

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: **JOINT FINANCE/OCCUPANCY TAX COORDINATION**

DATE: **SEPTEMBER 28, 2012**

Finance Committee Members Others Present:

Present:

Supervisors Thomas
Taylor
Sokol
Monroe
Bentley
Wood
Kenny
Merlino
Conover

Joan Sady, Clerk of the Board
JoAnn McKinstry, Assistant to the County
Administrator
Kevin Geraghty, Budget Officer
Supervisors Girard
Loeb
Mason
McDevitt
Mike Swan, County Treasurer
Representing the Warren County Tourism Department:
Kate Johnson, Director
Leisa Grant, Principal Account Clerk
Representing the Lake George Park Commission:
Dave Wick, Executive Director
Joe Stanek, Member of the Board of Commissioners
Chris Navitsky, Lake George Waterkeeper
Walter Lender, Executive Director of the Lake
George Association
Robert Blais, Mayor, Village of Lake George
Michael Consuelo, Executive Director, Lake
George Regional Chamber of Commerce
Alexander Gabriels, Town of Bolton Resident
Don Lehman, *The Post Star*
Amanda Allen, Deputy Clerk of the Board

**Occupancy Tax Coordination
Committee Members Present:**

Supervisors Dickinson
Frasier
Westcott

Mr. Thomas called the meeting of the Joint Finance/Occupancy Tax Coordination Committee to order at 10:00 a.m.

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

Motion was made by Mr. Bentley, seconded by Mr. Merlino 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 Agenda were provided to the Committee members, and a copy of same is on file with the minutes.

Mr. Thomas advised the purpose of the meeting was to discuss the possibility of utilizing occupancy tax funds to assist with the Asian Clam eradication project. He suggested that the

Occupancy Tax Coordination Committee hold discussions first followed by the Finance Committee.

Mr. Kenny informed he had done research on the Asian Clam and had learned they were hermaphrodites, meaning they could reproduce by themselves. He stated they reproduced twice a year, in the late spring and late summer, and produced 320 to 2,000 offspring daily. He opined that this would be a never ending battle and recommended the County show restraint in spending on the eradication effort.

Mr. Bentley commented that if the County did not do something to assist with this project, there would no longer be any occupancy tax funds because people would not be coming to this area.

Mr. Sokol agreed with Mr. Kenny's opinion that this issue may not be resolvable and suggested asking Dave Wick, Executive Director of the Lake George Park Commission (LGPC), for a reasonable amount that would satisfy the efforts through the winter and consider addressing it again in the spring.

Mr. Westcott recognized this would be an ongoing problem in Lake George and noted it was important to set realistic expectations acknowledging this problem would be faced each year.

Mr. Dickinson apprised this was a serious problem that needed to be addressed immediately and funding for such must be obtained to continue the efforts. He remarked that the infestation was in the early stages and they were trying to get it under control. Once the situation was under control, he continued, the annual amount of money necessary to continue the efforts should stabilize and decrease. Mr. Dickinson stressed that the County needed to contribute as much as possible to this cause.

Mr. Taylor said he agreed with the statements made, but mostly with Mr. Kenny's assessment. He expressed his concern with the County draining its' funds to assist in this effort and added it needed to be a team involving all impacted parties, as well as the residents of Lake George.

Mr. Kenny distributed a handout which outlined a year-by-year recap of the Occupancy Tax Reserve, a copy of which is on file with the minutes. He pointed out from 2004 to 2005 the Reserve decreased by \$419,000; from 2005 to 2006 it decreased by \$33,000; and from 2007 to 2008 it decreased by \$109,000. He acknowledged that the Reserve had increased since that time; however, he said, it did fluctuate greatly which was the reason for setting the minimum balance of the Reserve at \$500,000.

Mike Swan, County Treasurer, explained the main reason for the increase in the Reserve was due to a decrease in the administrative fee from 10% to 3%, not because of an increase in occupancy tax funds. *Please note: Subsequent to the meeting, the County Treasurer clarified that 10% had been previously budgeted annually for the administrative fee, and although the Treasurer did not take the fee, it was budgeted and therefore, a part of the total Reserve balance.* He reported that the Occupancy Tax Fund balance was currently \$666,651.13, of

which \$500,000 was the Designated Reserve and would require a resolution of the Board to decrease that amount. He cautioned the Committee members if the Fund was depleted, there would be significant decreases in the amounts allocated to the Towns and in the Tourism Departmental budget.

Mr. Conover highlighted his concern with four sites located in the south basin that were infested and there was currently no funding available to address the issue this fall. He stated the business community was largely, if not totally, dependent on the quality of the Lake. Mr. Kenny asked Mr. Conover how much money the Town of Bolton contributed to the Asian Clam eradication project and how much the Town received in occupancy tax funds. Mr. Conover responded that this year the Town contributed \$20,000 to the eradication effort. He added that last year they had generated approximately \$800,000 in occupancy tax collections and had received \$125,000 of that from the County.

