

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: JOINT - TOURISM AND OCCUPANCY TAX COORDINATION

DATE: JANUARY 28, 2009

OCCUPANCY TAX COORDINATION COMMITTEE MEMBERS PRESENT:	OTHERS PRESENT:
SUPERVISORS KENNY	REPRESENTING THE TOURISM DEPARTMENT:
TESSIER	KATE JOHNSON, DIRECTOR
MERLINO	TANYA BRAND, GROUP TOUR PROMOTER
SIMMES	LEISA GRANT, PRINCIPAL ACCOUNT CLERK
	REPRESENTING THE COUNTY TREASURER'S OFFICE:
	FRANCIS O'KEEFE, COUNTY TREASURER
	KRISTEN SHAW, JUNIOR ACCOUNTANT
OCCUPANCY TAX COORDINATION COMMITTEE MEMBERS ABSENT:	FREDERICK MONROE, CHAIRMAN
SUPERVISORS BENTLEY	HAL PAYNE, COMMISSIONER OF ADMINISTRATIVE & FISCAL SERVICES
CHAMPAGNE	JOAN SADY, CLERK OF THE BOARD
GOODSPEED	KEVIN GERAGHTY, BUDGET OFFICER
	SUPERVISOR THOMAS
TOURISM COMMITTEE MEMBERS PRESENT:	WAYNE LAMOTHE, ASSISTANT DIRECTOR OF THE PLANNING & COMMUNITY DEVELOPMENT DEPARTMENT
SUPERVISORS SHEEHAN	LUISA CRAIGE-SHERMAN, LAKE GEORGE REGIONAL CHAMBER OF COMMERCE
STRAINER	
	CASSANDRA CHERRY, HAMPTON INN SUITES, LAKE GEORGE
TOURISM COMMITTEE MEMBER ABSENT:	KEVIN TUOHY, HAMPTON INN SUITES, LAKE GEORGE
SUPERVISOR BELDEN	MICHAEL SPILMAN, HOLIDAY INN TURF AT LAKE GEORGE
	MICHAEL HOFFMAN, HOLIDAY INN TURF AT LAKE GEORGE
	SHARON REYNOLDS, HOLIDAY INN TURF AT LAKE GEORGE
	KEVIN MARKHAM, RAMADA INN GLENS FALLS
	FRED AUSTIN, FORT WILLIAM HENRY
	THOM RANDALL, <i>THE ADIRONDACK JOURNAL</i>
	CHARLENE DIRESTA, SR. LEGISLATIVE OFFICE SPECIALIST

Mr. Kenny called the joint meeting of the Tourism and Occupancy Tax Coordination Committees to order at 10:37 a.m.

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

Mr. Kenny stated that he had requested a joint meeting, as there were several issues to discuss that would have an impact on both Committees.

Privilege of the floor was extended to Francis O'Keefe, County Treasurer, who distributed copies of the agenda to the Committee members; *a copy of the agenda is on file with the minutes.*

Mr. O'Keefe provided a Power Point presentation entitled 'Warren County Occupancy Tax Revenues & Expenditures for Year Ended 12/31/08 (through 1/27/09)'; *a copy of which is on file with the minutes*. He stated that slide two of the presentation represented Occupancy Tax Revenue from 2004 through 2008. He added that thus far the amount of collections for 2008 was \$3,269,419, which was a decrease of \$208,608, or 6%, as compared to 2007. He explained that there were additional collections anticipated from 2008, although the total amount was unknown at this time due to many variables.

Mr. O'Keefe apprised that slide three of the presentation showed a bar graph that represented the year-to-date Occupancy Tax Revenue by Town as a three-year comparison through December and added that slide four of the presentation represented the same information in a table. He explained that the total amount of collections for 2008 were \$3,359,379.53 and that the amount differed from the total shown on slide two because it included some delinquent taxes that had been collected.

Mr. O'Keefe said that slide five represented a recap on all Occupancy Tax expenditures from 2005 through 2008. He added that the total expenditures for 2008 were \$3,164,993.86.

Mr. Kenny stated that the first pending item pertained to a request for the Treasurer's Office to generate a draft document explaining how the budgeting process and how Occupancy Tax distribution was calculated. He asked Mr. O'Keefe if he had been informed of the request and Mr. O'Keefe replied in the negative. Mr. Kenny asked Leisa Grant, Principal Account Clerk for the Tourism Department, if the request had been made and Ms. Grant responded that the request would be made following the meeting. Mr. Kenny explained that the request was for an explanation to be presented to the Committee that would outline how the budgeting process worked for the Tourism Department and how the Occupancy Tax distribution was calculated, as well as the coordination between the two processes. Mr. O'Keefe responded that the Treasurer's Office could comply with this request.

