



Agenda

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OCCUPANCY TAX ADVISORY BOARD

April 24, 2014

8:30 A.M.

CITY COUNCIL CHAMBERS

CITY HALL

8:30 a.m.

Regular Meeting

I. Procedures:

- a. Call to Order
- b. Approval of Agenda
- c. Approval of Minutes: February 27, 2014

8:35 a.m.

II. Lodgers Tax Update – David Tapia

- a. FYTD and March 2014

8:55 a.m.

III. CVB Activity Reports:

- a. Executive Director & Sales Reporting--Jim Luttjohann
- b. Marketing Report--Cynthia Delgado
- c. Financial Report-- Antoinette Armijo

9:45 a.m.

IV. Meeting Schedule:

The next regularly scheduled meeting will be held on May 29, 2014 at 8:30 a.m. in Santa Fe City Hall, Council Chambers

10:00 a.m.

V. 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
April 24, 2014

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MINUTES OF THE
CITY OF SANTA FÉ
OCCUPANCY TAX ADVISORY BOARD

April 24, 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:

Staff Present:

Randy Randall, CVB Executive Director
Cynthia Delgado, CVB Director of Marketing
Antoinette Armijo, CVB Financial Analyst
Cyndi Catanach, CVB Staff

Others:

David Tapia
Simon Brackley

b. APPROVAL OF AGENDA

Ms. Bonney moved to approve the agenda as presented. Mr. White seconded the motion and it

passed by unanimous voice vote.

c. APPROVAL OF MINUTES - April 3, 2014

Ms. Bonney moved to approve the minutes of April 3, 2014 as presented. Mr. Hendry seconded the motion and it passed by unanimous voice vote.

II. LODGERS TAX UPDATE - David Tapia

a. FYTD and March 2014

Mr. Tapia provided a written report. He ran a report for January as well as February and clarified how they transferred those funds giving examples. 2% went for garage debt service. 1% went to the Arts Commission and graffiti removal. The other 3% was split in half for marketing and advertising and a small portion to General Fund. Special uses to justify that included police, sanitation, transportation and funding grants from groups coming to OTAB. The subsequent pages were distinguished by the ordinance and how it was broken out. There were 8 or 9 sections of the state statute pertaining to Lodgers Tax.

Mr. Margetson asked how much went into the General Fund. He thought the mayor said part of it going to the General Fund would be stopped. He asked if some was going to bus services.

Mr. Tapia said he would get those figures.

Mr. Margetson asked if some was still going to River Walk.

Mr. Tapia said not anymore. It went to Water Tax.

Mr. Margetson asked if Mr. Tapia could show what went to General Fund.

Mr. Tapia said it was \$35,000. He believed the mayor was talking about the funding to bus services. Santa Fé didn't offer a lot of transportation related to tourists. If they could get transportation to the ski lodge, that would be part of it.

Mr. Margetson wanted to find out more about that.

Mr. Tapia agreed to send the information to Ms. Catanach and then they could have discussion on it.

Chair Castillo asked if the money for special uses could be broken out too.

Mr. Tapia agreed. That paid for police overtime but he didn't see the complete breakdown but Mr. Tapia might provide the breakdown on it. It could be marketing contracts but he only saw the bulk numbers.

Mr. Tapia said the cash wasn't as bad as he thought on expenses. There were small minimal gains. And it looked like it was all due to revenue per room because occupancy was not high. People were paying a little bit more for the room.

Mr. Margetson thought was it up 14%.

Mr. Tapia said it was down year to date by .4% but was up 14% just for February.

Mr. Margetson said they had an expo from Smith Travel. Occupancy projections were not for an increase but flat.

Mr. Tapia said they set the budget for \$7.5 million and then shot for \$8 million. He was confident they would meet that.

Ms. Bonney asked if there were any late payments.

Mr. Tapia said there was one that fluctuated and now was behind a month. It would be about \$30,000.

Mr. White asked if a fine was imposed on late payments

Mr. Tapia agreed although sometimes they were lenient on the late payment but involving Legal staff meant a penalty.

Mr. Hendry recalled the Board talked about Rocky Mountain statistics last time.

Ms. Delgado said the reason it was not available was about the agreement with those providers.

Mr. Hendry said that was nonsense. You could talk to the City Attorney.

Mr. Randall said it would be included next month.

Mr. Hendry said they could not say they wouldn't share it with us.

III. CVB ACTIVITY REPORTS:

a. Executive Director & Sales Reporting – Randy Randall

Mr. Randall said this was his fourth day on the job. He hoped the breakdown was a little helpful to the Board. Until Monday he was chair of the Audit Committee and looking at it. He would work with Marcos to get a better understanding of where that special use money was going and make sure the use was spent as efficiently as possible.

