

## WARREN COUNTY BOARD OF SUPERVISORS

**COMMITTEE: OCCUPANCY TAX COORDINATION**

**DATE: OCTOBER 24, 2012**

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**COMMITTEE MEMBERS PRESENT:**

SUPERVISORS KENNY  
MERLINO  
BENTLEY  
CONOVER  
DICKINSON  
FRASIER

**OTHERS PRESENT:**

KATE JOHNSON, DIRECTOR OF TOURISM  
LEISA GRANT, PRINCIPAL ACCOUNT CLERK, TOURISM  
MICHAEL R. SWAN, COUNTY TREASURER  
DANIEL G. STEC, CHAIRMAN OF THE BOARD  
PAUL DUSEK, COUNTY ADMINISTRATOR  
AMANDA ALLEN, DEPUTY CLERK OF THE BOARD  
KEVIN GERAGHTY, BUDGET OFFICER  
SUPERVISORS MASON  
STRAINER  
TAYLOR  
THOMAS  
VANSELOW  
FRED AUSTIN, FORT WILLIAM HENRY RESORT  
MICHAEL CONSUELO, EXECUTIVE DIRECTOR, LAKE GEORGE REGIONAL  
CHAMBER OF COMMERCE & CVB  
GARY THORNQUIST, LAKE GEORGE RV PARK  
DON LEHMAN, *THE POST STAR*  
CHARLENE DiRESTA, SR. LEGISLATIVE OFFICE SPECIALIST

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**COMMITTEE MEMBER ABSENT:**

SUPERVISOR WESTCOTT

Mr. Kenny called the meeting of the Occupancy Tax Coordination Committee to order at 11:28 a.m.

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

Mr. Kenny noted the first item on the agenda was to discuss the possibility of appropriating funds for the purpose of renting space at The Adirondack Outlet Mall for a welcome/information center. He asked where the funds would be allocated from and Michael R. Swan, County Treasurer, replied that would depend on when the funds would be expended. Mr. Swan continued by saying that if the funds would be expended in 2013 then the Committee would need to consult with the Budget Team; however, he added, if the funds were to be expended in 2012, then they could be allocated from the Occupancy Tax Reserve. Mr. Dickinson asked the amount necessary and Mr. Merlino responded he had proposed a budget of \$50,000. Mr. Dickinson asked the amount necessary to commence in 2012 and Mr. Merlino replied approximately \$10,000. Mr. Swan noted there was \$166,651.13 remaining in the Special Event Fund which could also be utilized.

Motion was made by Mr. Bentley, seconded by Mr. Dickinson and carried unanimously to authorize the appropriation of funds from the Occupancy Tax Special Event Fund to the Tourism budget for an amount not to exceed \$50,000 in order to rent space and establish a Tourism Booth at The Adirondack Outlet Mall thereby amending the 2012 County budget and to forward same to the Finance Committee. *A copy of the resolution request form is on file with the minutes. (Subsequent to the meeting it was determined that \$10,000 would be appropriated from the Occupancy Tax Reserve Fund, and not from the Occupancy Tax Special Event Fund to support the costs incurred for set up and operation of the Booth in 2012 and the remaining costs would be addressed in 2013.)*

Privilege of the floor was extended to Michael R. Swan, Treasurer, who distributed copies of his Occupancy Tax Report to the Committee members; *a copy of the Report is on file with the minutes.*

Mr. Swan reviewed the Occupancy Tax Report in detail and noted that collections through October 23, 2012 reflected an increase of 9.29% compared to the same time period for 2011. He advised that a large portion of the increase was attributed to the Treasurer's Office collecting delinquent payments from previous years and he estimated the amount of increase associated with 2012 collections was approximately 3.5%. He reiterated that the Special Event Fund had a remaining balance of \$166,651.13. He apprised that the Occupancy Tax Reserve of \$500,000 had been temporarily suspended by Resolution No. 622 of 2012 which authorized a \$270,000 contribution to the eradication of the Asian Clam, leaving a remaining balance of \$230,000 in the Occupancy Tax Reserve Fund. A brief discussion ensued.