Mr. O'Keefe and Mrs. Shaw exited the meeting at 10:45 a.m.

Mr. Kenny stated that 2009 would be a challenging year for the tourism industry. He said that he believed that the American public was resilient and that summer vacations were important to them. He added that the off seasons would be a challenge, as far as occupancy tax collections. He apprised that he reviewed to the Smith Travel Report every week and there had been a steady decline in tourism since September. He noted that last week Warren County's figures had been 28% lower than the same week in 2007. He explained that the Smith Travel Report took into consideration a number of counties in the eastern United States from Maine to Florida and noted that there was a steady decline in tourism for all areas since September. He added that the week before Christmas, Warren County was 25% lower than in 2007 and Atlantic City was 64% lower than 2007. He said that the summer 2007 season had been a testament to the effectiveness of the Warren County Tourism Department.

Mr. Kenny stated that the next pending item pertained to the Tourism Department developing a marketing plan to attract large conferences and conventions to Warren County. He said that last year the Occupancy Tax Coordination Committee had decided to expend funds on advertising in an effort to attract new events to the area. He noted that an advertisement had been placed in several relevant publications which highlighted the attributes of the Lake George Area, as well as the fact that an event could qualify for up to \$50,000 in funding. He apprised that Warren County expended approximately \$250,000 on special event funding in order to attract new and larger events to the area. He stated that the Americade Motorcycle Rally was the largest event, which generated sufficient occupancy tax revenue to fund the other special events.

Tanya Brand, Group Tour Promoter for the Tourism Department, reported that the Tourism Department had created a mission statement, with the goal of attracting new events to the area; a copy of the mission statement is on file with the minutes. She added that there were still many windows of opportunity for additional multi-day events, which would generate additional occupancy tax revenue.

Ms. Brand apprised that the targeted markets for new special events were as follows:

- ▶ musical events;
- ▶ sporting events;
- ▶ theater productions;
- ▶ SMERF (social, military, educational, religious, fraternal) groups;
- ▶ food/drink festivals;
- ▶ expos;
- ▶ competitions; and
- ▶ flea markets, farmer's markets and swap meets.

Ms. Brand advised that print advertisements for 2009 would be placed in several magazines. She said that they would run a half page advertisement in *Meetings East Magazine*, which had a circulation of approximately 22,000. She noted that *Connect Magazine*, which was marketed towards SMERF groups, and *Rejuvenate Magazine*, which was a faith based magazine, were two new publications in which an advertisement would be placed. She added that an advertisement would be placed in the July/August issue of *Mid Atlantic Events Magazine*, which targeted meeting planners, conventions, travel and trade shows and special events and had a circulation of approximately 26,000. Ms. Brand said that a half page advertisement had been placed in *Facilities & Destinations Magazine*, which targeted event bookers, promoters and special event planners. She noted that the Tourism Department had a newly acquired membership in Meeting Planners International (MPI), which was a global community of professional meeting planners and event professionals and added that the membership included a listing in their resource and online directories.

Ms. Brand apprised that the Request for Proposal (RFP) form was now on the home page and the meetings page of the Warren County Tourism website and contained a link to the special event funding application. She noted that the meetings and conventions book had recently been updated. She showed the Committee members

a Special Events Table Top Display and a Special Events Sell Sheet that had been designed by Peter Girard, Creative Director in the Tourism Department, to be displayed at shows. She stated that she had recently completed a 720 piece mailing to meeting/event planners, which had directed them to the website.

Kate Johnson, Director of the Tourism Department, apprised that they had conducted a local outreach to determine where the local businesses advertised. Ms. Brand said that she had contacted the Glens Falls Civic Center for suggestions on future advertisement placements. She added that she had also contacted the Albany Convention & Visitors Bureau (CVB) for feedback on an advertisement placement, which had led to the MPI membership. She apprised that Hal Payne, Commissioner of Administrative & Fiscal Services, had contacted Ray Luca, Past Planner for the New York State Association of Fire Chiefs, for suggestions on attracting additional events to the area. She stated that she had sent an email to Johnny Miller, Owner of Johnny Miller Adventures, who organized adventure events such as kayaking and had inquired to see if Mr. Miller would be interested in organizing an event in the area and had discovered that he was.

