

**SUMMARY INDEX**  
**CITY OF SANTA FE**  
**Occupancy Tax Advisory Board**  
**July 30, 2015**

<b>ITEM</b>	<b>ACTION TAKEN</b>	<b>PAGE(S)</b>
I. Procedures		
a. Call to Order	Quorum present	
b. Approval of Agenda	Approved as presented	1
c. Approval of Minutes - March 26, 2014	Approved as presented	2
II. LODGERS TAX UPDATE		
a. Lodgers' Tax Update	Report by Randy Randall	3-4
III. CVB ACTIVITY REPORTS		
a. Sales Report – David Carr	Reported by David Carr	4-5
b. Marketing Report - Cynthia Delgado	Reported by Cynthia Delgado	5-6
c. Executive Director Report - Randy Randall	Reported	6-8
IV. Currents New Media Report for Grant Funding	Reported	2
V. Other Matters by the Board	None	8
VI. ADJOURNMENT	Adjourned at 4:39 p.m.	8

**MINUTES OF THE**  
**CITY OF SANTA FÉ**  
**OCCUPANCY TAX ADVISORY BOARD**

July 30, 2015  
3:00 p.m.

**I. PROCEDURES**

**a. CALL TO ORDER**

A regular meeting of the City of Occupancy Tax Advisory Board was called to order by Chair Paul Margetson on this date at approximately 3:00 p.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:**

Paul Margetson, Chair  
Victoria Bruneni  
Al Lucero  
Elizabeth Pettus

**Members Absent:**

David Griscom [excused]  
Jon Hendry

**Staff Present:**

Randy Randall, Executive Director  
Cynthia Delgado, Marketing Director  
David Carr, Sales Director

**Others Present:**

Carl Boaz, Stenographer

**b. APPROVAL OF AGENDA**

Mr. Randall asked the Board to move item IV up to be the next item.

**Member Pettus moved to approve the agenda as amended. Member Bruneni seconded the motion and it passed by unanimous voice vote.**

#### IV. CURRENTS NEW MEDIA REPORT FOR GRANT FUNDING

Frank Ragano and Mariana Amster presented their grant funding report. Mr. Ragano said this is their sixth year. It was a City-wide event with the main exhibit at El Museo. The event was filled with video and opening outside on Friday and Saturday. On opening night they had 2,200 people and over the weekend, 3013 people and overall they had 6,200 visitors with lots of families and young people.

Mr. Ragano showed a video of opening night. They provided a lot of interactive work – video performances; pop-up performances that were hard to explain unless you could see it.

The printed report handout provided the statistics for the event. [A copy of the report is attached to these minutes as Exhibit A.]

They hired two young women to do surveys on the opening weekend. They are slowly shifting out of print media to social media and our website. Last year they did an 80 page catalog and this year it is all on line. They are thinking of having everything for visitors on I Pad.

Ms. Delgado said motion TV was an event in Albuquerque - a fairly high end television FX type event. They decided to move it this year to Santa Fé. It was not a huge conference, about 100 people who are into digital marketing and content and told her they were coming because of Currents. It is an important element.

Ms. Amster said there was another conference on digital preservation and 27 people came in from museums all over the country including the Smithsonian. It is just another way to spread the word about Santa Fé. Mr. Ragano added that they are planning to return next year as a conference annually.

Member Lucero asked what the significance of the magnifying glass is.

Mr. Ragano explained that the four small flat screens appeared only white until looking through the magnifying glass and could explore various parts of the video. Ms. Amster added that it was done by a student artist from SFUAD. That will be on the website in the future.

Chair Margetson congratulated them on a very successful event. He asked if this was the last year for OTAB grant eligibility.

Mr. Ragano said they have to choose between OTAB and the Arts Commission but he thought they wouldn't be solid financially until their tenth year.

#### **c. APPROVAL OF MINUTES - March 26, 2015 (June 25, 2015)**

Mr. Randall said this is really for the June 25, 2015 meeting.

**Member Lucero moved to approve the June 25, 2015 meeting minutes as submitted. Member Bruneni seconded the motion and it passed by unanimous voice vote.**

## II. LODGERS TAX UPDATE

### a. Update – Randy Randall

Mr. Randall had a complete report for fiscal year. [A copy of the Lodgers Tax Update is attached to these minutes as Exhibit B.]

He noted that May was up 3.98% but still left the year with 10% over last year at \$9,071,000 which also supported Tourism's \$9 million budget.

The Rocky Mountain Report (attached as Exhibit C) was for June. It doesn't show the month to month change but showed a 1.3% increase in occupancy. It also broke out the statistics by downtown, Cerrillos Road, and periphery.

Next was the Star Report (attached as Exhibit D) that indicates stronger improvement in occupancy. 54.2 to 57.2 YTD overall. And 25 cents in rate. The Star Report listed the lodging properties included in the report. Mr. Randall commented briefly on the rates and his analysis is that the business is getting spread out further. 12 month numbers were up 2.3% in occupancy.

The last report is City GRT collections. [A copy is attached to these minutes as Exhibit E.]. Those collections were reflecting through May (2 months behind). Accommodations as shown on page two were up \$190,000 - a 20% improvement. He indicated that GRT is a much stronger increase than Lodgers Tax.

Member Lucero asked how they were able to get the various categories in GRT.

Mr. Randall said the category is set up by the State TRD. The breakout means that Food and Lodging can't be separated. This would indicate that food was the primary growth.

Member Lucero asked if it has receivables included.

Mr. Randall said it is on a cash basis. He explained the penalties and interest that are charged.

Member Lucero explained that he asked about it because liquor licenses are renewable on July 1 and requires the establishment to be current on their GRT reporting and payments.

