

ULSTER COUNTY LEGISLATURE

DAVID B. DONALDSON, Chairman
TRACEY A. BARTELS, Vice Chairwoman
JONATHAN R. HEPPNER, Majority Leader
KENNETH J. RONK, JR., Minority Leader
VICTORIA A. FABELLA, Clerk



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MINUTES

NOVEMBER 10, 2020

PUBLIC HEARING

6:00 PM

Powered by Zoom. Meeting ID: 964 4188 4788, And By Telephone (646) 558-8656

MEETING CALLED TO ORDER BY CHAIR: 6:15 PM

PLEDGE OF ALLEGIANCE TO THE FLAG AND MOMENT OF SILENT MEDITATION:

Led by Majority Leader Jonathan Heppner.

ROLL CALL: Present: 21 Absent: 2 (Legislators Fabiano and Roberts)

Note: Legislator Roberts arrived at 6:26 PM.

6:00 PM - CALL OF THE PUBLIC HEARING BY CLERK: Tonight's second Public Hearing is on the Proposed 2021 Ulster County Budget and the Proposed 2021 – 2026 Capital Program

PUBLIC COMMENT: There were eight speakers signed up for public comment. (See transcript)

1. Andrew Chafatelli, COO Turk Hospitality
2. Tom Smiley, Mohonk Mountain House (stated he would speak at Thursday's Public Hearing)
3. Joan Crawford, Chief Program Officer Family Services
4. Shelley Turk, Owner Rocking Horse Ranch
5. CJ Hartwell-Kelly, Chair UC Lodging Coalition & Asst. GM Rocking Horse Ranch
6. Samantha Turk, Rocking Horse Ranch (waived her time)
7. Robert Pollock, Buttermilk Falls Inn & Spa
8. Clark Richters, Kingston

Motion by Legislator Litts, second by Legislator Uchitelle to adjourn the public hearing. All in favor.

PUBLIC HEARING ADJOURNED: 6:36 PM

NEXT MEETING:

The third and final Public Hearing on the Proposed 2021 Ulster County Budget and the Proposed 2021 – 2026 Capital Program is scheduled for:

- Thursday, November 12, 2020 – Powered by Zoom Meeting, Time 6:00 PM

The next Regular Meeting of the Ulster County Legislature will be held next **Tuesday, November 17, 2020 at 7:00 PM**. Further Meeting details shall be forthcoming.

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Public Hearing Proposed 2021 Ulster County Budget

Reply Reply all Forward

From: Shelley Turk <shelley@rhranch.com>
Sent: Tuesday, November 10, 2020 7:28 AM
To: Victoria Ann Fabella <vfab@co.ulster.ny.us>; David Donaldson <David.Donaldson@co.ulster.ny.us>; Tracey Bartels <Tracey.Bartels@co.ulster.ny.us>; Abe Uchitelle <Abe.Uchitelle@co.ulster.ny.us>; Kenneth J. Ronk <ken.ronk@co.ulster.ny.us>; Craig Lopez <Craig.Lopez@co.ulster.ny.us>; hlitts3@aol.com <hlitts3@aol.com>; Kevin Roberts <Kevin.Roberts@co.ulster.ny.us>; Lynn Archer <Lynn.Archer@co.ulster.ny.us>
Subject: Public Hearing Proposed 2021 Ulster County Budget

[EXTERNAL SENDER]

Dear Victoria A. Fabella,
Clerk,

I would like to have the following included as record in the Public Hearing on the Proposed 2021 Ulster County Budget.

It was astonishing to have read the Daily Freeman article dated November 6, 2020 where Capital Market Advisors, LLC, in their 135 page financial analysis, stated that an increase in the hotel/motel occupancy tax to 4% or 5% would double that revenue source. I am at a loss to comprehend their examination of the hospitality and tourism sector. After meeting with Lynn Archer and the Ways and Means Committee in March 2020, the Ulster County Lodging Coalition presented quite unequivocally the state of affairs and our collective challenges regarding tax increases passed on to our guests. Our analysis, from hands-on experience, is that ultimately, traveling consumers are quite savvy at shopping the total price and can be easily dissuaded. It was our understanding after leaving that meeting that an increase in the occupancy tax was going to be tabled.

