

**WARREN COUNTY BOARD OF SUPERVISORS**

**COMMITTEE: OCCUPANCY TAX COORDINATION**

**DATE: NOVEMBER 21, 2014**

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**COMMITTEE MEMBERS PRESENT:**

SUPERVISORS KENNY  
MERLINO  
CONOVER  
DICKINSON  
FRASIER  
SIMPSON  
STROUGH

**OTHERS PRESENT:**

LEISA GRANT, PRINCIPAL ACCOUNT CLERK, TOURISM  
KEVIN B. GERAGHTY, CHAIRMAN OF THE BOARD  
PAUL DUSEK, COUNTY ADMINISTRATOR  
JOAN SADY, CLERK OF THE BOARD  
FRANK E. THOMAS, BUDGET OFFICER  
SUPERVISORS BEATY  
GIRARD  
MCDEVITT  
MONROE  
SEEBER  
SOKOL  
TAYLOR  
VANSELOW  
WESTCOTT  
WOOD  
DENNIS P. MURPHY, TOWN OF BOLTON LANDING RESIDENT  
GEORGE WINTERS, TOWN OF QUEENSBURY RESIDENT  
STEVE FORINA, TOWN OF LAKE GEORGE RESIDENT AND ORGANIZER OF THE  
ADIRONDACK NATIONALS CAR SHOW  
BILL DUTCHER, FOUNDER OF AMERICADE, INC.  
JOAN JENKIN, SECRETARY OF THE WARREN COUNTY SAFE & QUALITY  
BICYCLING ORGANIZATION  
JIM FOX, WARREN COUNTY RESIDENT  
JOHN SALVADOR, TOWN OF QUEENSBURY RESIDENT  
FRANK DITTRICH, TOWN OF LAKE GEORGE RESIDENT  
GARY THORNQUIST, OWNER OF THE LAKE GEORGE RV PARK  
DON LEHMAN, *THE POST STAR*  
DAVID CEDARSTROM, *THE CHRONICLE*  
CHARLENE DiRESTA, SR. LEGISLATIVE OFFICE SPECIALIST  
FOR ALL OTHER ATTENDEES, PLEASE SEE ATTACHED SIGN-IN SHEETS

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Mr. Kenny called the meeting of the Occupancy Tax Coordination Committee to order at 9:03 a.m.

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

Mr. Kenny advised the purpose of the meeting was to discuss funding for the Glens Falls Civic Center (GFCC) limited to three years at \$250,000 per year. He noted the Coalition to Save the GFCC would need to adhere to the Spending Guidelines which would be established by agreement. Towards the end of the meeting, Mr. Kenny said, he would receive public comments limited to two minutes per person; however, he continued, the meeting would be concluded by 10:00 a.m. and any further public comments could be made during the Board Meeting immediately following this meeting.

Paul Dusek, County Administrator, informed that as a result of the October 12, 2014 Occupancy Tax Coordination Committee Meeting there were two objectives to be addressed at this meeting. He commented the first objective was to discuss the GFCC and how funding might be provided to them

by the County. He stated they had developed a possible means of providing funding and copies of the amended Warren County Tourist and Convention Development Agreement and the Spending Guidelines were distributed to the Committee members; *copies of same are on file with the minutes.* Mr. Dusek apprised he had taken the existing Warren County Tourist and Convention Development Agreement which was used for event funding and amended it based on discussions at the previous Committee Meeting. He noted the proposed changes were printed in red and were not significant. He explained the original agreement focused on one event and the County entered into individual agreements for each event; however, he continued, with the GFCC, there would be a schedule of events submitted quarterly throughout the year and payments would be made on a quarterly basis in advance of these events. He commented that before the next advance was issued, the GFCC would be required to submit receipts and proof of expenditures relating to the events listed for the previous advance. He mentioned this was the major difference between the agreement with the GFCC and the agreements with other event organizers. He expressed this was just one proposal and was not necessarily the final agreement. He pointed out there would be some changes to this agreement which would need to be discussed with the Coalition to Save the GFCC.

