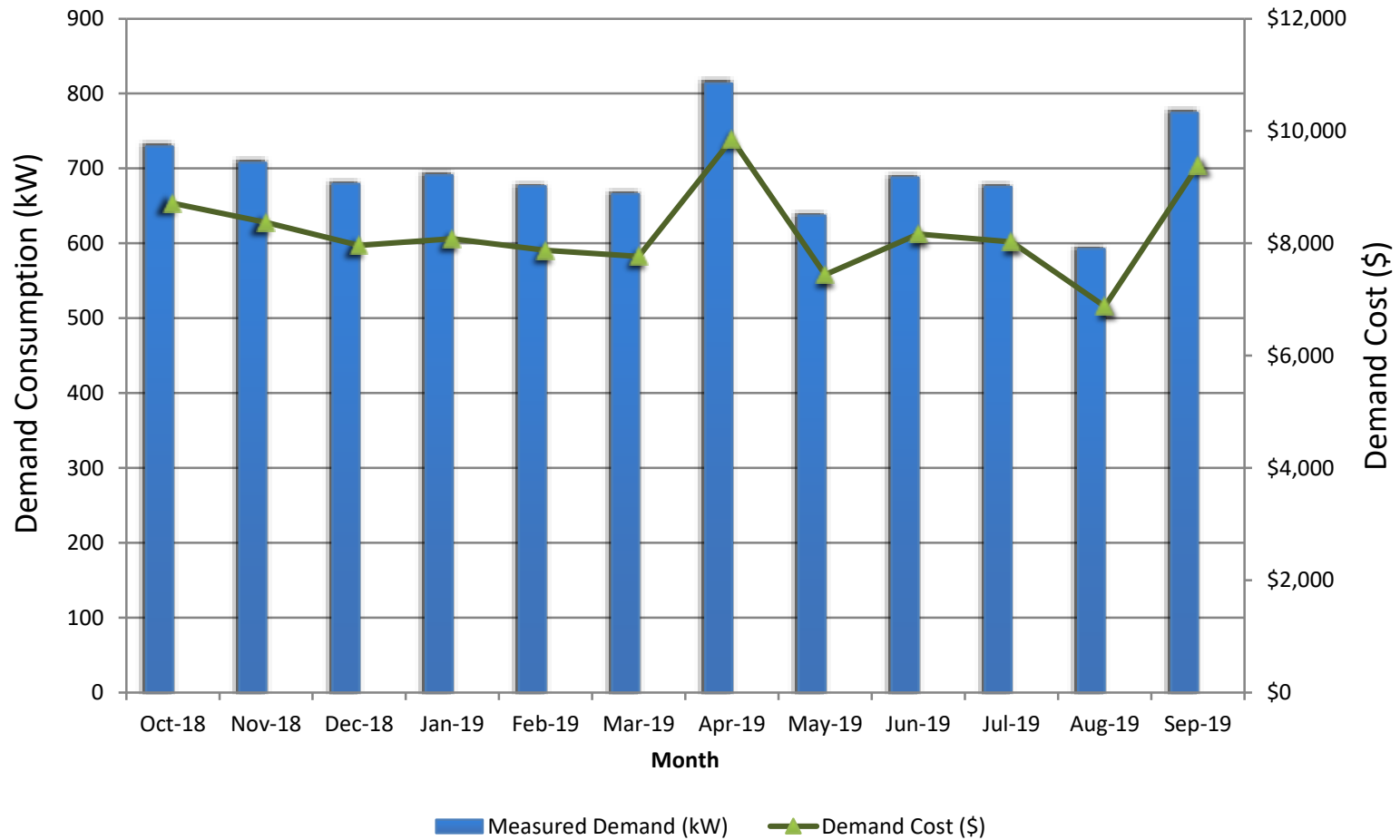
| | |
|---|--|
| Average On-Peak Electricity Cost (\$/kWh) | 0.09773 |
| Average Off-Peak Electricity Cost (\$/kWh) | 0.06455 |
| Average Demand Cost (\$/kW) | 11.830 |
| Average Electricity Cost (\$/kWh) | 0.07970 |
| Major Consumers | Raw water well pumps, booster pumps |