Mr. Randall said the loss from short-term rentals is significant.

Member Lucero said he talked with Kokopelli and knew that they collect taxes.

Mr. Randall clarified that Kokopelli and Casas de Santa Fe both report under Lodger's Tax and there are others that report under Short Term Rentals. At least they are reporting and paying.

Chair Margetson was sad to see all the poor numbers for June and July.

Mr. Carr reported they received three quotes from software companies for the database. He briefly explained the difficulties of the present software. They are looking for new software to report more accurately. Some of the numbers are skewed here. He said he planned to have future years and convention calendar at next meeting.

He reported that the east coast is a little slow but local marketing has done very well. He has been seeing more leads coming in and they sent out as many leads so far as all of 2012. 2016 is looking good.

Chair Margetson asked the result from GMC that he mentioned last time.

Mr. Carr said he is just waiting to hear back if it something they will consider. He is still working it actively. He also just got confirmation on meteorological conference for 3,600 bed nights and is definite.

Mr. Randall said that is for 700-800 rooms in July 10-16, 2017.

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

Ms. Delgado presented the marketing report. [A copy is attached to these minutes as Exhibit G.]

Ms. Delgado reported in looking at social media statistics, quarter after quarter, and seeing continual interest on all channels. Social media coordinator, Fred Cordero is busy working on enhancing our measurements.

Mr. Cordero also writes our blog and that is increasing. The database is now about 70,000 and we will be contacting them about the blog. Local businesses share our blog. This year we did Great Ladies of Santa Fé and featured restaurants - Tia Sofia's, Georgia's, Julie. The website numbers are a little bit down.

Ms. Delgado presented more details in her landscape oriented report (attached to the minutes as Exhibit H.) Tracking was done by TKO that sent us traffic and NM.org is also down. They don't get a lot from MDT. Or [www.SantaFe.org](http://www.SantaFe.org). Mr. Cordero is now directly linking our website. Pages per visit are down a little but stabilized. We are making sure the can stop the downward trend. Our open rate is still above national numbers. And the industry business and partner business continues to stay at the high 30% rate.

She made comments about coverage from other newspapers and reported that the Lifestyle editor for the Dallas Morning News who loved Santa Fé is leaving. Accolades are staying strong from Popular Photography and Movie Magazine. The film industry does get impacted by the festivals and Current.

She met with three writers and two publications on the visit to Charleston.

Chair Margetson said he had experience some frustration with the new ad agency and asked where they stand on that.

Ms. Delgado said they have a media plan approved by Tourism Santa Fe. It needs new photography. They are kicking off the video shoot this weekend. She will quickly turn around those assets and placements. For digital advertising, we are working with sales in a campaign to link them with Santa Fe assets.

Chair Margetson asked if the Board has seen the placements.

Ms. Delgado said that will be part of the July report.

Mr. Randall said he would send it out by the end of the week.

### **c. Executive Director Report – Randy Randall**

Mr. Randall said the budget is in place, so it is now a \$900,000 plan. He went to Charleston and Savannah with Ms. Delgado and Chair Margetson (who paid his own way). It was a very valuable trip and they gained an understanding of their marketplace.

Greater Charleston has 700,000 population and has more air traffic than the Albuquerque airport. South Carolina takes all marketing dollars and allocations them back to local destinations. So Charleston gets a large amount. There is a Jobs Task Force going throughout the state and Tourism is supposed to generate jobs. Statewide, we are on track but if we continue to market the same way, we can't expect different results. There is a resistance to promoting the best parts of New Mexico.

He asked for the Board's opinion on an idea for raising a \$1 million at \$1/room to be matched at 50% by the State.

He agreed to send the report out as well as items from their trip to Charleston.

Chair Margetson pointed out that there are 10 flights between New York City and Charleston each day. So Santa Fe is lucky to be in the top 5 destinations.

He asked if the State is allowed to give the match to cities.

Mr. Randall agreed.

Member Pettus said if Santa Fé wanted to do it, the Downtown Merchants Association spends as much money as the state. We could do that.

Mr. Randall said it would be a marketing coop with memberships for retail, hotels and restaurants and could achieve the goal.

Charleston spends more in advertising than all of New Mexico. There is a sense of cooperation in Charleston. It is a benefit for them. He agreed to send the report. He added that he is working with the airlines proactively to keep them operating here. The negotiation includes Taos Ski Valley.

Mr. Randall said it was probably \$1.5 million with about a third flowing back to the City and \$1 million in Lodgers Tax. The loop hole precludes us from collecting it.

Member Lucero asked about a possible sting operation.

Mr. Randall said that's how they found the 570 rooms. The problem is that there is no enforcement. The City doesn't want to put those people out of business. The Council doesn't want to expand the number beyond 350 to not cause them to be expanded but they are already there.

Member Pettus said over the years, she has tried to get them to enforce fraudulent sales. There is no appetite at City Council. So doing it at the state is appropriate.

Mr. Randall pointed out that the tax doesn't cost the owner any money.

Mr. Randall announced that on August 26 they plan to have a lodgers' meeting as the Visitors Guide comes out and have a roll out on advertising followed by a reception at the Community Gallery. That is the- day before our next meeting.

Chair Margetson asked where the film commissioner project is going.

Mr. Randall said the City Manager suggested to renew the contract for film liaison.

## V. OTHER MATTERS BY THE BOARD

There were no other matters from the Board.

## VI ADJOURNMENT

**Member Lucero moved to adjourn the meeting. Member Bruneni seconded the motion and it passed by unanimous voice vote.**

The meeting was adjourned at 4:37 p.m.

Approved by:

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Paul Margetson, Chair

Submitted by:

  
Carl Boaz for Carl G. Boaz, Inc