Mr. Dusek stated another matter before the Committee today was a proposed amendment to the Tentative 2015 County Budget which would restructure the occupancy tax financing and accounting methods, as well as make certain appropriations including the \$250,000 appropriation for the GFCC. He commented this proposed amendment did not commit the County to funding the GFCC or the disbursements to the Towns; he added all this did was set the funding aside in the County Budget so the Board could consider resolutions and agreements to fund those items if they chose to do so. He stated this amendment would also change the accounting to a standard calendar year instead of a fiscal year and he noted the County Treasurer was supportive of this change. He advised the proposed amendment to the occupancy tax financing and accounting methods (Proposed Occupancy Tax Spending Plan) would be discussed further during the Board Meeting immediately following this meeting. He reiterated that approving the Proposed Occupancy Tax Spending Plan did not automatically approve funding to the GFCC or the disbursements to the individual Towns, as further resolutions would be necessary to do so.

Mr. Dusek recalled it had been suggested at the October 12, 2014 Occupancy Tax Coordination Committee Meeting that these matters be open to public comment. He noted the press releases and newspaper articles had indicated that public comments could be made by mail, email or in person at this Committee Meeting and during the Public Hearing for the Proposed 2015 County Budget at the Board Meeting immediately following this meeting.

Mr. Dickinson recalled Mr. Dusek had mentioned a schedule of events for the GFCC and he asked if these were the 62 events submitted with the application. Mr. Dusek responded the schedule of events submitted would be determined during negotiations between the County and the Coalition to Save the GFCC. Mr. Dickinson said the County would track the events and receipts from the events for the GFCC and he asked the expectations of doing such. He asked if there would be an ability to cease funding the GFCC if it was determined they were not successful with the events. Mr. Dusek reiterated that would be determined during negotiations and he asserted the amended Warren County Tourist and Convention Development Agreement was merely a starting point. Mr. Kenny stressed the funding was limited to \$250,000 per year and if not fully expended the remainder would be forfeited.

Mr. Westcott suggested the agreement state "up to \$250,000" and he opined the GFCC should be required to submit each individual event in the same manner required of other event organizers. Mr. Kenny responded the GFCC would submit a quarterly schedule of events prior to the events being held and the funding would be awarded in advance of the events due to cash flow issues. He

reiterated the GFCC would need to submit receipts for the events to justify the funding. Mr. Westcott asked if the schedule of events would outline the criteria and justification for the funding for each event and Mr. Kenny replied affirmatively. Mr. Kenny read some of the acceptable expenditures listed in the Spending Guidelines. A brief discussion ensued.

Mr. Conover stated he would like to see the agreement include a strengthening of the reporting and he suggested representatives from the Coalition to Save the GFCC attend the monthly Occupancy Tax Coordination Committee Meetings to report on their business plan, events, expenditures, etc. Mr. Dickinson pointed out the GFCC had a contract with Global Spectrum and he would be disappointed if any of the occupancy tax funding was allocated towards this contract. Mr. Dusek stated it was up to the Committee and the Board of Supervisors to determine which items they were willing to fund and he noted this item could be listed in the agreement as an ineligible expense.

Dennis P. Murphy, Town of Bolton Landing Resident, commented the County was currently facing some serious expenses related to the increased number of Corrections Officers, the Court Space Expansion Project, etc. He stated that supplementing the GFCC was not a good idea at this point in time. He said Warren County had been collecting occupancy tax for approximately six years and he felt it was in very poor taste to argue about the distribution of this tax. He advised that occupancy tax was collected by a very small portion of Warren County businesses but it was for the greater good of all County residents. He expressed that tourism was the biggest industry in Warren County. He questioned the next matter which would be funded using occupancy tax funding and commented the Sheriff's Department put "heads in beds" and asked if the County would use occupancy tax funding to supplement the additional Corrections Officers. Mr. Murphy opined Warren County should eliminate the occupancy tax and should consider increasing the sales tax which would benefit all of the County.

George Winters, Town of Queensbury Resident, apprised he was amazed the County had not been able to fund the GFCC when it was owned by the City of Glens Falls but now that it was owned by a group of businessmen, the County was trying to fund it. He asked where the concern was for senior citizens. He mentioned if the GFCC had been sold to the other interested buyers then it would have returned to the tax rolls and generated approximately \$200,000 per year in taxes. He expressed that State funding and grant awards were also taxpayer dollars. He stated the Board of Supervisors should look at the taxpayers of Warren County and stop funding the GFCC which had been financially unstable for over 35 years. He voiced his disagreement with the way in which the GFCC had been sold.

