



Agenda DATE 6/18/14 TIME 1:53

BY Cindi Catanzano

BY

OCCUPANCY TAX ADVISORY BOARD

JUNE 26, 2014

CITY HALL COUNCIL CHAMBERS

8:30 A.M.

8:30 a.m.

Regular Meeting

I. Procedures:

- a. Call to Order
- b. Approval of Agenda
- c. Approval of Minutes May 29, 2014

8:35 a.m.

II. Lodgers Tax Update –

- a. Lodger's Tax update - David Tapia

8:45 a.m.

III. Follow-up - Dime a Drink Local Musicians Healthcare – Randy Randall

IV. CVB Activity Reports:

- a. Executive Director & Sales Reporting - Randy Randall
- b. Marketing Report - Cynthia Delgado
- c. Sales Report – David Carr

9:15 a.m.

V. Meeting Schedule:

The next regularly scheduled meeting will be held on August 28, 2014 at 8:30 a.m. in the City Hall Council Chambers

9:15 a.m.

VI. Adjournment

Persons with disabilities in need of accommodations, contact the City Clerk's office at 955-6520, five (5) working days prior to meeting date.

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CITY OF SANTA FE
Occupancy Tax Advisory Board
June 26, 2014

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MINUTES OF THE
CITY OF SANTA FÉ
OCCUPANCY TAX ADVISORY BOARD

June 26, 2014
8:30 a.m.

I. PROCEDURES

a. CALL TO ORDER

A regular meeting of the City of Occupancy Tax Advisory Board was called to order by Chair Miguel Castillo on this date at approximately 8:30 a.m. in City Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fé, New Mexico.

ROLL CALL

Roll call indicated the presence of a quorum as follows:

Members Present:

Miguel Castillo, Chair
Mary Bonney
Jon Hendry
Paul Margetson
Terrell White

Members Absent:

None

Staff Present:

Randy Randall, Executive Director
Cynthia Delgado, Director of Marketing
David Carr, Sales Director
Cyndi Catanach, Staff

Others Present:

David Tapia
Simon Brackley

b. APPROVAL OF AGENDA

Mr. White moved to approve the agenda as presented. Ms. Bonney seconded the motion and it passed by unanimous voice vote.

c. APPROVAL OF MINUTES - May 29, 2014

Mr. White moved to approve the minutes of May 29, 2014 as presented. Ms. Bonney seconded the motion and it passed by unanimous voice vote.

II. LODGERS TAX UPDATE - David Tapia

Mr. Tapia gave the report on Cash for May and Occupancy for April. We are over .42% now. Cash flow for year was just under \$500,000 and hopefully the City brought in more in the last couple of days. He was expecting to reach \$8 million by year end. He clarified that it was a flat ratio.

There were no questions on his report.

Ms. Bonney liked the change in format.

Mr. Hendry arrived at this time.

III. FOLLOW-UP - Dime a Drink Local Musicians Healthcare - Randy Randall

Mr. Randall reported that City Legal staff were researching whether we can tax where the State hasn't authorized such a tax. For the concept, they need a justification that would set this group (local musicians) as separated from the rest of the population such as low wage hotel workers. If OTAB said all indigent qualified, it would be okay, but as stated, it was discriminatory.

Mr. Margetson arrived at this time.

Mr. Randall said the question was whether OTAB could do this without state legislation and whether ACA took care of that need.

Mr. Hendry said the dime a drink would only be on live music license and not a dime on every drink sold in the City and that was the justification for it. Obamacare could take care of some of it. Austin has it with \$1 per head at the door.

Ms. Bonney thought it probably should not be called a tax.

Mr. Hendry said the problem with ACA was that when you are indigent, it doesn't cover the rest of your class (trying to promote musicians).

Mr. Randall said the establishments could do it voluntarily but if required to, it would be a tax.

They could have a cover charge and were free to charge what they wanted to charge. And they could take it out a dime a drink.

Chair Castillo said they had to have a BMI license. Austin was music and attracted a better quality of musician.

Mr. White asked if it would be possible to survey the venues in Santa Fé.

Mr. Hendry recalled the last time when they had 200-300 musicians show up and had to go to the convention center. He noted that AAA Magazine talked about Taos Tune Time. There is significant opportunity here to promote through musicians and getting better musicians. We could visit with the Music Alliance. We promised something.

