

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: OCCUPANCY TAX COORDINATION

DATE: FEBRUARY 20, 2015

COMMITTEE MEMBERS PRESENT:

SUPERVISORS KENNY
MERLINO
CONOVER
DICKINSON
FRASIER
SIMPSON
STROUGH

OTHERS PRESENT:

LEISA GRANT, PRINCIPAL ACCOUNT CLERK, TOURISM
MICHAEL R. SWAN, COUNTY TREASURER
KEVIN B. GERAGHTY, CHAIRMAN OF THE BOARD
MARTIN AUFFREDOU, COUNTY ATTORNEY
JOAN SADY, CLERK OF THE BOARD
FRANK E. THOMAS, BUDGET OFFICER
SUPERVISORS BEATY
BROCK
SEEBER
SOKOL
TAYLOR
WESTCOTT
WOOD
ROBERT BLAIS, MAYOR OF THE VILLAGE OF LAKE GEORGE
MICHAEL CONSUELO, EXECUTIVE DIRECTOR, LAKE GEORGE REGIONAL
CHAMBER OF COMMERCE & CONVENTION & VISITORS BUREAU
NICHOLAS CAIMANO, ADIRONDACK CIVIC CENTER COALITION, INC. BOARD
MEMBER
DON LEHMAN, *THE POST STAR*
THOM RANDALL, *ADIRONDACK JOURNAL*
CHARLENE DIRESTA, SR. LEGISLATIVE OFFICE SPECIALIST
FOR ALL OTHER ATTENDEES, PLEASE SEE ATTACHED SIGN-IN SHEET

Mr. Kenny called the meeting of the Occupancy Tax Coordination Committee to order at 9:02 a.m.

Motion was made by Mr. Simpson, seconded by Mr. Dickinson and carried unanimously to approve the minutes of the previous Committee meeting, subject to correction by the Clerk of the Board.

Copies of the agenda packet were distributed to the Committee members; *a copy of the agenda packet is on file with the minutes.*

Mr. Kenny advised that he, Chairman Geraghty, Messrs. Conover and Thomas, and Martin Auffredou, County Attorney, had recently met with Adirondack Civic Center Coalition, Inc. Board members Elizabeth Mahoney, Nicholas Caimano, and Edward Moore to discuss concerns pertaining to the draft agreement. He expressed the Coalition had been concerned that the regulations of the original draft agreement had been too stringent and had asked that they be made more relaxed. He noted the resulting draft agreement was included in the agenda packet. Mr. Merlino advised he had viewed Draft 4 yesterday and the copy included in the agenda packet was marked as Draft 3. Mr. Auffredou responded the most recent draft of the agreement was Draft 4 and copies of the draft agreement were distributed to the Committee members; *a copy of same is on file with the minutes.*

Mr. Auffredou explained the significant changes to the draft agreement compared to the version presented at the February 3, 2015 Occupancy Tax Coordination Committee meeting mostly pertained to how professional hockey games were addressed. He noted the original draft agreement indicated that occupancy tax funds could not be used for the promotion of professional hockey games at the Glens Falls Civic Center (GFCC); however, he continued, the Coalition had asked that

the County reconsider this use of occupancy tax funds because the promotion of professional hockey games was pivotal to the success of the GFCC. He commented the County recognized that professional hockey games were different from any other event which might be held at the GFCC and had decided to develop separate quarterly performance reporting requirements which pertained only to the hockey games. He noted this was reflected in the newly added Schedule B-1 attached to the draft agreement. Mr. Auffredou appraised Schedule B-1 contained the spending guidelines for the promotion of professional hockey and the quarterly performance reporting requirements for professional hockey games. Due to the fact that there were 35-40 hockey games per year, he continued, it seemed to make sense that professional hockey games have separate spending guidelines and performance reporting requirements than other events. He mentioned Schedule B-1 reflected the largest change to the draft agreement compared to the version presented at the February 3, 2015 Committee meeting. He pointed out Schedule B-1 was referenced in Paragraph 5 on pages 3 and 4 of the agreement.

