

Commissioners:

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TONY R. MUSSARE
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**Minutes of the Meeting of
May 2, 2017
Board Room, Executive Plaza
Pine Street, Williamsport**

Commissioner McKernan - Present
Commissioner Mussare - Present
Commissioner Mirabito - Present

Solicitor Smith - Present

1.0 OPERATIONS

1.1 CONVENE COMMISSIONERS MEETING. The meeting was convened at 10:00 a.m.

2.0 ACTION ITEMS

2.1 ENACT ORDINANCE 2017-01. A motion by Mr. Mussare and seconded by Mr. McKernan and passed (2-1; Mussare-yes, Mirabito-no, McKernan-yes), enacted ordinance 2017-01 increasing the hotel tax to 5%.

The following discussion occurred prior to the vote on the ordinance.

Mr. Mirabito made a motion to not address this ordinance as written due to the conflict of interest in having the McCormick Law firm preparing the ordinance and also advising the Chamber of Commerce. Additionally, he requests to seek outside counsel for this issue. The motion died for lack of second.

Mr. Mussare commented that the Board of Commissioners in 1972 designated the Chamber of Commerce as the Tourist Promotion Agency (TPA). He has concerns with not acting on this today, as it would be lost revenue. This ordinance is about an increase in the percentage of hotel tax, and not about who the TPA is.

Solicitor Smith commented that there is no conflict of interest. The initial opinion was given by McNerney Page Vanderlin and Hall law firm. It is clear and unambiguous and consistent

with statutory authority and the will of the majority of the Board of Commissioners.

Mr. Mirabito read information regarding the Visitor's Bureau board emails. He reiterated that he wished to seek outside counsel.

Solicitor Smith verbally reviewed the proposed ordinance and the detailed the major changes. He added that the full context is available to those who want it.

Mr. Mirabito asked for clarification on the name change for the TPA. He also asked for clarification on the administrative fee per Act 18 that reduces it to 4% from 10% per statute.

Mr. Mussare read a resolution from the Board of Commissioners that designated the Chamber of Commerce as TPA in 1972. He went on to explain that the Visitor's Bureau (VB) is a committee of the chamber, not a separate non-profit. He also talked about meetings with the members of the VB, and addressing nine issues.

Marc Shefsky, General Manager of the Genetti and member of the VB explained that nothing has been lost since those meetings, and the committee has actually grown.

Gabe Sinicropi, Jr. vice president of marketing and public relations for the Crosscutters and chairman of the VB, asked the commissioners for the hotel tax increase so the bureau could take advantage of increased revenue over the summer months. He went on to read a prepared statement (see attached).

Amy Brooks, chair of marketing committee explained that there are so many other organizations competing for tourists. She highlighted the area and explained that there is a need to represent this entire area. Timing is everything, and it would be detrimental to miss out on the biggest opportunity if the hotel tax increase is not acted on now. This revenue would be used to develop more reasons for people to come here.

Marc Shefsky gave his history with the Genetti and his service on the VB. Joe Fisher, former General Manager of the Genetti was the one who said that this area needs to be changed from a "stopover to a stayover." More rooms are available now than ever before. The increase to the hotel tax percentage is vitally important to the continued success of hotels in our area.

Mr. Mirabito asked questions that he attributed needed to be asked due to the fiduciary responsibility of his elected opinion. First he thanked all the volunteers and paid staff for their work. Then he asked how many tourists come to Lycoming County, and if the VB or Chamber tracks that number?

Jason Fink of the Chamber of Commerce explained that the state tracks the number, and it is greater than 400,000. He said they rely on the state for the numbers since they do not want to spend money to duplicate the effort.

Mr. Mirabito feels that the TPA needs to be able to measure its success. He asked what the "next big thing" is that the TPA wants to build. Mr. Mirabito discussed the trip that he and Commissioner McKernan took to the PA Wilds Annual Meeting and the lecture they heard by Ed McMahon, a planning expert, on how to develop tourism and a tourist industry. Mr. Mirabito noted that Mr. McMahon advised strongly against trying to draw tourists in by building "the next big thing". The reason this approach does not work is that fads change. Mr. Mirabito stated that Mr. McMahon emphasized capitalizing on our region's assets, such as the wild outdoors, nature, old town feel, Main Street, etc. Mr. McMahon noted that people travel to see something different, not to see what they can see at home.