Chair Castillo said OTAB did promise they would do this. The Santa Fé Music Alliance met with us a year and a half ago.

Mr. Randall encouraged the Board to do what they wanted to with that. He thought they should be a participant but not lead the charge. And he didn't want to do anything without a full commitment. He also noted they had over \$100,000 budgeted to pay police officers overtime. They had to justify that.

Mr. Hendry asked if there was a budget transfer for police overtime.

Mr. Randall explained that it is done when they split lodgers' tax funds.

Mr. Margetson said the Star Report indicated revenues were up 6-7% and Mr. Tapia said up 0.4%.

Mr. Randall said that was last year. Over \$100,000 has not been paid. It is only recorded when received. And not all hotels reported.

IV. CVB ACTIVITY REPORTS

a. Executive Director - Randy Randall

Mr. Randall noted that the Board had the Rocky Mountain report and Smith Travel in the packet.

Zozobra was to be receiving \$25,000 from OTAB. He spoke with the Chair of Zozobra and they accepted the fact they would not be paid the \$25,000 not awarded to Zozobra. The Board could consider the other applications or carry over the \$25,000 in the CVB fund balance. It could be used for any designated marketing function either through others or our own resources or just added to this year's marketing balance.

He was recommending that the Board do less grants and spread help to all efforts in marketing. We could take on additional marketing efforts as opposed to focusing on one or two organizations - either into reserves or added to the marketing program.

Chair Castillo agreed. If they rolled it over it would just disappear.

Mr. Randall said it really didn't disappear but the previous Director might not have known how to access it. He thought it was healthy to have a fund balance of \$5-600,000.

Mr. Margetson recalled they had made a three-year commitment to some of these organizations but he agreed with Mr. Randall's proposal.

Mr. Hendry said Mr. Randall handled the day to day very well. They once just sat here and had discussions and the Council approved the plan. But policy changes needed to be discussed. We determined there were soft period of the year. We have to see what is here. Folk Art doesn't come for help any longer. We committed to half marathon and biking event and that was good. He didn't think the Board's job was to decide how the Director should spend it. But he did favor a commitment to specific events.

Mr. Margetson pointed out there were three more days in the fiscal year and asked that they discuss this money.

Mr. Randall suggested putting it into the marketing fund. He just met with the agency. This \$25,000 would be half of the \$50,000 to increase new areas in marketing with smart phones and mobile advertising. Putting \$25,000 for Zozobra would waste that money.

Mr. Margetson moved to support Mr. Randall's proposal. Ms. Bonney seconded the motion and it passed by unanimous voice vote.

Mr. Randall continued with his written report. He met with sales managers last week. There are over 2,000 pages in the web site. It is very complex. We will try to simply and unclutter it a little bit.

Monday he will have a 4-hour meeting with Monique to talk about being a bigger piece of the state's work and they will determine how to integrate the state and city efforts.

He reported getting two interns - one in marketing and one in the Visitor's Center so it won't have to be closed for lunch. It will be open 7 days a week at the Railyard and 6 days a week at the Convention Center.

He is now reviewing all facility fees to lower fees for locals. Currently they get a 20% discount. It will be a resolution and would include any or all of the Board in the pricing model exercise.

Mr. Margetson noted that the Plaza has two sites closing.

Mr. Said the visitor's center would move into the Gallery area to be more publicly visible. It would be about 2,200 square feet there and 500 sq. ft. for the Visitors' Center.

Mr. Hendry advocated returning to the alcohol license at the Convention Center. Sweeney Center made money on in-house caterers and the liquor license. He felt the gallery should have a bar with local beers and wines. He also believed that competition should be allowed.

Mr. Randall said they did allow competition and he was looking at the license in coordination with the

food license.

b. Marketing Report - Cynthia Delgado

Mr. Margetson pointed out that her report was 20 pages and it had great stuff.

Ms. Delgado said it wasn't just her work but of the whole community. We support the best burrito contest and had seven winners. We completed our first FAM of the year. Half of the funding for FAMs is through LTAB. We had writers come in and did a theme about art experience. The art in museums, in the city, in hotels. It went well.

We also had English travel operators here one night and that went well. Santa Fé was added to their itinerary.

In the State Slogan Contest Santa Fe came in 5th.

