

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: OCCUPANCY TAX COORDINATION

DATE: MAY 29, 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
REPRESENTING THE ADIRONDACK CIVIC CENTER COALITION:
ELIZABETH MAHONEY, BOARD MEMBER
ED MOORE, BOARD MEMBER
ROBERT BLAIS, MAYOR OF THE VILLAGE OF LAKE GEORGE
PAUL DUSEK, COUNTY ADMINISTRATOR
MARTIN AUFFREDOU, COUNTY ATTORNEY
AMANDA ALLEN, CLERK OF THE BOARD
SUPERVISORS SEEBER
TAYLOR
DAVID STRAINER, TOWN OF QUEENSBURY RESIDENT
DON LEHMAN, *THE POST STAR*
THOM RANDALL, *ADIRONDACK JOURNAL*
SAMANTHA HOGAN, SECRETARY TO THE CLERK OF THE BOARD

Mr. Kenny called the meeting of the Occupancy Tax Coordination Committee to order at 10:01a.m.

Motion was made by Mr. Strough, seconded by Mr. Conover and carried unanimously to approve the minutes of the previous Occupancy Tax Coordination Committee meeting, subject to correction by the Clerk of the Board.

Copies of the meeting Agenda were distributed to the Committee members and a copy of same is on file with the meeting minutes.

Commencing the Agenda review, privilege of the floor was extended to Michael R. Swan, County Treasurer, who distributed copies of the Occupancy Tax Revenue Report to the Committee members; *a copy of the report is on file with the minutes*. Mr. Swan proceeded with a brief over view of the Report, noting an increase of 7.3% in collections as compared to the same time frame in 2014. Mr. Kenny commented that it looked as though occupancy tax collections could reach \$4 million in 2015, and Mr. Swan agreed, but noted that sales tax collections had been down. Mr. Swan advised he would keep the Committee informed of these trends.

Privilege of the floor was then extended to Elisabeth Mahoney, of the Adirondack Civic Center Coalition (ACCC), who advised she had met with Martin Auffredou, County Attorney, in regards to the Performance Report submitted at the April 30, 2015 Committee meeting. She noted they had revised the format of the Report and advised she would resubmit the re-formatted information with the second quarter report. Ms. Mahoney continued with a brief update on the events that were held at the Glens Falls Civic Center during the month of May. She apprised the main event, a Godsmack concert, was considered to have been a success with 3,500 attendees; she added that they had booked a similar event for the upcoming fall. Ed Moore, also of the ACCC, apprised they had been receiving more inquiries on the Glens Falls Civic Center and were very pleased with the progress that had been made. Ms. Mahoney noted there were currently two employees in charge of promoting events and Mr. Moore indicated they had decided to hire a receptionist, due to the amount of calls they were receiving; he added that interviews were being conducted to fill the position of Facility Manager as well.

Mr. Conover questioned whether they had been able to reduce operational costs and Mr. Moore replied that they had.

Mr. Moore advised that an ACCC Board meeting had been held earlier that week where another ACCC Board member, who also worked as an accountant, had indicated he was in the process of reviewing expenses and had offered to provide pro bono work to try and find other ways to save money. Mr. Moore mentioned they felt if they were able to take over operation of the concession stands they would be able to generate more revenue. He noted they had identified funds they believed were not being managed correctly and felt they were headed in the right direction.

Ms. Mahoney apprised they had six month's worth of pre-negotiated contracts that were inherited from Global, the firm that had previously managed the Civic Center, which, she noted, had been fulfilled. She stated that going forward they would be in a position to negotiate their own contracts and could include better percentages as well as flat fees for rentals up front. Mr. Moore advised when performances were negotiated they included guarantees for the performers and he said they were looking to include a similar guarantee to cover the facility's expenses.

Resuming the agenda review, privilege of the floor was extended to Robert Blais, Mayor of the Village of Lake George, who requested authorization to expend funds in association with a proposal from Mannix Marketing for advertising purposes. He advised the advertising would include \$1,800 for Facebook Marketing of nine events scheduled to be held at the Festival Commons, and \$1,200 for Newsletter Ads to be issued for the months of June, July and August which would also promote Festival Commons events. Mayor Blais advised his request was initially presented at the Park Operations & Management Committee, where it was then referred to the Occupancy Tax Coordination Committee. He pointed out that a copy of the proposal from Mannix Marketing was included in the agenda packet and he mentioned that this marketing expense had already been approved by the Village Board who had also assumed the expense of the design fee for the promotional posters listed in the Mannix Marketing proposal. Mayor Blais opined that for the first year they should do as much as possible to promote the Festival Commons and he noted there were 25 events scheduled for the 2015 season with 18 remaining to be held. Mayor Blais noted if the Committee approved the request, Mannix Marketing, Inc. would create a calendar page for all the events held at the Charles R. Wood Park free of charge.

Mr. Kenny noted when the redistribution of occupancy tax revenues was completed, he believed \$40,000 had been provided to the Towns of Lake George, Bolton and Queensbury; he added that this addition had increased the total distributions to the Town of Lake George to \$100,000 in order to assist with promoting Festival Commons events. Mr. Kenny questioned why the funding requested was not coming from the \$100,000 mentioned. Mayor Blais acknowledged that the Village of Lake George had received \$25,000 to publicize or assist events that were not booked in time for the occupancy tax special event distributions and he clarified his request was to expend funds from that \$25,000 stipend.

Supervisor Seeber said she felt the amount being charged to for Facebook advertisement was high and she asked Mayor Blais if he had any backup documentation to outline these costs, as well as whether there was any information available as to the amount of exposure this advertising would achieve. Mayor Blais responded he was not a very technical person and was unable to estimate what the exposure would be.