Then the unimaginable happened. Shutting down our property for three months while trying to maintain it was beyond devastating. When we were able to reopen, the cost of abiding by best practices and necessary marketing to insure consumer confidence was excessive and is on-going. The consumer demand has eroded and been drastically reduced while we continue to remain under government restriction. In all logic, how can an increase in the occupancy tax generate an increased revenue stream from a suppressed occupancy? CMA is clearly out of touch with the current environment of hospitality, and perhaps, more importantly, an unnecessary and excessive expense on Ulster County's tax payers.

It is truly abominable that as our business has suffered, the Ways and Means Committee seizes the opportunity to further propagate our losses. We hope that County Executive Patrick Ryan will honor his words of "holding the line on taxes" and that we have the support of our elected legislators to protect our business for the common good.

Sincerely,

Shelley
Turk

Shelley Turk

Ulster County Legislature
2021 Budget Public Hearing

Meeting Transcript
November 10, 2020

Chairman Donaldson

Alrighty. I'd like to call the meeting to order. Knock on my dining room table. Somebody unmute yourself. John. There you go. Thanks.

Chairman Donaldson

I'll call the public meeting to order. This is a public meeting on the proposed 2020 Budget, the Ulster County Budget. And I'd entertain everybody to stand for the pledge. And if you don't mind, we'll have Jonathan Heppner lead us in the Pledge.

Legislative Members

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

Chairman Donaldson

Be seated. Alrighty. We're ready for public comment.

Clerk Fabella

I'm going to quick call roll first.

Chairman Donaldson

Yep, go ahead.

Clerk Fabella

Archer.

Legislator Archer

Here.

Clerk Fabella

Bartels.

Legislator Bartels

Here.

Clerk Fabella

Bruno.

Legislator Bruno

Here.

Clerk Fabella

Cahill.

Legislator Cahill

Here.

Clerk Fabella

Corcoran.

Legislator Corcoran

Here.

Clerk Fabella

Criswell.

Legislator Criswell

Here.

Clerk Fabella

Delaune.

Legislator Delaune

Here.

Clerk Fabella

Donaldson.

Chairman Donaldson

Here.

Clerk Fabella

Fabiano. (Absent)

Clerk Fabella

Gavaris.

Legislator Gavaris

Present.

Clerk Fabella

Greene.

Legislator Greene

Here.

Clerk Fabella

Haynes.

Legislator Haynes

Here.

Clerk Fabella

Heppner.

Legislator Heppner

Here.

Clerk Fabella

Litts.

Legislator Litts

Here.

Clerk Fabella

Lopez.

Legislator Lopez

Here.

Clerk Fabella

Maio.

Legislator Maio

Here.

Clerk Fabella

Parete.

Chairman Donaldson

He's here.

Clerk Fabella

Petit.

Legislator Petit

Here.

Clerk Fabella

Roberts. (Absent)

Clerk Fabella

Ronk.

Legislator Ronk

Present.

Clerk Fabella

Uchitelle.

Legislator Uchitelle

Here.

Clerk Fabella

Walter.

Legislator Walter

Here.

Clerk Fabella

And Wawro.

Legislator Wawro

Here.

Clerk Fabella

Twenty-one present and two absent.

Clerk Fabella

Tonight's Public Hearing, as the Chairman mentioned, is our second Public Hearing on the proposed 2021 Ulster County Budget and the proposed 2021-2026 Capital Program.

Clerk Fabella

So, callers, you will have to *6 to unmute yourself. Our Deputy Clerk will remind you have that regularly. And she's going to call you, one by one. And in addition, you may get additional direction from the Chairman at the end of two minutes.

Chairman Donaldson

Yes, I mean, if you need to go over slightly, that's okay. But please, this Public Hearing is on the Budget and the Capital Program. So, anybody that wishes to speak, let them in. However, you're going to do it Jay, let's start. Thank you.

Deputy Clerk Mahler

We're going to start with Andrew who joined us yesterday. Are you interested in speaking again tonight, sir?

Andrew Chafatelli

Yes, last night, I was wrangling the kids. So,

Deputy Clerk Mahler

Right. Brilliant. Thank you.

Andrew Chafatelli

So, am I good to go?

Deputy Clerk Mahler

You are.

