

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: **OCCUPANCY TAX COORDINATION**

DATE: FEBRUARY 2, 2006

Committee Members Present:

Supervisors Caimano
Tessier
Gabriels
Kenny
Merlino
Wm. Thomas
Haskell

Others Present:

Joan Parsons, Administrator/Clerk
Paul Dusek, County Attorney
Michael Barody, Supervisor
Kevin Geraghty, Supervisor
Francis O'Keefe, County Treasurer
Kate Johnson, Tourism Coordinator
Vonda Beattie, Sr. Account Clerk, Tourism
Department
See Sign-In Sheet for additional guests
Christine Margiotta, *The Post-Star*
Carlene A. Ramsey, Sr. Legislative Office
Specialist

Mr. Caimano called the meeting to order at 10:22 a.m.

Motion was made by Mr. Gabriels, seconded by Mr. Merlino and carried unanimously to accept the minutes of the previous meeting, subject to correction by the Clerk.

Ms. Beattie distributed an Agenda packet to each of the Committee members and a copy is on file with the minutes.

Privilege of the floor was extended to Francis O'Keefe, County Treasurer, who presented a report on the Occupancy Tax collected during 2004 and 2005 (copies were distributed and on file with the minutes). He noted the bottom portion contained a "breakdown by municipality" of the tax collected in 2004 and 2005, through January 26, 2006.

Mr. O'Keefe also distributed a report on the Occupancy Tax status as of December 31, 2005. Reading from the chart, he pointed out the total, through 12/31/05, was \$2,736,922.98, (subject to change pending final collections). He reviewed the handout in detail and noted the net, cash balance of Occupancy Tax came to \$77,725.04 as of January 31, 2006.

There being no questions or comments, Mr. O'Keefe left the meeting, Mrs. Parsons entered, at 10:25 a.m.

Mr. Caimano observed that Agenda Item 2 would be tabled until the County Attorney could be in attendance. Therefore, he moved to Agenda Items 3 and 4, report of zip code data for both the Adirondack Northstars Girls Hockey Winter Classic XII Tournament and Adirondack Theatre Festival. He explained the zip code information was helpful to the Tourism Department to determine the audience base for various activities.

Mr. Caimano noted the deadline to submit a 2006 Application for Occupancy Tax Funding had expired as of January 31, 2006. He queried if any of the guests were planning to

present a 2006 Application at this point.

There being none, Mr. Caimano turned to Agenda Item 5, Adirondack Triathlon Club, and he acknowledged both Randy Rath and Ted Wilson were in attendance today. Mr. Wilson explained their application had been presented by the deadline, January 31, 2006. However, he asked permission to briefly explain the purpose of their application.

Mr. Wilson declared the newly formed Adirondack Triathlon Club was developing a triathlon to be conducted through the Towns of Queensbury and Lake George. He explained the USAT (United States of America Triathlon) was the governing agency whose membership has increased by 300% in the last 5 years. Currently, he noted, there were two major triathalons held in this area, one in Tupper Lake and one in Lake Placid. The Lake Placid Triathlon caps its race at 2,000 entrants, charges \$450 per athlete and books up a full year in advance, he said. Continuing, he stated Tupper Lake accepts 800 entrants, and so far, there were 300 entrants for the June 2006 race. He projected that the Lake George area was even better known than either of those two sites and the local club was very optimistic this was an untapped resource.

Mr. Dusek entered the meeting at 10:28 a.m.

Mr. Wilson mentioned that he had previously consulted with both the Village of Lake George Mayor and the Warren County Sheriff and learned the Labor Day weekend was not as popular as it could be. He stated both Mayor Blais and Sheriff Cleveland have given their tentative approval for the event. In addition, he noted a map of the proposed race course was available for review.

Continuing, Mr. Wilson indicated the triathlon racers seemed to enjoy the bragging rights of having "run the first race." He predicted that within four or five years, the Lake George race would be capped at 1,000 entrants, and each racer would be looking for a place to eat, a place to stay, etc.

Mr. Caimano acknowledged the presence of the County Attorney, Paul Dusek, and directed attention to Agenda Item 2a, distribution criteria.

Mr. Dusek referred to the Occupancy Tax Handbook and stated the criteria had been defined as follows:

- ✓ In general, only multiple day events would be funded;
- ✓ The amount of funding would not exceed \$50,000; and
- ✓ The events must be at least 50% self-funded.

Mr. Dusek said he understood the Committee had discussed whether or not it wanted to add even more criteria for the applications to meet. He commented that the Committee could review all of the applications and if the requests for funds exceed the amount available, then the criteria would be used to help pare down the requests.