Mr. Kenny stated the last item on the agenda was to discuss the proposal from the Budget Officer to utilize Occupancy Tax Special Event Funding to cover the cost of overtime for the Sheriff's Office patrols associated with Special Events. Mr. Geraghty opined that the Sheriff's Office incurred the overtime due to the additional patrols needed for the Special Events and the cost of the overtime should be allocated from the Occupancy Tax Special Event Fund. He noted the cost of overtime associated with the Special Events was approximately \$88,000 annually and if the funds were not allocated from the Special Event Fund, the 2013 County budget would need to be increased by \$88,000 to \$100,000. Mr. Dickinson stated his opposition to using Occupancy Tax Special Event Funding to cover the overtime and opined that additional funding should be allocated towards the eradication of the Asian Clam. He suggested the Committee needed to review and clearly define the acceptable uses for Occupancy Tax Funding. Mr. Kenny agreed with Mr. Dickinson and he noted Americade generated \$42 million in revenue for Warren County, the local share of which was approximately \$1.26 million. Mr. Kenny apprised that the Special Events were already paying for the cost of overtime by generating tax revenue and it was ridiculous to request that they pay a second time. Mr. Conover mentioned that certain Special Events reimbursed the County for the cost of the overtime for Sheriff's Office Patrols during their events. He suggested that all Special Events should be encouraged to contribute toward the cost of the overtime for additional Sheriff's patrols. Mr. Merlino agreed that it was time to review and clearly define the acceptable uses of Occupancy Tax Funding and he suggested the Committee do so in 2013. He commented that the Committee could decide to establish a special fund for the purpose of covering costs such as the overtime for Sheriff's Office Patrols.

Mr. Bentley apprised that covering the cost of overtime for patrols was a legitimate use of Occupancy Tax Funding; however, he added, the full cost was excessive and he suggested \$50,000 to \$60,000. He opined that the overtime would not be necessary if it were not for the Special Events. Mrs. Frasier said she agreed with Mr. Bentley and she asked the amount that Americade reimbursed towards the cost of overtime. Mr. Kenny replied that Americade reimbursed \$7,000 towards overtime and he reiterated that Americade generated \$1.26 million in local sales tax revenue. Mr. Kenny commented that many people feared the use of Occupancy Tax Funding would extend to uses such as for road maintenance and repair. He advised that in 2003 when he proposed the establishment of occupancy tax, he had suggested a 4% tax with 1% being used for road maintenance; 1% being used for the Sheriff's Office; and 2% being used for tourism promotion. He stated that his proposed uses for the funds had been met with great opposition.

Gary Thornquist, of the Lake George RV Park, stated he was opposed to using Occupancy Tax Funding to cover the cost of overtime for the Sheriff's Office patrols. He added that was not the

intended use of the funds when the occupancy tax legislation was enacted in Warren County. He reminded the Committee that the County used to fund the Tourism Department at approximately \$1 million annually before occupancy tax was established. Mr. Thornquist stated the County had saved over \$9 million between 2003 and now and they could use those funds to cover the cost of overtime. He suggested the Committee solicit support and advice from the business community in order to receive their input and he suggested the possibility of forming an advisory committee consisting of business owners.

Motion was made by Mr. Dickinson, seconded by Mr. Merlino and carried by majority vote, with Mr. Bentley and Mrs. Frasier voting in opposition, to deny the proposal of the Budget Officer to utilize Occupancy Tax Special Event Funding to cover the cost of overtime for the Sheriff's Office patrols associated with Special Events.

As there was no further business to come before the Occupancy Tax Coordination Committee, on motion made by Mr. Dickinson and seconded by Mr. Bentley, Mr. Kenny adjourned the meeting at 11:43 a.m.

Respectfully submitted,  
Charlene DiResta, Sr. Legislative Office Specialist