Steve Forina, Town of Lake George Resident and Organizer of the Adirondack Nationals Car Show, commented that September of 2015 would be their 27<sup>th</sup> annual event. He stated part of his job was to oversee the television and radio commercials, the newspaper advertisements, billboard placements and the production of a professional one hour video of the event. He commented the cost of advertising for the annual Adirondack Nationals Car Show event was in excess of \$40,000 per year and they relied heavily on the occupancy tax funding to offset some of that cost.

Bill Dutcher, Founder of Americade, Inc., stated he appreciated the value of the GFCC to the community and he referred to it as an asset; however, he continued, if the purpose of the occupancy tax funding was to place "heads in beds" then only advertising which did so should be allowable under the law. To that extent, he commented, local advertising was useless as those people by definition had their own beds right within this community. He apprised that when examining the receipts submitted by the Coalition to Save the GFCC, the County should screen them carefully to determine if the expenditure was used towards something which would bring people into the community.

Joan Jenkin, Secretary of the Warren County Safe & Quality Bicycling Organization, commented that listening to the proposal for funding of the GFCC, it sounded as if it was similar to the funding received by the Safe & Quality Bicycling Organization. She mentioned they also promoted several smaller events throughout the year and they were trying to promote Warren County as a biking destination. She noted the Safe & Quality Bicycling Organization also advocated for projects which completed the infrastructure in Warren County, such as the Complete Streets Project. She stated the Safe & Quality Bicycling Organization had sponsored three separate rides throughout the year and had produced a documentary film in 2014 which stressed safe bicycling. She requested the Warren County Safe & Quality Bicycling Organization also be given the opportunity to add to their promotion and continue to receive some funding.

Mr. Kenny stressed that while the event funding procedure would be changed, there would be no impact on which events would receive funding. He explained the County would award funding to the major events requesting higher funding amounts, such as the Adirondack Nationals Car Show and the minor events requesting less funding would be shifted to the Town in which the event would take place.

Jim Fox, Warren County Resident, asked what criteria defined an event as major versus minor. He also asked if funding was received from the County, would that preclude the event from receiving funding from the Town, as well. Mr. Kenny replied an event could receive funding from both the County and the Town and he explained it was up to the individual Towns to determine if they would sponsor an event. He stated the County would award \$250,000 towards events in 2015 and \$175,000 in 2016. He said once the County had reached the award plateau, the applications for funding would be forwarded to the individual Towns who would award the funding allocated to them by the County for Special Event Funding. He explained the allocations to the individual Towns would be as follows: \$100,000 to the Village and Town of Lake George; \$40,000 to the Town of Bolton; \$40,000 to the Town of Queensbury; and \$10,000 each to the Towns of Chester, Hague, Horicon, Johnsbury, Lake Luzerne, Stony Creek, Thurman and Warrensburg and the City of Glens Falls. Ms. Jenkin asked how funding would be awarded to County-wide events if the responsibility for funding minor events would be shifted to the individual Towns and Mr. Kenny replied they would need to review the matter.

John Salvador, Town of Queensbury Resident, opined Warren County needed to distance itself from the GFCC until the dust settled on the recent sale. He recalled he had written a letter in August to Martin Auffredou, County Attorney, outlining the history of occupancy tax in Warren County which he reviewed briefly. He stated the occupancy tax had been enacted in 2003 at the behest of Supervisor Kenny and Nicholas Caimano, former Supervisor-At-Large for the Town of Queensbury. He advised the County's Home Rule Request had been supported for the enactment of occupancy tax; however, he added, the Legislation had included a three year sunset clause. In 2006, Mr. Salvador continued, it became necessary for Warren County to renew the Home Rule Request to continue the occupancy tax. He said the basic premise and justification for indefinitely extending the occupancy tax in Warren County was to provide a funding stream for the formation of the Warren County Convention and Sports Authority (Resolution No. 359 of 2006). He noted the Home Rule Request was to repeal Sub Section 10 of the State Tax Law which pertained to the three year sunset clause. He commented the Legislature had taken the trouble to incorporate in Chapter 520 of the 2006 Sessions Law, the justification for the extension of the occupancy tax which he read aloud, as follows:

Justification:

*This legislation has been introduced at the request of the Warren County Board of Supervisors. The Board would like the local law authorizing the occupancy tax to remain in*