Mr. Cinicropi gave examples including a sports facility.

Mr. Mirabito read an email regarding a softball facility at Elm Park and how it is not feasible to have here. He added that he is obligated to air these questions in front of the public. He went on to say that there needs to be more involvement from a more diverse group. He asked how many employees worked for the Visitor's Bureau.

Jason Fink replied that there are four part-time positions and two full time positions.

John Shireman of Jersey Shore asked why the VB only focuses on certain areas. He is also concerned with the legal conflicts. He said there needs to be a good solid plan as to how to proceed.

Dr. Ryan Adams of Williamsport made two points. One, this is NOT free money. There needs to be a responsibility to account for the impact. Two, the Chamber of Commerce has many fine qualities, but they are not neutral. The success needs to be for the county, not for the Chamber.

Ken Sarge of Williamsport Symphony Orchestra and High School said that there is more to the community than sports, and it should not be represented solely by sports. He went on to detail other assets in our county. He feels there is a need for accountability and feels that the vote should be postponed until there is accountability. At that point he would be in favor of the increase.

Joseph Truckevich of Cogan Station understands the concern for losing revenue. There is lost revenue every time a tax goes up. This tax increase does not affect only those who come into the area. It affects all working men in the county and state.

Elaine Delker of Cogan Station said that she feels that the Commissioners already know how they are going to vote when they come into a room.

Jewel LaBelle of South Williamsport works at JC Penny and commented on how we need help with things that are precious

and rare to us like the wildlife and the creeks. This is public money and needs to be accountable.

Joan Reagle of Williamsport said it seems like some already have their minds made up. She asked the Commissioners if they are members of the Chamber of Commerce (Mr. McKernan and Mr. Mussare replied yes, and Mr. Mirabito said no). She requested to postpone the vote.

Vicki Smedley of Jersey Shore said she has river frontage and that an overnight camping area along the river needs to be created instead of a sporting stadium. She said to focus on camping, water, and "God's Country" instead of traditional sports.

Jason Fink announced that the Billtown Brewfest will be held in July.

Vicki Smedley wants to know how raising taxes on hotel rooms will increase the number of sleeps? The prices here are too high. She said there is no accountability as to where the money is going.

Tom Praster of Jersey Shore commented that the Commissioners should see the relevance of being members of the Chamber or not. He said the County agenda needs to be promoted, not the Chambers or personal business.

Glenda Heyd, of Montoursville, and previous owner of the Twin Hill Motel, closed her business due to lack of business. Even when the chamber advertised there were no rooms to be had in the county, she had vacancies. She asked the Board to think about the constituents, and the working people. Those who cannot afford to golf. Those with small businesses are the people who will be hurt. She asked for accountability. She said there is a need for parks and swimming pools. The Chamber of Commerce does not represent the county.

Barbara Most of Trout Run asked why there is not a \$82,000 listed in the Visitors Bureau Magazine. She said this tax is on her friends and family, and that they will now go elsewhere. The publication she referred to is sub-par and non-chamber businesses are not represented. She is shocked that no request for proposal has been done for the TPA. Lastly she said that most people do not agree with Chamber of Commerce goals.

Judy Olinsky from the local arts council for Lycoming County asked for the arts to be integrated in any future endeavors. She said they are not the next "big thing" but they are a lot of "little things". Whoever administers the hotel tax monies, please contact her.

Mr. McKernan commented that the issues that Mr. Mirabito raises are not new. Since he (McKernan) was elected to office he has not seen anything that shows the VB is not being honest. He admits he is a chamber member, but he has been a community member his whole life. He assured the public if he sees

something wrong, he will address it. This is an economic opportunity for Lycoming County, and the region.