Chairman Donaldson

Go for it.

Andrew Chafatelli

So, my name is Andrew Chafatelli. That's the right way to pronounce it for the future. I'm the Chief Operating Officer of Turk Hospitality. And I thank you guys for letting me come on tonight to discuss the budget. And I wanted to start off by commending and thanking the Executive and his team for their expedient response to the

Coronavirus on a county level while communicating, and working to get, and keep our businesses open.

Andrew Chafatelli

Regarding the 2021 Ulster County Budget, I wanted to focus on Tourism Department which has a proposed reduction of \$100,000. This reduction seems to be coming a little bit as a trend. The summary leaves me apprehensive since it states that the county may have to make more cuts since its major source of revenue is the \$76,000 that it gets from the state. This is somewhat disingenuous. \$1 million spent on \$652 million is, you know, which is an economic staple in our county.

Andrew Chafatelli

The amount of revenue brought into this county from tourism is really imperceptible from the lens of this budget. And its analysis our county budget the current Capital Market Advisory, LLC said, and I'm somewhat paraphrasing here, in order to operate and provide adequate services, the county requires secure predictable revenue sources which will grow on an annual basis to keep pace with expenditures. If revenues become stagnant and expenditure growth cannot be offset, the fiscal condition of the county will deteriorate.

Andrew Chafatelli

According to the state's numbers. Ulster County tourism spending has increased, you know people spending money here, has increased 27% over the last six years, or a steady 4.5% annual growth rate. This has resulted in a 39% increase in tax revenues for the county from 2012 to 2019. It doesn't even account for ancillary growth.

Andrew Chafatelli

We are the predictable revenue source which will grow that the advisors are speaking about. If the county continues to diminish its investment in tourism, the result will ultimately be diminished revenues for the county, and for its residents. I would implore the county to rethink this cost savings tactic.

Andrew Chafatelli

Until the pandemic started in 2020. Hospitality tourism has been a reliable and dependable economic driver in our county for more than 100 years. Don't stop investing in us now.

Andrew Chafatelli

And just one more quick point. Capital Market Advisors suggested that the county should look into doubling the occupancy tax. Their comparison with other counties occupancy tax is an incomplete picture of what's really going on. Ulster County is ripe

with all inclusives, who under the current law, charge visitors 2% on 40% of their entire stay. Based on the intent of the law, our visitors at Rocking Horse are currently paying approximately 8% occupancy on the room portion of their stay, not 2%. And if the county approved the doubling of tax well, that means 16% occupancy tax for those visitors.

Andrew Chafatelli

This puts us at a major disadvantage compared to our competitors. It's time for the Legislature to earnestly work with the all inclusives to amend the outdated law. Our competition in the Poconos is taking our market share and they're thriving. A driving contributor to their success is they are championed by their state and local governments who foster and promote hospitality and tourism.

Andrew Chafatelli

And I thank you for your time and consideration.

Chairman Donaldson

Thank you, Andrew.

Deputy Clerk Mahler

On next if Mr. Tom Smiley would like to offer public comment tonight.

Tom Smiley

Nothing tonight. But I understand there's a meeting again on Thursday and I plan to share some stuff then.

Chairman Donaldson

Thank you, Tom.

Deputy Clerk Mahler

Thank you very much. Would miss Joan Crawford like to offer public comment this evening.

Joan Crawford

I would. Thank you so much for your time. My name is Joan Crawford, and I'm the Chief Program officer for Family Services. And I really appreciate it being... having the opportunity to express my grave concerns related to the proposed drastic cuts to our Family Education Program in Ulster County.

Joan Crawford

The current budget is, for 2020 was \$544,000. The 2021 proposal is half of that, \$272,000. This represents an excruciating reduction in services to families and children served by this program. And we're hoping that under the leadership of the Legislature that you will restore their proposed cut of \$272,000. So, we can continue with the services that even at the 2020 level, does not come close to reaching all of the families who really need this.

Joan Crawford

And I'd like to just take a couple of minutes to talk about the program itself. Since 2005 Family Services has been providing family education services through a contract with the Department of Social Services. And this program serves families where there has been abuse or neglect.