Mr. Auffredou expressed that Paragraph 5(A) was important and pertained to geographic data, such as zip codes. He said the original draft agreement had a requirement pertaining to the collection of data which would require additional personnel to man each entrance at hockey games which would be counter-productive to the goals of the Coalition. With that in mind, he continued, he had re-written Paragraph 5, as follows:

With the exception of quarterly performance reports concerning professional hockey as an Event as specified in Paragraph 5.B. hereof, all quarterly performance reports for all other Events shall include an estimate of the number of attendees for each Event and reasonably available attendee geographic information such as, but not limited to attendee zip code and/or a listing of attendees from each zip code. To collect the information required hereunder, the Coalition shall employ such reasonable efforts necessary and appropriate as the Coalition shall determine.

Mr. Auffredou advised the Coalition would still be required to collect the zip code information but the County had allowed more flexibility as to how it was collected. He pointed out another change had been with regard to Paragraph 8.C. due to concerns from the Coalition that this paragraph as it had been previously written would require the approval of the County for any repairs, restoration or modification to the GFCC. He stated occupancy tax funds would not be utilized for repairs, restoration or modification of the GFCC but the paragraph had been amended to clarify to the Coalition that County approval was not necessary.

Mr. Auffredou pointed out that Paragraph 19, Production of Records, had been added and was essentially the availability of the County to conduct an audit of the books and records of the Coalition with respect to occupancy tax funding. He stated there were stringent quarterly reporting requirements, as well as a requirement for a written monthly report to be presented at each Occupancy Tax Coordination Committee meeting. He credited Supervisor Seeber with the suggestion to include the opportunity for the County Treasurer to conduct audits upon reasonable request of the Coalition's books and records with respect to occupancy tax funding. He pointed out he had received an email yesterday from Ms. Mahoney, as the Coalition's attorney, indicating the Coalition was in accord with the draft agreement, as presented.

With regard to the auditing of occupancy tax funding, Ms. Seeber suggested the County start with auditing of the funds expended for the GFCC and look into providing the authorization as stated in the law to the County Treasurer to conduct audits for all occupancy tax funds. She noted she had discussed this concept with Mr. Auffredou, as well as with Michael Swan, County Treasurer, who was in agreement. Mr. Dickinson voiced his opposition to the concept of auditing some events, such as Americade which was a private business. He said his major concern with regards to the GFCC had

been accountability and he felt the County had accountability with Americade, as the event generated a significant amount of income on an annual basis. He noted the income generated was sufficient to justify the \$50,000 in occupancy tax funds awarded to Americade without the need to audit the books and records. Mr. Kenny commented that auditing was an option under the current occupancy tax special event funding agreement and not one which the County would exercise anytime soon. He commented Americade generated \$42 million in revenue for Warren County. Ms. Seeber asked why Mr. Kenny had said the option would not be exercised anytime soon and Mr. Kenny replied the option would not be exercised with Americade. Ms. Seeber commented the County had never audited occupancy tax funding and she felt it was time to start doing so. She noted Mr. Swan had indicated he was interested in pursuing this option. Chairman Geraghty stated for clarification purposes that occupancy tax funding was audited in a fashion by the Tourism Department; he asked Leisa Grant, Principal Accountant for the Tourism Department, if this was correct and Ms. Grant replied that receipts were submitted. Chairman Geraghty mentioned there was an audit trail for the funding but it was not completed by the County Treasurer's Office. He pointed out the individual Towns also audited the expenditures before the funding was disbursed. Ms. Seeber said she was only suggesting that the allowance was included in the law and the County should take a look at it.

Motion was made by Mr. Strough and seconded by Mr. Merlino to authorize the Warren County Tourist and Convention Development Agreement with the Adirondack Civic Center Coalition, Inc. for occupancy tax special event funding in the amount of \$250,000 to be paid on a quarterly basis for 2015, subject to certain terms and conditions being met and the County having budgeted the necessary funds, with the option to extend for two additional one-year terms.