Electricity Bill Scheme

On Peak and Off Peak Electricity Usage and Cost per Month

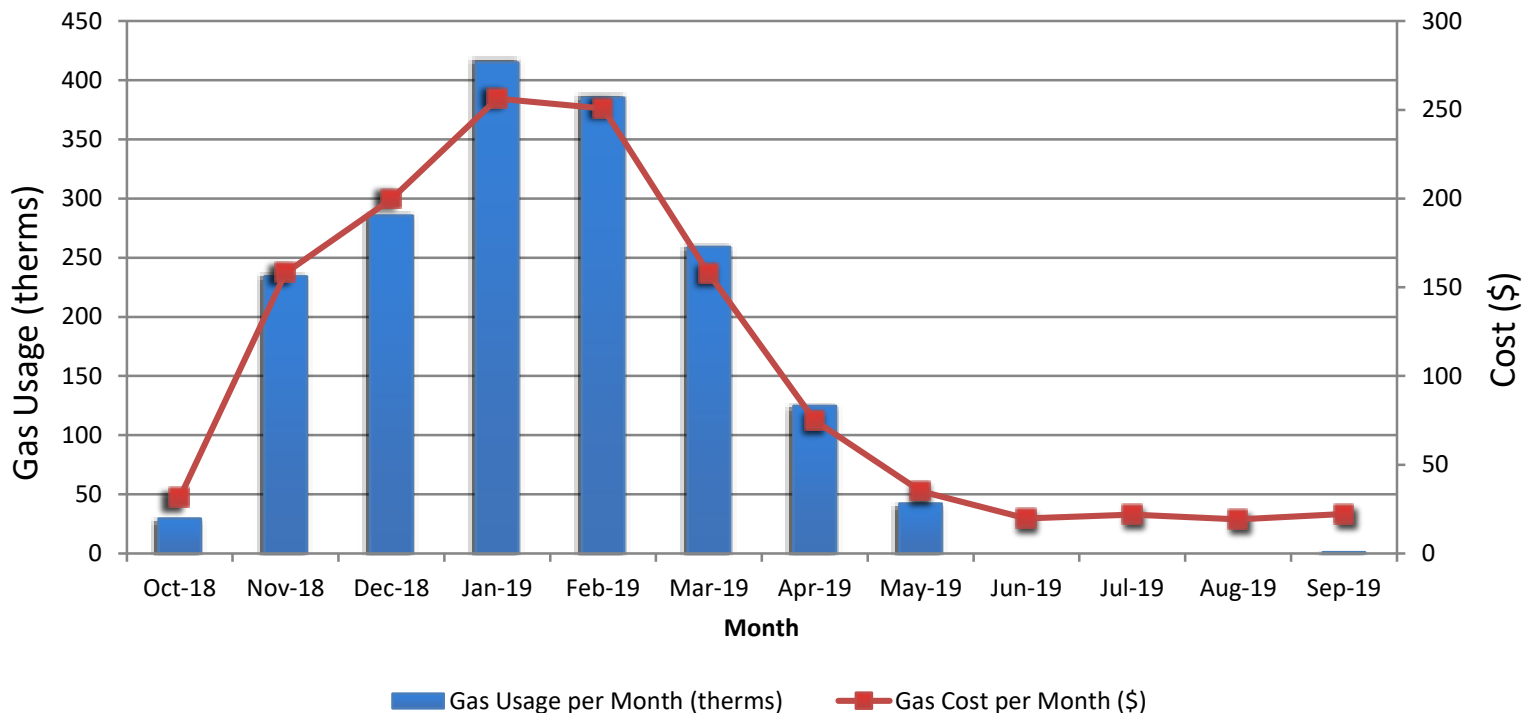


Demand Usage and Cost per Month



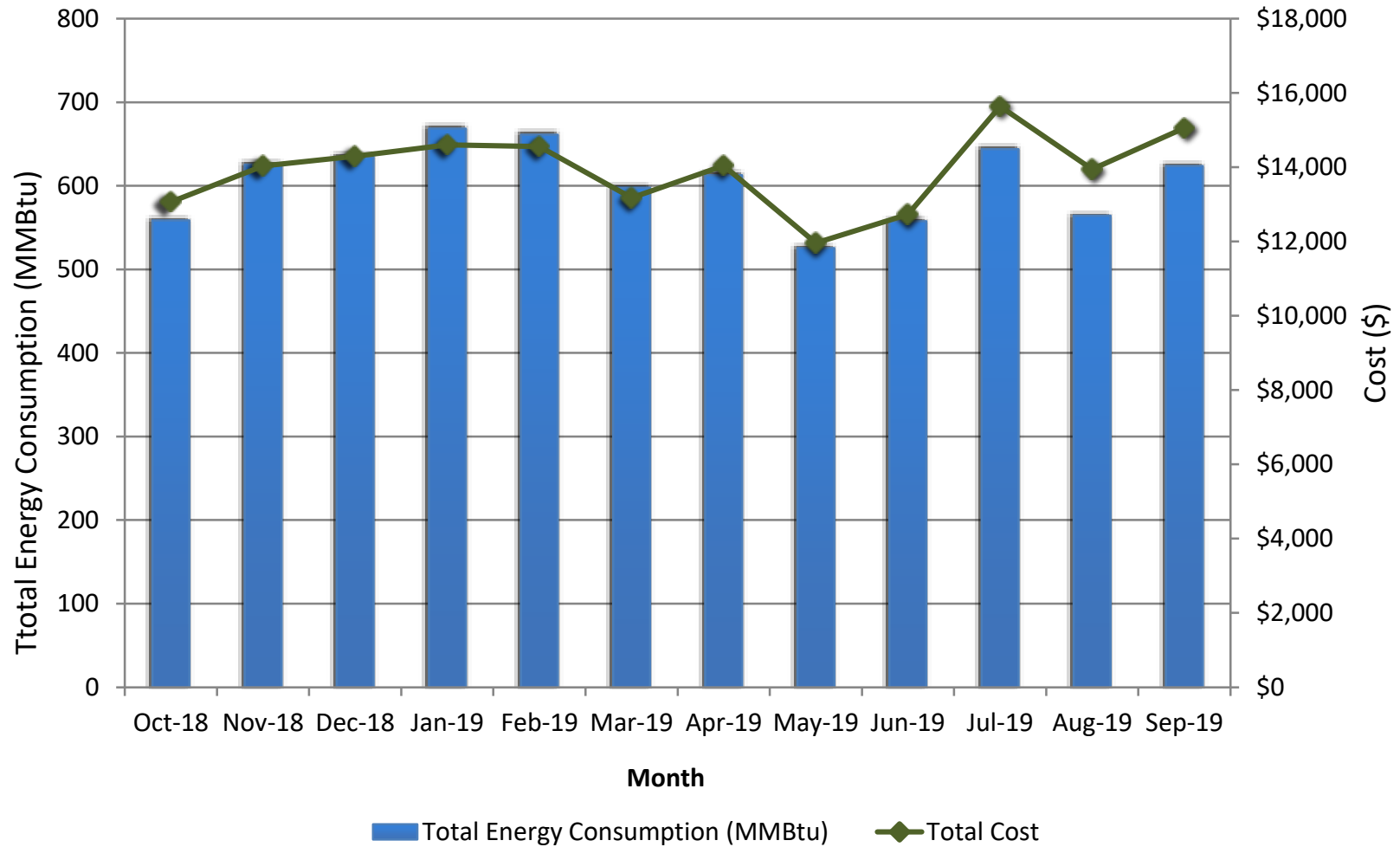
Gas Bill Scheme

Normalized Gas Usage and charge



- Total gas usage: 1,786 therms/year
- Total billed amount: \$1,252/year
- Average gas cost: \$0.701/therm (\$7.01/MMBtu)

Total Energy Usage and Cost per Month



❑ Better Plants:

Better Plants is partnering with *leading manufacturers and water utilities* to improve energy efficiency and competitiveness in the industrial sector, saving money in the process.

URL: <https://betterbuildingssolutioncenter.energy.gov/better-plants>



❑ 50001 Ready Program:

50001 Ready is a U.S. Department of Energy designation for facilities and organizations that have implemented an ISO 50001-based energy management system using the guidance in the 50001 Ready Navigator, and that have demonstrated energy performance improvement

URL: <https://betterbuildingssolutioncenter.energy.gov/50001Ready>



❑ 50001 Ready Navigator :

- developed by the U.S. Department of Energy
- the Navigator is designed to help your organization build towards all parts of ISO 50001.
- self-attest to being “50001 Ready” certification.

