



# Agenda

CITY CLERK'S OFFICE

DATE 2/19/14 TIME 11:19a

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OCCUPANCY TAX ADVISORY BOARD  
FEBRUARY 27, 2014  
SANTA FE COMMUNITY CONVENTION CENTER  
CORONADO ROOM  
8:30 AM

8:30 a.m.

Regular Meeting

I. Procedures:

- a. Call to Order
- b. Approval of Agenda
- c. Approval of Minutes: November 21, 2013

8:35 a.m.

II. Lodgers Tax Update –

- a. Lodger's Tax update - David Tapia

8:45 a.m.

III. Final Report:

- a. Santa Fe Independent Film Festival – Jacques Paisner

9:00 a.m.

IV. CVB Activity Reports:

- a. Jim Luttjohann – SFCVB Executive Director
- b. Cynthia Delgado – SFCVB Marketing
- c. Stephen Trujillo—SFCCC Operations Manager

9:30 a.m.

V. Annual Film Report – SFCVB Executive Director

9:45 a.m.

VI. Meeting Schedule:

The next regularly scheduled meeting will be held on January March 27, 2014 at 8:30 a.m. in the City Hall Council Chambers

10:00 a.m.

VII. 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.**

**OCCUPANCY TAX ADVISORY BOARD  
SUMMARY INDEX  
February 27, 2014**

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c. Approval of Minutes: November 21, 2013	Approved as submitted	2
2. LODGERS TAX UPDATE	Reported by David Tapia	2-4
3. Final Report -		
a. Santa Fé Independent Film Festival	Reported by Mr. Paisner	6
4. CVB ACTIVITY REPORTS		
a. Executive Director's Report	Reported by Jim Luttjohann	4-5
b. Marketing Report	Reported by Cynthia Delgado	7-8
c. Operations Report	Reported by Stephen Trujillo	6-7
5. Meeting Schedule	Next Meeting - March 27, 2014	8
6. ADJOURNMENT	Adjourned at 10:43 a.m.	8

**MINUTES OF THE  
CITY OF SANTA FÉ  
OCCUPANCY TAX ADVISORY BOARD  
February 27, 2014**

**I. PROCEDURES**

**A. CALL TO ORDER**

A regular meeting of the Occupancy Tax Advisory Board was called to order on October 31, 2013, at approximately 8:38 a.m. by Miguel Castillo, Chair in the Coronado Room, SFCCC, Santa Fé, New Mexico.

Roll indicated the presence of a quorum for conducting official business as follows:

**MEMBERS PRESENT:**

Miguel Castillo, Chair  
Mary Bonney  
Jon Hendry  
Paul Margetson [arriving later]  
Terrell White

**MEMBERS ABSENT:**

**STAFF PRESENT:**

Jim Luttjohann, Executive Director, CVB  
Cynthia Delgado, Marketing Director, CVB  
Stephen Trujillo, Operations Manager, SFCCC

**OTHERS PRESENT:**

Carl Boaz, Stenographer  
David Tapia, Finance Office  
Jacques Paisner, Santa Fe Independent Film Festival

**NOTE: All items in the Committee packets for all agenda items are incorporated herewith by reference. The original Committee packet is on file at the City Clerk's Office.**

**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: November 21, 2013**

**Ms. Bonney moved to approve the minutes of November 21, 2013 as presented. Mr. White**

**seconded the motion and it passed by unanimous voice vote.**

## **II. LODGER'S TAX UPDATE - David Tapia**

Mr. Tapia presented the Lodger's Tax Update with cash for January and occupancy for December. He reported that the City transferred to a new system and it was not as friendly as they had hoped so it delayed things. The City had a large December and it leveled out in January because they had troubles with posting. A lot of employees were taking vacation time and things got backed up.

Overall revenues were down 1.35% on the \$8 million budget. The occupancy report for Rocky Mountain showed a higher occupancy rate last year. We've had a lot of exemptions for long term rents and will see that with the legislative session where they don't pay lodger's taxes.

He hoped to stay at that same level with February. Because of the lack of snow we don't know what impact that will have but will probably stay flat with little to no gain.

Mr. White noted that several properties on Cerrillos Road went to monthly and weekly sales.

Mr. Tapia added that a lot of ownership transfers had happened recently. The Travelodge became Econolodge 2 and there were about 4-5 buyouts but they did report.

Ms. Delgado asked if it was one owner buying out all of them.

Mr. Tapia said it was not and they were major players.

Mr. Margetson arrived at this time.

Ms. Delgado asked Mr. Tapia for a list of them. She was working with Cerrillos Road properties and would like to know the owners so she could see them.

Mr. Tapia agreed to provide the list.

Ms. Bonney asked about Drury.

Mr. White said they had 180 rooms. It wouldn't be a big volume unless they were high end.

Chair Castillo noted that Drury had property in San Antonio and some other places.