Mr. Kenny said that the next item on the agenda was to discuss the 2009 Tourism Department budget. Ms. Johnson said that she wanted to inform the Committee members of the impact of certain items on the Tourism Department budget. She distributed a handout to the Committee members; *a copy of which is on file with the minutes*. She stated that the amount of money given to the Information Technology (IT) Department for their support had increased from \$15,000 in 2008 to \$60,000 in 2009. She noted that the Tourism Department was now paying for their own fringe benefits, which had increased the Tourism budget by \$78,380. She advised that they were in the third year of a four-year commitment to contribute \$50,000 per year to support the new seats purchased for the Glens Falls Civic Center. She said that \$25,000 was allocated to the Village of Lake George on an annual basis to help support the Visitors Center. Ms. Johnson explained that \$10,000 had been allocated to cover the cost of an engineering study for the Gaslight Village Property. She said that she had been advised to set aside an additional \$19,000 for the final distribution of Occupancy Tax to the Towns. She apprised that the expected reduction in New York State matching grant funds was a minimum of 20% or approximately \$38,112 and she added that they had been advised that there was a possibility of not receiving any matching funds, which would be a reduction of approximately \$200,000.

Ms. Johnson apprised that when they had presented the 2009 Tourism Department budget request, there had been approximately \$160,000 in available funds, which had been transferred to the Occupancy Tax Reserve Fund. She stated that the Postage Account for 2009 was \$163,998, which was \$101,542.51 less than the amount spent on postage for 2008. She added that the two positions that would be discussed at this meeting would cost an additional \$78,000 if approved.

Mr. Kenny apprised that if they kept reducing the amount of funds expended on promotion, the result would be a noticeable reduction in occupancy tax revenues. He

said that when they had first studied the occupancy tax, they had learned that for every 10% that promotion was increased, they could expect a 1% increase in occupancy tax revenue. He advised that they used to spend \$1 million on promotion, which had been increased to approximately \$3.5 million and as a result had seen a dramatic increase in occupancy tax revenue. He said that when promotion was reduced there would be a corresponding reduction in occupancy tax revenues.

Mr. Kenny explained that the next items for discussion were the Special Events and Conference Sales Coordinator position that was proposed by the Lake George Regional Chamber of Commerce, as well as the First Wilderness Heritage Corridor (FWHC) Event Coordinator position that was proposed by the Planning & Community Development Department. He noted that the positions had been discussed at the previous Occupancy Tax Coordination Committee meeting; however, he added, only four members of the Committee had been present and they had been unable to come to a majority vote.

Luisa Craige-Sherman, Executive Director of the Lake George Regional Chamber of Commerce, thanked the Committee for the opportunity to speak and distributed copies of a proposal and application for Occupancy Tax funding; *a copy of which is on file with the minutes*. She apprised that although the concept of the Special Events and Conference Sales Coordinator position had come from the Lake George Chamber of Commerce, she had met with Ms. Johnson to develop a joint description of needs. She commended the Tourism Department for their proactive advertisement of Warren County.

Ms. Craige-Sherman explained that when new organizations decided to hold their special events in Warren County, they would need specific attention from an individual that would be able to walk them through the process and assist them in locating the right venues for their event. She noted that the County and the CVB (Convention & Visitors Bureau) needed to work together as a group in order to accommodate the needs of the new organizations. She advised that the United Church proposal, which had not received funding, would have had a \$2 million economic impact to the County. She stated that the individual who assumed the Special Events and Conference Sales Coordinator position would have duties such as, approaching organizations on a proactive basis to encourage them to hold their event in Warren County, setting up FAM Tours and putting together packages and proposals. She added that direct supervision from County representatives and experienced professionals had been built into the position.

Mr. Kenny stated that Ms. Craige-Sherman had worked hard to put the proposal together. He added that it was his recommendation, as well as the recommendation of the County Attorney's Office, that if they created the position it should be done through a Request for Proposal (RFP). Ms. Johnson voiced her opinion that the creation of the Special Events and Conference Sales Coordinator was an appropriate next step for Warren County to increase Tourism.

Wayne LaMothe, Assistant Director of the Planning & Community Development Department, stated that the Planning & Community Development Department had been administering a program in the First Wilderness Heritage Corridor (FWHC), part of which was a marketing component that was funded by the Department of State (DOS) under the Local Waterfront Revitalization Program (LWRP). He said that at the beginning of the program, he had asked the Planning & Community Development Committee and the Parks, Recreation & Railroad Committee if they wanted to include a marketing component in the grant request. He added that it had been his recommendation, as well as the recommendation of the program that a marketing component be included in the request. Mr. LaMothe stated that this component allowed for the hiring of an individual to assist communities in attracting new special events that would be consistent with the theme of the FWHC. He explained that he had been advised by both Committees that if the position received funding, then he would need to return to the Committees for approval. He added that the DOS had agreed to fund the position and, therefore, he needed to locate a source of funding for the local match.