URL: <https://navigator.lbl.gov/guidance/dashboard>

❑ **Benefits of Better Plants:**

- ❑ Technical Assistance
- ❑ Networking Platform
- ❑ National Recognition
- ❑ Access to DOE's R&D

➤ **How to use the 50001 Ready Navigator?**

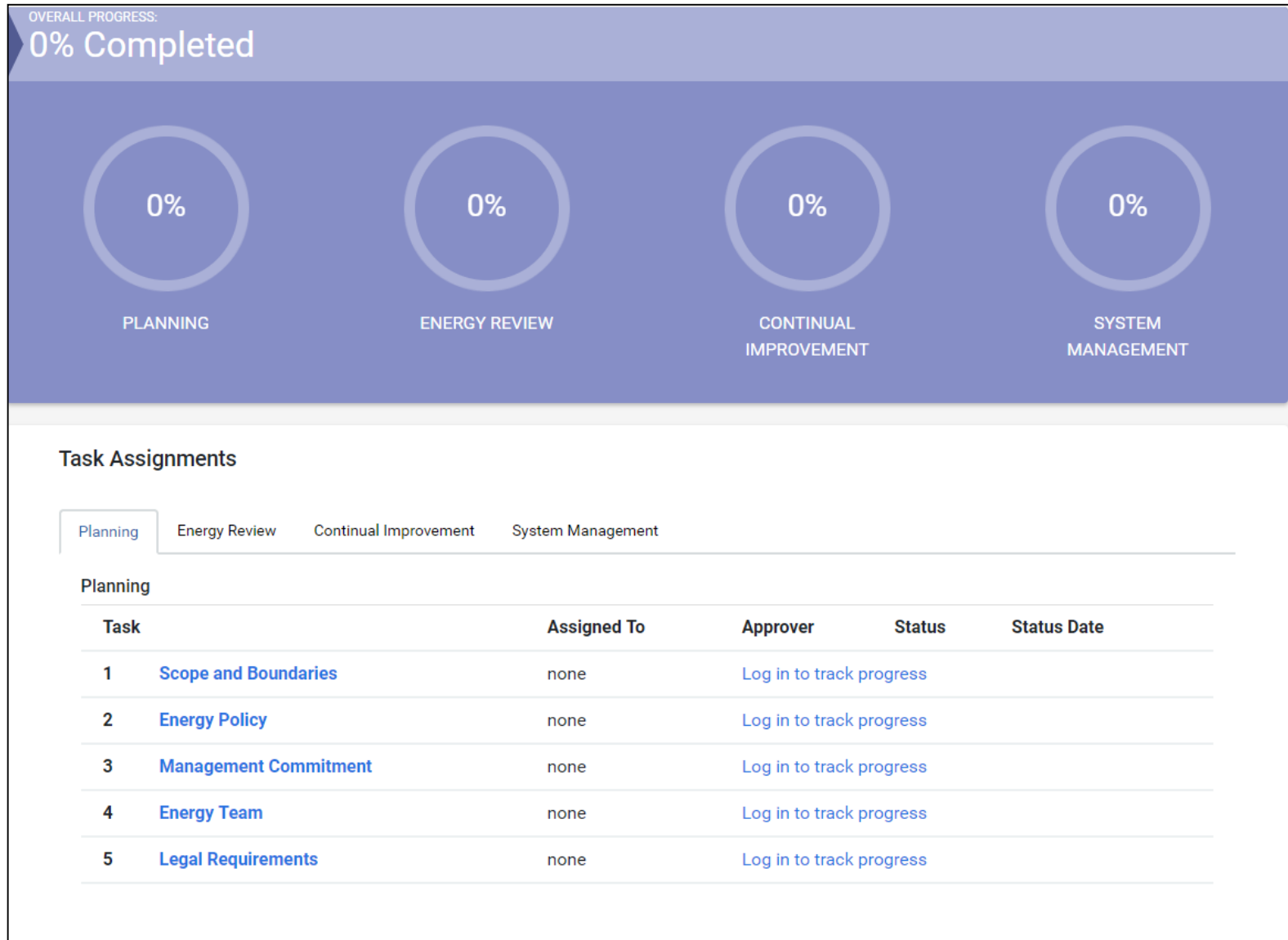
The 50001 Ready Navigator is comprised of 25 tasks, with each task corresponding directly with establishing the energy management system requirements specified in ISO 50001

The 25 tasks are grouped into four sections:

- ▣ Planning (tasks 1-5)
- ▣ Energy Review (tasks 6-13)
- ▣ Continual Improvement (tasks 14-18)
- ▣ System Management (tasks 19-25)