Ms. Delgado said it was competitive downtown Drury was a destination property. She described their amenities.

Mr. Hendry didn't know if a chain hotel in downtown Santa Fé would add to the market but he had no issues with it.

Ms. Delgado pointed out that they also had a Hilton. Chains have a certain loyalty aspect and hoped that would happen with Drury. They might have their own muscle to bring business. Drury would have an impact on ADR and occupancy. Downtown had 1,500 rooms.

Mr. Hendry said this was a chance to look at how Santa Fe markets. The average age has gone up and we're pushing a new brand. The referral and return rate has gone down.

Ms. Delgado said that was true in the State but the City's was holding steady. The extra money was going into branding. She got feedback that the extra money should be given to the regions.

Mr. Margetson asked Mr. Tapia not to put in the letter to lodgers that they had not paid their taxes. That was inappropriate to accuse them of not paying taxes. It was not always accurate and was very rude and he was upset with it at the time he received the letter because he was current.

Mr. Tapia said the City sent out about 8 letters and he had to send one if they get audited and it shows he had not sent the letter.

Mr. Margetson explained that it should say, "We cannot trace your payment" instead of this nasty one. In his case, he had paid everything on time.

Mr. Tapia said, "We want to have it be a shock to them."

Mr. Margetson said, "You cannot say I have not paid it because I have." There is a better way to communicate with them.

Mr. Margetson gave Mr. Tapia his reply in writing.

Mr. Tapia said he made phone calls last year and would get a reply that they didn't have any money and he pointed out to them it was not their money because they collected it for the City.

Mr. Margetson advised him to give them 15 days to respond first and then send the nasty letter.

Mr. Tapia agreed to do that.

Mr. White said if the postmark of the payment was on the 25<sup>th</sup> and that fell on a Saturday, he understood the following Monday would still be on time. Mr. Tapia agreed.

Mr. White said the auditor didn't think so.

Mr. Tapia said he had been lenient to allow the 26 or 27<sup>th</sup> instead of imposing a fine.

Mr. Margetson said he just got audited for 2010 and 2011. He had to spend an hour finding stuff from four years ago. With Las Palomas they screwed up \$14.

Mr. Tapia said the City now had an internal auditor hired and she realized audits had not been done so

she was catching it up and she should be caught up now. He had no authority over who would get audited; he just followed the instruction of the auditor.

Mr. Hendry noted this could be his last OTAB meeting so just wanted to say thank you to Mr. Tapia. It had been enlightening.

Mr. Margetson thanked Mr. Tapia also.

### **III. FINAL REPORT**

#### **a. Santa Fé Independent Film Festival - Jacques Paisner**

Mr. Paisner was not present to give this report. [He arrived later and gave the report below.]

### **IV. CVB ACTIVITY REPORTS**

#### **A. Executive Director's Report – Jim Luttjohann**

Mr. Luttjohann said his report was in the board packet and he shared highlights.

- The budget was due next week.
- The Global Trade Initiative was trying to focus north and south on them.
- Application deadline was February 14 and CVB got seven applications for grants. Panelists were listed.
- The City sponsored fee waivers and the memo was in the packet. That was just presented to Council. It was one per councilor per year. They had a number of parties who had never had fees waived before. All but one councilor has used their exemption waiver already. It was subject to availability and some could not be honored.

Mr. Margetson pointed out that this was a double-dip year when councilors get replaced.

Mr. Hendry said it should have a scoring system and encourage councilors by giving bonus days.

Mr. Paisner arrived.

Mr. Hendry thought that aside from a two-week maintenance exception, this Convention Center place should always be busy.

Mr. Luttjohann said he did share available days with the City and others but there were nonprofits who had date-specific fund raising events and sometimes, a date is a date.

Mr. Margetson put on record his point that Santa Fe had 4,000 rooms in town at about a 65% occupancy and putting a dollar on each of them would raise about a million dollars for security, etc for convention center. Las Cruces has a convention center fee. He would like for Santa Fe to do that and it wouldn't impose a hardship on anyone and would make us competitive.

Mr. Luttjohann said his suggestion was not forgotten. The attorney in California who wrote the state code to allow that assessment was his good friend and had made himself available to our city staff on it. He added that this idea met all the requirements of the state statutes.

Mr. Hendry said they should also kick start night life with a dime a drink which would provide income to musicians and give another reason for people to come here and provide a safe environment with expanded bus service.

Mr. Hendry thought self-assessment would be good. It would be another revenue source for CVB. He noted that Austin has provided health care for all musicians through an assessment.

Mr. Luttjohann said they had a vacant sales director position and he provided HR with a revised job description. He would post it in relevant places. It was a fully exempt position. He was keeping the third position open but didn't anticipate filling it this year. The new Financial Analyst would begin March 17 and would manage Lodgers Tax data, processing payments, commissions, rebates, recording of payments to grantees, Arts Commission, bandstand concerts and Fiesta contracts. He noted that they had been the only part of the city without a financial analyst position. It would be a management level position and he would attend these meetings. That would enable OTAB to provide oversight on finances and see the comparison with budget each month. The Analyst would also enable forecasting.

