

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: **OCCUPANCY TAX COORDINATION**

DATE: FEBRUARY 24, 2006

Committee Members Present:

Supervisor Caimano
Tessier
Kenny
Merlino
Wm. Thomas
Haskell

Others Present:

Joan Parsons, Administrator
Joan Sady, Clerk
Paul Dusek, County Attorney
Kate Johnson, Tourism Coordinator
Vonda Beattie, Sr. Account Clerk, Tourism Dept.
Michael O'Connor, Supervisor
Joseph Sheehan, Supervisor
F. Thomas, Supervisor
Christine Margiotta, *The Post-Star*
Carlene A. Ramsey, Sr. Legislative Office Specialist

Committee Members Absent:

Supervisor Gabriels

Mr. Caimano called the meeting to order at 2:32 p.m.

Motion was made by Mr. Haskell, seconded by Mr. Tessier and carried unanimously to approve the minutes of the last meeting, subject to correction by the Clerk.

Vonda Beattie, Senior Account Clerk of the Tourism Department, distributed an Agenda packet to each of the Committee members and a copy is on file with the minutes. Mr. Caimano began with Agenda Item 1, report of revenues from the county treasurer.

Mr. O'Keefe, County Treasurer, explained that an additional \$12,000 had been collected since the first of February. He noted the revenue from the final quarter of 2005 had a filing date of March 20th and he could submit a final report after that date. Therefore, Mr. Caimano observed, Agenda Items 1 and 2d would need to be tabled until such time.

Mr. Caimano reported that representatives from the LGCVB (Lake George Convention & Visitor's Bureau) had recently met with Kate Johnson, Pam Morin (of the Tourism Dept.) and himself, concerning its application for Occupancy Tax funds in the amount of \$65,000. He stated the application did not meet the criteria and had been turned down. However, he explained the CVB has offered its assistance in "selling the County" by way of an expanded booth at various trade shows.

Following a brief discussion, Mr. Caimano stated he intended to apprise the Tourism Committee of the offer from the CVB, at its next meeting on Monday, February 27, 2006.

Mr. Dusek entered the meeting at 2:37 p.m.

Returning to the Agenda review at Item 2a, Mr. Caimano invited Mr. Dusek to update

the committee on the distribution formula criteria approved to-date.

Mr. O'Keefe left the meeting at 2:39 p.m.

Mr. Dusek referred to the Occupancy Tax Handbook which stated the three criteria formally established thus far were:

1. Only multi-day events would be funded;
2. Funding amounts shall not exceed \$50,000; and
3. Events must be 50% self-funded.

Mr. Dusek stated the question the Committee needed to act upon was whether or not it was ready to formally expand the criteria.

Motion was made by Mr. Kenny, seconded by Mr. Tessier and carried unanimously to table further discussion on the formal criteria, until later in the year; as well as Agenda Item 2b, Items 6&7 of the Occ. Tax Handbook "to do" list.

As for agenda Item 2c) regarding State Law which required a sunset period on the imposition of hotel/motel occupancy tax, Mr. Caimano stated a number of Supervisors had expressed an interest in eliminating the sunset requirement altogether.

Mr. Dusek advised that a resolution from the Occupancy Tax Committee could be sent to the full Board which stated its recommendations.

General discussion ensued.

Mr. Dusek clarified the State Legislation, passed three years ago, allowed the occupancy tax so long as it had an expiration date (sunset provision) included. However, he also pointed out the County was free to renew the local law every three years. He said it was his understanding that a number of Supervisors wanted to pursue the elimination of the sunset provision by the time the next local law expired.

Mr. Dusek advised the Committee to 1) renew the local law for a 2nd three year period; and 2) seek legislation to amend the State Law and eliminate the sunset requirement.

Mr. Kenny explained that he felt the sunset provision offered the voters in the County an important safety valve.

Mr. Caimano remarked that one proposed use of the occupancy tax revenue was to establish a public authority, which could be difficult if its major funding source was up for renewal every three years. Mr. Tessier said he felt the three year period would only be an issue if the County failed to demonstrate proper use of the revenue during that time frame.

Motion was made by Mr. Wm. Thomas and seconded by Mr. Haskell that the County

pursue the elimination of the sunset requirement in the current State Legislation on the imposition of hotel/motel occupancy tax.