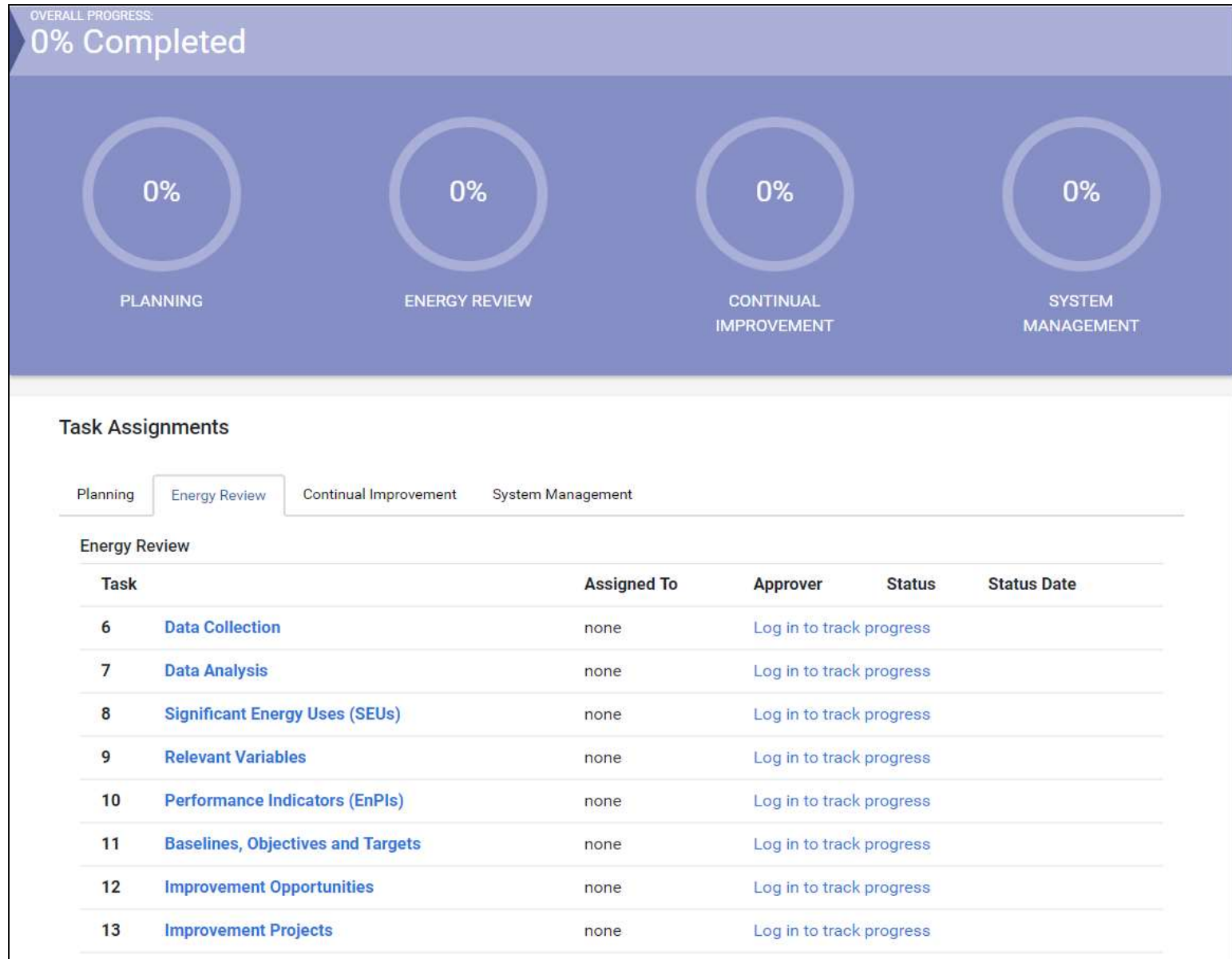
50001 Ready Navigator

Section 2, Item A.



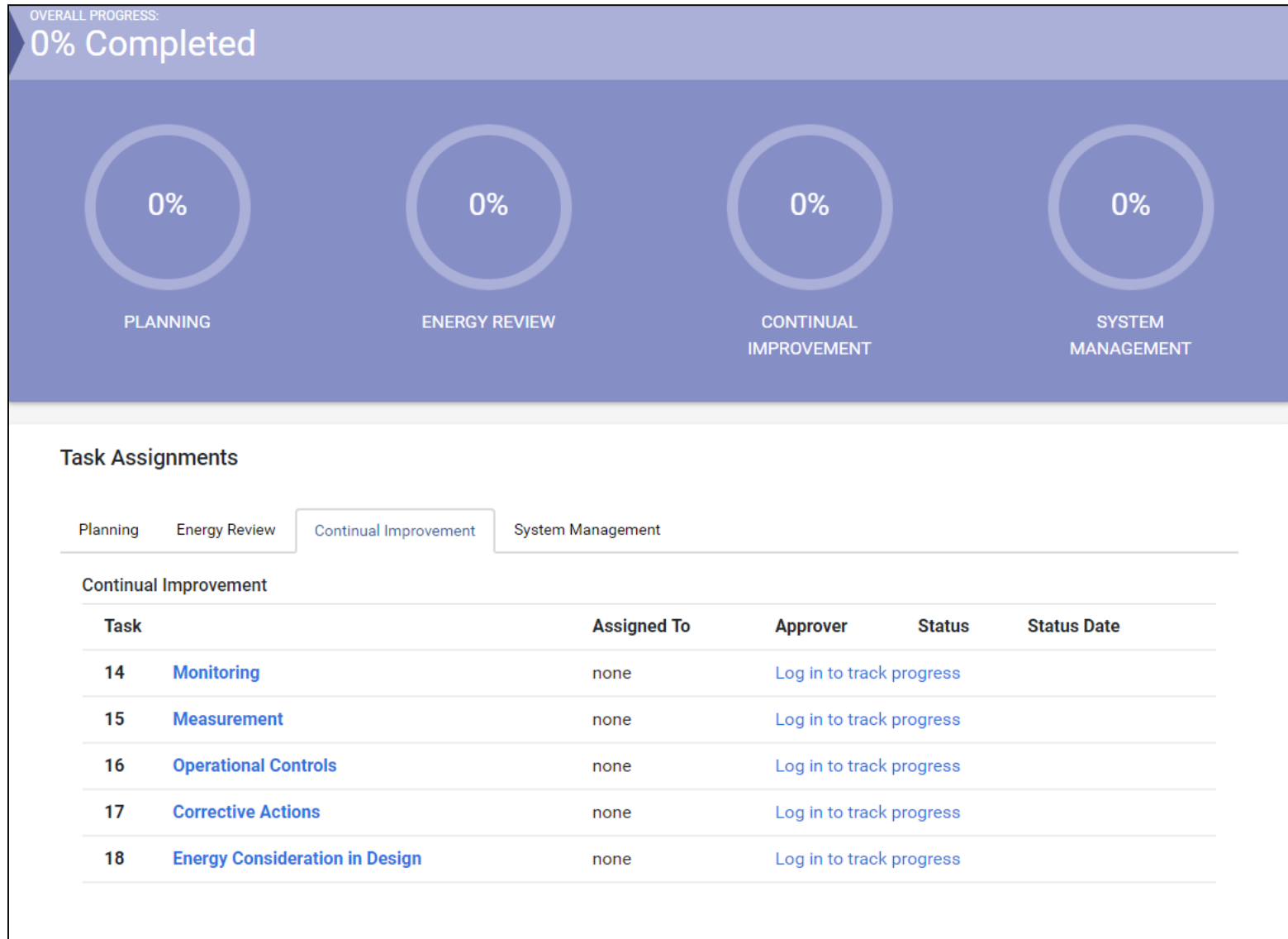
50001 Ready Navigator

Section 2, Item A.