Virgin Galactic held a free customer training for 2015 space travel. They have certain expectations of their high end customers. It was held at La Fonda.

Marketing Contract has been finalized with TKO and Studio X for the website. They were in the last stages of the RFP for PR. Steve Lewis was not bidding. We got 15 proposals and one was rescinded. The evaluation committee is included in the packet. Two proposals were locals and one was in Albuquerque.

She thanked Mr. Hendry for bringing Frank to her attention.

The marketing group was successful at the Governor's Conference. Santa Fe got an award for best new event, honorable mention on the web site and social media.

The numbers were growing on social media. She put out a weekly blog to have businesses share.

Ms. Delgado said they were seeing PR responses tying social media into outreach. Reading the proposals was quite an experience.

Mr. White said CNN is meeting with his family for an article on a family-owned business for 40 years.

Ms. Delgado said, "Let's talk."

c. Sales Report - David Carr

Mr. Carr said he was working on a multitude of projects now. And working to get our team working through the computer system and making sure all input were done correctly. Some fields were incorrectly used.

He was also working on territories with goals out and a sales plan by July 2 and next month he should

have a big report for the Board.

The FAM for July will have 14 coming and a large trade show, SASE in Nashville. Several hotels have come forward and 2,500 emails went out to attendees. The biggest challenge is to have all team members inputting accurately.

Mr. Randall said they hired another sales person. It wasn't approved yet but he was meeting with the Finance Director this morning to get it done.

He said we can market ourselves to death but we have to convert it into sales. He applauded Mr. Carr's strategy. We just need to have one more sales person now and one more within a year.

Ms. Bonney asked what the Convention Center schedule was looking like.

Mr. Randall said it was difficult to find room for big events between now and next summer. It is a busy facility. There are 14 events in the next 45 days.

Ms. Bonney asked if the Board could get a list of conferences coming. Business owners could use that information.

Mr. Randall agreed and said that was part of the clean-up Mr. Carr was doing.

Mr. White thought that schedule should also be in Pasatiempo because there has not been any sense for much of what was going on there at the Convention Center.

Mr. Carr said this Saturday was a great event that few knew about. But he agreed to do more to let everyone know.

Mr. Randall said they would have that done before the next meeting.

Mr. Margetson had a recommendation. The transition team had a survey of surveys (hand out). In 2010 Facebook and Twitter were not important but now they are. 40+% of people coming here are from family and friends. He briefly described it and said it was just food for thought.

Mr. White said the Cerrillos Road medians look horrible. It needs to be addressed. Look at them in Albuquerque - they look sharp.

Ms. Delgado said social media is that platform where family and friends connect. It is a driver that we point out together.

Mr. Hendry said Santa Fe should have 80,000 friends as the Facebook goal. Every person in this town should be a friend of the City. We only have 3,000 friends who are local.

Mr. Margetson said it is also the attitude they get while they are here. Santa Fé Beautiful is not working and needs to clean up the place.

Ms. Delgado agreed.

Mr. White said they adopted a median 2 years and his people did the volunteer work. Then they had to have a million dollar policy and decided not to do it any longer.

Mr. Hendry said Main Street funds from the feds could be used but had not been requested. Senator Heinrich would get them for us.

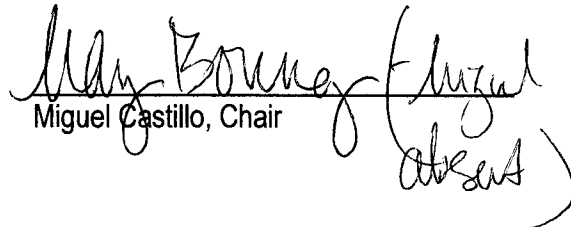
V. MEETING SCHEDULE

The next regularly scheduled meeting will be held on August 28, 2014 at 8:30 a.m. at City Hall in Council Chambers.

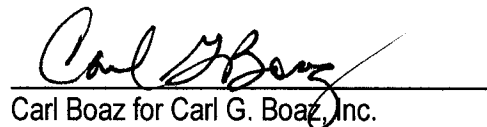
VI. ADJOURNMENT

The meeting was adjourned at 9:30 a.m.

Approved by:


Miguel Castillo, Chair

Submitted by:


Carl Boaz for Carl G. Boaz, Inc.