Joan Crawford

Yet, the Department of Social Services and Family Court recognize that working intensely with a family and helping them gain skills will avoid the need to remove children from the home. As we know, there are times where there are extreme circumstances that require out of home placement for the safety of children. But there are so many cases where this can be avoided by careful parent education, case management, and support so that the family can remain whole and healthy and safe.

Joan Crawford

And our program does just that again and again. We find that parents we work with do not want to do harm to their children. They just have not had the benefit of good parenting themselves. They just don't know how to best love and nurture their kids. Our family educators use carefully developed evidence-based curricula to help these families succeed in developing their parenting skills that the children need. And we also provide case management to help parents contend with various life stresses.

Joan Crawford

Out of home placement for children in and of itself, can be devastating to a child. Introducing even further trauma that can lead to behavioral mental health and other problems that last into adulthood. In addition to the human toll, the cost to the taxpayer will, most often, far exceed the cost associated with preventive services as those provided by Family Services.

Chairman Donaldson

Could you please wrap it up, if you don't mind.

Joan Crawford

Certainly.

Joan Crawford

So, in this pandemic, we know that families are experiencing even greater stressors, economic stressors, all kinds of fears. Children who are home a lot, maybe not in school, often were the only eyes on these children. So, again, I just asked that you consider restoring the proposed cuts to the Family Education Program of Family Services. Thank you.

Deputy Clerk Mahler

Thank you. We have a caller from 914-388-1104. Would you like to give us your name and offer public comment tonight by hitting *6? There you go.

Shelley Turk

Yes, please. Thank you. This is Shelley Turk. I'm an owner at Rocking Horse Ranch. I did send in comments this morning with respect to CMA's report suggesting an increase in the occupancy tax. I'd like to publicly address the context of that letter.

Shelley Turk

It is beyond frustrating to understand the continual need to defend not only my livelihood but a business and industry that assists in funding Ulster County. On many occasions, numerous occasions, the Ulster County Lodging Coalition and individual hospitality venues have identified relevant data. We've given concrete analysis, we have supplied valid numbers to support why and how an increase in the occupancy tax could damage tourism and hurt guest reservations. I do refuse to believe that all the time, the work energy that was devoted to presenting these facts in support of our position, has fallen on deaf ears or been ignored.

Shelley Turk

Then enter a worldwide pandemic and we are now just barely surviving, even suggesting a tax increase on our business sector so decimated by this new landscape is truly unconscionable. I have to ask, why would our local government promote the destruction of its third largest revenue producer?

Shelley Turk

But I am truly hoping, I'm optimistic, that we can turn to and count on our local Legislators for support. Thank you.

Chairman Donaldson

Thank you.

Deputy Clerk Mahler

And we have next CJ Hartwell-Kelly, would you like to offer public comment?

CJ Hartwell-Kelly

Hi, thank you for giving me the opportunity. I'm CJ Hartwell Kelly. I'm the chair of the Ulster County Lodging Coalition. And I'm the Assistant General Manager at Rocking Horse Ranch.

CJ Hartwell-Kelly

I am speaking to you today on behalf of the Lodging Coalition, and we'd like to address the recent findings related to the hospitality spending and subsequent tax revenue. The 135page report prepared by Capital Market Advisors stated that an increase in the hotel motel occupancy tax to four to five percent would double the occupancy tax revenue to Ulster County.

CJ Hartwell-Kelly

Myself and my fellow Coalition members disagree. The county is reporting a decline of 30% through the third quarter and occupancy tax collection. Instead of generating more revenue for the county. This suggested action is actually a way to fill a budget shortfall directly related to the decimation of our industry due to COVID-19. Your occupancy revenues are down because government mandated closures forced our member properties to shutter their doors, some of them forever. Of course, this would cause a decline in your revenue streams. Instead of reinvesting in marketing the third largest industry in the county. It is proposed to overtax the hemorrhaging, yet integral piece of the county's economic stability.

CJ Hartwell-Kelly

Instead of support, we are faced with \$100,000 cut in the county's Tourism Department budget, the closure of the county's Visitor Center, and the cancellation of the County Travel Guide. Just today, our coalition became aware of the 2020 Proposed Local Law 16 which essentially deletes the Tourism Department from the county Charter.