Mr. Dickinson requested that Mr. Wick advise the Committee as to the amount of funding that would be necessary to address the priority areas before the weather became a deterrent. Mr. Girard commented that there seemed to be two problems being presented, the eradication of the Asian Clam and the costs to do such. He asked if Mr. Wick could also address whether eradication was even possible given the reproductive cycle of the species and if he could provide information on programs to stop further contamination of the Lake.

Mr. Wick confirmed the reproduction rates of the Asian Clam as outlined by Mr. Kenny, noting they did have a constant stream of reproduction. He informed that the best minds in the country were working on the issue and trying to determine the most successful means to achieve eradication. He stated that he would be hard pressed to say that eradication of the Asian Clam in Lake George was possible with the current technologies; however, he added, they continued to move forward with different ideas. He briefly discussed the Asian Clam scenario in Lake Tahoe and the devastating loss caused by the species. Mr. Wick apprised the LGPC was trying to obtain the maximum amount of money possible to address the areas as best they could and had spent 40% of its' entire Trust Fund, which had been accumulating for twenty-seven years, in the past two years on this effort leaving a balance of \$90,000 for the program this year. He noted the Lake George Association (LGA) had provided approximately \$40,000 to the program and they would be meeting with The Fund for Lake George in the near future to determine their financial contribution. He recognized the County's significant contribution of \$230,000 and stated the towns had offered their assistance, as well. Mr. Wick informed there were fifteen acres of Asian Clams in Lake George and the LGPC did not expect the County to fund the entire project. He referenced the memo forwarded to Governor Cuomo's Office in which they were requesting funding assistance.

Mr. Wick discussed different methods that were utilized to eradicate the Asian Clams. In response to the inquiry regarding the prevention of further contamination and introduction of invasive species into Lake George, he reported the best protection would be to inspect all boats prior to launching into the Lake. He advised the LA Group had reviewed all options and recommended to the LGPC that mandatory inspections and possible decontamination were the best protection for Lake George. He explained the Commissioners would be reviewing the

plan prepared by the LA Group which would outline the details of such a program, the associated costs and how it could be funded. Mr. Wick stated if the Commissioners decided to implement such a plan, they would need to look at the regulations to enforce it, noting it would not require legislation or new laws; and therefore, would not need to go through the Assembly and the Senate, it would be new LGPC regulations. He detailed the inspection process as follows: a boat brought to Lake George would be inspected; if it passed inspection, the boat would be launched; when the boat was pulled out of the Lake it would be tagged to the trailer. He noted that 65% of boats on the Lake were Lake George only boats which meant they never went to other waterbodies and these boats would only need to be inspected once. Mr. Wick pointed out the impact would mostly be on transient boaters.

Mr. Monroe asserted there was concern about this problem being exported to the northern lakes in the County and he opined exit inspections and decontaminations should be included for boats leaving Lake George, as well. Mr. Wick acknowledged that was a challenge and the LGPC had considered such action in the northern portions of the County; however, he said, it would increase costs significantly and would also slow down launch sites.

Mr. Westcott confirmed that \$800,000 was the total amount needed to complete the work for this year and \$150,000 had already been secured, leaving an unfunded balance of \$650,000 to perform the necessary treatments this year and Mr. Wick agreed.

Mr. Monroe recognized that the LGPC was working with the State to secure additional funding; however, he asked if there had been any contributions from either Washington and/or Essex Counties and Mr. Wick responded he had not met with those Counties yet. Mr. Wick noted Walt Lender, Executive Director of the Lake George Association (LGA), had been in contact with Essex County and could provide additional information. Mr. Lender stated that Ticonderoga had contributed \$2,000 last year and \$2,500 this year; he added Essex County had contributed \$2,500 both last year and this year.

Mr. Taylor suggested the County contribute another \$270,000 in addition to the \$230,000 already allocated for these efforts, leaving \$400,000 in the Occupancy Tax Reserve, which he opined would give the County the ability to leverage financial assistance from the State. Mr. Wick agreed that it would send a strong message to the State if the County was willing to bring their Occupancy Tax Reserve below their comfort level in order to provide the necessary funding for this program.

Discussion ensued relative to various funding streams, during which time many Supervisors expressed their support of Mr. Taylor's recommendation. Mr. Geraghty expressed his opinion that a larger amount of funding should be considered by the County, and he suggested a minimum of \$400,000 or possibly \$500,000; however, he said, his concern would be that next year the LGPC would return to the County requesting the same contribution. He further recommended reducing the amount of funding provided to special events for a couple of years. Mr. Wick asserted that he did not foresee requesting another \$500,000 from the County next year, although he thought that it would be likely that they would request the

County's continuing partnership in the effort at whatever level the County was able to contribute.

Mr. Monroe advised another approach could be for the County to contribute \$350,000 contingent upon the State contributing the same; thereby providing the \$650,000 needed for the efforts to continue for the remainder of the year.

Motion was made by Mr. Conover and seconded by Mr. Dickinson to commit \$500,000 to address the efforts of eradication of the Asian Clam this fall to be allocated from the Occupancy Tax Reserve.

Prior to voting on the motion, Mr. Dickinson recognized Robert Blais, Mayor of the Village of Lake George, was present and he requested the Mayor address the Committee with regard to this matter.