Mr. LaMothe apprised that the DOS funding was 50% or \$35,000 per year for three years. He said that the decision had been to move ahead and to contact the Lake George Regional Chamber of Commerce as a technical resource. He added that he had discussions with Ms. Craige-Sherman and had met with the Executive Board of the Lake George Regional Chamber of Commerce, who had approved the concept of the position. He explained that he was requesting \$28,000 of Occupancy Tax funding to be used to enter into a contractual agreement with an Event Planner. He continued that the position would be an \$87,000 package; however, he added, with in-kind services from the the Lake George Regional Chamber of Commerce and the Planning & Community Development Department, the actual cost would be \$35,000 in grant funding and \$28,000 of Occupancy Tax funds.

Mr. LaMothe stated that the goal was to have each community within the FWHC host two events per year, with no two events scheduled on the same weekend. He said that he had requested a clarification of the position from the DOS since the original assumption had been that all of the funding would need to be expended within the FWHC communities. He explained that the DOS had clarified that all of the grant funds needed to be expended within the FWHC communities; however, he added, local matching funds could be expended outside of the FWHC. He said that since the position would be 50% funded, the individual could spend 20 hours per week within the FWHC communities and 20 hours per week in other communities.

Mr. LaMothe apprised that they would request that each Town Board identify two organizations that they wanted the Event Planner to work with. He added that ideally, the individual towns would provide some of their Occupancy Tax funding to assist the events, as well. He advised that the individual who was accepted into the position, would assist the events in such areas as assuring that they had insurance, assisting them with marketing and ensuring that they had all the necessary components to make their event successful. He said that the contract with the Event Coordinator

would be renewable on a yearly basis with the possibility of a three-year commitment. He advised that the Event Coordinator position was part of the FWHC Program, which had been adopted by resolution.

Ms. Johnson asked if the purpose of the position was to attract new events or to assist existing events. Mr. LaMothe responded that it was to attract new events and assist them with their needs, as well as to assist existing events that needed to be made stronger.

Mr. Kenny reiterated that it was the recommendation of the County Attorney that the position undergo the RFP process. He advised that it had also been the advice of the County Attorney that if either or both of the positions were funded, the funds should come from the General Occupancy Tax Fund and not the Special Event Fund. He asked the Committee members for their opinions on the two requests. He stated that it was his opinion that the Committee should approve one request or the other but not both.

Mr. Merlino apprised that the position requested by the Lake George Regional Chamber of Commerce was necessary and added that an individual was needed who could assist the special events with their needs. He advised that the Tourism Department did not have the time or the staff to accomplish this and it was not part of their job. He stated that he also supported the position requested by the Planning & Community Development Department because the smaller towns did not receive the same kind of support as larger towns, such as the Town of Lake George. He stated that the individual towns in the FWHC should contribute a portion of their Occupancy Tax revenue to help support the Event Coordinator position.

Ms. Craige-Sherman stated that professionals in the tourism industry received many phone calls inquiring as to what was new to the area. She said that the FWHC was a niche market that received its own coverage. She added that approximately \$1 million in State grant funding had been pledged to the FWHC. She continued that the grant had provided funding for such things as the Event Coordinator position, infrastructure improvements and signage. She added that all of those things were tools which could be used to bring additional visitors to the area. She agreed that most of the promotion for Warren County was concentrated on the eastern side and more needed to be done to attract events to the western side, which had a lot to offer. She advised that the Event Coordinator would be a valuable tool which would allow that portion of the County to market themselves.

Mrs. Simmes asked if the two requests would create two additional County positions and Mr. Kenny replied in the negative and added that they would be contractual positions. Mrs. Simmes questioned if one individual could do both jobs and Mr. Kenny responded that it was possible for one individual to do both jobs. He said that it would be two separate RFP's; however, he added, one individual could make a proposal for both positions and be successful. He asked if any of the representatives from the lodging properties would like to comment.