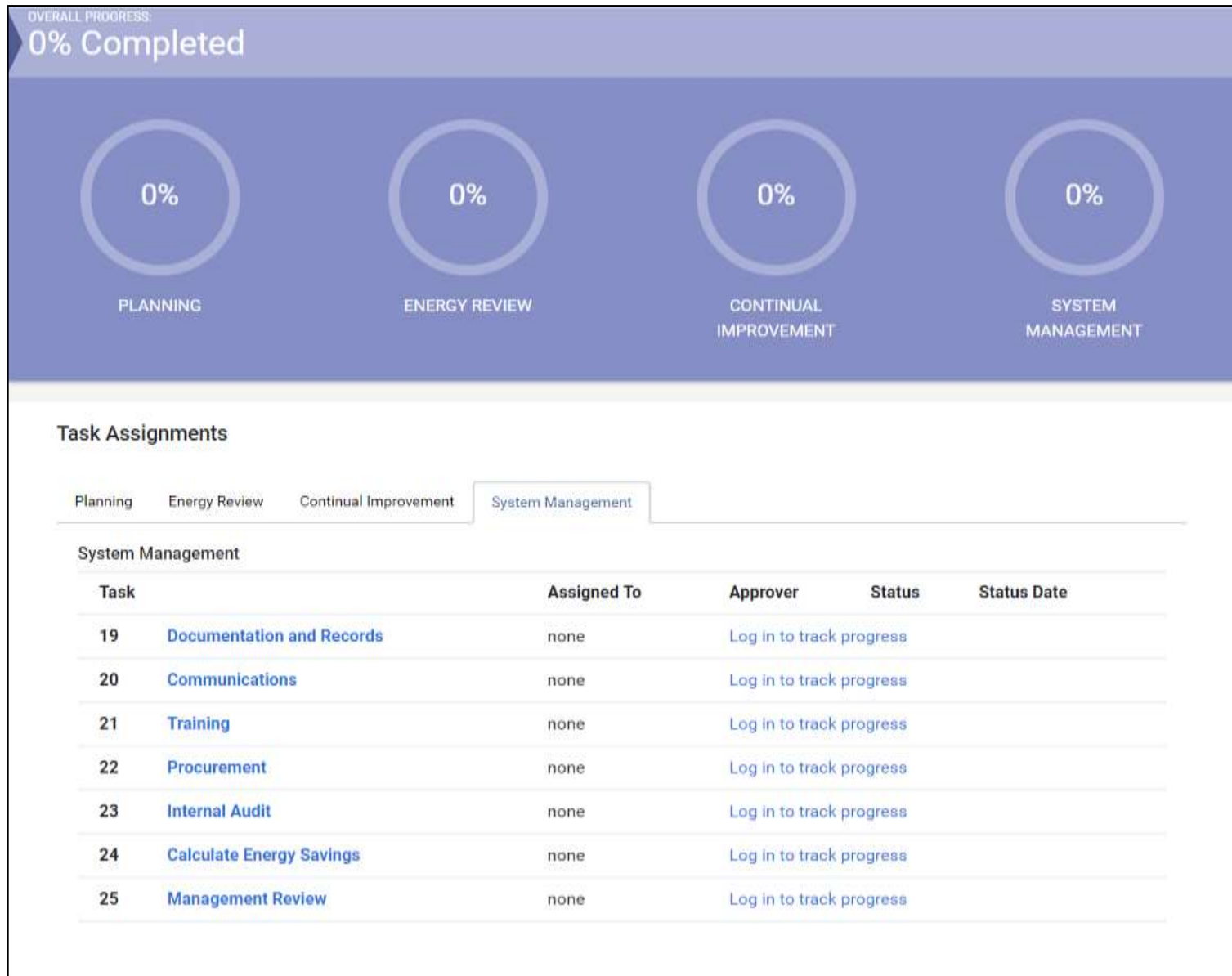
50001 Ready Navigator

Section 2, Item A.



50001 Ready Navigator

Section 2, Item A.





Thank You!

**RESOLUTION TO
ADD EMPLOYEE DRIVER POLICY TO THE CITY EMPLOYEE
HANDBOOK
SPONSOR: MAYOR EMILY MCFARLAND
FROM: FINANCE COMMITTEE**

WHEREAS, City employees routinely engage in the use of City-owned and leased vehicles in the daily and regular performance of their assigned duties and,

WHEREAS, the City government strives to ensure the safe and responsible use of City-owned vehicles and equipment, as well as engage in policies that protect the health and safety of its employees, as well as members of the public and,

WHEREAS, the City has also adopted an internal Fleet Management policy to guide in the efficient and fiscally responsible use of City-owned vehicles; and,

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF WATERTOWN, WISCONSIN:
Adopts the above-referenced Employee Driver Policy and authorizes adding it to the City of Watertown’s Employee Handbook.

That this Resolution shall be in full force and effect upon its passage and adoption.

| | YES | NO |
|-----------------|-----|----|
| DAVIS | | |
| LAMPE | | |
| BOARD | | |
| BARTZ | | |
| BLANKE | | |
| SMITH | | |
| SCHMID | | |
| WETZEL | | |
| MOLDENHAUER | | |
| MAYOR MCFARLAND | | |
| TOTAL | | |

ADOPTED December 19, 2023

CITY CLERK

APPROVED December 19, 2023

MAYOR

FINAL 11-29-23

Watertown Employee Driver Policy
City of Watertown, WI

1. Purpose and Scope:

The Municipal Driver Policy is designed to establish guidelines and expectations for individuals operating vehicles owned or leased by the City of Watertown, WI, in conjunction with the Municipal Vehicle Fleet Management Policy. This policy aims to promote safe and responsible driving practices to protect city personnel, city property, as well as the public.

2. Driver Eligibility:

- a. Only authorized employees with valid driver's licenses and appropriate qualifications will be permitted to operate municipal vehicles, ensuring safety and adherence to traffic laws. All drivers must be at least 18 years of age. Copy of driver's license and background check, collected at time of hire, should be kept on file by department supervisor for reference.
- b. Personnel who are not City employees, but are otherwise authorized to operate municipal vehicles, may do so. All requirements outlined in this document still apply to such individuals.
- c. Regular operational safety training sessions will be conducted by department staff to maintain and enhance the skills of drivers.
- d. Employees are prohibited from driving a city vehicle if their driver's license is suspended, revoked, or on restricted (not due to corrective lenses) status.
- e. Any change in driver eligibility or status must be immediately reported to the employee's supervisor.

Commented [MB1]: Added this after feedback from Carol and Lisa S.

3. Vehicle Use:

- a. City vehicles are for official use only and should not be used for personal purposes without prior authorization.
- b. Drivers are responsible for the safe and lawful operation of city vehicles at all times. Drivers must adhere to posted speed limits and follow all traffic safety laws.
- c. Seat belts must be worn by all occupants of the vehicle.
- d. Vehicles should be locked when the driver is away.
- e. Drivers may not give rides to others not employed by the City unless authorized to do so.
- f. Drivers should not push, tow, or start other vehicles.
- g. Drivers may not manually use (using hands beyond a single touch) a cell phone or other mobile electronic devices while driving.

4. Vehicle Inspection and Maintenance:

- a. Drivers are required to perform pre- and post-trip inspections of city vehicles to ensure their safety and report any issues to a supervisor promptly.
- b. Any signs of vehicle malfunction, damage, or maintenance needs should be reported to the appropriate department staff member immediately.