Mr. Dusek cautioned the Committee that if the County established a Public Authority, it was plausible that contracts would be executed which depended upon occupancy tax revenues to obtain bonding. If that were to occur, he stated, the County may then be locked into the occupancy tax for the length of such bonding.

Mr. O'Connor stated he was concerned that the elimination of the sunset provision would also establish a permanent percentage rate for such occupancy tax.

Mr. Dusek explained that an increased percentage rate would need to be approved by the State Legislature, independent of the sunset provision. Once the Legislature approved an increase in the rate, he said, a new local law would be proposed and a public hearing held to adopt the new rate.

Mr. Dusek clarified it was his understanding from the Workshop, that the Supervisors wanted him to prepare the public authority legislation, along with a request to the Legislators to consider the elimination of the sunset provision on the hotel/motel occupancy tax.

Following a brief discussion, Mr. Dusek confirmed that if the State removed the sunset requirement, the County would then have the option to pass a local law that *may or may not* include an expiration date.

Mr. Caimano called the question and the motion was carried unanimously that the County pursue the elimination of the sunset requirement in the current State Legislation on the imposition of hotel/motel occupancy tax.

Motion was made by Mr. Kenny, seconded by Mr. Tessier and carried unanimously that the members of the Occupancy Tax Coordination Committee hereby declare their support for the renewal of the Occupancy Tax within Warren County, *and to authorize a resolution be prepared for the March 17th Board meeting.*

Returning to Agenda review, at Item 3, Occupancy Tax Applications/Requests, Mr. Caimano granted privilege of the floor to Doug Kenyon. Mr. Kenyon explained that he was speaking today on behalf of Michael Borgos regarding the NYS High School Basketball Championship application for \$50,000 of 2006 Occupancy Tax (O.T.) Revenues.

Mr. Kenyon expressed his appreciation to the Committee for its decision (in December 2005) to approve the application for 2005 O.T. revenue.

Mr. F. Thomas left the meeting at 2:50 p.m.

Mr. Kenyon gave a brief report on the benefits the added revenue has had for the

promotion of this year's tournament.

Following a brief discussion, Mr. Caimano clarified the current application was, in-fact, for funding of the 2007 tournament, and funds were needed before the end of the year. Mr. Kenyon concurred.

Mr. Caimano pointed out the present distribution formula did NOT allow the 2006 revenue to be distributed until after December 31, 2006. Since a number of other applicants had demonstrated the same need, he noted the County planned a review of the distribution date.

Returning to Agenda review at Item 3b) WC Historical Society, privilege of the floor was granted to Elizabeth Spinelli, who explained the application for Occupancy Tax funds was in the amount of \$8,000. She noted the funds would be used to produce an exhibit in the Lake George Visitor's Center, entitled Discover Your Warren County Heritage.

Mr. O'Connor left the meeting at 3:01 p.m.

Mr. Kenny stated his support for the project, yet he noted one of the funding criteria allowed for a maximum of 50% funding of any project.

General discussion ensued regarding alternate methods of funding for the project.

Motion was made by Mr. Kenny, seconded by Mr. Haskell and carried unanimously to forward the request for funding to the Tourism Committee for consideration at the February 27, 2006 meeting.

Returning to Agenda review at Item 4, Mr. Caimano directed attention to a letter received from the Producing Director of the Adirondack Theatre Festival, which was included with the Agenda packet. Mr. Caimano reminded the Committee of its decision to fund only \$10,000 of the requested \$20,000.

Mr. Kenny commented that he felt the criteria had been correctly applied to the application regarding the \$10,000 approved.

Mr. Caimano directed attention to the Adirondack Theatre Festival budget attached to the letter, specifically the shaded Marketing portion. Mr. Kenny observed the festival provided a significant economic impact to the City of Glens Falls over a long period of time. However, he recalled there were some concerns with the number of bed nights that would be generated to replenish the occupancy tax funds.

It was the consensus of the Committee to stand behind its original decision to fund \$10,000 of the requested \$20,000.

Returning to Agenda review at Item 5, Lake George Community Band, Mr. Caimano invited John Herzog to address the Committee. Mr. Herzog distributed handouts to each of the Committee members and copies are on file with the minutes.