Mr. Conover commended Mr. Auffredou and the County Attorney staff who worked on this very extensive agreement. He advised the County's goal was not to micro-manage, but to be a good and responsible partner to participate in a potential growing success. Mr. Dickinson stated he still had some concerns about accountability but he would rely upon his colleagues' judgement and vote accordingly. Mr. Kenny opined the Coalition was very easy to work with and had been open to suggestions.

Mr. Kenny called the question and the motion was carried unanimously to authorize the Warren County Tourist and Convention Development Agreement with the Adirondack Civic Center Coalition, Inc. for occupancy tax special event funding in the amount of \$250,000 to be paid on a quarterly basis for 2015, subject to certain terms and conditions being met and the County having budgeted the necessary funds, with the option to extend for two additional one-year terms. *The necessary resolution was authorized for the February 20, 2015 Board meeting.*

Mr. Caimano thanked the Committee members for their support of the agreement. He said the Committee had also been easy to work with and the Coalition appreciated the hard efforts in reaching an agreement.

Mr. Kenny apprised the next item on the agenda was a report from Robert Blais, Mayor of the Village of Lake George, on the additional \$100,000 in occupancy tax special event funding provided to the Town and Village of Lake George, as well as to discuss the use of funds for Festival Space and to request funds for stage design. Mayor Blais stated that \$100,000 in additional occupancy tax special event funding had been received from the County for events in the Town and Village of Lake George and he thanked the County for this funding. He reported 44 applications had been submitted, requesting a total of \$316,500 in funding. He said the Town and Village of Lake George had each added \$35,000 to the pool of funds for a total amount of \$170,000 in special event funding. He stated the 44 applicants had been interviewed and \$172,000 in funding had been awarded. He

apprised the new system was working well and he believed all of the applicants had been pleased with the amount of funding awarded. He commented that half of the amount awarded had been distributed amongst the events, as well as the new application for use of the Festival Space. He commented the application for the Festival Space was a contract which had been drafted by Mr. Auffredou. He noted applications for use of the Festival Space had been received with down payments.

Pertaining to the distribution of 2014 occupancy tax revenues (Resolution No. 581 of 2015), Mayor Blais pointed out that \$25,000 had been earmarked for Festival Space funding and he asked the intention for this funding; Mr. Kenny replied it was for promotion of events at the Festival Space. Mayor Blais stated the Festival Space was booked every weekend from May 15th through October 11th and he distributed a tentative 2015 schedule for the Festival Space to the Committee members; *a copy of the 2015 schedule is on file with the minutes*. He advised he was currently working with another event which wanted to book the Festival Space for October 20-21, 2015. He commented he had reported at the previous Committee meeting that there were 14 events booked for the Festival Space in 2015 but now there were 17 events. He anticipated the revenue for the Festival Space in 2015 to be approximately \$46,500. He noted the only available weekend was that of the Saratoga Raceway Travers' Day event which he had intentionally left vacant. Mayor Blais mentioned there had been communication regarding a national touring act which was the type of event that would normally be held at the Saratoga Performing Arts Center. He advised that if this touring act decided to use the Festival Space at Charles R. Wood Park it would "put it on the map". He noted the anticipated date for this possible event would be Sunday, August 23rd which was the day after the Travers' Day event.

Mayor Blais informed he had applied to the NYS DOT (New York State Department of Transportation) for a sign on Interstate 87 indicating the location of the Festival Space at Charles R. Wood Park. He advised of a contest he had held over the winter entitled "name the Festival Space" because he felt a more appropriate name was in order. He said some of the suggestions had included "Festival Commons" and "Festival Green". He suggested a new name for the Festival Space be determined before the Interstate 87 signs were approved or additional brochures were developed.