In addition, Mr. Dusek said his notes indicated some of the Committee's earlier suggestions for new criteria included:

- ✓ date, time of year;
- ✓ one time event or continuing into the future;
- ✓ the number of days over which the event would occur;
- ✓ whether or not other events were already scheduled for the same dates;
- ✓ should funding be stopped after 3 years, or take a break, to test if the event could stand on its own;
- ✓ should new events be given consideration over old events;

Mr. Dusek explained his notes also indicated the Committee had never formed any consensus on any of the aforementioned. He reiterated the Committee had some options to consider: 1) structure the criteria now, before application review, or 2) review the applications and structure the criteria as the process moved along.

Mr. Kenny stated he had previously suggested some type of point system could be assigned to the different criteria. He said he felt a key issue was the number of room nights an event would generate, since that was something that would replenish the Occupancy Tax Fund.

Continuing, Mr. Kenny said he understood the Committee had adopted the rule that:
10% of the annual collection would be dedicated for special events;
80% of the remainder would disbursed for the year's applications; and
10% would be retained for future events that may deserve consideration.

Mr. Barody entered the meeting at 10:35 a.m.

Mr. Caimano said he felt the criterion would need to be evolving, yet he concurred with Mr. Kenny that the funds would need to be replenished. He mentioned the Occupancy Tax Funds were not to be used as a bank, they were intended to promote tourism, and the ultimate goal was to replenish or exceed the funds used.

Mr. Haskell noted that he also concurred with Mr. Kenny's point regarding the number of room nights generated. However, he queried as to how the estimated room numbers could be verified.

Mr. Dusek explained the application forms indicated the event organizers would be required to collect zip codes from its participants. From there, he said, the information could be used to extrapolate how many attenders would have required an overnight stay.

General discussion ensued.

Mr. Wm. Thomas requested clarification on the County Treasurer's Occupancy Tax Report, regarding the 2006 Surplus of \$2,150,000. Mrs. Parsons reminded the Committee of the decision to delay any expenditures of the first year's revenue until the total amount available had been determined. Therefore, she stated the fund will always have a one year lag, or a surplus of funds. Continuing, she noted any expenses would come out of the appropriations in the County Budget while the surplus was money that had not yet been appropriated. Mrs. Parsons consulted the 2006 County Budget and stated that \$2,500,000

had been budgeted for surplus funds. She noted perhaps the Treasurer had misstated the surplus funds of \$2,150,000.

Mr. Kenny clarified today's expenditures were based on the 2005 collections. Mrs. Parsons noted that Mr. Merlino's earlier comments were correct, the 2005 total would not be "closed" until the 4th quarter taxes had been received. She said the final figure may not be available until February or March and the outstanding tax revenues would then be part of the 2005 surplus funds, for consideration later in the year. Mrs. Parsons further clarified the 1% disbursement to the Towns was actually part of the \$2,500,000 budgeted amount.

General discussion ensued.

Returning to Agenda review at Item 6, Sunset of Occupancy Tax Legislation, Mr. Caimano reminded the Committee the current local law would expire as of December 31, 2006.

Motion was made by Mr. Wm. Thomas and seconded by Mr. Haskell to authorize the local law be renewed, excluding any further sunset provision.

Mr. Dusek advised the New York State law actually required the sunset provision and additional State legislation would be needed before the County could eliminate the expiration from its local law. However, he pointed out the County could simply renew the existing local law, and a resolution could be introduced at the February Board meeting to set a date for the public hearing at the March Board meeting. He indicated the renewed local law would then sunset again in three years.

Mr. Dusek referred to the State law and read "each enactment of the local law may provide for the imposition of the hotel/motel tax for a period no longer than three years."

Mr. Thomas stated he wanted to amend his motion to simply adopt the local law for another three years. Mr. Haskell also agreed to amend the motion.

Mr. Caimano remarked that once the local law was renewed, the County could then approach the legislature to address the sunset provision.

Following a brief discussion, Mr. Kenny observed that although the sunset provision may seem cumbersome, he felt it provided a safety valve for the general public. He said he welcomed the public's evaluation of the County's administration of the funds and he said he was in favor of keeping the sunset provision.

Mr. Tessier entered the meeting at 10:50 a.m.

Mr. Barody suggested a longer sunset provision may be more advantageous to the County when you consider the needs for bonding requirements for the proposed public authority.

Responding to questions from various Supervisors, Mr. Dusek advised the Committee of his hesitation to tie any new provisions into the local law renewal.