5. Accidents and Incidents:

- a. If involved in any type of vehicle accident, driver must report the accident to the employee's supervisor as soon as safe to do so. Following the incident, an accident report should be completed and given to the employee's supervisor. Incident reports should go to respective department heads and then be forwarded to the city clerk.
- b. If involved in a crash or collision with another vehicle(s), driver should move vehicle to safe location, stop, and turn on your emergency flashers. Check yourself for injuries and the well-being of your passengers. Call 911. Offer reasonable assistance. Movement of injured persons should not be undertaken if likely to cause further injury. Exchange information (name, insurance carriers, phone numbers). If there were witnesses to the accident, obtain their names and addresses. **DO NOT MAKE A STATEMENT OF ANY KIND TO ANYONE OTHER THAN THE POLICE OR A REPRESENTATIVE OF THE CITY.**
- c. If you strike an unattended vehicle; leave a note with your contact information and circumstances of the accident.
- d. Drivers must cooperate fully with any investigations related to accidents or incidents involving city vehicles.

6. Training and Awareness:

- a. Drivers may be required to participate in driver training programs and safety awareness initiatives as deemed necessary by the City of Watertown.
- b. City employees who operate specialized vehicles or equipment must receive specific training and certification as required by law or policy.

7. Compliance with Policies:

- a. Drivers are expected to adhere to all city policies and procedures, including the Municipal Vehicle Fleet Management Policy, while operating city vehicles.
- b. Non-compliance with this policy may result in disciplinary actions, including but not limited to warnings, suspension of driving privileges, or termination of employment, depending on the severity of the violation.

8. Acknowledgment:

All drivers operating city vehicles are required to acknowledge their understanding and acceptance of this policy and its provisions. Failure to do so may result in a suspension of driving privileges.

AGREEMENT FOR 2024- 2026 TOURISM PROMOTION SERVICES

This Agreement is made and entered into this _____ day of October, 2023, by and between the Watertown Tourism Commission ("Commission") as a representative of the City of Watertown, Wisconsin, the City of Watertown, a Wisconsin municipal corporation ("City"), and the Watertown Area Chamber of Commerce, a Wisconsin not-for-profit corporation ("Chamber"), for the term beginning January 1, 2024 through December 31, 2026.

WHEREAS, Watertown General Code of Ordinances Ch. 76 Art. II authorizes the levy of a hotel-motel room tax upon the gross rental receipts derived from retail furnishing of rooms or lodging, in any hotel or motel located in the City, at the rate of five percent (5%); and

WHEREAS, Watertown General Code of Ordinances Ch. 76 Art. II provides that thirty percent (30%) of revenues from the room tax shall be maintained in the City's Tourism Fund and the remaining seventy percent (70%) shall be used for the purpose of promoting tourism; and

WHEREAS, Wisconsin State Statutes § 66.0615 states that seventy percent (70%) of any tax collected must be spent on tourism promotion and tourism development by the municipality and shall be forwarded to the tourism commission for the municipality; and

WHEREAS, the City has determined that it is in the City's and Commission's best interests and in accordance with Wisconsin State Statutes § 66.0615 to contract with an independent entity, such as the Chamber, to provide the services necessary to promote tourism for the City.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, it is understood and agreed between the parties as follows:

1. **Tourism Promotion.** The Chamber agrees to promote tourism for the City, which service shall include but not be limited to maintaining and promoting commercial, hospitality and service sectors, which is intended to have significant impacts on the tourism growth within the City, including conventions.

2. **Budget.** The Chamber and Commission will prepare and approve a budget for each calendar year by December 16.

3. **Funding.** The City, Commission and the Chamber shall work together in good faith to comply with Wisconsin State Statutes § 66.0615 and, in particular, § 66.0615(1m)(d) to which end the City Finance Director/Treasurer shall forward to the Chamber an amount equal to seventy percent (70%) of the hotel-motel room tax received by the City. The City shall provide the funding described herein according to the City Finance Director/Treasurer's practice on a monthly basis with payments being made around the 10th of each month. In addition to the monthly payments, the City shall make payment of Nine Thousand Dollars (\$9,000.00) to the Chamber each year to be paid quarterly for general administration of room tax dollars for the City.

4. **Expenditures.** The Commission agrees that all expenditures will be in accordance with the intent and purposes of State Statute § 66.0615 and applicable local ordinances.

5. **Accounting.** Annually, the Tourism Manager/Chamber shall provide a separate, complete accounting of the receipt and disbursement activity of the City's room tax funds. The Chamber must provide the City with an accounting of the receipt and expenditures of such funds in

accordance with generally accepted accounting principles within ninety (90) days of the end of the Chamber's fiscal year. In the event the Chamber does not provide such accounting within the time period provided, future funds shall not be disbursed until the accounting is received.

6. Staff and Operating Expenses. The Chamber agrees to provide the staff (see attached job description), office space, meeting space, operating expenses and other costs associated with the promotion of tourism, which are necessary to perform their duties and responsibilities under this Agreement. The parties understand and agree that the Tourism Commission is exclusively vested with fiscal policy oversight of room tax dollars.

7. Relationship of the Parties. It is understood and agreed that the Chamber is engaged and retained as an independent entity and not under any officer, agent or employee type of relationship with the City.

8. Inspection and Audit. The City or its duly authorized agents shall be entitled to inspect and audit all books and records of the Chamber for compliance with the approved budget and this Agreement. In the event of an actual or perceived discrepancy, the City may also cause an audit to be performed by an independent accounting firm of its sole and exclusive choice. The City's expense of such audit shall be reimbursed by the Chamber. If, as a result of such audit, there are recommendations presented in a Management Letter ("Letter"), the Chamber shall implement those recommendations or otherwise respond in writing to the City with their reasons for noncompliance within ninety (90) days of receipt of said Letter.

9. Annual Reports. The Chamber shall provide an annual report to the City. The report shall be submitted, annually, on or before April 1 for the purpose of communicating compliance with the duties and responsibilities set forth in this Agreement for the current year ending December 31. The report shall include an accounting of funds expended within the reporting period.

10. Responsibilities and Duties of the Chamber. The City has established the following three (3) goals and is contracting with the Chamber to accomplish these goals:

- A. Encourage retail and commercial growth associated with tourism and visitors.
- B. Actively promote tourism.
- C. That the Chamber should serve as the primary tourism and visitor agency for the City.