Mr. Kenny stated that he believed Mayor Blais was seeking approval to expend \$4,000 of the \$25,000 that was allotted for advertising to fund the Mannix Marketing proposal and Mayor Blais confirmed this was correct.

Motion was made by Mr. Conover, seconded by Mr. Simpson and carried unanimously to approve Mayor Blais' request to utilize allocated funding, as presented above. *A copy of the Mannix Marketing, Inc. quotes are on file with the minutes.*

Mr. Conover stated Warren County had its own set of responsibilities to the Festival Commons and asked if the \$100,000 allotted could be used for things such as the fencing that was currently being erected. Mr. Swan replied in the negative, advising that they still needed to discuss that funding scenario.

Mayor Blais announced they had booked three more events for the Festival Commons that would be held on weekdays

and he apprised he had been contacted by Kathy Beam, Director of Corporate Support at WMHT Educational TV-Radio, who advised WMHT would be filming a documentary on the life of Charles R. Wood. He said WMHT was seeking advertising assistance from Warren County, as well as the Village of Lake George, due to Charles Wood's importance to the area. Mayor Blais indicated he was not looking for any action on this item today and was just sharing information. Mr. Kenny suggested this issue be referred to the Tourism Committee.

Finally, Mayor Blais advised the Festival Commons Restroom Building would not be completed until the end of June; he noted that portable restrooms had been approved for one event, but pointed out that events had been booked for every weekend in June. Mayor Blais said he had received quotes from several companies, the lowest of which had been from Stone Industries who offered a price of \$1,385 for the use of five portable restrooms for 28 days. Mayor Blais mentioned he would like to use funding already distributed to the Village of Lake George to support this cost. It was the consensus of the Committee that Mayor Blais should proceed to fund the portable restroom rental costs as he had indicated was desired.

Mr. Merlino requested that Mayor Blais email Leisa Grant, Principal Account Clerk in the Tourism Department, a list of the events scheduled for the Festival Commons so they could be posted on the County Website as another means for the public to see what was scheduled. Mayor Blais responded that the list seemed to be changing daily, but he said he would forward the most current version to Ms. Grant.

Mayor Blais noted a few upcoming challenges for Festival Commons events, one being the road construction directly in front, and the lack of signage on State Route 9. In an effort to alleviate some of these issues, he said he had contacted Kubricki Construction, the company performing the road work, and made arrangements with them to use an LED sign for the month of July.

Mr. Kenny congratulated Mayor Blais on doing an excellent job of promoting the Festival Commons and the Charles R. Wood Environmental Park. Mayor Blais stated this work kept himself and his staff very busy and he noted that next year he planned on budgeting for an additional part-time administrative assistant to help with Festival Commons scheduling and advertising.

Privilege of the floor was extended to Martin Auffredou, County Attorney, to discuss the proposed local law concerning the collection of occupancy taxes from room remarketers such as Hotwire, Orbitz, and Hotels.com. Mr. Auffredou stated this issue had been circulating for a couple of years and related to attempting to obtain occupancy tax for the difference between the amount a room remarketer purchased a room for and the amount they then sold it for. He advised this amount of occupancy tax was not currently being paid and the only way to attempt to collect it was through the local law presented. Mr. Auffredou acknowledged that regardless, the County may be challenged on the law; however, he pointed out that Saratoga County had enacted a similar law which had not been challenged. He reiterated that if Warren County wanted to be in a position to collect these occupancy tax funds, there must be an appropriate local law in place and he noted that the mechanics of how they might accomplish this was all set forth in the proposed legislation. Mr. Auffredou pointed out that the personnel, time and resources needed to pursue these collections would fall on the Treasurer's Office and he acknowledged he was unsure whether the County would be successful in obtaining the collections sought.

Mr. Kenny asked Mr. Swan if he had the necessary staff to accomplish this task and Mr. Swan responded in the negative, but added that he agreed it was important to collect any occupancy tax money not currently being received. He added that Saratoga County was having minimal success collecting these funds and he noted he was not sure how many of these remarketers there were. Mr. Swan apprised they would need to distribute this information to as many remarketing companies as possible to identify what was being requested of them.

Mr. Auffredou stated he believed this would put Warren County in a position identical to that of Saratoga County when

it came to this aspect of the law. He continued that they would need to consider the legal aspects of their enforcement abilities if the remarketers did not submit the occupancy tax requested. Mr. Auffredou indicated he would like to confer with his colleague at Saratoga County to determine what success they were having.

Mr. Strough stated he was concerned that the cost of this effort would be as much, if not more, than the amount collected. Mr. Kenny asked Mr. Swan how much additional occupancy tax Saratoga County had collected through this initiative and Mr. Swan replied he was unsure. Mr. Swan added that he knew Saratoga County was making a profit, just not as much as they had anticipated.

Mr. Kenny stated his opinion that Warren County should proceed to enact the proposed local law. Mr. Swan notified if they experience staffing issues in his office he had a part-time employee in place whose hours could be extended to assist with occupancy tax work as they were having difficulty keeping up with it already.

Supervisor Seeber mentioned this would be a perfect opportunity for a two-semester internship which would garner college credits. She felt that it would be a great learning experience for a student taking accounting or business classes.

Motion was made by Mrs. Frasier, seconded by Mr. Dickinson and carried unanimously to approve the local law, as presented, as well as to set the necessary public hearing and the necessary resolution was authorized for the June 19th Board meeting. *A copy of proposed Local Law No. 6 of 2015 is on file with the meeting minutes.*

As there was no further business to come before the Occupancy Tax Coordination Committee, on motion made by Mr. Simpson and seconded by Mr. Dickinson, Mr. Kenny adjourned the meeting at 10:35 a.m.

Respectfully submitted,
Samantha Hogan, Secretary to the Clerk of the Board