CJ Hartwell-Kelly

And now you propose more than doubling the occupancy tax. Way to kick us while we're down. I have submitted for public record a detailed letter stating just a few of the many reasons why an occupancy tax increase is a bad idea in general. In fact, this is the second time, this calendar year, I am before this body sharing these facts. The main difference tonight is that this the last time we were here it was February and COVID-19 was just arriving.

CJ Hartwell-Kelly

We are nowhere near the end of this. The Coronavirus has changed the landscape of our industry in nine surreal months. Please do not continue to challenge us by making poor policy decisions for short sighted and short lived gain. I can assure you that if you raise the occupancy tax and go through with these cuts to tourism, marketing, the county's occupancy tax revenues will continue to drop, regardless of what the tax percentages. Thank you for your consideration and time.

Chairman Donaldson

Thank you.

Deputy Clerk Mahler

Next would Clark Richter's like to offer public comment.

Chairman Donaldson

Alrighty where are you Clark?

Deputy Clerk Mahler

Okay, well, then we can move on to Samantha Turk. Would you like to offer public comment this evening?

Samantha Turk

I'll wave my turn this evening.

Deputy Clerk Mahler

Okie dokey, then we have someone joining us named Robert.

Deputy Clerk Mahler

Robert, would you like to offer public comment this evening?

Chairman Donaldson

Robert, if you do, unmute yourself.

Deputy Clerk Mahler

Okay. We have a caller joining us from 917-733-6333.

Robert Pollock

Me again, hello.

Deputy Clerk Mahler

Hello.

Robert Pollock

Can you hear me?

Chairman Donaldson

We can hear you. identify yourself.

Robert Pollock

I'm Robert Pollock from Buttermilk Falls Inn. I join with the Turk family with what this saying also. And it's really unfair for all hospitalities to do this. To now for hospitalities, but to put in another burden on us. Okay, so, I agree with CJ and, and Steve and Shelley and Samantha, Andrew. And we're all together on this. Can anyone hear this?

Chairman Donaldson

Yeah, we hear you.

Robert Pollock

Good. Thank you.

Deputy Clerk Mahler

Okay, and then by my record, Mr. Chairman, I have a caller from 845-481-0032. And that should be your last caller.

Chairman Donaldson

Alrighty, unmute yourself and identify.

Deputy Clerk Mahler

Caller from 845-481-0032 if you'd like to unmute and offer public comment by hitting *6.

Clark Richters

This is Clark Richters. I feel like a cut off on my last transmission here. I was calling to support keeping funding for the Kingston library because they utilize it's an online educational tutoring program or classes. And I think that's really great, especially now the way we're doing things. We're doing almost everything thing, like electronically. So, the library has computers, I mean, once it... but it also provides Internet access. So, that's the most important thing. So, you can actually go over by the library, get

internet access. And I think the budget should really include public access in the future. Maybe we could talk about that later. But all right, thank you.

Chairman Donaldson

Thank you, Clark.

Deputy Clerk Mahler

Madam Chair, or Madam Clerk and Chairman Donaldson. I have no one else unless Ms. Doxsey would like to offer public comment.

Chairman Donaldson

Does anyone else wish to offer public comment?

Chairman Donaldson

If not, I want to make sure that also everybody understands there has not been, other than what the budget analyst gave us, there's been no real discussions on increasing any taxes at this point. They may be taken up at another point but there has been none what so ever other than that came from the budget analyst.

Chairman Donaldson

Also, we have our next public hearing is Thursday, at six o'clock. And right now, before we adjourn this Public Hearing, we have a finance Ways and Means Committee that will re-adjourn after we finish here. So, if anybody wishes to come on that and join that, please do. It is... well, that's right after this one.

Chairman Donaldson

So, anyway, we're going to... I'll entertain a motion to adjourn the Public Hearing.

Chairman Donaldson

So, moved, Mr. Chairman.

Chairman Donaldson

Alrighty, seconded by, seconded by...

Legislator Uchitelle

I'll second.

Chairman Donaldson

Okay, second, and all those in favor of an adjournment?

Legislative Members

Aye.

Chairman Donaldson

And Lynn... anybody that wants to go to Ways and Means, they have to go back to the original number that we used for Ways and Means.

Chairman Donaldson

Okay, thank you. Bye.