Michael Hoffman, from the Holiday Inn Turf at Lake George, suggested that a meeting

be scheduled that would include representatives from the Tourism Department, the Lake George Regional Chamber of Commerce, as well as the lodging properties and tourism based businesses in the area. He said that the input of the business owners was not solicited to the extent that it should be. He said that they could discuss such topics as, which advertisements worked and which did not. He stated that he was surprised that occupancy tax collections had decreased by 6% from 2007 to 2008. He advised that the lodging competition in the area had decreased due to the fact that a number of the properties were closed for the winter. He noted that the owners of the properties that had closed for the winter, had to make an economic decision as to whether or not it was feasible for them to stay open. He said that if the tourism based businesses did not have a successful summer in 2009, the winter would be very difficult.

Sharon Reynolds, from the Holiday Inn Turf at Lake George, said that it was a very good step for the Tourism Department to make efforts towards attracting new events to the area. She added that the Adirondacks had a natural beauty, which was a free commodity that the new organizations would not get from other locations. She advised that it was necessary to have an individual who encompassed the entire area and could assist the organizations in planning which activities would take place at which location.

Mr. Kenny stated that it was important to remember that there would be approximately \$100,000 less to spend on promotion in 2009. He said that with the closing of The Sagamore Resort and The Great Escape Lodge closing on weekdays during the winter, the amount of occupancy tax collections for 2009 would decrease by approximately \$125,000. Ms. Johnson suggested that the discussion of the two positions should be tabled until the availability of the buildings on the Gaslight Village property was known.

Mr. Kenny noted that attempting to attract events without the space to accommodate their needs was nearly impossible. Mr. Merlino advised that there were only four members of the Occupancy Tax Coordination Committee in attendance and added that Mr. Hoffman's suggestion of a meeting with representatives from the Tourism Department, the Lake George Regional Chamber of Commerce and tourism based businesses was a good idea. He added that all the members of the Occupancy Tax Coordination Committee should also be present.

Motion was made by Mr. Merlino, seconded by Mr. Tessier and carried unanimously to table the discussion on the Special Events and Convention Sales Coordinator position requested by the Lake George Chamber of Commerce and the Event Coordinator position requested by the Planning & Community Development Department.

Discussion ensued pertaining to the proposed meeting.

Mr. Kenny stated that they would attempt to schedule the meeting in the next couple of weeks and would discuss the proposed positions at the Occupancy Tax Coordination Committee meeting next month.

Mr. Kenny said that he had been surprised by the results of the survey that had been

conducted by the Lake George Regional Chamber of Commerce, which had included comments from local businesses that the Elvis Festival and the New York State Association of Fire Chiefs (NYS AFC) Convention had done little to improve their economic situations. He added that when the Fire Chiefs Convention had been in town, many of the restaurants and businesses seemed to be extremely busy. He advised that an owner of one of the restaurants had commented that it had been one of the busiest weeks for his establishment. Michael Spillman, from the Holiday Inn Turf at Lake George, said that Wednesday and Thursday of the NYSAFC Convention had been very good for the local businesses. Mr. Kenny said that the County continued to encourage the NYSAFC to return here to hold their Convention.

Chairman Monroe apprised that it was necessary to have knowledge of the availability of the buildings on the Gaslight Village property. He added that The Chazen Companies would soon finish their report, which would have three separate alternatives, then a public meeting would be held to discuss the report. He said that they would need to know the County's progress with the engineering study. Mr. Kenny inquired as to the progress of the engineering study and Chairman Monroe responded that the study had been discussed at the January 27, 2009 Public Works Committee meeting and there had been some confusion pertaining to the funding. He explained that originally it was to be funded by the County and the Town and Village of Lake George; however, he added, the Village of Lake George had declined to assist in the funding. He further added that the Village had later decided that they would pay their share of the study. He said that they would attempt to have the report expedited.

Discussion ensued pertaining to the Gaslight Village property.

Ms. Johnson requested to amend Resolution No. 805 of 2008, which had authorized disbursement of the 2008 Occupancy Tax revenues. She explained that the Lake George Community Band, Inc. was incorrectly listed as receiving \$2,000 for each of its two events; however, she added, the total amount awarded was \$2,000; \$1,000 for each of the two events. She stated that the amendment should also add the title of the Warren County Council of Chambers event as Hospitality Education Seminar.

Motion was made by Mr. Tessier, seconded by Mrs. Simmes and carried unanimously to amend Resolution No. 805 of 2008, as outlined above. *The necessary resolution was authorized for the February 20, 2009 Board meeting.*

As there was no further business to come before the Tourism or Occupancy Tax Committees, on motion made by Mr. Merlino and seconded by Mrs. Simmes, Mr. Kenny adjourned the meeting at 11:44 a.m.

Respectfully submitted,

Charlene DiResta, Sr. Legislative Office Specialist