Mr. Margetson said if the Board could get the budget and the finance report it would help the Board do its job. Mr. Luttjohann agreed to do it.

Mr. Margetson asked if a board member could be invited to the marketing retreat.

Mr. Luttjohann said they had quarterly destination marketing meetings.

Ms. Delgado said she heard today that the Board wanted to be included in the whole plan of marketing and sales. This was the first time she had been asked for budget information and the second time she had been told to shrink it or keep it flat. She explained that she started the plan in October or November.

Mr. Margetson said he'd like to be involved so he could understand it.

Mr. Luttjohann said the Board could read the rest of his report.

### **III. FINAL REPORT**

#### **a. Santa Fé Independent Film Festival - Jacques Paisner**

Mr. Paisner was now present so the Board returned to this agenda item.

Mr. Paisner shared the statistics from the Film Festival, including that 22% were from out of town, 1,841 guests, 27 states and 29 New Mexico cities. He computed the economic impact at \$406,000 generated for the City. They planned to increase attendance to over 12,000 this year and out of town from 22% to 27%.

He described the ads placed in the Alibi and Santa Fe Reporter. They were featured in three national media, magazines and online as well as various news articles. Their social media was expanding with over 50,000 hits per week.

The Festival had 27 feature films and many short films and attendance grew from 5,000 to 25,000 in six years. It was a great opportunity to bring in young people.

Ms. Bonney excused herself from the meeting at 9:49 a.m.

Mr. Margetson asked about support for Warehouse 21 and Mr. Paisner explained that a portion of the income went to W21.

Mr. Margetson asked if the two events could be combined and Mr. Paisner didn't know if that could happen. Mr. Margetson agreed to work on it and they shared information.

Ms. Delgado said she went to many of their activities and it was a very interesting diverse group of all ages, with some from out of town but attractive to multiple ages.

Mr. Paisner reported their office would be at Jean Cocteau.

Chair Castillo excused himself from the meeting at 9:54 and Mr. Margetson chaired the remainder of the meeting.

### **C. Operations Report – Stephen Trujillo**

Mr. Trujillo introduced himself to the board. He had been here 7 months. He was working on having events run smoother and better organized and to get the physical plant up to par like kitchen equipment that was not working. He was also trying to improve the infrastructure and providing customer service training with staff.

He said he would like to work on capital improvements for the facility. They would soon need to replace carpeting and out of date kitchen equipment.

Mr. Luttjohann said there were maintenance and improvements included in line items in the budget.

Mr. Margetson asked about staff vacancies.



Mr. Trujillo gave the list that included a janitor.

## **B. Marketing Report – Cynthia Delgado**

Ms. Delgado referred to her written reports in the packet. She focused on January rather than December and made comments on each bullet in the 2013 End of Year Results.

They mailed out the Visitor's Guide and said they had been doing a disservice to big sponsors so this one showed a big increase now. Visitors were down at the SFCCC Visitor Centers, in part because now they only counted those coming for information. They had no way to do that for the previous year. The Railyard Visitors Center was only open part of the year. It was a challenge to staff that Visitors Center. There were changes going on there. Staffing was all paid employees.

At the airport, the Great Lakes Airline went away.

She briefly discussed FAM trips and their feedback.

Mr. Hendry suggested using the ski pass for golfing when the snow was not there.

Ms. Delgado talked about the great experience they had with the Mexican FAM. Many of them tweeted while they were here. They were doing a podcast on it today. They had multiple business strategies going. They also raved about ease of getting around because everyone here speaks Spanish.

New Mexico True is working with Region 5 on events with a radio campaign.

She briefly discussed the branding and tag line - A Colorful Journey.

She was working on the final scoring from the CVB Website RFP.

Mr. Margetson was disappointed in the response. He thought they should reissue the RFP.

Mr. Luttjohann announced that after many months of prodding, they had a meeting with City and County managers with Ms. Delgado and him on accomplishing things together. The timing was good because of the Economic Development Plan.

Ms. Delgado said they both agreed that they needed to be on the same page. The County Manager made a commitment to look at all of the contracts and would get with David Griscom and Ms. Delgado to move all of it forward. The Board made comments about the cooperation of both governments.

## **V. MEETING SCHEDULE**

**Next Meeting – March 27, 2014 in City Hall Council Chambers**

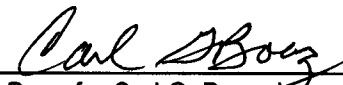
## VI ADJOURNMENT

The meeting was adjourned at 10:43 a.m.

Approved by:

  
Miguel Castillo, Chair

Submitted by:

  
Carl Boaz for Carl G. Boaz, Inc.

 4.3.14