*effect indefinitely, unless rescinded or repealed by the Board of Supervisors. This would provide the county with more flexibility as it provides new expenditures for tourism and convention development, more specifically, the proposed Warren County Convention and Sports Authority.*

Mr. Salvador stated a Special Board Meeting had been held on June 20, 2006 wherein Resolution No. 453 of 2006 had been adopted. He explained this resolution had been a Home Rule Request to amend the Public Authorities Law in relation to the establishment of the Warren County Convention and Sports Authority. He further explained Resolution No. 453 of 2006 had been necessary in order for the Legislature to approve the request to extend the occupancy tax indefinitely. He commented the Legislature had produced a suggested Bill authorizing the Convention and Sports Authority which was a 22 page document. He said the Convention and Sports Authority would have been provided bonding authority up to \$50 million; however, he added, the Legislation did not move forward. He commented the Board of Supervisors had adopted Resolution No. 663 of 2006 at the October 13, 2006 Board Meeting and this resolution rescinded Resolution No. 359 of 2006 which was the resolution requesting the establishment of the Convention and Sports Authority. Mr. Kenny mentioned that Mr. Salvador had exceeded the two minute limit; he suggested Mr. Salvador would be given a chance to speak again, once everyone else wishing to speak had been given the opportunity. Mr. Kenny added that if Mr. Salvador was unable to speak a second time, he could make further comments at the Board Meeting immediately following this Meeting.

Frank Dittrich, Town of Lake George Resident, thanked the Committee members for their time and mentioned he was the General Manager of the Inn at Erlowest and was affiliated with the Sun Castle Resort. He stated he was present to represent a number of area hoteliers who were also in attendance and he requested those hoteliers to stand. Mr. Dusek asked if Mr. Dittrich's comments would be relative to the GFCC or the proposed accounting/budgeting changes to the occupancy tax and the Proposed Occupancy Tax Spending Plan. He noted comments pertaining to the proposed changes should be held until the Public Hearing during the Board Meeting immediately following this meeting. Mr. Dittrich replied he had one comment which was specific to the GFCC. He mentioned that earlier comments had been made regarding the transparency of how the Special Event Funding was expended by the individual events. He expressed the GFCC events represented 35 hockey games and 12 high school sporting championships. He opined further discussion was warranted as to how the GFCC would expend the proposed \$250,000 per year in Special Event Funding. Ms. Seeber said that Mr. Dittrich had made a valid point. She stated it appeared as if the proposed Warren County Tourist and Convention Development Agreement with the Coalition to Save the GFCC asked for some valuable information in advance of the events. She asked if there would be any evaluation completed to confirm that the information provided was accurate. She questioned if the agreement would include the possibility of modifications if it was determined that the information provided was inaccurate. Mr. Dusek responded the proposed agreement was merely a rough draft that was conceptual in nature. He noted the County Attorney would complete a final draft of the document based on comments made by the Occupancy Tax Committee and the Coalition to Save the GFCC. He expressed this was a starting point and items mentioned by the Committee members could be included in the agreement.

Ms. Seeber recalled it had been noted that an event which received County Special Event Funding would not be precluded from applying for funding from the individual Towns. She asked if there was any procedure in place to ensure that event organizers did not claim the same expenses at both the County and Town levels. Mr. Kenny responded that events submitted receipts to the County and the Towns for reimbursement of expenses and these expenses were reviewed in order to ensure there was no double dipping. In answer to a question pertaining to the criteria for determining a major event versus a minor event, Mr. Kenny replied there were several criteria included in the Occupancy

Tax Scoring Guidelines to determine the level of funding which an event qualified for, such as the economic impact and the number of room nights.

Mr. Salvador stated he had followed the "so called" sale of the GFCC very closely and he recalled reading an article in *The Chronicle* pertaining to an interview which indicated the sale was nothing less than a sham. In order for the Glens Falls Common Council to perpetrate a sham, he continued, they needed to engage in a conspiracy with the Coalition to Save the GFCC which he opined was against the law. He cautioned the County from engaging further in this "subsidy" of the Coalition to Save the GFCC because it was surely part of their game plan. He stated the investors in the Coalition to Save the GFCC must understand there was a fine line between tax avoidance, which was legal and tax evasion, which was illegal. Mr. Kenny expounded the decision to sell the GFCC to the Coalition to Save the GFCC was made by the Glens Falls Common Council.