Mayor Blais apprised that the Village was one of the recipients of a substantial amount of occupancy tax and they would gladly give up a portion of their share towards this effort. He added that the Village also had a significant amount of surplus that could be utilized and he opined that some of the groups that came to the community would contribute, as well, rather than decreasing the Occupancy Tax Reserve. Mayor Blais asserted the Village planned to double the contribution that they made last year and they would also be seeking donations from the businesses in the Village.

Mr. Merlino apprised the Towns of Queensbury, Lake George and Bolton received the largest percentage of occupancy tax above the \$30,000 that all the municipalities received; and therefore, he suggested that those Towns contribute that additional percentage rather than utilizing the Occupancy Tax Reserve to assist in the eradication efforts.

Mrs. Wood pointed out that the discussion today had been about paying someone else's bill. She reminded the Committee members that the Lake was owned by New York State and the State was currently promoting a tremendous campaign that the State was open for business. Mrs. Wood noted the State officials were well aware of this issue and acknowledge that it was a serious problem; however, she said, if the County continued to cover these costs, the State would never take responsibility for them.

Following discussions, Mr. Kenny called the question for the Occupancy Tax Coordination Committee and the motion to commit \$500,000 to address the efforts of eradication of the Asian Clam this fall to be allocated from the Occupancy Tax Reserve failed due to the lack of a majority vote.

Motion was made by Mr. Westcott and seconded by Mrs. Frasier to commit \$325,000 to address the efforts of eradication of the Asian Clam this fall to be allocated from the Occupancy Tax Reserve. The motion failed due to the lack of a majority vote.

Mr. Monroe reiterated that between now and the Board of Supervisors meeting, the State could be requested to contribute a match of \$325,000 as put forth by the County and if they did not respond to such a request, it could be addressed at the full Board meeting.

Mr. Sokol expounded if \$270,000 was approved from the Occupancy Tax Reserve, that would give the County leverage to approach the State seeking a match for this program and Mr. Thomas agreed. Mr. Kenny requested the Occupancy Tax Coordination Committee to consider such action.

Motion was made by Mr. Merlino, seconded by Mr. Westcott and carried by majority vote, with Messrs. Conover and Dickinson voting in opposition, to authorize a supplemental agreement with the Village of Lake George for the purposes of funding the Asian Clam eradication project, in the amount of \$270,000 to be paid from the Occupancy Tax Reserve. The necessary resolution was authorized for the October 19, 2012 Board meeting.

Mr. Kenny apprised a resolution would be necessary to authorize reducing the minimum balance of \$500,000 in the Occupancy Tax Reserve, following which a motion was made by Mr. Bentley, seconded by Mr. Merlino and carried unanimously to remove the contingencies outlined in Resolution No. 178 of 2011 stating that a minimum balance of \$500,000 be maintained in the unappropriated fund balance for Occupancy Tax.

Mr. Thomas requested the Finance Committee approve the recommendation made by the Occupancy Tax Coordination Committee as outlined above. Motion was made by Mr. Taylor, seconded by Mr. Monroe and carried unanimously to remove the contingencies outlined in Resolution No. 178 of 2011 stating that a minimum balance of \$500,000 be maintained in the unappropriated fund balance for Occupancy Tax; and to authorize the Chairman of the Board to forward a letter to the State Legislature advising of the County's contribution towards this project, which totaled \$370,000 so far in 2012, for a total contribution of \$500,000 and to urge the State to fund this effort. The necessary resolution was authorized for the October 19, 2012 Board meeting.

Privilege of the floor was extended to Alexander Gabriels, resident of the Town of Bolton. Mr. Gabriels thanked both the Occupancy Tax Coordination and Finance Committees for their decisions concerning this matter. He noted that he served as a member of the Norowal Board of Directors, and he was also the liaison for the Dome Island Committee. He remarked that the Dome Island Committee had donated the first \$10,000 to the pilot program for the eradication of the Asian Clams in 2010, and contributed \$25,000 in 2011. Mr. Gabriels expressed his concern with the unknown detailed operational quality control issues, which resulted in the spring efforts not being as successful as the prior years. Mr. Wick responded those concerns had been discussed in detail recently at a comprehensive meeting on the Asian Clam eradication program and he explained some of the common threads that caused the efforts to not be as effective as before, such as docks, logs and rocks. He assured the County that the dollars were being spent wisely. Mr. Wick added that the money being put forth by the County was a tremendous help and was sincerely appreciated.

Mr. Dickinson expressed his full support of the LGPC and the eradication efforts and noted he had no reservations about the success of the program or how the funds were being allocated. He further added that the technology and science being utilized in this project was something to see in action.

There being no further business to come before the Occupancy Tax Coordination Committee, on motion made by Mr. Merlino and seconded by Mr. Conover, Mr. Kenny adjourned the meeting at 11:54 a.m.

There being no further business to come before the Finance Committee, on motion made by Mr. Monroe and seconded by Mr. Bentley, Mr. Thomas adjourned the meeting at 11:54 a.m.

Respectfully submitted,

Nicole Livingston, Second Deputy Clerk