Mr. Mirabito says it is offensive to call the issues he raises his problem. Mr. Mirabito made a motion to not vote on the hotel tax ordinance today, and to request an RFP. The motion died for lack of a second.

Dillon Summers of Williamsport, a local business owner requests that an investigation be done as to where the money is going. He is not in agreement with raising the tax.

Mr. Mussare said that he respects a number of those present today. He has every confidence that the VB is ok as it operates currently. He agrees with the comments that critique the publication and the website. What he is hearing is that the people present do not have enough participation in what is happening. What he is not hearing is that any of the members attempted to participate. He asked the audience if anyone asked to participate. He admits he is hearing a lot of concerns. The parks and swimming pool issues are municipal issues. The Commissioners support the arts, and if the county funds something, it means they support it. A vote on the ordinance today does not mean that the TPA won't change. This ordinance is about the tax percentage. He asked for evidence not accusations. He stated that there are no lawsuits. He has trust in the TPA and feels they are accountable.

Mr. Mirabito commented on a conversation in 2016 with the TPA when he asked to see the salaries and where advertising money is spent. He did not receive any answers. He commented on the aggregate audit, and feels there is no transparency for this public money. The TPA is the only organization that refuses to answer these questions. "If you have nothing to hide, then you don't try and hide it."

Mr. McKernan recessed the Commissioners' Meeting at 11:55 a.m.

Mr. McKernan reconvened the Commissioners' Meeting at 1:32 p.m.

Mr. Mussare shared a picture where he was being an activist. He is a taxpayer and concerned citizen first, and stands up for what he truly believes in. He is then a county commissioner. In 2009 he was against a decision the Board of Commissioners was going to make (picture). He explained that he and his group were successful at changing their minds. The voices were heard.

Mr. Mussare explained that the current board has to make a decision. They cannot keep postponing items. He put six years into this. He understands what the audience is saying. He sits with you, whether or not he agrees with you. He still needs to make a decision. Thank you for attending.

Alison Hirsch commented that she does not have a problem with raising the tax, her problem is with the Chamber of Commerce being the TPA. She feels there should be an RFP requested. Mr. Mirabito said there is no pressing reason to raise this tax today. The Chamber of Commerce is asking for an increase in rate due to the decrease in revenues. Mr. Mirabito read an email from the owner of the Waterville Hotel requesting not to increase the tax. Mr. Mirabito agreed that there are two issues. He also stated that people want to see what is unique in our area. Mr. Mirabito made a motion to bifurcate and vote on two separate issues, one for increasing the tax, and one for putting together an RFP for selecting the TPA. The motion died for lack of second.

2.2 APPROVE CASH REQUIREMENTS REPORT. A motion by Mr. Mussare and seconded by Mr. Mirabito and passed (3-0), approved accounts payable cash requirement report through May 10, 2017, for payment on May 3, 2017, in the amount of \$1,655,765.61.

2.3 EVENING MEETINGS AND POSTING OF VOTING ITEMS. A motion by Mr. Mirabito and seconded by Mr. Mussare and passed (3-0), approved arranging for the first evening meeting to occur in June, and also to post important voting issues on the website a minimum of two weeks in advance.

This item was addressed after public comment was received.

6.0 COMMISSIONER COMMENT. The floor was opened to commissioner comment none were received.

7.0 PUBLIC COMMENT. The floor was opened to public comment and the following were received:
Joan Reagle requested one evening meeting a week for the public to better attend. These are needed to stop the secrecy.
Mr. Mussare explained that a previous Board of Commissioners did this and they were not well attended.
Mr. Mirabito said the purpose of the meetings is for the public to be informed.

8.0 NEXT REGULARLY SCHEDULED MEETING. Mr. McKernan announced the next regularly scheduled meeting to be held Thursday, May 9, 2017.

9.0 ADJOURN COMMISSIONERS' MEETING. The meeting was adjourned at 2:17 p.m.

Gabe Cinicropi's prepared statement:

Good morning. My name is Gabe Sinicropi. I am the current Chairman of the Lycoming County Visitors Bureau Operating Committee.