Mr. Herzog explained that he was a resident of member of the Lake George Community Band, which was made up of musician-residents throughout Warren County. He reported the one-day music festival, held in the summer of 2005, was deemed a huge success, and the Band has been asked to expand the festival to a three-day event in 2006. Thus far, Mr. Herzog explained the festival has grown from 10 bands to 15 bands, who would need to stay in the area. He estimated the festival would draw at least 700 visitors from Vermont, Massachusetts, and New Hampshire, as he referred to Budget at back of application.

Responding to questions from various Supervisors, Mr. Herzog explained that other sources of funding included monies from the Town of Lake George. Mr. Kenny observed the maximum amount allowed (by the Occupancy Tax criteria) would be 50% of the event's costs, or \$7,550.

Mr. Tessier, as Town of Lake George Supervisor, declared his confidence in the Town's ability to assist the Band with the remaining expenses.

Motion was made by Mr. Kenny, seconded by Mr. Merlino and carried unanimously to approve the Lake George Community Band's request for 2005 Occupancy Tax Funds in the amount of \$7,550, and to authorize a resolution be prepared for the March 17th Board meeting. A copy of the application is on file with the minutes.

Following a brief discussion, Messrs. Herzog and Wm. Thomas left the meeting at 3:20 p.m.

Mr. Caimano reported he had two Business Items that were not on the Agenda, yet he wanted to discuss them with the Committee. 1) Would the Committee like the Application for Occupancy Tax Funds to include a section to indicate whether or not other municipalities had expressed support for the application. Following a brief discussion, it was the consensus of the Committee NOT to add the section to the application.

Secondly, Mr. Caimano stated that a number of number of Department Heads were recommending their State Association hold its annual meeting in Warren County. Mrs. Parsons apprised that groups like the Sheriff's Association, would also attract a large number of vendors to the annual convention and she queried whether or not such associations would be eligible for Occupancy Tax funds.

A general discussion ensued.

Ms. Johnson commented the Tourism Department was currently working on a program

to support such events, welcoming the attendees with a travel guide and events calendar. Mrs. Parsons stated the Association for Clerks of the Board would be coming to the area and she was encouraging them to bring their spouses and stay for the weekend.

It was the consensus of the Committee that each Association would be welcome to submit an application and each would be reviewed on the individual merits.

Mr. Caimano resumed Agenda review at Item 6, Occupancy Tax Funding Scoring Sheet. Privilege of the floor was extended to Mr. Kenny who explained Draft 3 of the Scoring System - Occupancy Tax packet had been distributed to each of the committee members with the Agenda packet. He proposed that each application would be broken down for review, based upon the following issues:

1. Bed Nights
2. Economic Impact
3. Length of Event
4. Month of Event
5. New Event
6. Funding is to Encourage New Events

Mr. Kenny directed attention to page 1, which illustrated how the points would be determined. He further noted he had applied the scoring system to each of the applications reviewed at the February 2, 2006 Committee meeting which was presented on page 3 of the packet.

Mr. Haskell commended Mr. Kenny for developing such a comprehensive scoring system. Mr. Caimano suggested the Committee members could take the Draft home for further review and to bring any comments or suggestions to the next Committee meeting.

Returning the discussion to Agenda Item 3a) Mr. Kenny observed the Committee had not made a formal decision on the NYS High School Basketball Championships application. Motion was made by Mr. Kenny, seconded by Mr. Haskell and carried unanimously to approve the Application for 2006 Occupancy Tax Revenue and to authorize a resolution be prepared for the March 17th Board meeting.

Regarding Agenda Item 7, Mr. Caimano directed attention to a letter from Lynn Potenza, Chairman of the Warren County-Glens Falls' Sister City Organization. He noted the Organization was asking the County to extend its agreement to support and continue the sister city arrangement with Saga City, Japan.

Mr. Caimano said it was his understanding the 2006 Budget had provided for the \$5,000 contract. *[Subsequent to the meeting it was determined that this amount was appropriated in the 2006 Board of Supervisors Budget.]*

As for Agenda Item 8, Occupancy Tax Expense Information, Ms. Beattie reported the last two pages of the Agenda packet included a breakdown of Paul Kaza's 2006 expenses to date.

Following a general discussion, motion was made by Mr. Haskell, seconded by Mr. Tessier, and Mr. Caimano adjourned the meeting at 3:50 p.m.

Respectfully submitted,
Carlene A. Ramsey, Sr. Legislative Office Specialist