The budget had already been submitted and he hadn't looked at those.

Ms. Armijo said she would present the budget requests.

Mr. Randall said his understanding with the Mayor and City Manager was that it was ridiculous to try for any modifications but they would work with him to make changes that were necessary.

He said there were a lot of good people in CVB and needed them to help with policy reviews. He hadn't found a policy manual for CVB and they were a little bit ad hoc. An early mission would be to pull them together and make sure they made the most sense for our mission.

He knew there was a need to balance community use of the facility but if they didn't get tourists here, the community wouldn't get to use it. If we restrict how far out we allow groups to book, his concept would be to remove those restrictions. The bird in the hand was sometimes worth more. Until reservations drove other business away, they wouldn't restrict that. So they would be more responsive.

Policies probably wouldn't be changed until a Sales Director was hired. Resumes were due last Friday and they only had 7 candidates so he re-opened it on Saturday. He was not saying the seven were not good resumes but they got 65 for Ms. Delgado's job opening. He understood the job description was good.

Mr. Hendry thought it was a real opportunity with the new mayor and new CVB Director. He was glad it would be reopened. They needed to look at who was doing well and who was not around the country in cities of the same size. He was happy Mr. Randall was here and he thought they could do some great things. Maybe they needed to start all over again. He had been here for ten years and just heard that everything was flat. Rhode Island changed totally to do event marketing and did phenomenally well. We've been doing the same old thing they did before. Be bold. He thought Mayor Gonzales would back him up. They needed more bones to fight over. They were building up reserves in the Water Department. They could find a million more dollars there to help market more.

Mr. Randall said they had to start with some nibbling. They couldn't just stop. They would look for bold new ideas.

There were 3 components: operating the facility; marketing; and the other was selling. The sales component didn't exist in state tourism. If they didn't sell properly, they wouldn't deliver. And we've been without any sales director since January. It was a good job description and the one they needed. The sales team were the fielders to catch the benefits of successful marketing. They needed more marketing money but they still needed a sales program. The most broken part was the sales program. And they might need to go to a head hunter. He needed that position filled so he could go to those bold ideas.

Mr. Hendry said they were in danger of losing more sales.

Mr. Randall asked them to give him more than four days.

Mr. Hendry said maybe they needed a new Board. He hoped this administration wouldn't do the same old thing.

Mr. White agreed but added that at the same time they were losing valuable time.

Ms. Bonney asked where it was posted.

Mr. Randall said he didn't know that yet. He was told it was extensive and expensive but he didn't know what that meant. The mayor had created a task force and tourism was part of its focus - CVB and Railyard and other areas. There were four review components - marketing, sales, conference services and operations. Hopefully that Task Force would take the challenge to heart too.

He saw it as a great opportunity to refocus and look at what they had done and justify what they would do. He was a strong believer that they couldn't continue doing the same old thing.

Mr. White asked if he had any idea how to bring back business that was lost to Buffalo Thunder.

Mr. Randall said they couldn't pretend it wasn't there. They were full every weekend and that was great news because the City could take on the business they could not take. He'd much rather have them at Buffalo Thunder than out in Tucson. They go there because it was near Santa Fé and there was a need to collaborate and work with them. He didn't yet have a handle on why they lost it.

Mr. White noted that many of our nonprofits to do fund raising up there. And they want local businesses to support it. The City needed to tell them to come back here and they would be supported.

Mr. Randall said it was a balancing act. He hoped this was one of the areas the Task Force would take a good look at. He could use all the help he could get.

Mr. Margetson said the County Tax Board didn't collaborate well with OTAB. They needed to break down that barrier and maybe merge those funds.

Mr. Randall said that was on his list. They didn't really have the same organization as CVB but he agreed 100%. If it was combined with our efforts, the money would be spent better.

b. Marketing Report – Cynthia Delgado

Ms. Delgado reported on March 2014. They held the south side coalition meeting to focus on affordable small meetings to the south side area. Only two properties showed up for the meeting. They talked about small affordable meetings in their properties and tour bus service to get them where they had parking. One said they had no budget to attend conferences. The CVB currently hadn't gone to CBA or ADA in last 3 years.

Tourism was sponsoring a country western event. They wanted locations from all over the state. At the time there was not an interest so she put together a sweepstakes page. CVB had been involved since the beginning on Bikes and Brew. It leveraged the biking community and had the already proven Century Bike ride on that Sunday.

Once again Santa Fé was on the band wagon top ten but were not in the top five.