Each year, the Chamber and Commission will develop a tourism promotion and tourism development program for the upcoming year and the Chamber and Commission's plan for achieving these goals. At a minimum, these objectives shall include, but are not limited to:

- A. Maintaining current community data and marketing materials pertinent to tourism.
- B. Assisting in the development of a strategy for seeking out appropriate business and other development and to assist and encourage their location or expansion in Watertown, which shall be consistent with tourism and visitor promotion goals.
- C. Developing a strategy for communication and building alliances with the City and businesses in the community.
- D. Developing a strategy for communication and building alliances with both the Chamber and other regional tourism promotion agencies.

11. **Confidential Information.** Subject to Wisconsin's Open Records Law, all parties understand and agree that information received in confidence shall be retained in confidence. The Chamber shall not use confidential information obtained as a result of their position for any purpose other than to attract prospective business to the City.

12. **Effective Date and Term.** This Agreement shall be in force and effect from the date first written above until December 31, 2026, unless it is otherwise terminated as provided herein. This Agreement shall automatically renew on the same terms for an additional one (1) year term, unless either party has provided written notice of its intent not to renew the Agreement. Written notice shall be provided by either party to the other by not later than October 31st of the year that the existing term is scheduled to expire.

13. **Modification.** This Agreement constitutes the entire agreement between the parties and supersedes all prior Agreements, whether oral or written, covering the same subject matter. This Agreement may not be modified or amended except in writing mutually agreed to and accepted by all parties to this Agreement.

14. **No Third-Party Beneficiaries.** Nothing contained herein shall create a contractual relationship with, or any rights in favor of, any third-party.

15. **Termination.** This Agreement may be terminated by the City for a breach of the Agreement, upon thirty (30) days written notice to the other party; and terminated without cause, by either party, upon ninety (90) days written notice to the other party. Upon receipt of the notice of termination, or the expiration of the Agreement, the Commission will not encumber any additional funds, but the City will honor all reasonable expenses for which City allocated funds have already been budgeted and purchase orders were placed prior to receipt of the notice of termination.

16. **Indemnification and Hold Harmless.** The Chamber agrees to indemnify and hold harmless the City and Commission from any and all claims arising out of the Chamber activities in the performance of this Agreement. The City and Commission agree to indemnify and hold harmless the Chamber if the Chamber is joined as a party in an action against the City alleging that official action or inaction of the City has damaged a specific person and/or entity in connection with a proposed development of tourism related business within the City.

17. **Notice.** Whenever any provision of this Agreement requires the giving of written notice, it shall be deemed to have been validly given if delivered in person or sent by registered or certified mail, postage prepaid, to the following:

Watertown Area Chamber of Commerce
c/o Executive Director
519 East Main Street
Watertown, WI 53094
(920) 261-6320

City of Watertown
c/o Finance Director/Treasurer
106 Jones Street
Watertown, WI 53094
(920) 262-4007

18. **Choice of Law.** This Agreement is to be construed and enforced in accordance with the laws of the State of Wisconsin. In the event of a dispute involving this Agreement, the Parties agree that venue shall be in Jefferson County, Wisconsin, Circuit Court.

19. Titles and Subheads. Titles and subheadings as used herein are provided only as a matter of convenience and shall have no legal bearing on the interpretation of any provision of the Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement for 2024-2026 Tourism Promotion Services or caused this Agreement to be executed by their respective officers, as of the date first above written.

CITY OF WATERTOWN, WISCONSIN

By: _____
Emily McFarland, Mayor

ATTEST:

Megan Dunneisen, City Clerk

WATERTOWN AREA CHAMBER OF COMMERCE

By: _____
Bonnie Hertel, Executive Director

ATTEST:

Allen Larson, Chamber Board Vice-Chair

WATERTOWN TOURISM COMMISSION

By: _____
Aaron David, Watertown Tourism Commission Chair

ATTEST:

Robin Kaufmann, Watertown Tourism Director

To: Finance Committee
From: Mark Stevens
Date: December 19, 2023
RE: Room Tax

Finance Department staff have met with the Tourism Commission to discuss improvements in the procedures surrounding the collection of room tax. Admittedly, marketplace providers are a growing source of revenue, but we have no ability to interact with these companies as we do the local establishments. Adjustments in our processes include the following steps:

- We've requested the Health Department notify the Finance Department of any new establishments that are licensed throughout the year.
 - A welcome letter will be mailed outlining the room tax payment ordinance and payment procedures.
- Each July we will request a new listing from the Health Department of licensed establishments.
 - A letter will be mailed out to all establishments outlining the room tax payment ordinance and payment procedures.
- We've updated the Room Tax portion on our website to be more informative about the ordinance and payment procedures. A couple of things of note that were added:
 - Information on marketplace providers who pay room tax on behalf of establishments when they are booked on various sites
 - An electronic version of the room tax Monthly Revenue Statement to allow emailed submissions for those who do not remit physical payments (marketplace providers submit their payment)
- We've incorporated periodic reviews of when establishments report their revenues and payments to ensure they are following the ordinance.
 - If we find that an establishment has not reported revenues or is frequently late, we will send a letter reminding the establishment of the ordinance and payment requirements.

As part of the conversation, we presented a summary of the 2022 room tax rates from the surrounding communities and completed what-if calculations for potential increases in our room tax rates from the current 5% to 6%, 7%, or 8%. The taxes collected are split: 70% to Tourism and 30% kept by the City to be used to pay the Chamber of Commerce for the management of the tourism and approximately \$21K for local event subsidies (parades, fireworks, municipal band, Memorial Day activities).

In its December 14th meeting, the Tourism Commission agreed to an increase in the room tax to 8% to match what most of the area charges. This will help to bolster its funding that was greatly reduced during the Covid period and is still working to reach pre-Covid totals. It was determined a change should be postponed to take place April 1 to allow for a communication of the modification.