Mr. Conover suggested attendance at the Occupancy Tax Coordination Committee Meetings by a representative of the Coalition to Save the GFCC should be made an obligation under the agreement. He said the representative should provide specific information at these Meetings, such as the economic impact and room nights verified for each event. He stated the County wanted the GFCC to be successful and it was important for the Coalition to Save the GFCC to understand that was the goal of providing the Special Event Funding to the GFCC. Mr. Kenny pointed out the GFCC was a unique facility that had an economic impact of millions of dollars.

Mr. Westcott opined the comments made by members of the public were beneficial. He agreed with Messrs. Conover and Dutcher that it was important for the events to focus on room nights. He said he also agreed with Ms. Seeber that the information should be evaluated following the events to ensure accuracy. He commented the point made by Ms. Jenkin was good and the Committee would address funding for County wide events. Pertaining to the comments made by Mr. Salvador, Mr. Westcott said he appreciated the time and effort in reviewing the history of the occupancy tax. He commented that at some point the County would need to address Mr. Salvador's concerns regarding the Convention and Sports Authority; however, he stated, he had an issue with the comment that the County was subsidizing the Coalition to Save the GFCC.

Mr. Beaty asked if the GFCC would qualify for \$62,000 per quarter and Mr. Kenny replied it would be up to \$250,000 per year with payments made on a quarterly basis based on the events held. Mr. Beaty asked why the GFCC had not applied for funding in the past if the events held in this venue qualified and Mr. Kenny responded they had applied for events, such as the High School Basketball and Volleyball Tournaments. A brief discussion ensued.

Ms. Seeber asked if the Committee would vote on the change in the maximum amount of Special Event Funding to be awarded and Mr. Kenny replied the Committee had approved that matter at the November 12, 2014 Occupancy Tax Coordination Committee Meeting. Mr. Dusek clarified the matter referred to the Board from the November 12, 2014 Committee Meeting was a restructuring of the occupancy tax accounting and budgeting procedures to a calendar year (January 1<sup>st</sup> through December 31<sup>st</sup>). He said the second part was the Proposed Occupancy Tax Spending Plan which would amend the Tourism Budget to allow the distributions to the Towns and the City of Glens Falls which was outlined previously by Mr. Kenny. He advised if the agreement with the Coalition to Save the GFCC was approved by the Committee, then the funds would be earmarked in the County Budget and the agreement would be approved in January. Ms. Seeber asked if the proposed agreement with the Coalition to Save the GFCC would be voted on at the January Board Meeting and Mr. Dusek replied affirmatively. Mr. Dusek said the purpose of today's Meeting was to receive feedback from the Committee members and the public. He said the County Attorney would review

the minutes of the Meeting and would re-draft the agreement with the GFCC/Coalition to Save the GFCC.

Mr. Strough opined the matter of room nights or "heads in beds" was subjective. He opined that events held in the City of Glens Falls, or any other municipality in Warren County were a benefit to the entire County; he stated his support of the GFCC.

Gary Thornquist, owner of the Lake George RV Park, recalled the GFCC would receive their Special Event Funding up front instead of submitting for reimbursement and he asked if this matter would apply to all events and Mr. Kenny replied in the negative. Mr. Thornquist commented that originally Occupancy Tax Special Event Funding was intended to promote new events with older events receiving decreased funding amounts in subsequent years and he asked if this sliding scale would apply to the GFCC. Mr. Kenny responded that new and old events were funded annually and he noted some of the older events had a proven track record for return on investment. A brief discussion ensued.

Motion was made by Mr. Conover, seconded by Mr. Strough and carried unanimously to approve the Tourist and Convention Development Agreement between Warren County and the GFCC/Coalition to Save the GFCC for Special Event Funding not to exceed \$250,000 per year for up to three years and to forward same to the County Attorney for further revisions to be presented at the next Occupancy Tax Coordination Committee Meeting.

As there was no further business to come before the Occupancy Tax Coordination Committee, on motion made by Mr. Conover and seconded by Mrs. Frasier, Mr. Kenny adjourned the meeting at 9:54 a.m.

Respectfully submitted,  
Charlene DiResta, Sr. Legislative Office Specialist