

AGRICULTURE, PLANNING, TOURISM & COMMUNITY DEVELOPMENT  
COMMITTEE MEETING MINUTES – MAY 23, 2023

AGRICULTURE, PLANNING, TOURISM & COMMUNITY DEVELOPMENT COMMITTEE MEMBERS

PRESENT: Griffith, Campbell, Hicks, O'Brien, Skellie

AGRICULTURE, PLANNING, TOURISM & COMMUNITY DEVELOPMENT COMMITTEE MEMBERS

ABSENT: Ferguson, Shaw

SUPERVISORS: Henke, Hall, Haff, Clary

Debra Prehoda, Clerk of the Board

Melissa Fitch, County Administrator

Al Nolette, County Treasurer

AGENDA AS PRESENTED IN COMMITTEE NOTICE:

- 1) Call to Order
- 2) Accept Minutes – April 25, 2023
- 3) Discuss Occupancy Tax Reserve
- 4) Other Business
- 5) Adjournment

Chairman Griffith called the meeting to order at 11:06 A.M. in the second floor classroom, Room B214, Municipal Center, Fort Edward.

A motion to accept the minutes of the April 25, 2023 meeting was moved by Mr. O'Brien, seconded by Mr. Skellie, and adopted.

DISCUSS OCCUPANCY TAX RESERVE – Laura Oswald, Economic Development Director, stated this came up at the last meeting. There is considerable funding banked that was deliberate because we wanted to ensure that moving forward as I Love New York funds continually get reduced on an annual basis that should that trend continue or the funding eliminated that the County would have a reserve to spend on tourism. As of end of year 2022, there is \$309,000 in the occupancy tax reserve that includes both the collections from regular occupancy tax, our bed and breakfast and motels/inns in the county, and the taxes from the short-term rentals through Airbnb. Discussed through the budget process last year that going forward should be using 2023 revenues to support the 2023 budget. She stated what was actually budgeted for this coming year was an estimate of \$9,000 from regular occupancy tax, and \$100,000 from the short-term rentals so the intention was to use that \$109,000 to fund the 2023 budget. Budgeted for potentially \$48,207 in funding from I Love New York but it actually only came in at \$47,187. Asked if satisfied leaving the \$309,000 where it is with using an estimated \$109,000 out of it for 2023.

The Treasurer receives 15% of the occupancy tax as compensation for his handling of all the finances. In 2021 about \$19,000 was taken out of occupancy tax and put into the General Fund to compensate the Treasurer. Budgeted in 2023 \$1,500 as a flat amount for Airbnb collections because the County is getting so much more money from the short-term rentals. Asked where we want to leave the amount that the Treasurer's Office takes to handle the finances.

The two questions: are we satisfied with leaving the \$309,000 as it is or do we want to change that and what is the amount going to the Treasurer's Office to handle the occupancy tax finances.

The occupancy tax administrative fee is set in the local law at 15%. The discussion is about the administrative fee on the voluntary occupancy tax/Airbnb collections. The Treasurer recommends a percentage rather than a flat fee. He cannot justify 15% on the voluntary occupancy tax for what it

requires of his services. Revenue goes to the net cost of running the Treasurer's office. If the County created a structure for a short term rental local law to tax all short-term rental operators the amount currently being collected would probably double. The Treasurer stated by setting a percent then the amount would grow as the revenue increased. A motion to set a flat fee of \$3,000 for 2023 and then revisit was moved by Mr. O'Brien, seconded by Mr. Skellie, and adopted.

The Treasurer stated how we measure what goes into the occupancy tax reserve is right now all revenue is going in there minus the administrative fees. None of the occupancy tax money is being used to run the program, it is all being set aside. He stated the whole point of the occupancy tax when the local law was adopted was that this revenue was to be reinvested back into the tourism trade. He would like directions on how the reserve should be used for example at budget time x amount from occupancy tax, x amount from fund balance and x amount from the state, I Love NY, what would that formula look like or are you comfortable just putting this money away so if you have a big investment in tourism you could tap those funds. Chairman Griffith suggested use the I Love NY funding and match that amount and then look at funding the gap with occupancy tax funds up to \$200,000. The Economic Development Director stated that was exactly the way the 2023 budget was set up. The Treasurer stated it never got back to him that the occupancy tax reserve was to be tapped and if it was there would not be \$309,000 in the reserve. The Economic Development Director stated at the end of 2023 going to put in an estimated \$109,000 that comes in from occupancy taxes collected that would then be put into the General Fund to re-compensate for the 2023 budget. The Treasurer stated the County cannot do backwards booking of funds like that. The Budget Officer stated basically the 2023 numbers will be used for 2024. The Treasurer stated it is almost time to start preparing the 2024 budget therefore the need for direction on the use of the reserve funds. The decision today is planning for next year. The Budget Officer stated you have to use 2022 occupancy tax figures for the 2024 budget because you are always a year behind because by the time you have the total collections for 2023, the 2024 budget has already been adopted. The I Love NY funding continues to decline. Mr. Skellie suggested leaving the \$309,000 in the reserve providing a safety net for funding changes. The Treasurer stated one mechanism could be whatever you collect over your budget any surplus goes to the reserve. The Economic Development Director stated Airbnb pays based on when booked. Right now, through the Capital Saratoga tourism region we have been paying for a subscription to a database that gives us all that short-term rental information and it is kind of how we keep track of what is booking, what is selling and then comparing that to our revenues. The region can no longer afford to pay for that subscription so she authorized the database provider to invoice the County directly to get us that data through the end of this year and will use the ARP tourism funding to pay for that \$2,600. She plans to evaluate other databases to make sure that we are getting the best value and the best data for information. The Economic Development Director stated so that she is clear for budgeting purposes this year for 2024 budget, will assume using 100% of the short-term rentals and bed occupancy tax from 2022, noting the tourism budget has been running around \$200,000 plus the ARP funding, so whatever below the \$200,000 the State I Love NY and the occupancy tax does not fund would come out of General Fund. The Treasurer wanted directions on what goes into the occupancy tax reserve so if they budget \$120,000 and he is in receipt of \$130,000 does he sweep \$10,000 or if they budget \$120,000 and he is in receipt of \$110,000 does General Fund owe \$10,000? Consensus was it should go both ways: if we get more it goes in the reserve and if we get less General Fund makes it up. The Treasurer stated his concern is on the sweep side and the Economic Development Director is on the budget side, two different perspectives. Anything over budget the Treasurer gets to sweep.

OTHER BUSINESS:

- 2023 Restore NY Awards – Village of Hudson Falls \$500,000 to revitalize the Griffin Hall Building, Village of Greenwich \$100,000 for a building on Main Street and Village of Fort Edward two buildings transferred from the County to Fort Edward \$500,000
- Broadband RFP is out and has been extended due to GIS issues. The new deadline for proposals to be due is June 8<sup>th</sup> and need to have discussion on who to appoint to the broadband review committee to help review the proposals.

The meeting adjourned at 11:42 PM.

*Debra Prehoda, Clerk*  
*Washington County Board of Supervisors*