ACTUAL ROOM TAX REVENUE/COLLECTION

| GROSS REVENUES REPORTED BY SHORT-TERM RENTAL ESTABLISHMENTS | | TAX COLLECTED 5% TAX W/ 5% TIMELY PAYMENT DISCOUNT | AMOUNT REMITTED TO TOURISM | AMOUNT RETAINED BY CITY |
|---|-----------|--|----------------------------------|-------------------------------|
| 2018 | 2,832,961 | 134,869 | 94,408 | 40,461 |
| 2019 | 2,613,232 | 124,587 | 87,211 | 37,376 |
| 2020 | 1,291,820 | 66,389 | 46,473 | 19,916 |
| 2021 | 1,729,291 | 93,575 | 65,503 | 28,073 |
| 2022 | 2,408,137 | 105,659 | 73,961 | 31,698 |
| Total Estimated Revenue - 2023 | | | | |
| 2023 | 2,424,463 | 118,506 | 82,954 | 35,552 |

Reported through September 2023

| | | | | |
|------|-----------|--------|--------|--------|
| 2023 | 1,874,463 | 91,006 | 63,704 | 27,302 |
|------|-----------|--------|--------|--------|

Estimated Revenue for October-December 2023

| | | | | |
|------|---------|--------|--------|-------|
| 2023 | 550,000 | 27,500 | 19,250 | 8,250 |
|------|---------|--------|--------|-------|

Estimated Ineligible Revenues - 2023

| | |
|------|---------|
| 2023 | 105,300 |
|------|---------|

MARKETPLACE PROVIDERS

| TAX COLLECTED | | TOTAL PAID BY MARKETPLACE PROVIDERS | % OF TAX COLLECTED | NET CHANGE FROM LAST YEAR |
|---------------------------------|---------|---|-----------------------|---------------------------------|
| 2020 | 66,389 | 4,041 | 6% | 6% |
| 2021 | 93,575 | 7,675 | 8% | 2% |
| 2022 | 105,659 | 11,695 | 11% | 9% |
| Reported through September 2023 | | | | |
| 2023 | 91,006 | 15,358 | 17% | 8% |

2024 REVENUE PROJECTIONS BY TAX RATE

| GROSS REVENUES | TAX W/ 5% DISCOUNT | TOURISM | CITY | |
|----------------|--------------------|---------|---------|---------------------------|
| 2024 | 2,450,000 | 116,375 | 81,463 | 34,913 5% TAX RATE |
| 2024 | 2,450,000 | 139,650 | 97,755 | 41,895 6% TAX RATE |
| 2024 | 2,450,000 | 162,925 | 114,048 | 48,878 7% TAX RATE |
| 2024 | 2,450,000 | 186,200 | 130,340 | 55,860 8% TAX RATE |

| INCREASED NET REVENUE | | TOURISM | CITY |
|--------------------------|--------|---------|--------|
| 6% TAX RATE | 23,275 | 16,293 | 6,983 |
| 7% TAX RATE | 46,550 | 32,585 | 13,965 |
| 8% TAX RATE | 69,825 | 48,878 | 20,948 |

| 2022 Room Tax Rates | |
|----------------------------|------|
| Beaver Dam | 5% |
| Delafield | 8% |
| Fond du Lac | 8% |
| Fort Atkinson | 5% |
| Jefferson | 5% |
| Johnson Creek | 8% |
| Oconomowoc | 8% |
| Pewaukee | 8% |
| Sun Prairie | 7% |
| Waukesha | 8% |
| Waupun | 7.5% |
| Whitewater | 8% |

**ORDINANCE TO
AMEND CHAPTER 76, ARTICLE II, SECTION 76-13
OF THE CITY OF WATERTOWN GENERAL ORDINANCES**

**SPONSOR: MAYOR MCFARLAND, MAYOR
FROM: FINANCE**

Whereas, an amendment is required to Chapter 76 Finance and Taxation, Article II Room Tax, Section 76-13 Rate of the City of Watertown General Ordinances to reflect a market increase in room tax rates; and,

Whereas, the Tourism Commission reviewed the proposed Chapter 76, Article II, Section 76-13 room tax rate increase at its December 14, 2023 meeting and is in agreement with the adoption of said increase.

THE COMMON COUNCIL OF THE CITY OF WATERTOWN DOES ORDAIN AS FOLLOWS:

SECTION 1. Section 76-13 “Rate” is hereby amended to read as follows:

§ 76-13 Rate. The tax imposed shall be at the rate of ~~5%~~ **8%** of the gross proceeds billed or received for furnishing accommodations to the public.

SECTION 2. All ordinances or parts of ordinances inconsistent with the provisions of this ordinance are hereby repealed.

SECTION 3. This ordinance shall take effect and be in force beginning April 1, 2024 after its passage and publication.

| | | | | |
|-----------------|-------------------|----|-----------------|----|
| DATE: | December 19, 2023 | | January 2, 2024 | |
| READING: | 1ST | | 2ND | |
| | YES | NO | YES | NO |
| DAVIS | | | | |
| LAMPE | | | | |
| BOARD | | | | |
| BARTZ | | | | |
| BLANKE | | | | |
| SMITH | | | | |
| SCHMID | | | | |
| WETZEL | | | | |
| MOLDENHAUER | | | | |
| MAYOR MCFARLAND | | | | |
| TOTAL | | | | |

ADOPTED: January 2nd, 2024

CITY CLERK

APPROVED: January 2nd, 2024

MAYOR

RESOLUTION TO AUTHORIZE WRITE OFF OF UNCOLLECTED DEBTS

**SPONSOR: MAYOR MCFARLAND
FROM: FINANCE COMMITTEE**

WHEREAS, the following customer accounts have become delinquent and collection efforts by the Finance Department have been unsuccessful; and

WHEREAS, these debts do not qualify to be turned over to State of Wisconsin Debt Collection as allowed by Wis. Stats. §71.93(8); and

WHEREAS, the Finance Committee has reviewed the list of outstanding amounts deemed uncollectible by the Finance Director, has been informed of collection efforts made on such accounts and has recommended writing off the uncollectable debts.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Watertown that the following uncollectable debt amounts be removed from the collection process:

| <u>Customer</u> | <u>Date of Issuance</u> | <u>Description of Debt</u> | <u>Amount</u> |
|-----------------------------------|-------------------------|----------------------------|-----------------|
| USDA | February 8, 2022 | Garbage Removal | 182.53 |
| Roundpoint Mortgage | June 23, 2023 | Special Assessment Letter | 25.00 |
| Carl Norman/Mandy Fritsche-Norman | February 8, 2022 | Non-Sufficient Funds Fee | 17.50 |
| Madilyn Maederer | February 28, 2023 | Non-Sufficient Funds Fee | <u>17.50</u> |
| | | Total Write-Off | \$242.53 |

| | YES | NO |
|-----------------|-----|----|
| DAVIS | | |
| LAMPE | | |
| BOARD | | |
| BARTZ | | |
| BLANKE | | |
| SMITH | | |
| SCHMID | | |
| WETZEL | | |
| MOLDENHAUER | | |
| MAYOR MCFARLAND | | |
| TOTAL | | |

ADOPTED _____

CLERK

APPROVED _____

MAYOR