Mr. Caimano called for a vote on the motion to renew the local law, with the caveat that the resolution to introduce the Local Law and schedule a public hearing would be presented at the March Board meeting, with a public hearing to be held in April. Motion was carried unanimously authorizing the **resolution be prepared for the March Board** meeting.

Returning to Agenda review at Item 7, Occupancy Tax Applications, Mr. Caimano acknowledged that many of the guests in attendance today had submitted applications for funding. He invited any and all of them to address the committee at this time, if they had further comments.

Marisa Muratori, a Village of Lake George Trustee, spoke on behalf of the Anniversary Re-enactment of the Battle of Lake George. She stated the application was for 50% of the event's budget and this year's event was significantly smaller than last year's. Next year, she said the event would again be a rather large event since it would commemorate the 250th anniversary of the siege of Fort William Henry during the French and Indian War.

Ms. Muratori noted the anniversary had been described (in Paul Kaza's economic development plan) as an identity building event. She said the organizers would cooperate with collecting the zip code information on the participants and audience, as well. In addition, she pointed out the 2006 event did not interfere with any other events on that weekend, diversified the area, drew regionally, out-of-state and out-of-country, was about teaching, heritage, had an event for small craft boaters and was family oriented. She also noted the event was expected to have a positive impact on motels, restaurants, historic sites, retail establishments and tour boats.

Mr. Barody suggested the Tourism Department may be interested in any digital photographs of the event that may be available and invited her to consult with the Tourism Coordinator.

Moving on, Timothy Weidner of the Chapman Historical Museum addressed the Committee. He explained the Chapman's proposal was connected to an exhibit planned for the summer of 2006, called the Road to Lake George. The topic was chosen for its broad appeal to the tourists as well as the local residents, he said, and the requested funding would enable them to advertise in the Hudson River Valley and the Capital District. In doing so, he noted, the Chapman hoped to draw from areas not reached in the past, with an exhibit that would run from May 10 through mid-October. Of the expected visitors to the exhibit, he said they estimated 1% (or 700) would need to do an overnight visit in the area.

John Strong, Director of the Lake George Arts Project spoke on behalf of the Lake George Jazz weekend, scheduled for September 16th and 17th. He noted the event has been going since 1984, before the car show had evolved and the Balloon Festival moved to the September time slot. The funds requested, he stated, would allow them to purchase more radio marketing in the Capital Area and down through Westchester County.

There being no further comments from the floor, Mr. Caimano acknowledged the Committee had \$216,000 to disburse at this point. He said he would like the Committee to use the existing criteria when reviewing each of the applications.

Mr. Kenny, as Glens Falls Supervisor, commented that he felt each of the Supervisors would need to take off their individual hats (representing the individual towns and villages) and put on their collective "Occupancy Tax hats." He stated he normally had a hard time turning down any request from a Glens Falls business, yet he felt he needed to weigh each request on its own merit and he hoped everyone would understand. Each of the Committee members agreed with Mr. Kenny's comments.

Messrs. Dusek and Barody left the meeting at 11:02 a.m.

Mr. Caimano noted the first request was from the Adirondack Theatre Festival, Inc., for \$20,000 in 2006. He began his review of the application and observed that \$10,000 had been requested for marketing expenses.

Mr. Gabriels observed the stack of applications was at least 1 ½ inches thick, and although he may have seen some of them as they were collected, he said he was concerned that:

- ✓ he had not read each of the applications;
- ✓ this was the first time he was aware the requests totaled \$293,000+ and there was only \$216,000+ to disburse;
- ✓ the criteria has been somewhat ambiguous at times; and
- ✓ he was reluctant to make decisions at this point.

Mr. Caimano said he sensed the rest of the Committee shared Mr. Gabriels concerns. He suggested the Committee could begin today with a review list of requests and make note of the questions people may have.

Mr. Barody re-entered the meeting at 11:05 a.m.

An extensive discussion ensued regarding the City of Glens Falls request. Suzanna Bernd, of the Glens Falls Civic Center, addressed the Committee and said it was her understanding that the initial grant request in 2005 was from Pathway Tours of London, Ontario. Upon the recommendation of the Supervisors, she noted, the application was shifted over to the City, although the funds were used to entice Pathway to bring their 100 motorcoach tours through this area.

Mr. Merlino, as the Supervisor for the Town of Lake Luzerne, declared that he was brand new to the Committee and queried whether or not the application review could be done in a workshop format. He stated he, too, would like to read each of the requests and suggested a column could be added (to the application list) listing the 2005 funding amounts.