Mayor Blais expressed the need for a permanent stage at the Festival Space and he noted the construction of the permanent fence would go out to bid next week. He apprised of a meeting held with two architects from Elan Planning which had been attended by 7 event promoters to discuss the needs for the proposed stage. He said Elan Planning had completed the design of the Charles R. Wood Park and had developed a proposal which he distributed to the Committee members; *a copy of the proposal is on file with the minutes*. He explained the proposal from Elan Planning was for a Performance Stage Conceptual Planning Study for the Festival Space at Charles R. Wood Park at a cost of \$10,500 which would include a determination of how the facility would be used, the capacity and level of service; a floor plan and architectural style; acoustical and operational considerations; and preliminary development costs. Mayor Blais apprised that approval for the Village's share of the costs (\$3,990/38%) had been received from the Village Board and he was requesting Committee approval for the County's share of the costs (\$6,510/62%). He asked if this would be a proper use of occupancy tax funds and Mr. Auffredou replied affirmatively. Mr. Auffredou commented the County would borrow funds for the construction of the perimeter fence although it had been determined that this would also be a proper use of occupancy tax funds. Mr. Kenny advised of a meeting between himself and Messrs. Swan, Conover and Merlino to discuss the funding for the perimeter fence where it had been determined that the source of funding would be left to the judgement of Mr. Swan as County Treasurer. He noted the Committee had been in favor of bonding the costs for a two year term. Mr. Auffredou explained the occupancy tax spending guidelines provided for improvements and capital expenditures and the proposed stage would be

a capital improvement to the Festival Space. He commented that capital improvements could be seen as promoting tourism and the general economy of Warren County. Mr. Kenny mentioned the necessary funds could be drawn from the occupancy tax reserve fund. Mr. Conover asked how soon a decision was required and Mayor Blais replied next month. Mayor Blais said he would like to have the stage designed with a cost estimate so that he could apply for grant funding for the construction of the stage and he noted the next round of funding was anticipated to be in the fall. Mr. Kenny stated this item would be placed on the agenda for the March 5, 2015 Occupancy Tax Committee meeting.

Lastly, Mayor Blais informed of the proposed website for the Festival Space and he pointed out that Michael Consuelo, Executive Director of the Lake George Regional Chamber of Commerce (LGRCC) & Convention & Visitors Bureau (CVB), was in attendance. Mayor Blais opined the Festival Space would be an extremely successful venue and he wished it had been completed some time ago. Mr. Kenny commented that whenever Mayor Blais discussed the Festival Space he did so with a smile on his face. Mr. Kenny stated he had been in favor of the Festival Space for some time and he was glad to see it come to fruition. Mayor Blais commented the first time a festival space was proposed for Warren County was in 1988. He noted there was currently a waiting list for rental of the Festival Space on weekends and he added the rental fee was currently reasonable due to the lack of a perimeter fence and a stage. He opined once the Festival Space was completed and included a fence and stage it would be a tremendous revenue generator, as would the County-owned West Brook Parking Lot.

A brief discussion ensued pertaining to possible names for the Festival Space.

Mr. Auffredou commented he had prepared a Comprehensive Joint Use Permit between the Village and the County for use of the Festival Space and he asked if this permit was being utilized. Mayor Blais replied affirmatively and noted the Comprehensive Joint Use Permit was printed on joint County and Village letterhead. Mr. Kenny commended Mayor Blais for the job he had done in promoting the Festival Space at the Charles R. Wood Park. Ms. Seeber mentioned that during the naming of the Warren Washington Counties Child Advocacy Center a poster contest had been held among the areas schools to solicit suggestions for names.

Ms. Seeber advised it had come to her attention that a significant amount of money was expended on printed brochures. She said she had been surprised to find out that a lot of hotels did not want the printed brochures and she commented this was an age of electronics and the County should be focusing on websites and interactive boards. She suggested the Committee look at this concept in the future and discuss the possibility of using occupancy tax funds in a very different way. Mr. Kenny commented the number of copies of brochures printed had been reduced and he pointed out people still liked to have this type of information in hard copy. A brief discussion ensued.