Tourism Day was scheduled for May 1 with a networking and educational event about the value of tourism. They had NAST in town for this event with about 250 in attendance.

There was an opportunity to invite FAM writers/ tours to Santa Fé.

April 30 at City Council they would do a proclamation. She invited the OTAB to come to Council and also to the opening of the event.

Five vendors bid on the RFP and the committee evaluated them last week and now were down to three who would present on the morning of May 5th. The evaluation scores were tight with 3 at top and the rest at the bottom: Simpleview, Parmore and StudioX were top.

The Destination Marketing Work Group met on April 2 to discuss how to market and also about meeting sales.

For Social Media Updates, they reached 25,000 likes on Facebook and some significant posts. They had 20,000 on blog views. She listed the four blogs for March. The most popular was "No place like spring in Santa Fé."

The Trip Advisor continues to be a driver. It was expensive to own the page but over 6% of travelers check it. They now land on the specials page to lead them to actually buy. They double down on the hotels to make sure they had specials on there. At santafe.org/specials people stay on longer.

Mr. Margetson asked how it worked.

Ms. Delgado said it was a destination page that someone had to buy and CVB bought it and put a special promotions button on it. They changed the button to go to specials 45 days ago. It cost about \$30,000 annually.

Ms. Delgado listed where they were advertising in print this spring. She also highlighted the coop advertising that dealt with the marriage equality campaign for honeymoons (sweepstakes).

Tune In to Santa Fé continued to grow and she hoped for a million hits by year end and 20% increase to the web site. Business links to our site were a wonderful opportunity. SantaFe.org was comprehensive.

There were four Press Releases in March: Bike & Brew; Santa Fé Art Trifecta; March Santa Fé Outdoors; March Santa Fé Weddings.

Ms. Bonney asked if she had more luck with videos. Ms. Delgado agreed.

Mr. Margetson asked about top Historic Cities.

Ms. Delgado said they were getting their butt kicked by Arlington and Charleston. Some people say Santa Fé had won too many of them and were being blocked out.

Mr. Randall asked if the Chamber had done something on it.

Mr. Brackley said he would check on that.

Mr. Margetson said he was on the tourism task force and went to San Antonio. Their fiesta went on for about 3 weeks. He thought that model had merit.

Chair Castillo said even Las Vegas New Mexico had a week-long fiesta.

Mr. Margetson said they would need lots of volunteers for it.

c. Finance Report – Antoinette Armijo

Ms. Armijo said she had a budget meeting already with the Finance Manager. Finance wanted a flat budget and ours was not flat. There were expansion forms they requested from us. She said they were requesting further equipment in the building for better Wi-Fi capacity.

Mr. Randall said it was \$1,700 per month increase over what they were paying.

Mr. Margetson asked if this showed the \$600,000 in increases.

Ms. Catanach explained they put all contracts in the contracts line and this year they wanted things differently. They only one they wanted in professional contracts was the Service Contract. She said \$70,000 was for Fiestas, Rodeo was \$50,000 and \$20,000 was by resolution of Council.

Mr. Margetson asked about the service contracts and other consulting.

Ms. Catanach said they were all little contracts and she would provide a list. The other consulting was part of the \$416,000 and she could provide a list. She didn't have the breakdown with her.

Ms. Bonney asked what the PR contract was.

Ms. Catanach said it was for the PR firm that worked under Ms. Delgado.

Ms. Delgado explained that Steve notified her that he wouldn't be bidding on the contract this year. He would still be a positive influence in Santa Fé.

The Board asked a few other questions on items in the budget.

Mr. Randall said for the tourism money, they would have to commit to New Mexico or else it wouldn't be available. He wasn't sure who had made the decision not to. He might be able to put the application together in time to get help with in-state advertising. The maximum was \$50,000 and could be match in a separate campaign. It would open opportunity to experiment and see if there was anything

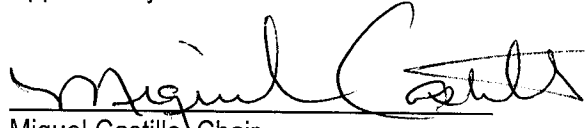
there. They might be able to look at it.

IV. MEETING SCHEDULE: - Next Meeting: May 29, 2014

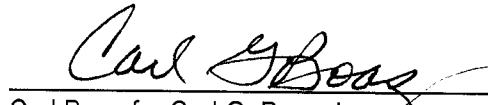
V. ADJOURNMENT

The meeting was adjourned at 10:00 a.m.

Approved by:


Miguel Castillo, Chair

Submitted by:


Carl Boaz for Carl G. Boaz, Inc.