As you know, we are here today to ask for your vote to raise the Hotel Tax from the current 3% to 5% as allowed by Act 18.

I have been involved with the Visitor's Bureau off and on for 20 years, predating Vince Matteo and Jason Fink. I was involved PRE Hotel Tax and POST Hotel Tax. It's safe to say, we've come a long way. In the days before the Hotel Tax was enacted, the things we could do to promote our area were extremely limited by the amount of dollars at our disposal.

One of the saving graces at that time was the amount of money the state put into Tourism, upwards of \$40 million a year. Over the last 6 years, the state Tourism budget has dropped to around \$5 million. They might as well not have a budget. But they are saying, now it's up to us locally to invest in our own Tourism promotion

It's the same thing you, as commissioners, hear from the state everyday on many other things that they used to fund. They have pulled back the funding and want YOU to fund it on the local level.

So here we are post Hotel Tax. Since its inception in 2000, the Visitor's Bureau has operated a Grant Program setting aside 15% of the funding we receive and awarding it to non-profit events and attractions, to help attract visitors to our county. This year, we awarded \$82,000 to 14 groups in Lycoming County. To date that grant program has awarded over \$1.2 million dollars to local events and attractions.

Our county has many wonderful attractions, Little League Baseball, Millionaire's Row, the Hiawatha, great hiking and biking trails, museums, fishing and hunting opportunities, the Community Arts Center, and of course minor league baseball. These opportunities not only attract tourists but also provide great quality of life opportunities for those residing here.

Despite all of that, there is something missing. We want to change Lycoming County from a stop over destination to more of a stay over destination.

So that people who come here have enough to do so that more of them need to stay for a night or two, instead of driving in and then going back home to their own beds.

We want to put more heads in beds. When we do that, everybody wins. Not only hoteliers, but gas stations, restaurants, shops and more. Plus it creates more and more hotel tax revenue which drives the machine we call Tourism. The more people we can get to stay in our hotels the more money we have to promote our area and to grow and grow in numerous ways. Simply stated, tourism generates income and it generates jobs.

The natural gas business is starting to pick up, but it's no secret that when it went away, so did a great deal of the Hotel Tax revenue. In asking for this 2% raise in the Hotel Tax, we are trying to replace some of those monies so that we can explore and

possibly assist in funding a NEW attraction that moves us from a stop over to a stay over.

It's important to reiterate, that this tax is NOT a tax on local residents. It's a tax paid by those staying in our hotels, motels, B&B's etc. I think we all know the various taxes that we pay when we go away on a vacation or on a business trip. When the state raised the threshold to 5%, why wouldn't we try to get our fair share for our county. Just as over 60% of Pennsylvania counties have already done

The ability of any area to benefit from tourism depends on the availability of monies to develop the necessary infrastructure and attractions and on its ability to supply the needs of tourists

These new monies are not earmarked for more local grants or to increase promotion of our area through advertising. These monies will give us the breathing room financially to perform our due diligence in hopes of advancing a NEW project. Of course if we have a new development, we just may need to use some money to increase awareness

We have a great committee, most of whom are here today, and ALL of whom are committed to continuing to work together to grow tourism in Lycoming County. Something we are very proud of is the Drum Corps Associates World Championships that will be coming to Williamsport and Lycoming County in 2018 and 2019. This event will fill every hotel room in our county over Labor Day Weekend. This event has been held in Rochester, NY for many years, but through the hard work of Jason Fink and our Committee, it's coming here. We will put our best foot forward in hopes that we can secure that event not only for 2018 and 19 but for many years to come.

THAT'S what the Visitor's Bureau does.

We have always viewed this as a partnership with the county and with you, the commissioners. And I think that in our meetings on this topic we have proved just that. This IS a partnership to help grow tourism in Lycoming County.

As the Chairman of the Lycoming County Visitor's Bureau Operating Committee, I pledge that these monies will be put to good use now and in the future.

We welcome and look forward to the challenge of increasing tourism in Lycoming County.

Thank you.