Mr. Merlino pointed out an issue with Resolution No. 584 of 2014 which awarded the proposal and authorized an agreement with the LGRCC & CVB to increase year round convention/conference/special event business services in Warren County for the Tourism Department. He pointed out the resolution as written stated that payments would be made on a reimbursement basis which would cause cash flow problems for the LGRCC. He stated the previous agreement with the LGRCC allowed for monthly payments and he suggested this would alleviate the cash flow issues. He commented this was the same issue discussed in relation to the agreement with the Adirondack Civic Center Coalition, Inc. and he requested to amend Resolution No. 584 of 2014 to allow for monthly payments to the LGRCC & CVB. Mr. Merlino stated the monthly reports from the LGRCC & CVB would be monitored closely to ensure the funds were being expended

appropriately. Mr. Kenny said the request made sense and Mr. Conover commented this was not a question of accountability but of distribution and he felt the request was reasonable.

Motion was made by Mr. Merlino and seconded by Mr. Conover to amend Resolution No. 584 of 2014 to allow for monthly payments to the LGRCC & CVB.

Ms. Seeber asked if this option would be made available to any applicant for occupancy tax funding and Mr. Merlino replied it was appropriate for the larger entities, such as the GFCC and the LGRCC & CVB. Mr. Kenny stated the situations of the GFCC and LGRCC & CVB were unique. Mr. Auffredou stated he could develop a guideline or policy to determine when agreements for occupancy tax funds would be acceptable for a payment schedule other than the regular reimbursement basis. He said this would clarify the type of entity, such as the GFCC and the LGRCC & CVB where funding agreements were more appropriate than reimbursement agreements. Ms. Grant asked if a monthly report would be made by the LGRCC & CVB as to the expenditures and she noted the monthly reports received in the past highlighted which conferences had been attended and which contacts had been made. She noted the intent of the reimbursement had been to ensure that funds were being expended appropriately and she asked if the monthly report under the new agreement would detail the expenditures. Mr. Consuelo stated the LGRCC & CVB would include in the monthly report the details of the expenditures and would substantiate that report with receipts. He thanked the Committee members for the opportunity to amend Resolution No. 584 of 2014. He noted the LGRCC & CVB had been working with the County for about 3 years with a monthly payment agreement which seemed to have worked well in the past. He noted that Christina Curley, Special Events Coordinator for the LGRCC & CVB, had also found a couple of promoters who were interested in using the Festival Space for mid week events. Pertaining to the proposed website for the Festival Space, Mr. Consuelo pointed out the LGRCC & CVB had interviewed three companies for the design and development of the Festival Space website and should be making a selection on Tuesday, February 24, 2015 with the intent of having the website operational by April 1st.

Mr. Kenny called the question and the motion was carried unanimously to amend Resolution No. 584 of 2014 to allow for monthly payments to the LGRCC & CVB. *The necessary resolution was authorized for the February 20, 2015 Board meeting.*

Mr. Merlino asked if it would be necessary to discuss the matter at the Board meeting immediately following this meeting and Mr. Auffredou replied affirmatively and noted it would be necessary to waive the Rules of the Board requiring that a resolution be presented in writing. Mr. Conover commended Mr. Kenny, Mr. Merlino and the staff of the County Treasurer's Office for the seamless change in accounting and budgeting procedures for occupancy tax funds. He said there had been major advantages to the change including the participation of many property owners and hoteliers. He also commended Mayor Blais and Mr. Dickinson for the joint municipal occupancy tax special event funding and he commented that 44% of the occupancy tax revenues generated were from the Village and Town of Lake George.

As there was no further business to come before the Occupancy Tax Coordination Committee, on motion made by Mr. Dickinson and seconded by Mr. Strough, Mr. Kenny adjourned the meeting at 9:42 a.m.

Respectfully submitted,
Charlene DiResta, Sr. Legislative Office Specialist