Mr. Caimano concurred and observed he would like to consult with the County Attorney regarding the workshop suggestion.

Mrs. Parsons left the meeting at 11:07 a.m. to contact Mr. Dusek.

Following a brief recess, meeting reconvened at 11:09 a.m. as Mr. Dusek and Mrs. Parsons

re-entered the meeting.

Mr. Caimano apprised Mr. Dusek of the Committee's concerns with reading all of the applications and reviewing the criteria, etc. and he invited Mr. Dusek's opinion.

Mr. Dusek pointed out the current setting was a formal committee meeting and the switch to a workshop setting would eliminate the requirement to have formal minutes typed. Although the workshop did not need to be on the record, he noted, the public would still have a right to be present.

Mr. Caimano invited comments from the guests.

Mr. Wilson acknowledged that a question had arisen as to how an event could prove attendees were coming from other areas. He pointed out the triathlon event involved a registration process which included the entrants place of residence.

Mr. Caimano explained that following the workshop, he would reconvene the public meeting, and clarify any lingering questions before announcing the recommendations.

Ms. Bernd queried whether or not the Committee expected to get through all of the applications and wrap up the process today.

Mr. Strong, of the Lake George Arts Project, suggested the committee may want to divide the applications between the members. That way, he said, each group could review their own bundle in detail and then report back to the whole Committee.

Mr. Caimano agreed with the suggestion, noted there were 16 applications and the Lake George Adirondack Regional Convention and Visitors Bureau.

Motion was made by Mr. Gabriels, seconded by Mr. Haskell and carried unanimously to adjourn into a workshop mode at 11:15 a.m.

Meeting reconvened at 12:16 p.m.

Mr. Caimano reported the Committee had reviewed the list of applications. Mr. Kenny explained that each of the decisions were made "Solomon like" and stressed this was an evolving process. Mr. Gabriels pointed out that each application was reviewed by each member of the Committee and any decision actually represented a collective decision. A summary of the recommendations is as follows:

Name of Organization/Event	Amount Requested	RECOMMENDATION	Comments
Adirondack Theatre Festival, Inc.	\$20,000.00	\$10,000.00	Season long event yet weak in room nights

Name of Organization/Event	Amount Requested	RECOMMENDATION	Comments
Adirondack Triathlon Club, Inc.	\$4,000.00	\$4,000.00	1 st time event, in September, and low \$ request
Anniversary Re-enactment of the Battle of Lake George - 250th	\$12,000.00	\$5,000.00	scaled down event - but wanted to help with advertising
Chapman Historical Museum	\$14,295.00	\$14,295.00	1 st time event and 1 time request
City of Glens Falls	\$4,995.00	\$4,500.00	May event with good # of room nights
Eastern New York Marine Trades Association	\$25,000.00	\$2,500.00	March event, few room nights limited to exhibitors
Elvis Festival - 2006	\$29,000.00	\$25,000.00	2005 was presented as a 1 time event; continuous funds should not be expected
Family YMCA of the Glens Falls Area	\$1,250.00	\$1,250.00	
Glens Falls Blues Festival	\$30,689.00	\$0.00	1 day event, no room nights; referred to the Town of LG
Glens Falls Community Theater	\$5,000.00	\$5,000.00	
Glens Falls Soap Box Derby	\$15,500.00	\$8,300.00	Advertising expenses met the criteria
Greater Adirondack Resource Conservation & Development Council, Inc.	\$2,000.00	\$0.00	1 day event, referred to the Town of Queensbury
Lake George/Adirondack Regional Convention & Visitor's Bureau	\$64,827.00	under discussion	to be decided later
Lake George Arts Project	\$8,000.00	\$8,000.00	Shoulder season event
Lake George Blues Blast	\$20,000.00	\$7,200.00	Advertising expenses met the criteria
Lake George Winter Carnival, Inc.	\$12,000.00	\$12,000.00	Hopeful the weather will cooperate
World Awareness Children's Museum	\$25,000.00	\$5,000.00	Funded the expenses that met the criteria
Total	\$293,556.00	\$112,045.00	

Motion was made by Mr. Gabriels, seconded by Mr. Haskell and carried unanimously to authorize the County to enter into contracts for each of the recommendations outlined above, and to authorize a resolution be prepared for the February 17th Board meeting.

There being no further business to come before the Committee, on motion by Mr. Haskell and seconded by Mr. Kenny, Mr. Caimano adjourned the meeting at 12:26 p.m.

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